

BEFORE THE INDEPENDENT HEARING PANEL

UNDER the Resource Management Act 1991 ("**RMA**")

IN THE MATTER OF Proposed Far North District Plan ("**PDP**")

STATEMENT OF EVIDENCE OF DEREK RICHARD FOY ON BEHALF OF AUDREY CAMPBELL-FREAR

ECONOMICS (HEARING 15D - REZONING KERIKERI-WAIPAPA TOPIC)

27 JUNE 2025

1. SUMMARY OF EVIDENCE

- 1.1 This evidence has been prepared on behalf of Ms Audrey Campbell-Frear as it relates to her submission and further submissions on Far North District Council's ("**Council**") PDP with regard to Hearing Stream 15D. This evidence focuses on recommendations made in the "Urban Environment (General Residential, Mixed Use, and Light Industrial zones) and the Heavy Industrial zone" and the "Rural Environment" s32 reports.
- 1.2 This evidence has been prepared in accordance with the direction from the Hearing Panel as detailed in Final Minute 14. As such this evidence has been prepared prior to the Council section 42A report for the rezoning topic.
- 1.3 In summary, in my opinion the Horticulture Zone or Horticulture Precinct over Rural Production Zone is not the most appropriate zone to apply to the three areas identified in Ms Campbell-Frear's submission because:
 - (a) The areas identified have a substantial established presence of non-rural activities, including both commercial and residential activities.
 - (b) The small size of parcels in the areas identified limits the viability of parcels in the areas to be used for productive rural activities.
 - (c) Council's assessments conclude there will be a need for additional land to provide for capacity for future residential and commercial growth, in order to meet demand, and to ensure council meets its obligations under the National Policy Statement on Urban Development 2020 (**NPS-UD**).

- 1.4 From my assessment the zone and precinct Ms Campbell-Frear is seeking are more appropriate than the Horticulture Zone notified in the Proposed District Plan (**PDP**) or the Horticulture Precinct over Rural Production Zone now proposed by the Reporting Planner.

2. INTRODUCTION

- 2.1 My full name is Derek Richard Foy. My qualifications are degrees of Bachelor of Science (in Geography) and Bachelor of Laws from the University of Auckland.
- 2.2 I am a member of the New Zealand Association of Economists, the Population Association of New Zealand, and the Resource Management Law Association.
- 2.3 I am a Director of Formative Limited, an independent consultancy specialising in economic, social, and urban form issues. I have held this position for four years, prior to which I was an Associate Director of research consultancy Market Economics Limited for six years, having worked there for 18 years.
- 2.4 I have 25 years consulting and project experience, working for commercial and public sector clients. I specialise in assessment of demand and markets, planning for growth, retail analysis, the form and function of urban economies, the preparation of forecasts, and evaluation of outcomes and effects.
- 2.5 I have applied these specialties in studies throughout New Zealand, across most sectors of the economy, notably assessments of housing, retail, urban form, land demand, commercial and service demand, tourism, and local government.
- 2.6 I have recently worked for a number of councils around New Zealand advising on development on replacement district plans, including Selwyn, Waimakariri, Kaipara, including in relation to the adequacy of zoned land areas, policy development and response to submissions.
- 2.7 I have read the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2023. I have complied with the Code of Conduct in preparing this statement of evidence. 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.

Involvement with PDP on behalf of Ms Campbell-Frear

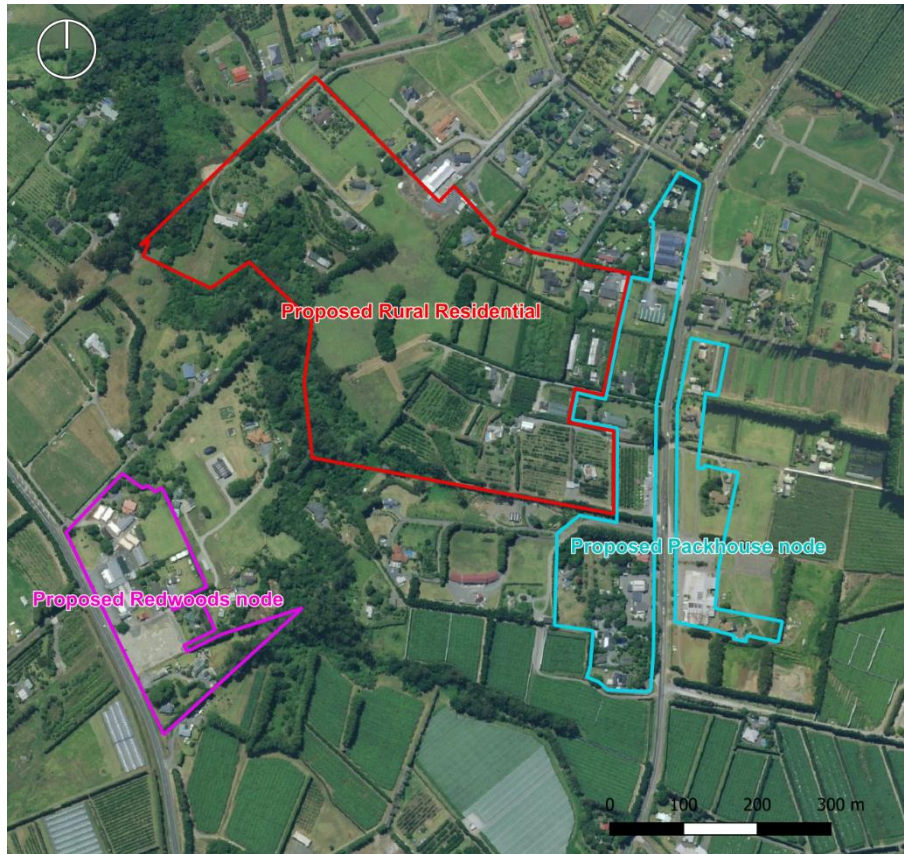
- 2.8 I have been engaged by Ms Audrey Campbell-Frear to provide independent economics evidence on her behalf for the PDP.
- 2.9 In 2022 I undertook an assessment of issues and opportunities relating to Ms Campbell-Frear's property at 482 and 484 Kerikeri Road.
- 2.10 I understand that my assessment informed the content and scope of Ms Campbell-Frear's submission (S209) and further submissions (FS172) on Far North District Council's Proposed Far North District Plan (**PDP**).
- 2.11 In November 2024 I presented evidence on behalf of Ms Campbell-Frear to the Horticulture Zone Topic of the PDP hearing, in relation to why the proposed Horticulture Zone (**HZ**) is not justified as a special zone, and why Rural Production Zone (**RPROZ**) should be applied instead of the HZ.

Scope of Evidence

- 2.12 The matters addressed in my evidence are within the scope of the submission made by Ms Campbell-Frear.
- 2.13 My evidence will address the following topics relevant to assessing the relief sought by Ms Campbell-Frear:
- (a) Justification of the Mixed Use Zone (**MUZ**) as the only commercial zone in the district, and the spatial extent of zones in and around Kerikeri in which commercial activity is enabled.
 - (b) The appropriate zoning for three areas that are the subject of Ms Campbell-Frear's submission, with those three **submission areas** now identified more specifically than in that submission, as I have summarised in Figure 2.1:
 - (i) The area of existing commercial activity located along Kerikeri Road, in the vicinity of The Old Packhouse (the **Packhouse node**), as identified spatially in the evidence of Ms McGrath.
 - (ii) The area of existing commercial activity east of State Highway 10 near Poplar Lane (the **Redwoods node**), as identified in Appendix 1 of Ms Campbell-Frear's submission.

- (iii) The area of land - identified in Appendix 1 of Ms Campbell-Frear's submission and sought to be zoned Rural Residential zone (**RRZ**) in that submission.

Figure 2.1: Submission areas



- 2.14 I do not repeat my evidence presented to Hearing 9 and continue to maintain that the proposed Horticulture Zone does not achieve the purpose of the RMA.

3. RELIEF SOUGHT

- 3.1 The primary relief of Ms Campbell-Frear's submission is to delete the proposed HZ in its entirety, rezoning areas Rural Production, General Rural, Commercial or Rural Residential zones as appropriate. The basis for this relief sought is set out in Ms McGrath's planning evidence.

4. JUSTIFICATION OF MUZ AS THE ONLY COMMERCIAL ZONE

- 4.1 I understand that the PDP contains only a single zone (the Mixed Use zone or **MUZ**) in which commercial activity is enabled as a dominant activity (with some types of commercial activity enabled in other zones on a limited basis).¹
- 4.2 A number of submitters have made well-reasoned submissions and presented evidence to the Strategic Direction hearing in May 2024, including points about the lack of a centres hierarchy.² Those submissions are relevant to my assessment, insofar as they relate to Ms Campbell-Frear's submission points that request that the Kerikeri Road commercial area and the Redwoods commercial area are rezoned to an appropriate commercial or mixed use zone.
- 4.3 I was not involved in the Strategic Directions hearing, but have read material presented to that hearing, and I agree with points made in submissions and in evidence that a centres hierarchy is important to appropriately manage the range of commercial activities and expectations in different locations throughout the district.
- 4.4 The absence of a hierarchy means that the district's largest commercial centres have the same zoning as small commercial nodes, and in my opinion is a possible reason why a commercial zoning has not been proposed for the Packhouse and Redwoods nodes.

5. MIXED USE REZONING

- 5.1 Ms McGrath's evidence recommends that the Packhouse and Redwoods nodes be rezoned to MUZ with a precinct overlay, and I agree with that recommendation, and with Ms Campbell-Frear's submission on those two areas.
- 5.2 From my assessment the Packhouse and Redwoods nodes are both well-established as nodes of commercial activity, and while they contain some small areas of land that remains in rural use, they are now predominantly non-rural.

¹ For example, small "Convenience stores, restaurants, cafés and takeaway food outlets" in the Light Industrial zone.

² Including evidence of Ms McGrath for Ms Campbell-Frear, and Mr Badham for both Foodstuffs and McDonalds.

HPL assessment

- 5.3 That predominantly non-rural characterisation is supported by the assessment of Hanmore Land Management (**HLM**, provided as Appendix 1). HLM was asked to assess how much land is available for land-based primary production in the three submission areas. I understand the HLM assessment covered only parts of the submission areas that were identified as Horticulture Zone (**HZ**) in the notified PDP, and not parts that were zoned RRZ, because the RRZ is an urban zone, and was notified before the NPS-HPL came into effect, and so is not HPL under the NPS-HPL.
- 5.4 The HLM assessment shows that in each of the three submission areas, close to 20% of land proposed to be HZ is HPL that is theoretically available to be used for primary production. The balance of around 80% in each area is either not HPL (part of the Rural Residential submission area), or HPL that is no longer available for primary production because it is being used for dwellings or other buildings, accessways, and hardstand areas. I note that the boundaries used for each area in the HLM assessment included all of the areas within the nodes, but split those areas differently, because the submission relief overlapped for part of the Packhouse node so HLM has assessed it only once (and included it in the submission mapped RRZ area and not the Packhouse node).
- 5.5 The amount of HPL land that remains available for primary production was assessed to be 0.9ha split across two titles in the Packhouse node, 0.6ha split across two titles in the Redwoods node, and 5.3ha split across five titles in the area sought to be RRZ (Figure 5.1).

Figure 5.1: Scale of potential primary production in each submission area

Submission area	Not HPL and/or not available for primary production	HPL available for primary production	Total	Share that is HPL available for primary production
Total land area (ha)				
Packhouse node	4.5	0.9	5.4	16%
Redwoods node	3.2	0.6	3.8	17%
Rural Residential	18.4	5.3	23.7	22%
Number of titles (or part titles)				
Packhouse node	13	2	15	13%
Redwoods node	5	2	7	29%
Rural Residential	7	5	12	42%

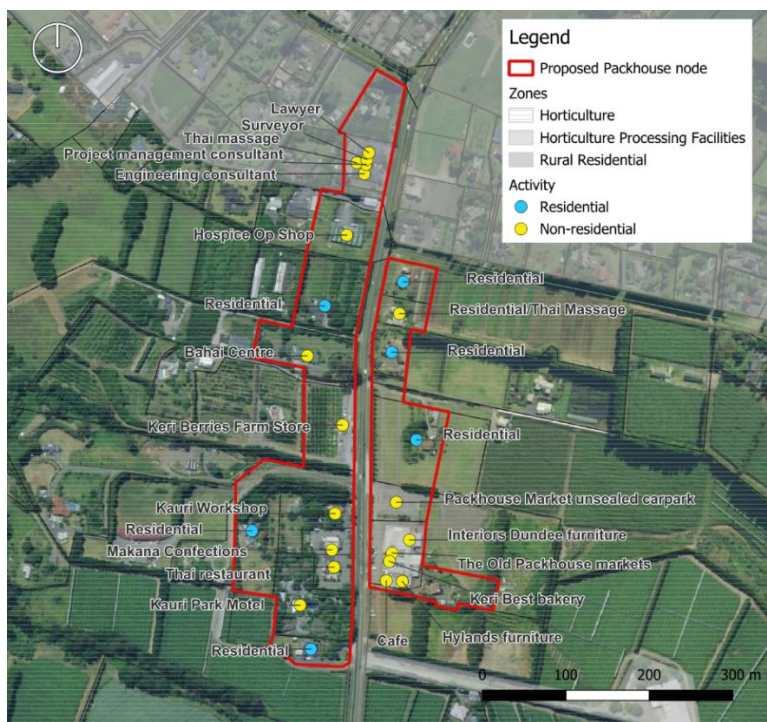
Existing activities

5.6 In Figure 5.2 and Figure 5.3 below I have shown the range of residential and non-residential activities in each node. That summary shows that there is a wide range of non-residential activities in each node. That range is consistent with my understanding of the range that is anticipated in mixed use areas, where residential and non-residential activities can, and in fact are encouraged to co-locate.

5.7 In the Packhouse node activities present include:

- (a) commercial activities, including retail (Makana shop, Kauri Workshop, Hospice Op Shop), commercial services (massage), offices, food and beverages (cafes and a bakery), and the Packhouse markets (three days a week).
- (b) visitor accommodation (Kauri Park Motel).
- (c) small-scale manufacturing (furniture manufacturing in the Packhouse building, and confectionary in Makana).
- (d) residential dwellings.
- (e) community facility (Baha'i centre).

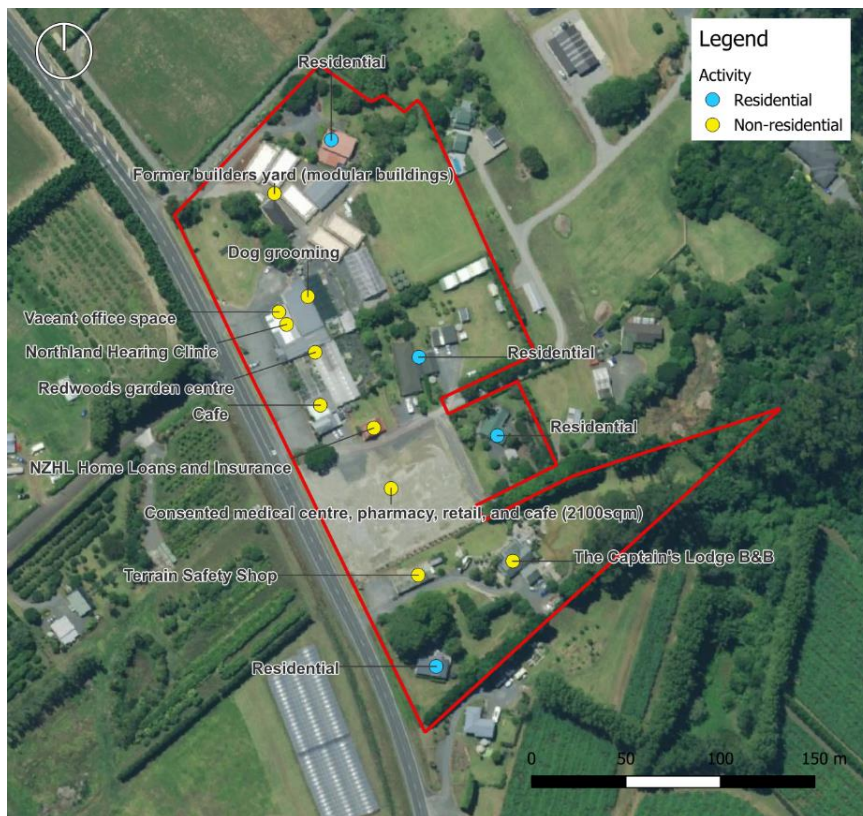
Figure 5.2: Packhouse node, activity survey



Similarly, the Redwoods node accommodates a range of mixed use activity (taking into account the recently consented medical centre complex):

- (a) commercial activities, including retail (garden centre, safety shop, the consented pharmacy), commercial services (home loans), offices, and food and beverages (existing café and consented café).
- (b) visitor accommodation (B&B).
- (c) healthcare (hearing clinic and consented medical clinic).
- (d) residential dwellings.

Figure 5.3: Redwoods node, activity survey



Parcel sizes

5.8 The Rural Environment section 32 report considers lots of larger than 8ha to be 'rural', and lots of smaller than 8ha 'rural lifestyle' (in the range of 2-8ha), or 'rural residential' (0.2-2ha).³ Recommendations made in the report include the following lot sizes:

³ S32 report Appendix 2, page x

- (a) Rural Production Zone: A minimum controlled lot size of 40ha to prevent fragmentation of productive land, and a discretionary minimum lot size of 8ha in areas with good access to water, acknowledging that such parcels can still be productive at this scale.⁴
- (b) Horticulture Zone: A minimum controlled lot size of 10ha, with a discretionary minimum of 4ha.⁵

5.9 Those recommended lot sizes are based on minimum land areas the Council has assessed are required to enable productive rural activities to be undertaken. If rural land parcels are too small, their productive capacity is limited, and may become nil.

5.10 I support the provision of minimum parcel sizes to safeguard continued rural production. However, if rural parcels are smaller than prescribed minimum levels now, that implies that there may be constraints to potential rural production on those small parcels.

5.11 If there are many small parcels co-located, that implies that rural production across all of those parcels in aggregate may be limited, or nil.

5.12 In the three submission areas parcels are very small in a rural context. In the Packhouse node the largest parcel is 3.5ha, and the 17 parcels average 0.7ha. The six Redwoods parcels also average 0.7ha, and the largest parcel is 2.2ha, while in the area requested to be RRZ the average is 1.8ha, and maximum 3.9ha (Figure 5.4).

Figure 5.4: Submission areas parcel size distribution

	Count of parcels					Land area (ha)		
	<0.5ha	0.5-1ha	1-2ha	2-3ha	3-4ha	Minimum	Average	Maximum
Packhouse	9	6	0	1	1	0.2	0.7	3.5
Redwoods	4	1	0	1	0	0.2	0.7	2.2
Rural residential	3	2	2	2	3	0.4	1.8	3.9
Total	16	9	2	4	4	0.2	1.1	3.9
Share	46%	26%	6%	11%	11%			

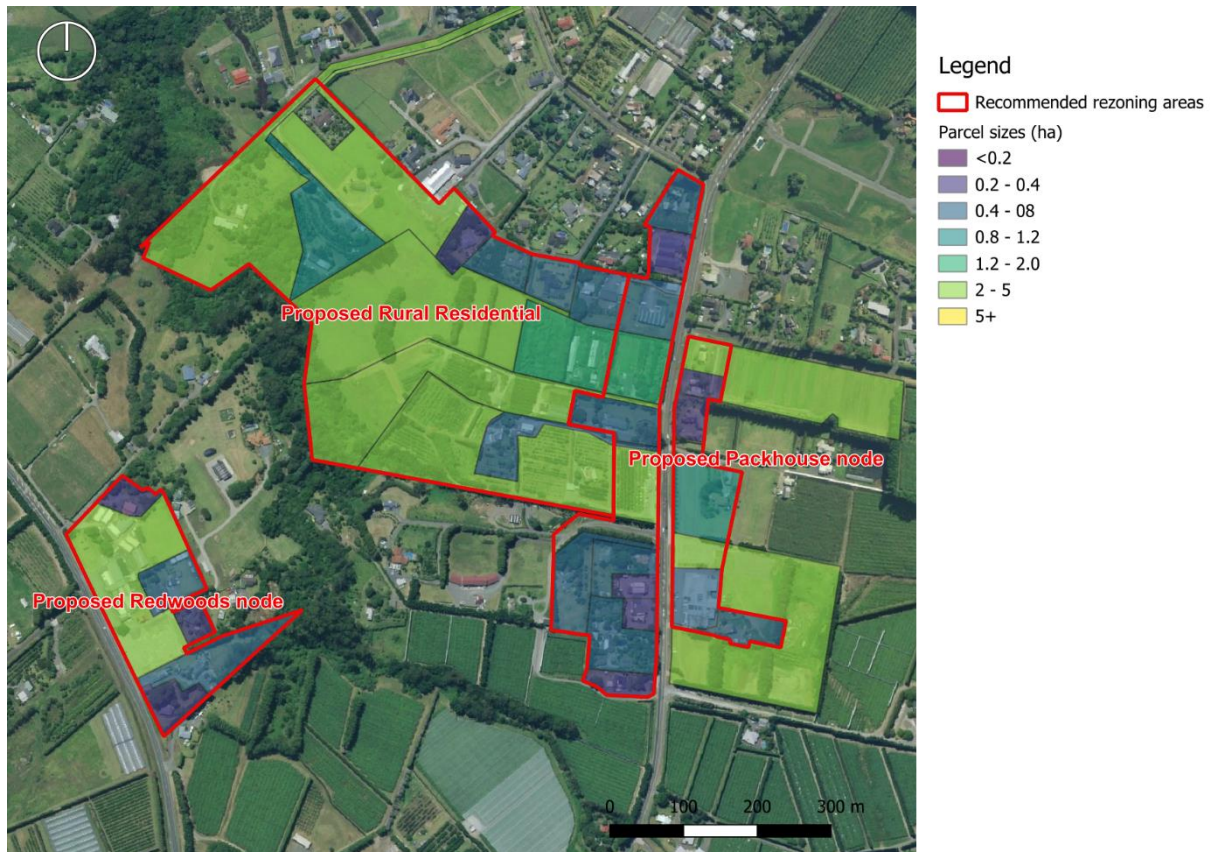
5.13 Most of the road frontage parcels are smaller than the average, and less than 0.5ha in area each. Many of the larger parcels have non-productive activities on their road frontage (Figure 5.5).

⁴ S32 report Appendix 2, page xiv

⁵ S32 report, page 5

- 5.14 That size distribution shows that in each of the three areas recommended for rezoning by Ms McGrath, all parcels are much smaller than even the smallest size the Council indicates is required to enable productive rural activities. The HLM assessment summarised earlier concluded that only a small amount of the total land area remains available for primary production (0.9ha split in the Packhouse node, 0.6ha in the Redwoods node, and 5.3ha across five titles in the RRZ block).

Figure 5.5: Parcel size distribution map



- 5.15 Together the current size distribution, Council's recommended minimum lot sizes, and the HLM assessment, all indicate very strongly that parcels in the three recommended rezoning areas are highly constrained as to their ability to accommodate productive rural activity.
- 5.16 Further, most of those parcels have been constrained for quite a long time: of the 35 parcels across the three areas, 19 (55%) were created before the year 2000, and only one has been created in the last five years (Figure 5.6). This indicates that the non-rural activities in the three areas are quite entrenched, and unlikely to revert to any rural uses in the future.

Figure 5.6: Recommended rezoning areas title creation date

	Pre 1990	1990- 2000	2000- 2010	2010- 2020	2020- 2025	Total
Packhouse	2	9	2	3	1	17
Redwoods	0	4	0	2	0	6
Rural residential	1	3	6	2	0	12
Total	3	16	8	7	1	35
Share	9%	46%	23%	20%	3%	100%

NPS-HPL tests

5.17 As a territorial authority that is not Tier 1 or Tier 2, under the NPS-HPL clause 3.6(4) FNDC may allow urban rezoning of highly productive land only if:

- (a) the urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district; and
- (b) there are no other reasonably practicable and feasible options for providing the required development capacity; and
- (c) the environmental, social, cultural and economic benefits of rezoning outweigh the environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

5.18 I now address those three tests from an economics perspective.

Clause 3.6(4)(a) sufficient development capacity

5.19 The s32 Urban Environment report describes how future demand for business zoned land in the district is based on a 2017 assessment by consultancy BERL,⁶ and “for the purposes of determining demand for business zoned land for the life of the PDP, the high growth scenario was primarily used”.⁷

5.20 That high growth scenario assumed “a growth in employment of 1.18% per annum towards 2045”, which equates to growth of 26% over 20 years (compounding). However, recent growth, and growth since 2000 (the beginning point of employment

⁶ “Potential future demand for commercial land Far North District”, February 2017, BERL

⁷ S32 Urban Environment, page 45

data in its current format) has far exceeded that BERL-projected growth, both for Kerikeri and the district as a whole.

- 5.21 Using the same commercial categories as in the BERL report, Statistics NZ employment data shows that commercial employment in Kerikeri has increased by 3.2% (annual average) since 2000, and by 3.5% since 2017 (when the BERL report was published). For the total district, the respective growth rates are 1.7% and 1.6% (Figure 5.7). Historic growth was higher than the BERL projection across all of BERL's 'Commercial' categories, for both Kerikeri and the district, with the exception of Commercial Accommodation.

Figure 5.7: Commercial employment growth in Far North District (2000-2023)

	Employment in this year			Growth in period		Avg ann. growth	
	2000	2017	2023	2000-2023	2017-2023	2000-2023	2017-2023
Commercial Other	92	195	275	183	79	4.9%	5.9%
Commercial Retail	710	1,073	1,339	629	266	2.8%	3.8%
Commercial Accommodation	50	75	71	21	- 4	1.6%	-1.0%
Commercial Office	722	1,183	1,449	727	265	3.1%	3.4%
Commercial Social	189	393	453	264	61	3.9%	2.4%
Commercial Tourist	55	111	135	80	24	4.0%	3.3%
Kerikeri town	1,817	3,030	3,721	1,904	691	3.2%	3.5%
Commercial Other	679	722	987	308	265	1.6%	5.3%
Commercial Retail	2,828	3,501	3,827	1,000	326	1.3%	1.5%
Commercial Accommodation	848	1,250	994	146	- 256	0.7%	-3.7%
Commercial Office	2,687	3,818	4,343	1,656	526	2.1%	2.2%
Commercial Social	1,170	1,755	1,924	754	169	2.2%	1.5%
Commercial Tourist	315	475	564	249	89	2.6%	2.9%
FNDC total	8,526	11,520	12,639	4,113	1,119	1.7%	1.6%

Source: Statistics NZ Business Directory

- 5.22 If historic growth rates continue, and it reasonable to expect that they will, as the population continues to grow, then future commercial employment growth will be substantially greater than BERL's projections, as it has been greater than growth over the last 23 years. The s32 Urban Environment report uses BERL's projections to derive an estimate of additional commercial land needed throughout the District in the long term (20 years, unlike the NPS-UD 'long-term' which is 30 years). The s32 report concludes that 14ha of additional commercial land will be needed in Kerikeri in the next 20 years.⁸

- 5.23 If recent historic growth rates in commercial employment continue, the s32 report's 14ha would be understated by between 5.2ha (applying the 23 year historic

⁸ section 7.2, page 45

employment growth average) and 7.6ha (using the 6 year average). That underestimation is as a result of the BERL projections underestimating employment growth in the next 20 years by between 37% and 54%, based on historic growth rates (as I set out in Figure 5.8).

Figure 5.8: Commercial employment growth in Far North District (2000-2023)

	BERL high	23 year average	6 year average
Average annual growth	1.18%	1.6%	1.7%
Equivalent 20-year growth	126%	136%	141%
2043 workers	4,705	5,069	5,241
Growth from 2023	984	1,347	1,519
Growth in excess of BERL		363	535
Growth in excess of BERL		37%	54%
Growth in ha in Kerikeri/Waipapa	14.0	19.2	21.6
Growth in excess of BERL		5.2	7.6

- 5.24 The FNDC 2024 Housing and Business Development Capacity Assessment (HBDCA)⁹ does not project growth for commercial employment, rather for more disaggregated sectors. The HBDCA's projection is for total employment growth to be around 1.0%,¹⁰ and projects a similar rate of employment growth for industries that would be expected to form part of a 'commercial' group. There is no reconciliation in the HBDCA as to why its projected future growth for commercial-type sectors is much slower than the long-run historic average. The HBDCA is not referenced in the s32 report, having been completed two years after the s32 report.
- 5.25 The s32 report states that the Operative District Plan has 22ha of Commercial Zoned land in Kerikeri and 1ha in Waipapa.¹¹ The s32 report's projection of the additional commercial land needed in Kerikeri/Waipapa will be 14ha in the next 20 years, implying total commercial land required in 20 years of 37ha (22+1+14) in Kerikeri/Waipapa.
- 5.26 The HBDCA projects 15.1ha of additional commercial land¹² in the entire District in the same period, although that is based off BERL's 2017 assessment of business land capacity¹³ and vacancy which is now dated and relates to the operative District Plan

⁹ M.E Consulting, July 2024

¹⁰ HBDCA, page 54

¹¹ Section 7.1, page 44

¹² HBDCA, page 60, taking both 'Commercial' and 'Retail', and including the prescribed competitiveness margin

¹³ As stated in the HBDCA, page 4

zones, not the PDP zones, and therefore is of little assistance in understanding whether the PDP zones will provide at least sufficient capacity to meet demand.

- 5.27 There is very little vacant land in the Kerikeri MUZ, although some parcels that currently accommodate dwellings that might be expected, over time, to convert to commercial uses. The s32 report recognises this limited capacity in the town centre, when it states that:

There is a level of rezoning proposed for Kerikeri and Waipapa in the PDP, which is largely focused around extending the industrial areas in Waipapa, while also having areas of Mixed Use. Having both Industrial and Mixed Use zoning in Waipapa will recognise the variety of activities that take place throughout the township and will cater for these different uses. As well as this, extending the business zoning in Waipapa will strengthen the way in which Waipapa and Kerikeri operate as one cohesive township by enabling Waipapa to become a hub of business activity.¹⁴

- 5.28 That indicates that Waipapa is to be relied on quite heavily to provide sufficient commercial land supply to meet the needs of the Kerikeri population and other consumers in the town.
- 5.29 However, the land that appears to be being relied on to accommodate commercial activities at Waipapa is not zoned to enable commercial activities. The operative Industrial zone at Waipapa (Mitre 10, The Warehouse, Four Square, etc.) is instead proposed to be Light Industry in the PDP, so this does not provide commercial land supply, because (most) commercial activities are not permitted in that Light Industry zone.
- 5.30 The PDP proposes 40ha of MUZ in Kerikeri, and 1ha in Waipapa. However, of that 41ha, 7.4ha has very limited potential to be used for commercial activities within the next 20 years, being:
- (a) 5.5ha of MUZ is the Kerikeri Retirement Village
 - (b) 1.2ha is the Methodist Church and community facility (at Fairy Pools Lane)
 - (c) 0.7ha is an area of open space at the rear of Kerikeri New World which forms part of the Kerikeri Domain, but which is owned by Kerikeri High School.

¹⁴ Page 45

- 5.31 Excluding that 7.4ha from the 41ha of MUZ leaves 33.5ha of MUZ in Kerikeri/Waipapa that could be available for commercial use.
- 5.32 Comparing then the 37ha of commercial land required in the next 20 years against the 33.5ha of MUZ available for commercial use indicates the PDP is not zoning sufficient land on which commercial activities will be enabled, with a shortfall of at least 3.5ha. That shortfall may be even greater, because the MUZ also includes many residential dwellings which could at some point be converted to commercial uses, but there is no certainty that they will.
- 5.33 I also note the 20 year horizon of the HBDCA, whereas the NPS-UD requires sufficient capacity for 30 years. The extra capacity that will be required due to growth in years 21-30 will further worsen the inadequate capacity identified in the HBDCA.
- 5.34 The HBDCA does not assess commercial land sufficiency using the PDP zones, instead relying on the 2017 BERL assessment and the operative District Plan zones for its supply-side information. Based on those zones, the HBDCA concludes that the supply of commercial land in the entire District will become insufficient to meet demand inside the next seven years, even if all vacant capacity is taken up.¹⁵
- 5.35 In order for there to be sufficient commercial land to provide for future demand, the HBDCA finds that significant redevelopment of the District's commercial areas would be required to achieve greater intensification in those areas. The feasibility of any such redevelopment is not assessed, nor is there any indication as to how it may be achieved.
- 5.36 Assessment presented in the HBDCA at a township level is limited, although what is presented in relation to commercial land confirms that in both Kerikeri and Waipapa growth will lead to increased pressure for commercial space, and

commercial growth is projected to face development constraints over the even [sic] medium to long term even with intensification options included. Excluding intensification options show that growth pressures are likely already influencing the location and can be expected to intensify going forward. ¹⁶

- 5.37 In summary, the HBDCA concludes that there is insufficient commercial land at a district level to meet future demand within the next seven years, and my assessment

¹⁵ HBDCA, page 62

¹⁶ HBDCA, page 65

of data presented in the s32 report reaches a similar conclusion at a Kerikeri/Waipapa township level. In order to meet FNDC's obligations under the NPS-UD of providing at least sufficient capacity for commercial land, my assessment shows that an area of commercial zoned land greater than proposed in the PDP is required.

- 5.38 It is not possible from the summary data provided in the HBDCA to know the size of the shortfall of commercial land in the District. However, in approximate terms, if the shortfall in commercial land is 1.7ha in seven years' time, and 12.1ha in 20 years, in those 13 years the shortfall has increased by 0.8ha a year, implying around 8ha more in years 21-30, and a total shortfall of 20ha by year 30, at a District level.
- 5.39 As stated above, there are a number of commercial activities extant in the Redwoods and Packhouse nodes, and some parts of those nodes do not accommodate commercial activity now, but could do so if a MUZ was applied there. From my assessment the parcels not occupied by a commercial activity now are 3.6ha in the Redwoods node, and 3.7ha in the Packhouse node, with those areas (total 7.3ha) used primarily for residential dwellings. Parcels within the two nodes which do already accommodate commercial activity are around 0.7ha in the Redwoods node, and 5.5ha in the Packhouse node (6.2ha total). It is my understanding that the 2017 BERL assessment and the HBDCA did not include the existing commercial activity in the Packhouse and Redwood nodes, and only assessed commercial land within operative commercial zones.
- 5.40 Because the s32 report calculates additional commercial area required, the 7.3ha of land within the nodes that does not yet accommodate commercial activity is the land that can assist in accommodating the shortfall of commercial land I established above.
- 5.41 My assessment shows that the requested MUZ precincts for the Packhouse and Redwoods nodes are required to provide sufficient development capacity in both Kerikeri/Waipapa and the Far North District to meet expected demand for business land in the district, especially considering the HBDCA's insufficient supply relates to only a 20 year horizon, not a 30 year horizon as required by the NPS-UD.
- 5.42 The precincts requested will go some way to providing sufficient development capacity, although the HBDCA indicates additional capacity will also need to be provided in other parts of Kerikeri/Waipapa, and the precincts alone will not provide sufficient development capacity for commercial land. Accordingly, in my opinion the requested MUZ precinct meets clause 3.6(4)(a) of the NPS-HPL.

Clause 3.6(4)(b) other reasonably practicable and feasible options

5.43 Some of the current commercial needs of Kerikeri consumers (including both locals and visitors) are already being met by businesses in the Packhouse and Redwoods nodes, by the range of commercial businesses located there. The two nodes both offer a point of differentiation to the Kerikeri town centre and Waipapa, being small nodes in accessible locations that accommodate activities that fall into one or more of the following categories:

- (a) have current or historical ties to the rural economy, but which rely on a high level of accessibility, including the Redwoods Garden Centre, Terrain Safety Shop, a seasonal farm store, and the Keri Berries Farm Store.
- (b) are tourism-oriented activities that value proximity to urban Kerikeri without actually being in town, and derive benefit from co-locating with other similar tourist activities (Kauri Workshop, Makana Confections, Kauri Park Motel).
- (c) occupy former rural buildings that are no longer used for rural purposes, including: The Old Packhouse markets, and the furniture manufacturers and café in the Old Packhouse building.
- (d) have established on parcels that are too small to accommodate productive rural activities, including the Hospice Op Shop, Baha'i centre, the recently consented Redwoods medical centre, and various commercial offices.

5.44 In my opinion it is appropriate that those activities continue to be provided in those nodes, and is not a reasonably practicable nor feasible option for those commercial activities to relocate to other locations in order to continue to provide for those needs. Remaining in situ is the only logical option for those activities, because:

- (a) The activities play an important role in Kerikeri's commercial and visitor economy.
- (b) The land they are located on is not highly productive land, and there is no obviously better use than for the mixed use/commercial activities currently located there.
- (c) It would be economically inefficient for the existing activities to move away, given the large sunk costs of commercial buildings there.

- (d) The HBDCA identified that there are already some constraints on commercial site availability, limiting options for where activities in the Redwoods and Packhouse nodes could move to, and exclusion of commercial activities in the two nodes from the HBDCA assessment understates the current pressures on commercial land supply.
- 5.45 The commercial activity present in the nodes does not occupy all of the land within the nodes, however the non-commercial parcels have little to no rural productive capacity, as explained by HLM, and applying a MUZ precinct to those non-commercial parcels as well as the commercial parcels would:
- (a) achieve a good outcome in planning terms, as described by Ms McGrath, creating a cohesive, contiguous area of MUZ precinct that takes in the existing commercial activities.
 - (b) provide some capacity for growth in commercial activities to be accommodated in the precinct requested by Ms Campbell-Frear.
- 5.46 Those outcomes cannot be achieved anywhere else, and accordingly, in my opinion the requested MUZ precinct meets clause 3.6(4)(b) of the NPS-HPL because there are no other reasonably practicable and feasible options for providing the required development capacity.

Clause 3.6(4)(c) economic benefits

- 5.47 I have already identified some of the economic benefits of the precinct sought by Ms Campbell-Frear. These include enabling the continued operation of the commercial activities already located in the nodes, enabling growth in commercial demand in Kerikeri/Waipapa to be accommodated in an appropriate location, and providing a home for commercial activities not suited to being in the town centre MUZ, or unable to find space there.
- 5.48 While I understand that the existing commercial activities have existing use rights and could continue operating without the proposed MUZ precinct in place, the precinct would enable more efficient continued operation, so that if those activities require changes such as changes to their business premises, including a change of scale, those change would be easier with a MUZ precinct in place than without it. In this sense the proposed precinct would generate tangible benefits, including enabling continued business operation, employment, and economic returns from existing businesses.

5.49 There are in my opinion very few economic costs of enabling the proposed urban zoning. While there may be both tangible and intangible costs¹⁷ in the context of clause 3.6(4)(c), the potential economic costs are primarily tangible costs, and include:

- (a) Opportunity cost of foregone rural production: This includes lost production and associated employment and economic returns, which could arise if rural production is replaced by urban uses. Large parts of the proposed precincts are already occupied by commercial activities, meaning the precincts would be unlikely to result in more activity establishing on those parcels. Parts of the precincts that are not occupied by commercial activities have very limited or no potential to accommodate productive rural activities, meaning there is little to no opportunity cost of foregone rural production, and negligible effect on employment or economic returns. In fact, in net terms the effect on employment would likely be positive, because many more people would likely be employed on the land when used for commercial activities than for rural activities.
- (b) Effects on Kerikeri town centre: The HBDCA recognises a likely shortfall in commercial land supply in Kerikeri/Waipapa, indicating strong demand for commercial land, and meaning that it is very unlikely that enabling a small amount of additional commercial activity in the two nodes will have any adverse effects on the Kerikeri town centre.
- (c) Food security resilience: This is an intangible cost, and could arise if loss of rural production adversely affects the ability to ensure security of food supply to meet national food demand. The scale of this effect will be very limited, in line with observations above about the opportunity cost of foregone food production.

5.50 In my opinion the requested MUZ precinct meets clause 3.6(4)(c) of the NPS-HPL from an economics perspective because the benefits of the proposed precinct outweigh the costs.

Clause 3.6(5)

5.51 Finally in relation to the proposed MUZ precinct, I address the requirement for territorial authorities to ensure that the spatial extent of the precinct is the minimum necessary

¹⁷ Such as changes in food security resilience, and cultural connections to land.

to provide the required development capacity while achieving a well-functioning urban environment.

- 5.52 From my assessment above in relation to clause 3.6(4)(a), the proposed precinct is required to meet FNDC's obligation to provide at least sufficient development capacity for commercial activities, and more land will be required as well, in addition to the precincts, because of the size of the shortfall in capacity identified in the HBDCA.
- 5.53 Further, as explained in my next section, there is also a shortage of capacity for residential land in Kerikeri and the District, and so additional residential capacity is also required to provide at least sufficient residential development capacity (bearing in mind that residential activities would be permitted in the MUZ).
- 5.54 That means that the spatial extent of the precinct requested is the minimum necessary to provide the required development capacity, and in fact the spatial extent of the precinct could even be made larger so as to meet more of the future commercial demand.

6. REQUESTED RURAL RESIDENTIAL REZONING

- 6.1 The proposed RRZ is in my opinion a more appropriate zone to apply in the area identified than a rural zone, for the same reasons identified above in relation to the requested MUZ precincts. Those reasons are, in summary, that parcels in the area are fragmented, lack productive potential, and are dominated by land use activities that are not the productive rural activities enabled in the PDP proposed zone.
- 6.2 In evidence to the HZ hearing in November 2024, Ms McGrath and I both identified reasons why the proposed HZ is not suitable for the requested RRZ area, and I maintain my conclusion that neither a horticulture zone (or precinct) or RPROZ are appropriate for the requested RRZ area.
- 6.3 The proposed RRZ is around 19.6ha in gross land area, of which I estimate around 90% (17.6ha) would be able to be developed for residential parcels, and 10% for roads. That net area could yield around 44 residential dwellings if all parcels were the minimum permitted area under the PDP (4,000m²), but taking into account the existing cadastral pattern I estimate the potential yield would be 40-50 dwellings.
- 6.4 I now assess the merits of the proposed RRZ area in the context of the NPS-HPL's clause 3.6(4).

Clause 3.6(4)(a) sufficient development capacity

6.5 The s32 report states that:

The General Residential zone enables increased density, making existing networks more efficient and affordable. Further, the work undertaken to understand population growth in relation to latent residential development capacity in the General Residential, Mixed Use and Rural Residential zone demonstrates that there is sufficient land zoned in the district. No additional land has been zoned General Residential due to the shortfall of information around Council's wastewater and potable water schemes.¹⁸

6.6 However, to the contrary the HBDCA concludes that there is a shortage of development capacity for detached residential dwellings in the short, medium and long terms, for both Kerikeri/Waipapa (a shortage of at least 300 dwellings in each time period) and the District as whole (shortage of at least 575 in each time period).¹⁹ There is also a shortage for total (detached and attached dwellings combined) residential capacity in all time periods at a District level, and for the medium term in Kerikeri/Waipapa (and barely sufficient capacity for detached plus attached in the long-term if there is strong take up of attached dwellings, with a sufficiency of only +5 dwellings).

6.7 The s32 report is dated May 2022, and although now three years old it is not clear why it would reach a different conclusion as to residential land capacity sufficiency to the more recent HBDCA.

6.8 The HBDCA shows that there is going to be a large shortfall of capacity to accommodate detached residential dwellings, and that additional supply will be required to meet demand. The total shortfall will be even greater if there is less acceptance of attached dwelling typologies than the HBDCA has assessed will arise, which in my opinion is likely, given the Spatial Plan's admission of the 'ambitious' nature of providing for 20-40% of residential growth through intensification:²⁰

The plan directs 95% of future growth within and around the existing built-up areas of Kerikeri and Waipapa. This reflects the plan's ambitious goal to promote urban change, enabling more

¹⁸ Section 32 report Urban Environment, page 15

¹⁹ HBDCA, Table E2

²⁰ Te Pātukure Draft Spatial Plan for Kerikeri–Waipapa, March 2025, page 17

affordable housing. This in turn will require a review of the rural framework (in the district plan) for the study area, which may result in future plan changes.²¹

6.9 The HBDCA assumes growth of 3,260 households in Kerikeri/Waipapa over the long-term,²² whereas Te Pātukurea Spatial Plan for Kerikeri-Waipapa (**Spatial Plan**) assumes that growth in the same area will be much greater, at 4,690 households,²³ 1,430 more than the HBA baseline.

6.10 That much higher level of growth is applied for the Spatial Plan because:

Kerikeri-Waipapa has historically experienced population surges that have exceeded forecasts. To account for this uncertainty, council is planning for higher than projected growth.²⁴

6.11 The Spatial Plan and its supporting technical documents describe different ways that level of growth might in theory be accommodated:

- (a) The Mapping Technical Report assumes that 55-60% of growth will be accommodated through greater intensification in existing residential areas, 35-40% in greenfield developments, and 5% in rural areas.²⁵ That 55-60% equates to 2,580-2,814 households.
- (b) The adopted Spatial Plan states that a much lower 20-40% of growth will be accommodated through greater intensification in existing residential areas.²⁶ That 20-40% equates to 938-1,876 households being accommodated in intensification of existing areas, 938-1,642 households less than assumed in the Mapping Technical Report.

6.12 So the HBDCA's large, assessed shortfall in residential capacity would be even larger if growth is as anticipated in the Spatial Plan. If growth is 1,430 households more than the HBDCA assumes, the HBDCA's projection of a long-term shortfall of 435 detached

²¹ Te Pātukure Draft Spatial Plan for Kerikeri-Waipapa, March 2025, page 49

²² HBDCA page 24

²³ Spatial Plan page 14

²⁴ Spatial Plan page 14

²⁵ "Spatial Plan Development Mapping Technical Report", 23 January 2025, Table 2

²⁶ Spatial Plan page 17

dwellings in Kerikeri/Waipapa would be much higher, and potentially over 1,800 dwellings, and the medium-term shortfall could be 800 dwellings.²⁷

- 6.13 The Spatial Plan is a non-statutory document that presents a conceptual strategy for how to accommodate growth, but does not actually enable that growth through the creation of zoned residential land. Until zoning changes are made that will provide sufficient capacity to accommodate growth and alleviate the anticipated shortfall in residential supply, there remains a shortage of residential land in Kerikeri/Waipapa to accommodate expected growth.
- 6.14 The additional residential yield of the RRZ land requested by Ms Campbell-Frear (indicatively around 40-50 dwellings) would contribute to alleviating a small part of the large shortfall of capacity for detached residential dwellings in both Kerikeri/Waipapa and the total district:
- (a) 40-50 dwellings is 13-17% of the shortfall of at least 300 dwellings in each NPS-UD time period in Kerikeri/Waipapa, and 5-6% of the likely shortfall in the medium-term if growth occurs at the higher rate anticipated in the Spatial Plan.
 - (b) 40-50 dwellings is 7-9% of the shortfall of at least 575 dwellings in each NPS-UD time period in the district as a whole.
- 6.15 Assessment undertaken by Market Economics for the Spatial Plan analysed the potential additional capacity and associated development costs of two alternate development scenarios 'F1' and 'F2' that would provide for development capacity in addition to that assessed in the HBDCA, in response to submissions made to the PDP. That assessment made various conclusions about the development costs, but importantly for my evidence found that "neither Scenario F option accommodates all the required growth – some of the growth must be accommodated elsewhere - either intensification or greenfield."²⁸

²⁷ I have calculated that as one third of the additional growth of 1,430 added to the HBDCA medium term shortfall of 320, form the HBDCA's Table 4.8.

²⁸ Agenda Extraordinary Council Meeting, Far North District Council, Wednesday 18 June 2025, Page 175. Memorandum to Jaye Michalik, dated 10 June 2025.

- 6.16 Based on my assessment above, the requested RRZ is required to provide sufficient development capacity to meet expected demand for housing in the district, and the proposed RRZ is therefore consistent with clause 3.6(4)(2).

Clause 3.6(4)(b) other reasonably practicable and feasible options

- 6.17 Ms McGrath's evidence sets out other reasonably practicable and feasible options for providing the required development capacity. Her assessment concludes that while there are some options for providing additional residential activity, they each have limitations, and are no more practicable or feasible than the proposed RRZ, and do not ensure that they would together be able to provide sufficient capacity to meet the deficit in capacity the HBDCA has identified.
- 6.18 Other options include accommodating residential activity through increased intensification, such as is envisaged in the Spatial Plan, and enabling residential dwellings in other parts of the District, including around the rural fringe of Kerikeri/Waipapa.
- 6.19 However, I note that the s32 report found that:

A survey of local real estate and survey professionals, who were primarily based in Kerikeri, identified an ongoing demand for rural residential sites (site with generous lawn and gardens) as opposed to more rural lifestyle blocks (that can accommodate some small-scale farming) in this area.²⁹

- 6.20 That indicates that there is demand for detached residential typologies, and in rural residential settings, indicating that the RRZ requested is the type of additional residential supply that is needed to meet local demand. The PDP however provides limited additional supply of rural residential sites, and the HBDCA takes those into account³⁰ when concluding its deficit in commercial supply.
- 6.21 From my assessment above, even if some of those other options are practicable or feasible, multiple options will be required to provide the required development capacity, and the requested RRZ is equally or more practicable and feasible than those alternatives. Further, it is not possible to determine whether other options are both

²⁹ Rural Environment section 32 report, page xi

³⁰ HBDCA page ii, in relation to the housing capacity assessment: "The Operative District Plan (ODP) and Proposed District Plan (PDP) are both considered."

reasonably practicable and feasible, or there is not sufficient certainty as to the capacity they might provide to alleviate the deficit in capacity the HBDCA has identified.

Clause 3.6(4)(c) economic benefits

6.22 While there may be both tangible and intangible costs³¹ and benefits³² in the context of clause 3.6(4)(c), the potential economic costs and benefits are primarily tangible costs and benefits. The economic benefits of the requested RRZ would include:

- (a) Short-term, one-off benefits arising from construction of new residential dwellings. These may be largely a transfer away from construction occurring in other places in the district, and so would not all be a net positive to the district economy, although would likely involve some net positive element.
- (b) Increased residential choice and supply, which would help to improve the local residential housing market. While dwellings on these RRZ lots would likely be priced higher than the average value of dwellings in Kerikeri/Waipapa, and therefore do little to support affordable housing directly, they would increase total supply and have some positive effect on the housing market overall. Because the scale of development enabled would be small, the magnitude of this positive effect would also be small.
- (c) Enabling residential growth to be accommodated, providing homes for new residents and enabling consequent economic growth as those new residents support increased spending in the local economy, supporting local businesses and organisations. Again, because the scale of development enabled would be small, the magnitude of this positive effect would also be small.

6.23 The economic costs of the proposed RRZ area would be:

- (a) A loss of some productive rural land for land-based primary production. As identified by HLM, the magnitude of that loss would be very small, because of the existing permanent constraints of parts of the area (formed accessways, existing dwellings and curtilages), and the small size and

³¹ Such as changes in food security resilience, and cultural connections to land.

³² Such as enabling people to live near work and family, supporting a well-functioning urban environment, enabling local growth and promoting community cohesion, and potentially reducing commuting.

fragmented nature of existing parcels. An associated intangible cost is adverse effects on food security, as discussed above in relation to the proposed MUZ with a precinct overlay.

- (b) Potential for some increased pressure on local businesses and organisations. However, because growth is anticipated, and even aspired to in the Spatial Plan, some increased pressure is likely to result, and the proposed RRZ would contribute to that in only a very small degree.

Clause 3.6(5)

- 6.24 Finally in relation to the proposed RRZ, I address the requirement for territorial authorities to ensure that the spatial extent of the RRZ is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.
- 6.25 From my assessment above in relation to clause 3.6(4)(a), the proposed RRZ is required to meet FNDC's obligation to provide at least sufficient development capacity for residential activities, and more land will be required as well because of the size of the shortfall in capacity identified in the HBDCA.
- 6.26 That means that the spatial extent of the RRZ requested is the minimum necessary to provide the required development capacity, and in fact the spatial extent of the RRZ could even be made larger so as to meet more of the future residential demand.

7. CONCLUSION

- 7.1 I consider that the relief sought by Ms Campbell-Frear, namely the creation of a MUZ precinct and an expanded area of RRZ is appropriate and necessary for the following reasons.
- 7.2 The HBDCA concludes that there is insufficient capacity for both residential and commercial land in Kerikeri/Waipapa and the Far North District as a whole to meet future demand.
- 7.3 In relation to commercial capacity, the HBDCA and my assessment indicates the requested MUZ precincts for the Packhouse and Redwoods nodes are required to provide sufficient development capacity in both Kerikeri/Waipapa and the Far North District, and:

- (a) There will be a shortfall of commercial land at a District level inside the next seven years, even if all vacant capacity is taken up.
- (b) There are no other reasonably practicable and feasible options for providing the required development capacity, given the positive locational attributes of the proposed MUZ precinct and limited to no rural productive capacity therein.
- (c) The economic benefits of the proposed precinct outweigh the costs.
- (d) The spatial extent of the precinct requested is the minimum necessary to provide the required development capacity, and in fact the spatial extent of the precinct could even be made larger so as to meet more of the future commercial demand.

7.4 In relation to residential capacity, the HBDCA and my assessment indicates the requested RRZ zoning is required to provide sufficient development capacity in both Kerikeri/Waipapa and the Far North District, and:

- (a) There will be a shortfall of residential land at a District level inside the next three years, and that will persist for the next 30 years. There is also a shortage of detached housing in Kerikeri/Waipapa in the short-term, and that will persist for the next 30 years, and that shortage may be substantially understated if growth occurs at the level projected in the Spatial Plan.
- (b) Even if some of the other options for additional residential supply are practicable or feasible (and ascertaining that is not possible from the information available), multiple options will be required to provide the required development capacity, and the requested RRZ is equally or more practicable and feasible than those alternatives.
- (c) The economic benefits of the proposed precinct outweigh the costs.
- (d) The spatial extent of the RRZ requested is the minimum necessary to provide the required development capacity, and in fact the spatial extent of the RRZ requested could even be made larger so as to meet more of the future residential demand.

- 7.5 The HBDCA and my assessment indicates the requested RRZ and MUZ precinct are required to provide respectively sufficient residential and commercial development capacity in both Kerikeri/Waipapa and the Far North District.

Derek Richard Foy

Date: 27 June 2025

Appendix 1: HLM rural productivity assessments

Memo

To: Audrey Campbell-Frear
From: Ian Hanmore, Director, Hanmore Land Management Ltd
Re: Request for an assessment of Highly Productive Land
Date: June 2nd, 2025

BACKGROUND

Hanmore Land Management Ltd (HLM) has been asked to complete an assessment of the loss of highly productive land for land-based primary production of the 23.7ha area of land shown below if it is rezoned from Rural Production to Rural Residential Housing.



The assessment is based on desktop information and uses the New Zealand Land Resource Inventory (NZLRI) maps to determine the HPL status of the area, LINZ legal title information and 2023-2024 aerial imagery of Northland. Site specific information from properties mapped

within the area is also included. The definition of HPL used for this assessment is taken from the National Policy Statement for Highly Productive Land (NPS-HPL) and is described as:

LUC 1, 2, or 3 land means land identified as Land Use Capability Class 1, 2, or 3, as mapped by the New Zealand Land Resource Inventory.

ASSESSMENT

The map below shows the area of proposed rezoning and legal titles. The white double lined hatching covers 9.5ha and shows the area mapped by the NZLRI as LUC class 4 and not HPL. The remaining area covers 14.2ha and is mapped as LUC class 2 and therefore HPL.



The titles within the area have been separated into those that will have minimal loss of HPL and those that will have a loss of HPL due to the proposal. Titles that have been considered to have a minimal loss of HPL are highlighted in yellow and range in size from 0.32ha to 0.62ha. These titles cover a total of 3.8ha and are typically taken up by a residence, gardens and associated buildings leaving little or no area for land based primary production beyond a home garden or orchard.

The remaining areas highlighted in brown have potential for small land based primary production. The areas labeled on the map in white show the area of each title that is available

for this purpose once the unproductive areas of the site have been removed. These included houses, gardens, buildings, accessways and hardstand areas and have been highlighted in white cross hatching.

Two of these titles are fragmented by internal residential buildings and infrastructure while also having neighbouring residences close to boundaries. The northern most title with 0.96ha of available land has its own residence in the middle of the property, a residential neighbour on the northern boundary and a commercial building on the eastern boundary with the commercial building appearing to use part of the title for parking and storage. It is likely that reverse sensitivity issues would arise if any commercial operation were undertaken on the site.

The middle title with 0.95ha or (0.81ha) of available land is also fragmented by internal infrastructure and a residence as well as having residential neighbours on two boundaries. These factors along with the small size of the site would make a commercial enterprise very challenging if not impossible.

Of the total 10.4ha mapped as HPL by the NZLRI, 8.4ha is available for land based primary production spread over five legal titles. Three of the titles within this area have had detailed site LUC mapping completed by HLM. This mapping resulted in a reclassification of some of the areas of each site from LUC class 2 land mapped by the NZLRI to LUC class 3 and 4 land due to the slopes and soil type present. The areas shown in brackets show the area identified as HPL based on the field survey. When these areas are taken into account there is 5.3ha available for land based primary production within the proposed rezoning area.

CONCLUSIONS

- The area of proposed rezoning includes 9.5ha mapped by the NZLRI as LUC class 4 and not HPL.
- The area of proposed rezoning includes 14.2ha mapped by the NZLRI as LUC class 2 and HPL.
- Eight titles, covering 3.8ha within the HPL area range in size from 0.32ha - 0.62ha and are considered to have little if any area available for land-based primary production.
- Based on the NZLRI mapping five titles with the HPL area have a total of 8.4ha available for land based primary production.
- When site mapping of three titles within the HPL area is taken into consideration there is 5.3ha available for land-based primary production.
- **Based on the NZLRI LUC mapping, rezoning the 23.7ha area will result in a total loss of 8.4ha of HPL. When site mapping is considered, this loss totals 5.3ha.**

Memo

To: Audrey Campbell-Frear

From: Ian Hanmore, Director, Hanmore Land Management Ltd

Re: Request for an assessment of Highly Productive Land

Date: June 3rd, 2025

BACKGROUND

Hanmore Land Management Ltd (HLM) has been asked to complete an assessment of the loss of highly productive land for land-based primary production, of the 5.4ha area of land shown below, if it is rezoned from Rural Production to Commercial.



Area of assessment on Kerikeri Road with the Old Packhouse café on the right and Kauri Park Motel on the left.

The assessment is based on desktop information and uses the New Zealand Land Resource Inventory (NZLRI) maps to determine the HPL status of the area, LINZ legal title information and 2023-2024 aerial imagery of Northland. The definition of HPL used for this assessment is taken from the National Policy Statement for Highly Productive Land (NPS-HPL) and is described as:

LUC 1, 2, or 3 land means land identified as Land Use Capability Class 1, 2, or 3, as mapped by the New Zealand Land Resource Inventory.

ASSESSMENT

The map below shows the area of proposed rezoning with its legal titles. Areas with a red dot form part of larger titles that extend east outside of the assessment area. The entire area is mapped by the NZLRI as LUC class 2 and HPL.



The titles within the area have been separated into those that will have no loss or minimal loss of HPL and those that will have a loss of HPL due to the proposal.

Titles that will have no loss of HPL area shaded in white. Four of these areas are standalone titles and cover 1.63ha, while two form part of larger titles and cover 0.36ha. These sites have been fully developed with buildings and/or hardstand areas leaving no land available for primary production.

Five standalone titles considered to have a minimal loss of HPL are highlighted in yellow and range in size from 0.20ha to 0.44ha. These titles cover a total of 1.58ha and are typically taken up by a residence, gardens and associated buildings leaving little or no area for land based primary production beyond a home garden or orchard. Two areas classified as having a minimal loss of HPL form part of larger titles. These cover 0.05ha and 0.27ha.

The remaining areas highlighted in brown have potential for small land based primary production. The areas labeled on the map in white show the area of each title that is available for this purpose once the unproductive areas of the site have been removed. These included houses, gardens, buildings, accessways and hardstand areas and have been highlighted in white cross hatching.

As can be seen from the map on the previous page the area available for land based primary production is small and largely fragmented. The northern title with 0.50ha of land available is fragmented into five small pieces by the residential dwelling and the two accessways. This fragmentation along with its small size, the residential dwelling and the main road that borders the western boundary makes the use of the available land beyond a residential garden impractical and highly unlikely.

The southern most title with 0.37ha of land available for land based primary production is too small on its own to be commercially viable. It could potentially be incorporated in the neighbouring horticultural block but due to the residential dwelling and reverse sensitivity issues this would likely be unviable. As such, the area is most likely to be used for a residential garden or a hobby enterprise.

Of the total 5.4ha mapped as HPL by the NZLRI, 0.87ha is technically available for land based primary production spread over two legal titles. The remaining areas have no primary productive capacity or areas only suitable for home gardens.

CONCLUSIONS

- The area of proposed rezoning is mapped as LUC class 2 by the NZLRI and therefore HPL.
- Five titles and two part titles, covering 2.25ha range in size from 0.05ha - 0.44ha and are considered to have little if any area available for land-based primary production.
- Based on the NZLRI mapping two titles have a total of 0.87ha available for land based primary production.
- The land available for land based primary production is small and fragmented.
- **Based on the NZLRI LUC mapping, rezoning the 5.4ha area will result in a total loss of 0.87ha of HPL spread over two titles.**

Memo

To: Audrey Campbell-Frear
From: Ian Hanmore, Director, Hanmore Land Management Ltd
Re: Request for an assessment of Highly Productive Land
Date: June 3rd, 2025

BACKGROUND

Hanmore Land Management Ltd (HLM) has been asked to complete an assessment of the loss of highly productive land for land-based primary production, of the 3.78ha area of land shown below, if it is rezoned from Rural Production to Commercial.



Area of assessment on SH10 around the Redwoods Garden Centre.

The assessment is based on desktop information and uses the New Zealand Land Resource Inventory (NZLRI) maps to determine the HPL status of the area, LINZ legal title information and 2023-2024 aerial imagery of Northland. The definition of HPL used for this assessment is taken from the National Policy Statement for Highly Productive Land (NPS-HPL) and is described as:

LUC 1, 2, or 3 land means land identified as Land Use Capability Class 1, 2, or 3, as mapped by the New Zealand Land Resource Inventory.

ASSESSMENT

The map below shows the area of proposed rezoning with its legal titles. Areas with a red dot form part of larger titles that extend east outside of the assessment area. The entire area is mapped by the NZLRI as LUC class 2 and HPL.



The titles within the area have been separated into those that will have no loss or minimal loss of HPL and those that will have a loss of HPL due to the proposal.

Titles that will have no loss of HPL area shaded in white. These areas form part of larger titles to the east of the area of assessment. They are both accessways covering a total of 0.09ha and have no area free for use in land-based primary production.

Three standalone titles considered to have a minimal loss of HPL are highlighted in yellow and range in size from 0.20ha to 0.47ha. These titles cover a total of 0.94ha and are typically taken up by a residence, gardens and associated buildings leaving little or no area for land based primary production beyond a home garden or orchard.

The remaining areas highlighted in brown cover 2.75ha and have potential for small land based primary production. The southernmost title extends beyond the area of assessment and includes additional area suitable for land-based primary production. This additional area has not been considered in this assessment. The areas labeled on the map in white show the area of each title that is available for land-based primary production once the unproductive areas of the site have been removed. These included houses, gardens, buildings, accessways and hardstand areas and have been highlighted in white cross hatching.

Of the total 3.78ha mapped as HPL by the NZLRI, 0.63ha is available for land based primary production spread over two legal titles and three separate areas. The remaining areas have no primary productive capacity or areas only suitable for home gardens.

It should be noted that these areas of HPL are very small in a commercial sense and likely unviable for use in that capacity. Their location will also make their commercial use difficult as they are surrounded by commercial premises, including an approved medical centre and residential lots.

The shape and size of the area of HPL and its proximity to the residence on the southernmost title make it highly unlikely it could be used for anything more than a residential garden. The area of HPL on the northern title is split into two small areas with one bordering the main road and surrounded by commercial buildings on all other sides while the other area is bordered by neighboring residential dwellings and commercial buildings. These factors make reverse sensitivity highly likely and the practical use of these areas for land based primary production beyond a residential scale garden impractical and very unlikely.

CONCLUSIONS

- The area of proposed rezoning is mapped as LUC class 2 by the NZLRI and therefore HPL.
- Three titles and two part titles, covering 1.02ha range in size from 0.05ha - 0.47ha and are considered to have little or no area available for land-based primary production.
- Based on the NZLRI mapping two titles have a total of 0.63ha available for land based primary production.
- **Based on the NZLRI LUC mapping, rezoning the 3.78ha area will result in a total loss of 0.63ha of HPL spread over two titles.**
- It is unlikely the areas of HPL will ever be used in a commercial capacity due to their small size and location.