

Before the Selwyn District Council

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*under:* the Resource Management Act 1991

*in the matter of:* Proposed Private Plan Change 66 to the Operative  
District Plan: Maddisons Road, Rolleston

*and:* **Rolleston Industrial Developments Limited**  
*Applicant*

## Statement of Evidence of Sam Jeffrey Staite (Industrial Land)

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Dated: 23 July 2021

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## **STATEMENT OF EVIDENCE OF SAM JEFFREY STAITE**

### **INTRODUCTION**

- 1 My full name is Sam Jeffrey Staite and I am the leading industrial broker in the South Island and Director of the Industrial Sales & Leasing division for the Colliers Christchurch office.
- 2 I have negotiated the majority of the South Island's largest industrial transactions during the past 6 years have delivered in excess of \$800 million in sales.
- 3 In the past 5 years I have sold in excess of 100 hectares of industrial zoned land and have been heavily involved in the sell down of Rolleston developments such as IPort, Izone and Tawhiri, so am very familiar with the industrial market of Rolleston as well as the demand for industrial land in Rolleston.
- 4 I am familiar with the application (the *Application*, the *Plan Change*) by Rolleston Industrial Developments Limited to re-zone the 27 hectares (the *Site*) adjacent to IPort and Midland Port. I was the broker who negotiated the Move Logistics design-build at IPort, which shares an open boundary to Lyttelton's Midland Port.

### **CODE OF CONDUCT**

- 5 Although this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 7 of the Environment Court Practice Note 2014. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

### **SCOPE OF EVIDENCE**

- 6 My evidence addresses the following:
  - 6.1 Industrial land availability in Greater Christchurch;
  - 6.2 Industrial land in Rolleston, Selwyn; and
  - 6.3 Considerations on the specific Plan Change Site.

### **SUMMARY OF EVIDENCE**

- 7 Industrial land in Greater Christchurch is in high demand.
- 8 In the past six months there has been an increasingly high demand for industrial zoned land with more owner-occupier interest, in particular for bare and greenfield sites. In fact, the bulk of the industrial land market currently are people or entities looking for an owner-occupier arrangement.

- 9 While there might be a perception that there is a lot of industrial land around Greater Christchurch, very little of this land is unencumbered freehold land that can be purchased.
- 10 Based on the constraints of many of the existing industrial sites in Greater Christchurch, I am of the view that demand will substantially outweigh supply for this kind of industrial land long before 2048.
- 11 The situation in Selwyn generally, and Rolleston more specifically, is largely the same as that for Greater Christchurch. Rolleston is a particularly attractive hub for industrial activities due to a number of factors.
- 12 The Plan Change Site is significant in terms of its characteristics. With such proximity to the Midland Port and the ability to have an open boundary to the Port this Site will be an attractive opportunity to any occupier reliant on port related activities. As such, aside from the general demand for this kind of Site in the market, this Site is a particularly rare and unique opportunity for any developer, or even the Port itself.

### **INDUSTRIAL LAND AVAILABILITY IN GREATER CHRISTCHURCH**

- 13 Industrial land in Greater Christchurch, and particularly Selwyn (discussed in more detail below), is in high demand.
- 14 I understand that in the Council's Economic Review of the Plan Change, Mr Foy concludes that:<sup>1</sup>  
  
*"...there is no need for additional industrial land to be zoned, based on the best current understanding of the demand-supply situation."*
- 15 I understand that this finding is based on the finding in "Our Space 2018-2048: Greater Christchurch Settlement Pattern" (*Our Space*) that there is sufficient industrial land zoned across Greater Christchurch to meet anticipated demand through to 2048.
- 16 While I am not that familiar with the Our Space document, I have significant experience and knowledge of the Greater Christchurch industrial land market.
- 17 I do not necessarily disagree with the conclusions of Our Space or Mr Foy, that there is industrial land available for development throughout Greater Christchurch. However, I note that Our Space and Mr Foy's assessment do not take into consideration the different nature of these industrial land opportunities and how this interplays with demand.
- 18 While there might be a perception that there is a lot of industrial land around Greater Christchurch, very little of this land is unencumbered freehold land that can be purchased.

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<sup>1</sup> Plan Change 66 Economic review; prepared for Selwyn District Council by Derek Foy, Formative Ltd; 13 July 2021 at [5.1].

- 19 In the past six months there has been an increasingly high demand for industrial zoned land with more owner-occupier interest, in particular for bare and greenfield sites. In fact, the bulk of the industrial land market currently are people or entities looking for an owner-occupier arrangement.
- 20 I have received inquiries, from mainly corporate clients, looking for industrial land options, some in the 5 to 10 hectare range. However, options for these parties are extremely limited. There are currently no industrial land options for sale between 5 and 10 hectares in Christchurch that is unencumbered freehold land.
- 21 A recent example of demand is the new Mānia development on Shands Road, Christchurch. In the space of just 6 months the majority of this circa 35 hectare development is now accounted for.
- 22 The need for larger bare industrial sites has increased in the wake of the COVID-19 pandemic. Globally, online sales have increased dramatically. The new 'shop' is now a company's website, and the product no longer comes from retail stores, but from warehouses. As such, there has been an increase in demand for larger industrial sites capable of accommodating larger warehousing facilities than previously.
- 23 Further, supply chain disruptions as a result of events such as the COVID-19 pandemic and Kaikoura earthquakes have driven companies to hold more product. This has been a building trend for the last five years. A good example of this would be the Fisher and Paykel doubling their warehouse footprint for their Hornby site in order to carry more stock in the South Island. Increases in stock held reduce supply chain risk, and reliance on last-minute road transport for delivery of product.
- 24 I am of the view, for the reasons set out above, that there is a significant demand in Greater Christchurch for industrial land, and more specifically, unencumbered freehold greenfield sites. Based on the constraints of many of the existing industrial sites in Greater Christchurch, I am of the view that demand will substantially outweigh supply for this kind of industrial land long before 2048.

#### **INDUSTRIAL LAND IN ROLLESTON**

- 25 The situation in Selwyn generally, and Rolleston more specifically, is largely the same as that for Greater Christchurch. From my experience, growth in Selwyn (including Rolleston) has been steady in relation to industrial land. However, there has been a significant increase in industrial land demand since the completion of the new motorway.
- 26 A recent example of demand is the new Tawhiri development on Hoskyns Road, Rolleston. In the space of 18 months the majority of this circa 27 hectare development is now accounted for with only 2.8123 hectares remaining available for sale. I am of the view that within the next three to six months there will be virtually no freehold unencumbered land options for sale in Rolleston.

- 27 In the Selwyn District, Rolleston is a particularly attractive hub for industrial activities due to factors including:
- 27.1 the ability of such activities to locate in proximity to two inland ports, which provides savings and efficiencies particularly in relation to transport costs;
  - 27.2 annual council rates savings, with Selwyn District's rates being extremely competitive and a big driver for developers as compared to Christchurch; and
  - 27.3 favourable geotechnical conditions (including for example ground conditions, cost of development, limited development contributions).
- 28 Ongoing affordability is a big driver for any industrial developer and Selwyn is an attractive District in that it has new infrastructure and there is a low risk of dramatic council rates increases. This makes a difference for investors looking forward to the next 10 to 20 years. As such I consider there is a significant demand for industrial land in Rolleston.

#### **THE PLAN CHANGE SITE**

- 29 The Plan Change Site is significant in terms of its characteristics.
- 30 With such proximity to the Midland Port and the ability to have an open boundary to the Port this Site will be an attractive opportunity to any occupier reliant on port related activities.
- 31 As I have already set out above, warehousing is getting bigger, third party logistics are getting bigger with the growth of online sales, and as a result warehousing and industrial land sites are getting bigger.
- 32 I consider this 27 hectare Site will go some way to meeting this growing need.
- 33 Aside from this, I note that the Site provides the opportunity to extend the Midland Port's rail siding. This Site is the only potential site which could facilitate an expansion of the Midland Port rail siding.
- 34 If this were to occur, I understand this would be the longest rail siding in Greater Christchurch.
- 35 Access to the Port is a significant attractor for any occupiers and investors. As an example, I was involved in the Move Logistics design-build at IPort. Move Logistics is an entity that deals with hundreds of different clients who are heavily reliant on import and export activities, therefore it was critical for them to have efficient transport solutions. For context, Move Logistics move around 5,000 TEUs<sup>2</sup> per annum. Should they have located anywhere else than adjacent to a Port, their reliance on diesel trucks would have been dramatic, in turn increasing traffic congestion and commuter disruption.

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<sup>2</sup> Twenty-foot Equivalent Unit – being a unit of measure based on dimensions of a standard container.

Positioning itself alongside the Port has removed its reliance on road transport and allowed it to remain competitive.

- 36 Therefore, aside from the general demand for this kind of Site in the market, this Site is a particularly rare and unique opportunity for any developer, or even the Port itself.

Dated: 23 July 2021

A handwritten signature in black ink, appearing to read 'Sam Jeffrey Staite', written over a horizontal line.

Sam Jeffrey Staite