

PROPERTY **E**CONOMICS



HURUNUI SOUTH WARD

SPATIAL PLAN

ECONOMIC ADDENDUM

Client: Hurunui District Council

Project No: 52259

Date: April 2023

3 May 2023

ECONOMIC GROWTH SCENARIO ADDENDUM

To: Nicola Kirby

Senior Planner

Hurunui District Council

Email: Nicola.Kirby@hurunui.govt.nz

RE: SOUTH WARD LAND REQUIREMENTS UNDER THE OPUS AMENDED GROWTH SCENARIO

Property Economics has been requested by Hurunui District Council (HDC) to assess the implications of an Opus population growth projection scenario for the South Ward to quantify the future residential, industrial, and commercial land requirements of South Ward in the short (3 years), medium (10 years) and long term (30 years).

The Opus growth scenario was provided to Property Economics by HDC and the following is a breakdown of the land requirement implications based the Opus scenario.

POPULATION AND HOUSEHOLD PROJECTIONS

The Opus growth scenario is for the period between 2023 and 2048 and is significantly higher than Stats NZ's High and Medium projections. Property Economics has projected this out to 2053 to ensure alignment with the timeframe considered in the previous Economic Assessment (dated March 2023) and to enable a 30-year timeframe to be assessed.

TABLE 1: OPUS GROWTH SCENARIO FOR SOUTH WARD

| Population | 2023 | 2026 | 2033 | 2043 | 2053 |
|-------------------------|--------------|--------------|--------------|--------------|---------------|
| Amberley | 2,440 | 2,696 | 3,401 | 4,741 | 5,760 |
| Balcairn/Ashley Forest | 3,269 | 3,435 | 3,853 | 4,539 | 5,140 |
| South Ward Total | 5,710 | 6,130 | 7,250 | 9,280 | 10,900 |

Source: Opus, HDC, Property Economics

For the purpose of this analysis, Property Economics has also forecast the corresponding household base for the assessment timeframe based on the growth profile of the Opus population projections and Stats NZ's anticipated persons per dwelling ratios.

To provide a comparative context, under the Stats NZ High growth scenario, the total population of the South Ward area is estimated to be around 7,320 residents, which is around 3,600 persons lower than Opus's projections., or conversely the Opus 30-year projection is nearly 50% higher than the Stats NZ High growth scenario.

RESIDENTIAL LAND REQUIREMENTS

The table following shows the projected dwelling sufficiency based on the high-level assessment of existing plan-enabled capacity identified in the earlier Economic Assessment and the Opus projection.

Under the Opus growth scenario, the South Ward area is estimated to require an additional 2,425 dwellings by 2053. This increases to around 2,790 dwellings when the NPS-UD buffer is applied.

Given the identified existing zoned capacity of 790 dwellings, the South Ward area would require additional 2,000 dwellings over the next 30 years to accommodate the Opus's significantly higher growth scenario.

Based on a one dwelling per 700sqm assumption, this estimated shortfall of 2,000 dwellings would require circa 140ha (net) of residentially zoned land in the wider South Ward area in the long term.

Note that this is a significant requirement in contrast to the previously forecast residential land requirement under the Stats NZ High growth scenario. Property Economics considers HDC should proceed with caution relying on the Opus growth scenario as the current population growth of the district is tracking close to the Stats NZ High growth scenario.

TABLE 2: SOUTH WARD RESIDENTIAL CAPACITY SUFFICIENCY FORECAST BASED ON OPUS PROJECTIONS

| | Base Year 2023 | Short-term 2026 | Medium-term 2033 | Long-term 2053 |
|---|-------------------|--------------------|---------------------|-------------------|
| South Ward Population (rounded) | 5,710 | 6,130 | 7,250 | 10,900 |
| South Ward Households (rounded) | 2,340 | 2,530 | 3,000 | 4,500 |
| South Ward Total Dwellings (incl. unoccupied) | 2,630 | 2,845 | 3,370 | 5,055 |
| Net Additional Dwellings Requirement | - | 215 | 740 | 2,425 |
| Net Additional Dwellings Requirement + NPS-UD Buffer | - | 260 | 890 | 2,790 |
| Total Zoned Residential Capacity | 790 | | | |
| Dwelling Sufficiency | - | +530 | -100 | -2,000 |

Source: Opus, HDC, Property Economics

A further breakdown of the residential capacity sufficiency is presented below, which suggests that the Amberley Township requires additional 1,170 dwellings over the forecast period (2023 – 2053).

The Balcairn / Ashley Forest SA 2 area would, in turn, require additional 830 dwellings cumulatively under the Opus growth scenario.

Note that within the Balcairn / Ashley Forest SA2 area¹, the majority of existing residential capacity is provided in the Leithfield township and the waterfront settlements. The rest of the area has no existing residential provisions. This directly leads to the limited zoned residential capacity within the area and therefore the significant residential shortfall.

Even though the rural un-zoned settlements accommodate a noticeable proportion of the South Ward residential base, for economic efficiency reasons, it is suggested that additional residential provisions are best to be provided around the existing major townships / settlements for greater level of infrastructure and accessibility efficiencies.

TABLE 3: SOUTH WARD RESIDENTIAL SUFFICIENCY FORECAST BREAKDOWN BY SA2 AREA

| Amberley | Base Year 2023 | Short-term 2026 | Medium-term 2033 | Long-term 2053 |
|---|---------------------------|----------------------------|-----------------------------|---------------------------|
| Population (rounded) | 2,440 | 2,700 | 3,400 | 5,760 |
| Households (rounded) | 1,050 | 1,170 | 1,480 | 2,510 |
| Total Dwellings (incl. unoccupied) | 1,180 | 1,315 | 1,665 | 2,820 |
| Net Additional Dwellings Requirement | - | 135 | 485 | 1,640 |
| Net Additional Dwellings Requirement + NPS-UD Buffer | - | 160 | 580 | 1,890 |
| Total Zoned Residential Capacity (rounded) | 720 | | | |
| Dwelling Sufficiency | - | +560 | +140 | -1,170 |

| Balcairn / Ashley Forest | Base Year 2023 | Short-term 2026 | Medium-term 2033 | Long-term 2053 |
|---|---------------------------|----------------------------|-----------------------------|---------------------------|
| Population (rounded) | 3,270 | 3,440 | 3,850 | 5,140 |
| Households (rounded) | 1,290 | 1,360 | 1,520 | 1,990 |
| Total Dwellings (incl. unoccupied) | 1,450 | 1,530 | 1,710 | 2,235 |
| Net Additional Dwellings Requirement | - | 80 | 260 | 785 |
| Net Additional Dwellings Requirement + NPS-UD Buffer | - | 100 | 310 | 900 |
| Total Zoned Residential Capacity (rounded) | 70 | | | |
| Dwelling Sufficiency | - | -30 | -240 | -830 |

Source: Opus, HDC, Property Economics

¹ Note that this is different from the areas considered in the previous Economic Assessment, in which a breakdown of the South Ward anticipated residential sufficiency by township was provided in contrast to "by SA2 area" in this Addendum.

BUSINESS LAND REQUIREMENTS

The following table presents the projected industrial and commercial land requirement forecast for the South Ward area under the Opus growth scenario.

Based on the forecast, South Ward would require an additional 24ha of industrial land provisions on top of the existing zoned industrial capacity by 2053 to accommodate the projected industrial sector employment growth.

There is no additional demand for commercial land provisions within the South Ward area over the forecast period.

TABLE 4: SOUTH WARD INDUSTRIAL LAND SUFFICIENCY FORECAST BASED ON OPUS GROWTH SCENARIO

| Industrial Sector Forecast | Base year 2023 | Short-term 2026 | Medium-term 2033 | Long-term 2053 |
|---|-------------------|--------------------|---------------------|-------------------|
| Total Industrial Employment | 560 | 650 | 830 | 1,400 |
| Growth in Industrial Employment | | 90 | 180 | 570 |
| Cumulative Industrial Employment Growth | | 90 | 270 | 840 |
| Gross Industrial Land Requirement (ha) | | 2.4 | 7.3 | 22.7 |
| Industrial Land Requirement + NPS-UD Buffer (ha) | | 2.9 | 8.7 | 26.1 |
| Existing Zoned Industrial Capacity (ha) | | 2.4 | 2.4 | 2.4 |
| Industrial Land Capacity Sufficiency (ha) | | -0.5 | -6.3 | -23.7 |

| Commercial Sector Forecast | Base year 2023 | Short-term 2026 | Medium-term 2033 | Long-term 2053 |
|---|-------------------|--------------------|---------------------|-------------------|
| Total Commercial Employment | 220 | 240 | 310 | 520 |
| Growth in Commercial Employment | | 20 | 70 | 210 |
| Cumulative Commercial Employment Growth | | 20 | 90 | 300 |
| Gross Commercial Land Requirement (ha) | | 0.2 | 1.0 | 3.3 |
| Commercial Land Requirement + NPS-UD Buffer (ha) | | 0.3 | 1.2 | 4.0 |
| Existing Zoned Commercial Capacity (ha) | | 4.6 | 4.6 | 4.6 |
| Commercial Land Capacity Sufficiency (ha) | | +4.3 | +3.4 | +0.6 |

Source: Opus, HDC, Property Economics










RETAIL FLOORSACE REQUIRMENTS










The following table outlines the corresponding generated annualised retail spend and corresponding sustainable retail floorspace requirements within the South Ward area based on the Opus growth scenario. All figures are in 2023-dollar terms.

South Ward is currently estimated to generate approximately \$81m in annual retail expenditure. This is broadly representative of the 'pool' of retail spend that the South Ward area would generate annually. This is projected to increase to around \$178m per annum by 2053, under the Opus growth scenario.

As a result, the total sustainable GFA based on South Ward's total generated retail spend equates to 15,200sqm (rounded) in 2023 and is expected to grow further to around 33,300sqm by 2053. This equates to an additional growth in sustainable GFA of around 18,100sqm between 2023 and 2053 across all assessed retail sectors.

TABLE 5: SOUTH WARD GENERATED ANNUALISED RETAIL SPEND (\$M) AND SUSTAINABLE GFA (SQM)

| Annualised Retail Spend (\$m)  | 2023 | 2028 | 2033 | 2038 | 2043 | 2048 | 2053 | 2023-53 Growth | |
|--|-------------|-------------|--------------|--------------|--------------|--------------|--------------|----------------|-------------|
| | | | | | | | | \$m | % |
|  Food retailing | \$35.9 | \$41.5 | \$47.8 | \$55.0 | \$63.5 | \$72.2 | \$80.9 | \$45.0 | 125% |
|  Clothing, footwear and personal accessories retailing | \$4.0 | \$4.5 | \$5.1 | \$5.7 | \$6.4 | \$7.5 | \$8.4 | \$4.4 | 110% |
|  Furniture, floor coverings, houseware and textile goods retailing | \$2.5 | \$2.9 | \$3.4 | \$3.9 | \$4.6 | \$5.4 | \$6.1 | \$3.7 | 149% |
|  Electrical and electronic goods retailing | \$3.5 | \$4.0 | \$4.7 | \$5.6 | \$6.5 | \$7.6 | \$8.7 | \$5.2 | 149% |
|  Pharmaceutical and other store-based retailing | \$6.9 | \$7.9 | \$9.0 | \$10.3 | \$11.7 | \$13.3 | \$14.8 | \$8.0 | 116% |
|  Department stores | \$5.1 | \$5.8 | \$6.7 | \$7.7 | \$8.8 | \$10.4 | \$11.7 | \$6.6 | 128% |
|  Recreational goods retailing | \$2.3 | \$2.6 | \$3.0 | \$3.4 | \$3.9 | \$4.5 | \$5.0 | \$2.7 | 118% |
|  Food and beverage services | \$21.2 | \$24.2 | \$27.3 | \$30.6 | \$34.5 | \$38.1 | \$41.9 | \$20.7 | 97% |
| Total Retail Spend (\$m) | \$81 | \$93 | \$107 | \$122 | \$140 | \$159 | \$178 | \$96 | 118% |

| Sustainable Floorspace (sqm)  | 2023 | 2028 | 2033 | 2038 | 2043 | 2048 | 2053 | 2023-53 Growth | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|-------------|
| | | | | | | | | sqm | % |
|  Food retailing | 4,600 | 5,300 | 6,100 | 7,000 | 8,100 | 9,200 | 10,300 | 5,700 | 124% |
|  Clothing, footwear and personal accessories retailing | 800 | 900 | 1,000 | 1,200 | 1,300 | 1,500 | 1,700 | 900 | 113% |
|  Furniture, floor coverings, houseware and textile goods retailing | 900 | 1,000 | 1,200 | 1,400 | 1,600 | 1,900 | 2,100 | 1,200 | 133% |
|  Electrical and electronic goods retailing | 1,000 | 1,200 | 1,400 | 1,600 | 1,900 | 2,200 | 2,500 | 1,500 | 150% |
|  Pharmaceutical and other store-based retailing | 1,700 | 1,900 | 2,200 | 2,500 | 2,900 | 3,200 | 3,600 | 1,900 | 112% |
|  Department stores | 1,800 | 2,100 | 2,400 | 2,700 | 3,100 | 3,700 | 4,200 | 2,400 | 133% |
|  Recreational goods retailing | 600 | 700 | 800 | 900 | 1,100 | 1,200 | 1,400 | 800 | 133% |
|  Food and beverage services | 3,800 | 4,300 | 4,900 | 5,500 | 6,200 | 6,800 | 7,500 | 3,700 | 97% |
| Total Retail Sustainable GFA (sqm) | 15,200 | 17,400 | 20,000 | 22,800 | 26,200 | 29,700 | 33,300 | 18,100 | 119% |

Source: Opus, HDC, Property Economics



As highlighted in Table 4 above, this additional retail demand can be accommodated within the existing commercial zone provision, albeit it would almost be fully utilised by 2053. This means action on providing additional commercial zone land in the South Ward is not required at present but monitoring commercial land absorption moving forward is sensible.

Overall, the Opus population growth projection is significantly higher than the StatsNZ High projection causing material additional land requirements for industrial and residential zoned land over the long term.

If you have any queries, please give me a call.

Kind Regards



Tim Heath

M: 021 557713

PO: Box 315596, Silverdale 0944, AUCKLAND

E: tim@propertyeconomics.co.nz

www.propertyeconomics.co.nz