

National Policy Statement on Urban Development: Housing and Business Assessment for Tasman 2024

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1. Executive Summary

Table A below sets out the housing land capacity situation for the Tasman urban environment.

Overall, there is sufficient housing capacity in the Tasman urban environment in the short term and long term but not in the medium term:

- There is insufficient capacity for attached dwellings in the Tasman urban environment in the short, medium and long term
- There is insufficient capacity for detached dwellings in the Tasman urban environment for the medium term only

The Nelson Tasman urban environment Housing and Business Assessment provides the demand and capacity situation for the combined area.

1.1 Table A - Residential land demand and capacity

Residential demand and capacity Tasman urban environment	Attached dwellings	Detached dwellings
Estimated housing demand (note: data and methodology limitations mean demand estimates are inherently uncertain. A range of demand projections can be found in section 3.0 of this report)	Short term: 200	Short term: 485
	Medium term: 520	Medium term: 1,275
	Long term: 1,380	Long term: 3,385
<i>Total demand: 7,245</i>		
Additional housing demand with the competitiveness margin	Short term: 240	Short term: 585
	Medium term: 625	Medium term: 1,530
	Long term: 1,590	Long term: 3,890
<i>Total demand plus margin: 8,460</i>		
Plan enabled housing development capacity	Short term: 1,010	Short term: 2,040
	Medium term: 185	Medium term: 730
	Long term: 520	Long term: 4,155
<i>Total plan enabled capacity: 8,640</i>		
Plan enabled and infrastructure ready housing development capacity	Short term: 220	Short term: 1,860
	Medium term: 375	Medium term: 845
	Long term: 1,120	Long term: 4,225
<i>Total plan enabled and infrastructure ready capacity: 8,645</i>		
Plan enabled, infrastructure ready, and feasible and reasonably expected to be realised (RER) housing development capacity	Short term: 130	Short term: 880
	Medium term: 440	Medium term: 1,165
	Long term: 1,150	Long term: 4,880
<i>Total RER capacity: 8,645</i>		
Housing land development capacity surplus/deficit	Short term: -110	Short term: +295
	<i>Overall surplus of 185 dwellings. Individual deficits in Motueka, Brightwater and Māpua, provided for in Richmond.</i>	
	Medium term: -185 (-295 when include short term deficit)	Medium term: -365 (-70 when include short term surplus)
	<i>Overall deficit of -550 (reduced to deficit of -365 when short term surplus included). Individual deficits in Motueka, Brightwater and Wakefield, some can be provided for in Richmond, but not all. Shortfall in Brightwater and Wakefield is due to insufficient infrastructure in time. Shortfall in Motueka is due to a number of constraints including low lying land, natural hazards and highly productive land.</i>	
	Long term: -440 (-735 when include medium term deficit)	Long term: +990 (+920 when include medium term deficit)
<i>Overall surplus of 550 (reduced to surplus of 185 when medium term deficit included). Individual deficits in Motueka. Richmond and Māpua provide for this shortfall</i>		

Table B below sets out the business land capacity situation for the Tasman urban environment.

Sufficient business capacity exists for all types of business land (industrial and retail/commercial) cumulatively across the 30 year time period.

1.2 Table B - Business Land demand and capacity

Business land demand and development capacity (hectares) Tasman urban environment	Retail/Commercial	Industrial
Estimated business land demand (note: data and methodology limitations mean demand estimates are inherently uncertain. A range of demand projections can be found in section 6 of this report)	Short term: 0.91	Short term: 1.13
	Medium term: 1.93	Medium term: 4.23
	Long term: 3.40	Long term: 8.12
	<i>Total demand: 19.72 ha</i>	
Additional business land demand with the competitiveness margin	Short term: 1.08	Short term: 1.36
	Medium term: 2.31	Medium term: 5.07
	Long term: 3.91	Long term: 9.33
	<i>Total demand plus margin: 23.06 ha</i>	
Plan enabled business land development capacity	Short term: 31.77	Short term: 29.67
	Medium term: 18.26	Medium term: 0
	Long term: 26.77	Long term: 28.33
	<i>Total plan enabled business land capacity: 134.8 ha</i>	
Plan enabled and infrastructure ready business land development capacity	Short term: 31.77	Short term: 29.67
	Medium term: 18.26	Medium term: 0
	Long term: 26.77	Long term: 28.33
	<i>Total plan enabled and infrastructure ready capacity: 134.8 ha</i>	
Plan enabled, infrastructure ready, and suitable for each business sector	Short term: 31.77	Short term: 29.67
	Medium term: 12.56	Medium term: 0
	Long term: 32.47	Long term: 28.33
	<i>Total suitable business land capacity: 134.8 ha</i>	
Business land development capacity surplus/deficit	Short term: +30.69	Short term: +28.31
	<i>Overall surplus of 59 ha</i>	
	Medium term: +10.25	Medium term: -5.07 (+23.24 when short term surplus included)
	<i>Overall surplus of 5.18 ha (64.18 ha when short term surplus included)</i>	
	Long term: +28.56	Long term: +19.00 (+42.24 when medium term surplus included)
	<i>Overall surplus of 47.56 ha (111.74 ha when medium term surplus included)</i>	

The summary table C below sets out responses to specific questions asked by the Ministry for Environment.

1.3 Table C - Summary issues

Issue	Summary
<p>How do the relevant councils support the provision of infrastructure? (eg, planning decisions)</p>	<p>In Tasman District, land is proposed for zoning for housing when there is certainty over the infrastructure solution, in discussion with developers. Longer term potential capacity is identified in the Future Development Strategy 2022-2052, the Infrastructure Strategy and Activity Management Plans for the Long Term Plan. The shortfall of capacity in the medium term in the urban environment may have an impact on affordability of housing by restricting new capacity. However, its impact is likely to be small as the shortfall of new homes (365 in total) is small compared to the overall 30 year capacity at 4%. The shortfall of capacity in the medium term is largely due to insufficient infrastructure in time. Housing affordability is an issue across the whole Tasman District, but worse in Golden Bay and Motueka. Motueka is constrained for further zoning due to natural hazard constraints, low lying land and highly productive land.</p>
<p>How does the district plan meet the current and likely future demands for housing from Māori?</p>	<p>The current Tasman Resource Management Plan enables papakāinga development in the Residential Zone as a controlled activity. However, the land concerned must be Māori customary land, Māori freehold land, or general land owned by Māori, as defined in Section 129 of Te Ture Whenua Māori Act 1993 and the land must be vested in a Trust. Issues and Options for the replacement Resource Management Plan found the need to be more enabling of locations where papakāinga is allowed in Tasman.</p>
<p>How does the district plan to meet the current and likely future demands for housing from different groups in the community? (eg, elderly, students, low income households, renters, homeowners etc)</p>	<p>Tasman District Council prioritised servicing of Motueka West for housing in its LTP 2021-2031 and this is now partially complete. This will enable 200 medium density leasehold dwellings proposed by Wakatū, hopefully more affordable since the occupants will lease the land. In Golden Bay, further work is required but the Mohua affordable housing project has built five houses in Golden Bay since the last HBA, most for rent. Additional seasonal worker accommodation is needed in the Motueka area where campground facilities are smaller and fewer, and some are being purchased by growers for seasonal worker accommodation. Since the last HBA, there have been at least nine resource consents for worker accommodation in the District with a further two current applications. While there may be individual issues with applications, the Council is enabling accommodation for seasonal workers. The Council proposes a plan change in 2024 to provide a less prescriptive definition of seasonal worker accommodation.</p> <p>Research on older people’s housing preference has shown increasing demand for smaller houses and demand for affordable rental properties. It also found a general preference to ‘age in place’ in the same community, with some level of independence rather than in residential care. Plan Change 81, implementing FDS sites, will provide smaller home opportunities in all the Tasman urban environment. Council knows that a significant proportion of older people do not wish to live in retirement villages and is therefore proposing to enable smaller homes in its major towns.</p>

1.4 Role of the assessment

This report is one of three that comprise the Nelson Tasman Tier 2 urban environment Housing and Business Capacity Assessments (HBA) 2024. There is the Tasman HBA, the Nelson HBA and the combined Nelson Tasman urban environment HBA. Together these reports provide the analysis to assess the sufficiency of the Nelson Tasman Tier 2 urban environment's residential and business land capacity, to meet future needs over 30 years 2024-2054. Tasman District Council (TDC), in this report assesses housing and business capacity for both its part of the urban environment and the remainder of the District.

The Tier 2 Nelson Tasman urban environment includes the following city and towns: Nelson, Richmond, Motueka, Māpua, Wakefield, Brightwater, Cable Bay and Hira, in recognition that these communities are part of the same labour and housing market, of at least 10,000 people and these areas are, or are intended to be, predominantly urban in character.¹

TDC's growth model was reviewed in 2022/2023, in line with work developing the Long Term Plan (LTP) 2024-2034, so that the HBA informed the LTP process. The HBA forms supplementary information for consultation on the LTP 2024-2034. The HBA assists Council in understanding its development market and ensures Council's planning decisions are well informed by the demand and capacity of housing and business land.

1.5 Affordability Context

Tasman District and Nelson City operate and function as a single economic market and business activity flows both ways across the Territorial Authority boundaries. Consequently, Tasman and Nelson also function as a single housing market. There are a number of indicators measuring affordability of house prices, but they all point to Tasman being severely unaffordable. This is not helped by lower than average earnings, which for those still in the workforce in Nelson-Tasman are 14% lower than the national average (2022). Nelson Tasman average wage earnings are the lowest in NZ, contributing to the poor housing affordability in the region.²

According to the Ministry of Housing and Urban Development's (MHUD's) dashboard, house prices have increased by 113% in Tasman since 2015 and the Real Estate Institute of NZ (REINZ) finds that the median house price in Tasman is still above the national average in 2023. These unaffordable house prices are against a continued backdrop of sustained high consenting activity for Tasman. Building consents for dwellings for year ending June 2023 have remained similar to the previous two years, at 577 consents.

1.6 Population Growth

Tasman's population continues to increase, with average annual growth of 2% over the last ten years. Population growth has slowed in recent years, with an average of 1.2% since 2020. In the year ending 30 June 2023, the population grew by 1.2% to reach 59,400. Most of this growth is from net migration gains and, importantly for Tasman, a sizable proportion of this is from internal migration. Tasman's population is projected to increase by 7,400 residents between 2024 and 2034, to reach 67,900, based on a medium projection scenario. Ongoing population growth is projected over the next 30 years, to reach 78,800 by 2054, but the rate of growth is projected to slow over time, due to

¹ Resolution of the Joint Committee of Tasman District and Nelson City Councils 10th November 2020

² Nelson-Tasman Regional Economic Briefing – 2022 data update (prepared by Benje Patterson for Nelson Regional Development Agency)

an ageing population. While all age groups in Tasman are projected to experience growth, the highest growth continues to be in the 65+ age group. The ageing population, driving an increase in one-person households and couples without children, continues to mean smaller average household sizes across the District.

Just over half of Tasman's population lives in the urban environment and population growth projections for the urban environment are slightly higher than for the District as a whole. Under the medium scenario, two-thirds of Tasman's population growth over the next 30 years is expected to be in the urban environment.

TDC has its own growth model that forecasts land requirements for housing and business based on the population projections and other factors. A Housing Preferences Survey of the Nelson Tasman urban environment was undertaken in 2021. As there has been little demographic change in the most recent population projections, the 2021 survey data has been used in this HBA to inform demand for type of dwelling.

1.7 Residential Demand

Future demand for new dwellings is based on a combination of population growth and decreasing household size, as well as some non-resident dwelling demand (such as holiday homes). Based on these factors, dwelling demand is projected to be relatively constant over the next 20 years, at approximately 400 dwellings a year for the whole district, and approximately 250 dwellings a year for the urban environment. Lower demand is projected after 2044 (Year 20), based on slower population growth, at approximately 300 dwellings per year.

Home ownership rates in Tasman are typically higher than other parts of New Zealand. The proportion of dwellings owned or held in a family trust has remained at around 75%, despite affordability worsening. Housing affordability is an issue across all of Tasman, but Motueka and Golden Bay have the highest proportion of households on relatively low incomes and a greater need for affordable housing options. There are about 5,500 seasonal workers in Tasman in a given season of which approximately 1,700 are Recognised Seasonal Employees (RSEs), with slightly more in peak season. In towns such as Motueka and Riwaka, growers face particular seasonal accommodation challenges with lack of motor camps and motels, forcing some to purchase holiday parks for worker accommodation.

The Housing Preferences Survey 2021 of the Nelson Tasman urban environment shows that while the majority (71%) of respondents prefer stand alone dwellings, an increasing proportion prefer attached dwellings (29%), when compared with previous surveys. The majority (62%) of older residents prefer standalone dwellings, but a significant proportion also prefer attached dwellings (31%) and these would generally be smaller dwellings. Overall, some 34% of respondents could not afford to buy any dwelling and only 5% of these could afford to rent.

In considering different household group needs, the greatest concentration of Māori residents is in Motueka, where 15% of the population identify as Māori (compared with 8% for the total Tasman population). Tasman's Māori population is projected to increase from 8% of Tasman's population in 2018 to 12% in 2038. Despite having more residents per household, Māori are slightly more likely to live in smaller homes than the general population, but this could be due to affordability constraints.

1.8 Residential Capacity

Council can provide sufficient development capacity to meet demand (including the additional margin of capacity) for the Tasman urban environment overall, in the short term (Years 1-3) and in the long term (Years 11-30) but will have insufficient capacity towards the end of the medium term (Years 4-10).

At an individual town level in the urban environment, the picture is different:

- in the short term there is insufficient housing land capacity in Motueka, Brightwater and Māpua, but the shortfall can be provided for in Richmond. The shortfall in Māpua and Brightwater is due to insufficient infrastructure in time. The shortfall in Motueka is due to low lying land, natural hazard constraints and highly productive land preventing significant addition of zoned residential land
- in the medium term there is insufficient housing land capacity in Brightwater and Wakefield which cannot be provided for elsewhere in the urban environment. This shortfall is due to insufficient infrastructure in time but will be available in the long term
- in the long term there is insufficient housing land capacity in Motueka, but the shortfall can be provided for in Richmond and Māpua. Motueka's constraints are outlined above

In terms of type of capacity (location and typology), the continued inability of Council to provide for demand in Motueka is apparent. Motueka is the worst mismatch according to the 2021 Housing Preferences Survey with double the amount of people wanting to live there than can actually afford to. Motueka continues to experience significant housing capacity issues, in terms of affordability and opportunities generally, needs of Māori residents, seasonal workers and renter needs. This situation in Motueka was also highlighted by the Salvation Army's 'State of our Communities' survey in 2023. Significant servicing investment including a new wastewater treatment plant and a stormwater corridor is also needed for future developments in Motueka and this is phased over time in the Long Term Plan and Infrastructure Strategy.

There are insufficient attached dwellings projected for Tasman over the next 30 years to meet demand. Forthcoming plan changes for greenfield residential development areas will require a minimum percentage of the lots to have, for example, an average area of 360 sq m with a minimum of 270 sq m and a maximum of 450 sq m. The remaining lots will have a specified minimum area also. Plan changes for intensification areas will be for denser dwellings in any case.

Affordability is an issue for the whole of Tasman but is worse in Motueka and Golden Bay due to lower incomes. Additional seasonal worker accommodation is needed in the Motueka area (non RSE workers) where campground/backpacker facilities are smaller and fewer, but natural hazards and highly productive land continue to constrain significant addition of zoned residential land in Motueka. A significant number of such facilities have recently been purchased by growers. Plan change 81 to be undertaken in 2024, will update the definition of workers' accommodation in the Tasman Resource Management Plan (TRMP) to make it more fit for purpose and enable more permitted activity status proposals or controlled activity status resource consent applications.

The Housing Preferences Survey 2021 showed that for renters, location of the dwelling is key, in choosing where to live, underlining once more the importance of meeting demand in specific locations.

1.9 Business Demand and Capacity

The medium population growth scenario for Tasman also informs demand for business land in Tasman. The two Councils jointly commissioned an assessment of business land demand for each city/district as well as the Nelson Tasman urban environment in 2021³, and the underlying model was updated in 2023. Based on the model, 19.7 hectares of business land will be required in the Tasman urban environment between 2024-2054, and a further 5.4 hectares in Tasman’s rural townships. In the urban environment, 6.2 hectares is needed for retail/commercial development and 13.5 hectares is needed for industrial land use.

There is sufficient business land development capacity for the Tasman urban environment and rest of District for the 30-year period for the different types of business land use (retail/commercial and industrial).

1.10 Housing Bottom Lines

As soon as practicable after this HBA is made publicly available, TDC will update the housing bottom lines for the short, medium and long term for the urban environment in its Regional Policy Statement and District Plan. The housing bottom line is the amount of development capacity that is sufficient to meet demand plus the competitiveness margin. The housing bottom line only refers to the urban environment because the NPS-UD requires this obligation in relation to the urban environment. The rest of Tasman District is the rural remainder not subject to the same obligations under the National Policy Statement on Urban Development (NPS UD).

The housing bottom lines are:

Urban Environment	Short term Years 1-3 (2024-2027) Number of dwellings
Richmond	355
Brightwater	79
Māpua/Ruby Bay	68
Wakefield	82
Motueka	238
Total	822

Urban Environment	Medium term Years 4-10 (2028-2034) Number of dwellings
Richmond	1,027
Brightwater	211
Māpua/Ruby Bay	162
Wakefield	216
Motueka	535
Total	2,151

³ Demand for business land in the Nelson and Tasman shared urban environment – from today’s economy to future needs, Sense Partners (June 2021)

Urban Environment	Long term Years 11-30 (2035-2054) Number of dwellings
Richmond	2,480
Brightwater	681
Māpua/Ruby Bay	404
Wakefield	659
Motueka	1,257
Total	5,481

2. Introduction to the assessment

Parts of Tasman District form the Nelson Tasman Tier 2 Urban Environment under the NPS-UD 2020. These comprise Richmond, Brightwater, Wakefield, Māpua and Motueka. Tasman and Nelson function as a single housing market. As at 2022, 56% of Tasman’s population resides in the urban environment and 44% of the population lives in the smaller towns in the rural areas. Some of these rural towns also have their own acute housing needs. This poses a challenge for the Council in prioritising the urban environment for providing sufficient development capacity. Corelogic estimates a median multiple (house value to income multiple) in Tasman of 7.6 in 2023, higher than the NZ average of 7.2. According to MHUD’s dashboard, house prices have increased by 113% in Tasman between 2015 and 2023. REINZ finds that the median house price in Tasman was \$800,000 in June 2023, having fallen 7.5% year-on-year but still above the national average. The Nelson Tasman Housing Preferences Survey 2021 found that 34% of respondents in the region could not afford to buy any dwelling and only 5% of these could afford a rental. These unaffordable house prices are against continued high consenting activity for Tasman. Building consents for dwellings for year ending June 2023 have remained similar to the previous two years, with 577 recorded. Residential sections created in Tasman have remained relatively constant over the past three years at between 350 and 375. Residential resource consents from subdivision have however trended downwards since 2020, coinciding with a pandemic and economic downturn.

2.1 Purpose and Objectives

This HBA has been prepared to meet requirements under the NPS-UD 2020, particularly Policy 2 and implementation clause 3.10 of the NPS-UD. Policy 2 of the NPS-UD requires Tier 2 local authorities, such as Nelson and Tasman, at all times to provide at least sufficient development capacity to meet expected demand for housing and for business land over the short, medium and long term (30 years in total).

This HBA provides an introduction to the assessment, explains the methodology and approach, analyses residential and business demand and capacity, and makes conclusions on sufficiency.

The purpose of the HBA is to inform Resource Management Act (RMA) planning documents, LTPs, including Infrastructure Strategies and planning decisions. The analysis contained within this assessment has been used to inform the LTP 2024. This is the third HBA prepared by TDC since 2018. Previous HBAs have also informed both the 2019 and 2022 Nelson Tasman Future Development Strategies.

TDC, in this report, assesses housing and business demand and capacity for both its part of the Tier 2 urban environment and the remainder of the District. There is a third bridging report prepared by both Councils, called “Nelson and Tasman Tier 2 urban environment housing and business assessment 2024”. The bridging report summarises the capacity assessment for the combined urban environment.

The HBAs for the Nelson Tasman urban environment cannot be fully combined. Despite Tasman District and Nelson City operating and functioning as a single economic market and therefore a single housing market, the two Authorities are quite different both physically and in terms of their

size. Tasman territorial authority is over 20 times bigger than Nelson City. The urban environment in Tasman only forms a small part of the overall area and many of the rural towns in Tasman are continuing to experience acute housing needs. Council's growth model needs to assess how it can meet demand in rural areas, as well as the urban environment.

For these reasons, for this HBA the two Councils jointly procured population projections and business land demand forecasts, but the capacity modelling methodologies in each Council are quite different, as a result of their distinctive physical differences.

2.2 The Tier 2 Urban Environment and its Geographic Areas

"Urban environment" is defined in the NPS UD as any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that: (a) is, or is intended to be, predominantly urban in character; and (b) is, or is intended to be, part of a housing and labour market of at least 10,000 people. The Ministry for the Environment (MfE) confirmed by email (22nd Sept 2020), that the definition of urban environment includes non-contiguous areas of urban land, so long as they are part of the same housing and labour market that is greater than 10,000 people.

Richmond is currently the only town in Tasman with a population of more than 10,000 people. According to latest medium growth population projections, Motueka could potentially have a population greater than 10,000 by 2034, if its demographic trends continue. However, due to the town's development constraints and projected housing deficit, it is unlikely Motueka's population will exceed 10,000.

The Joint Committee of the Nelson City and Tasman District Councils resolved on 10 November 2020 that the Nelson Tasman urban environment comprises the following city and towns: Nelson, Richmond, Motueka, Māpua, Wakefield, Brightwater, Cable Bay and Hira, in recognition that these communities are part of the same labour and housing market, and these areas are or are intended to be predominantly urban in character. The map below highlights these areas:

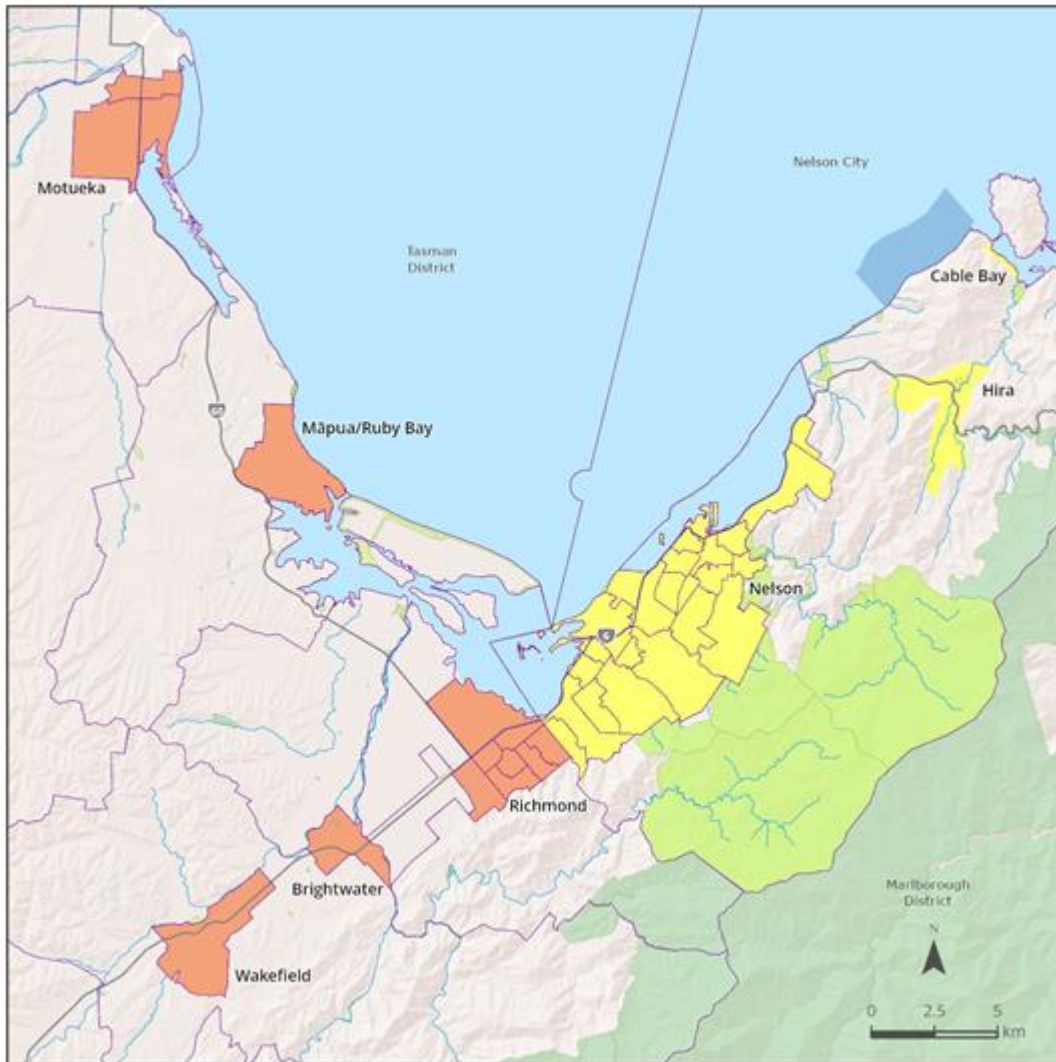


Figure 1: Map showing tier 2 Nelson Tasman urban environment, across both Districts

As at 2022, 56% of Tasman’s population resides in the urban environment. Some 44% of the population lives in the smaller towns in the rural areas and some of these towns have their own acute housing needs. This poses a challenge for the Council in prioritising the urban environment for sufficient development capacity, as required by the NPS UD. The urban environment within Tasman comprises a very small component of the overall 10,000 sq km land area of the District, with many small towns in the rural area, as shown in Figure 2 below (black boundary represents TDC boundary, excluding the Coastal Environment):

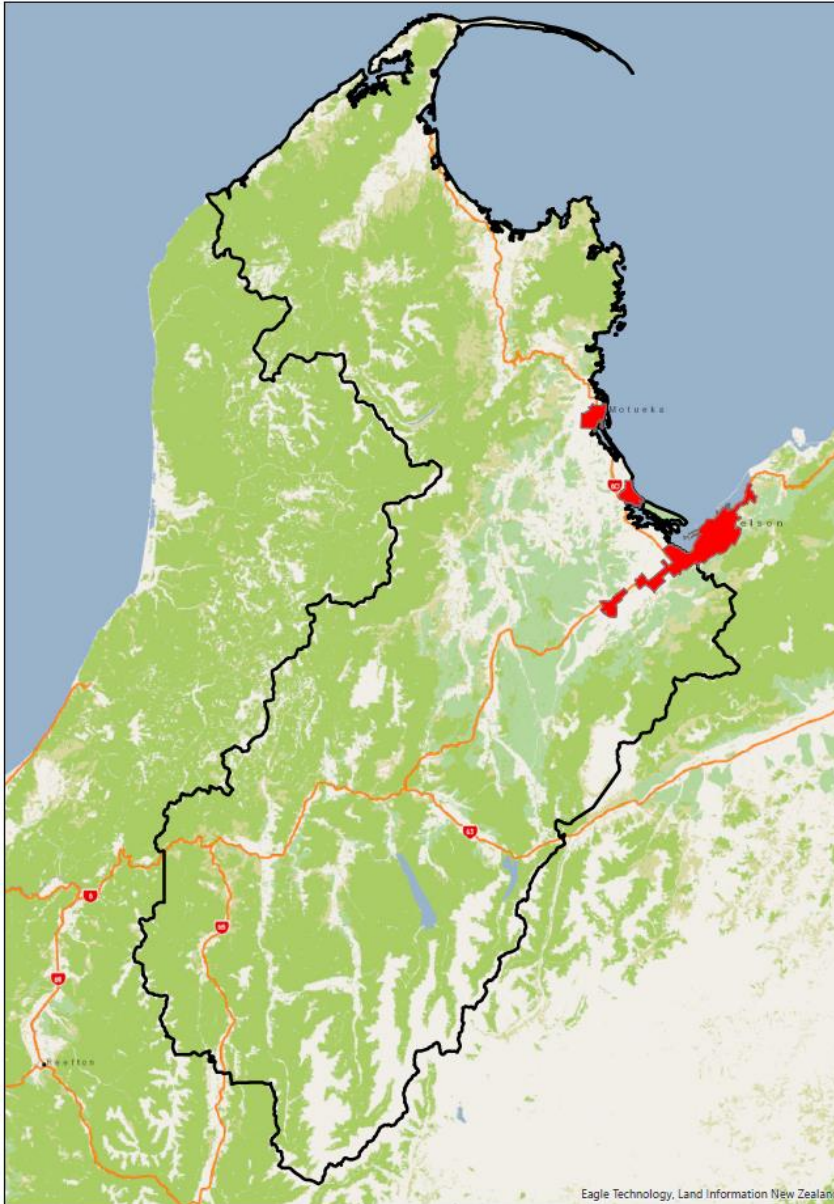


Figure 2: Map showing the urban environment within Tasman District as a whole

2.3 Relationship between Nelson City and Tasman District Territorial Authorities

Tasman District and Nelson City operate and function as a single economic market and business activity flows both ways across the Territorial Authority boundaries. The relative isolation of the Tasman and Nelson markets, reinforces this interconnectedness. Tasman and Nelson rely, to varying degrees, on each other to sustain their respective economies and generate significant economic benefits for each other. Consequently, Tasman and Nelson also function as a single housing market.

2.4 Background to Assessment

2.4.1 Housing affordability

Housing affordability is usually measured by house values in relation to incomes. The median multiple is a value-to-income ratio of the median house value divided by the gross median household income. Corelogic published affordability data for Tasman in August 2023. Corelogic found the NZ national house value to income ratio to be 7.2 and Tasman's to be 7.6, in the second quarter of 2023.⁴

CoreLogic's report notes that *"areas such as Thames-Coromandel, Tasman and Queenstown stand out for having some of the highest (worst) readings across most affordability measures."* However, the report also notes that compared to their own averages, affordability is not currently as stretched.

The NRDA's 2022 Regional Economic Briefing concluded that average household incomes in Nelson-Tasman are 22% below the NZ average. For those still in the workforce average annual earnings in Nelson-Tasman are 14% lower than the national average in 2022. Nelson Tasman average wage earnings are the lowest in NZ.

Another affordability measure updated regularly is the Massey Home Affordability Index, which takes into account the cost of borrowing as well as house prices and wage levels. The income data is for both renting and owner occupier households. As at June 2023, Tasman was the third least affordable region in the country behind Auckland and Bay of Plenty. Tasman has been the second least affordable for over two years.

According to MHUD's dashboard, house prices have increased strongly in Tasman since 2015. They have increased by 113% between 2015 and 2023.

REINZ also monitors house prices in the region, and it finds that the median house price in Tasman was \$800,000 in June 2023, having fallen 7.5% year-on-year. According to REINZ this is still above the national average. However, compared with five years ago, Tasman house prices are 48% higher.

The Nelson Tasman Housing Preferences Survey 2021 found that 34% of respondents in the region could not afford to buy any dwelling and only 5% of these could afford a rental. The remaining 28% could not afford to buy or rent a dwelling. The preferences survey was initially income unconstrained and then became income constrained as the questions progressed. The dwelling demand when income constrained was higher in the Waimea Plains and Tasman rural areas than unconstrained demand in these areas. These are locations that people choose less often when unconstrained by their financial situation. The survey showed that some of the urban demand may be driven to these more rural areas of Tasman given they are constrained in their first choices by affordability. Respondents are trading off location for price. There is a mismatch between demand and affordability in Tasman.

2.4.2 Residential Building Consent Activity 2019-2023

Building consents are monitored quarterly but the annual monitoring reports prepared under the NPS-UD show that Tasman's building consents for new dwellings have remained around 600 per annum, peaking in June 2021 at 618 for the year and declining slightly in June 2023 to 577. In terms

⁴ Housing affordability report – New Zealand Quarter 2 2023 - CoreLogic

of the Nelson Tasman urban environment, Tasman’s part of the urban environment has consistently accounted for 60-65% of all residential building consents in the past three years.

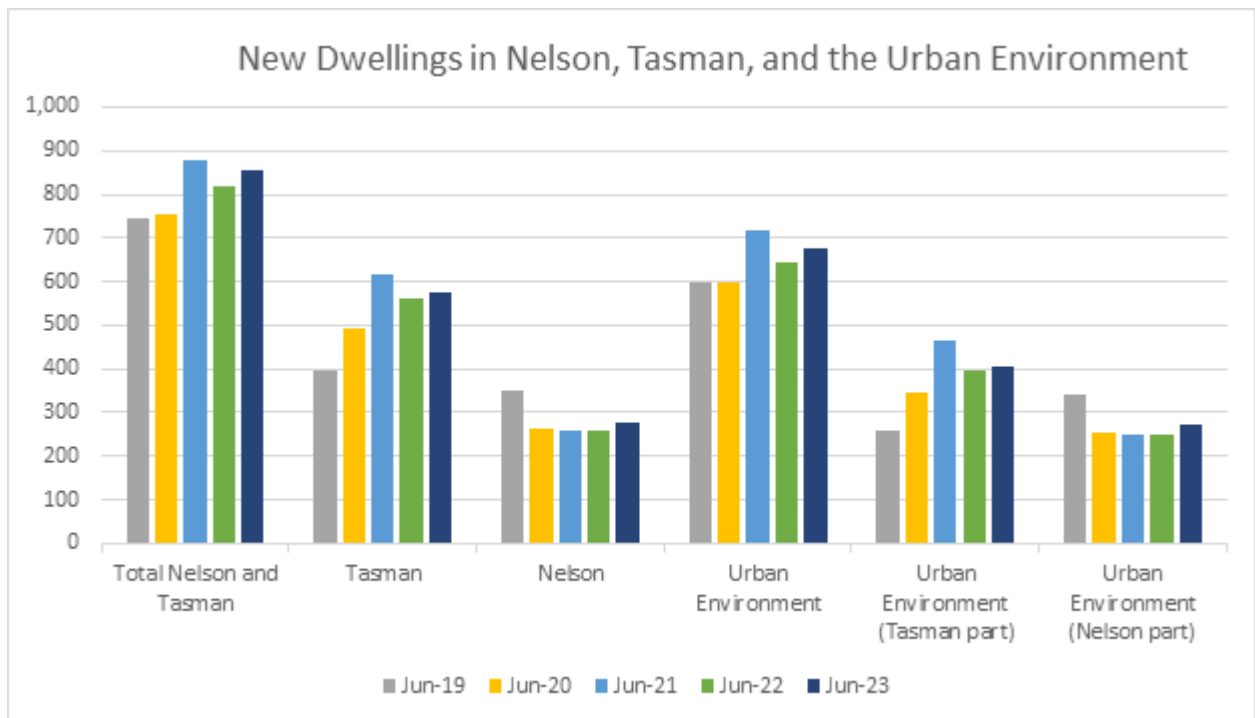


Figure 3: Annual number of new dwellings consented, 2019-2023

2.4.3 Residential sections created

Monitoring of the number of residential sections created uses LINZ data on subdivision consents, where the developer has sent the survey plan to LINZ for approval. Since 2020/21 these have been monitored for the Nelson Tasman urban environment and the whole region. Similar to trends for building consents, Tasman’s sections created have remained relatively constant at around 350-375 per annum since 2020. In terms of the Nelson Tasman urban environment, Tasman’s part of the urban environment has consistently accounted for 62-75% of all residential sections created in the past three years.

2.4.4 Residential resource consents (subdivision)

The trends in residential resource consents from subdivision have been different to building consents and sections created. They have trended downwards for both Nelson and Tasman between 2020 and 2023, also coinciding with a pandemic and economic downturn. There were however additional resource consents granted during that period that did not involve subdivision (i.e. land use consents).

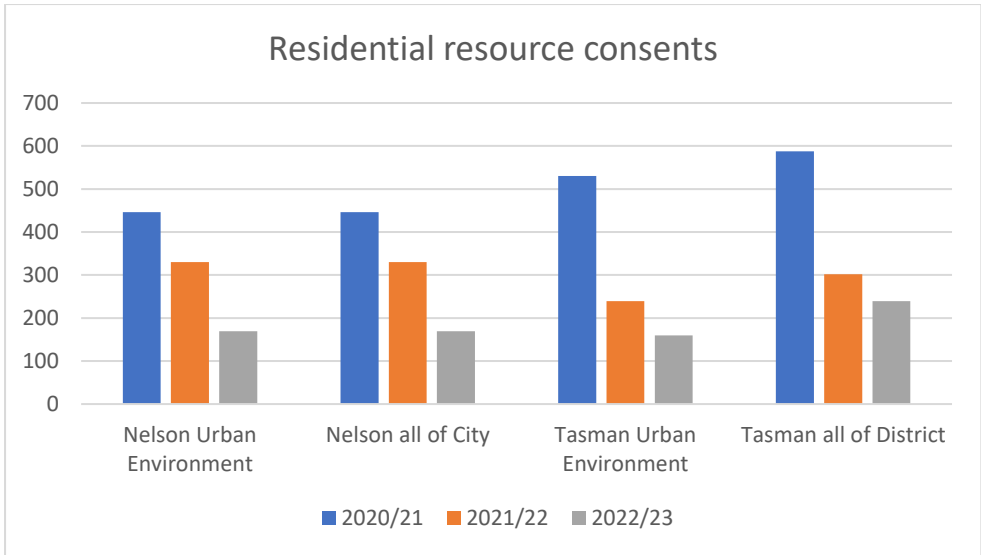


Figure 4: Residential resource consents (subdivision) 2020-2023

2.4.5 Factors affecting housing affordability and related workstreams

There are a number of factors affecting affordability. Council has obligations under RMA to ensure there is sufficient housing and business land to meet expected demands of the urban environment. Council also has similar obligations under the NPS-UD as a Tier 2 urban environment:

- Planning decisions should seek to improve housing affordability by supporting competitive land and development markets.
- Tier 2 authorities, at all times, provide at least sufficient capacity to meet expected demand for housing and for business land over short, medium and long term.

While provision of sufficient housing land capacity influences affordability of dwellings, it is clear there are other influencing factors at play, including those shown below.

The Affordability Puzzle

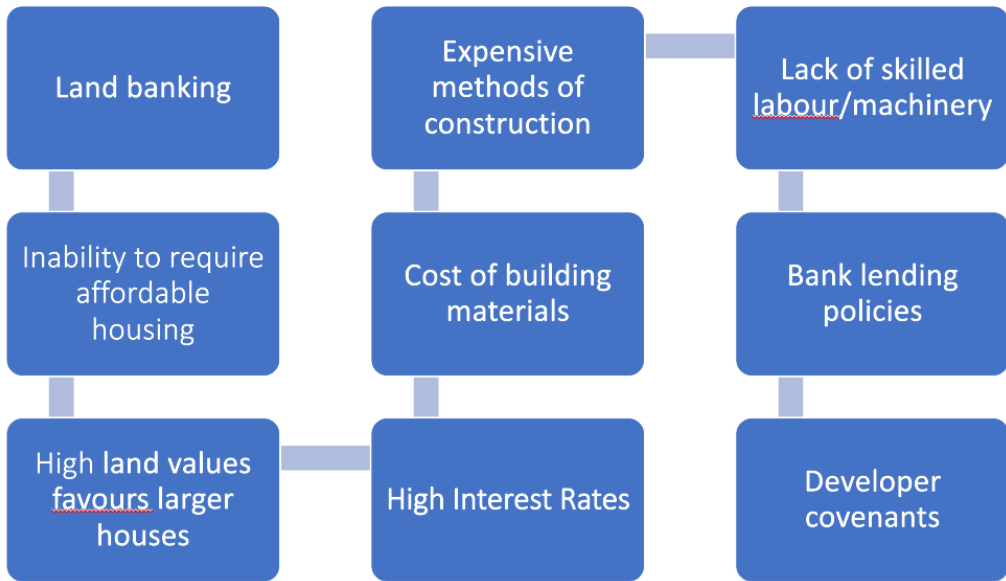


Figure 5: Factors affecting the affordability of housing apart from zoned, serviced land.

A Government working group (made up of Treasury, MHUD and the Reserve Bank) reported in August 2022 that a combination of a global decline in interest rates, the tax system, and restrictions on the supply land for urban use are the main cause of higher house prices in Hamilton-Waikato, as well as other parts of Aotearoa New Zealand, over the past 20 years. ⁵

A survey of financiers and developers in 2019 ⁶ found that while much of the debate concerning housing supply in NZ has centred on the external factors that have restricted supply, *“in contrast to this narrative, interviewees identified the inherent risks involved in residential development and the ways in which banks operationalize risk management strategies that shape everyday development practices.”* Banks’ lending practices mean special purpose vehicles need to be set up for each development and a high percentage of pre-sales is required. It is common for banks to require 100% of costs as pre-sales, which could be 75% of total sales. This places a considerable time and cost burden on the developer, which in turn affects the affordability of dwellings.

⁵ Assessment of the housing system: with insights from the Hamilton-Waikato area’ August 2022

⁶ National Science Challenges “Financiers and Developers: Interviews concerning their interests, relationships and the residential development process” Laurence Murphy, University of Auckland, March 2019.

3. Methodology and Approach

Tasman's population continues to grow. Since 2020 it has grown on average by 1.2% each year. Growth continues largely due to net migration gains and importantly for Tasman a sizable proportion of this is from internal migration. Population is projected to increase in Tasman by 7,400 residents between 2024 and 2034, from 60,500 to 67,900 (12%) and by a further 10,900 residents to 2054 (16%), totaling 78,800. Population growth in the Tasman urban environment is slightly higher at 13% for the first 10 years and 19% for the following 20 years. Tasman's migration trends are characterised by a net loss of young adults (typically 15-19 year-olds) and some older groups (70 years and older) but with a net gain in most other age groups. The ageing population is driving a change in the average household size across the District, projected to decrease from 2.43 residents per household in 2023, to 2.23 in 2053, leading to further demand for more dwellings. Council has its own growth model, first developed in 2004-5 that forecasts land requirements for housing and business, as well as capacity. The model is on its seventh iteration. A Housing Preferences Survey of the community living in the Nelson Tasman urban environment was undertaken in 2021 to help inform type of housing demand.

3.1 Population Growth and Projections

Tasman's population continues to grow:

- the annual average population growth in Tasman since 2020 has been 1.2%, lower than the higher average annual growth experienced between 2015-2020 of 2.5%
- the population grew by 1.2% in the year ending June 2023, to reach 59,400
- 82% of the population increase in the year ending June 2023 was due to net internal migration, with the remainder from natural increase and net international migration, which is a similar trend to previous years
- Since 2018, Tasman has seen growth mostly in the 65+ and 15-39 age groups, with a small decline in the 0-14 age group.

TDC and Nelson City Council (NCC) both engaged DOT Consulting⁷ to provide population and household projections (2018-base), with low, medium, high scenarios for the LTP 2024-2054. The projections were based on long term demographic trends for fertility rates and life expectancy (births and deaths) and observed migration trends between 2001 and 2018 Census years. After considering recent estimated population and dwelling growth rates, both Councils have assumed the medium growth scenario for the LTP 2024-2034.

Based on the medium scenario, Tasman District is projected to have average annual population growth of 1.2% for the next 10 years, 2024-2034. Figure 6 shows the three growth scenarios for Tasman's population growth between 2024 and 2054. The graph also shows Stats NZ's population estimates for 2008 to 2023. The three population projections (low, medium, and high growth) incorporate different fertility, mortality, and migration assumptions for Tasman. Further information on the population projections is available in Section 3.5 and in DOT Consulting's report.

⁷ [Tasman District and Nelson City Population Projections 2018-2058 provided by DOT Consulting, March 2023](#)

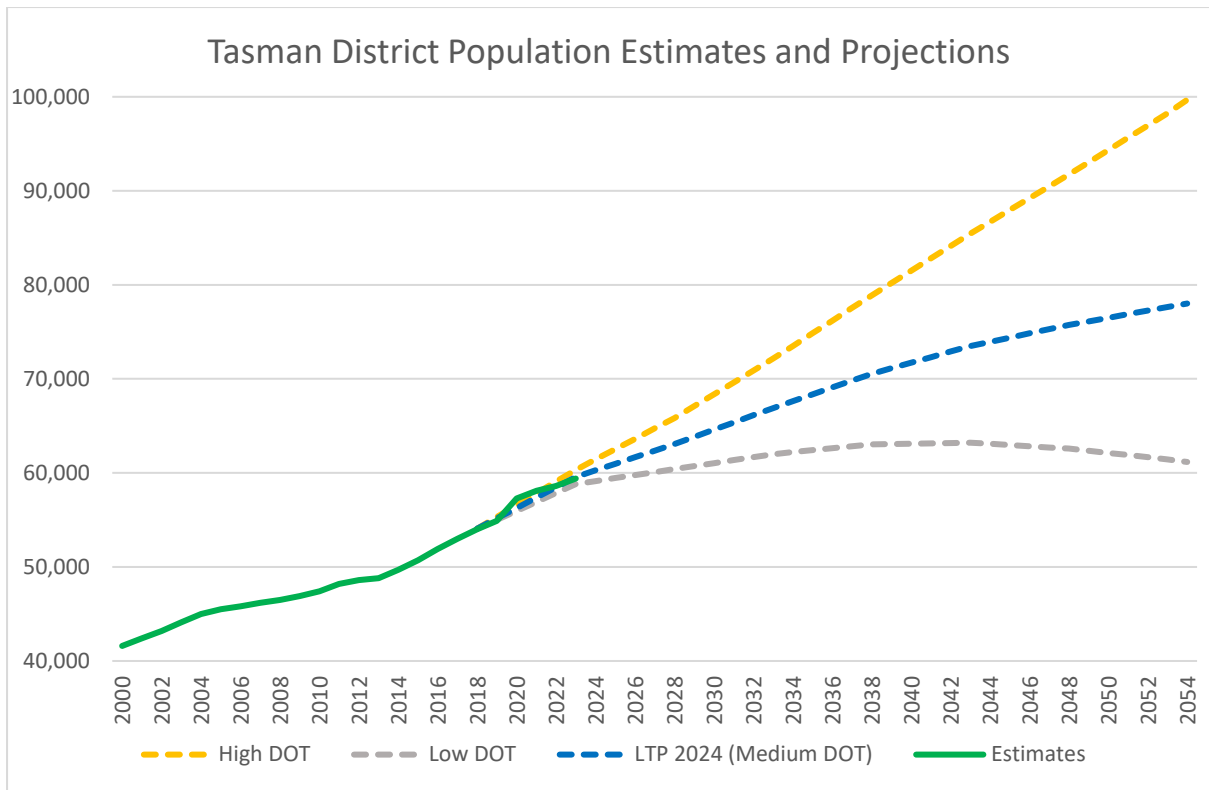


Figure 6: Estimated and projected population series, 2000-2054, Tasman District

Based on the medium projection scenario, the overall population of Tasman is expected to increase by 7,400 residents between 2024 and 2034, from 60,500 to 67,900 (12%). Growth is projected to continue, but at a slower rate, with a further 10,900 residents (16%) to reach 78,800 by 2054. Most of the overall population growth will be driven by net migration gains (more people moving to Tasman District than leaving).

In 2022, 56% of Tasman’s population is estimated to live in the urban environment. Population within the urban environment is forecast to grow by 13% between 2024 and 2034 and a further 20% to 2054.

Every three years, TDC updates its Growth Model⁸ with the latest population projections to predict future residential demand across the Tasman District for the following 30 years. The Growth Model outputs inform the LTP.

As Table 1 shows, under the medium scenario, two-thirds of Tasman’s population growth over the next 30 years is expected to be in the urban environment. The rural Moutere area is also projected to have significant population growth. The Golden Bay and Lakes-Murchison Wards are projected to experience population growth for the next 20 years, with slight population decline projected after that. These projections reflect those Ward’s age structures and migration trends (net gains/losses) for different age groups.

⁸ [Growth model | Tasman District Council](#)

Table 1: Summary of Population Projections

Growth Model Area	Total Population (as at 30 June)				
	2022	2024	2034	2044	2054
Richmond	16,950	17,400	19,400	21,390	22,530
Brightwater	2,340	2,460	3,010	3,640	4,230
Māpua/Ruby Bay	2,870	2,970	3,350	3,730	3,970
Motueka	8,330	8,630	9,720	10,490	11,110
Wakefield	2,510	2,650	3,230	3,910	4,460
Subtotal of urban environment	33,000	34,110	38,710	43,160	46,300
Moutere ⁹	5,800	6,090	7,380	8,640	9,820
Golden Bay Ward	5,740	5,870	6,250	6,350	6,270
Lakes-Murchison Ward	4,170	4,240	4,460	4,480	4,400
Rest of District	9,950	10,180	11,050	11,750	11,960
Total District	58,660	60,490	67,850	74,380	78,750

Figure 7 below shows that under the medium scenario, all age groups in Tasman are projected to experience growth. However, the highest growth continues to be in the 65+ age group, which is projected to increase by 50% between 2023 and 2053. The proportion of the population in this age group is projected to increase from 23% to 28% by 2034. This increase, known as structural ageing, means that total population growth rates are projected to slow down over time. Once a population has more than 20% aged 65 years and over, it is usually approaching the end of natural increase. Tasman reached that threshold in 2016 and has experienced relatively low natural increase in recent years.

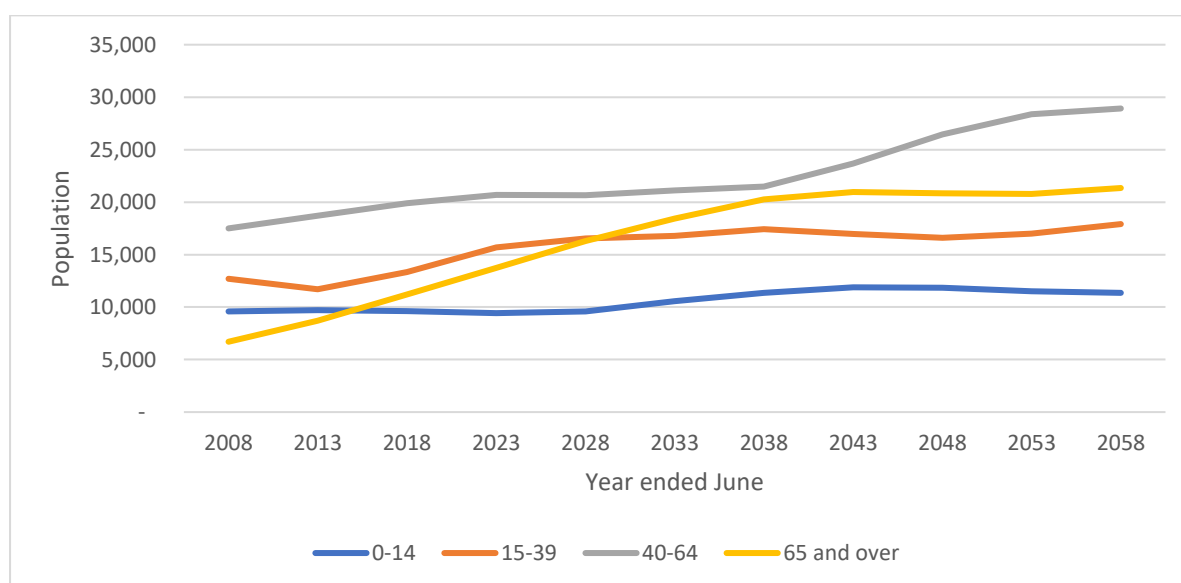


Figure 7 Estimated and projected population by age group, 2008-2053, Tasman District

⁹ Moutere consists of two Stats NZ SA2 Areas: Moutere Hills and Lower Moutere.

3.2 Household Size

The ageing population is driving a change in the average household size across the District, projected to decrease from 2.43 residents per household in 2023, to 2.33 in 2033 and 2.23 in 2053¹⁰. Average national household size in NZ is currently 2.57. An ageing population typically sees a reduction in average household size, in part because there are fewer children per household, more people live as couples without children and, especially at older ages, more people live alone.

There are variations in the projected household size across the District e.g. Brightwater and Wakefield are projected to maintain above average household size across all the time series.

3.3 Business Land Projections

The medium growth scenario for Tasman also informs demand for business land in Tasman. The two Councils jointly commissioned an assessment of business land demand for each city/district as well as the Nelson Tasman urban environment in 2021.¹¹ The underlying business land forecasting model was updated in 2023. The model estimates future land requirements for three different types of business land (industrial, office, retail). The model incorporates national and regional economic and demographic trends, employment projections, and employment to land ratios.

TDC undertook a business survey in 2020, of 500 businesses in the region. The aim of the survey was to understand whether zoned business land (and future business areas) is of the right type in the right location, ensuring that all our businesses are provided for. The survey received a 40% response rate and further details are provided in section 6.0 and Appendix 1.

3.4 Housing Preferences Survey 2021

TDC and NCC procured a Housing Preferences Survey in 2021 and results of this are discussed in the housing demand section of this report. Appendix 2 outlines the methodology of the survey and the final report and appendices can be found here [Capacity assessments | Tasman District Council](#) (under 2021 assessments).

3.5 Consideration of Other Growth Scenarios

DOT Consulting¹² provided population and household projections with low, medium, high scenarios. The projections were based on long term demographic trends for fertility rates and life expectancy (births and deaths) and observed migration trends between 2001 and 2018 Census years. However, there are only moderate differences in mortality and fertility between the three scenarios. The biggest difference between scenarios is therefore driven by different migration assumptions. The medium migration assumptions equate to the average of observed migration by age and sex between 2001 and 2018. The high/low scenario migration assumptions equate to the medium scenario migration assumption plus/minus 25% applied separately to each age/sex group.

The High and Low variants represent scenarios if net migration is sustained at levels notably higher or lower than the historical average, but comparable to observed high and lows. It is unlikely, however, that very high levels of migration would continue unabated across the projection timeframe, and so these variants should be considered possible, though unlikely, scenarios of

¹⁰ DOT Consulting, Medium Scenario, Household Size Projections

¹¹ Demand for business land in the Nelson and Tasman shared urban environment – from today's economy to future needs, Sense Partners (June 2021)

¹² [Tasman District and Nelson City Population Projections 2018-2058 provided by DOT Consulting, March 2023](#)

population change. They illustrate plausible alternative scenarios of future demographic behaviour and provide an indication of the inherent uncertainty of demographic behaviour.

Stats NZ published subnational population projections in December 2022 (2018 (base)–2048 update), also with high, medium and low scenarios. As figure 8 shows the Stats NZ high scenario is very close to the DOT medium scenario which Council has assumed as the most probable growth scenario for the LTP. The DOT projections use the same fertility and mortality assumptions as Stats NZ but assume higher net migration assumptions. The DOT net migration assumptions are based on observed past migration rates for Tasman, while Stats NZ apply predetermined migration numbers for each region for each projection period.

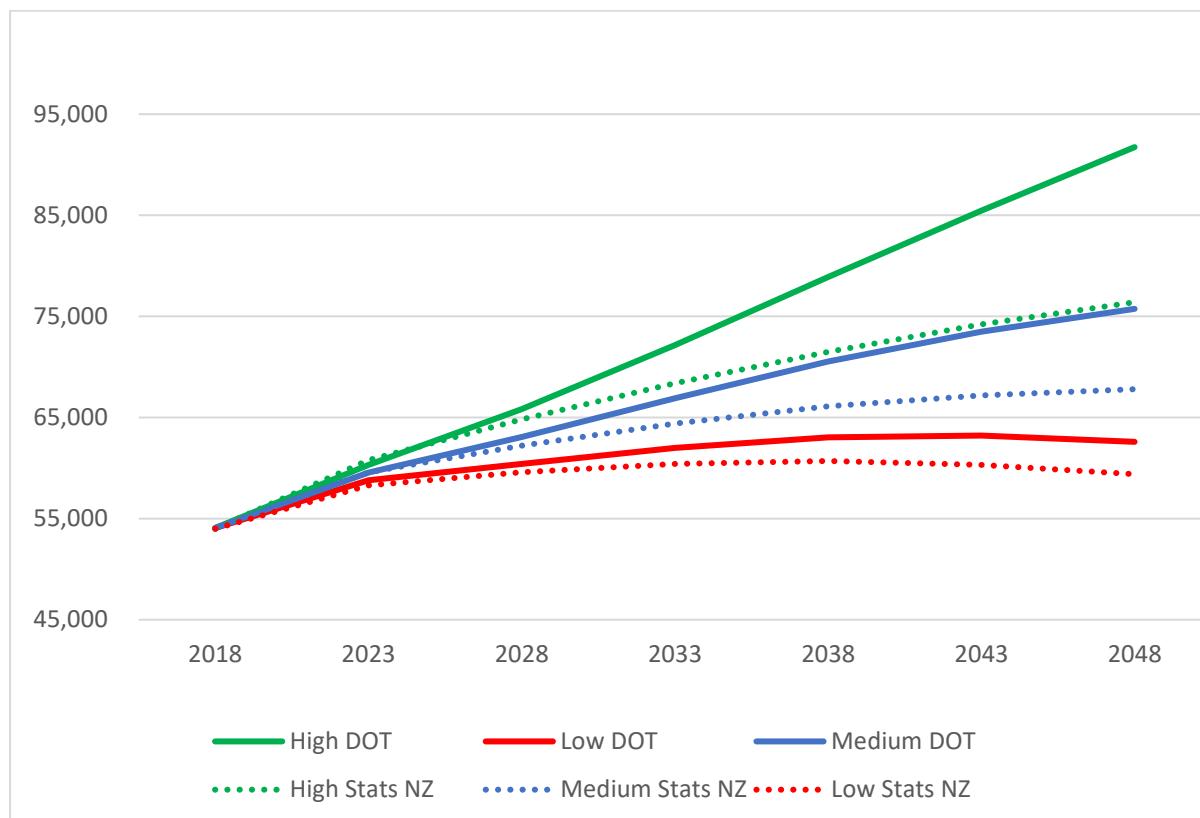


Figure 8: DOT population projections compared with Stats NZ Population Projections (2018 based), Tasman District

The Stats NZ medium projections have previously underestimated population growth for Tasman District since at least 2013. The adopted DOT medium scenario population projections are considered robust as they reflect average growth between 2001 and 2018.

There is always a degree of uncertainty when making assumptions about the future. There are several factors which are difficult to predict such as, population migration (either to/from overseas or within NZ); the proportion of dwellings used as holiday houses; developer and landowner activity; and natural events. Positive net migration is the major contributor to the District’s population growth and can be affected by housing supply, house prices and incomes in other regions and countries.

It is conventional for the medium scenario to forecast the most likely scenario. However, other scenarios should also be considered for potential effects on Council’s financial estimates,

infrastructure needs, and zoning requirements. The Council considered these other scenarios and adopted the medium growth projection.

If population growth is higher than assumed, debt incurred by Council will be repaid faster to fund the growth-related portion of infrastructure than assumed under the medium scenario. This is through the payment of development contributions to Council. However, higher growth than planned could also result in an insufficient amount of serviced land for development and a worsening of housing affordability. Regular monitoring of consents and population trends will inform Council, if it is required to undertake further urgent plan changes to the TRMP, rather than wait for the replacement Resource Management Plan and/or consider increasing its investment in infrastructure further to make more land available for development. Council is currently preparing such an urgent growth plan change, covering a number of towns in Tasman District.

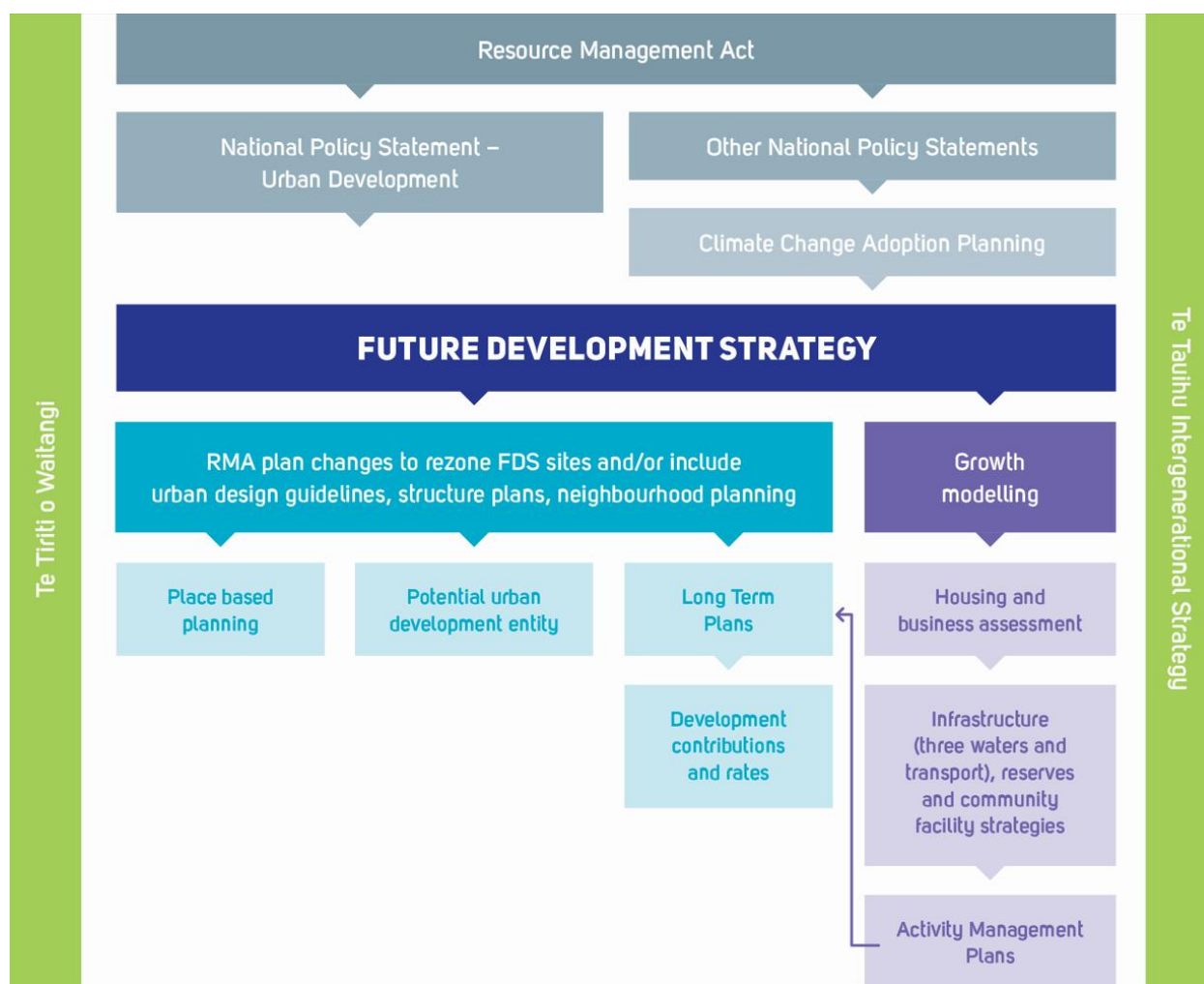
If population growth is lower than assumed, it may take longer for development contributions to pay off debt incurred to fund growth related infrastructure. Council may need to revise its capital works programme for growth related infrastructure. The forecast increases in rates and development contributions may also be smaller than anticipated.

3.6 Future Development Strategy and Growth Model Methodology

The Nelson Tasman Future Development Strategy 2022-2052 (see [Future Development Strategy 2022 - 2052 | Tasman District Council](#)) was adopted by both Councils in August 2022. It provides capacity for 29,000 dwellings in the regions and 88 ha of commercial land and 50ha of industrial land. A Future Development Strategy (FDS) implementation plan was adopted by TDC and NCC in November 2023. The FDS provides the potential overarching housing and business land capacity for the region. Growth modelling for each LTP informs both Councils how much capacity is needed to meet latest dwelling and business land demand projections and is written up in the HBA.

Figure 9 below shows the role of the FDS in informing other Council plans at Tasman.

Figure 9 Role of FDS in informing other Council plans



TDC developed its own Growth Model¹³ in 2004/5, with continual improvements over 20 years. The Growth Model is a district-wide, long term spatial planning tool which is updated every three years to inform the LTP and TRMP. The model predicts when and where new residential dwellings and new business land is needed (demand) and when/where land development capacity and supply is projected over the following 30 years. The model estimates growth for 15 discrete locations as well as five rural Ward remainder areas. This report is based on the seventh update of the model in 2023.

The 2023 model review for future land demand was based on the latest population, household size and business land projections discussed in the previous sections. The Growth Model calculates future dwelling demand for each location based on its projected population and household size change. It also compares base year household numbers with the number of existing dwellings to estimate the proportion of unoccupied dwellings (usually holiday homes). The proportion of holiday homes is then included in future dwelling demand calculations. This proportion is significant for several locations outside of the urban environment (e.g. Pōhara, St Arnaud, Kaiteriteri/Marahau).

Business land demand for each Growth Model location was calculated from the Sense Partners projections for Tasman District, by allocating future demand based on each location’s existing share of jobs for each industry¹⁴. There is a high degree of uncertainty in business land projections, given

¹³ [Growth model | Tasman District Council](#)

¹⁴ Stats NZ, Business Demography Statistics, Employee count by industry and statistical area, 2022

the wide range of factors that can have an influence, and the uncertainty and margin for error increases with estimates for locations with relatively low population and employment numbers.

The 2023 model review for future land capacity and supply incorporated updated GIS data (vacant land, zoning, hazard risks, productive land, other physical land constraints) and assumptions on the type and timing of development based on the following:

- Nelson Tasman FDS 2022-2052 – identified future growth areas, including indicative typologies and yield
- Current and future infrastructure projects
- Monitoring of building and resource consents, including pre-applications and known developer intentions.

The model is based on the best information Council has at the time, informed by developers' intentions at that time. There are several factors which are difficult to predict such as population migration to, from and within the district; the proportion of dwellings used as holiday houses; developer and landowner activity fluctuating with market upturns and downturns; and natural hazard events.

Appendix 3 provides a summary of Council's growth model methodology.

4. Residential Demand

Dwelling demand is projected to be relatively constant over the next 20 years, at approximately 400 dwellings per year for the whole District and 250 dwellings per year for the Tasman urban environment. Lower dwelling demand is projected for years 20-30 (300 per year) based on slower population growth. In total, 11,430 dwellings are needed over the 30 years to meet demand in the District. 63% of these dwellings are needed in the Tasman urban environment, demonstrating the role these towns are playing in providing locations to live within commutable distance to the major employment areas of Richmond and Nelson. Richmond and Motueka, the two largest towns, need the most new dwellings in the future.

Council's Housing Preferences Survey 2021 showed that current housing stock is too heavily skewed towards stand-alone housing in Tasman and not enough attached housing or apartments: in 2018 90% of dwellings were stand alone whereas 71% are sought. 34% of survey respondents could not afford to buy any dwelling in Tasman. Motueka and Golden Bay have the highest proportions of households on relatively low incomes and a greater need for affordable housing options. Housing supply has not kept up with demand in Golden Bay and Lakes Murchison wards between 2020-2022.

Housing outcomes for Māori continue to be worse than for NZ Europeans. Between 2016-2023, the percentage of Māori on the Tasman public housing register, as a proportion of total applicants, has varied from 21-50% and currently sits at 31%. This is compared with only 8% of the total Tasman population identifying as Māori in 2018. Nearly half of Tasman's Māori population live in Richmond and Motueka, so it is important for these towns to have housing options that meet the needs of Māori residents.

Motueka is Tasman's most popular town to live in, but a significant proportion of people cannot afford to live there. The Salvation Army's State of our Communities 2023 report focused on Motueka and found its key challenge to be housing affordability. Some of the urban demand for dwellings is being driven to Tasman's rural areas and the Waimea plains as they are more affordable.

Location of the dwelling is the most important factor for renters, in choosing where to live. This poses challenges for Council in providing sufficient housing land in places like Motueka, which faces several constraints.

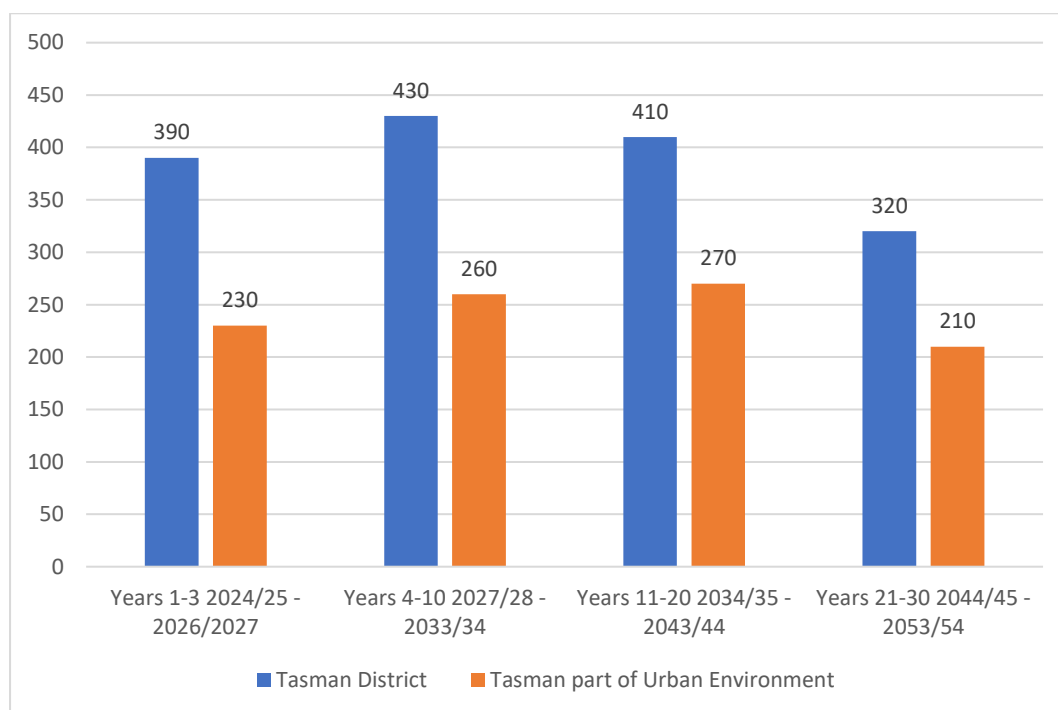
A survey of Tasman growers in 2021 found that 72% require additional accommodation in the future for seasonal workers, totalling 632 beds. There are 5,500 seasonal workers in Tasman in a given season and about 1,700 of these are RSE workers. The remainder are NZ citizens or European backpackers, many of which require accommodation.

4.1 Demand for Dwellings

Future demand for new dwellings is based on a combination of population growth and decreasing household size, as well as some non-resident dwelling demand (such as holiday homes). Based on these factors, dwelling demand is projected to be relatively constant over the next 20 years, at approximately 400 dwellings a year for the whole district, and approximately 250 dwellings a year for the urban environment. Lower demand is projected after 2044 (Year 20), based on slower population growth, at approximately 300 dwellings per year. Figure 10 shows:

- Over the 30-year period, 11,430 dwellings are required across the District to meet demand.
- For the Tasman urban environment only, 7,240 dwellings (63%) are required to meet demand.

Figure 10: Annual average demand for new dwellings, 2024-2054, Tasman District



4.2 Demand by Location

Table 2 below shows the demand for dwellings by location (excluding the NPS UD competitiveness margin.) Over the next 30 years, 63% of Tasman District's new dwellings are needed in the urban environment part. This demonstrates the role these towns are playing in providing locations to live within commutable distance to the major employment areas of Richmond and Nelson. Richmond and Motueka, the two largest towns in the District, are projected to need the most new dwellings in the future.

Growth Model Area	Demand for new dwellings	Demand for new dwellings
	Years 1-10 (2024-2034)	Years 11-30 (2034-2054)
Richmond*	1,152	2,156
Brightwater*	242	592
Māpua/Ruby Bay*	192	352
Motueka*	644	1,093
Wakefield*	248	573
Subtotal of urban environment	2,478	4,766
Moutere ¹⁵	606	1,290
Golden Bay Ward	362	298
Lakes-Murchison Ward	183	124
Rest of District	547	777
Subtotal of rural environment	1,698	2,489
Total District	4,176	7,255

Table 2: Demand for new dwellings – Tasman District (*towns forming part of the Nelson Tasman Urban Environment)

4.3 Different Growth Scenarios and Effect on Composition of Age Group and Household Type

While the actual number of dwellings varies significantly between the low, medium and high scenarios¹⁶, the composition by age group and household type remains relatively similar. Table 3 shows that the population is slightly younger on average under the high scenario, and slightly older under the lower scenario. Using Stats NZ family and household projections, Tasman households by 2043 under all three growth scenarios are of similar composition, with couples-without-children and one person households making up the majority.

	Age composition differences	Family or household type differences	Types of dwellings needed	Number of dwellings required
High growth scenario	Population slightly younger on average, due to fertility rate and net migration all being higher. Proportion of 65+ years is slightly lower, reaching 23% by 2053 compared	No significant difference to the medium or low scenario. Under all scenarios majority of households by 2038 are expected to be couples-without-children (37%), followed by one-	Demand for types of dwellings likely to be similar to medium growth scenario	Under a high growth scenario, Tasman is projected to need 17,000 new dwellings over the next 30 years

¹⁵ Moutere consists of two Stats NZ SA2 Areas: Moutere Hills and Lower Moutere.

¹⁶ [Growth model | Tasman District Council](#)

	Age composition differences	Family or household type differences	Types of dwellings needed	Number of dwellings required
	with 27% under the medium scenario	person households (25%)		
Low growth scenario	Population slightly older on average, due to lower fertility rate, life expectancy and net migration Proportion of 65+ years is slightly higher, reaching 31% by 2053 compared with 27% under the medium scenario	No significant difference to the medium or low scenario. Under all scenarios majority of households by 2038 are expected to be couples-without-children (37%), followed by one-person households (24-25%)	Likely increased demand for smaller dwellings	Under a low growth scenario, Tasman is projected to need 4,000 new dwellings over the next 30 years

Table 3: Different growth scenarios and effect on age group and household type

4.4 Demand for Type of Dwellings

The Housing Preferences Survey 2021 provided housing type preferences for residents in the Nelson Tasman urban environment with income constraints included. As shown in table 4 below Tasman urban residents are more likely to prefer detached dwellings than Nelson urban residents, 71% compared with 65%.

	Tasman urban environment	Nelson urban environment	Tasman urban environment	Nelson urban environment
Standalone house	72	119	50%	57%
Rural Residential	31	17	21%	8%
Detached Dwellings	103	136	71%	65%
Semi-detached (aka duplex)	27	44	19%	21%
Terraced house	9	14	6%	7%
Apartment	6	16	4%	8%
Attached Dwellings	42	74	29%	35%

Table 4: Dwelling Type preference, 2021, Nelson Tasman urban environment

Comparing the surveyed dwelling demand by type (2021) with the supply by type of dwelling (according to census 2018 data) in the Tasman urban environment, there is currently an undersupply of attached/joined dwellings. Table 5 illustrates this:

	Joined Dwelling	Separate House
Demand (2021)	29%	71%
Supply (2018)	10%	90%

Table 5: Dwelling Demand and Supply by Type, 2021 and 2018, Tasman urban environment

Stand-alone houses continue to be the dominant housing typology, with attached dwellings at 19% of total dwellings in Tasman in 2022/2023.

The Housing Preferences Survey 2021 also provided housing type preferences for different household types in the Nelson Tasman urban environment. Stats NZ household type projections were then used to model population change in dwelling type preferences, from 2023 to 2043. Although one-person households are projected to increase at a slightly higher rate than other household types, and one-person households are slightly more likely to prefer attached dwellings, the change did not make a significant difference to the overall population preference for attached dwellings at 2043. Therefore, the 2021 dwelling preferences by type have been applied to the 30 year dwelling demand for the Tasman urban environment, shown in Table 6. Research by Market Economics for Nelson City future dwelling demand has indicated preferences for attached dwellings are likely to increase if there is a significant increase in the supply of attached dwellings (see Appendix 2 of NCC’s HBA). This may also be the case for the Tasman Urban Environment, although Tasman is currently projecting more modest increases in the proportion of attached dwellings.

	Attached dwellings (29%)	Detached dwellings (71%)	Total Dwelling Demand
Short term (years 1-3)	200	485	685
Medium term (years 4-10)	520	1,275	1,795
Long term (years 11-30)	1,380	3,385	4,765
Total	2,100	5,145	7,245

Table 6: Dwelling Demand by Type, 2024-2054, Tasman urban environment

It is significant to note that the above dwelling demand by type (attached and detached) is only in respect of new dwellings built. This does not address the existing mismatch between supply and demand of different dwelling types, shown in table 5 above.

4.4.1 Holiday Homes

The 2018 Census found approximately 14% of private dwellings were unoccupied in Tasman District, which includes dwellings where the residents are temporarily away (7%), as well as empty dwellings (7%). These may be empty for a number of reasons, such as being a second home, a holiday home, worker accommodation, or a rental dwelling awaiting refurbishment. Using the methodology described in section 3.6, there is projected demand for a significant proportion of houses which are not occupied permanently in the following towns, all of which are outside the Tasman urban environment: St Arnaud (70%), Kaiteriteri (60%), Mārahau (20%), and Pōhara/Ligar/Tata (50%). Given the locations, these are most likely to be holiday homes.

The towns in the Tasman urban environment generally provide for permanent residents.

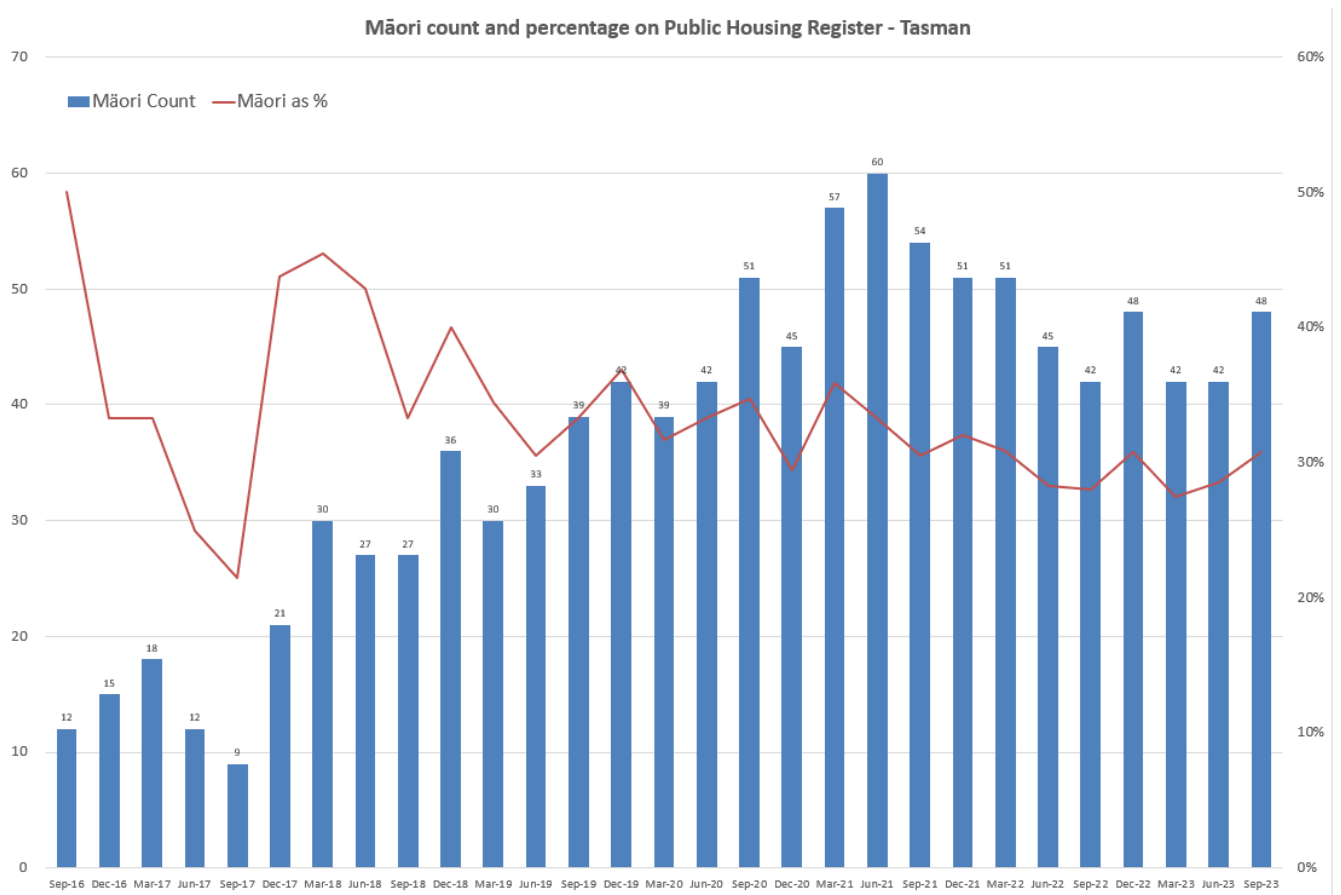
4.5 Demand for Dwellings by Different Household Groups

Implementation clause 3.23 of the NPS UD requires HBAs to assess current and likely future demands for housing by Māori, older people, renters, homeowners, low income households, visitors and seasonal workers.

4.5.1 Māori

The Ministry of Social Development reported that between 2016–2023, the percentage of Māori on the Tasman public housing register, as a proportion of total applicants, has varied from 21–50% and currently sits at 31%. This is compared with only 8% of the total Tasman population identifying as Māori in 2018.

Figure 11 Percentage of Māori on Tasman Public Housing Register 2016-2023



Māori housing demand data

- Nelson Tasman Housing Trust reported that in 2023 20% of its tenants identified as Māori, when proportions of Māori in the population are 8% and 10% in Tasman and Nelson respectively. This has been the case since at least 2021
- Greatest concentration of Māori residents in Tasman is in Motueka, where 15% of the population identify as Māori (compared with 8% for the total Tasman population as at 2018).
- In Tasman, 29% of its total Māori population live rurally, 26% live in Motueka and 23% live in Richmond, both towns within the urban environment.
- Tasman's Māori population is projected to increase by 67% between 2023 and 2043, from 5,800 (10% of the population) to 9,700 (13%), according to the high scenario¹ of Stats NZ 2018-base ethnic projections
- According to bespoke data for Tasman from Stats NZ (based on the 2018 census):
 - on average Māori households are larger, with an average household size of 3 compared to 2.5 for all households
 - 16% of Māori households have five or more usual residents, compared with 9% of all households in Tasman
 - 48% of Māori households are families with children and 5% are multi-family households (these rates are higher than the general Tasman population, 36% and 2% respectively)
 - Despite having larger households Māori are slightly more likely to live in smaller homes than the general population, with 25% of Māori living in homes with one or two bedrooms compared with 22% for non-Māori in Tasman. However, this may be the result of a poor range of options for Māori due to affordability.

This data illustrates that it is particularly important for Motueka and Richmond to have housing options that meets the needs of Māori residents.

During preparation of the issues and options paper for Tasman’s new Resource Management Plan – work on which has been paused due to the RMA reform - ngā iwi voiced concerns that the provision for papakāinga is too limited and complicated by complex land tenure requirements, restricting the ability of papakāinga to be built in the Tasman District. Outside of the Papakāinga Zone, the papakāinga rules are limited to Māori Land as defined in the Te Ture Whenua Māori Act 1993, which only relates to approximately 17 limited sites across the District.

In April 2023 during a hui, Te Taihū iwi explained to policy officers that residential areas for kaumatua and rangitahi were needed, as well as a new Marae and opportunities for papakāinga in Richmond. These will be explored as part of the new resource management plan, once certainty over the latest RMA reform is provided by the new Government.

The FDS 2022-2052 was prepared in collaboration with Te Taihū iwi and hapū. Figure 12 below shows the statement of iwi and hapū values and aspirations for urban development included in the FDS.

Figure 12 Statement of Iwi and hapū values and aspirations for urban development, FDS 2022-2052

Te Pae Tawhiti Vision	<p>Overarching Aspiration for the Future Development Strategy (FDS)</p> <p>“All change must be sustainable to revive and enhance Te Taiao / the natural world”</p>		
Te Kaupapa Mission	<p>Toitū te marae a Tāne-Mahuta, Toitū te marae a Tangaroa, Toitū te tangata.</p> <p>If the land is well and the sea is well, the people will thrive.</p>		
Ngā Whainga Desired Goals	<p>Tangata Whenua</p> <p>a. Partnership: Tangata Whenua and Councils work in a Te Tiriti o Waitangi partnership to achieve their shared goals under the FDS.</p> <p>b. Capability: Tangata Whenua are consciously acknowledged and sustained, to give effect to their aspirations in council decisions and operations under the FDS.</p> <p>c. Capacity: Tangata Whenua are adequately resourced to participate in Council decisions and operations under the FDS.</p> <p>Note: Tangata Whenua = whānau, hapū and iwi.</p>	<p>Tangaroa</p> <p>a. Mauri: Waterways and waterbodies are respected, protected, restored and enhanced, to sustain the mauri of freshwater.</p> <p>b. Mātauranga: Information is gathered and collated to enable a better understanding of wai and to support the enhancement of the mauri of waterways and waterbodies.</p> <p>c. Mana i te wai: Recognise and provide for traditional associations for Tangata Whenua who historically whakapapa to waterways and waterbodies in regards to the domains of Tangaroa (freshwater and saltwater).</p>	<p>Mahuta</p> <p>a. Te Ao Māori: Ensure Te Ao Māori is inherent in mahi relating to changes to Te Taiao under the FDS.</p> <p>b. Whai Mana: Support sustainable economic opportunities for Tangata Whenua in the identification of land and air development management opportunities under the FDS.</p> <p>c. Whai Oranga: Sustainable economic outcomes, resulting from responsibly considered changes to Te Taiao, support the protection and enhancement of ecological, spiritual and cultural values of Tangata Whenua.</p>
Ngā Tikanga Values	<p>Me whakatau mā roto i te kōrero – Resolution through conversation.</p> <p>Kaitiakitanga – Dedicated stewardship by Tangata Whenua.</p> <p>Ngākau pono – being true to the purpose of partnership.</p>		

These values and aspirations were drafted by Ngāti Apa ki te Rā Tō, Te Ātiawa o Te Waka-a-Māui, Te Rūnanga o Ngāti Rārua, Ngāti Tama, Rangitāne o Wairau and Manawhenua ki Mohua (MKM). MKM is an iwi mandated entity representing Ngāti Tama, Ngāti Rārua and Te Ātiawa within the area defined as Mohua (Golden Bay catchment) and Kahurangi National Park area. Whanau from Te Awhina Marae and Onetahua Marae also contributed and the drafts were circulated to ngā iwi for contributions. These iwi and hapū values and aspirations will continue to be implemented by both the Council and various stakeholders through ongoing engagement on all structure plans, spatial plans and plan changes for urban development. Further details are provided in the FDS implementation plan 2023. [Future Development Strategy 2022 - 2052 | Tasman District Council](#).

4.5.2 Homeowners

Home ownership proportions in Tasman have been one of the highest nationally since 2006. The 2018 census showed that dwellings owned or held in a family trust had increased slightly from 75% to 75.6% from the 2013 census, despite affordability worsening overall. Affordability for homeowners has been covered in the introductory section of this HBA.

Tenure of households for occupied private dwellings in Tasman	2006 (%)	2013 (%)	2018 (%)
Dwelling owned or partly owned	62.7	58.6	61.2
Dwelling held in a family trust	13.1	16.4	14.4
Dwelling not owned and not held in a family trust	24.2	25.0	24.4

Table 7: Tenure of households for occupied private dwellings in Tasman 2006-2018

The 2021 Housing Preferences Survey showed locational preference (income constrained): 13% of respondents living in the Tasman urban environment would like to live in Nelson. Richmond is the most popular location of choice, with 32% of respondents choosing this location (very similar for unconstrained and income constrained). The largest mismatch is observed in Motueka where 26% respondents would live in this location if they could but, given financial constraints, this drops to 11%.

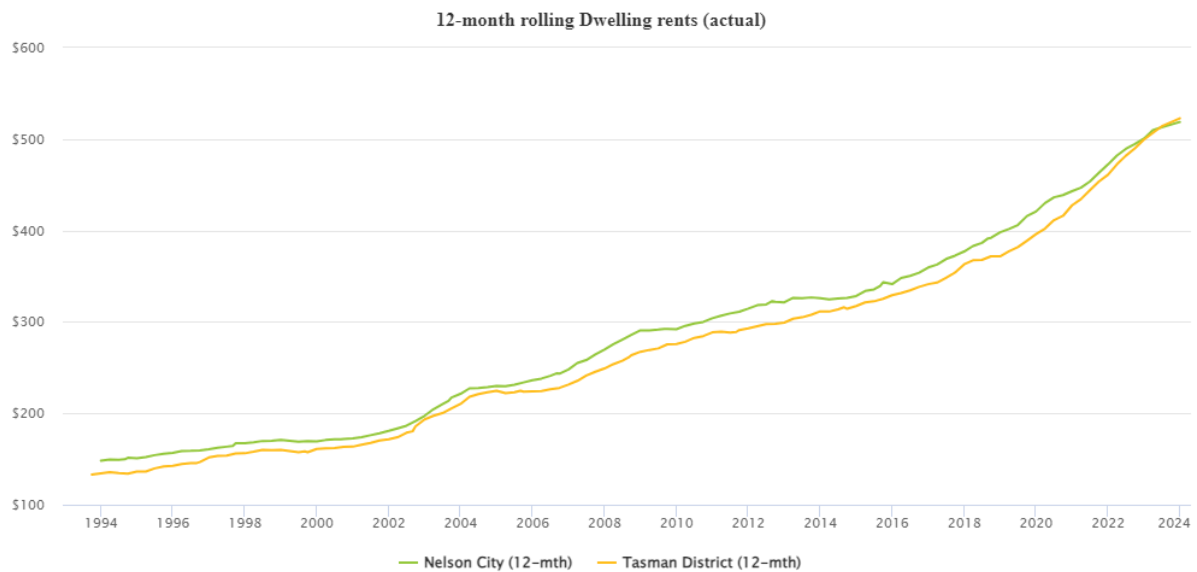
Conversely the income constrained demand in Tasman Rural and Waimea plains is higher than the unconstrained demand. These are therefore locations that people choose less often when unrestrained by their financial situation. The findings indicate that some of the urban demand may be driven to these more rural areas of Tasman, given they are constrained in terms of their first choices by affordability issues. The results show that respondents trade off location for price rather than choosing a different typology in the same location for a lesser cost.

4.5.3 Renters

Based on table 7 above, the proportion of the community renting is approximately 25%.

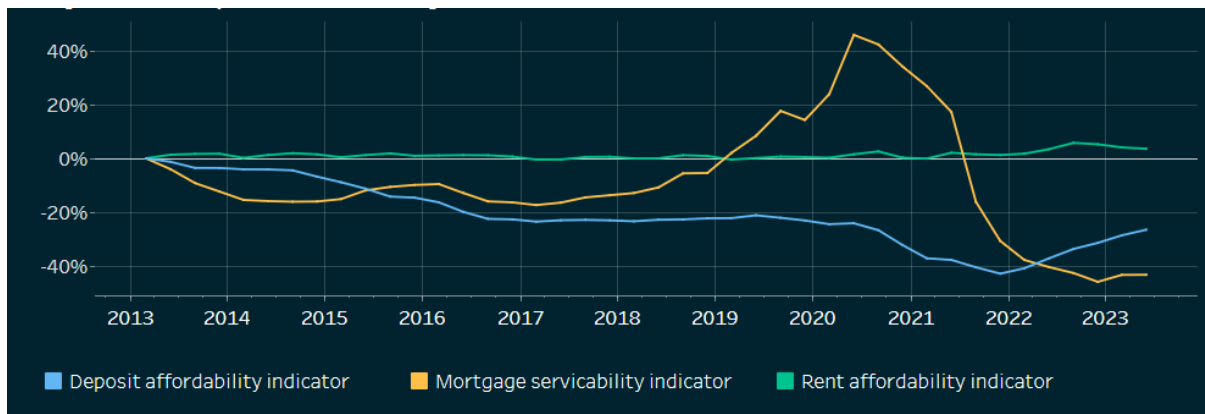
Data from MHUD provided in figure 13 shows a continuing rise in average rents in Nelson and Tasman. In June 2023, the average weekly rent in Nelson was \$513, up 5% compared with a year ago, and 33% higher than five years ago. The average rent in Tasman was \$514, up 7% and 40% respectively.

Figure 13 Twelve month rolling dwelling rents 1994-2024



MHUD also measures rental affordability – the changes in rental prices for new tenancies with the growth in median household disposable income. For Tasman these have been relatively constant since 2013. (The higher the index the more affordable the rental prices are.)

Figure 14 Rental affordability (MHUD) in Tasman 2013-2023



The Housing Preferences Survey 2021 provides some data about housing preferences of renters. Those survey respondents that could not afford to purchase a house in the Nelson Tasman urban environment were asked about preferences for renting. The most important factor for renters in choosing where to live, is location. The location was ranked as most important by 46% of rental respondents – almost twice as high as the next factor which was house type. Least important in renters’ choice is the dwelling’s value.

Feature Set	Most Important	>>>>>>>>>	>>>>>>>>>	Least Important
Dwelling features	27	34	41	18
Dwelling value	13	12	22	74
House type	30	49	32	13
Location	59	25	24	13
Total Responses	129	120	119	118

Table 8: Rental Respondents level of importance for decision factors on housing choice

This result from the Housing Preferences Survey 2021 underlines the importance of providing housing in the right location to meet demand in the District. The Salvation Army's 'State of our Communities' 2023 report finds that home ownership has declined in Motueka, suggesting a higher proportion are now renting, but that rent affordability is 40-42% of household income.

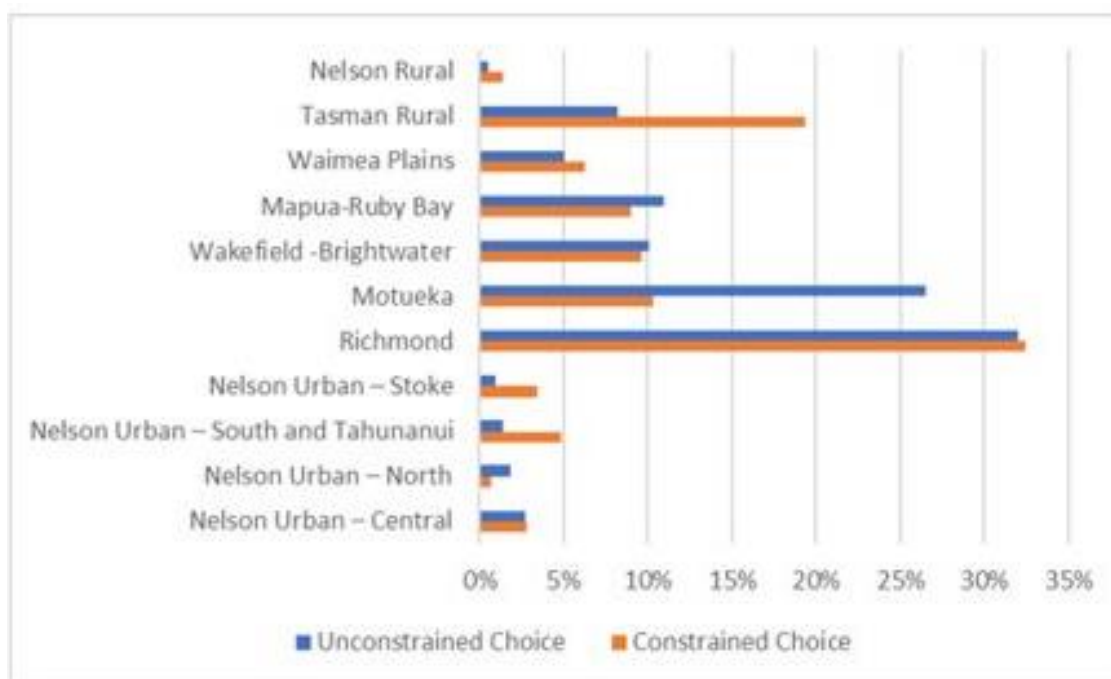
4.5.4 Low Income Households

Council owns 101 houses for older people in various locations, including within the urban environment. These units are available for NZ residents or citizens, over 55, receiving Superannuation and in receipt of a supported living payment. Total assets including cash investments must not exceed \$50,000. These units are very popular and there is a large waiting list for Richmond alone of 95 people in 2023. There are also substantial waiting lists for Motueka and Tākaka. These are the only dwellings that Council owns.

As at June 2023, there were 282 eligible applicants for social housing in Nelson and 141 in Tasman. However, a survey by Nelson Tasman Housing Trust (Jan-June 2023) illustrated further demand for affordable housing, finding that a further 696 households between Jan-June 2023 were in need of affordable housing but did not meet the public housing register's criteria. The survey has been conducted since 2018 and has seen affordable housing need numbers rise 70% over that 5 year period in Nelson Tasman. There has been an increase in the number of people wintering over at Tāhunanui holiday park and an increase in the number of permanent residents at the Queen Street holiday park. A number of holiday parks have place restrictions on the number of days a visitor can stay, commonly 50-days and during Summer months length of stay is often more restrictive.

According to the Housing Preferences Survey, out of the 600 Nelson Tasman urban environment residents' sample, 34% of respondents could not afford to buy a dwelling. Only 5% of these could afford a rental. The remaining 28% could not afford to buy or rent. This illustrates the known affordability problem. Motueka was the town where highest numbers of people wanted to live but could not afford to as shown below in figure 15. The Housing Preferences Survey illustrated that people are being pushed out to cheaper rural locations e.g. Waimea Plains and Tasman rural when income constrained choices are made. This shows a mismatch between demand and affordability in Tasman.

Figure 15 Locational preferences of Tasman urban environment residents



According to a survey by Nelson Regional Development Agency in 2022, average household incomes are 22% below the NZ average. For those still in the workforce average annual earnings in Nelson-Tasman are 14% lower than the national average in 2022. Nelson Tasman average wage earnings are the lowest in NZ, contributing to the poor housing affordability in the region.

4.5.4.1 Golden Bay and Motueka housing affordability

Low income and housing affordability is an issue across most of the District, but Motueka and Golden Bay have the highest proportion of households on relatively low incomes and a greater need for affordable housing options. According to the 2018 census, median household incomes are as follows:

	Median household income	% of all households with a household income less than \$70,000
Richmond	\$70,000	50%
Brightwater	\$81,000	40%
Wakefield	\$76,700	43%
Māpua	\$77,400	42%
Motueka	\$51,000	62%
Tākaka, Golden Bay	\$46,500	65%

Table 9: Median household incomes in Tasman District (2018)

A private survey undertaken by Mohua (Golden Bay) Affordable Housing Project in 2020 found ¹⁷ of the 104 responses, 62% have household wealth of \$60,000 or less, which is similar to the Census data above. 30% stated their maximum house purchase price as \$350-400,000 and 26% as \$400,000-\$500,000. Only 7% of the respondents could afford more than \$500,000.

¹⁷ [Golden Bay/Mohua Affordable Housing Project - Housing Survey Results \(mygbhousing.info\)](https://mygbhousing.info)

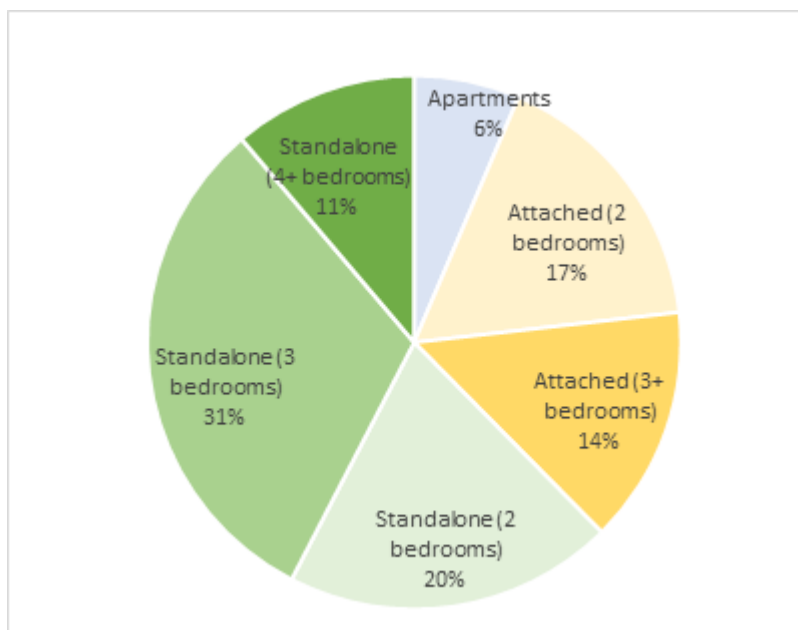
The Salvation Army's 'State of our Communities' 2023 report includes a survey of 396 participants from the local community and it found the key challenge in Motueka is around housing affordability but also availability, affecting low and middle income households. 59% of respondents cited availability of affordable housing as the primary challenge, including rental properties and a growing problem of homelessness. The dire situation is exemplified by families resorting to living in cars.

4.5.5 Older People

Under the medium population projection scenario, the highest growth continues to be in the 65+ age group, which is projected to increase by 50% between 2023 and 2053. For the whole Tasman District and for the Tasman urban environment the proportion of 65+ is projected to increase from 23% to 28% by 2034.

According to the Housing Preferences Survey 2021, the majority (62%) of older residents in Nelson/Tasman prefer standalone dwellings, with 20% wanting standalone dwellings with two bedrooms and 31% wanting three bedrooms. However, a significant proportion also prefer attached dwellings (31%) and a further 6% prefer apartments and these would generally be smaller dwellings.

Figure 16: Housing Preferences for Nelson Tasman older people living in the urban environment



TDC also conducted research in 2018 on housing issues for older people, as part of developing Council's Age-Friendly Policy. This included feedback from over 180 groups and individuals. The main findings in terms of housing were:

- Increasing demand for smaller houses
- Demand for affordable rental properties
- An increasing demand for safe, warm, low-maintenance and accessible housing which is close to town centres, public transport, health and other services
- A general preference to 'age in place' in the same community, with some level of independence rather than in residential care.

According to data from the Retirement Villages Association¹⁸, 10% of Tasman's 75+ population live in a retirement village, with 471 units across six villages. The population aged 75+ is projected to double to 12,000 by 2053. Assuming that 10% continue to prefer living in retirement villages, the doubling of the 75+ population indicates that another 471 retirement village units may be needed over the next 30 years. Currently there are 291 more units in development.

4.5.6 Seasonal Workers

TDC undertook a survey of 39 Tasman growers in March 2021. It received a 74% response rate to the survey with 29 companies responding, representing the wide range of produce grown in Tasman.

Key trends in the responses are highlighted below:

Responses from Survey of Growers in Tasman 2021

- 38% of employers own accommodation to house seasonal workers and 35% of employers rent or lease properties to house workers, so ownership of property and renting property is fairly even split
- Only five companies own purpose built accommodation (the type encouraged by Government for employers using the Recognised Seasonal Employer (RSE) scheme)
- Eight companies own existing residential houses bought on the open market to house workers. This may be off site or on site and may have been built or bought by the grower. This is the most common type of worker accommodation
- A significant 72% of respondents (20 companies) require additional accommodation in the future for seasonal workers and this indication is given during the Covid 19 climate
- A significant number (10 companies) want purpose built on-site worker accommodation
- Six companies specifically want on site communal type accommodation with an ablution block and rooms leading to it
- A maximum of 632 additional beds are required from the 20 companies that responded in the survey, most companies (16) want up to 40 beds each
- 70% of these companies requiring further accommodation have as yet only identified the need. Six companies are progressing plans for future accommodation (30%) and two have building consent. Two companies have also started construction
- Discussions with the ex-chair of Apples and Pears NZ and the chair of the Nelson growers governance group revealed that there are about 5,500 seasonal workers in Tasman in a given season. About 1,700 of these are RSE workers and 3,800 are backpackers or local residents. Approximately half of these wish to freedom camp, leaving 1,900 workers per season who may need rental accommodation.
- The future demand for types of seasonal worker accommodation is:
 - Purpose built facilities on site for RSE workers
 - "Camp ground" facilities (eg kitchen, ablution block) for Kiwi and European backpackers who want seasonal work and to freedom camp on the orchard. Some Richmond orchards make this group find their own accommodation e.g. at Tahuna motor camp or motels but this becomes harder in areas like Motueka, Riuwaka where such facilities don't exist
 - Rented accommodation for permanent seasonal workers (locals) – season now lasting 10-11 months in Tasman

¹⁸ Presentation to Tasman Positive Ageing Forum, 5 September 2023

Tasman’s growth model includes dwelling demand for seasonal workers who usually reside in Tasman, hence some capacity is provided. The growth model assumes that the proportion of workers’ accommodation will stay the same, but this does not take into account unmet demand or growth in the horticultural industry for example.

4.6 Unmet Demand

Council acknowledges that there is unmet latent, or residual demand in some parts of the District. Figure 17 shows MHUD data for Tasman District which compares trends in housing supply (the solid line) with housing demand (the dotted line). Housing supply uses data on consented new dwellings. Housing demand is based on household growth, using data on population growth and household size.

Between 2014 and 2021, this indicates that theoretically Tasman housing supply was less than demand between 2014 and 2021 but appears to have caught up in 2021 and 2022.

Figure 17: Unmet demand: new dwellings consents compared with household growth (Source: MHUD)



The same methodology can be used to compare trends in housing demand and housing supply for different parts of the District. This shows that the five Tasman towns in the urban environment have had enough new housing to meet population growth. However, data for the Golden Bay and Lakes-Murchison Wards indicates that housing supply has not kept up with demand, with a shortfall of approximately 90 dwellings between 2020 and 2022.

4.7 Consultation on Housing

The growth model projections and infrastructure strategy are components of the LTP 2024-2034. Early engagement on the LTP took place in April and May 2023 and full details of the engagement exercise can be found here: [Tasman's 10-Year Plan | Shape Tasman](#). Growth and future development was a key theme in the feedback. In general, there was an acceptance of growth but a

desire from some for higher levels of intensification (rather than greenfield growth) and a strong feeling in several towns to retain their special character. Richmond was an exception to this where the wish was to improve the central area to activate it and bring it to life by encouraging more people to live in close proximity. These aspirations are being reflected in the spatial plan currently being prepared “Richmond on the Rise”.

The need for a range of housing types was highlighted in the feedback and for the Council to take a stronger role in working with others to develop projects enabling the provision of more affordable homes.

Since the 2021 HBA, the FDS 2022-2052 has been prepared and adopted and that involved the consultation of a very large number of developers, infrastructure providers and people experienced in the development industry. The technical report for the FDS details the consultation at section 5.0: [Future Development Strategy 2022 - 2052 | Tasman District Council](#), but in summary:

- Approximately 40 developers were contacted during preparation of the FDS and a large number made a submission
- A large number of surveyors and planning consultants made submissions on behalf of clients

Outside of the FDS process other relevant meetings with the development sector and infrastructure providers have included:

- Public meeting with landowners in Lower Moutere July 2021 concerning the former FDS site
- Meetings with Habitat for Humanity, Mohua Affordable Housing Project and Nelson Tasman Housing working group in 2022/23
- Hui with Te Kotahi o Te Tau Ihu in August 2021 to discuss papakāinga provisions in the Resource Management Plan
- Te Taihu iwi were invited to a hui in April 2023 to discuss housing. Ngāti Tama and Ngāti Apa attended
- Hui with Whakarewa trust iwi entity in November 2023 (formerly Ngāti Rārua Atiawa Iwi Trust)
- Several meetings with landowners for forthcoming housing plan changes during 2022-2023
- Meetings with stakeholders for the FDS implementation plan 2023, including:
 - Ministry of Education
 - Kāinga Ora
 - Ministry of Housing and Urban Development
 - Waka Kotahi
 - Te Whatu Ora
 - Nelson Bays Primary Health
 - Transpower
 - Network Tasman
 - Nelson Regional Development Agency
 - Nelson Regional Sewerage Business Unit
- Discussions with the chair of the Nelson growers’ governance group

5. Residential Capacity

Council can provide sufficient development capacity (realistically expected to be realised) to meet demand including the additional margin for the Tasman urban environment overall in the short term (Years 1-3) and in the long term (Years 11-30). However, there is insufficient capacity towards the end of the medium term (Years 4-10).

In the urban environment towns, there are individual deficits over these time periods. Motueka, Brightwater and Māpua have insufficient capacity in the short term, which is offset by extra capacity in Richmond. Motueka, Brightwater and Wakefield have insufficient capacity in the medium term, some of which can be provided for in Richmond, but not all, resulting in insufficient capacity overall. In the long term, there is a shortfall in Motueka, provided for in Richmond and Māpua.

The sequencing of development capacity informs the growth-related capital expenditure in the LTP 2024-2034 and the Infrastructure Strategy. Planning and infrastructure for growth is being addressed through several significant Council projects, including the Waimea Plains Water and Wastewater Plan, the Māpua Masterplan, the Richmond Spatial Plan and various plan changes.

There is insufficient capacity for attached dwellings in the Tasman urban environment in the short, medium and long terms for most urban environment towns. Plan change 81 will implement FDS sites and will seek to enable more attached dwellings. Good uptake of intensification in Richmond has demonstrated demand for smaller, denser dwellings.

Across the rest of Tasman District, Moutere has enough capacity to meet demand in the short and medium term but insufficient capacity to meet demand in the long term, based on previous rates of development. Golden Bay and Lakes-Murchison wards both have enough capacity overall to meet demand, although there are capacity constraints in Tākaka and Murchison until infrastructure upgrades are completed in the medium term.

The greatest concentration of Māori residents in Tasman is in Motueka, followed by Richmond. While Council is constrained in its ability to provide housing land capacity in Motueka, Richmond is an easier location to provide housing capacity. Methods outside of the District Plan are contained within the LTP to support papakāinga developments.

Low incomes and housing affordability is an issue across the District, particularly for Motueka and Golden Bay. Infrastructure upgrades for Motueka West are now partially complete, enabling 200 medium density leasehold dwellings. There are several examples of affordable housing projects by Community Housing Providers and Kāinga Ora.

Additional seasonal worker accommodation is needed in the Motueka area where campground/backpacker facilities are smaller and fewer, with a significant number recently being purchased by growers for seasonal worker accommodation. Since the last HBA, there have been at least nine resource consents for worker accommodation in the District with a further two current applications. The Council proposes plan change 81 in 2024 will provide a less prescriptive definition of seasonal worker accommodation.

5.1 Introduction

5.1.1 Methodology for reasonably expected to be realised capacity

The requirements of the HBA under the NPS UD are provided in Table 10 below:

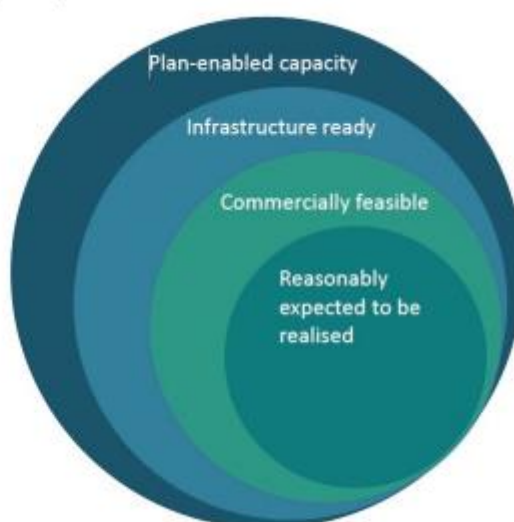
Time frame	Plan enabling and infrastructure ready requirements for Tier 2
Short term (1-3 years)	Zoned for housing or business use in an operative district plan and there is adequate existing development infrastructure
Medium term (4-10 years)	Zoned for housing or business use in an operative or proposed district plan and there is adequate existing development infrastructure, or funding for adequate infrastructure is identified in an LTP
Long term (11-30 years)	Zoned for housing or business use in an operative or proposed district plan, or on land identified for future urban use or urban intensification in an FDS. There is adequate existing development infrastructure, or funding for adequate infrastructure is identified in an LTP or the infrastructure is identified in the Infrastructure Strategy

Table 10: Implementation clause 3.4 of the NPS UD

In addition to the above requirements, HBAs must quantify over the short, medium and long term the housing capacity that is ‘reasonably expected to be realised’ to try and provide a more realistic supply of development capacity (implementation clause 3.25 1(c) NPS UD).

The NPS UD requires housing land capacity to be ‘reasonably expected to be realised’, recognising that not all commercially feasible land will be developed, for example due to landowners’ changing preferences. Figure 18 below illustrates that there can be an array of plan enabled, infrastructure ready and commercially feasible land, but only some of that is reasonably expected to be realised.

Figure 18 Guidance on Housing and Business Development Capacity Assessments under the NPS UD, Ministry for Environment



The amount of development land capacity reasonably expected to be realised across the District, for both residential and business development, is based on the following information and assumptions in Council’s growth model:

- an initial assessment of developability of large areas of the District, taking into account factors such as hazard risk, productive land value, ability to service, and settlement form
- geo-spatial data on developable land area, including terrain, topography, wetlands and waterbodies, overland flow paths, and existing buildings
- excluding land available for development that is required for other uses, such as stormwater infrastructure, roads, community facilities or open space
- consideration of adopted future sites in the FDS 2022-2052
- current and future zoning and density, including typical lot size
- recent building consents, subdivision consents and applications, and gazetted Special Housing Areas
- development engineers' and consents staff's knowledge of timing of forthcoming development proposals together with landowner and developer interest
- the location and timing of proposed infrastructure capital works in the LTP 2024-2034, including the Infrastructure Strategy.

Table 11 below shows the plan-enabled, infrastructure-ready, and reasonably-expected-to be realised development capacity for the five towns in Tasman's urban environment, for the short, medium and long term as required under clause 3.25 (1) (c) of NPS UD. It also compares this capacity to the demand (including the competitiveness margin) for new dwellings. The NPS-UD requires Council to provide an additional margin of feasible development capacity in the urban environment which is 20% above the projected demand for the next ten years, and 15% above the demand projected for the next 11 to 30 years.

5.2 Urban Environment Sufficient Capacity

5.2.1 Sufficiency of housing land capacity (reasonably expected to be realised)

Council can provide sufficient development capacity (reasonably expected to be realised) to meet demand (plus the additional margin) for the Tasman urban environment overall in the short term (Years 1-3) and in the long term (Years 11-30). However, there is insufficient capacity towards the end of the medium term (Years 4-10). Table 11 below illustrates this, showing the cumulative development capacity by town, taking into account the surplus/deficit from previous periods.

Section 5.3.2 identifies how much of this capacity is plan-enabled and section 5.4 identifies how much is plan-enabled and infrastructure-ready.

Location	Short Term Years 1-3				Medium Term Years 4-10				
	Demand	Demand Plus 20%	Development Capacity	Surplus or Shortfall	Demand	Demand Plus 20%	Additional Development Capacity	Cumulative Development Capacity (adjusted for any surplus/shortfall in Years 1-3)	Surplus or Shortfall
Motueka	196	238	134	-104	446	535	191	87	-448
Māpua / Ruby Bay	57	68	44	-24	135	162	204	180	+18
Richmond	296	355	637	+282	856	1027	975	1,257	+230
Brightwater	66	79	69	-10	176	211	132	122	-89
Wakefield	68	82	126	+44	180	216	99	143	-73
Tasman urban environment	685	822	1,010	+188	1,793	2,151	1,601	1,789	-362
	Sufficient Capacity in Short Term overall				Insufficient Capacity in Medium Term overall				

Table 11: Demand, demand plus NPS margin, and cumulative development capacity by town, short and medium term, Tasman urban environment

In the short term, there are individual town shortfalls for Motueka, Brightwater and Māpua but these are provided for in Richmond. This is permitted under the NPS UD (implementation clause 3.27 (1)). The shortfall in Brightwater and Māpua is due to insufficient infrastructure in time. A masterplan is currently being prepared for Māpua and once complete (late 2024) a plan change will be proposed to rezone land residential. Motueka is constrained by low-lying land, natural hazards and highly productive land, meaning significant additional residential zoning is not possible.

In the medium term, there are shortfalls in Motueka, Brightwater and Wakefield, some of which can be provided for in Richmond, but not all. Hence insufficient capacity exists overall. Further capacity can be realised in Brightwater and Wakefield once the Waimea Plains Water and Wastewater Plan is complete, from year 10. Motueka’s constraints are explained above.

Location	Long Term Years 11-30				Surplus or Shortfall
	Demand	Demand Plus 15%	Additional Development Capacity	Cumulative Development Capacity (adjusted any surplus/shortfall in Years 4-10)	
Motueka	1,093	1,257	901	453	-804
Māpua / Ruby Bay	352	404	834	852	+448
Richmond	2,156	2,480	2,769	3,000	+520
Brightwater	592	681	783	694	+13
Wakefield	573	659	746	673	+14
Tasman Urban Environment	4,766	5,481	6,033	5,671	+190
Sufficient Capacity in Long Term overall					

Table 12: Demand, demand plus NPS margin, and cumulative development capacity by town, long term, Tasman urban environment

In the long term, there is again a shortfall in Motueka, provided for in Richmond and Māpua. The sequencing of development capacity informs the growth related capital expenditure in the LTP 2024-2034 and the Infrastructure Strategy.

5.2.2 Housing land capacity (reasonably expected to be realised) by type of dwelling

In accordance with implementation clause 3.25 (2) of the NPS UD, development capacity is set out by location, by type of dwelling – attached and detached.

Location	Attached Dwellings		Detached Dwellings	
Short Term Years 1-3				
	Demand (including margin)	Capacity	Demand (including margin)	Capacity
Motueka	69	10	169	124
Māpua/Ruby Bay	20	0	48	44
Richmond	103	98	252	539
Brightwater	23	0	56	69
Wakefield	24	20	58	106
Tasman urban environment	238	128	584	882
Medium Term Years 4-10				
	Demand (including margin)	Capacity	Demand (including margin)	Capacity
Motueka	155	47	380	144
Māpua/Ruby Bay	47	0	115	204
Richmond	298	351	729	624
Brightwater	61	10	150	122
Wakefield	63	29	153	70
Tasman urban environment	624	437	1527	1,164
Long Term Years 11-30				
	Demand (including margin)	Capacity	Demand (including margin)	Capacity
Motueka	365	200	892	701
Māpua/Ruby Bay	117	0	287	834
Richmond	719	800	1761	1,969
Brightwater	197	82	484	701
Wakefield	191	70	468	676
Tasman urban environment	1589	1,152	3892	4,881

Table 13 housing land capacity by type of dwelling – red text indicates cumulative deficit

There is insufficient capacity for attached dwellings in the Tasman urban environment in the short, medium and long terms for all the urban environment towns, except for Richmond in the medium and long term. The shortfall of attached dwellings is 735 such dwellings over the 30 years (295 in the first ten years). The forthcoming plan change 81 referred to on page 54, which will implement the FDS sites, is intended to enable as many attached dwellings as is commercially feasible. The proposed rules will require a minimum percentage of the lots to have for example, an average area of 360 sq m with a minimum of 270 sq m and a maximum of 450 sq m. The remaining lots will have a specified minimum area also.

Demand by dwelling type is based on the Housing Preferences Survey 2021, which showed 71% of residents in the Tasman urban environment preferred detached dwellings, and 29% preferred attached dwellings. These proportions have been applied to the overall future dwelling demand by location.

Capacity for attached dwellings is based on estimates for locations with existing intensive residential rules in the TRMP (Richmond Intensive Development Area (RIDA)), or with FDS intensification sites (Richmond, Motueka, Brightwater and Wakefield), where plan changes are proposed. This is likely to be conservative as other existing rules in the TRMP allow for attached dwellings, but a choice exists in these zones and therefore the number of attached dwellings is too difficult to quantify.

5.2.3 Comparison with Plan enabled and infrastructure ready housing land capacity

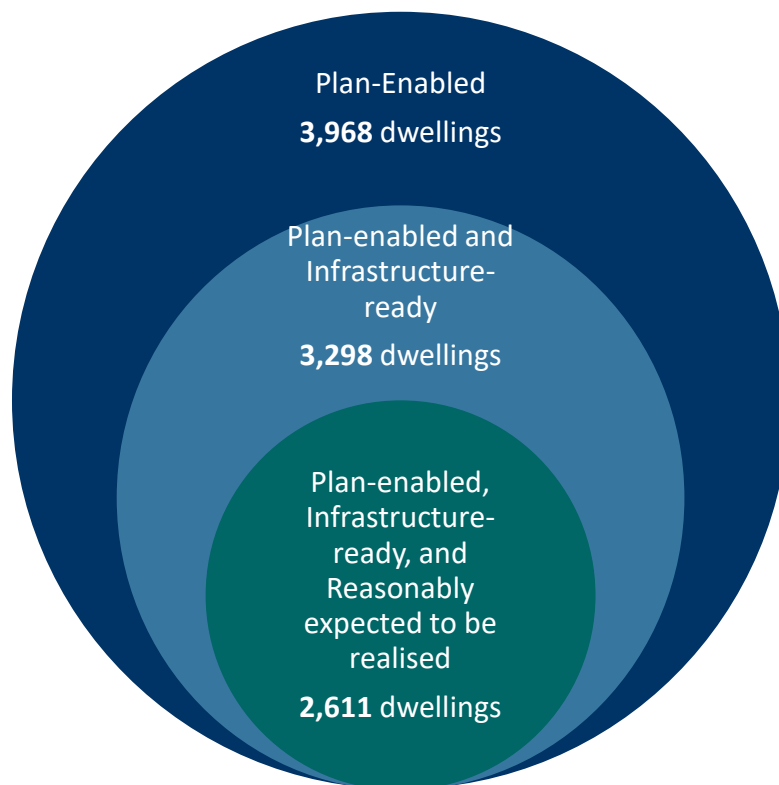
In the short and medium term, the Tasman urban environment has plan-enabled and infrastructure-ready capacity for approximately 3,300 new dwellings. However, for the same timeframe, only 2,600 of this capacity is reasonably expected to be realised. This is mainly due to the following factors and assumptions:

- Some infrastructure projects in the LTP and rezoning of deferred zoned land is planned for years 2-10, meaning the capacity for new dwellings will not be realised until after year 10
- Staging of greenfield developments mean some capacity is not expected to be realised until after year 10
- Medium term leasehold land in Motueka West which will be rezoned and serviced but not expected to be developed in the 10 year period
- Assumed intensification uptake rates are conservative in the short term
- Lack of landowner interest in development of some existing zoned and serviced land, often having lived on the property for a long period of time.

Figure 19 below shows the medium term (years 1-10) comparison of the (i) plan enabled, (ii) plan enabled and infrastructure ready and (iii) plan enabled, infrastructure ready and reasonably expected to be realised housing land capacity.

By the long term (years 11-30) all the feasible housing land capacity will be zoned, serviced and able to be developed. The difference exists in the medium term as there is capacity that is not likely to be developed by year 10.

Figure 19: Plan-enabled, Infrastructure-ready, and reasonably expected to be realised development capacity, medium term (2024-2034), Tasman urban environment.



5.3 Plan-enabled Capacity

5.3.1 Use of the deferred zone in Tasman’s Resource Management Plan

In estimating the plan enabled housing land capacity, land zoned deferred for residential has been included. In a Q & A document provided by MfE on 14th September 2021, the Ministry clarified that implementation clause 3.4(2) of the NPS UD on plan enabled capacity, complements deferred zones. This is *“provided the planned release/up-zoning of the deferred zones coincides with the timing of the capacity assessments for the HBA. For example, if a deferred zone is planned to have all the conditions in place to be up-zoned in 10 years, this can be considered as plan-enabled for the long term. This applies only for the long term, as short term requires the zoning to be in an operative district plan 3.4(1)(a), and medium term requires zoning to be in an operative or proposed district plan 3.4(1)(a).”*

Deferred zoned land in the Tasman Resource Management Plan (TRMP) that is included in the capacity for this HBA can be serviced within 10 years and the infrastructure is budgeted for in the LTP 2024-2034. To date, land zoned deferred has been uplifted very easily in Tasman. When Council has provided the infrastructure or signed an agreement with a developer to provide the infrastructure, under the Local Government Act, Council’s Strategy and Policy Committee passes a resolution to uplift the zone. The TRMP is updated to show the zone change and landowners are informed.

However, following identification of shortcomings with this process in 2023, work has commenced on Plan Change 79 to amend the deferred zone mechanism. This plan change was released for engagement in May 202. Essentially the plan change proposes keeping the current method but removing changing the zone of the land by a Council Committee resolution. Instead, there would be trigger conditions in the TRMP as well as timing and details of servicing.

5.3.2 Plan enabled capacity

5.3.2.1 Plan enabled capacity by town and typology

While it is the reasonably expected to be realised capacity that the NPS UD ultimately seeks, it also requires the HBA to set out (i) the plan enabled capacity and (ii) the plan enabled and infrastructure ready capacity by attached and detached dwellings. The Tasman urban environment has plan enabled capacity for 3,968 dwellings in Years 1-10 and a further 4, 676 dwellings between Years 10-30, which table 14 shows below.

Location	Attached Dwellings	Detached Dwellings	Total
Short Term Years 1-3			
Motueka	57	310	367
Māpua/Ruby Bay	0	207	207
Richmond	888	1,095	1,983
Brightwater	40	119	159
Wakefield	24	310	334
Tasman urban environment	1,009	2,041	3,050
Medium Term Years 4-10			
Motueka	0	310	310
Māpua/Ruby Bay	0	100	100
Richmond	161	215	376
Brightwater	0	107	107
Wakefield	25	0	25
Tasman urban environment	186	732	918
Long Term Years 11-30			
Motueka	200	349	549
Māpua/Ruby Bay	0	775	775
Richmond	200	1,822	2,022
Brightwater	52	666	718
Wakefield	70	542	612
Tasman urban environment	522	4,154	4,676

Table 14: Plan-enabled capacity by town and typology, Tasman urban environment

The attached dwelling numbers (intensification) shown above relate only to uptake of the intensive residential rules in the TRMP, which currently exist for Richmond, and for the FDS intensification sites in Motueka, Brightwater and Wakefield in the future, when plan changes are proposed. However, this is a conservative estimate as other medium density rules are already operative in

parts of the urban environment, including the compact and comprehensive residential rules, which have enabled attached dwellings e.g. in Richmond. These rules are not included in the attached dwelling estimates, due to the difficulty of ascertaining which rules a developer may use and the resultant density of housing. Further details are provided in Appendix 4 on the range of residential density rule options available in Tasman.

5.3.2.2 Attached dwelling capacity by town

The towns within the urban environment where intensive housing capacity for attached dwellings exists as shown in Table 14 above, are as follows:

- Brightwater –comprehensive rules can be used now for medium density. A plan change is proposed in 2024 for intensive development (medium density) in the Ellis Street and Lord Rutherford Road North area – the area forms an adopted site in the FDS 2022-2052. Small amounts of intensification would be able to occur in the short term, but significant intensification will need to wait until the Waimea Plains Water and Wastewater Plan is complete which will take 10 years
- Māpua/Ruby Bay – In the Māpua Development Area and Māpua Special Development Area, compact and comprehensive housing rules can be used now to provide more intensive forms of housing. In the Seaton Valley area where FDS proposes intensification of existing rural residential to medium density residential, this will be proposed for rezoning late 2024, pending the outcome of a Māpua masterplan currently being prepared
- Motueka – Motueka West is being proposed for medium density housing in a current plan change, notified December 2023 [Motueka West Plan Change | Tasman District Council](#). The landowner/developer is also prioritising this site for development, having received Infrastructure Acceleration Funding (IAF). 200 dwellings are proposed and the IAF Housing Outcome Agreement entered into with the developer includes a commitment to provide at least 200 leasehold lots between 2024 and 2029
- Richmond – Richmond has an existing operational intensification area for medium density housing which is being redeveloped. New additional areas are proposed for intensification in the FDS as well as increasing the densities of existing intensification areas. A spatial plan is currently being prepared for Richmond, (“Richmond on the Rise”) to be adopted early 2024 followed by a plan change
- Wakefield - comprehensive rules can be used now for medium density. Small amounts of intensification would be able to occur in the short term, but significant intensification will need to wait until the Waimea Plains Water and Wastewater Plan is complete which will take 10 years. Therefore, no intensification is assumed until then and only small amounts thereafter.

5.3.2.3 Recent and proposed Housing Plan Changes

There have been a number of residential plan changes undertaken recently:

- Plan Change 75 to the TRMP – Brightwater (rezoning FDS site T-05, Wanderers Avenue) – operative August 2023
- Plan change 78 to the TRMP – St Arnaud (rezoning FDS site T-195, Massey Street) – operative March 2023
- Plan Change 77 to the TRMP – Murchison (rezoning FDS sites T-20 (Hotham Street), T-37 (Fairfax Street), T-146 (the Holiday Park), T-154 (Mangles Valley Road), T-155 (Land opposite

702 Mangles Valley Road), T-156 (40 Matiri Valley) and T-175 (Kawatiri-Murchison Highway) – operative August 2023

There are also plan changes currently underway:

- Plan Change 76 to the TRMP – Wakefield (rezoning FDS site T-107, 177 Edward Street) – notified September 2022
- Plan Change 80 to the TRMP – Motueka West (rezoning FDS site T-190) – notified December 2023

Work has paused on a replacement Resource Management Plan given the ongoing uncertainty around the RMA reform with the new Government. Instead, work has commenced on Plan Change 81 in 2024 for the following towns within and outside the urban environment. These will release housing land capacity and a pre notification draft is anticipated by the end of 2024:

In the Tasman urban environment

- Māpua – Seaton Valley (pending the outcome of the Māpua masterplan) FDS sites T-11, T33, T42
- Richmond – central intensification FDS sites T-22, T-23, T-112, T-178
- Richmond – Berryfields FDS site T-115
- Wakefield intensification FDS sites T-29, T-30
- Wakefield greenfield sites – FDS site – T-194
- Brightwater – Katania Heights FDS site T-104
- Brightwater intensification – FDS sites T-002 and T-103
- Brightwater FDS site T-198 rural residential
- Motueka – apartments potentially with commercial ground floor FDS site T-206

Outside the urban environment

- Moutere (near Mytton Heights) FDS sites T-17, T-213, T-205
- St Arnaud FDS sites T-181, T-219
- Tākaka business FDS site T-145 and T-182
- Tākaka residential site T-139
- Murchison business FDS sites T-148 and T-150

5.4 Plan-enabled and Infrastructure-ready Capacity

5.4.1 Plan enabled and Infrastructure-ready capacity by town and typology

The Tasman urban environment has plan-enabled and infrastructure-ready capacity for 3,298 dwellings in Years 1-10 and a further 5,346 dwellings between Years 11-30.

Compared with capacity which is plan-enabled only, there is significant plan-enabled capacity for intensification in Richmond (RIDA) which needs further infrastructure projects to enable the maximum capacity.

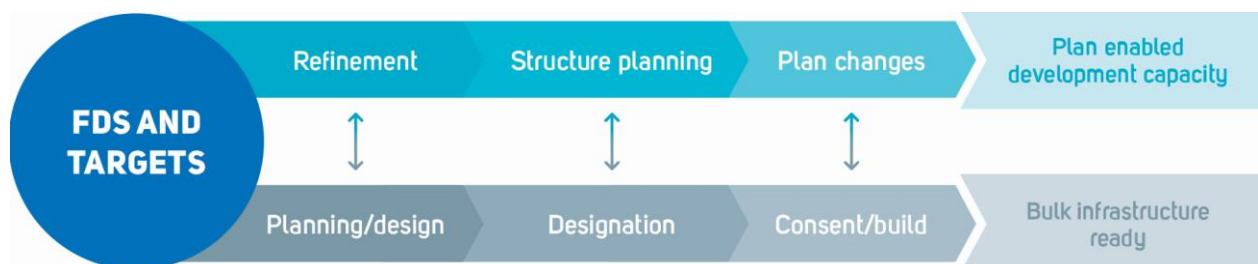
Location	Attached Dwellings	Detached Dwellings	Total
Short Term Years 1-3			
Motueka	57	310	367
Māpua/Ruby Bay	0	207	207
Richmond	98	981	1,079
Brightwater	40	119	159
Wakefield	24	240	264
Tasman urban environment	219	1,857	2,076
Medium Term Years 4-10			
Motueka	0	310	310
Māpua/Ruby Bay	0	100	100
Richmond	351	329	680
Brightwater	0	107	107
Wakefield	25	0	25
Tasman urban environment	376	846	1,222
Long Term Years 11-30			
Motueka	200	349	549
Māpua/Ruby Bay	0	775	775
Richmond	800	1822	2622
Brightwater	52	666	718
Wakefield	70	612	682
Tasman urban environment	1122	4224	5346

Table 15: Plan-enabled and Infrastructure-ready Capacity by Town, Tasman urban environment

5.4.2 Infrastructure required for housing land capacity

The FDS implementation plan 2023 [Future Development Strategy 2022 - 2052 | Tasman District Council](#) illustrates the integrated planning approach between planning, infrastructure provision and funding decisions. The figure below shows the relationship:

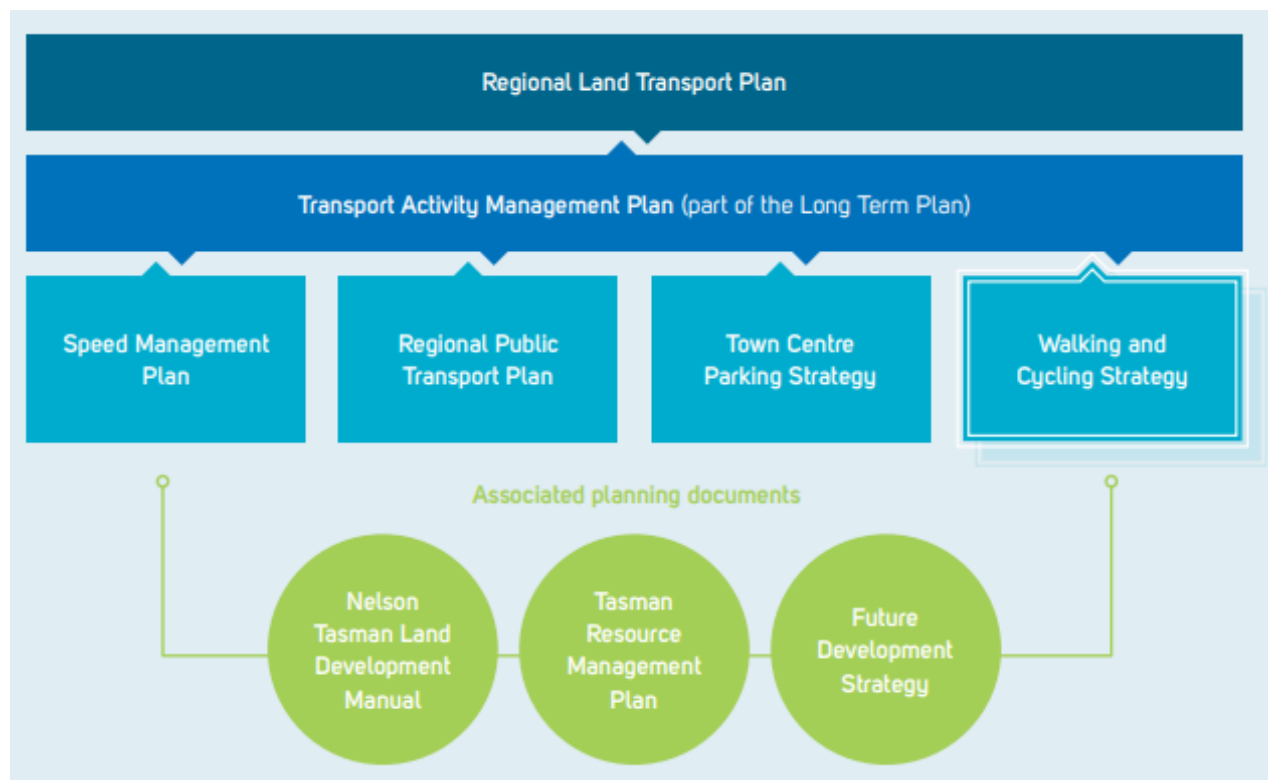
Figure 20 An integrated planning approach



(Source: NPS UDC – Responsive Planning – Guide on producing a Future Development Strategy Dec 2017 (page 24))

The FDS implementation plan 2023 also identifies the connection between transport infrastructure and housing land capacity with the Councils' transport plans.

Figure 21 FDS implementation plan – relationship between FDS and Council's transport plans

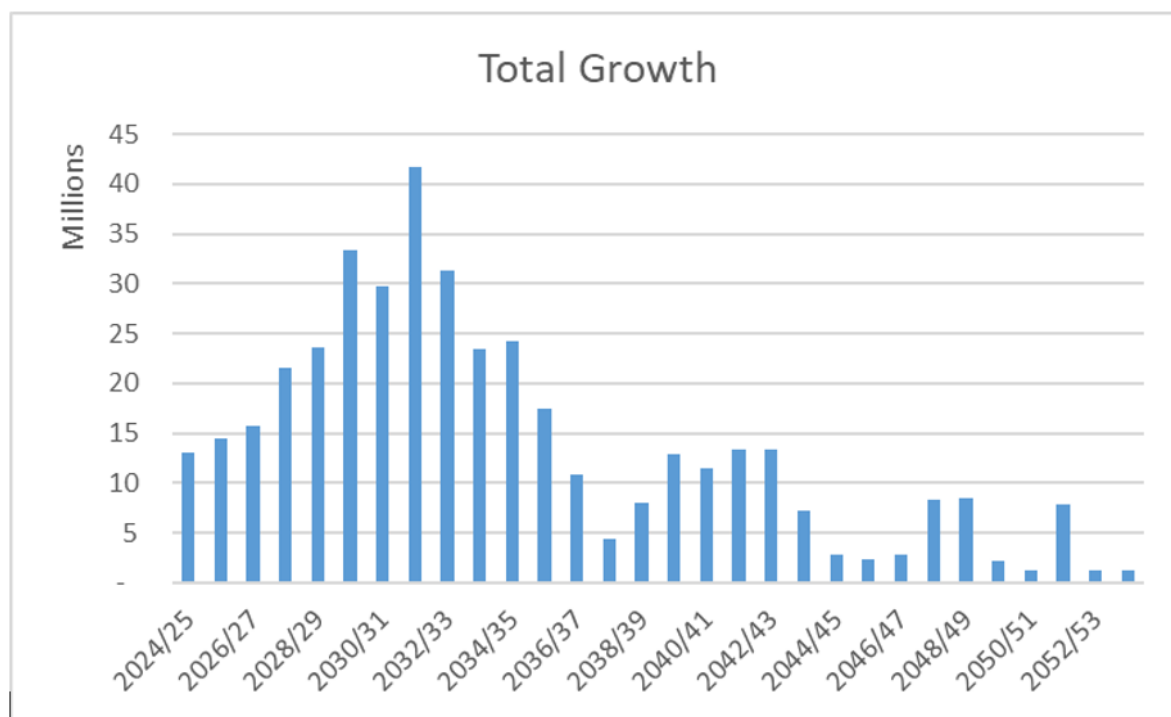


5.4.3 LTP 2024-2034 and Infrastructure Strategy

The uncertainty over the three waters reform has complicated the infrastructure assessment for this HBA, as well as the LTP programme. The previous legislation required the Council to exclude three waters from its LTP from 1 July 2026. The new Government's 100-day action plan has since repealed this legislation. Consequently, and on advice from the Auditor General, Council prepared its LTP on the basis of the best information available at the time and assumed that delivery of three waters activities will remain with Council. An Infrastructure Strategy covering 30 years has also been prepared, which recognizes that providing infrastructure to meet growth demands is a priority for the Council.

Council has infrastructure upgrades planned in Richmond, Motueka, Brightwater, Wakefield and Māpua (all of Tasman's urban environment), to provide capacity for future homes and businesses. Of the 11,700 homes to be built in Tasman over the next 30 years, 60% will need to connect to Council's infrastructure. Council plans to enable growth in Tasman by investing \$409 million in growth related infrastructure over the next 30 years.

Figure 22 Total growth expenditure for infrastructure 2024-2054



5.4.4 Capex Development infrastructure in the LTP

Much of the Capex for development infrastructure is focused around the Waimea basin. Due to the large capex forecast there will be a significant rise in Development Contributions required, rising from a maximum of \$31,556 per household unit of demand in 2021 (Waimea), to \$54,146 in the LTP 2024-2034.

Major water infrastructure projects in the LTP 2024-2034 include:

- the growth of Richmond South
- enabling growth in Motueka West
- the Waimea Plains Water and Wastewater Plan (Wakefield and Brightwater to Hope). The Waimea Plan will enable increased capacity and the transfer of water between different towns, enabling Council to better balance supply and demand. It involves the construction of new bores, pump stations, reticulation and a water treatment plant.

Major wastewater infrastructure projects in the LTP 2024-2034 include:

- Waimea Plains Water and Wastewater Plan (as above)
- Relocation of Motueka wastewater treatment plant inland (preferred site yet to be identified) (year 7)
- Tākaka wastewater treatment plant (commencing within 10 years)
- Nelson Regional Sewerage Business Unit capital works
- Richmond South new reticulation
- New pump stations and rising mains in Richmond South, Motueka West, Jeffries Road growth area (Brightwater)

- Low pressure pump systems in intensification areas (pump outside of peak times and store wastewater for limited time periods, delaying need to upgrade main pipes as early)

The two new wastewater treatment plants are very large projects for Council and other capex projects are front loaded in the LTP in order to create space in latter years for these treatment plants.

Provision of more dwellings in Tasman causes surface water run-off to increase as well as the volume of stormwater to collect and discharge.

Major stormwater infrastructure projects in the LTP 2024-2034 include:

- Borck Creek extension/Richmond South programme (86% of total stormwater activity capex)
- Seaton Valley Māpua integrated stormwater solution
- Motueka West (1st stage) - new stormwater network outlet to Woodlands Drain
- FDS growth projects including capacity upgrades for intensification in Richmond, Brightwater, Wakefield

Developers are required to provide adequate detention and treatment of stormwater generated from new developments, with Council typically not required to provide significant infrastructure to enable development; the major projects noted above are required to provide new development areas with an adequate discharge pathway where none currently exists. In intensification areas where stormwater capacity is limited, on site detention can be used for stormwater.

Major transport projects in the LTP 2024-2034 include:

- Construction of the Hope bypass to address traffic congestion through Richmond - The Hope bypass is Tasman's number 1 project in the 2024-2027 Nelson Tasman Regional Land Transport Plan, with investigations starting in the 2024/25 financial year, and construction in 2027/28, and lasting 3 years (funded by Central Government)
- Planned intersection and road upgrades
- Extended Richmond bus timetable in 2026 and increased bus frequency in 2029
- Extended Motueka and Wakefield bus timetable (weekdays) in 2027 and full week extended service from 2030
- Continuing programme of cycleway networks including investigations for Seaton Valley road, Māpua

The growth predicted affects the busiest roads especially State Highway 6, which are not in Council's ownership. The area of most concern is between Richmond aquatic centre (boundary of TDC) and Three Brothers corner (the intersection of SH6, SH60, Richmond South).

Between the proposed LTP and deliberations, there were some minor changes to the programming of some infrastructure projects above but the projects remain within the same year groups (i.e. years 1-3, 4-10).

5.4.5 Additional Council infrastructure

In the LTP, capex projects for reserves and community facility infrastructure include:

- Council's community housing - focused on roof replacement and interior refurbishment
- Parks and reserves – programme of renewals for toilets, playgrounds, park furniture and sportsfield renewals

- Development of new reserves and some land purchase
- Development of the new joint regional cemetery (land purchase 2024/25)
- New public swimming pool for Motueka (year 3)
- Waimea South community facilities (year 2-5) – new facility at Wakefield recreation reserve and an extended or upgraded facility at Brightwater Recreation reserve
- Tapawera community hub to provide for community meetings, workshops, office space and community health services (year 1-2)
- Murchison sport, recreation and cultural centre – extension to the existing facility improvement to recreation centre and cultural centre (year 5)

5.4.6 Additional stakeholder infrastructure

The FDS implementation plan [Future Development Strategy 2022 - 2052 | Tasman District Council](#) includes updates from a wide range of stakeholders who are planning for infrastructure to provide for growth in Tasman. They are all able to accommodate the growth predicted in Nelson and Tasman over the next 30 years.

redevelopment due to the RIDA is apparent. Land values are increasing at significantly faster rates than capital values in RIDA and capital values have increased markedly in Richmond generally.”

As QV has commented, the very introduction of the RIDA rules in parts of Richmond has pushed land values up markedly, where the section has potential for redevelopment for multi-unit housing.

The 2021 HBA looked at LV to CV ratios where intensification had been consented by redevelopment in RIDA. Surprisingly it found that intensification developments were being built even where the land represents just over 50% of the value of the property. Only two of the nine redevelopment consents had a LV:CV ratio of 0.7 or more. Similar assessments of more recent consents for redevelopment in RIDA are provided in table 16 below. All have been implemented except 142 Queen St.

Location	Land Value prior to resource consent (\$)	Capital Value prior to resource consent (\$)	Land Value to Capital Value ratio (decimalised)	Date of valuation
132 Queen Street	620,000	660,000	0.93	2020
29 Elizabeth Street	630,000	1,170,000	0.53	2020
21 & 64 Gladstone Road	550,000	630,000	0.87	2020
	480,000	590,000	0.81	2020
			(0.84 overall)	
15 Lowry Street	380,000	400,000	0.95	2020
142 Queen Street	650,000	840,000	0.77	2020
171 Queen Street (developer is community housing provider)	730,000	1,150,000	0.63	2020

Table 16: RIDA consents 2021-2023

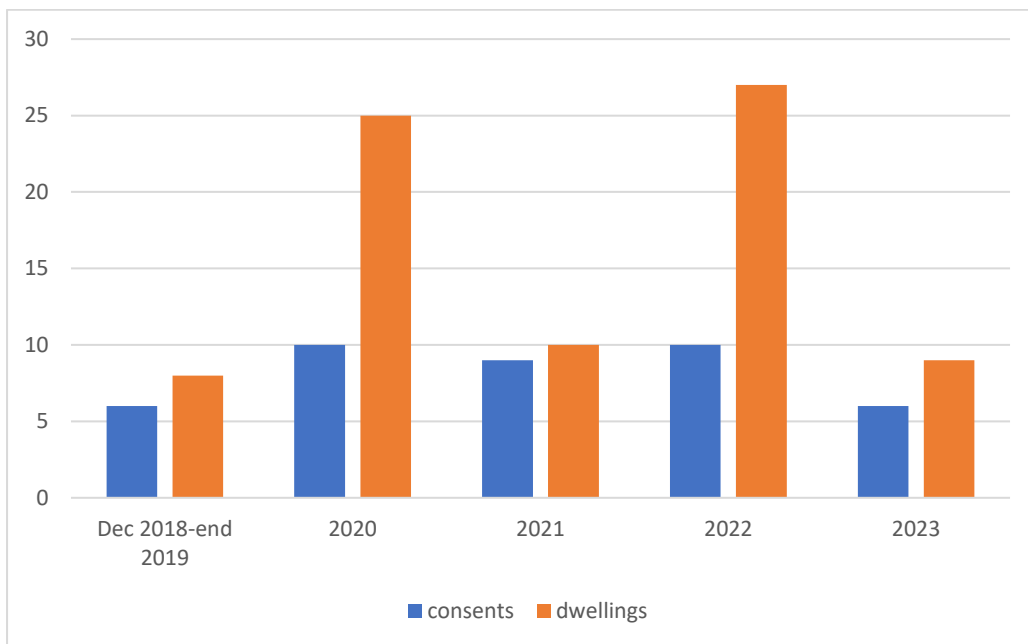
Of the six redevelopment consents in RIDA, four have a LV:CV ratio of 0.7 or higher. This is a greater proportion than for the developments 2018-2021 but too small a sample size to draw conclusions. However, it is the case that intensification by redevelopment is still occurring where the land represents less than 70% of the value of the property (0.7), with 53% as the minimum (0.53).

5.5.3 Type of intensification in RIDA 2018-2023

Intensification naturally started to occur within RIDA just before plan change 66 was operative in December 2018. However, RIDA has been monitored since December 2018 and there has been a net gain of 79 dwellings between December 2018 and December 2023. This shows the demand that exists for small medium density dwellings in Richmond. A map in Appendix 6 shows the location of the consents.

A mix of consents have been issued for both infill (where only one other dwelling is usually added) and redevelopment of the site (where the original house is removed and a number of medium density dwellings are built.) Figure 25 below shows both the number of resource consents granted for intensification in RIDA and the net increase in the number of dwellings yielded:

Figure 25: Number of resource consents granted for intensification in RIDA 2018-2023 and net dwelling yield



The average net dwelling yield from intensification in RIDA between 2018-2023 is 15.8 per annum. The yield for 2023 is lower than previous years, similar to 2019. This is likely to be due to the downturn in the economy and impact on the housing developer market. There are a further five current applications lodged in 2023, not yet determined, that would yield a net gain of 13 dwellings if consented.

Figure 26 below compares the intensification consents in RIDA, whether they were infill or redevelopment between 2018 and 2023.

Figure 26: Type of intensification in RIDA 2018-2023

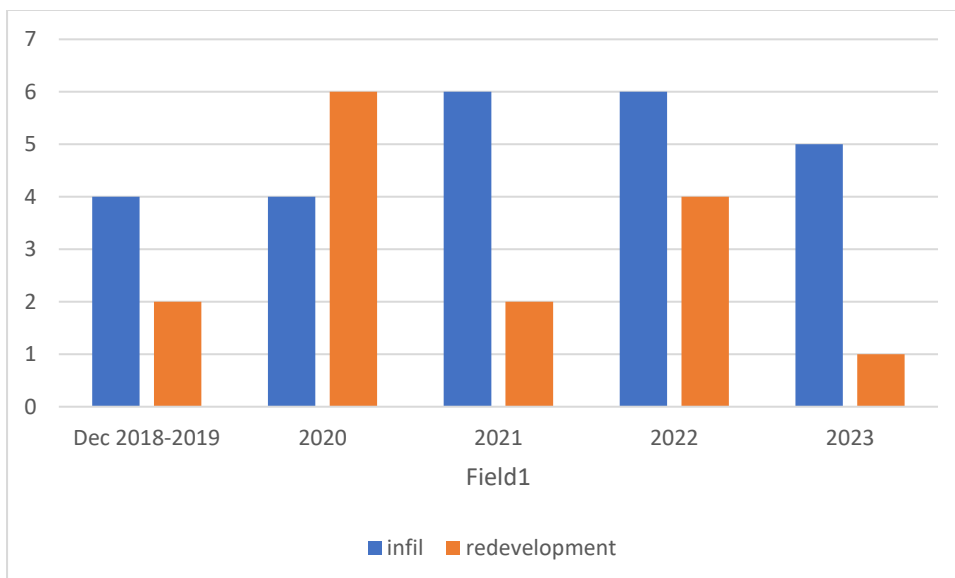


Figure 26 shows that infill accounts for a significant proportion of the intensification taking place in RIDA. 2020 and 2022 saw higher net gains in dwellings because there was more redevelopment of

sites. “Mum and Dad” developers are the vast majority of applicants, with over 70% of all 41 resource consents granted between 2018-2023 made by such applicants, where landowners are often seeking an additional dwelling on their land either for a child or an elderly relative. These usually take the form of infill developments for a second dwelling and are probably a symptom of an unaffordable housing market. Strong demand exists for second dwellings in Tasman according to recent discussions with a local developer. Other applicants in RIDA comprise real estate agents and private developers (both first time and more established), Kāinga Ora, Habitat for Humanity.

With the exception of developments by Kāinga Ora and Habitat for Humanity in RIDA, few of the intensive housing consents have delivered affordable housing.

5.5.4 Uptake of intensification in growth model

The 2022/23 review of Council’s growth model that has informed this HBA based the expected intensification capacity in Richmond on past take up. The net dwelling yield has been 15.8 per annum so far. The growth model has assumed a yield of between 12-19 dwellings per annum in Richmond’s intensification areas, which is likely to be conservative. The yields of the FDS intensification sites are based on the capacity methodology of the FDS, which was subject to much scrutiny during the hearings process. (See section 8 of the report - [Agenda of Submissions Hearing - Tuesday, 31 May 2022 \(infocouncil.biz\)](#) and [Supplementary information for FDS Subcommittee \(tasman.govt.nz\)](#)).

5.5.5 Greenfield Commercial Feasibility

Previous HBAs have used the NPS UDC development feasibility tool to test feasibility of greenfield sites. For this HBA a different methodology has been used. Reasons for not using the feasibility tool include:

- Difficulty in obtaining accurate cost data from developers due to its commercial sensitivity
- The feasibility tool does not reflect the banks’ practices for lending. Therefore, it is not likely to accurately reflect the feasibility at any given time
- During the growth model review, development engineers advice on a developer’s likelihood and timing of bringing sites forward, based on pre-application discussions (NPS UD Implementation clause 3.26 (3b))
- The adopted FDS sites, to be zoned, have largely been proposed by developers and landowners who intend to develop them. Commercial feasibility is again discussed with landowners and developers at the time of rezoning in relation to how the rules may affect their feasibility

According to *“Financiers and Developers: Interviews concerning their interests, relationships, and the residential development process,”* by Laurence Murphy, University of Auckland sponsored by National Science Challenge 2019, there is a strong relationship between the bank risk management practices and everyday developer practices. *“... much of the debate concerning new housing supply in New Zealand has centred on the external factors that have restricted supply. However, in contrast to this narrative, interviewees identified the inherent risks involved in residential development and the ways in which banks operationalise risk management strategies that shape everyday development practices.”* (page 8).

For one interviewee the conditional nature of the banks’ practices were effectively a test of the real feasibility of any development. He stated: *“They will certainly run the ruler over the initial*

feasibilities, but they get their protection through their conditions ... because they'll require eighty or ninety, or in some cases one hundred percent pre-sales before the money actually flows out. And so that's the ultimate test of the feasibility".

Identifying and securing pre-sales is a costly and time consuming exercise for developers. The pre-sales model also favours developers staging their development by superlot, something becoming more common in Tasman. A superlot that you can build 30 homes on is easier to fund as it can be developed in chunks. Chunks of 5, only need three pre-sales and get the funding to go ahead. This shows that developers can derive benefits from piecemeal or small-scale development practices, effectively banking land, releasing it slowly, keeping house prices high.

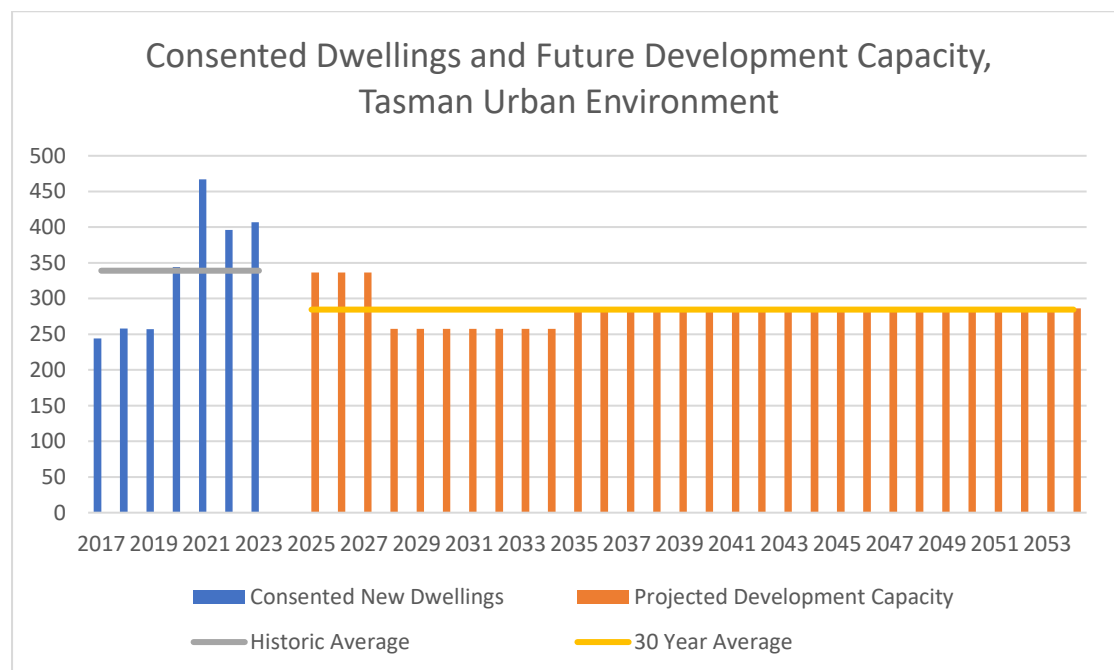
In accordance with implementation clause 3.26 (3) and (4) of the NPS UD, the following methodology has been used for commercial feasibility of greenfield housing -

- assess the number of dwellings that can reasonably be expected using building consents data on the number of sites and extent of allowed capacity that has been developed previously, for the short, medium and long term
- seek advice from the development sector about what factors affect the feasibility of development
- use information on developer's likely timescales and yields for individual sites and only these dwellings are used for the RER capacity

The use of building costs provided for building consent applications was considered but these are often underestimated as they can influence the fee payable.

Figure 27 and table 17 below shows the number of annual building consents 2016-2023 in the Tasman urban environment compared with the projected development capacity in the HBA (reasonably expected to be realised). The projected capacity is below the annual average of consented dwellings for the past four years and is therefore considered commercially feasible.

Figure 27: Annual building consents 2017-2023 and projected capacity in HBA for Tasman urban environment



	Consented Dwellings, Tasman urban environment 2016-2023 (annual average)	Development Capacity reasonably expected to be realised, 2024-2034 (annual average) in Tasman urban environment
Attached (Existing Urban)	64	62
Detached (Greenfield)	275	218
Total	339	280

Table 17 consented dwellings Tasman urban environment 2016-2023 and reasonably expected to be realised capacity 2024-2034

5.6 Residential Demand and Development Capacity – Rest of Tasman District

Appendix 7 sets out the requirements of the RMA in relation to sufficient capacity for Local Authorities such as Tasman, where part of the District falls within the urban environment and part outside. Under the RMA and NPS UD, while there is no obligation to provide sufficient development capacity in Tasman’s rural areas, the HBA has assessed the housing and business land capacity.

Across the rest of the District:

- Moutere has enough capacity to meet demand in the short and medium term but insufficient capacity to meet demand in the long term. Development capacity from the large Rural 3 zone in this area is difficult to quantify but has been estimated based on previous rates of development
- The Golden Bay Ward overall has enough development capacity to meet demand. Capacity in Tākaka is slightly lower than demand in the short and medium terms, but a new wastewater treatment plant is planned to commence within 10 years
- The Lakes-Murchison Ward overall has enough development capacity to meet demand. Murchison may have a slight undersupply in the short term which will be addressed once infrastructure upgrades are completed in the medium term to enable development of the FDS sites in Hotham St and Fairfax St
- Development capacity in the Rural 1 and 2 zones in Moutere and Ward Remainder areas across Tasman (including Riwaka, Kaiteriteri and Marahau) is difficult to quantify but is assumed to be sufficient to meet demand. Capacity exists on vacant lots plus there is potential for second dwellings and subdivision. There are also several rural residential FDS sites in the Ward Remainder areas that will be rezoned, creating additional capacity

Location	Demand	Development Capacity	Demand	Cumulative Development Capacity
	Years 1-10 (2024-2034)		Years 11-30 (2034-2054)	
Moutere¹⁹	610	800	1290	1020 (830 + 190 surplus from Years 1-10)
	Moutere has enough capacity to meet demand in the short and medium term but is not projected to have enough in the long term. Most of the development capacity will be self-serviced. Development capacity from the large Rural 3 zones in this area is difficult to quantify as the rule framework is open to different densities but has been estimated based on previous rates of development.			
Golden Bay Ward (Tākaka, Collingwood, Pōhara/ Ligar/ Tata and Ward Remainder)	360	530	300	580 (410 + 170 surplus from Years 1-10)
	Golden Bay Ward overall has enough development capacity to meet demand for all time periods. In the short and medium term, capacity in Golden Bay towns is mostly from existing zoned and serviced vacant lots and from subdivisions already underway (Rototai Road Co-housing, Park Avenue and Richmond Road subdivisions). Development capacity in Tākaka is slightly lower than demand in the short and medium term due to waste water treatment plant constraints, but this can be met by extra capacity in the rest of Golden Bay. A new wastewater treatment plant is proposed to commence within 10 years. In the long term, sufficient development capacity will be provided in Golden Bay, from FDS sites in and around Tākaka and in Collingwood.			
Lakes-Murchison Ward (Murchison, St Arnaud, Tapawera and ward remainder)	180	260	120	270 (190 + 80 surplus from Years 1-10)
	The Lakes-Murchison Ward overall has enough development capacity to meet demand across all time periods. Murchison may have a slight undersupply in the short term which will be addressed once infrastructure upgrades are completed to enable development of the FDS sites in Hotham St and Fairfax St. Most of the development capacity in St Arnaud and Tapawera is from land which is already zoned and serviced. Tapawera has a small amount of additional long term capacity from the Main Road and Rata Avenue FDS sites.			
Rest of District (Ward remainder areas and small rural settlements such as Riwaka,	550	600	780	795

¹⁹ This area is defined by the Stats NZ SA2 Areas of Moutere Hills and Lower Moutere

Location	Demand	Development Capacity	Demand	Cumulative Development Capacity
	Years 1-10 (2024-2034)		Years 11-30 (2034-2054)	
Kaiteriteri, Marahau)				
Subtotal for Rest of District	1,700	2,190	2,490	2,665 (2,175 + 490 surplus from Years 1-10)

Table 18: Residential demand and development capacity, rest of Tasman District 2024-2054

5.7 Housing Type/Choice/Location

The residential demand section 4.0 of this report examined demand by location and type of dwelling (attached or detached) and for certain groups, including Māori, homeowners, low income households, renters, seasonal workers and older persons. Above sections of this report have explained the extent to which Council is able to meet demand for housing by location, with Motueka being the most problematic area.

There is insufficient capacity for detached dwellings in the Tasman urban environment for the medium term only and this is due to insufficient infrastructure in time.

Section 4.4 illustrated that currently there is an undersupply of attached dwellings in Tasman, when compared to demand. Section 5.2.2 illustrated that over the next 30 years there is also insufficient capacity for attached dwellings in the Tasman urban environment in the short, medium and long terms. The shortfall of attached dwellings is 735 such dwellings over the 30 years (295 in the first ten years). In respect of this shortfall, the forthcoming plan changes referred to on page 54 will strive to enable as many attached dwellings as is commercially feasible. The proposed rules will require a minimum percentage of the lots to have for example an average area of 360 sq m with a minimum of 270 sq m and a maximum of 450 sq m. The remaining lots will have a specified minimum area also.

5.7.1 Different household groups

5.7.1.1 Māori

The eight iwi of Te Taihū have collaborated on a number of initiatives recently including 'Te Kotahi o Te Taihū Charitable Trust' which has aspirations for housing for Māori. The Council will look for opportunities to support and align with these aspirations. A hui was held with Te Kotahi o Te Taihū in 2021 and feedback included that Māori Land as defined in the Te Ture Whenua Māori Act 1993 only relates to 17 limited sites across the Tasman District in Motueka and Golden Bay, many of which are on the coast.

Four iwi of Te Taihū have created 'Ka Uruora' which is providing tools to support and empower whānau on their journey to secure housing opportunities through financial independence. Council will look for opportunities to align with and support these initiatives for affordable healthy homes in our community (e.g. supporting the current papakāinga development at Te Āwhina Marae and renovations at Onetahua Marae).

The existing rates remission policy has been updated, to meet the new legislative requirement to state how it supports the principles sets out in the preamble to Te Ture Whenua Māori Act 1993. Rates remissions are now available for developments on Marae, Māori freehold land or Māori customary land as defined in Te Ture Whenua Māori Act 1993 for not-for-profit social, cultural, ora (health) or educational centre developments or papakāinga.

Rates remission is also available for: Māori freehold land; Māori freehold land converted to general land by status order change pursuant to the Māori Affairs Amendment Act 1967; general land in collective Māori ownership; land transferred and held by a post settlement governance entity from the Crown as a result of a treaty settlement. The purpose of these remissions is to support Māori freehold land to be used in a manner that is determined by the landowners and to remove/reduce barriers that may stand in the way of achieving their aspirations for their whenua such as historic rates arrears.

The development contributions policy 2024 enables a remission for developments on Marae, on Māori freehold land or Māori customary land, as defined in Te Ture Whenua Māori Act 1993, for not for profit social, culture, ora, or educational centre developments and papakāinga.

The demand section of the HBA shows that there are more Māori both on the public housing register and Nelson Tasman housing Trust's tenancy list than the proportion of Tasman's population identifying as Māori. The greatest concentration of Māori residents in Tasman is in Motueka. However, Council is constrained in its ability to provide housing land capacity here due to natural hazards and low lying land, as well as the land being highly productive. A high proportion of Tasman's Māori population also live in Richmond and as shown by the sections above this is an easier location for Council to provide housing capacity. In fact, Richmond provides for partial shortfalls in other towns including Motueka.

During engagement with ngā iwi on resource management matters, Council learnt that provision for papakāinga is too limited in Tasman's resource management plan. In the Residential Zone of the TRMP, papakāinga development is enabled as a controlled activity however the land concerned must be Māori customary land, Māori freehold land, or general land owned by Māori, as defined in Section 129 of Te Ture Whenua Māori Act 1993 and the land must be vested in a Trust. The issues and options paper prepared for the new resource management plan concluded that it needs to be more enabling of locations where papakāinga is allowed. This will be progressed once there is more certainty around the changes to RMA legislation the current coalition government is intending.

Ngā iwi of Te Taihū were involved in the preparation of the FDS 2022-2052. Council sought details of ngā iwi's housing proposals so that they could be assessed in the FDS as potential sites. A small number were adopted in the FDS. Consultation on future plan changes to rezone the FDS sites will again occur with ngā iwi (under s.3B of Schedule 1 of the RMA) and will check whether there are any new proposals by iwi in the relevant towns.

5.7.1.2 Low-income households

Low incomes and housing affordability is an issue across the District, but Motueka and Golden Bay have the highest proportion of households on relatively low incomes and a greater need for affordable housing options. As stated elsewhere, Council is constrained in its ability to provide significant housing capacity in Motueka. However, Council prioritised servicing of Motueka West for housing in its LTP 2021-2031 and this is now partially complete. Once this is complete it will enable 200 medium density leasehold dwellings proposed by Wakatū. It is hoped these will be more affordable since the occupants will lease the land (durations of 100-150 years), making the cost of dwellings cheaper.

In Golden Bay, further work is required but the Mohua affordable housing project has built five houses in Golden Bay since the last HBA, most for rent. They have resource consent for a further three dwellings.

During 2023, 32 homes have come on stream provided by Nelson Tasman Housing Trust, Kāinga Ora and Habitat for Humanity in Nelson and Richmond and more are in the pipeline. Council has assisted where it can with helping community housing providers (CHPs) with exemption from development contributions since 2021 for example. From 1 July 2024, Council will also offer partial rates remissions for CHPs and rating units that provide Papakāinga. Council continues to work with CHPs in offering Council owned land to assist with projects and dedicated resource consent advice.

Kāinga Ora currently owns 179 homes in Tasman District which house 426 people. Most of these are situated in Motueka. Kāinga Ora announced in October 2023 that it hopes to deliver 270 homes in Nelson and 35 homes in Tasman by 2026. However, of the 35 homes destined for Tasman, 22 homes are already built and occupied. The reason for the lower numbers in Tasman is apparently due to the historic lack of Kāinga Ora owned sites in the District that can be redeveloped at higher densities, compared with Nelson.

A business survey in August 2023 by the Nelson Regional Development Agency found that 25% (86 in no.) of businesses identified that improved employment, housing and social conditions are likely to have the biggest impact on their business in the coming year.

Council held another workshop on affordable housing in August 2022, forming part of the LTP 2024-2034 workstream. Council already undertakes much work related to trying to improve housing affordability including:

- Advocating to Central Government to enable Councils to require inclusionary zoning as part of the RMA reform package
- Providing guides on tiny homes and building intensification
- Providing a discount for small dwellings from development contributions
- Growth and capacity monitoring and planning required under the NPD-UD
- Investigating a place based partnership with Ministry of Housing and Urban Development
- Investigating an urban development entity to encourage intensification

The workshop considered a range of other financial and regulatory mechanisms to improve housing affordability. Workstreams proposed as a result of the workshop include:

- Plan Change to update rules for seasonal worker accommodation, to make the definition more fit for purpose

- Continue to assist Community Housing Providers by making land available for future development, including potential infill on Council’s community housing sites
- Continue to advocate to Central Government to discourage developer covenants on subdivisions
- Consider creating a subdivision navigator role within Council.

While the FDS 2022-2052 seeks intensification to provide for nearly half of its capacity across the region, intensive dwellings so far (where market housing), are not affordable homes. They are often more expensive than less dense developments. For example:

- Corner of Oxford and Queen Street – three bedroom townhouses \$1.29M (2022)
- 2/11 Florence Street – two bedroom townhouse \$780K (2021)
- 15B Lowry Street offers over \$799K (2023)

5.7.1.3 Renters

The Housing Preferences Survey 2021 showed that the most important factor in choosing where to live, is the location. The location was ranked as most important by 46% of rental respondents – twice as high as the next most important factors, house type (23%) and dwelling features (21%). This underlines the importance of Council providing zoned serviced residential land in all locations of the District and highlights the problem with e.g. Richmond providing for some of Motueka’s capacity due to constraints there.

Council has considered measures to assist the rental market, mainly by assessing the impact of holiday homes on the permanent rental supply. Concepts include attaching covenants in consent notices that properties are not to be used for holiday homes or use of a targeted rate for holiday homeowners. However, monitoring and compliance issues have prevented such measures from being implemented.

The new Government proposes to change the bright-line property rule (which currently is 10 years for existing properties, 5 years for new properties), where if you sell a property you have owned for less than 5-10 years, you may have to pay income tax on any gain in the sale. The rule does not apply to properties acquired before 2015. The new Government proposes to reduce this period of ten years to two years (whether the house is old or new) and to restore interest deductibility for rental properties. This may lead to more house purchases by investors in due course, (depending on changes in interest rates), which although potentially jeopardising first time buyers, may increase the rental supply.

5.7.1.4 Older people

TDC’s research in 2018 on housing issues for older people, found increasing demand for smaller houses (consistent with the Housing Preferences Survey 2021) and demand for affordable rental properties. It also found a general preference to ‘age in place’ in the same community, with some level of independence rather than in residential care. This is consistent with previous consultations on Plan Changes and the FDS.

Plan Change 81, implementing FDS sites, will enable smaller home opportunities in all the Tasman urban environment. Council knows that a significant proportion of older people do not wish to live in retirement villages and is therefore proposing to enable smaller homes in its major towns.

For those older residents who do wish to live in a retirement village, there are currently 291 more units in development²⁰.

5.7.1.5 Visitors

In terms of housing type, demand for holiday homes is not significant within the urban environment but it is highly significant for parts of rural Tasman. According to 2018 census data, 62% of Pōhara, Ligar Bay, Tata Beach dwellings are unoccupied; 52% of dwellings in Marahau are unoccupied; 68% of dwellings in Kaiteriteri are unoccupied; and 76% of dwellings in St Arnaud are unoccupied.

Tasman’s growth model demand calculation includes holiday house demand, hence some capacity is provided for visitors.

There are also a number of campsites and caravan parks in the region. As evidenced in the survey by Nelson Tasman Housing Trust 2023, several campsites do either not allow permanent stayers, or limit the length of stay to 50 days over Summer at least. This is to prevent permanents and seasonal workers from monopolising the visitor accommodation. This in turn obviously has negative connotations for such household types.

Rental listings on Air bnb have been monitored for Tasman since 2018. Table 19 below shows that in late Summer around 1,000 active rentals is typical for Tasman and in Spring (September) 700-800 are typical:

	March 2018	Sept 2018	March 2019	Sept 2020	April 2021	Sept 2021	March 2022	Sept 2022	March 2023	Sept 2023
Entire Home	525	400	946	615	813	617	840	618	895	713
Private Room	311	209	314	132	209	140	170	123	162	90
Shared room	11	8	10	5	2	3	4	3	7	5
TOTAL ACTIVE RENTALS	847	617	1270	752	1024	760	1014	744	1064	822

Table 19: Air bnb listings Tasman 2018-2023

There are a number of other holiday home websites in existence for Tasman, that are not monitored, therefore this only represents a proportion of the holiday accommodation available. On Airbnb alone this is a significant number of dwellings that are available for visitors to Tasman. Conversely these properties are not available for long term rental for at least part of the year.

Section 3.6 of this HBA explains how Councils’ growth model projects and seeks to provide for holiday home demand.

5.7.1.6 Seasonal worker accommodation

Central Government changed the rules in 2019 for Tasman, over the type of accommodation RSE employers can offer workers. RSE employers cannot rent a residential house they have not

²⁰ Presentation to Tasman Positive Ageing Forum, 5 September 2023

previously used as accommodation for RSE workers. The fact Council's survey shows so many respondents rent properties suggests either the house was included in an Agreement to Recruit (ATR) for the RSE worker approved before 26 September 2019, or the properties are used to house employees outside of the RSE scheme. Innovative methods used by growers to provide accommodation for seasonal workers include renting a block on another grower's site nearby, or use of motor camps and motels. However, the Labour Inspectorate checks accommodation for RSE workers to ensure it meets Immigration NZ's standards and the Government's healthy home standards. This can lead to sunset dates being imposed for use of certain accommodation that do not meet these standards e.g. some campsites.

Central Government's 2019 rules also mean that RSE employers must provide purpose-built accommodation as soon as they can, on the site of the employers, but they are still able to buy dwellings and convert them.

There have been a number of resource consents either granted or applied for/still being processed, since the last HBA, for worker accommodation including:

- Mariri - Wairepo Holdings Ltd relocation of a house needed for horticulture, coolstore and packhouse workers (RSE and NZ resident workers) - apples and peonies. The company had investigated the purchase of other rural properties close to their current orchard operations. However, a feasible off-site option that is also likely to meet with Council consenting requirements had not been secured for that purpose
- Wildman Road Motueka – Moutere Holdings Ltd for workers accommodation camp for 17 people, (RSE workers) involving relocatable dwellings – Orchard
- Main Road, Moutere – Moutere Holdings Ltd for workers accommodation (RSE workers) for up to 25 people using relocatable units - Orchard
- Dehra Doon Road, Riwaka – Heywood Orchards Ltd for three seasonal worker units
- Wangapeka Plan Road, Tapawera – Centurion Ltd for workers accommodation – hops
- Tutaki Road South (Mount Ella Station), Murchison – Freestyle South Ltd for four accommodation units – hops, to be NZ's largest hops garden
- Aniseed Valley Road, Hope – WPM Holdings Ltd for RSE replacement worker accommodation for up to 20 persons, previously lost due to a fire - orchard
- Lower Queen Street, Richmond; Redwood Rd Appleby; and Waimea West – Wai-West for workers accommodation, including for RSE workers, for up to 160 workers at three sites – apples, berryfruit and kiwi fruit
- Umukuri road, Riwaka – Brooklands Riwaka Ltd subdivision and land use consent for six dwellings for workers accommodation – horticulture
- Main Road, Riwaka – NZSF Rural Land Ltd for six accommodation blocks for workers accommodation (including RSE workers) for up to 300 people – horticulture
- Wairoa Gorge Road, Brightwater – MacKenzie for land use consent for a two room workers' accommodation unit

All the above proposals have been granted resource consent, except for the current applications by NZSF (lodged Sept 2023) and MacKenzie (lodged December 2023). While there may be individual issues with applications, the Council is enabling accommodation for seasonal workers.

None of the above applicants responded to the Council's survey in 2020 on accommodation needs. This shows the level of demand for accommodation in Tasman, in that these proposals are in addition to the anticipated demand by the growers that did take part in the survey. However, most

of the growers above are employing RSE workers and therefore are obliged to provide purpose-built accommodation on their land.

In 2019, Wakatū Incorporation purchased Fernwood holiday park in Motueka (Quayle Street) for use as horticultural seasonal worker accommodation, (primarily for RSE workers), for up to 125 persons. In 2020 resource consent was granted to allow additional buildings to be relocated onto the site. Wakatū made this purchase because providing purpose-built worker accommodation is expensive and apparently difficult to obtain resource consent for. This shows the pressures seasonal workers' accommodation is placing on tourist facilities as well as rental stock.

Other recent purchases of motels/backpackers and campgrounds for RSE worker accommodation in Motueka include:

- Abel Tasman motel, 45 High Street Motueka - now owned by Birdhurst
- Hat Trick Lodge backpackers, 25 Wallace Street Motueka – now owned by Fairfield Orchards
- Bakers Lodge backpackers, 4 Poole Street Motueka – now owned by Birdhurst
- The Park motel, 2 Avalon Court Motueka – now owned by Talleys for seasonal workers
- The Motueka Garden Motel at 71 King Edward Street in Motueka is currently on the market.

In addition a number of dwellings in Motueka have been purchased for seasonal worker accommodation.

Council is aware of the outdated nature of its rules on seasonal worker accommodation in the TRMP. The existing definition of workers' accommodation assumes a certain model of now outdated accommodation with the cooking facilities and bathrooms having to be separate from sleeping accommodation. This model excludes purpose-built facilities, where cooking and ablution facilities are provided in the same building as the bedrooms, which is sought after. The current definition also assumes facilities are provided on the site of the growing operation, whereas the trend now is for accommodation to be provided off-site which more than one grower can use. The existing definition means many resource consent applications currently fall to be considered as Restricted Discretionary applications. Officers are proposing a plan change with a less prescriptive, more enabling definition of seasonal worker accommodation, but also a policy that avoids subdivision of buildings that were previously established as workers accommodation. Provision of accommodation off site will also be enabled.

Another issue for seasonal worker accommodation is related to the new National Policy Statement on Highly Productive Land which now means that worker accommodation is potentially an inappropriate use where it is not supportive of the activities on the land. So, for accommodation off-site this could be an obstacle.

5.8 How Planning and Infrastructure Decisions impact the Competitiveness and Affordability of the Local Housing Market

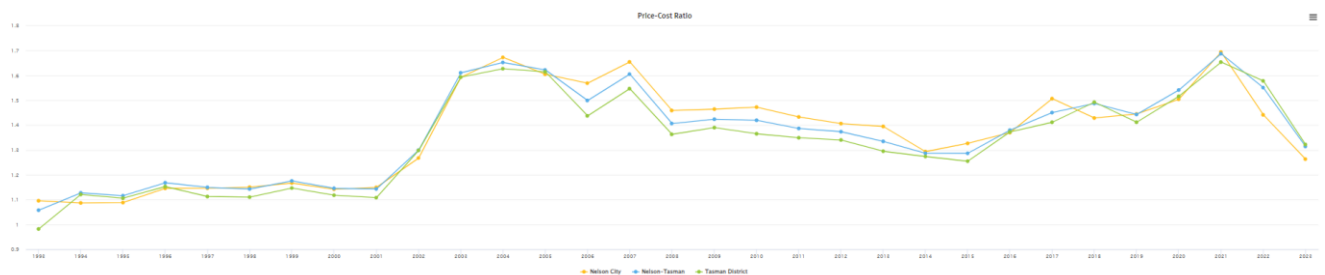
In TDC, land is proposed for zoning for housing when there is certainty over the infrastructure solution, in discussion with developers. Longer term potential capacity is identified in the FDS 2022-2052. The shortfall of capacity in the medium term in the urban environment may have an impact on affordability of housing by restricting new capacity. However, its impact is likely to be small as the shortfall of new homes (365 in total) is small, at 4% of the overall 30 year capacity. The shortfall of capacity in the medium term is largely due to insufficient infrastructure in time. Housing

affordability is an issue across the whole Tasman District, but worse in Golden Bay and Motueka. Motueka is constrained for further zoning due to natural hazard constraints, low lying land and highly productive land.

5.9 Housing price/Cost Ratio Indicator

This is the gap between house prices and construction costs in the Nelson Tasman urban environment for standalone dwellings i.e., the cost of the land. The indicator assumes that if the cost of land is significant and/or increasing, relative to building costs, there is a shortage of sections relative to demand. The price-cost ratio is 1.5 when the cost of a section (land) comprises one-third of the house price. Therefore, the 1.5 price-cost ratio is used as a benchmark for assessment as it signals that the supply of land is relatively responsive to demand. If sufficient development opportunities exist, the ratio should be below 1.5 most of the time. Figure 28 below shows that the price-cost ratio for Nelson-Tasman peaked most recently in 2021 at 1.69 before dropping. The latest ratio of 1.31 indicates that the Nelson Tasman urban environment supply of land is relatively responsive to demand.

Figure 28: Housing price/Cost Ratio (MHUD)



5.10 Impacts of other housing markets

The latest Stats NZ population estimates (October 2023) demonstrate that some of the tier 1 Authorities are still losing population in the year ended June 2023 due to net internal migration:

- Auckland net loss of 11,200 people
- Christchurch City net loss of 940 people
- Wellington City net loss of 1500 people

Infometrics reported in November 2023 that during 2021/22, 24% of the internal migration flows from Auckland went to the South Island. These losses have been occurring since 2020 during the covid pandemic and while they have reduced over time, it perhaps helps explain why over 80% of Tasman’s population increase of 730 people during 2022-23 is from net internal migration. The population projections procured from Dot Consulting for this LTP reflected the “exceptionally high net migration for Tasman” by adjusting the baseline migration assumptions for the early part of the 30 year period.

Tasman has experienced a trend of net internal migration gains for many years and the FDS 2022-2052 considered both a high and medium growth scenario, for both Tasman and Nelson, in order to plan for higher than expected population gains. 30 years’ capacity for housing and business land has therefore been found for both growth scenarios.

5.11 Planning decisions and the likely current and future effects of climate change

Policy 1 of the NPS UD seeks planning decisions that contribute to well-functioning urban environments. Such environments should be resilient to the likely current and future effects of climate change and support reductions in greenhouse gas (GHG) emissions. This section of the HBA explains how future growth areas in Tasman will meet these requirements.

5.11.1 Future Development Strategy 2022-2052

The FDS has ensured that future housing and business development locations will be resilient to the likely current and future effects of climate change as well as supporting reductions in GHG emissions. Addressing climate change impacts informed many of the core components of the FDS including the overall strategy, the multi criteria assessment of different potential sites, as well as the FDS' objectives. Climate change advice from the Ministry for Environment estimates that sea levels in Tasman could rise in the order of 2m by 2130 (based on Shared Socio-economic Pathway 8.5 climate change scenario and vertical land movement).

Constraints mapping for the FDS which informed the site assessments included:

- Coastal Inundation (Scenario: 2m Sea Level Rise and 1% Annual Exceedance Probability (AEP) Storm-tide)
- Inundation also affecting rivers
- Coastal erosion
- Ground conditions – fault hazard, liquefaction risk and land instability

For Tasman, no sites were included in the FDS that are subject to sea level rise. They were discounted due to the larger size of the District and availability of choice of other sites not subject to such constraints.

In terms of supporting reductions in GHG emissions for future development, weighting of the public and active accessibility assessment criterion for potential development sites, acknowledged the importance of accessibility in contributing to reducing GHG emissions. The core part of the FDS (growth focused mainly along SH6) prioritises intensification as much as it can close to existing and proposed public and active transport, while being realistic about how much housing the local market can deliver.

GHG modelling was undertaken for the FDS by officers at TDC of future household transport emissions, in the absence of direction from Central Government. The model illustrates the different development patterns, VKTs travelled, future transport changes and resultant impact on transport related GHG emissions of different locations. The FDS can reduce household transport emissions by 94% of current emissions by 2050. While this is not the 100% reduction needed, no other spatial scenario reached that target, even intensification only assuming an unrealistic uptake rate of 45%.

The FDS provides for a high growth scenario in both Nelson City and Tasman District. Currently it is only Tasman that is experiencing high population growth, and this could slow down. The annual FDS implementation plans will consider population growth trends, housing demand and uptake of intensification. The implementation plan can then propose the proportion of intensification and greenfield areas that are enabled by rezoning and rule changes in Plan Changes across the regions. The Plan Changes will need to address how to minimise GHG emissions.

In May 2022 the Government's first Emissions Reduction Plan was launched. Action 7.4 is to assess the extent to which existing urban development and infrastructure policy programmes (e.g. NPS UD) are aligned with emissions-reduction goals. This acknowledges the tension that exists currently in Government policy between reducing emissions but providing housing. Chapter 10 of the Emissions Reduction Plan considers transport. Action 10.1.2 is to set sub-national VKT reduction targets for tier 1 and 2 urban environments by the end of 2022. However, in March 2023, the Government advised tier 2 urban environments (such as Nelson and Tasman) that preparation of vehicle kilometres travelled (VKT) reduction plans, to reduce total VKTs by cars and other light vehicles was a priority for tier 1 urban environments. For tier 2 urban environments, the focus was to be more on slowing the growth in vehicle traffic.

The FDS 2022 focussed on slowing the growth in vehicle traffic by predominantly consolidating housing growth in a corridor from Atawhai to Wakefield, where public transport, and walking and cycling, can be most efficient and effective.

5.11.2 Current urban environment and resilience

Following cyclone Gabrielle in 2023 the Government acknowledged that national direction is required through existing RMA tools to ensure that new development is not located in areas where they may be vulnerable to natural hazards, either now or in the future. This is an interim step, acknowledging that existing RMA plans will still be in action for another 10 – 15 years while regions transition to the new legislation under the RMA reform. The Climate Adaptation Act is awaited.

In 2020, Council prepared a Coastal Risk Assessment, to understand Tasman Bay and Golden Bay's vulnerability to coastal storm inundation and sea level rise considering different sea level rise scenarios. The assessment identifies assets, property, infrastructure and facilities (known as 'elements at risk') that may be vulnerable, using readily available datasets. From this work, Council estimated 8,400 people are located in low-lying coastal areas that are vulnerable to coastal storm inundation and sea level rise. Approximately 5,000 of those people are located in the Motueka – Riwaka coastal area, followed by 1,000 people in the Māpua – Ruby Bay coastal area. Motueka is Tasman's largest town that will be affected by coastal storm inundation and sea level rise. The cost to repair damage, or to replace or relocate over the longer term will be significant. Infrastructure in low lying areas, such as pipes, pump stations, treatment plants, roads and footpaths could be vulnerable to coastal erosion and inundation.

A Nelson Tasman Regional Climate Change Risk Assessment tool is currently being prepared which will consider climate-related risks to our area and will be used to inform Council functions including risks to our infrastructure. Council will need to build more resilient infrastructure services that can cope during times of major disruption or that can be restored quickly. Planned improvements include the provision of backup power generators and additional storage capacity, water reservoir construction, and relocation of the Motueka wastewater treatment plant. Consideration will need to be made in the longer term for the future relocation and capacity upgrade of the Tākaka wastewater treatment plant. These improvements will be the start of a wider programme of work that will be necessary in order to improve resilience to an adequate level.

As part of the LTP 2024-2034 work programme, 'community adaptation plans' will be developed with the communities. The work done to date regarding coastal management (coastal hazards and sea level rise) needs to be widened to include all hazards, as well as the range of potential options (e.g. avoid, protect, retreat, accommodate). The intention would be to start with a pilot in one community, likely Motueka and then roll the framework out systematically across the district.

6. Business Land Demand and Capacity

The two Councils jointly commissioned an assessment of business land demand for each city/district as well as the Nelson Tasman urban environment in 2021.²¹ This model has been updated in 2023 using the DOT medium population projections. Business land capacity has been estimated using Council's Growth Model.

There is sufficient business land for the Tasman urban environment and for the total rest of the district for the 30-year period. Compared with projected demand, there is significantly more business land capacity than needed. This allows for the Tasman urban environment to meet Nelson's business land requirements²², and/or provide capacity if actual business land demand is higher than forecast.

6.1 Introduction

The NPS UD requires business land capacity to be suitable for each business sector and this must include suitability in terms of location and site size.

The amount of development land capacity reasonably expected to be realised across the District, for both residential and business development, is based on the following information and assumptions in Council's growth model:

- an initial assessment of developability of large areas of the District, taking into account factors such as hazard risk, productive land value, ability to service, and settlement form
- geo-spatial data on developable land area, including terrain, topography, wetlands and waterbodies, overland flow paths, and existing buildings
- excluding land available for development that is required for other uses, such as stormwater infrastructure, roads, community facilities or open space
- consideration of adopted future sites in the FDS 2022-2052
- current and future zoning and density, including typical lot size
- recent building consents, subdivision consents and applications
- development engineers' and consents staff's knowledge of timing of forthcoming development proposals together with landowner and developer interest
- the location and timing of infrastructure capital works in the LTP 2024-2034, including the Infrastructure Strategy.

Section 6.4 shows the plan-enabled, infrastructure-ready, and suitable business land development capacity for Tasman's urban environment, for the short, medium and long term as required under clauses 3.25 (1) (c) and 3.29 (1) of NPS UD and compares this capacity to the demand for new business land, and the demand including the competitiveness margin. The NPS-UD requires Council to provide an additional margin of feasible development capacity in the urban environment which is 20% above the projected demand for the next ten years, and 15% above the demand projected for the next 11 to 30 years.

²¹ Demand for business land in the Nelson and Tasman shared urban environment – from today's economy to future needs, Sense Partners (June 2021)

²² Refer to Joint Nelson Tasman Housing and Business Assessment 2024

6.2 Demand for Business Land

6.2.1 Demand methodology

The Sense Partners model (2023 update, DOT medium population projections applied) projects demand for business land in hectares for retail, commercial, and industrial land use types, for Nelson City and Tasman District. Council’s growth model measures business demand and capacity in hectares for retail/commercial and industrial land use types. Business land demand for the Tasman urban environment and other towns was calculated from these projections for Tasman District, by allocating future demand based on each town’s proportion of jobs by industry.

The NPS UD requires councils to identify business sectors in any way it chooses but as a minimum distinguish between commercial, retail or industrial. Unfortunately, these business types do not match Tasman’s zoning in the TRMP. In the TRMP there are central business, commercial, light industrial, heavy industrial, rural Industrial and mixed business zones. Separate retail zones do not exist. Retail could locate in CBD zoned locations in Richmond and Motueka, commercial zones or mixed business zones (Richmond and Motueka only). The mixed business zone provides for business and commercial activities and acts as a buffer between the residential and light industrial zone. It also provides for a range of large format retail activities which are car borne, often involving bulky goods and which are not provided for in the central business zone, such as trade activities and outdoor display and sales areas. Therefore, business demand and capacity for retail and commercial is combined in the assessment below and includes the mixed business zone capacity.

Using the medium growth population projections, according to the Sense Partners 2023 model, table 20 shows the demand for industrial and retail/commercial business land in the Tasman urban environment.

	Industrial		Retail/commercial	
	2024 - 2034 (10 years)	2034 - 2054 (20 years)	2024-2034 (10 years)	2034-2054 (20 years)
Business land demand in hectares				
Richmond	2.82	4.27	1.78	2.12
Brightwater	0.60	0.91	0.03	0.03
Wakefield	0.14	0.21	0.05	0.06
Māpua/Ruby Bay	0.08	0.12	0.15	0.18
Motueka	1.72	2.61	0.84	1.00
Subtotal of urban environment	5.36	8.12	2.85	3.39

Table 20: Business land demand in hectares and by type, Tasman urban environment

The business land demand forecasts in this HBA are significantly different from the last HBA and are generally lower for Tasman (although industrial land forecasts for Nelson are significantly higher). The last HBA used forecasts from Property Economics 2016 forecasting model, updated with 2021 population projections. This HBA is using Sense Partners 2023 model, updated with 2023 population projections. The models use different assumptions and methodology which result in different forecasts.

Given the uncertainty in assessing business land demand and capacity in towns, it is important for Council to keep up to date with anecdotal evidence of shortages of sites for particular businesses, through discussions with applicants and developers. In addition, the surplus of business land in the Tasman urban environment is providing capacity for Nelson’s shortfall of commercial and retail and

industrial land in the medium and long terms— as explained in the joint Nelson Tasman urban environment HBA.

6.2.2 Alternative projections

Based on building consents for 2016-2022, business land in the Tasman urban environment has typically developed at an average rate of 0.5ha a year of retail/commercial land and 2.1ha a year for industrial land. If these rates continue, the Tasman urban environment would require 15ha of retail/commercial land and 60ha of industrial land over the next 30 years.

6.3 Competitiveness Margin for business land

As with residential land, the NPS UD requires a competitiveness margin to be applied to the urban environment for business land, which is 20% above the projected demand for the next ten years, and 15% above the demand projected for the next eleven to thirty years.

	Industrial		Retail/commercial	
	2024 - 2034 (10 years)	2034 - 2054 (20 years)	2024-2034 (10 years)	2034-2054 (20 years)
Demand for Business Land	5.36	8.12	2.85	3.39
Competitiveness Margin	1.07	1.22	0.57	0.51
Demand including Margin	6.43	9.34	3.42	3.90

Table 21: Business land demand plus competitiveness margin, in hectares, by type, Tasman urban environment

6.4 Business Land Capacity

6.4.1 Plan enabled, infrastructure ready and suitable development capacity

Table 22 shows business land demand for the Tasman urban environment and the plan-enabled, infrastructure-ready and suitable development capacity. The NPS UD requires business land capacity to be suitable for each business sector and this must include suitability in terms of location and site size.

	Industrial	Retail/commercial
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			(incl mixed business)	
	2024 - 2034 (10 years)	2034 - 2054 (20 years)	2024-2034 (10 years)	2034-2054 (20 years)
Demand including Competitiveness Margin	6.43	9.34	3.42	3.90
Plan-Enabled Capacity	29.67	28.33	50.03	26.77
Plan-Enabled and Infrastructure-ready Capacity	29.67	28.33	50.03	26.77
Total Development Capacity (Plan-Enabled, Infrastructure-ready, and Suitable)	29.67	28.33	44.33	32.47
Difference between Development Capacity and Demand Including Margin	+23.24	+18.99	+40.91	+28.57

Table 22: Business land demand and capacity in hectares, by type, Tasman urban environment

Table 22 shows that:

- for the 30-year period, there is sufficient industrial business land in the Tasman urban environment
- for the 30-year period, there is sufficient retail/commercial business land in the Tasman urban environment

If actual demand is higher than projected and is more similar to past trends, the Tasman urban environment would require 15ha of retail/commercial land (instead of 7.33ha) and 60ha of industrial land (instead of 15.77ha). There is sufficient capacity to meet this demand.

6.4.2 Business land capacity by town in the urban environment

In terms of individual towns in the Tasman urban environment, there is a greater degree of uncertainty when estimating business land demand for smaller geographies, than for the urban environment as a whole. However, as table 23 shows below, estimates indicate small deficits in industrial land in Brightwater and Wakefield in the medium term, until rezoning and infrastructure projects can enable significant new capacity in the long term. The medium term deficit can be offset by a surplus of industrial land in Richmond, which is in close proximity. There is also potentially a deficit in industrial land in Māpua in the long term, which can be offset by surplus industrial land in both Richmond and Motueka.

	Industrial	Retail/commercial
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	2024 - 2034 (10 years)		2034-2054 (20 years)		2024-2034 (10 years)		2034-2054 (20 years)	
	Demand (incl margin)	Capacity	Demand (incl margin)	Additional Capacity	Demand (incl margin)	Capacity	Demand (incl margin)	Additional Capacity
Richmond	3.38	25.10	4.91	0	2.14	40.07	2.44	21.80
Brightwater	0.72	0.11	1.05	4.00	0.04	0.20	0.03	0
Wakefield	0.17	0	0.24	11.00	0.06	0.52	0.07	0
Māpua/Ruby Bay	0.10	0.17	0.14	0	0.18	0.60	0.21	0
Motueka	2.06	4.29	3.00	13.33	1.01	2.94	1.15	10.67
Subtotal of urban environment	6.43	29.67	9.34	28.33	3.42	44.33	3.90	32.47

Table 23: Business land demand and suitable capacity, in hectares and by type, towns in urban environment (red indicates a deficit where a surplus from earlier period cannot be carried over)

Given the greater uncertainty in assessing business land demand and capacity in small towns, it is important for Council to keep up to date with anecdotal evidence of shortages of sites for particular businesses, through discussions with applicants and developers. In addition, the surplus of business land in the Tasman urban environment is providing capacity for Nelson’s shortfall of commercial and retail and industrial land in the medium and long terms– as explained in the joint Nelson Tasman urban environment HBA.

6.5 Business Land Demand and Capacity for Rest of District

The following table compares business land demand and capacity for the small rural towns outside of the urban environment. Demand has been estimated based on current employment numbers by industry but there is a high degree of uncertainty in these forecasts. However, the assessment indicates there is sufficient business land in Golden Bay as a whole (Tākaka, Pōhara, Collingwood) and Lakes-Murchison as a whole (Tapawera, Murchison and St Arnaud).

While there is likely to be some business land development in rural areas outside of these towns, the amount and location is difficult to predict or quantify. The surplus of business land capacity in rural towns and in the urban environment may also provide for the estimated business land demand for the rural remainder of the district (land outside towns).

Given the greater uncertainty in assessing business land demand and capacity in smaller towns and rural areas, it is important for Council to keep up to date with anecdotal evidence of shortages of sites for particular businesses, through discussions with applicants and developers.

	Industrial		Retail/commercial	
	2024 - 2034 (10 years)	2034 - 2054 (20 years)	2024-2034 (10 years)	2034-2054 (20 years)
Business demand in hectares				
Golden Bay towns (Tākaka, Collingwood, Pōhara)	0.46	0.70	0.42	0.50
Lakes-Murchison towns (Murchison, Tapawera, St Arnaud)	0.09	0.14	0.04	0.05
Rest of District (Moutere, Rural remainder and small rural settlements such as Riwaka, Kaiteriteri, Marahau)	3.42	5.18	0.66	0.78
Subtotal for Rest of District	3.97	6.02	1.12	1.33
Business capacity in hectares				
Golden Bay towns (Tākaka, Collingwood, Pōhara)	14.10	7.50	2.22	1.00
Lakes-Murchison towns (Murchison, Tapawera, St Arnaud)	2.92	0	1.76	0
Rest of District (Moutere, Rural remainder and small rural settlements such as Riwaka, Kaiteriteri, Marahau)	Difficult to quantify			
Subtotal for Rest of District	Difficult to quantify			

Table 24: Business land demand and capacity, in hectares and by type, Rest of District

The amount of business land development capacity in the rest of the District is difficult to quantify as it is a large area which is mostly zoned Rural 1 and 2 with some zoned rural industrial (unserved). In these zones, home occupations are a permitted activity, and industrial and commercial activities are controlled or restricted discretionary activities which are likely to get consent (subject to conditions being imposed).

6.6 Any Insufficient Business Capacity

There is sufficient business land across the 30-year period for the urban environment as a whole, and for the rest of the District overall.

6.7 Suitability of Business Land Capacity (location and site size as a minimum)

In October 2020, Council undertook a survey of 500 businesses in the region. The aim of the survey was to understand whether zoned business land (and future business areas) is of the right type in the right location, ensuring that all businesses are provided for. A summary of the responses is provided below.

Survey of Tasman Businesses 2020

- 195 businesses responded (40%)
- 70% of the 195 businesses employ 10 or less people
- Amount of floorspace occupied is also small on average – of the 121 businesses that answered this question, 65% occupy 1,000 sq m or less
- 36% of businesses stated that their current site and/or buildings meets their current space requirements
- 19% of businesses stated there was not enough space
- In terms of quality of current premises, 88% of respondents to this question rated the quality of their buildings as average to excellent
- 26 (13%) businesses require more floorspace and 18 (9%) businesses require more land
- Of those 13% businesses that require more *floorspace*:
 - 15 respondents require less than 500 sq m
 - 5 respondents require between 500-1,000 sq m (Brightwater, Spring Grove, Richmond, Motueka)
 - 4 respondents require between 2-3,000 sq m (Richmond, Riuwaka, Motueka)
 - 2 respondents require more than 5,000 sq m (Motueka, Marahau)
 - Of those wanting more than 500 sq m in floorspace, there are retail and commercial businesses, a construction contractor, a manufacturer and 4 engineering workshops
 - In terms of the larger floorspace requirements (more than 3,000 sq m) these comprise a horticulture company, a manufacturer and a holiday park.
- Of those 9% businesses that require more *land*:
 - 7 respondents require 500 sq m or less
 - 4 respondents require between 1-5,000 sq m (Richmond, Brightwater)
 - 3 respondents require between 5-10,000 sq m (0.5-1ha) (Motueka)
 - 3 respondents require between 10-20,000 sq m (1-2 ha) (Richmond, Motueka)
 - 1 respondent requires more than 2ha (2.5ha) (Golden Bay)
 - Of those wanting more than 1,000 sq m of land, there is a haulage company, two manufacturers, two engineering companies and a recycling business
 - Of those wanting more than 10,000 sq m (1ha) of land there are two construction contractors, a manufacturer, a commercial business and an engineering company.
- 83% of businesses (122 respondents answered this question) are not planning to relocate in the short term, with just 9% of businesses planning to relocate in the next 5 years
- Of the businesses considering relocation, most need industrial units or manufacturing/ workshops and warehouses. Converted offices, depot and civil construction and aggregate outlet are also required. Most are required in Richmond
- Reasons for relocation are traffic congestion for Richmond, more space required and high industrial lease costs (Richmond)
- 16% of companies plan to introduce working from home practices and 16% plan to use automation/mechanisation
- The survey responses clearly showed that suitable location, proximity to customers/clients, quality of premises, quality of life, road network access and cost of premises or land are most important to the businesses when selecting premises to locate their business
- Dissatisfaction with the road network was a recurring theme in the survey responses, particularly around Richmond, Lower Queen Street junction with SH6, at peak times

While the survey responses only provide an indication of some demand in the District, as only 3% of all Tasman businesses took part (195 companies of the 7,000 registered in 2020), the geographical location of the businesses was widespread around the District. The range of business types was also varied with most industries represented, except public services, fishing, scientific services and admin and support services.

Total business units in Tasman District measured 7,686 in February 2023, up 9.8% from a year earlier. Growth was greater than in New Zealand (1.7%).

The Nelson-Tasman Regional Economic Briefing – 2022 data update (Feb 2023) concluded that:

- Nelson Tasman’s three main urban areas of Nelson, Richmond and Motueka are the region’s key employment hubs. These main urban areas had 79% of the region’s employment in 2022.
- Jobs growth over the past decade has been particularly rapid in Richmond (4.5% p.a.) and Motueka (3.1% p.a.) while employment rose more slowly in Nelson City (0.5% p.a.)
- Manufacturing is the biggest contributor to employment in Nelson-Tasman, within which three key production and processing focusses – forestry, horticulture and the ocean economy - have expanded strongly over the past decade

6.7.1 Needs of business sectors in Tasman

Assessing the needs of businesses in Tasman, there are a significant proportion of small businesses, employing 10 or less staff (70% according to the survey). Other surveys have found the proportion to be as high as 92% and more than 10,000 self-employed people (17.7% of all employment), (Nelson-Tasman Regional Economic Briefing – see below).

The majority of survey respondents rated the quality of their buildings as average to excellent and just over 20% require more buildings or floorspace. Much of the requirements are for small buildings or small areas of land. The fact that 83% of respondents were not looking to relocate within 5 years perhaps reflects the relative isolation of the region.

In relation to the specific future needs, it appears that most demands are being provided for in the capacity. The exceptions to this would be Marahau, Riwaka and Motueka. Plan change 81 to the TRMP proposes new business sites in the FDS in the urban environment (Wakefield and Brightwater) and in the rural towns of Tākaka and Murchison. There are additional business sites in the FDS for future years.

While business land in Motueka is included in the capacity, based on anecdotal evidence, it is insufficient for light industrial uses. There is a large area of deferred light industrial and deferred mixed business zoned land in Motueka West, yet to be serviced and currently subject to lease restrictions. However, with the servicing of adjacent residential land taking place now, this would be the next phase to be serviced.

In Golden Bay, Council is aware of anecdotal shortages of business land and the FDS 2022-2052 found additional sites which can now be proposed for rezoning.

Council continues to experience demand from developers to rezone business land to residential land in Richmond West. This is resisted on the basis that the business land in Richmond is needed, not only for other Tasman towns but to also meet the demands of Nelson which has insufficient industrial and retail/commercial business land.

7. Conclusions

7.1 Sufficiency of housing and business land capacity

The assessment of the development capacity in the Tasman urban environment indicates that there is sufficient housing land capacity in the short term (Years 1 to 3) and long term (years 11-30) but insufficient capacity in the medium term (4-10 years).

There is also insufficient capacity of attached dwellings across all time periods.

There is sufficient business land capacity across all time periods in the Tasman urban environment.

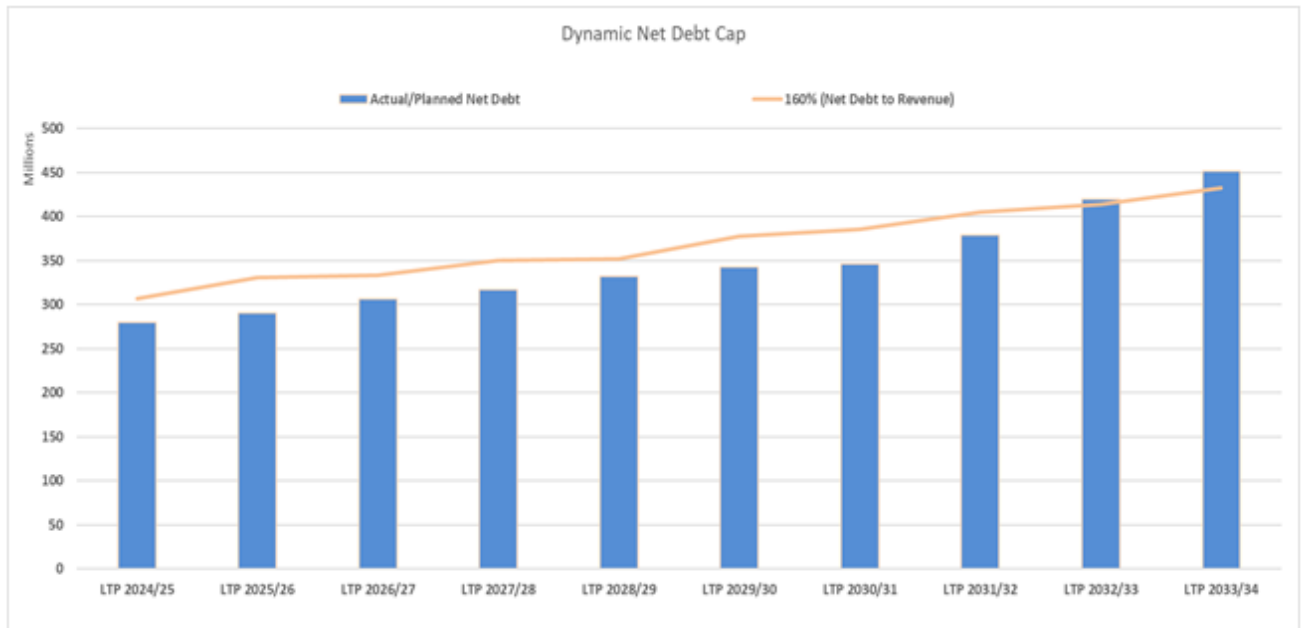
7.2 Implications of insufficiency of housing land capacity

Tension exists between prudent provision of infrastructure and the need to stay within the financial limits set out within Council's financial strategy. The cost of growth infrastructure is generally borne by development through the Council's development contributions and financial contribution funding mechanisms rather than through rates. It does however have a substantial impact on debt as it can take many years to fully recover the cost of this infrastructure as development takes place.

The Infrastructure Strategy 2024 outlines the risk/opportunity process that Council undertook in budgeting for infrastructure. 89% of the work was categorized as 'must do' and was included in the LTP 2024-2034. In addition to the debt and rates implications of the planned capital programme, Council has considered its ability to deliver the works. There are limits (beyond finance) to how many capital (or the value of capital) projects Council can deliver in any one year and the LTP already includes for two additional project managers. The pressure on Council's finances and the limited capacity to deliver more means there is no scope to add further work to the infrastructure programme within the next five years.

Council plans to spend \$409M on growth related infrastructure projects over the next 30 years. The LTP net debt figure increased between the proposed LTP and deliberations by \$15 million and the dynamic debt cap (operating revenue compared with net debt) from 150% to 160%. Cost increases subsequent to the proposed LTP were due: to increased water supply operating costs; increases in the Waimea Community Dam operational costs (debt servicing and higher interest rates); a reduction in projected revenue from building consents for 2024/25 due to slowdown; increased insurance costs; and other minor budgetary changes. Across the ten years of the proposed LTP the net debt figure increases from \$202 million as at 30 June 2023 to \$452 million in 2033/2034. The dynamic net debt cap of 160% of revenue is self-imposed and while it is possible to borrow more capital, this comes with associated risks. There remains headroom for further borrowing in the event of a natural hazard event:

Figure 29: LTP 2024-2054 net debt cap



During the LTP deliberations, officers advised against making changes to Council’s proposed growth programme due to:

- very high growth in recent years meaning most of Council’s networks are near or at capacity, and in some cases above capacity. Between 2019 and 2023 the Council experienced growth of 526 dwellings per annum, compared to a long run average since 2010 of approximately 390 per annum and forecast average of 400 per annum into the future;
- Council is already forecasting to modestly under-deliver against its National Policy Statement Urban Development servicing obligations over the period of the LTP;
- Council provided servicing playing a major role in determining competition in the supply of sections which ultimately impacts the affordability of housing; and
- infrastructure has long lead in times and delays mean Council is likely to frustrate development proposals when it does pick up and compete with these for the same contracting capacity, which would drive up costs for both parties and ultimately new homeowners.

Council accepted these recommendations.

7.3 Housing Bottom Lines to be inserted into Regional Policy Statement and District Plan

In accordance with policy 7 and implementation clause 3.6 of the NPS UD, as soon as practicable after an HBA is made publicly available, the regional council must insert into its regional policy statement, a housing bottom line for the short, medium and long term. A district council must insert a housing bottom line into its district plan. When this HBA is adopted as supplementary information to the LTP 2024-2034, steps will be made to insert housing bottom lines into both the regional policy statement and district plan.

The housing bottom lines are the amount of development capacity that is sufficient to meet expected housing demand in the region, including the appropriate competitiveness margin. The insertion of bottom lines must be done without using a process in Schedule 1 of the RMA.

The housing bottom lines for the Tasman urban environment are:

Tasman urban environment	Short term Years 1-3 (2024-2027) Number of dwellings
Richmond	355
Brightwater	79
Māpua/Ruby Bay	68
Wakefield	82
Motueka	238
Total	822

Tasman urban environment	Medium term Years 4-10 (2028-2034) Number of dwellings
Richmond	1027
Brightwater	211
Māpua/Ruby Bay	162
Wakefield	216
Motueka	535
Total	2,151

Tasman urban environment	Long term Years 11-30 (2035-2054) Number of dwellings
Richmond	2480
Brightwater	681
Māpua/Ruby Bay	404
Wakefield	659
Motueka	1257
Total	5481

Given the HBA applies to the relevant tier 1 or tier 2 urban environment, the housing bottom lines also only apply to the urban environment.

7.4 Conclusions

Once an assessment of sufficiency of development capacity is made, implementation clause 3.7 of the NPS UD requires that if a local authority determines that there is insufficient development capacity over the short term, medium term or long term, it must:

- a) Immediately notify the Minister for the Environment; and
- b) If the insufficiency is wholly or partly as a result of RMA planning documents, change those documents to increase development capacity for housing or business land (as applicable), as soon as practicable and update any other relevant plan or strategy (including the FDS); and
- c) Consider other options for:
 - (i) increasing development capacity; and
 - (ii) otherwise enabling development

The insufficiency of housing capacity in the Tasman Urban Environment in the medium term is largely due to insufficient infrastructure in time. In particular the Waimea Plains Water and Wastewater Plan will provide trunk infrastructure for Brightwater, Wakefield and Richmond. To address the insufficiency additional investment in infrastructure is required but this is not possible under the LTP 2024-2034. The Council awaits Government announcements on potential infrastructure funding that may become available.

In relation to insufficient capacity in Motueka, this is more complex due to low lying land, natural hazards and highly productive land preventing investment in infrastructure and rezoning of land.

TDC proposes to continue to progress the following structure plans:

- a) Richmond Spatial plan – to be completed early 2024
- b) Māpua Masterplan (planning for FDS sites T-11 (Seaton Valley Flats), T-33 (Seaton Valley Hill), and T-42 (Seaton Valley Northern) - completed by mid to late 2024

Council will also progress the following plan changes to its Resource Management Plan for housing and business, as recommended in the FDS 2022-2052:

- a) Plan Change 76 to the TRMP – Wakefield (rezoning FDS site T-107, 177 Edward Street) – notified September 2022
- b) Plan Change 80 to the TRMP – Motueka West (rezoning FDS site T-190, Motueka Intensification South) – notified end of 2023
- c) Plan change 81 to implement FDS sites in Moutere, Motueka, Richmond, Māpua, Wakefield, Brightwater, Tākaka, Murchison. This plan change is currently being scoped, including confirmation of available servicing
- d) A plan change to the Regional Policy Statement to include criteria for determining what plan changes will be treated, for the purpose of implementing Policy 8 NPS UD, as adding significantly to development capacity.

There is insufficiency of attached dwellings in the Tasman urban environment across all time periods. The shortfall of attached dwellings is 735 such dwellings over the 30 years (295 in the first ten years). In respect of this shortfall, the forthcoming plan changes referred to above which will

implement the FDS sites, will strive to enable as many attached dwellings as is commercially feasible. The proposed rules would for example, require a minimum percentage of the lots to have for example an average area of 360 sq m with a minimum of 270 sq m and a maximum of 450 sq m. The remaining lots will have a specified minimum area also.

7.5 Assumptions/Limitations

Population projection data has been provided at the Stats NZ SA2 geographic level. Population and dwelling demand projections for towns with smaller populations should be treated with caution.

Business land demand forecasts were provided for Nelson and Tasman Territorial Authority areas. These have been allocated to smaller geographic areas based on their current share of employment numbers by industry, and assume those proportions remain constant in the future. Other economic and demographic factors may mean different growth rates by business land type by location.

Business land demand forecasts in this HBA are significantly different from the last HBA, due to using a different model. Business land forecasts appear to be highly sensitive to underlying assumptions for employment trends, floor space and land conversion rates. Given the greater uncertainty in assessing business land demand, particularly in smaller towns and rural areas, it is important for Council to keep up to date with anecdotal evidence of shortages of sites for particular businesses, through discussions with applicants and developers.

The survey of zoned business land to check for vacant land and under-utilised land in 2018/19 has proved useful. It will however need updating for the next HBA.

Other surveys undertaken for the HBA 2021, including the Housing Preferences Survey, and survey of businesses and growers in the region may also need updating for the next HBA.

Housing Preferences for the Tasman urban environment for dwelling types have been assumed for each town in the urban environment and have been held constant for future years.

2018 Census data has been used for this HBA in the absence of any more up to date published census.

The Growth Model capacity estimates made the following assumptions:

- No development on highly productive land
- No development if natural hazard risk meant s106 of RMA would apply
- Sea level rise based on 2 metre scenario
- Reduced capacity where setbacks likely from wetlands and waterbodies (as per NES-FM)

National Policy Statement on Urban Development: Housing and Business Assessment for Tasman 2024

Appendices

Appendix 1: Survey of Businesses 2020

In October 2020, Council undertook a survey of 500 businesses in the region. The aim of the survey was to understand whether zoned business land (and future business areas) are of the right type in the right location, ensuring that all our businesses are provided for.

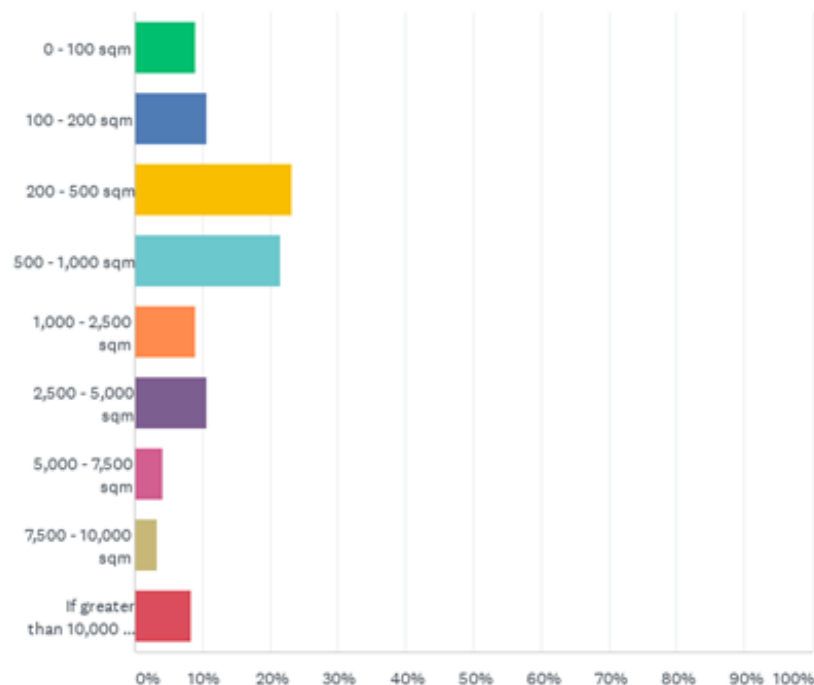
A 20 minute survey was designed and sent to 500 businesses that were of average or above average size, in terms of space occupied, according to type of business zone. A total of 195 responses were received (40%).

Some of the key responses useful to inform this HBA are provided below.

Size of Companies

- 70% of businesses employ 10 or less people
- Amount of floorspace occupied is also small on average:

Q13 Approximately how much floor space does your business occupy at this address?

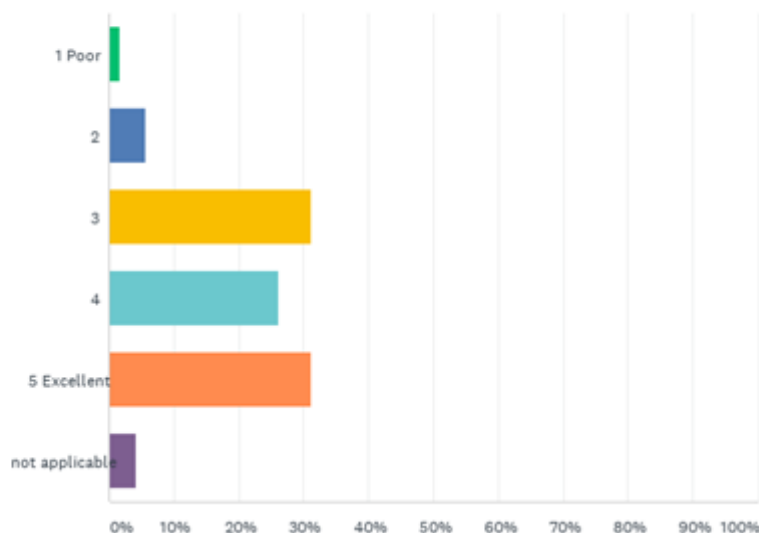


The companies occupying more than 10,000 sq m are farms, tree nurseries, contracting businesses and a holiday park.

Suitability of current site and buildings in meeting space requirements

- 70 businesses felt that their current site and/or buildings meets their current space requirements
- 37 businesses felt there was not enough space
- 11 businesses identified spare capacity on site and
- 4 businesses could not answer due to uncertainty over Covid-19

Q18 How would you rate the quality of building(s) on your site? (please choose from 1 = Poor to 5 = Excellent)



In terms of quality of current premises, 88% of respondents to this question rated the quality of their buildings as average to excellent:

Demands for Extra Floor Space or Land

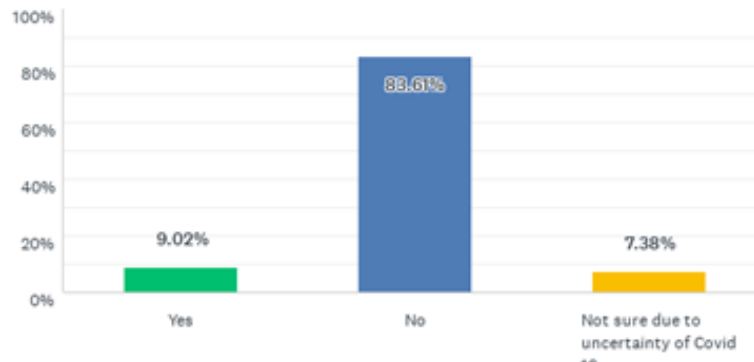
- 26 businesses require more floorspace
- 18 businesses require more land
- 7 businesses could not answer due to uncertainty over Covid-19
- Of those businesses that require more floorspace:
 - 7 respondents require 100 sq m or less
 - 8 respondents require between 100-500 sq m
 - 5 respondents require between 500-1,000 sq m (Brightwater, Spring Grove, Richmond, Motueka)
 - 4 respondents require between 2-3,000 sq m (Richmond, Riuwaka, Motueka)
 - 2 respondents require more than 5,000 sq m (Motueka, Marahau)
 - Of those wanting more than 500 sq m in floorspace, there are retail and commercial businesses, a construction contractor, a manufacturer and 4 engineering workshops
 - In terms of the larger floorspace requirements (more than 3,000 sq m) these comprise a horticulture company, a manufacturer and a holiday park.
- Of those businesses that require more land:
 - 7 respondents require 500 sq m or less
 - 4 respondents require between 1-5,000 sq m (Richmond, Brightwater)
 - 3 respondents require between 5-10,000 sq m (0.5-1ha) (Motueka)
 - 3 respondents require between 10-20,000 sq m (1-2 ha) (Richmond, Motueka)
 - 1 respondent requires more than 2ha (2.5ha) (Golden Bay)
 - Of those wanting more than 1,000 sq m of land, there is a haulage company, two manufacturers, two engineering companies and a recycling business

- Of those wanting more than 10,000 sq m (1ha) of land there are two construction contractors, a manufacturer, a commercial business and an engineering company. Part of the Urban Environment is therefore a popular location for extra land and floorspace (Richmond, Brightwater and Motueka).

Future Relocation Plans and Requirements

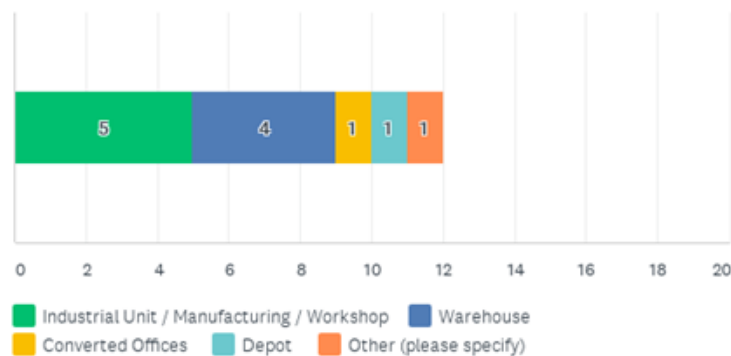
- 83% of businesses (102 of the 122 respondents to this question) are not planning to relocate in the short term
- 7% are unsure due to uncertainty over Covid 19
- Just 9% of businesses (9 respondents) are planning to move to new premises in the next five years.

Q19 Does your business plan to re-locate to new premises in the next 5 years?



Of the 9 businesses considering relocation, most need industrial units/manufacturing/workshops and warehouses. Converted offices, depot and civil construction and aggregate outlet are also required:

Q21 What type of premises do you require?



Most companies are seeking sites in Richmond.

While not reflected in the survey, Council has evidence of a shortage of cool store facilities in Richmond, Motueka, Lower and Upper Moutere, for orchard, hops and pharmaceutical companies. There have been ten such applications or pre application discussions in the past 3 years.

In terms of reasons for relocation, the businesses responded:

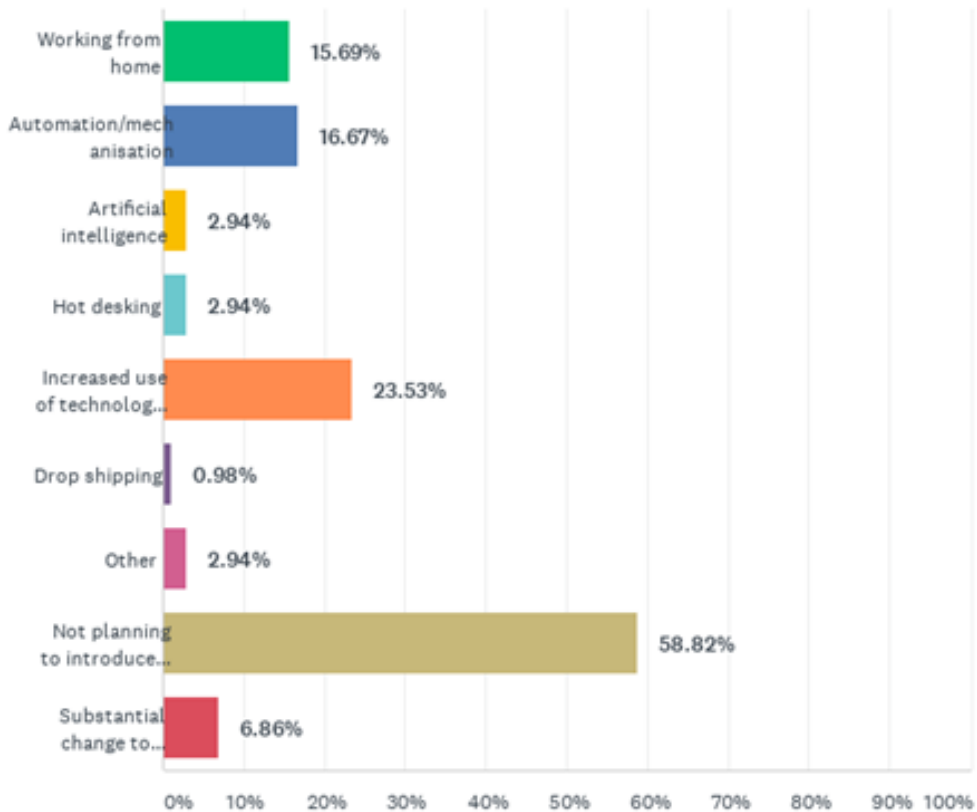
- *“bad roads” and “unable to navigate easily and safely out of Beach Road due to intensive building practices and poor Council town planning”* (from companies in the Beach Road industrial area of Richmond)
- *“too small an area,”* (2), *“quality of building and more space required”* (from three companies in the Beach Road area in Richmond) and *“need more capacity”* (from a company in Motueka)
- *“larger site needed which I own”* and *“I own the land and extension is half done”*
- *“high cost of industrial space to lease; traffic congestion on local roads, contraction of good industrial customers in current economic climate”* (Richmond)
- *“Location and need for a more commercial space”* (Richmond)

The reasons can therefore be summarised as traffic congestion for Richmond, more space required and high industrial lease costs (Richmond).

Downsizing of Company Floor Space

- Just 7 companies have downsized due to technological developments, operational practices or uncertainty created by Covid-19
- In terms of new practices for their business (which may have an impact on their space requirements), the survey revealed the following:

Q26 Do you plan to introduce any of the following working practices?



Factors affecting Business Location

The survey responses clearly showed that suitable location, proximity to customers/clients, quality of premises, quality of life, road network access and cost of premises or land are most important to the businesses when selecting premises to locate their business. Central Government funding assistance is the least important factor on average.

Dissatisfaction with the road network was a recurring theme in the survey responses, particularly around Richmond, Lower Queen Street junction with SH6, at peak times. This was given as a reason for relocation outside of Tasman; disadvantages of the current local area as a business location (23 companies cited this); local issues affecting business (9 companies); and in further comments (16 companies).

Appendix 2: Nelson Tasman Housing Preferences Study 2021

Tasman District and Nelson City Councils procured a housing preferences survey from Market Economics and Research First in 2021. This is a survey of 600 residents from Nelson and Tasman, with at least 80% from within the Urban Environment. The survey first asked questions on the importance respondents place on aspects and characteristics of dwellings and locations. These responses are then tied to demographic characteristics to understand how people choose dwelling typologies and locations in an unconstrained manner (i.e. prices playing no part in choices). In the second section of the survey, the respondents are asked a series of questions about their finances. It is not possible to be as accurate as the online banking mortgage calculators as they ask for significantly more detail. However, the answers that emerge from the survey estimates are similar to the online mortgage calculators, although they include consideration of equity that the respondent may hold.

The survey then presented options (drawn from approximately 200 combinations) that are at or below the amount respondents are able to spend and the respondent chooses a number of preferred options, eventually narrowing down to one preferred option. The prices are in the middle of the range for each typology, drawn from Quotable Value, recent sales, build costs etc. Finally, the survey asks whether the option in the final assessment represents a typology the respondent would choose in real life and if not, why not? The survey therefore gains a detailed understanding of factors important to respondents in choosing types of housing (and therefore to Nelson Tasman residents in general), in an unconstrained manner as well as in a situation where they must make trade-offs in the price experiment section.

The results from this survey have informed the Council about housing preferences and will enable the council to zone for the correct type of housing in the emerging Tasman Environment Plan.

Appendix 3: Tasman District Council's Growth Model

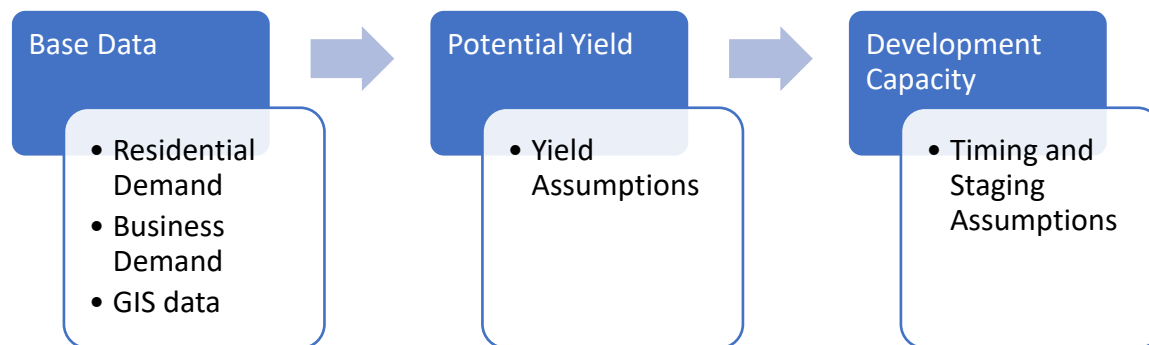
Methodology

Introduction

Council has its own Growth Model that forecasts future housing and business development. The Growth Model is a district-wide, long term spatial planning tool which is updated every three years to inform the Long Term Plan and the Tasman Resource Management Plan, to provide for growth with sufficient infrastructure and zoned land. The model predicts when and where new residential dwellings and new business land is needed (demand) and when/where land development capacity and supply is projected over the following 30 years. The model estimates growth for 15 towns/communities as well as five rural Ward remainder areas.

This report summarises the data, assumptions and methodology used for the 2023/2024 Growth Model, which is the seventh update of the model in 2023. The Growth Model is a key component of the Housing and Business Capacity Assessment which informs the Long Term Plan.

The Growth Model update is a combination of data inputs, including assumptions agreed by staff at a series of workshops. The Growth Model itself is an SQL database which ensure calculations are robust and less prone to error. Staff workshops use webmaps to review development by across the district, bringing together knowledge and expertise from various Council teams. The Model provides outputs in various reports and webmaps.



Council developed the first version of its Growth Model in 2004/5, with continual improvements over 20 years. The Model's system and processes are reviewed after each update, to ensure it efficiently and effectively meets Council's planning requirements.

Population Projections

Future demand for new dwellings and business land is calculated based on population projections.

Together with Nelson City Council, Council engaged DOT Consulting¹ to provide population and household projections (2018-base), with low, medium, high scenarios for the LTP 2024-2054. The

¹ [Tasman District and Nelson City Population Projections 2018-2058 provided by DOT Consulting, March 2023](#)

projections were based on long term demographic trends for fertility rates and life expectancy (births and deaths) and observed migration trends between 2001 and 2018 Census years. After considering recent estimated population and dwelling growth rates, both Councils have assumed the medium growth scenario for the LTP 2024-2034. These projections were provided by Stats NZ SA2 areas.

Geographic Definitions

The Growth Model is a spatial model which divides the Tasman District into 20 Growth Model Locations, covering 15 towns/communities and five rural Ward remainder areas. Where possible, these Locations are defined using Stats NZ geographic boundaries. The Model then divides each of the 15 towns/communities into smaller Development Areas, generally based on land use and zoning, to which assumptions are applied to calculate developable capacity. The Development Area definitions are updated to align with growth sites identified in the Future Development Strategy (FDS). The maps of the five Urban Environment towns at the end of this Appendix show how each town is divided into Development Areas.

Residential Demand

Future demand for new dwellings is based on a combination of population growth and decreasing household size, as well as some non-resident dwelling demand (such as holiday homes).

Growth Model input data includes population and household size projections for each Growth Model Location. These are based on the relevant SA2 projections.

There are variations in the projected household size across the District e.g. Brightwater and Wakefield are projected to maintain above average household size across all the time series.

The growth model considers non-resident demand (likely to be holiday home properties or seasonal worker accommodation) and assumes that each town will maintain the current proportion of dwellings which are used for these purposes. The proportion of unoccupied dwellings in each location is calculated by comparing base year household numbers with the number of existing dwellings. This proportion is then included in future dwelling demand calculations. This proportion is significant for several locations outside of the urban environment (e.g. Pōhara, St Arnaud, Kaiteriteri/Marahau).

Demand by dwelling type is based on the Housing Preferences Survey 2021, which showed 71% of residents in the Tasman urban environment preferred detached dwellings, and 29% preferred attached dwellings. These proportions have been applied to the overall future dwelling demand by location.

Business Demand

The medium growth population projections for Tasman also informs demand for business land in Tasman. The two Councils jointly commissioned an assessment of business land demand for each city/district as well as the Nelson Tasman urban environment in 2021.² The underlying business land forecasting model was updated in 2023. The model estimates future land requirements in hectares for three different types of business land (industrial, office, retail). The model incorporates national and

² Demand for business land in the Nelson and Tasman shared urban environment – from today's economy to future needs, Sense Partners (June 2021)

regional economic and demographic trends, employment projections, employment to land ratios, and the updated population projections.

Council's growth model measures business demand and capacity in hectares for retail/commercial and industrial land use types. Business land demand for the Tasman urban environment and other towns was calculated from the Sense Partners projections for Tasman District, by allocating future demand based on each location's existing share of jobs for each industry³. There is a high degree of uncertainty in business land projections, given the wide range of factors that can have an influence, and the uncertainty and margin for error increases with estimates for locations with relatively low population and employment numbers.

GIS data

GIS data is entered for each Development Area, including the total land area, existing dwellings, vacant land, and land used for roads, greenspace, schools, etc. To inform the capacity assumptions, webmaps are developed which include GIS layers such as current zoning, growth sites identified in the FDS, hazard risks, productive land, terrain, topography, wetlands and waterbodies, and overland flow paths.

Potential Yield Estimates

The first round of staff workshops focus on assessing which Development Areas have potential for future growth and, if so, making assumptions which the Model applies to the base GIS data to calculate the potential developable area. The staff workshops bring together knowledge and expertise from various Council teams, e.g. Environmental Information, Environmental Policy, Infrastructure Planning, Resource Consents, and Development Engineers.

The initial assessment of developability uses a scoring system of land use constraints and opportunities, including factors such as hazard risk, productive land value, ability to service, amenity, and settlement form. Preference is given to land which minimises hazard risks, is capable of being serviced, compliments settlement form and avoids productive land.

The assumptions to estimate potential yield include

- average lot size once developed (based on zoning or likely zoning)
- the proportion needed for roads, other infrastructure, greenspace, and community buildings
- the extent that a DA's terrain will affect its potential for development
- the proportion of properties which are realistically likely to subdivide or redevelop over the next 30 years.

Average lot sizes include an assumption of the future end use and zoning of each Development Area, e.g. residential, intensification, or business land types, with FDS growth areas based on the FDS indicative typologies and yield. Land zoned deferred for residential has been included. Land zoned as mixed business is included in the retail/commercial business land capacity estimates.

Potential yield include existing vacant lots and expected new lots created by subdivision.

³ Stats NZ, Business Demography Statistics, Employee count by industry and statistical area, 2022

Development Capacity Estimates

The second round of staff workshop focus on assessing the development capacity in each Development Area which will be serviced and reasonably expected to be realised. This is estimated across four timeframes: Short Term (2024/2025 – 2026/2027), Medium Term (2027/2028 – 2033/2034) and Long Term (2034/2035 – 2043/2044 and 2044/2045 – 2053/2054).

The amount and time of development capacity is based on the potential yield calculated by the model, and the following assumptions:

- the availability and timing of infrastructure
- current zoning and any rezoning identified in FDS
- past development trends, including infill rates
- current or planned subdivisions (when, where, and how many lots)
- developer/landowner intentions.

Having staff from various teams ensures capacity estimates are 'plan-enabled' (informed by Environmental Policy) and 'serviced' (Infrastructure Planning). The Development Engineering and Resource Consents teams advise on the capacity that is feasible and likely to be realised.

For Years 10-30, development capacity is based on an assumption that TRMP planning rules will change accordingly to allow growth in FDS areas, or to stop development in hazard risk areas.

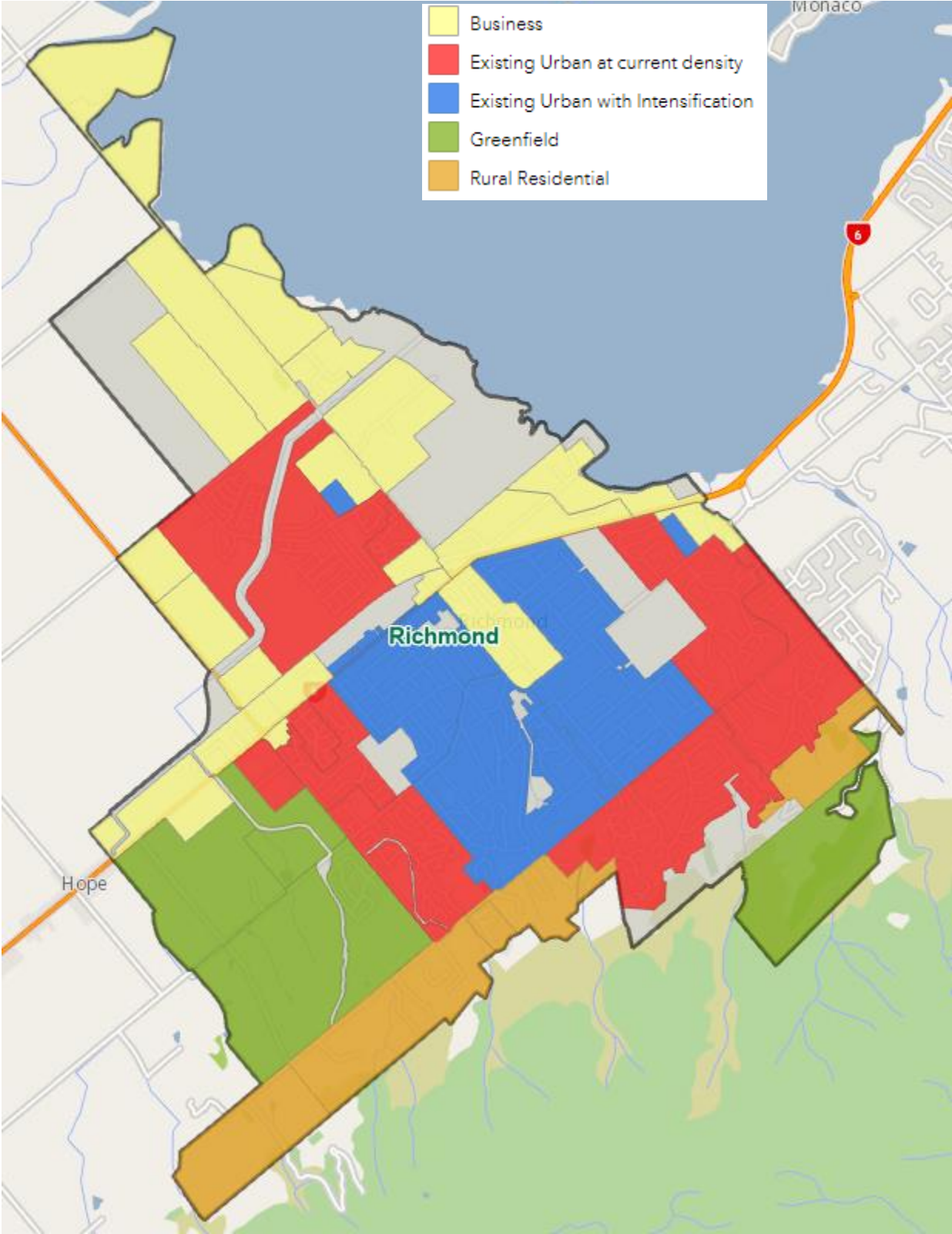
Capacity for attached dwellings is based on estimates for locations with existing intensive residential rules in the TRMP (Richmond Intensive Development Area (RIDA)), or with FDS intensification sites (Richmond, Motueka, Brightwater and Wakefield), where plan changes are proposed.

Quality Assurance

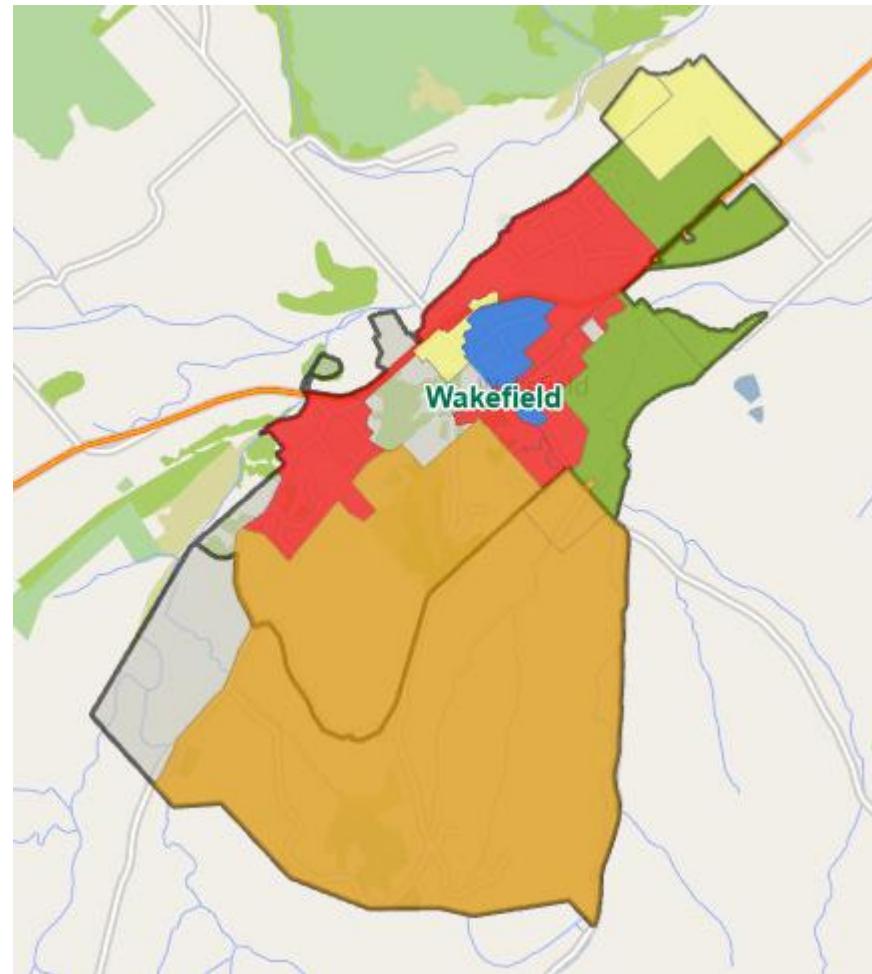
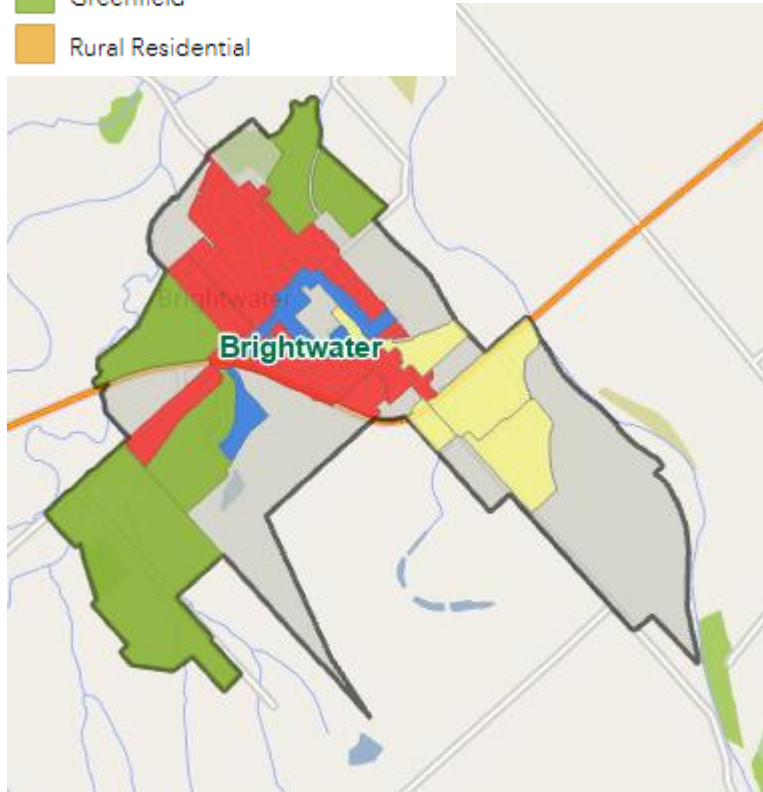
The model is based on the best information Council has at the time and is not intended to be an exact forecast of when and where development will actually occur. There are several factors which are difficult to predict such as population migration to, from and within the district; the proportion of dwellings used as holiday houses; developer and landowner activity fluctuating with market upturns and downturns; and natural hazard events.

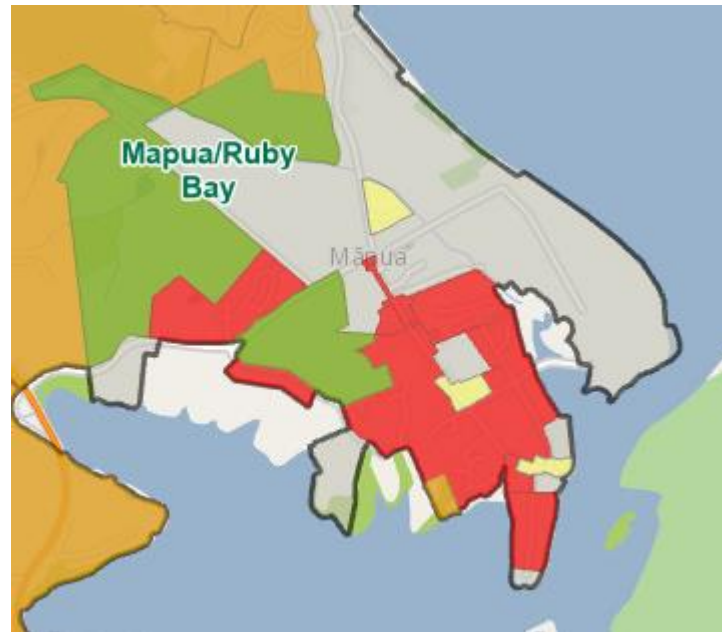
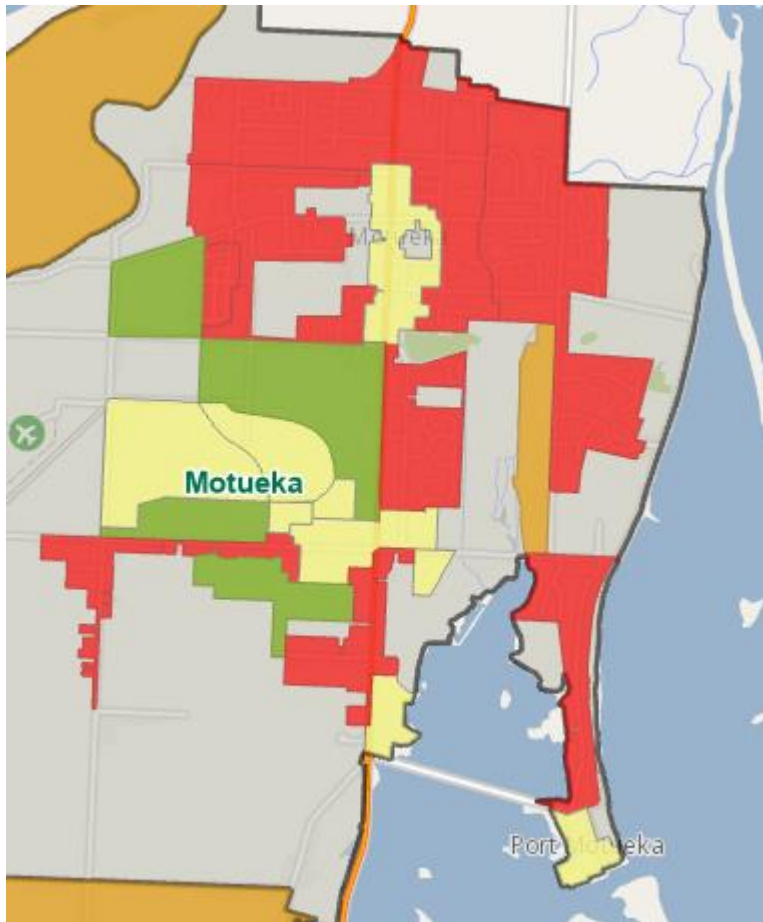
There is an internal quality assurance process of the pre-work calculations and inputs. The inputs and outputs of the growth model are checked against recent trends in population and dwelling growth. The business land yield estimates are groundtruthed using webmaps to visually check the model isn't including vacant land which is actually serving a purpose, e.g. storage, truck parking, etc. The semi-rural development areas are also visually groundtruthed as these often include parcels of land which aren't feasible for development.

Growth Model Maps of Urban Environment Towns



- Business
- Existing Urban at current density
- Existing Urban with Intensification
- Greenfield
- Rural Residential





- Business
- Existing Urban at current density
- Existing Urban with Intensification
- Greenfield
- Rural Residential

Appendix 4: NPS Urban Development - Requirements of Policy 5 for Tasman District Council

Policy 5

“Regional Policy Statement and District Plans applying to tier 2urban environments enable greater heights and density of urban form commensurate with the greater of:

- (a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or
- (b) relative demand for housing and business use in that location”

Must implement policy 5 by not later than 2 years after commencement date (i.e. 20th August 2022)

Existing TRMP Rules

Figure 6.8A: Richmond Residential Housing Choices

C66 10/17
Op 12/18

Type of Residential Development	District: Everywhere except 'development areas' and exceptions	Development areas: Richmond South, Richmond West, Richmond East, Motueka West, and Mapua Development Areas, Mapua Special Development Area and Motueka West Compact Density Area	Richmond Intensive Development Area
Standard - Average density - 3 or 4 bedroom house (220 m ²) on a 350m ² - 600m ² site.	✓	✓	✓
Comprehensive - Three or more dwellings on a site - Building coverage – 40% - Minimum site size = 280m ² in Richmond and Motueka and 350m ² elsewhere	✓	X Except for Richmond East below Hill Street and Mapua Development Area where allowed	X
Compact - One or more dwellings on a site - All consents (subdivision, and building) applied for together - No minimum lot size	X	✓ Except for Richmond East; Motueka West Development Area outside of the Motueka Compact Area; and Mapua Development Area outside of the Mapua Special Development Area	X
Intensive - One or more dwellings on a site - Minimum lot size 200m ²	X	X	✓

Nelson Tasman Joint Committee (Nov 2020)

NT Joint Committee approved the inclusion of the settlements of Richmond, Motueka, Māpua , Wakefield and Brightwater as part of the tier 2 ‘urban environment’.

The TRMP enables the following types of housing in the Tasman towns listed above:

Type of housing	Richmond	Motueka	Māpua	Wakefield	Brightwater
Intensive	Yes in RIDA, operational 2018	No	No	No	No
Comprehensive (outside of new greenfields areas)	All of Richmond, except for (i) RIDA and (ii) the Development Areas, except Richmond East development area where it is allowed below Hill Street	Yes, outside of Motueka West development area and Motueka compact density area	Yes, in Māpua Development Area (large area)	yes	yes
Compact (new greenfields areas)	Yes in specific locations - Richmond West and Richmond South Development Areas	Yes in a specific location - Motueka compact density area, (Grey St)	Yes in a specific location - Māpua Special Development Area (Aranui Rd/Tahi St see map 87 TRMP)	No	No
Standard	yes	yes	yes	yes	yes

Activity Status of Each Type of Housing

Intensive housing

Subdivision – controlled

Land Use (Building and Construction) - Restricted Discretionary

Compact housing

Subdivision – Restricted Discretionary

Land Use – Controlled and need subdivision application at same time

Comprehensive housing

Subdivision – Discretionary

Land Use – Restricted Discretionary, submitted with subdivision

Comprehensive provides for a limited form of medium density housing in the rest of the Residential zone throughout the District unless specifically excluded. The rule framework for Comprehensive development, which has existed in the TRMP since its inception, provides limited encouragement for medium density development in practice as it requires high levels of consent, and, other than provisions for minimum site size and coverage, provides no design guidance for the public or decision makers. That said it has been used in Richmond a lot, especially before the RIDA rules came into operation.

Standard housing

Subdivision - Controlled

Land Use – Permitted in certain zones where first house i.e.. – Rural residential, Residential and Rural 2

Appendix 5: Richmond Intensive Development Area Land Value to Capital Value Changes 2014-2021

The land value to capital value ratio for Richmond has been mapped every three years, as shown in Figures 1-4 below. The Richmond Intensive Development Area (RIDA) comprises character areas 2 (Croucher St), 2A (Croucher St), 3 (Queen St East), 4 (Waverley/Oxford) and 5 (Cautley St), shown on the maps below. The other character areas currently lie outside RIDA.

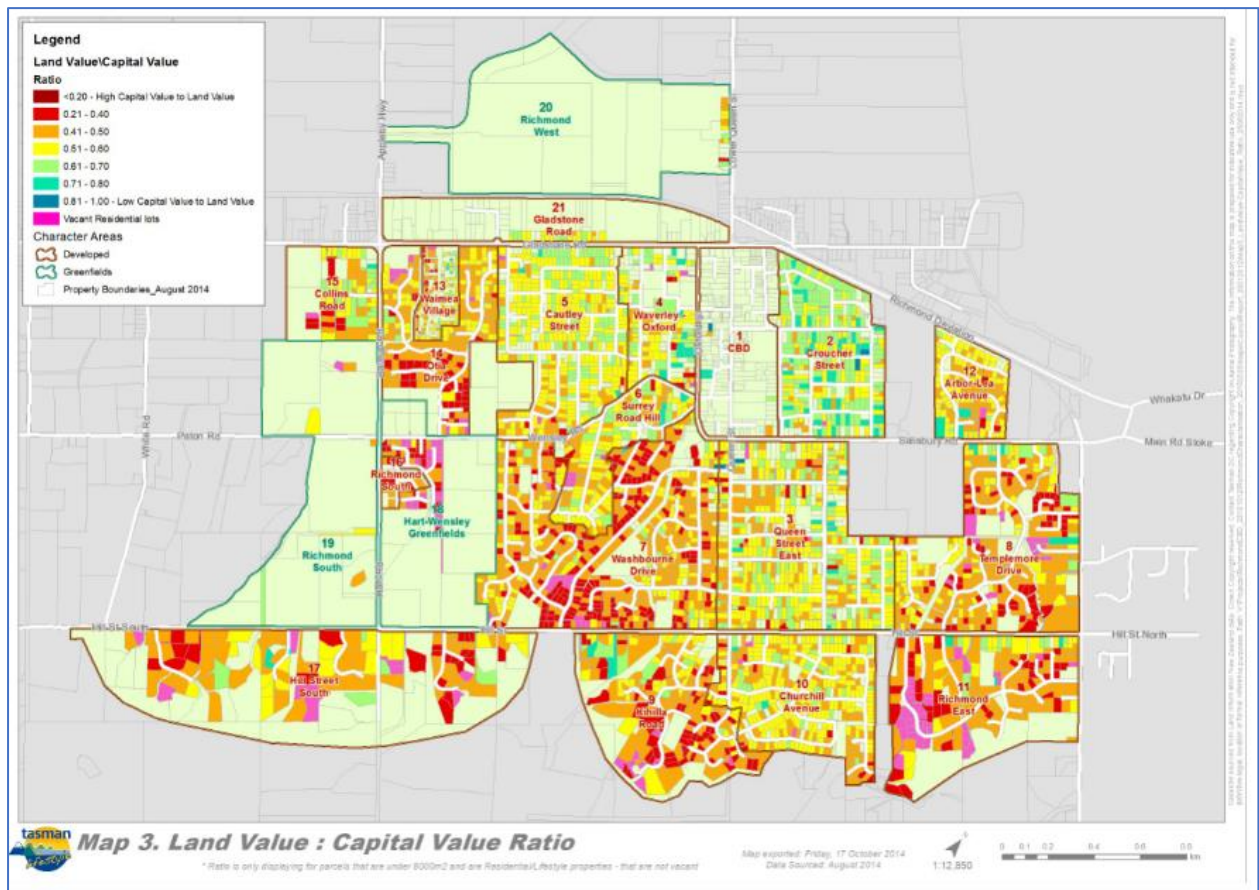


Figure 1: Land Value to Capital Value ratio, Richmond 2014.

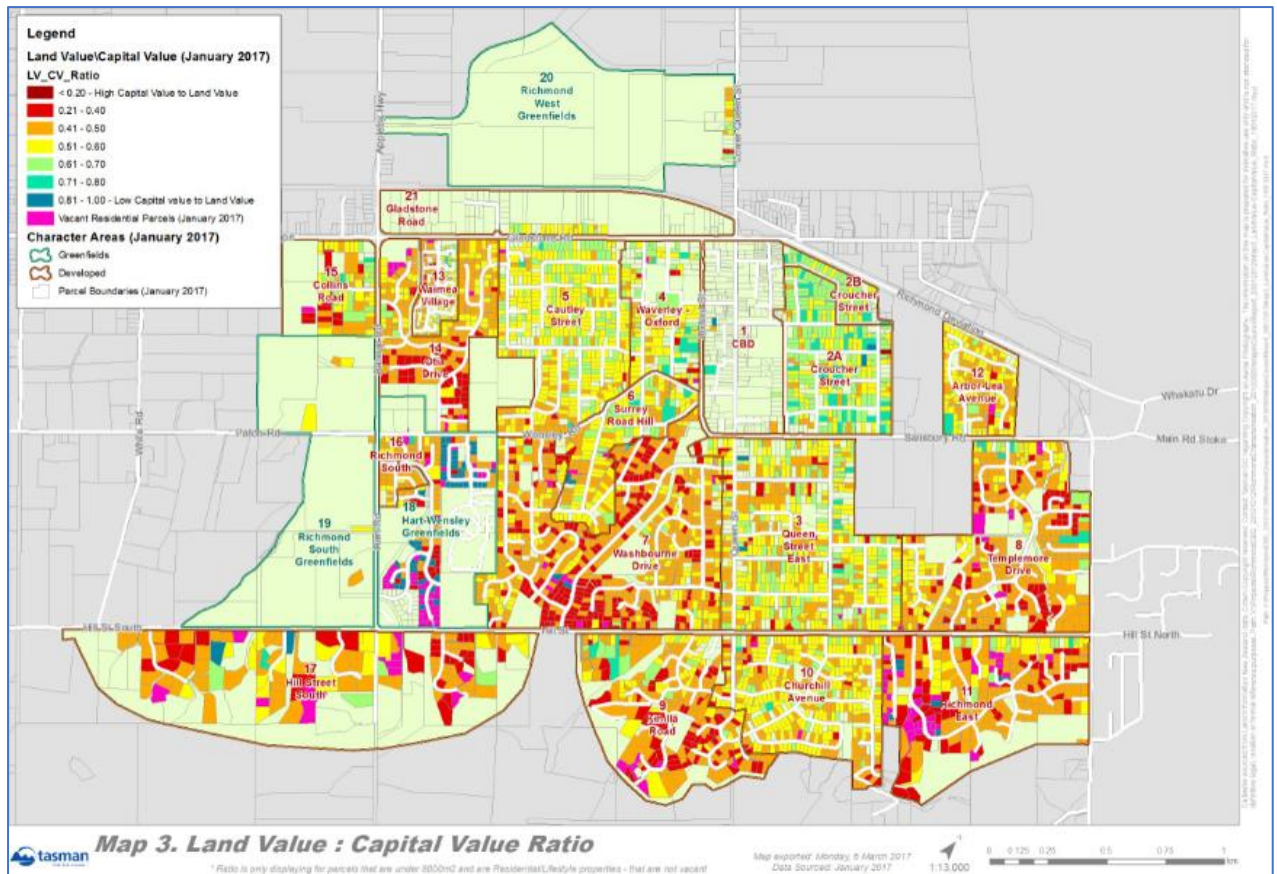


Figure 2: Land Value to Capital Value ratio, Richmond 2017. Note character areas 2, 2A, 3, 4 and 5 inside RIDA

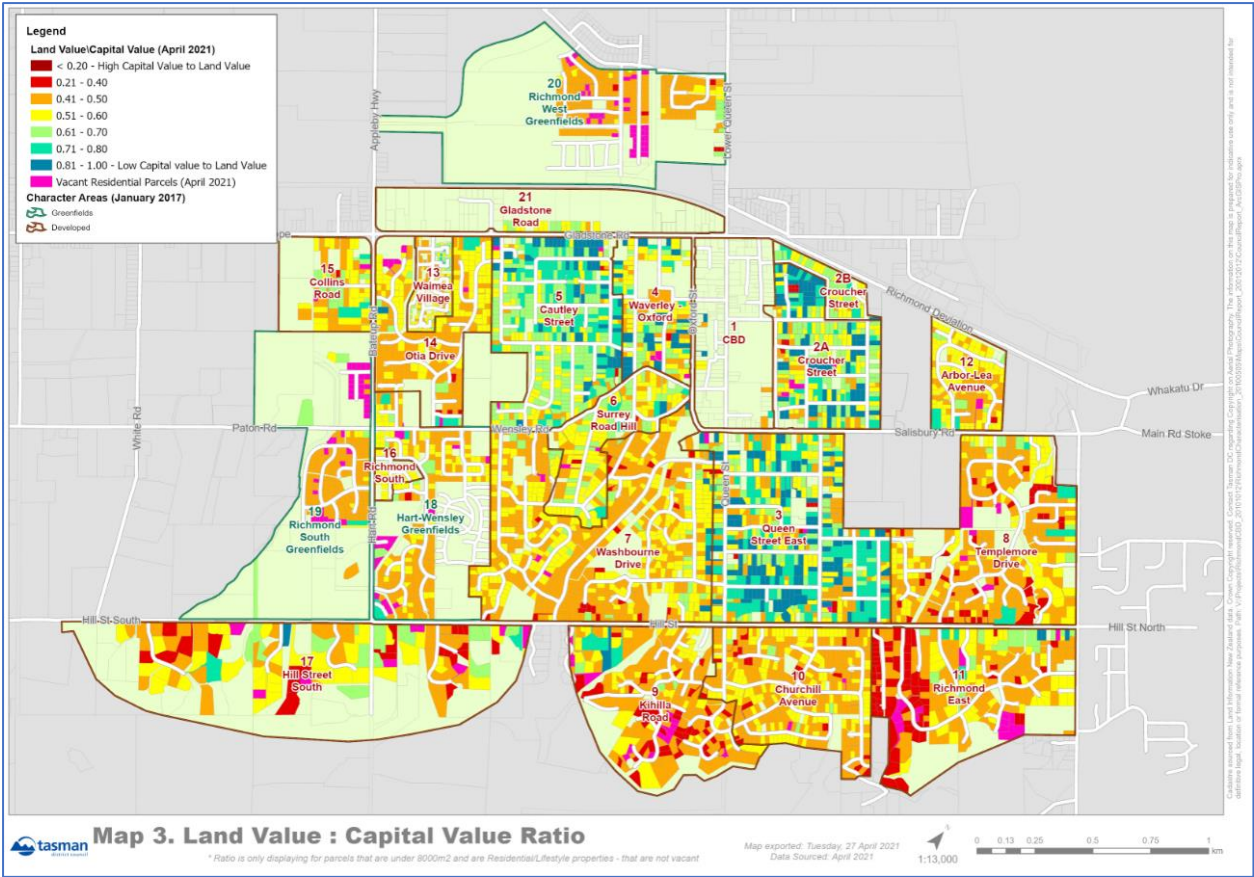


Figure 3: Land Value to Capital Value ratio, Richmond 2021. Note character areas 2, 2A, 3, 4 and 5 inside RIDA

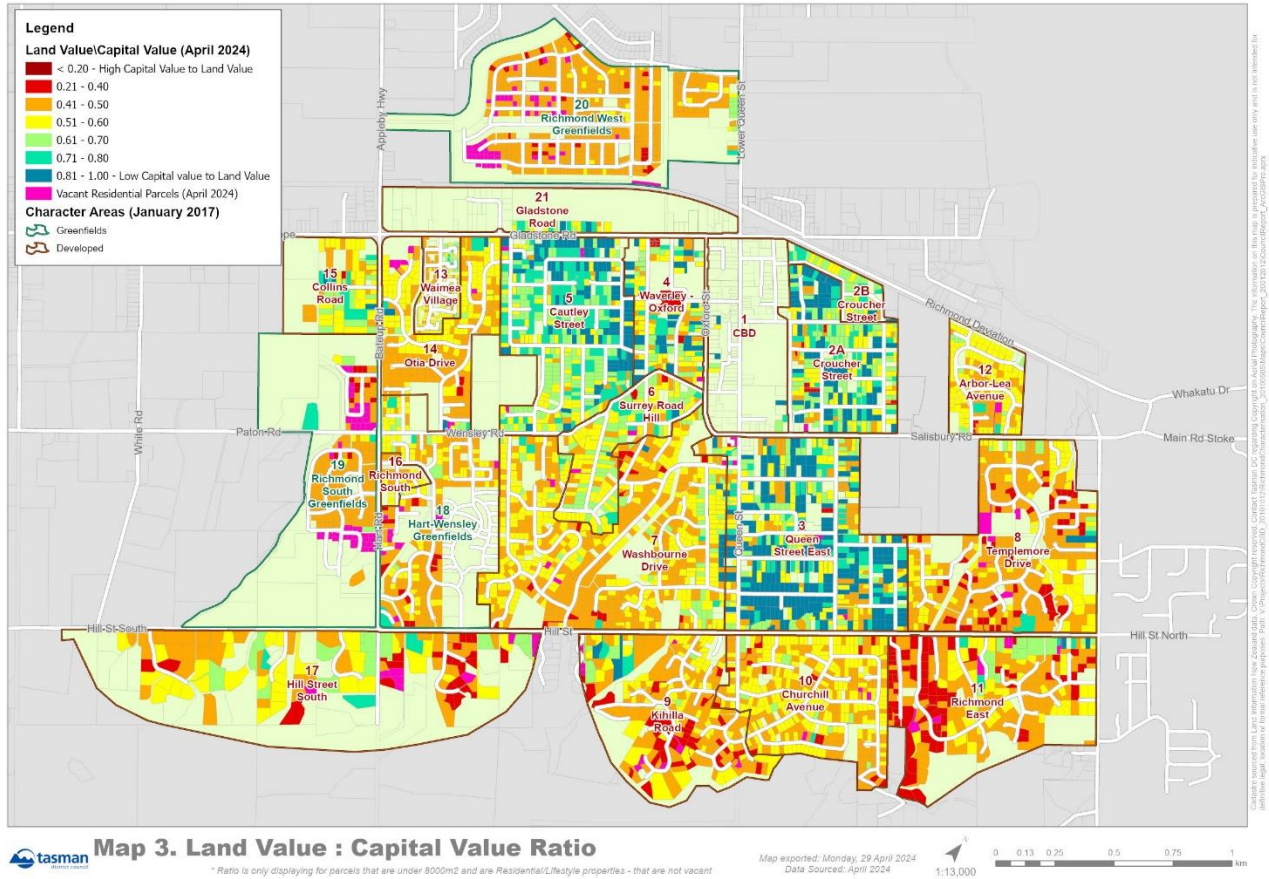


Figure 4: Land Value to Capital Value ratio, Richmond 2024. Note character areas 2, 2A, 3, 4 and 5 inside RIDA

Appendix 6: Richmond Intensive Development Area – location of intensification consents 2018-2023

Legend: **Red** – consented Dec 2018 to Dec 2023 **Green** – current applications at as Dec 2023
Purple - consented just before RIDA rules operative in December 2018 but the rules influenced the granting of the consent



Appendix 7: Requirements of the RMA and NPS UD in relation to sufficient capacity for Territorial Authorities such as Tasman

Requirements of RMA in relation to “sufficient capacity”

S. 30 (ba) and S. 31 (1) (aa) of the RMA are similar and were amended by the Resource Legislation Amendment Act 2017.

S.31 (1) (aa) RMA states:

31 Functions of territorial authorities under this Act

- (1) Every territorial authority shall have the following functions for the purpose of giving effect to this Act in its district:
 - (a) the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district:
 - (aa) the establishment, implementation, and review of objectives, policies, and methods to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district:

S. 30(5) of the RMA defines ‘development capacity’:

development capacity, in relation to housing and business land in urban areas, means the capacity of land for urban development, based on—

- (a) the zoning, objectives, policies, rules, and overlays that apply to the land under the relevant proposed and operative regional policy statements, regional plans, and district plans; and
- (b) the capacity required to meet—
 - (i) the expected short and medium term requirements; and
 - (ii) the long term requirements; and
- (c) the provision of adequate development infrastructure to support the development of the land

In 2017, when this amendment was made to the RMA, the NPS UDC was in force and that classified Nelson Tasman as a medium growth area based on the ‘Nelson urban area’ statistical area defined by Stats NZ (Nelson, Stoke and Richmond). This provides a definition of urban area in S.30 and 31 RMA and so for Nelson and Tasman, sufficient development capacity only has to be provided in the urban area. For Tasman this is only part of the District.

The NPS UD (2020) replaced ‘urban areas’ with ‘urban environments’ and provides obligations for these. Nelson and Tasman are now the ‘Nelson Tasman urban environment’ and the Joint Committee of the Nelson City and Tasman District Councils agreed the urban environment would comprise Nelson, Richmond, Brightwater, Wakefield, Mapua and Motueka. The NPS UD clarifies at clause 3.10 that :

3.10 Assessing demand and development capacity

- (1) Every local authority must assess the demand for housing and for business land in urban environments, and the development capacity that is sufficient (as described in clauses 3.2 and 3.3) to meet that demand in its region or district in the short term, medium term, and long term.
- (2) Tier 1 and tier 2 local authorities comply with subclause (1) in relation to tier 1 and tier 2 urban environments by preparing and publishing an HBA as required by subpart 5.

The NPS UD is clear that Territorial Authorities such as Tasman only have to provide sufficient capacity for the urban environment. It appears that s.30 and S.31 of the RMA are therefore referring now to urban environments instead of urban areas.