

PROPERTY **E**ECONOMICS



TIMARU DISTRICT

RESIDENTIAL CAPACITY

ECONOMIC ASSESSMENT

Client: Timaru District Council

Project No: 52101

Date: February 2022



SCHEDULE

Code	Date	Information / Comments	Project Leader
52101.6	February 2022	Report	Tim Heath / Phil Osborne

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1. INTRODUCTION

Property Economics has been engaged by Timaru District Council (TDC) to undertake an assessment of the theoretical and commercially feasible residential capacity (supply) within the Timaru District.

The purpose of this report is to provide TDC with robust market intelligence to understand the capacity for growth and in particular, the changes to capacity between the Operative District Plan (ODP) and Draft District Plan (DPD). This will assist TDC in making more informed and economically justified decisions in regard to the design and implementation of their Draft District Plan residential provisions and long-term strategic planning documents.

This report discusses the work undertaken by Property Economics in developing both a Theoretical Capacity model and a Commercially Feasible Capacity model for residential activity in Timaru District. This will inform policymakers on the feasible level of housing supply, and the geospatial distribution of areas that can accommodate future residential development based on current zonings, policy settings and market parameters.



1.1. INFORMATION & DATA SOURCES

Property Economics was provided with several geospatial and data files by TDC to develop the capacity models. These included:

- Operative District Plan zones
- Draft District Plan zones
- Building outlines as estimated by LINZ from satellite images
- Property parcels and the associated property valuations
- Coastal High Hazard area and the Flood Assessment area
- Building Consents
- Residential Sales

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

- Census of Population and Dwellings 2018 - Statistics NZ
- Household and Population Projections – Statistics NZ
- Recent Property Sales – CoreLogic



1.2. GLOSSARY

- **Theoretical Yield / Plan Enabled Capacity** – The total number of properties that could be developed according to the current Timaru District Plan provisions within the permitted building envelope, irrelevant of market conditions.
- **Comprehensive Development** – A development option that assumes the removal of all existing buildings for a comprehensive redevelopment of the entire site with less restrictions.
- **Infill Development** - A development option that assumes the existing building is retained, and new residential house(s) are developed on balance of the site (i.e. the backyard).
- **Standalone House** – Single detached dwelling.
- **Terraced** – Dwellings that are attached horizontally to other dwellings but not vertically. This typology is always built to the ground floor (i.e. does not include homes built above retail stores).
- **Apartments** – Dwellings that are attached vertically and potentially horizontally. Usually in multi-storey developments of higher density.
- **Total Yield**- The total number of dwellings developed.

Net Yield – The total number of dwellings constructed net of any existing dwellings removed. For Infill development, the total yield is equal to the net yield, while for Comprehensive development the net yield is equal to the total yield less the existing dwellings.

2. EXECUTIVE SUMMARY

Property Economics has undertaken an assessment of the theoretical and commercially feasible residential capacity (supply) of the Timaru District for both the Operative and Draft District Plans.

This involved geospatially mapping of all the existing land parcels, and underlying zone (for both district plans), hazards, overlays and the extent of existing dwellings / buildings on the site. Property Economics then utilised the district plan provisions / rules to develop appropriate modelling assumptions. Specifically, the theoretical capacity is based on applying a combination of the minimum site size, number of dwellings per lot, height and site coverage rules to each site.

Having accounted for all of these factors, it was assessed that it is possible to develop 61,387 dwellings under the Operative District Plan (ODP) and 89,178 dwellings in the Draft District Plan (DDP). It should be noted that around half of the capacity in both the ODP and DDP is located in the commercial / mixed use zones. However, the greatest increase in capacity between the two plans is in the Residential zone, which increased from 23,244 to 40,041.

This theoretical capacity is then input into Property Economics' Feasibility Model, which calculates the likely sale price and costs (thereby estimating profit margins) associated with each development option. Any development that reaches a 20% profit margin is considered feasible for the purposes of this analysis.

In total, Timaru has a feasible capacity of 7,100 dwellings under the ODP and 7,760 dwellings under the DDP. These figures have removed all 'double ups' i.e., where multiple development options were tested on a specific site and represent the most profitable development scenario for that site.

Despite significant theoretical capacity for apartment development in Timaru, none of them were found to be feasible in Timaru's market at present. Given the current construction costs, the Property Economics Feasibility Model estimates that sale prices of around \$700k - \$800k is required to provide adequate returns on apartment developments, particularly those being built to only four levels.

On top of the feasible capacity modelling, practical considerations must be considered as to what is likely to be developed in the real world. This is to ground truth the model outputs as much as possible. While all three typologies may be feasible on a particular site, there is greater risk in the development of some typologies. For example, a developer looking to remove existing dwellings to construct a row of terrace houses, has more risk than the developer building a standalone house on the back section.

By accounting for this increased risk in the required realisable profit margins, the Realisable Capacity estimate for Timaru is 4,671 under the ODP and 5,035 in the DDP. Primarily, this represents a reduction in the number of Terraced dwellings that are expected to be developed given the current housing appetites of the Timaru market. This represents a 65% realisation rate on the feasible capacity in the ODP and DDP.



The Timaru District is projected to grow from 48,470 residents in 2021 to between 49,300 and 57,500 residents by 2048 according to Statistics NZ Medium and High projections respectively. Based on the projected changes to household densities over the next 30 years, Timaru is anticipated to see an increase of 1,603 households under the Medium projection scenario or 4,330 households under the High projection scenario.

Utilising the High Projection, estimate of 4,330 and applying a 15% competitiveness margin (equivalent to the NPS UD¹ buffer) over the long term, TDC would need to provide capacity for just under 5,000 dwelling over the next 27 years.

This exceeds the realisable capacity under the ODP of 4,671, but not the DDP. This means that if all of the expected realisable capacity in the Draft District Plan is developed, then Timaru will not be expected to require additional residential land until after 2048, even under Statistics NZ's High projection scenario.

Timaru has a relatively cheaper housing market compared to most other urban New Zealand districts, with a median sales price of around \$420,000 in Q3 2021. In comparison, the median sales price of Christchurch City has reached \$600,000 in the same quarter, while Nelson reached \$700,000. This is supported by the CoreLogic Housing Affordability Report for 2020² which shows that Timaru's Value to Income Ratio of 4, is one of the lowest in the country compared to other New Zealand cities and significantly lower than Gisborne's 4.8 or Christchurch's 5.2.

The DDP is anticipated to deliver additional dwellings to the Timaru market at a range of price points. This increases both the serviceability of the market, and creates a downward price pressure on the housing market.

Increased residential intensification has several economic benefits, including improved spending retention of commercial centres, improved land use and infrastructure efficiency and improved transportation networks. The provision of additional unnecessary greenfield capacity has the potential to further dilute urban redevelopment opportunities and increase the dispersal of residential activities to the economic detriment of the Timaru community.

¹ National Policy Statement on Urban Development 2020

² [210225 CoreLogic NZ Q4 2020 Housing Affordability Report FINAL hr.pdf](#)

3. THEORETICAL CAPACITY

The Theoretical Capacity Model is an assessment of what could theoretically be built within the given district plan regulations (i.e., Plan Enabled Capacity). For the purposes of Timaru, Property Economics has developed a simplified theoretical capacity model that is primarily driven by the minimum site size regulations, height and site coverage standards in both district plans. It does not account for the more complex geospatial criteria such as recession planes or façade lengths.

Only the Residential, Commercial, Settlement Zone (RES 3 in the ODP) and Rural Lifestyle areas have been included in the model. Industrial and Open Space zones are excluded as they do not allow for residential activity while the wider general Rural Zones are excluded as this model is not designed to assess the propensity for additional dwellings in rural farms.

The following sections outline the process and key assumptions used in developing the theoretical capacity model.

3.1. GEOSPATIAL MAPPING

Figure 1 shows a map of Timaru City, the key underlying ODP Zones and the building outlines. Property Economics used these geospatial layers to identify the underlying zone for each parcel and the building footprint that exists on each site.

Initially, in dealing with parcels that covered multiple zones, the zone with the highest coverage was assumed to represent the overall zone for the entire parcel. However, this created issues with potential overestimating the residential land in some instances and potential underestimating it in others. Therefore, the overlap with the residential applicable zones has been calculated for each parcel to obtain the extent of residential or commercial land within each parcel.

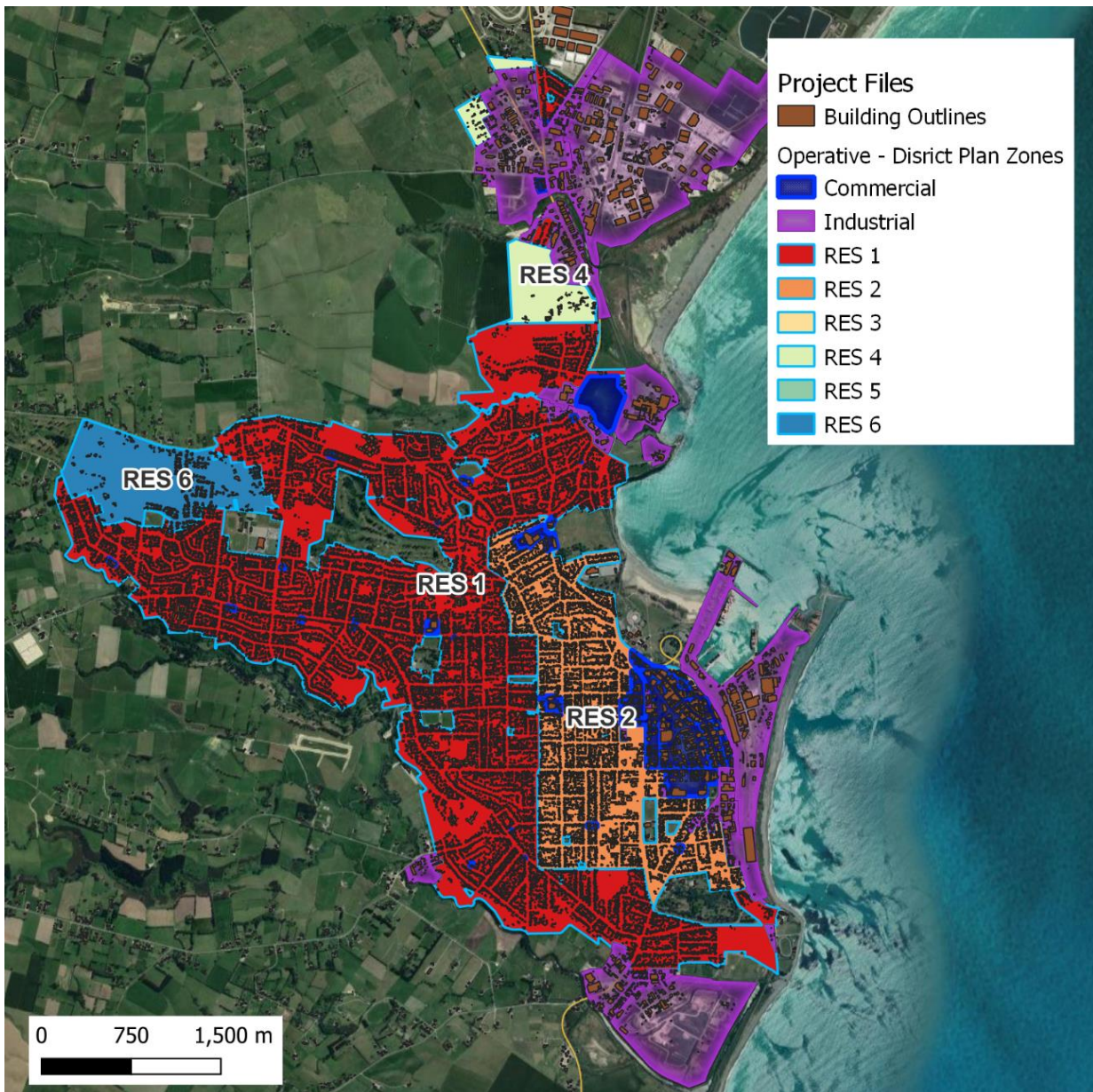
Using the same Geospatial Information System (GIS) tools, the coverage of each parcel with the hazard areas was calculated. There were three hazard geospatial layers provided to Property Economics by TDC. The Coastal High Hazard Inundation and Erosion areas and the Flood Assessment Area.

Appendix 1 shows a map of the Timaru District and the geospatial extent of the hazard areas.

In both the ODP and DPD development in the High Hazard areas is prohibited. Therefore, any site that exceeds a 20% coverage of these hazard designation is not included in the theoretical capacity.

In contrast, areas exceeding a 20% coverage of a flood plain are assumed to require flood mitigation costs of \$200 per sqm of built floorspace.

FIGURE 1: OPERATIVE DISTRICT PLAN ZONES AND EXISTING DWELLINGS



Source: Property Economics, Google Maps, TDC

One of the biggest challenges Property Economics faced with the data was the differences between parcels, ownership and valuations. For example cross leases we recorded as a parent parcel with separate valuations for the individual dwellings, while in other instances multiple properties had joined ownership of private driveways.

Finally, properties that owned multiple parcels that were attributed to the same valuation needed to be conglomerated to not overestimate the land value per sqm of that land. Property Economics developed a methodology for combining or removing sites depending on the circumstances to ensure that land was not duplicated and that the land valuation applied to the correct land area.

3.2. DEVELOPMENT OPTIONS

Eight different typology / size options were calculated as different scenarios for each site. As shown in Table 1, this includes three different sizes for each of Standalone Houses, Terraced and Apartments.

Additionally, the model tests two different development options, Infill (i.e., retaining the existing dwelling) and Comprehensive (i.e., demolishing the existing dwelling). This raises the total number of possible development options for each site to eighteen.

TABLE 1: RESIDENTIAL TYPOLOGY VARIABLES

Development Option	Built Floorspace	No. of Floors	Ground Floor Area
Small House	100	1	100
Medium House	150	1	150
Large House	200	1	200
Small Terraced	60	1	60
Medium Terraced	100	2	50
Large Terraced	150	2	75
Small Apartments	50	3	
Medium Apartments	85	3	
Large Apartments	120	3	

Source: Property Economics

Although the infill capacity does take into account the size of the existing dwelling, it does not take into account the relative position of that dwelling and the resulting ability to fit additional dwellings around it. Rather, the boundary setbacks between adjacent sites and the existing dwelling are assumed to be accounted for in the minimum site sizes applied in the Timaru District Plan.

3.3. ZONE STANDARDS

Tables 2 and 3 following show the minimum site sizes, height and for the DDP the maximum number of units per site and site coverage. These factors drive the theoretical capacity estimates by controlling the relative density to which each zone can be subdivided / unit-titled down to. I

The zone standards for both the ODP and DDP have been obtained from the TDC website as at November 2021. The exception to this is the General Residential, Medium Density and Mixed Use Zones for which Property Economics was provided with an updated schedule in December 2021. This includes some fundamental changes to the rules such as the removal of the minimum residential density, and the introduction of the Mixed-Use Zone (previously the Large Format Retail Zone).

The number of dwellings that can be built on each site is the total land area of the site divided by the larger of either the plan defined minimum site size or the practical site size of the

development option. For example, the Large House typology option has a ground floor coverage of 200sqm, which in the General Residential Zone with a 40% coverage would require a 500sqm site. In the General Residential Zone, you can subdivide down to 450sqm but you are also permitted to have up to two residential dwellings per site meaning you can effectively develop down to 225sqm per dwelling. In this instance, the 500sqm site size requirement would take precedent over the 225sqm minimum.

TABLE 2: OPERATIVE DISTRICT PLAN MINIMUM SITE SIZES (SQM)

Zone	Minimum Site Size	Maximum Height
RES 1	300	10m
RES 2	200	12m
RES 3	1000	10m
RES 4	1500	8m
RES 6	700	10m

Source: Property Economics

TABLE 3 DRAFT DISTRICT PLAN MINIMUM SITE SIZES

Zone	Minimum Site Size	Site Coverage	Max Units Per Site	Maximum Height
City Centre Zone	80			10m/12m
General Residential Zone	450	40%	2	9m
Mixed Use Zone	450			16m
Medium Density Residential Zone	300	50%	3	12m
Neighbourhood Centre Zone	80			*
Rural Lifestyle Zone	5000		1	8m
Settlement Zone	1000	35%	1	10m
Town Centre Zone	80		1	10m
Old North Road	1500	35%	1	9m
Gleniti Low Density	700	40%	1	9m

Source: Property Economics

RESIDENTIAL ZONES

Some of the salient considerations for the residential zones are:

- For the ODD, there is no maximum site coverage, but more stringent building setbacks (e.g. 5m from road boundaries in opposed to 2m in DDP and specific recession planes between dwellings on the same site). This an important limitation of the theoretical model approach in that these setbacks and recession planes between individual properties have not been accounted for.
- The Operative District Plan provides for a minimum site size 450sqm for the front and 550sqm for the rear site for the purposes of subdivision. However, there is also a stipulation in 6.3.8 (2) that states an allotment of 300sqm and 200sqm is allowed in the

Residential 1 and 2 Zones respectively for the purposes of affecting cross leases, company leases or issuing separate unit titles. As the modelling for the Draft District Plan has included unit-titles with the introduction of multiple units per site, it was decided that these 300sqm and 200sqm minimums were a more appropriate comparison.

- The RES 3 zone translates to the Settlement Rural Zone in the DPD and accounts for areas in small rural settlements such as Cave. There is not a clear minimum site size in either the Operative or Draft District Plans with it being a controlled activity in the latter. Property Economics has assumed a 1,000sqm minimum based on the size of the other sites in the zone.

COMMERCIAL ZONE

Some of the salient considerations for the commercial zone are:

- The Commercial Zone does not have the same density limitations as the residential zone (besides a 35sqm minimum outdoor area per household unit). Therefore, the theoretical capacity is based on practical considerations as defined by the minimum site sizes shown on Table 1
- For Terraced dwellings this means a 50% site coverage on the Ground Floor Areas shown in Table 1. For Apartments, this means taking a 80% site coverage of the total site area, multiplying that by the number of stories permitted in the zone to calculate the total apartment floorspace, and dividing this by the average size of apartments.
- Standalone House options have been excluded from the Centre Zones on the basis that this type of activity is contrary to the objectives of the commercial zones.
- In the Operative District Plan, Commercial 1 and 3 Zones include Household Units as a permitted activity. The exception to this is a stretch of road in the City Centre where retail is required at grade.

In contrast, the Draft District Plan permits Residential Activities only above grade in the City Centre Zone and the Town Centre Zone. In the Neighbourhood Centre Zone, residential units are permitted on the ground floor.

- In these areas, where the residential activity is required to be above grade (e.g., on Stafford Street), only the apartment options have been included.
- Infill development in commercial zones rarely occurs in practice. This is because the empty leftover space may be used as either car parking or storage by the existing commercial activities. Despite this caveat, infill options have been included.
- In both the Operative and Draft District Plans, there is a provision enabling construction to 20m in the small Commercial Area north of Sefton Street. This additional height limit has not been included.

3.4. THEORETICAL CAPACITY RESULTS

Tables 4 and 5 following show the maximum possible Theoretical Capacity for the Operative and Draft District Plan respectively. This is based on taking the option with the highest possible yield for each site, which is typically the higher density Terraced and Apartment Typologies. Combined, Timaru theoretically has the capacity to develop 61,387 new dwellings under the ODP and 89,1178 dwellings in the DPD.

TABLE 4: THEORETICAL CAPACITY - OPERATIVE DISTRICT PLAN

Operative Plan					
Suburbs	Commercial	Large Residential Sites	Residential	RES 3 or RES 4	Total Theoretical Capacity
Cave	-	-	-	80	80
Geraldine	2,441	590	2,898	-	5,929
Gleniti	93	856	1,634	-	2,583
Glenwood	205	118	762	-	1,085
Highfield	100	241	1,966	-	2,307
Kensington	-	-	969	-	969
Levels	-	-	-	40	40
Maori Hill	-	-	905	-	905
Marchwiell	375	1,169	2,320	-	3,864
Oceanview	-	778	457	185	1,420
Orari	-	-	-	62	62
Pareora	-	-	-	116	116
Parkside	1,882	203	2,093	-	4,178
Peel Forest	-	-	-	161	161
Pleasant Point	1,126	1,197	1,298	-	3,621
Redruth	-	-	18	-	18
Seaview	-	-	1,239	-	1,239
Temuka	4,004	1,047	2,966	-	8,017
Timaru	18,709	105	393	-	19,207
Timaru Port	650	-	1	-	651
Waimataitai	185	17	1,005	-	1,207
Washdyke	369	18	140	47	574
Watlington	80	716	1,135	-	1,931
West End	-	-	1,045	-	1,045
Winchester	-	-	-	96	96
Woodbury	-	-	-	82	82
Total	30,219	7,055	23,244	869	61,387

Source: Property Economics

Tables 4 and 5 have been split into four categories, Commercial, Greenfield, Residential and Settlement (RES 3 or RES 4 Zones in Operative). The Greenfield sites are those that are zoned for residential but exceed 5,000sqm (0.5ha) and the existing buildings do not exceed a 15% coverage of the site.

TABLE 5: THEORETICAL CAPACITY - DRAFT DISTRICT PLAN

Draft Plan					
Suburbs	Commercial	Greenfield	Residential	Rural Lifestyle and Settlement	Total Theoretical Capacity
Cave	-	-	-	80	80
Geraldine	3,033	1,429	5,269	110	9,841
Geraldine Downs	-	-	-	29	29
Gleniti	93	978	2,117	209	3,397
Glenwood	165	156	1,072	-	1,393
Highfield	100	317	3,225	44	3,686
Kensington	-	-	1,639	-	1,639
Levels	-	9	-	40	49
Maori Hill	42	3	2,054	-	2,099
Marchwiell	270	1,569	3,530	-	5,369
Oceanview	-	1,252	638	67	1,957
Orari	-	-	1	107	108
Pareora	-	29	-	117	146
Parkside	3,039	295	4,671	-	8,005
Peel Forest	-	-	-	23	23
Pleasant Point	1,035	1,859	1,842	41	4,777
Redruth	-	-	27	-	27
Seaview	-	-	2,960	-	2,960
Temuka	3,666	2,441	4,514	89	10,710
Timaru	23,531	210	936	-	24,677
Timaru Port	885	-	2	-	887
Waimataitai	10	92	1,996	-	2,098
Washdyke	369	23	210	8	610
Washdyke Flat	-	15	-	-	15
Watlington	24	1,026	1,684	-	2,734
West End	18	-	1,654	-	1,672
Winchester	-	-	-	92	92
Woodbury	-	15	-	83	98
Total	36,280	11,718	40,041	1,139	89,178

Source: Property Economics



DIFFERENCES TO DECEMBER 2021 DRAFT REPORT

Property Economics provided a draft report to TDC in December 2021 which had capacity of 27,260 in the Operative District Plan and 26,681 in the DDP. There are several reasons for the change in the capacity estimates. Most notably, is the allowance for unit title options. Previously, the ODP used a 450sqm / 550sqm minimum site size in the RES 1 zone and 350sqm / 450sqm minimum for RES 2. This has been reduced to 300sqm and 200sqm respectively which opens up many more sites for development.

Similarly, in the DDP the updated rules allow for two or three dwellings per site as a permitted activity and removed the density limitation (i.e., previously only one dwelling was permitted per 300sqm of net site area in the Medium Density Zone). This reduces the effective minimum site size to 100sqm. Regardless of whether sites of this size will actually be developed in the Timaru market, this represents Plan Enabled Capacity that needs to be taken into account.

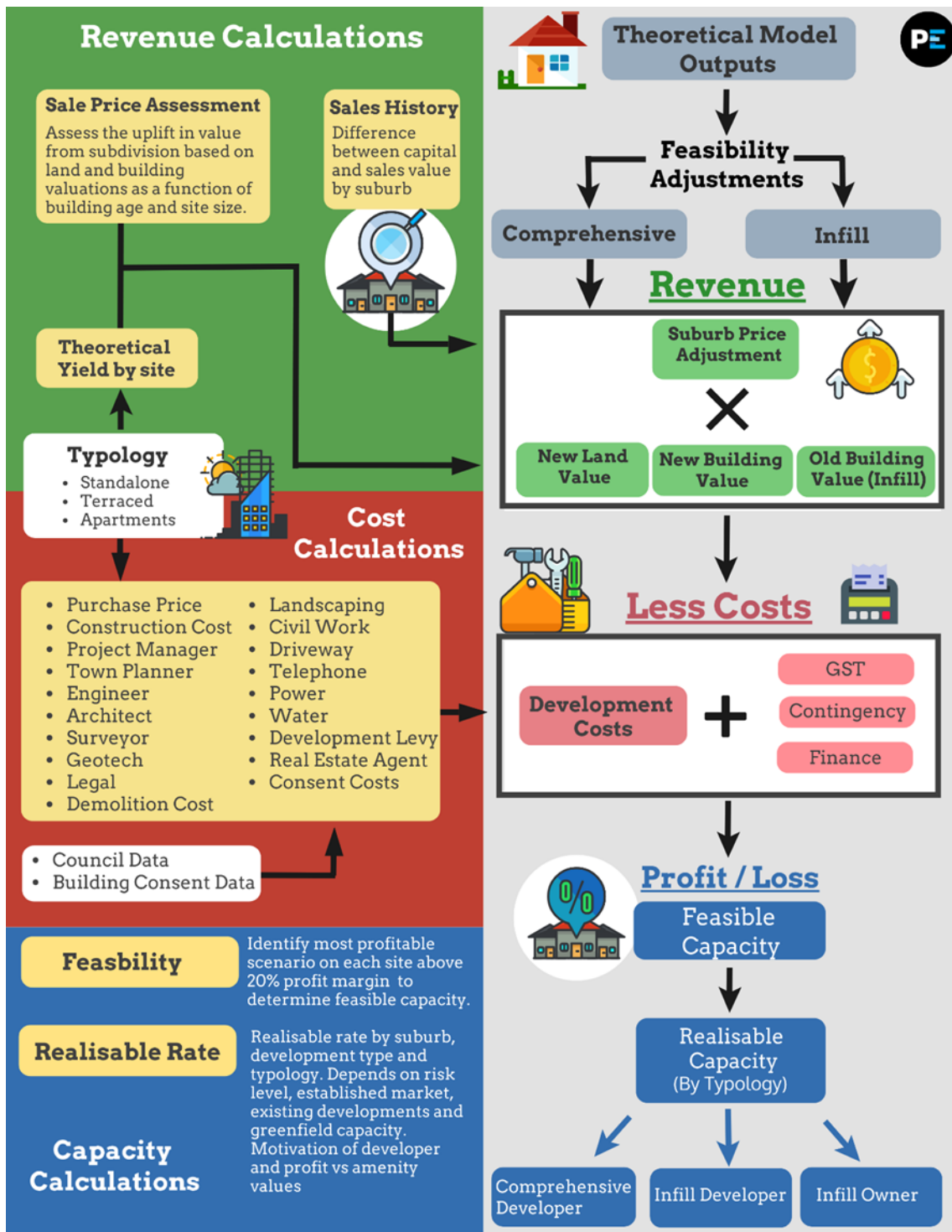
Additionally, the original model had no residential allowed in the Large Format Retail Zone which surrounded the City Centre. This has now been changed to a Mixed Use Zone which allows for residential units up to 16m (around 4-5 stories). This has significantly opened apartment capacity in the commercial zone.

Finally, in the original draft report only three storey apartments were tested across all commercial zones. This has been increased to four in the areas where 12m heights are permitted.

4. RESIDENTIAL FEASIBILITY MODELLING

A high-level overview of the model utilised by Property Economics in determining the feasible residential capacity for Timaru District is outlined in the flow chart in Figure 2 below, with detailed descriptions of each stage of the process given following.

FIGURE 2: PROPERTY ECONOMICS RESIDENTIAL FEASIBILITY MODEL OVERVIEW



Land and Improvement Value per SQM

Using the rating database provided by TDC, the land value per sqm and improvement value per sqm is calculated. This is then summarised by suburb, size and typology to give the average per sqm value for various types of dwellings.

By splitting the valuation into land and improvement value, it accounts for variations of both sizes e.g., a large dwelling on a small piece of land compared to the same size dwelling on a larger piece of land.

Typically, in larger urban areas there are differences in the quality of homes built between suburbs and this is reflected in how Property Economics approaches the inputs. However, in Timaru District, the differences between suburbs were not found to be statistically significant. Therefore, the inputs to the Timaru Feasibility model are not dependent on the suburb.

Where the per sqm rate for land and improvement value does change is in relation to size. For example, a larger dwelling has on average a lower per sqm improvement value than a smaller one. This inverse relationship between size and per sqm value is the same for both land value per sqm and building value per sqm.

Terraced dwellings are valued on the basis that although the noise mitigation methods makes them more expensive to build, this does not deliver additional value to a consumer over a similar standalone product where these mitigation methods are not required. That is to say that despite a higher construction cost, the build value of Terraces are the same as Standalone houses.

Tables 6-7 below show the build value per sqm utilised in the commercially feasible capacity modelling for varying building sizes for standalone, terraced and apartment typologies.

TABLE 6 – TIMARU STANDALONE / TERRACED BUILD VALUE / SQM BY SUBURB

Standalone / Terraced	50	75	100	125	150	175	200
Build Value	\$ 3,449	\$ 3,132	\$ 3,026	\$ 2,832	\$ 2,670	\$ 2,678	\$ 2,579

Source: Property Economics,

TABLE 7 – TIMARU APARTMENT BUILD VALUE / SQM BY SUBURB

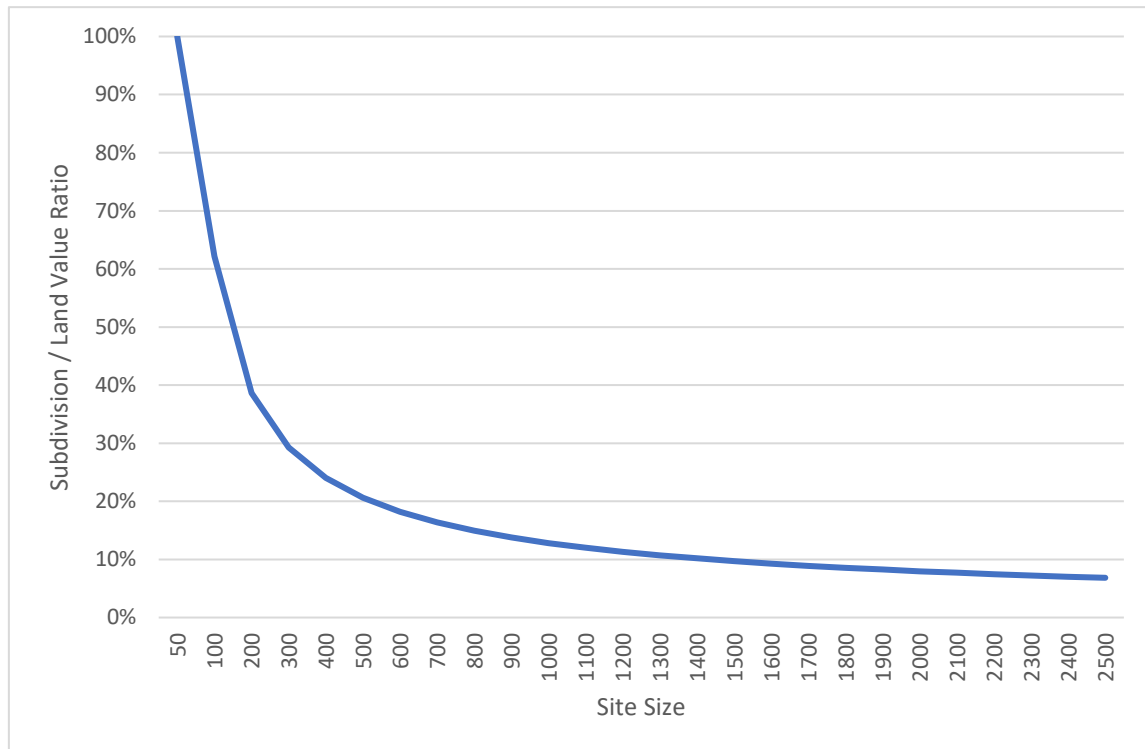
Apartment	50	60	70	80	90	100	110	120
Build Value	\$ 5,639	\$ 5,266	\$ 4,995	\$ 4,793	\$ 4,634	\$ 4,794	\$ 4,686	\$ 4,597

Source: Property Economics,

Figure 3 below shows the land value per sqm subdivision scale utilised in the commercially feasible capacity modelling for varying land sizes. This was utilised for all typologies.

Figure 3 is indexed against a site size of 50sqm (representing a scale of 100%). At 1,300sqm the index is 10%, indicating that the average 1,300sqm site has a land value per sqm around 1/10th of that of a 50sqm site.

FIGURE 3 – TIMARU DISTRICT LAND VALUE / SQM SCALE



Source: Property Economics,

A limitation identified during the modelling process was that by applying a percentage increase on the site-specific land value through the process of subdivision, meant that sites with a proportionally high underlying land value resulted in an impractical subdivided land value on a per sqm basis. This was identified as a specific problem for sites with underlying commercial land values.

As a solution, the maximum residentially zoned land value per sqm identified within the ratings database was used as a maximum limit for the land value per sqm after subdivision. This removed the impact of sites with underlying commercial land values resulting in impractically high profitability, and thus feasible yield.

Sales vs Capital Value (CV)

A statistically significant sample dataset of recent sales in Timaru was used to find the difference between the average sales price and the most recent valuation. This is to ensure the capacity modelling utilises the most up to date values data critical to the determination of current day feasible capacity.

Based on these sales, it was found that on average, the land value has increased by 28% since the valuation last year.

Construction Costs

Construction costs for new dwellings were found by analysing the value of recent building consents granted within Timaru and the average construction costs nationally. Like the Build Value, for the purposes of Timaru these construction costs do not vary by suburb.

Table 8 below show the average build cost by suburb for standalone typologies. The build cost for Terraced typologies is valued at 8% higher than Standalone across the board.

TABLE 8 – TIMARU STANDALONE CONSTRUCTION COST BY SUBURB

Construction Costs	50	75	100	125	150	175	200
Standalone	\$ 3,449	\$ 2,784	\$ 2,421	\$ 2,187	\$ 2,023	\$ 1,991	\$ 1,882
Terraced	\$ 3,725	\$ 3,006	\$ 2,614	\$ 2,362	\$ 2,185	\$ 2,150	\$ 2,033

Source: Property Economics

Table 9 shows the construction costs for Apartments in Timaru. These are based on the construction of three storey walk-up apartments or apartments built above retail in the commercial centres.

TABLE 9 – TIMARU APARTMENT CONSTRUCTION COST BY SUBURB

Apartment	50	60	70	80	90	100	110	120
Construction Costs	\$ 5,685	\$ 5,257	\$ 4,939	\$ 4,694	\$ 4,495	\$ 4,334	\$ 4,196	\$ 4,080

Source: Property Economics

Other Development Costs

As well as construction costs, a number of other costs have been incorporated into the feasibility model on a per dwelling basis. Some of the key costs are outlined below in Table 10.

In addition to these costs, for the purpose of the feasibility modelling, a commercial interest rate of 8% p.a. and a 10% contingency on total costs (risk) has been applied.

TABLE 10 – TIMARU PER DWELLING DEVELOPMENT COSTS

COMPREHENSIVE COSTS	Standalone	Terraced	Apartment	INFILL COSTS	Standalone	Terraced	Apartment
Demo Cost (per sqm)	\$ 100	\$ 100	\$ 100	Demo Cost (per sqm)	\$ -	\$ -	\$ -
Landscaping	\$ 3,125	\$ 3,750	\$ 750	Landscaping	\$ 3,125	\$ 3,750	\$ 750
Civil Work	\$ 20,000	\$ 15,000	\$ 5,000	Civil Work	\$ 20,000	\$ 15,000	\$ 5,000
Driveway	\$ 20,000	\$ 6,600	\$ 3,300	Driveway	\$ 20,000	\$ 6,600	\$ 3,300
Telephone	\$ 4,500	\$ 2,500	\$ 2,000	Telephone	\$ 4,500	\$ 2,500	\$ 2,000
Power	\$ 6,000	\$ 6,000	\$ 2,250	Power	\$ 6,000	\$ 6,000	\$ 2,250
Water and Wastewater	\$ 16,500	\$ 7,500	\$ 7,500	Water and Wastewater	\$ 16,500	\$ 7,500	\$ 7,500

Source: Property Economics,

5. THEORETICAL AND FEASIBLE CAPACITY RESULTS

Property Economics has assessed the variables outlined above in the Timaru market and run feasible capacity models across the range of locations, land values, improvement values, and land value changes. A key component of the market's willingness to develop infill is the relationship between a site's land value, fixed subdivision costs and the identifiable 'uptake' in value (sqm) through subdivision.

Tables 11 and 12 outlines a summary of the number of potential sections on sites where the ratios meet a profit level suitable to meet market expectations (20% profit for the purpose of this analysis) for both the Operative and Draft District Plans. Tables 13 and 14 break down these feasible capacity outputs by suburb.

The tables represent the subdivision undertaken by either an owner occupier or a developer, with the capacity representing the most profitable. This is an important difference as motivations and capital outlay are often different. These figures have removed all 'double ups' i.e., where multiple instances were tested on a specific site and represent the most profitable scenario for that site.

TABLE 11: OPERATIVE DISTRICT PLAN THEORETICAL AND FEASIBLE CAPACITY

Feasible Capacity - Operative Plan	Theoretical	Apartments	House	Terraced	Total	% of Theoretical
Residential Zones	23,244		1,779	2,056	3,835	16%
Commercial & Mixed Use Zones	30,219	0	68	591	659	2%
RES 3 or RES 4	869		311	0	311	36%
Greenfield	7,055		1,908	387	2,295	33%
Total	61,387	0	4,066	3,034	7,100	12%

Source: Property Economics

TABLE 12: DRAFT DISTRICT PLAN, THEORETICAL AND FEASIBLE CAPACITY

Feasible Capacity - Draft Plan	Theoretical	Apartments	House	Terraced	Total	% of Theoretical
Residential Zones	40,041		1,733	2,719	4,452	11%
Commercial & Mixed Use Zones	36,280	0	54	342	396	1%
Rural Lifestyle and Settlement	1,139		564		564	50%
Greenfield	11,718		2,113	235	2,348	20%
Total	89,178	0	4,464	3,296	7,760	9%

Source: Property Economics

The Timaru City Centre (Timaru) has the highest theoretical capacity (24,677 in DDP) but only a 2% feasibility rate. Being in the commercial zone this capacity is predominately apartments, none of which are feasible in Timaru's current market. Although Apartments may be built in Timaru in the future, on average given the existing underlying land values and the costs of construction, none of the assessed options are reaching the requisite 20% profit margin. This is discussed in more depth in a later section.

There are several factors that defines why one site may be feasible in one plan and not in another. For example, there is a reduction in capacity in Pleasant Point which is actually due to a single large site delivering 240 large houses but is on the cusp of the 20% profit margin in the ODP. Due to a slight reduction in theoretical capacity for Large Houses under the DDP, this is enough to make it no longer feasible.

TABLE 13: FEASIBLE CAPACITY IN THE OPERATIVE PLAN BY SUBURB

Feasible Capacity - Operative Plan						
Suburbs	Theoretical Capacity	Feasible Apartment	Feasible House	Feasible Terraced	Total Feasible Capacity	Feasibility Rate
Cave	80	-	5	-	5	6%
Geraldine	5929	-	108	240	348	6%
Gleniti	2583	-	1,058	302	1,360	53%
Glenwood	1085	-	84	53	137	13%
Highfield	2307	-	528	513	1,041	45%
Kensington	969	-	52	5	57	6%
Levels	40	-	-	-	-	0%
Maori Hill	905	-	141	275	416	46%
Marchwiell	3864	-	545	85	630	16%
Oceanview	1420	-	190	126	316	22%
Orari	62	-	4	-	4	6%
Pareora	116	-	21	-	21	18%
Parkside	4178	-	252	136	388	9%
Peel Forest	161	-	138	-	138	86%
Pleasant Point	3621	-	283	74	357	10%
Redruth	18	-	-	-	-	0%
Seaview	1239	-	112	132	244	20%
Temuka	8017	-	64	55	119	1%
Timaru	19207	-	80	723	803	4%
Timaru Port	651	-	-	-	-	0%
Waimataitai	1207	-	120	138	258	21%
Washdyke	574	-	4	15	19	3%
Watlington	1931	-	111	11	122	6%
West End	1045	-	152	151	303	29%
Winchester	96	-	5	-	5	5%
Woodbury	82	-	9	-	9	11%
Total	61,387	-	4,066	3,034	7,100	12%

Source: Property Economics

TABLE 14: FEASIBLE CAPACITY IN DRAFT PLAN BY SUBURB

Feasible Capacity - Draft Plan						
Suburbs	Theoretical Capacity	Feasible Apartment	Feasible House	Feasible Terraced	Total Feasible Capacity	Feasibility Rate
Cave	80	-	5	-	5	6%
Geraldine	9841	-	422	97	519	5%
Geraldine Downs	29	-	29	-	29	100%
Gleniti	3397	-	1,274	323	1,597	47%
Glenwood	1393	-	84	55	139	10%
Highfield	3686	-	531	745	1,276	35%
Kensington	1639	-	51	5	56	3%
Levels	49	-	-	-	-	0%
Maori Hill	2099	-	107	366	473	23%
Marchwiell	5369	-	545	85	630	12%
Oceanview	1957	-	235	102	337	17%
Orari	108	-	4	-	4	4%
Pareora	146	-	26	-	26	18%
Parkside	8005	-	252	136	388	5%
Peel Forest	23	-	1	-	1	4%
Pleasant Point	4777	-	138	60	198	4%
Redruth	27	-	-	-	-	0%
Seaview	2960	-	94	195	289	10%
Temuka	10710	-	153	61	214	2%
Timaru	24677	-	70	507	577	2%
Timaru Port	887	-	-	-	-	0%
Waimataitai	2098	-	96	266	362	17%
Washdyke	610	-	15	12	27	4%
Washdyke Flat	15	-	15	-	15	100%
Watlington	2734	-	180	11	191	7%
West End	1672	-	120	270	390	23%
Winchester	92	-	3	-	3	3%
Woodbury	98	-	14	-	14	14%
Total	89,178	-	4,464	3,296	7,760	9%

Source: Property Economics

The Timaru Suburb (Timaru Central) has a reduction in feasible (max profit) terraces from 723 in the ODP to 507 in the DDP. This is primarily due to the removal of terrace dwelling options in the City Centre (no residential activity permitted at ground). This can be considered as the reduction in feasible capacity resulting from the removal of terraced dwelling options in the City Centre.

5.1. REALISABLE CAPACITY OUTPUTS

On top of the feasible capacity modelling, practical considerations must be considered as to what is likely to be developed in the real world. While this section is separated from the sensitivities above the realisation rates essentially provide for 'development chance' given the propensity for development variances.

These considerations are based on:

- Dwelling typology
- Development option
- Greenfield competition

The identification of these variables not only provides for sensitivities but also addresses the relativity between typologies. While all three typologies may be feasible the development model identifies the site scenario with the highest profit margin. However, practically while the model assesses the standard 20% profit margin, there is greater risk in some typologies. The assessment below endeavours to consider these risks and motivation differentials.

Risk has been accounted for developments undertaken by developers by increasing the required profit level for a development to be classified as 'realisable', on top of being feasible.

Table 15 below shows the profit levels required for each combination of typology and development option to be considered realisable by the model.

TABLE 15 – DEVELOPER REALISABLE PROFIT RATES

	Comprehensive Developer	Infill Developer	Infill Owner
House	24%	20%	29%
Terraced	27%	24%	33%
Apartment	38%	33%	46%

Source: *Property Economics*

This reflects the market practicality that developments taken on by a developer have relatively lower risk if they are an infill development, rather than a comprehensive development. It also shows the increasing risk of development as the typology increases in scale from standalone dwellings, through to terraced product, and finally apartments.

For an owner occupier, the model considers the profit level of the development relative to the capital value of the existing dwelling(s). This is because motivations for an owner to subdivide their property are inherently linked with the relative profit they can achieve against the value of their own home e.g., a \$100,000 profit on a \$1,000,000 site will be less likely to be developed by the owner, compared to a \$100,000 profit on a \$500,000 site, assuming similar fixed costs.

Therefore, as a methodology for this, the model considers that the lowest quartile of feasible infill developments in terms of the relative profit / CV ratio will not be realised by the market.

Planz undertook an assessment of vacant residential land for the Timaru District Council and a copy of this report was provided to Property Economics. This is address in Appendix 2.

Taking these market practicalities into consideration, Tables 16 and 17 show a summary of the realisable capacity within Timaru for both the ODP and DPD .

TABLE 16: OPERATIVE DISTRICT PLAN REALISABLE CAPACITY

Realisable Capacity - Operative Plan	Theoretical	Apartments	House	Terraced	Total	% of Theoretical
Residential Zones	23,244		1,557	340	1,897	8%
Commercial & Mixed Use Zones	30,219	0	73	371	444	1%
RES 3 or RES 4	869		311	0	311	36%
Greenfield	7,055		1,912	107	2,019	29%
Total	61,387	0	3,853	818	4,671	8%

Source: Property Economics

TABLE 17: DRAFT DISTRICT PLAN REALISABLE CAPACITY

Realisable Capacity - Draft Plan	Theoretical	Apartments	House	Terraced	Total	% of Theoretical
Residential Zones	40,041		1,761	459	2,220	6%
Commercial & Mixed Use Zones	36,280		56	219	275	1%
Rural Lifestyle and Settlement	1,139		563		563	49%
Greenfield	11,718		1,888	90	1,978	17%
Total	89,178	0	4,268	768	5,035	6%

Source: Property Economics

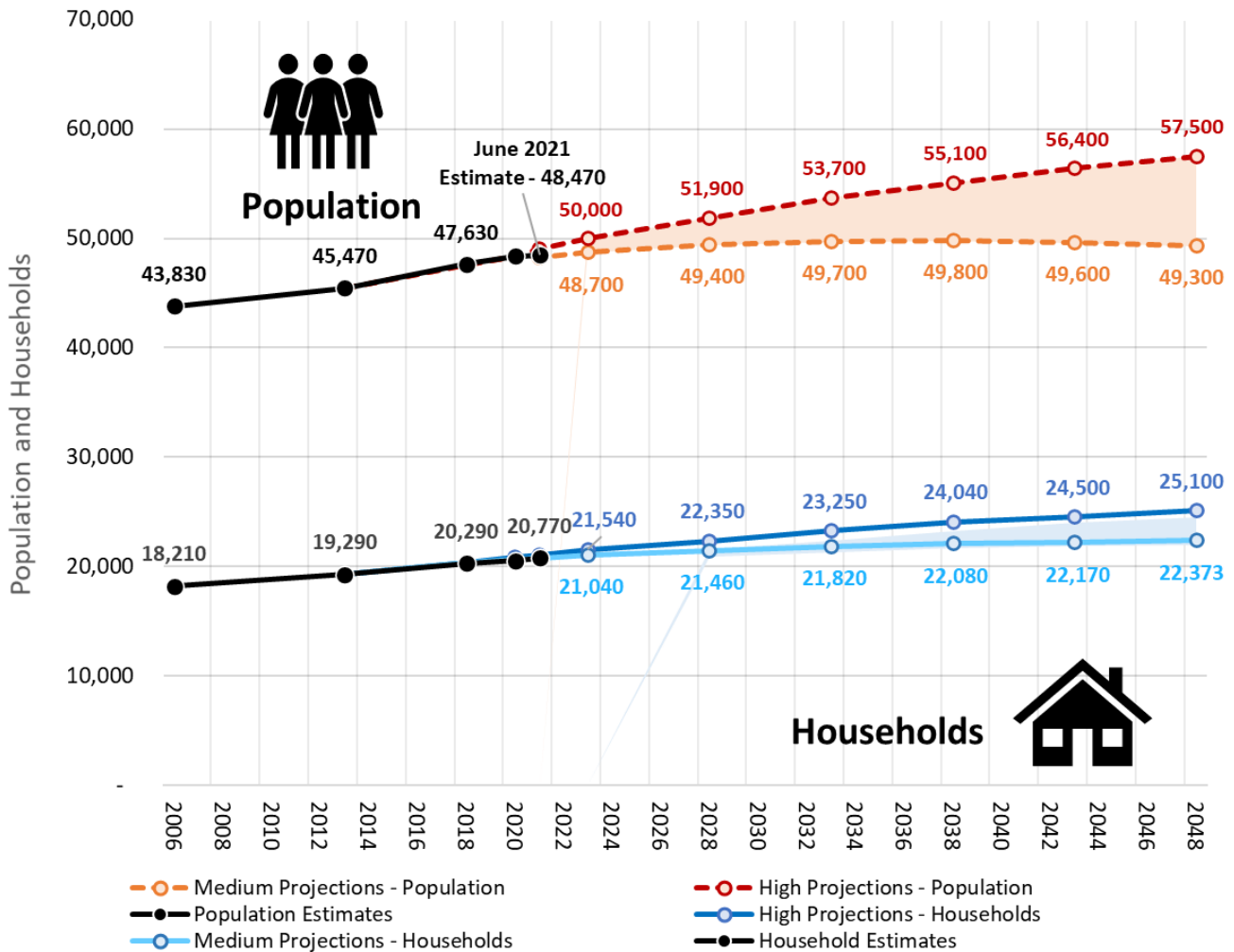
Based on the modelling methodology outlined in this report, Property Economics estimates that 4,671 dwellings will be realised under the Operative District Plan and 5,035 dwellings under the Draft District Plan. This represents a roughly 65% realisation rate on the feasible capacity for both district plans.

The number of realisable terraced dwellings is a small fraction of the feasible capacity for both the ODP and DDP. Terraces are typically riskier and require significant gains in the underlying land value and number of potential dwellings to make them feasible to develop. Therefore, standalone houses are often the preferred option except where the number of terraced dwellings significantly exceeds the buildable standalone.

6. DEMAND / SUPPLY RECONCILIATION

Figure 4 displays the population and household growth projections within the Timaru District. These projections are derived from the latest available Statistics NZ population growth projections for both the Medium and High growth scenarios released earlier this year.

FIGURE 4: TIMARU DISTRICT POPULATION AND HOUSEHOLD GROWTH PROJECTIONS



Source: Property Economics, StatsNZ

This shows that Timaru is currently growing in-line with its Medium Growth projection which anticipates that Timaru’s population will reach a peak of 49,700 in 2032, and then slowly decline. Consequently, the net growth between 2021 and 2048 is less than 1,000 residents. In contrast, under the High Growth projection Timaru has the potential to grow by just over 9,000 residents to 57,500 by 2048.

Historically, the number of households under the projections series was forecast to increase at a faster proportional rate than the population due to a projected fall in the person per household ratio over the forecast period. This anticipated trend was not isolated to the Timaru

District but projected to occur across the whole country due to an ageing population, smaller families, and a higher proportion of 'split' or single households.

However, between the 2013 and 2018 Census period, this trend reversed with a national increase in the population per household ratio from 2.69 to 2.75. Unlike many of the larger cities, however, Timaru did not face the same housing pressures and consequently experienced a marginal decrease in the housing density. This decrease is likely to continue as long as Timaru's provides sufficient housing capacity.

Based on this decreasing household size assumption there is the potential demand for an additional 1,603 households over the next 27 years. Under the High projection, this household demand more than doubles to 4,330 dwellings. Including a 15% buffer capacity buffer, the TDC would need to supply just under 5,000 dwellings over the next 27 years to meet demand if it experiences high growth.

This exceeds the realisable capacity under the ODP of 4,671, but is satisfied by the expected realisable capacity under the DDP. Even if the realisation rates of the identified existing capacity is far lower than anticipated by the Property Economics model, additional capacity is unlikely to be needed until well into the long term.

Timaru has recently been selected as the building site for a new Scott Base Antarctica research base. This is expected to generate more than 70 jobs over a period of 6 years as well as upwards of 170 jobs at peak construction. Additionally, it is estimated that the flow economic benefit would be around \$150m - \$300m. represents a significant economic injection into the local Timaru economy and may draw some additional residents to the district, e.g. construction specialists, at least in the short term.

However, given the current excess in residential land supply, this alone is unlikely to trigger any supply-side issues in regard to housing.

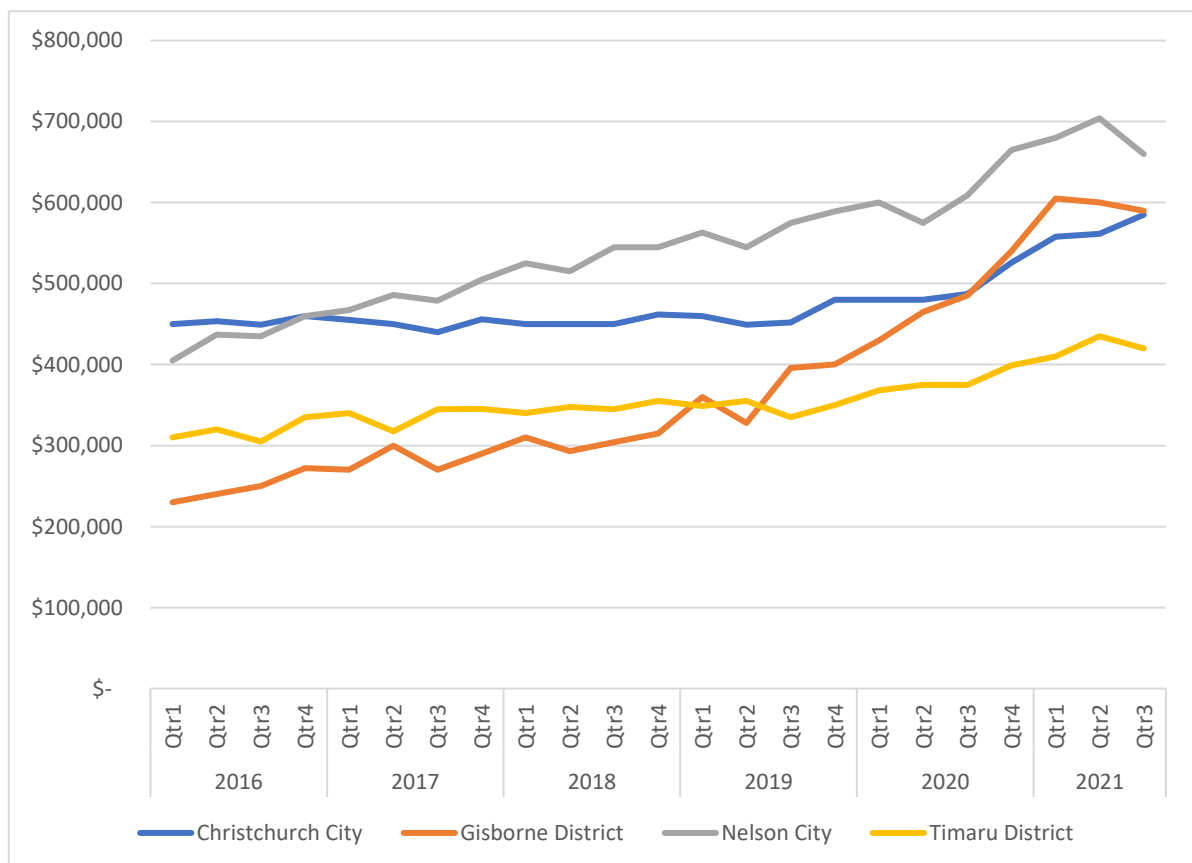
Property Economics consider it prudent to ensure there is sufficient housing capacity should growth in Timaru occur at a higher rate than anticipated, with the Antarctic Centre project being a good example of a stimulatory project for Timaru. As such, consideration of the growth High scenario would be required to ensure long term residential capacity sufficiency for the district.

7. AFFORDABILITY

In light of the rapidly rising house prices over the last decade, affordable housing is a highlighted political, social and economic issue. At a basic level, economic theory tells us that house prices (as with any market) is driven by the combination of both supply and demand. Where there is insufficient residential supply in the market to meet demand, house prices will start to rise.

Figure 5 shows the Median Sales Price over the last six years for Christchurch City, Timaru, Nelson and Gisborne, the latter of which has been included as a similar sized North Island City. Where Timaru previously had a higher median sales price than Gisborne, the latter has experienced significant appreciation bringing it up to a similar level as Christchurch.

FIGURE 5: MEDIAN SALES PRICE FROM 2016 – 2021 FOR CHRISTCHURCH, GISBORNE, NELSON AND TIMARU



Source: Property Economics, StatsNZ

The Timaru District Council have told Property Economics that they have reports of residents struggling to find housing, particularly in the rental market. Despite this, the Timaru District has the lowest median sales price of the Territorial Authorities shown (since 2019). Although there is a slow and steady growth in this price, it is appreciating at a slower rate than other cities.



We also compare this median sales price to that of the household income between each of these districts. Table 18 shows the Household Income for each of the four districts according to the 2018 Census. It is noted that the median household income for Timaru, is similar to that of Nelson and higher than Gisborne but lower than Christchurch. This suggests that it is the most affordable district of the ones shown.

This is supported by the Core Logic Housing Affordability Report for 2020³ which shows that Timaru's Value to Income Ratio of 4, is one of the lowest in the country compared to other New Zealand Cities and significantly lower than Gisborne's 4.8 or Christchurch's 5.2. The differences in the rental market however are not quite as pronounced as Timaru's Rent to Income ratio of 17% is only slightly lower to that of Gisborne's 18% or Christchurch's 19% (Q4 2020).

TABLE 18: COMPARISON OF HOUSEHOLD INCOME

		Timaru	Nelson	Christchurch	Gisborne
GENERAL	Population	48,370	54,620	394,640	50,760
	Households	20,520	21,870	152,280	18,060
	Person Per Household Ratio	2.36	2.50	2.59	2.81
	Intercensal Population Growth (Total	2,159 0.9%	4,035 1.6%	27,150 1.5%	2,518 1.0%
Household Income	\$20,000 or less	10%	9%	9%	12%
	\$20,001-\$30,000	13%	12%	10%	13%
	\$30,001-\$50,000	18%	18%	15%	18%
	\$50,001-\$70,000	15%	16%	14%	16%
	\$70,001-\$100,000	18%	17%	16%	16%
	\$100,001-\$150,000	18%	17%	20%	16%
	\$150,001 or more	9%	11%	16%	9%
	Median Income	\$63,000	\$64,000	\$74,000	\$58,000

Source: Property Economics, StatsNZ

It has also been discussed that many of the new homes being added to Timaru's market are more expensive properties. This is assumed to be due to the infrastructure development costs of haphazard greenfield developments and the lack of large developers delivering any meaningful developments to the Timaru market.

Figure 6 shows the sale price of properties sold in Timaru's market between November 2020 and October 2021. This distinguishes between properties built this last decade (After 2010) and those built prior to 2010. Although these newer properties are coming in at a range of price points, they do seem to be on the higher end of the price brackets in each suburb, particularly for Gleniti which had several properties around the \$1m mark.

³ 210225 CoreLogic NZ Q4_2020_Housing Affordability Report FINAL hr.pdf

FIGURE 6: TIMARU PROPERTY SALES BY SUBURB FROM NOVEMBER 2020 – OCTOBER 2021


Source: Property Economics, StatsNZ

Table 19 compares the price bands of the realisable capacity between the Operative and Draft District Plans. This shows that the additional feasible capacity provided by the DDP is at a range of price points but does disproportionately favour the more affordable products. There is an increase in the number of homes under \$500k to 15% of the market and a slight proportional decrease in the top two price brackets.

TABLE 19: PRICE BANDS OF MOST PROFITABLE FEASIBLE CAPACITY

Price Band	Operative				Draft			
	Count	Cumulative		%	Count	Cumulative		%
Under \$500k	786	786		11%	1,135	1,135		15%
\$500k - \$600k	2,990	3,776		42%	3,237	4,373		42%
\$600k - \$700k	1,568	5,344		22%	1,518	5,891		20%
Over \$700k	1,756	7,100		25%	1,869	7,760		24%
Total	7,100				7,760			

Source: Property Economics, StatsNZ



The sale price of the realisable capacity to the ability for Timaru Residents to afford them can also be compared. Table 20 shows the serviceability of the feasible capacity by assessing the feasible capacity against the portion of the population that can afford the dwellings. The upper bound of the affordable price basket is based on the higher end of the household income band. This shows an increase in affordability in regard to the number of homes households within the \$50,001 - \$70,000 income bracket can afford.

TABLE 20: SERVICEABILITY OF FEASIBLE CAPACITY

Household Income Band	Count	% in Income Band	Household Income Used	Affordable Price Bracket	Operative		Draft	
					Count	Servicable	Count	Servicable
\$20,000 or less	1,833	10%	\$10,000	-	0	0%	0	0%
\$20,001-\$30,000	2,427	13%	\$25,000	-	0	0%	0	0%
\$30,001-\$50,000	3,475	18%	\$40,000	Under \$120k	0	0%	0	0%
\$50,001-\$70,000	2,859	15%	\$60,000	Under \$500	786	11%	1,135	15%
\$70,001-\$100,000	3,376	18%	\$85,000	Under \$800	6,090	97%	6,225	95%
\$100,001-\$150,000	3,377	18%	\$125,000	Under \$1.12m	224	100%	400	100%
\$150,001 or more	1,726	9%	\$150,000	Over \$1.12m	0	100%	0	100%
Total	19,073				7,100		7,760	

Source: Property Economics, StatsNZ

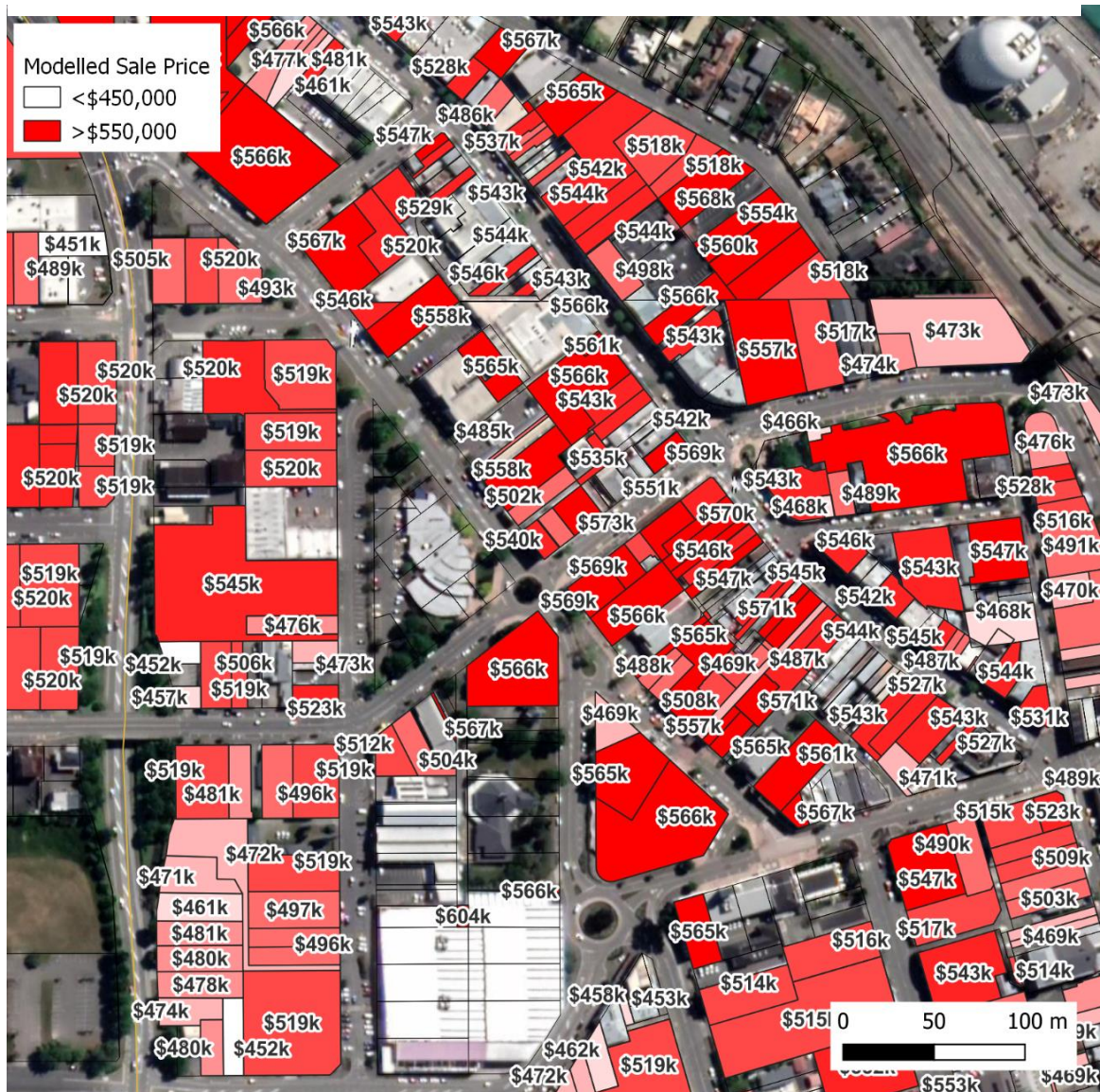
Overall, the differences between the two plans in regard to delivering more affordable homes is minimal. While the district plan provisions are necessary to achieve higher residential density and thereby more affordable price points, it does not in itself generate more affordable housing. The market is also driven by social and economic factors that the TDC have limited ability to control including:

- Tenure;
- Demand;
- Acceptance of Risk;
- Knowledge of 'Best' Fit;
- Capital to Improvement Ratios;
- Construction Costs;
- Construction Restraints;
- Fragmented Ownership;
- Inaccessibility to Capital Funds;
- Least Path of Resistance: the development of least risk may not result in the greatest level of capacity realisation; and
- Future market expectations.

8. CITY CENTRE MARKET FEASIBILITY

One of the big questions raised by the TDC in light of the draft report provided in December, was the relative market practicalities of residential activities being developed in the City Centre. Essentially, the lack of apartment feasibility comes down to the relatively low underlying land value. With construction costs of apartments reaching upwards of \$5,000 per sqm in some places, this higher cost outlay demands a higher profit. Moreover, with few apartments in the Timaru market already (and therefore no evidence of demand), the risk for a developer to come in and develop apartments in the Timaru market is extremely high. This risk is inherent in the 38% realisable profit margin applied for a Comprehensive Developer shown in Table 15.

FIGURE 7: MODEL ESTIMATED SALE PRICE FOR MEDIUM APARTMENTS IN TIMARU CENTRE

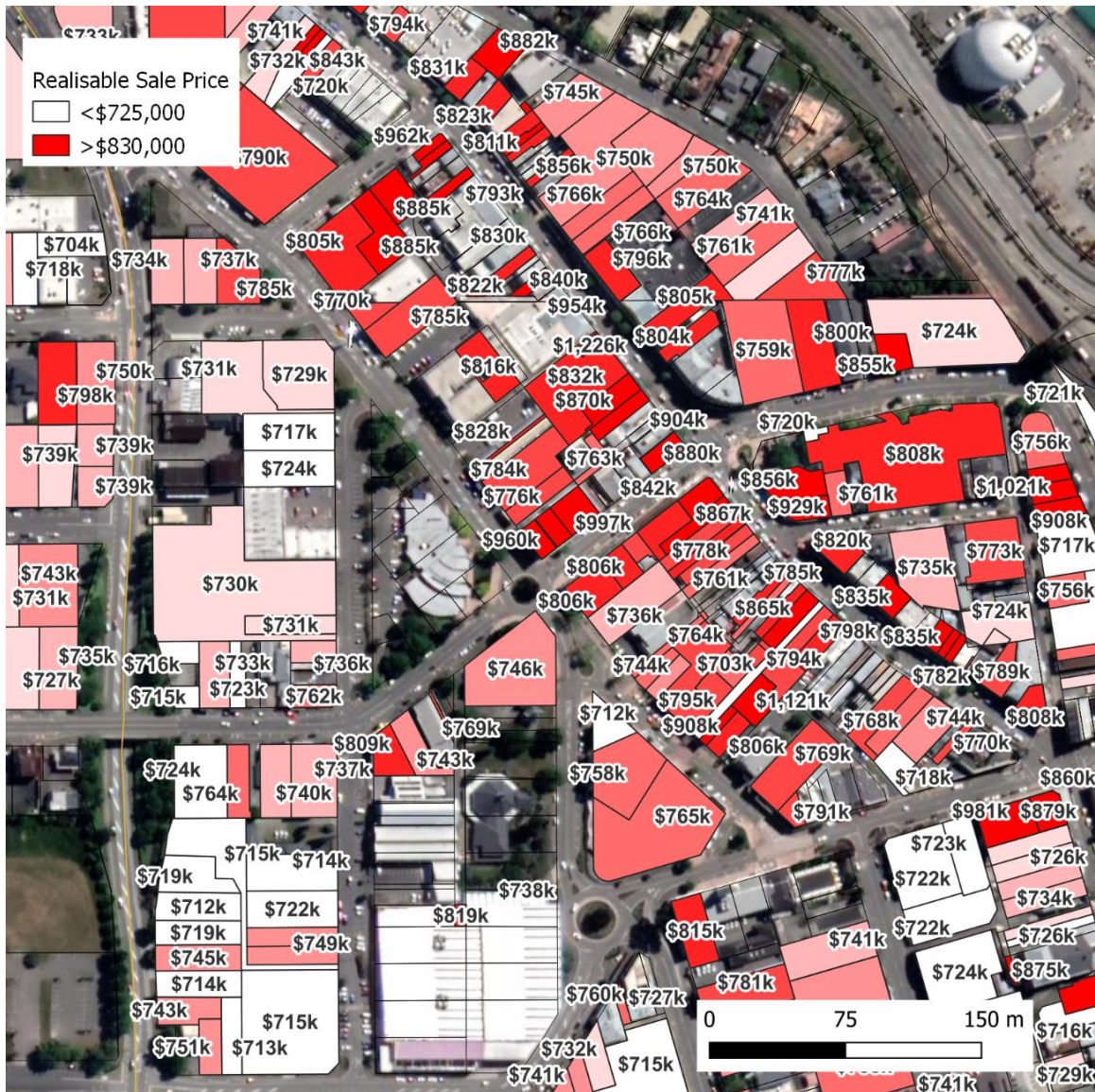


Source: Property Economics, StatsNZ

Figure 7 shows the model estimated sale price for medium size apartments (85sqm) in the Timaru Centre and these average around \$450,000 - \$550,000. Figure 8 in comparison shows

what the apartments would need to sell for in order for the developers to achieve the required 38% profit margin. These values are anywhere from \$725,000 to \$830,000 which is well above what the Timaru Market is currently achieving.

FIGURE 8: TIMARU CITY CENTRE SALE PRICE OF MEDIUM APARTMENTS REQUIRED TO MEET REALISABLE PROFIT MARGINS



Source: Property Economics, StatsNZ

The potential for Timaru to support apartments in the future depends on a range of factors, both in and out of TDC’s control. One contributing factor is the attractiveness of the City Centre, which impacts on the sales price that could be achieved. However, even if the City Centre’s attractiveness increases, the supply will depend on a range of external macro and micro economic factors such as construction costs and availability of finance.

It should be noted that neither the Council’s multi-million dollar City Hub Strategy investment, market research or embryo master planning for the CBD has been factored into the potential



sale price of properties in the City Centre Zone. As amenity is an underlying component of land value, this investment will raise the potential for investment in the City Centre to an unquantifiable extent. The results reached in this report represent the market as is and reflect a “zero investment” situation with TDC relying solely on the private sector to drive investment decisions.

Additionally, this report / modelling only considers new subdivision and / or the demolition of existing buildings to construct new residential dwellings. It does not take into account any remedial work and / or change of use for existing buildings to provide additional residential capacity. This is particularly relevant for the City Centre which may have several existing buildings that could be repurposed into residential units.

Lastly, the prices indicated in Figure 8 represent the “realisable profit requirements” based on average / expected risk factors and profit expectations. Although these apartments would be classified as feasible (based on a 20% profit margin) with sale prices of around \$600,000 - \$700,000, any developer looking to build apartments would expect to see an above average return to compensate for the additional risk.

However, this depends on an individual developers’ motivations, and each site may have different higher or lower costs than estimated on a site-by-site basis. This is to say that apartments are possible, the model simply suggests they are highly unlikely in the current market conditions.

TDC may be able to influence this propensity for apartment development by either offering a reduced development levies to developers or engaging in apartment development themselves as part of the City Centre revitalisation.

9. ECONOMIC BENEFITS OF RESIDENTIAL CONSOLIDATION

From an economic viewpoint, residential zoning (and the intensity of land use enabled by the provisions) is a crucial tool in directing residential growth and development to achieve greater degrees of efficiency and certainty in terms of public and private investment. The level of flexibility and capacity indicated by zoning also impacts upon housing fundamentals such as choice and affordability.

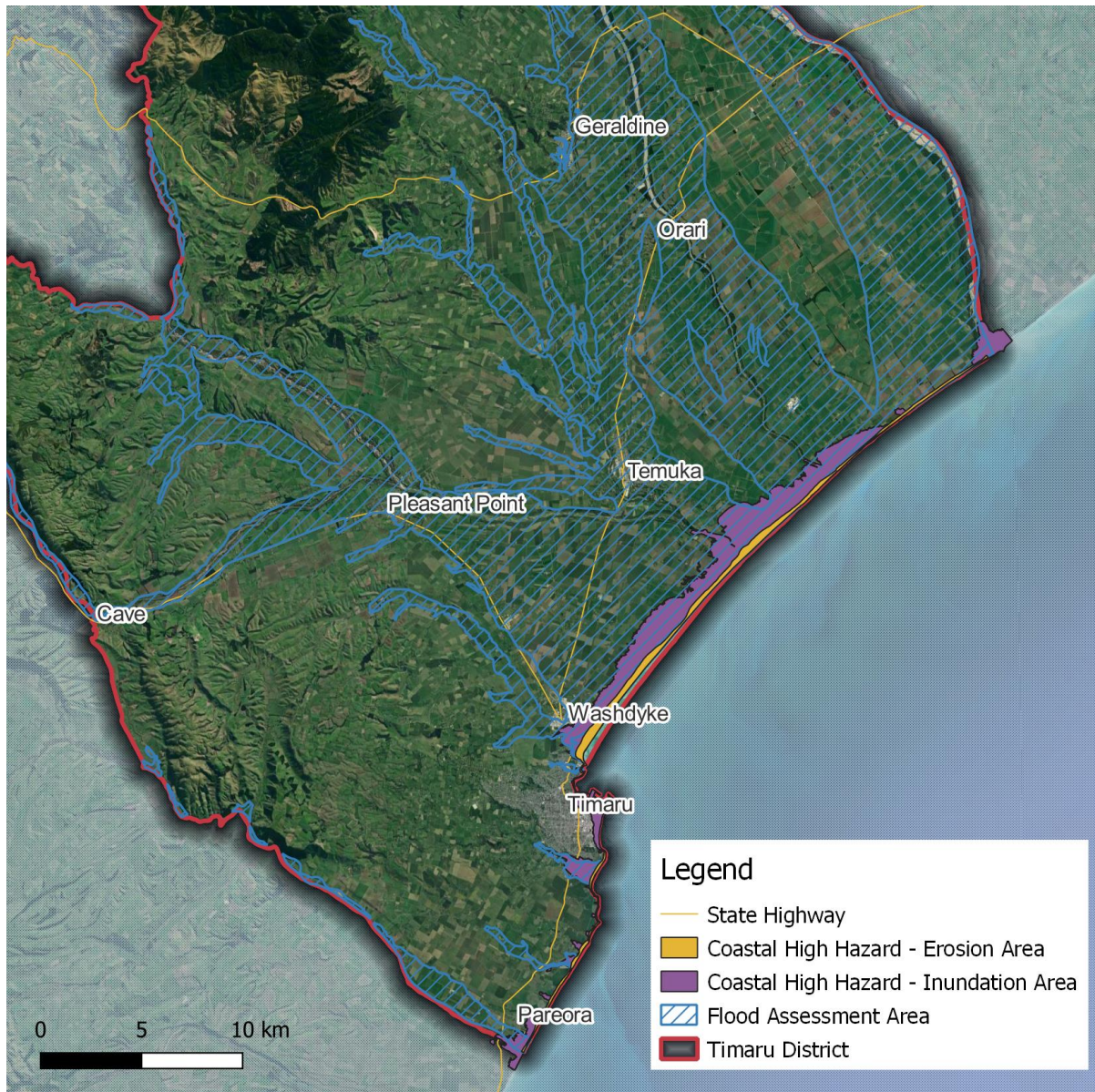
The enablement of higher residential densities in the Draft District Plan, has the potential to encourage the redevelopment of the existing urban area. This will invariably deliver significant economic benefits to all of Timaru's existing commercial centres, and the economic and social wellbeing of the communities it primarily services. This is in relation to increased sales performance, larger population base in surrounding centre locales, increased local employment opportunities, increased accessibility to public transport infrastructure, increased market efficiencies, increased return on investment on public expenditure (particularly upcoming public transport initiatives), etc.

Additional to this is the increased market flexibility of the dwelling typologies that are likely to be developed, and increased opportunity and certainty for the market, to deliver higher residential densities close to the district's centre and public transport networks.

Ultimately, the realisability of the residential capacity in the existing urban areas is dependent on the overall supply and demand balance. A potential risk of providing additional greenfield capacity therefore is undermining the potential redevelopment of Timaru's existing urban areas. This outcome will likely result in a more dispersed development pattern which is associated with several economic costs and inefficiencies.

In comparison, having a greater certainty around the volume of medium density dwellings (and therefore people) within close proximity to centres represents a significantly better economic outcome for Council, developers, the community and the centres themselves.

APPENDIX 1 – HAZARD MAP



APPENDIX 2 – PLANZ VACANT LAND AREA

The Planz assessment of Vacant Land Area included specific development constraints and likelihood for each of the identified sites. The following tables identify the theoretical and realisable capacity under both the ODP and DDP for each of the identified and mapped Vacant Land Areas.

Many of the identified constraints such as infrastructure and the owner motivations will change over the long term. Old North Road – Lot 1 Deposited Plan 55799 is the exception to this as a combination of flood, environment and culture issues restrict its ability to be developed for residential use. This represents realisable capacity of 60 dwellings in both the Operative and Draft District Plans.

Realisable Capacity for Planz Vacant Land - Operative		
Vacant Land Area	Theoretical Capacity	Realisable
106 Coonor Road, Timaru	162	-
16 Horton Street, Pleasant Point	134	-
18 College Road, Parkside, Timaru	81	61
28 - 30 Tasman Street	173	4
29 Totara Place, Highfield, Timaru	94	70
37 Mahoneys Hill Road, Oceanview, Timaru	6	1
47-71 Jellicoe Street	247	-
56 Mahoneys Hill Road, Oceanview, Timaru	7	1
68 Te Ngawai Road, Pleasant Point	87	-
75 Whitcombe Street	112	-
83B O'Neill Place	131	1
Gleniti	539	520
Huffey Rd, Geraldine	1	1
Kandahar St, Pleasant Point	325	240
Kyber and Khan Streets, Pleasant Point	71	3
Majors Rd, Geraldine	139	-
Matipo and Nikau Streets, Pleasant Point	93	1
Old North Road	126	126
Old North Road - Lot 1 55799	89	60
St Vianneys Crescent	328	192
Temuka North	571	3
Total	3,354	1,284

Realisable Capacity for Planz Vacant Land - Draft

Vacant Land Area	Theoretical Capacity	Realisable
106 Coonoor Road, Timaru	275	-
16 Horton Street, Pleasant Point	178	-
18 College Road, Parkside, Timaru	109	48
28 - 30 Tasman Street	230	55
29 Totara Place, Highfield, Timaru	125	56
37 Mahoneys Hill Road, Oceanview, Timaru	6	1
47-71 Jellicoe Street	326	-
56 Mahoneys Hill Road, Oceanview, Timaru	7	1
68 Te Ngawai Road, Pleasant Point	115	-
75 Whitcombe Street	149	-
83B O'Neill Place	175	1
Gleniti	539	520
Huffey Rd, Geraldine	135	1
Kandahar St, Pleasant Point	781	45
Kyber and Khan Streets, Pleasant Point	120	4
Majors Rd, Geraldine	185	-
Matipo and Nikau Streets, Pleasant Point	123	1
Old North Road	127	126
Old North Road - Lot 1 55799	186	60
St Vianneys Crescent	437	154
Temuka North	1586	4
Total	5,914	1,077