

**Application LUC21/0029**

**IN THE MATTER** of the Resource Management Act 1991

**BETWEEN** **TRICROFT PROPERTIES LIMITED**

Applicant

**AND** **ASHBURTON DISTRICT COUNCIL**

Respondent

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**STATEMENT OF EVIDENCE OF CLARK McLEOD**

**Dated 8<sup>TH</sup> September 2021**

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## **INTRODUCTION**

- 1 My full name is **James “Clark” McLeod**, and I am a director and shareholder of McLeod Valuation and consulting Ltd and McLeod Real Estate Ltd, and I reside in Ashburton.

## **QUALIFICATIONS AND EXPERIENCE**

- 2 I am a property valuer and consultant specialising in commercial property at McLeod Valuation and consulting Ltd and a licenced sales person at McLeod Real Estate Ltd.
- 3 My qualifications and experience can be summarised as follows:
  - 3.1 I hold a current Valuer’s Practice Certificate. In 2007 I became a Registered Valuer.
  - 3.2 I am an associate of the Institute of Valuer’s (ANZIV)
  - 3.3 I am a senior member of the Property Institute of New Zealand (SPINZ)
  - 3.4 I am an associate of the Real Estate Institute (AREINZ)
  - 3.5 I hold a Batchelor of Commerce Major in Valuation and Property Management (Lincoln University) Post Graduate in Business (Massey University)
  - 3.6 I am actively involved in Commercial sales and leasing within the Ashburton market.
  - 3.7 I am actively valuing in the Ashburton Commercial property market.
  - 3.8 I have 20 years’ experience and have practiced as a valuer and commercial sales within Ashburton since 2001. This includes my current role as Property Valuer, consultant and licenced salesperson.

## **EXPERT WITNESS CODE OF CONDUCT**

- 4 I have read, and agree to comply with, the Code of Conduct for Expert Witnesses contained in the Environment Court’s Consolidated Practice Note 2014 in giving my

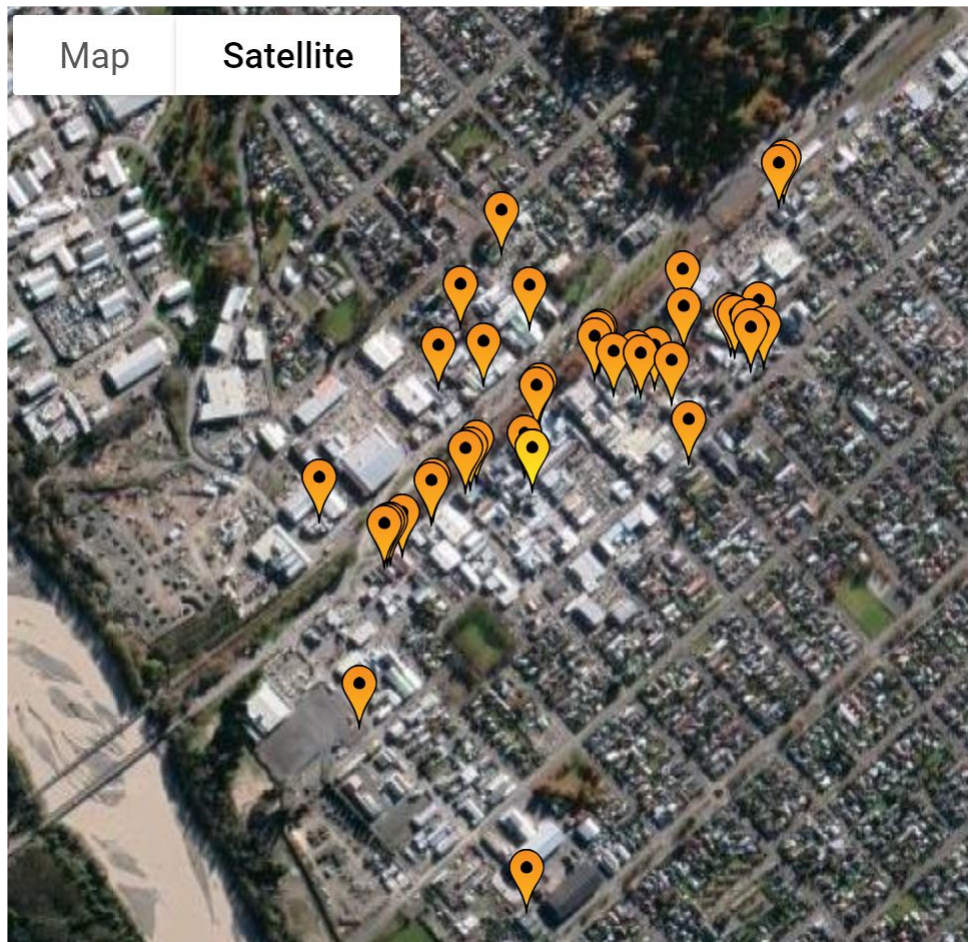
evidence. All my evidence is within my expertise and I have considered and stated (where applicable) all material facts known to me which might alter or qualify the opinions I express.

## **BACKGROUND**

- 5 I have made a submission as an individual within the Ashburton Retailers group opposing the consent application. The purpose of this statement of evidence is in response to evidence of Mr Derek Foy report on the economic health of the CBD.
- 6 I acknowledge and agree that there would be no other sites immediately available to accommodate Smith City retail business to incorporate a floor area in the range of 1,500m<sup>2</sup> to 1,7500m<sup>2</sup> at present.
- 7 Large commercial premises are limited in a provincial town like Ashburton. The scale of the commercial property market is relative to the population base and market demand.
- 8 There are five active commercial sales and leasing agents based in Ashburton. I work in this sector of the market myself along with;  
  
Ray Knight (Bayleys)  
  
Hamish Niles (Property Brokers)  
  
Bruce McPherson (Ray White)  
  
Smith City did not seek any assistance for suitable premises from myself and I confirm the other commercial agents were not consulted.
- 9 It is understood that Smith City's commercial decision with lease negotiations resulted in limited time to establish suitable commercial premises.
- 10 Large commercial businesses generally plan some time ahead to locate a suitable premise within a suitable location. This often requires new development or redevelopment of existing commercial property.
- 11 My evidence primarily relates to the impact on the Business A zone of the CBD.

## MY EVIDENCE

- 12 There are a significant number of vacancies within the CBD and Mr Foy provides some research on vacancy which has been sourced online since May. I suggest the actual vacancy rates are far higher than what presents online. A number of premises are not advertised online. My focus has been on the Business A and B zone
- 13 My own business occupies a portion of the premise in the CBD at 208 Havelock Street comprising more than 1,000m<sup>2</sup>. This premise comprises approx. 500m<sup>2</sup> ground floor and approximate 500m<sup>2</sup> of basement and has excellent access and was previously occupied for retail by Farmers Corner. This premise was vacant for approximately 4 to 5 years. With no tenants available for this space, my business moved in to temporarily occupy about 150m<sup>2</sup> of this space until a suitable tenant can be sourced.
- 14 I calculate the retail vacancy (as at 8/9/21) of Business A and B to be twice that indicated in Mr Foy's report. These vacancies are listed in Appendix A.
- 15 When considering the health of the CBD the detail behind the numbers is important. A significant amount of the new development that has occurred in the CBD has been a result of earthquake prone buildings and insurance settlement resulting from the September 2010 earthquakes. The economics behind the development has not necessary been market driven but assisted with insurance funds.
- 16 There are a significant number of earthquake prone buildings that will require further investment of either redevelopment or strengthening. The deadline for the upgrading of the buildings is fast approach with the majority of deadlines within 24 to 36 months' time. The below map indicates the buildings that require further investment.



- 17 This development potential does offer larger land holdings available within the CBD. Larger scale commercial development in a small provincial town needs to be driven by demand. There is no appetite for a developer to build a large-scale development where there is no demand.
- 18 The Ashburton CDB is currently vulnerable to a significant increase in vacancy if further investment and demand is not targeted within the CBD.
- 19 Current large land holdings that could accommodate a large-scale retail activity which are either a cleared site or accommodate earthquake prone buildings include;

CJ Redmond Ltd- Development potential approx. 4,490m<sup>2</sup>



Eastfield Investments Ltd- Development Potential 4,510m<sup>2</sup>



Carl Grove Ltd- Development Potential approx. 2,320m<sup>2</sup>



- 20 Smith City may or may not be suited to the CBD however the proposed peripheral location will have a significant impact detracting from the CBD businesses.
- 21 Tricroft Properties Ltd are currently advertising for tenants for a further two, 1000m<sup>2</sup> retail sites. Listing #5858947 and listing #5857210. See Appendix B
- 22 The cost of development and therefore the cost of retail occupancy in an outer Business C location would be significantly less than the cost of occupancy in a central Business A location. The outer location may suit some business however the lower cost of occupancy will have the tendency to draw other business from more central locations potentially creating a vacuum from the CBD.

**Clark McLeod**

9<sup>th</sup> September 2021

## APPENDIX A

### Business A and B Vacancies

160 Tancred Street-Ashburton Central

161 Tancred Street- Gabities Building

246 Tancred Street- Ashburton Central

260 East Street-Ex Ashburton Roast

324 East Street- Ex Nelson Building Society

208 East Street- Party vacant- Mcleod Valuation & Consulting

252 East Street- Ex Spark. Proposed Development

Burnett Street- Somerset House

83 Tancred Street- Ex Café

86 Tancred Street- Ex Millies Bar- New lease starting soon


186 East Street- Ex Bernina


190 East Street- Ex Bag shop






22 Kermode St Ex Smith City (1/3 of building vacant)

Total Retail Vacancies 13

## APPENDIX B

 Residential Rural **Commercial** Business ... Hi, Clark ▼

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### Massive Profile – Large Format Retail - Ashburton

363 West Street, Ashburton


**Commercial retail premises**  
POA

 1000m<sup>2</sup> floor area

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**Property details**  
**Listing # 5857210 - 1** Listed on 12 September 2020


Large format retail opportunities with massive profile and frontage to State Highway 1, opposite BP at the entrance to the township of Ashburton in mid-Canterbury. Having served as a site for Bunnings who are no


**Karen Collis**  
Agent | JLL Ltd (Licensed REAA 2008) • Christchurch


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### Massive Profile – Trade Retail - Ashburton

363 West Street, Ashburton


**Commercial retail premises**  
POA

 1000m<sup>2</sup> floor area

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**Property details**  
**Listing # 5857210 - 1** Listed on 12 September 2020

Large format retail opportunities with massive profile and frontage to State Highway 1, opposite BP at the entrance to the township of Ashburton in mid-Canterbury. Having served as a site for Bunnings who are no

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