

Rebirth built on loyalty to home

[ALAN WOOD](#) Last updated 12:50 26/12/2013
Dean Kozanic

FRUSTRATING PROGRESS: KPI Rothschild managing director Shaun Stockman, left, and tenant Andy McLeod at 225 High St.

The eastern part of the central city remains in part a wasteland but the rough edges are gradually being refined and new buildings are emerging. ALAN WOOD talks to Shaun Stockman as part of a series on developers contributing to the Canterbury rebuild.

The corner of High and Lichfield streets is developing into a miniature retail and commercial business hub at a steady rate.

Shaun Stockman, one of the developers behind eastern CBD commercial property buildings, would like to see other projects come in to complement his earthquake rebuild plans.

But he acknowledges that some of the surrounding land will remain bare for a time to come.

Stockman is managing director of KPI Rothschild Property Group, and is the front man for the new Stranges and Glendenning Hill properties on the prominent Lichfield-High corner.

KPI Rothschild's \$13 million, two-site project, where buildings were demolished after the 2011 quakes, could be seen as a beacon of light at the core of a flattened inner city.

The two new builds will join the existing Bonnington house, a historic pharmacy premises at 225 High St which had been strengthened before the 2010-11 earthquakes but still suffered on February 22, 2011.

The Bonningtons building is worth in the order of \$3m, having been bought in 2006 by the KPI group. KPI directors also include Dean and Grant Marshall.

"Most of the damage it got in the quakes was the [four-level Stranges] building next door actually falling through it," Stockman says.

The 1200 square foot Bonningtons was now one of the few "heritage" buildings standing in the central city, says Stockman.

Despite potential projects in the nearby area like the outlined innovation precinct, he points to the central business district rebuild as a slow process. There are a few bright spots in the southeast corner.

"There's CPIT, there's C1 cafe and Alices, there's us and there's Avonmore College . . . there's really only four buildings in the whole street."

He noted that near the northern end of High St, Tim Glasson was interested in the Triangle Centre, and Antony Gough was busy with his Oxford Tce retail and office project.

"But there's not a lot else. There's lots percolating, a lot of consents getting done but there's actually not a lot," Stockman says.

One of his tenants, Andy McLeod, who runs a couple of his own businesses from the offices, says he was glad to be in Bonningtons on the devastating day of February 22, 2011. Walking out onto High St that afternoon was shocking.

"Everything around us was gone," McLeod remembers.

Later he became involved in a series of meetings involving the likes of the Canterbury Earthquake Recovery Authority, the Canterbury Development Corp, MBIE and NZTE, mainly in late 2012 and early

2013.

But those he knows in the IT and small business sectors have remained frustrated by the lack of progress in terms of redeveloping the southeast corner of the city.

The potential tenants had voiced the need for thousands of square metres of floor space, and told officials of their frustration, Mcleod says.

The initial Epic campus rebuild project on Manchester St had been a win for the city, but the rest of the innovation precinct (to be located around High and Tuam Sts) has been frustratingly slow, he says.

Epic co-founder Colin Andersen is still talking to potential tenants for Sigma (part II of Epic), but the project was only being "nudged" along, given issues around land parcel consolidation in the central city. "Trying to buy land directly from the landowners was becoming increasingly difficult, it effectively turned into a bidding war pretty quick . . . none of our tenants would be able to afford the land [and resulting rents]." Those behind Epic were now waiting for "Government processes", including a financial sign-off, to provide direction for a new development.

Stockman has also been frustrated by officialdom with regard to his project, hailed as the "first permanent new build in the CBD". The replacement for the quake- damaged Westende House was compulsorily acquired by the Government for the eastern frame.

Mcleod talks up Stockman's involvement in the area as helping many small businesses, but he acknowledges it has been a struggle. "[At the moment] you come down the street and you see Beirut. It's not a good look."

As founding director of health and safety focused Staffbuddy.com and a partner in IT recruitment group Fosterra Consulting Group, he is now situated in the heart of a building containing 25 small businesses.

"That's what really drove us to come here again, the blend of talent, creativity and that cross- pollination of innovation," Mcleod says.

The other tenants include "Libby & Ben", a creative advertising agency owned by the sister and brother competitors within the New Zealand version of television competition show The Block, plus web design and architecture firms. Public relations-based firms at 225 High St include Cherry Red Consulting.

Stockman says one frustration was an initial reluctance from potential retail tenants for the ground floor due to low foot traffic. However, Vespa bar, formerly of Poplar Lane, has done okay out of the new site. Stockman, too, has moved to the 225 building having previously been in the nearby Globe cafe building, bought by Christchurch Heritage Trust in May 2012 but then damaged by a suspicious fire.

Both the Stranges Glendenning Hill projects run to three levels or more including a mezzanine floor, and are about 188 per cent of the new seismic code to give comfort for eventual tenants, including Leighs Construction and The IT Team and hospitality on the ground floor.

There is a commitment from Auckland's Britomart Hospitality Company to provide three bar and eating options for the High and Lichfield St properties, Stockman says.

The Stranges, Glendenning and Stranges Bonningtons will eventually host more than 250 office workers. "All of a sudden you've got your own little community," he says.

Such projects are largely driven by a commitment to his home town of Christchurch.

"We had insurance, but that wasn't quite half of the replacement cost of the buildings . . . it's our city isn't it, it's where we live, where I grew up," he says.

Stockman started as a panel- beater, a job that gave him a keen eye for detail, whether it concerns the fitouts for a restoration project or the nuts and bolts of a development project.

He bought his first residential investment property at age 24 - a cottage in Strickland St for \$29,000 - and later went on to work as a real estate agent for Harcourts, loving the contact with people, but eventually finishing that role in late 2005.

By the time he moved into property development he had built up a sizeable residential house portfolio, and retains several blocks of flats or larger homes converted into flats that are "good earners". He is still landlord to about 35 residential tenants.

His scariest time as a developer was not the earthquakes or the global financial crisis (GFC). It was the sharemarket crash of October 20, 1987.

"I woke up one morning, turned the news on and it felt like the bottom had fallen out of the world . . . I'd mortgaged my house to buy shares so all of a sudden the shares were worth 5 cents and 3 cents each."

He managed to keep his house. "I just gutted through it . . . that was probably the worst time, I had a young family and I'd never been through anything like it in my life." Today pretty much all his investments are property related.

The earthquakes have also had a significant impact, particularly in the amount of time needed to work through issues related to the damage. The property group has lost 20 buildings as a result of the quakes, 14 of those in the CBD. It has had good dealings with its main insurer Vero and used proceeds towards the purchase of new commercial property in Mandeville St, Lincoln township, Blenheim Rd and Riccarton.

"It has been a very challenging three years, and we've probably got another year, 18 months of still mopping up from the earthquakes."

Stockman points to signs of life in the rest of the central city including a potential move by Vodafone into the CBD, perhaps along Tuam St. Hewlett Packard is another company interested in the Tuam St area.

Outside the central city KPI has already completed a redevelopment of a 325 Stanmore Rd site into a block of five shops and a neighbourhood restaurant-bar, Persian Kitchen. The property is on the site of the previously well known Henry Africa's restaurant.

"The beauty of Stanmore is it still carries 14,000 cars a day, though some (of the area) is red- zoned down the back (near the Avon River) . . . but it's still a very high traffic count and the shops are going good," Stockman says There were other developers working in the Stanmore Rd area, he adds. "I don't think it will be fast but the area will come back."



The Press - www.press.co.nz

Like

You like this.

- The Press