

BEFORE THE INDEPENDENT HEARINGS PANEL

UNDER

the Resource Management Act 1991

AND

IN THE MATTER OF

the submissions of B & A Stokes on
the Waimakariri Proposed District
Plan (#214) and Variation 1 (#29)

**SUPPLEMENTARY EVIDENCE OF
NATALIE HAMPSON
ON BEHALF OF B AND A STOKES
(Housing Capacity)**

2 August 2024

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1 EXECUTIVE SUMMARY

- 1.1 My evidence responds to the economic evidence provided by Mr Yeoman as part of the report prepared for Hearing Stream 12E of the Proposed Waimakariri District Plan (**PDP**) under section 42A of the Resource Management Act 1991 (**RMA**) (**Section 42A Report**).
- 1.2 In particular, it addresses Mr Yeoman's response to the Stokes' proposed rezoning of 81 Gressons and 1375 Main North Road (the **Site**) to Medium Density Residential, subject to an Outline Development Plan (**ODP**) (the **Proposal**) and my primary evidence that supported that Proposal. It also addresses the proposed increase in yield from the Proposal from 12 dwellings/ha to 15 dwellings/ha.
- 1.3 I remain of the opinion that there is a shortfall in capacity in Woodend/Pegasus to meet medium-term demand (plus the competitiveness margin required by the NPS-UD). I do not agree with Mr Yeoman that this shortfall can be attributed to conservatism within his modelling, and to the extent that there is conservatism in the WCGM22, I do not consider that that applies to Woodend/Pegasus. In my opinion, the expected shortfall in capacity in that area is highly likely to eventuate, is materially significant, and therefore requires a response under the NPS-UD.
- 1.4 In my opinion, the other rezoning proposals in Woodend favoured by Mr Yeoman are not, in themselves, sufficient to meet that shortfall. Even if they were however, I do not consider that the rezoning of surplus land (i.e. above the "at least sufficient development capacity" requirements of the NPS-UD) is precluded by the NPS-UD. To the contrary, provided those proposals contribute to a well-functioning urban environment and otherwise align with the NPS-UD directions, I consider that there are many advantages to provide a generous surplus of development capacity. In that regard, I consider that the Proposal is both necessary to meet the shortfall in development capacity, and entirely appropriate in terms of the NPS-UD on the basis that it:
 - (a) Would improve housing affordability through supporting the operation of competitive land markets, particularly in the Woodend/Pegasus area.

(b) Would enable more people to live in close proximity to areas of employment and community/commercial activity.

1.5 In regard to the second matter, the Site's proximity to the Ravenswood Key Activity Centre (**KAC**) is, in my opinion, a significant advantage for the Proposal as it will unlock the urban efficiency able to be delivered by that KAC. The presence of additional households in the centre (when visiting) will increase the vitality of the centre. These outcomes in turn benefit all users of the centre by improving the overall functional and social amenity delivered by the KAC. In my opinion, simply identifying the Site as a Development Area (instead of the Proposal) would delay these economic benefits. It would also fail to ensure that the NPS-UD requirements to meet the identified shortfall in development capacity are satisfied.

1.6 For these reasons, I consider that the Proposal should be approved.

2 QUALIFICATIONS AND EXPERTISE

2.1 My full name is Natalie Dianne Hampson. I am the Director at Savvy Consulting Limited.

2.2 I have the qualifications and experience set out in my primary evidence of 4 March 2024.

3 CODE OF CONDUCT

3.1 While this is not an Environment Court proceeding, I confirm that I have read the Code of Conduct for Expert Witnesses set out in the Environment Court Practice Note 2023. I have complied with the Code of Conduct in preparing this evidence and will continue to comply with it while giving oral evidence. Except where I state that I am relying on the evidence of another person, this written evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.

4 SCOPE OF SUPPLEMENTARY EVIDENCE

4.1 This evidence responds first to Mr Yeoman's economic evidence with respect to his consideration of Woodend/Ravenswood submissions, and the Stokes' submission in particular. I discuss why Mr Yeoman's claims

of the Waimakariri Capacity for Growth Modelling 2022 (**WCGM22**) assessment being conservative are less likely to apply in Woodend/Pegasus. I then consider the weight that should be given to the benefits of zoning land around the KAC when comparing the merits of Woodend/Pegasus submissions.

- 4.2 I then consider Mr Wilson's summary of the additional yield realised if his rezoning recommendations are accepted. I identify that this additional yield is unlikely to address a shortfall of zoned capacity in Woodend/Pegasus if medium-term demand and capacity were assessed today.
- 4.3 I conclude my supplementary evidence by summarising the economic costs and benefits that can typically result from rezoning surplus land above the minimum threshold of "sufficient" development capacity as directed by the National Policy Statement on Urban Development (**NPS-UD**). This is directly relevant to decision making for the proposed district plan, including under Policy 8 of the NPS-UD.

5 ADDITIONAL MATTERS

- 5.1 In response to the Section 42A Report, I understand that the Stokes and their team have adjusted the minimum density provided through the Proposal from 12 dwellings/ha to 15 dwellings/ha to meet policy requirements for greenfield areas. This equates to a plausible increase in housing from 1,500 units to 1,900 units. I support this additional yield in what is already a significant development as it further enhances the economic benefits of the Proposal. This includes:
- (a) greater economies of scale of development;
 - (b) ensuring that more people live in close proximity to a commercial centre and employment area, which also helps to support the viability of the centre;
 - (c) supporting a more diverse mix of dwelling types on the Site, and in Woodend/Pegasus generally, with small lot sizes also contributing to more affordable housing (i.e., reduced land cost);
 - (d) increasing the zoned capacity of Woodend/Pegasus further into the long-term which helps achieve the intent of the NPS-UD; and

(e) further cementing the long-term strategic growth direction of Woodend/Pegasus.

6 SECTION 42A REPORT – RESPONSE

Economic Evidence of Mr Yeoman

General issues

- 6.1 As with other statements prepared by Mr Yeoman as part of the PDP review process, his statement for Hearing Stream 12E includes an overview section that further discusses/assesses recent growth, projected growth, capacity for growth and sufficiency of residential land. There is some additional material in Mr Yeoman’s 12E evidence, particularly around greenfield and brownfield capacity, including cross references to data collated by Mr Wilson.
- 6.2 I have already provided my response to much of this evidence by Mr Yeoman in my supplementary evidence for Hearing Stream 12D (Ōhoka), dated 18 June 2024. I do not repeat that here, and my opinion remains the same. While I have not previously considered some of the new information contained in Mr Yeoman’s capacity overview for this hearing stream, I do not consider it to be determinative for the Proposal, including the extent to which Policy 8 of the NPS-UD applies to the Proposal. Consequently, I have focussed this supplementary evidence elsewhere.

Stokes submission

- 6.3 Mr Yeoman discusses the Proposal in paragraphs 5.7-5.16 of his 12E evidence. At paragraph 5.11, Mr Yeoman states that he does not agree with my “concerns about the capacity estimates in the WCGM22”.¹
- 6.4 I note initially that the starting point of my ‘concern’ for Woodend/Pegasus was in fact a shortfall calculated by Mr Yeoman himself through the WCGM22. Working from that starting point, my concern was that there has been evidence presented (both in Private Plan Change 31 to the Operative Waimakariri District Plan, and before this panel as part of the PDP review process) that the capacity estimates

¹ Economic evidence of Mr Rodney Yeoman in support of the Section 42A Report, 21 July 2024 (**Yeoman Evidence**) at [5.11].

for Woodend/Pegasus were overstated in the first instance, and have since been rapidly taken up by housing development.

- 6.5 I do not consider that the housing development that has taken place since mid-2022 when the WCGM22 capacity estimates were made is uncertain or contentious. That development should come as no surprise, given that Mr Yeoman's own model indicated that Woodend would be the fastest growing of the three main urban townships in the Waimakariri district (of Rangiora, Kaiapoi and Woodend). I maintain that my concerns are valid and that they require a strong zoning response in Woodend/Pegasus to meet the requirements of the NPS-UD.
- 6.6 Mr Yeoman states that the reason he is not concerned (presumably about any shortfall of capacity arising in Woodend/Pegasus over the medium-term) is that his model is conservative with respect to both greenfield and brownfield capacity that is feasible and reasonably expected to be realised (**RER**).² I have responded to this matter already above and do not repeat it here. Put simply, I have not seen any response from Mr Yeoman or from any other expert that has caused me to change the opinion expressed in my primary evidence.
- 6.7 If there was any merit to Mr Yeoman's claim that the WCGM22 is conservative, it does not materially apply to Woodend/Pegasus because:
- (a) I expect that a large share of the greenfield land that is left in Woodend/Pegasus has already been master planned and potentially consented which makes it unlikely to be supplied at a density that differs markedly from already completed stages.
 - (b) The brownfield (existing urban) area in Woodend/Pegasus is relatively small in relation to greenfield (new urban) areas in Rangiora and Kaiapoi. Much of the housing is relatively new and is unlikely to be further intensified in the medium or long-term. This reduces the potential for any conservatism in the model within brownfield areas.
 - (c) There has been only 10 dwelling units approved (issued) under the Medium Density Residential Standards (**MDRS**) since it came into effect in Woodend/Pegasus (and these may not all be net

² Yeoman Evidence at [5.11].

additional to feasible capacity already included on those sites in the WCGM22).

- (d) There has been only 2 applications for multi-unit (comprehensive residential) developments in Woodend/Pegasus since the WCGM22 modelling was developed and only one of these is in an existing (brownfield) area.
- (e) The WCGM22 accounted for residential capacity which is now zoned KAC, and so this potentially offsets the infill development that has not been anticipated by the model.

- 6.8 Even accounting for some additional redevelopment and/or multi-unit developments not anticipated in the WCGM22, based on the above, I see no scenario playing out whereby this could resolve the significant shortfall of capacity that exists today in Woodend/Pegasus to meet medium-term demand (plus the competitiveness margin required by the NPS-UD).
- 6.9 Mr Yeoman and I are also in disagreement about the application of Policy 2 of the NPS-UD – the requirement to at least, and at all times, provide sufficient development capacity. While Mr Yeoman accepts that dwellings have been built since the WCGM22 was built, he considers that this reduction in capacity should also be taken off the medium-term demand, such that “the net result would be the same”.³ That is, if we have moved on two years from when the WCGM22 was built, we must now be comparing eight years of capacity with eight years of demand (for example).
- 6.10 That is not my approach as I do not consider that it meets the requirement of the NPS-UD to provide sufficient capacity to meet medium-term demand at all times. Mr Yeoman is critical that my approach “would add very little to the understanding of the situation”.⁴ Conversely, I consider that relying on data for Woodend/Pegasus that is two years out of date (and not easily qualified by conservative assumptions in this part of the urban environment) adds little to the understanding of the situation and would not help inform effective decision making for Woodend/Pegasus.

³ Yeoman Evidence at [5.12].

⁴ Yeoman Evidence at [5.12].

- 6.11 Mr Yeoman points out (with reference to his Figure 5.1) that he, Mr Akehurst and I all agree that there is a shortfall of feasible and RER capacity in Woodend/Pegasus for the medium-term. Those shortfalls range between -134 (Akehurst) and -1,080 (Hampson).⁵ I note that he has not included the more current shortfalls included in my primary evidence that draw on the Colliers ground truthing (1,236 as at January 2024 and projected to reach 1,384 by mid-2024). While Mr Yeoman concludes from the evidence “that there may potentially be a small shortfall in Woodend in the short-medium term”, I maintain that my shortfall estimates are not potential or small. I consider them highly likely and significant.
- 6.12 Mr Yeoman makes general reference that any shortfall of capacity in Woodend can be met in Kaiapoi or Rangiora.⁶ I have addressed this in my primary evidence (and in other hearing streams) and maintain my position.
- 6.13 In short, there is clear evidence that Woodend/Pegasus is an area of high relative demand when compared to Kaiapoi or Rangiora. (referencing Objective 3(c) of the NPS-UD). I provided recent population and dwelling consent trends in my 12D (Ōhoka) secondary evidence for each of the three main townships. Table 1 of that evidence (reproduced below) showed that Woodend/Pegasus experienced population growth between 2019 and 2023 of 2,780 or 47%. In contrast, Rangiora experienced population growth in that same period of 680 or 4% and Kaiapoi experienced growth of 1,080 and 9%. Woodend/Pegasus has had faster population growth in both nominal and percentage terms.

⁵ This was the shortfall based on the Inovo August 2023 ground truthing assessment.

⁶ Yeoman Evidence at [5.13].

TOTAL RESIDENT POPULATION ESTIMATES								
	2019	2020	2021	2022	2023	2019-2023	2019-2023	
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)

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

6.14 Table 2 of that evidence (also reproduced below) showed the same trends in terms of annual dwelling consents. In the last 5 years, substantially more dwelling consents have been issued in Woodend/Pegasus than in Rangiora or Kaiapoi. In the 12 months ending February 2024, there were 447 dwellings consented in Woodend/Pegasus, compared to 83 and 114 in Rangiora and Kaiapoi, respectively. Looking forward over the medium-term, the Council's WCGM22 projects a continuation of these recent trends. As shown in Table 1 of my primary evidence (Stokes submission), annual average growth in dwellings in Woodend/Pegasus between 2023-2033 is estimated at 248 (inclusive of the competitiveness margin) which is roughly double the annual average growth expected in Rangiora and Kaiapoi (126 and 123 additional dwellings per annum, inclusive of the margin, respectively).

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).

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

6.15 If Woodend was left with no capacity to grow (once remaining greenfield capacity was exhausted) this would not contribute to a well-functioning urban environment (i.e. where one of the three main urban townships was constrained from any further greenfield expansion). I therefore support zoning within Woodend/Pegasus to meet the demand projected for Woodend/Pegasus and consider that this should be at least sufficient without relying on the other main townships.

6.16 Mr Yeoman does not support the proposed live zoning of the Site, but does support Future Development Area (**FDA**) zoning which would provide long-term capacity but will not count towards medium-term capacity. Mr Yeoman states that *if* it was found that there was a need to provide more Medium Density Residential Zoning in Woodend, that the Site “may perform well” in an assessment of alternatives.⁷ However, in the medium-term, Mr Yeoman supports the rezoning of two alternatives: the Woodwater and Chinnery Road submissions (also in Woodend). I address the contribution of those two submissions below in response to the Section 42A Report.

6.17 I do not want to take away from Mr Yeoman’s support of the Woodwater submissions (or Chinnery Road submission), as I see no economic reason why this land could not be zoned in addition to the Proposal.

⁷ Yeoman Evidence at [5.15].

However, it is difficult to discern from the evidence why Mr Yeoman prefers Woodwater over the Proposal to provide additional capacity to meet short-medium term demand. It may be only that it is within the Projected Infrastructure Boundary on Map A of the Canterbury Regional Policy Statement. Conversely, it is located further away from the Ravenswood KAC.

- 6.18 I consider that on a comparison of the two, the Proposal should be given considerable weight in the context of meeting Objective 3(a) of the NPS-UD which directs district plans to enable more people to live in areas of the urban environment that are in or near a centre zone or other area with many employment opportunities.
- 6.19 The Ravenswood KAC is (or will be) a significant centre and employment area in the Waimakariri economy. By recommending that the Site be identified as an FDA (something that Mr Wilson has not recommended), Mr Yeoman delays both the economic benefits that will accrue to households that live close to shopping and employment opportunities, and the economic benefits that accrue to businesses in the KAC by having a densely populated walkable and wider trade catchment. In my view, delaying the Proposal generates a number of economic opportunity costs for Waimakariri District and reduces the overall efficiency of the urban environment over the medium-term (or until such time as it takes for the landowners to instead get a private plan change approved).
- 6.20 To put this into context, **Figure 1** below shows the Rangiora and Kaiapoi KACs. These sit (roughly) at the core of their urban areas. This is the most efficient urban form and it generates a range of economic (and other benefits).
- 6.21 In contrast, **Figure 2** below shows a composite of the notified PDP zoning for Woodend/Pegasus with Ravenswood Developments Limited's rezoning submission overlain. I have also highlighted the location of the Woodwater, Chinnery Road and Stokes submissions. Until the Site is zoned for urban housing, the Ravenswood KAC will sit on the urban-rural fringe of Woodend/Pegasus with only a limited area of residential zoned land within a short walk/bike of the centre.

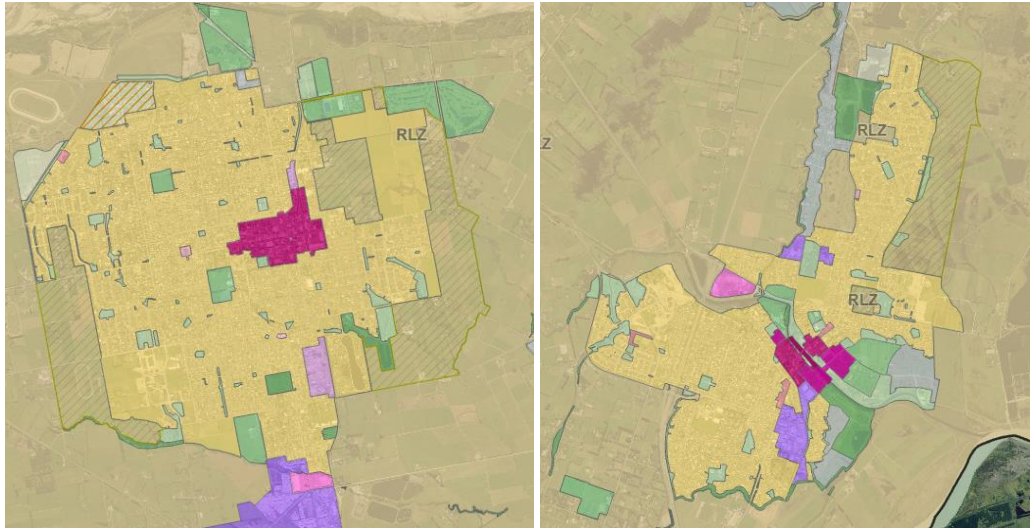


Figure 1 – Location of Rangiora (left) and Kaiapoi (right) KACs relative to urban form of township (notified PDP zoning)

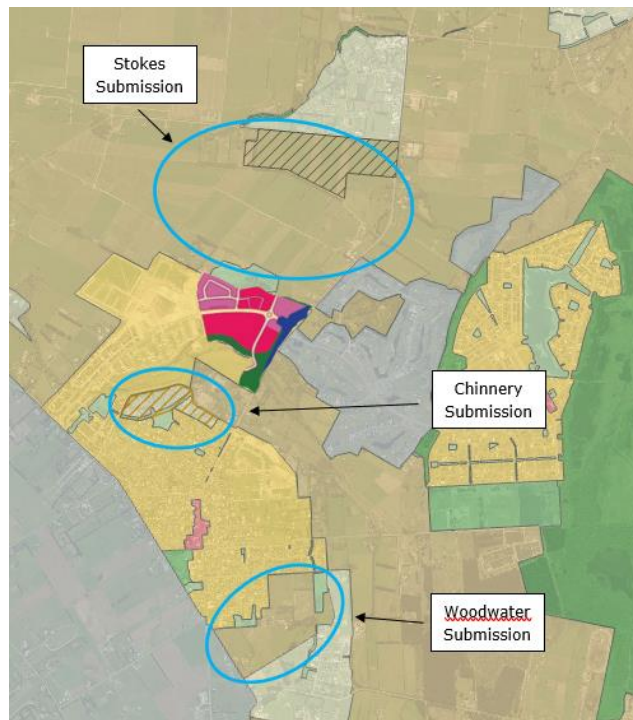


Figure 2 - Location of the Ravenswood KAC relative to urban form of township (notified PDP zoning with Section 42A Report recommendations)

6.22 Relative to the Proposal, the Woodwater submission is somewhat further from its nearest centre (the existing Local Centre Zone), and households will rely on car-based shopping trips to the Ravenswood KAC – which will be their main shopping centre for weekly shopping.

6.23 Again, while I have not examined the Woodwater submission in any detail, I agree that it represents a strategic location to help cater for Woodend/Pegasus's future housing growth, and the Chinnery Road makes little sense as a landlocked Large Lot Residential zone (**LLRZ**). I consider both should be rezoned. However, the economic merits of the Proposal are significant and will make a larger contribution to a well-functioning urban environment than either of the two submissions supported by Mr Yeoman and Mr Wilson.

Section 42A Report (Mr Wilson)

6.24 Mr Wilson does not appear to rely on Mr Yeoman's evidence at all in his Section 42A Report, with the only cross reference being to establish that Mr Yeoman addresses the issue of feasibility of development. It is not clear that Mr Wilson has therefore considered economic costs and benefits in his evaluation.⁸ He rejects the Proposal, although the reasons for this appear limited in nature.

6.25 Section 14 of the Section 42A Report, titled 'Capacity and Growth', is accompanied by a spreadsheet which focusses on the indicative capacity of submissions that Mr Wilson accepts in the three main Waimakariri townships. While Mr Yeoman presents a similar assessment of submissions in Figure 7.1 of his evidence, he includes submissions that Mr Wilson has rejected and there are also some differences in assumed yields between Mr Yeoman and Mr Wilson. I focus on Mr Wilson's recommended submissions and what he considers that this means for capacity in the three main townships.

6.26 Mr Wilson confirms that he has considered only plan enabled capacity of submissions, not commercially feasible and RER capacity (as required for sufficiency tests under the NPS-UD).⁹ He has however adopted a mid-point of his range of yields, and made comments around full MDRS densities being unlikely to be achieved in some submission areas.¹⁰ As such he has, in effect, made his own assumptions about what may be reasonably expected to be realised for the purpose of a capacity assessment.

⁸ See for example paragraph 141 of the Section 42A Report.

⁹ Section 42A Report at [152].

¹⁰ See for example paragraph 890 of the Section 42A Report.

- 6.27 I observe that Mr Wilson adopts the demand projections in the Housing Capacity Assessment 2023 (**HBA2023**) for Waimakariri District's three main townships as being the appropriate basis for setting housing bottom lines in the PDP.¹¹ While the capacity assessment in the WCGM22 informed the HBA2023, the WCGM22 adopted a lower demand projection than adopted by the Greater Christchurch Partnership for Waimakariri,¹² hence why the WCGM22 report states a larger medium-term surplus than the HBA2023.¹³ I raise this only because if the HBA2023 housing bottom lines are officially adopted, then there will be is a disconnect between the Council's WCGM22 and those housing bottom lines. Mr Yeoman acknowledges this his evidence for 12E.¹⁴
- 6.28 Mr Wilson states that his recommended rezonings in the three main townships would add between 6,901 and 9,915 additional dwellings in the medium term in greenfield areas.¹⁵ The lower figure is his average yield and the higher number is his upper yield (although I consider this should sum to 10,085 as Mr Wilson has not included the accepted Woodwater capacity in his upper yield column). The majority of the upper yield values are based on large greenfield areas delivering all lots at 200sqm.¹⁶ I do not consider this likely and therefore adopt Mr Wilson's average values as this assumes a mix of densities achieved in each greenfield area.
- 6.29 Mr Wilson adds his accepted submission yields to the WCGM22 total feasible and RER capacity for the three main townships, reported as 5,940 dwellings. For example, adding 6,901 to 5,940 (being the notified PDP capacity) would give a total zoned PDP capacity in the three main townships of 12,841 dwellings. I agree that even accounting for take up (and any errors) in the WCGM22 capacity total as discussed in my evidence, this would provide a generous surplus of capacity for the combined urban townships in the medium-term, and give effect to the objectives, polices and intent of the NPS-UD to provide at least sufficient capacity.

¹¹ Section 42A Report at [1101].

¹² Mr Yeoman considers that those demand projections are overstated and should be lower again.

¹³ I cover this in my Evidence in Chief on behalf of B and A Stokes, 4 March 2024 (**Hampson EIC**), at [7.5].

¹⁴ Yeoman Evidence at [6.6].

¹⁵ Section 42A Report at [1105].

¹⁶ Nor does the WCGM22, with the minimum feasible and RER lot size adopted as no less than 300sqm over the long-term.

- 6.30 However, it is notable that only 4% of Mr Wilson’s 6,901 yield resulting from accepted submissions is located in Woodend/Pegasus. Rangiora receives 63% of capacity of accepted submissions and Kaiapoi receives 32%.¹⁷ Based on Mr Wilson’s recommendations, the Chinnery Road and Woodwater capacity (that is not restricted by the completion of the Woodend Bypass) is 287 dwellings. If the Woodend Bypass was completed within the medium-term, then the full average yield of Woodwater could be included, and this would increase the total accepted submission yield of 1,034 dwellings.¹⁸
- 6.31 I do not consider that these two submissions are sufficient to provide for medium-term demand (plus the competitiveness margin) in the Woodend/Pegasus location if added to a current estimate of remaining capacity and compared with the medium-term demand period rebased to mid-2024. In my primary evidence, I estimated that Woodend/Pegasus would have remaining capacity of 1,096 dwellings based on WCGM22 assumptions and the latest ground-truthing estimates.¹⁹ This is the bottom line of the top group in **Table 3** below.
- 6.32 The middle block of **Table 3** lists Mr Wilson’s accepted submissions (average yields) for Woodend/Pegasus. Mr Wilson’s spreadsheet also notes that Mr Buckley (Council planner) recommended that capacity for 35 LLRZ dwellings be accepted in Woodend.²⁰ I include that capacity also. Combined, the Council officers have recommended acceptance of submissions in Woodend/Pegasus comprising 899 dwellings. The bottom block of **Table 3** shows how these accepted submissions cumulatively increase the Woodend/Pegasus dwelling capacity and cumulatively reduce my estimated medium-term shortfall. Even with all submissions included, I estimate that there would still be a medium-term shortfall of capacity in Woodend/Pegasus of around 485 dwellings.

¹⁷ The split of 6,901 of average yield is 4,379 Rangiora, 237 Woodend/Pegasus and 2,235 Kaiapoi.

¹⁸ This would increase Mr Wilson’s average yield (included in the medium term) from 6,901 to 7,648 and Woodend/Pegasus would account for 14% of that total capacity (compared to 4% based on Mr Wilson’s primary position on yield).

¹⁹ Hampson EIC at Figure 3.

²⁰ I have not checked back to see which submission that was in accordance with.

Base Year / Source	Remaining Feasible Capacity				Indicative Demand (10 years plus margin) - High *	Sufficiency
	Greenfield	Vacant	Infill	Total		
Mid 2022 (Formative)	1,781	413	2	2,196	2,480	- 284
August 2023 (Innovo)	1,189	209	2	1,400	2,480	- 1,080
January 2024 (Colliers)	1,056	186	2	1,244	2,480	- 1,236
Mid 2024 Estimated (Colliers)	934	160	2	1,096	2,480	- 1,384
Recommended Submissions Woodend/Pegasus (S42A - 12E)						
(a) Chinnerys Road	117	<i>nb - plan enabled (average yield), and not net of existing dwellings</i>				
(b) Woodwater (170 lot limitation)	170	<i>nb - plan enabled (average yield)</i>				
(c) Woodwater (balance lots)	577	<i>nb - plan enabled (average yield), unsure if infrastructure ready in medium-term.</i>				
(d) LLRZ	35	<i>nb - stated as sourced from Mr Buckley's 12CS42A report.</i>				
Recommended Submission Capacity Added to Estimated June 2024 Capacity						
Mid 2024 plus (a)	1,051	160	2	1,213	2,480	- 1,267
Mid 2024 plus (a) & (b)	1,221	160	2	1,383	2,480	- 1,097
Mid 2024 plus (a) & (b) & (c)	1,798	160	2	1,960	2,480	- 520
Mid 2024 plus (a) & (b) & (c) & (d)	1,833	160	2	1,995	2,480	- 485

* Adopts the Woodend/Pegasus Growth Projection from the WCGM22, and assumes a similar 10 year demand outlook if rebased to each capacity snapshot.

Table 3 – Impact of accepted submissions in Woodend/Pegasus (Contemporary Assessment of Capacity and Demand).

6.33 Based on this analysis, I consider that there is a need for more rezoning in the Woodend/Pegasus area (in addition to the Chinnery Road and Woodwater submissions) if the PDP is to provide at least sufficient development capacity in Woodend/Pegasus for the life of the PDP (i.e. the next 10 years).

7 CONCLUSION

7.1 I maintain my support for the Site to be rezoned through the PDP. The Proposal will ensure that sufficient capacity is zoned in Woodend/Pegasus to meet projected demand over the next 10 years. It will also, in combination with the other submissions recommended to be accepted by Mr Wilson, provide at least sufficient capacity to help meet demand into the early part of the long-term in Woodend/Pegasus.

7.2 The Proposal meets the requirements of Objective 6 and Policy 8 of the NPS-UD. It provides significant development capacity and from an economic perspective, it contributes (effectively) to a well-functioning urban environment.

7.3 The Section 42A Report supports a range of submissions across the three main urban townships that would (if approved) provide significant zoned capacity and ensure that the PDP provides zoned capacity well beyond expected medium-term demand in the three main townships. I support this generous and economically efficient surplus of zoned land for reasons stated across my various statements of evidence (and in

response to the Panel's questions) to date. I consider that it implements the intent of the NPS-UD that local authority decision making does not contribute to, and in fact pro-actively responds to addressing, housing affordability issues.

- 7.4 I consider that there are limited economic costs and greater economic benefits from providing a generous surplus of zoned housing capacity beyond what is simply needed to meet medium-term demand, provided always that that zoning would contribute to a well-functioning urban environment.
- 7.5 In a general sense, some economic costs of zoning rural land for urban development sooner rather than later include:
- (a) Loss of agricultural activity (noting that this only applies once land development begins (which will be driven by market demand) and that it is possible for agricultural activity to continue on parts of the land if the land development is staged).
 - (b) If development on the zoned land goes ahead in parallel with development of other greenfield land previously zoned, it may slow uptake of other zoned areas where Council infrastructure was provided, thus leading to less efficient financial outcomes for Council (i.e. slower returns from Development Contributions and other fees). The significance of this depends on what and where infrastructure has been funded by Council.
 - (c) There may also be reduced efficiencies or opportunity costs on public transport investment if areas serviced, or planned to be serviced with public transport services grow slower and therefore become commercially viable later than expected.
- 7.6 The economic benefits of zoning rural land for urban development sooner rather than later include:
- (a) Zoning larger (or more) areas at once can lead to greater economies of scale of development, which may lead to lower cost development.

- (b) It provides greater certainty on where growth will occur which can lead to more efficient development and additional infrastructure planning and investment.²¹
 - (c) It protects land considered suitable for urban zoning from being developed/fragmented in the interim (for example being developed as rural lifestyle blocks) which increases the value of the land (relative to large rural blocks) and reduces the feasibility of future development.
 - (d) By catering for growth over a longer period, it reduces the need for a number of small plan changes that would ultimately achieve the same capacity. It therefore lowers the total cost of housing development as the costs of plan changes need to be recouped through the sale of sections.
 - (e) If the land is developed at the same time as other zoned developments (with different owners), it increases competition in the housing market which can help reduce housing costs and improve housing affordability.
 - (f) If the land is in a different location from other zoned land, it provides more choice in housing location.
- 7.7 When applying these general costs and benefits to the Proposal, and considering the cumulative outcome with other rezonings that have been recommended by Mr Wilson, I consider that the economic benefits outweigh the costs.

²¹ Development and additional infrastructure as defined in the NPS-UD.

7.8 It is clear that the NPS-UD encourages at least sufficient capacity to be zoned in the PDP to meet expected growth over its life (i.e. medium-term), with such capacity to then be maintained on a rolling basis 'at all times'. I consider that the NPS-UD does so because the benefits of surplus zoning outweigh the costs. The requirement to meet the test of a well-functioning urban environment mitigates the risks of an oversupply of zoned land, as a coherent urban form will ultimately still be delivered.

Natalie Hampson

2 August 2024