

Selwyn Proposed District Plan rezoning requests

**Peer review of submission expert evidence lodged
in response to Variation 1 for Rolleston in response
to Minute 8, Hearing 7**

Prepared for Selwyn District Council

Final

22 May 2023

Author

Derek Foy

derek@formative.co.nz

021 175 4574

Disclaimer

Although every effort has been made to ensure accuracy and reliability of the information provided in this report, Formative Limited and its employees accepts no liability for any actions or inactions taken based on its contents.

© Formative Limited, 2023

Contents

1	Introduction.....	1
2	Peer review of economics evidence	2
2.1	Decision sought.....	2
2.2	Geographic area	2
2.3	Submission points	4
2.4	Response to submission points.....	5

Figures

Figure 2.1:	ODP for area subject to submissions V1-0116 and V1-0093	2
Figure 2.2:	Location of the Site in relation to Applefields and Yoursection submission areas.....	3
Figure 2.3:	Yoursection site and PC75 and PC78	4

1 Introduction

This report responds to Minute 8 of the Independent hearings Panel, titled “Cross Examination Hearing 07”, dated 17 May 2023. That Minute asks SDC, in paragraph 4, to commission a peer review of the V1-0093 economic evidence.

I record that I have previously reviewed two such submissions in Rolleston (V1-0025 Yoursection Ltd, and V1-0084 Applefields Ltd).

The peer review provided in this report adopts the same format as for the Yoursection and Applefields reviews. I note that the V1-0093 economics evidence was provided by Fraser Colegrave, on behalf of both Hughes Development Group (V1-0116) and Brendean Drive Rezoning Group (V1-0093), and insofar as Mr Colegrave’s evidence covers both submissions, this review also addresses both submissions.

The objectives of this report are to:

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

2 Peer review of economics evidence

This section reviews the statement of evidence of Fraser Colegrave on behalf of Hughes Development Group (V1-0116) and Brendean Drive Rezoning Group (V1-0093), dated 5 May 2023. I have also reviewed the evidence of Mark Brown (planning) to assist with context of the submission.

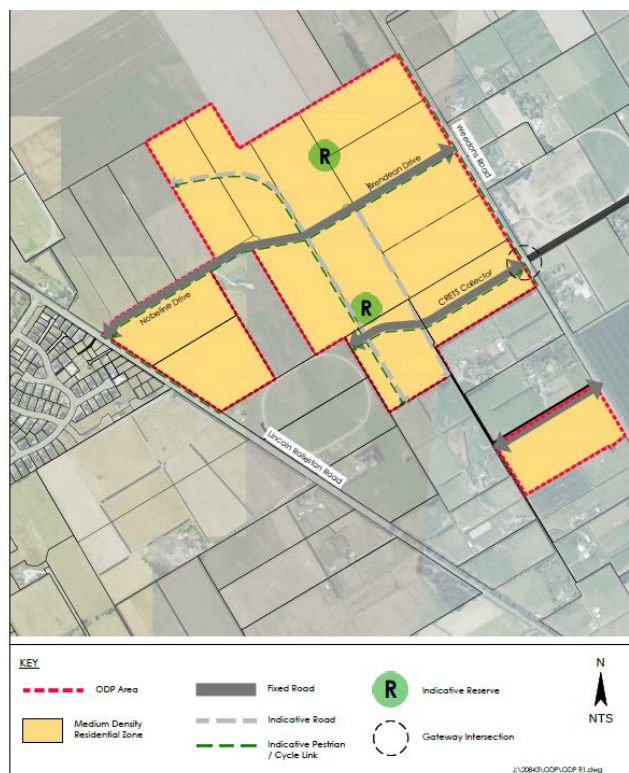
2.1 Decision sought

The submissions seek to rezone a Site consisting of 57.2ha in Rolleston to MRZ within the PDP. From Mr Brown's evidence, "the Site is within an identified Future Development Area ("FDA") in Chapter 6 of the Canterbury Regional Policy Statement and, accordingly, is subject to the UGO. If accepted, that zoning, in combination with the proposed ODP for the Site would deliver a minimum 685 new residential lots".¹

2.2 Geographic area

The geographic area subject to the requested zoning was shown in Attachment A of Mr Brown's evidence, which is reproduced as Figure 2.1.

Figure 2.1: ODP for area subject to submissions V1-0116 and V1-0093²



¹ Statement of evidence of Mark Brown (Planning), paragraph 4.1

² Statement of evidence of Mark Brown (Planning), Attachment A

South of the Site is the area covered by the Yoursection submission, and south of that is the Applefields area. Together the three submissions cover all of the Lincoln-Rolleston Road frontage that is within an area identified as Urban Growth Overlay in the PDP, and an Urban Growth overlay under Variation 1. The extent of the proposed overlay under Variation 1 is shown in Figure 2.2. On the western side of that road are two plan change areas (PC75 and PC78) that were made operative in September 2022 (Figure 2.3). Adjacent to the north of the HDL/Brendean Site is the PC71 area (under appeal).

Figure 2.2: Location of the Site in relation to Applefields and Yoursection submission areas

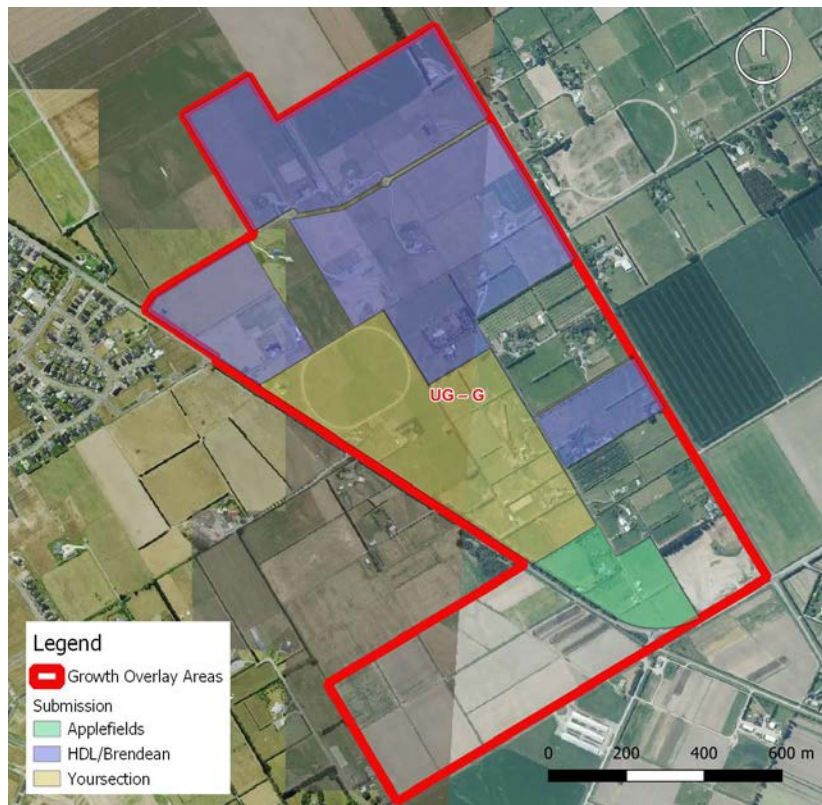


Figure 2.3: Yoursection site and PC75 and PC78



The Site has been identified to provide for growth within the regional planning framework, being both within the Projected Infrastructure Boundary (“PIB”) and defined as a Future Development Area (“FDA”) within the Canterbury Regional Policy Statement (Map A - Greenfield Priority Areas and Future Development Areas).

2.3 Submission points

Mr Colegrave’s expert evidence makes the following points relevant to assessing the economic merits of the submission:

- ❖ All properties subject to the submission are within the FDA.³
- ❖ The estimated dwelling yield sought to be enabled is in the order of 685 dwellings.⁴
- ❖ Council’s estimates of residential demand are low in comparison to recent household growth and residential building consent trends and the likely capacity appears to be overstated.⁵
- ❖ Re-zoning the Site will generate economic benefits, including a one-off stimulus of construction activity and household incomes.⁶

Mr Colegrave’s evidence critiques SDC’s dwelling capacity modelling, the Selwyn Capacity for Growth Model (“SCGM”). That model was developed by my colleague Rodney Yeoman, and while I have an understanding of how the model works, I do not have a detailed knowledge of the model’s mechanics

³ Statement of evidence of Fraser Colegrave (Economics), paragraph 3.2

⁴ Statement of evidence of Fraser Colegrave (Economics), paragraph 3.3

⁵ Statement of evidence of Fraser Colegrave (Economics), section 4

⁶ Statement of evidence of Fraser Colegrave (Economics), section 7

or assumptions. In my review of the Applefields and Yoursection submissions I provided an overview of the SCGM.

2.4 Response to submission points

I do not consider it is necessary to respond in detail to the Mr Colegrave's critique of the model, because the HDL and Brendean submissions are within the FDA, and therefore not subject to assessment under the NPS-HPL. If the submission areas were not within the FDA, and if they were subject to NPS-HPL considerations, they would need to show that the supply they sought to provide was necessary to allow SDC to meet its obligations under the NPS-UD, to satisfy clause 3.6 to the NPS-HPL. However, because the Site is within the FDA, that adequacy of supply does not need to be proven in order to establish the economic merits of the HDL and Brendean submissions.

That being the case, the HDL and Brendean submissions are both subject to a very similar range of economics considerations as the Yoursection and Applefields submissions. Yoursection and Applefields were both supported by reports authored by Mr Colegrave, to which I have responded in detail in my review of 3 March 2023.⁷ My response to those submissions therefore applies also to the HDL and Brendean submissions. My response to HDL and Brendean submissions, as supported by Mr Colegrave, is as follows:

- ❖ I agree that there has been recent high demand for residential land in Rolleston, and Selwyn, and note that the updated SCGM accounts for recent changes in the residential land market.
- ❖ The updated SCGM concludes that supply is more than enough to meet projected demand in the short and medium terms, and insufficient toward the end of the long term in both Rolleston and Selwyn in order to meet obligations under the NPS-UD.
- ❖ The NPS-UD sets minima, not targets, and so when highly productive land is not in play, as it is not for the HDL and Brendean submissions, enabling more residential supply that there is assessed to be demand for is not a critical failure of a request to enable more supply.
- ❖ I agree that the requested zone change would give rise to a range of economic benefits.
- ❖ The HDL and Brendean Site is an appropriate location on which to accommodate future residential growth. The site is within an area identified to accommodate future urban growth, and so is not subject to a development restrictions under the NPS-HPL.

Taking all of these factors into consideration, I agree with Mr Colegrave's conclusions that:

⁷ "Selwyn Proposed District Plan rezoning requests, Peer review of submission expert evidence lodged in response to Variation 1 for Rolleston", Formative Limited, 3 March 2023

- ❖ The requested rezoning represents additional dwelling capacity that will contribute to enabling future adequate supply of residential land in Rolleston, and Selwyn.
- ❖ There will be a range of economic benefits of the requested zone change.