



PALMERSTON NORTH CITY COUNCIL

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

4



Overview

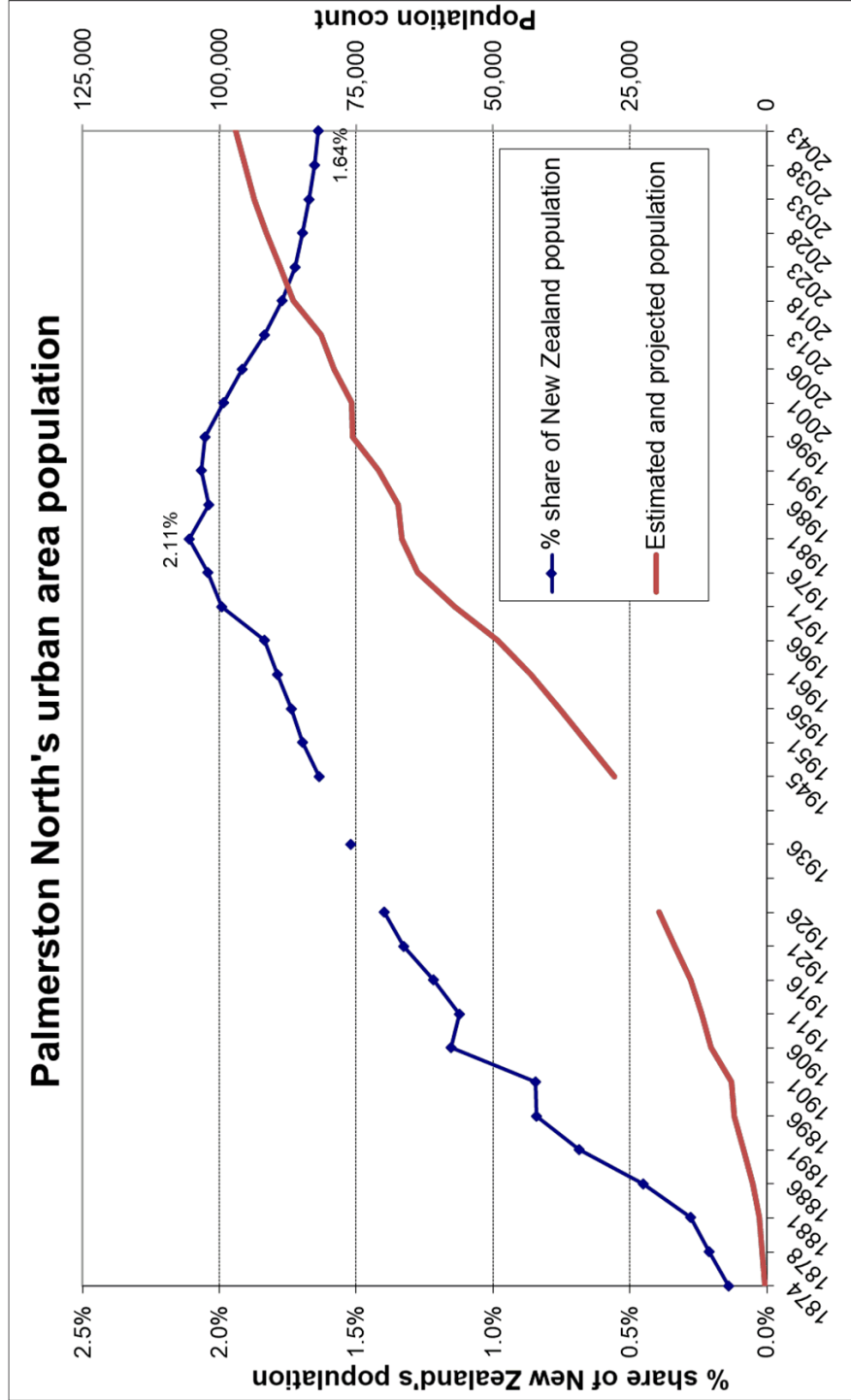
- NPS Purpose
- Economic overview
- Housing needs assessment
- Business needs assessment
- Risks
- Next Steps



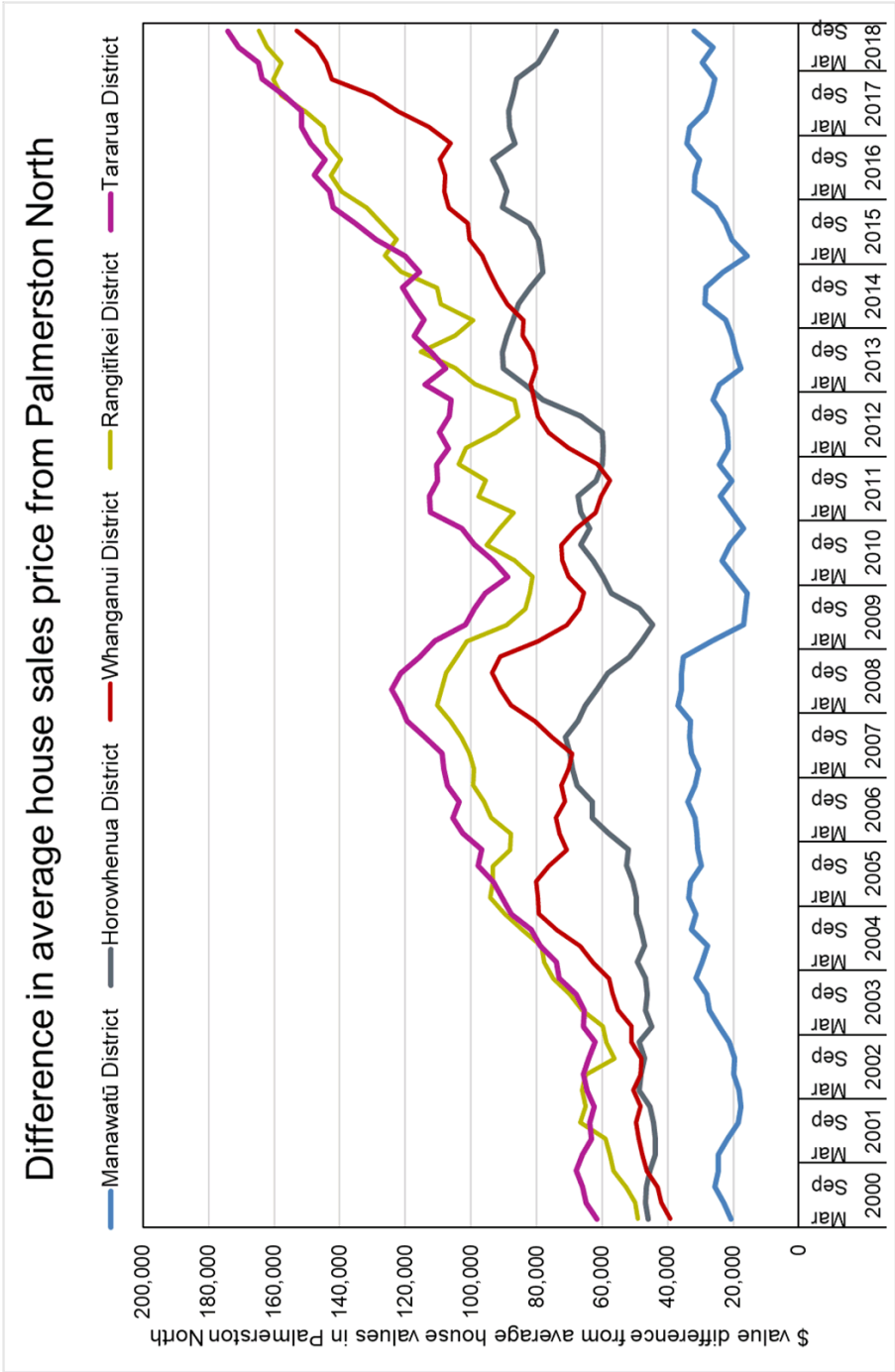
NPS Purpose

- 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

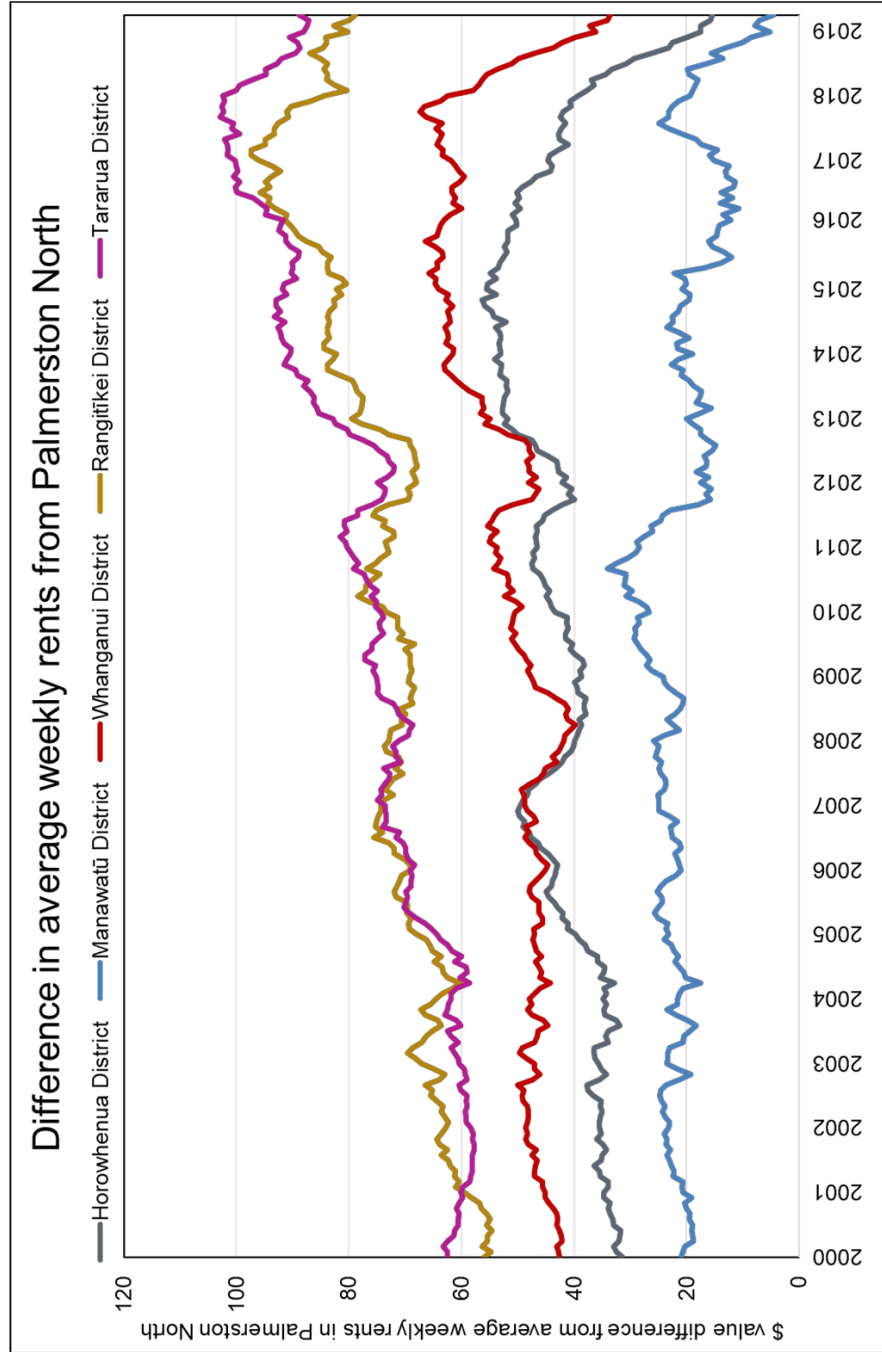
Economic overview



Economic overview



Economic overview



Economic overview

March 2019 Social Housing Register					
	Register applicants	Est. Population (June 2018)	Register share	Population share	KiwiBuild priority area
Auckland Super City	4,409	1,695,900	39.8%	34.7%	Yes
Christchurch City	829	388,500	7.5%	8.0%	
Hamilton City	572	169,300	5.2%	3.5%	Yes
Lower Hutt City	370	105,900	3.3%	2.2%	Yes
Wellington City	361	216,300	3.3%	4.4%	Yes
Palmerston North City	354	88,700	3.2%	1.8%	
Napier City	312	62,800	2.8%	1.3%	Yes
Tauranga District/Tauranga City	281	135,000	2.5%	2.8%	Yes
Hastings District	278	80,600	2.5%	1.6%	Yes
Porirua City	247	56,800	2.2%	1.2%	
Rotorua District	240	72,500	2.2%	1.5%	
Whangarei District	227	91,400	2.1%	1.9%	
Gisborne District	225	49,100	2.0%	1.0%	
Dunedin City	156	130,700	1.4%	2.7%	
Far North District	146	64,400	1.3%	1.3%	
Nelson City	139	51,900	1.3%	1.1%	
New Plymouth District	119	81,900	1.1%	1.7%	
Marlborough District	118	46,600	1.1%	1.0%	
Queenstown-Lakes District	10	39,200	0.1%	0.8%	Yes
New Zealand	11,067	4,885,500			



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

	Greenfield	Infill	Rural/Rural-Residential
Period	Short	618	195
	Medium	2,098	662
	Long	3,802	1,200

Supply

	Greenfield	Infill	Rural/Rural-Residential
Period	Short	37,225	3,455
	Medium		
	Long		

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

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 to medium 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 Deveopment 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, Flyers 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