Before a Hearings Panel appointed by Manawatū District Council

In the matter of the Resource Management Act 1991 (**RMA**)

And

In the matter of a request by Te Kapitī Trust to change the Manawatū District Plan under clause 21 of Schedule 1 of the RMA (Private Plan Change 1)

Statement of evidence by Ruth Allen

Demand for Housing in Rongotea

Dated 11 May 2023

Introduction

1. My full name is **Ruth Allen.** I am the Principal Advisor for Urban Regeneration at The Property Group Limited's Wellington office.

2. I have the following qualifications and experience relevant to my evidence:

   (a) I hold the following academic qualifications:

      (i) Postgraduate Certification in Social Impact Assessment, Griffith University, Queensland, 2007.

      (ii) Masters of Regional Resource Planning, Town Planning, University of Otago, Dunedin, 2003.

      (iii) Bachelor of Arts (Geography), University of Otago, Dunedin, 2001.

   (b) I have over 18 years' experience in the fields of urban planning, housing, population growth, social impact assessment and policy review. I specialise in planning for housing and urban regeneration at a precinct scale and the preparation and co-ordination of major urban planning studies. I have worked on a wide range of planning projects in both Australia and New Zealand in the public and private sectors.

(c) I have a depth of experience and expertise in urban planning and housing provision matters. My past appointments in this regard include:

  (i) (Former) Urban Planner – GHD Group.

  (ii) (Former) Planner – Waverley Council (Australia).

  (iii) (Former) Senior Planner – New South Wales Department of Planning and Infrastructure.

  (iv) (Former) Team Leader – Urban Renewal – New South Wales Department of Planning, Industry and Environment.

  (v) (Former) Urban Planning Specialist – Allen Planning Solutions Ltd.

(d) I am currently undertaking a population growth analysis and preparing a housing strategy for the Far North District Council and have recently completed a housing and economic growth analysis for the Gore District Council in support of their District Plan review and review of the Gore Spatial Plan.

(e) I have a long history of consultancy work for both New Zealand and Australia-based clients. This has variously covered the preparation and co-ordination of major urban planning studies, research into development feasibility with a particular focus on housing and planning for growth. Selected recent assignments include:

  (i) Assessment of housing outcomes for applications to the Infrastructure Acceleration Fund, Kainga Ora, 2021-2022

  (ii) Provision of expert evidence on the application of mixed tenure models in public housing supply at the Human Right Tribunal of Ngai Tai Waipareira Housing Limited v Auckland Council, June 2021

  (iii) Housing affordability paper and review of Council's role in social housing provision, Wellington City Council, March 2021.

  (iv) Business case development for residential development in the Whangārei City Centre, Whangarei District Council, May 2021.

  (v) Property Strategy for the regeneration of the Naenae Town Centre, Hutt City Council, May 2021.

  (vi) Residential capacity analysis for the precincts along the proposed Wellington Mass Transit Route, Let's Get Wellington Moving, 2020.

(vii) Feasibility Assessment of the Medium Density Residential Zone, Porirua City Council, 2020.

(viii) Site selection for transitional government housing, Ministry of Housing and Urban Development and Kāinga Ora, New Zealand, 2019-2020.

(ix) Assessing future of housing needs in the Kāpiti District, Kāpiti Coast District Council, 2019.

3. I have been engaged by Te Kapiti Trust (**Applicant**) to provide advice in relation to the request to change the Manawatu District Plan to enable residential rezoning of land at Rongotea, known as Private Plan Change 1 (**PPC1**). I oversaw the development of the Structure Plan that was submitted as part of the application and prepared a subsequent assessment of housing demand in Rongotea, attached to this evidence statement as **Appendix A**.

4. In preparing this statement of evidence I have read the section 42A report prepared by Daniel Batley, the reporting officer for Manawatū District Council (**MDC**) and the following documents:

(a) Population data and projections available from Stats NZ (2022 base) and the 2018 census datasets.

(b) Infometrics District Economic Profile 2022

(c) Draft Infometrics Regional Update 2023 (Note not yet adopted by Council)

(d) Property Guru Market Data, 2023

(e) Manawatu District Council, Environmental Scan, March 2020

(f) Manawatu District Council, Housing Stocktake 2020

(g) The Property Group, Housing Programme Establishment Report 2020

(h) Property Economics: 'Feilding Residential Growth Update – Precinct 4', February 2018

(i) Available consenting data from 2018 – 2022 supplied by Manawatu District Council

(j) Extracts from analysis undertaken into the existing capacity at Rongotea in 2022, supplied by Council.

5. I am familiar with the application site and environs.

Code of Conduct

6. I confirm that I have read the Expert Witnesses Code of Conduct contained in the Environment Court of New Zealand Practice Note 2023. My evidence has been prepared in compliance with that Code in the same way as I would if giving evidence in the Environment Court. In particular, unless I state otherwise, this evidence is within my sphere of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Scope / Summary of Evidence

My evidence addresses how the proposal responds to housing demand to assist with an assessment of the proposal against Clause 3.6 (4) of the National Policy Statement for Highly Productive Land. It essentially summarises the content of my attached report and addresses the following matters:

- (a) Demand for Housing in the district and how this applies to Feilding and the Rural Village areas.
- (b) The current capacity for housing growth in the district in accordance with Clause 3.2 of the National Policy Statement on Urban Development 2020 as follows:
  - (i) The plan enabled capacity for growth
  - (ii) Infrastructure ready capacity, and
  - (iii) Feasible and reasonably expected to be delivered.
- (c) An assessment of the sufficiency of this capacity in meeting demand and what this means for the supply of development capacity in Rongotea.

7. By way of summary, I have identified that there will be demand for up to 1,645 new houses over the next 10 years and 5,716 new dwellings within the 30 year period. This demand will be spread across the more 'urban' area at Feilding and the Villages. Council's LTP 2021-2031 predicts the split of demand to be about 60:40. This roughly aligns with past evidence of where development has occurred in the district over the past 20 years.

8. While there is development capacity in Feilding, I understand there is limited development capacity in the Villages for the extent of demand predicted. The Plan Change area will make a significant contribution to meeting that demand.

Demand for Housing

9. In assessing demand for housing in the district, I have reviewed the projected demand used to inform the 2020-23 Long Term Plan and more up to date population projections and building consent data available. This has included the latest Stats NZ Projections (2022 base) and an early, unadopted draft of the Infometrics 2023 Regional Growth Projections.

10. Applying the latest projections available and assuming an average household size of 2.5 will remain relatively consistent (Infometrics, 2023), I have estimated that the district will require:

    - 1,600 – 1,645 additional homes from now until 2033
    - or taking a longer term view, up to 5,716 new dwellings (based on Infometrics 2023 draft update) new homes by 2050. This is based on the latest Infometrics projections (that have not yet been adopted by Council) as the Census Projections have been noted to not reflect actual growth in the past.

11. Notably this is more than that which was identified in Council's 2020 Environmental Scan, which estimated that the number of dwellings in the district is forecast to increase to 17,719 by 2051 (5,026 new dwellings from 2019 to 2051, an increase in 39.6% of total dwellings). The increase is reflective of the increase in growth projections given in the more up to date projections provided by Infometrics.

How much of this demand can be anticipated in the Villages?

12. Based on a review of past consent data between 2001 and 2022, close to 50% of new housing has been located outside of Feilding in either the rural zone or within the Villages.

13. Whilst this split may reflect the more affordable nature of these rural properties, it also demonstrates a high level of demand for properties in the more rural areas of the district.

14. This assumption is reinforced by evidence provided by local property agents who note a trend of out of district purchasers looking for housing in the district for rural

lifestyle and affordability reasons (Correspondence received from Bayleys 27 April 2023, included as an attachment to appended report).

15. It is important to note the supply of rural land available for housing will decrease under the provisions of the NPS-HPL and Council's proposed Draft Plan Change A (Rural) which would limit lifestyle subdivision to identified areas and establish a minimum lot size of 25ha for the Rural Zone. This will mean that the demand anticipated from those who are moving to the district, with the aim seeking a rural lifestyle opportunity, will no longer be met in the Rural Zone and the Rural Villages will be critical for providing capacity to meet this segment of demand. To put this in perspective, approximately 72% of all Titles created on Rural Zone 1 & 2 land since 2000 have been on Highly Productive Land (MDC, 2022).

16. Identification of demand for growth in the Villages is also included in the Infrastructure Strategy provided in the Long Term Plan 2021-2031 which notes that "*based on past growth, infrastructure capacity, regional and central policy and likely plan changes (which will limit growth – or the scale of growth – to certain areas of the District), it is projected that approximately 60% of that growth will occur in Feilding, while the remainder will occur in rural and village areas* (p 79)".

17. As there will be limited capacity in the rural zone, applying the assumption of 60% of growth occurring in Feilding, means there could be demand for up to 640-658 houses in the Villages over the next ten years. It is important to note that the Rural Villages may not meet the demand for those people seeking a truly rural residential lifestyle so this would be the upper level of the demand anticipated.

Sufficiency of Development Capacity

Plan Enabled Capacity

18. As no up to date review of the plan enabled capacity within the district is currently available, I reviewed and analysed the following data sources to establish an updated estimate of capacity in Feilding and Rongotea:

    (a) An assessment undertaken by Property Economics in 2018 (Property Economics, February 2018, Feilding Residential Growth Update – Precinct 4) to support the rezoning of Precinct 4 which found that the capacity in Precinct 4 was and within xx dwellings in Feilding.

(b) An updated estimate of enabled vacant land Precinct 4 has plan calculated at 121.5 ha (Information supplied by Mathew MacKay, April 2023). This accounts for development that has already taken place and excludes greenspace along the Makino Stream, identified roads, Parks, and houses already built. It also excludes titles less than 5000m2 which contain a lifestyle property.

(c) Following the same methodology undertaken by Property Economics in 2018 (assuming that up to an additional 25% of the vacant land available within the Precinct will still be required for circulation etc) I estimate that Precinct 4 would have an updated capacity of 1,518 new dwellings (having already realised 270 dwellings worth of capacity).

(d) This is relatively consistent with a review of consenting data from 2018 which suggests that 221 consents for new buildings (202 dwellings) have been consented in Precinct 4. On this basis and taking into consideration the number of building consents issued across the other areas within Feilding I assume that the revised capacity in Feilding as a whole is up to 1,953 dwellings. Note this excludes any consideration of infill development or multi-unit development on these vacant sites.

19. Whilst this meets the total demand identified for up to 1,600 dwellings (1,974 dwellings if the conservative margin is applied) over the next 10 years (short to medium term as defined by the NPS-UD), it would not meet the long term demand for the district as a whole.

20. It also does not meet the demand for different types of housing, and the historic division between demand for more 'urban' style living in Feilding, and the village style in areas such as Rongotea. Without the Plan Change, supply at Rongotea is expected to be 26 dwellings (this does not include potential for infill). There is no evidence of significant supply within other Villages, all of which are smaller than Rongotea, which could make up the shortfall.

21. There is also a need to consider whether there is sufficient capacity for affordable housing. The Housing Stocktake undertaken in 2020 notes that *"Based on current forecasts, sufficient land is zoned in the district to provide for residential demand and market choice as required by the NPS-UD however this is unlikely to cater for all segments of market demand. Policies to support more affordable housing options within the district will provide for greater market choice".*

22. Ensuring there is plan enabled capacity in the Villages works towards providing greater housing choice and potentially more affordable housing options in the district.

Infrastructure Ready

23. Based on my review of the current Long Term Plan 2020-2023, Council has plans in place to ensure that that capacity enabled in both Feilding is Infrastructure ready over the short to medium term. It is noted that the full capacity enabled in Precinct 4 may not be infrastructure ready until the longer term, however this is potentially in line with the realisation of development.

24. I have not been able to confirm that development capacity within the Villages is infrastructure ready although I am aware that Council's planned Wastewater Centralisation Project, which will connect the Villages, including Rongotea, to the Feilding Wastewater Treatment Plant, considered potential growth in the Villages as part of this project.

Feasible and realisable

25. It is my understanding that there is currently no feasibility model that has been developed to assess development within the district. Based on a review of how neighbouring Palmerston North City Council has assessed feasibility of development capacity (Palmerston North City Council, Housing Capacity Assessment, 2021) I assume that the majority of greenfield development opportunities will be feasible over time however, the potential for infill or medium density development would need to be assessed to determine its feasibility in the local context.

26. Using the existing annual consent rate for the district of 164 to forecast realisation of dwellings shows that over the next 10 years up to 1,640 dwellings could be delivered within the district. This is generally consistent with projected demand of 1,600 dwellings.

27. However, past consenting rates in Feilding (assumed average of 116 per year, equating to 1,160 dwellings over 10 years or 72% of projected demand) do not show that this supply will be fully realised in Feilding alone.

28. On this basis it is estimated that up 72% of the capacity within Feilding and Precinct 4 is potentially realisable over the next 10 years.

Conclusion

29. My assessment has demonstrated there is currently demand for housing outside of Feilding and I recommend that consideration should be provided for this level of growth to be provided for in the village areas to minimise the impacts on rural land and highly productive soils.

30. Whilst the existing plan enabled capacity in Feilding (mostly in Precinct 4) has the potential to meet demand for housing in the district over the next 10 years, this analysis has demonstrated that this capacity is unlikely to meet all sectors of demand for the following reasons:

    (a) There is evidence of ongoing demand for housing outside of Feilding. Over the last 10-years just over 50% of new dwellings have been built within the rural and village areas. In line with the provisions of NPS-HP, the majority of this growth will no longer be accommodated in the rural zone and therefore the villages have a bigger role to play in providing homes for those seeking a more rural living option.

    (b) It is questionable as to whether the full plan enabled capacity of Precinct 4 will be taken up by the development sector over the next 10 years. Based on a review of past consents and indications from the potentially developer, it is estimated that up to 75% of this capacity is likely to be realisable over the next 10- years.

(c) There is a need to provide affordable housing in the district. The village areas currently provide a more affordable housing choice.

31. This conclusion is reflected in the Long Term Plan 2021-23 which notes that “based on past growth, infrastructure capacity, regional and central policy and likely plan changes (which will limit growth – or the scale of growth – to certain areas of the district), it is projected that approximately 60% of that growth will occur in Feilding, while the remainder will occur in rural and village areas” (p79). On this basis there could be demand for up to 640-658 houses in the Villages over the next ten years.

32. The supply of potentially 160 dwellings in Rongotea could contribute to meeting this short fall in capacity to meet both demand for homes outside Feilding in the shorter term and also provide a more affordable housing choice.

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Ruth Allen

11 May 2023

Housing Demand Assessment Rongotea South Plan Change

May 2023

Quality Control

Document:	Rongotea Housing Demand Assessment
Ref:	Job No. 718659
Date:	May 2023
Prepared by:	Ruth Allen, Principal Urban Regeneration
Reviewed by:	Ryan O’Leary, Planning Manager

Revision History

Revision	Revision Date	Details	Authorised	
			Name / position	Signature
01	28 April 2023	Draft for review	Ruth Allen	
02	05 May 2023	Response to comments	Ruth Allen	
03	11 May 2023	Final Issue	Ryan O’Leary	

Contents

1. Introduction

The Property Group Limited (TPG) has been engaged by Te Kapiti Trust to undertake an assessment of projected housing demand and supply in the Manawatū District to assess whether the proposed rezoning of land at Rongotea is required to contribute to sufficient development capacity to meet expected demand for housing within the district.

1.1 Purpose

The purpose of this assessment is to inform the hearing process for the proposed Rongotea South Plan Change. It has been undertaken to assist with an assessment of the Plan Change against Clause 3.6 (4) of the National Policy Statement for Highly Productive Land (NPS-HPL) (see excerpt below).

(4) Territorial authorities that are not Tier 1 or 2 may allow urban rezoning of highly productive land only if:

- (a) the urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district; and
- (b) there are no other reasonably practicable and feasible options for providing the required development capacity; and
- (c) the environmental, social, cultural and economic benefits of rezoning outweigh the environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

(5) Territorial authorities must take measures to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.

To assess the proposal against Section 3.6 (4)(a) of the NPS-HPL, an understanding of how the rezoning of land at Rongotea, as proposed, responds to the expected demand for housing at a district wide scale is required. To support that assessment, this report provides an analysis of the likely demand for housing land based largely on recent population projections and trends in market data, and of development capacity within the district.

In terms of assessing development capacity for housing, this is defined in the National Policy Statement on Urban Development 2020 (NPS-UD)[1] at clause 3.2 as follows:

[1] The NPS-HPL at cl 1.3(3) provides that terms defined in the NPS-UD and used in the NPS-HPL have the same meaning as in the NPS-UD unless otherwise specified.

3.2 Sufficient development capacity for housing

(1) Every tier 1, 2, and 3 local authority must provide at least sufficient development capacity in its region or district to meet expected demand for housing:

(a) in existing and new urban areas; and

(b) for both standalone dwellings and attached dwellings; and

(c) in the short term, medium term, and long term.

(2) In order to be **sufficient** to meet expected demand for housing, the development capacity must be:

(a) plan-enabled (*see* clause 3.4(1)); and

(b) infrastructure-ready (*see* clause 3.4(3)); and

(c) feasible and reasonably expected to be realised (*see* clause 3.26); and

(d) for tier 1 and 2 local authorities only, meet the expected demand plus the appropriate competitiveness margin (*see* clause 3.22).

The reference in clause 3.2(1)(c) to time periods is for short term (1-3 years), medium term (3-7 years) and long term (10 – 30 years). To the extent possible based on available information, the analysis provided in this report considers whether capacity for new housing is plan-enabled, infrastructure ready and feasible and reasonably expected to be realised. While Manawatū District is a tier 3 local authority, this assessment also considers the implications of adding a competitiveness margin.

1.2 Context

The proposed Rongotea Plan Change, which applies to 14 Banks Road, south of the existing Rongotea Rural Village, provides for up to 160 potential new dwellings, with a mix of lot sizes ranging from 500 m^2 to 1,500m^2 to encourage housing choice and affordability.

The realisation of new homes on this site would support the growth of Rongotea as a Rural Village and bring an increase in population base to support local industry. It would also provide an alternative area of plan enabled housing supply to that provided in Feilding, one which is in closer proximity to some of the region's growing employment hubs such as the Linton and Ohakea training camps.

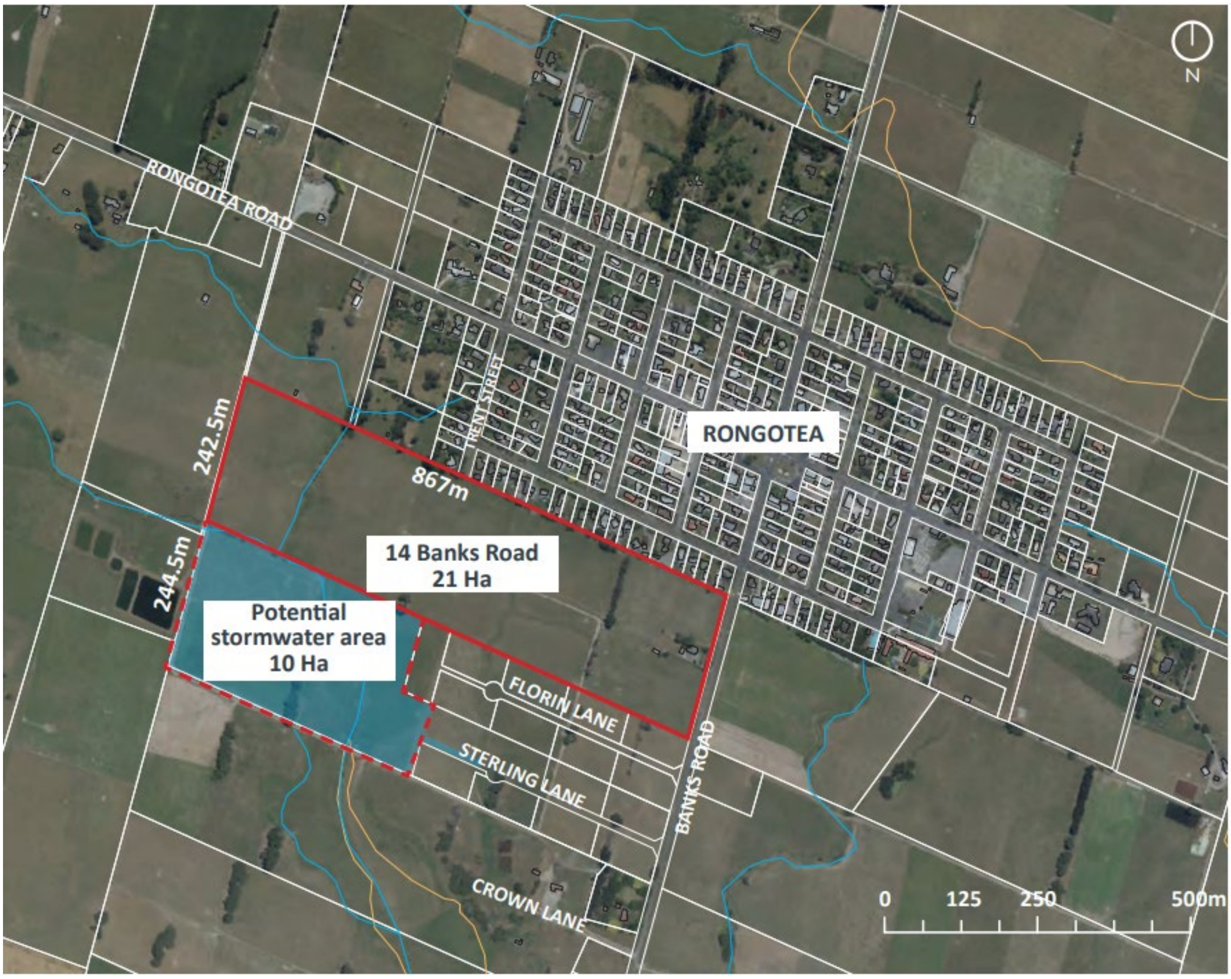


Figure 1: Location of the plan change area

Over the last 10 years the district has experienced increasing demand for housing and pressure on public housing services (Manawatū District Housing Stocktake, 2020). This increase in demand has been the result of significant population growth between 2013-2018. This growth is from both natural population growth and net migration (Infometrics Regional Economic Profile, 2022). Net migration to the district has played a bigger role than natural population growth in increasing the district's population demonstrating the pull of increasing employment opportunities, better connectivity, and a more affordable housing market relative to other urban areas across the lower north island (Housing Programme Establishment Report, 2020).

Whilst recent population projections (Stats NZ 2018 and Infometrics, 2023) do anticipate a slowing in the rapid population growth experienced between 2013-2018, under all scenarios it is expected that the district will continue to grow at a higher rate than the national average for at the least the next 10 years.

In response to increasing housing demand, in 2013 the Manawatū District Council (Council) undertook work and investigations to better understand Feilding's urban growth potential. This work identified potential growth precincts around Feilding (Feilding Framework Plan 2013). This included Precinct 4 which was introduced to the District Plan in 2019 and Precincts 1 – 3 as deferred residential zonings that are subject to further technical and feasibility tests.

This was followed in 2020 by the preparation of a stocktake of district housing supply and investigation into the establishment of a Council led housing programme. This work resulted in the adoption of a Strategic Housing Action Plan in 2021. The action plan identified the need for a "district wide urban development framework" that plans for residential growth at a district scale. Council have advised this work is underway in the form of a Future Development Strategy. The Housing Strategic Action Plan includes the following vision and outcomes sought for housing in the district.

Our vision:

All Manawatū District residents are well-housed, with choices that meet their needs at a price they can afford

Kia whai wharenoho papai te katoa e noho ana ki te rohe o Manawatū, kia hāngai anō ngā kōwhiringa wharenoho ki ō rātou hiahia, ki ō rātou pūkoro anō hoki

To achieve our vision, we seek to achieve the following outcomes:

1. Increase the supply of housing
2. Improve housing affordability
3. Ensure capacity for future needs
4. Support housing outcomes for whānau, hapū, and iwi Māori
5. Improve wellbeing for all through the delivery of appropriate housing

1.3 Analysis Approach

To undertake this review of projected housing demand and supply, the following information sources have been reviewed and analysed:

- Population data and projections available from Stats NZ (2022 base) and the 2018 census datasets.
- Infometrics District Economic Profile 2022 and an early and unadopted version of the Infometrics Regional Update 2023
- Property Guru Market Data, 2023
- Manawatu District Council, Environmental Scan, March 2020
- Manawatu District Council, Housing Stocktake 2020
- The Property Group, Housing Programme Establishment Report 2020
- Property Economics: 'Feilding Residential Growth Update – Precinct 4', February 2018
- Available consenting data from 2018 – 2022 supplied by Manawatu District Council
- Extracts from analysis undertaken into the existing capacity at Rongotea in 2022, supplied by Council.

2 Demand for Housing in the District

In assessing demand, a range of data sources have been reviewed. This includes the projected demand used to inform the 2021-23 Long Term Plan and a review of more up to date population projections and building consent data available.

This assessment also considers the nature of the demand for housing. This has included a review of the recent trends in building consent and market sales data to assess the differences in housing demand in Feilding compared with other rural and village locations.

2.1 Estimated Current Resident Population

The estimated resident population of the Manawatū District as of 30 June 2022 was 33,900 persons (Statistics NZ, 2022). This represents a 1.5% annual growth rate across the district from June 2021, down from an average annual growth rate of 2.1% over the previous 5 years and a peak growth rate of 2.8% in 2020. The drop in estimated annual growth rate reflects the anticipated impact of population decline experienced throughout the COVID pandemic.

Despite this estimated decline in growth rate, as shown in Figure 2, the district is still expected to be experiencing a higher growth rate than New Zealand as a whole, following a period of rapid growth since 2013.

Figure 2: Population Growth Rate, Infometrics

The proportion of the district's total population in Feilding (SA1 census boundaries used are shown in Figure 3) was estimated as 17,307 at 2022 or 54.5% of the total District population. The population of Rongotea was 642 in 2018 with an estimated resident population of 700 in 2022 (Stats NZ, 2023). Rongotea is the Manawatū district's next largest residential area, outside of Feilding.

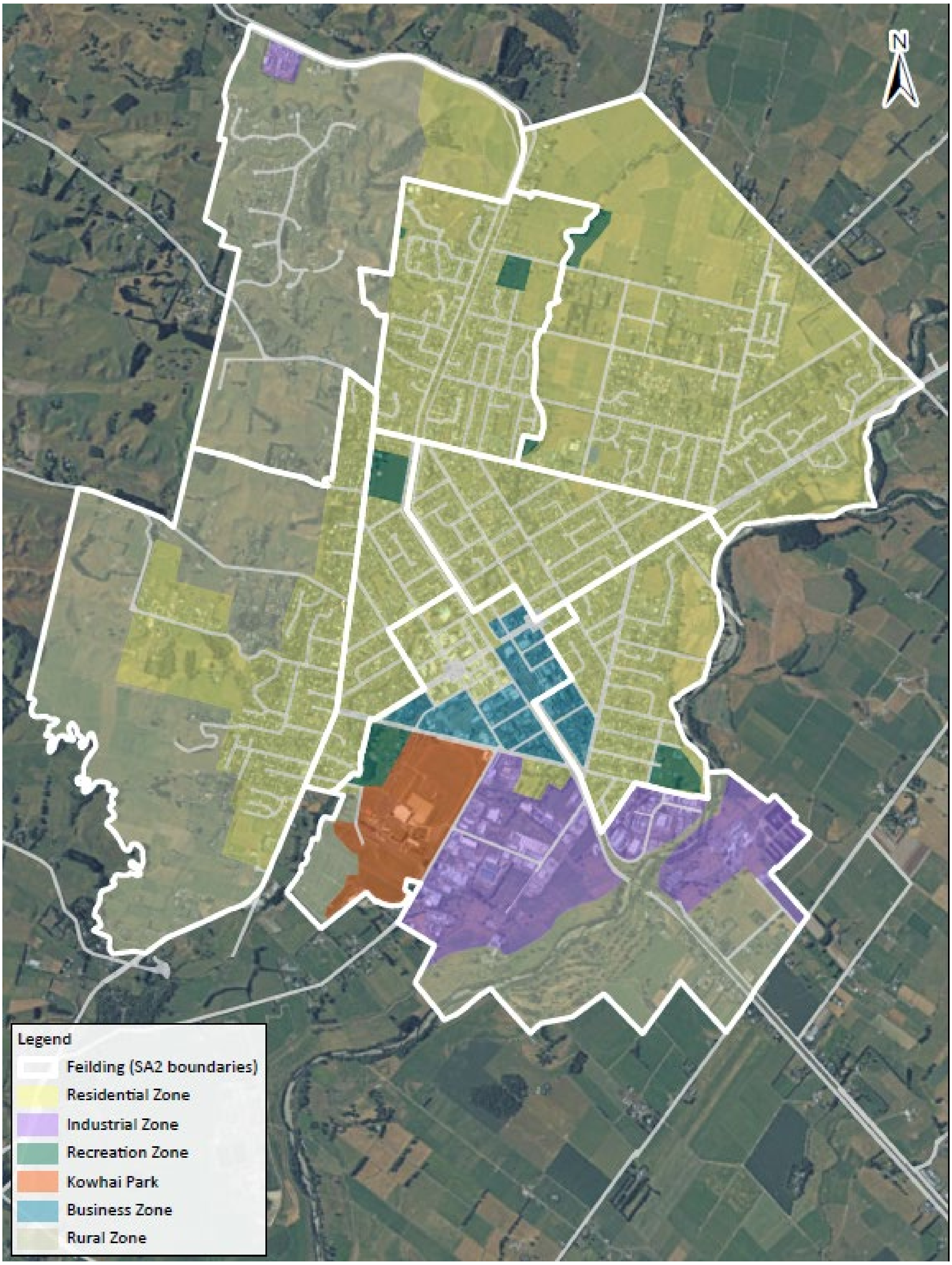


Figure 3: Feilding SA2 Boundaries used to define population.

2.2 Current Housing Supply

There were an estimated 12,351 dwellings in the district in 2018 providing for a resident population of 30,159 people (Stats NZ, 2018).

Consenting data supplied by Council as at April 2023 indicates that approximately 1,083 building consents for new dwellings were granted since 2018 (further analysis of consenting data is provided in the following section). Presuming all consents were given effect to, the number of dwellings in the district in 2023 is estimated at 13,434.

It is worth noting that the Stats NZ high growth projections suggest there will be a total of 13,000 households in June 2023. Whilst this is less than the number of estimated dwellings, the estimate of 13,434 is likely to account for the presence of a number of unoccupied dwellings and may be slightly higher than actual figure due to some dwellings demolished over this period (that is, building consents are likely to have in some cases been sought for a replacement dwelling, rather than adding to existing stock).

A breakdown of dwellings in both Feilding and Rongotea in 2018 is provided in Table 1 below.

TABLE 1: DWELLING COUNT MANAWATŪ DISTRICT 2018

Area	**Occupied dwelling**	**Unoccupied dwelling**	**Dwelling under construction**	**Total**
Feilding central	5,964	303	42	6,363
Rongotea	264	Unknown	unknown	264
District total	**11,232**	**1,053**	**69**	**12,351**

2.3 Trends in Consenting data

From September 2015 to September 2020, annual average consents for new dwellings in the district reached 164 versus an annual average of 104 for the five years to September 2015, 137 from the period September 2005 to September 2010, and 83 for the period 2000 to 2005 (Housing Stocktake, 2020).

An overview of newly constructed dwellings from 2002 to 2022 is provided in Table 2 below. As shown in Table 2, almost half of residential development in the district since 2002 has been undertaken outside the Feilding Residential Zone. This is broadly consistent with the percentage of total dwellings across the district outlined in Table 1.

TABLE 2: New Dwellings Constructed between 2002 – 2022 (Source MDC, 2023)

Zone	Count	Percentage
Feilding Residential	875	45%
Rural 2	818 (Note 229 of these are in Feilding Nodal)	42%
Rural 1	170	9%
Village	76 (22 in Rongotea)	4%
Flood Channel 2	15	1%
Flood Channel 1	3	0%
Grand Total	1957	100%

A review of building consent data supplied by Council from 2018 to April 2023 has been undertaken to understand if more recent trends in housing delivery have changed, in particular since the rezoning of Precinct 4 releasing land for development in Feilding. This review shows that:

- Approximately 1,083 building consents for new dwellings were granted in the district since January 2018
- It is estimated that 202 (18%) of these new dwellings are located within Precinct 4 and 323 (30%) within the broader Feidling Residential Zone. Together, these represent 48% of newly consented dwellings.
- 557 (51%) of these have been in the rural or villages zones, with 51 new dwellings consented in the Rongotea area.
- 270 (51%) of the new dwellings located within Precinct 4 and the Feilding urban zone are for 3+ bedroom dwellings and there is limited evidence of multi unit dwellings being consented (however, further interrogation of resource consenting data would be-required to confirm this).

The analysis of consenting data demonstrates that there has been a continued trend towards delivery of just over half of the district's new homes within the rural and villages zone scince 2018 despite the rezoning of Precinct 4 in Feilding. Using past consent data as a way to assess trends in demand suggests that there will be continued demand for housing in the more rural areas of the district. This is considered further below in relation to how this translates to projections for demand for housing in the district.

Whilst there has not been any particular research into housing preferences, a review of market data outlined in the following section indicates the areas outside of Feilding continue to provide a more affordable housing choice and also a higher availability of vacant sections available for development.

2.4 Trends in Housing Market Data

The table below outlines the volumes of sales of each residential typology between 2018 and 2020 in both Feilding and other villages/rural catchments in the district.

TABLE 3: RESIDENTIAL SALES VOLUMES (SOURCE: PROPERTYGURU, 2020)

Feilding	1Bed	2Bed	3Bed	4Bed	5Bed+	Vacant	Total
2020	1	41	168	65	7	10	292
2019	0	52	230	110	23	19	434
2018	1	50	230	125	19	12	437
Villages and Rural Catchments	**1Bed**	**2Bed**	**3Bed**	**4Bed**	**5Bed+**	**Vacant**	**Total**
2020	3	16	47	20	4	30	120
2019	4	22	52	22	3	39	142
2018	3	23	69	35	8	20	158

The table above indicates that the majority of residential sales in the district comprise three bedrooms dwellings, followed by four-bedroom dwellings in both Feilding and the villages/rural catchments. In recent years there have been a greater number of section sales in the villages and rural catchments combined, compared with Feilding.

TABLE 4: AVERAGE SALE PRICE (SOURCE: PROPERTYGURU, 2023)

Feilding	Residential Property	Lifestyle Property	Vacant Property
2023 (3m)	$642,807	$1,200,000	$350,000
2022	$673,143	$1,392,000	$321,530
2021	$665,000	$949,610	$283,384
2020	$520,406	$899,285	$254,902
2019	$444,698	$752,500	$220,000
2018	$385,278	$605,556	$185,250
Rongotea	**Residential Property**	**Lifestyle Property**	**Vacant Property**
2023 (3m)	n/a	n/a	n/a
2022	$505,132	n/a	$345,000
2021	$611,893	n/a	$339,300
2020	$433,186	n/a	$230,417
2019	$374,692	n/a	$81,750
2018	$333,115	n/a	n/a

The following Table 5 outlines the average sale price for vacant residential and lifestyle properties in 2020 in both Feilding and the balance of the district's villages and rural catchments.

TABLE 5: AVERAGE SALE PRICE 2020 (SOURCE: PROPERTYGURU, 2020)

Location	Residential Property	Lifestyle Property
Feilding	$518,000	$744,000
Villages and Rural Catchments	$466,000	$741,000

The review of average sale price by location given above, demonstrates that generally sale prices in Feilding exceed those for similar typologies in the balance of the District's villages and rural catchments, offering a more affordable housing choice.

Both the Housing Stocktake Report and Housing Programme Establishment report identify housing affordability as an increasing issue within the district. The following Figure 4 shows that the district is following nationwide trends in decreasing affordability. Whilst the average house prices in the district are currently lower than the national average, they have been rising faster. The average annual price growth increased at a rate of 18.6% year on year to June 2020. This is significantly higher than the increase of 7.4% experienced by New Zealand as a whole.

This coupled with the high population growth shows the pressure that has been experienced in the districts housing market over the last 10 years.

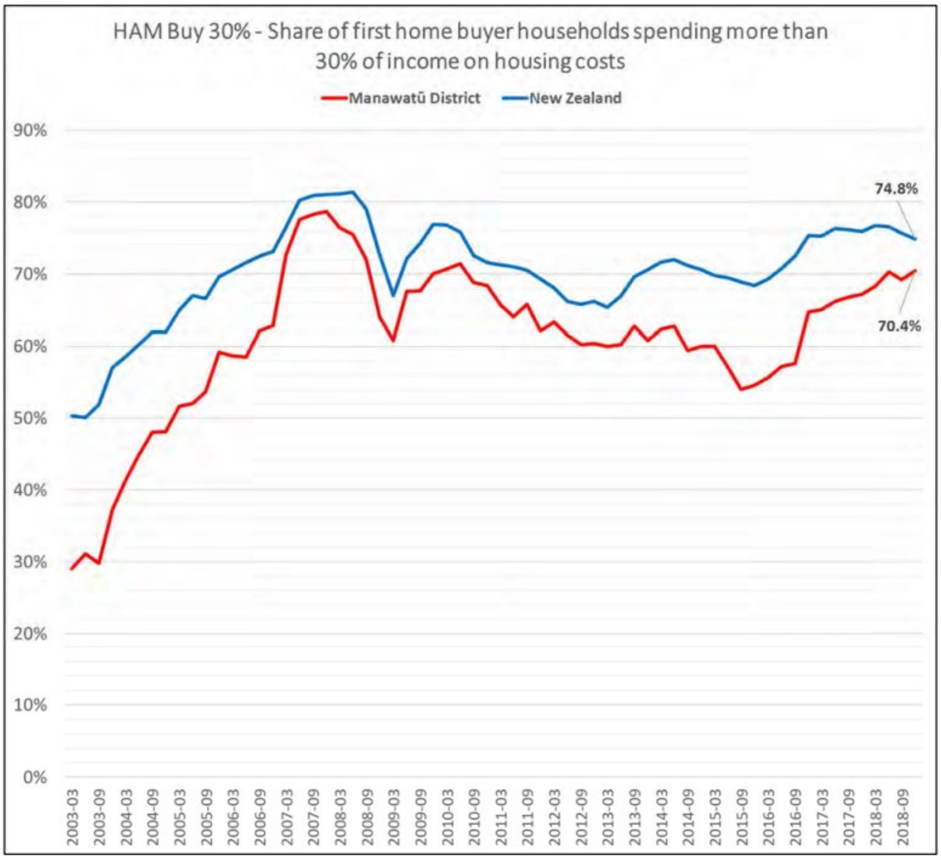


Figure 4: Percentage of first home buyer income spend on housing (TPG, 2020)

2.5 Population Growth Forecasts

In 2020, Council prepared an Environmental Scan which confirmed the population projections and anticipated demand for new dwellings in the district to be used for preparation of the 2021-2023 Long Term Plan. At this time the projections were based on the results of the 2018 census and the available Stats NZ projections (which at that time did not incorporate the results of the 2018 census). There have been no updated housing demand or population projections adopted by Council since this time, however it is understood Council are currently working with Infometrics to confirm the updated projections to inform the 2023-26 Long Term Plan.

This analysis reviews a range of more recent datasets to provide an updated estimate of demand to inform the plan change hearing. This includes the 2023 Stats NZ projections and an early (unadopted) draft of the 2023 Infometrics Assessment.

In the past, Stats NZ projections have been lower than the actual growth realised. For example, the population projection of 1.1% population growth per year over the period 2016 to 2018 was exceeded by actual population growth of 1.7%. In planning for the 2021-2023 Long Term Plan the Stats NZ 'high' population projections for the district were scaled upwards by the Council to reflect higher growth expectations based on planned investment and anticipated employment growth in the region (Environmental Scan, 2020). This is reflected in Table 6 below which shows the long term Stats NZ population projections as lower than both the Environmental Scan and latest Infometrics projections.

Infometrics are currently preparing updated growth projections at the regional scale. This assessment takes into consideration changes anticipated to the average household size (potentially increasing from 2.4 to 2.5) and an estimated slowing of growth long term in the district based on overall industry and employment indicators. This assessment has not yet been finalised or adopted by Council. It has been reviewed as part of this assessment as a draft input to the understanding of growth only.

Table 6 Summary of available reported Projections for the Manawatu District - showing estimated population between 2033 and 2050 and the change from the 2022 district population estimate of 33,900.

Source	Estimated Population 2031/2033		Estimated Population 2048/2050	
	Feilding	**District total**	**Feilding**	**District total**
Manawatu District Council Environmental Scan 2020	Not stated	36,478 (2031) + 2,578	Not stated	42,525 (2050) +8,625
Stats NZ Projections (2022 base) high growth scenario	20,360 +3,053	37,900 (2033) +4,000	21,640 (2048) +4,333	40,100 (2048) +6,200
Infometrics DRAFT Regional update 2023 – high growth scenario*	Not available	38,012 (at 2030) +4,112	Not available	48,191 (2050) +14,291

*Not yet adopted by Council

Based on the above range in available projections and taking a high growth approach in assessing housing demand, it is assumed the district could reach a population just over 38,000 people by 2030 and up to 48,191 by 2050.

Due to the limitations of analysis that is available at the localised level there are limited population projections that can be applied to Rongotea itself. The following points are worth noting in this regard:

- Applying population projections at a more localised/village scale can only be used as a high-level indication of potential growth as it does not account for localised migration to and from areas close by, especially where additional plan enabled capacity affects population redistribution at the local scale.

- Rongotea Village falls within the Awahuri Statistical Area (SA1) (which includes both the Rongotea and Awahuri Villages the surrounding larger rural area), has an estimated a population growth of 210 persons or 80 households between 2023 and 2033 (Stats NZ, high growth scenario). This reflects past trends of subdivision and building consents issued for residential development in the rural zone and villages (refer to Section 2.3 of this report).

- Under the Stats NZ Projections (high growth) population growth anticipated outside of the Feilding is estimated to be 54 % of the district population growth.

2.6 Projected Housing Demand

Based on the analysis of current and projected population outlined above, applying the latest projections available and assuming an average household size of 2.5 will remain relatively consistent (Infometrics, 2023), it is estimated that the district will require:

- 1,600 – 1,645 additional homes from now until 2033

- or taking a longer term view, up to 5,716 new dwellings (based on Infometrics 2023 draft update) new homes by 2050. This is based on the latest Infometrics projections (that have not yet been adopted by Council) as the Census Projections have been noted to not reflect actual growth in the past.

This shows that an increase in estimated new dwellings required over the long term is anticipated. It is more than that which was identified in Council's 2020 Environmental Scan, which estimated that the number of dwellings in the district is forecast to increase to 17,719 by 2051 (5,026 new dwellings from 2019 to 2051, an increase in 39.6% of total dwellings). The increase is reflective of the increase in growth projections given in the more up to date projections provided by Infometrics.

It is noted that the NPS-UD requires Tier 1 and 2 territorial authorities apply a conservative 20% margin on planning for housing needs for the 10 year period and 15% for the long term 10-30 year period (NPS-UD 3.2(2)(d)). Whilst this is not a requirement for the district as a Tier 3 Territorial Authority, adopting this approach as best practice (noting that tier 3 authorities are "strongly encouraged" to take the steps required of tier 1 and 2 authorities) would mean the district should plan for up to 1,974 new dwellings over the next 10 years and 6,573 over the longer term.

2.7 Housing Demand – Feilding and the Villages

The population and household projections used to estimate housing demand outlined above do not reflect how demand for new housing may be distributed across the different areas of the district.

Whilst the locations in which demand for housing will be absorbed is somewhat impacted by where capacity is enabled, it is useful to review past consenting and sales patterns to identify what type of housing will meet anticipated demand.

As outlined earlier in Section 2.3, to date, close to 50% of new housing has been located outside of Feilding in either the rural zone or within the Villages. Whilst this may reflect the more affordable nature of these rural properties (refer to Table 4), it also demonstrates a high level of demand for properties in the more rural areas of the district. This assumption is reinforced by evidence provided by local property agents who note a trend of out of district purchasers looking for housing in the district for rural lifestyle and affordability reasons (Attachment A, Correspondence received from Bayleys 27 April 2023).

It is important to note the supply of rural land available for housing will decrease under the provisions of the NPS-HPL and Council's proposed Draft Plan Change A (Rural) which would limit lifestyle subdivision to identified areas and establish a minimum lot size of 25ha for the Rural Zone. This will mean that the demand anticipated from those who are moving to the district, with the aim of seeking a rural lifestyle opportunity, will no longer be met in the Rural Zone, and the Rural Villages will be critical for providing capacity to meet this future segment of demand. To put this in perspective, approximately 72% of all Titles created on Rural Zone 1 & 2 land since 2000 have been on Highly Productive Land (MDC, 2022).

Identification of demand for growth in the Villages is also included in the the Infrastructure Strategy provided in the Long Term Plan 2021-2031 which notes that "*based on past growth, infrastructure capacity, regional and central policy and likely plan changes (which will limit growth – or the scale of growth – to certain areas of the District), it is projected that approximately 60% of that growth will occur in Feilding, while the remainder will occur in rural and village areas*". (p 79)

As there will be limited capacity in the rural zone in the future, applying Council's 60:40 split would indicate potential demand for up to 640-658 houses in the Villages over the next ten years.

It is noted that the rural villages may not meet the demand for those people seeking a truly rural residential lifestyle so this would be the upper level of the demand anticipated.

3 Sufficient Development Capacity - Review of plan enabled capacity

This section of the report reviews the sufficiency of plan enabled development capacity to meet anticipated demand.

In accordance with the NPS-UD, sufficient plan enabled capacity means there is sufficient land zoned in an operative district plan for the short term demand, in a proposed district plan for the medium term demand or identified in a Future development strategy or other relevant plan for long term demand. Refer to Clause 3.4 (1) and (2) shown in the excerpt below.

3.4 Meaning of plan-enabled and infrastructure-ready

(1) Development capacity is **plan-enabled** for housing or for business land if:

(a) in relation to the short term, it is on land that is zoned for housing or for business use (as applicable) in an operative district plan

(b) in relation to the medium term, either paragraph (a) applies, or it is on land that is zoned for housing or for business use (as applicable) in a proposed district plan

(c) in relation to the long term, either paragraph (b) applies, or it is on land identified by the local authority for future urban use or urban intensification in an FDS or, if the local authority is not required to have an FDS, any other relevant plan or strategy.

(2) For the purpose of subclause (1), land is **zoned** for housing or for business use (as applicable) only if the housing or business use is a permitted, controlled, or restricted discretionary activity on that land.

It is noted that other than the Proposed Plan Change at Rongotea, there are no “proposed” zones, as contemplated by cl 3.4(1)(b) above.

In terms of cl 3.4(1)(c), there are ‘deferred’ residential zones in the Manawatu District Plan that apply to Precincts 1 – 3. Whether or not these areas qualify under cl 3.4(1), as discussed below, there is no provision to service those areas as required by cl 3.4(3)(f) so they are not ‘infrastructure ready’ and cannot count towards development capacity. I therefore do not consider them further.

This assessment therefore focuses on land that is currently zoned for housing in the operative Manawatu District Plan. The section below provides an overview of available information on plan enabled capacity in the district.

3.1 Plan enabled capacity in Feilding

In 2013, Council developed the Feilding Urban Growth Framework Plan (Framework Plan), which informed the subsequent growth precinct plan changes that have provided for enhanced residential growth in Feilding. At this time, an assessment of existing capacity in Feilding was undertaken.

TABLE 8: RESIDENTIAL LAND BANK - 2011 (SOURCE: FEILDING URBAN GROWTH FRAMEWORK PLAN)

Residential Use	Area (hectares)	Number of additional dwellings – potential or proposed (assuming 1 dwelling per lot)
Vacant land	52.2	418
Consented land	71	289
Lots > 5,000m^2	68.9	549
Total	192.1	1,256

The Framework Plan stated that in 2013 there was a total estimated residential land bank of 192.1ha, or 1,256 dwellings. This estimate was based on an average gross density of 8 dwellings per hectare across the vacant land parcels. This land bank was acknowledged as being theoretical as the fact that the land is zoned residential and currently under-utilised, does not mean it is available for development (since echoed in the NPS-UD's requirement that land also be infrastructure ready and feasible and reasonably expected to be realised). It is important to note that the land bank does not take into account any potential for infill or medium density housing on a single lot, therefore the actual capacity for growth could be greater if working on the basis of more than 1 dwelling on some or all lots.

Some of this capacity identified within Feilding will since have been developed.

An assessment undertaken by Property Economics in 2018[2] to support the rezoning of Precinct 4 shows a reduction in Feilding's existing capacity for growth at that time. As part of the plan change process associated with the establishment of Precinct 4 in Feilding, Property Economics prepared an assessment of the residential demand and capacity of the Feilding Urban Area and the balance of the Manawatū-Whanganui Region.

[2] Property Economics, February 2018, Feilding Residential Growth Update – Precinct 4

It notes that Precinct 4 encompasses 256ha of land, of which (at the time of the assessment) an estimated 227ha was available for residential use. The assessment of residential capacity is detailed in Table 10 below, with the Precinct 4 capacity based on a maximum density of 600m^2 per lot. This assessment also identified the existing residential capacity in Feilding as 690 dwellings. This was based on information provided by Manawatu District Council at the time which is given in the following Figure 7 - an excerpt from the Property Economics Assessment.

It is noted that Precinct 4, under the operative District Plan rules, can accommodate higher density of development provided an average lot size of 600m² is achieved and this has not factored into the analysis of capacity.

TABLE 9: FEILDING RESIDENTIAL CAPACITY 2018 (SOURCE: PROPERTY ECONOMICS 2018)

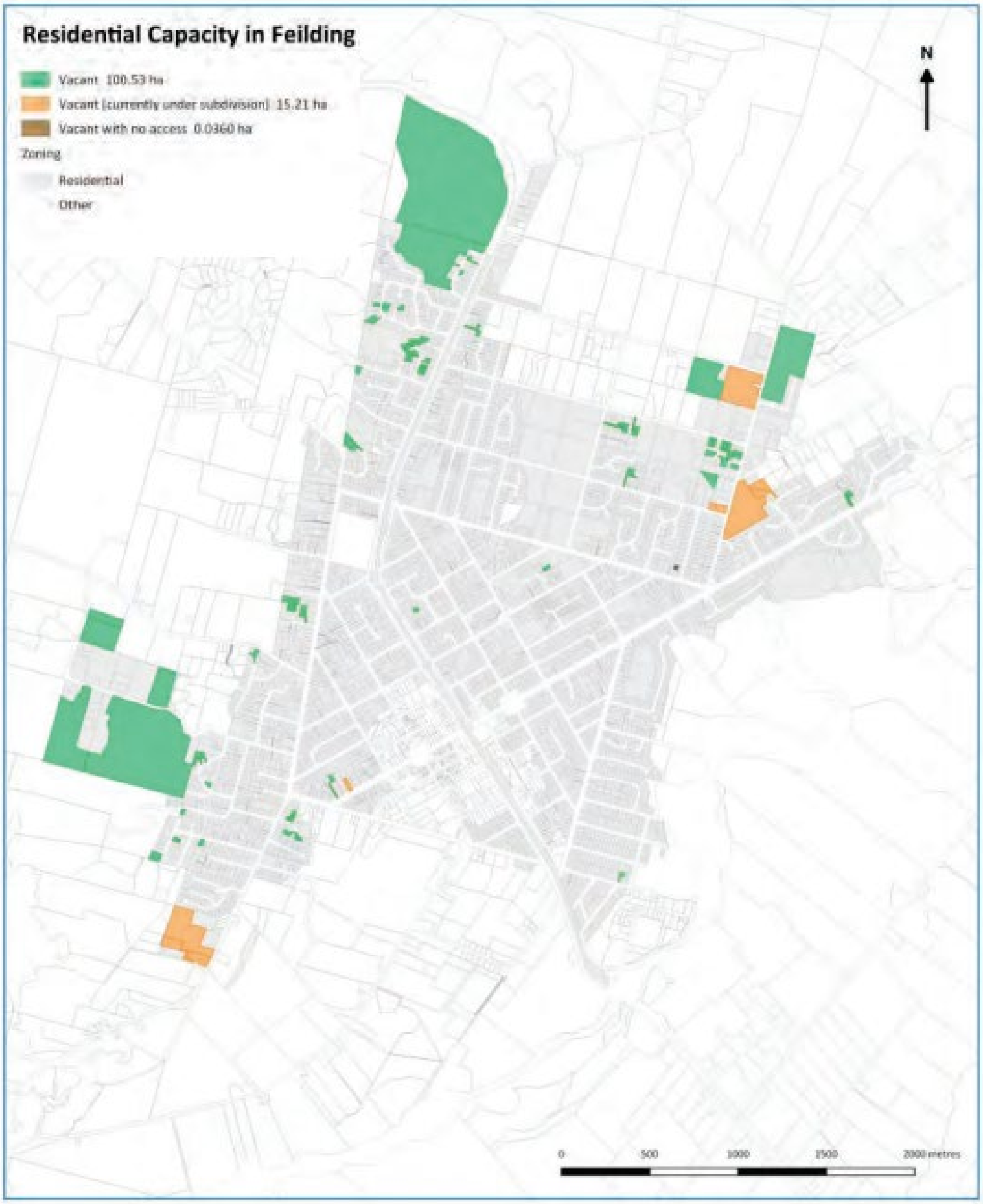
Residential Capacity	Hectares	Dwellings
Existing	115	690
Precinct 4	256	1,788
Total Capacity	371	2,478

3.2 Assumed plan enabled capacity in 2022

Council have advised that an updated estimate is that Precinct 4 has plan enabled vacant land calculated at 121.5 ha (Information supplied by Mathew MacKay, April 2023). This accounts for development that has already taken place and excludes greenspace along the Makino Stream, identified roads, Parks, and houses already built. It also excludes titles less than 5000m^2 which contain a lifestyle property.

Following the same methodology undertaken by Property Economics in 2018 (assuming that up to an additional 25% of the vacant land available within the Precinct will still be required for circulation etc) then Precinct 4 would have an updated capacity of 1,518 new dwellings (having already realised 270 dwellings worth of capacity).

This is relatively consistent with a review of consenting data from 2018 which suggests that 221 consents for new buildings (202 dwellings) have been consented in Precinct 4 (refer to Section 3 of this report). On this basis and taking into consideration the number of building consents issued across the other areas within Feilding, it can be assumed that the revised capacity in Feilding as a whole is up to 1,953 dwellings.



Source: Manawatu District Council

Figure 7 Residential Capacity in Feilding (Property Economics, 2018)

Council has supplied the following information to support an understanding of the existing capacity within Rongotea (data as at 2021), outside the proposed plan change area:

- Existing vacant lots 17
- 9 opportunities for subdivision of a large lot creating an additional lot.

It is also noted that there is also potential for some additional dwellings through infill opportunities within Rongotea. This is due to the average lot sizes currently located within the Villages being larger than the permitted minimum 500m2. The feasibility of this type of development has not been assessed in detail and therefore has not been included in this assessment.

No capacity analysis has been reviewed for the other village or rural catchments.

4. Sufficient Development Capacity - Review of infrastructure ready capacity

Clause 3.4(3) of the NPS-UD states that development capacity is infrastructure ready if:

(3) Development capacity is **infrastructure-ready** if:

(d) in relation to the short term, there is adequate existing development infrastructure to support the development of the land

(e) in relation to the medium term, either paragraph (a) applies, or funding for adequate development infrastructure to support development of the land is identified in a long-term plan

(f) in relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy (as required as part of its long-term plan).

Council has plans in place to work towards ensuring the capacity in Feilding and Precinct 4 is infrastructure ready in the short to medium term. However, there are some areas where further investment is required over the long term to enable the full capacity to be realised. This is summarised below:

4.1 Planned Infrastructure investment in Feilding

Existing development capacity within Feilding is supported by ongoing maintenance and renewals. This includes a significant investment in the Feilding Water Supply Upgrade Project. It is understood that vacant residential zoned sites in Feilding (excluding the growth Precincts) currently have access to the existing 3 waters and road network.

It is noted that the additional capacity that would be enabled through Draft Plan Change B (Residential) which would enable smaller lots (350m²), multi-unit development and apartment style housing in a new medium density zone, is not currently confirmed as infrastructure ready. The plan change is currently on hold due to concerns raised by the Regional Council regarding whether this additional capacity could be supported by adequate stormwater infrastructure.

4.2 Planned Infrastructure investment in growth precincts

The Long Term Plan 2021-2022 provides a plan for infrastructure investment in Precinct 4 over the short to medium term. This includes investment in water, wastewater, stormwater, roading and footpaths with the following budgets incorporated:

Budgeted Expenditure			
2021/22	**$4.3M**	2023/24	**$3.2M**
2022/23	**$2.8M**	2024-31	**$18.8M**

It is noted that under the LTP the full realisation of Precinct 4 is envisioned by 2043. It is assumed therefore that additional investment may be required beyond 2033 and therefore part of the area could be Infrastructure ready in the long term.

As growth Precincts 1–3 have Deferred Residential Zone status. No infrastructure investment is budgeted for these precincts in the short-medium term in the Long Term Plan. Any development within in these areas would need require the developer to pay for all necessary infrastructure extensions to connect to Council's roading, stormwater, wastewater and water supply network.

4.3 Villages Infrastructure investment

In order to upgrade wastewater network in the Villages, Council is investing in the Wastewater Centralisation Project, which will connect the Villages, including Rongotea, to the Feilding Wastewater Treatment Plant. It is understood that this project has considered potential growth in the Villages as part of this project. It is currently underway and is due for completion in 2026.

The Long Term Plan does not include any other specific infrastructure funding for housing development in the Villages. However, council has confirmed that the Plan Change area can be serviced and is considered infrastructure ready in the short to medium term. This assessment has not been unable to confirm any other infrastructure ready areas in Villages other than Rongotea.

5 Sufficient Development Capacity – review of feasible and realisable capacity

The third requirement in order for land to have development capacity is that development be feasible and reasonably expected to be realised. Clause 3.2(2)(c) references clause 3.26 which provides:

> (1) For the purpose of estimating the amount of development capacity that is reasonably expected to be realised, or that is both feasible and reasonably expected to be realised, local authorities:
>
> (a) may use any appropriate method; but
>
> (b) must outline and justify the methods, inputs, and assumptions used to arrive at the estimates.

The clause goes on to give examples of ways of assessing capacity reasonably expected to be realised. This includes the use of a feasibility model, review of previous consent data, and integrating engagement with the development sector to understand intentions to develop.

There is currently no feasibility model that has been developed to assess development within the district. It is assumed that the majority of greenfield development opportunities will be feasible over time however, it is unknown what level of potential for infill or medium density development is feasible over time.

A review of annual building consent rates indicates that the supply of buildings will be in line with projected demand. Using the existing annual consent rate for the district of 164 (refer to Section 2.3 of this report) to forecast realisation of dwellings shows that over the next 10 years up to 1,640 dwellings could be delivered. This is generally consistent with projected demand of 1,600 dwellings. However, past consenting rates in Feilding (assumed average of 116 per year, equating to 1,160 dwellings over 10 years or 72% of projected demand) do not show that this supply will be fully realised in Feilding alone.

This analysis again illustrates that demand and supply of new dwellings in the district will not only be focused in Feilding and that the Villages have a role to play in accommodating growth. On the basis of the review provided above it is estimated that up 75% of the capacity within Feilding and Precinct 4 is potentially realisable over the next 10 years.

6 Summary of sufficiency of development capacity

Plan enabled capacity.

Based on the review of all information and considerations in earlier sections of this report, it is assumed that the plan enabled residential capacity in both Feilding (including Precinct 4) and Rongotea (excluding the plan change area) on vacant sites is potentially 1,980 dwellings (this excludes any consideration of infill development or multi-unit development on these vacant sites as there is not sufficient analysis to confirm this capacity).

Whilst this meets the total demand identified for up to 1,600 dwellings (1,974 dwellings if the conservative margin is applied) over the next 10 years (short to medium term as defined by the NPS-UD), it would not meet the long term demand for the district as a whole.

It also does not meet the demand for different types of housing, and the historic division between demand for more 'urban' style living in Feilding, and the village style in areas such as Rongotea. My assessment is that demand for housing in village areas is approximately 650 in the next 10 years. Without the Plan Change, supply at Rongotea is expected to be 26 dwellings (this does not include potential for infill). There is no evidence of significant supply within other Villages, all of which are smaller than Rongotea, which could make up the shortfall.

There is also a need to consider whether there is sufficient capacity for affordable housing. The Housing Stocktake undertaken in 2020 notes that "*Based on current forecasts, sufficient land is zoned in the district to provide for residential demand and market choice as required by the NPS-UD however this is unlikely to cater for all segments of market demand. Policies to support more affordable housing options within the district will provide for greater market choice*". Ensuring there is plan enabled capacity in the Villages works towards providing greater housing choice and potentially more affordable housing options in the district.

Infrastructure ready

In terms of being infrastructure ready, Council has plans in place to ensure that that capacity enabled in both Feilding is Infrastructure ready over the short to medium term. It is noted that the full capacity enabled in Precinct 4 may not be infrastructure ready until the longer term, however this is potentially in line with the realisation of development.

Feasible and realisable

On the basis of the review provided in earlier sections it is estimated that up 75% of the capacity within Feilding and Precinct 4 is potentially realisable over the next 10 years.

There is no reliable data to indicate there is any feasible or realisable development capacity within the Villages, other than in relation to the Plan Change Area.

7 Conclusions

This assessment has demonstrated there is currently demand for housing outside of Feilding that should be provided for in the village areas to minimise the impacts on rural land and highly productive soils.

Whilst the existing plan enabled capacity in Feilding (mostly in Precinct 4) has the potential to meet demand for housing in the district over the next 10 years, this analysis has demonstrated that this capacity is unlikely to meet all sectors of demand for the following reasons:

- There is evidence of ongoing demand for housing outside of Feilding. Over the last 10-years just over 50% of new dwellings have been built within the rural and village areas. In line with the provisions of NPS-HP, the majority of this growth will no longer be accommodated in the rural zone and therefore the villages have a bigger role to play in providing homes for those seeking a more rural living option.

- It is questionable as to whether the full plan enabled capacity of Precinct 4 will be taken up by the development sector over the next 10 years. Based on a review of past consents and indications from the potentially developer, it is estimated that up to 75% of this capacity is likely to be realisable over the next 10- years.

- There is a need to provide affordable housing in the district. The village areas currently provide a more affordable housing choice.

This conclusion is reflected in the Long Term Plan 2021-23 which notes that "*based on past growth, infrastructure capacity, regional and central policy and likely plan changes (which will limit growth – or the scale of growth – to certain areas of the district), it is projected that approximately 60% of that growth will occur in Feilding, while the remainder will occur in rural and village areas*". (p79.) On this basis there would be demand for up to 640-658 houses in the Villages over the next ten years.

The supply of potentially 160 dwellings in Rongotea could assist in filling this short fall in capacity to meet both demand for homes outside Feilding in the shorter term and also provide a more affordable housing choice.

Limitations in the analysis

In using the above analysis of demand and capacity, it is important to note the following limitations:

- The capacity identified does not account for potential infill development or additional housing delivered through the development of higher densities, through multi-unit development typologies where achievable under operative district plan rules (noting that such development would need to be permitted, controlled or restricted discretionary to be counted as 'plan enabled' and therefore relevant). It is noted that to satisfy the requirements of the NPS-UD it would also need to be feasible and realisable. There has not been any detailed assessment of the feasibility of infill development capacity and therefore has not been included in this assessment.

- No consideration has been given to the supply that could be generated in the other Feilding growth precincts currently zoned deferred residential or the impact of residential capacity in neighbouring Palmerston North. Although its, important to note that the deferred residential areas are not infrastructure ready.

- No detailed assessment of capacity data in other Rural Villages has been reviewed. It also noted that subdivisions recently approved in the rural area may include a level of latent supply in the immediate to short term.

- The assessment of development feasibility in the areas of plan enabled capacity and the potential realisation (market take up) of the capacity outlined in this report is high level only and requires further testing to confirm.

Attachment A - Correspondence received from Bayleys 27 April 2023

27 April 2023

To whom it may concern

Re: Banks Road, Rongotea

We have been asked to comment on the viability of the land known as Banks Road of some 30.4 hectares in support of rezoning the Cheetham's Banks Rd 'nodal' property into a rural village settlement zone.

We have also provided support material in respect of the potential demand for residential sized sections in the area.

There are many factors that go into a purchaser's decision to buy land for productive purposes including (but not limited to):

Size of landholdings, and nature and ownership;
Resource constraints (including availability of water);
Proximity to urban areas;
The site-specific nature of the soils;
The ability to borrow and obtain finances from a bank to funds the purchase;
It is also relevant what productive use any purchaser is looking to use the land for.

Consideration

We have been asked to consider the potential market for the land.

If we were to list the land for sale, we would not foresee any potential market for anyone looking to use the land in an economically productive way.

We consider that productive farming purchasers will be disincentivised from purchasing this land due for the following reasons.

- Proximity to urban development (and in particular residential and lifestyle properties). Productive farmers are particularly aware of the potential effects reverse sensitivity might have on their operations, and as such consider adjoining and surrounding land uses closely when deciding to purchase.
- Banks will be reluctant to lend money against land that is not on particularly good soils, or land which does not currently have adequate water or nutrient permissions, or power. The size of the holding would also be negative in respect of return on investment.

Summary

From our experience we are confident that this parcel of land is not economically viable to be purchased for farming of productive land for the following reasons.

Location	- neighbouring properties being lifestyle and residential. Spray drift/dust/noise
Amenities	- no water, power source or dwelling.
Size	- not large enough to be economically viable.
Soil type	- heavy soils not conducive for productive farming.
Finance	- it is unlikely for any bank to loan monies due to the above.
Wetlands	- Wetlands on the property may be affected by leaching from fertilizers/sprays. Wetland may also negate a consent for a water bore.

Market Demand for proposed zoning change from rural 'nodal' to Village settlement zone.

In our opinion, backed by empirical market evidence (per below and attached), the Manawatu region is gaining attractiveness from both an investment and lifestyle point of view.

Manawatu's enhanced profile is seeing more and more people moving to our proud patch seeking greater affordability and ease of living when compared with major metro centres such as Auckland and Wellington, in particular.

Please find attached third-party evidence as follows:

- Real.estate.co.nz that more than half of our average property views is from users in other regions (i.e. Auckland, Wellington…)
- TradeMe statistics which also supports the above notion that almost half our viewers come from out of the region.
- Stuff news article promoting the rezoning of the Banks Rd property…and importantly, achieving buy-in from the wider community to make it happen.
- Our list of what we refer to as 'game-changing' infrastructure projects for Manawatu and surrounding regions.

This Realestate.co.nz and Trademe statistics supports the "growth of our region" and there is constant demand from outside the region for property.

The location of Rongotea has many positive attributes, one of them being the proximity to Ohakea. We believe with the expansion of Ohakea, if there was any damage to the Bulls bridge any Ohakea personal requiring to get to work would be disadvantaged by being on the other side of the Rangitikei River. Rongotea would be a favoured location due to the proximity and village style life for young families.

Please feel free to contact us if you require further information.

Yours faithfully

Rod Grieve	Karen MacGillivray	Karl Cameron
Owner/Managing Director	**Sales Manager/Agent**	**Special Projects**

Major Proposed Projects for the Manawatu Region

1. $397 million at Linton and Ohakea Defence Regeneration Plan.
2. Mercury Energy Turitea Wind farm $450 million.
3. $282 million MidCentral DHB investment plan – timing of investment still to be confirmed, the investment is subject to MOE and Treasury approval.
4. $184 million Massey University Capital Plan. Construction projects in progress – New Vet Hospital, Hockey Turf and Old Refectory refurb projects.
5. $150 million PowerCo (Manawatu and Tararua) - $60 million over next 5 years for growth and security projects, $90 million renewal programme over five years.
6. Redevelopment of the old Hokowhitu Training Campus – 130 housing lots over three stages, with an estimated value of between $90 - $135 million. Now underway
7. PNCC $130 million plus Totara Road Wastewater Treatment.
8. PNCC $47.5 million urban growth projects to cater for increased residential and commercial growth in the City. Projects planned throughout the 10-year plan.
9. MDC $41 million wastewater, stormwater and water supply renewal and growth projects.

11. $30 million City Centre Streetscape upgrade. Multiple Projects planned.
12. $24.5 million Arena Master Plan. Construction started.
13. Countdown Pioneer Supermarket $22 million – recently completed
14. Countdown distribution centre. $70 million – recently completed
15. $20 million New Manukura School on Massey University campus.
16. Major regional roading investments: - Final stage of Whirokino Trestle and Manawatu River Bridge contract is $70 million. - Palmerston North Freight Ring Road – Construction was expected to begin in early 2021. Total project estimated to be around $250 million plus. - Manawatu Gorge Road replacement $620 million. - Four-laning SH1 O2NL – Otaki to north of Levin highway ($817 million). - Manawatu District Council – 10-year plan roading infrastructure - $95 million.

16\. P-8 Boeing Martime Patrol Aircraft – construction of hangers, runway improvements and other infrastructure – to be completed by 2023 – estimated to be $200 million. Now underway.

17. KiwiRail regional freight hub - $200 million construction.
18. $15 million to refurbish rolling stock to maintain the Capital Connection train until new rolling stock is bought later this decade. The above major expenditure is very positive for the region

realestate.co.nz

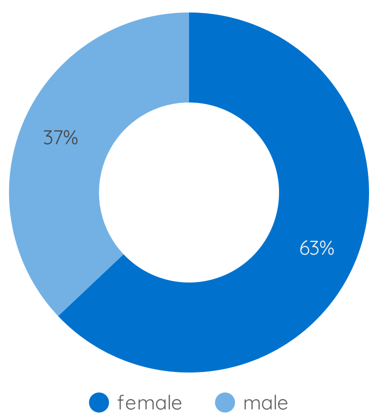
District insights from Google Analytics

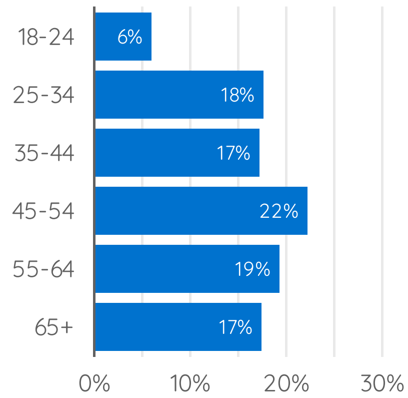
Manawatu, Manawatu / Whanganui | Residential insights

Oct 25, 2022 - Apr 25, 2023

Users	Enquiries	International Enquiries	Phone Reveals	Avg. Session Duration
54,380	290	13	16,081	15:05
-2.3%	-37.0%	-55.2%	-14.8%	-6.1%

Users by age and gender





Where users are located

	Region	Users
1.	New Zealand > Auckland	18,362
2.	New Zealand > Manawatu-Wanganui	15,732
3.	New Zealand > Wellington	9,003
4.	New Zealand > Canterbury	3,755
5.	New Zealand > Waikato	2,681
6.	Australia > New South Wales	1,073
7.	New Zealand > Bay of Plenty	972
8.	Australia > Queensland	896
9.	New Zealand > Hawke's Bay	777
10.	New Zealand > Taranaki	605

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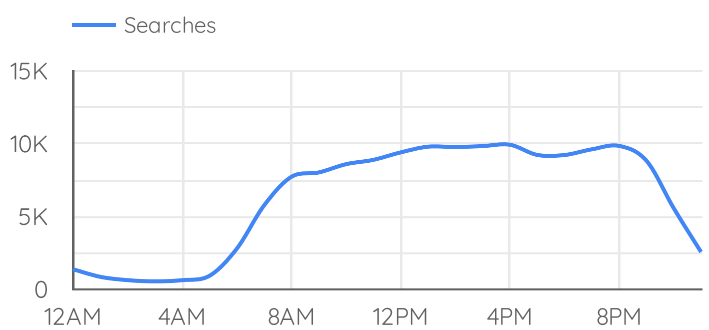
Time of day users are searching



Top suburbs searched by users

	Suburb	Searches
1.	Feilding	84,922
2.	Ashhurst	16,628
3.	Hokowhitu	14,548
4.	Kelvin Grove	13,191
5.	Marton	12,738
6.	Levin	12,039
7.	Halcombe	10,206
8.	Awapuni	9,280
9.	Dannevirke	8,981
10.	Bunnythorpe	8,557

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Top price bands searched by users

	Search Price Range	Searches
1.	0 - 500000	3,133
2.	0 - 600000	2,771
3.	0 - 700000	2,137
4.	0 - 400000	2,093
5.	0 - 800000	1,871

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Top keywords searched by users

	Search Keywords	Searches
1.	"feilding"	416
2.	"manawatu"	227
3.	"palmerston north"	221
4.	pool	178
5.	beach	143

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Configure report filters

PROPERTY_TYPE: res_sale

DISTRICT Manawatu, Manawatu / Whanganui

region	regionDistrict ▲	Searches
Canterbury	Ashburton, Canterbury	16,852
Auckland	Auckland City, Auckland	209,622
Canterbury	Banks Peninsula, Canterbury	15,013
West Coast	Buller, West Coast	8,755
Wairarapa	Carterton, Wairarapa	8,124
Hawkes Bay	Central Hawkes Bay, Hawkes Bay	12,107
Central Otago / L...	Central Otago, Central Otago / Lak...	32,280
Pacific Islands	Chatham Islands, Pacific Islands	1,452
Canterbury	Christchurch City, Canterbury	195,270
Otago	Clutha, Otago	12,818
Confidential	Confidential, Confidential	1
Otago	Dunedin City, Otago	131,598
Northland	Far North, Northland	40,973
Pacific Islands	Fiji, Pacific Islands	2,445

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Data source: TradeMe statistics for listings across the Manawatu over the last 6 months - Oct'22 to Mar'23 (ex Account Manager: Sharday

Member Location	Searches	% Total	Greater Wgn	Greater Akld	Local	Sth island	Bay of Plenty	Waikato
Palmerston North	781,136	24.789%			781,136			
Whanganui	556,552	17.662%			556,552			
Levin	257,878	8.183%	257,878					
Feilding	150,377	4.772%			150,377			
Wellington City	127,212	4.037%	127,212					
Kapiti	111,764	3.547%	111,764					
Manawatu	81,032	2.571%			81,032			
Auckland City	77,323	2.454%		77,323				
Lower Hutt City	67,365	2.138%	67,365					
Marton	66,075	2.097%			66,075			
Dannevirke	57,076	1.811%						
Porirua	49,687	1.577%	49,687					
Upper Hutt City	38,870	1.233%	38,870					
Hamilton	33,516	1.064%						33,516
Tauranga	32,698	1.038%					32,698	
North Shore	30,457	0.967%		30,457				
Masterton	30,173	0.958%						
Bulls	29,192	0.926%			29,192			
Pahiatua	28,826	0.915%						
Hastings	28,332	0.899%						
Waitakere	25,307	0.803%		25,307				
Manukau	25,059	0.795%		25,059				
New Plymouth	24,103	0.765%						
Napier	23,138	0.734%						
Christchurch City	22,072	0.700%				22,072		
Ohakune	21,534	0.683%						
Taumarunui	21,027	0.667%						
Taupo	19,555	0.621%						
Hawera	19,243	0.611%						
Taihape	15,135	0.480%						
Rotorua	14,938	0.474%						
Franklin	13,523	0.429%		13,523				
Woodville	13,182	0.418%						
Whangarei	12,587	0.399%						
Waipukurau	11,553	0.367%						
Dunedin	9,462	0.300%				9,462		
Papakura	9,360	0.297%		9,360				
Carterton	9,034	0.287%						
Nelson	8,539	0.271%				8,539		
Gisborne	7,064	0.224%						
Whakatane	6,952	0.221%					6,952	
Cambridge	6,875	0.218%						6,875
Te Awamutu	6,661	0.211%						6,661
Hibiscus Coast	6,629	0.210%		6,629				
Blenheim	5,962	0.189%				5,962		
Stratford	5,569	0.177%						
Tokoroa/Putaruru	5,474	0.174%						5,474
Morrinsville	5,184	0.165%						5,184
Kerikeri	4,652	0.148%						
Mt. Maunganui	4,611	0.146%					4,611	
Waiouru	4,032	0.128%						
Katikati	3,946	0.125%					3,946	
Thames	3,788	0.120%						
Paihia	3,748	0.119%						
Turangi	3,564	0.113%						
Te Kuiti	3,540	0.112%						
Te Puke	3,521	0.112%					3,521	
Invercargill	3,509	0.111%				3,509		
Kaitaia	3,468	0.110%						
Rangiora	3,073	0.098%				3,073		
Warkworth	3,006	0.095%		3,006				
Motueka	2,942	0.093%				2,942		
Featherston	2,878	0.091%						
Opunake	2,754	0.087%						
Queenstown	2,737	0.087%				2,737		

Member Location	Searches	% Total	Greater Wgn	Greater Akld	Local	Sth island	Bay of Plenty	Waikato
Helensville	2,734	0.087%		2,734				
Wairoa	2,711	0.086%						
Matamata	2,651	0.084%						
Ashburton	2,554	0.081%				2,554		
Dargaville	2,479	0.079%						
Coromandel	2,408	0.076%						
Greymouth	2,348	0.075%				2,348		
Huntly	2,332	0.074%						
Timaru	2,251	0.071%						
Greytown	2,085	0.066%						
Paeroa	2,036	0.065%						
Waihi	2,004	0.064%				Waihi		
Papamoa	1,989	0.063%				Papamoa		
Raglan	1,920	0.061%						
Kumeu	1,880	0.060%		1,880				
Henderson	1,777	0.056%		1,777				
New Lynn	1,771	0.056%		1,771				
Albany	1,743	0.055%		1,743				
Kaiapoi	1,736	0.055%				1,736		
Rolleston	1,721	0.055%				1,721		
Balclutha	1,686	0.054%				1,686		
Whangamata	1,513	0.048%						
Westport	1,449	0.046%				1,449		
Pukekohe	1,419	0.045%		1,419				
Whitianga	1,382	0.044%						
Oamaru	1,372	0.044%				1,372		
Botany Downs	1,354	0.043%		1,354				
Mangere	1,333	0.042%		1,333				
Martinborough	1,307	0.041%						
Wanaka	1,279	0.041%				1,279		
Picton	1,251	0.040%				1,251		
Onehunga	1,167	0.037%		1,167				
Otorohanga	1,151	0.037%						
Kaikohe	1,150	0.036%						
Marlborough Sounds	1,131	0.036%				1,131		
Wellsford	1,065	0.034%						
Amberley	1,020	0.032%				1,020		
Selwyn	897	0.028%				897		
Gore	826	0.026%				826		
Maungaturoto	799	0.025%						
Mangawhai	744	0.024%						
Te Anau	731	0.023%				731		
Waihi Beach	722	0.023%					722	
Waimate	692	0.022%				692		
Winton	669	0.021%				669		
Opotiki	661	0.021%						
Hokitika	641	0.020%				641		
Waiuku	621	0.020%		621				
Remuera	555	0.018%		555				
Clevedon	544	0.017%		544				
Darfield	496	0.016%				496		
Waiheke Island	458	0.015%		458				
Kawerau	409	0.013%						
Alexandra	393	0.012%				393		
Geraldine	393	0.012%				393		
Hanmer Springs	392	0.012%				392		
Golden Bay	379	0.012%				379		
Great Barrier Island	346	0.011%		346				
Cromwell	312	0.010%				312		
Ngaruawahia	298	0.009%						
Lyttelton	296	0.009%				296		
Mokau	234	0.007%						
Halswell	214	0.007%				214		
Kaikoura	203	0.006%				203		
Palmerston	184	0.006%				184		
Edendale	183	0.006%						

Member Location	Searches	% Total	Greater Wgn	Greater Akld	Local	Sth island	Bay of Plenty	Waikato
Fairlie	166	0.005%				166		
Ruatoria	161	0.005%						
Kawakawa	155	0.005%						
Milton	138	0.004%				138		
Murchison	120	0.004%				120		
Otautau	118	0.004%				118		
Cheviot	104	0.003%				104		
Kurow	104	0.003%				104		
Bluff	86	0.003%				86		
Lawrence	81	0.003%				81		
Ngatea	67	0.002%						
Lumsden	65	0.002%				65		
Akaroa	62	0.002%				62		
Ranfurly	58	0.002%				58		
Twizel	55	0.002%				55		
Riverton	46	0.001%				46		
Roxburgh	43	0.001%				43		
Ferrymead	30	0.001%				30		
Tapanui	21	0.001%				21		
Belfast	13	0.000%				13		
Mt Cook	11	0.000%				11		
Tokanui	9	0.000%				9		
Stewart Island	1	0.000%						
TOTALS	**3,151,196**	**100.000%**	**652776**	**208366**	**1664364**	**84891**	**52450**	**57710**
			20.72%	***6.61%***	***52.82%***	***2.69%***	***1.66%***	***1.83%***

Applied filters:
LocationID is not (Blank)
Region is Manawatu / Whanganui

MonthLabelLatest is Latest Month, Feb 2023, Jan 2023, Dec 2022, Nov 2022, or Oct 2022