

BEFORE THE WAIMAKARIRI DISTRICT PLAN REVIEW HEARINGS PANEL

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF the hearing of submissions and further submissions on the Proposed Waimakariri District Plan

AND

hearing of submissions and further submissions on Variations 1 and 2 to the Proposed Waimakariri District Plan

Hearing Stream 12E: Rezoning Requests

**SUPPLEMENTARY STATEMENT OF EVIDENCE OF FRASER JAMES COLEGRAVE
(ECONOMIC ANALYSIS)
FOR RICHARD AND GEOFF SPARK
(PDP SUBMITTER 183 / VARIATION 1 SUBMITTER 61)**

Dated 2 August 2024

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Introduction

1. My name is Fraser James Colegrave.
2. My area of expertise, experience, and qualifications are set out in my First Statement of Evidence dated 4 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 22 July 2024 relevant to my evidence.

Code of Conduct

4. I have read the Code of Conduct for Expert Witnesses (contained in the Environment Court Practice Note 2023) and I agree to comply with it. Except where I state that I rely on the evidence of another person, I confirm that the issues addressed in this statement of evidence are within my area of expertise, and I have not omitted to consider material facts known to me that might alter or detract from my expressed opinions.

Response to Officer's Report

5. In my evidence below I focus on two key matters raised in the evidence of Mr Yeoman, which underpins the Officer's Report, namely whether:
 - (a) There is sufficient capacity in both the short-medium and longer terms; and
 - (b) The proposal provides significant capacity for the purposes of the NPS-UD.

Capacity Sufficiency

6. Para 3.2 of Mr Yeoman's evidence states that all economic experts have provided assessments showing that there is sufficient capacity over both the short-medium, and longer terms. That is incorrect, with my evidence concluding directly the opposite.
7. Page 15 of Mr Yeoman's evidence presents a table, which purports to show each economists' estimates of dwelling capacity sufficiency for Rangiora. I consider this table to be inaccurate, at least for my evidence.
8. First, it conflates my estimates of plan-enabled capacity (in table 4 of my primary statement) with feasible and likely realisable capacity, so it tests sufficiency using the wrong inputs. As discussed in detail in my primary statement, development feasibility is currently very challenging due to high labour and materials costs coupled with elevated interest rates and depressed property prices. As a result, feasible and likely realisable capacity is only a small fraction of the plan enabled figures invoked by Mr Yeoman.

9. Second, and perhaps most importantly, this table and the paragraphs directly before and after it in Mr Yeoman's evidence ignore the clearly stated findings of my evidence, which were that there is highly unlikely to be sufficient capacity to meet demand in the district's urban areas, including Rangiora, particularly over the medium to longer terms. They also fail to acknowledge the widely agreed economic benefits of promoting greater choice and competition in land and development markets, which is encoded in the NPS-UD.
10. Conversely, I agree with the following comments made in Mr Yeoman's evidence:
 - (a) That NPS-UD sufficiency criteria are minima, not targets, and that Councils can provide more than the bare minimum to help meet wider objectives;
 - (b) Rezoning submissions like the Spark proposal should each be assessed on their merits; and
 - (c) That live zoning of the FDA overlay portion of the Spark site can be supported if Commissioners are of a mind to provide additional capacity.

Significance of Proposed Development Capacity

11. In my primary statement of evidence, I noted the following at paragraphs 88 and 89:

"In my view, and from an economic perspective, the proposal represents a highly significant boost in supply. To assess whether this satisfies the definition of "significant" in Objective 6(c) of the NPS-UD, I reviewed the latest HCA. At page 15, it discusses consultation with the development community (while writing the HCA) and describes landowners that could develop 20 or more dwellings as being significant.

As such, I consider that the proposed development of approximately 600 dwellings enabled on the site represents a significant increase in capacity for the Waimakariri district, from both an economic and market perspective and by virtue of the way that term is used in the HCA (and by extension how it might be considered for the purposes of Objective 6(c) of the NPS-UD)."

While I am still firmly of this view, I acknowledge that it would be helpful to objectively clarify or confirm the likely significance of the proposal.

12. To that end, I was fortunate to recently receive data from a Tier 1 city Council in the north island, which detailed the nature and scale of all residential subdivision consents granted there over the past six or seven years. The data covered 1,666 consents and enabled the creation of nearly 13,000 new residential lots.

13. Of those 1,666 consents:
 - (a) The median number of new lots created was only 4;
 - (b) Only the top 10% provided 10 lots or more;
 - (c) Only the top 3% provided 30 lots or more; and
 - (d) Only the top 1% provided 75 lots or more.
14. While these data apply to a different part of New Zealand – which is larger and much more urbanised than the Waimakariri District – I consider them to provide a reliable basis for assessing the likely significance of the proposal.
15. Based on these data, and drawing on my considerable experience with more than 80 residential subdivisions across New Zealand over the past 20 years, I have derived the following rules of thumb for assessing the significance of development proposals under the relevant parts of the NPS-UD:
 - (a) 15 to 30 lots represent a significant increase in capacity;
 - (b) 30 to 100 lots represent highly significant increases; and
 - (c) More than 100 lots represent extremely significant increases.
16. Applying these rules of thumb to the Spark rezoning submission, it follows that it is an extremely significant increase in development capacity for the purposes of the NPS-UD.
17. Thank you for the opportunity to present my evidence.

Fraser Colegrave

2 August 2024