

**BEFORE THE INDEPENDENT HEARING PANEL**

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

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

**SUMMARY OF EVIDENCE OF DEREK RICHARD FOY ON BEHALF OF AUDREY CAMPBELL-FREAR**

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

**7 OCTOBER 2025**

**1. OVERVIEW**

- 1.1 Three main areas are the subject of Ms Campbell-Frear's submission. The areas identified have a substantial established presence of non-rural activities, both commercial and residential activities, and that presence, and the small size of parcels in the areas limits the viability of productive rural activities in those locations.

**2. MIXED USE REZONING**

- 2.1 As raised by submitters in the Strategic Directions hearing, I agree that a centres hierarchy is important to appropriately manage the range of commercial activities and expectations in different locations throughout the district. The absence of a hierarchy makes it difficult to distinguish between the intended roles of different commercial areas.
- 2.2 I agree with Ms McGrath's recommendation that the Packhouse and Redwoods nodes be rezoned to MUZ with a precinct overlay to recognise the role those nodes are already playing within Kerikeri. The nodes are predominantly non-rural, with over 80% of the land area being unavailable for primary production, and the balance being split across several small blocks of a few thousand square metres each, far smaller than the size generally accepted as required to support rural production.
- 2.3 Both nodes have a wide and long-established range of non-rural activities, including retail, commercial services, food and beverages, visitor accommodation, manufacturing, community facilities and healthcare.

2.4 The urban rezoning requested by Ms Campbell-Frear must meet the requirements in clause 3.6(4) of the NPS-HPL, and I say it does, for the reasons following:

- (a) Clause 3.6(4)(a): The notified MUZ is 3.5ha less than the HBDCA's projected 37ha of commercial land demand, if all of the MUZ is used for commercial activities. That means that more commercial land will be required to provide sufficient development capacity in both Kerikeri/Waipapa and the Far North District, and Mr McIlrath's evidence agrees that there will be a shortfall of commercial land in Kerikeri.
- (b) Clause 3.6(4)(b): It is appropriate that the wide range of mixed use activities in the Redwoods and Packhouse nodes continue to be provided there, and it is not a reasonably practicable nor feasible option for those activities to relocate. Those activities have established there because they have identified a benefit of doing so, implying there is a locational advantage in the nodes. The organic growth of the two nodes over time has occurred outside of the intended outcomes of the planning environment, most likely because the two locations are good locations in which to do business and from which to service local demand. Providing a small amount of additional mixed use capacity around those existing activities is an efficient way of addressing some of the identified supply shortfall in a way that cannot be achieved elsewhere.
- (c) Clause 3.6(4)(c): The economic benefits include enabling the continued operation of the commercial activities already located in the nodes (in an economically efficient way given they would be enabled there), and providing needed capacity for some additional activities. The economic costs are very small in scale, and include loss of a small amount of rural land (which has very limited productive capacity) and very small to potentially no effects on the Town Centre (which is much larger than the proposed MUZ precinct, is completely developed, and will benefit from ongoing strong demand, in light of projected insufficient supply).

### **3. RURAL RESIDENTIAL ZONING**

3.1 The proposed RRZ is an appropriate zone to apply in the area identified because the parcels in the area are fragmented, lack productive potential, and are already dominated by non-rural and non-productive activities.

3.2 I conclude that the RRZ rezoning requested by Ms Campbell-Frear meets the requirements in clause 3.6(4) of the NPS-HPL for the reasons following:

- (a) Clause 3.6(4)(a): the HBDCA concludes that there is a shortage of development capacity for detached residential dwellings in the short, medium and long terms, in both Kerikeri/Waipapa and the District as whole. Accordingly, some additional supply will be required to meet demand. The PDP-R zoning scenario would, if accepted in its entirety by the Panel, provide some additional supply, although a shortfall would still arise by 2048. If growth occurs at the higher level projected in the Spatial Plan, supply would be exhausted much earlier than 2048. The requested RRZ might yield a maximum of 26 additional lots, which 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.
- (b) Clause 3.6(4)(b): The PDP-R zoning scenario represents a possible reasonably practicable and feasible option for accommodating some (but not all) of the projected dwelling demand shortfall. Ms McGrath's evidence sets out other reasonably practicable and feasible options for providing the required development capacity, concluding 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.
- (c) Clause 3.6(4)(c): Economic benefits of the requested RRZ would include increased residential choice and supply, and short-term benefits arising from construction. Costs would include some loss of some productive rural land for land-based primary production, although that loss would be very small in both land area, and lost potential productive yield due to the fragmented nature of the land.

#### **4. CONCLUSION**

4.1 I maintain the conclusions reached in my primary evidence, that:

- (a) the creation of a MUZ precinct and an expanded area of RRZ is appropriate and necessary, and both are logical and appropriate places in which to provide some of the shortfall of capacity that is identified in the HBDCA.
- (b) the requested MUZ and RRZ are consistent with requirements in the NPS-HPL.