

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF Proposed Private Plan Change 56 to the Matamata Piako District Plan by Lockerbie Estate Limited and Lockerbie Estate No. 3 Limited to rezone approximately 78 hectares of land at 76 Taukoro Road, 182 Morrinsville-Tahuna Road and Lockerbie Street from a Rural Zone (with a Future Residential Policy Area Overlay) to a Residential and Medium Residential Zone with supporting Development Area Plan.

STATEMENT OF EVIDENCE OF GD JONES

DEVELOPER SUMMARY

4 July 2022

INTRODUCTION

1. My name is GD Jones. I am a director of Lockerbie Estate Limited and Lockerbie Estate No. 3 Limited (“Lockerbie”).
2. I have 7 years’ experience in all aspects of property investment and development and, through developing Lockerbie Estate over the past 3 years, I have specialised experience in the delivery of large-scale residential development.
3. In terms of formal education, I have a Bachelor of Art degree from the University of Illinois and a Master’s degree in Business Administration from Southern Cross University, Australia.

THE LOCKERBIE DEVELOPMENT

4. To date, the Lockerbie Estate development in Morrinsville has delivered 230 residential sections, with a further 100 residential sections under construction to be completed by the end of 2022. Affiliated companies are currently constructing a 186-unit retirement village and café. We also have plans for an early childhood centre and a retail/medical precinct in the form of the ‘Lockerbie Junction Retail Precinct’.
5. Lockerbie Estate Limited initially purchased the 80 hectare Lockerbie Farm, from the Davies Family in November 2019. Approximately 40 hectares of that original purchase forms part of the plan change site.
6. In June 2021, Lockerbie Estate No.3 Limited purchased the adjoining 40 hectare block, known as the ‘Harris Block’. The Harris Block sits to the west of the Lockerbie Farm and directly adjoins Morrinsville-Tahuna Road.
7. The combined land holdings make up all of the ‘Future Residential Overlay Area’ that was introduced over the site by a Council led plan change (Plan Change 47 – Plan Your Town). The overlay has been in place since September 2017.
8. The purchase of the Harris Block has allowed Lockerbie Estate to comprehensively master plan all of this ‘Future Residential Policy Area’, as well as work with Council to design and fund a fully integrated infrastructure solution for the whole of the growth cell.
9. In developing the plan change proposal, we have worked with Council experts on all technical aspects of the plan change including urban and landscape design,

three waters infrastructure requirements and the location, timing and delivery of transport improvements, both internal and external to the site.

10. Engagement with Council has also resulted in:
 - (a) the provision of land in Stage 3 of the Lockerbie Estate development for a new water treatment plant to service Morrinsville; and
 - (b) the signing of a private Developer Agreement between the two parties relating to the provision and delivery of the infrastructure required to service the plan change site.

11. Lockerbie Estate has also had significant engagement with local iwi since the beginning of the project. On 23rd September 2019, Lockerbie Estate Limited entered into a memorandum of understanding with Ngāti Hauā to ensure that Ngāti Hauā's cultural values were reflected and enhanced throughout the duration of the project.

CODE OF CONDUCT FOR EXPERT WITNESSES

12. I am familiar with the Code of Conduct for Expert Witnesses (Environment Court Consolidated Practice Note 2014) and although I note this is a Council hearing, I agree to comply with this code. The evidence I will present is within my area of expertise, except where I state that I am relying on information provided by another party. I have not knowingly omitted facts or information that might alter or detract from opinions I express.

SCOPE OF EVIDENCE

13. My evidence will cover:
 - (a) an overview of the consultation undertaken with other key stakeholders and the wider community engagement;
 - (b) commentary on the residential market in Morrinsville and the spectrum of desired density, typology and affordability; and
 - (c) commentary on the anticipated development timeframe if the plan change is granted

14. My evidence will also focus on issues raised within the submissions, as relevant to my role and expertise, including:
 - (a) the issues raised by immediate neighbours and the resolutions reached;
 - (b) the commitment by Lockerbie to directly or indirectly fund the cost of infrastructure required to service the plan change site;

- (c) further details on what is being proposed within the Lockerbie Junction Retail Precinct, which I believe will address some submitter concerns relating to the capacity of certain services in Morrinsville;
 - (d) insight into the master planning strategy that underpins the Development Area Plan for the plan change site and the appropriateness of the proposed diversity of densities and built form for Morrinsville;
 - (e) commentary on the structural shifts in the housing market that have created higher demand for houses in Morrinsville than previously expected; and
 - (f) commentary on Lockerbie contribution towards housing affordability.
15. As Director of Lockerbie, I have been involved in every aspect of this plan change process and have liaised with all of the consulting experts with regard to their technical evidence.

EXECUTIVE SUMMARY

16. Lockerbie has undertaken significant community and stakeholder engagement, which I believe is reflected in the relatively few objecting submissions for a plan change of this scale. Since the close of submissions Lockerbie have also engaged with key submitters to understand/resolve their concerns.
17. Lockerbie has worked with Council to reach agreement in principle to directly or indirectly fund the major capital costs of infrastructure related to the plan change. This has progressed to a point that the signing of a Private Development Agreement is imminent. The signing of the Development Agreement prior to development of the plan change will give Lockerbie, the Council and the community certainty around where the costs for the infrastructure required to service the plan change site lie.
18. The lack of retail and associated services in this locality s raised by some submitters will be addressed, in some way, by the Lockerbie Junction Retail Precinct development proposed within the existing Lockerbie development footprint. As noted above, that development exists outside of this plan change proposal.
19. The strategy underpinning the Lockerbie Development Area Plan, for the plan change, has gone through several rounds of technical consultation with Council appointed transportation and urban design experts. Lockerbie believes that the proposed masterplan will deliver a range of housing densities and typologies and public amenity suitable for creating a strong community in Morrinsville.

Additionally, the zoning and associated provisions provide flexibility to respond to market changes over the likely 10-20 year development horizon that the plan change is expected to cater for.

20. Lockerbie's own experience and knowledge of market forces in the Waikato means that we expect to deliver 100 residential sections a year over the development cycle. At that volume the plan change site will predominantly cater for Morrinsville's greenfield growth in the medium term only.
21. The biggest contribution that Lockerbie can make to housing affordability in Morrinsville is to deliver sections at pace and scale in order to influence the supply and demand market forces.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

22. Lockerbie is aware of the responsibility that a project of this size creates in the scope of a town of the size of Morrinsville.
23. While it is not possible to address every individual, the Lockerbie team has tried to bring as much of the town along on the Lockerbie journey as possible.
24. In developing existing Lockerbie Estate development and the plan change application, we have undertaken significant consultation. Specifically, we have presented to or sought feedback from the following groups:
 - (a) Matamata Piako District Council
 - (b) Ngāti Hauā
 - (c) Waikato Regional Council
 - (d) Waka Kotahi New Zealand Transport Agency
 - (e) Powerco
 - (f) Tuatahi First Fibre
 - (g) Ministry of Education
 - (h) Morrinsville Chamber of Commerce
 - (i) Individual neighbouring landowners
 - (j) David Street School
 - (k) Morrinsville Intermediate School
 - (l) Morrinsville Lions Club
 - (m) Morrinsville Probus Club
 - (n) Morrinsville Lyceum Club
 - (o) Morrinsville Bowling Club
 - (p) Morrinsville Golf Club

25. In addition, Lockerbie Estate has had significant public interaction with booths at community events such as the Morrinsville A&P Show, Morrinsville Farmers Market and the Lockerbie Digger Day. Lockerbie will continue to host open days on site to promote the development. Lockerbie is jointly working with Council on a public opening of the playground on 9 July 2022 and another Digger Day is planned in late 2022 to coincide with the opening of the café. Lockerbie has also agreed to build a walking path in David Street School later in the year to provide a walkway to enable parents and students to access the school buildings from the development.

SUBMISSIONS

Funding of Capital Costs of Infrastructure

26. Some submissions address the topic that developers should pay for infrastructure. This relates to concerns of growth falling on community wide rates. However, to give some assurance to these community ratepayer concerns, I note that a private Developer Agreement is being entered into with Council which is a Local Government Act process, and a standard method between Councils and developers to address infrastructure cost attribution.

Morrinsville Retail and Associated Services Capacity

27. A number of submitters have raised concerns about the effect this plan change will have on the retail capacity of Morrinsville and specifically medical services, supermarkets and local shops. Due to the scale of the Lockerbie development we have always intended to create a new commercial centre, to cater for the immediate needs of the new community.
28. To give effect to that outcome, Lockerbie lodged a land use consent with Council on 11 May 2022 for the 'Lockerbie Junction Retail Precinct'. This is a development which is located at the George Street extension entrance to the Lockerbie development.
29. This consent proposes 1,100 sqm Gross Floor Area of commercial activities to local amenity for the development. It seeks to provide for a 500sqm supermarket, 200sqm medical clinic, and 400sqm for additional services including pharmacy, physio and standard retail.
30. Subject to consent being granted, construction is planned to begin on this Precinct in 2023.

Housing Typologies and Densities

31. Some submissions have raised the question as to whether the proposed densities and typologies proposed by the zoning framework, we have developed for the plan change are appropriate for Morrinsville. There is a concern that the outcomes enabled by those provisions are not consistent with the existing character of Morrinsville.
32. Lockerbie's primary objective is to create a range of modern housing typologies that suit buyers across a wide spectrum of the market reflective of changing household arrangements. To achieve this, there needs to be a shift in both expectations and what is developed by enabling a variety of housing typologies that are not just a standard single level dwelling on a 600 sqm section.
33. We believe that the best way to build a strong community is to create the opportunity for people to continue to live within their existing community, even when they require upsizing or downsizing their house. Through our experience to date with the Lockerbie development, we have seen that development outcome catering for this with young first home buyers up to people in their 90s buying into the development. We plan to continue this successful development approach within the plan change area.
34. In developing this plan change, we can lean on our experience of assessing market demand for different products through the selling 330 residential sections to date in the project. This has shown that the demand for medium density product in Morrinsville is very high. The provisions have also been developed using Morrinsville's current infill development rules as a guideline and have been adjusted with expert urban design and planning input in order to make the built form outcomes and consenting process clearer.
35. We have also considered its density and typology options in the context of market activity in areas such as Cambridge, Te Awamutu, Matamata and Ngaruawahia, which have all seen a move towards increased density enabled by differing housing typologies. In our experience this is driven by society changes where people are increasingly attracted to the amenity and character of semi-rural towns but do not necessarily want the maintenance issues that larger sections in these towns have historically provided.
36. Given the size of the plan change, the development provisions have been prepared to cater for the market's housing needs over a 10-20 year time horizon. The provisions consequently need to be adaptable to changes in housing outcomes anticipated in that timeframe. It would also be inappropriate to retain

the status quo in relation to enabled development outcomes given the national policy directives for more compact urban form and for provision of more affordable housing typologies.

37. We are also aware that the New Zealand housing market has shown a trend towards smaller private outdoor living areas and greater public outdoor living spaces. The zoning and rule framework proposed provides for the opportunity to locate houses with smaller backyards adjacent to significant public open space to reflect this outcome.
38. We expect that single storey houses are expected in the earlier years of the plan change development, but that the market will require two storey houses in the medium and long term.
39. I believe that the plan change provisions have been designed to allow for different size houses to cover the spectrum of community needs, regardless of where the market trends are with regard to outdoor living and two storey buildings.
40. The provisions will also allow Lockerbie to deliver a spectrum of homes from smaller first home buyers up to large family homes in all the areas and stages of the plan change, regardless of whether they are single level homes with large back yards or terraced houses surrounded by public open space.

Housing demand and expected development timeline

41. Some submissions have questioned whether 1,200 additional houses are actually needed for Morrinsville.
42. The residential growth assessment prepared by Project Economics estimates that 960 additional houses will be required in Morrinsville over the next 18 years using Stats NZ high growth projections.
43. Lockerbie's view is that given recent growth trends, it is prudent for Council to cater for high growth scenarios in Morrinsville's medium term planning.
44. Lockerbie's own expectation is to deliver 100 residential sections per year, which is consistent with the 330 sections, plus the retirement village that have been delivered over the past 3 years.
45. The reason that Lockerbie projects greater demand than the academic projections, is due to the expectation that the structural shift in the housing market from the Covid effect will have a positive effect on Morrinsville's demand

via net migration. This is because it is increasingly easier to live in Morrinsville and be employed elsewhere and acceleration of patterns of work from home or flexibility in this space post Covid. This shift is not yet captured by the academic projections, which are driven off Census data as a base.

46. Lockerbie believes that wider use of flexible work from home arrangements will support less people having to leave Morrinsville for employment opportunities, as well as increased growth in people migrating to Morrinsville who may work in Hamilton, Auckland or Tauranga.
47. There are other localised factors such as the development of industrial land around Avenue Road and the growth of the Ruakura Inland Port that Lockerbie expects to support residential housing demand in Morrinsville.

Housing affordability

48. Some submissions refer to the affordability of housing at Lockerbie Estate.
49. House and land packages in Stages 1 and 2 of Lockerbie Estate have sold ranging from \$499,000 to above \$1,000,000.
50. In my opinion, the perception of price in a development is often skewed because the less expensive homes tend to be bought very quickly and often without public advertising, whereas the more expensive homes tend to have a longer public listing.
51. Lockerbie Estate as a commercial land developer does not control house prices. Housing affordability is primary driven off land and construction costs as well as market forces of the demand and supply equation.
52. The biggest contribution Lockerbie can make to the affordability of houses in Morrinsville is by bringing more supply to the market and by providing for different housing products to be delivered. Specifically, that contribution is enhanced by delivering sections at speed and scale, and working with build partners to ensure that houses are built quickly. Additionally, Lockerbie has worked with build partners to design typologies to allow young couples or families the ability to enter the housing market.
53. In earlier stages of the development some houses were delivered at the Kiwibuild price point only available to first home buyers and the housing typologies enabled by the plan change provisions will allow that to continue.

54. The general increase in density in the plan change will also create economies of scale for infrastructure costs which will support the delivery of affordable housing.

GD Jones

4 July 2022