

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)

Joint witness statement – LUMS

Dated: 9 July 2024

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JOINT WITNESS STATEMENT – LUMS

- 1 This joint witness statement relates to Hearing Stream 12D: Ōhoka of the proposed Waimakariri District Plan review.
- 2 The conference attendees were:
 - a. Mr Chris Sexton and Mr Gary Sellars for Carter Group Property Limited and Rolleston Industrial Developments Limited; and
 - b. Mr Peter Wilson for Waimakariri District Council.
- 3 This joint statement has been prepared in accordance with section 9.5 of the Environment Court Practice Note 2023.
- 4 All witnesses have read and agree to comply with the code of conduct for expert witnesses in the Environment Court Practice Note 2023.
- 5 This joint witness statement sets out all matters agreed and not agreed by the relevant experts, with an outline of the reasons for disagreement provided where appropriate.

1. What approaches should be used to estimate feasibility and realisation of housing capacity, based on cl 3.2.6 of the NPS-UD? Is the approach the Council has taken consistent with cl 3.26 of the NPS-UD?
- 6 The experts all agree that feasibility includes the following aspects:
 - a. Sale Price minus the following:
 - i. Land Price
 - ii. Build Cost
 - iii. Servicing Costs
 - iv. Costs of Sale
 - v. Financing Costs
 - vi. Market Related profit margin
 - b. Mr Wilson states that while he is not an economist he considers that there may be other factors that define feasibility that are outside the above factors.
 - c. The experts all agree that the realisation of housing capacity occurs once Code of Compliance under the Building Act is issued by Council and the dwelling is occupiable.

- d. All experts agree that the use of an economic feasibility model such as the WDCGM22 (Formative) model is consistent with clause 3.26 of the NPS-UD.
- e. Mr Sexton notes that while he agrees that the Council's economic model is consistent with Cl. 3.26, he does have concerns with the WDCGM22 as outlined within his Evidence in Chief, along with the evidence of Ms Hampson and Mr Akehurst.

2. What is LUMS and what is its intended purpose?

7 LUMS is Council's current system for recording a building consent on a parcel of land within a capture area within a greenfield subdivision. Its intended purpose is to report on housing uptake within those areas.

8 Mr Wilson's memo on housing uptake and capacity referred to the LUMS, which is a data series (dating back to 2016) that he has used to check remaining plan enabled capacity within the monitored greenfield areas. Mr Wilson's Memo (Appendix H Mr Willis's S42A 12D) is not part of LUMS. Mr Wilson stated this in his memo. The projections by calculations undertaken by Mr Wilson simply uses LUMS as a basis of information.

3. Does LUMS assist with understanding future feasible supply?

9 All experts agree that LUMS does not address future feasibility supply. Mr Wilson states this in his evidence. Mr Wilson has used the building uptake component of LUMS to assist him in understanding the remaining plan enabled capacity within the monitored areas of the district.

10 The experts are not economists but agree that past performance may be a factor used in measuring future supply.

4. How does LUMS undertake density analysis?

11 All experts agree that LUMS does not undertake a density analysis. Mr Wilson has undertaken his own density analysis as part of his memo.

5. How do the experts calculate net density? Should experts begin their approaches to calculating net density by using the statutory definition in the CRPS?

12 The experts all agree that there are many ways of calculating net density.

13 All experts agree that the CRPS definition is a starting point however, all note that there is a lack of specificity in the definition that can leave a lot up to interpretation, such as definition of reserves to be included etc.

14 Mr Wilson considers he is required to use the CRPS definition.

6. Given the differences in approaches to calculating net density, what other approaches might be useful?

- 15 All experts agree that a first principles approach would be best for calculating net density.
- 16 This would come from the following hierarchy:
- a. Subdivision Master Plan
 - b. Outline Development Plan
 - c. First principles approach based on total development area minus the following items:
 - i. % of land required for roads
 - ii. % of land required for Stormwater Management
 - iii. % of land required for reserves
 - iv. Esplanade
 - v. Commercial Land
 - vi. Schools
 - vii. Geotechnically Constrained land
 - viii. Land subject to high flood hazard
 - d. We note that the above factors may not be an exhaustive list. When completing an analysis all experts agree that there should be transparency on the classifications and categorisation given to particular parcels of land and any assumptions made in terms of land area requirements.
 - e. We note that the net density reported would then only consist of the land for residential allotments and this number would align with the density calculations provided by Mr Sexton in his evidence.
- 17 An alternative approach would be to report density on a gross density basis, based on the total number of allotments divided by the total land area after removing stormwater management land. This approach does not take into account variability of reserve sizes or commercial areas.
- 18 Mr Wilson notes that it would be possible to report on both the CRPS definition as well as the alternative approaches above.

7. Given the answers above, how do experts then define and use the NPS-UD definitions of plan-enabled capacity and infrastructure-ready?

- 19 Mr Wilson notes that as a planner he can answer this question but given the answers already provided he considers that this question is now of limited relevance, noting that it was Mr Wilson who wrote the question to experts to begin with
- 20 The experts note that cl3.4 of the NPS-UD outlines the definition of plan-enabled and infrastructure ready.

8. Is the basis for assumed achievable net density in the LUMS robust and are there additional factors or constraints that should be accounted for?

- 21 The experts all agree that LUMS does not undertake a net density analysis. Mr Wilson has separately undertaken a net density analysis as have the other experts.
- 22 The answers provided to question 6 provides a robust methodology to analysing future lot yield from a greenfield development.
- 23 The experts all agree that definition of density is not the principal consideration. The overall assessed yield (total households/dwellings within the development and/or across the district) is considered more relevant and the net density may be an input to calculate this if there is no subdivision master plan or detailed ODP available.

9. To the extent that variance or errors in the LUMS have been identified (and with reference to examples), is this significant?

- 24 The experts have clarified that the memo by Mr Wilson supplied in Appendix H of Mr Willis's S42A is **not** LUMS. LUMS as used by Council and as stated above is a record of Building Act Code of Compliance and ratable unit assignment applied to a parcel of land following the completion of building. It is then recorded in a quarterly survey across identified greenfield developments in the Waimakariri District.
- 25 The experts then discussed how to handle any variances or errors between Mr Wilson's calculations of remaining plan enabled capacity in monitored greenfield areas and what other experts had calculated.
- 26 Mr Wilson explained that his memo undertook a lower bound analysis and an upper bound analysis of remaining greenfield capacity. Mr Wilson considers that there are unders and overs within these bounds as he stated at the hearing. He doesn't consider that these unders and overs and differences of interpretation are consequential to the overall greenfields capacity within the district.
- 27 Mr Wilson and Mr Sexton have been undertaking a similar spatial evaluation. Mr Wilson and Mr Sexton have agreed a methodology

for re-assessing greenfield capacity based on the methodology as provided in question 6 and will work together to provide a joint technical position on greenfield capacity as part of this JWS.

- 28 The experts agree that the uptake monitoring areas may require adjustment to cover recent developments.

10. Does the manual tracking of multi-unit (townhouse) developments in LUMS account for additional stories in the calculation of dwellings by automatically doubling the number of units, and if so, what are the implications for the calculations?

- 29 Multi-unit townhouses are not accounted for in LUMS. Mr Wilson's data initially provided to submitters included an error where some multi story dwellings were counted as multiple units based on the number of stories. This resulted in an overcount by approximately 60 dwellings. This error was acknowledged and corrected by Mr Wilson as soon as identified by Ms Hampson prior to Mr Wilson finalising his memo.

- 30 11. How should houses that have been built or titles issued ready for building be accounted for with respect to housing bottom lines/capacity targets? Should houses built be subtracted from the housing bottom lines/ capacity targets in order to show remaining capacity?**

- 31 The experts agree that there should be a transparent methodology that tracks housing market performance against bottom lines.

- 32 The experts all agree that houses built should be subtracted from the housing bottom line/capacity targets.

12. Reference is made to MDRS in various places in the 'Memo of Mr Wilson on Housing Uptake and Capacity' attached to the section 42A report, which appears to relate to multi-unit developments which could be built as of right without MDRS legislation. Is this correct and if so, what is reasonable to assume in terms of the likely housing supply resulting from MDRS?

- 33 Mr Wilson has not made any assumptions of MDRS or future infill. Mr Wilson's memo and the provided dataset simply shows building consents granted under the MDRS (3 units or less) and land use and subdivision consent (CRD) for 4 or more lots.

- 34 Mr Wilson explains that these datasets of past performance of multi-unit developments are provided to understand the district's housing market and were not used by Mr Wilson to measure the impact of MDRS rules on the district's housing market.

- 35 The experts agree the datasets make no distinction between multi-unit developments which could or could not be built as of right

without MDRS legislation as this was not the intention or purpose of this dataset.

13. Do Tables 3 and 4 of the 'Memo of Mr Wilson on Housing Uptake and Capacity' attached to the section 42A report accurately reflect the results of the LUMS?

- 36 Mr Wilson will update table 3 and provide further clarification of any changes that result.
- 37 Mr Wilson's and Mr Sexton's joint exercise will provide a revised set of numbers that will update table 4.

Dated: 9 July 2024



Chris Sexton



Gary Sellars



Peter Wilson