

Before the Selwyn District Council

under: the Resource Management Act 1991

in the matter of: Proposed Private Plan Change 80 to the Operative District Plan

and: **Two Chain Road Limited**
Applicant

Summary of evidence of Natalie Hampson (economics)

Dated: 20 October 2022

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SUMMARY OF EVIDENCE OF NATALIE HAMPSON

- 1 My full name is Natalie Dianne Hampson. I am a Director at Market Economics Limited (*M.E*). I have held this position since mid-2019. I hold a Master of Science degree in Geography from the University of Auckland (first class honours).
- 2 The Applicant is seeking a change to the Operative District Plan (*ODP*) to create a new 98ha area of Business 2A Zone on Two Chain Road. The site is currently zoned Rural Inner Plains Zone under the ODP and sits outside the Projected Infrastructure Boundary shown in Map A of the Canterbury Regional Policy Statement (*CRPS*). The site adjoins the corner of the existing industrial area, separated by Railway Road. It will increase the area zoned for industrial use in the Greater Christchurch area of Selwyn District by 25% and the area zoned for industrial use specifically in Rolleston by 26%¹.
- 3 Reviewing the areas identified for future urban growth in the CRPS (i.e., consideration of any additional areas to support industrial activities) will only occur when a Business Development Capacity Assessment (*BDCA*) and Future Development Strategy (*FDS*) demonstrate a need for additional suitable development capacity (i.e. insufficient capacity in the short, medium or long-term)². I note that the Proposed District Plan has a similar requirement. As worded, this policy will mean that it is very important that the BDCA is appropriately estimating demand and capacity for industrial activities in Rolleston.
- 4 My evidence shows that that may not have been the case in the BDCA 2018, and it may not be the case in the future if the same approach and assumptions continue to be applied in the Selwyn Capacity for Growth Model (*SCGM*) for Rolleston.
- 5 I consider that the BDCA 2018 is likely to have under-estimated long-term demand for industrial land in Rolleston and therefore overstated long-term sufficiency. The Rolleston industrial area is unique in its road and rail transport attributes, and it does not operate like many typical urban industrial zones. It is a strategically important industrial hub in the region and in the South Island and a large portion of its demand drivers are unrelated to local growth.
- 6 While Council has more up-to-date versions of the SCGM, including growth projections that show higher employment growth, there has been no further publication of sufficiency results by Council, with the

¹ Calculations based on the gross area of PC80 relative to the zoned parcel area of the B2, B2A and B2B zones. Some parcels of B2A zone, including PC66, are still gross land areas and not net developable areas.

² The CRPS can also take into consideration other relevant contextual information.

2018 Our Space findings on business land appearing to be the sole basis for planning and decision making.

- 7 Those 2018 findings are out-dated and potentially limited in their ability to accurately reflect demand and capacity for Rolleston's remaining vacant industrial land. Yet, Council is not required to publish a new BDCA and FDS until 2024³. That is a long time to wait in the context of a high growth economy for greater certainty on Rolleston's industrial sufficiency.
- 8 Based on my assessment, demand for Rolleston's industrial land is now higher than previously reported and capacity has continued to reduce due to strong up-take of vacant sites since 2016. While there have been additions to capacity thanks to PC66, the net vacant capacity available for industrial and service activity is significantly less than reported in 2018.
- 9 It is likely that industrial land sufficiency is lower than previously understood. A precautionary approach is therefore needed. This is consistent with the NPS-UD which encourages the provision of more capacity rather than less.
- 10 Mr Foy (and the s42A report) have now confirmed at a high-level that based on Formative's work for Council, a shortfall of industrial capacity to meet long-term demand in Selwyn District has now been estimated. This shortfall is set out in the memo supplied by Council on the 4th of October 2022.
- 11 In light of:
 - 11.1 strong projected growth in resident households in Rolleston – which will drive a portion of demand for industrial land;
 - 11.2 the projected growth of population in Canterbury and the wider South Island that will drive demand for industrial land for manufacturing, processing, wholesaling, import distribution and freight handling in strategic locations close to Lyttelton Port and Prime Port;
 - 11.3 projected growth in demand for Canterbury's bulk and container-based export products that will drive demand for land for processing, product storage/warehousing, container filling/handling/storage and freight in strategic locations close to Lyttelton Port and Prime Port;

³ Councils are required to update their HBAs at least every three years, but can update that work more frequently.

- 11.4 the limited and diminishing supply of free-hold vacant industrial land capacity in Rolleston;
- 11.5 high-level confirmation that Council's modelling under the NPS-UD now shows insufficient industrial capacity to meet long-term demand;
- 11.6 the strategic importance of the proposed site due to its location and orientation relative to the rail network; and
- 11.7 agreement from economic experts that the economic benefits of the zoning request are expected to outweigh any actual or likely economic costs;

I support the re-zoning of this land to B2A Zone. The proposed land will provide additional feasible capacity that will allow Rolleston to enhance its reputation as a key freight-focussed industrial hub.

Dated: 20 October 2022



Natalie Hampson