QUARTERLY MONITORING REPORT

Urban Development Indicators No.7

2023

National Policy Statement on Urban Development

Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouthnz.com

Records Sheet

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Contents

Executive Summary

This report provides an overview of New Plymouth housing and business development capacity for the March 2023 quarter. The report is designed to meet the monitoring requirements of the Government's *National Policy Statement on Urban Development* 2020, which requires local authorities to be well informed about urban development activity and outcomes. As such, this report uses a selection of nationally agreed indicators.

This is our seventh quarterly report reviewing statistical indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space for the New Plymouth district. Statistical analysis of each data set provides a qualitative overview of our monitoring and the implications for the district.

Summary of findings:

The New Plymouth district is expected to experience moderate population growth.

- **Housing** indicators for New Plymouth show a mixture of growth and decline. Following the large peak of growth post covid we are experiencing a drop in sales price, dwellings sold and number of residential consents in the past 12 months. However, the majority of these indicators remain high in the medium term.
- **Rent** has continued to increase but the rate of rental affordability remains slower than the cost of building or buying a home.
- **Affordability** is decreasing with the ever-increasing cost of buying and renting. The cost of renting is currently more affordable than purchasing your first home.
- **Provision of new homes and capacity realised:** An increase in the number of infill development has lead to this recently passing the number of greenfield developments. Rural development continues to occur at a high rates.
- **Business growth** has seen a slight resurgence in employment growth in the short term and medium term, with the exception of the retail trade.
- **Business space** has experienced a growth in retail availability while commercial and industrial space remains stable.

Introduction

The *National Policy Statement on Urban Development 2020* (NPS-UD) came into effect on 20 August 2020. It replaced the National *Policy Statement on Urban Development Capacity 2016* (NPS-UDC) which was introduced by the Ministry for the Environment (MfE) in 2016. Under the current NPS-UD, New Plymouth district is defined as a tier 2[1] Council.

As a tier 2 local authority, the NPS-UDC requires councils to assess housing and business demand and capacity across the district. The New Plymouth District Council and the Taranaki Regional Council must provide sufficient development capacity for the New Plymouth district to meet demand over a 30-year period.

Both the New Plymouth District Council and Taranaki Regional Council recognise that affordable housing is important for people's well-being. For example, high housing costs can leave lower income households with insufficient income to meet other basic needs. Expenditure on housing is a major component of household spending and a key factor in the assessment of housing affordability.

To determine the level of development capacity required to meet the estimated population growth of the New Plymouth District, the NPS-UD requires the New Plymouth District Council and Taranaki Regional Council to:

Every tier 1, 2, and 3 local authority must monitor, quarterly, the following in relation to each urban environment in their region or district:

(a) The demand for dwellings
(b) The supply of dwellings
(c) Prices of, and rents for, dwellings
(d) Housing affordability
(e) The proportion of housing development capacity that has been realised:
(f) Available data on business land

Purpose

The purpose of this report is to review indicators on house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space in the New Plymouth district, for the quarter ending March 2023. The report fulfils the requirements of Clause 3.9 in the NPS-UD, summarising quarterly information for a range of indicators including:

- current house and rental prices and residential and business land capacity by location and type, including changes over time;
- the number of subdivision consents and building consents granted for urban development relative to population growth;
- Indicators of housing and rental affordability; and supply of business space.

[1] The three tiers were informed by population size and growth rates according to the NPS-UD

Scope and structure of quarterly report

This report contains updated residential and business indicators for the March 2023 quarter. To identify and understand trends, and better develop an overview of the impacts for the New Plymouth District, indicators are organised into groups.

The six residential baseline indicator groups are:

- Housing.
- Rentals.
- Price Efficiency.
- Housing Affordability.
- Provision of new houses.
- Housing Capacity Realised

The two business baseline indicators groups are:

- Employment and growth.
- Supply of business space.

Each data set is presented graphically and accompanied by written explanation or analysis, as well as the data source. Data used in this report is from 2012 to 2022 and is sourced from a variety of sources. Including, but not limited to the Ministry of Housing and Urban Development (HUD) dashboard. A dashboard on the HUD website provides information on a range of market indicators. The data is drawn from:

- Data purchased from Corelogic on housing sales, rating valuation and property attributes.
- The Ministry of Business, Innovation and Employment (MBIE) tenancy bond database.
- Statistics New Zealand.

The data published in this report is from the dashboard , which was updaed in February 2023.

To understand general trends around New Zealand and for comparative purposes, this report includes information on other tier 2 urban environments of a similar size and growth rate as the New Plymouth District; namely, Whangarei, Hastings and Nelson.

For the purpose of this report, all indicators relate to the wider New Plymouth District area.

Overview of population growth in the New Plymouth District

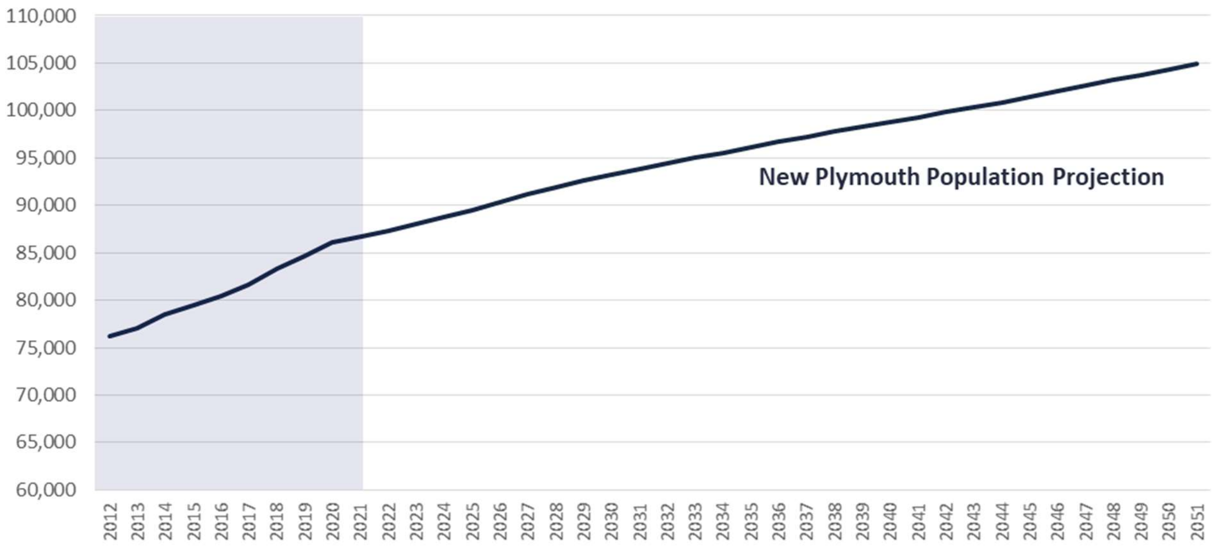
The New Plymouth District is situated in the wider Taranaki region and covers an area of 2,205 square kilometres, including both rural and urban areas. One of the resource management issues the district faces is planning for growth and development, whilst ensuring that the needs of the community are met and any adverse effects on the environment are avoided, remedied or mitigated.

NPDC, Venture Taranaki, South Taranaki District Council, Stratford District Council and Taranaki Regional Council have subscribed to the new Population Projections service provided by Infometrics. The Infometrics Population Projections uses a unique methodology that draws on a region's economic outlook as well as its demographic drivers to give a realistic population projection for our local area.

The Infometrics population projection model is economically driven, using regional employment forecasts to inform net migration projection. The approach builds upon the established cohort component approach, meaning they consider how births, deaths, migration, household formation and labour force participation affect the population at each stage of life. This means that the projections reflect both demographic processes and the economic prospects of an area

The New Plymouth district is forecast to grow by 7,200 people (or 8.3 per cent) over the next 10 years to around 93,000. The population is then expected to grow to 104,900 over the next 30 years by the end of 2051.

New Plymouth District Population Growth



Source: Statistics NZ Population Estimates and Infometrics Projections

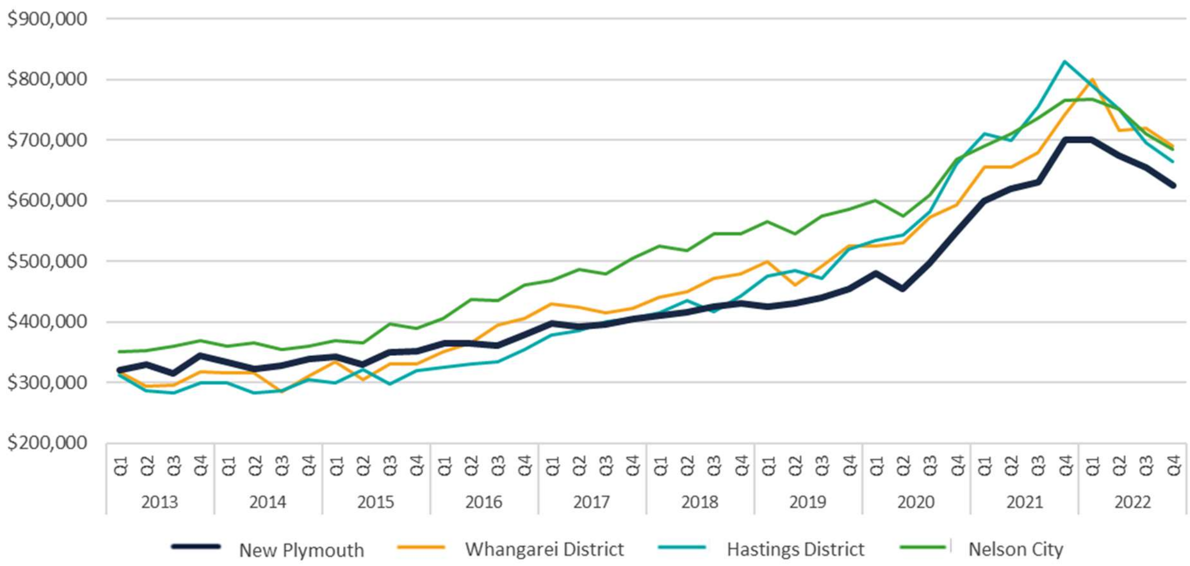
As part of the next Long Term Plan for 2024, New Plymouth District Council is working to obtain a new population forecast which will be released in the next quarterly report.

Residential Indicators

This section summarises information on residential trends on supply and demand sourced from Ministry for the Environment (MFE) NPS-UD Dashboard, Internal NPDC data and Statistics NZ. It has been supplemented by specific local authority measures of housing age and type.

Residential Indicators Group 1: Housing

Indicator 1: Price for housing-dwelling sale price (actual)



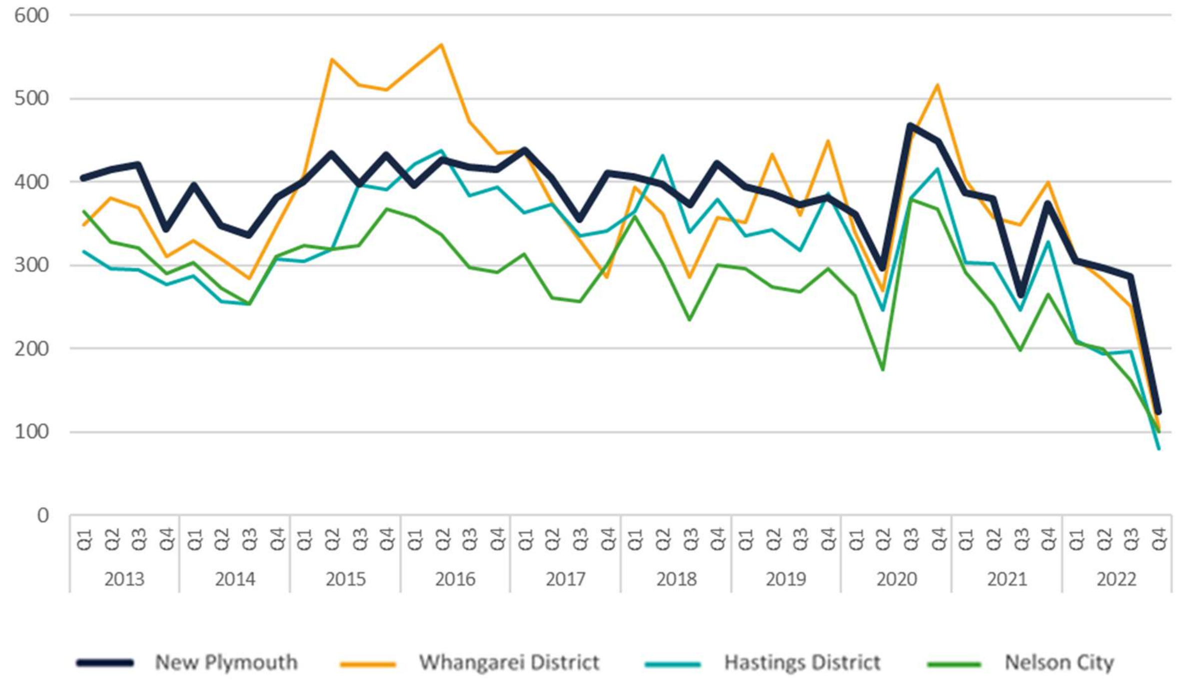
Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

Observations

Sale Price	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**$327,500**	**$437,300**	**$663,800**	**52% ↑**	**103% ↑**
Whangarei	$305,900	$494,600	$731,300	48% ↑	139% ↑
Hastings	$295,300	$487,900	$725,000	49% ↑	146% ↑
Nelson	$358,000	$567,500	$727,800	28% ↑	103% ↑

Between 2013 and 2022, there was an increase in house prices across the New Plymouth District both in the short to medium term. However, the average house price has dropped in the past year across all regions. This decrease is estimated to be around 12% and still keeps house prices well above pre-covid times. The table below shows the sale prices for different housing types within the New Plymouth district. Over the ten-year period, the average annual increase in New Plymouth district house prices was 10.3 per cent per annum, versus the 10.3-14.6% versus districts of similar size.

Indicator 2: Dwellings sold



Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

Observations

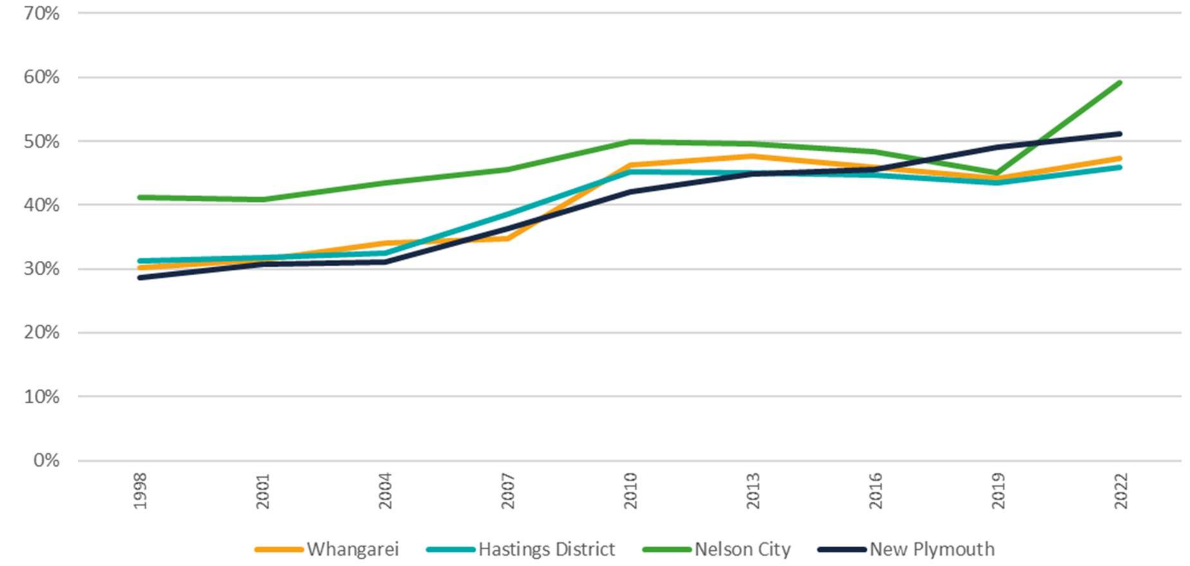
Dwellings Sold	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**1,580**	**1,530**	**1,010**	**-34% ↓**	**-36% ↓**
Whangarei	1,410	1,590	940	-41% ↓	-33% ↓
Hastings	1,180	1,380	680	-51% ↓	-42% ↓
Nelson	1,300	1,130	670	-41% ↓	-48% ↓

In the last ten years, on average, 377 dwellings were sold across the New Plymouth District, per quarter (or 1,508 per annum). Trends show a decrease in the number of house sales in 2022, this is across all comparative districts.

There has been a consistent decrease in the number of house sales in the fourth quarter of each year. This is common in the property market, generally coinciding with the beginning of the Christmas season.

Often the number of dwellings sold can relate to both the housing-dwelling sale price, and the equilibrium between supply and demand of housing in these areas. Generally, the number of dwellings traded in the housing market is related to changes in price. For example, in the event of decreasing or stagnant house prices, the number of dwellings traded tends to decrease. Which is what we are currently experiencing across the board in New Zealand. The number of sales in the last quarter of 2022 is the lowest we have seen, since we have been preparing these monitoring reports.

Indicator 3: Land value as percentage of capital value



Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

Data on land value as a percentage of capital value is sourced from Quotable Value on a three-yearly basis.

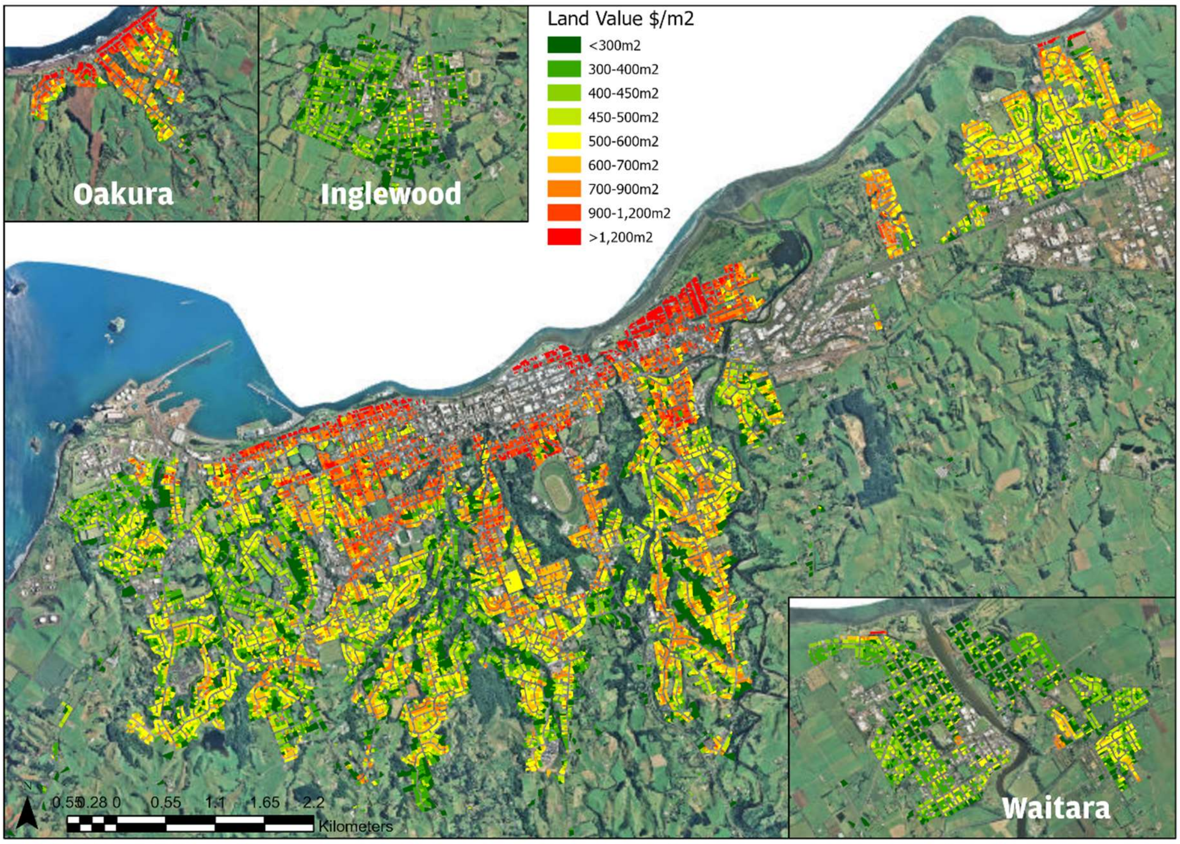
Available data on this indicator shows the estimated proportion of house values related to land prices at each valuation period. A higher ratio indicates that land is more valuable in relation to the buildings that occupy it.

Observations

LV % CV	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**45%**	**49%**	**51%**	**5% ↑**	**14% ↑**
Whangarei	46%	44%	47%	7% ↑	-1% ↓
Hastings	45%	43%	46%	6% ↑	2% ↑
Nelson	49%	45%	59%	31% ↑	20% ↑

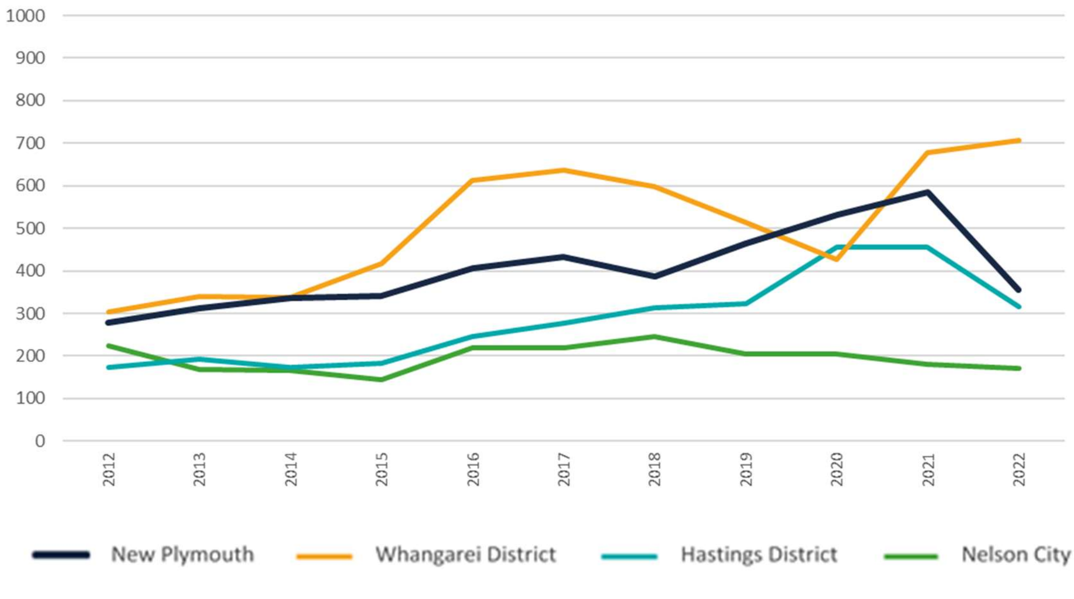
Land value as a percentage of capital value slowly increased across the New Plymouth District in the nine years between 2013 and 2022. The higher ratio indicates that over time, land is becoming more valuable in relation to the buildings that occupy it.

Increases in land value is mainly related to the proximity of properties to specific amenities such as the beach, sea views or the city centre, as shown in the map below.



Source: Quotable Valuation Data 2022

Indicator 4: Number of residential dwelling building consents



Source: Statistics NZ (InfoShare), February 2023

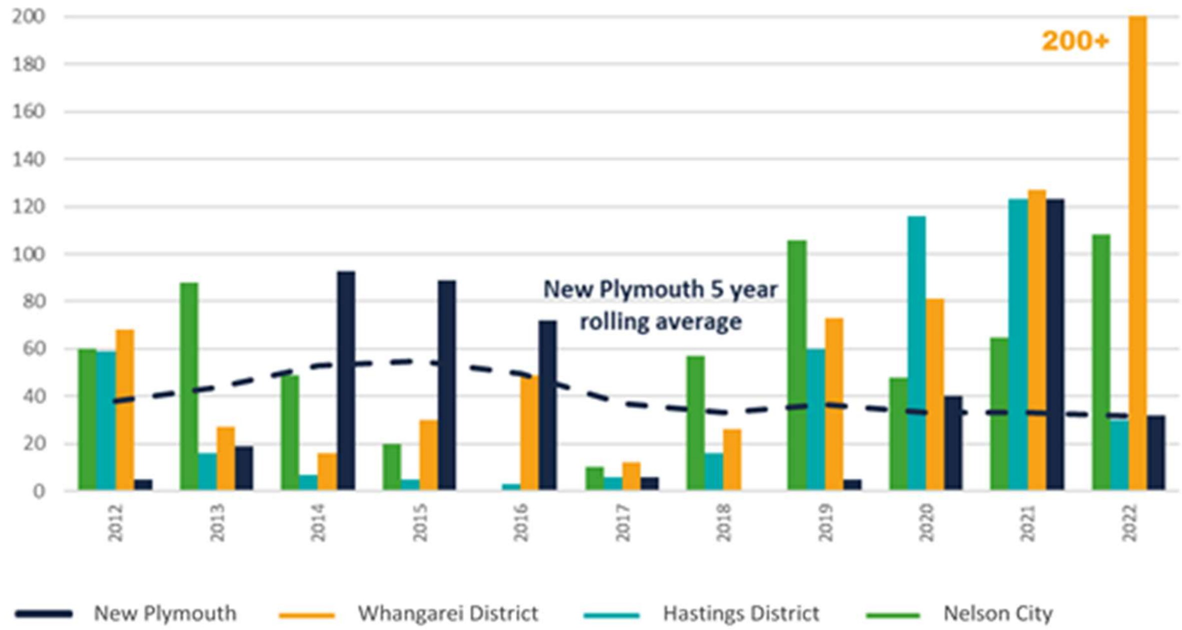
The number of consents for residential dwelling construction across the New Plymouth District per calendar year can be determined up to 2022. These are classified as: dwellings, houses, apartments, townhouses, units and other dwellings. We have separated the rest home villas and townhouse building consents from the overall new residential building's consents and are displayed individually in the next section.

Observations

Residential Building Consents	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**313**	**464**	**356**	**-23% ↓**	**14% ↑**
Whangarei	340	514	707	38% ↑	108% ↑
Hastings	192	323	315	-2% ↓	64% ↑
Nelson	168	206	170	-17 % ↓	1% ↑

Over the past ten years we have on average 415 residential building consent for new dwellings excluding retirement village villa and townhouses. Residential consents have been on a consistent rise since 2013 in New Plymouth up until 2021 and peaked at nearly 600 consents that year. In 2022 consents dropped down below 400.

Retirement Village Building Consents



Source: Statistics NZ (InfoShare), February 2023

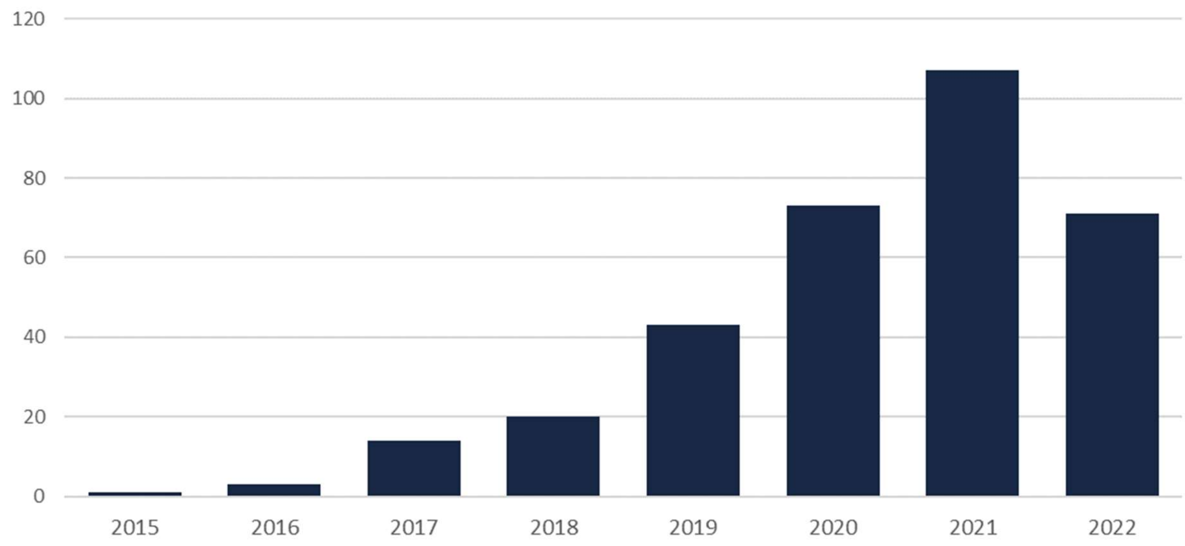
We have removed the count of building consent application for retirement village villas and townhouses from the overall consent application total, to give a more accurate picture. In 2021 we had an application from a retirement village in Bell Block for over 120 villas, cottages and serviced apartments, with each being classified as a new dwelling. These dwellings are still under construction with many still not completed and will be ongoing in 2022. In 2018 we receive no applications for these types of dwellings which in contrast to 2021 creates significant spikes and a misleading increase in data which is why we have removed them from residential dwelling data. If we look at a five year rolling average we would expect around 40 new retirement village dwellings per year. The observations below are a good indication of how much the data fluctuates with the large percentage change in the short and medium term.

Observations

Resthome Building Consents	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**19**	**5**	**32**	**540%**	**68% ↓**
Whangarei	27	73	257	252% ↑	852% ↑
Hastings	16	60	30	-50% ↓	88% ↑
Nelson	88	106	108	2% ↑	23% ↑

Transportable/prefabricated Dwelling Building Consents

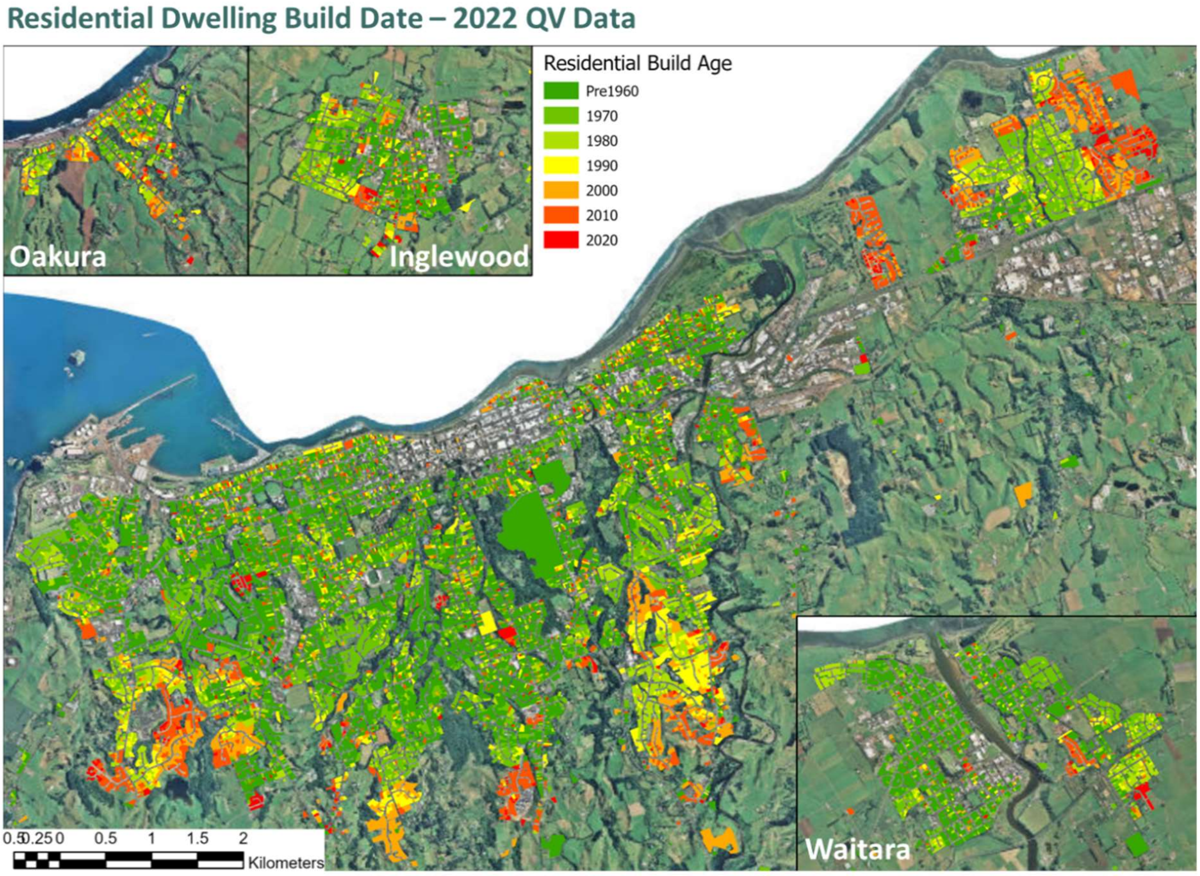
In New Plymouth District we have a few onsite building manufacturers who build transportable/prefabricated houses. We have seen a large increase in the number of these consents over the past seven years. These are all counted as new residential building consents even if they don't stay in the District. This is due to the fact that the transportable/prefabricated dwellings are counted where they are built (e.g. the location of factory) not the destination, which may be in a different territorial authority area.



Source: NPDC Internal Data, January 2023

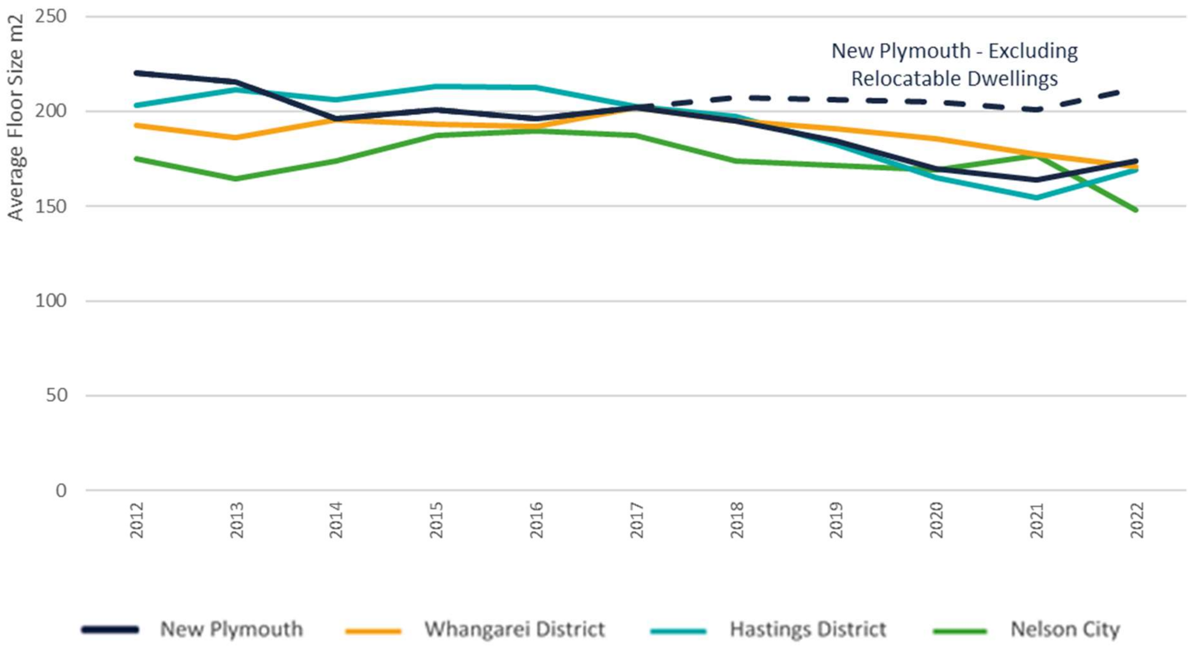
This trend of transportable/relocatable dwellings peaked in 2021 with over 100 consents. The number of consents dropped alongside the general trend in 2022. We still expect to see a reasonable number of these type of consents in the future in New Plymouth.

Age of dwellings by location to 2022



Source: Quotable Valuation Data 2022

Indicator 5 –Average Floor Size per Residential Building



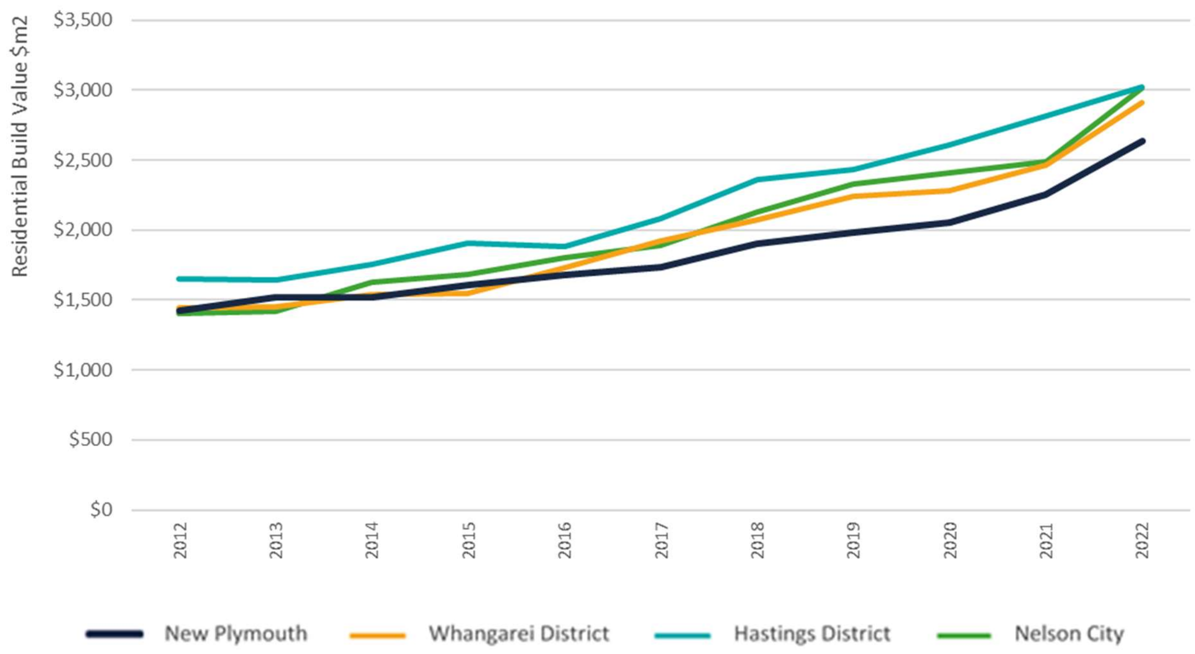
Source: Statistics NZ (InfoShare), February 2023

Observations

Average Floor Size	2013	2019	2022	Short Term % Change 2018-2021	Medium Term % Change 2012-2021
New Plymouth	**216m^2**	**184m^2**	**174m^2**	**-6% ↓**	**-19% ↓**
Whangarei	186m^2	191m^2	171m^2	-11% ↓	-8% ↓
Hastings	211m^2	183m^2	169m^2	-7% ↓	-20% ↓
Nelson	164m^2	172m^2	148m^2	-14% ↓	-10% ↓

The average house size across New Plymouth District has been on a slow decline over the past ten years. This is a consistent trend across the other similar sized Districts also. Two types of dwellings are a major influence on this reduction of floor size. One is the increasing number of prefabricated dwellings as indicated above which have a smaller floor area to enable them to be transported. With over 100 prefabricated/transportable dwelling building consent applications in 2021, which have an average floor size of only 82m^2 (ranging from as little as 27m^2 to 155m^2). The other is the increasing number of townhouse and villas that are being built in the last two years by retirement villages. They also tend to have a smaller floor area to accommodate the older generation one to two person households. These two types of dwellings are increasing in demand due to building costs, section size and our aging population. If we removed these types of dwellings from the calculation, the average total floor remains at around 204m2 for a standalone dwelling in New Plymouth over the past ten years.

Indicator 6: Average value per square meter for residential building dwelling consent



Source: Statistics NZ (InfoShare), February 2023

Observations

Average Build Cost $m2	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**$1,516**	**$1,982**	**$2,637**	**33% ↑**	**74% ↑**
Whangarei	$1,455	$2,243	$2,907	30% ↑	100% ↑
Hastings	$1,640	$2,434	$3,021	% ↑	% ↑
Nelson	$1,420	$2,328	$3,016	% ↑	% ↑

The average build cost per square meter for residential houses across the New Plymouth District over the past ten years has increased, at an average of around 7.4% per annum. The average build cost is lower than Whangarei, Nelson and Hastings.

Summary on housing indicators for New Plymouth District

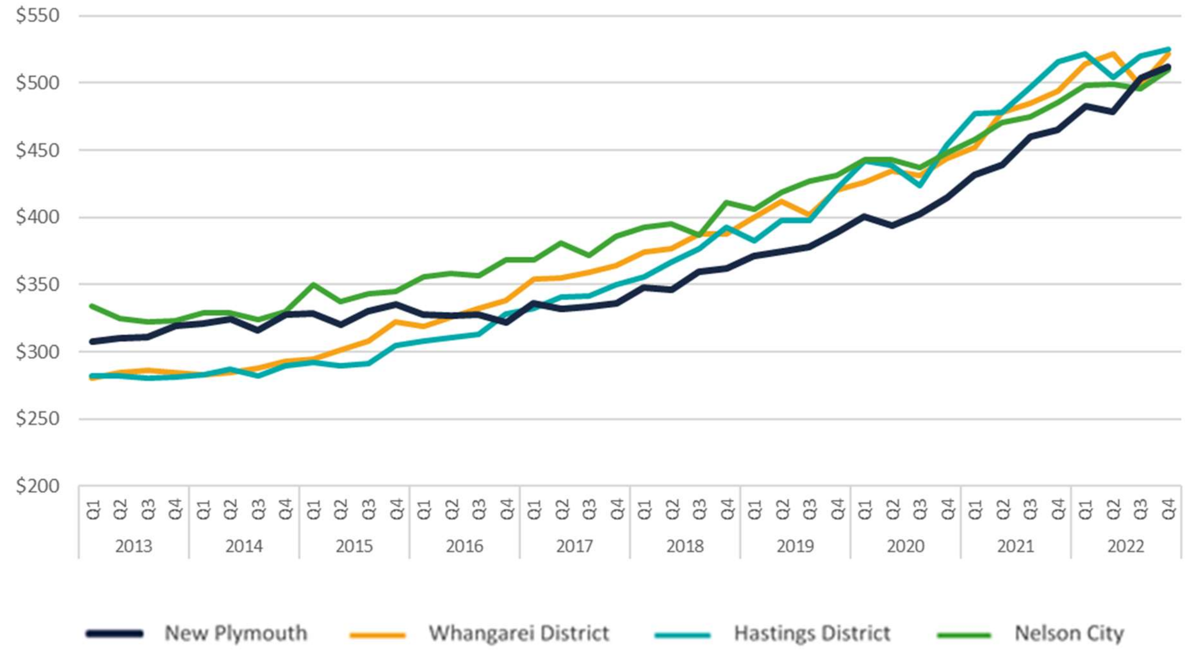
	New Plymouth District	
	Short Term % Change	Medium Term % Change
1. Dwelling sales price	↑	↑
2. Dwellings sold	↓	↓
3. LV % CV	↑	↑
4. Number of Consents	↓	↑
5. Average floor size	↓	↓
6. Average value $m2	↑	↑

In summary, the housing indicators discussed above provide information on the relative 'health' of the property market across the New Plymouth District, including major trends and how they could be influenced by growth and development.

The housing indicators for New Plymouth show a mixture of growth and decline. The cost of buying and building a house in New Plymouth has continued to rise. Consequently, the number of dwellings sold and being built has started to drop in the short term. The number of dwellings sold and being built could indicate a potential drop in the housing market due to rising costs. New Plymouth District will continue to monitor this trend over the next 12 months.

Residential Indicators Group 2: Rent

Indicator 7: Dwelling Rents



Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

Observations

Average Rent	2013	2019	2022	Short Term % Change (2019-2022)	Medium Term % Change (2013-2022)
New Plymouth	**$312**	**$378**	**$495**	**31% ↑**	**58% ↑**
Whangarei	$284	$409	$514	26% ↑	81% ↑
Hastings	$281	$400	$518	29% ↑	84% ↑
Nelson	$326	$421	$501	19% ↑	54% ↑

Rents across the New Plymouth District have increased over the past ten years, at an average rate of around 5.8% per annum. However, the overall increase in rent is less than the overall increase in house prices (10.3%). Rents are expected to continue to increase in the long term, as they have done previously, alongside an increase in general commodity.

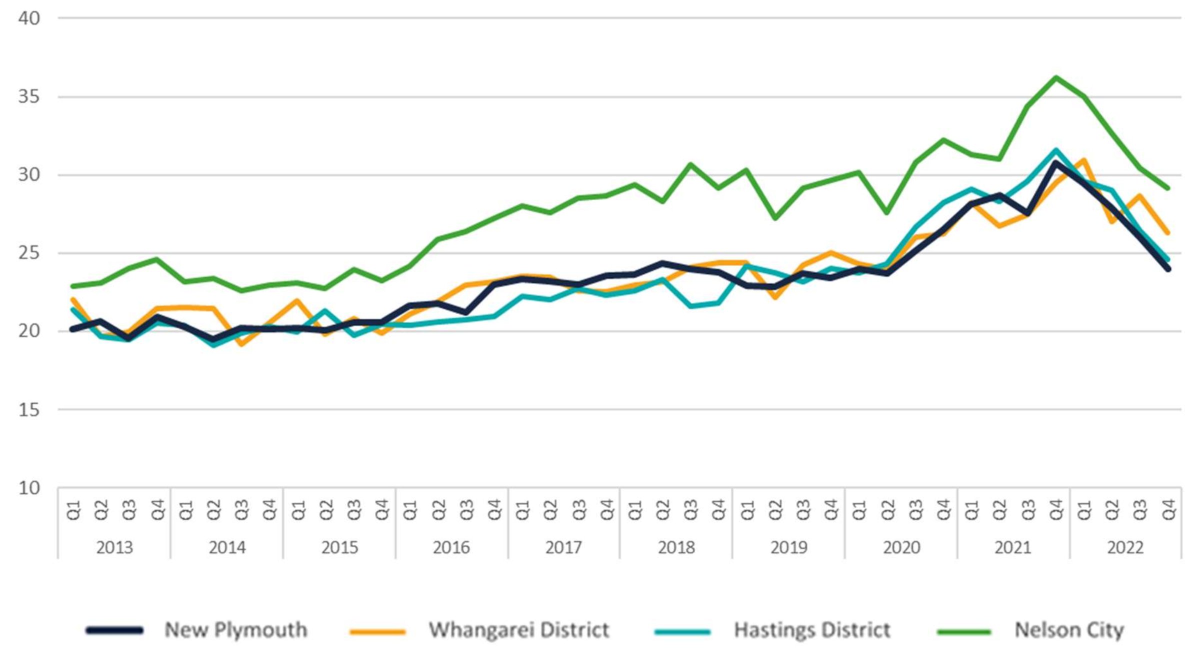
Indicator 8: Rentals per dwelling type New Plymouth

	Median Rent			
	Feb 20	Feb 21	Feb 22	Jan 23
One bedroom	$268	$268	$255	$314
Two bedrooms	$335	$360	$424	$459
Three bedrooms	$420	$495	$517	$554

Source: Tenancy New Zealand – Market Rent Data, January 2023

Increases in rental costs can be seen across all bedroom types. The largest increase seen in the past 12 months is in 1 bedroom dwelling type. This could be an indicator in demand for smaller dwellings or just an outlier. We will continue to monitor this dwelling type to see if the trend continues.

Indicator 9: Ratio of dwelling sales prices to rent



Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

Observations

	2013	2019	2022	Short Term % Change (2019-2022)	Medium Term % Change (2013-2022)
New Plymouth	**20.3**	**23.2**	**26.8**	**16% ↑**	**32% ↑**
Whangarei	20.8	24.0	28.2	18% ↑	36% ↑
Hastings	20.2	23.8	27.4	15% ↑	35% ↑
Nelson	23.7	29.1	31.8	9% ↑	34% ↑

The ratio of dwelling sale prices to rents in New Plymouth is currently 27.4, which indicates that the median house price is 26.8 times the mean annual rent paid. The ratio has increased in the short to medium term. While both house prices and market rentals have increased, the data suggests that it is currently more affordable to rent in New Plymouth than to purchase a home. The ratio of price and rent have increased at a similar rate across all the regions.

Summary on rental indicators for New Plymouth District

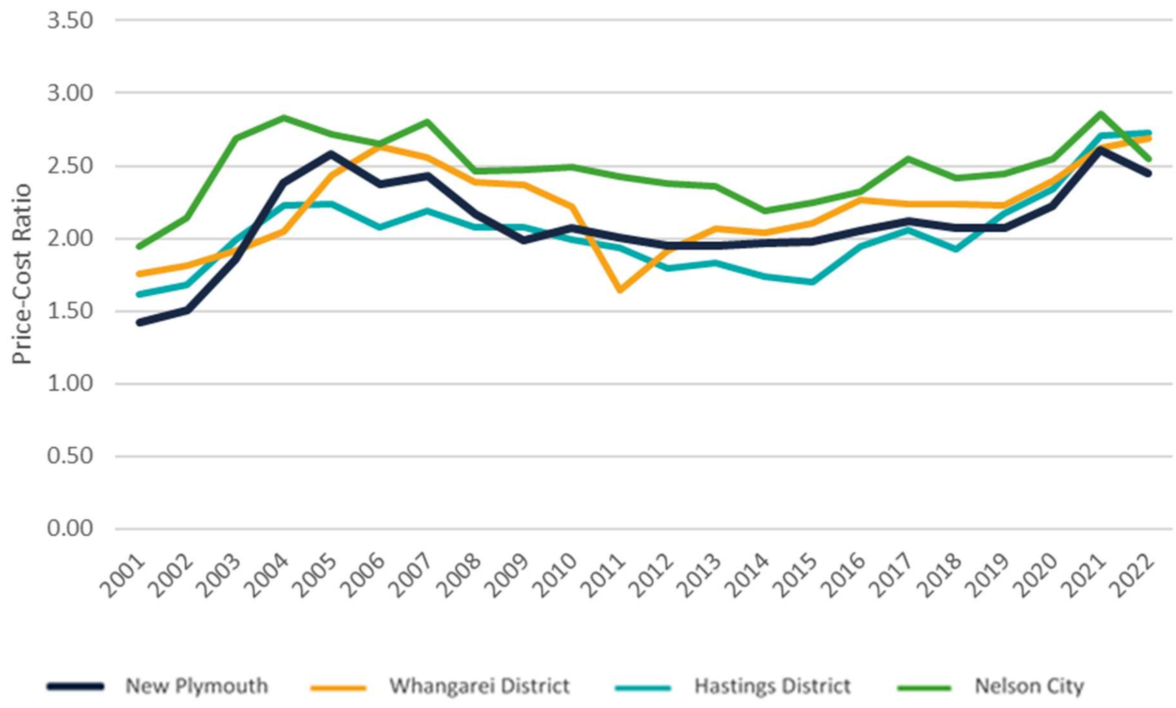
	Short Term % Change	Medium Term % Change
7. Dwelling rents	↑	↑
8. Rentals per dwelling type	↑	↑
9. Ratio of dwelling sale prices to rent	↑	↑

In summary, over the past ten years rental costs have increased but the ratio of dwelling sale prices to rents has increased also. This is because the rental price in New Plymouth has not increased at the same rate of purchasing a new home.

Residential Indicators Group 3: Price Efficiency

The price efficiency indicators provided by the Urban Development dashboard to help Councils to understand how their local markets are responding to growth.

Indicator 12: Price Cost Ratio



Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

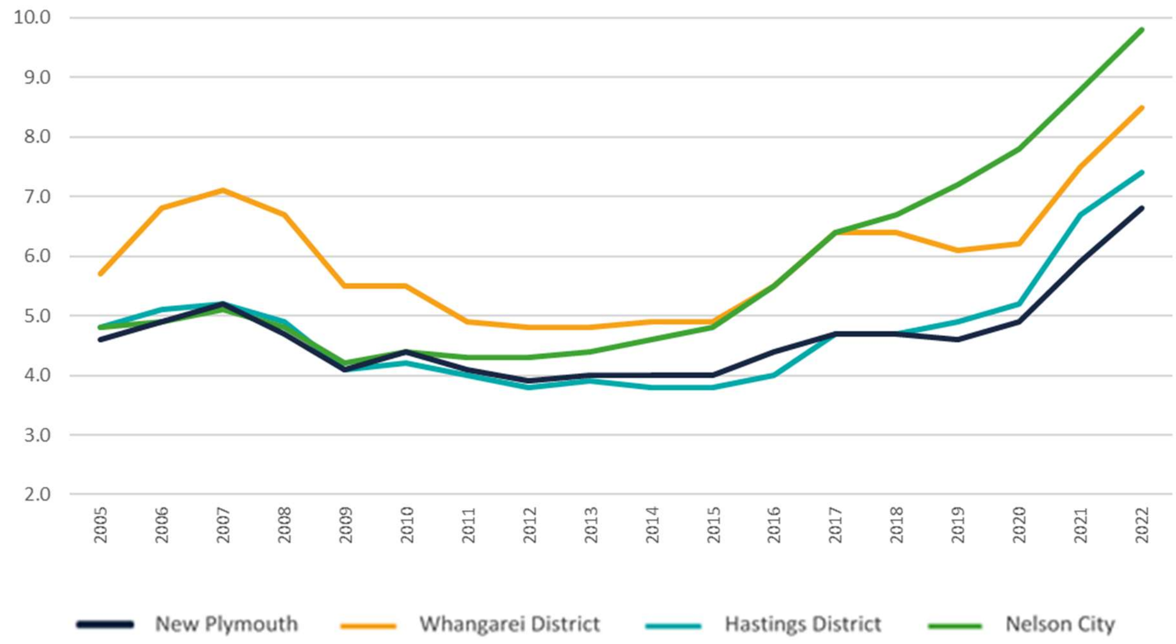
The price-cost ratio, which compares the extent to which construction costs or land costs contribute to house prices.

Residential Indicators Group 4: Housing Affordability Index

Affordable housing is important for people's well-being. For lower-income households, high housing costs relative to income are often associated with severe financial difficulty and can leave households with insufficient income to meet other basic needs such as food, clothing, transport, medical care and education. High outgoings-to-income ratios are not as critical for higher-income earners, as there is sufficient income left for their basic needs.

This section investigates the affordability of buying and renting in New Plymouth. By comparing average current house values and rent with mean household income. A higher ratio, therefore, suggests cost and rents are greater than typical incomes, which indicates lower affordability.

Indicator 13: Housing Affordability Index (HAI) – Buy



Source: Infometrics: Taranaki Region Economic Profile, February 2023

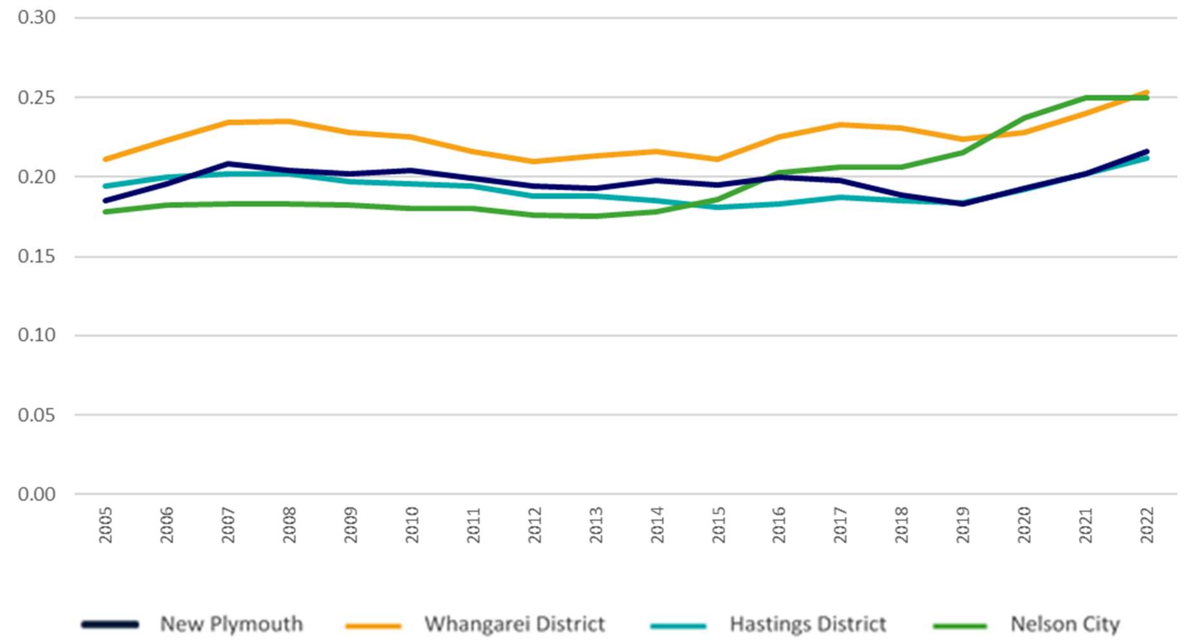
This section compares the average current house values with mean household income. We present a housing affordability index ("HAI") which is the ratio of the average current house value to average household income.

Observations

HAI - Buy	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**4.0**	**4.6**	**6.8**	**48% ↑**	**70% ↑**
Whangarei	4.8	6.1	8.5	39% ↑	77% ↑
Hastings	3.9	4.9	7.4	51% ↑	90% ↑
Nelson	4.4	7.2	9.8	36% ↑	123% ↑

The cost of buying an average house in New Plymouth is nearly 7 times the average household income, compared with back in 2012 when it was only 4 times. The cost of buying a first home in New Plymouth has increased, with in turn means housing affordability has decreased. While this is consistent with national trends New Plymouth HAI is lower than similar Districts and the current national average for New Zealand of 8.7 in 2022.

Indicator 14: Housing Affordability Index (HAI) – Rents



Source: Infometrics: Taranaki Region Economic Profile, February 2023

This section compares the average weekly rents with average weekly household income. We present a rental affordability index which is the ratio of the average weekly rent to average household income.

Observations

HAI - Rent	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
New Plymouth	**0.193**	**0.183**	**0.216**	**18% ↑**	**12% ↑**
Whangarei	0.213	0.224	0.253	13% ↑	19% ↑
Hastings	0.188	0.184	0.212	15% ↑	13% ↑
Nelson	0.175	0.215	0.250	16% ↑	43% ↑

Even though the cost of renting in New Plymouth has increased over the past ten years, rental affordability has been stationary in the short to medium term. This is because rental increases have increased alongside household income.

As mentioned above, the housing affordability index for renting in New Plymouth has not increased at the same rate of buying. Therefore, it is currently more affordable to rent in New Plymouth than to purchase a home.

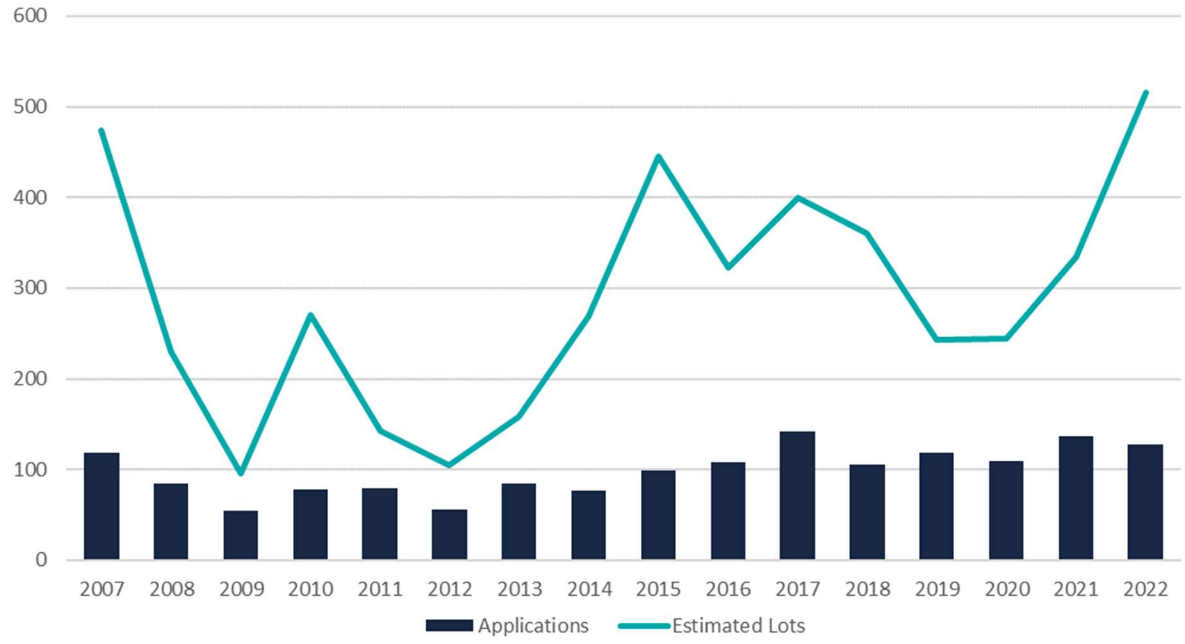
Summary of housing affordability for New Plymouth District

	Short Term % Change	Medium Term % Change
13. HAI - Buy	↑	↑
14. HAI - Rent	↑	↑

In summary, both house prices and rents have increased. The housing affordability measure has just increased at a much higher rate than the rental affordability.

Residential Indicators Group 5: Provision of new houses

Indicator 15: Residential subdivision consents – approved and the number of lots created.



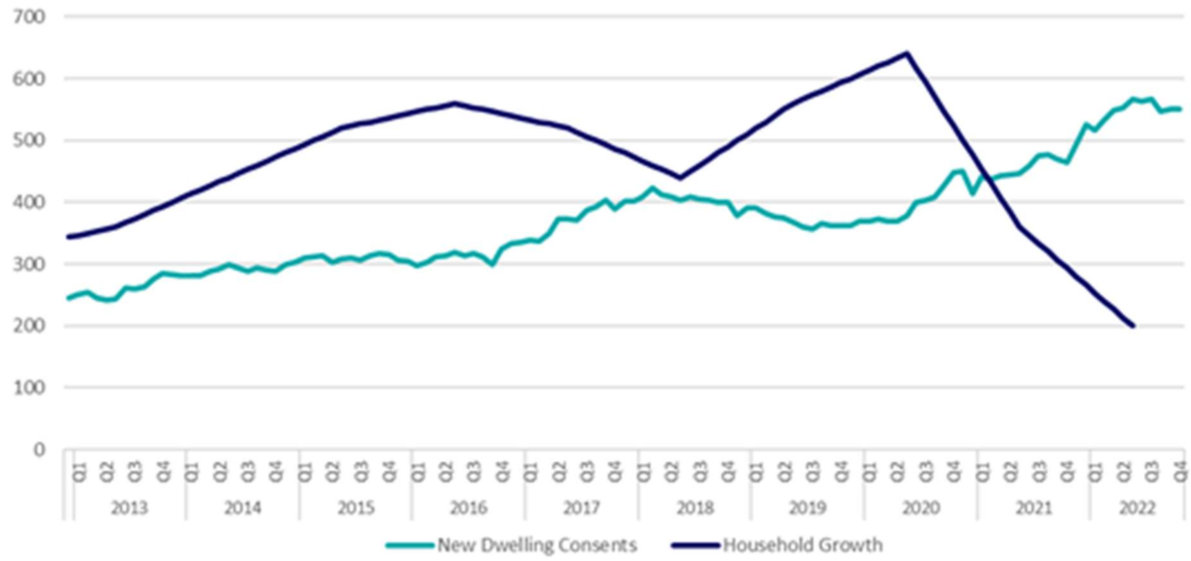
Source: NPDC Data, February 2023

Observations

	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
Applications	84	119	128	7.6% ↑	52.4% ↑
Estimated number of lots	158	243	516	112.3% ↑	226.6% ↑

The number of residential subdivision applications across the New Plymouth District over the previous ten years has remained consistently around 100 applications per annum. The number of residential lots estimated is less consistent and the large spikes occurring are from consents with a substantial number of lots. In 2022 we had two applications with over eighty estimated residential lots per application in Bell Block and Waitara.

Indicator 16: New dwellings compared to household growth.



Source: HUD Urban Development Capacity Dashboard, Last updated February 2023

Observations

	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
Household growth	360	560	200	-64.3% ↓	-44.4% ↓
New consents*	244	368	567	54.1% ↑	132.4% ↑
% Comparison	67.8%	65.7%	283.5%		

Generally, over the past ten years, the rate of household growth has been above that of new dwellings consented. During 2021, the number of consented dwellings has started to climb well above that of household growth. It is not surprising to see a drop in household growth with recent travel restrictions at the border has had a significant effect on migration numbers. We know from the data above that the number of residential consents has started to drop in response to limited migration and increasing costs.

* Data on the quantity of building consents for new dwellings across the New Plymouth District has a six-month lag. This accounts for the time taken from consent approval to completion, as recommended by MBIE. Data from previous reports changed slightly due to updates in census Population data.

Summary in the provision of new houses in the New Plymouth District

	Short Term % Change	Medium Term % Change
15. Subdivision consents	↑	↑
16. Growth v. consents	Combined measure	

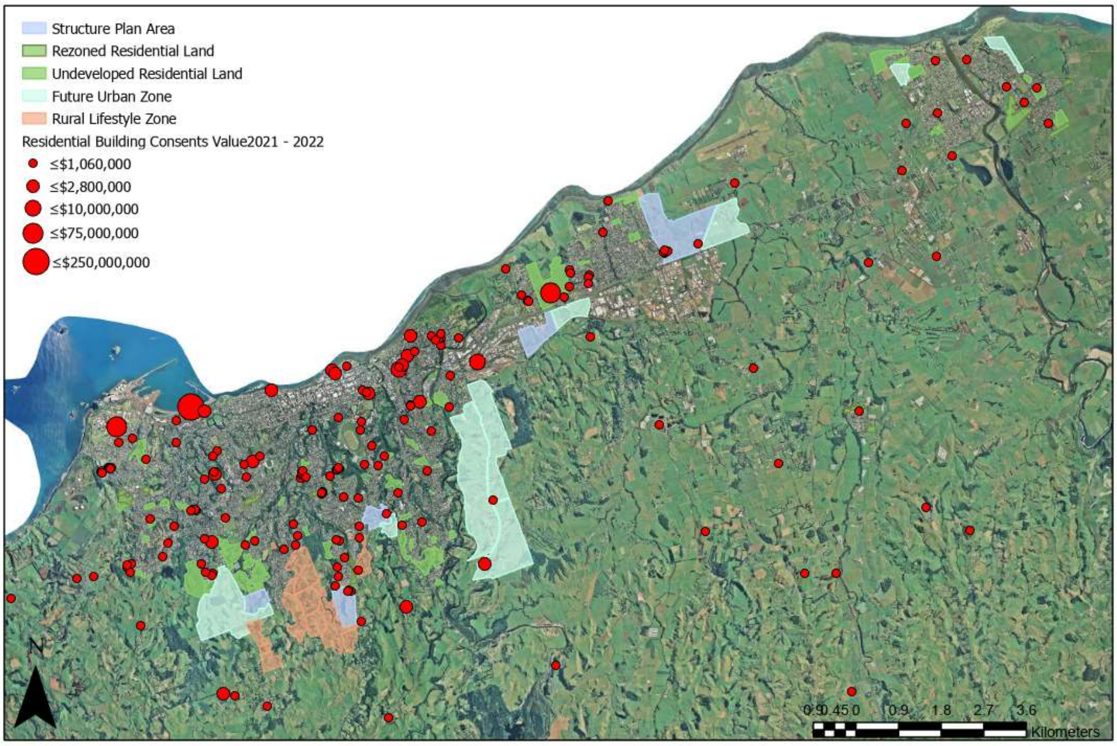
Residential Indicators Group 6: Housing development capacity realised.

This section helps us understand where recent development has occurred and how much capacity identified in the last 2021 HCA remains for future development. Around 54% of all the residential building consents in 2021-22 occur within the identified capacity. In 2022 we have experienced an increase in the number of infill development consents, while in 2021 it was evenly split between infill and undeveloped residential land. This leaves a remaining estimated 12,969 feasible dwellings in the long term.

Feasible Capacity by Type from the 2021 Housing Capacity Assessment

	2020	2021		2022		Remaining Capacity
	Feasible Capacity	Residential Building Consents	Percentage By Type	Residential Building Consents	Percentage By Type	
Rural Lifestyle	181	0	0%	0	0%	181
Infill	3,074	153	26%	110	33%	2,811
Undeveloped Residential Land	2,946	150	26%	57	17%	2,739
Puketapu SP – Area Q	670	11	2%	6	2%	653
Rezoned Residential Land (PDP)	680	3	1%	0	0%	677
Patterson SP	218	0	0%	0	0%	218
Junction Stage 1 SP	150	3	1%	1	0%	146
Carrington SP	267	0	0%	0	0%	267
Junction Stage 2 FUZ	119	0	0%	0	0%	119
Frankley/Cowling FUZ	708	0	0%	0	0%	708
Area R FUZ	480	0	0%	0	0%	480
Oakura FUZ	472	1	0%	0	0%	471
Waitara FUZ	323	0	0%	0	0%	323
Smart Road FUZ	3,179	1	0%	2	1%	3,176
	13,467	**322**	**55%**	**176**	**53%**	**12,969**
Not identified in the 2021 Housing Capacity Assessment as future locations of growth						
Rural		102	17%	78	23%	
Transportable Buildings		123	21%	59	18%	
Demolish and Re-builds		29	5%	19	6%	
Rezoned Industrial Land		9	2%	0		
		263	**45%**	**156**	**47%**	

The remaining development, 46% of all the building applications in 2021 occur outside identified feasible capacity. They are in either the rural environment 17% or are relocatable/transportable dwellings 21%. These consents are not within the urban boundary and are not connected to the infrastructure services of New Plymouth District Council. Around 5% of all new builds are estimated to be rebuilding a previously demolished dwelling. This does not create any additional dwelling stock for the district and is expected to continue in the future.



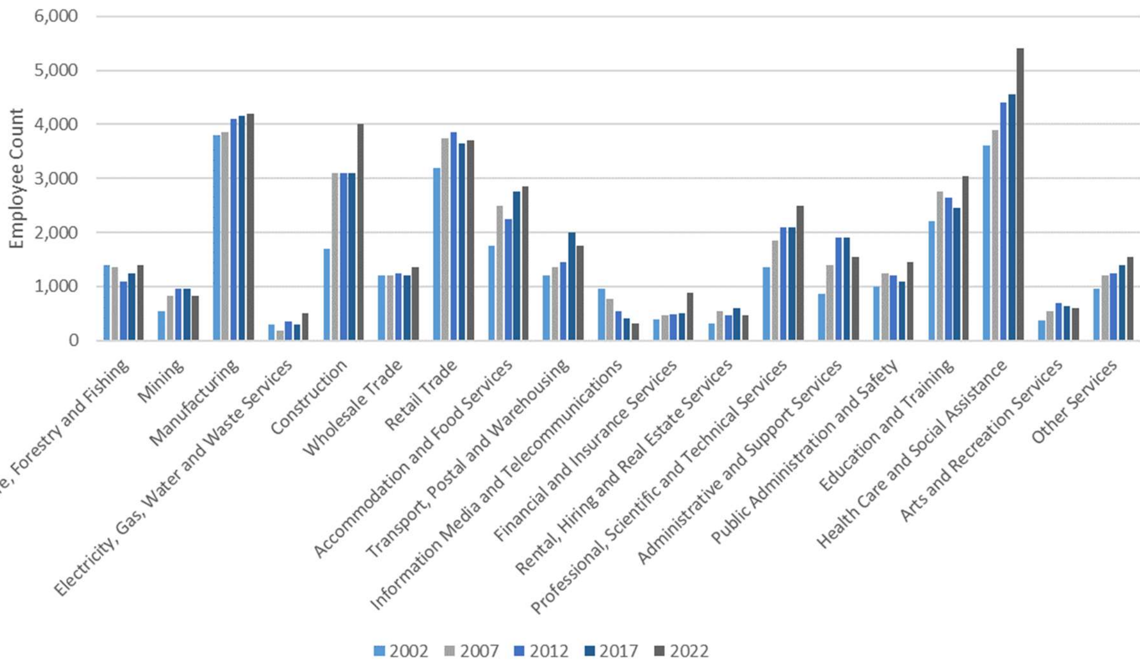
Source: Internal NPDC Data

Business Indicators

This section summarises information on business trends, business supply and demand, and specific local authority measures of business capacity, freely available from various sources.

Business Indicators Group 1: Employment and growth

Indicator 1: Employment current economy and recent past



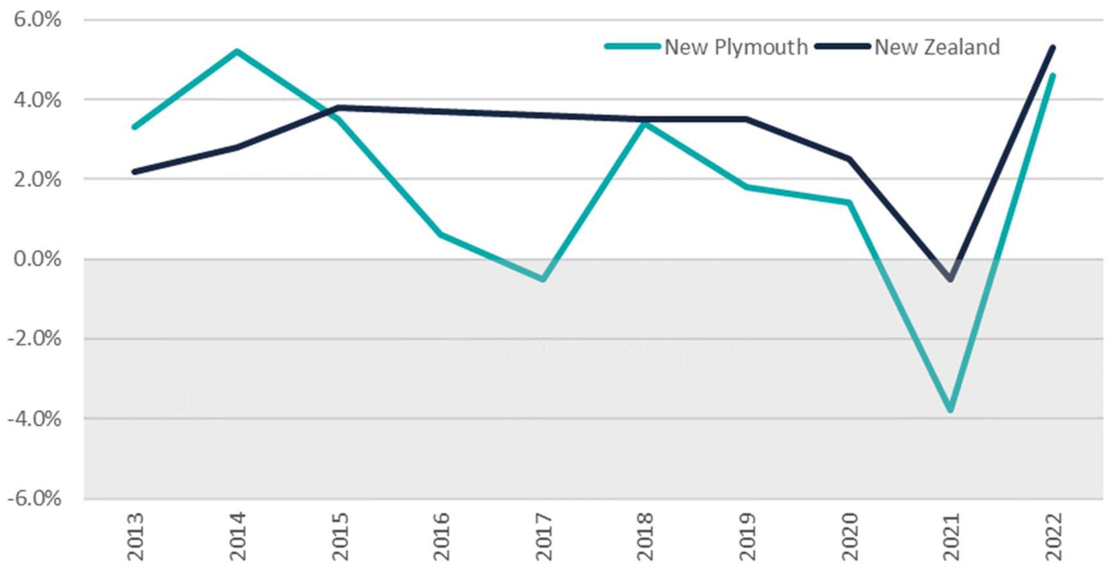
Source: Statistics New Zealand, February 2023

Observations

Employment Growth	2013	2019	2022	Short Term % Change 2019-2022	Medium Term % Change 2013-2022
Agriculture	1,100	1,400	1,400	0.0%	27.3%
Manufacturing	4,150	4,300	4,200	-2.3%	1.2%
Construction	2,900	3,500	4,000	14.3%	37.9%
Retail Trade	3,800	3,600	3,700	2.8%	-2.6%
Accommodation & Food Services	2,350	2,900	2,850	-1.7%	21.3%
Health Care	4,450	4,600	5,400	17.4%	21.3%
Overall	**34,430**	**36,700**	**38,340**	**4.5% ↑**	**11.4% ↑**

The New Plymouth District has seen a resurgence in overall employment growth in the short term and medium term. The large increase in construction isn't surprising with the large number of building consent applications we received in 2021. The biggest drop we have seen over the medium term is a drop in retail trade which is consistent with national trends and the increasing interest in online shopping.

Indicator 2: Gross Domestic Product Growth



Source: MBIE Regional Economic Activity Web Tool, February 2023

Notes Gross Domestic Product (GDP) is a fundamental indicator that measure the value added from the production of goods and services.

Observations

GDP per capita	2013	2019	2022	Short Term % Change 2016-2019	Medium Term % Change 2010-2019
New Plymouth	3.3%	1.8%	4.6%	155.6% ↑	39.4% ↑
Taranaki	1.8%	1.7%	3.7%	117.6% ↑	15.6% ↑
New Zealand	4.6%	3.5%	5.3%	51.4% ↑	140.9% ↑

Nominal GDP dropped in 2021, but there has been an increase in the short and medium term. New Plymouth follows a consistent trend of New Zealand overall growth.

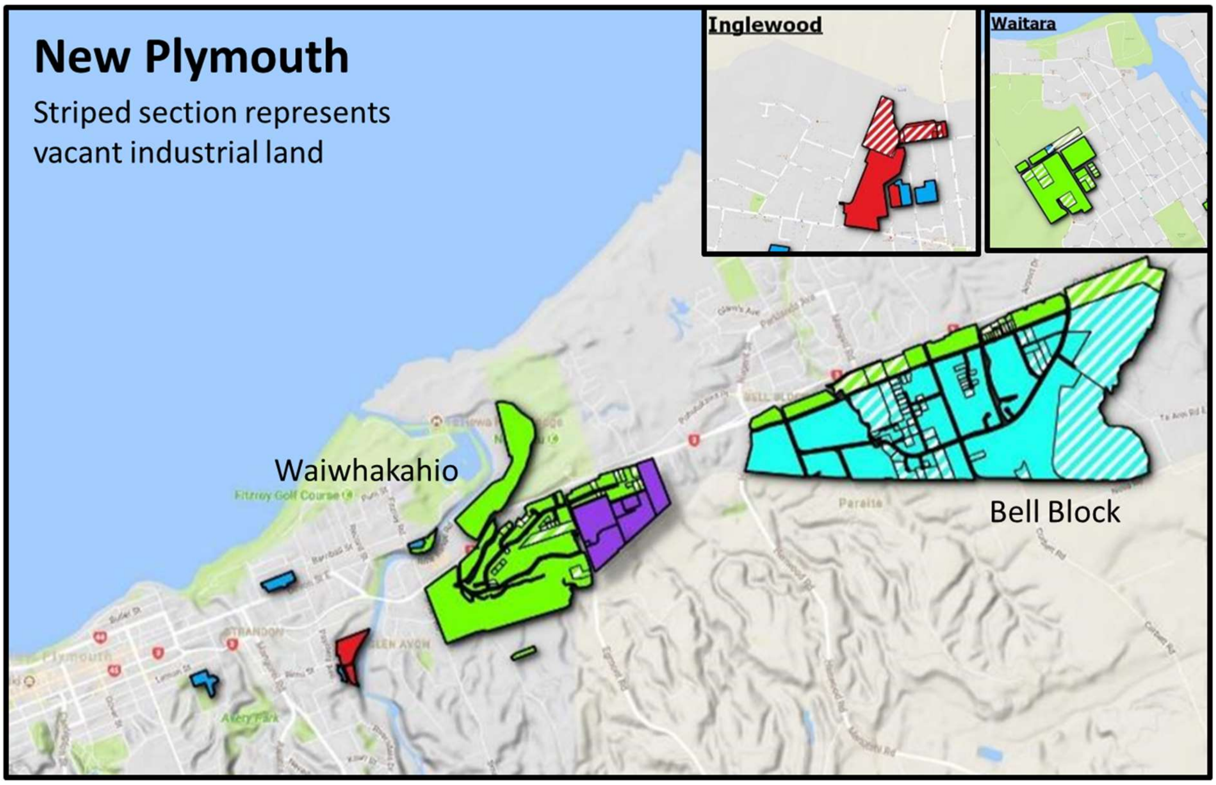
Summary of employment and growth for the New Plymouth District

	Short Term % Change	Medium Term % Change
1. Employee current economy and recent past	↑	↑
2. GDP per capita	↑	↑

In summary, we have seen an increase in employment growth and GDP in the New Plymouth District over the short and medium term.

Business Indicators Group 2: Supply of business space

Indicator 3: Vacant industrial land by location



Area (ha)	Operative District Plan
Vacant Land Bell Block	170.8
Vacant Land Inglewood	3.8
Vacant Land Waitara	4.4
Vacant Land Waiwhakaiho	12.7
Total	**191.8**

Source: Internal GIS Analysis, October 2018

This data will be updated alongside the third version of the HBCA which is due in 2024.

Indicator 4: Capacity within existing and new built facilities – Industrial

To understand retail, industrial, and commercial capacity within existing built facilities, we utilised data from Real Estate NZ[2]. This data set includes most listings that are currently for lease or sale by multiple real estate agencies, including the location and estimated gross floor area (GFA) of listings. Because it assumes that any existing capacity would be listed for lease or sale via a real estate agency, this measure may not capture 100 per cent of potential capacity but is a good tool for indicating vacancy.

Suburb	Vacant Gross Floor Area SQM		Percentage %
	2022	2023	
Bell Block	56,930	49,330	64%
Glen Avon	889	0	0%
Marfell	0	182	0%
Moturoa	2,088	3,604	5%
New Plymouth	1,698	8,163	11%
Strandon	0	1,233	2%
Waitara	540	340	0%
Waiwhakaiho	22,401	14,225	18%
Westown	120	0	0%
	84,666	**77,077**	**100%**

Currently, there is around 77,077 square meters (7.7 ha) of existing vacant industrial or new build facility space available in the New Plymouth District. Combined with Waiwhakaiho, Bell Block holds over 82 per cent of all vacant capacity–the largest proportion in the district. This is a decrease from 8.4ha of vacant industrial land in 2022.

Indicator 5: Capacity within existing and new built facilities – Retail

As per Indicator 4 above, the following data was obtained from Real Estate New Zealand.

	Vacant Gross Floor Area SQM		
Suburb	2022	2023	Percentage %
Bell Block	70	141	1%
Fitzroy	145	0	0%

[2] www.realestate.co.nz

Glen Avon	0	315	1%
New Plymouth	5,984	26,481	94%
Oakura	0	120	0%
Okato	689	0	0%
Strandon	0	30	0%
Urenui	0	589	2%
Waiwhakaiho	1,937	0	0%
Waitara	0	0	0%
Welbourn	330	374	1%
	9,155	**28,050**	**100%**

There is currently around 28,050 square meters (0.9 ha) of existing vacant retail or new built facility space in New Plymouth District. The majority of this capacity is located in the Central City. This is a significant increase in vacant retail land from 2022 which was around 9.1ha. This is consistent with the trend above with the reduction of retail employees in 2022.

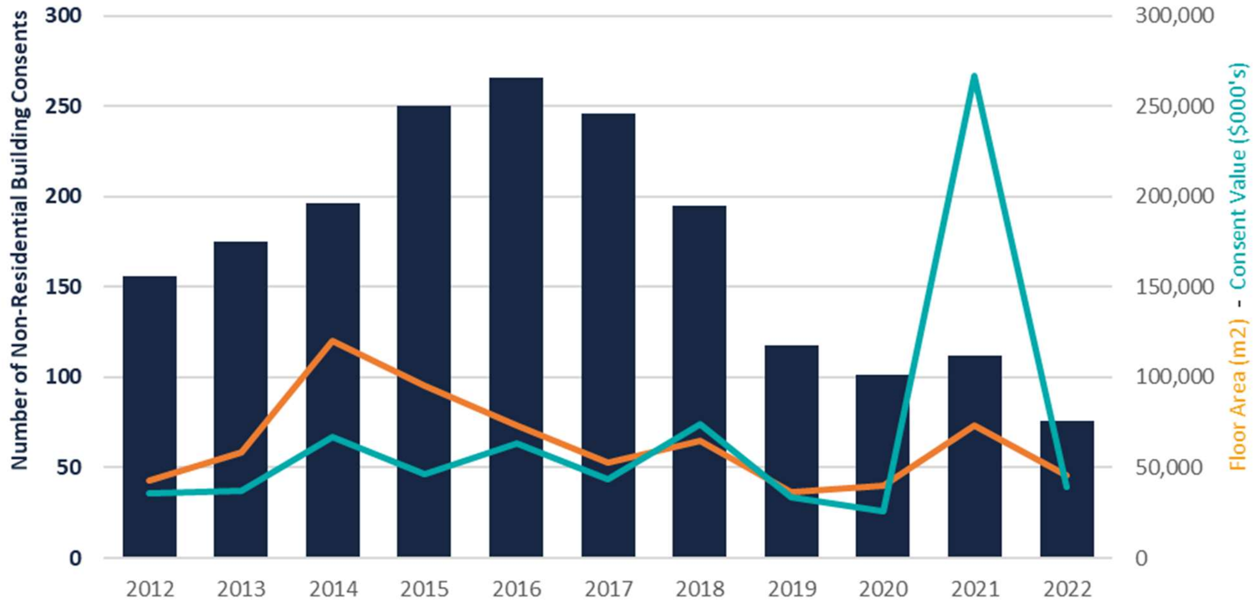
Indicator 6: Capacity within existing and new built facilities – commercial/office

As per Indicator 5, the following data was obtained from Real Estate New Zealand.

Suburb	Vacant Gross Floor Area SQM		Percentage %
	2022	2023	
Bell Block	15,625	3,954	13%
Inglewood	149	0	0%
Lynmouth	200	200	1%
Moturoa	907	907	3%
New Plymouth	15,818	24,101	80%
Waitara	141	141	0%
Waiwhakaiho	505	959	3%
Westown	54	0	0%
	33,399	**30,262**	**100%**

There is currently around 33,399 square meters (3.0 ha) of existing vacant commercial/office or new built facility space in New Plymouth district. Current vacant floor space is very similar to that of 2022.

Indicator 7: Non-Residential Building Consents



Source: NPDC Data, February 2023

Observations

	2013	2019	2022	Short Term % Change (2018-2021)	Medium Term % Change (2012-2021)
Applications	175	118	76	-36% ↓	-57% ↓
Floor space (m^2)	58,223	36,792	45,963	25% ↑	-21% ↓
Consent Value ($M)	$36	$33	$39	16% ↑	6% ↑

The number of non-residential building consent applications have decreased in the short and medium term. In comparison the total floor area and consenting value have increased in the short term. A major increase in consent value in 2021 was due the upgrade of the localhospital (Te Whatu Ora-Taranaki Base Hospital).

	Short Term % Change	Medium Term % Change
3. Industrial vacant land	New indicator	
4. Industrial capacity	↓	
5. Retail capacity	↑	
6. Commercial/office capacity	↓	
7. Non-residential Building Consents		
Applications	↓	↓
Floor Space	↑	↓
Consent Value	↑	↑

In summary, there does not appear to be any shortfall of industrial land in New Plymouth. However, expanded monitoring of these indicators and other datasets will be incorporated into future quarterly reports.

Future Quarterly Reports

The New Plymouth District Council is committed to improving quarterly reporting over time. As information becomes available, future quarterly reports will be adjusted to incorporate or refine information or data sources for the following indicators: