

Rangiora

AN ECONOMIC AND BUSINESS PROFILE FOR RANGIORA AND THE WIDER WAIMAKARIRI DISTRICT 2015



WAIMAKARIRI
DISTRICT COUNCIL

where
business
belongs

Introduction

The Waimakariri District extends from Pegasus Bay in the east to the Puketeraki Range in the west, and is bounded by the Waimakariri River in the south and the Hurunui District in the north. The District has an area of 225,000 hectares and is home to 54,400 residents in 2014. The vast majority of the District's population live in the eastern part.

Rangiora forms the District's largest urban area, at a population of about 15,000 at the 2013 Census, and has been identified as one of Greater Christchurch's Key Activity Centres, recognising its role in the wider area in clustering community, retail, residential and business activities, as well as being a key node for transport and other infrastructure. Key activity centres

are defined as existing and proposed commercial/business centres identified as focal points for employment and the transport network and suitable for more intensive mixed-use development.

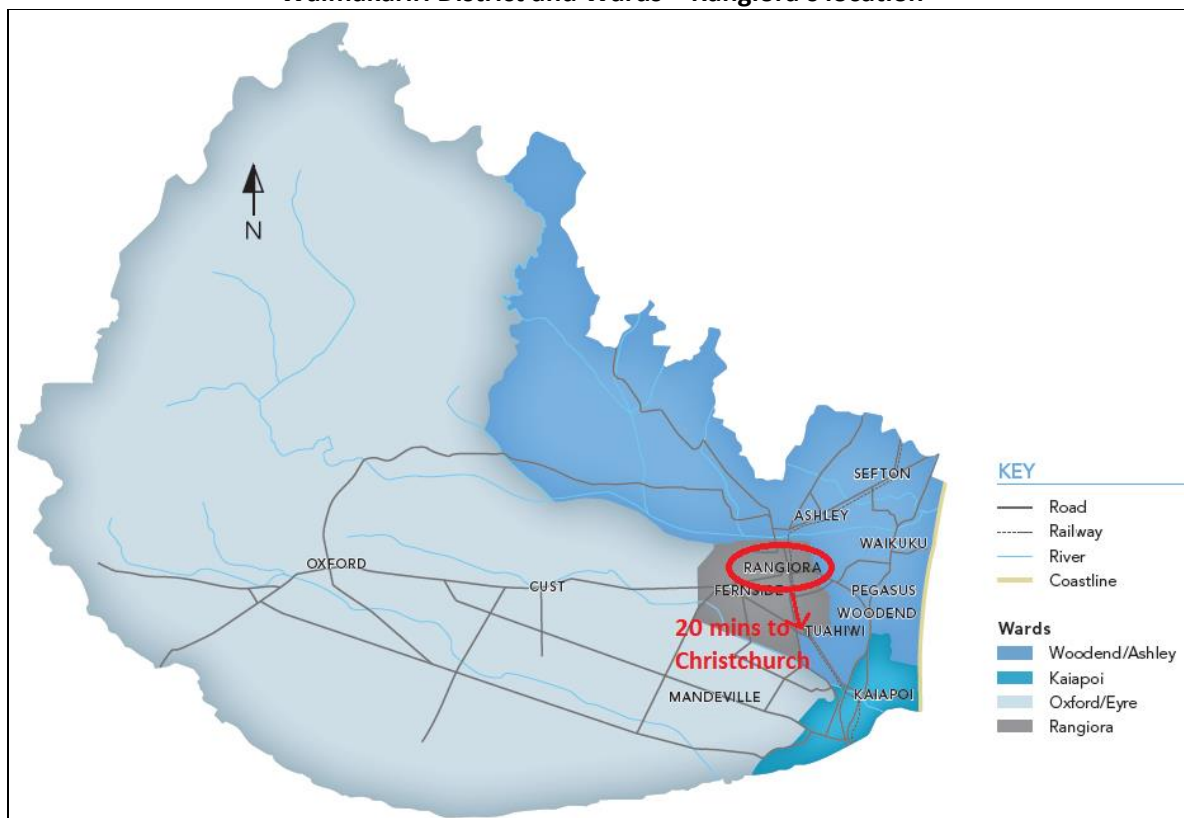
With significant historic and projected growth, diverse existing businesses and a recognised role for commercial, community and business activity in the wider District and beyond, Rangiora presents unprecedented opportunities for investors and new businesses and for the town centre and Southbrook business area to develop in a direction that sets the scene for economic growth for the District.

This paper provides a brief overview of Rangiora's and the wider Waimakariri District's economic and business environment based on available statistical and other survey information. This includes a discussion of the role of Rangiora town centre, the town's growing customer base, Rangiora's and the wider District's economy and employment situation, spending at Rangiora merchants, perceptions of Rangiora as a place to do business, pedestrian activity in the town centre and the District's resident profile as customers of Rangiora. Lastly, this paper touches on opportunities available in the town, as well as provide a list of key contacts and resources available to assist in informing business and investment.

Quick Facts about Rangiora Growth & Economy:

- Town population growing from 10,000 in 2001 to projected near 20,000 by 2026
- Seen as local service centre by 60% of District population; by 2031, could be providing goods and services for about 50,000 people
- 200 building consents for new dwellings in 2014
- Demand for additional 20,000m² retail and 20,000m² office floorspace by 2031 to meet growth and demand
- Business numbers increased by 27% in last 10 years and number of employees by 35%
- Dramatic increase in spending immediately following February 2011 earthquake (up 33%) – by 2014, spend was still above pre-quake levels including spend from Christchurch residents
- Catchment stretches north to Kaikoura and Hurunui District, south to Christchurch and Selwyn District
- Most Rangiora employees work in retail/wholesale sector, though highest number of business units represent finance/professional services sector

Waimakariri District and Wards – Rangiora’s location



1. The Role of Rangiora Town Centre

Rangiora town centre fulfils a range of roles. It is a service centre, a business centre and a centre for the provision of health and social services as well as a community focal point. Retailing makes an important contribution to the Rangiora town centre, and due to the dominant relationship between retail and the public realm, it inspires a range of other activities and behaviours. This makes the town centre more sustainable than its retail-only competition.

The Rangiora town centre is seen as their local service centre by more than 60% of the District’s population – about 33,000 people who live either in Rangiora or the surrounding areas. Rangiora is by far the most frequented centre for a variety of goods purchased by District residents, as can be seen in the following table.

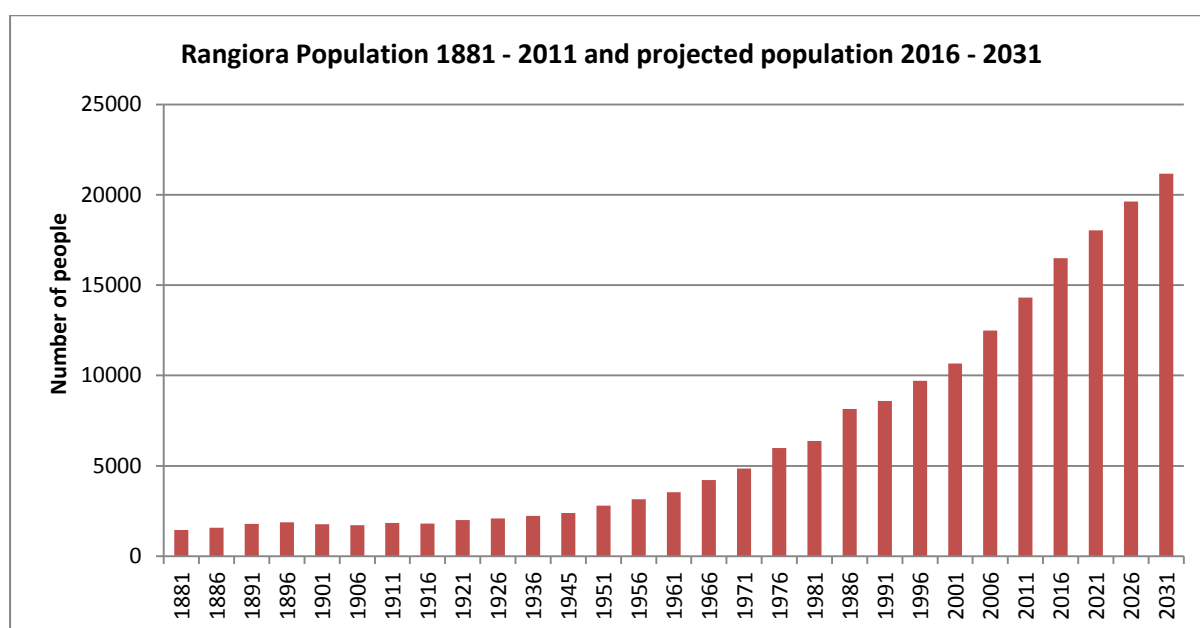
Shopping Centres Mainly Visited by Class of Goods

	Kaiapoi	Rangiora	Oxford	Woodend	Christchurch
Groceries (including fruit and vegetables)	29.5%	69.3%	6.7%	0%	13.9%
Chemist supplies (including cosmetics)	29.8%	57.1%	8.9%	0%	8.6%
Books, Magazines and Stationery	21.4%	67.1%	2.5%	0%	18.7%

Garden supplies	9.2%	71.6%	1.1%	5.3%	18.1%
Fuel(s) for motor vehicles	27.9%	54.0%	10.3%	5.3%	14.8%
Clothing/Shoes	6.4%	57.1%	0.3%	0.8%	51.3%
Appliances/Hardware	1.9%	49.9%	1.4%	0.6%	54.3%

* Percentages total more than 100 as some respondents identified more than one centre typically visited for these purchases.
2011 District Community Survey of Households

Rangiora's population is projected to grow rapidly over the next 15+ years as the number of residents is expected to reach more than 21,000 by 2031.

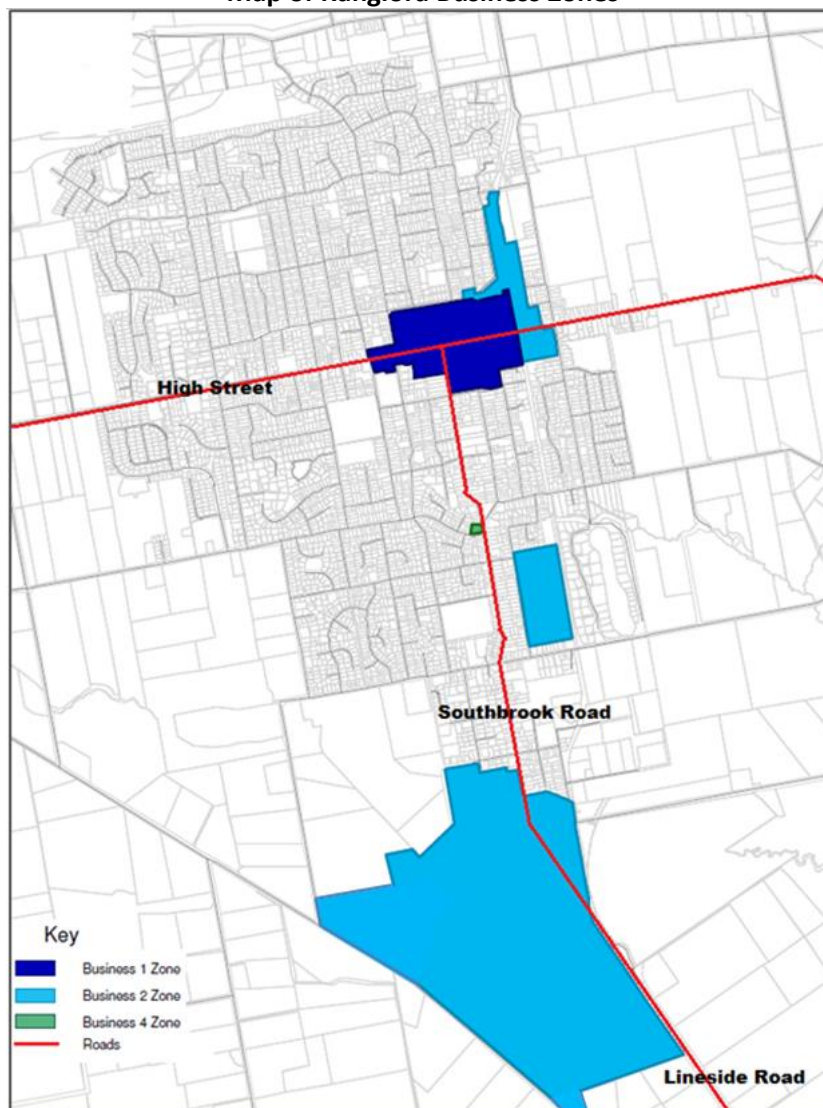


Statistic New Zealand Census of Population and Dwellings 1881-2013 and projected population to 2031

Based on projections for the Rangiora urban area, and taking into account anticipated growth elsewhere in the District, it is estimated that by 2031 the Rangiora town centre could be providing goods and services for close to 50,000 people.

It has been estimated that the amount of retail floor space in the Rangiora town centre will need to increase by 12,000-20,000m² by 2031 to meet this expected growth and demand for goods and services. Estimates of the future need for office space in the Rangiora town centre suggest that there is also a need for a similar growth of office space. These can be accommodated in the current Business Zone 1 and immediately adjacent Business Zone 2 which is considered provides a similar function as the existing Rangiora Key Activity Centre area.

Map of Rangiora Business Zones



The Waimakariri District Plan zones the area occupied by the Rangiora town centre as Business Zone 1. The Plan explains that Business 1 Zones are intended to be the dominant location of, and to be dominated by business, administrative, and cultural activities so as to:

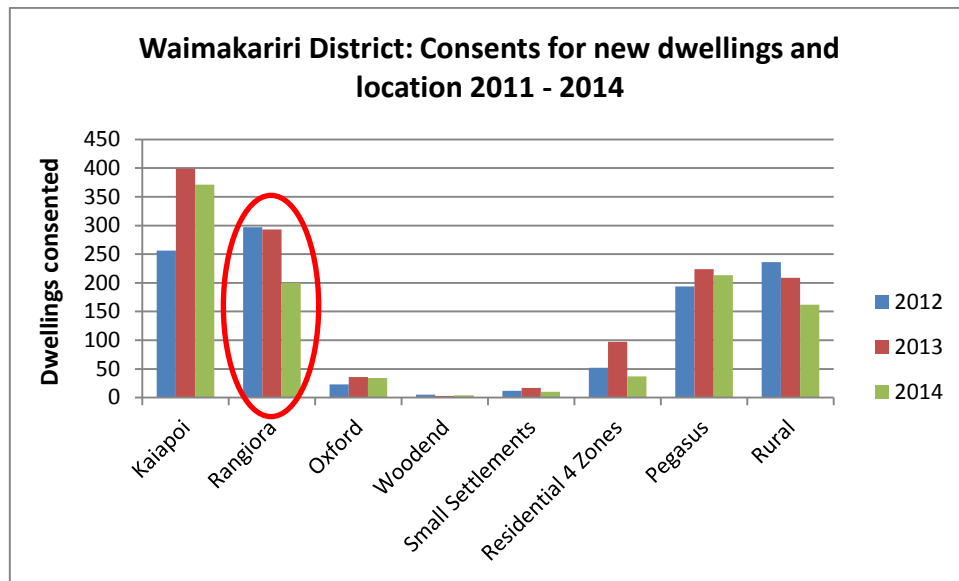
- help ensure an effective and efficient business sector by concentrating activity;
- maintain and enhance the centres' roles as the dominant community focal points;
- retain nominated areas as more appropriate to pedestrian-related activity; and
- retain business activity that can support public services, facilities and amenities that will provide for the needs of workers, residents and visitors, in a quality, safe environment.

Business 2 zones on the other hand typically provide for commercial and industrial activity and low density of development. More than 153 hectares of land is zoned for Business 2 activity in Southbrook, the southern gateway to Rangiora and another 10 hectares at the Newham Street business area just north of Southbrook. Southbrook has been the focus of most of the new commercial building activity for industries including manufacturing, warehousing and engineering in Rangiora in recent years. In recognition of floorspace demand at Southbrook and the loss of business land in other parts of the District following the effects of the Canterbury earthquakes of 2010 and

2011, the Minister for Earthquake Recovery in 2014 approved the zoning of an additional 17 hectares of land for business development.

2. A Growing Rangiora Customer Base

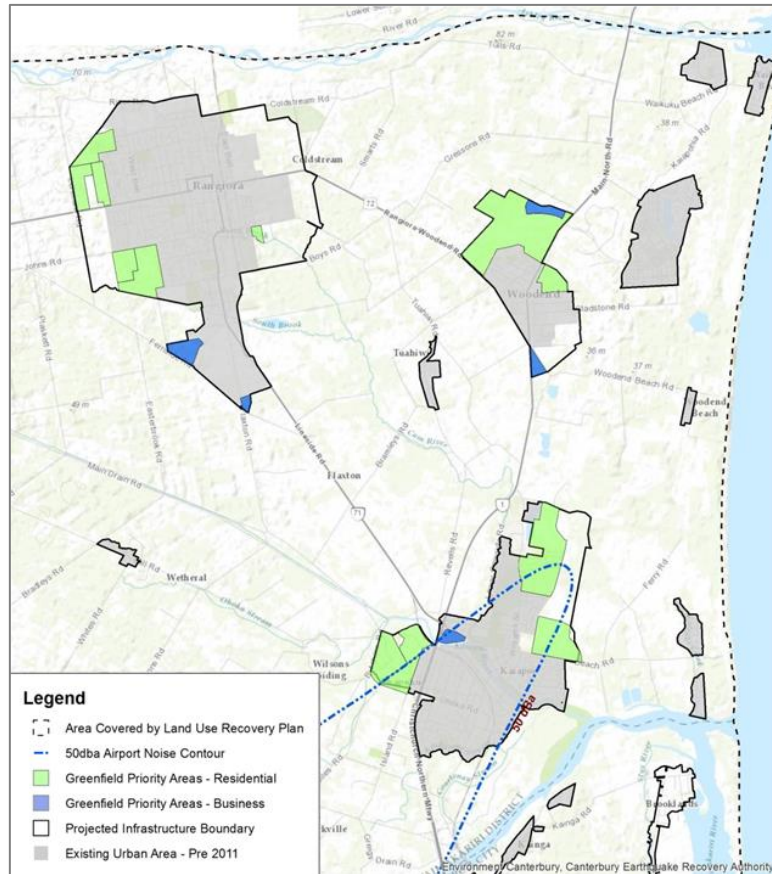
Rangiora’s notable growth in population is reflected in the number of residential building consents processed and approved by Council within the last three years. One quarter of all building consents issued for new dwellings in the Waimakariri District between 2012 and the end of 2014 have been for Rangiora.



Waimakariri District Council Building Consents Records

There are significant numbers of potential lots within areas already zoned for residential development which could be available for development during the next ten year period. The Land Use Recovery Plan, gazetted by the Minister for Earthquake Recovery in December 2013 and developed in partnership between strategic partners including local Councils, NZTA, CERA and others, identified priority areas for growth over the next 10 to 15 years. The following map shows the District’s current and greenfield priority residential and business development areas surrounding main towns. In addition of these are rural residential areas.

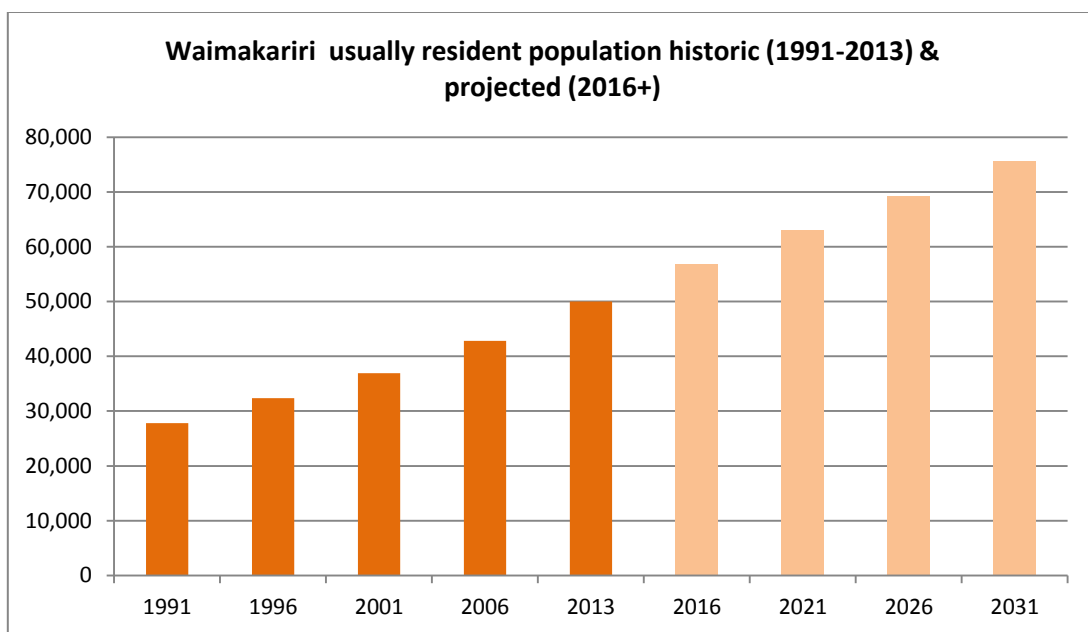
Waimakariri District Greenfield Priority Areas under the LURP



Land Use Recovery Plan 2013

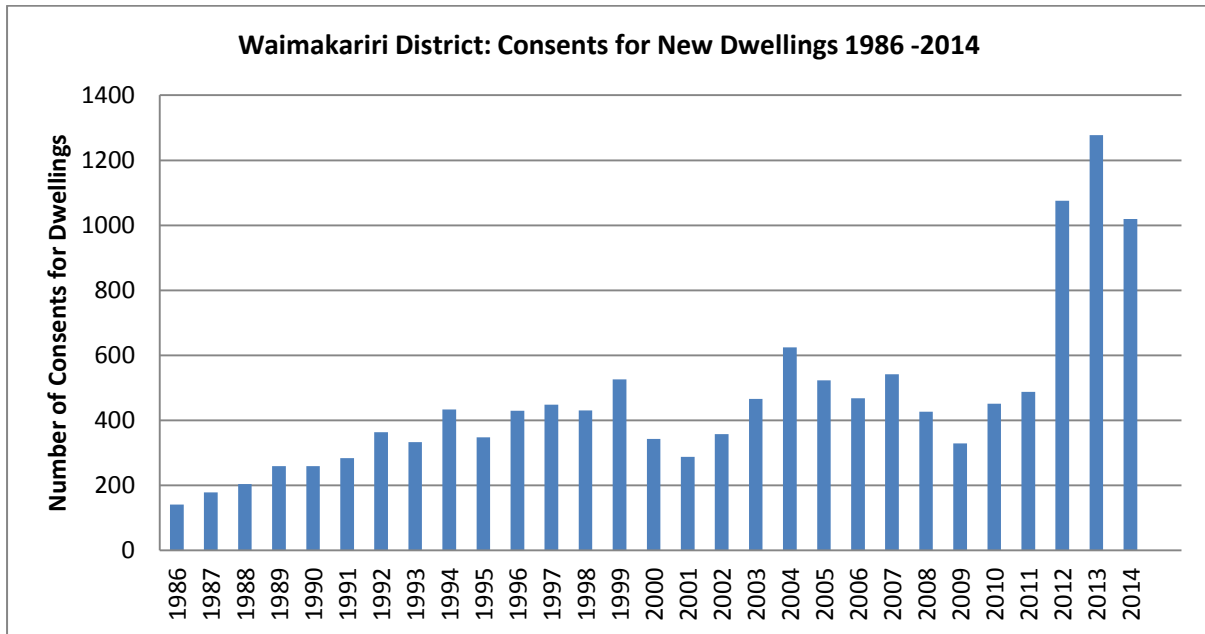
Given Rangiora’s pivotal role as key service centre and focal point for the wider District, population growth in the Waimakariri District will have a positive impact on Rangiora businesses.

The estimated population of the District is expected to increase from 50,000 at the 2013 Census to about 76,000 people by 2031, representing a rise in population of about 52% since the 2013 Census.



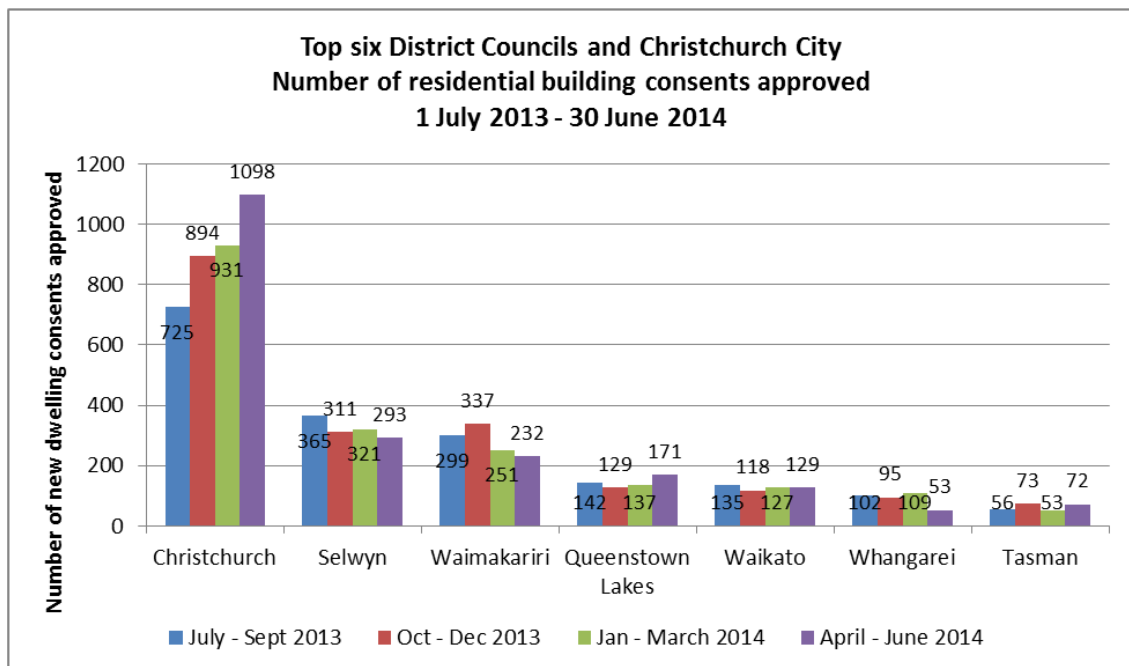
Census of Population and Dwellings and Population Projections, Statistics New Zealand

This solid growth is evident in the District’s building activity, particularly post the Canterbury earthquakes of 2010 and 2011. The Waimakariri District Council has processed and approved a significant number of residential building consents since 2011, topping 1,000 per annum in 2012, 2013 and 2014. Historically the Council has averaged processing 400 to 500 building consents per year.



Waimakariri District Council Building Consent records

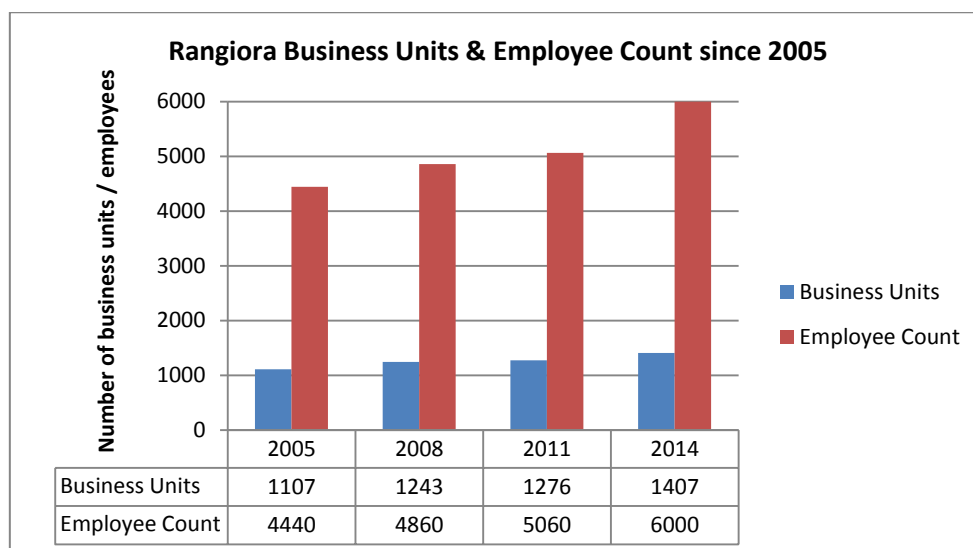
The Waimakariri District Council had approved higher numbers of residential building consents in the 2011/12 and 2012/13 financial years than any other District Council in New Zealand. In the 2013/14 year, the Council slotted into second place after Selwyn District Council.



Waimakariri District Council Development Activity Scorecard for 2011-12

3. Rangiora’s and Waimakariri District’s Economy

The number of businesses in Rangiora has grown strongly over the past decade – up 27% to more than 1,400 in 2014 (these include many businesses with no employees). Similarly, the number of employees grew by 35% to 6,000 over the last 10 years, as shown in the following graph.



Business Demography Statistics, Statistics New Zealand –
 Note the number of employees derived from Business Frame is based on number of people registered for PAYE; it does not include people who pay their taxation via the instalment method. It does not distinguish between people who are employed full-time and part-time nor identify multiple part time jobs.

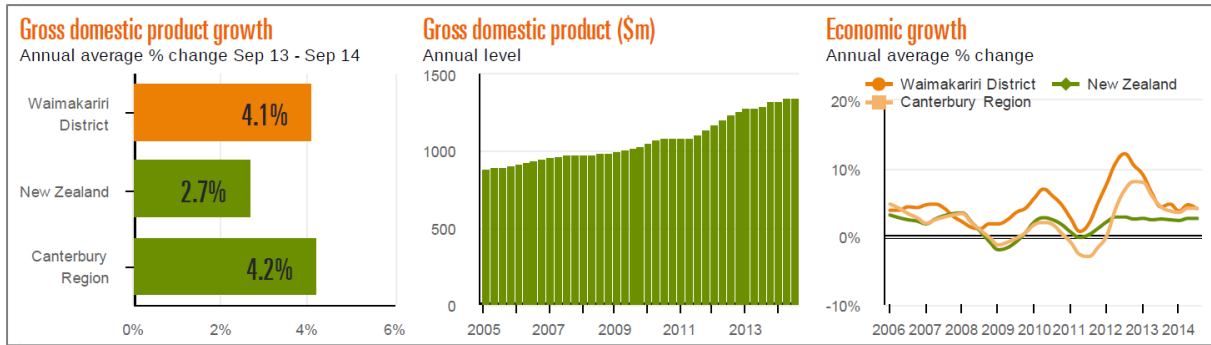
Construction was the largest industry in the Waimakariri District in 2014, measured as contribution to the District’s GDP, followed by agriculture, forestry and fishing. About 2,500 people worked in the construction sector in the District in 2014.

Commercial and public sectors investment in the District has been significant over recent years. The annual total value for non-residential building consents in 2013 and 2014 rose dramatically compared to previous years, reaching a ten year peak of \$89 million in the year to June 2014. This compares to a ten year average of \$39 million per annum.

Retail trade in the Waimakariri District increased by 14% over 2013/14, compared to 3% nationally.

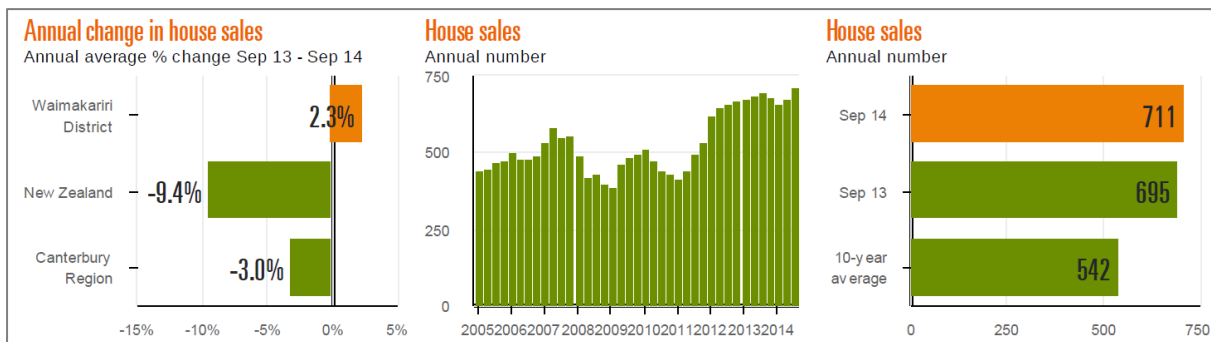
The BERL (Business and Economic Research Ltd) Regional Rankings 2013 identifies Waimakariri as the second Local Authority in the country in terms of economic performance. BERL’s survey ranks New Zealand’s 66 local authorities on economic activity, including population, employment, GDP, business units, and the Relative Openness Index, which measures each region’s economy toward export sectors.

Waimakariri’s GDP continues to grow at an accelerated rate (up 4.1% in the year to September 2014 compared to New Zealand as a whole, up 2.7%). Overall, GDP has grown strongly over the past decade – annual growth peaking in the year to September 2012 at 12%. While the Canterbury region and New Zealand have at times seen reductions in GDP (negative percentage growth) since 2006, Waimakariri District GDP has generally grown at rates above the region and country continuously. In the year to September 2014, GDP in the District was \$1,350 million (2010 dollars). The following provides a picture of GDP growth in the District, Canterbury Region and New Zealand since 2006.



Infometrics Quarterly Economic Monitor for Waimakariri District, September 2014

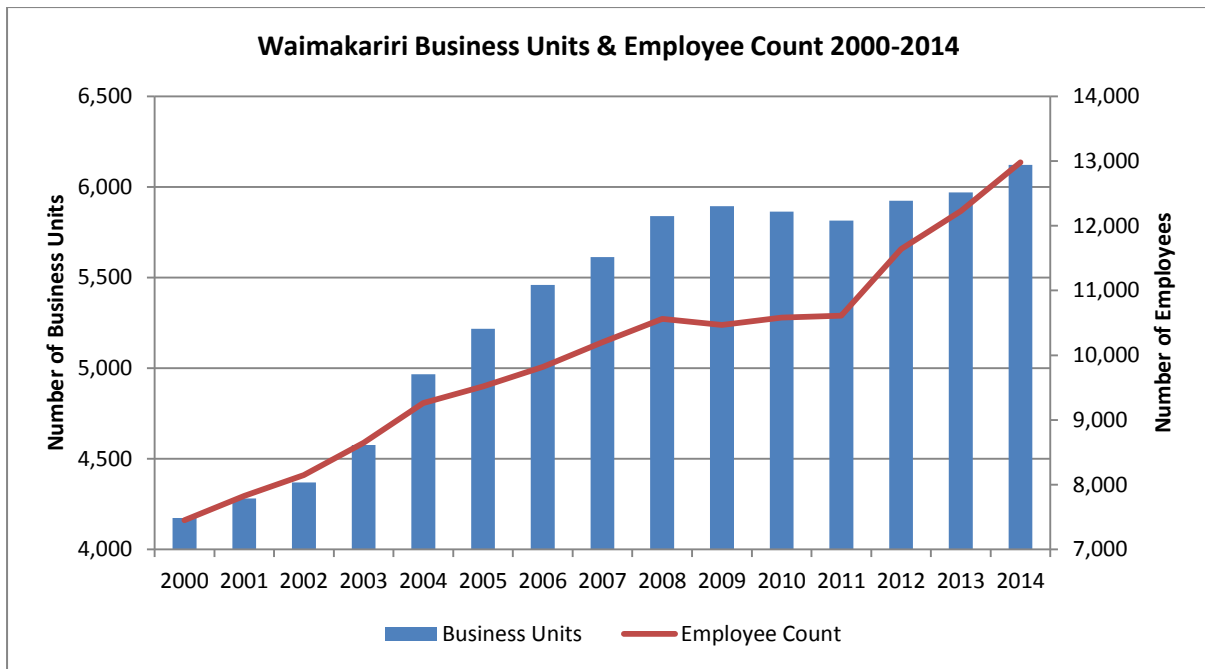
Waimakariri’s property market growth has been significant in recent years, partly as a result of the housing shortage in Christchurch. Immediately following the Canterbury earthquakes, house sales lifted by 44% over 2011, compared to a 5% decrease across Canterbury and a 9% rise across New Zealand as a whole, and by 52% in the year to June 2012. More recently, the year to September 2014 still showed growth (up 2.3%) in the District’s house sales while numbers for Canterbury and New Zealand as a whole decreased. The following depicts the trend in house sales in Waimakariri, noting in particular the strong consistent growth since the Canterbury earthquakes.



Infometrics Quarterly Economic Monitor for Waimakariri District, September 2014

Growth in house prices in the District peaked in the year to September 2012. The median house price in Waimakariri in the year to September 2014 was \$404,750, compared to \$399,332 in Canterbury.

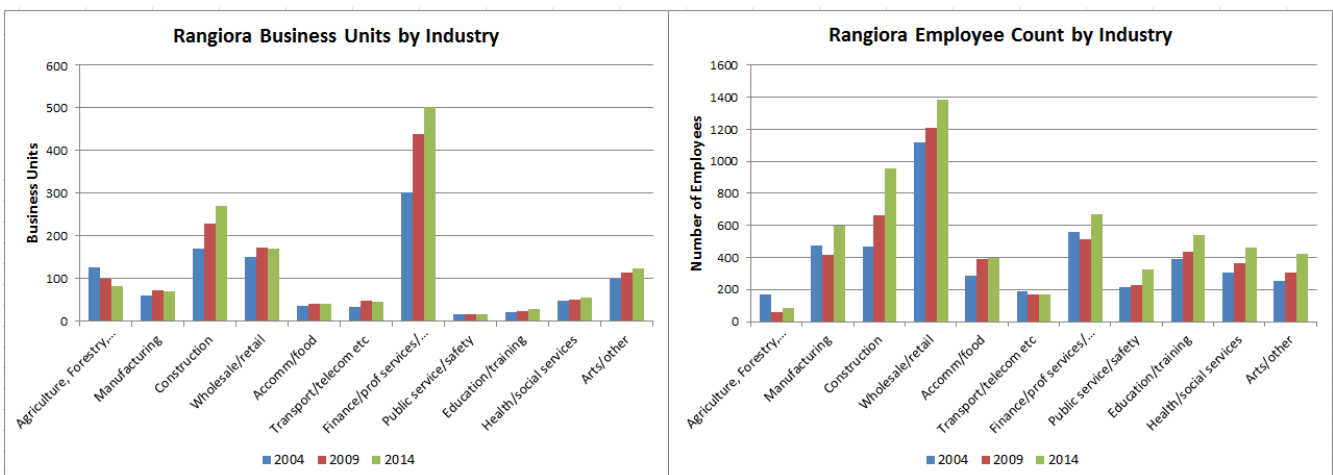
The Waimakariri District has seen solid growth in the number of businesses and employees over the last decade. At 6,121 business units in 2014, Waimakariri’s businesses have climbed by 47% since 2000, compared to a 28% increase in business units at a national level. The number of employees in the District has grown by 74% over the same period to 12,980 in 2014, while the employee count nationwide has increased by 25%.



Business Demography Statistics, Statistics New Zealand

4. Employment in Rangiora and the Waimakariri District

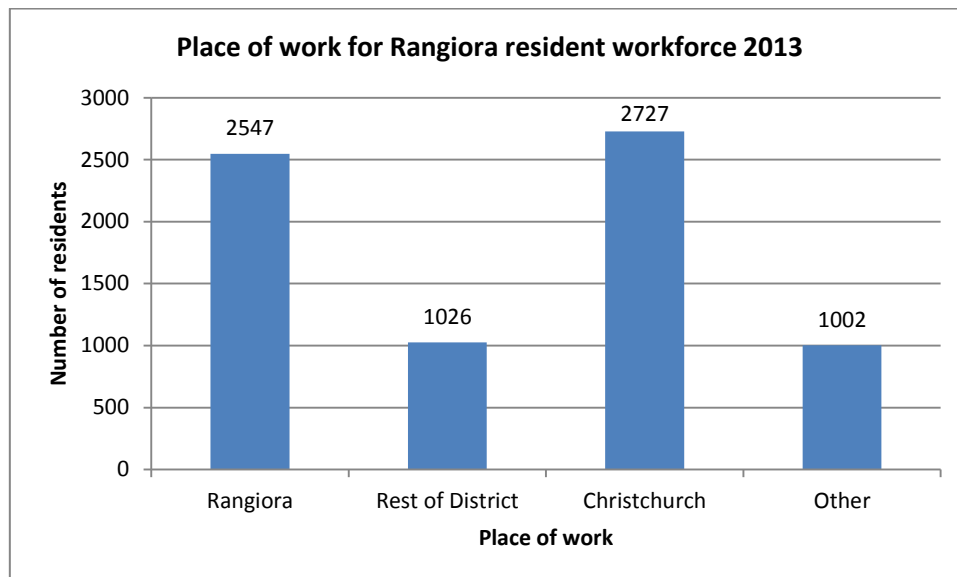
In Rangiora, most employees work in the wholesale/retail sector, and numbers have been growing steadily over the last decade. However, the finance/professional services sector dominates Rangiora’s business scene by number of business units, which have grown substantially over the last 10 years. This is in part likely due to the rising number of home-based professional consultancy and other service businesses being run by individuals, who play a significant part in creating the District’s wealth.



Business Demography Statistics, Statistics New Zealand

Waimakariri District suffers from ‘employment leakage’ with many leaving the District for work every day. Close to 11,000 work in Christchurch and another 3,700 in ‘other’ locations (outside of Waimakariri District). Council surveys reveal that around three quarters of those District residents who work in Christchurch would prefer to work locally, if suitable work was available for them.

As at the 2013 Census, less than half (49%) of all Rangiora residents currently in the labour force (full and part-time) work in the Waimakariri District. Another 37% travel to Christchurch for work. Given the above survey results, this means Rangiora offers a substantial local labour pool for businesses locating in Rangiora.



Census of Population and Dwellings, Statistics New Zealand

It is important to acknowledge that given the Waimakariri District’s proximity to Christchurch, many professionals choose to live in the District for lifestyle reasons, while continuing to work in the city, particularly following the effects of the 2010/11 Canterbury earthquakes and the population influx into the Waimakariri District. However, the increasing population is also likely to generate increasing demand for goods and services that can be supplied locally, thus providing opportunities for businesses to establish in the District and provide local employment.

District-wide, the labour market has strengthened in response to the recovery in economic activity. At 2.6% in the September 2014 quarter, the Waimakariri unemployment rate was significantly lower than the national rate at 5.8% or the Canterbury region rate at 3.2%. Approximately 13,000 people are employed in the Waimakariri District. Historically, the wholesale and retail sector was the largest employer in the District. However in 2014, it was the construction sector employing the greatest number of people at 2,490, accounting for 19% of total District employment.

Overall, employment projections for the Waimakariri District predict a significant increase in total employment counts by 2031 – in the order of 53% to 78% depending on employment ‘retention’ scenarios between 2011 and 2031. All things being equal in current employment retention levels, estimated population and household growth numbers are predicted to mean significant growth for most sectors. Employment counts will grow even higher if an increased level of employment retention in the District is achieved.

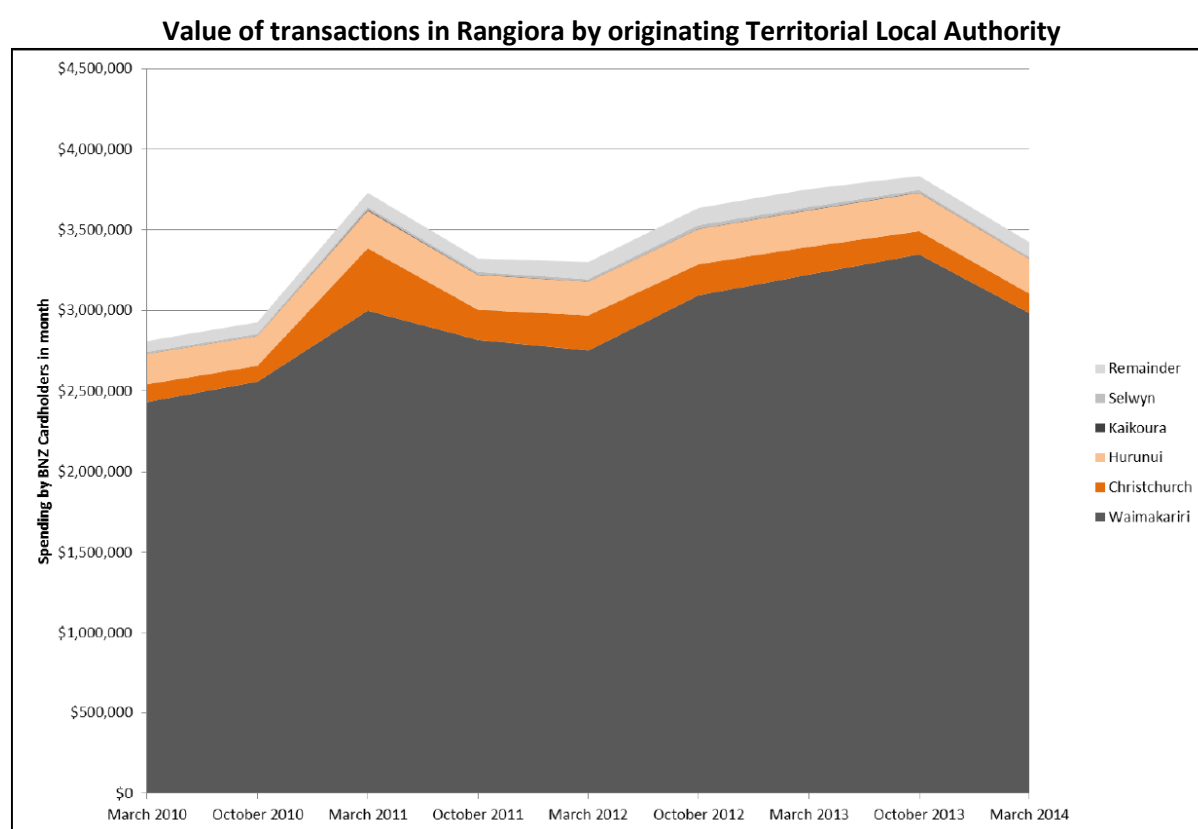
At the same time, the local labour force, that is people living in the Waimakariri District who work (as opposed to the number of people working in the District) is predicted to increase to almost 34,000 by 2031, a 42% increase from the 2006 Census base.

5. Spending at Rangiora Merchants

Over previous years, the Waimakariri District Council commissioned analyses of the change in spending behaviour at Rangiora merchants following the September 2010 and February 2011 earthquakes and the recovery period since.

The analysis shows that there was a dramatic increase in spending in Rangiora immediately following the February 2011 earthquake; spending was up 33% compared to March 2010; the largest contributor was from Christchurch residents (up 208%) and was still up 80% more than one year on. Today, overall spend including Christchurch spend in Rangiora is still higher than before the quakes.

The following graph shows the catchment of Rangiora merchants, as well as the overall increase in the value of transactions since March 2010. This is depicted as the number of transactions by BNZ cardholders as an indicator of overall consumer spending patterns.



Rangiora Pre and Post-Quake Spending Analysis by Abley Transportation Consultants, 2014

Rangiora has a solid catchment that stretches from Kaikoura and Hurunui District to the north, and into Christchurch and Selwyn District to the south.

6. Rangiora as a place to do business

In 2010, the Waimakariri District Council conducted a Business Survey, which saw questionnaires directed to all businesses that have a physical address in the Waimakariri District. Questionnaires were distributed to Rangiora town centre businesses Southbrook businesses. Questions focused on how businesses perceive Rangiora town centre / Southbrook as a place to do business, what the outlook for their business or business branch is, what they thought of businesses in the town centre

/ Southbrook and the District generally, and how they perceive Enterprise North Canterbury as well as Council's Rangiora town centre services.

The most common reason given by respondent businesses for why they located their business in the Rangiora town centre is the busyness / buzz of the area, including good foot traffic and its high profile location. Rangiora town centre's compactness, accessibility and convenience (i.e. 'everything is within walking distance' and 'everything is easy to find'), is the most common aspect about Rangiora town centre liked by respondents. Other aspects identified as particularly liked are the town's friendly locals and atmosphere, the town centre's attractive character and recent developments, and the variety and quality of other businesses and services available.

Businesses based in Southbrook appreciate in particular the area's available, suitable, affordable and high-quality business premises, as well as the high profile location and high traffic volumes through Southbrook. Southbrook is considered easily accessible from other centres and the motorway, easily found and close to all amenities.

There is immense support for more and a better range of businesses in the Rangiora town centre, particularly for more retail shops (especially clothing and shoes), department stores and supermarkets. Eighty-eight per cent of respondents think it is important that the number of businesses based in the Rangiora town centre increases. More businesses are also sought for Southbrook, particularly food and hospitality outlets, manufacturing businesses and other factories.

7. Pedestrian Activity in Rangiora Town Centre

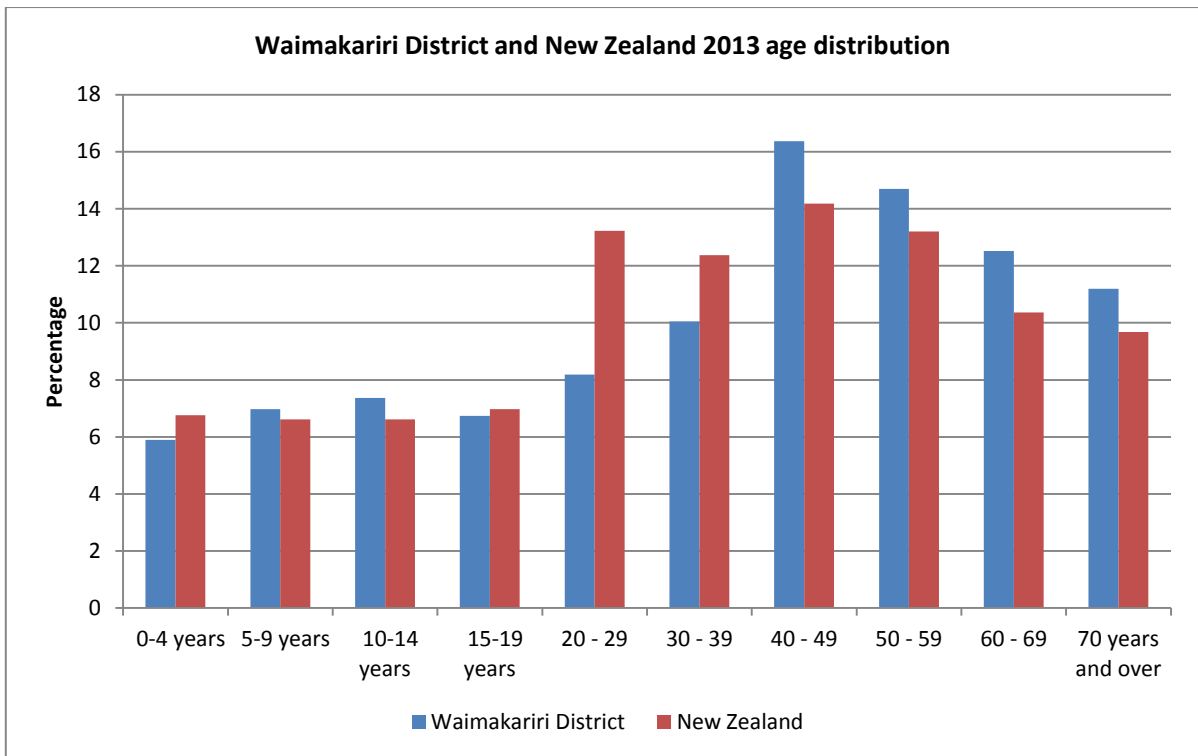
Over 2010-2012, the Waimakariri District Council commissioned a pedestrian activity survey for Rangiora town centre.

These surveys revealed that overall there has been a solid increase in pedestrian movements between the original survey in March 2010 to after the February 2011 earthquake (May 2011). The town centre has experienced a further increase in pedestrian movements during the year following the earthquake. The peak level of activity is observed at High Street in the vicinity of Good Street where over 2,300 pedestrian movements were recorded across the cordon during the 4 hour survey. It is likely this survey will be repeated in 2015 following the completion of some major roading and intersection improvements and private commercial developments.

8. Waimakariri Resident Profile

Waimakariri District's estimated resident population as at June 2014 is 54,400, an increase of 4,400 from the 2013 Census. This is among the highest ever annual proportional gain, reflecting the major increase in house building in 2013. This now makes the District the third largest District in the South Island (by population) Territorial Authority after Christchurch and Dunedin, and the second fastest growing Territorial Authority in New Zealand after Selwyn District.

Like the rest of the country, Waimakariri District has an ageing population, however has an overrepresentation of those aged over 40, compared to New Zealand as a whole, and an underrepresentation of people in their 20s and 30s. Children aged 5 to 14 are slightly overrepresented compared to New Zealand as a whole, reflected in growing local school rolls.



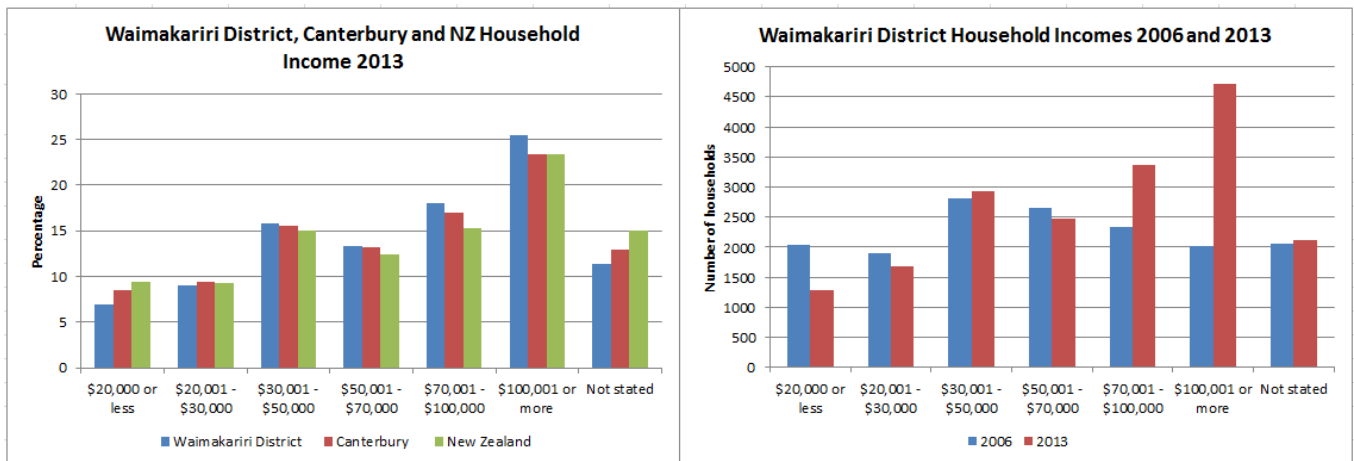
2013 Census of Population and Dwellings, Statistics New Zealand

Most residents are married (54%) and are either living as a couple (46%) or in a two parents with dependent children household (35%).

Half of all residents aged 15 and over are in full-time employment and another 16% are in part-time employment (at 2013 Census). Seventy-six per cent work for wages / salaries, 13% are self-employed and another 8% are employers themselves.

Home-ownership is high in Waimakariri. In 2013, 63% of homes were directly owned rather than through a Family Trust (compared with 52% in Canterbury).

Waimakariri District households have relatively high disposable incomes, with those earning more than \$70,000 per annum overrepresented compared to Canterbury and New Zealand as a whole, as shown in the graph below. The median income for Waimakariri District households in 2013 was \$68,800, compared to \$65,000 in Canterbury and \$63,800 in New Zealand as a whole. The median household income increased substantially since 2006, when it was \$50,900 as households with incomes of over \$70,000 and over \$100,000 increased dramatically.



2013 Census of Population and Dwellings, Statistics New Zealand

9. Opportunities in Rangiora

Recognising Rangiora’s unique and pivotal role in the wider Waimakariri District, the Waimakariri District Council adopted the Rangiora Town Centre Strategy – RTC2020, in September 2010. The Strategy is based on three key themes: providing for growth, improving access, and enhancing character and quality. Many of the implementation projects are meanwhile completed or have been significantly advanced.

Rangiora town centre currently enjoys a mix of boutique high market retail shops, as well as some national brand retailers / hospitality providers including (but not limited to) Farmers (rebuilt premises opening in 2016), The Warehouse, Warehouse Stationery, Noel Leeming, Hannahs, Paper Plus (rebuilt premises opening in 2015), Postie Plus, New Zealand Post Shop, Toyworld (rebuilt premises opening in 2015), Classic Clothing, Coffee Culture, Monteith’s Brewery Bar, Health 2000, Pizza Hut, Hell Pizza, Domino’s Pizza, Sushi Ya, Kosco, and supermarket chains Countdown and New World (Pak’n Save to open in 2015). The Rangiora town centre enjoys great support from its surrounding area of ‘mixed uses’, including light industry, offices and other services as well as larger floor space stores.

There are significant opportunities for development and business investment in the Rangiora town centre. These include, but are not limited to, development opportunities within the block of land north of High Street, bounded by High Street, Durham Street, Blake Street and Good Street. Under the Land Use Recovery Plan, the Council prepared a precinct-based redevelopment plan for this block. This envisages increased commercial floor space, enhanced pedestrian connectivity from High Street to the off-street Council owned car park behind Blake Street, new public and green spaces and a general expansion of the town centre core to the north. This was plan submitted to the Minister for Earthquake Recovery in December 2014. Other town centre development and tenant opportunities in Rangiora are abundant as rapid redevelopment takes shape.

The Council is investing significantly in the revitalisation of the Rangiora town centre, alongside the private sector. Following the effects of the earthquakes, the Council has accelerated the projects to realign and signalise the key town centre intersection of High Street, Ashley Street and Ivory Street (often referred to as ‘Red Lion Corner’) and to reconfigure High Street to two-way traffic with a range of landscaping and amenity improvements. The Council has been a proactive development

partner alongside the private sector in key development projects, notably within the North of High precinct plan area, and invested heavily in strengthening and extending the Rangiora Town Hall and Performing Arts Centre.

Southbrook provides substantial business, investment and development opportunities. With less than a half hour drive to Christchurch International Airport, Southbrook – the southern gateway to Rangiora – has been the focus of most of the new commercial building activity for industries including manufacturing, warehousing and engineering in Rangiora in recent years. All commercial sections at the Council developed Southbrook Business Park, comprising approximately 7 hectares of land, have been sold. However, some 70 hectares of Southbrook business land is under/undeveloped still. Underdeveloped Business 2 zoned land at Newham Street business area, at the southern entrance to Rangiora beyond Southbrook, provide additional opportunities for utilisation and intensification.

The effects of the 2010 and 2011 Canterbury earthquakes on the Rangiora town centre were notable. Many commercial buildings along the High Street have required strengthening and some demolition. While this has rendered some businesses displaced and property owners facing difficult decisions, the effects have also resulted in unprecedented opportunities for investors and new businesses – over and above significant development opportunities at Southbrook – and for the town centre to develop in a direction that sets the scene for economic growth for the wider area. The development activity currently seen in the Rangiora town centre and in other business land, and yet to be seen, sets the scene for Rangiora growth for the next fifty years.

Key Waimakariri District Council / Enterprise North Canterbury Contacts:

For town centre / economic development enquiries:

Trevor Ellis, Senior Planner – Policy, trevor.ellis@wmk.govt.nz

Heike Downie, Senior Policy Analyst, heike.downie@wmk.govt.nz

For Business Development Advice and Support:

Enterprise North Canterbury, office@enterprisenc.co.nz

Tom McBrearty, Economic Development Manager, tom@enterprisenc.co.nz (for information and advice about setting up a business)

For Council property enquiries:

Gary Saunders, Property Manager, gary.saunders@wmk.govt.nz

Useful Resources:

Council District Development Webpage: http://www.waimakariri.govt.nz/your_council/district-development.aspx

Council Rangiora Town Centre Webpage:

http://waimakariri.govt.nz/your_council/district-development/rangiora-town-centre.aspx

Council Local Economic Development Webpage:

http://www.waimakariri.govt.nz/your_council/district-development/economic-development.aspx

Enterprise North Canterbury Business Webpage: <http://www.northcanterbury.co.nz/business/>

References

Abley Transportation Consultants, Pre and Post-Quake Rangiora Town Centre Spending Analysis, May 2014

Abley Transportation Consultants, Rangiora Town Centre Pedestrian Survey III: High Street, May 2012

BERL Economics, BERL Regional Rankings 2013, January 2014

Canterbury Earthquake Recovery Authority, Land Use Recovery Plan, December 2013

Infometrics, Quarterly Economic Monitor, June 2014, September 2014, January 2015

Market Economics, Assessment and Review of Key Activity Centres Waimakariri District, September 2014

Property Economics, Rangiora Town Centre Economic Assessment, May 2010

Statistics New Zealand, Longitudinal Business Frame, 2005-2014

Statistics New Zealand, Employment Projections, 2006-2031

Statistics New Zealand, New Zealand Census of Population and Dwellings, 2013 (and previous)

Statistics New Zealand, Subnational Projections for Population

Waimakariri District Council, Waimakariri District Plan, November 2005

Waimakariri District Council, 2010 Rangiora Town Centre Business Survey, April 2010

Waimakariri District Council, Rangiora Town Centre Strategy – RTC2020, September 2010

Waimakariri District Council, 2011 Community Survey, February 2012

Waimakariri District Council, Ten Year Plan 2012 – 2022, 2012

Waimakariri District Council, Customer Satisfaction Survey, August 2013

Waimakariri District Council, 2013 District Profile, June 2014

Waimakariri District Council, Development Activity Scorecard for 2013/14, October 2014

Waimakariri District Council, Building Consent Records

Waimakariri District Council's responses to Land Use Recovery Plan Actions available at www.waimakariri.govt.nz

Cover page artist impressions:

Farmers Department Store – Ignite Architects

North of High Street Conway Lane development – Trevor Dodd

Rangiora Town Hall - Fulton Ross Team Architect