

KAWAKAWA

1. Purpose of the report

The purpose of this report is to better understand Kawakawa, its population and its growth so appropriate provision can be made for zoning, infrastructure as well as consideration of financial planning and strategic growth.

Council has a statutory requirement under section 31 of the Resource Management Act 1991 (RMA) to establish, implement and review objectives, policies and methods to ensure that there is sufficient development capacity¹ in respect of housing and business land to meet the expected demands of the district in the short, medium and long term.

This report will look at a number of proxies surrounding population, projected growth and plan enabled development within the Kawakawa area and address the housing component of the section 31 requirement.

2. Datasets Used

The demographic information and population forecasting was Infometrics in April 2022, which is a company used by the Far North District Council (FNDC) for this purpose.

Infometrics provided FNDC shapefiles of the SA2 geographies for projected growth figures. SA2 areas are a category commonly used by Statistics New Zealand.

A number of desktop exercises were undertaken to assemble this report utilising datasets held by the FNDC, including the zone maps for the Proposed District Plan (PDP). ArcMap was primarily utilised to analyse the data sets.

Zone information

The zone information is taken from the PDP.

Parcel data

The CORAX or parcel data is sourced from Land Information New Zealand (LINZ) – Dated January 2022.

Building outlines

The building outline data is supplied by LINZ. This feature class identifies all buildings across the district as at 31 August 2021.

¹ Development capacity is defined in s30 of the RMA: 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.

3. Kawakawa Statistical Area 2 geographies

SA2 areas are the third of a four-tier hierarchy designed to provide an output geography for high aggregations of population data that are provided at the SA1 level. The SA2 geography aims to reflect communities that interact together socially and economically. In populated areas, SA2s generally contain similar-sized population².

There is one SA2 area identified by Statistics New Zealand that generally correlates with the following Kawakawa zones:

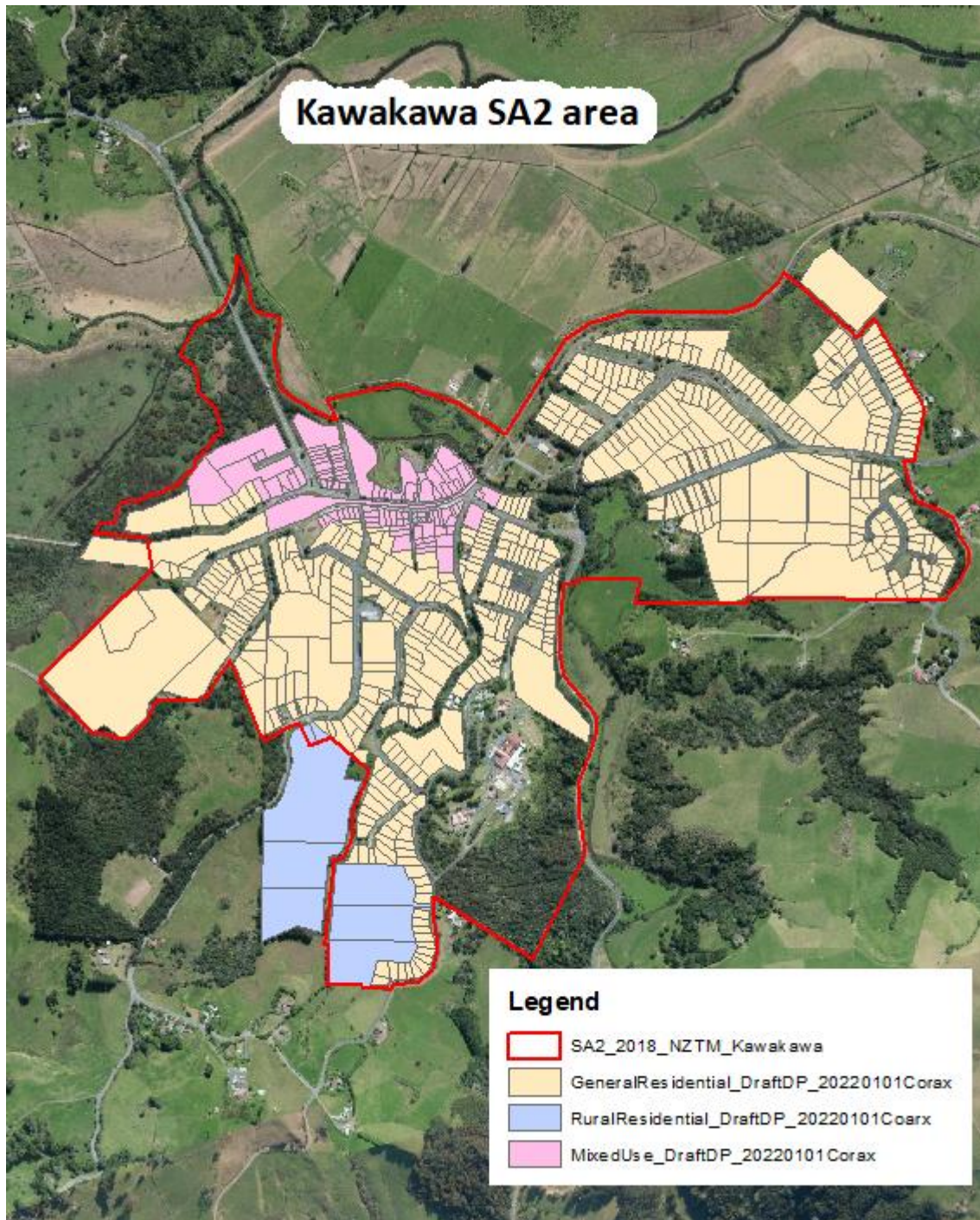
- General Residential
- Rural Residential
- Mixed Use

It is noted that approximately 50% of the land zoned Rural Residential and a small portion of land zoned General Residential is located outside of the Kawakawa SA2 area. This is not considered an issue with respect to the findings of this report in establishing whether there is enough appropriately zoned land to accommodate the forecast growth for the Kawakawa SA2 area.

It is also noted that there is no land zoned Light or Heavy Industrial in the Kawakawa SA2 area.

² Statistics New Zealand

Map 1: The Kawakawa SA2 area that that correlate with the General Residential, Rural Residential and Mixed Use zones



4. Population statistics of the Kawakawa SA2 area between 2002 and 2021

Infometrics has supplied the historical population statistics for the SA2 area. This provides insight to growth prior to forecasting the population figures for the short, medium and long term. The following figures show population change for the past 20 years.

Table 1: Population Change for the Kawakawa SA2 area between 2002 - 2021

| | 2002 | 2007 | 2012 | 2017 | 2021 | Difference 2002-2021 | % change 2002-2021 |
|----------|------|------|------|------|------|----------------------|--------------------|
| Kawakawa | 1422 | 1391 | 1360 | 1507 | 1589 | 137 | 9.4% |

Comments Table 1:

- The percentage change between 2002 and 2021 represents around 0.5% growth per year.
- For context, the last 5 years 2017-2021 represents approximately 1.1% growth per year.
- At a district wide level, the total population increase for the Far North over the 2002 – 2021 period was 15,888 persons, which represents approximately 1.4% growth per year.

5. Forecast population growth in the Kawakawa area between 2022 and 2052

Council employs the services of Infometrics for demographic resource needs and have produced population projections out to 2073. Infometrics projections have been calculated to demonstrate low, medium and high growth scenarios. The following analysis projects growth out to a 30 year horizon at five year intervals at medium and high growth scenarios.

Table 2: Infometrics forecast population forecast for the Kawakawa SA2 area out to 2052

| Year | 2022 | 2027 | 2032 | 2037 | 2042 | 2047 | 2052 | Total Growth 2022 - 2052 |
|---------------------------------------|------|------|------|------|------|------|------|--------------------------|
| Kawakawa | | | | | | | | |
| Total population (Medium scenario) | 1592 | 1614 | 1623 | 1619 | 1609 | 1603 | 1594 | |
| Population increase (Medium scenario) | | 22 | 9 | -4 | -10 | -6 | -9 | 2 |
| Total population (High scenario) | 1595 | 1639 | 1680 | 1705 | 1728 | 1748 | 1774 | |
| Population increase (High scenario) | | 44 | 41 | 25 | 23 | 20 | 26 | 179 |

In accordance with section 31(1)(aa) of the RMA Council needs to ensure that there is sufficient development capacity in respect of housing to meet the expected demands of the district. In other words, the projected population needs to be accommodated with sufficient zoned land for housing. Statistics New Zealand identify the average household size in Kawakawa to be 2.85 persons. The following number of parcels will be needed to accommodate the projected growth across the Kawakawa SA2 area under the medium and high growth scenarios.

Medium growth scenario

- 8 parcels (an increase of 22 persons over a 5 year period)
- 11 parcels (an increase of 31 persons over a 10 year period)
- 9 parcels (an increase of 27 persons over a 15 year period)
- 6 parcels (an increase of 17 persons over a 20 year period)
- 4 parcels (an increase of 11 persons over a 25 year period)
- 1 parcel (an increase of 2 persons over a 30 year period)

High growth scenario

- 15 parcels (an increase of 44 persons over a 5 year period)
- 30 parcels (an increase of 85 persons over a 10 year period)
- 39 parcels (an increase of 110 persons over a 15 year period)
- 47 parcels (an increase of 133 persons over a 20 year period)
- 54 parcels (an increase of 153 persons over a 25 year period)
- 63 parcels (an increase of 179 persons over a 30 year period)

6. Latent residential development capacity of the General Residential, Rural Residential and Mixed Use zones

The General Residential, Rural Residential and Mixed Use zones are considered the most appropriate to deliver on Council's responsibility under the RMA to provide sufficient development capacity in respect of housing land to meet the expected demands of the district³. The quantum of people that need to be accommodated are detailed in Section 5 above.

The following densities are provided for in the PDP:

Table 3: Controlled, Restricted Discretionary and Discretionary subdivision standards

| | Controlled | Restricted Discretionary | Discretionary |
|--------------------------|---------------------|---------------------------------|----------------------|
| General Residential zone | 600m ² | | 300m ² |
| Rural Residential zone | 4,000m ² | 3,000m ² | 2,000m ² |
| Mixed Use zone | 250m ² | | Any |

The General Residential zone also has a 'multi-unit' development rule which enables three residential units on sites which are a minimum of 600m², where the development is contained within one contiguous building and is not a collection of multiple standalone units. Buildings and structures also need to comply specified standards in the PDP.

The Mixed Use zone does not have a density control within the zone provisions, in other words multiple dwellings can be achieved on any Mixed Use site over the top two levels of a building. It is difficult to understand market demand for dwellings in the Mixed Use zone so for the purpose of the report a conservative approach is taken relying on the subdivision standard in the PDP of 250m² as a controlled activity status. While it is possible to create multiple dwellings over two levels on sites of 250m², for the purposes of this assessment one dwelling is provided for on sites less than 500m². For sites with subdivision capacity at a controlled activity status (500m²) the latent residential

³ Resource Management Act 1991: Section 31(1)(aa)

development capacity is worked out at one dwelling per 250m². No provision for roading and reserves has been taken in the Mixed Use zone as the environment is largely established.

In terms of latent residential development capacity, the sites that can be created in the General Residential and Rural Residential zones are deemed 'green field' as they are absent of buildings, therefore, reasonably straight forward to develop and commercially viable. This is a conservative approach to understanding the latent residential development capacity and does not consider options to redevelop a 'brownfield' site. Mixed Use sites are considered to be 'brownfield' as most of the sites within the zone are currently occupied with buildings. These sites have the potential to retrofit residential units on top of existing commercial, or completely redevelop.

Category 1: No latent residential development capacity

The following site sizes are not considered to have potential for subdivision based on the Controlled, Restricted Discretionary and Discretionary subdivision standard in the respective zones. These sites are worked out by doubling the controlled subdivision standards and subtracting 1m². The following site sizes are not considered to have latent residential development capacity.

Based on Controlled subdivision

- <=1,199m² in the General Residential zone;
- <=7,999m² in the Rural Residential zone; and
- <=499m² in the Mixed use zone.

Based on Restricted Discretionary subdivision

- <=5,999m² in the Rural Residential zone.

Based on Discretionary subdivision

- <=599m² in the General Residential zone; and
- <=3,999m² in the Rural Residential zone.

Category 2: Limited latent residential development capacity

The following site sizes are considered possible to subdivide based on the Controlled, Restricted Discretionary and Discretionary subdivision standard in the respective zones. The site sizes represent the ability to subdivide and create one additional site. Many of these sites have an existing dwelling (or buildings). For the purpose of establishing latent residential development capacity for a site, if an existing dwelling or building is located centrally on the site, then it is deemed impractical and not possible to subdivide. In this instance no latent residential development capacity is given for that site. If it is clear that half of the section is clear of dwellings or buildings and another dwelling can be established on the site, then one additional site is allocated for latent residential development capacity.

Based on Controlled subdivision

- 1,200m² – 1,799m² in the General Residential zone;
- 8,000m² – 11,999m² in the Rural Residential zone; and

Based on Restricted Discretionary subdivision

- 6,000 m² – 8,999m² in the Rural Residential zone.

Based on Discretionary subdivision

- 600m² – 899m² in the General Residential zone;
- 4,000m² – 5,999m² in the Rural Residential zone; and

Category 3: Likely latent residential development capacity

The following site sizes are considered probable to subdivide based on the Controlled, Restricted Discretionary and Discretionary subdivision standard in the respective zones. The following site sizes represent the ability to subdivide and create more than one additional site. The sites are a mix of undeveloped and those with an existing dwelling, dwellings or mix of buildings and considered easily subdividable.

Based on Controlled subdivision

- $\geq 1,800\text{m}^2$ in the General Residential zone;
- $\geq 12,000\text{m}^2$ in the Rural Residential zone; and
- $\geq 500\text{m}^2$ in the Mixed zone.

Based on Restricted Discretionary subdivision

- $\geq 9,000\text{m}^2$ in the Rural Residential zone.

Based on Discretionary subdivision

- $\geq 900\text{m}^2$ in the Residential zone; and
- $\geq 6,000\text{m}^2$ in the Rural Residential zone.

In establishing the latent residential development capacity for Category 3 sites the total land area for latent residential development capacity is first reduced by 40% to cater for roading and reserves contribution. The number of dwellings or buildings on each site does not influence the calculation for latent residential development capacity because the size of the site should enable any existing dwellings and/or buildings to be subdivided off. Each building identified on these sites removes an additional site from the calculation of latent residential development capacity, regardless of whether it is a dwelling or not. This is a conservative approach and deemed necessary in the absence of ground truthing.

The methodology for assessing the latent residential development capacity of the Mixed Use is explained above.

Residential zone

Map 2: General Residential zone within Kawakawa

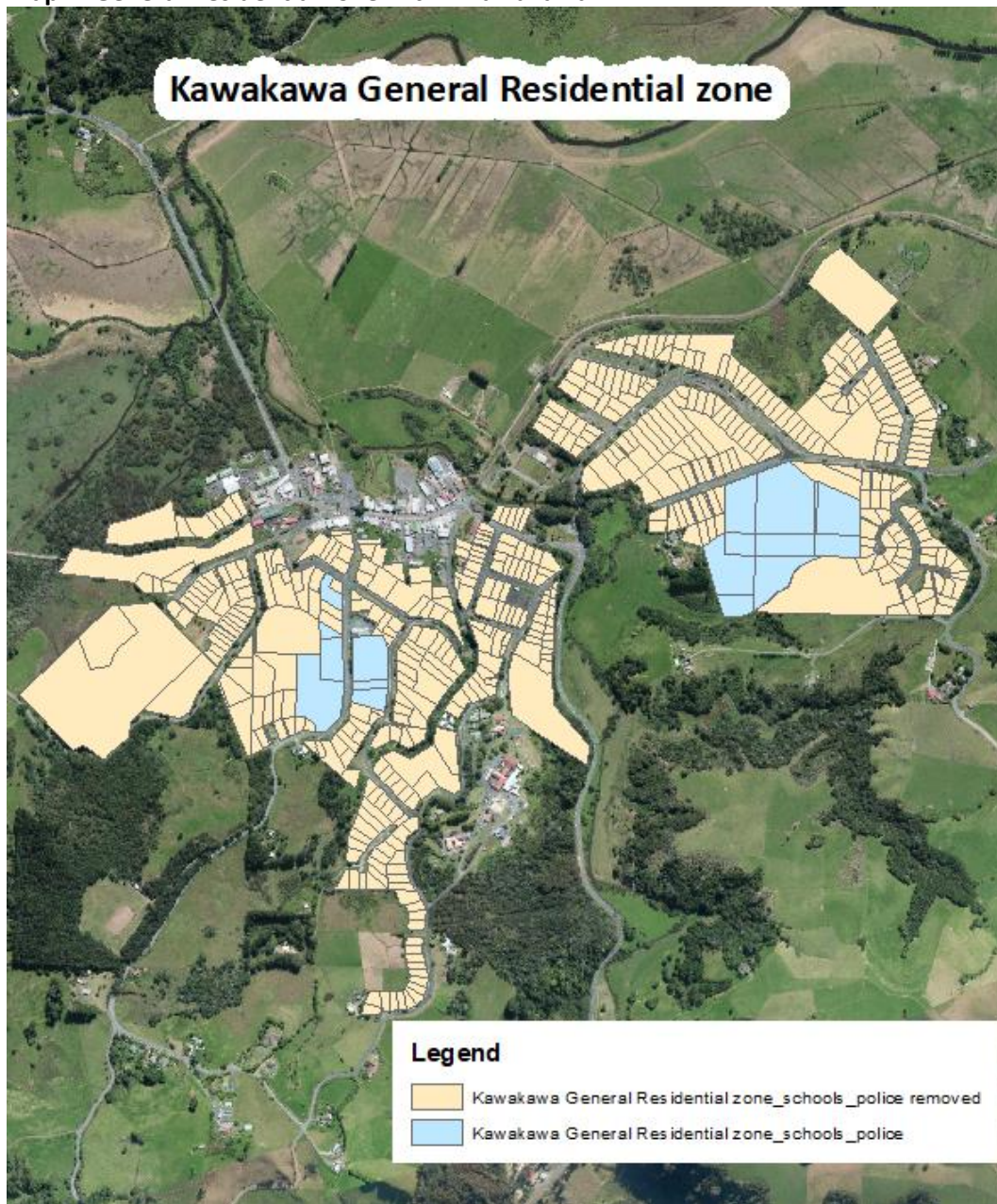


Table 4: General Residential zone latent residential development capacity

| | # of parcels | Area (ha) | Parcels to subdivide | # of buildings | Total area less infrastructure (40%) | # probable parcels |
|---|--------------|-----------|----------------------|----------------|--------------------------------------|--------------------|
| School lots and Police | 17 | 11.5 | | | | |
| Controlled area $\leq 1199\text{m}^2$ | 371 | 30.6 | 0 | | | 0 |
| Discretionary area $\leq 599\text{m}^2$ | 52 | 1.8 | 0 | | | 0 |
| Controlled area $1200\text{m}^2 - 1799\text{m}^2$ | 67 | 9.5 | 26 | | | 26 |
| Discretionary area $600\text{m}^2 - 899\text{m}^2$ | 149 | 11.4 | 20 | | | 20 |
| Controlled area $\geq 1800\text{m}^2$ | 52 | 35.6 | 52 | 98 | 21.4 | 258 |
| Discretionary area $\geq 900\text{m}^2$ | 289 | 62.5 | 289 | 456 | 37.5 | 794 |
| TOTAL CONTROLLED | | | | | | 284 |
| TOTAL CONTROLLED (Multi-unit development rule) | | | | | | 852 |
| TOTAL DISCRETIONARY | | | | | | 814 |

Rural Residential zone

Map 3: Rural Residential zone surrounding Kawakawa

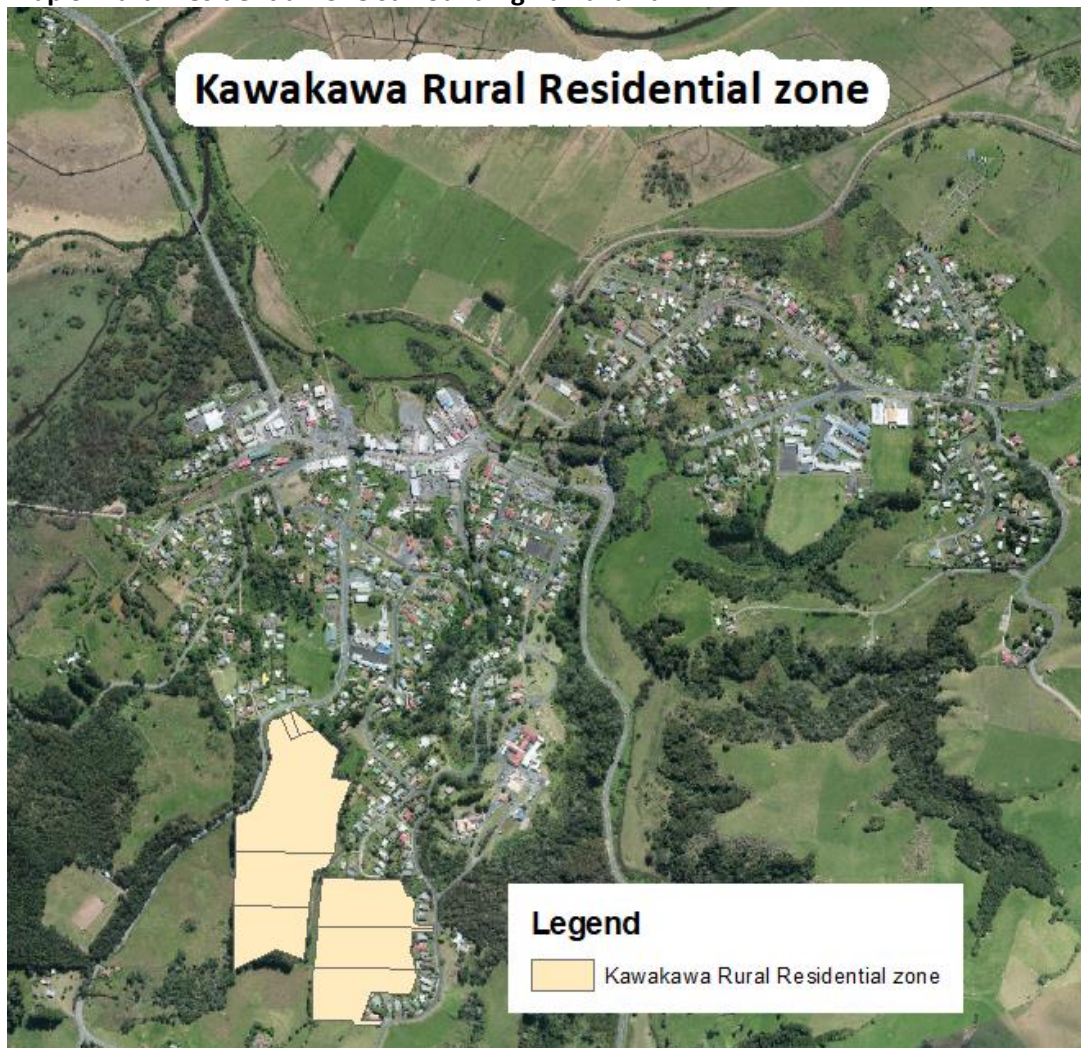


Table 5: Rural Residential zone latent residential development capacity

| | # of parcels | Area (ha) | Parcels to subdivide | # of buildings | Total area less infrastructure | # probable parcels |
|---|--------------|-----------|----------------------|----------------|--------------------------------|--------------------|
| Controlled area <=7999m ² | 2 | 0.2 | 0 | | | 0 |
| Restricted Discretionary area <=5999m ² | 2 | 0.2 | 0 | | | 0 |
| Discretionary area <=3999m ² | 2 | 0.2 | 0 | | | 0 |
| Controlled area 8000m ² - 11999m ² | 0 | 0 | 0 | | | 0 |
| Restricted Discretionary area 6000m ² - 8999m ² | 0 | 0 | 0 | | | 0 |
| Discretionary area 4000m ² - 5999m ² | 0 | 0 | 0 | | | 0 |
| Controlled area >= 12000m ² | 6 | 12.7 | 6 | 9 | 7.6 | 10 |
| Restricted Discretionary area >= 9000m ² | 6 | 12.7 | 6 | 9 | 7.6 | 16 |
| Discretionary area >= 6000m ² | 6 | 12.7 | 6 | 9 | 7.6 | 29 |
| TOTAL CONTROLLED | | | | | | 10 |
| TOTAL RESTRICTED DISCRETIONARY | | | | | | 16 |
| TOTAL DISCRETIONARY | | | | | | 29 |

Mixed Use zone

Map 4: Mixed Use zone in Kawakawa

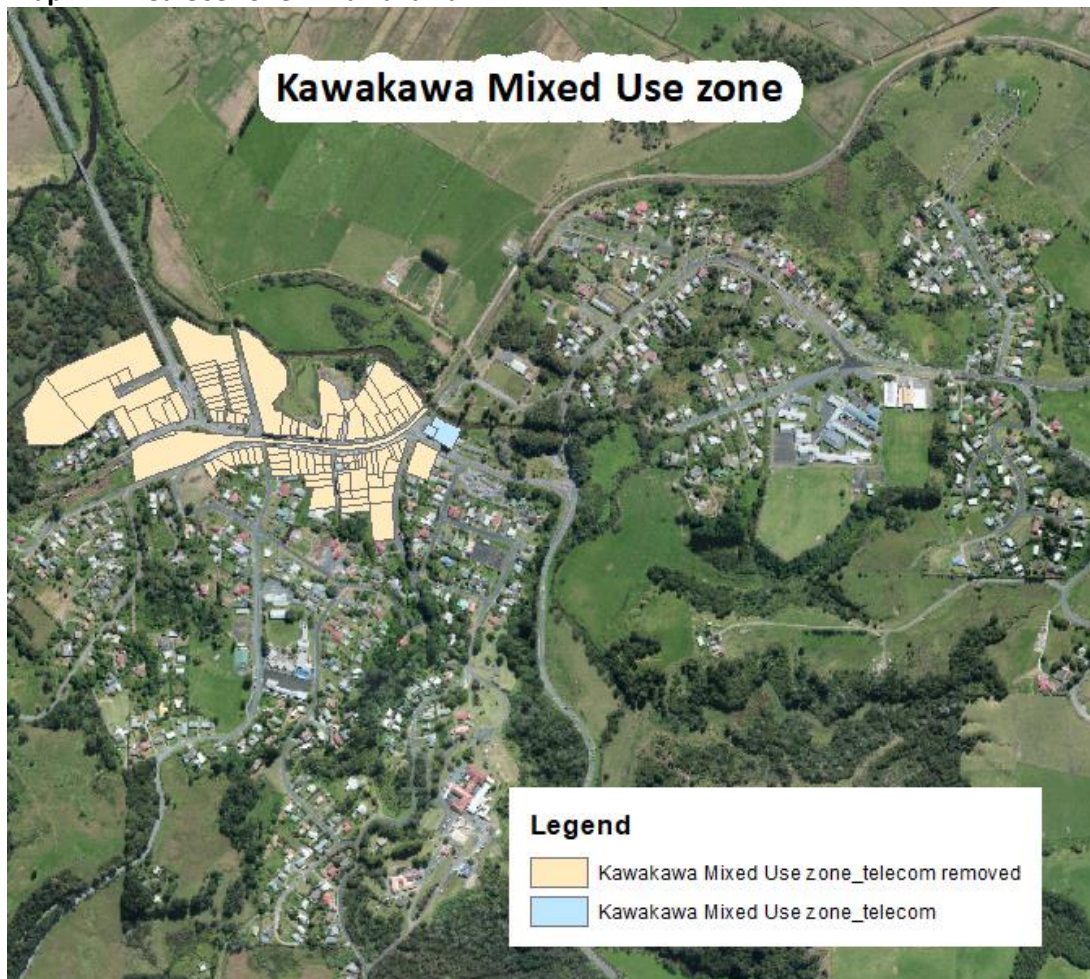


Table 6: Mixed Use zone latent residential development capacity

| | # of parcels | Area (ha) | Parcels to subdivide | # of buildings | Total area less infrastructure (40%) | # probable parcels |
|--------------------------------------|--------------|-----------|----------------------|----------------|--------------------------------------|--------------------|
| Telecom | 2 | 0.1 | | | | 0 |
| Controlled area <=499m ² | 66 | 1.8 | 0 | | | 66 |
| Controlled area >= 500m ² | 41 | 8.5 | 41 | | | 340 |
| TOTAL CONTROLLED | | | | | | 406 |

Table 7: Summary of the latent residential development capacity within the Kawakawa SA2 area

| | Controlled subdivision (Parcels) | Restricted Discretionary subdivision (Parcels) | Discretionary subdivision (Parcels) |
|--------------------------|--|--|-------------------------------------|
| General Residential zone | 284 852 utilising the multi-unit development rule | | 814 |
| Rural Residential zone | 10 | 16 | 29 |
| Mixed Use zone | 406 | | |

7. Constraints

- The calculations associated with latent residential development capacity in this report represent what may be achieved within the respective zones. The parcels represent those that existed in January 2022 and the buildings as at 2021. The buildings outlines provided by LINZ include a mixture of dwellings, sheds, garages etc. As such the calculations in this report provide a conservative estimate where a building has been identified on a site as they may not be dwellings.
- There may be subdivision consents that have been granted by Council but have not yet been given effect to and new parcels created. It is noted that not all subdivision consents are realised and consents sometimes lapse.
- There may be consent notices or covenants placed on titles that restrict further subdivision.
- The calculations do not necessarily reflect any practical limitations to subdivision or development that might be imposed by the shape, topography or any hazards that may be present. It is noted that 40% of land from Category 3 parcels has been removed from consideration to accommodate roading and reserves contributions, with the exception of the Mixed Use zone.

8. Conclusions

If all the vacant and infill sites in the Kawakawa SA2 area was developed to the current capacity enabled under the PDP controlled subdivision standard there would be, theoretically, enough land for:

- 284 additional sites within the General Residential zone. These sites have the ability to realise 852 dwellings where the multi-unit development rule in the PDP is applied.
- 10 additional sites can be created in the Rural Residential zone.
- At least 406 additional dwellings can be accommodated in the Mixed use zone.

According to Infometrics population forecasts the Kawakawa SA2 area can expect to see an increase in the medium term⁴ of:

- 31 persons over the next 10 years in a medium growth scenario; or
- 85 persons over the next 10 years in a high growth scenario.

In the long term⁵ the Kawakawa SA2 area can expect to see an increase of:

- 2 persons over the next 30 years in a medium growth scenario; or
- 179 persons over the next 30 years in a high growth scenario.

According to Statistics New Zealand the average household size is 2.85 persons in the Kawakawa area. The Kawakawa SA2 area will require the following additional sites to accommodate projected growth:

- 11 sites over the next 10 years in a medium growth scenario; or
- 30 sites over the next 10 years in a high growth scenario.
- 1 site over the next 30 years in a medium growth scenario; or

⁴ Medium term is defined in the NPS-UD: means between 3 and 10 years

⁵ Long term is defined in the NPS-UD: means between 10 and 30 years

- 63 sites over the next 30 years in a high growth scenario.

The Kawakawa SA2 area can accommodate 100% of all projected growth in the medium term under both the medium and high growth scenarios with an excess of 100% headroom. This can be achieved at a controlled subdivision standard using only the General Residential zone, without utilising the Rural Residential zone, the Mixed Use zone or the multi-unit development rule within the General Residential zone in the PDP.

The Kawakawa SA2 area can accommodate 100% of all projected growth in the long term under both the medium and high growth scenarios with an excess of 100% headroom. This can be achieved at a controlled subdivision standard using only the General Residential zone, without utilising the Rural Residential zone, the Mixed Use zone or the multi-unit development rule within the General Residential zone in the PDP.

The multi-unit development rule in the PDP provides the potential for an additional 568 dwellings in the General Residential zone.

The PDP encourages more intensive development to that in the Operative District Plan to make the investment in infrastructure within the town centre more efficient and affordable. The multi-unit development rule will also provide for a mix of housing sizes and typologies, providing more choice for the market and assist with affordable housing.

This study was a desktop exercise. The sites identified in this process were not visited. Potential physical constraints to development have not been wholly considered. Regardless, this study provides a valuable theoretical baseline with information that can be used to:

- Understand how Council can accommodate its responsibilities under section 31 of the RMA when preparing its District Plan.
- Understand when strategic planning needs to look at providing further land for housing.
- Help infrastructure planning understand when and where to provide appropriate development infrastructure⁶ in urban areas to accommodate growth.
- Assist in financial planning for growth related infrastructure and to inform a Development Contributions policy and fee schedule.

⁶ Development Infrastructure defined in s30 of the RMA: means the network infrastructure for— (a) water supply, wastewater, and storm water; and (b) to the extent that it is controlled by local authorities, land transport as defined in section 5(1) of the Land Transport Management Act 2003.