

BEFORE THE SELWYN DISTRICT COUNCIL

UNDER the Resource Management Act 1991

AND

IN THE MATTER of Private Plan Change 71: Gould Developments Ltd & Four Stars Development Limited

EVIDENCE OF PHIL KENNARD –COMPANY REPRESENTATIVE

24 January 2022

Anthony Harper

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A handwritten signature in dark ink, reading "Anthony Harper". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

1. My name is Philip Kennard.
2. I am a director of Four Stars Development Limited and Gould Developments Limited, the proponents of Plan Change 71 (PC71).
3. I have a longstanding involvement in the property market. I held a real estate licence in Christchurch for 40 years, with my roles including a directorship of The Professionals. I have been active in property development in the Selwyn District since 1992, and have had extensive involvement in the development, marketing and sale of in excess of 3000 sections, of which over 1550 have been in Rolleston.
4. I have reviewed all of the expert evidence to be presented on our behalf and have also read the s 42A Report prepared by Ms White and Council officers. I fully support the general conclusion that the PC71 land is an appropriate location for development and this is not surprising given its proximity and easy accessibility to the Town Centre.
5. As I see it the key issues are the effect of the airport noise contour and, to a lesser extent, the options available for the supply of water to part of the development. I do not propose to address these matters; rather, my evidence relates to the issue of the effect of a shortfall in developed and available land for sale and building in the Rolleston market. My company is presently active in the Rolleston housing market. We develop bare land for sale, and provide land and house packages through a building company.
6. For my experience, I believe Rolleston has become an attractive location to live for many reasons, including:
 - a) Buyers get access to, or can build, up to the minute houses with the latest building and comfort features. Land in Rolleston is extremely stable and therefore easy and relatively more cost effective to develop than land elsewhere in Greater Christchurch.
 - b) Affordability has long been a key driver for buyers in Rolleston/Selwyn. Buyers had access to quality new or near new homes of 160m² to 200m² that were available from \$540,000 to \$600,000 up till February 2021. These are currently selling for \$780,000 to \$850,000. Sections of 500m² were available around \$180,000 and sections of 650m² could be purchased at under \$200,000 up till February 2021. These are now selling for between \$395,000 to \$465,000 i.e a more than doubling of the cost.
 - c) Historically there have been a range of lots on offer from medium density to large lots. Maintaining a diversity of section sizes is imperative as this has been one of the elements that has increased the growth of Rolleston over the past decade (Earthquakes aside). This diversity has created the rapid maturing of the Rolleston Real Estate market. Residents now often move within the Rolleston market where

previously the larger percentage of buyers were from Christchurch looking for value and new homes.

- d) Rolleston is very accessible to Christchurch City, particularly with the completion of the Southern Motorway. It is also readily accessible to other centres of employment within the District, including Lincoln.
- e) Employment opportunities in, and close to, Rolleston are another key attraction with:
 - Izone
 - Retail Growth
 - Blenheim Rd
 - Waterloo Park
 - Sockburn
 - Lincoln research and university
 - Plus many more on the South of Christchurch, including significant industrial development in Hornby
- f) It is growing its own amenity and urban quality as landscaping matures on lots, in roads and on reserves.
- g) A growing suite of services and amenities are now available including:
 - Employment
 - Shopping
 - Medical
 - Council Offices
 - Sporting
- h) Another key in the growth and development of Rolleston is the close source of second incomes for households. There are now a huge number of jobs both part and full time that are in Rolleston or within an easy commute. This is a key feature for many families as the second income earner can now work close to home or, since Covid, at home.
- i) It has excellent council utility services that are all brand new such as:
 - Libraries
 - Sports Hubs both Park & Facilities wise.
 - Swimming Pool
 - Community Centres
 - Council offices

7. In my experience, and having worked in the Rolleston market for many years, I sense that behind the ongoing and more recent surge in interest in Rolleston is what I call "The Family

Factor". By that I mean that the Rolleston housing market has changed to provide for a wider demographic than what it was originally built on.

8. Back in the late 1990s to early 2005 sections were cookie cutter 750m² which, in my opinion, appealed to, and provided for, a specific demographic based around those between 25 to 45 years of age. This created real pressure from buyers wanting smaller sections ie what I would call "Golfers Sections".
9. Once planning allowed for smaller lots and medium density lots, Rolleston's next real growth spurt began as it met a demand that had not been catered for up till that point. I have observed, too, what I call "the grandparent factor" kicking in. This is that part of the housing market where family members want to live and be close together. That segment of the market has also driven demand for a greater diversity in sections and house options.
10. From my experience in the Rolleston market, I am certain that a key contributing factor to the significant rise in house and section prices is the lack of available i.e zoned and titled sections to meet the high level of demand. In the years post the 2011 earthquakes, a surplus of zoned land was available which had the beneficial effect of maintaining housing affordability, however with the last 5 or more years, unfortunately there has been little, if any, of what I would describe as proactive zoning by local authorities, with the need to meet demand being left almost entirely to private developers.
11. The limiting of land available for development has exacerbated the problems we have today by adding to other barriers to planning for, and meeting demand, including:
 - a) Poor forecasting i.e the ongoing underestimating of demand, and overestimating of capacity/supply;
 - b) Length of time for residential zoned land to be subdivided (usually because it is utilised as lifestyle blocks by its occupants);
 - c) Development is often dysfunctional, and uncoordinated as multiple ownership makes it difficult to assemble land packages big enough to develop economically or to create good planning outcomes; and
 - d) Larger developers hold large tracts of land and either control supply to hold prices up or aren't resourced sufficiently to develop on a large scale or at pace.
12. This restriction on land available to be developed, and being developed, compared to the demand plus Rolleston's rapidly maturing market has led to the ballooning of section prices in Rolleston and broader afield in Selwyn. We now have an opportunity to stop history repeating itself in the future.
13. In combination all these forces at work, I have never seen the market as it is today in all my 35 years in the real estate industry. I have read where one expert (Mr Sellars for Plan Change 78) has described the Rolleston market as "dysfunctional", a sentiment with which I fully agree.

14. As an illustration of this market, and directly relevant to my experience, Table 1 sets out actual sales records for land I have developed:

Table 1: Sale prices for lots

	Date	Lot size –m ²	Price-\$	\$/m ²
Stage1	January 2021	430	176,500	410
		500	179,500	360
		550	182,000	330
		770	199,750	259
Stage 2	April 2021	550	195,000	354
		605	209,500	346
		700	239,500	342
		750	232,000	309
Stage 3	August 2021	630	380,000	603
		625	385,000	616
		765	390,000	510
		770	396,000	514
Stage 4	November 2021– January 2022	550	425,000	772
		605	437,500	723
		615	439,500	714
		800	465,000	581

15. Table I shows an increase of between 100% and 110% in average values from January 2021 to January 2022.
16. In addition, my company holds a database of over 150 people still looking for sections. In August 2021 we were averaging over 10 enquiries a week looking for sections to buy.
17. From my experience with the Rolleston market, I am of the view that this pressure on land will continue for the foreseeable future. There will always be a demand for sections in Rolleston and it is imperative in my view that there is more than enough zoned and titled land available to meet this demand and to ensure that, at all times, the real estate market is one characterised by healthy competition. It is stating the obvious, in my view, that a competitive land supply and a surplus of available and suitable land can only be of benefit.