

## **Private Plan Change Request – Hughes Developments Limited**

### **Appendix J – Significant Development Assessment**



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## Faringdon South East and West Significant Development

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### Introduction

Hughes Developments Ltd (HDL) has proposed a change to the Selwyn District Plan by rezoning two blocks of land south of Rolleston from rural (Rural Inner Plains) to urban (mostly residential), which is called Faringdon South East and West (FSEW).

As part of the planning process HDL has commissioned Market Economics (M.E) to conduct an economic assessment of whether FSEW will provide significant development capacity. The scope of this memo is to assess the significance of the residential capacity enabled in FSEW, in terms of the relative scale and size in the local economy. We understand that this memo will be used to support a Private Plan Change and assessment within the new framework set out in the National Policy Statement on Urban Development (NPS-UD).

It is acknowledged that NPS-UD states that *“Every regional council must include criteria in its regional policy statement for determining what plan changes will be treated, for the purpose of implementing Policy 8, as adding significantly to development capacity.”*<sup>1</sup> The NPS-UD only came into force two weeks ago, therefore no council has yet defined the criteria for assessing what constitutes ‘significance’ in terms of development capacity. It may be that the criteria to be adopted by Environment Canterbury in the Regional Policy Statement (RPS) would be wider than what is assessed in this memo.

Notwithstanding the lack of certainty around criteria that will be adopted, we consider that it is likely that relative scale and size of additional development capacity within the context of the local economy may be important criteria.

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<sup>1</sup> National Policy Statement on Urban Development 2020 – s3.8(3).



## Local Context

Rolleston is the largest town in the Selwyn District, in 2019 it had a population of over 19,500<sup>2</sup> who lived in 6,440 dwellings<sup>3</sup>. Market Economics forecasts show that strong growth in the District is expected to continue in the future<sup>4</sup>. Rolleston is likely to play an important role accommodating both new residents and economic activity within the District.

In 2017, Selwyn District Council (SDC) and Greater Christchurch Partnership (GCP) conduct research into the quantum of urban land demanded and supplied, across the District and the wider Greater Christchurch Urban area. This research suggested that there could be a shortage of urban land in Selwyn District and Rolleston, which may eventuate in the long term (later part of this decade).<sup>5</sup> As a result, the GCP released a Future Development Strategy that updated settlement patterns in Selwyn District.<sup>6</sup> The strategy defined future development areas, which includes the FSEW sites.

We consider that an update of the GCP assessment would (again) show insufficient zoned capacity to meet demands in Selwyn District.<sup>7</sup> This is because growth over the last three years has matched or exceeded expectations, and the time period has shifted forward three years since the last assessment. This means that shortages projected for Selwyn may now occur in the medium term, i.e. at some point between 2026-2028.

## Faringdon South East and West Developments

Faringdon South East and West developments are located on the southern edge of Rolleston, within the SDC Infrastructure Boundary. The sites are adjacent to two Special Housing areas that were developed under the Housing Accord (Acland and Faringdon South). Immediately north of the site is Faringdon, which was developed by HDL over the last decade.

The FSEW sites are proposed to be developed over the coming decade, with subdivisions occurring in 4 or 5 stages. HDL is aiming for consents to be completed in 2020, while earthworks and infrastructure is expected to occur 2021 to 2025, with sales of land being completed around 2026 or 2027.<sup>8</sup> The development is proposed to enable over 900 new dwellings to be developed in Rolleston.

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<sup>2</sup> Stats New Zealand (2020) Estimated Resident Population for SA2, at 30 June (1996-2019) (Annual-Jun).

<sup>3</sup> Stats New Zealand (2019) 2018 Census – Private Dwellings (occupied, unoccupied and under construction).

<sup>4</sup> Market Economics (2020) Selwyn Capacity for Growth Model and Economic Forecasts.

<sup>5</sup> Greater Christchurch Partnership (2018) Greater Christchurch Housing and Business Capacity Assessment.

<sup>6</sup> Greater Christchurch Partnership (2019) Our Space 2018-2048: Greater Christchurch Settlement Pattern Update Whakahāngai O Te Hōrapa Nohoanga

<sup>7</sup> National Policy Statement on Urban Development 2020 – Part 4 Timeframes for Implementation, Housing Assessment must be complete by 31 July 2021.

<sup>8</sup> Note that this development path may be conservative. HDL's previous development in Rolleston, which had a similar capacity to FSEW, was completed in about three years.



### FSEW relative to existing Rolleston

The residential capacity enabled within FSEW sits within the context of Rolleston's existing housing stock of approximately 6,440 dwellings. In this context FSEW would represent around 15% more dwellings than currently exist in Rolleston.

It is rare for a development to increase the size of an existing urban area by more than 10%. As such it is considered that FSWE development capacity would be significant within the context of the existing scale of Rolleston urban area.

### FSEW relative to growth in Rolleston

The residential capacity enabled within FSEW also sits within the context of new dwelling construction in Rolleston, which has been built at a rate of approximately 500 new dwellings per annum<sup>9</sup>.

Based on our economic assessment, we consider it likely that dwellings in FSEW could be built over a 6 to 8 year period. Table 1.1 shows the development timeframes that have been assumed in this assessment. Based on this development path, the residential population in the area could grow from 280 in 2022 to over 2,606 by 2028.

The new dwelling construction within FSWE could peak at around 30% to 40% of the annual dwelling construction in Rolleston (2024 and 2025). This is a sizable share of the growth that is expected in Rolleston. We consider that within the FSWE development capacity would be significant within the context of Rolleston's future growth outlook.

**Table 1.1: Development Timeframes of Faringdon South East and West**

Timeframes - FSEW	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Consenting</b>										
<b>Land Development</b>		Stage 1	Stage 2	Stage 3	Stage 4	Stage 5				
<b>Build Development</b>			100	150	200	200	150	100	30	
<b>Residents</b>			280	701	1,261	1,821	2,242	2,522	2,606	2,606

## Findings

We consider that the development of Faringdon South East and West would produce significant development capacity, both in the context of the existing scale of Rolleston and the growth in future

<sup>9</sup> Stats New Zealand (2020) Building Consents – 201- 2020.



dwelling construction. Also our previous research also suggests that the development is likely to generate significant economic benefits, in terms of jobs and economic activity.

Based on the existing research, there is likely to be a shortage of residential capacity in the coming decade, both in Selwyn and Rolleston. There is a clear case for more residential land to be zoned to meet the needs of the community. This was recognised during the development of the 2019 Future Development Strategy that identified FSEW as a future development area.

Finally, it was beyond the scope of this memo to address the aspects of development capacity set out in s3.8(2) of the NPS-UD. These aspects being that development capacity, *'would contribute to well-functioning urban environment'*, *'is well-connected along transport corridors'* and meet the yet to be defined RPS criteria. We understand that other experts have been commissioned to address these aspects.

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