

SMARTGROWTH: DEVELOPMENT TRENDS

TECHNICAL REPORT 2018



SmartGrowth: Development Trends Technical Report 2018

Including Housing and Business, Market and Price Efficiency Indicators to meet the monitoring requirements of the National Policy Statement on Urban Development Capacity (PB6 & PB7)

**Western Bay of Plenty District
Tauranga City**

2017 – 2018

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1. Executive Summary

1.1 Residential Building Activity

Sub-region

- In 2017/2018, building consents issued for new dwellings declined by 18% in the Western Bay of Plenty sub-region (the sub-region) compared to the previous year (refer Figure 1).

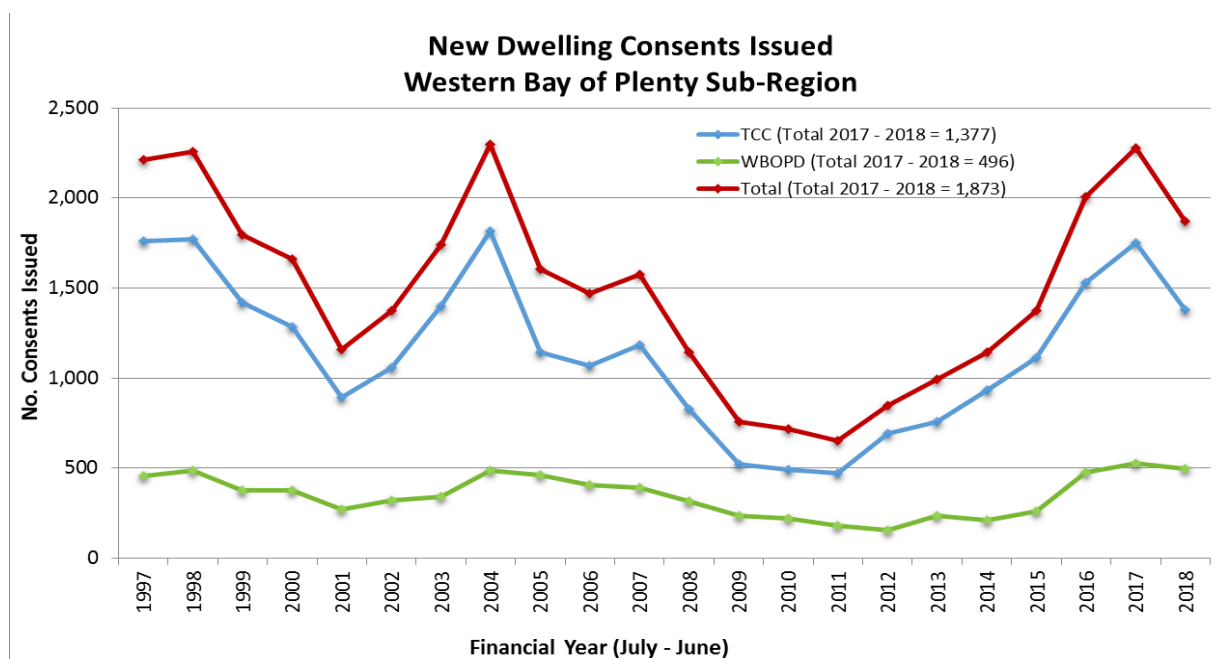
Tauranga City

- Dwelling consents issued for the 2017/2018 year declined in Greenfield Urban Growth Areas (Bethlehem, Pyes Pa West, Ohauti, Welcome Bay, Papamoa and Wairakei) with the exception of Pyes Pa from 2016/2017 results (refer Table 1).
- The Greenfield UGA's remain the main dwelling activity areas accommodating 84% of new dwelling consents issued for Tauranga City in 2017/2018 (existing urban (Infill) areas accommodated 16% and rural areas less than 1%).

Western Bay of Plenty District - WBOPD

- In the Greenfield UGA's dwelling consents issued decreased by 5% during 2017/2018 and the rural areas decreased by 19%. Most of the dwelling consents were issued in Omokoroa UGA with an increase of 30% during 2017/2018.
- Dwelling consents issued decreased overall by 6% for Western Bay of Plenty District.

Figure 1 New dwelling consents issued, Western Bay of Plenty sub-region, 1997/2018



Dwelling consents issued in the sub-region has decreased by 18% from 2016/2017 to 2017/2018 (from 2,276 to 1,873 dwelling consents). Dwelling Consents issued for Tauranga City decreased by 21% (371 consents), while for Western Bay of Plenty District there were 32 (6%) less consents issued for the July 2017 to June 2018 period compared to 2016/2017.

1.2 Residential Subdivision Activity

Sub-region

- Subdivision development in the sub-region declined by 8% from 2017/2018 results.

Tauranga City

- The number of additional lots created declined by 10% in 2017/2018 compared to 2016/2017 and was 39% up on the last 5 year average.
- In Tauranga City 91% of additional lots were created in Greenfield UGA's in 2017/2018.

Western Bay of Plenty District

- The number of additional lots created at 224 stage in 2017/2018 is still high in Omokoroa but has decreased by 31% (or 51 consents) compared to 2016/2017, while in Katikati older subdivisions got title and increased by 30 consents compared to 2016/2017. Additional lots created decreased by 7% from 2016/2017 to 2017/2018 for the District.
- The Greenfield UGA's showed a decrease of 16%, while the rural areas showed a slower decrease of 5% in subdivision development.

Table 1 Trends Summary – Tauranga City – 2017/2018 Compared to 2016/2017

Area		Dwellings Consented	New Lots Created
<i>Urban Growth Area</i>	Bethlehem	↓	↓
	Pyes Pa	↑	↑
	Pyes Pa West	↓	↑
	Ohauti	↓	↑
	Welcome Bay	↓	↑
	Papamoa	↓	↓
	Wairakei	↓	↑
Existing Urban Areas (infill/ Intensification)		↓	↓
Rural Areas		↓	↑

Table 2 Trends Summary - WBOPD – 2017/2018 Compared to 2016/2017

Area		Dwellings Consented	New Lots Created
<i>Urban Growth Area</i>	Waihi Beach	↑	↑
	Katikati	↓	↑
	Omokoroa	↑	↓
	Te Puke	↓	↓
	(Other than above)	↑	↑
Rural Areas	Waihi Beach & Katikati	↓	↑
	Te Puna / Minden	↑	↓
	Kaimai / Ohauti-Ngapeke	↓	↑
	Maketu & Te Puke wards	↓	↓

1.3 Residential Development Capacity

Sub-region

- A comparison of SmartGrowth projections with actual growth at the sub-regional level indicates that the number of dwelling consents issued is 0.4% below the projection as at 30 June 2018.
- Of the total estimated yield for the Greenfield UGA's in the sub-region, 25% capacity remained as at 30 June 2018.

Tauranga City

- Tauranga City has 41 more dwellings (or 3.1%) than the SmartGrowth dwelling projection for the year ending 30 June 2018. However, the dwelling consents issued for the five-year period was down by 5% (or 342 consents) from the SmartGrowth dwelling projections to 30 June 2018.
- Remaining Greenfield UGA capacity was 28% as at 30 June 2018.
- Wairakei (Papamoa East) Greenfield UGA has the highest percentage of capacity remaining (69%), while Pyes Pa UGA the least (13%).

Western Bay of Plenty District

- In Western Bay of Plenty District 25 more dwelling consents (1.3%) were issued than projected compared to the SmartGrowth dwelling projection as at 30 June 2018.
- Remaining Greenfield UGA capacity was 17% as at 30 June 2018.
- Waihi Beach UGA has the lowest theoretical remaining capacity available with 7% or 217 dwellings, while Omokoroa UGA has the largest capacity remaining in Western Bay of Plenty District with 35% or 897 dwellings (refer to Table 5).

1.4 Residential Sales and Rents

Tauranga City

- Median sale price has increased by 4% to \$631,563 in last 12 months to 30 June 2018.
- Mean rent has increased by 4.4% to \$422 in last 12 months to 30 June 2018.

Western Bay of Plenty District

- Median sale price has increased by 5% to \$616,446 in last 12 months to 30 June 2018.
- Mean rent has increased by 5.1% to \$366 in last 12 months to 30 June 2018.

1.5 Dwelling Typology

Tauranga City

- Mean floor size of residential building consents decreased from 177m² in 2016/2017 to 170m² in 2017/2018.
- A higher proportion of dwelling consents were issued in 2017/2018 for "townhouses, flats, units and other dwellings" and less for "retirement village units", "apartments" and standalone "houses" than the last 5 year average¹.

Western Bay of Plenty District

- Mean floor size of residential building consents has decreased from 189m² in 2016/17 to 180m² in 2017/2018.

¹ Dwelling typologies are Statistics New Zealand Infoshare classifications.

- A higher proportion of dwelling consents were issued in 2017/2018 for “townhouses, flats, units and other dwellings”, and less for standalone “houses” than the last 5 year average.

1.6 Business Land and Activity

Sub-region

- Vacant industrial zoned land is currently available at Oropi, Te Maunga, Owens Place, Mount Maunganui, Tauriko, Sulphur Point, Greerton, Wairakei (Papamoa East), Katikati, Omokoroa, Te Puke, Rangiuru and Paengaroa.
- Vacant commercial land in Greenfield UGA’s is available at Pyes Pa West/Tauriko, Bethlehem, Papamoa and Wairakei in Tauranga City and Omokoroa in Western Bay of Plenty.

Tauranga City

- The number of building consents issued for new industrial buildings for 2017/2018 has increased compared to 2016/2017, while building consents issued for commercial buildings has declined during the same period.

Western Bay of Plenty District

- Industrial and commercial building consents are still very slow in Western Bay of Plenty District. In 2017/2018, building consents decreased compared to the previous year with four new industrial building consents and three new commercial building consents issued.

2 Introduction

Monitoring development trends in the Western Bay of Plenty District and Tauranga City assists both Councils in understanding the changing patterns of development in the sub-region. These statistics are collected as part of Councils Section 35 of the Resource Management Act 1991 obligations being a “duty to gather information, monitor and keep records”.

This is the eighteenth year that development trends have been monitored for the Western Bay of Plenty sub-region. From 2007, the report has been expanded to incorporate measures related to development as required by the Bay of Plenty Regional Policy Statement (RPS), and the SmartGrowth Strategy.

The RPS requires annual reviews to be undertaken to monitor, assess and report on population distribution, dwelling yields, zoned business land, and the proportion of potential residential allotments approved. SmartGrowth requires uptake rates and land availability for both residential and business land, permanent versus holiday residences, and rural subdivision to be monitored. Also a comparison of actual growth against projected SmartGrowth dwelling growth is reported on.

The National Policy Statement on Urban Development Capacity (NPS-UDC), came into effect on 1 December 2016. Tauranga Urban Area (which relates to both Tauranga City and Western Bay of Plenty District²) is classified as a high growth urban area under the NPS-UDC. NPS-UDC Policy PB6 requires Councils to monitor a range of indicators on a quarterly basis including:

- a) prices and rents for housing, residential land and business land, by location and type; and the changes in these prices and rents over time;
- b) the number of resource consents and building consents granted for urban development relative to the growth in population; and
- c) indicators of housing affordability.

From December 2017 the NPS-UDC Policy PB7 requires high growth councils to also monitor and report on price efficiency indicators. The 2018 SmartGrowth Development Trends Report incorporates a number of relevant indicators that meet NPS-UDC monitoring requirements (refer table 3), while continuing the development trends time series data. This report is produced annually for the period 1 July to 30 June. The NPS-UDC quarterly monitoring report framework is simpler and produced starting September 2017.

2.1 National Policy Statement on Urban Development Capacity Monitoring

A Technical Implementation Group (TIG) has been established by SmartGrowth, comprised of staff from the three Councils (Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council) and other partners, to respond to requirements of the NPS-UDC.

The deliverables required by the NPS-UDC³ include (in sequence):

- establishing a monitoring regime (Policies PB6 and PB7);
- undertaking housing and business land assessments;
- setting development capacity targets for housing in statutory (Resource Management Act) planning documents – i.e. the Bay of Plenty Regional Policy Statement, Tauranga City Plan and Western Bay of Plenty District Plan; and

² Western Bay of Plenty District (WBOPD) indicators are displayed for total WBOPD (urban and rural) or only the urban growth areas which include Waihi Beach, Katikati, Omokoroa and Te Puke.

³ National Policy Statement on Urban Development Capacity: Guide on Evidence and Monitoring, Ministry of Business, Innovation and Employment and the Ministry for the Environment (MBIE), June 2017.

- developing (and consulting on) a Future Development Strategy to show how the identified targets will be met into the long term.

As indicated above, in addition to PB6 requirements, NPS-UDC PB7 requires local authorities to use indicators of price efficiency in their land and development market, to understand how well the market is functioning and how planning may affect this, and when additional capacity might be needed. MBIE has developed a number of price efficiency indicators which are incorporated into the NPS-UDC monitoring reports starting December 2017⁴.

A housing and business land assessment has been completed as required by the NPS-UDC⁵. The assessment includes information about the range of business uses and dwelling types, and provides evidence based estimates of demand and feasible capacity. The NPS-UDC also requires that a 30-year Future Development Strategy (FDS) for the sub-region be developed and this is currently being progressed⁶. The FDS will drive the discussion and decision-making needed to manage the expected growth in the sub-region.

The Ministry for the Environment (MfE) and the Ministry of Housing and Urban Development (HUD) provided guides to support the implementation of the NPS-UDC, and an online dashboard that provides charts, maps and underlying data on local housing markets. This was consulted in the preparation of this report, and the dashboard used to produce a number of graphs.

The indicators particularly relevant to the NPS-UDC PB6 and PB7 monitoring requirement are outlined in Table 3. The majority of indicators have a residential focus due to the availability of residential data through the HUD/ MfE dashboard, and Council records. SmartGrowth will work with its partners to source appropriate business indicators for future PB6 quarterly monitoring reports.

Table 3 NPS-UDC PB6 and PB7 Indicators Monitored

Table 3 NPS-UDC PB6 and PB7 Indicators Monitored				
NPS-UDC PB6	Type	Topic	Indicator	Ref
a) Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time	Residential	Prices	Dwelling Sales Price (Tauranga City and WBOPD's Urban Areas)	3.3
		Prices	Dwellings Sold (Tauranga City and WBOPD's Urban Areas)	3.3
		Rents	Nominal Rents Dwelling (Tauranga City and WBOPD's Urban Areas)	3.3
		Prices/ Rents	Ratio of Dwelling Sales Prices to Rent (Tauranga City and WBOPD's Urban Areas)	3.3
		Prices	Average Floor Size per Residential Building (Tauranga City and total WBOPD)	3.5
		Prices	Average Value per Residential Dwelling Consent (Tauranga City and total WBOPD)	3.5
		Type	Building Consents by Type (Tauranga City and total WBOPD)	3.6
		Rents	Detailed Geographic Data on Dwelling Rents (Tauranga City and total WBOPD)	3.8
		Location	Detailed Geographic Data on Dwelling Sale Prices (Tauranga City and total WBOPD)	3.8
Business	Type	Building Consents by Type – Non-Residential (Tauranga City and total WBOPD)	3.7	
b) The number of resource consents and building consents granted for urban development relative to the growth in population	Residential	New Lots	New Lots Created (Tauranga City and WBOPD's Urban Areas)	3.2
		Dwelling Consents	New Dwelling Consents Issued (Tauranga City and WBOPD's Urban Areas)	3.1
		Population Growth	New Dwelling Consents Compared to Dwelling Projections (Tauranga City and WBOPD's Urban Areas)	3.1
c) Indicators of housing affordability	Residential	Prices	Housing Affordability Measure (HAM) – Buy (Tauranga City and total WBOPD)	3.4
		Rents	Housing Affordability Measure (HAM) – Rents (Tauranga City and total WBOPD)	3.4
PB7 Indicators				
Indicators of price efficiency	Residential	Prices vs. Cost	Housing Price to Cost Ratio (Tauranga City and total WBOPD)	3.9

⁴ The functions that relate to the NPS-UDC have been moved across from the MBIE to the Ministry of Housing and Urban Development (HUD)

⁵ SmartGrowth Housing and Business Development Capacity Assessment for Tauranga City and WBOPD - Urban.

⁶ Public consultation on the draft Future Development Strategy for Western Bay of Plenty sub-region has been completed.

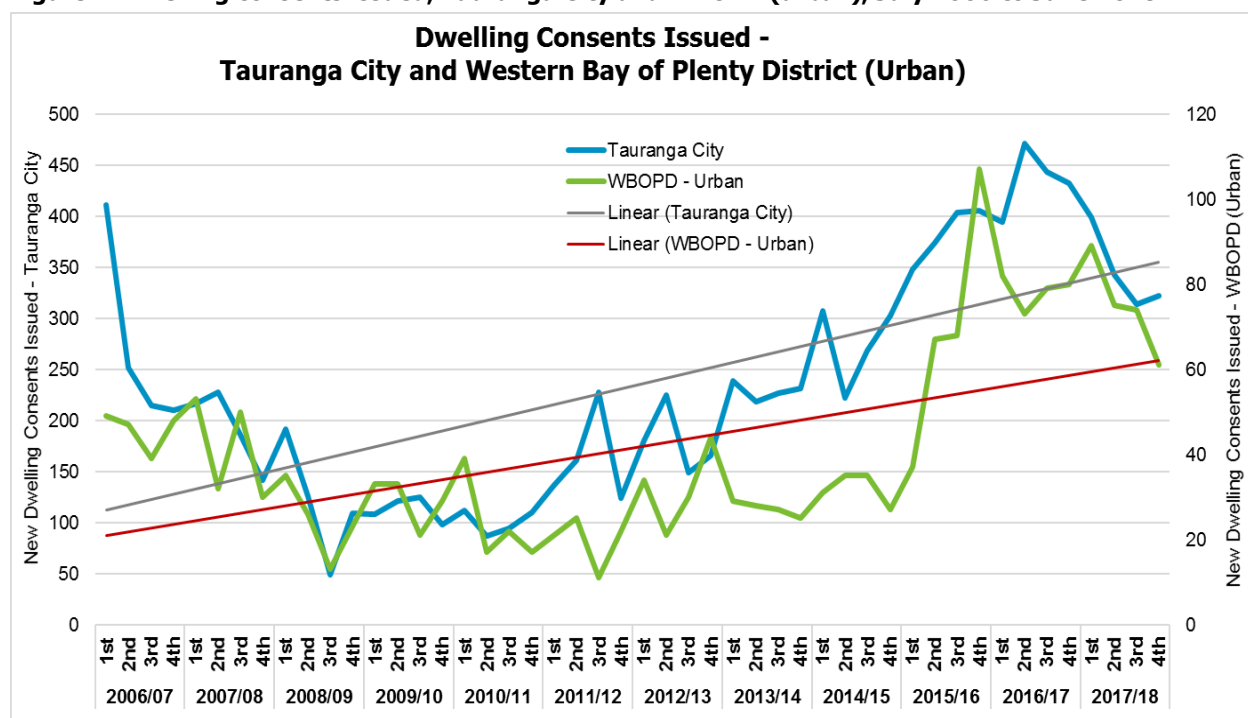
	Rural-urban	Prices & Location	Rural-urban Zone Differentials (Tauranga City)	3.9
	Residential	Ownership	Land Concentration Control (Tauranga extended urban area)	3.9

An explanation of indicators provided via the HUD/MfE guidance or dashboard is provided in Appendix 1, and referenced under the relevant indicator through the report.

3 Supply and Demand

3.1 New Dwelling Consents Issued

Figure 2 Dwelling consents issued, Tauranga City and WBOPD (urban), July 2006 to June 2018

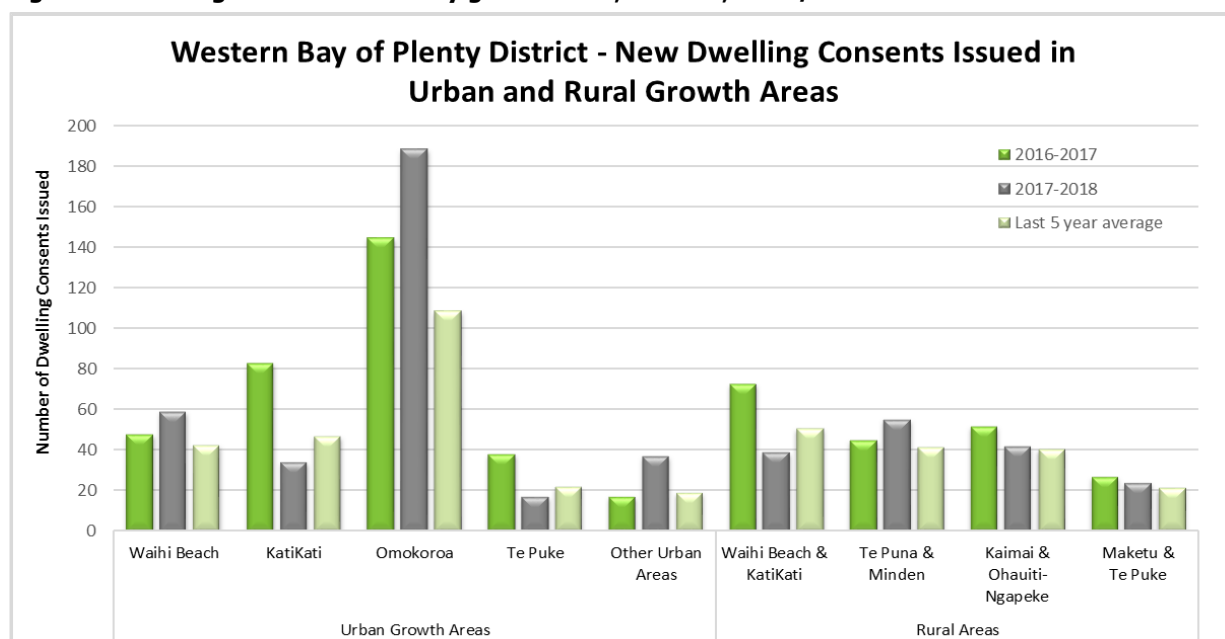


Note: A "Linear" trend line has been included in Charts 2 and 5 to show the general trend over time. "Linear" trend line – a relationship of direct proportionality that, when plotted on a graph, traces a straight line.

In WBOPD there has been variation in dwelling consents issued in the Greenfield Urban Growth Areas (UGA's) over the last 10 years. Dwelling consents issued in the urban areas decreased by 5% (or 15 consents) from 2016/2017 to 2017/2018 while dwelling consents for total WBOPD decreased by 6% (or 32 consents) for the same period. In 2007/2008 the monthly average for dwelling consents issued were 14, compared to the monthly average of 25 for 2017/2018.

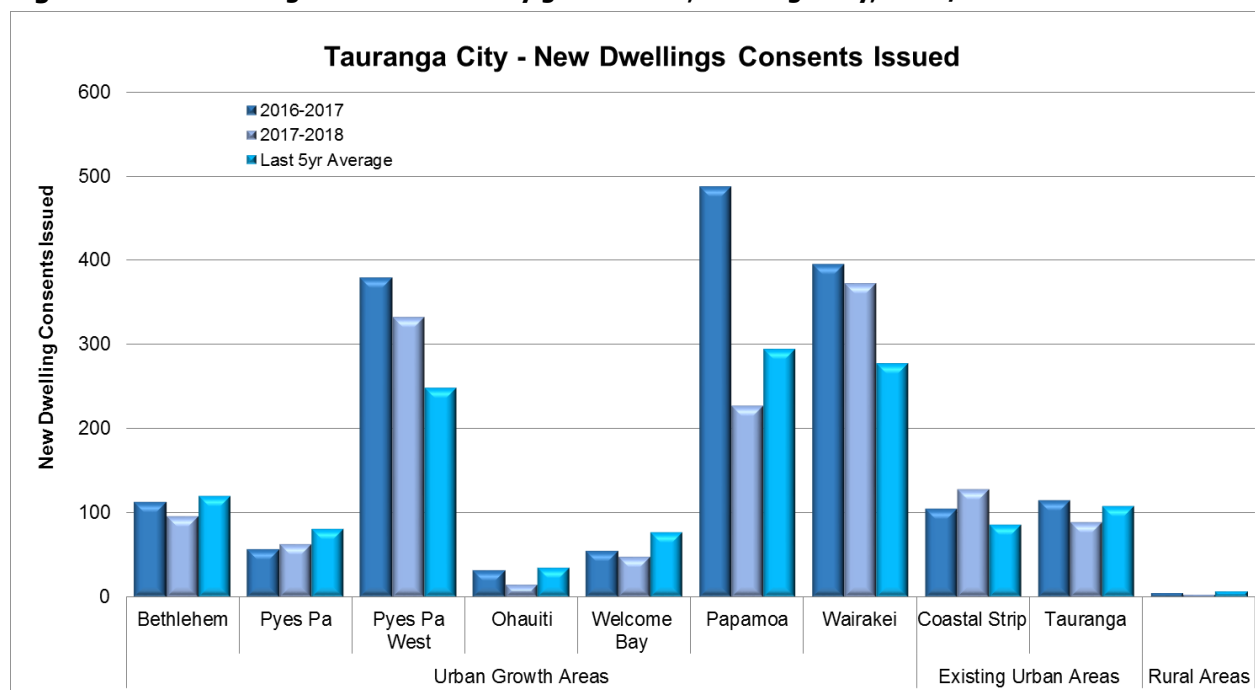
In Tauranga City building consents issued for new dwellings declined by 21% (or 371 consents) from 2016/2017 (1,748 dwelling consents issued) to 2017/2018 (1,377 dwelling consents issued). The last 5 year average was 1,340 dwelling consents. In 2008/2009 the monthly average for dwelling consents was 44, compared to a monthly average of 115 for 2017/2018.

Figure 3 Dwelling consents issued by growth area, WBOPD, 2016/2018



In the Greenfield UGA's there was a decrease in new dwelling consents issued of 5% and in the rural areas there was a decrease of 19% from 2016/2017 to 2017/2018. Dwelling consents issued increased in Omokoroa (30%), Waihi Beach (23%) and in the Pongakawa (118%) Greenfield UGA's while in the rural areas only Te Puna/ Minden increased by 22%.

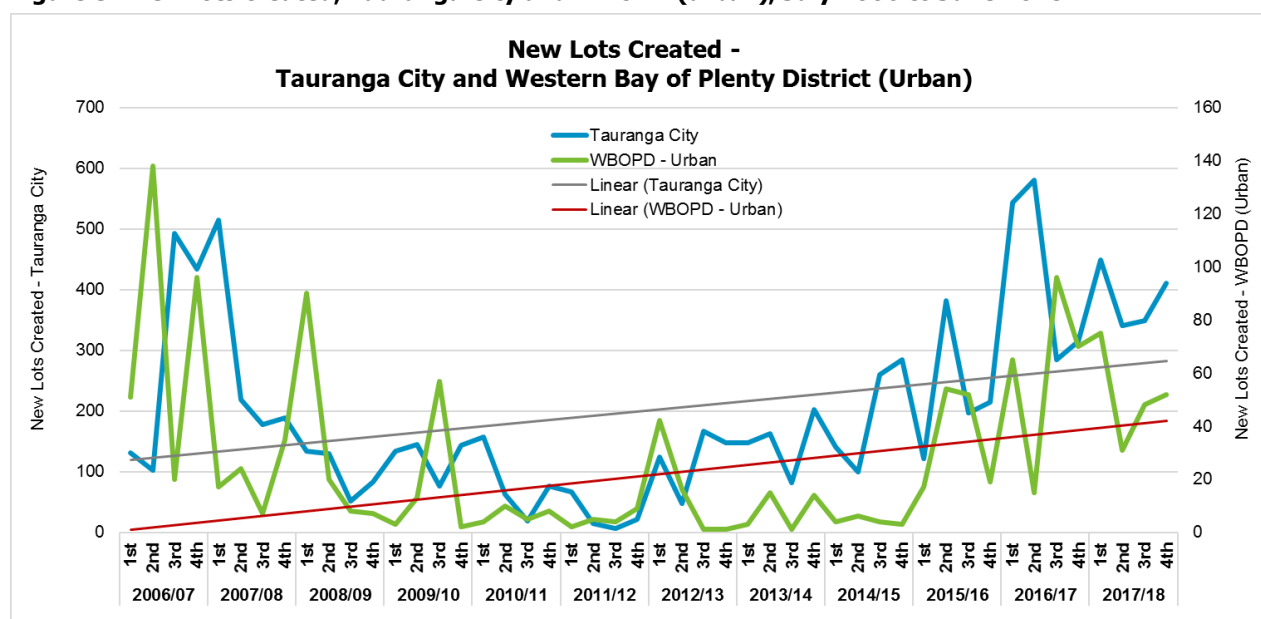
Figure 4 New dwelling consents issued by growth area, Tauranga City, 2016/2018



During 2017/2018, 84% of new dwelling consents issued occurred within Greenfield UGA's, 16% within existing urban areas, while 0.2% (3 consents) were issued in rural zoned areas. Dwelling consents issued in 2017/2018 in Greenfield UGA's (1,156 consents) were down 24% on 2016/2017 (1,522 consents) and up 1.7% on the last 5 year average (1,137 consents). Greenfield UGA's, with the exception of Pyes Pa UGA's, experienced declines in 2017/2018 from 2016/2017 results. There were 4 less dwelling consents issued in the existing urban areas in 2017/2018 compared to the previous year, and in the rural areas, 2 less dwelling consents were issued during the same period.

3.2 New Lots Created

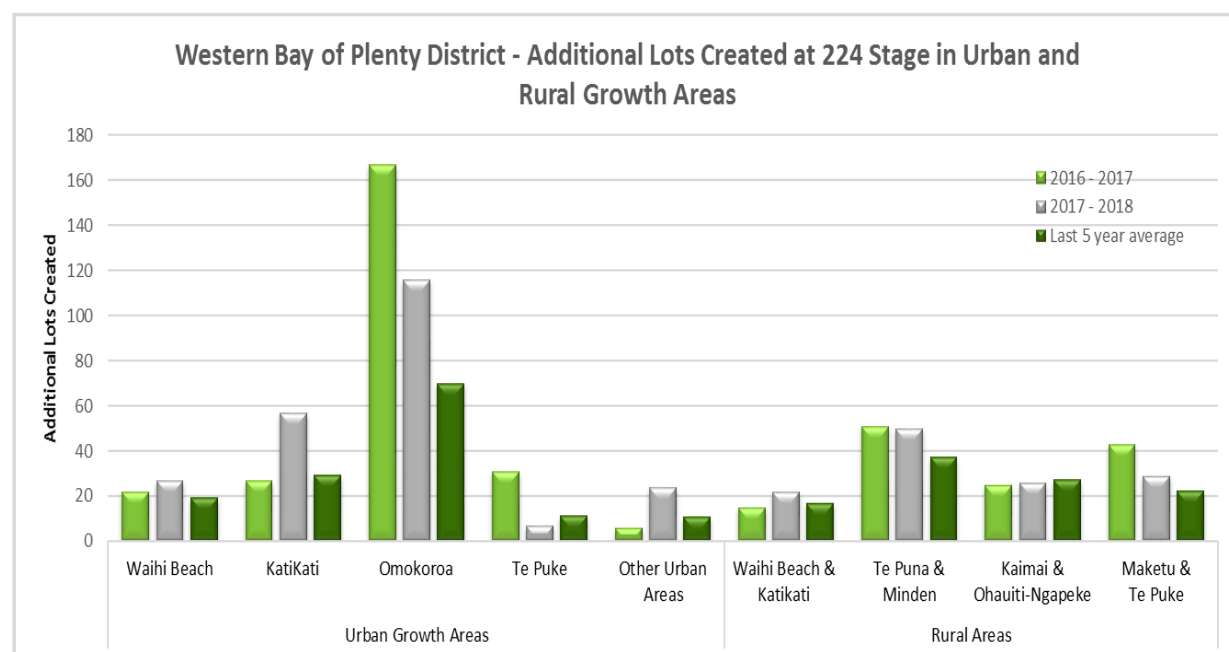
Figure 5. New lots created, Tauranga City and WBOPD (urban), July 2006 to June 2018



In WBOPD the number of new lots created in the UGA's decreased from 246 in 2016/2017 to 207 in 2017/2018. New lots created in the UGA's were the lowest in 2014/2015 with an average of 4 new lots created per quarter, compared to the average of 52 new lots created in 2017/2018.

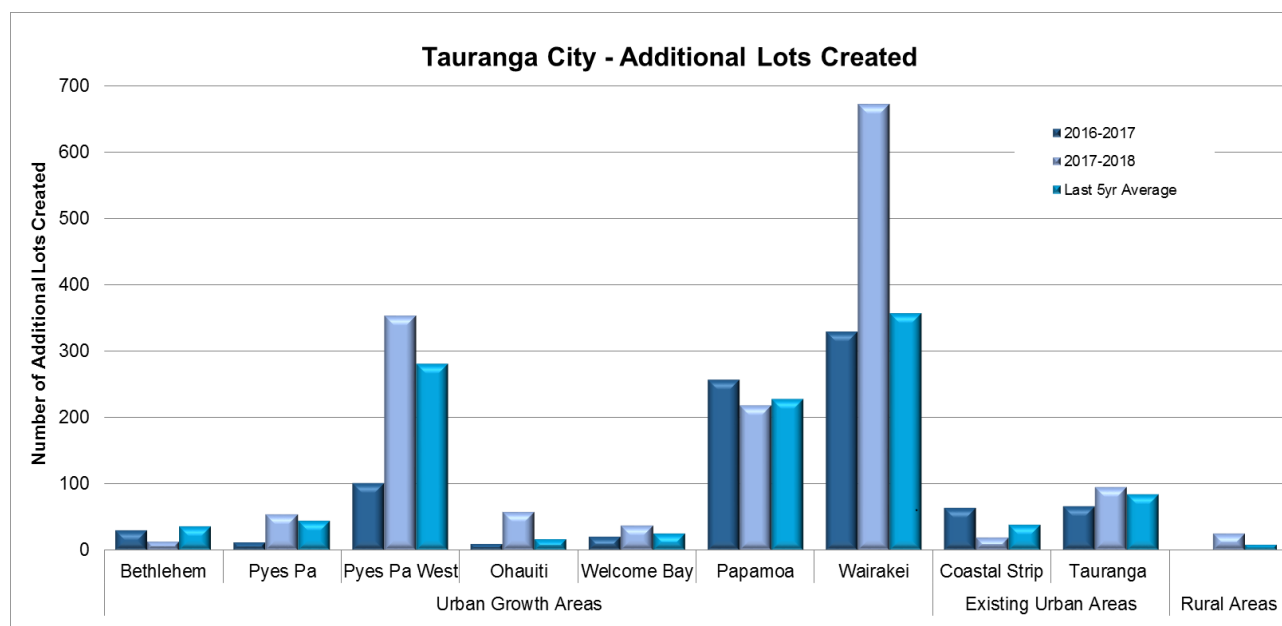
For Tauranga City new lots created in 2017/2018 (1,550 new lots created) decreased by 173 lots (10%) from 2016/2017 (1,723 new lots created). The 2017/2018 results were 39% higher than the last 5 year average of 1,116 new lots created. Over the last ten years, new lots created were lowest in 2011/2012 with a monthly average of 9 new lots created, compared to 129 new lots in 2017/2018 in Tauranga City.

Figure 6 Additional lots created by growth area, WBOPD, 2016/2018



In the Greenfield UGA's the number of additional lots created at 224 stage decreased by 16% from 2016/2017 to 2017/2018 and the rural areas decreased by 5% for the same period. Subdivision is lower in Omokoroa and Te Puke while in Katikati subdivision increased significantly (by 30 consents) for the 2017/2018 year. Additional lots created decreased in most of the rural areas from 2016/2017 to 2017/2018 except for Waihi Beach/ Katikati rural areas where additional lots increased by 47%.

Figure 7 Additional lots created growth area, Tauranga City, 2016/2018

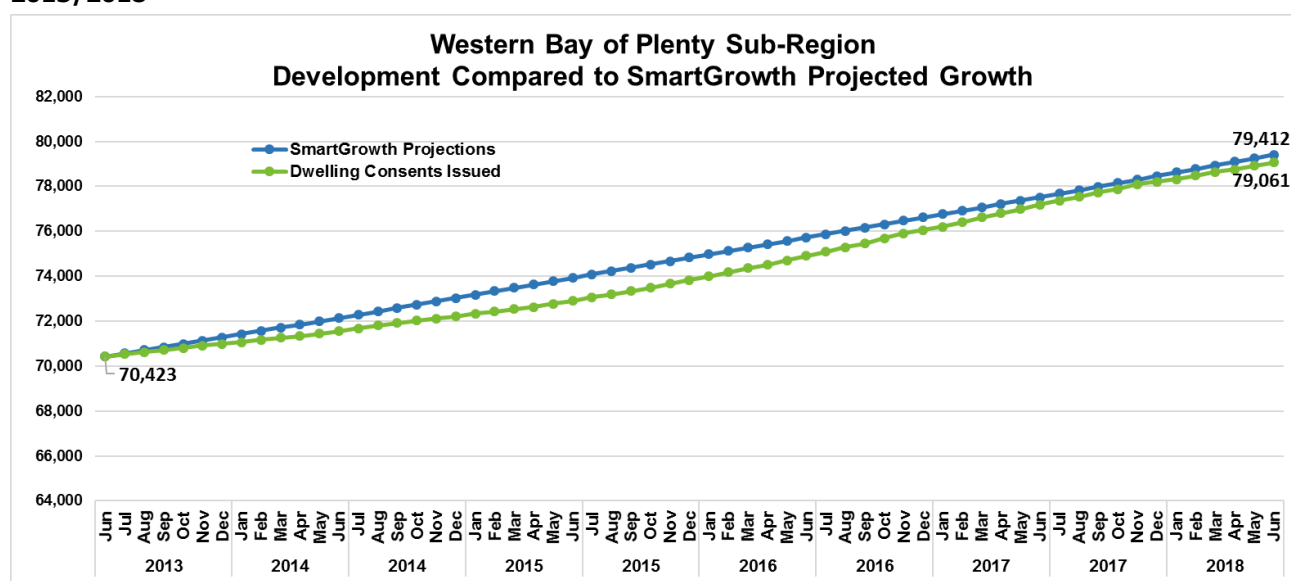


The largest number of additional lots created during the 2017/2018 financial year were within Greenfield UGAs (1,408 lots or 91%), while 116 lots were created in existing urban areas. Subdivision development declined by 11% in both Greenfield and existing UGAs in comparison with 2016/2017 results. During 2017/2018 most additional lots in Tauranga City were created within the Suburban and Wairakei residential zones (1,396 lots or 90%).

3.3 Comparison with SmartGrowth Projections

Detailed population and household projections have been produced for the SmartGrowth region by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato⁷. NIDEA predict that population in the Western Bay of Plenty sub-region will increase from 165,910 people at 30 June 2013 to 261,248 people by 2063, while dwellings will increase from 70,423 to 121,265 over that period.

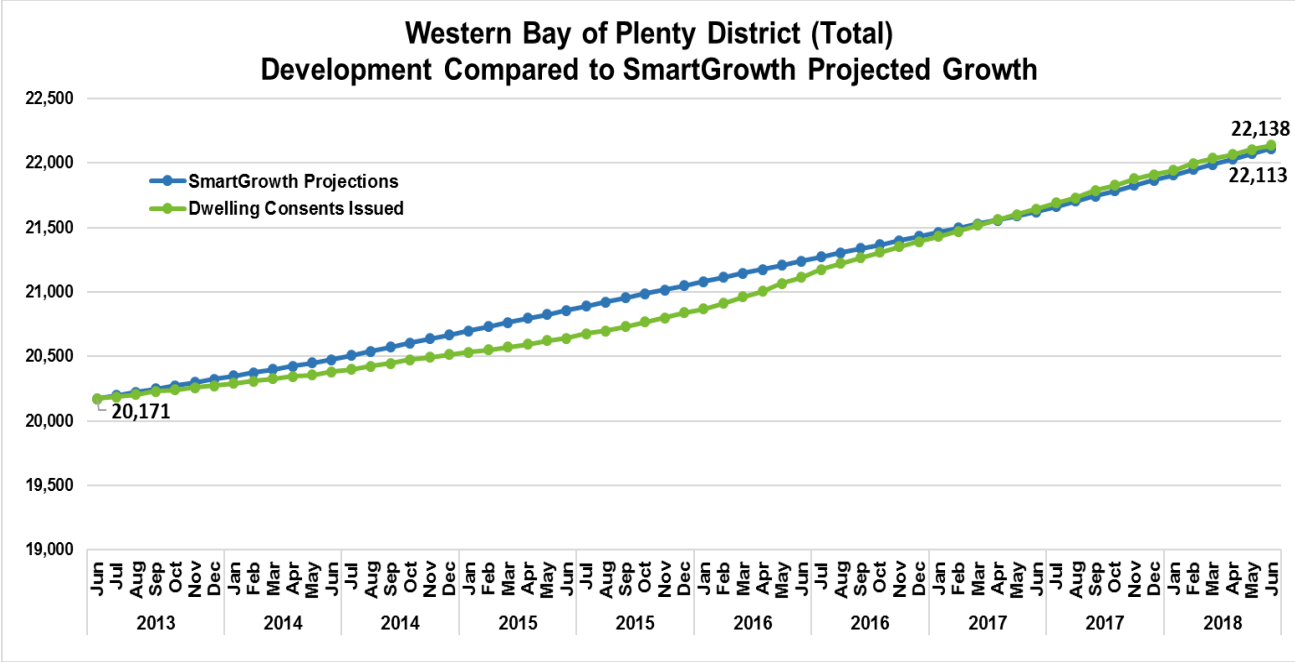
Figure 8 Dwelling consents issued compared to SmartGrowth projected growth, WBOP sub-region, 2013/2018



Dwelling consents issued for the Sub-region is very close to the dwellings projected. Between 1 July 2013 and 30 June 2018, 4% (351) less new dwelling consents were issued, than projected.

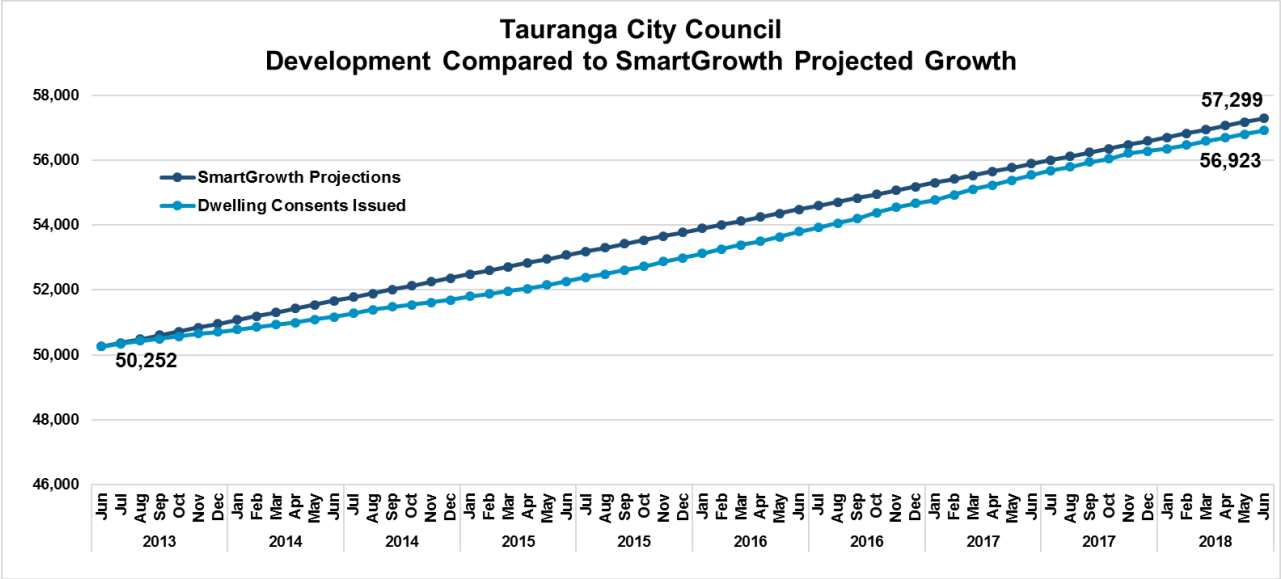
⁷ The revised projections were adopted by the SmartGrowth Committee on 28 May 2014 and updated by both Councils in July 2017.

Figure 9 Dwelling consents issued compared to SmartGrowth projected growth, WBOPD, 2013/2018



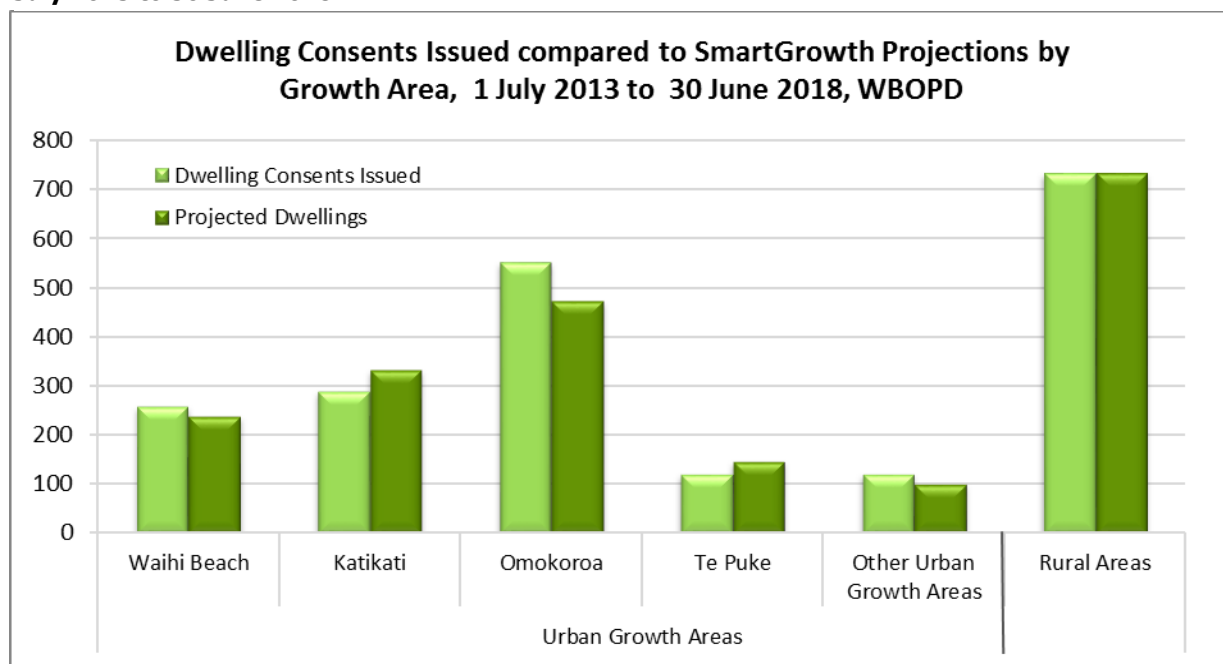
Compared to the SmartGrowth projections, 25 more consents were issued in WBOPD, between 1 July 2013 and 30 June 2018.

Figure 10 Dwelling consents issued compared to SmartGrowth projected growth, Tauranga City, 2013 /2018



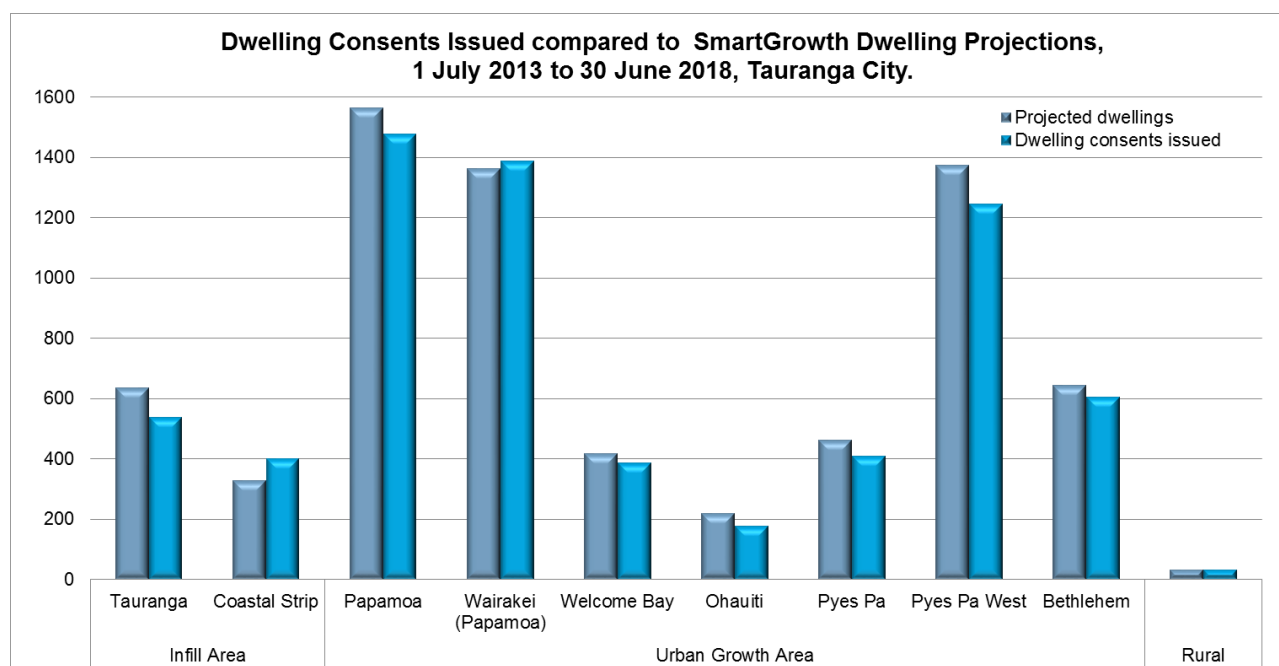
Between 1 July 2013 and 30 June 2018 376 (or 5.3%) less dwellings consents were issued than the 7,047 dwellings projected.

Figure 11 Dwelling consents issued compared to SmartGrowth projections by growth area, WBOPD, 1 July 2013 to 30 June 2018



In WBOPD, Katikati UGA has more dwellings projected (332) than new dwelling consents issued (289) from July 2013 to June 2018 and in Omokoroa UGA there were 81 less dwellings projected (472) than dwelling consents issued (553) for the same period. In the other Urban Growth Areas, Pongakawa have 24 more dwelling consents issued than projected. The projections (733 dwellings) for the rural areas are very close to the actual dwelling consents issued of 735 dwellings.

Figure 12 Dwelling consents issued compared to SmartGrowth projections by growth area, Tauranga City, 1 July 2013 to 30 June 2018



In comparison to the current SmartGrowth Projection allocation between 1 July 2013 and 30 June 2018 less dwelling consents were issued than projected. Of the UGAs, Wairakei recorded an increase (25 consents or 1.8%), while all other UGAs recorded declines ranging 6% to 19%. Overall dwelling consents issued in UGA's were 353 (or 6%) below the 6,049 dwellings projected. Dwelling consents issued in Intensification/Infill area, and Rural areas were 26 below (or 2.6% less) the 1,001 projected.

3.4 Growth Rates – Land Availability

SmartGrowth requires that uptake rates and land availability for residential development be monitored. This is based on zoned residential land across the sub-region.

Tauranga City

Of the operative Greenfield UGA's, Pyes Pa UGA has the lowest proportion of remaining dwelling capacity (13%), while Welcome Bay has the lowest remaining dwelling capacity (295 dwellings), refer to Table 4.

Papamoa UGA which has the largest expected yield, has estimated potential for a further 1,938 dwellings. The majority of these are expected to be constructed in the Maranui Street area which includes the Mangatawa Block, and at the eastern end of Doncaster Drive in the Parton Road area.

Wairakei UGA in Papamoa East was made operative in May 2011, providing further capacity for an estimated 4,480 dwellings. At 30 June 2018 it had the largest remaining dwelling capacity (3,082 dwellings) and highest percentage of capacity remaining (69%).

Other Greenfield areas have been identified for future urban development and their suitability is currently being considered through the SmartGrowth Settlement Pattern Review Project. Te Tumu in Papamoa East and Tauriko West future Greenfield UGA areas are currently being progressed through structure planning.

By June 2021 it is estimated that capacity for a further 5,544 dwellings will remain in the current operative Greenfield UGA's, which is 18% of the total estimated yield of these UGA's, falling to 1,080 dwellings (or 3% of total yield) by 2028. For the future Greenfield UGA's it is anticipated that a further 10,700 dwellings will be added to the yield by 2021, with capacity for a further 7,666 dwellings (or 72%) of this additional yield estimated to remain by 2028. If the future Greenfield UGA's were not released for development a medium term shortfall is projected.

Table 4 Growth Rate and Projected Uptake of Urban Growth Areas in Tauranga City

Greenfield Urban Growth Area (UGA)	Estimated Yield - Total Dwellings	June 2018 total dwellings (existing and consented)	Remaining capacity as at June 2018	Short term (3 years)		Medium Term (10 years)	
				Projected uptake June 2018-June 2021	Estimated remaining capacity at June 2021	Projected uptake June 2021-June 2028	Estimated remaining capacity at June 2028
Bethlehem	4,790	3,509	1,281 (27%)	368	913	603	311
Pyes Pa	2,780	2,424	356 (13%)	141	215	143	72
Pyes Pa West	2,800	1,572	1,228 (44%)	494	734	492	241
Ohauti	1,800	1,352	448 (25%)	187	261	173	87
Welcome Bay	2,150	1,855	295 (14%)	128	167	96	71
Papamoa	12,140	10,202	1,938 (16%)	733	1,205	1,076	130
Wairakei	4,480	1,398	3,082 (69%)	1,033	2,049	1,881	168
UGA (current) Sub-Total	30,940	22,312	8,628 (28%)	3,084	5,544 (18%)	4,465	1,080 (3%)
Te Tumu (post 2021) ¹	7,700				7,700	1,747	5,953
Tauriko West (post 2021) ¹	3,000				3,000	1,287	1,713
UGA (future) Sub-Total	10,700				10,700	3,034	7,666 (72%)
Greenfields Total	41,640	22,312	8,628	3,084	16,244 (39%)	7,498	8,746 (21%)

¹ Structure planning has commenced.

Western Bay of Plenty District

Te Puke UGA has the largest design capacity in the District followed by Waihi Beach UGA of just over 3,000 dwellings. Although Waihi Beach has a large design capacity, it has the lowest remaining capacity available of 7%. Omokoroa Stage 1&2 UGA has the largest dwelling capacity remaining in the District (897 dwellings), followed by Te Puke UGA with 492 dwellings. Katikati UGA does not include the Park Road dairy farm and Tetley Road orchard, and that leaves Katikati with only 370 dwellings remaining (refer to Table 5).

A further estimated capacity of 1,267 dwellings will be available at June 2021 of which most are located in Omokoroa (613 dwellings). The overall capacity will fall to 173 dwellings (or 1% total yield) by 2028. By 2021 a further 5,269 dwellings (or 98%) will be added to the Urban Growth Areas for Omokoroa-Stage 3 and Katikati West, with a further dwelling uptake of 755 dwellings from June 2021 to June 2028. This will give enough capacity for the medium term.

Table 5 Growth Rate of Urban Growth Areas in the Western Bay of Plenty District

Urban Growth Area	Total Capacity (Dwellings)	Short Term (3 Years)					Medium Term (10 Years)	
		June 2018 total dwellings (existing and consented)	Remaining capacity at June 2018	Protected uptake June 2018 – June 2021	June 2021 total dwellings (Estimated)	Estimated remaining capacity at June 2021	Protected uptake June 2021 – June 2028	Estimated remaining capacity at June 2028
Omokoroa – Stages 1 & 2	2,576	1,679	897 (35%)	284	1,963	613	613	0
Kaitikati ¹	2,519	2,149	370 (15%)	233	2,382	137	137	0
Waihi Beach	3,230	3,013	217 (7%)	59	3,072	158	112	46
Te Puke	3,550	3,058	492 (14%)	133	3,191	359	232	127
Greenfields (current) Sub-Total	11,875	9,899	1,976 (17%)	709	10,608	1,267 (11%)	1,094	173 (1%)
Omokoroa - Stage 3 (post 2021) ²	4,286	87	4,199	0	87	4,199	452	3,747
Katikati West (post 2021) ²	1,070	0	1,070	0	0	1,070	303	767
Greenfields (future) Sub-Total	5,356	87	5,269	0	87	5,269 (98%)	755	4,514 (84%)

¹ Exclude Park Road Dairy and Tetley Road Orchard.

² Structure Plan and new Urban Growth Areas under discussion.

3.5 Occupied/Unoccupied Dwelling Ratio

SmartGrowth requires that “permanent” vs. “holiday residences” be monitored. A comparison of Census night occupied dwelling with unoccupied dwelling counts provides one indication of this. A table outlining occupied and unoccupied dwelling ratios is provided in Appendix 4 and a Census area unit map is provided in Appendix 5.

Western Bay of Plenty District

In the Western Bay of Plenty District the coastal settlements of Island View-Pios Beach and Waihi Beach show the highest ratios of unoccupied dwellings with 61% and 49% respectively signifying a high number of holiday homes in these areas, refer to Appendix 4.

Athenree and Matakana Island also indicate a relatively high proportion of non-permanent residences, each with more than 25% of homes unoccupied at Census time. Pongakawa despite being a rural area displays a reasonably high proportion of unoccupied dwellings (31%) largely due to the inclusion of the coastal settlement of Pukehina within the area unit. Maketu Community (26%), another settlement located on the Western Bay of Plenty District's coast has a similar ratio of unoccupied dwellings to Pongakawa (31%), while Katikati and Omokoroa has a smaller proportion of non-permanent residences than other coastal settlements, with 9% and 12% respectively.

Tauranga City

For Tauranga City the coastal strip Census area units of Mount Maunganui North, Omanu, Te Maunga, Papamoa Beach East, Palm Beach, and Palm Springs all registered an unoccupied dwellings proportion of 10% or greater on Census night suggesting a higher rate of holiday residence in these areas, refer to Appendix 4. These results correspond with the traditional holiday nature of the coastal strip. Outside the coastal strip only Tauranga Central, and Sulphur Point CAU's exceeded 10% unoccupied dwellings.

4 Dwelling Sale Price and Rent Trends

4.1 Dwelling Sales Price

In June 2018, both Tauranga City and WBOPD have slight increases in the 12-month average dwelling sales prices of 4% and 5.4%, respectively compared to the previous year (June 2017). It is noted that actual dwelling sales prices have stabilised in the last 12 months.

Figure 13 Dwelling sales prices, Tauranga City and WBOPD, 1993/2018

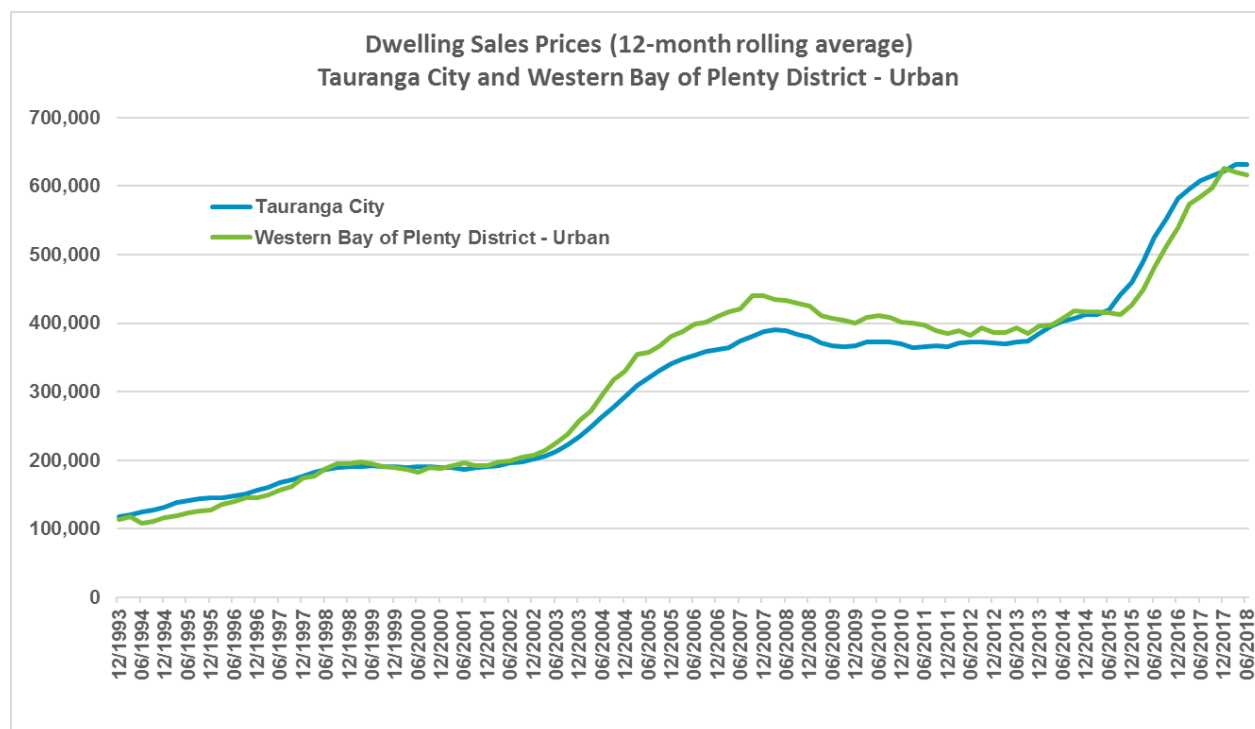
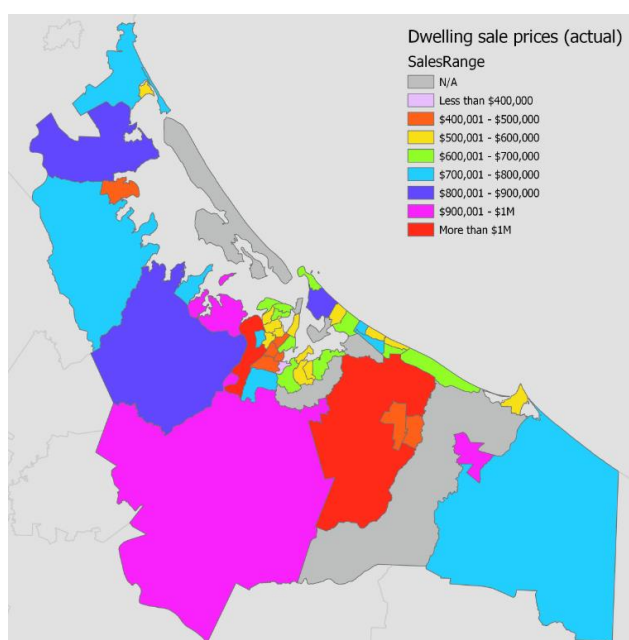
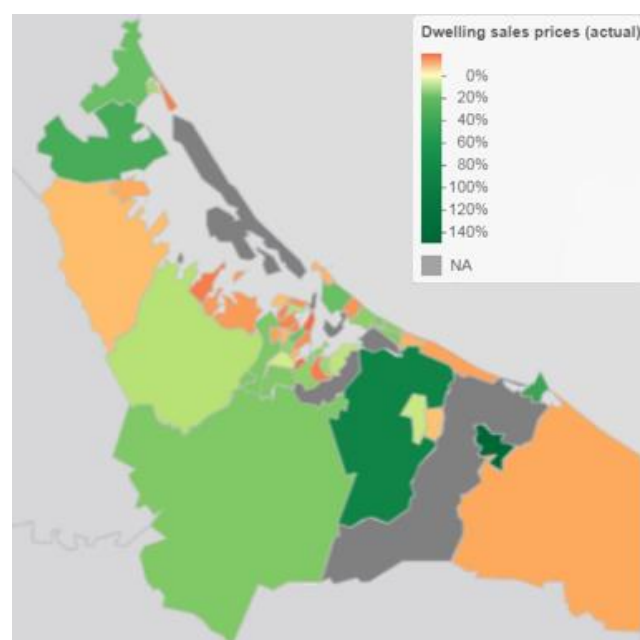


Table 6 Dwelling Sales Prices (12-month rolling average)

Dwelling Sales Price		Trend	Change	% Change
<i>Tauranga City</i>				
June 2018	\$631,562			
March 2018	\$31,312	▲	\$250	0.04
June 2017	\$607,625	▲	\$23,938	3.9
June 2013	\$372,000	▲	\$259,562	69.8
June 2008	\$388,625	▲	\$242,937	62.5
<i>Western BOPD – Urban</i>				
June 2018	\$616,446			
March 2018	\$620,688	▼	-\$4,241	-0.7
June 2017	\$584,911	▲	\$31,536	5.4
June 2013	\$393,048	▲	\$223,399	56.8
June 2008	\$432,563	▲	\$183,884	42.5

Figure 14 Dwelling sales prices, June 2018**Figure 15 Change in dwelling sales prices, June 2017 to June 2018**

Source: Corelogic – HUD Urban Development Capacity Dashboard

4.2 Dwelling Rents

As illustrated in the graph above and table below, dwelling rents have been increasing, with a steady increase observed from mid 2014. This aligns with an increase in sales price over this period, though the percentage increase in rents has been considerably lower than that observed for sales prices. Refer Appendix 1 for an explanation of this indicator.

Figure 16 Dwelling rents, Tauranga City and WBOPD (urban), 1993/2018

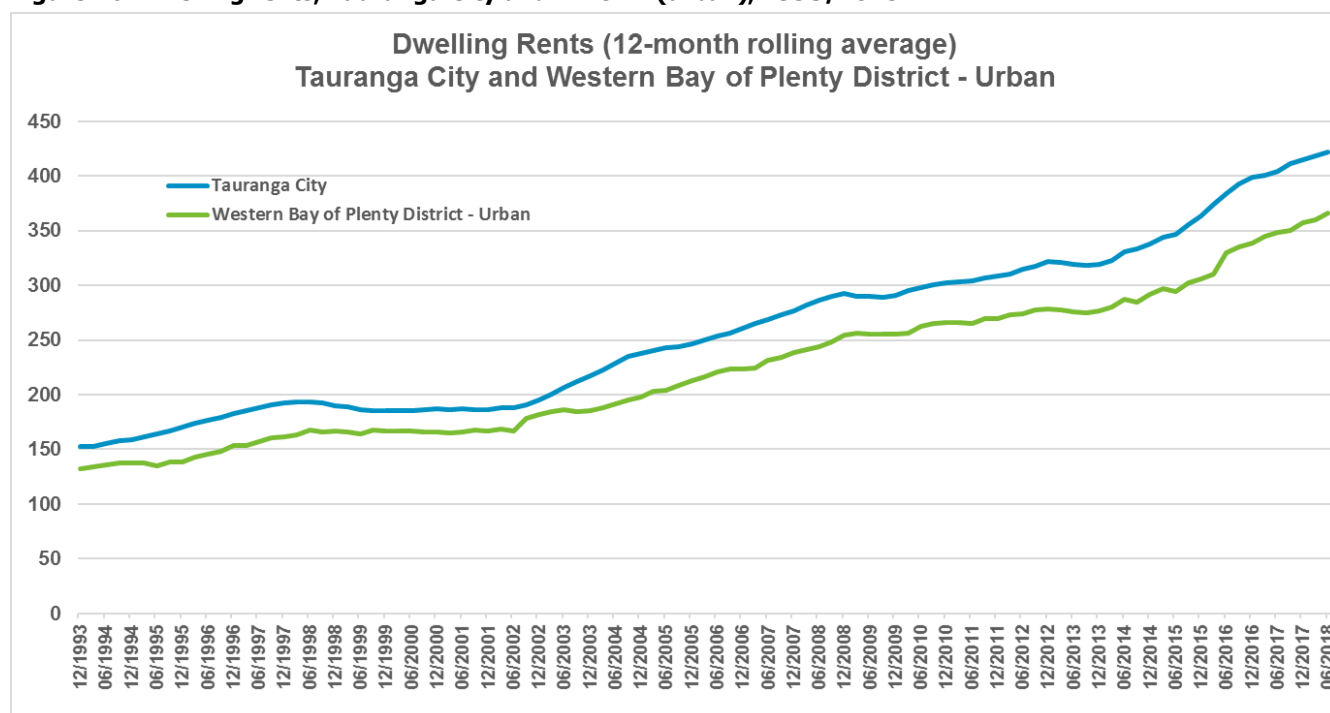
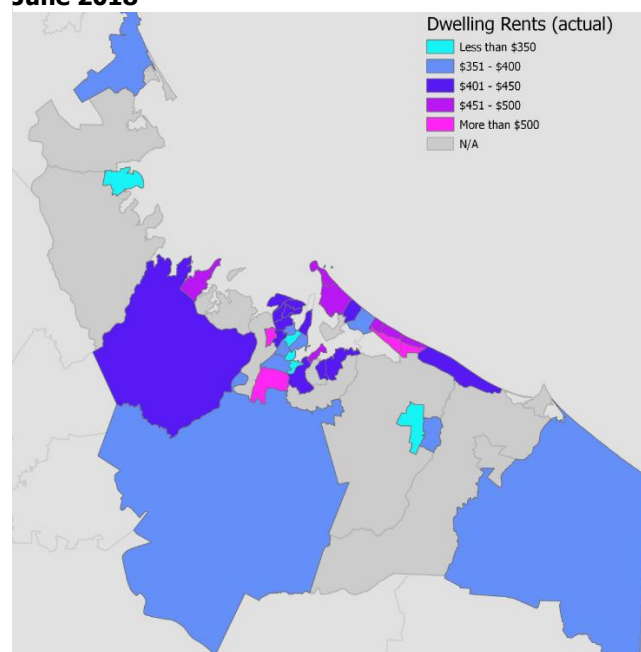


Table 7 Dwelling rents

Dwelling Rents		Trend	Change	% Change
<i>Tauranga City</i>				
June 2018	\$422			
March 2018	\$418	▲	\$4	1.0
June 2017	\$404	▲	\$18	4.5
June 2013	\$319	▲	\$104	32.5
June 2008	\$287	▲	\$138	47.4
<i>Western BOPD – Urban</i>				
June 2018	\$366			
March 2018	\$360	▲	\$6	1.7
June 2017	\$348	▲	\$18	5.1
June 2013	\$276	▲	\$90	32.7
June 2008	\$244	▲	\$122	50.0

Source: Corelogic – HUD Urban Development Capacity Dashboard

Figure 17 Dwellings rents, Tauranga and WBOPD, June 2018



4.3 Dwellings Sold

As shown in the graph below Tauranga City and Western Bay of Plenty District have experienced significant fluctuations in the number of dwellings sold. While there is less variation observed it is noted that the number of sales has doubled in both areas in certain quarters from lowest to highest number of sales (eg: when 2004 and 2016 (high sales) are compared with 2001 and 2009 (low sales)). Tauranga City and WBOP District follow similar trends in respect to periods of higher and lower sales. The number of sales in Tauranga City in the last 12 months to June 2018 was 832 (or 21%) less than the sales in the last 12 months to June 2017. Likewise, the number of dwellings sold in WBOPD in the last 12 months to

June 2018 was 29 (or 29%) less than the sales in the last 12 months to June 2017. Refer Appendix 1 for an explanation of this indicator.

Figure 18 Dwellings sold, Tauranga City and WBOPD, 1993/2018

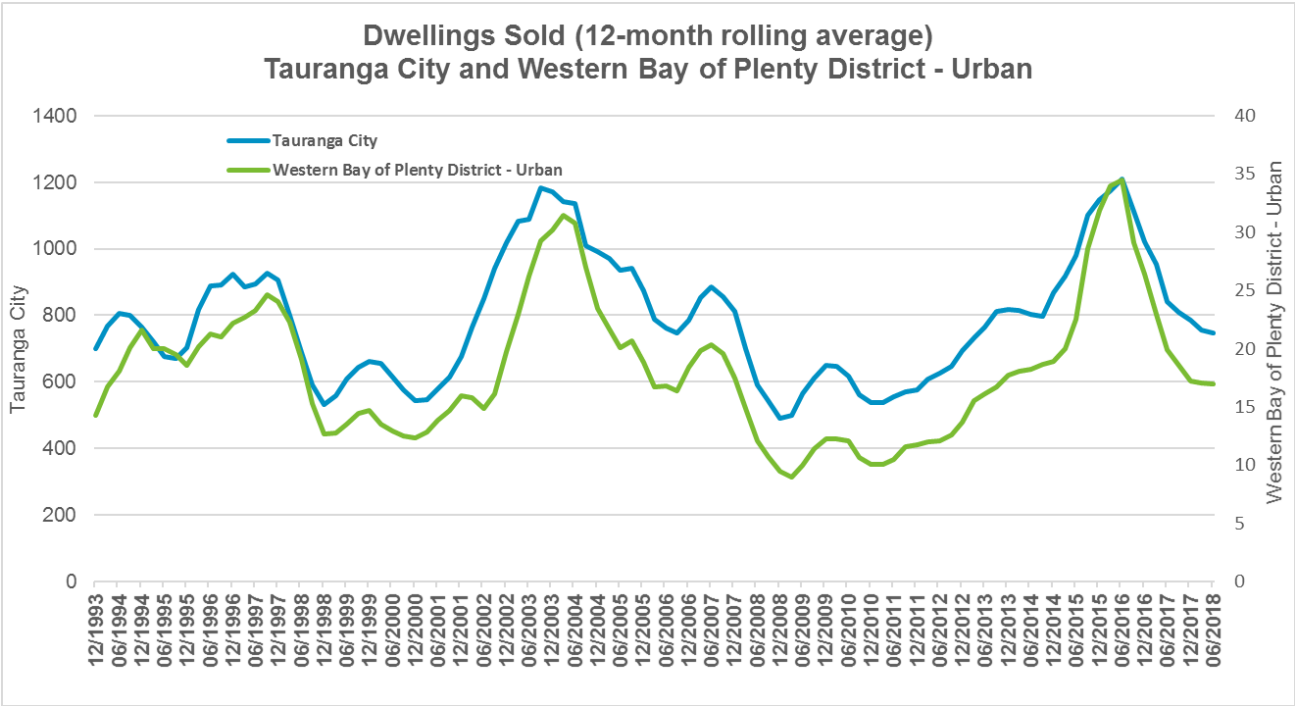
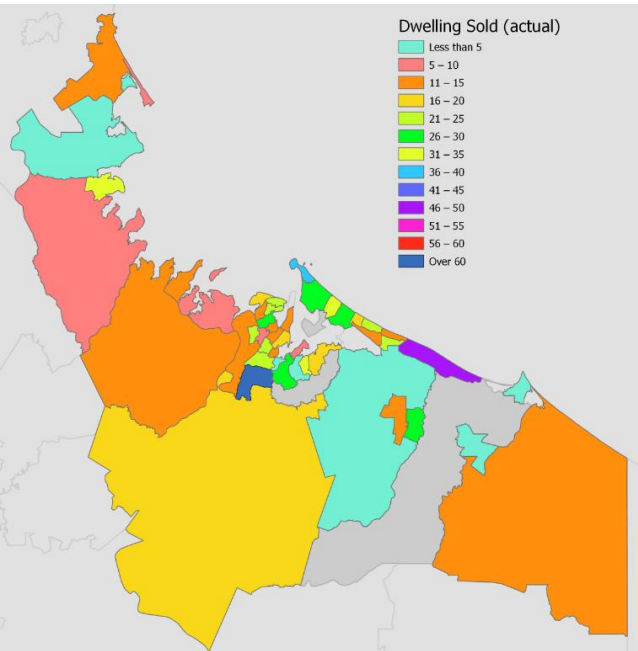
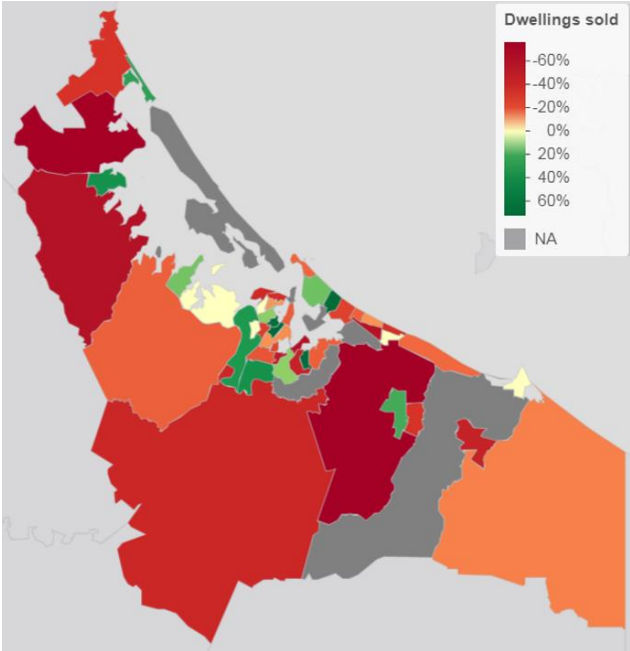


Figure 19 Dwellings sold, June 2018



Source: Corelogic – MBIE Urban Development Capacity Dashboard

Figure 20 Percentage change in dwellings sold, June 2017 to June 2018

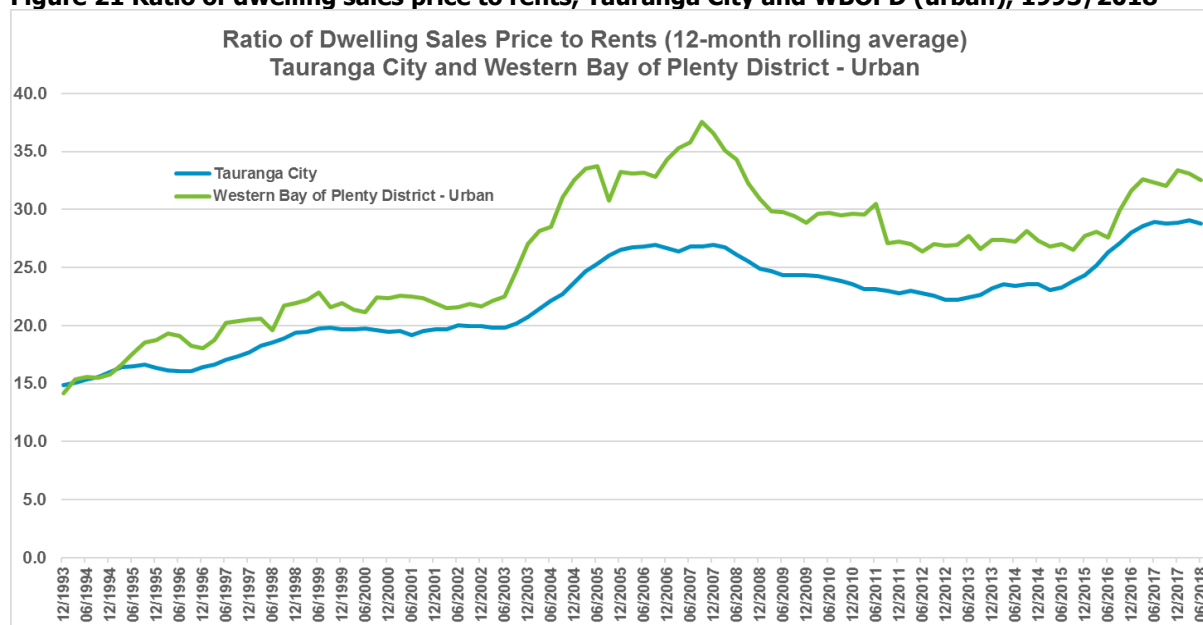


4.4 Ratio of Dwelling Sales Prices to Rent

As illustrated in the graph below, the ratios between house prices and rents increased in the urban areas of both local authorities between 2003 and 2008 and in the last few years (but fell noticeably for a few years following the global financial crisis). According to the HUD/MfE Guide, this is because, while both

house prices and rents have increased over the last 20 years, rent increases have been flatter and have lagged house price increases, and especially so at the peaks of the cycle. Refer Appendix 1 for an explanation of this indicator.

Figure 21 Ratio of dwelling sales price to rents, Tauranga City and WBOPD (urban), 1993/2018

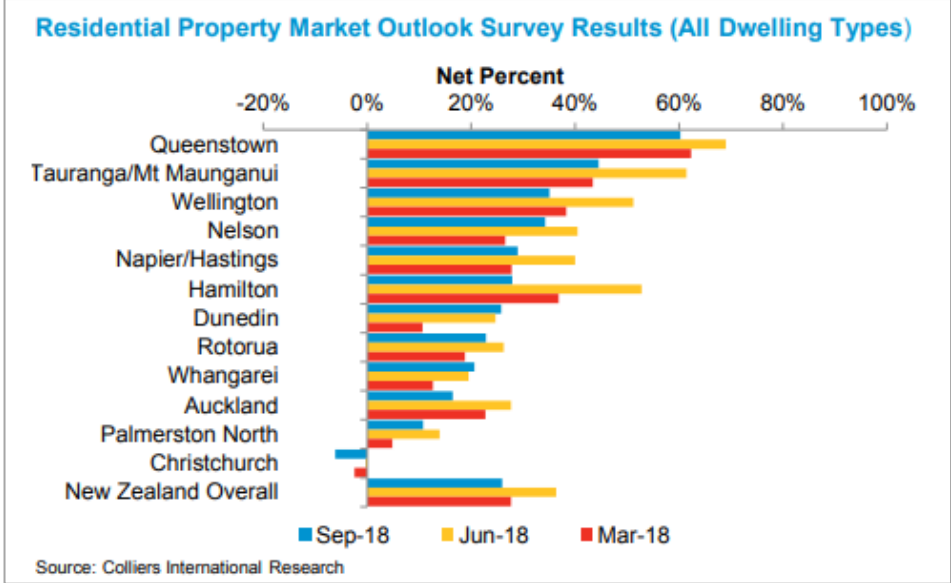


4.5 Residential Market Outlook

Colliers International runs a quarterly survey on Residential Market Outlook in a number of centres in New Zealand. In their September 2018 survey, more than 40% of the respondents (net percent of optimists minus pessimists) in Tauranga and Mt Maunganui expect the median residential price to increase over the next twelve months. This is significantly lower than the previous quarter's figure of over 60%.

As illustrated in the graph Tauranga/ Mt Maunganui was second only to Queenstown of the centres surveyed expecting residential prices to increase as at June 2018. This expectation decreased in the last quarter to September 2018.

Figure 22 Residential property market outlook, March to September, 2018



4.6 HAM – Housing Affordability Measure

4.6.1 HAM-Buy

As illustrated in the graph and table below, over the quarter and twelve months to 31 March 2017 affordability had worsened in Western Bay of Plenty District and Tauranga City. However, because of the age of this data the measure it may not be an accurate representation of current affordability levels. Refer Appendix 1 for an explanation of this indicator.

Figure 23 HAM-Buy: share of first time home buyer households below the benchmark, 2003/2017

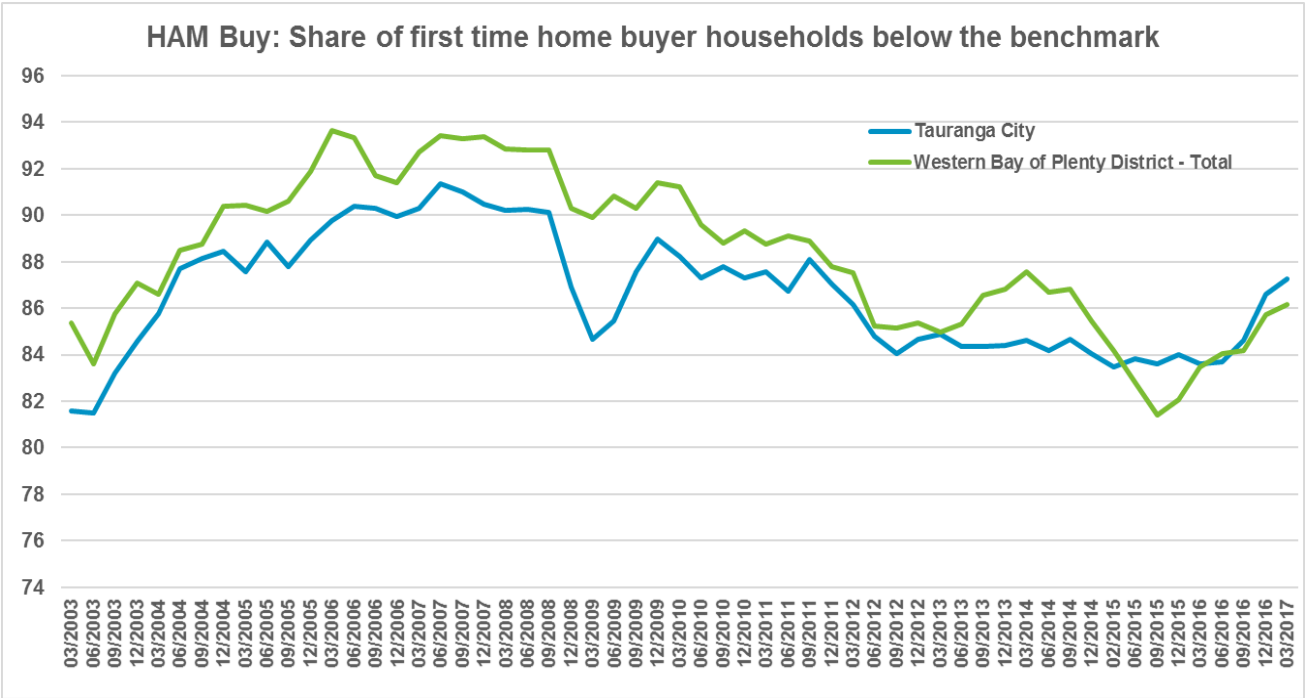


Table 8 HAM Buy

HAM-Buy		Trend	% Change
<i>Tauranga City</i>			
March 2017	87.3%		
Dec 2016	86.6%	●	0.7
March 2016	83.6%	●	3.7
March 2012	86.1%	●	1.1
March 2007	90.3%	●	-3.0
<i>Western BOPD</i>			
March 2017	86.2%		
Dec 2016	85.7%	●	0.4
March 2016	83.4%	●	2.7
March 2012	87.5%	●	-1.4
March 2007	92.7%	●	-6.6

● More affordable ● Less affordable

Source: Corelogic – HUD Urban Development Capacity Dashboard

4.6.2 HAM Rent

As illustrated in the graph above and table below, the HAM Rent has improved in both local authority areas in the last quarter and last 12 months to 31 March 2017. The HAM Rent was lower than HAM Buy at 31 March 2017 in both Tauranga City and WBOP District, suggesting that it was more affordable to rent than buy. Refer Appendix 1 for an explanation of this indicator.

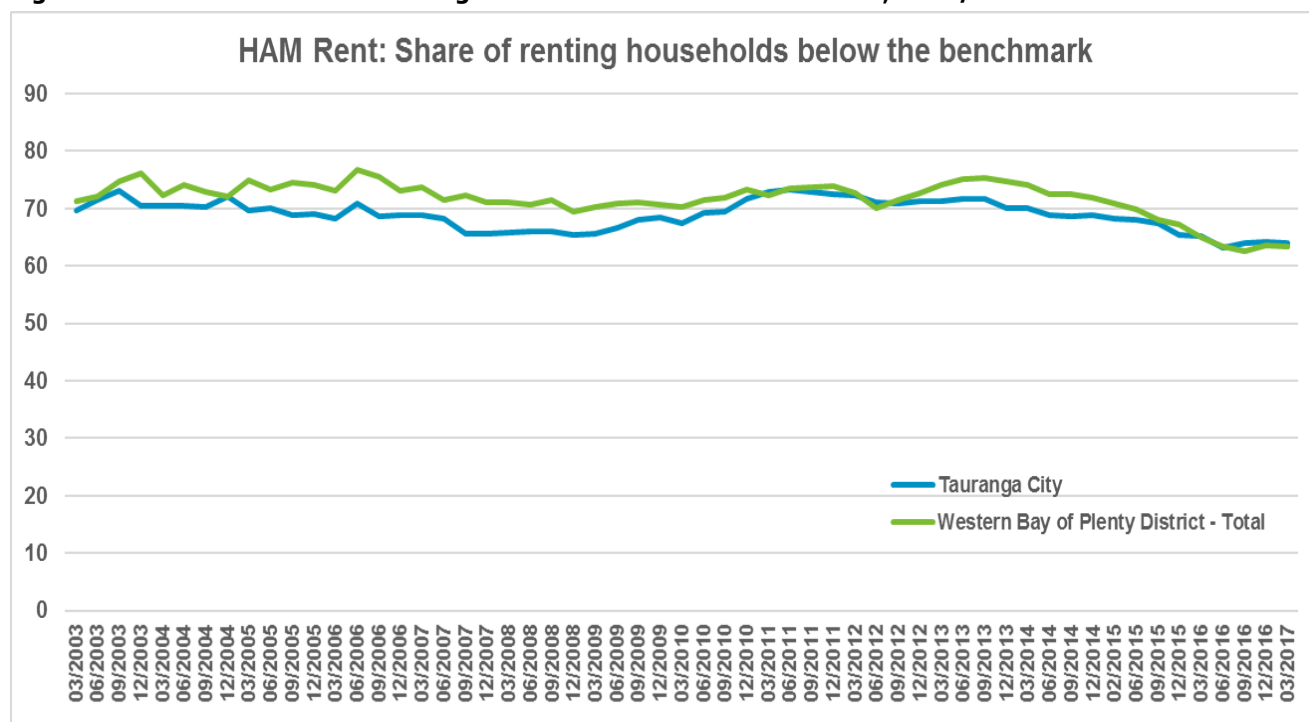
Figure 24 HAM-Rent: share of renting households below the benchmark, 2003/2017

Table 9 HAM Rent

HAM-Rent		Trend	% Change
<i>Tauranga City</i>			
March 2017	64.1%		
Dec 2016	64.2%	●	-0.1
March 2016	65.2%	●	-1.1
March 2012	72.3%	●	-8.2
March 2007	68.9%	●	-4.8
<i>Western BOPD</i>			
March 2017	63.4%		
Dec 2016	63.6%	●	-0.2
March 2016	64.9%	●	-1.5
March 2012	72.7%	●	-9.3
March 2007	73.6%	●	-10.2

● More affordable

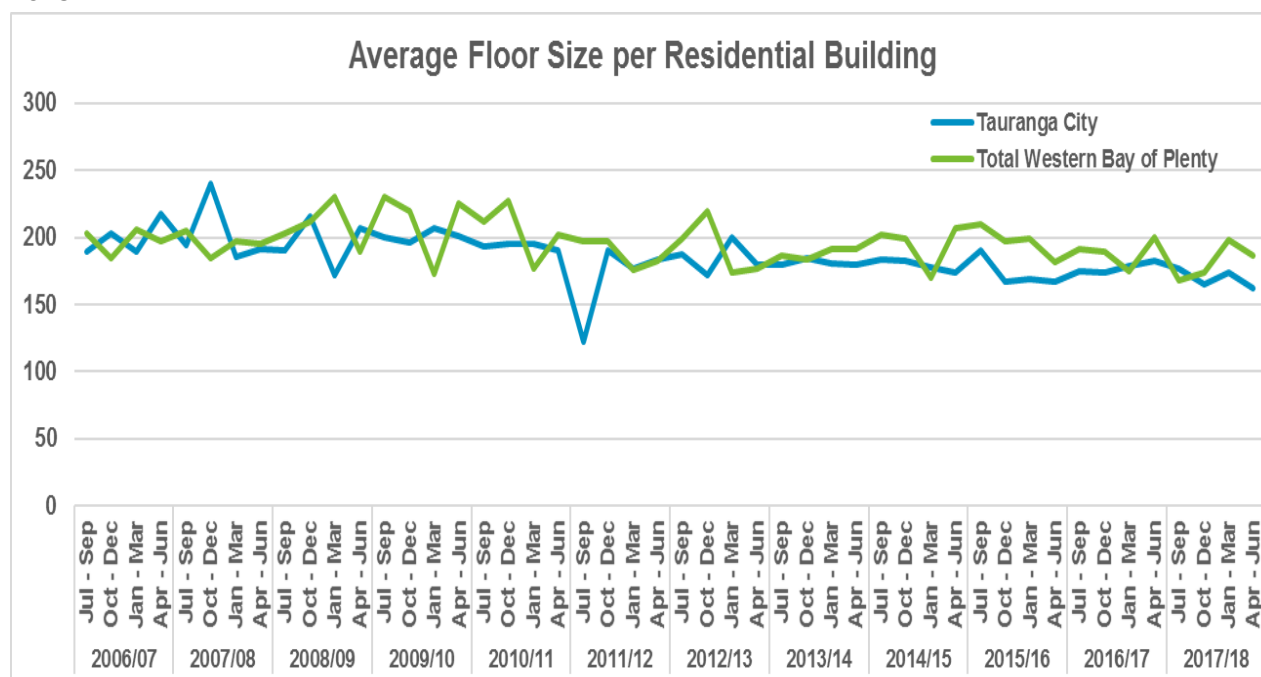
● Less affordable

Source: Corelogic – HUD Urban Development Capacity Dashboard.

5 Dwelling Typology

5.1 Floor Size per Residential Building

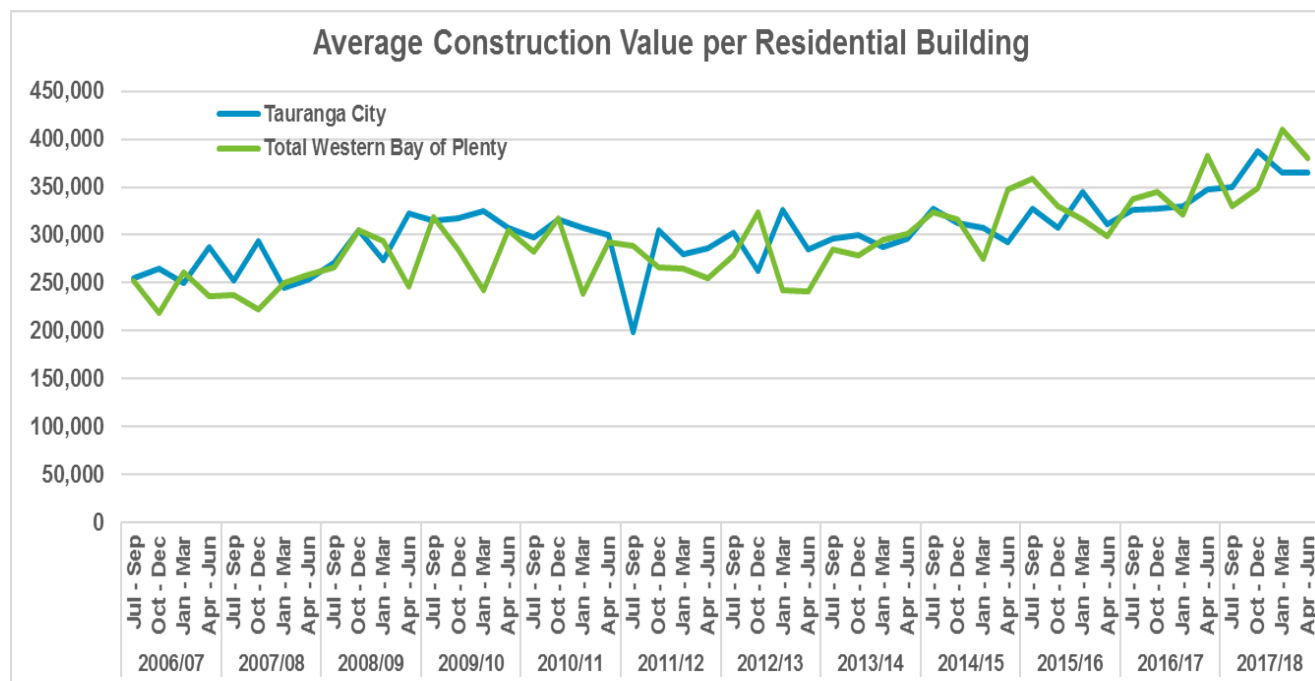
Average floor area has declined from 2007 to 30 June 2018 for both local authority areas with variation over this period as illustrated in the above graph. In the last 12 months to June 2018 average floor area for residential dwelling consents has declined in Tauranga City from 177m² to 170m², while the WBOPD average floor area decreased from 189m² to 180m².

Figure 25 Average floor size per residential building, Tauranga City and WBOPD, July 2006 to June 2018

5.2 Construction Value per Residential Dwelling

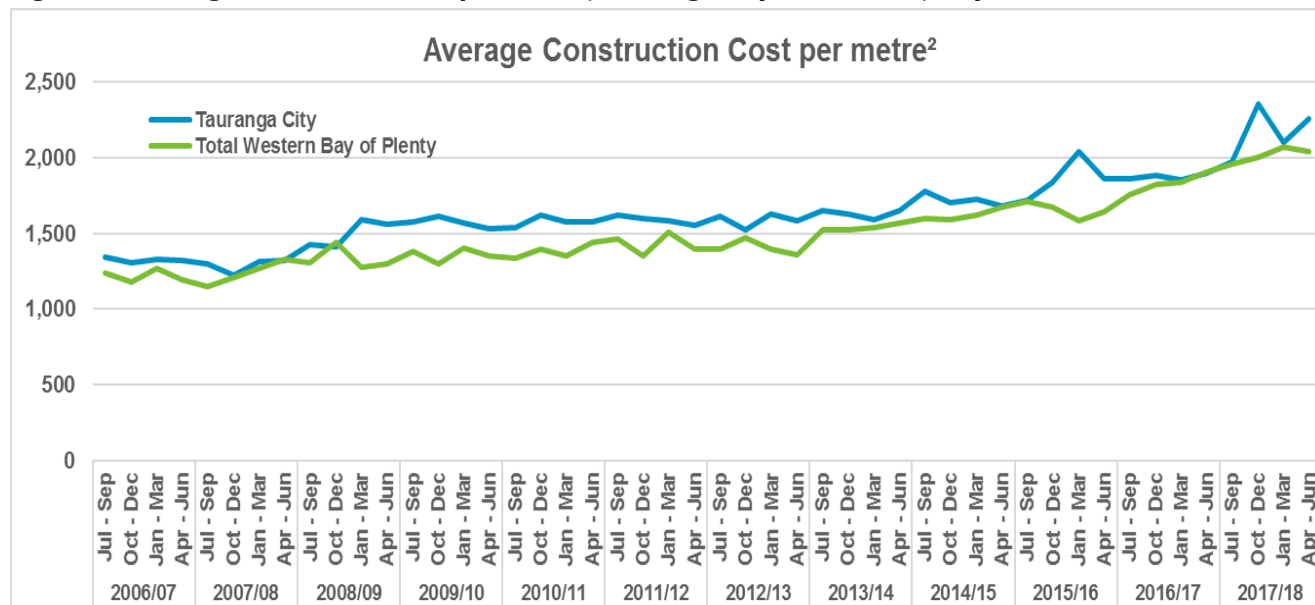
As shown in the figure below average value per residential dwelling has increased in both local authority areas from 2007 to June 2018. There have been fluctuations experienced over this 10 year period as illustrated in the below graphs. This value excludes land costs associated with new houses.

Figure 26 Average construction value per residential building, Tauranga City and WBOPD, July 2006 to June 2018



Source: Stats NZ Infoshare

Figure 27 Average construction cost per metre², Tauranga City and WBOPD, July 2006 to June 2018



5.3 Dwelling Consents Issued by Type

As illustrated in the graphs and table below the proportion of standalone houses has decreased in both Tauranga City and WBOPD in the last 12 months, compared to the last 5 year results though remain the main form of dwelling provision. Retirement village units were the next largest type of dwellings consented in Tauranga City in the last 12 months, while it was the townhouses, flats, units and other dwellings type in the WBOPD.

Figure 28 Dwelling consents issued by type, WBOPD, July 2006 to June 2018

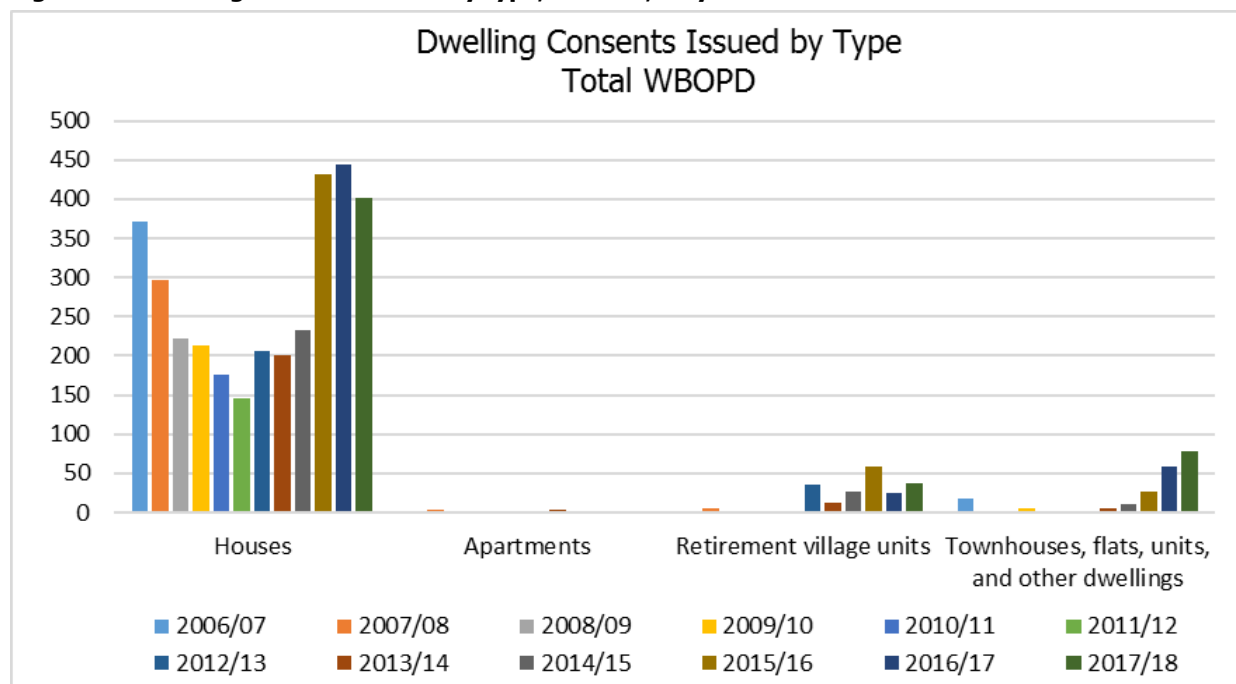
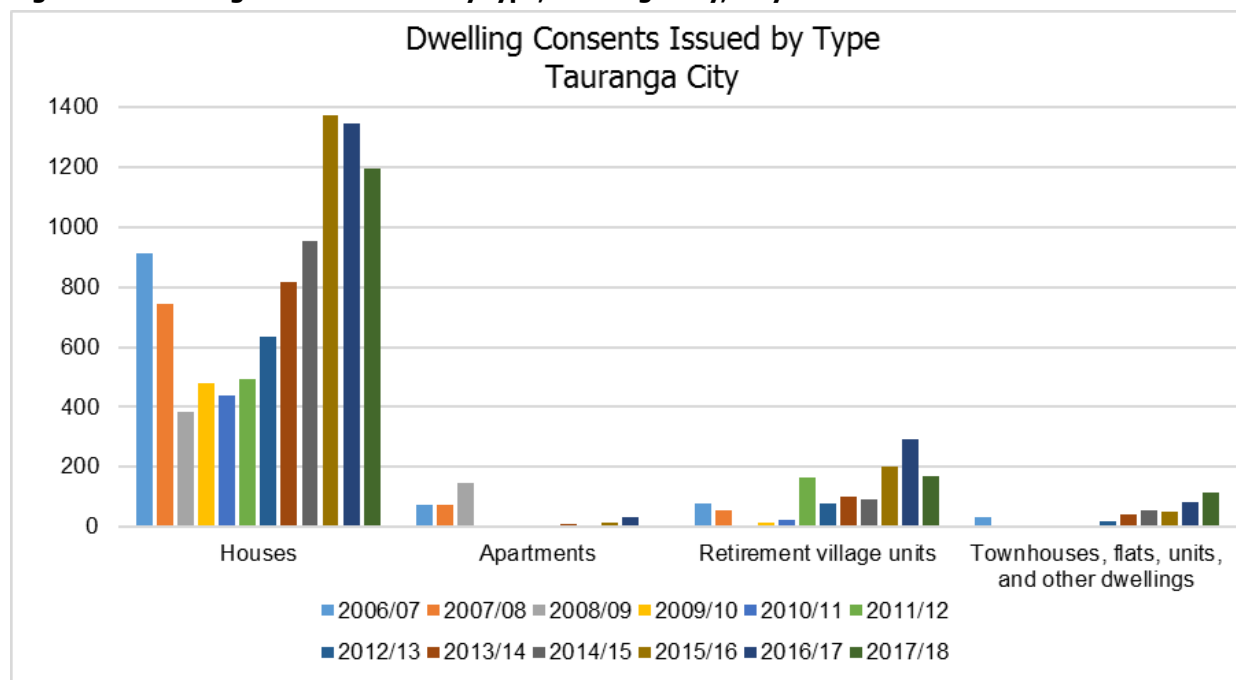


Figure 29 Dwelling consents issued by type, Tauranga City, July 2006 to June 2018



Source: Statistics NZ Info Share

Table 10 Dwelling Type

Period	Territorial Authority	Houses	Apartments	Retirement village units	Townhouses, flats, units, and other dwellings
Last 12 months	Tauranga City	80.4%	0.3%	11.4%	7.8%
	WBOPD	77.6%	0.0%	7.4%	15.1%
Last 5 Years	Tauranga City	82.0%	0.9%	12.3%	5.0%
	WBOPD	83.3%	0.1%	7.7%	8.8%

Source: Statistics NZ Info Share

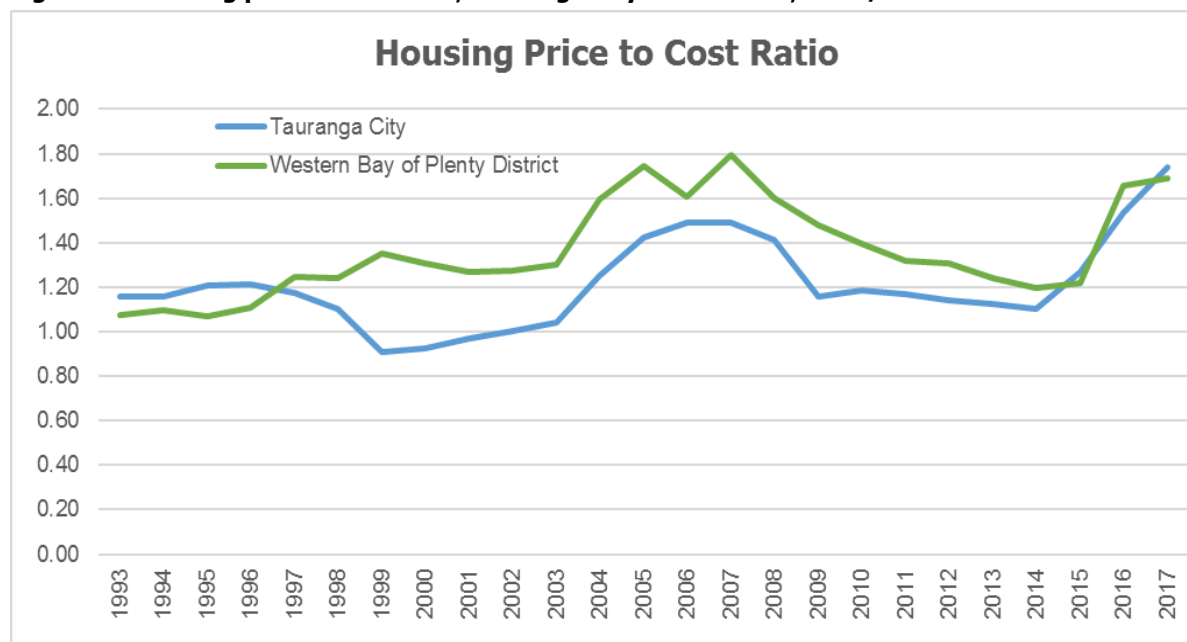
6 Price Efficiency

6.1 Housing price to cost ratio

Tauranga's house price to cost ratio was below the 1.5 benchmark (where the cost of the land is one-third of the house price) for 23 years from 1993 to 2015. The ratio increased at a fast rate from 1.1 in 2014 to 1.3 in 2015, and reached the record high of 1.7 as at 30 June 2017.

Similarly, WBOPD's house price ratio was below the 1.5 benchmark for ten years from 1993 to 2003. It fluctuated above 1.5 from 2006 to its highest point of 1.8 in 2007 but declined steadily to 1.2 in 2015 before climbing to its third highest point of 1.7 in the last 24 years as at 30 June 2017.

According to HUD/Mfe guidance, ratios above 1.5 may signal that the supply of sections and development opportunities is not keeping pace with demand and land prices are materially increasing prices. Refer to Appendix 1 for explanation of this indicator.

Figure 30 Housing price to cost ratio, Tauranga City and WBOPD, 1993/2017

6.2 Rural-urban zone land differentials

The value of Tauranga Urban Area's urban residential land close to the rural-urban boundary was more than twice the value of the rural residential land on the rural-urban boundary in June 2016. This is equivalent to a difference of \$232 per square metre or \$139,135 per section of 600m². Auckland has the highest differential ratio at 3.15 (a difference of \$345 per square metre), followed by Queenstown at

3.12 (a difference of \$337 per square metre). Christchurch and Hamilton have differential ratios that are a little higher than Tauranga Urban Area, at 2.23 and 2.42, respectively, although in terms of dollar value Christchurch has the least differential of \$150 per square metre or \$90,136 per section of 600m². Christchurch land values are in general lower than in Tauranga Urban Area.

According to HUD/MfE guidance, a rural-urban differential above 1 signals that zoning and/or other regulations are constraining development capacity enough to increase urban land values. It further interprets that if the differential is twice the value of adjacent non-urban land and the cost per section is above \$100,000 (Tauranga City’s differential is 2.02 and cost per section is \$139,135), the current plans provide insufficient urban development capacity. Refer to Appendix 1 for explanation of this indicator.

Table 11 Rural-urban zone land differentials

Urban area	Ratio	Difference (\$/m ²)	Difference (\$/600m ² section)
Auckland	3.15	\$345	\$206,722
Christchurch	2.23	\$150	\$90,136
Hamilton	2.42	\$227	\$136,213
Wellington	2.30	\$201	\$120,371
Queenstown	3.12	\$337	\$202,485
Tauranga	2.02	\$232	\$139,135
Whangarei	2.00	\$80	\$48,064

Figure 31 Tauranga: Parcel land values near rural-urban boundary

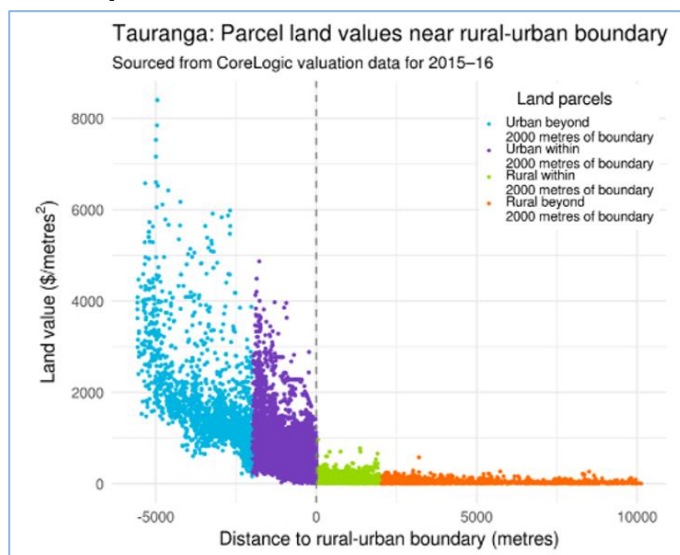
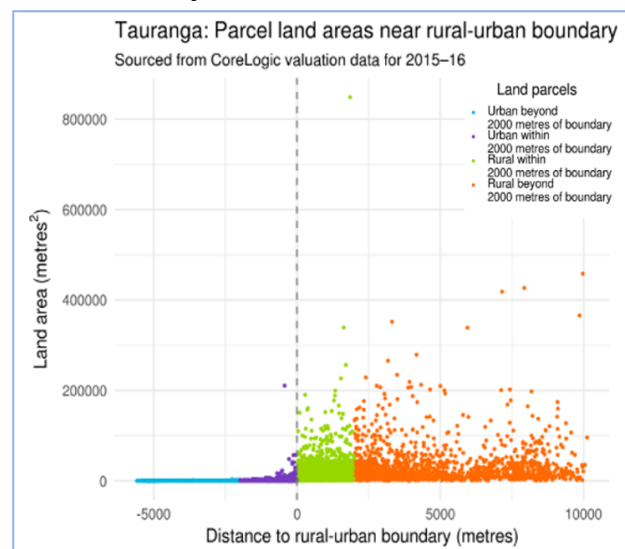


Figure 32 Tauranga: Parcel land areas near rural-urban boundary



Source: CoreLogic – HUD Urban Development Capacity Dashboard.

6.3 Land concentration control

According to HUD around 16% (777 ha) of the residentially zoned land (4,838 ha) in the Tauranga extended urban area is undeveloped with more than a quarter (27%) of this land being owned by the top five land owners, including Tauranga City Council. Excluding authority landowners (Council & Crown), undeveloped residential land accounts for 15% (712 ha) of the total residentially zoned land (4,773 ha).

Tauranga urban area has a land concentration index of 233. This index is relatively low and it shows that the residentially zoned and developable land across the whole of Tauranga extended urban area is not controlled or concentrated among few owners. According to HUD/MfE guidance, a high land concentration index means that land ownership is concentrated among few owners. Likewise a lower concentration index indicates that land holdings involve many smaller land-owners.

For more information on land concentration control, please see <https://www.hud.govt.nz/assets/Urban-Development/NPS-UDC/National-Policy-Statement-on-Urban-Development-Capacity-Price-efficiency-indicators-technical-report-Land-control-indicators.pdf>.

Table 12 Land concentration, Tauranga extended urban area

Item	Details
Valuation period	2015-2016
Total residential land area (ha)	4,838
Undeveloped residential area (ha)	777
Undeveloped residential area (%)	16%
Land concentration index	233
Urban area population (2017)	137,900
Population density (per residential ha)	28.5

Tauranga extended urban area covers urban areas of Tauranga City & Western Bay of Plenty District

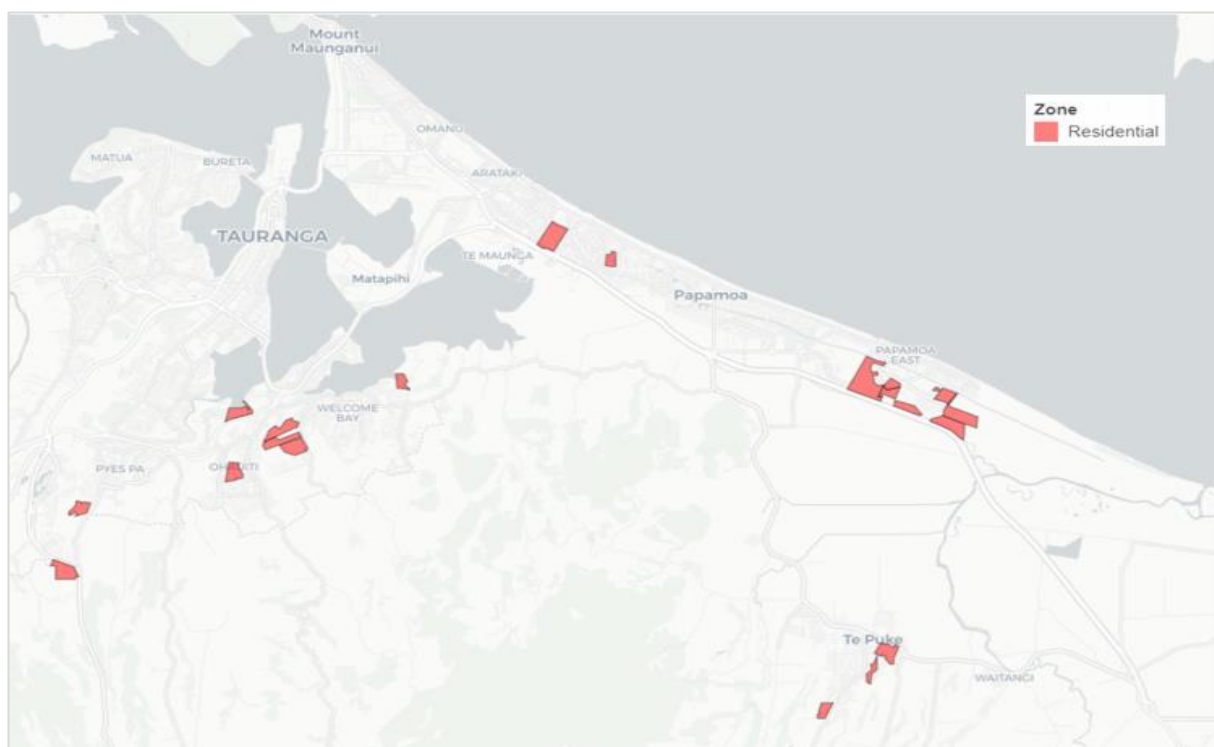
Source: CoreLogic – HUD Urban Development Capacity Dashboard.

Table 13 Largest owners of undeveloped residentially zoned land, Tauranga extended urban area

Rank	Area (has)	Number of titles	Land owner/ controlling entity	Type of entity	Market share
1	64	6	CLM Trustees Limited, Dulce May Taylor, L B D Trustees Limited	Consortium	8%
2	44	27	Bluehaven Holdings Limited	Individual entity	6%
3	39	40	Tauranga City Council	Related entities	5%
4	33	5	Port Contractors Limited	Individual entity	4%
5	32	2	The Proprietors of Mangatawa Papamoa	Individual entity	4%

Source: CoreLogic – MBIE Urban Development Capacity Dashboard.

Figure 33 Location of largest undeveloped residentially zoned land parcels, Tauranga and Te Puke⁸



Source: CoreLogic – HUD Urban Development Capacity Dashboard.

7 Business Land Trends

7.1 Zoned Business Land

SmartGrowth and the Regional Policy Statement (operative and proposed RPS) require that business land area, uptake rates and land availability be monitored in the sub-region. This is done by using zoned land as the basis for the assessment.

7.1.1 Commercial Zoned Land

Tauranga City

As at October 2018, there was 278.4 hectares of Commercial zoned land in Tauranga City. The two Parton Road commercial areas in Papamoa combined provide the largest area of 'Commercial' zoning at 39.3 ha, 2.6 ha greater in area than the Central Business District (CBD) in Tauranga Central, refer to Table 14. Smaller neighbourhood centres include Cherrywood, Bureta, and Welcome Bay. Supermarket based neighbourhood shopping centres include Bayfair, Bethlehem, Brookfield and Gate Pa. The Tauriko commercial area near the State Highway 29/36 intersection (Tauranga Crossing) is nearing full occupancy, with the construction currently on-going.

Future rezoning of land for commercial business activity is planned in Te Tumu in Papamoa East. Te Tumu is proposed to be released for both business and residential development in the latter part of the 2018-2023 planning period. A map of Commercial zoned areas is provided in Appendix 7.

⁸ Te Puke is the only urban growth area in Western Bay of Plenty District, added to the Greater Tauranga Urban Map, being close to Papamoa.

Table 14 Operative and Future Commercial Zoned Land in Tauranga City

Location	Commercial Land (Ha)	
	Operative	Future
Bay Central	8.7	
CBD	36.7	
Eleventh Avenue	16.2	
Greerton	6.2	
Gate Pa	4.7	
Fraser Cove	21.7	
Bethlehem	9.4	
Brookfield	1.5	
Palm Beach	8.6	
Fashion Island	7.4	
Mount Maunganui	12.7	
Bayfair	7.7	
Owens Place	3.2	
Central Parade	1.3	
Cherrywood	0.7	
Historic Village	6.2	
Welcome Bay	1.1	
Tauriko	13.5	
Bureta	0.5	
15 th Avenue	3.6	
Parton Road (2 areas)	39.3	
Judea	2.7	
Wairakei Town Centre	27.0	
Wairakei Neighbourhood Centres	6.6	
Te Tumu ¹		1.4
Other ²	31.2	
Total	278.4	1.4

¹ The Te Tumu figure is preliminary. It is anticipated that the 60.3 ha of future Te Tumu employment land classified in Table 14 as Industrial will also provide for some commercial activity.

² Includes smaller parcels of Commercial zoned land which generally accommodate convenience type activities (dairies, takeaways etc) such as those areas located on Cambridge and Ohauiti roads.

Of Tauranga City's Greenfield UGA's, vacant land was identified within the Bethlehem, Papamoa (Palm Beach and Parton Road) and Papamoa East (Wairakei) commercial zoned areas, refer to Table 15.

Table 15 Uptake of Commercial Zoned Land in Tauranga City

Urban Growth Area Commercial Centres ¹	Area Zoned Commercial (ha)	Vacant Commercial Zoned Land (ha)	Percentage (%) Vacant
Bethlehem	9.36	0.39	4
Papamoa - Palm Beach	8.55	1.76	21
Papamoa - Parton Road ²	39.28	2.36	6
Pyes Pa West - Tauriko	13.51	0	0
Papamoa East - Wairakei	33.6	33.6	100
Total	104.3	38.11	42

¹As at October 2018. Only Commercial zoned areas with remaining vacant land in Greenfield UGAs are included in this survey.

² The occupied area at Parton Road commercial area includes a retirement home (7.4 ha), a stormwater pond (2.8 ha), and a camp ground (1.2 ha). A number of housing developments have recently been approved and are currently under construction in this area.

Western Bay Of Plenty

Te Puke has the largest commercial zoned land in Western Bay of Plenty District. The second largest areas of zoned commercial land are located in the urban areas of Katikati and Omokoroa with 12.7 ha and 10.12 ha respectively, refer to Table 16. In Waihi Beach the 7.39 ha of commercial land, largely consists of the Wilson Road shopping centre and an additional 1.53 ha is part of the commercial transitional zone.

Smaller neighborhood centres are located in Te Puna and Paengaroa. Other settlements in the District such as Athenree, Island View/Pios Beach, Minden, Pukehina and Maketu are serviced by comparatively small commercial areas up to 3 ha in size.

Table 16 Operative and Future Commercial Zoned Land in the Western Bay of Plenty District

Location	Commercial Land (ha)	
	Operative	Transitional ¹
Waihi Beach	7.39	1.53
Athenree	0.40	
Island View-Pios Beach	0.12	
Katikati	12.74	1.46
Omokoroa ²	10.12	
Minden	2.21	
Te Puna	3.10	
Te Puke	14.76	
Pukehina	0.43	
Maketu	0.87	
Paengaroa	2.15	
Total	54.29	2.99

¹ Transitional Commercial zoned land is located in Waihi Beach and Katikati.

² Exclude the Special Housing Area which falls in the commercial zone.

7.1.2 Availability and Uptake of Industrial Zoned Land

Tauranga City

For Tauranga City, the largest area of industrial zoning is at Mount Maunganui, while the smallest area is at Sulphur Point, refer to Table 17 and Appendix 4. In May 2011 rezoning of 101.1 hectares of land for industrial purposes (Papamoa East Employment zone) was made operative at Wairakei in Papamoa East. A large proportion of employment land at Wairakei has been rezoned for residential activity following approval of a number of Special Housing Area's under the Housing Accord and Special Housing Area legislation in this locality. This has reduced the employment land by 58.6 hectares to 42.5 hectares. It is expected that loss of employment land at Wairakei will largely be provided for in the future Te Tumu urban growth area.

Table 17 Operative and Future Industrial Zoned Land in Tauranga City

Location	Industrial Land (Ha)	
	Operative	Future
Judea	23.7	
Mt Maunganui	268.0	
Greerton	12.3	
Oropi (Maleme St)	49.5	
Owens Place	6.1	
Sulphur Point	3.0	
Port Industrial	190.7	
Te Maunga	174.6	
Tauriko	251.7	
Wairakei	42.5	
Te Tumu ¹		60.3
Total	1022.1	60.3

¹The Te Tumu figure is preliminary. It is anticipated that the 60.3 ha of future Te Tumu employment land classified in Table 14 as Industrial will also provide for some commercial activity.

Table 18 Uptake of Industrial Zoned Land in Tauranga City (as at January 2018)

Area	Vacant (ha) ¹	Partially Vacant (ha)	Total Vacant	Vacant but Not Available (ha)	Partially Vacant but Not Available	Occupied (ha)	Total Occupied (ha)	Total Area (ha) ³
General Industrial Zoned Land²								
Judea	0.00	0.00	0.00	0.00	3.26	20.46	23.72	23.72
Mt Maunganui	8.01	13.83	21.84	0.82	0.00	245.40	246.22	268.05
Oropi	0.88	0.00	0.88	0.59	5.27	42.71	48.57	49.45
Greerton	0.33	0.43	0.76	0.00	0.00	11.52	11.52	12.27
Sulphur Point	0.18	0.00	0.18	0.06	0.00	2.79	2.85	3.03
Te Maunga	54.05	0.00	54.05	9.02	25.33	86.15	120.50	174.55
Owens Place	0.00	0.00	0.00	0.00	0.00	6.13	6.13	6.13
Tauriko	181.88	14.63	196.51	0.71	0.00	54.46	55.17	251.67
Wairakei ⁴	30.11	0	30.11	12.37	0	0	12.37	42.48
Total	275.44	28.88	304.32	23.57	33.86	469.61	527.04	831.35
Port Industry Zone³								
Within Port Security Fence	0.58	0.00	0.58	0.00	0.00	156.56	156.56	157.14
Outside Port Security Fence	0.95	5.81	6.76	0.00	0.00	26.82	26.82	33.57
Total	1.53	5.81	7.34	0.00	0.00	183.38	183.38	190.71

¹ "Vacant" no structures and are largely clear of plant and material. "Partially Vacant" - up to and including 50% of the land contains structures, plant or material. "Not available" - land that is unsuitable or not available for development, due to being on unusable terrain, or designated for reserves, stormwater or future wastewater treatment use. "Occupied" - over 50% of the land contains structures, plant or material.

² General Industrial zoned land includes land zoned Tauriko Industry, Industry, and Papamoa East Employment.

³ Port Industry Zone land is surveyed separately as the majority of this zone applies to the Port of Tauranga which is not accessible for survey, and its function varies from the general industrial areas.

⁴ 58.58 ha of Wairakei Employment land was rezoned to Wairakei Residential zone via Tauranga City Plan Change 25 (deemed operative September 2017 – formal resolution to Council December 2017).

In Tauranga City's general industrial zoned areas vacant land was identified in most industrial areas except Judea and Owens Place - refer to Table 18. Overall 37% (or 304 hectares) of the 831.35 hectares of zoned industrial land in Tauranga City was vacant as at January 2018, with 65% (or 196.51 hectares) of this vacant land located at Tauriko industrial area.

In the Port Industry zone 4% (or 7.3 hectares) of the 190.7 hectares of Port Industry zoned land was vacant as at January 2018.

While 311 hectares was identified as vacant industrial land, it is estimated that this may fall to approximately 214 hectares as new areas are developed for industrial activity (eg: as industrial zoned land is used for road corridors and stormwater reserves). Of this 76.5 hectares of vacant land was earth-worked, serviced and ready to accommodate industrial activity as at January 2018⁹.

It is noted that the development of certain industrial land is reliant on the provision of key infrastructure and/or works. The release of future stages at Tauriko requires completion of stormwater ponds and a number of roading projects. Development of industrial land at Wairakei requires construction of Te Okuroa Drive, and the completion of other key infrastructure projects. Te Maunga is subject to flood

⁹ See the 2018 Tauranga City Industrial land Survey report, October 2018, for more information. The next survey of industrial land is programmed for January 2019.

hazard in certain areas which may require substantial earthworks to raise building platforms depending on the industrial use proposed.

Western Bay of Plenty District

The town in the Western Bay of Plenty District with the largest amount of Industrial land is Te Puke with 154 ha zoned, refer to Table 19. In Te Puke West an additional 72 ha of Industrial land is zoned to meet future needs in the town and is expected to yield an additional 45 ha. Katikati also contains a significant area of Industrial land with 63.12 ha zoned at present. Omokoroa has been identified as an area that will require Industrial land and 29.60 ha has been identified in Stage 2 of the Omokoroa Structure Plan which is now operative.

In the western end of the District the Te Puna Rural Business Zone contains 30.58 ha while Rangiuru in the eastern end contains 145 ha of Industrial land zoned in preparation for the Rangiuru Business Park.

Table 19 Operative and Future Industrial Zoned Land in the Western Bay of Plenty District

Location	Industrial Land (ha)	
	Operative	Future
Waihi Beach	25.56	
Katikati	63.12	
Te Puna	30.58	
Omokoroa	29.60	
Te Puke	153.95	
Rangiuru	145.0	
Paengaroa	9.57	
Maketu	0.11	
Total	544.04	0.00

Industrial land in Te Puke includes 72 Hectares from Plan Change 70 which is dependent on roading and infrastructure upgrades.

In the Western Bay of Plenty District, vacant areas of available (able to be built on now) industrial land exist in Katikati, Omokoroa, Te Puke, and Paengaroa. Of the 581.32 ha of industrial land in Western Bay of Plenty District, 28.6% (166.27 ha) is vacant and 21.1% is occupied, with the largest uptake in Te Puke of 61.27 ha.

Table 20 Uptake of Industrial Zoned Land in the Western Bay of Plenty District

Industrial Zone - 2018						
Area	Vacant (ha)	Partially Vacant (ha)	Total Vacant (ha)	Not Available (ha)	Total Occupied (ha)	Total Area (ha)
Waihi Beach	0	0	0	25.56	0	25.56
Katikati	20.68	3.73	24.41	14.82	23.89	63.12
Te Puna	0	0	0	30.58	0	30.58
Omokoroa	19.76	6.64	26.40	0	3.20	29.60
Te Puke	23.32	5.80	29.12	63.56	61.27	153.95
Rangiuru ¹	81.92	0	81.92	157.87	29.04	268.83
Paengaroa	1.09	3.21	4.3	0	5.27	9.57
Maketu	0.11	0	0.11	0	0	0.11
TOTAL	146.89	19.38	166.27	292.39	122.66	581.32
%	25.27%	3.33%	28.60%	50.30%	21.10%	100.00%

¹ Include AFFCO as part of Total Occupied

7.2 Business Land/Population Ratio

SmartGrowth requires that the business land to population ratio be monitored, refer to Table 21. The 'business land' ratio has been split into "Industrial" and "Commercial" zoned land. For the sub-region land zoned industrial is considerably higher in total to that zoned commercial resulting in more industrial land per resident reflecting the more expansive nature of this type of business activity.

Table 21 Ratio of Industrial and Commercial Zoned Land per Person in the Western Bay of Plenty Sub region

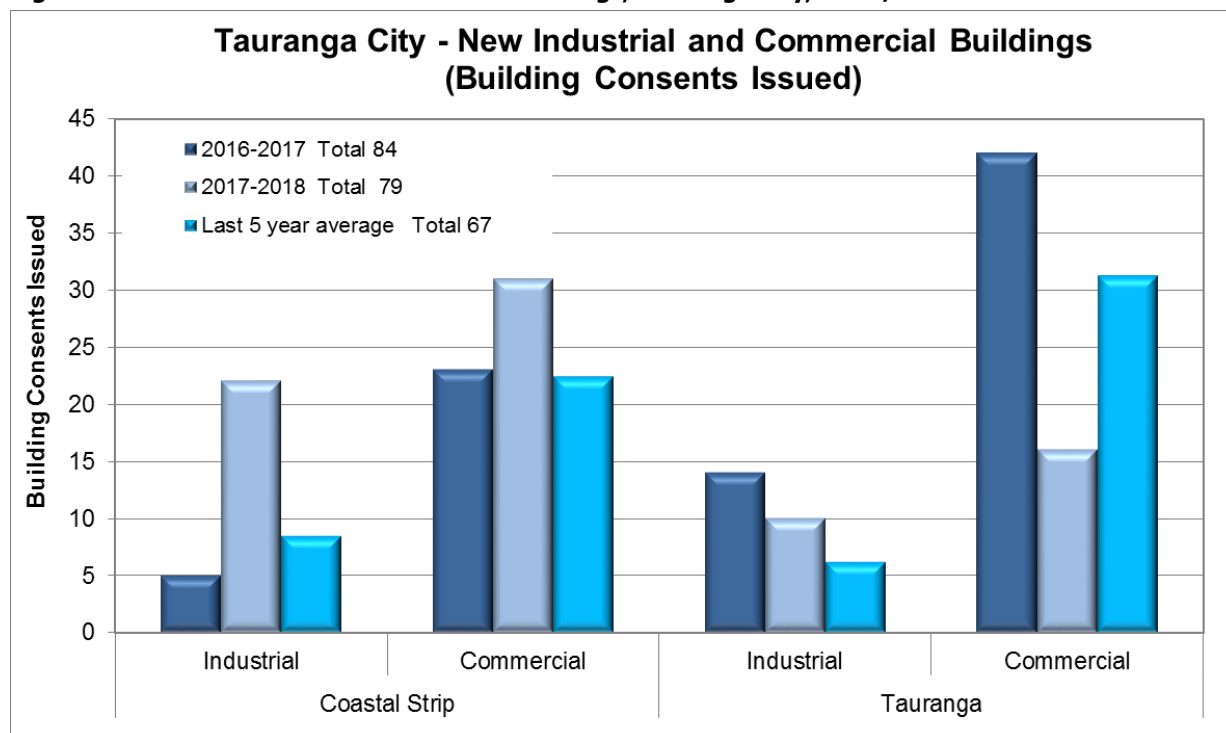
Territorial Authority	2018 Projected Population	Industrial Land (ha)	Area (ha) Industrial Land per resident	Commercial Land (ha)	Area (ha) Commercial Land per resident
Tauranga City	134,600	1022.06	0.0080	278.4	0.0021
Western Bay of Plenty District	49,285	581.32	0.0118	61.16	0.0012
Total	183,885	1,603.38	0.0087	339.56	0.0018

7.3 Industrial and Commercial Building Consents Issued

Tauranga City

The number of building consents issued for new industrial and commercial buildings declined by 6% (or 5 buildings) in 2017/2018 compared to 2016/2017 results. This, however, was higher than the 5 year average. Increases are noted in the coastal strip where there is an increase of 89% (or 25 buildings). In the Tauranga area, there were 30 less buildings consented in 2017/2018 compared to previous year.

Figure 34 New industrial and commercial buildings, Tauranga City, 2016/2018



Western Bay of Plenty District

Building consents for commercial and industrial buildings were still very slow in Western Bay of Plenty District with four new building consents issued for industrial buildings and three for commercial buildings over the 2017/2018 period.

Table 22 Consents for Industrial and Commercial Buildings in the Western Bay of Plenty District

Year	Industrial Building Consents	Commercial Building Consents
01/7/2012 - 30/6/2013	0	0
01/7/2013 - 30/6/2014	0	0
01/7/2014 - 30/6/2015	0	0
01/7/2015 - 30/6/2016	4	2
01/7/2016 - 30/6/2017	6	5
01/7/2017 - 30/6/2018	4	3
5 Year Average	2.8	2.0

7.4 Non-Residential Building Consents Issued by Type

As illustrated in the graphs below there is considerable variation between non-residential building consents issued in each local authority area. Building consents for Farm buildings are much higher in the WBOPD due to the more rural nature of activities in this area. In Tauranga City commercial buildings and factories, industrial and storage buildings are most significant.

In both areas the number of building consents issued has been relatively high from July 2014 to June 2018. The highest number of non-residential building consents since 2006 was recorded in 2006/2007 at 215 and 169, for WBOPD and Tauranga City, respectively.

Figure 35 Non-residential building consents, WBOPD (total), 2006/2018

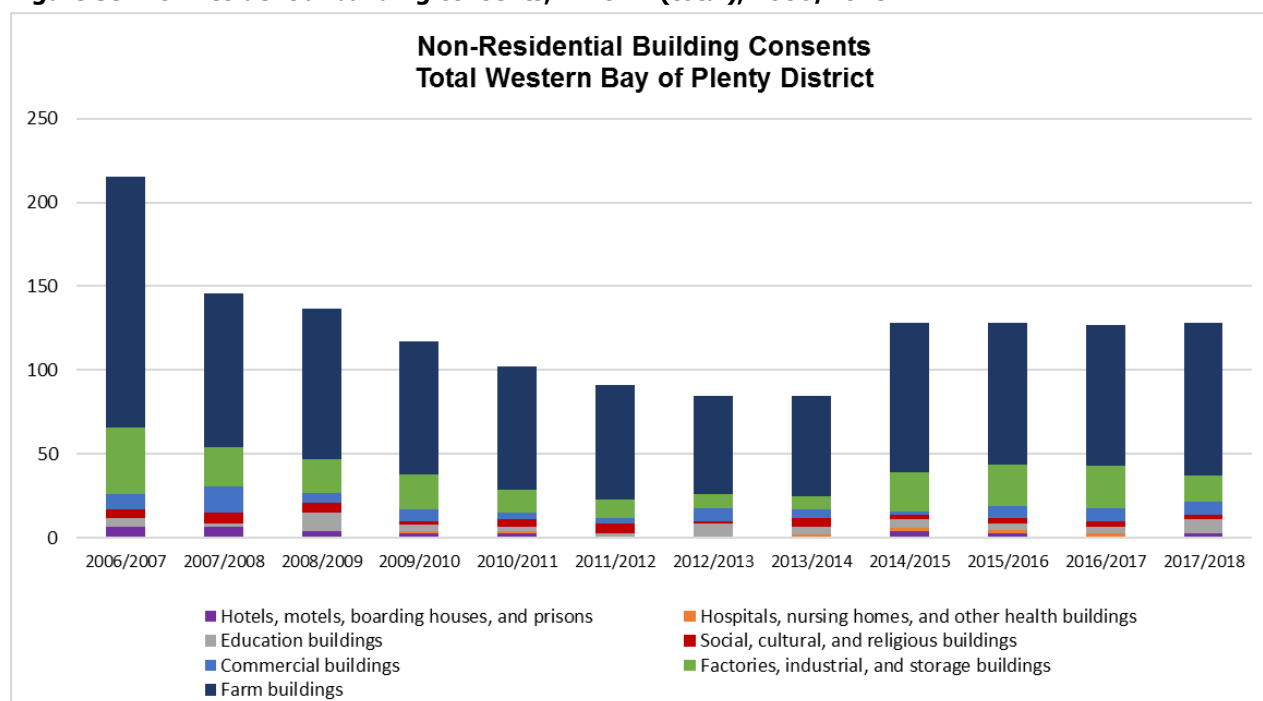
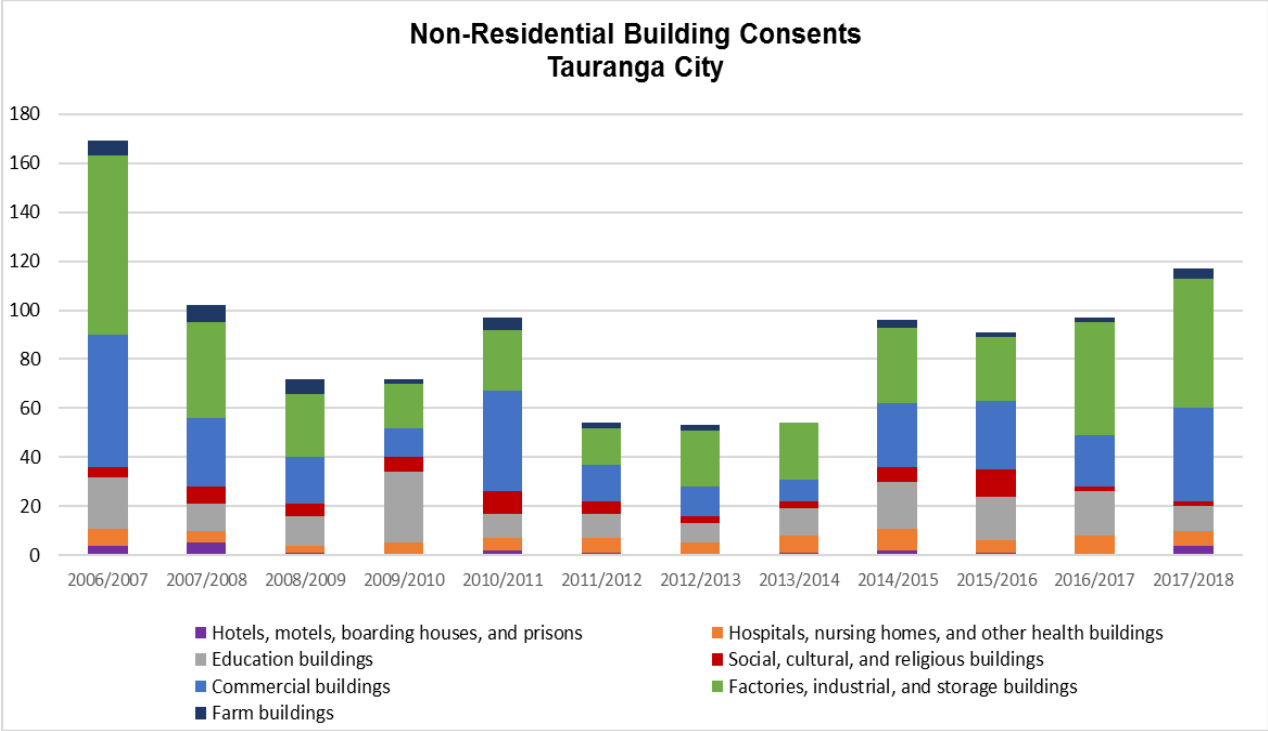


Figure 36 Non-residential building consents, Tauranga City, 2006/2018



Source: Statistics NZ Infoshare

7.5 Non-Residential Building Consents by Construction Value

The following graphs show that the change over time in total construction value and number of consents follows a similar trend line for both Tauranga City and WBOPD. A number of high value non-residential building consents has increased the total value above the number of consents from July 2014 to June 2018.

Figure 37 Non-residential building consents and average construction value, WBOPD, 2006/2018

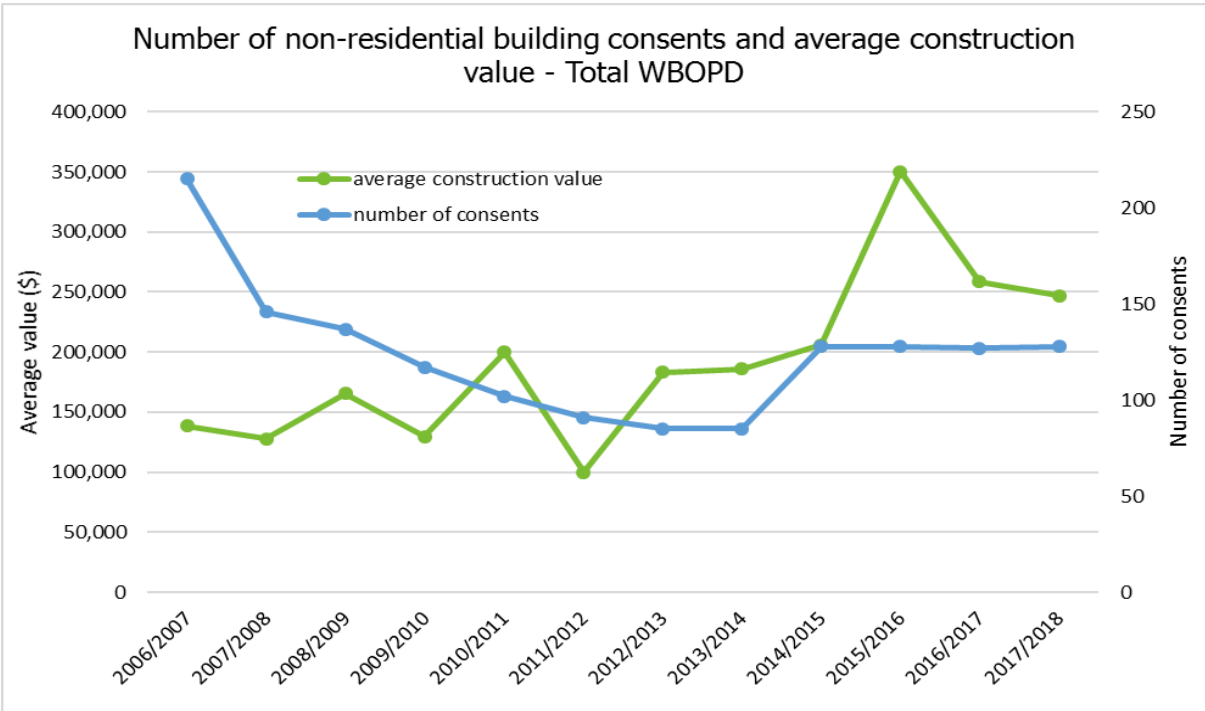
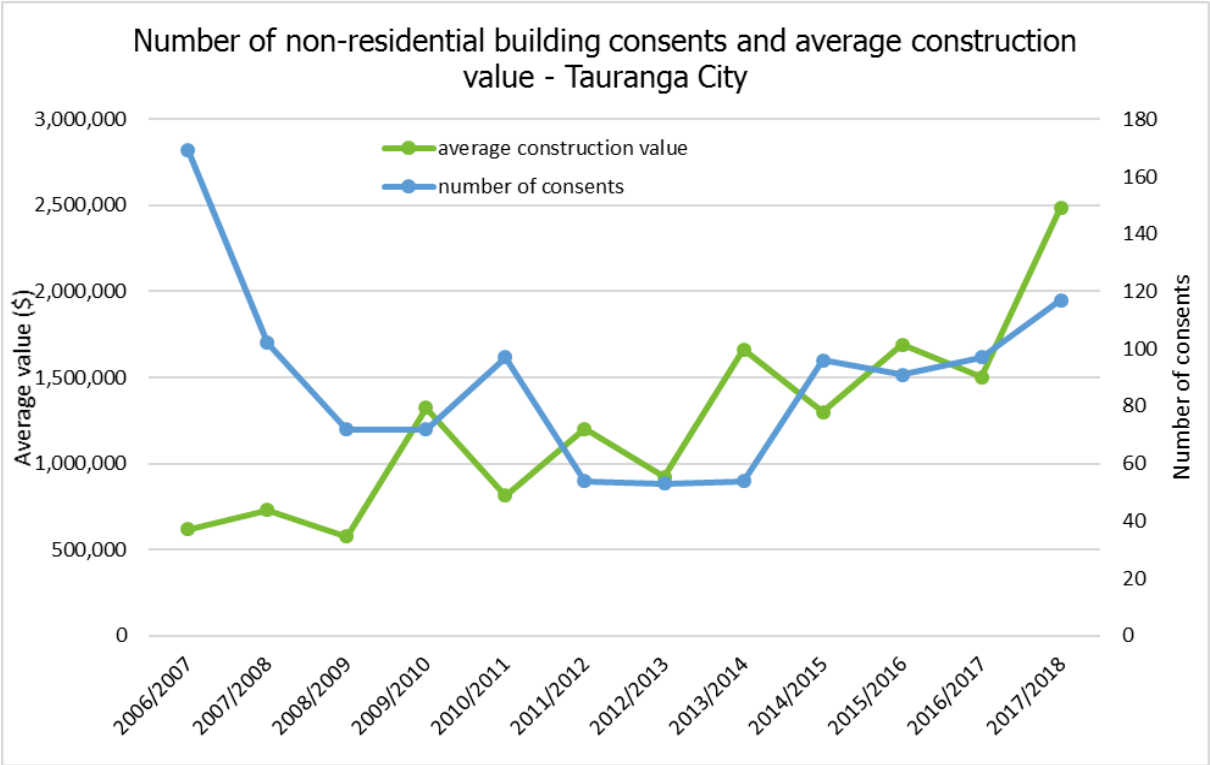


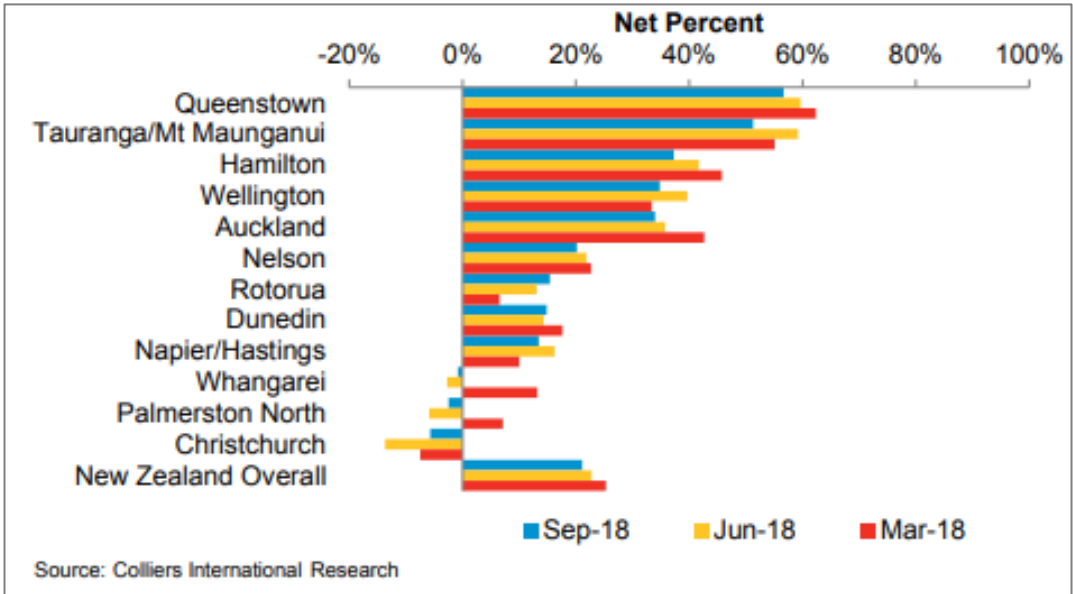
Figure 38 Non-residential building consents and average construction value, Tauranga City, 2006/2018



7.6 Commercial Property Market Outlook

Collier’s International Research revealed that among the commercial centres in New Zealand, Tauranga/Mt Maunganui consistently occupied the second spot for commercial property investors’ confidence for nine consecutive quarters based on the results of their quarterly commercial property investor confidence survey. In 2018, Tauranga/Mt Maunganui achieved a confidence rating of 51% during the September quarter and nearly 59% during the June quarter.

Figure 39 Commercial property investor confidence survey results, March to September, 2018



This confidence rating is manifested in the strong growth for commercial building consents. The value of building consents issued for commercial buildings in the last 12 months to 30 June 2018 was a record

high at nearly \$161 million, five times the previous year's level of \$29 million. This is more than half (55%) of the value of all non-residential building consents issued during the reference period, which is also a record high at \$291 million.

7.6.1 Tauranga Central Business District

According to Priority One, Tauranga central business district is expected to have a new look and feel, with around \$350 million in private and public sector developments in the next few years. This includes the \$100 million redevelopment of Farmers building that features new high rise building, with a mix of retail, food and beverage, residential properties that include townhouses and apartments, and car parking. It is expected that the retail, food and beverage and car parking components will open in mid-2020 and the residential properties will be completed in 2021. Construction of the \$39 million University of Waikato-Tauranga campus is nearing completion and expected to open next year.

Tauranga CBD is changing from mostly retail to a mixed-use development consisting of residential/accommodation, entertainment, education, events, sport, tourism, office, arts and culture, and recreation and fitness facilities.

7.6.2 Bayfair Commercial Centre

The Bayfair commercial centre expansion, estimated to cost around \$115 million is on-going, and will host about 50 new stores, of which Countdown is one. Most of the stores are expected to open before Christmas, with the rest opening before end of next year.

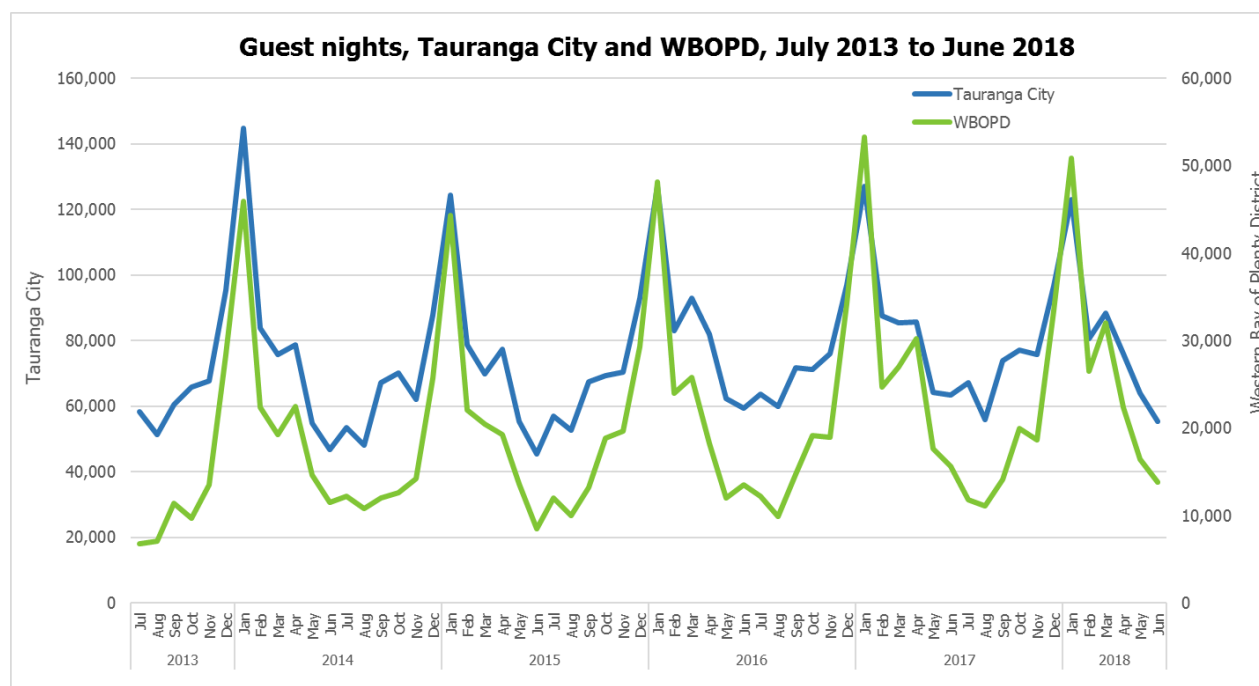
7.6.3 Tauranga Crossing

Tauranga Crossing shopping centre in Tauriko (Stage 1) opened in September 2017 providing a home to more than 20 specialty stores. Farmers also relocated to the lifestyle shopping centre this year in view of the construction of its building in the Tauranga CBD. Stage 2 will include around 90 specialty shops, eateries and cinema, with Stage 2a completed and opened in October 2018, while Stage 2b is expected to open in April 2019.

7.6.4 Accommodation and Retail Market

The graph below shows that December to February are the peak months for the commercial accommodation sector, with the highest number of guests arriving and staying in commercial accommodation (including hotels, motels/apartments, backpackers, holiday parks) in January each year. December and January are also the period when retail sales in the region are at its peak.

Figure 40 Guest nights in commercial accommodation, Tauranga City and WBOPD, July 2013 to June 2018



Source: Stats NZ Accommodation Survey

8 Current and Future Monitoring Reports

As indicated in Section 2 of this report the SmartGrowth Development Trends report continue to report on key SmartGrowth, RPS and NPS-UDS indicators on an annual basis. For the three quarters in between the annual reports, a simpler quarterly monitoring report is prepared to meet the NPS-UDC requirements starting from September 2017.

From December 2017, the indicators of price efficiency have been added to quarterly monitoring as required by NPS-UDC Policy PB7. The quarterly monitoring reports provide SmartGrowth a tool to use in improving its understanding of housing and business markets. SmartGrowth is committed to improving these monitoring documents over time.

Appendix 1

Explanation of HUD/ MfE Indicators for the National Policy Statement on Urban Development Capacity¹⁰.

Dwelling sales prices (actual) – (SGDT Ref: Section 4.1)

Technical notes

Prices are presented in nominal terms; that is, they have not been adjusted for general inflation. Median prices are heavily influenced by the sale of existing stock, as new builds comprise a small proportion of total sales in any given period. They are also affected by the composition of sales, including the size and quality of dwellings, as well as type (houses, apartments etc.), which may vary by area and over time. This median price series is not adjusted for size and quality of dwellings.

Interpretation

This indicator shows the median prices of residential dwellings sold in each quarter. It provides a broad and recognisable picture of absolute price levels and is therefore a useful starting point for analysing price trends. Significant dwelling price growth can increase the feasibility of new developments (eg suburban apartments). On the other hand, rapid price increases can fuel land banking, where landowners expect continued future increases.

In general, if dwelling prices are rising, we would expect to see dwelling building consent numbers rise in response. If prices are rising without evidence of growth in consents, it may indicate a constraint on supply and should motivate further investigation.

Variations in prices between different areas may reflect a range of factors, including differences in demand for housing due to different wage levels or different levels of consumer and natural amenities; or imbalances between demand and supply due to constraints on housing development. Where price differences persist over long periods of time and coincide with similar rates of housing supply, they are more likely to reflect differences in demand. Price trends reflect many different forces acting in the market, including but not limited to the effect of urban planning policies. Developing a narrative about which factors are driving price trends is challenging but can provide useful insights for a local authority's planning response to these trends.

Nominal dwelling rents – (SGDT Ref: Section 4.2)

Technical notes

This indicator reflects nominal mean rents as reported in bonds lodged with HUD, in dollars.

The data is for private bonds (private landlords) and hence excludes social housing.

The mean used is the geometric mean. The reason for using this mean is that rents cluster around round numbers, and tend to plateau for months at a time (spiking up by say \$10 or \$20 at a time). This makes analysis of time series difficult and using the geometric mean is a way of removing this clustering effect.

There are a number of caveats on these data series:

- Property type is self-reported so can be inconsistent, particularly the distinction between apartment and flat as there is no clear separation between these categories.
- It captures bonds at the time of lodging (typically at the start of a tenancy), so doesn't reflect subsequent changes in these rents. It will therefore tend to understate the rent over the term of a tenancy.

Interpretation

Like the median dwelling sale price indicator shown in Figure 13, this measure provides a broad and recognisable picture of absolute rent levels, and should therefore be the starting point for analysing trends in rents. In general, strong and persistent growth in rents indicates, even more strongly than house price increases, that housing supply is insufficient to meet demand.

This is because rents tend to be more sensitive to income levels than dwelling prices, and on average, renters also have lower incomes than home owners. For this reason, rent increases tend to follow incomes more closely than house prices and are less volatile.

Estimates of mean rents at a local level may be affected by the composition of rental stock (ie the size and type of rental dwellings). This does not vary markedly between territorial authority areas. However, there may be significant differences between suburbs that may make a 'like for like' comparison difficult. For instance, the Auckland city centre has a high proportion of one bedroom apartments while other suburbs are dominated by three-bedroom

¹⁰ National Policy Statement on Urban Development Capacity: Guide on Evidence and Monitoring, Ministry of Business, Innovation and Employment and the Ministry for the Environment, June 2017

stand-alone houses. More disaggregated data on rent trends for different types of rental accommodation is available on the HUD website.

The rental stock is typically of lower quality and less well maintained than owner-occupied dwellings. This means that comparing average prices with average rents may be misleading as the characteristics of the average rental property are likely to be different than the characteristics of the average dwelling sale.

The chart above presents geometric median rents for five high-growth urban areas. It shows that:

- The cost of renting is highest in Auckland and lowest in Hamilton, which is consistent with differences in median sale prices between cities
- Rents in Christchurch rose rapidly after the 2011 Canterbury Earthquake, due to the shortage of housing resulting from earthquake damage, but they have fallen since the start of 2016.

To assist in interpreting data on rents, information on the share of households living in rented accommodation versus owner-occupied housing, and the characteristics of those households, is available on Statistics New Zealand's website.

Ratio of dwelling sales prices to rents – (SGDT Ref: Section 4.4)

Technical notes

This indicator shows the ratio of nominal median dwelling prices to nominal (geometric) mean rents. The geometric mean is used to help smooth the data by removing the "clustering effect" (where rents cluster at round number amounts).

House prices relate to the whole housing stock in the selected area, not just the rented stock. As owner-occupied housing tends to be of better quality and of higher value than rented stock—this ratio tends to over-state house prices (relative to the median price for rented housing only).

This relationship between rents and house prices is often expressed as a rental yield to investors using the same data, which is calculated by mean rents divided by the median house price.

Interpretation

This indicator reflects the relationship between median house prices and mean rents in the same geographical area.

The higher the house price/rent ratio:

- *The greater the gap between renting and buying.* A ratio of 30 indicates that the price of a median house is 30 times the mean annual rent paid. High ratios will tend to reduce home ownership rates due to it being more attractive or affordable for many to rent than to buy a dwelling.
- *The lower the average yield to an investor from renting out a dwelling.* Investors vary in their motivations for purchasing rental properties, and in the types of properties they are interested in owning. Income-focused investors will seek to maximise rental yields while others may be more motivated by the expectation of capital gains over the longer term. When increases in rents don't keep pace with house prices, investors increasingly rely on capital growth as a source of returns rather than rental yield.

Further analysis of trends in home buyers may assist the interpretation of this measure. CoreLogic has a "buyer classification" that disaggregates sales according to whether the purchasers are first home buyers, existing owner 'movers', or investors. This data also records where investors are based or movers are from, so is a useful indicator of the impacts of one local area on another.'

Housing affordability indicators – (SGDT Ref: Section 4.6)

Technical notes

HAM Buy and Rent measures have been released as an 'experimental' series that will eventually be turned into official statistics on housing affordability.

These measures use data on household incomes and rents from Statistics New Zealand's Integrated Data Infrastructure, Corelogic sales price information, and mortgage interest rates.

For potential home-owning households, HAM Buy calculates what their residual income would be after housing costs if they were to buy a modest (ie lower quartile) first home in the area in which they currently live. For renting households, HAM Rent calculates what their residual income would be after paying the rent.

Households are then classified as being either above or below a 2013 National Affordability Benchmark. This is set as the median affordability for all homeowners and renters, nation-wide, in June 2013.

HAM measures are available for territorial authorities, and also for Auckland wards. At the time this guidance was released, they were only available through the first quarter of 2016, ie with a one-year lag. This indicator will be updated to be more timely in future releases. For further information, refer to HUD's website.

Interpretation

The HAM indicators provide a picture of national and regional housing affordability trends, bringing together the impact of changes in house prices or rents, mortgage interest rates and incomes.

The indicators calculate how much money households have left over after paying for their housing costs. For renting households, HAM Rent reflects how much money is left over after paying rent for an appropriately sized dwelling in the area in which they currently live. For the population of potential first home buyers, HAM Buy reflects how much money they would have left over if they were to transition from renting to home ownership by purchasing a modest home in the area in which they currently live.

These residuals are then compared with a 2013 National Affordability Benchmark, which is the national average for all renting and home-owning households. Because renting households typically have lower incomes relative to housing costs than home owners, more than half of them fall below the 2013 National Affordability Benchmark.

A higher number on the charts indicates a lower level of affordability, as it indicates that more households fall below the affordability benchmarks, and vice versa.

It is most appropriate to use HAM Buy and HAM Rent to understand trends in housing affordability in a particular area. If the share of households that do not meet the affordability benchmark is rising, it indicates that housing is becoming less affordable in an area. Comparisons between cities may be less meaningful.

Differences in the level of HAM indicators between cities could reflect a combination of factors. For instance, Auckland and Wellington have lower HAM Rent indicators than other cities (indicating better rental affordability) in spite of the fact that rents in these cities are generally higher. This reflects the fact that renting households in these cities also have higher incomes.

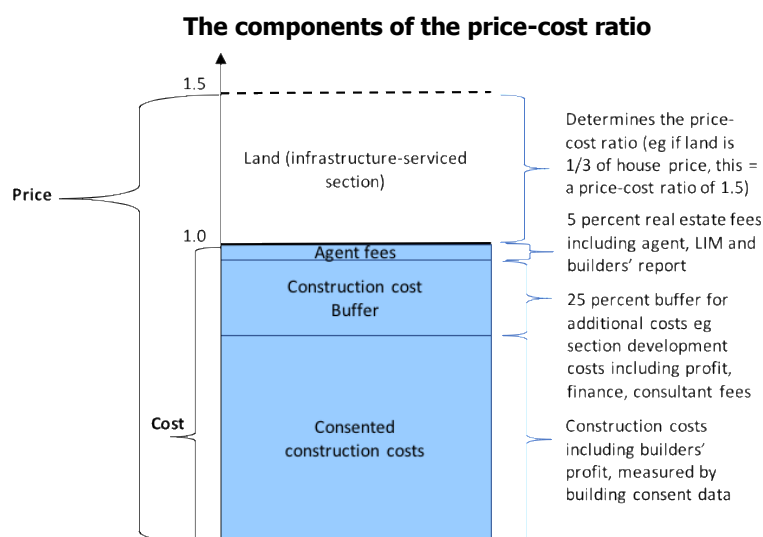
Given evidence that dwelling sale prices in several cities have risen significantly from 2016, it seems likely that home buyer affordability will have deteriorated. This should be picked up as the indicator is updated.

Price-Cost Ratio – (SGDT Ref: Section 6.1)

The price-cost ratio measures the relative contribution to house prices of:

- construction costs and purchase costs such as real estate agency fees
- land (infrastructure-serviced sections).

The ratios are developed by comparing the price of each house sold with the relevant building consent values, plus a 25 per cent “construction cost buffer”, and 5 per cent for real estate fees and other costs of buying a home. The amount left over is the imputed cost of land (the section). The results for each house are aggregated for urban areas. The price-cost ratio is 1.5 when the cost of a section comprises one third of the house price as illustrated below.



The price-cost indicator provides a general indication of how responsive land markets are to demand, relative to construction activity.

When there are enough infrastructure-serviced sections to meet demand, land should be a minor component of the cost of a home. The price of a home should mostly reflect the cost to build it. Construction and land prices might both increase commensurately with growth in demand.

But when there is a shortage of sections for some reason, land prices can push house prices far beyond construction costs. So the gap between house prices and construction costs – the *price-cost ratio* – can be used as a general indicator of the flexibility of land markets to accommodate new homes.

The price-cost ratios calculated for high and medium growth urban areas suggest that:

- Ratios below 1 might occur in places or times where there is no growth, with houses selling below the construction cost to replace them.
- Ratios between 1 and 1.5 (that is, where the cost of an infrastructure serviced section comprises up to one-third of the price of a home) are common where the supply of land and development opportunities are relatively responsive to demand. All New Zealand urban areas had price-cost ratios of between 1 and 1.5 about 20 years ago when land and housing markets delivered more affordable housing, and these ratios are still common in places where homes are cheaper.
- Ratios above 1.5 signal that the supply of sections and development opportunities is not keeping pace with demand and land prices are materially increasing house prices.

Rural-urban differentials – (SGDT Ref: Section 6.2)

Land price differentials quantify the difference in values of land either side of a boundary between one set of land-use regulations and another set of land-use regulations. These differentials can be expressed as ratios and as dollar differences.

The rural-urban differential is a specific type of differential. It compares the value of land zoned for residential urban development with the value of land zoned for non-urban development (primarily “peri-urban” land).

Rural-urban differentials show the costs to households of land use regulations that constrain development across the city and at the city boundary. The differentials do not account for any of the benefits of land use regulation. But using the dollar values in the dashboard can help local authorities evaluate both.

When costs are high, this indicates that insufficient development capacity is materially affecting the prices of residential sections and therefore homes. The rural-urban differential provides information about whether development capacity is *currently* sufficient. This should be considered alongside household growth forecasts and development feasibility modelling in the housing and business development capacity assessment.

Differentials can also be calculated to assess the impact of zoning for different activities or to assess the impact of different regulations within a zone (eg, restrictions on density, height etc.) These various types of differentials are illustrated in the figure below: (i) rural-urban differentials, (ii) industrial zone differentials, and (iii) differentials between properties subject to different regulations in the same zone.

Interpretation

Rural-urban differentials measure the impact on urban residential section values (and therefore costs to households) of land use regulations that constrain urban development capacity. The availability of infrastructure and the way it is funded may also have some impact.

Such regulations include zoning and restrictions on density, (height limits, section coverage etc.), to avoid, remedy or mitigate the effects of urban development. These make trade-offs between minimising environmental effects and development. They affect the size of the city, how much land is allocated to different uses and the density of land uses.

Significant and/or increasing rural-urban differentials signal that these regulations, while they may exist for positive reasons, also have high or increasing costs. This can be the case when there is rapid growth in demand for housing and land use regulations are not adjusted commensurately. A high differential indicates that these regulations have been overly constraining supply and there is a need to provide more development capacity.

The logic underpinning rural-urban differentials is:

- Prices for different properties vary by location reflecting the demand/supply balance for land and housing with particular attributes, such as proximity to the coast and town centres.
- In a well-functioning land market (one where overall supply can increase responsively to demand) similar properties will have similar values. Adjacent land parcels are likely to be more similar. Large differences (jumps) in prices for similar adjacent land that cannot be explained by differences in their underlying characteristics indicate that something else is distorting prices.
- If discontinuities in prices for similar land are observed at the edges of zones that allow urban development on one side but not on the other side, then it is reasonable to infer that the regulatory constraint on development is increasing prices.

A rural-urban differential above 1 signals that zoning and/or other regulations are constraining development capacity enough to increase urban land values. The dollar per hectare difference between urban and non-urban land can be divided by the typical number of sections per hectare, to produce an estimate of the cost per section (or per household).

If the differential shows that urban land is worth, say, twice the value of adjacent non-urban land, and there is a per section cost of more than \$100,000, it seems clear that current plans provide insufficient urban development capacity.

The NPS-UDC requires local authorities to address this situation by providing additional capacity and enabling development where people would like to live. This might include closer to the city centre as well as at the city fringe.

While a rural/urban differential signals the extent to which development capacity constraints are affecting land prices, it does not identify which regulations are causing this. It may be due to restrictions on densities, insufficient residential zoning compared to other uses, or limits to urban expansion.

Using rural-urban differentials

The differential is expressed both as a ratio (ie, urban land is valued at X times the value of non-urban land), and as a dollar amount per hectare (the dollar difference between urban and rural land). These measures have different uses. The ratio is easier to remember, while the dollar difference is useful for quantifying the costs of regulations, e.g. in Section 32 analyses. Ratios and dollar differences might not move in the same direction over time. If both urban and non-urban land values are increasing, the dollar difference might also increase but the ratio might stay the same. Both measures are best used in tandem.

Care needs to be taken when comparing rural-urban differentials between cities. Prices for land (both rural and urban) vary between locations according to their relative demand/supply, and the differentials do not adjust for this. For example, rural land outside of the Auckland region can be twice as expensive as rural land close to other urban centres, and urban land prices are also much higher, reflecting the value of locating in, or near, a much larger city. The higher land values of both might produce a more significant dollar difference between rural and urban land in Auckland than is observed elsewhere.

Land ownership concentration – (SGDT Ref: 6.3)

The land concentration control indicators provide information about how concentrated the ownership of undeveloped residentially zoned land is in different urban places. They indicate whether the decisions of a few individual land owners have the potential to significantly affect the supply and price of land for residential development, and hence affect housing supply.

The geographic starting point for land concentration indicators was the 'extended urban area' – which comprises the full area of territorial authorities that have jurisdiction over an area as defined by Statistics New Zealand in 2017. The Tauranga extended urban area includes the areas of Tauranga City and Western Bay of Plenty District. Three sets of information are provided for an extended urban area:

1. A table showing the total area of land zoned in the District Plan for urban residential development and the proportion of this that is 'undeveloped', alongside Stats NZ estimates of population for urban areas and zones.
2. An index of land concentration control of undeveloped land that is zoned for urban residential development. This index produces a single number from close to zero (highly distributed ownership where each parcel is the same size and is owned by different entity) and 10,000 (where all of the land would be owned by one entity).
3. A table identifying the largest owners of undeveloped land zoned for residential development, the number of cities and total area of land that they each own, and their share of the market; and a map of where the parcels are located.

Land concentration control indicators use three sources of data:

- CoreLogic's rating valuation data, which provides information on the zoning of individual sites within urban areas, existing land use, building floor area and property valuations, which are used to estimate capital/land value ratios
- Land Information New Zealand's (LINZ) land parcels and titles database, which provides information on parcel sizes and the names of people and/or companies listed as owners on the title
- Companies Office data on companies and their shareholders and holding companies, which can be matched to land title data to identify owners that are related via company structures.

The land ownership concentration indicators are designed to be used as a package. Together they indicate:

- how much undeveloped land is currently zoned for residential development in a local area (compared to other places)
- whether or not this land is held by a few land-owners that could have a disproportionate impact on its availability for development, and therefore on prices
- whether land that might be zoned for urban residential development in the future would be concentrated in the lands of a few land-owners, leading to an uncompetitive situation in future
- where is the land owned by the most significant land-owners.

The indicators indicate whether concentrated land ownership can help explain high or increasing price-cost ratios up until now and provides a picture of what could happen in the future. This can help inform future development strategies that identify the location and timing of rezoning and infrastructure provision.

Appendix 2

Explanation of Development Terms

"Urban" refers to subdivisions or dwelling consents in:

Western Bay of Plenty District - Residential, Future Urban, Commercial, Industrial, or Multi zones.

Tauranga City – Suburban Residential, High Density Residential, City Living, Wairakei Residential, Papamoa East Employment, Town Centre Core (Wairakei), Town Centre Fringe (Wairakei) Marae Community (Urban), Rural-residential, Commercial and Industry zones.

"Rural" refers to subdivisions or dwelling consents in:

Western Bay of Plenty District - Rural, Rural-residential or Lifestyle zones.

Tauranga City – Rural, Rural Marae Community), and Te Tumu Future Urban zones.

Other terms used:

Western Bay of Plenty District – "Other urban areas" refers to minor urban areas such as Maketu, Pukehina, Paengaroa, Tanners Point, Kauri Point etc.

Tauranga City – "Coastal Strip" refers to Mt Maunganui-Papamoa, specifically the area units of Mt Maunganui North, Omanu, Matapihi, Arataki, Te Maunga, Pacific View, Palm Beach, Gravatt, Papamoa Beach East, Palm Springs, and Doncaster. "Tauranga" refers to all other area units in Tauranga City.

Greenfield UGA – Greenfield Urban Growth Area.

SP – Structure Plan.

Subdivision Process

Subdivisions go through a staged approval process that can last up to eight years.

Stage 1 Subdivision Plan

Subdivision is approved by the Council under section 104 of the Resource Management Act 1991 (RMA). This approval has a legal life of up to 5 years.

Stage 2 Survey Plan

This is approved under section 223 RMA. This approval has a legal life of up to 3 years.

Stage 3 Final Approval

Occurs under section 224 RMA. This is confirmation that all conditions of the subdivision consent have been complied with. After the Council issues a Section 224 Certificate individual property titles can be issued, once the subdivision proceeds to title issue under the Land Transfer Act. It is assumed for monitoring purposes that all Section 224 Certificates proceed to title issue.

A distinction is made between subdivisions approved and additional lots created at the Section 224 Certificate stage. The number of subdivisions approved does not necessarily indicate the likely future number of new lots created in the District, and hence the demand for services.

A more accurate indicator of growth is additional lots created at Section 224 approval stage. For monitoring purposes, this figure is used to interpret land uptake rates (along with dwelling consent data) and vacant land supply. In the Western Bay of Plenty District the ratio of urban land uptake in Greenfield UGA's to rural subdivision is expected to increase as infrastructure is improved at Waihi Beach, Katikati, Omokoroa and Te Puke.

In Tauranga City, the uptake of urban land in Greenfield UGA's is calculated from Section 224/new title information to indicate the proportion of planned capacity that has been "urbanised". The predictive value of this measure is reduced in the infill area primarily in areas where unit title developments are more common (such as Mount Maunganui and Tauranga Central) as these are issued at the time of, or after, the building consent has been approved.

Before a subdivision reaches final approval stage, variations to the original application can be submitted to the Council. Either a variation or the original application may go through to final approval stage. For this reason variations are not included in the total subdivisions approved, so as not to count them twice.

Subdivisions are only indicative of development where additional lots to the original title or titles are created. For this reason all subdivisions reported on do not include resource consent approvals for boundary adjustments or access ways etc. that do not result in additional lots being created.

Building Consent Issue for Dwellings

Western Bay of Plenty District

In the Western Bay of Plenty District, building consents issued for new dwellings provide a good indicator of growth rates in different areas. It should be noted that where dwelling consents are referred to in this report, the figures include consents for new and resited dwellings, but not for additions or alterations to existing dwellings.

Tauranga City

Building consents issued for new dwellings make up about 45% of all building consents issued. New dwellings are recorded in a similar manner to the Western Bay of Plenty District, including new dwellings, relocated dwellings and conversions of existing buildings to dwellings; it does not include additions or alterations to existing dwellings. Where dwellings are demolished or removed from a site, or changed in use to a non-residential activity, they are deducted from the "new dwelling" count to produce an "additional dwelling" count for comparison with the SmartGrowth dwelling projections in Section 3.3 of this report.

Residential Growth Areas

Western Bay of Plenty District

These areas are the settlements of Waihi Beach (including Island View, Pios Beach, and Athenree), Katikati, Omokoroa and Te Puke. These areas have been identified as the urban growth centres for the District in the Western Bay of Plenty District Council.

All residential growth areas in the District; Te Puke, Katikati, Waihi Beach and Omokoroa, are now serviced by comprehensive sewerage schemes while the communities of Maketu/Little Waihi and Pukehina are currently served by septic tanks. Plans for a wastewater collection, treatment and disposal system or transfer pipeline for these areas are currently progressing.

The Western Bay of Plenty District Plan contains different subdivision standards in recognition of the ability of areas to accommodate future growth. This is dependent upon infrastructure availability, particularly wastewater disposal.

- For unsewered urban areas, a minimum net lot size of 1600m² is required to subdivide, as the minimum net lot size is 800m². To allow for access ways, 1800m² is used for monitoring purposes for subdivision potential.
- For sewerred urban areas, a minimum net lot size of 700m² is required to subdivide, as the minimum net lot size is 350m². To allow for access ways, 800m² is used for monitoring purposes for subdivision potential except in Omokoroa where a minimum lot size of 400m² is permitted in Stage 1 and a minimum of 600m² is allowed in the existing village.

For monitoring purposes, the future growth potential of areas is limited largely by the sewerage systems available.

Tauranga City

The Greenfield UGA's are the developing suburbs of Bethlehem, Pyes Pa, Pyes Pa West (the Lakes), Ohauti, Welcome Bay, Wairakei (Papamoa East) and Papamoa. The Greenfield UGA's are part of a comprehensive infrastructure planning approach to "greenfield" urban development. Areas outside the identified Greenfield UGA's do not have services supplied to them. In this way the Council manages the uptake of land for development.

The other significant areas of urban development is infill development in established residential areas, and residential intensification (currently limited to the Mount Maunganui High Density Residential zoned area northwest of Banks and Salisbury avenues, and the City Living zoned areas surrounding the Tauranga CBD) within established residential areas of Tauranga.

Vacant Land

Vacant residential land is generally identified in the sub-region as either *infill* or *greenfield*. Monitoring infill subdivisions tells us the rate of land uptake within established residential areas. Infill subdivisions are expected to continue to accommodate a substantial proportion of projected growth, especially close to main commercial areas.

In Western Bay of Plenty District, a subdivision yield of 11 sections per hectare is used for determining the development potential of residential greenfield areas. This figure is reflective of current development patterns. In Tauranga City, the yield varies from 9 to 15 sections per hectare in response to physical constraints (e.g. topography) and to the strategic intent for each Greenfield UGA structure plan.

Western Bay of Plenty District

Vacant residential land is identified in the Western Bay of Plenty District as either *infill* or *greenfield* determined by the size of the land parcel. This is reported on for the residential growth areas in the District.

Residential infill

existing urban areas of Western Bay District where a land parcel is 800m² or with the potential to enable subdivision to a minimum lot size of 350m². Except in Omokoroa where a minimum lot size of 400m² is permitted in Stage 1 and a minimum of 600m² is allowed in the existing village.

Residential greenfield any land parcel which is subdivided within Greenfield UGAs (constituting “traditional” rezoning of rural land to residential, and subdivision and development for residential purposes).

In the Western Bay of Plenty District a practical figure of potential infill development is calculated by taking the number of developed lots over 800m² (sewered) and 1800m² (unsewered) in a residential zone and multiplying this figure by 56%¹.

Tauranga City

Vacant residential land is classified in Tauranga City as either Infill, Rural Infill or Greenfield UGA. Within the infill areas some residential intensification is expected within identified Residential Intensification Areas and within general residential infill/ intensification areas where appropriate.

Residential Intensification Areas currently this classification is applied to development within the High Density Residential zoned area in Mount Maunganui North, and City Living and City Centre zoned areas where greater density is permitted.

Residential infill/ Intensification existing urban areas of Tauranga zoned Suburban Residential where a land parcel is 650 m² or with the potential to enable subdivision to a minimum lot size of 325 m². Includes residential growth in other zones within the infill area such as in Commercial Business zoned areas.

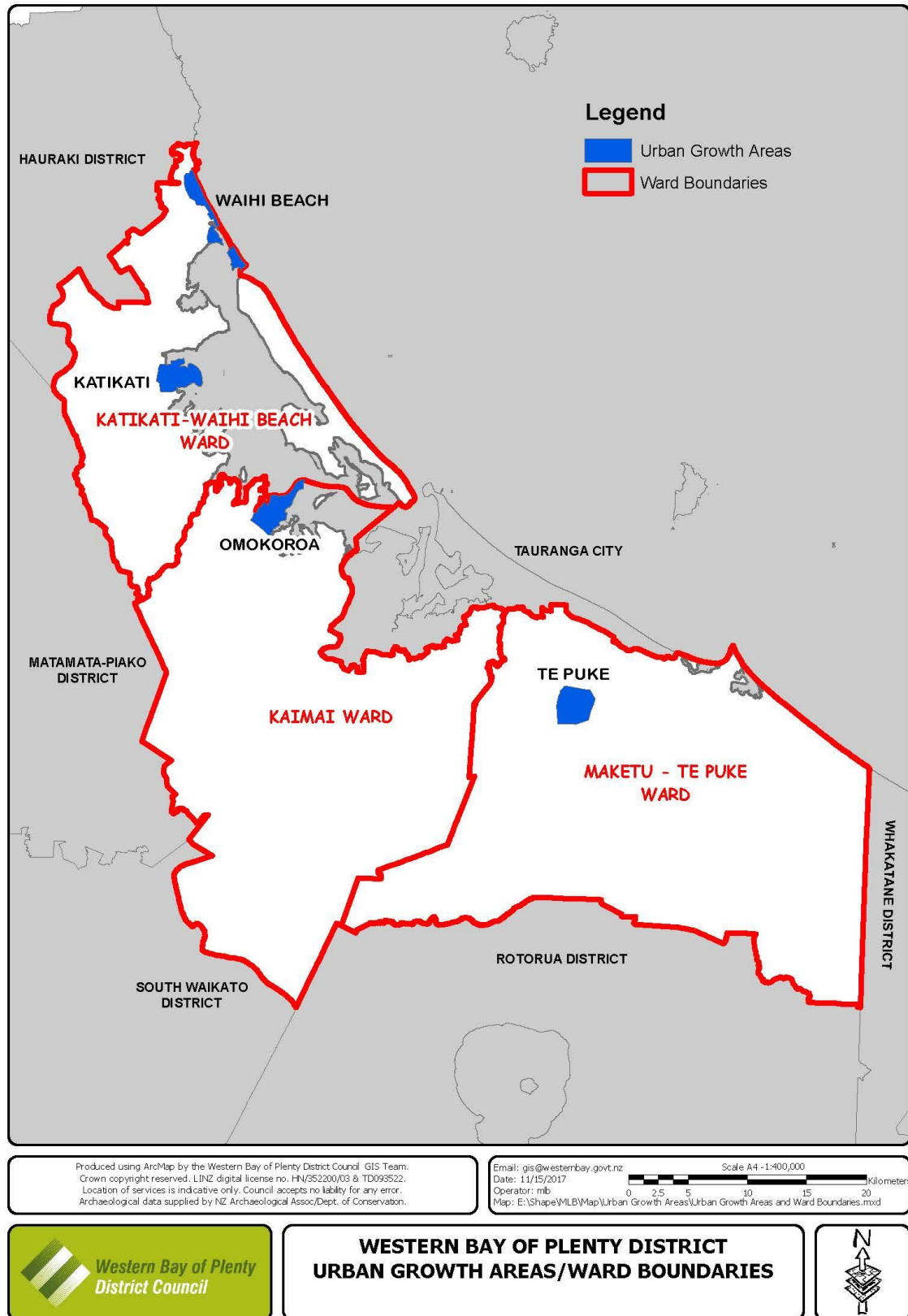
Rural Infill Areas of Tauranga City with Rural zoning outside the Greenfield UGA's

Residential Greenfield UGA's any land parcel which is subdivided within Greenfield UGA's (constituting “traditional” rezoning of rural land to residential, and subdivision and development for residential purposes).

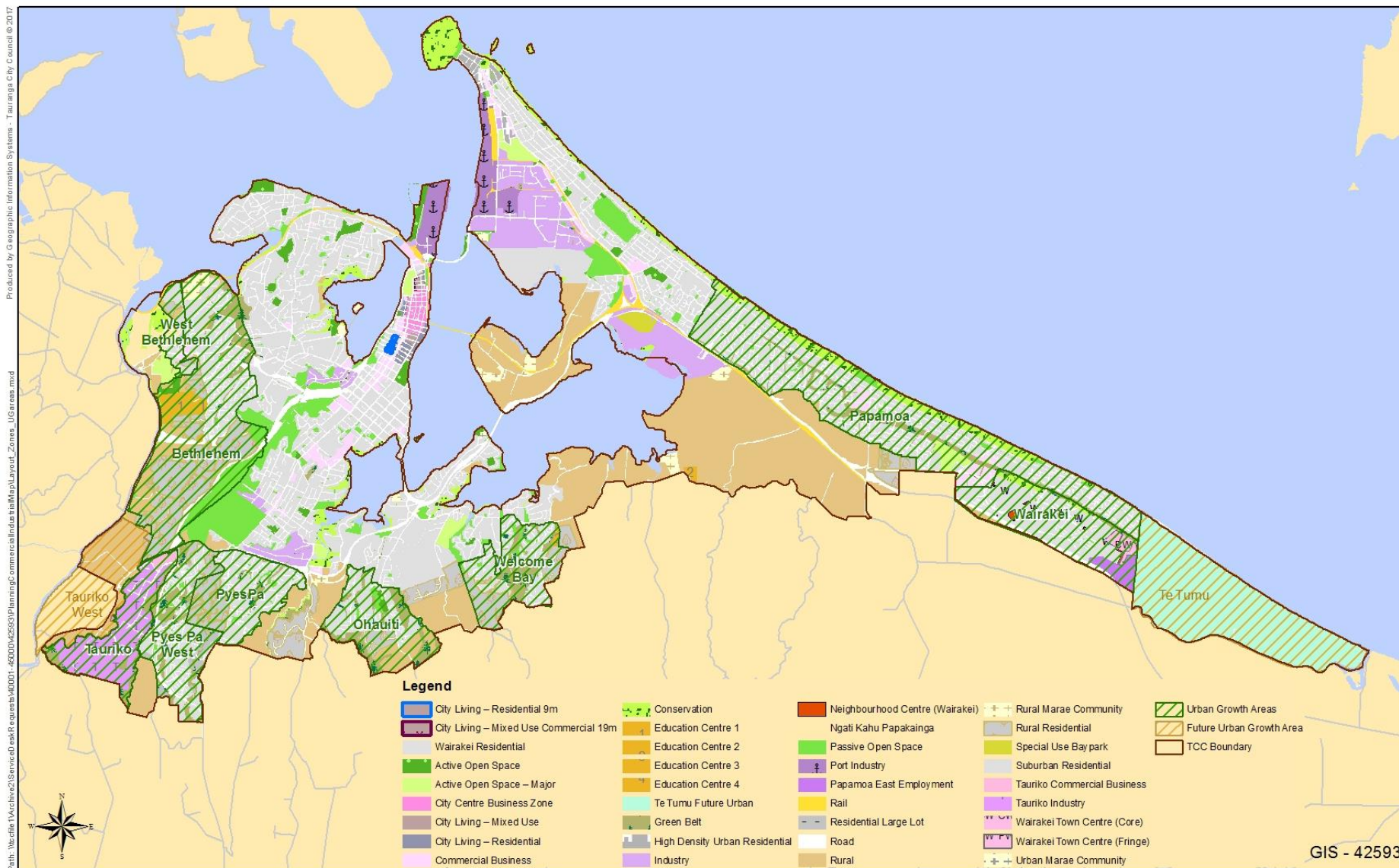
¹ Theoretical calculations assume that every developed lot has only one dwelling, and that it is positioned in such a way that there is enough spare land to locate an additional dwelling. This of course is incorrect and a theoretical figure is produced when all of these properties are calculated. To obtain a more realistic figure of properties that could be further developed, the theoretical figure is multiplied by 56% to give a practical figure. This percentage was obtained through a desktop analysis of aerial photographs of Waihi Beach in late 1998. A sample area was examined to obtain a realistic number of developed properties that had potential for further development, without shifting the existing dwelling, and a comparison made back to the theoretical figure calculated for that exercise.

Appendix 3

Western Bay of Plenty District Development Map

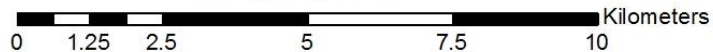


Tauranga City Development Map



PLANNING ZONES AND URBAN GROWTH AREAS

- Tauranga City Council -



Information shown on this plan is indicative only. The Council accepts no liability for its accuracy and it is your responsibility to ensure that the data contained herein is appropriate and applicable to the end use intended.

Appendix 4

Dwelling Occupancy By Census Area Unit – Western Bay of Plenty District and Tauranga City.

Western Bay of Plenty District (2013 Census)

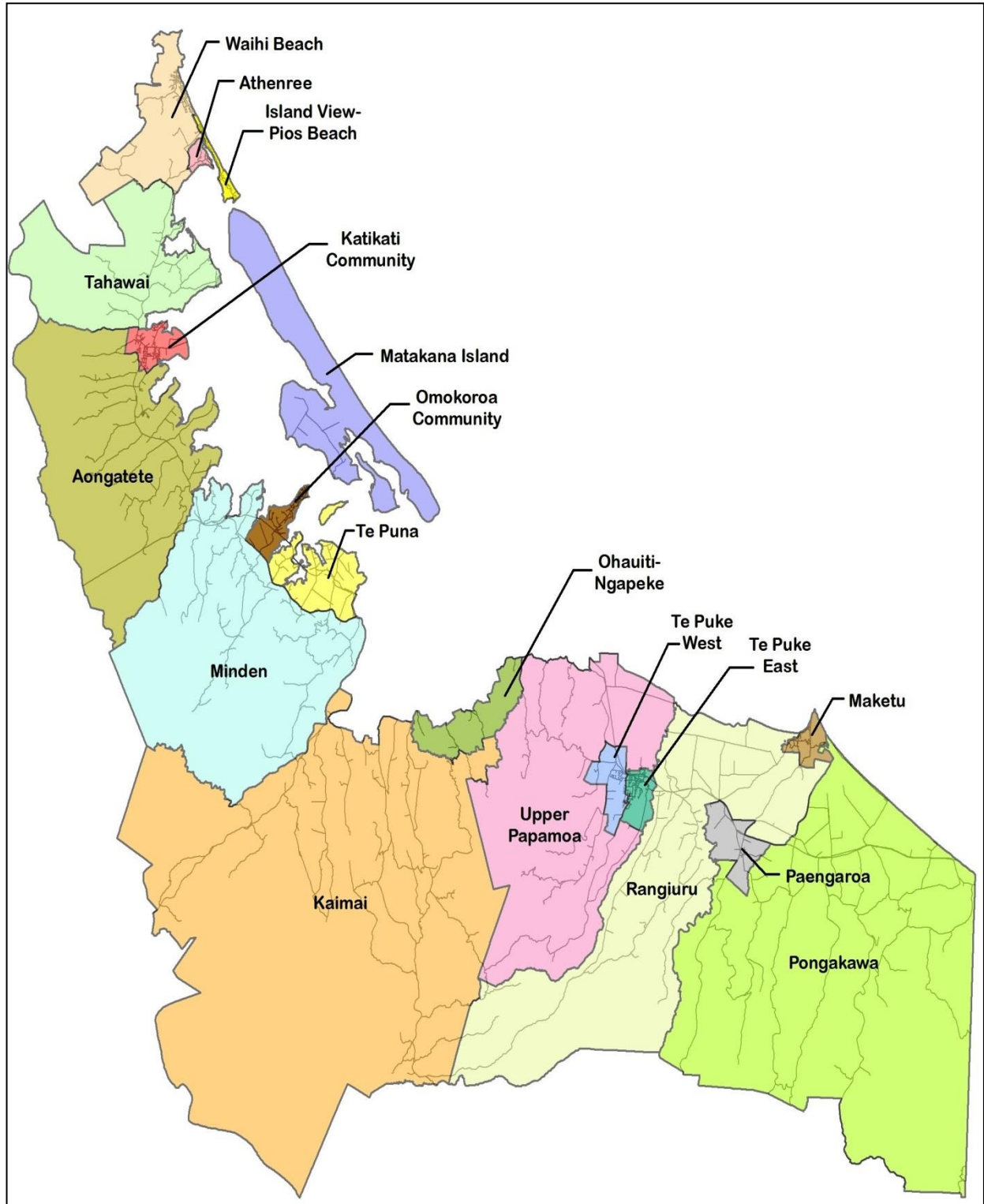
Census Area Unit	Population	2013 Occupied Dwelling Count	2013 Unoccupied Dwelling Count	2013 Total Dwelling Count	Unoccupied/ Total Ratio (%)
Waihi Beach	1,935	888	858	1,746	49
Athenree	672	267	105	372	28
Island View-Pios Beach	543	249	387	636	61
Matakana Island	255	87	45	132	34
Katikati	4,059	1,686	174	1,860	9
Tahawai	1,707	708	87	795	11
Aongatete	2,832	1,113	117	1,230	10
Omokoroa	2,547	1,071	147	1,218	12
Te Puna	2,439	918	54	972	6
Minden	4,401	1,662	111	1,773	6
Kaimai	5,286	1,956	123	2,079	6
Ohauiti-Ngapeke	711	279	18	297	6
Upper Papamoa	2,166	813	57	870	7
Maketu	1,047	405	144	549	26
Paengaroa	906	339	21	360	6
Rangiuru	2,097	747	78	825	9
Pongakawa	2,595	1,002	441	1,443	31
Te Puke	7,494	2,748	189	2,937	6
TOTAL	43,692	16,938	3,156	20,094	16

Tauranga City (2013 Census)

Census Area Unit	2013 Occupied Dwellings	2013 Unoccupied Dwellings	2013 Total Dwellings	Unoccupied/ Total Ratio (%)
Papamoa Beach East	1,269	147	1,416	10
Palm Springs	1,563	294	1,857	16
Doncaster	927	66	993	7
Matapihi	222	12	234	5
Inlet-Tauranga Harbour	9	-	0	0
Waikareao Estuary	-	-	0	0
Motuopae Island	-	-	0	0
Kairua	147	6	153	4
Bethlehem East	1,332	60	1,392	4
Bethlehem	1,353	102	1,455	7
Pacific View	1,125	117	1,242	9
Palm Beach	1,410	180	1,590	11
Gravatt	1,224	87	1,311	7
Mt Maunganui North	1,992	921	2,913	32
Omanu	2,133	357	2,490	14
Tauranga City-Marinas	51	3	54	6
Arataki	2,085	216	2,301	9
Te Maunga	2,199	234	2,433	10
Matua	2,067	111	2,178	5
Bellevue	1,248	51	1,299	4
Otumoetai North	1,767	147	1,914	8
Otumoetai South	1,413	78	1,491	5
Brookfield	1,920	108	2,028	5
Te Reti	594	39	633	6
Judea	975	78	1,053	7
Gate Pa	1,128	63	1,191	5
Greerton	1,830	105	1,935	5
Pyes Pa	2,145	141	2,286	6
Yatton Park	840	75	915	8
Poike	267	6	273	2
Hairini	2,280	123	2,403	5
Maungatapu	1,092	75	1,167	6
Tauranga Hospital	777	51	828	6
Tauranga South	1,926	135	2,061	7
Tauranga Central	1,041	123	1,164	11
Sulphur Point	15	3	18	17
Kaitemako	495	27	522	5
Welcome Bay West	1,221	51	1,272	4
Welcome Bay East	1,278	87	1,365	6
Total	45,366	4473	49,839	9

Appendix 5

Western Bay of Plenty District Census Area Unit Map



2013 Census Area Unit Map
Tauranga City
 - Tauranga City Council -

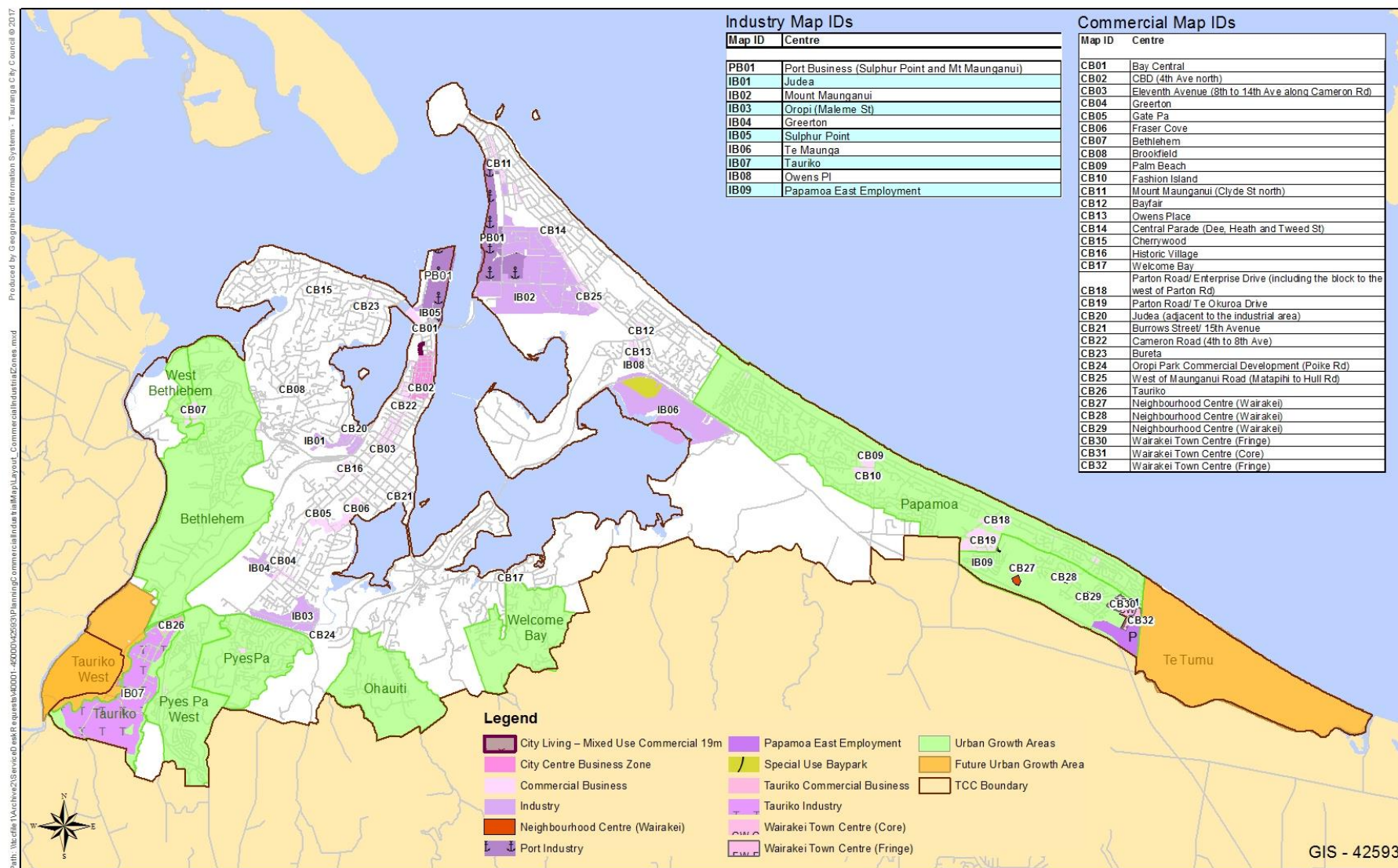
Map Key

0 2 4
 Kilometers

2013 Census Area Units

Appendix 6

Tauranga City Commercial and Industry Zoned Areas



COMMERCIAL AND INDUSTRIAL AREAS

- Tauranga City Council -

0 1.25 2.5 5 7.5 10 Kilometers

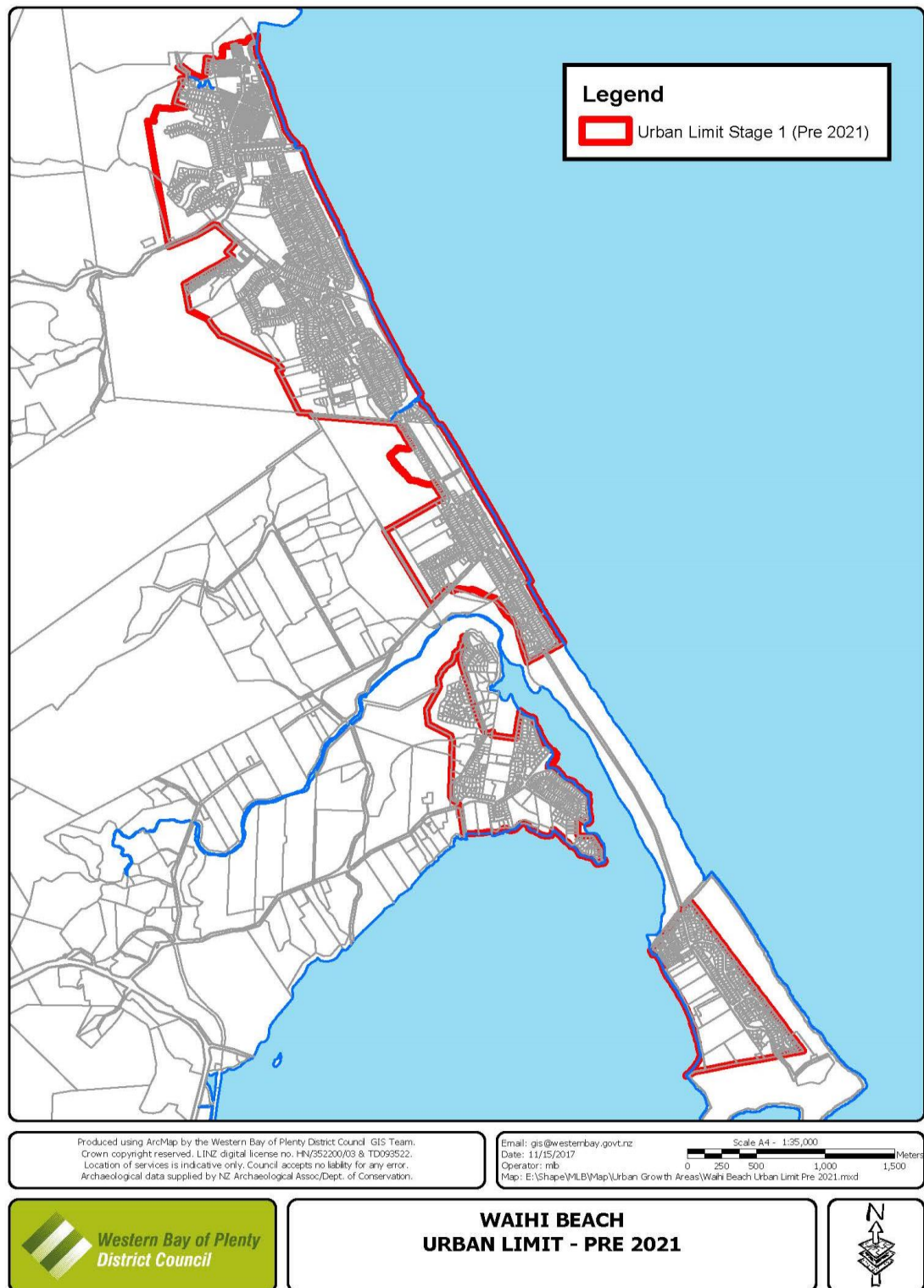


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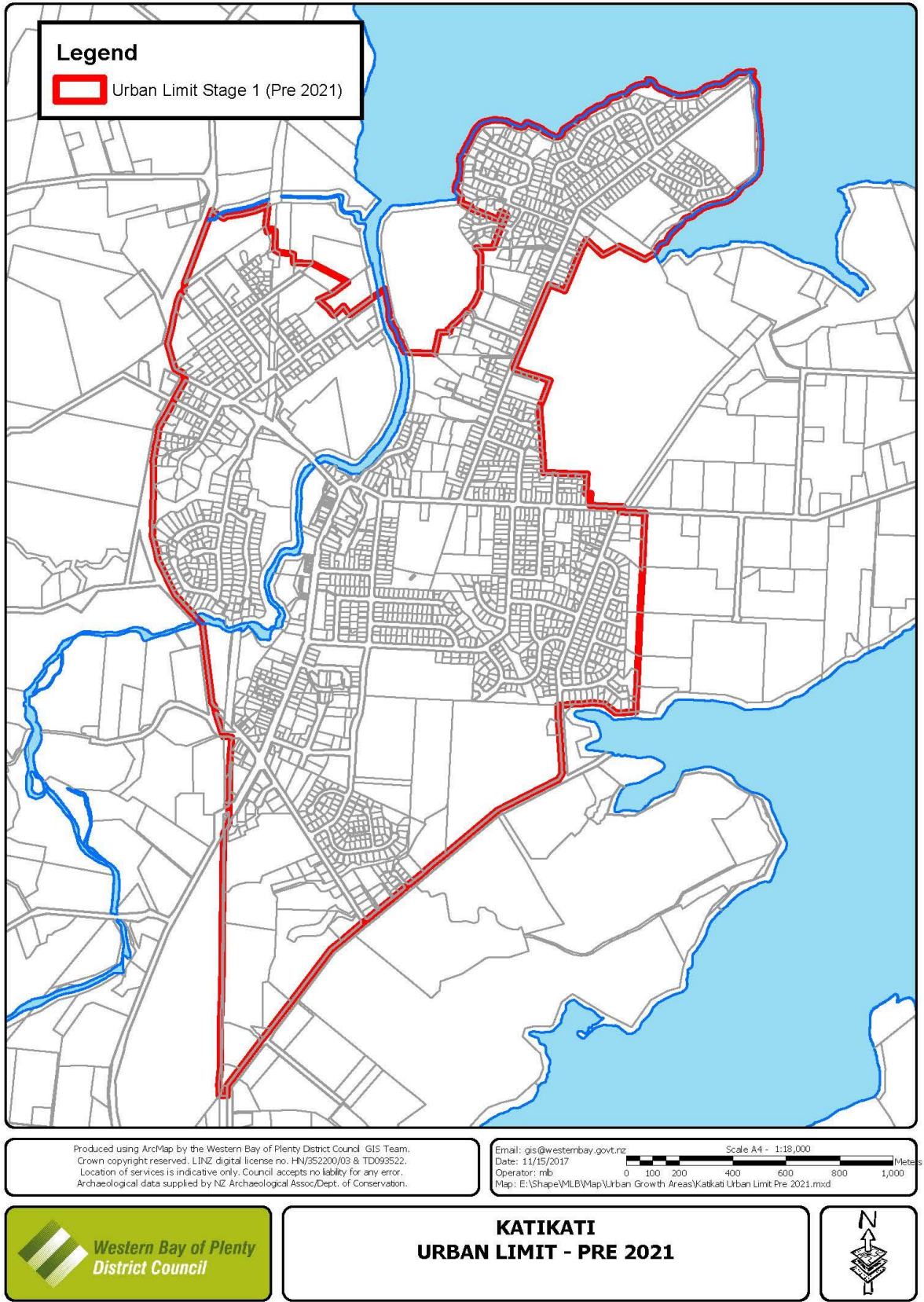
Appendix 7

Western Bay of Plenty District Stage 1 Areas For Urban Growth Area Sequencing

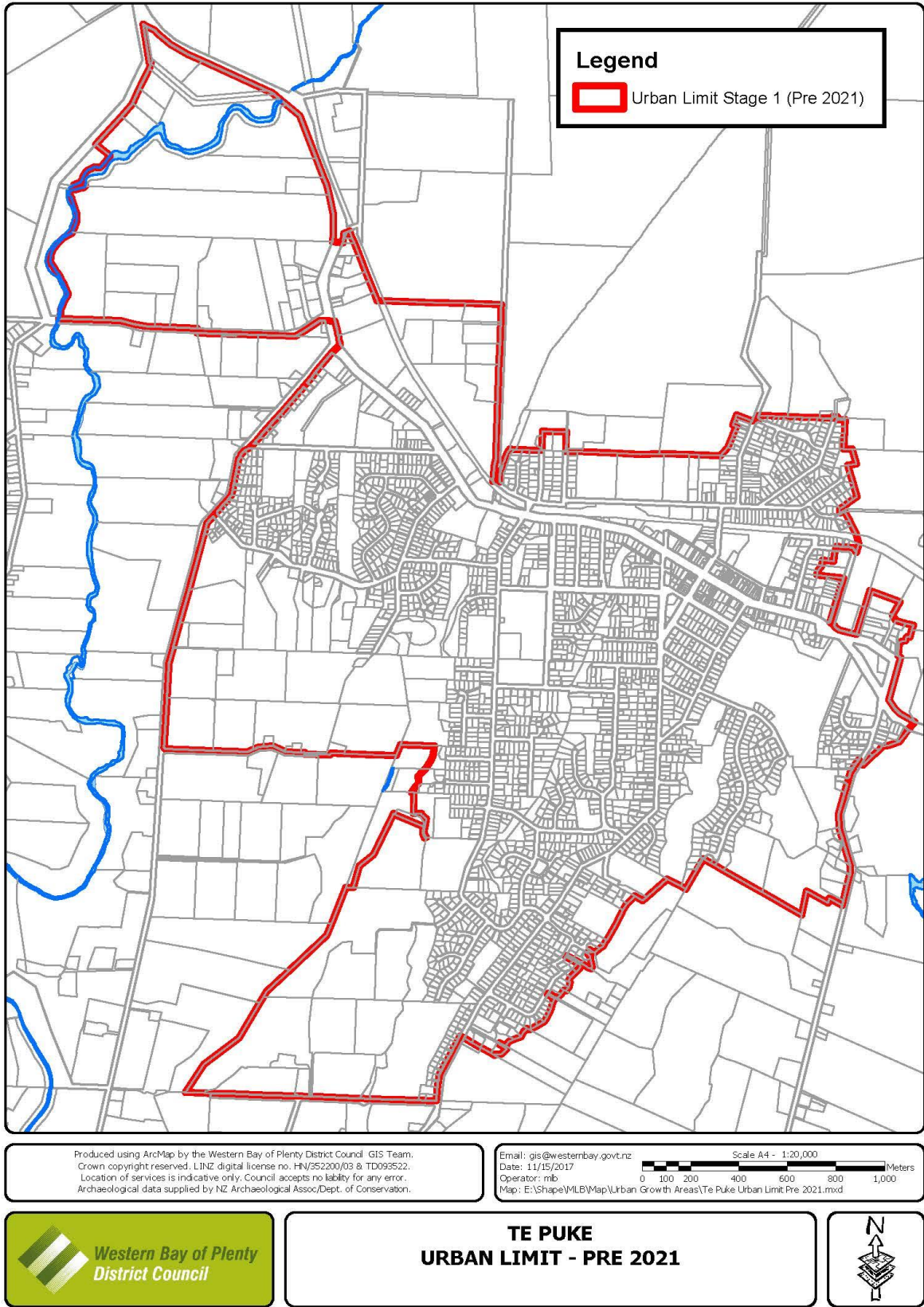
Waihi Beach



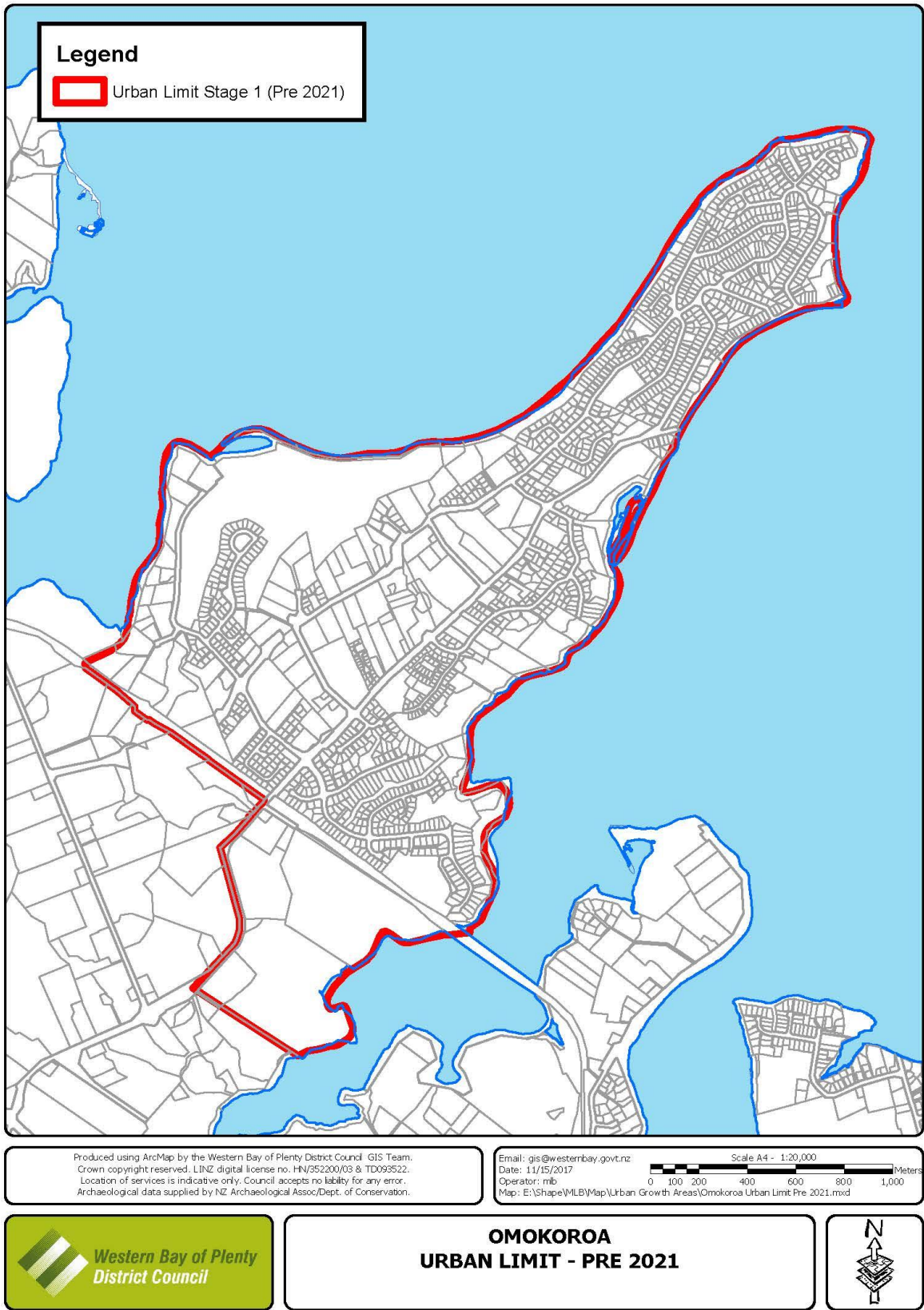
Katikati



Te Puke



Omokoroa





SmartGrowth
Building our futures together



Bay of Plenty
REGIONAL COUNCIL



Western Bay of Plenty
District Council



Tauranga City