

ANNEXURE 11

**Letter and Evidence from Ron Skews, Valuer Regarding Rural Residential
Land Demand and Supply at Lincoln**

Fiona Aston Consultancy
P O Box 1435
Christchurch



Fiona.aston@xtra.co.nz

26 June 2012

Dear Fiona,

Further to your request I have researched the current situation in Lincoln and Prebbleton area and comment as follows:-

Currently all the rural/residential allotments in the Lincoln area have been sold apart from 5 lots being held by the owner/developer of the subdivision and not for sale. I am not aware of any further rural/residential land available for sale or planned in the Lincoln area.

At the time of my previous report the Prebbleton area had approximately 90 rural residential lots locked up in deferred zonings pending the redevelopment of the sewer capacity. Much of this land has recently been rezoned for residential subdivision whereas previously it was zoned for subdivision down to 2,000m² average size. I am unaware of any rural/residential land (3,000 – 6,000m²) available in this area.

The other location close to Lincoln which is commutable to Christchurch is Tai Tapu. There is some residential zoned land in this area, no rural residential.

This confirms to me that there is currently a shortage of rural/residential land, available zoned, in the area south of and commutable to Christchurch.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Ron Skews', with a long horizontal flourish extending to the right.

Ron Skews
AFNZIM AREINZ SNZPI
Northern Regional Manager/Registered Valuer

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF submissions and further submissions
on Plan Change 1 and Variation 1 to
the Canterbury Regional Policy
Statement by Denwood Trustees

EVIDENCE OF RON SKEWS

INTRODUCTION

Qualifications and Experience

1. My name is Ron Skews (Dip Ag, Dip V F M AREINZ, ANZIV, Reg Valuer). I have 38 years experience as a rural valuer and Real Estate Agent. I was principal shareholder and General Manager of N H McCrostie & Co Ltd, Real Estate Agents from 1989 to 2007 when we sold the business to C.R.T. I am currently Canterbury Regional Real Estate Manager for C.R.T. I am very familiar with the Selwyn District, having worked in the area for 38 years, including supervising Real Estate offices at Lincoln, Leeston and Darfield since 1995.
2. I have read the Environment Court's Code of Conduct and agree to comply with it. I confirm the issues addressed in this statement of evidence are within my area of expertise.
3. I have not omitted to consider material facts known to me that might alter or detract from the opinions I have expressed.
4. My evidence is divided into two parts and relates to the following parts of the Denwood Trustees submission:
 - o Bringing the Trustees' land (approx 11ha in Lot 2 DP54824) currently identified as a Greenfield Business Area allocated for development in the period 2017-2026, forward into the current planning period 2007-2016; and

- o Increasing in the allocation of land for rural/residential development in each of the forward planning periods.

GREENFIELD BUSINESS AREA - LINCOLN

Current availability of Business/Industrial Land, Lincoln

5. To my knowledge there is currently no land available for small business/industrial land development in the Lincoln area. I am familiar with Leeston and Darfield Townships, each of which have land allocated to this purpose which generally provides sites for smaller local businesses including panelbeaters, motor workshops, joinery shops, tyre retailers, transport depots, bus depots etc. Most of these businesses have tended to develop as the towns have grown, and local population increased.

Current Demand

6. Current demand in the Lincoln District for business land is sporadic at best, but this may in part be due to the locals' knowledge that suitably zoned land is not available. In the last three months our Lincoln Real Estate office has had enquiries from three potential buyers, including a national trucking company looking for a depot south of Christchurch city and a bus company with school bus contracts in the district wishing to establish a service/garaging depot central to their operation. The trucking company purchased a 4ha lot at Broadfields and established a rural base, leasing the surplus land out. The third was a local mechanic wanting to establish his own small business servicing local clients.

Rolleston Izone

7. Izone is developing a business park attracting large out of district businesses, currently including The Warehouse Distribution Centre, C.R.T's grain store and feed mill and Long Industries Panel Wall Manufacturing base, plus several other large buildings under construction.
8. There are smaller businesses established on the fringe of Izone including engineering, a panel beating contractor's yard, storage sheds, vehicle servicing and a coal yard. These relate more to the local Rolleston township, providing a base for local businesses with a labour source close by.
9. Generally speaking, the local based businesses in country towns have developed as the towns have grown using local labour and with a local customer base. The same type of business and business owner will come from the expansion of Lincoln, and will have no interest in establishing in another area such as Izone.

Population Base/Business Zone

10. If we consider the successful and balanced country town (Darfield, Leeston) they have a clear town centre, a residential base with a mix of lifestyle blocks on the perimeter and a small and active business zone.
11. Rolleston, as the rapidly growing township in the district has ample Business zoned land in and on the fringe of Izone.
12. Darfield has a population now exceeding 1500 and growing, Leeston has a population exceeding 1300. Both have successful Business zones supporting the township.
13. Selwyn District Council's plan for Lincoln provides for an increase in population from 2720 in 2006 to 6490 by 2016 (a 2.4% population increase of 3770 persons). There is currently no provision for business land to support that increase.
14. Within that increase in population there will inevitably be people who will have the desire to establish their own business in the district. There is no logical reason to deny them that opportunity.
15. Clearly infrastructure development will be required to cope with the proposed increase in households so extending this to cater for the Trustees' land is likely to be cost efficient at the same time.
16. Commercially, there is no risk to the Selwyn District Council or Township.
17. The Lincoln Structure Plan allocates the Trustees' land for general industrial purposes - described as to include vehicle servicing, agricultural related trades and services, service trade premises, small scale industries, general industries and utility and builders yards. These are precisely the type of businesses which have developed alongside Darfield and Leeston.
18. I consider bringing the Trustees' land rezoning into the 2007-2016 period provides the opportunity for business development to complement the proposed population/household increase. Lincoln has been identified in PC1 as a key activity centre, and Policy 4 of PC1 seeks to expand existing towns identified as key activity centres, to accommodate urban growth that "encourages self sufficiency for employment, commercial, community and recreational activities".
19. I consider a business zone is essential to allow the opportunity for the above to be fully realised.

RURAL RESIDENTIAL ALLOCATION

20. Total allocation in the inner Selwyn District Council area (West Melton, Rolleston East, Lincoln, Tai Tapu) is 200 lots for each of the periods 2007-2016, 2017-2026, 2027-2041.
21. My analysis of Rural/ Residential bare land sales (5000m² to 1ha) in the five years 2004 to 2008 inclusive (source- Real Estate Institute Statistics) shows that sale volumes averaged 25 lots per annum (without allowing for unrecorded private sales). This extrapolates to 250 sales in each 10 year planning period.
22. On this basis the PC1 total allocation would not be adequate to meet current demand levels.

Market Demand

23. In my 20 years close involvement with Real Estate in the study area it has been clear that there is a steady demand for rural residential blocks, with a significant percentage of buyers being older retiring farmers. This group tend to move towards country towns requiring larger sections than traditional urban dwellers to retain some of the 'space' they have been used to in the country. The demand is very strong for 3000-5000m² lots with a diminishing demand for lots as they move towards 1ha or larger. The ideal rural residential lot from a demand point of view is between 3000m² and 6000m².
24. A recent rural residential subdivision at Prebbleton (Aberdeen) offered 62 lots ranging from 3000m² to 1.5ha. The 41 lots between 3000m² and 5000m² all sold within the first month, indicating the strong demand was in this size range. Several lots between 5600m² and 1ha have since sold. None of the 1.5ha lots have sold.

Lincoln Area

25. There have been two rural residential subdivisions completed in the last 18 months, both immediately to the north of the township. Of the 80 lots offered within these subdivisions, 50% have currently sold. These lots averaged 2000m², with some smaller residential lots as well. It is expected that the balance will be sold over the next 12 months. I am not aware of any further rural residential land available in the vicinity of Lincoln township.
26. Lincoln has become a very popular rural township due in part to its location of the main transit route and an easy commute to Christchurch. The University and research farms add a commercial benefit which has resulted in a good basic service infrastructure soon to be further enhanced by the supermarket development, resulting in a relatively self contained town, which retains its rural flavour but is still close to city amenities.

27. I believe that as the service infrastructure develops and the population of the town increases so will the demand for rural residential options on the fringes.
28. The main competing area is Prebbleton where there are currently no further rural residential lots available.
29. I believe it is essential that provision is made for ongoing rural residential land allocation in the Lincoln area.
30. The current subdivisions cater for the 2000m² buyer over the next twelve months, but there is no opportunity for the 3000m² to 5000m² buyer.
31. The Lincoln subdivisions were marketed at the same time as the Aberdeen/Prebbleton, with the immediate demand taking up all of the 3000m²-5000m² lots at Aberdeen, leaving the larger lots. Sale of the smaller Lincoln lots (2000m²) was slower indicating the demand area is for 3000m²-5000m² lot size.

CONCLUSION

Greenfield Business Area

32. Successful rural townships in the Selwyn District have provision for a local business zone, which has developed with locally owned small to medium size businesses as the townships have grown.
33. Lincoln township growth prediction determines the township will become one of the larger rural/urban areas in Selwyn District and past experience indicates that a business zone will be required to afford residents the opportunity to establish their business in the locality.
34. I support the Trustees wish that their land currently allocated for rezoning is brought forward into the 2007-2016 development period.

Rural Residential Allocation

35. Demand for Rural - Residential lots has clearly indicated that the 3000m² to 5000m² lots are preferred by the market, and provisions need to be made alongside the townships where growth is predicted for rural - residential allocation in this range.