

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

**AND**

**IN THE MATTER** of a submission in respect of the **PROPOSED WAIKATO DISTRICT PLAN** by **KIRRIMUIR TRUSTEE LIMITED** pursuant to Clause 6 of Schedule 1 of the Act

## **STATEMENT OF EVIDENCE OF KELVIN NORGROVE**

### **1. INTRODUCTION**

#### **Qualifications and experience**

- 1.1 I am providing this statement on behalf of Kirriemuir Trustee Ltd ('KTL') in respect to submission No. 182 seeking amendments to the zoning of land at 46 Geraghtys Rd. and adjacent sites.
- 1.2 My name is Kelvin James Norgrove. I am the Director of Strateg.Ease Ltd. and a consultant planner specialising in social and economic analysis of plans and policies for urban and rural areas. I have the qualifications of Bachelor of Town Planning (1984) and Masters in Philosophy (Economics) from the University of Auckland (1995). I am a member of the NZ Association of Economists and I have been working as a self-employed consultant for over 17 years. I have 35 years experience working in public policy, resource management, and economic development for local and central government organisations in New Zealand and the UK.
- 1.3 I have undertaken economic and demographic analysis for several councils in New Zealand in relation to District Plan reviews, Plan Changes, and place-based strategies. I am familiar with the Waikato District and adjoining Franklin Local Board area having previously been engaged by the former Franklin District Council, Auckland Council, Franklin Local Board and Waikato Distirct Council on several planning projects.

### **Involvement in project**

- 1.4 I have been involved with the submitter's project since late 2019 and in February 2020 presented a submission to the Waikato District Council hearings committee on the Draft Waikato 2070 Growth and Economic Development Strategy. That submission sought changes to the draft strategy in respect to planning for the form and pattern of urban zoning in Tuakau, including the subject site and other parts of the town. I have visited the site on three occasions, the last visit being on 9 July 2020.

### **Purpose and scope of evidence**

- 1.5 In respect to the current submission on the Proposed District Plan (PDP), I have been engaged to assess the adequacy of the PDP's (as notified) provision of capacity for additional dwellings in Tuakau to meet projected demand, taking into account various information published by Waikato District Council ("**the Council**") and other available sources.
- 1.6 The Submitter's submission and other technical evidence being presented at this hearing provide specific information on the characteristics of the land at Geraghty's Rd. and its suitability for residential development, relating to, infrastructure servicing, flooding, transport and urban design matters (which are not repeated in this statement).
- 1.7 Specifically, my evidence covers:
- (a) An initial analysis of housing supply and population growth trends in Tuakau in recent years and comparison of the capacity for additional dwellings in the Operative District Plan (ODP) and the PDP (as notified). This analysis is based on the Council's Housing and Business Assessment report 2018 and updated information on capacity and demand contained in the PDP s32 Growth Areas Topic Assessment Framework 2018. (Section 3);
  - (b) Assessment of the adequacy of the PDP's provision for additional dwellings to accommodate projected population growth over the next 30 years, based on the abovementioned reports in (a), and the need to give effect to the requirements of the National Policy Statement (Urban Development) 2020 (NPS-UD) (Section 4);
  - (c) Updated analysis of the adequacy of dwellings capacity in Tuakau, taking into account the Council's s42A Framework Report for the

Zone Extents hearing ("Framework Report") prepared by Dr. Mark Davey, dated 19 January 2021 (Section 5);

- (d) Comments on the risks to sufficient greenfields capacity being provided in the PDP should the Panel uphold submissions seeking to retain rural zoning on land with high class soils (Section 6);
- (e) Other matters relevant to the submission and the hearings process, including the Waikato 2070 Strategy, and the Hamilton-Auckland Corridor Plan (Section 7);
- (f) Overall conclusions (Section 8).

1.8 A summary of my evidence is contained in Section 2.

1.9 It is important to note that my evidence is structured in an iterative way, reflecting the need to assess the adequacy of housing capacity in Tuakau based on a sequence of relevant reports and information published by the Council on this topic since the PDP was notified. I necessarily refer to three separate sets of HBA reports or associated information released over the past 2-3 years which reach differing conclusions about the adequacy of capacity, in relation to both the ODP and PDP. I have addressed all of these HBAs in my evidence for completeness, noting that although the latest information provided in the Framework Report may be regarded as superseding the previous reports, the data referred to in that report is qualified as draft and indicative at a township level, and an actual updated HBA 2021 report has yet to be published.

1.10 My evidence should be read together with the evidence of:

- (a) John Olliver of BBO
- (b) Johnathan Broekhuysen of Adapt Studio

#### **Expert Witness Code of Conduct**

1.11 I have read the Code of Conduct for Expert Witnesses, contained in the Environment Court Consolidated Practice Note (2014) and I agree to comply with it. I can confirm that the issues addressed in this statement are within my area of expertise and that in preparing my evidence I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

## 2. SUMMARY OF EVIDENCE

### 2.1 The key findings in my evidence are:

- (a) The 2018 Census results show Tuakau and its surrounding rural area had a total population of 6,600 and growth is occurring on a high scenario path. A high growth scenario for Tuakau is considered prudent to plan for given evidence of residents migrating from Auckland to the Waikato over the past five years and expectations of high growth in North Waikato underpinning central government led initiatives in the Hamilton to Auckland Corridor Plan.
- (b) The Council's Housing and Business Assessment (HBA) 2018 projected future demand for additional dwellings in Tuakau to reach 1,900 new dwellings between 2017 and 2046; and with allowance for the NPS-UDC margins, the additional long-term demand would reach 2,183 dwellings. The HBA assessed dwellings capacity under the Operative District Plan (ODP), and found that after taking account of council infrastructure plans/constraints as well as commercial feasibility factors, achievable capacity would be limited to 1,317 by 2046, implying a shortfall of 600-800 dwellings compared to projected demand.
- (c) The PDP s32 report 'Growth Areas Topic Assessment Framework' 5 July 2018 ('the s32 report') suggested that the PDP's additional plan-enabled capacity in Tuakau of 7,200 additional dwellings (comprising 6,700 greenfields and 500 infill dwellings) would be more than sufficient to accommodate projected long-term demand (to 2046) for 2,200 additional dwellings under a medium growth scenario, and 4,400-5,000 dwellings under a high 'Auckland spill-over growth' scenario.
- (d) The high scenario of a total 4,400-5,000 additional dwellings would imply accommodating in the order of 11,000-12,500 new residents in Tuakau by 2046 (assuming a conservative average household size of 2.5) on top of the 2018 base. Implying a total population of around 16,000-17,500.
- (e) However, the s32 report's suggestion that PDP capacity is sufficient should be regarded as a highly optimistic conclusion given that the s32 report does not assess the infrastructure requirements that would be needed to be 'in place' in the medium term to enable

residential development of the large areas of rural land zoned Residential in the PDP.

- (f) The s32 report should not be relied on as an unqualified basis for concluding that the PDP's capacity is sufficient to cater for long-term projected demand, as it is not consistent with, or as complete as, the Housing and Business Assessment (HBA 2018). Unlike the HBA the s32 report does not provide an assessment of greenfields capacity taking account of:
- infrastructure constraints - i.e. whether the Council has planned to upgrade or widen main roads or provide bulk water and wastewater plant to service large areas of currently Rural zoned land in the north-west and north-east of Tuakau; or
  - commercial feasibility factors – i.e. modelling of land values, development costs and expected sales prices, to indicate what proportion of plan-enabled capacity (greenfields and infill) would be feasible to achieve over time.
- (g) While the s32 report acknowledges risks to the adequacy of supply in the long-term due to constraints of infrastructure servicing capacity, it does not proceed to quantify the infrastructure constraints over discrete time periods in an equivalent way to the 2018 HBA.
- (h) Despite the theoretical increase in greenfields capacity in the PDP, infrastructure constraints could still mean that only 811 dwellings can effectively be achieved in such areas up to and beyond 2026. If the HBA 2018's finding that only 506 infill and 811 greenfields dwellings can be accommodated up to and beyond 2026 still holds, there would be a capacity shortfall/unmet demand of 883 under the Council's medium growth scenario and 3,083-3,683 under the high growth scenario.
- (i) It will be critical for the Hearings Commissioners to consider whether the specific large areas of rural land rezoned in the PDP as Residential or Village Zone, will be able to be serviced cost-effectively with water/wastewater and main roading infrastructure in time to allow take-up of that capacity.

- (j) The s42A Framework Report includes updated information on the adequacy of capacity in the district to accommodate future demand based on recent population and capacity analysis undertaken in the latter part of 2020. The Framework Report's conclusions diverge from the previous 2018 HBA as well as the updated assessment of capacity in the s32 report, and now suggests the PDP does not provide for sufficient appropriately zoned land for residential (and employment) purposes in Tuakau (and several other parts of the district). The implication is that additional rural land should be zoned for development.
- (k) Analysis based on data in the Framework Report shows that over 2023-30 the potential supply of additional households/dwellings from both infill and greenfields sources will be constrained to a total of 2,157, and that level would also remain over 2030-50. During that period in the range of 38-48% of demand would go unmet (i.e. 1,350-1,965 households). The estimated supply over the next 10-30 years would also fall well short of the Framework Report's suggested aim to provide 50-100% redundancy in zoning capacity over demand.
- (l) Aside from the infrastructure constraints and feasibility issues, the PDP's greenfields capacity could also be reduced if the Hearings Panel agrees to uphold any submissions opposing residential zoning of rural land in Tuakau (e.g. for reasons that such rezoning is inconsistent with the intention of the PDP to protect and manage adverse effects on high class soils, or due to difficult topography).
- (m) The risk of relying on plan-enabled capacity as a measure of adequate capacity to accommodate a high growth scenario in Tuakau is that supply could become tightly constrained leading to excess demand and upward pressure on housing prices (i.e. reducing housing affordability).
- (n) Land-use activities on the western side of Geraghty's Rd. currently include seven residential dwellings with ancillary buildings, crop growing, and grazing. It is to be expected that rural production uses in this location will decline in future years either because current owners have no intention to use the land for other than residential living, or because high current land values reduce the commercial feasibility of using the land for growing operations,

especially given the proposed residential zoning on the eastern side of Geraghty's Rd.

- (o) Residential zoning of the western side Geraghty's Rd. can be supported on the basis that it:
- (i) is located in close proximity to existing water and wastewater reticulation and roading networks and could reasonably be expected to transition from a mix of legacy lifestyle and rural production uses to a more efficient use of this land for residential development over the next 10-20 years;
  - (ii) would contribute to the PDP's residential capacity in Tuakau meeting the NPS-UD requirement in Clause 3.25(1) c) that housing development capacity should not only be "plan-enabled, infrastructure-ready, and feasible", but also "reasonably expected to be realised". The KTL submission indicates a positive willingness of the landowner(s) to develop housing in the subject area.
  - (iii) could be expected to provide around 425 houses that would contribute additional capacity for dwellings in Tuakau to respond to growth pressures as identified in the various Council HBA reports:
    - a projected deficit of 1,350-1,965 additional dwellings over the 2030-50 period (based on the medium and high demand scenarios in the Framework Report);
    - the medium scenario projected demand for a total 2,200 additional dwellings by 2046 with allowance for the NPS-UDC margins (based on the HBA 2018);
    - a high 'Auckland spill-over growth' scenario of 4,400-5,000 additional dwellings being required by 2046 (based on the PDP s32 report);
  - (iv) would help compensate for any removal of proposed Residential zoned land as a result of final decisions on the PDP; and
  - (v) is consistent with the WDC's 'Waikato 2070 Growth & Economic Development Strategy' and Tuakau Structure Plan 2014.

### 3. **SECTION 3: DEMAND AND SUPPLY OF DWELLINGS IN TUAKAU**

- 3.1 Historically the pattern of housing development in Tuakau has tended to involve dispersed, small-scale, infill development on existing titles in residential and rural zoned areas, as well as a small number of greenfields subdivisions. Tuakau is the 5th largest town in Waikato in terms of the total number of residential housing stock and the majority of the housing stock has been constructed relatively recently (especially over 2000-2009<sup>1</sup>).
- 3.2 Stats NZ 2018 Census data indicates Tuakau town's usually resident population was 5,013 in 2018 (up 17.4% from 4,272 in 2013 or an average annual growth rate of 3.5%), accommodated in 1,758 total dwellings<sup>2</sup>. Within the wider rural area that surrounds the town there were an additional 1,581 residents and 579 dwellings in 2018, implying a total population of 6,600 in 2018.
- 3.3 The council's current Long-term plan 2018-28 (LTP) identified that the highest growth is currently being experienced and is predicted to continue in the north-Waikato urban areas of Tuakau, Pokeno and Te Kauwhata<sup>3</sup>. The population of 'Tuakau & surrounds' is projected to almost double by 2051 to reach over 12,000, as shown in Figure 1.

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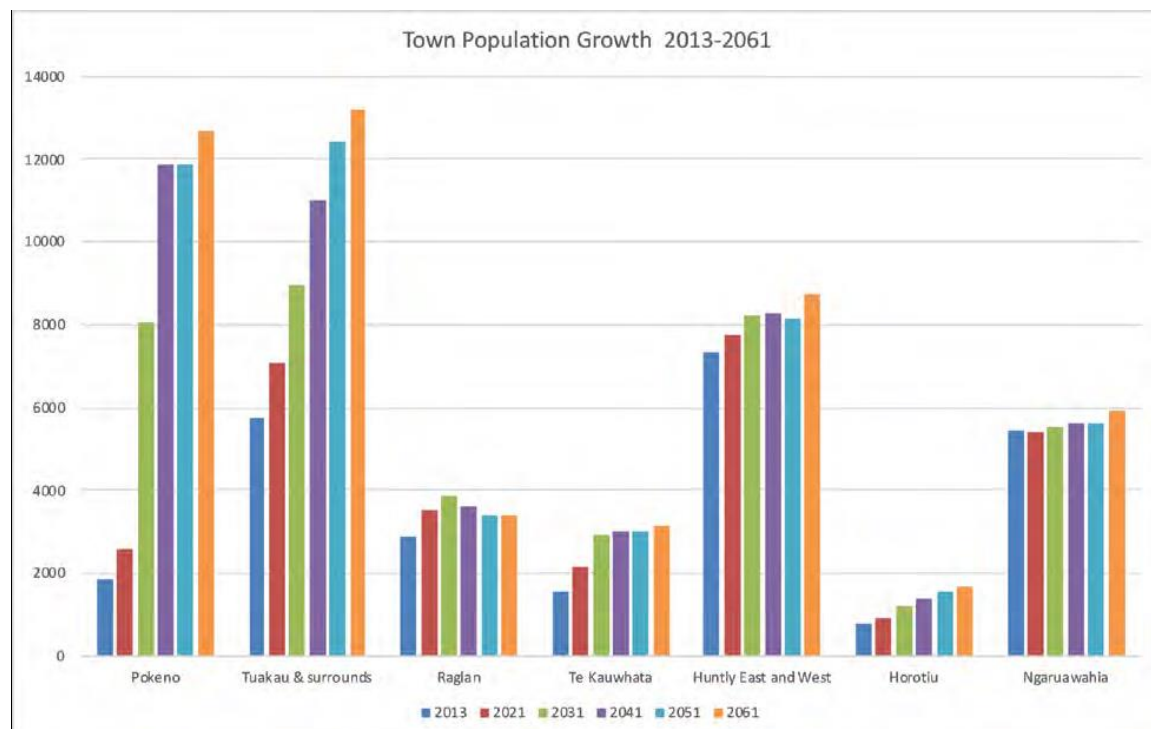
<sup>1</sup> Refer <https://www.oneroof.co.nz/suburb/37-lili-road-tuakau-458>

<sup>2</sup> Tuakau town consists of two SNZ defined 'statistical areas': Tuakau North and Tuakau South.

<sup>3</sup> Refer LTP 2018-28 p16. [https://wdcsitefinity.blob.core.windows.net/sitefinity-storage/docs/default-source/your-council/plans-policies-and-bylaws/plans/long-term-plan/ltp-28-june.pdf?sfvrsn=df1881c9\\_6](https://wdcsitefinity.blob.core.windows.net/sitefinity-storage/docs/default-source/your-council/plans-policies-and-bylaws/plans/long-term-plan/ltp-28-june.pdf?sfvrsn=df1881c9_6)



**Figure1: Waikato District town population growth 2013 – 2061**



Source: WDC LTP 2018-28 (based on NIDEA medium projection scenario).

- 3.4 Comparing the 2018 Census results of Tuakau’s total population being close to 6,600 (including the Tuakau Rural statistical area), with the table above indicates that it is already close to the 2021 projection of over 7,000, meaning growth over 2013-18 occurred at a ‘higher than medium’ rate of increase.
- 3.5 The Council’s Waikato Blueprint (June 2019) refers to a Tuakau ‘town’ population of 10,147 by 2045<sup>4</sup>, while the Waikato Growth Strategy 2070 (2020) indicates a future population of 8,000 in 30 years time<sup>5</sup>. It is not clear why these two council plans published in the same year have different figures, but in any case, they have now been overtaken by the s42A Framework Report which projects demand for a total 5,457 households (medium scenario) by 2050. Assuming an average household size of 2.5 or 2.8, Tuakau’s resident population could now be expected to reach 13,600-15,300 in 30 years.

<sup>4</sup> Refer Blueprint 2019 p62.

<sup>5</sup> Refer <https://openwaikato.co.nz/waikato-2070/> p28.

- 3.6 The Housing and Business Assessment for Waikato District (HBA July 2018)<sup>6</sup>, required by the National Policy Statement (Urban Development Capacity) 2016 (NPS-UDC)<sup>7</sup>, assessed the future demand and capacity for additional dwellings in the district. It showed that significant relative growth in demand is forecast to occur across many of the district's urban settlements, with the largest net growth in Pokeno, Tuakau, Te Kauwhata, Ngaruawahia and Huntly.
- 3.7 The 2018 HBA projected future demand for additional dwellings in Tuakau to reach 1,900 new dwellings between 2017 and 2046 (i.e. an average of 65 dwellings per year over a 29 year period<sup>8</sup>). With allowance for the NPS-UDC 2016 margins, the additional long-term demand would reach 2,183 dwellings (refer Table 1).

**Table 1: Demand for Dwellings in Tuakau**

	<b>Number</b>	<b>Net increase from 2017 (cumulative)</b>	<b>Net incr.+ 20%*</b>	<b>Net incr.+ 15%*</b>
2017	1,864			
2021	2,073	209	251	
2026	2,380	515	619	
2046	3,762	1,898		2,183

Source: Market Economics (1) 2018

\* NPS margins required to be applied to the short/medium and long-term respectively.

- 3.8 Based on the 2018 average household size of 2.85, the total 3,760 dwellings in 2046 could be expected to accommodate a resident population of 10,700. At a lower size of 2.5 (e.g. allowing for an aging population) it would be closer to 9,400.
- 3.9 The HBA 2018 identified capacity for dwellings in Tuakau under the ODP from the three sources of subdivision, redevelopment and greenfields to be a maximum of 2,060 (without taking into account infrastructure constraints) – refer Table 2.

<sup>6</sup> Refer: [https://futureproof.org.nz/assets/FutureProof/Documents/6-market-economics-housing-development-capacity-assessment-2017\\_17-july-2018-final-1.pdf](https://futureproof.org.nz/assets/FutureProof/Documents/6-market-economics-housing-development-capacity-assessment-2017_17-july-2018-final-1.pdf). The geographical area defined in the HBA is considered to be equivalent to the combined SNZ Tuakau North and Tuakau South statistical areas and exclude the adjacent Tuakau Rural statistical area.

<sup>7</sup> The NPS 2016 has now been superseded by the NPS Urban Development 2020 (refer [Click here](#)). This still requires Waikato District Council to set bottom lines for development capacity including competitive margins, and requires the Council to monitor and assess the sufficiency of development capacity in urban areas over the short, medium or long term.

<sup>8</sup> Within this period the 2017- 2026 'medium term' average is actually 57 dwellings per annum, while the over the longer term 2026-46 period it is 69 dwellings per annum.

**Table 2: Tuakau Dwellings Capacity**

<b>ODP plan enabled capacity (w/o infrast. constraints):</b>	
<i>Sources:</i>	<b>Number</b>
Subdivision	515
Redevelopment	765
Greenfields	1,172-1,295
Total maximum*	2,060

Source: Market Economics (1) 2018

\* Note to avoid double-counting the maximum is the sum of greenfields and redevelopment potential only. Subdivision and redevelopment are alternative (not additive) options for utilising infill capacity out of existing developed sites.

- 3.10 The HBA further estimates capacity on a 'with infrastructure constraints' basis which reduces greenfields capacity to 811 over 2017-2026 and thereafter to 2046 (i.e. reflecting that current infrastructure plans at the time of the HBA will only enable development of up to 811 greenfields dwellings by 2026 and no more than that for the next 20 years (without adding extra water/wastewater infrastructure capacity). The implication is that the maximum capacity under the ODP (with infrastructure constraints) would only accommodate 72% of long-term demand (i.e. maximum capacity of 765+811 compared to demand of 2,200)
- 3.11 The HBA 2018 provides a final step estimate of capacity in the medium to long-terms taking into account commercial feasibility factors (additional to infrastructure constraints). The combination of both factors reflects that feasible and infrastructure enabled capacity will be spread out over time, with a result that the total feasible capacity still falls short of the plan enabled total capacity in 2046. The results for Tuakau are illustrated in Table 3.

**Table 3: Total infill (subdivision) and greenfields commercially feasible capacity (with infrastructure timing taken into account)**

<b>Capacity*</b>	<b>2026</b>	<b>2046</b>
Infill (subdivision)	424	506
Greenfields	811	811
Total	1,235	1,317
Share of plan enabled capacity*	68.2%	72.8%

\* Source: data from HBA 2018 Figures 21, 22, 30, 33, & 34. Share of total ODP plan-enabled capacity based on total of 1,810 (subdivision + greenfields).

3.12 The HBA therefore implies that after taking account of council infrastructure plans/constraints as well as commercial feasibility factors at that time, achievable capacity would be limited to 68% of plan-enabled capacity by 2026, and a modest increase to 73% of ODP plan-enabled capacity by 2046.

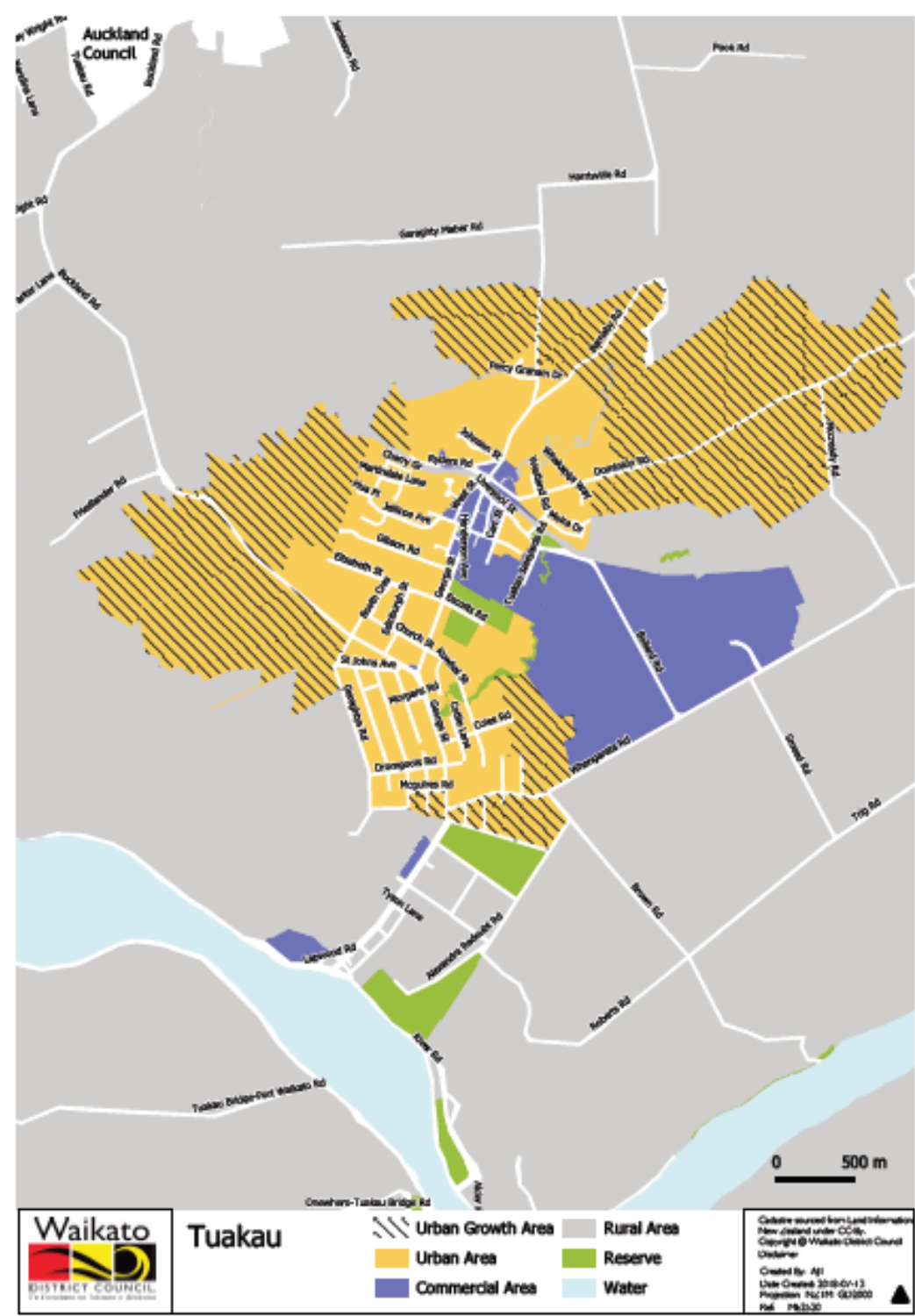
3.13 The implication is that 'as at 2018' the maximum capacity under the ODP (with infrastructure and commercial feasibility constraints) would only accommodate around 60% of long-term demand (i.e. maximum capacity of 1,317 compared to demand of 2,200).

3.14 Subsequent to the HBA 2018, Market Economics provided revised/updated estimates of capacity as input to the Council's s32 report on growth areas in the PDP<sup>9</sup> (refer Figure 2), stating: "Tuakau currently has capacity for an additional (only) 650 greenfield dwellings, and 500 infill dwellings. But the proposed growth areas in the PDP would add a further capacity of 6,500 dwellings [refer 'cross-hatched' areas in Figure 2], bringing the total capacity to 7,200 dwellings<sup>10</sup>. This compares to a long-term medium-series demand of 2,200 dwellings (i.e. the same as in the 2018 HBA)".

<sup>9</sup> Market Economics 2: Waikato District s32 Growth Areas Topic Assessment Framework 5 July 2018 – Final.

<sup>10</sup> Refer *ibid* p26. Note it is unclear why the 7,200 total is less than 6,500 plus the existing capacity for 650 greenfields and 500 infill dwellings; it is assumed here that it avoids double counting due to allowing for 450 out of the 650 existing greenfields capacity in the ODP being included within the 'new growth areas' shown on Map 1.

Figure 2: Tuakau zoning strategy PDP (as notified) 2018



3.15 The s32 report also adds several important points to contextualise the demand and the capacity estimates:

- i. The capacity estimates *exclude* consideration of infrastructure and other constraints (e.g. topography) or commercial feasibility, which could constrain the realisation of greenfields capacity (in particular);
- ii. The district's main urban settlements are likely to experience additional spill-over demand from residential growth within the Auckland and Hamilton markets (not allowed for in the base medium projection of demand). This is due to households seeking lower cost dwellings while being able to commute to Auckland and Hamilton for employment and travel to these main centres to meet a share of their needs for goods and services.

Analysis undertaken for the Waikato District Future Urban Land Supply Strategy contains a further Auckland-driven growth scenario which sees an additional 4,000 dwelling demand in Pokeno and Tuakau (relative to the medium-series projection) on top of the long-term demand projection of 2,300 dwellings for Pokeno and 2,200 for Tuakau, resulting in total demand for 8,500 to 10,000 additional dwellings<sup>11</sup>.

3.16 The implications of the council reports mentioned above are that:

- Medium-term demand for dwellings in Tuakau over 2017- 2026 (projected at 515-619 dwellings) is expected to be met from a combination of infill and greenfields capacity (out of the 424 and 811 respective zoned capacity that is infrastructure enabled and commercially feasible according to the HBA 2018);
- Longer-term demand to 2046 for a total of up to 2,200 additional dwellings (under the medium series scenario) would not be able to be met under the ODP, but could potentially be comfortably met from the extra 6,500 greenfields capacity to be enabled in the PDP;
- Under the high 'Auckland' spillover scenario, the additional demand for dwellings in Tuakau could more than double the medium estimate (i.e. requiring in the order of 4,400-5,000 total additional dwellings); which would require a high share of the 'theoretical' greenfields capacity of 6,500 dwellings (or total capacity of 7,200 dwellings).
- However, the s32 report does not provide as complete an assessment of housing capacity as the HBA did, in that it does not make allowance for infrastructure constraints, nor commercial feasibility factors. Despite the theoretical increase in greenfields capacity in the PDP, infrastructure constraints could still mean that only 811 dwellings can effectively be achieved in such areas up to and beyond 2026.

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<sup>11</sup> Refer ME 2 Waikato District s32 Growth Areas Topic Assessment Framework 5 July 2018 p 30.

#### 4. SECTION 4: ADEQUACY OF THE PDP'S CAPACITY FOR DWELLINGS IN TUAKAU

- 4.1 If the 2018 HBA's finding that only 506 infill and 811 greenfields dwellings can be accommodated up to and beyond 2026 still holds, there would actually be a capacity shortfall/unmet demand of 883 under the medium growth scenario and 3,083-3,683 under the high growth scenario.
- 4.2 If the ratios derived from the HBA 2018 of 68-73% of total ODP enabled capacity being feasible are also assumed to be applicable to the PDP, it would imply that only 4,913- 5,239 extra dwellings might be achieved out of the PDP enabled capacity of 7,200.
- 4.3 As shown in Table 4, if the HBA's maximum of 73% of ODP long-term capacity being achievable is applied to the PDP capacity estimates, the adjusted net surplus would fall to 3,000 (medium scenario) or 240-840 (high scenario).

**Table 4: Range estimates of Tuakau's long-term (2046) dwellings demand and plan enabled capacity (PDP)**

<b>Plan-enabled Capacity</b>		<b>Net Surplus/(Shortfall) of capacity:</b>	
Infill	500		
Greenfields	6,700		
<b>A) Total</b>	<b>7,200</b>		
If total capacity subject to infrast/feasibility constraints:			
<b>B) '@73%</b>	<b>5,239</b>		
<b>Total Demand</b>		<b>B-C =</b>	<b>3,039</b>
C) Medium series <sup>1</sup>	<b>2,200</b>	<b>B-D =</b>	<b>239-839</b>
D) High 'Auckland spillover' scenario	<b>4,400-5,000</b>		

1 Includes. NPS long-term target of providing additional 15% capacity over demand

Source: Data based on ME 2018 (2) 's32 report'

- 4.4 But that would still rely on significant increases in infrastructure capacity to be provided during the 2026-46 period (above what was factored into

the HBA 2018) to allow a higher volume of dwellings to be developed. The implication is that if a significant share of greenfields capacity cannot be taken up until well after 2026, the high demand scenario would be constrained from being accommodated.

5. **SECTION 5: UPDATED ANALYSIS BASED ON THE S42A FRAMEWORK REPORT**

- 5.1 It is important to note that since the 2018 HBA and the s32 report were prepared the NPS-UD (2020) now requires in Clause 3.25(1) c) that housing development capacity should not only be “plan-enabled, infrastructure-ready, and feasible”, but also “reasonably expected to be realised”.
- 5.2 The s42A Framework Report includes updated information on the adequacy of capacity in the district to accommodate future demand based on recent population and capacity analysis undertaken in the latter part of 2020. The Framework Report’s conclusions diverge from the previous 2018 HBA and as well as the updated assessment of capacity in the s32 report, and now suggests the PDP does not provide for sufficient appropriately zoned land for residential (and employment) purposes in Tuakau (and several other parts of the district). The implication is that additional rural land should be zoned for development.
- 5.3 Consistent with the NPS-UD the Framework Report<sup>12</sup> suggests that the supply of either residential or business zoning capacity needs to have a quantum of zoned land above and beyond forecast demand to take account of factors which affect development being realised (e.g. natural and physical constraints, servicing, developer appetite, market demand). The Framework Report suggests having a quantum of land zoned beyond demand of at least 50-100% would provide redundancy and help mitigate the effects of land-banking and excessive price inflation, which I agree with.
- 5.4 The Framework Report notes that the 2021 Future Proof Housing and Business Assessment is underway at the time of writing and is due to be published in the first half of 2021<sup>13</sup>. Based on draft findings supplied to Waikato District Council in late 2020, Table 3 of the Framework Report shows that under the ODP, Tuakau currently has commercially feasible capacity for 212 “in-fill subdivision lots” and 0 “greenfields lots”. This estimate is a significant downward revision of the 2018 HBA’s estimate of

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<sup>12</sup> Refer para 281, p59.

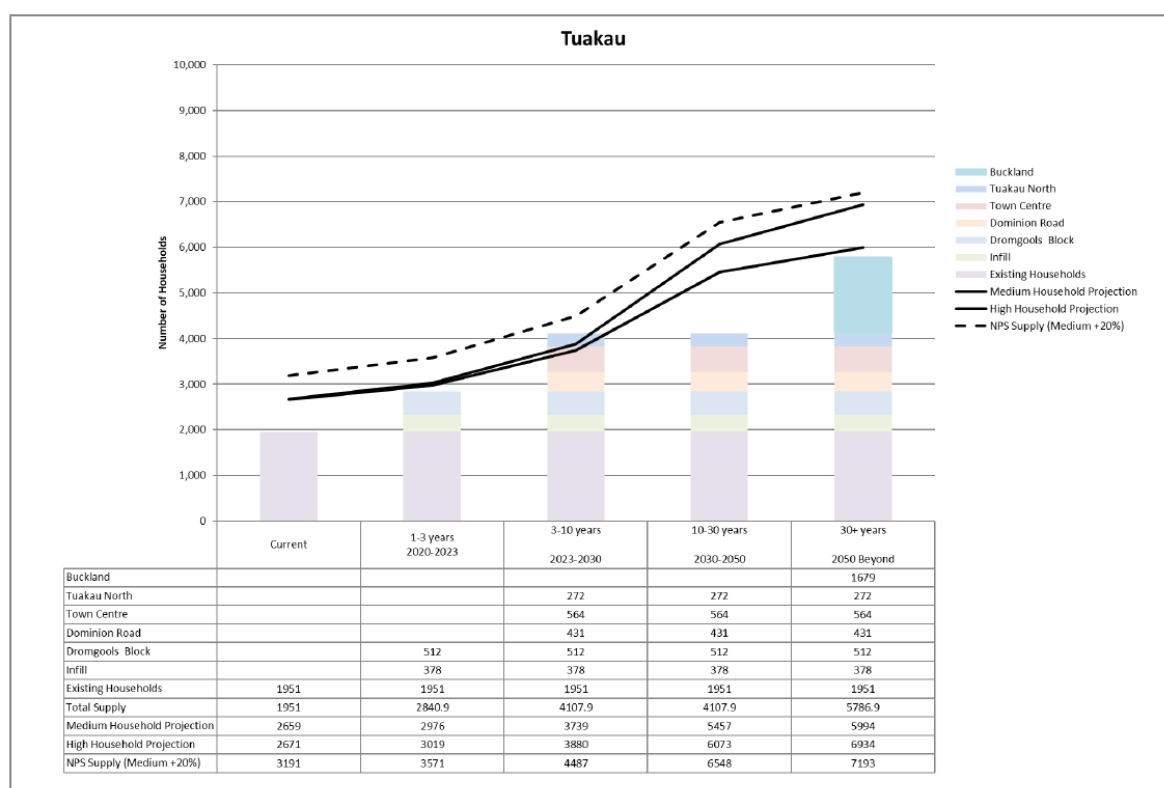
<sup>13</sup> Refer para 268 (p55) of the Framework Report



Tuakau having commercially feasible capacity for 1,235 lots/dwellings over the period 2017-2026 (refer my Table 3 above).

5.5 The Framework Report also shows an indicative allocation of the latest population projections to townships across the district in Appendix 9 "Growth Cell Capacity and Timing vs Household Projection". The report states that analysis using the capacity model was undertaken during the development of Waikato 2070, to determine the possible capacity of the new growth areas identified in the PWD<sup>14</sup>. It is not clear whether the results in the Tuakau graph (refer below) relate only to growth areas zoned in the PDP, or a combination of those areas and new growth cells included in Waikato 2070; but in any case the results indicate that the projected supply of dwellings over the next 10-30 years, will fall short of the NPS-UD required targets, especially beyond 2030.

5.6 Over the 2023-30 period, the total supply of 4,108 households compares with the NPS-UD target (medium demand) of 4,487 (i.e. shortfall close to 400); and as that total supply remains constrained at that same level over 2030-50, the NPS target for that period of 6,548 implies a shortfall of 2,440 households.



Source: WDC s42A Framework Report 2021

<sup>14</sup> Refer para 263, p54.

5.7 In order to highlight the implications of the modelling results for demand and supply of 'net additional dwellings' in Tuakau the data in the above graph has been reworked to exclude existing households (refer Table 5). This shows that over 2023-30 the potential supply of 2,157 dwellings would exceed projected demand (by 20.6% under the medium scenario and a lesser 11.8% under the high scenario). However beyond 2030 significant shortfalls would arise, implying in the range of 38-48% of demand would go unmet (i.e. 1,350-1,965 households). In either case, the estimated supply over the next 10-30 years would fall well short of the Framework Report's 50-100% redundancy over demand.

**Table 5: Framework Report indicative demand and supply of households in Tuakau**

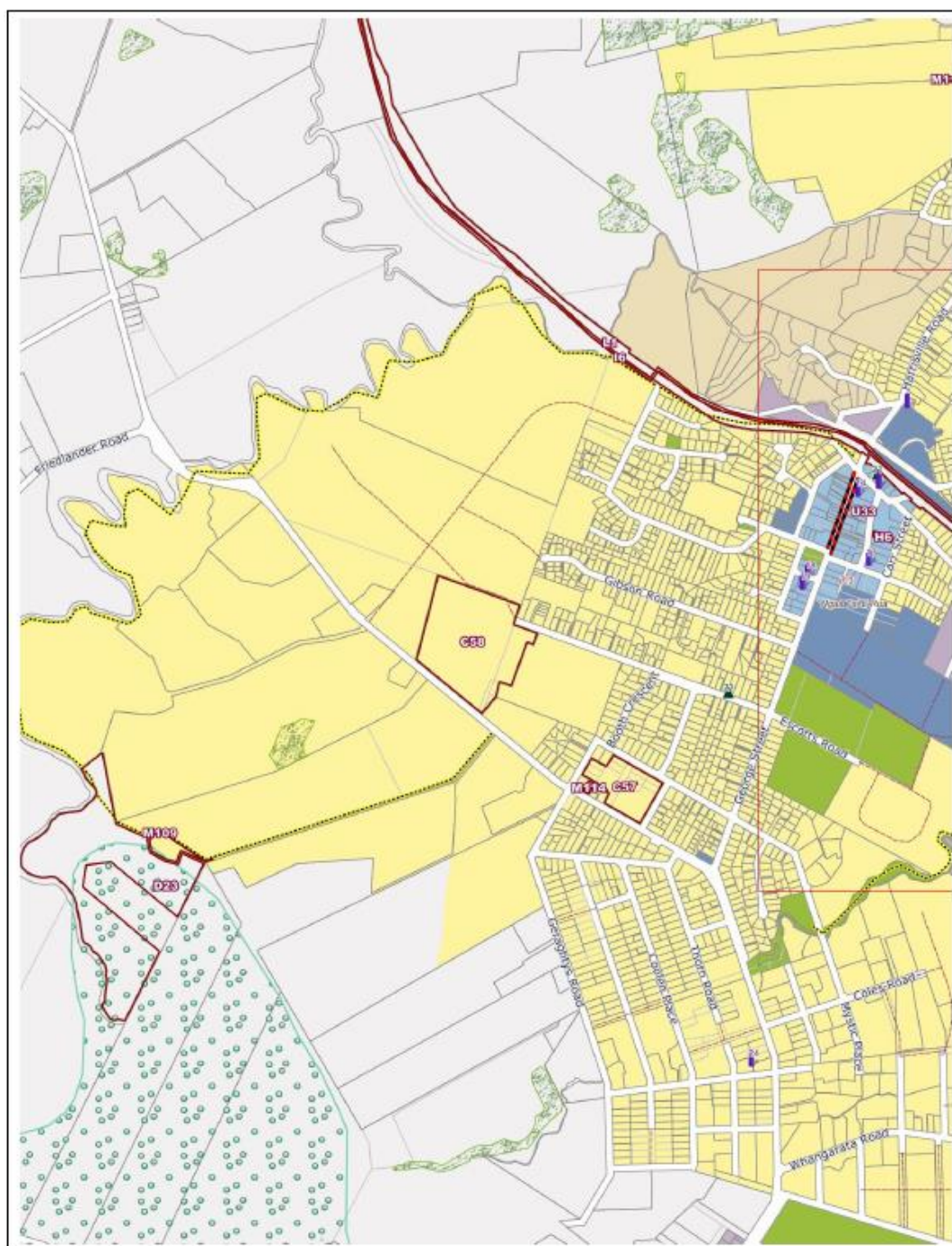
	<b>2023-30</b>	<b>Excess of supply over demand %</b>	<b>2030- 50</b>	<b>Excess of supply over demand %</b>
Net additional supply (excl. current households) <sup>1</sup>	2157		2157	
Medium household projection (net additional)	1788	20.6%	3506	-38.5%
High household projection (net additional)	1929	11.8%	4122	-47.7%
NPS Supply (medium +20%) (net additional)	2146		4207	

1 the supply and demand figures exclude existing households of 1,951

Source: based on data in the Framework Report 2021 Appendix 9.

## 6. **SECTION 6: IMPACT OF REDUCED GREENFIELDS CAPACITY DUE TO HIGH CLASS SOILS**

6.1 The PDP's capacity for residential growth in Tuakau will primarily rely on development of low density greenfield areas zoned Residential or Village Zone in the north-west and north-east of Tuakau, as shown on the PDP Maps 7.1 and 7.2 below (refer yellow and brown coloured zones).



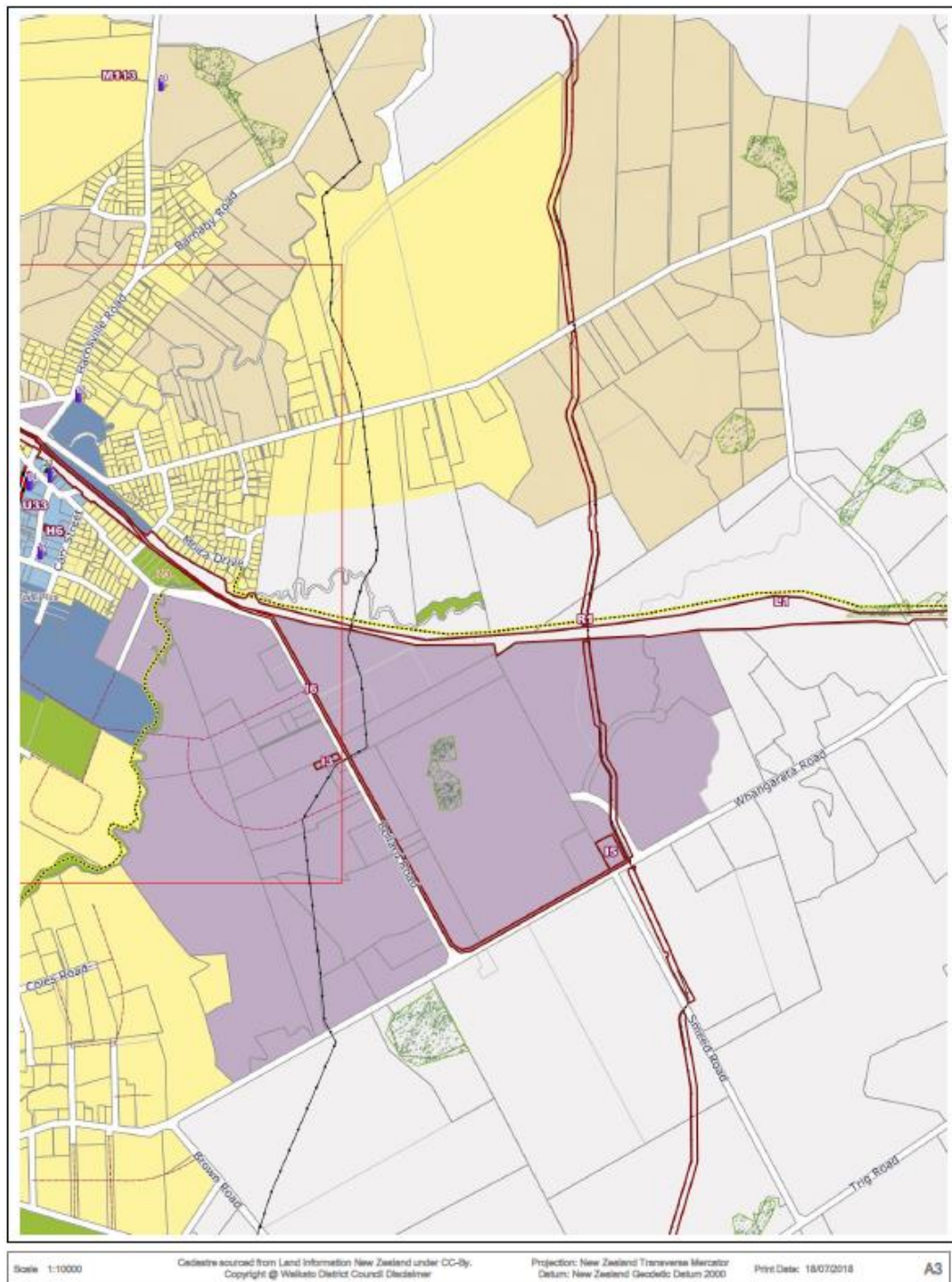
Scale 1:10000

Cadastral sourced from Land Information New Zealand under CC-BY.  
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Projection: New Zealand Transverse Mercator  
Datum: New Zealand Geodetic Datum 2000

Print Date: 18/07/2018

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- 6.2 Several submissions on the PDP oppose rezoning of rural land and call for the Hearings Panel to consider removing the PDP's Residential or Village Zoning over a large proportion of the rural land area included in Tuakau's 'growth areas'. The Panel will therefore need to weigh up factors such as existing fragmentation of land parcels, suitability of topography, high class soils, reverse sensitivity, proximity to existing urban development,

and likely availability of water/wastewater supply and transport infrastructure.

- 6.3 The Council's s32 report identifies the risk of PDP enabled capacity being constrained due to lack of infrastructure servicing, and also notes (refer p32) a 'biophysical/environmental cost' of the PDP's provision for growth areas in Tuakau as follows:

"Residential expansion of urban settlements will adversely affect high class soils as residential uses occupy previously rural areas. Around 50% of the growth areas contain high class soils (569ha). Over half (57%) of these soils are located around Tuakau (326ha). Growth in this area is likely to occur over the medium to longer-term. The loss in the Tuakau community area is 13% of total high class soils. In other areas, the loss represents a smaller share (6% in the Pokeno community area, and 3% each in the Ngaruawahia and Te Kowhai communities".

- 6.4 The s32 report's data tables further indicate that the 'Tuakau Community' contained 113 businesses and over 600 employees in the Agriculture, Forestry and Fishing sector in 2016<sup>15</sup>. The PDP growth areas in Tuakau involve re-zoning rural land adjacent to the existing town, and will only account for a relatively small proportion of total rural land in the Tuakau Community area. However it is noted that the potential loss of high class soils/rural production has led to submissions in opposition to rezoning some such areas close to the existing town.

- 6.5 For example, Balle Bros Group Limited (Submission No. 466) which notes concerns with the loss of land with high production potential to urban expansion in Tuakau. Refer submission point 466.32: "The submitter supports the consolidation of future settlement in and around towns and villages, if the rezoning protects high-class soils where it is appropriate to do so. It is noted that the rezoned land in and around Tuakau is predominantly located on high-class soils, which is currently inconsistent with the objectives and policies of the Plan".

- 6.6 And submission point 466.34: "Amend Policy 4.1.10 Tuakau to reconsider the location of Tuakau residential growth, taking into account the viability of primary production activities in this location. The submitter supports the intention of this policy; however, consider that the area zoned residential to the north and northwest of Tuakau should be reconsidered, particularly with regard to protecting high-class soils. The area of rezoned

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<sup>15</sup> Refer ME 2018(2) Figures 0.28 and 0.31.



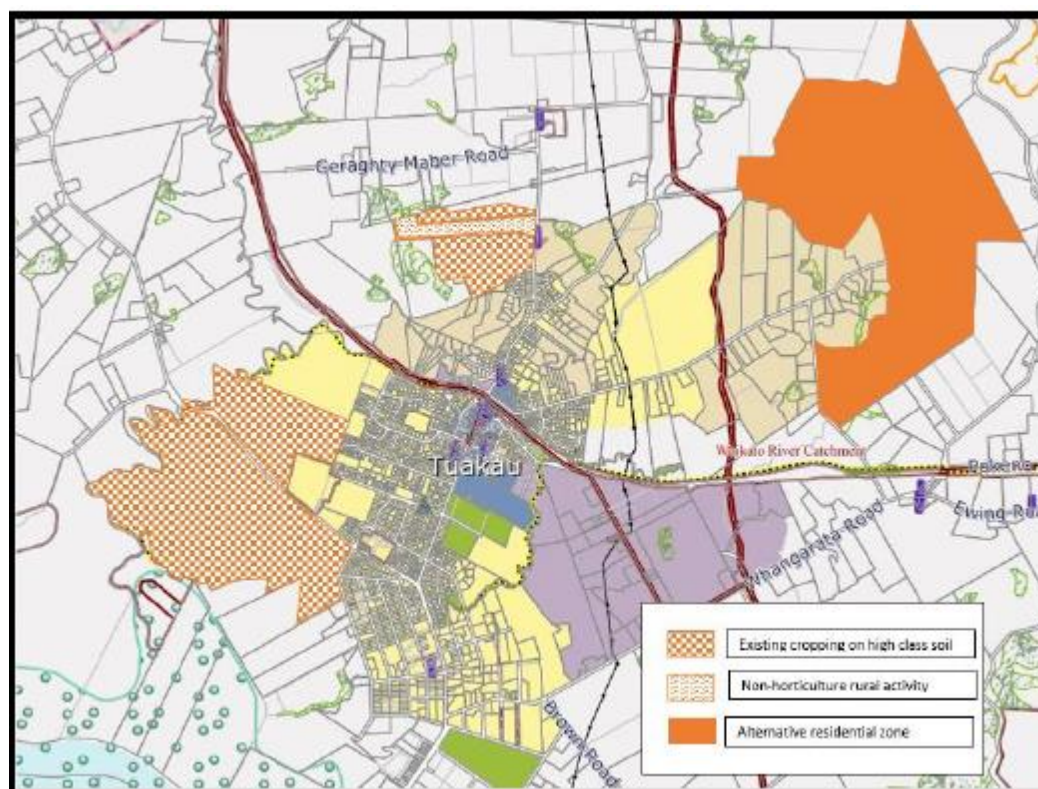
residential land is currently largely market garden land located on high-class soils. Specific assessment should be undertaken with regard to factors that contribute to viable commercial vegetable production activities such as; topography, productivity, sustainability (specifically avoidance of soil pests and diseases; suitably consented irrigation water), reverse sensitivity, and economic viability”.

- 6.7 HortNZ similarly opposes the rezoning of land areas around Tuakau from rural to residential zones, identifying Tuakau is part of the ‘Pukekohe Hub’ which is only 3.8% of New Zealand’s total fruit and vegetable growing area but contributes to 26% of the value earned from national production of vegetables and some fruit<sup>16</sup>. Their submission notes the locational reasons why the rural sector is so productive in Tuakau, related not just to the quality of soil but also access to freshwater, transport linkages, post-harvest facilities, access to labour, the proximity of the market and a diverse land parcel structure; and accordingly seeks the PDP to recognize the unique situation of Tuakau to the ‘Pukekohe Hub’ of nationally significant rural production land”.
- 6.8 HortNZ suggest consideration be given to rezoning rural land in an alternative location at the eastern end of Dominion Road (further east of the PDP’s north-eastern Village Zoned land- refer Figure 5).

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<sup>16</sup> Refer Horticulture New Zealand, Submission on Proposed Waikato District Plan 09 October 2018, which also refers to ‘New Zealand’s Food Story. The Pukekohe Hub. Deloitte. 2018’: <http://www.hortnz.co.nz/assets/Deloitte/NewZealands-food-story-The-Pukekohe-hub.pdf>

**Figure 5: HORTNZ Figure 2 – Proposed District Plan Tuakau zoning and HortNZ suggested alternative location**



Source: HortNZ submission on the PDP.

6.9 HortNZ’s submission notes that this area is of a more steeply undulating topography than the cropping areas of West Tuakau, but does not proceed to assess whether infrastructure servicing or other issues might also be a constraint to urban development being able to proceed efficiently in this area.

6.10 In the event that the Hearing Commissioners recommend a reduction in the extent of the PDP’s Residential Zoning of greenfields land currently zoned Rural, compensating capacity will be needed – especially to accommodate a high population growth scenario.

## 7. SECTION 6: OTHER MATTERS

7.1 Other strategies and plans have been published since the PDP was notified that are relevant to the PDP Hearings process.

7.2 Auckland Council and NZTA are planning over the next 30 years for an additional 120,000 people to live in southern areas of Auckland (e.g.

Takaanini, Opāheke, Drury, Paerata and Pukekohe)<sup>17</sup>. It is conceivable that a small share of either existing households or the expected population growth, will shift to Tuakau (e.g. for affordability reasons, or because it will appeal as a small rural town relative to many fast growing towns in southern Auckland).

- 7.3 Similarly, the central government led Hamilton to Auckland Corridor Plan (H2A December 2018) identifies Tuakau as part of the Papakura-Pokeno Corridor, where there is an imperative to both address an existing transport infrastructure and services deficit and unlock very significant residential and employment development potential<sup>18</sup>. The plan includes provision for a passenger rail service between Pokeno and Pukekohe which would enhance Tuakau as a residential location by improving connectivity and access to employment and amenities in nearby towns.
- 7.4 Waikato District is estimated to have received close to 3,400 Aucklanders over the four years to June 2017 (i.e. an average 845 people per annum)<sup>19</sup>. It is reasonable to expect similar volumes of annual migration will continue, if not increase on the back of Auckland's projected growth.
- 7.5 The Council's Waikato 2070 Growth & Economic Development Strategy<sup>20</sup> sets a long-term strategy for the towns in Waikato North, and shows divergent zoning patterns for many towns (e.g. Pokeno, Tuakau) compared to the PDP.
- 7.6 The Strategy shows an indicative zoning of Residential along the western side of Geraghty's Rd. as part of the 'Dromgools Rd'. growth area (refer Figure 6). The timing of 1-3 years also contrasts with 30 years+ for the 'Buckland' growth area to the north-west (which is essentially the same area as proposed to be Residential Zone in the PDP).

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<sup>17</sup> Refer 'Supporting Growth' website: [click here](#)

<sup>18</sup> Refer <https://futureproof.org.nz/corridor-plan/>

<sup>19</sup> Refer Benje Patterson, June 2019 Regional migration exodus from Auckland. Close to 33,000 Aucklanders moved to other parts of New Zealand over 2013-17.

<sup>20</sup> <https://openwaikato.co.nz/waikato-2070/>



Roads & Rail (expressions)	side/collector	main/arterial	Highway	lane/way	rail
Activity Zones	Residential	Commercial & Industrial	Town Centre (business & residential)	Special Activity/Primary	
Development time frame	1-3yrs	4-10yrs	10-20yrs	20yrs+	
Building type	Industrial	Town Centre (mixed)	Inner-house/cluster/terraces (medium density)	Standalone dwellings (low density)	Lifestyle lots (rural/country living)
Possible future mass transit	Train station	Bus station			
Priority growth & investment zone					

The map illustrates the proposed development zones for Tuakau North. Key features include:

- Activity Zones:** Residential (orange), Commercial & Industrial (purple), Town Centre (business & residential) (pink), and Special Activity/Primary (grey).
- Development Time Frame:** 1-3yrs (orange), 4-10yrs (purple), 10-20yrs (pink), and 20yrs+ (grey).
- Building Type:** Industrial (purple), Town Centre (mixed) (pink), Inner-house/cluster/terraces (medium density) (orange), Standalone dwellings (low density) (grey), and Lifestyle lots (rural/country living) (light orange).
- Possible future mass transit:** Train station (black circle with 'T') and Bus station (black circle with 'B').
- Priority growth & investment zone:** Indicated by a dashed line boundary.

The map shows the Town Centre (pink) and Residential (orange) zones as the primary focus for development. The Town Centre is located near the intersection of Dominion Road and Buckland Road. Residential zones are spread across the area, including near the River Road and the Whangarata Business Park. The map also shows the location of the Train Station (T) and Bus Station (B) near the Town Centre. The Whangarata Business Park is located to the south of the Town Centre, near the intersection of Dominion Road and Whangarata Road. The map also shows the location of the River Road and the Buckland Road. The map is a detailed plan of the Tuakau North area, showing the proposed development zones and the existing infrastructure. The map is a key component of the Tuakau North Development Plan, providing a visual representation of the proposed changes to the area. The map is a detailed plan of the Tuakau North area, showing the proposed development zones and the existing infrastructure. The map is a key component of the Tuakau North Development Plan, providing a visual representation of the proposed changes to the area.

7.7 While the extent of the western area along Geraghty's Rd. is to a limited depth (that appears to be 'one-to-two sites deep'), and despite the inconsistency with the PDP's zoning in this location, it does suggest that the Council considers it is appropriate to extend residential use to the western side of Geraghty's Rd. in a way that connects the southern Dromgools Rd. area to the land to the north-west.

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defensible and permanent urban edge based on existing cadastral boundaries and natural features of bush and streams/gullies.

## 8. CONCLUSIONS

- 8.1 Over 2013-18 Tuakau has experienced growth at a 'higher than medium' rate of increase to reach a resident population of around 6,600. The Council's most recent projections imply a step change up on the projections relied on in its previous 2018 HBA. Based on projected demand in the s42A Framework Report (2021) of a total 5,457 households (medium scenario) by 2050, Tuakau's population could be expected to reach 13,600-15,300 (assuming average household size of 2.5 or 2.8 respectively).
- 8.2 That level of growth is higher than what the Council anticipated in the PDP as notified, as well as its other more recent 'non-RMA plans': the Waikato Blueprint (June 2019) refers to a Tuakau 'town' population of 10,147 by 2045<sup>21</sup> and the Waikato Growth Strategy 2070 (2020) indicates a future population of 8,000 in 30 years' time. The Framework Report's projections are more in line with the PDP s32 report's 'Auckland spill-over growth' scenario of demand for 4,400-5,000 additional dwellings by 2046.
- 8.3 Despite the PDP's provision for new greenfields capacity for dwellings estimated in the Council's s32 report to be in the order of 6,700 additional dwellings, the adequacy of such capacity to accommodate future demand is subject to high uncertainty about infrastructure and commercial feasibility constraints. The Framework Report now implies the achievable capacity for additional dwellings from both infill and greenfield sources will be constrained at 2,157 over the 2023-30 period and will stay the same over the 2030-2050 period.
- 8.4 While the s32 report acknowledges risks to the adequacy of supply in the long-term due to constraints of infrastructure servicing capacity, it does not proceed to quantify the infrastructure constraints over discrete time periods in an equivalent way to the 2018 HBA. The s32 report should not therefore be relied on to conclude there is adequate zoned capacity in the PDP to accommodate a high demand scenario in Tuakau over the next 30 years.

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<sup>21</sup> Refer Blueprint 2019 p62.

- 8.5 It will be critical for the Hearings Commissioners to consider whether the specific large areas of rural land rezoned in the PDP as Residential or Village Zone, will be able to be serviced cost-effectively with water/wastewater and main roading infrastructure in time to allow take-up of that capacity to meet demand over the next 10-30 years.
- 8.6 The risk of relying on plan-enabled capacity as a measure of adequate capacity to accommodate a high growth scenario in Tuakau is that supply could become tightly constrained leading to excess demand and upward pressure on housing prices (i.e. reducing housing affordability).
- 8.7 I agree with the statement in the Framework Report<sup>22</sup> that the supply of either residential or business zoning capacity should have a quantum of zoned land above and beyond forecast demand to take account of factors which affect development being realised (e.g. natural and physical constraints, servicing, developer appetite, market demand). I agree with the suggestion that a quantum of land zoned beyond demand of at least 50-100% would provide redundancy and help mitigate the effects of land-banking and excessive price inflation.
- 8.8 However, analysis based on the most recent information in the Framework Report suggests that beyond 2030 the opposite will apply: with deficits in the range of 38-48% of projected demand for houses in Tuakau (i.e. 1,350-1,965 households). Consequential pressures on housing prices and rents could therefore be expected to arise before 2030.
- 8.9 Residential zoning of the western side Geraghty's Rd. can be supported on the basis that it:
- (a) is located in close proximity to existing water and wastewater reticulation and roading networks and could reasonably be expected to transition from a mix of legacy lifestyle and rural production uses to a more efficient use of this land for residential development over the next 10-20 years;
  - (b) would contribute to the PDP's residential capacity in Tuakau meeting the NPS-UD requirement in Clause 3.25(1) c) that housing development capacity should not only be "plan-enabled, infrastructure-ready, and feasible", but also "reasonably expected to be realised". The KTL submission indicates a positive willingness of the landowner(s) to develop housing in the subject area.

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<sup>22</sup> Refer para 281, p59.

- (c) could be expected to provide around 425 houses that would contribute additional capacity for dwellings in Tuakau to respond to growth pressures as identified in the various Council HBA reports:
  - (i) a projected deficit of 1,350-1,965 additional dwellings over the 2030-50 period (based on the medium and high demand scenarios in the Framework Report);
  - (ii) the medium scenario projected demand for a total 2,200 additional dwellings by 2046 with allowance for the NPS-UDC margins (based on the HBA 2018);
  - (iii) a high 'Auckland spill-over growth' scenario of 4,400-5,000 additional dwellings by 2046 (based on the PDP s32 report)
- (d) would help compensate for any removal of Residential zoned land as a result of final decisions on the PDP; and
- (e) is consistent with the WDC's 'Waikato 2070 Growth & Economic Development Strategy' and Tuakau Structure Plan 2014.

**Kelvin Norgrove**  
**16 February 2021**