

Before an Independent Hearings Panel
Appointed by Waimakariri District Council

under: the Resource Management Act 1991

in the matter of: Submissions and further submissions on the Proposed
Waimakariri District Plan

and: Hearing Stream 12D: Ōhoka rezoning request

and: **Carter Group Property Limited**
(Submitter 237)

and: **Rolleston Industrial Developments Limited**
(Submitter 160)

Supplementary statement of evidence of Natalie Hampson
(Economics)

Dated: 18 June 2024

Reference: J M Appleyard (jo.appleyard@chapmantripp.com)
LMN Forrester (lucy.forrester@chapmantripp.com)

chapmantripp.com
T +64 3 353 4130
F +64 4 472 7111

PO Box 2510
Christchurch 8140
New Zealand

Auckland
Wellington
Christchurch



SUPPLEMENTARY STATEMENT OF EVIDENCE OF NATALIE HAMPSON

INTRODUCTION

- 1 My full name is Natalie Diane Hampson.
- 2 My area of expertise, experience, and qualifications are set out in my statement of evidence dated 5 March 2024 for this hearing stream.
- 3 The purpose of this supplementary evidence is to respond to matters raised in the Officer's Report dated 31 May 2024 relevant to my evidence.
- 4 As the Panel will be aware, economic expert conferencing directed by Minute 20 has not taken place. Mr Yeoman for Council provides his summary of the communication process for the conferencing in his evidence dated 3rd May 2024. I wish to note that I responded to all requests for conferencing, indicating dates that I was available each time.
- 5 I would also like to acknowledge that Mr Yeoman has provided answers to a few high-level queries that Mr Akehurst and I had on his Waimakariri Capacity for Growth Model 2022 (*WCGM*) in response to letter sent by Chapman Tripp to Buddle Finlay (who are Council's legal advisors). Where relevant, I update matters raised in my evidence in chief to take account of Mr Yeoman's responses. I attach that letter as **Appendix 4** of this statement.

CODE OF CONDUCT

- 6 Although this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

RESPONSE TO OFFICER'S REPORT – RESIDENTIAL DEMAND, CAPACITY AND SUFFICIENCY

Response to Mr Yeoman's evidence dated 20 May 2024

No Feasible and RER capacity in the LLRZ

- 7 In paragraph 47 of my evidence in chief, I highlighted concerns that the WCGM22 was not identifying any feasible capacity in the LLRZ throughout the district in the medium-term. Mr Yeoman has, via the response from Buddle Finlay, explained that this is because of

the assumptions applied in his feasibility model which treats LLRZ development as it does commercially feasible development of other residential zones in the WCGM22. This is, it calculates the costs to a developer to purchase and then develop the land for residential use. He accepts that this is “*not how the market operates*” in the LLRZ and because of the applied approach, the WCGM22 underestimates medium-term feasibility in the LLRZ.

- 8 While Mr Yeoman states that his feasibility model follows MfE guidance for the NPS-UD, clause 3.26 of the NPS-UD does provide scope for local authorities to apply “*any appropriate method*” so long as those “*methods*” (plural) are outlined and justified. I consider that a ‘dwelling only’ feasibility model could have been applied to the LLRZ to better reflect the way in which the LLRZ market operates. Nonetheless, in my evidence in chief, I adopt the long-term capacity of the LLRZ in the WCGM for the medium-term to account for this limitation, and Mr Yeoman has confirmed in the same letter that this “*would be a better estimate of medium term feasible capacity*” in the zone. This means that my conclusion in paragraph 49 of my evidence in chief is correct – that feasible capacity across all towns and settlements where LLRZ is present is slightly higher than reported in the WCGM22 and that those adjusted figures are an appropriate baseline for my assessment.

Urban environment of Waimakariri District

- 9 Mr Yeoman maintains¹ that the urban environment of Waimakariri District is the three main townships of Rangiora, Kaiapoi and Woodend/Pegasus. In response to the Planning JWS which identified alternative views on what constituted the urban environment of the district, I was hopeful that as part of the economic expert conferencing that Mr Yeoman could reveal the demand, capacity and sufficiency results of an urban environment defined according to all the residential zoned locations within the Greater Christchurch extent. This is on the assumption that his WCGM22 contains the necessary detail to show these results.
- 10 In the absence of expert conferencing for the economists, this same request was put to Mr Yeoman via the letter to Buddle Finlay. While Mr Yeoman provided answers to all the questions included in that letter, he did not provide the results of the alternative urban environment with his response. Nor is this contained in his Ōhoka evidence. I consider this would have assisted the Panel.
- 11 Specifically, Mr Akehurst and I asked “*please provide ... results (demand, capacity, sufficiency) for all towns/settlements included in the WCGM 2022*”. In the reply from Buddle Finlay, Mr Yeoman stated “*This data has already been provided in the December 2023 report*” prepared by Formative. This is not the case. While listing all the townships/settlements included in the model in Appendix A of

¹ Mr Yeoman’s evidence, paragraph 2.3.

that report, the only townships for which results are provided are the three main urban townships.

- 12 When asked if he could, as a less detailed alternative, provide the aggregate results from the WCGM for the alternative definitions of the urban environment, Mr Yeoman's reply was that the "*WCGM22 was not built to model rural or settlement areas within the dotted line of Map A*". While I'm aware that rural and rural lifestyle zones are not captured in the model, Appendix A of the Formative report clearly identifies that all the settlements (including settlements that are wholly LLRZ) are captured within the capacity model. There would seem no point in assessing capacity in these locations if demand was not also modelled for those locations.
- 13 Further, the Formative report refers (multiple times) to the 'urban areas of the district'. It states (page 19) that district level "*demand was then allocated to locations in the District using a midpoint between the demand shares in the StatisticsNZ projections SA2 and recent building consents (2019-2022)*". With respect to sufficiency modelling, the report states (page 27) "*the output of this step is detailed demand by typology and location, for both dwellings and business land*".
- 14 I note that this confirms that StatisticsNZ SA2 growth projections are an input to the WCGM22 demand model, yet in the Buddle Findlay reply, Mr Yeoman states "*only the District level projection feeds into the WCGM22*". When asked "*How relevant is this SA2 dwelling projection for predicting demand at a township level?*" Mr Yeoman replied "*Not relevant*". These are significant inconsistencies.
- 15 Despite Mr Yeoman's responses, I suspect that the WCGM22 *does* likely contain demand, capacity and sufficiency results for all townships and settlements in the district, including for Ōhoka. Supporting my view is the latest report released by Formative for the same model in Selwyn District, which now contains the sufficiency results for every town/settlement in that district.²
- 16 Both Mr Akehurst and I have provided our estimates of what the WCGM22 might show for a Greater Christchurch urban environment as defined by Map A of the CRPS, and in the absence of further information from Mr Yeoman, I consider that those estimates still stand.

Response to Appendix A: Recent Growth Trends and WCGM22

- 17 Appendix A of Mr Yeoman's evidence contains analysis of some new data that has come available since developing the WCGM22. Mr Yeoman relies on this information to show "*that the WCGM22 is*

² <https://www.selwyn.govt.nz/?a=2143007> Appendix C, page 58. This covers sufficiency for 19 settlements in addition to the main townships discussed in more detail in the main body of the report.

conservative, as it consistently overestimates demand and underestimates capacity” (paragraph 2.5). I respond to some key aspects of Mr Yeoman’s Appendix A below.

- 18 Under the heading ‘**Recent Growth**’ Mr Yeoman discusses the distribution of population growth in the last year,³ and states that just over 80% of district growth in the resident population occurred in the three main townships, 12% occurred outside of Greater Christchurch, and 8% occurred within Greater Christchurch but outside of the three main townships. In total, this indicates around 88% of estimated population growth between 2022 and 2023 occurred within Greater Christchurch.
- 19 I have not been able to replicate Mr Yeoman’s percentages and he does not provide a concordance of SA2s (which is the resolution of the sub-national population estimates) to his three areas set out in Figure 5.1. I have however replicated his SA2 dwelling consent values for those same three areas (discussed further below) and applied that same spatial aggregation of SA2s to the population estimates to be consistent. This SA2 concordance is included in **Appendix 1** of this statement. I have summarised the annual population estimate data below in Table 1.
- 20 Based on my spatial analysis of the data, I get a similar share of district growth in the last year (2022-2023) occurring within the Greater Christchurch area (87% compared to Mr Yeoman’s 88%) but note this was made up of 84% occurring within the three main towns and 4% occurring in the rest of Greater Christchurch (not 8% stated by Mr Yeoman).
- 21 Mr Yeoman states that based on last years’ growth (i.e. 2022-2023) the three main urban townships “*have accommodated a larger share of growth in the District. The other settlements, Rural Lifestyle Zone, and the General Rural Zone have accommodated a declining share of growth*” (paragraph 5.4).
- 22 Relying on one years’ data is not sufficient to draw conclusions on trends. Table 1 shows considerable fluctuation in the share of population growth that has occurred in the three main townships, the rest of Greater Christchurch and Outside of Greater Christchurch since 2018. While the three main townships may have (according to my analysis of the data) accounted for 84% of district population growth between 2022-2023, that same area accounted for only 65% of population growth in the previous year (2021-2022) which was a decrease from 79% in the year before that. The rest of Greater Christchurch has accounted for between 4% and 16% of district population growth since 2018. Similarly, the area outside of Greater

³ While the data source is not specified in other versions of this same appendix (i.e. refer Mr Yeoman’s evidence dated 3rd May 2024 which was prepared to respond to Minute 20 and 23 issues raised by the Panel), he confirms use of the StatisticsNZ Sub-National Population Estimates.

Christchurch as accounted for between 13% and 21% over that period.

Table 1 – YE June Population Estimates 2019-2023 by Location in Waimakariri District

TOTAL RESIDENT POPULATION ESTIMATES						2019-2023	2019-2023
	2019	2020	2021	2022	2023		
Rangiora	18,900	19,280	19,360	19,520	19,580	680	4%
Woodend	5,940	6,520	7,390	7,900	8,720	2,780	47%
Kaiapoi	12,240	12,610	12,830	13,010	13,320	1,080	9%
Sub-Total Main Townships	37,080	38,410	39,580	40,430	41,620	4,540	12%
Rest of Greater Christchurch*	11,220	11,540	11,610	11,800	11,850	630	6%
Sub-total Greater Christchurch	48,300	49,950	51,190	52,230	53,470	5,170	11%
Outside Greater Christchurch	14,510	14,800	15,040	15,310	15,490	980	7%
Total District	62,810	64,750	66,230	67,540	68,960	6,150	10%
ANNUAL GROWTH IN RESIDENT POPULATION (N)							
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023		
Rangiora	460	380	80	160	60		
Woodend	260	580	870	510	820		
Kaiapoi	320	370	220	180	310		
Sub-Total Main Townships	1,040	1,330	1,170	850	1,190		
Rest of Greater Christchurch*	190	320	70	190	50		
Sub-total Greater Christchurch	1,230	1,650	1,240	1,040	1,240		
Outside Greater Christchurch	230	290	240	270	180		
Total District	1,460	1,940	1,480	1,310	1,420		
SHARE OF ANNUAL GROWTH IN RESIDENT POPULATION BY LOCATION (%)							
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023		
Rangiora	32%	20%	5%	12%	4%		
Woodend	18%	30%	59%	39%	58%		
Kaiapoi	22%	19%	15%	14%	22%		
Sub-Total Main Townships	71%	69%	79%	65%	84%		
Rest of Greater Christchurch*	13%	16%	5%	15%	4%		
Sub-total Greater Christchurch	84%	85%	84%	79%	87%		
Outside Greater Christchurch	16%	15%	16%	21%	13%		
Total District	100%	100%	100%	100%	100%		

Source: StatisticsNZ Population Estimates June YE. * Includes settlements and rural areas (i.e. total land coverage)

- 23 With respect to Ōhoka, Mr Yeoman states that “*the amount of growth accommodated in Ōhoka has dropped over time*” (paragraph 5.5). Again, the data does not show this. Ōhoka has held steady its share of total district population 2021-2023 at 2.6%. In terms of its share of annual growth, this has also fluctuated over time and there is no clear trend (ranging from 0% to 3.4% of annual district population growth between 2018 and 2023).
- 24 My point is that there are not clear trends of growth *increasingly* being directed to the three main townships. Certainly, those three towns account for the majority of growth, but that share of growth changes year on year. It is important to remember that population growth is (largely) dependent of dwelling supply. Dwelling supply is in turn contingent on dwelling capacity. The fluctuations seen in the population estimate data are a reflection of where housing development has been occurring.
- 25 Mr Yeoman then considers dwelling consent data from 2019 to 2024. He finds that dwelling consent data shows the similar allocations of growth as the population estimates. Specifically, his

Figure 5.1 shows that 83% of total district residential consents occurred in the three main townships in 2024, 8% occurred in the rest of Greater Christchurch (giving a total of 91% in Greater Christchurch), and 9% occurred outside of Greater Christchurch.

- 26 Unusually, Mr Yeoman's Figure 5.1 showed calendar years for 2019-2023 consent data and then a '12 months ending February' for 2024 (i.e. his 2024 figure contains 10 months of the 2023 calendar year). I have tested the data and over the period he has examined there are quite substantial differences in annual consent figures if assessed as calendar years compared to YE February. On that basis, I consider it important to show consistent 12 month increments when analysing time series data.
- 27 I have analysed the SA2 level dwelling consent data using YE February consistently for all years between 2019 and 2024, which allows the very latest data from Statistics NZ (i.e. February 2024 consents) to be included. As mentioned above, I have replicated the same area as Mr Yeoman's Figure 5.1 but have also looked at the data in more detail (Table 2).

Table 2 – Annual Residential Consents by Location in Waimakariri District YE February 2019-2024 (Total Dwellings)

ANNUAL GROWTH IN TOTAL DWELLING CONSENTS (N) (YE February)						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	219	148	112	142	85	83
Woodend	203	299	274	356	309	447
Kaiapoi	112	74	71	243	134	114
Sub-Total Main Townships	534	521	457	741	528	644
Rest of Greater Christchurch	71	52	57	99	83	64
Sub-total Greater Christchurch	605	573	514	840	611	708
Outside Greater Christchurch	89	62	75	111	111	71
Total District	694	635	589	951	722	779
SHARE OF ANNUAL GROWTH IN TOTAL DWELLING CONSENTS BY LOCATION (%)						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	32%	23%	19%	15%	12%	11%
Woodend	29%	47%	47%	37%	43%	57%
Kaiapoi	16%	12%	12%	26%	19%	15%
Sub-Total Main Townships	77%	82%	78%	78%	73%	83%
Rest of Greater Christchurch	10%	8%	10%	10%	11%	8%
Sub-total Greater Christchurch	87%	90%	87%	88%	85%	91%
Outside Greater Christchurch	13%	10%	13%	12%	15%	9%
Total District	100%	100%	100%	100%	100%	100%

Source: StatisticsNZ Building Consents by (2023) SA2s. SA2s include rural and urban zone areas (i.e. total land coverage).

- 28 Like the population estimates data, the total dwelling consent data shows that total dwelling consents fluctuate year on year in both quantum and distribution. While the three main townships accounted for 83% of consents in the YE February 2024, this share has ranged between 73% and 83% since 2018. While 64 consents were issued in the YE February 2024 in Greater Christchurch outside of the three main townships (8% of the total) this has been as high as 99 consents only recently in the YE February 2022 (10% of the total). In YE February 2023, the number of consents was less in this location (83), but the share of the total was higher (11%).

- 29 Ōhoka has accounted for between 0.9% and 2.5% of district total dwelling consents between YE February 2019-2024 (and between 1.0% and 2.9% of total standalone dwellings in that period). In the YE February 2024, Ōhoka accounted for 20% of all dwelling consents issued in the Greater Christchurch area outside of the main townships, and this has been as high as a 26% share in the YE February 2021. This confirms Ōhoka's attractiveness relative to other settlements in Greater Christchurch as a location of demand. However, remaining zoned dwelling capacity in the settlement is eroding.
- 30 I note that the WCGM22 shows feasible capacity for 21 additional dwellings in the Ōhoka Settlement Zone in the medium-term, but all of this capacity is contingent on infill development (i.e., existing homeowners being willing to subdivide off a portion of their section). Vacant capacity exists only in the LLRZ in Ōhoka (and equates to feasible capacity of 78 lots spread over a number of landowners and most still in large lifestyle/rural blocks).⁴ As discussed in Mr Jones' evidence (paragraph 8 of his evidence in chief and paragraph 6.1 of his supplementary evidence), there have been limited real estate transactions recently in Ōhoka which indicates that supply has been, or is about to become, constrained. I consider that recent consents may not therefore represent the full extent of market demand for sections in Ōhoka, including demand for smaller sections such as would be offered in the Settlement Zone.
- 31 Dwelling consents are closely linked to when subdivisions or stages of subdivisions are released. As such, care is needed in inferring that these are the patterns of housing demand, as any areas where capacity is constrained (either no capacity remaining or only limited capacity remaining which may lead to higher prices and decreasing affordability) may have latent demand that is not being provided for.
- 32 The use of averages over several years helps smooth these fluctuations, but even then, consents still don't necessarily reflect demand. This is why I consider that demand should be calculated independently of supply.⁵
- 33 Mr Yeoman then discusses trends in the dwelling consent data for standalone versus attached dwellings. The total district shares between these two typologies are shown in his Figure 5.1. He states that based on these district level shares that *"it is clear that*

⁴ The WCGM22 does not consider this land feasible to develop in the medium-term, but as discussed above, if not for the way that the feasibility model has been applied, it is considered likely that this land is currently feasible if those landowners bring sections to the market.

⁵ The WCGM22 allocates district demand using a midpoint between StatisticsNZ growth projections and consent growth averaged between 2019-2022, so is still influenced by supply patterns. In my view, the NPS-UD recommends that supply patterns are incorporated in estimates of Reasonably Expected to be Realised Capacity (RER) and not the demand projections.

preferences for dwellings are changing, with higher density typologies becoming more popular, and this trend is likely to continue” (paragraph 5.8).⁶

- 34 As above, I have replicated that same data, but using a consistent 12 month period between 2019 and 2024 (i.e. all YE February 2024). It is important in a district like Waimakariri to distinguish between a trend towards attached housing and a trend toward higher density housing. I agree with Mr Yeoman and the Formative report that there is a trend toward smaller sections, but this does not necessarily mean attached housing. For the most part, it just means more compact standalone dwellings on smaller land parcels.
- 35 In the dwelling consent data, the ‘attached’ housing that Mr Yeoman refers to is more accurately referred to by StatisticsNZ as an aggregation of ‘multi-unit developments’. It includes apartments and ‘town houses, flats and other units’ – both of which are attached typologies (vertically or horizontally). However, it also includes ‘retirement village units’. Retirement villages may contain attached and/or standalone typologies – the data does not make the distinction.
- 36 Retirement village dwelling units are an important segment of the housing market and need to be included in both the demand and capacity assessments of models under the NSP-UD. The increasing supply of retirement villages is the market responding to demand from an ageing population and an increasing preference for this cohort to live within a retirement village, rather than necessarily an increasing preference to live in an attached dwelling per se. The trend toward retirement village living is seen nationwide.
- 37 Retirement villages are often large and are developed infrequently compared to other forms of housing for the general housing market. When they are consented, or stages of a village are consented, they can have a noticeable impact on total multi-unit dwelling consents (i.e. Mr Yeoman’s ‘attached’ housing).
- 38 Table 3 provides a breakdown of dwelling consents between areas of the district and between standalone, retirement villages and the balance (being wholly attached housing). Table 3 shows the % shares of units, but **Appendix 2** of my evidence provides the counts in each year and **Appendix 3** shows retirement village unit consents as a % share of total ‘attached’ (multi-unit) consents.

⁶ I note that while the NPS-UD requires that sufficiency is reported by dwelling typology (being at least standalone and attached), Formative do not report this for the WCGM22. As such, it is not known whether the PDP provides sufficient capacity for attached and standalone dwellings. Again, this detail is in the WCGM22 but not made public.

Table 3 – Share of YE February Dwelling Consents by Location and Typology (2019-2024) in Waimakariri District

ANNUAL DWELLING CONSENTS (YE February) - STANDALONE						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	68%	92%	96%	96%	82%	71%
Woodend	98%	95%	98%	100%	95%	78%
Kaiapoi	81%	76%	79%	79%	75%	66%
Sub-Total Main Townships	82%	91%	95%	92%	88%	75%
Rest of Greater Christchurch	100%	98%	93%	98%	95%	100%
Sub-total Greater Christchurch	84%	92%	95%	93%	89%	77%
Outside Greater Christchurch	96%	98%	91%	95%	96%	99%
Total District	86%	93%	94%	93%	90%	79%
ANNUAL DWELLING CONSENTS (YE February) - RETIREMENT VILLAGE UNITS						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	15%	0%	3%	0%	0%	0%
Woodend	0%	0%	0%	0%	3%	19%
Kaiapoi	0%	0%	0%	10%	21%	11%
Sub-Total Main Townships	6%	0%	1%	3%	7%	15%
Rest of Greater Christchurch	0%	0%	0%	0%	0%	0%
Sub-total Greater Christchurch	5%	0%	1%	3%	6%	14%
Outside Greater Christchurch	0%	0%	0%	0%	0%	0%
Total District	5%	0%	1%	3%	5%	13%
ANNUAL DWELLING CONSENTS (YE February) - APARTMENTS, TOWNHOUSES, FLATS, OTHER						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	17%	8%	1%	4%	18%	29%
Woodend	2%	5%	2%	0%	2%	2%
Kaiapoi	19%	24%	21%	11%	4%	24%
Sub-Total Main Townships	12%	9%	5%	4%	5%	9%
Rest of Greater Christchurch	0%	2%	7%	2%	5%	0%
Sub-total Greater Christchurch	10%	8%	5%	4%	5%	9%
Outside Greater Christchurch	4%	2%	9%	5%	4%	1%
Total District	10%	7%	5%	4%	5%	8%
ANNUAL DWELLING CONSENTS (YE February) - SUB-TOTAL MULTI UNIT						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	32%	8%	4%	4%	18%	29%
Woodend	2%	5%	2%	0%	5%	22%
Kaiapoi	19%	24%	21%	21%	25%	34%
Sub-Total Main Townships	18%	9%	5%	8%	12%	25%
Rest of Greater Christchurch	0%	2%	7%	2%	5%	0%
Sub-total Greater Christchurch	16%	8%	5%	7%	11%	23%
Outside Greater Christchurch	4%	2%	9%	5%	4%	1%
Total District	14%	7%	6%	7%	10%	21%
ANNUAL DWELLING CONSENTS (YE February) - TOTAL DWELLINGS						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	100%	100%	100%	100%	100%	100%
Woodend	100%	100%	100%	100%	100%	100%
Kaiapoi	100%	100%	100%	100%	100%	100%
Sub-Total Main Townships	100%	100%	100%	100%	100%	100%
Rest of Greater Christchurch	100%	100%	100%	100%	100%	100%
Sub-total Greater Christchurch	100%	100%	100%	100%	100%	100%
Outside Greater Christchurch	100%	100%	100%	100%	100%	100%
Total District	100%	100%	100%	100%	100%	100%

Source: StatisticsNZ Building Consents by (2023) SA2s. SA2s include rural and urban zone areas (i.e. total land coverage).

39 Key observations from the data include:

39.1 The share of dwellings that are 'attached' (multi-unit dwelling consents) has fluctuated in recent years and there is not yet a clear trend.

- 39.2 Mr Yeoman's Figure 5.1 is misleading in that it shows 'attached' housing accounting for a high share in both 2023 and YE February 2024. This is a product of his overlap between a 2023 calendar year and a YE February 2024 year (double counting). A consistent time series shows a 10% share in the 12 months prior to the YE February 2024 (i.e., YE February 2023, Table 3).
- 39.3 While 21% of total dwellings consented in the district were 'attached' in the YE February 2024, this 'leap' compared with YE February 2023 (10%) is largely driven by retirement village consents which leapt from 5% of total dwelling units consented in YE February 2023 to 13% of total dwellings in 2024.
- 39.4 Retirement village units accounted for 61% of all 'attached' dwelling consents in the YE February 2024, and a 51% of all 'attached' dwelling consents in the YE February 2023. In YE February 2020, they accounted for 0% - the share totally depends on when they are being developed/consented which is not every year.
- 39.5 When the ad hoc effect of retirement villages is excluded, other attached housing (being apartments, townhouses, flats and other multi units) accounted for 8% of district dwelling consents in the YE February 2024 (62 units). This share has been as low as 4% in the YE February 2022 (39 units) and as high as 10% in the YE February 2019 (67 units) (Table 3).
- 40 The WCGM22 allocates 9% of dwelling demand in the district to 'attached' dwellings which Mr Yeoman explains (with reference to his Figure 5.1) is "*less than half the share that has been observed in the last 12 months. This means that the WCGM22 overestimates the demand for low intensity standalone dwellings*" (Footnote 17). While I accept that the model accounts for demand for retirement village units under the umbrella of 'attached' housing, the consent supply data for 'attached' (or multi-unit consents) is not always going to a helpful indicator of demand because the retirement village consents in particular occur in 'chunks' but demand for that typology is more smooth over time.
- 41 Mr Yeoman considers that the WCGM22 assumption of 9% attached dwelling demand is conservative.⁷ I disagree. When taking account of the effect of retirement village consenting, the YE February 2024 value is currently an outlier in the recent data series and there is not clear evidence yet that 9% will be conservative over the short or potentially medium-term. I do think that it will be conservative for the long-term.

⁷ Mr Yeoman's evidence, paragraph 5.14.

- 42 I also have concerns with Mr Yeoman's statement (paragraph 5.8) that because of trends towards higher density dwelling typologies "*this means that the demand for lower density dwellings and smaller settlements, including Ōhoka will continue to decline in the future*". Mr Yeoman gives the impression that the district's smaller towns and settlements will not experience growth over the long-term.
- 43 There is no evidence of a decline in recent years. All of the settlements and towns outside of the three main townships have shown growth in their population since 2019. Table 3 shows that supply of multi-unit (attached) dwellings has been largely (although not exclusively) focussed on the main urban townships in recent years.⁸ I consider that there will always be a share of standalone demand that is targeted at smaller towns and settlements.
- 44 There are many trade-offs households make when purchasing or building a dwelling – between location, type and price (among other variables). Smaller settlements will always appeal to a share of the market as not everybody wants to live in a large urban town. As the three main urban towns get larger, this may even make the smaller settlements relatively more attractive for some households. Even if preferences for lot sizes in some of these settlements shifts towards smaller sections than the status quo, then the district plan and/or the market (via consent) can respond to that while still catering for demand in those locations.
- 45 StatisticsNZ projects that Ōhoka and Mandeville combined⁹ will increase its population by 41% between 2023 and 2048 under the High Growth Series (growth of 1,580 additional residents).¹⁰ This location has the highest projected growth in both quantum and percent of all the settlements/towns outside of the three main townships. This growth is projected irrespective of a gradual preference shift towards higher density dwellings in Waimakariri District.
- 46 Under the heading '**Projected Growth**' Mr Yeoman discusses the use of high growth projections in the WCGM22. This is already discussed in the Formative Report for the WCGM22. However, Mr Yeoman again makes the point that he considers "*it is likely that demand will grow at a level below the High projection, and that it is unlikely that demand will continuously reach the High projections for*

⁸ This may not always be the case – for example, a retirement village proposed in Oxford or approved in Ōhoka would add further fluctuations in the consent data for 'attached' dwellings.

⁹ StatisticsNZ SA2 population projections (2022 update) are only available at older 2018 SA2 boundaries. In the 2023 SA2 boundaries, Ōhoka is its own SA2.

¹⁰ The WCGM22 indicates (once adjusted for including LLRZ capacity) combined capacity of 114 dwellings in the Ōhoka/Mandeville area under the PDP/Variation 1 to accommodate that growth over the long-term (to 2053). Even if there were on average 4 residents per household, this would only accommodate 456 additional population.

the entire medium term (10 years) or long term (30 years)" (paragraph 5.13).

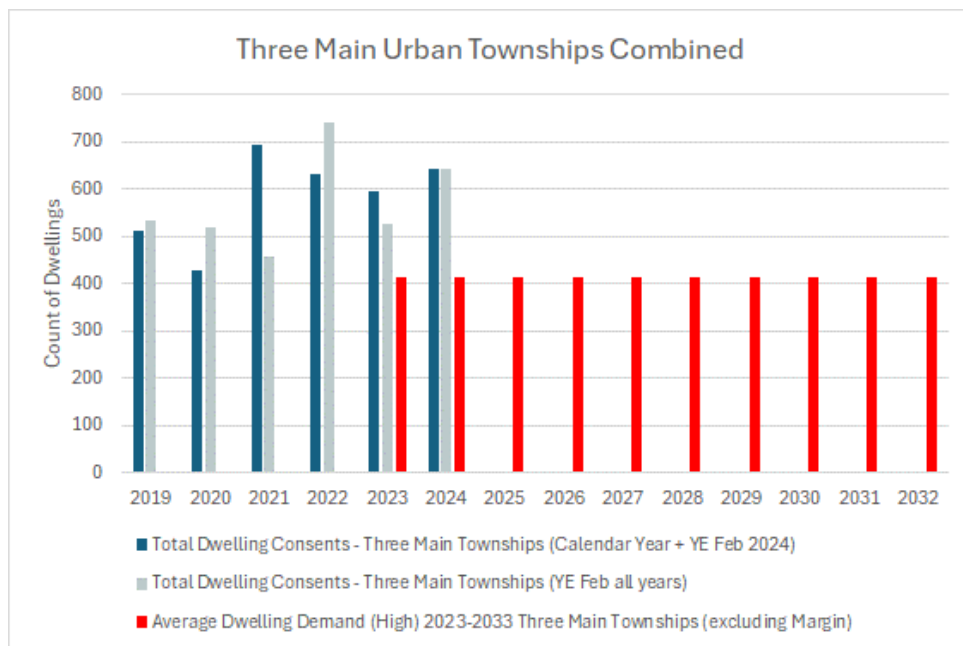
- 47 Two key points are relevant in response to that statement:
- 47.1 Firstly, the StatisticsNZ High Growth projections for households already account for a slowing of growth over time. That is, it is not a linear projection that assumes the same quantum of growth every year. Rather, it is a curved growth outlook. For example, between 2023-2028, StatisticsNZ (High Growth projection) estimates 2,500 additional households in Waimakariri District, but for the period 2038-2043, that growth slows to 1,900 additional households.¹¹ It would take a significant shock in the housing market for Waimakariri to suddenly jump down to the Medium Growth projections in the next 10 years. This seems unlikely given that Mr Yeoman has already indicated¹² that Waimakariri has been somewhat resilient to the slowdown in demand for greenfield dwellings seen elsewhere in New Zealand and was also resilient to the effects of Covid-19. I consider it likely that the High Growth Projection *will* be the most appropriate growth series for the district over the medium-term and the long-term.
- 47.2 Second, there is no compelling evidence that suggests that Waimakariri District will grow at a level below the High projections in the medium-term. Figure 1 compares WCGM22 dwelling demand over the medium-term for the three main urban townships combined, averaged to give annual growth between 2023 and 2032. This is based on the model's demand assumption of 4,970 additional dwellings inclusive of the competitiveness margin, but with that 20% margin removed so that it can be compared with actual dwelling consents in the three main townships.¹³
- 48 Notwithstanding the care needed to infer demand from supply, Figure 1 shows that demand has consistently been higher than average dwelling demand projected in the WCGM22 in the three main townships. While not shown, I have graphed the same data but for the total district, and the results are the same. Despite this data, Mr Yeoman states that the high growth demand projections for the main urban townships are "*similar to the average observed over the last five years*" (paragraph 5.15). It is well below that average.

¹¹ StatisticsNZ, Sub-national Household Projections (2018 base-2043).

¹² Mr Yeoman's evidence, paragraph 5.12.

¹³ I have included the consent counts as presented in Mr Yeoman's Figure 5.1 and my consent figures that use a consistent 12 month increment as shown in Table 2.

Figure 1 – Comparison of Total Dwelling Consents Issued in the Three main Urban Townships 2019-2024 with WCGM22 Average Annual Housing Demand (Excluding Margin) 2023-2033



- 49 There is an opportunity to select a different projection series (i.e. low, medium or high, or a custom growth projection) at least every HBA cycle (WCGM22 update). In the meantime, the NPS-UD requires Council to select a preferred projection and base decisions over the long-term on that projection.
- 50 So long as there remains sufficient feasible and RER capacity to meet demand in the three main townships over the next 10 years (and it is my evidence that this will require some additional areas to be zoned above the capacity provided in the notified PDP and Variation 1), then it seems probable to me that demand over the medium-term will remain above or at the High Projection, and less probable that it will drop below by the end of that medium-term period as considered by Mr Yeoman.
- 51 In light of all of the above analysis, I am uncertain how Mr Yeoman concludes that the WCGM22 consistently overestimates demand in the medium or long-term.¹⁴ This is because:
- 51.1 Recent consent trends indicate that at the district level, the High Growth projection of dwellings is underestimating annual demand.

¹⁴ Mr Yeoman's evidence, paragraph 2.5. I note that inclusion of the competitiveness margin should not be considered as an overestimation of demand. It is a required buffer on top of projected demand and one of several mechanisms in the NPS-UD that helps ensure that council decision making does not risk contributing to reduced housing affordability.

- 51.2 The WCGM22 allocates 79% of district dwelling demand to the three main urban townships over the medium-term. Based on the last 5 years of annual population growth in the district (YE June 2019-2023), the main urban townships have captured on average 74% of district population growth. Based on the last 6 years of annual dwelling consent growth in the district (YE February 2019-2024), the main urban townships have captured on average 78% of district dwelling consents. With no clear trends evident, the WCGM22 share of 79% is likely to be appropriate or is very slightly overestimating the share of demand in the three main townships over the short-medium-term.
- 51.3 However, when you combine a 79% share of district dwelling growth to a projection that is consistently lower than recent consent growth, recent consent trends indicate that the WCGM22 is likely underestimating dwelling demand in the three main urban townships over the medium-term (Figure 1).
- 52 While my evidence in chief focussed on changes that have occurred to the capacity estimated in the WCGM22, and I adopted the WCGM22 demand (plus competitiveness margin) for my analysis, if demand is higher than modelled (because the WCGM22 is underestimating demand growth), then this means that any surpluses I estimated in the medium-term are reduced (and potentially become shortfalls if sufficiently reduced) and any shortfalls I calculated for the medium-term in my evidence in chief become even larger.

Response to WCGM22 Capacity and Sufficiency

- 53 Mr Yeoman considers that the WCGM22 has consistently underestimated capacity.¹⁵ While the NPS-UD requirements already ensure that capacity is underestimated in the medium-term by holding feasibility assessment at current costs and prices, Mr Yeoman refers to densities of developments that have been occurring recently in Waimakariri District that are higher than he has assumed are feasible and reasonable expected to be realised (*RER*) in the medium-term.
- 54 He refers to greenfield development data and comprehensive residential development (*CRD*) consent data presented by Mr Wilson. I respond to Mr Wilson's data later in this statement. Mr Yeoman concludes from that data that the risk of the notified PDP and Variation 1 resulting in a shortage of residential capacity in the

¹⁵ Mr Yeoman's evidence, paragraph 2.5.

medium-term in the three main urban townships is now lower than shown in the WCGM22.¹⁶

- 55 In response to Mr Sellar's evidence, Mr Yeoman accepts that an estimated 156 dwellings have been built in the last 6-9 months in the greenfield areas and that a further 188 dwellings were under construction. He acknowledges generally that dwellings have been built since the WCGM22 was developed (as addressed by Mr Sexton and Mr Sellars). Further, Mr Wilson's data shows the take-up of greenfield developments, and therefore the take-up that has occurred since the WCGM22 was developed. He has also accepted that there are some minor errors in the model where a small number of parcels should not be counted as providing housing capacity.
- 56 Despite all this (and the recommendation of the PC31 Hearings Panel that capacity was likely overstated and should be revisited by Council), Mr Yeoman does not appear to have taken the opportunity to update the WCGM so that submitters and the Panel can make informed decisions on the current status of sufficiency in each main urban township, and elsewhere in the district.
- 57 If Mr Yeoman accepts that capacity is now less than when he first modelled it, then this dictates that if he assessed sufficiency today (against the next 10 years of demand (2024-2034)), the demand is likely to be similar, but feasible and RER capacity provided by the notified PDP and Variation 1 will be less and therefore sufficiency is reduced. Respectively, shortfalls would be worse, surpluses would less, and may have turned into shortfalls.
- 58 I consider that an update of the WCGM could have been done relatively quickly by Formative and the Council. All of Mr Yeoman's caveats around his demand and capacity estimates could still apply, but these could be assessed against a more current baseline. This is what my evidence in chief attempts, relying in Mr Sexton's analysis for PC31 (outlined in his evidence in chief for this hearing). Having reviewed Mr Yeoman's evidence, I maintain my view that currently there is a likely a shortfall of capacity in the three main urban townships combined, a shortfall in the rest of Greater Christchurch outside the main townships and a shortfall in the area outside Greater Christchurch. Those modelled shortfalls (when assessed against a moving 10-year period as required by the NPS-UD) are growing by the day.

Response to Alternative Locations to Provide Sufficient Capacity

¹⁶ Mr Yeoman's evidence, paragraph 2.8. I note the WCGM22 shows only a shortage in Woodend/Pegasus in the medium-term (and a 'tight' situation in Kaiapoi). Mr Yeoman recommends that additional capacity is needed in Woodend/Pegasus which somewhat contradicts his statement that the risk of a shortage is now considered even less than it was at the time of the WCGM22.

- 59 In paragraph 2.12 of his evidence, Mr Yeoman states that irrespective of whether there is sufficient capacity or not, it is appropriate to consider the merits of the Ōhoka rezoning request. That said, he considers that the merits should be compared with all other submissions that would add housing capacity.
- 60 It is relevant to point out that housing capacity is not all that is being proposed in the submission. It also proposes to develop a local centre as well as facilities and features relevant to the Ōhoka location. This makes the submission unique in my view and not comparable with many submissions that simply offer additional housing capacity. If reduced to just housing, some of the significant benefits of the proposal would be lost.
- 61 Mr Yeoman considers that demand for dwellings in Greater Christchurch but outside the three main townships "*could easily be provided for within a location near one of the three main towns*",¹⁷ or by "*bringing forward the zoning of some of the Future Development Areas*".¹⁸ While I'm not sure what 'near' means in that context (and I discuss this further below), I consider that the future development areas will be important to provide (if not otherwise constrained) for demand in those respective townships given that they are facing strong growth.
- 62 I do not agree that the future development areas are an effective substitute for demand occurring outside of the three main townships. Nor do I consider that the proposal will transfer demand away from the main urban townships. As set out in my evidence in chief, I consider it is more likely that the proposal will meet demand in the Ōhoka locality and may draw some demand away from other settlements within Greater Christchurch outside of the main urban townships. Mr Jones reaches a similar conclusion in his evidence in chief (paragraph 11).
- 63 The NPS-UD requires local authorities to assess capacity and sufficiency in locations of demand.¹⁹ Ōhoka is a location of demand within the district. This is demonstrated in the StatisticsNZ projections (discussed above)²⁰ and Mr Yeoman agrees (paragraph 3.33) that there is "*some demand*" for Ōhoka although he considers that there is not enough demand to support the development proposed.²¹

¹⁷ Mr Yeoman's evidence, paragraph 3.15.

¹⁸ Mr Yeoman's evidence, paragraph 3.16.

¹⁹ NPS-UD Clause 3.24(b) (Housing demand assessment) and 3.25(2)(a) (Housing development capacity assessment).

²⁰ See paragraph 43 of this statement.

²¹ It is relevant to remember that Mr Yeoman's approach to demand in Ōhoka is a mid-point between StatisticsNZ demand (which is strong) and the average share of consents that Ōhoka has supplied 2019-2022 (which is relatively small). It is not a pure demand approach.

- 64 Given that the development will be staged, and the staging will be responsive to demand, and that the capacity is considered to be commercially feasible in the medium-term, there is no fixed amount of demand that is needed to justify the scale of rezoning. If the proposed capacity provides for demand growth into the long-term, then that is still appropriate under the NPS-UD. The NPS-UD requires a minimum amount of zoned capacity but does not limit the amount of zoned capacity beyond that minimum. It also encourages significant additions of capacity²² as this creates the benefit of economies of scale in residential development (particularly at the land development stage).
- 65 In paragraph 3.34, Mr Yeoman states that the proposal "*would need to draw growth away from the three main towns to be viable*". Zoning decisions have to demonstrate that capacity is commercially feasible (using current costs and prices) and contributes to a well-functioning urban environment, but proponents of rezoning do not have to demonstrate that it will be *viable* to develop. This is a commercial consideration that is outside the scope of the RMA.
- 66 Mr Yeoman suggests several times that to address a potential shortfall in the rest of Greater Christchurch outside the three main townships it would be "*beneficial to consider the range of options, which would include developments that are closer to the three main towns*" (paragraph 4.5). As above, he previously used the term 'near' the main townships. I note that Mr Walsh has addressed this in his evidence in chief (paragraphs 155-161). I have also considered this prospect at a high level below:
- 66.1 Expanding an existing settlement would be more efficient than creating a new one.
- 66.2 Mandeville is relatively further away from the main townships than Ōhoka.
- 66.3 Fernside²³ and Waikuku Village are only LLRZ and therefore have a lower role in the urban hierarchy.
- 66.4 The coastal settlements are unlikely to be suitable locations to provide for large amounts of growth and I expect they face relatively more natural hazard and infrastructure constraints.
- 66.5 Ashley sits beyond Greater Christchurch.
- 67 While I am not familiar with all other submissions that provide for capacity outside of the main townships within Greater Christchurch,²⁴ when considering the above existing settlement

²² NPS-UD, Policy 8.

²³ The triangular zoned area west of Rangiora.

²⁴ There is one large scale rezoning proposed at Waikuku which I am also involved in. Mr Walsh also covers this in his evidence in chief (paragraph 159) and I agree

options, I consider Ōhoka to be relatively well placed to accommodate further growth in terms of its proximity to Christchurch and the main townships of Kaiapoi and Rangiora (being roughly equidistant to both). As far as options go, I consider it a sound one within the context of Greater Christchurch outside of the main townships.

The Implications of Slim Surpluses

- 68 Mr Yeoman concludes that “*while the WCGM22 is conservative, it indicates that there may be a tight margin between demand and supply*” (paragraph 4.3). On the basis that the Panel is considering where additional housing capacity may be efficient, and how much additional capacity could be zoned across the district, it is relevant to understand the intent of the NPS-UD when it comes to local authorities providing at least sufficient capacity to meet medium-term demand.
- 69 The Greater Christchurch HBA 2023 indicated that across the three main urban townships, the notified PDP with Variation 1 provided a medium-term surplus of just 350 dwellings. The WCGM22 indicated a slightly larger surplus in the medium-term of 940. It is my evidence that if the WCGM22 is updated to today (keeping all assumptions the same) it would show a medium-term shortfall.
- 70 While already demonstrated to be underestimating recent demand, the WCGM22’s High Growth Projection of dwelling demand for the medium-term (inclusive of the margin) equates to planning for an average of 497 dwellings per annum across the three main townships.²⁵ This means:
- 70.1 That the HBA 2023 surplus would be eroded in less than a year of growth at which time the Council would not be meeting the requirements of the NPS-UD.
- 70.2 The reported surplus in the WCGM22 would be eroded in just under 2 years of growth at which time the Council would not be meeting the requirements of the NPS-UD.
- 71 Every time that Council is made aware that it has fallen short of providing sufficient zoned capacity for the medium-term – and this is not limited to three yearly HBAs as it can include quarterly, and annual monitoring and evidence presented under the RMA – it needs to initiate a response under Clause 3.7 of the NPS-UD. This response could include either a Council initiated plan change, a

with Mr Walsh that this rezoning would in effect be an extension of Woodend/Pegasus and in this respect would contribute towards meeting demand for the district’s three main townships, and not the demand for areas outside of those townships but still within Greater Christchurch, i.e. the ‘Rest of Greater Christchurch’ in Tables 1 and 2 of this statement.

²⁵ WCGM22 – Medium-term demand inclusive of margin of 4,970 for the three main townships (2023-2033).

request for certification within a New Development Area (if this mechanism is retained in the PDP), or a private plan change, including potential to respond to a plan change under Policy 8.

- 72 A local authority planning for growth poorly, will be one that keeps its sufficiency in the medium-term slim and is likely having to remedy a shortfall about three times over the life of the district plan²⁶ (i.e. every HBA cycle). Such local authorities will also likely face constant pressure from private plan change requests, with reference to the obligations in Policy 2 and Clause 3.7.
- 73 Conversely, a local authority doing a good and efficient job of planning for growth will ensure a bit more 'fat' in its capacity surpluses over the short, medium and long-term. It would be less likely to have shortfalls reported in HBAs and therefore would be less likely to require urgent changes to planning documents to remedy shortfalls. It would probably also have fewer private plan change requests as a result, owing to a forward looking and strategic approach to growth planning.²⁷
- 74 The requirement to provide at least sufficient capacity in the NPS-UD (and indeed the RMA) ensures that planning decisions do not adversely impact the competitiveness of the housing market and housing affordability. This is set out in Clause 3.27(3) and 3.23(1). I consider this to be the core purpose of the NPS-UD; to make local authorities more accountable for their role in the housing development market.²⁸
- 75 In the scenario where a local authority consistently delivers only slim surpluses that are quickly eroded, even if it is being responsive to those shortfalls, that local authority is likely having an adverse impact on housing affordability, even if it is not having an adverse impact on housing supply.²⁹ In that situation, private landowners are often forced to initiate private plan changes just to keep urban housing supply flowing without constraint. Submissions, private plan changes and appeals are expensive. Those costs have to be

²⁶ Assuming this is a 10 year period.

²⁷ In accordance with Policy 10(c), local authorities should also have been working with local developers/landowners to be identifying significant opportunities for urban development and incorporating these in their strategic growth planning and decision making.

²⁸ Take for example the HBA 2021 for Rotorua Lakes Council (Market Economics) which found multiple ways in which the district plan and local decision making was constraining growth, limiting competition, and driving up prices. As a result of that HBA, the council immediately instigated a suite of changes to planning documents and other economic incentives. The 2024 HBA is currently underway and will evaluate the effectiveness of those changes.

²⁹ The NPS-UD ensures (through clause 3.4(1)(a) which requires that short term capacity is already zoned, unlike medium-term capacity which can include capacity that is proposed but not yet zoned in a district plan) that local authorities do not reduce zoned development capacity to less than 3 years' worth of growth. If a council did not remedy a short-term shortfall, I expect the Ministry for the Environment (or MHUD) would be likely to step in. This was the case in Tauranga, where infrastructure was limiting short-term capacity.

recovered in the overall costs of residential development. This ultimately drives up the prices of residential sections – counter to the objectives of the NPS-UD.

- 76 With that in mind, district plan reviews are the **most efficient** time to provide at least sufficient capacity at the least marginal cost to landowners and ratepayers. Waimakariri is a very fast growing urban environment. If there is any Council that needs to be generous in their surplus zoned land, Waimakariri would be one of them.³⁰ Yet, the notified PDP, even with the assistance of Variation 1, has delivered a “tight” level of sufficiency across all three main urban townships, did not provide strategic growth for Woodend/Pegasus, has not provided sufficient capacity in the rest of Greater Christchurch outside of the main urban townships and has not provided sufficient capacity in the rest of the district.
- 77 The drafting of the PDP has put the onus/burden on landowners to ensure that sufficient capacity is met in the district. This is not representative of a Council proactively providing for and leading growth planning. I consider that the overall intent of the NPS-UD is to achieve as much efficiency in growth planning as possible to ensure that unnecessary costs are not being added to housing development. Several submissions seeking rezoning will need to be approved simply to address capacity that has been consumed since the WCGM22 was developed (and rectify existing shortfalls like Woodend/Pegasus), and even more submissions seeking rezoning will need to be approved if Waimakariri District is to have an efficient level of zoned capacity to meet at least medium-term demand. The more generous that surplus now, the more planning costs that are avoided in the near future to meet the requirements of the NPS-UD.

Response to Mr Wilson’s Memo dated 20 May 2024

- 78 I have reviewed the memo by Mr Wilson included as part of the s42A, and also the Excel spreadsheet that was circulated by Mr Wilson to the hearing stream 12E economic experts. The model provides estimates of vacant dwelling capacity in zoned greenfield land in the three main townships as of April 2024. These are monitored quarterly (with each quarter shown as a separate worksheet in the Excel model). It also includes records of Comprehensive Residential Development (CRD) consents³¹ since 2016 in the three main townships. This is collated on a separate worksheet in the Excel Model provided. Rather than monitored quarterly, the data is a list that is added to as required. Last, the Excel Model records dwelling units that have been permitted activities since MDRS was given effect to in the main townships. This

³⁰ Along with Selwyn District and Queenstown Lakes District.

³¹ Now worded Multi-Unit Developments in the PDP and amended to apply to 3 or more dwelling units.

is also on a separate worksheet in the Model, and like CRD, is a list that is added to over time as applicable.

- 79 In response to my query, Mr Wilson confirmed by email³² a minor computational error which reduced total CRD dwellings since 2016 by 69 in the total dwellings column. This change was not captured in his earlier completed memo.³³
- 80 I have identified two additional errors/inconsistencies between Mr Wilson's memo and the copy of the Excel model that has been provided:
- 80.1 The memo states that vacant greenfield capacity when measured at 15 dwellings/ha is 3,033. The sum of the rows is 3,234.
- 80.2 In Table 4 of the memo, Bellgrove is incorrectly shown. It should be reduced to show the net balance of dwellings once existing dwellings are excluded (i.e. 750 and 950 rather than 800 and 1,000). Irrespective, the total is still incorrect and should be 3,234 according to the Excel model.

Greenfield Take-up and Remaining Estimated Capacity

- 81 The Land Uptake Model converts gross land area in the greenfield sites of the three main townships to net developable area by removing land that will be occupied by infrastructure (roads, reserves and stormwater). Of the 18 developments in the Model, only seven have an 'actual' area for infrastructure. For the balance, a proxy of 20% is used.
- 82 This is surprising as some of the developments that run off the 20% proxy are finished, or nearly fully developed according to the data and therefore the actual amount of infrastructure land must be known from subdivision consents as set out in Mr Sexton's supplementary evidence. In my view, this data should be updated once it becomes available as it would improve the accuracy of the 'density' results in the model.
- 83 Second, a proxy of 20% is very low. As I understand it, the WCGM22 applies 25%, which is better, but potentially also too low. Of the seven developments with a specified infrastructure share, they range from 23% to 35%. The unweighted average is 28%. It would seem prudent to base the proxy at least on some actual trends of developments in each township or the average across the three townships.

³² Mr Willis, email 6th June to all economists.

³³ The model multiplied dwelling units by the number of storeys to give an inflated count of dwellings.

- 84 I do note that if that proxy is increased, say from 20% to 25% to match the WCGM22 in those developments, then the 'densities to date' increase slightly in those developments, but the vacant capacity reduces. For example, instead of being capacity for 3,234 dwelling remaining in greenfield areas (at an average density of 15/ha), this drops to capacity for 2,984 additional dwellings.
- 85 The model contains a '% complete' column in the dataset (which compares dwellings built against expected yield at 12 dwellings/ha). I have added my own column which is the percentage complete if compared to expected yield at 15 dwellings/ha. Of the 17 developments, nine have achieved 80% or above of that expected 15/ha dwelling yield. This gives an indication of developments nearing completion, but that is based on assumptions of achieving exactly 15 dwellings/ha so is not completely reliable.
- 86 Mr Wilson confirms in the memo that the model does not show if a development is complete. As such, it is not known if the 'density to date' will increase or if it is a final density. This would be a helpful addition to the model.
- 87 Mr Wilson explains that of those developments that already equal or exceed 100% of expected yield at 12 dwellings/ha (which does not confirm that they are finished), they have achieved an average density of 15.92 dwellings/ha. In fact, only two of those developments exceed 15 dwellings/ha. The Ryman retirement village (at a significant 31.75 dwelling/ha) and the Farmlands Development Trust (at 17.94 dwellings/ha).³⁴ If the Ryman Village is excluded, developments that are substantially complete have achieved an average density of 13.94 dwellings/ha.
- 88 While we are yet to see what remaining greenfield developments will achieve in terms of density, the average density of completed or near completed developments noted above is highly relevant. Mr Yeoman relies on Mr Wilson's memo to confirm that the WCGM22 is underestimating greenfield capacity and that developments are occurring at higher densities than assumed in the model.
- 89 However, by my calculations the WCGM22 assumes and achieves a feasible density of 15.1 dwellings/ha in the greenfield MDRZ areas in Rangiora, Woodend/Pegasus, and a feasible density of 19.6 dwellings/ha in the greenfield areas of Kaiapoi.³⁵ At an average of 15.92 dwellings/ha achieved to date across the three main townships according to Mr Wilson's data (including the Ryman

³⁴ Both densities are calculated using the 20% proxy for infrastructure area.

³⁵ Refer Appendix A of the Formative Report. A lot size of 496sqm equates to 15.1 dwellings/ha and a lot size of 383sqm equates to 19.6 dwellings/ha – both allowing for the removal of 25% for infrastructure. The Formative report is misleading in that it states that greenfield capacity in Kaiapoi achieves "a density of over 12 dwellings per ha" (page 34), and in Rangiora "a density of just under 15 dwellings per ha" (page 33) and in Woodend/Pegasus "a density of under 14 dwellings per ha" (page 35).

Retirement Village), the WCGM22 is essentially replicating that average density, or exceeding it in Kaiapoi. As such, I do not consider that the Land Uptake Model confirms that the WCGM22 feasible capacity estimates are conservative where applicable to greenfield land. It is more likely that the WCGM22 is relatively accurate and still applicable for the medium-term as these existing greenfield development areas progress.

Comprehensive Residential Development Consents

- 90 I have reviewed the CRD consents contained in the Excel model and have not been able to exactly replicate the numbers contained in Mr Wilson's memo.³⁶ Nonetheless, what I consider is most relevant to validating the assumptions in the WCGM22 is the consents applied for (and issued) since the WCGM22 was developed.³⁷ This is because Mr Yeoman would have had the opportunity to account for the CRD trends prior to developing the WCGM22 and factor them into his RER and feasibility assumptions (as advised to do so in the NPS-UD).
- 91 I am uncertain of exactly when capacity estimates in the WCGM22 were calculated by Formative, so have assumed it was June 2022. Applying June 2022 as the baseline, Table 4 provides the relevant dwelling counts from the Excel data provided by Mr Wilson (and correcting for the error discussed above and removing one duplicated consent application) (Table 4).

³⁶ In Table 3 Mr Wilson shows 641 dwelling units applied for as CRD since the 1st January 2021. Excluding RC225165 which was withdrawn and RC235059 which is duplicated, and accounting for the computation correction, I get 571 dwelling units applied for in that period.

³⁷ Mr Wilson focusses on consents issued since 2021 because of his assessment against HBA 2021 housing bottom lines. I do not specifically comment on that aspect of the memo.

Table 4 – Comprehensive Residential Developments – Dwelling Units - Consent Applications Since June 2022

	Total Count of Applications	Kainga Ora (Social Housing) Dwelling Units	Other (Market Housing) Dwelling Units	Total Dwelling Units Applied For	Dwellings with Consent Issued (April 2024)
Count of Dwelling Units Consented					
Kaiapoi	5	14	30	44	28
Rangiora	7	17	28	45	27
Woodend/Pegasus	2	-	65	65	48
Total Main Townships	14	31	123	154	103
Share of Dwelling Units Consented					
Kaiapoi		32%	68%	100%	
Rangiora		38%	62%	100%	
Woodend/Pegasus		0%	100%	100%	
Total Main Townships		20%	80%	100%	

Source: Waimakariri District Council (April 2024 Uptake Model)

Excludes RC225165 dated 1 June 2022 as the notes state this was withdrawn.

Excludes RC235059 duplicate.

- 92 Table 4 shows that since the WCGM22 was estimated to be developed, 154 dwelling units were applied for as CRD. This is on 14 sites/parcels. I note, the dataset shows that only 103 of those have had a consent issued as of April 2024. Kainga Ora had applied for 31 of the total units (20%), making up 4 of the 14 application sites. Kainga Ora does not operate under the same profit margins as other commercial developers, and therefore it would be difficult for any capacity model under the NPS-UD to accurately account for the feasible density achieved in those developments.
- 93 The balance of the dwelling count is made up of 123 dwelling units applied for on 10 sites which can be considered market housing.³⁸ It is worth noting that 59 of the dwelling units applied for (in two applications) occur in greenfield sites included in Mr Wilson's Land Uptake Model. These dwellings will (either now or soon) be counted in the greenfield model and captured in the density results for those areas. I have already discussed the greenfield areas above and as such, I consider it is more appropriate to exclude those 59 greenfield area dwelling units from the CRD summary in my Table 4 above. Doing so isolates the 'infill and redevelopment' activity in the existing urban area that Mr Yeoman considers are not being captured in his conservative WCGM22 assumptions.

³⁸ While the CRD data does not show any retirement village units in this time period (since June 2022), this differs from the building consent data that shows 136 retirement village units consented in the three main townships since March 2022 (including 99 consented in the YE February 2024). These may be within the CRD dataset (under slightly modified dwelling unit counts perhaps), but as it only records official application receipt date, not issue date, this may account for the timing difference.

- 94 The total CRD infill and redevelopment units applied for since June 2022 is therefore reduced from 154 shown in Table 4 to 95 dwelling units³⁹ on 12 sites.
- 95 I have checked the medium-term dwelling capacities in the WCGM22 for those same 12 sites and the majority show no feasible capacity. As such, to date, there is evidence that the WCGM22 has underestimated around 92 (net) infill/redevelopment units which are assumed to be feasible (provided consent is issued for all of the developments).
- 96 I consider that 12 parcels outside of greenfield areas (so far since June 2022) for which capacity of around 90 net additional dwellings has been underestimated, out of all the parcels assessed in the three main urban townships, is a very small scale of known underestimation. Projecting that number of parcels from the last 23 months over the medium-term (next 10 years),⁴⁰ this accounts for around 63 parcels and just under 500 additional feasible dwelling units that are not likely to be captured under current WCGM22 assumptions. This equates to around one year of extra demand growth (inclusive of the competitiveness margin) or an 8% increase on modelled medium-term feasible capacity currently in the WCGM22.
- 97 Allowing for take up of capacity that has occurred in the three main urban townships since the WCGM22 was developed, the potential additional capacity of CRD consents does not change an estimated shortfall of medium-term capacity.⁴¹

MDRS Monitoring

- 98 In Table 2 of Mr Wilson's memo, he states that there have been 32 dwelling units (spread across 16 records) captured under MDRS provisions since August 2022.
- 99 There is one record in the MDRS dataset that is described as "1 detached residential unit (additional primary dwelling)" (BC231302). It is however recorded as two dwelling units of two storeys each,

³⁹ It is assumed that these are the net additional count of dwellings on the sites once existing dwellings are removed (where applicable). This may not be the case and the net additional dwellings may be slightly less.

⁴⁰ Mr Wilson adopts a similar projection approach in his memo.

⁴¹ Mr Wilson has since (18th June, and just prior to filing my evidence) sent two additional records that will be included in the CRD dataset. I have not amended my analysis above for the following reasons. One consent that has consent issued is in the existing urban area of Rangiora. However, assuming that the CRD application covers the total vacant site, the WCGM22 in fact estimated an even higher feasible yield (24 dwellings compared to 17 applied for). As such, this is not an example of the WCGM22 underestimating capacity. The other application is only in progress (not consented) and relates to an application within the Freemans greenfield area in Woodend. For reasons explained above, this will (when constructed) double count data that will be captured in the quarterly monitoring of greenfield areas in the Land Uptake Model. I would therefore exclude it.

giving four total dwelling units (note this computation error was acknowledged by Mr Wilson for the CRD dataset). Based on the description, I consider that this should be one dwelling unit not four. As such, Mr Wilson's 32 MDRS dwellings reduces to 29.

- 100 Furthermore, 8 Tyler Street was counted in the CRD data (described above). While it was an application for three dwellings (and this is less than the PDP threshold for 'multi-unit dwelling consents', I have excluded it from the MDRS tally to avoid double counting in my analysis.⁴² This brings the MDRS dwelling count down to 26 since August 2022. A further two applications (totalling three dwelling units) were not for building consents. They had sought information only from the Council (and were recorded as PIM applications). This reduces the tally to 23. A further two applications (totalling three dwelling units) have not yet been issued a building consent and are on hold as of April 2024. This brings the final tally of approved dwelling units under the MDRS provisions to 20 since August 2022 (spread over 12 sites).
- 101 Projecting this recent rate of parcels approved under MDRS provisions over the next 10 years (medium-term), this is around 69 parcels and just under 115 additional feasible dwelling units.
- 102 The data supplied by Mr Wilson does not include the density/site area for the MDRS monitoring. As such, I do not know if the WCGM22 currently estimates any feasible capacity on those 12 known sites and therefore how significant the underestimation may be on those 12 sites in the model. Even if the WCGM22 estimated no feasible capacity at those densities, a projected capacity of 115 dwellings achieved via MDRS provisions over the next 10 years equates to around a quarter of a year of extra demand growth (inclusive of the competitiveness margin) or (cumulatively with the addition of projected CRD capacity) a further 1.8% increase on modelled medium-term feasible capacity currently in the WCGM22.
- 103 Again, this is unlikely to make any material difference to a medium-term shortfall if the WCGM22 was updated to today, based on my estimates.
- 104 Mr Yeoman states that based on Council data, MDRS is already having a material impact (paragraph 3.38). He later acknowledges that "*some of this development may have occurred with or without MDRS via resource consent pathways, however, this is not material as they key point is that more intensification is being achieved*" (paragraph 3.50). Based on my analysis, MDRS is having a very limited effect to date on housing intensification in the three main urban townships.

⁴² The CRD notes state that it needed consent for exceeding the maximum permitted volume of earthworks and required consent under the NES. I.e. the consent may not have been for density reasons.

Implications for Mr Yeoman's claims of consistently underestimating feasible capacity

- 105 Having considered all the data provided by Mr Wilson – for greenfield, CRD and MDRS development activity, I find limited evidence that the WCGM22 is consistently underestimating feasible capacity in Waimakariri District.⁴³ As above, I consider that the WCGM22 has greenfield capacities across the three townships about right for the medium-term. At most, MDRS and CRD development may add another 10% of capacity to the three main urban townships over the medium-term, but as Mr Yeoman states, every model has some “overs and unders”.⁴⁴
- 106 Take for example the capacity error of 53 dwellings found by Mr Sexton and accepted by Mr Yeoman that needs to be removed. Or the WCGM22 assumption that the Bellgrove North greenfield site will achieve 952 dwellings when the developer is proposing 800 (or even less now based on Mr Sexton's latest checks). When netted out, the under-estimation of increasing densities/intensification over the next 10 years is likely to be less than 10% and easily offset, for example, by demand growth occurring faster than modelled.
- 107 I accept that the model has ‘overs and unders’, but irrespective of this, I maintain my view that there would still be widespread shortfalls of capacity to meet medium-term demand (plus the competitiveness margin) if the WCGM22 was updated to today. These insufficiencies occur across the three main urban townships, in the Greater Christchurch area outside the main townships, and in the rest of the district.

Response to Mr Willis's s42A Report dated 20 May 2024

- 108 For the most part, Mr Willis references statements made by Mr Yeoman and Mr Wilson, which I have addressed above, and do not repeat here.
- 109 It seems likely that Mr Willis has given no regard to the fact that the WCGM22 is nearly two years out of date and that the situation is changing rapidly. He relies strongly on Mr Yeoman's reported results. While Mr Yeoman indicates that he, Mr Akehurst and I have similar findings for the three main townships individually, it appears that Mr Yeoman bases this on his reported capacity and demand, and not a contemporary assessment which Mr Akehurst and I have

⁴³ The requirement to hold prices and costs current in the medium-term feasibility modelling should not be counted towards ‘underestimation’ as this is a requirement of the NPS-UD and applies to all HBAs deliberately to try and generate surplus zoned capacity. The same applies to the inclusion of the competitiveness margin on demand – this is a deliberate requirement and should not be used as a reason to claim that the model inherently overstates demand.

⁴⁴ Mr Yeoman's evidence, paragraph 3.53.

attempted to provide. Mr Yeoman's current position on sufficiency remains unclear.

- 110 In paragraph 156, Mr Willis states that *if* there is sufficient capacity to meet expected demand, then the "key capacity constraints driver for accepting the RIDL and Carter Group submission is removed and there is therefore no capacity need for this zoning". In my evidence, I have indicated that currently there is insufficient capacity in the three main urban townships to cater for the next 10 years of growth. Further, and equally relevant, there is demand for housing in Greater Christchurch outside of the main urban townships that is also not being met by the PDP. Nonetheless, Policy 8 does not require there to be insufficient capacity in order for local authorities to be responsive to proposals that would add significant capacity and contribute to a well-functioning urban environment.

RESPONSE TO OFFICER'S REPORT – LOCAL SHOPPING CENTRE ZONE

Response to Mr Yeoman's evidence dated 20 May 2024

- 111 The provision of a single Local Centre Zone (LCZ) in the proposed development and a GFA cap is not in contention. Mr Willis supports a 2,700sqm retail GFA cap, consistent with that provided in Mandeville.
- 112 Mr Yeoman raises concerns with the cumulative effect of rules allowing commercial activity within Settlement Zones and the capacity provided by the proposed LCZ. I note only that Mr Walsh has recommended amendments to the Settlement Zone rules in Ōhoka and this matter is address by Mr Willis from paragraph 300 of the s42A, and again in paragraph 141.
- 113 I agree that convenience-based commercial activities as well as services (such as healthcare facilities) intended to serve the wider community should be focussed in the LCZ if approved in Ōhoka, and I support amendments that achieve that outcome, in order to manage economic effects on other centres in the network, to protect the viability and vibrancy of the proposed LCZ and maximise the efficiency of travel to meet household needs.
- 114 Mr Yeoman remains concerned with the gross size of the proposed LCZ and considers it excessive relative to the GFA cap and relative to Mandeville. He states in paragraph 3.28 that "*no evidence has been provided as to why the LSZ sought for the RIDL/CGPL land would need to be twice as large as the Mandeville centre*". I consider that evidence has been provided on how some of this additional land will be used, including in my evidence in chief. Mr Willis lists some of those activities in his s42A report (paragraph 137). Despite this, Mr Willis accepts Mr Yeoman's concerns and considers the extent of the LCZ should be reduced (paragraph 141),

although he does not go as far as suggesting what the additional land should be used for as an alternative.

- 115 I maintain my support for the land area provided for the centre as it provides flexibility for the developer to provide for stormwater management, provide additional landscaping, provide additional parking for the Ōhoka Markets etc. This is not an inefficient use of that land as it generates multiple benefits. The needs and opportunities for the Ōhoka centre site should not be compared with other centres as this is not how you achieve good urban design or amenity (i.e., with a one size fits all approach).
- 116 Importantly, the relevant issue that Mr Yeoman should be concerned with is the economic effects of the centre. This is managed by the GFA cap. The additional features or infrastructure that may be provided within the LCZ in addition to the retail GFA cap do not create distributional effects.

Dated: 18 June 2024

Natalie Hampson

Appendix 1 – Concordance of (2023) SA2s to Main Urban Townships, Rest of Greater Christchurch and Area Outside of Greater Christchurch

SA2 Name (2023 Boundaries)	Aggregated Locations
Kaiapoi Central	Kaiapoi
Kaiapoi North West	Kaiapoi
Kaiapoi South	Kaiapoi
Kaiapoi West	Kaiapoi
Silverstream (Waimakariri District)	Kaiapoi
Sovereign Palms	Kaiapoi
Pegasus	Woodend/Pegasus
Ravenswood	Woodend/Pegasus
Woodend	Woodend/Pegasus
Ashgrove	Rangiora
Kingsbury	Rangiora
Lilybrook	Rangiora
Oxford Estate	Rangiora
Rangiora Central	Rangiora
Rangiora North East	Rangiora
Rangiora North West	Rangiora
Rangiora South East	Rangiora
Rangiora South West	Rangiora
Southbrook	Rangiora
Clarkville	Rest of Greater Christchurch
Fernside	Rest of Greater Christchurch
Kaiapoi East	Rest of Greater Christchurch
Mandeville	Rest of Greater Christchurch
Ohoka	Rest of Greater Christchurch
Pegasus Bay	Rest of Greater Christchurch
Swannanoa-Eyreton	Rest of Greater Christchurch
Tuahiwi	Rest of Greater Christchurch
Waikuku	Rest of Greater Christchurch
Waikuku Beach	Rest of Greater Christchurch
Ashley Gorge	Outside Greater Christchurch
Ashley-Sefton	Outside Greater Christchurch
Eyrewell	Outside Greater Christchurch
Loburn	Outside Greater Christchurch
Okuku	Outside Greater Christchurch
Oxford	Outside Greater Christchurch
Starvation Hill-Cust	Outside Greater Christchurch
West Eyreton	Outside Greater Christchurch

Source: StatisticsNZ, Savvy Consulting

Appendix 2 – Count of Dwelling consents by Area and Type 2019-2024 (YE February)

ANNUAL DWELLING CONSENTS (YE February) - STANDALONE						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	150	136	108	136	70	59
Woodend	198	284	269	356	293	350
Kaiapoi	91	56	56	192	100	75
Sub-Total Main Townships	439	476	433	684	463	484
Rest of Greater Christchurch	71	51	53	97	79	64
Sub-total Greater Christchurch	510	527	486	781	542	548
Outside Greater Christchurch	85	61	68	106	107	70
Total District	595	588	554	887	649	618
ANNUAL DWELLING CONSENTS (YE February) - RETIREMENT VILLAGE UNITS						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	32	-	3	-	-	-
Woodend	-	-	-	-	9	87
Kaiapoi	-	-	-	25	28	12
Sub-Total Main Townships	32	-	3	25	37	99
Rest of Greater Christchurch	-	-	-	-	-	-
Sub-total Greater Christchurch	32	-	3	25	37	99
Outside Greater Christchurch	-	-	-	-	-	-
Total District	32	-	3	25	37	99
ANNUAL DWELLING CONSENTS (YE February) - APARTMENTS, TOWNHOUSES, FLATS, OTHER						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	37	12	1	6	15	24
Woodend	5	15	5	-	7	10
Kaiapoi	21	18	15	26	6	27
Sub-Total Main Townships	63	45	21	32	28	61
Rest of Greater Christchurch	-	1	4	2	4	-
Sub-total Greater Christchurch	63	46	25	34	32	61
Outside Greater Christchurch	4	1	7	5	4	1
Total District	67	47	32	39	36	62
ANNUAL DWELLING CONSENTS (YE February) - SUB-TOTAL MULTI UNIT						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	69	12	4	6	15	24
Woodend	5	15	5	-	16	97
Kaiapoi	21	18	15	51	34	39
Sub-Total Main Townships	95	45	24	57	65	160
Rest of Greater Christchurch	-	1	4	2	4	-
Sub-total Greater Christchurch	95	46	28	59	69	160
Outside Greater Christchurch	4	1	7	5	4	1
Total District	99	47	35	64	73	161
ANNUAL DWELLING CONSENTS (YE February) - TOTAL DWELLINGS						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	219	148	112	142	85	83
Woodend	203	299	274	356	309	447
Kaiapoi	112	74	71	243	134	114
Sub-Total Main Townships	534	521	457	741	528	644
Rest of Greater Christchurch	71	52	57	99	83	64
Sub-total Greater Christchurch	605	573	514	840	611	708
Outside Greater Christchurch	89	62	75	111	111	71
Total District	694	635	589	951	722	779

Source: StatisticsNZ Building Consents by (2023) SA2s. SA2s include rural and urban zone areas (i.e. total land coverage).

Appendix 3 – Share of Multi Unit (Attached) Consents by Retirement Village Units and Other Attached 2019-2024 (YE February)

ANNUAL DWELLING CONSENTS (YE February) - RETIREMENT VILLAGE UNITS						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	46%	0%	75%	0%	0%	0%
Woodend	0%	0%	0%	0%	56%	90%
Kaiapoi	0%	0%	0%	49%	82%	31%
Sub-Total Main Townships	34%	0%	13%	44%	57%	62%
Rest of Greater Christchurch	0%	0%	0%	0%	0%	0%
Sub-total Greater Christchurch	34%	0%	11%	42%	54%	62%
Outside Greater Christchurch	0%	0%	0%	0%	0%	0%
Total District	32%	0%	9%	39%	51%	61%
ANNUAL DWELLING CONSENTS (YE February) - APARTMENTS, TOWNHOUSES, FLATS, OTHER						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Rangiora	54%	100%	25%	100%	100%	100%
Woodend	100%	100%	100%	0%	44%	10%
Kaiapoi	100%	100%	100%	51%	18%	69%
Sub-Total Main Townships	66%	100%	88%	56%	43%	38%
Rest of Greater Christchurch	0%	100%	100%	100%	100%	0%
Sub-total Greater Christchurch	66%	100%	89%	58%	46%	38%
Outside Greater Christchurch	100%	100%	100%	100%	100%	100%
Total District	68%	100%	91%	61%	49%	39%
ANNUAL DWELLING CONSENTS (YE February) - SUB-TOTAL MULTI UNIT						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<i>Rangiora</i>	100%	100%	100%	100%	100%	100%
<i>Woodend</i>	100%	100%	100%	0%	100%	100%
<i>Kaiapoi</i>	100%	100%	100%	100%	100%	100%
Sub-Total Main Townships	100%	100%	100%	100%	100%	100%
<i>Rest of Greater Christchurch</i>	0%	100%	100%	100%	100%	0%
Sub-total Greater Christchurch	100%	100%	100%	100%	100%	100%
<i>Outside Greater Christchurch</i>	100%	100%	100%	100%	100%	100%
Total District	100%	100%	100%	100%	100%	100%

Source: StatisticsNZ Building Consents by (2023) SA2s. SA2s include rural and urban zone areas (i.e. total land coverage).

Appendix 4 – Letter from Buddle Finlay: response to economic information/clarification sought by Chapman Tripp

27 May 2024

To

Jo Appleyard and Lucy Forrester
Chapman Tripp
PO Box 2510
Christchurch 8140

From

Georgia Robcke
Jenna Silcock

By Email

jo.appleyard@chapmantripp.com
lucy.forrester@chapmantripp.com

Dear Jo and Lucy

Waimakariri District Plan Review hearing stream 12D: Rezone Ōhoka

6. We write in response to your letter dated 8 May 2024 seeking economic information on behalf of Rolleston Industrial Developments Limited (**RIDL**) relevant to the Stream 12D hearing for the rezoning of land in Ōhoka.
7. We confirm that we act for the Council in respect of Hearing Stream 12D for the Proposed Waimakariri District Plan (**PDP**), and the PDP and Variations 1 and 2 more generally.
8. In summary, your May 2024 letter requested information sought by Ms Hampson and Mr Akehurst from Mr Yeoman to clarify their understanding of the Waimakariri Capacity for Growth Model 2022 (**WCGM22**) including the assumptions and methodologies applied to the WCGM22 for their evidence for the Stream 12D hearing. The specific questions for Mr Yeoman are set out at paragraph 7 of your letter. The Council appreciates the refinement of the requests for information on behalf of your client.
9. Your letter suggests, in multiple places, that Mr Yeoman is not abiding by the Code of Conduct for Expert Witnesses. Such suggestions are rejected by the Council. The Council also has a different understanding of Mr Yeoman's willingness to engage with expert witnesses than that expressed in paragraph 5 of your letter. While the Council does not consider it needs to authorise Mr Yeoman's engagement with expert witnesses for submitters, it agrees that Mr Yeoman is able to engage with Ms Hampson and Mr Akehurst, particularly in respect of questions relevant to the 12D hearing. The Council does however want to ensure that, for reasons of fairness, relevant information is made available to every submitter with an interest in the relevant matter.
10. Putting those matters to one side, the Council has liaised with Mr Yeoman as requested. Responses to the questions in paragraphs 7.1 to 7.8 of your May 2024 letter from the Council and Mr Yeoman are set out in **Appendix A** to this letter. The questions posed in paragraphs 7.9 and 7.10 of your letter extend beyond matters required to understand the assumptions and methodologies applied to the WCGM. The Council's approach to modelling and housing capacity will be addressed in the section 42A reports for the upcoming Stream 12 hearings, particularly

Streams 12D and 12E. As you know, these reports will be lodged and made available to submitters in the near future.

11. We trust the information provided with this letter is of assistance.

Yours faithfully
Buddle Findlay

A handwritten signature in black ink, appearing to read 'Jenna Silcock', written in a cursive style.

Jenna Silcock
Senior Associate

DDI • 64 3 353 2323
M • 64 27 259 2001
jenna.silcock@buddlefindlay.com

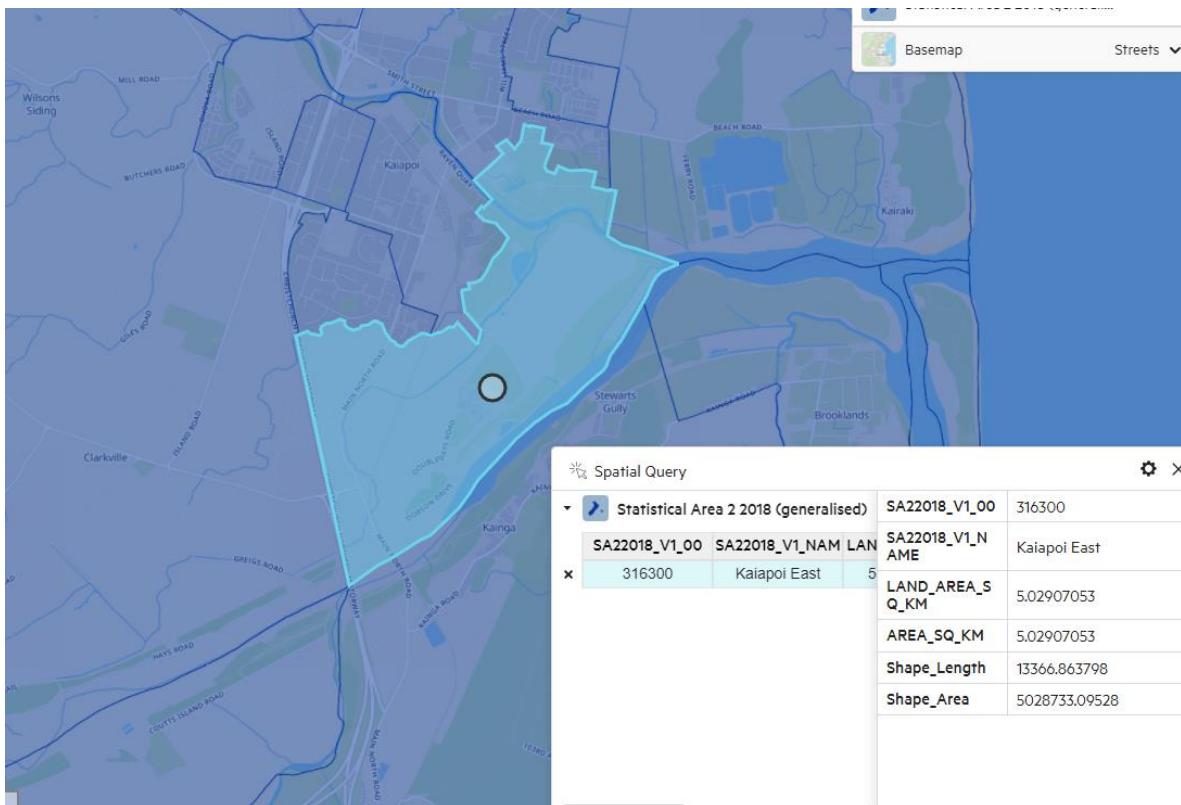
APPENDIX A – COUNCIL RESPONSES TO QUESTIONS AT PARAGRAPHS 7.1 TO 7.8 OF 8 MAY 2024 LETTER

Questions from May 2024 letter are in black, **bold** and *italicised* text. Council's responses are in black text below.

7.1 Based on the excel file attached titled “WDC Population Projections Data - Output” (which is a direct output from Mr Yeoman’s model), please confirm the accuracy of the Dwelling projections at SA2(2018) level as shown in the ‘Dwelling by SA2’ tab, given that Kaiapoi East is missing from the SA2 list.

Mr Yeoman provides Population Projections modelling for the Council. This “Inform profile” modelling provides a range of population and dwelling projections, only the District level projection feeds into the WCGM22. The "missing" SA2 in the exported data is not related to those District projections. Please refer to WCGM22 Report as this provides District level demand and location distributions adopted in the assessment.

The Kaiapoi East SA2 polygon (see map below), consisting primarily of the Kaiapoi "red zone", and rural land to the south of Kaiapoi with a small population and no projected growth. Mr Yeoman therefore confirms that the District level projections used in WCGM22 are accurate.



7.2 How relevant is this SA2 level dwelling projection for predicting demand at township level?

Not relevant, please refer to WCGM22 report and answer to 7.1 above.

7.3 Are the SA2 level dwelling projection figures consistent with demand numbers quoted in the report titled “Waimakariri Residential Capacity and Demand Model – IPI 2023 (December 2023)”?

The spatial locations used in WCGM22 are township level and the allocations are explained in WCGM22 report.

7.4 Please provide boundaries used to determine demand for major townships (i.e. Rangiora, Kaiapoi and Woodend-Pegasus).

The boundaries are based on the urban zoned land and the Future Development Areas in the PDP as notified.

7.5(a) Please provide ideally, results (demand, capacity, sufficiency) for all towns/settlements included in the WCGM 2022; or

This data has already been provided in the December 2023 report.

7.5(b) Alternatively, aggregate results from the WCGM (demand, capacity, sufficiency) for alternative definitions of the urban environment as discussed in the planning joint witness statement, where these differ from the combination of the three main urban townships.

The WCGM22 was not built to model the rural or settlement areas within the dotted line of Map A of the Canterbury Regional Policy Statement.

7.6 Explanation of why there is no feasible dwelling capacity in the Large Lot Residential Zone (LLRZ) in the medium-term in the WCGM 2022, given that rural residential growth is a key resource management issue for the district and is clearly a market of demand.

The WCGM22 applies the NPS-UD definition of "feasible". Feasibility is therefore calculated for the short term or - medium term using the meaning of feasible in the NPS-UD being "commercially viable to a developer based on the current relationship between costs and revenue". While this is not how a market operates – it is the approach taken in WCGM22. As outlined in the Waimakariri Residential Capacity and Demand Model – IPI 2023 Economic Assessment report, the WCGM22 has been developed using methods which follow MFE guidelines (see page 37). It does mean that feasibility is underestimated in the WCGM22 in the short-medium term for LLRZ. Mr Yeoman and Mr Buckley will be addressing the LLRZ in Mr Buckley's s42A report for hearing stream 12C, which will be published ahead of the Hearing Stream 12D material.

7.7 If the absence of LLRZ feasible capacity in the medium term is the result of an inflexible feasibility model (i.e. not well suited to the nature of development that occurs in the LLRZ), confirmation of whether Formative would accept using the long-term feasible capacity in the LLRZ for the medium term (given that it appears to simply match RER capacity) provides a more reasonable picture of LLRZ capacity?

Yes, in the LLRZ long term feasible capacity would be a better estimate of medium term feasible capacity. As above, Mr Yeoman and Mr Buckley will be addressing LLRZ in Mr Buckley's s42A report for Hearing Stream 12C, which will be published ahead of the Hearing Stream 12D material. The WCGM22 only touches on LLRZ capacity as a matter of housing choice, not in terms of capacity/ shortfall numbers, as Council intends these matters to be covered in Hearing Stream 12E.

7.8 Explanation of why the Momentum New Development Area in Kaiapoi (the southern NDA) is included in the WCGM 2022 in the medium term, despite saying in PC31 that no NDAs were included in the medium term. Is there some other reason that it has been included in that time period?

The "Momentum New Development" area described above is what is known as the "Momentum South Block". It was included in the WCGM 2022 because a resource consent application (non-complying) to construct a retirement village on the land had been lodged with Council. The application for the consent was later withdrawn. The "Momentum South Block" is only a small proportion of the overall Kaiapoi development area, and the remainder was not modelled for the short to medium term.