

Before the Selwyn District Council

under: the Resource Management Act 1991

in the matter of: Proposed Private Plan Changes 81 and 82 to the
Operative District Plan: Dunns Crossing Road, Rolleston

and: **Rolleston Industrial Developments Limited** and
Brookside Road Residential Limited
Applicant

Summary of Evidence of Greg Akehurst (Economics)

Dated: 12 September 2022

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SUMMARY OF EVIDENCE OF GREG AKEHURST

- 1 My full name is Gregory Michael 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.
- 2 Recent growth has exceeded the High Growth future relied upon by SDC by more than 45% over the past 4 years. Underplaying a higher than modelled growth future means SDC runs the risk of not providing sufficient capacity to cater for growth in the short-to-medium term, driving prices up and damaging the district's growth future. This is particularly the case in Rolleston where there is a shortfall in supply over the medium term.
- 3 The location of additional future capacity in Selwyn District is important and should align with recent demand trends. Following the Christchurch earthquake, significant growth that might otherwise have gravitated towards locations within Christchurch City has redirected to Selwyn District towns in close proximity to Christchurch, notably Rolleston, Lincoln and Prebbleton.
- 4 Accurate assessment of demand and supply is vital to avoid the risks of house price rise and growth suppression. I have identified issues with the capacity information used in the Selwyn Capacity for Growth Model (SCGM), relied upon by SDC are as follows:
 - 4.1 Inclusion of non-urban capacity;
 - 4.2 Inclusion of all setbacks;
 - 4.3 Inclusion of some reserves;
 - 4.4 Inclusion of parcels with access issues;
 - 4.5 Inclusion of developed sites;
 - 4.6 Inclusion of non-residential parcels; and
 - 4.7 Development density assumptions contained in the operative District Plan not matching modelled density capacity.
- 5 The net effect of these issues is a reduction in the sufficiency of capacity to meet demand in the short-to-medium term. I haven't been able to assess every parcel in the model, but if the issues (in terms of capacity estimates across parcels where no capacity exists) are manifest across the entire model, it is likely to be overstating Selwyn's ability to cater for growth to a significant degree.

- 6 Given this uncertainty, SDC should be engaging with additional capacity opportunities. 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 – the process of pipelining additional future capacity needs to begin now.
- 7 There is also a danger that the growth projections relied upon by SDC understate likely future growth and capacity in Rolleston. Adding to the impacts.

Evidence of Marcus Langman for CRC and CCC

- 8 I have reviewed the sections of **Mr Langman's** evidence as it relates to my area of expertise as outlined in paragraphs 99 – 109 of his EIC) and have the following comments.
- 9 **Mr Langman** believes that because capacity is able to be provided by way of MDRS provisions that will facilitate additional medium and high density living within Christchurch City, that additional capacity to cater for the growth demands felt at Selwyn and Rolleston in particular is not necessary. He believes that because of the Living MD variations and MDRS provisions that are in play, that development capacity provided through the SDP is sufficient.
- 10 I do not believe that is a relevant consideration. While the MDRS in theory will add capacity within the Christchurch urban area, they will have less bearing on how the market views Rolleston and other outlying urban entities. The market reality of these locations is they appeal to a very different portion of the market than the terraced house or apartment type developments that will be facilitated under the MDRS.
- 11 It is the growth of people looking for the more standalone, house and land package within commuting distance in order to raise a family, that is driving the Rolleston housing market. This is also evidenced by **Mr Jones**.
- 12 The issues I have identified in my EIC around the way the capacity modelling has been carried out are still valid whether the MDRS provisions are in play or not. It is not clear whether those higher density provisions are able to be implemented within Rolleston, meaning that the additional capacity **Mr Langman** identifies may not actually manifest for many years to come.
- 13 The shortfall occurs within the medium term, that is within 3-10 years. Shortages of capacity within that time will distort the market driving up prices and minimising the growth benefits of adding housing around a Key Activity Centre.

- 14 While I agree that the new provisions such as the MDRS and the intensification provisions under the NPS-UD will have an effect in the longer term, it will take Councils a significant amount of time to prepare for them, and the market may take even longer to accept them.
- 15 In the medium term, providing for PC81 and PC82 is an entirely appropriate and necessary way to help ensure growth is catered for in Selwyn's urban areas.

Dated: 12 September 2022

Greg Akehurst