

BEFORE THE KAIPARA DISTRICT COUNCIL PC78 HEARING PANEL

UNDER The Resource Management Act 1991

IN THE MATTER OF Private Plan Change 78 (PC78) to the
Operative Kaipara District Plan

**SUMMARY STATEMENT OF PHILIP OSBORNE EVIDENCE OF PROPERTY
ECONOMICS**

ON BEHALF OF KAIPARA DISTRICT COUNCIL

3 February 2021

1. INTRODUCTION

1.1 My full name is Philip Mark Osborne. I have been engaged by Kaipara District Council (**The Council**) to prepare and present economic findings relating to the consideration of Private Plan Change 78 (**PC78**).

Qualifications and experience

1.2 My academic qualifications include Bachelor of Arts (History/Economics), Masters degree in Commerce, and a Masters in Planning Practice and I have provisionally completed my doctoral thesis in developmental economics.

1.3 I have provided economic advice for both local governments throughout New Zealand and central government agencies. Areas of advice relevant to this evidence have included the potential economic impacts of public projects as well as the economic impacts in relation to industrial, commercial and residential land use issues and their influence on economic well-being. I also provide consultancy services to a number of large private sector clients in respect of a wide range of property issues, including economic impact assessments, commercial and industrial market assessments, and forecasting market growth and land requirements across all property sectors.

1.4 My economic peer review of the Applicant's economic assessments was pre-circulated on 30 October 2020 with the s42A Report. The purpose of this statement is to highlight areas of agreement and disagreement with regard to other experts in my field relating to PC78. These experts are:

(a) Mr Fraser Colegrave on behalf of the Applicant.

(b) Dr Philip McDermott on behalf of Further Submission FS68.

2. AREAS OF AGREEMENT AND DISAGREEMENT / CONTENTION

2.1 Some high-level areas of agreement between myself and other experts appear to be:

a) The Mangawhai area has experienced, and is expected to experience, significant residential and housing growth.

b) Residential property prices within the identified area have seen substantial growth beyond the national average.

- c) The current household composition and demographics of the area are changing, with proportional growth trending away from retirees and holiday homes.
- d) The proposal is likely to result in smaller residential sites with a lower average market price than the current provisions.
- e) There is no identified reason to suggest that the Mangawhai residential market will replicate the wider national or Auckland markets in terms of dwelling sizes and typologies.
- f) The potential benefits of current green space provisions have not been assessed.
- g) The identification of rates as an ongoing economic benefit – without at least the identification of a surplus (McDermott paragraph 13.2).

2.2 Some areas of disagreement remain between myself and the applicant / submitter expert positions including, but not limited to:

- a) That there is a clear and identifiable requirement for this level of small and more affordable houses. While the proposal will undoubtedly provide for this aspect of the market, Dr McDermott contends that this product does not represent the primary demand for the catchment. I agree that historically demand in Mangawhai has been for larger sites (than the national average) and at higher prices. However, there is the possibility that the market exists for the proposed product.
- b) No formal economic analysis on the economic trade-off between higher and lower density developments has been undertaken. (McDermott paragraph 4.7). While I agree that no specific assessment has been undertaken Mr Colegrave has provided some higher-level benefits associated with the higher density development which I find for the purposes of this application (and given a resolution regarding infrastructure) as sufficient.
- c) While affordability may not be directed specifically for the Mangawhai area, there are economic benefits resulting from land efficiencies and providing the market with increased pricing choices.
- d) That demand for the proposed product will not materialise and therefore PC78 represents an inefficient use of land (McDermott paragraph 7.3).
- e) The consideration of, at least, the underlying economic rationale for the NPS-UD.

- f) The requirement to accommodate all expected resident origin employment within the proposed business area. The process and estimation of employment resulting from the residents of the proposed development.

3. CONCLUSION

- 3.1 Having considered the evidence and rebuttal evidence of both Mr Colegrave and Dr McDermott, I have not altered my position in support of the proposed Plan Change.

Philip Osborne