

Before the Independent Hearing Panel
Appointed by the Central Otago District Council

Under the Resource Management Act 1991

In the matter of Private Plan Change 14 to the Central Otago District Plan

Supplementary evidence of Natalie Dianne Hampson

25 May 2020

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Introduction

- 1 My name is Natalie Dianne Hampson
- 2 I have prepared a statement of evidence dated 12 May 2020. My qualifications and experience are set out in that statement. I confirm that this supplementary evidence is also prepared in accordance with the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014.
- 3 This statement addresses:
 - (a) Matters raised in Section 10 of Ms Wharfe's evidence for Horticulture New Zealand that are relevant to my evidence.

Reference to Far North Research

- 4 Ms Wharfe has identified that the Far North research I referred to in my Supply and Demand Assessment report has not been made public and therefore cannot be verified. This is true. However, I referred to the report in good faith that the report *would* be made public as it was finalised and signed off by the Far North District Council in September 2018 (and noting that my report for PC14 was finalised in May 2019). It is typical that technical reports informing a proposed district plan are included on the Council's website and the authors of the report expected this to be the case (and that expectation remains).
- 5 It is also correct that the referenced report is to be amended as Council identified that two of the map files they supplied (that formed part of the analysis in the report) had incorrect boundaries. That amendment work is in the process of being contracted at present. The amendments have no impact on the discussion within the report focussed on the high level nature of rural lifestyle and rural residential properties or typical household types occupying those property types, nor do they impact on the high level assessment of how rural residential and rural lifestyle typologies/zones are dealt with across New Zealand. I note that the latter is mainly a collation of data available in district plans, so could be easily replicated.
- 6 Irrespective, I believe Ms Wharfe places too much importance on my reference to that work. The intent was simply to highlight that the concept of rural residential and rural lifestyle development is by no means novel. They are commonly used terms. They are terms used in a range of district plans, and councils throughout the country are grappling with the issue of providing capacity to meet these sectors of demand. I have not created the term 'rural residential' and 'rural lifestyle' and I believe they are appropriately described and distinguished for the purpose of my report.

- 7 Further, my report for PC14 does not borrow or 'rely' as Ms Wharfe contends in paragraph 10.22, on any of the analysis carried out in the Far North regarding development, densities, zoning or horticulture. I have relied on the socio-economic characteristics of rural residential and rural lifestyle households analysed in the Far North because I believe they have general relevance to this circumstance. This is a minor aspect of my report. Any comparison between my PC14 report and the Far North research was limited (mainly in footnotes) to discussion around the lot size thresholds. My analysis and conclusions are in no way reliant on the Far North research. I have carried out bespoke analysis of the Cromwell Ward for PC14, as is appropriate.

Terminology Relevant to ODP

- 8 In paragraphs 10.15-17, Ms Wharfe identifies some exceptions to the general size thresholds I have settled on for the purpose of my report. My report already identifies that there is variability in these thresholds and that they are indicative. They are used to help aggregate data on the supply of lot sizes in the Cromwell ward in a way that is easy to understand, meaningful in terms of typologies not limited to this district and directly relevant to the lot sizes proposed in PC14.
- 9 I have however taken care to ground truth those size breaks in the context of operative zones found in the Cromwell Ward (report) and total district (evidence in chief). I intentionally did not take a 'plan approach' to defining or labelling lots sized 2,000-1ha and 1ha-8ha in Cromwell ward. I took a spatial and 'market approach' as was the purpose of my report. This helps, I believe, deal with the overlap in lot sizes in some of the zones within the Rural and Residential Resource Areas in the ODP. The approach taken in my report would be analogous to a report that focussed on demand for retirement living or apartment living in that these are market sectors seeking particular combinations of physical site and locational attributes and not limited to the planning terminology of a district plan.
- 10 My conclusions on demand and supply and the relevance of PC14 do not hinge on the terminology used.

Demand for rural living

- 11 The substance of my analysis is focussed on spatial data trends outside of the Cromwell urban area. I have relied on Council's own growth projections that provide this exact same spatial split. I disagree with Ms Wharfe's statement that I have "inflated the figures to demonstrate demand" (paragraph 10.33). My assessment concludes simply that there is strong demand for dwellings in the area outside of urban Cromwell and that based on historical trends in subdivision in this catchment, it is reasonable to assume that a significant share of future growth will be from markets seeking lots between 2,000-1ha and 1ha-8ha in this catchment.

- 12 In paragraphs 10.37-38, Ms Wharfe raises the effect of Covid-19 on demand and the potential effect of a recession on demand for new dwellings. I have not addressed this in my evidence. There is significant uncertainty as to what sort of flow-on effects New Zealand's Covid response will have on different sectors of the economy (other than immediate effects already observed). Any effects are likely to vary by location (i.e. they will not be felt evenly) and the duration of those effects is also highly uncertain.
- 13 I am unaware of any work by CODC that may project alternative growth futures for the district. It may be reasonable to expect a slow-down of new dwelling demand in Cromwell Ward. The slow-down may be temporary and be limited to particular market sectors. Migration rates into COD may be more likely to be impacted than natural household formation rates although a desire to retire to Cromwell (for example) may be unaffected. Any slow-down is likely to affect dwelling demand in both urban and rural fringe/rural locations. Overall, I think that it would be inappropriate to speculate on what is going to happen to the Cromwell ward housing market at this (early) stage.
- 14 In paragraph 10.41, Ms Wharfe identifies that not all of the potential for further subdivision in the Rural Residential Zone in Ripponvale Road has been realised (to date) and therefore questions the demand for smaller lots in a rural setting. I estimate that there is indicatively 5 additional lots that could be subdivided that do not currently contain productive orchards in the Rural Residential Zone of Ripponvale Road (paragraph 39f (footnote 16) of my EIC). There would be additional subdivision potential on some orchard properties although I have not estimated that.
- 15 This raises the important issue of plan enabled capacity versus what is actually supplied by the market. What is supplied by the market is not always a reliable indicator of demand. A decision to subdivide rests with the landowner. None of the remaining capacity in existing zones (discussed in my evidence) can be relied on with any certainty. This is why it is important to ensure a range of appropriate options for development in the market to stimulate healthy competition and minimise the risk of land banking.

Dated this 25th day of May 2020



Natalie Dianne Hampson