



The Terrace riverfront area in central Christchurch.

# Spotlight on Christchurch

*Refusing to be forever defined as the earthquake city, Christchurch is thriving, attracting wide investor interest and outperforming other centres on a number of metrics.*

Not many cities get the opportunity to completely reinvent themselves and while the circumstances leading to Christchurch's reimagining should never be downplayed, its people have demonstrated grit, determination, and fierce pride to create a modern, world-class city.

William Wallace, Bayleys general manager South Island commercial and industrial says Christchurch punches way above its weight. Its commercial and industrial property market has been largely insulated from the value swings and other fluctuations seen around the country, providing confidence to investors and occupiers.



Artist's impressions of One New Zealand Stadium that is expected to host over 500,000 people annually.

"It's effectively a brand-new city and arguably, the best in New Zealand if infrastructure, building resilience, amenity and cohesiveness are used as benchmarks. Christchurch City Council's *Long Term Plan 2024-2034* identifies further key roading, civic, events, heritage and amenity priorities – so the foot is still on the pedal.

"There's been a 'we'll show you' attitude and local development entities have put their money where their mouths are, taking control to bring the city back to life and creating a world-class built environment.

"We continue to see strong local and national investor demand, Australian interests and institutional capital are actively scoping opportunity and adding to investment portfolios, and fund managers are back in the market."

Evidence that property fund managers see value in the Christchurch market is illustrated by Centuria New Zealand's latest investment offer. Units in Centuria Shands Road Property Trust are issued by Centuria Funds Management (NZ) Limited and give investors the opportunity to share in the ownership of Woolworths New Zealand's primary South Island distribution centre in Christchurch's preeminent industrial suburb, Hornby.

The subject offer relates to the land and buildings housing Woolworths' existing distribution centre, along with a neighbouring parcel of vacant land where a new 17,000sqm warehouse extension will be built to meet growing operational requirements.

Mark Francis, Centuria NZ's chief executive officer, advises that the offer is "progressing well and we've seen strong interest and uptake from a wide range of investors across New Zealand." Bayleys are the sole selling

“  
It's effectively a brand-new city and arguably, the best in New Zealand.

WILLIAM WALLACE

BAYLEYS GENERAL MANAGER SOUTH ISLAND COMMERCIAL AND INDUSTRIAL

agents for this investment opportunity and a product disclosure statement is available from [centuria.co.nz/shands](http://centuria.co.nz/shands).

Christchurch Airport's *2040 Master Plan* looks to further support the South Island economy by boosting global trade connections and accommodating the burgeoning e-commerce sector. The airport is expanding its existing air freight handling area, effectively doubling capacity, and an expanded international flight schedule is good news for the city – and the region's – tourism industry.

Leading global logistics firm DHL Express has committed to a \$42 million expansion project at Christchurch Airport's Dakota Park freight precinct where it already has a strong presence. The facility will be DHL's first 100-percent carbon neutral facility in the country, and this vote of confidence underscores the city's vital role in the South Island's import-export picture.

Wallace says the Government's Fast-track Approvals Bill green-lit 22 Canterbury projects including a waste-to-energy plant, the Ōtākaro Avon River Corridor Regeneration Plan, and several large housing developments.

"This speaks to the value Christchurch brings to the regional, South Island and national tables."

## GREAT CAPACITY

Jesse Paenga, Bayleys director of South Island capital markets and corporate leasing says while sentiment around commercial property and leasing is buoyant, general business sentiment still needs to catchup.

"There's a bit of a lag there and while we don't want to get ahead of ourselves, 2025 promises better economic times which will further support exciting new initiatives in the city.

"The much-anticipated Parakiore Recreation and Sport Centre, New Zealand's largest indoor sport and aquatic facility, is expected to be complete mid-2025, and the One NZ stadium is due to open in April 2026. Both projects will underpin the city's capacity to host top-tier fixtures and events, and the hotel sector is responding to the uptick in demand for visitor accommodation, with several major international brands currently scouting for opportunities."

More than a dozen big hotels have opened in the city since 2020. Recently, major player in the global commercial accommodation market Millennium and Copthorne Hotels (MCK) has returned to Christchurch for the first time since the earthquakes, with the multi-million-dollar purchase of the Mayfair Hotel in Victoria Street.

Meanwhile, the old Rydges (formerly Noah's) hotel in the block between Oxford Terrace, Worcester Street and Cathedral Square next to the city's new Te Pae convention centre is undergoing redevelopment. NZ Hotel Holdings has consent to build a 13-level hotel on the corner of Manchester and Cashel Streets next to its existing BreakFree Hotel, and Auckland-based property developer GCO Group has

“With the new stadium well out of the ground, hospitality and retail operators will also have more confidence to progress plans for a presence in the general area.”

**JESSE PAENGA**

BAYLEYS DIRECTOR OF SOUTH ISLAND CAPITAL MARKETS AND CORPORATE LEASING

approval to build an 11-storey 148-room hotel on Peterborough Street in the CBD.

Paenga says the emergence of a modern and purpose-built CBD, with key anchor projects providing well-structured precincts, has given Christchurch a real edge with local development entities playing an important role.

“Prior to the earthquake events, Christchurch was renowned for its heritage architecture which, while emotive and interesting architecturally, was not always fit for contemporary business use.

“Big local players such as Carter Group and Ngāi Tahu have been very active in the post-earthquake years with a roll call of developments. Carter Group is now nearing completion on a two-storey retail and office building on the site of the former Holiday Inn at the corner of Cashel and High Streets for global sportswear retailer JD – its first in the South Island.

“After sustained activity in the commercial and industrial space, Ngāi Tahu has redirected energies to its tourism and seafood arms, although its latest annual report shows that its property investment portfolio continues to perform well.”

Paenga says buyers for commercial property in the sub-\$10m space were very active in 2024, and he’s expecting to see increased activity for above-\$10m property through 2025 given the improving interest rate environment and the return of fund managers and institutional capital.

“With the new stadium well out of the ground, hospitality and retail operators will also have more confidence to progress plans for a presence in the general area.

“There’s been a lot of occupier movement in the office sector too as businesses reposition and right-size their real estate footprints. There’s minimal vacancy currently across A-grade stock, but good opportunity and choice in B-grade and fringe space.

“With minimal new-build office stock in the pipeline, and a number of big tenants looking to upsize in the



Te Pae Christchurch Convention Centre

CBD, we expect the A-grade market to remain very tight and for rents to hold firm.”

Paenga says the city could still benefit from more mixed-use development, with the proposed Plan Change 14 likely to facilitate this as the upzoning would allow higher development to better utilise formerly commercial-zoned sites.

#### SIGNIFICANT ACQUISITIONS

David McGuinness, managing director of development for Willis Bond says Christchurch represents a dynamic and growing market and presents Willis Bond with a great opportunity to contribute to its transformation.

Through its Capital Partners IV fund, the firm recently acquired the Eastgate Shopping Centre and the Entertainment Exchange (EntX) with frontage to Colombo, Lichfield and Tuam Streets opposite the Christchurch Bus Interchange.

“Our investments in Eastgate and EntX align with our vision of creating vibrant communities and spaces that people truly enjoy. With the economy showing signs of strengthening, we are taking a long-term approach to these acquisitions to deliver real value to the region and our investors.”

Eastgate’s strong retail mix and consistent trading performance made it an attractive investment and Willis Bond aims to enhance the

“Our investments in Eastgate and EntX align with our vision of creating vibrant communities and spaces that people truly enjoy.”

**DAVID MCGUINNESS**

MANAGING DIRECTOR OF DEVELOPMENT, WILLIS BOND

site by securing long-term tenants, reconfiguring and improving existing tenancies, and uplifting the physical environment to create a welcoming and vibrant community hub.

McGuinness says the acquisition of both these properties aligns well with the goals of its \$172 million Capital Partners IV fund, which focuses on high-quality, value-add opportunities.

“As a vibrant entertainment destination, EntX offers a unique combination of steady income and the potential for strategic enhancements. Its prime location in Christchurch supports our commitment to fostering growth in key markets while generating superior returns for our investors.

“We believe Eastgate and EntX are strong assets in today’s market, with the potential to perform even better as broader economic conditions improve. Our focus remains on enhancing these

properties to deliver value regardless of where we are in the property cycle.”

Willis Bond continues to seek new opportunities in Christchurch and other key regions across New Zealand, evaluating every acquisition based on its own merits and potential at the time of purchase.

“With capacity for further investments over the next 12–18 months, we are targeting properties with strong fundamentals and opportunities for improvement. Future acquisitions could include mixed-use developments, retail centres, or strategically located commercial assets that align with our expertise in creating transformative spaces,” says McGuinness.

#### CHAMPIONING THE CITY

ChristchurchNZ is the sustainable economic development agency for the city. Its economic analyst Sophie Jones, says consumer and business confidence are both on the rise, driven by falling interest rates, easing inflationary pressure, and growing optimism about economic conditions over the year ahead.

“Westpac data shows consumer confidence in Canterbury is at a three-year high, while Business Canterbury’s latest survey indicates 65 percent of local businesses are feeling positive about the region’s economy,” she says.

“While challenges remain for businesses, particularly around cash flow, the overall trajectory is positive with ongoing recovery in the tourism sector presenting a key opportunity for the city.

“Consumer confidence in Canterbury is at a three-year high and 65 percent of local businesses are feeling positive about the region’s economy.”

**SOPHIE JONES**

CHRISTCHURCHNZ ECONOMIC ANALYST

“Christchurch Airport has reported a 25-percent increase in seat capacity across Christchurch’s long-haul international routes for the 2024/25 summer, and 88 cruise ships carrying over 140,000 cruise passengers are visiting Christchurch ports over the 2024/25 season.”

Loren Aberhart, general manager destination and attraction for ChristchurchNZ, says the city has experienced a significant lift in international leisure visitors during the warmer months and the conference market is driving occupancy over the shoulder and low seasons.

“Te Pae Christchurch Convention Centre has boosted commercial activity in the city and contributed to large occupancy rises in the accommodation sector off the back of an active conference and events calendar – and the new stadium will provide further stimulus.

“With the completion of One NZ Stadium at Te Kaha due early 2026, and with plans for circa-200 concerts,

sporting and business events annually, the stadium is expected to host 500,000 people per year with 100,000 of those visitors from outside of Christchurch.

“ChristchurchNZ is working on developing a major event pipeline, and looking at ways to activate the precinct to connect retail and hospitality to forecast stadium foot traffic.”

Business innovation is also propelling Christchurch, creating a city that people want to visit, live, and invest in. ChristchurchNZ’s general manager innovation and business growth, Martin Cudd says the \$5.4m Callaghan Innovation Ārohia Trailblazer Grants secured for two local businesses that champion sustainable technologies, Fabrum and Zincovery, was a major win in 2024.

“Additionally, news that BioOra, a pioneer of CAR-T therapy exploring restorative cancer treatments, has committed to a base in Christchurch, and that the Christchurch Engine Centre, which maintains aircraft, will undertake a \$250-million expansion programme, confirm Christchurch’s appeal.”

Last year, Christchurch was named as one of four global cities collaborating to launch the Space Cities Network, which will drive innovation, research, and growth in aeronautics, space, and astronomy.

“This will help fuel the city’s thriving space economy, led by Tāwhaki National Aerospace Centre, a lynch pin of the South Island’s aerospace industry,” says Cudd.



Willis Bond has acquired the Entertainment Exchange (EntX) in central Christchurch.



Oxford Terrace, central Christchurch.