

# BEFORE THE NEW PLYMOUTH DISTRICT COUNCIL INDEPENDENT HEARING COMMISSIONERS

IN THE MATTER

the Resource Management Act

AND

IN THE MATTER

of a request for Private Plan Change NPDC PLC18/00048 by

Oakura Farm Park Limited to rezone land at Oakura within the

**New Plymouth District** 

SUPPLEMENTARY STATEMENT OF EVIDENCE OF COLIN MICHAEL COMBER

## Assessment of certain additional matters

#### Introduction

1. The Council's s42A Report suggests that in the evaluation of the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC) that Objective OA2 should be evaluated in the 'overall context of Oakura and the district.'

The Council's s42A Report also considers that certain objectives and policies within the RPS¹ additional to those assessed within the Request ought to be assessed to demonstrate that all the relevant provisions of the RPS have been considered.

Those additional matters and their assessment are as follows:

## National Policy Statement on Urban Development Capacity 2016

2. Objective OA2 of the NPS-UDC reads as follows:

OA2: Urban environments that have sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.

At page 35 of the Request the following assessment is made:

The proposal will also be consistent with OA2. The four-differing residential and rural-residential Environment Areas together with two choices of Open Space will provide a range of opportunities for the development of housing, differing housing types, and local recreation and lifestyle choices that will meet the needs of persons who chose to live within the Estate and for the generations that follow. Given the limited size of the Estate, and its close proximity to businesses in Oakura township (including vacant business land in the township), there is not a need to provide for business land within the Estate, apart from one lot for a café or similar.

#### **Further Assessment**

As has been stated elsewhere within the Request document, the Wairau Estate is located at the existing urban edge of Oakura and presents as a logical extension to the existing urban form.

The reasons for the extent and the form of the proposal are also discussed at some length in the Request document.

<sup>&</sup>lt;sup>1</sup> S42A Report – Section 11.8, pg. 17

The Proposed Private Plan Change is being considered against a background of a District-wide Land Supply Review which identified the need for a significant area of development land for urban expansion at Oakura. The land identified for urban expansion has been incorporated into the District Plan via the mechanism of a 'Future Urban Development' (FUD) Overlay.

The recently released (March 2019) draft of the Council Housing and Business Development Capacity Assessment (HBDC) adopts the following criteria<sup>2</sup> to define 'development capacity':

<u>Short Term Development capacity</u> must be feasible, zoned in the District Plan and serviced with development infrastructure.

<u>Medium Term Development capacity</u> must be feasible, zoned and either:

- Serviced with development infrastructure, or
- ☐ The funding for the development infrastructure required to service that development capacity must be identified in an LTP required under the Local Government Act 2002.

<u>Long Term Development capacity</u> must be feasible, identified in relevant plans and strategies, and the development infrastructure required to service it must be identified in the relevant IS required under the Local Government Act 2002.

At page 35 of the HBDC the following assessment is given:

Oakura has capacity for 629 feasible lots, totalling 70.6 hectares of land. This is a mixture of undeveloped residential land (18.1 hectares) plus two growth areas totalling 52.5 hectares. Land in the Oakura (South) growth area that would be challenging to develop for residential use has been removed under the Draft District Plan.

This is further analysed in Table 4.8 that follows the assessment. The notable point about this assessment is that there is no short Short-Term Development Capacity, i.e. greenfields land serviced and immediately available at Oakura for urban settlement. The detail for this is given in Table 4.13 (pg. 44) of the HBDC where all the land identified for urban expansion is in the 'Long Term Development' category. Further, the projected household growth at Oakura in the short-term (2018-2021) is 50; medium term (2021-2028) is 63 and long-term (2028-2048) is 97.3

<sup>&</sup>lt;sup>2</sup> Development Capacity – Section 3.3 pg. 9

<sup>&</sup>lt;sup>3</sup> s42A Report – Table 1; para 13.8, pg.26 (Source doc. HBDC)

While there a range of larger existing developed and serviced residential sections within the Township that may lend themselves to infill development most residential property owners, in my experience, do not see themselves as 'subdividers' or property developers and/or are not attracted to 'cutting off the back yard' to create a section for infill development.

The HBDC also places little confidence in infill development addressing housing development capacity needs anywhere in the District where it says:<sup>4</sup>

Greenfield development is more feasible than infill development

☑ The feasibility outputs for residential greenfield development are around 90 per cent, whilst infill development has much lower feasibility at 20 per cent.

With regard to demand for sections and housing at Oakura, my enquires support, anecdotally at least, the HBC assessment of the lack of land available at Oakura for residential settlement. I have recently spoken to a real estate professional who currently lives and works at Oakura and has 7 years' experience in that market. They told me that in their experience they have always found there has been strong demand for residential property in the Oakura township, and particularly in what they described as the local mid-range (\$650k-\$850k). They described an older dwelling in McFarlane St recently having 35 parities to the first open home and selling within 3 weeks for \$700+. The agent also volunteered that there was an unmet demand for local retirees wanting to downsize to smaller 'lock up and leave' dwellings.

I recently posed a series of questions (by email) to a New Plymouth firm of registered valuers, Telfer Young Taranaki. The response I received, a copy of which I **attach**, confirms the experience of the real estate agent. In summary Telfer Young advise:

- The Oakura market is small
- Demand for property has been strong over the past 20 years
- Values have often risen strongly in comparison to nearby New Plymouth
- House prices at Oakura at higher to comparable homes in New Plymouth.
- Current medians New Plymouth \$445,000; Oakura \$850,000.
- The higher prices at Oakura are due to a supply constraint

<sup>&</sup>lt;sup>4</sup> Summary of Key Results – Section 1.1 pg.3

- Demand in the residential market at Oakura over the past 20 years has exceeded supply
- There has been limited subdivision over the past 20 years
- The advent of sewer reticulation at Oakura has resulted in the anticipated unlocking of infill sections due to contour and foundation difficulties
- The current and proposed zoning does not/will not readily promote infill development (min lot size 700m²; proposed 600m²)
- 'The Paddocks' development of larger residential/lifestyle sections has sold well and is now mostly developed
- Housing use has trended over recent decades from holiday and retirement homes to residences providing permanent homes for families, young professionals and retirees.
- Housing values are highest at the coastal edge and reduce as moving inland.
- Supplying further sections south of State Highway will have little if any impact on demand or values in the 'heart' of Oakura i.e. coastal side of SH45.

## Conclusion

In my assessment it is evident there is a significant supply constraint and significant unmet demand for serviced residential land at Oakura. This is confirmed not only by the Council's draft Housing and Business Development Capacity Assessment (HBDC) but also through the experience and observations of professionals with knowledge of the Oakura property market.

There are currently insufficient opportunities for the development of housing to meet demand, and a lack of choice to meet the needs of people wanting to reside at Oakura. Increasing the supply of serviced residential sections across a range of sizes as proposed in Plan Change 48 will result in people having increased opportunity to house themselves in a range of dwelling types at Oakura. District Plan provisions do not direct housing typologies; however, a range of lot sizes will assist people to make choices relative to their individual preferred housing requirements.

I confirm the conclusions of my original assessment as set out in the Request.

## **Taranaki Regional Policy Statement**

#### Fresh Water

3. Section 6 Fresh Water - WAL Objective 2; WAL Policy 3

WAL Objective 2 states: 'To protect the natural character of water bodies from inappropriate subdivision, use and development.'

WAL Policy 3 states: 'The in-stream values and life supporting capacity of water bodies will be maintained, and the natural character of rivers, streams, and lakes and their margins protected from inappropriate subdivision, use and development.'

Method 10 states: 'In preparing, implementing and administering district plans and resource consents, assess, as appropriate, the effects of land use and development and subdivision on surface water and provide for any adverse effects to be avoided, remedied or mitigated.'

#### Assessment:

The Wairau Stream and two unnamed tributaries pass through the subject site. These watercourses, and the natural features, namely gully systems, within which they located are to be retained. The central gully system, with designed bunding, is to be utilised for stormwater detention as a means of ensuring hydraulic neutrality consistent with the predevelopment condition is maintained.

Planting the retained gully systems with indigenous vegetation will help to ensure the natural character or these features is maintained and enhanced. Roading crossing of these watercourses is limited and will be designed with culverting that facilitates fish passage.

An Ecological Assessment has been undertaken of the site and is included in the Request. <sup>5</sup> The findings of this assessment are discussed in the Request <sup>6</sup> as are the recommendations and the applicant's response.

Given the mitigation measures that the Applicant proposes to undertake, as set out in Section 5.4.1 of the Request, it is concluded that the watercourses within the site will be protected from inappropriate development and the instream values and life supporting capacity of the subject water bodies will be maintained, and their natural character enhanced.

<sup>&</sup>lt;sup>5</sup> PPC 48 - Appendix 7 - Oecologico - July 2017

<sup>&</sup>lt;sup>6</sup> PPC 48 Request – 5.4.1 pgs. 61-63

## Natural features and landscapes, historic heritage and amenity value

4. The s42A report suggests the following policies and objectives have not been addressed: Section 10 Natural features and landscapes, historic heritage and amenity value — AMY Objective 1, NFL Policy 2 and AMY Policy 1

5. The s42A discussion is somewhat confusing as NFL Policy 2 relates to NFL Objective 1 and not AMY Objective 1.

## **Discussion:**

NFL Objective 1 is to 'To protect the outstanding natural features and landscapes of the Taranaki region from inappropriate subdivision, use and development, and to appropriately manage other natural areas, features and landscapes of value to the region.'

The Issue discussion in the RPS identifies that 'outstanding natural features and landscapes include Mt Taranaki...and Kaitake Mountain Ranges...'<sup>7</sup>. The District Plan more particularly defines Egmont National Park which includes Mt Taranaki and the Kaitake Ranges as an Outstanding Landscape. For District Plan purposes the Park boundary defines the extent of the Outstanding Landscape.

The subject site is in proximity to, but not within the Outstanding Landscape. It is therefore concluded that the subdivision, use and development consequent on the plan change being approved will not result in the '...inappropriate subdivision, use and development...' of an Outstanding Landscape.

Other aspects of the site that may be considered to be '...natural areas, features and landscapes...' may have intrinsic environmental value but have not been specifically identified by either Regional or District Plans as being of value at a regional level.

If NFL Objective 1 is not considered relevant to the Request, it follows that neither is NFL Policy 2.

<sup>&</sup>lt;sup>7</sup> RPS 10.1; pg.89

## 6. The RPS sets out AMY Objective 1 as follows:

'To recognise the positive contributions of appropriate use and development in terms of providing for the maintenance and enhancement of amenity values in the Taranaki region, while avoiding, remedying or mitigating the adverse effects of inappropriate use and development on amenity values.'

## AMY Policy 1 states:

The adverse effects of resource use and development on rural and urban amenity values will be avoided, remedied or mitigated and any positive effects on amenity values promoted. Any positive effects of appropriate use and development will be fully considered and balanced against adverse effects. Those qualities and characteristics that contribute to amenity values in the Taranaki region include:

- (a) safe and pleasant living environment free of nuisance arising from excessive noise, odours and contaminants, and from traffic and other risks to public health and safety;
- (b) scenic, aesthetic, recreational and educational opportunities provided by parks, reserves, farmland, and other open spaces, rivers, lakes, wetlands and their margins, coastal areas and areas of vegetation;
- (c) a visually pleasing and stimulating environment; (d) efficient, convenient and attractive urban forms; and
- (e) aesthetically pleasing building design, including appropriate landscaping and signs.'

## Assessment:

It is submitted that the S32 Evaluation contained within Part 4 of the Request, and in particular, sections 4.3.4 Options, 4.3.6 Conclusion of Options, 4.3.7 Appropriateness of Objective of Request, 4.3.8 Appropriateness of the proposed regulatory planning provisions together with, in its entirely, Part 5 Assessment of Effects on the Environment, sufficiently address the matters within AMY Policy 1 and that any adverse effects arising from resource use and development on the local rural and urban amenity values as discussed and assessed within those Parts of the Request can be avoided, remedied or mitigated.

Parts 4 and 5 of the Request also demonstrate that the positive effects of the appropriate use and development of the subject site have been be fully considered and balanced against adverse effects.

## Statement of resource management issues of significance to iwi authorities

7. The s42A report suggests the following policies and objectives have not been addressed: TOW Objective 1, TOW Policies 1 and 2; KTA Objective 1, KTA Policy 1; CSV Objective 1 CSV Policies 1 and 3.

#### Discussion

8. The Issues within Section 16 of the RPS are set out under the heading 16.1 Taking into account the Principles of the Treaty of Waitangi as follows:

The significant issues in relation to taking into account the principles of the Treaty of Waitangi are:

TOW ISS 1 Forming an effective relationship while acknowledging the different perspectives on kawanatanga and rangatiratanga in resource management.

TOW ISS 2 The Taranaki Regional Council and three territorial authorities agreeing to a shared understanding with tangata whenua of the meaning and practical implications of taking into account the principles of the Treaty of Waitangi in terms of resource management.

## Further, Objective 1 states:

To take into account the principles of the Treaty of Waitangi in the exercise of functions and powers under the Resource Management Act.

#### Discussion:

It appears this Issue is intended to encompass the Regional Council and the three territorial authorities within the Taranaki region and their relationship with Iwi Authorities within the region.

It is submitted that Objective 1 is for the attention of the regional and territorial local governments in Taranaki, that is, those exercising functions and powers under the Resource Management Act.

The matter under consideration is a Private Plan Change Request and the applicant does not have nor, is able to exercise, functions and or powers under the Resource Management Act.

It follows that Policies TOW 1 and TOW 2 do not fall for assessment in the context of this Private Plan Change Request.

9. KTA Objective 1, KTA Policy 1 are contained within the RPS at Section 16.2 Recognising
Kaitiakitanga

The Issue Statement within 16.2 is set out as follows:

KTA ISS 1 The Taranaki Regional Council and territorial authorities agreeing to a shared understanding with iwi and hapu on the meaning and practical implications of kaitiakitanga in terms of resource management.

## **Discussion**

A reading of Section 16.2 *Recognising Kaitiakitanga* in its entirety (including the Methods of Implementation) suggests that this part of RPS is again setting out matters intended to be exercised by the Regional Council and the three territorial authorities in the exercise of their functions and powers under the Resource Management Act.

10. CSV Objective 1 CSV Policies 1 and 3 are contained within the RPS at Section 16.4 Recognising Cultural and Spiritual Values of Tangata Whenua in Resource Management Processes.

## **Discussion**

A reading of Section 16.4 Recognising Cultural and Spiritual Values of Tangata Whenua in Resource Management Processes in its entirety (including the Methods of Implementation) suggests that this part of RPS is again setting out matters intended to be exercised by the Regional Council and the three territorial authorities in the exercise of their functions and powers under the Resource Management Act.

Colin Comber 22 July 2019



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22 July 2019

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Attention:

Colin Comber

Market Consultancy
Oakura Residential Property

Further to you email requesting background information and advice regarding the Oakura residential market we now reply.

1. What experience does your firm have in the Oakura urban market?

TelferYoung (Taranaki) was formed in 2000, and its predecessor company Larmers commenced business in 1973. The undersigned has been a Registered Valuer working in Taranaki and the Oakura market since 1987, and lived in Oakura from 1981 to 1990.

2. How would you describe the demand (historically and currently) for dwellings in the township?

The Oakura residential market is a small market, the number of residential properties in the town being small and therefore the volume of market transactions is also small. Supply of homes/sections historically is constrained by geography – that is the coast to the north, river to the east and part south, and contour to the west – and until relatively recent years the lack of sewer reticulation. Demand is considered to have been strong over the last 20 years and values have often risen strongly in comparison to nearby New Plymouth.

In New Plymouth City first house buyers can find a comfortable home in the \$350,000 to \$400,000 price range while in Oakura the price range for entry buyers is \$450,000 to \$500,000. The difference is caused by constrained supply in Oakura.

Section sales in Oakura are few, but this is due to lack of supply rather than lack of demand. In Bell Block entry level sections start from \$240,000, in New Plymouth fringe sites are priced in the \$240,000 to \$300,000 range and central New Plymouth/Fitzroy average sections are worth between \$350,000 and \$450,000. The latest section sales in Southern Oakura (Donnelly Street) are between \$320,000 and \$345,000. In the 'heart' of Oakura there are few vacant sites, but over the last 2 years recorded sales for level sections are between \$375,000 and \$520,000. Again the difference in value is caused by constrained supply in Oakura.

It is difficult to gauge the full extent of demand in the Oakura residential market, but it is clearly evident that over the last twenty years demand has exceeded supply. Values in the late 1990's were lower or equal to those in New Plymouth City, but now values are clearly higher.

In that time period there have been several small subdivisions completed in Donnelly Street, Cunningham Lane and Tui Grove where good quality homes have been built, and sections have sold



steadily. It had been anticipated that construction of community sewer would 'unlock' sections in the 'heart' of Oakura that this has not been the case due to contour and foundation difficulties and zoning which is unchanged and does not readily promote infill sections. Additionally a development off Wairau Road known as 'The Paddocks' has created larger residential/lifestyle sites that sold well and are now mostly developed.

Is there any statistical or other evidence available that would indicate current strength of demand.

The only consistent data available is from REINZ. Due to sale volumes and the small number of properties in Oakura statistical data is varied and not that reliable. Median house price in Oakura has shown steady increases (\$545,000 in 2015 and \$850,000 so far in 2019 a plus 56% increase), whereas the New Plymouth District median house price is currently \$445,000.

## 4. Are there any factors to be aware of that may influence future demand?

Oakura has offered a coastal lifestyle for residents over many years. In the 1980's the majority of properties were holiday or retirement homes. This has changed to over the years and the mix of residents now tends to be families and young professionals interspersed with retirees. Residents tend to be beach lovers or those that do not wish to live in a normal suburban area but are after a more relaxed lifestyle. This trend is likely to continue and grow as millennials age and have more capital to spend. Oakura is expensive in comparison with other New Taranaki townships and the population tends to be more affluent. This is likely to continue until such time as supply of residential homes increase and property becomes more affordable relative to New Plymouth.

Despite being a small township Oakura property has several clear zones. Those properties along the beachfront with sea views and easy access to the beach are in strong demand and supply is limited due to geography. Properties between the coast and State Highway 45 have stronger demand and value levels to the south of the highway. These two areas make up the 'heart' of Oakura. Apart from infill housing it is difficult to see supply of these properties increasing. The third area is property south of the state highway. In the 1980's and 1990's this location was not favoured by Oakura locals and values were much lower than in the towns heart. While to a certain extent this is still the case the overall shortage of supply has meant demand and values in this area has increased relative the balance of Oakura. It is our view that development of further sections and housing to the south of State Highway 45 will have minimal if any impact on demand or values in the Oakura 'heart'.

#### 5. Is there any evidence of section sales resulting in infill development?

Yes there have been a number of existing properties sold that we understand may be subdivided in the future, or are in the process of subdivision. This is occurring mostly in Dixon Street, McFarlane Street and Pitcairn Street. However this is limited to a handful of properties (4 - 5) and often the new sites have contour or foundation limitations. There is also evidence of homes built in the 1970's to 1980's being fully refurbished or largely redeveloped – but not creating new sites. Oakura Zoning is Residential C meaning a minimum section size as of right of 700 m<sup>2</sup> (and in the Draft District Plan 600 m<sup>2</sup>) which does not encourage infill sites.

We trust this information is of assistance to you but please contact the undersigned if we can be of further help.



## Yours faithfully

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TelferYoung (Taranaki) Limited

Mike Myers - BBS (VPM); FNZIV; FPINZ

Registered Valuer

Director

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