

**BEFORE AN INDEPENDENT HEARINGS COMMISSIONER
ON BEHALF OF SELWYN DISTRICT COUNCIL**

UNDER

the Resource
Management Act 1991

IN THE MATTER

a request by Hughes
Development Limited for a
private plan change to
the Selwyn District Plan to
rezone 163 Halkett Road
and 1066 West Coast
Road in West Melton for
the development of
approximately 124 lots

AND

**Hughes Development
Limited** (Applicant)

**EVIDENCE OF CHRISTOPHER JONES ON BEHALF OF HUGHES DEVELOPMENT
LIMITED**

Real Estate

13 March 2023

Counsel acting:

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Introduction

1. My full name is Christopher Francis Jones and I am a licensee with Bayleys Canterbury.
2. I have 22 years' experience in real estate specifically in the Selwyn District and 13 years' experience marketing and selling residential subdivisions in south and south west Canterbury. I have sold over 2,700 sections in this time.
3. I have been engaged by Hughes Developments Limited (**HDL**) to assist with its private plan change application to the Operative Selwyn District Plan (**Operative Plan**) to enable residential development on the subject site, being 163 Halkett Road and 1066 West Coast Road, West Melton (the **Site**) (**PC74**).

Scope of evidence

4. Alongside the evidence of Mr Colegrave, my evidence responds to the matters raised in the Council Officer's section 42A report relating to development capacity, and the contribution that rezoning of the Site for housing would make to that capacity (within the West Melton market in particular).
5. My evidence specifically addresses the current housing market conditions in West Melton, including the state of supply of and demand for residential properties.
6. In preparing this evidence, I have reviewed:
 - a) PC74 application and relevant supporting documents.
 - b) Mr Colegrave's brief of evidence provided in support of PC74.
 - c) Mr Sellars' 2021 evidence, provided in support of Private Plan Change 67 (**PC67**).

Code of conduct

7. I have read the Environment Court's Code of Conduct for Expert Witnesses, contained in Part 9 of the Environment Court Te Kōti Taiao

o Aotearoa Practice Note 2023, and agree to comply with it. My qualifications as an expert are set out above. Other than where I state that I am relying on the advice of another person, I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

West Melton Demand

8. West Melton is a unique low-density lifestyle township in a rural environment with a village community. In general terms, section sizes in West Melton are larger than is normal in other parts of the District (including those in other areas such as Rolleston).
9. Presently, there is significant buyer demand for these larger lots in Selwyn (above 1,000m²) including those currently offered in the Wilfield neighbourhood in West Melton. In my experience, many of those buyers are at the stage of their lives where they want more space or the opportunity to build a more significantly sized home. Larger sites allow for this. The lack of supply of such sites within Greater Christchurch has meant a dramatic increase in values over the past 24 months for larger sites across Selwyn. Zoning additional land that allows for larger sites will help ease this pressure.
10. To illustrate this further, sales data for West Melton from REINZ (**Attachment A**) shows that 92 properties were sold in 2022. Of these, 47 were categorised as 'lifestyle properties, crop or arable' which are considered to be 4ha or greater. The average vacant section price was \$705,220 and \$1,426,696 for house and land.
11. The average time taken to sell the 92 properties was 2.8 months. This timeframe is somewhat skewed as an average because the 47 properties categorised as 'lifestyle properties, crop or arable' generally take at least twice as long to sell as residential properties. The average time taken to sell residential properties (vacant and house and land) within West Melton was 1.8 months.
12. In my experience, a duration of 1.8 months to sell a residential property in West Melton is particularly fast. This reinforces the existence of strong demand for housing in West Melton and for lots larger than

1,000m².

13. I am aware that the National Policy Statement on Urban Development (**NPS-UD**) Objective 2 requires that planning decisions improve housing affordability by supporting competitive land and development markets. At present the market in West Melton does not meet this criteria because it is generally constrained and often limited to offerings from only one development entity, resulting in a lack of competition within the market and resultant price escalation. The scale of development which HDL seeks to enable on the Site (and the introduction of the competition it would enable) would make a significant difference in meeting the NPSUD criteria in my opinion.
14. I am also aware that the NPSUD Policy 1 states that planning decisions contribute to well-functioning urban environments which as a minimum have or enable a variety of homes that meet the needs in terms of type, price, and location of different households. Again, this is unable to be met at present given the constrained market. In my opinion, based on my sales experience within the Selwyn District, this objective would be achieved by the HDL's proposed re-zoning of the Site. Essentially, given the current shortfall in supply of larger lots within this sought-after area, 125 lots provided by the rezoning would constitute a significant addition and effectively 'shift the needle' within the market.
15. I would also add that zoning land, such as the HDL land and developing it for 'larger sections' i.e. greater than 1,000m² but less than a lifestyle block would likely result in less rural land being subdivided to 4ha blocks. Many of our buyers are seeking sites that are greater than 1,000m² but still 'urban'. If they cannot get one, due to the current lack of availability, they will resort to buying a 4ha rural lot (which is larger than they need or want) and building on that.

West Melton & Prebbleton Comparison

16. I am aware that Selwyn District Council has grouped West Melton and Prebbleton together for the purpose of a supply and demand analysis. I agree with Mr Colegrave's assessment in his evidence at paragraph 75 that this is not necessarily an accurate or entirely representative grouping.

17. Prebbleton and West Melton may have shared some characteristics in the past, however recent growth within Prebbleton has been dominated by large volumes of smaller sized sections, whereas West Melton has retained its spacious, larger-lot character.
18. Early development of Prebbleton mirrored that of West Melton whereby there was a predominance of large sections. However, in more recent years there has been a pronounced move to the development of smaller section sizes as evidenced within developments such as Stirling Park, Cairnbrae, The Woods, and Prevelles which are more in keeping with development in nearby Halswell than West Melton. Located around the periphery of these developments are various rural residential developments where section sizes of around 5,000m² have been created, albeit in small numbers.
19. This is usefully illustrated by the following table which was included in Mr Gary Sellars' evidence for PC 67at paragraph 3.12 (provided as **Attachment B**) and which provides a useful analysis of lot sizes for the two townships:

Table 1

West Melton – Prebbleton Lot Size Analysis				
	West Melton		Prebbleton	
Lot Size	# Lots	%	# Lots	%
300 – 399	2	0.2%	26	1.5%
400 – 499	0	0.0%	59	3.4%
500 – 599	0	0.0%	86	5.0%
600 – 699	15	1.6%	220	12.7%
700 – 799	14	1.5%	344	19.9%
800 – 899	40	4.3%	409	23.6%
900 – 999	40	4.3%	86	5.0%
1,000 – 1,249	238	25.5%	226	13.1%
1,250 – 1,499	164	17.6%	47	2.7%
1,500 – 2,999	278	29.8%	128	7.4%
3,000 – 4,999	114	12.2%	35	2.0%
5,000 – 7,499	23	2.5%	60	3.5%
7,500 – 9,999	5	0.5%	4	0.2%
Total	933	100.0%	1,730	100.0%

20. As can be seen above, the comparison illustrates a noticeable difference in the residential section profile between the two areas. In West Melton, sections less than 1,000m² make up just 11.9% of the township, whereas in the case of Prebbleton this size range makes up 71.1%. Contrasting this, in West Melton section sizes ranging between

1,000 – 2,999m² make up 72.9%, whereas in Prebbleton this section size range makes up 23.2%.

21. This difference is also reflected in the average vacant residential section sale price in West Melton and Prebbleton respectively for the period from 2011 – 2021 (also usefully illustrated by Mr Sellars in the following table at paragraph 3.17):

Table 2

Vacant Residential Section Sales		
Year	West Melton	Prebbleton
	Sale Price	Sale Price
	\$	\$
2011	213,202	222,333
2012	220,052	212,546
2013	223,179	232,503
2014	261,000	251,921
2015	262,565	278,821
2016	262,844	294,125
2017	263,008	358,255
2018	258,860	319,262
2019	264,750	275,434
2020	286,482	283,700
2021 (Part Year)	339,500	274,833

22. This same information is shown in the following graph (Figure 1) which illustrates the sales price trends for West Melton and Prebbleton.

Average Vacant Section Sale Price

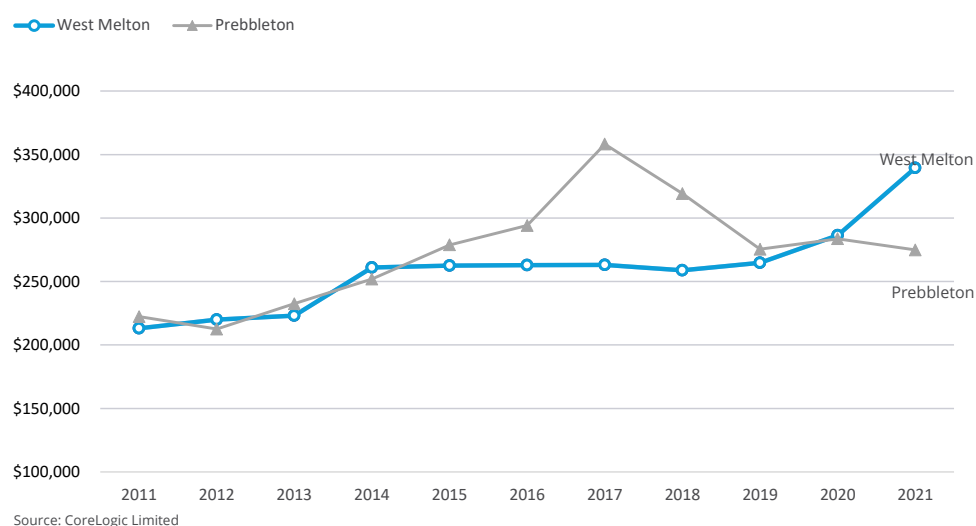


Figure 1

23. As can be seen, the graph illustrates that initial vacant section sale prices in West Melton were broadly similar to Prebbleton. The spike in sale price in Prebbleton in 2016 – 2018 was caused by the sale of a number of large lots in that period, whilst the relatively flat trend line

for Prebbleton in the 2019 – 2021 period is a reflection of the high number of smaller residential sections being sold during this time.

24. For the period 2014 – 2019 the relatively stable section prices in West Melton are a reflection of sufficient supply being available through the final stages of the Gainsborough and Preston Downs neighbourhoods, and the availability of sections within Halkett Grove and Wilfield.
25. The extent of price escalation from 2019 provides a clear indication of a constrained market in West Melton as the availability of new sections has dried up, a conclusion reinforced in Mr Colegrave's evidence at paragraphs 91-92.
26. Currently there are very limited vacant sections available for sale in West Melton. Mr Colegrave's evidence identifies 24 vacant sections currently on the market (paragraph 78 of his evidence) and this is generally consistent with my understanding.
27. I would note that in addition to those identified in Mr Colegrave's evidence, sections within the Wilfield Rise development (which is the first stage of land recently rezoned through PC67) have been released through a pre-sale process. An examination of the developer's website indicates that of the 44 sections released in the first stage, 27 remain available. These 27 sections range in size between 1,100m² and 1,428m².
28. Aside from the Wilfield Rise (PC 67) sections, the only vacant sections available have come from the re-subdivision of existing lots, predominantly within Preston Downs and Wilfield.
29. Mr Brown's evidence addresses this aspect in more detail, however I can confirm that this type of supply (subsequent subdivision) is infrequent and is typically confined to sites that are inordinately larger than the range typically provided in West Melton.

Conclusion

30. The current land market in West Melton, Prebbleton and Rolleston exhibits a dysfunctional market where there is virtually no current supply or choice resulting in an uncompetitive market and extreme

price escalation. In my view, the only solution to this situation (consistent with the aims of the NPS-UD) is the prompt delivery of increased supply.

31. In my opinion, rezoning the HDL Site under PC74 and the development opportunities it provides for, namely sites greater than 1,000m² will contribute significant additional capacity within a constrained market.

Christopher Jones

13 March 2023

Attachment A

Attachment B