

**BEFORE THE PALMERSTON NORTH CITY COUNCIL
INDEPENDENT HEARINGS PANEL**

IN THE MATTER OF the Resource Management Act 1991 and
the Local Government (Auckland
Transitional Provisions) Act 2010

AND

IN THE MATTER Plan Change G (**PCG**) Amendments to
the Palmerston North City Council
Operative District Plan

Statement of Evidence of

John Russell Farquhar on behalf of the submitter

Heritage Estates (2000) Limited (“HEL”)

SUMMARY

[1] The key points addressed in this evidence are the remaining matters of concern in PCG:

(a) There are better alternatives for urban growth than PC-G outcomes than those that result from the McIndoe Urban's Master Plan and Structure Plan.

(b) The costs of PC-G resulting from the Master Plan/Structure Plan approach are significant to the ratepayer of Palmerston North and are not adequately addressed in the PC-G documents.

INTRODUCTION

[2] My name is John Farquhar, I am the director of Heritage Estates 2000 Limited ("**HEL**")

[3] I am a Chartered Accountant and a member of the Institute of Chartered Accountants of New Zealand. After qualifying in 1975, I left public practice and became involved full-time in the real estate and property industry. This has been my sole and continuous career. I am involved in many and varied aspects of the business, including:

(a) Residential and commercial construction.

(b) Development and subdivision of property, including greenfield and infill.

(c) Property management and investment.

[4] Property has been my lifetime interest and passion. I have, together with my father, uncles, and grandfather before me, over the past 90 years, been involved and responsible for the development of large parts of Palmerston North, the city in which I was brought up and my primary place of residence.

- [5] I tend to take long-term positions (my accounting background is an influencing factor) and my aim is always to create developments that I can look back on with pride and satisfaction.
- [6] For transparency, I am also a director of Pioneer City West Limited, whose Plan Change B was lodged with the Council in 2009 and accepted by the Council, notified in 2013, but is yet to be heard. The land (73 hectares) subject to Private Plan Change B (PPCB) is to the west of the City between Rongotea Road and the City. The area has a flat topography and is adjacent to the housing area known as Kikiwhenua. PPCB is not on hold at my instigation. First, Mr. Brown asked me to wait so that the Council could complete its 2010 Residential Growth Strategy, then later in June 2019, Mr. Murphy asked me to wait 18 months so that the Council could complete and notify its plan change Kakatangiata which included all PPCB land. I agreed in July 2019 and did not advance PPCB for the specified period. In both instances, waiting and attempting to cooperate with the Council Policy Planners has been to my detriment; the Council has not honoured their undertakings with me, including the agreements made by the Council in the Environment Court. There is a problem when public bodies and officials fail to act fairly and consistently with the public.

SCOPE

- [7] My evidence supports HEL submission number (#51)/further Submission number (#5) relating to PCG in its entirety.

EVIDENCE

- [8] HEL's submission opposes the structure plan.
- [9] My understanding is that the main consequence of PCG is that development on the land it covers is now effectively stopped to the extent that new residential development cannot be occupied. This status will remain until

roading upgrades are completed. There is currently no certainty of funding or timing of funding. This is an unacceptable situation, particularly given the history and in the context of the vast zoning and development completed recently and to date on this very land. To compound this problem PNCC applied to the Environment Court to give immediate legal to PCG. This was made without reference to the parties affected and is unjustified and unfair.

- [10] Overall, it is accurate to say that the land covered by PCG is the most successful development zone in the city in recent years. Over 400 home sites have been sold in the last 10 years. The developers of this land are competent and resourced and have the proven ability to read and meet the market. This should be contrasted against PNCC's own attempt at developing in Whakaronga. Out of the 79 sites PNCC has developed, three quarters remain not sold. With massive cost overruns, serious ongoing problems over stormwater, unplanned unavoidable land purchases, and litigation, this can fairly be described as a failure. This all points to bad planning by PNCC and poor use of the ratepayers money and assets. PNCC involvement has also been to the detriment of all other land developers in the city and impacted much better developments, which include PPCB. By any description, PNCC is a trade competitor to Palmerston North residential land developers including PCG landowners. PNCC's conduct in its role as regulator raises serious concerns.
- [11] PNCC in PCG is attempting to impose strict, prescriptive master planning with unrealistic design criteria – and density, which is out of touch with market reality. There is little doubt that the dense living premise- small site design promoted by PNCC 's contracted urban designer consultants for Whakaronga has resulted in the creation of a product there that is not attractive to the average suburban buyer in Palmerston North.- unless at a drastically reduced price. Imposition of mandated plans with this same distorted thinking combined with mandatory commercial zones, which to be viable would have to *'pull themselves up by their own boot straps'* (meaning surrounded by unviable medium density), must be avoided in Palmerston North. PNCC is attempting to impose the same planning style on its oversized proposed Kakatangiata plan change as with PCG. PNCC, urban

designers, and consultants have come up with utopian designs having scant regard for the land's physicality, land owners' plans, and designs Planning down to the effectively last 10 sqm for something that might or might not happen in 20 years and then trying to imbed it in the district Plan is discredited central planning and doomed to fail. In any event, Palmerston North is not Hobsonville.

- [12] Concerning density for transport reasons, Palmerston North's public transport system does not and is not likely to reduce, to any significant degree, the residents in the outlying suburbs reliance on motor vehicles. This means that parking or storing motor vehicles is unavoidable and with that comes on-site space demand. Plus, the average suburban home buyer prefers stand-alone houses with some section. The obvious result is the requirement for larger sites. Medium density has not succeeded in any scale in Palmerston North except centrally. It may do in the future, but the population must increase significantly. The fulfilment of market needs should be determined by the owners and developers taking the financial risk. Without the freedom to freely address the market, no development will occur at all and the best 'detailed master planned' masterpieces will remain just that. When you have to sell into a market, you have to meet it or fail. In short, the masterplan PNCC wants for PCG should be done away with or reduced to be only indicative and non-statutory. As an alternative, it should be a high-level nonprescriptive structure plan that enables easy adaption to changing circumstances and market conditions without complications and unnecessary costs. To create a master plan and embed it so that any deviation would be effectively treated as noncompliance, which I understand is the ultimate result if PCG proceeds as proposed, is poor planning.
- [13] The plan change reportedly supports approximately 1000 sites. However, 80% are already enabled by the current District Plan. The additional 20%, proposed, equivalent to about 200 sites is mainly enabled by higher density.
- [14] PCG is reported to require spending of \$ 50 million on additional or modified infrastructure (see attached article). Most, if not, all will have to be provided by the Palmerston North ratepayers. PNCC will presumably

attempt to recover this through targeted Development Contributions. There is no meaningful information available yet that I have seen on how this will operate. In any event, the math is simple -the \$50 million will presumably be spread over the 1000 lots covered by this plan change. This equates to DCs of \$50,000 per site¹ plus the city-wide DCs. In my view, this is extremely high. As contrast, the creation of a roundabout at Te Wanaka Rd and a freshwater service to Maxwell Line will unlock both Kikiwhenua and PPCB opening up more than 1200 lots versus the 200 extra from PCG. This will cost an estimated \$3m, a fraction of \$50m for PCG. There is also a significant difference between the enablement of extra supply between PCG (200 lots) and Kikiwhenua and PCB being >1200 lots. Both Kikiwhenua and PCB are also being caught up in an absurd constricting masterplan promoted by PNCC and its urban design consultants for its massive plan change known as Kakatangiata.

[15] I confirm my position that PCG should be declined in its entirety.

John R. Farquhar

¹ The Stuff Article attached records \$70,000

Huge investment needed to get Aokautere ready for development

Janine Rankin • 05:00, Sep 23 2023



WARWICK SMITH/STUFF

The cost estimates for completing Palmerston North's Aokautere suburb are mounting. (File Photo)

The cost of preparing Palmerston North's Aokautere suburb for another 1000 homes could mount up to nearly \$70 million.

The money would be needed for roads, intersection improvements and stormwater management in an area where development was already putting pressure on services.

the rezoning and structure plans for a District Plan change known as Plan Change G.

A series of pre-hearing meetings with submitters was scheduled for next week ahead of a formal hearing in December.

Chief planning officer David Murphy said the need for roading and stormwater improvements would be a critical theme at the hearing.

He said some submissions opposed the rezoning based on the inadequacy of infrastructure to support the existing suburb, let alone further development.

“In a perfect world, back 30 years, we would have looked at what was required.

“In reality, we have a suburb two-thirds built, and we are coming in late, looking at what’s needed to finish it.”



WARWICK SMITH/STUFF

Aokautere's Adderstone Reserve, including land to the right and a portion on Pacific Drive, are going to stay green.

They also had to have plans and budgets in place to ensure the infrastructure was ready ahead of development.

For Aokautere, it would need improvements to the roading network, especially around Summerhill Drive and State Highway 57, which already divided most of the Aokautere residential area from facilities such as shops and the rest of the city.

Murphy said intersection upgrades were needed to support development that had already occurred. The extra 1000 sections would be the final straw.

Smith said it was unfortunate that the horse had bolted at Aokautere, with the council's previous "just-in-time" approach to providing infrastructure coming back to bite.



DAVID UNWIN/STUFF

The Adderstone Reserve is one of a series of gullies running through Aokautere.

He said the costs amounted to \$70,000 for every new section created.

"It's becoming very unaffordable."

That would cover several intersection upgrades, in co-operation with Waka Kotahi for works affecting the state highway, and additional cycle and pedestrian paths and crossings.

Budgets for the individual projects in the programme of works would need be debated and approved through next year's review of the long-term plan.

Cr Rachel Bowen said the planned rezoning was the final straw for a suburb where the infrastructure was already groaning.

She said residents had been telling councillors for years about things that needed improving, including footpaths and cycle facilities.

Cr Kaydee Zabelin said the council needed to be realistic about the gap between its goal to be an innovative and growing city, and its ability to afford growth.

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