

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 Gary Sellars (Market
Analysis and Medium Density Residential Standards)

Dated: 13 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 GARY SELLARS

INTRODUCTION

- 1 My full name is Gary Russell Sellars.
- 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.

CODE OF CONDUCT

- 4 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

Economic Evidence – Mr Yeoman

Impacts of Medium Density Residential Standards (MDRS)

- 5 In Mr Yeoman's evidence on Economic Matters, which forms part of the Officer's Report, he agreed with my evidence that it is too early to gauge the impacts of MDRS but stated that more intensification is being achieved than estimated in the Waimakariri Capacity for Growth Model 2022, not less.
- 6 When quantifying the impact of MDRS it is important to establish that any additional supply of dwellings is over above what would be expected to have otherwise occurred without MDRS.
- 7 There has historically always been an element of higher development density in the new subdivisions in Waimakariri District. Examples include Silverstream, where two storey terrace houses have been constructed on sites comprising 100-300 sqm. In Beachgrove, where two storey terrace houses have been constructed on lots of 168 sqm, at Pegasus where two storey terrace houses have been constructed on lots between 150-250 sqm, and at Bellgrove – Stage 1, where 200-300 sqm lots have been developed.
- 8 Most of these developments pre-date MDRS and form a standard component of a modern subdivision development.

- 9 Attached at **Appendix A** is a detailed summary of building consent statistics for the three major urban areas in Waimakariri District and for Christchurch City. The building consent data is split into standalone dwellings and attached townhouses/apartments, and percentages have been provided to show the breakdown of standalone dwellings and higher density (HD) housing for the years 2010-2024. Note, building consents specific to retirement villages have been excluded from this data.
- 10 The following is a summary table of this data for the 15 year period between 2010 - 2024:

Building Consent Statistics – Average 2010-2024		
Location	Standalone Dwelling %	Townhouse/ Apartment %
Rangiora	93.0%	7.0%
Kaiapoi	88.1%	11.9%
Woodend	95.8%	4.2%
Waimakariri District	92.6%	7.4%
Christchurch City	57.0%	43.0%

- 11 The following is a summary table for the recent five year period between 2020-2024:

Building Consent Statistics – Average 2020-2024		
Location	Standalone Dwelling %	Townhouse/ Apartment %
Rangiora	90.8%	9.2%
Kaiapoi	85.2%	14.8%
Woodend	98.4%	1.6%
Waimakariri District	94.0%	6.0%
Christchurch City	41.0%	59.0%

- 12 Building consents for Waimakariri District indicate that the proportion of townhouses and apartments remained relatively static over the 15 year period from 2010-2024.
- 13 The 15 year average proportion of townhouse/apartment consents in Waimakariri District is 7.4%. Within the individual urban areas, the long term average in Rangiora is 7.0%, in Kaiapoi 11.9% and in Woodend 4.2%.
- 14 It is notable that in the 5 year period between 2022-2024, there was a higher proportion of townhouse and apartment consents in Rangiora (9.2%) and Kaiapoi (14.8%) and a lower average in Woodend (1.6%). The examples of previous high spikes in

townhouse and apartment consents resulted from the high density developments in Pegasus, Silverstream and Beachgrove.

- 15 By comparison, the long term average proportion of townhouse and apartment building consents in Christchurch City is 43.0%. The short term 5 year average in Christchurch City is 59.0%.
- 16 I accept there is evidence of intensification in Waimakariri District, particularly in Kaiapoi which aligns with residential trends across Greater Christchurch. In my opinion, the move to greater intensification was already occurring prior to the introduction of MDRS.
- 17 Higher density development in Waimakariri District indicates a slight increase over the latest five year period which reflects the general trend across urban areas in greater Christchurch.
- 18 In this sense, while I agree with Mr Yeoman that more intensification is generally being achieved, I do not consider this to be necessarily attributable to the introduction of the MDRS, but instead a reflection of housing trends across Greater Christchurch that have been occurring over the last 10+ years. In this respect, I would have expected these to already be accounted for in the Waimakariri Capacity for Growth Model 2022.

Future Development Area Capacity

- 19 Mr Yeoman disagreed with my estimate of capacity in the Future Development Areas and priority greenfield locations and used an example in Kaiapoi relating to the Momentum South Block and Momentum North Block.
- 20 He appears to have utilised information from the evidence of Mr Fraser Colegrave on behalf of Momentum Land Limited and Mike Greer Homes Limited provided for hearing stream 12E. Mr Colegrave's evidence referred to land in north-east Kaiapoi located under the Christchurch Airport Air Noise Operative Contour and the Remodelled Contour. The land referred to by Mr Colegrave forms part of the north-east Kaiapoi land referred to in my evidence. The land area is 34.5 ha and he adopted a yield of 700 dwellings which I consider is high.
- 21 Adopting my methodology of deducting 12.5% of the land area for stormwater management produces a net area of 30.3 ha. Adopting Mr Colegrave's yield of 700 dwellings equates to a net yield of 23 HHU's/ha, which I again consider is high. Throughout my evidence, I have generally adopted a yield of 15 HHU's/ha, although in the case of the land in north-east Kaiapoi, which is located in a High Hazard Area on the Waimakariri District 500 Year Floor Hazard Map, I adopted a conservative yield of 12 HHU's/ha.
- 22 For comparison purposes I have completed an analysis of Stages 1-8 in the adjoining Beachgrove subdivision. The gross land area is

45.29 ha which, after allowing for 12.5% for stormwater management, reduces the net area to 39.63ha. There are 633 existing or proposed lots or HHU's which equates to a yield of 16 HHU's/ha.

- 23 I accept my yield of 12 HHU's/ha is necessarily conservative, based on flooding considerations, however I consider the net yield of 23 HHU's/ha adopted by Mr Colegrave is optimistic.

High Demand for Land in Ōhoka

- 24 Mr Yeoman referred to the real estate market evidence of Mr Jones and disagreed with his statement that there is "high demand for housing in Ōhoka".
- 25 It is difficult to quantify demand for housing in Ōhoka given there has been no new product of this type available in Ōhoka for many years, nor has there been any new rural lifestyle land available.
- 26 Ōhoka is a premium residential location in North Canterbury. The Ōhoka rezoning application will create the opportunity for a large number of residents to live in a high quality residential environment with rural village character in a sought after location.
- 27 I do not agree with Mr Yeoman that Ōhoka would need to draw growth away from the three main towns (Rangiora, Kaiapoi and Woodend) to be viable.
- 28 In my view demand would come from the Greater Christchurch area seeking a high quality rural village setting, much the same as has occurred at Prebbleton in Selwyn District. Prebbleton has expanded rapidly in recent years and I do not consider this expansion has been at the expense of the nearby Christchurch suburbs of Halswell or Hornby, nor the nearby Selwyn townships of Lincoln and Rolleston.

Farm Productivity Evidence – Mr Ford
Alternative Highest and Best Use Of Land

- 29 Mr Ford stated that in his opinion the highest and best use of the land as a primary productive land use is dairy farming. No reference was made to the alternative use as a rural lifestyle subdivision. The land is zoned Rural Lifestyle Zone (RLZ) in the Proposed District Plan.
- 30 I have considered the alternative highest and best use value of the land if it is not zoned for residential development.
- 31 Tim Banks of Colliers Rural Valuation and Advisory Services has completed an indicative valuation based on the existing dairy farm use. He assessed an indicative dairy farm value range of between \$41,000-\$51,000 per ha. A copy of his indicative valuation opinion is attached at **Appendix B**.

- 32 I have completed an indicative valuation of the land based on a 36 lot (4.0 ha) rural lifestyle subdivision adopting the ODP Rural Concept Plan prepared by Rough Milne & Mitchell (**Appendix C**), noting a similar concept subdivision was also attached to Mr Milne's primary evidence.
- 33 My indicative valuation adopted the conventional residual static hypothetical subdivision method and concluded a valuation of \$12,800,000 (\$83,900 per ha). Attached at **Appendix D** is a copy of my valuation calculations.
- 34 Therefore, I conclude the alternative highest and best use and therefore value of the land if it is not zoned for residential development is for a lifestyle subdivision, and not a dairy farm.

Dated: 13 June 2024

Gary Sellars

APPENDIX A

Appendix A

Waimakariri Townships - Building Consents 2010 - 2024

Location	Rangiora				
Year	Dwelling	TH & Apt	Total	% Dwelling	% HD
2010	120	25	145	82.8%	17.2%
2011	168	34	202	83.2%	16.8%
2012	288	8	296	97.3%	2.7%
2013	238	-	238	100.0%	0.0%
2014	190	1	191	99.5%	0.5%
2015	113	-	113	100.0%	0.0%
2016	114	-	114	100.0%	0.0%
2017	156	4	160	97.5%	2.5%
2018	149	32	181	82.3%	17.7%
2019	134	12	146	91.8%	8.2%
2020	97	5	102	95.1%	4.9%
2021	147	6	153	96.1%	3.9%
2022	59	8	67	88.1%	11.9%
2023	46	12	58	79.3%	20.7%
2024*	35	8	43	81.4%	18.6%
Total	2,054	155	2,209	93.0%	7.0%

New dwelling consented by 2024 Statistical area 2 (Monthly) Source NZ Statistics

*Part Year

2020 - 2024	384	39	423	90.8%	9.2%
--------------------	------------	-----------	------------	--------------	-------------

Location	Christchurch City				
Year	Dwelling	TH & Apt	Total	% Dwelling	% HD
2010	1,071	350	1,421	75.4%	24.6%
2011	710	195	905	78.5%	21.5%
2012	967	222	1,189	81.3%	18.7%
2013	1,868	532	2,400	77.8%	22.2%
2014	3,115	968	4,083	76.3%	23.7%
2015	2,303	1,445	3,748	61.4%	38.6%
2016	1,914	1,060	2,974	64.4%	35.6%
2017	1,475	794	2,269	65.0%	35.0%
2018	1,248	856	2,104	59.3%	40.7%
2019	1,305	948	2,253	57.9%	42.1%
2020	1,480	1,320	2,800	52.9%	47.1%
2021	1,612	2,108	3,720	43.3%	56.7%
2022	1,755	3,173	4,928	35.6%	64.4%
2023	1,434	2,624	4,058	35.3%	64.7%
2024*	506	554	1,060	47.7%	52.3%
Total	22,763	17,149	39,912	57.0%	43.0%

New dwelling consented by 2024 Statistical area 2 (Monthly) Source NZ Statistics

*Part Year

2020 - 2024	6,787	9,779	16,566	41.0%	59.0%
--------------------	--------------	--------------	---------------	--------------	--------------

Kaiapoi					
Year	Dwelling	TH & Apt	Total	% Dwelling	% HD
2010	23	2	25	92.0%	8.0%
2011	79	2	81	97.5%	2.5%
2012	218	1	219	99.5%	0.5%
2013	300	54	354	84.7%	15.3%
2014	255	33	288	88.5%	11.5%
2015	190	4	194	97.9%	2.1%
2016	148	31	179	82.7%	17.3%
2017	123	20	143	86.0%	14.0%
2018	94	19	113	83.2%	16.8%
2019	59	17	76	77.6%	22.4%
2020	58	18	76	76.3%	23.7%
2021	139	21	160	86.9%	13.1%
2022	157	11	168	93.5%	6.5%
2023	70	27	97	72.2%	27.8%
2024*	18	-	18	100.0%	0.0%
Total	1,931	260	2,191	88.1%	11.9%

2020 - 2024	442	77	519	85.2%	14.8%
--------------------	------------	-----------	------------	--------------	--------------

Woodend					
Year	Dwelling	TH & Apt	Total	% Dwelling	% HD
2010	81	-	81	100.0%	0.0%
2011	93	2	95	97.9%	2.1%
2012	201	1	202	99.5%	0.5%
2013	226	1	227	99.6%	0.4%
2014	142	75	217	65.4%	34.6%
2015	77	-	77	100.0%	0.0%
2016	66	-	66	100.0%	0.0%
2017	96	-	96	100.0%	0.0%
2018	176	2	178	98.9%	1.1%
2019	266	20	286	93.0%	7.0%
2020	241	5	246	98.0%	2.0%
2021	358	-	358	100.0%	0.0%
2022	339	7	346	98.0%	2.0%
2023	344	8	352	97.7%	2.3%
2024*	70	2	72	97.2%	2.8%
Total	2,776	123	2,899	95.8%	4.2%

2020 - 2024	1,352	22	1,374	98.4%	1.6%
--------------------	--------------	-----------	--------------	--------------	-------------

Waimakariri Townships					
Year	Dwelling	TH & Apt	Total	% Dwelling	% HD
2010	224	27	251	89.2%	10.8%
2011	340	38	378	89.9%	10.1%
2012	707	10	717	98.6%	1.4%
2013	764	55	819	93.3%	6.7%
2014	587	109	696	84.3%	15.7%
2015	380	4	384	99.0%	1.0%
2016	328	31	359	91.4%	8.6%
2017	375	24	399	94.0%	6.0%
2018	419	53	472	88.8%	11.2%
2019	459	49	508	90.4%	9.6%
2020	396	28	424	93.4%	6.6%
2021	644	27	671	96.0%	4.0%
2022	555	26	581	95.5%	4.5%
2023	460	47	507	90.7%	9.3%
2024*	123	10	133	92.5%	7.5%
Total	6,761	538	7,299	92.6%	7.4%

2020 - 2024	2,178	138	2,316	94.0%	6.0%
--------------------	--------------	------------	--------------	--------------	-------------

APPENDIX B

10 June 2024

Gary Sellars, Registered Valuer
Colliers Valuation & Advisory Services
PO Box 13478
Christchurch 8141

Dear Gary,

Re: Dairy Farm 535 Mill Road, Ohoka

- 1 Thank you for your phone call earlier today.
- 2 As briefly discussed, there is a paucity of sales evidence for Canterbury dairy farms. Dairy farm profitability and returns have been under pressure from lower commodity prices, and significantly higher farm working expenses. This combined with an increase in interest rates from the cyclically low levels post COVID to nearer longer-term averages means farmers wanting to expand have not always had bank support to do so.
- 3 Across the wider Canterbury region, we are aware of the confirmed sale of ten dairy farms between June 2023 and May 2024, a significantly lower number than a normal selling season.
- 4 A lack of sales is balanced by a lack of dairy farms for sale, indicating currently, market demand and supply is evenly balanced.
- 5 Generally, we would expect irrigated dairy farms with a proven production and performance history within the Waimakariri District to be sell for between \$41,000 and \$51,000 per hectare, considerably lower than the indicative range provided of between \$75,000 and \$85,000 per hectare for 535 Mill Road Ohoka as a lifestyle development block.
- 6 Please feel free to contact me if you have any queries.

Yours faithfully,

Crighton Anderson Property & Infrastructure Ltd t/a Colliers



Tim Banks | BCom(Ag) VFM, MPINZ

Registered Valuer

Associate Director | Valuation & Advisory Services

Mobile: 021 199 45 99

Email: tim.banks@colliers.com

Date: 10 June 2024

APPENDIX C



Theoretical subdivision layout applying the Operative District Plan Rural Zone standards.

All sections (36 total) are a minimum of 4ha (Ref: RZ-32.1.1.1)

A 5m esplanade reserve is also provided either side of the Ohoka Stream corridor.

Minimum Allotment Dimensions of 120m x 120m Internal Square indicated.

RMM

ROUGH MILNE MITCHELL
LANDSCAPE ARCHITECTS

Ohoka

ODP Rural
Concept

Revision: | **Sheet 01**
of 3

Print at A3

Scale 1:6000

Date 24/06/23

Drawn JH

DRAFT

APPENDIX D

HYPOTHETICAL SUBDIVISION VALUATION

Gross Realisation (Incl GST)

Stage 1	Standard	10 Lots	@	\$770,000 Per Lot	\$7,700,000
	Stream Boundary	2 Lots	@	\$845,000 Per Lot	\$1,690,000
Stage 2	Standard	9 Lots	@	\$770,000 Per Lot	\$6,930,000
	Stream Boundary	3 Lots	@	\$845,000 Per Lot	\$2,535,000
Stage 3	Standard	12 Lots	@	\$770,000 Per Lot	\$9,240,000
Total Gross Realisation (Incl GST)					\$28,095,000

Less GST	@	15.00%	\$3,664,565
----------	---	--------	-------------

Gross Realisation Net of GST	\$24,430,435
-------------------------------------	---------------------

Less Realisation Costs

Sales Commission (Variable)	@	2.50% Gross Realisation	\$702,375	
Sales Commission (Fixed)	36 Lots	@	\$2,500 Per Lot	\$90,000
Legal	36 Lots	@	\$2,000 Per Lot	\$72,000

Total Realisation Costs	\$864,375
--------------------------------	------------------

Net Realisation	\$23,566,060
------------------------	---------------------

Less Profit & Risk	@	27.50%	\$5,082,876
--------------------	---	--------	-------------

Outlay	\$18,483,184
---------------	---------------------

Less Development Expenditure**Construction Costs**

Stage 1	12 Lots	@	\$50,000 Per Lot	\$600,000
Stage 2	12 Lots	@	\$50,000 Per Lot	\$600,000
Stage 3	12 Lots	@	\$50,000 Per Lot	\$600,000

Total Construction Costs	\$1,800,000
---------------------------------	--------------------

Development Contributions

Stage 1	12 Lots	@	\$22,245 Per Lot	\$266,940
Stage 2	12 Lots	@	\$22,245 Per Lot	\$266,940
Stage 3	12 Lots	@	\$22,245 Per Lot	\$266,940

Total Development Contributions	\$800,820
--	------------------

Other Expenses

Marketing	36 Lots	@	\$2,000 Per Lot	\$72,000
Management	36 Lots	@	\$1,500 Per Lot	\$54,000

Total Other Expenses	\$126,000
-----------------------------	------------------

Total Development Expenditure	\$2,726,820
--------------------------------------	--------------------

Less Holding Adjustments**Holding Costs**

Interest on Outlay	48 Mths	@	8.00% pa @ 50.00%	\$2,957,309
Rates	48 Mths	@	pa @ 50.00%	

Total Holding Costs	\$2,957,309
----------------------------	--------------------

Total Holding Adjustments	\$2,957,309
----------------------------------	--------------------

Residual Value	\$12,799,055
----------------	--------------

ADOPT	\$12,800,000
--------------	---------------------