

IN THE MATTER OF

the Resource Management Act 1991

AND

IN THE MATTER OF

Submissions and further submissions in relation to
the proposed Waimakariri District Plan Stream 8 and
Stream 12

**Statement of Evidence of Rodney Yeoman
on behalf of Waimakariri District Council
(Economics)**

1. INTRODUCTION

Qualifications and experience

- 1.1 My full name is Rodney George Yeoman. My qualifications are degrees of Bachelor of Commerce (Econ) and Bachelor of Laws from the University of Auckland. I also hold a Postgraduate Honours in Economics from the Australian National University.
- 1.2 I am a member of the New Zealand Association of Economists, and the Resource Management Law Association.
- 1.3 I am a Director of Formative Limited, an independent consultancy specialising in economic, social, and urban form issues. I have 18 years consulting and project experience, working for commercial and public sector clients.
- 1.4 I specialise in policy assessment, industry and markets research, the form and function of urban economies, the preparation of forecasts, and evaluation of outcomes and effects. I have applied these specialties throughout New Zealand, and in Australia, across most sectors of the economy, notably assessments of district plan policies and rules, urban form, land demand, housing, and other local government issues.
- 1.5 I have provided advice to the Waimakariri District Council (“WDC” or “Council”) for the last seven years, most relevantly on many aspects of the growth projections, Waimakariri Capacity for Growth Modelling (“WCGM22”), District Plan Review (“DPR”), National Policy Statement on Urban Development (“NPS-UD”), Intensification Planning Instrument (“IPI”) required by the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act and National Policy Statement for Highly Productive Land (“NPS-HPL”).
- 1.6 I have also provided similar research for Selwyn District Council, and for Christchurch City Council on some aspects of IPI and Greater Christchurch Partnership for some aspects of NPS-UD.
- 1.7 The 2023 Housing Capacity Assessment (“HCA”) that was released by the Greater Christchurch Partnership (“GCP 2023 HCA”) uses the capacity results from the WCGM22 research, which I conducted jointly with my colleague Dr Michael Gordon.

Code of conduct

- 1.8 Whilst I acknowledge that this is not an Environment Court hearing, I confirm that I have been provided with a copy of the Code of Conduct for Expert Witnesses contained in the Environment Court’s Practice Note dated 1 January 2023. I have read and agree to comply with that Code. This evidence is within my area of expertise, except where I state that I am relying upon the specified evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

Scope of Evidence

- 1.9 I have been asked by WDC to provide evidence regarding the economic effects associated

with a number of submissions that request zone changes to the notified Proposed District Plan (“PDP”).

- 1.10 I note that I have prepared statements of evidence relating to submissions that request residential rezoning within Topic 12A¹, 12C², 12D³ and 12E⁴. Those requests are covered in separate statements and are appended to the relevant s42A report, and I refer to that residential evidence in parts of this statement. Additionally, my colleague Mr Foy provides economic evidence on the submissions that request Commercial and Industrial rezoning.⁵
- 1.11 These other statements include more detail on the WCGM22, the economic evidence provided in each of those hearing Streams, and the submissions. I do not repeat this detail in this evidence, as it is adequately covered in those statements.
- 1.12 The purpose of this evidence is to address the commissioners’ requests in:
- (a) **Minute 20**⁶, which requested that economists undertake expert conferencing and to provide a joint witness statement by the 26th April. The minute outlined two questions:
- “Q1 - Does the PDP provide for sufficient development capacity in accordance with the requirements of s31 RMA, the NPS-UD and the RPS (respectively) in the short, medium and long term? Please set out any relevant assumptions.*
- Q2 - Does the PDP, as amended through Variation 1, provide for sufficient development capacity in accordance with the requirements of s31 RMA, the NPS-UD and the RPS (respectively) in the short, medium and long term? Please set out any relevant assumptions.”*
- (b) **Minute 23**⁷, which instructed that I provide a response to one of the commissioner questions from Stream 8. This question related to minimum density rules for subdivision in the New Residential Development Areas⁸ and is outlined below in full.
- “While the WRCDM23 is stated as supporting the 15 hh/ha threshold, from where was the (lesser) 12 hh/ha standard taken and how was it rationalised?” [214]*⁹

¹ Rodney Yeoman (2024) Memo Capacity and Demand at Oxford.

² Statement of evidence of Rodney Yeoman on behalf of Waimakariri District Council (Economics) Stream 12C Large Lot Residential.

³ Statement of evidence of Rodney Yeoman on behalf of Waimakariri District Council (Economics) Stream 12D Ōhoka Rezoning.

⁴ Statement of evidence of Rodney Yeoman on behalf of Waimakariri District Council (Economics) Stream 12E Rangiora, Kaiapoi and Woodend/Ravenswood/Pegasus.

⁵ Statement of evidence of Derek Foy on behalf of Waimakariri District Council (Economics) Stream 12A Commercial and Industrial.

⁶ Minute 20 Questions Arising from Hearings Streams 10, Next steps and Directions for Hearing Streams 10A and 12. Page 5

⁷ Minute 23 Questions Arising from Hearings Streams 8, 9A, 11 and 11A, Approach to HS12, Urban Design Expert HS12D. Paragraph [5]

⁸ Development Areas Chapter within the Proposed District Plan and are West Rangiora, North East Rangiora, South East Rangiora and Kaiapoi.

⁹ Questions from the Hearing Panel Hearing Stream 8, 9A, 11 and 11A.

1.13 I have previously read and am generally familiar with a range of relevant planning documents and the PDP, and have read Ms McClung's response to the commissioners' question¹⁰.

2. MINUTE 20 EXPERT CONFERENCING

2.1 In this section I summarise the process that occurred since Minute 20, which was dated 27th February 2024.

2.2 The submitters were asked to nominate whether their experts would be made available for expert conferencing by the 12th of March and to provide contact details.

2.3 Council officers provided me with a list of economists/experts, solicitors, submitters and nominated contact details on the 14th of March. I was asked to email the nominated contact to organise a time to undertake conferencing.

2.4 On the 14th of March I sent an email to each of the nominated contacts, asking for availability of their economists/experts to attend an online meeting in the following week. In a bid to expedite the process so as to have conferencing completed, where possible I also emailed each of the economist/experts. I received prompt responses from most experts between 14-18 of March, although no response at all from two experts¹¹. It was not possible to agree on a time that the nominated experts would be available in the following week, which I acknowledge was mostly related to prior commitments of some experts.

2.5 On the 18th of March, I was asked by council officers to again attempt to set up the expert conferencing. I sent out emails to all nominated contacts and economist/experts with my availability noted between 21 March-5 April. I received very few responses to that email, and none provided availability for the expert conferencing. I still have not received responses from some of the nominated experts.

2.6 In my opinion, I undertook reasonable steps to set up the expert conferencing and I made myself available to confer, as required in clause 9.4 of the Environment Court's Practice Note.

2.7 Finally, having inferred that my attempts to organise conferencing had not been successful, in early April I requested that Council officers directly contact the submitter contacts, to attempt to organise expert conferencing. My understanding is that this alternative process was also not fruitful, and there was no agreement on when expert conferencing would occur.

2.8 The outcome of this process has been that despite efforts by myself and council officers, there has not been any expert conferencing or arrangement for such to occur, as of the date of this statement. At the time of writing this statement the commissioners released

¹⁰ Rachel McClung Council Officer's Preliminary Response to written questions on Subdivision 12 April 2024.

¹¹ Mr Akehurst and Philip Osborne.

Minute 24, which requested “that the submitters continue to liaise with the Council directly in respect of the provision of evidence and the timing of conferencing and that the Council officers to be as responsive to this as possible.”¹² Council officers have informed me that they will liaise with submitters, and conferencing may well have occurred before I appear for this evidence.

2.9 I note that there have been requests for data from the WCGM22 before the expert conferencing process, and also during the process. This data has been made available to the requesters and also made public on the website. I note that the level of detail provided by Council exceeds what is provide by all other Tier 1 councils, except Selwyn District Council which provides exactly the same information.

2.10 Moreover, I note that in the Selwyn District Plan Review process submitter experts asked for the same level of detail as is being requested for this hearing. In that case, the commissioners considered that the information provided was sufficient, and that the request for further data was not accepted.¹³ In my opinion the information publicly available is adequate to enable submitters and their experts to undertake their own assessments, and to engage in expert conferencing.

3. MINUTE 23 NEW RESIDENTIAL DEVELOPMENT AREAS MINIMUM DENSITY

3.1 In this section I summarise the content and key information about Waimakariri residential land and the findings from the latest 2022 residential land assessment. The purpose of this update is to provide some context within which the commissioners’ question around the minimum density within the New Residential Development Areas can be considered.¹⁴

Recent growth

3.2 Over the last two decades, Waimakariri District has experienced rapid growth in population, from around 37,100 in 2000 to 69,000 in 2023.¹⁵ That equates to average annual growth of 2.7% per annum, which is much faster than almost every other district in New Zealand - only Selwyn and Queenstown Lakes grew at a faster rate.

3.3 As the population has grown, the three main towns (Rangiora, Kaiapoi, and Woodend¹⁶) have accommodated a larger share of the new residents. Last year over 80% of new population growth was located in these three urban areas alone.¹⁷

¹² Minute 24 Response to Submitter Memorandum on Economic Conferencing. Paragraph [4]

¹³ Direction of the Independent Hearings Panel Minute 2 Selwyn Capacity Growth Model – SCGM.

¹⁴ DEV-WR-APP1 - West Rangiora Outline Development Plan, DEV-NER-APP1 - North East Rangiora Outline Development Plan, DEV-SER-APP1 - South East Rangiora Outline Development Plan, DEV-K-APP1 - Kaiapoi Outline Development Plan.

¹⁵ Statistics New Zealand (2023) Subnational Population Estimates.

¹⁶ Woodend is a conglomeration which includes Ravenswood and Pegasus.

¹⁷ Ibid.

- 3.4 The remaining growth was spread over the small settlements¹⁸, Rural Lifestyle Zone, and the General Rural Zone. Of the population growth last year, 12% was located west of Two Chains Road and north of Ashley River (outside the Greater Christchurch area), while the remaining 8% was located in the small settlements in the Greater Christchurch area, and the Rural Lifestyle Zone.
- 3.5 In summary, there has been high growth within the three main towns (Rangiora, Kaiapoi, and Woodend) and these towns have accommodated a larger share of growth in the District. The other settlements, Rural Lifestyle Zone, and the General Rural Zone have accommodated a declining share of growth.
- 3.6 The new dwelling building consents reflect the same pattern as population growth, with a significant share of new dwelling building consents being located within the Urban Environment¹⁹ (Rangiora, Kaiapoi, and Woodend), 83% in the last 12 months.²⁰ Less than 9% was located outside the Greater Christchurch area and 8% in the small settlements/rural areas of the Greater Christchurch area (Figure 2.1).

Figure 2.1: Waimakariri District New Dwelling Building Consents (2019-2024)

New Dwelling Consents	2019	2020	2021	2022	2023	2024*
Urban Environment	511	428	695	633	597	644
Rural Greater Christchurch	58	52	95	80	68	64
Outside Greater Christchurch	69	71	105	119	75	71
Total	638	551	895	832	740	779
Urban Environment	80%	78%	78%	76%	81%	83%
Rural Greater Christchurch	9%	9%	11%	10%	9%	8%
Outside Greater Christchurch	11%	13%	12%	14%	10%	9%
Standalone	92%	93%	94%	91%	82%	79%
Attached	8%	7%	6%	9%	18%	21%

**Last 12 months, ending February 2024*

- 3.7 The split between standalone and attached dwellings has continued to change, with attached dwellings accounting for over 21% of all new dwellings in Waimakariri in the last 12 months. At the same time the share of dwellings that are standalone decreased from 92% in 2019 to less than 79% in 2024. This trend has been observed in all the high growth Tier 1 councils in New Zealand.
- 3.8 I consider that it is clear that preferences for dwellings are changing, with higher density typologies becoming more popular, and that this trend is likely to continue and follow the path seen in other cities in New Zealand. This means that the demand for lower density

¹⁸ Oxford, Ashley, Sefton, Cust, Mandeville, Ohoka, Cust, Waikuku, Waikuku Beach, Woodend Beach, The Pines Beach, Kairaki, Tuahiwi. Also, the other areas with Large lot Residential such as Fernside, Swannanoa, West Eyreton, Loburn North.

¹⁹ I acknowledge that there is debate around the definition of Urban Environment, which was subject to a Joint Witness Statement by the Planners. I have adopted the definition that has been applied in the Greater Christchurch Partnership HCA, which it the three main towns Rangiora, Kaiapoi, and Woodend.

²⁰ Statistics New Zealand (2024) New Dwelling Building Consents – February 2024.

dwellings in smaller settlements will continue to decline in the future.

Projected growth

- 3.9 The latest population projections provided in 2022 have three scenarios, low, medium, and high.²¹ The Council has adopted the High projection for NPS-UD assessments, both for residential and business assessments.²²
- 3.10 The latest population (High scenario) is higher than the range projected in the 2021 projections.²³ While Covid19 resulted in short term impacts, the economy and population growth has been resilient and has recovered quickly.
- 3.11 There has also been a general decline in residential development activity within the urban areas in New Zealand, with the largest declines in activity being observed in greenfield areas. However, activity within Waimakariri has remained relatively stable. Also there has been a large inflow of immigration to New Zealand, which could result in more demand in the coming years.
- 3.12 I consider that the Council's decision to adopt High projection is a conservative position. It is likely that demand will grow at a level below the High projection, and that it is unlikely that demand will continuously reach the High projection for the entire medium term (10 years) or long term (30 years). Specifically, growth over these periods is likely to be lower than what the Council is planning for, which means that the Council's stance is conservative.
- 3.13 Moreover, I consider that the shift in demand preferences is likely to continue which will result in less demand for lower density dwelling types than is shown in the demand projections. The WCGM22 applies conservative assumptions on the share of demand for attached dwellings²⁴ and share of demand located in urban environment²⁵. Conversely, the WCGM22 is likely to overestimate the demand for standalone dwellings and lower density dwelling types.
- 3.14 Importantly, for the purposes of the commissioners' question it is likely that more demand will be accommodated in denser developments, which will mostly be over 15 dwellings per hectare. Also, I note that some of this future demand for higher density typologies can be expected to be accommodated in the New Residential Development Areas.
- 3.15 There has been a trend towards increasing acceptance of denser typology dwellings, both in Waimakariri and the wider Greater Christchurch area, and also across all Tier 1 urban environments in New Zealand. I consider that over the coming medium term (10 years) and

²¹ Statistics New Zealand (2022) Sub-national Population Projections.

²² A previously used medium-high scenario is no longer used for Waimakariri District planning purposes.

²³ Statistics New Zealand (2021) Sub-national Population Projections.

²⁴ Currently set at 9% and held constant in the model, which is less than half the share that has been observed in the last 12 months. This means that the WCGM22 overestimates the demand for low intensity standalone dwellings.

²⁵ Currently set at 79% and held constant in the model, which is 4% lower than the share that has been observed in the last 12 months. This means that the WCGM22 overestimates the demand for low intensity standalone dwellings outside the urban environment.

long term (30 years) it is very likely that this trend will continue and that there will be more need for denser typologies.

- 3.16 Specifically, encouraging development of at least 15 dwellings per hectare in the New Residential Development Areas will be an important measure for accommodating this demand. Given the demand, from an economic perspective I would not support a minimum density of 12 dwellings per hectare, as this could reduce the potential capacity of the New Residential Development Areas to accommodate the demand. This land is strategically important and should be encouraged to develop to a density that is commensurate to the expected demand. However, there may well be other non-economic rationales that need to be considered.
- 3.17 The results of the WCGM22 suggest that there is expected to be demand in the Urban Environment for 4,970 new dwellings in the medium term (10 years) and 11,700 new dwellings in the long term (30 years).²⁶ That forecast is based on the High growth scenario and are discussed in the Economic Assessment that is attached to Variation 1 (Topic 12E)²⁷, and is similar to the average observed over the last five years (Figure 2.1).

Capacity for Growth context

- 3.18 The WCGM22 is a desktop analysis which is an update of the modelling conducted in 2019 and 2021, and is similar to the methods applied to other Tier 1 councils in the Greater Christchurch Partnership (by Formative for Selwyn and by Christchurch City Council for Christchurch).
- 3.19 In summary, it uses parcel level data to establish the number of dwellings that can be provided within each parcel. This assessment is ground-truthed via a review of developer intentions for large greenfield sites and recent building consents for smaller brownfield sites.²⁸ This comparison shows that the WCGM22 results are conservative, and that the model is likely to underestimate the amount of development that could be achieved by the market in the future. I note that the NPS-UD is prescriptive in terms of the assessment method that councils must adopt, which means that WCGM22 inherently underestimates capacity.
- 3.20 Importantly, the WCGM22 and the ground truthing exercise show that most developments in the greenfield areas are now achieving over 15 dwellings per hectare. My evidence for Stream 12E shows that there are few instances where development is below 15 dwellings per hectare in Waimakariri or Greater Christchurch area.²⁹ I note that experts for the submitters have presented evidence in the hearing that they intend to develop the New

²⁶ NPS-UD requires that councils include a competitiveness margin on top of demand of 20% in the medium term and 15% in the long term, which is included in the numbers stated in my evidence.

²⁷ Formative (2023) Waimakariri Residential Capacity and Demand Model – IPI 2023.

²⁸ It would be exceedingly costly to undertake a full field survey of all residential sites in the District. No other council undertakes a detailed field survey. Even Statistics New Zealand, with all its resources and statutory powers, does not visit every site during Census.

²⁹ Rodney Yeoman Statement of Evidence 12E Rangiora, Kaiapoi, Woodend, Variation 1 Rezoning.

Residential Development Areas, with densities ranging well over 15 per hectare.³⁰

- 3.21 The only locations where development is lower density is in the smaller towns and settlements which are mostly outside the Urban Environment. I note that there is debate around the definition of Urban Environment, which I cover in my evidence before Stream 12D and 12E. In summary, I consider that it is clear that Urban Environment only encompasses the main towns (Rangiora, Kaiapoi, and Woodend), but acknowledge there is debate about the definition, however that this debate is not material to the commissioners' question.
- 3.22 The WCGM22 assessment has shown that in the Urban Environment there is a large amount of capacity enabled within the plans. The WCGM22 estimates that there is a total capacity for over 80,000 new dwellings in Waimakariri, which is almost 3 times the number of dwellings currently in Waimakariri, or 13 times more than future projected dwellings under the high growth scenario in the medium term, and more than 5 times the long term demand.
- 3.23 Most of this supply will not be reasonably developable or feasible, either in the medium or long term. In total the assessment shows that less than 8% of total plan enabled capacity is feasible in the medium term and 19% in the long term. Also, most of the feasible capacity is within the greenfield areas, with some infill or redevelopment being either reasonably realisable or feasible. In the Urban Environment the WCGM22 estimates a capacity of 5,940 dwellings in the medium term and 14,450 in the long term.

Sufficiency of Residential land

- 3.24 The comparison of the residential land capacity to demand, as required by the NPS-UD, suggests that there is sufficient capacity to meet expected demand in Waimakariri over the medium and long terms for residential land.
- 3.25 There is demand for 4,970 dwellings in the medium term and 11,700 in the long term. The WCGM22 estimates a capacity of 5,940 dwellings in the medium term and 14,450 in the long term. This means that there is sufficient capacity within the Urban Environment to meet expected demand for both the medium and long term (Figure 2.2).

Figure 2.2: Waimakariri residential land sufficiency

	2023-2033 Short- Medium	2023-2053 Long
Urban Environment Dwelling Situation		
Demand +Margin	4,970	11,700
Feasible Supply	5,940	14,450
Sufficiency	970	2,750

³⁰ As an example, Fraser Colegrave (2 February) Evidence in Chief for Momentum Land Development para [32] and [33]. The statement shows that the developer of Kaiapoi North Block and South Block are considering densities in the range of 18-24 dwellings per hectare.

- 3.26 I acknowledge that there is economic evidence presented in the other hearing 12 Streams, which suggest that there may be a need for more land. While I address this evidence in the respective hearing Streams, I note that for the most part that I disagree with these assessments, however I agree that in some places the margins are tight, which is covered in my statements in 12A³¹, 12C³², 12D³³ and 12E³⁴.
- 3.27 Moreover, the NPS-UD sufficiency test is framed as a minimum level of development capacity required, not a maximum, and a council could allow for more urban capacity than the minimum required, in order to meet the wider objectives of the NPS-UD.
- 3.28 The NPS-UD has a wider set of objectives beyond simply providing the bare minimum capacity that is sufficient to meet expected demand. The provision of additional capacity can be assessed according to the merits of each proposed rezoning, but this does not mean that all additional developments should be adopted as being beneficial.
- 3.29 In the case of residential land, the NPS-UD does not require assessments of the demand or supply for specific land uses. As an example, the NPS-UD does not require councils to model the land demand for low density, medium density or high density zones, so while there is sufficient land at an aggregate (i.e. residential) level, it may be that there is need for more land for a specific use. Any such need can be assessed on its merits, and is beyond the scope of the WCGM22 or NPS-UD reporting.
- 3.30 I acknowledge that commissioners will consider submitters proposals for providing more capacity in the Streams 12A, 12C, 12D, and 12E. The outcomes of these hearings maybe that some rezoning requests are accepted and that the margins are increased beyond what is shown in the WCGM22. Moreover, submitters are requesting several changes to zones in the other Stream 12 hearings and that in the event that these changes are adopted that it may well mean that more capacity is provided such that a minimum of 12 dwellings per hectare in the New Residential Development Areas would still be sufficient to accommodate demand.
- 3.31 However, regardless of the outcome of those hearings I consider that it would be beneficial if the New Residential Development Areas are developed to a density of over 15 dwellings per hectare. In my opinion those Areas are strategically located and encouraging more dense development will contribute to well-functioning urban environment which would be consistent with the objectives and policies in the NPS-UD.

4. CONCLUSION

Minute 20 Expert Conferencing

- 4.1 Regrettably, even with my best endeavours, the expert conferencing and the provision of a

³¹ Oxford.

³² Large Lot Residential.

³³ Ohoka.

³⁴ Variation 1 and Rangiora Kaiapoi Woodend.

joint witness statement did not occur before the 26th of April.

- 4.2 In my opinion, I undertook reasonable steps to set up the expert conferencing and I made myself available to participate in conferencing, meeting my obligation as an expert witness.

Minute 23 New Residential Development Areas Minimum Density

- 4.3 I conclude that while the WCGM22 is conservative, it indicates that there may be a tight margin between demand and supply. The New Residential Development Areas are likely to be developed to over 15 dwelling per hectare, and if this occurs then there is likely to be sufficient capacity.
- 4.4 Conversely, if the New Residential Development Areas are only developed to 12 to 15 dwellings per hectare then the margin would be even tighter and there could be a risk of a shortage of residential land supply. However, I acknowledge that submitters are requesting several changes to zones in the other Stream 12 hearings and that in the event that these changes are adopted that it may well mean that more capacity is provided such that a minimum of 12 dwellings per hectare could still be sufficient to accommodate demand.
- 4.5 Notwithstanding the outcomes of these requests in Stream 12, I consider that it would be prudent to require a minimum density of 15 dwelling per hectare in the New Residential Development Areas. This would ensure that this strategic land is used optimally to meet the needs of the community.
- 4.6 In my opinion, the economic merits of a minimum density of 15 dwellings per hectare are greater than those that would be achieved from a minimum density of 12 dwellings per hectare. The higher threshold can be expected to contribute to well-functioning Urban Environment which would be consistent with the objectives and policies in the NPS-UD.
- 4.7 Over many years I have provided economic research for Waimakariri District Council and the other Greater Christchurch Partners. I have not been privy to economic research that would support a minimum density of 12 dwellings per hectare, nor reviewed economic evidence that provides a rationale for this minimum density. Also, I have reviewed the economic evidence presented in the other hearing Streams and have not seen a rationale outlined in those statements.
- 4.8 Therefore, in answer to the commissioners question I do not consider that there is an economic rationale for the lower 12 dwellings per hectare minimum. However, there may well be other non-economic rationales that need to be considered.

Rodney Yeoman

03 May 2024