



## MEMORANDUM

**To:**

**From:** Ben Baird, Policy Analyst

**Date:** 1 October 2021

**Subject:** Growth Planning in Selwyn District

1. The following memo outlines the expected growth and current and future capacity in the context of broader strategic planning occurring across Greater Christchurch and Selwyn.

### Greater Christchurch Context

2. This section outlines the broader context of strategic documents that have influenced the residential development pattern in Selwyn District. This section covers the key strategic documents of the last 15 years that have influenced growth and the identification of greenfield areas. This shows that there are key broad context objectives that are agreed upon and are consistent through all strategic work over the last 15 years.

### Greater Christchurch Urban Development Strategy 2007

3. The Urban Development Strategy (UDS)<sup>1</sup> was developed by the Greater Christchurch Partnership in consultation with the communities of Christchurch City and Selwyn and Waimakariri districts. It includes several strategic goals and actions to deliver on the vision for the Greater Christchurch area by 2041. The UDS aims to manage urban growth through consolidated settlement patterns and the application of an integrated approach between land use planning and the provision of efficient and cost-effective transport networks. This vision is integrated into Chapter 6 of the Canterbury Regional Policy Statement (CRPS) and the Christchurch City and Selwyn and Waimakariri district plans.

### Land Use Recovery Plan 2013

4. The Land Use Recovery Plan (LURP)<sup>2</sup> provided important statutory directions that guided the recovery and rebuild of the Greater Christchurch sub-region following the Canterbury Earthquake sequence. The LURP actions have been implemented through Council's responses to the Minister for Canterbury Earthquake Recovery that resulted in changes being made to the Plan between 2013 and 2015. These actions included Chapter 6 of the Canterbury Regional Policy Statement (CRPS) through Action 44 and subsequent specific changes from Actions 5, 6, 13, 17, 27, 29, 39, and 48.

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<sup>1</sup> <https://www.greaterchristchurch.org.nz/our-work/background/background-2007/>

<sup>2</sup> <https://www.ecan.govt.nz/your-region/plans-strategies-and-bylaws/land-use-recovery-plan/>

## Canterbury Regional Policy Statement

5. The CRPS<sup>3</sup> provides a clear framework for managing urban growth throughout the Canterbury region. Chapter 6 applies to the Greater Christchurch area and encompasses the towns of Rolleston, Lincoln, Prebbleton, West Melton, Springston, and Tai Tapu. The CRPS seeks to provide certainty to the wider community, as well as providing for infrastructure, around how recovery and growth will be enabled within the sub-region to encourage and support the earthquake rebuild through to 2028. Objectives seek to establish and manage a framework for recovery that identifies both the priority areas for urban development and the constraints that will affect the long-term sustainable management of natural and physical resources. Related policies prescribe how urban growth is to be managed by determining the:
  - a. urban form and settlement pattern by identifying the location, type and mix of residential and business activities, including the spatial extent of the priority areas for urban development through to 2028 in Map A;
  - b. network of key activity centres needed to provide a focus for commercial activity, medium density housing, community facilities, public greenspace, and public and active transport networks;
  - c. methods to integrate land use with natural, cultural, social and economic outcomes, transport and other infrastructure, including stormwater management planning;
  - d. areas where rebuilding and development may not occur, including areas constrained by natural hazards and environmental values;
  - e. minimum residential densities in greenfield and brownfield housing locations;
  - f. requirements for urban design to be addressed at various scales for business, housing and mixed-use development; and
  - g. development of housing options on Māori reserves.
6. The minimum density requirement is outlined in the CRPS, which defines what elements of development should be included or not. This definition is based on the gross area of land that has been set aside. Land that can be excluded are for stormwater, major arterials or highways, or commercial use. It provides flexibility to developers, who can choose the amount of land that is allocated to non-residential uses (such as infrastructure, roads, parks, etc.) and the subdivision pattern, however they must achieve an average of at least 12hh/ha at a minimum. For example, a developer may elect to use 35% of the gross land area for non-residential uses, which means that the average subdivided site would be less than 540m<sup>2</sup>. Alternatively, a developer may choose to use 25% of the gross land area for non-residential uses, which means that the average subdivided site would be larger at 625m<sup>2</sup>.
7. Chapter 5 applies to the whole of the Canterbury region, but key growth provisions do not relate to the Greater Christchurch area. The CRPS acknowledges that urban development, and the associated provision of infrastructure and transport networks, results in changes to environments and that this needs to be managed to promote the sustainable management of natural and physical resources. There is a focus on ensuring urban growth does not adversely impact on community wellbeing or foreclose the ability to use land for primary production. Objectives seek to encourage a consolidated settlement pattern that maintains the quality of the natural environment, providing for the efficient use of infrastructure and resources and avoids conflict between incompatible activities.
8. There are also other chapters to the CRPS that are relevant in terms of direction regarding infrastructure, natural hazards, high landscape values, and ecological values.

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<sup>3</sup> <https://www.ecan.govt.nz/your-region/plans-strategies-and-bylaws/canterbury-regional-policy-statement/>

## National Policy Statement on Urban Development Capacity 2016

9. The National Policy Statement on Urban Development Capacity (NPS-UDC)<sup>4</sup> came into effect in December 2016, providing direction to decision-makers under the RMA in respect of planning for urban environments. The NPS-UDC is made up of objectives and policies which seek outcomes for planning decision that are evidence based. The NPS-UDC directs councils to set minimum targets for housing development capacity for both medium and longer term periods.
10. The NPS-UDC required councils to develop an evidence base and to utilise a monitoring dashboard and prepare a Housing and Business Development Capacity Assessment. The Capacity Assessment estimates the demand for and supply of housing and business land to indicate whether there is sufficient, feasible development capacity to meet future growth needs. The assessment takes account of relevant regional and district plan provisions, actual and likely availability of development infrastructure, the current feasibility and rate of take up of capacity, and the market response in terms of what has been built, where this has occurred and at what price.
11. The NPS-UDC then required councils to produce a Future Development Strategy (FDS) which demonstrates that sufficient, feasible development capacity is available to support future housing and business growth and identifies the broad location, timing and sequencing of future development capacity in new urban environments and intensification opportunities within existing urban environments.

## Our Space 2019

12. Our Space 2018-2048: Greater Christchurch Settlement Pattern Update Whakahāngai O Te Hōrapa Nohoanga (Our Space)<sup>5</sup> is the first FDS that has been prepared for the Greater Christchurch area under the NPS-UDC. It illustrates the relative capacity of feasible housing and commercial development for each of the three territorial authorities in the short, medium and long-term planning horizons. It builds on the UDS Vision, while signalling actions that need to be completed to assist in determining, and providing for, sufficient commercially feasible urban development capacity. The actions require the Greater Christchurch Partners to work collaboratively to build on the evidence base required to support changes to the CRPS and district plans, which will assist in determining the medium and long-term settlement pattern for the district.
13. Our Space identified two key responses to growth in Greater Christchurch relating to the medium and long term capacity shortfalls identified: identify future urban development areas in Rolleston, Rangiora, and Kaiapoi; and, and to include a transitional policy change to the overall share of growth in line with the UDS 2007 to support the redevelopment of the city over the long term.
14. Future Actions (Section 6.2 Further Work) include, among other things: a social and affordable housing action plan; a density review; investigate a single growth model; change the CRPS to include the FUDA and recommended that the density within FUDA areas would be 12hh/ha minimum.

## National Policy Statement on Urban Development 2020

15. The National Policy Statement on Urban Development (NPS-UD)<sup>6</sup> came into effect on 20 August 2020 and replaced the NPS-UDC. It recognises the national significance of urban environments

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<sup>4</sup> <https://www.hud.govt.nz/urban-development/national-policy-statement-on-urban-development-capacity-nps-udc/>

<sup>5</sup> <https://www.greaterchristchurch.org.nz/our-work/background/our-space/>

<sup>6</sup> <https://www.hud.govt.nz/urban-development/national-policy-statement-on-urban-development-nps-ud/>

and provides direction to decision-makers on planning for well-functioning urban environments that respond to the changing needs of people, communities and future generations. The NPS-UD provides policy direction for the whole district. Selwyn District Council is identified as a Tier 1 local authority, and the Tier 1 urban environment referred to in Table 1 of the NPS-UD is Christchurch.

16. For the application of the NPS-UD, the urban environment is considered to explicitly relate to Greater Christchurch, as shown on Map A within Chapter 6 of the CRPS.
17. Objective 1 of the NPS-UD seeks that well-functioning urban environments enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future. Objective 2 seeks that planning decisions improve housing affordability by supporting competitive land and development markets. Objective 3 seeks that district plans enable more people to live in areas of an urban environment that is in or near a centre zone or other areas with many employment opportunities, or well-served by existing or planned public transport. Objective 4 seeks that urban environments develop and change over time in response to the changing needs of people and communities and future generations.
18. Policy 1 seeks that planning decisions contribute to well-functioning urban environments that, as a minimum have or enable a variety of homes that meet the needs of different households and have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport. Policy 3 seeks to enable building heights and density of urban form commensurate with the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services or the relative demand for housing and business use in that location. Policy 6 recognises that the planned urban built form may involve significant changes to an area, and those changes may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types and that these are not, of themselves, an adverse effect.
19. Council has been working collaboratively with the Greater Christchurch Partners to 'give effect' to the previous National Policy Statement on Urban Development Capacity (NPS-UDC) and this will continue with the NPS-UD. This included publishing market indicator monitoring reports, preparing housing and business development capacity assessments, drafting a future development strategy (FDS), and the inclusion of housing bottom lines.
20. The NPS-UD requires implementation of Policy 8. Section 3.8 outlines criteria to determine whether a plan change provides significant capacity. A local authority must have particular regard to the capacity provided if it contributes to a well-functioning urban environment, is well-connected along transport corridors, and meets requirements within the CRPS. A change to the CRPS in response to this element of the NPS-UD has not occurred yet. Without criteria, the assessment is based on well-functioning urban environment and well-connected along transport corridors.
21. With the release of the NPS-UD, there is a need to clarify whether the CRPS still aligns. This has potential implication for interpretation for urban growth. Legal advice obtained by the Council has indicated, in short, the absence of significant criteria in the CRPS means it is not giving effect to the NPS-UD. Further, the 'hard line' and 'avoid' policy of the CRPS is what the responsive nature of the NPS-UD is seeking to work around, when something is significant and meets the criteria. Any application outside of the boundary should be considered against the criteria and on their merits. In the absence of significant criteria in the CRPS, the operative and proposed plan will need to address it on a case-by-case basis.

## Policy 1 Change

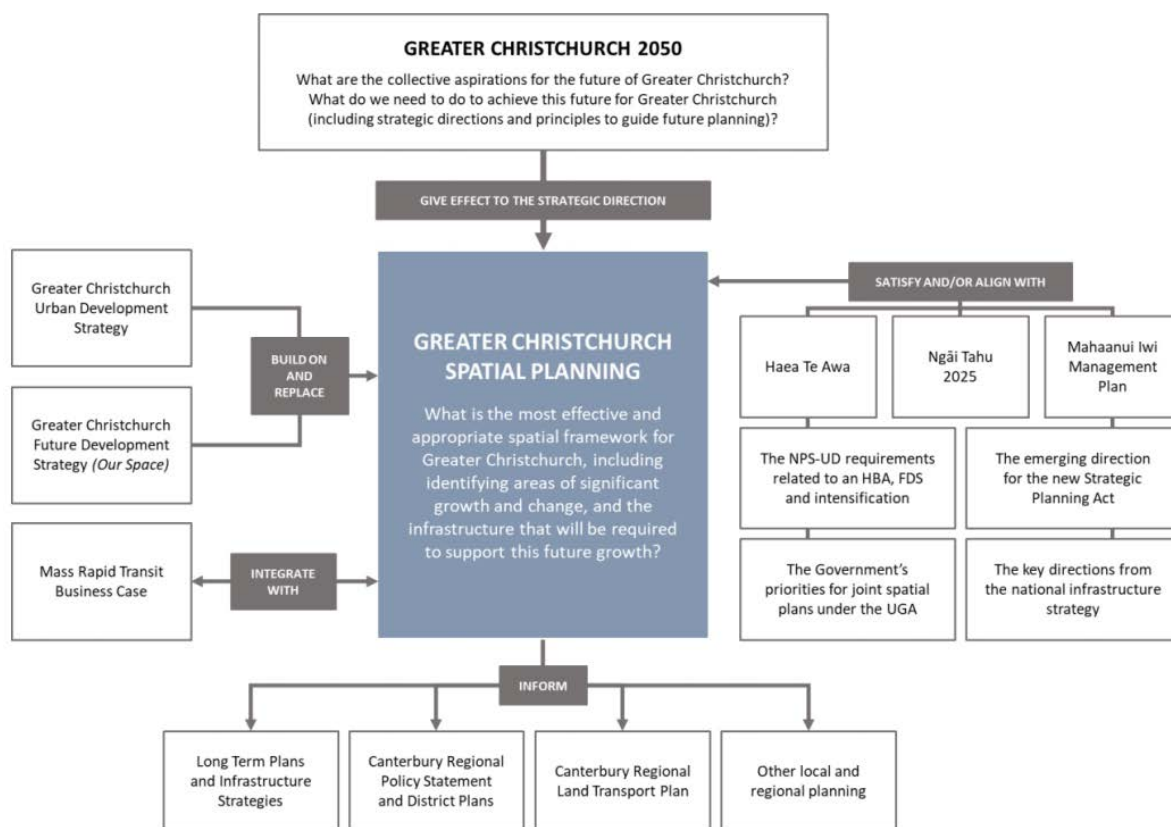
22. Following Our Space, the partnership began a process of including the FUDA areas within the CRPS along with a policy to establish criteria for when re-zoning within a FUDA was appropriate. The change did not address minimum densities rather leaving it to the TA to bring in through the proposed district plans. The documentation and outline of the process is here<sup>7</sup>. This was started in April 2020, with submissions in January 2021, and the Ministers decision released in May 2021. This is a key tool in responding to the need for additional capacity and helps give effect to the NPS-UD.

## Future GCP Work

23. There are several current work programmes underway through the Greater Christchurch Partnership. This includes Greater Christchurch 2050, Urban Growth Partnership, Mass Rapid Transit (MRT) Indicative Business Case, and a Greater Christchurch Spatial Plan.
- a. Greater Christchurch 2050 sets a vision for Greater Christchurch to achieve intergenerational wellbeing that also responds to climate change, and moving towards a zero-carbon economy. This project is broad in scope but is an important vehicle for delivering the partnership's priorities of tangibly integrating Māori aspirations, underpinning an Urban Growth Partnership and broader engagement with Government, and enabling sustainable urban form that aligns and integrates with the transport system.
  - b. The Urban Growth Partnership will aim to foster and facilitate a collaborative approach between local and central government. This includes an alignment within strategies and plans and aims to help align a joint work programme.
  - c. There is ongoing work looking at social and affordable housing within Greater Christchurch.
  - d. The MRT Business Case is in its initial phases with an interim report released in July. This report outlines whether future investment in MRT in Greater Christchurch is justified. The interim report concludes that further investigation is warranted and steps should be taken to identify and protect corridors. The further investigation is inter-linked with the spatial plan process as the level of demand required to support MRT also requires an urban form that supports MRT.
  - e. The Greater Christchurch Spatial Plan is the next logical step from the framework and links to the Urban Growth Partnership and the MRT Business Case. This will be prepared with central government. This has a work programme into 2023 with broad phases of evidence base, options analysis, plan development, and implementation and monitoring. The following figure shows how the spatial plan integrates with all current legislative spaces and strategies developed. In the interim, the adopted Our Space spatial pattern will apply.

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<sup>7</sup> <https://www.ecan.govt.nz/your-region/plans-strategies-and-bylaws/canterbury-regional-policy-statement/change-chapter-6/>



**Figure 1: Inter-relationship of the Spatial Plan and other Strategies, Legislation, and Business Cases**

## Selwyn's Strategic Framework

24. This section outlines Selwyn's strategic framework. This has been developed within the wider context framework explained above.

### Selwyn 2031

25. Selwyn 2031<sup>8</sup> is Selwyn's District Development Strategy. This was adopted in 2014. It provides an overarching strategic framework for achieving sustainable growth across the district through to the year 2031. The Strategy identifies solutions to the key underlying planning issues relating to population growth, spatial planning and earthquake recovery. Selwyn 2031 is intended to guide the future development of the district (cascading through the Area Plans and Structure Plans) and to inform Council's capital investment decisions (through the LTP and Infrastructure Strategies).

26. Selwyn 2031 is a key document for determining broad strategic growth direction within the district. It establishes the township network and commercial centre framework and key strategic objectives. This information has informed the District Plan review.

27. Strategic Direction 1 seeks to ensure there is enough zoned land to accommodate projected household and business growth, while promoting the consolidation and intensification within existing townships. The drivers behind this approach are to manage urban sprawl, maintain a clear urban/rural interface and to minimise the loss of productive farmland. Four key objectives support this Strategic Direction that reinforce a strategic approach to managing urban growth, concentrating growth within the Greater Christchurch area of the district, achieving efficiencies

<sup>8</sup> <https://www.selwyn.govt.nz/property-and-building/planning/strategies-and-plans/selwyn-2031>

through the integration of land use with infrastructure and the maintenance of a compact urban form.

28. The township network outlined in Selwyn 2031 seeks to see growth relative to the centre's role in the district. This is not unique to Selwyn and occurs around the world, centres have natural catchments depending on their scale. It results in:
- More smaller settlements (or centres) than larger ones
  - Larger settlements (or centres) that are located further apart, with a smaller settlements in between
  - As settlements (or centres) grow, they accommodate a larger range of functions, and more highly specialised functions
29. Catchments overlap and consumers meet some of their basket of needs from different levels of the hierarchy (e.g. from small, proximate neighbourhood centres to large, often distant regional centres). The township network seeks to encourage self-sufficiency by:
- minimising travel;
  - concentrate growth in centres;
  - promoting the co-location of activities that benefits both for consumers access and businesses exposure; and
  - supporting increasingly sustainable highly specialised businesses and the development of a range of other activities such as community facilities, and civic functions which complement and support other activities.
30. As townships grow, more small centres are needed but these should not overprovide so as to not generate adverse effects on the KACs.

#### Area Plans and Structure Plans

31. Following Selwyn 2031, two Area Plans were developed. The Area Plans<sup>9</sup> cover the rest of the district outside of Greater Christchurch. These provide high-level planning direction to guide the growth and the sustainable management of townships within the Malvern and Ellesmere Wards of the district through to the year 2031. A range of issues and opportunities collectively inform the ongoing growth management of the 16 townships that are located outside the Greater Christchurch area of the district. The Areas Plans identify that there is enough land available to accommodate projected population growth within each township through to 2031 without requiring Council to actively zone additional land for housing or business activities. Potential priority areas for growth beyond 2031 have been identified. These are accompanied by several constraints and opportunities that need to be addressed as part of any future process to zone the land.
32. There are three township structure plans within the Greater Christchurch area for Rolleston, Lincoln, and Prebbleton. There are currently no structure plans for West Melton, Springston, or Tai Tapu. The structure plans were developed for Rolleston in 2009<sup>10</sup>, Lincoln in 2008<sup>11</sup> and Prebbleton in 2010<sup>12</sup>. The primary purpose of each structure plan is to provide the localised strategic planning frameworks to implement the UDS Vision and policy directions contained in Chapter 6 of the CRPS. The structure plans have coordinated outline development plans that cover

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<sup>9</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/ellesmere-and-malvern-area-plans>

<sup>10</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/rolleston-structure-plan>

<sup>11</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/lincoln-structure-plan>

<sup>12</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/prebbleton-structure-plan>



the Greenfield Priority Areas in Map A of the CRPS. This includes setting urban limits to growth, identifying housing intensification areas and densities, determining the provision and timing of infrastructure and integrated transport networks and the location and scale of community facilities and open space reserves. This has ensured coordinated land development and subdivision and that the appropriate funding is allocated to ensure the necessary capital works upgrades occur to support urban growth in the larger townships within the Greater Christchurch area of the district.

33. The Rolleston Structure Plan differs from the other two structure plans as the geographic area and timeframe it covers goes beyond what is covered in the UDS and the CRPS. It provides a masterplan for managing urban growth within the 'Projected Infrastructure Boundary' of Map A of Chapter 6 of the CRPS. Council has also allocated funding in the LTP to ensure that infrastructure is being progressively installed to ensure integrated land use and infrastructure planning occurs in the medium to long term. The Rolleston Structure Plan has assisted to ensure that the development of the two Special Housing Areas has been able to be coordinated to achieve efficiencies in the provisions of infrastructure, utilities and land transport networks.
34. Further, there are town centre plans for Rolleston<sup>13</sup> and Lincoln<sup>14</sup>. These provide for the planning of the Key Activity Centres to establish them as the primary focal points for commercial, community and service activity.

#### Rural Residential Strategy

35. A Rural Residential Strategy<sup>15</sup> was developed in 2014 following the LURP and the changes to CRPS. It provides the policy direction and guidance on how best to manage rural residential development within the Greater Christchurch area of the district, establishes the optimal form, function and character of rural residential development and where that development is best located. CRPS Policy 6.3.9 provides some considerations for the location and design of rural residential development and it must be identified within the Rural Residential Strategy. Rural residential development is in the range of 0.3ha to 2ha at an average density of one to two households per hectare. Based on preliminary strategic planning, servicing and constraints analysis, the strategy identifies 14 rural residential areas in addition to the existing two Living 3 zone sites based on preliminary strategic planning, servicing and constraints analysis.

#### LTP 2021 and Infrastructure Strategy

36. The Area Plans, along with the township structure plans developed for Rolleston, Lincoln, and Prebbleton provide the strategic planning basis for decision-making on changes to the District Plan and other statutory planning processes (resource consenting and private plan changes), as well as providing guiding development of the Long Term Plan and Activity Management Plans and other Council, community and privately initiated projects and capital investment decisions.
37. The LTP 2021<sup>16</sup> is underpinned by an updated growth model. A population projection was decided upon in early 2020 that slightly adjusts the Statistics New Zealand projection to reflect evidence of a change in age-cohort population structure. The LTP growth approach also accounts for land supply constraints in the medium-term by recognising that capacity is limited to the amount of zoned land. The projections were allocated to townships based on a strategic allocation of

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<sup>13</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/rolleston-town-centre>

<sup>14</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/lincoln-town-centre>

<sup>15</sup> <https://www.selwyn.govt.nz/property-And-building/planning/strategies-and-plans/rural-residential>

<sup>16</sup> <https://www.selwyn.govt.nz/your-council/plans-And-reports/long-term-plan>



growth<sup>17</sup> broadly matching current growth trends and considers capacity constraints within the medium term, whereas it is unconstrained beyond that. This aligns with the previous capacity assessment, including the competitiveness margin.

#### Future SDC Work

38. The development of any future strategic work within SDC is dependent on the outcomes of the Greater Christchurch Spatial Plan (confirmed in 2023). Future strategic work will include:
- An update to Selwyn 2031, this will need to incorporate direction from Greater Christchurch 2050 and the Spatial Plan;
  - An Intensification Plan Change as required by the NPS-UD by August 2022;
  - The development of an area plan for the Greater Christchurch Area. This will mean that all of the district is covered by each of the three area plans;
  - A review of the Ellesmere and Malvern Area Plans;
  - Following the Greater Christchurch Spatial Plan, a review or the creation of township structure plans and the Rural Residential Strategy;

#### Housing Capacity Assessment

39. The monitoring of take-up, remaining capacity, and potential future demand is critical in understanding how growth is occurring within the district and how that fits with the district's strategic planning. This is primarily done through Selwyn's Capacity for Growth Model (SCGM). It is a spreadsheet-based model that determines demand based on population projections and identifies development capacity and available land supply for the whole district. Capacity is calculated by spatially identifying vacant land and calculating whether a dwelling can be built based on the planning requirements. For more information, see the technical report on the Growth Model.

#### Household Demand

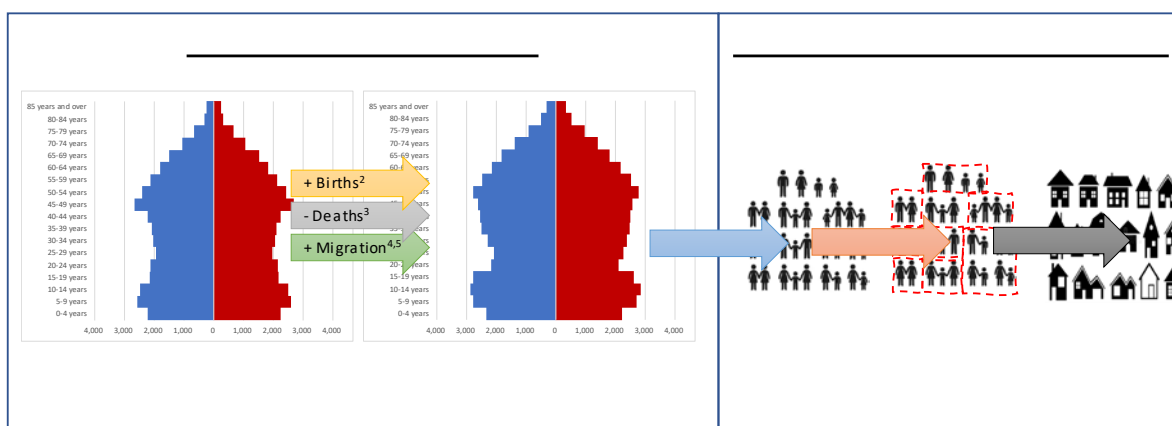
40. In New Zealand, housing demand is generally derived from Statistics NZ population or household projections<sup>18</sup>. Selwyn District has consistently grown faster than the official medium projection, as such the Council has commissioned a demographer to provide advice on projections and demographics for the district<sup>19</sup> to provide better understanding.
41. Key inputs, from Statistics NZ, into the projections were updated using information from demographer's advice, which includes population age, living arrangements and household formation rates, which determine births, deaths and household compositions. Household composition then determines dwelling demand with a small additional dwelling capacity (around 10%) also allowed for based on dwellings being unoccupied or available for short periods.

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<sup>17</sup> Outlined in this report - [https://www.selwyn.govt.nz/\\_data/assets/pdf\\_file/0013/460201/SDC\\_Growth-and-Demand-Doc\\_FINAL.PDF](https://www.selwyn.govt.nz/_data/assets/pdf_file/0013/460201/SDC_Growth-and-Demand-Doc_FINAL.PDF)

<sup>18</sup> Statistics New Zealand (2021) Subnational population projections, by age and sex, 2018(base)-2048.

<sup>19</sup> Jackson, N.O. (2020). Selwyn – 2020 Review of Demographics Report (Part A). Commissioned by Selwyn District Council. Natalie Jackson Demographics Ltd. Tairua, New Zealand. April



**Figure 2:** Stylised depiction of demand calculation

42. Modelled demand for housing within Selwyn can apply different projections produced for Selwyn District. The first projection was developed in the Greater Christchurch 2017 Capacity Assessment and inform the Our Space numbers. This was the 2013 medium-high projection and these projections were based on the 2013 census characteristics and a mid-point growth between the official Statistics NZ medium and high projection. The second projection was developed in 2019 for the LTP and update to the SCGM. These were still using the 2013 based projections, as they were the latest available. These projections were rebased, essentially adjusting the starting point, to match the Statistics NZ estimates, but moved forward to a 2019 base population. The third projection was developed recently to inform the 2021 housing capacity assessment. This used the recently published Statistics New Zealand projections based on 2018 census characteristics. This was the 2018 high projection.
43. All of the projections that have been developed for Selwyn District have suggested greater growth than the official Statistics NZ projections. However, the Council also regularly undertakes updates of these projections to provide the best available information for decision making.
44. The recent Statistics NZ projections are tempered by the impact of Covid-19 especially in the short term as this constrains total international migration. Our Space looked at demand within the Greater Christchurch Boundary, the 2021 capacity assessment looked at large urban areas within the 3 TAs of Greater Christchurch.

	Medium Term	Long Term	Total
<b>Our Space</b>	+8,600	+15,600	+24,200
<b>2021 Capacity Assessment</b>	+8,541	+16,797	+25,338

**Table 1:** Dwelling Projections

*NB These calculate demand based on different geographic areas*

45. The change in the demographics of the population<sup>20</sup> are:
- The primary cause of growth in Selwyn is net migration, with around 85% of growth coming from people moving into the district;
  - Most of this growth is from people moving from within New Zealand with 70% of Selwyn's Growth migration growth coming from Christchurch;
  - As the people moving into Selwyn are relatively youthful, this leads to higher natural increase (births);

<sup>20</sup> Jackson, N.O. (2020). Selwyn – 2020 Review of Demographics Report (Part A). Commissioned by Selwyn District Council. Natalie Jackson Demographics Ltd. Tairua, New Zealand. April

This indicates that the people moving to Selwyn are commonly motivated by family, work, or schooling reasons.

46. Following the nationwide lockdown in 2020, building consents have been at a record high.

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net New Dwellings</b>	1,249	1,166	1,203	1,279	1,219	1,005	1,092	1,593	1,710*
<b>Stats High Projection**</b>						929	929	929	929

**Table 1: Dwelling Projection Comparison**

*\*based on current numbers extrapolated out for the year*

*\*\*Converted to households by using 2.8.*

**NB** This includes more demand than the 2021 Capacity Assessment covered

47. Over the last decade the population growth has outstripped the official Statistics NZ projections and Selwyn's own projections, described above. It is clear that growth in the district has recently exceeded all reasonable expectation.

48. However, what is driving this increase is not clear. Provisional national population estimates<sup>21</sup> released by Statistics NZ saw population grow by 0.6% to 30 June 2021, whereas the previous five years average was 2%. This is down because total net migration has dramatically dropped. Net Migration was 4,700 to 30 June 2021, whereas the previous five years average was 62,000. Natural increase is 27,700, compared to the five year average of 27,220. This suggests that while building consents are increasing this is not in response to nationwide growth.

49. Other potential explanations for the increase in building consents is internal migration increasing (e.g. people moving from Auckland to Christchurch), change in household compositions (more separated caregivers or houses for offspring), or demand catching up with undersupply of previous years. There is very little evidence to validate any of these explanations as well as justifying why the levels of consents will continue.

50. However, to consider a higher projection above Statistics NZ high projection requires more work. The household composition and characteristics needs to be considered as this determines the natural increase as well as the typology demanded. A projection needs to be considered within the national and regional context, especially the lack of international migration. If people are moving internally then other TAs will be over estimating demand. Further, as discussed above, it seems it is not a growing population that is driving demand and so it is a possibility this increase in growth is only temporary. Finally, projections are continually re-assessed, at least every three years. Therefore, the shortfall is continually updated. It is important that work is done to identify long-term capacity that can be ready to respond in the medium term when required.

51. While there needs to be strong evidence for a council to reject the official Statistics NZ projections, Selwyn has consistently grown faster than medium projection. The Council has adopted a proactive approach, commissioning bespoke demographic research and continually updating projections to reflect changing situation. However, these projections are best when considered in the context of national growth as produced by Statistics NZ. Most recently they have adopted a conservative approach, planning for high growth. This provides the council with key demographic information and maintains the projections within the national context.

<sup>21</sup> <https://www.stats.govt.nz/information-releases/national-population-estimates-at-30-june-2021>

52. The level of building consents in the district have exceed the high growth projection for the last two years and have peaked at almost 1,900 dwellings per annum. It is important to note that the building industry follows a boom-and-bust cycle, with short term spikes of activity. Generally, it is not wise to take two years of construction data alone as representing a trend, therefore the Council has not chosen to plan for a “very high” projection. It is considered that the short term fluctuations should not dictate council medium or long term planning. Specifically, it would not be wise to use data from a few years within a boom period to develop a medium or long term projection.
53. If this recent boom in building activity was projected forward for the coming three decades, then the population in Selwyn would reach over 220,000, which would make the district the fourth largest in the country. This outcome is clearly beyond any reasonable expectation, and the Council should not plan for this unlikely future.

#### Selwyn’s Capacity

54. Selwyn calculates its capacity through the SCGM. This identifies vacant and potential infill capacity using parcel and building outlines. The model then applies the district plan site requirements (density) and bulk and location requirements to determine potential capacity<sup>22</sup>. The model can either show zoning capacity or a modified capacity that adjusts the site requirements to a capacity based on recent take-up. This does not count available sections for development but rather potential development.
55. Capacity was calculated in 2016 for the capacity assessment and then updated in 2019 to inform the 2021 LTP. The key changes between the capacity calculations are based on take-up, some sites being previously incorrectly identified as potential capacity, and sites where development did not meet potential capacity.
56. The results from the 2021 LTP capacity modelling was presented to council in December 2020<sup>23</sup>. They showed a reduced capacity of around 4,000 potential dwelling in the three years from the 2017 Selwyn Capacity for Growth Model. This work is documented in the council agenda. For more information, see the technical report on the Growth Model.
57. The capacity was also tested for commercial feasibility, both in terms of land development and dwelling development. The modelling assessed whether a developer can be expected to make sufficient return to entice them to undertake the development.
58. The Land Feasibility Model (LFM) tested whether a commercial developer could purchase the land, invest money to undertake subdivision of the land and then on-sell residential lots at a price that will return sufficient profit. The land developer is assumed to be a commercial operation which means that they must receive a return on the project that is commensurate to the risk associated with the project and the potential opportunity costs of the project. The long time periods and uncertainties around lot sale prices means that these developers require a higher return than

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<sup>22</sup> The model is similar in structure to other Capacity for Growth models developed in New Zealand. As with all other CfGM, this model cannot take into account every overlay or planning rule. Also, there may be some uses within the residential zone that may preclude development, such as churches and other community activities. Conversely, residential activity can locate in other zones (such as commercial zones). While SDC has conducted a review of the outputs of the model it is likely that there will be the occasions where capacity has not been captured in the modelling or sites may not have capacity.

<sup>23</sup> [https://www.selwyn.govt.nz/\\_data/assets/pdf\\_file/0006/360735/PUBLIC-AGENDA-COUNCIL-MEETING-9-DECEMBER-2020.pdf](https://www.selwyn.govt.nz/_data/assets/pdf_file/0006/360735/PUBLIC-AGENDA-COUNCIL-MEETING-9-DECEMBER-2020.pdf)

other businesses in the construction industry. The LFM profit requirement is set at 23%, which is based on the average profits of the “Land Development and Subdivision” over the last three years.<sup>24</sup>

59. The Dwelling Feasibility Model (DFM) tested whether a commercial developer could purchase the build ready lot, invest money to undertake building of a dwelling and then on-sell the dwelling at a price that will return sufficient profit. The DFM profit requirement is set at 6.6%, which is based on the average profits of the “House Construction” industry over the last three years.<sup>25</sup>
60. The feasibility modelling showed that development of proposed greenfield areas in the District are feasible, that is a commercial developer could convert the land into build ready lots and make sufficient profit to cover the risks associated with the land development process. Also, that the building of detached and attached dwellings is currently feasible, that is a commercial developer could take build ready lots of land, build a dwelling and sell the dwelling at a price that would generate sufficient profit to cover the risks associated with the build process.

Area	2016	2019
Rolleston	5,728	3,506
Lincoln	3,020	1,720
Prebbleton, West Melton, and Tai Tapu	969	437
Total GCP	9,717	5,663

**Table 2:** Growth Model Capacity Change

61. For the 2021 Capacity Assessment, the council sought an update to the capacity based on net new dwelling growth since the end of 2019.

Area	2019	2021*
Rolleston	3,506	2,154
Lincoln	1,842**	1,461
Prebbleton, West Melton, and Tai Tapu	437	181***
Darfield and Leeston		2,656
Total GCP	5,663	6,452

**Table 3:** Growth Model Update for Capacity Assessment

\*Capacity includes proposed plan potential capacity of 1,874

\*\*Capacity since it was produced has changed based on updates to the model

\*\*\*Capacity here is only Prebbleton and West Melton

62. Through the proposed plan change there have been a few significant changes to capacity; changes to the minimum densities, and removal of deferred zoning. This has provided for an additional 1,874, largely in Darfield.
63. The numbers above informed the Greater Christchurch Housing Capacity Assessment<sup>26</sup>. The work expanded on the previous capacity work and included demand and supply for key townships

<sup>24</sup> Statistics New Zealand (2021) Business Performance Benchmark 2017-2019.

<sup>25</sup> Statistics New Zealand (2021) Business Performance Benchmark 2017-2019.

<sup>26</sup> <https://www.greaterchristchurch.org.nz/assets/Documents/greaterchristchurch/Capacity-Assessment-reports-2021/Greater-Christchurch-Housing-Development-Capacity-Assessment-July-2021.pdf>

(based on SA2 data) within the whole area of the three TAs. For Selwyn, this means that Darfield and Leeston demand and supply are considered within the total Selwyn demand and supply.

64. It is important to note that NPS-UD applies to local authorities that have all or part of an urban environment within their district<sup>27</sup> which includes Selwyn District, also that HBA assessments “may apply to any wider area”<sup>28</sup>. The NPSUD further defines an urban environment as being an urban area that is within a housing and labour market of at least 10,000 people<sup>29</sup>.
65. While Darfield and Leeston are around 30 kilometres from the edge of Christchurch, this is broadly comparable to definitions used in other Tier 1 urban areas. The recently released housing assessment for Auckland Urban area included rural communities that are further than 50 kilometres from the edge of Auckland including, Matakana, Omaha, Waiuku, Wellsford, etc<sup>30</sup>. While Future Proof housing assessment included small settlements up to 40 kilometres from Hamilton urban fringe, including Te Kauwhata, Raglan, Meremere, etc.<sup>31</sup> While Auckland Urban area is much larger than Christchurch, and can be expected to have a wider hinterland than in Canterbury. Conversely, Hamilton urban area is much smaller than Christchurch, and can be expected to have a narrower hinterland than in Canterbury. As such, it is reasonable to include Darfield and Leeston within the assessment.

#### Current Council Response

66. The council’s response is first determined by whether it is within the Greater Christchurch Area or not. This response is in line with the broader policy context. Our Space identified additional greenfield capacity in line with the Rolleston Structure Plan and a change to the CRPS has been approved to identify these greenfield areas and insert a policy (with parameters) to support a zoning change. This identifies additional capacity of 5,756<sup>32</sup> beyond what is currently zoned. This additional capacity is within the Projected Infrastructure Boundary of Rolleston and in what are described as Future Urban Development Areas (FUDAs) in the CRPS.
67. The demographic projections shows growth is largely driven by internal migration from Christchurch, mostly younger families. These families are generally looking for affordable housing within close proximity to Christchurch in a township setting. The demand for housing that has been observed in Selwyn indicates a strong preference for standalone houses. The outcomes in the housing market shows that demand is fairly homogenous and can be met within the ‘one market’ of Selwyn’s townships.

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<sup>27</sup> National Policy Statement on Urban Development (2020) s1.3 (a)

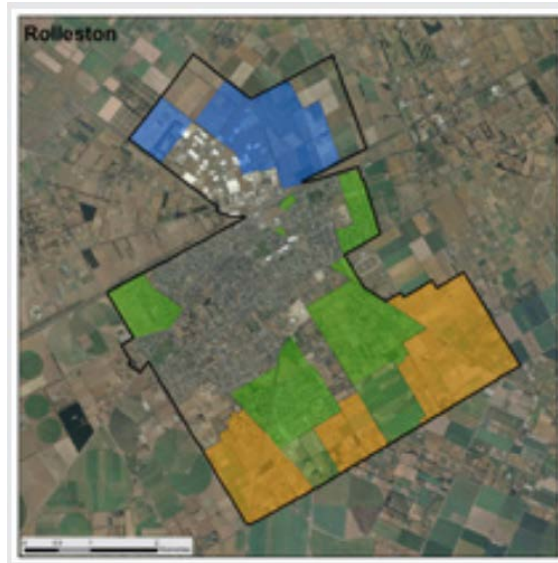
<sup>28</sup> Ibid s3.19(2)

<sup>29</sup> Ibid s1.4(1)

<sup>30</sup> Mario A. Fernandez, Chad Hu Jennifer L. R. Joynt, Shane L. Martin, Isobel Jennings (2021) Housing Assessment for the Auckland Region.

<sup>31</sup> Akehurst and Fairgray (2021) NPS-UD Housing Development Capacity Assessment Future Proof Partners.

<sup>32</sup> Based on SCGM calculation



*Figure 3: Map of Future Urban Development Areas*

68. For townships outside the Greater Christchurch Area, potential future areas for growth have been identified within the Area Plan. These areas are only potential growth areas and have not been tested for appropriateness in an RMA setting. Further, as these townships have capacity, it is up to private proponents to do the plan change and gather the appropriate evidence.
69. The Council has provided for most of the new capacity for growth around Rolleston, and to a lesser extent Prebbleton and Lincoln. This distribution of capacity has been preferred because it:
- Supports the township hierarchy of centres, which will enhance the role of the centres in the local economy. The focusing of growth into the main urban centre in the District will support ongoing expansion in retail services activities in Rolleston, result in improvements in self-sufficiency of the district economy;
  - Is consistent with the objectives and policy in the regional planning documents (UDS, LURP, CRPS, Our Space), national planning frameworks (NPS-UD) and Selwyn's local plans (Selwyn 2031, District Plan);
  - Provides certainty for the community, council, government, and developers. The areas around Rolleston have been signalled as future growth areas as part of earthquake recovery. This allows developers, communities, and government to make better decisions about what services and infrastructure should be provided to support the community. Unplanned or dispersed growth patterns can undermine the public and private investments and community;
  - Improves the amenity of the Rolleston town centre. The focusing of growth towards Rolleston will contribute to achieving a critical mass of market size to support a broader range of retail and services businesses in the Rolleston KAC, increasing attractiveness of the centre to Selwyn residents, reducing the need to travel out of Selwyn to access those businesses, and supporting community and social infrastructure in the town centre in which Council and community groups have made significant investments. This will improve the amenity of the centre and the efficient use of the important infrastructure; and
  - Helps promote the efficient use of infrastructure, including transport. The government and council have invested in infrastructure required to allow growth to occur in Rolleston, which includes both transport and other services. The decision to focus growth around Rolleston will result in an efficient utilisation of these assets.



## Identified Surplus and Shortfall

70. The following outlines the surplus or shortfall in the medium and long term, based on the 2021 Capacity Assessment.

	Medium	Total
Capacity	6,452	12,208 <sup>33</sup>
Demand	8,451	25,338
Surplus / Shortfall	-2,089	-13,130

**Table 4:** Surplus / Shortfall within Selwyn District

71. Capacity is calculated at the recent development densities, which is around 12hh/ha. The medium term shortfall can be met through the councils preferred response that is outlined in Our Space and the CRPS within the FUDA's, once re-zoned. Further response will come through the District Plan Review and potential intensification work.

### Shortfall by Sub Area in the Medium Term

Sub Area	Capacity	Demand	Surplus / Shortfall
Rolleston	2,154	4,417	-2,263
Lincoln	1,461	1,774	-313
West Melton & Prebbleton	181	1,859	-1,678
Darfield & Leeston	2,656	491	2,165

**Table 5:** Surplus / Shortfall within Sub Areas in the Medium Term

72. The total shortfall in Rolleston, Lincoln, West Melton and Prebbleton is 4,254. This can be met by the FUDA area, some in Darfield & Leeston, and potential intensification work.

### Shortfall by Sub Area in the Long Term

Sub Area	Capacity	Demand	Surplus / Shortfall
Rolleston	7,910	13,084	-5,174
Lincoln	1,461	5,267	-3,806
West Melton & Prebbleton	181	5,530	-5,349
Darfield & Leeston	2,656	1,457	1,199

**Table 6:** Surplus / Shortfall within Sub Areas in the Long Term

73. More work needs to happen in the long term to respond to the 14,000 shortfall identified. The Spatial Plan work will identify a framework to identify preferred areas and work will be done to prepare areas for rezoning when needed.

## Covid-19 Fast Track Approved Consent

The South East and South West Faringdon application has been approved through the Covid-19 Fast Track process<sup>34</sup>. As this is consented development, it should be considered short term capacity. The consented area is 80ha with 970 dwellings. This works out at 12 hh/ha. The shortfall in Rolleston in the Medium Term is now -1,293.

<sup>33</sup> Includes the 5,756 from FUDA

<sup>34</sup> [https://www.epa.govt.nz/assets/Uploads/Documents/Fast-track-consenting/Faringdon/Decision\\_Faringdon-FINAL\\_27-Aug-21.pdf](https://www.epa.govt.nz/assets/Uploads/Documents/Fast-track-consenting/Faringdon/Decision_Faringdon-FINAL_27-Aug-21.pdf)

### Proposed District Plan Approach

74. The Proposed Plan implements this by identifying the FUDAs as part of the Urban Growth Overlay and supporting policy framework. Areas identified within the overlay are from the Area Plan or Structure Plans. Further, the objectives and policies provides a framework for assessing any growth outside of the Urban Growth Overlay. These reflect the higher order documents as well as Selwyn 2031. The re-zoning evidence is due in September with the hearing mid-2022.

### Private Plan Change Summary

75. The current list of residential private plan changes is summarised below:

Plan Change	Inside FUDA / Area Plan	Total Dwellings
63 – Darfield	Yes	440
64 – Rolleston	Yes	969
67 – West Melton	No	131
68 – Prebbleton	No	820
69 – Lincoln	No	2,000
70 – Rolleston	Yes	800
71 – Rolleston	Partially	440
72 – Prebbleton	No	295
73 – Rolleston	No	2,100
74 – West Melton	No	130
75 – Rolleston	Yes	280
76 – Rolleston	Yes	150
77 – West Melton	No	525
78 – Rolleston	Yes	750
79 – Prebbleton	No	400

**Table 7:** List of Private Plan Changes and total and within the FUDA