

**BEFORE THE CHRISTCHURCH DISTRICT PLAN  
INDEPENDENT HEARINGS PANEL**

**IN THE MATTER OF**      The Resource Management Act 1991

**AND**

**IN THE MATTER OF**      The Canterbury Earthquake (Christchurch  
Replacement District Plan) Order 2014

**AND**

**IN THE MATTER OF**      The Proposed Christchurch Replacement District  
Plan – Commercial Proposal (North Halswell Key  
Activity Centre)

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**STATEMENT OF EVIDENCE OF SIMON GEORGE MORTLOCK  
ON BEHALF OF DANNE MORA HOLDINGS LIMITED (1134)**

## STATEMENT OF EVIDENCE

### 1 Introduction

1.1 My full name is Simon George Mortlock. I am a Director of and legal adviser to Spreydon Lodge Limited ("Spreydon Lodge") and Danne Mora Holdings Limited ("Danne Mora"). I have been a Director since 1999.

1.2 I hold a Bachelor of Law and a Bachelor of Commerce, majoring in Accountancy and Economics from the University of Canterbury. I have 40 years' experience as a partner in legal practice, practising in corporate and commercial banking, corporate and commercial law, trusts, securities and investment law and property development.

1.3 My experience relevant to this evidence includes:

- (i) Providing legal services that included acting in an advisory role in residential property development for a number of clients in Christchurch, Auckland and Whangarei including for Danne Mora;
- (ii) Being involved in all aspects of the development proposal for North Halswell residential development and now commercial centre;
- (iii) Instructing a range of consultants on such matters as property valuation, property sales and marketing, engineers, geotech, quantity surveyors, traffic and last but certainly not least urban designers;
- (iv) Advising and preparing reports on the delivery of affordable housing for Philanthropy Trusts in Auckland and Christchurch;
- (v) Being a Trustee of the Wayne Francis Charitable Trust, a Trust whose principal objective is to serve the interest of young people, to the age of 25.

2 Spreydon Lodge currently owns 71 hectares of land situated at Halswell Road, Christchurch, where it previously operated a Standardbred racing and breeding stables.

3 Danne Mora is a land development company undertaking large residential developments in Auckland (Manukau, Albany, Silverdale, Orewa) and Whangarei, in a joint venture trading under the name WFH Properties Limited. Its joint

venture partners are the Wayne Francis Charitable Trust and Fulton Hogan. Danne Mora's sister companies, Westmorland Nominees Limited, and Worsley Farm Limited and the Estate of Wayne Francis, undertake large residential developments in Christchurch.

- 4 Spreydon Lodge and Danne Mora are wholly owned by the Estate of W J Francis and Trusts established prior to Wayne Francis death in 1999. The Wayne Francis Charitable Trust, partner in the Auckland developments, is involved with a number of local and national initiatives designed to foster the development of our young people.
- 5 The Trust has contributed significant funds over many years in carrying out its objectives. It seeks to extend its involvement into Affordable Housing for young first homebuyers; the Trust taking the view Affordable Housing is a key ingredient of a healthy community.

#### **Involvement with development within the North Halswell ODP Area**

- 6 From experience learned over more than 20 years of large scale residential development, Danne Mora has recognised the need:
  - a. To engage professionals with specialities, skill sets and experience capable of delivering the Company's objectives;
  - b. To work with all the major building companies and smaller building companies in delivering thousands of homes;
  - c. To be commercially prudent having a significant capital base from successful land development that ensures it has the financial capacity to perform; and
  - d. To have a strong social ethos to serve and meet community expectations in building strong communities.
- 7 In late 2011 Danne Mora set out to design, construct and have built a residential and commercial development. Danne Mora wanted to create a new neighbourhood based on the principles of good urban design and follow best practice development standards and outcomes. Danne Mora instructed Common Ground Studios (Mr James Lunday) and a range of consultants dealing with infrastructure, stormwater, geotech and traffic to deliver a quality development.

- 8 Early in the process Danne Mora decided to deliver affordable housing as part of its development. This aspect of the development has been approved by the Panel.
- 9 During the initial stages Danne Mora designed an outline development plan that encompassed all land within the boundaries, Halswell Road, Hendersons Road, Sparks Road and Milnes Road. This was approached as a private plan change (PC68). Subsequently Council agreed to adopt the plan change as its own and consulted with all property owners within the ODP.
- 10 Initially the KAC was not located within the ODP as Council preferred their then existing KAC site. Danne Mora's consultants proposed a shopping precinct to replace the then KAC location. Subsequently Council instructed Property Economics to advise on the need for a larger KAC than could be accommodated in the then existing KAC.
- 11 Throughout this process Danne Mora's objective was to design the ODP following best practice and solely on that basis, the location, size and design of the KAC, be determined.
- 12 Danne Mora instructed its consultants as to its underlying assumptions and objectives:

A. Assumptions

- i. The KAC would likely be built in stages over a period of 20+ years;
- ii. Each stage would depend upon the take-up of new business premises, which in turn would be dependent upon demand for retail and other services increasing over time as the population of South West Christchurch increased;
- iii. There would be a need at each stage to achieve critical mass to support retail activity recognising each business does not operate in isolation;
- iv. The growth in the KAC and the growth in the sale of residential properties within the overall ODP went hand in hand, each dependant on the other to a degree.

B. Objectives:

- i. The KAC at each stage needed to achieve commercial viability, for the developer, the Property Investor and the businesses located there;
- ii. Advantage could be taken of the opportunity of the KAC starting from a blank canvas such that it meet the expectations of the Community within which it was located for retail services, good urban design and strong community outcomes and support;
- iii. It needed to compliment and support the new urban design approach demonstrated in the Exemplar Housing zone which includes increased residential densities and affordable housing all within a quality public environment;
- iv. The Trust wanted to retain involvement in its part of the KAC project as part of its long term strategy.

13 The Directors of Danne Mora recognise there are challenges in developing what is essentially a new retail environment. Over the last three years we have taken expert advice on:

- a. The changing attitudes to the size of residential properties in order to achieve greater affordability – down size;
- b. A recognition that to do so you need to improve the quality of the public environment including the use and location of greenspace and retail centres;
- c. A recognition Malls do not necessarily meet community expectation;
- d. Experience overseas in establishing new shopping centres in Sydney and Melbourne and in other locations in United States and South Africa;
- e. The increasing use of internet sales reducing the need for large bulk retail stores;
- f. The shopping experience becoming a leisure pursuit.

14 The Directors expectations and understandings:

- 14.1 Large format Retail in the form of supermarkets and department stores, fit within the mix, although the centre's function is not to be a Large Format

Retail Park. There will likely be a need for four such stores over the life of the development;

14.2 There should not be a rush to populate all the land available and compromise the remainder of the KAC, the recovery of the CBD and the future of the KAC as it grows over the next two decades;

14.3 While in the first stage of the development it is unlikely you will have parking buildings with two to four levels, over the life of the KAC, they will become an important part of the mix in providing parking for commercial, retail and residential properties within the KAC.

15 The KAC needs to provide for business and consumer needs beyond the proposed District Plan and possibly two Plans beyond that. In the meantime, Danne efficient utilisation of spare capacity within the proposed KAC can be accommodated by a range of uses, including:

- a. Apartment building with ground floor retaining the ability to include retail by a stud height of 3.5 metres and located on sites such that they can readily form part of the retail scene;
- b. The possible use for community allotments;
- c. Additional carparking and greenspace pending their alternate use.

16 An important part of Danne Mora's vision for the development mix within the KAC will be the delivery of housing apartments on first and in some instances second level above retail and other commercial premises together with apartment buildings on the peripheral of the KAC. These should not be located on the border of carparks, in and around big box retail, or in close proximity to Halswell Road. We need to include residential apartments within the heart of the KAC. We expect this will achieve a number of outcomes:

- a. Improve the commercial viability of the KAC, both from a development and a business perspective;
- b. Improve the level of oversight and security within the KAC;
- c. Create a residential environment within the town centre;

- d. Achieve a greater level of housing affordability, with one and two bedroom small apartments, suitable for first home buyers (leasehold interest) and/or the rental market.

- 17 Backed by the significant resources of the Trust, the Danne Mora Board has every intention of pursuing its objective in the establishment of a KAC largely based upon the principles and designs proposed by its urban designers, Common Ground Studios. Having said that, the Board recognises the Panel may not necessarily want to rely on such intentions when determining practical matters such as the size of land required for a Key Activity Centre. Danne Mora therefore supports an ODP that can be sufficiently flexible and adaptable to provide for the design we contemplate, or any variation thereof which is attractive to the market.
- 18 Based on the aforementioned and best advice available, the Board of Danne Mora is confident the KAC as proposed by it can be delivered to achieve the objectives of Council and residents.

Simon Mortlock

24 April 2015