Selwyn Business Capacity and Demand Model

Post DPR decision update

Selwyn District Council

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Formative

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1 Introduction

Over the last two decades, Selwyn District has experienced rapid growth in population, from around 27,600 in 2000 to 85,600 in 2024. Population in the District has grown by 4.9% per annum, which is much faster than almost every other district in New Zealand, only Queenstown Lakes grew at a faster rate. Furthermore, there has been a rapid increase in business activity, in terms of employment and GDP, with number of jobs increasing from 11,060 in 2000 to 28,200 in 2024, and GDP increasing by 5.1% per annum.

Selwyn District Council (SDC) has been continually monitoring and planning for this growth. The Council has commissioned research on different aspects of business capacity to ensure that there is sufficient supply to meet demands in the future. Most relevant research is the Selwyn Capacity for Growth Model (SCGM) and associated research on commercial land use, which is described in this report.

1.1 Background

The National Policy Statement on Urban Development (NPS-UD) includes a set of reporting requirements relating to urban development capacity, both in terms of residential and business activity. A key part of the requirements is that Tier 1 councils must investigate how much capacity is enabled within their planning frameworks and the extent to which this capacity maybe developed by the market. Councils are also required to assess the potential future demands of the community.

The comparison of the developable supply and the demand projections provides an indication of whether there is sufficient urban development capacity to meet the needs of the community. In the case that there is deemed to be insufficient supply then the local council must act to provide more capacity.

SDC is a Tier 1 council, as such it has commissioned the development of the SCGM and research on commercial land use. Over the last seven years the research has been updated to match changes in demand and supply, with three significant updates being completed in 2017, 2021, and 2023. In terms of business component of the models, the early version of the models indicated that there was sufficient supply to meet demand in the short-medium terms and potential shortages in the long term.

Since the first model was completed a number of things have changed, with the most important changes being:

- population and economic growth has greatly exceeded all expectations.[1]

[1] Statistics New Zealand (2022) Subnational Population Estimates.

- global pandemic and border closures, which impacted immigration.
- Covid Fasttrack and several private plan changes, has resulted in an increase in capacity.
- the planning process (District Plan Review was completed and some recent resource consents have been approved) have contributed to considerable increase in capacity.

In summary, over the past seven years there has been unprecedented change in both demand and supply within the Selwyn District. This has meant that SDC has needed to continually update the research on the business market, and the Council has exceeded the requirements set out within the NPS-UD.

The model and report have been updated to account for the recently released decisions on the partially operative District Plan (PODP) and relevant resource consents, which broadly adopted much of the planning framework proposed through the District Plan Review. In summary, PODP has resulted in changes including upzoning and rezone of some urban land, and some Future Growth Areas have been live zoned for urban use. Combined, these additional changes have increased the capacity for business development in the District.

Also of importance to this report, is the National Policy Statement on Highly Productive Land (NPS-HPL) which applies to highly productive (class LUC1-3) and much of the inner parts of the District because much of the land around the main towns is highly productive (Rolleston, Lincoln, Prebbleton and West Melton). The NPS-HPL requires councils to protect highly productive land for primary production and to restrict urban rezoning of highly productive land (clause 3.6). While the NPS-HPL refers to NPS-UD and urban environments, it requires assessments of rezoning of rural highly productive land for urban uses to be conducted "*within the same locality and market*" which is a wider geography than is required in the NPS-UD. Specifically, an assessment of business land for the purposes of the NPS-HPL would in some instances need to consider demand and supply at a level wider than the townships or even the urban environment in the district.

As an example, the industrial land market is generally wider than an individual town or even the urban environment in Selwyn. For instance, distribution warehouses will tend to serve the needs of the entire region and therefore the potential locality and market that should be considered would be wider than any single town in Selwyn and could be defined as the entire Greater Christchurch Urban Environment. We consider that the locations applied in this report are not directly applicable to NPS-HPL assessments.

1.2 Scope

The scope of this report is to provide a summary of the Selwyn Capacity for Growth Model (SCGM22). Council has requested that Formative develop a written report that provides:

- A summary of the approach adopted in the business components of the model;
- The assumptions used within the modelling, including demand (productivity, exports, self-sufficiency, etc) and capacity (plan enabled, realisable, etc);
- Specific outputs for urban environment within Selwyn (Rolleston, Lincoln, Prebbleton, and West Melton) for the business components of the model.

1.3 Structure

This report is structured into four subsequent sections, as follows:

- Section 2 briefly discusses key aspects of the zones in the partially operative District Plan, relevant Resource Consents, and Future Growth areas that are reflected within the model.
- Section 3 outlines the nature of the SCGM22, which covers method and assumptions used within the model.
- Section 4 describes the District and township level residential outcomes for Selwyn.
- Section 5 provides the findings of this report.

2 Selwyn Business Land PODP and Future Growth

The following section provides a brief summary of the local planning framework, which includes the key zones in the PODP, Future Growth, and some important resource consents which have been included within the SCGM22. The focus of the discussion is on business zones only.

2.1 Selwyn PODP Plan

The PODP has adopted a shift to the standard zones within the National Planning Framework, with the business zones changing to Town Centre, Local Centre, Neighbourhood Centre, Large Format Retail, and General Industrial. The change increased the number of zones and associated rules that apply within the District. On balance, the proposed changes to zones and the associated rules have allowed an increase in plan enabled capacity within the existing urban areas in the District with building heights applicable increasing for most of the business land.

However, the increase in plan enabled capacity may or may not only increase the level of development activity that is being achieved by the market by a small amount. This means that the change in the zone definitions (and associated rules), in of itself, will not result in a significant increase in development capacity.

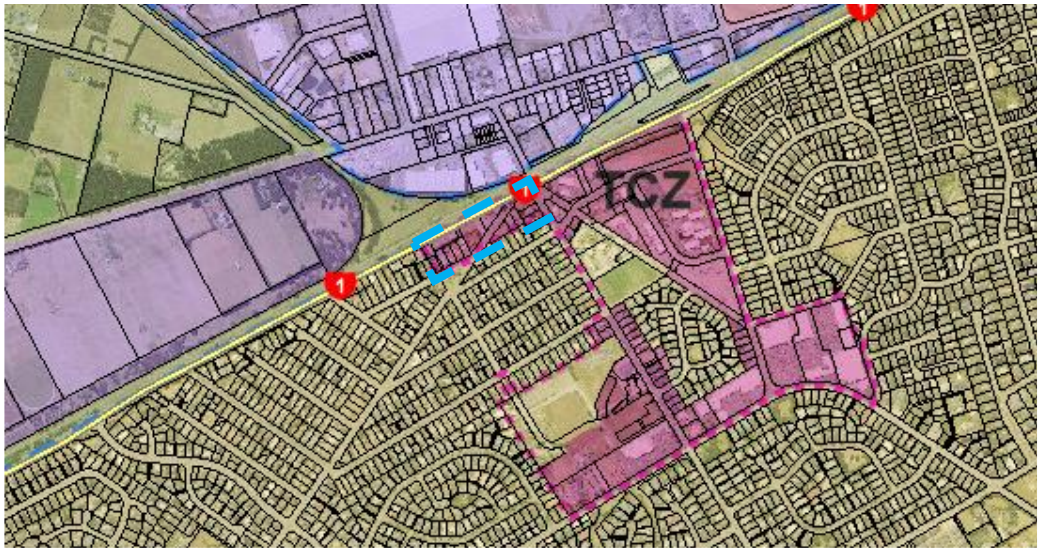
Also, the Council increased the area covered by business zones, which can be expected to enable more capacity. Overall, the change in extents (and proposed rules) of the zones has increased capacity within the District, the maps below show the zone extents that have been adopted within the SCGM22. The following discussion provides the extent of the business land in each of the main towns and indicates the recent changes that occurred via the PODP, relevant resource consents, and future growth areas.

2.1.1 Rolleston Business Land

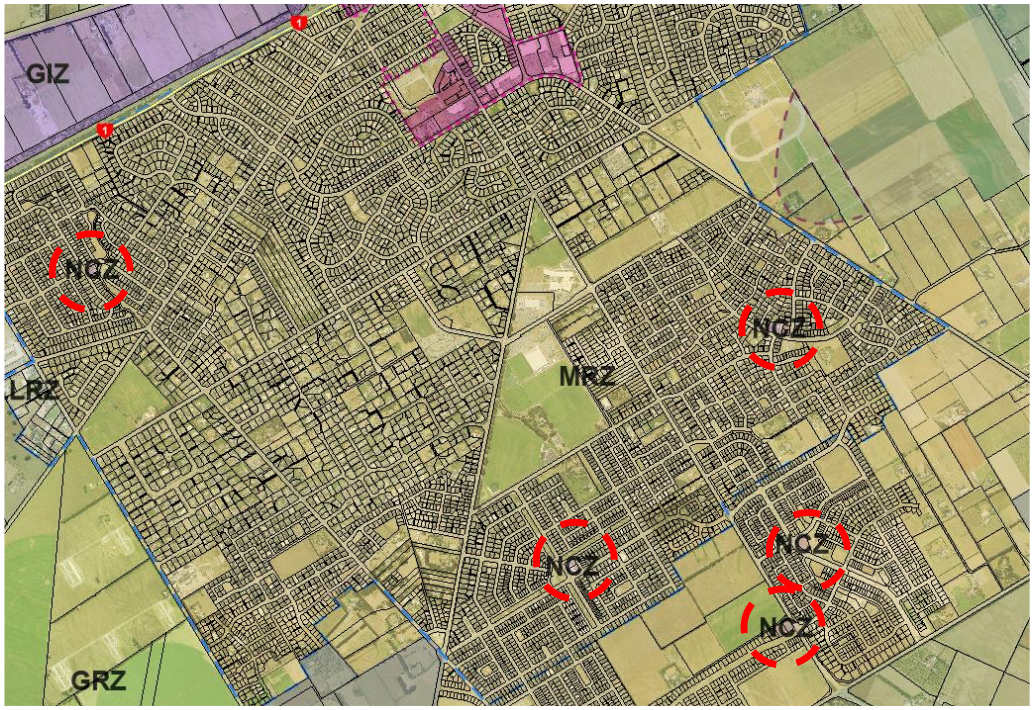
There have been some significant increases in the amount of business land provided in Rolleston. The following land is modelled in the business land assessment:

- **Town Centre Zone**: this consists of the land that was previously Business 1 zone and fifteen parcels (1.6ha) on State Highway 1 which was changed from residential zone via the District Plan review (shown as area outlined blue below). Most of this land is currently used for business purposes despite not previously having a business zoning. There is also transition overlay in the TCZ, which could allow for more growth in the

future (residential zoned area in Markham Way, within purple dotted line), but is not assessed.



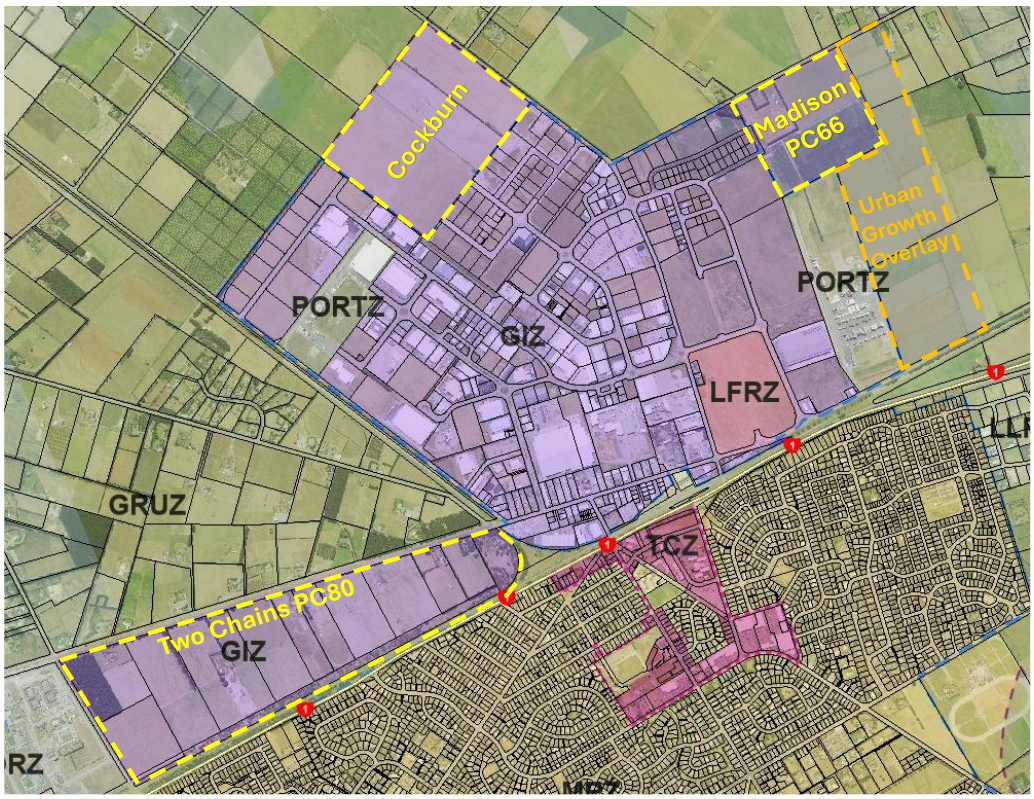
- **Neighbourhood Centre Zone**: there are five small set of shops which have been zoned for commercial activity which have average land area of 0.4ha each (indicated by red circles).[2] Those five locations are now zoned NCZ, and were previously zoned residential.



- **General Industrial Zone:** this consists of the land that was previously Business 2 zone and there were three new large blocks of land zoned for immediate development (shown as area outlined yellow below), Two Chains Road (Plan Change 80, 98ha),

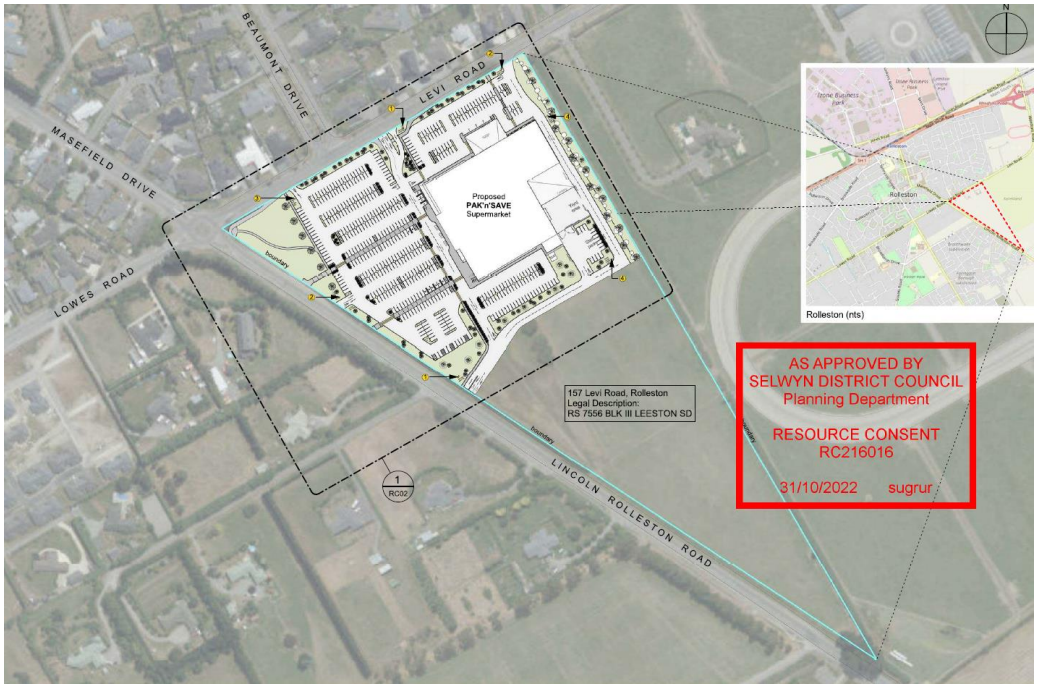
[2] The NCZ in Faringdon South West has now been developed for residential and will not be available for business uses.

Madison Road (Plan Change 66, 27ha), and Cockburn (49ha). Also there is a Future Growth Overlay area, which is indicated for growth in the long term (shown as area outlined orange below). Some of the Business 2 land has not had a GIZ zoning applied, rather has been changed to reflect specific and previously consented uses – the two inland ports (PORTZ) and large format retail area (LFRZ).

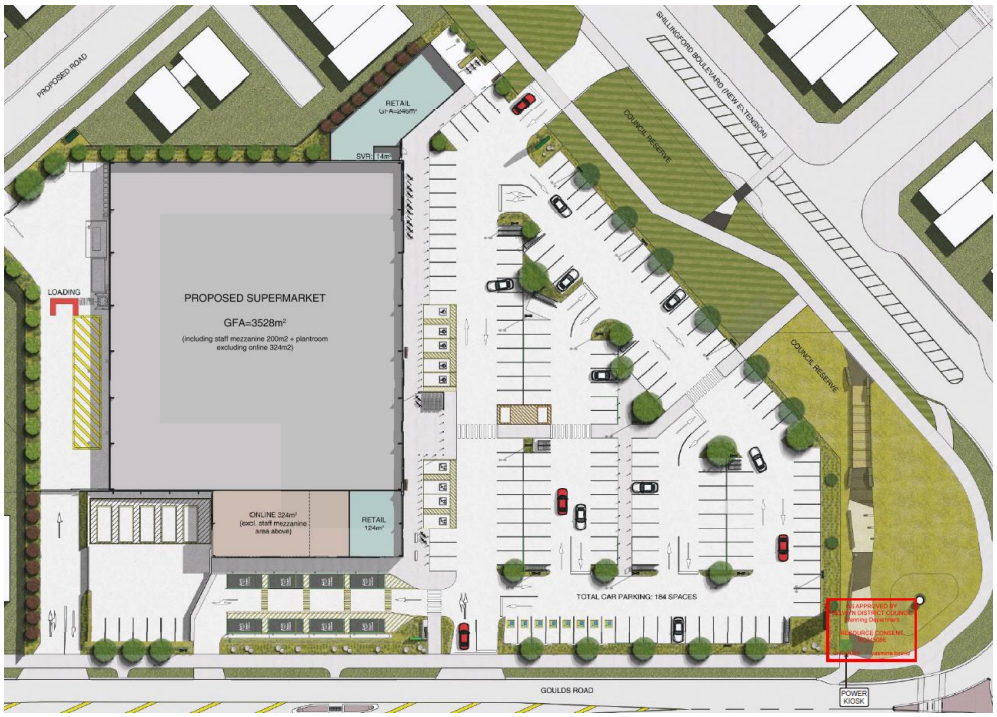


- **Large Format Retail Zone**: this consists of 18ha of land within the block bounded by Link Drive, Iport Drive, Hoskyns Road, and Jones Road. Approximately two-thirds of this land had an existing resource consent that allowed large format retail activity, and the northern third was changed to LFRZ via the District Plan decisions.
- **Levi Road Large Format Area:** this consists of 7.2ha of land on the corner of Levi Road and Lincoln Rolleston Road which is zoned residential (area within turquoise triangle). Currently, the northern half of this site (3.2ha) has a resource consent for a 8,108m^2 Pak n' Save. There is also a private plan change (Variation 2) which will change the zone of

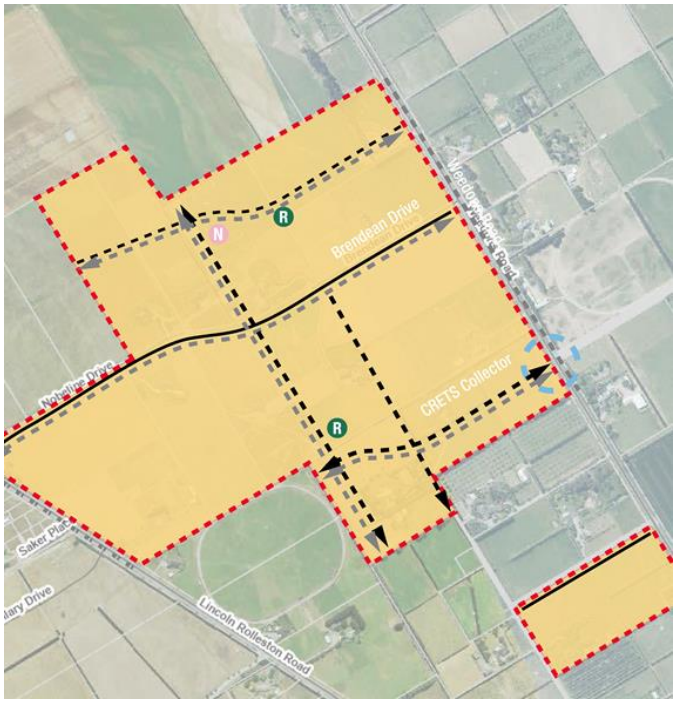
this land to Large Format Retail Zone, and potentially allow the development of a Mitre 10 Mega.



- **Faringdon Oval Woolworths and shops**: this consists of 1.4ha of land on the corner of Goulds Road and Shillingford Boulevard which was rezoned via Covid19 Fasttrack to residential. This site has a resource consent which allows a 3,852m^2 Woolworths supermarket and 370 m^2 of other retail.

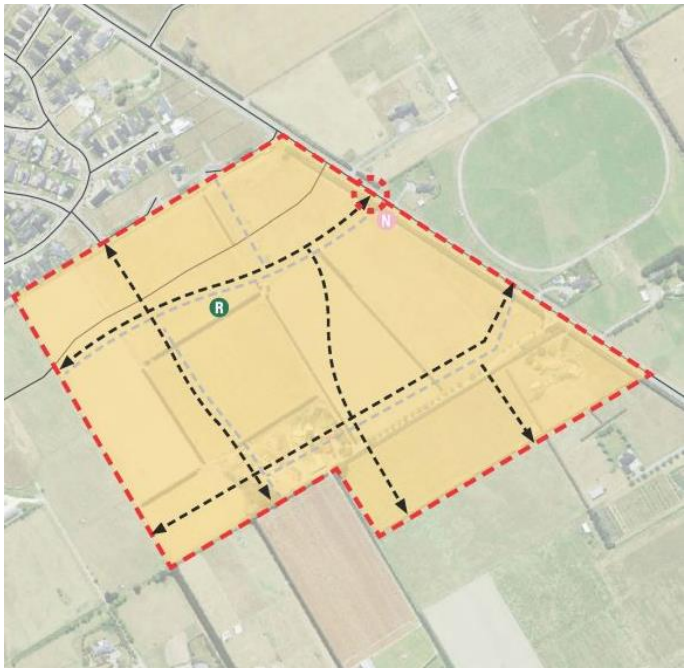


- **Faringdon Oval Covid19 Fasttrack:** the FastTrack consent provided for a small Neighbourhood Centre of 0.4ha of land to allow development of 500m^2 of floorspace.
- **Eastern Rolleston (Dev-RO15)**: a Neighbourhood Centre is required in the general location shown on the PODP (shown as "N" in the graphic below) and would likely have a land area of approximately 0.5ha. The NCZ will provide for a maximum of 2,000m^2 of gross floor area to cater for the convenience needs of the local community.

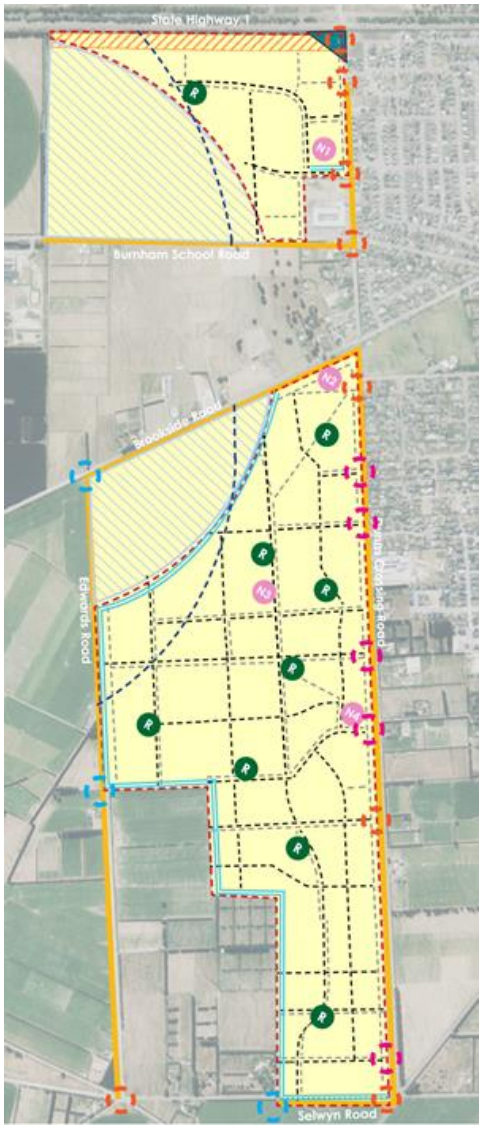


- **South-eastern Rolleston (Dev-RO10)**: a Neighbourhood Centre adjacent to Lincoln Rolleston Road and would likely have a land area of approximately 0.5ha. The NCZ will

provide for a maximum of 2,000m^2 of gross floor area to cater the convenience needs of the local community.



- **Western Rolleston (Dev RO7)**: Four neighbourhood centres are proposed adjacent to the intersection of Dunns Crossing Road and proposed Primary Roads. The area of land identified for these centres (being 0.8ha, 1ha, 0.22ha, and 0.25ha respectively from north to south) is intended to provide sufficient space to accommodate a commercial activity and community activities, to meet the local convenience needs of the community.



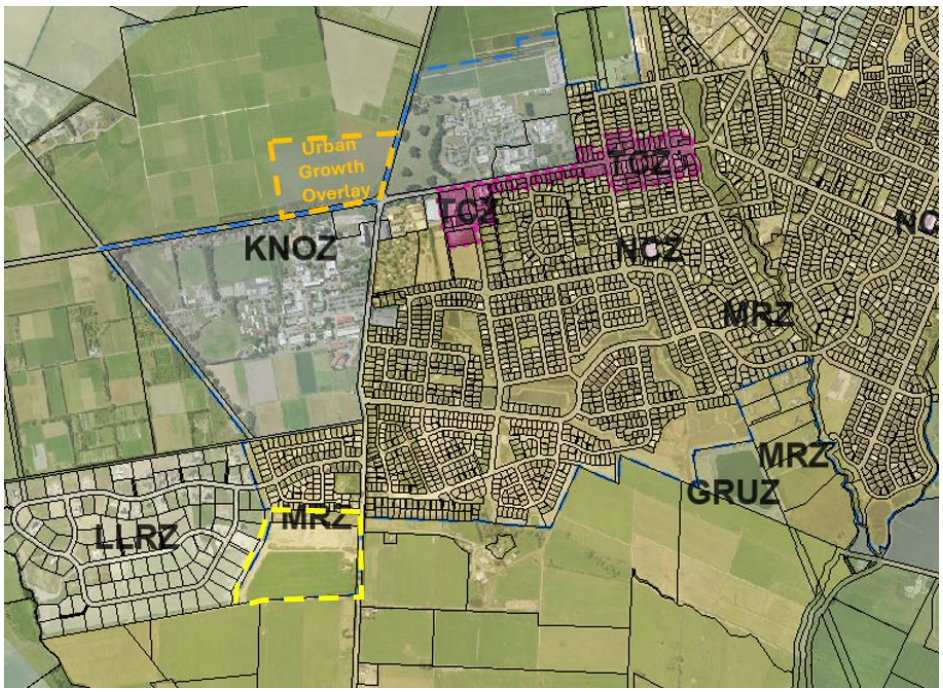
2.1.2 Lincoln Business Land

There has been some additional business land provided in Lincoln. There has also been some business land that was rezoned for residential use. The following land is modelled in the business land assessment:

- **Town Centre Zone**: this consists of the land that was previously Business 1 zone or residential zoned but noted for business via the Key Activity Centre overlay (shown as area outlined yellow below). Also one parcel (0.6ha) on the corner of Vernon Drive and Kakahi Street was changed from residential to Town Centre Zone (shown as area outlined blue below).
- **Neighbourhood Centre Zone**: there are two small set of shops which have been zoned for commercial activity which have average land area of 0.4ha each (indicated by red

circles). The eastern NCZ was previously zoned residential and the southern NCZ was previously Business 1.

- **General Industrial Zone**: the 13ha of Business 2 land which was proposed to be General Industrial Zone on Springs Road was changed to residential (shown as area outlined yellow below). This change meant that there is no longer industrial land provided for in the Lincoln. Also there is a Future Growth Overlay area for 11.1ha, which is indicated for growth in the long term (shown as area outlined orange below).[3]



[3] However, 4.5ha has been consented for a solar farm.

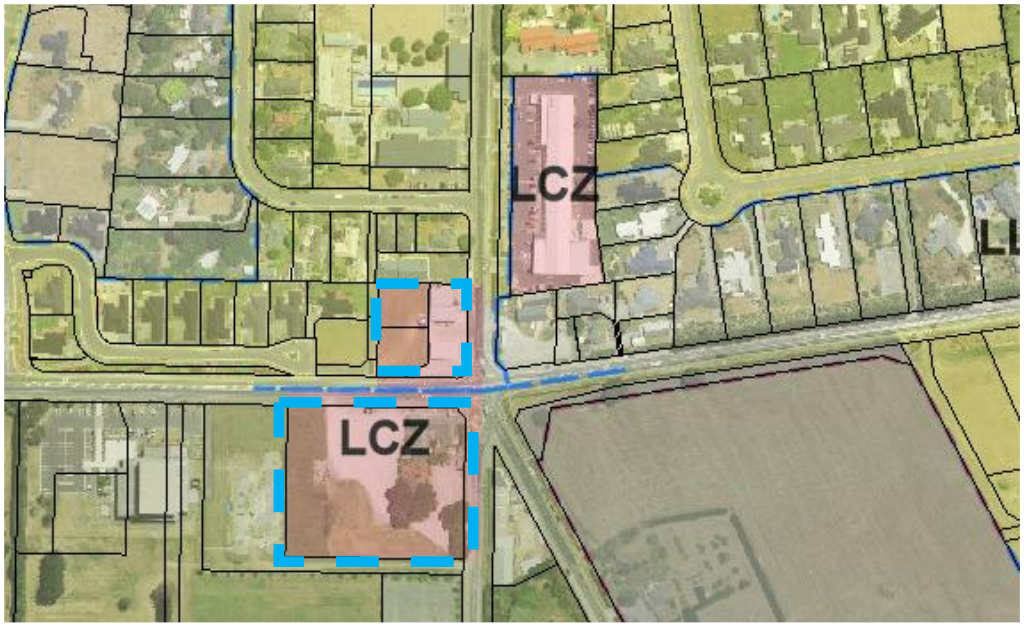
- **South Lincoln Centres (DEV-LI8)**: One Local Centre (L in the map) is proposed on Springs Road towards the northern part of the development area, and the LCZ is to be no larger than 3ha. The local centre will provide for a supermarket with a maximum floor area of 4,500m^2, and associated retail and services with a maximum floor area of 1,400m^2. Two neighbourhood centres (N in the map) are proposed in the eastern and western parts of the development. The neighbourhood centres will provide for a maximum of 2,000m^2 of gross floor area (and likely 0.5ha of land), to meet some of the convenience needs of residents in the immediate area.

2.1.3 Prebbleton Business Land

The Prebbleton Town Centre Zone consists of the land that was previously Business 1 zone (shown below). There is no other business land in Prebbleton.

2.1.4 West Melton Business Land

The West Melton Local Centre Zone has been increased to include three parcels on the corner of State Highway 73 and Weedons Ross Road which was previously residential zone, and a formerly rural zoned parcel on the opposite side of State Highway 73 (together shown as area outlined blue below). The new LCZ areas represent an increase of 1.6ha, however this land is mostly already used for commercial activity (BP Station, Fire Station, and Tavern).



2.2 Summary – Business PODP and Future Growth

In summary, the Council has provided a considerable amount of additional development capacity within the District. The combination of the PODP, recent resource consents, and Future Growth areas have combined to result in a substantial change in the planning framework within the District. This is understandable as Selwyn is facing unprecedented levels of growth, even compared to the wider region or nationally. The following section describes the modelling method used to estimate the capacity that would be enabled by the planning framework described in this section.

Finally, we note that there were 25 appeals to the DPR decisions, although most have now been settled via mediated or related to topics that do not impact business development in the urban areas. This means for the most part that the PODP provisions for business land are now operative. There is one outstanding appeal that relates to Lincoln, with the submitter (Townsend Stewart) requesting that 15ha of rural land on the northern edge of the town be zoned General Industrial Zone.

3 Selwyn Capacity for Growth Model

The Tier 1 councils are required under the NPS-UD to undertake research of housing demand and development capacity assessment. The requirements for those assessments are defined within the NPS-UD and the Ministry for the Environment provides guidelines on the development of the assessments. We have provided modelling for the NPS-UD and/or reviewed modelling for most Tier 1 councils in the country. Broadly, each Tier 1 Council maintains a similar model as we have provided for Selwyn.

In summary, each council commission economic forecasts of the district economy, all of which use a similar methodology as is adopted in the SCGM22 (i.e. final demand projections which are modelled through a multi-regional economic model to assess the flows and interactions within and from an economy). Also, for Capacity Assessment most councils either develop their own internal GIS-based spatial model or commission the development of a model, both of which estimate the amount of development potential spatially (i.e. Geospatial Property Model).

Broadly, the key difference between the modelling methods adopted by each Tier 1 council relates to the assumptions that are input into the demand model and land uptake. Inherently there must be differences in the assumptions as these must vary to match the local economy, planning framework, and market conditions. While some assumptions will be the same (e.g. national accounts), there must be differences between each Tier 1 council for other assumptions (e.g. unique drivers of growth like inland ports).

The following discussion outlines the method that is adopted in the SCGM22 and key assumptions.

3.1 Business Demand Projections

The business demand projections used in this profile are produced from our proprietary Macroeconomic Forecast Model (MFM). The MFM provides future estimates of economic indicators such as GDP and employment by industry. The MFM applies a two-stage process, involving economic and statistical modelling in the first stage, with Input-Output modelling in the second stage based on the Economic Linkages Model (ELM) a multi-regional Input-Output table developed by Formative.

For stage 1, real world historical data and industry insights are used to forecast the expected future demand for goods and services at both an economic sector and regional level. This includes demand from households, central and local government, exports (including tourism) and business investment in capital. Forecasts for each of these demand factors are developed using statistical modelling, and data from Statistics NZ, the Ministry of Business, Innovation and Employment and the Ministry for Primary Industries. Notably, we include other forecasts as available for specific market sectors, and for large exporters such as dairy, tourism and forestry. In addition, we also apply region-specific

adjustments such as factoring in the important economic activities that drive development – which in the case of Selwyn is the inland ports in Rolleston.

For stage 2, the demand forecasts are fed through the ELM, which records the interactions and relationships between actors in the economy, including businesses, households, government, exporters, and importers. At its essence, the interactions in the ELM describe how each sector responds to changes in the economy, and how those changes ripple out to influence a range of other outcomes. Using the forecast demand from stage 1 we can then measure the future economic activity that can be expected to occur within the economy because of changes in demand. The output of this process is a projection of how much economic activity (measured in both employment and GDP) will be required to meet future household, government, and export demands.

The MFM provides two core scenarios - 'Formative medium' and 'Formative high'. These scenarios indicate a range of (but not all) possible and plausible outcomes. The scenarios mainly differ in terms of the amount of population growth that is projected to live within the District. The population projections are drawn from the residential assessment in the SCGM22. We also model a range of possible outcomes for export demand and capital formation rates through the use of 'low', 'medium' and 'high' scenarios. The 'medium' scenarios are the point estimates (i.e. the best forecast of future demand) of the statistical modelling, and the 'low' and 'high' are the lower and upper bounds of a corresponding 50% confidence interval. This confidence interval approach allows us to present a plausible range of values rather than a single estimate.

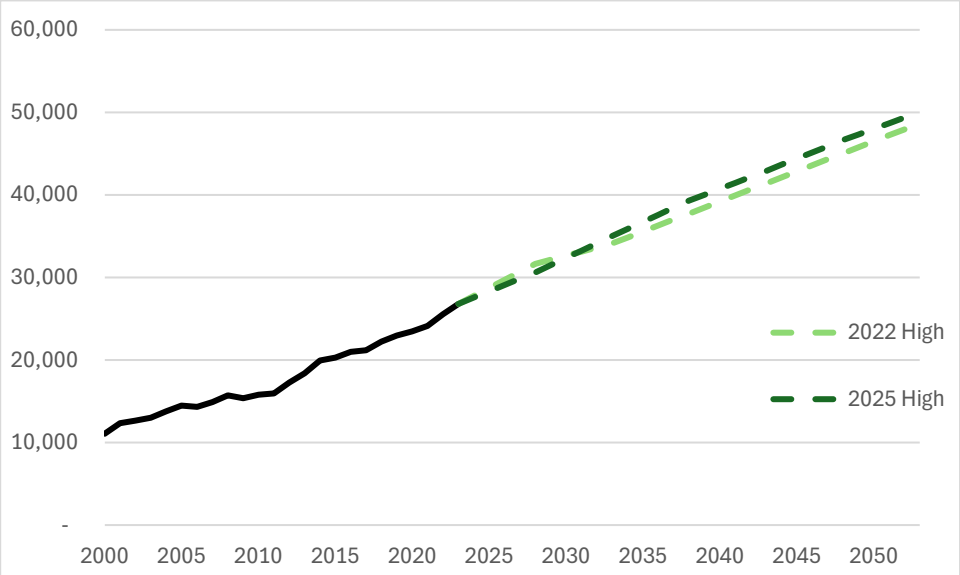
Selwyn District Council has elected to apply the high growth future within the SCGM22, which is a conservative stance as it is likely that growth over the short-medium term and long term will not continuously reach the level shown in the projection. The demand for land is established by converting employment growth into floorspace demand using the average density observed in the business zones.[4] This is a conservative setting, which assumes that all new growth will only be accommodated via new floorspace, which does not account for the potential for new employment to be accommodated in vacant or underutilised space within existing premises.

The demand projections in this report are an update compared to the 2022 projections. The new projections in this report take into account recent changes in economic activity and population growth, and accordingly are higher than the projections used within the SCGM22 and applied in the Greater Christchurch Partnership Business Capacity Assessment. The previous high scenario suggested total district employment would grow from 26,800 in 2023 to 48,700 by 2053. The new projection

[4] A workspace ratio of 38m^2 of floorspace per employee is applied for commercial land and 250m^2 per employee for industrial land.

suggests total district employment of 50,000 by 2053, which is 2.8% higher than the previous projections (Figure 3.1).

Figure 3.1: Selwyn District Economic Projection – High Scenario Employment



3.2 Capacity Assessment Model

The capacity assessment used in the SCGM22 was developed using our proprietary Geospatial Property Model (GPM). The GPM provides estimates of the additional floorspace that can be developed on each property within the urban areas of the district. The GPM applies a two-stage process, involving a first stage of GIS processing of properties to establish the nature of each property and a second stage that estimates the different types of capacity.

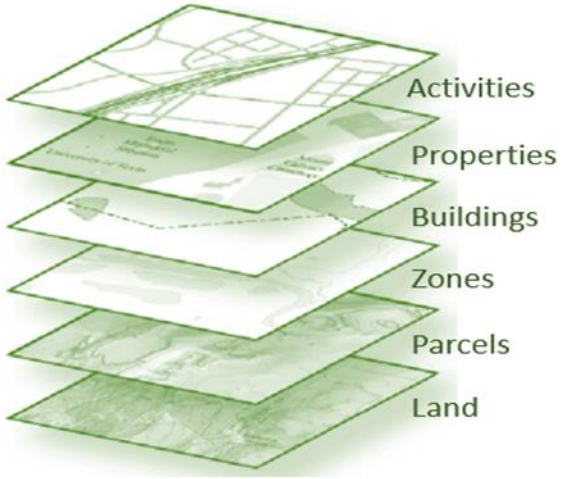
For stage 1, a geospatial analysis was conducted to draw together data for all the properties within the urban areas that could be used for business activities. The geospatial analysis had the following steps:

- **Urban Land**: extract land that is currently zoned urban or expected to be zoned urban. A spatial join between LINZ primary parcels (which is a complete and unique record of all land) and the District Plan zones and any proposed new urban areas. The output from this step is a set of parcels that can be used for urban activities.
- **Developable Urban Land**: remove land that cannot be used for business activities, which includes roads, waterways, openspace, reserves, walkways, rail lines, cemeteries, places of worship, and special purpose activities (universities, schools, military, ports, airports, hospitals, etc). The output from this step is a set of parcels that are developable for business activities.

- **Developable Urban Properties**: establish the nature of the activity that is currently located on each developable urban property. Spatially join data to each property, which includes building footprints, rateable property, building consents, and business land use surveys. This step also included both desktop and field trip validation of the datasets, with a focus on new activity in known development areas. The output from this step is a set of properties that are developable for business activities, along with existing activities.

The Developable Urban Properties list is a critical element of the assessment as it forms the baseline from which the Capacity Assessment is conducted. Much of the processing conducted in the Capacity Assessment is focused on ensuring that information recorded for each of the Developable Urban Properties is accurate and contemporary.

Figure 3.2: Geospatial Property Model



For stage 2, the assessment calculates the different types of capacity as required under the NPS-UD which includes Plan Enabled, Infrastructure Ready, and Reasonably Expected to be Realised. The following steps were used to estimate each of the capacity types:

- **Plan Enabled**: applies the rules within the local planning framework to establish the maximum theoretical capacity that can be developed on each urban site, which includes height limits, setbacks, minimum site size, etc.
- **Infrastructure Ready**: draws from Council's infrastructure information and planning to establish the capacity that will be able to be serviced.
- **Reasonably Realised and suitability**: as discussed in the previous section the amount of plan enabled capacity is significantly larger than will ever be realised within the foreseeable future. It is likely that a large share of the capacity will not be developable,

either because of demand side constraints[5] or supply side constraints[6]. For this assessment the model draws from recent developments to establish the development patterns that are being realised by the market, now and in the future.[7] Broadly, the model assumes that development intensity will not increase markedly in the future. Also it conservatively assumes that redevelopment (vacant potential) is not developable in the short-medium and only becomes available in the long term. We consider that most of the redevelopment in the business land enabled by planning framework will not be reasonable realisable in the short-medium term, so it is reasonable to only consider vacant land when considering sufficiency. In the long term it is more likely that underutilised premises could be redeveloped and vacant potential is realisable. Also the site size can be an important issue for some large-scale business activities (supermarkets, large format retail, and industrial), and the range of opportunities can be estimated.

The output of the Capacity Assessment is a property-level estimate of the potential development that could be accommodated in the urban parts of the District. It is beyond the scope of the capacity assessment to establish the intentions of landholders, who may or may not develop a site.

3.3 Sufficiency Modelling

The SCGM22 compares the expected demand for land with the supply[8] within the urban parts of the district, to establish whether there is sufficient capacity to accommodate the expected growth.

The SCGM22 applies a two-stage process, involving a first stage that converts demand to types and locations within the urban areas and a second stage that assesses whether there is sufficient supply to accommodate the demand (as required in the NPS-UD).

The first stage is to assess and convert the demand into key land types (retail, commercial and industrial) and locations within the urban areas. In summary, this stage takes the demand from the Business Demand Projections and converts it into land types and locations, which can then be compared to the Capacity Assessment. The demand is converted into types of land, retail, commercial and industrial using a set of assumptions – which have been set as baseline preferences observed in the business land survey and can be varied to allow the user to test different scenarios. These land

[5] Given the scale of demand it is likely that only a small share of development will conceivably be needed. Also, businesses will demand a range of premises, which means that the maximum potential would not be demanded.
[6] There are a range of reasons why development potential may not be achieved by the market. Common examples are that developers tend to subdivide to provide a range of options to maximise the potential market that they can serve. Another example is that landholders choose to keep land for their own reasons which means that redevelopment is not achievable on some land.
[7] The developable floorspace on a site for commercial is set at 70th percentile of floor area ratio developed in the past (41%). For industrial the average floor area ratio developed in the past has been applied (40%).
[8] The capacity that is plan-enabled, infrastructure-ready, and reasonably expected to be realised.

demands are then allocated spatially to urban areas in the District based on the observed business land survey.

The second stage is to assess the sufficiency of the supply to meet demands, which compares the demand from the first stage with the supply from the Capacity Assessment. The SCGM22 applies the Competitiveness Margin, 20% for short-medium term and 15% for long terms as defined in the NPS-UD, which provides a measure of the minimum amount of land that is required to be 'Sufficient' – i.e. expected demand plus the Competitiveness Margin. The key output of this assessment is to show when and where there may be a need for more supply of developable land within the urban areas.

However, even if there is sufficient overall capacity, there may still be valid reasons to enable additional land for business activities to meet specific needs. For example:

- **Land Intensive Activity**: challenges can arise when there is limited variation in site sizes, which can restrict the ability to accommodate large-scale activities such as supermarkets, large format retail, or less common business types (e.g. inland ports, universities, community infrastructure, or tourism-related facilities). This limitation can hinder the ability to meet community needs effectively, particularly in growing urban areas where access to key amenities is essential for both residents and the local economy.
- **Local Convenience needs**: there will be instances where the provision of new centres may be required to meet new needs of the communities in the growth areas. Such as small supermarkets, dairies, medical centres, and childcare services, which also require appropriately located and sized sites. While these uses typically demand smaller sites, these essential amenities may struggle to establish in the right locations, undermining the walkable and well-functioning urban environment that the NPS-UD seeks to promote.

In summary, while the NPS-UD encourages flexibility in site sizes to support a range of business activities, assessing sufficiency at this level of detail is not practical, as it would require modelling demand at a highly granular submarket level, which is not feasible. However, the merits of new activities, whether local convenience centres or land-intensive uses, should be assessed on a case-by-case basis, considering their specific functional requirements and contribution to the wider urban form.

4 SCGM22 Results

The following section provides a brief summary of the results from the SCGM22. The results are from a model run which has the following key assumptions:

- Business Demand set at Formative High Projection and recent development shares scenario.
- Competitive Margin of 20% for short-medium term and 15% for long term, all figures presented include appropriate margin.
- Urban zone vacant land in the PODP are available for development in the short-medium term.
- Urban zone vacant and vacant potential in the PODP and Growth Areas, are available for development in the long term.

4.1 Selwyn District

The updated SCGM22 projects that over the coming decade there is demand for over 176ha of land in the business areas of the District and most will be industrial. The High projection is equivalent to an average additional demand per annum of 18ha over the next 10 years (Figure 4.1). In the long term there will be demand for an additional 462ha of business land, and again most is expected to be industrial. The High projection is equivalent to an average additional demand per annum of 15ha over the next 30 years.

Figure 4.1: Selwyn District Business Land Demand Projections (hectare), including Competitive Margin.

Selwyn District Land Demand	2023-2033 Short-Medium	2023-2053 Long
Retail	4	11
Commercial	16	45
Industrial	156	406
Total	**176**	**462**
Average demand per annum	18	15

The updated capacity assessment shows that there has been an increase in plan enabled capacity from the previous version of the SCGM, which as discussed above mostly relates to the changes in the PODP and new Plan Change areas that have been adopted. In total there is capacity for 559ha of business land in Selwyn, which includes both vacant land and vacant potential (i.e. redevelopment potential) (Figure 4.2). This is almost 220% more than projected business land demand under the high growth scenario in the medium term, and 21% more than the long term demand.

Clearly, a large share of this supply will not be reasonably developable in the medium. As discussed in the previous section it is assumed that vacant potential via redevelopment is not development in the short-medium term and only becomes developable in the long term.

Figure 4.2: Selwyn District Business Land Supply, Vacant and Vacant Potential

Selwyn District Land Supply	2023-2033 Short-Medium (vacant)	2023-2053 Long (vacant and vacant potential)
Retail	8	12
Commercial	32	50
Industrial	273	497
Total	**313**	**559**

In conclusion, the changes made to the local planning framework can be expected to provide sufficient supply to meet the new higher demand projections in the coming short-medium term (even if no redevelopment occurs) with:

- 4ha of retail land remaining by 2033,
- 16ha of commercial land remaining by 2033.
- 117ha of industrial land remaining by 2033.

In the long term there is also expected to be sufficient capacity to meet business demands. However, most vacant land is likely to be developed and there will be some reliance on redevelopment of vacant potential. By 2053 there is expected to be 1ha of retail, 5ha of commercial, and 91ha of industrial land capacity remaining in 2053 (Figure 4.3).

Figure 4.3: Selwyn District Business Land Sufficiency, Supply less Demand (+Margin)

Selwyn District Land Sufficiency	2023-2033 Short-Medium	2023-2053 Long
Retail	4	1
Commercial	16	5
Industrial	117	91
Total	**137**	**97**

However, as has been seen as a result of the earthquakes, Covid19, and recent weather events, the demand situation can change rapidly with businesses changing locational preferences. This inherent uncertainty is an important issue for Selwyn. While the Council is required by the NPS-UD to update the assessment of demand and supply every three years, we support the proactive stance of updating the assessment more regularly and that council has been updating information every 1-2 year to account for changes. This will ensure that the Council can pivot and change to match demand needs as they arise.

4.2 Rolleston Situation

Rolleston is the largest town in the District and is part of the wider Christchurch Urban Environment. The town has a large share of the business activity in the district, and two inland ports which draws regional economic activity. There is a considerable amount of additional business zoned land provided in the District Plan, which will enable the role of the centre to increase.

Figure 4.4 provides a comparison of the demand and supply situation for Rolleston. These results suggest that there is sufficient supply in Rolleston in the short-medium and long term, for retail, commercial and industrial.

In summary, the changes made to the local planning framework can be expected to provide sufficient supply to meet demands in the short-medium term (even if no redevelopment of existing buildings occurs), and in 2033 there will still be the following vacant land remaining and available to accommodate new development:

- 4ha of retail land
- 17ha of commercial land
- 134ha of industrial land.

Figure 4.4: Rolleston Business Land Situation, Demand (+Margin) and Supply

Rolleston Retail Situation	2023-2033 Short-Medium	2023-2053 Long
Demand+Margin	2	6
Supply	6	8
Sufficiency	**4**	**2**
Rolleston Commercial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	9	25
Supply	26	33
Sufficiency	**17**	**8**
Rolleston Industrial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	125	325
Supply	259	406
Sufficiency	**134**	**81**

We note that in the later parts of the long term that vacant land for industrial may run out (2047 onwards) and that some redevelopment of vacant potential land may be required to meet demand. While this point is nearly three decades away, it is a situation that should be monitored and if growth exceeds the High projection then the Council may need to provide more capacity, either by zoning more greenfield land or via encouraging more intensification.

4.3 Lincoln Situation

Lincoln is the second largest town in the District and is also part of the wider Christchurch Urban Environment. The town has a large share of the business activity in the district, but this is mainly driven by the Lincoln University which is accommodated in special purpose zone (Knowledge Zone). There is some additional commercial zoned land which will enable the role of the centre to grow to meet the community's needs.

Figure 4.5 provides a comparison of demand and supply situation for Lincoln. These results suggest that there is sufficient supply in Lincoln in the short-medium for retail, and commercial, and there is no industrial land in Lincoln, and therefore insufficient supply of industrial land. There may be a shortfall in capacity for retail, commercial, and industrial in the long term.

In summary, the changes made to the local planning framework can be expected to result in the following outcomes in the short-medium term (even if no redevelopment occurs) with:

- 0.2ha of retail land remaining by 2033
- 1ha of commercial land remaining by 2033
- A shortage of 2ha of industrial land by 2033.

Figure 4.5: Lincoln Business Land Situation, Demand (+Margin) and Supply

Lincoln Retail Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	1	2
Supply	1	1
Sufficiency	**0.2**	**-0.8**
Lincoln Commercial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	3	9
Supply	4	6
Sufficiency	**1**	**-3**
Lincoln Industrial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	2	6
Supply	0	0
Sufficiency	**-2**	**-6**

We note that in the early parts of the long term that land may run out for retail, commercial and industrial. The planned industrial land has been changed to Residential via Covid19 Fasttrack, and there is now no supply of industrial in Lincoln. This situation should be monitored. However, there is the Future Growth Overlay area for 11.1ha, which is indicated for growth in the long term and may be used for industrial which would mean there could be enough capacity.

4.4 Prebbleton Situation

Prebbleton is the third largest town in the District and is part of the wider Christchurch Urban Environment. The town is proximate to Christchurch City and the industrial area in Hornby South. Recently the remaining vacant business land was developed to provide a large number of new tenancies within The Prebbleton Village development on Central Avenue, and the recently opened Prebbleton Health. While most tenancies have been let, it is likely that these new businesses would accommodate more patronage in the coming short-medium term.

Figure 4.6 provides a comparison of the demand and supply situation for Prebbleton. These results suggest that there is relatively little demand and supply for retail, commercial, and industrial in the short-medium or long term. In summary, there is no vacant land available in Prebbleton and any further demand will be accommodated either via existing businesses (i.e. in Prebbleton Village, Central Avenue Shops, and Prebbleton Health) or via redevelopment of vacant potential land. There is no industrial land demand arising in Prebbleton because demand arising from the town's population or businesses can be provided for in nearby Christchurch or Rolleston. An absence of industrial land in Prebbleton does not indicate a need for industrial land in the town, and the (township) resolution this report is presented at should not be taken to imply that land is required in each location for each type of activity.

Figure 4.6: Prebbleton Business Land Situation, Demand (+Margin) and Supply

Prebbleton Retail Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	0.2	0.4
Supply	0.0	0.4
Sufficiency	**-0.2**	**0.0**
Prebbleton Commercial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	0.8	2
Supply	0	2
Sufficiency	**-0.8**	**0**
Prebbleton Industrial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	0	0
Supply	0	0
Sufficiency	**0**	**0**

We note that there is limited business land capacity (either vacant or requiring redevelopment) within Prebbleton. While there has been a significant increase in floorspace and tenancies developed in the centre, in the coming decades there may be a need to be more supply in the town centre or potentially neighbourhood centre land in the new greenfield areas. This situation should be monitored and if

growth exceeds the High projection then the Council may need to provide more capacity, either by zoning more greenfield land or via encouraging more intensification.

4.5 West Melton Situation

West Melton is relatively small compared to the other towns in the wider Christchurch Urban Environment. The existing local centre has been increased in size via the recent changes to the district plan. However, these changes have mostly taken in land that have existing commercial activities and do not provide additional vacant land to accommodate new growth.

Figure 4.7 provides a comparison of the demand and supply situation for West Melton. These results suggest that there is relatively little demand and supply for retail, commercial, and industrial in the short-medium or long term. In summary, there is limited vacant land available in West Melton and any further demand will be accommodated either via existing businesses (i.e. in the Village) or via redevelopment of vacant potential (i.e. redevelopment of the land around the tavern).

Figure 4.7: West Melton Business Land Situation, Demand (+Margin) and Supply

West Melton Retail Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	0.2	0.4
Supply	0.0	0.2
Sufficiency	**-0.2**	**-0.2**
West Melton Commercial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	0.8	2
Supply	0.0	1
Sufficiency	**-0.8**	**-1**
West Melton Industrial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	0	0
Supply	0	0
Sufficiency	**0**	**0**

We note that there is limited business land capacity (either vacant or requiring redevelopment) within West Melton. This situation should be monitored and if High projection occur, then the Council may need to provide more capacity, either by zoning more greenfield land or via encouraging more intensification.

4.6 Urban Environment Situation

Finally, we present results for the Urban Environment which is the urban zoned land in Rolleston, Lincoln, Prebbleton, and West Melton. This area is defined as set out in the NPS-UD and is the same geography used within the Greater Christchurch housing capacity assessments.

Figure 4.8 provides a comparison of demand and supply situation for the Urban Environment in aggregate, and shows that there is sufficient supply in the Urban Environment in the short-medium and long term, for retail, commercial and industrial.

In summary, the changes made to the local planning framework can be expected to provide sufficient supply to meet demands in the coming short-medium term (even if no redevelopment occurs) with:

- 3ha of retail land remaining by 2033
- 16ha of commercial land remaining by 2033
- 132ha of industrial land remaining by 2033.

Figure 4.8: Urban Environment Business Land Situation, Demand (+Margin) and Supply

Urban Enviroment Retail Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	3	9
Supply	7	10
Sufficiency	**4**	**1**
Urban Enviroment Commercial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	14	37
Supply	30	41
Sufficiency	**16**	**4**
Urban Enviroment Industrial Situation	**2023-2033 Short-Medium**	**2023-2053 Long**
Demand+Margin	127	331
Supply	259	406
Sufficiency	**132**	**75**

We note that in the later parts of the long term vacant land may run out (2046 onwards) and that some redevelopment of vacant potential land may be required to meet demand. While this point is nearly 20 years away, it is a situation that should be monitored and if growth exceeds the High projection then the Council may need to provide more capacity, either by zoning more greenfield land or via encouraging more intensification.

5 Conclusion

Selwyn District has experienced rapid and unexpected growth which has exceeded the levels predicted by Statistics New Zealand or the Greater Christchurch Partnership. While there have been several unprecedented natural events (earthquake and Covid19) that have affected growth in ways that were not anticipated, we consider that it would be prudent for Selwyn District Council to continue using the High demand projection. While we acknowledge that this is not a common position for a Tier 1 council, all signs point towards continued high growth in the District.

The changes in the local planning framework that have been adopted (via the partially operative District Plan) and approved (Fasttrack, Private Plan Changes), have together generated an increase in the development potential in the District. While only a share of the development potential will be required in the coming decades to meet the demand needs, these changes are significant.

The changes in demand and the local planning framework have meant that the 2019 and the 2022 modelling is now out of date. While not required under the NPS-UD, Selwyn District Council commissioned an additional update of the demand and capacity modelling after the release of the DPR and IPI decisions.

The results from the SCGM22 update show that at the District and Urban Environment level there is sufficient supply to accommodate demand in the medium (2023-33). After the medium term there may be shortages of vacant land in some locations in the District (2033-53), although these are not projected to occur until the end of the long term (2044 and beyond).There is sufficient redevelopment capacity to allow that projected demand to be accommodated but this will require the market to take up the vacant potential on some sites.

There are some local instances where there maybe be shortages in the long term, i.e. Lincoln industrial land. However, the industrial market is generally more regional, and this demand could continue to be accommodated via the large supply in Rolleston and the edge of Christchurch (Hornby South). Also there is Future Growth Overlay area for 11.1ha, which is indicated for growth in the long term and may be used for industrial which would mean there could be enough capacity in this town.

The Council should monitor these situations to ensure that a shortage does not arise, and when shortages beyond the medium-term are identified, Council will have adequate time to plan to remedy any projected shortfalls. Finally, we note that the NPS-UD sets out minimum requirements for sufficiency within urban environment. These minimums are not a target to be reached and are rather a floor which should be exceeded. Therefore, it is reasonable for the Council to provide more capacity for urban growth than is required to meet expected demand, both within the urban environment and other townships in the District, while also balancing and taking into account other social, economic

and cultural well beings, financial costs of servicing new growth areas, environmental outcomes[9] and the wider goal of contributing to well-functioning urban environments.

[9] For example the National Policy Statement on Highly Productive Land.