

Before an Independent Hearings Panel
Appointed by Waimakariri District Council

under: the Resource Management Act 1991

in the matter of: Submissions and further submissions on the Proposed
Waimakariri District Plan and Variation 1

and: Hearing Stream 12: Rezoning requests (larger scale)

and: **Crichton Developments Limited**
(Submitter 299)

Statement of evidence of Natalie Hampson (Economics) on behalf
of Crichton Developments Limited in relation to Gladstone Road
rezoning request

Dated: 5 March 2024

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STATEMENT OF EVIDENCE OF NATALIE HAMPSON ON BEHALF OF CRICHTON DEVELOPMENTS LIMITED

INTRODUCTION

- 1 My full name is Natalie Dianne Hampson. I am a Director at Savvy Consulting Limited and was previously a director at Market Economics Limited from mid-2019 to the end of October 2023. I hold a Master of Science degree in Geography from the University of Auckland (first class honours).
- 2 I have worked in the field of economics for over 20 years for commercial and public sector clients, with a particular focus on economic assessment within the framework of the Resource Management Act 1991 (*RMA*). Since 2001, I have specialised in studies relating to land use analysis, assessment of demand and markets, the form and function of urban economies and growth, policy analysis, and evaluation of economic outcomes and effects, including costs and benefits.
- 3 With respect to housing demand and capacity, I have had a key role in (and project managed) two Housing Demand and Capacity Assessments (*HDCAs*) for Queenstown Lakes District Council (*QLDC*) and one for Rotorua Lakes Council (*RLC*). I have been involved in the housing intensification plan change for *QLDC*, *RLC* and Nelson City Council. I have acted for two submitters on Christchurch City Council's Intensification Plan Change (*PC14*) and am involved in two major greenfield growth projects in Queenstown for *QLDC* (Ladies Mile and the Southern Corridor) which have a key focus on housing demand, density and capacity. I continue to work on a number of projects and submissions related to housing demand and capacity generally.
- 4 I have a sound knowledge of the Greater Christchurch spatial economy, including that of Waimakariri District. My work in Greater Christchurch in recent years includes (but is not limited to) consents for commercial centres (North Halswell and North-West Belfast), consent for temporary commercial carparks in the Central City, a private plan change for industrial zoning in Selwyn District, submissions on the proposed Selwyn District Plan, assessments for Christchurch International Airport Limited, evidence before the Environment Court relating to a site in Prebbleton, and evidence on the Ōhoka Private Plan Change 31 (*PC31*).

CODE OF CONDUCT

- 2 Although this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where relying on

the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SCOPE OF EVIDENCE

- 3 I have been asked to comment on the relief sought by Crichton Developments Limited (*Submitter 299*) (*Crichton Developments*) in relation to the proposed Waimakariri District Plan (*PDP*). Specifically, the request to rezone land at 145-167 Gladstone Road, Woodend to Large Lot Residential Zone (*LLRZ*) (*the Proposal*).
- 4 My evidence will address:
 - 4.1 A brief summary of the relief sought by the Crichton Developments.
 - 4.2 A brief overview of the objectives and policies in the National Policy Statement for Urban Development (*NPS-UD*) addressed in my evidence.
 - 4.3 An assessment of the sufficiency of total housing development capacity in the urban area and Woodend/Pegasus to meet projected medium-term demand, based on available Council and other data.
 - 4.4 An assessment of the sufficiency of rural residential housing development capacity across the Waimakariri district to meet projected medium-term demand, based on available Council and other data.
 - 4.5 An evaluation of the significance of the relief sought in terms of the quantum of dwelling capacity it could deliver.
 - 4.6 An assessment of how the relief sought contributes to well-functioning urban environments.
 - 4.7 Conclusions on economic benefits and costs of the relief sought.
- 5 In preparing my evidence, I have reviewed or relied on the following:
 - 5.1 Greater Christchurch Housing and Business Development Capacity Assessments (*HBAs*) 2018, 2021 and 2023 (with the last two limited to Housing Development Capacity Assessments).
 - 5.2 Waimakariri Residential Capacity and Demand Model – IPI 2023 Economic Assessment, Formative, 8 December 2023 (*WCGM 2022*).

- 5.3 Minute 5: Questions for Mr Yeoman – response (PC31).
- 5.4 Review of Formative WCGM22 Development Model, Mr Sexton, Inovo Projects, 30 August 2023 (presented in the Supplementary Evidence of Mr Akehurst, 5th September 2023, PC31).
- 5.5 Independent Hearing Panel Decision Report, PC31, 27th October 2023.
- 5.6 S32A reports for the PDP (September 2021) Residential, Rural, Strategic Direction and Urban Development Chapters.
- 5.7 The Waimakariri Rural Residential Development Strategy 2019 (*Rural Residential Strategy*).
- 5.8 Operative District Plan and notified PDP provisions.
- 5.9 Crichton Development’s submission(s) and updated Outline Development Plan (*ODP*) presented in the evidence of Mr Dave Compton-Moen, dated 5 March 2024.
- 5.10 Data supplied by the Waimakariri District Council (*the Council*) on rural residential capacity estimates in the WCGM 2022.
- 5.11 The evidence of Mr Victor Mthamo (Soils), for Crichton Development, dated 5 March 2024.

SUMMARY OF EVIDENCE

- 6 The Rural Residential Strategy, that informed the PDP, projected district wide demand for rural residential dwellings over a 10 year period, and quantified remaining capacity for 260 dwellings in rural residential zones at the time (i.e. Residential 4A and 4B). Comparing demand against capacity shows a shortfall over capacity would arising over that 10 year period (2018-2028).
- 7 While not all of the assumptions of the WCGM 2022 are clear with respect to capacity in the notified LLRZ over the short/medium-term, I estimate from that data that there was capacity of 188 as at August 2022, showing further uptake of zoned capacity since the Rural Residential Strategy. If the rate of growth estimated in the Rural Residential Strategy is applied to the same medium-term period of the WCGM 2022, this again demonstrates a shortfall of rural residential capacity in the medium-term.
- 8 Using WCGM 2022 data, the estimated remaining LLRZ capacity in Woodend is 25 additional dwellings. As Woodend/Pegasus is projected to have a shortfall of total housing capacity in the short/medium-term (including the LLRZ), there is a projected

shortfall of both LLRZ and MDRZ capacity in the township over the next 10 years.

- 9 The Proposal would provide capacity for 27 net additional rural residential dwellings in Woodend. This would increase capacity LLRZ capacity in Woodend by 108% to help meet medium-term demand. I consider that the Proposal is significant in that context, and in the context of the district-wide shortfall of LLRZ capacity.
- 10 The PDP did not opt to zone additional LLRZ capacity. It instead provided for four areas of LLRZO. All are subject to rezoning requests and if approved would still not provide sufficient capacity for rural residential demand based on WCGM 2022 data and Rural Residential Strategy demand projections in the medium-term. Additional LLRZ capacity is required to be zoned.
- 11 I support the rezoning of the Site to LLRZ to help address the shortfall of capacity for rural residential demand growth. The economic benefits of the rezoning outweigh any potential economic costs/opportunity costs. It is therefore an efficient location for LLRZ that will help contribute to a well-functioning urban environment.

PROPOSAL

- 12 The site at 145-167 Gladstone Road, Woodend (*the Site*) and is approximately 22.7ha in size. Crichton Development's submission on the PDP seeks to rezone the Site from Rural Lifestyle Zone (*RLZ*) (as notified) to LLRZ to help provide for rural residential demand in Woodend specifically, and the Waimakariri District generally.
- 13 The Site is not within the Large Lot Residential Zone Overlay (*LLRZO*), nor was it shortlisted as an area potentially suitable for rural residential development in the Rural Residential Strategy. The Site is not impacted by the Christchurch International Airport Air Noise Contours.
- 14 Lot 1 of the Site is 2.49ha and already below the minimum lot size of the proposed RLZ which has a minimum lot size for new subdivision of 4ha. It already contains a dwelling. Lot 2 is 20.22ha and, if not for the designation for the Woodend Bypass (*the designation*), could accommodate five new dwellings if subdivided under the RLZ.¹
- 15 However, the designation reduces the total Proposal site to approximately 17.22ha. While a small sliver of land is taken from Lot 1, the majority of the designation impacts Lot 2. The useable land remaining west of the designation in lot 2 is estimated at

¹ Minor dwellings would also be possible on each site.

14.75ha. This would yield three additional dwellings under the RLZ.²

- 16 If rezoned to LLRZ (as proposed by Crichton Developments), I estimate that the existing dwelling could be retained on a site indicatively around 9,500sqm (i.e. incorporating sheds and existing landscaping). I estimate the gross residual land area west of the designation is 16.27ha. Reducing this by 15% to account for roading infrastructure,³ this is a net developable area of approximately 13.83ha. With an average minimum lot size of 5,000sqm, this would provide plan enabled development capacity for 27 additional large lot residential dwellings.⁴

NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

- 17 The NPS-UD is addressed in detail in the planning evidence of **Ms Brown**. In terms of this economic evidence, the following key requirements of the NPS-UD are relevant and are addressed in turn:
- 17.1 local authorities provide at least sufficient development capacity to meet expected demand for housing over the short, medium and long-term (Policy 2);
 - 17.2 planning decisions support competitive land and development markets (Objective 2); and
 - 17.3 local authority decisions are responsive, particularly to proposals that would add significantly to development capacity and contribute to well-functioning urban environments (Policy 8).

POLICY 2 - TOTAL URBAN HOUSING DEMAND, CAPACITY AND SUFFICIENCY

- 18 **Greater Christchurch HBAs – Results for Waimakariri District**
At the time of preparing the notified PDP, the Council relied on the Greater Christchurch HBA of March 2018 which concluded that there was sufficient land zoned for housing in the short-term in the Waimakariri District urban environment, but that there was also potential for emerging shortages in capacity in the medium-term.⁵ Hence, a key focus of the PDP was to provide additional housing capacity in the Waimakariri District urban environment in the form

² Not accounting for minor dwellings.

³ This is based on an analysis of gross areas and yields of private plan changes to the Operative Plan that provided rural residential lots. The lowest non-developable share was 12% and the highest was 22%, but the unweighted average was 84%. I have adopted 85%. I note that the WCGM 2022 applies 75% to account for infrastructure in the LLRZ and LLRZO. I consider this a conservative position.

⁴ The Proposal therefore provides the opportunity for 24 more dwellings than the notified RLZ.

⁵ S32A – Residential, page 11.

of increased densities in a Medium Density Residential Zone (MRZ) and General Residential Zone (GRZ) in existing residential areas.

- 19 The Greater Christchurch HBA 2021 update (based on the notified PDP but also higher dwelling growth rates) showed sufficient capacity in the short-term, with a larger shortfall in the medium-term with the Future Development Areas (FDAs) excluded. Exclusion of the FDAs accounted for the fact that, at the time of that assessment, those areas were not zoned for residential purposes. However, when the capacity of FDAs was included in the medium-term calculations, there was sufficient development capacity. This approach signalled the potential for FDAs to be live zoned (where not constrained for residential development) to address a medium-term shortfall.
- 20 The Greater Christchurch HBA 2023 update estimated a small surplus of urban capacity for housing demand over the medium-term (+350 dwellings). As with the preceding HBAs, this result was based on the Council's Capacity for Growth Model (WCGM). The latest version of that model (2022) took into account the additional capacity enabled by the PDP including that which was enabled through Variation 1 as Council's response to implementing Medium Density Residential Standards (MDRS). Variation 1 live zoned some notified FDAs to increase zoned greenfield capacity.
- 21 Sufficiency of housing capacity does not need to be reported at a location level according to clause 3.2 of the NPS-UD, but HBAs are required to assess demand and capacity according to locations within the urban area (clauses 3.24 and 3.25 of the NPS-UD). In that context, I consider that sufficiency can and should be reported at the location level. The WCGM 2022 (developed for Council by Formative) does this, even if the Greater Christchurch HBAs have not reported this level of detail for Waimakariri District. The following section is therefore based on the more detailed WCGM 2022.

Capacity and Demand Modelling in the WCGM 2022

- 22 While the HBA 2023 indicated a medium-term capacity surplus of 350 dwellings for Waimakariri's urban area, the report for the WCGM 2022⁶ showed a larger medium-term surplus of 970 plan enabled, infrastructure served, feasible and reasonably expected to be realised capacity for net additional dwellings (herein referred to as '*feasible and RER capacity*'). This increase is due to using a lower household demand projection for the main urban townships than in the HBA 2023 (i.e. 4,970 including the competitiveness margin⁷ compared to 5,600) and otherwise keeping the feasible and RER capacity the same as reported in the HBA 2023.

⁶ Waimakariri Residential Capacity and Demand Model – IPI 2023 Economic Assessment, Formative, December 2023.

⁷ The medium-term competitiveness margin is 20% (NPS-UD Clause 3.22).

- 23 Councils can adopt a preferred growth projection for the purposes of modelling housing demand and sufficiency under the NPS-UD,⁸ and as such, while different from the Greater Christchurch HBA 2023, I have accepted the demand projection contained within the WCGM 2022 as a valid scenario of projected dwelling growth (inclusive of the required competitiveness margin) for the purpose of my analysis below.⁹
- 24 Table 1 provides a high-level summary of demand and feasible and RER capacity for housing across Waimakariri District, as reported in the WCGM 2022. The model assumes:
- 24.1 that 79% of district wide demand for housing will be for the combined residential zones located in Rangiora, Kaiapoi and Woodend/Pegasus (the *main urban townships*);
 - 24.2 that 92% of the feasible and RER housing capacity provided by the PDP in residential zones over the medium-term is provided within the main urban townships; and
 - 24.3 that 91% of housing demand in the medium-term across the district is for standalone dwellings, with just 9% of demand for attached dwellings.

⁸ NPS-UD Clause 3.24(5).

⁹ It is noted that in his evidence for PC31 (Summary Statement, 7 August 2023), Mr Yeoman for the Council stated that he considers that demand (including the competitiveness margin) in the urban environment of Waimakariri District could be within the range adopted in the WCGM 2022 and the HBA 2023 (paragraph 81).

Table 1 – Summary of WCGM 2022 Short/Medium-Term (2023-2033) Results (Formative, Dec. 2023)

| Residential Zones by Location | Parameter | WCGM 2022 Results |
|-------------------------------|---------------------------|-------------------|
| Rangiora | Demand + Margin | 1,260 |
| | Feasible and RER Capacity | 2,451 |
| | Sufficiency | 1,191 |
| Kaiapoi | Demand + Margin | 1,230 |
| | Feasible and RER Capacity | 1,287 |
| | Sufficiency | 57 |
| Woodend/Pegasus | Demand + Margin | 2,480 |
| | Feasible and RER Capacity | 2,196 |
| | Sufficiency | - 284 |
| Total Urban Area * | Demand + Margin | 4,970 |
| | Feasible and RER Capacity | 5,934 |
| | Sufficiency | 964 |
| Rest of District | Demand + Margin | 1,290 |
| | Feasible and RER Capacity | 546 |
| | Sufficiency | - 744 |
| Total District | Demand + Margin | 6,260 |
| | Feasible and RER Capacity | 6,480 |
| | Sufficiency | 220 |

Source: Formative, December 2023. * This is just the sum of the three main urban areas, not all residential zones in the Greater Christchurch Urban Area within Waimakariri District.

- 25 In terms of results, the WCGM 2022 shows that across the main urban townships, there is a surplus of capacity of just under 970 feasible and RER dwellings. For the district overall, there is a smaller surplus of 220 feasible and RER dwellings to meet demand growth (inclusive of the margin) over the next 10 years.
- 26 The WCGM 2022 shows that the PDP generally is supplying at least sufficient zoned capacity to meet projected housing demand growth across the district, including at least sufficient capacity to meet projected demand across the main urban townships in the short/medium-term (as required by Policy 2 of the NPS-UD). However, it is not providing sufficient feasible and RER capacity in all locations of demand, including in:
- 26.1 Woodend/Pegasus, where there is an estimated shortfall of 284 dwellings in the short/medium-term (i.e. between 2023 and 2033); and

- 26.2 in the rest of the residential zones outside of the main urban townships, where there is an estimated capacity shortfall of 744 dwellings in the short/medium-term.
- 27 The implication of these results is that, if no further capacity is zoned for the short/medium-term (and other assumptions applied in the WCGM 2022 hold true), unmet demand in the smaller settlements (including clusters of the LLRZ throughout the district), as well as unmet demand for Woodend/Pegasus will be 'directed' to Rangiora and Kaiapoi where it is reported that there is at least sufficient capacity according to the WCGM 2022.¹⁰
- 28 Formative's advice to the Council can be summarised as follows:¹¹
- 28.1 Their assumptions around the feasibility of infill housing generally across the residential zones are conservative (and they provide several examples of old housing stock being redeveloped comprehensively (through resource consents) to higher yields than assumed feasible over the medium-term in the model).¹²
- 28.2 The shortfall in Woodend/Pegasus is only a "*technical shortfall*" and is smaller than the competitiveness margin, and "*if the competitiveness margin is excluded demand for dwellings in Woodend/Pegasus is 2,070 in the medium term, yielding sufficient capacity*".¹³
- 28.3 There would only need to be a small increase in development intensity in Woodend/Pegasus for there to be sufficient capacity in the short/medium-term.¹⁴
- 28.4 It would expect Rangiora and Kaiapoi to be substitute locations for housing demand for Woodend/Pegasus.¹⁵
- 29 While Formative advises Council to monitor the demand and capacity situation across the Waimakariri District regularly (and in Woodend/Pegasus specifically), they do not direct Council to actively consider additional zoning in Woodend/Pegasus as part of the

¹⁰ If these do not prove to be effective substitutes for that demand, and more land is not zoned in those locations of demand, those households may look elsewhere (in another district).

¹¹ I do not capture all findings of Formative in this list. Full detail is contained in their report.

¹² Mr Yeoman's Summary Evidence for PC31 (7 August 2023) states that the WCGM 2022 capacity is conservative by 10-20% (paragraph 22.2) but does not indicate whether this applies in all urban locations.

¹³ Formative, 2023. Page 35.

¹⁴ Formative, 2023. Page 35.

¹⁵ Formative, 2023. Page 36.

District Plan review, which is surprising given that it is the fastest growing town in the urban area with a 'modelled' shortfall.

- 30 I have a number of concerns with Formative's approach with regards to Woodend/Pegasus. First, the competitiveness margin is intended to ensure that capacity does not get so constrained (tight) that adverse effects on the housing market start to arise (i.e. price rises due to scarcity of available sections and lack of competition). The margin also takes into account the time it takes to zone new land and then complete land development. Playing down the relevance of the competitiveness margin is counter to the intent of the NPS-UD.
- 31 The competitiveness margin applied to demand in the Woodend/Pegasus location equates to two years of actual projected dwelling demand for Woodend/Pegasus (based on the WCGM 2022 growth projection). If no further capacity is zoned in the short/medium-term in Woodend/Pegasus, feasible and RER capacity could be reduced to 130 dwellings by 2033. At that point Woodend/Pegasus would be only some eight months away from having no remaining capacity.
- 32 It is also likely that a large share of the greenfield capacity in Woodend/Pegasus (discussed further below) is already consented (and some is already subdivided with titles issued). It is therefore unreasonable to suggest that a higher intensity (density) can be achieved on much of this land to increase the feasible and RER capacity over the short/medium-term to avoid a shortfall.

Capacity Modelling Tested in PC31 & Implications for Sufficiency

- 33 Objective 7 of the NPS-UD requires councils to have robust information about their urban environments. In the context of that objective, it is noted that the WCGM 2022 feasible and RER capacity results were a key focus of the evidence in PC31. That evidence was presented in August 2023 and a decision was issued at the end of October 2023.
- 34 In short, evidence by Mr Sexton at Inovo Projects (*Inovo*) showed a more current (August 2023) and ground-truthed assessment of short/medium-term capacity in the main urban townships than that presented in the WCGM 2022 which was carried out in August 2022.
- 35 Instead of a total urban surplus of 964 dwellings as estimated by Formative (Table 1), the Inovo assessment indicated potential for a shortfall of 609 dwellings. Key reasons for the significant difference in figures (i.e. a drop of capacity equating to 1,573 dwellings) estimated by Inovo include:
- 35.1 Further take-up of dwellings – i.e. some vacant sections as well as houses that were under construction at the time of the Formative capacity assessment (August 2022) were

developed/completed and occupied (so are no longer counted as capacity in August 2023).¹⁶

- 35.2 Removal of areas that cannot be developed for housing but were included in the WCGM 2022 as providing housing capacity (reserves, council facilities, pre-schools, churches, land with covenants or encumbrances etc).
 - 35.3 Adopting different yields in some greenfield areas based on publicly available developer information or consents.¹⁷
 - 35.4 Applying a greenfield yield based on the Canterbury Regional Policy Statement (CRPS) net density approach (deducting 12.5% of gross area for stormwater management and then multiplying remaining land by 15 dwellings/hectare). This compared with Formative's approach of removing 25% of gross land area for all infrastructure (including roads) and applying feasible and RER lot sizes for each zone.
 - 35.5 Physical inspection of sites identified as vacant or providing infill capacity.
- 36 The Independent Hearings Panel Decision Report on PC31 accepted evidence demonstrating *"the limitations of the modelling exercise undertaken by Formative, due to the fact that it presents a theoretical picture of development capacity and was not extensively ground truthed by Formative. We conclude on the evidence of Mr Sexton, Mr Walsh and Mr Akehurst that there is a very real likelihood that the model has overstated residential capacity"* (paragraph 81). The Panel *"strongly recommend that ... Council take steps to review the calculations provided by Formative and review realisability of the areas currently identified for future urban growth within the district"* (paragraph 84).
- 37 Table 2 provides the high-level breakdown of the WCGM 2022/Inovo assessment by township.
- 37.1 In Rangiora, Inovo remove capacity for 463 dwellings, which creates a smaller medium-term (10 year) surplus of 728 dwellings.

¹⁶ To be clear, change in numbers associated with take-up of capacity should not be interpreted as an error or limitation of the model.

¹⁷ Formative also identified 'developer yields' for several greenfield areas but did not adopt them in the WCGM 2022 (either adopting a higher or lower figure). Inovo indicate different 'developer yields' for some of the same greenfield areas. I have not sought to further validate either set of assumptions but adopt the Inovo figures on the basis that they are more recent and may reflect changes made to developer proposals.

37.2 In Kaiapoi, Inovo remove capacity for 314 dwellings, which results in a shortfall of 257 dwellings rather than a surplus of 57 over the next 10 years.

37.3 In Woodend/Pegasus, Inovo remove capacity of 796 dwellings, further increasing the shortfall in 10 years' time from 284 to 1,080 dwellings.

Table 2 – Summary of WCGM 2022 Medium-Term Capacity Results v Inovo Projects Results

| Residential Zones by Location | Parameter | WCGM 2022 Results * | Inovo Projects Results ** | Difference |
|-------------------------------|---------------------------|---------------------|---------------------------|------------|
| Rangiora | Demand + Margin | 1,260 | 1,260 | - |
| | Feasible and RER Capacity | 2,451 | 1,988 | - 463 |
| | Sufficiency | 1,191 | 728 | - 463 |
| Kaiapoi | Demand + Margin | 1,230 | 1,230 | - |
| | Feasible and RER Capacity | 1,287 | 973 | - 314 |
| | Sufficiency | 57 | - 257 | - 314 |
| Woodend/Pegasus | Demand + Margin | 2,480 | 2,480 | - |
| | Feasible and RER Capacity | 2,196 | 1,400 | - 796 |
| | Sufficiency | - 284 | - 1,080 | - 796 |
| Total Urban Area * | Demand + Margin | 4,970 | 4,970 | - |
| | Feasible and RER Capacity | 5,934 | 4,361 | - 1,573 |
| | Sufficiency | 964 | - 609 | - 1,573 |

Source: Formative, December 2023. * This is just the sum of the three main urban areas, not all residential zones in the Greater Christchurch Urban Area within Waimakariri District.

** Source: Supplementary Evidence of Mr Akehurst. Adopts WCGM 2022 demand + margin and Inovo capacity estimates.

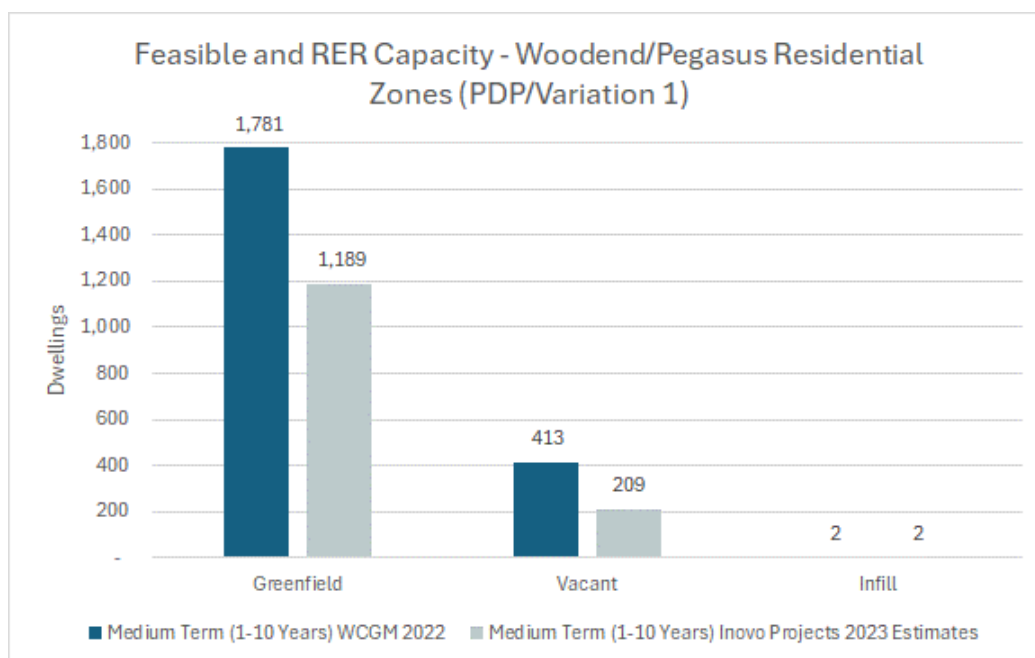
38 Table 2 shows that only a portion of unmet demand in Woodend/Pegasus and Kaiapoi could be provided for in Rangiora before it too has insufficient capacity. While Inovo's evidence for PC31 did not consider capacity in other residential zones beyond the main urban townships, as noted above, Formative has estimated a shortfall in the rest of the Waimakariri District's residential zones. Combined with Inovo's overall estimated shortfall across the main urban townships, this means there is a feasible and RER capacity shortfall across the whole district.

39 Figure 1 provides a breakdown of the category of capacity estimated in the WCGM 2022 for the Woodend/Pegasus urban area and reviewed by Inovo. With much of the supply in Woodend/Pegasus relatively new (with efficient use of more dense residential sections), the WCGM 2022 considers almost no feasible infill (or redevelopment) capacity by 2033 based on current costs and prices. Rather, the WCGM 2022 shows that 81% of short/medium-term capacity in Woodend/Pegasus is in greenfield developments, with just 19% in vacant market-ready or potentially subdivided lots.¹⁸

¹⁸ This would include dwellings under construction but not yet completed with their Certificate of Compliance.

This greenfield share is substantially higher than in Rangiora or Kaiapoi.

Figure 1 – Comparison of Woodend/Pegasus Housing Capacity by Category



- 40 The extent of the capacity categorised as 'greenfield' at the time of the WCGM 2022 comprised seven named development areas.¹⁹ By Inovo's estimates, total greenfield capacity was reduced by 592 dwellings, while vacant section capacity (as at August 2023) was nearly half of the amount estimated by Formative and is just 209 as at August 2023. This latest vacant section capacity equates to just one years' actual growth of Woodend/Pegasus according to Formative's total dwelling demand projections (excluding the competitiveness margin).
- 41 As discussed above, Formative has provided a number of caveats to the 'theoretical' shortfall of capacity in Woodend/Pegasus which suggests it isn't an issue that necessarily needs to be addressed by Council in the short/medium-term. I rely on the PC31 evidence of Inovo when it comes to feasible and RER capacity as at August 2023 for this urban location. There is clear evidence that the medium-term shortfall is not 'theoretical', is much larger than assessed at the time of the WCGM 2022 and is rapidly increasing. If assessed today, I expect the feasible and RER capacity would be substantially lower again.
- 42 Woodend/Pegasus is clearly delivering locations, dwelling types and dwelling prices that appeal to a large share of households seeking residential properties in the Waimakariri District. In light of the

¹⁹ Commons, Ravenswood (two areas), Woodland, Eders, Parsonage, Gladstone and Pegasus.

shortfall in capacity in Woodend/Pegasus (and the likely shortfall in the main urban townships/district overall), and a strong rate of demand growth, I consider that the Council needs to zone additional land in Woodend/Pegasus to meet its obligations under Policy 2 of the NPS-UD (to ensure sufficiency), Policy 1a(i) (to enable a variety of homes that meet the needs of households in terms of type, price and location) and Policy 1d (to support the competitive operation of land and development markets).

RURAL RESIDENTIAL HOUSING DEMAND AND SUFFICIENCY

- 43 While the above section of my evidence looked at sufficiency for the total housing market by location, this section considers demand, capacity and sufficiency of the rural residential housing market – which is a subset of the total housing market. I focus on the operative Residential 4A and 4B zones, which in the PDP are rezoned to LLRZ.²⁰

Demand and Capacity in the Rural Residential Strategy

- 44 The Council has analysed both demand for rural residential housing and vacant capacity of the operative Residential 4A and 4B zones to meet that demand. This was for the Rural Residential Strategy. I adopt that analysis for this evidence.
- 45 I understand the capacity data was based on a 2018 snapshot. The Rural Residential Strategy projected demand for approximately 385 additional rural residential households “*over the next 10 years*”,²¹ which I take to mean 2018-2028,²² and assumed a similar level of demand from the previous 10 years. This would imply average growth of around 38-39 rural residential lots/dwellings per annum over the medium-term for the total district.
- 46 By my calculations, this demand growth is slightly higher than the average growth rate over the previous 10 years (i.e. 2008-2018, where there was a lot of variation in dwelling consents issued annually in Residential 4A/4B zones) and is also slightly higher than the average rate over the previous five years (2013-2018) where there has been a steady increase in demand year-on-year since 2015, reaching around 47 dwelling consents issued for rural residential development in 2018. These trends are illustrated in Figure 2. Only if that recent trend of dwelling supply continued to rise, would the Council’s medium-term projection be too low.²³

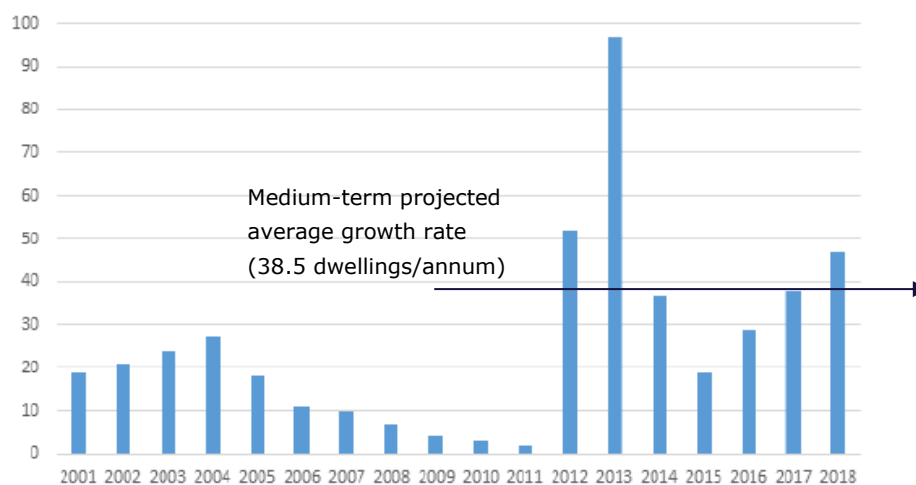
²⁰ I do not consider any Special Purpose Zones that include large lot residential precincts. As I understand it, the WCGM 2022 also excludes those zones from capacity modelling.

²¹ Rural Residential Strategy, page 3.

²² This was not clear. The next 10 years could have been 2019-2029.

²³ While this data was requested from the Council, it was not supplied.

Figure 2 – Building consents for new dwellings in rural residential zone (Residential 4A/4B) (copy of Figure 3, Rural Residential Strategy 2019)



- 47 I accept the Council’s projection of approximately 385 new rural residential dwellings over the medium-term (2018-2028 period) as a scenario of future demand on the basis that further fluctuation is likely.²⁴ However, the Rural Residential Strategy does not add the margin of 20% for the medium-term required by the NPS-UD within the urban environment. While not all rural residential areas are within the urban environment of the Waimakariri District or part of one of the main urban townships (most are),²⁵ including the *intent* of the margin district-wide would mean that the demand that needs to be planned for is 462 additional dwellings to ensure at least sufficient rural residential capacity is provided for in the PDP.
- 48 As at 2018, the Council estimated that existing zoned Residential 4A/4B zones had capacity for 260 additional lots.²⁶ I expect this to have been based on subdivision potential under the operative rules (5,000sqm average (4A) and 1ha average (4B) and some maximum lot count limits applied in the rules). This means that if Council divided land in both zones by a 5,000sqm lot average (as plan enabled under notified PDP zoning), they may have gotten more or less capacity at that time depending on which zone most of the vacant land was in. I discuss this further below.

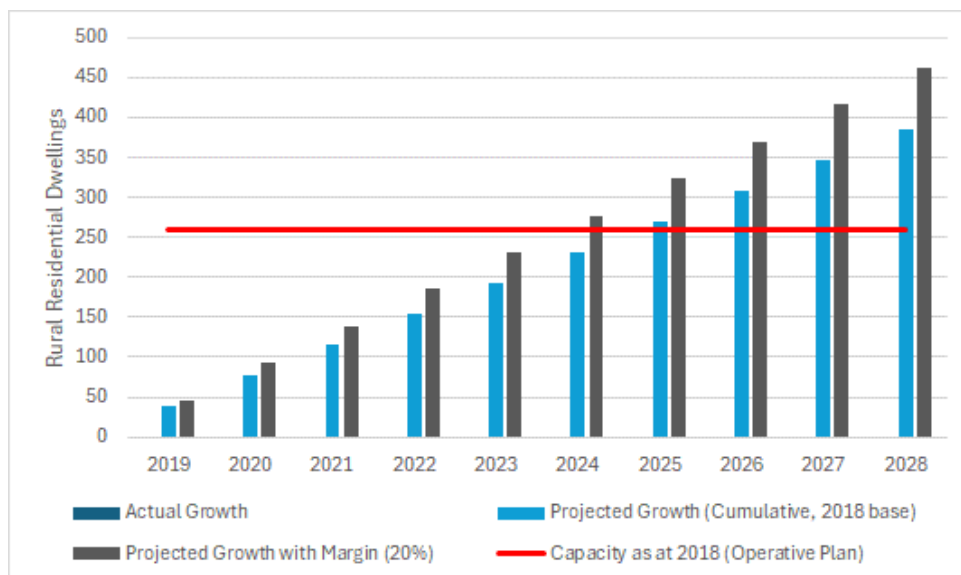
²⁴ Note, the Council’s demand approach is not tied directly to population or household growth rates, rather an extrapolation of past data on supply. As such, it has been arrived at somewhat independently of the growth projections used in the WCGM for example.

²⁵ Notified LLRZ areas within the Greater Christchurch urban environment are Fernside, Kaiapoi, Mandeville, Ōhoka, Rangiora, Swannanoa, Waikuku, Waikuku Beach and Woodend. The LLRZ areas outside the urban environment are Ashley, Loburn, Oxford and West Eyreton.

²⁶ This may have included some Res 4B land in the PIB that has subsequently been upzoned in the PDP.

- 49 Nonetheless, this implies that at the time of the Rural Residential Strategy, vacant or potential capacity could absorb between six to seven years of projected medium-term demand before running out. The remaining unmet demand through to 2028 (385 less 260 capacity) is around 125 lots (or a shortfall of 202 lots by 2028 including the NPS-UD competitiveness margin).
- 50 The medium-term (10 year) sufficiency results for total district rural residential housing in the Rural Residential Strategy is summarised in Figure 3. It highlights that when a competitiveness margin is included, there is an indicative shortfall of rural residential capacity by 2024, else the real shortfall occurs during the 2025 calendar year.

Figure 3 – Summary of Rural Residential Strategy 2019 Medium-term Demand and Capacity for Rural Residential Dwellings (Total District)



- 51 The Council did not respond to this projected medium-term shortfall with live zoning for rural residential living in the PDP - preferring instead to identify areas that would be suitable for rural residential development in the Rural Residential Strategy and notify these as an overlay in the PDP (i.e. LLRZO). However, the district-wide medium-term shortfall (when considered at the time for the 2018-2028 period) indicates that there was an opportunity for further zoning of LLRZ as part of the District Plan Review.²⁷
- 52 The following section of my evidence looks at capacity three years on from the Rural Residential Strategy and in accordance with PDP zoning.

²⁷ It is surprising that live zoning was not an option assessed in the S32A report (only status quo and overlay options were assessed).

Capacity in the LLRZ in the WCGM 2022 by Location

- 53 The WCGM 2022 – as reported – is a higher-level assessment of housing demand and capacity. It does not report on demand and capacity by sub-markets (such as rural residential living) or report capacity by zone. However, the model itself does estimate plan enabled and feasible and RER capacity at the zone level for each location. As such, data has been requested and supplied by Council on the feasible and RER capacity of the LLRZ and LLRZO in the short/medium-term and long-term respectively.²⁸
- 54 While the plan enabled minimum lot size of the LLRZ (as notified in the PDP) is for an average of 5,000sqm, the WCGM 2022 assumes a slightly larger minimum lot size will be feasible and RER over the long-term. This is 6,000sqm and applies in all locations of the LLRZ and LLRZO.²⁹ The WCGM 2022 also removes 25% of gross land area in large areas/parcels that would be subdivided into multiple lots to account for roading and other infrastructure. As discussed earlier, I consider this conservative as my analysis of past rural residential subdivisions has shown an average closer to 15%.
- 55 Table 3 provides a summary of capacity estimated for the LLRZ and LLRZO in the WCGM 2022 which was a snapshot in August 2022. Figure 4 maps the 13 locations of LLRZ referred to in the WCGM 2022 and listed in Table 3.

Table 3 – WCGM 2022 Results for the LLRZ and LLRZO by Location (August 2022) and Rezoning Requests to the Proposed Plan

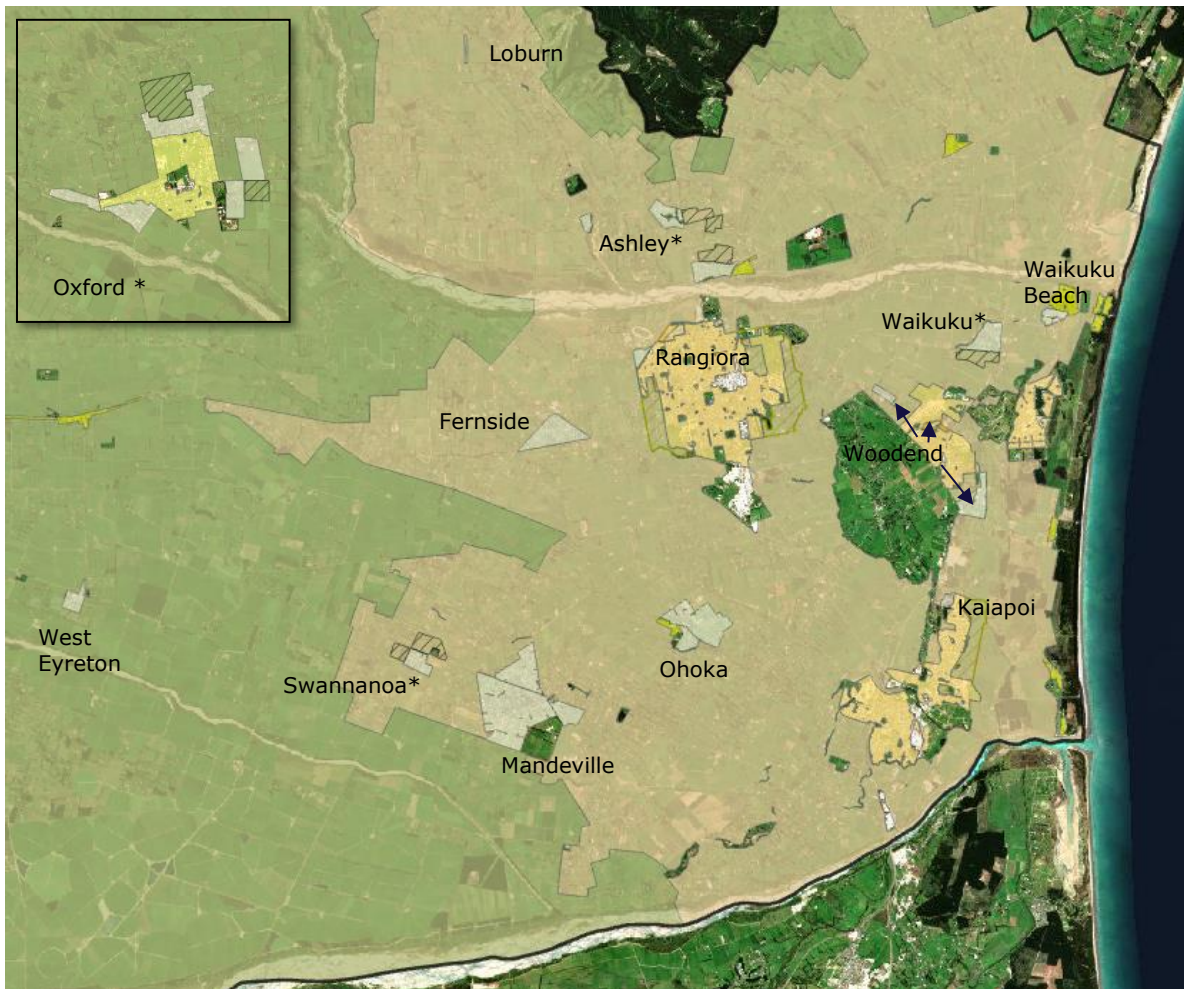
| Township/ Settlement (WCGM 2022) | Notified Zone | Feasible and RER Capacity WCGM 2022 (short/medium- term) | Feasible and RER Capacity WCGM 2022 (long-term) | Share of Total Capacity (%) (long-term) | Share of Zoned & Identified Capacity (%) (long-term) | Rezoning Request * |
|--|------------------|--|--|---|---|--|
| Zoned Capacity (net additional dwellings, as at August 2022) | | | | | | |
| Rangiora | LLRZ | 0 | 15 | 4% | 8% | Total area requested GRZ |
| Kaiapoi | LLRZ | 0 | 2 | 1% | 1% | NA |
| Woodend | LLRZ | 0 | 25 | 6% | 13% | Some areas requested GRZ |
| Ashley | LLRZ | 0 | 5 | 1% | 3% | NA |
| Fernside | LLRZ | 0 | 2 | 1% | 1% | NA |
| Loburn | LLRZ | 0 | 0 | 0% | 0% | NA |
| Mandeville | LLRZ | 0 | 15 | 4% | 8% | Minor area requested LCZ adjoining the LCZ |
| Ohoka | LLRZ | 0 | 78 | 20% | 41% | NA |
| Oxford | LLRZ | 0 | 36 | 9% | 19% | Some areas requested GRZ |
| Swannanoa | LLRZ | 0 | 1 | 0% | 1% | NA |
| Waikuku | LLRZ | 0 | 7 | 2% | 4% | NA |
| Waikuku Beach | LLRZ | 0 | 0 | 0% | 0% | NA |
| West Eyreton | LLRZ | 0 | 2 | 1% | 1% | NA |
| Total Zoned Capacity | | 0 | 188 | 48% | 100% | |
| Identified Capacity (net additional dwellings, as at August 2022) | | | | | | |
| Waikuku | LLRZO | N/A | 41 | 10% | 20% | Total area requested GRZ/MRZ |
| Ashley | LLRZO | N/A | 63 | 16% | 31% | Total area requested LLRZ |
| Swannanoa | LLRZO | N/A | 27 | 7% | 13% | Total area requested LLRZ |
| Oxford | LLRZO | N/A | 75 | 19% | 36% | Total area requested LLRZ |
| Total Identified Capacity | | 0 | 206 | 52% | 100% | |
| TOTAL CAPACITY | | 0 | 394 | 100% | | |

Source: Waimakariri District Council, WCGM 2022, Rezone Request GIS Viewer

²⁸ While plan enabled capacity was requested, it was not supplied (although I accept that this may have been ambiguous in my request as feasible and RER capacity is also plan enabled (and infrastructure ready)).

²⁹ Formative, 2023, Appendix A.

Figure 4 – Notified LLRZ and LLRZO (shown with *) Locations as Defined in the WCGM 2022



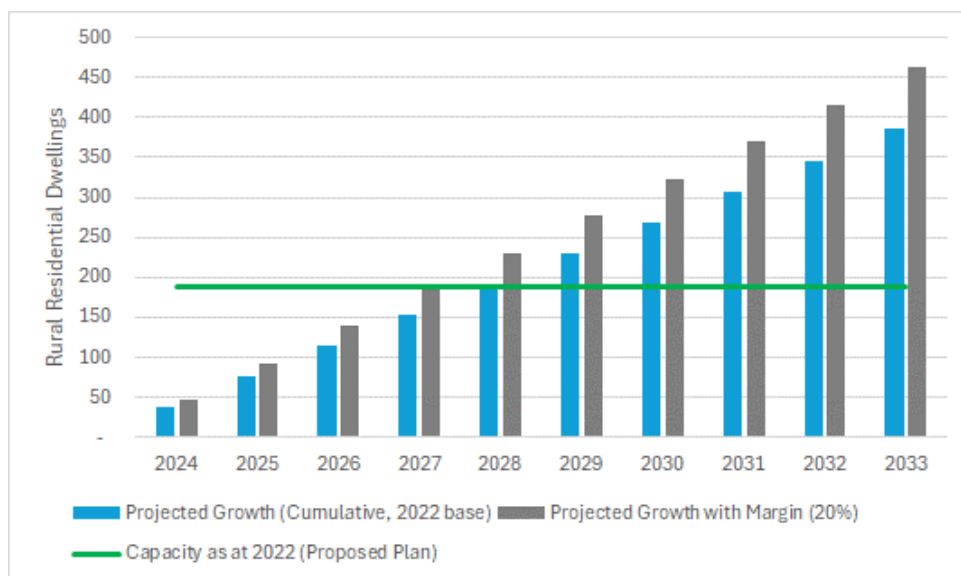
- 56 The WCGM 2022 shows short/medium-term feasible and RER capacity in the LLRZ equated to zero additional rural residential dwellings.³⁰ This almost defies belief given the strong uptake of rural residential lots in the recent past (see Figure 2 consents). Whatever is driving this result in the WCGM 2022 (and I don't have the necessary data from the model to try and work it out) it must be an error, in my view, and one that Formative need to further explain.
- 57 The WCGM 2022 does however show that, in the long-term, the zoned areas of LLRZ would have remaining feasible and RER capacity of 188 additional dwellings. Having done a visual inspection of the parcels that make up this capacity, there appear to some existing parcels that could be subdivided into one or more additional 6,000sqm lots that have not been included. As such, I consider that the count of 188 may be conservative by a minor degree.

³⁰ Based on the Rural Residential Strategy projections, they anticipated that capacity in the Residential 4A and 4B zones could be down to 106 additional dwellings by the end of 2022.

- 58 Having checked the calculations of long-term LLRZ capacity in the WCGM 2022 data supplied (at parcel level) it is clear that, other than meeting the threshold for creating 6,000sqm lots, there is no other reductions applied that relate to feasibility or infrastructure constraints. In other words, the feasible and RER capacity is essentially the same as plan enabled capacity except for the fact that a 6,000sqm minimum lot size assumption has been used rather than 5,000sqm as notified.
- 59 On that basis, and because I don't accept that not a single section (even vacant sections) in the LLRZ represent development capacity over the next 10 years, I have adopted the long-term capacity of the LLRZ as also being the capacity in the short/medium-term. In other words, capacity of 188 additional rural residential dwellings. As per Table 3, 41% of these are located in Ohoka, 19% are located in Oxford and 13% (25 additional dwellings) are located in Woodend. Combined these three locations account for nearly three quarters of remaining capacity in the notified LLRZ.
- 60 Based on my inferred feasible and RER medium-term capacity in the LLRZ under the PDP (capacity for 188 additional dwellings), this is 72 less than the capacity estimated to still be available in the Residential 4A and 4B zones in the Rural Residential Strategy back in 2018 (i.e. 260 dwellings). This reduction is driven by a combination of further take up of capacity between 2018 and 2022, as well as the change in zoning provisions (minimum lot size).³¹
- 61 Figure 5 extrapolates the same demand growth rate for rural residential development as estimated for the Rural Residential Strategy to 2028 out to 2033 to match the same outlook as the WCGM 2022 medium-term (i.e. 2023-2033). That is, demand for approximately 385 rural residential dwellings over the next 10 years. The graph is therefore the same as Figure 3, but based on the estimated capacity from the WCGM 2022 and not the capacity in the Rural Residential Strategy.

³¹ It may also be driven by a difference in approach if the Rural Residential Strategy applied plan enabled capacity.

Figure 5 – Summary of Rural Residential Strategy 2019 Medium-term Demand to 2033 and Assumed WCGM 2022 LLRZ Capacity for Rural Residential Dwellings (Total District)



- 62 Figure 5 shows that the assumed feasible and RER LLRZ capacity estimated in the WCGM 2022 could absorb 5 years of projected medium-term demand before running out (excluding the margin). The remaining unmet demand through to 2033 (385 less 188 capacity) is around 197 lots (or a shortfall of 274 lots by 2033 including the NPS-UD competitiveness margin).
- 63 My medium-term (10 year) sufficiency results for total district rural residential housing therefore highlight that when a competitiveness margin is included, there is an indicative shortfall of rural residential capacity by 2027, else the real shortfall occurs after the 2028 calendar year.
- 64 These results show that additional land needs to be zoned LLRZ (in appropriate locations of demand) in order to meet projected medium-term demand and avoid constraining the rural residential housing market.

Capacity in the LLRZO in the WCGM 2022 by Location

- 65 According to the WCGM 2022, the notified LLRZO provides capacity for 206 feasible and RER rural residential dwellings if zoned in the future (Table 3).³² Perhaps intentionally, the Rural Residential Strategy identified suitable overlay areas in the north, south, east and west of the Waimakariri District, but it did not identify any LLRZO's in the main urban townships or popular rural residential locations like Ōhoka and Mandeville.

³² This is counted as long-term capacity in HBA-terms as it is not live zoned.

66 Based on the data and assumptions in Figure 5, 96% of the notified LLRZO area would need to be live zoned to LLRZ to satisfy the total district shortfall of rural residential capacity in the medium-term if the competitiveness margin is excluded. Alternatively, the shortfall including the margin would require 100% of the LLRZO to be live zoned, and there would still be a shortfall of capacity equivalent to 68 dwellings. The potential for this is discussed further below with regards to submissions on rezoning requests. However, the potential outcome indicates to me that the Rural Residential Strategy has been too conservative in the locations and total area that it has identified for overlays in the PDP.

Woodend Capacity in the LLRZ in the WCGM 2022

- 67 The Rural Residential Strategy (and Figure 3 above) does not provide any data that breaks down the estimated capacity or demand by location. As such, it does not confirm that there is a shortfall of rural residential capacity specifically in Woodend (for example) in the medium-term future.
- 68 The WCGM 2022 provides more insight on capacity specifically in Woodend but does not assist with understanding demand for rural residential dwellings in Woodend.
- 69 In Woodend, there is estimated remaining capacity in the notified LLRZ for 25 dwellings (Table 3). To put the capacity of the LLRZ in Woodend into context, if (hypothetically) a full year of district demand for rural residential living projected in the Rural Residential Strategy was directed to Woodend (i.e. 38-39 new dwellings per annum), the capacity in Woodend would provide for less than one year of demand growth.
- 70 In the absence of rural residential demand projections specifically for Woodend, I turn to the wider housing market demand and capacity results of the WCGM 2022. There is evidence (discussed above) that Woodend/Pegasus has a shortfall of total housing capacity in the medium-term (~284 according to the WCGM 2022 and ~1,080 according to Inovo). These calculations will have included all the available feasible and RER capacity in Woodend's notified LLRZ areas as part of that sufficiency calculation although, as noted above, the WCGM 2022 assumes that this is zero. On the assumption that the LLRZ capacity should more realistically have been 25 (Table 3), this does little to change the results of a large shortfall.
- 71 This suggests that there is a shortfall of both rural residential capacity and MDRS residential capacity in Woodend within the next 10 years (as both would be exhausted before 2033).
- 72 Based on these different data sources, I consider that there will be a shortfall of LLRZ capacity in Woodend in the medium-term. Providing for more LLRZ capacity in this location (where no LLRZO was provided) will therefore help to meet projected demand for rural

residential dwellings in this location and support future housing choice in Woodend.

Rezoning Requests in the LLRZ and LLRZO

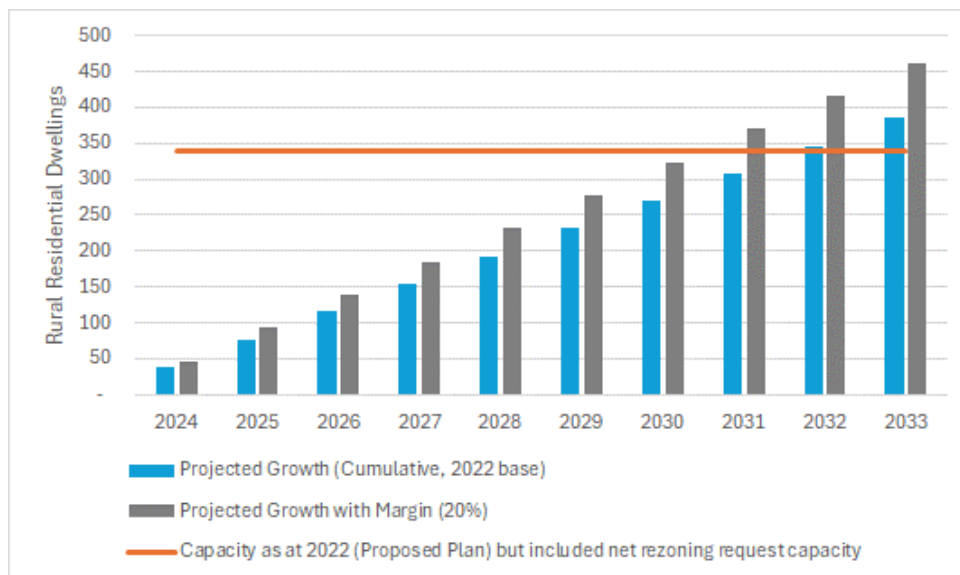
- 73 Table 3 also shows an indication of landowner aspirations within the LLRZ and LLRZO.
- 74 If all requests were approved, then there would be no LLRZ capacity left in Rangiora (currently estimated as providing for 15 net additional dwellings). The LLRZ capacity in Mandeville, Woodend and Oxford would be no different to modelled results.³³ The total zoned capacity for rural residential housing in the Waimakariri District could (if all requests were approved) reduce to 173 net additional dwellings.³⁴ Based on the findings in Figure 5 which consider the full notified capacity of the LLRZ, the shortfall of capacity for rural residential dwellings in the medium-term would be somewhat higher by 2033 (by 15 dwellings), and capacity would run out relatively sooner if all LLRZ rezoning requests (i.e. changes from LLRZ to another zone) were approved.
- 75 Counter to those potential reductions in LLRZ capacity, there are rezoning requests to cover 100% of the notified LLRZO areas.
- 76 Submission #214 seeks to rezone the notified LLRZO in Waikuku to higher density residential activity to support a northern greenfield expansion of Ravenswood in Woodend. This request would forgo the opportunity for 41 future rural residential dwellings according to the WCGM 2022 in Waikuku, but I consider that it is a more economically efficient use of that particular land near the Ravenswood Key Activity Centre (*KAC*) (as set out in my evidence for Submitter #214).
- 77 However, in the remaining LLRZO areas (Ashley, Swannanoa and Oxford), all areas are requested to be live zoned to LLRZ as was the intent of the Rural Residential Strategy so that they can provide capacity for the short/medium-term. These are three very different locations, quite distant from each other and collectively would provide capacity for 165 additional rural residential dwellings in the medium-term according to the WCGM 2022 (Table 3). These potential increases in LLRZ capacity (if approved) more than offset the potential reduction in notified LLRZ capacity (if approved in Rangiora). The net increase would be capacity for 150 rural residential dwellings over time. Total zoned capacity in the medium-term would increase to 338 dwellings. Sufficiency of rural residential capacity in the medium-term would be improved, but not resolved.

³³ The WCGM 2022 does not count the parcels of the rezoning requests as feasible and RER capacity.

³⁴ There is also a possibility that where there are existing rural residential properties with dwellings in the rezoning request areas, that the rezoning will displace this supply, and demand will correspondingly increase. That is, those properties may not remain rural residential in character if retained on much smaller sections.

A shortfall in the medium-term would still be likely (between 47 and 124 depending on whether you include the competitiveness margin), and additional LLRZ land would still be needed (Figure 6).

Figure 6 – Summary of Rural Residential Strategy 2019 Medium-term Demand to 2033 and Assumed WCGM 2022 LLRZ Capacity for Rural Residential Dwellings (Total District) With Net LLRZ Capacity of All Rezoning Requests (If Approved)



Ensuring at least sufficient capacity to meet projected demand for rural residential housing

- 78 The submissions in the LLRZO locations are not the only submissions requesting zoning of LLRZ to provide for rural residential development capacity. According to evidence provided by Mr Yeoman in PC31, submissions on the PDP requesting rezoning from RLZ to LLRZ covered a significant 1,144ha of land, although a large share of this is expected to relate to Submission 250 which appears to seek a buffer of LLRZ or LLRZO around every township/settlement in the district.³⁵ Crichton Development's submission is one of those rezoning requests outside of the LLRZO, and one of only a small number seeking to increase LLRZ capacity in Woodend where there is only capacity for 25 more rural residential dwellings to cover the next 10 years of demand according to the WCGM 2022.
- 79 The scale and spatial distribution of these submissions supports my view that the Rural Residential Strategy and LLRZO were too limited in the locations of future growth potential that were identified to meet future demand. Demand for rural residential properties is not neutral in terms of location. If the eastern (Waikuku) LLRZO becomes unavailable through the submission process, then unmet

³⁵ It is not known if 1,144ha also includes the LLRZO, given that RLZ is the underlying zone in some of these overlay areas.

demand for rural residential dwellings in Woodend (where a shortfall of rural residential capacity is anticipated in the medium-term) may not consider Oxford, Swannanoa or Ashley as suitable substitute locations. I consider that additional land needs to be evaluated where it provides for other appropriate locations of rural residential demand, and where that land contributes to a well-functioning urban environment in the east of the Waimakariri District.

- 80 I discuss the economic efficiency of the Proposal later in my evidence.

POLICY 8 – SIGNIFICANT DEVELOPMENT CAPACITY

- 81 Numerically, the potential yield of the Proposal is small (at 27 net additional dwellings plan enabled under LLRZ), but I consider that in the face of:

- 81.1 the shortfall of total housing capacity in Woodend/Pegasus in the medium-term estimated in the WCGM 2022 of 284 dwellings by 2033;
- 81.2 the much larger medium-term shortfall of total housing capacity estimated for Woodend/Pegasus by Inovo of 1,080 dwellings;
- 81.3 the district wide medium-term shortfall of rural residential housing capacity as identified in the Rural Residential Strategy;
- 81.4 the district wide medium-term shortfall of rural residential housing capacity as inferred from the WCGM 2022 LLRZ feasible and RER capacity; and
- 81.5 the limited remaining feasible and RER capacity of the LLRZ in Woodend to meet medium-term demand which I consider is unlikely to be sufficient to meet demand in Woodend over the next 10 years.
- 81.6 even this small net additional capacity in Woodend makes a significant contribution. The Proposal increases feasible and RER capacity in the LLRZ in Woodend by 108% (from an August 2022 baseline). Overall, I consider that the Proposal meets the test of significance under Policy 8 of the NPS-UD.

ECONOMIC BENEFITS AND COSTS OF THE PROPOSAL

- 82 The following section of my evidence considers the locational attributes (economic efficiencies) of Crichton Development's submissions and how the Proposal contributes to a well-functioning urban environment.

- 83 The Proposal is a more efficient use of the land. The Proposal provides for more dwelling growth in the Woodend/Pegasus urban area/locality than the notified zoning (i.e. 24 more dwellings, and 27 additional dwellings total). It therefore makes more efficient use of a limited resource of rural land close to the urban area and supports increased residential development opportunities (i.e. housing choice).
- 84 The Proposal will form part of the urban area of Woodend and is a natural extension of the notified/existing LLRZ. The rezoning request is contiguous with the existing LLRZ and therefore retains a 'cluster' of rural residential development. As per the Rural Residential Strategy (page 3), clustering rural residential development is considered efficient as it helps manage the balance of rural land for primary production and rural character purposes.
- 85 The location of the Proposal contributes to a well-functioning urban environment in Waimakariri District. Economic benefits of the Proposal include:
- 85.1 The Site is an efficient location for (lower density) urban growth of Woodend given its proximity and therefore accessibility to existing community facilities and other social infrastructure in Woodend.
 - 85.2 The land is close to local employment opportunities in Woodend/Ravenswood.
 - 85.3 The land is close to SH1 which provides good transport connections/travel efficiency.
 - 85.4 85.1-85.3 above support reductions in greenhouse gas emissions.
 - 85.5 The net additional households enabled for LLRZ (relative to RLZ) will help sustain existing and future business activity in Woodend's commercial zones, including adding to the vibrancy and vitality of the Woodend Local Centre Zone and Ravenswood KAC (with over-flow benefits to the higher-order Rangiora Town Centre).
 - 85.6 The net additional households will help reduce the marginal cost of infrastructure in and around Woodend over the long-term.
 - 85.7 The Site does not foreclose future MRZ expansion eastward on Gladstone Road (i.e., it retains a large parcel of RLZ land between the site and the current MRZ boundary) in keeping with policy direction.
 - 85.8 The designation will create a clear physical boundary on the eastern side of the Site and for Woodend generally. The

Proposal does not 'open the door' for further eastern expansion of Woodend where it would erode the greenbelt between Woodend and Pegasus.

- 86 By increasing the development capacity of the LLRZ, the submission:
- 86.1 helps meet demand over the medium-term for this part of the housing market (i.e. those wanting rural residential living) in the Waimakariri District. This is on the basis that there is a projected shortfall of zoned development capacity to meet medium-term growth that needs to be addressed in the PDP;
 - 86.2 helps meet demand over the medium-term for this part of the housing market in Woodend specifically, given that there is limited capacity remaining in the two notified LLRZ areas and no LLRZO has been provided for Woodend;
 - 86.3 in ensuring at least sufficient capacity over the medium-term, it reduces any upwards pressure on large lot land values in the LLRZ generally and in Woodend specifically; and
 - 86.4 it increases competition in the supply of rural residential lots in Woodend (supports a competitive land market locally) and across all rural residential clusters.

Economic Costs

- 87 Loss of primary productive capacity: The PDP already accepts that the RLZ reduces the productive capacity of the land given the minimum lot size of 4ha. While 4ha may support some small-scale horticultural crops, glass houses or 'hobby farming', the author of the S32A (Rural) stated that "*four hectares of land is not sufficient to provide for a range of primary productive activities*" (page 66).
- 88 Rural land will be lost from potential primary productive uses, albeit only a loss from the very limited productive capacity of the RLZ. This would be difficult to quantify and is more of an opportunity cost for the foregone (potential) inclusion of primary production activities on what I estimate to be three rural lifestyle blocks enabled in the RLZ portion of the Site west of the designation. Mr Mthamo's evidence comprehensively addresses this issue, and I rely on that evidence.
- 89 The CRPS anticipates that greenfield (rural) land will need to be provided to meet projected urban growth in the Waimakariri District. Given that there is an expected shortfall of urban capacity in the medium-term that needs to be addressed with rezoning (particularly in Woodend/Pegasus where opportunities for infill and redevelopment in the medium-term would be unlikely to satisfy the shortfall even under more optimistic feasibility and RER assumptions), limited weight should be given to this minor opportunity cost.

- 90 I do not anticipate any other economic costs of the Proposal.

CONCLUSION

- 91 The economic benefits of the Proposal are likely to outweigh the economic costs. The Proposal helps address a likely shortfall of capacity in Woodend/Pegasus in the medium-term and in an efficient location that contributes to a well-functioning urban environment. This is in addition to helping to address an estimated shortfall of zoned rural residential development capacity to meet medium-term demand in Woodend and in the district overall.
- 92 I support the Proposal from an economic perspective.

Dated: 5 March 2024

Natalie Hampson