

Before the Hearing Panel
Appointed by the Waimakariri District
Council

Under the Resource Management Act 1991

In the matter of a hearing on submissions on the proposed Waimakariri District
Plan

Hearing Stream 12E: Residential Rezoning

Rachel Claire Hobson and Bernard Whimp

Submission: 179 / Further submission: 90

Supplementary evidence of Natalie D Hampson

2nd August 2024

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Introduction

- 1 My name is Natalie Dianne Hampson.
- 2 I have prepared evidence in chief dated 5th March 2024 in respect of the submission of Rachel Claire Hobson and Bernard Whimp (**the Submitters**), relating to land located at 518 Rangiora-Woodend Road and 4 Golf Links Road (**the Site**).
- 3 My qualifications and expertise are set out in my evidence in chief.

Code of Conduct for Expert Witnesses

- 4 While this is not a hearing before the Environment Court, I confirm that I have read the Code of Conduct for expert witnesses contained in the Environment Court of New Zealand Practice Note 2023 and that I have complied with it when preparing my evidence. Other than when I state I am relying on the advice of another person, this evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

Scope

- 5 This supplementary evidence responds to:
 - (a) Mr Yeoman's economic evidence for Stream 12E, dated 21 July 2024, in relation to his overview of housing demand, supply and capacity, his overview of Rangiora submissions and economic evidence, and his evidence on the Submitters' proposed rezoning (**the Proposal**); and
 - (b) the Officer's Report for Stream 12E: Residential Rezoning, dated 22 July 2024, in relation to the Proposal and the yield summary that Mr Wilson provides in spreadsheet form that goes with his overall capacity and housing bottom lines assessment.

Response to the Economic Evidence of Mr Yeoman

General Issues

- 6 As with other statements prepared by Mr Yeoman as part of the Proposed District Plan (**PDP**) review process, his statement for Hearing Stream 12E includes an overview section that further discusses/assesses recent growth, projected growth, capacity for growth and sufficiency of residential land. There is some additional material in Mr Yeoman's 12E evidence, particularly around greenfield and brownfield capacity, including cross references to data collated by Mr Wilson.
- 7 I have already provided my response to much of this evidence by Mr Yeoman in my supplementary evidence Hearing Stream 12D (Ōhoka) dated 18 June 2024. I

do not repeat that here, and my opinion remains the same.¹ While I have not previously considered some of the new information contained in Mr Yeoman’s capacity overview for this hearing stream, I do not consider it to be determinative for the Proposal, including the extent to which Policy 8 of the NPS-UD can apply to the Proposal. Consequently, I have focussed my supplementary evidence elsewhere.

Hobson & Whimp Submission

- 8 Mr Yeoman discusses the Proposal in paragraphs 3.7-3.16 of his 12E evidence. We are in agreement that:
- (a) greenfield development will still be important to help meet long-term housing demand in Rangiora.²
 - (b) Future Development Area (**FDA**) overlays are a valuable tool to help identify suitable growth locations for the long-term, provide certainty on the long-term growth direction of urban areas, and avoid ad-hoc developments which may not contribute to a well-functioning urban environment.³
 - (c) I also take from Mr Yeoman’s paragraph 3.15 that we are in agreement that the proposal would be a suitable location for future urban development of Rangiora relative to other locations that might be considered for greenfield expansion.
- 9 I also agree with Mr Yeoman⁴ that rezoning the majority of the existing FDAs to Medium Density Residential Zone (**MDRZ**) in the PDP (in response to submissions) does not remove that capacity from being included in long-term capacity calculations and providing for long-term demand growth. This applies because zoned capacity not taken up in the medium-term remains available for demand expected in the period after 2033/2034 (in this case).
- 10 Mr Yeoman states that “the live zoning of the FDA overlay land does not mean that more FDA overlay is needed, per se”.⁵ He further concludes that there is not a need for the capacity that the site would enable in the long-term.⁶ I would add that it also does not mean that more FDA overlay cannot be identified in the Plan. The NPS-

¹ Supplementary Evidence Natalie Hampson 18 June 2024, starting at paragraph 17.

² Yeoman evidence 21 July, paragraph 3.10.

³ Yeoman evidence 21 July, paragraph 3.11.

⁴ Yeoman evidence 21 July, paragraph 3.12.

⁵ Yeoman evidence 21 July, paragraph 3.12, emphasis added.

⁶ Yeoman evidence 21 July, paragraph 3.16, emphasis added.

UD Policy 2 goes beyond “need” (in a demand sense) and requires local authorities to provide a surplus of capacity in the medium and long-term above expected demand and the competitiveness margin. I discuss this further with regard to the S32AA plan enabled capacity assessment (spreadsheet), below.

- 11 Earlier in his evidence, Mr Yeoman states “While there is sufficient capacity in Rangiora,⁷ I note that these proposals should be considered on their merits and that exceeding the threshold in the NPS-UD by allowing more development can be justifiable when the benefits associated with the proposal outweigh the costs”.⁸ If this is the relevant economic test, I am uncertain why Mr Yeoman reaches his conclusion on the Proposal based only on ‘need’ (i.e. demand).
- 12 While Mr Yeoman has agreed with some of the economic benefits of the Proposal, he has not identified any economic costs. By focusing only on sufficiency of long-term development capacity, I do not consider that Mr Yeoman *has* assessed the merits of the Proposal from an economic perspective.
- 13 I address this in my primary evidence.⁹ A key opportunity cost that Mr Yeoman has not considered in his recommendation is the potential development of the Site for rural lifestyle properties in the short to medium-term. If this were to occur, it would significantly constrain the ability to feasibly achieve contiguous medium-density residential expansion to the east of Rangiora in the future as intended by the Waimakariri District Development Strategy (**WDDS**). Protecting this site for future urban development is, in my view, the greatest economic benefit of the Proposal.
- 14 Policy DEV-NER-P2(2) (and the equivalent for South East Rangiora) states that prior to certification of an FDA, subdivision is only allowed when it will not undermine or inhibit the future development of the Development Area as per the respective Outline Development Plan. I note however, that rule DEV-NER-R7 (and the equivalent rule for South East Rangiora) would still allow for subdivision prior to certification to a minimum lot size of 4ha (in the Rural Lifestyle Zone) as a controlled activity. In my view, this is not consistent with the above policy as I consider that rural lifestyle development *will* undermine and inhibit the future urban development of land zoned FDA overlay (by driving up the land value and reducing the potential dwelling yield). On that basis, I am inclined to think that live zoning the Site (rather than applying the FDA overlay) may in fact be the most effective method to protect the future urban development potential of the land if these provisions remain as notified.

⁷ This is agreed.

⁸ Yeoman evidence 21 July, paragraph 3.5.

⁹ Hampson evidence 5 March, Attachment A, Section 4.

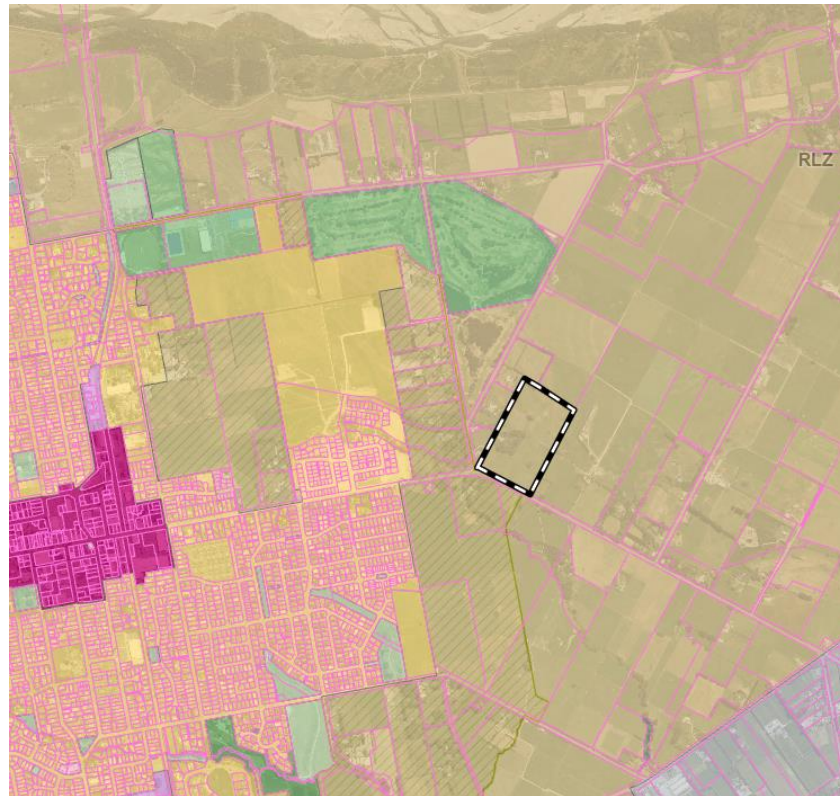
- 15 Last, while Mr Yeoman and I agree that the Proposal would contribute to a well-functioning urban environment in the future, we are not in agreement that the Site makes a significant contribution to development capacity. It is Mr Yeoman's opinion that the proposal "is relatively small compared to the situation in Rangiora".¹⁰
- 16 The guidance on the NPD-UD¹¹ notes that the term 'significant' was used in Policy 8 to "filter out small, speculative proposals" (page 5). I do not consider that a Proposal that would achieve 140-170 dwellings (or 248 based on Mr Wilson's estimates)¹² to be small or speculative.
- 17 While the Canterbury Regional Policy Statement has not yet included criteria for determining significant development capacity in the context of Policy 8, the guidance states that the criteria should align with higher-order objectives of the NSP-UD. For example, criteria should not undermine competitive land markets by setting unreasonable thresholds. It should also be evidence based.
- 18 Future greenfield expansion on the urban fringe will be dictated by property boundaries and ownership at the time. If the WDDS directs that Rangiora will grow to the east, then regard must be given to what that actually looks like in terms of land holdings. Figure 1 shows the current property boundaries on the eastern fringe of Rangiora (with 518 Rangiora Woodend Road of the Proposal selected).

¹⁰ Yeoman evidence 21 July, paragraph 3.14.

¹¹ Understanding and implementing responsive planning policies.

¹² S42A report, paragraph 543.

Figure 1 – Current Parcel/Property Boundaries in Rangiora’s Strategic Long-term Eastern Growth Area (Source, Waimakariri District Council GIS Website, Notified PDP)



- 19 Some of the land parcels on or near the eastern edge of Rangiora (based on recommended urban zoning by Mr Wilson) are not large, and many are smaller than the Proposal. While site amalgamation is possible, I would be concerned if future significance thresholds are set at a capacity that would preclude the property owners on the eastern urban-rural fringe from applying for residential zoning or FDA overlays in the future just because their parcel is relatively small.
- 20 As I have stated in previous statements of evidence¹³, context is important. While I maintain that a development that yields 140-170 dwellings (or 248 dwellings based on Mr Wilson’s yield estimates) is significant in absolute terms, in the context of the land adjoining Rangiora’s eastern growth boundary, I also consider the Proposal’s capacity will be significant as it ensures contiguous urban expansion in the longer-term.

Response to the Section 42A Report

- 21 Mr Wilson does not appear to rely on Mr Yeoman’s evidence at all in his Section 42A Report, with the only cross reference being to establish that Mr Yeoman addresses the issue of feasibility of development. It is not clear that Mr Wilson has

¹³ I.e., 12C hearing stream.

therefore considered economic costs and benefits in his evaluation where he rejects the Proposal.

- 22 Section 14 of the Section 42A Report, titled 'Capacity and Growth', is accompanied by a spreadsheet which focusses on the indicative capacity of submissions that Mr Wilson accepts in the three main Waimakariri townships. While Mr Yeoman presents a similar assessment of submissions in Figure 7.1 of his evidence, I note that he includes submissions that Mr Wilson has rejected and there are also some differences in assumed yields between Mr Yeoman and Mr Wilson. I focus on Mr Wilson's recommended submissions and what he considers that this means for capacity in the three main townships.
- 23 Mr Wilson confirms that he has considered only plan enabled capacity of submissions, not commercially feasible and reasonably expected to be realised capacity (as required for sufficiency tests under the NPS-UD). He has however adopted a mid-point of his range of yields and made comments around full Medium Density Residential Standard densities being unlikely to be achieved in some submission areas. As such he has, in effect, made his own assumptions about what may be reasonably expected to be realised for the purpose of a capacity assessment.
- 24 I observe that Mr Wilson adopts the demand projections in the Housing Capacity Assessment 2023 (**HBA 2023**) for Waimakariri District's three main townships as being the appropriate basis for setting housing bottom lines in the PDP. While the capacity assessment in the Waimakariri Capacity for Growth Model (**WCGM22**) informed the HBA 2023, the WCGM22 adopted a lower demand projection than adopted by the Greater Christchurch Partnership for Waimakariri, hence why the WCGM22 report states a larger medium-term surplus than the HBA 2023. I raise this only because if the HBA 2023 housing bottom lines are officially adopted, then there will be a disconnect between the Council's WCGM22 and those housing bottom lines. Mr Yeoman acknowledges this in paragraph 6.6 of his evidence for Stream 12E.
- 25 Mr Wilson states that his recommended rezonings in the three main townships would add between 6,901 and 9,915 additional dwellings in the medium term in greenfield areas. The lower figure is his average yield and the higher number is his upper yield (although I consider this should sum to 10,085 as Mr Wilson has not included the accepted Woodwater capacity in his upper yield column). The majority of the upper yield values are based on large greenfield areas delivering all lots at 200sqm. I do not consider this likely and therefore adopt Mr Wilson's average values as this assumes a mix of densities achieved in each greenfield area.

- 26 The submissions for Rangiora that Mr Wilson recommends for rezoning (excluding Doncaster which he treats as 'contingent' in his spreadsheet and 69 Johns Road that he accepts but does not include in the total) have a combined yield of 4,379 dwellings. This is 63% of the total yield of submissions he recommends and includes in his spreadsheet (i.e. out of 6,901 across the three main townships). This high share reflects the large allocation of FDA land to Rangiora relative to Kaiapoi and none allocated to Woodend/Pegasus, and the fact that the recommendations for re-zoning are largely linked to FDA status.
- 27 In my primary evidence, I adopted a medium-term (zoned) dwelling capacity for Rangiora as of August 2023 of 1,988 (giving a re-based medium-term sufficiency of 728 dwellings). When Mr Wilson's recommended submission yield for Rangiora is added to this notified capacity, the total zoned capacity would increase to 6,367 dwellings. Compared to demand (plus the competitiveness margin) of 1,260 in the medium-term and 2,960 dwellings in the long-term for Rangiora estimated in the WCGM22, this zoned capacity exceeds long-term capacity requirements and I consider it meets the intent of NPS-UD Policy 2. I support this outcome as this surplus creates a range of positive economic outcomes and efficiencies for future growth planning and development.
- 28 The recommended rezonings (if accepted) provide for Rangiora's residential growth over the medium to long-term. However, I consider that FDA overlays, in addition to greenfield zoned land, can play a key role in protecting strategic growth areas (such as the Site) in the PDP.

Conclusion

- 29 I maintain my support for application of the FDA overlay to the Site through the PDP, although on further consideration of rule DEV-NER-R7, I would support live zoning only on the basis that it may more effectively protect future urban development potential. While the rezoning requests recommended by the S42A report provide at least sufficient capacity to meet both medium and long-term demand in Rangiora, the strategic growth area to the east of Rangiora identified by the WDDS will not be protected from further fragmentation and development in the meantime if not rezoned from Rural Lifestyle Zone in the PDP.
- 30 I maintain that the Proposal meets the requirements of Objective 6 and Policy 8 of the NPS-UD. It provides significant development capacity in my view and from an economic perspective, it will contribute to a well-functioning urban environment in the future.
- 31 In my supplementary evidence for the Stokes submission (12E hearing stream), I set out in my conclusions the economic costs and benefits of providing a generous

surplus of zoned housing capacity.¹⁴ If the Panel were to consider live zoning of the Site then those same costs and benefits would apply to the Proposal. If the Panel were to consider including the Site in the FDA overlay, the evaluation of economic costs and benefits for future urban zoning is more straightforward.

- 32 Because there is no loss of agricultural activity, no slowing of development uptake in areas where Council has invested in infrastructure or public transport. These costs may only apply when FDA overlay is live zoned (certified) and they can be assessed at that time.
- 33 On the benefit side, there are similarities between future urban zoning and providing a generous surplus of live zoned land, including:
- (a) It provides greater certainty on where growth will occur which can lead to more efficient long-term development and additional infrastructure,¹⁵ planning and investment.
 - (b) It protects land considered suitable for urban zoning from being developed/fragmented in the interim (for example being developed as rural lifestyle blocks) which increases the value of the land (relative to large rural blocks) and reduces the feasibility of future development.
 - (c) By catering for growth over a longer period, it reduces the need for a number of small plan changes that would ultimately achieve the same capacity. It therefore lowers the total cost of housing development as the costs of plan changes need to be recouped through the sale of sections.
- 34 I therefore anticipate a number of economic benefits from the Proposal to apply the FDA overlay (or potentially to rezone to Medium Density Residential Zone) and little or no economic costs. It does not appear that the S42A assessment took into account these net economic benefits.

Dated 2nd August 2024

Natalie Dianne Hampson

¹⁴ Supplementary Evidence Natalie Hampson 2nd August 2024, paragraphs 7.4-7.6.

¹⁵ As defined in the NPS-UD.