

Research Update:

Christchurch City Holdings Ltd. 'AA-/A-1+' Ratings Affirmed; Outlook Stable

December 4, 2025

Overview

- Our ratings on Christchurch City Holdings Ltd. (CCHL) reflect our assessment of an almost certain likelihood of extraordinary support from its owner, Christchurch City Council (CCC), in a distress scenario.
- We affirmed our 'AA-' long- and 'A-1+' short-term issuer credit ratings on CCHL.
- The stable outlook on CCHL reflects that on CCC.

Rating Action

On Dec. 5, 2025, S&P Global Ratings affirmed its 'AA-' long- and 'A-1+' short-term issuer credit ratings on CCHL. The outlook is stable. CCHL is CCC's investment holdings company.

Outlook

The stable outlook on CCHL reflects that on our rating on CCC.

Downside scenario

We would lower our ratings if we downgrade CCC or if we believe CCHL's role or link to the council is weakening.

Upside scenario

We could raise our ratings if we upgrade CCC and we believe CCHL's role for and link to the council remain the same.

Rationale

Our ratings on CCHL reflect those on the entity's 100% owner, CCC, because of CCHL's critical role for, and integral link with, the council.

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We base our view of an almost certain likelihood of extraordinary support on our assessment of the following characteristics of CCHL:

- CCHL has a critical role because it operates on behalf of the council and separates the council's core operations (those supported by its tax revenue sources) from its commercial assets. Given that CCHL manages a large portfolio of the council's important commercial trading organizations, we view it as one of the council's most important government-related entities. Furthermore, if CCHL did not exist, we believe CCC would conduct that function internally.
- CCHL has an integral link with the council because it is essentially an arm of CCC with a legal framework that provides for explicit support. Although CCC is prohibited from legally guaranteeing the obligations of CCHL, explicit support is demonstrated through the council's subscription of NZ\$1.5 billion of callable capital in CCHL. The level of CCHL's borrowings and other liabilities is limited to the amount of uncalled capital available, plus any sums advanced to the council and repayable on demand. In a period of financial stress, CCHL could call on this capital, which would be paid by CCC issuing debt in its own name. In addition, CCHL is the holding company for all the council's commercial trading organizations, and there is council representation on the company's board, with regular reporting mechanisms to the council. In our view, CCC has an incentive to provide emergency support in a timely manner if required.

We do not assign a stand-alone credit profile to CCHL because of the almost certain likelihood of timely extraordinary support from the council. In addition, we do not think CCHL would be subject to any transition risk, because it is a nonseverable arm of the local government. Because of this and the council's strong oversight, recent changes in senior leadership and board members do not represent a risk to the rating, in our view.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Christchurch City Council 'AA-/A-1+' Ratings Affirmed; Outlook Stable](#), Dec. 5, 2025

Ratings List

Ratings List

Ratings Affirmed

[Christchurch City Holdings Ltd.](#)

Issuer Credit Rating	AA-/Stable/A-1+
Senior Unsecured	AA-
Commercial Paper	A-1+

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