

Before the Selwyn District Council

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*under:* the Resource Management Act 1991

*in the matter of:* Proposed Private Plan Change 73 to the Operative  
District Plan: Dunns Crossing Road, Rolleston

*and:* **Rolleston West Residential Limited**  
*Applicant*

Summary of Evidence of Greg Akehurst (Economics)

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Dated: 28 September 2021

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## **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 I this summary statement, I will outline the key points in my evidence in chief, then respond to the evidence provided by Keith Tallentire on behalf of CRC and CCC.

### **SUMMARY OF EVIDENCE IN CHIEF**

- 3 I have prepared a statement of evidence on behalf of Rolleston West Residential Limited (13 September 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 PC73 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 Rolleston) 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 Rolleston 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 – Darfield and Leeston, in particular.

- b) Inclusion of all setbacks in capacity – NZTA SH1 and, bunding.
  - c) Reserves included in capacity – Stonebrook water race for example.
  - d) Inclusion of parcels with access issues – rear development sites, examples where 6 sites assumed, but only 3 allowed.
  - e) Inclusion of developed sites as capacity – high growth areas means development occurs rapidly, Mary Brittan Lifestyle Villa’s fully developed but recorded as 18 capacity.
  - f) Inclusion of non-residential parcels – day-care and preschool sites included as capacity but operating as businesses.
  - g) Development density assumptions – mismatch between modelled density and operative District Plan. Holmes and Skellerup blocks as examples, in total modelled as 318 dwelling capacity, but ODP limits 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, at Darfield and Leeston), removing this produces a significant deficit in terms of urban demand and a shortfall in the long term. 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 and then development time to translate capacity into dwellings means the process needs to begin now.

#### **EVIDENCE OF KEITH TALLENTIRE**

- 12 Keith Tallentire presents evidence on behalf of Canterbury Regional Council and Christchurch City.
- 13 Mr Tallentire believes that PC73 fails to meet the definition of ‘significant’ development capacity because it is not of a scale able to be delivered at pace in relation to the urban environment. He also states that sufficient development capacity exists to meet expected demand over the medium term and that proposed housing

typologies likely to be provided do not align with the housing needs stated in the 2021 Housing Capacity Assessment. Finally, that PC73 is not well connected along transport corridors with the rest of the urban area.

- 14 While Mr Tallentire (in para 27) states that the NPS-UD does not set priorities between its objectives and policies (rather they interact and affect the interpretation and implementation of each other), he then states (in para 28) that Objective 1 which relating to 'well-functioning urban environments' is central to the NPS-UD.
- 15 While this is important, the driving force behind the establishment of the NPS-UDC and then the NPS-UD is New Zealand's mounting housing affordability crises. Without the rapid rise in housing costs since 2000 (with a few notable levelling off periods) and the separation of house price rises and household income rises, the NPS-UDC and NPS-UD would not exist.
- 16 Effectively they shaped the housing crisis as a land supply crisis. To that end, they gazetted the NPS-UDC in 2016 with the sole aim of providing Councils with the tools to robustly and consistently quantify housing capacity as enabled under the various planning provisions in current and future plans and to set that against anticipated demand across the same timeframes. Councils were charged with ensuring they could provide for anticipated demand plus a competitive market margin of 20% in the short to medium term and 15% in the long term. If a council found they were short they must immediately inform the Minister for the Environment and alter planning documents as soon as practicable to increase capacity.
- 17 In respect of housing typologies, Mr Tallentire wants the development to have opportunities for single person and couple only households to meet Christchurch's aging population base. However, growth to Rolleston and out across Selwyn has been driven by younger households moving to purchase family homes within commuting distances to Christchurch. This was reinforced by Ben Baird, in his memo 19 August 2021 (para 53), where he states that "*growth is largely driven by internal migration from Christchurch, mostly young families.*". This means that the typologies provided through PC73 will align closely with the types of demand most likely to be focused on this area.
- 18 It is not the case that every development across the entire Greater Christchurch Urban Area must provide a typology mix that exactly matches future demographic growth profile. This is because there are definite spatial patterns to housing demand. It is not the case that older people want to live on the outer edge of the urban area. Capacity for these household types is far better provided close to centres and places of high social amenity. In and around centres

where access to services is maximised as well as in suburbs that they have lived in for the majority of their life.

### **CONCLUSIONS**

- 19 The additional capacity provided by PC 73 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 PC73 represents a sustainable way to manage residential land resource in and around Rolleston.

Dated: 28 September 2021

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Greg Akehurst