

56 Pohutukawa Place, Bell Block

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Economics

Speaking notes

14 April 2025

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Introduction

- I summarise key points:
 - Report May 2024
 - Evidence March 2025
- Support the application
 - Residential development @ 56 Pohutukawa Place, Bell Block
- Scope of my evidence
 - Economic and urban form implications
- Areas covered
 - Context and housing environment
 - Growth patterns, land patterns, relative position of Bell Block vs New Plymouth
 - Economic assessment
 - 5 elements (4.3d)
 - Comments in s42a report

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Context

- New Plymouth is main economic centre of Taranaki
 - Region is growing
 - Taranaki – 2.7% of NZ GDP
 - New Plymouth is regional service centre
 - Growth has been broad-based (agriculture/rural vs urban)
 - Economic growth translates into demand for goods – including housing
 - Outlook is positive (globally driven uncertainty)
 - Supporting ability to respond to growth – delivers benefits to residents
 - Larger economy, more opportunities, choice, vibrancy, competition
 - Constraints lead to adverse effects (higher prices, unmet demand)
 - Implication: Demand for housing
 - Growth +9,970 households (2023-2053, medium scenario)

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New Plymouth Housing Market and Context

- New Plymouth hosts 33,200 households
- Bell Block – 10% of district's households
- Bell Block
 - Significant change – strong growth
 - 2006-2018 +59%
 - 2018-2023 +270 households
 - 2013-2023 – 13% of New Plymouths growth
 - As a location, Bell Block outperformed the district
 - Type of growth – couple only and family households
 - Bell Block is a destination for housing investment!

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Bell Block – employment and location

- Housing market must be seen in a wider, economy-wide context
 - Spatial relationships
- Employment patterns:
 - Commutable to key business locations (where people work)
 - 25% work locally
 - 25% in Waiwhakaiho-Bell Block South
 - 22% in New Plymouth Central
 - Bell Block enjoys locational advantages –
 - 20 years to 2022 – employment up by 40%
 - Outperformed district
- Implication
 - Growth means Bell Block is now a significant node, supported by infrastructure
 - Support development that strengthens locational advantages, improve urban form efficiency

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Observed patterns

- Development patterns (historic consents)
 - Lower density – suburban scale (83%)
 - Change in dwellings align with change in households (consistent household-housing typology relationships)
 - Detached 74% of total – suburban houses
- Proposed development aligns with observed patterns
 - Aligns with market demand
 - Can expect uptake
- Ensure that construction sector can respond
 - Growth outlook (StatsNZ, 2023 – 2053; + 9,970 households)

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Economic effects of the proposal

Grouped into three categories

1. Support/diluting New Plymouth's ability grow
 - Align with the anticipated 'type' of demand
2. Anticipated demand patterns, and how these align with supply patterns
3. Consequent, flow on urban form implications

Alignment with growth and type of growth

- Proposed density aligns with anticipated demand
 - Deliver net additional (new) residential capacity
 - Scale and timing
 - 2/3s of Bell Block demand over short term
 - 3% of district demand (10 years)
 - 5% of district demand (2033-2043)
- Proposal will help meet housing demand:
 - short term, and medium-long term
- Support / dilute New Plymouth's ability grow

Consistency between supply and demand patterns

- Proposal will deliver lots (lots development into housing)
- Proposed lots sizes:
 - Enable development that is consistent with existing Bell Block patterns
 - Consistency suggests – good alignment with local market
 - Aligns with demand typologies
 - Higher densities unlikely to be viable – demand is for detached typologies
 - Alignment means that land is likely to be used in an economically efficient manner

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Consequent effects - 1

- Scale is consistent with Bell Block patterns
- Price differential (vs New Plymouth urban area) means
 - Lower cost dwellings likely
 - Supports choice and affordability
- Location influences urban form
 - Development is consistent with ODP and PDP
 - Contribute positively to urban form
 - Appropriate contiguous development at urban edge
 - Develop incrementally (not a 'new standalone development')
 - Economic efficiencies around scale (infrastructure, sequencing, timing)
 - Support district wide urban form
 - Strengthen Bell Block as an urban node
 - Good location (SH2 and other centres)

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Consequent effects - 2

- At a local level
 - Development will provide choice (competitive price points)
 - Support centre functioning (local retail spending), vitality and viability
 - Consistent urban form
- At a district level
 - Difficult to see proposed development undermine other opportunities
 - 1.6% of greenfield opportunities (30 years)
 - Align with historical share of Bell Block (% of total)

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Comments in s42A

- Reporting officer raises several economic points
 - Support growth
 - Alignment between typology and demand
 - Contribute to sustainable urban form and support centres
 - Support housing market (choice, location, price-points)
 - Unlock locational advantages
 - Facilitate economic development
- Consistent with several policies (NPS-UD, RPS)

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Conclusion

- I support the proposed development
 - Strengthens locational advantages
 - Infrastructure, cohesive spatial patterns, supports housing competition
 - Proposed patterns align with revealed market patterns
 - Anticipated development patterns (supply) aligns with likely demand
 - Development will deliver positive economic effects, contribute to urban form

