

**UNDER** the Resource Management Act 1991 ("**RMA**")  
**IN THE MATTER** of Waikato District Council's ("**WDC**") Proposed Waikato  
District Plan 2018 (Stage 1) Chapters 16 ("**Residential  
Zone**").

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**SUMMARY STATEMENT OF PHILIP MARK OSBORNE ON BEHALF OF  
KĀINGA ORA (FORMERLY HOUSING NEW ZEALAND CORPORATION,  
268 / FS382)**

**20 February 2020**

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**ELLIS GOULD  
LAWYERS  
AUCKLAND**

**REF: Daniel Sadlier / Alex Devine**

**Level 17 Vero Centre  
48 Shortland Street, Auckland  
Tel: 09 307 2172 / Fax: 09 358 5215  
PO Box 1509  
DX CP22003  
AUCKLAND**

## 1. Introduction

1.1 My full name is Philip Mark Osborne. I have the qualifications and experience set out in paragraphs 1.2 and 1.3 of my evidence in chief (“**EIC**”), dated 3 February 2019. I repeat the confirmation given in paragraph 1.5 of my EIC that I have read, and agree to comply with, the Code of Conduct for Expert Witnesses.

1.2 This statement provides a summary of my EIC.

## 2. Summary of Evidence

2.1 From an economic perspective I support the overall strategic direction and objectives, pertaining to residential development to support market growth outlined in the Proposed Waikato District Plan (“**PWDP**”) including:

- The consolidation of activities in and around towns and villages;
- Encouraging high density housing near centres and transport networks;
- Efficient utilisation of infrastructure through residential development patterns.

2.2 Residential zoning is a crucial tool in directing residential growth and development to achieve greater degrees of efficiency and certainty in terms of public and private investment. The level of flexibility and capacity indicated by zoning also impacts upon housing fundamentals such as choice and affordability. Residential zoning provides potential development options for the market not only under existing conditions but sets a direction for future growth management.

2.3 The economic benefits of providing for greater residential densities in and around centres and transport networks include:

- Improved infrastructure efficiencies;
- Improved centre vibrancy and vitality;
- Lower housing prices;
- Improved competitiveness leading to greater employment opportunities;

- Improved housing choice; and
- Improved land efficiencies.

2.4 The efficient provision of residential capacity within Waikato clearly goes beyond the simple provision of additional land areas. An approach of providing ever increasing additional land areas to meet future residential demand results in costs and inefficiencies that will impact the community's economic and overall well-being.

2.5 An example of this position is found in the rebuttal statement of Mr Thompson<sup>1</sup>. Mr Thompson's key concern appears to be the potential feasibility of medium density development within Waikato District in comparison to additional greenfield options. Mr Thompson's evidence appears to be based on only a few select examples he has provided for infill development within his evidence. Having assessed these 6 examples he then concludes that this is a sufficient basis to argue that 'the Medium Density Residential Zone would only result in a small number of additional infill dwellings'. This compares to the full infill model provided for the District's HBA (Housing and Business Development Capacity Assessment) which illustrates under the Plan an 86% feasibility rate for infill redevelopment. While this proportion is likely to be significantly lower<sup>2</sup> for the medium density residential zone proposed by Kāinga Ora, the resulting development option is likely to result in greater community well-being and economic efficiencies. It is noted that Kāinga Ora is in the process of undertaking a full assessment of feasibility levels under their submission for the District as a whole, and at this stage intends to be in a position to present this information to the panel in the context of the spatial rezoning topic hearing towards the end of this year.

2.6 While greenfield residential development is often easier and more profitable than redevelopment or infill, this does not mean that greenfield residential development will result in improved economic well-being for the community. While benefitting individual landowners, greenfield

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<sup>1</sup> Statement of economic and property market rebuttal evidence from Adam Thompson for Chen, CSL Trust and Top End Properties, 10 February 2020

<sup>2</sup> The feasibility rate for the THAB zone under the AUP was as low as 7%, representing 10,000's additional intensified product.

development is more likely to come at a cost to the community.

- 2.7 The Residential Zone provisions of the PWDP provide for a minimum lot size of 450sqm, with a land use consent available for multi-unit development at 300sqm. The Kāinga Ora submission seeks a Medium Density Residential Zone that would reduce this to 200sqm for vacant lot subdivision, with no minimum lot size for subdivision in accordance with an approved land use consent.
- 2.8 When considering the propensity for residential development to occur at greater densities in and around centres, it is important to understand the relative competitiveness of these areas as development locations. Waikato District provides for a significant level of residential capacity on the periphery of these centres. For this reason, the potential for more intensified development in and near these centres is dependent on land having a competitive advantage.
- 2.9 This opportunity for intensified development requires two key components (from a regulation viewpoint):
- (a) Firstly, a degree of certainty in terms of what can be achieved and where. In that regard, the section 32 Report for Council has indicated that requiring a consent for multi-unit development will increase costs and risk thereby adversely affecting the number of properties that are comprehensively developed. In comparison the Kāinga Ora proposal clearly sets out the medium density provisions (including multi-unit development) within a geo-spatial defined zone. This provides greater certainty to the market and ultimately greater impetus for residential development in and around centres and transport networks.
  - (b) Additionally, the Medium Density Zone proposed by Kāinga Ora is likely to improve development feasibilities through provision for greater maximum site coverage.
- 2.10 The inclusion of the Medium Density Residential Zone proposed in the Kāinga Ora submission is likely to better meet the objectives of the PWDP and provide an improved position for the community's economic well-being than the provisions currently proposed under the Council's Residential Zone.

**Philip Osborne**  
20 February 2020