



YOUR PLAN OUR FUTURE
TIMARU DISTRICT PLAN REVIEW
LAND USE PLAN

Timaru District
Growth Strategy 2017

Growth Assumptions

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TABLE OF CONTENTS

1.0 DISTRICT GROWTH ASSUMPTIONS	4
2.0 RESIDENTIAL GROWTH ASSUMPTIONS	28
3.0 RURAL RESIDENTIAL GROWTH ASSUMPTIONS	72
4.0 OFFICE & VISITOR ACCOMMODATION GROWTH ASSUMPTIONS	108
5.0 INDUSTRIAL GROWTH ASSUMPTIONS	112
6.0 APPENDIX – TIMARU RETAIL MARKET ASSESSMENT.....	126

1.0 DISTRICT GROWTH ASSUMPTIONS

CONTENTS

Growth Assumptions Report Addendum.....	5
National Policy Statement – Urban Development Capacity	6
New Zealand Medium Growth Residential Projections – Calculating Demand.....	31
Residential Development Capacity – Calculating Supply.....	11
Residential Supply – Demand Balance.....	12
Industrial – Growth Assumptions, Background and Application of the NPS-UDC.....	13
Industrial – Demand.....	14
Industrial – Supply.....	15
Industrial Supply – Demand Balance.....	16
Growth Assumptions Report – February 2016.....	17
Use Of Statistics And Projections.....	17
Population And Demographics.....	18
Households And Dwellings.....	21
Housing Affordability.....	23
Economy.....	25

GROWTH ASSUMPTIONS REPORT

ADDENDUM MARCH 2017

This Growth Assumptions Report (February 2016) draws on information from the following sources:

Information Source	Relevant Section of the Assumptions Report
Statistical information from Natalie Jackson University of Waikato (Jackson 2015).	Section 1.0 District Growth Assumptions Section 2.0 Residential Growth Assumptions
Growth projections based on NZ Statistics Projections (2013) albeit by linear extension (2038 – 2043) by the Report author.	Section 1.0 District Growth Assumptions Section 2.0 Residential Growth Assumptions
Building (dwellings) consent data provided by Timaru District Council (1993 – 2013).	Section 3.0 Rural Residential Growth Assumptions
Offices and Visitor Accommodation (TDC Officer report).	Section 4.0 Offices and Visitor Accommodation
Industrial Growth Assumptions <ul style="list-style-type: none"> • Property Economics Report (2007) • Existing Land Register (2016) • Trend Analysis (TDC Officer Considerations) 	Section 5.0 Industrial Growth Assumptions
Retail Growth <ul style="list-style-type: none"> • Property Economics Report (2015) 	Section 6.0 Retail Growth Assumptions

On 3 November 2016, the New Zealand Government gazetted the National Policy Statement on Urban Development Capacity (**NPS-UDC**).

The NPS-UDC places obligations on local authorities, such as the Timaru District Council to ensure that planning decisions are based on better information, and that appropriate land supply forecasting and supply is made for residential and business use to meet future demand.

The NPS – UDC seeks to regulate those processes already undertaken by Timaru District Council in the formation of the District's Growth Management Strategy, in that it prescribes:

- a. obligations for better analysis as to providing for residential and business growth;
- b. obligations for land supply for residential and business land to meet future demand (30 years).

The NPS-UDC utilises the most recent Statistics New Zealand urban area medium resident population as the *base* for determining growth areas and forecasting demand. The other key matter identified in the NPS-UDC is that development capacity must be *feasible*, in that development is commercially viable, taking into account the current costs, revenue and yield of developing.

The need to ensure that a robust *base* (Statistics New Zealand medium projections) and that development capacity is *feasible* has led to two key refinements to the 2016 Growth Assumptions Report, being:

- Use of the Statistics New Zealand medium projections to 2043 (2013 Base) as the basis for forecasting demand; and
- A December 2016 review of the feasibility of residential development yields for Timaru, Temuka, Pleasant Point and Geraldine. In all instances these reduced the anticipated supply of residential demand within these urban areas.

Lastly, the National Policy Statement – Urban Development Capacity (**NPS-UDC**) sets out the statutory requirements for housing and business development capacity. For any *urban environment* in a *medium-high growth urban area* that is expected to experience growth, in addition to providing for projected demand for actual housing demand, a buffer of feasible development (long term / 30 – year) capacity of 15% **Policy PA1** and **PC1** is also to be provided.

Apart from Timaru settlement, none of the other urban areas in Timaru could be defined as medium-high growth urban areas under the NPS-UDC. Accordingly, there is no legislative requirement to provide a 15% additional long term housing buffer. However, for the purposes of prudent management under the application of Growth Management Strategy, the Timaru District Council has considered it appropriate to apply the 15% long term buffer to all its settlements.

NATIONAL POLICY STATEMENT – URBAN DEVELOPMENT CAPACITY

The **NPS for Urban Development Capacity 2016** (NPS – UDC) was gazetted on 3 November 2016.

The requirements of the NPS-UDC reinforce the decision by the Timaru District Council to undertake a Growth Management Strategy for the District. Section 55 of the RMA requires all Council’s to implement the NPS-UDC by making amendments to their district plan.

Implementing the NPS – UDC is not simply a mathematical exercise in land supply. The Timaru District Council is also required to undertake planning decisions for its urban environment that “*over time, develop and change in response to the changing needs of people and communities and future generations*” (Objective OA3). This objective requires consideration of the implications of an aging population in Timaru District with regard to matters such as housing supply, open space networks, commercial services, and industrial employment.

The NPS-UDC addresses four key areas, with corresponding objectives and policies:

- Outcomes*: providing sufficient residential and business development capacity to enable urban areas to meet demand. Timaru District Council is obliged to meet all the relevant Objectives and Policies PA1 to PA4.
- Evidence*: Ensuring plans are based on a robust, accurate and frequently updated evidence basis. Timaru District Council is obliged to meet Objective OB1, but not the relevant policies.
- Responsiveness*: Ensuring local authorities adapt and respond to market activity. Only objective OC1 and OC2 need to be applied by Timaru District Council.
- Coordination*: Promoting coordination between local authorities and infrastructure providers, and integrated land use and infrastructure planning.

Application of the NPS – UDC is not uniform for all local authorities. Requirements are dependent on where a local authority is deemed a ‘*Medium*’ or ‘*High Growth*’ urban area.

Within Timaru District itself, **only the Timaru urban area** will be subject to the requirements of the NPS-UDC. The respective objectives and policies relate to ‘urban environments’. That definition, as

provided below would not apply to the smaller settlements including Temuka, Gerladine or Pleasant Point:

“Urban Environment means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundary”.

In terms of prudent and integrated management however, the Timaru District Council in formulating the provisions of the Growth Management Strategy have sought to provide for the following requirements of the NPS-UDC:

Part A: Outcomes for Decision Making – These objectives and policies are to be applied, and *must be given effect to immediately*¹:

- a. Timaru District Council is to provide at *any one time* **sufficient opportunities** for residential and business **development capacity** in the short (3 years), medium (10 years) and long terms (30 years).

Demand for housing refers to the short, medium and long term, having particular regard to:

- Total numbers of dwellings required to meet projected household and visitor accommodation growth;
- Demand for different types of dwellings;
- Demand for different locations within the urban environment; and
- The demand for different price points.

Demand for business land refers to the short, medium and long term, having particular regard to:

- The quantum of floor area to meet forecast growth of different business activities;
- The demands of both land extensive and intensive activities; and
- The demands of different types of business activities for different locations within the urban environment.

- a. Policy PA1 and PA2 requires consideration as to the Council’s approach to infrastructure provision and spending.

Part B: Evidence and Monitoring – Only the objective OB1 is to be applied, and must be given effect to immediately:

- a. The Objective requires:
A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.

Part C: Responsive Planning – Only the objectives OC1 and OC2 are to be applied, and must be given effect to immediately.

The Objectives require consideration of the changing urban environment; how wellbeing is to be provided for in the short, medium and long term; and, how the Council can respond to evidence about the urban environment and the market in a timely way.

The requirements of PC1 to provide a 20% buffer to short and medium term capacity, and 15% long term is not an obligation, and does have implications for Timaru District modest medium

¹ NPS-UDC: Timeframes to give effect to particular policies (page 17).

to long term growth projections.

The main focus of the Objectives are issues of housing choice and affordability and accommodating an aging population.

Part D: Coordinated Planning and Decision Making – Objective OD1 and OD2 is to be given effect to immediately. The objectives are broad, and seek to ensure that land use and infrastructure is ‘integrated’ and aligned with planning decisions across local authority boundaries.

These matters are identified as key criteria within the Growth Options Assessment, which seeks to identify prospective greenfield growth areas.

NEW ZEALAND MEDIUM GROWTH RESIDENTIAL PROJECTIONS – CALCULATING DEMAND

The Statistics New Zealand medium population projections to 2043 were not available in February 2016. The Growth Assumptions report applied two sets of projections:

- (i) Jackson N/ Timaru District Council (**Jackson**) – Population and Household Projections 2013-2048 (2014). These projections have been used in the Council’s Activity Management Plans and the Long-Term Plan; and
- (ii) New Zealand Statistics growth projections based on NZ Statistics Projections (to 2038) albeit by linear extension (2038 – 2043) by Council Officers (**NZ Statistics 2038**).

For both sets of projections, a medium-term scenario was used ‘to ensure consistency with Council’s Long Term Plan’.

However, the Statistics NZ population growth projections by Census Area Units (**CAU**) are now provided out to 2043. These are provided in **Table 1**.

Given the requirements of the NPS-UDC it is more robust to utilise these projections as basis for forecasting demand to 2043 for the purposes of developing the Growth Management Strategy.

Statistics NZ only provide household growth projections at the district level to 2038. The household formation rates from 2038 – 2043 used in the Growth Management Strategy have been extrapolated for the last 5-year period (to 2043) by applying projected 2043 population by person per dwelling ratio. The population projection in effect caps what the household count would be by virtue of their direct relationship, i.e. the estimated 2043 household projection has to reflect the Stats NZ projected 2043 population projection.

The boundaries of the assessment have been matched with those considered by Jackson and NZ Statistics 2038, that is:

Table 1: Statistics New Zealand CAU for Timaru District

Area	Settlement
Timaru district	
598000 Winchester	
598201 Fairview-Scarborough	
598202 Otipua Creek-Washdyke Flat	
598311 Ben Mcleod	

598312 Orari	
598313 Levels	
598314 Pareora	
598320 Pleasant Point	Pleasant Point Unit
598500 Geraldine	Geraldine Area Unit
598600 Temuka	Temuka Area Unit
598700 Washdyke	Timaru Urban Area Units
598800 Waimataitai	Timaru Urban Area Units
598900 Marchwiell	Timaru Urban Area Units
599000 Maori Park	Timaru Urban Area Units
599100 Highfield	Timaru Urban Area Units
599200 Glenwood	Timaru Urban Area Units
599300 Gleniti	Timaru Urban Area Units
599400 Fraser Park	Timaru Urban Area Units
599500 Seaview	Timaru Urban Area Units
599600 Watlington	Timaru Urban Area Units
599700 Parkside	Timaru Urban Area Units
599800 Timaru Gardens	Timaru Urban Area Units
599900 Redruth	Timaru Urban Area Units
625300 Inlet-Port Timaru	

The use of the most up to date NZ Statistics Medium projections overcomes the issue raised in Section 2 of this report which highlighted the absence of 2038-2043 data as follows:

“However, the current household and population projections by area unit provided by Statistics New Zealand only provide predictions up until 2038. As such, the approach has been taken to project forward the existing projections for a further 5 years up until 2043. There are obvious risks involved in this approach, however in the absence of any updated projections it is considered appropriate.”

Replacing that ‘assumption’ with authorised NZ Statistics Projections from 2038 – 2043 removes risk provides a more acceptable and robust methodology within the Growth Management Strategy, and ultimately the replacement District Plan.

As identified in Table 2, the NZ Statistics Medium Growth Projections (to 2043) identify more modest growth projections than those identified by Jackson or the NZ Statistics New Zealand Projections (to 2038). The consequences of providing a greater supply of residential and business land than demand includes the following:

- Less efficient infrastructure planning and utilisation;
- Disjointed land use and development;
- Overall fall in competitiveness for existing vacant business and residential land in the district;
- Lack of certainty for industrial and housing investment; and
- Dispersed growth contrary to the policy approach of consolidation required by the Canterbury Regional Policy Statement (2013).

Table 2: Statistics New Zealand Projections

Settlement Area Population - Stats NZ	2013	2018	2023	2028	2033	2038	2043
Pleasant Point Unit	1,320	1,400	1,470	1,560	1,640	1,720	1,800
Geraldine Area Unit	2,370	2,470	2,520	2,560	2,590	2,600	2,600
Temuka Area Unit	4,180	4,260	4,310	4,360	4,390	4,390	4,350
Timaru Urban Area Units	26,770	27,240	27,350	27,380	27,270	26,970	26,570
Timaru District	45,400	47,000	47,800	48,400	48,800	48,800	48,600
Timaru District - Households - Stats NZ	2013	2018	2023	2028	2033	2038	
High	19,300	20,600	21,600	22,500	23,300	24,000	
Medium	19,300	20,200	20,800	21,200	21,500	21,600	
Low	19,300	19,800	19,900	19,900	19,800	19,400	
Person per Dwelling Ratio - Stats NZ							
High	2.35	2.28	2.21	2.15	2.09	2.03	
Medium	2.35	2.33	2.30	2.28	2.27	2.26	2.26
Low	2.35	2.37	2.40	2.43	2.46	2.52	
Settlement Area Household Demand Changes	2013	2018	2023	2028	2033	2038	2043
Pleasant Point Unit	561	602	640	683	723	761	797
Geraldine Area Unit	1,008	1,062	1,097	1,121	1,141	1,151	1,151
Temuka Area Unit	1,777	1,831	1,875	1,910	1,934	1,943	1,925
Timaru Urban Area Units	11,380	11,707	11,901	11,993	12,014	11,938	11,760
Timaru District	19,300	20,200	20,800	21,200	21,500	21,600	21,511

Household Demand can then be calculated for each of the settlements, and (adopting the short, medium and long term buffers) identified in Policy PA1 of the NPS-UDC, **Table 3** identifies the forecast demand.

Table 3: Projected Household Demand (NZ Statistics Medium Projections) and NPS-UDC Capacity

Settlement	2018 (short term)	2028 (medium term)	2043 (longer term)
Timaru Settlement	327	613	380
Timaru Settlement + buffer	+20% (392)	+20% (734)	+15% (437)
Temuka Settlement	54	133	148
Temuka Settlement + buffer	+20% (65)	+20% (159)	+15% (170)
Geraldine Settlement	54	113	143
Geraldine Settlement + buffer	+20% (65)	+20% (136)	+15% (164)
Pleasant Point Settlement	41	122	236
Pleasant Point Settlement + buffer	+20% (49)	+20% (146)	+15% (271)

RESIDENTIAL DEVELOPMENT CAPACITY – CALCULATING SUPPLY

The February 2016 Assumptions Report identified the following extent of residential land available to the market (**Table 4**).

Table 4: Household Supply February 2016

Settlement	Area	Household yield ²
Timaru	78.00ha	840
	30.00ha (Gleniti Res 6b)	300
Temuka	10.73ha	115
	24.00 ha (Temuka NW)	258
Geraldine	12.80 ha	138
Pleasant Point	18.35ha	197

The NPS-UDC identifies that development capacity must be feasible, zoned, and dependent on whether to meet short, medium or long term demand, serviced with development infrastructure. Feasible is specifically defined in the NPS-UDC as:

“development [that is] commercially viable, taking into account the current likely costs, revenue and yield of developing”.

The residential capacity assessment was resurveyed in December 2016 with the purpose of ensuring that residential development was feasible as required by the NPS-UDC. This involved applying several conservative criteria to the prospect of residential development in the long term, including:

- Land tenure – Sites were not currently occupied for another purpose, e.g. road/accessway, school, hospital, designated areas, carparks, etc.
- Site area, shape, topography – Unfeasibly shaped or sites that were unduly small were removed, as were sites where the topography would likely restrict residential development opportunities.
- Sites located entirely within the High Hazard Stop Bank Area where removed
- Split zoning – Removal of sites with little area within Residential Zone
- Site use – Sites that had an existing (albeit extensive) commercial or industrial land use were removed.

The December 2016 resurvey results are identified in **Table 5**. The table also identifies the difference in residential supply between the December 2016 surveys.

² Note: Estimated at a 70% Household yield per hectare (30% allocated to roading, stormwater and open space) and an average allotment size of 650m². Except Gleniti at an average allotment size of 750m².

Table 5: Household Supply December 2016, and difference with February 2016 Survey

Settlement	Area – Growth Assumptions Report (Feb 2016)	Area – Feasibility Review (Dec 2016)	Household Yield	Difference (HH Yield) Feb vs Dec 2016
Timaru	78ha 30ha (Gleniti Res 6b)	62.4ha	667	-473
Temuka	10.73ha 24.00ha (Temuka NW)	13.1ha	141	-232
Geraldine	12.8ha	7.83ha	84	- 54
Pleasant Point	18.35	11.98ha	129	- 68

RESIDENTIAL SUPPLY - DEMAND BALANCE

As identified above, there are two key features of the NPS-UDC that relate to the preparation of the Growth Management Strategy, being:

- The application of the Statistics New Zealand medium projections to 2043 (2013 Base) as the basis for forecasting demand; and
- A review of the February 2016 survey, subject to *feasibility* constraints (the December 2016 Survey).

Applying these matters to the preparation of the Growth Management Strategy influences forecast residential demand, and the provision of existing supply as set out in **Table 6** below for the short (2018), medium (2028) and long term (2043), along with buffer provision of 20%, (short term), 20% (medium term) and 15% (long term).

Table 5: Household Demand based on NZ Statistics Medium Projections

Settlement	Demand			Supply 2016
	2018 (short term)	2028 (medium term)	2043 (longer term)	
Timaru Settlement	327	613	380	667
Timaru Settlement + buffer	+20% (392)	+20% (734)	+15% (437)	
Temuka Settlement	54	133	148	141
Temuka Settlement + buffer	+20% (65)	+20% (159)	+15% (170)	
Geraldine Settlement	54	113	143	84
Geraldine Settlement + buffer	+20% (65)	+20% (136)	+15% (164)	
Pleasant Point Settlement	41	122	236	129
Pleasant Point Settlement + buffer	+20% (49)	+20% (146)	+15% (271)	

INDUSTRIAL - GROWTH ASSUMPTIONS, BACKGROUND AND APPLICATION OF THE NPS-UDC

Section 5 of the February 2016 Growth Assumptions Report recommended additional **Industrial** demand at Timaru, Temuka and Geraldine.

The basis of the conclusions as to Industrial demand were:

- Additional supply is required in Geraldine and Temuka given the absence of vacant and usable land in these settlements.
- Long term supply will be required in Timaru, with the expectation that demand will likely occur at Washdyke.

The statutory requirements of the NPS-UDC as outlined above relate equally to business land as they do for residential land.

The Timaru District Council's vacant land register identifies that Timaru District has 76ha of vacant, usable and available Industrial land. Timaru settlement has 34ha of vacant serviced light industrial land, and 36ha of vacant serviced heavy industrial land.

The District has a total 663ha of zoned Industrial land.

Industrial demand to 2033 is met by 34ha (Property Economics Report, 2016). Calculations for demand are based on industrial employment forecasts. Timaru District currently provides double the calculated land demand.

Costs associated with the overprovision of serviced industrial land can include:

- the inefficient use of Industrial land within the District where surplus is created which can lead to the redistribution of existing industry, rather than the generation of new demand;
- increased Council servicing costs would need to be borne by existing businesses and rate payers in the absence of rapid utilisation rates; and
- Timaru competes on a South Island / National scale in terms the logistics / distribution market. Private investment in such facilities is determined by access to large scale markets, access for freight (rail and road), and current market saturation. This last factor, and the current oversupply of such facilities within Ashburton and Rolleston may well undermine uptake for similar facilities in Timaru.

Industrial employment rates in Timaru District fell between 2004 to 2007, and were essentially static between 2004 (7,973 employees) and 2012 (8,015 employees). This is largely in line with districts of comparable size such as Rotorua, Napier and Gisborne. The rates of employment since has been relatively stable, with Industrial employment just under 9,000 employees in 2015. Overall from 2,000 – 2015, the Timaru District employment base has experienced a net increase of around a third, or 2,400 workers. Forecast growth is predicted by Property Economics to be equally steady, but unspectacular. Logistics (ANZSIC code I) represents only some 19% of the current employment base.

INDUSTRIAL - DEMAND

Property Economics were commissioned in 2016 to revise their 2007 report.

As identified in **Table 6**, Property Economics identified that the additional land demand to accommodate Industrial Activity Growth to 2033 is some 34ha. The report identifies that the calculation of demand is dependent on employment counts, which in itself is a direct function of population growth (as predicted by the New Zealand Statistics Medium Projections).

The Property Economics analysis is adjusted based on the following factors:

- The land to employee ratio by industrial sector (as based on specific sectors and empirical surveys);
- A locational assessment of efficient land utilisation;
- Price;
- Historical trends by sector;
- Changes in technology.

Table 5: Timaru District Industrial Land / Employment Forecast 2015 - 2043

Industrial Activity Growth 2015 - 2033	2015	2033	Net Growth 2015-2033
Industrial Employment (EC's)	8,956	9,273	317
Net Additional Land Requirement (ha)	33.8ha		

INDUSTRIAL - SUPPLY

The District's Industrial nodes are largely in Timaru. These are located at the Port, Washdyke, Redruth, and Smithfield.

These areas provide for some 80% of the district's Industrial land resource, of which some 13% (70ha) is vacant, serviced and available, and a further 33ha is either deferred, not available, or is yet to be serviced.

In Geraldine, some 1.19ha of zoned and serviced light industrial land remains.

In Temuka, some 0.54ha of zoned and serviced light industrial land remains, albeit some 9ha of zoned but unserviced industrial land is available. These areas are identified in Table 5 below.

Table 6: Industrial Land Supply

Location of Industrial Area	Industrial Zone Type Heavy/Light	Area of Industrial Zone (Ha)	Area of Vacant Industrial Zoned Land (Ha)	Area of Available & Vacant Industrial Zoned Land (Ha)	Area of Useable, Vacant & Available Industrial Zoned Land (Ha)
Timaru CBD	L	13.13	0	0	0
Port	L	8.81	2.91	2.91	2.91
	H	65.09	0	0	0
Washdyke	L	68.56	10.81	9.03	9.03
	H	181.71	32.36	9.4	9.4
Washdyke Defered	L	37.89	17.42	17.42	17.42
	H	39.28	26.94	26.94	26.94
Redruth	L	16.67	2.62	2.62	2.03
	H	69.47	0.52	0.52	0.52
Showgrounds	L	10.08	2.37	2.37	0.65
Smithfield	H	24.94	5.67	0	0
Fairview Road	L	5.26	2.06	2.06	2.06
Timaru Total	L	160.4	38.19	36.41	34.1
	H	380.49	65.49	36.86	36.86
Clandeboye	H	10.05	64.99	0	0
Geraldine	L	10.69	1.19	1.19	1.19
Barkers	L	12.95	0	0	0
Temuka	L	48.27	10.26	0.54	0.54
Pleasant Point	L	3.89	1.42	1.42	1.42
Winchester	L	5.18	1.93	1.93	1.93
Pareora	H	31.19	14.37	0	0
Overall Total Supply					76ha

INDUSTRIAL SUPPLY - DEMAND BALANCE

Applying the guidelines in the NPS-UDC for the growth demands in Timaru District as associated with Industrial demand are set out in Table 4 below for the short (2018), medium (2028) and long term (2043), along with buffer provision of 20%, (short term), 20% (medium term) and 15% (long term).

Activity	2018 (short term)	2028 (medium term)	2033 (longer term)	Supply (2016) Zoned & Serviced
Industrial (projected demand)	17.3 ha	26.7 ha	33.8 ha	76ha
Industrial buffer (projected demand + buffer)	+20% 20.76 ha	+20% 32.04 ha	+15% 38.9 ha	

Objective OA2 of the NPS-UDC states:

“Urban Environments that have sufficient opportunities for the development of ... business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of ... working environments and places to locate businesses.”

An absence of suitable and appropriate Industrial land resource to meet demand would mute market indicators that Timaru District is open to business. Overly constraining business growth can congest the existing market - artificially inflating land values, increasing rentals for existing businesses, reducing opportunities to accommodate a broad range of diverse industrial activities, and potential leading to transfers to other districts. However, this needs to be viewed in terms of the ability of the existing market to satisfy likely and future growth.

For the Timaru District, there is double the amount of zoned and available Industrial land to meet predicted demand. Accordingly, there are little if no risks to the District that would be present in an overly constrained market. However:

- (A) 10ha of light industrial zoned land is recommended for Geraldine, given the current shortfall of opportunities to cater for any growth in demand in business locations. The rationale for the Tiplady location is outlined in the report *Growth of Industrial Activities in Geraldine – Consultation and Site Analysis (2013)*;
- (B) No additional Industrial land is required in Temuka, given the space extensive activities currently present, and the ability to intensify the existing use of Industrial land in this settlement;
- (C) No further Industrial land is required in Timaru given the current oversupply.
- (D) No further Industrial land is required in Pleasant Point.
- (E) The Timaru District Council should undertake regular Industrial land registers to promote a staged and efficient approach for the Industrial land resource. Particularly in Timaru Settlement where there is a considerable surplus of zoned land above that necessary to meet long term demand. Industrial land that is simply land banked and unused is likely to remain without infrastructure, or will potentially be rationalised (down zoned).
- (F)

GROWTH ASSUMPTIONS REPORT – FEBRUARY 2016

This report was commissioned in February 2016 with the purpose of outlining the growth assumptions for the district including a discussion of growth trends and projections in regards to each land use sector.

As identified in the March 2017 Addendum, the enactment of the NPS-UDC identified additional requirements for District Council’s in considering growth management and feasible land supply. Where relevant, those matters have been raised in the Addendum and prevail in terms of their inclusion in the Draft Growth Management Strategy.

USE OF STATISTICS AND PROJECTIONS

It is impossible to predict growth with complete certainty. However, by examining growth indicators we can gain an impression as to what the future growth in the district is likely to be.

For the purposes of predicting population growth in the Timaru District as a whole, two sets of population projections are available. These are provided by Professor Natalie Jackson of Waikato University³ and Statistics New Zealand. As illustrated in Figure 1.0 below, a comparison of these two sets of projections shows that they predict fairly similar population trends overall.

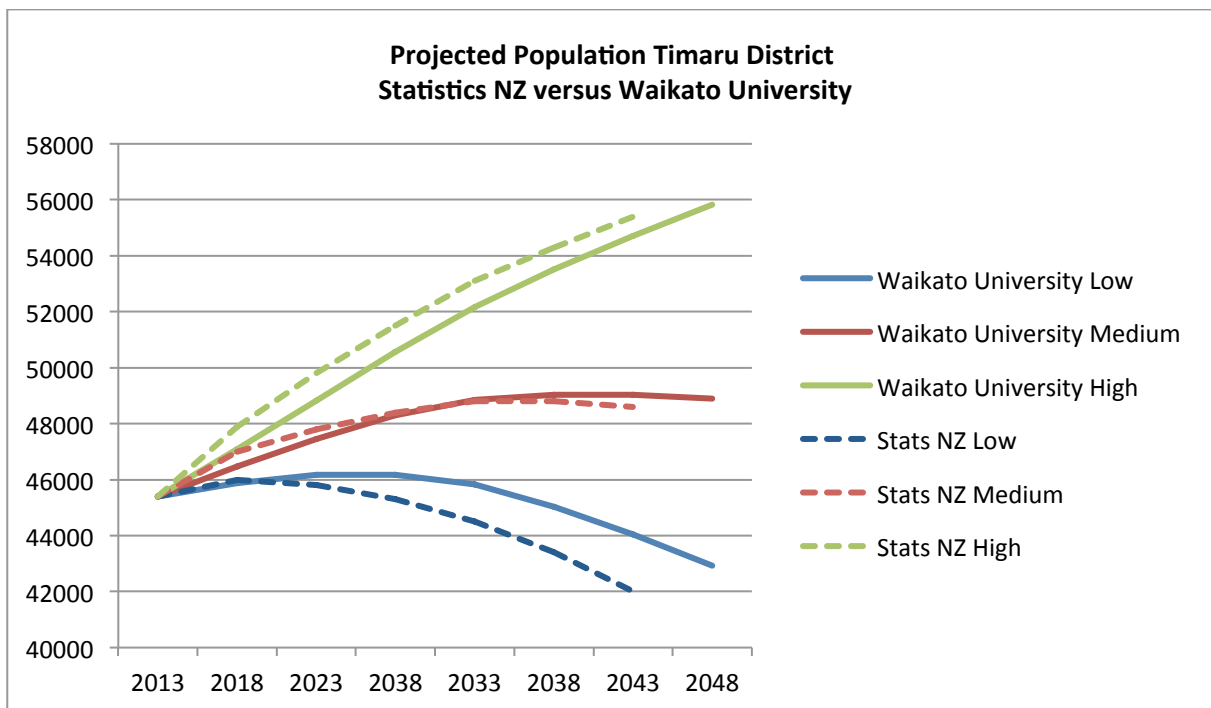


Figure 1.0 – Projected Population Timaru District 2013-2048, Low, Medium and High Scenarios
Source: Natalie Jackson, University of Waikato and Statistics New Zealand

³ Jackson, N.O. “Timaru District Council – Population and Household projections 2013-2063”. Report Commissioned by Timaru District Council. August 2014. Natalie Jackson Demographics Ltd as a sub-contract to the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

Given that the projections produced by Natalie Jackson of Waikato University include a comprehensive methodology, have been produced specifically for the Timaru District Council and have been relied on for Council's Activity Management Plans and Long Term Plan, it is considered appropriate to use this dataset for the Growth Strategy (GS).

As identified in the March 2017 Addendum, these projections have now been overtaken by the application of the Statistics New Zealand Medium Growth Projections to 2043.

The population projections provide low, medium and high scenarios. The low scenario assumes high mortality, high emigration and low fertility, while the high scenario is based on low mortality, low emigration and high fertility.

A decision is required in terms of which scenario to use; low, medium or high. There are risks associated with the choice of scenario. For example, emigration across the district could occur at a higher or lower rate than expected. Council's Long Term Plan addresses the matter of what growth projection to use and takes the medium projection. To ensure consistency with Council's Long Term Plan, it is considered that the medium projection should be taken for the GS.

POPULATION AND DEMOGRAPHICS

The Timaru District had a population of 43,929 in 2013 with historical growth rates of between zero and one percent annually, as illustrated in Table 1.0.

CENSUS POPULATION YEAR			TOTAL POPULATION CHANGE 2001-2006	ANNUAL POPULATION CHANGE 2001-2006	TOTAL POPULATION CHANGE 2006-2013	ANNUAL POPULATION CHANGE 2006-2013
2001	2006	2013	2.2%	0.44%	2.5%	0.35%
41,967	42,870	43,929				

Table 1.0 – Timaru District Census Population 2001-2013

Source: Statistics New Zealand

As shown in Figure 1.1 below, the population of the Timaru District is projected to increase to a peak of 49,041 in 2038 before declining very slightly thereafter under the medium scenario. The projected trend to slower, and eventually negative growth is as a result of the population shifting from natural increase (more births than deaths) to natural decline (more deaths than births) from 2023. This shift is brought about by an aging population and is in keeping with trends elsewhere in New Zealand.

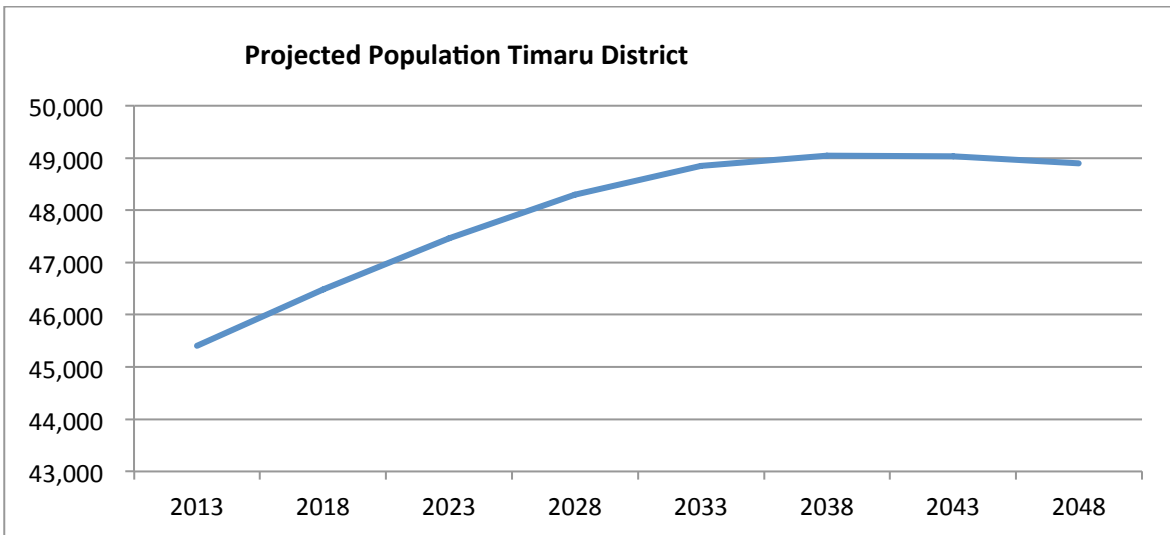


Figure 1.1 - Projected Population Timaru District 2013-2048, Medium Scenario
 Source: Natalie Jackson, University of Waikato

March 2017 Addendum: The Statistics New Zealand Medium Projections (to 2043) identifies that the District’s population peaks at 48,800 residents in 2033, with a modest decline to 48,600 residents in 2043.

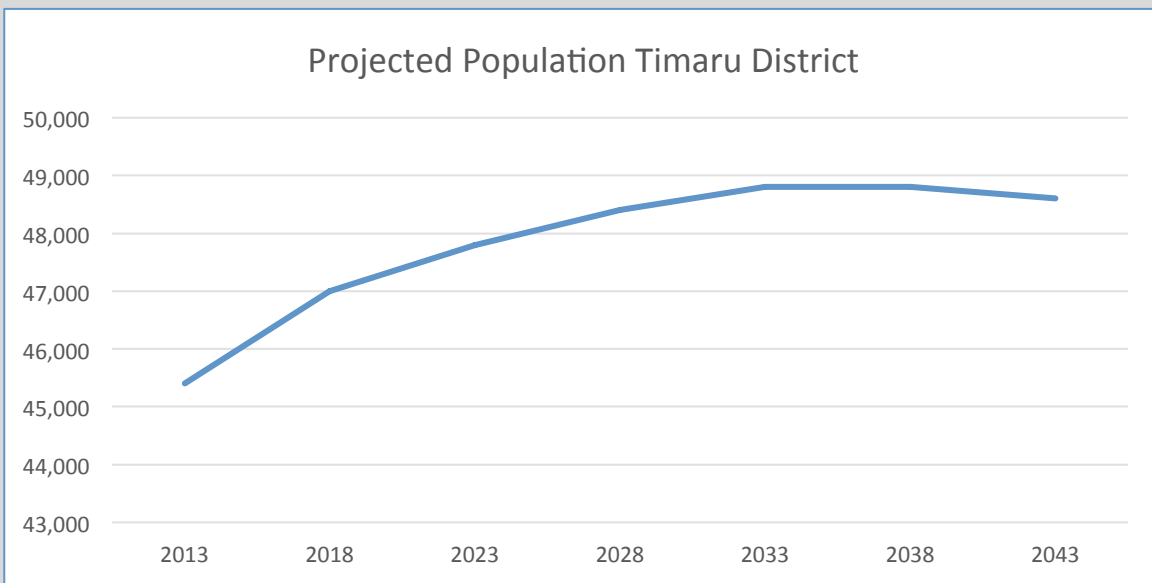


Figure 1.1A - Projected Population Timaru District 2013-2048, Medium Scenario
 Source: Statistics NZ (2013) base to 2043. Medium

The district’s 65+ age group will increase from 20.1 percent in 2013 to 31 percent in 2033. This aging continues to increase, but at a slower rate, over the remaining period with 33 percent of the population aged 65+ by 2048. This is illustrated in Figure 1.2 below.

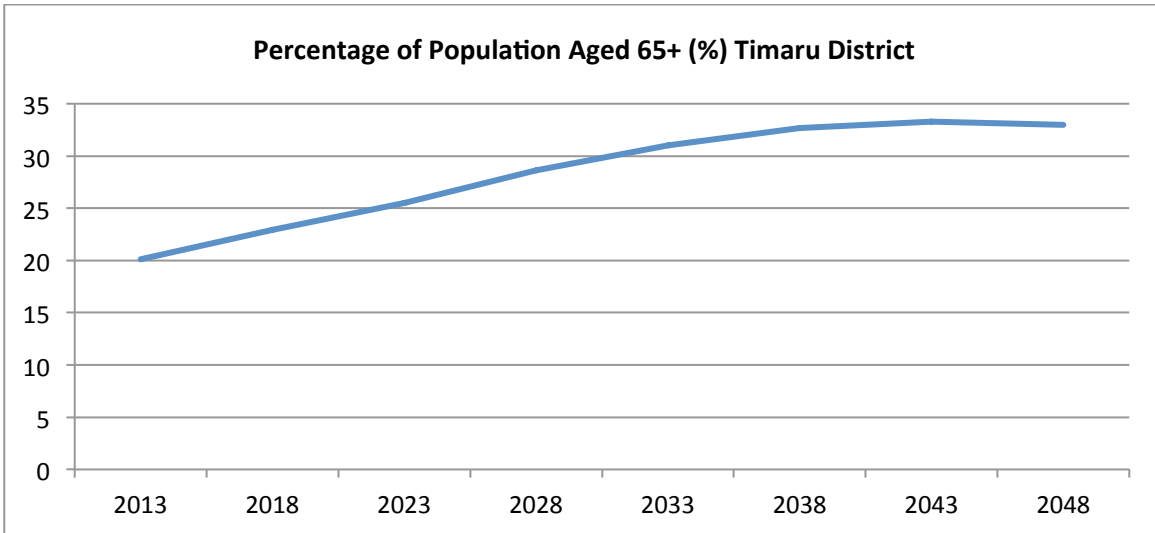


Figure 1.2 - Percentage of Population Aged 65+ (%) Timaru District 2013-2048
 Source: Natalie Jackson, University of Waikato

This aging of the population means that virtually all growth in the Timaru District will be in the older age group. Between 2013 and 2033 all of the growth occurring in the district will be in the 65+ age group. This growth will offset the expected decline in growth in the younger age cohorts. See figure 4.

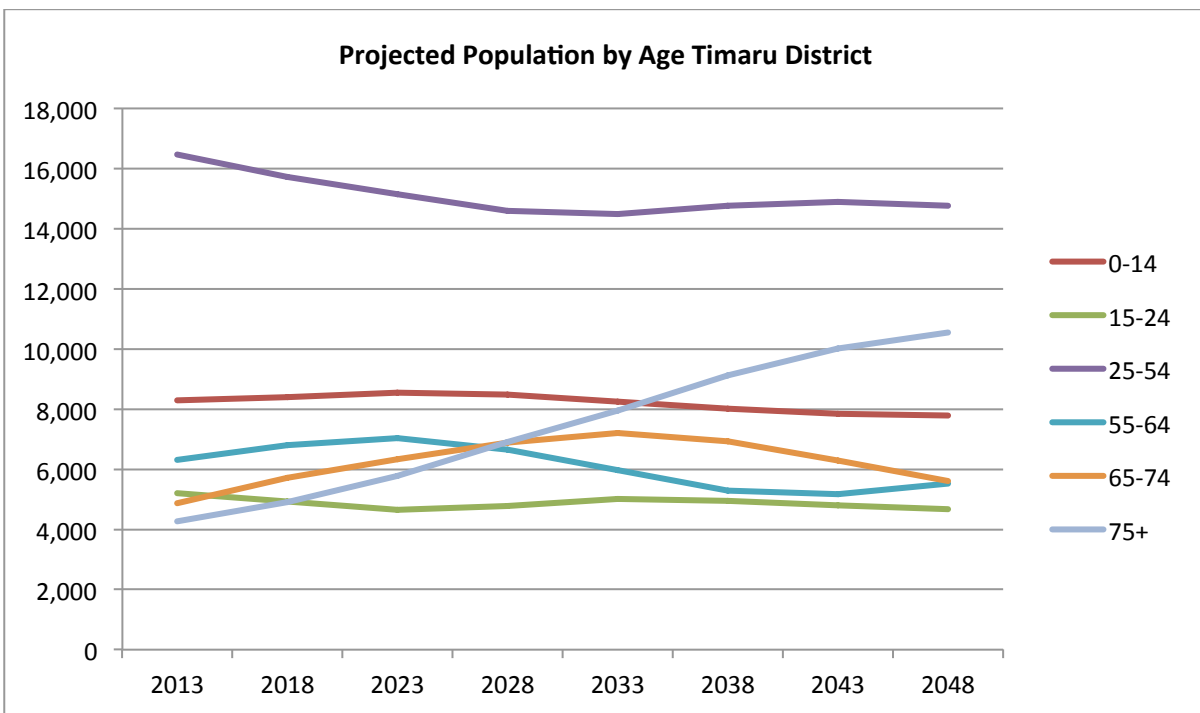


Figure 1.3 - Projected Population by Age Timaru District 2013-2048
 Source: Natalie Jackson, University of Waikato

It is also important to note that of the growth expected in the 65+ age cohort, the majority of this will occur in those aged 75 years and older. By 2033 the 65 -74 age group will have increased by 48% and the 75+ age group by 86%.

HOUSEHOLDS AND DWELLINGS

The projected total number of households in the Timaru District is expected to follow a similar trajectory to the population projections. That is a gradual increase until 2043 and declining slightly thereafter.

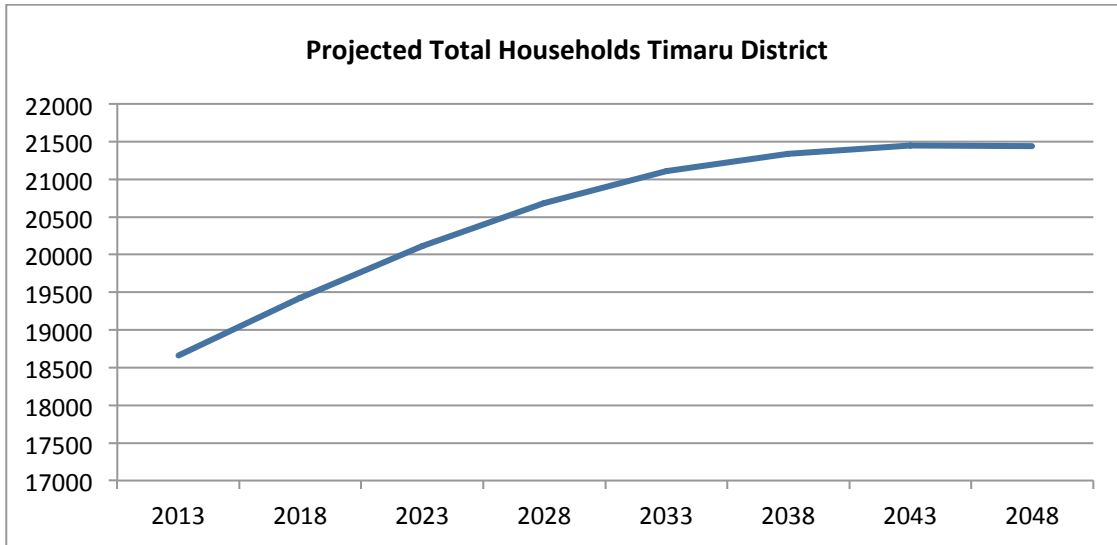


Figure 1.4 - Projected Population Timaru District 2013-2048, Medium Scenario
 Source: Natalie Jackson, University of Waikato

As shown in Figure 1.4, the total number of households in the district is expected to increase from 18,660 in 2013 to 21,438 in 2048.

March 2017 Addendum: The Statistics New Zealand Medium Projections (to 2043) identifies that the District’s households increase to 21,511 by 2043, predominantly due a decrease in Household size from 2.35 people per dwelling in 2013 to 2.26 people per dwelling by 2043.

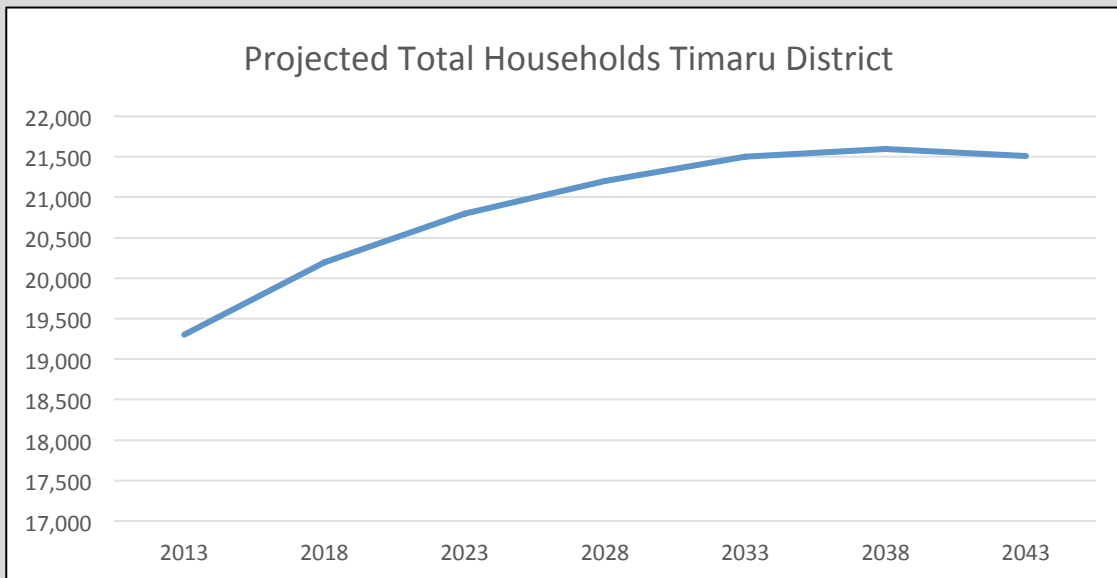


Figure 1.1A - Projected Population Timaru District 2013-2048, Medium Scenario
 Source: Statistics NZ (2013) base to 2043. Medium

The composition of households is expected to change rather considerably. While “family households” and one person households will continue to make up the majority of households, the number of one person households are likely to increase by some 31% by 2048 (Figure 1.5).

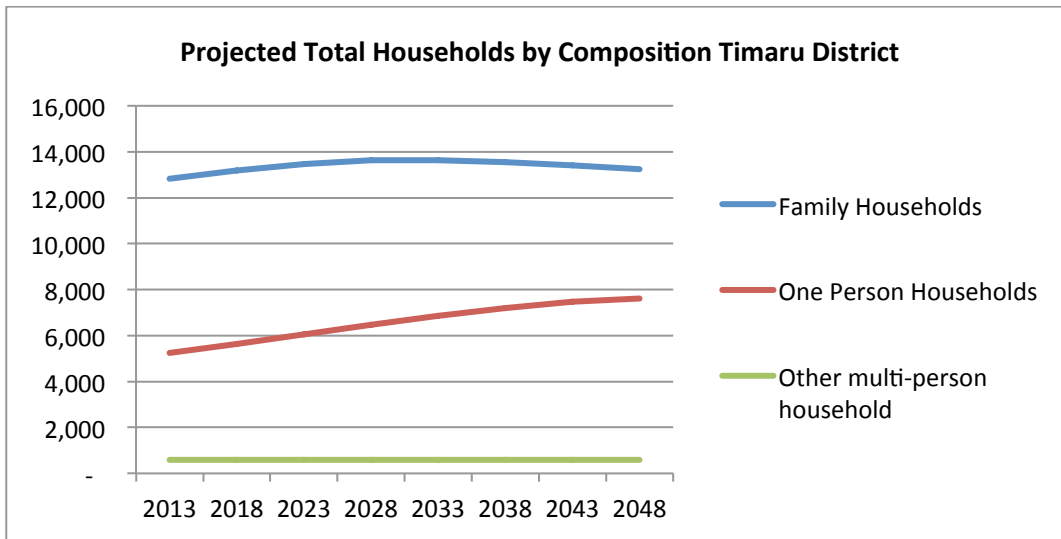


Figure 1.5- Projected Population Timaru District 2013-2048
 Source: Natalie Jackson, University of Waikato

This is reflective of the aging population discussed above. Older people living alone sees one-person households increase.

The aging of the population and its effect on the composition of households is further evident when the “family households” cohort is broken down further, as is shown in Figure 1.6. This shows that the majority of the overall increase in “family households” is actually “couple without children” families. The “couple without children” cohort includes: those couples who have not yet had children, those who do not or will not have children, and those who have had children but they have left home.

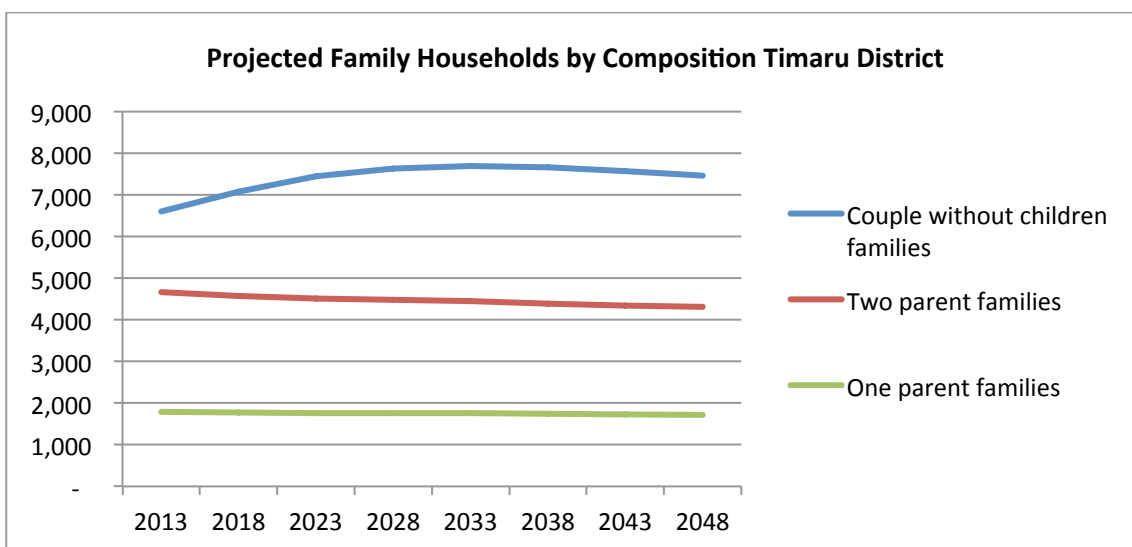


Figure 1.6- Projected Population Timaru District 2013-2048
 Source: Natalie Jackson, University of Waikato

Future dwelling demand for the Timaru District will therefore be increasingly driven by non-family households, predominantly comprised of one-person and couples without children.

HOUSING AFFORDABILITY

Housing affordability in the Timaru District is measured by the Housing Affordability Index, as shown in Table 1.1 and Figure 1.7 below.

YEAR											
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
3.09	3.08	3.36	4.48	5.17	5.53	5.67	5.4	5.21	4.97	5.27	5.37

Table 1.1- Housing Affordability Index, Timaru District 2002-2013

Source: Infometrics, January 2015

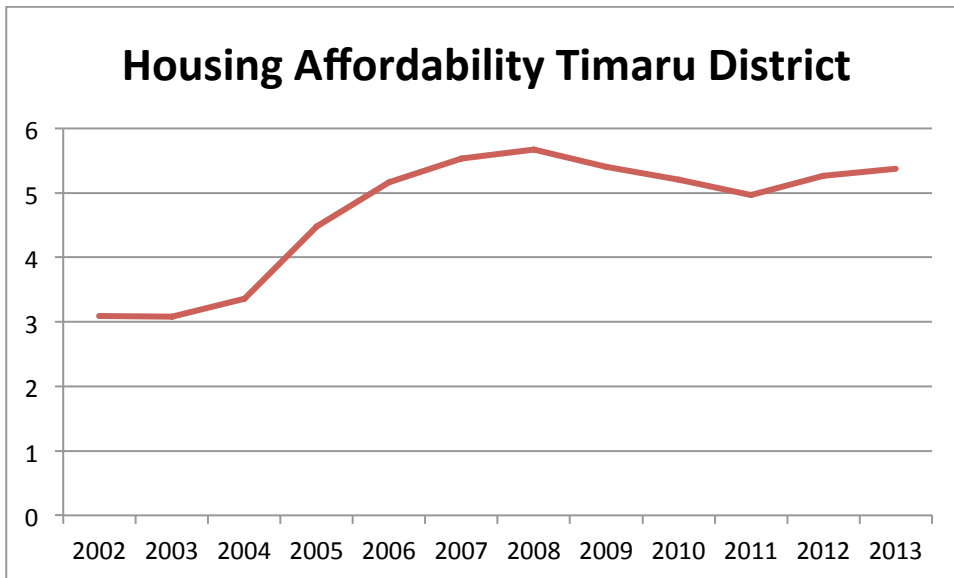


Figure 1.7 - Housing Affordability Index, Timaru District 2002-2013

Source: Infometrics, January 2015

The Housing Affordability Index is derived from the ratio of the median house price to average annual earnings. A higher ratio therefore, suggests that median houses cost a greater multiple of typical incomes, which indicates lower housing affordability. The Housing Affordability Index, or ‘Median Multiple’ as it is also known, is well used internationally and it is generally applied using the following scale:

- Index 0-3.0 - Affordable
- Index 3.1-4.0 - Moderately affordable
- Index 4.1-5.0 - Seriously unaffordable
- Index 5.1 and over - Severely unaffordable

As such, according to the Housing Affordability Index, the affordability of housing in the Timaru District has become increasingly unaffordable in the past 10 to 15 years, with the 2013 index of 5.37 equating to “severely unaffordable” housing. However, it should be noted that this is an international

index, and it is commonly acknowledged that housing in New Zealand is generally unaffordable when compared to other developed countries. When compared nationally however, the affordability of housing in the District is more favourable. This is illustrated in Figure 1.8 below.

Therefore, housing affordability for the Timaru District is less of a concern when compared to other New Zealand Districts. However, it will be important to ensure housing affordability does not worsen over the next 30 years in the District as the provision of affordable housing provides the following benefits:

- Lowers living costs;
- Increases household ownership rates;
- Makes our District more attractive to live and conduct business in;
- Increases disposal income and therefore increases local expenditure and investment;
- Improves education outcomes due to less household mobility;
- Reduces demand for central government and Council housing assistance.

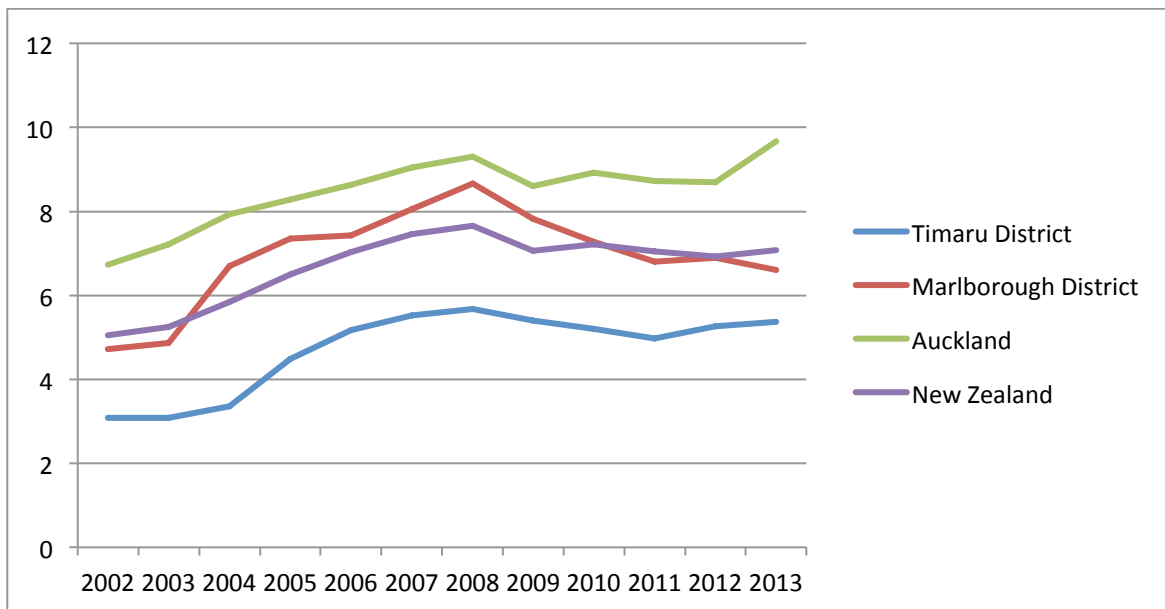


Figure 1.8 - Housing Affordability Index, Timaru, Marlborough and Auckland District and New Zealand 2002-2013

Source: Infometrics, January 2015

The Growth Strategy can increase housing affordability by:

- Ensuring a sufficient supply of residential zoned land;
- Ensuring residential zoned land is available in a variety of locations to avoid landownership monopoly;
- Integrating land use with infrastructure and therefore ensuring greenfield options can be developed in a timely and affordable manner.

ECONOMY

In 2014 the 5,412 businesses in the Timaru District generated \$2.60 billion in GDP (Gross Domestic Product).⁴ As shown in Table 1.2 below, GDP in the Timaru District grew by 2.3% per annum between 2004 and 2014. This is higher than the national average of 2% per annum.

SECTOR	GDP (\$M)				PERCENTAGE CHANGE
	2004	2012	2013	2014	2004 TO 2014
Primary	163	188	187	184	1.2%
Manufacturing	624	531	611	651	0.4%
Construction	110	138	159	189	5.6%
Wholesale and Distribution	215	365	308	310	3.7%
Retail Trade and Services	172	212	218	232	3%
Business Services	252	371	373	401	4.8%
Arts and Recreation Services	15	12	15	18	1.7%
Social Services	251	304	316	316	2.3%
Owner Occupied Dwellings	270	291	296	300	1.1%
Timaru District	2071	2411	2483	2601	2.3%
New Zealand	188872	218937	223884	231038	2%

Table 1.2- GDP by Sector Timaru District and New Zealand 2004-2014

Source: BERL

The three major contributors to GDP in the district are the manufacturing sector (\$651 million dollars) business services (\$401 million dollars) and social services (\$316 million dollars) sectors.

When looking at GDP more closely, Table 1.3 below shows the ten largest contributors to GDP in the Timaru District. These industries combined account for 48% of the district's GDP.

INDUSTRY	GDP (\$M)	
	2014	% OF TOTAL
Food Product Manufacturing	440	16.9
Agriculture	132	5.1
Telecommunications Services	121	4.6
Road Transport	113	4.4
Construction Services	108	4.1
Other Store-Based Retailing	80	3.1
Hospitals	75	2.9
Professional Scientific and Technical Services	65	2.5
Public Administration	61	2.3
Food Retailing	55	2.1

Table 1.3 - GDP by Industry Timaru District 2014

Source: BERL

⁴ Dixon, H. Cox, M. and Nana, G. "Economic Development Indicators, Timaru District, January 2015" Report commissioned by Aoraki Development Business and Tourism, January 2015, BERL.

Food production manufacturing is by far the largest contributor to the economy of the district, accounting for 16.9% of total GDP. This is followed by agriculture with 5.1% and telecommunications with 4.6% of total GDP.

In terms of those industries which are growing and generating more GDP in the Timaru District, these are shown in Table 1.4 below.

INDUSTRY	GDP (\$M)		PERCENTAGE CHANGE (%)
	2004	2014	2004 TO 2014
Telecommunications	19	121	22.7
Basic Chemical and Product Manufacturing	9	32	13.2
Grocery Liquor and Tobacco Wholesaling	4	11	10.2
Social Assistance Services	7	17	8.8
Forestry and Logging	6	13	8.7
Fishing Hunting and Trapping	6	12	7.5
Water Supply/Sewage /Drainage Services	10	20	6.8
Construction Services	56	108	6.7
Computer System Design and Related Services	6	11	6.7
Basic Material Wholesaling	21	40	6.5

Table 1.4 - GDP by Industry Timaru District 2004-2014

Source: BERL

The industries listed above have generally grown from quite small bases in 2004. These industries are growing strongly, and if their growth over the past decade continues then these smaller industries will grow into sizeable industries quickly.

In terms of employment, in 2014, approximately 22,257 Full Time Equivalents (FTEs) were employed in the Timaru District. Between 2013 and 2014, employment grew by 4.0 percent, with an additional 865 FTEs in employment. Employment growth in the Timaru District has been stronger year-on-year than the national average.

SECTOR	EMPLOYMENT NUMBER (FTES)				PERCENTAGE CHANGE (%)
	2004	2012	2013	2014	2013 TO 2014
Primary	1896	2355	2475	2368	-4.3
Manufacturing	4687	3874	4322	4572	5.8
Construction	1590	2039	2027	2334	15.1
Wholesale and Distribution	1610	2596	2189	2242	2.4
Retail Trade and Services	3704	3474	3524	3826	8.6
Business Services	2215	2255	2271	2300	1.3
Arts and Recreation Services	160	182	219	262	19.5
Social Services	3323	4239	4364	4353	-0.2
Timaru District	19185	21015	21392	22257	4.0
New Zealand	1678508	1878583	1883050	1941725	3.1

Table 1.5 – Employment Numbers by Sector Timaru District and New Zealand 2004-2014

Source: BERL

The largest areas of employment in the Timaru District are the manufacturing sector, which is dominated by food processing industries, and the social services sector, including health care and social assistance, education and training and public administration. The retail trade and services sector is the third largest area of employment.

When breaking the employment sectors down further, the ten largest industries in terms of employment are shown in Table 1.6 below.

INDUSTRY	EMPLOYMENT (FTES)	
	2014	% OF TOTAL
Food Product Manufacturing	3074	13.8
Agriculture	1645	7.4
Construction Services	1326	6
Other Store-Based Retailing	1097	4.9
Preschool and Education	987	4.4
Hospitals	927	4.2
Food and Beverage Services	820	3.7
Road Transport	767	3.4
Food Retailing	746	3.4
Professional Scientific and Technical Services	632	2.8

Table 1.6 – Employment Numbers by Industry Timaru District 2014

Source: BERL

The food product manufacturing industry is by far the largest employer in the District, accounting for approximately 14% of total employment. This is followed by the agriculture industry with 7% and construction services with 6% of total employment.

In regards to cargo exports and imports, in the year to September 2014 there was a 63% increase in the tonnes of goods exported from the Port of Timaru. In the same period there was a 34% increase in the tonnes of goods imported.⁵ Since 2010 the total tonnage travelling through the Port of Timaru each year has generally increased and in September 2014 it exceeded the 1.1 million tonne mark. This is almost double the annual tonnage seen at the low points in 2009 and 2010. This growth in cargo exports and imports is expected to continue as Port of Tauranga subsidiary, Timaru Container Terminal (TCTS) has acquired a 50% shareholding in Primeport Timaru. Furthermore, Kotahi, a joint venture between Fonterra and Silver Fern Farms has committed to a significant volume of export traffic to TCTS over the next ten years.

Other areas which are expected to grow and contribute to the district's economy include industrial activities in Washdyke, including food and product manufacturing, Dairy factory expansions at Clandeboye and general intensification in the dairy, freight and forestry sectors. There are also a number of developments which whilst located outside of the district will contribute to the district's economy. These include the proposed Hunter Downs irrigation scheme and Oceania Gold's dairy factory expansion at Glenavy.

⁵ Dixon, H. Cox, M. and Nana, G. "Economic Development Indicators, Timaru District, January 2015" Report commissioned by Aoraki Development Business and Tourism, January 2015, BERL, pg.31

2.0 RESIDENTIAL GROWTH ASSUMPTIONS

CONTENTS

Areas of Focus	30
Use of Statistics	30
Geraldine	31
<i>Estimated and Projected Population</i>	<i>31</i>
<i>Household Projections</i>	<i>33</i>
<i>Quantum of New Housing Required</i>	<i>34</i>
<i>Type of Housing Required</i>	<i>35</i>
<i>Location of Housing Required</i>	<i>37</i>
<i>Current Household & Allotment Type</i>	<i>37</i>
<i>Summary</i>	<i>41</i>
Temuka	41
<i>Estimated and Projected Population</i>	<i>41</i>
<i>Household Projections</i>	<i>43</i>
<i>Quantum of New Housing Required</i>	<i>45</i>
<i>Type of Housing Required</i>	<i>45</i>
<i>Location of Housing Required</i>	<i>46</i>
<i>Current Household & Allotment Type</i>	<i>46</i>
<i>Summary</i>	<i>51</i>

Pleasant Point.....51

Estimated and Projected Population.....51

Household Projections.....53

Quantum of New Housing Required.....55

Type of Housing Required.....55

Location of Housing Required.....55

Current Household & Allotment Type.....56

Summary.....60

Timaru.....60

Estimated and Projected Population.....60

Household Projections.....62

Quantum of New Housing Required.....64

Type of Housing Required.....64

Location of Housing Required.....64

Current Household & Allotment Type.....65

Summary.....70

Conclusion.....70

AREAS OF FOCUS

The following assessment focuses on the urban settlements of Temuka, Pleasant Point, Geraldine and Timaru as the areas most likely to experience residential growth within the Timaru District in the next 30 years. Whilst it is acknowledged that there are other settlements within the Timaru District where residential development has occurred, such as Pareora, Winchester and Cave, the residential growth in these areas is expected to be minor in comparison to the four primary settlements.

For the purposes of this residential growth assessment the boundaries of the four settlements of Temuka, Pleasant Point, Geraldine and Timaru have been defined as per Table 2.0 below:

SETTLEMENT	STATISTICS NEW ZEALAND AREA UNIT
TEMUKA	'Temuka Area Unit'
PLEASANT POINT	'Pleasant Point Area Unit'
GERALDINE	'Geraldine Area Unit'
TIMARU	Timaru 'Urban Area Units'; -Washdyke -Waimataitai -Marchwiell -Redruth -Maori Park -Highfield -Glenwood -Gleniti -Fraser Park -Seaview -Watlington -Parkside -Timaru Gardens

Table 2.0 – Relevant Statistics New Zealand Area Units

USE OF STATISTICS

Both the estimated and projected population and household projection statistics for the relevant settlements will be examined. These projections are the most up to date available at the time of publication and are based on 2013 census data. The medium projection will be used, in accordance with Council's Long Term Plan. In addition, building consent data has been analysed to ascertain the actual number of dwellings constructed per year in each of the study areas. The average number of dwellings constructed per year has been calculated and projected forward to predict the actual number of dwellings constructed over the next 30 years.

The purpose of this assessment is to predict residential growth over the next 30 years, up until approximately 2045. However, the current household and population projections by area unit provided by Statistics New Zealand only provide predictions up until 2038. As such, the approach has been taken to project forward the existing projections for a further 5 years up until 2043. There are obvious risks involved in this approach, however, in the absence of any updated projections, it is considered appropriate.

GERALDINE

ESTIMATED & PROJECTED POPULATION

In the 2013 census, the Geraldine Area Unit had a population of 2,301. The most recent Statistics NZ population estimates for the Geraldine Area Unit (Table 2.1) indicate that its population between 2006 and 2013 is likely to have increased by 140 people. It is noted that the 2013 census population is considerably lower than the estimated population in Table 2.1 below, however estimated populations are generally higher than census night populations as they include people not counted by the census, either because they were temporarily overseas or missed.

YEAR							
2006	2007	2008	2009	2010	2011	2012	2013
2,290	2,290	2,290	2,300	2,310	2,350	2,340	2,430

Table 2.1 - Estimated Population Geraldine Area Unit 30 June 2006-2013

Source: Statistics NZ, Dataset: Estimated subnational population (Territorial Authority, Area Unit), by age and sex, at 30 June 2006-13 (2013 boundaries)

Table 2.2 and Figure 2.0 provide population projections for the Geraldine Area Unit up to 2043.

YEAR							
2013	2018	2023	2028	2033	2038	2043	CHANGE 2013-2043
2370	2470	2520	2560	2590	2600	2600	230

Table 2.2 - Geraldine Area Unit Population Projections 2013-2043, Medium Scenario

Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043

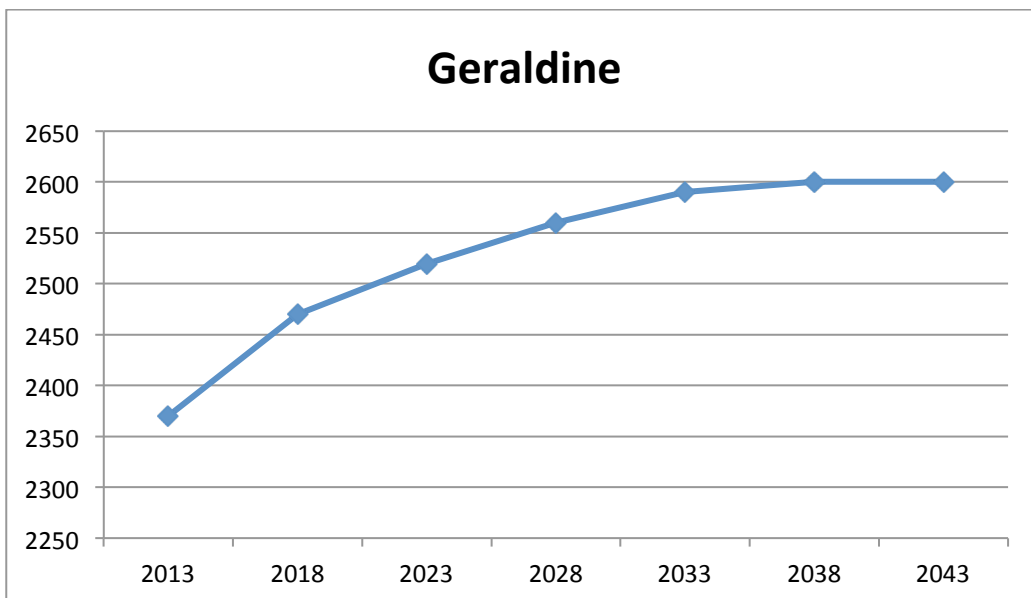


Figure 2.0 - Geraldine Area Unit Population Projections 2013-2043, Medium Scenario

Source: As per Table 3 above.

Table 2.3 and Figure 2.1 provide population projections by age for the Geraldine Area Unit from 2013 to 2043.

AGE GROUP	YEAR						
	2013	2018	2023	2028	2033	2038	2043
0-14 YEARS	400	430	420	410	410	400	390
15-39 YEARS	480	500	510	510	480	470	490
40-64 YEARS	820	810	780	730	700	680	650
65 YEARS +	670	730	810	910	990	1050	1060

Table 2.3 - Geraldine Area Unit Population and Age Projections 2013-2043, Medium Scenario
 Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043.

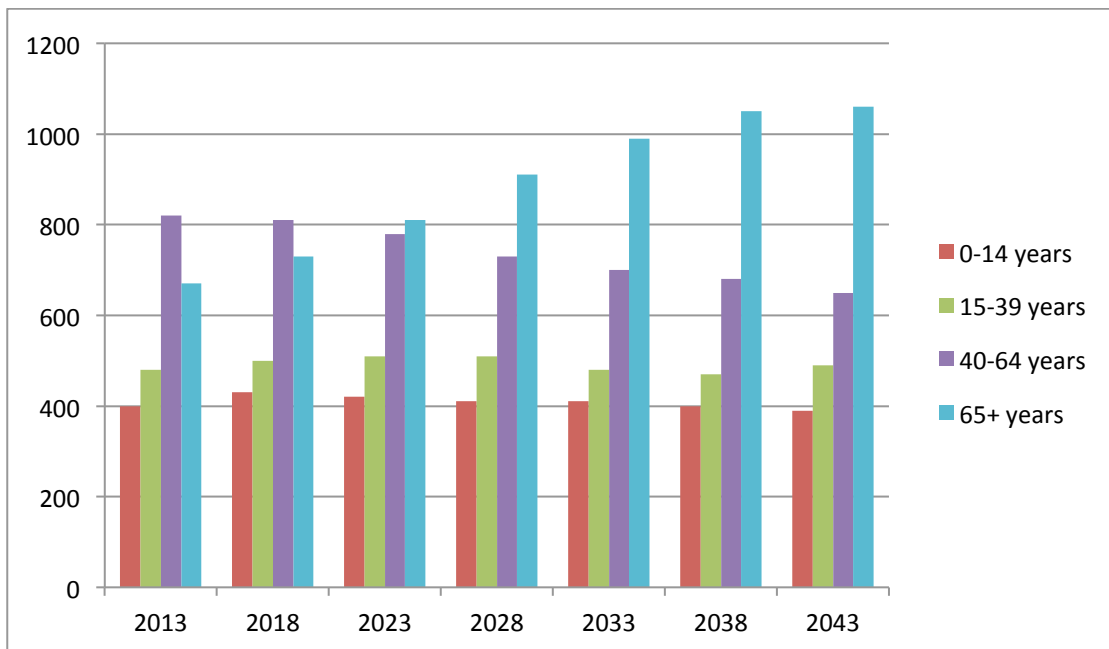


Figure 2.1 - Geraldine Area Unit Population and Age Projections 2013-2043, Medium Scenario
 Source: As per Table 4 above.

In summary, Table 2.3 and Figure 2.1 indicate that the:

- 65+ year old cohort will become the largest age cohort in Geraldine by 2023;
- 65+ year old cohort will have the largest increase out of all cohorts;
- 40-64 year old cohort is projected to decrease;
- 15-39 year old cohort is projected to slightly increase;
- 0-14 year old cohort is projected to maintain itself.

HOUSEHOLD PROJECTIONS

The household projections shown in Table 2.4 and Figure 2.2 indicate that the number of households in Geraldine is predicted to increase by 192 households between 2013 and 2043. This mirrors the population projections, which predict population increase up to 2038 before levelling off. Household formation rates have been in decline since 1991 (as illustrated in Table 2.5), which continues to create a demand for new housing.

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS BY 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	1,100	1,160	1,200	1,230	1,250	1,260	1,292	192	6.4
"ACTUAL" PROJECTION	1,100	1,165	1,230	1,296	1,361	1,427	1,492	392	13.1

Table 2.4 - Projected Households for Geraldine Area Unit 2013-2043

Source: Statistics NZ Household Projections by Area Unit(2013 base). 2038-2043 Projection calculated by the writer by projecting forward trends in Statistics NZ 2013-2038 projections. Actual number of dwellings constructed between 1993 and 2013 have been sourced from Council building consent data and projected forward by the writer by adding the average over that period.

March 2017 Addendum: The Statistics New Zealand Medium Projections (to 2043) identify housing projections for Geraldine as follows:

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS BY 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	1,008	1,062	1,097	1,121	1,141	1,151	1,151	143	4.7

Table 2.4A - Projected Households for Geraldine Area Unit 2013-2043

Source: Statistics NZ Household Projections by Area Unit(2013 base) to 2043.

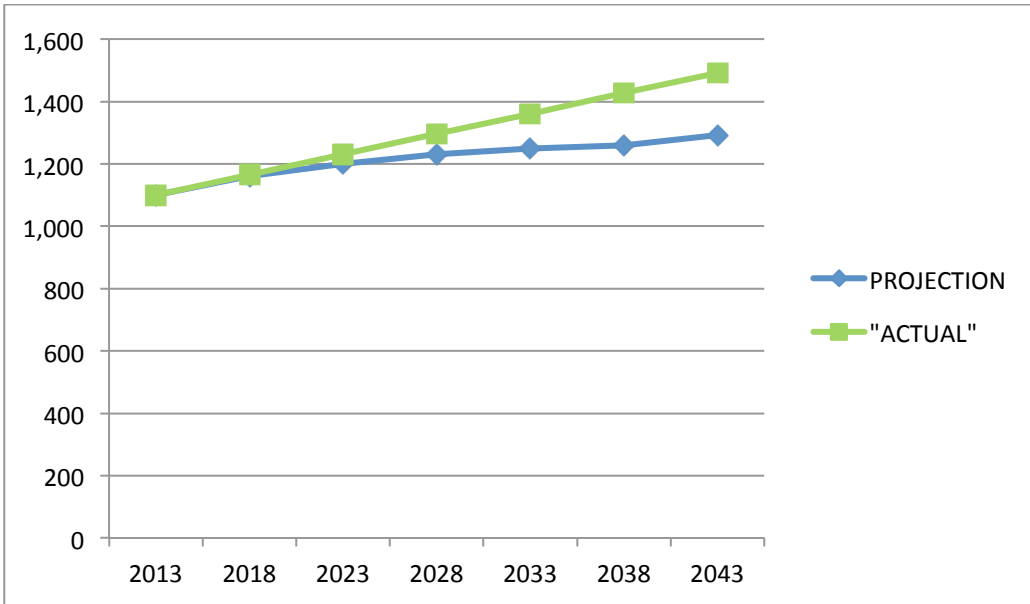


Figure 2.2 - Projected Households for Geraldine Area Unit 2013-2043
 Source: As per Table 2.4 above.

YEAR		
2001	2006	2013
2.27	2.2	2.18

Table 2.5 - Geraldine Area Unit Household Formation Rates 2001-2013

Source: Statistics NZ 2001, 2006, and 2013 Census Usually Resident Population and Total Private Occupied Dwellings

Provided in Table 2.6 are the actual number of dwellings constructed in Geraldine from 1993 to 2013. These figures have been used in the 'Actual' row of Table 2.4 and are projected forward to 2043. These projections are higher than household projections provided by Statistics NZ.

YEAR																					
93'	94'	95'	96'	97'	98'	99'	00'	01'	02'	03'	04'	05'	06'	07'	08'	09'	10'	11'	12'	13'	TOTAL
17	8	11	4	12	0	2	4	2	4	13	14	31	11	17	23	10	19	13	18	29	262

Table 2.6- Dwellings Constructed in Geraldine Area Unit 1993-2013

Source: Council building consent data

From the data provided in Table 2.4 we can conclude that additional housing will likely be required in Geraldine over the next 30 years.

QUANTUM OF NEW HOUSING REQUIRED

We now need to determine how much housing will be required. As is illustrated in Table 2.4 and Figure 2.2 above, the 'Actual' number of dwellings constructed by 2043 in Geraldine is predicted to be above that predicted by Statistics NZ and the writer. As such, it is considered prudent in this case to consider the range of scenarios from the statistics NZ projection, which predicts 192 additional households, to the 'Actual' scenario, which predicts 392 additional households. Therefore, it is likely that between 192 and 392 additional households will be required in Geraldine by 2043.

March 2017 Addendum: Based on the application of the Statistics New Zealand Medium Growth Projections, as applied to the NPS-UDC guidance for the provision of short, medium and long term demands (and appropriate buffers), the forecast supply for additional households is as below:

Settlement	Demand		
	2018 (short term)	2028 (medium term)	2043 (longer term)
Geraldine Settlement	54	113	143
Geraldine Settlement + buffer	+20% (65)	+20% (136)	+15% (164)

TYPE OF HOUSING REQUIRED

Now we know how much housing will be required in Geraldine over the next 30 years, we now need to investigate what type of housing will be required?

The current make up of households in Geraldine is illustrated by the 2013 census data which confirms that 64% of households in Geraldine are family households, 33.6% are one-person households and 2.3% are other multi person households. It should be noted that a household is defined by Statistics NZ as:

“A household is either one person who usually resides alone, or two or more people who usually reside together and share facilities (such as for eating, cooking, or a living area; and bathroom and toilet) in a private dwelling.”⁶

In terms of the likely make up of households going forward, household type projections down to area unit level are not available. However, household type projections for the Timaru District as a whole are available as per Table 2.7 and Figure 2.3 below.

HOUSEHOLD TYPE	YEAR						
	2013	2018	2023	2028	2033	2038	2043
ONE-PERSON	5,239	5,639	6,060	6,470	6,873	7,201	7,463
OTHER MULTI-PERSON	595	599	589	583	590	590	586
FAMILY	12,826	13,184	13,467	13,625	13,642	13,549	13,402

Table 2.7 - Projected Household Type for Timaru District 2013-2043

Source: Natalie Jackson, University of Waikato ⁷

⁶ Statistics New Zealand, www.stats.govt.nz

⁷ Jackson, N.O. “Timaru District Council – Population and Household projections 2013-2063”. Report Commissioned by Timaru District Council. August 2014. Natalie Jackson Demographics Ltd as a sub-contract to the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

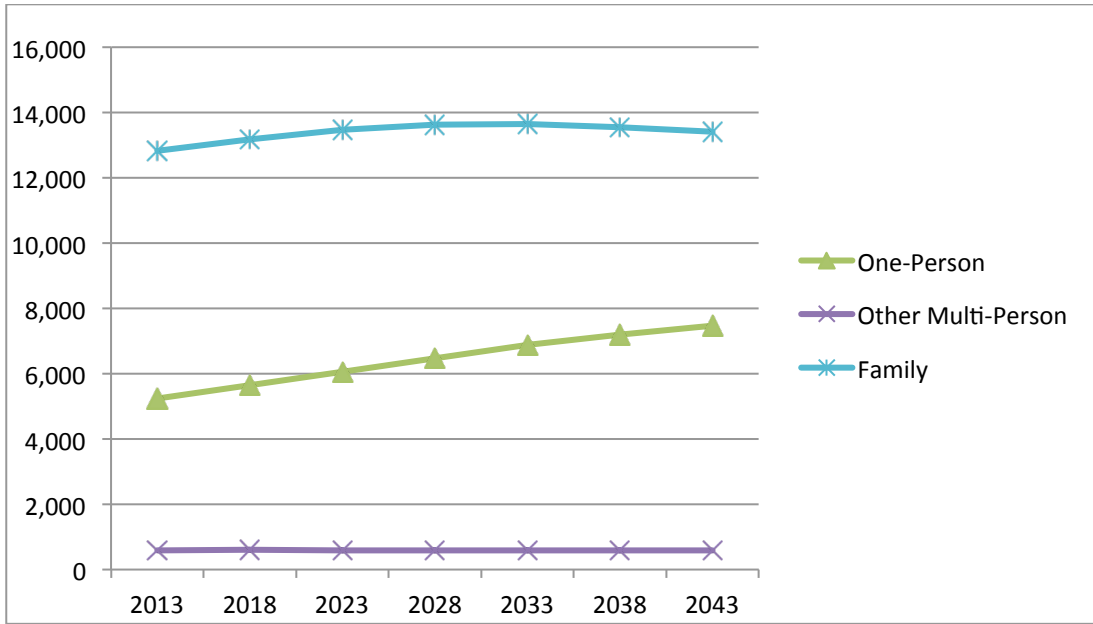


Figure 2.3 - Projected Household Type for Timaru District 2013-2043
 Source: As per Table 2.7 above.

This data indicates that in the Timaru District by 2043, 61% of households will accommodate families and 34% will accommodate one-person. The general trend in the district household type projections from 2013-2043 is a steady growth in one-person households and general stagnation of family and other multi-person households.

Although the district household type projections are not specific to Geraldine, they give some indication as to the likely make up of households in Geraldine in the next 30 years, in particular that there will be a steady rise in one-person households and general stagnation of family type households. This is further confirmed by looking again at the population projections by age in Table 2.3 which show that the 65+ year old cohort will increase the most out of all cohorts from 2013 to 2043. By 2043 the 65+ cohort will constitute 35-41% of the Geraldine population, depending on the scenario.

Generally speaking, families seek houses with more bedroom accommodation (i.e. 3-5 bedrooms) on larger allotments to provide for the space requirements of children. Conversely, people over 65 years old (particularly over 70) are generally looking to down size to smaller houses (i.e. 1-2 bedrooms) and sites with lower maintenance requirements and day to day living costs. Although not all people in the 65+ year old age cohort will want to downsize, it is likely that many will.

As such, given the household type trends which are likely to occur in Geraldine over the next 30 years, being a steady increase in one-person households, there is likely to be increased demand for smaller houses and those more compact in form e.g. town houses and flats, on smaller allotments. It is also noted that whilst there is likely to be stagnation of family type households, these households will continue to make up the majority of household types in Geraldine and as such there will be continued demand, though little growth, for larger houses on larger allotments.

LOCATION OF HOUSING REQUIRED

As discussed above, Geraldine will likely experience steady growth in one-person households and by 2043 the 65+ cohort will constitute 35-41% of the population of Geraldine. In addition, family type households will continue to make up the majority of household types in Geraldine.

In regards to the 65+ cohort, people in this age group, particularly those over 70, are generally looking to down size to smaller houses on smaller allotments. In addition, this age group also have a preference to be located closer to services and facilities such as health care, library and shops etc. Given this, it is likely that there will be increased demand for housing close to and/or within walking distance of the Geraldine town centre, where services such as banks, the library and shops are predominantly located.

Whilst family type households will not experience significant growth up to 2043, they will continue to make up the majority of household types in Geraldine. As such, there will be continued demand for family sized houses on family sized allotments. In terms of location, anecdotal evidence would suggest a preference for housing to the east of the Waihi River, due to its proximity to town and the local High School, flat land and less industrial activity.

CURRENT HOUSEHOLD & ALLOTMENT TYPE

We now need to establish if Geraldine's current household and allotment stock is sufficient to accommodate the predicted residential growth of an additional 192 to 392 households over the next 30 years or if further residential zoned land will be required.

Table 2.8 below shows the 2013 census results for the number and percentage of bedrooms per dwelling in the Geraldine Area Unit.

BEDROOMS	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT +	OTHER	TOTAL
No.	33	261	528	177	27	6	3	3	21	1059
%	3.1	24.6	49.8	16.7	2.5	0.6	0.3	0.3	2	N/A

Table 2.8 - Number and Percentage of Bedrooms per Dwelling for Geraldine Area Unit

Source: Statistics NZ: Census 2013, number of bedrooms for occupied private dwellings

The data from Table 2.8 indicates that the majority (49.8%) of Geraldine's housing stock is made up of three bedroom dwellings with the remainder being mostly two (24.6%) and four (16.7%) bedroom dwellings.

Table 2.9 below indicates that most dwellings (87.8%) in Geraldine are in the form of separate or detached houses, while 9% of dwellings have a more compact form (i.e. flat, units, townhouse, apartment etc.)

	SEPARATE HOUSE	TWO OR MORE FLATS/UNITS/TOWNHOUSES/APARTMENTS/HOUSES JOINED TOGETHER	OTHER OCCUPIED PRIVATE DWELLINGS	OCCUPIED PRIVATE DWELLING NOT FURTHER DEFINED	TOTAL
No.	927	96	3	33	1056
%	87.8	9.1	0.3	3.1	N/A

Table 2.9 - Geraldine Area Unit Dwelling Type in 2013

Source: Statistics NZ: Census 2013, Occupied Private Dwelling Type

Comparing the existing housing stock and the predicted demand for households it is apparent that there will be a lack of one and two bedroom dwellings, particularly those more compact in form, to cater for the 35-41% of the population predicted to be aged 65+ in Geraldine by 2046. Therefore, it is likely that there will need to be an increase in the supply of one and two bedroom houses in Geraldine over the next 30 years. The next question is whether the additional dwellings can be accommodated within the existing residential zoned land?

The February 2016 survey identified some 12.8 hectares of vacant residential zoned land in Geraldine which produces a yield of some 196 houses (assuming an average allotment size of 650m²). See Figure 2.4 below. As such, taking into account that between 192 and 392 additional houses are likely to be required in Geraldine by 2043, some of these additional households will be able to be accommodated within existing vacant residential zoned land. Furthermore, an analysis of the existing and consented allotment sizes in Geraldine establishes that the average allotment size in Geraldine is approximately 1100m² (Figure 2.5). This abundance of larger allotments and a large average allotment size, would suggest that there is significant scope for infill development within the existing residential zoned land.

Therefore, it is considered that there is sufficient vacant and large Residential 1 zoned allotments in Geraldine to accommodate the predicted steady growth in one-person households and the 65+ age group within the next 30 years.

March 2017 Addendum: The December 2016 feasibility survey identified conservatively that there is 7.83ha of developable residential land within Geraldine. Assuming that some 30% of developable land is utilised for roading, stormwater and parks, this produces a yield of some 84 houses at 650m² per allotment.

Given, a demand for 164 allotments at 2043 (inclusive of a 15% buffer) there is a shortfall in meeting long term demand of some 80 households.

In addition to the above, and noting that family type households will continue to make up the majority of household types in Geraldine over the next 30 years, demand for larger houses on larger allotments will continue. Therefore, it is considered that the majority of family type household development, larger houses on larger allotments, will be able to be accommodated within the existing residential zoned land. However, it is recognised that some further residential zoned land, may be desirable to meet market demand for new lots. Given this it would be prudent to assume that some additional residential zoned land may be required in Geraldine.

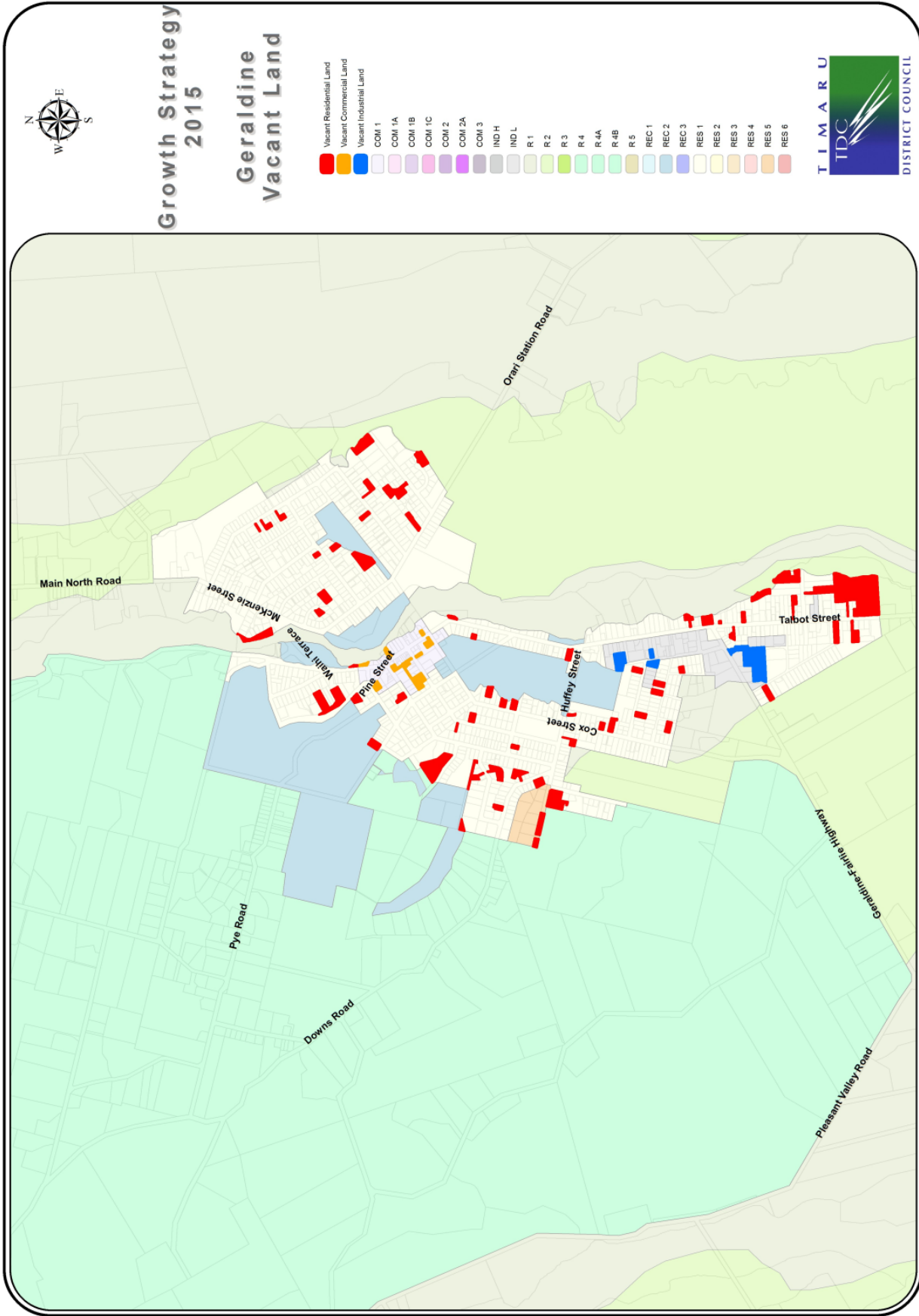


Figure 2.4- Geraldine Vacant Land
Source: Timaru District Council

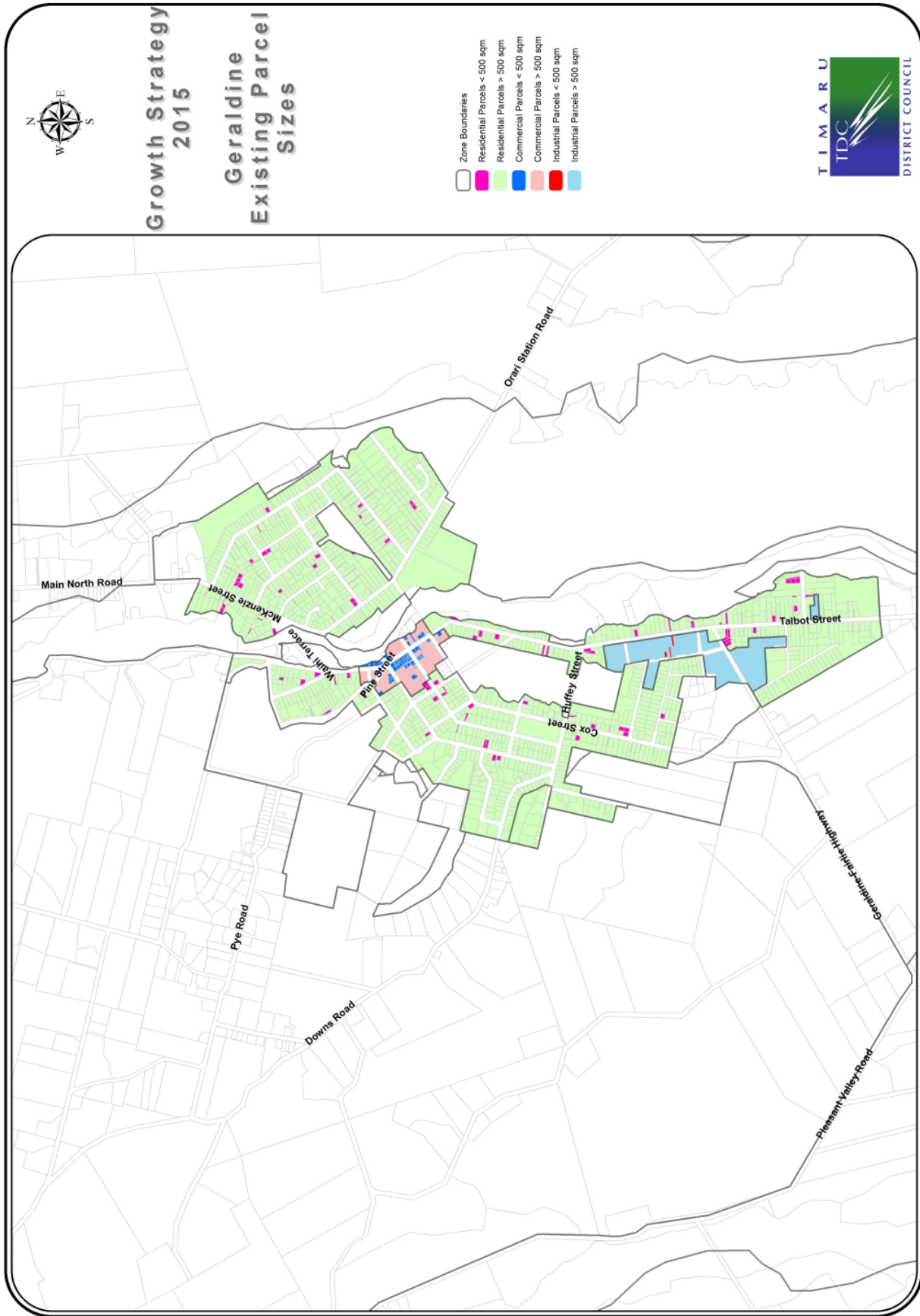


Figure 2.5- Geraldine Existing Parcel sizes
Source: Timaru District Council

SUMMARY – ADDENDUM MARCH 2017

- Statistics New Zealand Medium Projections in conjunction with the application of NPS-UDC supply buffers identify 164 dwellings being required by 2043.
- By 2043 the 65+ age group will constitute 35-41% of the population of Geraldine.
- There will likely be continued preference for locations east of the Waihi River and close to the Geraldine town centre.
- There is not sufficient long term vacant and large Residential 1 zoned allotments in Geraldine to accommodate the majority of predicted residential growth in the next 30 years. Additional residential zoned land may be desirable to meet market demand.

TEMUKA

ESTIMATED & PROJECTED POPULATION

In the 2013 census, the Temuka Area Unit had a population of 4,051. The most recent Statistics NZ population estimates for the Temuka Area Unit (Table 2.10) indicate that its population between 2006 and 2013 is likely to have increased by 80 people. It is noted that the 2013 census population is lower than that estimated in Table 2.10 below.

YEAR							
2006	2007	2008	2009	2010	2011	2012	2013
4130	4140	4110	4120	4120	4140	4080	4210

Table 2.10 - Estimated Population Temuka Area Unit 30 June 2006-2013

Source: Statistics NZ, Dataset: Estimated subnational population (Territorial Authority, Area Unit), by age and sex, at 30 June 2006-13 (2013 boundaries)

Table 2.11 and Figure 2.6 provide the medium scenario population projections for the Temuka Area Unit up to 2043.

YEAR							
2013	2018	2023	2028	2033	2038	2043	CHANGE 2013-2043
4180	4260	4310	4360	4390	4390	4350	170

Table 2.11- Temuka Area Unit Population Projections 2006-2043, Medium Scenario

Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age Statistics NZ 2013 (base) -2043 projections.

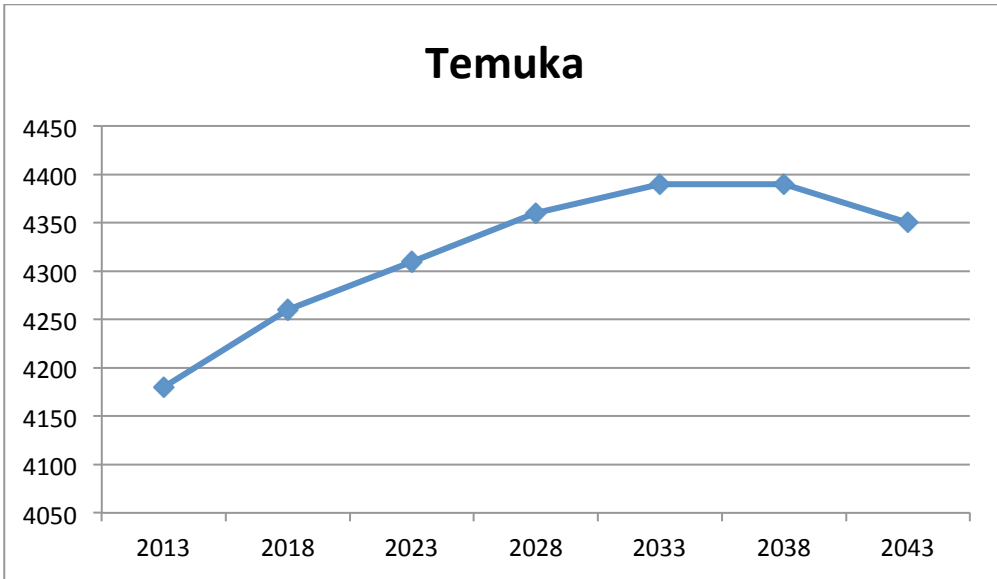


Figure 2.6- Temuka Area Unit Population Projections 2013-2043, Medium Scenario
 Source: As per Table 2.11 above.

Table 2.12 and Figure 2.7 provide population projections by age for the Temuka Area Unit from 2013 to 2043.

AGE GROUP	YEAR						
	2013	2018	2023	2028	2033	2038	2043
0-14 YEARS	750	710	740	740	750	720	680
15-39 YEARS	1050	1080	1070	1090	1030	990	970
40-64 YEARS	1430	1370	1300	1210	1170	1160	1170
65 YEARS +	950	1090	1200	1320	1450	1510	1520

Table 2.12 - Temuka Area Unit Population and Age Projections 2013-2043
 Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043.

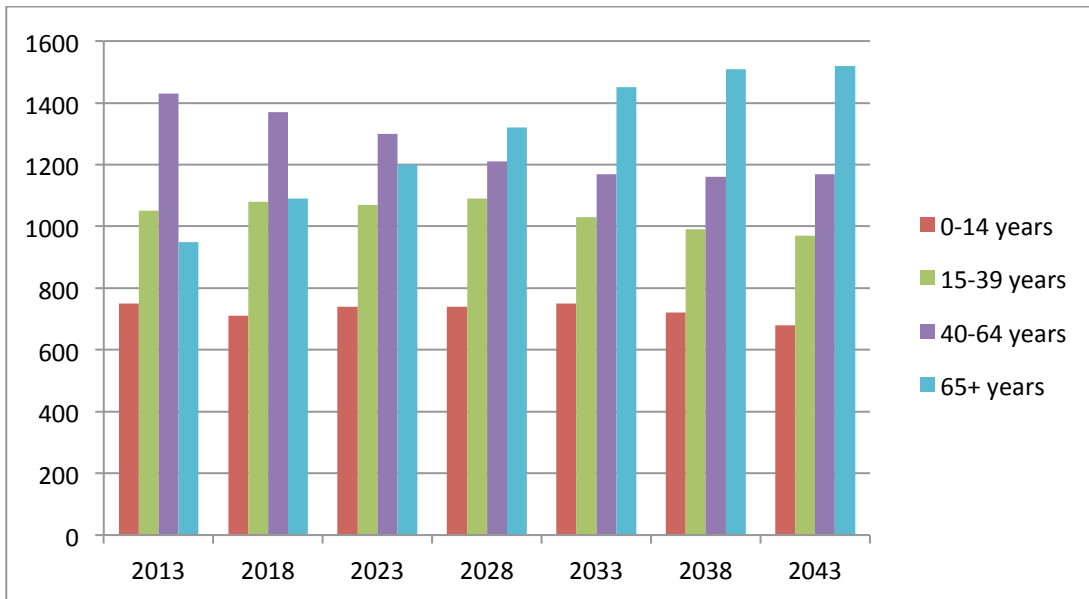


Figure 2.7 - Temuka Area Unit Population and Age Projections 2013-2043, Medium Scenario
Source: As per Table 2.12 above.

In summary, Table 2.12 and Figure 2.7 indicate that the:

- 65+ year old cohort will become the largest age cohort in Temuka by 2028.
- 65+ year old cohort will have the largest increase out of all cohorts;
- 40-64 year old cohort is projected to decline;
- 15-39 year old cohort is projected to decline;
- 0-14 year old cohort is projected to decline.

HOUSEHOLD PROJECTIONS

The household projections shown in Table 2.13 and Figure 2.8 below indicate that the number of households in Temuka is predicted to increase by 187 between 2013 and 2043. This is similar to the population projections which show an increase to 2033 and a levelling off and decline there after. Household formation rates are shown in in table 2.14.

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	1,850	1,910	1,960	1,990	2,020	2,030	2,037	187	7.2
“ACTUAL” PROJECTION	1,850	1,912	1,974	2,036	2,098	2,160	2,222	372	12.4

Table 2.13- Projected Households for Temuka Area Unit 2013-2043

Source: Statistics NZ Household Projections by Area Unit (2013 base) 2038-2043 Projection calculated by the writer by projecting forward trends in Statistics NZ 2013-2038 projections. Actual number of dwellings constructed between 1993 and 2013 have been sourced from Council building consent data and projected forward by the writer by adding the average over that period.

March 2017 Addendum: The Statistics New Zealand Medium Projections (to 2043) identify housing projections for Temuka as follows:

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS BY 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	1,777	1,831	1,875	1,910	1,934	1,943	1,925	148	4.9

Table 2.13A - Projected Households for Temuka Area Unit 2013-2043
 Source: Statistics NZ Household Projections by Area Unit(2013 base) to 2043.

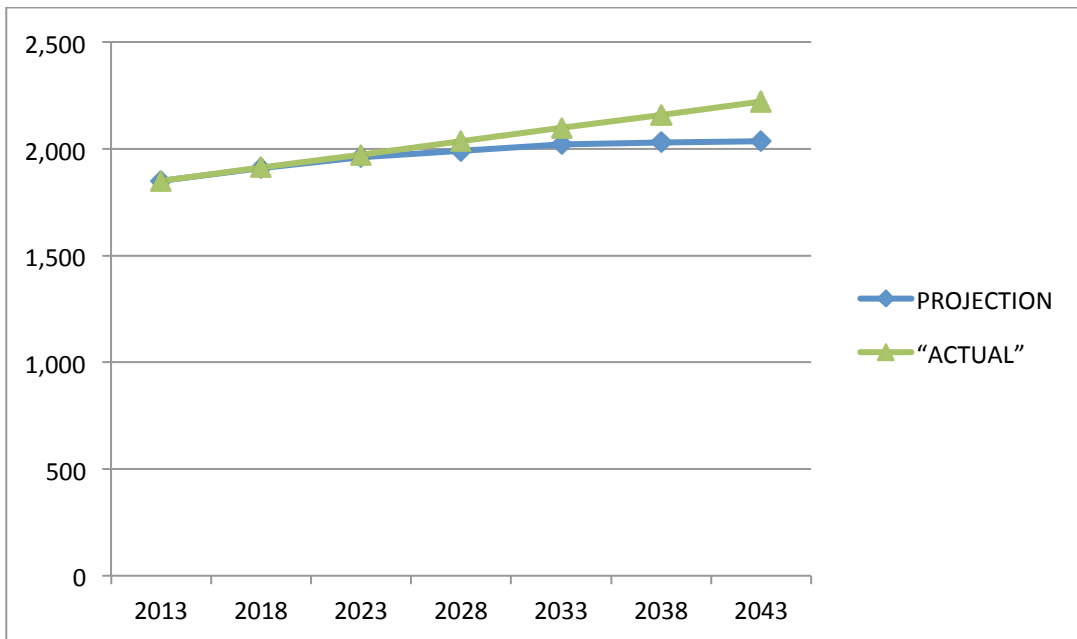


Figure 2.8- Projected Households for Temuka Area Unit 2013-2043
 Source: As per Table 2.13 above.

YEAR		
2001	2006	2013
2.43	2.37	2.29

Table 2.14 - Temuka Area Unit Household Formation Rates 2001-2013
 Source: Statistics NZ 2001, 2006, and 2013 Census Usually Resident Population and Total Private Occupied Dwellings

Provided in Table 2.15 below is the actual number of dwellings constructed in Temuka from 1993 to 2013. The actual number of dwellings constructed is higher than the household projections provided by Statistics NZ.

YEAR																					
93'	94'	95'	96'	97'	98'	99'	00'	01'	02'	03'	04'	05'	06'	07'	08'	09'	10'	11'	12'	13'	TOTAL
14	14	10	6	9	12	8	4	5	3	17	22	8	14	18	15	14	15	15	10	14	247

Table 2.15- Dwellings Constructed in Temuka Area Unit 1993-2013

Source: Council building consent data

From the data provided in Table 2.13 we can conclude that additional housing will likely be required in Temuka over the next 30 years.

QUANTUM OF NEW HOUSING REQUIRED

As is illustrated in Table 2.13 and Figure 2.8 above, the ‘Actual’ number of dwellings constructed by 2043 in Temuka is predicted to be above that predicted by Statistics NZ and the writer. Taking the range of scenarios therefore, it is likely that between 187 and 372 additional households will be required in Temuka by 2043.

March 2017 Addendum: Based on the application of the Statistics New Zealand Medium Growth Projections, as applied to the NPS-UDC guidance for the provision of short, medium and long term demands (and appropriate buffers), the forecast supply for additional households is as below:

Settlement	Demand		
	2018 (short term)	2028 (medium term)	2043 (longer term)
Temuka Settlement	54	133	148
Temuka Settlement + buffer	+20% (65)	+20% (159)	+15% (170)

TYPE OF HOUSING REQUIRED

The current makeup of households in Temuka is illustrated by the 2013 census data which confirms that 65.6% of households in Temuka are family households, 31.8% are on-person households and 2.6% are other multi person households.

As such, given the household type trends which are likely to occur in Temuka over the next 30 years, being a steady increase in one-person households, there is likely to be increased demand for smaller houses and those more compact in form e.g. town houses and flats, on smaller allotments. It is also noted that whilst there is likely to be stagnation of family type households, these households will continue to make up the majority of household types in Temuka and as such there will be continued demand, though little growth, for larger houses on larger allotments.

LOCATION OF HOUSING

Given the above, it is likely that there will be increased demand for housing close to and/or within walking distance of the Temuka town centre, where services such as banks, the library and shops are predominantly located.

Whilst family type households will not experience significant growth in the next 30 years, they will continue to make up the majority of household types in Temuka. As such, there will be continued demand for family sized houses on family sized allotments. In terms of location, building consents for the construction of dwellings and subdivision scheme plans consented in recent years indicate that residential development in Temuka is fairly well dispersed throughout the township with marginally more development apparent in the northern portion of the town. As such, there are no obvious preferences for residential location. However, it would be safe to assume that those areas closest to the industrial zoned land in the southern portion of the town would be less desirable than those further separated.

CURRENT HOUSEHOLD & ALLOTMENT TYPE

We now need to establish if Temuka's current household and allotment stock is sufficient to accommodate the predicted residential growth of an additional 187 to 372 households over the next 30 years or if further residential zoned land is required.

Table 2.16 below shows the 2013 Census results for the number and percentage of bedrooms per dwelling in the Temuka Area Unit.

BEDROOMS	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT +	OTHER	TOTAL
No.	72	366	888	330	54	6	3	3	45	1767
%	4.1	21	50.3	18.7	3.1	0.3	0.2	0.2	2.5	N/A

Table 2.16- Number and Percentage of Bedrooms per Dwelling for Temuka Area Unit

Source: Statistics NZ: Census 2013, number of bedrooms for occupied private dwellings

The data from Table 2.16 indicates that the majority (50.3%) of dwellings in Temuka are three bedroom, with the remainder being mostly two (21%) and four (18.7%) bedroom dwellings.

Table 2.17 below indicates that most dwellings (86.4%) in Temuka are in the form of separate or detached houses, while 10.2% of dwellings have a more compact form (i.e. flat, units, townhouse, apartment etc.)

	SEPARATE HOUSE	TWO OR MORE FLATS/UNITS/TOWNHOUSES/ APARTMENTS/HOUSES JOINED TOGETHER	OTHER OCCUPIED PRIVATE DWELLINGS	OCCUPIED PRIVATE DWELLING NOT FURTHER DEFINED	TOTAL
No.	1524	180	6	57	1764
%	86.4	10.2	0.3	3.2	N/A

Table 2.17- Temuka Area Unit Dwelling Type in 2013

Source: Statistics NZ: Census 2013, Occupied Private Dwelling Type

Comparing the existing housing stock and the predicted demand for households, it is apparent that there will be a lack of one and two bedroom dwellings, particularly those more compact in form, to cater for the 41-47% of the population predicted to be aged 65+ in Temuka by 2046. Therefore, it is likely that there will need to be an increase in the supply of one and two bedroom dwellings in Temuka over the next 30 years. The next question is whether the additional dwellings can be accommodated within the existing residential zoned land?

There is currently some 10.73 hectares of vacant residential zoned land in Temuka which produces a yield of some 165 houses (assuming an average allotment size of 650m²). However, it is noted that development on some of these vacant sites may be restricted due to potential flood risk. See Figure 2.9 below.

March 2017 Addendum: The December 2016 feasibility survey identified conservatively that there is 13.1 ha of developable residential land within Temuka. Assuming that some 30% of developable land is utilised for roading, stormwater and parks, this produces a yield of some 141 houses at 650m² per allotment.

Given, a demand for 170 allotments at 2043 (inclusive of a 15% buffer) there is a modest shortfall in meeting long term demand of some 29 households, albeit these can likely be provided through intensification and infill.

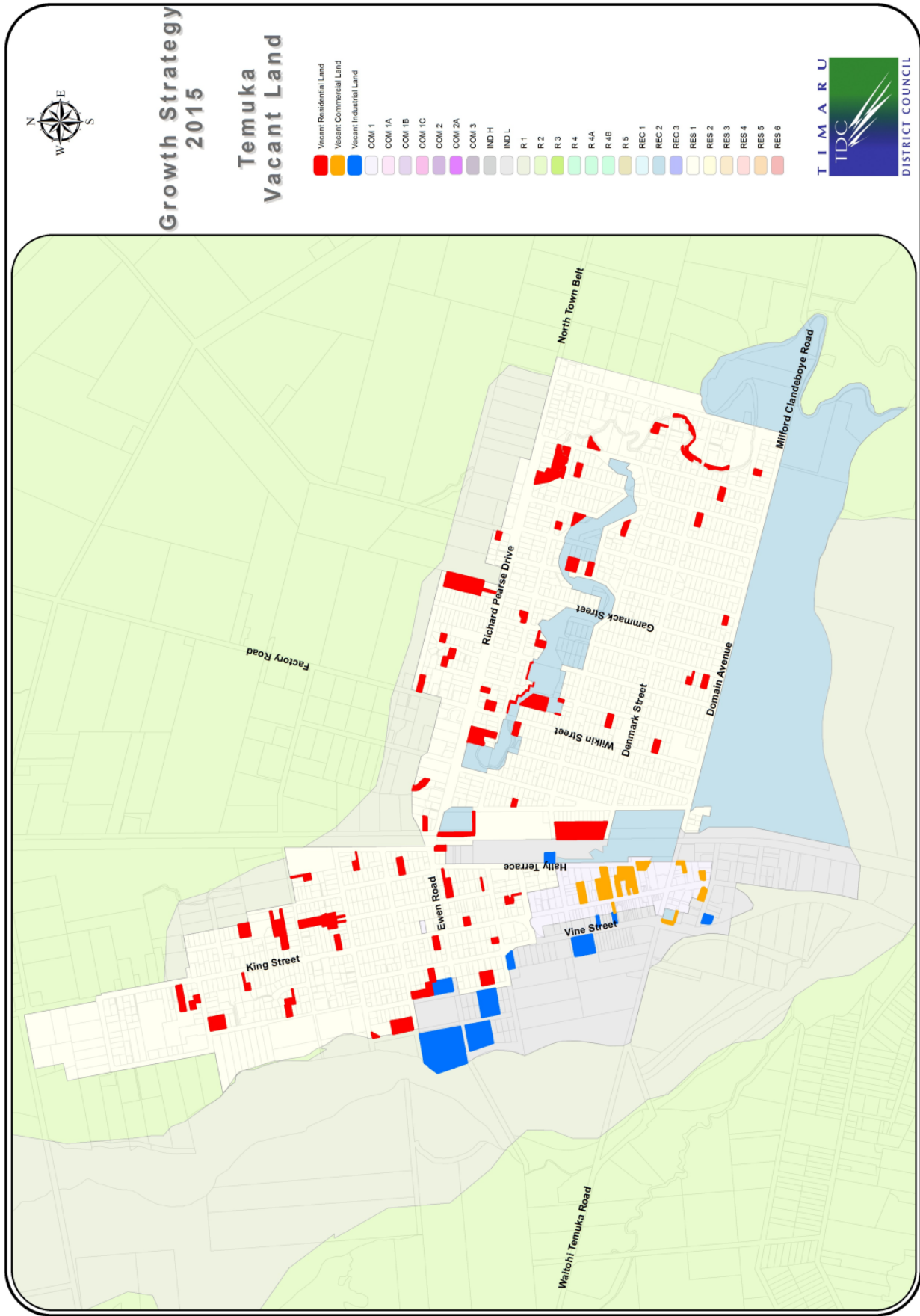


Figure 2.9 – Temuka Vacant Land
Source: Timaru District Council

It is also noted that the Temuka North West deferred residential zone (Figure 2.10) facilitates the residential development of the area immediately to the north west of Temuka.

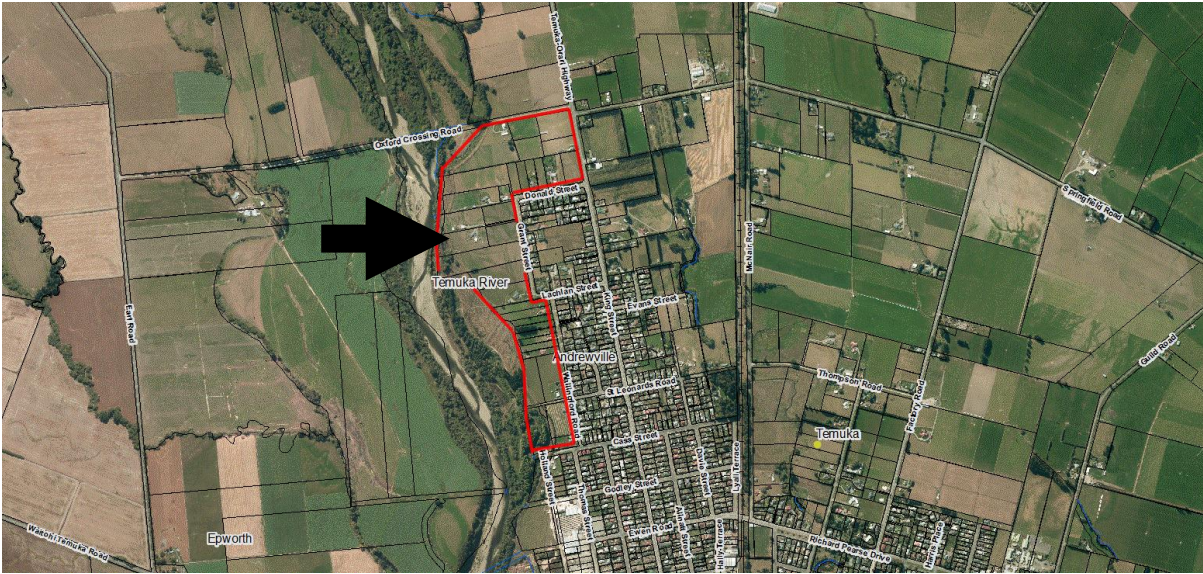


Figure 2.10 – Temuka North West Deferred Residential Zone

Source: Timaru District Council

This area totals some 24 hectares and would produce a yield of approximately 369 houses. Due to infrastructural constraints this land has not been developed to date, however increases in demand could see it developed in the future.

March 2017 Addendum: The prospect of some of this area being developed in the long term has been incorporated within the 13.1 ha of developable residential land yield identified above.

Taking into account that between 187 and 372 additional houses are likely to be required in Temuka by 2043, there appears to be sufficient residential zoned land to accommodate these additional houses. Furthermore, the average allotment size in Temuka is 1100m² (Figure 2.11). This abundance of larger allotments and large average allotment size, would suggest that there is significant scope for infill development within the existing Residential 1 zone.

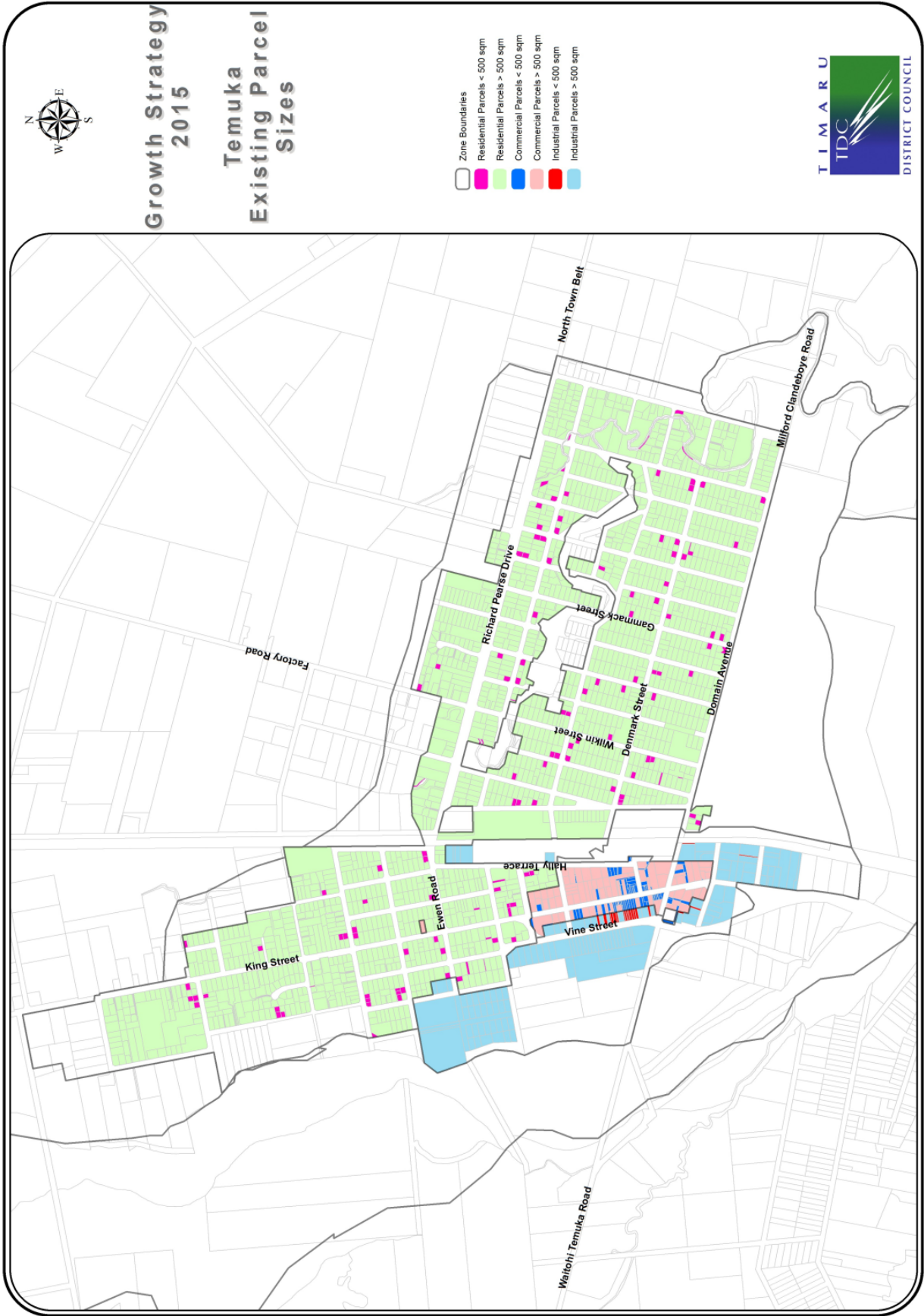


Figure 2.11 – Temuka Existing Parcel Sizes
Source: Timaru District Council

As such, it is considered that there is sufficient vacant and large Residential 1 zoned allotments in Temuka to accommodate the predicted steady growth in one-person households and the 65+ age group within the next 30 years.

In addition to the above, it is considered that the majority of family type household development, larger houses on larger allotments, will be able to be accommodated within the confines of the existing township.

SUMMARY - ADDENDUM 2017

- Statistics New Zealand Medium Projections in conjunction with the application of NPS-UDC supply buffers identify 170 dwellings being required by 2043.
- By 2043 the 65+ age group will constitute 35-41% of the population of Temuka.
- There will be increased demand for housing close to and/or within walking distance of the Temuka town centre.
- There is sufficient vacant and large Residential 1 zoned allotments in Temuka to accommodate the predicted residential growth in the next 30 years.

PLEASANT POINT

ESTIMATED & PROJECTED POPULATION

In the 2013 census, the Pleasant Point Area Unit had a population of 1,278. The most recent Statistics NZ population estimates for the Pleasant Point Area Unit (Table 2.18) indicate that its population between 2006 and 2013 is likely to have increased by 130 people.

YEAR							
2006	2007	2008	2009	2010	2011	2012	2013
1200	1200	1210	1210	1220	1220	1270	1330

Table 2.18 - Estimated Population Pleasant Point Area Unit 30 June 2006-2013

Source: Statistics NZ, Dataset: Estimated subnational population (Territorial Authority, Area Unit), by age and sex, at 30 June 2006-13 (2013 boundaries)

Table 2.19 and Figure 2.12 provide population projections for the Pleasant Point Area Unit up to 2043.

YEAR							CHANGE PEOPLE 2013-2043
2013	2018	2023	2028	2033	2038	2043	
1320	1400	1470	1560	1640	1720	1800	480

Table 2.19- Pleasant Point Area Unit Population Projections 2013-2043, Medium Scenario

Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043.

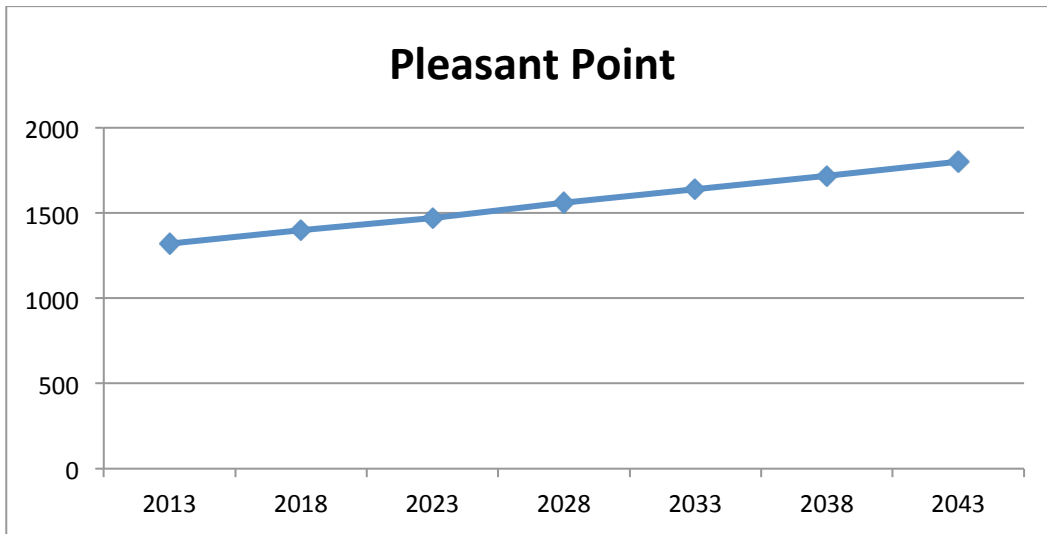


Figure 2.12 - Pleasant Point Area Unit Population Projections 2013-2043, Medium Scenario
Source: As per Table 2.19 above.

Table 2.20 and Figure 2.13 provide population projections by age for the Pleasant Point Area Unit from 2013 to 2043.

AGE GROUP	YEAR						
	2013	2018	2023	2028	2033	2038	2043
0-14 YEARS	290	300	320	320	340	350	360
15-39 YEARS	320	350	380	410	420	460	480
40-64 YEARS	460	470	440	430	450	450	470
65 YEARS +	250	280	330	400	440	460	480

Table 2.20- Pleasant Point Area Unit Population and Age Projections 2013-2043

Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043.

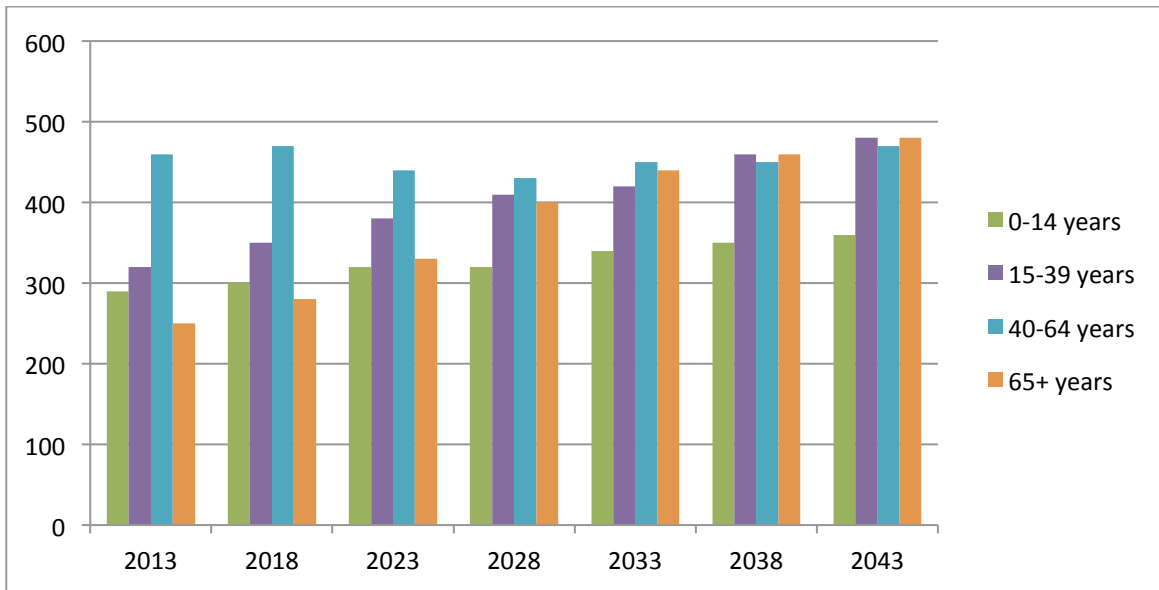


Figure 2.13- Pleasant Point Area Unit Population and Age Projections 2013-2043, Medium Scenario
Source: As per Table 2.20 above.

In summary, Table 2.20 and Figure 2.13 indicate that the:

- 65+ year old cohort will become the largest age cohort in Pleasant Point by 2038;
- 65+ year old cohort will have the largest increase out of all cohorts;
- 40-64 year old cohort is projected to decline;
- 15-39 year old cohort is projected to increase;
- 0-14 year old cohort is projected to increase.

HOUSEHOLD PROJECTIONS

The household projections shown in Table 2.21 and Figure 2.14 below indicate that the number of households in Pleasant Point is predicted to increase by 240 between 2013 and 2043. This mirrors the population projections, which predict population increase up to 2043.

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2023	2033	2038	2043		
MEDIUM PROJECTION	550	590	630	670	710	750	790	240	8.0
“ACTUAL” PROJECTION	550	567	584	601	618	635	652	102	3.4

Table 2.21 - Projected Households for Pleasant Point Area Unit 2013-2043

Source: Statistics NZ Household Projections by Area Unit (2013 base). 2038-2043 Projection calculated by the writer by projecting forward trends in the Statistics NZ 2013-2038 projections. Actual number of dwellings constructed between 1993 and 2013 have been sourced from Council building consent data and projected forward by adding the average over that period.

March 2017 Addendum: The Statistics New Zealand Medium Projections (to 2043) identify housing projections for Pleasant Point as follows:

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS BY 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	561	602	640	683	723	761	797	236	7.8

Table 2.21A - Projected Households for Pleasant Point Area Unit 2013-2043
 Source: Statistics NZ Household Projections by Area Unit(2013 base) to 2043.

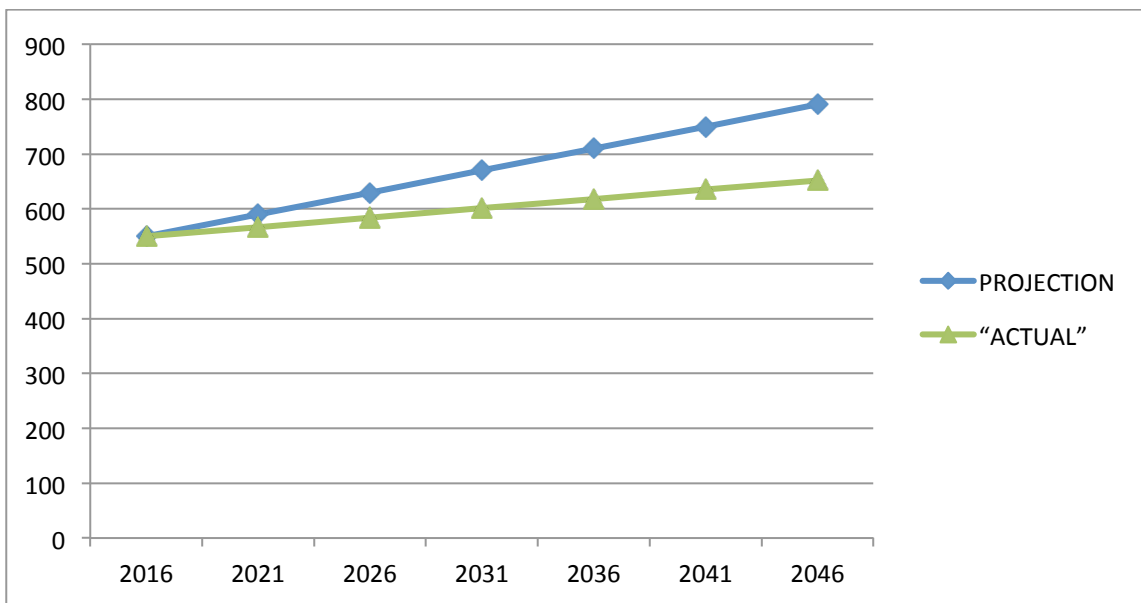


Figure 2.14- Projected Households for Pleasant Point Area Unit 2013-2043
 Source: As per Table 2.21 above.

YEAR		
2001	2006	2013
2.52	2.45	2.42

Table 2.22- Pleasant Point Area Unit Household Formation Rates 2001-2013
 Source: Statistics NZ 2001, 2006, and 2013 Census Usually Resident Population and Total Private Occupied Dwellings

Provided in Table 2.23 below are the actual number of dwellings constructed in Pleasant Point from 1993 to 2013. These figures have been used in the 'Actual' row of Table 2.21 and are projected forward to 2043. These projections are lower than the household projections provided by Statistics NZ.

YEAR																					
93'	94'	95'	96'	97'	98'	99'	00'	01'	02'	03'	04'	05'	06'	07'	08'	09'	10'	11'	12'	13'	TOTAL
4	5	2	3	3	3	1	1	0	1	4	0	5	4	9	3	5	3	1	3	6	66

Table 2.23 - Dwellings Constructed in Pleasant Point Area Unit 1993-2013

Source: Council building consent data

From the data provided in Table 2.21 we can conclude that additional housing will be required in Pleasant Point over the next 30 years.

QUANTUM OF NEW HOUSING REQUIRED

As illustrated in Table 2.21 and Figure 2.14 above, the 'Actual' number of dwellings constructed by 2043 in Pleasant Point is predicted to be below that predicted by Statistics NZ and the writer. Taking the range of scenarios therefore, it is likely that between 102 and 240 additional households will be required in Pleasant Point by 2043.

March 2017 Addendum: Based on the application of the Statistics New Zealand Medium Growth Projections, as applied to the NPS-UDC guidance for the provision of short, medium and long term demands (and appropriate buffers), the forecast supply for additional households is as below:

Settlement	Demand		
	2018 (short term)	2028 (medium term)	2043 (longer term)
Pleasant Point Settlement	41	122	236
Pleasant Point Settlement + buffer	+20% (49)	+20% (146)	+15% (271)

There is sufficient and feasible residential development land to 2028 to provide for forecast demand. Long term growth, at the rate forecast, may require additional greenfield development options.

TYPE OF HOUSING REQUIRED

The current make up of households in Pleasant Point is illustrated by the 2013 census data which confirms that 70.3% of households in Pleasant Point are family households, 27.9% are one-person households and 1.7% are other multi person households.

Given the household type trends which are likely to occur in Pleasant Point over the next 30 years, being a steady increase in one-person households, there is likely to be increased demand for smaller houses and those more compact in form e.g. town houses and flats, on smaller allotments. It is also noted that whilst there is likely to be stagnation of family type households, these households will continue to make up the majority of household types in Pleasant Point and as such there will be continued demand, though little growth, for larger houses on larger allotments.

LOCATION OF HOUSING REQUIRED

Whilst family type households will not experience significant growth in the next 30 years, they will continue to make up the majority of household types in Pleasant Point. As such, there will be

continued demand for larger houses on larger allotments. In terms of location, building consents for the construction of dwellings and subdivision scheme plans consented in recent years indicate that residential development in Pleasant Point is fairly well dispersed throughout the township with marginally more development apparent in the north western portion of the town. As such, there are no obvious preferences for residential location.

CURRENT HOUSEHOLD & ALLOTMENT TYPE

We now need to establish if Pleasant Point's current household and allotment stock is sufficient to accommodate the predicted residential growth of an additional 102 to 240 households over the next 30 years or if further residential zoned land will be required.

Table 2.24 below shows the 2013 Census results for the number and percentage of bedrooms per dwelling in the Pleasant Point Area Unit.

BEDROOMS	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT +	OTHER	TOTAL
No.	9	81	261	126	18	6	0	0	24	525
%	1.7	15.4	49.7	24	3.4	1.1	0	0	4.6	N/A

Table 2.24 - Number and Percentage of Bedrooms per Dwelling for Pleasant Point Area Unit

Source: Statistics NZ: Census 2013, number of bedrooms for occupied private dwellings

The data from Table 2.24 indicates that the majority (49.7%) of dwellings in Pleasant Point are three bedroom, with the remainder being mostly two (15.4%) and four (24%) bedroom dwellings.

Table 2.25 indicates that most dwellings (89.2%) in Pleasant Point are in the form of separate or detached houses, while only 4.5% of dwellings have a more compact form (i.e. flat, units, townhouse, apartment etc.)

	SEPARATE HOUSE	TWO OR MORE FLATS/UNITS/TOWNHOUSES/ APARTMENTS/HOUSES JOINED TOGETHER	OTHER OCCUPIED PRIVATE DWELLINGS	OCCUPIED PRIVATE DWELLING NOT FURTHER DEFINED	TOTAL
No.	471	24	0	30	528
%	89.2	4.5	0	5.7	N/A

Table 2.25 - Pleasant Point Area Unit Dwelling Type in 2013

Source: Statistics NZ: Census 2013, Occupied Private Dwelling Type

Comparing the existing housing stock and the predicted demand for households it is apparent that there will be a lack of one and two bedroom dwellings, particularly those more compact in form, to cater for the 36-43% of the population predicted to be aged 65+ in Pleasant Point by 2046. Therefore, it is likely that there will need to be an increase in the supply of one and two bedroom dwellings in Pleasant Point over the next 30 years. The next question is whether the additional dwellings can be accommodated within the existing residential zoned land?

There is currently 18.35 hectares of vacant residential zoned land in Pleasant Point which produces a yield of some 282 houses (assuming an average allotment size of 650m²). See Figure 2.15 below. However, it is noted that development on some of these vacant sites may be restricted due to potential flood risk. Taking into account that between 102 and 240 additional houses are likely to be required in Pleasant Point by 2043, there appears to be sufficient vacant residential zoned land to accommodate these additional houses. Furthermore, the average allotment size in Pleasant Point is 1150m² (Figure 2.16). This would suggest that there is significant scope for infill development within the existing residential zoned land.

As such, it is considered that there is sufficient vacant and large Residential 1 zoned allotments in Pleasant Point to accommodate the predicted steady growth in one-person households and the 65+ age group within the next 30 years.

In addition to the above, it is considered that the majority of family type household development, larger houses on larger allotments, will be able to be accommodated within the confines of the existing township.

March 2017 Addendum: The December 2016 feasibility survey identified conservatively that there is 11.98 ha of developable residential land within Pleasant Point. Assuming that some 30% of developable land is utilised for roading, stormwater and parks, this produces a yield of some 129 houses at 650m² per allotment.

Given, a demand for 271 allotments at 2043 (inclusive of a 15% buffer) there is a shortfall in meeting long term forecast demand of some 142 households. There is however sufficient feasible supply to meet demand to at least 2028. Longer term growth may be affected by infrastructure constraints and flooding within the settlement. Furthermore there is a sufficient gap between present demand (as identified by the 3.3 average building consents issued per annum) and the forecast Statistics New Zealand demand (being nine new dwellings being developed each year to 2043).

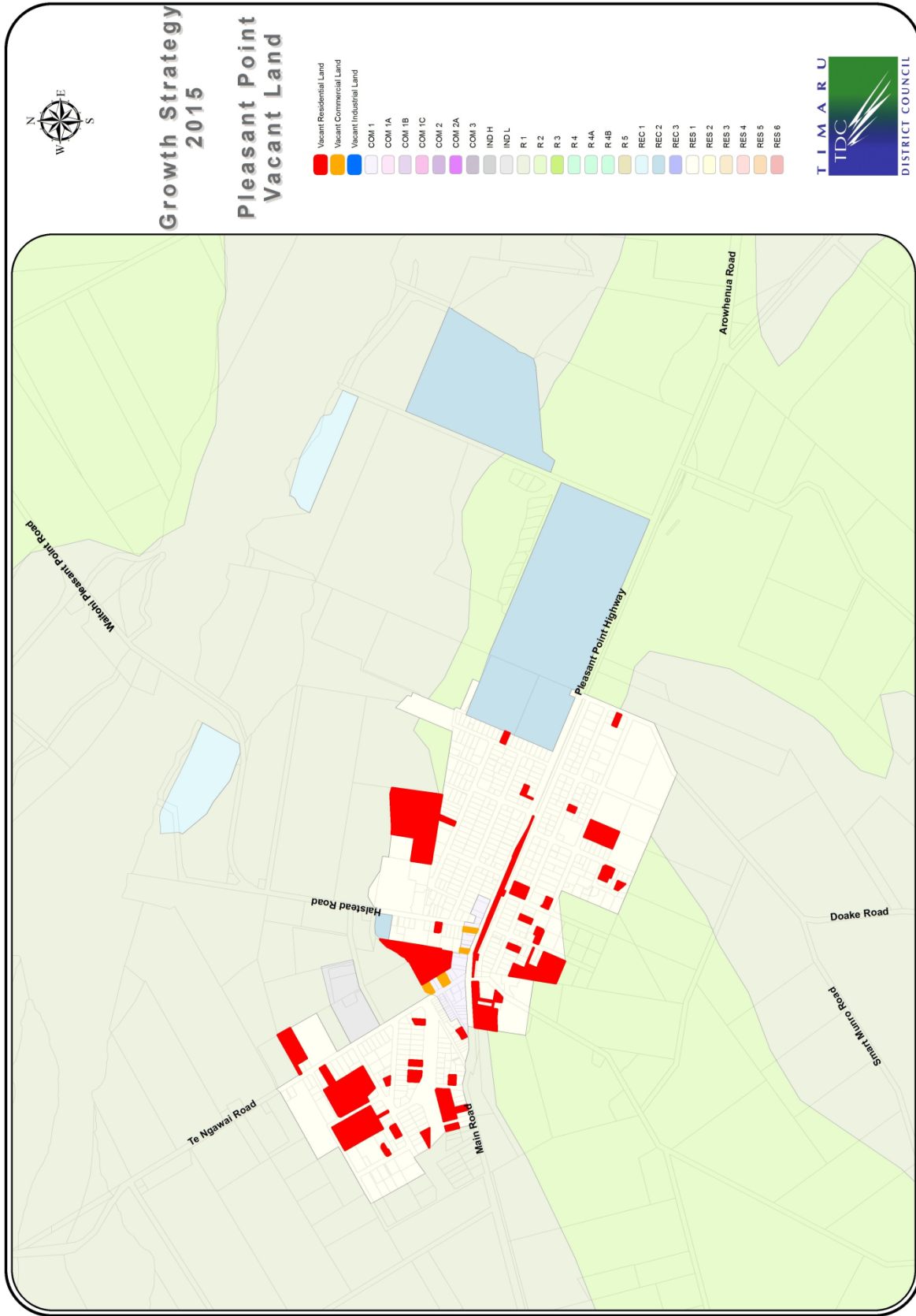


Figure 2.15 – Pleasant Point Vacant Land

Source: Timaru District Council



Figure 2.16 – Pleasant Point Existing Parcel Sizes
Source: Timaru District Council

SUMMARY

- Statistics New Zealand Medium Projections in conjunction with the application of NPS-UDC supply buffers identify 271 dwellings being required by 2043. This is significantly more than the average 3.3 building consents per annum issued over the past 20 years.
- By 2043 the 65+ age group will constitute 26-34% of the population of Pleasant Point.
- There will be increased demand for housing close to and/or within walking distance of the Pleasant Point town centre however this trend may be weaker than in other urban settlements due to the limited services available in the Pleasant Point town centre.
- There is sufficient vacant and large Residential 1 zoned allotments in Pleasant Point to accommodate the predicted residential growth to 2028. There is not sufficient land to provide for current forecast growth to 2043.

TIMARU

ESTIMATED & PROJECTED POPULATION

In the 2013 census, the Timaru Urban Area Units had a total population of 25,881. The most recent Statistics NZ population estimates for the Timaru Urban Area Units (Table 2.26) indicate that its population between 2006 and 2013 is likely to have increased by 450 people. It is noted that the 2013 census population is considerably lower than that estimated in Table 2.26 below.

YEAR							
2006	2007	2008	2009	2010	2011	2012	2013
26300	26360	26280	26310	26370	26450	26550	26750

Table 2.26 - Estimated Population Timaru Urban Area Units 30 June 2006-2013

Source: Statistics NZ, Dataset: Estimated subnational population (Territorial Authority, Area Unit), by age and sex, at 30 June 2006-13 (2013 boundaries)

Table 2.27 and Figure 2.17 provide the medium scenario population projections for the Timaru Urban Area Units up to 2043.

YEAR							CHANGE PEOPLE 2013-2043
2013	2018	2023	2028	2033	2038	2043	
26770	27240	27350	27380	27270	26970	26570	-200

Table 2.27 - Timaru Urban Area Units Population Projections 2013-2043, Medium Scenario

Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043.

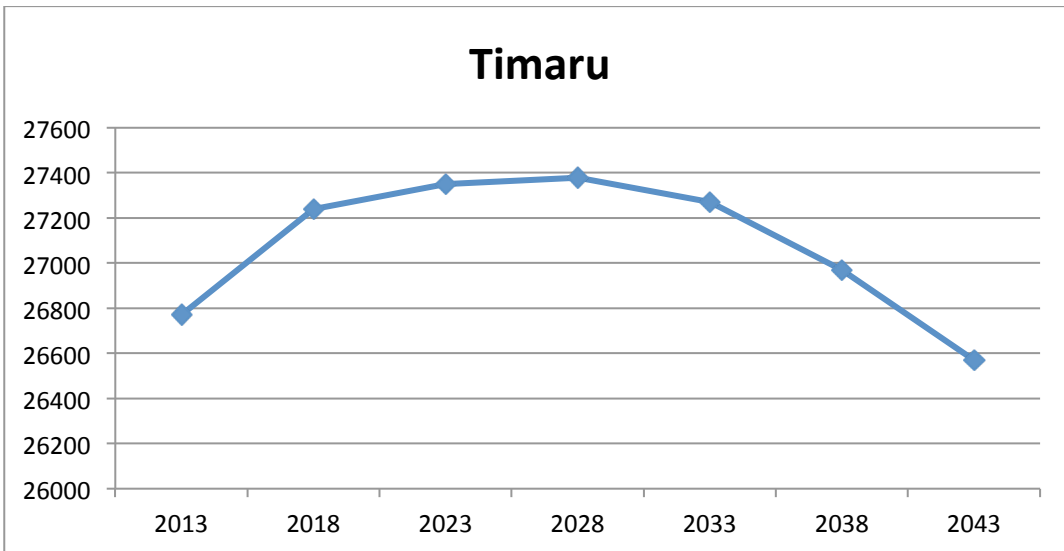


Figure 2.17 - Timaru Urban Area Units Population Projections 2013-2043, Medium Scenario
 Source: As per Table 2.27 above.

Table 2.28 and Figure 2.18 provide population projections by age for the Timaru Urban Area Units from 2013 to 2043.

AGE GROUP	YEAR						
	2013	2023	2028	2033	2038	2041	2043
0-14 YEARS	4770	4750	4780	4680	4610	4380	4190
15-39 YEARS	7470	7610	7510	7390	7050	6810	6730
40-64 YEARS	8940	8560	8130	7600	7360	7150	7100
65 YEARS +	5600	6310	6940	7690	8270	8610	8530

Table 2.28 - Timaru Urban Area Units Population and Age Projections 2013-2043, Medium Scenario
 Source: Statistics NZ Dataset: Area Unit Population Projections by Territorial Authorities, Age and Sex, 2013(base)-2043.

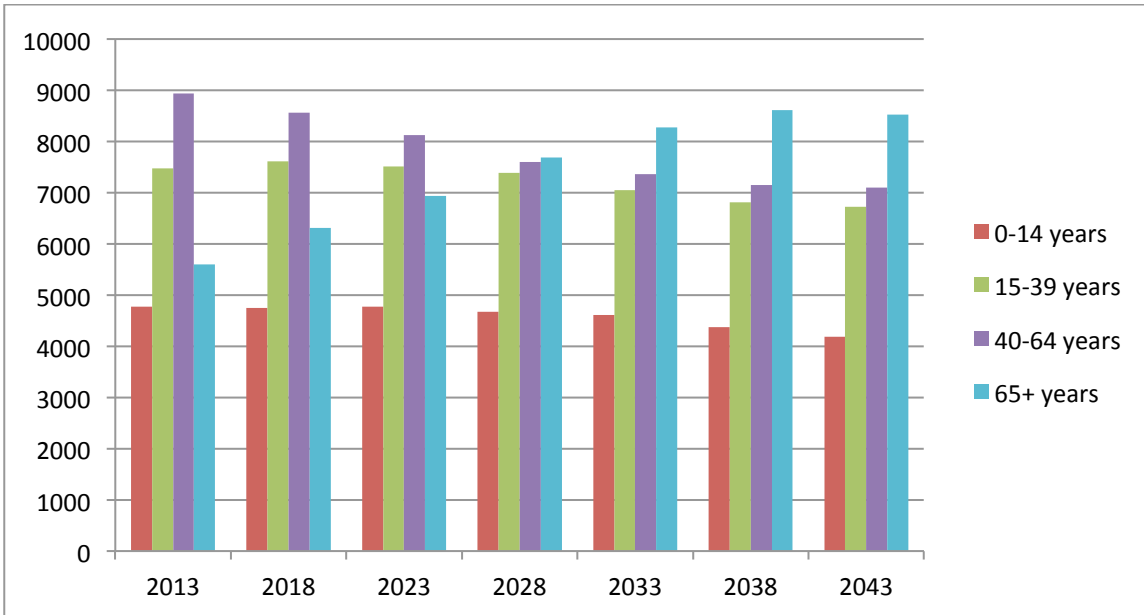


Figure 2.18 - Timaru Urban Area Units Population and Age Projections 2013-2043, Medium Scenario
Source: As per Table 2.2.8 above.

In summary, Table 2.28 and Figure 2.18 indicate that the:

- 65+ year old cohort will become the largest age cohort in Timaru by 2028;
- 65+ year old cohort will have the largest increase out of all cohorts;
- 40-64 year old cohort is projected to decline;
- 15-39 year old cohort is projected to decline;
- 0-14 year old cohort is projected to decline.

HOUSEHOLD PROJECTIONS

The household projections shown in Table 2.29 and Figure 2.19 below, indicate that the number of households in Timaru is predicted to increase by 756 between 2013 and 2043 due to decreasing household formation rates.

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	11,540	11,910	12,090	12,210	12,240	12,170	12,296	756	25.2
"ACTUAL" PROJECTION	11,540	11,725	11,910	12,095	12,280	12,465	12,650	1110	37

Table 2.29 - Projected Households for Timaru Urban Area Units 2013-2043

Source: Statistics NZ Household Projections by Area Unit (2013 base) 2038-2043 Projections calculated by the writer by projecting forward trends in the Statistics NZ 2013-2038 projections. Actual number of dwellings constructed between 1993 and 2013 have been sourced from Council building consent data and projected forward by adding the average over that period.

March 2017 Addendum: The Statistics New Zealand Medium Projections (to 2043) identify housing projections for Timaru as follows:

SCENARIO	YEAR							ADDITIONAL HOUSEHOLDS BY 2043	ADDITIONAL AVERAGE HOUSEHOLDS PER YEAR
	2013	2018	2023	2028	2033	2038	2043		
MEDIUM PROJECTION	11,380	11,707	11,901	11,993	12,014	11,938	11,760	380	12.6

Table 2.21A - Projected Households for Timaru Area Units 2013-2043
 Source: Statistics NZ Household Projections by Area Unit(2013 base) to 2043.

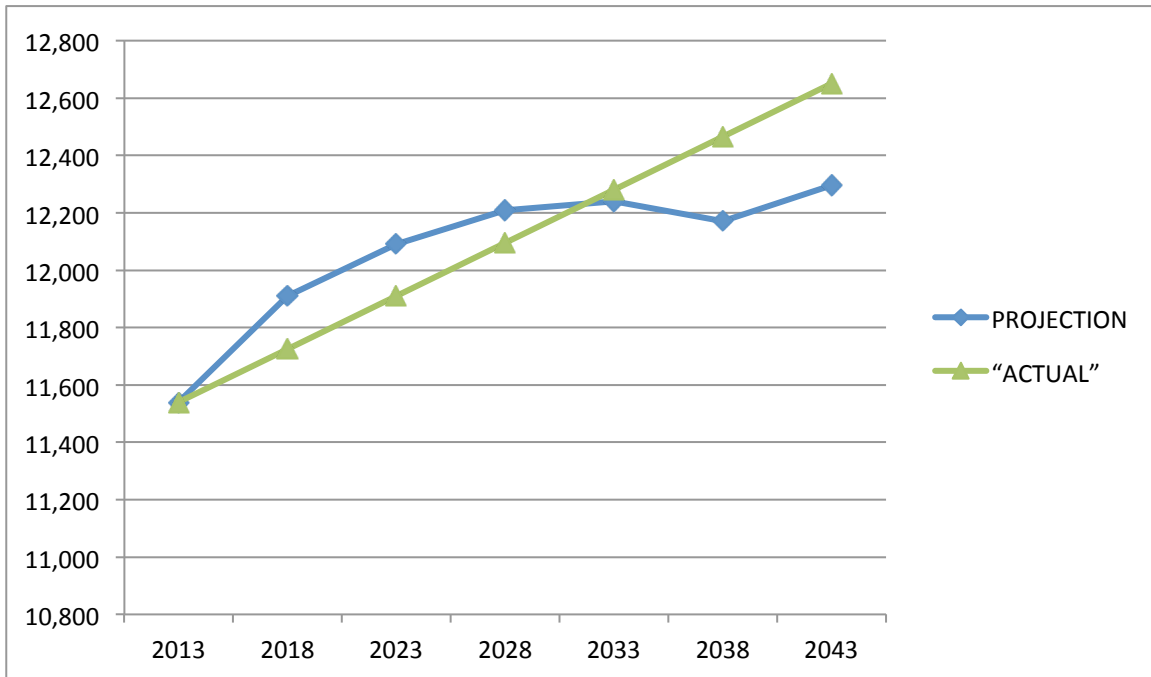


Figure 2.19 - Projected Households for Timaru Urban Area Units 2013-2043
 Source: As per Table 2.29 above.

YEAR		
2001	2006	2013
2.43	2.38	2.34

Table 2.30 - Timaru Urban Area Units Household Formation Rates 2001-2013
 Source: Statistics NZ 2001, 2006, and 2013 Census Usually Resident Population and Total Private Occupied Dwellings

Provided in Table 2.31 below are the actual number of dwellings constructed in Timaru from 1993 to 2013.

YEAR																					
93'	94'	95'	96'	97'	98'	99'	00'	01'	02'	03'	04'	05'	06'	07'	08'	09'	10'	11'	12'	13'	TOTAL
23	49	45	51	36	28	32	34	30	30	25	40	59	25	48	33	26	23	39	31	40	747

Table 2.31 - Dwellings Constructed in Timaru Urban Area Units 1993-2013

Source: Council building consent data

From the data provided in Table 2.29 we can conclude that additional housing will likely be required in Timaru over the next 30 years.

QUANTUM OF NEW HOUSING REQUIRED

As illustrated in Table 2.29 and Figure 2.19 above, the 'Actual' number of dwellings constructed by 2043 in Timaru is predicted to be above that predicted by Statistics NZ and the writer. Taking a range of scenarios therefore, it is likely that between 756 and 1,110 additional households will be required in Timaru by 2043.

March 2017 Addendum: Based on the application of the Statistics New Zealand Medium Growth Projections, as applied to the NPS-UDC guidance for the provision of short, medium and long term demands (and appropriate buffers), the forecast supply for additional households is as below:

Settlement	Demand		
	2018 (short term)	2028 (medium term)	2043 (longer term)
Timaru Settlement	327	613	380
Timaru Settlement + buffer	+20% (392)	+20% (734)	+15% (437)

TYPE OF HOUSING REQUIRED

The current make up of households in Timaru is illustrated by the 2013 census data which confirms that 65.7% of households in Timaru are family households, 30.7% are one-person households and 3.5% are other multi person households.

Given the household type trends which are likely to occur in Timaru over the next 30 years, being a steady increase in one-person households, there is likely to be increased demand for smaller houses and those more compact in form e.g. town houses and flats, on smaller allotments. It is also noted that whilst there is likely to be stagnation of family type households, these households will continue to make up the majority of household types in Timaru and as such there will be continued demand, though little growth, for larger houses on larger allotments.

LOCATION OF HOUSING REQUIRED

Given the above, it is likely that there will be increased demand for housing close to and/or within walking distance of the Timaru CBD and perhaps other commercial centres e.g. Highfield Mall and Northtown Mall, where services are predominantly located. At present many townhouse developments are concentrated along Church Street and in those streets south of the CBD e.g. Browne Street and William Street, which have good access to the CBD. It is noted that townhouse

developments in proximity to Highfield Mall have perhaps not been so successful due to higher land and capital values.

Whilst family type households will not experience significant growth in the next 30 years, they will continue to make up the majority of household types in Timaru. As such, there will be continued demand for larger houses on larger allotments. In terms of location, building consents for the construction of dwellings and subdivision scheme plans consented in recent years indicate a concentration of residential development in the Gleniti area around Hunter Hills Drive, Mountain View Road, Spring Road and Poplar Street. Furthermore, distinct pockets of subdivision are also apparent throughout Timaru, such as Mahoney's Hill.

CURRENT HOUSEHOLD & ALLOTMENT TYPE

We now need to establish if Timaru's current household and allotment stock is sufficient to accommodate the predicted residential growth/decline range of between 756 and 1,110 households over the next 30 years or if further residential zoned land will be required.

Table 2.32 below shows the 2013 Census results for the number and percentage of bedrooms per dwelling in the Timaru Urban Area Units.

BEDROOMS	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT +	OTHER	TOTAL
NO.	519	2727	5112	1863	336	60	15	18	372	11022
%	4.7	24.7	46.4	16.9	3	0.5	0.1	0.2	3.4	N/A

Table 2.32 - Number and Percentage of Bedrooms per Dwelling for Timaru Urban Area Units

Source: Statistics NZ: Census 2013, number of bedrooms for occupied private dwellings

The data from Table 2.32 indicates that the majority (46.4%) of dwellings in Timaru are three bedroom, with the remainder being mostly two (24.7%) and four (16.9%) bedroom dwellings.

Table 2.33 indicates that most dwellings (78.5%) in Timaru are in the form of separate or detached houses, while 17.4% of dwellings have a more compact form (i.e. flat, units, townhouse, apartment etc.)

	SEPARATE HOUSE	TWO OR MORE FLATS/UNITS/TOWNHOUSES/ APARTMENTS/HOUSES JOINED TOGETHER	OTHER OCCUPIED PRIVATE DWELLINGS	OCCUPIED PRIVATE DWELLING NOT FURTHER DEFINED	TOTAL
NO.	8661	1917	18	417	11037
%	78.5	17.4	0.2	3.8	N/A

Table 2.33 - Timaru Urban Area Units Dwelling Type in 2013

Source: Statistics NZ: Census 2013, Occupied Private Dwelling Type

Comparing the existing housing stock and predicted demand for households it is apparent that there will be scope for further supply of one and two bedroom dwellings, particularly those more compact in form, to cater for the 33-36.9% of the population predicted to be aged 65+ in Timaru by 2046. The

next question is whether the additional dwellings can be accommodated within the existing residential zoned land?

There is currently some 78 hectares of vacant residential zoned land in Timaru which produces a yield of some 1200 houses. See Figure 2.20.

March 2017 Addendum: The December 2016 feasibility survey identified conservatively that there is 62.4 ha of developable residential land within Timaru. Assuming that some 30% of developable land is utilised for roading, stormwater and parks, this produces a yield of some 667 houses at 650m² per allotment.

Given, a demand for 437 allotments at 2043 (inclusive of a 15% buffer) there is sufficient residential supply to meet demand to 2043.

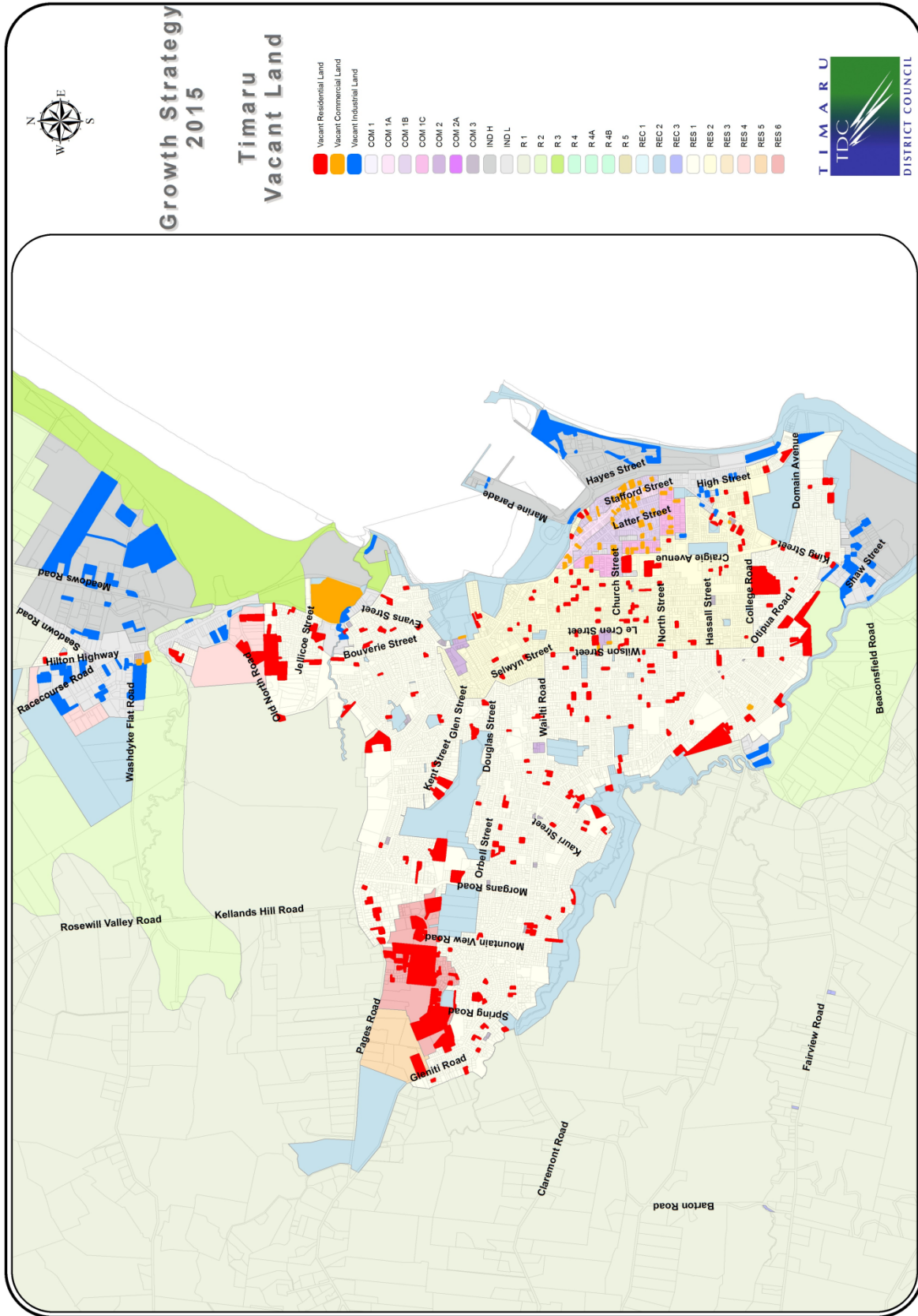


Figure 2.20 – Timaru Vacant Land
Source: Timaru District Council

In addition, approximately 30 hectares of land in Gleniti has recently been rezoned as Residential 6b (see Figure 2.21). Though there are dwellings on each of these lots at present, the change in zoning allows for further development. However, there is servicing constraints in this area at present. The minimum allotment size is 700m². It is likely that this area would be capable of accommodating some 420 households.

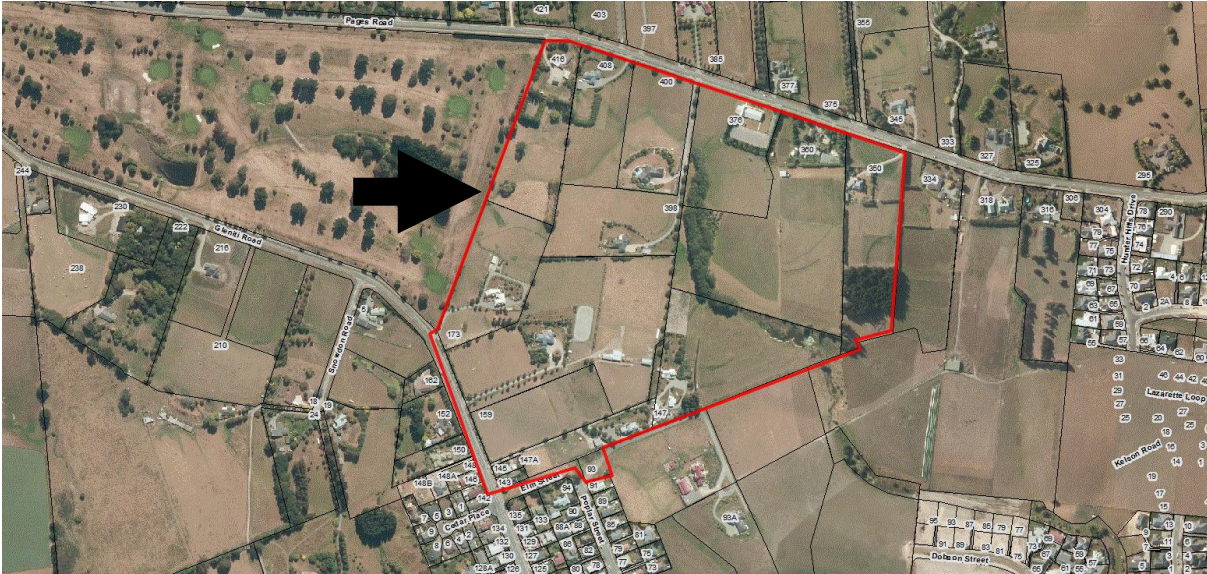


Figure 2.21 – Residential 6 zoned land available for development
 Source: Timaru District Council

Taking into account that between 7560 and 1,110 additional houses are likely to be required in Timaru by 2046, there appears to be sufficient residential zoned land to accommodate these additional houses. Furthermore, the average allotment size in Timaru is 1000m² (Figure 2.22). This abundance of larger allotments and large average allotment size, would suggest that there is significant scope for infill development within the existing Residential 1 zone.

March 2017 Addendum: The prospect of some of this area being developed in the long term has been incorporated within the 62.4ha of developable residential land yield identified above.

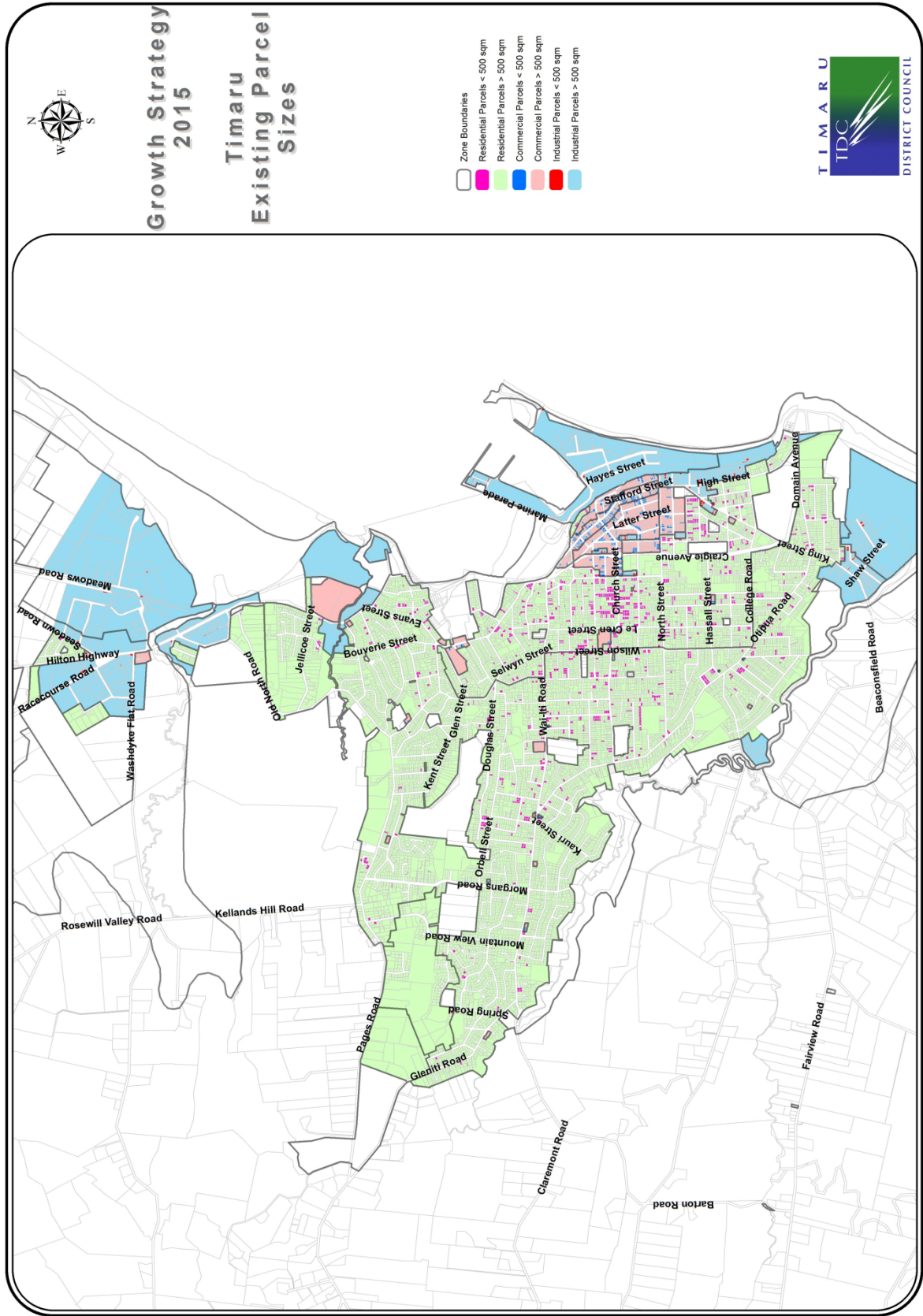


Figure 2.22 – Timaru Existing Parcel Sizes, Source: Timaru District Council

As such, it is considered that there is sufficient vacant and large residential zoned allotments in Timaru to accommodate the predicted steady growth in one-person households and the 65+ age group within the next 30 years.

In addition to the above, it is considered that the majority of family type household development, larger houses on larger allotments, will be able to be accommodated within the confines of the existing township.

However, in order to ensure housing affordability is maintained, it is considered prudent to provide for some further residential zoned land.

SUMMARY – ADDENDUM 2017

- Statistics New Zealand Medium Projections in conjunction with the application of NPS-UDC supply buffers identify 437 dwellings being required by 2043.
- By 2043 the 65+ age group will constitute 32-36.9% of the population of Timaru.
- There will be increased demand for housing close to and/or within walking distance of the CBD, and perhaps other commercial centres, where services are predominantly located.
- There is sufficient vacant and large residential zoned allotments in Timaru to accommodate the predicted residential growth in the next 30 years.

CONCLUSION

Based on the above assessment, it is concluded that:

- There will be increased demand for housing close to and/or within walking distance of town centres, where services such as banks, the library and shops are predominantly located.
- All four urban settlements will experience a steady increase in one-person households and stagnation of family type households, though family type households will continue to make up the majority of household types in the Timaru District.
- Due to the above trends, there is likely to be increased demand for smaller houses, and those more compact in form e.g. town houses and flats, on smaller allotments. There will also be continued demand, though little growth, for larger houses on larger allotments.
- Additional residential zoned land may be required in Geraldine to accommodate residential growth over the next 30 years and maintain housing affordability.
- There is likely to be sufficient residential zoned land in Timaru, Pleasant Point and Temuka to accommodate residential growth over the next 30 years.

3.0 RURAL RESIDENTIAL GROWTH ASSUMPTIONS

CONTENTS

Quantum of Land Supply and Methodolgy.....	74
Location of Demand.....	86
Conclusion.....	107

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QUANTUM OF LAND SUPPLY AND METHODOLOGY

There is limited available information showing the household growth of rural residential development in the Timaru District and as a consequence, the demand for and growth of rural residential development assessed within this report, has been largely derived by:

- a) Comparing historical demand patterns linked to new building consents issued, as well as subdivision approvals and property sales across the Timaru District;
- b) Comparing this historical demand pattern against changes in population demographics across the District as a whole; and
- c) Comparing research undertaken by other territorial authorities on age demographics and ownership structures of rural residential zoned land within other Districts in New Zealand.

While market demand driven analysis will never provide for a complete picture of the future housing supply requirements, we consider this to be an appropriate response, especially when appropriately balanced against changes in population growth and age demographics that are projected to occur within the Timaru District.

This section of the assessment analyses how much land is required for rural residential living, as well as the likely quantum of land required to achieve a balance between the supply of rural residential land to meet ongoing demand, as well as housing choice. The rate at which this demand is to be met is then weighted against matters such as the pressure on Council's infrastructure, ability to achieve CRPS outcomes of consolidation, the need to avoid land use conflicts (such as reverse sensitivity effects in rural areas) and maintenance of rural amenity for existing rural residents.

RURAL RESIDENTIAL DEVELOPMENT DEFINED

For the purposes of this report, we have characterised rural residential development as falling within a minimum rural lot size of between 5,000m² to 2ha in area. The principal reasons and explanation supporting Policy 5.3.1 (Regional Growth) of the CRPS sets out that rural residential development is typified by clusters of small allotments usually in the size range of up to 2.0 hectares zoned principally for residential activity. As a consequence, this report focuses on rural residential development that falls within a lot range between 5,000m² to 2ha in area.

The Timaru District Plan⁸ already provides for a range of rural residential zones including the Rural 4A Zone (Geraldine Downs) that includes a Rural Residential subzone that provides for minimum lot sizes down to 2ha, and on two identified lots, down to 5000m². Further, the Rural Residential (Brookfield Road) Zone adjoining the Timaru urban boundary provides for a minimum lot area of 5,000m² in area.

The Selwyn Rural Residential Strategy highlights that land holdings that range in size from between 0.3ha to 2ha, are better able to demonstrate the residential and rural character elements that typify rural residential environments.⁹ Properties that are greater than 2ha in size generally continue to be productive and are predominantly retained for rural purposes, small holdings, or hobby farms.¹⁰ We note that the Waimakariri District Council also defines rural residential development as rural lots that range in size from between 0.25ha to 2ha.

⁸ Hereafter referred to as 'the District Plan'

⁹ At paragraph 4.45 of the Selwyn District Council Rural Residential Strategy Report, June 2014.

¹⁰ At paragraph 4.46 of the Selwyn District Council Rural Residential Strategy Report, June 2014.

Our research has shown that rural lots that are greater than 4ha in area is typically defined as Rural Lifestyle development. This is consistent with the Timaru District Plan, which provides for a minimum lot size of 10ha within the Rural Lifestyle sub-zone of the Rural 4A Zone (Geraldine Downs).

We also note that in order to achieve the consolidation outcomes expressed within the CRPS for rural residential development, that larger lot sizes beyond 2ha in area generate a greater land area demand and are therefore more likely to extend further away from existing settlement patterns. As a consequence, we have focussed on smaller lots adjoining urban areas, which are considered to be more efficient and effective in delivering urban consolidation outcomes promulgated within the CRPS.

EXISTING SUPPLY OF RURAL RESIDENTIAL ZONED LAND

To date, the Rural Residential (Brookfield Road) Zone is undeveloped and provides for 35 rural residential lots on a site measuring 22ha in area and provides for a minimum lot size of 5,000m² in area. Within the Rural 4A Zone (Geraldine Downs) subdivision there is approximately 10ha remaining to be developed within the Rural Residential Zone sub-zone and provides for approximately 20 lots (based on the 5,000m² minimum lot size that applies to this part of the Rural 4A Zone (Geraldine Downs)) (refer Figure 23 below).

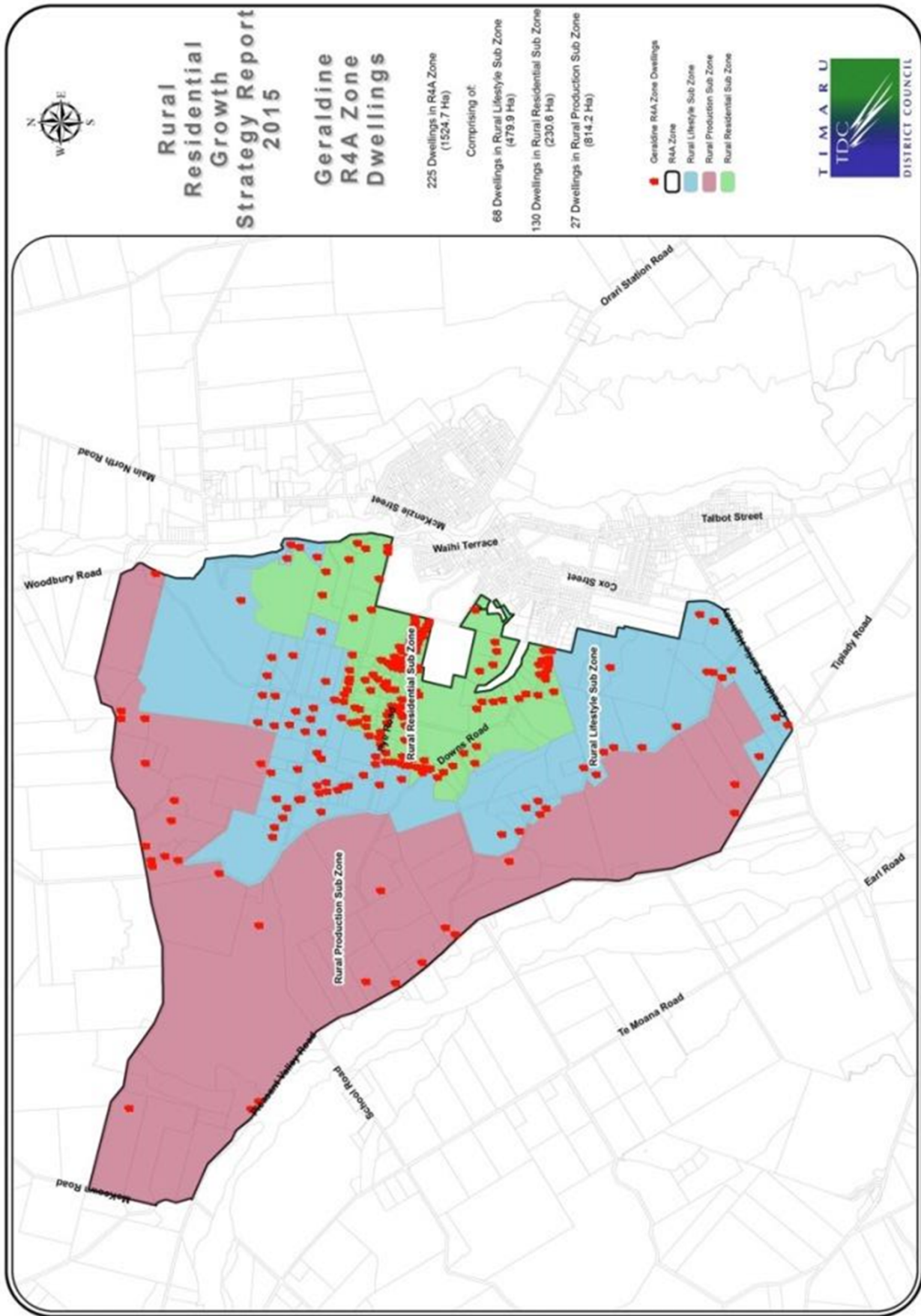


Figure 3.0- Geraldine R4A Zone Dwellings

This means that approximately 32ha of land is provided for within the existing rural residential zoned areas bordering Timaru and Geraldine and in total, these zones provide for approximately 55 rural residential dwelling units.

As set out in Table 3.0 below, over the last 10 years, on average there has been 4 new dwellings consented within the Geraldine Downs Zone per year. Applying this same demand pattern to the remaining capacity in the Geraldine Downs Zone means that the zone could be fully utilised within the next five years.

Based on District Wide demand patterns for rural dwellings located within lots between 0 to 2ha in area (set out in Table 3.0 below), the existing capacity within the Rural Residential (Brookfield Road) Zone would provide for approximately 1.5 years supply. As we will discuss, in section 3.2, the highest demand for rural residential land across the District occurs in the immediate Timaru area, so once developed, it is likely that this zone will be subject to high demand. Therefore, it can be anticipated that should demand continue for rural residential development, the remaining capacity within these zones will be utilised within 2 to 5 years of these respect rural residential zoned areas being developed.

SUPPLY OF RURAL LAND NOT ZONED FOR RURAL RESIDENTIAL PURPOSES

The Timaru District Plan also provides for a specific rule framework Performance Standards for subdivision in the Rural Zones which requires rural allotments to have a minimum area of 40 ha, however Rule 6.3.12(2) contains an exemption that provides for rural living allotments as follows:

Table 3.0 – Entitlement under Rule 6.3.12

<i>More than 10 hectares but not more than 20 hectares</i>	<i>1 new rural living site</i>
<i>More than 20 hectares but not more than 40 hectares</i>	<i>2 new rural living sites and 2 allotments of 10 hectares minimum area, provided that the area of the balance land is not less than 10 hectares</i>
<i>More than 40 hectares</i>	<i>3 new rural living sites and 3 allotments of 10 hectares minimum area, provided that the area of the balance land is not less than 10 hectares</i>

Compliance with the above minimum allotment standards, subject to compliance with other rules, provides for subdivision as a controlled activity. Non-compliance with the minimum allotment standards triggers the need for a Discretionary Activity.

The Timaru District Plan provides for the provision of rural living sites to enable a range of lifestyle and rural activities within rural zones, provided the title was in existence from the 27th of August 1988 and the subdivision accords with the minimum lot sizes set out in Table 1 above. An earlier study prepared by Planit R. W. Batty & Associates¹¹ estimated that throughout the Rural 1 and 2 Zones that approximately 6,000 rural living sites within 10km 'buffer distance of the main urban settlements within the District could be created under the existing operative Timaru District Plan provisions set out above. While in reality it is unlikely that this level of development would be advanced due to infrastructural constraints, it highlights the importance of TDC seeking an alternative approach to providing for rural residential development in the District.

¹¹ Hereafter referred to as the 'Planit Report'

DEMAND PATTERN ANALYSIS

Table 3.1 below identifies the number of building consents issued for new dwellings over the last 10 years across the District. On average 63 percent have been developed within defined urban areas. The remainder have been developed within rural areas of the District, with only 3 percent of new dwellings being established within the Rural 4A Zone (Geraldine Downs).

To gain an understanding of this demand pattern within the Rural Zones of the District, we have considered the buildings consents issued for new dwellings based on the following key minimum lot sizes within the Rural zoned areas of the District:

- 0 to 2ha (Rural Residential);
- 2ha to 4ha (Large Lot Rural Residential);
- 4ha to 10ha (Rural Lifestyle);
- 10ha to 30ha (Rural Lifestyle); and
- Over 30ha (Rural Production).

For the purposes of this report we have considered the implications of actively providing for full demand over the range of lots sizes set out above, with particular emphasis on the 5,000m² to 2ha range.

Year	Total Building consents for new dwellings	Urban (new dwellings within existing urban areas)		Rural under 2 hectares (new dwellings in rural area on lots less than 2 ha)		Rural 2 - 4 hectares (new dwellings in rural area on lots 2-4ha)		Rural 4 - 30 hectares (new dwellings in rural area on lots 4-30ha)		Rural more than 30 hectares (new dwellings in rural area on lots more than 30ha)		Rural Residential (new dwellings in Geraldine Downs Rural 4a Zone)	
2005	179	112	62.6%	23	12.8%	1	0.6%	18	10.1%	13	7.3%	12	6.7%
2006	151	87	57.6%	29	19.2%	6	4.0%	16	10.6%	7	4.6%	6	4.0%
2007	172	120	69.8%	20	11.6%	4	2.3%	20	11.6%	6	3.5%	2	1.2%
2008	147	88	59.9%	16	10.9%	1	0.7%	14	9.5%	22	15.0%	6	4.1%
2009	116	56	48.3%	20	17.2%	5	4.3%	16	13.8%	14	12.1%	5	4.3%
2010	106	73	68.9%	18	17.0%	3	2.8%	9	8.5%	1	0.9%	2	1.9%
2011	123	85	69.1%	14	11.4%	4	3.3%	14	11.4%	3	2.4%	3	2.4%
2012	183	108	59.0%	28	15.3%	4	2.2%	24	13.1%	14	7.7%	5	2.7%
2013	212	143	67.5%	22	10.4%	5	2.4%	21	9.9%	18	8.5%	3	1.4%
2014	223	143	64.1%	23	10.3%	4	1.8%	39	17.5%	13	5.8%	1	0.4%
2015	144	92	63.9%	14	9.7%	2	1.4%	23	16.0%	10	6.9%	3	2.1%
Annual Average		101	63.0%	21	13.0%	4	2.3%	19	12.0%	11	6.8%	4	3.0%

Table 3.1 – Number of building consents issued for new dwellings in the Urban and Rural Zones between 2005 to 2015.

Rural Residential Development

An analysis of new dwelling information set out in Table 3.1 identifies that over the last 10 years there has been an average of 21 new rural residential dwellings developed on rural properties that are less than 2ha in area across the District per annum. This represents 13% of the total number of dwellings constructed across the District over this 10 year period.

For the purposes of supplying this full demand, i.e. 100 percent provision for lots less than 2ha in area would equate to a supply of 21 dwellings per annum:

	Yearly	10 yearly	30 ears
2ha Lot Dwelling Numbers	42ha	420ha	1,260ha
.5ha Lot Dwelling Numbers	10.5ha	105ha	315ha

Table 3.2 – Demand pattern trends for Rural Residential Development

By way of comparison, and as noted above the recently adopted Rural Residential (Brookfield Road) Zone provides for 35 rural residential lots on a site measuring 22ha in area and provides for a minimum lot size of 5,000m² in area.

The identified within Table 3.2 above, the quantum of land required to meet ongoing demand would be greatly reduced should an alternative density range be applied i.e. a minimum lot size of 5,000m² in area.

As set out in section 3.3 below, there is extensive evidence to reflect that the greatest demand for properties in the 0.5ha to 2ha property size is located within close proximity to Timaru, Geraldine and Temuka.

Large Lot Rural Residential Development

Further, Table 3.2 identifies that over the last 10 years there has been an average of 4 new rural residential dwellings developed on properties that fall between 2ha to 4ha in area across the District per annum. This represents 2.3% of the total number of dwellings constructed across the District over this 10 year period.

Given the dominance of 2ha lots in driving the demand for new rural residential dwelling units, we have only explored one option (Te Moana Road, Geraldine) that applies a 4ha minimum lot size and this is largely due to its more distant location from the Geraldine urban edge.

Rural Lifestyle Development

In terms of Rural Lifestyle development, Table 3.2 identifies that over the last 10 years there has been an average of 19 new dwellings developed on properties that fall between 4ha to 30ha size range across the District per annum.

The demand pattern for rural lifestyle development is considered to be greatly influenced by the operative District Plan's 'entitlement approach', particularly for those lots that are larger than 10 hectares in area and existing before August 1988 (given that these lots can be further subdivided).

Meeting 100 percent of this demand for larger lot rural residential development in the Timaru District would mean providing for approximately 76ha to 570ha of land set aside for Rural Lifestyle development to meet an average of 19 new Rural Lifestyle dwellings per year.

	Yearly	10 yearly	30 Years
4ha to 30ha Lot Dwelling Numbers	76ha to 570ha	760 to 5,700ha	2,280ha to 17,100ha

Table 3.3 – Demand pattern trends for Rural Lifestyle Development

Rural Production

In terms of Rural Production farm units (greater than 30ha), Table 3.3 identifies that over the last 10 years there has been an average of 11 new dwellings developed on these properties. These dwellings are likely directly linked to the growth in dairy conversions across the District (particularly the Plains

area) and for the purposes of this report are not classified as rural residential development as they are tied to productive farming units.

While we do not recommend meeting this demand through any rural residential zoning options, we do recommend, providing for a rule framework that specifically caters for a 40 ha minimum lot size for subdivision and development linked to rural productive land uses.

MARKET SALES DEMAND PATTERNS FOR RURAL RESIDENTIAL DEVELOPMENT IN TIMARU DISTRICT

Expanding upon the demand pattern analysis, we have undertaken an assessment of sales trends across the District in order to identify where the greatest demand for rural residential development is occurring within the District. REINZ Lifestyle Property Report (dated April 2015) provides an analysis of rural lifestyle blocks within the Timaru District.

The REINZ Lifestyle Property Report identifies the sales figures for rural residential and lifestyle properties sold in the Timaru District over the past 5 years. The purpose of this report was to provide an overview of on-going demand patterns for property sales of rural lifestyle properties, where the strongest sales were occurring, and to identify the strongest sales demand based on property size.

The REINZ Lifestyle Property Report identifies that over the last five years there has been a clear increase in the level of rural lifestyle properties that have been sold within the Timaru District.

Year	2010	2011	2012	2013	2014
No Properties Sold	63	88	99	115	128

Table 3.4– Taken from the REINZ Lifestyle Property Report

Of the 493 rural lifestyle properties sold between 2010 to 2014 in the Timaru District, the Claremont, Hadlow, Gleniti, Levels and Fairview area are the main rural lifestyle sales demand areas bordering Timaru, with the Claremont suburb having the highest percentage of overall sales (at 9.33 percent of all total sales) over this five-year period. Geraldine, Geraldine Downs, Orari and Orari Bridge areas are the main sales demand areas bordering Geraldine. The Temuka suburb also shows a strong rural lifestyle property sales trend.

The REINZ Lifestyle Property Report identifies that sales figures are dominated by those rural residential properties, which range between 0.5ha to 2ha in area (see Table 3.4 and **Figure 3.1**).

No Properties Types Sold	Sale Period 2010 to 2014	Percentage of Total Sales
0.5 to 2ha	274	55%
2ha to 4ha	141	28%
4ha to 10ha	84	17%
Totals	493	100%

Table 3.5– Showing percentage of property sales for rural lifestyle properties from the REINZ Lifestyle Property Report, 2015.

Figure 3.1 below shows the correlation of property sales by property size between 2010 to 2014, with properties ranging between 0.5ha to 2ha dominating sales in 2010 at 66%, 56% in 2011, 60% in 2012, 55% in 2013, and 45% in 2014 year periods.

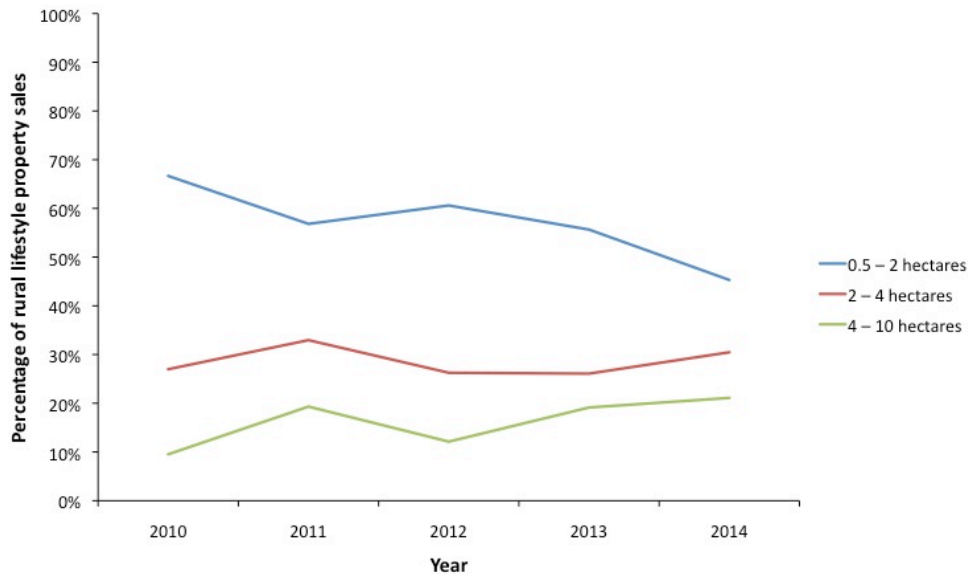


Figure 3.1– Shows total number of property sales between 2010 to 2014 based on property ranges and based on a % of total sales of properties.

Of the key rural areas identified within the REINZ report, Claremont and Levels areas have shown the greatest trend in property sales within the 0.5ha to 2ha property area category and this is likely to reflect the demand for rural residential properties within relatively close proximity to Timaru and the underlying subdivision trend that has also assisted with meeting this demand.

The strongest increasing sales demand by geographical area relates to the Claremont, Gleniti and Hadlow areas, followed by Geraldine, Geraldine Downs, Orari and Orari bridge areas. This strong demand pattern is reflective of the level of subdivisions and new dwelling approvals within these respective areas that have occurred over the last 20 to 25 years and which is a continuing demand trend.

KEY DEMOGRAPHICS DRIVING DEMAND

Bayleys Real Estate (2006)¹² research recognises that the demand for rural lifestyle/residential development is predominantly from semi-retired farmers wanting a smaller property and families that have employment in urban areas. With respect to this latter point, the Demographic Change and Rural Growth Strategy concluded that most purchasers of lifestyle blocks are families and continued demand for these sites near to Timaru is anticipated.¹³

National and District surveys undertaken by other authorities of their rural residential zones is useful in determining the likely split between the key demographics driving demand for rural residential properties.

A 2008 study undertaken by the Dunedin City Council¹⁴ found that the most common age group for respondents living within Rural Residential Zones was between 45 and 54 years. A national survey of

¹² Bayleys Research. 2006. Rural Lifestyle Update, First Half 2006. In Selwyn District Council. 2011. Rural residential background report.

¹³ At page 48.

¹⁴ Dunedin City Rural Residential Study, District Plan Monitoring Series Research Report 2008/1

lifestyle property owners documented by MAF in 2004¹⁵ established that the average occupier age was 52. Similarly, a rural residential study undertaken by the Kapiti Coast District identified that 57.1 percent of respondents were more than 55 years-old, and 42.9 percent of respondents were 60 or older.¹⁶ For the purposes of this study we have assumed that 50% of people who reside in rural residential sized properties in the Timaru District are aged between 50 and 60 years of age.

The 2008 Dunedin City Council study identified that approximately 50 percent of all Rural Residential households have 3 or more people. By way of comparison, the Kapiti Coast District study identified that the majority (or 56.4 per cent) of the respondents live with one other person and households of more than two persons (assumed to be families) represent 36.5 per cent. While Dunedin is a larger regional centre than Timaru, we consider it appropriate to assume that that 50% of people who reside in rural residential sized properties in the Timaru District comprise more than two persons (and are deemed families). This assumption is reinforced by the earlier Demographic Change and Rural Growth Strategy.

The 2008 Dunedin City Council study determined that, on average, the number of years spent by respondents in Rural Residential zones was approximately 10. By comparison, the average time spent on a smallholding in the National study was a little longer at 12 years (Cook and Fairweather, 2005). Over half of the respondents to the Dunedin City Council study had lived in the Rural Residential zone for more than 6 years with 38 per cent having lived in the Rural Residential zone for 10 years or longer. We have also assumed that on average that rural residential properties are occupied by landowners for a period of between 10 to 12 years.

We note that the increase in supply of rural residential properties that may be driven by the 50 to 60 year age bracket in the District will have potential implications given the increase in the 65+ age group within the District.

Overall, we have split the demand demographic underpinning the demand for rural residential dwellings based on a 50/50 split, with 50 percent allocated to the 50 to 60 year age bracket and 50 percent to families.

CHANGE IN DEMAND BASED ON DISTRICT WIDE CHANGE IN DEMOGRAPHICS

Increase in Aging Population

The District's 65+ age group will increase from 20.1 percent in 2013 to 31 percent in 2033. This aging continues to increase, but at a slower rate, over the remaining period with 33 percent of the population aged 65+ by 2048. Importantly, the growth expected in the 65+ age cohort, the majority of this will occur in those aged 75 years and older. So in terms of the expected growth of the 75 years and older age group across the District, this change is unlikely to have any significant impact upon the current demand pattern driving rural residential development, at least not for another 10 years, when the 50 to 60 year age bracket occupying rural residential properties start to age and property owners look to down size.

Beyond 10 years, and as a consequence of the increase in 75+ age group, we have sought to offset the current demand pattern of 21 houses per year with the likelihood that over the next 20 to 30 years there is likely to be less demand for rural residential dwellings by 65+ age group (as older residents move out of these larger properties and relocate into the main urban centres). We have assumed that from 2025 to 2048 there is the potential for demand to be reduced by up to 11-13% (or

¹⁵ MAF: R. Sanson, A. Cook & J. Fairwather. 2004. A Study of Smallholdings and their Owners.

¹⁶ Rural Residential Living in the Kapiti Coast District, January 2009, page 21

alternatively be reduce by 1 dwelling per year to 20 dwellings).¹⁷

Reduction in Family Households

The composition of households is expected to change rather considerably. While “family households” and one person households will continue to make up the majority of households, the number of one person households are likely to increase by some 31% by 2048. This shows that the majority of the overall increase in “family households” is actually “couple without children” families. The “couple without children” cohort includes: those couples who have not yet had children, those who do not or will not have children, and those who have had children but they have left home. As such, there is likely to be an overall reduction in new dwellings required for families living within rural residential properties.

Reinforcing this, the Growth Strategy Report 2015 sets out that in the Timaru District by 2043, 61% of households will accommodate families and 34% will accommodate one-person. The general trend in the district household type projections from 2013-2043 is a steady growth in one-person households and general stagnation of family and other multi-person households. This reinforces the fact that there is likely to be a further reduction in the demand pattern for rural residential development.

Applying a conservative approach, we have assumed that over the next 30 years the reduction in demand for family homes may reduce the current demand by up to 15% (or alternatively be reduce by 1.5 dwelling per year to 18.5 dwellings).¹⁸

As a consequence, we have assumed that the current demand pattern will reduce over this period due primarily to the collective changes in demographics and make up of family homes and that 18 dwellings per year will be required to service the rural residential needs of the District. This essentially results in a reduction of 90 rural residential dwelling units over the next 30 years from the current demand pattern.

Identified Quantum

As noted above, Policy 5.3.1 of the CRPS refers to “limited rural residential households that must be attached to urban areas to achieve consolidated settlement patterns”. The quantum of rural residential land to be set aside for future rural residential living is therefore required to be limited in extent and achieve consolidated settlement patterns.

As a consequence, we recommend that the quantum of land that should be set aside for rural residential purposes should be confined in nature so as to both achieve consolidation outcomes of the CRPS, but also to ensure that the growth of these areas is sustainably integrated with Council infrastructure and roading. Put another way, meeting demand for rural residential land use must be weighed against the Council’s ability to strategically manage infrastructure services. Underpinning this outcome, Policy 5.3.5 of the RPS (servicing development for potable water, and sewage and stormwater disposal), seeks to avoid development, which will not be served in a timely manner to avoid or mitigate adverse effects on the environment and human health.

Further, in terms of allocation across the District, we recommend that an average of 18 dwellings per year are provided for over the next 30 years and be set aside for rural residential development. This would equate to approximately 540 new dwellings. Clearly, the land quantum is influenced by the

¹⁷ Based on 10.5 dwellings (or 50 percent of 21 dwellings) allocated to this age group and this being reduced by 11-13 percent per year over the 30 years or reduced by 1 dwelling per year.

¹⁸ Based on 10.5 dwellings (or 50 percent of 21 dwellings) allocated to family group and this being reduced by 15 percent per year over 30 years or reduced by 1.5 dwellings per year.

minimum lot size applied, however if applied to the 0.5ha to 2ha range, this would equate to approximately **270ha to 1,080ha** of land set aside for rural residential development purposes across the District.

We have assessed the land quantum for Timaru, Temuka, Geraldine and Pleasant Point based on an analysis of:

- the projected change in urban populations for each centre (which has a direct influence on demand for rural residential development); and
- the historical demand patterns for rural residential development over the last 10 years within each catchment area (discussed within section 3.2 of this report); and
- the projected change in demographics of each of these centres over the next 30 years.

Timaru Land Quantum Allocation

Based on the residential growth projections for the main urban centres within the Timaru District over the next 30 years to 2046,¹⁹ Timaru has the largest urban population at 22,200 (approximately 75 percent of the total urban population of the District), followed by Temuka at 3,890 (approximately 13 percent of the total urban population of the District), followed by Geraldine at 2,210 (approximately 7 percent of the total urban population of the District), followed by Pleasant Point at 1,190 (approximately 4 percent of the total urban population of the District).

As we have found within the catchment studies discussed above, the largest concentration of rural residential development occurs within close proximity to the four main urban centres, with the most significant demand pattern occurring immediately to the west of Timaru. While the Levels area also records high historical subdivision and building demand in support of rural residential development, the Levels area is not consolidated against any urban edge, and as a consequence does not adequately respond to the policy outcomes of the CRPS.

Timaru being the largest urban centre in the District also reflects the highest proportion of rural residential intensification (when considering new rural residential titles and building consents issued for new dwellings over the last 10 years and property sales over the last five years). Further, given the urban intensification that has already occurred to the west of Timaru, the land quantum that is recommended for re-zoning also provides for a dual role of integrating areas of rural residential intensification into formalised rural residential zones that better consolidate with Timaru's western urban edge. In order to achieve this dual role, we consider it appropriate to allocate Timaru with the largest proportion of rural residential zoned land. The Timaru options recommended for adoption provide for a minimum of 60 percent of the total land area recommended for re-zoning. We also recommend that Timaru be supported with an additional 74ha of land recommended for Future Deferred Zoning to consolidate with the existing Rural Residential (Brookfield Road) Zone. This additional Future Deferred Zoning land is considered important to assist with better defining a rural residential zone buffer to the south of Timaru, which will assist with curtailing (when working in conjunction with other Rural Zone rule changes to be introduced as part of the District Plan Review) further rural residential intensification to the south of this centre.

Temuka Land Quantum Allocation

Temuka is the second largest urban centre within the District. We recommend that Temuka be allocated a minimum of 15 percent of the area recommended for rural residential rezoning based on the size of the urban population of this urban centre and the modest historical demand patterns for

¹⁹ Taken from the Timaru District – Growth Strategy – Issues and Options Report, 2015

new rural residential titles and building consents issued for new rural residential dwellings (issued over the last 10 years), as well as population and demographic changes predicted for this centre. While it could be argued that based on the size of Temuka's population that it should be supported with a higher percentage of land for rural residential purposes, the demand patterns over the last 10 years highlights that Geraldine, having a smaller population than Temuka, has generated a greater demand for rural residential development (outside of the the existing Rural 4A Zone (Geraldine Downs)). That said, overall for contingency purposes we have allocated an additional 2 percent of land to Temuka, which brings the total land set aside for re-zoning to 17 percent.

Geraldine Land Quantum Allocation

We recommend that Geraldine be allocated a minimum of 15 percent of the total areas recommended for rural residential rezoning based on the smaller size of this urban centre, coupled with the moderate historical demand patterns for new rural residential titles and building consents issued for new rural residential dwellings (issued over the last 10 years), as well as population and demographic change predicted for this centre. We have allocated a minimum of 15 percent of the area recommended for rural residential rezoning given that Geraldine (and its outlining areas such as Te Moana Road) have shown a clear demand pattern for rural residential intensification outside of the existing Rural 4A Zone (Geraldine Downs). In broad terms, while Geraldine has a smaller urban population, the level of demand for rural residential land (reflected within new building consents, new titles issued and property sales) reflects a stronger demand pattern than larger centres such as Temuka. As a consequence, we have allocated Geraldine a minimum of 15 percent of land, with additional land for contingency purposes (reflected within the additional 5 percent allocated to this centre).

Pleasant Point Land Quantum Allocation

We have allocated Pleasant Point a maximum of 10 percent of the total land area recommended for rural residential rezoning based on the smaller size of this urban centre. However, in order to offset the high demand pattern for rural residential development occurring in the Levels area (in relative close proximity to Pleasant Point), we consider it appropriate to formalise a rural residential zone that integrates with the Pleasant Point urban edge, and in doing so provides for a larger land quantum that would be required to immediately support Pleasant Point directly.

We recommend that the rural residential land quantum per centre, be based on the following split:

- Timaru – minimum 60 percent (or 11 dwellings or 5.5ha to 22ha of land per year or 330 dwellings or 165ha to 660ha over the next 30 years);
- Geraldine – minimum 15 percent (three dwellings or 1.5ha to 6ha per year or 90 dwellings or 45ha to 180ha over the next 30 years);
- Temuka – minimum 15 percent (three dwellings or 1.5ha to 6ha per year or 90 dwellings or 45ha to 180ha over the next 30 years);
- Pleasant Point – maximum 10 percent (one dwelling or 0.5ha to 2ha per year or 30 dwellings or 15ha to 60ha over the next 30 years).

LOCATION OF DEMAND

TIMARU RURAL RESIDENTIAL ZONING OPTIONS

The area west of Timaru has been subject to some of the greatest rural residential intensification in the District.

The Gleniti Catchment (identified in **Figure 3.2** below) and comprising Claremont Road, Rosebank Road, Gleniti Road, Pages Road and Spur Road areas) comprises the following density ranges and totals:



Figure 3.2- Gleniti- Timaru Catchment

Property Range	0.5ha to 2ha	2ha to 4ha	4ha to 10ha	10ha to 30ha	30ha plus
Number of Lots within each range	136	50	39	55 * 10 of which are older than August 1988	14 * 5 of which are older than August 1988

Table 3.6 – Breakdown of existing rural lifestyle and rural residential lot ranges.

All of the land within the Gleniti Catchment is zoned Rural 1 under the District Plan.

The Gleniti Catchment includes the greatest concentration of 0.5ha to 2ha rural residential properties of all of catchment areas reviewed. The area also contains 15 land parcels that are greater than 10 ha in area and are older than August 1988 and as a consequence can benefit from further subdivision under the existing 'entitlement provisions'.

Figure 3.3 (found below) identifies the extent of rural intensification that has occurred to date, and importantly identifies the existing allotments sizes, with a predominance of 0.5ha to 2ha and 2ha to 4ha within the catchment. Of the 294 land parcels identified within the Gleniti Catchment, 46 percent fall within the 0.5ha to 2ha parcel range. This reflects the historical subdivision trend that has occurred within this catchment over the last 20 to 30 years.

The Council's earlier Demographic Change and Growth Study, which analysed new dwelling and subdivisions within a 5km catchment area (which also encompassed the Gleniti Catchment) assessed in this report), identified a significant proportion of the historical subdivisions that have been approved along these road corridors are older than 25 years. Further, the Demographic Change and Growth Study identified a proliferation of new subdivision and new dwellings approved between the 2000 and 2005 period, particularly along the Rosebank Road, Spur Road, Pages Road and Claremont Road corridors.

Based on a combination of enabling District Plan provisions, market demand and demand trends for subdivision that has occurred to date, it is appropriate to assume that the largely undeveloped rural land located within the centre of the Gleniti Catchment will be further subdivided. Reinforcing this assumption, of the five recent subdivisions²⁰ that have been approved by the Council and which are outlined within **Figure 3.4 (found below)**, two were assessed as controlled activities (which cannot be declined) and three were assessed as discretionary activities. The controlled activity status reflects the existing 'entitlement approach' within the District Plan.

²⁰ Subdivision consent No5879 (processed as a controlled activity), subdivision consent 101.2014.179 (processed as a discretionary activity), Subdivision consent 7422 (processed as a controlled activity), Subdivision consent 101.2014.68 (processed as a discretionary activity), Subdivision consent 101.2013.190 (processed as a discretionary activity),

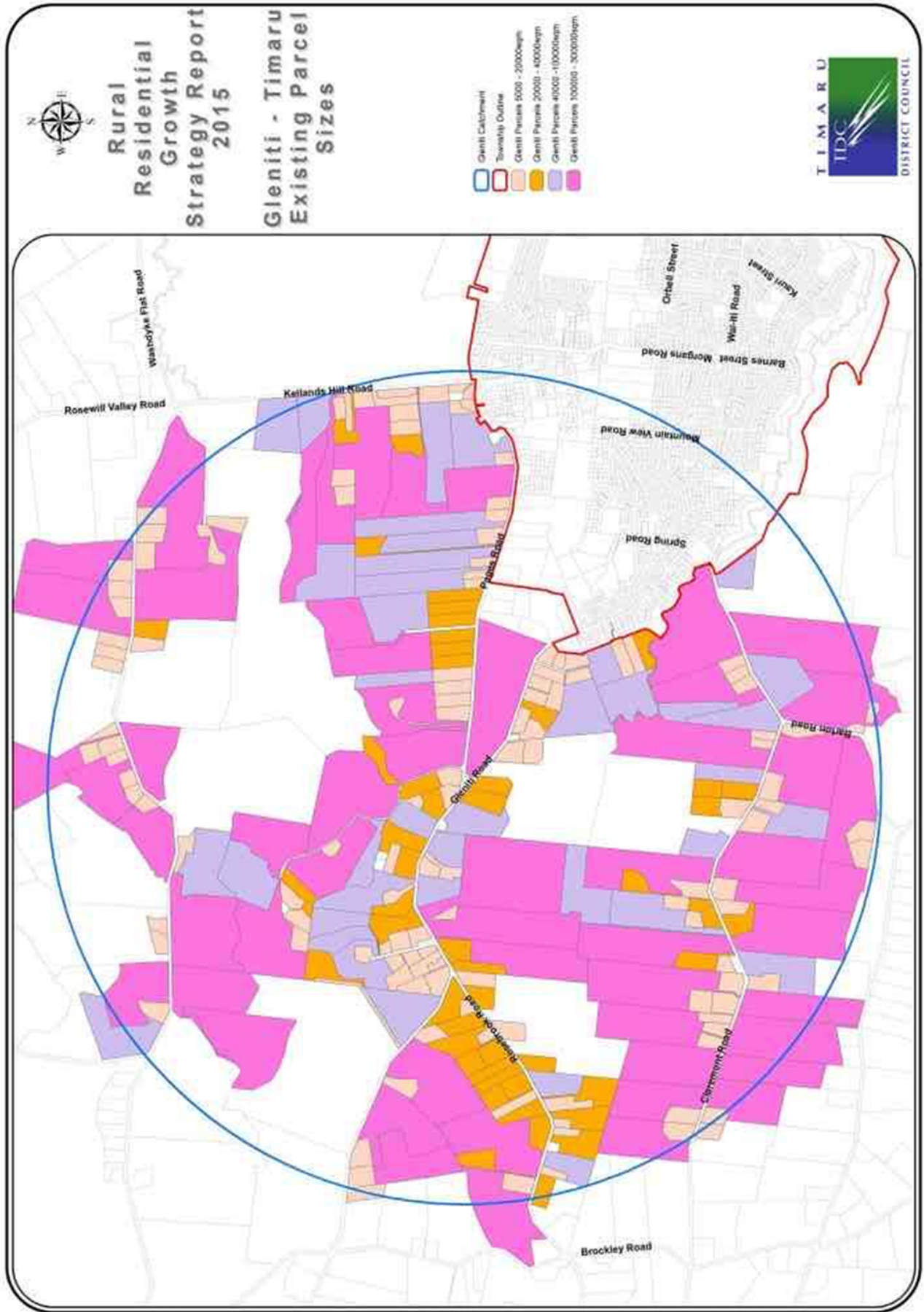


Figure 3.3 -Gleniti-Timaru Existing Parcel Sizes



Figure 3.4- Gleniti Timaru Titles Issued Since 2005

Since 2005, and as reflected within **Figure 3.4** (found above), within the Gleniti and Hadlow rural areas there has been intensification of smaller rural allotments bordering the main road corridors of Claremont Road, Rosebank Road, Gleniti Road, Pages Road and Spur Road. Pages Road, Rosebank Road and Gleniti Road now reflect peri-urban density development.

In relation to existing rural residential development, there has been 43 building consents for new rural dwellings approved within the Gleniti Catchment over the last 10 years of which 62 percent were approved since 2011, with the most significant increase in new rural dwellings being approved occurring in 2014, with nine building consents issued for new dwellings within that year. The increase in new dwellings in the Gleniti Catchment is identified within **Figure 3.5** (found below). Of the catchment areas analysed, the Gleniti Catchment reflects the highest level of new building consents issued for new rural dwellings for any area consolidated within close proximity to an urban area in the District. This compares with 30 building consents issued for Temuka, 18 building consents issued for Geraldine (excluding the Te Moana area which separately recorded 34 new building consents), 43 building consents in the Levels area²¹ and 2 building consents in the Pleasant Point area).

²¹ We note that the Levels area does not achieve the principles of urban consolidation given that it is not geographically located close to any of the four main urban centres.

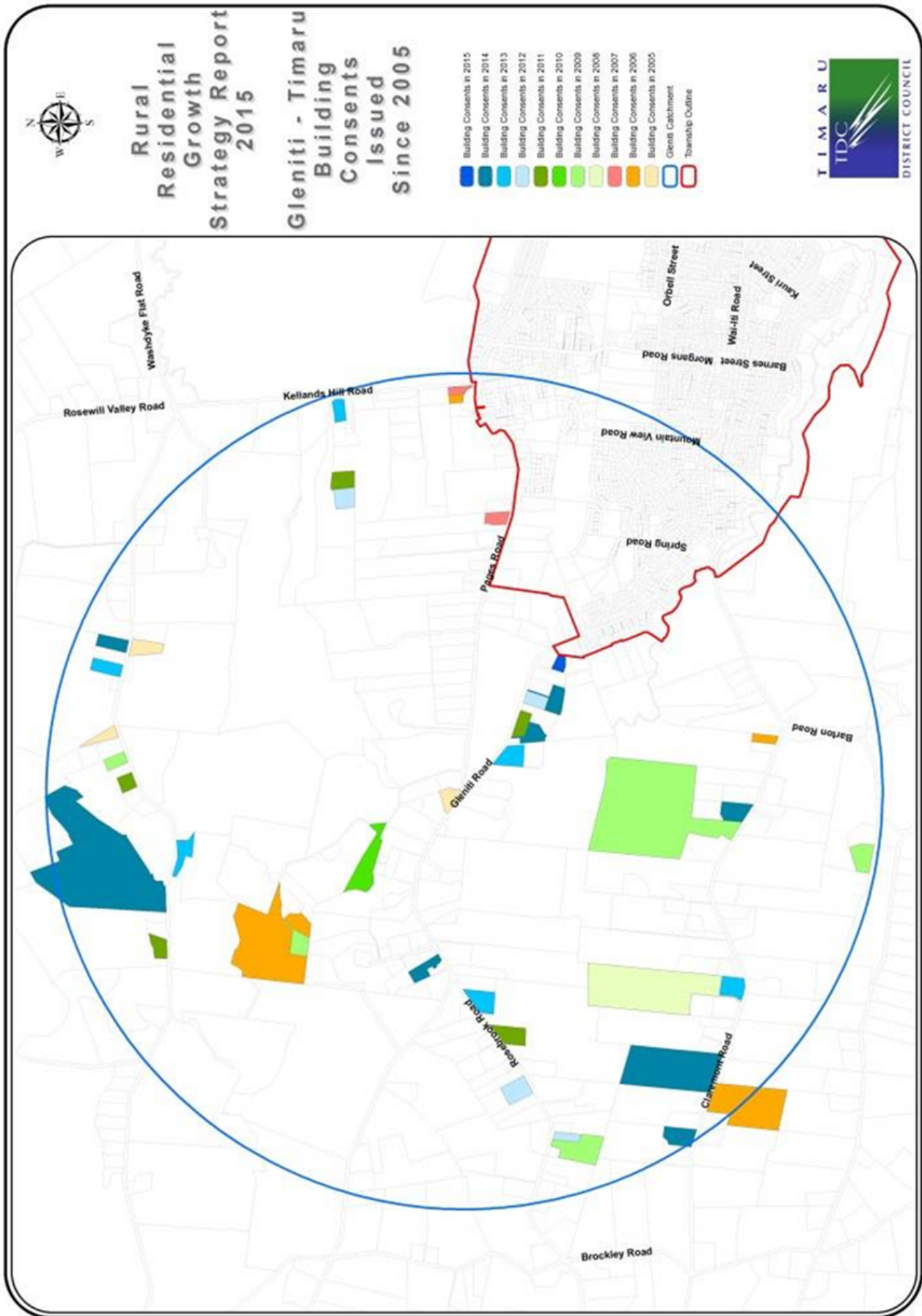


Figure 3.5- Gleniti- Timaru Building Consents Issued Since 2005

TEMUKA RURAL RESIDENTIAL ZONING OPTIONS

Over the last 25 years there has been a relatively constant demand for subdivision and new building consents to the north of the urban residential zone in Temuka and that is predominantly located to the east of McNair Road and to the west of Factory Road. The Temuka Catchment comprises a radius of approximately 2.5 kilometres (taken from the north eastern edge of the Temuka urban boundary) and extends to capture rural land to the east of McNair Road and Middle Swamp Road (refer **Figure 3.6**, found below).

Table 3.7 below identifies that the Temuka Catchment comprises the following density ranges and totals:

Property Range	0.5ha to 2ha	2ha to 4ha	4ha to 10ha	10ha to 30ha	30ha plus
Number of Lots within each range	122	51	40	39 * 26 of which are older than August 1988	8 * 5 of which are older than August 1988

Table 3.7 – Breakdown of existing rural lifestyle and rural residential lot ranges in Temuka Catchment.

Of the 260 land parcels identified within the Temuka Catchment, 47 percent fall within the 0.5ha to 2ha land parcel size range. We note that **Figure 3.7** (found below) identifies an extensive number of existing lots that are larger than 10ha (as shown in pink and purple). Of the 47 lots that are larger than 10ha, 31 were established prior to August 1988 and have either been recently subdivided (as reflected within **Figure 3.8** (found below) or may be able to be further developed based on the District Plan’s ‘entitlement approach’.

There is less of a demand pattern occurring within the Temuka Catchment when compared with the Gleniti Catchment, however there is a clear correlation between new titles issued (**Figure 3.7**, found below) and building consents issued for new rural dwellings over the last 10 years (**Figure 3.1.0** found below). There were 16 rural residential titles created to the east of McNair Road over this period, a number of which now support new residential dwellings. The two recent subdivisions that have occurred (as identified within **Figure 3.8** found below), reflect the District Plan’s ‘entitlement approach’, with both of these subdivisions creating a smaller rural residential lot, with the larger balance lot remaining.

It is noted that the majority of the existing titles that fall below the 2ha range identified within **Figure 3.9** (found below) and which are located between McNair Road and Factory Road are older than 10 years. The earlier Demographic Change and Growth Study identified a building consent demand pattern for new rural dwellings between 2000 and 2005).

It is noted, for completeness, that the land which has been intensified to the southwest of Temuka is linked to Papakainga and was created more than 25 years ago.

The above analysis has identified that there is a modest demand pattern occurring outside of Temuka’s urban edge. It is likely that there will be further intensification of those existing larger 10ha rural lots to the northeast of the urban boundary reflecting (i) the strong demand for rural residential property sales, (ii) modest subdivision demand pattern and (iii) correlation between (i) and (ii) with new residential dwellings that have occurred over the last 10 years.



Figure 3.6- Temuka Catchment

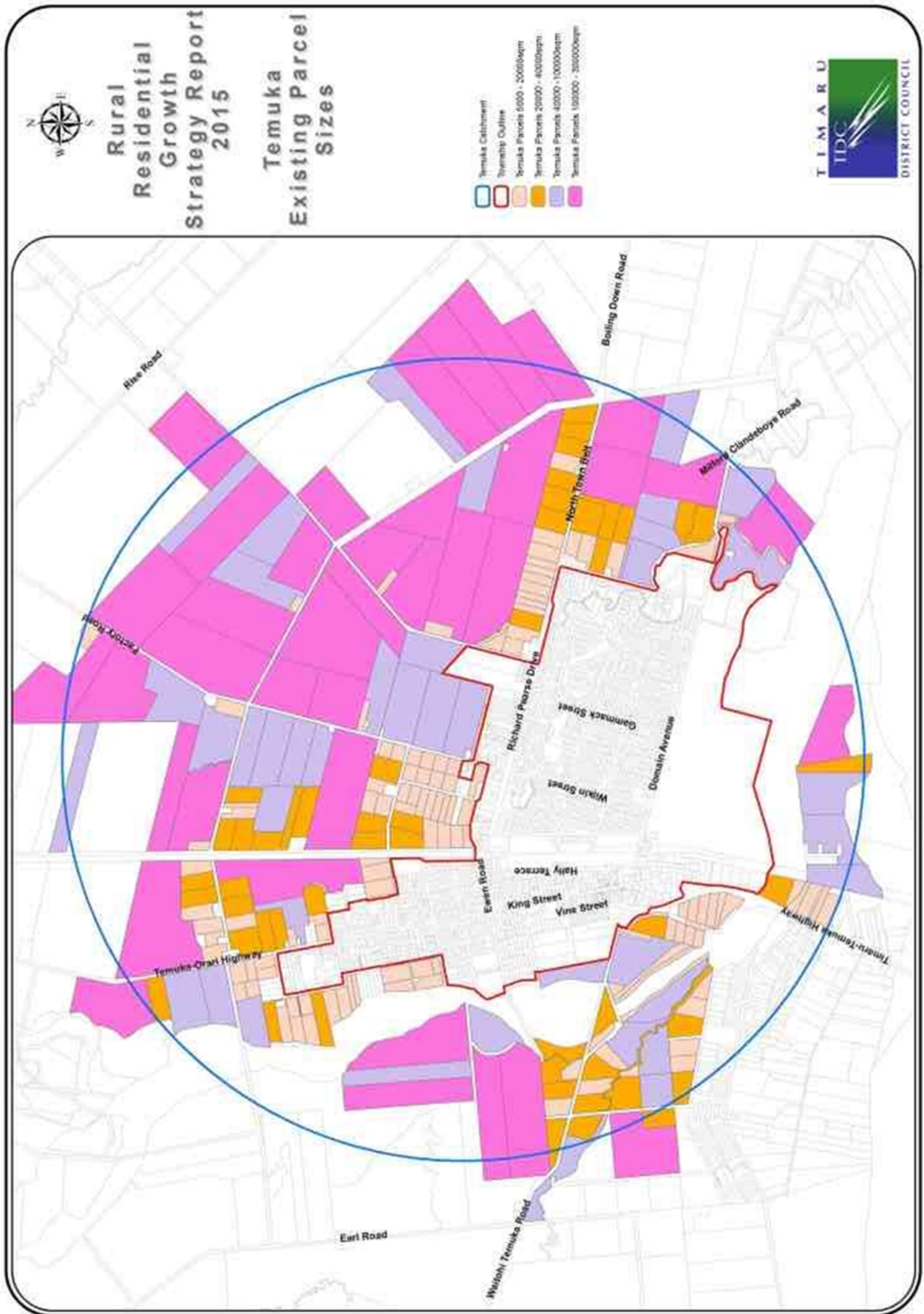


Figure 3.7 - Temuka Existing Parcel Sizes

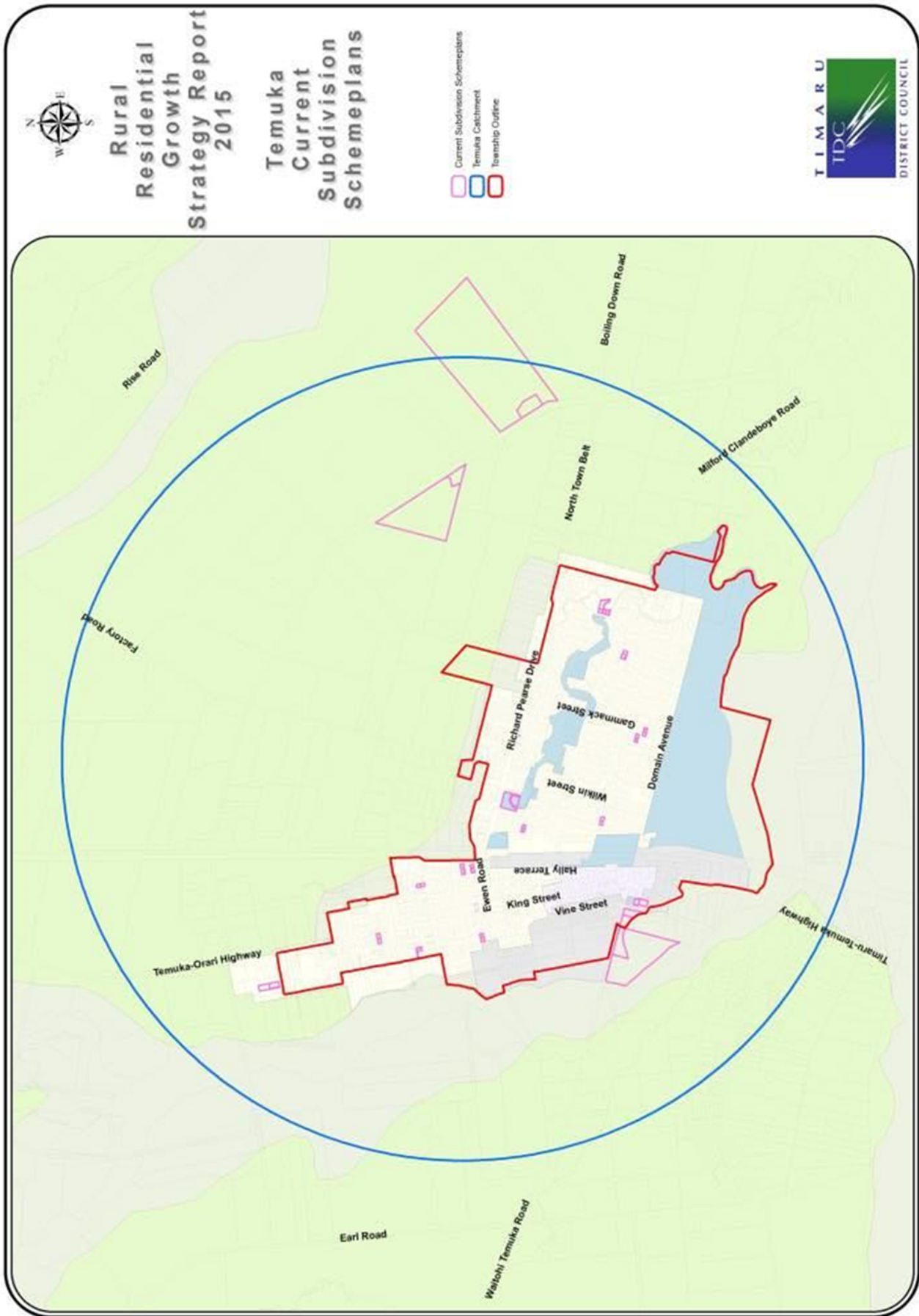


Figure 3.8-Temuka Current Subdivisions Scheme plans

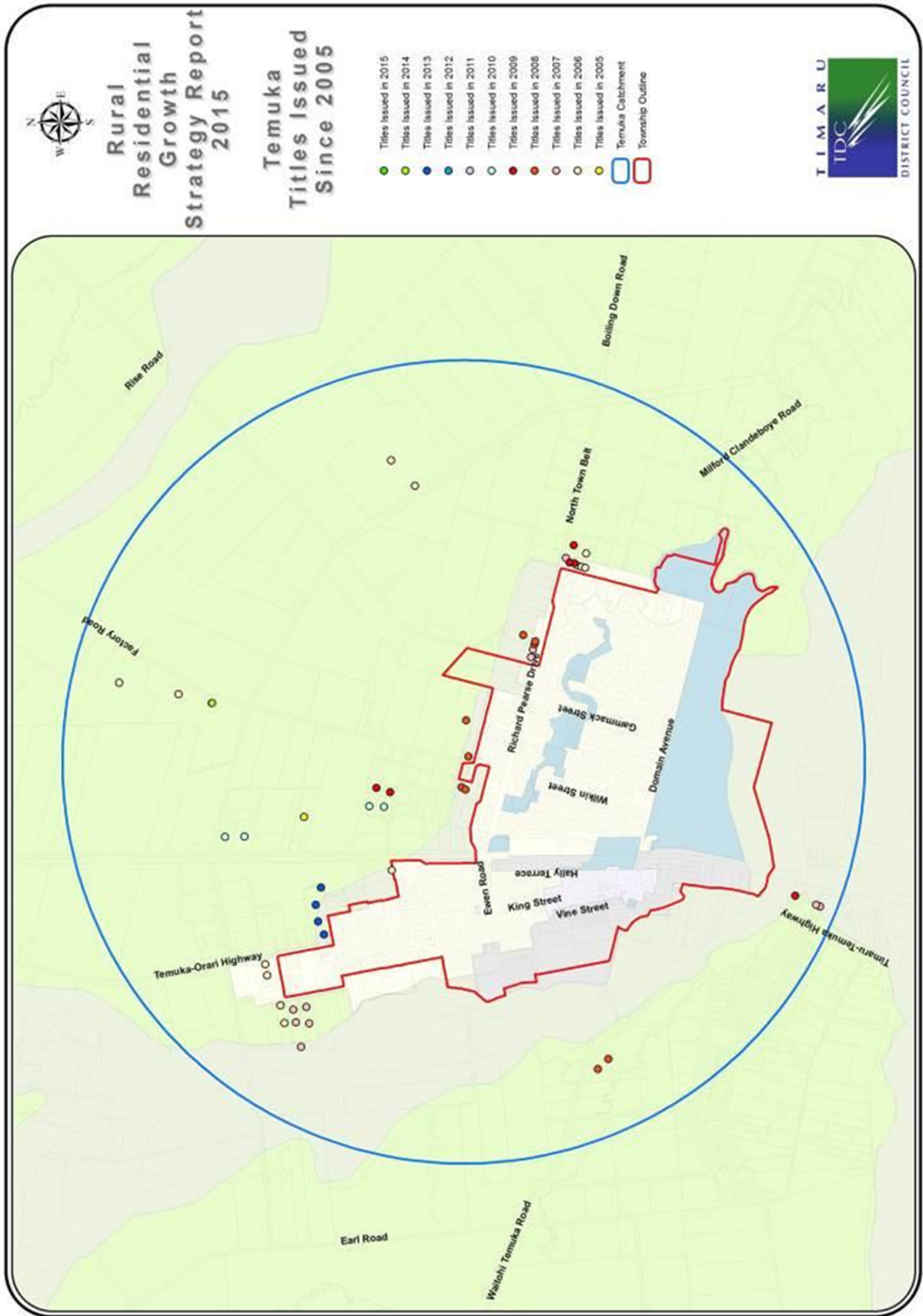


Figure 3.9-Temuka Titles Issued since 2005

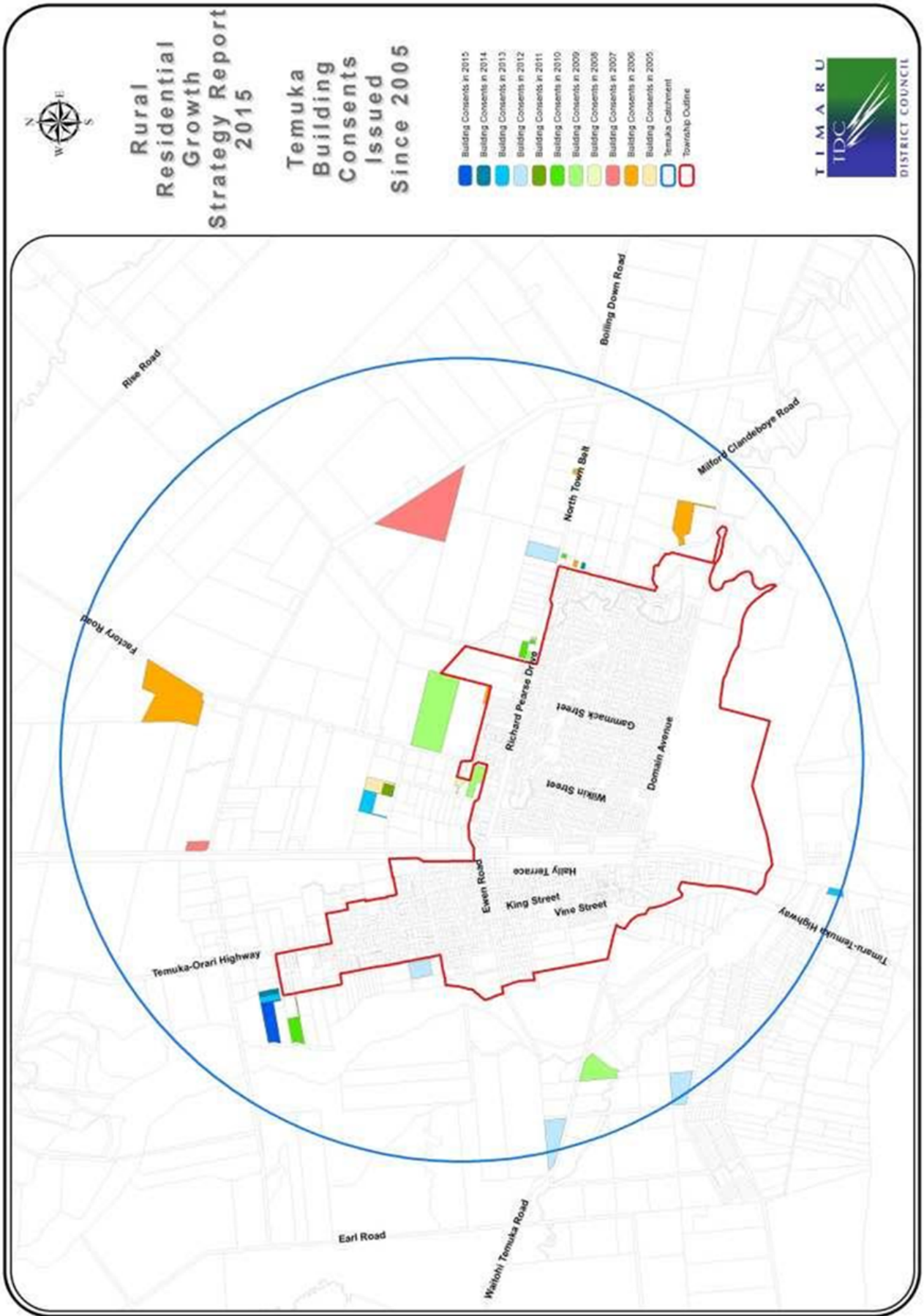


Figure 3.10- Temuka Building Consents Issued 2005

GERALDINE RURAL RESIDENTIAL ZONING OPTIONS

Outside of Geraldine Downs, a significant proportion of new rural residential lots are located to the north of Geraldine's urban edge.

The Geraldine Catchment comprises a radius of approximately 2.0 kilometres (taken from the north eastern edge of the Geraldine urban boundary) extending to capture Orari Station Road and Bennett Road to the north. Given the existing Rural 4 Zone (Geraldine Downs) to the west of the catchment area, the study area for Geraldine focuses on the areas to the north, south and east of the main urban boundary (refer **Figure 3.11**, found below).

The Geraldine Catchment comprises the following density ranges and totals:

Property Range	0.5ha to 2ha	2ha to 4ha	4ha to 10ha	10ha to 30ha	30ha plus
Number of Lots within each range	49	14	26	11 * 2 of which are older than August 1988	12 * 6 of which are older than August 1988

Table 3.8 – Breakdown of existing rural lifestyle and rural residential lot ranges in Geraldine Catchment.

Of the 112 land parcels identified within the Geraldine Catchment, 43 percent fall within the 0.5ha to 2ha land parcel size range. Outside of Geraldine Downs, a significant proportion of these lots are located to the north of Geraldine's urban edge, while there is a smaller isolated cluster located to the southeast along Orari Station Road (refer **Figure 3.12**, found below).

A clear demand trend that has occurred to the north of Geraldine is the intensification of smaller rural allotments located within the northern end of the urban edge, with 24 new titles created in the last 10 years (refer **Figure 3.13**, found below). There is further subdivision occurring within the northern end of Geraldine, which reflects the District Plan's 'entitlement approach', with smaller rural residential lots being subdivided off larger 10ha lots.

The Council's earlier Demographic Change and Growth Study identified subdivision intensification occurring to the north of Geraldine, however, a large proportion of the historical subdivisions that have been approved between Bennett Road and the Geraldine urban edge are older than 25 years.

The above analysis has identified that there is a relatively strong demand pattern occurring outside of Geraldine Downs both in terms of titles issued and building consents issued for new rural dwellings, as well as rural residential property sales. Based on these trends, there is potential for further intensification of the existing larger 10ha rural lots to the north, northeast and east of the urban boundary due to the number of larger 10ha lots within this part of the Geraldine Catchment.



Figure 3.11-Geraldine Catchment

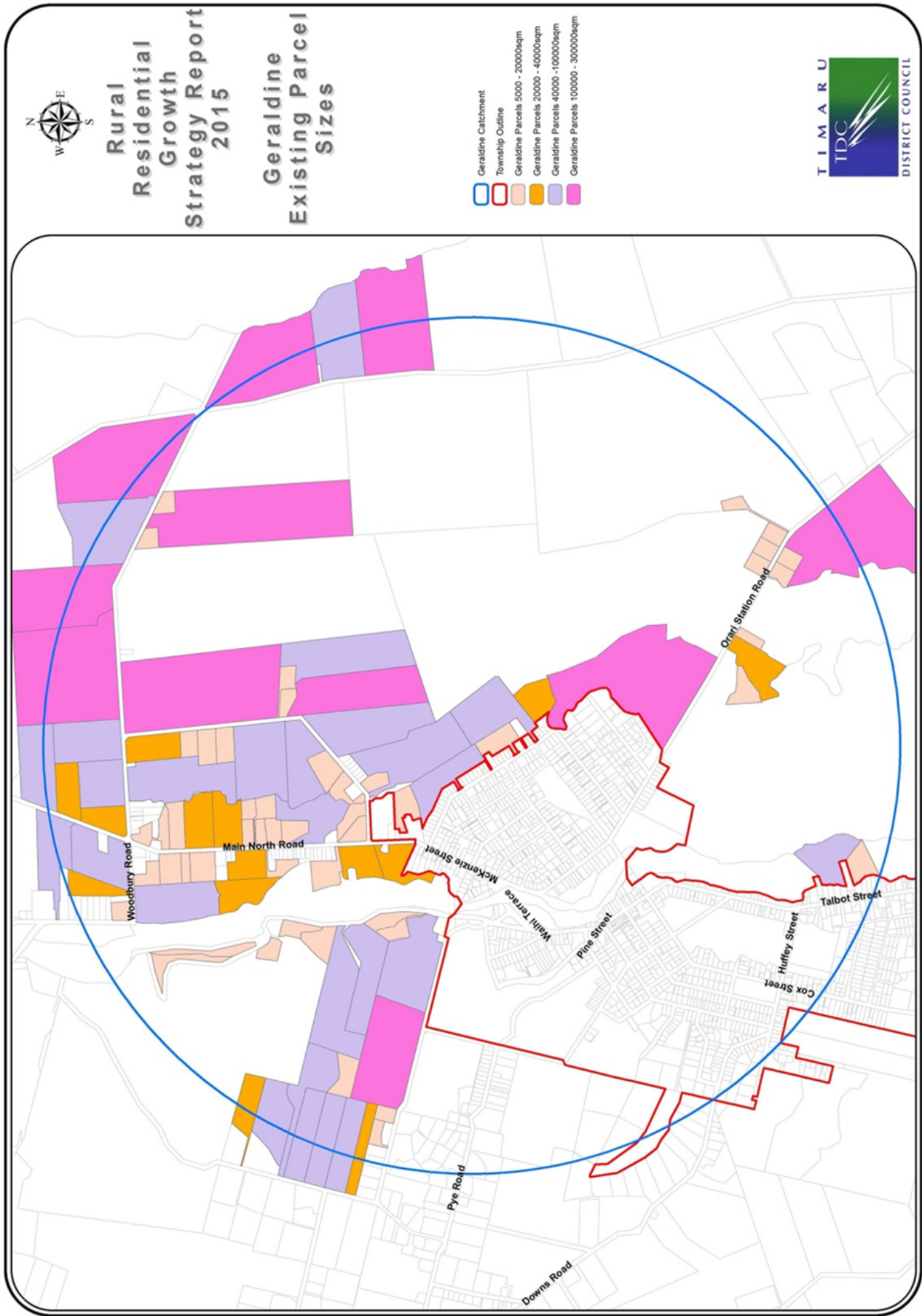


Figure 3.12 - Geraldine Existing Parcel Sizes

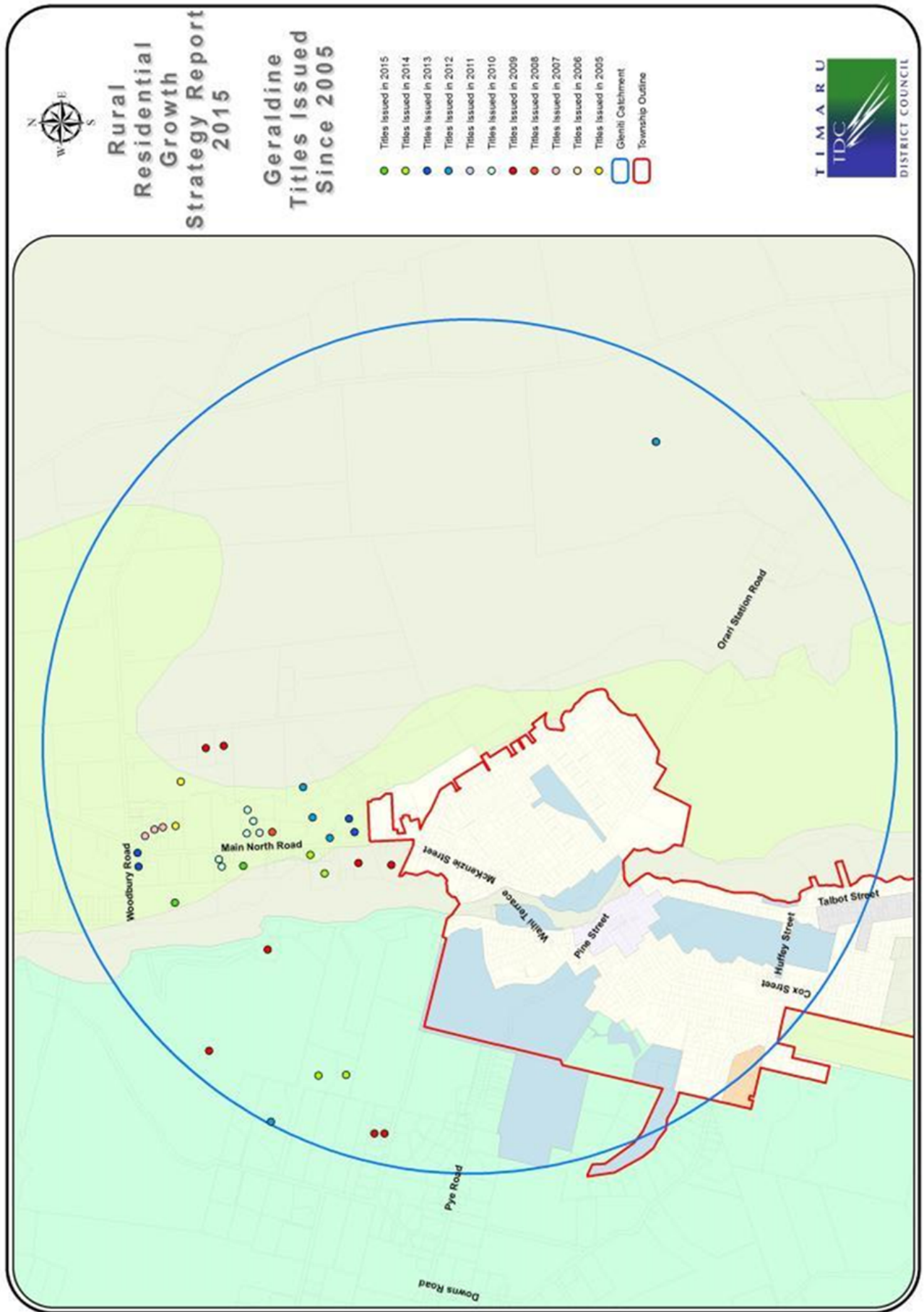


Figure 313- Geraldine Titles Issued Since 2005

PLAINS LEVELS RURAL RESIDENTIAL ZONING OPTIONS

Historically, there appears to have been a relatively strong demand for rural residential housing to the east of Pleasant Point, with many smaller rural residential lots holdings bordered by larger rural lifestyle blocks (refer parcel areas identified in **Figure 3.14** (found below)).

There has been a proliferation of rural residential allotments less than 2ha in area in the Kerrytown Road (which extends off Arowhenua Road to the east of the Pleasant Point township), however many of these existing rural residential lots existed before 2000. More recently, there continues to be a demand for rural residential development to the south of Pleasant Point in the Levels areas, with a number of new titles issued over the last 10 years to the south east of Pleasant Point.

Property Range	0.5ha to 2ha	2ha to 4ha	4ha to 10ha	10ha to 30ha	30ha plus
Number of Lots within each range	167	66	109	127 * 53 of which are older than August 1988	34 * 15 of which are older than August 1988

Table 3.9 – Breakdown of existing rural lifestyle and rural residential lot ranges in Levels Catchment.

Of the 503 land parcels identified within the Plains Levels Area Catchment, 33 percent fall within the 0.5ha to 2ha land parcel size range and 25 percent fall within the 10 to 30ha range of which 53 lots can be further subdivided.

PLEASANT POINT RURAL RESIDENTIAL ZONING OPTIONS

The Pleasant Point Catchment comprises a radius of approximately 1.5 kilometres (taken from the western edge of the Pleasant Point urban boundary) and extends to capture Pleasant Point Cave Highway 8 and the existing level of rural residential development that has occurred to the west of the town.

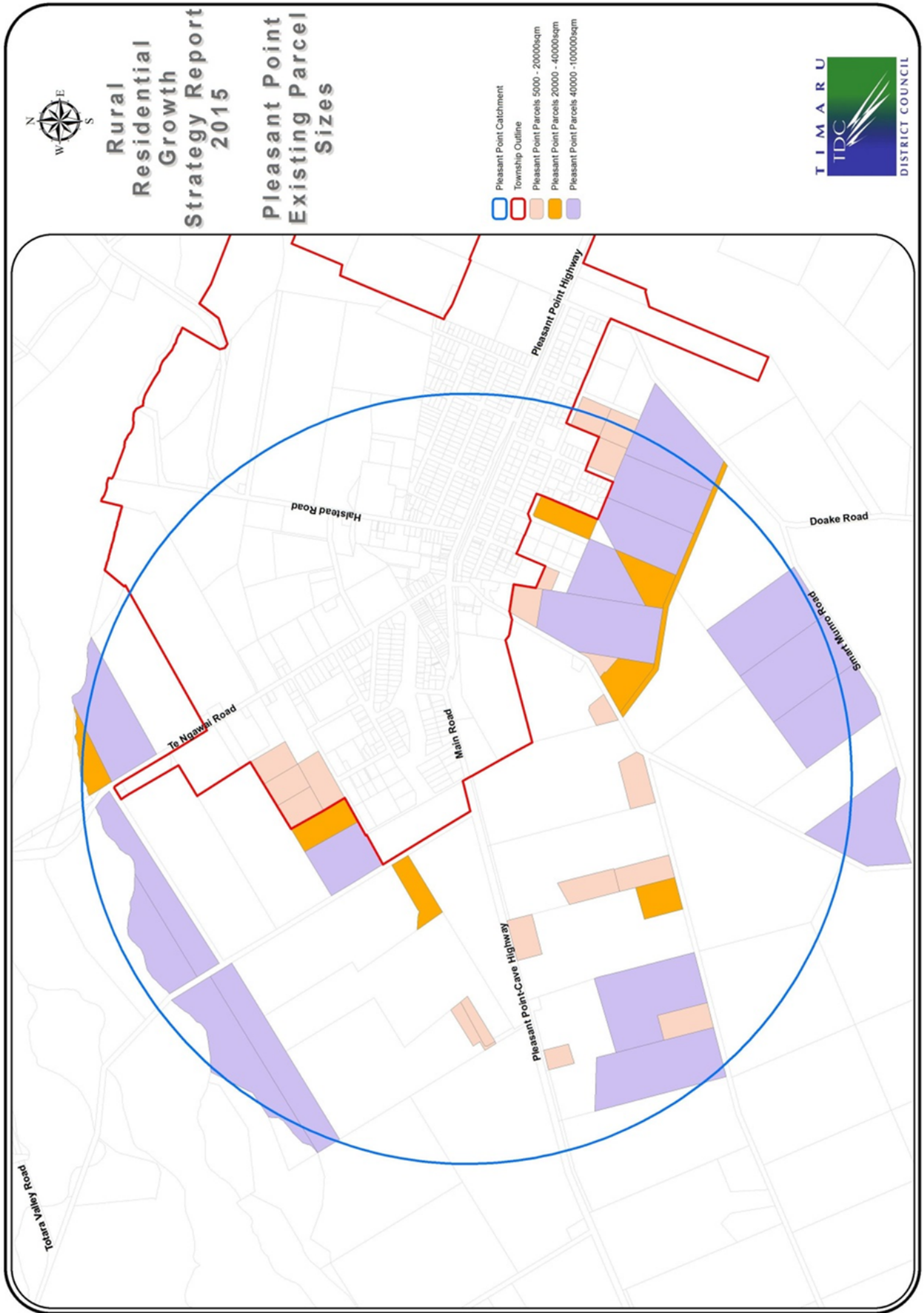
Table 3.10 below identifies that the Pleasant Point Catchment comprises the following density ranges and totals:

Property Range	0.5ha to 2ha	2ha to 4ha	4ha to 10ha	10ha plus
Number of Lots within each range	19	8	17	23

Table 3.10 – Breakdown of existing rural lifestyle and rural residential lot ranges in Temuka Catchment.

Of the 122 land parcels identified within the Pleasant Point Catchment, 28 percent fall within the 0.5ha to 2ha land parcel size range.

We note that **Figure 3.15** (found below) identifies a number of existing lots that are larger than 10ha (as shown in white). Of the 23 lots that are larger than 10ha, 14 were established prior to August 1988 and may be able to be further developed based on the District Plan's 'entitlement approach'.



S | Figure 3.15- Pleasant Point Existing Parcel Sizes

CONCLUSION

Having regard to the above assessment, the following is concluded in regards to the growth assumptions for the rural residential development in the District over the next 30 years.

- Up to 330 additional rural residential households will be required in Timaru by 2045.
- Up to 90 additional rural residential households will be required in Geraldine by 2045.
- Up to 90 additional rural residential households will be required in Temuka by 2045.
- Up to 30 additional rural residential households will be required in Pleasant Point by 2045.
- Demand for rural residential development in Timaru will primarily occur in the Gleniti catchment, West of Timaru.
- Demand for rural residential development in Geraldine will primarily occur to the North of Geraldine.
- Demand for rural residential development in Temuka will primarily occur to the north and North West of Temuka.
- Demand for rural residential development in Pleasant Point will continue.

4.0 OFFICE AND VISITOR ACCOMMODATION GROWTH ASSUMPTIONS

CONTENTS

Drivers.....	109
Visitor Accommodation.....	109
Offices.....	110
Conclusion.....	110

There is limited data available to ascertain the growth in office and visitor accommodation activities. Most office accommodation appears to be located around Timaru CBD, while most visitor accommodation is located along State Highway 1 in Timaru.

DRIVERS

Visitor numbers are likely to be the major driver for growth in visitor accommodation, while general economic conditions are likely to be the major driver for growth in office accommodation.

VISITOR ACCOMMODATION

The *Commercial Accommodation Monitor*²² indicates that for the year March 2014 to March 2015 there was a 21% increase in commercial accommodation guest nights in the Timaru District. This is significant and seems to suggest that this sector is growing strongly. However, it is important to note that over the previous four years, 2010 to 2014, growth was relatively slow with only a 3% increase overall in this period (see Figure 4.0). Therefore, whilst the most recent data suggests that this sector is growing strongly, caution should be had given the much more moderate historical growth.

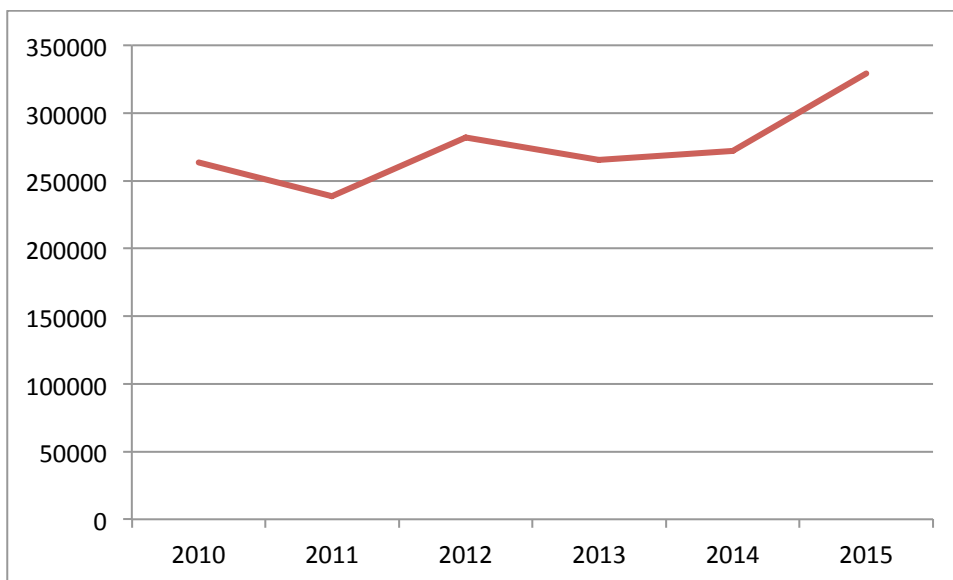


Figure 4.0 – Total annual guest nights in commercial accommodation 2010 to 2015 Timaru District
Source: Statistics New Zealand

The *Commercial Accommodation Monitor* also indicates that a majority of guests to the district are domestic. *Aoraki Business, Development and Tourism* Tourism Manager suggests that most domestic visitors visit the area for business reasons. Accordingly, it is considered that the growth of visitor accommodation is more likely linked to economic activity rather than international tourists. This may have a bearing on the location of future visitor accommodation facilities, as it is likely that business visitors will want to be located near the CBD or State Highway 1.

²² Statistics New Zealand, Accommodation Survey, May 2015

OFFICES

As outlined in section 1.0 the district is performing well and it can be reasonably expected that economic activity will continue to be comparatively strong in the Timaru District in the short to medium term. This will likely support the growth of office and administration activities and consequently lead to moderate increased demand for commercial floor space for office use. However, it is considered that such growth will generally be accommodated by way of refurbishment of existing buildings, particularly in Timaru's CBD, as opposed to new builds. As such, it is not considered that the demand for offices will result in a requirement for additional commercial zoned land.

CONCLUSIONS

1. The growth of visitor accommodation has, in the past five years, been relatively slow, around 1.3% annually. More recent year end figures have shown a considerable (21%) increase in this sector from 2014 to 2015. Caution should be taken given historical trends.
2. It is likely that any growth in visitor accommodation will likely continue to be located along State Highway 1 or close to the Timaru CBD.
3. Any growth in office accommodation is likely to be located in the CBD.
4. The likely scale of future growth in visitor and office accommodation is unlikely to create a significant demand on infrastructure or a need for additional commercial zoned land.

5.0 INDUSTRIAL GROWTH ASSUMPTIONS

CONTENTS

Introduction.....	113
Property Economics' Report.....	113
Existing Industrial Land.....	114
Drivers of Industrial Growth.....	120
Assessment of Required Land.....	122
Conclusion and Recommendations.....	123

INTRODUCTION

This report sets out to assess the growth of industrial activities in the Timaru District. This includes an estimate of the likely future demand for industrial land going forward. However, there is a general problem with estimating the future demand for industrial land. The reason for this is that there is huge diversity in industrial activities and accordingly a large number of factors that drive and influence industrial land demand.

A previous report prepared by Property Economics²³ attempts to predict industrial growth by projecting statistical data. However, it is considered that the link between that data and industrial growth is tenuous. Accordingly, while the first section of this assessment provides a summary of the Property Economics Report, caution must be applied to the accuracy of those predictions. With this in mind, the emphasis of this report is on establishing what industrial land is available where and whether additional industrial land will be needed having regard to known or likely drivers of industrial land demand.

PROPERTY ECONOMICS' REPORT

The "*Timaru District Retail, Industrial and Residential Strategy Draft Discussion Document*" prepared by Property Economics in December 2007 estimates the demand for industrial land using two different techniques.

The first technique (Scenario 1) estimates industrial land demand from employment projections, based on 2006 census data. Due to the use of 2006 census data these projections are now dated and obviously assume there is a direct link between the number of people employed and the demand for industrial land. However, it is considered that this relationship is at best tenuous. For example, many existing industrial activities have large sites and buildings and accordingly many such activities could significantly increase the number of people working on the site without creating a demand for additional industrial land. Nonetheless, using this technique, the Property Economics report estimates that there will be increased land demand in the district in the order of 15 to 20 ha by 2021. It predicts that most of the growth will occur in the transport/storage and wholesale trade sectors. The construction sector is predicted to significantly decrease its land demand by 15.4 ha by 2021 due to the sector trending back to pre-building boom era levels of activity.

The Property Economics report also assesses the ability of the district to attract additional industrial activity, including latent demand for land and the ability to attract industry from outside the district (referred to as Scenario 2). The technique Property Economics uses to do this is unclear as are the assumptions relied on. Nonetheless, it predicts there may be a demand for 71 ha of additional industrial land in the district.

The Property Economics report, which when comparing the two scenarios, states that the demand for industrial land will be between 15-20 and 85-90 ha. That section then goes onto note that although the maximum predicted additional land demand of 90ha is below the 200 ha of existing developable industrial land within the district, there is potential that additional land may need to be rezoned for industrial use. This statement is made on the basis that land ownership patterns; nature of soil; cost of infrastructure provision; and, the location of the developable industrial land; may not be suited to meet the changing nature of industrial activity.

²³ "*Timaru District Retail, Industrial and Residential Strategy Draft Discussion Document*" prepared by Property Economics for Timaru District Council, December 2007

In summary, the Property Economics report estimates there could be future demand for industrial land in the district from anywhere between 15 hectares to more than 90 hectares up to the year 2021.

EXISTING INDUSTRIAL LAND

This section sets out to establish the amount of vacant industrial land in the district and how much of that land is likely to be available and usable. Again however, there are limitations to this assessment. The limitations are that whilst land may be zoned, vacant and usable for industrial activities it may not be available on the property market. For instance, many industrial companies hold large areas of industrial land (land banks) for future expansion or strategic purposes. As such this land is only available to the company that holds the land and is not generally available on the market. Similarly, land may be zoned industrial and available, but may not be usable for a number of reasons including land conditions, infrastructure constraints, legal issues or susceptibility to natural hazards. Further difficulties arise as some industrial zoned land may appear available and usable, but is in fact being used sporadically for industrial uses or is earmarked for imminent use. Nonetheless, Figures 40 to 43 below show the vacant Industrial zoned land in Timaru, Geraldine, Pleasant Point and Temuka.

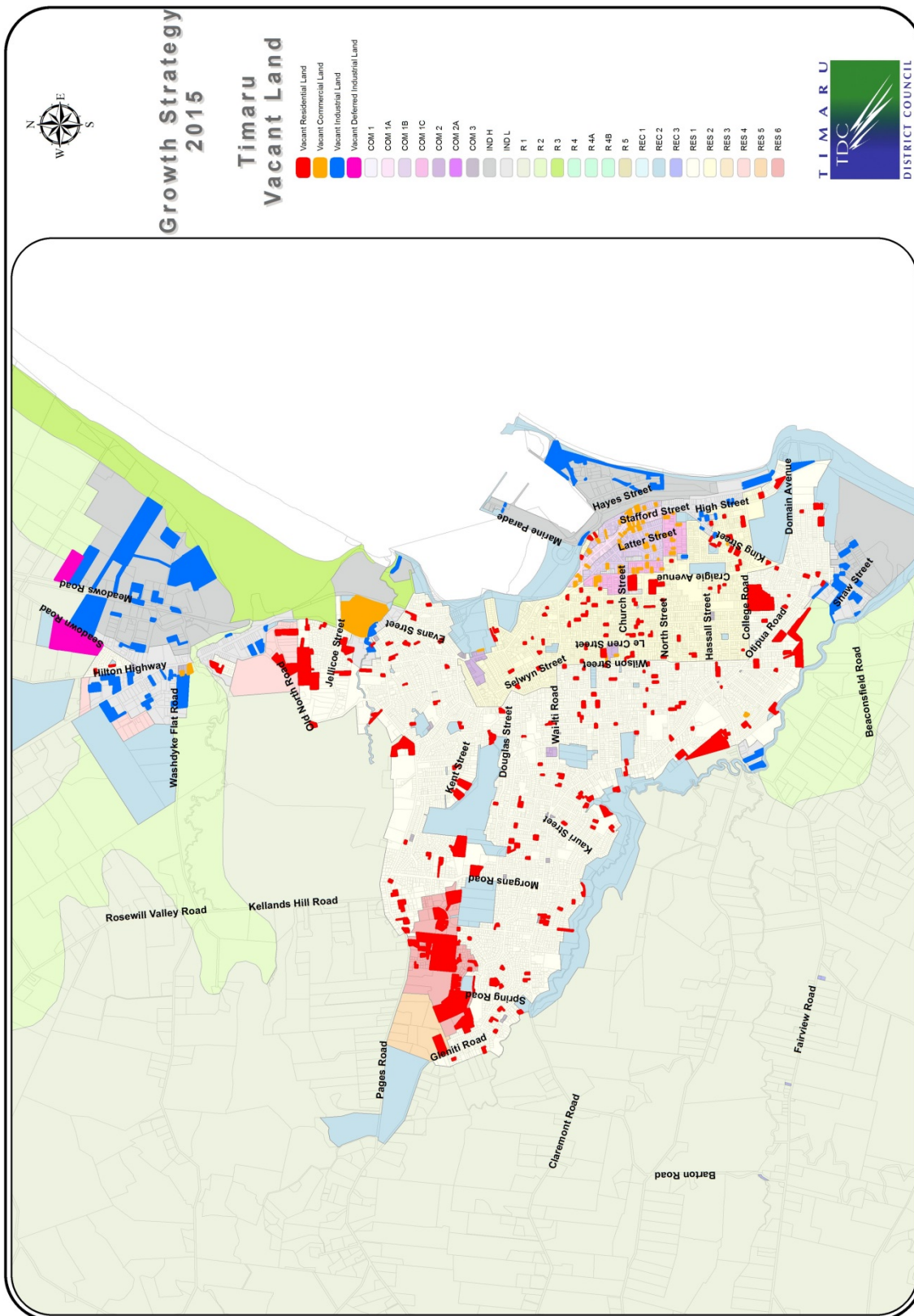


Figure 5.1 – Vacant Industrial Zoned Land Timaru

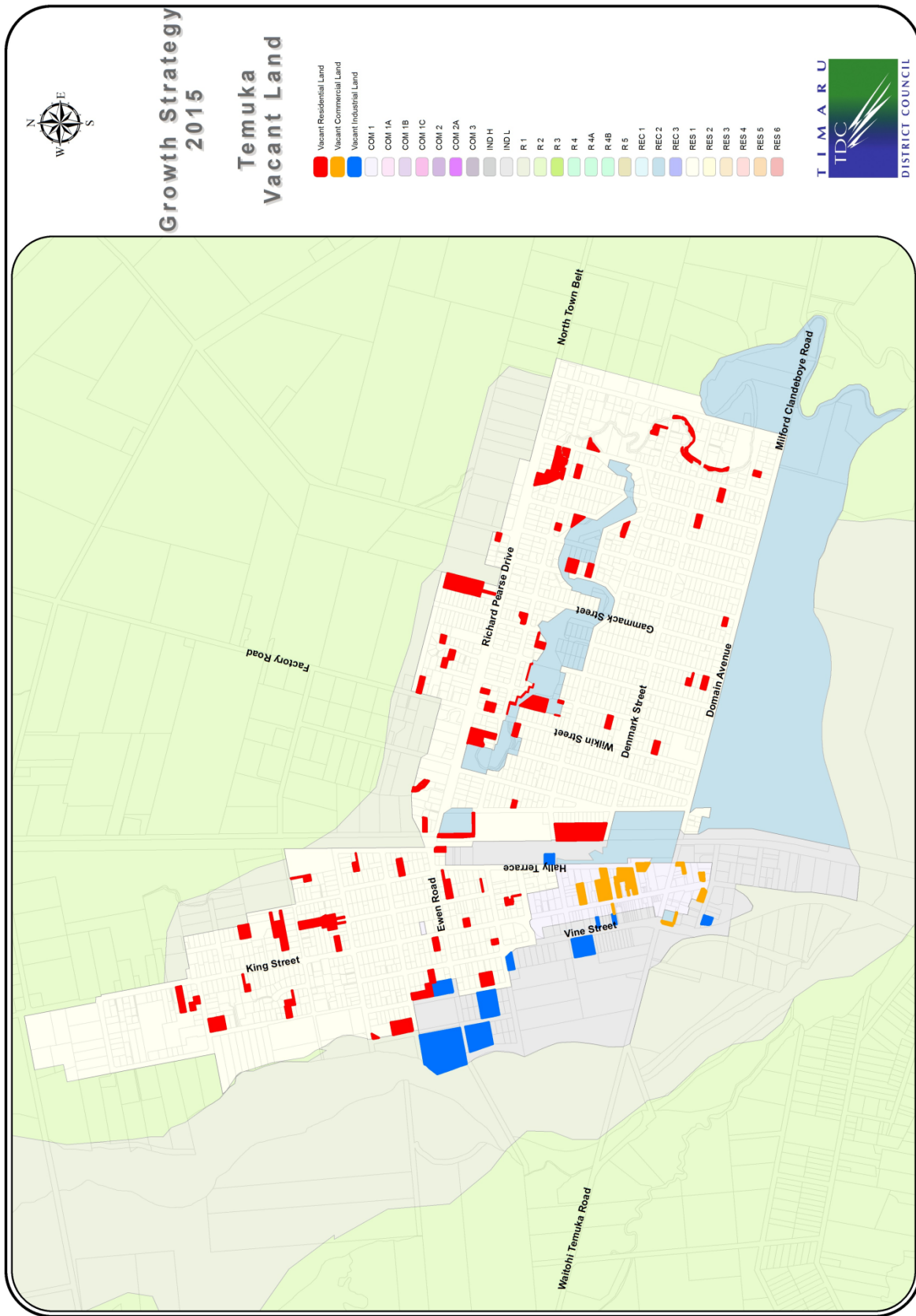


Figure 5.2 – Vacant Industrial Zoned Land Temuka

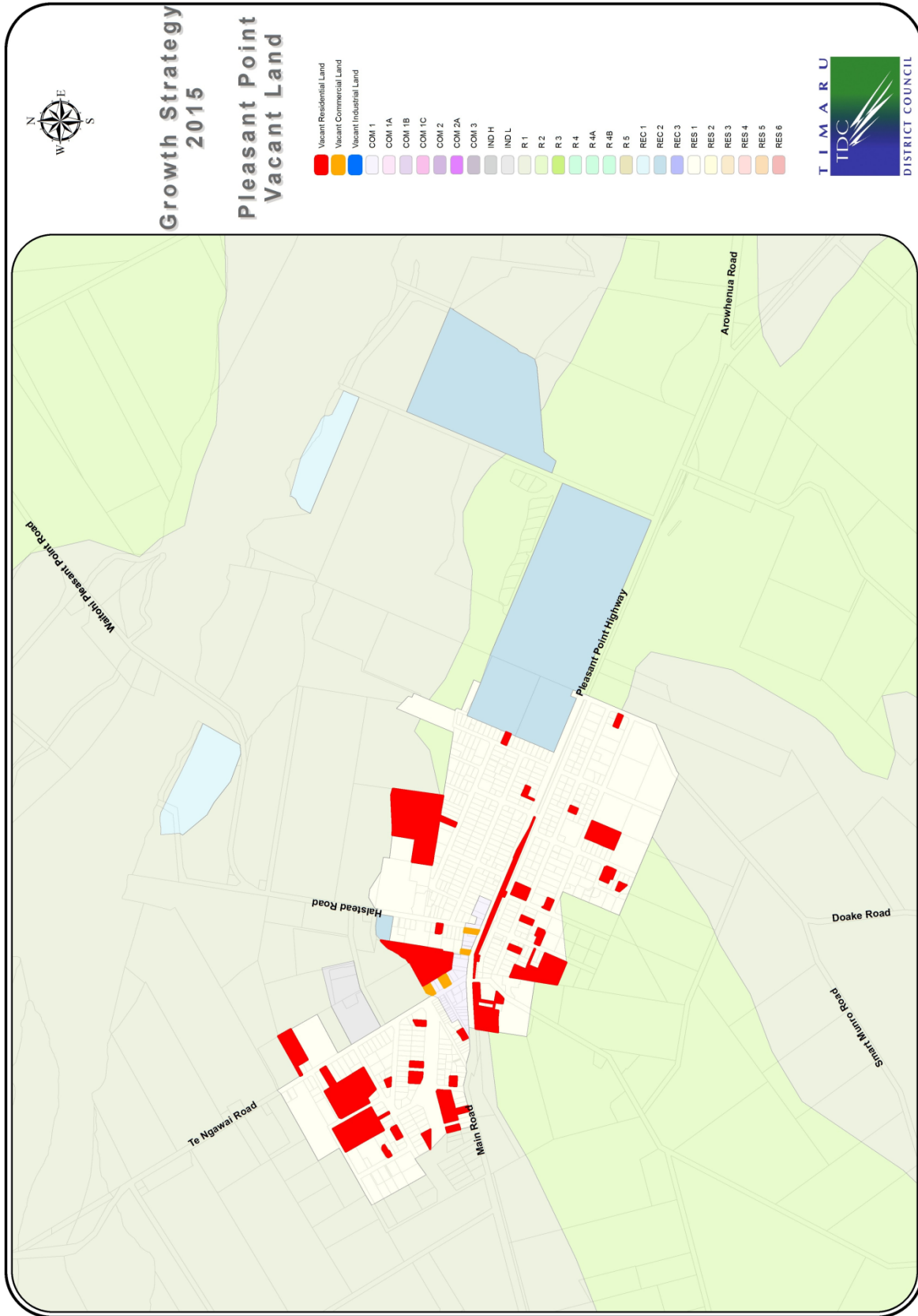


Figure 5.3 – Vacant Industrial Zoned Land Pleasant Point

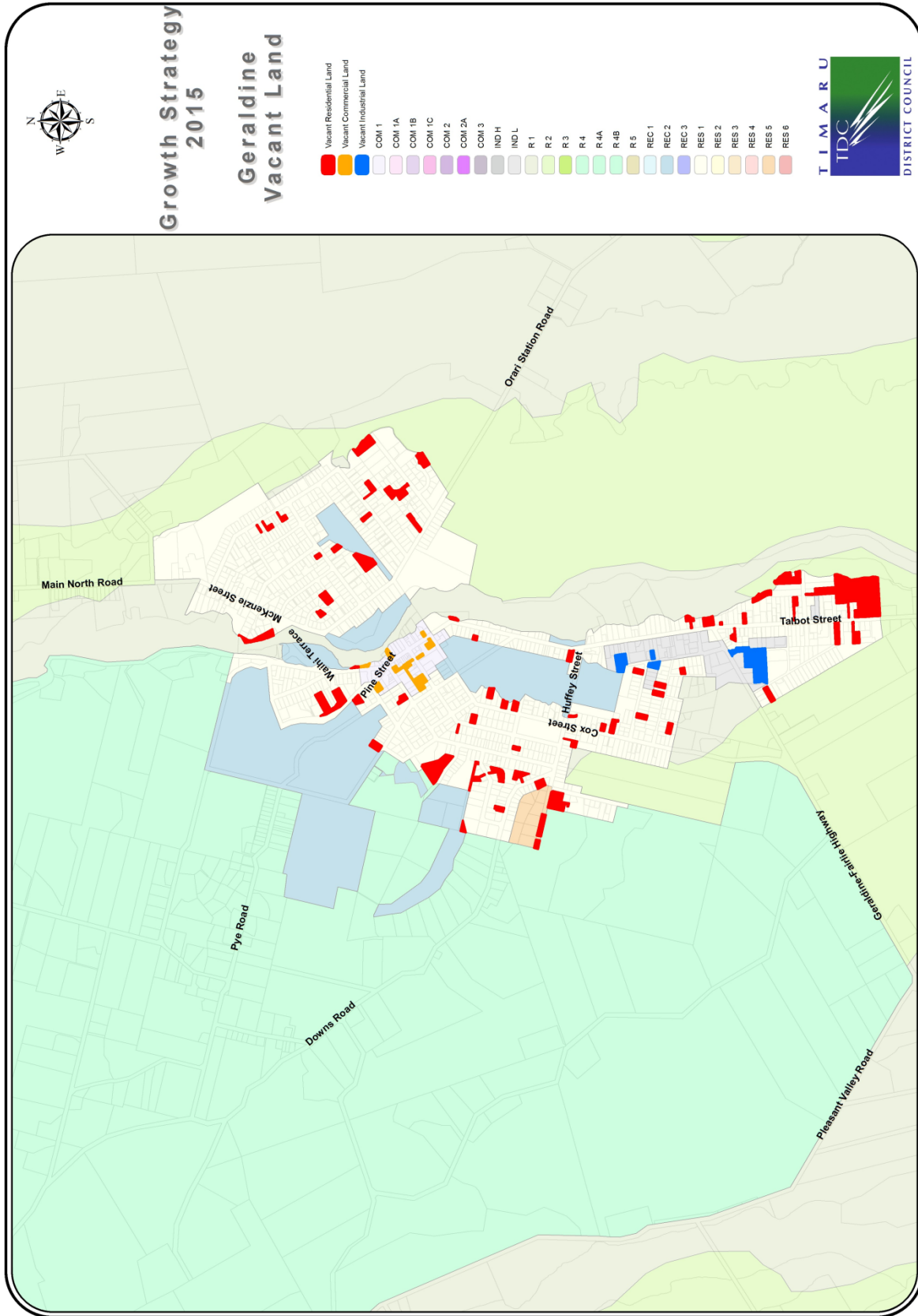


Figure 5.4 – Vacant Industrial Zoned Land Geraldine

Breaking down vacant industrial zoned land further, Table 5.0 below provides an estimate of the vacant zoned industrial land that is considered to be available and usable for each industrial location in the district. This includes those “pockets” of industrial zoned land at Clandeboye, Barkers, Pareora and Winchester.

LOCATION OF INDUSTRIAL AREA	INDUSTRIAL ZONE TYPE LIGHT/HEAVY	AREA OF INDUSTRIAL ZONE (HA)	AREA OF VACANT INDUSTRIAL ZONED LAND (HA)	AREA OF AVAILABLE & VACANT INDUSTRIAL ZONED LAND (HA)	AREA OF USABLE, VACANT & AVAILABLE INDUSTRIAL ZONED LAND (HA)
TIMARU CBD	L	16.51	0	0	0
PORT	H	75.28	0	0	0
	L	7.38	5.19	5.19	5.19
WASHDYKE	H	191	48.1	32	32
	L	163	73	71	71
REDRUTH	L	17.65	0.85	0	0
	H	71.95	0.33	0	0
SMITHFIELD	H	25.11	5.62	5.62	5.62
FAIRVIEW ROAD	L	5.26	1.97	0.8	0.8
TIMARU TOTAL	H	363.34	135.06	114.61	114.61
	L	209.8			
CLANDEBOYE	H	103	64	26	26
GERALDINE	L	10.54	1.55	0.63	0
BARKERS	L	13	8.3	8.3	8.3
TEMUKA	L	48.96	4	4	4
PLEASANT POINT	L	3.93	1.45	1.45	1.45
WINCHESTER	L	5.34	5.77	5.77	5.77
PAREORA	H	39.92	13	0	0
TOTAL AREA OF VACANT, AVAILABLE & USABLE INDUSTRIAL L ZONED LAND					90.9
TOTAL AREA OF VACANT, AVAILABLE & USABLE INDUSTRIAL H ZONED LAND					69.4
OVERALL TOTAL					160.3

Table 5.0 – Assessment of Vacant, Usable and Available Industrial Zoned Land in Timaru District

Source: Timaru District Council

The above assessment establishes that there is a total of 160 hectares of existing vacant, available and usable industrial zoned land within the district. In addition to this, the Washdyke Industrial Expansion Area provides for a further 70 hectares of industrial zoned land (see Figure 5.5) as part of a staged deferred rezoning. As such, in total there is some 230 hectares of vacant and available, or available in the future, industrial zoned land in the district.

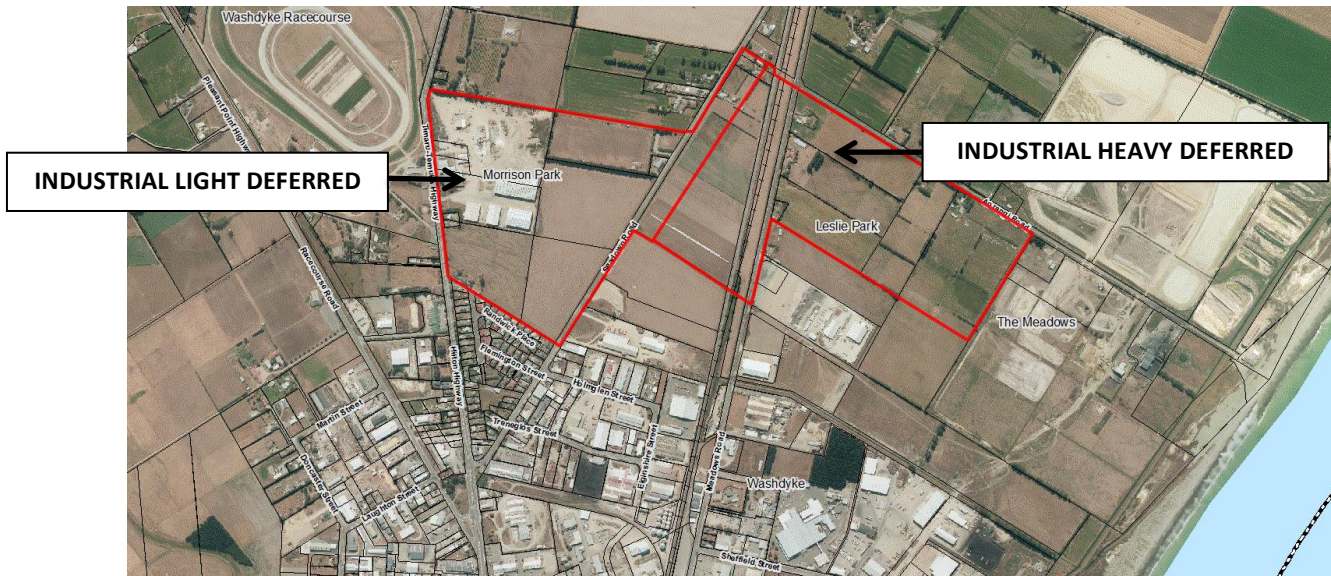


Figure 5.5 – Washdyke Industrial Expansion Area
 Source: Timaru District Council

DRIVERS OF INDUSTRIAL GROWTH

This section comments on the key drivers of industrial growth for the district.

PRIMEPORT TIMARU

The Port of Timaru (known as ‘Primeport Timaru’) has recently undergone a significant change in that the Port of Tauranga subsidiary **Timaru Container Terminal (TCTS)** has acquired:

- a 50% shareholding in Primeport Timaru;
- ownership of the port’s mobile assets; and
- a 34.9% lease in the port’s container area.

Further, Kotahi, a joint venture between Fonterra Co-Operative and Silver Fern Farms, has agreed to commit a significant volume of export traffic to TCTS over a ten year period. As a result of this agreement between Kotahi and Port of Tauranga, TCTS plans to invest in port infrastructure including another mobile harbour crane to handle the increased container traffic. Container traffic has surpassed Primeport’s 2008 container peak of 80,000 twenty foot equivalent units. Additional container volumes will commence from the 2015 financial year, with an additional 52 vessels calling to Timaru.

This increased activity could potentially create a demand for additional industrial zoned land at the port. However, whether it does or not is unclear. Apart from the container terminal, Port of Tauranga has not yet acquired any additional industrial zoned land at Primeport. This seems to be an indication that the container terminal has sufficient space to accommodate their needs.

The increased number and frequency of the vessels calling to Primeport appear however to be generating secondary demand for industrial zoned land, at Washdyke in particular. Storage and transport companies and other companies that rely on frequent shipping are increasingly likely to relocate to Timaru, which could generate a demand for additional industrial zoned land.

LOCAL & NATIONAL ECONOMIC CONDITIONS

In regards to the national economy, Treasury's Budget and Economic and Fiscal Update 2015 states that New Zealand's economic expansion has continued to strengthen. GDP grew 3.3% in the year ended December 2014, the fastest pace of growth since 2007. Looking forward, real GDP is forecast to soften slightly (2.8% annually up to 2019). Low interest rates, robust investment activity, strong population growth and historically high terms of trade remain the key factors in supporting this economic growth.

In regards to the local economy, as outlined in section 1.0 above, the Timaru District is performing well and it can be reasonably expected that economic activity will continue to be comparatively strong in the Timaru District in the short to medium term. This will likely support the growth of industrial activities and consequently lead to increased demand for industrial zoned land.

INCREASED OUTPUT FROM RURAL PRODUCTIVE ACTIVITIES

Rural production has significantly increased in the Timaru District over the last decade. This has largely been brought about by the availability of water, general increases in farm productivity and increasing log harvesting.

The *Timaru District Council and Environment Canterbury Regional Freight Study 2012* estimates that the combined output for logs, liquid milk and arable commodities will grow by 80% in the Timaru District between 2009-2041. It predicts there will be a 49% increase in liquid milk production by 2041 and an increase in horticultural and arable farm outputs of 70% by 2041. It also predicts that the quantum of logs is expected to peak between 2026-30, increasing by 4-5 times above the 2010-15 level. This growth is likely to have a significant effect on the amount of industrial land required for storage of commodities and will also have a significant impact on the District's roads.

The Freight Study suggests that the increase in log outputs may raise issues for the storage and handling of logs at the port. However, Primeport (*Pers comms*: Rhys Welbourne) consider that the projected increased supply of logs may not necessarily translate into increased demand, because demand is dictated by the market. Primeport also noted their capacity to store logs is fundamentally influenced by ship frequency. The more ships the less storage is required and vice versa. They also noted that they have the ability to reclaim land and intensify the storage of logs through paving solutions, if storage spaces becomes an issue.

The recent growth of the dairy sector has resulted in the significant expansion of Fonterra's Clandeboye site and has also resulted in the growth of its associated storage facilities located in Temuka and the Port. The growth of the dairy sector has also subsequently generated significant growth in industrial companies that develop and service dairy farms. The forecasted growth in the dairy sector is likely to see further expansion at Clandeboye and create further demand for additional industrial land for storage. Likewise, the increased production of horticultural and arable farming will likely significantly increase the demand for industrial storage land in the District. The increases in production may also open opportunities for processing of raw products within the District.

The increased output of the rural sector has significantly increased the demand for transport services in the District. The before mentioned freight study forecasts a growth in the vehicle movements carrying logs, liquid milk and arable products of 84% from 2009-41. Milk tanker movements will increase by 49% to 235 peak daily movements by 2041 and log vehicle movements to 3,650 by 2036-

40. This is likely to have a significant impact on the Council road network. It may also increase the demand for industrial land by transport companies that may need to expand to cater for the extra demand.

The recent and forecasted growth in the outputs of the rural sector are likely to significantly increase profits and as such is subsequently likely to continue strengthening the District's economy, including direct investment from the rural sector into industrial land.

AVAILABILITY OF INFRASTRUCTURE

Parts of the Timaru District, particularly Washdyke and the Port have excellent access to high quality infrastructure. Significant infrastructural assets include immediate access to State Highway 1; the main north-south railway line; Primeport; Washdyke's trade waste sewer and high capacity water supply. These infrastructural assets can support industrial growth, but are not considered to be a driver of growth.

POPULATION GROWTH

Population growth can drive industrial growth by increasing the demand for industrial services. However, while population growth in Timaru is ranked 8th nationally (2.5% from 2006-2013, 0.4% annually), it is not considered that it will create significant industrial growth by itself. In fact, Timaru's comparatively aging population may weaken the employment base for industry, despite the ability of large employment industries to attract people to the District.

ASSESSMENT OF REQUIRED LAND

Taking into account the above information we now need to determine whether the 160 ha of vacant, available and usable and 70 hectares of deferred industrial zoned land is sufficient for the district's reasonable and foreseeable needs over the next 30 years?

TIMARU

As per Table 46 above, when considering Timaru as a whole, there is some 115 hectares of vacant, available and usable industrial zoned land plus 70 hectares of deferred industrial zoned land. It is considered that the likelihood of this 184 hectares of industrial zoned land being taken up over the short term, 1 to 5 years, is unlikely. The main reason for this conclusion is that 184 ha is a significant amount of land. It is approximately 42% of the existing industrial land in Washdyke, which has taken generations to build up.

However, with rural production predicted to almost double by 2041 and developments at the Port expected to open up new opportunities for industries, the likelihood of 184 hectares of industrial land being sufficient to meet Timaru's needs in the medium to longer term, 10 to 30 years, decreases considerably. As such, it is likely that additional industrial zoned land will be required in Timaru in the medium to long term. In terms of location, it is expected that most of the growth of industrial activities will occur at Washdyke.

GERALDINE

It is considered that additional industrial zoned land is required in Geraldine for the following reasons:

- As per Table 5.0 above, there is little, if any, industrial zoned land that is vacant and usable in Geraldine.
- This situation has led to complaints from the community and strong lobbying to provide additional industrial land.
- It has also led to a number of businesses either relocating out of Geraldine, or locating in areas not zoned for industrial uses.
- The non-provision of vacant industrial zoned land in rural support towns like Geraldine is poor practice as it will not enable the growth and development of industrial activities to serve local need.
- If the need for industry cannot be fulfilled locally, it leads to situations where businesses have to locate in other settlements, which generate unsustainable vehicle movements.
- It is crucial that settlements have the ability to grow and develop. Enabling sustainable economic development is a fundamental tenant of the RMA.
- The provision of additional industrial land will also sustain new local employment and help Geraldine become a self-sustaining settlement. Without a viable commercial environment, Geraldine will become an unsustainable dormitory settlement, where people have to travel to avail of basic local services like taking their car to get serviced.
- The demand for industrial land in Geraldine has been confirmed by consultation with industrial business owners and local real estate agents.

The detailed explanation for the rationale for providing additional industrial land in Geraldine is provided in the *Growth of Industrial Activities in Geraldine Discussion Document* dated 31 October 2012²⁴. Additional industrial land should be provided at the location between Tiplady and Winchester-Geraldine Road, as described in the *Growth of Industrial Activities in Geraldine – Consultation and Site Analysis Report* dated June 2013²⁵.

TEMUKA

Temuka has very little available, usable and zoned industrial land, with only 4 hectares remaining. However, of this 2.4 ha is owned by NZ Insulators, which although vacant, is likely to be land banked for further expansion and is therefore not likely to be available on the open market. Given that industrial growth in Temuka has been relatively high in the last decade, with 1.67 ha floor area of new industrial buildings being constructed along King Street South alone, it is likely that additional industrial land will be required in Temuka within the next 10 years.

CONCLUSION & RECOMMENDATIONS

This assessment sets out to make assumptions about the growth of industrial activities in the Timaru District, the main task of which is to estimate the future demand for industrial land. The assessment finds that there are no accurate methods of estimating the future demand for industrial land. Accordingly, the emphasis of this assessment was on establishing what industrial land is available

²⁴ Geddes, M. "Growth of Industrial Activities in Geraldine Discussion Document" prepared for Timaru District Council, dated 31 October 2012²⁴.

²⁵ Geddes, M. "Growth of Industrial Activities in Geraldine – Consultation and Site Analysis" prepared for Timaru District Council, dated June 2013²⁵.

where and whether additional industrial land will be needed having regard to known or likely drivers of industrial land demand. This technique also has inaccuracies, but is used nonetheless, due to the absence of an alternative.

The report concludes by making the following assumptions about future industrial growth in the Timaru District:

1. With the exception of Geraldine and Temuka, all settlements within the district are likely to have a suitable amount of zoned, available and usable industrial land over the next 10 years.
 - a. However, beyond this period, the increasing productivity of the rural sector and the opportunities for industrial activities presented by developments at the Port of Timaru, are likely to require the provision of additional industrial land to be investigated.
 - b. The provision of additional industrial land in Geraldine and Temuka will be considered as part of the DP review and only after that should Council consider looking at options to fund required infrastructure, if at all.
2. It is likely that most of the growth of industrial activities will occur in the Washdyke area and at the Port, which may increase the need for infrastructure upgrades in these areas.

6.0 APPENDIX – TIMARU RETAIL MARKET ASSESSMENT



FEBRUARY 2015
TIMARU RETAIL MARKET ASSESSMENT
TIMARU DISTRICT COUNCIL

Code	Date	Information / Comments	Project Leader
50992.3	February 2015	Report	Tim Heath

DISCLAIMER

Property Economics has taken every care to ensure the correctness of all the information contained in this report. All information has been obtained by what are considered to be reliable sources, and Property Economics has no reason to doubt its accuracy. It is however the responsibility of all parties acting on information contained in this report to make their own enquiries to verify correctness. This document has been prepared for the use of Timaru District Council only. Copyright © 2015 by Property Economics Ltd.



TABLE OF CONTENTS

1. INTRODUCTION.....	5
1.1. OBJECTIVES	6
1.2. INFORMATION SOURCES.....	7
2. TIMARU TERRITORIAL AUTHORITY	8
3. DEMOGRAPHIC PROFILING	11
4. POPULATION & HOUSEHOLD PROJECTIONS	12
5. RETAIL EXPENDITURE AND SUSTAINABLE GFA	13
5.1. SUSTAINABLE RETAIL FLOORSPACE	16
6. CURRENT DISTRICT RETAIL SUPPLY	18
6.1. TIMARU CITY CENTRE	23
6.2. UNACTIONED RETAIL CONSENTS	26
7. SHOPPER RETAIL SPENDING PATTERNS	27
7.1. DESTINATION OF TIMARU DISTRICT RETAIL SPENDING.....	28
7.2. ORIGIN OF TIMARU DISTRICT RETAIL SPENDING.....	30
7.3. DISTRICT NET RETAIL FLOWS / LEAKAGE	32
8. SUPPLY VS. DEMAND	36
9. SUMMARY.....	39
APPENDIX : 1 DEMOGRAPHIC PROFILING	40
APPENDIX : 2 PEL RETAIL EXPENDITURE MODEL	43
APPENDIX : 3 ANZSIC RETAIL CATEGORIES.....	49

LIST OF TABLES

TABLE 1: TIMARU POPULATION AND HOUSEHOLD FORECASTS	12
TABLE 2: TIMARU RETAIL EXPENDITURE FORECASTS (\$M PA).....	15
TABLE 3: TIMARU SUSTAINABLE GFA FORECASTS (SQM)	16
TABLE 4: TIMARU DISTRICT IN-CENTRE RETAIL AUDIT JANURARY 2015	18
TABLE 5: TIMARU CENTRES RETAIL STORE SIZE BREAKDOWN.....	21
TABLE 6: TIMARU DISTRICT CATCHMENT RETAIL AUDIT BREAKDOWN BY TOWN.....	22
TABLE 7: TIMARU CITY CENTRE RETAIL SUPPLY COMPOSITION.....	23
TABLE 8: UNACTIONED RETAIL CONSENTS	26
TABLE 9: EXISTING SUPPLY VS. CURRENT AND FORECAST SUSTAINABLE GFA DEMAND ...	36

LIST OF FIGURES

FIGURE 1: TIMARU TERRITORIAL AUTHORITY (WIDER MARKET CONTEXT)	9
FIGURE 2: TIMARU TERRITORIAL AUTHORITY	10
FIGURE 3: TIMARU DISTRICT RETAIL COMPOSITION JANURARY 2015.....	19
FIGURE 4: TIMARU CITY CENTRE RETAIL COMPOSITION (STORE COUNT AND GFA).....	25
FIGURE 5: TIMARU DESTINATION OF RETAIL SPENDING	28
FIGURE 6: ORIGIN OF RETAIL SPENDING IN TIMARU	30
FIGURE 7: TIMARU RETAIL FLOWS.....	33
FIGURE 8: TIMARU DISTRICT ORIGIN AND DESTINATION OF RETAIL SPENDING BY SECTOR	34
FIGURE 9: TIMARU NET RETAIL SPENDING FLOWS BY SECTOR	35

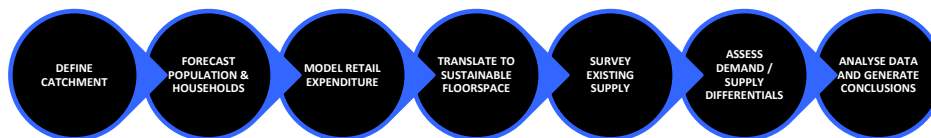


1. INTRODUCTION

Property Economics has been engaged by Timaru District Council (“TDC”) to undertake a retail demand / supply study within the Timaru District territorial authority to provide more detailed market intelligence on the future scale and type of retail provision required to cater for projected future growth of the Timaru market.

The report will determine the implications of projected growth in relation to retail provision, specifically regarding the townships of Timaru, Geraldine, Temuka and Pleasant Point, and what this means for future on-the-ground activity and land requirements within these markets. Understanding these retail market parameters and drivers will assist TDC in formulating the most appropriate planning framework in their PDP.

To assist in understanding the methodology, the following ‘high level’ flow chart illustrates, at a broad level the sequential steps undertaken in the retail analysis adopted for the purposes of this assessment.



1.1. OBJECTIVES

The main objectives of this report are to:

- Identify and map the location and wider district, and its relevant townships, in the context of the retail market within which it primarily competes.
- Project the district population and household growth over the period to 2033.
- Provide a detailed profile of the key economic and social demographia of Timaru and its main townships to assist in understanding market composition of the localised markets.
- Calculate the level of annualised retail expenditure generated by the district within the relevant retail sectors and project this out to 2033.
- Determine the amount of retail floor space that can be sustained in Timaru in the relevant retail sectors, both currently and over the assessed horizon, taking into account the influence of the wider retail network and net retail expenditure flows.
- Identify current shopping patterns and determine where consumers who reside in the district are currently undertaking their retail shopping on a proportional basis.
- Identify where retail expenditure within the district is derived on a proportional basis.
- Undertake a retail audit of key centres within Timaru and measure the net trade area of all retail activity in each centre.
- Compare forecast sustainable retail floor area to the existing retail provision and assess the timing of potential future growth.

1.2. INFORMATION SOURCES

Information has been obtained from a variety of sources and publications available to Property Economics, including:

- Census of Population and Dwellings 2006 and 2013 - Statistics NZ
- Household and Population Projections – Statistics NZ
- Household Economic Survey - Statistics NZ
- Retail Trade Survey - Statistics NZ
- Business Frame Employment Data – Statistics NZ
- Retail Centre Audits – Property Economics
- MarketView Retail Transaction Data 2014 - BNZ

2. TIMARU TERRITORIAL AUTHORITY

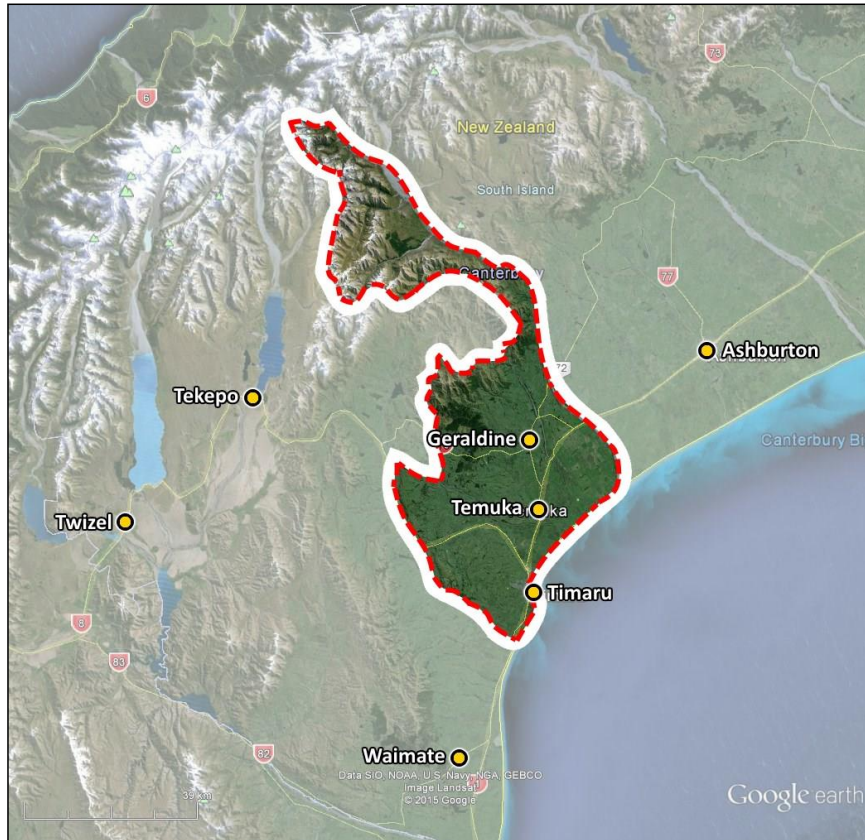
Figure 1 illustrates the geographic boundary for the Timaru territorial authority and the main commercial centres and townships within the district. For the purpose of study it is this catchment upon which this assessment is based.

It is also important to note however that the geographic boundaries of the district utilised in this assessment can be considered arbitrary in terms of the retail market, and should be considered as an indicative catchment only (i.e. they are politically derived rather than market derived boundaries). Residents within this catchment (the Timaru territorial authority) will also shop in centres outside of the district due to the layering of centre catchments, i.e. centres have different roles and functions in the market depending on their size, offer, retail composition, type and position in the commercial hierarchy of the market.

However, it can be expected that the territorial authority of Timaru will be where Timaru centres derive the majority of its customers and sales due to relatively isolated and rural nature of the district.

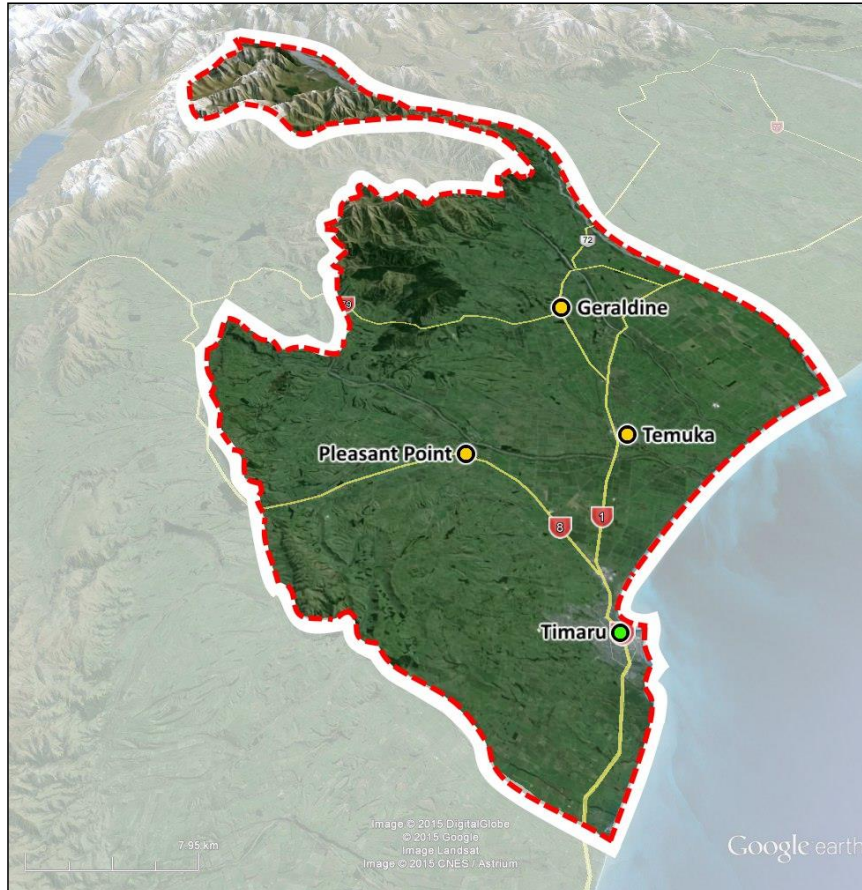
The MarketView retail transaction data is used to quantify the shopping patterns and spending flows in and out of the district as the purpose of this data analysis is for the use of Proposed District Plan provision development, i.e. the jurisdictional area of the PDP and the district's principal planning document.

FIGURE 1: TIMARU TERRITORIAL AUTHORITY (WIDER MARKET CONTEXT)



Source: Property Economics, Google Earth

FIGURE 2: TIMARU TERRITORIAL AUTHORITY



Source: Property Economics, Google Earth

3. DEMOGRAPHIC PROFILING

This section identifies some of the key economic and social demographia of the Timaru District and compares them to wider Canterbury Region and national averages for comparison purposes. A more detailed breakdown of the demographic profiles has been attached in Appendix 1.

Some of the salient findings from the profiling for retail analysis purposes include:

- The Timaru District currently has around 46,000 residents in approximately 20,100 households (rounded). This equates to 2.29 persons per dwelling, significantly lower than the Canterbury regional average of 2.45 and New Zealand average of 2.58.
- Comparatively, Timaru has a higher proportion of 'Single' and 'Couple' households at 28% and 35% respectfully, compared to the and wider regional and national averages. Conversely, the Timaru has a smaller proportion of 'Two Parent Family' households (25%) compared the Canterbury Region (29%) and national average (30%). This is likely related to the high proportion of elderly population who no longer have children permanently living within their household, reflected in its significantly higher proportion of people classified in the 60+ year age cohorts (a high 28%). This also impacts (lowers) the aforementioned person per dwelling ratio.
- Within the district around 18% of households earn over \$100,000 per annum, significantly lower than the average within Canterbury. This typically translates into lower levels of annualised retail expenditure on a per household unit basis albeit this is offset by the greater spending power from older residents with higher equity bases, and therefore spend potential.
- Timaru's lower household income levels compared to the wider district and region can be attributed to a combination of factors including a lower average qualification attainment, with over 29% of its working age population without qualifications, compared than that of the wider regional average of 22%. There is typically a strong correlation between education attainment (skilled employees) and income level, with the higher the qualifications, the higher the propensity to realise higher income levels.
- The demographic profiling indicates that there are proportionally fewer workers in the district in Professional employment (15%), and conversely significantly more workers in labour intensive positions (19%). Trade and labour based jobs typically have lower wage rates on average relative to professional positions.
- Around 29% of working aged population within the district earn income from NZ Superannuation or Veterans Pension, a reflection of the older age demographic. This also explains higher proportion of the working age populous not in the Labour Force (35%), compared to the wider region (31%).

4. POPULATION & HOUSEHOLD PROJECTIONS

Table 1 displays the population and household growth projections within the Timaru District. These projections are derived from the Property Economics Growth Model with the key inputs from the recently released 2015 census population and household counts, Statistics NZ medium series projections and recent residential building consent data 2000 - 2015.

TABLE 1: TIMARU POPULATION AND HOUSEHOLD FORECASTS

POPULATION AND HOUSEHOLDS	2015	2018	2023	2028	2033	
	Population	46,033	47,000	47,800	48,400	48,800
	Households	20,134	20,825	21,544	22,111	22,473
	Household Size	2.29	2.26	2.22	2.19	2.17
	Population Growth (p.a.)		0.70%	0.34%	0.25%	0.16%
	Household Growth (p.a.)		1.13%	0.68%	0.52%	0.33%

Source: Property Economics, Statistics NZ

For the purpose of this report, years 2015 is classified as current (colour coded blue), year 2018 is classified as short term (colour coded yellow), year 2023 is classified as medium term (colour coded green) and 2028 - 2033 is classified as long term (colour coded pink).

The Timaru District market is currently populated by around 46,000 people and around 20,100 households, with this projected to increase to around 48,800 people, while households are forecast to grow to around 22,500 by 2031.

Table 1 also indicates that growth in the number of households is to increase at a faster rate than the population due to a projected fall in the person per dwelling ratio over the forecast period. This trend is not isolated to the Timaru District but projected to occur across the whole country due to an aging population, smaller families and a higher proportion of 'split' or single parent households.

5. RETAIL EXPENDITURE AND SUSTAINABLE GFA

This section of the report estimates the level of retail sector expenditure that is generated by the identified markets on an annualised basis in 2015 NZ dollars using the 2006 ANZSIC¹ categorisation system.

Retail expenditure forecasts have been based on the aforementioned core market and capacities shown in Table 1, and has been prepared using the Property Economics Retail Expenditure Model. A more detailed breakdown of the model and its inputs can be seen in Appendix 2.

Note the figures below exclude the retail activities, as categorised under the 2006 ANZSIC classification system, of:

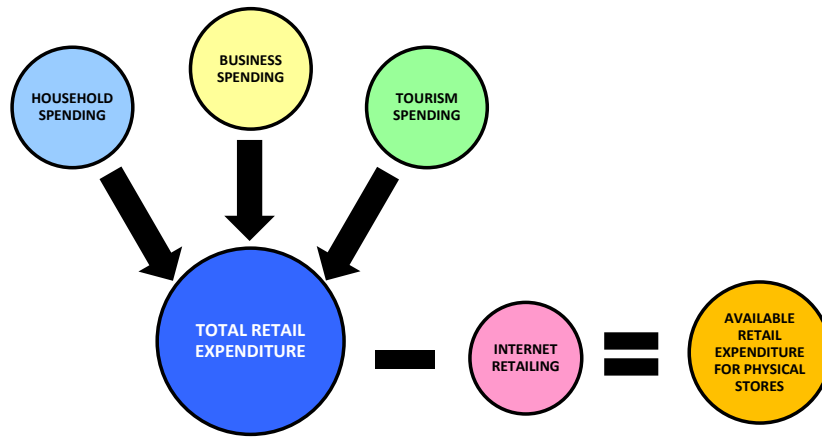
- Accommodation (hotels, motels, backpackers, etc.)
- Vehicle and marine sales & services (petrol stations, car yards, boat shops, caravan sales, and stores such as Repco, Super Cheap Autos, tyre stores, panel beating, auto electrical and mechanical repairs, etc.)
- Hardware, home improvement, building and garden supplies retailing (e.g. Mitre 10, Hammer Hardware, Bunnings, PlaceMakers, ITM, Kings Plant Barn, Palmers Garden Centres, etc.)

The above activities are not considered to be core retail expenditure, nor fundamental retail centre activities in terms of visibility, location, viability or functionality. The latter two bullet points contain activity types that generally have great difficulty establishing new stores in centres for land economic and site constraint reasons, i.e. the commercial reality is that for most of these activities it would be unviable to establish new stores in centres given their modern store footprint requirements and untenable to remain located within them for an extended period of time (beyond an initial lease term) due to property economic considerations such as rent, operating expenses, land value, site sizes, etc.

Also excluded are trade based activities such as kitchen showrooms, plumbing stores, electrical stores, paint stores, etc. for similar reasons.

The following flow chart provides a simple graphic representation of the Property Economics Retail Expenditure Model to assist TDC in the better understanding the methodology and key inputs utilised.

¹ Australia New Zealand Standard Industrial Classification



Growth in real retail spend has also been incorporated at a rate of 1% per annum over the forecast period. The 1% rate is an estimate based on the level of debt retail spending, interest rates and changes in disposable income levels, and is the average inflation adjusted increase in spend per household over the assessed period.

It is important to note that the retail expenditure generated in the identified market does not necessarily equate to the sales of any retail stores within the market. Residents can freely travel in and out of the area, and they will typically choose the centres with their preferred range of stores, products, brands, proximity, accessibility and price points.

A good quality centre will attract customers from beyond its core market, whereas a low quality centre will have retail expenditure leakage out of its core market. Therefore, the retail expenditure generated in an area represents the sales centres or retail stores within that area could potentially achieve.

Table 2 breaks down the total retail market for the identified core catchment by retail sector based on ANZSIC codes for the assessed period on an annualised basis.

TABLE 2: TIMARU RETAIL EXPENDITURE FORECASTS (\$M PA)

	2015	2018	2023	2028	2033
Food retailing	\$185	\$193	\$205	\$218	\$233
Clothing, footwear and personal accessories retailing	\$32	\$33	\$35	\$37	\$40
Furniture, floor coverings, houseware and textile goods retailing	\$18	\$18	\$20	\$21	\$22
Electrical and electronic goods retailing	\$24	\$24	\$26	\$27	\$29
Pharmaceutical and personal care goods retailing	\$18	\$18	\$20	\$21	\$22
Department stores	\$37	\$39	\$41	\$44	\$47
Recreational goods retailing	\$20	\$21	\$22	\$23	\$25
Other goods retailing	\$31	\$32	\$34	\$37	\$40
Food and beverage services	\$85	\$89	\$95	\$102	\$110
Total	\$449	\$467	\$499	\$531	\$567

Source: Property Economics

The Timaru District currently generates approximately \$450m per annum of retail expenditure, with projected growth in the market of over the assessed 18-year period to nearly \$570m per annum by 2033 in 2015 dollars.

Food Retailing, which is predominately comprised of supermarket trade (which accounts for approximately 75% of food retailing sector expenditure and typically represents the largest retail sector in terms of expenditure as in this case), represents over 40% of total retail expenditure generated within the district. By 2033, spending within Food Retailing is estimated to grow to around \$233m per annum.

Food and Beverage Services (i.e. cafes, bars and restaurants) also a significant sector in terms of retail provision, represents the second largest retail sector in terms of expenditure, totalling at \$85m pa currently, with forecast growth of \$25m, to \$110m pa by 2033.

5.1 . SUSTAINABLE RETAIL FLOORSPACE

Table 3 illustrates the level of sustainable retail gross floor area ('GFA') within each retail sector that can be sustained by the generated spend within the identified core catchment.

This analysis assesses retail demand by adopting a sustainable retail footprint approach. Sustainable floorspace in this context refers to the level of floorspace proportionate to an area's retainable retail expenditure that is likely to result in an appropriate quality and offer in the retail environment. This does not necessarily represent the 'break even' point, but a level of sales productivity (\$/sqm) that allows retail stores to trade profitable and provides a good quality retail environment.

There is also a need to translate net retail trading floorspace into GFA as net retail trading floorspace excludes floor area in a retail store used for storage, warehousing, staff facilities, office, toilets, etc. These activities typically occupy around 25-30% of a convenience retail store's GFA. It is important to separate out this 'back office' floorspace as it does not generate any retail spend and represents an area the general public is typically excluded.

TABLE 3: TIMARU SUSTAINABLE GFA FORECASTS (SQM)

	2015	2018	2023	2028	2033
SUSTAINABLE GFA (SQM)					
Food retailing	22,841	23,770	25,337	26,930	28,714
Clothing, footwear and personal accessories retailing	5,518	5,744	6,137	6,539	6,993
Furniture, floor coverings, houseware and textile goods retailing	6,112	6,356	6,733	7,105	7,515
Electrical and electronic goods retailing	5,960	6,198	6,566	6,928	7,328
Pharmaceutical and personal care goods retailing	2,539	2,642	2,811	2,982	3,172
Department stores	13,299	13,838	14,728	15,627	16,631
Recreational goods retailing	5,270	5,486	5,857	6,238	6,666
Other goods retailing	6,957	7,247	7,784	8,346	8,985
Food and beverage services	13,499	14,062	15,116	16,221	17,479
Total	81,995	85,343	91,069	96,917	103,482

Source: Property Economics

The Timaru District currently generates enough retail expenditure on an annualised basis to sustain an estimated 82,000sqm of retail GFA. This is forecast to increase to around 103,400sqm GFA by 2033. These figures represent the GFA sustainable if all retail expenditure generated in the district was internalised and annualised net retail leakage / inflow resulted in a neutral position². Such a position is not usual, but this approach provides useful context as a benchmark from which to undertake any impact assessment.

Within Food Retailing sector current sustainable GFA totals around 22,800sqm, with this estimated to increase by around 5,900sqm to 28,700sqm by 2033.

Around 13,500sqm GFA within the Food and Beverage Services sector is currently sustainable by the catchment. By 2033 an estimated 17,500sqm GFA will be sustainable.

² The represents a theoretical position at this point in the methodology grounded with real spending flows analysis later in the study.

6. CURRENT DISTRICT RETAIL SUPPLY

The retail audit results are displayed in terms of nominal stores and gross floor area ('GFA'). The net retail floor area figures captured in the audit were translated to GFA using an average 70% net to GFA ratio. It is important to translate net retail trading into GFA as net retail trading floor area excludes the floor space in a retail store used for storage, warehousing, staff room, office, toilets, etc. These uses typically occupy around 25-30% of a store's GFA, but nonetheless form an integral part of a retail store's total leasable built form, or required area.

The summarised results of the Timaru District audit are displayed in Table 4.

TABLE 4: TIMARU DISTRICT IN-CENTRE RETAIL AUDIT JANURARY 2015

	Retail Sector	Store #	Store %	GFA (sqm)	GFA %	
TIMARU STORE # AND GFA COMPOSITION 2015	Supermarket	6	2%	15,570	16%	
	Food retailing	31	11%	4,660	5%	
	Clothing, footwear and personal accessories retailing	39	14%	8,230	8%	
	Furniture, floor coverings, houseware and textile goods retailing	11	4%	9,280	9%	
	Electrical and electronic goods retailing	7	3%	2,950	3%	
	Pharmaceutical and personal care goods retailing	5	2%	1,140	1%	
	Department stores	4	1%	20,170	20%	
	Recreational goods retailing	22	8%	5,200	5%	
	Other goods retailing	51	18%	9,020	9%	
	Food and beverage services	64	23%	17,640	18%	
	Vacant	37	13%	6,110	6%	
	Total		277	100%	99,970	100%

Source: Property Economics

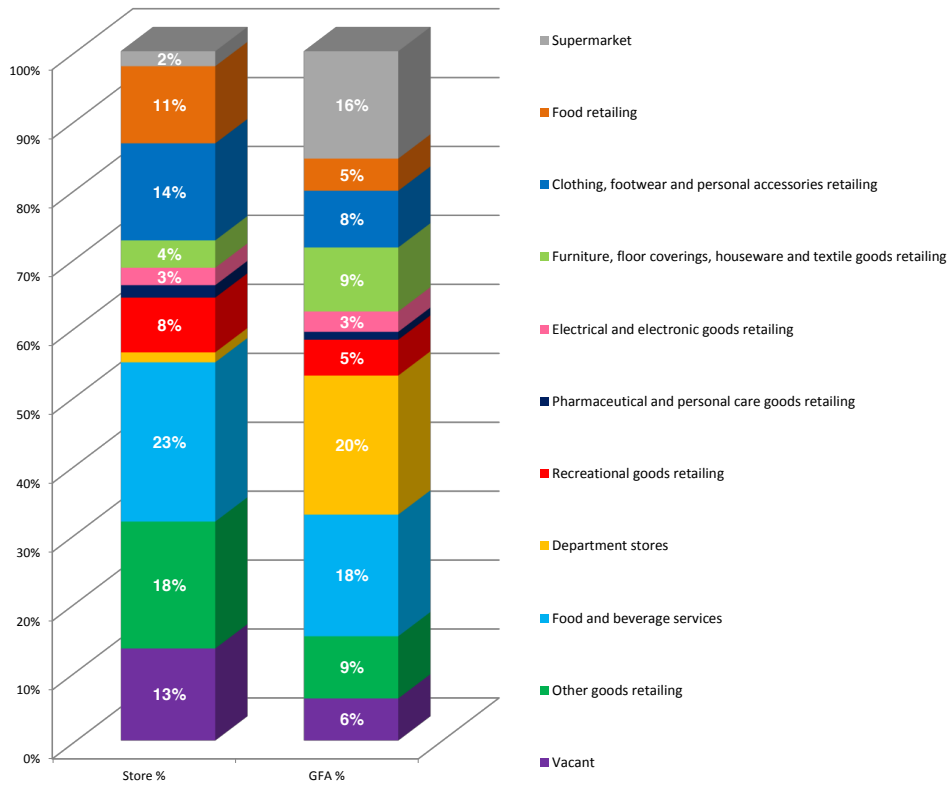
Looking at the Timaru market as a whole, there are currently 277 retail stores encompassing an estimated 100,000sqm (rounded) of retail GFA. Current vacancy levels in the area total around 37 stores, covering an estimated 6,100sqm in GFA. This represents 13% of total centre retail activity by stores nominally and 6% by GFA. Given the sharp downturn in the retail industry immediately post-GFC and subsequent slow recovery nationally in respect of

retail, this vacancy level is not uncommon albeit considered slightly higher than desirable from a market and centre functionality perspective in terms of physical vacant stores.

This nominal store vacancy percentage within the district would be of a concerning level if maintained for an extended period of time in the future, and improvement is considered necessary to elevate the quality and performance of centres in the district.

Figure 3 below illustrates the Timaru retail composition by store count and GFA distributed by retail sector. This is a graphical representation of the information in Table 4.

FIGURE 3: TIMARU DISTRICT RETAIL COMPOSITION JANUARY 2015



Source: Property Economics

The retail sector representing the largest proportion of the market in terms of store count is Food and Beverage services (i.e. cafes, restaurants, pubs, taverns, bars and takeaways) with 64 stores, or 23% of the total district retail supply by store number.

Other Goods Retailing represents the second largest retail sector in terms of store count with 51 stores representing 18% of the total market. This proportion is of some concern as 'Others Stores' often represent smaller lower quality, second hand and unbranded store types that do not perform or generate the same level of retail productivity as stores in other sectors.

These store types can affect the long term vitality, quality, overall sales performance and 'health' of the centre, whereby the trading productivity per sqm is generally lower for 'Other Stores', requiring lower rental rates for sustainability while lowering overall attractiveness and amenity of a centre. As this happens rental rates for other locations in a centre can fall as a result leading to additional 'Other Stores' establishing causing a snowballing downward effect.

Other important retail sectors are Food retailing which totals 31 stores or 11% of the district supply and Fashion retailing (i.e. Clothing, Jewellery and Personal Accessories and Footwear) which also accounts for 39 stores or 14% of the market.

Note this data only reflects the retail activity of Timaru centres audited, and excludes non-retail activity such as commercial services, community, recreational activities, etc., which all add to the centre's role, function and attraction, and non-centre standalone activity.

Table 5 drills down into the retail audit down further by accessing store numbers across three store size categories, namely 0 - 499sqm, 500 - 999sqm and 1,000sqm GFA plus. This has been undertaken to differentiate between Specialty, Convenience and LFR store types.

TABLE 5: TIMARU CENTRES RETAIL STORE SIZE BREAKDOWN

Retail Sector	0-499				500-999				1000+				Total			
	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total
Supermarket			6	6								15,569	15,569			
Food retailing	31			31	4,663								4,663			
Clothing, footwear and personal accessories retailing	38		1	39	7,191						1,037		8,229			
Furniture, floor coverings, houseware and textile goods retailing	6	2	3	11	1,017	1,414	6,853	9,284								
Electrical and electronic goods retailing	4	2	1	7	206	1,314	1,430	2,950								
Pharmaceutical and personal care goods retailing	5			5	1,143			1,143					1,143			
Department stores			4	4							20,166		20,166			
Recreational goods retailing	19	3		22	2,751	2,453		5,204								
Other goods retailing	48	3		51	6,636	2,384		9,020								
Food and beverage services	54	8	2	64	9,856	5,580	2,209	17,644								
Vacant	35	2		37	4,940	1,167		6,107								
Total	240	20	17	277	38,403	14,313	47,263	99,979								

Source: Property Economics

This sheds somewhat of a different light on the structure of the current retail provision in the Timaru District. At present, a substantial 86% of the retail stores in the district are smaller (below 500sqm) speciality / boutique stores, however these store types represent only 38% of total district retail supply.

This shows these smaller Specialty and Convenience type stores represent the core of the centres analysed and are crucial for the district moving forward and ongoing 'health' of its centres. Interestingly, retail stores of 500sqm GFA plus (i.e. LFR stores) represent only 13% of stores nominally, but 61% of the district's retail foot print, and are therefore also critical to the district's ongoing performance and function, and satisfying the district's retail requirements.

Table 6 dissects the retail audit further on a centre / destination basis.

TABLE 6: TIMARU DISTRICT CATCHMENT RETAIL AUDIT BREAKDOWN BY TOWN

CENTRE COMPOSITION	Store #	Store %	GFA (sqm)	GFA %	
	Timaru City Centre	125	45%	38,089	38%
	Heaton Street	15	5%	15,409	15%
	Northtown Mall	16	6%	8,721	9%
	Balance of Timaru City	14	5%	11,380	11%
	Subtotal Timaru City	170	61%	73,599	74%
	Geraldine	48	17%	10,760	11%
	Washdyke	11	4%	5,090	5%
	Temuka	40	14%	9,089	9%
	Pleasant Point	8	3%	1,441	1%
Total	277	100%	99,979	100%	

Source: Property Economics

The Timaru City Centre accommodates nearly 50% of all retail stores within the wider district with 125 retail stores covering a GFA footprint of 38,000sqm. Heaton Street which can be considered as an extension of the City Centre (albeit considered its own retail destination with focus on LFR activities) represents only 5% of Timaru District retailing in terms of store count, but comprises 15% of total district retail GFA. Combined, the wider City Centre area is attributable to over half of retail stores and floorspace supply within the wider district.

Geraldine is the largest rural town within Timaru covering nearly 11,000sqm of retail GFA, across 48 stores, with Temuka of a similar scale at 9,100sqm across 40 stores. It is notable that within these more rural centres the average store size is significantly smaller compared to the Timaru City Centre (approx. 300sqm vs 225sqm). This is not unexpected with the larger LFR stores that service the wider district predominantly in Timaru city.

As the largest commercial node in the District, the City Centre has a higher concentration of higher order / nationally branded retailers and LFR provision, as well as other commercial activity not shown in Table 6. This is an illustration of the retail hierarchy that exists in the district, with the City Centre the preeminent commercial hub for the district and the surrounding network of centres supporting and operating complementary to the City Centre.

6.1. TIMARU CITY CENTRE

Being the largest and primary retail destination within the district, Table 7 focuses on the current composition of the City Centre retail provision by store count and GFA. For the purpose of analysis, fringe areas such as Heaton St have been excluded from Table 7 given it is not considered to form part of the City Centre's core offering.

TABLE 7: TIMARU CITY CENTRE RETAIL SUPPLY COMPOSITION

Timaru City Centre	Store Count				GFA (sqm)			
	0-499	500-999	1000+	Total	0-499	500-999	1000+	Total
Supermarket								
Food retailing	2			2	363			363
Clothing, footwear and personal accessories retailing	24		1	25	5,216		1,037	6,253
Furniture, floor coverings, houseware and textile goods retailing	1	2		3	201	1,414		1,616
Electrical and electronic goods retailing	4	2	1	7	206	1,314	1,430	2,950
Pharmaceutical and personal care goods retailing	1			1	247			247
Department stores			2	2			9,247	9,247
Recreational goods retailing	12	3		15	1,689	2,453		4,141
Other goods retailing	22	2		24	2,970	1,523		4,493
Food and beverage services	26	3		29	4,264	1,810		6,074
Vacant	16	1		17	2,120	584		2,704
Total	108	13	4	125	17,276	9,099	11,714	38,089
Total %	86%	10%	3%	100%	45%	24%	31%	100%

Source: Property Economics

As with the wider Timaru District, the largest retail sector represented within the Timaru City Centre is Food and Beverage Services with nearly 30 stores occupying just over 6,000sqm GFA. Clothing, Jewellery and Personal Accessories represents the second largest proportion of the City Centre in terms of store count with 25 stores representing 20% of the total centre provision.

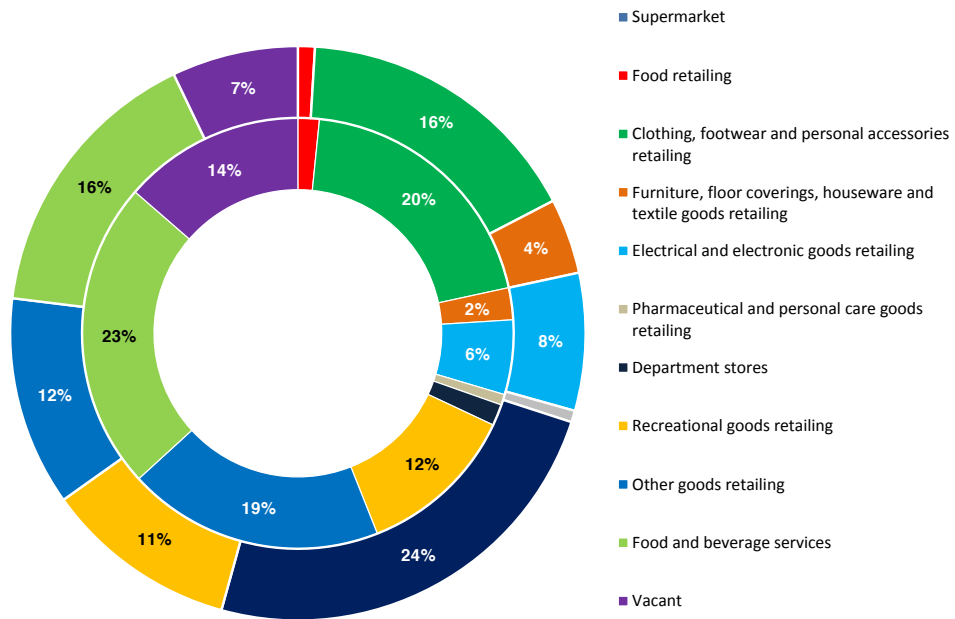
Combined, these two sectors alone comprise 43% of the City Centre retail offer. This is not unusual given the key focus of these two sectors in city centre locations and the broad commercial appeal these sectors have in the community. A high proportion of Food and Beverage Services, and Fashion stores is in fact desirable for city centres to assist them play their higher level hierarchical role and function more successfully in the market, however it is the quality and scope of the offer that is important.

There is no supermarket within the City Centre provision at present. Modern supermarkets (often with a GFA footprint between 3,500-6,000sqm) typically require large land holdings. These are notoriously difficult to either find and / or group together to enable a large modern supermarket to be feasibly established (economically) within a city centre environment, albeit it is noted a Mitre 10 Mega hardware and building supply store has recently been established in the city centre – relocated from a nearby site. However, the community does have access to supermarkets on the fringe of the city centre, so are not disenabled in terms of accessibility.

As mentioned earlier, the wider Timaru market has a high proportion of Other Goods Retailing and this is also evident within the City Centre with nearly as many Other Goods Retailing stores as there are Clothing, Footwear and Personal Accessories retailers present within the centre. This should be carefully monitored to ensure this category does not grow disproportionately to other categories, as it is likely to represent a declining centre.

Figure 4 visualises the proportional composition of retail provision within the Timaru City Centre, highlighting the differences between store count representation and on-the-ground GFA. Note the outer ring of the diagram represents proportion of GFA and the inner ring represents percentage store count.

FIGURE 4: TIMARU CITY CENTRE RETAIL COMPOSITION (STORE COUNT AND GFA)



Source: Property Economics

6.2. UNACTIONED RETAIL CONSENTS

To round out the full current provision of retail GFA in Timaru there is a need to consider consented but yet to be developed retail GFA as this also forms part of the 'existing environment' from a RMA perspective.

Table 8 identifies the key retail consents issues that have yet to be developed as supplied by TDC.

TABLE 8: UNACTIONED RETAIL CONSENTS

Name	Location	Floor Area	New / Extension
SF Malone	406 Pleasant Point Highway, RD 5, Timaru	75m ² approx.	Building Extension
Countdown Supermarket	233 Evans Street, Timaru	3,800m ²	New Building
Harvey Norman	226 Evans Street, Timaru	6,550m ²	New Building & Building Extension
Pak n Save	1-53 Ranui Avenue, Timaru	307m ²	Building Extension
Timaru Property Investments	201 Evans Street, Timaru	1,140m ²	New Building
Medical Centre & Retail Pharmacy	Heaton Street, Timaru	296m ²	New Building

Source: Property Economics, Timaru District Council

Consented retail activity yet to be developed equates to around 12,000sqm GFA, all of which is proposed to be within Timaru City itself. This increases the total current retail provision in terms of the 'existing environment' to around 112,000sqm GFA, and this figure represents the appropriate base from which the district's future retail requirements should be determined.

7. SHOPPER RETAIL SPENDING PATTERNS

In order to assess the level of retail expenditure flows 'in' (retail inflow³) and 'out' (retail leakage⁴) of the Timaru territorial authority this report utilises BNZ MarketView retail transaction data. The base retail data applied in this chapter is for the most recent full calendar year (February 2014 – January 2015). Utilising annualised data removes any seasonal variations that may be prevalent in a market.

BNZ MarketView data is based on the spending and transactions of BNZ credit and debit (EFTPOS) cardholders. It excludes business and corporate cards. The transaction values include GST, but exclude cash out with purchases. BNZ MarketView does not pick up Hire Purchase, direct debit / credit payments or cash based spending. This data is collected from numerous Timaru, from national chains to small independent stores, across a range of retail categories.

MarketView data is based on aggregations of BNZ cardholder transactions by origin, destination and store type, these include transactions completed using BNZ EFTPOS and credit cards. BNZ currently holds approximately 20% market share of the electronic card market in NZ, while electronic card transactions accounts for approximately 60% of retail spending within NZ.

'Origin' of retail spending, or where retail spend is coming from. This is undertaken to analyse the proportional split of where retail spent within Timaru is derived. This dataset also enables the quantification and influence of the 'inflow' of retail dollars into the district.

'Destination' of retail spending, or where Timaru residents are spending their retail dollars, by territorial authority has also been assessed. This provides in-sight on the 'retention' and 'outflow' of retail dollars from Timaru.

Given the large sample size of BNZ card holders and the prolific use of EFTPOS within NZ, MarketView data is considered to provide a robust and accurate representation of the origin and destination of retail spending patterns in Timaru, and hence has been used as a basis for this assessment.

The proportions in the following sections exclude the retail categories of accommodation (hotels, motels, backpackers, etc.) and vehicle and marine sales and services (car yards, boat shops, caravan sales, Repco, Super Cheap Auto, tyre stores, panel beating, mechanical repairs). Also excluded are the trade sectors as identified earlier in the report.

³ Retail inflow refers to retail expenditure generated outside a defined geographic area (in this instance the Timaru District territorial authority) but spent inside that defined area.

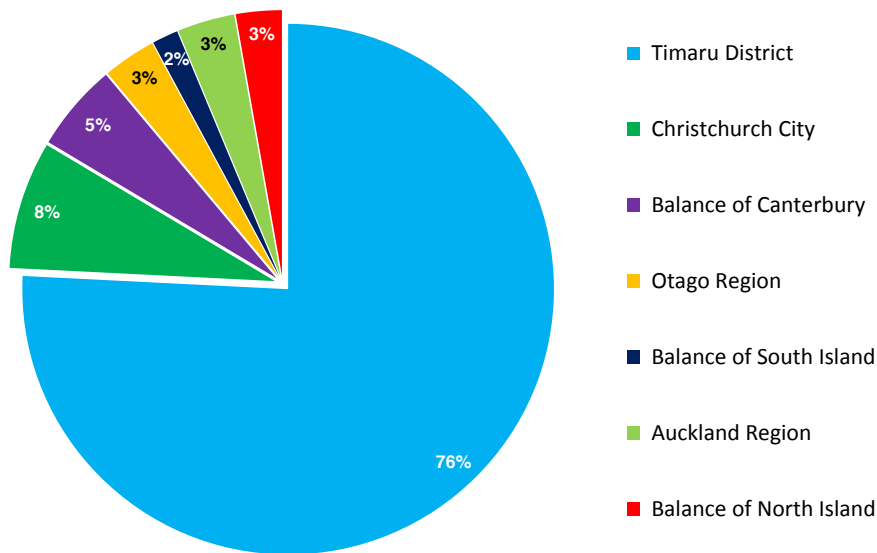
⁴ Retail leakage is the converse of retail inflow, and refers to retail expenditure generated in a particular geographic area (Timaru District in this instance) but spent outside that defined area.

7.1 . DESTINATION OF TIMARU DISTRICT RETAIL SPENDING

Some retail leakage out of a district can be classified as 'normal' shopping behaviour due to general spending while away on holiday and the 'free flow' of the market. A high level of retail leakage indicates that the retail needs of the resident population are not being adequately met by the localised market to the level or quality sought, hence residents travel outside of the market to satisfy their retail shopping requirements.

Figure 5 illustrates the proportion of retail expenditure generated by Timaru residents according to where it was spent by territorial authority and region.

FIGURE 5: TIMARU DESTINATION OF RETAIL SPENDING



Source: Property Economics, MarketView

Some of the salient points to note in Figure 5 include:

- Just over three quarters (76%) of all retail expenditure generated by Timaru District residents is internalised and spent within the territorial authority, i.e. spent within the district.

- It is notable that 8% of all retail expenditure leakage from the district is going to Christchurch City, suggesting 'shopping trips' to the largest city closest to Timaru are popular, probably the large suburban malls.
- While not shown in Figure 5, there is a significant level of retail expenditure generated in the catchment is leaving on an annualised basis for higher order comparison goods to Christchurch City. This includes around 20% or \$1 of every \$5 spent in Clothing, Footwear and Personal Accessories and Furniture Retailing by Timaru residents is spent within the Christchurch territorial authority. Indicating that residents are not satisfied by the existing localised offer with Christchurch having a broader offer and range available.

While the district market shows an adequate level of retail retention, there are clear underlying issues with provision of general merchandising retailers, particularly Fashion and Furniture retailing where nearly 20% of catchment spending made outside of the district at present.

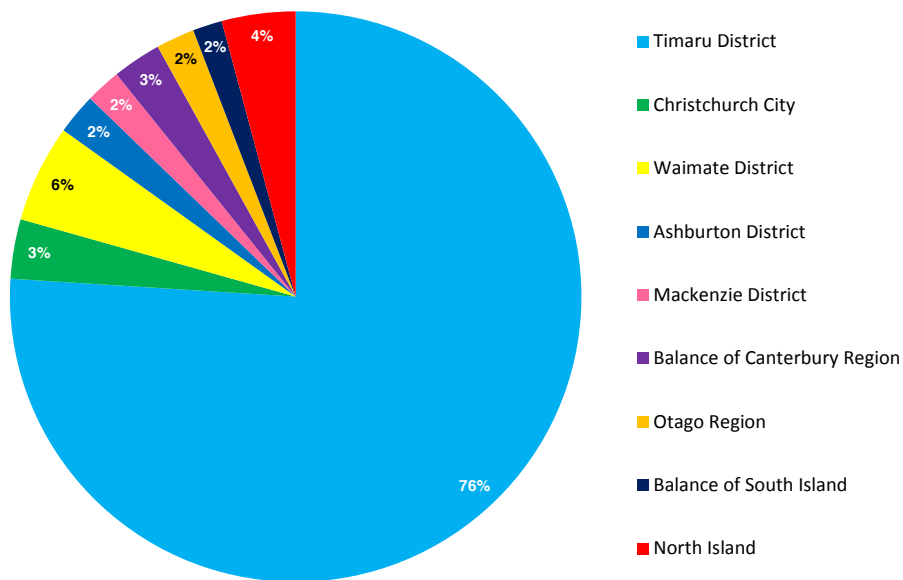
While this is to be expected given the wide range and breadth of selection available (which typically leads to more competitive pricing among retailers) in relatively close proximity (Christchurch), it also underlines retail sectors that could be improved upon within the local market to increase retention and overall sales.

The current level of leakage from the catchment of 24% also signals market potential and opportunity within the localised market to improve retail provision and spend retention, both in terms of quantum and quality. In real terms the amount of retail spend that left the district (leakage) in the assessed calendar year equates to around \$112m.

7.2. ORIGIN OF TIMARU DISTRICT RETAIL SPENDING

Figure 6 illustrates the proportion of retail expenditure spent within the Timaru District according to where its consumers reside by local territorial authority and region.

FIGURE 6: ORIGIN OF RETAIL SPENDING IN TIMARU



Source: Property Economics, MarketView

Some of the salient points to note in Figure 6 include:

- Figure 6 illustrates a noteworthy proportion of retail sales within the district originating from consumers who reside outside the district, with nearly a quarter of total expenditure attributable to spending generated outside the localised Timaru market, i.e. \$1 out of every \$4 spent in Timaru is derived from shoppers who reside outside the district.
- Around 6% of retail spending within Timaru is made by Waimate District residents, this is particularly prominent within the Department Store and Recreational Goods Retailing sector. This indicates that residents of Waimate are travelling to Timaru for bulky and specialised retailing goods that are not adequately provide within the

Waimate District. This is not unexpected with more rural based districts such as Waimate having population bases unable to sustain significant retail networks and therefore have to travel to adjacent districts (or further afield) to meet their retail requirements. This inflow represents Timaru's largest on a proportional basis.

- The MarketView data also shows that 65% of retail expenditure from external markets comes from within the wider Canterbury region, indicating that Timaru attracts a small local visitor market with its current retail provision. It is interesting to note that this inflow is spread evenly across all identified retail sectors, likely reflecting a small proportion of residents living outside of the Timaru district that make regular shopping trips to Timaru.

7.3. DISTRICT NET RETAIL FLOWS / LEAKAGE

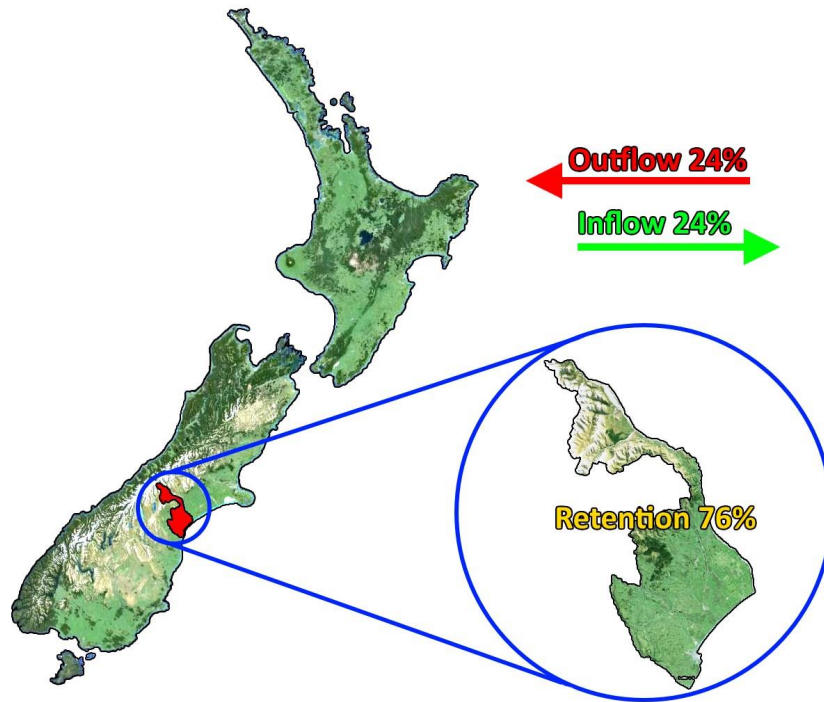
This section of the report assesses the proportional level of leakage or outflow of retail dollars leaving the Timaru District, and the proportional inflow of retail dollars entering the district by sector to determine the Net Flow of retail expenditure. This is also helpful in assessing sectors of potential opportunity or 'gaps' in the current district retail offer, and builds on the analysis in the previous two chapters.

For the purpose of analysis, this section of the report compares inflow and outflow as a proportion of total spending, or retail expenditure generation from within the Timaru District. This means that the outflows percentages represent the proportion of spending made by Timaru residents outside of the district, while inflows represent the spending made within the Timaru District, as a proportion of what the district generates / spends.

The figures illustrated in Figure 7-9 show these proportions with inflows shown in green, outflows shown in red and total district retention shown in yellow. The net retail flows of the district is found by subtracting the inflow by the outflow shown in Figure 7, i.e. the total Net Retail Flow of the district is 0% (or 24% - 24%), indicating that the Timaru District currently has a net balance of retail spending relative to total retail expenditure generated by its residents.

Adding retention to this figure illustrates the total market capture of retail spending from local and outside area, that is to say that the Timaru District currently captures 100% of spending relative to the level of retail expenditure generated locally. In other words, and coincidentally, the retail spend leaving the district equates to the level of spend entering the district on a proportional annualised basis. This 'offsetting' in effect, cancels each other out meaning Timaru District currently has a net neutral retail expenditure flow position.

FIGURE 7: TIMARU RETAIL FLOWS

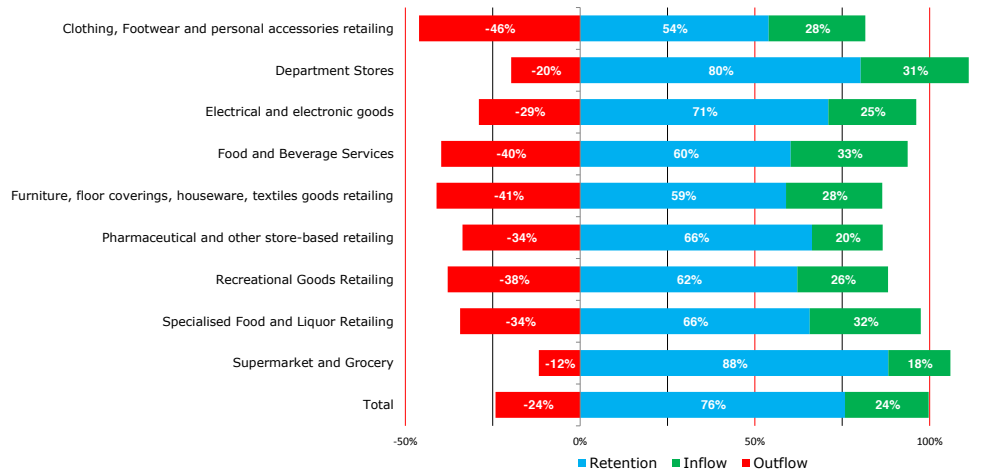


Source: Property Economics, MarketView

Figure 8 illustrates the inflows and outflows experienced by the identified catchment by retail sector.

A full list of the ANZSIC retail sectors identified has been attached in Appendix 4.

FIGURE 8: TIMARU DISTRICT ORIGIN AND DESTINATION OF RETAIL SPENDING BY SECTOR



Source: Property Economics, MarketView

Some of the salient points to note in Figure 8 include:

- As mentioned earlier, 24% of total retail expenditure generated in Timaru on an annual basis is spent outside of the district. It is notable that in three retail sectors leakage is over 40%, and across six retail sectors over a third of retail expenditure generated within Timaru is leaving the district. While there is 76% retention of retail expenditure across all sectors, this is largely bolstered by Supermarket and Department Store retailing which proportionally form a significant total retail spending made by Timaru residents. Other sectors in terms of proportional spend experience a greater degree of leakage led by Clothing, Footwear and Personal Accessories Retailing which has 46% leakage.
- The retail inflow coming into Timaru is a reflection of layered catchments across the wider region, and offsets some of this leakage. Smaller townships and rural residents are utilising Timaru as it offers a superior retail provision in relatively close proximity.

Figure 9 quantifies the net position of the inflows and outflows of retail spending as shown in Figure 8 within the Timaru District. This is the loss or gain in retail expenditure within the district as a proportion of the total level of retail spending generated by local residents.

FIGURE 9: TIMARU NET RETAIL SPENDING FLOWS BY SECTOR



Source: Property Economics, MarketView

As noted earlier, the majority of retail sectors are experiencing a significant level of retail leakage. Interestingly this is not offset by inflows of retail expenditure from external markets, with the net loss of these sectors ranging from 3% – 18%. In contrast, Supermarkets and Department Stores have net positive positions. This is not surprising given the propensity for these retail store types to be anchor stores, they have significant customer attraction on a more frequent basis compared to other sectors, while also representing a larger proportion of the market in terms of retail expenditure. Given the disproportional nature of Supermarket and Department Store retailing relative to the other retail sectors this causes an overall net position of 100%, and total net flows of 0% to be possible within the Timaru market.

These two sectors having a net positive position is a reflection of a lack of this provision within neighbouring districts. The same can be said about the balance of retail sectors in respect of Timaru, with Timaru residents travelling to centres further afield to Christchurch to meet their retail requirements.

This 'loss' represents a significant opportunity for the district to recapture lost retail spending by providing retail stores, environment and amenity desired by residents within the Timaru market.

8. SUPPLY VS. DEMAND

This section of the report compares the total existing study area retail provision against forecast sustainable retail demand as determined in Chapter 5 to better understand the retail provision differential both currently and over the forecast period.

Table 9 illustrates differences in forecast sustainable retail GFA against existing retail supply, providing an overview of the supply vs. demand dynamics of the Timaru market.

It is important to note that retail supply does not typically match sustainable retail GFA given the constant movement in the market. This analysis gives an overview of the market demand / supply differential at a point in time and therefore figures in Table 9 should not be regarded as strict guidelines but more a general steer towards what is appropriate to provide. The key component of the table is the 'Differential' which in effect provides a 'net position' on the demand / supply analysis.

TABLE 9: EXISTING SUPPLY VS. CURRENT AND FORECAST SUSTAINABLE GFA DEMAND

Specialty Retailing	2015	2018	2023	2028	2033
Sustainable Demand	37,775	39,331	42,099	44,959	48,190
Existing Provision	38,403	38,403	38,403	38,403	38,403
Differential	628	-928	-3,696	-6,556	-9,787

LFR	2015	2018	2023	2028	2033
Sustainable Demand	44,220	46,012	48,970	51,958	55,291
Existing Provision	61,576	61,576	61,576	61,576	61,576
Differential	17,356	15,564	12,606	9,618	6,284

Total	2015	2018	2023	2028	2033
Sustainable Demand	81,995	85,343	91,069	96,917	103,482
Existing Provision	99,979	99,979	99,979	99,979	99,979
Differential	17,984	14,635	8,910	3,062	-3,503

Source: Property Economics

Within the total assessed economic catchment there is a current estimated net differential where on-the-ground supply exceeds sustainable demand by around 18,000sqm GFA. This signals a potential oversupply within the market particularly within the LFR store types, or some of the larger foot print stores trading at lower productivities. In contrast smaller store Specialty retailing is at an approximate equilibrium in a practical sense given how close current sustainable demand is (37,800sqm) compared to existing supply (38,400sqm).

Table 9 shows the a shortfall would arise in small Specialty retailing supply moving forward and growing more pronounced as the market grows unless additional small foot print retail GFA is developed within the district. By 2033, the estimated shortfall is projected to equate to just under 10,000sqm GFA without any further retail development of this type within the district.

While the district may be in approximate small store equilibrium nominally, the MarketView analysis in Section 7 shows a significant level of retail expenditure outflow by Timaru residents in the sectors of Food and Beverage Services and Clothing, Footwear and Personal Accessories (predominately Specialty retailing stores). This means that while there is sufficient retail provision in terms of floorspace, the quality of the supply is not meeting the requirements of the local Timaru district leading to over half of all fashion spending made by Timaru residents being made outside of the district.

Improving the quality of this form of provision has a two-fold effect of both helping to retain locally generated spend and attracting increased tourism spending within the Timaru District. This should be point of focus to provide quality retailing as more of the same would only maintain the status quo. Further to this, improving the quality, scope of offer and environment of the District's centres would also attract additional spend from surrounding districts such as Waimate, i.e. it is likely to increase the proportional capture from these markets adding further benefit to Timaru's retailers and economy.

Focusing on LFR, there is a current differential (oversupply) between demand and supply of around 17,300sqm GFA. Analysing the current retail supply shows a significant level of LFR in sectors that generally not associated to bulky goods retailing, this includes Food and Beverage Services (7,800sqm), Other Goods Retailing (1,523sqm), in addition to around 1,200sqm of vacant LFR GFA. As such the numbers at face value are not considered to reveal the true picture.

Taking these sectors into consideration LFR supply would be more balanced with demand, with market growth further alleviating any slight FA oversupply. The high provision for LFR proportionally is likely due to lower retail rents within the Timaru District combined with soft demand and the availability of larger retail premises in the market. This has provided the opportunity for some typically smaller store format retailers to occupy larger foot print tenancies.

Again assessing the MarketView data provides a deeper understanding over of the Timaru market, with the sectors of Department Store and Supermarket retail leakage is relatively low at 20% for Departments Stores and only 12% for Supermarkets. It can be assumed that these sectors are relatively well provided for within the District, to the point where they have a net positive position when considering external inflows into Timaru.

However other LFR sectors such as Furniture, Floor Coverings, Houseware and Textile goods, Recreational Goods, and Electrical and Electronic goods retailing have far higher levels of leakage at around 30 – 40%. Therefore while the wider LFR market maybe slightly oversupplied in general terms, some of the aforementioned LFR sectors could sustain additional stores to improve LFR spend retention.

Ensuring a broad range of all LFR (while maintaining store quality) could help to stem leakage out of the District where customers feeling the current provision is not adequate to their needs. Part of this required provision form the unactioned resource consents with the high proportion of this in LFR activity. If some of these proposed stores (i.e. Harvey Norman and other national banner brands) were established this would represent a step forward for Timaru to improving LFR spend internalisation in the district (and retail market credibility).

The other benefit of such development is the ability to increase the inflow of retail expenditure into the Timaru from surrounding districts in these sectors, something Timaru (based on the MarketView data) is missing out on currently, and as such highlights the opportunity available to Timaru.

9. SUMMARY

Between the current on-the-ground provision and the yet to be developed resource consents, there is considered to be enough retail GFA to meet the current and anticipated retail requirements of the district over the foreseeable future when considered as a whole.

The primary shortcomings in terms of provision are in the LFR sectors (excl. supermarket and department stores) but these 'gaps' in the current offer appear to be being addressed with the unactioned retail consents.

Further to this the ongoing improvement of the district's retail centres needs to be maintained in a market that is very competitive and under constant evolution. For Timaru to remain competitive improving the quality of the experience, offer and environment will be important as population growth in the district is projected to be relatively low and slow comparatively and therefore sole reliance of this factor to drive sales growth would be misplaced.

Another important consideration for Timaru is that Christchurch over the next 10 years, as a result of the earthquake rebuild and recovery process, will see many brand new retail environments developed that will be modern environments with higher levels of amenity, and therefore attractive to Timaru shoppers (among others). This is likely to increase the competition for Timaru retailers and the 'pull' on their shopping dollars, making improvements to the centres of increased importance.

Improving Timaru's centres also provides the opportunity for Timaru retailers to '*tap into*' other districts spend not currently being captured by increasing market penetration, and therefore higher expenditure capture (sales). Part of this solution requires refurbishment and redevelopment of the relatively high proportion of 'other stores' currently in the network, and making this existing built form (GFA) more productive and efficient. To achieve this investment certainty needs to be given some prominence in the PDP, as its increased investment certainty that fuels reinvestment confidence in existing built stock and centres.

APPENDIX : 1 DEMOGRAPHIC PROFILING

	TIMARU DISTRICT	CANTERBURY REGION	NEW ZEALAND	
GENERAL	Population	46,033	581,931	4,558,393
	Households	20,134	237,281	1,764,065
	Person Per Dwelling Ratio	2.29	2.45	2.58
AGE PROFILE	0-4 Years	6%	6%	7%
	5-9 Years	6%	6%	7%
	10-14 Years	7%	6%	7%
	15-19 Years	6%	7%	7%
	20-24 Years	5%	7%	7%
	25-29 Years	5%	6%	6%
	30-34 Years	5%	6%	6%
	35-39 Years	6%	6%	6%
	40-44 Years	7%	7%	7%
	45-49 Years	7%	7%	7%
	50-54 Years	8%	7%	7%
	55-59 Years	7%	6%	6%
	60-64 Years	7%	6%	5%
65 years and Over	21%	16%	14%	
HOUSEHOLD INCOME	\$20,000 or Less	12%	10%	11%
	\$20,001-\$30,000	14%	11%	11%
	\$30,001-\$50,000	21%	18%	18%
	\$50,001-\$70,000	16%	15%	15%
	\$70,001-\$100,000	19%	19%	18%
	\$100,001 or More	18%	27%	28%
PERSONAL INCOME	\$5,000 or Less	11%	12%	15%
	\$5,001-\$10,000	5%	5%	5%
	\$10,001-\$20,000	23%	19%	18%
	\$20,001-\$30,000	17%	14%	14%
	\$30,001-\$50,000	22%	23%	21%
	\$50,001 or More	23%	27%	27%
ETHNICITY	European Ethnic Groups	87%	81%	67%
	Māori Ethnic Group	7%	8%	13%
	Pacific Peoples' Ethnic Groups	1%	2%	7%
	Asian Ethnic Groups	2%	6%	11%
	MELAA Ethnic Groups	0%	1%	1%
	Other Ethnic Groups	2%	2%	2%
QUALIFICATION ATTAINMENT	No Qualification	29%	22%	21%
	Level 1 Certificate	18%	14%	13%
	Level 2 Certificate	12%	11%	11%
	Level 3 Certificate	7%	9%	10%
	Level 4 Certificate	11%	10%	10%
	Level 5 or Level 6 Diploma	9%	10%	9%
	Bachelor Degree and Level 7 Qualifications	7%	12%	14%
	Postgraduate and Honours Degrees	2%	3%	3%
	Masters Degree	1%	2%	3%
	Doctorate Degree	0%	1%	1%
	Overseas Secondary School Qualification	3%	5%	7%

	TIMARU DISTRICT	CANTERBURY REGION	NEW ZEALAND
EMPLOYMENT CLASSIFICATION	Employed - Full Time	47%	48%
	Employed - Part Time	16%	14%
	Unemployed	3%	5%
	Not in Labour Force	35%	33%
EMPLOYMENT CLASSIFICATION	Managers	17%	19%
	Professionals	15%	23%
	Technicians and Trades Workers	14%	12%
	Community and Personal Service Workers	9%	9%
	Clerical and Administrative Workers	10%	12%
	Sales Workers	9%	9%
	Machinery Operators and Drivers	8%	5%
	Labourers	19%	11%
STUDENT RATIO	Full Time	7%	11%
	Part Time	3%	4%
	Full-time and Part-time Study	0%	0%
	Not Studying	91%	85%
HOUSEHOLD INCOME SOURCES	Wages, Salary, Commissions, Bonuses etc	66%	69%
	Self-employment or Business	19%	22%
	Interest, Dividends, Rent, Other Invest.	29%	27%
	Payments from a Work Accident Insurer	2%	2%
	NZ Superannuation or Veterans Pension	29%	22%
	Other Super., Pensions, Annuities	4%	4%
	Unemployment Benefit	3%	4%
	Sickness Benefit	3%	3%
	Domestic Purposes Benefit	4%	4%
	Invalids Benefit	4%	3%
	Student Allowance	1%	4%
	Other Govt Benefits, Payments or Pension	6%	6%
	Other Sources of Income	2%	3%
	No Source of Income During That Time	0%	1%
INDUSTRY OF EMPLOYMENT	Agriculture, Forestry and Fishing	12%	7%
	Mining	0%	0%
	Manufacturing	18%	10%
	Electricity, Gas, Water and Waste Services	1%	1%
	Construction	8%	8%
	Wholesale Trade	5%	5%
	Retail Trade	12%	10%
	Accommodation and Food Services	5%	6%
	Transport, Postal and Warehousing	5%	4%
	Information Media and Telecommunications	1%	2%
	Financial and Insurance Services	2%	4%
	Rental, Hiring and Real Estate Services	2%	2%
	Professional, Scientific and Technical Services	4%	9%
	Administrative and Support Services	2%	3%
	Public Administration and Safety	3%	5%
	Education and Training	7%	8%
	Health Care and Social Assistance	11%	10%
	Arts and Recreation Services	1%	2%
	Other Services	4%	4%

	TIMARU DISTRICT	CANTERBURY REGION	NEW ZEALAND	
HOUSEHOLDS	Single	28%	24%	23%
	Couple	35%	32%	29%
	Single Parent With Children	10%	10%	13%
	Two Parent Family	24%	29%	30%
	Other Multi-person	3%	5%	5%
NUMBER OF RESIDENTS	1 Residents	28%	24%	23%
	2 Residents	41%	36%	34%
	3 Residents	13%	16%	16%
	4 Residents	11%	15%	15%
	5 Residents	5%	6%	7%
	6 Residents	1%	2%	3%
	7 Residents	0%	1%	1%
	8 Plus Residents	0%	0%	1%
HOME OWNERSHIP	Dwelling Owned or Partly Owned	59%	55%	50%
	Dwelling Not Owned and Not Held in a Family Trust	27%	32%	35%
	Dwelling Held in a Family Trust	14%	14%	15%
YEARS AT RESIDENCE	0 Years	19%	22%	22%
	1-4 Years	28%	30%	30%
	5-9 Years	21%	21%	21%
	10-14 Years	12%	11%	11%
	15-29 Years	14%	12%	11%
	30 Years or More	6%	5%	5%
NUMBER OF BEDROOMS	One Bedroom	4%	5%	6%
	Two Bedrooms	21%	21%	19%
	Three Bedrooms	48%	44%	45%
	Four Bedrooms	22%	24%	23%
	Five Bedrooms	4%	5%	6%
	Six Bedrooms	1%	1%	1%
	Seven Bedrooms	0%	0%	0%
	Eight or More Bedrooms	0%	0%	0%
WEEKLY RENT PAID	Under \$100	25%	10%	9%
	\$100-\$149	12%	10%	7%
	\$150-\$199	19%	7%	8%
	\$200-\$249	24%	12%	10%
	\$250-\$299	14%	16%	13%
	\$300-\$349	4%	15%	14%
	\$350 and Over	2%	30%	39%

APPENDIX : 2 PEL RETAIL EXPENDITURE MODEL

This overview outlines the methodology that has been used to estimate retail spend generated at Census Area Unit (CAU) level for the identified catchment out to 2031.

CAU 2006 Boundaries

All analysis has been based on Census Area Unit 2013 boundaries, the most recent available.

Permanent Private Households (PPH) 2013

These are the total Occupied Households as determined by the Census 2013. PPHs are the primary basis of retail spend generation and account for approximately 71% of all retail sales. PPHs have regard for (exclude) the proportion of dwellings that are vacant at any one time in a locality, which can vary significantly, and in this respect account for the movement of some domestic tourists.

Permanent Private Household Forecasts 2006-2031

These are based on Statistics NZ Census Area Unit (CAU) Medium Series Population Growth Projections and have been adjusted to account for residential building consent activity occurring between 2006 and 2011, with this extrapolated to the year of concern. This accounts for recent building activity, particularly important for the 5-10 year forecasts, and effectively updates Statistics NZ projections to reflect recent trends.

International Tourist Spend

The total international tourism retail spend has been derived from the Ministry of Economic Development Tourism Strategy Group (MEDTSG) estimates nationally. This has been distributed regionally on a 'spend per employee' basis, using regional spend estimates prepared by the MEDTSG. Domestic and business based tourism spend is incorporated in the employee and PPH estimates. Employees are the preferred basis for distributing regional spend geo-spatially as tourists tend to gravitate toward areas of commercial activity, however they are very mobile.

Total Tourist Spend Forecast

Growth is conservatively forecast in the model at 2% per annum for the 2011-2031 period.

2013-2031 PPH Average Household Retail Spend

This has been determined by analysing the national relationship between PPH average household income (by income bracket) as determined by the 2013 Census, and the average PPH expenditure of retail goods (by income bracket) as determined by the Household Economic Survey (HES) prepared by Statistics NZ.

While there are variables other than household income that will affect retail spending levels, such as wealth, access to retail, population age, household types and cultural preferences, the effects of these are not able to be assessed given data limitations, and have been excluded from these estimates.

Real Retail Spend Growth (excl. trade based retailing)

Real retail spend growth has been factored in at 1% per annum. This accounts for the increasing wealth of the population and the subsequent increase in retail spend. The following explanation has been provided.

Retail Spend is an important factor in determining the level of retail activity and hence the 'sustainable amount' of retail floorspace for a given catchment. For the purposes of this outline 'retail' is defined by the following categories:

- Food Retailing
- Footwear
- Clothing and Softgoods
- Furniture and Floor coverings
- Appliance Retailing
- Chemist
- Department Stores
- Recreational Goods
- Cafes, Restaurants and Takeaways
- Personal and Household Services
- Other Stores.

These are the retail categories as currently defined by the ANZSIC codes (Australia New Zealand Standard Industry Classification).

Assessing the level and growth of retail spend is fundamental in planning for retail networking and land use within a regional network.

Internet Retail Spend Growth

Internet retailing within New Zealand has seen significant growth over the last few decades. This growth has led to an increasing variety of business structures and retailing methods including; internet auctions, just-in-time retailing, online ordering, virtual stores, and etc.

As some of internet spend is being made to on-the-ground stores, a proportion of internet expenditure is being represented in the Statistics NZ Retail Trade Survey (RTS) while a large majority remain unrecorded. At the same time this expenditure is being recorded under the Household Economic Survey (HES) as part of household retail spend, making the two datasets incompatible. For this reason Property Economics has assumed a flat 5% adjustment percentage on HES retail expenditure, representing internet retailing that was never recorded within the RTS.

Additionally, growth of internet retailing for virtual stores, auctions and overseas stores is leading to a decrease in on-the-ground spend and floorspace demand. In order to account for this, a non-linear percentage decrease of 2.5% in 2016 growing to 9% by 2031 has been applied to retail expenditure encompassing all retail categories in our retail model. These losses represent the retail diversion from on-the-ground stores to internet based retailing that will no longer contribute to retail floorspace demand.

Retail Spend Determinants

Retail Spend for a given area is determined by: the population, number of households, size and composition of households, income levels, available retail offer and real retail growth. Changes in any of these factors can have a significant impact on the available amount of retail spend generated by the area. The coefficient that determines the level of 'retail spend' that eventuates from these factors is the MPC (Marginal Propensity to Consume). This is how much people will spend of their income on retail items. The MPC is influenced by the amount of disposable and discretionary income people are able to access.

Retail Spend Economic Variables

Income levels and household MPC are directly influenced by several macroeconomic variables that will alter the amount of spend. Real retail growth does not rely on the base determinants

changing but a change in the financial and economic environment under which these determinants operate. These variables include:

Interest Rates: Changing interest rates has a direct impact upon households' discretionary income as a greater proportion of income is needed to finance debt and typically lowers general domestic business activity. Higher interest rates typically lower real retail growth.

Government Policy (Spending): Both Monetary and Fiscal Policy play a part in domestic retail spending. Fiscal policy, regarding government spending, has played a big part recently with government policy being blamed for inflationary spending. Higher government spending (targeting on consumer goods, direct and indirectly) typically increases the amount of nominal retail spend. Much of this spend does not, however, translate into floorspace since it is inflationary and only serves to drive up prices.

Wealth/Equity/Debt: This in the early-mid 2000s had a dramatic impact on the level of retail spending nationally. The increase in property prices has increased home owners unrealised equity in their properties. This has led to a significant increase in debt funded spending, with residents borrowing against this equity to fund consumable spending. This debt spending is a growth facet of New Zealand retail. In 1960 households saved 14.6% of their income, while households currently spend 14% more than their household income.

Inflation: As discussed above, this factor may increase the amount spent by consumers but typically does not dramatically influence the level of sustainable retail floorspace. This is the reason that productivity levels are not adjusted but similarly inflation is factored out of retail spend assessments.

Exchange Rate: Apart from having a general influence over the national balance of payments accounts, the exchange rate directly influences retail spending. A change in the \$NZ influences the price of imports and therefore their quantity and the level of spend.

General consumer confidence: This indicator is important as consumers consider the future and the level of security/finances they will require over the coming year.

Economic/Income growth: Income growth has a similar impact to confidence. Although a large proportion of this growth may not impact upon households MPC (rather just increasing the

income determinant) it does impact upon households discretionary spending and therefore likely retail spend.

Mandatory Expenses: The cost of goods and services that are necessary has an impact on the level of discretionary income that is available from a households disposal income. Important factors include housing costs and oil prices. As these increase the level of household discretionary income drops reducing the likely real retail growth rate.

Current and Future Conditions

Retail spend has experienced a significant real increase in the early-mid 2000s. This was due in large part to the increasing housing market. Although retail growth is tempered or crowded out in some part by the increased cost of housing it showed massive gains as home owners, prematurely, access their potential equity gains. This resulted in strong growth in debt / equity spending as residents borrow against capital gains to fund retail spending on consumption goods. A seemingly strong economy also influenced these recent spending trends, with decreased employment and greater job security producing an environment where households were more willing to accept debt.

Over the last 5 years this has now reversed with the worldwide GFC recession taken grip. As such, the economic environment has undergone rapid transformation. The national market is currently experiencing low interest rates (although expected to increase over this coming year) and a highly inflated \$NZ (increasing importing however disproportionately). Now emerging is a rebound in the property market and an increase in general business confidence as the economy starts to recover from the post-GFC hangover. These factors will continue to influence retail spending throughout the next 5 or so years. Given the previous years (pre-2008) substantial growth and high levels of debt repayment likely to be experienced by New Zealand households it is expected that real retail growth rates will continue to be subdued for the short term.

Impacts of Changing Retail Spend

At this point in time a 1% real retail growth rate is being applied by Property Economics over the longer term 20 year period. This rate is highly volatile however and is likely to be in the order of 0.5% to 1% over the next 5 – 10 years rising to 1% - 2% over the more medium term as the economy stabilises and experiences cyclical growth. This would mean that it would be prudent in the shorter term to be conservative with regard to the level of sustainable retail floorspace within given centres.

Business Spend 2013

This is the total retail spend generated by businesses. This has been determined by subtracting PPH retail spend and Tourist retail spend from the Total Retail Sales as determined by the Retail Trade Survey (RTS) which is prepared by Statistics NZ. All categories are included with the exception of accommodation and automotive related spend. In total, Business Spend accounts for 26% of all retail sales in NZ. Business spend is distributed based on the location of employees in each Census Area Unit and the national average retail spend per employee.

Business Spend Forecast 2013-2031

Business spend has been forecasted at the same rate of growth estimated to be achieved by PPH retail sales in the absence reliable information on business retail spend trends. It is noted that while working age population may be decreasing as a proportion of total population, employees are likely to become more productive over time and therefore offset the relative decrease in the size of the total workforce.

APPENDIX : 3 ANZSIC RETAIL CATEGORIES

AUSTRALIAN AND NEW ZEALAND STANDARD INDUSTRIAL CLASSIFICATION (ANZSIC) 2006

DIVISION G – RETAIL TRADE

The Retail Trade Division includes units mainly engaged in the purchase and on selling of goods, without significant transformation, to the general public. Units are classified to the Retail Trade Division in the first instance if they buy goods and then on sell them (including on a commission basis) to the general public. Retail units generally operate from premises located and designed to attract a high volume of walk-in customers, have an extensive display of goods, and/or use mass media advertising designed to attract customers. The display and advertising of goods may be physical or electronic.

Physical display and advertising includes shops, printed catalogues, billboards and print advertisements. Electronic display and advertising includes catalogues, internet websites, television and radio advertisements and infomercials. While non-store retailers, by definition, do not possess the physical characteristics of traditional retail units with a physical shop-front location, these units share the requisite function of the purchasing and on selling of goods to the general public, and are therefore included in this division.

A unit which sells to both businesses and the general public will be classified to the Retail Trade Division if it operates from shop-front premises, arranges and displays stock to attract a high proportion of walk-in customers and utilises mass media advertising to attract customers.

The buying of goods for resale to the general public is a characteristic of Retail Trade units that distinguishes them from units in the Agriculture, Forestry and Fishing; Manufacturing; and Construction industries. For example, farms that sell their products, at or from, the point of production are not classified in Retail Trade, but rather in Agriculture as the production of agricultural output are these units primary activity. Units in all these industries provide their output to the market for sale. Similarly, units that both manufacture and sell their products to the general public are not classified in Retail Trade, but rather in Manufacturing.

Wholesale units also engage in the buying of goods for resale, but typically operate from a warehouse or office and neither the design nor the location of these premises is intended to solicit a high volume of walk-in traffic. In general, wholesale units have large storage facilities and small display area, while the reverse is true for retail units. Units in Retail often undertake non-retail secondary activities, such as watch and jewellery stores, that undertake repairs of these goods as well as retailing new items. However, units whose primary activity is the provision of repair and maintenance services are excluded from this division, and are classified to the Other Services Division.

411 SUPERMARKET AND GROCERY STORES

4110 Supermarket and Grocery Stores

This class consists of units mainly engaged in retailing groceries or non-specialised food lines (including convenience stores), whether or not the selling is organised on a self-service basis.

Primary activities

- Convenience store operation
- Grocery retailing
- Grocery supermarket operation

Exclusions/References

Units mainly engaged in retailing specialised food lines are included in the appropriate classes of Group 412 Specialised Food Retailing.

412 SPECIALISED FOOD RETAILING

4121 Fresh Meat, Fish and Poultry Retailing

This class consists of units mainly engaged in retailing fresh meat, fish or poultry.

Primary Activities

- Butcher's shop operation (retail)
- Fish, fresh, retailing
- Meat, fresh, retailing
- Poultry, fresh, retailing
- Seafood, fresh, retailing

4122 Fruit and Vegetable Retailing

This class consists of units mainly engaged in retailing fresh fruit or vegetables.

Primary activities

- Fruit, fresh, retailing
- Greengrocery operation (retail)
- Vegetable, fresh, retailing

4123 Liquor Retailing

This class consists of units mainly engaged in retailing beer, wine or spirits for consumption off the premises only.

Primary activities

- Alcoholic beverage retailing (for consumption off the premises only)

Exclusions/References

Units mainly engaged in selling alcoholic beverages for consumption on the premises, such as hotels, bars and similar units (except hospitality clubs), are included in Class 4520 Pubs, Taverns and Bars.

4129 Other Specialised Food Retailing

This class consists of units mainly engaged in retailing specialised food lines, such as confectionery or small goods or bread and cakes (not manufactured on the same premises).

Primary activities

- Biscuit retailing (not manufactured on the same premises)
- Bread retailing (not manufactured on the same premises)
- Bread vendor (not manufactured on the same premises)
- Cake retailing (not manufactured on the same premises)
- Confectionery retailing
- Non-alcoholic drinks retailing
- Pastry retailing (not manufactured on the same premises)
- Small goods retailing
- Specialised food retailing n.e.c.

Exclusions/References

Units mainly engaged in

- retailing a wide range of food lines are included in Class 4110 Supermarket and Grocery Stores;
- providing food services for immediate consumption for taking away or consumption in limited seating areas are included in Class 4512 Takeaway Food Services;
- manufacturing bakery products and selling those products from the same premises are included in Class 1174 Bakery Product Manufacturing (Non-factory based); and
- retailing food through vending machines or other non-store means (except mobile vans) are included in Class 4310 Non-Store Retailing.

421 FURNITURE, FLOOR COVERINGS, HOUSEWARE AND TEXTILE GOODS RETAILING

4211 Furniture Retailing

This class consists of units mainly engaged in retailing furniture, blinds or awnings.

Primary activities

- Antique reproduction furniture retailing
- Awning retailing
- Blind retailing
- Furniture retailing
- Mattress retailing

Exclusions/References

Units mainly engaged in

- the installation of household blinds or awnings are included in Class 3239 Other Building Installation Services;

- manufacturing blinds or awnings are included in the appropriate classes of Division C Manufacturing, according to the materials used in the manufacturing process;
- retailing second-hand or antique furniture are included in Class 4273 Antique and Used Goods Retailing; and
- retailing curtains are included in Class 4214 Manchester and Other Textile Goods Retailing.

4212 Floor Coverings Retailing

This class consists of units mainly engaged in retailing floor coverings (except ceramic floor tiles).

Primary activities

- Carpet retailing
- Floor coverings retailing (except ceramic floor tiles)
- Floor rug retailing
- Floor tile retailing (lino, vinyl, cork, carpet or rubber)
- Parquetry retailing

Exclusions/References

Units mainly engaged in

- laying floor coverings are included in the appropriate classes of Division E Construction; and
- retailing ceramic floor tiles are included in Class 4231 Hardware and Building Supplies Retailing.

4213 Houseware Retailing

This class consists of units mainly engaged in retailing kitchenware, china, glassware, silverware or other houseware goods.

Primary activities

- Brushware retailing
- Chinaware retailing
- Cooking utensil retailing (except electric)
- Crockery retailing
- Cutlery retailing
- Enamelware retailing
- Glassware retailing
- Kitchenware retailing
- Picnicware retailing
- Plastic container retailing
- Silverware retailing

Exclusions/References

Units mainly engaged in retailing electric cooking utensils are included in Class 4221 Electrical, Electronic and Gas Appliance Retailing.

4214 Manchester and Other Textile Goods Retailing

This class consists of units mainly engaged in retailing fabrics, curtains or household textiles.

Primary activities

- Blanket retailing
- Curtain retailing
- Dressmaking requisites retailing
- Fabric, textile, retailing
- Household textile retailing
- Linen retailing
- Piece-goods retailing
- Soft furnishing retailing
- Yarn retailing

Exclusions/References

Units mainly engaged in

- installing awnings, blinds, shutters or curtains are included in Class 3239 Other Building Installation Services; and
- manufacturing curtains or cushions are included in Class 1333 Cut and Sewn Textile Product Manufacturing.

422 ELECTRICAL AND ELECTRONIC GOODS RETAILING**4221 Electrical, Electronic and Gas Appliance Retailing**

This class consists of units mainly engaged in retailing electrical, electronic or gas appliances (except computers and computer peripherals).

Primary activities

- Air conditioner retailing
- Appliance, electric, retailing
- Barbecue retailing
- Camera retailing
- Compact disc player retailing
- Cooking utensil, electric, retailing
- Digital versatile disc (DVD) player retailing
- Electronic beeper retailing
- Fan, electric, retailing
- Floor polisher, electric, retailing
- Gas appliance retailing
- Heating equipment, electric or gas, retailing
- Mobile phone retailing
- Modem retailing
- Pager retailing
- Pocket calculator, electronic, retailing

- Projector retailing
- Radio receiving set retailing (except car radios)
- Refrigerator, retailing
- Shaver, electric, retailing
- Sound reproducing equipment retailing
- Stereo retailing
- Stove, retailing
- Television antennae retailing
- Television set retailing
- Two-way radio equipment retailing
- Vacuum cleaner retailing
- Video cassette recorder (VCR) retailing
- Washing machine retailing

Exclusions/References

Units mainly engaged in

- retailing computer or computer peripheral equipment are included in Class 4222 Computer and Computer Peripheral Retailing;
- retailing CDs, DVDs or other entertainment media are included in Class 4242 Entertainment Media Retailing;
- retailing car radios are included in Class 3921 Motor Vehicle Parts Retailing;
- installing heating, refrigeration or air conditioning equipment are included in Class 3233 Air Conditioning and Heating Services;
- hiring household appliances are included in Class 6639 Other Goods and Equipment Rental and Hiring n.e.c.; and
- repairing and maintaining electrical, electronic and gas domestic appliances are included in Class 9421 Domestic Appliance Repair and Maintenance.

4222 Computer and Computer Peripheral Retailing

This class consists of units mainly engaged in retailing computers or computer peripheral equipment.

Primary activities

- Compact disc burner retailing
- Computer equipment retailing
- Computer game console retailing
- Computer hardware retailing
- Computer software retailing (except computer games)
- Printer retailing
- Visual display unit (VDU) retailing

Exclusions/References

Units mainly engaged in retailing computer games are included in Class 4242 Entertainment Media Retailing.

4229 Other Electrical and Electronic Goods Retailing

This class consists of units mainly engaged in retailing electrical and electronic goods not elsewhere classified.

Primary activities

- Dry cell battery retailing
- Electric light fittings retailing
- Electrical goods retailing n.e.c.
- Electronic goods retailing n.e.c.

423 HARDWARE, BUILDING AND GARDEN SUPPLIES RETAILING**4231 Hardware and Building Supplies Retailing**

This class consists of units mainly engaged in retailing hardware or building supplies.

Primary activities

- Carpenters' tool retailing
- Cement retailing
- Ceramic floor tile retailing
- Garden tool retailing
- Hardware retailing
- Lacquer retailing
- Lawn mower retailing
- Lock retailing
- Mineral turpentine retailing
- Nail retailing
- Paint retailing
- Plumbers' fittings retailing
- Plumbers' tools retailing
- Timber retailing
- Tool retailing
- Wallpaper retailing
- Woodworking tool retailing

Exclusions/References

Units mainly engaged in

- wholesaling builders' hardware or supplies (except plumbing supplies) are included in Class 3339 Other Hardware Goods Wholesaling; and
- wholesaling timber are included in Class 3331 Timber Wholesaling.

4232 Garden Supplies Retailing

This class consists of units mainly engaged in retailing garden supplies or nursery goods.

Primary activities

- Bulb, flower, retailing
- Fertiliser retailing
- Garden ornament retailing
- Garden supplies retailing n.e.c.
- Nursery stock retailing
- Pesticide retailing
- Plant, garden, retailing
- Pot plant retailing
- Seedlings retailing
- Seed, garden, retailing
- Shrub or tree retailing
- Tuber, flower, retailing

Exclusions/References

Units mainly engaged in retailing cut flowers are included in Class 4274 Flower Retailing.

424 RECREATIONAL GOODS RETAILING

4241 Sport and Camping Equipment Retailing

This class consists of units mainly engaged in retailing sporting goods, camping equipment or bicycles.

Primary activities

- Ammunition retailing
- Bicycle retailing
- Camping equipment retailing
- Canoe retailing
- Equestrian equipment retailing
- Fishing tackle retailing
- Fitness equipment retailing
- Golfing equipment retailing
- Gun or rifle retailing
- Gymnasium equipment retailing
- Sailboard retailing
- Snow ski retailing
- Sporting equipment retailing (except clothing or footwear)
- Wetsuit retailing

Exclusions/References

Units mainly engaged in

- retailing sports apparel (clothing and footwear) are included in Classes 4251 Clothing Retailing and 4252 Footwear Retailing; and
- retailing new or used boats are included in Class 4245 Marine Equipment Retailing.

4242 Entertainment Media Retailing

This class consists of units mainly engaged in retailing audio tapes, compact discs, computer games, digital versatile discs or video cassettes.

Primary activities

- Audio cassette retailing
- Compact disc retailing
- Computer game retailing
- Digital versatile disc (DVD) retailing
- Video cassette retailing

Exclusions/References

Units mainly engaged in

- retailing second-hand records, tapes, CDs, DVDs or videos are included in Class 4273 Antique and Used Goods Retailing;
- retailing CD players, DVD players, VCRs or other appliances are included in Class 4221 Electrical, Electronic and Gas Appliance Retailing; and
- retailing computers and computer peripherals are included in Class 4222 Computer and Computer Peripheral Retailing.

4243 Toy and Game Retailing

This class consists of units mainly engaged in retailing toys or games (except computer games).

Primary activities

- Doll retailing
- Game retailing
- Toy retailing

Exclusions/References

Units mainly engaged in retailing computer games are included in Class 4242 Entertainment Media Retailing.

4244 Newspaper and Book Retailing

This class consists of units mainly engaged in retailing books, periodicals and newspapers.

Primary activities

- Book retailing
- Magazine retailing
- Newspaper retailing
- Periodical retailing
- Religious book retailing

Exclusions/References

Units mainly engaged in

- retailing stationery and writing goods are included in Class 4272 Stationery Goods Retailing; and

- retailing second-hand books are included in Class 4273 Antique and Used Goods Retailing.

425 CLOTHING, FOOTWEAR AND PERSONAL ACCESSORY RETAILING

4251 Clothing Retailing

This class consists of units mainly engaged in retailing clothing or clothing accessories.

Primary activities

- Clothing accessory retailing
- Clothing retailing
- Foundation garment retailing
- Fur clothing retailing
- Glove retailing
- Hosiery retailing
- Leather clothing retailing
- Millinery retailing
- Sports clothing retailing
- Work clothing retailing

Exclusions/References

Units mainly engaged in

- retailing second-hand clothing are included in Class 4273 Antique and Used Goods Retailing; and
- retailing personal accessories (except clothing and footwear) are included in Class 4259 Other Personal Accessory Retailing.

4252 Footwear Retailing

This class consists of units mainly engaged in retailing boots, shoes or other footwear.

Primary activities

- Boot retailing
- Footwear retailing
- Shoe retailing
- Sports footwear retailing

4253 Watch and Jewellery Retailing

This class consists of units mainly engaged in retailing new watches and jewellery (except clocks and silverware).

Primary activities

- Jewellery retailing
- Watch retailing

Exclusions/References

- Units mainly engaged in
- retailing second-hand jewellery are included in Class 4273 Antique and Used Goods Retailing;
- retailing clocks are included in Class 4279 Other Store-Based Retailing n.e.c.; and
- retailing silverware are included in Class 4213 Houseware Retailing.

4259 Other Personal Accessory Retailing

This class consists of units mainly engaged in retailing other personal accessories, including new handbags, sunglasses, leather goods, luggage and other personal accessories not elsewhere classified.

Primary activities

- Briefcase retailing
- Handbag retailing
- Leather goods retailing (except clothing and footwear)
- Luggage retailing
- Personal accessory retailing n.e.c.
- Sunglass retailing
- Umbrella retailing
- Wig retailing

Exclusions/References

Units mainly engaged in

- retailing leather clothing are included in Class 4251 Clothing Retailing; and
- retailing leather footwear are included in Class 4252 Footwear Retailing.

426 DEPARTMENT STORES**4260 Department Stores**

This class consists of units engaged in retailing a wide variety of goods, other than food or groceries, but the variety is such that no predominant activity can be determined. These units have predominant retail sales in at least four of the following six product groups:

- Clothing
- Furniture
- Kitchenware, china, glassware and other housewares
- Textile goods
- Electrical, electronic and gas appliances
- Perfumes, cosmetics and toiletries

The products primary to these headings, as well as other products, are normally sold by or displayed in separate departments or sections supervised by managers (with specialised product knowledge) within the store, and, generally, merchandising, advertising, customer service, accounting and budgetary control functions are undertaken on a departmentalised basis.

Primary activities

- Department store operation

Exclusions/References

Units mainly engaged in

- retailing food and groceries on a departmentalised basis are included in Class 4110 Supermarket and Grocery Stores;
- retailing clothing; furniture; kitchenware, china, glassware and other housewares; textile goods; electrical, electronic and gas appliances; or perfumes, cosmetics and toiletries on a specialised basis are included in the appropriate classes of Subdivision 42 Other Store-Based Retailing; and
- retailing a wide variety of products that are not sold, displayed, managed or administered on a departmentalised basis (i.e. gift shops or souvenir shops) are included in Class 4279 Other Store-Based Retailing n.e.c.

427 PHARMACEUTICAL AND OTHER STORE-BASED RETAILING

4271 Pharmaceutical, Cosmetic and Toiletry Goods Retailing

This class consists of units mainly engaged in retailing prescription drugs or patent medicines, cosmetics or toiletries.

Primary activities

- Cosmetic retailing
- Drug retailing
- Patent medicine retailing
- Perfume retailing
- Pharmacy, retail, operation
- Prescription, medicine, dispensing
- Toiletry retailing

4272 Stationery Goods Retailing

This class consists of units mainly engaged in retailing stationery goods and writing materials.

Primary activities

- Artists' supplies retailing
- Ink retailing
- Note book retailing
- Pen or pencil retailing
- Stationery retailing
- Writing material retailing

Exclusions/References

Units mainly engaged in retailing books or magazines are included in Class 4244 Newspaper and Book Retailing.

4273 Antique and Used Goods Retailing

This class consists of units mainly engaged in retailing antiques or second-hand goods (except motor vehicles or motor cycles and parts).

Primary activities

- Antique retailing
- Coin dealing (retailing)
- Disposals retailing
- Pawnbroking
- Second-hand book retailing
- Second-hand cloth retailing
- Second-hand electrical, electronic or computer equipment retailing
- Second-hand furniture retailing
- Second-hand goods retailing n.e.c.
- Second-hand jewellery retailing
- Second-hand record, tape, CD, DVD or videos retailing
- Second-hand sports card retailing
- Stamp, collectible, dealing (retailing)

Exclusions/References

Units mainly engaged in

- retailing second-hand motor vehicles are included in Class 3911 Car Retailing;
- retailing second-hand motor cycles are included in Class 3912 Motor Cycle Retailing;
- retailing second-hand motor vehicle or motor cycle parts are included in Class 3921 Motor Vehicle Parts Retailing; and
- providing auctioning services are included in Class 3800 Commission-Based Wholesaling.

4274 Flower Retailing

This class consists of units mainly engaged in retailing cut flowers or display foliage.

Primary Activities

- Cut flower retailing
- Display foliage retailing
- Dried flower retailing
- Florist, retail, operation

4279 Other Store-Based Retailing n.e.c.

This class consists of units mainly engaged in retailing goods not elsewhere classified from store-based premises.

Primary activities

- Art gallery operation (retail)
- Binocular retailing
- Bottled liquefied petroleum gas (LPG) retailing
- Briquette retailing

- Clock retailing
- Coal retailing
- Coke retailing
- Computer consumables (toners, inks) retailing
- Craft goods retailing
- Duty free store operation
- Firewood retailing
- Firework retailing
- Greeting card retailing
- Ice retailing
- Map retailing
- Musical instrument retailing
- Pet and pet accessory retailing
- Photographic chemical retailing
- Photographic film or paper retailing
- Pram retailing
- Religious goods (except books) retailing
- Specialty stores n.e.c.
- Store-based retailing n.e.c.
- Swimming pool retailing
- Tobacco product retailing
- Variety store operation

Exclusions/References

Units mainly engaged in

- retailing second-hand sports cards are included in Class 4273 Antique and Used Goods Retailing;
- retailing religious books are included in Class 4244 Newspaper and Book Retailing;
- retailing goods without the use of a shop front or physical store presence are included in Class 4310 Non-Store Retailing; and
- retailing goods on a commission basis are included in Class 4320 Retail Commission-Based Buying and/or Selling.

451 CAFES, RESTAURANTS AND TAKEAWAY FOOD SERVICES

4511 Cafes and Restaurants

This class consists of units mainly engaged in providing food and beverage serving services for consumption on the premises. Customers generally order and are served while seated (i.e. waiter/waitress service) and pay after eating.

Primary activities

- Cafe operation
- Restaurant operation

Exclusions/References

Units mainly engaged in

- providing food ready to be taken away for immediate consumption are included in Class 4512 Takeaway Food Services;
- providing catering services (including airline food catering services) at specified locations or events are included in Class 4513 Catering Services;
- selling alcoholic beverages both for consumption on and off the premises are included in Class 4520 Pubs, Taverns and Bars; and
- operating theatre restaurants mainly engaged in providing live theatrical productions with food and beverages are included in Class 9001 Performing Arts Operation.

4512 Takeaway Food Services

This class consists of units mainly engaged in providing food services ready to be taken away for immediate consumption. Customers order or select items and pay before eating. Items are usually provided in takeaway containers or packaging. Food is either consumed on the premises in limited seating facilities, taken away by the customer or delivered. This class also includes units mainly engaged in supplying food services in food halls and food courts.

Primary activities

- Juice bar operation
- Mobile food van operation
- Takeaway food operation

Exclusions/References

Units mainly engaged in

- providing food services for consumption on the premises only are included in Class 4511 Cafes and Restaurants;
- providing catering services (including airline food catering services) at specified locations or events are included in Class 4513 Catering Services;
- retailing baked goods manufactured on the same premises are included in Class 1174 Bakery Product Manufacturing (Non-factory based);
- retailing baked goods manufactured at other premises are included in Class 4129 Other Specialised Food Retailing; and
- retailing beer, wine or spirits for consumption off the premises only are included in Class 4123 Liquor Retailing.
- Cafes and Restaurants;
- providing food ready to be taken away for immediate consumption are included in Class 4512 Takeaway Food Services; and
- manufacturing food products (including snack foods and prepared meals) are included in Class 1199 Other Food Product Manufacturing n.e.c.

452 PUBS, TAVERNS AND BARS

4520 Pubs, Taverns and Bars

This class consists of hotels, bars or similar units (except hospitality clubs) mainly engaged in serving alcoholic beverages for consumption on the premises, or in selling alcoholic beverages both for consumption on and off the premises. These units may also provide food services and/or present live entertainment.

Primary activities

- Bar operation

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- Hotel bar operation
 - Night club operation
 - Pub operation
 - Tavern operation
 - Wine bar operation

Exclusions/References

Units mainly engaged in

- retailing alcoholic beverages for consumption off the premises only are included in Class 4123 Liquor Retailing; and
- operating hospitality clubs are included in Class 4530 Clubs (Hospitality).