

IN THE MATTER

of the Resource Management Act 1991 ("RMA" or "the Act")

AND

IN THE MATTER

of a submission in respect of the **PROPOSED WAIKATO DISTRICT PLAN** (Stage 1) Hearing 25 – Zone Extents by **KIRRIMUIR TRUSTEE LIMITED** pursuant to Clause 6 of Schedule 1 of the Act

**SUMMARY STATEMENT OF EVIDENCE OF KELVIN NORGROVE
(ECONOMICS)**

1. INTRODUCTION

Qualifications and experience

- 1.1 My name is Kelvin James Norgrove. I submitted a statement of evidence in chief (EIC dated 16 February 2021) for Hearing 25 on behalf of Kirriemuir Trustee Ltd ('KTL') in respect to submission No. 182 seeking amendments to the zoning of land at 46 Geraghtys Rd. and adjacent sites. Please refer to the EIC for my qualifications and experience.
- 1.2 This statement summarises my EIC and adds commentary in respect of matters that have since arisen in the section 42A report and rebuttal report prepared by Chloe Trenouth for Hearing 25: Zone Extents – Tuakau.

2. SUMMARY OF EVIDENCE

- 2.1 The key findings in my evidence in February 2021 were based on reviewing various reports released by the Council prior to and including the s42A Hearing 25: s42A Framework Report (FR) dated 19 Jan. 2021, prepared by Dr. Davey. My key findings included:
 - (a) Over 2013-18 Tuakau has experienced growth at a 'higher than medium' rate of increase to reach a resident population of around 6,600.

- (b) The FR raised concerns with inadequate capacity to meet projected demand and concludes additional rural land should be live zoned for development. This conclusion diverged markedly from the Council's previous assessments for the PWDP (including the Housing and Business Assessment HBA 2017 and the PWDP s32 report 'Growth Areas Topic Assessment Framework' 5 July 2018).
- (c) The FR's projections for Tuakau are more in line with the s32 report's 'Auckland spill-over growth' scenario of demand for 4,400-5,000 additional dwellings by 2046. Based on data in the FR (refer to that report's Figure 12 and Table 4 in Appendix 1), the potential supply of additional households/dwellings from both infill and greenfields sources in the PWDP will be constrained over 2023-30 to a total of 2,157, and that level would also remain over 2030-50. During that period in the range of 38-48% of new demand would go unmet (i.e. 1,350-1,965 households under the medium and high demand scenarios respectively in the FR)¹.
- (d) Although the latest information provided in the FR may be regarded as superseding the previous assessments of capacity and projected demand, it is important to note that the data referred to in that report is qualified as draft and indicative at a township level, and an actual updated HBA 2021 report has yet to be published². This adds uncertainty about the extent to which that report's 'supply' estimates can be relied on.
- (e) I agree with the FR's conclusion that a high growth scenario for Tuakau is considered prudent to plan for. My EIC refers to evidence of residents migrating from Auckland to the Waikato over the past five years and expectations of high growth in North Waikato underpinning central government led initiatives in the Hamilton to Auckland Corridor Plan.

2.2 Turning to the Hearing 25: Zone Extents – Tuakau report prepared by Chloe Trenouth (14 April 2021), it helpfully provides an update of the FR's Table 4 to show a comparison of PWDP capacity and projected demand,

¹ The estimated supply over the 10-30 year period would also fall well short of the report's suggested aim to provide 50-100% redundancy in zoning capacity over demand. Refer para 281, p59.

² A comprehensive updated HBA would fully take account of infrastructure constraints – i.e. the indicative timing of planned upgrades to bulk water and wastewater plant and roading to service urban zoned areas and commercial feasibility factors – i.e. modelling of land values, development costs and expected sales prices, to indicate what proportion of plan-enabled capacity (greenfields and infill) would be feasible to achieve over time.

taking into account the Zone Extents report's recommended decisions on submissions seeking rezoning (refer Table 6 repeated in Appendix 1).

- 2.3 Table 6 seems to suggest that there is no shortfall in the 2023-2030 period but that a shortfall will still occur over 2030-50 (-1,796 dwellings compared to -2,440 in Table 4). However, Table 6 incorrectly allocates Geraghty's Rd (the KTL land) to the 2023-2030 period, which is inconsistent with the s42A recommendation to rezone it Future Urban. Based on that recommendation Table 6 should show a shortfall of -160 dwellings in the 2023-2030 period as well as the shortfall in the 2020-23 short-term (-730 supply capacity).
- 2.4 The report recognizes the need to live zone additional land in para 437: "Live zoning now to allow development in the 3-10 year timeframe would allow infrastructure to be investigated and planned as part of the next Long Term Plan to be available in the medium-term", and in para 450: "Additional growth is identified from the medium term (3-10 years) because of the time it will take for land to be available for development".
- 2.5 However, the recommendation that Geraghtys Rd be zoned Future Urban (FUZ) rather than Residential conflicts with the expectation that this land could be developed, at least within the next 5 years. A further Plan Change process would be required to be successful before land development could commence and application of a FUZ would also signal to the Council and Watercare Waikato that there is no particular urgency to consider the infrastructure servicing matters in the timeframe of the Councils' next LTP 2024-27.
- 2.6 In my experience LTP processes typically commence 9-10 months before a draft LTP is consulted on (e.g. for the draft 2021-31 LTP, the internal council process would likely have commenced in mid-2020). Implying that the infrastructure elements of the 2024-27 LTP would need to be addressed in 2023, soon after the PWDP is likely to become Operative.
- 2.7 The FR identifies that the PWDP does not meet the NPS-UD requirements in the short to medium term. However, the net effect of the recommendations in the s42A report is that achieving adequate capacity for dwellings in Tuakau to satisfy the NPS-UD over 2023-30 (and over 2030-50) is left unresolved.
- 2.8 The s42A Report (para 451) suggests the gaps will be filled by the Medium Density Residential Zone (MDRZ) but in para 430 it notes: "Although applying the MDRZ will provide for additional infill development capacity, it remains unclear how much capacity because it has not yet been modelled, or whether the development

opportunities afforded by the MDRZ will be acted upon. Therefore, I do not consider the MDRZ can be solely relied upon to deliver the shortfall in capacity”.

2.9 The upshot is that meeting the NPSUD in the medium term will need to rely on a combination of intensification via the MDRZ (with the likely yield yet to be rigorously assessed) and live zoning of greenfields land that can reasonably be expected to be developed within the next 10 years. Live zoning would be necessary in order for the Geraghtys Rd. site to have a reasonable chance of being developed within the 2023-30 period.

2.10 Furthermore, the above analysis is based on a medium household projection, with no allowance for the FR’s high growth scenario.

3. **CONCLUSIONS**

3.1 I consider live residential zoning tied to a Structure Plan would efficiently and effectively provide for integrated infrastructure and land-use planning by signalling the need for the Council and Watercare Waikato to consider the infrastructure matters as part of the next LTP 2024-27 (and through engagement with the Geraghtys Rd. landowners over funding, including cost-sharing requirements). The infrastructure questions could then be dealt with in the course of progressing to implement the Structure Plan, rather than leave it to be returned to as part of a future Plan Change process which sends a mixed message and is subject to additional risk and uncertainty.



Kelvin Norgrove

16 June 2021

Appendix 1: Extract graphs and tables from Hearing 25 Framework and Zone Extents Reports

Figure 12: Tuakau - Growth cell capacity vs household projections

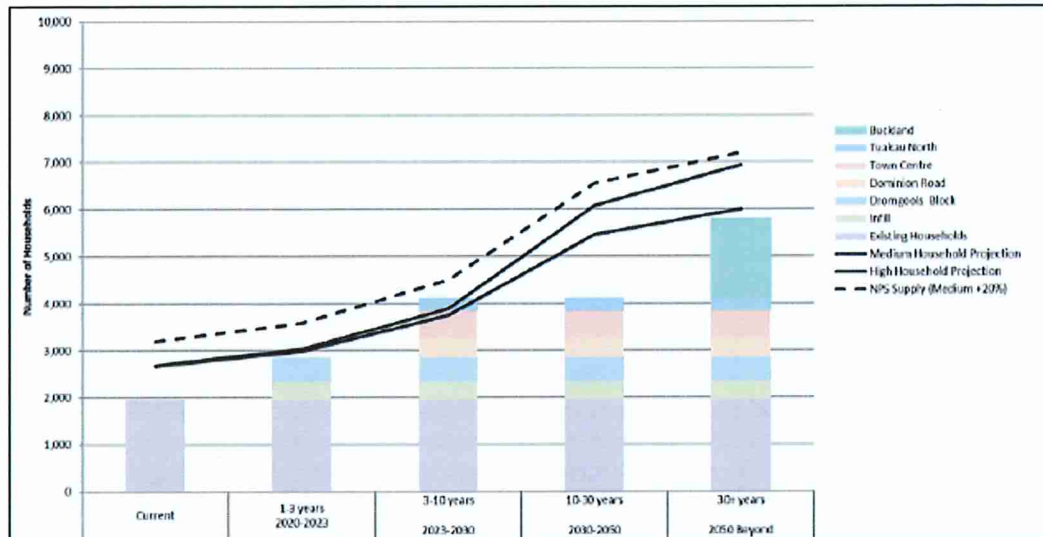


Table 4: Tuakau - growth cell capacity and household projection

Growth cell	2020–2023 (1–3 years)	2023–2030 (3–10 years)	2030–2050 (10–30 years)	2050+ (30+ years)
Buckland				1,679
Tuakau North		272	272	272
Town centre		564	564	564
Dominion Road		431	431	431
Dromgools Block	512	512	512	512
Infill	378	378	378	378
Existing households	1,951	1,951	1,951	1,951
Total PWDP supply	2,841	4,108	4,108	5,787
NPSUD demand (medium +20%)	3,571	4,487	6,548	7,193
Under/Over NPSUD demand	-730	-379	-2,440	-1,406

Source: WDC s42A Framework Report prepared by Dr Mark Davey (19 Jan. 2021)

Table 6: Updated Tuakau growth cell capacity and timing vs household projection

Growth cell	2020–2023 (1–3 years)	2023–2030 (3–10 years)	2030–2050 (10–30 years)	2050+ (30+ years)
Buckland				1,679
Tuakau North		272	272	272
<i>Reduced land at Harrisville Road</i>		0	0	0
Town centre		564	564	564
Dominion Road		431	431	431
<i>Dominion Road – Residential</i>		219	219	219
Dromgools Road	512	512	512	512
<i>Geraghtys Road – Residential</i>		425	425	425
Infill	378	378	378	378
<i>Medium Density Residential Zone</i>		–	–	–
Existing households	1,951	1,951	1,951	1,951
Total supply	2,841	4,752	4,752	6,431
Medium household projection	2,976	3,739	5,457	5,994
NPSUD demand (medium +20%)	3,571	4,487	6,548	7,193
Under/Over NPSUD	–730	265	–1,796	762

Source: WDC Hearing 25: Zone Extents – Tuakau report prepared by Chloe Trenouth (14 April 2021)