IN THE MATTER OF **"OUR SPACE : 2018 - 2048"**

BETWEEN **SUBURBAN ESTATES LTD**
SOVEREIGN PALMS LTD
DONCASTER DEVELOPMENTS LTD

AND **GREATER CHRISTCHURCH PARTNERSHIP**

ON **GREATER CHRISCHURCH**
SETTLEMENT PATTERN UPDATE

SUBMISSION OF Kim Sanders

Dated: 15 February 2019

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1 My name is Kim Sanders, I am the Company Engineer of Suburban Estates Ltd (SEL) and have worked in land development for 34 years. I am fully conversant with all aspects of land development, town planning and the Resource Management Act. I am reasonably well known in the Christchurch area as someone who works well with Councils to achieve sound environmental results.

2 This statement is to provide the Hearings Panel with a real life example of the problems caused by having future residential development areas defined at a regional level, in this case through Plan A of the CRPS, and also having the staging of those development areas controlled under the CRPS. By "problems" I mean uncertainty, inflexibility, delays and extra costs. The situation at northeast Kaiapoi is that example:

RESIDENTIAL DEVELOPMENT – NORTHEAST KAIAPOI

3 I refer to the attached plans (Appendix 2 & 3). It shows the area in north east Kaiapoi where Sovereign Palms Limited have developed & sold 930 sections in northeast Kaiapoi since May 2010 (9 years), and we support the continuation of this development further to the east. We know there is further demand. We are currently getting inquiries from about 5 people a week who want to purchase at Sovereign Palms. They do not wish to go elsewhere.

4 There is now no more land left for a Kaiapoi resident, or anyone else who wants to build a new home at the north end of Kaiapoi. This was the type of person that this large area in north Kaiapoi was set up for in the first place. Our predictions are that we would have sold about 250 sections in the 7 years if the earthquake had not occurred. There would have been about 680 left, which would have served the area well in the next 10 to 20 year period. However those sections have been developed and largely sold, and it is our submission that now we know that Sovereign Lakes/Palms is finished, we need to look at the earmarked RPS extension of residential zoning as soon as possible.

5 The restriction created by the RPS & LURP did not allow this land to be extended, even though there is proof of demand and it is inside the Infrastructure boundary line.

6 We have the ability to create at least a further 200 lots on 26hectares of land immediately to the east of Sovereign Lakes. Infrastructure is available in the form of the adjacent sewer pump station which can be upgraded with post-earthquake accepted sewer systems, and the adjacent stormwater basins which can be extended. This land is not effected by the air noise contour.

7 At the moment we are unable to proceed efficiently and logically from the completed subdivision which would have allowed a smooth transition into the planned extension further east. This means we had to stop development and then gear up for it several years later. There is no real reason why a previously earmarked area for rezoning should not be able to proceed smoothly following a previous stage which is sold out. Any delays would create construction disturbance to the new home owners in that last stage of Sovereign Lakes. The public interest has not been served by delaying the start of this next stage of development any further.

There is no sound or logical reason why this delay could not be lifted. The costs of delaying it further are not balanced by any advantage to Councils, ECan or the community.

8 Based on my experience in housing land development, I fully support our submission in paragraph 2.2, which stated *"the PIB/UL lines have an inappropriate level of precision in a regional strategy providing an overview of future development within Greater Christchurch. The lines are both unnecessary and unhelpful. They add an inflexible additional layer to the consenting process faced by potential land developers. Land development involves multiple*

consent processes and layers of site investigations involving many different agencies and circumstances that are often unpredictable and subject to change. Urban Limit lines, defined at a regional level, are unhelpful in the negotiations between developers, Councils and service supply authorities, and in achieving well managed and integrated urban growth".

HOUSING DENSITIES

9 Suburban Estates have significant experience of the response by the housing market to the requirements in Christchurch City for increasing housing density to 15households/ha. Our clients do not want small sections and the Christchurch people have spoken by effectively taking the option of moving to Waimakariri & Selwyn Districts where the density is 10 per hectare.

10 SEL has closely monitored sales of sections in Sovereign Palms and Sovereign Lakes at this north end of Kaiapoi (Waimakariri). They have found that their purchasers preferred this location because they do not want to be close to a large amount of 500m^2 or smaller sections.

11 SEL and other developers including Mike Greer Ltd are currently experiencing resistance to the CCC requirement of a minimum 15 lots per hectare in greenfield subdivisions. SEL predicted this at the UDS hearings but no one listened. Developers have since then embraced the 15/ha rule (because they had to) and it is apparent that many of the outcomes are poor with houses too close together.

12 We cannot understand why someone from CCC has not done the research to realise that Waimakariri & Selwyn (10 per hectare) have gained a larger share of the market, due to the City's choice of densities. If that is not the people speaking, our simple research is wrong. But we cannot see it.

13 We have completed subdivisions in CCC which have to be 15 per ha. We find that we have to virtually give away the 300m2 lots to builders, who are now reluctant to purchase them unless they have a purchaser for each house. The people who purchase a 600m2 section in a CCC subdivision do not want to be next to high density houses (that is why some of them went to northeast Kaiapoi).

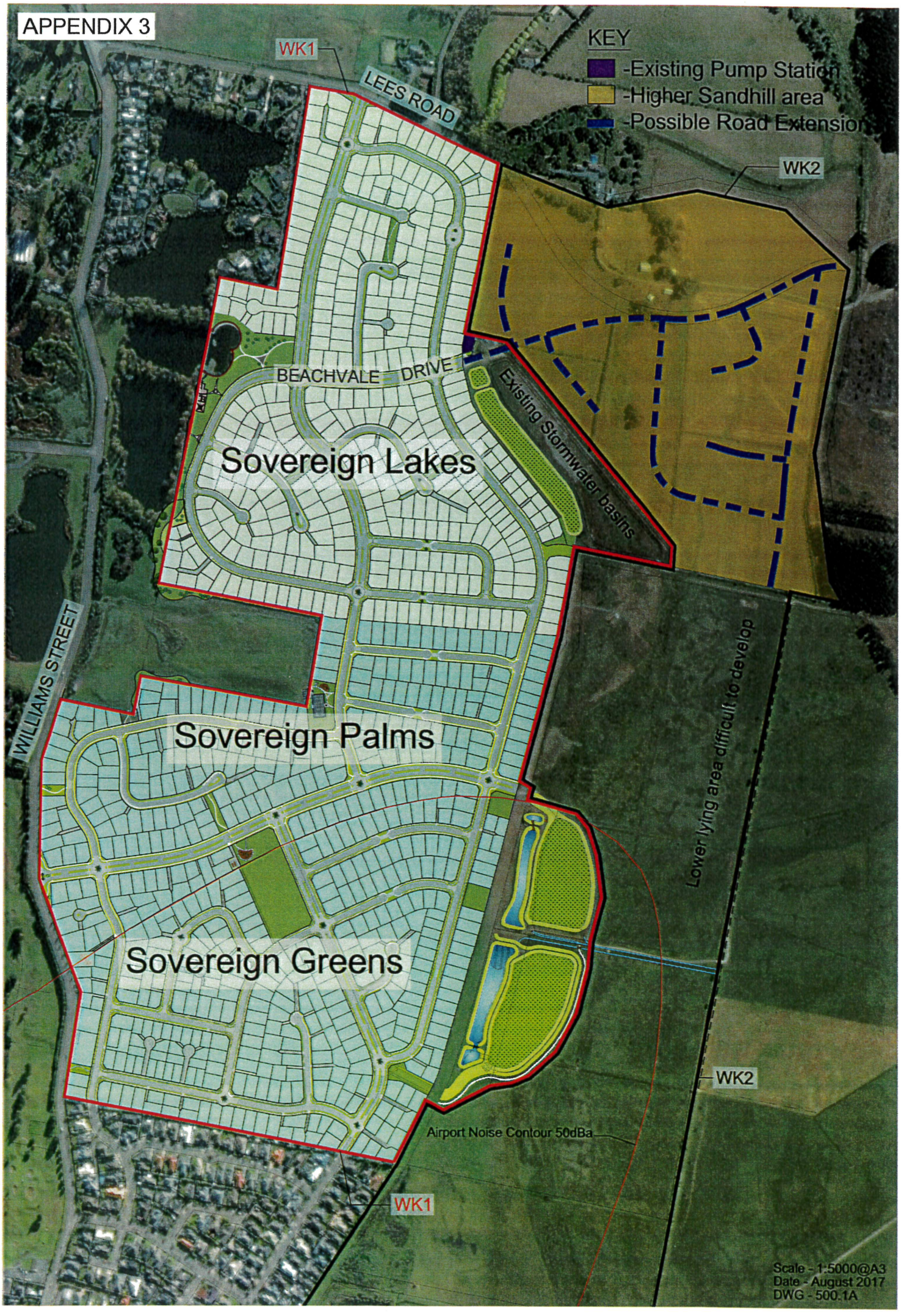
TAKE-UP OF ZONED LAND

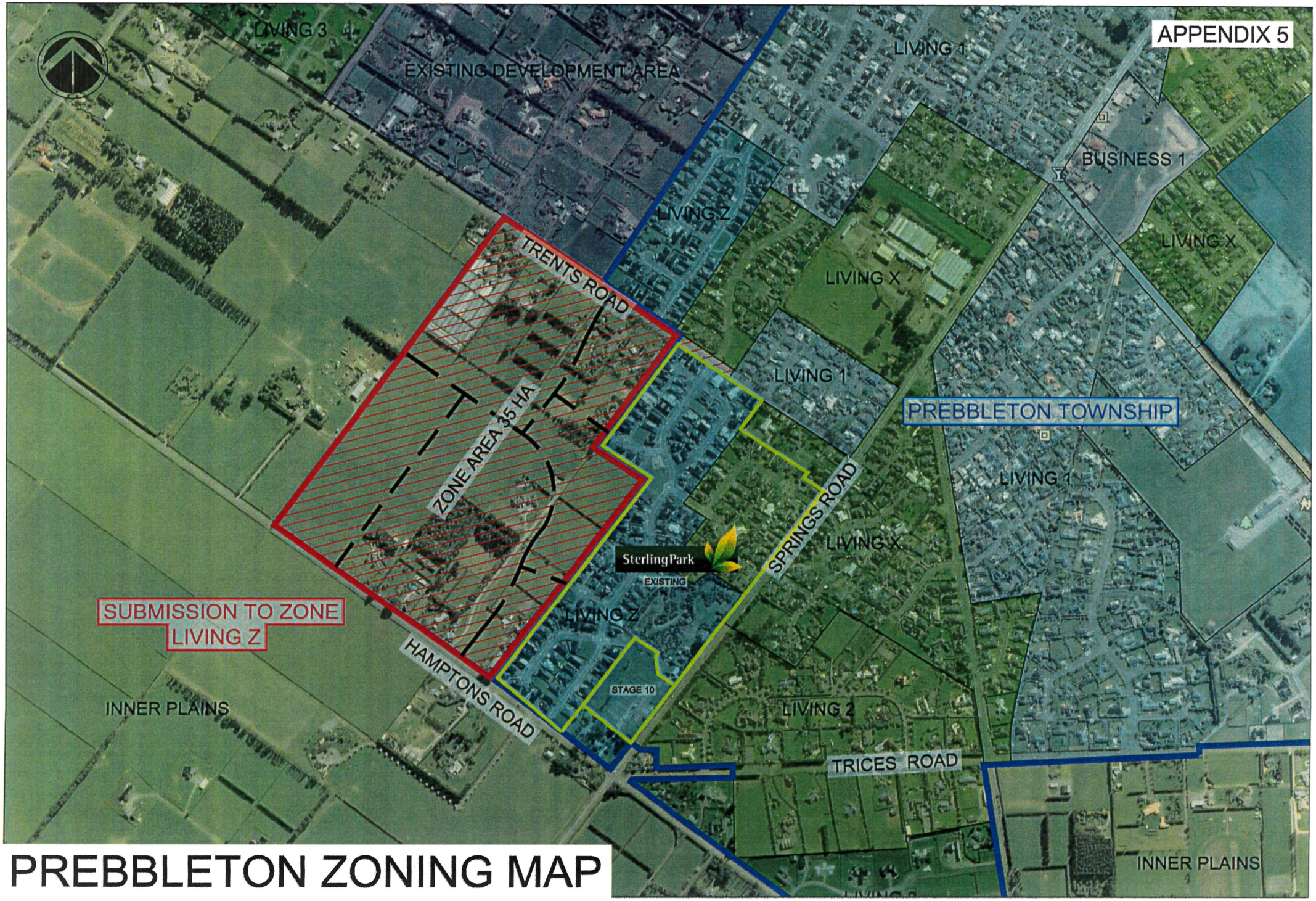
14 Not all currently zoned land which CCC are relying on to be developed, will be developed. Zoned land only gets developed if a land owner does not want it to remain

in its current use. Many people will choose not to develop themselves or sell their land to developers. Also, several areas of CCC existing zoned land (including some in Redwood & Halswell) will remain undeveloped because they are TC3 and as such cannot be developed without very expensive (and usually uneconomic) geotechnical remediation. There are other reasons (like contamination) which can make it uneconomic to develop land, even if it is zoned. CCC have underestimated the zoned land area which will probably not get developed.

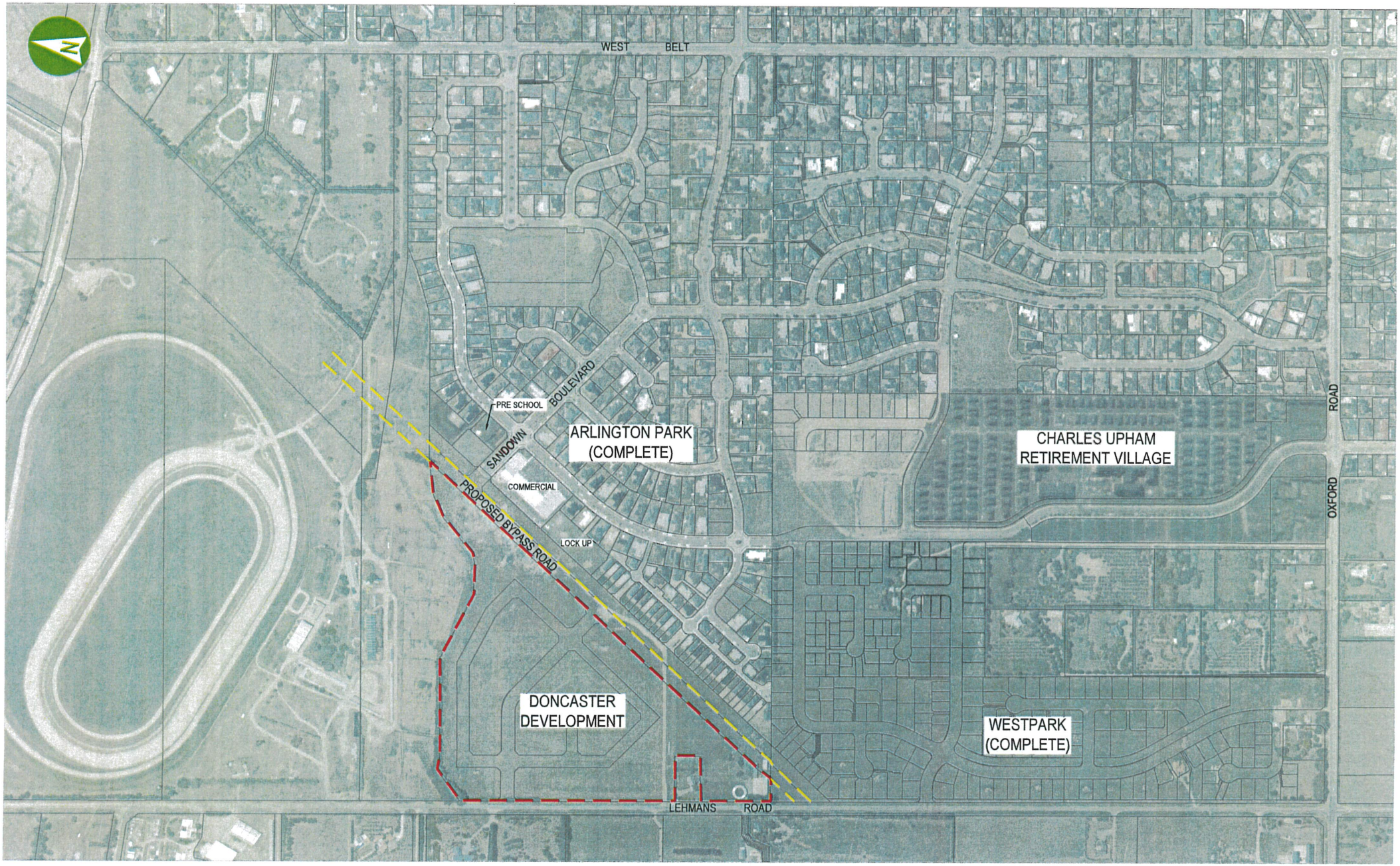
15 The CCC do not seem to realise, or acknowledge that whilst they currently see progress on some large subdivisions (particularly in Halswell) that eventually the good land will be taken up and in the second half of the planning period there will be insufficient land to develop, yet again.

16 Finally, please note whilst our submission to this hearing has general concerns, it reflects the opinions of an experienced developer who has worked though past re-zoning processes including the UDS, RPS, LURP & plan changes before the UDS. Our specific three blocks of land (Kaiapoi, Prebbleton & Arlington) are all blocks which have been completed and could easily have extended when appropriate, rather than having to wait for the rules to allow it.


APPENDIX 3
KEY
-Existing Pump Station
-Higher Sandhill area
-Possible Road Extension
WK1
LEES ROAD
WK2
BEACHVALE DRIVE
Existing Stormwater basins
Sovereign Lakes
WILLIAMS STREET
Sovereign Palms
Lower lying area difficult to develop
Sovereign Greens
WK2
Airport Noise Contour 50dBa
WK1
Scale - 1:5000@A3
Date - August 2017
DWG - 500.1A



PREBBLETON ZONING MAP



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WEST RANGIORA

13/02/2019

SUBMISSION ON OUR "OUR SPACE: GREATER CHRISTCHURCH: SETTLEMENT PATTERN UPDATE 2018-2048"

Statement of Evidence of Regan Smith on behalf of Submission 051 by Suburban Estates Limited, Doncaster Developments Limited and Sovereign Palms Limited.

INTRODUCTION

1. My name is Regan Smith and I am a Chartered Professional Engineer and a Professional Member of Engineering New Zealand. I am a Technical Director at Aurecon New Zealand Ltd with 21 years' experience in Civil Engineering.

2. My statement is in support of the submission on "Our Space" consultation by Suburban Estates Limited and Doncaster Developments Limited (submission number 051) and in particular paragraph 3.1 of that submission that relates to the Residential 4A zoned land on Lehmans Road, Rangiora. I provide commentary on the infrastructure and natural hazard matters relating to the potential development of this land to a higher density than currently provided under the current Residential 4A zoning. It is highlighted that this land is already considered suitable for residential use through its current zoning and my submission mainly focusses on issues relating to provision for a greater level of development.

3. As background, I am familiar with the ground conditions, land drainage and servicing issues affecting development in Rangiora having been extensively involved in many local developments and plan changes, including "Arlington Park" of which this site is included, "The Oaks" subdivision, the Ryman Healthcare site plan change and Westpark subdivision and plan change.

4. The Res 4A land is approximately 7.8 hectares, triangular in shape and bounded to the west by Lehmans Road and rural land, to the southeast by residential land, and to the north by the Rangiora Racecourse land. Power transmission lines cross the site along the southeast boundary and provision for a future bypass road is included between the transmission lines.

NATURAL HAZARDS

5. The site is relatively flat with a gentle fall in a SSE direction. There is an existing natural overland flow path falling from west to east along the northern boundary of the site. This flowpath and Lehmans Road to the west provide a level of protection from potential flooding from the rural land west of the site and in a potential flood breakout of the Ashley River.

6. The ground conditions are considered favourable for residential development. The soil profile typically consists of topsoil overlying sandy silt, overlying gravel. Based on

review of a limited number of test pits excavated on and nearby the site, the gravel starts at between 2 - 4 metres below ground. The minimum groundwater is approximately 6 meters below ground level. The low groundwater levels and absence of weak, organic or liquefiable subsoils will enable very cost-effective construction for both development works and subsequent house foundations.

7. The site lies within an area that could be affected by a breakout of the Ashley River from one of four locations modelled by ECan. The ECan flood modelling indicates that the site could be inundated to depths less than 0.25m during the 0.2% AEP Ashley River breakout event. This is below a "Low Hazard" classification (refer attached map) and can be adequately managed through landform shaping and/or floor level management as has been done on nearby developments such Westpark. It is noted that land further south in the west Rangiora growth area is subject to significantly greater hazard levels in a breakout event and it could be difficult to economically manage the associated risks through development works.

SERVICES

8. The ground conditions are also well suited to a soakage based stormwater systems as have been successfully used on all the nearby developments. There would be more than adequately land within the transmission line corridor to construct stormwater treatment, attenuation and soakage facilities to service residential development of the site, allowing development to occur independently without contributing additional stormwater to downstream networks.

9. Water supply for domestic use and fire protection can be provided to the site by extension of the Rangiora urban water supply. The existing network can be extended along Lehmans Road from the connecting road out of Westpark subdivision and also from Sandown Boulevard. Other potential connection points could be provided from through reserve links in Westpark and Arlington subdivisions if required. It is expected that the network could be extended to service the site with little or no upgrades to existing infrastructure.

10. In the past the ability to develop land within the identified growth area west of Rangiora has been constrained by limited capacity of the downstream South Belt wastewater system. Recent upgrading of this system by Council has now addressed this issue, removing the previous impediment to development on the west side of Rangiora.

11. The site could be serviced by gravity to the existing wastewater reticulation in Sandown Boulevard and/or Westpark subdivision via Lehmans Road. Other potential connection points could also be provided through reserve links into the adjacent Arlington and Westpark subdivisions. Although there is already adequate wastewater capacity for permitted Residential 4A development of the site through connection to

the reticulation in Sandown Boulevard, an increase in the density may require wastewater to be conveyed to an alternative or additional connection point. Given the identified options available, the capacity of, and the ability to connect to the local gravity wastewater reticulation is unlikely to restrict more intensive development of the site.

TRANSPORT

12. The site is well positioned in relation to the local road network with frontage to Lehmans Road along the western side and direct linkage to Sandown Boulevard on the east. Lehmans Road allows efficient connection to Oxford Road, being a Strategic Road south of the site, and to River Road being a Collector Road north of the site.

13. Direct linkage to Sandown Boulevard provides access to local amenities including a small commercial area, preschool and church, as well as linkages through to the adjacent residential areas and amenities east of the site.

14. The site also includes provision for a future bypass road that could provide an improved transport linkage from Oxford Road to the north side of Rangiora via Lehmans Road and River Road.

15. Public transport is also available close to the site with an existing bus route along Huntingdon Drive.

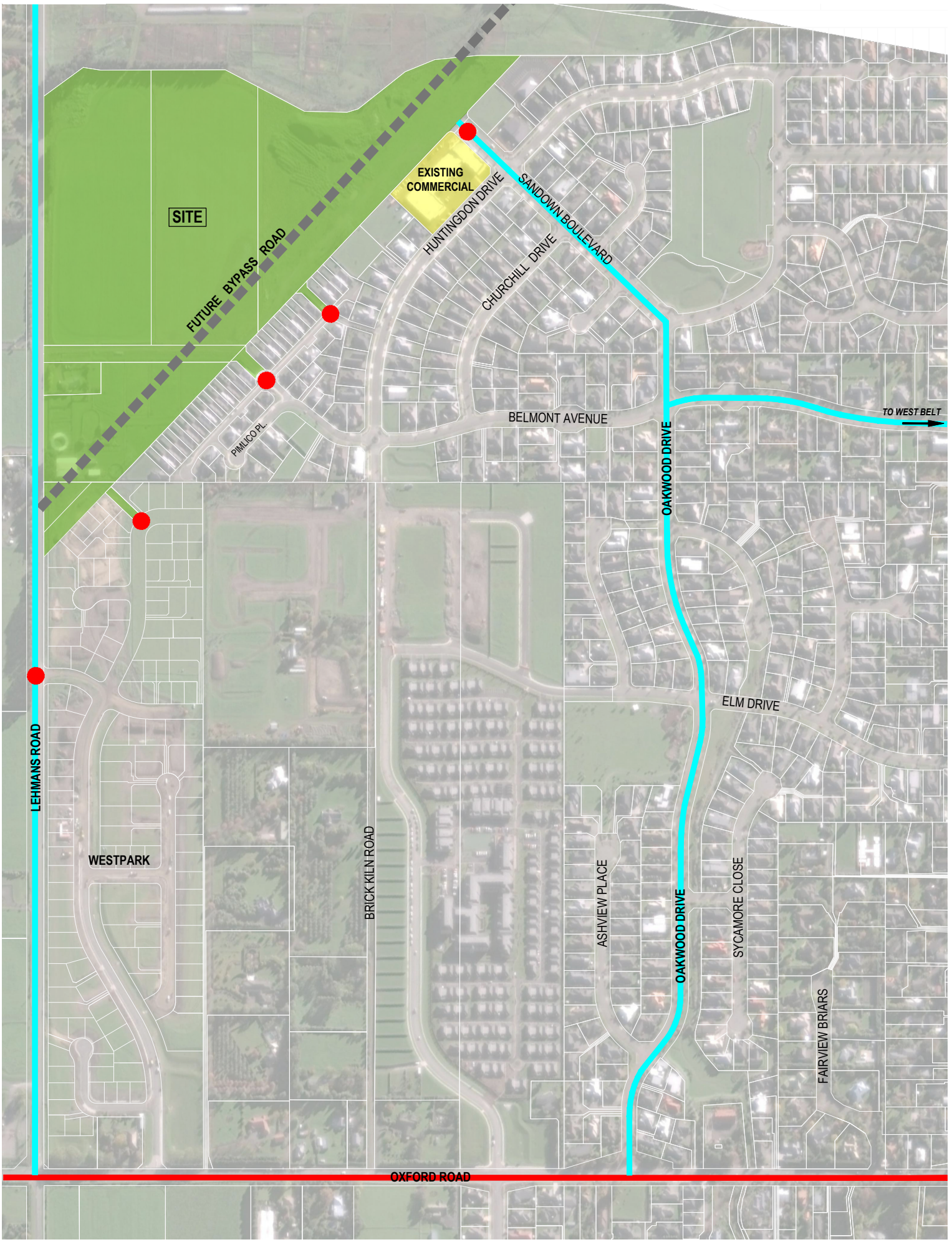
SUMMARY

16. The good ground conditions allow low risk, cost-effective subdivision development works and house construction. Stormwater can be managed onsite through soakage based disposal which would not put additional demand on downstream drainage infrastructure. Water supply and wastewater infrastructure can be extended to service the site.

17. Like many areas identified for growth under the Waimakariri District Development Strategy, the site is potentially affected by flood breakout from the Ashley River. However, unlike some other areas, the predicted level of flooding is considered below the “Low Hazard” category and the risks can easily be managed through landform design as part of the development process.

18. The site is well positioned in relation to the local transport network with good links to surrounding amenities and public transport.

19. From an infrastructure and natural hazard perspective, the site is considered suitable for a higher level of development than permitted under the current zoning and is expected to be more cost effective to develop than some other areas identified for future growth in Rangiora.


SITE
EXISTING COMMERCIAL
FUTURE BYPASS ROAD
HUNTINGDON DRIVE
SANDOWN BOULEVARD
CHURCHILL DRIVE
PIMLICO PL
BELMONT AVENUE
TO WEST BELT
OAKWOOD DRIVE
LEHMANS ROAD
ELM DRIVE
WESTPARK
BRICK KILN ROAD
ASHVIEW PLACE
SYCAMORE CLOSE
FAIRVIEW BRIARS
OXFORD ROAD
LEGEND
STRATEGIC ROAD
LOCAL ROAD LINK
FUTURE BYPASS ROAD
POTENTIAL WASTEWATER AND WATER SUPPLY CONNECTION POINT
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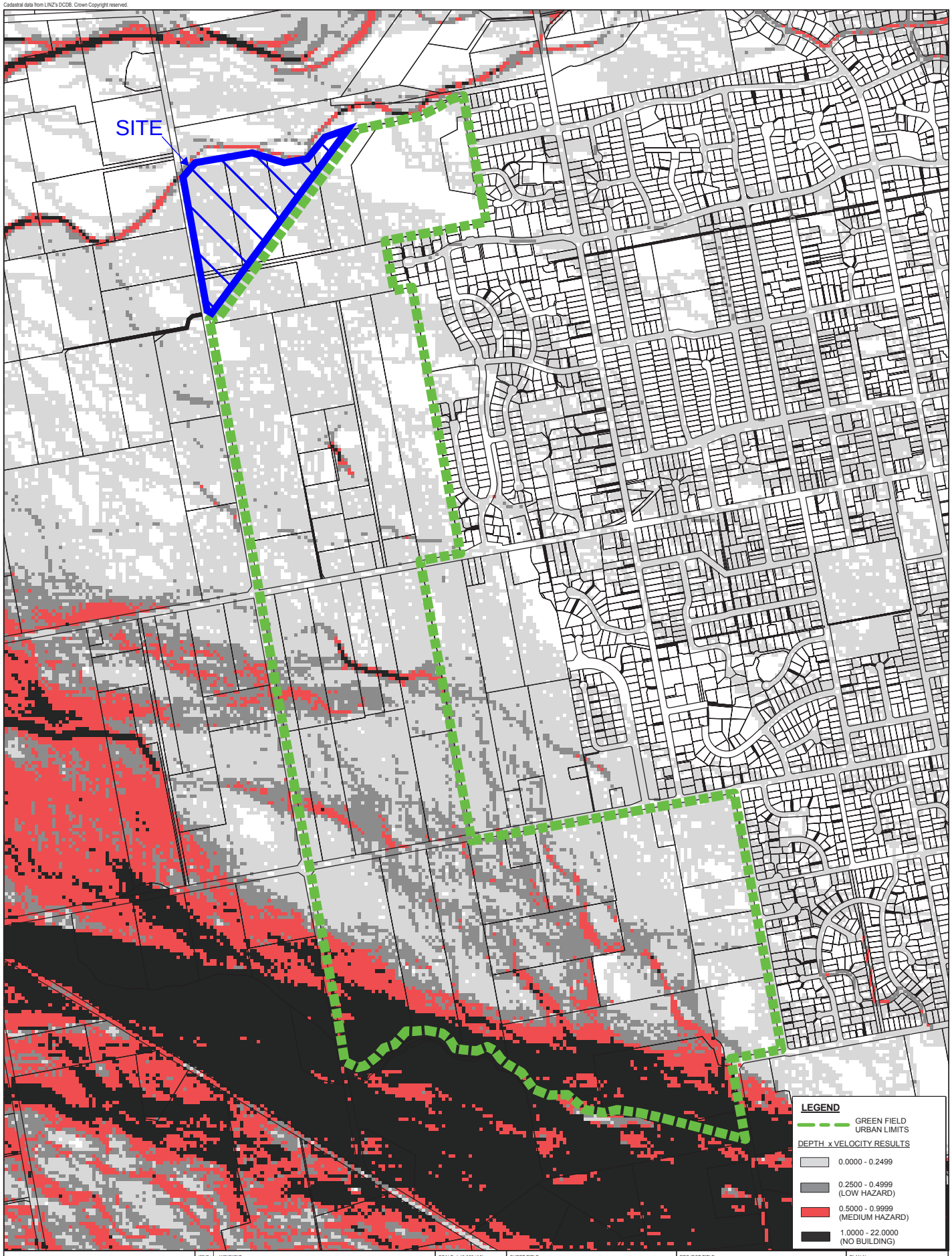


WAIMAKARIRI DISTRICT COUNCIL
technical services

ISSUE	AMENDMENT
A	FIRST ISSUE

SCALE 1:10,000 (A3)

N W E S

SHEET TITLE
PLAN H
ECAN FLOOD HAZARD ANALYSIS DATA
AEP 0.2%

PROJECT TITLE
RANGIORA STRUCTURE PLAN

PLAN No. 2911

FILE 500yr FLOOD DATA ODA.GWS

ISSUE A

SHEET 22

IN THE MATTER	of Part 6 of the Local Government Act 2002
AND	
IN THE MATTER	of hearings on Our Space: Greater Christchurch: Settlement Pattern Update 2018-2048
DATE	March 2019

STATEMENT OF EVIDENCE OF BRUCE WILLIAM THOMPSON

ON BEHALF OF SUBMISSION 051 BY

SUBURBAN ESTATES LIMITED (SEL)

DONCASTER DEVELOPMENTS LIMITED (DDL)

SOVEREIGN PALMS LIMITED (SPL)

Legal Counsel
Prudence Steven QC
Canterbury Chambers
Po Box 9344
Christchurch 8013

QUALIFICATIONS AND EXPERIENCE

1. My full name is Bruce William Thompson. Between 1990 and 2013 I was Manager; Planning and Regulation at Waimakariri District Council. In that role I was involved in the Technical Advisory Group of Council officers supporting and overseeing the preparation of the Greater Christchurch Urban Development Strategy, Proposed Change 1 to the CRPS and (after the 2010 and 2011 earthquakes) the Land Use Recovery Plan. I am familiar with most of the policy statements, plans and plan changes affecting Waimakariri District during this period. I am familiar with the background and contents of submission 051.

2. I have the qualification Master of Town and Country Planning from the University of Sydney and before my retirement was a full member of the NZ Planning Institute. I have also been a Planning Consultant for more than 20 years.

3. I have been asked by submitters Doncaster Developments Limited and Suburban Estates Limited to identify and explain the apparent anomaly in the location of the Proposed Infrastructure Boundary/Urban Limit line at the north-west edge of Rangiora, set out in Map A of Chapter 6 of the CRPS, and repeated in Figures 15 and 16 of our Space.

ARLINGTON PARK DEVELOPMENT – NORTH-WEST RANGIORA

4. I refer to the attached plan which shows the subject site.

5. The location, physical description, zoning and suitability for residential development of the subject land are set out in paragraph 3.1 of the submission. I do not propose to repeat them here but ask the Panel Members to read them carefully.

6. Apart from the PIB/Urban limit Line, which excludes the site from the Urban Area and associated Greenfield Priority Areas, I am not aware of any matters that might make the land unsuitable for residential

development. It is already committed for residential development at a density of only 2hh/ha under its Res 4A rural-residential zoning, is physically well suited to land development, able to be serviced and its development would complement the existing recent developments on adjacent sites and provide improved connectivity for residents in this north-west corner of Rangiora.

7. Members of the Hearings Panel may well ask: "How did this happen?" The answer lies in past zoning decisions made by the Waimakariri District council and its predecessor, for the north side of Rangiora. Rural-residential zones have been provided for in the district schemes and district plans since the 1980's. At first it was anticipated that R/R sites would be serviced on-site for well water, septic tank waste disposal and stormwater disposal. But in the course of the preparation of the first Waimakariri District RMA Plan in the 1990's a policy was accepted that residential lots smaller than 4.0ha should have reticulated servicing. This led to the Res 4A and 4B zones in the Waimakariri District Plan, with serviced Res 4A having no more than 2hh/ha and the older Res 4B having no more than 1hh/ha.

8. During the 1990's and early 2000's the development of the residential zones in north Rangiora proceeded steadily. In 2009 a private plan change resulted in the subject land being re-zoned from Rural to Res 4A. At the time the WDC accepted the line of the electricity transmission lines and NCCBd reserve land as a suitable urban boundary.

9. The preparation of the GCUDS and PC1 to the CRPS entrenched the view of rural-residential as part of the rural areas, and separate or excluded from the urban areas. As a result Plan A of the CRPS shows the Urban Limit line excluding the subject land from the Urban Area and what would otherwise be Greenfield Priority Area.

10. Since 2013 Doncaster Developments have presented several proposals to the WDC for the more intensive residential development of this site, including standard residential, mixed density and affordable housing. These proposals have been supported by outline development plans and urban design controls to ensure high standards. In each case these proposals have been rejected because the land is outside the Urban Limit line and its rezoning would be contrary to the CRPS and/or the LURP.

RELEVANCE OF "OUR SPACE"

11. I have discussed this matter with officers of the WDC and been advised that this "Our Space" consultation process is the appropriate vehicle for this matter to be investigated and resolved. That is, that the location of the PIB/UL line in this part of Rangiora would be seriously considered and that an objective and impartial recommendation would result. I understand that a change to the CRPS would be needed to implement this change but am hopeful that minor adjustments to Map A could be processed quickly. In any case a positive recommendation would support the submitters' case in any subsequent RMA process.

OFFICERS REPORT

12. I have read the officers' report, prepared to assist the Hearings Panel, and I am very disappointed to find that it does not refer to this part of the submission. The report concentrates on generic issues and ignores the circumstances outlined in this submission in regard to this particular site. To use a cricketing analogy "a very straight bat"; a refusal to engage and dogged defence of the status quo.

13. In regard to this part of the submission the officers' comment simply refers to Section 4 of the report: "… it is considered that the proposals in Our Space will be sufficient to meet long term demand…", "Any rezoning of land to urban uses would need to be enabled by changes to

the CRPS and relevant district plans under the RMA". Statements of the obvious. But then, in spite of the report acknowledging: "A final Our Space document would provide some direction to inform such processes as part of RMA provisions…:" it continues: "Land owners submitting additional land for consideration would have an opportunity to outline the merits of such land at the time these RMA changes were considered…"

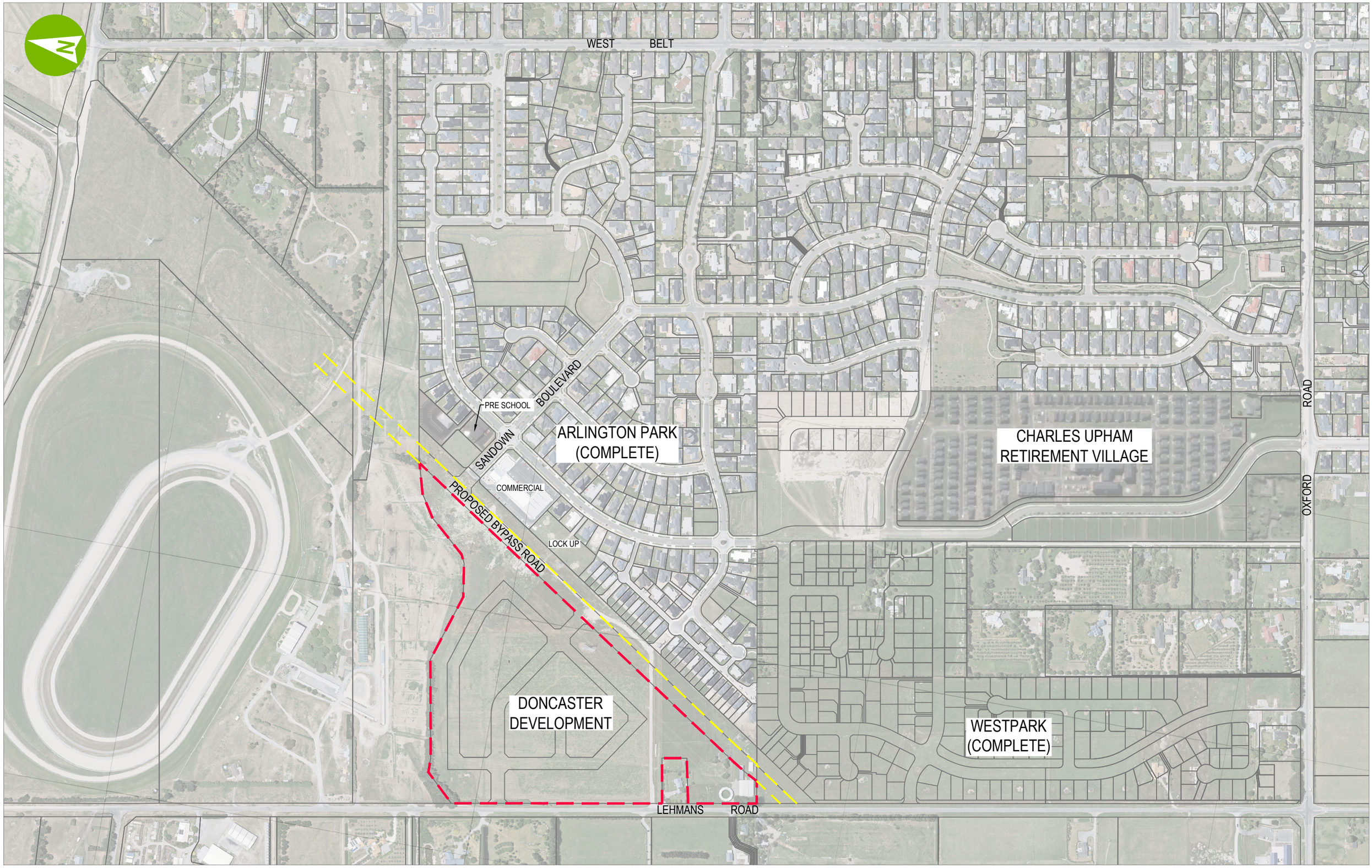
14. The submitters, and no doubt the Hearings Panel, would have been grateful for "…some direction to inform such (RMA) processes…", but the Officers' report does not do so. In my opinion this failure undermines the integrity of this Our Space consultation process, because it encourages the Hearings Panel to dismiss a matter which is important to the submitters, without considering the merits.

CONCLUSION

15. This submission involves a very small area of land, of no significance at a regional scale, already committed to a form of residential development, physically very suitable for urban uses, able to be economically serviced, in a location that would complement an existing developed urban area. But which has been excluded from the possibility of rezoning for residential development by an anomaly in the position of the PIB/Urban Limit boundary. This Our Space process is an opportunity to take the first steps towards removing this anomaly - a recommendation to Ecan to amend Plan A of Chapter 6 of the CRPS.

16. In closing, I would like to observe the irony in the reporting officers' clear support for increasing residential development densities above the present 10hh/ha in Waimakariri and Selwyn Districts, when at the same time they ignore the opportunity for this land to be developed for housing at between 10 and 15hh/ha instead of 2hh/ha under the existing zoning.

B. W. Thompson March 2019



WEST RANGIORA

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13/02/2019

Before the Greater Christchurch Partnership

In the Matter	of the Local Government Act 2002
And	
In the Matter	of a submission by Suburban Estates Limited, Doncaster Developments Limited and Sovereign Palms Limited on the Greater Christchurch Settlement Update – Our Space 2018-2048

Evidence of Adam Jeffery Thompson

Dated 21 February 2019

(Kaiapoi land)

Introduction

1. My full name is Adam Jeffrey Thompson. I am the Director of Urban Economics Limited. I hold a Bachelor of Resource Studies from Lincoln University (1998), a Master of Planning from Auckland University (2000) and a Dissertation in Urban Economics from the London School of Economics (2014). I have studied urban economics at Auckland University and environmental economics at Lincoln University.

2. I have 16 years experience as an Urban Economist and have owned and managed two consulting firms that have provided services in these fields. I have undertaken over 600 economic and property market assessments for a range of private and public sector clients.

3. I was one of the two main developers of the Auckland Council Developable Capacity Model, which informed land supply for the Auckland Unitary Plan review.

4. I record that I have read and agree to abide by the Environment Court's Code of Conduct for Expert Witnesses as specified in the Environment Court's Practice Note 2014. This evidence is within my area of expertise, except where I state that I rely upon the evidence of other expert witnesses as presented to this hearing. I have not omitted to consider any material facts known to me that might alter or detract from the opinions expressed.

Summary

5. My evidence provides an economic assessment of a residential zoning for a group of parcels of land in Kaiapoi, referred to as the Sovereign Palms Group blocks (the "proposal").

6. The main points to note are:
    - The main towns in Waimakariri District, namely Rangiora and Kaiapoi, account for 54% of the Districts overall housing growth target (i.e. 54% of growth over the next 30 years is anticipated to occur in these towns.

- Based on my analysis, across these two towns:
    - Rangiora has insufficient Greenfield Priority Area (GPA) capacity presently and requires additional land immediately to meet its housing target.
    - Rangiora will exhaust all of its GPA and Future Development area (FDA) land by 2046, so just falls short of meeting the 30 year housing target.
    - Kaiapoi has sufficient GPA land for one for years, and therefore requires additional land immediately to meet its housing target.
    - Kaiapoi will exhaust all of its GPA and FDA land by 2031, so falls short of meeting the 30 year housing target.

7. Overall, there is an immediate need for additional land in these two main towns in Waimakariri District. This land is required to ensure the housing targets are met and that there is an efficient housing market over the next decade.

8. For the long term, out to 2048, there is insufficient capacity to meet the housing targets within these two main towns.

9. These same conclusions are also reached in the Our Space document, which shows a shortfall of 9,175 dwellings by 2048, and a more pressing shortfall by 2028 of 2,100 dwellings (page 13, Table 3). It should be noted that the Our Space document's sufficiency estimates do not include a supply buffer, which is recommended. For example, the Auckland Unitary Plan requires a seven year supply buffer to be maintained at all times in the future (i.e. through the life of the Plan). The NPS-UDC also supports a supply buffer by requiring ten years supply to be available at all times in the future.

10. This proposal would enable in the order of 312 dwellings with lot prices of $150,000 - $170,000 and dwellings prices of $350,000 - $450,000. This is affordable for a major City by national standards.

11. The availability of lower priced housing would have a wide range of social and economic benefits, most notably there would be more diversity in the housing

stock, in terms of size and price, and this would enable more households to meet their housing needs.

12. In respect of the adverse and positive economic effects, the proposal is recommended for approval.

Greater Christchurch Housing Market Overview

13. Christchurch is the only major city in New Zealand that is currently able to build any notable amount of affordable housing, and it is been doing this successfully for over 100 years. When combined with high personal incomes, it gives Christchurch a comparative advantage over the other major cities that supports strong population and business growth.

14. The following figure shows the low average lot price across the region. It is of significant importance to note that **in Waimakariri and Selwyn Districts, the average lot price is around $200,000, and a substantial 63%-67% of all new lots are brought to the market for less than $150,000**. By comparison, all other cities have an average lot price of $400,000 - $700,000 and practically no lots available for less than $150,000. This reflects a well functioning housing market in Christchurch in general.

15. The Our Space document states that "…an increasing number of households will face affordability pressures in either renting or owning their home..." (page 15). In my opinion there is no reason to expect Christchurch to have any future housing affordability issues, given its good track record, and providing it ensures an adequate pipeline of both greenfield and redevelopment/intensification capacity.

Figure 1: Average New Lot Price in NZ Major Cities ($000)

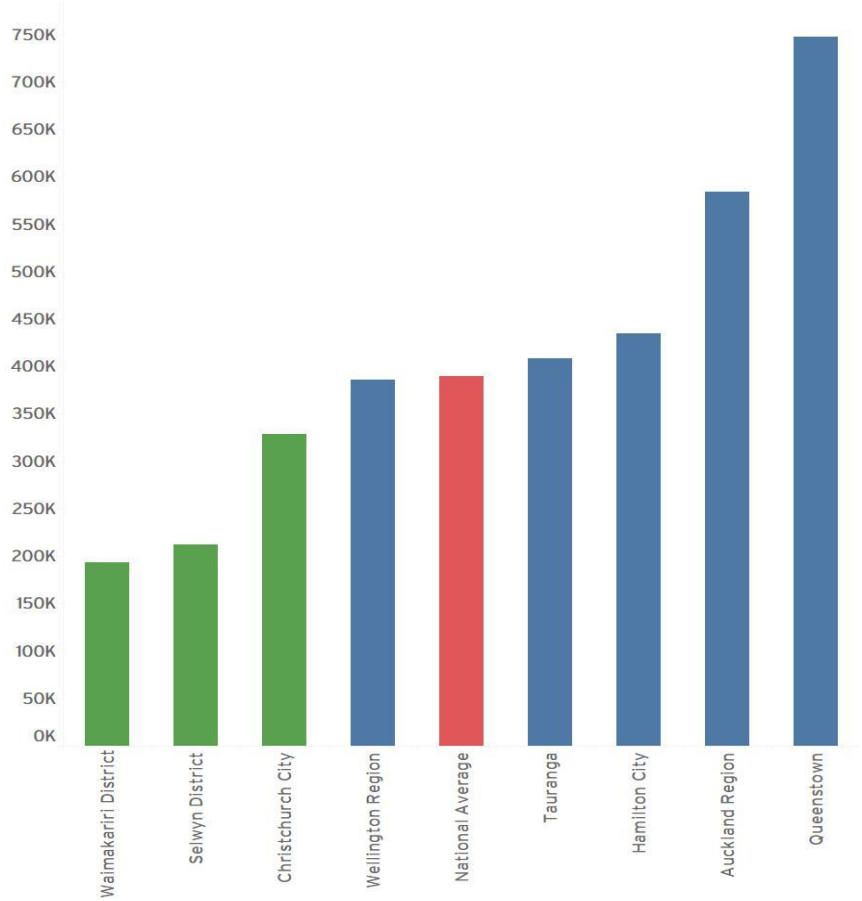
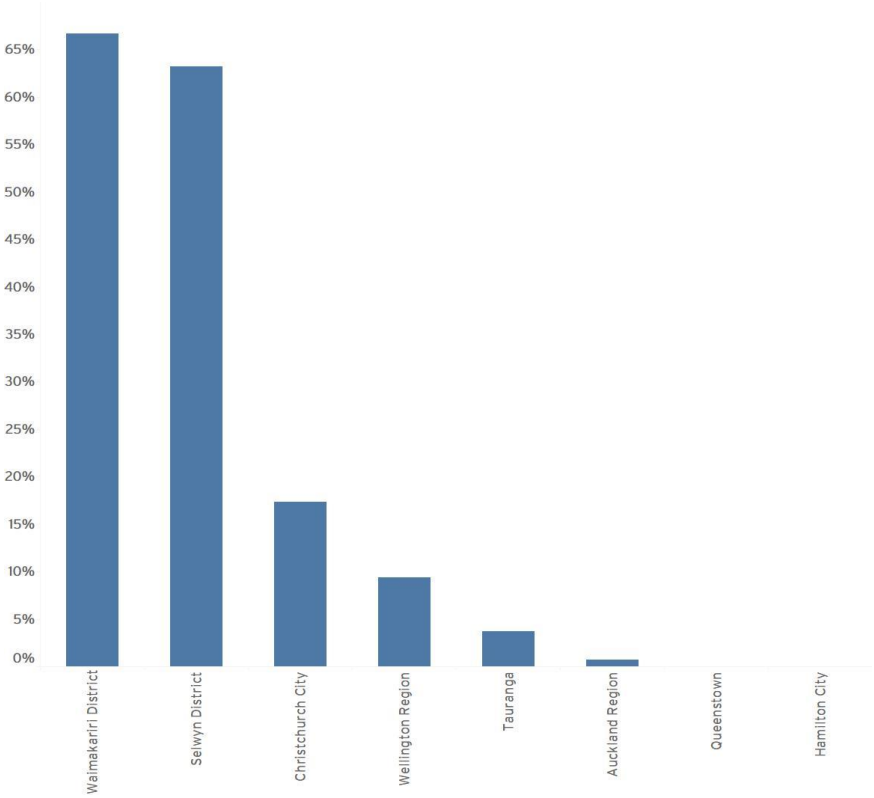


Figure 2: Percentage of New Lots for Sale for Less than $200,000



16. The Our Space strategy sets a housing growth target for 65% of new housing to be built in Christchurch City and 15% to be built in Waimakariri District. My evidence only evaluates whether Waimakariri District has sufficient capacity to accommodate 15% of future demand, and equally importantly, whether housing will continue to be affordable in Waimakariri over the next decade and beyond.

17. The Our Space document sets a 'housing target' for Waimakariri District of 13,360 dwellings over the 2018-2048 period.

18. The analysis in the following section aims to meet the housing target for Waimakariri District and is therefore in line with the Our Space strategy.

Capacity and Housing Targets

19. This section evaluates whether there is sufficient capacity to meet the 'housing target' set by the Our Space strategy for Waimakariri District, both in terms of the quantity of houses that can be built and ensuring that housing remains affordable over the next decade.

20. A detailed evaluation is provided of the main townships of Rangiora and Kaiapoi.

21. The approach of the evaluation is straight forward. The Greenfield Priority Areas (GPAs) are assessed for each township in terms of the quantity of undeveloped land that remains. Similarly, the Future Growth Areas (FGAs) are assessed for each township in terms of quantity of land. From here, an average yield of 12 dwellings per hectare (gross) is applied to determine the quantity of houses that can be built.

22. On the demand side, the 'housing targets' for each township are estimated by applying the historic distribution of growth within each District, using Building Consents. This enables the Housing Target for Waimakariri District (13,360 dwellings) to be achieved, in line with the Our Space document.

23. The last step is to compare the quantity of houses that can be built with the forecast housing target. If the number of dwellings that can be built falls short of the growth target, then the new construction will not meet the housing targets for this part of the wider region and issues such as housing affordability will arise.

24. There is also a need to provide for a 'supply buffer'. This ensures that the future supply pipeline does not run dry, and in particular that there is at any one time at least seven years of potential supply available to meet the growth targets. In my opinion, a 7 year buffer is the minimum to ensure an efficient housing market, and as a benchmark, the Auckland Unitary Plan has a policy if requiring a minimum of 7 years' supply (of live zoned and serviced land), but created sufficient greenfield capacity inside the rural urban boundary for up to 30 years (of 'future urban' land that is released over time). I also note that the NPS-UDC requires a 10 year supply buffer and it is intended for the Our Space strategy to give effect to the NPS-UDC.

25. The underlying reason for an adequate buffer is that otherwise there is a strong commercial incentive for land owners to "landbank", or continue farming, and this can mean that areas identified for new housing are simply not developed. If an owner can benefit from strong annual capital gain (due to planning regulations that overly restrict land supply) without the investment and risk of development, the land can sit idle, reducing the supply of houses and adversely affecting affordability. However, having a 7-year supply buffer of live zoned land, that is, or can be, readily serviced, substantially reduces the risk of land banking behaviour.

Rangiora

26. The following figures show the capacity for new dwellings in Rangiora. This is then compared with the forecast 'growth targets' or demand as outlined in the Our Space document. The main points to note are:

    - There are three Greenfield Priority Areas (GPAs). In total there are 59 hectares of undeveloped GPA land with potential for 727 dwellings.

- There are two Future Development Areas (FDAs). In total there are 303 hectares of undeveloped FDA land with potential for 3,641 dwellings.
- Accounting for a 7 year 'supply buffer', there is presently a capacity requirement for 1,000 dwellings. This is forecast to increase to 4,625 dwellings by 2048.
- There is annual demand for 125 dwellings in Rangiora. This is below the historic rate of growth (204 dwellings p.a.) which accounts for the strategic direction in Our Space to accommodate 15% of regional growth in Waimakariri District.
- Under the GPA scenario, there is sufficient capacity only out to 2019 (i.e. this year). Beyond this time the 7 year supply buffer will start to be eroded and this will mean demand is not met and prices start to increase.
- Under the GPA plus FDA scenario, there is sufficient capacity out to 2030. This will ensure a strong and robust housing market with affordable houses for the next eleven-year period, provided the FDA land is released for development.

27. In conclusion, if only the GPA land is released to the market, then Rangiora will not have sufficient supply to keep pace with the Our Space growth targets. The consequence will be a rapid increase in house prices and a decrease in affordability. By contrast, if both the GPA and FDA land is release to the market, then Rangiora can expect to have enough supply to keep pace with the Our Space growth targets, and perhaps more importantly, Rangiora will continue to see affordable houses being built over the next decade.

28. The following figure shows the GPA and FDA undeveloped land and the lot (dwelling) yields that are possible, based on 12 dwellings per hectare.

Figure 3: Rangiora GPA & FDA Land Supply Analysis

29. The following figure quantifies the total GPA and FDA developmental and potential lot/dwelling yield.

Figure 4: Rangiora GPA & FDA Land Supply Analysis

Development Area	Undeveloped Land (ha)	Total Dwellings
GPA 1	56	680
GPA 2	1	16
GPA 3	2	31
GPA Sub-Total	**59**	**727**
FDA 1	221	2655
FDA 2	82	986
FDA Sub-Total	**303**	**3641**
Grand Total	**362**	**4368**

Source: Urban Economics

30. The following figure shows the years for which there is sufficient capacity for a robust housing market (in green) and the years for which there is an insufficient capacity for a robust housing market (in orange). This is done for both the GPA and 'GPA plus FDA' scenarios (the 'GPA plus FDA' scenario assumes that all of this land is made available immediately.

Figure 5: Rangiora Land Sufficiency Analysis 2019-2048

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Demand	125	250	375	500	625	750	875	1000	1125	1250	1375	1500	1625	1750	1875
Supply Buffer	875	875	875	875	875	875	875	875	875	875	875	875	875	875	875
Annual Demand incl. Supply Buffer	**1000**	**1125**	**1250**	**1375**	**1500**	**1625**	**1750**	**1875**	**2000**	**2125**	**2250**	**2375**	**2500**	**2625**	**2750**
GPA	727	727	727	727	727	727	727	727	727	727	727	727	727	727	727
GPA plus FDA	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368
Year	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**
Annual Demand	2000	2125	2250	2375	2500	2625	2750	2875	3000	3125	3250	3375	3500	3625	3750
Supply Buffer	875	875	875	875	875	875	875	875	875	875	875	875	875	875	875
Annual Demand incl. Supply Buffer	**2875**	**3000**	**3125**	**3250**	**3375**	**3500**	**3625**	**3750**	**3875**	**4000**	**4125**	**4250**	**4375**	**4500**	**4625**
GPA	727	727	727	727	727	727	727	727	727	727	727	727	727	727	727
GPA plus FDA	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368

Source: Urban Economics

Kaiapoi

31. The following figures show the capacity for new dwellings in Kaiapoi. This is then compared with the forecast 'growth targets' or demand as outlined in the Our Space document. The main points to note are:

- There are three Greenfield Priority Areas (GPAs). In total there are 82 hectares of undeveloped GPA land with potential for 975

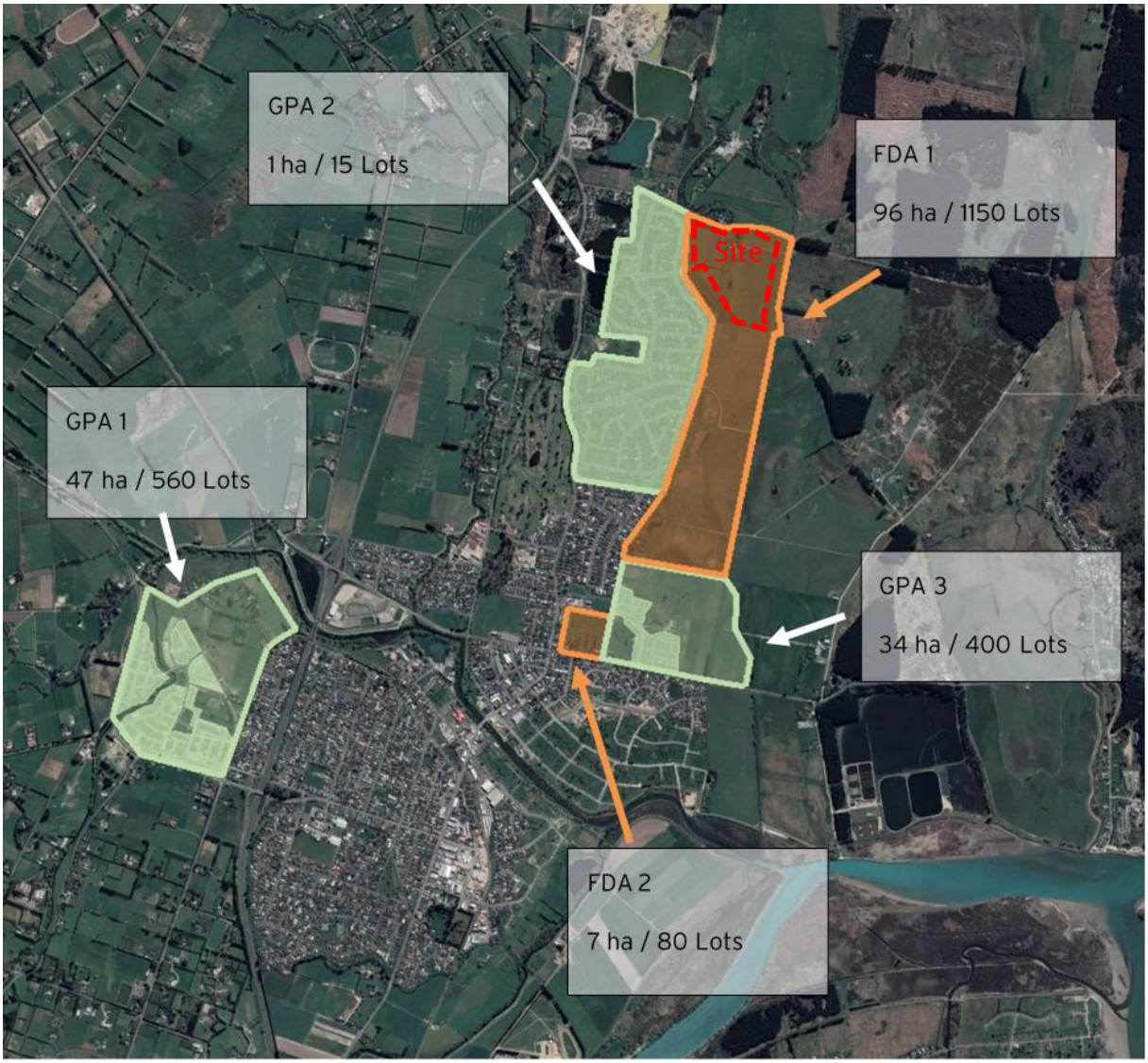
dwellings.

- There are two Future Development Areas (FDAs). In total there are 103 hectares of undeveloped FDA land with potential for 1,230 dwellings.
- Accounting for a 7 year 'supply buffer', there is presently a capacity requirement for 928 dwellings. This is forecast to increase to 4,292 dwellings by 2048.
- There is annual demand for 116 dwellings in Kaiapoi. This is below the historic rate of growth (187 dwellings p.a.) which accounts for the strategic direction in Our Space to accommodate 15% of regional growth in Waimakariri District.
- Under the GPA scenario, there is sufficient capacity only out to 2019. Beyond this time the 7 year supply buffer will start to be eroded and this will mean demand is not met and prices start to increase.
- Under the GPA plus FDA scenario, there is sufficient capacity out to 2029. This will ensure a strong and robust housing market with affordable houses for the next ten-year period.

32. In conclusion, if only the GPA land is released to the market, then Kaiapoi will not have sufficient supply to keep pace with the Our Space growth targets. The consequence will be a rapid increase in house prices and a decrease in affordability. By contrast, if both the GPA and FDA land is released to the market, then Kaiapoi can expect to have enough supply to keep pace with the Our Space growth targets, and perhaps more importantly, Kaiapoi will continue to see affordable houses being built over the next decade.

33. The following figure shows the GPA and FDA undeveloped land and the lot (dwelling) yields that are possible, based on 12 dwellings per hectare.

Figure 6: Kaiapoi GPA & FDA Land Supply Analysis



34. The following figure quantifies the total GPA and FDA developmental and potential lot/dwelling yield.

Figure 7: Kaiapoi GPA & FDA Land Supply Analysis

Development Area	Undeveloped Land (ha)	Total Dwellings
GPA 1	47	560
GPA 2	1	15
GPA 3	34	400
GPA Sub-Total	**82**	**975**
FDA 1	96	1150
FDA 2	7	80
FDA Sub-Total	**103**	**1230**
Grand Total	**185**	**2205**

Source: Urban Economics

35. The following figure shows the years for which there is sufficient capacity for a robust housing market (in green) and the years for which there is an insufficient capacity for a robust housing market (in orange). This is done for both the GPA and 'GPA plus FDA' scenarios (the 'GPA plus FDA' scenario assumes that all of this land is made available immediately

Figure 8: Kaiapoi Land Sufficiency Analysis 2019-2048

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Demand	116	232	348	464	580	696	812	928	1044	1160	1276	1392	1508	1624	1740
Supply Buffer	812	812	812	812	812	812	812	812	812	812	812	812	812	812	812
Annual Demand incl. Supply Buffer	928	1044	1160	1276	1392	1508	1624	1740	1856	1972	2088	2204	2320	2436	2552
GPA	975	975	975	975	975	975	975	975	975	975	975	975	975	975	975
GPA plus FDA	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205
Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Annual Demand	1856	1972	2088	2204	2320	2436	2552	2668	2784	2900	3016	3132	3248	3364	3480
Supply Buffer	812	812	812	812	812	812	812	812	812	812	812	812	812	812	812
Annual Demand incl. Supply Buffer	2668	2784	2900	3016	3132	3248	3364	3480	3596	3712	3828	3944	4060	4176	4292
GPA	975	975	975	975	975	975	975	975	975	975	975	975	975	975	975
GPA plus FDA	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205

Source: Urban Economics

Waimakariri District Summary

36. The previous sections analysed the main towns in Waimakariri District, namely Rangiora and Kaiapoi.

37. Together these towns account for 54% of the Districts overall housing growth target (i.e. 54% of growth over the next 30 years is anticipated to occur in these towns.

38. The main conclusions are as follows:

- Rangiora has an insufficient GPA capacity presently and requires additional land immediately to meet its housing target.
- Rangiora will exhaust all of its GPA and FDA land by 2046, so just falls short of meeting the 30 year housing target.
- Kaiapoi has sufficient GPA land for one more year, and therefore requires additional land immediately to meet its housing target.
- Kaiapoi will exhaust all of its GPA and FDA land by 2031, so falls short

of meeting the 30 year housing target.

39. Overall, there is an immediate need for additional land in these two main towns in Waimakariri District. This land is required to ensure the housing targets are met and that there is an efficient housing market over the next decade. It will also help ensure the availability of a range of housing choices, at different price points, and the affordable housing created will enable people to provide for their social and economic wellbeing, and health and safety.

40. For the long term, out to 2048, there is insufficient capacity to meet the housing targets within these two main towns.

41. These same conclusions are also reached in the Our Space document, which shows a shortfall of 9,175 dwellings by 2048, and a more pressing shortfall by 2028 of 2,100 dwellings (page 13, Table 3). It should be noted that the Our Space document's sufficiency estimates do not include a supply buffer, which is common practice. For example, the Auckland Unitary Plan requires a seven year supply buffer to be maintained at all times in the future (i.e. through the life of the plan). The NPS-UDC also supports a supply buffer by requiring ten years supply to be available at all times in the future.

The Proposal

42. The proposal relates to a 26 hectare block adjacent to an existing development area. It would achieve a total yield of around 312 lots (or dwellings) at a rate of 12 dwellings per hectare.

Existing Land Uses

43. Kaiapoi and its immediate 1-2km rural surrounds is comprised of:

- 24 rural properties comprising 1534 hectares (49%)
- 300 lifestyle block properties comprising 1230 hectares (39%)
- 4,388 residential properties comprising 391 hectares (12%)

44. The main points to note are:

- Kaiapoi is therefore dominated by lifestyle blocks, which account for almost half of all land use
- There are very few remaining rural properties, in the order of 10-15.
- The residential area accounts for 350 hectares.

45. This reflects the affordable housing available at Kaiapoi presently, which as mentioned, is unique across New Zealand for a large city.

Figure 9: Kaiapoi Property Typology

Typology	Lots	Land (ha)	% of Total
Rural	24	1,534	49%
LifeStyle	300	1,230	39%
Residential	4,388	391	12%
Total	**4,712**	**3,155**	**100%**

Source: Corelogic, Urban Economics

Housing Market Profile

46. The following figure shows the residential lot size and price. This has been determined with a regression analysis that achieved an R2 of 0.77 indicating a large amount, 77%, of variation in land value can be explained by lot size.

47. The following figure shows the prices of the existing lots in Kaiapoi. The main points to note are:

- 99% of lots are priced below $400,000.
- The large majority (88%) of lots are priced between $100,000 and $200,000.

Figure 10: Kaiapoi Residential Lot Size and Price

Price Ranges	Count	Average Lot Size (sqm)	Percentage
Under 100k	318	1,038	7%
100k-200k	3,856	679	88%
200k-300k	176	1,258	4%
300k-400k	21	2,964	0%
400k-500k	3	4,430	0%
500k and over	14	46,767	0%
Total	**4,388**	-	**100%**

Source: Corelogic, Urban Economics

48. The following figure shows the distribution of dwellings by price. This shows an even distribution of prices across the town, i.e. that there are not notable 'prime' and 'less attractive' localities within the town.

Figure 11: Kaiapoi Dwelling Price Map

Source: Corelogic, Urban Economics

Housing Demand at Kaiapoi

49. Over the past decade Kaiapoi has seen strong growth, with around 190 dwellings built annually based on Building Consent data.

50. It should be noted that in this evidence an annual 'housing growth target' of 116 dwellings per annum is adopted, rather than the total market demand.

Figure 12: Kaiapoi Residential Building Consents 2008-2018

Year	Dwellings
2009	150
2010	44
2011	93
2012	262
2013	392
2014	358
2015	224
2016	150
2017	98
2018	103
Total	**1874**
Average	**187**

Source: Statistics NZ

Kaiapoi Development Opportunities & Constraints

51. Figure 13 shows the land value, on per sqm basis, for all properties in Kaiapoi. This is calculated as the total land value divided by the property area in sqms. This is a useful tool for evaluating the redevelopment potential of land, as higher land values are a constraint on development, as they increase the cost for a developer, and often mean that a new development is not commercially feasible.

52. The main points to note are:

- There are a significant number of lifestyle blocks that surround the main urban area. These lifestyle blocks generally have a value of $50+ per sqm.
- There are only a small number of locations adjacent to the main urban area that have land values, of less than $50 per sqm, that

would enable new urban developments. These are identified in green.

53. It is evident that in Kaiapoi only some of the remaining opportunity for new residential growth that is commercially feasible.

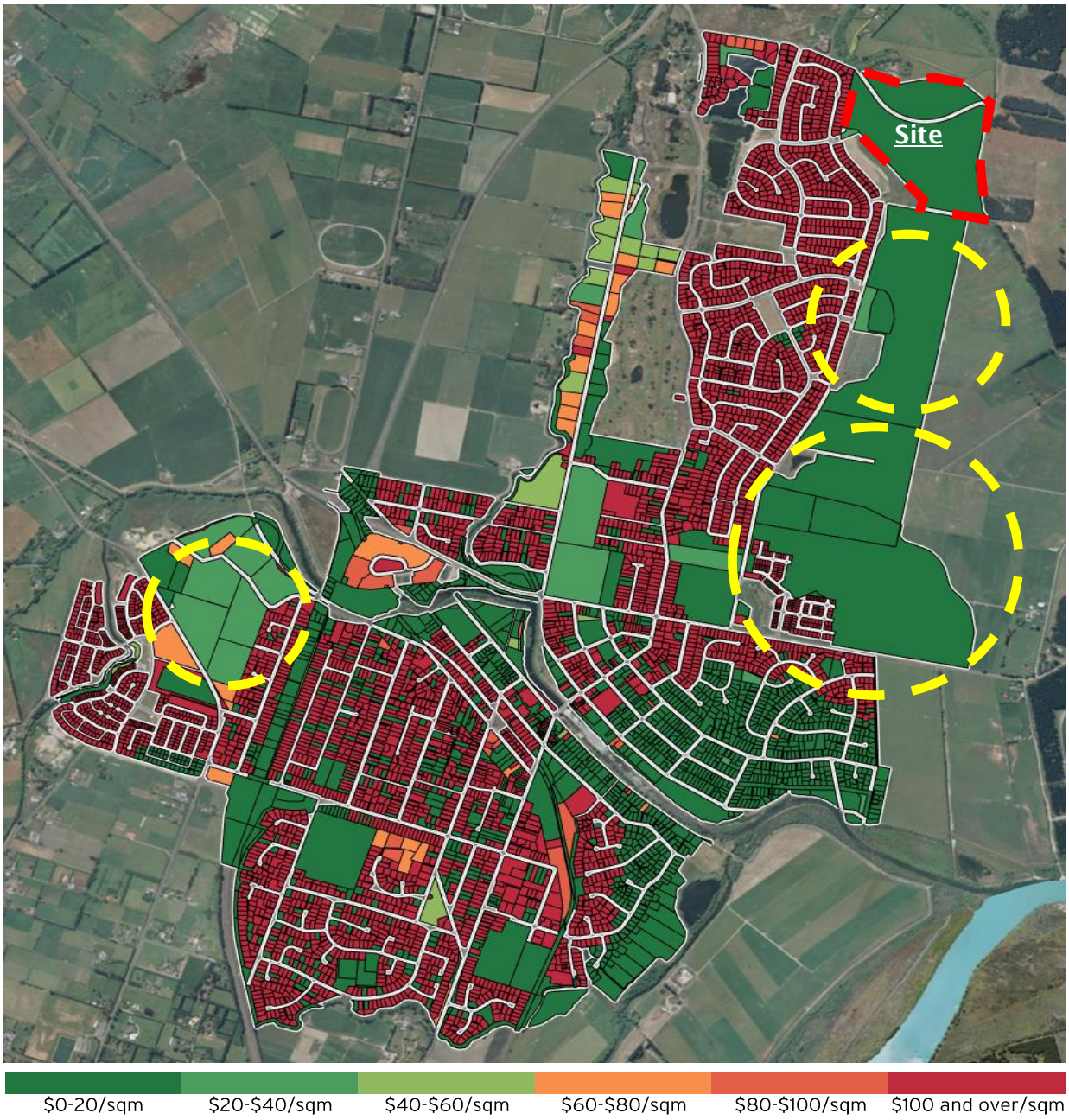
54. The proposal site, as shown in Figure 6, is an immediate expansion of an existing subdivision (Sovereign Palms) and the township more generally. It therefore would contribute to the efficient expansion of the town as well as any of the other GPA or FDA land.

55. As shown in Figure 6, the Greenfield Priority Area 2 is almost entirely developed, with only 1 hectare of remaining undeveloped land. The proposal site is essentially an additional stage to this development, which would be developed immediately if zoned. This is also evident in Figure 13 below, which shows the site is adjacent to a developed area.

56. More generally, because the proposal would represent an additional stage to the existing Sovereign Palms development, this would provide several benefits, namely, there is a high degree of certainty that the same high quality development would continue, and buyers would have a high degree of confidence that they are buying into a reputable development.

57. This supports the submitters request for the inclusion of the site within the GPA area in the Our Space strategy.

Figure 13: Land Value per Sqm



Source: Waimakariri District Council, Corelogic, Urban Economics

Commercially Feasible Infill Capacity

58. Due to low section prices and high development costs, the feasibility model found no commercially feasible infill capacity in Kaiapoi.

Development Yield from the Sovereign Palms Site

59. The proposal would enable the development of approximately 312 lots or dwellings (at 12 lots per hectare).

Conclusion

60. I therefore support the submitter's request that this land be brought within the GPA area to enable it to be developed for its residential housing potential. It would have the following benefits:

- It could be developed immediately as an extension to an additional stage to an existing subdivision,
- It would contribute to the necessary seven-year buffer for Rangiora, ensuring a healthy housing market with affordable housing,
- It would be in line with, and support, the 'housing targets' set out in the Our Space strategy, and
- It would enable an additional developer to ensure price competition and choice.

_____

Adam Jeffrey Thompson

Date: 21 February 2019

Appendix 1: Lot Size and Lot Value Correlation

61. The following figure shows the estimated lot price for a range of lot sizes in Kaiapoi. This is derived from a regression analysis, which had a r2 of 37%, indicating a fair portion of the variation in lot value can be explained by lot size alone.

Figure 14: Lot Size and Lot Price Correlation for Kaiapoi

Lot Size (sqm)	Lot Value	Count	Percentage
300	149,000	24	1%
400	151,000	335	8%
500	153,000	279	7%
600	154,000	494	13%
700	156,000	1,119	28%
800	158,000	807	20%
900	160,000	314	8%
1000	162,000	320	8%
1100	163,000	100	3%
1200	165,000	48	1%
1300	167,000	30	1%
1400	169,000	12	0%
1500	170,000	16	0%
1600	172,000	16	0%
1700	174,000	7	0%
1800	176,000	3	0%
1900	178,000	1	0%
2000	179,000	20	1%

Source: Corelogic, Urabn Economics

Before the Greater Christchurch Partnership

In the Matter	of the Local Government Act 2002
And	
In the Matter	of a submission by Suburban Estates Limited, Doncaster Developments Limited and Sovereign Palms Limited on the Greater Christchurch Settlement Update – Our Space 2018-2048

Evidence of Adam Jeffery Thompson

Dated 21 February 2019

(Rangiora land)

Introduction

1. My full name is Adam Jeffrey Thompson. I am the Director of Urban Economics Limited. I hold a Bachelor of Resource Studies from Lincoln University (1998), a Master of Planning from Auckland University (2000) and a Dissertation in Urban Economics from the London School of Economics (2014). I have studied urban economics at Auckland University and environmental economics at Lincoln University.

2. I have 16 years experience as an Urban Economist and have owned and managed two consulting firms that have provided services in these fields. I have undertaken over 600 economic and property market assessments for a range of private and public sector clients.

3. I was one of the two main developers of the Auckland Council Developable Capacity Model, which informed land supply for the Auckland Unitary Plan review.

4. I record that I have read and agree to abide by the Environment Court's Code of Conduct for Expert Witnesses as specified in the Environment Court's Practice Note 2014. This evidence is within my area of expertise, except where I state that I rely upon the evidence of other expert witnesses as presented to this hearing. I have not omitted to consider any material facts known to me that might alter or detract from the opinions expressed.

Summary

5. My evidence provides an economic assessment of a residential zoning for a group of parcels of land in Rangiora, referred to as the Doncaster Developments Group block (the "proposal").

6. The main points to note are:
    - The main towns in Waimakariri District, namely Rangiora and Kaiapoi, account for 54% of the Districts overall housing growth target (i.e. 54% of growth over the next 30 years is anticipated to occur in these towns.

- Based on my analysis, across these two towns:
    - Rangiora has insufficient Greenfield Priority Area (GPA) capacity presently and requires additional land immediately to meet its housing target.
    - Rangiora will exhaust all of its GPA and Future Development area (FDA) land by 2046, so just falls short of meeting the 30 year housing target.
    - Kaiapoi has sufficient GPA land for one year, and therefore requires additional land immediately to meet its housing target.
    - Kaiapoi will exhaust all of its GPA and FDA land by 2031, so falls short of meeting the 30 year housing target.
- Overall, there is an immediate need for additional land in these two main towns in Waimakariri District. This land is required to ensure the housing targets are met and that there is an efficient housing market over the next decade.
- For the long term, out to 2048, there is insufficient capacity to meet the housing targets within these two main towns.

7. These same conclusions are also reached in the Our Space document, which shows a shortfall of 9,175 dwellings by 2048, and a more pressing shortfall by 2028 of 2,100 dwellings (page 13, Table 3). It should be noted that the Our Space document's sufficiency estimates do not include a supply buffer, which is common practice. For example, the Auckland Unitary Plan requires a seven year supply buffer to be maintained at all times in the future (i.e. through the life of the plan). The NPS-UDC also supports a supply buffer by requiring ten years supply to be available at all times in the future.

8. This proposal would enable in the order of 96 dwellings, on lots of around 500-600m^2 on average.

9. This lot size range would enable lot prices of $160,000 - $170,000 and dwelling prices of $350,000 - $450,000.

10. The availability of lower priced housing would have a wide range of social and economic benefits, most notably there would be more diversity in the housing

stock, in terms of size and price, and this would enable more households to meet their housing needs.

11. In respect of the adverse and positive economic effects, overall, the proposal is recommended for inclusion in the Our Space strategy as an area for urban development.

Greater Christchurch Housing Market Overview

12. Christchurch is the only major city in New Zealand that is currently able to build any notable amount of affordable housing, and it is been doing this successfully for over 100 years. When combined with high personal incomes, it gives Christchurch a comparative advantage over the other major cities that supports strong population and business growth.

13. The following figure shows the low average lot price across the region. It is of significant importance to note that **in Waimakariri and Selwyn District where the average lot price is around $200,000 and a substantial 63%-67% of all new lots are brought to the market for less than $150,000.** By comparison, all other cities have an average lot price of $400,000 - $700,000 and practically no lots available for less than $150,000. This reflects a well functioning housing market in Christchurch in general.

14. The Our Space document states that "…an increasing number of households will face affordability pressures in either renting or owning their home..." (page 15). In my opinion there is no reason to expect Christchurch to have any future housing affordability issues, given its good track record, and providing it ensures an adequate pipeline of both greenfield and redevelopment/intensification capacity.

Figure 1: Average New Lot Price in NZ Major Cities ($000)

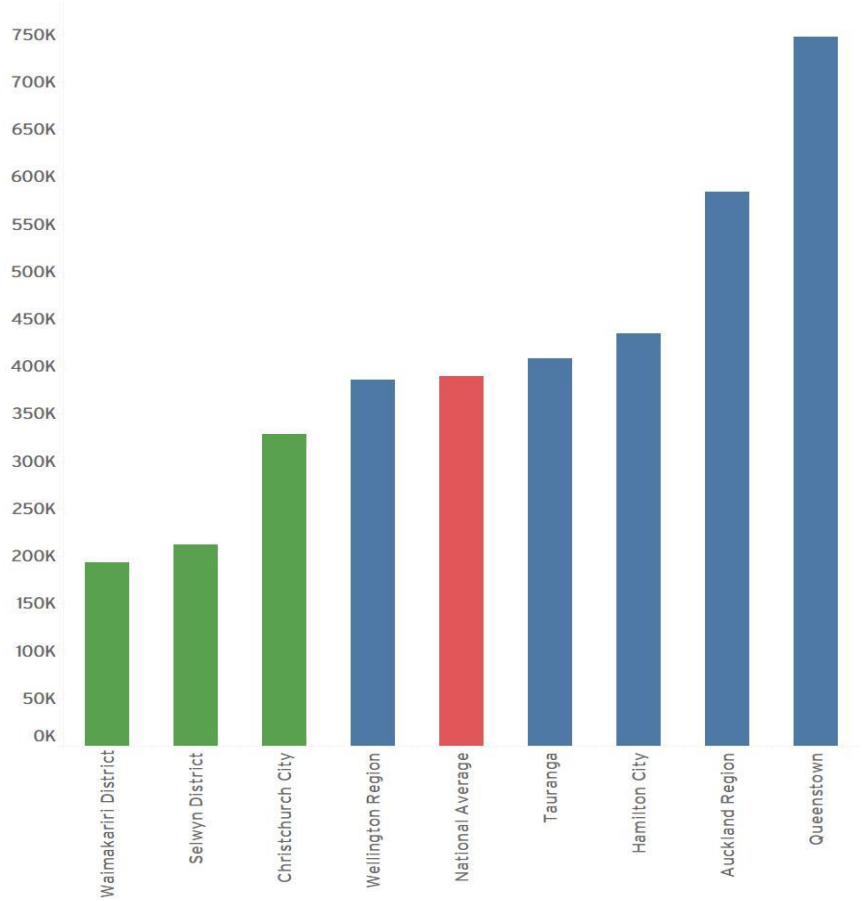
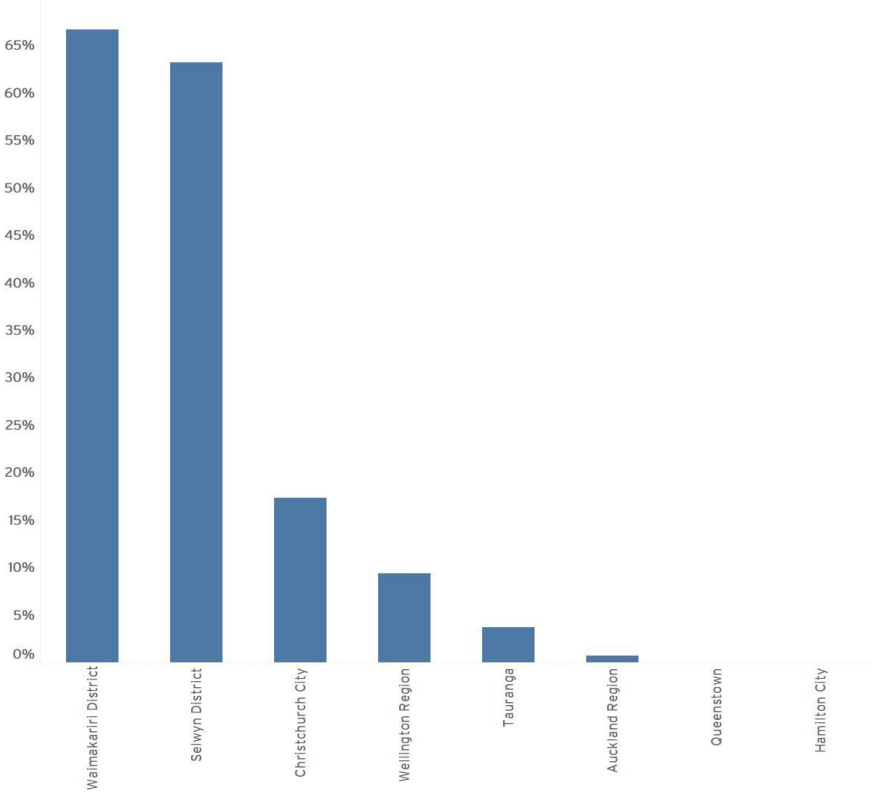


Figure 2: Percentage of New Lots for Sale for Less than $200,000



15. The Our Space strategy sets a housing growth target for 65% of new housing to be built in Christchurch City, and 15% to be built in Waimakariri District. My evidence only evaluates whether Waimakariri district has sufficient capacity to accommodate 15% of future demand, and equally importantly, whether housing will continue to be affordable in Waimakariri over the next decade and beyond.

16. The Our Space strategy sets a 'housing target' for Waimakariri District of 13,360 dwellings over the 2018-2048 period.

17. The analysis in the following section aims to meet the housing targets for Waimakariri District, and is therefore in line with the Our Space strategy.

Capacity and Housing Targets

18. This section evaluates whether there is sufficient capacity to meet the 'housing targets' set by the Our Space strategy for Waimakariri District, both in terms of the quantity of houses that can be built and ensuring that housing remains affordable over the next decade.

19. A detailed evaluation is provided of the main townships of Rangiora and Kaiapoi.

20. The approach of the evaluation is straight forward. The Greenfield Priority Areas (GPAs) are assessed for each township in terms of the quantity of undeveloped land that remains. Similarly, the Future Growth Areas (FGAs) are assessed for each township in terms of quantity of land. From here, an average yield of 12 dwellings per hectare (gross) is applied to determine the quantity of houses that can be built.

21. On the demand side, the 'housing targets' for each township are estimated by applying the historic distribution of growth within each District, using Building Consents. This enables the Housing Target for Waimakariri District (13,360 dwellings) to be achieved, in line with the Our Space document.

22. The last step is to compare the quantity of houses that can be built with the forecast housing targets. If the number of dwellings that can be built falls short of the growth target, then the new construction will not meet the housing targets for this part of the wider region and issues such as housing affordability will arise.

23. There is also a need to provide for a 'supply buffer'. This ensures that the future supply pipeline does not run dry, and in particular that there is at any one time at least seven years of potential supply available to meet the growth targets. In my opinion, a 7 year buffer is the minimum to ensure an efficient housing market, and as a benchmark, the Auckland Unitary Plan has a policy of requiring a minimum of 7 years' supply (of live zoned and serviced land), but created sufficient greenfield capacity inside the rural urban boundary for up to 30 years (of 'future urban' land that is released over time). I also note that the NPS-UDC requires a 10 year supply buffer and it is intended for the Our Space strategy to give effect to NPS-UDC.

24. The underlying reason for an adequate buffer is that otherwise there is a strong commercial incentive for land owners to "landbank", or continue farming, and this can mean that areas identified for new housing are simply not developed. If an owner can benefit from strong annual capital gain (due to planning regulations that overly restrict land supply) without the investment and risk of development, the land can sit idle, reducing the supply of houses and adversely affecting affordability. However, having a 7-year supply buffer of live zoned land, that is, or can be, readily serviced, substantially reduces the risk of land banking behaviour.

Rangiora

25. The following figures show the capacity for new dwellings in Rangiora. This is then compared with the forecast 'growth targets' or demand as outlined in the Our Space document. The main points to note are:

    - There are three Greenfield Priority Areas (GPAs). In total there are 59 hectares of undeveloped GPA land with potential for 727 dwellings.

- There are two Future Development Areas (FDAs). In total there are 303 hectares of undeveloped FDA land with potential for 3,641 dwellings.
- Accounting for a 7 year 'supply buffer', there is presently a capacity requirement for 1,000 dwellings. This is forecast to increase to 4,625 dwellings by 2048.
- There is annual demand for 125 dwellings in Rangiora. This is below the historic rate of growth (204 dwellings p.a.) which accounts for the strategic direction in Our Space to accommodate 15% of regional growth in Waimakariri District.
- Under the GPA scenario, there is sufficient capacity only out to 2019 (i.e. this year). Beyond this time the 7 year supply buffer will start to be eroded and this will mean demand is not met and prices start to increase.
- Under the GPA plus FDA scenario, there is sufficient capacity out to 2030. This will ensure a strong and robust housing market with affordable houses for the next eleven-year period, provided the FDA land is released for development.

26. In conclusion, if only the GPA land is released to the market, then Rangiora will not have sufficient supply to keep pace with the Our Space growth targets. The consequence will be a rapid increase in house prices and a decrease in affordability. By contrast, if both the GPA and FDA land is release to the market, then Rangiora can expect to have enough supply to keep pace with the Our Space growth targets, and perhaps more importantly, Rangiora will continue to see affordable houses being built over the next decade.

27. The following figure shows the GPA and FDA undeveloped land and the lot (dwelling) yields that are possible, based on 12 dwellings per hectare.

Figure 3: Rangiora GPA & FDA Land Supply Analysis

28. The following figure quantifies the total GPA and FDA developmental and potential lot/dwelling yield.

Figure 4: Rangiora GPA & FDA Land Supply Analysis

Development Area	Undeveloped Land (ha)	Total Dwellings
GPA 1	56	680
GPA 2	1	16
GPA 3	2	31
GPA Sub-Total	**59**	**727**
FDA 1	221	2655
FDA 2	82	986
FDA Sub-Total	**303**	**3641**
Grand Total	**362**	**4368**

Source: Urban Economics

29. The following figure shows the years for which there is sufficient capacity for a robust housing market (in green) and the years for which there is an insufficient capacity for a robust housing market (in orange). This is done for both the GPA and 'GPA plus FDA' scenarios (the 'GPA plus FDA' scenario assumes that all of this land is made available immediately.

Figure 5: Rangiora Land Sufficiency Analysis 2019-2048

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Demand	125	250	375	500	625	750	875	1000	1125	1250	1375	1500	1625	1750	1875
Supply Buffer	875	875	875	875	875	875	875	875	875	875	875	875	875	875	875
Annual Demand incl. Supply Buffer	**1000**	**1125**	**1250**	**1375**	**1500**	**1625**	**1750**	**1875**	**2000**	**2125**	**2250**	**2375**	**2500**	**2625**	**2750**
GPA	727	727	727	727	727	727	727	727	727	727	727	727	727	727	727
GPA plus FDA	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368
Year	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**
Annual Demand	2000	2125	2250	2375	2500	2625	2750	2875	3000	3125	3250	3375	3500	3625	3750
Supply Buffer	875	875	875	875	875	875	875	875	875	875	875	875	875	875	875
Annual Demand incl. Supply Buffer	**2875**	**3000**	**3125**	**3250**	**3375**	**3500**	**3625**	**3750**	**3875**	**4000**	**4125**	**4250**	**4375**	**4500**	**4625**
GPA	727	727	727	727	727	727	727	727	727	727	727	727	727	727	727
GPA plus FDA	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368	4368

Source: Urban Economics

Kaiapoi

30. The following figures show the capacity for new dwellings in Kaiapoi. This is then compared with the forecast 'growth targets' or demand as outlined in the Our Space document. The main points to note are:

- There are three Greenfield Priority Areas (GPAs). In total there are 82 hectares of undeveloped GPA land with potential for 975

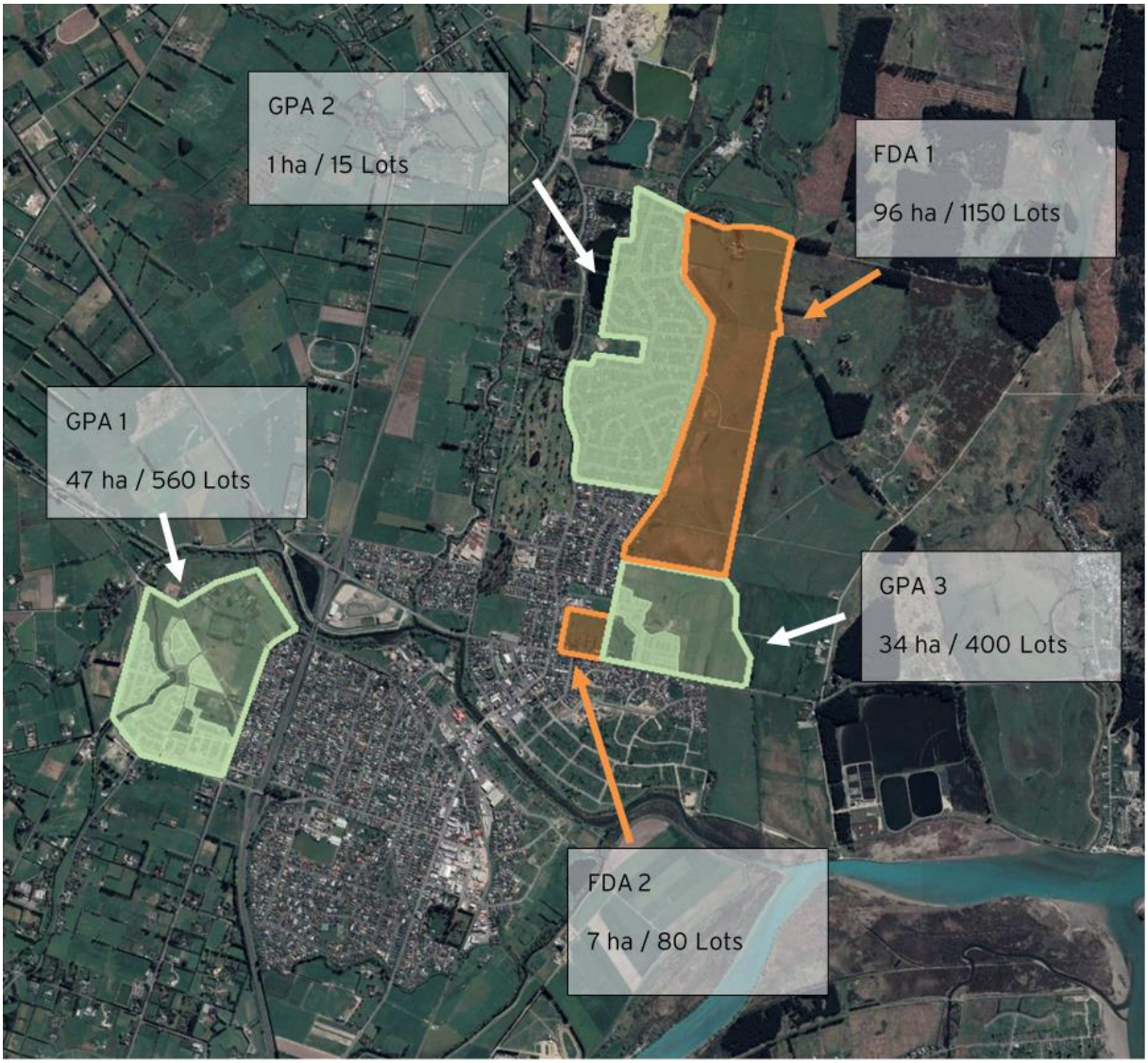
dwellings.

- There are two Future Development Areas (FDAs). In total there are 103 hectares of undeveloped FDA land with potential for 1,230 dwellings.
- Accounting for a 7 year 'supply buffer', there is presently a capacity requirement for 928 dwellings. This is forecast to increase to 4,292 dwellings by 2048.
- There is annual demand for 116 dwellings in Kaiapoi. This is below the historic rate of growth (187 dwellings p.a.) which accounts for the strategic direction in Our Space to accommodate 15% of regional growth in Waimakariri District.
- Under the GPA scenario, there is sufficient capacity only out to 2019. Beyond this time the 7 year supply buffer will start to be eroded and this will mean demand is not met and prices start to increase.
- Under the GPA plus FDA scenario, there is sufficient capacity out to 2029. This will ensure a strong and robust housing market with affordable houses for the next ten-year period.

31. In conclusion, if only the GPA land is released to the market, then Kaiapoi will not have sufficient supply to keep pace with the Our Space growth targets. The consequence will be a rapid increase in house prices and a decrease in affordability. By contrast, if both the GPA and FDA land is released to the market, then Kaiapoi can expect to have enough supply to keep pace with the Our Space growth targets, and perhaps more importantly, Kaiapoi will continue to see affordable houses being built over the next decade.

32. The following figure shows the GPA and FDA undeveloped land and the lot (dwelling) yields that are possible, based on 12 dwellings per hectare.

Figure 6: Kaiapoi GPA & FDA Land Supply Analysis



33. The following figure quantifies the total GPA and FDA developmental and potential lot/dwelling yield.

Figure 7: Kaiapoi GPA & FDA Land Supply Analysis

Development Area	Undeveloped Land (ha)	Total Dwellings
GPA 1	47	560
GPA 2	1	15
GPA 3	34	400
GPA Sub-Total	**82**	**975**
FDA 1	96	1150
FDA 2	7	80
FDA Sub-Total	**103**	**1230**
Grand Total	**185**	**2205**

Source: Urban Economics

34. The following figure shows the years for which there is sufficient capacity for a robust housing market (in green) and the years for which there is an insufficient capacity for a robust housing market (in orange). This is done for both the GPA and 'GPA plus FDA' scenarios (the 'GPA plus FDA' scenario assumes that all of this land is made available immediately

Figure 8: Kaiapoi Land Sufficiency Analysis 2019-2048

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Demand	116	232	348	464	580	696	812	928	1044	1160	1276	1392	1508	1624	1740
Supply Buffer	812	812	812	812	812	812	812	812	812	812	812	812	812	812	812
Annual Demand incl. Supply Buffer	928	1044	1160	1276	1392	1508	1624	1740	1856	1972	2088	2204	2320	2436	2552
GPA	975	975	975	975	975	975	975	975	975	975	975	975	975	975	975
GPA plus FDA	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205
Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Annual Demand	1856	1972	2088	2204	2320	2436	2552	2668	2784	2900	3016	3132	3248	3364	3480
Supply Buffer	812	812	812	812	812	812	812	812	812	812	812	812	812	812	812
Annual Demand incl. Supply Buffer	2668	2784	2900	3016	3132	3248	3364	3480	3596	3712	3828	3944	4060	4176	4292
GPA	975	975	975	975	975	975	975	975	975	975	975	975	975	975	975
GPA plus FDA	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205	2205

Source: Urban Economics

Waimakariri District Summary

35. The previous sections analysed the main towns in Waimakariri District, namely Rangiora and Kaiapoi.

36. Together these towns account for 54% of the Districts overall housing growth target (i.e. 54% of growth over the next 30 years is anticipated to occur in these towns.

37. The main conclusions are as follows:

- Rangiora has an insufficient GPA capacity presently and requires additional land immediately to meet its housing target.
- Rangiora will exhaust all of its GPA and FDA land by 2046, so just falls short of meeting the 30 year housing target.
- Kaiapoi has sufficient GPA land for one more year, and therefore requires additional land immediately to meet its housing target.
- Kaiapoi will exhaust all of its GPA and FDA land by 2031, so falls short

of meeting the 30 year housing target.

38. Overall, there is an immediate need for additional land in these two main towns in Waimakariri District. This land is required to ensure the housing targets are met and that there is an efficient housing market over the next decade. It will also help ensure the availability of a range of housing choices, at different price points, and the affordable housing created will enable people to provide for their social and economic wellbeing, and health and safety.

39. For the long term, out to 2048, there is insufficient capacity to meet the housing targets within these two main towns.

40. These same conclusions are also reached in the Our Space document, which shows a shortfall of 9,175 dwellings by 2048, and a more pressing shortfall by 2028 of 2,100 dwellings (page 13, Table 3). It should be noted that the Our Space document's sufficiency estimates do not include a supply buffer, which is common practice. For example, the Auckland Unitary Plan requires a seven year supply buffer to be maintained at all times in the future (i.e. through the life of the plan). The NPS-UDC also supports a supply buffer by requiring ten years supply to be available at all times in the future.

The Proposal

41. The proposal relates to an 8 hectare block adjacent to an existing development area. It would achieve a total yield of 96 lots (or dwellings) at a rate of 12 dwellings per hectare.

Site Characteristics

42. The proposal would form an extension, in the form of an additional stage, of the current Arlington Park development.

Existing Land Uses

43. Rangiora and its immediate 1-2km rural surrounds is comprised of:

- 25 rural properties comprising 692 hectares (35%)
- 170 lifestyle block properties comprising 698 hectares (356)
- 6,302 residential properties comprising 548 hectares (29%)

44. The main points to note are:

- There are very few remaining rural properties, in the order of 25.
- The Urban area accounts for 550 hectares.

Figure 9: Rangiora Property Typology

Typology	Lots	Land (ha)	% of Total
Rural	25	692	35%
LifeStyle	170	698	36%
Urban	6,302	548	29%
Total	**6,497**	**1,952**	**100%**

Source: Corelogic, Urban Economics

Housing Market Profile

45. The following figure shows the residential lot size and price. This has been determined with a regression analysis that achieved an R2 of 0.63 indicating a large amount, 63%, of variation in land value can be explained by lot size.

46. The following figure shows the price of the existing dwellings in Rangiora. The main points to note are:

- 40% of dwellings are priced below $400,000.
- The large majority (91%) of dwellings are priced below $600,000 and $200,000.
- Only 9% of dwellings are priced at $600,000 or more

Figure 10: Rangiora Residential Lot Size and Price

Price Ranges	Count	Average Lot Size (sqm)	Percentage
Under 100k	445	43	7%
100k-200k	4,500	668	71%
200k-300k	1,180	962	19%
300k-400k	109	2,268	2%
400k-500k	30	2,914	0%
500k and over	38	24,516	1%
Total	**6,302**	-	**100%**

Source: Corelogic, Urban Economics

47. The following figure shows the distribution of dwellings by price. This shows an even distribution of prices across the town, i.e. that there are not notable 'prime' and 'less attractive' localities within the town.

Figure 11: Rangiora Dwelling Price Map

Source: Corelogic, Urban Economics

Housing Demand at Rangiora

48. Over the past decade Rangiora has seen strong growth, with around 200 dwellings built annually based on Building Consent data.

49. It should be noted that in this evidence an annual 'housing growth target' of 125 dwellings per annum is adopted, rather than the total market demand.

Figure 12: Rangiora Residential Building Consents 2008-2018

Year	Dwellings
2009	84
2010	101
2011	229
2012	329
2013	307
2014	208
2015	155
2016	208
2017	180
2018	241
Total	**2042**
Average	**204**

Source: Statistics NZ

Rangiora Development Opportunities & Constraints

50. The following figure shows the land value, on per sqm basis, for all properties in Rangiora. This is calculated as the total land value divided by the property area in sqms. This is a useful tool for evaluating the redevelopment potential of land, as higher land values are a constraint on development, as they increase the cost for a developer, and often mean that a new development is not commercially feasible.

51. The main points to note are:

- There are a significant number of lifestyle blocks that surround the main urban area. These lifestyle blocks generally have a value of $50+ per sqm.
- There is only one GPA location adjacent to the main urban area that has land values, of less than $50 per sqm and has a residential zoning (Residential 2), that would enable new urban developments. This is identified in yellow.

52. It is evident that Rangiora has very little remaining opportunity for new residential growth that is commercially feasible without rezoning some of the land in the urban area or cutting into the Lifestyle blocks that make up the greenbelt around Rangiora.

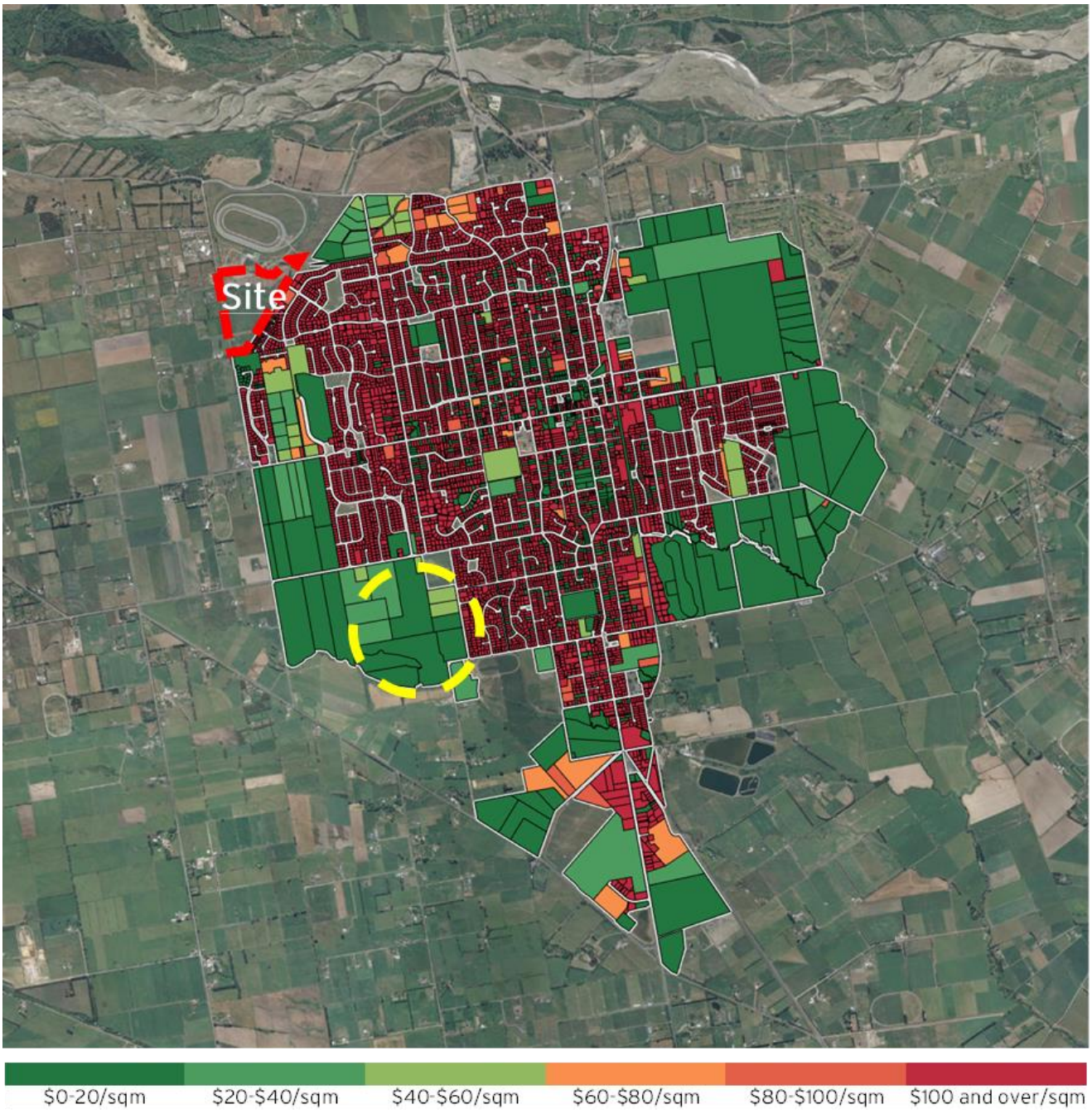
53. The proposal site, as shown in Figure 6, is an immediate expansion of an existing subdivision (Arlington Park) and the township more generally. It therefore would contribute to the efficient expansion of the town as well as any of the other GPA or FDA land.

54. As shown in Figure 6, the Greenfield Priority Area 3 is almost entirely developed, with only 2 hectares of remaining undeveloped land. The proposal site is essentially an additional stage to this development, which would be developed immediately if zoned. This is also evident in Figure 13 below, which shows the site is adjacent to a developed area.

55. More generally, because the proposal would represent an additional stage to the existing Arlington Park development, this would provide several benefits, namely, there is a high degree of certainty that the same high quality development would continue, and buyers would have a high degree of confidence that they are buying into a reputable development.

56. This supports the submitters request for the inclusion of the site within the GPA area in the Our Space strategy.

Figure 13: Land Value per Sqm



Source: Waimakariri District Council, Corelogic, Urban Economics

Commercially Feasible Infill Capacity

57. Due to low section prices and high development costs, the feasibility model found no commercially feasible infill capacity in Rangiora.

Development Yield from the Proposed Site

58. The proposal would enable the development of approximately 96 lots or dwellings (at 12 lots per hectare).

Conclusion

59. I therefore support the submitter's request that this land be brought within the GPA area to enable it to be developed for its residential housing potential. It would have the following benefits:

- It could be developed immediately as an extension to an additional stage to an existing subdivision,
- It would contribute to the necessary seven-year buffer for Rangiora, ensuring a healthy housing market with affordable housing,
- It would be in line with, and support, the 'housing targets' set out in the Our Space strategy, and
- It would enable an additional developer to ensure price competition and choice.

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Adam Jeffrey Thompson

Date: 21 February 2019

Appendix 1: Lot Size and Lot Value Correlation

60. The following figure shows the estimated lot price for a range of lot sizes in Rangiora. This is derived from a regression analysis, which had a r2 of 37%, indicating a fair portion of the variation in lot value can be explained by lot size alone.

Figure 14: Lot Size and Lot Price Correlation for Rangiora

Lot Size (sqm)	Lot Value	Count	Percentage
300	163,000	92	2%
400	165,000	203	4%
500	167,000	210	4%
600	169,000	1,364	25%
700	171,000	1,400	25%
800	173,000	905	16%
900	175,000	513	9%
1000	178,000	331	6%
1100	180,000	128	2%
1200	182,000	84	2%
1300	184,000	58	1%
1400	186,000	38	1%
1500	188,000	47	1%
1600	190,000	26	0%
1700	192,000	24	0%
1800	194,000	22	0%
1900	196,000	21	0%
2000	198,000	28	1%

Source: Corelogic, Urban Economics