

BEFORE COMMISSIONER MARK ST. CLAIR APPOINTED BY NEW PLYMOUTH DISTRICT COUNCIL

UNDER

the Resource Management Act 1991 ("RMA")

IN THE MATTER

of an application under section 88 of the Act by **ROBE AND ROCHE INVESTMENTS LIMITED** to the **NEW PLYMOUTH DISTRICT COUNCIL** for a subdivision to create 113 residential lots and additional road and recreational reserves at 56 Pohutukawa Place, Bell Block. (SUB21/47803)

STATEMENT OF EVIDENCE LAWRENCE RYAN MCILRATH ON BEHALF OF ROBE AND ROCHE INVESTMENTS LIMITED

1. INTRODUCTION

- 1.1 My full name is Lawrence Ryan McIlrath. I have a BA et Sc (Planning), majoring in Economics from the Potchefstroom University of Christian Higher Education (South Africa), as well as a Master of Business Administration from North-West University (South Africa). I am a Director of Market Economics Ltd (M.E), an independent research consultancy. I have more than 20 years' experience.
- 1.2 I specialise in market assessments, demand and supply analysis, sectoral analysis, and urban economic analysis. My work includes assessing sectoral structures and interactions, over time and across locations, scenario assessment and growth modelling, as well as evaluating the implications of different growth pathways on market segments. I have applied these skills across many sectors and locations around New Zealand.
- 1.3 This evidence is given in support of the subdivision and land use consent application ("the application") lodged by Robe and Roche Investments Limited ("the applicant"), to subdivide the land at 56 Pohutukawa Place, Bell Block into 113 residential lots and associated road and recreational reserves.
- 1.4 I am authorised to give this evidence on behalf of the applicant.

2. INVOLVEMENT IN THE PROJECT

2.1 My involvement in the application has included:

- (a) Reviewing the New Plymouth housing environment and assessing the economic effects of the proposal.

2.2 I have also reviewed the following documents produced with the application, including:

- (a) The original application for consent dated 26 May 2021;
- (b) The 'Addendum to Application for Resource Consent 56 Pohutukawa Place' dated 8 July 2021;
- (c) The associated scheme plans for the development dated 6 August 2021;
- (d) The 'McKinlay Surveyors Revised Subdivision Scheme Plans' dated January 2025.

2.3 As part of my assessment, I reviewed other documents such as the New Plymouth District Council ("NPDC") Housing and Business Capacity Assessment, as well as official information about the District.¹

3. CODE OF CONDUCT

3.1 I confirm that I have read the Code of Conduct for expert witnesses contained in the 2023 Environment Court Practice Note and that I agree to comply with it. I confirm I have considered all the material facts that I am aware of that might alter or detract from the opinions I express. In particular, unless I state otherwise, this evidence is within my sphere of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

4. PURPOSE AND SCOPE OF EVIDENCE

4.1 In this matter, I have been asked by the applicant to assess the potential economic and urban form implications of the proposed development.

4.2 I confirm that I have read the submissions on the Application and the Council Officer's Report. The assumptions, assessment and conclusions set out in

¹ Such as Stats NZ's population projections.

the Market Economics report² (the economic assessment report) remain valid – a full copy of that report is attached as **Appendix 1**.

4.3 My evidence summarises the Market Economics assessment report and follows the same composition. My evidence is structured as follows:

- (a) The Summary is presented (Section 5);
- (b) Section 6 provides a short introduction (Section 6);
- (c) The New Plymouth housing environment is described and provides a context for the economic assessment. The section covers historic growth patterns, and land development patterns, and the relative position of Bell Block in the New Plymouth setting (Section 7);
- (d) The findings of the economic assessment are summarised in Section 8. The section, titled 'Economic effects of the Proposal', covers several elements, including contribution to the district's growth,
 - (i) Effects on dwelling development patterns;
 - (ii) Contribution to local housing market;
 - (iii) Effects on urban form and growth patterns;
 - (iv) Effects on Bell Block; and
 - (v) Effects on New Plymouth district (and wider Taranaki region);
- (e) Comments on the Council Officer's S.42A report related to my expertise (Section 9); and
- (f) The evidence ends with concluding remarks (Section 10).

4.4 Details of the application are well described in the application and section 42A report, and I use this description in the economic assessment report. I do not repeat it.

5. SUMMARY

5.1 New Plymouth is the main urban economic centre in Taranaki region. New Plymouth, and the region are growing. Together with the economic development, the population is also expanding. Ensuring that there is

² Economic Assessment. 56 Pohutukawa Place. 2 May 2024. Prepared by Market Economics. Prepared for Robe & Roche Investments Limited.

sufficient housing capacity to accommodate demand is crucial, because the housing market has a direct influence on economic performance.

- 5.2 The district's population is on an upward growth path, and the future outlook is positive. Bell Block³ is an important part of New Plymouth's urban economy, accommodating close to 10% of the district's households. Bell Block has seen a significant change in household numbers, and has captured a substantial share of household growth. These patterns are expected to continue.
- 5.3 At a district level, households are projected to increase by 9,970 over the period to 2053. A large portion of the growth (4,225 households) is associated with family households – these household generally demand detached dwelling typologies. Ensuring that the local residential construction sector can respond to the anticipated growth is critically important.
- 5.4 Bell Block is a destination for housing investment, and is accommodating a significant portion of New Plymouth's growth. The development typologies seen in Bell Block are aligned with the areas' demography i.e., it is mostly 'couple only' and 'family' households.
- 5.5 Bell Block enjoys locational advantages, with commuter patterns showing that substantial share of Bell Block residents:
 - (a) Work locally⁴ (49.6%)' and
 - (b) a quarter (22%) work in in New Plymouth Central.
- 5.6 The Bell Block area has experienced extensive dwelling development over the past two decades. It's relative importance within the spatial economic structure of New Plymouth has increased, and it is now a significant urban node. Growth in this location has been supported through new infrastructure, including the Bell Block bypass and the coastal walkway extension.
- 5.7 The economic assessment report of the proposed development considered an array of potential effects, including:
 - (a) Supporting New Plymouth's ability to meet growth, including alignment with the anticipated 'type' of demand. The proposed lot sizes are consistent with the revealed development patterns, meaning that they are likely to align with anticipated demand levels;

³ Relating to the two SA2 areas – Bell Block Central, and Bell Block West.

⁴ Including Bell Block as well as the area in Waiwhakaiho-Bell Block South

- (b) The proposed development will deliver additional (net new) residential development capacity in response to New Plymouth's growth.
 - (c) The proposed development will make an important contribution to meeting demand - enabling sufficient development capacity, which is critically important to avoid constraining the market.
 - (d) The proposed development will provide housing choice, offering differentiation in terms of typology, location and price. Enabling choice supports housing competition that delivers economic benefits.
 - (e) The proposed development would result in contiguous development toward the urban edge. The suburban scale would create greater continuity of the existing pattern of urban expansion of Bell Block at this location.
 - (f) The proposed development would contribute to growth in the Bell Block urban node, thereby enhancing urban form in a way that is efficient, and consistent with the existing dwelling market context.
- 5.8 The proposed development's lot sizes are consistent with observed residential development patterns. These patterns will combine with the locational advantages of the site to deliver the economic benefits.
- 5.9 The findings of the economic assessment are consistent with the relevant (economic) points as highlighted in the Section 42A report.
- 5.10 I support the proposed scale of residential urbanisation at this location.

6. INTRODUCTION

- 6.1 New Plymouth is the main urban economic centre in Taranaki, and the regional economy generates 2.7% of New Zealand's GDP. The regional economy is expanding, driven by diverse activities, ranging from agriculture and manufacturing, to professional services and healthcare.
- 6.2 The region's professional services, public administration and information media and technology, as well as health and social services have seen strong growth, and the outlook is positive. These activities are concentrated in New Plymouth, and large shares of regional growth is occurring in New Plymouth.⁵

⁵ Based on M.E analysis of Stats NZ's Business Demography data.

- 6.3 Economic growth stimulates and translates into demand across the wider economy, including the housing market. The growth includes residential, commercial, industrial, and other activities. Supporting and facilitating district growth delivers a range of benefits to residents.
- 6.4 As the regional economic hub, the relative performance of New Plymouth has economic consequences for the rest of Taranaki. Ensuring that there is sufficient housing capacity to accommodate demand is crucial, because the housing market has a direct influence on economic performance.

7. NEW PLYMOUTH HOUSING ENVIRONMENT AND CONTEXT

- 7.1 New Plymouth hosts 33,200 households⁶. The district's population is on an upward growth path, and the future outlook is positive. Bell Block⁷ is an important part of New Plymouth's urban economy, accommodating close to 10% of the district's households. Bell Block has seen a significant change in household numbers – up 59% between 2006 and 2018. The intercensal period between 2018 and 2023 saw further growth (+270 households). In the decade to 2023, Bell Block accommodated 13% of New Plymouth's household growth.
- 7.2 Regardless of the analysis time-period used, Bell Block's growth has outperformed that seen across New Plymouth. Historic growth patterns show that Bell Block is a destination for housing investment, and is accommodating a significant portion of New Plymouth's growth.
- 7.3 In terms of the household structure associated with the growth, Bell Block's growth has been concentrated in 'couple only' and 'family' households. The household composition of growth influences the patterns of demand in relation to the type and size of dwellings. A comparatively small portion of growth has been in single person households.
- 7.4 Bell Block generally has a lower dwelling value profile than the central main urban area of New Plymouth. This provides opportunity for households to make trade-offs between dwelling size, value and location. It enables households seeking larger dwellings to occupy a larger dwelling at a lower cost, than in the larger main urban area of New Plymouth.

Employment growth

- 7.5 The interrelationships between the location of housing, and employment locations, are relevant because it impacts the economic efficiency of urban

⁶ Census 2023.

⁷ Relating to the two SA2 areas – Bell Block Central, and Bell Block West.

form. Employment locations include industrial, commercial as well as retail locations. The scale of the locations is another consideration.

- 7.6 Bell Block is easily commutable to New Plymouth – the main employment location in the district. Bell Block is also well located to other relatively important places of employment⁸ in New Plymouth district.
- 7.7 2018 Census data⁹ about where people work and where they live (Commuter View dataset) confirms the spatial patterns:
- (a) around a quarter (24.6%) of the people living in Bell Block work in the local area;
 - (b) a quarter (25%) work in Waiwhakaiho-Bell Block South; and
 - (c) around 22% of Bell Block residents worked in New Plymouth Central.
- 7.8 These locations are important business locations in New Plymouth, and the proximity/accessibility to those locations underlines the locational advantages of Bell Block. These advantages are underlined by the strong growth observed. In the two decades to 2022, employment in Bell Block, including the area south of State Highway 3:
- (a) Grew by 40%; and
 - (b) Grew faster than the district’s overall employment.
- 7.9 The spatial relationship between Bell Block and the local business locations, as well as the observed movement patterns (employees to businesses), confirm the locational advantages of Bell Block, and its ability to support an efficient urban form.

Dwelling and land development patterns

- 7.10 The Bell Block area has experienced extensive dwelling development over the past two decades. It’s relative importance within the spatial economic structure of New Plymouth has increased and it is now a significant urban node. Growth in this location has been supported through new infrastructure, including the Bell Block bypass and the coastal walkway extension.

⁸ Two of New Plymouth largest industrial areas are found on in the Waiwhakaiho Valley (2km east of Bell Block) and on the opposite side of State Highway 3, immediately south.

⁹ The comparable data from Census 2023 has not been released yet.

- 7.11 I reviewed building consent information¹⁰ to identify the housing typologies and attributed of the residential development activities. The building consent information shows that:
- (a) Lower density, detached dwellings of suburban scale dominate development activity (83% of consents);
 - (b) The share of building consents associated with Bell Block is consistent with the change in household numbers observed in the district and Bell Block;
 - (c) In Bell Block, three-quarters (74%) of consents are for detached dwellings (houses). Retirement village units have accounted for nearly all of the remainder, with only a minor share (3%) of development delivered as attached dwellings.
 - (d) The lower density development patterns in Bell Block are consistent with its less central location relative to the main urban area of New Plymouth.
- 7.12 The observed patterns are consistent with the residential activity that is enabled by residential zoning.
- 7.13 With reference to lot sizes, the proposed development's lot sizes are consistent with those observed in the surrounding urban area. Therefore, the eventual development patterns are likely to mirror/align with those currently seen in Bell Block.

Growth outlook

- 7.14 As part of my analysis, I considered Stats NZ's population growth projections for New Plymouth and Bell Block. I considered the household projections, as well as the social-demographic attributes of households, over time. These attributes include:
- (a) Household size characterises;
 - (b) Income;
 - (c) Tenure; and
 - (d) Housing type (typology).

¹⁰ Sourced from Stats NZ.

7.15 A detailed discussion of the anticipated change in households, and the relative distribution across the abovementioned attributes, is included in my economic assessment report¹¹. I do not replicate the discussion here. The following points are noteworthy:

- (a) Household numbers are projected to see a significant increase – increasing to 46,375 by 2053 – a change of 9,970.
- (b) The growth is across all household types, generating demand for different dwelling typologies. Families with children are projected to increase by 4,225 over the next 30 years. This underlines the need to provide diversity in the housing stock, including large dwellings.
- (c) In terms of the anticipated change when household income is considered, households earning more than \$150,000 per year are expected to increase by 1,145. Households earning less than \$30,000 per year is expected to increase by 2,590, but this segment includes households with retirees¹².

7.16 These observations reflect New Plymouth district's evolving economic landscape, highlighting both demographic diversity and economic growth as key drivers of residential development. Ensuring that the local residential construction sector can respond to the anticipated growth is critically important.

8. EFFECTS OF THE PROPOSAL

8.1 The economic assessment of the proposed development considered an array of potential effects. These effects can be grouped as follows:

- (a) Supporting or diluting New Plymouth's ability to meet growth, including alignment with the anticipated 'type' of demand;
- (b) The anticipated supply patterns, and how these align with expected demand patterns; and
- (c) The consequent effects, including flow-on urban form implications.

Alignment with growth and type of growth

8.2 The proposed development is likely to contribute positively to meet the growth needs of New Plymouth. The analysis shows that the proposed

¹¹ Section 2.2. in the economic assessment report.

¹² The so-called segment that is asset-rich, but cash-poor.

development's density is consistent with the anticipated demand, specifically:

- (a) The proposed development will deliver additional (net new) residential development capacity in response to New Plymouth's growth.
- (b) The scale and timing of the proposed development is consistent and aligns with the anticipated scale of annual growth (demand). This appropriate alignment is based on the scale of the development – the proposed development will meet around two-thirds of short term growth (in Bell Block). At a district-wide level, the proposed development is consistent with 3% of demand over the next decade (to 2033), and 5% of future demand (2033-2043).

- 8.3 The proposed development will make an important contribution to meeting short-term demand in the Bell Block area, while also supporting the housing market in the overall district over the medium to longer term.

Supply patterns

- 8.4 The proposal will deliver lots that will then be developed into dwellings. Based on the proposed lot sizes, the enabled development is likely to be consistent with existing dwelling development patterns as observed in Bell Block.
- 8.5 Such consistency suggests that the anticipated development patterns are aligned with the demand patterns as observed in the local market. The consistency, together with the demand for detached typologies, means that it is unlikely that the site would be (feasibly) developed to a higher density (and therefore deliver a greater number of dwellings).
- 8.6 The economic assessment report suggests that households seek low density dwelling options in Bell Block. They make trade-offs between dwelling size and location within the wider urban market context.
- 8.7 I consider that the likely dwelling yield from the proposed lot development pattern is consistent with the likely realisable yield. It is, therefore, in line with the expected contribution of the site to meeting local and district dwelling growth needs. Further, the anticipated use patterns mean that the land is likely to be used in an economically efficient manner.

Consequent effects

- 8.8 The proposed development will add lots that can then be transformed into housing (dwellings). The additional housing will then provide housing options for residents.
- 8.9 The proposed development is consistent with observed housing development patterns at the Bell Block scale. The existing price differentials between Bell Block and the main New Plymouth urban area means that increased supply in this location will increase the number of lower cost dwellings available to households, in comparison to being supplied elsewhere within the main New Plymouth urban area. This has a positive economic effect for households in relation to housing choice and affordability.
- 8.10 The lot size distribution of the proposed development would further increase housing choice at the local level, and add to locational choices for households across the district. Enabling choice supports housing competition that delivers economic benefits.
- 8.11 The location of the proposal, and anticipated result of the development activity, will influence the district's urban form. Crucially, the proposed development is consistent with the growth pattern that is anticipated within the District Plan (and Proposed District Plan). The location and scale of the development is consistent with the objectives of the Residential A Zone (and General Residential Zone).
- 8.12 In my view, the development pattern is likely to result in a positive contribution to sustainable urban form in this location. The proposed development would result in contiguous development toward the urban edge. The suburban scale would create greater continuity of the existing pattern of urban expansion of Bell Block at this location. The consistency will support the existing urban form – developing incrementally outwards is more efficient than developing in a new, 'standalone', location. Incremental development lowers infrastructure costs and creates sequencing in alignment with the timing of growth; and is, therefore, efficient.
- 8.13 Further, the proposed development would contribute positively to urban form at a broader, district-wide scale. Bell Block has developed as an important urban node within the New Plymouth-Bell Block urban area. The proposed development is well located relative to the nearby employment (south of State Highway 3), as well as the main commercial centres within New Plymouth.

- 8.14 The proposed development would contribute to growth in the Bell Block urban node, thereby enhancing urban form in a way that is efficient, and consistent with the existing dwelling market context.
- 8.15 At a more local (Bell Block) scale, the proposed development will generate several positive effects:
- (a) Provide housing choice that is in line with observed development patterns and growth projections;
 - (b) Support local retail spending and local businesses by enabling development in close proximity to the Bell Block commercial centre – this will support the viability and vitality of the centre;
 - (c) The proposed development will enable development at a competitive price point relative to other locations;
 - (d) The proposed development is consistent with the district’s planning for growth, and developing the site would deliver a consistent urban form.
- 8.16 At a wider, New Plymouth scale, the proposed development would not need a disproportionate share of district-wide growth i.e., it would not undermine other growth opportunities. Put differently, the proposed development would take up around 1.6% of greenfield development in the district over the next three decades. The development would generally align with the historical share of district growth that Bell Block has captured.
- 8.17 In my opinion, the proposed development will deliver a range of positive economic effects. These are associated with urban form outcomes, and due to the location relative to other land uses in Bell Block. The proposed development’s lot sizes are consistent with observed residential development patterns. These patterns will combine with the locational advantages of the site to deliver the economic benefits.

9. COUNCIL OFFICER REPORT

- 9.1 I have reviewed the Section 42A Report for the Application. The report highlights several key points that are relevant to the economic assessment. I agree with the Officer’s report in the context of my expertise.
- 9.2 The Officer’s report points to the positive effects that granting consent will provide (para 122), specifically providing additional residential lots and supporting housing supply, as well as facilitating economic development opportunities. The Officer’s report suggests that the applicant expand on

the positive effects (para 123). From an economic perspective the positive effects are substantial. I have described these in the economic assessment report (attached as Appendix 1), as well as my evidence. The key benefits that I have identified are highlighted in my evidence (the cross references relate to the paragraphs in this statement):

- (a) Supporting growth (para 8.2) and meeting short term demand, as well as medium to long term demand;
- (b) Aligning the development typology with the anticipated demand patterns (para 8.7). This alignment will ensure that the land is used in an economically efficient way;
- (c) Making a positive contribution to sustainable urban form in the location (para 8.12), as well as the wider urban form of New Plymouth (para 8.13) while contributing to centre vitality (para 8.15);
- (d) Support the housing market by providing choice in terms of location, typologies and price points (para 8.15);
- (e) Ultimately, the granting consent for the proposed development will ensure that the locational advantages are unlocked and captured to deliver economic benefits (para 8.17).

9.3 The reporting officer considers that the proposed development is consistent with the National Policy Statement on Urban Development (para 136-140) as well as the Regional Policy Statement-Taranaki (para 148-149). The points highlighted in the Officer's report are consistent with my economic assessment.

10. CONCLUSION

10.1 The proposed development at 56 Pohutukawa Place, Bell Block holds short to medium term implications for the economic and urban landscape of New Plymouth. The location of the proposed development offers several advantages, including:

- (a) proximity to existing infrastructure, such as the Bell Block town centre and the coastal walkway;
- (b) availability of undeveloped residential land in the vicinity which presents an opportunity for cohesive development and master planning;

- (c) Bell Block's attractiveness as a residential area is further enhanced;
and
 - (d) the local residential market is supported, and it opens up options for homebuyers by providing competition and providing diversity.
- 10.2 Bell Block's strategic location, coupled with its proximity to major employment areas in New Plymouth, makes it an attractive residential destination. Historic development patterns show that Bell Block is a key growth location, accommodating large shares of growth – including employment and household growth.
- 10.3 The economic assessment report revealed that:
- (a) the proposed development is consistent with the anticipated pattern of urban growth in this location;
 - (b) The proposed lot structure is likely to encourage dwellings that are consistent with observed patterns. This suggests that the proposed development aligns with revealed market preference and demand in this location; and
 - (c) Analysis of the land (lot sizes) and property development (new dwellings) markets suggest that it is unlikely that the market would develop this area at a greater density.
- 10.4 In my view, the proposed development is likely to deliver economic benefits resulting in a positive contribution to urban form, will contribute to a contiguous urban form at an appropriate scale, and will also contribute to the functioning of Bell Block as an urban node within the combined New Plymouth-Bell Block urban area.
- 10.5 For the above reasons, I support the proposed scale of residential urbanisation at this location.

LR McIlrath

Lawrence Ryan McIlrath
Market Economics

28 March 2025

APPENDIX 1 – ECONOMIC ASSESSMENT, 56 POHUTUKAWA PLACE, 2 MAY 2024