

**TIMARU DISTRICT 2045 DRAFT GROWTH MANAGEMENT STRATEGY
JOINT SUBMISSION FOR A J & C A BROSNAHAN, A R & F E GALE,
A S RABBIDGE & H R SINGLINE & RSM TRUST LIMITED, E A PYKE,
F H TONG, B J & H J WALTON & A N & D B ROUNTREE**

1 INTRODUCTION AND QUALIFICATIONS

- 1.1 This submission has been prepared on behalf of the above parties being the registered owners of 210, 222, 230 Gleniti Road, Lot 1 DP 425772 on Gleniti Road and also 5, 17 and 18 Snowdon Road, Timaru, by Andrew Rabbidge, Licensed Cadastral Surveyor, Registered Professional Surveyor and Company Director of Milward Finlay Lobb Limited. I have been employed by Milward Finlay Lobb Limited since November 1995 with over 21 years local experience throughout South Canterbury and the surrounding districts.
- 1.2 I hold a Bachelor of Surveying (Credit) from the Otago University completed in 1995. I am a full member of the New Zealand Institute of Surveyors, a member of the Consulting Surveyors of New Zealand and an Associate of the New Zealand Planning Institute.
- 1.3 The purpose of this submission is to consider the Draft Growth Management Strategy with respect to the above properties which are identified with legal descriptions of Lots 1, 2, 4 and 5 DP 425772, Lots 1 and 2 DP 445956 and Lot 2 DP 23372 and comprise a total area of approximately 9.2581 hectares (refer to the locality plan in Appendix 1).

2 EXISTING SITUATION

- 2.1 The subject properties are all located on the southern side of Gleniti Road immediately adjacent to the Gleniti Golf Course, and all allotments encompass existing dwellings with the exception of Lot 1 DP 425772.
- 2.2 DP 23372 dates back to 1965 and predates the operative Timaru District Plan by 40 years. DP 425772 was subdivided as a discretionary Rural 1 subdivision and titles issued in 2010. Subsequent to that titles for DP 445956 issued in 2014 and similarly that consent was a discretionary activity within the Rural 1 Zone.

3 TIMARU DISTRICT GROWTH STRATEGY 2017 – GROWTH ASSUMPTIONS

- 3.1 The National Policy Statement for Urban Development Capacity 2016 (NPS-UDC) requires Local Authorities to "ensure that at any one time there is sufficient development capacity available as follows (refer to policy PA1 and Appendix 4).



- 3.1.1 Short Term Capacity must be feasible, zoned and serviced with development infrastructure.
- 3.1.2 Medium Term Capacity must be feasible, zoned and either serviced with development infrastructure, or development infrastructure identified in a long term plan under the Local Government Act.
- 3.1.3 Long Term Capacity must be feasible, identified in relevant plans and strategies, and the development infrastructure to support it, must be identified in an infrastructure strategy under the Local Government Act.
- 3.2 Page 6 of Council's 'Growth Assumptions' report advises that "within Timaru District itself, only the Timaru Urban area will be subject to the requirements of the NPS-UDC".
- 3.3 Statistics NZ Populations growth projections by Census Area Units provided out to 2043, result in the following projections of population and household demand (refer to Tables 2 and 3 below from page 10 of Council's Growth Assumptions Report).

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



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)

- 3.4 Averaging the Timaru District household demand from the period 2013 through to 2043 results in 2211 houses (i.e. 19300 houses in 2013 and 21511 houses in 2043) or an average of just under 74 additional households per year (noting that the peak household demand is 21,600 in 2038).
- 3.5 Of those new household units within the Timaru Urban Area, a peak figure of an additional 634 households (without any buffer) is achieved in 2033.
- 3.6 Council's 'Residential Supply – Demand Balance' on page 12 of the Growth Assumptions Report refers to a capacity assessment completed in December 2016, which concluded that within the existing Residential Zones of Timaru there is 62.4 hectares of developable Residential land, with a yield of some 667 houses (based on a 650m² average allotment size).
- 3.7 We note with some concern that Council's figures for developable Residential land within Timaru are at significant variance from the time of the initial drafting of the Growth Assumptions report (78 hectares, yielding 1200 houses), down to 62.4 hectares and an associated yield of 667 houses to comply with the requirements of the NPS-UDC.
- 3.8 Furthermore, we consider that figure of 62.4 hectares to be optimistic, given that the current Timaru Residential Zones have been established since 1995 and if Residential development has not proceeded in the last 22 years will it proceed in the next 5 years, 15 years or 30 years?
- 3.9 Land development within Residential and Rural Residential areas is dependent on a number of complex and interconnected factors, which we consider will further reduce the 62.4 hectares of Council's identified Residential land for development including:
 - 3.9.1 Land values, location and topography.



- 3.9.2 Development costs, including the provision of vehicle access and essential services.
- 3.9.3 Sale prices.
- 3.9.4 Capital investment, taxation, GST and the initial land purchase.
- 3.9.5 Borrowing costs.
- 3.9.6 Council development contributions.
- 3.9.7 Reliance on prior downstream development to provide access and/or the provision of essential services.
- 3.9.8 Other concurrent Residential Development within the Timaru Urban and Rural Residential areas.
- 3.9.9 External factors beyond the Timaru District such as the Canterbury Earthquakes, Government Policy (such as KiwiSaver) or lending requirements from Banks.
- 3.10 Council's capacity assessment of 667 houses within the Timaru Settlement as at December 2016, also fails to accommodate the peak household demand of 761 houses (including a buffer of 20%) within the Timaru Settlement in 2033.
- 3.11 The nett result is a shortage of 94 household units (761-667), or 216 people at a 2.3 household formation rate within the Timaru Settlement (refer to Table 5 from Council's Growth Assumptions Report below).

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)	



- 3.12 Referring now to Council's Household Projections on page 62 of the 'Growth Assumptions' report, prior to the introduction of the NPS-UDC, Statistics NZ projections and interpolation along with an "actual" projection from Timaru District Council building consents, resulted in forecasts of 756 new households in 2043 on the Medium Projection and 1110 additional Households in 2043 on the "actual" projection.
- 3.13 Both of these household models forecasting out to 2043 are considerably above the December 2016 existing Residential Zone supply within Timaru, which Council estimate can accommodate 667 households on the basis of a 650m² allotment average.
- 3.14 Table 2.21A on page 63 which identifies housing projections for Urban Timaru, is misleading as this applies a linear model between 2013 and 2043 and misses the peak in 2033 by 254 households (or approximately 67%). Using a 2.3 household formation rate, that equates to an under allocation of 584 residents for the Timaru District.
- 3.15 Furthermore, Council's Mayor Damon Odey has publicly stated that "the Council was bound to using Stats NZ data, and he was confident it (the Draft Growth Management Strategy) was a robust plan. My ambition, and my vision, for this district is to exceed those numbers" (Quoted from www.stuff.co.nz, refer to Appendix 5).
- 3.16 We endorse and support the Mayor's ambition and vision for the District, however in order to exceed the NPS-UDC Statistics NZ projections, additional Greenfield residential development will be required within Timaru.
- 3.17 Council's analysis of dwellings construction within the Timaru Urban area between 1993 and 2013 average 37.3 household units per year (refer to page 63). Referring to Appendix 6, Residential Building Consents within the Timaru District have been strong, rising 21% in 2016 and house prices rising 9.3% for the same period. Therefore, we conclude that the average of 37.3 household units per year is well below 2016 building rates.
- 3.18 Based on the foregoing and particularly bearing in mind the predicted 2033 peak, we disagree with Council's conclusion by the application of the NPS-UDC that "there is sufficient vacant and large Residential Zoned allotments in Timaru to accommodate the predicted Residential growth in the next 30 years" (refer to page 70 of the Growth Assumptions Report).



4 RURAL RESIDENTIAL GROWTH ASSUMPTIONS

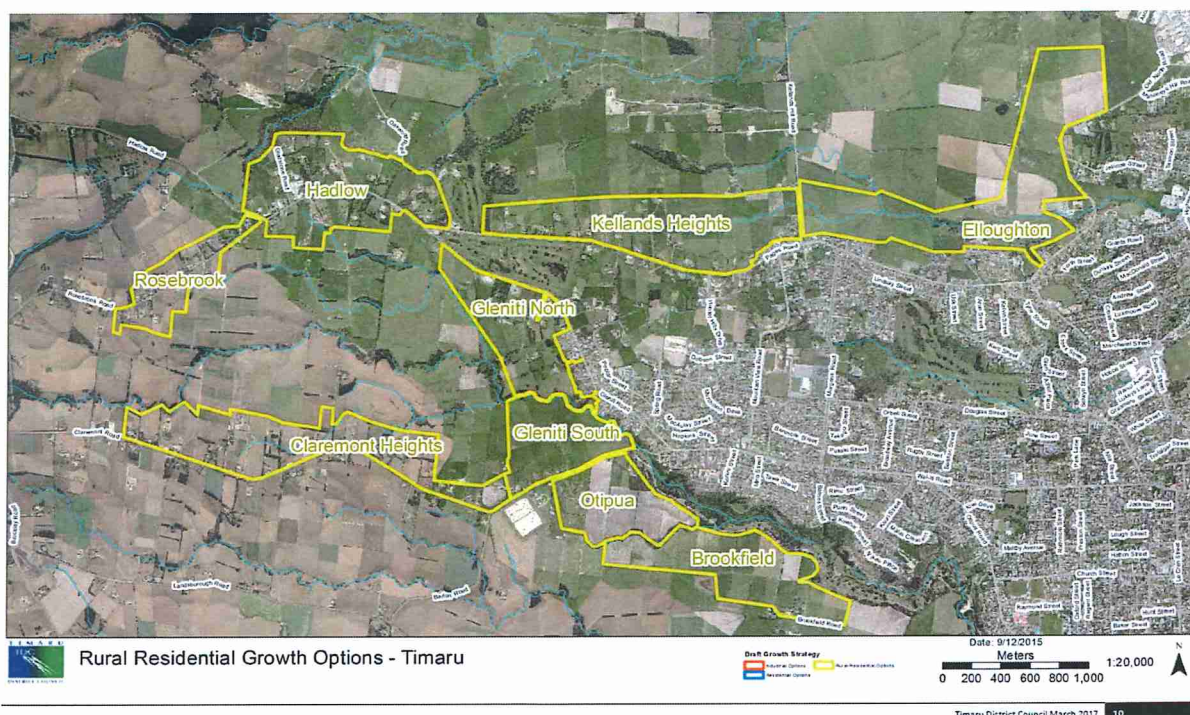
- 4.1 Moving on to Rural Residential Growth Assumptions, the subject properties are relatively small Rural Residential allotments on the border of the current Timaru north western urban extent.
- 4.2 A demand pattern analysis has been undertaken by Council for the period 2005 to 2015 which results in an average of 18 new Rural Residential allotments being developed on Rural properties across the District, with allotment areas less than 2 hectares, per annum.
- 4.3 Whilst these figures are based on issued building consents, we believe these figures only tell part of the story with various relevant external factors at force including:
 - 4.3.1 The Pilcher v Rawlings court case [2013 NZENVC67] at 348 Gleniti Road, Timaru, which declined a Discretionary Rural 1 subdivision consent in 2013.
 - 4.3.2 Based on my personal knowledge of subdivision within the Rural 1 zone within the Timaru District since 1995 and the drawn out nature of the Pilcher v Rawlings case, lower than average subdivision consents for smaller rural allotments preceded the 2013 court case by at least 2 years.
 - 4.3.3 The Global Financial Crisis of 2008 and 2009 had a significant impact on land development and bank lending, which in turn significantly impacted on the construction of new dwellings within the District.
 - 4.3.4 The age of the current District Plan Rules in relation to subdivision entitlements within the Rural 1 zone is also relevant, as those Rules date back to 27 August 1988. The majority of land owners that desired to achieve Rural Residential subdivision for allotments under 2 hectares in area in terms of those entitlement Rules, had generally completed subdivision prior to 2005.
 - 4.3.5 At the time there was a general expectation that the Timaru District Council would introduce new subdivision rules in October 2005 (being the 10th Anniversary of the District Plan notification date), however this did not eventuate and these same Rural 1 subdivision entitlement rules still apply today.
 - 4.3.6 This resulted in an increased number of subdivision entitlements being utilised for allotments with areas less than 2 hectares, in the years leading up to 2005 and a corresponding lull in the subdivision of smaller rural living allotments after 2005.



- 4.3.7 Based on the foregoing, we believe that Council's conclusion that "18 dwellings per year will be required to service the Rural Residential needs of the District" (quoted from page 83) is substantially under estimated, particularly when this is considered in terms of Council's recommendation that only 11 (or 330 over 30 years) of those 18 dwellings per annum, should be constructed on the Timaru fringe.

5 TIMARU DISTRICT GROWTH STRATEGY 2017 – OPTIONS

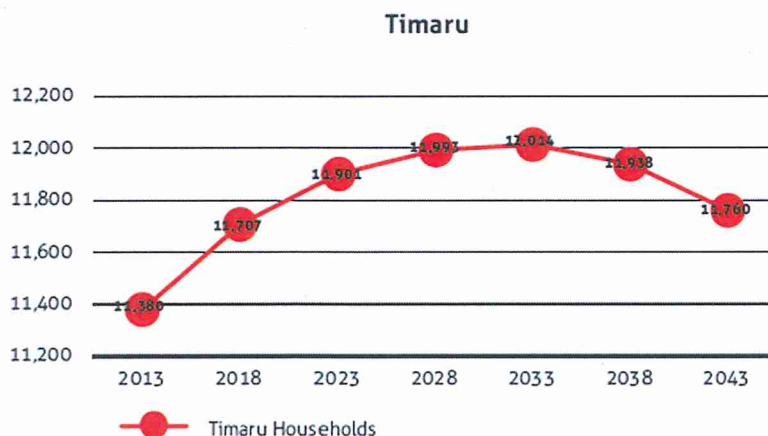
- 5.1 The subject properties are located within the Gleniti North Rural Residential Growth Options - Timaru and also within the Gleniti Road Residential Growth Option – Timaru North. Refer to the following images.





5.2 The Gleniti North Rural Residential Growth Option scores well on Council's weighted criteria ranking second equal from the ten options put forward by Council (We note that the Elloughton score has an addition error and should be 115 rather than 121). The joint submitter's support Council's recommendation to rezone this area for Rural Residential development, however based on Council's linear interpolation of Statistics NZ data and the significant household peak prior to 2043, we request adoption of the Gleniti Road Residential Growth Option to accommodate some of the Timaru household demand forecast between 2013 and 2033 of 634 household units (refer to figure 8 from Council's Draft Growth Management Strategy below), which once a buffer of 20% is applied totals 761 houses.

Figure 8 Timaru Household demand





- 5.3 Council's strategy framework for Growth Management is set out under Part E of the Draft Growth Management Strategy. At its core, Timaru District is a Rural area and this is reflected in Timaru District Council building consent statistics between 2005 and 2015 where 63% of building consents were Urban based and the remaining 37% in Rural areas.
- 5.4 We stress however that those building consent figures need to be considered in conjunction with a number of relevant external factors which resulted in reduced building in Rural and Rural Residential areas over the 2005-2015 period and these have been previously addressed under paragraphs 3.9 and 4.3 above and the associated subheadings.
- 5.5 Quoting from page 42 of the Draft Growth Management Strategy, "Household Projections to 2043 identify that an additional 907 new households will be required in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point. By comparison 1304 additional households are predicted for the remainder of the District, including rural areas, rural residential development and the smaller settlements such as Cave and Pareora".
- 5.6 Allowing for the projected 540 dwellings (i.e. 18/yr x 30 years) in the Districts Rural Residential Zones, the remaining 764 dwellings are forecast to be constructed with the Districts Rural Zones.
- 5.7 These figures are based on NZ Statistics forecasts which project a 3:4 household ratio in favour of Rural Residential and Rural household growth areas verses Urban household growth within the District for the 2013-2043 period.
- 5.8 The Draft Growth Management Strategy (refer to page 43) seeks to alter this 3:4 household ratio in the main settlements compared to that in the rural area and remaining settlements to a 3:1 ratio in favour of new household growth within the existing urban areas of Timaru, Geraldine, Temuka and Pleasant Point.
- 5.9 Whilst the NZ Statistics 2013-2043 forecasts clearly demonstrates the increased aged population within the Timaru District, we foresee significant demand for modern household units to be constructed on Greenfield Residential areas and also Rural Residential areas utilising modern building materials, double glazing, efficient heating and insulation, solar power, onsite stormwater retention and the like.
- 5.10 As a generalisation, retirees from Rural areas including the 'baby-boomer' generation (born in the period 1946-1964), we anticipate would be predominately debt free and would seek to build modern dwellings in Greenfield Residential areas where they have some control over landscape, outlook, solar advantage, urban amenity and the like.



- 5.11 Such a new dwelling may be built subsequent to selling the 'family home' and prior to the construction or purchase of a smaller unit or villa within an urban area or community facility such as a rest home or retirement village.
- 5.12 New Residential Greenfield developments also need to be considered in the context of the proximity to the Timaru CBD and the associated community facilities. This may be only a relatively short one way trip of 5 kilometres which is considerably less than travel between Rural Residential areas and CBD's for many other regions throughout New Zealand.

6 CONCLUSION AND DECISION SOUGHT FROM COUNCIL

- 6.1 We foresee a significant risk to new housing and economic development within the Timaru District based on Council's desire to achieve a 75% Residential to 25% Rural and Rural Residential ratio for new household units through to 2043. The Timaru District is a rural community with various unique attributes that have been well addressed in Council's Growth Management Strategy documents, however we are competing with other Districts for population and employment growth, which in turn generates and maintains a thriving and vibrant local economy.
- 6.2 Districts beyond South Canterbury offer extensive options for Greenfield Residential and Rural Residential development which maybe more suited for a number of future retirees currently residing within the Timaru District that do not wish to confirm with the 75% of Residential household infill desired by Council's Growth Management Strategy for the 2013-2043 period.
- 6.3 Whilst all land owners in this joint submission support Council's recommendation to rezone the subject properties, based on the foregoing assessment of Council's Draft Management Strategy, there is a strong and clear preference for Residential development within this Peri Urban area.
- 6.4 To address possible Council concerns over land supply and the availability of infrastructure (noting that short term residential development for the 2013-2018 period would require development infrastructure to align with the NPS-UDC), rezoning the subject properties in accordance with the Rural Residential 'Gleniti North' Growth option, with a deferred Residential overlay being the 'Gleniti Road' Residential Growth option, is sought with a deferred Zoning commencement date of 1 January 2019 (i.e. immediately after the short term 2013-2018 projection). We also note that the Timaru District Council have consulted with Environment Canterbury as part of the Growth Management Strategy 2013-2043.



- 6.5 Given the advancement of onsite effluent disposal systems since the introduction of the Residential 6 zone and the relatively small catchment area within 'Gleniti North', we support Council's suggested allotment sizes for allotments without a connection to reticulated sewer network of between 0.5 and 2.0 hectares. We also note that the Timaru District Council have consulted with Environment Canterbury as part of the Growth Management Strategy 2013-2043.
- 6.6 We suggest this deferred zone could be modelled in a similar manner to the existing Residential 6 Zoning to the east of the Gleniti Golf Course and south side of Pages Road, which is in very close proximity to the subject properties. The Residential 6 Zone combined stormwater treatment and management and the provision of essential services, along with a now superseded deferred zoning of larger rural allotments, until either urban services were available or a date milestone achieved.
- 6.7 On behalf of the joint submitters we extend an invitation to the Commissioner and fellow Councillors to view the land parcels comprising this joint submission and this can be coordinated through Milward Finlay Lobb Limited on an as needed basis. We thank you for your time in considering this submission.

Prepared on behalf of:

A R & F E Gale, A J & C A Brosnahan, A S Rabbidge and H R Singline & RSM Trust Limited, E A Pyke, F H Tong, B J & H J Walton and A N & D B Rountree

By:

A S Rabbidge

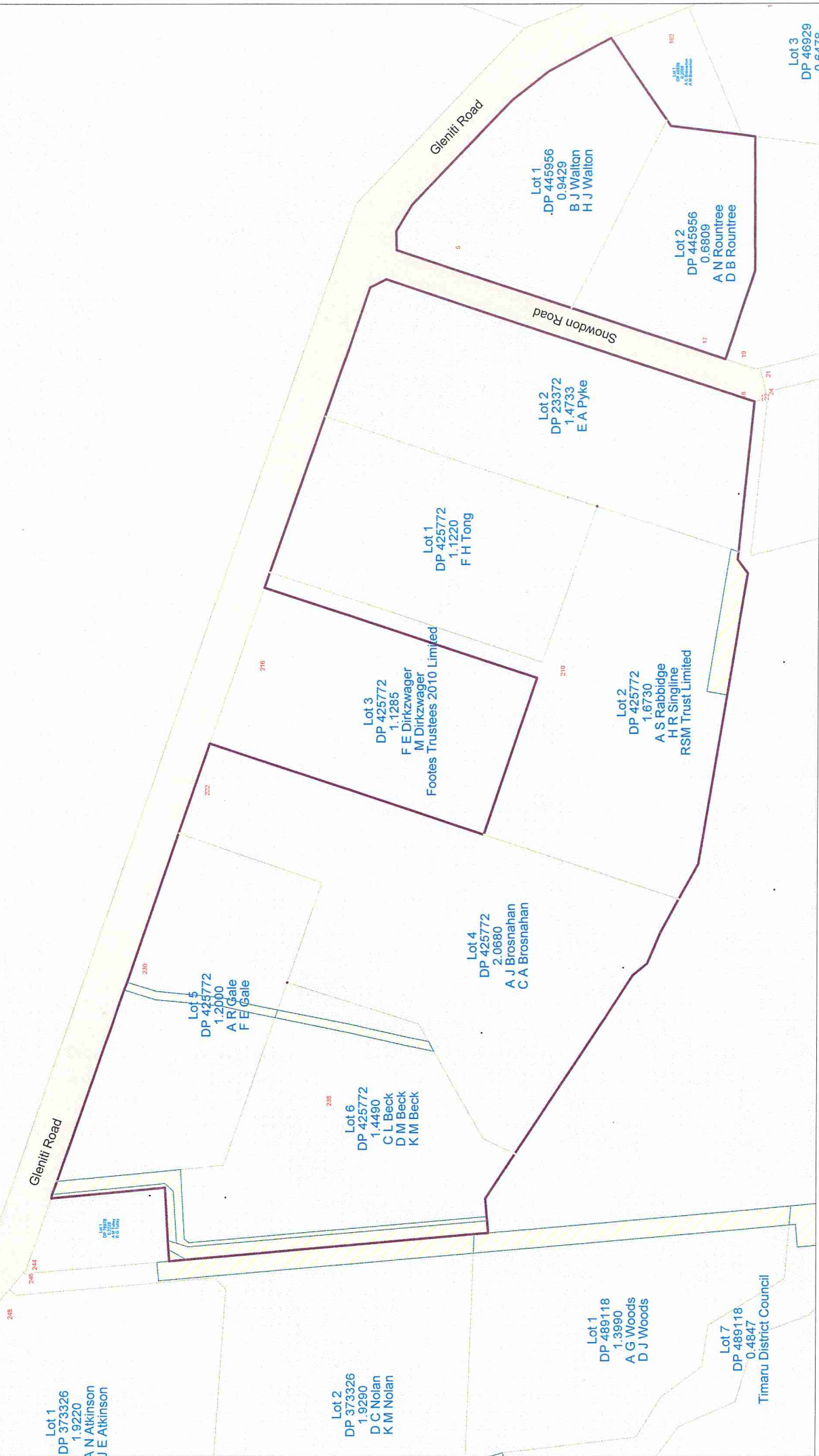
BSurv (Credit), MNZIS, CSNZ, Associate NZPI, Director – Milward Finlay Lobb Limited

16 May 2017



ATTACHMENTS

- Appendix 1 Site plan of the land owned by the applicants and neighbouring properties at a scale of 1:3000.
- Appendix 2 Environment Canterbury - Aerial Photo sourced online on 20 April 2017.
- Appendix 3 Timaru District Council Zone Maps 29 and 33.
- Appendix 4 Summary of the National Policy Statement on Urban Development Capacity.
- Appendix 5 Timaru Herald article of 31 March 2017, accessed online on 29 April 2017.
<http://www.stuff.co.nz/timaru-herald/news/91026003/growth-management-strategy-not-ambitious-enough-for-timaru-business-leader-says>
- Appendix 6 Infometrics, Quarterly Economic Monitor, Timaru District December 2016.



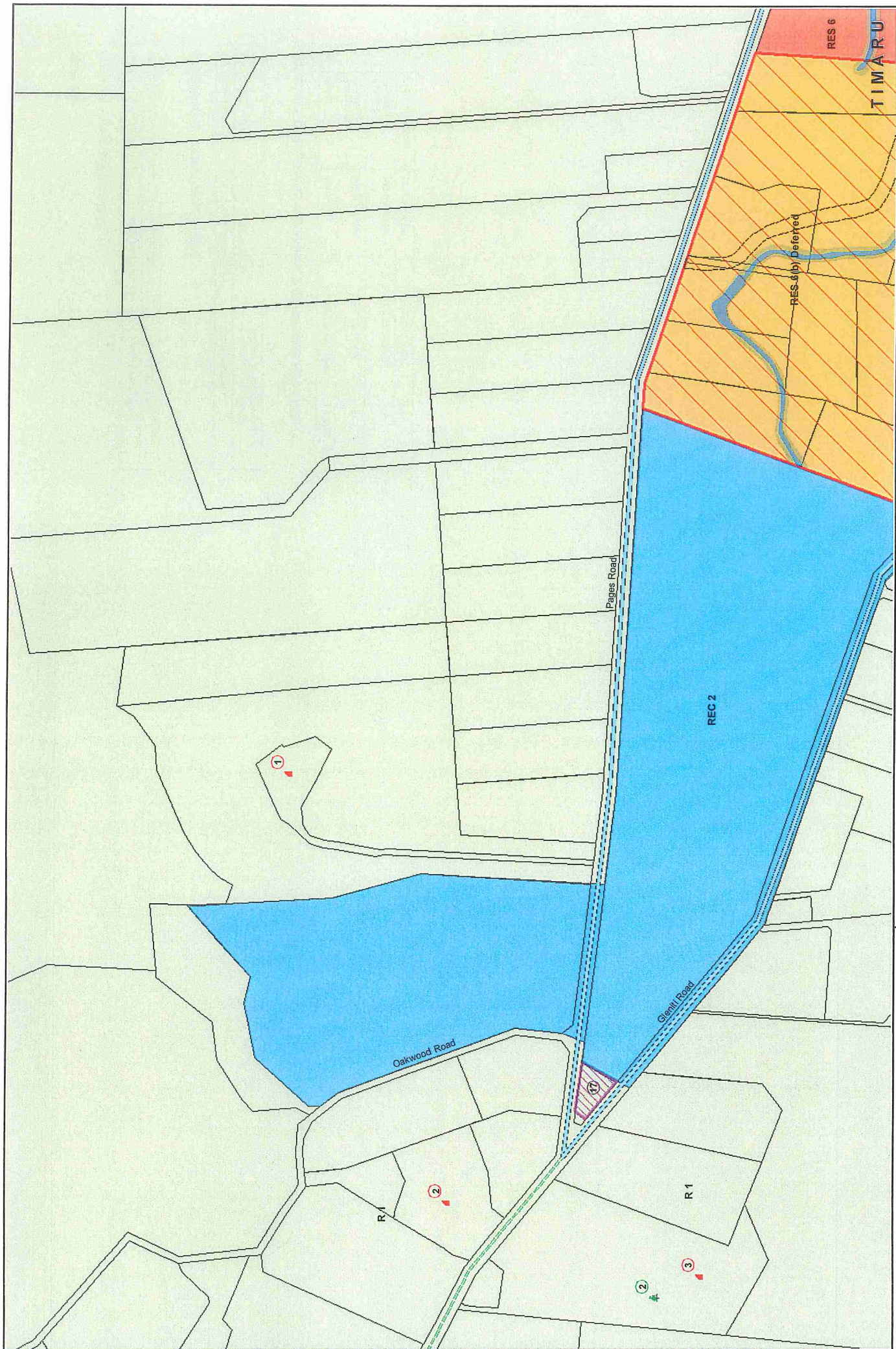
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TIMARU DISTRICT PLAN

SCALE 1:5,000 (Scale 1:5,000)

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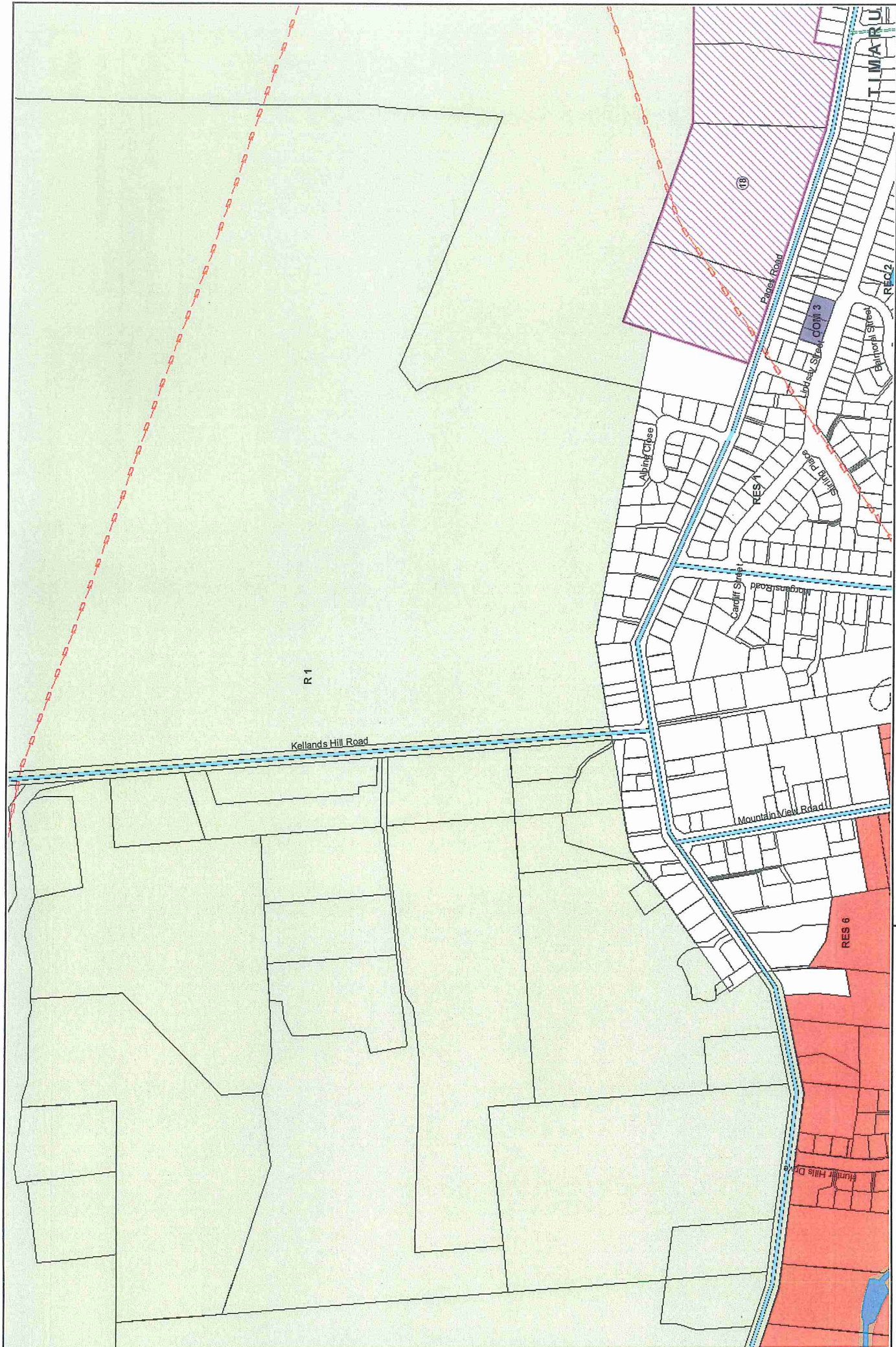
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Map 29			
Map No 29	Map No 30	Map No 31	Map No 32
Map No 33	Map No 34	Map No 35	Map No 36

Version 01/2011



TIMARU DISTRICT PLAN

SCALE 1:5,000
(on A3 paper)

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Map 30

Version 01/04/2011

Map No 27	Map No 29	Map No 30	Map No 31
Map No 28	Map No 30	Map No 34	Map No 35

Summary of the National Policy Statement on Urban Development Capacity

Objectives	A: Outcomes for planning decisions	B: Evidence and monitoring to support planning decisions	C: Responsive planning	D: Coordinated planning evidence and decisions
	<p>These objectives apply to all local authorities and decision-makers.</p> <p>OA1. Effective and efficient urban environments that enable people and communities and future generations to provide for social, economic, cultural and environmental wellbeing.</p> <p>OA2. Urban environments that have sufficient opportunities to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.</p> <p>OA3. Urban environments that, over time, develop and change in response to the changing needs of people and communities and future generations.</p> <p>PA1. Local authorities shall ensure that at any one time there is sufficient development capacity available as follows:</p> <ul style="list-style-type: none">Short term capacity must be feasible, zoned and serviced with development infrastructureMedium term capacity must be feasible, zoned and either serviced with development infrastructure, or development infrastructure identified in a long term plan under the LGALong term capacity must be feasible, identified in relevant plans and strategies, and the development infrastructure to support it must be identified in an infrastructure strategy under the LGA <p>PA2. Local authorities shall satisfy themselves that other infrastructure required to support urban development is likely to be available.</p> <p>PA3. When making decisions that affect the way and rate at which development capacity is provided, decision-makers shall provide for the social, economic, cultural and environmental wellbeing of people and communities and future generations, having regard to:</p> <ul style="list-style-type: none">Providing choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businessesPromoting efficient use of scarce urban land and infrastructureLimiting as much as possible adverse impacts on the competitive operation of land and development markets. <p>PA4. When considering effects of urban development, decision-makers shall take into account:</p> <ul style="list-style-type: none">The benefits that urban development will provide with respect to the ability of people, communities and future generations to provide for their social, economic, cultural and environmental wellbeingThe benefits and costs of urban development at a national, inter-regional, regional and district scale, as well as local effects.	<p>OB1. A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.</p> <p>OC1. Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long term.</p> <p>OC2. Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.</p>	<p>OC1. Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long term.</p> <p>OC2. Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.</p>	<p>OD1. Urban environments where land use, development, development infrastructure and other infrastructure are integrated with each other.</p> <p>OD2. Coordinated and aligned planning decisions within and across local authority boundaries.</p>
Policies	<p>Policies PB1-PB7, PC1-PC4, PD1 and PD2 apply to local authorities with a Medium or High-Growth Urban Area within their district or region. The application of the policies is not restricted to the boundaries of the Urban Area.</p> <p>PB1. Local authorities shall carry out a housing and business development capacity assessment at least three-yearly that:</p> <ul style="list-style-type: none">Estimates housing demand, including for different types, locations and price points; and the supply of development capacity to meet that demand, in the short, medium and long terms.Estimates demand for different types and locations of business land and floor area for businesses and the supply of development capacity to meet that demand in the short, medium and long terms.Assesses interactions between housing and business activities, and their impacts on each other. <p>PB2. The assessment shall use information about demand including:</p> <ul style="list-style-type: none">Demographic change (including Statistics New Zealand population projections)Future changes in business activities of the local economy and potential impacts on demand for housing and business landMarket indicators monitored under PB6 and PB7. <p>PB3. The assessment shall estimate the sufficiency of development capacity provided by plans including:</p> <ul style="list-style-type: none">The cumulative impact of all zoning, objectives, policies, rules and overlays in plansActual and likely availability of infrastructure under PA1Current feasibility of development capacityRate of take up of development capacityThe market's response to planning decisions obtained through monitoring indicators under PB6 and PB7. <p>PB4. The assessment shall estimate the additional capacity needed if any of the above factors indicate that the supply of development capacity is not likely to meet demand in the short, medium or long term.</p> <p>PB5. In carrying out the assessment local authorities shall seek and use the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities and the providers of development and other infrastructure.</p> <p>PB6. To ensure they are well-informed about demand, development capacity, urban development activity and outcomes and how planning decisions may affect this, local authorities shall monitor quarterly:</p> <ul style="list-style-type: none">Prices and rents for housing, residential and business land by location and type; and changes in these over timeResource and building consents relative to population growthIndicators of housing affordability. <p>PB7: Local authorities shall use information provided by indicators of price efficiency in their land and development market, such as price differentials between zones, to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed.</p> <p><i>Local authorities are encouraged to publish the housing and business development capacity assessment under PB1 and monitoring results under PB6 and PB7.</i></p>	<p>PC1. To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least: 20% in the short and medium term; and, 15% in the long term.</p> <p>PC2. If evidence from the assessment under PB1, including information about the rate of take-up of development capacity, indicates a higher margin is more appropriate, this higher margin should be used.</p> <p>PC3. When the housing and business development capacity assessment or monitoring indicates development capacity is not sufficient in any of the short, medium or long term, local authorities shall respond by providing further development capacity and enabling development.</p> <p>PC4. Local authorities shall consider all practicable options for providing sufficient, feasible development capacity and enabling development to meet demand including:</p> <ul style="list-style-type: none">Changes to plans and regional policy statements including zoning, objectives, policies, rules and overlays that apply in both existing urban environments and greenfield areasIntegrated and coordinated consenting processes that facilitate developmentStatutory tools and other methods available under other legislation. <p><i>These policies apply to local authorities with a High-Growth Urban Area within their district or region. Local authorities with a Medium-Growth Urban Area within their district or region are encouraged to give effect to these policies. The application of the policies is not restricted to the boundaries of the Urban Area.</i></p>	<p>PC5-11. Local authorities shall set minimum targets for sufficient, feasible development capacity for housing. Regional councils shall incorporate these into their regional policy statement and territorial authorities shall incorporate these as an objective in their relevant plan.</p> <p>Minimum targets shall be set for the medium and long terms and reviewed every three years. When evidence shows that the minimum targets set in the regional policy statement or relevant plans are not sufficient, local authorities shall revise those minimum targets.</p> <p>Local authorities shall set and revise the minimum targets in their regional policy statement or relevant plan without going through the consultation process set out in Schedule 1 of the RMA.</p> <p>PC12-14. Local authorities shall produce a future development strategy that demonstrates there will be sufficient, feasible development capacity in the medium and long terms and that the minimum targets will be met. This strategy shall:</p> <ul style="list-style-type: none">Identify the location, timing and sequencing of future development capacity for the long-term, including both future greenfield areas and intensification opportunities in existing urban environmentsBalance certainty about future urban development with being responsive to demand. <p>This strategy:</p> <ul style="list-style-type: none">Shall be informed by the relevant long term plans and infrastructure strategies under the Local Government Act 2002 (LGA)Can be incorporated into a non-statutory document outside the RMA. <p>In developing this strategy local authorities should:</p> <ul style="list-style-type: none">Undertake a consultation process that complies with either Part 6 of the LGA, or Schedule 1 of the RMABe informed by the housing and business development capacity assessmentHave particular regard to policy PA3 when considering how to provide development capacity.	<p>PD3. Local authorities that share jurisdiction over an Urban Area are strongly encouraged to cooperate and agree upon:</p> <ul style="list-style-type: none">The specification of minimum targets and their reviewThe development of a joint future development strategy. <p>PD4. Local authorities shall work with providers of development infrastructure and other infrastructure in preparing the future development strategy.</p>

stuff

Growth Management Strategy not 'ambitious' enough for Timaru, business leader says

LIAM CAVANAGH

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TETSURO MITOMO/FAIRFAX NZ

The South Canterbury Chamber of Commerce chief executive says the Timaru District Council's Growth Management Strategy was not ambitious enough.

Divisions appear to be emerging between the South Canterbury Chamber of Commerce and the Timaru District Council following claims the council's draft Growth Management Strategy is not "ambitious" enough.

Chamber of Commerce chief executive Wendy Smith said the newly released strategy, which uses Statistics New Zealand data, did not appear to reflect wider development in South Canterbury, and called on the council to be more aggressive in its growth targets.

Meanwhile a senior economist says the council should be planning for a future where dairy intensification is not a key driver of the regional economy because of growing environmental concerns.

JOHN BISSET/FAIRFAX NZ

South Canterbury Chamber of Commerce chief executive Wendy Smith.

Timaru District mayor Damon Odey was disappointed by Smith's comments and said the chamber should be working with the council.

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"[The] Chamber is looking like a big wheel when they should be working alongside the council."

MYTCHALL BRANSGRÖVE/FAIRFAX NZ

Timaru District Mayor Damon Odey.

Suggestions about dairy intensification in the regional economy were generalist, and if done properly, dairy intensification would not further impact the environment, he said.

Their comments follow the release of the council's Growth Management Strategy on Thursday. The draft strategy is a 30-year blueprint which allows the district to respond to growth pressures and changing demographics.

The draft document indicates dairy intensification, alongside expansion of Washdyke and Timaru's port, local factories, forestry and the freight sectors, was expected to remain a major driver and contributor to the local economy over the next 30 years.

JOHN BISSET/FAIRFAX NZ

Council district planning manager Mark Geddes holds the draft Growth Management Strategy on Thursday.

Chamber chief executive Wendy Smith was pleased the council had carried out the work on the strategy.

However, she believed it was not as ambitious as it should be.

The extent of development taking place, with tourism development in the Mackenzie Country and associated growth, the impact of the Port of Tauranga investments, impact of irrigation now and further irrigation projects in the works, might not be accounted for in "typical Statistics New Zealand numbers", Smith said.

"We would suggest them to be more ambitious in its growth strategies."

The council should look to further growth, with a two-stage approach, ensuring an ambitious growth plan and a separate model for infrastructure and investment, she said.

A second, more conservative, model would protect the council from "unreasonable obligations".

Infometrics senior economist Benje Patterson said, while the district had seen "enormous" expansion in the dairy industry, dairy farm intensification was likely to "stop" because of

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growing environmental concerns.

The district would eventually see a dairy "de-intensification", but when that would occur was "difficult and uncertain to predict", Patterson said.

In the year 2000, there were approximately 28,000 cows in the Timaru District. Now there were more than 130,000 cows, he said.

There was growing public awareness of the impact dairy intensification has on waterways, significant media coverage, and global concerns around environment.

He urged the council to start considering what the "downside" could be for Timaru.

"That's not to say the dairy sector couldn't continue to grow."

Diversifying into other higher value processing, such as Fonterra's new mozzarella plant, could drive the dairy industry in the district, he said.

However, Odey said he was disappointed in Smith's comments and said the council consulted with the chamber, and other stakeholders, throughout the process.

The council had sought clarification about the stats being used in the process, "because we did challenge" them, Odey said.

"That's a pretty standard measure, to use Stats NZ data."

The council had very strict measures in place to ensure concerns around dairy intensification.

He said comments about the future of dairy intensification in Timaru were "generalist".

Dairy intensification, when done properly, and in conjunction with other work such restoring water ways, "won't cause further impact to the environment", he said.

Odey said the council was bound to using Stats NZ data, and he was confident it was a robust plan.

"My ambition, and my vision, for this district is to exceed those numbers."

The plan would be discussed at the council meeting on Tuesday during a publicly excluded session.

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Overview of Timaru District

Economic conditions in Timaru improved slightly in the December quarter, after the economy teetered into recession territory earlier in the year. Improvements were seen across a range of indicators, including residential building consents, retail spending, vehicle sales and migration. Traffic flows also showed a modest lift in activity, as they grew 1.2% over the December 2016 year.

A deterioration to the number of Jobseeker Support recipients does still show there is a vulnerable group that is not sharing in these better conditions. However, a brighter outlook for key sectors of Timaru's economy is likely to see better job prospects in 2017.

The rally in dairy prices through the second half of 2016 looks set to propel Fonterra's farmgate milk price to at least \$6.00/kgms this season. A price of \$6.00/kgms would push the total dairy payout (excluding dividends) in Timaru to almost \$316m in the current season, up from \$206m in the 2015/16 season. Even so, farmers' first priority will be reducing debt levels so any spending lifts will be modest.

Although lamb prices took a tumble in the December quarter, a tighter supply of New Zealand lamb and strong demand out of China and other parts of Asia has pushed up lamb prices so far in 2017. Beef prices remain healthy compared to historical averages.

Data from MBIE shows that visitor spending in Timaru District totalled \$202m in 2016, up 0.6% from its 2015 level. International visitor spending climbed 13% to \$44m in 2016, while spending by New Zealand visitors eased by 2.4% to \$158m. Domestic visitor spending was sluggish throughout Canterbury, with domestic visitor spending growth in the South Island concentrated in Otago, and Nelson-Tasman.

Demand for housing in Timaru continued to rise in 2016, with prices being pushed up 9.3%, while sales rose 10%. People are attracted by affordable housing, a good lifestyle proposition, and relatively low levels of underlying unemployment in the district. Higher prices have also seen renewed interest in building, with residential building consents climbing 21% in 2016.

Indicator	Timaru District		Canterbury Region		New Zealand	
Annual average % change						
Gross domestic product	↑	0.4%	↑	1.4%	↑	3.2%
Traffic flow	↑	1.2%	↑	2.6%	↑	4.5%
Residential consents	↑	21%	↓	-9.0%	↑	10%
Non-residential consents	↓	-25%	↓	-16%	↑	1.7%
House prices*	↑	9.3%	↑	4.5%	↑	15%
House sales	↑	10%	↑	6.1%	↓	-0.03%
Guest nights	↓	-7.2%	↑	3.1%	↑	6.2%
Retail trade	↑	0.3%	↑	0.7%	↑	2.9%
Car registrations	↑	5.7%	↑	6.5%	↑	5.9%
Commercial vehicle registrations	↑	1.7%	↑	1.3%	↑	14%
Jobseeker Support recipients	↑	7.7%	↑	15%	↑	0.6%
Level						
Unemployment rate		3.2%		3.4%		5.1%
International net migration		252		6,779		70,580

* Annual percentage change (latest quarter compared to a year earlier)

Overview of national economy

With economic growth accelerating, net migration refusing to peak, and interest rates still at a low level, demand has risen throughout much of the country across a range of indicators. This situation has put renewed pressure on capacity, and firms across a broad cross section of the economy have increasingly been complaining about the difficulty of finding labour and its effect on their ability to expand their business. Such supply-side issues have not been on the radar since 2007/08, before the Global Financial Crisis resulted in a swathe of excess capacity across both the New Zealand and global economies. If these issues continue to mount, then inflationary pressures and the prospect of rising interest rates will increasingly be on decision-makers' radars.