

**BEFORE INDEPENDENT HEARING COMMISSIONERS
APPOINTED BY THE WAIKATO DISTRICT COUNCIL**

IN THE MATTER of the Resource Management Act 1991
(RMA)

AND

IN THE MATTER of the Proposed Waikato District Plan

BETWEEN **RANGITAHİ LIMITED**

Submitter [No. 343]

AND

WAIKATO DISTRICT COUNCIL

Local Authority

**EVIDENCE-IN-CHIEF OF
DR JAMES DOUGLAS MARSHALL FAIRGRAY FOR RANGITAHİ
LIMITED**

(GEOSPATIAL ECONOMICS)

17 February 2021

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INTRODUCTION, QUALIFICATIONS AND EXPERIENCE

1. My name is James Douglas Marshall Fairgray. I have a PhD in geography from University of Auckland, and I am a principal of Market Economics Limited (ME), an independent research consultancy.
2. I have over 40 years of professional consulting and project experience, working for public sector and commercial clients. I specialise in policy and strategy analysis, evaluation of outcomes and effects in relation to statutory objectives and purposes, assessment of demand and markets, urban and rural spatial economies, land use, and core economic processes. This research is within my core disciplines of economic geography / spatial economics and spatial planning. I have applied these specialties in more than 900 studies throughout New Zealand.
3. I am a qualified commissioner, through the Making Good Decisions programme (2017 and 2020). I am an Associate Member of the New Zealand Planning Institute (since 2013).
4. I have wide-ranging research experience in policy evaluation and impact assessment from an economic perspective through a range of economic assessments in the Resource Management Act 1991 (**RMA**) context, including evaluation of the benefits and costs of policy options, and economic processes and decision-making.
5. During 2014, I was engaged to prepare the core material for the section 32 guide released by the Ministry for the Environment, and I was the presenter on economic matters for the nationwide series of workshops on section 32 guidance.
6. I have studied regional and district economies throughout New Zealand, and the roles of key sectors in the economy. I have undertaken a wide range of studies into business and residential land demand, across many cities, and districts throughout New Zealand.
7. My research and evidence have covered regional and urban economies, business sector studies, business location preferences, residential demand and dwelling and location preferences, and urban development matters generally, within the context of the RMA and regional and district plans.

8. Of direct relevance to this matter:

- (a) In 2014 I examined the growth outlook for housing and dwelling in Raglan, and the local economy, including how the town may accommodate growth in residential, business and community activity over the 2013-2061 period. I undertook expert conferencing with Council planners, and I presented evidence on the future vision for Raglan, with regard to providing an appropriate planning base for the town's urban form and growth directions. That was on behalf of Raglan Land Company Ltd in relation to their plan change application.
- (b) In 2020, I was engaged by Waikato District Council (**WDC**) in relation to the District Plan review process, to provide analysis and advice relating to policies including subdivision of the Rural Zone, with reports to assist the s.42A reporting officer. I examined the rural economy by location throughout the District, including land use, primary activities, the property base, and land cover. I also examined the rural population structure and its property base of farming and countryside living or rural lifestyle properties, including the role of countryside living properties and rural villages in catering for future population growth in each area and its economic effects for other rural landowners.
- (c) In 2020, I was also engaged by WDC to provide analysis and advice relating to the proposed rezoning of land at Ohinewai for the Ohinewai Structure Plan. I prepared reports to assist the s.42A reporting officer, examining the likely economy impact of establishment of a substantial manufacturing plant and the associated development of a new town at Ohinewai. I examined the implied growth for Ohinewai relative to the District's overall growth outlook, housing needs, employment, and business activity. That was in the contexts of the pWDP and the Waikato RPS to show the plan implications and the local, district and regional economy, especially business activity and industry.

CODE OF CONDUCT

9. I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014 and to the extent that I am giving expert evidence, I have complied with it in preparing this Paper. I confirm that the issues addressed are within my area of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

BACKGROUND

10. I have been retained by Rangitahi Limited to prepare a statement of evidence on its submission on the Proposed Waikato District Plan (**pWDP**) seeking provision for future urban growth in Raglan West.
11. I am familiar with the Raglan township, including the Raglan West area and the surrounding Raglan environment. I have visited the area a number of times. I am familiar with the town's geography and spatial structure, and I have good understanding of the town's economy and community structure from a range of analyses (statistical and other data) and direct observation.
12. In preparing this evidence, I have read Rangitahi's submission and further submission on the pWDP, the other evidence-in-chief (**EIC** or **evidence**) on behalf of Rangitahi, and reports listed in para. 12.
13. In this statement, I consider projected demand for housing in Raglan, and capacity for housing in Raglan, for the period to 2050, and longer term to 2070. For this, I have considered a range of growth projections for Raglan population and resident households, as well as demand for holiday dwellings, which represent a significant share of the total dwelling estate.
14. In preparing this statement, I have examined the pWDP, Waikato 2070 Growth and Economic Development Strategy, the s.42A Framework Report¹, the National Institute of Demographic and Economic Analysis (**NIDEA**)

¹ Section 42A Report. Hearing 25 Zone Extents Framework report (January 2021).

population and household update (August 2020²) and the s.42A Report which addresses the Future Urban Zone.

RAGLAN HOUSING ASSESSMENT

Context

15. The Waikato District Plans (Operative and Proposed) and the future Waikato 2070 Growth and Economic Development Strategy³ indicate significant urban expansion in Raglan over the long-term. The urban area of Raglan is planned to expand substantially beyond the existing township urban area, to include large areas of residential growth in the surrounding hinterland, especially to the west.

Geographic Extent and Timing

16. It is important to first establish the geographic extent of the demand and capacity assessment. Raglan is a long-established and growing coastal town, with significant roles as a rural service town and a tourism destination. It also has a lesser dormitory role as a number of its residents work in Hamilton. While much of its population and household growth will accrue to the town and its immediate surrounds, growth is also anticipated in the Whale Bay area.
17. This assessment takes into account anticipated growth in demand for dwellings in both Raglan SA2⁴ and the Whale Bay SA2, which covers the northern parts of the previous Te Uku SA2.
18. The assessment covers the growth outlook to 2070. While this extends well beyond the 30-year long term horizon of the NPS-UD, it does take into account the Waikato 2070 strategy. Within that timeframe, the short term (0-

² 2020 National Institute of Demographic and Economic Analysis (NIDEA) report - Update of Population and Family and Household Projections for Waikato District 2013-2063, August 2020.

³ Waikato District Council, 2020. *Waikato 2070: Waikato District Council Growth & Economic Development Strategy*, adopted by Waikato District Council 19 May 2020.

⁴ Statistics NZ's basic geography identifies SA2 and SA1 areas at the local level. SA2s broadly replace the previous census area units, while SA1s broadly replace the previous mesh-block areas. The Whale Bay SA2 was not identified separately in the 2018 Census outputs, but is included in the 2019 SA2 series, and data from the Census is available at the SA1 level for separate assessment of the area included in the Whale bay SA2.

3 years), medium term (3-10 years), and long term (11-30 years) periods of the NPS-UD serve as reporting points.

19. The assessment covers total demand for dwellings within the Raglan and Whale Bay SA2 areas. The likely urban component of growth has been estimated based on existing patterns of urban and rural population within Raglan and the surrounding area, together with the Waikato rural population growth rates and the anticipated spatial extent of Raglan's future urban area⁵.
20. As noted, dwelling demand arises mainly from the resident population. However, in Raglan there is substantial demand for 'holiday' dwellings, which are not usually occupied but are occupied by owners or their guests especially during some weekends and holiday periods. In Raglan, such holiday dwellings accounted for about 27% of the total dwelling estate as at 2018, while in Whale Bay the share is around 19%, and in the combined area it is 25% overall.
21. It is important to look at demand across this wider area of Raglan and Whale Bay for the current assessment, and especially for considering the long-term outlook within Waikato as a relatively fast-growing district. Growth around Raglan township can be expected to provide for a range of different dwelling densities, including patterns similar to the Rangitahi Peninsula which is likely to cater for some of the demand traditionally directed to lifestyle blocks.

Raglan Household and Dwelling Growth Outlook

22. As at 2020, the study area contains an estimated 2,000 usually resident households, including 1,600 in Raglan SA2, and 400 in Whale Bay SA2.
23. Waikato District commissioned NIDEA to prepare and update population and household projections for the District. The NIDEA population and household projections cover high-variant and medium-variant scenarios, as possible futures for the District. The medium population variant indicates total District growth of 4,902 persons by 2023 (around 1,630 annually) and 38,857 by 2050

⁵ Previous work including for the NPS-UDC examined the Raglan CAU which was appropriate for the purposes of the NPS work in relation to the planning capacity boundaries. That included the existing urban area of Raglan specifically, but it did not include the proximate urbanised areas of Ngarunui Beach, the Rangitahi Peninsula (both considered separately under the NPS analysis) or the rural lifestyle areas surrounding Raglan.

(around 1,300 annually). The high variant indicates District growth of 5,909 persons by 2023 (around 1,970 annually) and 52,745 by 2050 (around 1,760 annually).

24. The medium household variant indicates District growth of 2,527 households by 2023 (around 840 annually) and 19,029 by 2050 (around 630 annually). The high variant indicates District growth of 2,887 households by 2023 (around 960 annually) and 24,348 by 2050 (around 810 annually). These projections are for the usually resident population, and do not take account of visitors including residents of holiday dwellings.
25. The District projections provide important context for growth in the Raglan area. While a substantial share (around half) of household growth in the District overall continues to be in rural lifestyle properties, the balance is predominantly in the District's towns, including Raglan. The growth rates of 2.7-3.1% pa in the short term, and 1.7-2.0% in the long term are relevant to Raglan, as they indicate a relatively strong rate of increase into the long term. These are shown in **Table 1**.

Table 1 – Waikato District Population and Household Projections 2020-2063

Year	Medium Population	High Population	Medium Total Households	High Total Households
2020	81,473	81,805	29,811	29,942
2023	86,375	87,714	32,338	32,829
2030	97,302	101,163	37,506	38,946
2050	120,330	134,550	48,840	54,290
2063	131,028	153,892	54,066	63,047
2020-23	4,902	5,909	2,527	2,887
2020-23 %	6.0%	7.2%	8.5%	9.6%
2020-30	15,829	19,358	7,695	9,004
2020-30 %	19.4%	23.7%	25.8%	30.1%
2020-50	38,857	52,745	19,029	24,348
2020-50 %	47.7%	64.5%	63.8%	81.3%
2020-63	49,555	72,087	24,255	33,105
2020-63 %	60.8%	88.1%	81.4%	110.6%
<i>Annual Change</i>				
2020-23	1,630	1,970	840	960
2020-30	1,580	1,940	770	900
2020-50	1,300	1,760	630	810
2020-63	1,150	1,680	560	770
<i>Annual Change %</i>				
2020-23 %pa	2.0%	2.4%	2.7%	3.1%
2020-30 %pa	1.8%	2.1%	2.3%	2.7%
2020-50 %pa	1.3%	1.7%	1.7%	2.0%
2020-63 %pa	1.1%	1.5%	1.4%	1.7%

Source: NIDEA 2020

26. The NIDEA projections are for the whole District. As noted in the s.42A Framework Report ⁶ the medium and high projections have been disaggregated to the SA2 level to show estimated growth by location within the District, including for Raglan and Whale Bay. These are shown in **Table 2**.
27. The medium household variant indicates growth in Raglan and Whale Bay of 160 resident households by 2023 (around 53 annually) and 980 by 2050 (around 33 annually). The high variant indicates growth in Raglan and Whale Bay of 294 households by 2023 (around 98 annually) and 1,755 by 2050 (around 59 annually). Longer term to 2070, the medium variant indicates an increase of 1,220 usually resident households, the high variant an increase of 2,193.

Table 2 – Raglan Area Resident Household Projections 2020-2070

Year	Medium Households	High Households
2020	1,980	1,990
2023	2,140	2,170
2030	2,390	2,460
2050	2,960	3,190
2070	3,200	3,530
2020-23	160	180
2020-23 %	8.1%	9.0%
2020-30	410	470
2020-30 %	20.7%	23.6%
2020-50	980	1,200
2020-50 %	49.5%	60.3%
2020-70	1,220	1,540
2020-70 %	61.6%	77.4%
<i>Annual Change</i>		
2020-23	53	60
2020-30	41	47
2020-50	33	40
2020-70	28	36
<i>Annual Change %</i>		
2020-23 %pa	2.6%	2.9%
2020-30 %pa	1.9%	2.1%
2020-50 %pa	1.3%	1.6%
2020-70 %pa	1.1%	1.3%

Source: Derived from NIDEA 2020

Demand for Holiday Dwellings

28. A substantial share of demand for dwellings in the Raglan area is for holiday dwellings. Analysis of the numbers of private permanent dwellings shown from Census 2018 indicates that over one-quarter (27%) of total private dwellings in Raglan SA2 are not usually occupied, with a smaller but significant share (19%) evident in Whale Bay. Over time, given the expected substantial growth in resident households in the Waikato and Auckland regions – the major source of demand for holiday dwellings in coastal towns and settlements in the northern North Island (north of East Cape and Cape Egmont) – further growth is anticipated in demand for holiday dwellings in Raglan.

29. That said, taking account of the relatively strong rates of growth in the Raglan resident population, the projections I have prepared allow for demand growth in holiday dwellings to be slightly lower than that for resident households (by -6.0% over the 2020 to 2070 timeframe in both the medium and high futures).

Total Demand for Dwellings

30. For my estimates of total demand for dwellings in Raglan and Whale Bay, I have adopted the NIDEA projections of resident household numbers and assumed demand for one dwelling per household. That is consistent with the method required in the NPS-UD. I have then estimated the number of holiday dwellings as a percentage of the number of dwellings required by resident households.
31. On that basis, the projected growth in holiday dwelling demand, and total dwelling demand, is shown in **Table 3**. The medium growth future indicates demand in Raglan and Whale Bay for some 190 dwellings in the short term (63 per year), 520 dwellings in the medium term to 2030 (52 per year) and 1,210 dwellings in the long term to 2050 (40 per year on average). The projection to 2070 is an additional 1,720 dwellings (40 per year).
32. The high growth future indicates demand in Raglan and Whale Bay for some 220 dwellings in the short term (73 per year), 620 dwellings in the medium term to 2030 (62 per year) and 1,630 dwellings in the long term to 2050 (54 per year on average). The projection to 2070 is an additional 2,550 dwellings (59 per year).

Table 3 – Raglan Area Total Dwelling Demand Projections 2020-2070

Year	Medium Households	High Households	Medium Holiday Dwellings	High Holiday Dwellings	Medium Total Dwellings	High Total Dwellings
2020	1,980	1,990	680	680	2,670	2,690
2023	2,140	2,170	720	730	2,860	2,910
2030	2,390	2,460	800	830	3,190	3,310
2050	2,960	3,190	920	1,020	3,880	4,320
2070	3,200	3,530	1,010	1,200	4,390	5,240
2020-23	160	180	40	50	190	220
2020-23 %	8.1%	9.0%	5.9%	7.4%	7.1%	8.2%
2020-30	410	470	120	150	520	620
2020-30 %	20.7%	23.6%	17.6%	22.1%	19.5%	23.0%
2020-50	980	1,200	240	340	1,210	1,630
2020-50 %	49.5%	60.3%	35.3%	50.0%	45.3%	60.6%
2020-70	1,220	1,540	330	520	1,720	2,550
2020-70 %	61.6%	77.4%	48.5%	76.5%	64.4%	94.8%
<i>Annual Change</i>						
2020-23	53	60	13	17	63	73
2020-30	41	47	12	15	52	62
2020-50	33	40	8	11	40	54
2020-70	28	36	8	12	40	59
<i>Annual Change %</i>						
2020-23 %pa	2.6%	2.9%	1.9%	2.4%	2.3%	2.7%
2020-30 %pa	1.9%	2.1%	1.6%	2.0%	1.8%	2.1%
2020-50 %pa	1.3%	1.6%	1.0%	1.4%	1.3%	1.6%
2020-70 %pa	1.1%	1.3%	0.9%	1.3%	1.2%	1.6%

Source: Derived from NIDEA 2020

NPS-UD Competitiveness Margin

33. To comply with the NPS-UD, councils are required to provide for additional capacity for residential and business growth by building in a 'Competitiveness Margin' of an extra 20% capacity over expected demand in the short and medium term (1-10 years'), and an extra 15% over expected demand in the long term (10-30 years' and beyond). For Raglan and Whale Bay, the additional provision would equate to 95 to 115 dwellings equivalent in the medium term, 215 to 285 dwellings in the long term (to 2050) and 260 to 360

dwelling in the very long term (to 2070).⁷ These margins are built into the projections in Table 4.

Table 4 – Raglan Total Dwelling Demand plus Competitiveness Margin 2020-70

Year	Medium Total Dwellings	High Total Dwellings	Medium + NPS CM	High + NPS CM
2020	2,670	2,690	2,670	2,690
2023	2,860	2,910	2,900	2,950
2030	3,190	3,310	3,280	3,420
2050	3,880	4,320	4,090	4,590
2070	4,390	5,240	4,640	5,590
2020-23	190	220	230	260
2020-23 %	7.1%	8.2%	8.6%	9.7%
2020-30	520	620	610	730
2020-30 %	19.5%	23.0%	22.8%	27.1%
2020-50	1,210	1,630	1,420	1,900
2020-50 %	45.3%	60.6%	53.2%	70.6%
2020-70	1,720	2,550	1,970	2,900
2020-70 %	64.4%	94.8%	73.8%	107.8%
<i>Annual Change</i>				
2020-23	63	73	77	87
2020-30	52	62	61	73
2020-50	40	54	47	63
2020-70	40	59	46	67
<i>Annual Change %</i>				
2020-23 %pa	2.3%	2.7%	2.8%	3.1%
2020-30 %pa	1.8%	2.1%	2.1%	2.4%
2020-50 %pa	1.3%	1.6%	1.4%	1.8%
2020-70 %pa	1.2%	1.6%	1.3%	1.7%

Source: Derived from NIDEA 2020

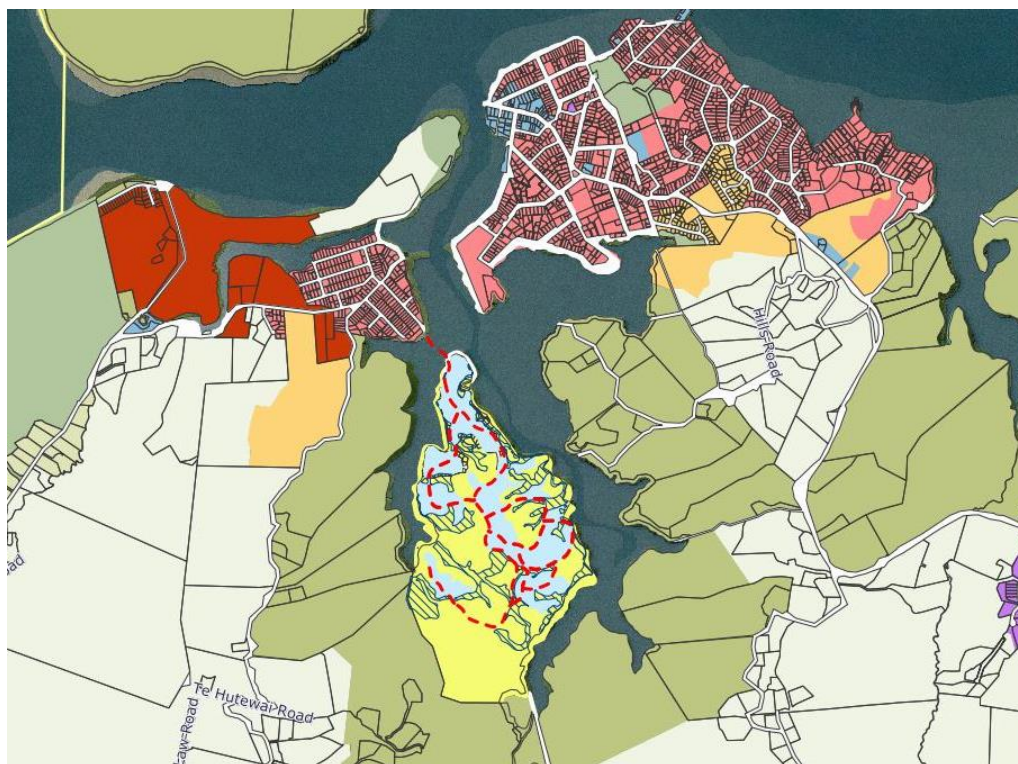
Raglan Housing Capacity – Growth Context

34. The assessment of Raglan's housing capacity has followed a quite standard approach, taking account of the land areas zoned and potentially zoned for residential use, and the likely dwelling density (dwellings per ha) on those areas. This includes potential capacity on greenfield areas, and established urban land where there is scope for further infill on existing sites (**Figure 1**).

⁷

The s42A Report (Appendix 9) contains estimates of the Competitiveness Margin, however that appears to have been applied to total demand as distinct from just growth in demand. The total demand estimates for Raglan are therefore over-stated in the s42A Report, by in the order of 550-600 dwellings

Figure 1 : Waikato District Operative District Plan

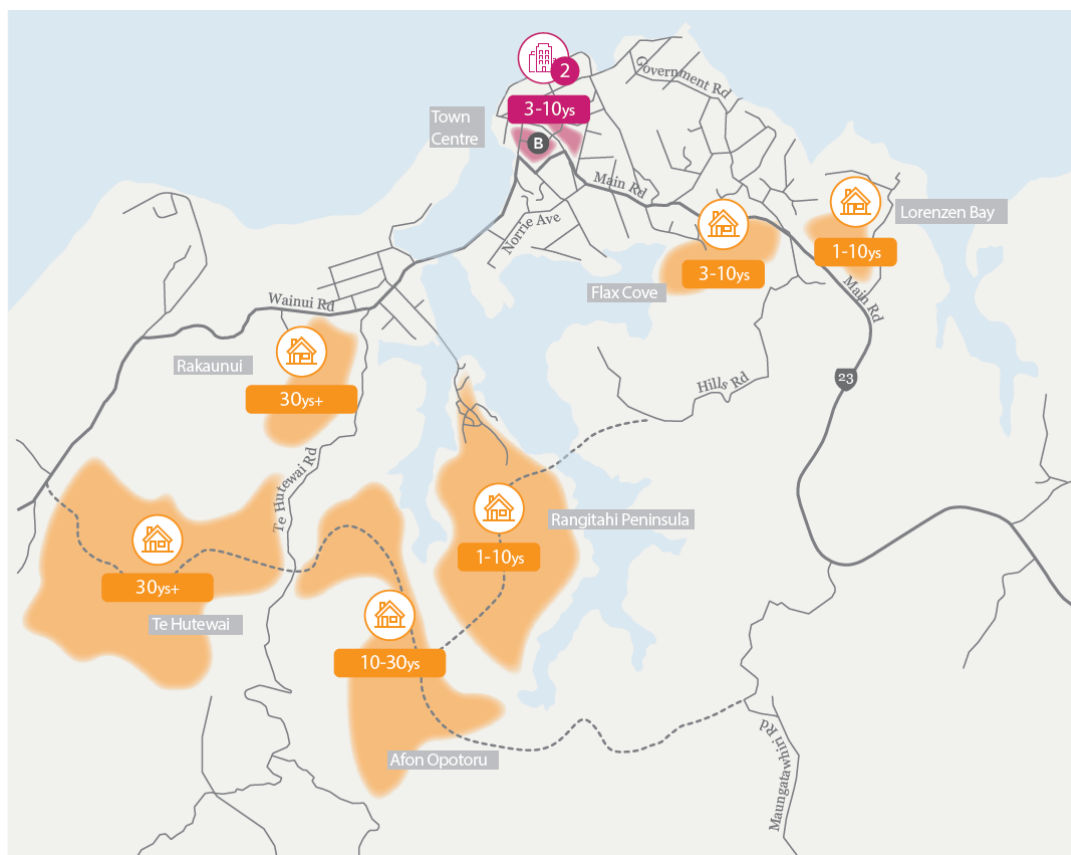


35. The short-term capacity assessment is based on the Operative District Plan (**ODP**) taking account also of projected short-term infrastructure provision. Most of the Raglan SA2 is made up of Living Zone, with some New Residential Zone around the edges, and the Rangitahi Living Zone. The minimum site sizes within the Living Zone are 450m². The Rangitahi Living Zone does not have a minimum site size but the currently indicated capacity in the Rangitahi Structure Plan is for 500-550 lots). In the New Residential Area, the minimum lot size is 450m², but there is an average minimum size of 600m² with greenfield development. For the analysis, additional capacity scenarios have been modelled, applying larger minimum lot sizes (600m² and 800m²) size across all zones, also retaining the Rangitahi capacity estimate of 500-550 lots.
36. For the medium-term assessment, the Proposed Waikato District Plan (**pWDP**) zones have been applied, together with the medium-term infrastructure provision assumptions. The geographical extent of the zoning is the same as in the ODP, but the ODP Living Zone and ODP New Residential Zone would be all Residential Zone and the Rangitahi Peninsula is zoned separately. The Residential Zone has a minimum lot size of 450m² and no

minimum average lot size in greenfield areas. The Rangitahi Peninsula Zone does not have a minimum lot size but a 500-550 lot capacity has been assumed based on the Rangitahi Structure Plan. However, the final yield may be higher, depending on future consenting processes. Additional scenarios have been examined applying assumed mean lot sizes of 600m² and 800m² across all zones.

37. For the long-term assessment (2020-2050) the Waikato 2070 residential activity zones have been assumed to apply, and the pWDP zones (where there was no zoning indicated for Waikato 2070), together with the long-term infrastructure provision assumptions. Under this scenario, the Raglan SA2 remains as the pWDP zones which have the minimum lot size of 450m² – this covers the existing Raglan urban area as well as the areas of greenfield in the east and west and the Rangitahi Peninsula. The Waikato 2070 zones have some expansion of the Residential Zoning in the small areas of greenfield in the east, and also to the west (the Maori owned land). The spatial context is shown in **Figure 2**, with future capacity indicated predominantly to the west and southwest of Raglan town, out toward Whale Bay.

Figure 2: Indicated Raglan Residential Greenfield Areas of Future Infrastructure Provision (Waikato 2070 Growth and Economic Development Strategy)



Section 42A Framework Report

38. In the event, the s42A Framework Report (January 2021) provides estimates of capacity in the Raglan growth node. The estimates show additional capacity for 886 dwellings in the short term, 1,085 dwellings in the medium term, and 1,416 dwellings in the long term. In the very long term to 2070, additional capacity of 1,851 dwellings is indicated. At this stage, there is no further detail about the derivation of the estimates or the underlying assumptions. The capacity estimates are set out in **Table 5**.
39. Of the total additional capacity, around one-sixth is through urban intensification and infill in Raglan town, and the majority through greenfield expansion. Into the medium term, Rangitahi Peninsula accounts for the major share of the greenfield capacity.

Table 5 – Raglan Area Dwelling Capacity Estimates 2020-2070

Location		Short-term	Medium-term	Medium-Long Term	Long-term	Very long term
	2020	2023	2030	2040	2050	2070
Existing	2,680	2,680	2,680	2,680	2,680	2,680
Infill	-	201	201	201	201	201
Town Centre	-	-	69	69	69	69
Rangitahi Peninsula	-	501	501	501	501	501
Lorenzon Bay	-	184	184	184	184	184
Flax Cove	-	-	130	130	130	130
Afron Opororu	-	-	-	132	331	331
Rakaunui	-	-	-	-	-	100
Te Hutewai	-	-	-	-	-	335
Total	2,680	3,566	3,765	3,897	4,096	4,531
Additional Urban		201	270	270	270	270
Additional Greenfield		685	815	947	1,146	1,581
Total Additional		886	1,085	1,217	1,416	1,851

Source: s42A Report Appendix 9; ME 2021

40. The projected dwelling demand indicates sufficient capacity in gross terms in the medium term to 2030 – additional capacity of around 1,085 dwellings compared with demand for 520 to 620 dwellings over that decade based on the medium growth scenario plus the NPS-UD competitiveness margin.
41. However, in the longer term, the growth in demand is expected to exceed the growth in capacity. An additional 700 to 1,000 dwellings are required over the 2030-2050 period based on the medium growth scenario plus the NPS-UD competitiveness margin, which is substantially greater than the projected capacity increase for 330 dwellings. By 2050, the demand projections indicate that additional dwellings would take up over 85% of capacity in the medium future (1,210 growth compared with 1,416 capacity) while demand would exceed projected capacity in the high future (1,630 growth compared with 1,416 capacity).

Raglan Housing Capacity – “Sufficiency”

42. The overall outlook for the sufficiency of dwelling capacity is shown in **Figure 3**. This takes the dwelling demand projections to 2070 for medium and high futures, without and with the allowance for the NPS-UD Competitiveness Margin. On the graph, the demand curves are plotted above the estimated capacity figures for the current situation (assuming current capacity equals demand) with the future capacity plotted cumulatively according to the s.42A

Framework Report estimates. **Table 6** shows the indicated dwelling demand and capacity to 2070.

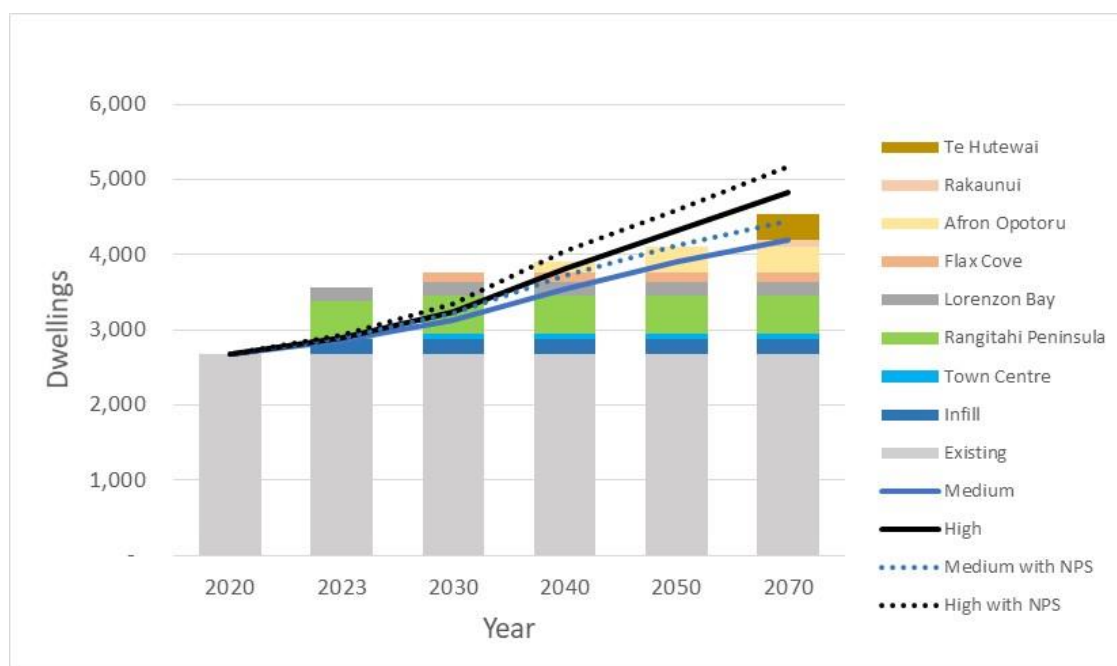
Table 6 – Raglan Area dwelling demand and capacity estimates 2020-2070

	2020	2023	2030	2040	2050	2070
Total Capacity	2,680	3,566	3,765	3,897	4,096	4,531
Demand (medium)	2,680	2,860	3,130	3,550	3,910	4,190
Net Surplus (Shortfall)	-	706	635	347	186	341
Demand Medium with NPS	2,680	2,900	3,220	3,720	4,120	4,440
Net Surplus (Shortfall) with NPS	-	666	545	177	- 24	91
Demand High	2,680	2,890	3,230	3,820	4,320	4,820
Net Surplus (Shortfall)	-	676	535	77	- 224	- 289
Demand High with NPS	2,680	2,930	3,340	4,050	4,590	5,170
Net Surplus (Shortfall) with NPS	-	636	425	- 153	- 494	- 639

Source: s42A Report Appendix 9; ME 2021

43. The comparison shows that projected capacity will provide for more than projected demand into the medium term (around 2030), however in the longer term the demand growth exceeds the projected dwelling capacity. In the medium future, this would occur in the mid- to late-2040s. However, in the high growth future this would occur in the mid-2030s.

Figure 3: Raglan Residential Capacity and Projected Demand 2020-2070

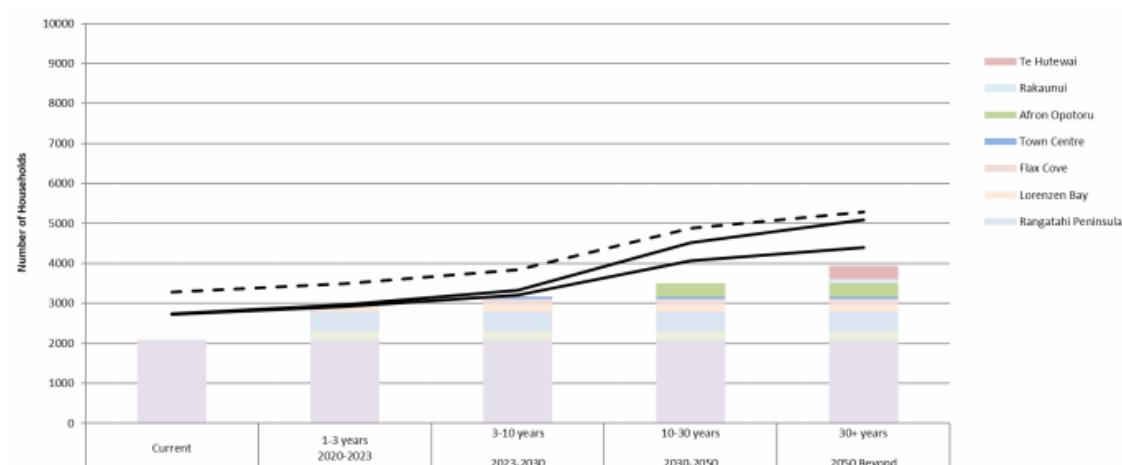


44. The s.42A Framework Report and the s.42A FUZ Report both support zoning sufficient land for 20 years, or out to 2040. From my assessment, that would

be achieved in the medium growth future, but not in the high growth future. That said, the implied margin is tight even in the medium future. The projections indicate that by 2040 - in the medium future - total demand will be within 5% of total capacity. In the high future by 2040, total demand will exceed projected capacity by around 4%. These tight margins, given the inevitable uncertainty of future projections, and the outlook for continuing strong growth after 2040, would indicate that the downside of providing for growth capacity “too early” would be significantly less than providing for capacity “too late”. That suggests a precautionary approach is warranted.

45. I note that the comparison shows a rather different picture for Raglan from that presented in the s.42A Framework Report (Appendix 9). That is replicated here as **Figure 4**. The main difference is that the s.42A Framework Report graph has household projections which are considerably higher currently than the current household estimates for Raglan as at 2020. It appears that the s.42A Framework Report ‘household’ projections are actually dwelling projections, which allow for the 680 or so holiday dwellings in Raglan and Whale Bay. That understates the existing capacity, and indicates a substantial capacity shortfall in Raglan throughout the planning period. That is compounded because the NPS-UD Competitiveness Margin is also overstated in the s42A Framework Report.

Figure 4: Raglan Capacity and Demand s42A Report



FUTURE URBAN ZONE

46. The s.42A FUZ report examines the potential for a Future Urban Zone (FUZ) to cater for housing growth beyond the next 20 years.

47. Based on my research in 2015-16 into the Future Urban Zone for the Auckland Unitary Plan, I consider that such a zone represents a sound land use and economy initiative, by signalling early the expected land use and urban development outcomes, especially their location and extent. Such zones generally act to provide certainty to existing owners as well as the community, and can be expected to make eventual urbanisation quicker and more efficient. This is especially by limiting the potential for subdivision of rural land and conversion to lifestyle properties with substantial long-duration built improvements (usually dwellings).
48. Mr Inger identifies that an area of some 30ha spanning the southern part of the Rangitahi Peninsula Zone and some of the FUZ would be suitable for urbanisation, and could accommodate 350-450 dwellings. That would offset more than the projected dwelling shortfall to 2050 in the medium projection, and be close to offsetting the shortfall in the high projection future.
49. I understand that Rangitahi is intending to seek rezoning of the Rangitahi South area (part of Afon Opotoru in Waikato 2070) to FUZ.
50. I consider that would be a sound resource management initiative for Raglan.

CONCLUSION

51. The most recent assessment of Raglan's housing demand and capacity, taking account of the household growth outlook (August 2020) and the dwelling capacity estimates (January 2021) identifies the need to provide for additional housing capacity in the long term. While the projections indicate that demand for dwellings can be catered for in the medium term to 2030, in the longer term, and/or if housing growth is faster than projected, the available capacity will reduce and potentially be exhausted.
52. Given the lengthy time horizons, the estimates of demand are subject to variation, while the capacity estimates are influenced by assumed land yield in greenfield areas, and dwelling yields on the residential land. That said, Raglan has a well-established economy and community, and the wider regional context of the Waikato and Auckland with almost half of the national economy and growing faster than the country as a whole, suggests an outlook for stable incremental growth into the long term. That in turn suggests that the growth projections are more likely to err as to timing rather than scale. That

is, the amount of projected growth can be seen as very likely to eventuate, and its timing may be faster or slower than indicated.

53. The dwelling growth projections indicate that in a high growth future, Raglan will face a capacity shortfall by the mid-2030s, and even under the medium-growth future, demand will be close to (within 5% of) capacity by the end of the 2030s. The proposal for a FUZ to provide for additional capacity represents an appropriate response to that tightening of supply.
54. Raglan's location will not change, the opportunities for efficient urban expansion are very predominantly through incremental growth outward from the current edge, in locations suitable for urbanisation and residential use. While those matters may seem obvious, they are nevertheless very important – in combination with the relatively large scale of growth at 45-60% in the long term - in planning for Raglan's future. The scale of growth, at least, highlights the importance of a comprehensive approach for Raglan.

Dated 17th February 2021

J D M Fairgray