

"APPENDIX 1"

56 Pohutukawa Place

Economic Assessment

2 May 2024

m.e
consulting



56 Pohutukawa Place

Economic Assessment

Prepared for

Robe & Roche Investments Limited

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1 Introduction

Located on the west coast of the North Island, New Plymouth is the main urban economic centre in Taranaki. The regional economy generates 2.7% of national GDP and is estimated at \$10.2bn – an increase of 0.3% over the past year.¹ Economically, the city is the main financial and economic service centre for Taranaki. Over the past decade, regional GDP has increased by 0.9% (compound annual growth rate, CAGR). The growth was despite the pressures on the petrochemical sector. The growth was driven by a mix of activities such as:

- agriculture 2.0% CAGR
- construction 3.3% CAGR
- professional services 3.7% CAGR
- healthcare and professional services 2.9% CAGR.

Importantly, the spatial distribution of growth is diverse. Agricultural growth is by its nature concentrated in the rural areas. White collar business activities, such as professional services, public administration and information media and technology, have seen strong growth with large shares of regional growth in these sectors occurring in New Plymouth². Different growth scenarios for the district present differing views about the district's future but a key feature is that the growth series point to a positive, expanding local economy and population base. Supporting and facilitating district growth will deliver a range of benefits to residents. The growth includes residential, commercial, industrial, and other activities. As the regional economic hub, the relative performance of New Plymouth has economic consequences for the rest of Taranaki.

Managing the scale and distribution of residential growth across New Plymouth's urban economic structure is important because it has important economic effects. It is essential that patterns of urban growth contribute positively to a sustainable and efficient urban form.

Robe & Roche Investments Limited (RRI) is seeking a resource consent to develop residential lots on a property located at 56 Pohutukawa Place, Bell Block. The development will occur using a staged approach. The proposed development would result in urban expansion at Bell Block, providing development opportunity for additional dwellings in the local housing market.

Market Economics Ltd (M.E) has been commissioned to undertake an assessment of the economic effects of the proposed development.

1.1 Study context

The M.E assessment considers the potential economic and urban form implications of the proposed development. The assessment is conducted with reference to:

- The specifics of the proposed residential development,
- Historical demographic trends in the New Plymouth District, particularly in Bell Block,
- Growth projections for the District, and
- The policy framework outlined in the National Policy Statement on Urban Development (NPS-UD).

¹ March year to 2023, Infometrics data.

² Based on M.E analysis of Business Demography data.



This context establishes the framework for the effects assessment as presented in the report. It examines how the proposed residential development would integrate into the New Plymouth residential land market, considering the current supply and growth projections.

The land is currently zoned as residential (Residential A Zone) under the New Plymouth Operative District Plan (District Plan) and General Residential under the Proposed New Plymouth District Plan (Proposed District Plan) and is located on the western extent of the existing Bell Block urban area.

1.2 Proposed development

This section sets out the key components of the proposed development, by:

- Outlining the scale and nature of the proposed development site,
- Describing the development location, which forms an important driver of the likely economic effects, and
- Listing relevant attributes of the location, and then quantifying the proposed land development structure. These attributes influence the likely pattern of dwelling development, which directly affects the potential contribution to the local and district-level dwelling markets.

The proposal is to obtain resource consent for the development of a new residential subdivision at 56 Pohutukawa Place, Bell Block, New Plymouth District.

The total gross size of the subdivision land area is some 23.9 ha, consisting of several development stages. This assessment considers the development potential across three stages of the sites (stages 6 to 8). These stages have a gross collective land area of 4.9ha, with the balance lot of 13.1 ha intended for future residential subdivision. **Figure 1-1** shows the anticipated layout. The grey area (marked as lot 203) is for future development and will yield approximately 86 lots of similar sizes to that in stages 6-8.

The proposed development of stages 6 to 8 would produce 110 residential lots ranging between 545m² and 1,270m², and covering a net land area of 3.4ha. The remaining land would include reserve areas and local roads vested to Council. Together with the intended road pattern within the balance lot, the main subdivision access road would connect other recent urban residential development that is further from the Bell Block centre to the urban edge.

The Site is currently zoned as Residential A under the New Plymouth Operative District Plan and General Residential under the Proposed New Plymouth District Plan, which anticipates lower density suburban scale residential development. This site has not yet been urbanised and is currently used as farmland for grazing purposes.

The property is situated in an area experiencing gradual transformation into residential development. Recent subdivision activities in the vicinity have resulted in the creation of neighbouring residential land parcels, including the newly established Waipu View Drive and the Summerset Retirement Village to the west.



Figure 1-1: Scheme Plan



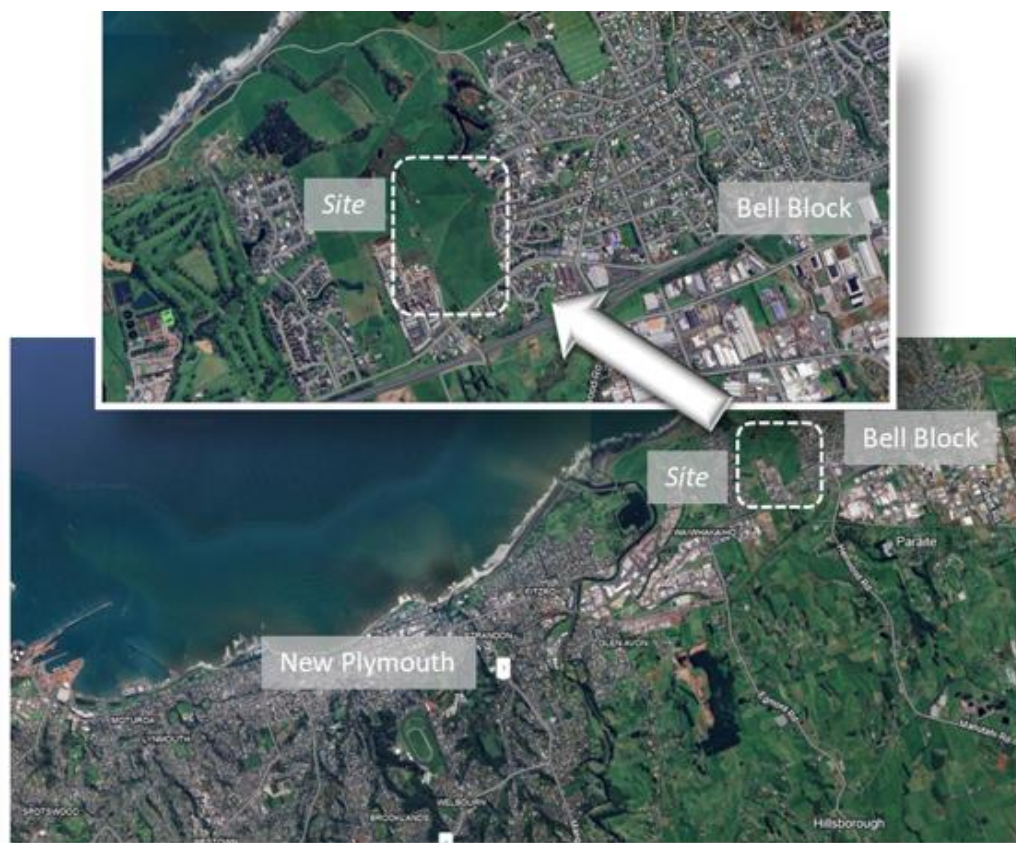
1.2.1 Location

Figure 1-2 shows the local and wider geographic context for the proposed development site. The site is located on the western urban edge of Bell Block, New Plymouth, with further isolated recent urban development at its western boundary. Urbanisation of this land area would form a contiguous urbanised land area on the western side of Bell Block.

The lower portion of **Figure 1-2** shows the position of Bell Block within the wider district urban economic structure. It is a significant urban node, close to the eastern urban edge of the proximate larger urban area of New Plymouth. It shows that growth at the western urban edge of Bell Block would result in urban expansion toward New Plymouth.



Figure 1-2 - Orientation of Proposal Location within Surrounding Urban Context



1.2.2 Attributes

The site possesses several attributes that support it as a potential future residential development site:

- The Site fronts Pohutukawa Place, which was formerly part of State Highway 3 and connects to the Bell Block town centre. The proposed development will also adjoin the site with the western ends of Parklands and Impact Avenues.
- The greenfield site offers the opportunity for cohesive development and master planning. It has the capacity to accommodate 110 lots spread across three stages (and 86 as part of the future development), which would be more efficiently managed compared to dispersing the development across multiple infill sites (there are also future development opportunities associated with the site).
- The Site is adjacent to the existing Bell Block urban area on its western side, while the eastern side borders the newly built Summerset retirement village and therefore would promote a contiguous urban form.
- Within a District context, land values in Bell Block are generally lower than in New Plymouth. The area is still easily commutable to New Plymouth, and the large industrial area of Waiwhakaiho and Bell Block. Therefore, new residential property in Bell Block is attractive to people working across New Plymouth, particularly those wishing to buy at the more affordable end of the scale, such as first home buyers.
- The site is close to (proximity) the New Plymouth Coastal Walkway, which provides commuting options to non-vehicular modes, further increasing attractiveness of the site to New Plymouth.



1.2.3 Proposed lot size structure

The lot size structure of the proposed development is important. Lot size has a significant influence on the likely subsequent patterns of dwelling development on the land. The resulting dwelling development pattern is a critical factor in determining the likely economic effects of the proposal in relation to its contribution to the local dwelling market and urban form.

The proposed distribution of lot sizes is shown in **Table 1-1** (for the current stage). It shows the number and total net land area of proposed lots within each residential lot size group. The proposed subdivision pattern contains a range of lot sizes, from a net area of 545m² to 1,270m², with two-thirds of the lots between 600m² and 750m². A range of lot sizes provides options for diverse dwelling sizes. The lot size structure is assessed in relation to the overall lot size structure in Bell Block in Section 2.1.4.

Table 1-1 – Residential Lot Size Distribution of Proposed Development

Lot Size (m2)	Lots	Share of Lots	Land Area (Ha)	Share of Land Area	Future development (Lots) *Indicative
500 to 549	1	1%	0.1	1%	1
550 to 599	6	5%	0.3	4%	5
600 to 649	26	24%	1.6	21%	20
650 to 699	28	25%	1.9	24%	22
700 to 749	20	18%	1.4	18%	16
750 to 799	12	11%	0.9	12%	9
800 to 849	6	5%	0.5	6%	5
850 to 899	3	3%	0.3	3%	2
900 to 949	4	4%	0.4	5%	3
950 to 999	2	2%	0.2	2%	2
1000 to 1049	0	0%	-	0%	0
1050 to 1099	0	0%	-	0%	0
1100 to 1149	0	0%	-	0%	0
1150 to 1199	0	0%	-	0%	0
1200 to 1249	0	0%	-	0%	0
1250 to 1299	2	2%	0.3	3%	2
1300 to 1349	0	0%	-	0%	0
1350 to 1399	0	0%	-	0%	0
1400 to 1449	0	0%	-	0%	0
1450 to 1499	0	0%	-	0%	0
1500+	0	0%	-	0%	0
TOTAL	110	100%	7.8	100%	0

Source: Data for Application for Resource Consent by McKinlay Surveyors and M.E Calculations

1.3 Report structure

Our assessment is structured as follows:

- The first part of Section 2 contains a description of the local housing and land markets. It examines the key drivers of demand for housing (population, households, and employment growth), then assesses the resulting development patterns in the land and property markets. The remainder of Section 2 discusses projected growth in the market.
- Section 3 provides a further contextual overview of housing market indicators and draws on official, central government published information.
- Section 4 outlines the likely economic effects of the proposal, and
- Section 5 offers concluding remarks.



2 New Plymouth - Housing environment

This section provides an overview of the housing environment in Bell Block and New Plymouth, offering context against which the current application is assessed. The assessment encompasses the population-household dynamics and it also considers recent employment-business trends. The trends are important because it shows the interconnections between residential areas, employment and recent historic of the Bell Block area.

The section has two main parts. Firstly, the historic and current environment with respect to households and development patterns is dealt with. Then the growth outlook is presented.

2.1 Historic and Current Environment

This subsection summarises changes in resident population and business demography that have occurred over the past two decades or so – with a focus on the period since 2000 – using available datasets. The analysis considers Bell Block and the wider New Plymouth District. For the analysis, the Bell Block urban area is comprised of the two Bell Block West and Bell Block East SA2³ areas.

2.1.1 Household Growth

In 2018, the Census recorded 2,500 resident households in Bell Block. This equates to around 8% of the district's total households. The resident population of Bell Block has grown significantly over the past two decades with strong growth in household numbers. **Table 2-1** shows the growth patterns.

Table 2-1: Bell Block Households by Type

Household Type	Count			Growth			Growth (%)		
	2006	2013	2018	2006-13	2013-18	2006-18	2006-13	2013-18	2006-18
Single Person	330	411	483	81	72	153	25%	18%	46%
Couple	441	660	786	219	126	345	50%	19%	78%
Two parent with children	453	609	723	156	114	270	34%	19%	60%
Single parent with children	21	24	51	3	27	30	14%	113%	143%
Multi-family Household	189	204	228	15	24	39	8%	12%	21%
Non-family Household	36	60	60	24	-	24	67%	0%	67%
Total	1,587	2,133	2,523	546	390	936	34%	18%	59%

The change in households show up as a significant increase in dwelling numbers. The different Censuses recorded:

- 2006 1,587 households in Bell Block
- 2013 2,133 households, and
- 2018 2,523 households.

³ SA2 are statistical areas as defined by Stats NZ.



These shifts represented growth of 59%, between 2006 and 2018. Bell Block has been an important growth area within the district. It has attracted around a fifth of the district's growth in household numbers over both the past 5 years (22% of growth), and since the 2006 Census (21% of household growth). This has meant that Bell Block has grown at over three times the rate of the district overall across these periods. The Bell Block rate of household growth has also been high within the national context. It has experienced an annual average household growth rate of 3.4% (2013-2018), compared to 1.4% nationally, and 1.1% for the district overall.

The household composition structure of growth has an important effect on the patterns of demand in relation to the type and size of dwellings. Family households typically have larger average household sizes, generating higher demand for larger dwellings. Bell Block's largest shares of growth have occurred in couple only and family households. It has a smaller share of growth in single person households than the district overall, with this household type also accounting for a smaller share of households than in the district overall.

Bell Block generally has a lower dwelling value profile than the central main urban area of New Plymouth. This provides opportunity for households to make trade-offs between dwelling size, value and location. It enables households seeking larger dwellings to occupy a larger dwelling generally at a lower cost than in the larger main urban area of New Plymouth.

Table 2-2 has the same structure as **Table 2-1** but the spatial area differs. Household growth in New Plymouth District has been significantly slower than Bell Block between 2006 and 2018 (16% vs 59%), with over 4,500 new households now living in the District compared to 2006. That equates to Bell Block representing around 20% of household change over the period. Bell Block was home to 5.8% District households in 2006, and with more rapid growth its share rose to 7.9% in 2018. These data points underline the location's important role in accommodating growth in the district context.

Table 2-2: New Plymouth District Households by Type

Household Type	Count			Growth			Growth (%)		
	2006	2013	2018	2006-13	2013-18	2006-18	2006-13	2013-18	2006-18
Single Person	6,693	7,530	7,788	837	258	1,095	13%	3%	16%
Couple	7,740	8,712	9,123	972	411	1,383	13%	5%	18%
Two Parent with children	6,849	7,302	8,070	453	768	1,221	7%	11%	18%
Single Parent with Childrer	291	342	417	51	75	126	18%	22%	43%
Multi-family Household	3,135	3,171	3,186	36	15	51	1%	0%	2%
Non-family Household	429	522	537	93	15	108	22%	3%	25%
Total	27,516	30,267	32,022	2,751	1,755	4,506	10%	6%	16%

2.1.2 Employment Growth

There are several employment areas in the District, and Bell Block is one. This is of relevance when considering urban form and the interrelationships with the local housing market. These interrelationships include:

- employment in commercial centres within the suburban residential area, such as a centre located close to the proposed site in the south eastern area of Bell Block⁴, as well as centre positioned centrally within the suburban area at the intersection of Mangati Road and Parklands Ave.
- employment in industrial areas, such as the area on the southern side of State Highway 3.

⁴ The center is positioned around the junction of Henwood Road, Pohutukawa Place, Wynyard Street and Nugent Street



It is important to delineate these employment areas when examining the scale and composition of employment growth, because they are likely to differ in their effects in relation to residential growth in the area. The location and scale of employment growth on the northern side of State Highway 3 is useful to understand the level of amenity provided by commercial centres serving the surrounding residential catchment, including the proposed development site.

Employment growth across Bell Block⁵ is important in considering the spatial relationships between the location of residential growth relative to places of employment. These local industrial areas located on the southern side of State Highway 3 are major employment locations within the district context.

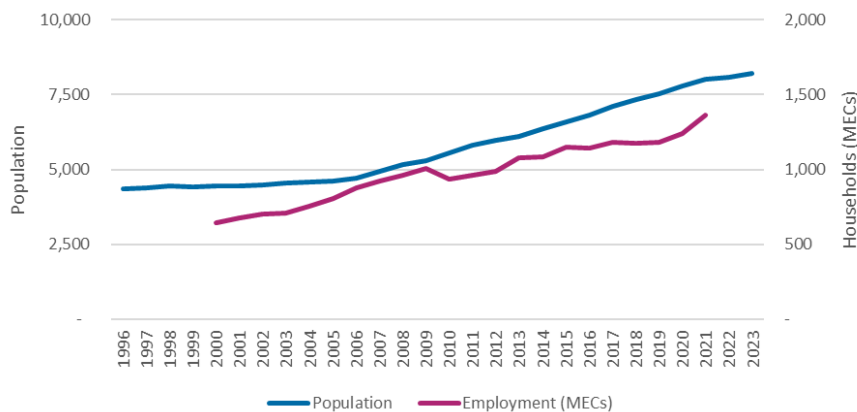
Furthermore, Bell Block is easily commutable to New Plymouth. The 2018 Census recorded the workplace of Bell Block West residents, with the workplace destination represented in the Commuter View dataset. The spatial patterns relating to workers living in Bell Block West, showed that:

- 22% and 2.6% worked in the Bell Block West and East SA2s,
- 25% worked in Waiwhakaiho-Bell Block South.
- 22% commuted to New Plymouth Central,
- 3% commuted to areas such as Strandon, Westown, and Fitzroy-Glen Avon, respectively.

In 2022, there were an estimated 1,370 employees⁶ in the main suburban and commercial centre area of Bell Block. In addition, there were a further 6,700 employees in the adjacent commercial and industrial areas surrounding Bell Block on the Southern Side of State Highway 3. Together, this amounted to 8,070 employees, which is around one-fifth (19%) of the district's employment base.

Employment growth in Bell Block has occurred in both areas over the past two decades (see **Figure 2-1**).

Figure 2-1: Bell Block Population and Employment



The industrial areas of Bell Block have experienced significant employment growth from the start of the data series in 2001 to 2015, capturing an increasing share of district-wide employment. In total, there has been a net increase of 3,400 employees across these industrial areas south of State Highway 3 over the past two decades (2001-2022).

⁵ Generally, as well as including the adjacent larger areas along State Highway 3.

⁶ Employment is measured in terms of “Modified Employment Counts” or MEC. An MEC is a metric that includes all employees (headcounts), and an adjustment is made to reflect working proprietors.



Employment growth in has also occurred in the commercial centres within the suburban residential area. In alignment with high rates of residential population growth, employment in these areas has also occurred at a faster rate than growth across the district overall. In total, there has been a net increase of 700 employees across this area, with growth distributed relatively evenly in line with household growth across the data period. Combined with the industrial areas, this has resulted in an overall net increase of 4,140 employees over the past two decades (2001-2022) in and around Bell Block.

Employment sectors that generally seek an industrial location have accounted for the largest share of employment growth in Bell Block (including the area south of State Highway 3) over the past two decades. Over half (58%; +2,420 employees) of the employment growth has occurred in these sectors, with the main contributors as construction (+1,000) and manufacturing (+840), followed by transport, postal and warehousing (+360) and wholesale trade (+290). Most of this employment growth has occurred in areas south of State Highway 3. Retail trade (+600) has also accounted for a large share of employment growth, which has also mainly occurred south of State Highway 3.

Employment growth within the Bell Block suburban residential area and commercial centres has occurred across a combination of sectors that typically seek industrial locations or office space commercial locations.

While the Employment in Bell Block has shown significant growth, it is also near major employment areas of the district. Two of New Plymouth largest industrial areas are found on in the Waiwhakaiho Valley (2km east of Bell Block) and on the opposite side of State Highway 3, immediately south. These areas essentially combine as the Waiwhakaiho-Bell Block South SA2 area, where 16% of the district's employment is located.

Employment growth in Bell Block and the surrounding areas south of State Highway 3 has been faster than that in the district overall across the last two decades. Employment grew by 40% (+12,100 employees) in the district between 2001 and 2022. Over one-third (34%) of this growth occurred within Bell Block (including areas south of State Highway 3), which grew by nearly three times the rate of the district (105%; +4,140 employees) over the same period.

2.1.3 Dwelling Growth

This section considers the patterns of dwelling growth across New Plymouth. It looks at the spatial structure and typology shifts relative to household growth. This is undertaken through examining dwelling consent data as well as the built form observed for recent development patterns.

The Bell Block area has experienced extensive dwelling development over the past two decades. It's relative importance within the spatial economic structure of New Plymouth has increased and it is now a significant urban node. Growth in this location has been supported through new infrastructure, including the Bell Block bypass and the coastal walkway extension.

In line with household growth, the district has experienced significant growth in the number of consents for new dwellings over the past two Census periods. **Table 2-3** compares the building consents issued for new dwellings, across both the total district and Bell Block, with the net increase in households (as explained earlier in Section 2.1.1).



Table 2-3 – Dwelling Consents and Household Change: New Plymouth District and Bell Block – 2006-2018

	Bell Block			Total District		
	2006-2013	2013-2018	2006-2018	2006-2013	2013-2018	2006-2018
Net Change in Households	546	390	936	2751	1755	4506
Consents for New Dwellings	554	380	934	2514	2163	4677
Bell Block share of District New Households	20%	22%	21%			
Bell Block share of New Dwelling Consents	22%	18%	20%			

Source: Statistics New Zealand, New Dwelling Consents and Census Households.

There has been a total of 4,700 consents issued for new dwellings across the last two Census periods. This is broadly similar⁷ to the 4,500 net increase in households. The table reports the share of consents for new dwellings that have occurred in Bell Block. The share of new dwelling consents in Bell Block has been in line with the share of new households over the past two Census periods. It has been a significant area for dwelling growth in the district, accounting for 18% to 22% of the district-wide dwelling consents. This amounts to 930 consents for new dwellings between 2006 and 2018.

Looking at more recent data shows that dwelling growth across the district has been dominated by lower density detached dwellings on suburban-scale sites. **Table 2-4** and **Figure 2-2** show the dwelling typology structure of consents in Bell Block and the district overall over the past 20 years (2004-2023).

Table 2-4 – New Dwelling Consents by Dwelling Typology: New Plymouth District and Bell Block

Typology	Bell Block			Total District			Bell Block Share of Total District		
	2019-2023	2014-2023	2004-2023	2019-2023	2014-2023	2004-2023	2019-2023	2014-2023	2004-2023
New Dwelling Consents									
Houses	286	624	1,245	1,989	3,777	7,020	14%	17%	18%
Apartments	-	2	4	60	72	169	0%	3%	2%
Retirement Village Units	275	299	378	291	551	770	95%	54%	49%
Townhouses/Flats/Units	16	32	51	197	300	548	8%	11%	9%
TOTAL	577	957	1,678	2,537	4,700	8,507	23%	20%	20%
Dwelling Type Share of New Dwelling Consents									
Houses	50%	65%	74%	78%	80%	83%			
Apartments	0%	0%	0%	2%	2%	2%			
Retirement Village Units	48%	31%	23%	11%	12%	9%			
Townhouses/Flats/Units	3%	3%	3%	8%	6%	6%			
TOTAL	100%	100%	100%	100%	100%	100%			

Source: Statistics New Zealand, 2004-2023. Consents for New Dwellings.

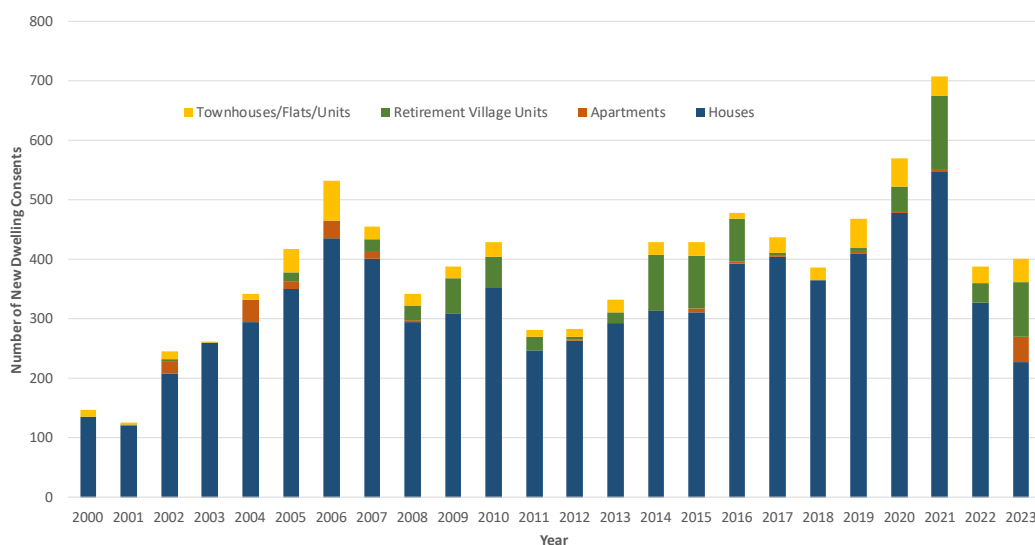
At the district level, over four-fifths (83%) of dwelling consents issued have been for houses. Most of the remaining consents have occurred for retirement village units, with only a small share (8%) for medium to higher density attached dwellings.

Within Bell Block, around three-quarters (74%) of the consents are for detached dwellings (houses). Retirement village units have accounted for nearly all of the remainder, with only a minor share (3%) as attached dwellings. More recently there has been greater growth in the retirement village market, with an increase in the share of consents for retirement units. However, the market for attached dwellings, particularly in this location, remains very limited.

⁷ It is appropriate to undertake broad comparisons across these indicators. Even in a dwelling market without supply constraints, consents are not expected to exactly match new household formation for several reasons. These include the difference in time between consents being issued and dwellings constructed, the share of dwellings not constructed, and the accommodation of a share of households in existing dwellings (e.g. within granny flats).



Figure 2-2 – New Dwelling Consents by Dwelling Typology: New Plymouth District



Source: Statistics New Zealand, 2000-2023, Building Consents for New Dwellings.

The growth patterns observed across the typologies are consistent with the district's urban residential zoning. Most of the urban residential area is covered by a zoning that encourages lower density developments, with limited opportunity for medium or higher density development. In Bell Block, the zoning pattern of Residential under the New Plymouth Operative District Plan (and General Residential under the Proposed New Plymouth District Plan) anticipates a pattern of lower density development, with a minimum lot size of 400m² to 450m² and maximum site coverage of 40%. The lower density development patterns in Bell Block are consistent with its less central location relative to the main urban area of New Plymouth.

Recent growth in Bell Block has predominantly occurred through greenfield urban expansion at these lower densities, which are consistent with the zoning structure. There have been significant areas of new subdivision at the western and eastern urban edge within areas that are zoned for residential urban growth. The proposal site is similarly positioned, albeit on the western side of Bell Block, within a lower density urban residential zone.

2.1.4 Land Development Patterns

This section examines the existing land development patterns in Bell Block. Patterns of lot size formation within the local urban development context are important for understanding the economic effects from the proposed development. Comparing the existing and proposed lot structures provides an indication of how consistently the new development would be relative to development patterns in the surrounding urban environment.

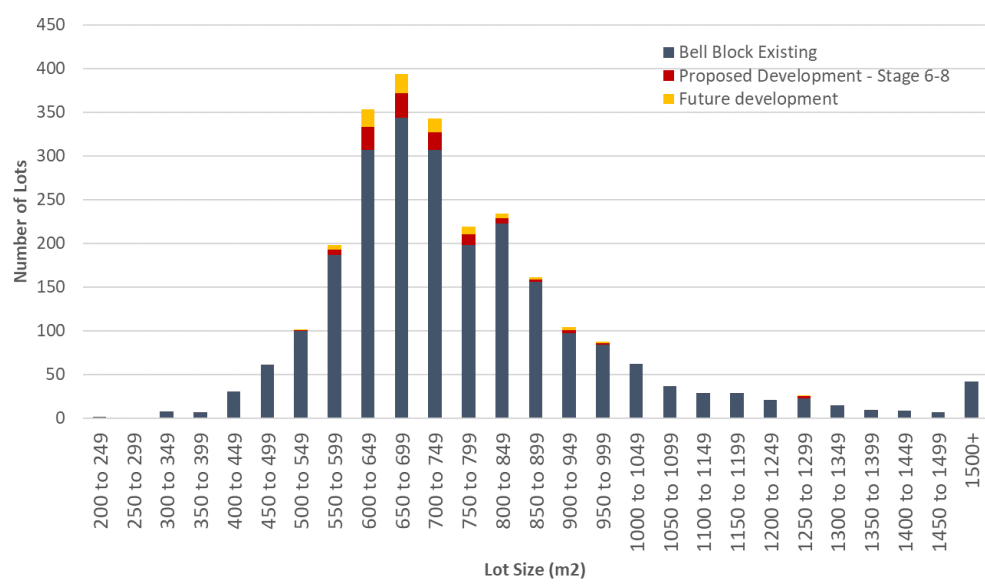
Figure 2-3 shows the existing size distribution of suburban-scale lots in Bell Block. It also shows the lots in the proposed development (Stage 6-8). The size distribution of the future stage is included in the figure, and is based on the patterns observed Stage 6-8. The specific size distribution will be finalised over time, but the size distribution is expected to broadly mirror the patterns of Stage 6-8.

The lot size distribution of the proposed development is consistent with that observed in the surrounding urban area of Bell Block. It is therefore likely that eventual dwelling development patterns on the proposed lots will correspondingly be in line with the dwelling patterns currently observed within Bell Block.



Development across Bell Block is typically at lower density than that enabled under the Residential A zone. This zone has a minimum lot size of 400m² to 450m², which is smaller than nearly all the existing suburban-scale lots in Bell Block. Only around 5% of lots (and 3% of land area within lots) in Bell Block are at a density that is close to that enabled under the District Plan (and Proposed District Plan).

Figure 2-3 – Lot Size Distribution of Bell Block and Proposed Development



Source: Consent information and ME Assumptions

2.2 Projected Growth

This section reviews the most recent Statistics New Zealand subnational household growth projections for Bell Block and the District. They are from the subnational household projections released in 2021 and based on the 2018 Census. This section focuses on households, rather than population, as the demographic unit most closely linked to housing demand. Household projections are not a core dataset for Stats NZ, which focuses more on population projections. Therefore, these projections are somewhat dated.

The Bell Block projections are outlined first, and the district-wide projections are then dealt with.

Table 2-5 shows the most recent household projections for Bell Block and **Table 2-6** shows the growth projections for the entire district. These projections suggest that Bell Block is likely to continue to experience significant urban growth and develop as an urban node that is close to New Plymouth. Bell Block is projected to experience significant growth in household numbers across all three projection series, i.e., low, medium and high. From an estimated 2,590 households in 2018, the medium projection projects that there will be an additional 1,360 households in Bell Block while the high projection is for an additional 1,700 households. Even the low projection is growth of an additional 1,060 households. In percentage terms, this would be an increase of between 41% and 66%. This set of projections expects that the household growth will be weighted towards the early timeframes i.e., growth will occur over the short term before slowing (but still growing) over the longer term.



While these projections are somewhat dated, they highlight the strong growth nature and outlook for Bell Block. In 2043, Bell Block is projected to account for around 10%-10.4% of the district's households compared to 7.9% in 2018. Bell Block's share of the district's household growth is significant with 22% and 17% under the medium and high projections, respectively, while the share of the low projection is 46%.

Table 2-5: Bell Block Household Projections 2018 (base)-2043

	2018	2023	2028	2033	2038	2043
Low Growth Projection						
Total Population	7,320	8,030	8,570	9,060	9,500	9,900
Total Households	2,590	2,850	3,080	3,300	3,490	3,650
Average Household Size	2.85	2.80	2.75	2.75	2.70	2.70
Medium Growth Projection						
Total Population	7,320	8,210	8,950	9,650	10,300	10,920
Total Households	2,590	2,910	3,190	3,470	3,730	3,950
Average Household Size	2.85	2.80	2.80	2.75	2.75	2.75
High Growth Projection						
Total Population	7,320	8,410	9,360	10,290	11,200	12,090
Total Households	2,590	2,970	3,310	3,660	3,990	4,290
Average Household Size	2.85	2.80	2.80	2.80	2.80	2.80

Table 2-6: New Plymouth District Household Projections 2018 (base)-2043

	2018	2023	2028	2033	2038	2043
Low Growth Projection						
Total Population	83,300	85,700	86,500	86,800	86,600	86,000
Total Households	32,900	34,000	34,600	35,200	35,400	35,200
Average Household Size	2.50	2.50	2.50	2.40	2.40	2.40
Medium Growth Projection						
Total Population	83,300	87,700	90,600	93,100	95,200	97,100
Total Households	32,900	34,700	36,000	37,300	38,300	39,000
Average Household Size	2.50	2.50	2.50	2.40	2.40	2.40
High Growth Projection						
Total Population	83,300	89,700	94,900	99,700	104,200	108,600
Total Households	32,900	35,400	37,400	39,400	41,200	42,800
Average Household Size	2.50	2.50	2.50	2.50	2.50	2.50

In terms of methodology, M.E's population projections replicate the Stats NZ approach but we use an 'age-cohort' model to translate population change into households. This contrasts the Stats NZ approach that uses Living Arrangements Type Ratios to estimate households. An advantage of our approach is that it uses a finer grained approach with more households. However, our approach tends to be more aggressive in household estimates because it is not restricted by existing constraints. The M.E projections are used later in the report, and the Stats NZ projections are reported here for transparency and full context. Detailed household projections from M.E's internal modelling for New Plymouth District shows a considerably stronger growth outlook than that used by Stats NZ. These projections sets are compared below, to understand how growth expectations for Bell Block and New Plymouth District have changed over time.

The household growth profile of the New Plymouth District from M.E's modelling is shown in **Table 2-7**. The table illustrates household medium growth projections between 2023 and 2053 for the district across:

- Tenure,
- household type,
- Income.

The table reports the short, medium and long-term timeframes. It indicates an overall increase in the number of dwellings, with variations in ownership status and household compositions. The projections suggest a steady



growth in both owned and non-owned dwellings, with significant contributions from one-person households, couple households, and families with children. Furthermore, it outlines income distributions among households, showcasing anticipated changes in income level shifts, demographic changes and the evolving demographic and economic landscape.

Table 2-7: New Plymouth District Household Growth Profile – M.E Estimates

Medium Growth	Current			Short-term			Medium-term			Long-term		
	2023			2026			2033			2053		
Dwelling Tenure	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
Owned with mortgage	10,715	520	11,230	10,955	530	11,485	11,515	560	12,080	13,030	630	13,660
Owned without mortgage	8,565	980	9,545	8,980	1,045	10,025	9,860	1,200	11,060	11,470	1,480	12,950
Owned by trust	4,710	375	5,080	4,895	390	5,285	5,315	425	5,740	6,105	500	6,605
Total owned or in trust	23,990	1,870	25,860	24,830	1,965	26,795	26,690	2,185	28,880	30,600	2,610	33,210
Not Owned	8,305	2,240	10,545	8,550	2,315	10,860	9,090	2,485	11,575	10,340	2,820	13,165
TOTAL	32,295	4,110	36,405	33,380	4,280	37,660	35,780	4,675	40,455	40,945	5,430	46,375
Household Type												
One-person household	6,715	2,190	8,905	6,965	2,285	9,250	7,495	2,495	9,990	8,400	2,865	11,265
Couple household	9,975	855	10,835	10,300	900	11,200	11,000	1,000	12,000	12,290	1,180	13,475
2 Parents, 1-2 Children	7,475	480	7,950	7,710	490	8,205	8,230	525	8,755	9,735	625	10,360
2 Parents, 3+ Children	2,485	90	2,570	2,560	90	2,650	2,735	95	2,830	3,270	115	3,385
One parent family	3,605	425	4,030	3,695	435	4,130	3,920	465	4,385	4,505	530	5,030
Multi-family household	680	30	705	705	30	735	775	30	805	860	35	895
Other Non-Family Household	1,365	45	1,410	1,440	50	1,490	1,630	60	1,690	1,885	80	1,965
TOTAL	32,295	4,110	36,405	33,380	4,280	37,660	35,780	4,675	40,455	40,945	5,430	46,375
Household Income												
<\$30,000	5,740	1,790	7,530	6,015	1,880	7,895	6,600	2,080	8,680	7,685	2,440	10,120
\$30,000-\$50,000	5,340	835	6,175	5,595	875	6,470	6,120	975	7,095	7,150	1,170	8,315
\$50,000-\$70,000	4,780	500	5,280	4,935	515	5,455	5,275	550	5,820	6,010	620	6,630
\$70,000-\$100,000	5,555	360	5,915	5,705	370	6,070	6,025	385	6,410	6,830	435	7,265
\$100,000-\$120,000	3,340	200	3,540	3,420	205	3,625	3,600	220	3,815	4,070	245	4,315
\$120,000-\$150,000	2,790	155	2,945	2,850	160	3,010	3,000	165	3,165	3,380	185	3,565
\$150,000+	4,750	270	5,015	4,860	275	5,135	5,165	295	5,460	5,820	340	6,160
TOTAL	32,295	4,110	36,405	33,380	4,280	37,660	35,780	4,675	40,455	40,945	5,430	46,375

The household growth projections for the district demonstrate a significant increase in residential development over the forecasted periods. From 2023 to 2053, the total number of dwellings is expected to rise substantially, with estimates indicating a growth from 36,405 in 2023 to 46,375 in 2053. This growth encompasses various tenure types, with owned dwellings projected to increase from 25,860 in 2023 to 33,210 in 2053, while non-owned dwellings are forecasted to grow from 10,545 to 13,165 during the same timeframe.

The change in household composition aligns with demographic dynamics. One-person households are projected to grow from 8,905 in 2023 to 11,265 in 2053, similarly, couple households are anticipated to rise from 10,835 to 13,475 over the forecasted periods, indicating a steady increase in smaller household sizes. Families with children are also expected to contribute to household growth, with projections indicating an increase from 7,950 to 10,360 for households with 1-2 children, from 2,570 to 3,385 for households with 3+ children, and one parent families from 4,030 to 5,030. When combined together, families with children are projected to maintain representation of around 40% of the district's households. This underlines the need to provide diversity in the housing stock, including larger dwellings.

Examining the income distributions reveals nuanced shifts due to economic dynamics. The projections suggest growth across all income brackets, with households earning less than \$30,000 expected to increase from 7,530 in 2023 to 10,120 in 2053 – a portion of this increase relates to changes in the retirement population (i.e., low income but a strong asset base households). This is generally a reflection of an ageing population, where the proportion of people within retirement age brackets increases. Thus, households with people over 65 years



formerly within the other bands will move to increase the share in the lower bands and is not necessarily a reflection of declining general household income levels.

Households earning over \$150,000 are projected to rise from 5,015 to 6,160 during the same timeframe; a portion of this increase relates to households moving through different life-stages. These figures reflect the evolving economic landscape within the New Plymouth district, highlighting both demographic diversity and economic growth as key drivers of residential development.

Households by income band sees a broadly similar pattern maintained over time with a slight increase in the proportion of households in the lowest two income bands. The projections suggest growth across all income brackets, with households earning less than \$30,000 expected to increase from 7,530 in 2023 to 10,120 in 2053. These figures reflect the evolving economic landscape within the New Plymouth district, highlighting both demographic diversity and economic growth as key drivers of residential development.



3 Housing indicators

This section provides further contextual analysis of New Plymouth District’s housing market based on information prepared by the Ministry of Housing and Development (MHUD). These housing indicators are related to the National Policy Statement on Urban Development (NPS-UD). It presents several key indicators sourced from the government's online dashboard, designed for Councils to monitor growth pressures. Crucially, the information reported in this section should also be reflected in the Council Housing and Business Capacity Assessment (HBCA). We understand that the Council is updating the existing HBCA report. Consequently, there is little value in considering the key points in the earlier report in this assessment.

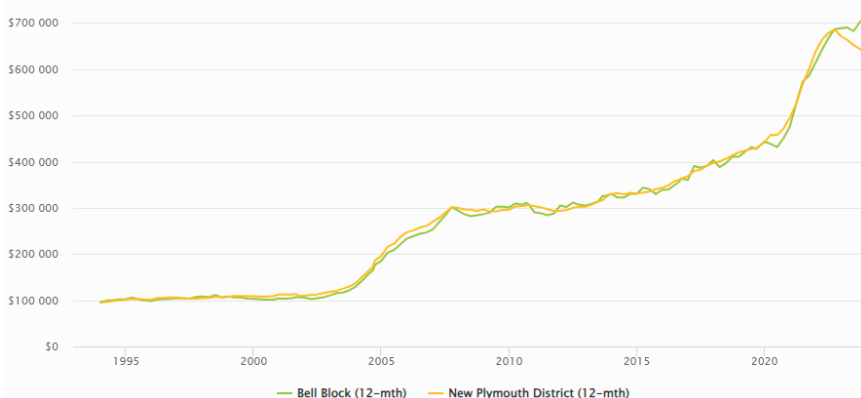
The MHUD provides the urban development dashboard which is a collection of charts, maps, tables, and data on housing and business space markets⁸. Key features include Market Indicators and Price Efficiency Indicators, aiding in understanding market trends and pricing efficiency. The metrics offer insights into recent trends in residential development and highlight emerging pressures on residential land supply. Increasing land prices and rental costs, along with decreasing housing affordability, signify the challenges in the housing market. These pressures are particularly pronounced in high-growth Councils such as New Zealand’s major cities but are also observed in New Plymouth.

This section summarises the key metrics that are reported on the MHUD dashboard.

3.1 Key metrics

Figure 3-1 shows historic sales prices. Sales prices have been increasing at an average of 8% per year over the last decade or so. The district experienced rapid growth in the two year period between 2021 and 2022, where the median sales price increased by 46% from \$480,000 to a peak of \$700,000 – this aligns with the period immediately post-Covid – and saw the fastest percentage growth since the rapid growth between 2002 and 2007. As recently as 2011, median District sales prices were only \$300,000, breaking through \$500,000 in 2020, before reaching \$700,000 in December 2021, and most recently (December 2023) falling to \$600,000. Bell Block sales price growth closely reflects total District growth but a disconnect is evident over the past 2-3 years.

Figure 3-1: Nominal Dwelling Sales Prices

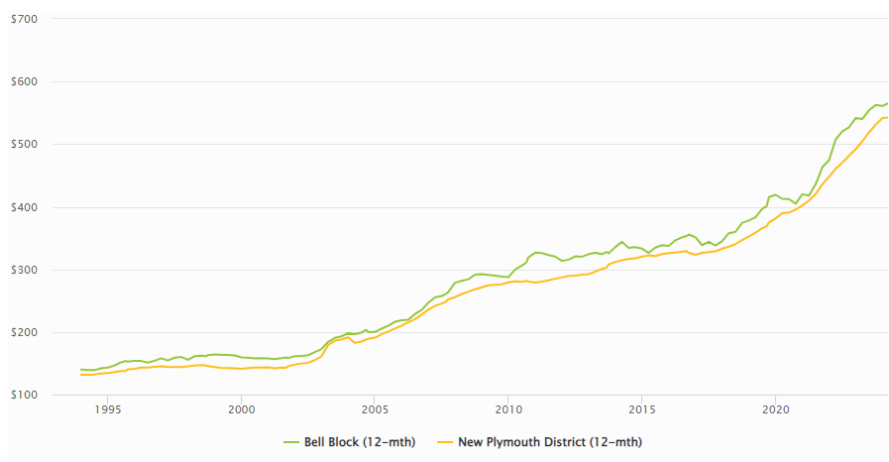


⁸ <https://huddashboards.shinyapps.io/urban-development/>



With reference to rents, these have also grown significantly in recent years (see **Figure 3-2**). Over the last ten years, the mean rent has risen by been increasing at an average of around 7 % per year.

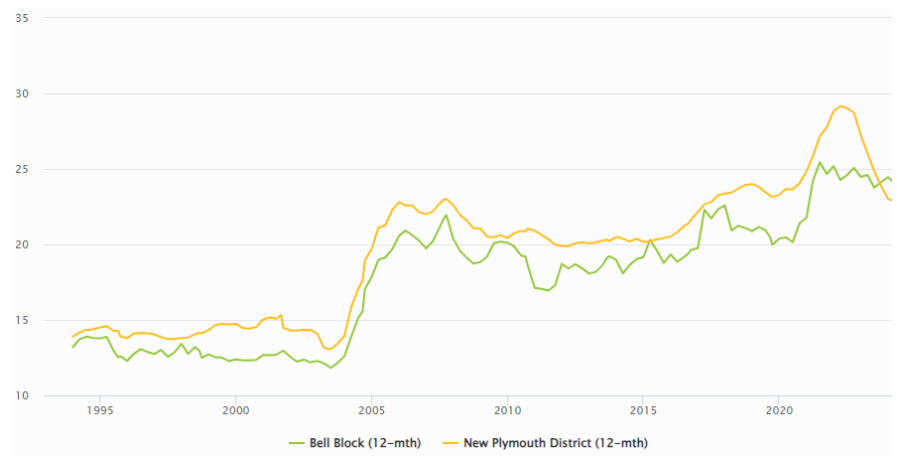
Figure 3-2: Nominal Dwelling Rents



Trends in dwelling rents reflect sales price trends, although rents have shown a more consistent growth since the early 2000s, without the post-Global Financial Crisis plateau of the period 2008-2012 that affected sales prices. Recent years have shown some of the largest rises, with rents rising by an average of around 9% per year since the start of 2020. Rents in Bell Block have mirrored the District-wide pattern, although have consistently remained slightly higher.

The relationship between sales and rents was relatively stable between 2009 and 2015 for both the District and Bell Block (**Figure 3-3**). However, since 2015 sales price growth has been stronger than rental growth, predominantly in the district as a whole, with a significant increase in sales prices relative to rents between 2020 and 2021. In the last two years, the ratio experienced a sharp decline, while in comparison Bell Block remained relatively stable with a small decrease as the two lines close to convergence at the end of 2023.

Figure 3-3: Ratio - Dwelling Sales Price to Rents

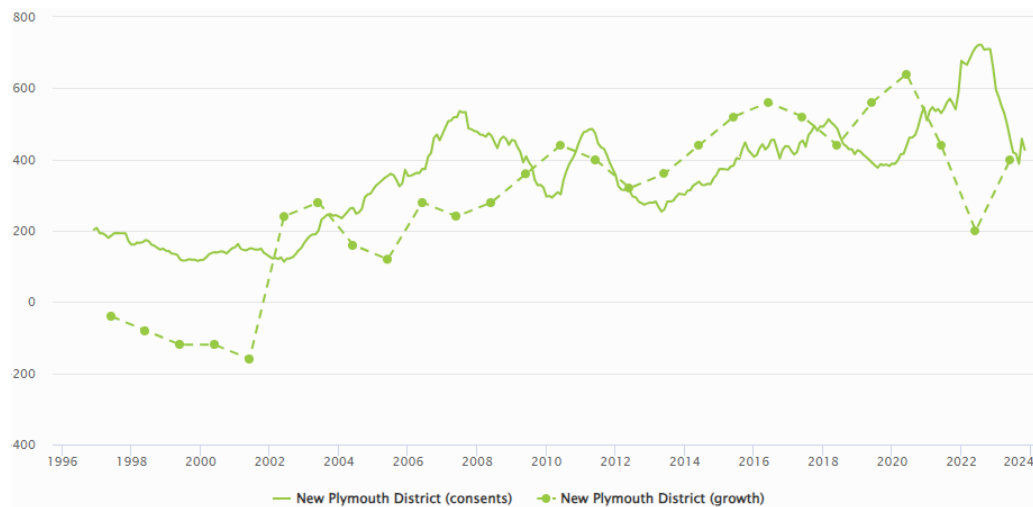


New residential dwelling consents have increased significantly and fallen sharply within the space of in the last three years (**Figure 3-4**). The number of consents exceeded 700 during 2022 before falling back to around 400 in 2023, similar to the level in 2020. Household growth had been consistently between 300 and 600 per year



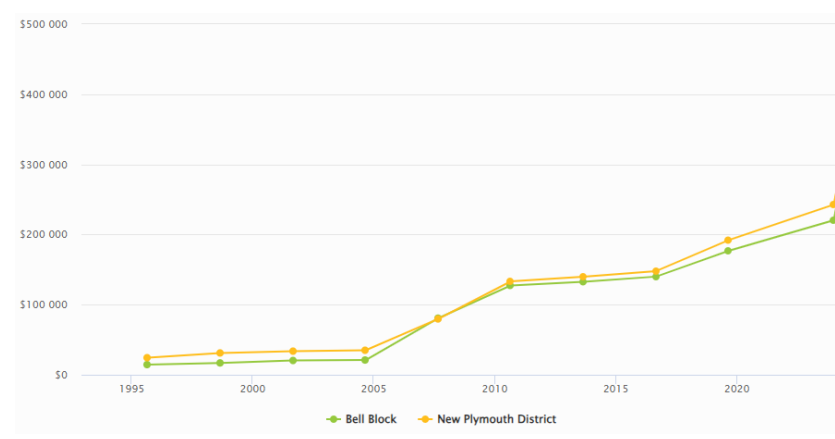
since 2010. Notwithstanding the limitations inherent in this data, it indicates the district has experienced solid growth over the past 10-15 years.

Figure 3-4: New Dwellings Consents compared to Household Growth



The average land value of dwellings is shown in **Figure 3-5**. Both Bell Block and the district have experienced significant increases in average land value. Since 2010, Bell Block values have been slightly lower than the district average. In 2023 (December), the average land value for Bell Block was \$220,000 compared to \$242,000 for the district.

Figure 3-5: Average Land Value of Dwellings

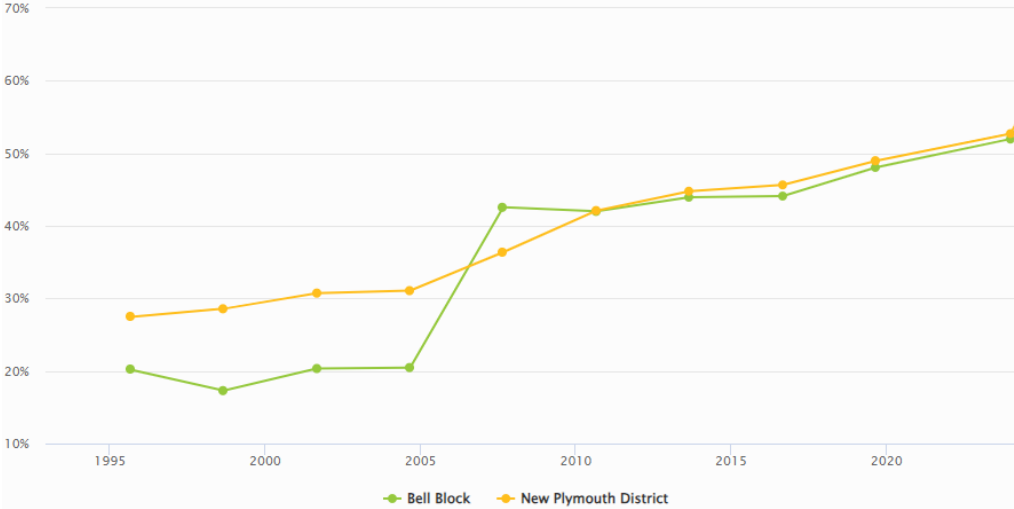


Both Bell Block and District overall have experienced ongoing and strong lifts in land value relative to capital value (**Figure 3-6**). Strong growth in land values in Bell Block between 2004 and 2007 saw that share increase from around 20% to over 40%, generally mirroring the district average since 2010 at a slightly lower rate.

Over the data period, land values and capital values in Bell Block have typically been lower compared to the district average. However, recent trends suggest a shift, with both values now exhibiting a similar relativity to the district average. This change indicates a maturation of the Bell Block market, signifying potential shifts in property dynamics and market conditions within the area.



Figure 3-6: Land Value as percentage of Capital Value





4 Effects of the Proposal

This section outlines the expected economic effects of the proposed development at 56 Pohutukawa Place, Bell Block. It draws on the analyses presented in the preceding sections and considers a wide range of potential effects. These include effects in terms of:

- the ability of the district's current and future urban area to meet growth needs,
- the anticipated dwelling supply patterns within the local housing market,
- the consequent flow on considerations on households, and
- urban form implications and alignment with the district's anticipated growth pattern.

4.1 Contribution to District Growth

The proposed development is likely to contribute positively to meeting growth needs in the New Plymouth District. The proposal is for the initial development of 110 lots and future development of the balance into approximately 86 lots. The lots would be provided to the market for subsequent development into dwellings. The current non-residential rural use of the site means that the full number of these lots would represent a net increase to the supply of lots for suburban scale residential development.

Analysis of the size distribution (of lots) indicates that they are likely to be developed at a density of one dwelling per lot. This is consistent with existing patterns of development in this location. It is therefore assumed that the development of these lots would result in a supply of a net additional 110 dwellings to the local market in the short to medium term and a further 86 lots in the long term.

The scale of development means that stages 6-8 of the proposed development are likely to meet approximately two-thirds of Bell Block's short-term growth needs, and accommodate nearly 20% of demand over the medium-term, with further potential supply from future development of the balance lot area. At the district level, it would meet 14% of the district's short-term growth needs, and 4% of the medium-term demand.

Future development of the 13ha balance is anticipated to occur in 5-10 years. This is likely to meet 15% of the demand for dwellings in Bell Block over the medium term (to 2033). Looking at the longer term, the period from 2033 to 2043, the future development will provide capacity to accommodate around 18% of local demand that is projected to occur over this period. In the context of the wider district, the future development will add capacity that is equivalent to 3% of district-wide demand over the 10 years to 2033. Over the decade to 2043, the proposed development will be able to accommodate 5% of district-wide demand.

The scale and timing of the proposed development is consistently aligned with the anticipated scale of annual growth. In the short-term, there is a projected annual increase of around 780 dwellings in the district, and nearly 60 dwellings per year within Bell Block (with a total short-term increase of 170 dwellings). Stages 6-8 of the proposal would therefore meet around 2 years of the demand for growth in Bell Block. The balance area will meet between 1.5 and 1.8 years of growth, between 2023-2033 and 2033-2043 respectively. Stages 6 – 8 will add an important contribution to meeting short-term demand within this part of the market and same role is evident for the balance area over the medium to longer term.



4.2 Effects on Dwelling Development Patterns

The eventual dwelling mix encouraged by the proposal will have important economic effects on households seeking a dwelling in the market, as well as on the urban form growth pattern of the district. It is, therefore, important to consider the development pattern that may be encouraged from the proposed lot structure.

The proposal will deliver a set of lots, which would then be developed into dwellings. The analysis highlighted that the enabled development will be consistent with the patterns observed in Bell Block. This consistency will ensure/encourage development that is consistent with existing dwelling development patterns.

The likely development density of the proposal is consistent with contiguous suburban residential land use patterns on the western side of the proposal. It is also consistent with other patterns of greenfield development on the eastern side of Bell Block. As outlined earlier, these development patterns are dominated by lower density detached dwellings with one dwelling per lot.

The comparability of development patterns therefore suggests that the proposal is well aligned with established patterns of demand in the local market. Furthermore, comparability of the size distribution of the lot sizes with existing lot sizes in Bell Block suggests that the density of this likely detached dwelling pattern is expected to be similar to that currently taking place. This suggests that it would be unlikely that the site would be (feasibly) developed to a higher density (and therefore deliver a greater number of dwellings) closer to the plan enabled minimum lot sizes. This is suggested in Section 2.1.4 where only 5% of existing lots in Bell Block are around the plan enabled minimum size.

Our analysis (Section 2.1.3) has found that there is little established market demand for more intensive attached dwellings in New Plymouth, particularly within Bell Block. There is limited potential for these to occur within the zone provisions. We note that the proposed lots are consistent with the Residential A Zone (and General Residential Zone) provisions, which anticipate lower density development and correspondingly do not contain a maximum lot size. We therefore further consider that the proposal is unlikely to result in an opportunity cost of greater dwelling supply at this location.

Our assessment of the local market suggests that households seek lower density dwelling options in Bell Block. They make trade-offs between dwelling size and location within the wider urban market context.

For the above reasons, we consider that the likely dwelling yield from the proposed lot development pattern is consistent with the likely realisable yield. It is therefore in line with the expected contribution of the site to meeting local and district dwelling growth needs.

4.3 Contribution to Local Housing Market

The proposed lot development is likely to result in an additional 110 dwellings to the short to medium local dwelling supply when taken up by the market, and a further 86 dwellings in the medium to long term delivered by development of the balance. This will provide additional housing options for resident households in New Plymouth.

The analysis suggests the likely dwelling development pattern is consistent with well-established patterns of local housing demand, both at the Bell Block and wider district scale. The existing price differentials between Bell Block and the main New Plymouth urban area means that increased supply in this location will increase



the number of lower cost dwellings available to households in comparison to being supplied elsewhere within the main urban area. This has a positive economic effect for households in relation to housing choice and affordability.

Analysis of the proposed lot size distribution in Section 1.2.3 shows that the development would produce a range of different lot sizes. This would further increase housing choice at the local level within the proposed site through expanding the range of dwelling size and cost options available to households within the development.

4.4 Effects on Urban Form and Growth Patterns – Consistency with Planning Objectives

A key aspect of the proposal is its location within both the local Bell Block context as well as its positioning within the wider spatial urban economic structure of the district. Location is not neutral. The location of the proposal, together with the likely nature of the resulting dwelling development, within both of these spatial scales has important effects on the district's urban form.

A development pathway that supports sustainable urban form has positive economic benefits for households and businesses operating within the urban environment, with these effects experienced both individually and at the community level. Development patterns affect the efficiency of interactions, because they have a spatial component and occur across New Plymouth district, and the distribution of amenity within the urban environment.

The proposed development is consistent with the growth pattern that is anticipated within the District Plan (and Proposed District Plan). Suburban scale residential development in this location, which is encouraged by the proposed lot structure, is consistent with the objectives of the Residential A Zone (and General Residential Zone).

We consider that the encouraged development pattern is likely to result in a positive contribution to sustainable urban form in this location. Irrespective of the existing planning provisions (to which it aligns), it would result in contiguous development toward the urban edge. Suburban scale development at the proposed location would create greater continuity of the existing pattern of urban expansion of Bell Block at this location.

Greater consistency in the western urban edge of Bell Block is more efficient than a pattern of growth where zoned land was developed in locations further from the urban edge. It is more efficient for development to occur incrementally outward to lower the costs of local infrastructure extension and create sequencing in alignment with the timing of growth. Moreover, creating continuity of development in this location would better connect the existing more peripheral development with the central parts of the Bell Block area, which offer greater urban amenity.

We also consider that the proposed development would contribute positively to urban form at a broader scale within the wider spatial economic structure of the district. The analysis has shown that Bell Block has developed as an important urban node within the New Plymouth-Bell Block urban area. This is efficient given the corresponding growth in the nearby employment hub south of State Highway 3, as well as the options that Bell Block provides as a node for housing, that remains well connected to the main commercial centres within New Plymouth.



Our analysis has shown that the proposal would contribute to growth in the Bell Block urban node and therefore contribute to these economic benefits. The pattern of development encouraged by the proposed lot structure is consistent with the level of dwelling supply that is viable at this location. The proposal therefore contributes toward encouraging a reasonable level of growth to the Bell Block node within the existing dwelling market context.

4.5 Effects on Bell Block

The proposed development will generate several positive effects on Bell Block, including:

- Stages 6-8 of the development would provide for an increase the Bell Block's population, by around 275 people or an increase of 3.4%, when assuming an average household size of 2.5 people per household. Development of the balance would provide a further increase of circa 215 people, adding 2% to the long term population. This would increase local retail spending capacity, supporting local businesses. Given the strong growth projections for the area, it is likely this will occur from population growth outside of the development.
- The proposal would provide increased housing choice in Bell Block, through enabling new dwellings. These are expected to be a mix of standalone dwellings with diverse sizes. The location of the site means that additional housing options will be provided close to the Bell Block commercial centre and the coastal walkway – this will support the viability and vitality of the centre.
- Residences in Bell Block would present an attractive price proposition compared to similar dwellings elsewhere in New Plymouth, benefiting from the lower cost of land in the area. With land prices at least \$22,000 cheaper per lot than the New Plymouth average, this affordability opens up opportunities for a broader range of residents to consider relocating to the area.
- As part of the development, the site will provide a connection between the two important roads of Pohutukawa Place and Parklands Ave.

The proposal is consistent with the district's planning for the future growth of Bell Block. As the land is zoned residential and undeveloped, the site is important in providing for future household growth. This is particularly important in the short term, as the Puketapu Special Purpose Development Area and the Future Urban Zone, on the eastern side of Bell Block, are set aside for development in the medium and long term. As it sits on the western fringe of the Bell Block area and surrounded by existing residential zoned areas, it would provide a consistent urban form.

4.6 Effects on New Plymouth

The scale of the proposed development wouldn't necessitate a significant portion of Bell Block's anticipated growth to be viable, nor would it be anticipated to absorb an excessive share of the growth projected for New Plymouth. Stage 6-8 will account for approximately 2% of New Plymouth District's growth over the period to 2043. The future balance area will account for 1.6% of district-wide population growth. The total development would generally align with the historical share of district growth that Bell Block has captured.

As highlighted within section 2.1, undeveloped residential land is expected to play a key role in accommodating the district's future household growth, particularly in the short term. The proposed development is consistent with the future housing plans of the district. The residential lots are expected to be used for standalone



housing which is consistent with the HBCA projections for undeveloped residential land where 80% of the zone type's capacity is expected to be made up of this housing typology.

Infill development is expected to provide 29% of all District growth. That is a high share in the context of rates achieved in other urban areas in New Zealand and would be expected to represent the upper end of infill development that might be achievable in the district. This means that 71% of growth, or around 220 dwellings per year would need to be provided for in greenfield developments. That equates to around 2 developments the size of the proposed subdivision (stage 6-8) being occupied every year for the next thirty years. Put another way, the proposed stage 6-8 development would take up around 1.6% of greenfield development in the district over the next three decades. The future balance development area will take up 1.3% of long term growth.

With projected growth of 300-350 households per year, those developments would provide for somewhere around a third of a year's growth, and so indicatively might be sold within 12 months from now, when a completely new set of subdivisions would be required. Importantly, annual growth is on a 'per year' basis, to the future development will play a similar role in the market once it is released.



5 Conclusions

The proposed development of 110 residential lots at 56 Pohutukawa Place, Bell Block holds short to medium term implications for the economic and urban landscape of New Plymouth, with the further development of the balance area (future development area) providing further residential development options over the medium to long term. The objective of the assessment was to evaluate the potential economic impacts and urban integration of the proposed development within the context of demographic trends, growth projections, and policy frameworks.

The location of the proposed development offers several advantages, including:

- proximity to existing infrastructure, such as the Bell Block town centre and the coastal walkway,
- availability of undeveloped residential land in the vicinity presents an opportunity for cohesive development and master planning,
- Bell Block's attractiveness as a residential area is further enhanced, and
- the local affordable residential market is supported, and it opens up options for homebuyers by providing competition and providing diversity.

The assessment of historic and current demographic trends reveals significant population and household growth in Bell Block over the past two decades. Employment growth has outpaced population growth, driven by key sectors such as construction, transport, education, and healthcare. Bell Block's strategic location, coupled with its proximity to major employment areas in New Plymouth, makes it an attractive residential destination, leading to sustained growth in both population and employment.

Projected growth forecasts indicate a continued upward trajectory for Bell Block, with household numbers expected to increase substantially over the next few decades. The proposed development aligns with these growth projections, contributing to the expansion of residential capacity in the area. Furthermore, the assessment of housing and business capacity highlights sufficient development capacity to accommodate projected demand, with Bell Block playing a significant role in meeting future housing needs.

The proposed residential development at 56 Pohutukawa Place, holds promise for fostering economic growth, meeting housing demand, and shaping the urban landscape of Bell Block and the wider New Plymouth district. With its strategic location, affordability, and potential for suitable development, Bell Block emerges as a key focal point for future residential growth in the district. As New Plymouth continues to grow and expand in size, the proposed development contributes to a well-functioning urban environment which helps accommodates the projected future growth. Residential development and housing costs are important issues in New Zealand and in New Plymouth. The Pohutukawa Place development will deliver significant benefits in the context of Bell Block as a growth area, and concurrently adding to New Plymouth's functioning urban environment.

Overall, our assessment has shown that the proposed development is consistent with the anticipated pattern of urban growth in this location. The proposed lot structure is likely to encourage dwellings that are consistent with patterns of dwelling development that are viable within the housing market at this location. This suggests that the lots are likely to be aligned to patterns of housing demand in the community where Bell Block offers choice in the market for households to occupy larger or cheaper dwellings.

Although the proposed lot sizes are somewhat larger than the minimums enabled under the District Plan (and Proposed District Plan), they are consistent with the Bell Block market, including other recent greenfield



development near the eastern urban edge. Analysis of the land (lot sizes) and property development (new dwellings) markets suggest that it is unlikely that the market would alternatively develop this area at a greater density. We note also an absence of a maximum lot size within the zoning provisions. It can therefore be concluded that the proposal is likely to encourage a level of net additional dwelling supply to the local market that is consistent with the location and size of the land.

We correspondingly consider that development at this location will contribute positively to meeting future growth needs. This occurs at both the local Bell Block scale, but also the contribution to growth needs at the district scale. This is critical given the projected future demand for housing in this part of the district.

Our analysis of the urban structure suggests that development at this location is also likely to contribute positively to urban form. This occurs both at the Bell Block scale, where it contributes to a contiguous urban form at an appropriate scale, as well as at the wider spatial scale of contributing towards the growth of Bell Block as an urban node within the combined New Plymouth-Bell Block urban area.

For the above reasons, we support the proposed scale of residential urbanisation at this location.