

Selwyn Proposed District Plan rezoning requests: Ellesmere

Peer review of submission expert evidence

Prepared for Selwyn District Council

Final

28 November 2022

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1 Introduction

This report reviews submissions made to request rezonings under the Proposed Selwyn District Plan that relate to the Ellesmere rezone packet. The submissions that require review were identified by Council officers, and are those that contain some coverage of economics issues, and are supported by technical information. One such submission was identified for our review, as identified in section 1.2.

1.1 Objectives

The objectives of this report are to:

- ❖ review the identified submissions.
- ❖ assess the appropriateness of the land to be re-zoned in line with the relief sought in the submission.
- ❖ identify any information gaps in the expert evidence or any other matters required to assess the appropriateness of the land to be re-zoned.

1.2 Report structure

This report as structured as follows:

- ❖ Section 2 NPS-HPL
- ❖ Section 3 DPR-0436 PB and JC Nahkies.

2 NPS-HPL

The National Policy Statement on Highly Productive Land (“NPS-HPL”) was released on September 18 2022, after submissions were lodged. That means that submissions and their associated expert evidence did not have the opportunity to respond to issues that arise out of the objectives, policies, and rules in the NPS-HPL. In this section we summarise some of the key issues arising from the NPS-HPL from an economics perspective.

First we note that the Land Use classification (“LUC”) of land on each of the requested rezoning sites will vary, and the appropriateness of each rezoning request will need to be assessed individually, based on soil characteristics, the location of each site, and the proposed activity.

A key issue arising from the NPS-HPL is the tension created between that statement and the NPS on Urban Development (“NPS-UD”). The NPS-UD requires local authorities to “at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term”.¹ That sufficient capacity is a core thread of creating the well-functioning urban environments that are the overarching objective of the NPS-UD. The key from that policy is that the NPS-UD effectively requires a minimum, not maximum, amount of development capacity.

In contrast, the NPS-HPL requires that use of HPL is minimised:

- ❖ “Tier 1 and 2 territorial authorities may allow urban rezoning of highly productive land only if:
 - ❖ (a) the urban rezoning is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development 2020; and
 - ❖ (b) there are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment; and
 - ❖ (c) the environmental, social, cultural and economic benefits of rezoning outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.”²
- ❖ “Territorial authorities must take measures to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the

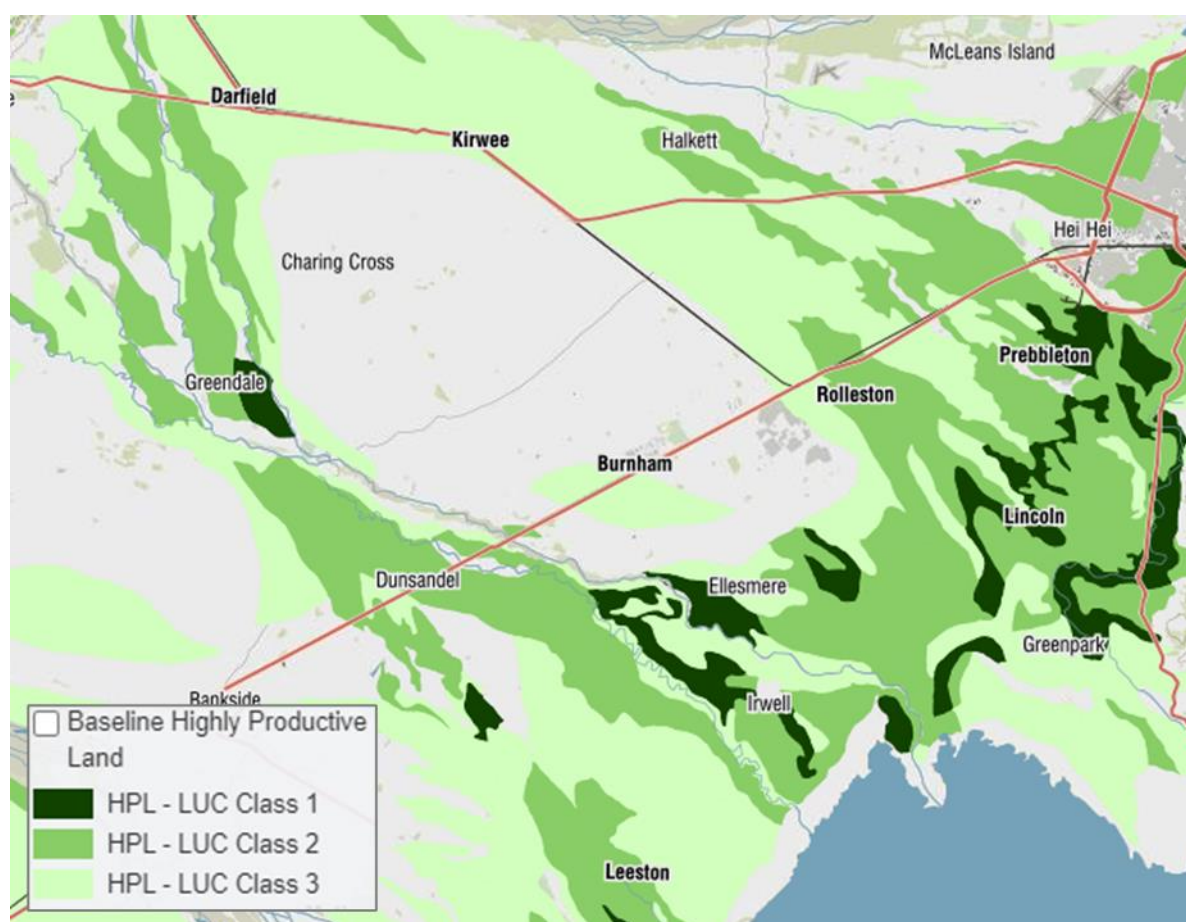
¹ NPS-UD Policy 2

² NPS-HPL clause 3.6(1)

required development capacity while achieving a well-functioning urban environment”.³

This indicates that there should be a balance between providing sufficient development capacity to meet NPS-UD obligations, yet not providing too much so as to meet NPS-HPL obligations. This implies that when HPL is present, there should be a ‘sweet spot’ where just enough, but not too much, HPL is made available for development. So while the NPS-UD alone does not impose minima, as pointed out by some submitters, it cannot be a case of “more is better” when HPL is in play. Much of Selwyn is HPL (LUC 1-3), so this issue will be widespread when assessing the submissions, and because the NPS-HPL came into effect after submissions closed the issue has not been assessed in submissions.

Figure 2.1: Selwyn HPL⁴



³ NPS-HPL clause 3.6(5)

⁴ <https://ourenvironment.scinfo.org.nz/maps-and-tools/app/Land%20Capability>

3 DPR-0436 PB and JC Nahkies (Dunsdandel)

3.1 Decision sought

This submission seeks to rezone 20.6ha of GRUZ land to Large Lot Residential Zone (“LLRZ”).

3.2 Geographic area

The geographic area subject to the requested zoning (the “Nahkies block”) is located between the Main South Railway line and Tramway Road in Dunsandel. The block is semi-triangular in shape, and is some 20.6ha in area. Adjacent notified zones are GIZ to the east, LLRZ on the southern side of Tramway Road, and GRUZ elsewhere. The location of the Nahkies block was shown in Figure 1 of the statement of Richard Johnson (planning), which is reproduced as Figure 3.1.

Figure 3.1: DPR-0436 zoning changes requested



3.3 Submission points

The submission and its associated expert evidence makes the following points relevant to assessing the economic merits of the submission:

- ❖ The rezoned block would have the capacity to accommodate about 35 residential lots.⁵
- ❖ The block would be an appropriate and logical location for further urban growth of Dunsandel during the life of the District Plan.⁶
- ❖ The low density urban form requested is appropriate and consistent with the Objective LLRZ – 01 to retain open and spacious peri-urban character at the rural interface.⁷
- ❖ There is a shortage of residential zoned land available for development in Dunsandel, despite the town being an appropriate location to accommodate growth, and being well serviced with community facilities.⁸
- ❖ The land is well located within Dunsandel with regards proximity to the school and domain, and is suitable for growth from a reticulated water perspective.⁹

3.4 Further submission points

There were no further submissions on submission 436.

3.5 Response to submission points

We note that the Nahkies block falls outside the Dunsandel town boundary, as identified in the Ellesmere Area Plan (2016), and is not envisaged in that plan to accommodate residential activity, with only very modest growth anticipated in the town. The Area Plan concluded that:

There is significant capacity in the 33 hectare Dunsandel Living A and B Deferred zones that is undeveloped and could also provide a greater range of lot sizes, including low-density sections. Overall, there is considered to be sufficient available land to accommodate what is identified as being low projected population growth through to 2031 without the Council proactively zoning additional residential greenfield land.¹⁰

We note that the Living A and B Deferred zones are not zoned for residential activity in the proposed District Plan, and so the capacity that they would have enabled will not now be provided as was anticipated in the Area Plan, but could be partially offset by the capacity sought to be enabled on the Nahkies block.

In any case, that sufficiency should not necessarily preclude residential growth in other places in the town if alternate sites are available, appropriately serviced, contribute to a cohesive well laid out urban form, and are not subject to any constraints such as from reverse sensitivity or lack of

⁵ Statement of evidence of Richard Johnson (planning), paragraph 2

⁶ Statement of evidence of Richard Johnson (planning), paragraph 8

⁷ Statement of evidence of Richard Johnson (planning), paragraph 9

⁸ Submission 436, paragraph 3

⁹ Submission 436, paragraph 7

¹⁰ Ellesmere Area Plan, page 44

infrastructure. I understand from the evidence of Mr Nahkies¹¹ that the requested residential zone would be able to be serviced by water, electricity and internet,¹² is physically suitable for development and close to major employers,¹³ and there is likely to be strong demand for residential lots within the Nahkies block.

We note Mr Nahkies' observations that compare Dunsandel to Kirwee and Doyleston, both of which have experienced growth as enabled by their operative zoning. We agree that residential demand-supply can be a circular relationship, with the physical manifestation of demand (development of new dwellings) being precluded if there is no land on which dwellings are permitted to be built. On the other hand, zoning large new areas for residential activity is likely to stimulate demand by providing an opportunity for development to occur. In our opinion, given strong growth that has been occurring throughout Selwyn, and that is projected to continue in the townships nearest Christchurch, it would be appropriate to make some provision for residential growth in Dunsandel.

In our opinion a residential development such as would be enabled on the Nahkies block (35 dwellings) would not have more than minor adverse economic effects or result in any significant redistribution of growth within Selwyn. It is our opinion that the requested zone change to LLRZ is appropriate and would not generate adverse economic effects, subject to an assessment of the request under the NPS-HPL. The NPS-HPL imposes obligations to minimise use of HPL for development, and so it would need to be shown that the rezoning requested is the minimum necessary to provide required development capacity while achieving a well-functioning urban environment, under clause 3.6(5) of the NPS-HPL. While Mr Johnson has not had the opportunity to assess consistency with the NPS-HPL, that requirement will need to be taken into account when evaluating the merits of this submission, given our understanding that much of the Nahkies Block is HPL.

¹¹ Dated 31 July 2022

¹² Statement of evidence of Brent Nahkies (property), paragraph 11

¹³ Statement of evidence of Brent Nahkies (property), paragraphs 10, 20 and 21