

BEFORE THE SELWYN DISTRICT COUNCIL

UNDER the Resource Management Act 1991

IN THE MATTER of Proposed Plan Change 78: East Rolleston

APPLICANT

of Urban Estates Limited

**SUMMARY OF EVIDENCE OF JOHN BALLINGALL ON BEHALF OF
URBAN ESTATES LIMITED**

ECONOMICS

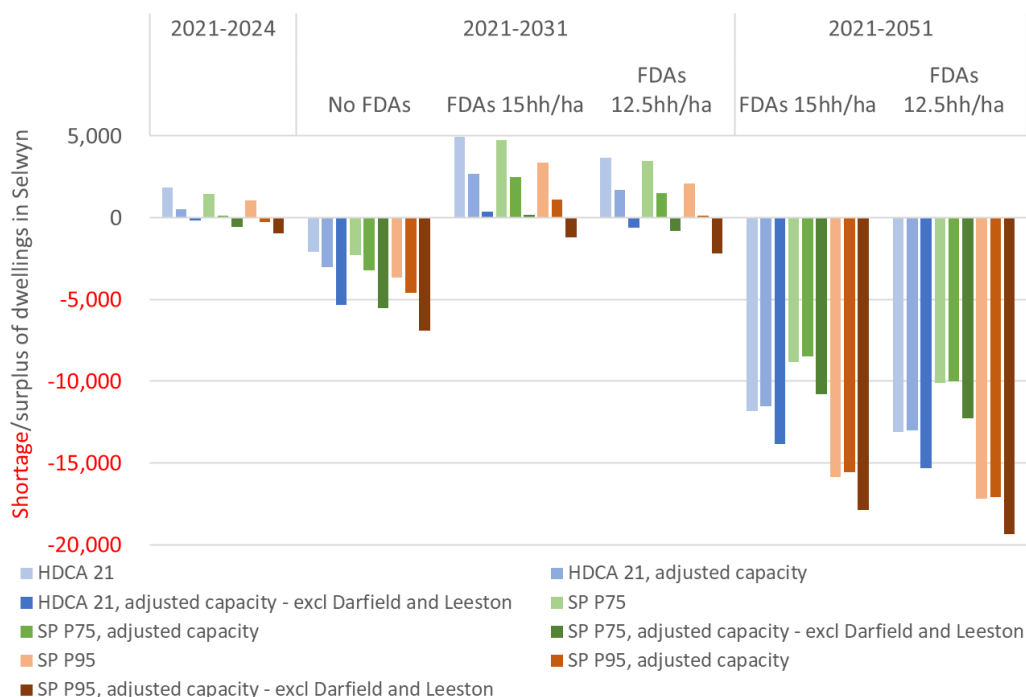
Dated: 04 NOVEMBER 2021

Christchurch

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A handwritten signature in dark ink, reading "Anthony Harper". The signature is fluid and cursive, with the first name "Anthony" and the last name "Harper" clearly distinguishable.

- 1 House and vacant section prices in Selwyn have surged in the past year. The demand for housing is clearly outstripping available supply and is putting further pressure on housing affordability and rental prices.
 - 2 A key reason for the strong demand is that population growth in Selwyn has been considerably higher than expected in previous housing demand and capacity assessments, driven in part by families being priced out of suitable homes in Christchurch City.
 - 3 Actual housing capacity in Selwyn, in contrast, is likely to be considerably lower than expected in those assessments in the short- to medium-term as:
 - (a) The Housing Development Capacity Assessment (HDCA21) estimates include 2,656 plan-enabled dwellings in Darfield and Leeston. However, these areas fall outside of the Greater Christchurch Urban Area as defined in 'Our Space'.
 - (b) The Selwyn District Council assumption that 75% of greenfields sites will be available for residential development is optimistic. A more appropriate assumption is that 60% of existing greenfields sites is available for housing.
 - (c) A significant area of Future Urban Development Areas (FUDA)-identified land (173.3230 ha) is considered by Mr Sellars to be long-term potential land.
 - 4 Stronger-than-expected demand and lower-than-expected capacity point to dwelling shortages in Selwyn becoming more severe than current Council projections.
 - 5 Given uncertainties around both housing demand and capacity, I use a range of projections to estimate the housing demand and capacity balance in Selwyn out to 2051, as shown in the figure below.
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6 My analysis suggests:

- An immediate-term (2021-2024) surplus of up to 526 dwellings, or a shortfall of up to 963 dwellings if more conservative capacity scenarios than used in the HDCA21 are adopted;
- A shortfall of between 2,089 to 6,920 dwellings for 2021-2031, when FUDAs are not included in the capacity estimates;
- A surplus of between 167 to 4,961 dwellings for 2021-2031, if all FUDAs are included in capacity at a density of 15hh/ha, unless the highest demand and lowest capacity scenario occurs, in which case there would be a shortfall of 1,213 dwellings;
- Significant shortfalls in the longer-term, with demand projected to outstrip capacity by between 8,498 and 19,369 dwellings by 2051.

7 Given PC78 proposes around 750 dwellings to be built, in my opinion, this is clear evidence that it will make a significant contribution to dwelling supply in Selwyn in the medium term (2021-2031).

8 I estimate the construction of the proposed dwellings will:

- Generate an estimated 225 jobs per year in the region;
- Inject around \$50 million of wages over into the local community to support economic well-being; and

(c) Directly generate around \$100 million of value-added (or GDP).

- 9 The economic costs are limited to the opportunity cost of GDP generated by the land under its current Rural Inner Plains zoning, which I estimate to be around \$60,000 per year.
- 10 As such, in my opinion rezoning the PC78 land to generate new housing for 750 families and inject \$100 million of GDP into the local economy represents an efficient use of a natural resources.

John Ballingall

Sense Partners

4 November 2021
