

**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 12D Ōhoka  
Rezoning

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**Right of Reply Statement of Evidence of Rodney George Yeoman**

**on behalf of Waimakariri District Council**

**(Economics)**

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## 1. INTRODUCTION

- 1.1 The purpose of this reply statement is to set out the key points from the supplementary evidence and summary statements from Carter Group Property Limited and Rolleston Industrial Developments Limited on the Proposed District Plan, Hearing Stream 12D.
- 1.2 My full name is Rodney George Yeoman. My qualifications, experience, and acknowledgment of code of conduct is set out in my previous evidence and I do not repeat them in this statement.
- 1.3 I have reviewed the supplementary evidence dated 13 June from Ms Hampson (economics), Mr Sellars (market analysis), Mr Jones (real estate), Mr Sexton (spatial analysis), and Mr Davidson (survey).<sup>1</sup> I have also reviewed each expert's summary statement, dated 1 July, and Mr Akehurst's summary statement. I have not previously responded to these as part of my evidence, in accordance with the instructions I had received.
- 1.4 I consider that the key additional points raised by the experts fall into the following topics:
- (a) Ōhoka Demand for Urban Residential Land,
  - (b) Urban Redevelopment Intensity (MDRS),
  - (c) Attached dwellings trend,
  - (d) Greenfield Capacity (Rangiora, Kaiapoi and Woodend).
- 1.5 I have considered my conclusions in my evidence that is attached as Appendix C to the s42A report and my previous summary statement, taking into account the supplementary evidence and summary statements from the submitters' experts.

## 2. ŌHOKA DEMAND FOR URBAN RESIDENTIAL LAND

- 2.1 Broadly, the supplementary evidence from Mr Davidson<sup>2</sup>, Mr Jones<sup>3</sup>, Mr Sellars<sup>4</sup>, Ms Hampson<sup>5</sup>, and Mr Akehurst<sup>6</sup> suggests that the submitter's proposed development in Ōhoka will accommodate urban demand that would have located outside of the three main towns (Rangiora, Kaiapoi and Woodend), and that the proposed development would not be a substitute for urban activity elsewhere in the Urban Environment.

### **Survey Demand - Mr Davidson**

- 2.2 First I address Mr Davidson's statements. I note that he had not previously provided

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<sup>1</sup> I note that there is no supplementary evidence from Mr Akehurst.

<sup>2</sup> Supplementary Statement Carl Davidson 13 June [24]

<sup>3</sup> Supplementary Statement Chris Jones 13 June [6]-[8].

<sup>4</sup> Supplementary Statement Gary Sellars 13 June [24]-[28].

<sup>5</sup> Supplementary Statement Natalie Hampson 13 June [62].

<sup>6</sup> Summary Statement Greg Akehurst 1 July.

evidence for the submitter. He considers that his survey “clearly shows that Ōhoka has high demand relative to other areas in Waimakariri District”.<sup>7</sup> The key finding of Mr Davidson’s survey is that 21% of respondents nominated Ōhoka as their first choice as the area they would most like to live in and if it had the same facilities as the rest of Waimakariri then preference for Ōhoka would be second overall in the District<sup>8</sup>.

2.3 I consider that the survey method adopted by Mr Davidson is flawed, and that it is likely to materially overstate preferences for Ōhoka. I consider that the following issues should be considered:

- (a) **Erroneous Response Rates:** there is a mistake in Mr Davidson’s calculation of the share of respondents that selected Ōhoka as the area they would most like to live in. The share of respondents adds to over 100% in Question 5 and 6 as shown in Appendix 1<sup>9</sup> and the number of respondents shown in the attachment to his summary statement<sup>10</sup> is greater than the survey population (i.e. more than 600), both of which are impossible outcomes if a single answer was to be given (as is implied by the question “which would you most like to live in?”).

Below is a table of results for Question 5, taken directly from Mr Davidson’s statements. It clearly shows that the respondent shares for all the areas adds to 175% and that the number of respondents adds to over 1049.

I consider that Mr Davidson has made a mistake in his calculations as it is impossible for there to be a response rate of 175%. If it is considered that the responses are in the correct proportion, then rebasing them might provide some indication as to the relative preference of each, although it may be that there is some more fundamental issue with the data that this rebasing would not address. Nevertheless, I have rebased the data to sum to 100%, and that indicates that at most 12% of respondents picked Ōhoka as their preferred location.<sup>11</sup>

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<sup>7</sup> Summary Statement Carl Davidson 1 July, paragraph [8]

<sup>8</sup> Supplementary Statement Carl Davidson 13 June, paragraph [24]

<sup>9</sup> Supplementary Statement Carl Davidson 13 June, Appendix 1 page 11.

<sup>10</sup> Summary Statement Carl Davidson 1 July, Attachment page 5.

<sup>11</sup> This issues also applies to Question 6 Now assuming all areas within the Waimakariri District have all the same facilities etc available to you (i.e. schooling, supermarkets and transport), would that change which areas you’d like to live in? The responses shares in Appendix 1 add to 201%.

Davidson Statements Question 5 Which area would you most like to live in?	Appendix 1 (% Respondents)	Attachement (# Respondents)	Rebased Correct %
Rangiora	27%	159	15%
Kaiapoi	24%	143	14%
Ohoka	21%	123	12%
Pegasus	17%	101	10%
Woodend	15%	89	8%
Oxford	11%	67	6%
Waikuku	10%	62	6%
Loburn	8%	48	5%
Cust	6%	36	3%
Tuahivi	5%	27	3%
None of above	32%	194	18%
<b>Total</b>	<b>175%</b>	<b>1,049</b>	<b>100%</b>

- (b) **Abstract Questions:** a well known issue associated with surveys of housing preferences is that questions of what people would 'like' do not equate to actual demand in the real world. Critically, asking a person what they 'like' will invariably result in them selecting things that they would never actually choose. Importantly, in the case of housing preferences a survey should be designed to inform the respondents of the cost of the options and also to restrict them from choosing options that they could never afford.

There is a significant difference between what people say they would 'like' in an abstract world and what they would pick in the real world when taking into account their own financial position. I note that Mr Davidson and Mr Akehurst are aware of this issue, as they both worked with me on the "Housing We'd Choose" study in Auckland (and other cities in New Zealand) which was designed specifically to account for this known issue.<sup>12</sup> Broadly, if Mr Davidson's survey had been correctly designed then I would expect that a large share of the respondents that selected Ōhoka would either not be able to afford this option<sup>13</sup> or alternatively not select this option as they would have preferred options elsewhere.

Moreover, I consider that Question 6 of the survey is so abstract as to be irrelevant. There is no way that every location in the district will have the same level of facilities available. For the smaller settlements, including Ōhoka, this would be very unlikely to occur for the coming 30 or more years, as the provision of many services are not likely to be viable until a town reaches a certain size.

- (c) **Locational Bias:** the locations shown to the respondents will impact their selection. Importantly, the survey showed respondents a limited list of locations which could have resulted in respondents being enticed to pick locations that they may not

<sup>12</sup> Yeoman, R and Akehurst, G (2015). The housing we'd choose: a study of housing preferences, choices and trade offs in Auckland. With Research First as the survey team.

<sup>13</sup> Over half of the respondents have an income of less than \$100,000. Given the cost of housing in Ohoka is likely to be over \$1m as shown in Mr Jones evidence then many of the respondents are likely to now be able to afford to live in this location.

have picked if they had been shown a full list of locations. As an example, Mandeville and Swannanoa were not given as options which means that there is a risk that people who selected Ōhoka may actually have preferred these other areas.

Also, the splitting of Woodend and Pegasus gives the impression that these areas have lower demand than Ōhoka. I consider that in reality these areas are a single urban area and that they should be treated as one.

Moreover, when considering their options, respondents will consider Ōhoka as it is currently in terms of the offering available now (i.e. rural village with rural amenity), because, from the questions given, respondents would not necessarily have been aware of the proposed future state of Ōhoka as it would be if the proposed development proceeds. The proposed development suggested by the submitter is urban in nature and is very different to the current offer in Ōhoka. Therefore, any responses to the survey cannot be equated to evidence of demand for urban activity or that these people would like to live in the proposed development.

2.4 I consider that if Mr Davidson’s survey was corrected to account for erroneous response rates, abstract questions, and locational bias, then the results would have shown a much lower share of respondents picking Ōhoka. In my opinion, if the corrections were made then much less than 5% of respondents would have selected Ōhoka, and that these people would have mostly select rural large lot dwelling types<sup>14</sup> which is not what the submitter is proposing.

2.5 I consider that Mr Davidson’s survey does not prove that there is **high** demand for **urban** living in Ōhoka, but rather it indicates that of the choices made available to respondents, Ōhoka in its current form was identified as an attractive place to live for a small proportion of respondents, without factoring the practicalities of being able to afford to buy property there, and without understanding the limited access to services there. I also note that neither of the submitter’s economists rely on Mr Davidson’s survey results for their quantitative assessments. I consider that it is very unlikely that 21% of demand would prefer Ōhoka and be able to afford living there.

#### **Real Estate Demand - Mr Jones and Mr Sellars**

2.6 Mr Jones<sup>15</sup> and Mr Sellars<sup>16</sup> provide statements on demand based on their experience in the real estate market. Broadly, they consider that there is high demand for Ōhoka and that this demand is not substitutable with other locations in the urban areas of Greater Christchurch.

2.7 First, they both accept that they have not provided data to substantiate their position. Mr Jones accepts that there is “no data available” to prove that there is high demand and then

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<sup>14</sup> Summary Statement Carl Davidson 1 July, paragraph [6].

<sup>15</sup> Supplementary Statement Chris Jones 13 June.

<sup>16</sup> Supplementary Statement Gary Sellars 13 June.

reiterates his opinion from his primary evidence.<sup>17</sup> Mr Sellars accepts that it “is difficult to quantify demand for housing in Ōhoka”<sup>18</sup> and provides no data to support his opinion on the demand for urban activity in Ōhoka.

- 2.8 So Mr Jones and Mr Sellars have not provided data that shows that there is **high** demand for **urban** residential in Ōhoka. I consider that at most their evidence shows that there is **some** demand in Ōhoka for large lots, but by no means high levels of demand and definitely not enough to support the urban development of the submitter’s land as proposed.
- 2.9 Second, both Mr Jones and Mr Sellars consider that demand for Ōhoka is not substitutable for other urban areas in Waimakariri or Greater Christchurch area. Mr Jones considers that the submitter’s proposal for Ōhoka will not draw demand away from Rangiora, Kaiapoi or Woodend/Pegasus because Ōhoka is “very different” with buyers preferring the area because of its rural charm and amenity.<sup>19</sup> Mr Sellars considers that Ōhoka would not need to draw growth away from the three main towns and “demand would come from the Greater Christchurch area seeking a high quality rural village setting”<sup>20</sup>.
- 2.10 I consider that the potential residents of Ōhoka would have to move from somewhere, and because there are limited “high quality rural village settings” in greater Christchurch, in reality in order to fully occupy the proposed development, many of its residents would have to come from dissimilar types of locations, such as urban Christchurch. Or, indeed, urban Rangiora, Kaiapoi, or Woodend/Pegasus. On that basis I consider that Ōhoka would likely draw demand away from other urban areas in Waimakariri or the Greater Christchurch area.
- 2.11 I consider that there is agreement between Mr Jones, Mr Sellars, and myself, that most people who are **currently** looking to live in Ōhoka are doing so to buy in a rural village. I agree with Mr Jones and Mr Sellars that this demand is “very different” to the urban residential demand in the main towns. However, this demand is relatively small compared to the proposed development. Also, the proposed development from the submitter is for urban residential, which will accommodate demand that is very different to the current demand.
- 2.12 I consider that Mr Jones and Mr Sellars are conflating current rural village demand with urban demand for Ōhoka. While there is evidence of rural village demand, this is not the same as high demand for urban residential that is proposed by the submitter. The proposed development of the submitter is for large scale urban development which is significant and is a very different market from what Mr Jones or Mr Sellars discuss in their statements.
- 2.13 Third, Mr Jones considers that proposed housing options provided in Ōhoka by the submitter would be “quite normal for locations of this nature” and disagrees with my view

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<sup>17</sup> Supplementary Statement Chris Jones 13 June, paragraph [6].

<sup>18</sup> Supplementary Statement Gary Sellars 13 June, paragraph [25].

<sup>19</sup> Supplementary Statement Chris Jones 13 June, paragraph [7].

<sup>20</sup> Supplementary Statement Gary Sellars 13 June, paragraph [28].

that they will be unaffordable (with a sale price of \$1m or more).<sup>21</sup>

- 2.14 I consider that we are in agreement that the proposed housing options provided in the submitter's development will be over \$1m per dwelling. I accept that this may seem like a "normal" price in Ōhoka, but this does not mean that it is affordable. Given the incomes of households in Waimakariri and Greater Christchurch it is likely that the majority of households will not be able to afford to buy a house in this development. As discussed above in relation to Mr Davidson's survey, while people may 'like' to live in Ōhoka, most households will not have the ability to buy within the area.<sup>22</sup>
- 2.15 I consider that the main point of disagreement between myself and Mr Jones and Mr Sellars is whether there is high demand for urban residential in Ōhoka, and in my opinion their evidence does not prove that there is high demand for urban residential development as suggested by the submitter.

#### **Economic Demand - Ms Hampson and Mr Akehurst**

- 2.16 Ms Hampson<sup>23</sup> and Mr Akehurst<sup>24</sup> have provided statements on demand from an economic perspective.
- 2.17 Importantly, the submitter's economists have accepted and adopted the urban demand projections used in the WCGM22.<sup>25</sup> There is no disagreement on the total pool of demand that can be expected in the future.
- 2.18 However, they disagree in terms of the allocation of demand within the district.
- 2.19 Mr Akehurst in his primary evidence has developed an alternative assessment of demand for the area within the dotted line shown in Map A of the Canterbury Regional Policy Statement (CRPS). In this assessment he allocates a share of the WCGM22 urban demand into areas outside of the three main towns (Rangiora, Kaiapoi and Woodend). Figures 4 and 5 of Mr Akehurst's primary evidence shows that he draws 15% of the pool of urban demand from the WCGM22 and allocates it into the area outside the three main towns. This means that the urban demand for the Rangiora, Kaiapoi and Woodend is lower in his assessment than the WCGM22.
- 2.20 The basis of Mr Akehurst's assessment is his own allocation of district level growth to new Stats NZ geographies (SA2 2023). The results of his assessment are presented in appendix 6 and directly feed into figures 4 and 5. In summary his assessment shows a demand for 748 dwellings in the short-medium (including margin), in the areas outside the main towns within the dotted line shown in Map A of the CRPS. He compares his demand to the non-

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<sup>21</sup> Supplementary Statement Chris Jones 13 June, paragraph [5].

<sup>22</sup> Over half of the respondents have an income of less than \$100,000. Given the cost of housing in Ohoka is likely to be over \$1m as shown in Mr Jones evidence then many of the respondents are likely to now be able to afford to live in this location.

<sup>23</sup> Supplementary Statement Natalie Hampson 13 June.

<sup>24</sup> Summary Statement Greg Akehurst 1 July.

<sup>25</sup> Summary Statement Greg Akehurst 1 July, paragraph [23].

Supplementary Statement Natalie Hampson 13 June, paragraph [52].

rural capacity to establish a shortfall of 524.

- 2.21 Mr Akehurst's assessment assumes that 100% of demand in the areas outside the main towns within the dotted line shown in Map A of the CRPS will be urban. As an example, Fernside SA2 covers a vast area of rural land (almost 4,000ha) which stretches from Kaiapoi up past Rangiora to the Ashley River. For this example, Mr Akehurst estimates that there are existing dwellings of 585 in 2023 which he projects to grow to 679 dwellings by 2033, a growth of 94 dwellings. He then assumes that all of this demand will be urban and adds NPS-UD margin of 20% which gives a need for 113 dwellings in the medium term. He makes no assessment of the nature of the demand in this SA2, and simply assumes that all demand will be urban. He applies this assumption to all of the SA2 within the dotted line shown in Map A of the CRPS term (as shown in Figure 7 of his evidence) and in affect he is assuming that there will be no demand for rural lifestyle or new rural dwellings.
- 2.22 I consider that the opposite is likely to be the case in these rural areas, with the bulk of demand in these areas currently and in the future being accommodated in either rural lifestyle or rural dwellings which are both enabled in the Rural Lifestyle Zone. There has and will continue to be small scale subdivisions for rural lifestyle across the wider area and Mr Akehurst's method incorrectly assumes that this demand will be urban. I consider that most of Mr Akehurst's demand will not be urban and hence his comparison of demand and capacity, along with his conclusions on sufficiency in the areas outside the main towns within the dotted line shown in Map A of the CRPS is not valid.
- 2.23 Moreover, his conclusion that the submitter's development will address this shortfall implies that he considers that the demand across this wide area is freely substitutable within the area and could be accommodated in the submitter's proposed development in Ōhoka. He provides no evidence to support his opinion on the substitutability. Taking the Fernside example, I consider that many of the new households that demand rural lifestyle in that area are not going substitute to urban size lots provided in Ōhoka by the submitter. Therefore, the submitter's proposed development is not going to address the demand that Mr Akehurst's has estimated. Nor is there any requirement to address this demand as in its nature it is rural demand, which is outside the scope of the NPS-UD.
- 2.24 As noted in my primary evidence "I do not agree with Mr Akehurst's assessment and consider that it is highly unlikely that such a large amount of urban demand would be attracted to these rural areas. No other economist in the hearings has presented evidence that would support Mr Akehurst's belief that there is demand for large scale development that is not co-located with the three main towns." [3.19]
- 2.25 Ms Hampson has questioned whether the WCGM22 could provide results for Ōhoka or an alternative Urban Environment (area within the dotted line shown in Map A of the CRPS).<sup>26</sup> I can confirm that the model is not built to test these areas, and that it would require further research which is not possible to complete in this hearing process. Ms Hampson has not provided an assessment of urban demand for Ōhoka in her statements. She has referenced the statements from the other experts (Mr Akehurst and Mr Jones).

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<sup>26</sup> Supplementary Statement Natalie Hampson 13 June, paragraph [15].



- 2.26 At [3.15] of my evidence I stated that “I do not consider that these rural areas are inherently generating this demand in and of themselves, instead in my opinion this demand is being generated by the presence and proximity of the land to Christchurch, as the main urban centre.”
- 2.27 In my opinion, Ōhoka is not generating demand for urban land, per se, rather that the urban areas (Rangiora, Woodend, and Kaiapoi, as well as Christchurch) are generating the demand. Therefore, the demand estimated by the submitter’s experts could be accommodated in the main urban areas (Rangiora, Woodend, and Kaiapoi), and the submitter’s proposal should therefore be considered on its merits as compared to the other alternatives submitted in the Stream 12 hearings.
- 2.28 I consider that the proposed development in Ōhoka is not inherently different to what could be developed in the three main towns (Rangiora, Kaiapoi and Woodend), other than in relation to its less accessible location with respect to employment, retail needs, education, healthcare, community facilities and other services. Therefore, it would likely draw demand away from these other urban areas.
- 2.29 I note that developers tend to provide a range of lots sizes, and while lot sizes have been decreasing in size in the three main towns that the market still provides lots which are comparable to those that will be provided within the submitters proposed development (Settlement Zone). I do not consider that the submitters proposal will be unusual or inherently different in terms of lot sizes provided in the main three towns. Mr Willis has also covered this aspect of the submitter’s proposal within his right of reply.
- 2.30 Also, in my opinion the NPS-UD does not require the sufficiency test to be assessed in terms of submarkets, and on the contrary the NPS-UD indicates a less granular approach to providing sufficient capacity. The requirement for an assessment that is of low granularity is apparent throughout the NPS-UD’s. Policy 2 relates to total housing and has no geographic breakdown. Clause 3.2 is defined in terms of broad geographies (“district”, “region”, “existing and new urban”) and types of dwellings (“standalone and “attached”). Clause 3.6 requires sufficient capacity in the “constituent district of a tier 1 or tier 2 urban environment”. Clauses 3.24 and 3.25 introduce “locations” which the council may identify “in any way they choose”. The GCP latest HCA23 states that “The sufficiency shown here is for the urban environment of Greater Christchurch. This includes Christchurch City and the surrounding towns of Rangiora, Kaiapoi, Woodend, Rolleston, Lincoln, Prebbleton, and West Melton.” This suggests that the councils have chosen these towns as the locations for the NPS-UD, and the WCGM22 adopts that same geography for the sufficiency test. Applying a plain reading of the NPS-UD suggests that there is no requirement to test sufficiency for detailed submarkets.
- 2.31 I have undertaken assessments for the NPS-UD for various councils (including Waimakariri, Selwyn, Kaipara, Dunedin, and Queenstown) and been commissioned to review

assessments undertaken by other councils (including Auckland<sup>27</sup>, Hamilton<sup>28</sup>, Tauranga<sup>29</sup>, Christchurch, Whangārei<sup>30</sup>, and Taupō<sup>31</sup>). Based on my experience I consider that the interpretation above of the NPS-UD is consistent with the way that assessments of demand have been undertaken for the NPS-UD in New Zealand.

- 2.32 As an example, the Auckland Council HBA report is extensive in detail, but only presents sufficiency test for the entire urban environment. The HBA does report demand for each of the 21 Local Board areas<sup>32</sup>, but does not present data for any small settlements or demand for different lot sizes. I note that there are small settlements like Ōhoka in the Auckland region and Auckland Council does not estimate demand or assess sufficiency at this micro scale.
- 2.33 As another example the Future Proof (Hamilton) HBA report is extensive in detail, but in the case of Hamilton only presents a sufficiency test for the entire City<sup>33</sup>. The HBA does not report demand for locations within the city or demand for different lot sizes. Also, I note that there are small settlements like Ōhoka around Hamilton and the HBA notes that “remaining settlements are typically smaller rural settlements that fall outside the scope of the NPS-UD”.
- 2.34 I have found no evidence of a requirement for councils to assess demand at a micro level for all the potential submarkets within an urban environment under the NPS-UD.

### **3. DEVELOPMENT INTENSITY (MDRS)**

- 3.1 The submitter’s experts also cover development intensity being achieved within the three main towns (Mr Sellars<sup>34</sup>, Mr Sexton<sup>35</sup>, and Ms Hampson<sup>36</sup>). Broadly they consider that development intensity is increasing in the three main towns by a small amount and that the WCGM22 underestimates the amount of housing that could be achieved via redevelopment in the three main towns.
- 3.2 Mr Sellars agrees with my evidence that there is a trend towards greater development intensity in the three main towns and that this is not necessarily driven by the adoption of

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<sup>27</sup> Auckland Council (2023) Housing and Business Development Capacity Assessment for the Auckland Region.

<sup>28</sup> Market Economics (2021) NPS-UD Housing Development Capacity Assessment Future Proof Partners.

<sup>29</sup> Phizacklea Consulting (2021) Housing Development Capacity Assessment for Tauranga and the Western Bay of Plenty.

<sup>30</sup> MRCagney (2021) Whangārei Housing and Business Land Demand and Capacity Assessment.

<sup>31</sup> Taupō District Council (2024) Draft Taupō District Future Development Strategy (pending formal adoption).

<sup>32</sup> Local Board areas are Stats NZ geographies which encompass around 90,000 people each. Auckland Council has not reported demand (or sufficiency) below this geography, which suggests that they consider that there is no requirement to undertake micro level demand assessments.

<sup>33</sup> Hamilton City has a population of 192,000 and the HBA report does not present demand for sub locations or dwelling types within the entire area. This suggests that they consider that there is no requirement to undertake micro level demand assessments.

<sup>34</sup> Supplementary Statement Gary Sellars 13 June.

<sup>35</sup> Supplementary Statement Chris Sexton 13 June.

<sup>36</sup> Supplementary Statement Natalie Hampson 13 June.

the MDRS.<sup>37</sup>

- 3.3 I consider that regardless of whether the increase in development density is related to a broad background trend or MDRS, that it is a material issue for the accommodation of growth in the Urban Environment. Importantly, it means that WCGM22 provides a conservative estimate of redevelopment activity that is likely to be achieved by the market in the medium and long term.
- 3.4 Mr Sexton has reviewed the examples of redevelopment that I have provided in my evidence,<sup>38</sup> And he accepts that the WCGM22 underestimates capacity in these examples, however he considers that this is insignificant.
- 3.5 I consider that these examples show that the WCGM22 is already underestimating the development capacity achieved by the market via redevelopment in the main towns. I disagree with Mr Sexton's opinion on the importance of the underestimation, and in my opinion this move towards increased development density is a sizeable change in a short period of time. If this continues in the coming years, as I expect it will, having seen no evidence to the contrary, then this could mean that the WCGM22 significantly underestimates the potential for redevelopment in both the medium and long term.
- 3.6 Ms Hampson has reviewed the Comprehensive Residential Development consents since 2022. She considers that the WCGM22 underestimates redevelopment capacity by "just under 500" dwellings in the medium term and that this would equate to one year of demand.<sup>39</sup>
- 3.7 I agree with Ms Hampson that the WCGM22 underestimates redevelopment capacity. I consider that this underestimation is likely to increase as time progresses through the medium and long term.
- 3.8 Generally, more development becomes feasible as time passes which means that more redevelopment is likely to occur in the three main towns. The NPS-UD is prescriptive and does not allow capacity assessments to account for this natural phenomenon. This means that the WCGM22 can only include capacity that was feasible at the base year and not include capacity that becomes feasible over the following 10 years. In my opinion the WCGM22, by design and as required by NPS-UD, is likely to significantly underestimate redevelopment that will be achievable in the medium and long term.

#### **4. ATTACHED DWELLING TREND**

- 4.1 The submitter's experts also cover the share of new dwellings being consented that are attached (Mr Sellars<sup>40</sup>, and Ms Hampson<sup>41</sup>). Broadly, they consider that the share of new dwellings that are attached has remained static or not different to the level assumed in the

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<sup>37</sup> Supplementary Statement Gary Sellars 13 June, paragraph [18].

<sup>38</sup> Supplementary Statement Chris Sexton 13 June, paragraph [20].

<sup>39</sup> Supplementary Statement Natalie Hampson 13 June, paragraph [96].

<sup>40</sup> Supplementary Statement Gary Sellars 13 June.

<sup>41</sup> Supplementary Statement Natalie Hampson 13 June.

WCGM22.

- 4.2 Mr Sellars provides averaged building consents over the last 15 years and considers that the share of attached dwellings that have been developed has “remained relatively static”<sup>42</sup>.
- 4.3 I disagree with Mr Sellars’ approach as applying an average to the data will by definition remove the trends. His tables at paragraph [10] and [11] average out the shares which means that it is not possible to establish the trend. Appendix A has not been attached to his evidence so I am unable to establish the trend in the dataset.
- 4.4 Ms Hampson also reviews building consents and provides five years of data (Table 3). She considers that retirement villages should not be included when assessing the share of dwellings that are attached because they are “ad hoc”.<sup>43</sup> If this type of development is removed then this smooths out the share<sup>44</sup> and she states that there is no conclusive evidence that the 9% of dwellings being attached dwellings that is used in the WCGM22 will be conservative in the medium term, although she accepts that it will be conservative over the long term<sup>45</sup>.
- 4.5 I accept that attached dwelling developments (including retirement villages) will naturally have a large number of units per development which means that building consents data will not be as smooth as standalone dwellings. But this does not mean that this development activity should be ignored. In my opinion, the trends in the data clearly shows an increasing amount of development being attached dwellings in Waimakariri. Also, as noted in my evidence this trend has been observed in all the high growth Tier 1 councils in New Zealand. In my opinion, this means that the demand for lower density dwellings and smaller settlements, including Ōhoka will decline as a share of growth in the future which means that the WCGM22 demand projections are likely to be conservative.

## **5. GREENFIELD DEVELOPMENT CAPACITY**

- 5.1 The submitter’s experts also cover the greenfield development capacity within the three main towns (Mr Sellars<sup>46</sup>, Ms Hampson<sup>47</sup>, and Mr Sexton<sup>48</sup>). Broadly, they consider that development which could be achieved in the greenfield areas is lower than estimated in the WCGM22.
- 5.2 Mr Sellars acknowledges that the submitters for the Kaiapoi Momentum South and Kaiapoi Momentum North Block are proposing developments that would achieve net densities of 23 dwellings per hectare which he considers is optimistic.<sup>49</sup> He accepts that his assessment

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<sup>42</sup> Supplementary Statement Gary Sellars 13 June, paragraph [12].

<sup>43</sup> Supplementary Statement Natalie Hampson 13 June, paragraph [39].

<sup>44</sup> Supplementary Statement Natalie Hampson 13 June, paragraph [40].

<sup>45</sup> Supplementary Statement Natalie Hampson 13 June, paragraph [41].

<sup>46</sup> Supplementary Statement Gary Sellars 13 June.

<sup>47</sup> Supplementary Statement Natalie Hampson 13 June.

<sup>48</sup> Supplementary Statement Chris Sexton 13 June.

<sup>49</sup> Supplementary Statement Gary Sellars 13 June, paragraph [23].

had applied “conservative” net densities of 12 dwellings per hectare.

- 5.3 In my opinion, I consider that 12 dwellings per hectare is not conservative in the context of Kaiapoi, but rather is pessimistic. The developers’ stated intention is much higher than Mr Sellars modelled density, and also higher than the WCGM22. This example clearly shows that the market is intending to achieve higher densities than the past or modelled by either Mr Sellars or the WCGM22.
- 5.4 Ms Hampson discusses the Land Uptake Monitoring Survey (LUMS) and considers that because many of the developments have not been completed that the density achieved to date in the LUMS is not completely reliable as an estimate of final density.<sup>50</sup> Therefore, she considers that the LUMS does not confirm whether the WCGM22 estimates for greenfield are conservative.
- 5.5 I agree with Ms Hampson that density achieved to date in the LUMS is likely to underestimate the actual yield achieved once each of the developments are completed. However, this does not mean that the LUMS is not useful for understanding density achieved in the market. It is clear that the developments that are nearing completion in the LUMS are likely to have a density higher than 15 per hectare on average.
- 5.6 Also as noted above, submitters within Stream 12 hearing are proposing developments that are well over 15 dwellings per hectare.
- 5.7 I consider that the LUMS and recent developer intentions show that development is likely to exceed the capacity predicted in the WCGM22.
- 5.8 Mr Sexton has provided a discussion of LUMS and questions the greenfield density estimated within the report.<sup>51</sup> He provides no opinion on whether the density of 15 dwellings per hectare adopted in his modelling for PC31 supplementary statement is still reasonable, or whether average density will potentially be higher than the minimum set in the Proposed District Plan.<sup>52</sup>
- 5.9 I note that Mr Sellars has presented evidence in Stream 10A that shows 170 greenfield developments in Waimakariri, Selwyn and Christchurch.<sup>53</sup> His tables show that 33% of developments in Waimakariri are already over 16 dwellings per hectare and a further 38% are over 15 dwellings per hectare, while only 29% of developments in Waimakariri are lower than 15 dwellings per hectare.
- 5.10 I consider that it is likely that development intensity achieved in the medium and long term will be higher than 15 dwellings per hectare. The submitters within Stream 12 hearing are proposing developments that are well over 15 dwellings per hectare. Therefore, I still

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<sup>50</sup> Supplementary Statement Natalie Hampson 13 June, paragraph [85].

<sup>51</sup> Supplementary Statement Chris Sexton 13 June, paragraph [10]-[17].

<sup>52</sup> I note that many of the economists that have provided evidence in the Stream 12 hearings rely on Mr Sexton’s model and that their findings are directly reliant on the assumption that greenfield development will not exceed 15 dwellings per hectare.

<sup>53</sup> Garry Sellars (2 February) Evidence in Chief Stream 10A, for Christchurch International Airport Limited Appendix A.

consider that there is no evidence to support Mr Sexton's assessment of greenfield capacity which adopts 15 dwellings per hectare.

- 5.11 Mr Sexton also discusses three example greenfield developments<sup>54</sup> in the main towns to assess whether the WCGM22 estimates of capacity are reasonable.<sup>55</sup> Based on these examples he considers that the WCGM22 overestimates capacity in greenfield areas by 900 dwellings.
- 5.12 I have acknowledged in my evidence that there will be instances where capacity achieved is lower (and higher) than shown in the WCGM22. I note that for the Ravenswood development that the developer has requested and been granted a zone change from residential to business land (Plan Change 30, 2023) which has meant that residential capacity is lower than modelled for this particular development.
- 5.13 For the Bellgrove development only Stage 1 has been approved for subdivision. The remaining Stages (2, 3, 4, and 5) are yet to be defined. I consider that the development achieved could be higher than shown in Mr Sexton's supplementary evidence and that the Bellgrove website suggests a capacity which is higher than shown in the WCGM22.<sup>56</sup>
- 5.14 I accept Mr Sexton's comparison of the Mike Greer Homes site in Pegasus, which shows a small underestimation of 7 dwellings. I do not consider that this is a significant difference.
- 5.15 I acknowledge that for some of the greenfield developments consented under the operative District Plan the development density achieved was lower than estimated in the WCGM22 in the medium term. I note that the WCGM22 applies the MRZ in the medium term which will allow considerably more development intensity. The increasing development intensity noted above is likely in my opinion to mean that the underestimation on these sites will be offset by the greater development intensity achieved in the future on the remaining greenfield sites.
- 5.16 I consider that the WCGM22 is likely to underestimate capacity in the greenfield areas in the medium and long term. However, even if one adopts Mr Sexton's assessment (as Mr Akehurst has in his evidence), then at worst there may be a shortfall of 524 dwellings in the medium term (2023-2033) and 1,541 dwellings in the long term (2023-2053).
- 5.17 I consider that this shortfall could be accommodated in the three main towns via the rezoning of alternatives proposed by submitters in Stream 12E hearing for either Future Development Areas or new areas, and that those alternatives would provide more positive contributions to a well-functioning urban environment than the proposed Ōhoka development would.
- 5.18 In my evidence for the Hearing Stream 12E, I collated data for the rezoning submissions to provide an estimate of the additional potential capacity that is being proposed (Figure

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<sup>54</sup> Bellgrove, Ravenswood, and Mike Greer Homes Pegasus development.

<sup>55</sup> Supplementary Statement Chris Sexton 13 June, paragraph [18]-[26].

<sup>56</sup> [www.bellgrove.co.nz/about-bellgrove](http://www.bellgrove.co.nz/about-bellgrove) "A 65-hectare development located in northeast Rangiora, Bellgrove will eventually be home to around 1300 new homes." On 23 June 2024.

7.1).<sup>57</sup> In total the rezoning submissions could accommodate an additional 4,097 dwellings in Rangiora, 2,146 dwellings in Kaiapoi, and 2,135 dwellings in Woodend in the short-medium term (2023-2033). This means total additional dwellings of 8,378 for the three towns, and if adopted the capacity would be significantly increased in the short-medium term (2023-2033) and the long term. As noted in that evidence, I considered that from an economic perspective many of these developments would produce economic benefits that exceed the costs.

5.19 Also, there is additional capacity recommended by s42A reporting officers in the other Hearing Streams (12A, and 12C), which would provide additional capacity via LLRZ, GRZ (Oxford), settlement, and other hamlets (rural subdivisions) of 798 dwellings which is set out in Hearing Stream 12E s42A report<sup>58</sup> and Mr Wilson's summary table<sup>59</sup>. Additionally, the s42A reporting officers will provide right of replies that may result in changes to the recommendations and could result in additional capacity beyond what is noted in this evidence. Mr Willis in his right of reply also outlines the changes in capacity in Ōhoka, both in terms of LLRZ and SETZ, both of which could accommodate growth in the area and hence reduce the need for the submitter's proposed development.

## 6. CONCLUSION

6.1 I have considered my previous conclusions in my evidence taking into account the supplementary evidence and summary statements presented by the submitter's experts.

6.2 My conclusions are not materially impacted by additional evidence presented in the supplementary or summary evidence. In summary,

- (a) I consider that there is likely to be sufficient capacity in both the medium term (2023-2033) and long term (2023-2053) to meet expected dwelling demand within the three main towns as a group. In my opinion the WCGM22 provides a conservative estimate of the sufficiency as required in the NPS-UD.
- (b) I consider that Ōhoka is not generating demand for urban land, per se. Rather it is the urban areas (Rangiora, Woodend, and Kaiapoi, as well as Christchurch) that are generating the demand. Therefore, the demand identified by the submitter's experts could be accommodated in the main urban areas (Rangiora, Woodend, and Kaiapoi), and that the submitter's proposal should be considered on its merits as compared to the other alternatives submitted in the Stream 12 hearings. I consider that demand and supply of housing within an urban environment is more substitutable than the submitter's experts are suggesting, and hence undertaking a narrow sufficiency assessment of housing is not required in the context of the NPS-UD.

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<sup>57</sup> Yeoman R, (July 2024) Statement of Evidence, Waimakariri District Plan 12E Rangiora, Kaiapoi, Woodend, Variation 1 Rezoning. page 32.

<sup>58</sup> Wilson P, (July 2024) s42A Officer's Report 12E, Paragraph [1114].

<sup>59</sup> Wilson P, (July 2024) s42A Residential Rezoning Summary Table.

- (c) While I disagree with how the submitter's experts focus on the areas outside the three main towns, at worst if their sufficiency assessment is adopted then there may be a shortfall of 524 dwellings in the medium term (2023-2033) and 1,541 dwellings in the long term (2023-2053).
- (d) Even if the commissioners are of a mind to adopt the wider definition of Urban Environment and accepted the submitter's position that there is high demand for urban residential dwellings outside the three main towns, then in my opinion it would be beneficial to consider the range of options for accommodating that demand, which would include developments that are closer to the three main towns.
- (e) I agree with the PC31 commissioners, who considered that any potential shortfalls can be assessed via the current District Plan Review process. In the rezoning hearings Stream 12 the commissioners have been presented with a number of requests to rezone more residential land, and each will have different merits. This process will enable a weighing of alternatives, and could result in some requested rezonings being approved, either Future Development Areas or new areas. The s42 reporting officers from the other hearings in Stream 12 have recommended that additional zoning requested be adopted, which will increase supply considerably in the urban environment.
- (f) For the purposes of the NPS-UD Policy 8, I still consider that RIDL/CGPL development would allow a 'significant' number of dwellings, however in my opinion the zoning requested by RIDL/CGPL is not consistent with NPS-UD as it would not contribute to well-functioning urban environment.
- (g) I do not support the development of the site from an economic perspective.