



12 February 2025

Bryan McGillan
Planning Team Leader
Eliot Sinclair

By email: bjm@eliot Sinclair.co.nz

Re: Cashmere Road Plan Change economic assessment

Dear Bryan,

In May 2023 I prepared the “Cashmere Road Plan Change Economic Impact Assessment” (the 2023 EIA), and you have requested an update on the standing of that assessment in light of any changes that may have occurred since that time. In this letter I confirm that the assessment’s findings remain relevant, and address how changes in Christchurch’s residential activity and policy environment affect the conclusions of that report.

Findings of 2023 EIA

My company’s 2023 EIA drew several key conclusions, which I restate here:

- ❖ Without the requested rezoning of the Site there is expected to be a shortfall of residential development capacity within the locality of the Site within the next ten years.
- ❖ Additional capacity would be required to ensure that Council is able to provide at least sufficient development capacity in line with its obligations under the NPS-UD.
- ❖ There are no other reasonably practicable and feasible options for providing the required capacity within the locality under clause 3.6(1)(b) of the NPS-HPL.
- ❖ The Site is well located to accommodate urban residential growth in Christchurch, and the Greenfield Priority Area (GPA) on part of the Site is the second closest GPA in the City to central Christchurch. The Site is located within an existing urban environment that is well serviced by a wide range of social, commercial and community facilities and employment options, and development of the Site would contribute to a well-functioning urban environment.
- ❖ Urban rezoning of the Site would be consistent with clause 3.6 of the NPS-HPL, and would give effect to the NPS-UD’s objective to provide at least sufficient development capacity, and that the economic benefits of the proposed rezoning would far outweigh the limited costs.



Current status

You have informed me of progress on the plan change application, including that the zoning sought is now “Residential New Neighbourhood” (RNN) instead of zoning based on the assessed Medium Density Residential Standards (MDRS). I understand that change is in part due to the expected removal of mandatory MDRS from the wider Christchurch residential areas given the Government has indicated that it will make the MDRS optional through the Resource Management (Consenting and Other System Changes) Amendment Bill.

The effect of that change is that the residential dwelling density that the plan change would enable would decrease from 20-25 dwellings/ha to around 18 dwellings/ha, reducing dwelling yield from around 336-420 dwellings to about 300 dwellings, on the 16.8ha developable part of the Site. That change is small, and has no bearing on the merits of the application from an economics perspective. You have advised also that the proposal does leave potential for more intense development (subject to infrastructure requirements) if desired at a future point. Any of those outcomes (yield of c.300 dwellings, 336-420, or some alternative of comparable scale) would result in the same conclusions on the merits of the plan change application, from an economics perspective.

Updated assessment

The 2023 EIA relied on data and findings from the “Christchurch City Council Updated Housing Capacity Assessment”, (Christchurch City Council, February 2023, the “HCA”). The HCA has not been updated since that time, and so it remains the best basis for an assessment of housing demand and capacity, such as was used for the 2023 EIA.

Changes that have might have occurred since the 2023 EIA was produced include:

- ❖ Changes in dwelling numbers, as a result of new dwellings being constructed in the locality since 2023.
- ❖ Changes in dwelling capacity.
- ❖ Changes in the current understanding of future dwelling demand.

Both demand and supply changes would be factored into the next HCA when it is completed, although I am not aware of any changes in either side of the demand-supply equation that would have any impact on the conclusions reached in the 2023 EIA:

- ❖ Nothing in the number of new dwellings constructed in the area has materially changed the supply-side of the equation, and absent any remodelling of theoretical dwelling capacity, the HCA capacity estimates remain the best comprehensively-modelled capacity estimates available.
- ❖ There may be incremental changes to demand projections once the results of Census 2023 are fully published, and population projections relying on those results are derived



and released. However, those are unlikely to result in demand projections being significantly different from those applied in the HCA.

- ❖ The Resource Management (Consenting and Other System Changes) Amendment Bill will require councils to have sufficient capacity for the 30-year high growth forecast. That will require a greater level of capacity than the current NPS-UD required, as was used as the basis for the 2023 EIA.

Accordingly, while changes in residential demand and supply since 2023 may have resulted in some minor changes in demand and supply numbers, the magnitude of the deficit in dwelling supply within the locality in the next 10 years that was assessed in the 2023 EIA means that the conclusions of the 2023 EIA remain unchanged, and it is not necessary to prepare an updated economic assessment as part of this plan change application.

Conclusion

Accordingly, my conclusions remain that:

- ❖ The plan change is required to ensure that there is sufficient residential development capacity within the locality within the next ten years, and to enable Council to meet its obligations under the NPS-UD.
- ❖ Development of the Site would contribute to a well-functioning urban environment.
- ❖ Urban rezoning of the Site would be consistent with clause 3.6 of the NPS-HPL, and would give effect to the NPS-UD's objective to provide at least sufficient development capacity.

Overall my conclusion is still that the economic benefits of the proposed rezoning would far outweigh the limited costs.

Please contact me if you have any questions.

Yours sincerely,

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