

**BEFORE AN INDEPENDENT HEARINGS PANEL
APPOINTED BY WAIMAKARIRI DISTRICT COUNCIL**

UNDER the Resource Management Act 1991

IN THE MATTER of Submissions and further submissions on the Proposed
Waimakariri District Plan and Variation 1

AND Hearing Streams 10A and 12

**JOINT MEMORANDUM OF COUNSEL ON BEHALF OF
WOODWATER LIMITED / CARTER GROUP PROPERTY LIMITED /
ROLLESTON INDUSTRIAL DEVELOPMENTS LTD / MOMENTUM LAND
LIMITED /
MIKE GREER HOMES (NZ) LIMITED / BELLGROVE RANGIORA LIMITED /
OHOKA FARMS LIMITED / DONCASTER DEVELOPMENTS LIMITED
SEEKING DIRECTIONS AS TO
THE PROVISION OF ECONOMIC INFORMATION AND ECONOMIC
CONFERENCING**

Date: 22 April 2024

Christchurch
Solicitor acting: G J Cleary
Level 9, Anthony Harper Tower
62 Worcester Boulevard
PO Box 2646, Christchurch 8140
Tel +64 3 379 0920 | Fax +64 3 366 9277
gerard.cleary@ah.co.nz



Background

- 1 On 22 January 2024, Counsel on behalf of the Carter Group Property Limited/ Rolleston Industrial Developments Ltd filed a memorandum requesting the Panel to direct that further economic information be provided by the Waimakariri District Council and the author of the Waimakariri Residential Capacity and Demand Model- IPI 2023 (the Economic Report).
- 2 In response, the Panel issued Minute 17. In essence, this Minute advised that the request was premature owing to the fact that the Panel had yet to receive either a section 42A Report or evidence on behalf of submitters. The Minute stated:

3. We have considered the submitters' request for directions. We find that the directions are premature in terms of proceedings. We have yet to receive a s 42A report or submitter evidence and we are therefore not yet in a position to turn our minds to the matters raised by the submitters.

4. If the submitters have identified what they consider are deficiencies in the Economic Report, then we suggest that they raise these directly with the Council. We have asked the Council to provide to the s 42A author so that they are aware of it and the questions that the submitters have.

- 3 Subsequently, the following statements of evidence/technical reports have been filed on behalf of the parties to this Joint Memorandum:
 - Incite Economics (Fraser Colegrave) on behalf of Woodwater Ltd, dated 04 March 2024;
 - Incite Economics (Fraser Colegrave) on behalf of Momentum Land Ltd and Mike Greer Homes (NZ) Ltd dated 2 February 2024;
 - Incite Economics (Fraser Colegrave) on behalf of Ohoka Farms Limited dated 2 February 2024;
 - Property Economics (Tim Heath) on behalf of Doncaster Developments Ltd dated 5 March 2024;
 - Market Economics (Greg Akehurst) on behalf of Carter Group Property Limited and Rolleston Industrial Developments Limited; and
 - Savvy Consulting Limited (Natalie Hampson) on behalf of Carter Group Property Limited and Rolleston Industrial Developments Limited.

Bellgrove Rangiora Limited is yet to file a statement of economic evidence by Fraser Colegrave, in accordance with the timetable set by the Panel.

4 Shortly before the above evidence was filed, on 27 February 2024 the Panel had issued Minute 20: *Questions Arising From Hearing Stream 10, Next Steps and Directions for Hearing Streams 10A and 12.*

5 At page 6 of Minute 20, the Panel set out the following questions for the economic experts to address in conferencing:

<i>Growth Projections</i>	<i>Q1 – Does the PDP provide for sufficient development capacity in accordance with the requirements of s 31 RMA, the NPS-UD and the RPS (respectively) in the short, medium and long term? Please set out any relevant assumptions.</i>	<i>Economic</i>
	<i>Q.2 Does the PDP, as amended through Variation, provide for sufficient development capacity in accordance with the requirements of s 31 RMA, the NPS-UD and the RPS (respectively) in the short, medium and long term? Please set out any relevant assumptions</i>	<i>Economic</i>

6 Minute 20 further stipulated:

*We request that expert conferencing occurs on the other topics, with joint witness statements being provided by no later than 4pm **Friday 26th April 2024.** ..*

7 In response to Minute 20, the parties to this memorandum contacted their economic experts to confirm availability to attend conferencing. Following confirmation of availability, correspondence took place between these experts and the author of the Economic Report (Mr. Yeoman) to arrange a suitable time for the conferencing to take place.

8 As part of this correspondence, requests for information supporting the Economic Report were set out. By way of example, we **attach** e-mail correspondence between Mr Colegrave and the Council's S 42 Reporting officer for Stream 10A (Mr. Wilson) and Mr. Yeoman. This correspondence details the information sought and the importance of this information for the purposes of economic conferencing.

9 At this point in time, some of the additional information requested has been provided.

- 10 In more recent correspondence, it has been suggested by the Council that the economic experts advising the parties to this memorandum could prepare a model similar to the model used by Mr Yeoman in the Economic Report. The economic experts do not accept this is either possible or practicable in the timeframes available, their view being that it would be a substantial exercise requiring many months to develop a sufficiently robust model.
- 11 The collective view of the economists advising the parties to this Memorandum is that all the information requested is necessary for them to be able to answer the Panel's questions in Minute 20, as outlined above. Regrettably, without all the information they consider there is no value in economic conferencing proceeding at this time. A minor exception to this collective view is that Mr. Akehurst & Ms Hampton for the Carter Group Property Limited/ Rolleston Industrial Developments Ltd would like to confirm with Mr. Yeoman that the assumptions they have made regarding the model used in the Economic Report are correct.

Directions Sought

- 12 The parties to this memorandum seek that the Council and/or Mr. Yeoman be directed by the Panel provide **all** outstanding information requested by the other economic experts as a matter of urgency, and by no later than **Friday 26 April 2024**.
- 13 Should this information be provided as directed, an alternative date for the economists to conference and provide a response to the Panel's questions in Minute 20 is also sought. The parties suggest that this be Friday **17 May 2024**, or such other date as the Panel considers appropriate and necessary.

Dated: 22 April 2024



G J Cleary

On behalf of Woodwater Limited
(Submitter 215)



C Fowler

On behalf of Momentum Land Limited, Mike Greer Homes (NZ) Limited, Bellgrove Rangiora Limited, and Ohoka Farms Limited



Margo Perpick

On behalf of Doncaster Developments Limited



J M Appleyard/ LMN Forrester

On behalf of Carter Group Property Limited/ Rolleston Industrial Developments Limited

(Submitter 160 and 237, Submitter 60 for Variation 1)

Attachment A

From: Fraser Colegrave <fraser@insighteconomics.co.nz>
Sent: Tuesday, 26 March 2024 4:59 PM
To: Peter Wilson; Rodney Yeoman
Cc: Tim Heath; philosb1201@yahoo.co.nz; Greg Akehurst
Subject: RE: Further Information Request

Hi Peter

Thanks for the response. It is much appreciated.

Below, you have helpfully provided cross references for a few fields (such as the modelled dwelling size and section size). **Please let me explain my request further.**

In my request for additional parcel-level information, I am asking to see the precise input values and assumptions used to calculate feasible capacity for each parcel in Rodney's output file. That file shows the capacity claimed to arise from a detailed modelling exercise, where a specific dwelling type/size is assumed for each parcel, and its various costs and revenues then estimated to calculate the profit margin earned. If that margin exceeds a threshold value, the parcel has feasible capacity and thus appears in Rodney's file.

However, currently we know nothing about the specific assumptions made for each of those parcels in Rodney's file. For example, currently we do not know:

- The mix of dwelling types that comprise capacity and how they compare to recent trends/demand patterns
- The assumed sizes of those dwellings (and sections) and how they compare to recent trends/demand
- The assumed costs, so that we can reconcile those with published/known land and construction cost rates.
- The presumed sales prices, so that they can be reconciled with recent sales prices
- Whether sufficient capacity is provided for stand alone vs attached dwellings as required by the NPS UD
- And so on.

Without the additional information requests, we cannot independently examine Rodney's capacity estimates, yet they play a crucial role in this process. Submitters need much more detail to assist the panel.

Hopefully, this provides a bit more context for my request, and apologies for not being clear enough in my initial email.

Cheers
Fraser

Fraser Colegrave
Managing Director

Insight Economics
+64 21 346 553
30 Pollen Street, Grey Lynn
Auckland 1021
www.insighteconomics.co.nz

From: Peter Wilson <peter.wilson@wmk.govt.nz>
Sent: Tuesday, March 26, 2024 4:18 PM
To: Fraser Colegrave <fraser@insighteconomics.co.nz>; Rodney Yeoman <rodney@formative.co.nz>
Cc: Tim Heath <tim@propertyeconomics.co.nz>; philosb1201@yahoo.co.nz; Greg Akehurst <greg@me.co.nz>
Subject: RE: Further Information Request

Dear Fraser,

I have discussed your request with Rodney Yeoman, and in response to your data request I can advise the following. Note that I have been in conferencing for the last few days and where I need to discuss it further with Rodney I have outlined this in my response. I'll aim to have this discussion this week, noting the demands of expert conferencing.

1. Current state/use – e.g. vacant site, vacant superlot, existing dwelling etc

This is provided in the parcel level data already supplied, which does not use or define a 'superlot'. The data provided includes land area and buildings, which can use to establish vacant and dwellings.

2. Is in FDA/greenfield priority area etc?

See parcel level data. The parcel level data can be mapped to establish what is FDA.

3. Is in PIB?

See parcel level data. This can be mapped to establish what is in PIB.

4. GFA of existing buildings (if any)

I will have a further discussion with Rodney about this

5. Age of existing buildings (if any)

I will have a further discussion with Rodney about this

6. Current land value

I will have a further discussion with Rodney about this

7. Current improved value

I will have a further discussion with Rodney about this

8. MedTermCapacity – Capacity type (greenfield, infill, redevelopment)

See parcel level data already supplied, the NPSUD does not require reporting by these categories.

9. MedTermCapacity – Modelled dwelling type(s)

This is outlined in the Formative report, all options are tested.

10. MedTermCapacity – Modelled dwelling size(s)

This is outlined in the Formative report, all options are tested.

11. MedTermCapacity – Modelled section size(s)

This is outlined in Appendix A of the Formative report, all options are tested.

12. MedTermCapacity – Modelled site acquisition costs

I will have a further discussion with Rodney about this

13. MedTermCapacity – Modelled land preparation costs (including demolition, remediation, onsite and offsite infrastructure etc)

This is outlined in the Formative report, I will have a further discussion with Rodney about this

14. MedTermCapacity – Modelled construction costs

This is outlined in the Formative report, I will have a further discussion with Rodney about this

15. MedTermCapacity – Modelled other costs (contingencies, realtor fees etc)

This is outlined in the Formative report, I will have a further discussion with Rodney about this

16. MedTermCapacity – Modelled profit margin

This is outlined in the Formative report, and is available through Statistics NZ

17. MedTermCapacity – Modelled sales price

This is outlined in the Formative report, I will have a further discussion with Rodney about this

18. LongTermCapacity – Capacity type (greenfield, infill, redevelopment)

See parcel level data already supplied, the NPSUD does not require reporting by these categories.

19. LongTermCapacity – Modelled year that capacity is feasible

See parcel level data already supplied, the NPSUD does not require reporting by year

20. LongTermCapacity – Modelled dwelling type(s)

This is outlined in the Formative report, all options are tested.

21. LongTermCapacity – Modelled dwelling size(s)

This is outlined in the Formative report, I will have a further discussion with Rodney about this

22. LongTermCapacity – Modelled section size(s)

This is outlined in Appendix A of the Formative report

23. LongTermCapacity – Modelled site acquisition costs

This is outlined in the Formative report, I will have a further discussion with Rodney about this

24. LongTermCapacity – Modelled land preparation costs (including demolition, remediation, onsite and offsite infrastructure etc)

This is outlined in the Formative report, I will have a further discussion with Rodney about this

25. LongTermCapacity – Modelled construction costs

This is outlined in the Formative report, I will have a further discussion with Rodney about this

26. LongTermCapacity – Modelled other costs (contingencies, realtor fees etc)

This is outlined in the Formative report, I will have a further discussion with Rodney about this

27. LongTermCapacity – Modelled profit margin

This is outlined in the Formative report, the Statistics NZ data is available.

28. LongTermCapacity – Modelled sales price

This is outlined in the Formative report, I will have a further discussion with Rodney about this

Peter

Peter Wilson | Principal Policy Planner

Development Planning Unit

Phone: 0800 965 468 (0800 WMK GOV)

DDI: +64 3 975 5043



waimakariri.govt.nz

From: Fraser Colegrave <fraser@insighteconomics.co.nz>

Sent: Tuesday, March 26, 2024 10:41 AM

To: Rodney Yeoman <rodney@formative.co.nz>; Peter Wilson <peter.wilson@wmk.govt.nz>

Cc: Tim Heath <tim@propertyeconomics.co.nz>; philosb1201@yahoo.co.nz; Greg Akehurst <greg@me.co.nz>

Subject: RE: Further Information Request

Caution: [THIS EMAIL IS FROM AN EXTERNAL SOURCE] DO NOT CLICK links or attachments unless you recognise the sender e

Hi Rodney/Peter

Can you please acknowledge receipt of my email below and confirm when the requested data will be provided?
As I'm sure you will appreciate, we cannot answer the questions posed to us by the panel without that information.

Can you please also confirm acceptance of the additional question I previously posed for the economics conferencing session?

I am away during the first week of the school holidays, so we are running out of time to receive and review the necessary data – then conference – by the April 26 deadline.

I look forward to your prompt response.

Thanks
Fraser

Fraser Colegrave
Managing Director

Insight Economics
+64 21 346 553
30 Pollen Street, Grey Lynn
Auckland 1021
www.insighteconomics.co.nz

From: Fraser Colegrave

Sent: Thursday, March 21, 2024 12:21 PM

To: Rodney Yeoman <rodney@formative.co.nz>; Peter Wilson <peter.wilson@wmk.govt.nz>

Cc: Tim Heath <tim@propertyeconomics.co.nz>; philosb1201@yahoo.co.nz; Greg Akehurst <greg@me.co.nz>

Subject: Further Information Request

Hi Rodney/Peter

Thank you for the parcel level outputs, which I have carefully reviewed. Unsurprisingly, I have a lot of questions, most of which arise because no information has been provided about the assumed types, sizes, costs, and prices of new dwellings. Such details are crucial to addressing the questions posed by the panel for our forthcoming conferencing session. Accordingly, to best assist the panel, **can you please provide the following details for each record/parcel ASAP:**

1. Current state/use – e.g. vacant site, vacant superlot, existing dwelling etc
2. Is in FDA/greenfield priority area etc?
3. Is in PIB?
4. GFA of existing buildings (if any)
5. Age of existing buildings (if any)
6. Current land value
7. Current improved value
8. MedTermCapacity – Capacity type (greenfield, infill, redevelopment)
9. MedTermCapacity – Modelled dwelling type(s)
10. MedTermCapacity – Modelled dwelling size(s)
11. MedTermCapacity – Modelled section size(s)
12. MedTermCapacity – Modelled site acquisition costs
13. MedTermCapacity – Modelled land preparation costs (including demolition, remediation, onsite and offsite infrastructure etc)
14. MedTermCapacity – Modelled construction costs
15. MedTermCapacity – Modelled other costs (contingencies, realtor fees etc)
16. MedTermCapacity – Modelled profit margin
17. MedTermCapacity – Modelled sales price
18. LongTermCapacity – Capacity type (greenfield, infill, redevelopment)
19. LongTermCapacity – Modelled year that capacity is feasible
20. LongTermCapacity – Modelled dwelling type(s)
21. LongTermCapacity – Modelled dwelling size(s)
22. LongTermCapacity – Modelled section size(s)
23. LongTermCapacity – Modelled site acquisition costs
24. LongTermCapacity – Modelled land preparation costs (including demolition, remediation, onsite and offsite infrastructure etc)
25. LongTermCapacity – Modelled construction costs
26. LongTermCapacity – Modelled other costs (contingencies, realtor fees etc)
27. LongTermCapacity – Modelled profit margin
28. LongTermCapacity – Modelled sales price

I also note that the top 20 parcels account for more than half of total medium-term capacity. **Can you please provide a detailed explanation of how you've estimated the capacity on these large sites, including the types and sizes of dwellings assumed to comprise feasible capacity for each development.** i.e. I presume the model does not simply assume that all new dwellings on each of these large sites is of the same type/size/price? Or, does the model not explicitly assess feasibility for these large sites?

Many thanks in advance.

Cheers
Fraser

Fraser Colegrave
Managing Director

Insight Economics
+64 21 346 553
30 Pollen Street, Grey Lynn
Auckland 1021
www.insighteconomics.co.nz