

BEFORE THE INDEPENDENT HEARINGS PANEL

UNDER the Resource Management Act 1991 (**RMA**)
IN THE MATTER of the Far North Proposed District Plan –
Hearing 15D: Rezoning Kerikeri-Waipapa

**MEMORANDUM OF COUNSEL FOR KIWI FRESH ORANGE COMPANY
LIMITED**

22 October 2025

Solicitor acting:
M J Doesburg
Wynn Williams
PO Box 2401, AUCKLAND 1140
Tel +64 9 300 2600
mike.doesburg@wynnwilliams.co.nz

WYNN WILLIAMS

MAY IT PLEASE THE PANEL

- 1 Consistent with the approach Mr Witham took throughout Hearing 15D,¹ this memorandum clarifies two points from the reporting officers' rebuttal evidence:
 - (a) First, regarding Mr Collins' reference to, and reliance on, modelling for the PDP-R scenario and Spatial Plan that was not before the Panel; and
 - (b) Second, regarding Mr McIlraith's omission of a price breakdown for the feasible capacity of housing under the PDP-R scenario.
- 2 Kiwi Fresh Orange Company (**KFO**) does not at this juncture seek leave to file new evidence or submissions.

Mr Collins' rebuttal regarding the PDP-R scenario and Spatial Plan modelling

- 3 Mr Collins gave evidence that the Council has modelled the PDP-R scenario as part of the modelling for the Spatial Plan, and that the Council understood from that modelling what upgrades were needed to support the Spatial Plan. He is therefore confident that the PDP-R scenario has had an appropriate level of assessment.²
- 4 The Spatial Plan modelling that Mr Collins referred to was not in his evidence, nor any other evidence before the Panel. There is no mention of it on the Spatial Plan website at the time of writing this memorandum.³ The reporting officers do not refer to it in their s 42A report, nor in their s 32AA analysis justifying their support of the PDP-R scenario.
- 5 If the intention is to produce the Spatial Plan modelling or PDP-R modelling in written rebuttal evidence to support the PDP-R scenario, that should not be countenanced by the Panel. To allow the production of new material after the filing of s 42A reports, evidence and hearing would essentially be allowing post-facto justification in rebuttal.⁴ Natural

¹ Proposed District Plan - Hearing 15D - Day 3 - Afternoon session (08 Oct 2025) at approximately 1:12 to 1:14. < https://www.youtube.com/watch?v=uFw_HQdNvEE>

² Afternoon session (08 Oct 2025) at approximately 1:14:00 to 1:15:00.

³ <https://www.fndc.govt.nz/Whats-new/Current-projects/Te-Patukurea-Kerikeri-Waipapa-Spatial-Plan>

⁴ As the Panel confirmed by its Minute 35 at [2], it is procedurally problematic to introduce additional evidence in relation to a hearing topic that has been completed, and on which all submitters and other parties wishing to be heard in relation to that topic have participated.

justice would require submitters to respond to this new material, if it is to be accepted. This approach is consistent with the Panel's approach in Minute 35.

Mr McIlrath's rebuttal regarding housing affordability and the PDP-R scenario

- 6 Housing affordability is a key issue for rezoning submissions. This is because the type, price, and location of housing for different households, are components of a well-functioning environment (Policy 1 of the NPS UD), and because planning decisions are intended to improve housing affordability by supporting competitive land and development markets (Objective 2 NPS UD).
- 7 Mr Thompson and Mr McIlrath disagree on whether the PDP-R scenario provides affordable housing. Mr Thompson's evidence was that the PDP-R scenario did not provide affordable housing of the typology that is demanded. Mr McIlrath's evidence is that the PDP-R scenario provides capacity and affordable housing.
- 8 Mr McIlrath said in his verbal reply:⁵

My modelling actually shows that there are development opportunities in the sub-million-dollar price bands via intensification. So, there are sort of those options, but to just say look the KFO site is the only way affordable housing can be delivered, I do not accept that.
- 9 Mr McIlrath's statement does not address how many housing opportunities exist within the specified price brackets and downplays the role of detached housing.
- 10 By way of background, Table 4-6 from the Housing and Business Assessment shows the prices of detached and attached houses through time for the PDP scenario for the urban, greenfield and rural lifestyle areas covered by the Spatial Plan.

Table 4-6: Feasible capacity (market-led approach): Kerikeri-Waipapa

	CURRENT			FEASIBLE CAPACITY - Kerikeri-Waipapa								
	Detached	Attached	Total	3 YEARS			10 YEARS			30 YEARS		
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
\$0-\$300k	0	0	0	0	0	0	0	0	0	0	0	0
\$301k-\$500k	0	0	0	0	0	0	0	0	0	0	0	0
\$501k-\$700k	0	60	60	0	0	0	0	0	0	0	0	0
\$701k-\$1m	40	0	40	0	30	30	0	0	0	0	0	0
\$1m-\$1.2m	5	20	25	0	0	0	0	30	30	0	380	380
\$1.2m-\$1.5m	0	0	0	60	150	210	0	5	5	0	850	850
\$1.5m-\$2m	0	0	0	230	410	640	880	220	1,100	70	350	420
\$2m+	0	0	0	0	0	0	0	0	0	1,180	290	1,470
TOTAL	45	80	125	290	590	880	880	255	1,135	1,250	1,870	3,120

⁵ Proposed District Plan - Hearing 15D - Day 3 - Afternoon session (08 Oct 2025) at 53:17. < https://www.youtube.com/watch?v=uFw_HQdNvEE>

- 11 Table 4-6 is a clear way of understanding affordability through time and for typologies. It shows:
- (a) Only 40 detached dwellings currently with feasible capacity below \$1 million.
 - (b) No detached dwellings in the 3-year, 10-year, or 30-year timeframes below \$1 million.
 - (c) All feasible capacity for detached dwellings in the 3-year and after scenarios are priced at \$1.2 million or more, with most above \$1.5 million.
 - (d) The majority of detached dwellings are also above \$1.2 million from year 3.
- 12 When preparing his rebuttal, Mr Thompson asked Mr McIlrath to produce a similar table for the PDP-R scenario. Mr McIlrath replied that he had not prepared such a table and was unable to do so. Counsel requested the data in any form that it could be provided, but no response was given. That correspondence is included at **Appendix A**.
- 13 Without the same data as presented in Table 4-6 of the HBA, there is no way to verify the claim Mr McIlrath made in verbal reply, or generally to understand the number of dwellings that could be built in the sub-million-dollar price bands across typologies and through time.
- 14 A complete picture about the affordability of detached and attached dwellings through time is therefore missing. Affordability is an important piece to the puzzle because the absence of affordable housing within urban areas will lead to continued growth in rural-residential development. No party at Hearing 15D supported use of the rural-residential development as a means of meeting supply. Indeed, both the KFO and PDP-R scenarios were intended to limit rural-residential development, recognising that type of development does not contribute to a well-functioning environment. Accordingly, any proposal that fails to restrict rural-residential development cannot be said to contribute to a well-functioning urban environment.
- 15 KFO requests that the Panel directs Mr McIlrath to provide the price breakdown for the feasible capacity for the PDP-R scenario in the s 42A officer's written reply. In the absence of this information, an adverse

inference must be drawn that, as with the PDP scenario in the HBA, there are very few, if any, detached opportunities for less than \$1 million.

- 16 The requested price breakdown would not be new evidence because it is a clarification of analysis that Mr McIlrath has already produced.

DATED 22 October 2025



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Mike Doesburg

Counsel for Kiwi Fresh Orange Company Limited

Appendix A

From: Mike Doesburg
Sent: Friday, 19 September 2025 1:08 PM
To: Lawrence McIlrath; Tim Fischer
Cc: Adam Thompson
Subject: RE: 'development cost estimate' memo questions [WW-ACTIVE.FID560530]

Dear Mr McIlrath and Tim,

Is it possible to provide the relevant model outputs by price and type in some other form? This information goes to the issue of affordability.

Paragraph 7.14 of Mr McIlrath's evidence states:

I note that the FC as reported in the HBA is in nominal terms i.e., it includes the effects of price changes over time. Reflecting the future value bands in today's dollars shows that the price points are lower. While this way of presenting the information can make it easier to comprehend the change, Mr Thompson does not make the necessary adjustments. I show the values with the adjustments to aid. Under the PDP, there are detached dwelling development opportunities in the \$850,000 - \$9000,000 band. Under the PDP-R, there are over 800 FC opportunities in the \$700,000 to \$1.2m value band for detached dwellings. For attached dwellings, the scale of change and lowering of the price points will see 6,990 attached development opportunities in the \$500,000 to \$1m band.

We infer that it is possible to draw out the information about the number of dwellings of each typology at different price points under the PDP-R scenario.

Kind regards,
Mike



Mike Doesburg
Partner
Wynn Williams

P +64 9 300 2600

www.wynnwilliams.co.nz

M +64 21 030 0307

Connect with us on LinkedIn

From: Lawrence McIlrath <lawrence@me.co.nz>
Sent: Friday, 19 September 2025 10:43 AM
To: Adam Thompson <adam@ue.co.nz>
Cc: Tim Fischer <tim.fischer@simpsongrierson.com>; Mike Doesburg <Mike.Doesburg@wynnwilliams.co.nz>
Subject: RE: 'development cost estimate' memo questions

Hi Adam

As mentioned, we did not prepare those summaries for this piece. It is unfortunately not a quick job, and I do not have any capacity to undertake analysis.

Regards

Lawrence McIlrath
Director



market economics ltd
level 5 507 lake road po box 331297
takapuna 0740 auckland new zealand
mob +64 (0)21 042 1957
www.me.co.nz

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From: Adam Thompson <adam@ue.co.nz>
Sent: Friday, 19 September 2025 10:39 am
To: Lawrence McIlrath <lawrence@me.co.nz>
Cc: Tim Fischer <tim.fischer@simpsongrierson.com>; Mike Doesburg <Mike.Doesburg@wynnwilliams.co.nz>
Subject: RE: 'development cost estimate' memo questions

Hi Lawrence,

Would it be possible to prepare the below summary table for the PDP-R scenario? This would assist with my understanding of the price of housing by type that you expect under the PDP-R scenario. I know it is a short time frame, however if it is possible to provide this by early next week it would allow me to consider it as part of my reply evidence, which would assist the panel.

Table 4-6: Feasible capacity (market-led approach): Kerikeri-Waipapa

	FEASIBLE CAPACITY - Kerikeri-Waipapa										
	CURRENT			3 YEARS			10 YEARS			30 YEARS	
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached
\$0-\$300k	0	0	0	0	0	0	0	0	0	0	0
\$301k-\$500k	0	0	0	0	0	0	0	0	0	0	0
\$501k-\$700k	0	60	60	0	0	0	0	0	0	0	0
\$701k-\$1m	40	0	40	0	30	30	0	0	0	0	0
\$1m-\$1.2m	5	20	25	0	0	0	0	30	30	0	380
\$1.2m-\$1.5m	0	0	0	60	150	210	0	5	5	0	850
\$1.5m-\$2m	0	0	0	230	410	640	880	220	1,100	70	350
\$2m+	0	0	0	0	0	0	0	0	0	1,180	290
TOTAL	45	80	125	290	590	880	880	255	1,135	1,250	1,870

Kind Regards,

Adam Thompson

Lead Economic & Property Researcher
021 480 220

7 Tamariki Avenue,



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From: Lawrence McIlrath <lawrence@me.co.nz>
Sent: Friday, 19 September 2025 8:55 a.m.
To: Adam Thompson <adam@ue.co.nz>
Cc: Tim Fischer <tim.fischer@simpsongrierson.com>; Mike Doesburg <Mike.Doesburg@wynnwilliams.co.nz>
Subject: RE: 'development cost estimate' memo questions

Hi Adam

The Far North sales price rates over the long term is assumed to be 2%. The cost changes se used varied as follows:

- Land costs 2%
- Value of improvements 1%
- Other costs 1%

In terms of the summary table information, unfortunately, we did not prepare summary tables like the one you mention below.

Lawrence McIlrath
Director



market economics ltd
level 5 507 lake road po box 331297
takapuna 0740 auckland new zealand
mob +64 (0)21 042 1957
www.me.co.nz

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From: Adam Thompson <adam@ue.co.nz>
Sent: Wednesday, 17 September 2025 2:11 pm

To: Lawrence McIlrath <lawrence@me.co.nz>

Cc: Tim Fischer <tim.fischer@simpsongrrierson.com>; Mike Doesburg <Mike.Doesburg@wynnwilliams.co.nz>

Subject: RE: 'development cost estimate' memo questions

Hi Lawrence,

That is helpful thank you.

I have one more query, I have reviewed the HBA model and I am wanting to understand the assumptions regarding the medium-long term feasible capacity estimates. From ME's other HBAs, I understand these are:

- House price growth of 2.5% p.a.
- Other development cost (construction, etc) price growth of 1.5% p.a.
- Capital improvement depreciation of 1% p.a.

Are you able to confirm if the same assumptions are adopted here, or if not, what the % price/cost change assumptions are.

With regard to the PDP-R model run, I note there is additional capacity in the more affordable price ranges, reflecting the smaller lot sizes. I am interested in understanding the detail here. Would it be possible please to have these model outputs in the same format as the HBA, as below?

You are no doubt busy at the moment, however if there is any chance of getting a response or partial response this week this would assist with my reply evidence.

Many thanks.

Table 4-6: Feasible capacity (market-led approach): Kerikeri-Waipapa

	FEASIBLE CAPACITY - Kerikeri-Waipapa										
	CURRENT			3 YEARS			10 YEARS			30 YEARS	
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached
\$0-\$300k	0	0	0	0	0	0	0	0	0	0	0
\$301k-\$500k	0	0	0	0	0	0	0	0	0	0	0
\$501k-\$700k	0	60	60	0	0	0	0	0	0	0	0
\$701k-\$1m	40	0	40	0	30	30	0	0	0	0	0
\$1m-\$1.2m	5	20	25	0	0	0	0	30	30	0	380
\$1.2m-\$1.5m	0	0	0	60	150	210	0	5	5	0	850
\$1.5m-\$2m	0	0	0	230	410	640	880	220	1,100	70	350
\$2m+	0	0	0	0	0	0	0	0	0	1,180	290
TOTAL	45	80	125	290	590	880	880	255	1,135	1,250	1,870

Kind Regards,

Adam Thompson

Lead Economic & Property Researcher
021 480 220

7 Tamariki Avenue,
Orewa, Auckland 0931

ue.co.nz

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Property Research

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From: Lawrence McIlrath <lawrence@me.co.nz>
Sent: Friday, 12 September 2025 3:04 p.m.
To: Adam Thompson <adam@ue.co.nz>
Cc: Tim Fischer <tim.fischer@simpsongrierson.com>
Subject: RE: 'development cost estimate' memo questions

Good afternoon, Adam

Apologies for the delay in getting this back to you.

Please find my responses to your questions in the attached memo.

Regards

Lawrence McIlrath
Director



market economics ltd
level 5 507 lake road po box 331297
takapuna 0740 auckland new zealand
mob +64 (0)21 042 1957
www.me.co.nz

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From: Adam Thompson <adam@ue.co.nz>
Sent: Wednesday, 6 August 2025 11:39 am
To: Lawrence McIlrath <lawrence@me.co.nz>
Cc: jaye.michalick@fndc.govt.nz; Mike Doesburg <Mike.Doesburg@wynnwilliams.co.nz>
Subject: RE: 'development cost estimate' memo questions

Hi Lawrence,

Just following up to see if you had a chance to look at this email below, and when a response may be available.

Cheers

Kind Regards,

Adam Thompson

7 Tamariki Avenue,
Orewa, Auckland 0931
ue.co.nz



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From: Adam Thompson
Sent: Monday, 14 July 2025 10:22 a.m.
To: 'Lawrence McIlrath' <lawrence@me.co.nz>
Cc: 'Jaye Michalick@fndc.govt.nz' <jaye.michalick@fndc.govt.nz>; Mike Doesburg <Mike.Doesburg@wynnwilliams.co.nz>
Subject: 'development cost estimate' memo questions

Hi Lawrence,

I have been asked by KFO to review your 'development cost estimate' memo provided on FNDC (see attached for reference).

I have a few questions regarding the calculations and assumptions, outlined below.

If you can provide responses to these questions, it would be appreciated.

Many thanks.

1. Does the "Sales Price per Dwelling (\$)" figure on page 174 apply to both infill and greenfield dwellings, and if so, has the impact of different lot sizes been accounted for in these prices (i.e. given infill will tend to have smaller lots)?
2. Does the "Sales Price per Dwelling (\$)" figure on page 174 apply the same dwelling sale prices to the greenfield dwellings under the Hybrid Scenario as the KFO Sc1/2 Scenarios, and if so, has the impact of different lot sizes been accounted for in these prices (i.e. the Hybrid Scenario has relatively small lots compared to the KFO Sc1/2 Scenarios)?
3. Are different dwelling build costs applied to infill and greenfield development? If so, what are these?
4. With regard to the following excerpt, is the sales price derived from the land and dwelling build costs or from the market price based on lot size, dwelling size and location?
5. "Applying the weighted dwelling cost to the anticipated patterns shows the total development cost of the different scenarios, i.e., the sales price multiplied by the dwelling units." (page 176)
6. Are there dwellings per hectare and average lot size assumptions for greenfield for each scenario, and if so, can these be provided. It appears that the Hybrid scenario assumes 3,403 greenfield dwellings on 220 hectares, which implies 26 dwellings per hectare or an average lot size of circa 250m² (assuming 60% of all land is available for residential use, with the balance being for parks, arterial roads, commercial and public uses, and a 65% utilisation for each hectare of developed residential land). By comparison, the KFO scenarios achieve 8 dwellings per hectare or an average lot size of circa 810-860m², using the same assumptions. Can you confirm if the Hybrid scenario is intended to yield more than three times the dwellings per hectare. Can you also confirm if any sales price adjustment has been made for the Hybrid and KFO Sc1/2 scenarios to account for the different lot size.
7. Regarding the Breakdown of land development costs (Appendix 3) this implies an average greenfield roads cost of \$19,000 per dwelling for the Hybrid Scenario (\$64m/3,403 dwellings) and \$84,000 per

dwelling for the KFO scenarios 1 and 2 (\$250m/3,000 dwellings). Can the basis for the large difference in the per dwelling roading cost be provided?

8. Regarding the Breakdown of land development costs (Appendix 3) this implies an average wastewater and water cost of \$31,000 per dwelling for the Hybrid Scenario (\$106m/3,403 dwellings) and \$48,000 per dwelling for the KFO scenarios 1 and 2 (\$145m/3,000 dwellings). Can the basis for the large difference in the per dwelling wastewater and water cost be provided?

Kind Regards,

Adam Thompson

Lead Economic & Property Researcher
021 480 220

7 Tamariki Avenue,
Orewa, Auckland 0931
ue.co.nz

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