BEFORE THE SELWYN DISTRICT COUNCIL

Under	the Resource Management Act 1991
In the matter of	Proposed Plan Change 72 to the Operative Selwyn District Plan: Prebbleton
And	Trices Road Rezoning Group (The Applicant)

SUMMARY OF EVIDENCE OF FRASER JAMES COLEGRAVE (ECONOMICS)

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INTRODUCTION

1 My full name is Fraser James Colegrave.

KEY POINTS OUTLINED IN EVIDENCE

2 Plan Change 72 (PC72) seeks to rezone approximately 28.7 hectares of land in Prebbleton to accommodate around 300 dwellings (320+ dwellings if the entire PC72 Site is zoned Living Z as recommended by the Council planner).

3 My evidence profiles Prebbleton's existing residents and dwellings and shows that the district's population has grown rapidly in recent years, with this fast growth projected to continue well into the foreseeable future.

4 It is my opinion that the Council is not currently meeting its obligations to provide at least sufficient capacity to meet the demand for new dwellings, as required by the NPS-UD, at either the district or sub-district level.

5 This is both because the Council's estimates of demand for additional dwellings are too low, while its estimates of likely capacity to meet that demand are overstated.

6 When the various issues identified herein are addressed – to provide more reliable estimates of dwelling supply/demand – I consider that the district clearly faces significant supply shortfalls under the short, medium, and longer terms. Accordingly, additional land needs to be identified and rezoned as soon as possible to meet NPS-UD obligations, and to enable the efficient operation of the local land market.

7 Overall, it is my assessment that the PC72 proposal will provide strong economic benefits, including:

7.1 Providing a substantial, direct boost in market supply to meet current and projected future shortfalls;

7.2 Bolstering land market competition, which helps deliver new sections to the market quicker and at better average prices;

7.3 Providing a variety of housing options/typologies to meet diverse needs and preferences, which is also required by the NPSUD;

7.4 Contributing to achieving critical mass to support greater local retail/service provision;

7.5 The one-off economic stimulus associated with developing the land and constructing the dwellings that will be enabled there.

8 Given the strong and enduring benefits of the proposed plan change, and noting the absence of any material economic costs, I support it on economic grounds.

AREAS OF DISAGREEMENT WITH OTHER TECHNICAL EXPERTS

9 Mr Langman has filed evidence on behalf of the ECAN and CCC, which levels various criticisms at my evidence.

10 For example, at para 95, Mr Langman concludes that housing demand is high across the sub-region (not just in Selwyn or Prebbleton) and that my assessment narrowly looks only at supply and demand in Prebbleton.

11 I disagree. First, while recent population growth has been exceptionally high in Selwyn and, to a lesser degree, in Waimakariri, the latest population projections show that the city's growth has stagnated. Specifically, while Selwyn's population grew 4.8% during the 12 months ended 30 June 2021, the city's population grew by only 200 people, or 0.1%. Further, while Selwyn's current population far exceeds Statistics New Zealand's high population projection, the city conversely is languishing between its respective low and medium population scenarios. Accordingly, housing demand is currently far greater in Selwyn than in the city or the rest of the region.

12 Second, my analysis did not narrowly focus only on Prebbleton. To the contrary, it considers the need for additional supply at both the district and sub-district level, with the district-level analysis being far more extensive than the localised one for Prebbleton itself.

13 Para 100(e) of Mr Langman's evidence claims that the various factors identified in my evidence as potentially limiting market supply (relative to feasible capacity) will not be significant over the medium term, and hence that they can be discounted accordingly.

14 Notwithstanding the lack of evidence supplied by Mr Langman to support this seemingly sweeping generalisation, the factors that I have identified have materially reduced market supply in urban areas where I have performed similar analysis.

15 For example, in 2006, the various territorial authorities that now comprise Auckland Council identified a significant amount of capacity available via the intensification of its existing urban areas. However, a 2018 report by Auckland Council showed that only 11% of that capacity had been taken up 12 years later, largely because of the factors that I identified as limiting supply.

16 Para 100(g) of Mr Langman's evidence states that I have not considered the impacts of the new medium density residential standards (MDRS) ushered in via the recent RM Amendment Act [the Resource Management (Enabling Housing Supply and Other Matters) Act]. I agree that my evidence does not explicitly consider them because it focussed on identifying and addressing the issues that I identified with the latest Housing Capacity Assessment, which predated those reforms and hence also excludes them. Given the uncertainties in how the MDRS will be implemented, it is premature and speculatory to undertake this exercise.

17 However, I confirm that I do not consider the recent MDRS to have any material bearing on the district's likely supply-demand balance. District land prices, the age of the housing stock and local housing preferences do not lend themselves to the sort of density uplifts enabled by those provisions, so caution should be applied in assuming any immediate drastic rise in housing capacity released through the new legislation.

CONCLUSION

18 The district faces a looming shortfall of housing supply to meet demand, which will continue to place pressure on prices and hence affordability. Proposed PC72, in concert with other plan changes across the district, are a critical element in responding to those pressures and helping to restore a balance between housing supply and demand over time. Accordingly, I continue to support the proposal on economic grounds.

30 January 2022

Fraser Colegrave