

**IN THE MATTER OF**

**the Resource Management Act 1991**

**AND**

**IN THE MATTER OF**

Submissions and further submissions in relation to  
the proposed Waimakariri District Plan 12C Large Lot  
Residential Rezoning

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**Statement of evidence of Rodney George Yeoman  
on behalf of Waimakariri District Council  
(Economics)**

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## **1. INTRODUCTION**

### ***Qualifications and experience***

- 1.1 My full name is Rodney George Yeoman. My qualifications are degrees of Bachelor of Commerce (Econ) and Bachelor of Laws from the University of Auckland. I also hold a Postgraduate Honours in Economics from the Australian National University.
- 1.2 I am a member of the New Zealand Association of Economists, and the Resource Management Law Association.
- 1.3 I am a Director of Formative Limited, an independent consultancy specialising in economic, social, and urban form issues. I have 18 years consulting and project experience, working for commercial and public sector clients.
- 1.4 I specialise in policy assessment, industry and markets research, the form and function of urban economies, the preparation of forecasts, and evaluation of outcomes and effects. I have applied these specialties throughout New Zealand, and in Australia, across most sectors of the economy, notably assessments of district plan policies and rules, urban form, land demand, housing, and other local government issues.
- 1.5 I have provided advice to Waimakariri District Council (“WDC” or “Council”) for the last seven years, most relevantly on many aspects of the growth projections, Waimakariri Capacity for Growth Modelling (“WCGM22”), District Plan Review (“DPR”), National Policy Statement on Urban Development (“NPS-UD”), Intensification Planning Instrument (“IPI”) required by the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act and National Policy Statement for Highly Productive Land (“NPS-HPL”).
- 1.6 I have also provided similar research for Selwyn District Council, and for Christchurch City Council on some aspects of IPI and Greater Christchurch Partnership for some aspects of NPS-UD.
- 1.7 The 2023 Housing Capacity Assessment (“HCA”) that was released by the Greater Christchurch Partnership (“GCP 2023 HCA”) uses the capacity results from the WCGM22 research, which I conducted jointly with my colleague Dr Michael Gordon.

### ***Code of conduct***

- 1.8 Whilst I acknowledge that this is not an Environment Court hearing, I confirm that I have been provided with a copy of the Code of Conduct for Expert Witnesses contained in the Environment Court’s Practice Note dated 1 January 2023. I have read and agree to comply with that Code. This evidence is within my area of expertise, except where I state that I am relying upon the specified evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

### ***Key Issues***

- 1.9 In my opinion, the key issues requiring consideration when assessing the submissions are

how the requested changes will affect the supply of residential land, and whether they will enable the community to meet their needs.

### **Scope of Evidence**

- 1.10 I have been asked by WDC to provide evidence regarding the economic effects associated with a number of submissions that request changes to the notified Proposed District Plan (“PDP”).
- 1.11 This evidence reviews and responds to submissions that request changes to the Large Lot Residential Zone (“LLRZ”), from Rural Lifestyle Zone (“RLZ”).
- 1.12 The submissions that required review were identified in consultation with council officers, and are those that contain some coverage of economics issues. Two such submissions were identified for my review, as follows:
- (a) 224 Prosser.
  - (b) 299 Crichton Developments Ltd.
- 1.13 My evidence is structured with a section for each submission, summarising the decision sought, the submission points, and then providing my response to those points. I also summarise the Waimakariri residential land environment to establish the context within which my response to submissions is made.
- 1.14 In preparing my evidence I have reviewed the submissions. I have previously read and am generally familiar with a range of relevant planning documents and the PDP.
- 1.15 I note that I prepared statements of evidence comparable to this statement but relating to other submissions that request residential rezoning within Topic 12<sup>1</sup>, 12A<sup>2</sup>, 12D<sup>3</sup>, and 12E<sup>4</sup>. These requests are covered in separate statements, and I refer to that residential evidence in parts of this statement.

## **2. WAIMAKARIRI RESIDENTIAL LAND**

- 2.1 In this section I summarise the content and key information about the Waimakariri residential land and the findings from the latest 2022 residential land assessment. The purpose of this update is to provide some context within which the submissions can be assessed.

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<sup>1</sup> Statement of evidence of Rodney Yeoman on behalf of Waimakariri District Council (Economics) Stream 8 and Stream 12.

<sup>2</sup> Rodney Yeoman (2024) Memo Capacity and Demand at Oxford.

<sup>3</sup> Statement of evidence of Rodney Yeoman on behalf of Waimakariri District Council (Economics) Stream 12D Ōhoka Rezoning.

<sup>4</sup> Statement of evidence of Rodney Yeoman on behalf of Waimakariri District Council (Economics) Stream 12E Rangiora, Kaiapoi and Woodend/Ravenswood/Pegasus.

## Recent growth

- 2.2 Over the last two decades, Waimakariri District has experienced rapid growth in population, from around 37,100 in 2000 to 69,000 in 2023. That equates to an average annual growth of 2.7% per annum, which is much faster than almost every other district in New Zealand - only Selwyn and Queenstown Lakes grew at a faster rate.
- 2.3 As the population has grown, the three main towns (Rangiora, Kaiapoi, and Woodend) have accommodated a larger share of the new residents. Last year over 80% of new population growth was located in these three urban areas alone.
- 2.4 The remaining growth was spread over the small settlements<sup>5</sup>, Rural Lifestyle Zone, and the General Rural Zone. Of the population growth last year, 12% was located west of Two Chains Road and north of Ashley River (outside the dashed line in Map A of CRPS), while the remaining 8% was located in the small settlements inside dashed line of Map A of the CRPS, Large Lot Residential Zone, and the Rural Lifestyle Zone.
- 2.5 In summary, there has been high growth within the three main towns (Rangiora, Kaiapoi, and Woodend) and these towns 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.
- 2.6 Importantly for this topic, the amount of growth accommodated in LLRZ has dropped over time. Also, in relative terms LLRZ represents a small part of the overall residential market in Waimakariri District.
- 2.7 The new dwelling building consents reflect the same pattern as population growth, with a significant share of new dwelling building consents being located within Rangiora, Kaiapoi, and Woodend, 83% in the last 12 months.<sup>6</sup> Less than 17% was located either outside the Greater Christchurch area or in the small settlements/rural areas of the Greater Christchurch area (Figure 2.1).

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<sup>5</sup> Oxford, Ashley, Sefton, Cust, Mandeville, Ōhoka, Cust, Waikuku, Waikuku Beach, Woodend Beach, The Pines Beach, Kairaki, Tuahiwi. Also the other areas with Large Lot Residential such as Fernside, Swannanoa, West Eyreton, Loburn North.

<sup>6</sup> I acknowledge that there is debate around the definition of Urban Environment, which was subject to a Joint Witness Statement by the Planners. I have adopted the definition that has been applied in the Greater Christchurch Partnership HCA, which it the three main towns Rangiora, Kaiapoi, and Woodend.

**Figure 2.1: District New Residential Dwelling building consents (2019-2024)**

<b>New Dwelling Consents</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024*</b>
Urban Environment	511	428	695	633	597	644
Rural Greater Christchurch	58	52	95	80	68	64
Outside Greater Christchurch	69	71	105	119	75	71
<b>Total</b>	<b>638</b>	<b>551</b>	<b>895</b>	<b>832</b>	<b>740</b>	<b>779</b>
Urban Environment	80%	78%	78%	76%	81%	83%
Rural Greater Christchurch	9%	9%	11%	10%	9%	8%
Outside Greater Christchurch	11%	13%	12%	14%	10%	9%
Standalone	92%	93%	94%	91%	82%	79%
Attached	8%	7%	6%	9%	18%	21%

*\*Last 12 months, ending February 2024*

- 2.8 The split between standalone and attached dwellings has continued to change, with attached dwellings reaching over 21% in the last 12 months. At the same time the share of dwellings that are standalone decreased from 92% in 2019 to less than 79% in 2024. This trend has been observed in all the high growth Tier 1 councils in New Zealand.
- 2.9 I consider that it is clear that preferences for dwellings are changing, with higher density typologies becoming more popular, and that this trend is likely to continue and follow the path seen in other urban environments. This means that the share of demand accommodated by lower density dwellings, including LLRZ, will continue to decline in the future. This is because of both demand factors (i.e. affordability) and supply factors (i.e. the scale of development enabled in Rangiora, Kaiapoi, and Woodend, as well as Christchurch) which will impact the way that the market provides dwellings in the district, to meet the changing demands of the community.

### **Projected growth**

- 2.10 The latest population projections provided in 2022 have three scenarios, low, medium, and high.<sup>7</sup> The Council has adopted the High projection for NPS-UD assessments, both for residential and business assessments.<sup>8</sup>
- 2.11 The latest population (High scenario) is higher than the range projected in the 2021 projections.<sup>9</sup> While Covid19 resulted in short term impacts, the economy and population growth has been resilient and has recovered quickly. The latest projections are higher than the previous set, at least in part, because the impacts of Covid19 was more muted than expected.
- 2.12 There has also been a general decline in residential development activity within the urban areas in New Zealand, with the largest declines in activity being observed in greenfield areas. However, activity within Waimakariri has remained relatively stable. Also there has been a large inflow of immigration to New Zealand, which could result in more demand in

<sup>7</sup> Statistics New Zealand (2022) Sub-national Population Projections.

<sup>8</sup> A previously used medium-high scenario is no longer used for Waimakariri District planning purposes.

<sup>9</sup> Statistics New Zealand (2021) Sub-national Population Projections.

the coming years.

- 2.13 I consider that the Council's decision to adopt the High projection is a conservative position. 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 projection for the entire medium term (10 years, 2023-2033) or long term (30 years, 2023-2053). Specifically, growth over these periods is likely to be lower than what the Council is planning for, which means that the Council's stance is conservative.
- 2.14 Moreover, I consider that the shift in demand preferences is likely to continue which will result in less demand for lower density dwelling types than is shown in the demand projections. The WCGM22 applies conservative assumptions on the share of demand for attached dwellings<sup>10</sup> and share of demand located in Rangiora, Kaiapoi, and Woodend<sup>11</sup>. Conversely, the WCGM22 is likely to overestimate the demand for standalone dwellings and lower density dwelling types.
- 2.15 The results of the WCGM22 suggest that there is expected to be demand in Rangiora, Kaiapoi, and Woodend for 4,970 new dwellings in the medium term (10 years) and 11,700 new dwellings in the long term (30 years).<sup>12</sup> That forecast is based on the High growth scenario and are discussed in the Economic Assessment that is attached to Topic 12E<sup>13</sup>, and is similar to the average observed over the last five years (Figure 2.1).
- 2.16 The sufficiency assessment in the NPS-UD does not require councils to consider demand for individual zones, or even individual locations within Rangiora, Kaiapoi, and Woodend. However, the WCGM22 does include results for the three main towns (Rangiora, Kaiapoi, and Woodend), which are presented in the Economic Assessment.
- 2.17 I have reviewed the Rural Residential Strategy, the economic evidence presented by submitters, recent building consents, and Formative's High demand projections that all relate to LLRZ. This information suggests that demand for LLRZ within the Greater Christchurch area could range from:
- (a) Rural Residential Strategy (2018): suggests a demand for 39 dwellings per annum<sup>14</sup>.
  - (b) Mr Colegrave evidence (Prosser 224): suggests a demand is likely to be higher than the levels shown in the recent building data, which had less than 30 dwellings per annum<sup>15</sup>.

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<sup>10</sup> Currently set at 9% and held constant in the model, which 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.

<sup>11</sup> Currently set at 79% and held constant in the model, which is 4% lower than the share that has been observed in the last 12 months. This means that the WCGM22 overestimates the demand for low intensity standalone dwellings outside the three main towns.

<sup>12</sup> NPS-UD requires that councils include a competitiveness margin on top of demand of 20% in the medium term and 15% in the long term, which is included in the numbers stated in my evidence.

<sup>13</sup> Formative (2023) Waimakariri Residential Capacity and Demand Model – IPI 2023.

<sup>14</sup> Waimakariri District Council (2018) Rural Residential Strategy.

<sup>15</sup> Statement of evidence of Natalie Hampson (Economics) on behalf of Crichton Developments Limited in relation to Gladstone Road rezoning request. Para 47.

- (c) Ms Hampson evidence (Crichton 299): suggests a demand for 46 dwellings per annum<sup>16</sup>.
- (d) Building Consents: The most recent building consents data shows that demand accommodated in the LLRZ has dropped continuously over the last six years, from a high of just over 40 in 2018 to less than 20 in 2023.<sup>17</sup>
- (e) Formative: high demand projection suggests a demand for 25 dwellings per annum.

2.18 I consider that based on the available information that it would be conservative to assume that future demand for LLRZ will be in the range of 30-40 per annum. Given the potential for continuing changes in preferences, both for type of dwelling and location in Waimakariri, I would expect that demand would be lower than 30 to 40 dwellings per annum in the medium term (10 years) and long term (30 years).

### **Capacity for Growth context**

2.19 The WCGM22 is a desktop analysis which is an update of the modelling conducted in 2019 and 2021, and is similar to the methods applied to other Tier 1 councils in the Greater Christchurch Partnership (by Formative for Selwyn and by Christchurch City Council for Christchurch).

2.20 In summary, it uses parcel level data to establish the number of dwellings that can be provided within each parcel. This assessment is ground-truthed via a review of developer intentions for large greenfield sites and recent building consents for smaller brownfield sites.<sup>18</sup> This comparison shows that the WCGM22 results are conservative, and that the model is likely to underestimate the amount of development that could be achieved by the market in the future.

2.21 Importantly, the NPS-UD is prescriptive in terms of the assessment method that councils must adopt, which means that the WCGM22 inherently underestimates capacity. My own assessment of development data suggests that the model underestimates capacity, which is consistent with Mr Wilson's memo on the Land Uptake Monitoring survey.<sup>19</sup>

2.22 In summary the WCGM22 assessment has shown that in Rangiora, Kaiapoi, and Woodend there is a large amount of capacity enabled within the plans. The WCGM22 estimates that there is a total capacity for over 80,000 new dwellings in Waimakariri, which is almost 3 times the number of dwellings currently in Waimakariri, or 13 times more than future projected dwellings under the high growth scenario in the medium term, and more than 5 times the long term demand.

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<sup>16</sup> Statement of evidence of Natalie Hampson (Economics) on behalf of Prossers in relation to Ashworths Road rezoning request. Para 68-73.

<sup>17</sup> Waimakariri District Council (2024) LLRZ building consents 2018-2023.

<sup>18</sup> It would be exceedingly costly to undertake a full field survey of all residential sites in the District. No other council undertakes a detailed field survey. Even Statistics New Zealand, with all its resources and statutory powers, does not visit every site during Census.

<sup>19</sup> Peter Wilson (2024) Memo on housing uptake and Land Uptake Monitoring Survey.

- 2.23 Obviously, most of this supply will not be reasonably developable or feasible, either in the medium or long term. In total the assessment shows that less than 8% of total plan enabled capacity is feasible in the medium term and 19% in the long term. Also, most of the feasible capacity is within the greenfield areas, with some infill or redevelopment being either reasonably realisable or feasible. In Rangiora, Kaiapoi, and Woodend the WCGM22 estimates a capacity of 5,940 dwellings in the medium term (2023-2033) and 14,450 in the long term (2023-2053).
- 2.24 The WCGM22 provides estimates of capacity for LLRZ, which suggests a capacity for 394 lots in the District in the long term. However, the NPS-UD assessment test requires that development be commercially viable under current conditions in the medium term. This assessment requirement is in my opinion overly conservative, as this means that only lots which can be brought by a developer, built on and then sold at a profit under today's conditions can be considered as capacity.
- 2.25 This NPS-UD test performs poorly for LLRZ because land development does not follow this normal commercial pathway. There are three main issues which means that NPS-UD will underestimate feasibility of LLRZ:
- (a) First, generally landholders will have purchased land many years ago at a much lower price which reflects its lower intensity of use at that time. In many cases they will be able to subdivide for a profit, as the value of the land when purchased for rural or rural lifestyle will be much lower than the value as LLRZ. The NPS-UD requires that a commercial developer buy the land today under current conditions, which will be a much higher value, and will likely mean that subdivision would not be viable to a commercial developer.
  - (b) Second, generally the development of dwellings in LLRZ is conducted by owner occupiers. These people do not require a specific profit margin, and will develop the land to meet their own needs and budget. The NPS-UD requires that a commercial developer buy the subdivided land, build a dwelling and sell it within the market for a profit. This requirement does not reflect the reality of LLRZ market.
  - (c) Third, generally in a high-growth areas the feasibility of development will improve with time. The NPS-UD acknowledges this situation and allows modellers to incorporate this characteristic of the market in the long term assessment. However, the NPS-UD requires the medium term assessment to assume current conditions remain constant for 10 years. This requirement does not reflect the reality of any market, whether that be LLRZ or any other residential zone. I consider that no market is static and the NPS-UD requirement to assume that this occurs for 10 years is overly conservative.
- 2.26 Therefore, I consider that the WCGM22, by design as required by the NPS-UD, underestimates capacity in the LLRZ for the medium term. I consider that the capacity in the existing zoned LLRZ of 143 represents a better estimate for the coming medium term.



## Sufficiency of Residential land

- 2.27 The comparison of the residential land capacity to demand, as required by the NPS-UD, suggests that there is sufficient capacity to meet expected demand in Waimakariri over the medium and long terms for industrial land.
- 2.28 There is demand for 4,970 dwellings in the medium term and 11,700 in the long term. The WCGM22 estimates a capacity of 5,940 dwellings in the medium term and 14,450 in the long term. This means that there is sufficient capacity within the urban areas to meet expected demand for both the medium (10 years, 2023-2033) and long term (30 years, 2033-2053) (Figure 2.2).

**Figure 2.2: Rangiora, Kaiapoi, and Woodend residential land sufficiency**

	2023-2033 Short- Medium	2023-2053 Long
Urban Environment Dwelling Situation		
Demand +Margin	4,970	11,700
Feasible Supply	5,940	14,450
<b>Sufficiency</b>	<b>970</b>	<b>2,750</b>

- 2.29 The NPS-UD sufficiency test is framed as a minimum level of development capacity required, not a maximum, and if a council determines that there is insufficient development capacity then it must act as soon as practicable to provide more capacity via changes to the planning framework. Further, the NPS-UD has a wider set of objectives beyond simply providing the bare minimum capacity that is sufficient to meet expected demand. This then means that Council could allow for more urban capacity than the minimum required to accommodate expected growth, in order to meet the wider objectives of the NPS-UD. The provision of additional capacity can be assessed according to the merits, but this does not mean that all additional developments should be adopted as being beneficial.
- 2.30 In the case of residential land, the NPS-UD does not require assessments of the demand or supply for specific land uses. As an example, the NPS-UD does not require councils to model the land demand for low density, medium density or high density zones, so while there is sufficient land at an aggregate (i.e. residential) level, it may be that there is need for more land for a specific use. Any such need can be assessed on its merits, and is beyond the scope of the WCGM22 or NPS-UD reporting.
- 2.31 I conclude that it would be conservative to assume that the demand for LLRZ maybe within the range of 30-40 per annum in the medium term, or a total of 300-400 over the next ten years. This compares to the supply of 143 in the existing LLRZ. This means that there may be a need for more capacity (indicatively an additional 150-250 dwellings) in the medium term, potentially by as early as 2028.
- 2.32 Providing more capacity via live zoning of some of the overlay area to LLRZ or approving

more capacity would be conservative, and would improve sufficiency of supply for this type of residential property.

2.33 However, I note that this is not a requirement of the NPS-UD and that it is likely that demand will be lower than estimated in this statement.

2.34 I now move to an assessment of the submissions that I have been asked to consider.

### **3. PROSSER (224)**

3.1 In this section I review the Prosser submission. I have also reviewed relevant parts of the PDP and the most recent council assessments of residential land to assist with context of the submission. As with the other submissions, the following review relates only to submission points on the LLRZ, and not the other residential zones, which were the subject of my other statements of evidence for Streams 12.

#### **Decision sought**

3.2 The Prosser submission seeks to have 2 Ashworths Road, Mandeville rezoned to LLRZ. The site is 72ha, however there is an operational poultry farm on the north-east corner of the site which will remain. This reduces the developable area to 65.7ha.

3.3 Under an existing resource consent (RC205106), the site could be subdivided to yield 20 additional Rural Lifestyle lots, at 4ha per lot.

3.4 As submitted the rezoning of the land to LLRZ could enable subdivision that would yield 115 additional lots, with an average of just over 5,000m<sup>2</sup> per lot.

3.5 The site is bordered by LLRZ to the west (average lot sizes of around 5000m<sup>2</sup>) and the San Dona development to the south (average lot sizes of around 1-2ha). Immediately north across Ashworths Road there are RLZ parcels (around 4ha and a 10ha lot). There are also RLZ lots to the east, which range from 4-5ha each.

#### **Economic Evidence – Mr Colegrave**

3.6 Mr Colegrave makes the following key points<sup>20</sup>:

(a) Mandeville's resident population has grown strongly, from 1,190 in 2013 to 1,920 in 2023, which is a growth rate of 4.9% per annum and that most capacity has now been developed.<sup>21</sup>

(b) He considers that Mandeville (and the site) should be assessed within the context of the LLRZ within the Greater Christchurch area.<sup>22</sup> For this area there has been:

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<sup>20</sup> Para 42-57 covers background on the District level housing demand situation, which is repeated in Mr Colegrave's evidence for 12 and 12E. I respond to these points in those hearings, and focus on the LLRZ points which is the focus of his evidence.

<sup>21</sup> Para 21

<sup>22</sup> Para 58-67

- (i) Demand for around 30 dwellings per annum, with a surge in 2012-2014 which is likely to be related to earthquake impacts and residents relocating.<sup>23</sup> Since 2019 the number of dwellings consented has been consistently below 30 per annum. However, he considers that low levels of development reflect capacity constraints than low levels of demand.
  - (ii) Supply is low, with 42 vacant lots available in Greater Christchurch area and 15 in Mandeville. Also, that there are 8 vacant lots listed for sale in Greater Christchurch area and one in Mandeville.<sup>24</sup>
  - (iii) Mr Colegrave considers that there is a pressing need for additional land to be released in this area in the short term.<sup>25</sup>
- (c) He then outlines the economic costs and benefits of rezoning the Prosser's land LLRZ. This includes a discussion of alternative options, market competition, variety of housing, critical mass in the local centre, one-off construction benefits, and foregone rural production. He concludes, the proposal will generate a wide range of economic benefits and avoid any material economic costs.<sup>26</sup>

#### **Response to submission points**

- 3.7 First, I respond to the general tenor of Mr Colegrave's evidence around the situation in Mandeville. He is correct that the population in Mandeville has grown in the past and there will be a need for additional dwellings in the future. I agree with Mr Colegrave that the period post-earthquake was unusually, with high movement of people to Mandeville which is unlikely to be repeated.
- 3.8 However, I consider that in absolute terms the growth in Mandeville is small compared to the rest of the growth experienced in the District. On average less than 50 new people (not dwellings) have moved to the settlement each year over the last three decades (excluding post-earthquake years), and that this level has declined to less than 25 people in the last three years. This compares to district growth of 1000-2000 people per annum. In my opinion, Mandeville is not a high growth area and the use of growth rates gives the false impression that this area has accommodated a large share of growth.
- 3.9 Second, Mr Colegrave provides no estimate of demand for LLRZ, for either Mandeville or the Greater Christchurch area. He provides dwelling consents data which indicates that around 30 per annum in the LLRZ for the Greater Christchurch area (area inside the dotted line of Map A of the CRPS), but considers that there may be pent up demand.
- 3.10 As discussed in section 2 of my statement, I consider that it would be conservative to adopt a demand projection of 30-40 dwellings per annum in the LLRZ of inside the dotted line of Map A of the CRPS. However, I consider that this is a conservative estimate of demand for

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<sup>23</sup> Para 68-73

<sup>24</sup> Para 74-82

<sup>25</sup> Para 83-86

<sup>26</sup> Para 87-123

LLRZ. In my opinion it is likely that the main towns in the Greater Christchurch area will continue to attract a larger share of demand. The level of demand for LLRZ may drop below this point in the future. Therefore, I disagree with Mr Colegrave's position on demand for LLRZ.

- 3.11 Third, Mr Colegrave's assessment of capacity focusses only on vacant land. He finds that there is a small amount of vacant land remaining (42 lots), and limited lots for sale. He has not provided any discussion of the potential for subdivision of lots to provide additional capacity.
- 3.12 I consider that his assessment does not provide a full picture of capacity, and that the LLRZ allows subdivision down to an average of 5,000m<sup>2</sup>, which would enable additional capacity. As discussed in section 2 there is likely to be capacity for 143 new lots in the Greater Christchurch area. I consider that Mr Colegrave's estimate of capacity is unrealistically low.
- 3.13 Fourth, Mr Colegrave considers that there is a pressing need for capacity in the short term (three years). However, at no point does he provide a comparison of demand or supply to substantiate his position.
- 3.14 I disagree with Mr Colegrave, and from my assessment there is likely to be sufficient capacity to meet demand in the short term. However, I agree that in the medium term there may be a need for more capacity.
- 3.15 Finally, Mr Colegrave compares the costs and benefits of the site as an alternative for providing more LLRZ capacity. While I agree with the general proposition that from an economic perspective that the benefits of developing the site LLRZ may outweigh the costs, I consider that he overstates the scale of the benefits and underestimates the costs.
- 3.16 Most importantly I consider that the small scale of the development means that it will at best have a marginal impact on market competition and variety of housing. Also, the construction benefits associated with the development of the site will mostly be a transfer from other locations in Greater Christchurch, and are unlikely to result in a material increase in economic activity.
- 3.17 I agree with Mr Colegrave that the development may improve the operation of the local centre in Mandeville, although again because the scale of the development sought is small, the scale of this positive effect would also be small. Overall, I consider that the development of the site will generate a small number of benefits, and that these would likely be positive from an economic perspective.
- 3.18 Also, I agree that the lost agricultural production will be relatively small as the site has existing resource consent for 4ha Rural Lifestyle lots. However, I do not agree with Mr Colegrave's assertion that no rural activity is commercially viable on the site or his finding that there is no forfeiting of rural production. The site is currently used for rural production and there is a viable poultry farm on the site that will remain after the rezoning. Therefore, in my opinion rural production would still be viable and the development of this site would result in a loss of rural production potential. However, this loss is likely to be relatively small which is related to the existing consented baseline of 4ha Rural Lifestyle lots as

compared to LLRZ that is proposed. However, incremental losses of production can compound across the district and become significant. This cost should be considered when considering the proposed development.

- 3.19 Notwithstanding my observations about Mr Colegrave’s assessment, I consider that from an economic perspective that the request for LLRZ of this site would potentially generate a small positive outcome, where the benefits are likely to outweigh the costs. However, I acknowledge that there may be other externalities which are not assessed by Mr Colegrave, including Greenhouse Gas, Transport effects, Amenity, etc. These other costs are outside my area of expertise, and I acknowledge that they may be important considerations.
- 3.20 I consider that on the merits of this submission, that from an economic perspective that the zoning to LLRZ would be appropriate. However, as acknowledged above there will be other aspects of the proposal that should be considered.

#### **4. CRICHTON DEVELOPMENTS LTD (299)**

- 4.1 In this section I review the Crichton Developments Ltd submission. I have also reviewed relevant parts of the PDP and the most recent council assessments of residential land to assist with context of the submission. As with the other submissions, the following review relates only to submission points on the LLRZ, and not the other residential zones, which were the subject of my other statements of evidence for Streams 12.

##### **Decision sought**

- 4.2 The Crichton Developments Ltd submission seeks to have 145-167 Gladstone Road, Woodend rezoned to LLRZ. The site is 22.7ha, however there is a designation for the future motorway bypass which reduces the developable area to 17.2ha.
- 4.3 Under the proposed District Plan, the site could be subdivided to yield 3 additional Rural Lifestyle lots, at 4-5ha per lot.
- 4.4 As submitted the rezoning of the land to LLRZ could enable subdivision that would yield 27 additional lots, with an average of just over 5,000m<sup>2</sup> per lot.
- 4.5 The site is bordered by LLRZ to the west, the motorway designation to the east, and designated Gladstone Road motorway offramp to the north. The southern boundary is bordered by a small RLZ parcel (9ha), which itself is surrounded by LLRZ to the west and motorway designation to the east. If the designated motorway is built then this land will become isolated from rural land.

##### **Economic Evidence – Ms Hampson**

- 4.6 Ms Hampson makes the following key points<sup>27</sup>:

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<sup>27</sup> Para 17-42 covers background on the NPS-UD and discussion of urban situation in the three main towns (Rangiora, Kaiapo and Woodend/Pegasus/Ravenswood), which is repeated in Ms Hampsons evidence for 12

- (a) She reviews the Council’s 2018 assessment of supply and demand in the Rural Residential Strategy<sup>28</sup>,
  - (i) accepts that the council’s projected demand for 38-39 lots per annum in the medium term.<sup>29</sup> However she considers that demand should be adjusted to include 20% competitiveness margin as required in the NPS-UD. This would give a need for 46 dwellings per annum.<sup>30</sup>
  - (ii) accepts that the capacity of 260 lots in the 4A and 4B zones. She considers that the 2018 implies that capacity would run out by 2024.<sup>31</sup>
- (b) She notes that the Council responded by notifying overlay areas for future LLRZ (LLRZO). The latest council assessment of capacity (in the WCGM22) shows a capacity for 394 lots, of which 188 are in the LLRZ and 206 are LLRZO. She considers that the estimates are “conservative by a minor degree” and that she considers that the WCGM22 capacity in the medium term is too low.<sup>32</sup>
- (c) She adopts the WCGM22 LLRZ capacity of 188 in her assessment and compares this to the demand of 46 dwellings per annum. This results in a capacity shortfall using the NPS-UD method by 2027 and a real shortfall by 2028. Therefore, she considers that there is a need for more LLRZ capacity.<sup>33</sup>
- (d) The LLRZO has capacity for a further 206 lots, and she considers that all will be needed in the medium term to satisfy demand.<sup>34</sup>
- (e) For Woodend, Ms Hampson notes that there is no assessment of the LLRZ situation. She considers that the NPS-UD urban assessment of the township indicates that there is potentially a shortfall, which could mean there is also a shortfall in LLRZ.<sup>35</sup>
- (f) There are submissions to rezone LLRZ and LLRZO areas to other urban zones, as well as submissions to provide more LLRZ. If adopted these will reduce and increase the supply of this type of capacity. Ms Hampson considers that if adopted there would still be a shortfall by 2031.<sup>36</sup>
- (g) She considers that aspects of the NPS-UD and the economic outcomes associated with the Crichton land being zoned LLRZ<sup>37</sup>, and concludes that economic benefits

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and 12E. I respond to these points in those hearings, and focus on the LLRZ points which is the focus of her evidence.

<sup>28</sup> Waimakariri District Council (2018) Rural Residential Strategy.

<sup>29</sup> Para 45-47

<sup>30</sup> Para 47.

<sup>31</sup> Para 48-50

<sup>32</sup> Para 53-60

<sup>33</sup> Para 61-64.

<sup>34</sup> Para 65-66.

<sup>35</sup> Para 67-73.

<sup>36</sup> Para 74-77.

<sup>37</sup> Para 81-90.

of the proposal are likely to outweigh the economic costs.

#### **Response to submission points**

- 4.7 First, Ms Hampson has broadly adopted the demand projection from the 2018 Rural Residential Strategy to establish the demand in the medium term (10 years). She has also suggested that a margin of 20% be added, to establish a requirement for 48 dwellings per annum for the entire district in the LLRZ.
- 4.8 I acknowledge that she requested data on the building consents in years 2019-2023, which was not supplied before she provided her evidence. Her intention was to update the demand to account for the latest data. I have received this data, which shows that development of LLRZ has declined over the last five years, even though development has been high in the three main towns.
- 4.9 I consider that if Ms Hampson had access to this data that her demand assessment would have been within the range of 30-40 that I suggest in section 2 of this statement. But I do not consider that this issue is material to her assessment, which I discuss further below.
- 4.10 Second, Ms Hampson has adopted the WCGM22 capacity from the existing zoned LLRZ as the medium term capacity (of 188 for the District). She queries why so little of the capacity is feasible in the WCGM22. As noted above in my statement, the NPS-UD places strict requirements in terms of modelling capacity which in my opinion do not reflect the reality of development in the LLRZ (para 2.24). I agree that the NPS-UD method results in an underestimation of capacity.
- 4.11 Third, she compares the demand to capacity and considers that the capacity may run out in the medium term (10 years), by 2027. Therefore, she considers that there is a need for more capacity.
- 4.12 I consider that if she had access to the newest building consents data that her overall finding of a shortfall in the medium term may have remained the same. Her findings are similar to my findings (para 2.30).
- 4.13 Fourth, she considered the alternatives of zoning the overlay areas LLRZ. This would provide more capacity (208) and much of it would be needed to meet her projected demand. Moreover, she is concerned that some of this land may be rezoned for other uses, which is proposed by other submitters in Stream 12E.
- 4.14 I agree that there is a risk that some of the LLRZO may be rezoned for other uses which would reduce the potential for this land to be used for LLRZ, and accordingly I consider that it would be sensible to zone the overlay for LLRZ. I agree that if all the LLRZO was rezoned that much of it may be required in the medium term.
- 4.15 Fifth, I agree that there is limited supply of LLRZ in Woodend and also that the WCGM22 notes a potential shortfall in the town of 280 in the medium term. Ms Hampson considers that this may indicate shortage of LLRZ and justify the rezoning of the Crichton site.
- 4.16 I disagree, and consider that the Crichton site should be considered within the wider

context of the market and that demand for LLRZ is not so finely localised. The wider residential situation in Woodend will be considered in Stream 12E hearings, where the alternatives can be considered against each other based on the merits of each submitted rezoning option.

4.17 Finally, Ms Hampson considers the economic merits of the Crichton development. I agree with the general proposition that from an economic perspective that the benefits of developing the site to LLRZ may outweigh the costs.

4.18 Importantly I consider that:

(a) The development of this site would likely contribute to a well-functioning urban environment. The site will be surrounded by urban activity in the future (once the bypass is built) and will have good access to amenities, employment opportunities, etc.

(b) This land is small and will be isolated from other rural activity once the bypass is built. I agree that the development of this site will have minimal impact on rural production. However, I acknowledge that there would be a loss, and that cumulatively this may be important across the district and should be considered.

4.19 However, I consider that the development is unlikely to result in a material impact on the housing market. I consider that the impacts on market competition and variety of housing will be relatively small. Also, the construction benefits associated with the development of the site will mostly be a transfer from other locations in Greater Christchurch, and are unlikely to result in a material increase in economic activity.

4.20 I consider from an economic perspective that the request for LLRZ of this site would potentially generate a small positive outcome, where the benefits are likely to outweigh the costs. However, I acknowledge that there may be other externalities which are not assessed by Ms Hampson, including Greenhouse Gas, Transport effects, Amenity, etc. These other costs are outside my area of expertise and I acknowledge that they may be important considerations.

4.21 I consider that on the merits of this submission, that from an economic perspective that the zoning to LLRZ would be appropriate. However, as acknowledged above there will be other aspects of the proposal that should be considered.

## **5. OTHER SUBMISSIONS**

5.1 There are a number of submissions that relate to rezoning of LLRZ or LLRZO, which I have not been asked to review. However, my understanding is that there are submissions that request that the LLRZO be immediately zoned LLRZ<sup>38</sup>. If this was to occur then there would be additional supply enabled to meet demands in the short and medium terms.

5.2 Also there is a submission that requests that the LLRZO in Waikuku be zoned for higher

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<sup>38</sup> Submission 250, 211



density urban uses (General Residential Zone or Medium Density Residential Zone). If this was to occur then this would reduce the potential for LLRZ in the long term.

- 5.3 There are also submissions that request that some existing LLRZ be upzoned to Medium Density Residential Zone (in Rangiora and Woodend). There is limited capacity in these locations under the current zoning, so allowing upzoning is unlikely to materially impact the situation, either in terms of demand or supply of LLRZ. The benefits of Medium Density Residential Zone will be assessed in Topic 12E hearing.
- 5.4 Finally, there are a number of submissions that request that some areas of RLZ be zoned LLRZ, including a large area around Mandeville, Ohoka, and Woodend. These requests have not provided economic evidence, as such I have not been able to assess the economic issues associated with each proposal.
- 5.5 Given the relatively small scale of the demand for LLRZ which is noted in the economic evidence before this hearing (Ms Hampson, Mr Colegrave, and my assessment), I consider that there is no economic rationale (or need) for large scale provision of capacity in the LLRZ, and so my general response to the submissions that request that some areas of RLZ be zoned LLRZ is that that change is not necessary, and has not been shown to be appropriate.
- 5.6 Also, allowing LLRZ on land close to the three main towns could inhibit the potential for that land to be used for more intensive urban development in the future, if the need arises.

## **6. CONCLUSION**

- 6.1 In my opinion, the economic merits of the submitted rezoning to LLRZ presented by the Prosser and Crichton submissions are such that the benefits are likely to outweigh the costs. However, the overall positive outcome for each rezoning is relatively small.
- 6.2 However, I acknowledge that there may be other externalities which are not assessed by Mr Colegrave or Ms Hampson, including Greenhouse Gas, Transport effects, Amenity, etc. These other costs are outside my area of expertise and I acknowledge that they may be important considerations when assessing each of the submissions.

Rodney Yeoman

17 May 2024