KERIKERI

1. Purpose of the report

The purpose of this report is to better understand Kerikeri, 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 capacity[1] 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 Kerikeri 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. Kerikeri Statistical Area 2 geographies

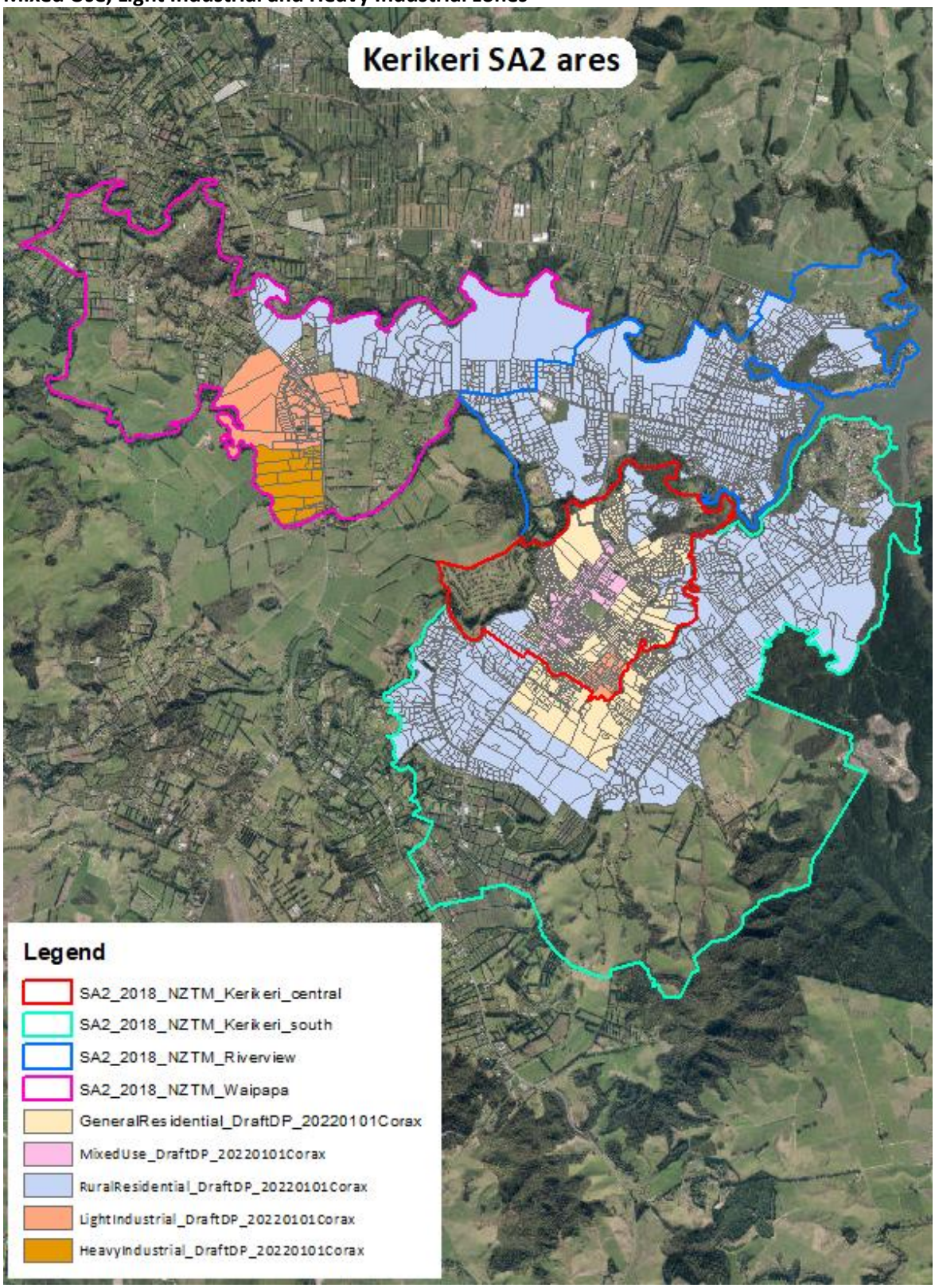
SA2s are the third of a four-tier hierarchy designed to provide an output geography for high aggregations of population data that are provided at the SA1 level. The SA2 geography aims to reflect communities that interact together socially and economically. In populated areas, SA2s generally contain similar-sized population[2].

There are four SA2 areas (Kerikeri Central, Kerikeri South, Riverview and Waipapa) identified by Statistics New Zealand that generally correlate with the following Kerikeri zones:

- General Residential
- Rural Residential
- Mixed Use
- Light Industrial
- Heavy Industrial

[2] Statistics New Zealand

Map 1: The four Kerikeri SA2 areas that correlate with the General Residential, Rural Residential, Mixed Use, Light Industrial and Heavy Industrial zones



4. Population statistics of the four Kerikeri SA2 areas between 2002 and 2021

Infometrics has supplied the historical population statistics for the SA2 areas. 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 four Kerikeri SA2 areas between 2002 - 2021

	2002	2007	2012	2017	2021	Difference 2002-2021	% change 2002-2021
Kerikeri Central	1940	2179	2320	2530	2759	819	42.2%
Kerikeri South	1394	1859	2274	2572	2744	1350	96.8%
Riverview	1501	1852	1965	2106	2563	1062	70.8%
Waipapa	510	605	745	875	960	450	88.2%
TOTALS	**5345**	**6495**	**7304**	**8083**	**9026**	**3681**	**68.9%**

Comments Table 1:

- The percentage change between 2002 and 2021 varies across the four Kerikeri SA2 areas and collectively represent around 3.4% growth per year.
- For context, the last 5 years 2017-2021 represents approximately 2.3% growth per year across the four SA2 areas.
- Approximately 65% of the population increase between 2002 and 2021 is located within the Kerikeri South and Riverview areas. With the exception of the General Residential land located the Hall Rd vicinity, these two SA2 areas do not have, nor are programmed to receive Council reticulated wastewater services. The predominant zone is Rural Residential.
- 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 four Kerikeri SA2 areas 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 four Kerikeri SA2 areas out to 2052

Year	2022	2027	2032	2037	2042	2047	2052	Total Growth 2022 – 2052
Kerikeri Central								
Total population (Medium scenario)	2797	2969	3169	3383	3525	3668	3784	
Population increase (Medium scenario)		*172*	*200*	*214*	*142*	*143*	*116*	***987***
Total population (High scenario)	2804	3014	2660	3520	3704	3894	4064	
Population increase (High scenario)		*210*	*246*	*260*	*184*	*190*	*170*	***1260***

Kerikeri South								
Total population (Medium scenario)	2820	3303	3622	3846	3996	4096	4170	
Population increase (Medium scenario)		*483*	*319*	*224*	*150*	*100*	*74*	***1350***
Total population (High scenario)	2824	3349	3720	3996	4195	4350	4472	
Population increase (High scenario)		*525*	*371*	*376*	*199*	*155*	*122*	***1648***
Riverview								
Total population (Medium scenario)	2688	2873	2945	3019	3087	3122	3144	
Population increase (Medium scenario)		*185*	*72*	*74*	*68*	*35*	*22*	***456***
Total population (High scenario)	2697	2911	3024	3145	3256	3332	3395	
Population increase (High scenario)		*214*	*113*	*121*	*111*	*76*	*63*	***698***
Waipapa								
Total population (Medium scenario)	970	1108	1294	1446	1547	1658	1752	
Population increase (Medium scenario)		*138*	*186*	*152*	*101*	*111*	*94*	***782***
Total population (High scenario)	972	1134	1349	1534	1664	1815	1935	
Population increase (High scenario)		*162*	*215*	*185*	*130*	*151*	*120*	***963***
TOTAL population (Medium scenario)	**9275**	**10253**	**11030**	**11694**	**12155**	**12544**	**12850**	
TOTAL population (High scenario)	**9297**	**10408**	**11353**	**12195**	**12819**	**13391**	**13866**	
TOTAL Increase (Medium scenario)		***978***	***777***	***664***	***461***	***389***	***306***	***3575***
TOTAL Increase (High scenario)		***1111***	***945***	***842***	***624***	***572***	***475***	***4569***

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 four housing. Statistics New Zealand identify the average household size in Kerikeri to be 2.4 persons. The following number of parcels will be needed to accommodate the projected growth across the four Kerikeri SA2 areas under the medium and high growth scenarios.

Medium growth scenario

- 408 parcels (an increase of 978 persons over a 5 year period)
- 731 parcels (an increase of 1755 persons over a 10 year period)
- 1007 parcels (an increase of 2419 persons over a 15 year period)
- 1200 parcels (an increase of 2880 persons over a 20 year period)
- 1362 parcels (an increase of 3269 persons over a 25 year period)
- 1489 parcels (an increase of 3575 persons over a 30 year period)

High growth scenario

- 463 parcels (an increase of 1111 persons over a 5 year period)
- 857 parcels (an increase of 2056 persons over a 10 year period)
- 1208 parcels (an increase of 2898 persons over a 15 year period)
- 1468 parcels (an increase of 3522 persons over a 20 year period)
- 1706 parcels (an increase of 4094 persons over a 25 year period)
- 1904 parcels (an increase of 4569 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 district[3]. 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 600m^2, 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 250m^2 as a controlled activity status. While it is possible to create multiple dwellings over two levels on sites of 250m^2, for the purposes of this assessment one dwelling is provided for on sites less than 500m^2. For sites with subdivision capacity at a controlled activity status (500m^2) the latent residential development capacity is worked out at one dwelling per 250m^2. 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 dwellings on top of existing commercial, or completely redevelop.

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

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 1m^2. The following site sizes are not considered to have latent residential development capacity.

Based on Controlled subdivision

- <=1,199m^2 in the General Residential zone;
- <=7,999m^2 in the Rural Residential zone; and
- <=499m^2 in the Mixed use zone.

Based on Restricted Discretionary subdivision

- <=5,999m^2 in the Rural Residential zone.

Based on Discretionary subdivision

- <=599m^2 in the General Residential zone; and
- <=3,999m^2 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

- 1,200m^2 – 1,799m^2 in the General Residential zone;
- 8,000m^2 – 11,999m^2 in the Rural Residential zone; and

Based on Restricted Discretionary subdivision

- 6,000 m^2 – 8,999m^2 in the Rural Residential zone.

Based on Discretionary subdivision

- 600m^2 – 899m^2 in the General Residential zone;
- 4,000m^2 – 5,999m^2 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

- >= 1,800m^2 in the General Residential zone;
- >= 12,000m^2 in the Rural Residential zone; and
- >= 500m^2 in the Mixed zone.

Based on Restricted Discretionary subdivision

- >= 9,000m^2 in the Rural Residential zone.

Based on Discretionary subdivision

- >= 900m^2 in the Residential zone; and
- >= 6,000m^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 Kerikeri

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	11	11.5				
Controlled area <=1199m^2	761	50.7	0			0
Discretionary area <=599m^2	270	11.2	0			0
Controlled area 1200m^2 - 1799m^2	109	15.9	38			38
Discretionary area 600m^2 - 899m^2	360	25.8	70			70
Controlled area >= 1800m^2	168	134	168	323	80.4	1017
Discretionary area >= 900m^2	408	163	408	642	97.8	2618
TOTAL CONTROLLED						**1055**
TOTAL CONTROLLED (Multi-unit development rule)						**3165**
TOTAL DISCRETIONARY						**2688**

Rural Residential zone

Map 3: Rural Residential zone surrounding Kerikeri

Table 5: Rural Residential zone latent residential development capacity

	# of parcels	Area (ha)	Parcels to subdivide	# of buildings	Total area less infrastructure	# probable parcels
School and WTP[4] lots	3	7.3				
Controlled area <=7999m^2	1716	527	0			0
Restricted Discretionary area <=5999m^2	1644	478	0			0
Discretionary area <=3999m^2	1268	306	0			0
Controlled area 8000m^2 - 11999m^2	79	74.7	46			46
Restricted Discretionary area 6000m^2 - 8999m^2	105	76.9	56			56
Discretionary area 4000m^2 - 5999m^2	362	166.1	190			190
Controlled area >= 12000m^2	154	654	154	356	392.4	625
Restricted Discretionary area >= 9000m^2	200	701	200	445	420.6	957
Discretionary area >= 6000m^2	305	778	305	633	466.8	1701
TOTAL CONTROLLED						**671**
TOTAL RESTRICTED DISCRETIONARY						**1013**
TOTAL DISCRETIONARY						**1891**

[4] Water Treatment Plant

Mixed Use zone

Map 4: Mixed Use zone in Kerikeri

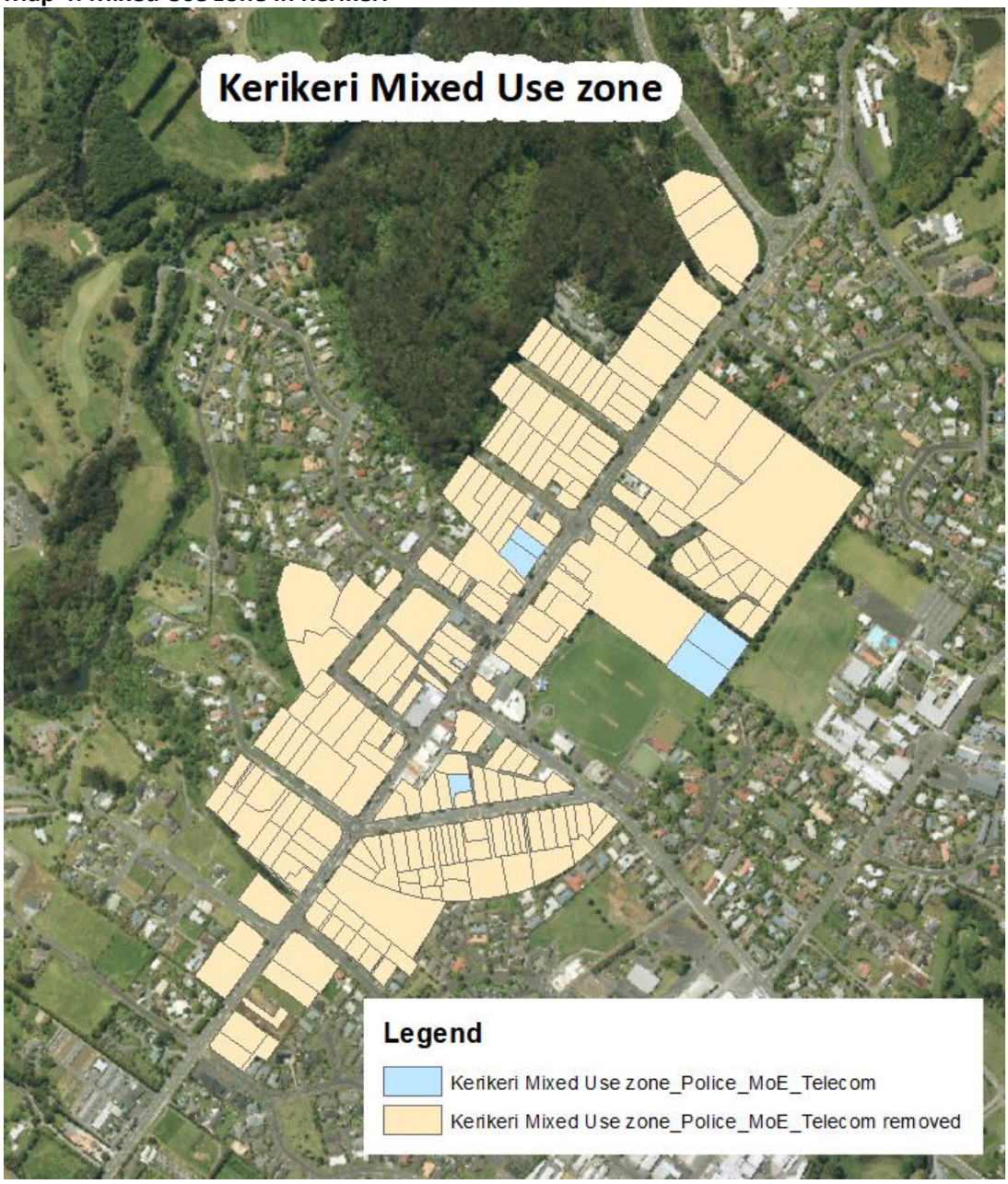


Table 6: Mixed Use zone latent residential development capacity

	# of parcels	Area (ha)	Parcels to subdivide	# of buildings	Total area less infrastructure (40%)	# probable parcels
Police_MoE_Telecom	5	1				0
Controlled area <=499m^2	78	1.9	0			78
Controlled area >= 500m^2	205	32.7	205			1308
TOTAL CONTROLLED						**1386**

Table 7: Summary of the latent residential development capacity within the four Kerikeri SA2 areas

	Controlled subdivision (Parcels)	Restricted Discretionary subdivision (Parcels)	Discretionary subdivision (Parcels)
General Residential zone	1,055 3,165 utilising the multi-unit development rule		2,688
Rural Residential zone	671	1,013	1,891
Mixed Use zone	1,386		

7. Constraints

- The areas zoned General Residential and Mixed Use in the Waipapa vicinity have not been included in the latent residential development capacity calculations as there is currently no appropriate development infrastructure to realise the density commensurate with that provided in the PDP, or that available in Kerikeri. The General Residential and Mixed Use zones in Kerikeri in concert with the Rural Residential in all of the SA2 areas accommodate the growth forecast in the Waipapa SA2 area.
- 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 four Kerikeri SA2 areas were developed to the current capacity enabled under the PDP controlled subdivision standard there would be, theoretically, enough land for:

- 1,055 additional sites within the General Residential zone. These sites have the ability to realise 3,165 dwellings where the multi-unit development rule in the PDP is applied.
- 671 additional sites can be created in the Rural Residential zone.
- At least 1,386 additional dwellings can be accommodated in the Mixed use zone.

According to Infometrics population forecasts the four Kerikeri SA2 areas can expect to see an increase in the medium term[5] of:

- 1,755 persons over the next 10 years in a medium growth scenario; or
- 2056 persons over the next 10 years in a high growth scenario.

In the long term[6] the four Kerikeri SA2 areas can expect to see an increase of:

- 3575 persons over the next 30 years in a medium growth scenario; or
- 4569 persons over the next 30 years in a high growth scenario.

According to Statistics New Zealand the average household size is 2.4 persons in the Kerikeri area. The four Kerikeri SA2 areas will require the following additional sites to accommodate projected growth:

- 731 sites over the next 10 years in a medium growth scenario; or
- 857 sites over the next 10 years in a high growth scenario.
- 1489 sites over the next 30 years in a medium growth scenario; or
- 1904 sites over the next 30 years in a high growth scenario.

The four Kerikeri SA2 areas 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 and the Rural Residential zones, without utilising the Mixed Use zone or the multi-unit development rule within the general Residential zone in the PDP.

The four Kerikeri SA2 areas can accommodate 100% of all projected growth in the long term under both the medium and high growth scenarios with approximately 100% and 60% headroom respectively where all three the zones are utilised[7], without utilising the multi-unit development rule in the PDP.

The multi-unit development rule in the PDP provides the potential for an additional 2,110 dwellings in the General Residential zone.

Further fragmentation of our rural environment and use of highly versatile soils is not sustainable. 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. It is envisaged that these measures, along with more restrictive measures in the rural environment, will help turn the trend of rural fragmentation to accommodate growth.

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:

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

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

[7] General Residential zone, Rural Residential zone and the Mixed Use zone

- 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 infrastructure[8] in urban areas to accommodate growth.
- Assist in financial planning for growth related infrastructure and to inform a Development Contributions policy and fee schedule.

[8] 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.