

HOUSING AND BUSINESS CAPACITY ASSESSMENT



2024

National Policy
Statement on Urban
Development



Te Kaunihera-ā-Rohe o Ngāmotu
**New Plymouth
District Council**



Taranaki
Regional Council

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Executive Summary

1.1 National Policy Statement – Urban Development

Under the National Policy Statement 2020 (NPS-UD) New Plymouth district is identified as a tier 2 urban environment. Both Taranaki Regional Council (TRC) and the New Plymouth District Council (NPDC) have a statutory responsibility as Tier 2 local authorities to prepare a Housing and Business Capacity Assessment (HBCA) for the New Plymouth district. As part of this requirement, the HBCA must quantify the development capacity to meet the expected demand for housing and business land over a 30-year period.

This report constitutes a comprehensive update to the TRC and NPDC’s (the Councils) initial HBCA of 2019 and subsequent Housing Capacity Assessment of 2021. It delivers a current and forward-looking analysis of housing and business growth exclusively within the New Plymouth district, founded on existing and anticipated levels of demand, supply, and development capacity.

The Councils are required to complete a HBCA every three years. This mandated timeframe offers a robust, thorough, and regularly updated foundation of evidence to guide and inform decisions related to development capacity and planning for housing and business in the district.

1.2 Summary of Key Results

Overall, the HBCA indicates that the New Plymouth district has sufficient housing and business development capacity for the short term (within three years), the medium term (between three and ten years) and the long term (between 10 and thirty years). Current levels of development capacity and proposed additional supply over time will meet the projected demand for housing and business development capacity throughout the district. The key trends and issues are as follows:

Key trends and issues for housing

Housing demand and development capacity	Term	Standalone Dwellings	Attached Dwellings	Total
Estimated housing demand	Short	625	111	736
	Medium	2,734	560	3,294
	Long	7,657	1,788	9,445
Additional housing demand with competitiveness margin	Short	751	133	883
	Medium	3,281	672	3,953
	Long	8,942	2,085	11,026
Plan-enabled housing development capacity	Short	7,597	3,911	11,508
	Medium	8,005	3,933	11,938
	Long	13,138	3,962	17,100
Plan-enabled, feasible housing development capacity	Short	5,787	3,229	9,016
	Medium	6,146	3,251	9,397
	Long	10,914	3,280	14,194
	Short	4,741	2,059	6,800
	Medium	5,033	2,077	7,110

Plan-enabled, feasible and reasonably expected to be realised housing development capacity	Long	9,252	2,103	11,355
Housing development capacity surplus/deficit	Short	3,991	1,926	5,917
	Medium	1,752	1,405	3,157
	Long	311	18	329

Table 1.1: Housing Demand Projections for New Plymouth District

Population Growth and Housing Demand:

- Anticipated growth in the New Plymouth district is projected at 9,800 people (8.3%) in the next decade, reaching approximately 98,800, and 110,400 over the next 30 years (by the end of 2054).
- To accommodate this growth, the district requires an additional 11,027 new dwellings over the next 30 years, translating to an average annual need of 368 dwellings.

Residential House Prices and Affordability:

- Building or purchasing a first home in New Plymouth has become more expensive, leading to a decline in housing affordability.

Short-Medium Term Capacity:

- Existing residential-zoned land and identified infill housing potential will provide the necessary capacity to meet short-term demand.
- The introduction of the Proposed District Plan (PDP) Structure Plan Development Areas (SPDA) will enhance capacity to meet medium-term housing demands.

Long-Term Growth Areas:

- Future Urban Zones (FUZ) identified in the PDP offer sufficient capacity to meet long-term housing demands in the district.

Infrastructure for Future Growth:

- A significant portion of our infrastructure spending over the next decade is dedicated to supporting future growth. A proportion of this expenditure is to be recovered through mandatory contributions as part of the land development process (Development Contributions Policy).

Demographic Changes and Housing Typologies:

- Shifting demographics, including an aging population, will drive demand for various housing typologies, particularly single-person and couple-only households. This includes an increase in demand for small and multi-unit dwellings, as well as facilities like rest homes and retirement villages.

Feasibility of Development:

- Under the current market offer, greenfield development is typically more feasible than infill development, with greater economic feasibility for residential greenfield development compared to infill development.

Key trends and issues for business

Business demand and development capacity	Term	Business Land* (Ha)	Industrial (Ha)
Estimated Employee Projection	Short	15,750	12,140
	Medium	16,890	13,080
	Long	18,880	14,740
Estimated Business Land Demand (Ha)	Short	4.5	19.0
	Medium	16.8	63.0
	Long	29.9	111.0
Additional Business Land Demand with the competitiveness margin (Ha)	Short	8.6	23.0
	Medium	20.0	75.0
	Long	34.5	127.0
Plan enabled, business land development capacity	Short	153.0	176.1
	Medium	153.0	176.1
	Long	163.9	221.9
Plan enabled and feasible business land development capacity	Short	131.3	171.2
	Medium	131.3	171.2
	Long	142.3	215.2
Plan enabled, feasible and suitable for development	Short	33.9	163.3
	Medium	33.9	163.3
	Long	44.3	207.3
Business Land development capacity surplus/deficit	Short	25.3	140.3
	Medium	13.9	88.3
	Long	9.7	80.3

Table 1.2: Business Demand Projections for New Plymouth District

Business land needs are adequately addressed:

- Across the New Plymouth district, business floor space is well-provided. However, confirmation of actual market demand will necessitate continuous monitoring and a review of uptake in specific locations.

A generous supply of business land is available for development within the Central City and its surrounding zones:

- The New Plymouth district has ample capacity to satisfy commercial and retail demand, particularly through multi-level developments in the Central City area and surrounding mixed-use zones outlined in the PDP.

There is adequate provision for industrial land on the eastern side of the city

- The eastern side of New Plymouth City has a sufficient supply of district plan-enabled land to cater to industrial demand in the long term.

2 Context

2.1 New Plymouth District

Located in the Taranaki region, the New Plymouth district is the 11th largest district in New Zealand. Encompassing the vibrant city of New Plymouth along with surrounding towns like Inglewood, Ōakura, and Waitara, our vision is for a ‘Sustainable Lifestyle Capital’. The vision has strong foundations, as the district has an array of attractions. From the breathtaking Taranaki Maunga to the mighty Tasman Sea/ moana, a robust rural sector, outstanding recreational and cultural facilities, and, most importantly, thriving communities of great people.

Population growth is a consistent trend in our district. Since 2001, we've experienced an annual growth rate of one to two percent, resulting in a current population exceeding 89,000. This upward trajectory is expected to continue, with a projected population of approximately 98,800 by 2034 and around 110,400 by 2054. Notably, Bell Block and the southern areas of New Plymouth are anticipated to witness the fastest growth. As our community evolves, we anticipate demographic shifts characterised by an aging population and increased ethnic diversity, necessitating adjustments in the provision of facilities and services.

NPDC and TRC have collaboratively outlined the scope of this HBCA, and the assessment focuses exclusively on the demand for housing and business within the New Plymouth district. While the current report confines its analysis to this district, future iterations may explore the broader region, potentially extending to include the South Taranaki and Stratford districts.



Figure 2.1 – The New Plymouth District Study Area

2.2 Relationship with other plans and strategies

Several key policy and strategy documents have informed this HBA.

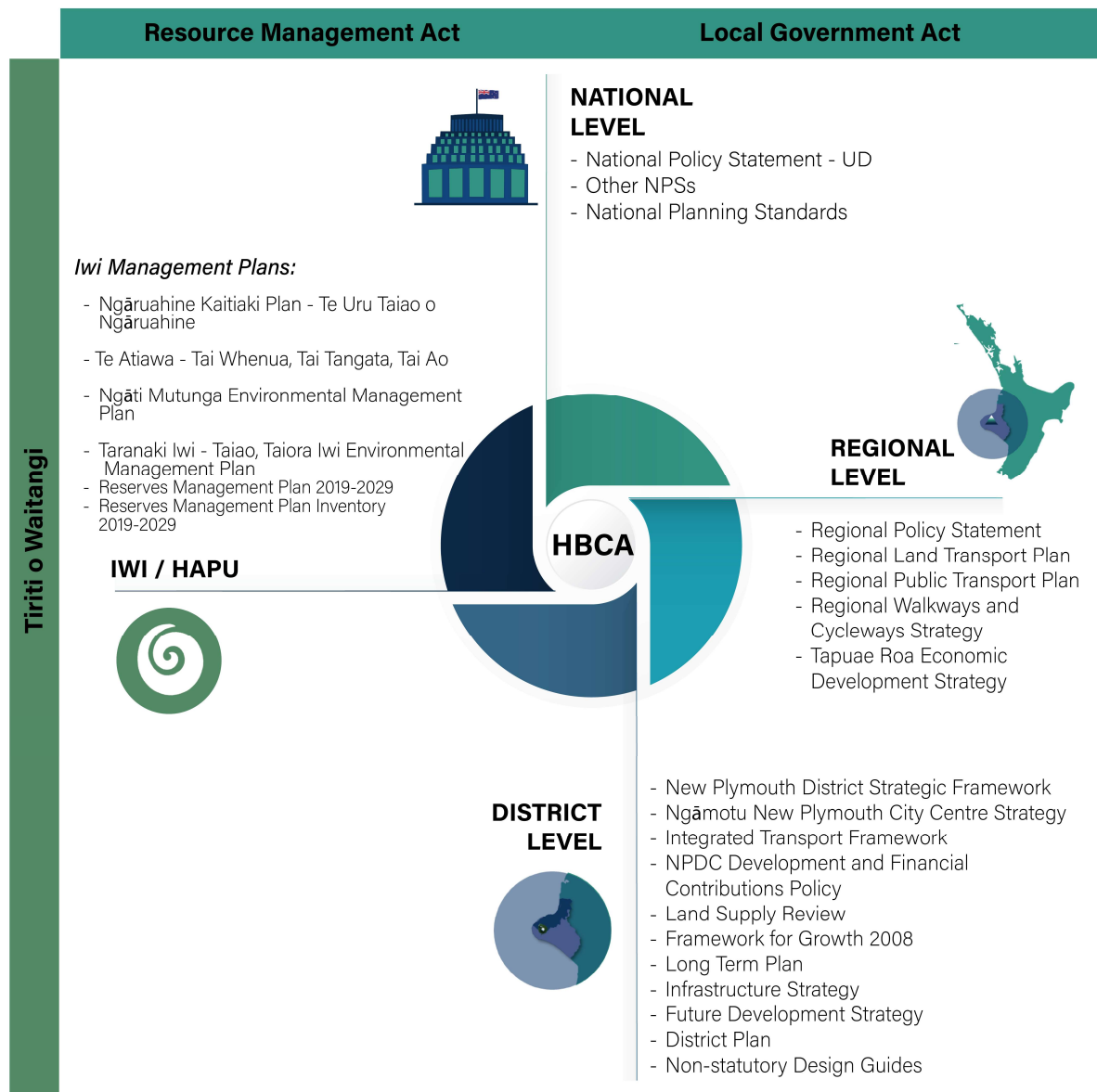


Figure 2.2: Plans and Strategies linkage to the HBCA

2.3 Policy Limitations

This report highlights some issues that should be considered when formulating planning responses:

- Decisions on the PDP were notified on 13 May 2023. This marked a significant milestone in the plan-making journey, after a comprehensive hearing of submissions that ran over 14 months. The NPDC is now working through 23 Environment Court appeals lodged against some of those decisions. An annotated PDP appeals version was released in September 2023, which was designed to clearly identify provisions that are subject to an appeal, and therefore not yet deemed to be operative rules. Around 15% of the PDP provisions are under appeal, but this will change as the appeals progress and as each appeal is withdrawn, resolved, or

determined. With only a few site-specific zonings under appeal, most of the district's zoning patterns are now deemed operative and beyond appeal.

- Further plan changes will be required over time to respond to Future Development Strategy (FDS) and HBCA requirements. The plan change process is a separate RMA process that requires resourcing and planning.
- Integrating the data into long term planning, funding, and infrastructure development time periods will require a cross-Council(s) approach.
- This assessment is limited in that it is only ever a 'snapshot in time' of the housing and building data. Significant change will be more readily reflected in Quarterly Monitoring Reports.

3 Methodology

This section outlines the source data and methods that were used to assess key elements of the housing and business demand and capacity.

To assist with our assessment, we rely on data and analytical information supplied by Infometrics and Property Economics who provide economic and forecasting advice/expertise to the Councils. More details, including data sources, can be found within each section of the report.

3.1 Quarterly Monitoring

As required by the NPS-UD, we monitor a range of housing market and price efficiency indicators on a quarterly basis. This monitoring ensures that the Councils and interested parties have timely information about demand, urban development activity, and market function, including how market changes may affect sufficient capacity for housing land in the district.

The latest monitoring update was published in May 2023 and can be found here: <https://www.npdc.govt.nz/council/reports-and-publications/reports/national-policy-statement-urban-development/>. The next one will be published in early 2024.

Future quarterly monitoring will continue to gather data on housing and business demand and supply and sufficiency of housing and business land. The HBCA should be read alongside the quarterly monitoring reports.

3.2 Demand Assessment

Competitiveness Margin

As part of the NPS-UD we are required to include a competitiveness margin. A competitiveness margin is a margin of development capacity, over and above the expected demand that tier 2 local authorities are required to provide, that is required to support choice and competitiveness in housing and business land markets.

The competitiveness margins for both housing and business land are set to 20% for the short term, and medium term, and 15% for the long term. These figures have been applied to both the residential and business land assessments.

Housing Projections

Population Forecasts

To ensure alignment across our planning, finance, and infrastructure decision-making we have used the same population and housing forecasting that we have used in our 2024-34 Long Term Plan and our 30-year Infrastructure Strategy and the PDP. This forecast was provided by Infometrics via the population tool online.

NPDC forecasts that the district’s population will grow over the next 30 years as follows:

	2024	2029	2034	2039	2044	2049	2054
Population	89,000	93,500	98,800	102,400	106,400	108,500	110,400

Table 3.1: Population Projections for New Plymouth District

The Infometrics population projection model is economically driven, using regional employment forecasts to inform the net migration projection. The approach builds upon the established cohort component approach, meaning it considers how births, deaths, migration, household formation and labour force participation affect the population at each stage of life. This means the projection reflects demographic processes as well as the economic prospects of the district.

The projection model generates the data for predicting the need for dwellings to accommodate the anticipated population growth. Based on the above population model, the following number of new dwellings is necessary to fulfil this demand.

	2024	2029	2034	2039	2044	2049	2054
Total Dwellings	35,174	36,551	38,468	40,172	41,761	43,358	44,619
Growth		1,377	1,917	1,704	1,589	1,597	1,261
Growth + Margin		1,652	2,300	1,960	1,827	1,837	1,450
Annual Dwellings		330	460	392	365	367	290

Table 3.2: Dwelling Projections for New Plymouth District

According to the population projection, we anticipate a requirement of approximately 9,445 new residences over the next three decades, averaging 315 new dwellings annually. Factoring in the competitiveness margin, this figure rises to 11,026 or 367 new dwellings per year.

Forecast scenarios

In determining the demand, a range of projections have been considered and assessed to see which one is more likely and why. We considered three scenarios as detailed below:

Scenario	Details
Low Population growth	Low population scenario as provided by Infometrics, where the population would only reach an estimated 95,000 by 2054, which is 15,500 less people or 5,500 less dwellings than the medium scenario.
Medium Population growth	Medium population scenario is the current population forecast.
High Population Growth	High population scenario as provided by Infometrics, where the population would reach an estimated 126,000 by 2054, which is an extra 15,500 people or 5,400 more dwellings than the medium scenario.

Table 3.3: Forecast Scenario for New Plymouth District

We consider that the medium projection is the most suitable scenario for assessing future population changes as it is consistent with the medium projection for the national population projections.

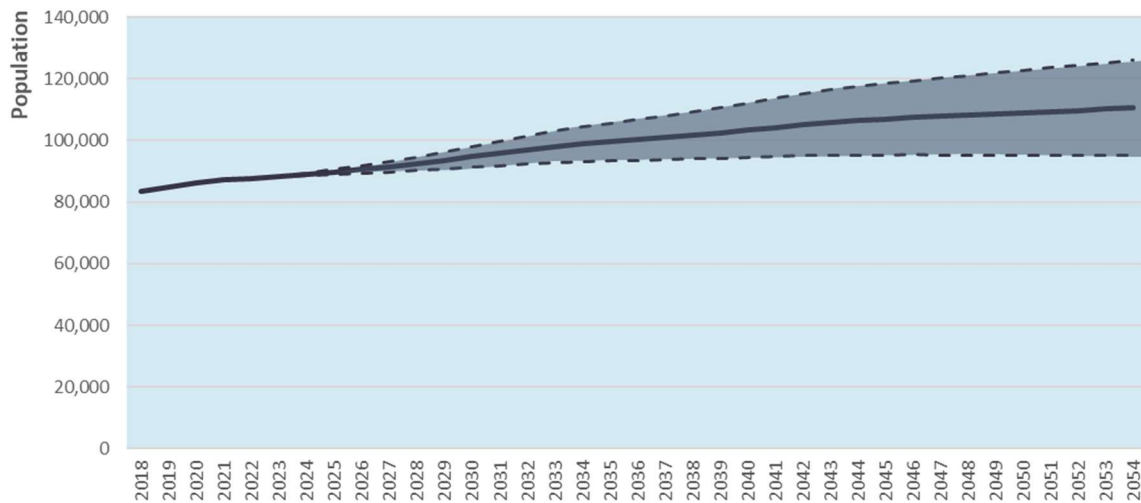


Figure 3.1: New Plymouth Population Projection scenarios

The most recent population projection offers provide some insights into drivers, particularly in the aftermath of COVID-19 when international borders were closed. Disruptions in migration and economic uncertainties have resulted in shifts in migration patterns and birth rates. Looking ahead, we anticipate a gradual increase in migration to approach pre-COVID levels in the short term, which will likely be the primary driver of population growth for New Plymouth.

In line with national trends, New Plymouth will have more deaths than births in the coming decades. Moving towards this future means that we will become increasingly reliant on international and domestic migration to prop up our population. As a result, we can expect lower population growth and a tighter workforce for years to come.

Slower population growth and an aging workforce will increase competition for labour and makes economic and job activity an even more important driver of local population trends. With these trends in mind, we will continue to assess, model, and monitor how our population and economies are evolving and what this means for future capacity.

Business Projections

Retail

The following flow chart shows the methodology developed by Property Economics called the 'Retail Expenditure Growth Model', which has been used to estimate retail expenditure. The diagram represents the key inputs and outputs of the model.

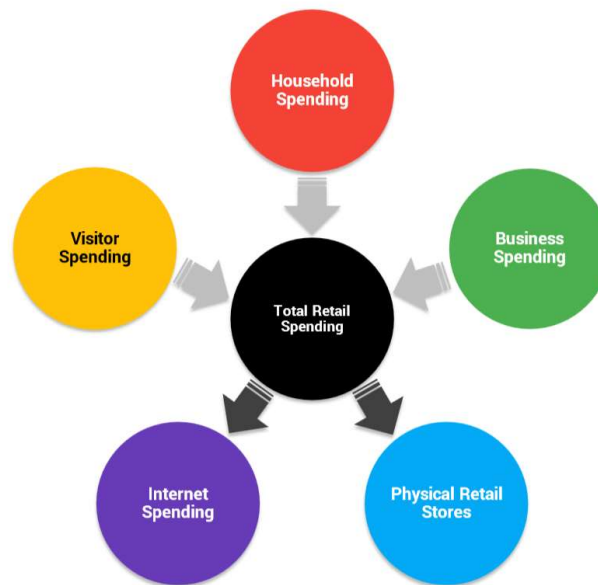


Figure 3.2 – Retail Expenditure Growth Model Flow Chart – Property Economics

Commercial

Property Economics have forecasted New Plymouth's commercial employment projections based on a variety of factors including:

- National and Regional GDP and employment projections
- Population projections – these are key both to labour force projections and population based employment
- Labour Force projections (skilled/unskilled)
- Regional ability to accommodate growth
- New Plymouth sub-region relative business land supply and prices
- Trended growth
- Economic development directions
- Locational criteria by sector
- National / Regional and local supply of inputted goods and location of market
- Business sector analysis
- Increasing working age

Commercial land demand estimates are based on the current business environment. It is important to note that these are net projections. They do not include servicing requirements and are rounded to the nearest whole number for ease of understanding.

Industrial

Property Economics have projected industrial employment for New Plymouth out to 2054, factoring in changing labour force participations rates over the period. The key input utilised in these projections are the Infometrics Population projections.

The industrial projection employment is based on a variety of factors including:

- National and Regional GDP and employment projections
- Population projections – these are key both to labour force projections and population based employment
- Labour Force projections (skilled/unskilled)
- New Plymouth relative business land supply and prices
- Trended growth from the past 20 years.
- Economic development directions
- Locational criteria by sector
- National / Regional and local supply of inputted goods and location of market
- Business sector analysis
- Increasing working age

It is also important to note that these projections do not factor in changes to industrial land prices resulting from price changes in surrounding areas, which can influence where businesses decide to locate. However, given the unpredictability of land values, this report assumes that the relative prices between New Plymouth and surrounding areas will remain constant over the forecast period.

3.3 Capacity Assessment

In accordance with the NPS-UD requirements, the assessment calculates the capacity that is measured against a range of different development layers. The measures of capacity are:

1. Plan-enabled Capacity – the dwelling capacity that is enabled by land zoning within the district Plan.
2. Commercially feasible capacity – plan enabled capacity where it is feasible for a commercial developer to develop the land or construct a dwelling.
3. Infrastructure-serviced capacity – the dwelling capacity that is served by infrastructure at each assessment point in time. In this assessment, this is a subset of the plan-enabled and commercially feasible capacity.
4. Reasonably expected to be realised capacity – this is measured as a subset of the commercially feasible and infrastructure-served capacity that could reasonably be realised to accommodate future dwellings. This is accomplished through a better understanding of ownership, developer intentions, and development timing). This capacity is measured conservatively.

This is shown in figure 3.3 below:

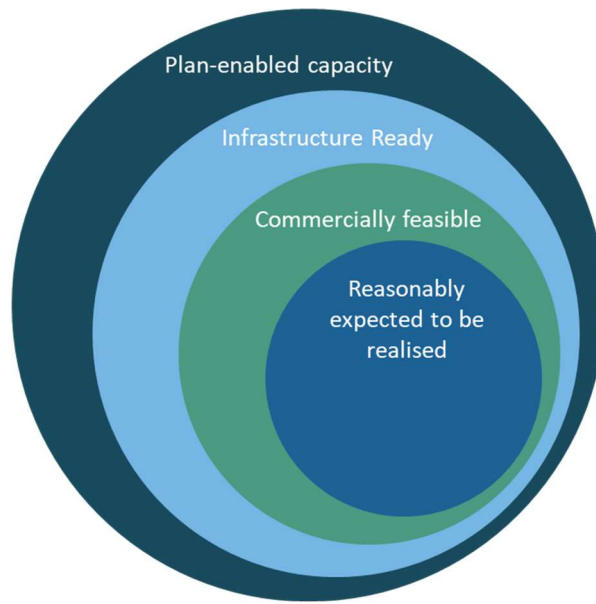


Figure 3.3: NPS-UD Housing Capacity Assessment layers

Source: *Guidance on Housing and Business Development Capacity Assessments (HBAs) under the National Policy Statement on Urban Development*

Land identified for capacity in the short to medium term is zoned residential or part of a SPDA in the PDP and is open to development. Any land that is currently zoned as a FUZ is considered in the long term as potential capacity, contingent upon the identification of supporting infrastructure in the 2024 LTP or IS. More details on the NPS-UD Objectives and Policies can be found in **Appendix 1**.

Short to Medium Term	Land that is zoned for housing use in the PDP.
Long Term	Land that is either zoned as above, or land identified by the local authority for future urban use or urban intensification, in a Future Development Strategy (FDS). The development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy.

Table 3.4: Capacity by Zoned Layers

Whilst most of the residential capacity is provided in the district's urban areas, (including New Plymouth City and some smaller urban areas surrounding the Central City), this report assesses the capacity across the entire district. The current capacity assessment does include a small percentage of developable land in rural areas in the short to medium term, only around four per cent of total capacity is forecast to occur within the rural environment in the next 30 years.

Infrastructure Assessment

The Councils aim to meet the district's growth through efficient and cost-effective infrastructure networks and through greater intensification. This requires a better understanding of New Plymouth's existing infrastructure and the implications of any infrastructure decisions upon wider networks.

Infrastructure-ready development capacity: definition	
Short Term (0-3 years)	Development capacity with adequate existing development infrastructure to support the development of the land
Medium Term (3-10 years)	Development capacity with adequate development infrastructure to support the development of the land, or adequate development infrastructure is included in a long-term plan
Long Term (10-30 years)	Development capacity with adequate existing development infrastructure to support the development of the land, or adequate development infrastructure is included in a long-term plan or infrastructure strategy

Table 3.5: Infrastructure Ready development capacity

The tables below present the SPDA and draft growth-related infrastructure projects outlined in the development of the draft NPDC 2024-2034 LTP, with a cumulative value exceeding \$155 million. An extra \$57 million is allocated for growth-related initiatives district wide. It's essential to note that the final budget for the LTP is still under consultation, and there may be slight variations in the final 2024 LTP budget.

Significant Activity	Description	Budget LTP 2024-54
Puketapu		
Transportation	Airport Drive/ Parklands Avenue Roundabout - Parklands extension	\$1,225,199
Transportation	WC341 W&C Waitaha Stream SH3 Underpass	\$1,960,000
Transportation	WC341 LRI Waitaha Stream Bridge	\$2,100,000
Water Supply	Puketapu Development Area - water supply upgrades	\$2,310,000
Wastewater Treatment	Parklands Ave Extension Puketapu Sewer Main	\$2,500,000
Property	Land Purchase - Area Q (Puketapu growth area)	\$2,900,000
Parks and Open spaces	Park Development - Area Q Growth Area	\$5,000,000
Wastewater Treatment	Bell Block Trunk Sewer - Capacity Upgrade	\$6,160,000
Stormwater Drainage	Puketapu Area Stormwater - Phase 2	\$10,230,000
Transportation	Parklands Ave extension (Waitaha Stm bridge - Airport Dr)	\$10,600,000
Stormwater Drainage	Puketapu Area Stormwater - Phase 1	\$26,800,000
		\$71,785,199
Patterson		
Water Supply	Veale Rd Pump station inlet and outlet upgrade	\$210,000
Water Supply	Patterson Road Growth Area Water Main	\$396,800
Stormwater Drainage	Patterson Road Culvert Replacement	\$400,000
Property	Land Purchase - Patterson Growth Area	\$603,402
Wastewater Treatment	Waimea Valley Sewer Extension	\$4,400,000
		\$6,010,202
Carrington		
Property	Land Purchase - Upper Carrington Growth Area	\$247,475
Transportation	Carrington Road (Peri-Urban) Widening	\$515,000
Wastewater Treatment	Upgrading of Huatoki Valley Sewer Main	\$1,210,000
		\$1,972,475
Junction		
Property	Land Purchase - Junction Growth Area	\$206,230
Wastewater Treatment	Junction Growth Area Sewer Upgrade Thames	\$500,000
Wastewater Treatment	Junction Street Growth Area downstream sewer capacity upgrade	\$550,000
Wastewater Treatment	Junction Street Growth Area Sewer PS	\$1,000,000
		\$2,256,230
Smart Road		
Transportation	Waiwhakaiho River Second Viaduct Bridge investigation	\$500,000
Water Supply	Smart Rd Reservoir and Water Supply Trunk Main	\$680,000

Stormwater Drainage	Mangaone Flood management	\$1,000,000
Water Supply	Smart Road Reservoir - Land Acquisition	\$1,000,000
Transportation	WC341 LRI Smart Rd Widening	\$1,300,000
Stormwater Drainage	Mangaone Flood management - Planning	\$5,000,000
Wastewater Treatment	Smart Road Growth Sewer	\$6,000,000
		\$15,480,000

Table 3.6: 2024 Long Term Plan Growth Related Projects

TRC's 2021-2023 Long Term Plan and Infrastructure Strategy have also been taken into account. Specific infrastructure and service provision relating flooding and public transport respectively are not affected in the short to medium term, and future considerations will be informed by the FDS going forward.

The Councils must also consider infrastructure such as education, power, gas and transportation networks required to support future urban development. This requires consulting with providers to ensure there are no significant barriers to infrastructure being available. As part of the FDS, additional work will be undertaken to ensure growth can occur as outlined in the PDP.

Ministry of Education

The New Plymouth District Council regularly collaborates with the Taranaki representative of the Ministry of Education to facilitate the exchange of information between the two entities. The latest National Education Growth plan for New Plymouth, released in 2019, is accessible through the following link:

<https://assets.education.govt.nz/public/Uploads/NewPlymouthCatchmentPlan.pdf>

Most primary schools are operating at full capacity, especially in the central south-western area where schools with available spaces are concentrated. To address the challenge of limited space, we are actively assisting schools with constrained capacities in implementing effective enrolment schemes to mitigate the risk of overcrowding. Although there are no ongoing site acquisition initiatives, our collaboration with the Ministry of Education remains steadfast. We will continue to assess the need for land to accommodate future developments, ensuring proactive measures are in place. There is a potential need for additional schooling facilities in the Smart Road FUZ beyond 2034, and we are prepared to address this as required.

4 Housing Capacity Assessment

This section analyses the future demand for housing in the New Plymouth district and includes estimates of the district’s capacity to develop new housing to meet this demand. It considers New Plymouth’s PDP, future capacity enabled by development infrastructure provisions, and the likely commercial feasibility of development based on current market conditions.

4.1 Demand for Housing

Household Types

Our average household size is changing as the age structure of the population shifts. Older age groups typically form one or two-person households, so as New Plymouths population ages, the average household size is set to fall. Similarly, trends in fertility such as women having children later in life and having fewer children also have the effect of driving down average household size. A decreasing household size means that we need more houses to accommodate the same number of people.

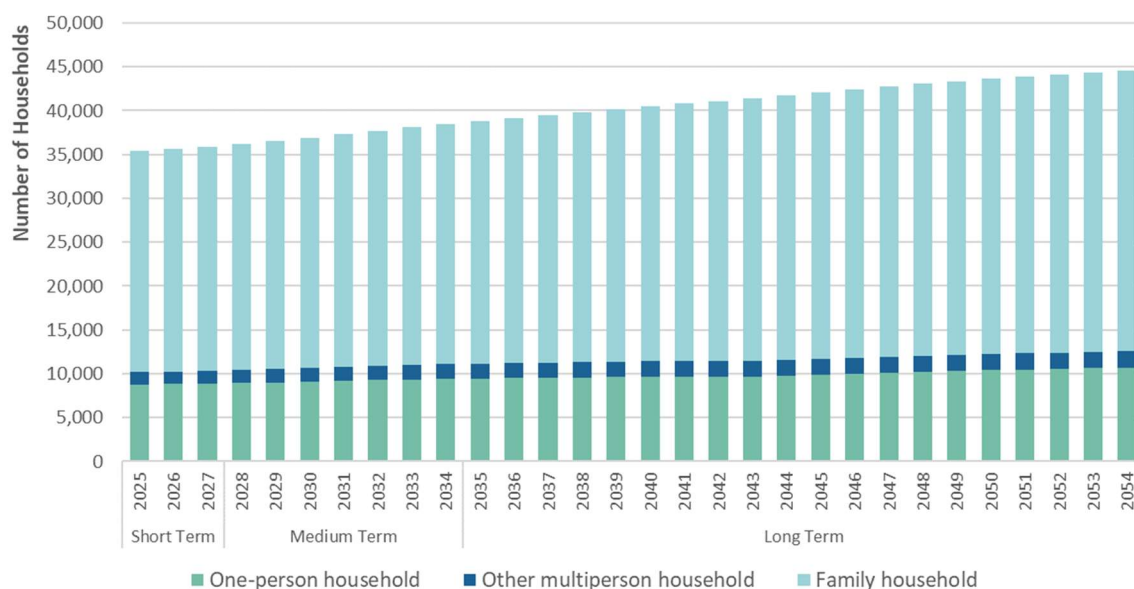


Figure 4.1: Estimated Household Types for New Plymouth District

	2024	2029	2034	2039	2044	2049	2054
Individuals per household	2.48	2.51	2.52	2.5	2.5	2.45	2.42

Table 4.1: Individual Household Structure for New Plymouth District

Our average household size is projected to increase from 2.48 people per household in 2024 to 2.52 in 2034. This increase will then start to ease in the long term and drop down to 2.42 by 2054. This decline would appear to be insignificant, but it means 1,000 new households, in addition to those required by population growth. This will be likely to lead to a diversification of housing needs and therefore the types of houses being built.

Housing Demand by Type

Overwhelmingly, the predominant housing type built in the district is the detached house, with housing types such as units, flats, townhouses, or studio accommodation less popular in the current market.

	Houses	Townhouses, flats, units, and other dwellings	Apartments	Retirement Village Units
Last 12 months	81%	6%	2%	12%
Last five years	80%	7%	2%	11%
Last 10 years	61%	6%	10%	22%

Table 4.2: New Plymouth Residential Building Consent Applications by type

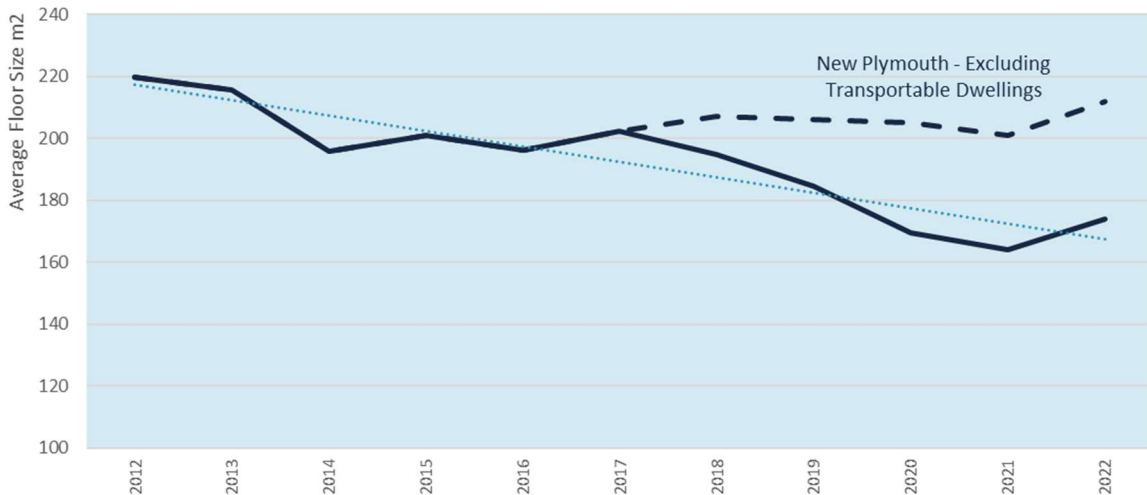


Figure 4.2: Average size of detached house in New Plymouth by building application year.

Source: Statistics New Zealand Building Consents by Territorial Authority and Internal NPDC Data

Over the past 10 years, the average house size in the district has been on a slow decline from an average of 200m². A major factor in this decline is the increasing number of transportable dwelling factories in New Plymouth.

There are four key findings on housing demand by type which help produce projections going forward:

- Attached dwelling typologies currently make up 6% of new residential building consents. Based on market trends and projected household composition growth, we estimate there will be an increase in the number of joined dwellings to 20 per cent of all new dwellings in New Plymouth by 2054.
- The remaining 80 per cent of new dwellings in New Plymouth will be standalone dwellings by 2054. Standalone dwellings will continue to require an average floor space of a minimum of 180m² and must accommodate 3-4 bedrooms¹.
- Recently the market for apartments spiked due to a large consent application in 2023 for 44 apartments. Noting that the PDP includes policies to promote apartment construction, we view this recent development as an isolated occurrence rather than an ongoing trend in the short term. In this regard, we haven't incorporated apartment projects into our medium to long-term projections, but we will continue to monitor the data for any changes.
- Retirement Villages at present make up around 5-8% of all applications. Given the expected increasing ageing population we expect this trend will continue. Retirement Villages are anticipated within the residential and centres zones of the PDP, however given their scale,

¹ The majority of sites have the potential to develop dwellings larger than 180m² but we have set this to the minimum requirement

finding suitable land within the district to accommodate the activity can be challenging. Currently any retirement village requires resource consent under the PDP.

	Standalone house			Attached Dwellings/Flats		
	Short	Medium	Long	Short	Medium	Long
Demand growth	625	2,734	7,657	111	560	1,788
Demand growth plus margin	751	3,281	8,942	133	672	2,085
Plan-enabled, feasible and reasonably expected to be realised housing development capacity	4,741	5,033	9,252	2,059	2,077	2,103
Surplus/deficit	3,991	1,752	311	1,926	1,405	18

Table 4.3: New Plymouth Residential Feasible Capacity

Housing Demand by Location

Over the last five years, around 50% of all new dwellings were in residential areas of New Plymouth, with an additional 20% in the Bell Block residential area. The remaining 30% are in the residential areas of our smaller townships or the rural area. Bell Block is expected to continue to have a high number of consents in the short term to medium term, with the development of Bell Block Puketapu SPDA² and a sizeable proportion of undeveloped residential land.

Historically we have seen a high proportion of consents in the rural environment zone. However, policy changes to the PDP aim to decrease the number of applications in the rural environment (short to medium term) along with the zoning of some properties to Rural Lifestyle Zone.

The number of residential building consents over the last five years and projected going forward into the long term are displayed below. Ōākura is grouped with the Kaitake rural Statistical Area (SA). The Kaitake SA forms the boundary to residential Ōākura and encompasses two future growth areas that are currently still zoned Rural.

		Last Five Years	2022	Short Term	Medium Term	Long Term
New Plymouth (SA2 below)		52%	58%	46%	51%	69%
Bell Block		19%	15%	28%	19%	8%
Waitara		5%	2%	7%	8%	6%
Ōākura (and Kaitake SA2)		6%	5%	4%	5%	6%
Inglewood		3%	3%	3%	4%	3%
Rural		15%	17%	12%	13%	9%
New Plymouth SA2	Blagdon-Lynmouth	1%	1%	1%	1%	1%
	Ferndale	2%	1%	5%	3%	2%
	Fitzroy	2%	3%	2%	2%	1%
	Frankleigh Park	1%	1%	1%	2%	2%
	Glen Avon	1%	1%	4%	7%	32%
	Highlands Park	2%	2%	3%	3%	2%

² Formerly 'Area Q' SPDA.

Hurdon	4%	4%	4%	6%	8%
Kawaroa	1%	0%	2%	2%	1%
Lower Vogeltown	3%	6%	3%	3%	2%
Marfell	3%	0%	4%	3%	2%
Merrilands	1%	2%	2%	2%	2%
Moturoa	1%	1%	2%	2%	1%
New Plymouth Central	1%	1%	2%	2%	1%
Port Taranaki*	8%	9%	0%	0%	0%
Spotswood	4%	10%	3%	3%	2%
Strandon	4%	3%	2%	3%	1%
Upper Vogeltown	3%	3%	6%	3%	2%
Waiwhakaiho-Bell Block South	2%	2%	0%	0%	0%
Welbourn	3%	3%	1%	2%	2%

Table 4.4: New Plymouth Residential Building Consent Previous and Projected

*Port Taranaki figures are artificially elevated due to transportable housing factories in these locations. Future growth is not identified in this location due to unrealistic figures. While these dwellings are consented in this location, the future location of the dwelling is not determined.

The New Plymouth district includes both urban and rural locations. Figure 4.3 below demonstrates where residential development has occurred in the New Plymouth urban area over time. As consents demonstrate, significant amounts of growth have occurred in the Bell Block area and on the residential boundary into rural environments.

Residential Dwelling Build Date – 2022 QV Data

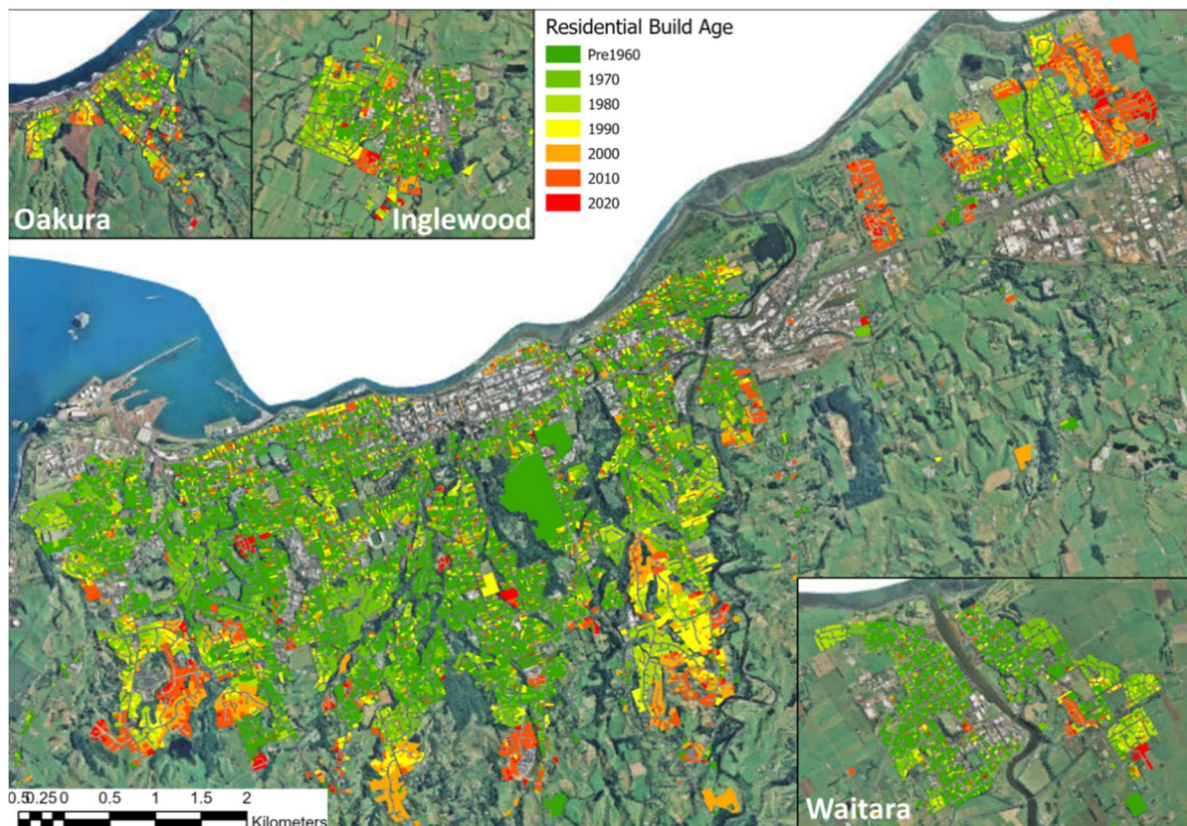


Figure 4.3: Residential Built Year by Location

Source: 2022 QV Data

By examining house prices to understand the location of demand, it has been identified that areas experiencing a higher increase in land value are in close proximity to specific amenities, such as those near the city centre or coastal properties with sea views. From the figure we can see that land value in the Ōakura township (mainly red to orange) is much higher than in Inglewood or Waitara (Yellow to Green).

Across the district, land value as a percentage of capital value has slowly increased over the past nine years.³ The increasing ratio shows that land has become more valuable over time than the buildings that occupy it, indicating increased demand for land.

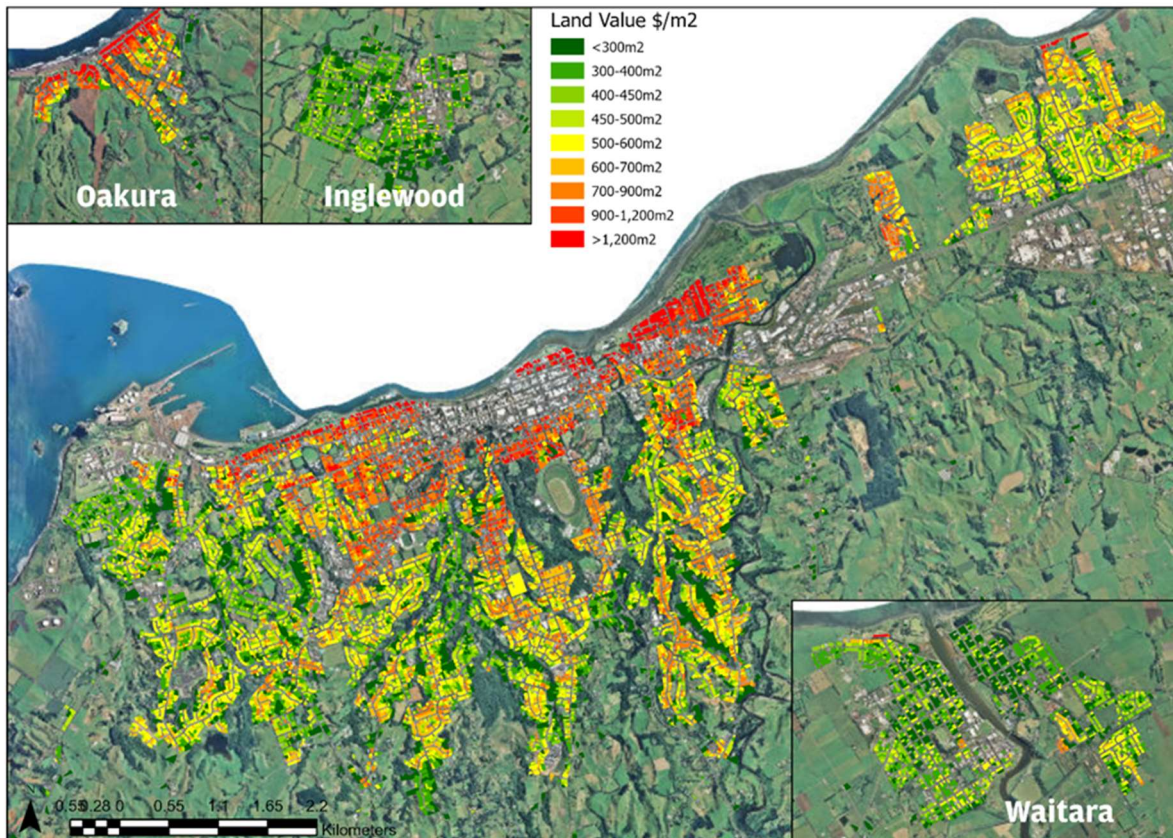


Figure 4.4: Residential Land Value (m²) by location

Source: 2019 QV Data

Some of these high-value areas are also identified as new medium density areas in the PDP due to their proximity to shopping areas. This is a strategic policy shift and has the potential to make development more feasible and affordable in the long term by minimising urban sprawl and increasing housing supply and housing options in the district, and by encouraging infill and intensification around the main centres.

Housing Demand by Price

The mean household income in New Plymouth for 2022 is estimated to be \$110,000 per dwelling. According to the home loan calculators, based on a loan term of 30 years and current floating interest rate, this income could afford a property up to \$590,500. Based on the QV estimated capital values in

³ Land Value as a percentage of Capital Value can be found in the New Plymouth NPS-UD Quarterly Monitoring Reports.

New Plymouth for residential dwellings only around 40% of all dwellings are worth less than \$600,000. In return around 60% of all dwellings are unaffordable according to the mean household income. This equates to demand for dwellings with a lower property value being in higher demand.

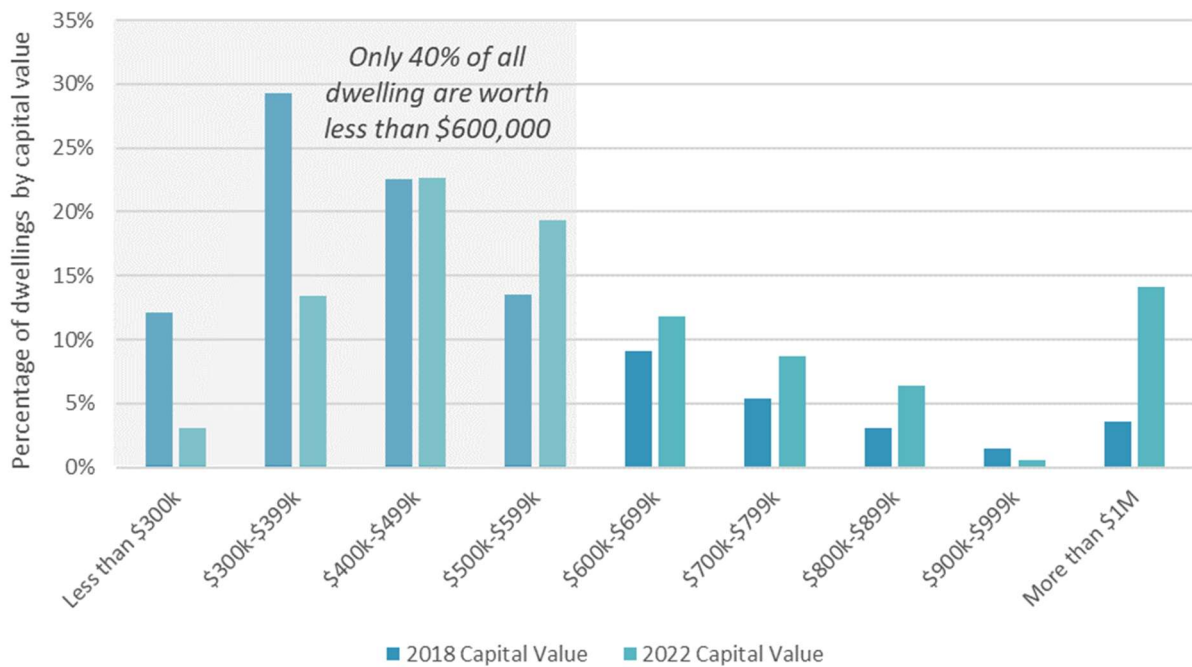


Figure 4.5: Dwelling Capital Value breakdown

Analysis of housing market and impact of planning

Every HBCA must include an analysis of how the relevant local authority’s planning decisions and provision of infrastructure affects the affordability and competitiveness of the local housing market. Any shortfall of development capacity may have an impact on the affordability of housing by restricting new supply. Alongside this report, NPDC are developing a new Taranaki Housing Strategy in partnership with iwi and the community. The focus of this strategy is to develop accessible and affordable housing and to better understand affordable housing in the future.

This section investigates the affordability of housing in New Plymouth, the Taranaki region and for the country as a whole by comparing average current house values with mean household income. To do this, a housing affordability index (HAI), which is the ratio of the average current house values to average household income, is used. A higher ratio suggests that median houses cost a greater multiple of typical incomes and thus indicates lower housing affordability. The cost of building or buying a first home in New Plymouth has increased, with housing affordability decreasing, although this is at a lower rate than the national average.

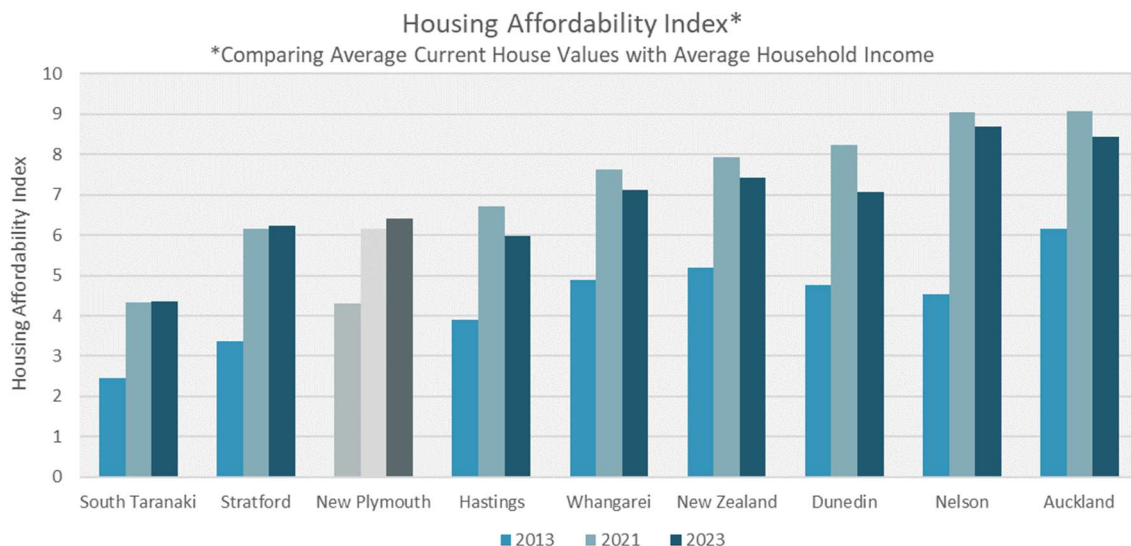


Figure 4.6: Housing Affordability Index comparison against others

New Plymouth has a lower housing affordability rate than the national average. The New Plymouth HAI is 6.40 which is less than the New Zealand HAI of 7.42 and significantly less than Auckland which is 8.45. The HAI for South Taranaki is lower than New Plymouth and Stratford, which increased in 2023 to 6.24, like the New Plymouth rate. This indicates that both New Plymouth and Stratford have similar household affordability relative to house values.

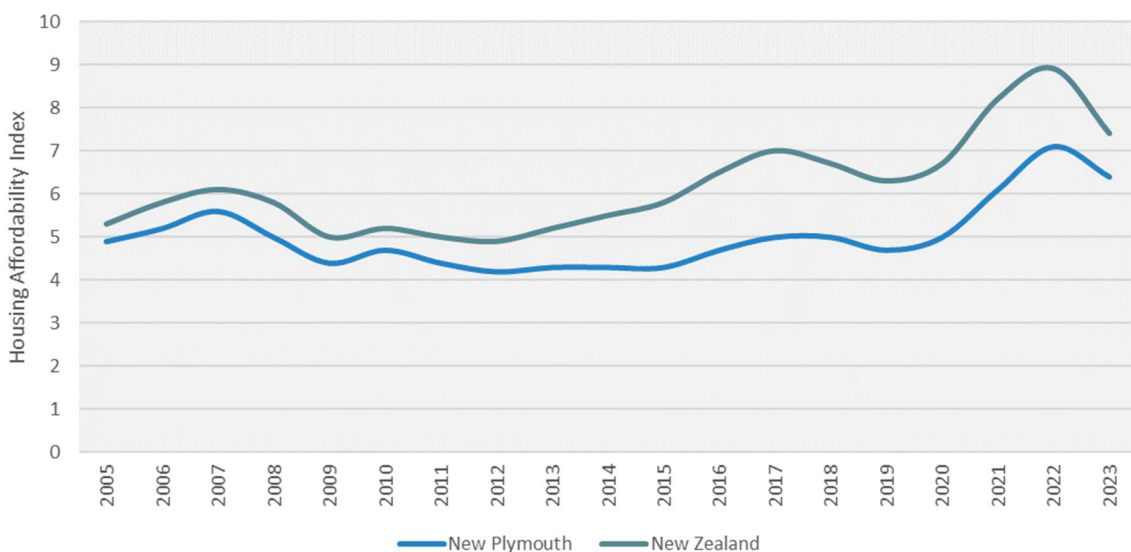


Figure 4.7: Housing Affordability Index for New Plymouth and New Zealand 2005-2023

Looking at the HAI over the past 18 years, the general trend is dwelling house price has increased at a higher rate than the average household income. The trend for New Plymouth has been consistently lower than the New Zealand average. In the last 12 months we have seen a recent drop in the average house price which has had a positive effect on housing affordability compared to income.

The price efficiency indicators provided by the Ministry of Housing and Urban Development’s Urban Development Dashboard to help Councils to understand how their local markets are responding to growth are similar. They include the price-cost ratio, which compares the extent to which construction costs or land costs contribute to house prices.

The methodology used to develop price-cost ratios for housing in New Zealand urban areas and territorial authority can be found here

<https://www.hud.govt.nz/assets/Uploads/Documents/National-Policy-Statement-on-Urban-Development-Capacity-Price-efficiency-indicators-technical-report-Price-cost-ratios.pdf>

The key components of the price-cost ratio are illustrated below:

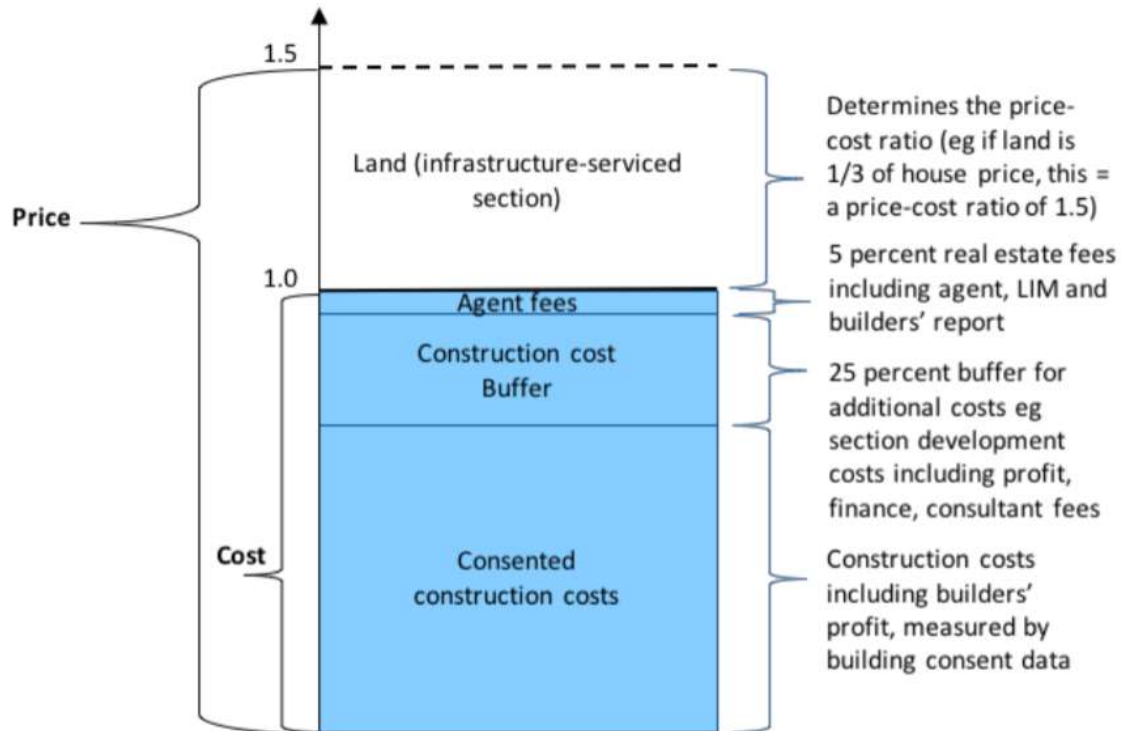


Figure 4.8: The components of the price-cost ratio - Ministry of Housing and Urban Development

Over time, except during periods of rapid growth, most areas show price-cost ratios below 1.5 (where the cost of sections comprises less than one third of the price of a house). These results suggest a threshold of 1.5, below which land markets are operating well, and above which there are constraints on the supply of infrastructure-serviced sections relative to demand. New Plymouth follows a trend just below the 1.5 threshold. Demand for land in Stratford and South Taranaki does not appear to be as high as in the New Plymouth urban area.

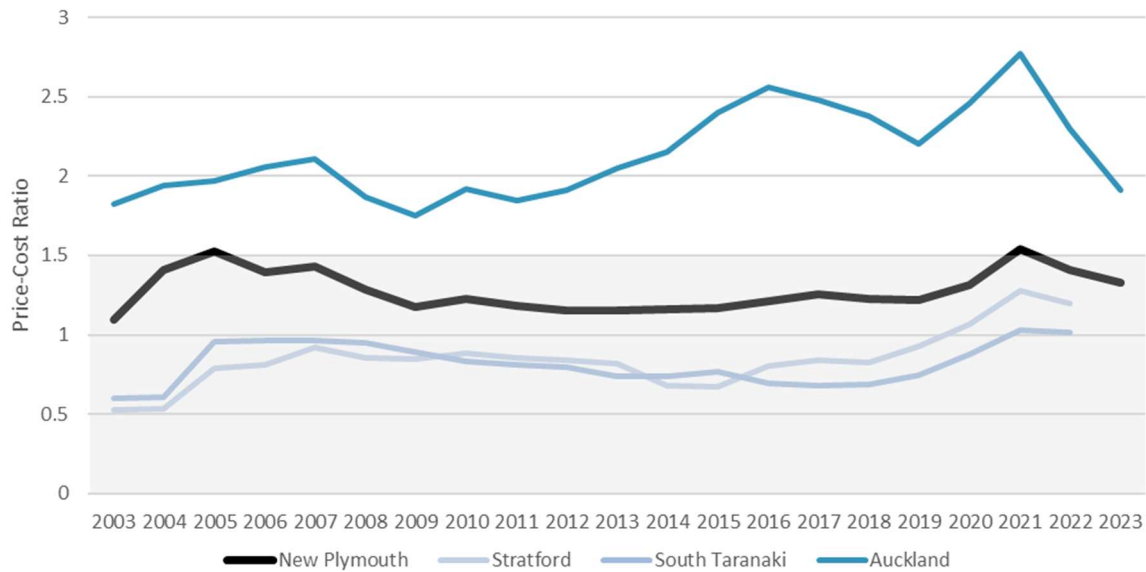


Figure 4.9: Price Efficiency Indicator – Price-Cost Ratio provided by NPS-UD

Our ageing population

Overall, the district’s population is expected to continue ageing, with the greatest increase occurring in the 65 and over age group. This age group is predicted to grow from 20% in 2024 to nearly 25% by 2054. With an ageing population we anticipate a greater demand for rest homes and retirement villages and one or two-bedroom homes.

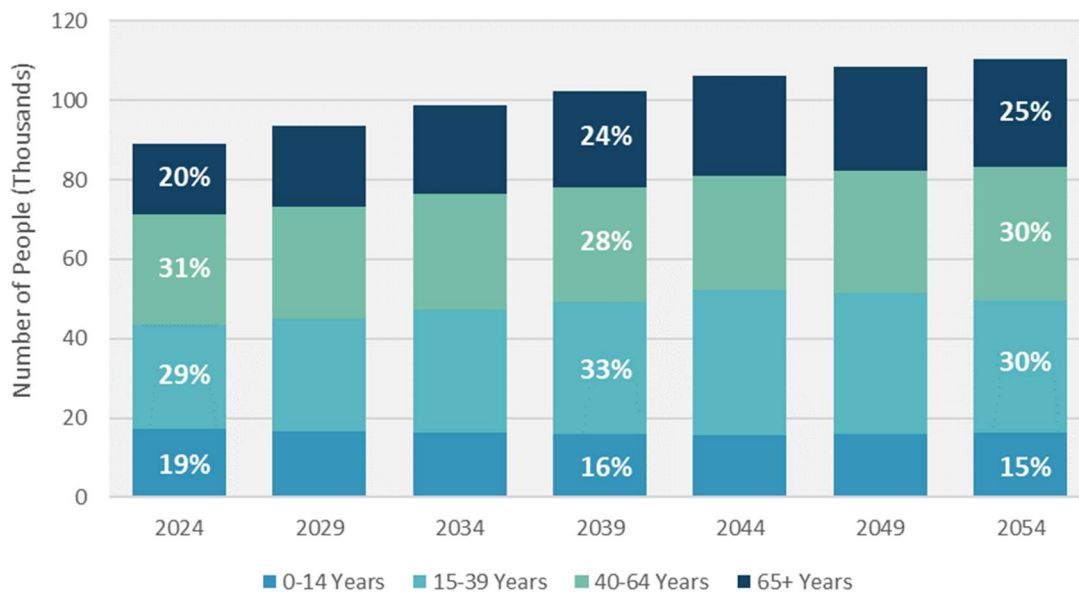


Figure 4.10: New Plymouth District Age as a percentage of population projection

Māori Housing

NPDC/TRC needs to do further work to capture and reflect the current and likely future māori housing demand. Assessing the barriers to achieving māori housing needs and aspirations will enable council to consider these factors in decision-making and be better prepared to engage meaningfully with

Treaty partners. As part of the 2024 FDS, further work will be done to ensure these demands are identified and future HBCA will ensure that these needs are met.

The PDP specifically provides for papakāinga through a new Māori Purpose Zone (MPZ). The purpose of the Māori Purpose Zone is to enable Pā/marae, papakāinga housing and associated activities on land owned by tangata whenua and to assist Māori communities to provide for their unique social, cultural, environmental and economic needs within the district. Papakāinga is also enabled in other zones to provide options across the district for Māori and enable tangata whenua to maintain or re-establish connections to their identity, culture, whānau and whenua. Iwi entities also have land development opportunities through Treaty Settlements, and these are part of the district's land supply.

A more detailed quantitative assessment of māori housing demand will be undertaken and included in the next quarterly report in 2024. Draft guidance for assessing demand was provided by the Ministry for the Environment (MfE). A quantitative assessment of māori housing demand should provide a snapshot of tangata whenua population trends, housing supply and affordability statistics, housing need levels and trends, consenting information and māori land, and any other information councils or iwi/hapū consider relevant.

Developer perspective

NPDC is working proactively with developers to enable housing supply in New Plymouth. Developers have raised concerns about land supply availability in the region and active speculation for future opportunities.

A key focus for developers is realising the opportunities to develop existing residentially zoned land. Feedback has indicated concerns with the availability and quality of the remaining zoned land for development. The sector has indicated that it is vital to understand and resolve constraints and impediments to development early, to allow development potential to be realised in a timely manner. Working to realise the opportunities for infill development is also a key focus and opportunity. The clear and cohesive growth strategy outlined in the FDS and PDP ensures a clear pathway for developers.

Like many other centres in New Zealand, it is acknowledged that New Plymouth is facing issues with basic infrastructure assets, particularly water infrastructure (water supply, wastewater, storm water). The focus of the next ten years is to address the issues with existing infrastructure, whilst providing infrastructure for the required growth the district is expected to experience. NPDC budgets are directed towards the renewal of existing infrastructure in the short term.

Tourist Accommodation

The provision of visitor accommodation can be another demand pressure on residential accommodation. In New Plymouth, commercial accommodation is predominantly located in the central city.

The stability of guest night accommodation in the region is evident, maintaining an average occupancy rate of around 52% throughout 2022. This figure experiences a notable boost during peak periods, particularly in January, reaching a peak of 73%, aligning with the highest influx of visitors during that month. While this suggests a gradual expansion in the market, the existing establishments appear to adequately cater to the current demand for commercial accommodation. However, the potential for growth in this sector within the central city is in direct competition with the demands for the same land from business growth. In our business capacity assessment, we have factored in a portion of the

commercial accommodation demand specifically within the central city, recognising the intricate interplay between commercial accommodation expansion and the dynamic requirements of the business landscape.

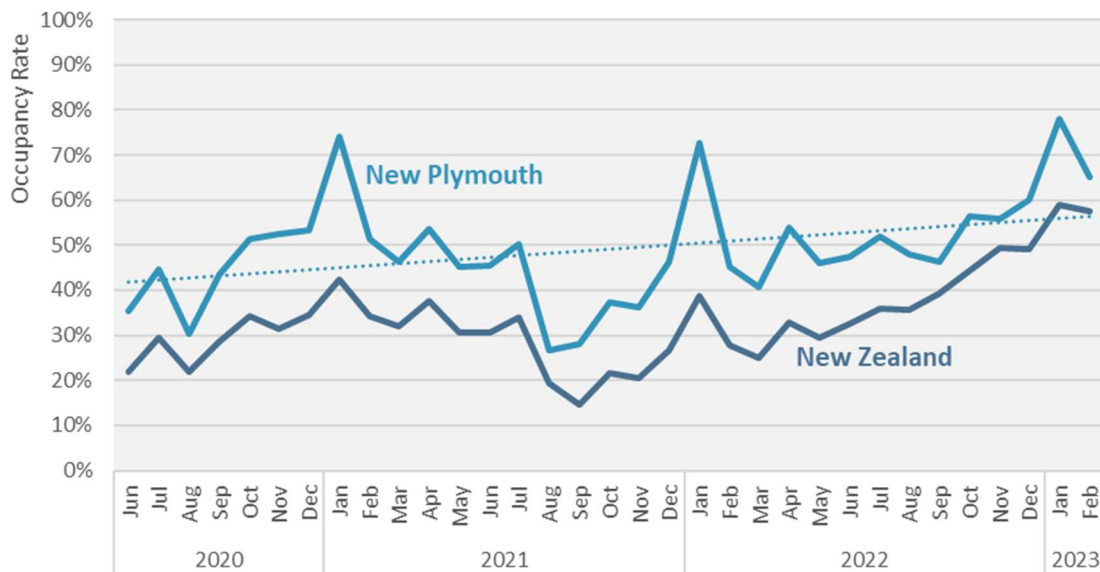


Figure 4.11: Occupancy rate from commercial establishments in New Plymouth and New Zealand

Data from Airbnb shows that in January 2020 there were 847 ‘entire place’ listings in New Plymouth. The growth in listings has plateaued since Airbnb arrived on the scene, as it currently sits around 794 listings in January 2023. Compared to the overall number of 34,700 dwellings in New Plymouth in 2022, this accounts for around 1.5% of the total housing stock.

However, while the impact of Airbnb on overall demand does not appear to be significant, and it provides a valuable visitor accommodation option alongside commercial accommodation, these dwellings are not available for long term rentals at a time of high demand in the rental property market.

Public Housing

Public housing provides individuals and whānau with a warm, dry, safe place to live. The demand for public housing in the New Plymouth district witnessed a notable upswing in 2022. Various factors, including issues related to Covid-19, demographic shifts, tenure patterns, employment dynamics, and welfare trends, along with an aging population, have collectively contributed to this increase. The peak was observed towards the end of 2020, and since then, the demand has remained relatively steady, with a slight decline noted in 2022. Similar trends are observable in the surrounding regions of Stratford and South Taranaki.

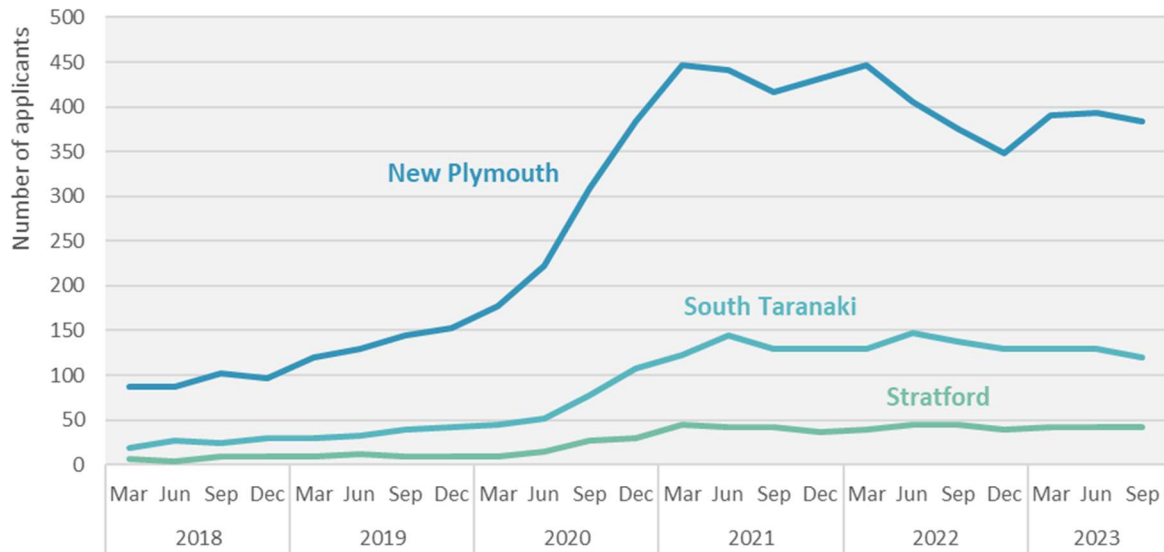


Figure 4.12: Ministry of Social Development - Housing Register for New Plymouth

Source: *Housing Register by Territorial Authority*⁴

The district’s current supply of 1,270 public housing in 2023 appears to be insufficient. This is indicated by an increase in the number of applications that has occurred since the first Covid lockdown in early 2020. New Plymouth is not alone with this housing issue and large increases in application numbers have occurred throughout the whole of New Zealand.

The Updated Public Housing Plan: Including 2024-2025 delivery is an extension of the Public Housing Plan 2021-2024. It sets out the Government’s public housing supply intentions and provides information about the location and number of the additional 3,000 public housing places to be delivered in 2024-2025. The 2024-25 supply intentions for Taranaki are estimated to be between 80-110 new houses. This is a range not a target or limit, and they will vary on what is delivered due to the wider housing and construction sector’s capacity to bring on supply.

Kāinga Ora Homes and Communities will deliver most of the new public housing. Delivery continues to be supported by Community Housing Providers, and iwi and Māori partners who will complement Kāinga Ora and build public housing where they are better placed to do so, particularly in some regions.

Climate Change

Climate change is widely recognised as one of the most significant and complex global issues we face. In coming years, the effects of a changing climate will continue to impact our environment. The LTP (particularly the associated Infrastructure Strategy) and the PDP lay the foundations to prepare for potential increased climate change impacts in the future.

The climate of Taranaki is changing, and these changes will continue for the foreseeable future. The rate of future climate change depends on how fast atmospheric greenhouse gas concentrations continue to increase. In 2022 TRC commissioned NIWA to undertake a review of climate change projections and impacts for the Taranaki region:

⁴ Data provided by Ministry of Social Development June 2021

- Community: Climate change could impact on the social, economic, environmental and cultural well-being of the community in the following ways:
 - Coastal hazards. Most of the New Plymouth District has an erosion formed coastline. There is a mix of both Council (public), and private, mostly urban based coastal erosion protection in the form of boulder rip rap seawalls. Recently the Onaero and Rohutu Block (Waitara East Beach) communities have been involved in discussions with Council regarding their vulnerability to coastal erosion. In 2023 Council completed the transfer of a coastal permit for a seawall adjacent to Motukari Place to the Onaero Foreshore Protection Society Incorporated allowing residents the ability to complete a private seawall. The LTP includes funding for adaptation planning and specifically an adaptive management plan for Urenui and Onaero to determine the best future approach to dealing with both the existing coastal hazard risk and the forecasts of climate change. NPDC will continue discussions with the Rohutu Block trustees regarding their vulnerability to coastal erosion. Most other urban communities with high erosion risk are already protected by seawalls. Adaptation planning may highlight other areas requiring specific planning. Flooding - The PDP outlines areas vulnerable to flooding by considering climate change predictions. Flooding risk may increase from both upstream and local rainfall. Urban areas have a variety of flood control works and stormwater systems to manage these risks.
 - Drought – Climate change brings with it an increased risk of droughts. The Tapuae Roa Action Plan (part of our regional economic development strategy) outlines the need to consider new land uses to address climate change impacts for farms and acknowledges that there could be issues with the viability of some farms. The increased risk of droughts would also impact the Council’s water supply service.

The PDP contains objectives in respect of both climate change adaptation and mitigation. Numerous policies and rules in the PDP also address implementation of the objectives. While climate change provisions are mostly located within the natural hazards and coastal environment chapters, climate change also features in other chapters and relate to:

- compact urban form which reduces the need for private motor vehicles and considers energy efficiency;
- transportation planning that allows for electric vehicles and a reduced need for private vehicles;
- managing growth and development carefully in respect of known risks from natural hazards, including the effects of climate change;
- adaptive management to support communities impacted by natural hazards, including the effects of climate change;
- protection of significant natural areas (SNAs) and promotion of the restoration of waterbodies and indigenous biodiversity; and
- recognising emerging technologies that offer potential for a transition to a low-emissions economy.

4.2 Housing Capacity

There is enough plan-enabled, feasible and reasonably expected to be realised capacity to meet the district’s housing demands in the short, medium and long term. This is provided for and enabled through NPDC’s PDP, existing infrastructure, and through future infrastructure identified in the Council’s LTP and Infrastructure Strategy. The type of housing enabled is standalone dwellings and townhouses/attached dwellings and apartments. In the long term, it is anticipated that the district

will see a wider range of housing typography including smaller houses to accommodate the ageing population.

The PDP provides enough plan-enabled capacity in the district in the short and medium term. However, without the inclusion of the FUZ identified in the PDP there is insufficient capacity for the long term.

Housing demand and development capacity	Term	Standalone Dwellings	Attached Dwellings	Total
Estimated housing demand	Short	625	111	736
	Medium	2,734	560	3,294
	Long	7,657	1,788	9,445
Additional housing demand with competitiveness margin	Short	751	133	883
	Medium	3,281	672	3,953
	Long	8,942	2,085	11,026
Plan-enabled housing development capacity	Short	7,597	3,911	11,508
	Medium	8,005	3,933	11,938
	Long	13,138	3,962	17,100
Plan-enabled, feasible housing development capacity	Short	5,787	3,229	9,016
	Medium	6,146	3,251	9,397
	Long	10,914	3,280	14,194
Plan-enabled, feasible and reasonably expected to be realised housing development capacity	Short	4,741	2,059	6,800
	Medium	5,033	2,077	7,110
	Long	9,252	2,103	11,355
Housing development capacity surplus/deficit	Short	3,991	1,926	5,917
	Medium	1,752	1,405	3,157
	Long	311	18	329

Table 4.5: Sufficiency of Housing Capacity to meet demand.

Capacity by Typology

Future capacity will be provided for standalone and attached dwellings in both suburban infill and undeveloped residential land. We expect the number of attached dwellings to increase to 20% of all new dwellings in the next ten years and remain stable out to 2054. Most attached dwellings will be constructed in and around the PDP City Centre Zone, and in the Medium Density Residential Zones, as this is where there is the greatest demand for semi-detached style housing.

	Standalone Dwellings	Attached Dwelling
Suburban Infill	64%	36%
Undeveloped Residential Land	80%	20%
City Centre	32%	68%
Rural Lifestyle	100%	0%
Structure Plan	91%	9%

Future Urban Zone	99%	1%
	82%	18%

Table 4.6: Percentage of Capacity of dwellings by Type

The purpose of the Medium Density Residential Zone is to provide a mixture of detached, semi-detached and terraced housing, and low-rise apartments. The zone applies in areas that are near to centres and it is intended that by enabling increased densities in these areas, the zone will play a key role in minimising urban sprawl and increasing housing supply and housing options in the district.

The zone is currently generally characterised by a mix of uses, including existing suburban scale residential housing (stand-alone houses) and townhouses. However, it is anticipated that the character and scale of buildings in this zone will transition over time as the number of medium density residential developments increases (i.e. multi-unit, semi-detached and terraced houses).

Capacity by Location

Most of the future capacity will be provided within the urban boundary of New Plymouth district. The largest area of growth is in the New Plymouth/Bell Block areas, followed by Waitara, Inglewood and Ōakura. The capacity aligns with the expected and identified areas of growth.

	Short Term	Medium Term	Long Term
New Plymouth	58.9%	60.7%	69.8%
Bell Block	18.1%	17.3%	10.9%
Waitara	9.1%	8.7%	7.1%
Inglewood	8.2%	7.9%	5.0%
Ōakura	2.3%	2.2%	5.1%
Okato	1.6%	1.6%	1.0%
Urenui	1.1%	1.1%	0.7%
Egmont Village	0.4%	0.3%	0.2%
Lepperton	0.3%	0.3%	0.2%

Table 4.7: Percentage of Capacity of dwellings by Location

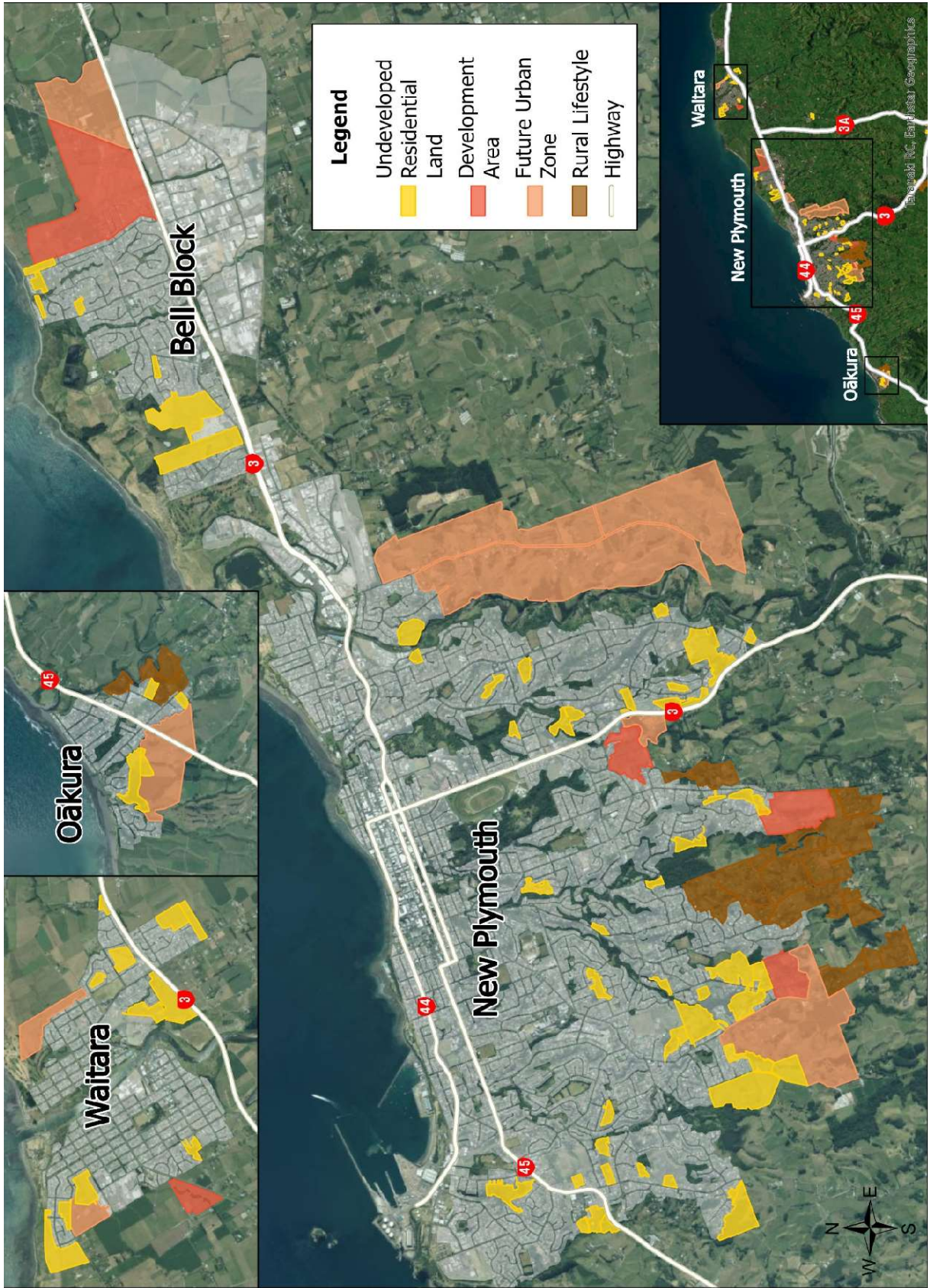


Figure 4.13: New Plymouth District Growth Map

Capacity by Type of Growth

Projected long-term future capacity for housing in the district is split across the following areas:

- Short term - capacity will be provided by undeveloped residential land and infill development, including the plan-enabled growth in the SPDAs.
- Medium term - capacity will be provided by undeveloped residential land and infill development, with the addition of all five SPDAs and rural lifestyle.
- In the long term, capacity will extend out to include all the Future Urban Zone areas identified in the PDP.

The map above demonstrates the areas in New Plymouth where capacity is available in the short, medium, and long term. Waitara and Ōākura also contain potential future urban zones for long term capacity.

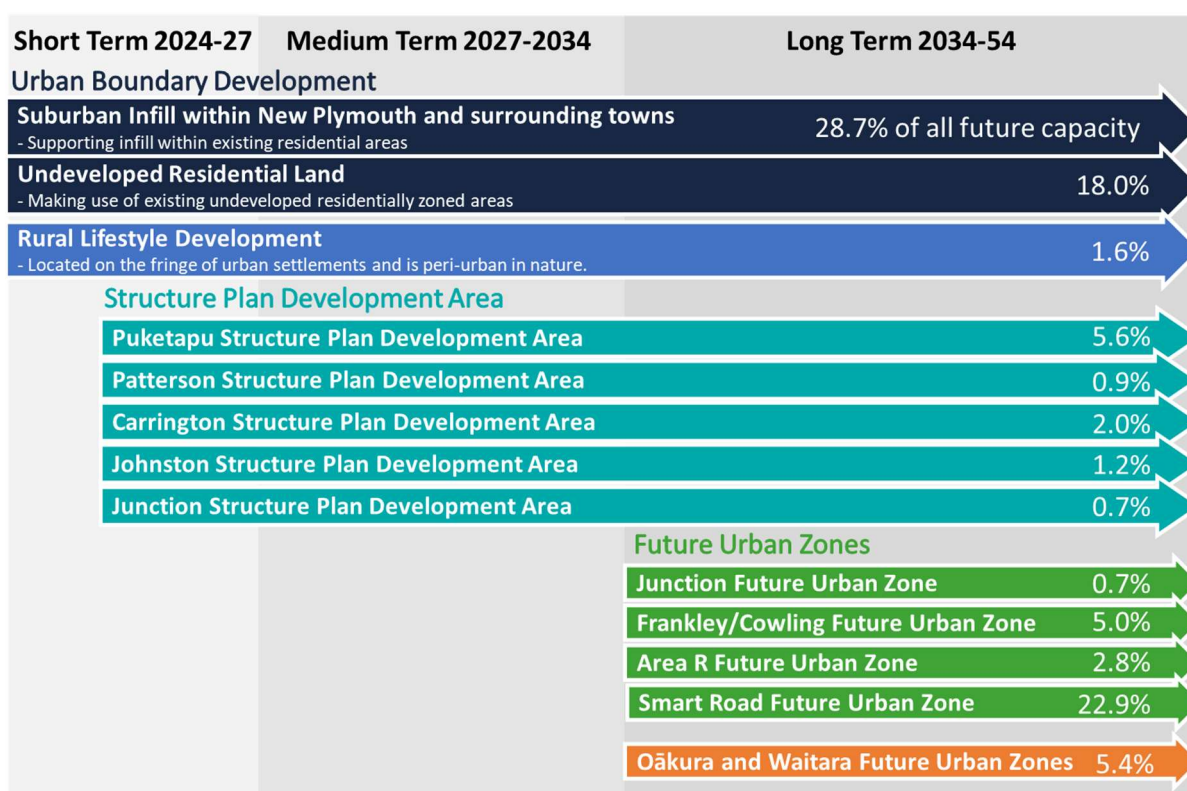


Figure 4.14: Residential Capacity by Growth Type

Urban boundary development

There are two potential development types within existing residential boundaries: suburban infill development, and undeveloped residential-zoned land. A combination of these types of development will provide most of the short-term housing capacity over the next 1 to 3 years. They will continue to provide future capacity into the medium and long-term alongside the additional SPDAs and Future Urban Zones.

Suburban Infill Development

Residential infill development is the establishment of new dwellings within existing residential areas and is facilitated by the division of existing residential properties into smaller sections or using sites for multiple dwellings. Infill includes development where:

- The existing house is retained and an extra dwelling/s is added;
- The existing house is removed and the entire site is used for an extra dwelling/s; and
- Comprehensive redevelopment where the existing house is removed and the entire site is redeveloped typically for multi-unit developments.

Mapping of infill areas was developed by NPDC using Geographic Information Systems (GIS) for residential areas of New Plymouth district, excluding low-density residential areas. Indicative areas of infill were identified that did not require moving existing dwellings but may need landscaping and removal of sheds. The mapping was based on 2017 building outlines and aerials and 2020/21 rates assessments. Smaller towns without wastewater mains have not been included in this layer. Larger lots (usually 10,000m² or more) are captured as undeveloped residential land.

Certain types of land were excluded from the infill analysis:

- Designations (excluding road widening)
- Esplanade Reserves
- Land containing Heritage Buildings or Items
- Land Covenants with building restrictions
- Land containing Notable Trees
- Parcels Identified as Local Purpose Reserve, Recreation Reserve and Scenic Reserve
- NPDC land used for community Halls, reserves, and sports clubs
- A small list of manually added areas such as community areas at the Links (private open space) and current areas of development.



Figure 4.15 – Snapshot of plan-enabled potential infill development within New Plymouth District

Property Economics has assessed the commercially feasible residential infill capacity in our three residential zones throughout New Plymouth. In the medium density zone the minimum lot size is

300sqm but up to three dwellings per site are permitted. A high-level overview of the model process used to determine the feasible residential capacity for New Plymouth can be found in **Appendix 2**.

Property Economics have undertaken a range of assessments including maximum profit outcome, demand reconciled, and realisable capacity. A more detailed explanation of realisable capacity, which is the assessment model we have utilised, is attached in **Appendix 3**.

Notified Zone	Maximum Profit Outcome			
	Apartments	Standalone	Terraced	Total
General Residential Zone	0	325	1,275	1,600
Medium Density Residential Zone	690	372	2,690	3,752
Low Density Residential Zone	0	10	0	10
	690	707	3,965	5,362

Table 4.8 – Maximum Profit Outcome

Notified Zone	Demand Reconciled			
	Apartments	Standalone	Terraced	Total
General Residential Zone	0	1,043	132	1,175
Medium Density Residential Zone	77	1,349	1,070	2,496
Low Density Residential Zone	0	10	0	10
	77	2,402	1,202	3,681
Unused Capacity	556	0	400	956
	633	2,402	1,602	4,637

Table 4.9 – Demand Reconciled

Notified Zone	Realisable			
	Apartments	Standalone	Terraced	Total
General Residential Zone	0	889	0	889
Medium Density Residential Zone	9	1,235	1,181	2,425
Low Density Residential Zone	0	10	0	10
	9	2,134	1,181	3,324

Table 4.10 – Realisable Outcome

In the short term, the rate at which infill will be developed in New Plymouth is expected to remain steady, at approximately 30% of all dwellings built. This will slow down into the long term as sites are developed along with the addition of rezoned residential in the SPDAs and Future Urban Zones.

Undeveloped residential land

This is plan-enabled land that is ready for development in the PDP, currently utilised mostly for rural purposes. Any land parcel greater than 10,000m² is classed as undeveloped residential land. These land parcels are a mixture of larger and smaller land parcels, which are located throughout the district's residential environment and often on the urban periphery. In most cases network infrastructure is available, so these areas sit in our short to medium term supply. There are limited circumstances where upgrades are required to facilitate maximum yields.

The Councils will continue to work with landowners on these areas to determine the potential for development and will consider whether the areas should be structure planned.

To help predict the potential future housing yield, each land parcel was graded according to its topography, to help estimate the minimum lot size for each site. The topography ranged from flat or gently undulating land to steep sloping sites with the following grading:

Grade		Minimum lot Size	Dwellings/Ha
1	Flat to gently undulating with little to no reserve	400 sqm	17
2	Flat to rolling with small reserve	500 sqm	13
3	Rolling site with a medium sized reserve – Most Common	600 sqm	11
4	Moderately steep too steep with large reserve land	800 sqm	9
5	Steep land and lots of reserve	1,400 sqm	5

Table 4.11 – Estimated dwellings per hectare by grade

The two main housing typologies used in the assessment were:

- Standalone Dwelling – 3 Bedroom - 180sqm floor area
- Attached Dwelling – 2 X 2 Storey 2 bedroom – 250sqm floor area

If a land parcel contained any existing dwellings, they were excluded from the total land parcel, along with an additional 25% which could be developed into roading and public reserve. The remaining area of land was then deemed developable. Depending on which one was the largest, this remaining land area was divided by the minimum lot size as identified by the topography grade, or the building floor area and surrounding site coverage allowance.



Figure 4.16: Housing Yield Methodology for undeveloped Residential Land

The feasibility of developing currently undeveloped land, SPDAs or any Future Urban Zone, has been assessed using the feasibility model provided by MfE and is discussed in more detail below in section 4.4.

Under the NPS-UD, the Councils are also required to assess the feasible development capacity that is reasonably expected to be realised in the district. Not all enabled and feasible development capacity will be taken up. What is planned for and what gets developed can be different. Actual development depends on the intentions of landowners and developers, population growth, the dynamics of the property cycle, as well as how the District Plan is implemented.

For example, uptake could be very low in situations where a major landowner does not wish to see their land developed or would prefer to release the land slowly over time.

The total plan-enabled capacity of undeveloped residential land for New Plymouth and Bell Block area is 1,879, made up of, 1,527 standalone dwellings and 352 attached dwellings. The location of the available residential land in New Plymouth and Bell Block is shown in the coloured block areas on the

map below. Given the rate of development in the district, it is possible that some areas identified on the map below are already under development.

For undeveloped residential land in the smaller townships, see the ‘Growth in towns and villages’ section that follows.

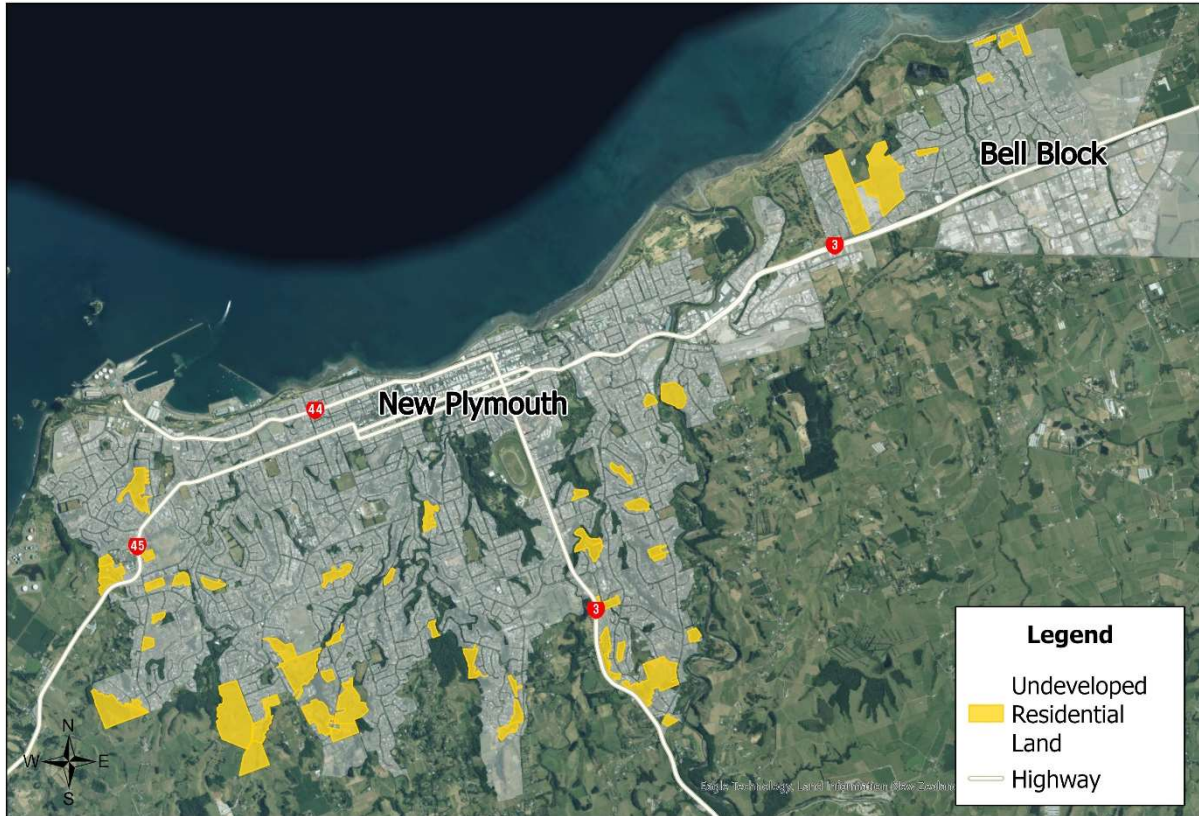


Figure 4.17 – New Plymouth and Bell Block Undeveloped Residential Land

Undeveloped Residential Land	Total Area (ha)	Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
		Standalone	Attached	Standalone	Attached	Standalone	Attached
New Plymouth	181.8	1,052	162	791	158	584	136
Bell Block	52.5	475	190	443	190	253	110
Total	234.3	1,527	352	1,234	348	837	246

Table 4.12 – New Plymouth Undeveloped Residential Land Potential Capacity

Of note, the availability of vacant residential sites in the district has not been assessed and could add additional capacity. It is difficult to measure the current vacancy rate of residential lots as the speed of development means data becomes out of date very quickly.

Structure Plan Development Areas

The PDP has five SPDAs within urban zones which have been identified as areas that are suitable for urban growth purposes where structure plans apply. All the SPDAs are zoned residential in the PDP so can potentially provide capacity in the short to medium term.

- DEV1 - Puketapu Structure Plan Development Area

- DEV2 - Carrington Structure Plan Development Area
- DEV3 - Junction Structure Plan Development Area
- DEV4 - Johnston Structure Plan Development Area (Waitara)
- DEV5 – Patterson Structure Plan Development Area

The land parcels within each SPDA were identified using GIS and assessed individually on their potential for plan-enabled capacity. The same land development model identified in the undeveloped residential land above in table was used to estimate the potential number of dwellings for each SPDA. Feasibility of undeveloped land, development structure plan areas have been assessed using the feasibility model provided by MfE and are discussed in more detail in figure 4.5. The following exceptions were used to help determine the capacity that is reasonably expected to be realised:

- Topography – Steep or hard to access land
- Designations
- Esplanade Reserves
- Land containing Heritage Buildings or Items
- Land containing Notable Trees
- Parcels Identified as Local Purpose Reserve, Recreation Reserve, and Scenic Reserve
- NPDC land used for community halls, reserves, and sports clubs
- Significant Natural Areas and Sites and Areas of Significance to Māori.



Figure 4.18 – Residential Structure Plan Development Areas

Undeveloped Residential Land	Plan-enabled Capacity	Feasible Capacity	Reasonable Capacity
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	Total Area (ha)	Standalone	Attached	Standalone	Attached	Standalone	Attached
DEV1 - Puketapu	106.60	675	88	598	88	559	88
DEV2 - Carrington	29.68	265	22	261	22	213	18
DEV3 - Junction	19.35	143	0	98	0	79	0
DEV4 - Johnston	11.32	135	0	135	0	135	0
DEV5 - Patterson	19.79	218	0	192	0	107	0
Total	186.74	1,436	110	1,284	110	1,093	106

Table 4.13 – Residential Structure Plan Development Yield



Figure 4.19 – DEV1 - Puketapu Structure Plan Development

Puketapu Structure Plan Development Area

The Puketapu Structure Plan Development Area, situated between Wills Road and Airport Drive in Bell Block, encompasses three developmental stages. Formally known as Area Q, Puketapu was initiated through Plan Change 20, which was finalised on August 17, 2015. This plan change facilitated the rezoning of the Bell Block Rural Environment Area to a Residential A Environment Area, as outlined in the Operative District Plan (ODP). Additionally, a future urban development overlay was applied to Area R. Since the implementation of this plan change, the area has witnessed ongoing development, resulting in approximately 180 dwellings. Currently there is an estimated capacity that is reasonably expected to be realised of around 559 standalone dwellings and 88 attached dwellings/flats.

Puketapu, a hapū of Te Atiawa, are tangata whenua and take their name from the nearby Puketapu Pā. The area is one of the earliest locations of settlement on the west coast. Puketapu Pā, urupā, waterbodies, the coast, and other sites and areas of significance to Māori and natural and physical resources, form part of the Puketapu cultural landscape. The Waitaha Stream and its tributaries, including wetlands, beginning from puna (springs) traverse the Puketapu Structure Plan Development Area and flows to Te Tai-o-Rēhua (the Tasman Sea).

The identification of the three southern SPDAs (DEV2, DEV3, DEV4) is integral to the comprehensive growth strategy incorporated into the PDP, which emphasises the strategic development of managed greenfield land on the city outskirts, in conjunction with opportunities to intensify existing urban areas. All three SPDAs are zoned as residential land, positioning them for short to medium-term development. These areas were chosen as growth areas for several reasons:

- They constitute small pockets of land on the southern periphery of the New Plymouth urban boundary.
- Proximity to key amenities such as schools, supermarkets, retail zones, and neighborhood reserve areas, coupled with their close proximity to the New Plymouth CBD.
- Each site boasts specific recreational and ecological values that enhance the overall residential living experience.
- The areas are strategically situated near the New Plymouth urban zone, where there has been a pronounced demand for residential land.

Carrington Structure Plan Development Area



Figure 4.20 – DEV2- Carrington Structure Plan Development

Situated on the southern urban boundary of New Plymouth, the Carrington Structure Plan Development Area covers approximately 30ha of greenfield land with a General Residential Zoning. The key elements that define the Carrington Structure Plan are:

- access via Carrington Road and via an extension from Fernbrook Drive;
- connectivity for different transport modes through the area, including pedestrian and cycling links;
- a large area of significant native vegetation in the centre of the area – the circumference of which is intended to be accessible to pedestrians and cyclists;
- the retention of an existing wetland area;

- planting along the southern boundary delineating the residential boundary from the adjoining rural land;
- an unscheduled site of significance to Māori; and
- an area of uncertified fill.

It is estimated the Carrington SPDA will provide an additional 213 standalone dwellings and 18 attached dwellings/flats as reasonably expected to be realised capacity.

The Carrington SPDA is located within the rohe of Ngāti Te Whiti, a hapū of Te Atiawa iwi. Ngāti Tāiri, a hapū of Taranaki Iwi, also have a historical association with the area.

The Carrington Structure Plan shows the existing and indicative three water infrastructure requirements for the area. This requires the construction of a residential water flow pressure pump to service the southern half of the development area. The area of uncertified fill is clean fill. Development in this part of the development area requires geotechnical expertise to be provided and assessed at the time of subdivision to ensure building and infrastructure are appropriately designed to mitigate any potential adverse risks from subsidence or slippage.

Junction Structure Plan Development Area



Figure 4.21 – DEV3 - Junction Structure Plan Development

The Junction Structure Plan Development Area is approximately 19ha of greenfield land zoned General Residential Zone close to the suburb of Brooklands within the urban limits of New Plymouth.

The SPDA is located within the rohe of Ngāti Te Whiti, a hapū of Te Atiawa iwi. Ngāti Tāiri, a hapū of Taranaki Iwi, also have a historical association with the area.

The Junction SPDA is anticipated to yield an extra 143 plan-enabled standalone dwellings. However, this figure diminishes significantly to 79 standalone dwellings when considering factors such as feasibility and reasonably expected development capacity.

The Structure Plan for the area shows the existing and indicative water main and sewerage infrastructure requirements. This will involve the construction of a sewer pump station to be located at the lowest land point in the area.

There are limitations for access to and from State Highway 3 to the east for the Junction SPDA, and for this reason, a collector road will be provided off Junction Street which will connect to the southern boundary of the area. The two branches of the collector road will go to the southern and south-eastern boundaries and connect to any future residential, lifestyle or rural areas. The south-eastern collector road connects to a proposed urban growth area.

Junction SPDA is bounded to the east by the Te Henui Stream, which is an important waterbody and a statutory acknowledgement area. A portion of the stream boundary is already esplanade reserve and therefore the Structure Plan recognises the importance of, where practical, obtaining a reserve along the stream boundary to achieve a formed walking track.

Pedestrian connections along the Te Henui Stream are an important part of the Structure Plan as they will provide an extension of the existing Te Henui Walkway. However, there are topographical challenges and existing steep embankments along the northern portion of the stream which may constrain any walkway extension. These matters will need to be further explored at the time of subdivision. Noting this, the Structure Plan contains indicative walking and cycling connections to link with indicative roads leading to Junction Street aimed at connecting walkers and cyclists to the Te Henui Walkway and to Brooklands/Pukekura Park to the north-west.

Patterson Structure Plan Development Area



Figure 4.22 – DEV5 - Patterson Structure Plan Development

Situated on the south-western urban boundary of New Plymouth, the Patterson Structure Plan Development Area covers approximately 23ha of greenfield land zoned General Residential Zone.

The Patterson Structure Plan has the following key characteristics:

- topographical variation, including rolling to steep topography;
- a minimum lot size of 600m²;
- the National Grid powerlines traverse the southern boundary of the site, between the residential and rural interface;
- stands of native vegetation, including wetlands and a pond to be retained and protected through the development of the Structure Plan area;
- internal roading layout connections; and
- an archaeological feature, being Dingles Blockhouse and other possible archaeological sites.

The Patterson SPDA is located within the rohe of Ngāti te Whiti, a hapū of Te Atiawa iwi. Ngāti Tāiri, a hapū of Taranaki Iwi, also have a historical association with the area.

The degree of topographical variation across the development area is a key distinguishing feature and it is considered important that these landscape features are retained at the time of subdivision and development. Any extensive modification to the landform will create adverse landscape effects and alter the overall intent of this development area. A minimum lot size of 600m² has been imposed within this development area but it is acknowledged that allotment sizes of 600m² will likely be achievable on the flatter areas and not necessarily on the steeper landform. Earthworks are also managed to ensure the natural topographical variation of the area is retained.

Taking this 600m³ minimum lot size into account we estimate that Patterson will provide an additional reasonably expected capacity of around 107 standalone dwellings in the short to medium term.

The Patterson Structure Plan shows the existing and indicative three water infrastructure requirements for the area. The reticulated sewer service will be supported by a proposed pump station being located in the north-eastern corner of the development area.

The large area of native vegetation in the centre of the site is already protected in perpetuity by a Queen Elizabeth II Trust covenant and it is anticipated that the other bush areas will be protected at the time of subdivision.

To promote different modes of transport and recreation experiences, indicative walking and cycling connections have been identified. These walkway areas will need to be formed and sealed where required at the time of subdivision.

Frankley Road bounds the development area to the west. Vehicle access points off Frankley Road are restricted to help maintain the safety and efficiency of the road, as it presently has poor access and site visibility, as well as supporting the transition to the surrounding rural zones.

Johnston Structure Plan Development Area

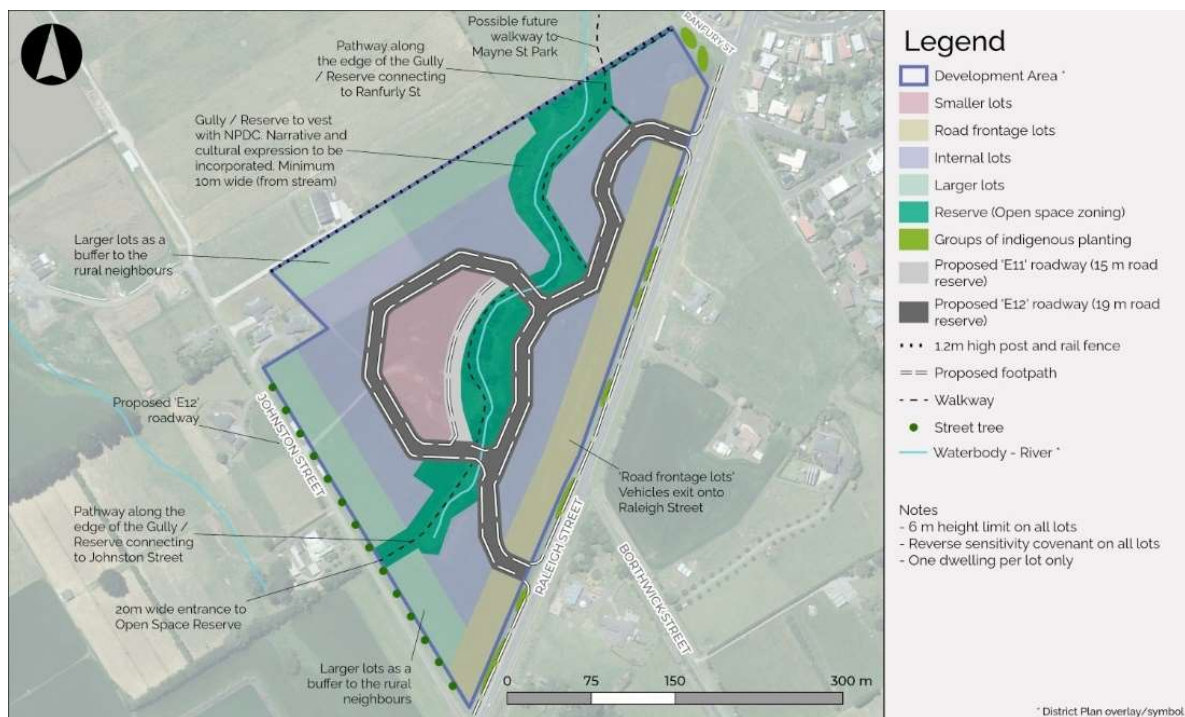


Figure 4.23 – DEV4 - Johnston Structure Plan Development

The Council approved a private plan change application in March 2021 to rezone 11.3 hectares of land on the southern side of Waitara from Rural Environment Area (with Future Urban Development Overlay) to Residential and Open Space zonings.

The Johnston Structure Plan Development Area covers 11.3ha of land at 2 Johnston Street, Waitara comprising both General Residential Zone and Open Space Zone land. The Structure Plan is to be read alongside an associated landscape plan and provisions which manage subdivision and development for this land. New development will be accessed by two new roads off Raleigh Street. The houses are proposed to connect to the Waitara water and wastewater service reticulation network through an extension to this network. This land has the potential for an estimated reasonably expected to be realised capacity of 100 dwellings in the short to medium term.

The Johnston Structure Plan Development Area is located within the rohe of Manukorihi and Otaraua, hapū of Te Atiawa iwi.

Future Urban Zones

Future Urban Zones pertain to land identified for long-term urbanisation. Once the land is required for urban development, it will undergo rezoning to facilitate this transition, requiring a structure plan before any development occurs. Until this transformation takes place, various agricultural, pastoral, and horticultural activities are permitted on land within this zone. In the meantime, other activities must be carefully managed or avoided to ensure compatibility with and protection of potential future urban uses. The district encompasses four Future Urban Zones, three along the southern boundary and one at the boundary of the Puketapu Structure Plan Development Area, labelled as Area R.

The determination of plan-enabled, feasible, and reasonably expected to be realised capacity follows the same process as that applied to undeveloped land and SPDAs. Currently, no attached dwellings have been identified in these zones. Given their greater distance from the city centre, these areas are less likely to be designated for more intensive types of development at this stage.

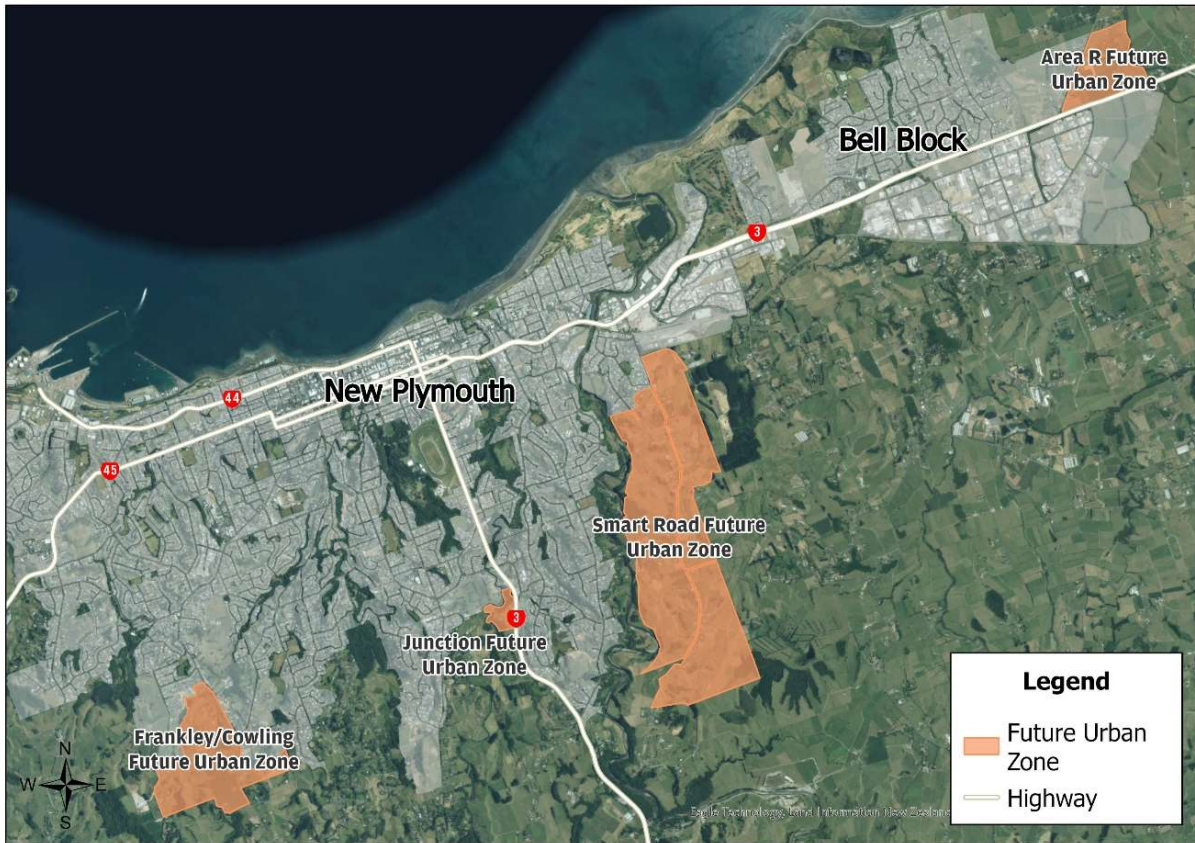


Figure 4.24 – Future Urban Zone Map

Future Urban Zone	Total Area (ha)	Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
		Standalone	Attached	Standalone	Attached	Standalone	Attached
Junction FUZ	9.9	119	0	107	0	82	0
Frankley/Cowling FUZ	111.3	746	0	615	0	574	0
Area R FUZ	54.8	372	0	342	0	322	0
Smart Road FUZ	364.8	3,195	0	3,018	0	2,647	0
Total	540.8	4,432	0	4,082	0	3,625	0

Table 4.14 - Future Urban Zone Yield

Junction Future Urban Zone

Junction FUZ marks the second phase of development which is scheduled once the necessary infrastructure for Junction SPDA is completed, primarily to address transportation access. While the total area has the potential for 119 plan-enabled dwellings, the expected reasonable capacity is reduced to 82 dwellings in the long term. This reduction is primarily attributed to topography challenges and extensive Significant Natural Areas (SNA) identified in the PDP.

Furthermore, specific infrastructure capacity requirements in this area are interconnected with Junction SPDA. The planned inclusion of additional wastewater services in NPDCs Infrastructure Strategy will facilitate long-term development in this region.

Frankley/Cowling Future Urban Zone

The Frankley/Cowling FUZ is in the southwestern pocket of the New Plymouth urban boundary. It surrounds the Patterson SPDA identified for growth in the short to medium term. A small portion of the FUZ has been rezoned as residential so the area has reduced in size since the last HBCA. It is now around 111.3 hectares, with potential for 746 plan-enabled lots. However, considering the feasible capacity and reasonably expected to be realised capacity, this figure decreases to 615 and 574 dwellings respectively, in the long term.

This area faces certain infrastructure constraints, primarily associated with water and wastewater activities, as outlined in the LTP and Infrastructure Strategy. Like the Junction and Carrington SPDAs, Frankley/Cowling is strategically positioned as a logical growth area, being located on the southern boundary of the New Plymouth urban boundary and in close proximity to various amenities.

Area R

Area R FUZ was incorporated into the ODP through Plan Change 20 in 2015, which involved the rezoning of Area Q (now known as Puketapu SPDA) to residential, and the application of a Future Urban Zone to Area R.

The area identified for residential growth, situated to the west of the proposed realignment of Airport Drive, spans 54.8 hectares. The development of Puketapu SPDA and the surrounding Bell Block areas, east of New Plymouth City, could potentially lead to additional requirements for business land. Further investigations into the development of Area R may alter the balance of business to residential zoning, particularly in response to the realignment of Airport Drive. The result of any change may impact the overall capacity for residential development.

Currently, we anticipate that the plan-enabled capacity of Area R FUZ will be approximately 372 dwellings, with a slight decrease to 322 reasonably expected to be realised dwellings.

Smart Road

Smart Road Future Urban Zone (FUZ) was designated as a growth area in the Framework for Growth in 2008. Positioned strategically, the Smart Road area presents an opportunity for a well-planned suburb, situated in proximity to services and employment. Covering a total area of 364.8 hectares, it holds the potential for 3,195 plan-enabled dwellings, 3,018 feasible dwellings, and a reasonably expected to be realized capacity of 2,647 dwellings in the long term.

Key considerations for this area revolve around ensuring accessible and affordable infrastructure. The development of Smart Road FUZ necessitates a second bridge crossing over the Waiwahakaiho River to address the heightened traffic demand. Additionally, substantial investment in water services is essential, involving the installation of a new trunk main and pump station at the southern end of the Smart Road FUZ. Due to the significant infrastructure requirements, development in this area will be prioritized only after other development areas have been completed.

Smaller Towns and villages

In the district’s smaller urban communities, housing capacity has been assessed in relation to the predicted growth of each area, the associated community needs, and infrastructure capacity. Ōakura and Waitara have Future Urban Zones, and most of these towns have areas of undeveloped residential zoned land or Rural Lifestyle Zones in the PDP.

This capacity does not consider the potential for infill development in the smaller towns and villages. While we have an overview of potential plan-enabled capacity for the entire district we don’t have this broken down by suburb or towns and villages. Property Economics provided figures for the entire district as detailed above in Table 4.10 – Realisable Outcome. Looking ahead, we aim to enhance our understanding of infill in these areas, including the potential capacity it may offer and its impact on infrastructure.

Ōakura

Growth in Ōakura is estimated to be around 5% of the total overall expected demand in the New Plymouth district which is estimated to be around 500 dwellings in the long term. Ōakura has capacity for 621 plan-enabled standalone dwellings and 29 attached dwellings/flats, covering 89.5 hectares of land. This is a mixture of undeveloped residential land and rural lifestyle zone in the PDP, plus two additional FUZ areas.

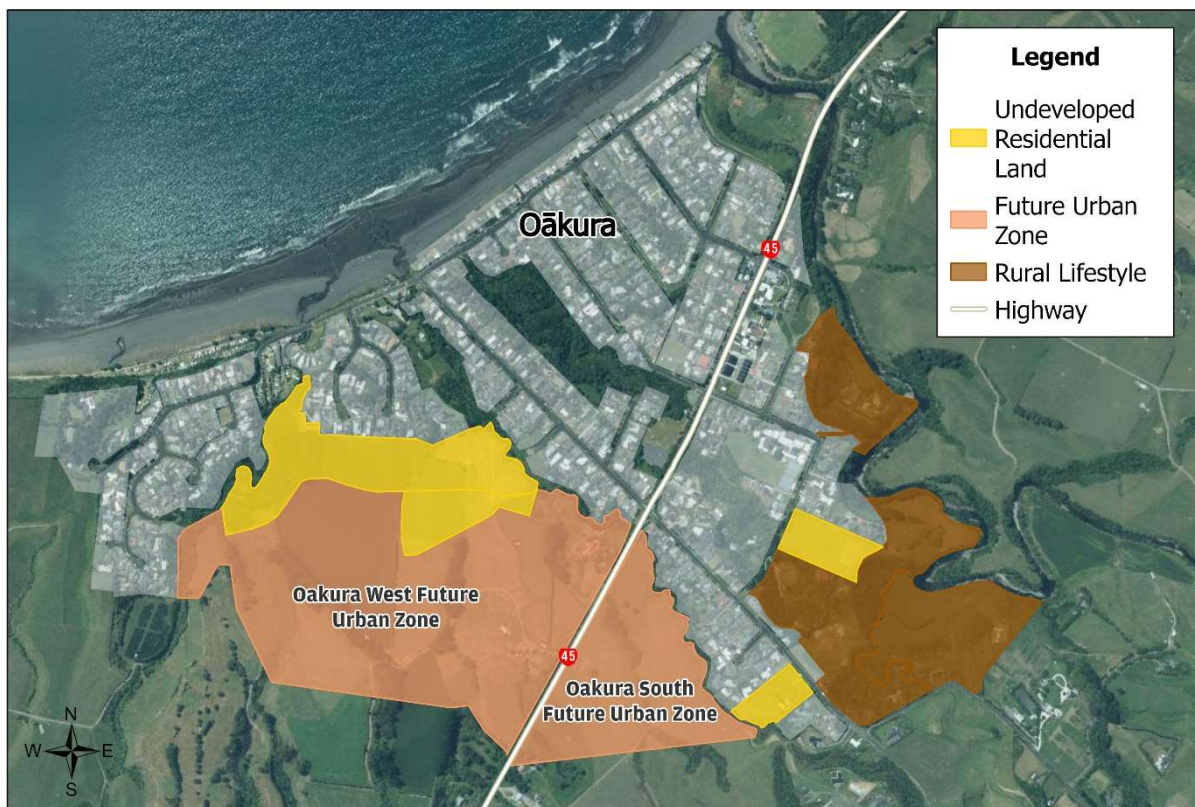


Figure 4.25 – Ōakura Growth Area Map

Ōakura		Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
	Total Area (ha)	Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	15.2	160	0	160	0	128	0
Ōakura South	13.0	129	0	122	0	122	0

Ōakura West	39.5	319	29	319	29	285	26
Rural Lifestyle	21.8	13	0	13	0	13	0
Total	89.5	621	29	614	29	548	26

Table 4.15 – Ōakura Growth Area Yield

The feasibility for Ōakura is higher than some other communities due to the high demand for dwellings, resulting in elevated house prices in this area. The feasible capacity in Ōakura is estimated to be 614 standalone dwellings and 29 attached dwellings/flats. The reasonably expected to be realised capacity is slightly lower, at 548 standalone dwellings and 26 attached dwellings/flats.

The two areas of growth identified in Ōakura are currently FUZ and not zoned residential in the short to medium term. Both areas have been selected for their relative proximity to the current residential boundary and current infrastructure.

Waitara

Anticipated growth in Waitara is expected to account for approximately 7% of the total demand projected for New Plymouth, estimated at around 600 dwellings in the long term. Currently estimated plan-enabled capacity for Waitara is 856 standalone dwellings and 118 attached dwellings/flats.

During the development of the PDP, some existing growth areas were reshaped into the new Future Urban Zones. Notably, the Waitara East Future Urban Zone has undergone a reduction in size, with other areas within Waitara identified as more suitable for residential development due to their proximity to existing amenities and infrastructure. This includes additional residential land along Armstrong Avenue and a new urban growth area identified on Ranfurly Street.

It is important to note that, even though it is discussed under two sections in the HBCA, the growth capacity for Johnston SPDA is not duplicated.

The land designated for development in Ranfurly FUZ is currently utilised by the local pony club and is afforded a reserve status (which would need to be revoked). Consequently, the reasonably expected to be realized development in this FUZ is limited in the long term, resulting in a total estimated capacity of 644 standalone dwellings and 113 attached dwellings/flats.



Figure 4.26 – Waitara Growth Area Map

Waitara	Total Area (ha)	Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
		Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	46.3	468	118	468	118	357	113
Johnston SPDA	11.3	135	0	135	0	100	0
Waitara East FUZ	15.3	137	0	129	0	129	0
Ranfurly FUZ	11.6	116	0	116	0	58	0
Total	84.5	856	0	848	118	644	113

Table 4.16 – Waitara Growth Area Yield

Inglewood

Growth in Inglewood is estimated to be around 3% of the total overall expected demand in New Plymouth which is estimated to be just over 200 dwellings in the long term. Inglewood has capacity for 238 standalone dwellings and 52 attached dwellings/flats covering 26.4 hectares of undeveloped residential land.

Currently land in Inglewood is restricted to undeveloped residential land with no identified future urban zones. As part of the LTP, significant spend will occur in Inglewood to rectify current wastewater and stormwater issues.



Figure 4.27 – Inglewood Growth Area Map

Inglewood		Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
	Total Area (ha)	Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	25.1	238	70	238	70	188	52
Total		238	70	238	70	188	52

Table 4.17 – Inglewood Growth Area Yield

Rural Lifestyle Zone

Presently, approximately 20% of all newly-granted building consents pertain to areas outside identified residential zones. Uncontrolled urban expansion in the rural environment poses potential threats to rural land, limiting future options for rural production and escalating the likelihood of conflicts between incompatible activities. Additionally, it can lead to disjointed neighbourhoods and place strain on existing infrastructure, jeopardizing both residential and rural amenity values. Notably, uncontrolled residential development has also encroached into industrial zones.

Recognising the imperative to consolidate urban boundaries and adopt an activities-based plan with distinct zones, the new policy approach in the PDP is expected to mitigate this development trend. The focus is on redirecting development in the rural area into Rural Lifestyle Zones.

The Rural Lifestyle Zone, typically situated on the outskirts of urban settlements, has a peri-urban character. Some sections of the zone reflect historical subdivision patterns, while others are identified as suitable for transitioning to rural lifestyle living. The primary role of the Rural Lifestyle Zone is to provide areas for rural lifestyle living while safeguarding the functionality of the Rural Production

Zone. The goal is to prevent ad hoc or sporadic subdivision and/or rural lifestyle living activities that might compromise the productive working nature of the Rural Production Zone.

This zone applies to areas with a higher concentration of rural lifestyle living, facilitated through smaller allotment sizes. Subdivision and development in the zone aim to create a transition to the surrounding Rural Production Zone, maintaining a sense of spaciousness and the prevailing rural character. Consequently, the zone's provisions focus on preserving rural lifestyle character and amenity, including the management of density, building platform locations, and setbacks from side and road boundaries.

Section sizes within the Rural Lifestyle Zone range from 4,000m² to 1ha, with a maximum of four proposed allotments of less than 1ha for each subdivision. The Rural Lifestyle Zone extends past the New Plymouth boundary, encompassing parts of Oākura, Egmont Village, Ōkato, and Urenui.

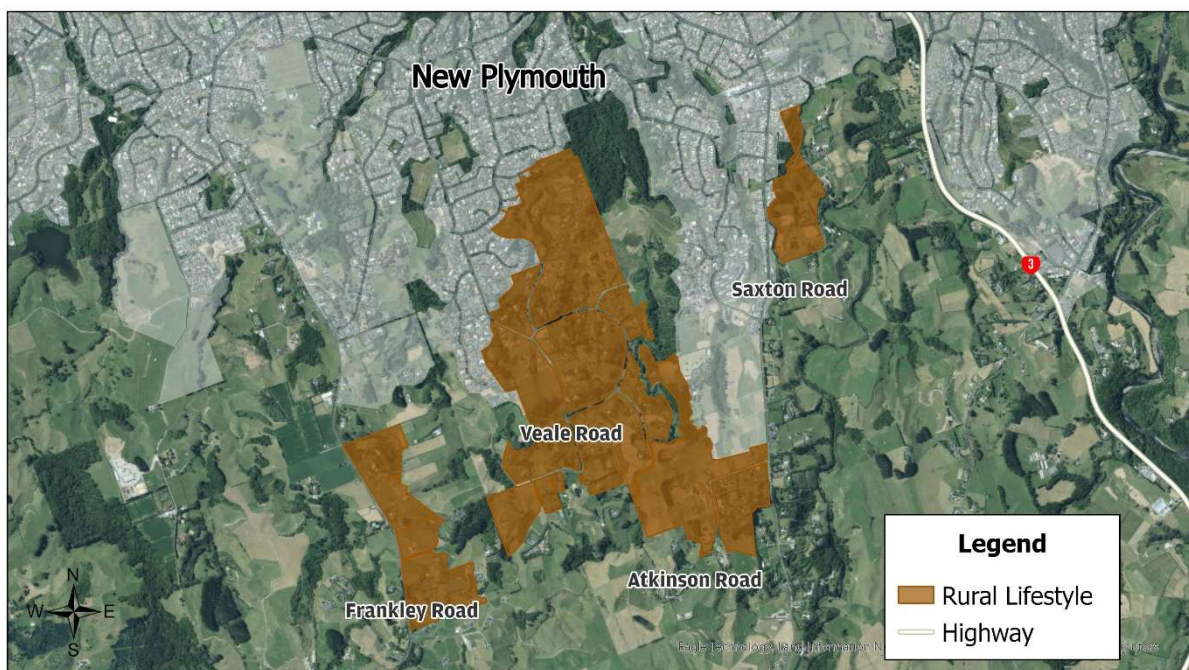


Figure 4.28 – Rural Lifestyle Growth Area Map

Rural Lifestyle	Total Area (ha)	Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
		Standalone	Attached	Standalone	Attached	Standalone	Attached
Atkinson Road	40.6	39	0	0	0	0	0
Saxton Road	28.9	17	0	0	0	0	0
Frankley Road	13.9	7	0	0	0	0	0
Veale Road	112.6	34	0	0	0	0	0
Total		97	0	0	0	0	0

Table 4.18 – Rural Lifestyle Area Yield

In a technical sense, rural lifestyle growth is plan-enabled, yet it lacks feasibility as it falls short in delivering the necessary infrastructure services required by the NPS-UD. Although it offers an avenue for rural development, the rural lifestyle zone does not consistently connect to the Council's water and wastewater services.

Other townships

Our smaller townships currently offer growth potential either through undeveloped residential land or rural lifestyle zones. Additionally, there is room for infill, which is contingent on infrastructure limitations that may evolve in the future.

In Ōkato, the existing zoned residential urban boundary presents many opportunities for development. This includes several larger undeveloped residential sites and the incorporation of a Rural Lifestyle Zone, strategically positioned to accommodate any anticipated growth. Reasonably expected to be realised capacity for Ōkato is just over 100 dwellings in the long term.

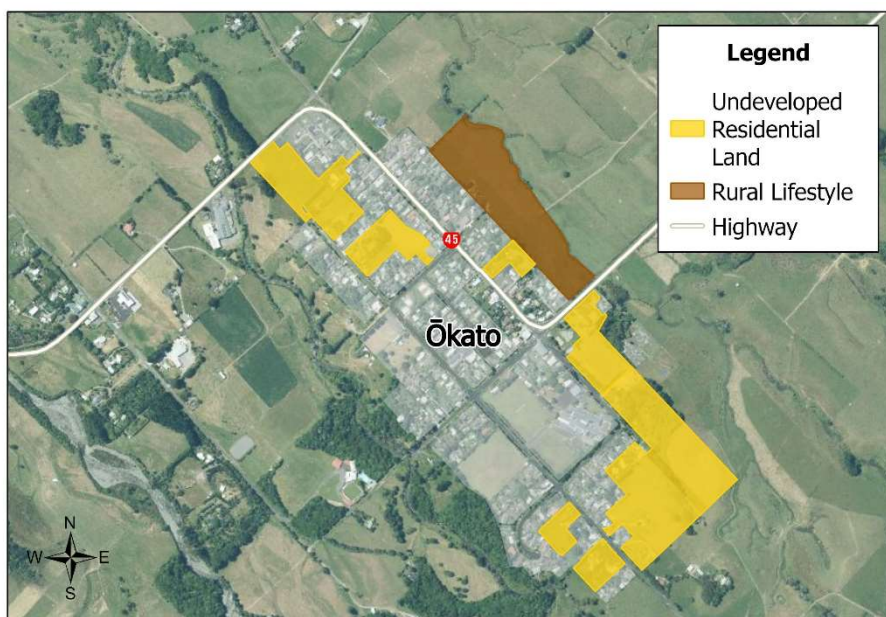


Figure 4.29 – Ōkato Growth Area Map

Ōkato	Total Area (ha)	Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
		Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	16.2	134	0	123	0	108	0
Rural Lifestyle	5.8	6	0	0	0	0	0
Total	22.0	140	0	123	0	108	0

Table 4.19 – Ōkato Growth Area Yield

The existing zoned residential urban boundary in Urenui offers development areas within the General Residential Zone. The incorporation of a rural lifestyle zone in the PDP is also intended to facilitate rural growth. While there is a potential plan-enabled capacity of nearly 100 dwellings in Urenui, this decreases to only 31 when factoring in feasibility and reasonably expected realisable capacity, primarily due to infrastructure limitations. The expected upgrade from septic tanks to full reticulation may change this assessment in the next HBCA with the potential for expanded development.

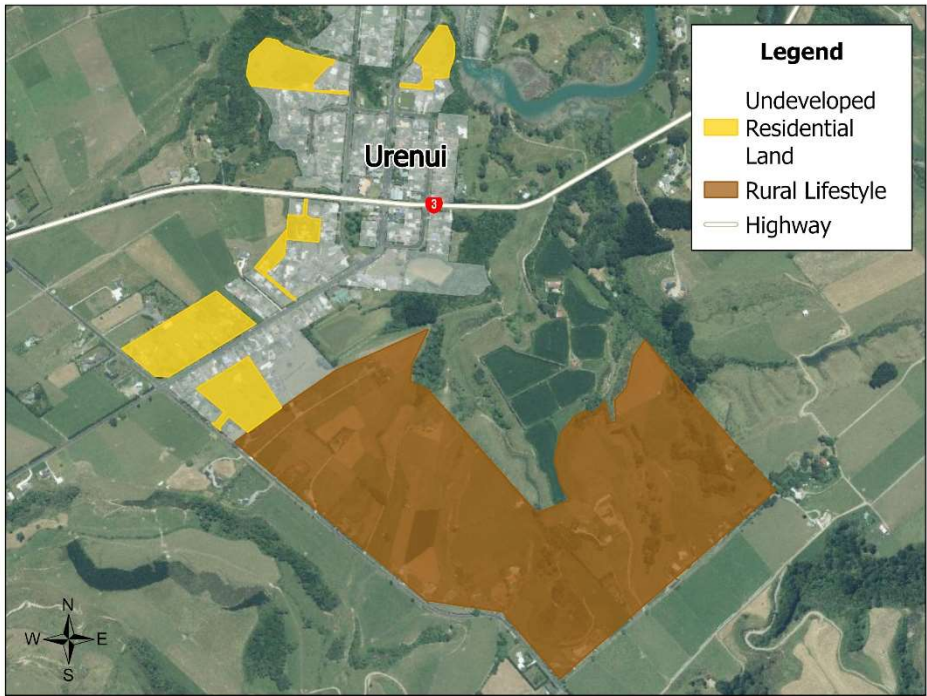


Figure 4.30 – Urenui Growth Area Map

Urenui		Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
		Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	9.0	48	0	33	0	31	0
Rural Lifestyle	52.5	48	0	0	0	0	0
Total	61.5	96	0	33	0	31	0

Table 4.20 – Urenui Growth Area Yield

Egmont Village lacks sufficient developable land to accommodate any short-term growth. In the medium to long term the PDP has included a small portion of rezoned residential land and a new Rural Lifestyle Zone.

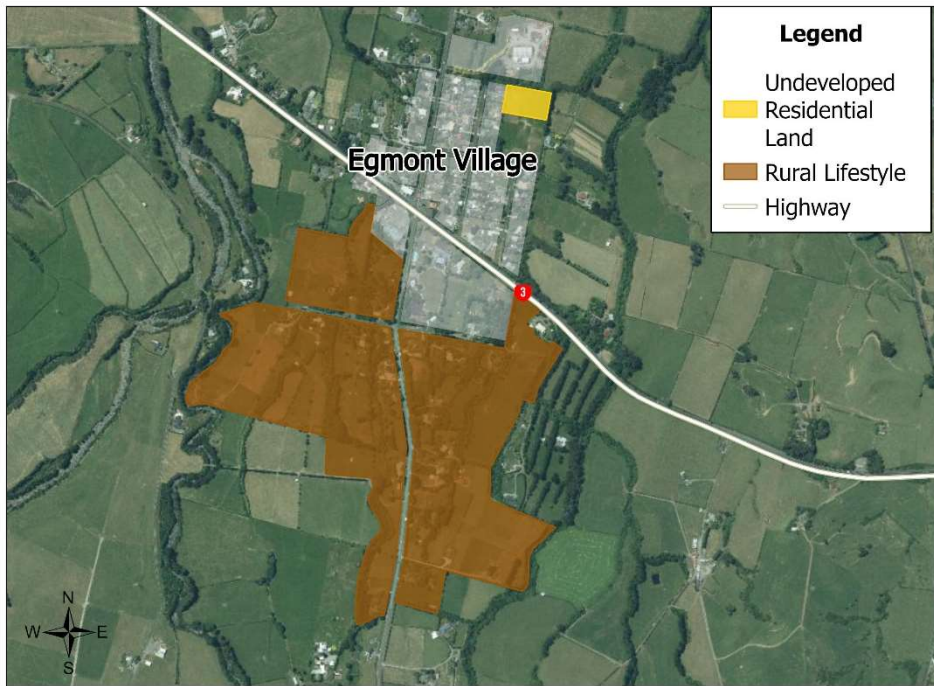


Figure 4.31 – Egmont Village Growth Area Map

Egmont Village		Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
	Total Area (ha)	Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	9.0	48	0	33	0	31	0
Rural Lifestyle	52.5	48	0	0	0	0	0
Total	61.5	96	0	33	0	31	0

Table 4.21 – Egmont Village Growth Area Yield

To help accommodate further growth in Lepperton, NPDC have identified some residential land through the PDP review that can be developed in the short to medium term. This will provide a potential reasonable capacity of 21 dwellings to accommodate growth.

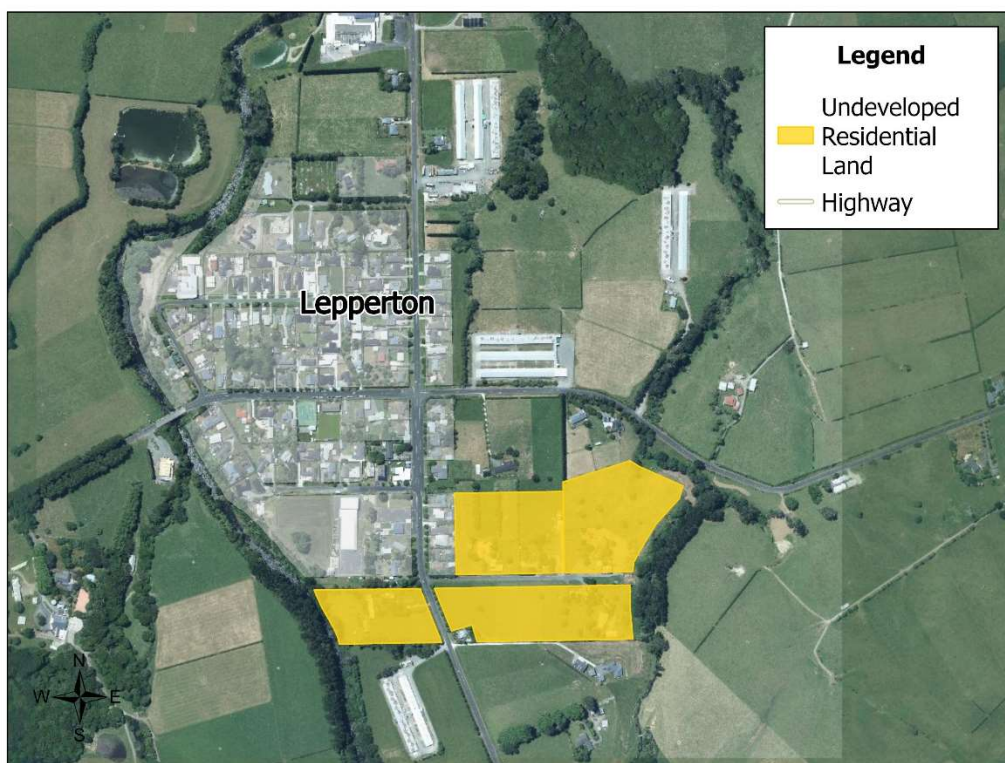


Figure 4.32 – Lepperton Growth Area Map

Lepperton		Plan-enabled Capacity		Feasible Capacity		Reasonable Capacity	
	Total Area (ha)	Standalone	Attached	Standalone	Attached	Standalone	Attached
Undeveloped Residential	7.45	29	0	24	0	21	0
Total	7.45	29	0	24	0	21	0

Table 4.22 – Lepperton Potential Feasible Yield

4.1 Residential Feasibility Assessments

The NPS-UD defines feasible development as “commercially viable, taking into account the current likely costs, revenue, and yield of developing.” This is essentially a calculation of likely profit margin and risk. There is no definition of ‘commercially viable’. However, guidance material suggests a 20 per cent profit margin should be applied when assessing the feasibility of sites for both infill redevelopment, and newly zoned areas. This 20 per cent profit margin remains untested within New Plymouth’s local development community but anecdotally, profit margins appear to fluctuate widely.

Significant work has gone into developing feasibility models tailored to New Plymouth’s local housing market conditions to understand the feasibility of all development excluding infill development.

NPDC has adapted the MfE spreadsheet to calculate total costs and expected revenue from section or redevelopment sales to understand greenfield development feasibility. Local developers and builders provided total costs relevant to the Council (in broad terms), and expected revenue was based on recent sales and current listings.

To estimate the number of dwellings and section sizes, including the number of dwellings per hectare and the percentage of land allocated to road, right of way, reserve and public reserve, we reviewed historical subdivision⁵ data. We have estimated that for each development an estimated 18% of the total area will be required for roading and a further 10-20% for landscape reserve depending on topography. We have removed the wastewater/stormwater reserve as this is considered in the landscape reserve percentage.

In addition to the section sale value we have broken the data down into suburb-specific data since we have such a large discrepancy between the prices of sections depending on their location within New Plymouth district. This significantly affects the feasibility of future development of the land. The data was sourced from actual sales data⁶ for New Plymouth.

In running feasibility models, including various assumptions, we found that the estimated rate and the actual rate of development are not aligned in some areas. The models often identified properties as infeasible when dwellings of a similar typology and location had already been built and on-sold. Refining feasibility modelling and ground-truthing in the local market are necessary for results to be considered reliable assessments of commercially-feasible dwelling capacity development in the district.

⁵ We assessed 10 major different historical subdivisions to help calculate the assumptions for future development

⁶ CoreLogic - <https://www.rpnz.co.nz/rpnz/dashboard.html?execution=e1s1>

How many homes could be built?

[Return to 'Getting Started'](#)

A development feasibility tool for the National Policy Statement on Urban Development Capacity

Type	Item	Units	Value	Type	Section price function	Comment
Physical	Grade of Subdivision		2	Revenue	Select relevant Statistical Area 2 or New Plymouth District as general area. Updated in 2023	
	Gross site area	ha	1.7			
	Land capital value (CV)	\$	\$1,090,000			
	Land sale price relative to CV, ex GST	%	90%			
	Road Reserve area for 15 dw/ha	% of area	18%			
	Extra roading for increased dw/ha	% per dw/ha	0.30%			
	Landscape Reserve for 15 dw/ha	% of area	10%			
	Extra landscape reserve for dw/ha	% per dw/ha	0.05%			
	Wastewater/stormwater Reserve*	% of area	0%			
	Other constraints that reduce net site	% of land area	0%			
	Minimum net density	dwelling/ha	8			
Maximum net density	dwelling/ha	15				
Time to develop	months	24				

[View modelled section price gradient](#)

Type	Item	Units	Density of dwellings [dwellings / ha]				
			8	10	12	13	15
Ancillary	DC contributions factor	%	100%	100%	100%	95%	90%
	Project contingency	%	0%	0%	0%	0%	0%
Cost parameters	Civil works		Select civil works costs				
	Fees and charges		Select fees and charges				

Type	Item	Units	Density of dwellings [dwellings / ha]				
			8	10	12	13	15
Net Land Area Calcs	Road Reserve Area	ha of land	0.29	0.30	0.31	0.32	0.33
	Landscape Reserve Area	ha of land	0.17	0.17	0.17	0.17	0.17
	Stormwater Reserve Area	ha of land	-	-	-	-	-
	Other constraints that reduce net site	ha of land	-	-	-	-	-
	Net Developable land Area	ha of land	1.25	1.24	1.23	1.22	1.21
Revenue	Subdivision Lots created	total lots	10	12	14	16	18
	Average section size	sqm / site	1,250	1,026	870	755	667
	Average sales price (inc GST)	per section	\$342,783	\$313,154	\$290,399	\$272,196	\$257,194
	Average sales price (ex GST)	per section	\$298,072	\$272,307	\$252,520	\$236,692	\$223,647
	Total revenue		\$2,981,826	\$3,292,207	\$3,570,578	\$3,823,255	\$4,054,581
Costs	1 Raw land purchase and holding cost		\$1,187,010	\$1,187,010	\$1,187,010	\$1,187,010	\$1,187,010
	2 Civil works, incl holding costs		\$735,304	\$753,046	\$770,727	\$788,348	\$805,907
	3 Fees and charges, incl holding costs		\$512,652	\$583,314	\$650,310	\$714,220	\$775,443
	4 Project contingency		\$0	\$0	\$0	\$0	\$0
	Total costs		\$2,434,966	\$2,523,370	\$2,608,047	\$2,689,578	\$2,768,360
	per section costs (excl raw land)		\$124,749	\$110,534	\$100,499	\$93,022	\$87,226
	per section (total)		\$243,406	\$208,715	\$184,448	\$166,508	\$152,700
Profit	Pre tax profit \$		\$546,860	\$768,837	\$962,531	\$1,133,678	\$1,286,221
	Pre tax margin %		22.5%	30.5%	36.9%	42.2%	46.5%

Development feasible?	Yes	Yes	Yes	Yes	Yes
Profit maximising?	No	No	No	No	Yes
Margin maximising?	No	No	No	No	Yes

Table 4.23 – Sample of a feasible land development assessment on a portion of undeveloped residential land in Waitara

The table above is a sample of a section of land in Waitara of around 1.7ha valued at \$1,090,000. The model demonstrates that if the land was to be developed into between 10-18 lots it would be feasible for the developer and result in a profit of over 20%.

Overall, around 86 per cent per cent of all available residential zoned land is commercially feasible for development, which is higher than for infill housing. Similar to infill development, profits generally increase with land size and smaller sections have much lower profit margins.

Land development model

To better estimate the development yield of our future growth areas, we have applied a grading system based on topography, section size and open space requirements.

To estimate the number of dwellings and section sizes, including the number of dwellings per hectare and the percentage of land allocated to road, right of ways, reserve and public reserve, we reviewed historical subdivision data.

GRADE	Topography	Average density (dwellings/ha)	Average Size (m ²)	Road Reserve	Landscape Reserve
1	Flat to gently undulating with little to no reserve	17	400	18%	0%
2	Flat to rolling with small reserve	13	500	18%	10%
3	Rolling site with a medium sized reserve – Most Common	11	600	18%	15%
4	Moderately steep too steep with large reserve land	9	800	18%	20%
5	Steep land and lots of reserve	5	1,400	20%	20%
	Average	11	750	18%	12.5%

Table 4.24: Subdivision Feasibility Grading System

4.2 Residential Up-take

To estimate the up-take of each growth area, we have conducted an analysis of recent developments in New Plymouth. This examination delves into recently developed sites and scrutinises data from actual building consent applications in comparison to the total available lots and the start date of subdivision.

The selected case study developments all occurred within the past decade. Notably, recent housing development in New Plymouth has primarily unfolded on vacant land parcels situated in suburban or urban fringe locations. The chosen case study sites are representative of these general development patterns.

Typically, development tends to progress gradually, experiencing a peak after the initial few years with a slower tapering toward the end. To anticipate future development patterns, we have devised two distinct scenarios contingent on the size of the development. Smaller developments often peak earlier than their larger counterparts due to the limited number of available sites. The chart below illustrates the distribution of these two scenarios.

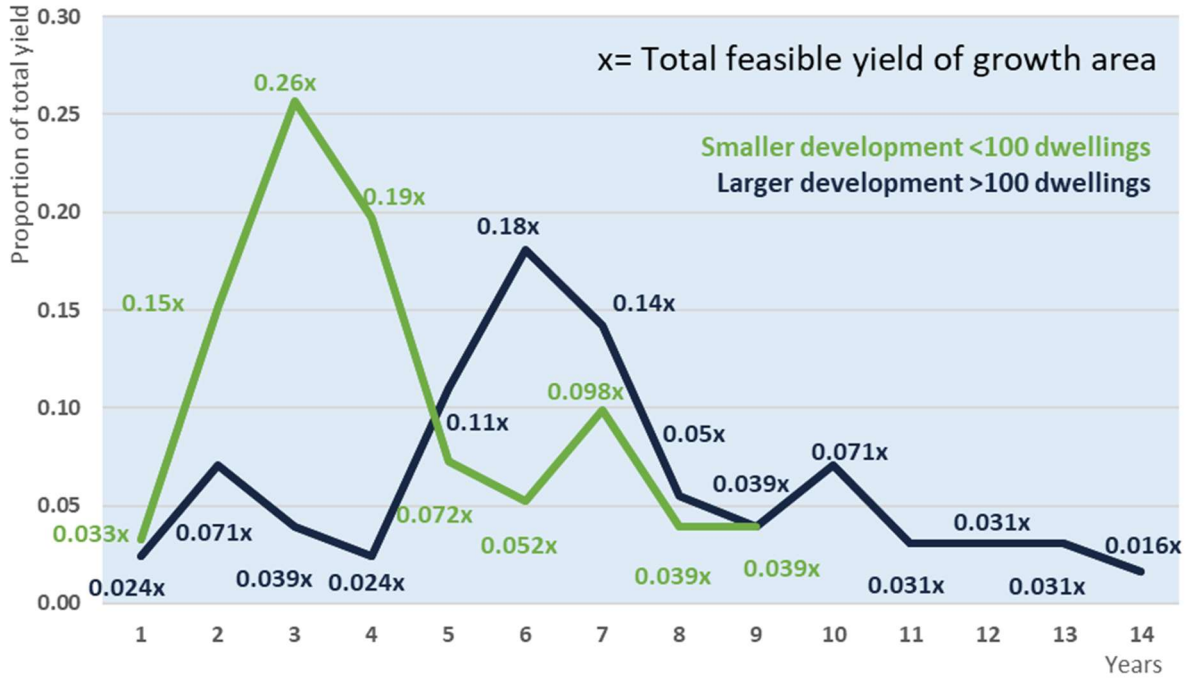


Figure 4.33 – Utilisation distribution

As an illustration, applying the distribution from the shorter scenario (approximately 100 dwellings) to Patterson SPDA, with a reasonably expected to be realized capacity of 107, would suggest development over a nine-year period with an estimated number of dwellings per year. This might result in a small number of lots remaining undeveloped at the conclusion of the total period, a circumstance commonly observed in actual developments within the New Plymouth area.

Patterson SPDA									
X = 107	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
	0.33x	0.15x	0.26x	0.19x	0.072x	0.052x	0.098x	0.039x	0.039x
# of Dwellings	4	17	28	21	8	6	11	4	4

Table 4.25 – Patterson expected utilisation.

Short term

Projections for the short-term (years 1-3), are based on reasonably expected to be realised capacity and are anticipated to be developed as illustrated below. We anticipate that approximately 10% of all short-term development will take place outside designated residential zones, in the Rural Zones. The ODP imposed fewer restrictions on rural development. In response to the new PDP, there was an influx of rural consents, valid for a duration of 10 years. This will facilitate some continued development in the rural environment, with the expectation that it will gradually decline in the medium to long term.

The SPDA included in the short-medium term require some additional infrastructure provision and development as part of the current LTP. Much of the short-term development will occur within the residential boundaries and will be split between infill development (35 per cent), undeveloped residential land (23 per cent), development in Puketapu SPDA (15 per cent), with the remaining development split as identified below.

SHORT TERM (1-3 Years)	Capacity			Demand + Margin (20%)	Remaining Capacity	Percentage
	Plan- enabled	Feasible	Reasonably Expected to be Realised			
Rural Lifestyle	189	0	0	17	172	2%
Infill District Wide	5,773	4,637	3,324	309	3,015	35%
Inner City development	1,277	541	541	36	505	4%
Undeveloped Residential	3,153	2,825	2,081	200	1,881	23%
Puketapu SPDA	763	686	647	133	514	15%
Johnston SPDA	135	135	100	80	20	9%
Patterson SPDA	218	192	107	20	87	2%
Rural development*	0	0	0	88	0	10%
Total	11,508	9,016	6,800	883	6,194	100%

*10% of all development in the short term will be out of zone in the Rural Production Zone

Table 4.26 – Short Term

Medium term

Projections for the medium-term (years 4-7), are based on reasonably expected to be realised capacity and are anticipated to be developed as illustrated below. The capacity is all plan-enabled as part of the PDP.

The medium-term development will be split between infill development (35 per cent), undeveloped residential land (23 per cent) and the remaining areas in the SPDAs (26 per cent).

MEDIUM TERM (1-10 Years)	Capacity			Demand + Margin (20%)	Remaining Capacity	Percentage
	Plan- enabled	Feasible	Reasonably Expected to be Realised			
Rural Lifestyle	189	0	0	77	112	2%
Infill	5,773	4,637	3,324	1,383	1,941	35%
Inner City development	1,277	541	541	160	381	4%
Undeveloped Residential	3,153	2,825	2,081	891	1,190	23%
Puketapu SPDA	763	686	647	563	84	14%
Johnston SPDA	135	135	100	100	0	3%
Patterson SPDA	218	192	107	104	3	3%
Carrington SPDA	287	283	231	230	1	6%
Junction SPDA	143	98	79	50	29	1%
Rural development*	0	0	0	395	0	10%
Total	11,938	9,397	7,110	3,953	3,741	100%

*10% of all development in the short term will be out of zone in the Rural Production Zone

Table 4.27 – Medium Term up-take

Long term

LONG TERM (1-30 Years)	Capacity			Demand + Margin (20%)	Remaining Capacity	Percentage
	Plan- enabled	Feasible	Reasonably Expected to be Realised			
Rural Lifestyle	189	0	0	189	0	2%
Infill	5,773	4,637	3,324	3,234	90	29%

Inner City development	1,277	541	541	443	98	4%
Undeveloped Residential	3,153	2,825	2,081	2,081	0	19%
Puketapu SPDA	763	686	647	635	12	6%
Johnston SPDA	135	135	100	100	0	1%
Patterson SPDA	218	192	107	104	3	1%
Carrington SPDA	287	283	231	230	1	2%
Junction SPDA	143	98	79	75	4	1%
Junction FUZ	119	107	82	80	2	1%
Frankley/Cowling FUZ	746	615	574	551	23	5%
Area R FUZ	372	342	322	316	6	3%
Oākura FUZ	477	470	433	424	9	4%
Waitara FUZ	253	245	187	187	0	2%
Smart FUZ	3,195	3,018	2,647	1,982	665	18%
Rural development*	0	0	0	395	0	4%
Total	17,100	14,194	11,355	11,026	913	100%

Table 4.28 – Long Term

In the long term, there is a potential oversupply of around 900 dwellings based on reasonably expected to be realised capacity. This considers a small portion of development happening in rural production and rural lifestyle areas, even though it is not technically feasible. If this does not happen, the oversupply would reduce to 300 dwellings. Although this number may seem low, we acknowledge that some of the non-feasible and reasonably expected to be realised capacity could still materialise. By relying on realistic expectations, we err on the side of caution, preventing a shortage in development capacity.

Implications of high versus low projections

A divergence from the medium population scenario risks either an over or under-supply of land and an over or under-investment in infrastructure.

If the high population growth scenario were to occur it is likely to result in a proportionate increase in demand on the Councils services. This is through the additional growth infrastructure, as well as services to people where an increase in population is likely to lead to more use (such as libraries). NPDC may need to invest in additional urban growth infrastructure, and this will impact capital budgets and revenue. Alongside this it will influence capacity and supply which may result in increased house prices, an undersupply of available land in the future, and insufficient infrastructure capacity.

There is also a risk that forecast population growth may occur at the lower scenario. NPDC carries some risk of over investment in growth infrastructure. As the cost of growth assets are recovered through development contributions, NPDC would bear the debt for capital expenditure until those growth areas were utilised. This may have the adverse effects of encouraging construction of more standalone houses, and an oversupply of land, and will not support planned development of the housing market.

Infrastructure Capacity

While the numbers indicate we have sufficient supply, this depends on the future funding for planned infrastructure to meet expected growth. Several of the future SPDA areas and FUZ rely on the construction of additional infrastructure to unlock their development.

The NPDC 2024 LTP and IS include relevant growth infrastructure to service the areas identified. Models have been developed to monitor the PDP infrastructure zones to better understand the

implications of intensification of residential zones. The outcome from this modelling has identified potential issues relating to wastewater and stormwater limitations. Further investigations into these areas will help create innovative solutions and they have been included in the NPDC 2024 LTP.

Business Assessment

The NPS-UD mandates tier 2 local authorities to project the supply and development capacity of various types and locations of business land and floor area over the short, medium, and long term.

To assess how projected land demand aligns with the business land supply enabled by the district Plan, we enlisted the expertise of Property Economics for assistance. The results of this modelling are outlined in the following sections.

5 Business Capacity Assessment

5.1 Demand for Business

Demand for Business Land

Economic growth in the New Plymouth district influences the future demand for business land. However, various business sectors have distinct land requirements, encompassing total land quantity, location, site size, physical attributes, and tenure. Each sector also has different impacts on surrounding activities. For instance, retail operations prefer proximity to customers, thriving in shopping areas near residential zones. On the other hand, office-based activities often require leased spaces in town centres with easy access to skilled workers and supporting retail services. Industrial activities, such as heavy manufacturing, seek large sites near motorways and ports but tend to be situated away from residential areas due to potential negative effects on amenity values, traffic, and noise.

Business demand and development capacity	Term	Business Land* (Ha)	Industrial (Ha)
Estimated Employee Projection	Short	15,750	12,140
	Medium	16,890	13,080
	Long	18,880	14,740
Estimated Business Land Demand (Ha)	Short	4.5	19.0
	Medium	16.8	63.0
	Long	29.9	111.0
Additional Business Land Demand with the competitiveness margin (Ha)	Short	8.6	23.0
	Medium	20.0	75.0
	Long	34.5	127.0
Plan-enabled, business Land development capacity	Short	153.0	176.1
	Medium	153.0	176.1
	Long	163.9	221.9
	Short	131.3	171.2

Plan-enabled and feasible business land development capacity	Medium	131.3	171.2
	Long	142.3	215.2
Plan-enabled, feasible and suitable for development	Short	33.9	163.3
	Medium	33.9	163.3
	Long	44.3	207.3
Business Land development capacity surplus/deficit	Short	25.3	140.3
	Medium	13.9	88.3
	Long	9.7	80.3

Table 5.1: Business Demand Projections for New Plymouth District

Employment growth in different economic activities drives different demands for business land. Activities that use industrial land (such as manufacturing, construction services, warehousing and storage) have a far greater impact on demand for business land. Growth in office, retail and community services activities creates less significant demand for business land. However, each of these activities has their own locational and other demands.

Retail Demand

Assessment of demand for retail land in New Plymouth is informed by high level projections of retail employment by sector.

In this report net retail trading floor space is translated to Gross Floor Area (GFA). This is because net retail trading floor space excludes floor area in retail areas that is used for storage warehousing, staff facilities, offices or toilets etc. These activities typically occupy around 25-30% of a store's GFA. For this analysis a 30% ratio has been applied.

Retail Sector Requirements	2024	Short Term	Medium Term	Long Term
Employment (FTEs)	6,530	6,710	7,120	7,840
Retail Employment Growth (000s)		200	400	700
Cumulative Floorspace Requirements (sqm)		5,400	17,700	39,370
Including NPS-UD Buffer (sqm)		6,500	20,400	45,300

Table 5.2 – New Plymouth Retail Floorspace requirements (2024-2054)

Commercial Demand

Assessment of demand for commercial land in New Plymouth is informed by high level projections of commercial employment by sector.

The projections in this section are based on Statistics New Zealand Employment Counts (EC) for the New Plymouth district. Property Economics is aware that up to 30% of employees in any given sector do not register the location of their job and are not included in statistics. The ratios applied within this assessment are based on that shortfall and compensate for it in terms of relevant commercial demand.

Commercial Sector Requirements	2024	Short Term	Medium Term	Long Term
--------------------------------	------	------------	-------------	-----------

Employment (FTEs)	8,730	9,040	9,770	11,040
Commercial Employment Growth (000s)		300	700	1,300
Cumulative Floorspace Requirements (Ha)		4	15	26
Including NPS-UD Buffer (Ha)		8	18	30

Table 5.3 – New Plymouth Commercial Floorspace requirements (2024-2054)

Net commercial land requirements are forecast to increase. To accommodate projected demand, an estimated 30 ha of additional commercial floorspace is required from 2024 to 2054.

Industrial Demand

High level projections of industrial employment by sector inform the assessment of industrial land demand in New Plymouth. Total employment figures are then translated into floorspace requirements.

Industrial Sector Requirements	2024	Short Term	Medium Term	Long Term
Employment (FTEs)	11,730	12,140	13,080	14,740
Industrial Employment Growth (000s)		400	900	1,700
Cumulative Floorspace Requirements (Ha)		19	63	111
Including NPS-UD Buffer (Ha)		23	75	127

Table 5.4 – New Plymouth Industrial Employment Forecast 2018 – 2048

New Plymouth’s net industrial employment base is forecast to increase at a steady net growth rate over the forecast period, by just over 1,700 employees from the 2024 base figure. Average growth projections are for 135 new industrial employees per annum in the medium term, bringing the total district industrial employment base to 14,740 by 2054.

Given population growth trends, growth in industrial employment is also expected to continue in the foreseeable future. However, it is important to note that within small provincial districts such as New Plymouth, each individual business represents a larger portion of the market. A large business restructure, or entry or exit of a large firm can change the overall structure of New Plymouth’s employment base commensurately.

Other influences on demand

Employment

Analysis of demand for floorspace and land in an urban economy commonly focuses on the relationship between workers and their space requirements. For the NPS-UD, the employment metric is important from the planning perspective because growth in employment in an urban economy commonly manifests as demand for floorspace and/or land i.e. existing businesses expand, and new businesses commence operation.

Similarly, employment growth in office-based sectors is related to the demand for office floorspace i.e. increases/decreases in employment results in increased/decreased demand for office space. However, there are instances where growth can be accommodated in existing space (productivity improvement) and/or located in non-business zones (e.g. home offices).

Employment data can also be used to understand trends in industrial and retail activity. However, these two sector groupings can also be assessed in terms of value of goods (Gross Domestic Product (GDP) – Industrial) and expenditure (sales – retail).

Employment Composition

Economies are reflective of established investment patterns and the structures of their populations and institutions. Many characteristics or drivers of growth and change typically evolve slowly over time. Therefore, existing structures can play a key role in projecting short to medium term employment land demands. Various levels of net migration can also drive faster growth than anticipated in many high growth areas of New Zealand.

The graphs below show total employee counts and the number of businesses within New Plymouth over the past 20 years. On these graphs, we can see that total employment grew by 37% – from 31,889 in 2003 to 44,384 in 2022. The number of business units increased by a similar rate over this time 42%, up from 7,014 in 2003 to 10,437 in 2022. Both graphs illustrate that increases and decreases in employment activity in New Plymouth are consistent with regional and national trends.

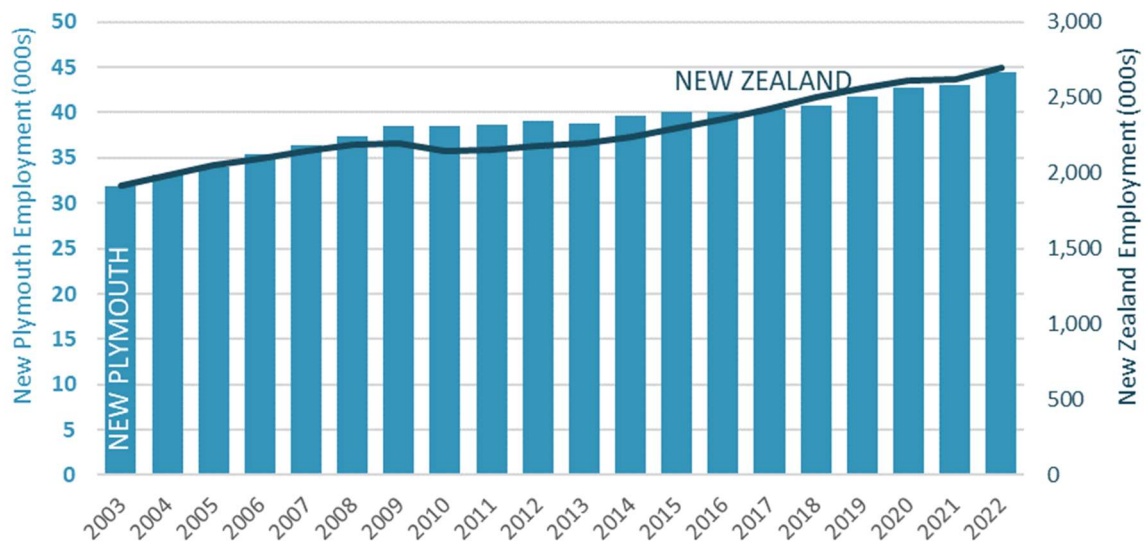


Figure 5.1 - Total Employees in New Plymouth 2003-2022

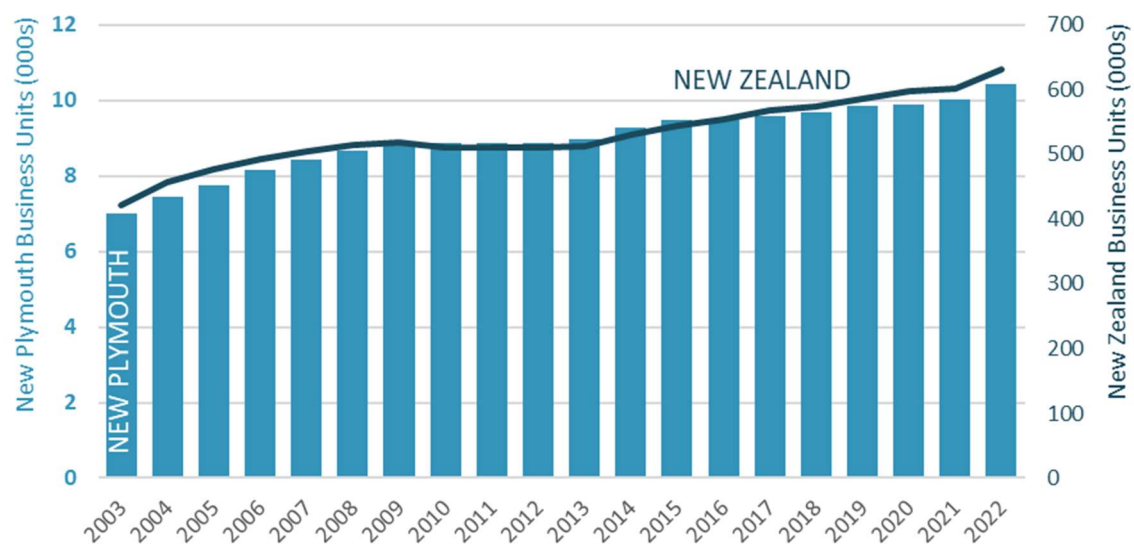


Figure 5.2: Number of Business Units in New Plymouth 2003-2022

The composition of sector employment has important implications for the floor space and land requirements associated with the economy. Different sectors can have different requirements for premises (demand for floorspace and/or land). For example, office-based industries typically have a higher intensity of employment relative to other industries, reflected in higher employee to floor space ratios. Therefore, office-based industries require less land compared with more space extensive industries such as manufacturing and other industrial activities. The latter also typically occupy single level buildings such as warehouses, as opposed to office activities which can occupy multiple storeys. Changes in the composition of an economy can greatly impact on the nature and quantum of floor space and land demand.

Table 5.5 below identifies the employment composition of New Plymouth between 2003 and 2022 using the one-digit Australian and New Zealand Standard Industrial Classification classifications of activities (as per the Statistics NZ Business Frame). The table shows that while New Plymouth experienced overall net employee growth of approximately 12,500 over this period, all industries, excluding information media and telecommunication, experienced individual employment growth.

By Classification	2002	2009	2016	2022	Net Growth %	Net Growth #
Construction	2,534	4,360	3,910	5,170	104%	2,636
Health Care and Social Assistance	3,777	4,262	4,866	5,482	45%	1,705
Professional, Scientific and Technical Services	2,098	2,712	3,052	3,401	62%	1,303
Accommodation and Food Services	1,913	2,455	2,432	3,018	58%	1,105
Other Services	1,287	1,510	1,764	2,093	63%	806
Administrative and Support Services	1,143	1,597	2,076	1,948	70%	805
Education and Training	2,376	2,592	2,667	3,100	30%	724
Transport, Postal and Warehousing	1,414	1,633	1,975	2,058	46%	644
Public Administration and Safety	806	1,117	1,045	1,436	78%	630
Mining	289	786	1,122	904	213%	615
Manufacturing	3,938	4,618	4,509	4,517	15%	579
Financial and Insurance Services	514	635	611	962	87%	448
Retail Trade	3,608	4,123	4,092	3,984	10%	376
Arts and Recreation Services	385	622	661	666	73%	281
Rental, Hiring and Real Estate Services	651	795	870	920	41%	269
Electricity, Gas, Water and Waste Services	322	409	388	573	78%	251
Wholesale Trade	1,356	1,521	1,317	1,415	4%	59
Information Media and Telecommunications	548	571	446	396	-28%	-152
Agriculture, Forestry and Fishing	2,931	2,210	2,236	2,340	-20%	-591

Table 5.5: Employees by sector in New Plymouth 2003-2022

Source: Statistics New Zealand, *Geographic units by industry and area unit 2003-2022*

The biggest driver of employment growth is in the construction sector, particularly following a period of high population growth and increased demand for new dwellings. Apart from the construction industry, most employment growth was associated with population-driven sectors e.g., health care, professional, scientific, and technical services and accommodation and food services.

The following sectors generated most employment growth in the district in the past 20 years:

- **Construction** – experienced the highest percentage of growth, and employment has doubled from 2,500 in 2003 to 5,170 in 2023. This industry is the second largest employment sector in New Plymouth contributing to over 20% of employment growth in the past 20 years.
- **Health Care and Social Assistance** – contributed to 14% of the employment growth. This industry is now the biggest employment sector in New Plymouth with around 5,480 employees in 2023.
- **Professional, Scientific and Technical Services** – contributed to 10% of the employment growth in New Plymouth.
- **Accommodation and Food Services** – contributed to 9% of the employment growth in New Plymouth.
- **Administrative and Support Services**– contributed to 6% of the employment growth in New Plymouth.

The growth in these sectors (excluding construction) reflects a trend towards service-oriented or support sectors, which are mainly driven by the growing population in the district.

The largest employment sector in New Plymouth is Health Care and Social Assistance. This is consistent with the ageing population and growing number of retirement village units. The district expects this trend to continue, with the proportion of the ageing population (65+) growing from 20 per cent to 25 per cent over the next 30 years. This will not only put more pressure on the health care industry but will contribute to the increase in the construction industry, with new retirement villages keeping tradespeople busy. Retirement villages are part of the reason the Taranaki building scene has been buoyant in recent times. The creation of a new retirement village in the district can create up to 50 full-time equivalent jobs in the district.

The second largest employment section in New Plymouth is construction. Understandably, construction closely follows market trends, with employment levels rising and falling depending on the performance of the wider economy, and the economy's position in the property cycle at any point in time. The construction sector's employment base directly correlates to property market cycles and boom/bust periods and the sector has reflected these cycles over the past 20 years. Notably, the distinctive nature of construction work plays a noteworthy role in facilitating New Plymouth's growth without necessitating a pronounced demand for additional floorspace. Unlike industries that may require expanded premises, a substantial proportion of the construction workforce operates on-site, contributing to a more nuanced relationship with increased business floorspace.

The third largest employment sector in the district is the manufacturing industry, which held the top position 20 years ago. Despite the change, the manufacturing industry continues to drive a lot of employment opportunities, with around 10 per cent (4,500) of total employees in the district engaged in this sector. Any increase in employment numbers in the manufacturing industry in New Plymouth would inherently demand a substantial increase in floorspace.

The Information Media and Telecommunication sector has seen a large downward trend in employment growth. Figures dropped by 28% – from 548 in 2002 to 396 in 2017. Changes in technology have impacted these sectors in recent times. For example, people now keep up with news media electronically. The local newspaper (Taranaki Daily News) is still being produced, although production has been moved out of the region. This change has had a large effect on the employment sector.

Within the framework of the NPS-UD, it is important to acknowledge that business sectors, driven by varying population dynamics, exhibit distinct land requirements. Sectors such as retail and office-based industries, closely tied to population growth, often demand higher employment intensity

relative to floorspace. Retail activities prefer locations near consumers, often opting for multi-level developments in urban centres.

In contrast, industrial and manufacturing sectors, known for their space-intensive operations, typically require larger land areas. Heavy manufacturing businesses, for instance, seek expansive sites near crucial infrastructure but away from residential zones to mitigate potential impacts. Recognising these diverse land needs is crucial for effective urban development planning, ensuring alignment with each sector's unique characteristics.

The graph below also shows the sectors with the most significant growth over the period from 2003 to 2022.

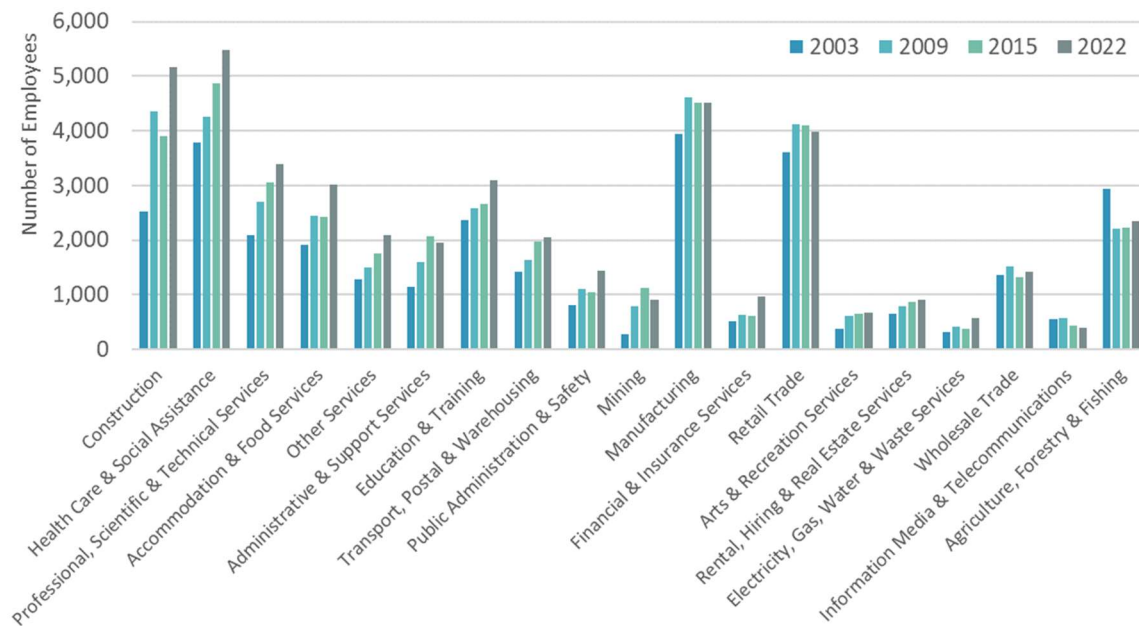


Figure 5.3: Employees by sector in New Plymouth 2003-2022

In summary, growth in the different employment sector groupings has been driven by the following:

- Population demand**
 New Plymouth district is projected to increase by 9,800 people (8.3%) in the next decade, reaching approximately 98,800, and 110,400 over the next 30 years (by the end of 2054).
- Labour force**
 The employment rate (total employed as a proportion of the working-age population) for 2017 sits at 67 per cent for the Taranaki region. An increase in employment is likely to positively benefit the district's population and the local economy. High employment results in higher household income and an increase in discretionary income. If lower employment rates eventuated, then we would see a drop in demand for business floorspace.
- Tourism demand**
 The district assumes that tourism spend in New Plymouth will recover to pre-Covid forecast levels by 2024/25 and the levels of tourism spend in 2019/20. NPDC has used historical growth tourism spend from between 2009-2019 (excluding border closures years due to Covid) at a rate of around 3.68% per annum.

- Central Business District breakdown**

Over the past 22 years, employment growth in the New Plymouth CBD has been gradual, registering a total increase of 18.8% since 2000, and equating to 80 additional employees annually. However, there has been a notable decline in retail trade employment, with a loss of approximately 250 positions. This decline has been counteracted by a rise in professional services employees, particularly in the professional, scientific, and technical services sector, which has seen an increase of over 600 employees.

The reduction in retail trade is a noteworthy concern, diminishing New Plymouth's competitiveness. This trend indicates a shift of retail activity away from the CBD core, extending into the fringe or dispersing into other district centres like Fitzroy. Beyond the economic implications, this trend has broader impacts on community well-being and social amenity values.

- Internet retailing.**

Internet retailing (sometimes referred to as E-tailing) is anticipated to have an increasing influence on future retail requirements and on shopping patterns. It is now at a point where it should be considered in forward planning. In April 2023, online retail spending accounted for around 16 percent of total retail spending in New Zealand. Online retail spending reached a high in April 2020 at the start of the COVID-19 pandemic, accounting for around 23 percent of total retail spending that month. Growth in online spending in New Zealand is outpacing growth in spending at physical stores, increasing from an average of 11 percent back in 2018.

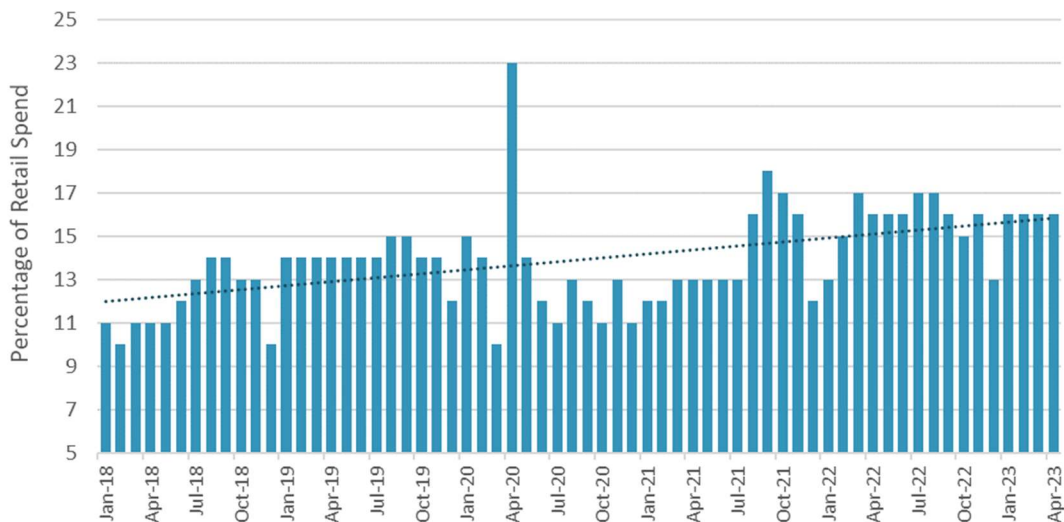


Figure 5.4 – Monthly online share of retail spending New Zealand 2018-2023

- Working from Home**

More people started working from home during and after the COVID-19 lockdowns. Companies had to find new ways to keep working, and working from home became a helpful solution. People used tools like video calls and online collaboration to do their jobs. Even after the lockdowns, many companies saw that working from home could be useful. It can help people work better, saves money, and enables employees to balance their work and personal life. While brought about by the pandemic, the ability to work from home is a big shift in how we think about work, with more flexibility for everyone. Importantly, this transition can also reduce the demand for additional physical workspaces and floor space.

- Global and National Crises**

Global or national crises, like the COVID-19 pandemic, can have substantial short-term effects on employment. The recent pandemic is an example of a worldwide event that significantly impacted economic activity and employment on a global scale. While the nature and timing of such events are challenging to predict, it is crucial to acknowledge their potential impact. Although neither the NPS-UD nor Council reporting can foresee these short-term fluctuations, understanding and analysing their consequences remains valuable for informed decision-making in the face of unforeseen challenges.

Employment growth by Industry Type

The Australian and New Zealand Standard Industrial Classification categories were employed to categorize employment sectors into retail, commercial, industry, and others. This classification method involves assigning businesses to a specific industry based on their primary economic activities.

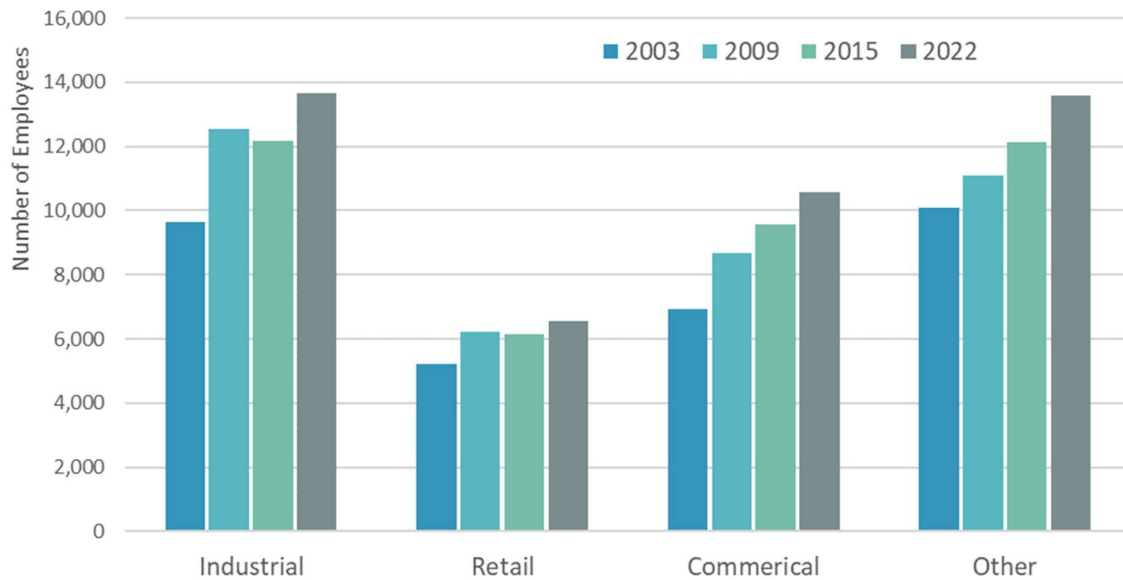


Figure 5.5 – Employees by Sector Groups New Plymouth

All sector groupings experienced strong overall net growth. However, growth in the industrial sector is proportionally higher at 41%. The industrial sector employment base rose from 9,661 in 2003 to around 13,656 in 2023.

Business Consent Applications

In the past two decades, there has been a significant decrease in the number of non-residential building consents in New Plymouth. However, despite the overall decrease, there have been fluctuations in the total floorspace associated with these consents, showing a more consistent take-up. Many of the non-residential building consents are concentrated in the factories, industrial, and storage building sector.

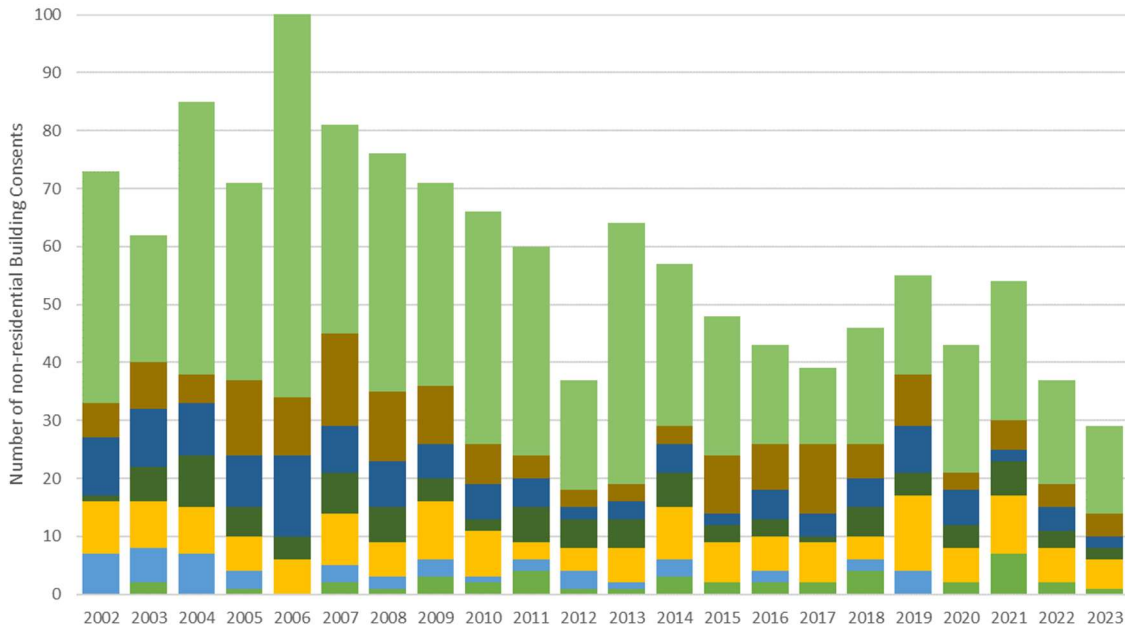


Figure 5.6 – Number of New Plymouth Non-Residential Building Consents by Type 2003-2022 – (Excluding Farm Buildings)

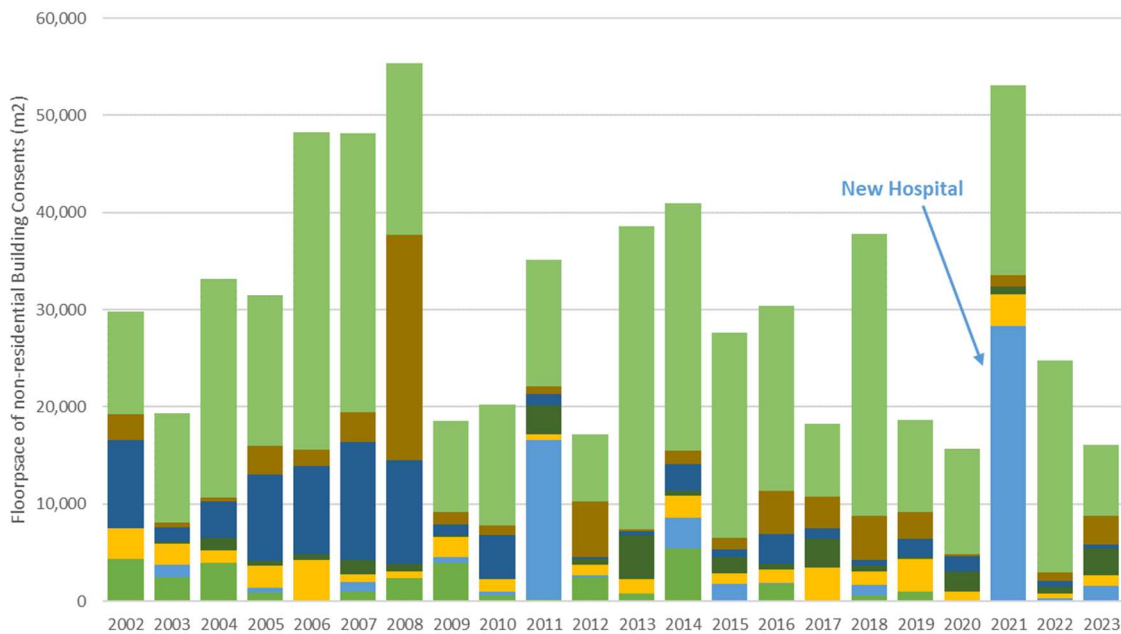


Figure 5.7 – Floorspace of New Plymouth Non-Residential Building Consents by Type 2003-2022 – (Excluding Farm Buildings)

Shops, restaurants, and bars

Over the last decade, NPDC has consistently received an average of only four building consents for shops, restaurants, and bars (including retail), resulting in approximately 1,309 square meters of additional floor space. This trend is anticipated to continue, with an expected average retail growth of around 1,300 square meters per annum over the next 30 years.

Office, administration, and public transport buildings

The office, administration, and public transport buildings category, primarily associated with commercial activities, constitute the second-largest category of non-residential building consents. Over the past decade, NPDC has received an average of approximately six consents annually in this category, contributing to around 2,000 square meters of additional floor space.

Factories, Industrial and storage buildings

The largest category for non-residential building consents in New Plymouth is factories, industrial and storage buildings. With an average of 22 building consents per annum over the last ten years, this category has added a total additional floorspace of 194,900sqm for the ten-year period.

5.2 Business Capacity

This section assesses the sufficiency of land supply for the district’s retail, commercial and industrial sectors.

Business demand and development capacity	Term	Business Land* (Ha)	Industrial (Ha)
Estimated Employee Projection	Short	15,750	12,140
	Medium	16,890	13,080
	Long	18,880	14,740
Estimated Business Land Demand (Ha)	Short	4.5	19.0
	Medium	16.8	63.0
	Long	29.9	111.0
Additional Business Land Demand with the competitiveness margin (Ha)	Short	8.6	23.0
	Medium	20.0	75.0
	Long	34.5	127.0
Plan-enabled, business Land development capacity	Short	153.0	176.1
	Medium	153.0	176.1
	Long	163.9	221.9
Plan-enabled and feasible business land development capacity	Short	131.3	171.2
	Medium	131.3	171.2
	Long	142.3	215.2
	Short	33.9	163.3

Plan-enabled, feasible and suitable for development	Medium	33.9	163.3
	Long	44.3	207.3
Business Land development capacity surplus/deficit	Short	25.3	140.3
	Medium	13.9	88.3
	Long	9.7	80.3

Table 5.6: Sufficiency of business land capacity to meet demand

In the PDP most of the long term capacity designated for retail and commercial use is in the Central City and the adjacent mixed-use zone. The overall potential plan-enabled, feasible, and suitable for development capacity amounts to 44.3 hectares, with over 70% (32.2 ha) of the future capacity concentrated in the Central City and its surrounding mixed-use zones.

To encourage residential growth in local centres, targeted areas (1.7 hectares) have been identified for business expansion throughout the district, including an extension of the Parklands (Bell Block) and Fitzroy retail centres, along with a few other smaller areas.

In the short to medium term, the current potential capacity for industrial land in the district is met by the existing vacant industrial land, totalling 163 hectares. To ensure sufficient capacity for long-term demands, we have identified the Oropuriri FUZ, encompassing 44 hectares, as the designated area for future industrial development.

Retail and Commercial Capacity

This section assesses the amount and distribution of retail and commercial land provision in the New Plymouth district. Within the district we have identified future potential land which would require construction of new premises.

Area (ha)	Plan-enabled Capacity	Feasible Capacity	Suitable for Development Capacity
City Centre Infill Development	94.0	72.6	16.9
Mixed Use infill Development	53.0	53.0	15.3
Rezoned Areas from the PDP	6.0	5.7	1.7
Area R FUZ	11.0	11.0	10.3
Total	164.0	142.3	44.3

Table 5.7 – Business Capacity for New Plymouth District

Recent NPDC reports show that both retail and commercial activity is moving away from the CBD core, either spreading into fringe locations, or dispersing into other centres within the district. This trend is of great concern, as it lowers New Plymouth's competitiveness and comes at an economic cost to the community's economic wellbeing and social amenity values. To help combat this trend, most of the future capacity for retail and commercial demand in the short, medium and long-term is in the City Centre.

City Centre infill development capacity

In the PDP the capacity for retail and commercial land is largely located within the Central City zone. The City Centre zone is in the heart of the New Plymouth City on the coast between Eliot Street and Dawson Street and covers a total area of around 30 ha. It caters for a wide range of activities, particularly retail and business service activities, living activities, community facilities and visitor accommodation. These activities are allowed and encouraged in the City Centre Zone so that the city centre can remain vibrant and viable in the future. Several activities that are provided for in the zone are discouraged from establishing outside the city centre or local or town centres so that they do not undermine the role and function of these centres.

Height Management Rules

Height management areas are applied in the city centre with taller buildings permitted around the edges of the Huatoki Basin. This reflects existing building heights and open spaces and protects important views to the sea. Viewshafts are also in place to ensure that views from public places are maintained. These height limits range from 10m above ground level to 30m above ground level as identified below.



Figure 5.8 – Central City Zones

The process to identify the potential development capacity within the City Centre is outlined below:

Plan-enabled Capacity

1. Utilise ArcGIS to locate all assessments in the City Centre Zone (Height Management Area).
2. Determine the current mean building height for each assessment, considering variations when present.
3. Identify height limits based on the PDP for each assessment, using lower height management levels when the area changes within an assessment.

4. Combine child assessments into parent assessments, totalling Capital and Land Values (QV Assessments).
5. Calculate the potential additional levels by comparing PDP height limits to current building height.
6. Estimate potential extra stories by dividing the height difference by 3.7.
7. Multiply potential additional stories by the property area to determine plan-enabled capacity.

Feasible Capacity

1. Take the plan-enabled capacity identified above and assess the feasibility of redeveloping sites using the following process.
2. Evaluate the Improvement Value to Land Value (IV/LV) ratio of each site to gauge economic viability.
3. A ratio over 1.0 is not considered feasible capacity for redevelopment.
4. If the ratio is under 1.0, it is considered that it has feasible development capacity.

Suitable for development Capacity

1. Determine what development is suitable to occur based on the feasible capacity.
2. Set a height limit at 3 levels, considering the need for lifts, FRR sprinklers, a fire engineer, and wind and urban design reports beyond 3 storeys⁷.
3. Calculate the height difference between the current building height and the potential 3-story limit.
4. Multiply the height difference by the property area and potential additional levels to find out whether it has suitable development capacity.
5. Exclude heritage buildings from the assessment. This does not limit development but does add complexity to the process.



Figure 5.9 – New Plymouth City Centre Infill Development Height Limits 3D

Under the assessment process outlined above, there exists a substantial 94 ha of potential plan-enabled space. However, when factoring in feasibility, which gauges the likelihood of significant capital investment in the existing built form leading to actions like demolition, removal, or on-site transference, the total potential land area reduces to 72.6 hectares. Economic considerations often favour redevelopment when a site exhibits an Improvement Value divided by Land Value Ratio under 1.0.

⁷ <https://www.mediumdensity.nz/design/variety/>

The restriction of future development to three stories has a significant impact, reducing the overall city centre capacity to 16.9 Ha. Historical consents in the district show that developments beyond this limit are uncommon. Additionally, building beyond the three-story limit necessitates compliance with additional requirements, such as the inclusion of lifts, FRR sprinklers, involvement of a fire engineer, and the provision of wind and urban design reports. The entire available capacity is expected to be developed for a diverse range of uses, encompassing commercial, retail, and the potential for future multi-level accommodation development.

Mixed Use Zone

This zone is primarily located in New Plymouth and applies to land adjacent to the one-way road network that wraps around the City Centre Zone and in Waiwhakaiho. The commercial service activities that are typically located in this zone include trade suppliers, manufacturing/engineering services, and motor vehicle and machinery sales, servicing, and repair. They may not be appropriate for, or are unable to locate in, the city centre, town centres and local centres because of the effects they generate, such as noise, smoke, smell, trade waste, vibration, dust, glare and traffic, or because it is not possible to establish in centres due to the unavailability of sites large enough to accommodate building footprint requirements. Drive-through restaurants, building improvement centres, supermarkets and service stations are also present in this zone given its strong connection to transportation links and exposure to customers.

Mixed Use Zone Living Precinct

To assist in providing a range of housing densities and forms throughout the district, living activities are also provided for in the zone, but will require resource consent due to the potential for reverse sensitivity effects. A PREC14 - Mixed Use Zone Living Precinct, supported by small scale food and beverage retail stores where appropriate, is identified in the part of the zone that wraps around the City Centre Zone. In the mixed-use living use zone precinct, there is a maximum occupiable structure height above ground level of 16m. In all other areas of the mixed-use zone, the structure height is 11m above ground level.



Figure 5.10 – Mixed Use Zone

The approach to pinpointing potential development capacity in the mixed-use zone closely mirrors that of the city centre zone. We employed ArcGIS to identify individual land parcels within the mixed-use zone. However, determining current building heights posed challenges, primarily due to extensive land parcels used as carparks, leading to inaccuracies in estimated building height. To overcome this, a detailed desktop exercise was conducted, incorporating aerial imagery and improvement values of parcels to estimate potential future capacity. Only land parcels with vacant or low improvement value sites were recognized as potential development areas.

The overall potential plan-enabled capacity within the mixed-use zone is 53 hectares, but this decreases to 15.3 hectares when considering vacant parcels and height restrictions.

Rezoned Areas from the PDP

These areas include the extension of the Parklands retail centre in Bell Block, the retail centres in Fitzroy and Westown, and a few other small areas. Most of this land is currently used for residential purposes and would need to be redeveloped for business use. The total area identified for expansion is approximately 6 hectares, but only an estimated 1.7 hectares have been designated as suitable for long-term development.

Area R

Area R is designated as a FUZ in the New Plymouth PDP. It became part of the plan through Plan Change 20 in 2015, involving the rezoning of Puketapu SPDA to residential and the application of a Future Urban Zone to Area R. Bounded by Airport Drive to the west, Devon Road to the south, and Mangaoraka Stream to the east, Area R is strategically located. The ongoing development of Puketapu and the surrounding Bell Block areas, situated east of New Plymouth City, might necessitate additional land for business purposes. Further assessments of Area R's development may impact the business/residential split, especially considering the realignment of Airport Drive. Currently, we estimate that approximately 11 hectares, representing around 10% of the total 54.8 hectares, could be allocated for business needs but do note this will be influenced by other PDP, LTP and consenting processes.

Industrial Capacity

This section assesses the amount and distribution of vacant industrial land in the New Plymouth district. The purpose of the General Industrial Zone is to provide for a range of industrial activities, with provision for some activities that support industrial activities and activities that are compatible with the adverse effects generated by industrial activities (such as noise, odour, dust, fumes, and smoke). General Industrial land is often located near key transport routes, in the Bell Block Industrial Park or around Port Taranaki. Other General Industrial land is located in Waitara, Inglewood and Egmont Village. Some existing industrial activities located throughout urban New Plymouth also have site-specific General Industrial zoning.

There are sufficient areas of land zoned for industrial use to meet anticipated growth requirements in the short to medium-term, provided all industrial zoned land is utilised for industrial purposes. Non-industrial activities, such as residential and commercial activities, are therefore generally inappropriate in industrial locations and are provided for in other zones. Lower standards of amenity are characteristic of industrial zones and out-of-zone activities locating in industrial zones can lead to reverse sensitivity effects.



Figure 5.11 – Industrial Land Supply in New Plymouth District

Vacant Industrial Land (ha)	Plan-enabled Capacity	Feasible Capacity	Suitable for Development Capacity
Balance Of New Plymouth	0.3	0.0	0.0
Glen Avon	15.2	14.5	12.2
Moturoa Waterfront – Port Zone	4.2	4.2	3.2
Paraite – Bell Block	152.5	152.5	148.0
Waitara	3.9	0.0	0.0
Total	176.1	171.2	163.3

Table 5.8 – Industrial Land Sufficiency

Most of the available industrial-zoned land is situated along the outskirts of New Plymouth's primary urban area, with a small portion allocated in the Waitara settlement to facilitate industrial expansion in that region. The accompanying map and table offer insights into the distribution of future capacity. The designated vacant land includes empty lots presently utilized for parking or serving rural purposes.

Oropuriri Future Urban Zone

This area is located between the State Highway and Oropuriri Road. The area comprises 25.8 hectares and has been reduced from the area shown in the ODP due to the rezoning of the Oropuriri Structure Plan Development Area. This Future Urban Zone has been investigated for future industry zoning, continuing the land-uses at either side. Significant cultural values have been identified within this area that are of significance to Puketapu and Ngāti Tawhirikura hapū. There is currently sufficient supply of industrial land in the district and this land is not required till the long term. Further investigations are required regarding stormwater management and roading.

Area (ha)	Plan-enabled Capacity	Feasible Capacity	Suitable for Development Capacity
Oropuriri Future Urban Zone	45.8	44.0	44.0
Total	45.8	44.0	44.0

Table 5.9 – Industrial Land Sufficiency

The total area identified for expansion is approximately 45.8 hectares, with an estimated 44.0 hectares been designated as suitable for long-term industrial development.

5.3 Business Multi-criteria Analysis

To understand the potential of our business land that is zoned in the PDP Plan depends on how well this land meets the locational and other requirements of different business types. Such as access to the labour force, state highways, and ownership, etc.

To assess suitability, we undertook a multi-criteria analysis (MCA) of the attributes of the land available for new industrial and business activities.

Method

To assess the desirability of various locations for potential business development, we conducted a comprehensive review, incorporating insights from other business land studies and considering the local context. Eleven key criteria were identified, and scores ranging from 1 to 5 were assigned to each criterion for both the industrial and business sectors, reflecting their perceived importance to businesses in these broad categories. These scores were then weighted based on their relative significance. Notably, the criteria assessed do not encompass details about infrastructure availability or land prices, although we acknowledge these factors are crucial in business location decisions. Their exclusion is intentional due to specific considerations:

- The NPS-UD directs councils to assess the availability of developed infrastructure as a constraint on capacity, rather than as a factor that affects feasibility. With identified exceptions, vacant business-zoned land is expected to be serviced by developed infrastructure. Where businesses have additional requirements, e.g. for telecommunications infrastructure or private wastewater solutions, it is expected that they will be able to work with private infrastructure suppliers or self-service.
- Land prices reflect the attractiveness of different sites for development, and as a result including them would 'double count' the measurable criteria we have identified below. We consider business land prices when discussing housing-business interactions.

Criteria	Description	Business Weighting	Industrial Weighting
Access to Labour	Proximity to current and future workers	1	3
Exposure and visibility	Promotion to customers	2	1
Accessibility	Proximity to state highway network	2	4

Topography	Flat land, large land parcels for Industrial. Road frontage for businesses	1	4
Ownership	Single land ownership and potential for large sites	1	2
Reverse Sensitivities	Proximity to residential activities within 1km	0	4
Traffic	Low level of traffic congestion	1	1
Location to Central City	Location to Central City and other associated businesses	2	0
Proximity to households	Households within 5km	4	0
Tourism	Tourist Accommodation within 1km	2	0
Parking Availability	Public car parking available	3	0
Total Weighted Score (out of 95)		95	95

Table 5.10: MCA criteria and weightings for business land suitability

Results

Unsuitable	Inappropriate		Neutral		Appropriate		Very suitable
20	30	40	50	60	70	80	90

The MCA suggests that overall, most of the land available for industrial and retail use scores very well against the criteria that are likely to matter most to these businesses.

Criteria	Business				Industrial					
	City Centre Zone	Mixed Use Zone	Rezoned Areas	Area R FUZ	Vacant Balance New Plymouth	Vacant Glen Avon	Vacant Moturoa	Vacant Paraiti	Vacant Waitara	Oropuriri FUZ
Access to Labour	4	4	4	2	15	12	12	9	9	12
Exposure and visibility	8	8	8	6	5	4	4	3	3	2
Accessibility	6	6	4	10	4	20	20	20	20	16
Topography	3	3	3	4	8	12	12	12	12	16
Ownership	3	2	2	3	2	4	4	4	4	8
Reverse Sensitivities					4	12	12	12	12	12
Traffic	3	2	2	3						
Location to Central City	10	8	4	2						
Proximity to households	12	16	20	12						
Tourism	8	8	6	2						
Parking Availability	9	9	9	9						
Total Score	66	66	62	53	39	66	43	63	64	68

Table 5.11: Multiple Criteria Analysis of the potential Business and Industrial land

In the business sector, the current vacant business floorspace zoned as City Centre and Mixed-Use and located in the City Centre scored the highest MCA score (66 out of a maximum of 95). This score reflects:

- Extremely good location in the Central City
- Close proximity to households and customers
- High visibility with a large proportion of vacant space located on the ground floor
- Currently vacant sites that are listed to rent or own

The largest portion of potential business floorspace identified for retail and commercial growth utilising maximum airspace (i.e., 2 to 3 storey development) has greater associated construction costs. However, it is a fantastic location, with proximity to households and customers.

Potential vacant industrial land is present in five units, with Glen Avon and Paraite containing most of the land. These two locations score the highest MCA score (66 and 67 out of a maximum of 95). This score reflects:

- Very low-level geographic constraints – all sites are flat with easy access
- Easy access to the State highway (SH3) network
- Proximity to current and future workers, especially with the future residential growth in Bell Block.

It is important to note that a large majority of the land identified for industrial zoning is in large land parcels with single ownership. This may be a limiting factor for potential future development of industrial land.

6 Housing and Business interactions

This section considers potential interaction between housing and business capacity. This includes:

- Addressing the potential for out of zone development
- Developing a vibrant City Centre and mixed-use zone (Commercial, Retail and Residential)
- Demand for different activities

6.1 Out of Zone development

Residential activities in business zones

A number of business zones enable residential activities i.e the City Centre environment. The PDP will control out of zone development so that land is used for its zoned purpose. It is noted that residential and short-term accommodation will continue to be enabled in the City Centre. To ensure we have sufficient supply for both commercial and retail capacity, we have allocated a portion of the potential floorspace to each activity.

Industry	City Centre Zone (Ha) Suitable for Development Capacity	Percentage
Industrial	1.5	9%
Retail	5.1	30%
Commercial	8.5	51%
Other (Including Residential & Accommodation)	1.8	11%
Total	16.9	100%

Table 6.1 – Potential capacity in the City Centre by Industry

The distribution of floorspace in New Plymouth City Centre is currently influenced by the existing usage, with around five percent of the total area allocated for accommodation. Looking ahead, there is an anticipated rise in potential residential land within the Central City over the long term. Presently, residential occupancy in the City Centre is relatively low, reflecting the prevailing preference for standalone dwellings with gardens or lawns. Nevertheless, we foresee a change in this trend over the long term, driven by increasing house prices and shifting family dynamics that may reshape future preferences.

Having residential development within the City Centre and in the more traditional fringe locations outside of the City's core, is an important catalyst for improved vibrancy, vitality and amenity value. Residential development within the CBD will help to expand the life and hours of operation of the central area. More people living and working in New Plymouth's central area will likely result in benefits such as more shops and services, a greater number of exciting and innovative companies, enhanced recreational opportunities and of course, more buildings to accommodate the increase in employment.

Out of Zone Consents

To gain a clearer understanding of activities occurring outside designated zones, we analysed building consent data from the last four years in comparison to the current PDP zones. It is important to note that many of these consents were likely granted under the previous ODP. The transition to the PDP is expected to exert significant influence in the future, introducing stronger controls to mitigate out-of-zone activities. Examining the data, a noteworthy out-of-zone trend emerges, particularly in the rural environment where over one quarter of all residential building consents are concentrated in the rural production zone. Another concern lies in the commercial sector, with more than 100 consents each in the general and medium density residential zones. Ongoing monitoring through quarterly reports will help assess the impact of the PDP on these trends moving forward.

PDP Zone	NPDC Building Consents 2020-23		
	Commercial	Industrial	Residential
City Centre Zone	62	1	0
Commercial Zone	1	0	1
Large Format Retail Zone	1	0	0
Local Centre Zone	11	0	7
Mixed Use Zone	54	0	13
Town Centre Zone	13	0	1
General Industrial Zone	84	13	20

General Residential Zone	51	0	702
Medium Density Residential Zone	56	0	150
Low Density Residential Zone	1	0	28
Rural Lifestyle Zone	1	0	14
Rural Production Zone	55	3	377
Special Purpose - Airport Zone	1	0	0
Special Purpose - Future Urban Zone	3	1	15
Special Purpose - Hospital Zone	3	0	2
Special Purpose - Major Facility Zone	7	0	0
Special Purpose - Māori Purpose Zone	6	0	1
Special Purpose - Port Zone	7	0	2
Natural Open Space Zone	9	2	6
Open Space Zone	28	3	46
Sport and Active Recreation Zone	15	0	10
Total	469	23	1,395

Table 6.2 – Out of zone consents by Type

6 Conclusions and Policy Implications

This section outlines the key results of this assessment and highlights the potential policy implications of these findings.

6.1 Housing Conclusion

There is sufficient plan-enabled, feasible, and reasonably expected to be realised capacity within the district to address housing demand in the short, medium, and long term. The PDP, along with existing or identified infrastructure in the LTP and IS, serves as the foundation for this capacity.

The total plan-enabled capacity outlined in the PDP amounts to approximately 17,100 new dwellings. However, considering feasibility and reasonably expected realisation, the figure decreases to 11,355 new dwellings. When factoring in the expected demand and incorporating the required competitiveness margin of 15-20%, as mandated by the NPS-UD, the PDP has enough long-term capacity, with an excess of 329 dwellings.

The future capacity primarily hinges on general residential land, infill development, and Structure Planning and Development Areas SPDA. The Councils are committed to concentrating efforts on these areas and these are a vital part of the scenario testing explored in the FDS 2024. Collaborative efforts with landowners will continue to assess development potential and facilitate the creation of new infrastructure, ensuring a successful environment for ongoing development.

6.2 Business Conclusion

There is sufficient plan-enabled, feasible and suitable for development capacity to meet demand for business land in the short, medium and long term as provided for in the PDP.

The total plan-enabled capacity outlined in the PDP amounts to an estimated 163.9 Ha of potential business land and 221.9 Ha of industrial land. However, considering feasibility and suitability for development, the figures decrease to 44.3 Ha for business land and 207.3 Ha for industrial land. When

factoring in the expected increase in employment along with the mandatory margin, the PDP has enough long-term capacity, with an excess of 9.7 Ha of business land and 80.3 Ha of industrial land.

6.3 Policy Implications

This report highlights some issues and opportunities for consideration when developing planning responses.

The above analysis suggests that the PDP provides sufficient capacity to meet short, medium and long-term demand for housing in the New Plymouth district.

It is important to review this assessment incrementally and to consider ongoing changes to growth (which may result in upwards or downwards revisions of housing demand estimates), and changes to housing prices and new housing development costs. Monitoring the uptake of development capacity and price changes over time will be a part of future quarterly reports.

Analysis of business demand and capacity suggests that there is sufficient zoned vacant land in the PDP to meet economy-wide demands in the short-, medium, and long-term.

To successfully provide sufficient capacity to meet demand for new development and manage environmental and urban effects arising from this demand, the PDP must be implemented well. Monitoring of all demand and capacity factors will be important. The development of a Future Development Strategy will be released in early 2024.

7 Glossary

Term	Definition
CBD	Central Business District
DC	Development Contribution
EC	Employee Count
FDS	Future Development Strategy
FTE	Full Time Equivalent
FUZ	Future Urban Zone
GDP	Gross Domestic Product
GFA	Gross Floor Area
GIS	Geographic Information Systems
Ha	Hectares
HAI	Housing Affordability Index
HAM	Housing Affordability Measure
HBA	Housing and Business Capacity Assessment
HCA	Housing Capacity Assessment
HNZ	Housing New Zealand
IS	Infrastructure Strategy
LA	Local Authority (city, district and regional councils)
LTP	Long Term Plan
MBIE	Ministry Business Innovation and Employment
MCA	Multiple Criteria Analysis
MfE	Ministry for the Environment
MPZ	Māori Purpose Zone
MRZ	Medium Density Residential Zone
NPDC	New Plymouth District Council
NPS	National Policy Statement
NPS-UD	National Policy Statement on Urban Development (2020)
NPS-UDC	National Policy Statement on Urban Development Capacity (2016)
ODP	New Plymouth Operative District Plan
PDP	Proposed New Plymouth District Plan
PFI	Potential Future Industrial
QV	Quotable Value
RMA	Resource Management Act
RPS	Regional Policy Statement for Taranaki
SA2	Statistical Area 2
SNA	Significant Natural Area
SNZ	Statistics New Zealand
SPDA	Structure Plan Development Area
SQM	Square meters
TA	Territorial Authority (city and district councils)
TRC	Taranaki Regional Council
UDS	Urban Development Strategy
UGA	Urban Growth Area

Appendix 1

NPS-UD Objectives and Policies

2.1 Objectives

Objective 1: New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.

Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.

Objective 3: Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply:

- a) the area is in or near a centre zone or other area with many employment opportunities
- b) the area is well-served by existing or planned public transport
- c) there is high demand for housing or for business land in the area, relative to other areas within the urban environment.

Objective 4: New Zealand's urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations.

Objective 5: Planning decisions relating to urban environments, and FDSs, take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

Objective 6: Local authority decisions on urban development that affect urban environments are:

- a) integrated with infrastructure planning and funding decisions; and
- b) strategic over the medium term and long term; and
- c) responsive, particularly in relation to proposals that would supply significant development capacity.

Objective 7: Local authorities have robust and frequently updated information about their urban environments and use it to inform planning decisions.

Objective 8: New Zealand's urban environments:

- a) support reductions in greenhouse gas emissions; and
- b) are resilient to the current and future effects of climate change.

2.2 Policies

Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:

- a) have or enable a variety of homes that:
 - (i) meet the needs, in terms of type, price, and location, of different households; and
 - (ii) enable Māori to express their cultural traditions and norms; and
- b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and
- c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and
- d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and
- e) support reductions in greenhouse gas emissions; and

- f) are resilient to the likely current and future effects of climate change.

Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.

Policy 3: In relation to tier 1 urban environments, regional policy statements and district plans enable:

- a) in city centre zones, building heights and density of urban form to realise as much development capacity as possible, to maximise benefits of intensification; and
- b) in metropolitan centre zones, building heights and density of urban form to reflect demand for housing and business use in those locations, and in all cases building heights of at least 6 storeys; and
- c) building heights of least 6 storeys within at least a walkable catchment of the following:
 - (i) existing and planned rapid transit stops
 - (ii) the edge of city centre zones
 - (iii) the edge of metropolitan centre zones; and
- d) in all other locations in the tier 1 urban environment, building heights and density of urban form commensurate with the greater of: (i) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or (ii) relative demand for housing and business use in that location.

Policy 4: Regional policy statements and district plans applying to tier 1 urban environments modify the relevant building height or density requirements under Policy 3 only to the extent necessary (as specified in subpart 6) to accommodate a qualifying matter in that area.

Policy 5: Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of:

- a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or
- b) relative demand for housing and business use in that location.

Policy 6: When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters:

- a) the planned urban built form anticipated by those RMA planning documents that have given effect to this National Policy Statement
- b) that the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes:
 - (i) may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and
 - (ii) are not, of themselves, an adverse effect
- c) the benefits of urban development that are consistent with well-functioning urban environments (as described in Policy 1)
- d) any relevant contribution that will be made to meeting the requirements of this National Policy Statement to provide or realise development capacity
- e) the likely current and future effects of climate change.

Policy 7: Tier 1 and 2 local authorities set housing bottom lines for the short-medium term and the long term in their regional policy statements and district plans.

Policy 8: Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is: unanticipated by RMA planning documents; or out-of-sequence with planned land release.

Policy 9: Local authorities, in taking account of the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) in relation to urban environments, must:

- a) involve hapū and iwi in the preparation of RMA planning documents and any FDSs by undertaking effective consultation that is early, meaningful and, as far as practicable, in accordance with tikanga Māori; and
- b) when preparing RMA planning documents and FDSs, take into account the values and aspirations of hapū and iwi for urban development; and
- c) provide opportunities in appropriate circumstances for Māori involvement in decision-making on resource consents, designations, heritage orders, and water conservation orders, including in relation to sites of significance to Māori and issues of cultural significance; and
- d) operate in a way that is consistent with iwi participation legislation.

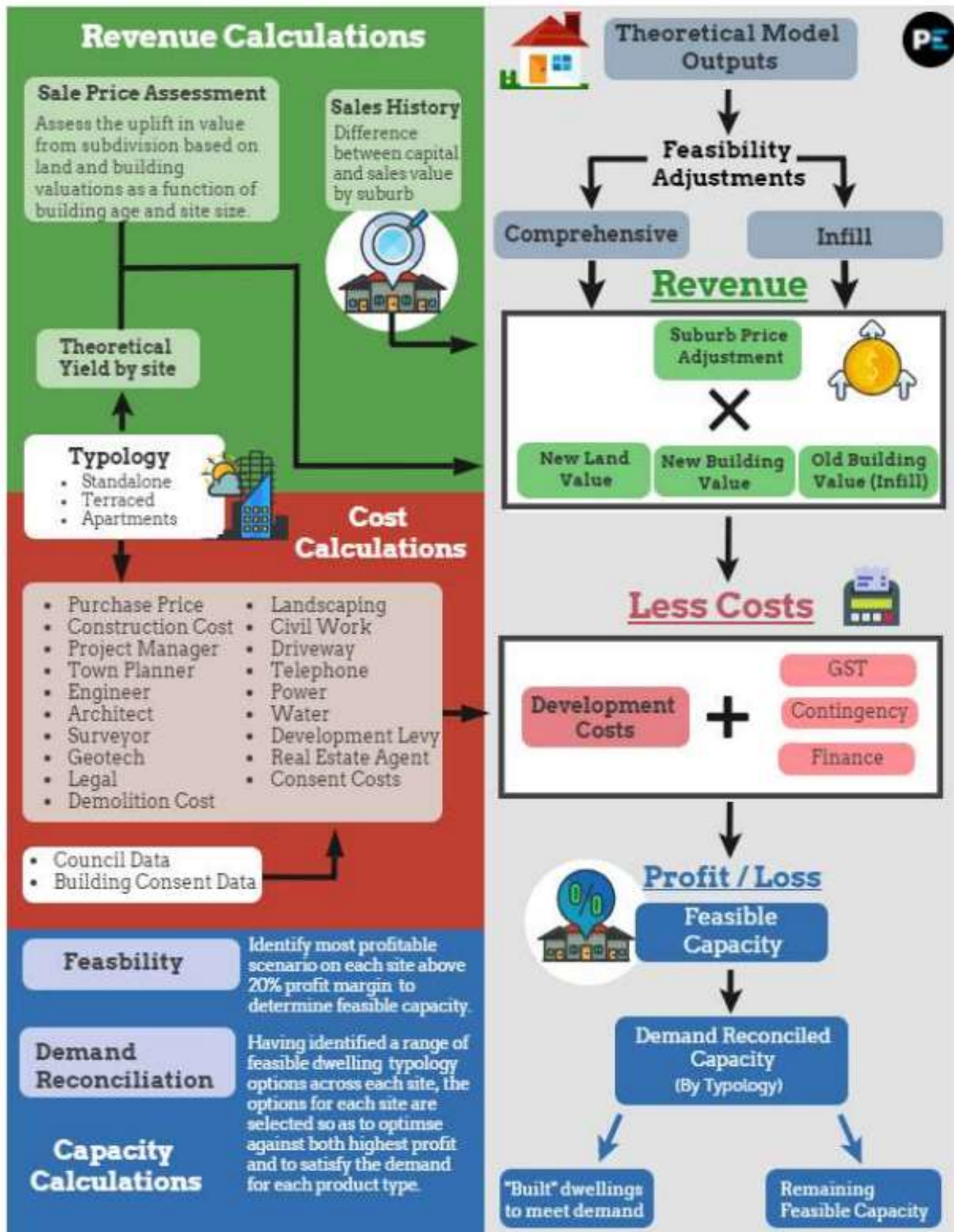
Policy 10: Tier 1, 2, and 3 local authorities: that share jurisdiction over urban environments work together when implementing this National Policy Statement; and engage with providers of development infrastructure and additional infrastructure to achieve integrated land use and infrastructure planning; and engage with the development sector to identify significant opportunities for urban development.

Policy 11: In relation to car parking:

- a) the district plans of tier 1, 2, and 3 territorial authorities do not set minimum car parking rate requirements, other than for accessible car parks; and
- b) tier 1, 2, and 3 local authorities are strongly encouraged to manage effects associated with the supply and demand of car parking through comprehensive parking management plans.

Appendix 2

A high-level overview of the model process utilised by Property Economics in determining the feasible capacity for New Plymouth is outlined in the flow chart below. This same process has been used in the development of the PDP in understanding any changes to residential zones.



Appendix 3

Realisable Capacity Outputs

On top of the feasible capacity modelling, practical considerations must be considered. The realisation rates provide for 'development chance' given the propensity for development variances.

These considerations are based on:

- Dwelling typology
- Development option

The identification of these variables not only provides for sensitivities but also addresses the relativity between typologies (standalone, terraced and apartment). While all three typologies may be feasible the development model identifies the site scenario with the highest profit margin. However, while the model uses the standard 20% profit margin, there is greater risk in some typologies, and thus a matrix of 'risk factors' have been applied across each combination of typology and development type.

The risk has been accounted for by developers increasing the required profit level for a development to be classified as 'realisable', on top of being feasible.

Table 1 below shows the profit levels required for each combination of typology and development option to be considered realisable by the model.

	Comprehensive Developer	Infill Developer	Infill Owner
Standalone	20%	17%	25%
Terraced	23%	20%	28%
Apartment	32%	28%	39%

Table 3 – Developer Realisable Profit Rates

Source: Property Economics

This reflects the market practicality that developments taken on by a developer are relatively low risk if they are an infill development, rather than a comprehensive development. It also shows the increasing risk of development as the typology increases in scale from standalone dwellings, through to terraced product, and finally apartments.

For an owner-occupier the model considers the profit level of the development relative to the capital value of the existing dwelling(s). This is because motivations for an owner to subdivide their property are inherently linked with the relative profit they can achieve against the value of their own home e.g., a \$100,000 profit on a \$1,000,000 site will be less likely to be developed by the owner, compared to a \$100,000 profit on a \$500,000 site, assuming similar fixed costs.

The model therefore considers that the lowest quartile of feasible infill developments in terms of the relative profit / CV ratio will not be realised by the market.