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
Thank you