

Acquisition of land during the Canterbury Earthquake Recovery

Craig HARRIS, New Zealand

Key words: Christchurch earthquakes, land acquisition, compulsory acquisition, valuation

SUMMARY

The earthquakes in Canterbury, New Zealand of 2010 and 2011 caused serious disruption to the communities of greater Christchurch and damaged significant areas of land. Some areas of land were so badly affected that the government determined that they could not be rebuilt on in the medium-term. To address the impact on the community the government offered to purchase properties in those most adversely affected areas, commonly known as residential red zones. This was a unique acquisition programme, the most significant in terms of scale and number of owners affected, in the country's history. It also posed unique challenges, particularly in balancing the need to create a fair but timely process, and in assessing the most appropriate and effective way of determining purchase price. Existing legal powers and processes were not conducive to such a significant acquisition programme.

This paper summarises how this acquisition process was developed and implemented, identifying the issues that arose during the purchases and also some of the unresolved issues still to be addressed as part of the rebuild of the greater Christchurch area.

These acquisitions were able to proceed because New Zealand had a rating valuation system, based on mass appraisal and computer modelling, which enabled land values to be approximated. This provided a basis for decision-making on individual properties in a practical manner. It is highly likely that had this system not been in place that the acquisition of individual properties would have been further prolonged, potentially impractical, making it difficult to address the consequences of creating the residential red zones.

The work in the greater Christchurch area is continuing and the residential red zones are now significant areas of land within the city that will require long-term management, at least until future use decisions are made.

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1. INTRODUCTION

The earthquakes in the greater Christchurch area of Canterbury, New Zealand, consisted of two major events – the initial earthquake in September 2010 and a significant aftershock in 2011 – and hundreds of other aftershocks and land movement that have occurred right up until 2016.

These seismic events caused serious disruption to the communities of greater Christchurch and damaged significant areas of land. In some areas, the New Zealand government determined that rebuilding could leave landowners facing lengthy disruption that could go on for years. Such wide scale land repair would take a considerable period of time and result in ongoing social dislocation, which would have major impacts on schooling, transport and employment for whole communities.

The New Zealand Government began a process to offer to purchase properties in those most adversely affected areas, commonly known as residential red zones. This was a unique acquisition programme, the most significant in terms of scale and number of owners affected, in the country's history. It also posed unique challenges, particularly in balancing the need to create a fair but timely process, and in assessing the most appropriate and effective way of determining purchase price.

This paper summarises how this acquisition process was developed and implemented, identifying the issues that arose during the purchases and also some of the unresolved issues still to be addressed as part of the rebuild of the greater Christchurch area.

2. 2010 AND 2011 CANTERBURY EARTHQUAKES

The first earthquake occurred at 4.30 am on 4 September 2010 had a movement magnitude of 7.1 and was centred 40 kilometres west of Christchurch. It was relatively shallow and felt widely across the South Island. The earthquake caused widespread damage, including falling masonry from older buildings. However, there was no loss of life, few serious casualties. The cost of damage was estimated to be at around NZD\$4 billion (approximately €2.4 billion).

A major aftershock struck at 12.51pm on 22 February 2011, with a magnitude of 6.3. This caused significantly more damage and fatalities. The epicentre of this event was closer to the city, near the port of Lyttleton, 10 kilometres south-east of Christchurch's central business district. This earthquake killed 185 people and injured several thousand people. More than 110 people were killed in the collapse of two buildings, while others were killed by falling masonry.

3. IMPACTS

Acquisition of land during the Canterbury Earthquake Recovery (8093)
Craig Harris (New Zealand)

FIG Working Week 2016
Recovery from Disaster
Christchurch, New Zealand, May 2–6, 2016

Damage from the 22 February 2011 earthquake was far more severe. This was due to a range of factors; the proximity and depth of the event (which meant that a greater amount of energy from the seismic event was released into the city), the time of the day, when more people were on the streets, and the fact that many buildings had already been weakened by the September 2010 earthquake and the four months of aftershocks that followed.

Over 100,000 houses, over half of Christchurch's housing stock, was damaged by the earthquakes. Two-thirds of businesses in the Christchurch central business district were displaced due to building damage, and more than 1,200 buildings, a quarter of the buildings, in this area had to be demolished, including the city's tallest building. Buildings in the port of Lyttleton were also significantly damaged.

In excess of 120,000 insurance claims were made to the Earthquake Commission (EQC) for significant damage. EQC maintains a government insurance fund which provides natural disaster insurance cover for residential homes, land and contents. Residential homeowners have this cover if they have private insurance policies for their home that includes fire insurance. However, some residents in the badly affected areas did not have private insurance policies, so were not covered by the EQC fund.

Residential areas in the east of the city had been built on a drained swamp. The lateral movement of the earthquake also cracked and undermined house foundations. This was combined with liquefaction – shaking that causes layers of sand and silt to behave more like a liquid than a solid – which inundated houses with silt, along with water and sewage from pipes that had been cracked by movement in the land. It was estimated that this caused upwelling of over 200,000 tonnes of silt across the city. This is considered to be one of the worst liquefaction events ever recorded during an earthquake in an urban area.

In the residential areas of the Port Hills, the earthquakes caused rock cliffs to collapse and dislodged tons of rubble that posed significant risks to houses below. Residential areas had to be evacuated due to the risk of falling boulders from higher elevations.

A series of subsequent aftershocks followed. In particular, earthquakes in June and December 2011 caused further damage both to properties in the residential areas and central business district.

4. GOVERNMENT RESPONSE

4.1 Creation of CERA

Immediately after the 22 February 2011 earthquake, a state of National Emergency was declared. Rescue efforts throughout the city were undertaken. Access to the central business district was controlled by a police and military operated cordon. This cordon reduced in size as buildings were demolished and areas made safe for public access.

Following the initial emergency response, the New Zealand government established the Canterbury Earthquake Recovery Authority (CERA) to coordinate recovery and rebuilding operations. It had five main functions, as set out in its governing legislation:¹

1. enable a focused, timely and expedited recovery of greater Christchurch,
2. enable community participation in the planning of the recovery of greater Christchurch,
3. enable information to be gathered about any land, structure or infrastructure affected by the Canterbury earthquakes,
4. facilitate, coordinate and direct the planning, rebuilding and recovery of affected communities in greater Christchurch, including the repair and rebuilding of land, infrastructure and other property, and
5. restore the social, economic, cultural and environmental wellbeing of greater Christchurch communities.

This legislation provided wide-ranging powers, including:

- requiring local government to act as directed,
- amending or overriding existing planning documents and regulatory requirements,
- closing or otherwise restricting access to roads and other geographical areas,
- demolishing buildings,
- requiring compliance with any directions made under the Act, and
- setting out a streamlined land acquisition process (see below).

These emergency powers were introduced to ensure that normal legal procedures that would impede recovery of the city could be waived as required. However, this legislation was limited to five years, and expired in early 2016.

CERA had the lead role in the recovery efforts, but worked in collaboration with local government, business, insurers, other central agencies and community groups, as well as the local Māori tribal group, Te Rūnanga o Ngāi Tahu.²

4.2 Land Assessment and Zoning

Part of this work involved identifying which land in Christchurch City and the neighbouring Waimakariri District was so adversely affected by the earthquakes that further intervention was required. This included obtaining detailed engineering advice on the state of residential land and how it could be redeveloped.

These investigations were city wide, assessing the damage to all parts of Christchurch city and the neighbouring districts. The investigations focused on two main categories – flat residential land, and the elevated residential areas in the Port Hills in the east of Christchurch city.

¹ Section 3 of the Canterbury Earthquake Recovery Act 2011 (CER Act).

² Māori are the indigenous people of New Zealand.

This resulted in a range of zones created for the residential areas. Initially there were four ratings (red, green, white and orange). The last two categories were interim ratings while further investigations into geotechnical issues were undertaken. These have eventually been superseded as assessments were completed and all properties were placed into green or red zones.

Green zone areas are those which are generally considered to be suitable for residential construction. While buildings on green zone land may have had to be demolished due to structural issues, it was considered that there were no significant issues that prevented rebuilding on the land.

Some of the land in residential areas was so badly damaged by the earthquakes that it was considered unlikely that owners could rebuild on the land for a considerable period of time. For flat-land areas, this included area-wide land and infrastructure damage that could not be rectified without extensive engineering work. The success of this work also could not be guaranteed, given continuing seismic activity, could be uneconomic, and any repair would be disruptive and protracted for landowners.

In the Port Hills there were additional factors to consider. There was immediate risk to life from cliff collapse or rock rolling from higher elevations, and the remediation to prevent this occurring was either not practicable or difficult to undertake and maintain.

These residential areas were subsequently zoned red. The government decided that properties in these areas could not be rebuilt on. This encompassed around six square kilometres of land around the Christchurch and neighbouring areas. Much of the flat land residential red zone area follows the Avon River running through Christchurch. This is the area of greatest liquefaction from the earthquakes.

The first decisions on land zones were announced in June 2011. By the end of that year, more than 180,000 properties had been zoned green and approximately 7,500 properties were included in residential red zones in flat land areas. Due to the risks posed in the Port Hills areas, it took longer to determine all of the zoning. It was not until December 2013 that final announcements were made. 700 properties were included in red zones in the Port Hills.

5. RESIDENTIAL RED ZONE PURCHASES

Homeowners in the residential red zone faced lengthy disruption that could go on for years. Such wide scale land repair would take a considerable period of time and result in ongoing social dislocation, which would have major impacts on schooling, transport and employment for whole communities.

In order to provide certainty to owners of such land, to enable them to move on, government decided to offer to buy all homes within the red zones. The scale of this offer would be, in terms of individual properties, the single largest government acquisition process in New Zealand's history.

Acquisition of land during the Canterbury Earthquake Recovery (8093)
Craig Harris (New Zealand)

FIG Working Week 2016
Recovery from Disaster
Christchurch, New Zealand, May 2–6, 2016

It is important to note that the acquisitions were intended to aid the recovery effort in these effected areas; the government did not have any particular purpose to put the land to once it had been acquired. These decisions would be made after the purchase programme had been undertaken.

The initial question was how to achieve an acquisition process on such a large scale?

5.1 Effectiveness of existing government acquisition processes

As a parliamentary democracy, based on concepts of English land law and constitutional monarchy, New Zealand government agencies required defined powers, set out in legislation passed by Parliament, to purchase property. The main legislation at the time was the Public Works Act 1981 (“Public Works Act”), which enables government agencies to purchase land for public services, such as roads, schools or sewage works. This legislation sets out a compensation regime for owners of land required for these works, as well as authorising and defining how land could be taken by compulsory acquisition where agreement cannot be reached.

These land acquisition processes can be long, with a requirement for negotiation with individual landowners and a detail compensation assessment process. In practice for the government, this work is carried out by contractors, who seek approval to the agreements negotiated with owners. In addition, the need for the land must be proven and any compulsory acquisition can be tested in the courts. While enabling land to be acquired for government actions, the Public Works Act was not intended to cover emergency situations such as earthquake recovery.

It was realized early on that these process could have proven unworkable given the number of affected properties within the red zones. Negotiating with nearly 8,000 owners individually would have required a large number of negotiators working for the government, and prolonged resolution for individuals. If compulsory acquisition was necessary, it could take up to two years for an acquisition to be completed. In addition, there was doubt whether the reason the land was being acquired, for earthquake recovery, would have easily fit within the legal framework under the Public Works Act.

5.2 Bespoke process developed

Instead, unique powers were set out in the Canterbury Earthquake Recovery Act 2011. This enabled the relevant Minister to acquire land by agreement with owners or through compulsory acquisition.

The Act included a process for compulsory acquisition which was based on a streamlined version of that set out in the Public Works Act. In particular, unlike the Public Works Act, there was no right to object to a court to the compulsory acquisition after the Minister had issued a notice of intention to take the property. The compulsory acquisition can proceed without any claim for compensation being resolved.

In terms of compensation for compulsory acquisitions, the Minister must determine compensation within a reasonable period, having regard to its current market value as determined by a valuation carried out by a registered valuer. As far as practicable, the Minister must determine compensation in accordance with the relevant provisions of Part 5 of the Public Works Act.³ The land can be taken and possession sought before compensation is finalised and paid.

There are some differences with the Public Works Act, including that under the CER Act, the Minister is not required to make an offer of compensation, but rather determine compensation after it has been claimed by the owner.

However, compulsory acquisition for Christchurch was considered to be the final resort. First, the government would offer to purchase residential red zone properties, and seek agreement from the owners to sell. For the residential red zones, offers were made by a formal letter, setting out a written offer to each landowner, providing the terms and conditions of the offer, as well as a formal notice by which the landowner could accept or decline the offer. This was intended to limit the role of contractors and reduce costs to both parties.

Due to the disruption caused by the earthquakes and aftershocks, it was also necessary to locate all affected landowners, some of whom were no longer living in Christchurch. This required a significant amount of investigation work, including contacting owners and obtaining consent and other information from them before an offer was made.

6. HOW TO VALUE RED ZONE PROPERTIES?

The scale of the purchase offer process created issues for how properties could be valued in a quick and efficient manner. With offers required for approximately 8,000 properties it was considered impracticable to employ a valuation professional to value each property individually in an exercise to determine a pre-earthquake value. Following the earthquake there was also not a functioning property market in the residential red zones on which market values could be established.

Fortunately, New Zealand operates a national process of property valuations for setting and apportioning annual local government property taxes - or 'rates' - to fund the provision of local council services. Every three years, a local authority will undertake a mass appraisal valuation process and computer modelling to determine property values for setting these rates. The rating valuations are assessed using a market value definition for both Capital Value and Land Value.

These valuations are undertaken to rules set by the Valuer-General, an independent government statutory officer. At the end of this process, each property has a 'rating value' as an indicative market value of the property. An important limitation was that rating valuations were based on local property sales, not inspections of all properties within the local authority area.

For Christchurch, the last rating valuation appraisals had been completed in 2007. They were scheduled to be updated in 2010, however, this was cancelled following the first earthquake. The

³ section 64(3) of the Canterbury Earthquake Recovery Act 2011.

2007 rating values were therefore the most recent record, on a city-wide basis, of the values of properties.⁴ These figures were publicised and had been notified to each landowner.

The benefit of using the 2007 rating values for the offers was that they pre-dated the earthquakes and could provide a 'damage-free assessment of value. In addition, they also pre-dated the global financial crisis, and were therefore close to the high point of residential property values.

There were disadvantages. Even allowing for the global financial crisis, the 2007 rating values were still three-years old at the time of the first earthquake. Importantly, these were based on a mass appraisal and computer modelling, and did not reflect individual property conditions. While there was a process for owners to object to the 2007 rating valuation when it was set, use of those rating valuations to set rates may have dis-incentivised owners to challenge assessments that they considered were too low.

In addition, these valuations did not provide 2011 current market value, or the value of the land following the earthquakes – rather it is considered to be a reasonable representation of the value of the land (based on the best appraisal) prior to the earthquakes.

The government decided that the 2007 Rating Valuations would be used as the basis of the offer for each property.⁵ There were only limited ability for an owner to challenge these values, and the only exception was where there were factual errors or outstanding building consents that had not been accounted for. This was considered to be the most cost effective, timely and straightforward process to implement for most property owners.

7. OFFERS MADE

7.1 Offers to insured homeowners

Due to the nature of land ownership in New Zealand, most of the owners of residential homes in the red zones held property insurance which covered the house and other structures on the land. When the first zones were announced in June 2011, the government also announced that it would offer to purchase those properties in red zones which were insured. This was intended, in part, to provide certainty to the owners of those properties, whose future rebuild plans were affected by the decision to include their land in a red zone.

From late 2011, the government initiated an offer process for these landowners. The offer provided these landowners with two options:

- The government would purchase the entire property at current rating value, less any built property insurance payments already made, and the government would assume any unresolved insurance claims, excluding the house contents; or

⁴ In the Waimakariri district north of Christchurch, where there were areas of red zoned land, rating valuations had been last set in 2008.

⁵ <http://cera.govt.nz/sites/default/files/common/cabinet-minute-11-27-12-20110718.pdf>

- The government would purchase the land only, and the landowner would continue to deal with their insurer about payments for any homes.

This offer set out the two price options along with the usual terms and conditions including settlement dates and insurance transfer issues. The purchase price under the first option was higher as the government was taking over the benefit of all unresolved insurance claims, including receiving all payments made by EQC for damage to the land and buildings.

Residents were given nine months to decide whether to take up the government's offer to purchase their property. Acceptance of this offer would form a binding contract between the government and the owner. The final amount, less insurance payments already received, would be paid once the owner vacated their property. The government would also provide a 50 percent contribution towards the owners' legal fees, up to a set maximum. No deposit was paid, but the owner could select an early settlement date.⁶

The offer to property owners in the residential red zone was did not involve compulsory acquisition. Those owners who declined the offer retain their property rights. Owners were advised it might be difficult to obtain private insurance for a property in a red zone area, and that there would be little or no future infrastructure or support from the local authority.

7.2 Other red zone land

These offers were only to owners of insured homes in the residential red zones. The offer process did not include vacant, commercial or uninsured properties. There were a number of small commercial properties in the red zones, such corner stores, motels, cafes and other owner-operated services. Uninsured improved properties include those where the owner chose not to insure their property, as well as those who may have been insured at some point but do not meet the requirements to be eligible for the government's offer for insured properties.

In September 2012, the government made an offer to the owners of these properties in the flat land residential areas. These offers were at 50 percent of the land value component, based on the 2007 Rating Valuations. Owners of commercial properties could choose one of two options for their insured improvements.

Offers to those with vacant land or uninsured properties were at a lesser value due to a number of considerations. These included equity with those red zone property owners who had been paying insurance premiums, and not creating disincentives for other owners to insure their properties. In addition, the offer value for commercial land was amended as it was not eligible for land insurance coverage.

8. PROGRESS

⁶ <http://cera.govt.nz/residential-red-zone-offer-recovery-plan/crown-offer>

Acquisition of land during the Canterbury Earthquake Recovery (8093)
Craig Harris (New Zealand)

The first offers were made to landowners of insured properties in August 2011. Of the 7,700 red zone properties eligible for an offer from the government, 97 per cent of owners had accepted an offer to purchase their properties. Most owners took the second option, land value only, while they continued to seek their EQC and private insurance coverage for their home. To date, the government has spent approximately NZD\$1.5 billion (€0.9 billion) acquiring properties in the residential red zones.

There was concern from some of the owners who received offers that as property prices in undamaged areas were rising post-earthquake, that the offers would not provide owners with sufficient funds to purchase comparable replacement homes in Christchurch (particularly as the demand for residential properties had increased post-earthquakes). Concern was also raised about the use of rating valuations as a basis for the offers, as they were based on computer-modelling, did not involve inspections of all properties, and were not intended to be used for purchase purposes.⁷

In addition, there was concern from many of those who owned uninsured, vacant or commercial land in the residential red zones that their offers were treated differently than those for insured properties. This resulted in a legal challenge in 2013 to the government's offer process.

8.1 Legal action taken by affected groups

A group of affected landowners challenged the government's offer for vacant, uninsured and commercial properties through the courts under a judicial review. The lawfulness of the offer of 50 percent of the land value was challenged on the basis that they were not made in accordance with the legislation.

This action was appealed through to New Zealand's highest court, the Supreme Court. The majority decision of the Court in early 2015 was that the government's offer had not been lawfully made.

The Court considered that the provisions of the CER Act had not been correctly applied to the offer, there had been a lack of public input into the offer, and the effects of delays and the difficult living conditions in the red zone should have been taken in to account at the time the offer was made.

In response to the Supreme Court decision, in mid-2015 the government published a draft Residential Red Zone Offer Recovery Plan and undertook public consultation on the proposal. The Plan was intended to "identify five key criteria for determining new Crown offers for all vacant, insured commercial and uninsured improved properties in the flat land and Port Hills residential red zone areas."⁸ These criteria required any offer to account for:

- the health and wellbeing of the affected property owners,
- the insurance status of the properties,

⁷ Sunday Star Times, *Offer to red zone owners a 'disgrace,'* August 2011.

⁸ CERA, *Residential Red Zone Offer Recovery Plan*, July 2015, p 2

- ensuring consistency in the treatment with owners of other red zone or green zone properties,
- ensuring a simple process to enable timely recovery, and
- financial implications for the Crown.

New offers were made to owners of vacant, uninsured or commercial properties in the residential red zones in August 2015. In general these were at 100 percent of the 2007 rating value for the land and buildings, less the value of any insurance payments made.⁹

Some owners of vacant land, commercial property or uninsured properties had already accepted the September 2012 government offer. To ensure consistency, the government offered payments to these owners to reflect the difference in the 2012 offer with the one made to other owners in 2015.

8.2 Compulsory acquisition

To date there has been no compulsory acquisition of properties in the residential red zones. The offers made to owners are intended to obtain as many properties as possible through agreement. Future use of the residential red zone areas is still to be developed (see below), and these decisions will determine whether obtaining any outstanding properties is necessary.

9. ACTIONS ON PURCHASED RESIDENTIAL RED ZONE LAND

Once the government had purchased a residential property, and completed EQC and insurance assessments, it was included in a demolition and clearance programme. The aim was to remove all of the built structures on the land and remove any significant risks. Initially all houses were cleared from a property (to remove hazards and security issues), but leaving other structures and improvements in place, in part to minimise issues of dust etc. Some houses that had suffered minimal damage were relocated to land outside the red zones.

Once a certain area has been cleared of all houses then the other improvements will also be taken away. Eventually other infrastructure, such as underground pipes, roads and cables will be taken away. Finally cleared sites would be sown with grass and fenced, which also helped to minimize maintenance costs.

By October 2015, most of the demolition work has been completed. Further work is required in the Port Hills, particularly due to safety issues with demolition and land stability. As of early 2016, the government owned 520 of the 700 red zoned properties in the Port Hills, but only around 210 houses had been demolished. It is planned for the demolitions and clearance work to be completed by the end of 2018.

⁹ <http://cera.govt.nz/sites/default/files/common/residential-red-zone-purchase-offer-supporting-information-2015-18-17.pdf>

Aside from maintenance of the cleared land, the flat land residential red zone is sparsely used. Most of the maintenance work undertaken is to manage the land until decisions on the future use of the land can be completed.

10. CENTRAL BUSINESS DISTRICT RECOVERY ZONE

In the Christchurch central business district, further actions were required to clear buildings that posed immediate risks to health and safety. This area faced a number of challenges, including pre-earthquake decline in demand due to the global financial crisis and competition from satellite areas, buildings that no longer met the needs of businesses, and low levels of residential use.

The Christchurch Central Recovery Plan was launched in July 2012. It was intended to provide a blueprint for how development of the central business district could occur, including changing to local planning requirements to enable effective and timely development. CERA identified a dozen 'anchor projects' - including a convention centre, combined government justice agency precinct, sports facilities and public transport nexus - intended to spark both private and public development in this area.

These projects required amalgamation of land parcels, as there were insufficient lots of a size needed to house these venues. The recovery Plan designated the sites for these anchor projects.

The acquisition process for these properties was different to that for the residential red zones. CERA, through private sector contractors, contacted each owner to commence negotiations to acquire their properties. The purchase price reached would be as a result of negotiations and reflect the value of land on the date it was acquired (i.e. its post-earthquake market value). These values were assessed following specific valuation advice being obtained for each property.

While these negotiations were underway, CERA commenced the compulsory acquisition process under the legislation. This was in order to secure these properties as quickly as possible. If compulsory acquisition was necessary, compensation would be determined under the legislation. One case where the government sought possession of land has been taken to the courts, which upheld the government's process for acquisition.

Construction of some of these anchor projects has commenced.

11. THE FUTURE

11.1 Future use of the land

Decisions on the future use of the residential red zone land have yet to be made. In the Waimakariri district, north of Christchurch, community engagement on possible future use is currently underway. A preliminary draft Waimakariri Red Zone Recovery Plan was published in February 2016, seeking public comments on the proposals.

The Recovery Plan identifies a number of areas within each red zone area that could be used for different purposes. It found that while remediation was possible to enable intensive scale redevelopment, the presence of natural hazards such as flooding and high cost of the engineering work required meant that it was more feasible for a range of mixed uses for the former residential land. This includes business, commercial, recreation and ecological enhancements, a cemetery, neighbourhood parks and sports grounds and rural use.¹⁰

The plan is subject to approval by the relevant Minister before it is implemented. The Plan will identify the long-term uses of the residential red zone as well as the practical steps necessary to implement these uses, including how ownership, funding and management will be determined. These plans will cover all the land in the residential red zones, including both properties acquired and those still in private ownership

There will not be one single approach for determining these future uses. No decision has yet been made on when future use decisions will be made in Christchurch. A community engagement process will be undertaken to help develop these future use options.

11.2 Operational changes and new legislation

CERA was disestablished as a government department in January 2015 and incorporated into the Department of Prime Minister and Cabinet. Many of CERA's operational functions have been transferred to other government agencies or to local government. The management of the residential red zones passed to Land Information New Zealand.

With the Canterbury Earthquake Recovery Act expiring in mid-2016, new legislation will be promulgated to drive the next stage in the recovery process. The Greater Christchurch Recovery Bill is currently being considered by New Zealand's Parliament.

12. CONCLUSION

The seismic events in Canterbury were unprecedented in their impact on the country. The decision to red zone property required government to address the impact on effected landowners. The existing mechanisms, such as public works legislation, were not able to be easily applied to this situation.

The process developed was able to be implemented primarily because New Zealand had a rating valuation system, based on mass appraisal and computer modelling, which enabled land values to be approximated. It is important to note that while the rating valuation system was not created to be used for property acquisitions, it did provide a basis for decision-making on individual properties in a practical manner. It is highly likely that had this system not been in place that the acquisition of individual properties would have been further prolonged, potentially impractical, making it difficult

¹⁰ Waimakariri District Council, *Preliminary Draft Waimakariri Residential Red Zone Recovery Plan*, February 2016, p 10.

to address the consequences of creating the residential red zones. This would have heightened the impact on individual owners.

The application of the government's offers was open to challenge, particularly in dealing with uninsured properties or vacant land. While the legislative framework was clear, there were questions about how it was applied in respect of these types of properties. This indicates that care is required to identify the objectives of any purchase programme or recovery effort and ensure that decisions regarding that work are completed in accordance with those objectives.

The work in the greater Christchurch area is continuing and the residential red zones are now significant areas of land within the city that will require long-term management, at least until future use decisions are made.

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BIOGRAPHICAL NOTES

I have worked in the Crown property area at the Department of Survey and Land Information and LINZ since 1995, in both operational and regulatory roles. In 1999, I was part of an interagency team charged with reviewing the Public Works Act 1981 and Land Act 1948.

Following a period as advisor to the Minister of Lands, I was appointed manager of LINZ's Crown Property Regulatory team. My business unit administers the key legislation governing how government manages state land in New Zealand. In 2011, my team assisted in the drafting of the land provisions of the Canterbury Earthquake Recovery Act 2011, including the land acquisition powers. In 2012 I was appointed Deputy Commissioner of Crown Lands in addition to my existing

Acquisition of land during the Canterbury Earthquake Recovery (8093)
Craig Harris (New Zealand)

FIG Working Week 2016
Recovery from Disaster
Christchurch, New Zealand, May 2–6, 2016

roles. This role has been expanded to be responsible for capability development programmes in LINZ and across the government's Crown property sector.

CONTACTS

Mr Craig Harris
Land Information New Zealand
155 The Terrace
Wellington
NEW ZEALAND
Tel. +6444600170
Fax +
Email: charris@linz.govt.nz
Web site: www.linz.govt.nz

Acquisition of land during the Canterbury Earthquake Recovery (8093)
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FIG Working Week 2016
Recovery from Disaster
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