



Submission on Greater Christchurch Settlement Update – Our Space 2018-2048

GFR Rhodes Estate & Larson Group

November 2018

Greater Christchurch Partnership

Submitter Details

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Hearings:

We wish speak at the hearings.

Preferred location: Selwyn District

Contact number: C/- Aston Consultants Ltd. Contact details as above.

Background:

GFR Rhodes Estate ('Rhodes') own approximately 22ha of land, legally described as Lot 2 DP 25129, Lot 2 DP 42643 and Lot 2 DP 4150512. The land is zoned Rural Inner Plains and is located between Hamptons and Blakes Road west of the current Prebbleton Living zone boundary. It is identified in the Selwyn District Rural Residential Strategy 2014 as Preferred Rural Residential Area 7. Rural residential development is required to be 'future proofed' to enable future intensification to urban densities because the site is "*within the "Preferred Urban Form" identified on Map 24 of Appendix 2 of this Strategy*" (see **Appendix A** i.e. it is within the future urban growth path for Prebbleton).

The Rhodes Estate has not proceeded with rural residential rezoning because their preference is urban subdivision, and they recognise that there is very little remaining undeveloped living zoned land at Prebbleton.

The Larson Group own land between the Rhodes land and the current Prebbleton urban boundary as shown on the location plan below (with a combined area of 34 ha). They did not seek rural residential status under the Selwyn Rural Residential Strategy because of their proximity to the

current urban boundary and their location within the 'Preferred Urban Form' area for Prebbleton.

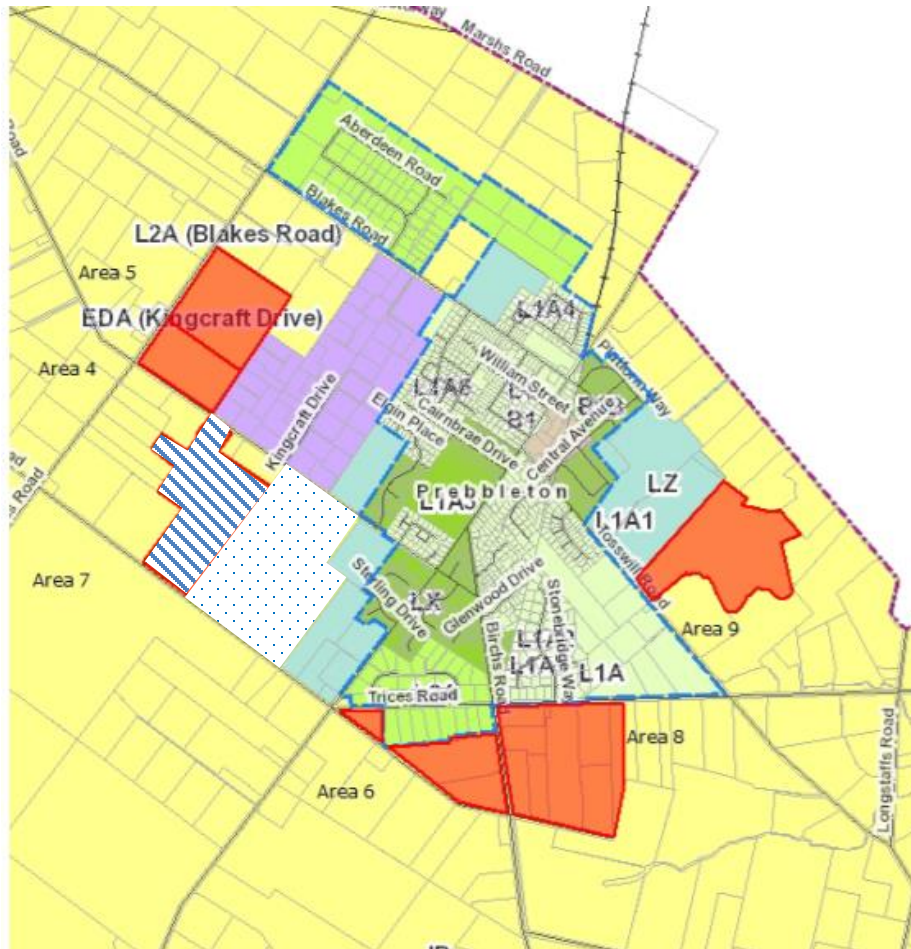


Fig 1: Location Plan

Rhodes Estate land - striped, Larson Group land - dots

The GFR Rhodes Estate and Larson Group are collaborating and working together on the rezoning issues affecting their respective lands. This includes submissions on the Selwyn Long Term Plan 2018-2028 and on the Selwyn District Plan Review 'Are we on track' consultation. They have sought advice from Urban Economics regarding housing affordability issues and housing land development capacity at Prebbleton (see **Appendix B**). They propose a form of living zoning for their land which will provide for a greater diversity of housing at Prebbleton, in particular smaller more affordable housing on smaller sites in the 300-500m² size range.

Under the current Prebbleton zoning there is virtually no provision for smaller medium density housing at Prebbleton. The average section size in the 'standard' Living Z zone is 700m² with a minimum lot size of 550m². There are no medium density areas, other than one small area shown in darker yellow on Outline Development Plan Area 4 (west Prebbleton) as below:-

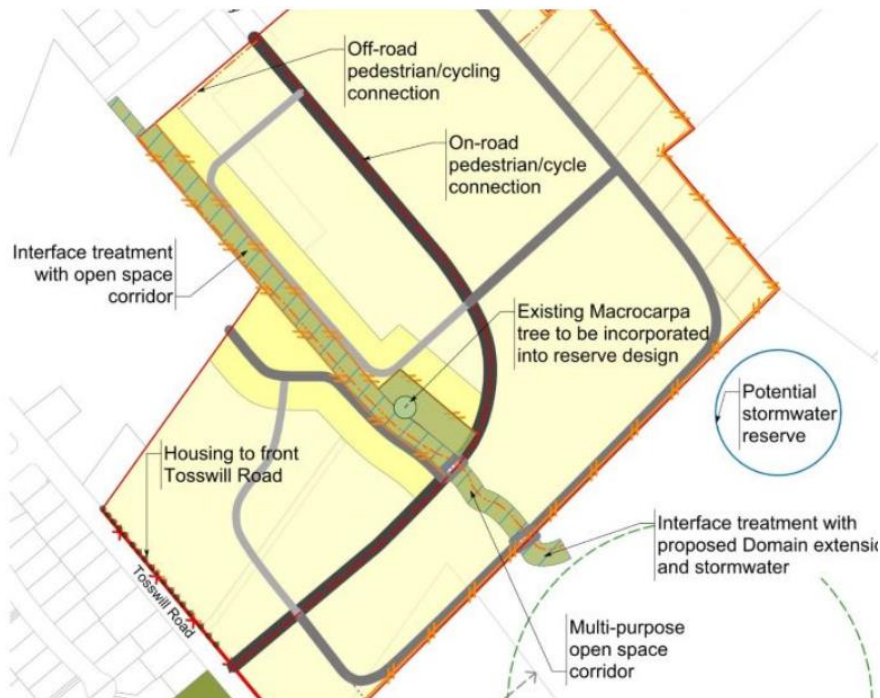


Fig 1: Prebbleton ODP Area 4

Residential intensification of existing zoned areas will not achieve the same affordable housing outcomes as a proposed greenfield development of the scale proposed by the Submitters. Intensification is not generally compatible with the amenity desired by existing property owners and only occurs in an organic and piecemeal fashion over an extended period, depending on the aspirations and timeframes of the multiple landowners. It is also constrained by the location of existing dwellings, and limited ability to retrofit additional services, roading, accesses etc. In contrast, larger greenfield (or brownfield) properties enable high quality masterplanned developments which tend to have a better design and pricing outcome.

Urban Economics Assessment

The key findings of the Urban Economics assessment are summarised below:-

Housing Affordability

- At present over 75% of dwellings at Prebbleton are priced at over \$600 000, with the township currently largely catering for higher income households. Only 1% of dwellings are priced at below \$400 000.
- The rezoning proposal will enable in the order of 750 dwellings, on lots ranging from 300-500m² in size. This relatively small lot size will enable lot prices of \$160,000 - \$190,000 and

dwelling prices of \$350,000 - \$380,000; and will increase the percentage of affordable dwellings priced under \$400 000 to 20% at 2028.

- The availability of lower priced housing will have a wide range of social and economic benefits, most notably there will be more diversity in the housing stock, in terms of size and price, and this will enable more households to meet their housing needs. For example, an elderly household looking to downsize their house would have little opportunity to do this in Prebbleton.

Housing demand capacity

- The Prebbleton Structure Plan (2010) estimates demand for an additional 630 dwellings in Prebbleton over the next decade. This estimate is significantly lower than the recent construction trends, which indicate demand for an additional 1,500 dwellings in Prebbleton over the next decade.
- Prebbleton has commercially feasible development capacity that is practically available over the next decade, of around 10 additional infill dwellings and 90 greenfield dwellings (100 in total). Given recent demand of 150-200 new dwellings per annum, this indicated supply will be fully exhausted in less than a year. This will equally apply if demand is a more conservative 100 dwellings per annum.

Feasible opportunities for new residential development

- Prebbleton has a large number of small lifestyle blocks on its periphery. These have a higher value than large rural blocks and are more difficult to develop due to price and site aggregation.
- Prebbleton has only two feasible opportunities remaining for new residential development on its periphery, one being the Rhodes/Larson Group property.

Suitability of Land for Development

The Rhodes and Larson properties adjoin and can be readily serviced from existing neighbouring Living Z land. Reticulated services extend along Trents Road to existing Living 3 (rural residential) development at the Shands/Trents Road intersection and have capacity for urban development of the intervening land.

The Rhodes and Larson properties are combined a substantial area of land and enable a large scale, master planned development with flexibility in the positioning of roading and services, and the ability to achieve connectivity between Trents and Hamptons Road, and with the existing urban area.

There are no natural hazard issues which would preclude rezoning. The Site is not subject to liquefaction or other natural hazard risks such as flooding or ponding.

Relief Sought:

Additions are shown in bold and underlined and deletions as strike through.

1. Amend **Our Space** Fig 16: Proposed locations of future development areas in Greater Christchurch as follows:-
Include the GFR Rhodes Estate and Larson Group land as a Greenfield Priority Area – Residential on Fig 16.

2. 6.2 Schedule of future work

Amend 8 (page 34) as follows:-

Prepare a proposed change to Chapter 6 (Recovery and Rebuilding of Greater Christchurch) of the Canterbury Regional Policy Statement to:-

- address the need for additional housing development capacity over the short and medium term including at Prebbleton including by amending Map A to be consistent with the relief sought in this submission (including 1. above and 3. below); and
- provide flexibility to accommodate meritorious proposals for urban development and zoning and to facilitate a responsive planning approach by amending and adding to the objectives and policies as follows (insertions in bold and underlined):-

Add new Policy 6.3.1A as below:-

Policy 6.3.1 A

(a) Enable urban development or zoning outside the Greenfield Priority, Special Housing Areas and Existing Urban Areas shown on Map A provided the following conditions are met:-

- (i) Any additional land is contiguous with a Greenfield Priority Area, Special Housing area, or Existing Urban Area; and**
- (ii) Any additional land will integrate with the provision of infrastructure; and**
- (iii) Any additional land is a logical addition to the urban area and will contribute to a consolidated urban form; and**

(iv) The beneficial planning outcomes for the urban development or extension outweigh any costs arising from increasing the land available for urban development; and

(v) All of the criteria in Policy 6.3.11 (5)(a) to (g) inclusive are met.

Explanation:

This policy confirms the requirement for urban development to be contained within Greenfield Priority, Special Housing and Existing Urban Areas but provides some flexibility to accommodate meritorious proposals and to facilitate a responsive planning approach given the uncertainties associated with the housing and business land capacity assessments which have informed Map A, and with the primary drivers and influencers of urban development in Greater Christchurch.

6.2.1 Recovery framework

Recovery, rebuilding and development are enabled within Greater Christchurch through a land use and infrastructure framework that:

3. avoids urban development outside of existing urban areas or greenfield priority areas for development, unless expressly provided for in the CRPS **or which has only minor or less than minor adverse effects that will not compromise the overall CRPS urban growth management approach;**

6.3.1 Development within the Greater Christchurch area

In relation to recovery and rebuilding for Greater Christchurch:

4. ensure new urban activities only occur within existing urban areas or identified greenfield priority areas as shown on Map A, unless they are otherwise expressly provided for in the CRPS **or which has minor or less than minor adverse effects that will not compromise the overall CRPS urban growth management approach;**

6.3.7 Residential location, yield and intensification

In relation to residential development opportunities in Greater Christchurch:

7. Subject to Policy 5.3.4, residential greenfield priority area development shall occur **generally** in accordance with Map A. These areas are sufficient for both growth and

residential relocation through to 2028.

3. Specify in **Our Space** that Fig 16 be included in District Plans rather than the Canterbury Regional Policy, thus facilitating the ability for private plan requests for changes to the same, with appropriate criteria for assessment being included in the CRPS and/or District Plans; or as a less preferred alternative, other methods to retain flexibility and 'future proofing' to respond to meritorious housing and business development proposals which give effect to the NPS-UDC but are not recognized or provided for in **Our Space** and supporting documents.
4. Amend the **Our Space** Targets for housing development capacity assessment (Table 2) and related commentary (including Sufficiency) to recognise the need to provide for further greenfield residential areas at Prebbleton, sufficient to accommodate an additional 1500 households by 2028 (as assessed in the Urban Economics Assessment attached as **Appendix C**) with needs post 2028 to be further assessed and included in **Our Space**.
5. Consider other amendments to the CRPS and other documents and other actions which are appropriate to facilitate a responsive planning approach to management of urban growth of Greater Christchurch.
6. Consider streamlined RMA or other processes to facilitate the amendments sought which are specific to the Submitters' land and which provide flexibility to provide for meritorious zoning and urban development, including associated policy wording. Do not use streamlined processes for implementation of the overall **Our Space** strategy and approach which has very significant implications and needs to be subject to rigorous RMA based evidential testing.

Reasons for Relief Sought:-

1. For the reasons set out above and under the responses to the Submission Form questions below.
2. The housing and business development capacity targets, urban form outcomes, and Schedule of Future Work measures (including change to the CRPS) contained in **Our Space** will have a profound and defining effect on the Greater Christchurch settlement

pattern for the next 30 years. There will be significant flow on effects for the local, regional and potentially national economies. There is an acknowledged high level of uncertainty with the housing and business development capacity targets; and the adopted approach is aspirational and untested with its focus being redevelopment and intensification of existing urban areas, underpinned by an as yet unfunded “*vision for transformation of the transport network that fosters much greater public and active transport usage, and reduced reliance on the private vehicle*”.¹ Despite all this, there is no s32 assessment accompanying **Our Space**.

3. The amendments sought will enable the GFR Estate and Larson Group land to be used in the most appropriate, effective and efficient way which will achieve the purpose of the Resource Management Act 1991 (the Act).
4. **Our Space** as notified proposes an urban growth management approach, in particular as it affects Prebbleton township and the GFR Rhodes Estate and Larson Group land, which is inconsistent with and does not give effect to the Act, including Part 2 and Section 32, and other relevant statutory and non-statutory matters.
5. The **Our Space** housing development capacity targets are uncertain, inaccurate and based on a flawed methodology.
6. Provision for further urban growth at Prebbleton (and potentially other townships) in the short, medium and long term is essential to enable the town to respond to the projected shift over time towards smaller households, as the population ‘ages’, and to meet the need for more affordable housing.
7. Infill and redevelopment is organic and generally occurs very gradually and in a piecemeal way over time. It cannot be relied upon ‘on its own’ to deliver the anticipated increased need over time for smaller and more affordable housing. Larger properties enable high quality masterplanned developments which tend to have a better design and housing price outcome.
8. **Our Space** considers a responsive planning approach to future proof the management of the Greater Christchurch urban growth but does not facilitate or enable this, whereas the relief sought in this submission does.
9. **Our Space** as notified is contrary to and does not give effect to the National Policy Statement – Urban Development Capacity (NPS – UDC) in particular Policy PB1 which

¹ Open Space p 19

requires housing capacity supply to meet demand for different types, locations and price points.

10. A fixed uncontestable urban/rural boundary line for Greater Christchurch as proposed by **Our Space** is unlikely to facilitate the urban form sought by **Our Space** including for the following reasons:-

- Overly strict limitations on peripheral growth causes excessive land price inflation that in turn has a very negative effect on housing affordability;
- A planning regulatory regime which provides for a contestable urban/rural boundary sends an important signal to the property market that it is best to get on with development rather than “land bank” (because there is excessive capital gain due to scarcity of land supply);
- Containment and higher land values does not facilitate intensification;
- If the Central City and the Key Activity Centres are attractive the market will locate there by people’s choice. Generally carrots are better than sticks to achieve desired planning outcomes.
- A contestable urban/rural boundary is not ‘laissez-faire’ and ad hoc and will not result in uncontained urban sprawl. The proposed amendments to **Our Space** and other planning documents require strategic planning including with respect to infrastructure, and an evidence base in support of any amendments to the boundary;
- A policy of both “up and out” that ensures there are a range of development opportunities and housing choices is appropriate.

Housing Growth:

Question 1:

Our Space highlights there is significant capacity for new housing through redevelopment in Christchurch City but to accommodate housing growth in Selwyn and Waimakariri it identifies additional greenfield land around Rolleston, Rangiora and Kaiapoi.

Do you agree with this approach and why?

Response:

Our Space has a 30 year time horizon. It makes no provision for further greenfields development in Selwyn District, other than at Rolleston. Its housing capacity assessment treats Selwyn District settlements combined as a single housing market. This approach is flawed, not supported and is

contrary to the National Policy Statement – Urban Development Capacity (NPS – UDC) in particular Policy PB1 which requires housing capacity supply to meet demand for different types, locations and price points. Each township has a different character, housing market and demand and ‘need’ profile.

Prebbleton is identified as a Service Centre in Selwyn 2031. Service centres are defined as centres in the 1500-6000 population size range with a *“Function ... based on providing a high amenity residential environment and primary services to Rural Townships and surrounding rural area”*. The current population (2018) for Prebbleton is 3918². There is clearly scope for significant further growth at Prebbleton in terms of its intended function. For a service centre, Prebbleton is well served with local facilities and services, including a local supermarket currently at the consenting stage.

Open Space proposes to consolidate urban development in and around the larger towns in Selwyn and Waimakariri and also respond to the anticipated strong demand for high density housing in the City. Despite this approach, no provision whatsoever is made for further growth beyond the existing greenfield areas at Prebbleton. Whilst smaller than Rolleston and Lincoln, Prebbleton is a significant township, closer to the Christchurch City than either Rolleston or Lincoln and extremely well connected, both via the Southern Motorway extension and a cycleway link into the City. No provision for further growth at Prebbleton is contrary to the **Our Space** ‘consolidation’ approach.

Urban Economics has undertaken an analysis of the Prebbleton market and the GFR Rhodes Estate and Larson Group greenfield proposal (see **Appendix B**). The housing market at Prebbleton is currently ‘skewed’ towards the ‘middle and upper’ end, with over three quarters of current houses being valued at over \$600 000. Only 1% of dwellings are priced at \$400,000 or less. Under the currently District Plan zoning provisions, only 7% of dwellings would be priced at \$400,000 or less, as at 2028. By contrast, under the proposal for greenfield development of the Rhodes and Larson Group land, there is potential for a significant 20% of dwellings to be priced at \$400,000 or less, as at 2028.

² Taken from SDC August LTP and AMP Assumptions Report 2018-28

The availability of lower priced and smaller housing would have a wide range of social and economic benefits, most notably there would be more diversity in the housing stock, in terms of size and price, and this would enable more households to meet their housing needs.

Urban Economics has assessed the current housing land supply at Prebbleton, including greenfield and infill capacity. There is less than one year's remaining supply, which is clearly not adequate to meet the ongoing housing needs of the Prebbleton or Greater Christchurch community.

There is clearly a strong unmet demand and need for further greenfield development at Prebbleton. The Urban Economic Assessment notes that there are very few locations at the urban boundary suitable for further development, taking into account current land values and the existence of small lifestyle blocks around the edge of much of Prebbleton. The Rhodes and Larson Group land are in the ideal location and are identified in existing Council documents (Rural Residential Strategy) as the preferred urban growth direction for Prebbleton.

Open Space acknowledges that its housing capacity work is uncertain, in particular assessment of the commercial feasibility of development, and that work is required to improve the modelling tools used. It recognizes that given the range of reported feasibility, capacity may not be sufficient to meet demand over the medium term in Waimakariri and Selwyn.³ Notwithstanding no provision is made for further capacity in the medium capacity anywhere in Selwyn, and only at Rolleston in the long term. **Our Space** also recognizes that a responsive planning approach is required given the many uncertainties associated with the primary drivers and influencers of urban development in Greater Christchurch.

All of the above points to the obvious need for a more flexible planning framework than the rigid approach of **Our Space** which proposes to retain a fixed and uncontestable urban/rural boundary. Monitoring as set out in Our Space 6.4 is not the answer – there is no opportunity for public input into the quarterly monitoring reports, further investigation and research topics and no mechanism for the development of policy responses arising from such monitoring and research. What is required is a more flexible and responsive planning framework which enables stakeholders and

³ Our Space page 13

those involved in delivery of housing and business developments to respond to market needs. It is also not realistic to expect parties to continually be involved in statutory and non-statutory planning processes at considerable cost, in many cases with a high level of uncertainty of outcome, and in the case of LGA or other streamlined processes, no appeal rights in relation to Council decisions.

We suggest as a way forward that, as is the case with the Auckland Unitary Plan, the urban/rural boundary on **Our Space** Fig 16 and Canterbury Regional Policy Statement (CRPS) Map A (in the Canterbury context defined by the outer edges of Greenfield Priority Areas, Special Housing Areas, Future Development Areas, and the Existing Urban Areas) be included in the District Plans rather than the CRPS but with appropriate criteria for changes e.g. based on the CRPS Policy 6.3.7 Rural Residential criteria, be included in the CRPS and/or District Plans. This will provide much needed flexibility for the market to respond to market needs - in the face of the recognized uncertain land capacity assessments which underpin the notified **Our Space**; and the acknowledged need for responsive planning to respond to the primary drivers and influencers of urban development which are in a state of change⁴.

Question 2:

Our Space adopts the current planning framework that encourages a range of new housing types, especially in the central city, close to suburban centres within the City and around existing towns in Selwyn and Waimakariri.

Do you agree with this approach and why?

Response:

Our Space does not actually adopt this approach in practice. It makes no provision for further zoning at Prebbleton (and potentially other locations) which will facilitate the delivery of a greater diversity of housing stock, including smaller and more affordable housing.

Question 3:

⁴ See Our Space 6.1 Responsive Planning

Our Space proposes to develop an action plan to increase the supply of social and affordable housing across Greater Christchurch and investigate with housing providers the different models to make it easier for people to buy their own home.

What elements should be included in this action plan?

Response:

No comment.

Business Growth

Question 4:

Our Space adopts the current planning framework that directs new commercial development (office and retail) to existing centres to retain their flexibility and vitality, especially the central city, suburban centres and town centres in Selwyn and Waimakariri.

Do you agree with this approach and why? What further measures would support such development?

Response:

No comment.

Question 5:

The Canterbury Regional Policy Statement and the District Plans for Christchurch City and Selwyn and Waimakariri Districts have already identified suitable capacity for new industrial businesses.

Do you agree or disagree this is sufficient and in the right location and why?

Response:

No comment.

Growth needs

Question 6:

The proposals in **Our Space** are informed by a Capacity Assessment that considers future demands for housing and business land, based on demographic changes and projections from

Statistics New Zealand, and likely changes in our economy, including through business sector trends and impacts from technological change.

Do you agree or disagree with this evidence base and why?

Response:

No – see comments above under Question 1.

Transport and other infrastructure

Question 7:

Our Space promotes greater densities around key centres to increase accessibility to employment and services by walking, cycling and public transport. This aligns with recent transport proposals that signal more high frequency bus routes and an intention to deliver rapid transit along the northern and south-west transport corridors.

Do you agree or disagree with this approach and why?

Response:

Greater densities should not be limited to the areas around key centres. Mixed density neighbourhoods are beneficial and provide a diversity of housing choices and a cohesive community which enables residents to stay near family and friends as they age and wish to 'downsize'.

Question 8:

Our Space aligns with broader infrastructure planning (including wastewater, water supply, stormwater, energy, telecommunications, community facilities, schools and healthcare) to help create sustainable, cohesive and connected communities.

Do you agree or disagree with this approach and why? What more could be done to integrate infrastructure planning?

Response:

No response.

Other

What other points do you wish to make to inform the final **Our Space 2018-2048 Greater Christchurch Settlement Update?**

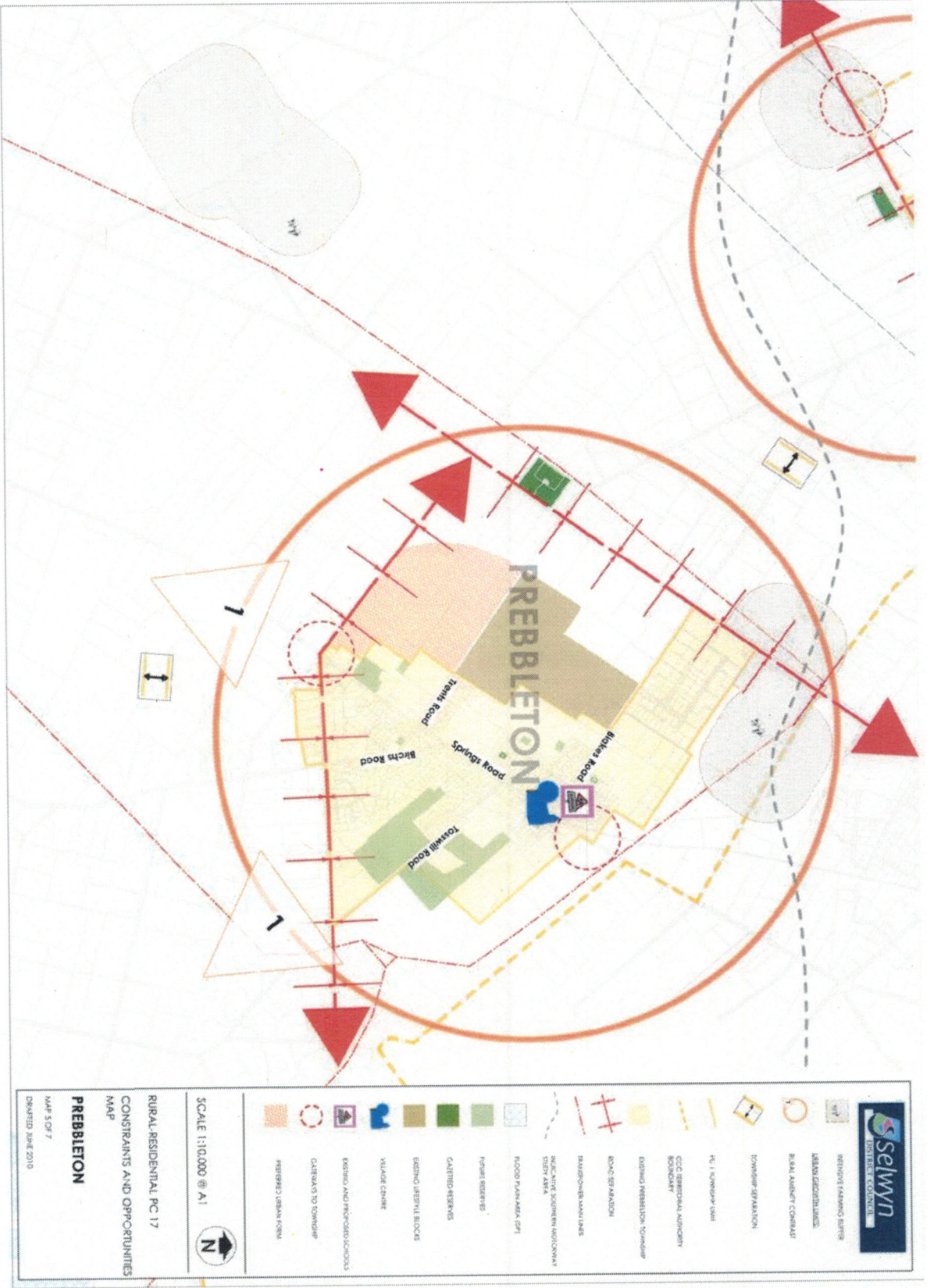
Response:

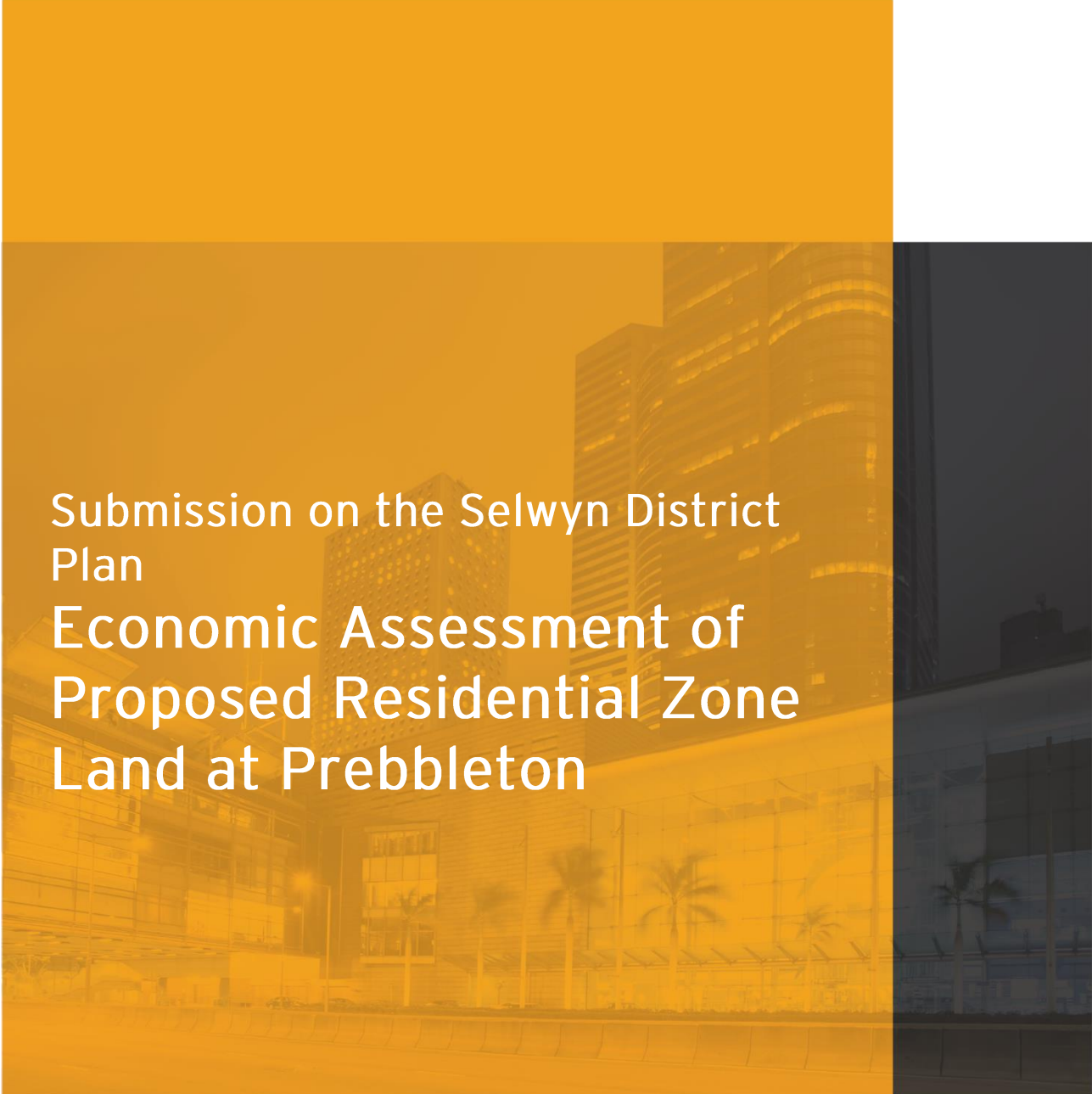
No further comments other than as noted above.

Appendices

Appendix A: Prebbleton Preferred Urban Form

Appendix B: Urban Economics Assessment





Submission on the Selwyn District
Plan
Economic Assessment of
Proposed Residential Zone
Land at Prebbleton

PREPARED FOR
Rhodes and Larson



ABOUT US

OUR AREAS OF EXPERTISE

Economic Analysis

Our work aims to bridge the gap between land-use planning and urban economics. Our focus is on the interaction between land markets, land-use regulations, and urban development. We have developed a range of methodologies using a quantitative approach to analyse urban spatial structure and audit land-use regulations.

Property Research

We provide property and retail market research to assist with planning and marketing of new projects. This includes identification of new sites and market areas, assessments of market potential and positioning, and the evaluation of market-feasibility of specific projects.

Development Advisory

We provide development planning and costing advisory services to support small and large-scale developments.

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1. Key Points

This report provides a preliminary economic assessment of a residential zoning for a group of parcels of land in Prebbleton, referred to as the Rhodes & Larson Group blocks (the “proposal”).

The main points to note are:

- This proposal would enable in the order of 750 dwellings, on lots ranging from 300-500m² in size.
- This relatively small lot size would enable lot prices of \$160,000 - \$220,000 and dwelling prices of \$320,000 - \$440,000.
- At present only 1% of dwellings are priced below \$400,000 and only 25% of dwellings are priced below \$600,000 in Prebbleton.
- The Prebbleton Structure Plan (2010) estimates demand for an additional 630 dwellings in Prebbleton over the next decade. This estimate is significantly lower than the recent construction trends, which indicate demand for an additional 1,500 dwellings in Prebbleton over the next decade.
- Prebbleton has a large number of small lifestyle blocks on its periphery. These have a higher value than large rural blocks and are more difficult to develop due to price and site aggregation.
- Prebbleton has only two feasible opportunities remaining for new residential development on its periphery, one being the Rhodes and Larson property. It should also be noted that larger properties enable high quality masterplanned developments which tend to have a better design and housing price outcome.
- Prebbleton has commercially feasible capacity, that is practically available over the next decade, of around 10 additional infill dwellings and 90 greenfield dwellings (100 in total). Only 40 of these would be priced below \$400,000.
- Given recent demand of 150-200 new dwellings per annum, this indicated supply (of commercially feasible capacity that is practically available over the next decade) will be fully exhausted in less than a year. This is likely to raise significant questions regarding the future efficiency of the Prebbleton housing market.
- In Prebbleton only 1% of dwellings are priced at \$400,000 or less. Under the current District Plan provisions, only 7% of dwellings would be priced at \$400,000 or less, as at 2028. By contrast, under the proposal, there is potential for a significant 20% of dwellings being priced at \$400,000 or less, as at 2028.
- The availability of lower priced housing would have a wide range of social and economic benefits, most notably there would be more diversity in the housing stock, in terms of size



and price, and this would enable more households to meet their housing needs.

- It is worth noting that Lincoln and Rolleston have a higher proportion of housing available in the \$400,000 - \$600,000 price range, which is more affordable, and also has a notable percentage of housing available in the \$400,000 or less price ranges (in the order of 10-15%). The proposal would bring Prebbleton more in line with the housing available in these other two townships. This would have important social and economic benefits, for example an elderly household looking to downsize their house would have little opportunity to do this in Prebbleton.

In respect of the adverse and positive economic effects, the proposal is recommended for approval.

2. The Proposal

This report is in support of a submission on 'Our Space 2018-2048; Greater Christchurch Settlement Update' ('GCSU') seeking Greenfield Priority Area - Residential status for the Rhodes and Larson Group properties at West Prebbleton. There are currently no Greenfield Priority Areas at Prebbleton.

The proposal is to apply the equivalent of the Lincoln Living Z zone to the Rhodes and Larson properties but with greater provision for medium density housing. The LZ zone at Lincoln requires a minimum average lot size of 600m², other than in medium density housing areas identified on an Outline Development Plan. For these areas, Medium Density (Comprehensive) development requires a maximum lot size of 350m², and Medium Density (Small Lot) development, a minimum lot size of 400m² and maximum average of 500m².

We understand that the Selwyn District Plan is under review so the current zonings may change. We understand that a Medium Density Residential Zone is proposed around Key Activity Centres and Neighbourhood Centres in various townships, but not at Prebbleton. The majority of residential areas will be zoned General Residential Zone which enables low density suburban residential development.

We propose a Living Z zone which makes greater provision for medium density housing which is 'midway' between comprehensive and small lot medium density i.e. average lot size of 350m², with a minimum of 300m² and a maximum of 400m². Houses in this size range can be 'stand alone' or duplex and single storey. These lot sizes would enable the construction of dwellings in the \$350,000 - \$400,000 price range, making it attractive to first home buyers, households on low to middle incomes, and empty nesters and retirees that would like to trade down to a smaller more affordable dwelling. By comparison, the majority of dwellings in Prebbleton are priced in the \$500,000 - \$800,000 price range and cater to wealthier households and households on a higher income.

We suggest an appropriate mix could range between 300m² and 500m², with the following indicative composition:



300m² lots: 1/3 (250 lots)
400m² lots: 1/3 (250 lots)
500m² lots: 1/3 (250 lots)

3. Existing Land Uses

Prebbleton and its immediate 1-2km rural surrounds is comprised of:

- 30 rural properties comprising 550 hectares (25%)
- 450 lifestyle block properties comprising 1,350 hectares (65%)
- 1500 residential properties comprising 150 hectares (10%)

The main points to note are:

- Prebbleton is therefore dominated by lifestyle blocks, which account for two thirds of all land use.
- There are very few remaining rural properties, in the order of 30.
- The residential area accounts for 150 hectares.

4. Housing Market Profile

Figure 1 shows the residential lot size and price. This has been determined with a regression analysis that achieved an R² of 0.45 indicating a strong correlation between lot size and price.

Figure 1 shows the prices of the existing dwellings in Prebbleton. This is illustrated in Figure 2. The main points to note are:

1. Only 1% of dwellings are priced below \$400,000.
2. Only 25% of dwellings are priced below \$600,000.
3. The majority, three quarters, of dwellings are priced at \$600,000 or more.

Figure 1: Prebbleton Residential Lot Size and Price

Price Ranges	Count	Percentage
Under 200k	7	0%
200k-400k	21	1%
400k-600k	467	24%
600k-800k	824	42%
800k-1m	326	17%
1m+	324	16%
Total	1969	100%

Source: Corelogic, Urban Economics



Figure 2 shows the distribution of dwellings by price. This shows an even distribution of prices across the town, i.e. that there are not notable 'prime' and 'less attractive' localities within the town.

Figure 2: Prebbleton Dwelling Price Map



Capital Value
100,000 1,000K

Source: Selwyn Council, Urban Economics



5. Urban and Rural Lifestyle Housing Demand at Prebbleton

The Prebbleton Structure Plan (dated February 2010 i.e. pre-earthquake) estimates that 630 additional households will reside in Prebbleton over the next decade. This indicates an underlying demand for around 60 new dwellings each year.

Over the past decade Prebbleton has seen strong growth, with around 100 dwellings built annually based on Building Consent data. Over the past five years this has increased markedly to 150-200 dwellings per annum. This indicates that the demand for housing is approximately 2-3 times that estimated in the Prebbleton Structure Plan, of only 60 dwellings per annum.

Based on the recent construction trends, there is estimated demand for an additional 1,500 dwellings at Prebbleton over the next decade.

Figure 3: Prebbleton Residential Building Consents 2008-2018

Year	Number of Dwellings
2008	60
2009	70
2010	40
2011	20
2012	80
2013	180
2014	130
2015	140
2016	180
2017	110
Total	1,010

Source: Statistics NZ

6. Prebbleton Development Opportunities & Constraints

Figure 4 shows the land value, on per sqm basis, for all properties in Prebbleton. This is calculated as the total land value divided by the property area in sqms. This is a useful tool for evaluating the redevelopment potential of land, as higher land values are a constraint on development, as they increase the cost for a developer, and often mean that a new development is not commercially feasible.

The main points to note are:

- There are a significant number of lifestyle blocks that surround the main urban area. These

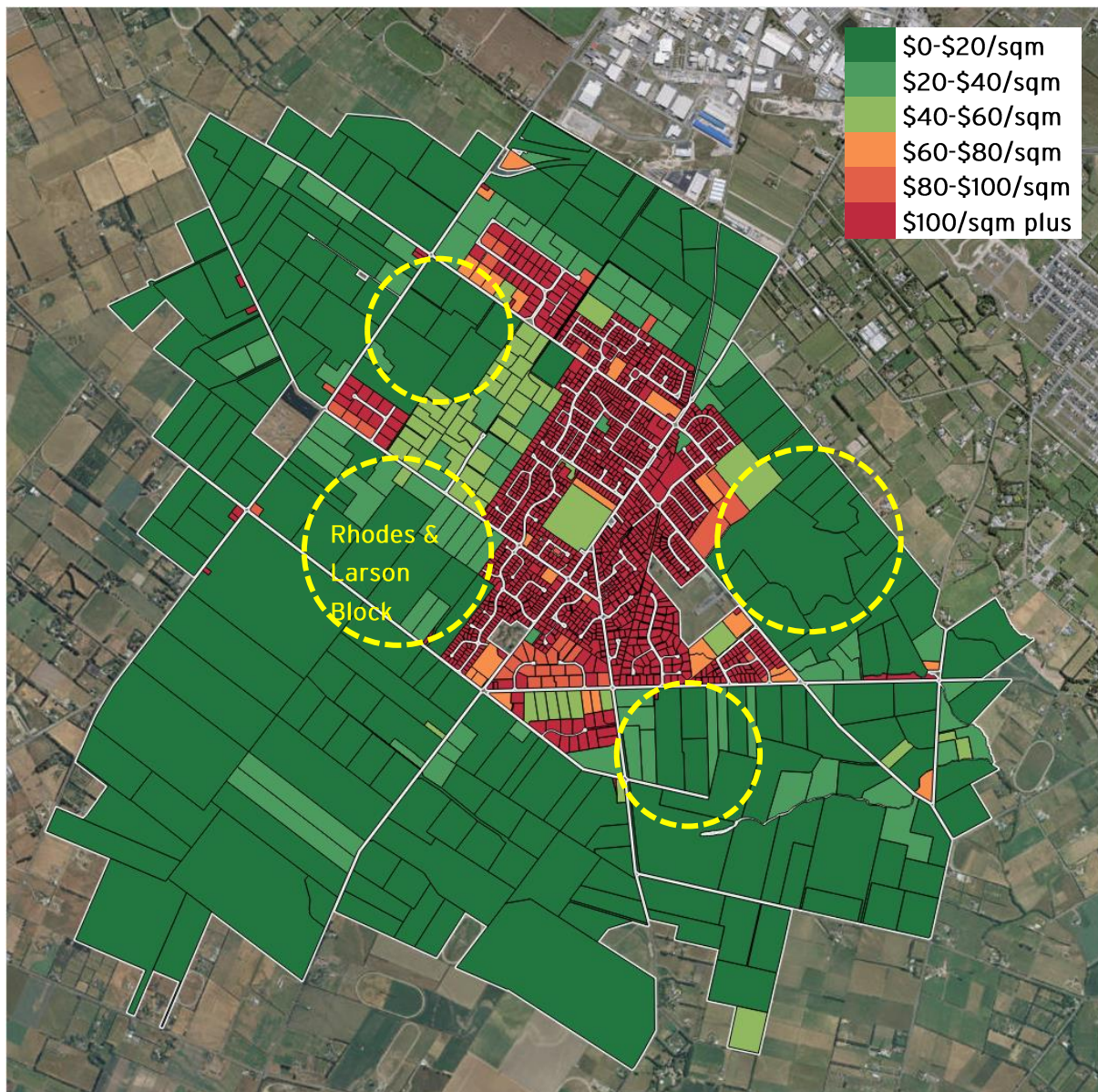


lifestyle blocks¹ generally have a value of \$50+ per sqm.

- There are only a small number of locations adjacent to the main urban area that have land values, of less than \$50 per sqm, that would enable new urban developments. These are identified in yellow.

It is evident that Prebbleton has very little remaining opportunity for new residential growth that is commercially feasible.

Figure 4: Land Value per Sqm



Source: Selwyn District Council, Corelogic, Urban Economics

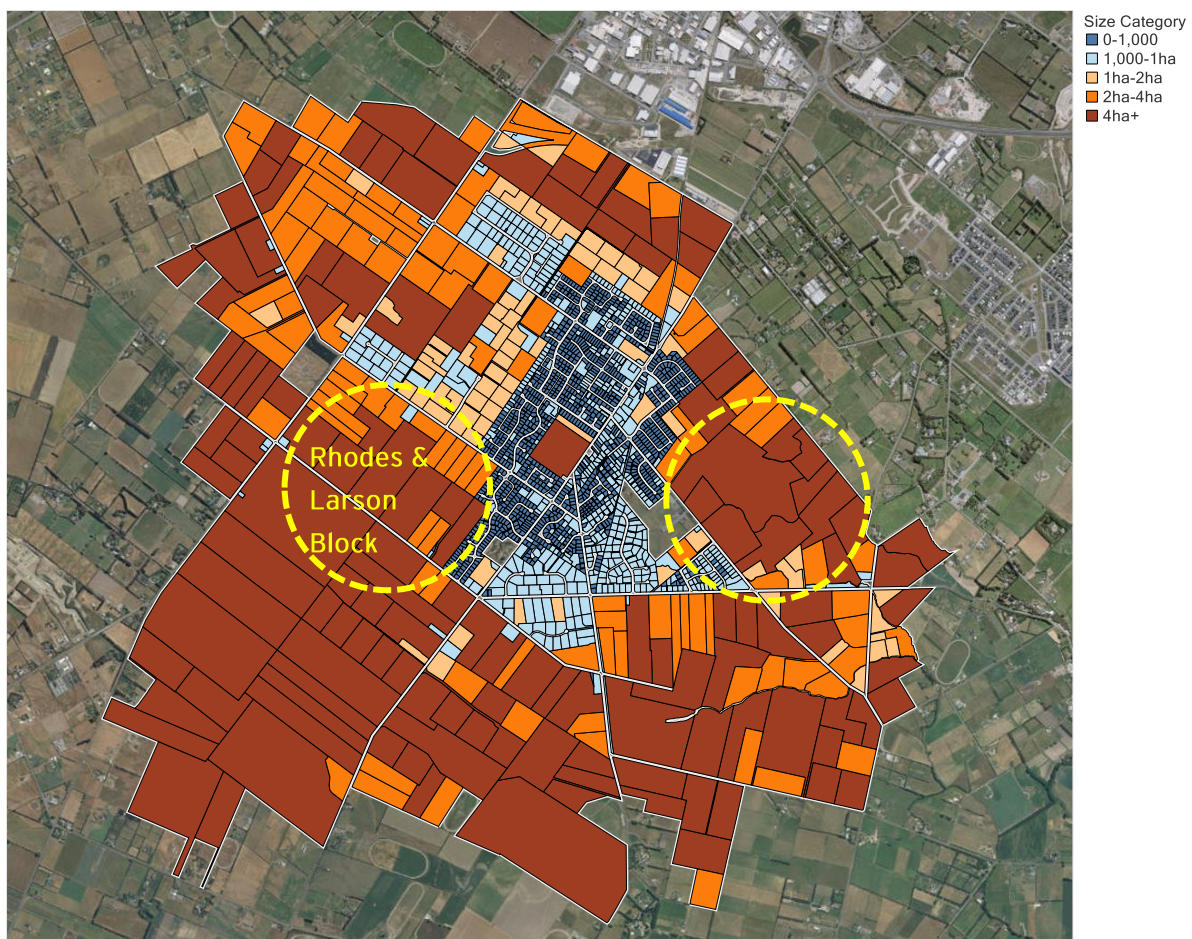
¹ Properties of 1-10 hectares.



Figure 5 shows the land area of each parcel in Prebbleton. The main points to note here are:

- A large part of the Prebbleton Urban area is bordered by Lifestyle Blocks of 1-2 hectares. This provides a de facto greenbelt for much of the town, as it is practically and commercially difficult to develop these properties into smaller residential properties (unless these blocks have been 'future proofed' on a comprehensive basis for future potential urban development).
- **The areas identified in yellow show that there are only two feasible expansion locations² for the town that do not require development to leapfrog an area of lifestyle blocks².** These are the most efficient locations for new development as they integrate directly with the existing urban area. The Rhodes & Larson site is one of these locations and based on this preliminary analysis, is one of the two optimal locations for new housing in Prebbleton.

Figure 5: Land Area (Per Property)



² There may be opportunities for parcels to be aggregated which may result in a feasible development, however this can often be difficult if land owners are not willing to sell.



Source: Corelogic, Urban Economics

7. Commercially Feasible Infill Capacity

Figure 6 shows the estimated 'plan enabled' and 'commercially feasible' lots and dwellings by lot size and price for Prebbleton. The results are illustrated in Figure 7. The key points to note are:

1. In total, there is potential for 14 commercially feasible infill³ dwellings in Prebbleton. As some of these properties would not be available for development, as the owners would not sell these properties over the next decade, this would imply that **there is practical potential for around 10 additional infill dwellings over the next decade.**
2. There are a range of lot sizes that are possible under the District Plan, ranging, in broad terms, from 400m² to 8,000m².
3. These lots would be priced between \$190,000 and \$590,000.
4. The dwellings that are likely to be built on these lots would result in a property value of \$380,000 to \$1.18 million. All of the potential infill dwellings however, would be priced between \$500,000 to \$600,000.

Figure 6: Plan Enabled & Commercially Feasible Infill Lots by Lot Price

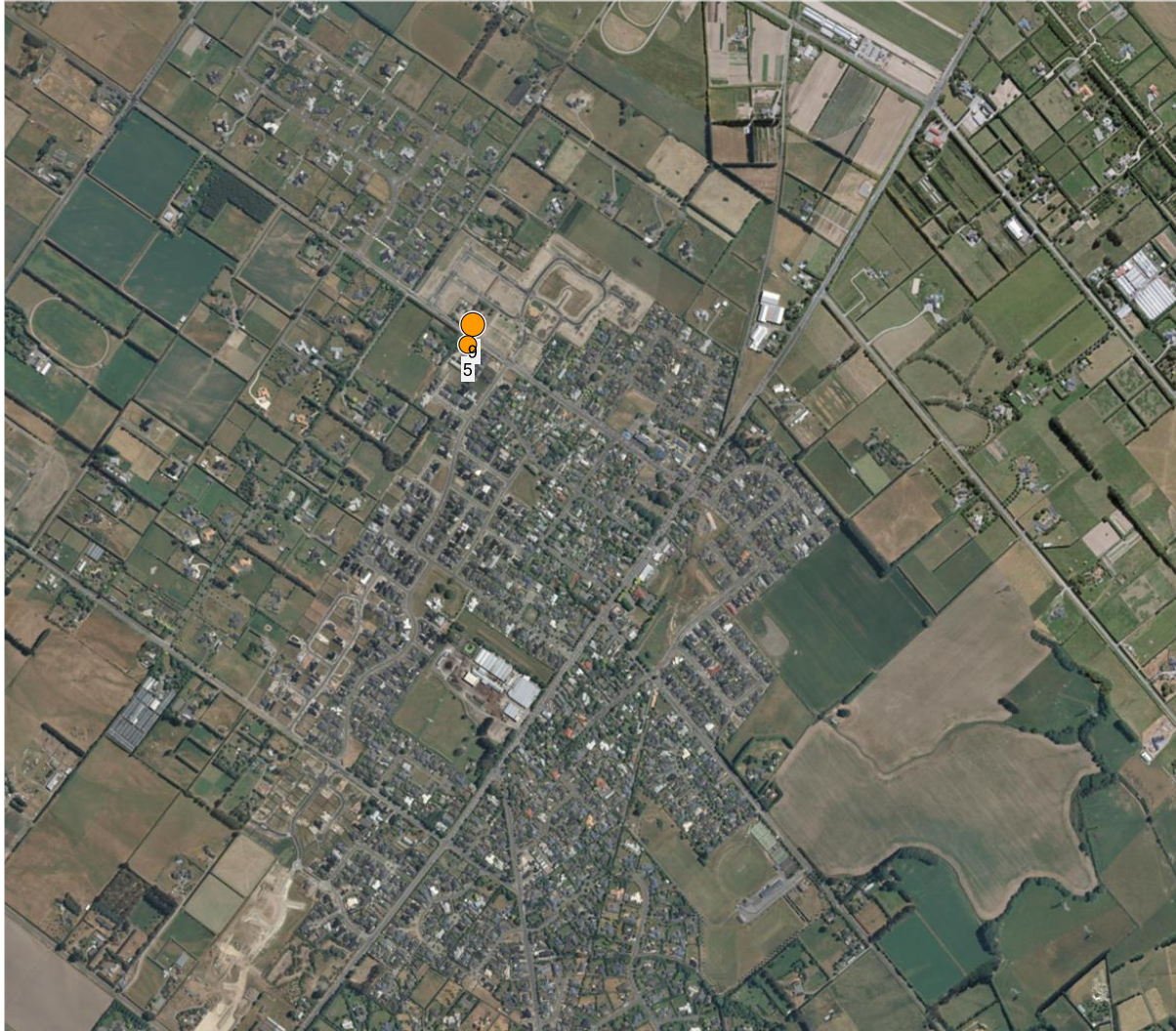
Lot Size	Lot Price	Dwelling Price	Feasible Dwellings	Feasible Dwellings %
400	\$190,000	\$380,000	9	64%
700	\$270,000	\$540,000	5	36%
800	\$290,000	\$580,000	0	0%
5000	\$530,000	\$1,060,000	0	0%
8000	\$590,000	\$1,180,000	0	0%
Total			14	100%

Source: Corelogic, Urban Economics

³ Infill development is development that occurs on lots of 5,000m² or less, and greenfield development is development that occurs on lots of 5,000m² or greater.



Figure 7: Commercially Feasible Infill Lots by Lot Price



Source: Corelogic Database, Urban Economics



8. Greenfield Land Capacity

Figure 8 shows the estimated greenfield potential dwellings, by lot size and price for Prebbleton. The results are illustrated in Figure 9. The key points to note are:

1. In total, there is potential for 182 greenfield dwellings in Prebbleton. As some of these properties would not be available for development, as the owners would not sell these properties over the next decade, this would imply that **there is practical potential for around 90 additional greenfield dwellings over the next decade.**
2. There are a range of lot sizes that are possible under the District Plan, ranging, in broad terms, from 400m² to 8,000m².
3. These lots would be priced between \$190,000 and \$590,000.
4. The dwellings that are likely to be built on these lots would result in a property value of \$380,000 to \$1.18 million.

Figure 8: Greenfield Land Capacity

Lot Size	Lot Price	Dwelling Price	Feasible Dwellings	Feasible Dwellings %
400	\$190,000	\$380,000	69	38%
700	\$270,000	\$540,000	113	62%
800	\$290,000	\$580,000	0	0%
5000	\$530,000	\$1,060,000	0	0%
8000	\$590,000	\$1,180,000	0	0%
Total			182	100%

Source: Corelogic, Urban Economics



Figure 9: Greenfield Land Capacity



Source: Corelogic Database, Urban Economics



9. Development Yield from the Rhodes & Larson Site

The proposal would enable the development of approximately 750 dwellings, on sites of 300-500m². Figure 10 shows the estimated price of the proposed dwellings. The main points to note are:

1. The proposal enables a total of 750 lots, ranging in size from 300m² - 500m².
2. This lower lot size enables lot prices of \$160,000, \$190,000 and \$220,000, and dwelling prices of \$320,000, \$380,000 and \$440,000. There is clear evidence that shows smaller lots have a lower price, and enable lower priced dwellings.
3. A range of lot sizes also enables a range of dwellings types and sizes.

Figure 10: Proposal Dwellings on Rhodes & Larson Site

Lot Size	Lot Count	Lot Price	Dwelling Price
300	250	\$160,000	\$320,000
400	250	\$190,000	\$380,000
500	250	\$220,000	\$440,000

Source: Corelogic, Urban Economics

10. Potential Future Housing at Prebbleton by Price & Type

The following figures examine three future housing scenarios for Prebbleton.

The first is the **Existing Stock** scenario (the status quo). Under this scenario only 1% of dwellings are priced at \$400,000 or less.

The second is the **Existing Stock plus Commercially Feasible Capacity** scenario. This is the scenario that would eventuate under the current District Plan provisions, which has some capacity for additional housing development. Under this scenario only 7% of dwellings would be priced at \$400,000 or less, as at 2028 (in 2018 prices, i.e. inflation adjusted).

The third is the **Existing Stock plus Commercially Feasible Capacity plus Rhodes & Larson Site** scenario. This is the scenario that would occur if the proposal zone is applied to the subject property. Under this scenario a significant 20% of dwellings would be priced at \$400,000 or less, as at 2028. This would have a wide range of social and economic benefits, most notable there would be more diversity in the housing stock, in terms of size and price, and this would enable more households to meet their housing needs.



Figure 11: Future Housing Scenarios for Prebleton

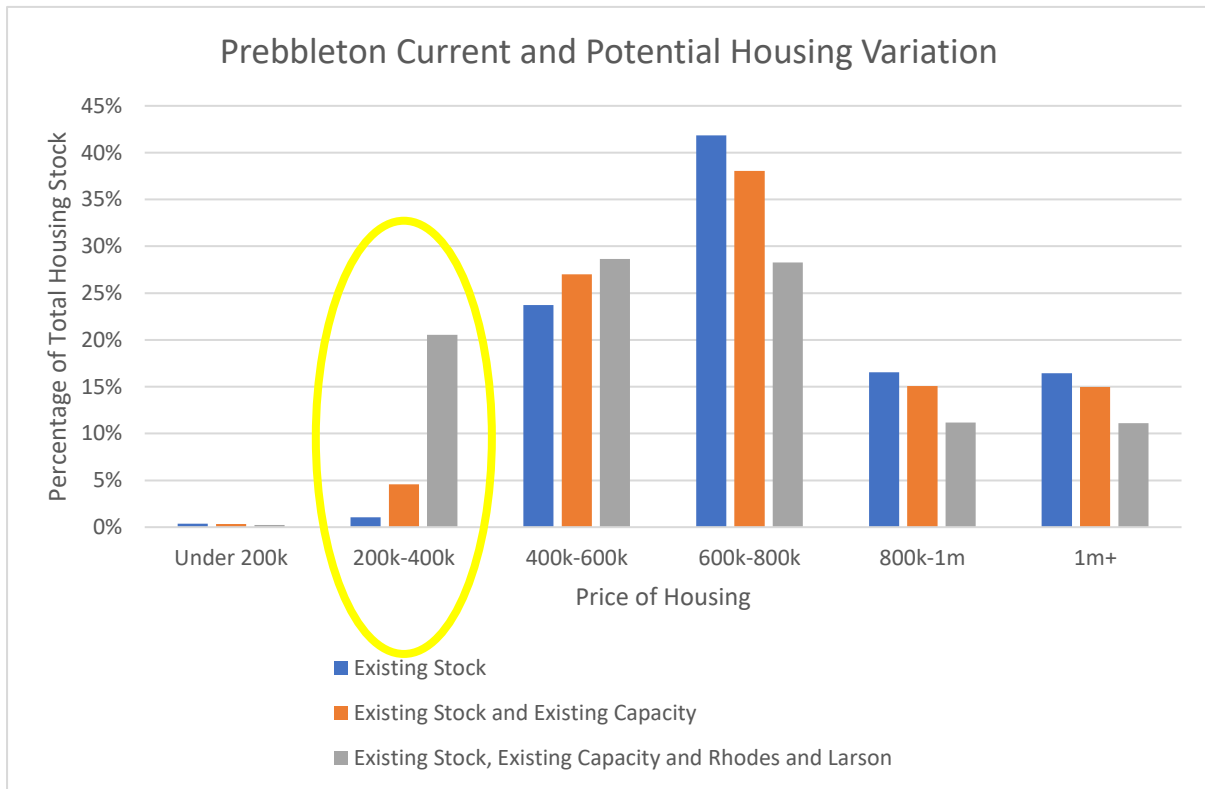
Future Scenario	Total Dwellings	Total Dwellings %
Existing Stock		
Less than \$200,000	7	0%
\$200,000-\$400,000	21	1%
\$400,000-\$600,000	467	24%
\$600,000-\$800,000	824	42%
\$800,000-\$1,000,000	326	17%
\$1,000,000 plus	324	16%
Total	1969	100%
Existing Stock plus Commercially Feasible Capacity		
Less than \$200,000	7	0%
\$200,000-\$400,000	99	5%
\$400,000-\$600,000	585	27%
\$600,000-\$800,000	824	38%
\$800,000-\$1,000,000	326	15%
\$1,000,000 plus	324	15%
Total	2165	100%
Existing Stock plus Commercially Feasible Capacity plus Rhodes & Larson Site		
Less than \$200,000	7	0%
\$200,000-\$400,000	599	21%
\$400,000-\$600,000	835	29%
\$600,000-\$800,000	824	28%
\$800,000-\$1,000,000	326	11%
\$1,000,000 plus	324	11%
Total	2915	100%

Source: Corelogic, Urban Economics



Figure 12 provides a graphical representation of the three scenarios. It is worth noting the significant increase in housing priced at under \$400,000 under the proposal, as highlighted in yellow.

Figure 12: Future Housing Scenarios for Prebleton



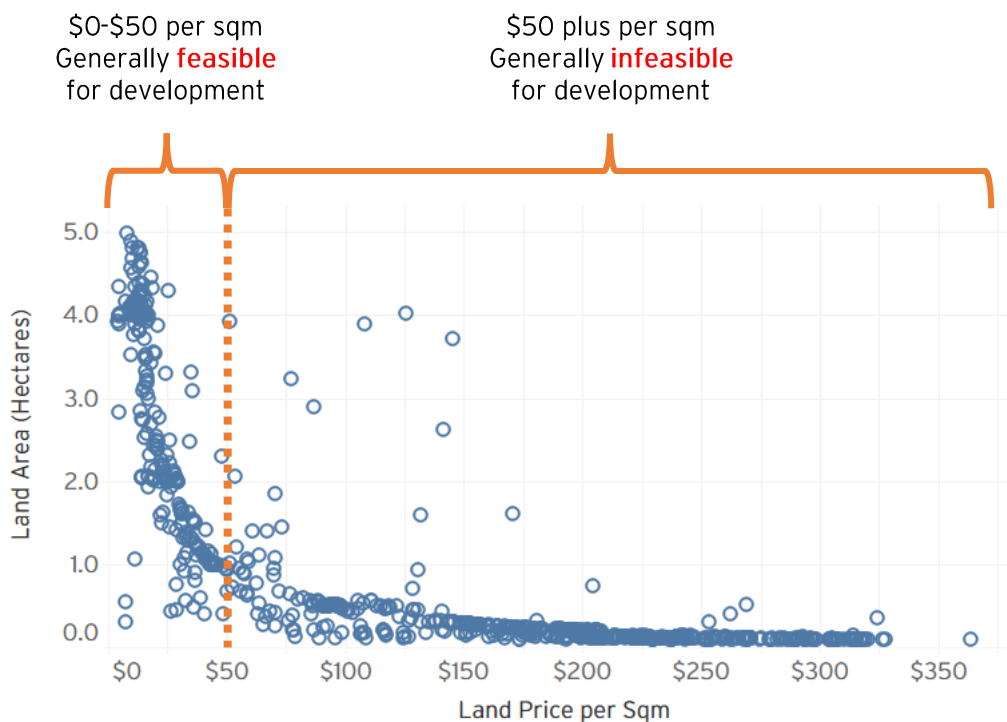


11. Lifestyle Block Redevelopment

The following regression analysis illustrates that in Prebbleton, only sites that are 1-2 hectares or greater in size have commercial potential for new development⁴, i.e. lots below 1 hectare tend to be too expensive for redevelopment. This suggests that the majority of Lifestyle Blocks would not be suitable for development.

The present proposal for the Rhodes block, for small Lifestyle Block size sites (it is identified as a preferred rural residential development in the Council's Rural Residential Strategy 2014), would effectively prohibit any future urban development, and would contribute to the de facto greenbelt at Prebbleton. This would remove any future potential to expand the town to the south/west in the future (beyond the Larson Group land). We understand there is a requirement for the Rhodes block to be 'future proofed' for future urban development, but on this basis, future urban development would likely occur in an organic manner 'over time' depending on the aspirations of individual rural residential block holders.

Figure 13: Land Value & Lot Size Correlation



⁴ $R^2 = 0.833$ indicating a strong correlation.

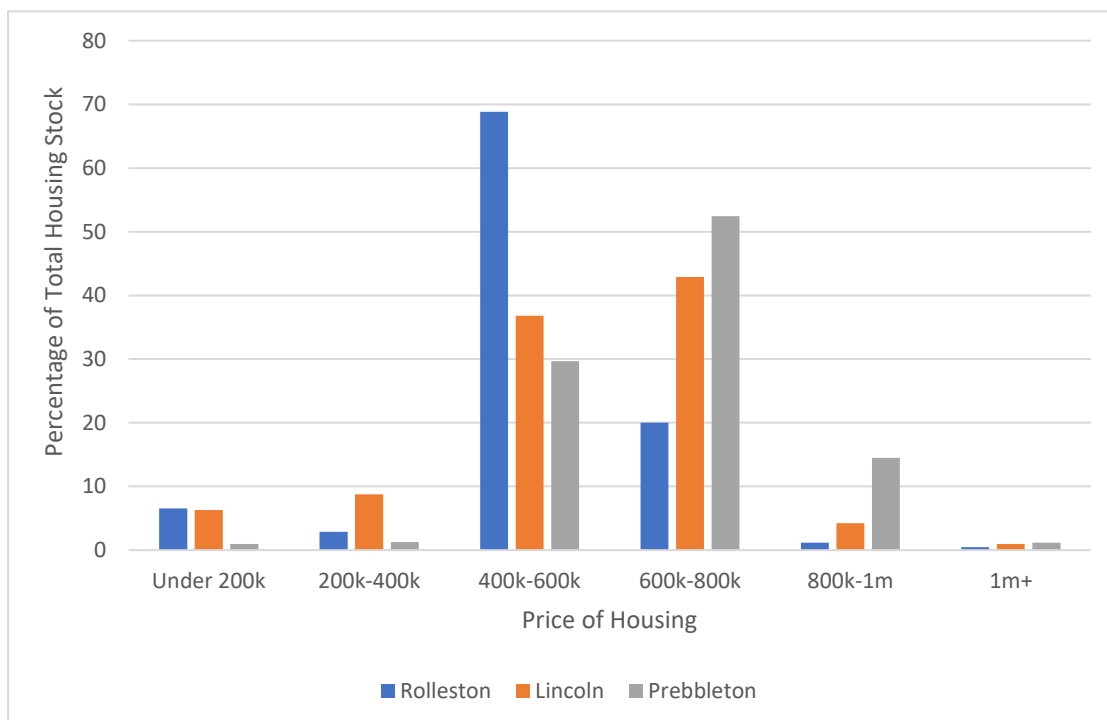


12. Comparison with the Housing at Rolleston and Lincoln

The following figure shows the price of housing in Rolleston and Lincoln and compares it with Prebbleton. The main points to note are:

- Prebbleton (in grey) is dominated by higher priced housing, the \$600,000 - \$800,000 range, and has practically no housing at \$400,000 or less.
- Lincoln and Rolleston have a higher proportion of housing available in the \$400,000 - \$600,000 price range, which is more affordable, and also has a notable percentage of housing available in the \$400,000 or less price ranges (in the order of 10-15%).
- Prebbleton has a much narrower range of house prices when compared to Lincoln and Rolleston. This lack of lower priced housing has significant economic and social implications, particularly in regard to the availability of a range of housing types and the availability of affordable housing, meaning Prebbleton residents are less able to meet their housing needs. For example, an elderly household looking to downsize their house would have little opportunity to do this in Prebbleton.

Figure 14: Rolleston, Lincoln and Prebbleton Current Housing Stock by Price





13. Auckland Infill Terrace Housing Market

It is worth noting that the Auckland housing market has aimed at increased intensification, with the Auckland Unitary Plan (“AUP”) allowing infill terrace housing, and in some cases apartments, across many existing suburbs. Under the AUP, the price of new infill housing in existing suburbs has continued to increase, with Council’s current estimate that the average price of new housing in the City is \$1.5 million. It is worth noting that the majority of terrace housing has occurred in large scale masterplanned greenfield developments on the urban periphery. This is because such developments are able to carefully plan high density housing to achieve well designed urban environments, and more importantly, because large greenfield developers are generally able to access the finance to develop this type of housing more readily than small-medium scale infill developers (e.g. developers building 3-5 infill houses on an existing quarter acre property in a central suburb). The main implication of this for Prebbleton is that for the town to achieve any notable amount of more intensive and lower priced housing, is also likely to require a large masterplanned development, such as that which could be enabled on the Rhodes & Larson site. This is particularly important, because Prebbleton is now of a scale that can support a small supermarket, and one is presently planned, and small self-contained towns of this size should enable a diverse range of housing, in terms of size, type and price.



14. Appendix 1: Lot Size and Lot Value Correlation

The following figure shows the estimated lot price for a range of lot sizes in Prebbleton. This is derived from a regression analysis, which had a r^2 of 80%, indicating a very strong correlation.

Figure 15: Lot Size and Lot Price Correlation for Prebbleton

Lot Size (sqm)	Lot Value	Count	Percentage
300	\$160,000	16	1%
400	\$190,000	24	2%
500	\$220,000	57	4%
600	\$250,000	202	14%
700	\$270,000	310	22%
800	\$290,000	392	28%
900	\$300,000	91	7%
1000	\$310,000	130	9%
1100	\$330,000	44	3%
1200	\$340,000	67	5%
1300	\$350,000	16	1%
1400	\$360,000	8	1%
1500	\$370,000	6	0%
1600	\$380,000	3	0%
1700	\$380,000	7	1%
1800	\$390,000	3	0%
1900	\$400,000	9	1%
2000	\$410,000	9	1%

Source: Corelogic, Urban Economics