

AUCKLAND UNITARY PLAN INDEPENDENT HEARINGS PANEL

Te Paepae Kaiwawao Motuhake o te Mahere Kotahitanga o Tāmaki Makaurau

Memo

3-3-2016

To: Independent Hearings Panel

CC:

From: David Hill, Facilitator

Memorandum to IHP – 013 Urban Growth Expert Group

As facilitator of this group I have been requested by some members of that group¹ to bring to the IHP's attention a number of remaining, outstanding concerns those members have. While this is perhaps unusual, I have agreed to undertake this because the ability otherwise to do this is quite constrained and it may be helpful to the Panel in terms of the upcoming evidence on the matter.

It is important to note that this is not an agreed statement by the Group, and all members have been advised of their individual opportunity to file evidence in response to the supplementary statements filed by Dr Fairgray and Mr Balderston for Council on 2 March 2016.

The start point is the expanded terms of reference set by the IHP on 5 November 2015 to which the group has worked. That work has been summarised in the 013 Expert Group report co-ordinated by Regan Solomon entitled *Residential Capacity - Results, Methodology and Assumptions* dated 3 March 2016. The modelling outputs are recorded in the evidence of Kyle Balderston and Dr Douglas Fairgray.

However, and despite a large measure of agreement relating to the method underlying the refined ACDC15 model, those members of the group hold what they consider to be significant reservations about those results. That is the basis for this memorandum. In that regard the following matters have been expressed as of concern:

- Despite repeatedly stressing that at each revision of key model parameters a peer review by qualified property development professionals is required to ensure that the formulae driving the ACDC are providing sensible results, this has not happened since the 9th October 2015 v2 ACDC Model run. Regardless, Council has prepared further Statements of Evidence based on the modeling without initially referring the results back to the Group for review.
- In November 2015 a significant effort was put in by Adam, Kyle and Patrick to make the ACDC Model more robust. As at mid December the framework of the updated ACDC Model was in place, but time pressures to complete other Council work meant that the ACDC Model was not set up and commissioned as recommended.

¹ In particular Patrick Fontein, Adam Thompson, Fraser Colegrave, Jon Maplesden, and David Gibbs

- In January 2016 an initial sample of 300 properties in Mt Albert was provided and, on a cursory review, a significant formulae error discovered. The request for data when the full ACDC Model formulae had been checked, in order that a thorough review of the updated ACDC Model could be undertaken, was not forthcoming.
- Meanwhile further evidence to the IHP, on a fresh ACDC Model run, has been provided even though the model has not been peer reviewed since the 9th October 2015 v2 ACDC Model capacity run.
- Other particular concerns relate to whether It is reasonable to use three year old sales figures in this model rather than factoring to bring the prices closer to current prices; inadequate identification of the current housing deficit; and noting that any development capacity numbers used in a shorter period (e.g. 10 years) will require a different assessment criteria to be applied to the ACDC Model.
- Finally, those members note that the failure to provide information in a timely manner has frustrated the ability of the Group to reach a consensus and cast doubt on the validity of the output.

David Hill
Facilitator
3 March 2016