

**BEFORE INDEPENDENT HEARING COMMISSIONERS APPOINTED BY THE  
WAIMAKARIRI DISTRICT COUNCIL**

**IN THE MATTER OF**

The Resource Management Act 1991 (**RMA** or  
**the Act**)

**AND**

**IN THE MATTER OF**

Hearing of Submissions and Further  
Submissions on the Proposed Waimakariri  
District Plan (**PWDP** or **the Proposed Plan**)

**AND**

**IN THE MATTER OF**

Hearing of Submissions and Further  
Submissions on Variation 1 to the Proposed  
Waimakariri District Plan

**AND**

**IN THE MATTER OF**

Submissions and Further Submissions on the  
Proposed Waimakariri District Plan by  
**Doncaster Developments Limited**

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**EVIDENCE OF TIM HEATH  
ON BEHALF OF DONCASTER DEVELOPMENTS LIMITED REGARDING HEARING  
STREAM 12E**

DATED: 5 March 2024

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## **INTRODUCTION**

- 1 My name is Timothy James Heath.
- 2 I am a property consultant, market analyst and urban demographer for Property Economics Limited, based in Auckland. I established the consultancy in 2003 to provide property development and land use planning research services to both the private and public sectors throughout New Zealand.
- 3 I hold a Bachelor of Arts and a Bachelor of Planning from the University of Auckland. I have undertaken property research for 28 years, and regularly appear before Council, Environment Court, and Board of Inquiry hearings on economic, property development and strategic planning matters.
- 4 I advise district and regional councils throughout New Zealand in relation to residential, retail, industrial and business land use issues as well as undertaking economic research for strategic planning, plan changes, District Plan development and National Policy Statement on Urban Development 2020 (**NPS-UD**), National Policy Statement on Highly Productive Land 2022 (**NPS-HPL**), and Medium Density Residential Standards 2022 (**MDRS**) capacity modelling and implementation.
- 5 I also provide consultancy services to Government ministries and a large number of private sector clients in respect of a wide range of property issues, including economic impact assessments, market demand / supply analyses, development feasibilities, market growth forecasting, capacity modelling and economic cost benefit analysis.
- 6 I have read the Environment Court's Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2023 and agree to comply with it. My qualifications as an expert are set out above. The matters addressed in my evidence are within my area of expertise, however where I make statements on issues that are not in my area of expertise, I will state whose evidence I have relied upon. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in my evidence.

## **SCOPE OF EVIDENCE**

- 7 In my evidence I address the following issues:
  - (a) The submission site and proposed development overview

- (b) Development's residential markets
- (c) Population and household growth
- (d) Waimakariri residential capacity and sufficiency
- (e) Suitability of the site for residential use
- (f) Contribution to creating a well-functioning urban environment
- (g) Economic costs and benefits overview
- (h) Summary of economic findings

8 I affirm the contents of the following attached report (**Appendix A**):

- Lehmans Rd, Rangiora Private Plan Change Economic Assessment dated November 2021.

9 Except that I update the report in the following ways:

- (a) Update population and household growth projections using the latest (June 2023) Stats NZ projection scenarios.
- (b) Update Waimakariri residential capacity and sufficiency estimates and forecasts based on the Greater Christchurch Housing Development Capacity Assessment March 2023.

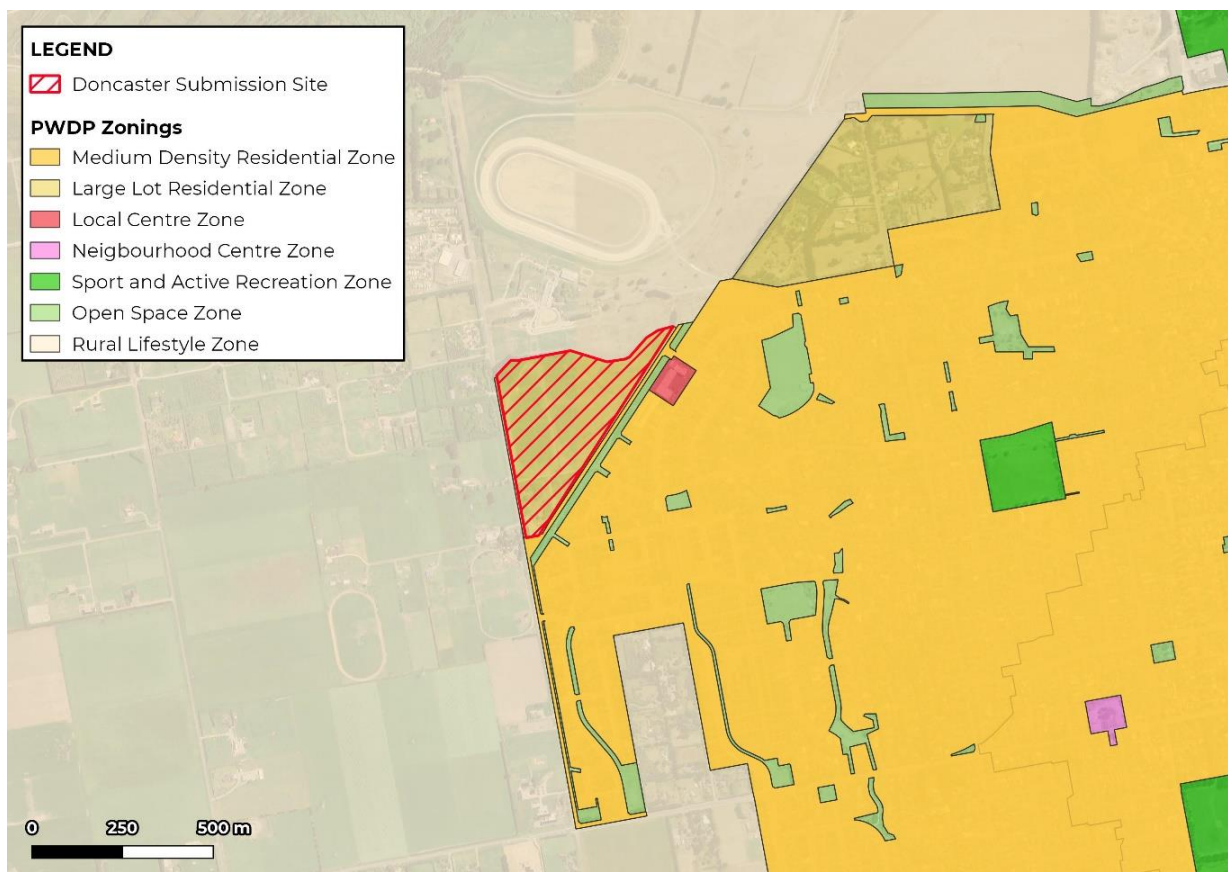
#### **SUBMISSION AND PROPOSED DEVELOPMENT OVERVIEW**

10 The submission site is situated at the northern end of Lehmans Road on the north-west edge of the Arlington Subdivision, Rangiora (see Figure 1 below). Positioned on the eastern side of Lehmans Road, it is located to the south of the Rangiora racecourse and to the northwest of a row of electricity transmission lines. Currently, the site is utilised for some pastoral activities. Under the PWDP, this site is notified to be zoned Large Lot Residential Zone (**LLRZ**), where the average density is specified as one residential unit per 5,000sqm.

11 In light of this context, Doncaster Developments Limited (**DDL**) seeks to rezone this site, which encompasses approximately 11ha of land, from LLRZ to General Residential Zone (**GRZ**) or alternatively, Medium Density Residential Zone (**MDRZ**) to enable the development of a diverse range of housing styles and densities under an Outline Development Plan. Due to set back requirements from the pylons along Lehmans Road the actual developable

area of the site is only around 8ha. I am of the opinion that the proposed rezoning aligns with the objectives of the Canterbury Regional Policy Statement (**CRPS**) by promoting consolidation and efficient resource utilisation and supports the objectives of the NPS-UD by fostering a well-functioning urban environment.

**FIGURE 1: SUBMISSION SITE IN THE CONTEXT OF THE PWDP ZONING ENVIRONMENT**



*Source: Waimakariri District Council, LINZ, Google Maps*

- 12 In terms of the surrounding environment, as illustrated in Figure 1, the submission site is positioned directly west of the notified expansive MDRZ within the existing Rangiora urban environment. Consequently, the site shares similar locational characteristics with the MDRZ lands to the east, making it well-suited for accommodating higher density within the Rangiora local residential market. In essence, the submission site represents a ‘plug-in’ extension of the existing Rangiora urban area.
- 13 Note that under the Operative District Plan, the site’s underlying Residential 4A provision for ‘large lot’ residential development allows for approximately 15 allotments/dwellings at a capacity of one household per 5,000sqm. Based on the preliminary capacity plan provided by DDL, the proposed residential

development within the circa 8ha development area of the site is anticipated to yield a total of around 105 dwellings under the proposed GRZ or MDRZ zoning.

- 14 Considering the site's locational characteristics, the proposed development can be viewed as an opportunity to seamlessly integrate into the existing Rangiora Township and the surrounding residential environment, serving as a natural extension to accommodate future demand.

### **RESIDENTIAL MARKETS**

- 15 To assess the residential potential of the proposed development, it is important to define the area from which the majority of purchasers are likely to come. The core catchment area considered most pertinent to the proposed residential development at the subject location is the broader Waimakariri District market.
- 16 It is important to note that while the Waimakariri District forms a significant part of the market for the proposed development, it does not exclusively represent the entire economic residential market. Some residential units within the development will also cater to the Greater Christchurch region, while Waimakariri as a whole is projected to grow and therefore attract new people to the district.
- 17 The Greater Christchurch region encompasses the entirety of Christchurch City and the major urban areas within the Waimakariri and Selwyn Districts, extending from Burnham to Rangiora. Within the Waimakariri District boundary, it includes urban and other settled rural areas, primarily situated in the southeast corner of the Ashley River / Rakahuri.
- 18 Due to the site's proximity to the major city of the broader Canterbury region (i.e., Christchurch), Waimakariri is permeable to commuting and commercial activities between the two areas. Consequently, it can be anticipated that the additional housing supply in Waimakariri, especially within the Greater Christchurch boundary, will likely contribute to meeting the housing needs of the broader Greater Christchurch area.

### **WAIMAKARIRI POPULATION AND HOUSEHOLD GROWTH PROJECTIONS**

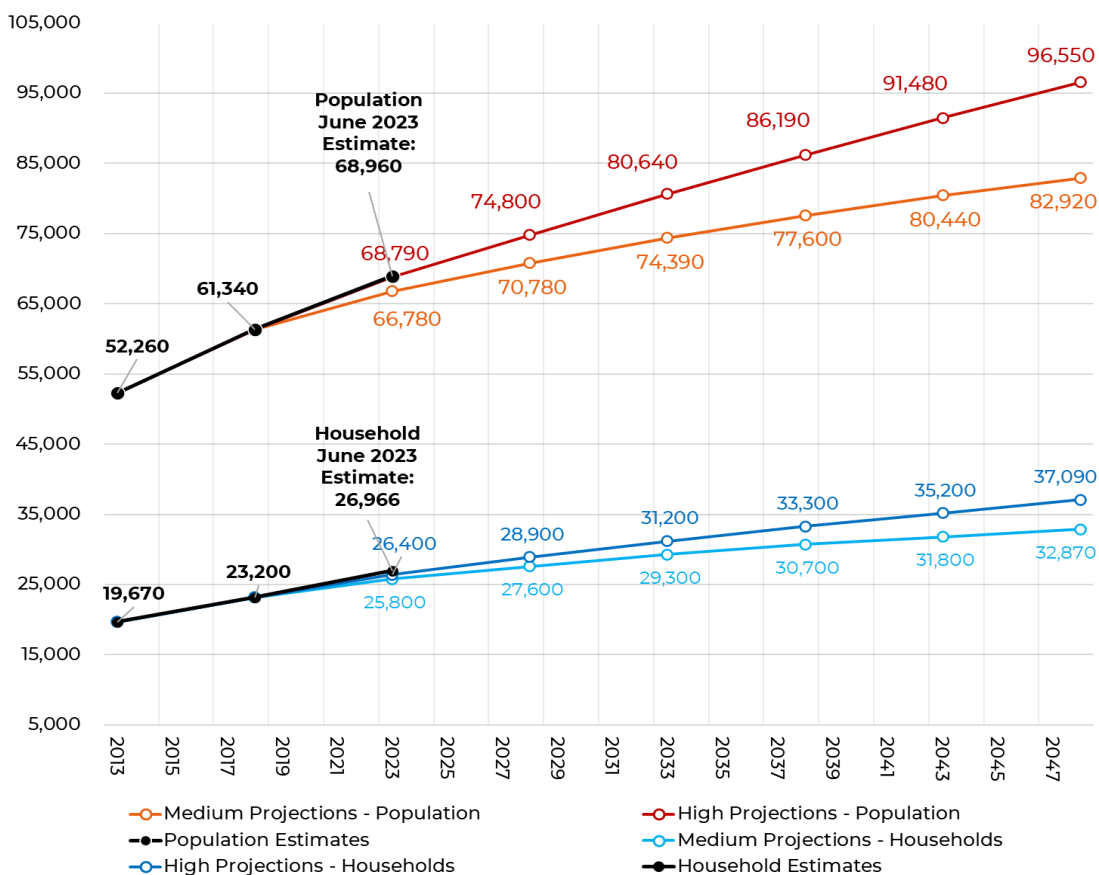
- 19 As shown in Figure 2 below, the current (2023) population of the broader Waimakariri District closely aligns with the Stats NZ High Growth scenario, a

trend anticipated to persist over the next 25 years. Specifically, under the High Growth scenario, the total population of the Waimakariri District is projected to reach nearly 97,000 residents by 2048. This signifies a substantial growth of +40% (or an increase of around 27,600 residents) from the 2023 base year of 68,960 residents. This indicates a strong and consistent demand for new dwellings at the district level.

20 Under the Medium Growth scenario, a more moderate estimate suggests around 82,920 residents by 2048, representing a proportional increase of +20% (or a growth of around 14,000 residents) from the current population base.

21 However, the reopening of the international borders and recent record net migration figures suggest NZ's immigration slowdown of the last few years has been short lived with positive international migration trends in 2023 offsetting recent declines. For these reasons, I consider the projections in Figure 2 are likely to be conservative and that the population growth of the district is likely to track closer to the High growth scenario over the long term.

**FIGURE 2: WAIMAKARIRI DISTRICT POPULATION AND HOUSEHOLD PROJECTIONS**



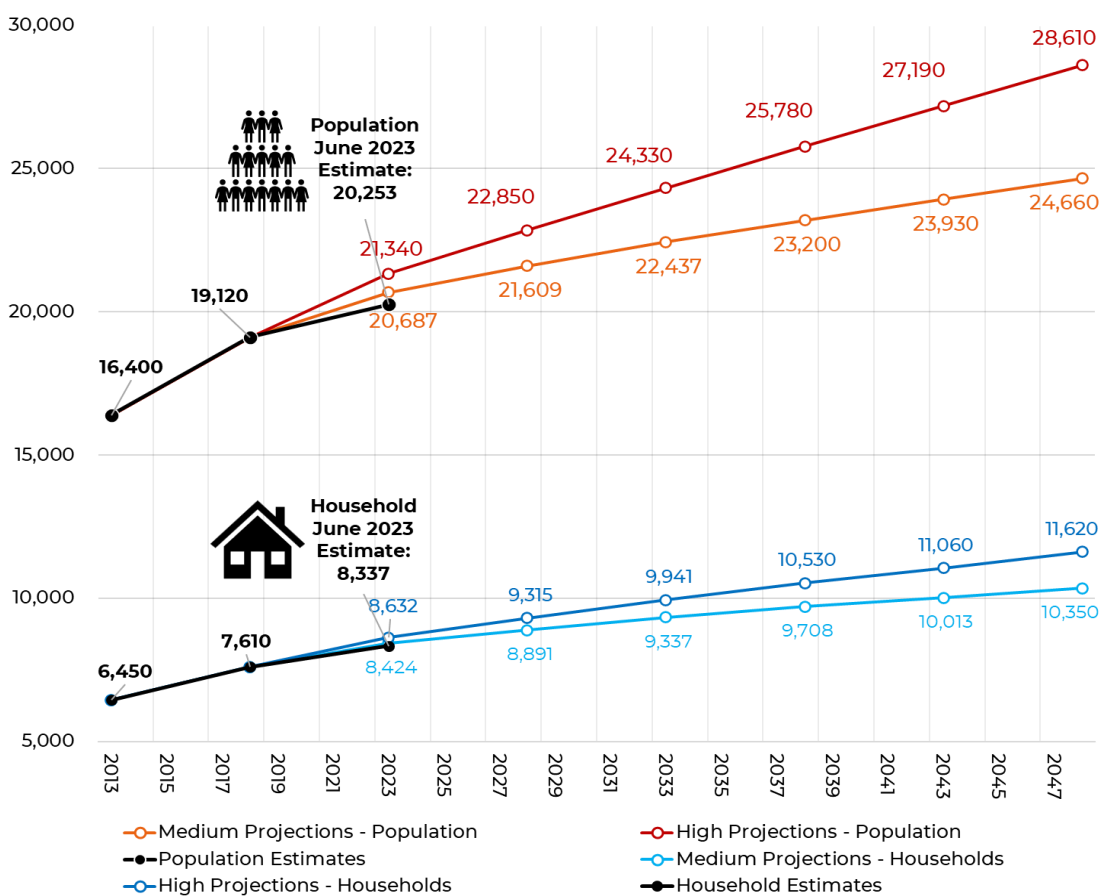
Source: Stats NZ

22 Figure 2 also illustrates that the number of households in Waimakariri will outpace the population growth throughout the forecast period. By 2048, the district is anticipated to have just over 37,000 households under the High Growth scenario and around 32,900 households under the Medium Growth scenario. This represents a +37% and a +22% increase, respectively, from the 2023 base year, which had just under 27,000 households.

23 Considering the district's current growth trajectory, I consider that the High Growth projection is more likely to reflect the future population base of the district compared to the Medium Growth projection. Consequently, to accommodate the projected growth under the High Growth scenario over the next 25 years, an additional +10,120 dwellings will be required within the wider district based on a one household per dwelling ratio.

24 Figure 3 below provides an overview of the estimated population growth for Rangiora more specifically.

**FIGURE 3: RANGIORA POPULATION AND HOUSEHOLD PROJECTIONS**



Source: Stats NZ

25 The slightly lower population growth over the 2018-2023 period than originally projected is a result of limited new housing supply entering the

Rangiora market relative to demand. Rangiora is not alone in seeing this trend particularly post-COVID where logistic / shipping issues, increasing costs, access to building supplies, strained labour market and COVID-19 shutdowns combined to have a major impact on slowing the delivery of new residential dwellings. With these issues now largely rectified, and strong market growth projected as evidenced in Table 2, there is likely to be a counteracting rebound in new residential development in Rangiora to satisfy burgeoning demand, and some potential latent demand.

- 26 Under the Stats NZ High Growth scenario, the projected population for Rangiora is expected to reach over 28,600 residents by 2048. This represents a substantial +41% increase (or a net growth of approximately 8,360 residents) from the base year of 2023.
- 27 Concurrently, Rangiora's estimated household count is anticipated to rise from around 8,340 in 2023 to 11,620 in 2048 under the High Growth projections. This implies a demand for an additional 3,280 dwellings, reflecting a +39% increase over the next 25 years, based on a one household per dwelling ratio.
- 28 To provide context for the district's residential market, according to Quotable Value, the average house price in Waimakariri as of December 2023 was approximately \$713,000. This figure is nearly \$192,000 below the average property value for all of New Zealand, \$40,000 below Christchurch's average, and \$117,000 below Selwyn's<sup>1</sup>. This represents the relative competitiveness of Waimakariri, especially its major township Rangiora, to purchasers within Greater Christchurch.

## **RESIDENTIAL CAPACITY AND SUFFICIENCY OVERVIEW**

- 29 This section assesses the housing capacity and sufficiency in the broader Waimakariri District by reviewing the latest findings from the Greater Christchurch Housing Development Capacity Assessment (**HBA**), released in March 2023, and comparing them with the assessment results presented in the earlier HBA 2021.
- 30 It is important to note there are significant disparities in the estimates between the prior HBA 2021 and the more recent HBA 2023. One of the

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<sup>1</sup> Sourced from <https://www.qv.co.nz/price-index/>



primary factors contributing to these differences is the inclusion of varied capacities. Specifically, the HBA 2021 incorporates Future Urban Development Areas (**FUDA**) capacity in Medium and Long Term, whereas the HBA 2023 capacity assessment considers proposed plan zonings (instead of Operative District Plan zonings), proposed capacity through Enabling Housing Act<sup>2</sup> variations<sup>3</sup>, and plan change proceeds. This has led to a notably higher level of capacity within the district in the HBA 2023, particularly over the short and medium terms.

31 Table 1 presented below compares the results of the HBA 2023 with those of the earlier 2021 assessment. According to the 2021 HBA findings, the cumulative capacity of the existing residential zones and the FUDA was deemed sufficient to meet the anticipated dwelling demand, including the NPS-UD buffer, for the upcoming 10-year period until 2031.

**TABLE 1: HBA 2021 AND HBA 2023 RESULTS COMPARISON**

HBA 2021	Short Term (2021-2024)	Medium Term (2021-2031)	Long Term (2021-2051)
<b>Demand with Margin</b>	1,833	5,410	13,059
<b>Feasible Capacity</b>			
<i>S1: without FUDA</i>	2,273	2,273	2,273
<i>S2: with FUDA at 12hh/ha</i>	2,273	7,673	12,192
<i>S3: with FUDA at 15hh/ha</i>	2,273	9,123	13,642
<b>Capacity Sufficiency</b>			
<i>S1: without FUDA</i>	<b>+440</b>	<b>-3,137</b>	<b>-10,786</b>
<i>S2: with FUDA at 12hh/ha</i>	<b>+440</b>	<b>+2,263</b>	<b>-867</b>
<i>S3: with FUDA at 15hh/ha</i>	<b>+440</b>	<b>+3,713</b>	<b>+583</b>

HBA 2023	Short Term (2022-2025)	Medium Term (2022-2032)	Long Term (2022-2052)
<b>Demand with Margin</b>	2,200	5,600	13,250
<b>Feasible Capacity</b>	5,950	5,950	14,450
<b>Capacity Sufficiency</b>	<b>+3,750</b>	<b>+350</b>	<b>+1,200</b>

Source: Greater Christchurch Partnership

<sup>2</sup> Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

<sup>3</sup> Variation 1 proposes to rezone two areas of Rangiora (i.e., Rangiora North East FUDA (65ha), and Rangiora South West (21ha) from 'Future Development Areas' to 'Medium Density Residential Zone' and include the MDRS. As per Variation 1, this proposed rezoning will provide for additional greenfield land in Rangiora available for immediate residential development.

- 32 For the extended timeframe, the residential capacity of Waimakariri was considered uncertain, contingent on the realised yield of the FUDA. Specifically, if the development within the FUDA occurs at a density of 15hh/ha (i.e., 15 dwellings per hectare), no additional capacity would be necessary to meet the projected dwelling demand of just over 13,000 dwellings by 2051. This would potentially result in a small surplus of around 580 dwellings by 2051.
- 33 However, under both scenarios, with no FUDA and FUDA capacity delivered at 12hh/ha, the district was estimated to face a shortage in residential capacity over the long term, ranging from 870 to 10,800 dwellings.
- 34 In light of these 2021 estimates, substantial uncertainties existed in the district's ability to accommodate the anticipated market growth, necessitating the need for additional residential capacity to ensure the continuous growth of the district.
- 35 In contrast, according to the HBA 2023, the broader Waimakariri District is anticipated to have sufficient capacity to meet the expected demand in the short-, medium-, and long-term. Again, note that this assessment outcome considers a scenario that incorporates the WPDP urban residential zonings, variations to comply with the Enabling Housing Act (including the inclusion of Rangiora North East and South West FUDA), and the proceeds from plan changes, all within the overall capacity assessment.
- 36 From my perspective, the capacity estimates presented in the HBA 2023 are likely overstated due to significant uncertainties associated with the WPDP hearing / implementation outcomes, the realisation rate / development timing of the FUDA, requisite infrastructure uncertainties around timing, costs and funding and the practical level of capacity achievable within the wider district's zoning environment.
- 37 The concerns on the HBA 2023 capacity estimates or the Formative capacity modelling have been recently expressed in the independent hearing panel's decision report<sup>4</sup> on Proposed Private Plan Change 31 (**RCP031**), which

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<sup>4</sup> Independent Hearing Panel Decision Report in the matter of an application by Rolleston Industrial Developments Limited for a private plan change RCP031 to the Waimakariri District Plan pursuant to Part 2 of Schedule 1 of the RMA.

concluded on the evidence provided by multiple experts, including Mr. Sexton, Mr. Akehurst, and Mr. Walsh.

38 Specifically, in August 2023, Mr. Sexton conducted ground truthing of available land within the district and performed a desktop GIS analysis to identify areas that might have been inaccurately included in the Formative model. This process revealed significant inherent errors in the Formative model, leading Mr. Sexton to conclude that the validated capacity of the district would be approximately 4,360 dwellings instead of the 5,950 dwellings indicated by the Formative model<sup>5</sup>.

39 The reassessment results by Mr. Sexton are presented in the table below (on next page), where WCGM22 refers to the Waimakariri Capacity for Growth Modelling carried out by Formative.

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<sup>5</sup> Figure 1 from memorandum of Mr Sexton, 30 August 2023 "Review of Formative WCGM22 Development Model" appendix 1 Supplementary Evidence of Mr Akehurst, dated 5 September 2023

Figure 1: Reassessment of WDC Medium Term Residential Capacity, Aug 2023

Location	WCGM 22 Capacity per Mr Yeoman's Minute 5 response	Validated Capacity (Based on subdivision plan)	Validated Capacity (Gross area - 12.5% x 15hh/ha)	Difference in Capacity (Validated vs WCGM22)
<b>Rangiora:</b>				
Bellgrove	952		800	-152
Townsend Fields	419		370	-49
Summerset Retirement Village	211		182	-29
Flaxton Village	59		52	-7
East Rangiora	76		66	-10
<b>Kaiapoi:</b>				
Beach Grove	332	330		-2
Silver Stream	89		65	-24
Future Silver Stream	44		41	-3
The Sterling	137		90	-47
Momentum	116		0 (not med term)	-116
<b>Woodend/Pegasus:</b>				
Ravenswood	969	677		-292
Commons Lifestyle Village	131		114	-17
Woodland Estate	104	75		-29
Eders	42		45	+3
Parsonage/Gladstone Road	148		119	-29
Gladstone South	18		73	+55
Pegasus	369	86		-283
Vacant/Infill	WCGM 22 Capacity per Mr Yeoman's Minute 5 response	Validated Capacity (desktop and site inspections)		Difference in Capacity (Validated vs WCGM22)
Rangiora Vacant lots	379	248		-131
Rangiora infill	355	270		-85
Kaiapoi Vacant lots	277	174		-103
Kaiapoi infill	292	273		-19
Woodend/Pegasus Vacant lots	413	209		-204
Woodend/Pegasus Infill /intensification	2	2		0
<b>Total Medium Term Household Capacity</b>	<b>5934</b>	<b>4361</b>		<b>-1573</b>

40 In his supplementary evidence<sup>6</sup>, Mr. Akehurst reviewed the findings and numbers presented in Mr. Sexton's Figure 1 and noted that they align with the range of estimates he himself presented<sup>7</sup>. Mr. Akehurst remarked, "this means that instead of providing just sufficient capacity to meet short- and medium-term needs, the Council now finds itself some 1,239 dwellings short compared

<sup>6</sup> Supplementary Statement of Evidence of Gregory Michael Akehurst, dated 5 September 2023

<sup>7</sup> Paragraph 21, Page 6

*with 5,600 anticipated growth, plus competitive margin*<sup>8</sup>. Consequently, Mr Akehurst concluded that *"instead of having more than 10 years capacity identified, Waimakariri District has less than 8"*<sup>9</sup>.

41 After personally reviewing both Mr. Sexton's reassessment and Mr. Akehurst's evidence, I am of the opinion that the district is currently falling short of meeting its obligations under the NPS-UD, even if the identified FUDA can be delivered promptly in the short to medium term. A concern I have with the HBA 2023 modelling is a change of a few density assumptions and approach has led to a circa 12,000 swing in development capacity within a 2-year period.

42 Therefore, I align with the independent panel's assessment that the Formative model *"presents a theoretical picture of development capacity and was not extensively ground truthed"* and that *"there is a very real likelihood that the model has overstated residential capacity"*<sup>10</sup>.

43 Beyond the inherent concerns in the Formative capacity modelling, I consider there is clearly a substantial level of uncertainty associated with the practical development 'quantum' and 'timing' of the FUDA.

44 Concerning the 'quantum', I note that Mr. Walsh<sup>11</sup>, in his evidence in chief, demonstrated that the capacity anticipated from the New Development Areas (**NDA**) is likely to result in the delivery of between 3,200 and 4,400 new dwellings. This falls considerably below the Council's assumption of 5,000-7,000 new dwellings<sup>12</sup>. The reduced capacity is attributed to the significant geotechnical constraints affecting approximately 35% of the Kaiapoi NDA, equivalent to around 160.75 hectares<sup>13</sup>, due to high hazard / inundation risk.

45 In my view, despite the potential for some effective mitigation measures to increase the capacity within these development areas, there remains a considerable level of uncertainty regarding the practical quantity of new

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<sup>8</sup> Paragraph 18, Page 4

<sup>9</sup> Paragraph 19, Page 4

<sup>10</sup> Paragraph 81, Page 36

<sup>11</sup> Evidence of Tim Walsh (Planning), dated 7 July 2023

<sup>12</sup> Paragraph 17, Page 4

<sup>13</sup> Paragraph 44, Page 11

dwellings that can be provided in these areas in the future, primarily due to the high natural hazard identified in the region.

- 46 Concerning delivery 'timing', as per the WPDP DEV-WR-P1, urban development within a Development Area is managed through a certification process, where land is released for development by Council's Chief Executive Officer or their delegate when identified criteria are met. These criteria include:
- (1) *The development will provide additional residential capacity to help achieve or exceed the projected total residential demand as identified in UFD-O1 (for the medium term);*
  - (2) *Water supply, wastewater system and stormwater infrastructure capacity are sufficient to support the proposed development; and*
  - (3) *An agreement is in place between the District Council and the developer on the method, timing and funding of any necessary water supply, wastewater system and stormwater infrastructure, open space and recreation land and transport infrastructure.*
- 47 Considering the uncertainties related to the certification process and the lead times required for infrastructure development, I consider less weight should be placed on these FUDA or NDA concerning their role in satiating the district's short to medium-term residential demand in a timely and efficient manner.
- 48 Overall, based on the above analysis, there are two significant economic concerns regarding the residential capacity sufficiency of the broader district. Firstly, the Formative model appears overstated and does not accurately depict the practical level of residential capacity within the district. Adjusting the HBA 2023 capacity figure to Mr. Sexton's reassessed figure suggests that the district would require an additional 1,240 new dwellings over the medium term (by 2032).
- 49 Secondly, both the previous HBA 2021 and the HBA 2023 heavily rely on the inclusion of the capacity expected from the FUDA. However, evidence indicates that more than one-third of the anticipated development capacity in the Kaiapoi FUDA is subject to high hazard. Utilising the reduced capacity figure would further exacerbate the district's capacity shortfall, indicating the

need for additional zoning capacity to accommodate projected growth, especially in the short to medium term.

- 50 Therefore, in my opinion, the proposed site, given its close proximity to the Rangiora township, urban residential environment, amenities, and established infrastructure, would seamlessly integrate into the existing urban environment. Enabling the proposed rezoning would provide location and typology choice and improve competitiveness in the market and therefore would contribute to the establishment of a well-functioning urban environment under the context of NPS-UD Policy 1.
- 51 Furthermore, the site has been designated as suitable for residential purposes in both the Operative District Plan (Residential 4A) and the WPDP (LLRZ). This indicates that residential development is an expected outcome for the site. The proposed GRZ or MDRZ in the area would, therefore, contribute additional residential capacity to the district, accommodating density and growth as directed by the Enabling Housing Act, NPS-UD and MDRS. This proposed rezoning would not come at the expense of other zoned capacity, given the anticipated shortfall of residential capacity within the district over the medium term. To the contrary, the rezoning would provide more supply certainty in Rangiora over the short and medium terms.
- 52 From an economic perspective, in strategically efficient locations such as the site, fostering higher as opposed to lower dwelling density (i.e., GRZ or MDRZ vs LLRZ) generates additional economic benefits to the community by enhancing land use efficiency. A primary benefit lies in the heightened efficiency of infrastructure, where higher density development facilitates more effective utilisation of existing infrastructure assets and services, lowering the marginal infrastructure cost of those assets and services to the community.
- 53 Essentially, considering the substantial growth of the township and the broader district, along with the anticipated demand spillover from neighbouring larger urban areas, such as Christchurch, there exists a real need within the district to provide sufficient capacity to sustain ongoing growth. From my perspective, given its locational attributes, the development site represents an economically efficient location to address only a small portion of this demand.

### **Suitability of the Site for Higher Density Residential Uses**

- 54 From an economic perspective, the site possesses several characteristics that render it suitable and efficient for higher-density residential use. Firstly, the site borders the existing urban environment of Rangiora and the higher-density residential area (proposed) immediately to the east. This suggests that the site could naturally extend the urban environment and play a role in better accommodating the anticipated capacity shortfall within the wider district over the forecast period.
- 55 Secondly, Rangiora stands as the largest township in the district with a growing community to accommodate. This area is expected to experience growth over the next 30 years, making the site a compelling location for new communities seeking a larger urban environment to serve their needs.
- 56 Thirdly, in contrast to the RCP031 site in Ohoka and greenfield lands in more remote locations, the site is proximate to various existing infrastructure, and fundamental community services and amenities. These include, but are not limited to, the following:
- Existing Centres: This encompasses Rangiora Town Centre, serving as the principal commercial hub for the broader district, and an already established Local Centre situated on Huntingdon Drive, directly adjacent (east) of the site.
  - Supermarkets: New World and Countdown, both within a 10-minute drive from the site. Future residents at the site therefore have comfortable access to groceries and daily necessities, reducing the travel time and improving network efficiencies within Rangiora.
  - Major Employment Hub: Rangiora Town Centre, hosting around 3,000 employees as of 2023, as per Stats NZ's Business Demography Data, provides significant employment opportunities in close proximity.
  - Schools: A high-level scan of the current school network in Rangiora, conducted using Google Maps and Satellite Images, reveals access to a total of 14 schools, encompassing childcare facilities.
  - Medical Facilities: A high-level audit indicates the presence of eight existing medical facilities, including clinics and doctors, within the Rangiora Township. The majority of these facilities are located in the Town Centre and easily accessible for future residents within the site.



- Public Transport: Rangiora Train Station is positioned on Blackett Street, only a 7-minute drive from the site. This provides residents with a convenient and efficient mode of transportation for commuting to employment destinations elsewhere in the region, particularly Christchurch.
- Passive / Active Recreational Reserves and Parks: Arlington Park is within a 500m walk from the site, and Rangiora Race Park is situated immediately north of the site. Additionally, the site borders an extensive rural landscape to the west. This means that future residents at the site can enjoy picturesque vistas of the rural landscape, fostering a visually appealing environment and community wellbeing.

57 It is clear that a significant amount of the amenities, services and facilities that communities require are already located within the local area, thereby improving market efficiency.

58 Fourthly, the site is owned by a willing developer who seeks to develop it, making it a tangible proposition rather than a purely theoretical concept. If the proposed rezoning is approved, it would introduce increased competition in the market and offer greater certainty for the growth of the district's residential market.

59 Lastly, the site is situated on land already designated as suitable for residential purposes, as indicated by its current operative (Res 4A) and proposed zoning provisions (LLRZ). The proposed rezoning, therefore, would not trigger the NPS-HPL provisions or have a detrimental impact on rural productive land, unlike many other rural parcels. This is especially significant given the inevitable need for additional residential provisions to address the short- to medium-term shortfall. Consequently, rezoning the site has the potential to safeguard the district's rural land when the alternative involves providing additional capacity in a rurally zoned environment.

60 Given the aforementioned economic reasons, I consider the site is appropriate and efficient for the proposed GRZ or MDRZ under the WPDP.

#### **Contribution to Creating a 'Well-functioning Urban Environment'**

61 Under the NPS-UD Policy 1, '*well-functioning urban environment*' is defined as urban environments that, as a minimum:

- (a) *Have or enable a variety of homes that:*
  - i. *Meet the needs, in terms of type, price, and location, of different households; and*
  - ii. *Enable Māori to express their cultural traditions and norms; and*
- (b) *Have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and*
- (c) *Have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*
- (d) *Support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and*
- (e) *Support reductions in greenhouse gas emissions; and*
- (f) *Are resilient to the likely current and future effects of climate change.*

62 The proposed development's preliminary capacity plan demonstrates its capacity to offer a mix of styles and densities, catering to different price ranges, typologies, and living options. This development is situated in a locale characterised by distinct locational characteristics, views, and high amenity proposed, setting it apart from the current urban environment. This aligns with Policy 1(a) of the NPS-UD.

63 Despite the residential focus of the proposed development, the site's close proximity to existing infrastructure, services, and amenities closely aligns with the NPS-UD. This alignment, particularly addressing Policy 1(c), ensures excellent accessibility for all individuals between housing, jobs, community services, natural spaces, and open spaces, including through public or active transport.

64 The earlier analysis in this evidence has revealed a demand for additional housing supply within the wider district's urban areas over the medium term. Consequently, any potential competitive impacts on the development market are expected to be temporal and mitigated by the projected market growth and increased demand. In other words, the proposed development has no real propensity to generate adverse impacts on the competitive operation of land and development markets, particularly with the staged approach to the development. To the contrary, the rezoning of the site would support

stimulating market competitiveness and benefit market and consumer choice. This satisfies NPS-UD Policy 1(d).

65 Policies 1(e) and 1(f) do not primarily focus on economic aspects, while Policy 1(b) is not pertinent to residential development. Therefore, these requirements are not considered as part of this economic analysis.

66 Considering the aforementioned factors, from my perspective, the proposed development would make a positive economic contribution to the establishment of a 'well-functioning urban environment' in both Rangiora and the broader Waimakariri District.

### **ECONOMIC COSTS AND BENEFITS OVERVIEW**

67 The proposal to rezone the site to GRZ or MDRZ has the potential to generate a range of potential economic costs and benefits. The following analysis outlines the high-level economic costs and benefits of the proposed rezoning in the context of the RMA.

#### **Economic Benefits**

68 Increased Residential Capacity: The proposed GRZ or MDRZ would enable the construction of more dwellings on the same piece of land already proposed to be urbanised through the LLRZ, increasing the overall supply of housing in the area. This satisfies the anticipated outcome delivering sufficient and higher density residential capacity in strategic locations within the Tier 1 urban environment in the context of the Enabling Housing Act and MDRS, and would contribute to accommodating the projected population growth in the area.

69 Greater Range of Housing Typologies and Price Points: Given the different minimum lot size requirements, greater range of housing options would be enabled with GRZ or MDRZ when compared to Res 4A and LLRZ. This provides existing residents and potential future residents with a greater range of choice for their living arrangements. In turn, this provides improved accessibility as well as price points. The greater range of typologies to be provided within the rezoning will assist meeting Policy 1(A)(i) of the NPS-UD.

70 More Efficient Land Use: The proposed GRZ or MDRZ would enhance land efficiency by enabling smaller lot sizes and a diverse range of housing types. This has the potential to result in a more effective utilisation of the available

land resource, improving the economic viability of the development. This becomes particularly crucial given the strategic location of the site and its immediate proximity to existing infrastructure, services, and amenities within the primary urban environment of the district, i.e., Rangiora.

- 71 More Affordable Housing: By developing homes at a smaller average site size as proposed in the rezoning, the effects of this rezoning go beyond simply adding supply to the market. A developer's average costs (price per dwelling) are decreased with higher allowable densities. This is the result of a higher land price being spread over more dwellings which improves the affordability of product that can be delivered to the market. This provides more affordable options for the consumer to buy similarly sized homes (i.e., a three-bedroom house) at a cheaper price by sacrificing the size of the backyard.
- 72 Decreased Marginal Infrastructure Costs: The proposed GRZ or MDRZ being a 'plug-in' extension of urban infrastructure and being located adjacent to other residential zones and existing urban extent, would minimise new infrastructure costs (relative to the growth areas in distant greenfield locations) and increase infrastructure efficiency. Furthermore, greater density of development as proposed typically provides more efficient use of infrastructure. The larger number of residents in the area means greater returns on the use of the local infrastructure. This can vary depending on the level of unused capacity of existing infrastructure and the cost of replacement / upgrade of such infrastructure.
- 73 Increased Choice of Location: One of the advantages of the proposed rezoning is that it provides not only needed capacity (partially) and thereby opportunity for consumers to live in the Rangiora area but in a location more efficiently connected to the main urban area of the district than remoter greenfield areas near smaller townships. Being adjacent to the existing urban area essentially means the site would serve as a natural 'plug in' extension of the urban environment. This supports Policy 1 of the NPS-UD by contributing positively to a well-functioning urban environment, as mentioned earlier.
- 74 Increased Economic Activity / Local Employment: The increased local population base has the potential to result in a net increase in the number of full-time equivalent employees able to work in Rangiora and the surrounding townships such as Woodend and Kaiapoi due to development generating increased demand for local business and services. This will be a net gain for

the local economy and stimulate further growth and amenity improvements for the area.

- 75 Greater Level of Growth: Growth from residential developments can work as a catalyst that spurs further growth in the area. The proposed rezoning has the potential to increase interest for additional residential / small-scale commercial activity within the surrounding areas and provide significant impetus for Rangiora and the wider district growing their local economy.
- 76 Potential to Safeguard Productive Land: A significant proportion of the land surrounding Waimakariri existing townships are currently surrounded by the most productive, or versatile, soils, across the country (i.e., LUC<sup>14</sup> Class 1-3 soils). As urban environment expands into these productive areas there has been a concern that productive land is not being adequately protected. As such, more dwellings being built within the same footprint will ensure the district has somewhere for its growing population to live and work– mitigating effects on its productive land.

### **Economic Costs**

- 77 Cost of Infrastructure: Although being directly adjacent to the existing urban environment means the extent of required infrastructure upgrades is likely to be limited, the cost of any upgrades to the wider network will need to be serviced by the Council. As additional residential capacity is required over the long term, the extent to which this can be considered an economic cost depends on the relative cost of servicing the infrastructure in an alternative location at a later point in time.
- 78 However, alternative locations in more distant greenfield areas are likely to require increased cost of infrastructure to service. Relevant to this, is the relative efficiency of having a single developer service the infrastructure for the entire site, rather than requiring the Council to drive not only the wider infrastructure upgrades, but also service the sites in Council driven plan changes.
- 79 Decreased Residential Intensity Impetus: As with the provision of any residential locational choice that provides for new areas, the development of the site is likely to impact upon the impetus for the intensification of existing

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<sup>14</sup> Land Use Capability Classification

urban areas especially given the higher density proposed. However, given the anticipated shortfall of dwellings within the wider district over the medium term, and the uncertainty around the timing for delivery of some capacity to the market, additional residential zoning provisions will inevitably be required to provide sufficient capacity to the district. As such, the adverse impact of the proposed development, if any, would be temporal and minor and can be sufficiently offset by anticipated market growth.

80 Potential Low Amenity Outcomes: Higher density residential developments, while benefiting from an improved efficiency on amenities, can also suffer from lower amenity outcomes due to increased density, noise, waste pollution as well as higher levels of traffic. This can be damaging to both the environment and the existing populations amenity values in neighbouring suburbs. However, these potential costs can be mitigated and managed through good design and good planning. The proposed scale of development within this site would not likely to reach a threshold where these concerns become relevant.

81 In my view, considering all economic factors, the proposed GRZ or MDRZ would yield substantial net economic benefits for both the local Rangiora community and the broader Waimakariri district, outweighing any associated economic costs. Therefore, I support the rezoning of the site from the notified LLRZ to GRZ or MDRZ from an economic perspective within the context of the RMA.

## **CONCLUSION**

82 After reviewing both previous and recent HBAs and taking into account the findings of the independent panel's decision on RCP031, along with associated expert evidence, it is my view that the residential capacity estimated by the Formative Model and the sufficiency presented in the HBA 2023 is not reliable.

83 Considering the reassessed capacity figure by Mr. Sexton, which is ground thruthed and more compelling in that it better reflects the practical level of capacity in the district, it can be anticipated that the wider Waimakariri District will face a significant shortfall of approximately 1,240 dwellings over the medium term (by 2032). Consequently, there is a real requirement to provide

additional residential capacity in the main urban areas of the district over the forecast period.

- 84 Based on my assessment of its locational characteristics, the submission site is an appropriate and economically efficient location to address a portion of the anticipated demand over the medium term, given its proximity to a large amount of existing infrastructure, services, and amenities.
- 85 Notably, the site stands out as a more suitable location with greater certainty compared to other identified development areas. This is due to the significant uncertainties associated with the future delivery of their capacity, influenced by factors such as multiple ownership, the level of adoption through the WPDP, timing around the release of capacity, provision of sufficient infrastructure capacity, funding of that infrastructure and potential submissions on individual areas.
- 86 Considering all economic factors, enabling the proposed GRZ or MDRZ has the potential to generate substantial net economic benefits for the local market, communities, and the wider Waimakariri district economy. Therefore, I support the proposed rezoning of the site from the notified LLRZ to GRZ or MDRZ.

Tim Heath

Date: 5 March 2024