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# Acquisition of land during the Canterbury Earthquake Recovery

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# Impact on land



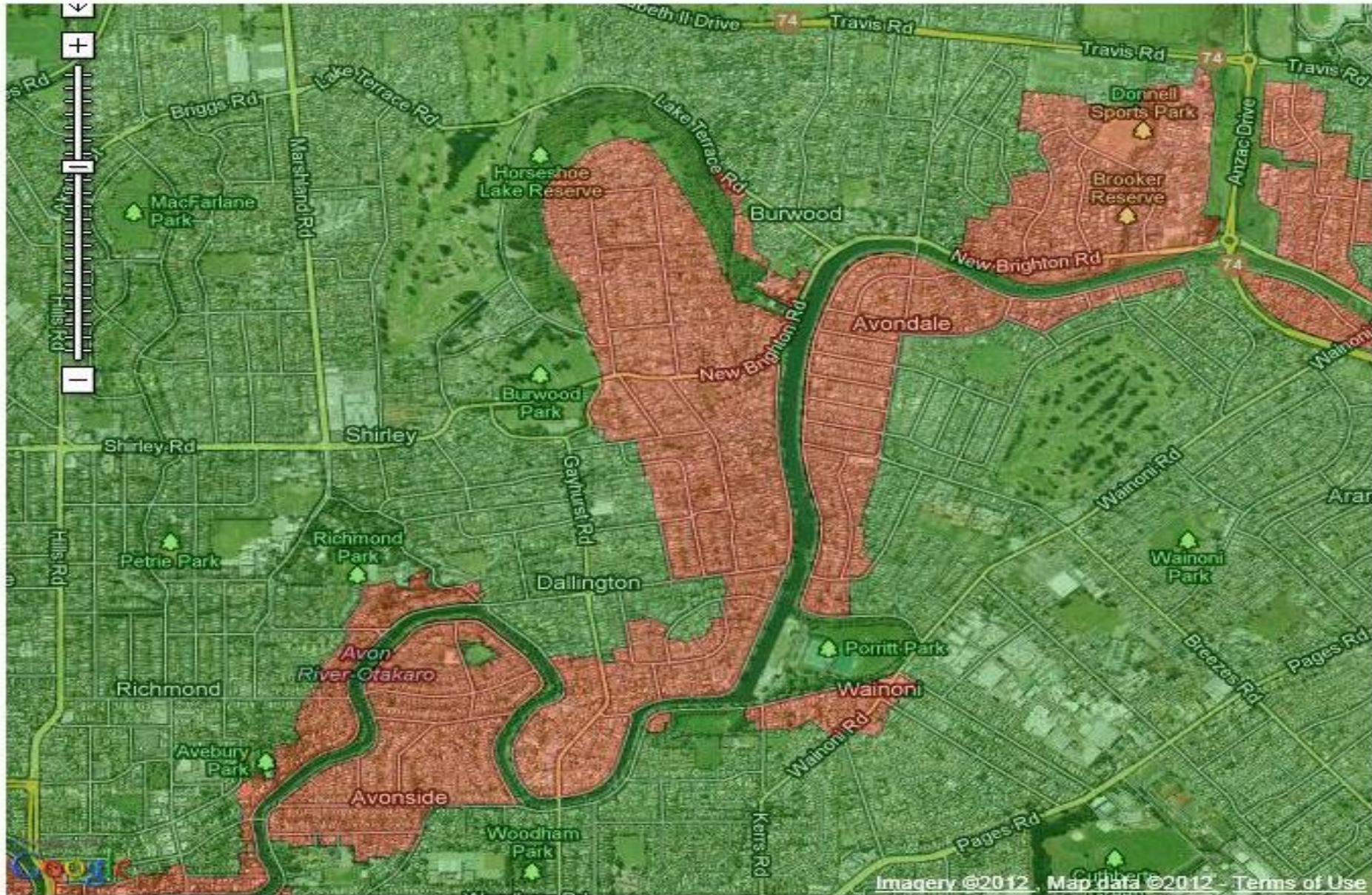
# Red Zones

- Criteria for defining areas as red zone were:
  - Significant area wide land damage;
  - Engineering works uncertain in design, success and commencement; and
  - Repairs disruptive and protracted for owners
- In the Port Hills, threats of rockfalls and land stability also existed.









# Government Purchase offer

- Offer to purchase insured residential properties
- Value of offer based on mass appraisal Rating Valuations dated **1 August 2007**
- NZ Rating Valuations are assessed using a market value definition for both Capital Value and Land Value

# Offer Options

- Two options:
  - **Option A** – take Capital Value OR;
  - **Option B** – take Land Value + Private Insurance
- If anyone chose to decline offer they would need to understand that:
  - Insuring properties in future would be difficult
  - Infrastructure may not be supported
  - Government reserved option for compulsory acquisition

# Current status

- 98% of owners accepted the offer.
- Most took Option B – Land value + insurance
- Approximately NZD\$1.5bn (€0.9bn) spent on land acquisition to date





# Non-insured properties

- Offers made to owners of non-insured or commercial properties and vacant land
- Offer at 50% of land value
- Following Court action new offer made following **Residential Red Zone Offer Recovery Plan**

# Central Business District

- The Central Business District heavily damaged
- Projects developed to encourage redevelopment (Anchor Projects)
- Assembly of land for Anchor Projects ongoing, including compulsory acquisition



# Anchor Project – Justice & Emergency Services Precinct



# Conclusion

- Acquisition process is ongoing
- Government intervention in land market
- Benefit of having market assessed rating valuations for all properties in NZ
- Impacts on owners could be traumatic and need to be recognised

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Thank you

