

## APPENDIX B

### FACTORS AFFECTING LAND SUPPLY ASSUMPTIONS – EXTRACTS TAKEN FROM PLANNING EVIDENCE OF FIONA ASTON, PROPOSED PLANCHANGE 63 (North Darfield)

(see <https://www.selwyn.govt.nz/property-and-building/planning/strategies-and-plans/selwyn-district-plan/plan-changes/plan-change-63,-rezone-60-hectares-of-rural-outer-plains,-darfield>)

1. Expectations for development over the Plan Period. I agree with Ms Carruthers that the appropriate plan period is 30 years as used in the Selwyn District Growth and Demand document.
2. This is the appropriate forecasting period because (a) it aligns with the Council's Infrastructure planning period, and (b) it is what the National Policy Statement on Urban Development uses, and this could be a guide. However it would seem strange, if not misleading, if the MAP (and Proposed Plan) identified future growth areas unless it was thought they would be reasonably necessary for development in the 30 year plan period. There is also the question of when, and through which mechanism, this land and other future growth areas will be zoned to enable rezoning; whether their merits would be assessed in comparative terms with other candidates; what the criteria would be used to assess the areas; and what the trigger would be for rezoning. It would seem unfair and costly if the Applicant has to submit another privately requested plan change in the future.

Projected increase in future household growth within Darfield.

3. The Growth and Demand document referred to above forecasts an additional 1142 dwellings over the next 30 years (around 38 dwellings per annum) which is somewhat greater than the historic annual take up of 24.8 dwellings (see Appendix 4 of the Growth document). This projected increase may be to do with the increasing affordability of Darfield relative to other areas closer to Christchurch, the new reticulated wastewater facility coming into operation, and continuing growth in the rural economy both from the benefits of irrigation, and aforementioned proximity to popular recreation and tourism opportunities. These are all factors that are likely to increase the demand for housing over the plan period. Property Brokers have prepared an up to date analysis of land sales within the last 12 months for the Darfield and Kirwee. This shows a recent substantial upsurge in sales since the end of 2020 following sluggish numbers over the 2017-19 period.
4. This table shows that land take up for the last two years, 'particularly for suburban size sections' is occurring faster than projected in the Selwyn District Growth forecasts at around 3 ha per annum, based on 12hh/ha or 4 ha pa based on 10 hh/ha. The sales figures show that so far this year alone i.e. 6 months, around 6 hectares has been taken up (or soon will be depending on how many building consents have already been issued), in addition to low density development. This suggests to me that care needs to be taken when relying on documents such as the MAP for drawing conclusions on land needs.

How that projected growth will be accommodated or allocated.

5. For example if all the future growth is the standard greenfields development at 12 hh/ha (as now required in the Greater Christchurch portion of the District), the rate of land take up will be 3ha per annum on average (38 dwellings/12 hh/ha), or 90 ha over the 30 year

planning horizon, which is just short of all the vacant land that currently exists (see paragraphs 64 et seq below). However, we don't know the proportion of development that will occur through intensification or in the large lot zones. Nor do we know if 12hh/ha will be achieved over all of the greenfields developments. (This is not a requirement under either the Operative or Proposed District Plan outside the Greater Christchurch area). The Darfield L1 and LX zones are zoned Low Density Residential in the Proposed Plan. The minimum average lot size is 750m<sup>2</sup>. The recent sales data shows the sections being sold are of sizes closer to 10 per ha or less which puts the take up rate at 4 ha per annum/120 ha over 30 years. Under this more realistic scenario, the medium and long term enabled capacity is significantly reduced. The feasibility of undertaking intensification on existing land is likely to make that form of development less popular with developers and most L1 development will in all likelihood occur in the greenfields areas.

Development timeframes and processes are not static.

6. Land is continually being taken up during the period when plan changes and plan reviews are occurring. Just as importantly, zoning does not instantly produce houses – there could be a delay of anywhere between 12 months to three years or more while subdivision consent is obtained, earthworks carried out, building consents issued, and houses built and finally marketed and occupied. These are important considerations when deciding when a zoning change (by review or plan change) should be initiated.

Zoned land doesn't equate to available land.

7. There are several blocks in Darfield that have been zoned for a long time but have not been developed, as explained in the Property Brokers advice. This includes a considerable amount of land in the Living 1 and Living X Deferred Zone (appx 50.44 ha<sup>5</sup>) which has been in the possession of the same landowner for many years with no attempt to develop or in case of the LX land, remove the deferral. The availability of the Church land in the vicinity of south of Cardale Street and between Darfield high and primary schools (appx 7.3 ha) is likewise questionable. I understand that school and Church land would have been excluded in the Council's most recent land supply data (a further appx 10.5 ha) but it is unclear how that land was treated in the Malvern Area Plan relied on by Ms Carruthers.
8. With untaxed capital gains on land there is a high propensity for some landowners to take a long term position with their land holdings. The New Zealand Planning Institute raised the issue of land banking in its submission on the National Policy statement – Urban Development Capacity 2016 on NPS UD 2016:
9. **"Land banking** The CBA contains advice which is of considerable concern. S.8.2.2.3 states, "analysis suggests that there may be large differences between plan-enabled capacity or market-feasible capacity and the development that actually occurs" (emphasis not added), and suggests, "it appears necessary to provide plan-enabled capacity for three to ten dwellings in order to enable a single dwelling to be developed over a ten year period."
10. The NPS-UD requires a 20 per cent short and medium term 'competitive margin' in Councils' housing capacity assessments to account for land banking. This means close to 110 -145 hectares of L1- standard land (depending on the density) should be considered as the

minimum needed over the next thirty years. In the case of Darfield, there is a case for a higher 'competition margin' given the extent of land banking. Where land banking is occurring, bringing additional development opportunities to the market is in my opinion consistent with promoting the purpose and principles of the Resource Management Act, particularly where there is agreement from the District and Regional Council that land supports urban form policies.

11. As discussed above the rate of take up is sensitive to density assumptions, and yield per hectare in greenfields areas. The lower the density the greater the rate of take up and vice versa.
12. In summary, the 2021-2051 growth projections are forecasting a significant increase in dwelling numbers and by implication land take up. This appears to be confirmed by current residential sales figures. The completion of the Darfield wastewater reticulation project, competitive house prices relative to other settlements, and population ageing are factors that are likely increase the rate of take-up of L1 land in Darfield. Consequently, the take up of L1 greenfields land could well be 4ha+ per annum, depending on how many houses are delivered either through infill, what greenfield densities are achieved and the proportion of new dwellings on the larger lots further from the town centre. Theoretically this equates to 20-25 years supply (assuming the Living X Deferment is 20 removed) but when all the factors above are considered, the availability and choice of housing sites on the market will diminish far sooner than that.
13. The tenor of the NPS-UD is for Councils to ensure there are minimum impediments to the market functioning competitively. This means (providing there are no significant adverse effects) erring on the side of oversupply rather than undersupply, enabling development in a range of appropriate locations, and providing opportunities for different housing typologies. My opinion would be different if the additional zoning was on difficult ground, could not be serviced, or had other constraints. But this is not the case here.
14. Another reason for making the land available now is to diversify the future housing stock. Data from the Selwyn District Council shows a current and future demographic profile skewed towards an older population compared to other centres. The densities being provided through this Plan Change, including the proposed retirement village, will provide for this need and are likely to increase the rate of take up in this L1 Zone, considering its favourable location.