

BEFORE THE CHRISTCHURCH CITY COUNCIL

UNDER the Resource Management Act 1991

IN THE MATTER of Proposed Plan Change 10: Partial Removal of Meadowlands Exemplar Overlay

APPLICANT Spreydon Lodge Limited

STATEMENT OF EVIDENCE OF IAN THOMPSON

Christchurch
Solicitor acting: G Cleary
Level 9, Anthony Harper Tower
62 Worcester Boulevard
PO Box 2646, Christchurch 8140
Tel +64 3 379 0920 | Fax +64 3 366 9277



1 SCOPE OF EVIDENCE

- 1.1 My full name is Ian Ross Thompson.
- 1.2 I have been involved in Property Development since 1998 having previously been a Senior Manager at Westpac Property Finance. Since 2015, I have specialised in residential land subdivision.
- 1.3 I am currently the General Manager for Danne Mora Residential, a position I have held since 2017. As part of my role, I am involved in a day to day basis with all aspects of the Meadowlands Exemplar, which is marketed as Halswell Commons. I am also closely involved with development of Residential New Neighbourhood Zoned land within the North Halswell Outline Development Area (i.e. land without the Exemplar overlay), alongside other residential projects at Sabys Road and at Belfast.
- 1.4 Danne Mora Residential is a land development brand for the Wayne Francis Estate companies with a wholly owned subsidiary, Spreydon Lodge Limited, being the land owner, applicant and registered owner of 71 ha of land within the North Halswell ODP Area.

2 SCOPE OF EVIDENCE

- 2.1 My evidence addresses the following matters:
 - (a) A brief summary of the Meadowlands Exemplar development since rezoning in 2015;
 - (b) Issues Encountered in the Development, including market response from building companies and private individuals, consenting issues and the costs of development; and
 - (c) Brief comments on s 42A Report.
- 2.2 My overall experience of working within the Exemplar framework is that its implementation in practice has not matched the underlying theory. It is an overly complex, impractical and commercially uneconomic form of development that is failing to deliver housing to the market at a time of ongoing, significant demand.
- 2.3 In comparison, my experience with the development of the RNN land owned by Spreydon Lodge is that it has proven to be a significantly more straightforward and efficient framework for land development. While less design focused, the RNN framework provides a high quality end product,

particularly when supplemented by developer documentation including covenants and design/landscape guidelines.

3 SUMMARY OF DEVELOPMENT TO DATE

- 3.1 The Meadowlands Exemplar was originally approved by the Independent Hearings Panel in February 2015. A hearing was not required as, at the time, all interested parties were in agreement as to the wording of the Exemplar provisions.
- 3.2 The Exemplar decision pre-dated the Panel's consideration of the Residential New Neighbourhood Zone (RNNZ) provisions.
- 3.3 I understand that, as with the Exemplar, a significant feature of the original notified RNNZ proposal was a combined subdivision and land use path as the default for all development within a NNZ. The notified version of the RNNZ was however subject to significant criticism as to its complexity, such that the Council re-notified a replacement version. This re-notified version adopted a much more simplified approach including an abandonment of the combined subdivision and use path.
- 3.4 Since approval in 2015, the following Stages of the Exemplar have been developed;
 - (a) Stage 1, comprising 11 allotments was developed and titled in 2016. The first building was only completed in 2019, and 4 lots remain uncompleted today.
 - (b) Stage 1a, comprising 18 lots was developed and titled in 2018. 7 of these 18 allotments remain undeveloped today.
 - (c) Stage 1b comprised 10 lots that reflected RNN rules as they neighboured existing Hendersons Road houses. They were developed and titled in 2018, and all have been sold and built on. Stage 1b also incorporated 1 super lot with plans for further subdivision into 5 blocks. This failed to sell and was abandoned.
 - (d) Stage 2 divided 3 blocks of previous super lots into 38 residential lots, and was modified by Resource Consent to provide a hybrid development model between RNN and Exemplar. This resulted in a protracted sale process, discounted land sales and subsidised investment by Danne Mora Residential in the form of interest free loans and building works to enable the sale of the end house and land packages. Numerous individual lots then required their own resource consent due to non-compliance with underlying consent conditions.

(e) Stage 3 comprises 28 lots, with another Resource Consent to provide a hybrid RNN/Exemplar set of rules. Sales and development have been slow due to the complexity of the consent conditions and consent requirements.

3.5 In comparison, within the same land holding but with RNN zoning, we have consented, detailed designed, constructed and sold 155 individual lots at Meadowlands on Sparks Road within 2 years. The contrast between the two forms of development is therefore very striking.

4 ISSUES ENCOUNTERED

4.1 Halswell Commons Exemplar has faced a lack of demand for the entire 5 years I have been involved. Initial house building companies that had committed to land purchase did not develop and tried to on-sell their vacant sections. These building companies found the prescriptive rules confusing and onerous and also that there was a lack of market desire for the product.

4.2 Four house building companies developed show homes but did not achieve house and land package sales from these investments due to the uncertainty of development standards and complexity of rules in the Exemplar. Ultimately, the building companies all sold their show homes to individual owner occupiers, and did not reinvest in the Exemplar area. Maintaining relationships with building companies is critical to the success of any large scale residential development and, in particular, the ability to deliver new homes in quantity.

4.3 End house and land purchasers did not desire prominent south facing windows, shaded outdoor living areas, large outdoor areas exposed to 2 street frontages with little to no privacy. For those that have built within the Exemplar these are matters which homeowners continue to express frustration to us, as developers. To add to those complaints, there is a lack of maintenance of reserves and street frontages now they are under Council levels of service contracts.

4.4 Commercially, development of the Exemplar area has not been profitable. Aside from typical industry incentives (e.g. "builders terms") Danne Mora Residential discounted land, and developed houses for sale at a loss in an effort to make sure that development could be advanced. The Exemplar design requirements have however proven to be very costly and have failed to add recoverable value. So, while the end development at the Exemplar may look attractive, the financial model is not sustainable.

4.5 Given the uneconomic returns from Exemplar development compared to RNN development and lack of demand from house builders and owner occupiers, Danne Mora Residential have therefore decided to place any future Exemplar development on hold and to request a change to the District Plan.

5 COMMENTS ON S 42A REPORT

- 5.1 The background within the S 42A report completed by Ms Dixon is considered a fair reflection of the project and the ultimate conclusion and recommendation that Plan Change 10 be approved is supported. In particular, I agree with Ms Dixon that continually having to obtain non-complying activity consents is not a sustainable planning approach. I also agree with her comment (8.1.12) that the Exemplar process is overly complex and less than ideal.
- 5.2 I do not agree with Ms Rennie's recommendations to retain aspects of the Exemplar provisions within an 'Enhanced RNN' zoning. In my view a continuation of the combined subdivision/land use approach would result in another hybrid and confusing set of rules that replicates the complexity the project has battled with for the past 5 years.
- 5.3 In my experience, there is a strong demand for known rules and zoning that 'enables' housing development rather than 'controlling' individual house designs. Alongside the familiarity of the existing rules within the District Plan, such rules allow the developer to 'meet the market'. Part of the difficulty we have experienced is that the Exemplar forces a particular density and typology onto the market. What we have witnessed is that if there is little appeal for a product, it simply does not sell.
- 5.4 It is for these reasons we are seeking the removal of the Exemplar Overlay. We want to provide sections that can accommodate two-storey houses, but we don't want to tell prospective purchasers they have to build a two-storey house.
- 5.5 We want good designs but we want more than one design outcome. Building a house is a major undertaking emotionally and financially and those building need to be able to see themselves in their home, not a house designed exclusively by prescriptive rules.

Ian Thompson

27 April 2022

