

BEFORE THE NELSON CITY COUNCIL

Under the Resource Management Act 1991 (the Act)

and

In the Matter of Plan Change 31 to the Nelson Resource Management Plan.

Statement of Evidence of Timothy James Heath

13 November 2023

INTRODUCTION

1. My full name is Timothy James Heath.
2. I am a property consultant, market analyst and urban demographer for Property Economics Limited, based in Auckland. I established the consultancy in 2003 to provide property development and land use planning research services to both the private and public sectors throughout New Zealand.
3. I appear in this matter as an economic expert witness for GP Investments Ltd, who is: the landowner of the site subject to Plan Change 31; the applicant of the related request for a private plan change; and a submitter on Plan Change 31 (Submitter number S6).
4. I prepared the Nelson Junction Retail Impact Assessment (dated March 2023) to assess the retail and market economic impacts of the Private Plan Change Request to the Nelson Resource Management Plan to provide for supermarket activities as a controlled activity instead of a non-complying activity on the site at 33 Cadillac Way.

QUALIFICATIONS AND EXPERIENCE

5. I hold a Bachelor of Arts (Geography) and a Bachelor of Planning both from the University of Auckland. I have undertaken property research work for 25 years, and regularly appear before Council, Environment Court, and Board of Inquiry hearings on economic and property development matters.
6. I advise district and regional councils throughout New Zealand in relation to industrial, residential, retail and business land use issues as well undertaking economic research for strategic planning, plan changes, District Plan development and National Policy Statement on Urban Development 2020 (NPS-UD), National Policy Statement on Highly Productive Land 2022 (NPS-HPL), and Medium Density Residential Standards 2022 (MDRS) capacity implementation.

7. I also provide consultancy services to a number of private sector clients in respect of a wide range of property issues, including residential capacity assessments, retail, industrial, and commercial market assessments, development feasibilities, forecasting market growth and land requirements across all property sectors, and economic cost benefit analysis.

CODE OF CONDUCT

8. I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that I have complied with it in preparing this evidence. I confirm that the issues addressed in this evidence are within my area of expertise, except where I have indicated that I am relying on others' opinions. I have not omitted material facts known to me that might alter or detract from my evidence.

STRUCTURE OF EVIDENCE

9. My evidence is structured as follows:
 - Background
 - Comment on the Officer's Section 42A Report and Submissions
 - Conclusion

BACKGROUND

10. GP Investments Ltd engaged Property Economics to undertake an assessment of the retail market and potential economic impacts of a Private Plan Change request and a resource consent application to enable the development of a supermarket at the Nelson Junction site under the context of RMA. The resulting report (*Nelson Junction Retail Impact Assessment, March 2023*) provides information on and assessment of:
 - a. the core economic market that a proposed supermarket would operate in, both currently and over the foreseeable future;
 - b. key social and economic demographics, retail spending dynamics, and projected catchment and market growth data;

- c. the potential impacts on the existing centres as a result of a proposed supermarket at Nelson Junction; and
 - d. the potential for a new supermarket to be sustained on the subject site.
11. The report *Nelson Junction Retail Impact Assessment, March 2023* was appended to the request for a Private Plan Change to the Nelson Resource Management Plan (NRMP) that was lodged with the Nelson City Council in April 2023 to amend the rules relating to the Nelson Junction at 33 Cadillac Way, Annesbrook, Nelson.
12. This *Retail Impact Assessment* was prepared assuming development of a proposed supermarket with a maximum GFA of 4,000sqm becoming operational some time in 2025, as set out at section 1.1. The *Assessment* included relevant up to date information and base data from the sources set out at section 1.3.

RESPONSE TO OFFICER'S SECTION 42A REPORT AND SUBMISSIONS

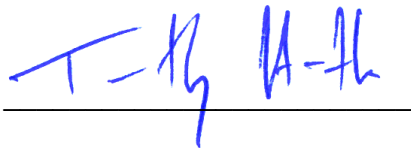
13. I have considered the Section 42A Report and I agree with the assessment and recommendations made in it in the context of the economic matters raised. Specifically, the acceptance of the conclusions of the Property Economics report (*Nelson Junction Retail Impact Assessment* attached to Plan Change 31 as Annexure D) that Plan Change 31 will not have unacceptable economic effects¹.
14. I have read the submissions received on Plan Change 31. Specifically the submissions of Ruth Newtown (S2), Harry Pearson (S3), Tāhunanui Business and Citizen Association (S5), and Tāhunanui Community Hub (S7), and the related further submissions of Harold Pearson (FS1), which all raise matters relating to existing and proposed supermarket and retail markets in Nelson.
15. I consider that all relevant matters relating to economic and retail impacts in Nelson as a result of a supermarket operating from the Nelson Junction are sufficiently addressed in the Property Economic report *Nelson Junction Retail Impact Assessment, March 2023* (as attached to the Plan

¹ Paragraph 7.5, Page 5, Section 42A Report: Plan Change 31 – The Nelson Junction, 25 October 2023

Change request application). There are no outstanding matters that I consider need to be addressed in relation to these submissions.

CONCLUSION

16. Plan Change 31 seeks provision of supermarket activities at the Nelson Junction site. It is my opinion that Plan Change 31 will not have significant adverse retail distributional effects on the role, function, viability, or future growth potential of any existing centre in the network. There have been no matters raised through submissions and Section 42A report that change my original assessment. Based on economic grounds I therefore continue to support a proposed supermarket at the Nelson Junction site.



Tim Heath

13 November 2023