

Before the Selwyn District Council

under: the Resource Management Act 1991

in the matter of: Proposed Private Plan Change 69 to the Operative
District Plan: Lincoln South

and: **Rolleston Industrial Developments Limited**
Applicant

Summary of evidence of Greg Akehurst (economics)

Dated: 22 November 2021

Reference: JM Appleyard (jo.appleyard@chapmantripp.com)
LMN Forrester (lucy.forrester@chapmantripp.com)

chapmantripp.com
T +64 4 499 5999
F +64 4 472 7111

PO Box 993
Wellington 6140
New Zealand

Auckland
Wellington
Christchurch



SUMMARY OF EVIDENCE OF GREG AKEHURST

INTRODUCTION

- 1 My name is Greg Akehurst. I am a founding director at Market Economics and have more than 25 years' experience in assessing the economic effects of growth and change in the New Zealand economy. I have particular experience in assessing the effects of growth on existing economies and on urban form. I have also carried out significant work in assessing requirements for housing and business land to assist Councils in setting development and growth strategies and to meet their obligations under national direction (NPS-UDC 2016 and NPS-UD 2020).
- 2 In this summary statement, I will outline the key points in my evidence in chief, then respond to the evidence provided by **Mr Marcus Langman** on behalf of Canterbury Regional Council (CRC) and Christchurch City Council (CCC).

SUMMARY OF EVIDENCE IN CHIEF

- 3 I have prepared a statement of evidence on behalf of Rolleston Industrial Developments Limited (4 November 2021). My evidence in chief highlighted a number of limitations in the assumptions that underpinned the housing capacity assessments and growth scenarios prepared for Selwyn District under the NPS-UD. Those demand and supply estimates have been relied upon to assess the merits of the PC69 application.
- 4 Demand and supply are captured and modelled in the Selwyn Capacity for Growth Model (SCGM), which models 5 alternative growth futures based on Statistics New Zealand's and Our Space projections. Recent growth has exceeded the High Growth future relied upon by SDC by more than 45% (over the past 4 years). The model projected total growth of 3,720 whereas 5,400 net new dwellings eventuated.
- 5 Growth is driven by younger families moving out from Christchurch to more affordable locations (such as Lincoln) that are within commuting distance to Christchurch.
- 6 Underplaying a higher than modelled growth future means Council runs the risk of not providing sufficient capacity to cater for growth, driving prices up further and damaging Selwyn District's growth future. This is particularly the case where the demand and supply balance is tight, as it is in Lincoln in the short to medium term.
- 7 In my evidence I highlight 7 issues with the capacity information used in the SCGM as follows;

- a) Inclusion of non-urban capacity in urban measure of capacity, particularly in Darfield and Leeston. This overstates capacity by 936 in the short term and 2,656 in the medium to long term;
 - b) Inclusion of all setbacks in capacity;
 - c) Reserves, such as Stonebrook water race, included in capacity;
 - d) Inclusion of parcels with access issues, such as rear development sites;
 - e) Inclusion of developed sites as capacity;
 - f) Inclusion of non-residential parcels (e.g. day-care and preschool sites); and
 - g) Development density assumptions causing mismatch between modelled density and the operative District Plan. For example, 2 sites subject to PC73 in Rolleston are modelled as 318 dwelling capacity, but the ODP limits this to 148 sites.
- 8 In summary, I have identified a number of issues with both the capacity estimates relied on in the SCGM and the demand projections that drive consumption of capacity. The net effect of these issues is a reduction in the sufficiency of capacity to meet demand in the short to medium term.
- 9 If the issues identified in terms of capacity estimates across parcels where no capacity exists are manifest across the entire model, then it may be overstating Selwyn's ability to cater for growth to a significant degree.
- 10 Given the uncertainty – even relying on Councils own estimates, Council should be engaging with additional capacity opportunities as they come before them, especially in light of demand projections understating growth in the short to medium term.
- 11 While the existing model has highlighted a very small surplus in the medium term, I note that the majority of additional capacity provided in the medium term is outside the urban area, provided at Darfield and Leeston. Removing this produces a significant deficit in terms of urban demand and a shortfall in the medium to long term.
- 12 Slight changes in estimates of capacity or in demand projections will lead to Selwyn not being able to ensure sufficient supply in the medium term. This is significant, as the medium term begins in 3 years, and the RMA processes to bring additional capacity online to meet any identified shortfall, followed by the development time to

translate capacity into dwellings, means the process needs to begin now.

EVIDENCE OF MARCUS LANGMAN

- 13 **Mr Langman's** position is that any out of sequence proposals to bring new residential land to market cannot happen prior to the full Greater Christchurch 2050 Strategic Framework being completed. By his own estimates, the spatial planning work will take 2 years to complete with the full review of the CRPS scheduled for notification in 2024.
- 14 However, over the next 2 years Selwyn is expected to practically run out of residential capacity. This will result in significant price increases and works directly against the requirements central government laid out in the NPS-UD.
- 15 It is not the case that demand stops and waits for Councils to review policies and strategies. As outlined in my evidence in chief (paragraphs 18 – 33), there is a significant danger that the growth projections relied upon understate likely future growth and that capacity in Lincoln will be zero well within 10 years.
- 16 In addition, the sufficiency assessment in the Housing Capacity Assessment assumed that all identified capacity was available for residential growth. In my Evidence in Chief, I have pointed out a number of data issues in the capacity assessment meaning that any identified deficits will occur sooner than modelled.
- 17 Finally, I note that Mr Langman has included the FUDA's in his assessment of sufficiency. This is in conflict with the NPS-UD which requires capacity to be plan enabled before it can be considered. My understanding is that the FUDA land is not plan enabled and therefore is not part of the capacity assessment.

CONCLUSIONS

- 18 The additional capacity provided by PC69 will help offset the limited existing residential capacity in the face of uncertainty in estimates of both demand and supply. As per my evidence, I believe that PC69 represents a sustainable way to manage residential land resource in and around Lincoln and across Selwyn District as a whole.
- 19 I am happy to answer any questions concerning my evidence or the proposed conditions.

Dated: 22 November 2021

Greg Akehurst