

## 157.2 De Joux Submission – Bringing forward Future Development Areas

### Question 1

*What is the contribution of the amendment in timing associated with SCHED-15 (FDAs) in terms of the provision (residential / rural lifestyle – yield, density; and business - area) in relation to the Council's provision of 'at least' sufficient development capacity (**Policy 2**) given the Property Economics analysis (**Section 8**)?*

In terms of the Council making advance provision for 'at least' sufficient development capacity, we note that the Council has been working on the Development Area Plan (**DAP**) for Future Development Areas (**FDAs**) FDA1 and FDA2 including FDA4 for at least 3 years. Indeed, when this submission was made in February 2023 seeking that all FDAs identified as future areas (beyond 10 years) be brought forward to future areas (5 – 10 years), it was envisaged that the that the Proposed District Plan (**PDP**) itself would be much closer to being operative than it is.

Given the time that has elapsed, it is therefore considered realistic that the timeframe for the DAPs for all the "future" FDAs could be immediate, or no later than 5 years.

The timelines for the FDAs have proved misleading and unrealistic. The fact that FDA4 (Elloughton North) which is identified in Schedule 15 as a future area (not a priority area) has been included in the DAP development for FDA1 and FDA2 undermines the proposed timeline specified in Schedule 15 and shows that the timelines specified are subject to change, to the point that they have changed since Council notified the PDP. Prioritising the timeframe for DAPs appears redundant.

Provision for development in the PDP should be related to market demand and the support of the landowner(s) to see these areas through into a plan change to become part of the District Plan. As the information below regarding demand demonstrates, the slowness of the current process means that Council will never be ahead of providing sufficient capacity unless it now moves to reframe these future areas as being within 5-10 years.

In accordance with the National Policy Statement on Urban Development 2020 (**NPS-UD**), it is important that new development areas are introduced into the District Plan to ensure ongoing vibrancy and housing choice, and to facilitate and enable economic growth through providing for industrial activities in the district – and ensure attractive housing stock is available to support workers and families moving to the district.

Evidence of demand is clear. Mr De Joux through his company Timaru Developments Limited currently has a 56 lot subdivision under construction on Pages Road in Gleniti, along with a 21 lot subdivision on Whitcombe Street in Temuka. Multiple sections at both subdivisions are already under contract in advance of completion.

Immediately prior to the subdivisions currently proposed or under construction, TDL completed two significant subdivisions in Timaru. These were an 11 lot subdivision at Hobbs Street and a 13 lot subdivision at Mahoneys Hill. In both cases all sections were sold prior to completion of construction.

The developments undertaken by TDL have contributed significantly to the local economy since its inception in 2019. Construction is due to commence in 2025 for a 14 lot subdivision on Denmark Street in Temuka, adjoining a 21 lot subdivision on Whitcombe Street where construction is nearing completion. Planning is progressing for further subdivision development in Gleniti, including a 25-30 lot subdivision adjoining TDL's Pages Road development which would result in an extension of Dobson Street.

For FDA 14, yield for residential development within the area owned by TDL is expected to be 150 lots, at medium density. We have no doubt of demand for this type of development. Bringing forward the development of the land at Kennels Road within FDA14 will achieve Objective 2 of the NPS-UD by improving housing affordability and supporting competitive land and development markets. This will be achieved simply through reduced construction costs due to land topography and underlying geology.

The Property Economics analysis simply does not reflect our experience on the ground in the district. We see continued strong demand. Waiting another ten years for FDAs to be freed up will simply not meet the requirement to provide sufficient capacity in our view. Under current plans, the value of the sections in Gleniti is unlikely to reduce to the point of affordability due to the more significant construction costs required to bring such sections to market. These sections are therefore only available to the proportion of the population that can afford them, and in TDL's experience are out of reach for first home buyers, or new entrants to the property market.

The submission point also includes FDA 13 being brought forward from the initial timeframe (should the Whitewater Properties Limited submission for re-zoning be unsuccessful (248.1)). As with residential subdivisions, the Rooney group of companies has experienced strong demand for industrial developments. At Washdyke within the existing Industrial zone four large bulk storage sheds have been constructed since 2020, varying in size between 4000m<sup>2</sup> and 9000m<sup>2</sup>, as well as the PGG Wrightson development completed in 2023 with a total site area of 7100m<sup>2</sup>. The over site development since 2020 has added 28,000m<sup>2</sup> of building floor area on a developed area of approximately 8.1 hectares.

The steady rate of development on Rooney Holdings Limited's (**RHL**) Washdyke site has supported significant economic activity at the Port of Timaru. Many of the products in the bulk sheds enter the district through the port. All of the sheds in the current site are fully committed, and the development of the RHL industrial site between SH1 and Seadown Road has reached capacity to the point that any additional bulk storage sheds would now need to expand into adjoining FDA13 to the north. It is important for the bulk storage inland port component of the business to be able to develop into FDA13 as all the bulk storage product enters and exits the site through the existing two-way weigh bridge. It would not be efficient, feasible or practical to replicate this inland port facility infrastructure in another area. It is not necessary to double up on what is already present and functioning on the existing site.

RHL's other existing industrial land between Seadown Road and the rail corridor contains approximately 8.5 ha of undeveloped land which is more suited to businesses that require road frontage for visibility and function. For example, Brosnan Transport Limited (**BTL**) a significant transport logistics company, is located on Seadown Road, along with NZ Couriers and Humes NZ. This existing industrially zoned land will continue to be steadily developed as the market demands. Enabling the FDA13 land to develop in the same coordinated manner as has occurred within RHL's existing industrially zoned land is a necessary action if the Council is to provide sufficient development capacity to enable demand to be met for industrial growth.

## Question 2

*For residential and business rezonings how would the amendment in timing associated with SCHED-15 (FDAs) contribute to ‘well-functioning urban environments’ (**Objective 1** and **Policy 1**) and align with responsibilities of the Timaru District Council to ensure decisions on urban development that affect urban environments are integrated with infrastructure planning and funding decisions (**Objective 6**)?*

These areas are already identified for future growth, and specific design will centre around the objectives and policies in the Plan. Without bringing these forward, there is a risk of ad-hoc development in the meantime – which does not contribute to well functioning urban environments.

With regard to infrastructure planning and funding, and with FDA14 in particular, TDL has consistently conveyed to Council that is open to working with Council to assist with planning and funding infrastructure. TDL agrees that planning and funding infrastructure needs to occur in a systematic manner although if Council is seeking to facilitate development in areas where the property market is subdued, or is not supporting development in areas that could improve housing affordability, then there is a risk that those market opportunities will be lost. The ability to plan and fund infrastructure needs to be fluid to enable the market to realise opportunities that will in turn benefit the community.

In TDL’s experience Council planning simply does not keep pace with the market and is restricting development opportunities. For FDA14, TDL expects to fund the upfront cost of providing the necessary infrastructure to its site, and with an apportionment arrangement determined for any upsizing required to meet additional demand from further future development. TDL’s objective is to work with Council to enable affordable housing options to be brought to the market as quickly as possible, and this will support the employment opportunities being provided by the industrial development at Washdyke.

## Section 11.3 from the s42A report

***Information is required in terms of the General matters discussed above in sections 7-10 of the report. In addition, a focused consideration is required of:***

*(a) the existing environment, including configuration and fragmentation of titles and geophysical boundaries that would delineate the zone boundaries.*

See attached maps.

*(c) application of the requirements of the NPS-HPL.*

It is acknowledged that at present both FDA 13 and 14 meet the interim definition of HPL in the NPS HPL. The effect of this would be to prevent rezoning, but this is subject to upcoming Environment Canterbury (**ECan**) mapping and to a signalled change in government direction. Ideally the PDP would be deferred until the uncertainty around whether or not the provisions of the NPS-HPL will need to be complied with is clear, given the significant impact on land use and development and the signalled changes.

*(d) application of requirements in NPS-UD specially in terms of development capacity beyond ‘at least sufficient development capacity’ for the purpose of **Policy 2**, and implications for integrated infrastructure and funding decisions (**Objective 6**).*

Refer above.

*(e) consideration against the relevant statutory framework for achieving a consolidated pattern of development (as required by the CRPS and notified PDP) for all submissions listed, which includes the provision of ‘limited rural residential development’ including implications for amending timeframes associated with SCHED-15.*

Bringing forward these FDAs would still achieve the statutory framework as they are already identified for future development, and their development would support the achievement of a consolidated pattern of development. It would avoid the risks of ad-hoc development occurring due to a lack of confidence in the later FDAs being progressed in a timely manner.

*(f) service provision as set out in **Attachment B**. Submitters are advised to consider this matter in terms of their primary relief, where Council Officers have advised that there are no planned or funded extension for services into these areas. Implications for servicing include appropriateness for rezonings sought, and density and yield. Submitters could also consider where within the ‘scope’ as set by their submissions if there are other outcomes which in part resolve their request as more appropriate in terms of achieving the statutory framework.*

Refer above.



# FDA14 - Kennels Road Timaru Developments Limited



Note: Approx. 15ha of TDL land is within FDA14 (TDL Record of Title area is 15.34 ha)





28.5 ha RHL owned

4.98 ha under contract to RHL

33.48 ha RHL owned and under contract