MINUTES ATTACHMENTS
PLANNING AND STRATEGY COMMITTEE

9AM, WEDNESDAY 5 JUNE 2019
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH
PLANNING AND STRATEGY COMMITTEE MEETING

5 June 2019

9  Palmerston North Housing and Business Development Capacity Assessment Report - May 2019
   1.  Presentation PN Housing and Business Development Capacity Assessment Report May 2019
Overview

- NPS Purpose
- Economic overview
- Housing needs assessment
- Business needs assessment
- Risks
- Next Steps
NPS Purpose

- Enable urban environments to develop & grow
- Improve housing affordability
- Requires Council to provide sufficient feasible development capacity to meet future needs
- Development capacity must be provided for in plans & supported by infrastructure
- Housing and Business Needs Assessment provides strong evidence base for future planning decisions
Economic overview

Palmerston North's urban area population

% share of New Zealand's population

Estimated and projected population
Economic overview

Difference in average house sales price from Palmerston North

- Manawatū District
- Horowhenua District
- Whanganui District
- Rangitikei District
- Tararua District

$ value difference from average house values in Palmerston North

Years: 2000 to 2018
Economic overview

Difference in average weekly rents from Palmerston North

Horowhenua District  Manawatū District  Whanganui District  Rangitikei District  Tararua District

$ value difference from average weekly rents in Palmerston North

# Economic overview

## March 2019 Social Housing Register

<table>
<thead>
<tr>
<th></th>
<th>Register applicants</th>
<th>Est. Population (June 2018)</th>
<th>Register share</th>
<th>Population share</th>
<th>KiwiBuild priority area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Super City</td>
<td>4,409</td>
<td>1,695,900</td>
<td>39.8%</td>
<td>34.7%</td>
<td>Yes</td>
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<tr>
<td>Christchurch City</td>
<td>829</td>
<td>388,500</td>
<td>7.5%</td>
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<tr>
<td>Hamilton City</td>
<td>572</td>
<td>169,300</td>
<td>5.2%</td>
<td>3.5%</td>
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<tr>
<td>Lower Hutt City</td>
<td>370</td>
<td>105,900</td>
<td>3.3%</td>
<td>2.2%</td>
<td>Yes</td>
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<tr>
<td>Wellington City</td>
<td>361</td>
<td>216,300</td>
<td>3.3%</td>
<td>4.4%</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Palmerston North City</strong></td>
<td><strong>354</strong></td>
<td><strong>88,700</strong></td>
<td><strong>3.2%</strong></td>
<td><strong>1.8%</strong></td>
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<tr>
<td>Napier City</td>
<td>312</td>
<td>62,800</td>
<td>2.8%</td>
<td>1.3%</td>
<td>Yes</td>
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<tr>
<td>Tauranga District/Tauranga City</td>
<td>281</td>
<td>135,000</td>
<td>2.5%</td>
<td>2.8%</td>
<td>Yes</td>
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<td>Hastings District</td>
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<td>1.6%</td>
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<td>Porirua City</td>
<td>247</td>
<td>56,800</td>
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<td>1.2%</td>
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<tr>
<td>Rotorua District</td>
<td>240</td>
<td>72,500</td>
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<td>1.5%</td>
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<tr>
<td>Whangarei District</td>
<td>227</td>
<td>91,400</td>
<td>2.1%</td>
<td>1.9%</td>
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<tr>
<td>Gisborne District</td>
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<td>49,100</td>
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<td>1.0%</td>
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<tr>
<td>Dunedin City</td>
<td>156</td>
<td>130,700</td>
<td>1.4%</td>
<td>2.7%</td>
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</tr>
<tr>
<td>Far North District</td>
<td>146</td>
<td>64,400</td>
<td>1.3%</td>
<td>1.3%</td>
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<tr>
<td>Nelson City</td>
<td>139</td>
<td>51,900</td>
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<td>1.1%</td>
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<tr>
<td>New Plymouth District</td>
<td>119</td>
<td>81,900</td>
<td>1.1%</td>
<td>1.7%</td>
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<tr>
<td>Marlborough District</td>
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<td>46,600</td>
<td>1.1%</td>
<td>1.0%</td>
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<tr>
<td>Queenstown-Lakes District</td>
<td>10</td>
<td>39,200</td>
<td>0.1%</td>
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<tr>
<td><strong>New Zealand</strong></td>
<td><strong>11,067</strong></td>
<td><strong>4,885,500</strong></td>
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</tbody>
</table>
Housing demand and development capacity

- Assessing demand for housing
- Assessing housing supply and future housing demand
- Price efficiency indicators
- Housing affordability and affordable housing
- Assessing capacity for housing
- Feasible development capacity
Housing demand and development capacity

### Demand

<table>
<thead>
<tr>
<th>Period</th>
<th>Greenfield</th>
<th>Infill</th>
<th>Rural/Rural-Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>814</td>
<td>618</td>
<td>195</td>
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<tr>
<td>Medium</td>
<td>2,760</td>
<td>2,098</td>
<td>662</td>
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<tr>
<td>Long</td>
<td>5,003</td>
<td>3,802</td>
<td>1,200</td>
</tr>
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</table>

### Supply

<table>
<thead>
<tr>
<th>Period</th>
<th>Greenfield</th>
<th>Infill</th>
<th>Rural/Rural-Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>1,250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>2,000</td>
<td>37,225</td>
<td>3,455</td>
</tr>
<tr>
<td>Long</td>
<td>2,570</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Housing demand and development capacity

- Housing can be provided for in short-term
- Need to rezone more land for medium-term growth
- Need to identify more long-term growth options
- Future Development Strategy should guide future housing growth
  ▸ Locations, proportion of greenfield vs intensification vs rural/rural-residential
ITEM 9 - ATTACHMENT 1

Business development capacity assessment

- Includes Business and Industrial Zone land
- Land use strategies require further refinement
- The full-range regulatory levers need to be considered
- 2 broad Industrial Zone markets – small and large
- Small – additional land required in the short term (0-10 years)
- Large – additional land required in the medium to long term (10-15 years)
Business development capacity assessment

- Commercial value in centres-based strategy
- IBZ – no need for additional land in the long-term
- Office vacancy levels, softer retail growth, seismic buildings and lower levels of investment
- OBZ - no need for additional land in the long-term
- Strong growth in LFR & office space, plenty of development capacity exists
- FBZ – review of this Zone in the work programme
Risks

• Failure to address housing affordability could result in further strong growth in the city’s commuter workforce

• Addressing housing affordability well might mean little KiwiBuild housing is built in the city

• The city’s affordability for the logistics sector declines relative to other logistics hubs
Next Steps - Housing

- Future Development Strategy:
  - identify additional opportunities for housing
  - Encourage higher density & infill
  - Council land for housing
Next Steps - Housing

- Review rates differentials
- Promote new housing typologies
- Advance Whakarongo
- Improve data collection and monitoring
Next Steps - Housing

• City Development Strategy & Housing and Future Development Plan:
  • Whakarongo Residential Area, Hokowhitu Residential Area, Kikiwhenua Residential Area, Napier Road, Roxburgh Crescent, Flygers Line, Ashhurst
  • Extended Aokautere Area with new Structure Plan
  • Kakatangiata future stages, co-creation with landowners
  • Use of Council owned land
  • New housing typologies
Next Steps - Industrial

Future Development Strategy
- Identify additional land for small and large scale development
- Rezone additional land for large scale industry within 10 years
- Rezone additional land for small scale industry within 5 years
Next Steps - Business

• No need for additional land in short term
• Continue to monitor
• Review retail and office distribution across business zones
• Review Fringe Business Zone - mix of activities
• Rates differentials
• Purpose of leased parking
• Improve data
Recommendations

- Recommendations 3.1, 3.3, 3.4, 3.6, 3.7, 3.9 and 3.13 of the Capacity Assessment are already covered by the City Development Strategy or the Housing and Future Development Plan.
- Recommendations 3.5 and 3.12 are operational in nature.
- Council is only being asked to formally approve recommendations 3.2, 3.8, 3.10 and 3.11