

**REVIEW OF DRAFT
FUTURE
DEVELOPMENT
STRATEGY**

Greater Christchurch Partnership





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1.0 INTRODUCTION

The purpose of this report is to provide independent peer review comments on the *draft Future Development Strategy for Greater Christchurch*, from a strategic planning perspective.

1.1 BACKGROUND

This review has been undertaken by Andrew Collins, our General Manager Planning, who has 30 years planning experience and considerable background working on strategic urban growth projects throughout New Zealand. This includes strategic urban growth projects in the Bay of Plenty, Waikato, Wellington, Christchurch and Queenstown areas. He has led and held key roles for large development, strategic and policy projects on behalf of both developers and local authorities in the above high growth regions. The views expressed in this letter draw from this collective experience.

1.2 DOCUMENTS REVIEWED

We have reviewed the following documents:

1. Greater Christchurch Urban Development Strategy (2007)
2. Greater Christchurch Urban Development Strategy Update (August 2016)
3. National Policy Statement on Urban Development Capacity 2016 (**NPS-UDC**)
4. Responsive Planning – Guide on producing a Future Development Strategy (NPS-UDC implementation guide prepared by Ministry for the Environment, December 2017)
5. Draft Housing and Business Development Capacity Assessment for Greater Christchurch (Greater Christchurch Partnership, March 2018)
6. Draft Greater Christchurch Settlement Pattern Update / Future Development Strategy (Greater Christchurch Partnership, 12 October 2018)

While the first five documents above have provided important context, our review comments focus primarily on the last of the above documents, namely the draft Greater Christchurch Settlement Pattern Update (Future Development Strategy).

2.0 NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT CAPACITY

2.1 DRAFT SETTLEMENT PATTERN UPDATE / FUTURE DEVELOPMENT STRATEGY

The NPS-UDC requires all local authorities in “high-growth urban areas”¹ (which includes the greater Christchurch area) to prepare a Future Development Strategy (**FDS**) in accordance with Policies PC12 to PC14. Policy PC14 of the NPS-UDC makes it clear that a FDS can be

¹ The definition of “High growth urban area” relates to urban areas where the resident population is projected to grow by more than 10% between 2013 and 2023 based on Statistics New Zealand’s medium projections.

incorporated into other strategic documents and this is effectively what the Greater Christchurch Partnership has done. In this case, the draft Settlement Pattern Update to the Greater Christchurch Urban Development Strategy is intended to satisfy the requirements of the NPS-UDC that a FDS be prepared. As our review below shows, we consider that this intent has been achieved.

2.2 SPATIAL PLANNING IS NOT NEW FOR GREATER CHRISTCHURCH

We note that the members of the Greater Christchurch Partnership were early adopters of integrated, collaborative urban growth planning, with the Partnership being formed back in 2003 leading to the adoption of the Greater Christchurch Urban Development Strategy (**UDS**) in 2007. We consider that this early spatial plan has served the community well, noting that it was subsequently anchored, in a statutory sense, by way of changes to the Canterbury Regional Policy Statement (**RPS**) and to the various District Plans. The severe 2010 and 2011 earthquakes, and the special purpose legislation and various recovery and regeneration plans that followed, created many challenges and a unique set of circumstances for urban growth planning in the Greater Christchurch area².

While there will have been significant challenges at times, we consider that it is to the credit of the Partnership's members that the collaborative planning model of the UDS has been maintained throughout this recovery and regeneration period, leading to the UDS Update in 2016. The 2016 UDS update retained the vision while revising the principles, strategic goals and the priority actions of the UDS.

The above is set out simply to highlight that a collaborative approach to spatial planning, underpinned by a robust evidence base - as required by the NPS-UDC since late 2016 - is not a new concept for the Greater Christchurch Partnership. The NPS-UDC has, however, introduced numerous new information requirements and demanded more rigour in the analysis and monitoring regime.

2.3 NPS-UDC REQUIREMENT FOR HOUSING AND BUSINESS DEVELOPMENT CAPACITY ASSESSMENTS

The NPS-UDC requires an evidence based approach to the preparation of FDS's. A key component of this evidence base is the requirement (in Policy PB1) for all medium growth and high growth urban areas to prepare triennial housing and business development capacity assessments.

With regard to housing, these capacity assessments are to estimate the *demand* for dwellings of different types, locations and price points and also the *supply* of development capacity to meet this demand in the short term (0-3 years), medium term (3-10 years) and long term (10-30 years).

With regard to business land, these capacity assessments are to estimate the *demand* for different types and locations of business land (i.e. retail, commercial, industrial, business parks and mixed use centres) and for different floor areas for businesses. They shall then estimate the *supply* of development capacity to meet this demand in the short term, medium term and long term (as defined above).

The short term development capacity identified must be feasible, zoned and serviced with development infrastructure in place (so "development-ready" now).

² Figures 3 and 4 of the UDS Update 2016 (pages 10 and 13-14 respectively) provide good diagrammatic summaries of the numerous strategies, recovery and regeneration plans, and their inter-related nature. Page 18 of the draft Settlement Pattern Update also contains a useful diagram explaining how the update fits within the national, regional and local context.

The medium term development capacity identified must be feasible, zoned and either serviced with infrastructure already or, if not in place yet, then with funding for the infrastructure identified in Long Term Plans (which have 10 year horizons).

The long term development capacity identified must be feasible, identified in relevant plans and strategies, and with the required development infrastructure identified in the 30 year infrastructure strategies required by the Local Government Act 2002 (LGA).

3.0 HOUSING AND BUSINESS DEVELOPMENT CAPACITY ASSESSMENT FOR GREATER CHRISTCHURCH

Our review below summarises some of the key conclusions of the Housing and Business Development Capacity Assessment for Greater Christchurch and confirms that, in our opinion, it meets the requirements set out in the NPS-UDC.

3.1 PART A - HOUSING

Chapter 3 addresses housing demand issues, including population and household projections, and household composition, dwelling type and tenure projections. We note that the capacity assessment is based on the adoption of “medium” population projections for Christchurch City, and “medium-high” projections for both Selwyn and Waimakariri Districts. The report states³ that *“This balances a desire that planning for growth is ‘ahead of the curve’, thereby not constraining housing supply, with a prudent approach to ensure the timely provision and financing of infrastructure”*. We concur that such a balance is important and that appropriate projections have been adopted. As the capacity assessment is updated every three years, assumptions and projections can be amended should monitoring results indicate that this is appropriate.

Chapter 4 addresses housing development capacity issues, including firstly “theoretical” and then more realistic “modified” plan-enabled capacity, and then consideration of infrastructure constraints.

Chapter 5 addresses housing feasibility and sufficiency. The report acknowledges the limitations of the various commercial feasibility models used and notes⁴ that *“further model refinement work and ground truthing with market realities”* is needed. The subsequent draft Settlement Pattern Update to the UDS then confirms that this work is underway⁵. All modelling outputs depend on a range of variables and the assumptions used and, in our experience, urban local authorities throughout the country are grappling with the issue of commercial feasibility modelling as they try to assess and facilitate the conditions that will stimulate inner city living and other forms of intensification. The ongoing work to refine and ground truth the models used is important in our opinion.

In the meantime, due to various observed anomalies between commercial feasibility model outcomes and “on the ground” observations (actual developments, or in some cases, lack of) the assessments of the sufficiency of development capacity have been based on the “modified plan-enabled capacity” and the assumption that this is commercially feasible. We consider that to be a reasonable starting point given that it is based on recent historical development trends, although this may potentially understate the actual development capacity available as smaller housing typologies and more intensive designs gradually but increasingly emerge in

³ Section 3.1 of Housing and Business Development Capacity Assessment.

⁴ Section 5.1 of Housing and Business Development Capacity Assessment.

⁵ Page 13 of the Draft Settlement Pattern Update to the UDS.

the market. Specifically, we note that in Tables 5 and 6 of the capacity assessment⁶, an adjustment has been made for Christchurch City to reflect the enhanced capacity enabled by the new density provisions in the recently reviewed Christchurch District Plan. Again, this seems to us to be a pragmatic approach.

3.2 PART B – BUSINESS

Chapter 6 addresses the composition of business activity (and the growth and decline of the various segments) in the Greater Christchurch economy since 2000.

Chapter 7 addresses projections and distribution of demand for retail, office, and industrial sectors.

Chapter 8 addresses business development capacity using a methodology that we consider to be appropriate, leading to estimates of plan-enabled capacity for industrial and commercial land (for office and retail activity). There is detailed analysis of the size and location of vacant commercial and industrial lots.

Chapter 9 draws together the business feasibility and sufficiency considerations, based on multi-criteria analysis, tested with commercial stakeholder inputs.

Finally Chapter 10 analyses housing and business interactions, and locational preferences, and highlights the importance of integrated transport and land use planning. As required by the NPS-UDC, it outlines four “price efficiency” indicators that will be monitored and used as a basis for future reviews.

It is our recent experience elsewhere that the assumptions and conclusions of housing and business development capacity assessments tend to “come under the microscope” during plan changes and reviews when rezonings are proposed (by either Councils or submitters). In the time available for this review, a forensic-level analysis of the development capacity assessments has not been possible and has not been attempted.

At a higher level, however, we consider that the methodology used and the assumptions made are sound and consistent with good planning practice. It appears that the development capacity assessments for Greater Christchurch meet both the intent, and the more detailed requirements, of the NPS-UDC. The report provides a robust evidence base to underpin the FDS, to which we now turn.

4.0

DRAFT SETTLEMENT PATTERN UPDATE TO THE GREATER CHRISTCHURCH UDS (FUTURE DEVELOPMENT STRATEGY)

We consider that the draft Settlement Pattern Update to the UDS (**draft update**) is well-aligned with good planning practice and we return below to discuss some of the elements of this. Firstly, though, we comment on the matter of targets for housing development capacity, and the sufficiency of both housing development capacity and business land provision, as these are key requirements of the NPS-UDC.

⁶ Section 5.2 of Housing and Business Development Capacity Assessment. We note that a minor correction to the heading of the last column in Table 6 is needed so as to refer to the 2018 to 2048 period, not the 2018 to 2028 period.

4.1 TARGETS (HOUSING DEVELOPMENT CAPACITY)

The NPC-UDC directs local authorities to set minimum targets for “sufficient, feasible development capacity for housing” in both regional policy statements and in district/city plans⁷.

In this case, our review notes evidence that the Greater Christchurch Partnership has given careful consideration to the matter of targets, to reflect recent distortions in the market, settlement pattern and travel demand patterns that have been caused by the 2010 and 2011 earthquakes and the subsequent recovery period. As a result, the strategy proposes that:

- the overall Greater Christchurch long term, 2018-2048, target for housing development capacity⁸ matches the projected household growth in Greater Christchurch in the same period⁹ (i.e. 86,600 new dwellings including the additional margins required by the NPS-UDC); and
- the territorial authority apportionment (i.e. between Christchurch City, Selwyn District and Waimakariri District) of the above overall Greater Christchurch target for housing development capacity, should vary between the short/medium and long terms¹⁰. Specifically the strategy update proposes that the proportion of the overall growth to be accommodated in Christchurch City should increase from 54% of the medium term growth to 71% of the long term growth, to reflect the city’s recovery progress, central city rebuild and other plan-enabled intensification initiatives
- Over the entire 30 year period to 2048, Christchurch City is proposed to accommodate 65%, Selwyn 20% and Waimakariri the remaining 15% of projected growth.

We have reflected on this and consider that this is an appropriate planning response in the circumstances.

4.2 SUFFICIENCY (HOUSING DEVELOPMENT CAPACITY)

Table 3¹¹ then compares housing development capacity against housing targets, and shows that:

- The significant housing capacity in Christchurch City exceeds both medium and long term targets (noting that these include the additional margins required by the NPS-UDS), even with the higher share of growth apportioned to the City over the long-term (2028-2048) period; and
- There is a shortfall between development capacity and targets in Selwyn (in relation to long term targets only) and in Waimakariri (in relation to both medium and long term targets).

We consider that these conclusions are valid (based, as they are, on the previously discussed population/household projection assumptions and the targets set).

4.3 SUFFICIENCY (BUSINESS LAND)

We note the conclusions in section 3.3 (Table 4) of the draft update that:

- There is already sufficient capacity throughout Greater Christchurch (and within each of the three territorial local authorities) to meet long term needs for industrial land.

⁷ Refer Policies PC5 to PC11 of NPS-UDC, noting that these minimum targets for feasible development capacity must also factor in an additional margin of 20% in the short and medium term and 15% in the long term, to recognise that there is always the potential that a proportion of feasible development capacity may not be developed for a range of reasons, refer Policy PC1 of NPS-UDC.

⁸ Table 3, page 13 of the Draft Settlement Pattern Update to the UDS.

⁹ Table 1, page 10 of the Draft Settlement Pattern Update to the UDS.

¹⁰ Table 2, page 12 of the Draft Settlement Pattern Update to the UDS.

¹¹ Page 13 of the Draft Settlement Pattern Update to the UDS.

- There is sufficient capacity throughout Greater Christchurch (and, for the most part, in each territorial local authority area) to meet medium-term needs for commercial space, although there are likely to be some shortfalls in terms of longer term needs in specific areas which are to experience significant residential growth.

We consider that these conclusions are valid.

4.4 PRIORITIES FOR THE DRAFT UPDATE

Part 4 of the draft update “Our challenges” sets out a concise summary of the key growth issues for Greater Christchurch and the key priorities. We consider that the shaded box on page 17 of the draft update provides a good summary of the priority areas which appropriately cover not just land supply issues (such as some projected shortfalls as discussed above) but also a range of issues that support the overall desired pattern of urban growth, such as transport planning; housing diversity, unlocking redevelopment opportunities and the role of public and private investments. We consider that these priority areas are appropriate.

4.5 OUR PLAN

Part 5 of the draft update “Our Plan” sets out in words, and spatially, the various elements of the planned response in terms of the Greater Christchurch settlement pattern, and then current and planned actions for Christchurch City (section 5.2) and Selwyn and Waimakariri Districts (section 5.3).

As is good practice, a range of regulatory and non-regulatory actions are proposed. In Christchurch, with its already sufficient development capacity, the actions are non-regulatory ones, such as the many initiatives proposed as part of the *Central City Action Plan* (under development) and the *Central City Residential Programme*.

The regulatory actions include the proposal to change the Canterbury RPS by updating the settlement pattern map in Chapter 6 (Map A) with the one set out on page 25 of the update (along with amended policy wording), and also the Selwyn and Waimakariri district plan reviews that are underway. We agree that the provision of additional housing development capacity in Rolleston, Rangiora and Kaiapoi, supported by enhanced public transport opportunities and town centre plans and strategies, is an appropriate response to projected medium and long term capacity shortfalls in these areas.

4.6 GOOD PLANNING PRACTICE ELEMENTS

Through the course of our review, we have noted a number of elements in the draft update that align with good strategic planning practice. These include, but are not limited to, the following:

- Alignment with Ngai Tahu cultural aspirations through involvement of Te Runanga o Ngai Tahu and Nga Papatipu Runanga in preparation of the draft update.
- Integration of land use planning with infrastructure of all kinds, but also specifically with transport infrastructure, public transport and other travel mode considerations, with particular regard to the Government Policy Statement on Land Transport (well covered in section 5.6 of the draft update).
- Integrated and holistic approach that recognises the interconnected nature of the Greater Christchurch environment¹²

¹² Page 14 of the draft update notes that this integrated and holistic approach reflects the concept of *Ki Uta Ki Tai* (from the mountains to the sea) which recognises that each of the constituent parts of the environment (natural and built) are interconnected and so actions in one area can have a flow-on effect in other areas.

- Analysis of demographic and household composition/size trends and implications for housing typology, tenure and affordability (greater future demand for smaller housing types such as one and two bedroom apartments and townhouses).
- Good use of graphics (diagrams, tables, photographs and maps¹³)

Overall we regard the draft update as being coherent and rational, and generally reflecting good planning practice.

5.0 STRATEGIC RISKS

There are a number of risks associated with the approach outlined in the draft update/FDS.

At the risk of oversimplification, it seems to us that they relate primarily to market-related risks, funding risks and political risks.

5.1 MARKET RISKS

The draft update proposes that 65% of projected growth over the next 30 years will be accommodated within Christchurch City, with the remaining 35% in Selwyn and Waimakariri Districts (with a greater proportion of growth in Selwyn and Waimakariri in the short and medium term, but reducing in the longer term, so as to result in the overall 30 year apportionments above). This relies on achieving significant redevelopment and intensification with Christchurch City in particular. Experience suggests that this is often “easier said than done”, although it is encouraging to see an increasing number of good examples being developed. However, there remains uncertainty regarding the future rate of market uptake of redevelopment and intensification opportunities, at different price points to meet the need for social and affordable housing. If there is insufficient market uptake, the risk is that there becomes demand for more growth to be accommodated in the form of greenfield developments on the periphery and in nearby towns, with consequent infrastructure and transportation impacts. This scenario would also impact on the revitalisation of the central city.

5.2 FUNDING RISKS

The draft update relies on a range of investments being made in transport infrastructure, public transport services, other development and social infrastructure and regeneration plans. The draft update seeks to be responsive to emerging Government policy in relation to urban growth, transport, regional economic development and local government funding and new funding tools. It also aims to explore and pursue partnering opportunities with Government, potentially in many respects but particularly in relation to transportation needs. The risk is that funding limitations result in delayed key infrastructure, increasing traffic congestion, delayed public investment in regeneration areas and amenity (noting that this public investment often has a “catalyst effect” for subsequent private investments, so delays in the former flow through to overall urban outcomes).

5.3 POLITICAL RISKS

It is important, in our opinion for the Greater Christchurch Partnership to remain strong and for the constituent authorities and organisations to continue to work collaboratively together for what is best for Greater Christchurch. There will always be locally divisive issues, but we

¹³ The key map being Figure 16, on page 35 of the draft update, which shows proposed changes to the Canterbury Regional Policy Statement – Map A.

suggest that central government is typically more responsive to the partnering and funding requests of local communities when presented with strong collaborative vision and strategy.

6.0 CONCLUSION

Overall, our review of the draft update and supporting documents has led to a view that the strategic approach proposed by the Greater Christchurch Partnership is soundly based and, with the monitoring proposed, should be both effective and responsive.

7.0 LIMITATIONS

7.1 GENERAL

This report is for the use by Greater Christchurch Partnership only, and should not be used or relied upon by any other person or entity or for any other project.

This report has been prepared for the particular project described to us and its extent is limited to the scope of work agreed between the client and Harrison Grierson Consultants Limited. No responsibility is accepted by Harrison Grierson Consultants Limited or its directors, servants, agents, staff or employees for the accuracy of information provided by third parties and/or the use of any part of this report in any other context or for any other purposes.