



**Christchurch Central  
Development Unit**

*Te Uepū Whakabiato*

# Central City Tenancies Affected by Property Acquisition by the Crown



*To Mana Haumanu ki Waitaha*

**The Minister for Canterbury Earthquake Recovery (the Minister) has the power to compulsorily acquire land, in the name of the Crown. His preference, however, is for the Crown, through the Chief Executive of the Canterbury Earthquake Recovery Authority (CERA), to acquire land by way of agreement.**

Much of the land identified for Anchor Projects in the Christchurch Central Recovery Plan (the Recovery Plan) needs to be acquired. Following the release of the Recovery Plan in July 2012, a letter was sent to all affected property owners explaining the process of acquisition by the Crown. Negotiations are now well underway for the purchase of affected properties with a number of agreements having been entered into. The Recovery Plan, including the location of the Anchor Projects, can be viewed on the website of the Christchurch Central Development Unit (CCDU), a department within CERA, at **[www.ccd�.govt.nz](http://www.ccd�.govt.nz)**

Formal notices of intention to take land are in the process of being sent to land owners and all other parties who have a registered interest in the properties affected. The purpose of this notice is to ensure that all owners, lessees with a registered interest in a property and others with an interest such as mortgagees are fully aware of the Crown's intention to acquire the land, which will include all interests such as the leasehold.

CERA is aware that many leasehold interests are not registered. Owners have therefore been requested to advise CERA if there are any unregistered interests associated with their affected property.

It is recommended by CERA that tenants who have a leasehold interest in an affected property should contact their landlord to:

- Ensure that their landlord has made CERA aware of the leasehold interest in the property; and
- Ascertain whether their landlord has entered into discussions with CERA in relation to the sale of the tenanted property.

There are a number of options for the Crown in dealing with properties subject to a leasehold interest:

1. The preferred option for the Crown is to negotiate an agreement for sale and purchase with the owner of a property, subject to a condition that the premises are vacated prior to the date of settlement. This requires the property owner to negotiate with tenants who have a registered or unregistered leasehold interest in the land ensuring that tenants vacate the property prior to settlement.
2. The Crown may also negotiate an agreement with the owner subject to an existing lease. If this occurs, an agreement between the Crown and the tenant will be required to be reached in conjunction with the agreement between the Crown and the owner. Following settlement of the agreement with the owner, the Crown



will become the landlord for the existing tenant until the agreed expiry date.

3. If an agreement cannot be reached between the Crown and the owner, the Crown may acquire all freehold and leasehold interests in a property compulsorily.

A tenant who suffers a loss as a result of compulsory acquisition is entitled to apply for compensation from the Crown. Claims for compensation must be lodged with CERA within two years after the exercise of power in question. It is likely that a tenant will need to provide evidence that there was a valid lease at the time the property was acquired. The Minister will then determine whether compensation is payable and the amount to be paid.

CERA strongly recommends that tenants, whose leasehold interest may be affected by compulsory acquisition, seek legal advice to ensure that they have a clear understanding of the acquisition process and their entitlement to claim compensation.

Depending on the nature of the project for which the property is required, post purchase tenancy arrangements with CERA may also be possible in some cases. Any such arrangements are likely to be time limited. If you have any queries in respect of the Christchurch Central Recovery Plan and its effects which cannot be answered by the **[www.ccdugovt.nz](http://www.ccdugovt.nz)** website you can contact the Crown's Agent, The Property Group on **(03) 363 5901** or **[ccdugovt@propertygroup.co.nz](mailto:ccdugovt@propertygroup.co.nz)**