

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

**Statement of evidence of Derek Foy
on behalf of Waimakariri District Council
(Economics)**

1. INTRODUCTION

Qualifications and experience

- 1.1 My name is Derek Richard Foy. My qualifications are degrees of Bachelor of Science (in Geography) and Bachelor of Laws from the University of Auckland.
- 1.2 I am a member of the New Zealand Association of Economists, the Population Association of New Zealand, 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 held this position for two years, prior to which I was an Associate Director of research consultancy Market Economics Limited for six years, having worked there for 18 years.
- 1.4 I have 23 years consulting and project experience, working for commercial and public sector clients. I specialise in assessment of demand and markets, retail analysis, the form and function of urban economies, the preparation of forecasts, and evaluation of outcomes and effects.
- 1.5 I have applied these specialties in studies throughout New Zealand, across most sectors of the economy, notably assessments of housing, retail, urban form, land demand, commercial and service demand, tourism, and local government.

Code of conduct

- 1.6 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.

Key Issues

- 1.7 In my opinion, the key issues requiring consideration when assessing the submissions are how the requested changes will affect the proposed centres hierarchy and operation of the centres and commercial zones, and enable the community to meet their needs.

Scope of Evidence

- 1.8 I have been asked by Waimakariri District Council ("WDC" or "Council") to provide evidence regarding the economic effects associated with a number of submissions that request changes to the notified Proposed District Plan ("PDP").
- 1.9 This evidence reviews and responds to submissions that request changes to the Town Centre Zone ("TCZ"), Local Centre Zone ("LCZ"), Large Format Retail Zone ("LFRZ"), Neighbourhood Centre Zone ("NCZ"), Mixed Use Zone ("MUZ"), Light Industrial Zone

("LIZ"), General Industrial Zone ("GIZ"), and Heavy Industrial Zone ("HIZ").

1.10 The submissions that required review were identified in consultation with Council officers, and are those that contain some coverage of economics issues. Eight such submissions were identified for my review, as follows:

- (a) 277 Ministry of Education
- (b) 282 Woolworths New Zealand
- (c) 284 Clampett Investments
- (d) 325 Kāinga Ora
- (e) 347 Ravenswood Development
- (f) 408 Bellgrove Rangiora
- (g) 412 Templeton Group
- (h) 267 Foodstuffs.

1.11 My evidence is structured with a section for each submission, summarising the decision sought, the submission points, and then providing my response to those points. I also summarise the Waimakariri business land environment to establish the context within my response to submissions is made.

1.12 In preparing my evidence I have reviewed the submissions. I have previously read and am generally familiar with a range of relevant planning documents and the PDP.

2. WAIMAKARIRI BUSINESS LAND

2.1 In section I summarise the content and key information about the Waimakariri economy and findings from the latest 2023 business land assessment.¹ The purpose of this update is to provide some context within which the submissions can be assessed.

Recent growth

2.2 Over the last two decades, Waimakariri District has experienced rapid growth in population, from around 27,100 in 2000 to 67,900 in 2022. That equates to average annual growth of 3% per annum, which is much faster than almost every other district in New Zealand - only Selwyn and Queenstown Lakes grew at a faster rate. Employment grew at an even faster rate, from around 9,900 jobs in 2000 to 21,700 in 2022 (3.6% per annum).

2.3 As the population has grown, the primary sector has become relatively less important to Waimakariri's economy, with the retail and hospitality sector growing ahead of population growth, reflecting an increase in self-sufficiency through locally retained spending. Other sectors that have experienced strong growth include commercial services and community

¹ Greater Christchurch Partnership (2023) Business Development Capacity Assessment.

services sectors which both had average annual growth of 4.5% per annum. There has also been strong growth in the construction industry (6.4% per annum) and industrial activity (3.7% per annum), and District GDP has almost doubled in that time, averaging annual growth of 4.2%.

- 2.4 While not all of this growth in employment has been accommodated in business zoned land, a significant share has been located within commercial and industrial zoned areas.² Over the last five years there has been 28,000m² of commercial floorspace consented for new buildings (an average of 5,600m² per annum), (Figure 2.1).
- 2.5 Some 90% of consented commercial floorspace was for shops, restaurants, and bars (25,300m²), and with relatively little (2,700m²) for office space. It is likely that most of this consented space will have been built and much of it will be located within the commercial zones, although confirmation of that is not possible from the data available. The commercial floorspace consented would require about 1-2ha of land per year, based on average floor area ratios observed in the district.

Figure 2.1: District Commercial building consents (m² GFA, 2018-2022)

	2018	2019	2020	2021	2022	Total	Avg ann.
Shops, restaurants, and bars	4,661	9,303	4,054	943	6,332	25,293	5,059
Office, administration, etc	717	321	-	809	864	2,711	542
Commercial buildings	5,378	9,624	4,054	1,752	7,196	28,004	5,601

Forecast growth

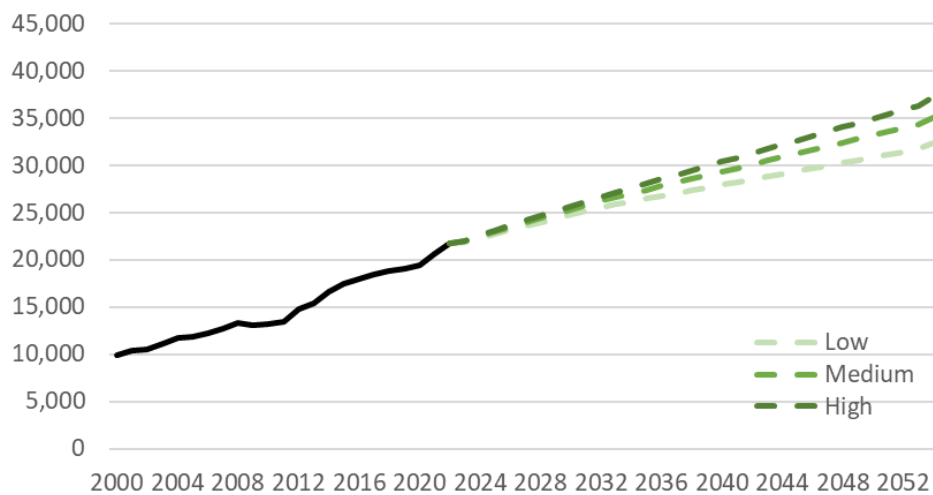
- 2.6 The latest District economic forecasts provided in 2023 have three scenarios, low, medium, and high which relate directly to the population scenarios.³ The Council has adopted the High projection for National Policy Statement for Urban Development (“NPS-UD”) assessments, both for residential and business assessments.
- 2.7 The economic forecast scenarios show that employment is expected to grow to between 31,700 (Low) and 36,300 (High) jobs by 2053 (Figure 2.2).⁴ The Medium scenario has a growth of approximately 410 new jobs per annum, which is slightly slower than has been observed over the last two decades, and would result in total District employment reaching 34,300 by 2053. While this growth in employment represents a large increase in the District economy, there will still be a sizable number of residents that work in Christchurch (and other parts of Canterbury).

² It is important to note that a share of employment is accommodated in non-business zoned land – which includes residential zones (home offices, schools, medical, construction, etc) and rural zones.

³ A previously used medium-high scenario is no longer used for Waimakariri District planning purposes.

⁴ Formative (2022) Economic Forecasts – Low, Medium, and High Scenarios.

Figure 2.2: Formative employment forecasts (2023)



- 2.8 The latest employment forecast (High scenario) is higher than range projected in the 2021 forecasts. While Covid19 resulted in short term impacts, the economy and employment has been resilient and has recovered quickly.
- 2.9 The Waimakariri Capacity for Growth Model was updated in 2023 (“WCGM22”), incorporating findings of a field survey of business land in the urban environment conducted in February 2023. This research showed that there was limited vacancy of premises in the commercial zones, and there were a number of buildings under construction in the businesses zones that can be expected to accommodate more businesses and employment.
- 2.10 The results of the WCGM22 suggest that there is expected to be demand for 7,000m² per annum of commercial floorspace in the medium term (next ten years), requiring just over 1ha of commercial zoned land. That forecast is based on the High growth scenario, and is higher than the average observed over the last five years (Figure 2.1)..
- 2.11 The 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. This would mean a requirement for 1.2ha per annum of commercial land and 3.1ha per annum of industrial land in the medium term. Figure 2.3 shows the demand and NPS-UD required competitiveness margin for medium and long term for business land. These figures are presented in the Greater Christchurch Partnership’s 2023 reporting for business land, and is within the draft Spatial Plan. There is a total requirement for at least 12ha of commercial land in the medium term and 32ha in the long term, and for 31ha of industrial land in the medium term and 79ha in the long term.

Figure 2.3: Formative Commercial zone land requirement forecasts 2023 (ha)

	Medium (ha)		Long (ha)	
	Total	p.a.	Total	p.a.
Excl competitiveness margin	10	1.0	27	0.9
Incl competitiveness margin	12	1.2	32	1.1

**NPS-UD Competitiveness margin of 20% in medium term and 15% Long term.*

Capacity for Growth context

- 2.12 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 by Formative to other Tier 1 councils in the Greater Christchurch Partnership (Selwyn And Christchurch). In summary, it uses parcel level data to establish the amount of floorspace that can be provided within each parcel. This assessment is ground-truthed via a field survey of activity in the commercial (and industrial) zoned land.
- 2.13 This most recent assessment has shown that in the commercial zones there is 36ha of vacant land and 27ha of vacant potential land (land that could be redeveloped), for a total of 63ha of vacant and vacant potential commercial land. (Figure 2.4).

Figure 2.4: WCGM22 Commercial zones land capacity 2023 (ha)

	Vacant	Vacant Potential	Total
Commercial Zones	36	27	63

- 2.14 These figures are included in Greater Christchurch Partnership’s 2023 business land reporting and in the draft Spatial Plan. The WCGM22 adopts a conservative stance as it assumes that none of the vacant potential is developable in the medium term and is only capacity in the long term, and so medium term capacity is assumed to be 36ha for the commercial zones.
- 2.15 I note that the PDP does not account for the recently approved private plan change 30 (Ravenswood) to change 12.8ha of residential land to Commercial zoning. If the WCGM22 was updated to account for PC30 then the vacant capacity available in the medium term in Commercial zones would increase to almost 48ha and in the long term would increase to over 75ha.

Sufficiency of Business land

- 2.16 The comparison of the business 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 commercial land.
- 2.17 For commercial land, supply is more than sufficient In both the medium term (36ha of capacity, 12ha of demand including competitiveness margin, for 24ha of capacity more than demand) and long term the (63ha capacity, 32ha of demand) (Figure 2.5). As

discussed, those figures exclude PC30, which will further increase the sufficiency shown both in the table below and in the Greater Christchurch Partnership reporting, meaning that both outputs will understate sufficiency.

Figure 2.5: Waimakariri business land sufficiency (ha)

	Medium term	Long term
Commercial zones		
Supply (capacity)	36	63
Demand (land required)	12	32
NPS-UD commercial sufficiency	24	31

- 2.18 The NPS-UD sufficiency test is framed as a minimum level of development capacity required, not a maximum, and if a council determines that there is insufficient development capacity then it must act as soon as practicable to provide more capacity via changes to the planning framework. Further, the NPS-UD has a wider set of objectives beyond simply providing the bare minimum capacity that is sufficient to meet expected demand. This then means that Council could allow for more urban capacity than the minimum required to accommodate expected growth, in order to meet the wider objectives of the NPS-UD. The provision of additional capacity can be assessed according to the merits, but this does not mean that all additional developments should be adopted as being beneficial.
- 2.19 In the case of commercial 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 or supply for educational purposes, so while there is sufficient land at an aggregate (i.e. commercial, or industrial) level, it may be that there is need for more land for a specific use (such as schools or hospitals). Any such need can be assessed on its merits, and is beyond the scope of the WCGM22 or NPS-UD reporting.

3. MINISTRY OF EDUCATION (277)

- 3.1 In this section I review the Ministry of Education submission, dated 26 November 2021. I have also reviewed relevant parts of the PDP and the most recent council assessments of business land to assist with context of the submission. As with the other submissions, the following review relates only to submission points on the Commercial zones, and not the Industrial zones, which will be the subject of a separate review document.

Decision sought

- 3.2 The Ministry of Education submission relates to the education purpose definition and education facilities activities in the District. In the case of the business provisions, the submission seeks to have “Educational Facilities” enabled in more zones. The submission requests that the following activity statuses be applied for Educational Facilities:

- (a) NCZ – Permitted (point 52 add “NCZ-RX”).

- (b) LFRZ – Restricted Discretionary (point 54 add “LFRZ-RX”).
- (c) MUZ – Permitted (point 55 add “MUZ-RX”).

Submission points

3.3 The submission makes the following points relevant to assessing the economic merits of the submission:

- (a) NCZ: The Ministry requests that Educational Facilities are provided for as permitted activities in the NCZ. Education facilities are consistent with the objectives of this zone and the Permitted activity status is deemed appropriate.
- (b) LFRZ: The Ministry acknowledges that the primary purpose of the LFRZ is to provide for retail activities that require a large floor area, providing a location where many of these types of activities can be located together and developed as an integrated area. There are currently no schools within the LFRZ, however in the future there may be a functional need to locate Educational Facilities in this zone and the Ministry requests Restricted Discretionary status for Educational Facilities in this zone.
- (c) MUZ: The Ministry requests that Educational Facilities are provided for in the MUZ which it submits would be consistent with the TCZ and LCZ. Education facilities are consistent with the objectives of this zone and the Permitted activity status is deemed appropriate because Educational Facilities are considered essential social infrastructure.

Response to submission points

3.4 The submission notes that Council has an obligation under the NPS-UD to ensure sufficient “additional infrastructure” (which includes schools) is provided in urban growth and development (see Policy 10 and 3.5 of Subpart 1 of Part 3: Implementation, in particular). I agree that Educational Facilities are essential social infrastructure, and that councils are required to consider additional infrastructure, including schools, within the NPS-UD framework. Accordingly, I agree that the Council should engage with providers of Educational Facilities, including the Ministry, to achieve integrated land use.

3.5 However, this does not in my opinion mean that Educational Facilities should be enabled across all business zones, because there can be negative economic effects of being broadly enabling of Educational Facilities. Such enablement can, for example, have adverse effects on how business areas function by crowding out other activities and generating traffic movement which impacts the operation of those business areas. I address the requested activity status changes to each business zone below.

NCZ

3.6 The NCZ applies to small sets of shops (5 or fewer) which are isolated from other commercial activity and which provide limited convenience retail for the community. Allowing Educational Facilities as permitted activities in the NCZ could result in the

complete loss of an important centre, which would be hard to replace given existing development patterns. If that occurred, the community may need to travel further to meet their needs, which would be less efficient. Further, the NCZs tend to be located in areas not well served by public transport, limiting the ability of Educational Facilities located in the NCZ to be serviced by public transport, which would not support a well-functioning urban environment.

- 3.7 I consider that both of these potential outcomes suggest that allowing Educational Facilities as permitted activity status may not contribute to the objectives of the PDP (e.g. NCZ-O1 provide for a range of activities that support the nearby residential neighbourhood). That potential means that in my opinion some assessment of the potential effects of any proposed Educational Facility locating in a NCZ would be appropriate, and the point requesting permitted activity status should not be accepted.

LFRZ

- 3.8 The LFRZ has a very specific role which is to accommodate large format retail stores, which tend to generate large numbers of private and heavy vehicle movements, and which are either unable or unsuitable to be accommodated in other commercial zones by virtue of their large size and functional requirements (LFRZ-P1). Enabling Educational Facilities in the LFRZ would potentially give rise to reverse sensitivity and other effects which may constrain the successful operation of the LFRZ, and result in adverse economic effects to the LFRZ.
- 3.9 The volume of traffic associated with the LFRZ would potentially conflict with Educational Facilities, both in terms of noise during the operation of those facilities and potentially dangerous interaction between students and traffic. These reverse sensitivity matters are included in the Ministry's submission as a matter of discretion, and so could be assessed and managed using that discretion.
- 3.10 Enabling Educational Facilities in the LFRZ could result in space being unavailable for retail activities, which are intended to be the primary focus of the zone, and no matter of discretion is proposed by the submission in relation to that issue. Without a matter of discretion relating to ensuring that accommodation of the Educational Facility did not adversely affect the operation of the LFRZ I do not support the request to enable Educational Facilities in LFRZ as a Restricted Discretionary activity. If such a matter of discretion were to be applied, and reverse sensitivity effects were able to be appropriately managed, there would be no reason not to support the submission point on economics grounds.

MUZ

- 3.11 The submitter has requested that the Educational Facilities be permitted activities in the MUZ. The purpose of the MUZ is to provide for redevelopment of land adjacent to the Kaiapoi Town Centre that was red-zoned following the Canterbury Earthquakes. The MUZ is intended to provide for a wide range of business, commercial and residential uses that support the regeneration of the Kaiapoi Town Centre. Providing for Educational Facilities

would likely contribute to the potential redevelopment of this land and may support the role of the town centre, and from an economics perspective I agree that it would be appropriate to apply a permitted activity status to Educational Facilities in the MUZ.

4. WOOLWORTHS NEW ZEALAND (282)

4.1 As with the other submissions, the following review relates only to submission points on the Commercial zones, and not the Industrial zones, which will be the subject of a separate review document.

Decision sought

4.2 The Woolworths submission relates to the floorspace thresholds and where supermarket activities are enabled in the District. In the case of the business provisions, the submission seeks to apply what it refers to as a “centres plus” approach in which supermarkets would be more broadly enabled than proposed in the notified PDP. The submission requests the following new activity status for supermarkets:

- (a) TCZ, LCZ, NCZ, MUZ – Permitted
- (b) LFRZ – Restricted Discretionary.

4.3 The submission also requests the removal of notified floorspace thresholds from the NCZ⁵ and LCZ⁶, and requests making the MUZ a generic zone than applying solely to the Kaiapoi regeneration area⁷.

Submission points

4.4 The submission makes the following key points:

- (a) Woolworths supports the “centres” approach adopted by the higher order provisions of the PDP, insofar as it recognises that town centres can and should be the primary focal point for business activity in the District, noting the importance of supermarkets in helping to achieve prosperous centres. However, Woolworths prefers and recommends the “centres plus” approach to retail provision which recognises the primacy of town centres but also that business activity ought to be properly enabled in other zones, where appropriate.
- (b) Functional need and catchment drivers may dictate the location of supermarket operations on the fringe, or in some cases, outside of identified centres. The proposed centres plus approach also enables the PDP to make efficient use of all of the commercial zones while still considering the centres hierarchy, noting that the

⁵ NCZ-P1(2) remove - “enable a range of Centre sizes that generally comprise up to 450m² total floor space and up to five shops with a maximum retail tenancy of 350m² GFA;”

⁶ LCZ-P1(2) remove - “enable a range of Local Centres which, excluding the Woodend Local Centre, generally comprise 1,000m² to 4,000m² total floor space and up to 15 shops with a maximum retail tenancy of 350m² GFA;”

⁷ MUZ-O1 remove “Kaiapoi regeneration”.

LFRZ and the MUZ have their own parts to play in delivering a healthy economy for the District, complementary to and cognisant of the centres they support. The District Plan must be adaptive and responsive to evolving retailing to achieve the best outcomes for the district and its communities.

- (c) A supermarket by its form and function, is required to be of a sufficient scale to serve its catchment, and whilst that scale varies, the provisions do not comfortably provide for the necessarily larger scale of supermarket activity. In all commercial zones the proposed provisions would require a resource consent for any building over 450m², which would capture most supermarkets. Also the maximum tenancy sizes in the LCZ and NCZ are too small.
- (d) There is no “feasibly zoned land” for supermarket development to support the PDP’s growth agenda for its centres (i.e. a resource consent is required which can be protracted, complex and uncertain).

Response to submission points

4.5 First I respond to the general tenor of the submission. Woolworths is correct that the population is expected to continue growing strongly in the future and there will be need for additional supermarkets in the District. I agree that supermarkets serve an important part of the retail needs of the community and should be provided for within the District. In my opinion the provision of supermarkets is most appropriate in locations which are easily accessible to the community that they serve, and supermarkets should generally be provided within the commercial zones to support the successful functioning and hierarchy of centres.

4.6 Next I respond to specific submission points.

Convenient access to supermarkets

4.7 Woolworths proposes that there be an addition to Policy CMUZ-P5 that states supermarkets to be conveniently located in relation to the catchments they serve. From an economic perspective I agree that convenient access to supermarkets is important, however, I do not believe that CMUZ-P5 is an appropriate place to refer to that. CMUZ-P5 relates to “Scale and form of development”, and accessibility does not relate to scale and form, and so in my opinion does not sit well with in that policy.

4.8 I also do not believe that there is any need for the District Plan to state that supermarkets need to be conveniently located in relation to the catchments they serve, because that is recognised through the centres hierarchy, and the activity status of supermarkets in each centre zone. No other specific activities are recognised in the manner that Woolworths seek supermarkets to be, and in my opinion it is not necessary to specifically refer in the PDP how supermarkets need to be located.

Supermarkets in the MUZ and LFRZ

4.9 Woolworths submits that the MUZ and LFRZ provisions be recognised within the centre

function, role, and hierarchy Policy (CMUZ-P1). The submission point requests an addition to CMUZ-P1 with a fifth category that supports and maintains

the potential for other locations, including but not limited to the Mixed Use zone and Large Format Retail zone, to provide a complementary role in relation to the centres hierarchy, subject to assessment that confirms significant adverse effects on the centres hierarchy are avoided.

- 4.10 I agree that the MUZ and LFRZ can complement the wider functioning of the higher order commercial zones. However, I note that the use of “significant adverse effects” sets a relatively low bar which may allow some commercial activity to flow from centres to other supporting areas, and that over time that could result in business location choices becoming contrary to objectives to have town centres be the “principal focal point for a wide range of commercial and community activities” (TCZ-O1) and for local centres to be “the focal point for a range of commercial, community and service activities at a smaller scale than Town Centres” (LCZ-O1).
- 4.11 Evaluation of the merits of the requested change to CMUZ-P1 of this proposition is challenging, because while the use of “significant” is generally consistent with case law on retail distribution effects, such effects have to be large in nature before they preclude a proposed activity, and it will take the relocation of many individual activities for town and local centres to cease to be the focal point of commercial activities. This movement of activities from town and local centres to commercial zones intended to have a complementary role can, over time, can result in a slow, insidious decline in the focal point of those centres, particularly because “significant adverse effects” are difficult to establish for any single proposed commercial/retail activity.
- 4.12 Ultimately I support the proposed addition to CMUZ-P1 because it is consistent with well-established case law on retail distribution effects, and in my opinion other objectives and policies in the LFRZ and MUZ chapters make it clear that those zones are intended to be complementary and to not compromise the role and function of Town Centres, or undermine investment in the TCZ and LCZ (LFRZ-O1). That framework should be adequate to avoid the possibility of long term cumulative effects arising as a result of enabling the gradual establishment of individual activities in the MUZ and LFRZ.

Resource consent for 450m²+ building

- 4.13 The submission notes that the processes associated with developing a new supermarket will require a resource consent in all zones in the district. While supermarkets are permitted in the TCZ, LCZ and NCZ, the size of buildings required to accommodate supermarket activity (more than 450m²) will mean that a resource consent is required (e.g. TCZ-R1 and LCZ-R1). Woolworths has submitted to remove the rules to allow supermarkets as permitted in these zones. From an economic point of view these rules reflect the role and hierarchy of centres, which ensures that the lower order commercial zones do not take on the roles of the higher order commercial zones, and I support the removal of the maximum 450m² building size. I note that this submission point is similar to one raised by

Foodstuffs (#267).

Maximum tenancy size in NCZ

- 4.14 In the NCZ NCZ-P1(2) as notified would “enable a range of Centre sizes that generally comprise up to 450m² total floor space and up to five shops with a maximum retail tenancy of 350m² GFA”. I understand that the policy is included as an indication of what the NCZ is envisaged to look like (in terms of the number of stores and total centre size), rather than setting firm limits, and it may be appropriate to reword the policy to make clear that the policy does not impose a maximum limit, and to instead leave any maximum limits to the rules following. Nevertheless, NCZ-P1(2) is consistent with policy NCZ-P1(1) which seeks to ensure that the NCZ has a “limited range of convenience activities that provide for the immediate residential neighbourhood and do not adversely affect the role and function of Town and Local Centres”.
- 4.15 The benefits of this policy are two-fold. First, medium and larger retailers and commercial operations will appropriately locate in the higher order zones (TCZ and LFRZ) and not crowd out NCZs and take up most available space in them, which would result in adverse effects on the range of activity able to be accommodated in the NCZ to provide for local needs. Second, it means that the NCZ will not grow to a size that will generate adverse economic (retail distribution) effects on town and local centres. I agree that those are appropriate limitations on the size of most activities in the NCZ.
- 4.16 I note that NCZ-P1’s reference to a maximum retail tenancy of 350m² GFA is inconsistent with NCZ-R4 which sets a maximum retail activity size of 200m². In my opinion a 200m² maximum would be appropriate for the NCZ, although a larger maximum size could be applied to dairies/grocery stores, which are occasionally larger than 200m². Applying a larger limit of say 450m² for grocery stores in the NCZ would enable the type of grocery stores which often anchor neighbourhood centres, without enabling all other activities in a way that might give rise to a risk of those activities crowding out the NCZ. I do not think that there is a need for grocery stores of larger than 450m² to be enabled in the NCZ, and beyond that level stores start to become small supermarkets, which are more appropriately accommodate in larger centres (i.e. LCZ or TCZ).
- 4.17 For those reasons, and recommend that NCZ-P1(2) be amended to be consistent with NCZ-R4, and that NCZ-R4 make some distinction between grocery stores and all other retail, with a smaller (200m²) maximum tenancy size for retail activities, but a 450m² maximum for grocery stores. I note that there is no definition of grocery stores in the PDP, and one would be required to enable the rule I have recommended.

Maximum tenancy size in LCZ

- 4.18 In the case of the LCZ the indicative total floorspace of each centre is indicated in LCZ-P1 to be 1,000-4,000m², with a maximum tenancy size of 350m². As for the NCZ, that aims to ensure that the LCZ has a number of tenancies consistent with its role in the centres hierarchy, and which will provide for a range of needs for the local community that is consistent with the defined LCZ role. This means that larger retailers and commercial

operations will appropriately locate in the higher order zones (TCZ) and that the LCZ will not grow to a size that will harm the TCZ centres.

- 4.19 The Woolworths submission seeks to remove the '1,000-4,000m², with a maximum tenancy size of 350m²' reference from LCZ-P1, in order to be more enabling of supermarkets in the LCZ. In my opinion there is merit in retaining the 1,000-4,000m² guide to demonstrate the general scale of development expected in LCZs, although I agree with the submission point that there is some value in enabling supermarket space in the LCZ subject to assessment of effects on the role and function of town centres.
- 4.20 Waimakariri's LCZs are generally relatively small in area, and lack sufficient land area to accommodate a full-size supermarket, so making full-size supermarkets a permitted activity is unlikely to practically enable the development of new supermarkets to establish in the NCZ. Smaller supermarkets (less than 1,000m²) would more easily be accommodated in the NCZ because they are less constrained by space availability. Stores of up to around 1,000m² are entirely appropriate in the LCZ, as they provide for the everyday convenience retail needs of the immediate residential neighbourhood. Larger supermarkets have larger catchments, and are somewhat less consistent (although I agree not entirely inconsistent) with the purpose of the NCZ in NCZ-P1.
- 4.21 For that reason it is my opinion that smaller supermarkets (say less than 1,000m² gross floor area) could be permitted activities in the LCZ, and therefore be an exception to the maximum tenancy size of 350m² from LCZ-P1, while retaining larger (1,000m²+) supermarkets as restricted discretionary. Matters of discretion for applications for larger supermarkets would be limited (under NCZ-R4) to commercial activity distribution (CMZ-MD12). I refer again to the submission's proposed inclusion of "significant" as a qualifier on the type of adverse effects that are avoided, and note the challenge of assessing the cumulative effects on town centres, but the consistency with case law on the matter.

Supermarkets in the LFRZ and MUZ

- 4.22 The submitter considers that the activity status of supermarkets in the LFRZ and MUZ should be changed to be more enabling, and to become Permitted in the MUZ, and Restricted Discretionary in the LFRZ. Given the location and scale of these zones I consider that the requested changes would not be likely to adversely affect the operation of town and local centres and consider that supermarkets could be accommodated in these areas. I note that a Countdown supermarket has already been consented in the Waimak Junction development (LFRZ in the notified PDP), and Rangiora's Pak'n Save is in the LFRZ as well. The changes requested by Woolworths are therefore generally consistent with the activities already existing or approved in Waimakariri.
- 4.23 Enabling supermarkets in the LFRZ and MUZ would provide a candidate location for new supermarkets to establish in to support population growth, when alternative possible locations are very limited (given space constraints in the TCZ and LCZ). In my opinion a core requirement of making supermarkets restricted discretionary in the LFRZ would need to be to avoid a proliferation of small scale (i.e. non large format) retail activity establishing around a supermarket, and avoiding effectively creating a de facto centre instead of a large

format retail complex. A restricted discretionary status in the LFRZ (with matters of discretion limited to commercial activity distribution under CMZ-MD12) would enable consideration of the distribution effects of a new supermarket proposal, and restricted discretionary status would be appropriate to maintain the centres hierarchy.

4.24

5. CLAMPETT INVESTMENTS (284)

Decision sought

5.1 The Clampett Investments Limited submission relates to the LFRZ floorspace thresholds and clarifications on the activities enabled in this zone. The submission requests the following changes:

- (a) Remove supermarkets and department stores from the list of activities to be avoided, LFRZ-P1(1).
- (b) Introduce a minimum floorspace for retail of 450m², new LFRZ-P1(2) and LFRZ-R2(1).
- (c) Remove the restriction on Food and Beverage to being 50m from each other, LFRZ-R9(2).

Submission points

5.2 The following points are relevant to assessing the economic merits of the submission:

- (a) While the definition of LFRZ includes supermarkets and department stores, LFRZ-P1 excludes supermarkets and department stores. The submitter has resource consent to construct both a department store and supermarket (ref: RC205216 RC215278) at Waimak Junction in Kaiapoi.
- (b) The submitter considers that provision for both supermarkets and department stores should be included in LFRZ-P1 and permitted activity in the underlying zone.
- (c) The submitter considers that LFRZ-R9(2) is impractical as food tenancies are best located together, to enable a range of choices within close proximity of one another rather than separated by a minimum distance of 50m.

Response to submission points

Commercial activities in the LFRZ

5.3 As the submission notes, LFRZ-P1 is inconsistent with the consented department store and supermarket at Waimak Junction, and it would be appropriate to make some amendment to that policy to remedy that inconsistency. As discussed above in response to the Woolworths submission, I consider that it would be appropriate to make supermarkets a restricted discretionary or full discretionary activity in the LFRZ, and so it may be

appropriate to remove supermarkets from the “avoid” list in LFRZ-P1(1). If restricted discretionary status were to apply, one of the matters of discretion should be a requirement to assess the effects on centres, and it will be important that those effects are understood before any new supermarket (or department store) activity is consented in the LFRZ.

- 5.4 As discussed in my next paragraph, in my opinion a restricted discretionary activity status would also be appropriate for department stores in the LFRZ as well, and that would capture any changes to the consented Waimak Junction department store.
- 5.5 To support my recommended changes I recommend that LFRZ-P1 could be amended to exclude supermarkets and department stores from the list of activities to be avoided in the LFRZ, and that LFRZ-P1 could instead refer to the need to manage the effects of supermarkets and department stores.

Supermarkets and department stores in the LFRZ

- 5.6 The submitter has requested that supermarkets and department stores be enabled within the LFRZ throughout Waimakariri (submission on LFRZ-R2). The resource consents held by the submitter mean that supermarkets and department stores are already enabled at Waimak Junction. I acknowledge that any future changes to those consented activities may trigger the need for resource consent, which would not be the case if the activities were permitted in the zone, and so there would be some potential operational efficiencies for the submitter as a result of the change requested. However, the consent required would only be Restricted Discretionary (LFRZ-R14) limiting the requirements of gaining consent.
- 5.7 Because new supermarkets and any department stores (i.e. new or existing) are not permitted in Rangiora’s LFRZ zones under the notified rules, the change requested would enable new supermarkets and department stores to establish in other LFRZ areas in Waimakariri, and so it is important to consider the potential effects District-wide, not just in relation to Waimak Junction. Because the notified PDP includes a large area of LFRZ at Southbrook, the PDP would enable multiple supermarkets and department stores to establish there, under the change requested, and that could lead to a very significant retail node establishing there, in competition, and to the detriment of, the Rangiora town centre (and potentially other centres as well, including Kaiapoi, and Ravenswood).
- 5.8 That potential could have a significant adverse effect on Waimakariri’s centres, and because the submission requests supermarkets and department stores be permitted activities, it does not propose to include any requirement to assess the effects on centres. In that, the Clampett submission differs to the Woolworths submission (in relation to supermarkets), and due to that key difference I do not recommend that the change requested in submission 284 be accepted. In my opinion a minimum requirement of enabling supermarket and department store supply in the LFRZ generally would be to require an assessment of effects on centres, as suggested in the Woolworths submission, and therefore a Discretionary or Restricted Discretionary status would be more appropriate than the requested Permitted activity status.

Minimum store size proposed

- 5.9 The submission requests the addition of a provision “requiring any and all retail has a minimum GLFA of 450m²” in the LFRZ. There is no discussion of why this rule should be included in the zone. The PDP definition of large format retail is “any individual retail tenancy with a minimum floor area of 450m²”. I consider that the definition and permitted activity status of large format retail, and the non-complying status of retail tenancies of less than 450m² is adequate to achieve the aims that the requested rule seeks to achieve. It is not clear to us why the additional provision requested would be needed, and it seems to duplicate the definition.

Food and beverage tenancies in proximity

- 5.10 The submission requests that LFRZ-R9 be amended to delete clause 2 “the activity shall not be located within 50m of another food and beverage outlet”. I understand that the likely intent of that rule is to limit the amount of food and beverage activity that is able to locate in the LFRZ, and reduce adverse distributional effect on centres of hospitality activity locating outside centres. I agree with the submission point that food and beverage activities benefit from co-locating with other such activities, and note that there are efficiencies of these activities sharing facilities such as toilets, rubbish collection and accessways.
- 5.11 Ultimately I consider that allowing multiple food and beverage within 50m is unlikely to generate adverse distributional effects on existing centres when set alongside the other proposed rules and policies that recognise the importance of avoiding such effects (e.g. LFRZ-O1 and LFRZ-P1). For that reason I agree that it would be appropriate to remove LFRZ-R9(2), subject to some alternative limit on total food and beverage activity enabled in each LFRZ.
- 5.12 It could be that a very significant presence of food and beverage activities established in one location might result in that place developing as a hospitality destination in its own right, contrary to the intent of the LFRZ. Based on that, an alternative to including the 50m rule would be to limit the maximum amount of food and beverage activity in some other way, such as applying a maximum number of tenancies, or a maximum amount of food and beverage floorspace.
- 5.13 In my opinion it would be appropriate to impose a maximum amount of food and beverage floorspace in each LFRZ, and a maximum limit in the order of 1,000-1,500m² would be appropriate to adequately provide convenient access to food and beverage tenancies for LFRZ shoppers, balanced against a need to avoid very large aggregations of hospitality activity establishing in competition to centres.

6. KĀINGA ORA (325)

Decision sought

- 6.1 The Kāinga Ora submission relates to the commercial zones and residential activities

enabled in these zones. The submission requests the following changes:

- (a) Amend the commercial policy to allow residential on the ground floor if the site is not needed to meet long term needs for commercial floorspace or if the building is designed to allow conversion to commercial floorspace (CMUZ-P7).
- (b) For the TCZ change the rules restricting residential on the ground floor from applying to all streets to only apply to “Principal Shopping Streets” (TCZ-R16 and TCZ-R17).
- (c) Include an additional clause in NCZ-P1 and LCZ-P1 to state that residential activity is enabled in those two zones.
- (d) Remove floorspace descriptions and maximum retail tenancy sizes from the NCZ (NCZ-P1(2)) and LCZ (LCZ-P1(2)).
- (e) Increase the maximum height in the LCZ and NCZ to 12m from 10m (LCZ-BFS1 and NCZ-BFS1), in the MUZ increase the maximum height from 15m to 21m (MUZ-BFS1), and in the TCZ increase the maximum height from 18m to 21m (TCZ-BFS1).
- (f) Remove the building minimum threshold of 450m² GFA in MUZ and TCZ, MUZ-R1(1)(b) and TCZ-R1(1)(b).
- (g) Removal of the MUZ rules that restrict residential to a maximum of 75% of floorspace on each site (MUZ-R13 and MUZ-R14).

Submission points

6.2 The Kāinga Ora submission makes the following points relevant to assessing the economic merits of the submission:

- (a) Kāinga Ora generally supports the policy of encouraging residential above ground floor, subject to providing some additional flexibility for residential on ground floor if the land is not required to meet demand in the coming three decades or can be readily converted back to commercial use. This will mean that either there is no need for the land in question or that if it is used for residential it could be converted back so as to not foreclose future commercial occupation.
- (b) Kāinga Ora considers that an addition is required for the LCZ and NCZ to make it clear that residential activity above ground floor is enabled. The submission provides no discussion of the proposed change to the TCZ rules to focus only on principal streets.
- (c) The submitter considers that the anticipated size of LCZ and NCZ centres is adequately addressed by description of each centre in element [1] of LCZ-P1 and NCZ-P1. The total floor space and maximum tenancy size should be removed, as they are misaligned with the context.
- (d) Kāinga Ora opposes the height development standards of the NCZ, LCZ, and TCZ as

notified. Those centre zones are identified for growth and intensification, and it is Kāinga Ora's position that encouraging greater height will contribute to making these centres a vibrant focal point for communities. Amendments along the same lines are also sought for the MUZ. Kāinga Ora generally supports the 8m height limit where the NCZ adjoins the GRZ or LFRZ, however where it is located adjacent to the MRZ an increased height limit should be permitted that aligns with the MRZ height limit of 12m. For the TCZ and MUZ the heights Kāinga Ora seeks the height is enabled up to 6 storeys (21 metres), which aligns with the direction of the NPS-UD.

- (e) The submitter provides no reasons for removing the minimum building size within the MUZ or TCZ.
- (f) The submitter provides no reasons for the removal of the maximum residential floorspace of 75% in the MUZ.

Response to submission points

Dwellings above ground floor

- 6.3 The submitter has requested changes to the residential provision which encourages dwellings above ground floor, both in the general commercial policy and zone specific provisions for TCZ, LCZ, and NCZ. I acknowledge that this would provide greater flexibility and mixed-use activity in the centre zones, and encouraging more people to live in centres.
- 6.4 However, enabling residential activity on the ground floor would likely result in less floorspace being available for retail, food and beverage, and other tenancies that need to be located on ground floor. If residential activity establishes on the ground floor in centres it could crowd out both existing and new commercial activity which could harm the role and function of the centres. While there is sufficient land supply in the commercial zones to meet expected demand, the demand for residential could change this situation if it was encouraged to locate on ground floor.
- 6.5 I acknowledge that the changes requested would allow this only if land is not required to meet demand or can be readily converted back to commercial use. However, in my opinion the first of those exceptions (land not required to meet demand) would enable applications to claim a lack of demand based on site-specific reasons that could be difficult to counter, and might result in a proliferation of residential activity in the centre zones, and would introduce uncertainty in processing applications. The second exception (where space can be converted to commercial use in the future) has some merit, but I am concerned that inertia may make it difficult to dislodge residential activity once it is established in centres.
- 6.6 I also consider that there will be ample opportunity for residential activity to locate above ground floor in centres, and consider that at-ground residential activity is not required to improve in-centre vibrancy or people activity, and may be counter-productive through constraining the ability of people-generating activities to locate in parts of centres on the ground floor. For those reasons I do not consider that the request to enable residential

activity on the ground floor should be accepted.

Residential away from Principal Shopping Streets in the TCZ

- 6.7 For the same reasons I do not consider that the request to enable ground floor residential in areas outside of Principal Shopping Streets in the TCZ should be approved. A large proportion of the total area of each TCZ is not located on the Principal Shopping Street, and would under the requested rule be available for residential development. This is a sizeable area, and irrespective of classification as Principal Shopping Street or not these areas play an important part of the centres' role, both now and in the future.
- 6.8 It is also likely that these Principal Shopping Street areas will change (expand) as the towns grow, and having legitimately established ground floor residential activity in areas that come to be increasingly 'Principal Shopping Street'-like will be counter-productive to achieving well-functioning centres in the future. For these reasons, I consider that it would not be appropriate from an economic perspective to allow this ground floor space to be used for residential.

LCZ and NCZ floorspace descriptions and maximum retail tenancy sizes

- 6.9 This request is to remove floorspace descriptions and maximum retail tenancy sizes from the LCZ and NCZ chapters and to place those instead in the General Objectives and Policies for all Commercial and Mixed Use Zones.
- 6.10 From an economic point of view these descriptions and maximum tenancy sizes reflect the role and hierarchy of centres, which ensures that the lower order commercial zones do not take on the roles of the higher order commercial zones. In the case of NCZ the total floorspace of 450m² and a maximum of 350m² per tenancy, ensures that this centre has a small number of tenancies which will provide for convenience needs. This means that medium-larger retailers and commercial operations will appropriately locate in the higher order zones (TCZ and LFRZ) and that the NCZ will not grow to a size that will have adverse economic effects on other centres.
- 6.11 Similarly, in the case of the LCZ the total floorspace of 4,000m² and tenancy maximum of 450m², ensures that this centre has a number of tenancies which will provide for a wider range of needs for the local community, and in a manner that is appropriate based on the place the LCZ occupies in the centres hierarchy. This means that larger retailers and commercial operations will appropriately locate in the higher order zones (TCZ and LFRZ) and that the LCZ will not grow to a size that will harm TCZ centres.
- 6.12 I consider that it is appropriate to retain these descriptions in the PDP, and that the appropriate place for that is in the chapters as notified. Shifting those descriptions to General Objectives and Policies section would make them less readily read in conjunction with the zone-specific rules in each (LCZ, NCZ etc.) chapter, and in my opinion would make interpretation of the chapters slightly more difficult, without any corresponding benefit if they were shifted. For those reasons I recommend the request not be approved.

Building height in commercial zones

- 6.13 The submitter requests increased maximum building heights in the TCZ, LCZ, NCZ, and MUZ. I agree that it would be sensible from an economics perspective to allow maximum building heights of 12 metres in the LCZ and NCZ which would match the surrounding MRZ heights, and may encourage greater intensity of activity in the zone with office and residential being accommodated on upper levels of commercial buildings. I note that the Templeton Group (#412) and Bellgrove (#408) submissions make similar requests, although differing slightly in scope.
- 6.14 I also agree that allowing a height of 21 metres in the TCZ and MUZ would be sensible as this would allow buildings up to six levels high. I recognise that 18m (4-5 storeys) is the maximum height in the TCZ where at least one floor is residential (TCZ-BFS1(2)(ii)(a), which is a standard intended to incentivise the provision of residential activity in centres. I agree that that incentive is appropriate because there are benefits from having people living in the TCZ, and I support the use of that incentive.
- 6.15 Generally, the development of four level buildings is not commercially viable, because the additional costs associated with developing above three levels are higher⁸ as compared to the potential revenue from the development. Increasing the maximum height from 15m to 21m in the TCZ and MUZ would encourage higher density activity to appropriately locate in the District. While I acknowledge that there is not likely to be much development in the coming decade that would reach this level, enabling this additional height will have minimal economic impacts, positive or negative, and safeguards against the possibility that greater than currently anticipated vertical development is pursued within the life of the PDP.
- 6.16 For these reasons in my opinion an appropriate response would be to apply a height limit in the TCZ of 15m (3-4 storeys), with a limit of 21m if at least one floor is residential. That would enable development to the height Kāinga Ora seeks, and would incentivise in-centre residential activity.

Minimum building size in the MUZ and TCZ and maximum residential share in MUZ

- 6.17 Kāinga Ora provides no reasons for the requested removal of the minimum building size within the MUZ or TCZ, or the removal of the maximum residential floorspace of 75% in the MUZ. While both of those changes would provide greater flexibility in terms of activity being able to be accommodated within the MUZ and TCZ, there are potential negative effects of the changes from an economic perspective. The 75% rule will help to ensure that developments in the MUZ are not solely residential, and that they contain some non-residential element that will support the regeneration of the Kaiapoi TCZ (because the only MUZ is adjacent to the Kaiapoi TCZ). That is important to create the mixed-use nature of activities that the MUZ intends to accommodate, without which the MUZ could effectively become a residential zone. For that reason I oppose the requested removal of the 75% rule.

⁸ Internal services - lifts, three waters, stairwells, waste management, etc.

- 6.18 While I do not disagree with the Kāinga Ora submission point on minimum building size from an economics perspective, I understand there are planning reasons that rule is considered appropriate.

7. RAVENSWOOD DEVELOPMENTS (347)

Decision sought

- 7.1 The Ravenswood Developments submission mostly relates to the TCZ and how the Ravenswood centre is included within the provisions. The submission requests the following changes:

- (a) Add Ravenswood as a Key Activity Centre (KAC), with an identified Principal Shopping Street within the interpretation section and add Ravenswood as a main centre, SD-O2(5). Remove hierarchy within the TCZ between each centre, TCZ-P1.
- (b) Amend requirement for development capacity to “at least” sufficient, UFD-O2.
- (c) Remove the protection of centres within Christchurch (Belfast/Northwood) from commercial zone hierarchy, CMUZ-P1(4).
- (d) Questions the rules for LFRZ, which requires require resource consent for all activities, LFRZ-R1.
- (e) Change trade suppliers to being permitted in the TCZ, TCZ-R24.

Submission points

- 7.2 The submission makes the following points relevant to assessing the economic merits of the submission:
- (a) The submitter considers that the TCZ in Ravenswood should be a KAC, as this will give effect to the Canterbury Regional Policy Statement.
 - (b) Applying the Principal Shopping Street to this centre will ensure appropriate application of the TCZ provisions to Ravenswood.
 - (c) The new centre in this area will become the main commercial centre within the Woodend-Pegasus area, and should be include appropriately within the hierarchy. The submitter considers that it is not necessary or appropriate to create a hierarchy within the top tier of the centres hierarchy (i.e. with Ravenswood being below Rangiora and Kaiapoi in the centres hierarchy).
 - (d) Objective 2 and Policy 2 of the NPS-UD support the inclusion of “at least” sufficient capacity to meet commercial and industrial development demand.
 - (e) It is unclear why the existing commercial centre within Belfast/Northwood in Christchurch requires “protection” from activities within Waimakariri District. This is not supported by any s32 analysis.

- (f) Proposed LFRZ-R1 effectively means that most activities within the LFRZ will require resource consent either for the land use (retail less than 450m²) or building (over 450m²), and questions whether that is the intent of the rule.
- (g) The Trade Supplier activity is not incompatible with the outcome sought within a TCZ, provided that the layout and design of the development appropriately responds to its town centre context. The consent trigger for buildings greater than 450m² and the associated urban design assessment criteria will ensure that the desired outcome is achieved through the resource consent process. It is not necessary to impose an activity-based rule (with associated activity-based assessment criteria) to achieve the same outcome.

Response to submission points

KAC role

- 7.3 A Key Activity Centre (“KAC”) was identified to be located in the vicinity of Woodend within the Canterbury Regional Policy Statement – Map A. However I understand that no specific location for that KAC had been identified at the time Map A was adopted, and the intent was that the KAC notation was to identify an appropriate general location in which a KAC could be created to service the growing Woodend-Pegasus communities. For that reason, the KAC in that vicinity was called “Woodend/Pegasus” in Map 1, and “Ravenswood” is not referred to in the CRPS.
- 7.4 I further understand that the appropriate location of the Woodend/Pegasus KAC was settled in private Plan Change 30 (now operative), and was in that plan change established to be the Ravenswood centre. The Plan Change’s consent order was only issued after the PDP was notified, and so the PDP does not incorporate changes to the operative plan that arose out of Plan Change 30. Accordingly, I agree with the submitter that the TCZ in Ravenswood is intended to be a Key Activity Centre, and the Woodend/Pegasus KAC identified in Map 1, and that the PDP should recognise this within the provisions.

Hierarchy of TCZs

- 7.5 I disagree that there is no need to have a hierarchy that distinguishes between the Rangiora and Kaiapoi TCZ on one hand and the Ravenswood TCZ on the other hand. Plan Change 30, which applied a TCZ zoning to Ravenswood, and confirmed KAC status for the centre, applied a maximum limit of the amount of permitted retail floorspace for the Ravenswood Business 1 zone, in order to distinguish Ravenswood, as an emerging KAC and new town centre zone. In my opinion it remains appropriate to retain that distinction in some way, so as to enable the existing Rangiora and Kaiapoi TCZs to continue to function as commercial focal points, and to avoid erosion of that role by the creation of the new Ravenswood centre.
- 7.6 The distinction now included in the operative District Plan recognises the extant strategic value of the Rangiora and Kaiapoi town centres, and their potential vulnerability to significant retail distribution effects that might arise from a significant, short-term increase of retail space being established elsewhere in Waimakariri in competition to them. Those

effects could include the departure of many established businesses from the Rangiora and Kaiapoi TCZs, and a decrease in vitality and vibrancy of those centres as a result of reduced patronage. The indirect (flow-on) effects of those direct effects might include a reduced ability of the TCZs to adequately supply their community's needs and function as the principal focal points for commercial and other activities, contrary to objectives in the PDP (TCZ-O1).

Sufficient development capacity

- 7.7 The submission seeks to amend UFD-O2 by adding "at least" within the sufficiency test for commercial and industrial zones. In my opinion that is reasonable and would be consistent with the intention of the NPS-UD. The NPS-UD sufficiency test is framed as a minimum level of development capacity required, not a maximum or a target. Also, the NPS-UD has a wider set of objectives beyond simply providing the bare minimum capacity that is sufficient to meet expected demand. This means that Council could allow for more urban capacity than the minimum required to accommodate expected growth, in order to meet the wider objectives of the NPS-UD. The provision of additional capacity can be assessed according to the merits, but this does not mean that all additional developments should be adopted as being beneficial.

Belfast/Northwood inclusion in centre hierarchy

- 7.8 I understand that Belfast/Northwood centre was included in CMUZ-P1 as the closest centre in Christchurch, in recognition of the possibility that new developments in Waimakariri could have effects on Christchurch centre. However, in my opinion the inclusion of Belfast/Northwood is not required, and the rest of the policy (relating to supporting and maintaining town, local, and neighbourhood centres) would ensure that Belfast/Northwood is by default protected in the same way.
- 7.9 It is difficult to conceive how a new development might not be inconsistent with CMUZ-P1(1-3) and yet still not support and maintain the role of the Belfast/Northwood centre. That is, for there to be more than minor adverse distributional effects on Belfast/Northwood from a new development in Waimakariri, there would also be such effects on Waimakariri centres, because Waimakariri centres will be closer to the Waimakariri development, and would be smaller centres, than Belfast/Northwood. The effects on Waimakariri centres would then be sufficient to need to be avoided, which would inevitably lead to effects on Christchurch centres (including Belfast/Northwood) also being avoided. I support the requested removal of the Belfast/Northwood clause from CMUZ-P1.

Building and GFA rules

- 7.10 I agree with the submission that LFRZ-R1 effectively means that most activities within the LFRZ will require resource consent either for the land use (retail less than 450m²) or building (over 450m²). The purpose of this zone is to accommodate large format buildings, and so to require a resource consent for buildings over 450m² appears to introduce an unnecessary restriction to potential development. From an economic perspective I believe

that the requirement for resource consent for buildings of larger than 450m² is unnecessary, although I understand that there could be other (e.g. urban design/granularity) considerations that make this rule appropriate.

Trade suppliers in the TCZ

- 7.11 The submitter has requested that Trade Suppliers should be a permitted activity in the TCZ, although has not provided any justification for that request. I consider that permitting this type of activity in the TCZ could crowd out other permitted activities by using large areas of land. Trade Suppliers will not contribute to role or function of the TCZ in the same positive way as retail and other commercial activities, because most customers that visit Trade Suppliers do so as a single purpose trip, via private vehicle. Other activities that are permitted in the TCZ have a greater tendency to be visited on multi-purpose trips which will support the intended role of the centre. In the case of Ravenswood there are other industrial zones near the TCZ which could accommodate Trade Suppliers, and there is ample opportunity for Trade Suppliers to locate in industrial zones throughout the District as well.
- 7.12 For that reason, I do not support the request to make Trade Suppliers a permitted activity in the TCZ.

8. BELLGROVE RANGIORA (408)

Decision sought

- 8.1 The Bellgrove Rangiora Limited submission relates to the LCZ floorspace thresholds and clarifications on the activities enabled in this zone. The submission requests the following changes:
- (a) Remove the maximum permitted floorspace (of 350m² under LCZ-P1(2)) for retail tenancies in the LCZ.
 - (b) Exclude food and beverage activity from the retail tenancy maximum rules (LCZ-R4).
 - (c) Increase maximum tenancy size for food and beverage activity from 300m² to 500m², LCZ-16(1)(b).
 - (d) Increase the permitted building size from 450m² to 1,000m², LCZ-R1(1)(b).
 - (e) Increase the height in LCZ to 12m from 10m (LCZ-BFS1 Height).

Submission points

- 8.2 The submission makes the following points relevant to assessing the economic merits of the submission:
- (a) The submitter supports the overall development outcome sought for the local centre of up to 4,000m² total floor space and that local centres will provide for

daily/weekly shopping needs of the local residential catchment. However, they suggest that the specificity regarding total shop size and retail tenancy areas be removed from the LCZ policy (i.e. maximum retail tenancy of 350m²). The submitter is concerned that there will be some food and beverage outlets (e.g. a restaurant and/or bar) that will exceed a GFA of 350m² in the policy and 300m² in the rules, and then need to obtain consent as a restricted discretionary activity. These are covered separately under Built Form Standard LCZ-R16 and this should be referenced in the rule for clarity.

- (b) The submitter considers that given the scale of the Local Centre the permitted maximum GFA of a building at 450m² is quite small, and noting that other rules are in place to limit maximum retail activity tenancy sizes (i.e. Built Form Standard LCZ-R4).
- (c) The medium density residential and general residential zones have a maximum height limit of 12m. The LCZ should be at a minimum consistent with this height.

Response to submission points

Maximum retail tenancy size

- 8.3 The submitter has requested the removal of the floorspace maximum for retail tenancies of 350m² in LCZ policy P1(2), and has requested the retention of the maximum of 300m² in the LCZ-R4(1)(c), albeit with an exclusion requested for Food and Beverage.
- 8.4 I consider that it is prudent to maintain a maximum floorspace for retail tenancies, and agree with the submitter that 300m² is an appropriate maximum size limit for retail tenancies in the LCZ. That limit would ensure that larger format retail (i.e. 300m²+) stores will locate either in the TCZ or LFRZ. Generally, large stores tend to have a wider role serving the entire community and attract higher volumes of customers, which means that it is more efficient if they are located in the TCZ or LFRZ where these activities can be accommodated and easily accessed by virtue of their central location.
- 8.5 It is not clear why the maximum floorspace identified in LCZ-P1 (350m²) differs to that in LCZ-R4(1)(c) (300m²), but I agree that 300m² is an appropriate maximum size limit for retail tenancies in the LCZ.

Maximum food and beverage tenancy size

- 8.6 The submitter is suggesting that the maximum Food and Beverage tenancy size be different to the 300m² applied in LCZ-R4(1)(c) to retail activities, and instead requests that the maximum Food and Beverage tenancy size be increased from 300m² to 500m² in LCZ-R16. From my experience most food and beverage activities will be smaller than 300m², although there will be some that are larger. Because smaller tenancy sizes dominate, that indicates that there is greater economic incentive to be smaller, rather than larger. That means that it will likely not be economic for many food and beverage activities to occupy larger tenancies just because it is permitted to do so (under the change requested), and so I consider that increasing the allowance to 500m² as requested by the submitter is unlikely

to materially impact the operation of the LCZ or the other centres in the hierarchy.

Maximum building size in the LCZ

- 8.7 The submitter requests that the notified maximum building size of 450m² in LCZ-R1(1)(b) be increased to 1,000m². I understand that the 450m² rule is applied as an urban design trigger, with matters of discretion limited to urban design under CMUZ-MD3. That is, the 450m² rule is not related to retail distribution effects, and from an economic perspective the maximum centre floorspace and tenancy rules are adequate for ensuring that the activity accommodated within the LCZ does not impact the role of the higher order TCZ. If the restriction on building size was increased to 1,000m² that would not be of concern from an economics perspective, given the maximum tenancy size identified in LCZ-P1. however, I acknowledge that there are other reasons (urban design, etc) why a maximum building size was notified.

Building height in the LCZ

- 8.8 The submitter requests that building height in the LCZ should be increased from 10m to 12m to match the levels enabled in the MRZ. I note that the Kāinga Ora (#325) and Templeton Group (#412) submissions make similar requests, although differing slightly in scope. As I have described in relation to the Kāinga Ora submission (#325), I agree that that is an appropriate and efficient change to enable, and may encourage greater intensity of activity in the zone with office and residential being accommodated on upper levels of commercial buildings.

9. TEMPLETON GROUP (412)

Decision sought

- 9.1 The Templeton Group submission relates to the LCZ floorspace thresholds and clarifications on the activities enabled in this zone. The submission requests the following changes:
- (a) Remove policy that encourages residential above ground floor in commercial zones (CMUZ-P7(1)).
 - (b) Add a specific allowance for Pegasus LCZ that a maximum of 75% of GFA on each site can be residential (LCZ-R9 and R10).
 - (c) Include tourism/visitor accommodation as an activity that should have its focal point in the LCZ (LCZ-O1 and P1).
 - (d) Include Pegasus, with Woodend, as having no limit to retail floorspace (LCZ-R4), food and beverage (LCZ-R16), and entertainment (LCZ-R17).
 - (e) Increase the height in LCZ to 12m from 10m (LCZ-BFS1 Height).

Submission points

- 9.2 The submission makes the following points relevant to assessing the economic merits of the submission:
- (a) Templeton Group is seeking amendment to the commercial zone policy to enable residential units to be a permitted activity at ground level. This is consistent with providing greater flexibility and mixed-use activity, and encouraging more people to live in and around centres. The submitter considers that a better design led outcome can be achieved for residential activity than would be achievable by requiring residential activity to be above ground floor level.
 - (b) The submitter considers that the LCZ zone objectives and policy be amended to include recognition of the tourism potential of the LCZ. The submitter's master planning undertaken for its land at Pegasus Township has conceived a boutique hotel, spa and associated amenities.
 - (c) The submitter is seeking a change to the floorspace rules for retail, food and beverage, and entertainment, to provide flexible provision for the Pegasus LCZ to have no GFA limits as per Woodend. No additional reasons for these changes are provided in the submission.
 - (d) The medium density residential and general residential zones have a maximum height limit of 12m. The LCZ should be at a minimum consistent with this height.

Response to submission points

Residential above ground floor in Commercial zones

- 9.3 The submitter has requested the removal of the policy (CMUZ-P7(1)) which encourages dwellings above ground floor in commercial zones, both in the general commercial policy and LCZ provisions. This request is similar to a submission point made by Kāinga Ora.
- 9.4 I acknowledge that this would provide greater flexibility and mixed-use activity, and encouraging more people to live in local centres. However, enabling residential on ground floor would likely result in less floorspace being available for retail, food and beverage, and other tenancies that need to be located on ground floor. I consider that encouraging or enabling residential activity on the ground floor may crowd out both existing and new commercial activity which could harm the role and function of the centres. While there is sufficient land supply in the commercial zones to meet expected demand, that sufficiency could change if residential activity were enabled on the ground floor. For these reasons, I do not consider that this request should be accepted.

Residential activity in Pegasus LCZ

- 9.5 On a related point, the submission appears to recognise that not all of a site within the LCZ should be occupied by residential activity, and proposes a maximum limit (75% of GFA on any site) that can be occupied by residential activity. That would, in theory, encourage a mix of residential and non-residential uses on any given site, while still allowing for ground

floor residential.

- 9.6 In my opinion there are two main reasons for the restriction on ground floor residential activity in the LCZ (and other centres generally). First is the risk of crowding out retail and commercial activities, as discussed above. Second is the objective of creating active street frontages rather than frontages dominated by private residences, where there is a natural tension between residents wanting privacy and the benefits of active frontages. Even if the change proposed by the submitter avoids the risk of the first outcome (crowding out), in my opinion it is likely that there would be adverse effects on active frontages, and that would not be avoided by the 75% rule requested.
- 9.7 Having recommended in the preceding point that it is not appropriate to remove the restriction on ground floor residential activity in the LCZ, I do not consider this '75% exception' to be necessary, or indeed appropriate.

LCZ as a tourism focal point

- 9.8 The submitter suggests that LCZ should be a focal point for tourism and visitor accommodation. From an economic perspective the LCZ plays a local role for the community and is not intended to accommodate businesses that serve a wider role. Generally, the LCZ contains a relatively small number of businesses, predominantly shops and public facing businesses such as service providers, that require access to their premises for their commercial operation. The size of these centres is typically less than about 4,000m² (as identified in LCZ-P1).
- 9.9 I note that in the notified PDP visitor accommodation is already a permitted activity in the LCZ (LCZ-R12) and in my opinion it is unlikely that there will in the future be much demand for visitor accommodation in the LCZ. The requested change would not be more enabling of that activity, and I would expect it to result in only very limited changes in how the LCZs operate. Nevertheless, I do not believe that the requested change is necessary to appropriately describe the intended economic focus of the LCZ, and I do not support this change because I do not consider it to be necessary, rather than because it would be likely to have significant adverse effects on LCZ operation.

No limit for retail, food and beverage, and entertainment activities at Pegasus

- 9.10 The submitter is seeking for the Pegasus LCZ to not be subject to any maximum tenancy size limits for retail, food and beverage, and entertainment activities. The only stated reason in support of that request is for flexibility, and the submitter provides no discussion as to why Pegasus LCZ requires more flexible rules than other LCZs.
- 9.11 In the field survey of Waimakariri's commercial zones undertaken for the WCGM22 update, I observed a high vacancy rate of commercial premises in Pegasus, and several businesses that had recently failed, which indicates that there may be insufficient demand to support existing or new commercial activity in Pegasus. In contrast, other centres in the rest of the district have low vacancy rates. The suggested changes would result in a Pegasus LCZ becoming a de facto TCZ, but without there being sufficient population in the area to support this type of zone it need not play a TCZ role, and there would not be sufficient

demand to support that role.

- 9.12 I do not consider that the apparent poor performance of the existing Pegasus LCZ is justification for accepting the requested change, and recommend that the maximum limits for retail, food and beverage, and entertainment activities stay as notified.

Building heights in the LCZ

- 9.13 The submitter considers that building height in the LCZ should be increased from 10m to 12m to match the levels enabled in the MRZ. I note that the Kāinga Ora (#325) and Bellgrove (#408) submissions make similar requests, although differing slightly in scope. As concluded in my response to those other submissions, I agree that it would be sensible to allow the increased height requested, which may encourage greater intensity of activity in the zone with office and residential being accommodated on upper levels of commercial buildings.

10. FOODSTUFFS SOUTH ISLAND (267)

Decision sought

- 10.1 The Foodstuffs submission relates to the floorspace thresholds, where supermarket activities are restricted. The submission suggests the following changes:
- (a) Remove the maximum building size in the TCZ and LFRZ of 450m² in TCZ-R1 and LFRZ-R1.
 - (b) Remove the restricted discretionary activity status for supermarket expansion in the LFRZ (LFRZ-R14), which would allow expansion as permitted.
 - (c) Remove the Principal Shopping Street height limit trigger of 5m (TCZ-BFS1).

Submission points

- 10.2 The submission makes the following points relevant to assessing the economic merits of the submission:
- (a) In the TCZ and LFRZ the proposed provisions would require a resource consent for any building over 450m², which would capture most supermarkets. New supermarkets and alterations/additions to existing supermarkets are, by their nature, larger than 450m² GFA. In order to contribute to and fulfil the role of TCZ and LFRZ, supermarkets need to provide for sufficient space for storage, customers, market demand and the overall function of the supermarket. The PDP specifically provides for supermarkets in the TCZ as a permitted activity, yet unnecessarily restricts their development or expansion through building threshold rule. The LFRZ recognises that supermarkets cannot always be located in commercial centres due to their scale and operational requirements. The 'large format retail' definition stipulates a retail tenancy having a minimum floor area of 450m², and specifically references a supermarket as large format retail. Foodstuffs

seeks the removal of the GFA threshold for supermarkets.

- (b) New buildings or additions to existing buildings which front a Principal Shopping Street that are higher than 5m triggers a discretionary activity status. A 5m high building addition to an existing supermarket that is considerably higher than this will promote poor and unintended built form outcomes through lack of height consistency and would create issues with internal operations and efficiency, such as stock management and accessibility. For this reason, Foodstuffs oppose the identification of part of the New World Rangiora frontage as a Principal Shopping Street and seek removal of this notation.

Response to submission points

Maximum building size in the TCZ and LFRZ

- 10.3 The submission point is similar to one raised by Woolworths New Zealand (#282), and states that the processes associated with developing a new or expanding an existing supermarket will require a resource consent in the TCZ and LFRZ (due to buildings exceeding the maximum 450m² building size), despite supermarkets being a permitted activity in the TCZ (TCZ-R2) and LFRZ (LFRZ-R2).
- 10.4 From an economic point of view the notified objectives, policies and rules clearly establish the role and hierarchy of centres, and ensure that the lower order commercial zones do not take on the roles of the higher order commercial zones. As discussed earlier, the 450m² maximum is used as an urban design trigger, and effects of exceeding that maximum are limited to matters of urban design under CMUZ-MD3, and so the 450m² rule is not required to be applied to supermarkets in order to achieve objectives relating to maintaining the role of centres. From an economics perspective I support the amendment requested by Foodstuffs, although note that changes to the rule would not be driven by an absence of need from an economic perspective, but rather by what is appropriate from an urban design perspective. On that, then, I defer to urban design/planning expertise on the appropriateness of the rule in each zone.

Restricted discretionary activity status for supermarket expansion

- 10.5 Foodstuffs oppose Rule LFRZ-R14 that requires a restricted discretionary consent for expansion of existing supermarkets in the LFRZ. The PDP as notified makes new supermarkets a discretionary activity in the LFRZ (LFRZ-R18), which I agree is appropriate so as to avoid the potential adverse retail distributional effects that can flow from new supermarkets establishing outside of centres. The potential effects that might arise from the expansion of an existing supermarket could be similar to those of a new supermarket, depending on the scale of the expansion. That is, if an existing supermarket were to double in size, it would be broadly equivalent to a new supermarket establishing.
- 10.6 In my opinion it is appropriate for the PDP to recognise that potential, and to seek to be able to identify and mitigate the potential effects that might arise from the establishment of a large amount of new supermarket space in the LFRZ. That would be enabled by the application of a restricted discretionary activity status for expanded supermarkets in the

LFRZ, as notified in LFRZ-R14. In my opinion LFRZ-R14 is consistent with LFRZ-R18 (new supermarkets are discretionary), and both are appropriate rules to support the centres hierarchy.

10.7 I have stated my opinion about supermarkets be appropriately classified as discretionary or restricted discretionary activities in relation to the Woolworths submission, and the need to amend LFRZ-P1 accordingly to exclude supermarkets from the list of activities to avoid. That is relevant to this Foodstuffs submission point as well.

10.8 For those reasons I do not support the Foodstuffs submission point on this matter.

Principal Shopping Street height limit trigger

10.9 Foodstuffs oppose the identification of the frontage of the Rangiora New World as a Principal Shopping Street, because, they submit, buildings in that Principal Shopping Street that are higher than 5m trigger a discretionary activity status. However, TCZ-BFS1 establishes a minimum height of buildings fronting a Principal Shopping Street, not a maximum, and it appears that the Foodstuffs submission has misinterpreted that rule. The submission opposes a maximum height of 5m on the grounds that supermarkets are higher than 5m, and a consent should not be required for work on the existing supermarket building merely because it is more than 5m high. However because the TCZ-BFS1 appears to have been misinterpreted, work on the existing supermarket building would not require a consent (because it exceeds the minimum required height), and for that reason I interpret that the submission point is resolved.

11. CONCLUSION

11.1 In my opinion the recommendations I have made in this statement would be beneficial in clarifying part of the PDP and are appropriate ways of responding to requests made by submitters.

Derek Foy
6 December 2023