BEFORE THE ENVIRONMENT COURT

AT AUCKLAND

I TE KŌTI TAIAO O AOTEAROA

KI TĀMAKI MAKAURAU

IN THE MATTER	of appeals under Clause 14 of Schedule 1 of the Resource Management Act 1991
BETWEEN	**BOONHAM**
	(ENV-2021-AKL-000061)
	MANGAWHAI MATTERS INCORPORATED & OTHERS
	(ENV-2021-AKL-000062)
	Appellants
AND	**KAIPARA DISTRICT COUNCIL**
	Respondent

STATEMENT OF EVIDENCE OF FRASER JAMES COLEGRAVE ON BEHALF OF MANGAWHAI CENTRAL LIMITED

(ECONOMICS)

17 December 2021

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INTRODUCTION

Qualifications and experience

1. My name is Fraser James Colegrave.

2. I hold a first-class honours degree in economics from the University of Auckland (1996).

3. I have 25 years' commercial experience, the last 21 of which I have worked as an economics consultant.

4. I am the managing director of Insight Economics Limited, an economics consultancy based in Auckland, which I founded in 2013. Prior to that, I was the founding director of another economics consultancy, Covec Limited, for 12 years.

5. I have led and completed more than 500 consulting projects. My main fields of expertise are land-use and property development. I have worked extensively in these areas for dozens of large property developers in New Zealand. In addition, I regularly advise Local and Central Government on a range of associated policy matters.

Code of Conduct

6. I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note (2014) and I agree to comply with it. In that regard, I confirm that this evidence is written within my expertise, except where I state that I am relying on the evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

SCOPE OF EVIDENCE

7. In my evidence, I:

    (a) provide an executive summary of my key conclusions;

    (b) summarise the relevant aspects of proposed Plan Change 78 (the "Proposal" or "PC78");

    (c) describe my assessment methodology;

(d) summarise the Proposal's likely economic effects; and

(e) respond to discrete issues raised in the appeal by Mangawhai Matters Inc ("Mangawhai Matters").

EXECUTIVE SUMMARY

8. I consider that the Proposal is appropriate from an economics perspective, including for the following reasons.

   (a) The proposed residential aspects of PC78[1] will have several important benefits, including:

      (i) Enabling increased land/dwelling supply.

      (ii) Enabling more affordable housing.

      (iii) Enabling greater housing choice.

      (iv) Providing for housing for older people.

      (v) Enabling increased support for local non-residential activities.

      (vi) Providing Council fiscal benefits.

      (vii) Promoting the highest and best use of the land.

9. In addition:

   (a) Mangawhai's population has grown rapidly in recent times. For example, between the 2013 and 2018 censuses, Mangawhai's population grew from 1,310 to 1,870 people (an average annual growth rate of 7.4%). Over the last three years, this has accelerated, with population growth averaging 8.1% per annum. And, during the year to 30 June 2021, Mangawhai's population grew more than 9%.

   (b) Mangawhai's population has evolved considerably since 2013, with higher shares of younger people (aged 29 or younger), greater ethnic diversity, more employed people, and significantly higher incomes.

[1] See PC78 proposed Sub-Zones 3A-3D.

(c) The size of new dwellings consented in New Zealand is now the lowest that it has been in 29 years, which partly reflects a shift towards attached dwellings, such as duplexes, terrace houses, and apartments.

(d) As dwelling sizes decrease and more attached dwellings are built, sections sizes are also shrinking in new subdivisions. These smaller section sizes improve dwelling affordability, which helps to reduce weekly rent or mortgage payments. This, in turn, increases the disposable incomes available to be spent locally, and therefore creates wider economic benefits for the community too.

(e) The Covid-19 pandemic has accelerated emerging trends towards working from home ("WFH"). As the trend towards WFH gains momentum, more remote areas like Mangawhai are becoming increasingly viable living options for a range of family types, particularly families with white collar workers (whose jobs are easiest to do remotely).

(f) At the same time, significant work is currently underway to improve the state highway network between Auckland and Northland, which will reduce the commute time between Auckland and Mangawhai and also improve journey reliability.

(g) Coupled with the ongoing trend towards WFH, these state highway improvements will make Mangawhai a more attractive place to live ("work and play"). Accordingly, I anticipate that there will be strong and enduring demand for new dwellings on the PC78 land, including smaller dwellings on more compact sections.

10. Overall, I consider the Proposal is appropriate from an economic perspective and that it will have a range of positive economic effects. In my opinion, there are no economic issues precluding the granting of PC78.

SUMMARY OF THE PROPOSAL

11. Key features of the Proposal that are relevant to my evidence include:

(a) Provision for up to approximately 1,000 residential lots, including a retirement village. This will be achieved through a combination of

proposed changes to the underlying sub-zones and development controls, including reduced minimum lot sizes. In addition, higher density will be enabled via Integrated Residential Development Overlay provisions and retirement village-specific provisions.

(b) A redesigned mainstreet anchored by a supermarket, which moves away from Molesworth Drive to integrate with the rest of the development. The already consented (and under construction) mainstreet will provide approximately 6,200m^2 of retail and commercial services GFA to meet the current and future needs of the community.

(c) An amended services subzone with smaller lot sizes than the operative Chapter 16 subzone, catering for a wide range of industrial/services uses.

ASSESSMENT METHODOLOGY

12. I have previously assessed the economic effects of the three key elements identified above, including analyses of the existing provisions, and assessments of the likely economic effects arising from PC78.[2]

13. This evidence is informed by my previous detailed assessments/reports.

14. Because: (a) residential development is the primary proposed land use on the PC78 site; (b) it is a focus of the appeals and s274 notices; and (c) it has not been the subject of previous comprehensive resource consent applications like the mainstreet (Business) and Services Sub-Zones; I focus particularly on the residential elements of the Proposal in this evidence.

SUMMARY OF ECONOMIC EFFECTS – RESIDENTIAL

15. My analysis of the residential elements began by identifying the subject land's location and briefly describing its Operative District Plan residential

[2] Insight Economics, *Economic Assessment of Proposed Private Plan Change at Estuary Estates – Residential*, 12 November 2019.
Insight Economics, *Economic Assessment of Private Plan Change at Estuary Estates - Business Sub-Zone 1*, 12 November 2019.
Insight Economics, *Economic Assessment of Private Plan Change at Estuary Estates - Business Sub-Zone 7*, 12 November 2019.
Insight Economics, *Supplementary Economic Assessment of Proposed Residential Development at Mangawhai Central*, 11 September 2020.

planning framework, which is spread across four subzones. I identified the strategy for each subzone and listed the number of residential units that can be created in each. Overall, up to 500 residential units can be developed across the entire Estuary Estates area pursuant to Operative Chapter 16, including up to 50 in the Business 1 Subzone, with all future development subject to a suite of development controls.

16. Next, I briefly assessed the operative provisions in Chapter 16 of the District Plan for residential development and identified several serious economic issues arising. They are that the Operative Chapter 16 provisions:

    (a) Limit residential yields to a maximum of 500 units despite the land appearing to have greater carrying capacity. From an economic perspective, I consider it more efficient to clearly articulate the environmental expectations/limits associated with future development of the site, but then be flexible within those limits to enable the land to meet its full potential in economic terms over time. Operative Chapter 16 of the District Plan, however, seems to apply a more prescriptive approach to planning for the Estuary Estates area, which is likely to undermine economic efficiency over the longer term.

    (b) Impose minimum lot sizes that seem too large - from an economic perspective - in many subzones. While the minimum lot size for the Operative Residential 3 subzone (400m^2) appears reasonable, those for other residential subzones seem high from an economic efficiency perspective). While some prospective households may seek a larger section, others will not. As a result, the lot size minima are likely to be imposing binding constraints, the economic rationale for which is unclear to me.[3]

    (c) Forego more than 50% of residential zoned land to greenspace, which challenges development viability/efficiency. Specifically, the four residential subzones span nearly 110 hectares, 61 hectares (56%) of which is dedicated to open space and the green network. While I understand the intention to create a residential community with high levels of visual amenity and to protect existing bush and wetlands (matters which are outside my expertise), foregoing more

[3] I acknowledge that there may be other (non-economic) factors informing the Operative provisions, for example urban design/landscape considerations.

than half of the total land area (which is mostly pasture) to greenspace is unlikely to be economically efficient. Not only does this requirement forego land for development, but it also imposes additional planting costs. Together, these reduce development viability/efficiency.

(d) Preclude the development of smaller and more affordable dwellings. For example, the requirement to provide significant outdoor space along with generous yard requirements on all sides[4] foregoes considerable land area to outdoor space. At the same time, the minimum lot sizes in many subzones may require people to purchase more land than they may have otherwise wanted to, or conversely to decide not to purchase land. Collectively, these various development controls undermine the ability to provide smaller and more affordable dwellings which, in turn, may help to provide a more balanced local demography.

(e) Generate process inefficiencies by requiring new dwellings to obtain resource consent unless they form part of a comprehensive development.[5] This imposes complexity on the development process, increases its costs, and causes project delays.[6]

(f) Limit onsite support for the future non-residential elements of the development. In some cases, the limited onsite residential supply could render prospective non-residential land uses (such as retail) unviable, and could potentially reduce the site's ability to help cater for the social and economic needs of the local community over time.

17. Next, my assessment described the proposed PC78 provisions for future residential development of the land (which are set out in detail in Mr Tollemache's evidence), before profiling the local population and demography using 2013 census data. Overall, the data show that Mangawhai is a fast-growing area populated with older, mainly European people who live in small households, and have relatively low incomes.

[4] Rule 16.8.2.3 of the operative District Plan.
[5] Operative Chapter 16 (16.7.1).
[6] For example, suppose that the cost of obtaining a resource consent is (say) $5,000 per dwelling. Given that the Estuary Estates provisions enable up to 500 new dwellings, this equates to $2.5 million of additional costs. By making residential development generally a permitted activity (subject to other planning/development controls), the cost of building new homes will be reduced and the process will be simplified. Both will provide important economic gains.

18. In addition, I briefly profiled the existing stock of dwellings in the area to provide further context. According to the latest data published under the National Policy Statement on Urban Development 2020 ("NPSUD"), Mangawhai prices have increased by 9.4% per annum over the last 27 years and are now nearly 50% higher than the district average.[7]

19. In addition, existing Mangawhai dwellings achieve relatively low development intensities. For example, according to Core Logic's Property Guru tool, the average Floor Area Ratio (FAR)[8] for Mangawhai dwellings is currently less than 15%. By contrast, according to Property Guru, the average FAR in Milldale – a recently developed subdivision 75km south of Mangawhai in Auckland – is 43%.

20. Finally, I analysed the proposed residential provisions of PC78, including relative to the Operative Chapter 16 provisions. Several key economic benefits of the PC78 were identified, including:

    (a) Increased land/dwelling supply – by making more land available for future residential development, the proposed provisions will improve the responsiveness of supply to future increases in dwelling demand. This, in turn, will help to reduce the inflationary effects of demand pressures on house prices, and hence improve housing affordability relative to the status quo.

    (b) More affordable housing – the proposed provisions will enable the development of smaller and consequently more affordable dwellings than would otherwise be possible.

    (c) Increased support for local non-residential activities – the enablement of more dwellings onsite will provide a stronger pool of local demand to support the various non-residential elements of the development (and Mangawhai generally). This will ensure a degree of local self-sufficiency that will reduce the need for travel to meet regular household needs; thereby securing a range of social, economic, and environmental benefits.

[7] These figures have been updated for the year ended 30 September 2021. Source: https://huddashboards.shinyapps.io/urban-development/

[8] The Floor Area Ratio (FAR) equals a building's gross floor area (GFA) divided by its land area. For example, a 200m^2 house on a 400m^2 section has a FAR of 0.5.

(d) Council fiscal benefits – the concentration of significant residential and non-residential activity in a contained area like Mangawhai Central makes it relatively cost-effective to service compared to more dispersed areas.

(e) Provision of housing for older people – despite the high proportion of older people living in Mangawhai, the closest retirement village is located about 25 kilometres away in Maungaturoto. The Proposal enables a retirement village that will help fill this gap and better reflect local demographics.

(f) Greater housing choice – over the last 10 years, 97% of new dwellings consented in Mangawhai were stand-alone houses, compared to a national average of 70%.[9] By enabling other dwelling types to be developed on the land, the proposed provisions provide greater housing choice and will provide a better fit with the local population's incomes and household sizes. The demand for smaller and more affordable dwellings is highlighted by the significant recent trend away from larger and more expensive stand-alone dwellings, which have traditionally dominated in New Zealand. For example, in 2010, 84% of new dwellings consented were stand-alone houses. However, during the year ended 30 September 2021, that had dropped to only 57%.[10]

(g) Higher and better use of the land – finally, the proposed provisions will enable the land to be put to a higher and better use, which is a precondition for economic efficiency to hold in the underlying land market.

SUMMARY OF ECONOMIC EFFECTS – RETAIL AND MAINSTREET

21. My analysis of the PC78's retail and mainstreet elements began by comparing the 17,000m^2 of commercial/retail gross floor area (GFA) enabled in the Operative Business 1 subzone to the amount of commercial floorspace provided in similar areas elsewhere. The analysis showed that the level of commercial/retail floorspace currently provided in Operative Chapter 16 exceeds any plausible future needs. For example, it is more

[9] Sourced from Statistics New Zealand building consent data.
[10] Sourced from Statistics New Zealand building consent data.

than 4.5 times the median amount of commercial floorspace provided in Auckland's 100 or so local and neighbourhood centres,[11] and nearly three times the median value of the 40 neighbourhood centres in the Property Council's Shopping Centre Database.

22. My analysis next identified the mainstreet GFA associated with the proposed PC78 provisions, which reflect the recently consented supermarket/mainstreet development, and which equate to just over 6,200m^2 of commercial/retail floorspace. This equates to just over 3m^2 per additional future Mangawhai resident under Statistics New Zealand's medium projection (from 2018 to 2043), which matches the existing districtwide average. Accordingly, from an economics perspective, I consider the proposed PC78 provisions are appropriate with respect to the level of commercial/retail floorspace provided, including with reference to the existing provisions in the Operative Chapter 16 (which provide for a level of commercial/retail floorspace more than three times higher).

23. Next, the assessment described the economic rationale for, and likely economic benefits of, the proposed supermarket element within the proposed mainstreet design. I outlined that groceries and other items sold at supermarkets account for a significant share of household spending,[12] and hence that access to competitively priced items is important. However, because supermarkets require large customer bases,[13] their provision in smaller areas such as Mangawhai is often limited. As a result, locals must either access higher-priced items locally, or incur travel time and cost to access cheaper items from further away. Both outcomes reflect economic inefficiencies that can have significant and enduring consequences.

24. Using some simple calculations, I showed that nearly 70% of local food retailing expenditure is likely to currently leak out of Mangawhai.[14] Moreover, with the closest full-service supermarket located about 40 kilometres away in Warkworth, the resulting commute is substantial. By retaining that spending in the local economy, rather than forcing it to leak out, the Mangawhai Central supermarket (and other business activities

[11] Sourced from the outputs of Auckland Council's 2018 Capacity for Growth Study.
[12] For example, Statistics New Zealand's Retail Trade Survey for the Year Ended 30 June 2021 showed that supermarkets and grocery stores accounted for more than a quarter of core retail trade.
[13] For example, a typical (say) 3,000m^2 supermarket typically turns over about $30 million per annum, so a large and proximate customer base is required to ensure viability.
[14] The calculations supporting this figure are set out in section 6.4 of Insight Economics, Economic Assessment of Private Plan Change at Estuary Estates - Business Sub-Zone 1, 12 November 2019.

provided for in PC78's Sub-Zone 1 (Business)) will not only reduce travel times and costs, but will also enable a more self-sufficient local/circular economy that will provide additional incomes and employment for locals. Hence, the supermarket will provide long-term economic benefits for the local community overall.

25. Finally, I considered the possibility of adverse retail distribution effects arising as a result of the proposed mainstreet/supermarket development. Notwithstanding the fact that the Proposal includes significantly less retail activity than is already provided for in the existing Chapter 16 provisions, I also did not consider the Proposal to create any tangible risk of adverse retail distribution effects because:

    (a) A significant proportion of retail expenditure originating locally leaks out of the area to more established locations, such as Warkworth and Whangarei. The proposed development will help to improve the rate of local retail retention, and thus increase the size of the local retail "pie".

    (b) As a result, each dollar of sales made at the new retail development will not directly translate to a dollar of sales lost from existing retailers in the local area, which helps to mitigate trade impacts.

    (c) Furthermore, the Proposal is located roughly equidistant from the two existing commercial areas at the Mangawhai Village and Heads, respectively. Consequently, the trade impacts of retail developments on the PC78 land will be spread evenly across the two locations, not just one. This will help to diffuse trade impacts should they arise.

    (d) In addition, existing stores at the two commercial areas nearby are likely to be trading very well given the limited local retail options.[15] Because of these relatively strong sales rates, they will be well-placed to absorb the effects of future trade competition.

[15] For example, as noted above, the closest existing supermarket is approximately 40 kilometres away. Accordingly, the two existing grocery stores in Mangawhai are likely to be achieving quite high rates of sales per square metre of GFA.

(e) Finally, because retail demand is set to grow rapidly as the local population grows, any trade impacts will not only be relatively minor, but also fairly short-lived.[16]

26. For the reasons set out above, I consider it highly unlikely that the PC78 Proposal will give rise to adverse retail distribution effects. At the same time, the Proposal represents an efficient use of this scarce land resource, including with reference to the existing mainstreet provisions in the District Plan.

SUMMARY OF ECONOMIC EFFECTS – SERVICES SUBZONE

27. My analysis of the services subzone began by describing the Operative District Plan rules and provisions that currently define its development potential, which identified several issues from an economic perspective. These include the:

(a) land required for planting is likely to undermine viability/efficiency by reducing the developable area, and increasing landscaping costs;

(b) minimum lot size and building coverage ratios are likely to curtail development options.

28. Collectively, these controls constrain the site's development potential, and in my opinion, may challenge the viability/efficiency for development on the basis of the Operative Chapter 16 provisions. Overall, I consider that the Operative Sub-Zone 7 provisions are highly restrictive. A Services Sub-Zone 7 proposal departing significantly from the Operative Chapter 16 provisions has recently been consented and is under construction, which reflects the provisions in PC78.

29. Next, I analysed the likely economic effects of PC78, relative to the operative provisions, and identified several likely positive effects. They include:

(a) Boosting the district's scarce supply of business land;

(b) Providing a range of lot sizes, thus better catering for market demand;

[16] According to Statistics New Zealand's population projections (as at 30 June 2021), Mangawhai's population has grown by 26% since the 2018 census. Moreover, the latest population projections – released this year – indicate that future population growth will also be strong (albeit at a lower rate than the last three years).

(c) Improved economic efficiency of development;[17]

(d) Providing greater scope for local employment; and

(e) Ensuring better utilisation of a scarce resource, which boosts economic efficiency.

30. Finally, I considered possible adverse effects of the Services Sub-Zone 7 aspects of the Proposal. However, no such effects could be identified from an economic perspective.

UPDATED RESIDENTIAL ASSESSMENT

31. After drafting my initial economic assessments for PC78, new data – including Census 2018 – became available. I used these to provide updated information relevant to PC78's residential provisions. This included the potential impacts of the growing trend towards working from home ("WFH") coupled with State Highway improvements on the demand for housing in areas more remote from Auckland, like Mangawhai.

(a) The key findings of my supplementary assessment included that Mangawhai's demography has evolved notably since 2013, with the changes far outpacing those occurring across the rest of the district.

(b) For example, compared to 2013, Mangawhai's population in 2018:

(i) Had higher shares of younger people (aged 29 or younger);

(ii) Was more ethnically-diverse;

(iii) Included more employed people; and

(iv) Had significantly higher incomes.

32. In addition, my updated assessment noted that the average size of new dwellings consented in New Zealand continues to fall, and was the lowest that it has been in 27 years.[18] This partly reflects a notable shift towards attached dwellings, such as duplexes and terrace houses.

[17] Compared to the development enabled by the Operative Chapter 16 provisions.
[18] According to Stats NZ Building consent data for the year ended 30 September 2021.

33. As dwelling sizes decrease and more attached dwellings are built, sections sizes are also shrinking in new subdivisions. These smaller section sizes improve dwelling affordability relative to the status quo.

34. The Covid-19 pandemic has accelerated emerging trends towards WFH, with many organisations and their employees now recognising the potential benefits.

35. As the trend towards WFH gains momentum, more remote areas like Mangawhai are becoming increasingly viable living options for a range of family types, particularly those with white collar workers (whose jobs are easiest to do remotely).

36. At the same time, major work is underway to improve the state highway network between Auckland and Northland, which will reduce the commute time between Auckland and Mangawhai and improve journey reliability.

37. Coupled with the trend towards WFH, these state highway improvements will make Mangawhai a more attractive place to live (work and play) than before. Accordingly, I anticipate that there will be significant demand for new dwellings on the PC78 land, including smaller dwellings on more compact sections.

600M^2 MINIMUM SUB-ZONE 3A SECTION SIZE SOUGHT BY MANGAWHAI MATTERS

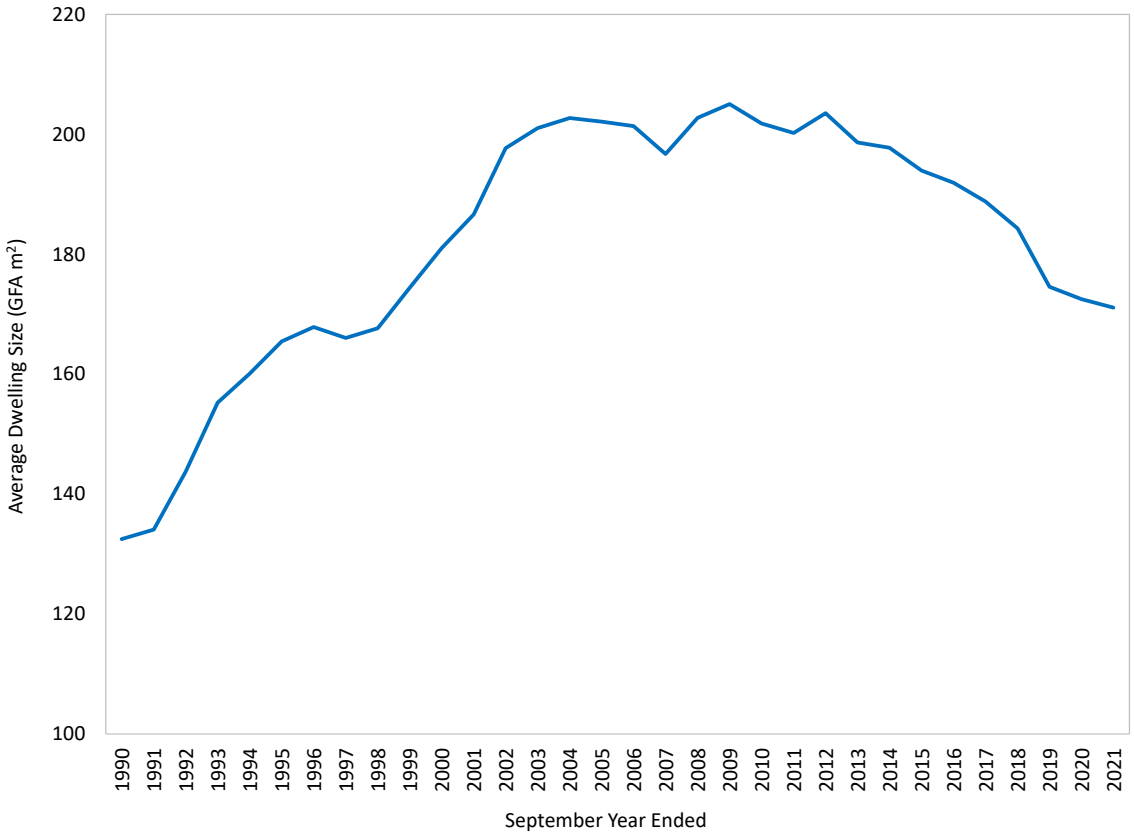
38. The relief sought by Mangawhai Matters in its appeal includes setting a minimum section size of 600m^2 in the residential 3A Sub-Zone and imposing a cap of 850 permitted dwellings across all zones (including retirement villages and integrated residential developments).

39. As noted earlier, there has been a rapid shift towards attached dwellings, which has also reduced average dwelling size. For the 12-months ended 30 September 2021, New Zealand built the smallest dwellings (on average) in 29 years. In my opinion, this trend towards smaller dwellings is likely to continue, with the demand for larger dwellings on sprawling sections likely to account for a diminishing share of total housing demand over time (including in Mangawhai). Indeed, the trend towards smaller dwellings is

not just a “large city trend”, with the average dwelling size outside New Zealand’s three largest cities also declining significantly over time.[19]

40. This is illustrated in the figure below, which plots the average size of new dwellings consented in New Zealand excluding Auckland, Wellington, and Christchurch. This average size peaked in 2009 and has (mostly) declined since. By September 2021, it was the lowest that it has been in 23 years.

Figure 1: National Average Size of New Dwellings (excluding Auckland, Wellington, and Christchurch)



41. As the size of new dwellings continues to fall, New Zealand no longer needs to keep producing the relatively large residential sections of yesteryear. This is reflected in the minimum lot size of 350m^2 in the Residential 3A subzone. Coupled with smaller yard requirements, and greater site coverage ratios, these smaller section sizes enable smaller and thus cheaper dwellings to be developed. And, by increasing the total yield, the fixed costs of development will be spread more thinly, thereby providing additional means to reduce dwelling costs and selling prices.

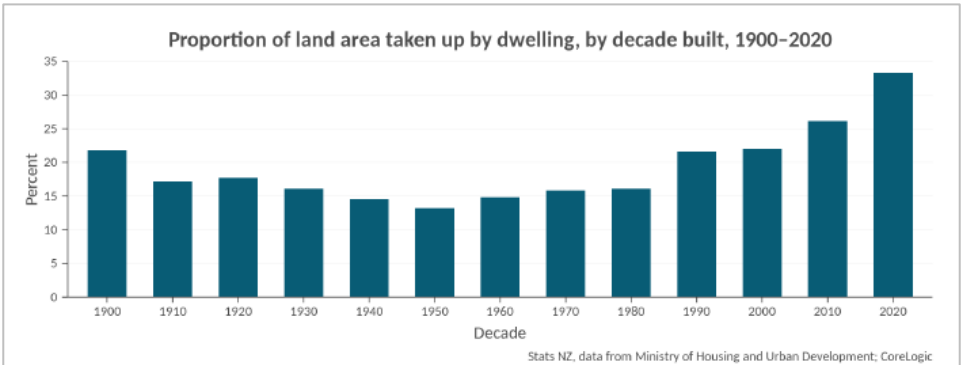
[19] Auckland, Christchurch City, and Wellington City.

42. A recent detailed report by Statistics New Zealand on the nation's housing stock confirms that section sizes are getting smaller and that greater intensities of development are occurring to enable more efficient/intensive uses of urban land.[20] For example, page 21 of that report notes:

> *"For dwellings built in the 20th and early 21st century, the median size of a land parcel in New Zealand was over 700m^2, but for dwellings built between 2000 and 2010, it fell to 681m^2. The most recent data for 2020 has a median land parcel size of 451m^2."*

43. The report then goes on to state that the intensity of development – as measured by the FAR – has increased over time. This is illustrated in the figure below, which appears on page 22 the report, and is consistent with the outcomes that are sought for the PC78 land.

Figure 2: Proportion of land area taken up by dwelling, by decade built, 1900-2020



Housing built from the 1910s to the 1980s occupied less than 18 percent of the section, but from the 1990s this began to grow, to reach over 25 percent in the 2010s. Data for the current decade, beginning 2020, shows new houses taking up almost a third of their section.

44. The proposed PC78 provisions also enable housing choice. Over the last 10 years, 97% of new dwellings consented in Mangawhai were stand-alone homes, while the other 3% were flats and townhouses. By comparison, over the same time period, only 70% of new dwellings consented nationally were stand-alone.[21] This limited range of housing choices provided in Mangawhai previously may not be sustainable in future, particularly as the local population continues to age and household sizes shrink. Again, the

[20] Statistics New Zealand. Housing in Aotearoa: 2020 (2021 Update). Retrieved from https://www.stats.govt.nz/assets/Uploads/Reports/Housing-in-Aotearoa-2020/Download-data/housing-in-aotearoa-2020.pdf

[21] As noted earlier, these statistics are derived from Statistics New Zealand building consent data for the period ended 30 September 2021.

proposed provisions respond to these trends by providing a wider range of dwelling types (on a wider range of section sizes) to provide a better fit between future supply and likely demand.

45. I also note that there are already sections in Mangawhai smaller than 600m^2, which reveals a clear market demand. To illustrate this, I used Property Guru to search for residential properties in Mangawhai with a section size less than 600m^2. My search returned 74 properties (which are listed in Appendix 1), which had an average section size of 454m^2.

46. Accordingly, from an economic perspective I disagree with the minimum lot size sought by Mangawhai Matters in its appeal for the Residential 3A Sub-Zone. Indeed, while many prospective households will invariably still need/want a larger home on a relatively large section, which PC78 will cater for, others will want a smaller section than the 600m^2 minimum proposed by Mangawhai Matters in its appeal. By providing for both smaller and large sections, PC78 will enable a wider range of housing needs to be met, thereby enabling a more diverse and inclusive community to gradually establish on the PC78 land over time.

NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT 2020 (NPSUD)

47. While the application of the NPS-UD will be addressed in the evidence of Mr Tollemache and in legal submissions, my assessment demonstrates that PC78 is consistent with key provisions of the NPSUD. For example, the Proposal:

    (a) Increases the district's inventory of commercially feasible capacity to meet housing demand over the short, medium, and long terms;

    (b) Improves the responsiveness of the district's housing supply to reflect ongoing growth in demand;

    (c) Increases the range of housing choices available to meet a diverse range of needs and preferences; and

    (d) Encourages higher density development and hence improves the affordability of dwellings.

48. In my opinion there is a strong economic case for PC 78 as advanced.

Fraser Colegrave
17 December 2021

Appendix 1: Existing Mangawhai Sections less than 600m2

Address	Land Area m2	GFA m2		Address	Land Area m2	GFA m2
1 CITRUS PLACE	330	107		30 GREENVIEW DRIVE	509	78
2 CITRUS PLACE	336	0		36 GREENVIEW DRIVE	596	84
3 CITRUS PLACE	319	0		48 GREENVIEW DRIVE	553	126
4 CITRUS PLACE	302	0		53 GREENVIEW DRIVE	557	125
5 CITRUS PLACE	369	114		25 GREENVIEW ROAD	574	99
6 CITRUS PLACE	386	109		68C JACK BOYD DRIVE	523	129
7 CITRUS PLACE	386	105		19 JORDAN STREET	599	165
8 CITRUS PLACE	312	109		23 JORDAN STREET	597	44
9 CITRUS PLACE	329	0		8 MOIR STREET	569	80
10 CITRUS PLACE	350	0		7 MOLESWORTH DRIVE	500	153
11 CITRUS PLACE	319	123		291 MOLESWORTH DRIVE	588	131
12 CITRUS PLACE	316	124		NAUTICAL HEIGHTS	257	0
13 CITRUS PLACE	482	0		NAUTICAL HEIGHTS	476	0
14 CITRUS PLACE	334	129		NAUTICAL HEIGHTS	213	0
15 CITRUS PLACE	324	0		NAUTICAL HEIGHTS	280	0
16 CITRUS PLACE	306	123		NAUTICAL HEIGHTS	228	0
17 CITRUS PLACE	385	109		NAUTICAL HEIGHTS	249	0
19 CITRUS PLACE	374	105		NAUTICAL HEIGHTS	239	0
21 CITRUS PLACE	351	104		NAUTICAL HEIGHTS	204	0
23 CITRUS PLACE	300	124		19 NORTHCOAST PLACE	597	60
25 CITRUS PLACE	320	140		20 NORTHCOAST PLACE	598	0
27 CITRUS PLACE	367	109		22 NORTHCOAST PLACE	595	106
29 CITRUS PLACE	300	122		23 NORTHCOAST PLACE	599	181
31 CITRUS PLACE	354	103		25 NORTHCOAST PLACE	598	94
3 DEVON STREET	487	180		4 OLSEN AVENUE	504	29
3 DEVON STREET	525	192		1 SHIPWRECK WAY	599	0
27 DEY STREET	548	96		3 SHIPWRECK WAY	596	0
4 FANTAIL WAY	595	161		1 STINGRAY LANE	500	168
2 GREENVIEW DRIVE	521	328		4 STINGRAY LANE	500	171
6 GREENVIEW DRIVE	567	258		6 WINTLE STREET	594	133
8 GREENVIEW DRIVE	592	208		8 WINTLE STREET	594	0
15 GREENVIEW DRIVE	521	99		24A WOOD STREET	509	36
17 GREENVIEW DRIVE	543	97		24 WOOD STREET	536	166
18 GREENVIEW DRIVE	515	125		26A WOOD STREET	457	53
19 GREENVIEW DRIVE	556	108		26 WOOD STREET	585	219
21 GREENVIEW DRIVE	592	157		28A WOOD STREET	554	69
29 GREENVIEW DRIVE	491	121		28 WOOD STREET	487	93