

Summary Statement of J D M Fairgray

Ohinewai Rezoning Proposal – Economic and Residential Matters

1. My name is James Douglas Marshall Fairgray. I have a PhD in geography from University of Auckland, and I am a principal of Market Economics Limited (ME), an independent research consultancy.
2. In February 2020, I was engaged by Waikato District Council to provide analysis and advice on economic and residential matters relating to the proposed Ohinewai Structure Plan (OSP). My work was to inform and support the s42A report being prepared on the Proposal.
3. This document summarises my review of matters relating to that proposed Ohinewai Structure Plan.
4. In March 2020, I provided a report to Waikato District Council '*Ohinewai Rezoning Proposal - Economic and Residential Matters*'. In June 2020, I participated in expert conferencing in relation to economics, and I signed the JWS which resulted from that conferencing. In September 2020, I provided a report to Waikato District Council '*Ohinewai Rezoning Proposal - Economic and Residential Matters : Update*'.
5. For my initial Report, I read material provided initially by the applicant, including reports prepared by Property Economics (Mr Heath and Mr Osborne), by Mr Olliver, and by Quigley and Wake. I also read reports prepared by Mr Kemp relating to economic and employment growth potential in Waikato District. In preparing my second Report, I read the statements of evidence for the applicant of Mr Heath, Mr Osborne, and Dr Wheeler relating to economic matters, the planning evidence of Mr Olliver, and the evidence of Mr Mayhew and Mr Keenan for Waikato Regional Council.
6. In addition, I investigated matters which were relevant to the reporting and evidence, drawing on relevant statistical information, reports and other material. Those matters included population and household growth and change, housing affordability, housing sales, housing prices, the labour force, property data, consents for new dwellings and non-residential buildings, numbers of business entities and employment by sector, economic activity including gross output and value added (GDP), land use and land use change, demand for industrial land, industry nodes in the District and FPP sub-region, research to meet the NPS-UDC requirements, and other matters relating to residential demand and economic activity, including industry. In my assessment, I considered the Ohinewai-Huntly area (adopting for comparability the 'Localised Catchment' defined by Mr Osborne), other localities within the District, as well as total district and total region patterns. My time horizon was generally out to 30 years in the future, for consistency with the NPS-UDC and other planning documents, and back at least 20 years for historical information.
7. In my second Report, I set out my examinations of the key matters arising from the proposed OSP. As well as the base details of the OSP, I covered:

- a. Residential – key issues, demand for housing at Ohinewai, housing affordability, the housing capacity assessment for the NPS-UDC, and conclusions and implications.
- b. Labour force – workforce estimates, the potential labour force for the development, the potential labour force attracted, implied labour force inflows and the implications of these matters;
- c. Economic Assessment – the OSP development in the wider business growth context, the economy impact of the proposed OSP, and a review of evidence of economic effects.

Key Conclusions

8. My principal conclusions are as follows:

- a. For a proposal to develop a new town in a rural setting, in my view there is not sufficient information to justify a substantial re-zoning of rural land to enable urban uses.
- b. That is especially so for the re-zoning to enable a large area of residential, since the nexus that housing would be affordable for the Sleepyhead workforce is not demonstrated. A number of matters arising from a proposal for a new town which have not been covered with sufficient detail or clarity.
- c. Those matters are directly relevant from the resource management perspective especially because the proposal is for a new development in a rural location, around 9km from the nearest town, where the residential component depends on the proposed industry, and where the new town's population would depend on Huntly or Hamilton for many goods and services.
- d. Such conditions distinguish the proposal from a development(s) which is of similar scale and nature, but which is incremental development to an established town, and part of the urban network in the Waikato.
- e. The case for enabling a large area of industrial use in that location, especially in relation to the District's and the FPP's development strategy is not well established.
- f. Further, given the uncertainties and the strong inter-dependencies of each element on the other elements - especially because the proposal is for a new town – it does not appear to be sufficient to base the assessments on a single assumed outcome.
- g. Finally, the material provided does not offer an overall economy impact assessment. The large scale of the development in relation to the limited size of the Huntly-Ohinewai economy and community, the likelihood that the effects will flow well beyond the local economy, the distance between the proposed new town and the source of many of its goods and services, and the prospect of considerable costs as well as claimed benefits, require that such an assessment is important.

- h. It raises in particular the question of the location of the proposed development, given its scale and likely effects relative to the size of the Huntly-Ohinewai community.

Dr J D M Fairgray

10 September 2020