

Section 32 Report  
Part 2

## Strategic Direction

Prepared for the  
Proposed Kaipara District Plan

Prior to Notification

**28 April 2025**

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## **ATTACHMENTS (TO THIS DOCUMENT)**

1. Kaipara District Plan Review - Economic assessment of residential, commercial, and industrial land supply

## **ABBREVIATIONS USED IN THIS REPORT**

Kaipara District Council Operative District Plan	KDP
Kaipara District Spatial Plan	KDSP
Local Government Act 2002	LGA
Long Term Plan	LTP
National Environmental Standards	NES
National Policy Statements	NPS
New Zealand Coastal Policy Statement	NZCPS
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
National Policy Statement on Urban Development	NPS:UD
Proposed Kaipara District Plan	PDP
Proposed Regional Plan	PRP
Regional Water and Soil Plan	RWSP
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP

## 1. INTRODUCTION

### 1.1 Overview

1. This report details the pre-notification evaluation undertaken by Kaipara District Council (**KDC**) in relation to the Strategic Direction chapter of the Proposed Kaipara District Plan (**PDP**). The report has been prepared in accordance with section 32 of the RMA.
2. This report should be read in conjunction with the Section 32 Overview Report for the PDP which provides a more detailed overview of the statutory context and the process to prepare the PDP. This report has also been informed by the '*Kaipara District Plan Review - Economic assessment of residential, commercial, and industrial land supply*' prepared by Formative (the '**PDP Development Capacity Report**'), refer **Attachment 1**. This PDP Development Capacity Report was commissioned to confirm that Council is meeting its obligations under section 31 (1)(aa) of the RMA which is of particular relevant to the Strategic Direction chapter.
3. The Strategic Direction objectives relate to a range of resource management issues that are of strategic importance to the District and the Strategic Direction chapter also includes urban form and development policies. The resource management issues addressed through the Strategic Direction chapter are intended to guide decision-making at a strategic level and support the implementation of more specific provisions in various chapters of the PDP (e.g. subdivision and land-use development managed through the Subdivision chapter and zone chapters). The Section 32 reports for the various chapters of the PDP provide a more detailed evaluation of the proposed objectives and provisions in those chapters in accordance with the requirements of section 32 of the RMA.

### 1.2 Topic Description

4. KDC has responsibilities under section 31 of the RMA to manage the effects of the use and development, or protection of land and associated natural and physical resources of the District and to ensure sufficient development capacity for housing and business land to meet the expected demands of the District.
5. The National Planning Standards 2019 requires, if a District Plan includes any of the following matters, they must be contained in the Strategic Direction chapter of the District Plan:
  - a) Key strategic or significant resource management matters for the district
  - b) Issues, if any, and objectives that address key strategic or significant matters for the district and guide decision making at a strategic level
  - c) Policies that address these matters, unless those policies are better located in other more specific chapters
  - d) How resource management issues of significance to iwi authorities are addressed in the plan.

6. This means that the above matters do not necessarily need to be addressed in a District Plan, but if they are they must be located in the Strategic Direction chapter. However, the National Planning Standards require that the Strategic Direction chapter include an “urban form and development” sub-chapter. A full description of the mandatory requirements for the Strategic Direction Chapter required by the National Planning Standards are set out in the statutory context section of this report below.
7. As part of undertaking its responsibilities under section 31 of the RMA and giving effect to the mandatory directions of the National Planning Standards, Council needs to think strategically about how the PDP should best address the key strategic or significant resource management matters for the District.
8. The Kaipara District is dominated by rural landscapes, with a low population density overall, with the largest settlements being Mangawhai in the south-east, and Dargaville. The next largest settlements are Maungaturoto and Kaiwaka, with a number of other smaller settlements, with many of those located either along the ocean or harbour coast, or on or near State Highway 12 which runs from State Highway 1 through western Kaipara.
9. Mangawhai is the largest, and also the fastest growing part of the District, influenced primarily by its proximity to Auckland, and appeal as a holiday destination. Since the 2006 Census, household numbers in Mangawhai have increased 260%, with the next fastest growing urban area being Kaiwaka, and other parts of central Kaipara (Ruawai-Matakohe, Otamatea, and Maungaturoto, each 2-3% per year on average). The slowest growing parts of Kaipara are those in Dargaville and the west of the District, where long-run average growth rates are around 1.2-1.5%<sup>1</sup>.
10. Urban development and the provision of housing across the District is a key strategic resource management issue that needs to be strategically managed in these fast growing urban areas to provide for social, economic, and cultural wellbeing of Kaipara’s communities and enabling a range of housing typologies to support the diverse needs of Kaipara’s communities.
11. Economic growth and employment are also a key strategic issue for the District. By 2054, the total district employment is projected to have increased by 3,200 jobs (+37%), with the largest increase in job terms in the industrial and construction sectors, followed by health, commercial office and retail and hospitality<sup>2</sup>. It is estimated that Kaipara households, businesses, and tourists will spend \$318m in the District’s retail and hospitality businesses in 2024 and by 2054 that is projected to increase by 90% to reach \$606m<sup>3</sup>. Given the projected employment growth and demand growth for retail and hospitality, it is important the PDP sets strategic direction and outcomes for how business growth is supported across the District. Clear resource management outcomes are also required for commercial and industrial

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<sup>1</sup> ‘Kaipara District Plan Review - Economic assessment of residential, commercial, and industrial land supply’, prepared by Formative (2025), pg.10.

<sup>2</sup> Ibid, pg.2.

<sup>3</sup> Ibid. pg. 43.

zones to support adequate land for businesses to operate effectively and efficiently while also ensuring adverse effects on the surrounding environment are appropriately managed.

12. Land fragmentation is also a key resource management issue in the Kaipara District, arising from the need to protect the most productive parts of the District by retaining land parcels large enough to support primary production activities.
13. There is a need to better manage where rural lifestyle development and housing development can occur to ensure 'highly productive land' (which is defined in the PDP based on the corresponding definition in the National Policy Statement for Highly Productive Land 2022) is protected for primary production activities which support the District's economy and provide local food supply and security. The PDP primarily addresses these issues through the provisions in the General rural zone and Rural lifestyle zone, which is supported by an objective in the Strategic Direction chapter focused on these outcomes.
14. In addition to these key strategic resource management issues, it is important that the Strategic Direction Chapter of the PDP sets objectives relating to the following section 6 matters of national importance:
  - a. The protection of the natural character of the coastal environment (s6(a)).
  - b. The protection of outstanding natural features and landscapes from inappropriate subdivision, use and development (s6(b)).
  - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna (s6(c)).
  - d. The relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wahi tapu, and other taonga (s6(e)).
  - e. The protection of historic heritage from inappropriate subdivision, use, and development (s6(f)).
  - f. The management of significant risks from natural hazards (s6(h)).
15. The Strategic Direction chapter in Part 2 of the PDP (District-wide matters) sets out the overarching direction for the sustainable management of growth, land use, and development of the Kaipara District. This chapter identifies the strategic and significant resource management issues that are most relevant for the Kaipara District.
16. As set out in the overview of the Strategic Direction chapter, the strategic objectives and policies provide guidance on what the objectives and policies in other chapters of the plan are seeking to achieve. All relevant objectives and policies in the PDP (including the Strategic Direction objectives and policies) are to be read as a whole and considered together. No hierarchy exists between them. Activity-specific and location-specific objectives and policies are included within the relevant chapters of the PDP and are to be read together as applicable.

17. The Strategic Direction chapter includes objectives (and policies for urban form and development) under the following headings:
- a. **Vision for Kaipara:** eight objectives covering key strategic issues associated with the growth and wellbeing of the Kaipara District.
  - b. **Historic heritage:** one objective to recognise the contribution of historic heritage to the Kaipara District.
  - c. **Natural environment:** three objectives relating to indigenous biodiversity, the coastal environment and outstanding natural features and landscapes.
  - d. **Natural hazards and resilience:** one objective focused on assessing and managing the risks from natural hazards and improving resilience.
  - e. **Tangata Whenua/Mana Whenua:** one objective to ensure the relationship of Tangata Whenua/Mana Whenua with their ancestral lands, waterbodies, sites, wāhi tapu and other taonga is recognised and provided for.
  - f. **Urban form and development:** five objectives supported by seven policies that broadly relate to providing sufficient development capacity for housing and business land, economic opportunities, high quality urban design, infrastructure, achieving anticipated outcomes in urban zones, and limiting further development within the 'Mangawhai-Hakuru Managed Growth Area'.

### 1.3 Scale and Significance of the Effects

18. A section 32 evaluation report must contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal. In order to determine the scale and significance, the following criteria have been used.

TABLE 1: ASSESSMENT OF SCALE AND SIGNIFICANCE OF EFFECTS		
Criteria	Summary of effects	Evaluation (1 is low and 5 is high)
Reason for change from approach in Operative District Plan	<ul style="list-style-type: none"> <li>The Operative Kaipara District Plan (<b>KDP</b>) became operative in 2013 and is subject to its 10-year review (s79 of the RMA).</li> </ul>	3

	<ul style="list-style-type: none"> <li>The KDP does not give effect to more recent higher order documents (NZCPS and NRPS) and is not consistent with the format and structure of the National Planning Standards. Accordingly, change is required to reflect these new higher order directions.</li> </ul>	
Degree of shift from status quo	<ul style="list-style-type: none"> <li>The current strategic direction set out in the KDP does not respond to the current resource management issues facing the District. This includes land fragmentation through ad hoc subdivision of highly productive land and reverse sensitivity effects constraining primary production activities and impacting on the rural economy. The KDP also does not provide any clear direction on urban form and development outcomes for the District in areas experiencing rapid urban growth such as Mangawhai.</li> <li>The PDP is required to give effect to the NRPS which became operative after the development of the KDP. The NRPS provides extensive direction and implementation requirements for Northlands economy, natural environment, infrastructure, and regional form which the Strategic Direction chapter must give effect to.</li> <li>Overall, this necessitates a new strategic direction for the resource management outcomes in the District that: <ul style="list-style-type: none"> <li>Enables and drives economic growth and development</li> <li>Supports the protection of highly productive land and enables primary production activities to be undertaken efficiently and effectively</li> <li>Supports development serviced by appropriate and affordable infrastructure to create high-quality urban areas</li> </ul> </li> </ul>	3



	<ul style="list-style-type: none"> <li>- Avoids reverse sensitivity effects between zones and incompatible activities</li> <li>- Provides a range of housing choices</li> <li>- Recognises the contribution of historic heritage to the character and identity of the District</li> <li>- Protects indigenous biodiversity, the coastal environment and outstanding natural features and landscapes from inappropriate subdivision, use and development</li> <li>- Addresses natural hazard risks and improves resilience</li> <li>• Recognises and provides for the relationship of Tangata Whenua/Mana Whenua with their ancestral lands, waterbodies, sites, wāhi tapu and other taonga.</li> </ul>	
Who and how many will be affected, geographic scale of effects	<ul style="list-style-type: none"> <li>• The Strategic Direction chapter affects the whole District at a high level and provides guidance on what the objectives and policies in other chapters of the PDP are seeking to achieve. As such, the Strategic Direction chapter will inform and affect decision-making across the District.</li> <li>• The degree of public interest in the Strategic Direction chapter of the PDP is likely to be low to moderate.</li> </ul>	2
Degree of impact on, or interest from, Māori	<ul style="list-style-type: none"> <li>• It is anticipated Tangata Whenua/Mana Whenua will be interested in the Strategic Direction chapter of the PDP. A key objective of the Strategic Direction chapter is ensuring the relationship of Tangata Whenua/Mana Whenua with their ancestral lands, waterbodies, sites, wāhi tapu and other taonga is recognised and provided for which is primarily implemented through more specific provisions in</li> </ul>	3

	other PDP chapter (e.g. Māori Purpose Zone, sites and areas of significance to Māori).	
Timing and duration of effects	<ul style="list-style-type: none"> <li>Ongoing into the future</li> </ul>	2
Type of effect	<ul style="list-style-type: none"> <li>The proposed objectives and policies seek to support the objectives and policies of chapters across the PDP by providing strategic direction on key resource management issues. The urban development and form policies also provide more specific direction on the outcomes sought from urban development across the District.</li> <li>The proposed objectives and policies are anticipated to assist in achieving the following positive effects: <ul style="list-style-type: none"> <li>Increased housing supply and housing choice for Kaipara residents.</li> <li>Increased economic growth and job opportunities.</li> <li>Improved urban amenity.</li> <li>Protection of highly productive land.</li> <li>Supporting affordable infrastructure to create high quality urban areas.</li> <li>Protect indigenous biodiversity, the coastal environment and outstanding natural features and landscapes from inappropriate subdivision, use and development.</li> <li>Create a District resilient to the risks of natural hazards.</li> </ul> </li> <li>Support the relationship of Tangata Whenua/Mana Whenua with their ancestral lands, waterbodies, sites, wāhi tapu and other taonga.</li> </ul>	2

Degree of risk or uncertainty	<ul style="list-style-type: none"> <li>The degree of risk and uncertainty based on the proposed changes is minor. The District's natural and physical resources can be more effectively and efficiently managed through the provision of a clear set of objectives and policies which address the strategic and significant resource management issues for the Kaipara District.</li> </ul>	2
<b>Total (out of 35):</b>		<b>17</b>

19. Overall, the scale and significance of the effects from the Strategic Direction Chapter is assessed as being **low to moderate**. Accordingly, the level of detail in this evaluation report is appropriate for the scale and significance of effects anticipated.

#### **1.4 Statutory context**

20. Section 75(3) of the RMA requires district plans to give effect to higher order planning instruments – National Policy Statements, the New Zealand Coastal Policy Statement 2010 (**NZCPS**), National Planning Standards, and the relevant regional policy statement. The Section 32 Overview Report provides an overview of all RMA higher order planning instruments relevant to the PDP. The sections below provide an overview of provisions in higher order planning instruments directly relevant to the Strategic Direction chapter.

##### **National Policy Statement for Highly Productive Land 2022 (NPS-HPL)**

21. The NPS-HPL has an overall objective to protect highly productive land for use in land-based primary production, both now and for future generations (the sole objective of the NPS). It includes a range of policies and implementation clauses that direct how highly productive land should be identified and mapped and how decisions should be made on proposals to rezone, subdivide or use highly productive land. The NPS-HPL is primarily given effect to through the General rural zone in the PDP, but this is supported by an objective in the Strategic Direction chapter given the importance of highly productive land to the rural economy and wellbeing of the District.

##### **National Policy Statement for Urban Development 2020 (NPS-UD)**

22. The NPS-UD came into force in August 2020, replacing the National Policy Statement on Urban Development Capacity 2016. Council has made a decision (and re-confirmed on 26 March 2025) that it currently does not include a “urban environment” as defined in the NPS-UD. The implication of this is that Council is not a Tier 3 local authority under the NPS-UD and those provisions do not apply. This is determined by clause 1.3 of the NPS-UD which states that it applies to:

- a) *all local authorities that have all or part of an urban environment within their district or region (ie, tier 1, 2 and 3 local authorities); and*
- b) *planning decisions by any local authority that affect an urban environment.*

23. Nonetheless, the requirements to assess development capacity under the NPS-UD for Tier 1 and Tier 2 local authorities are generally accepted as good practice and clause 1.5 of the NPS-UD states that “Tier 3 local authorities strongly encouraged to do the things that tier 1 or 2 local authorities are obliged to do under Parts 2 and 3 of this National Policy Statement, adopting whatever modifications to the National Policy Statement are necessary or helpful to enable them to do so.” Therefore, Council has undertaken a Housing and Business Development Capacity Assessment in line with the requirements set in the NPS-UD for Tier 1 and 2 authorities (the PDP Development Capacity Report referred to above as **Attachment 1**).

#### **New Zealand Coastal Policy Statement 2010 (NZCPS)**

24. The key provisions of the NZCPS that are relevant to the Strategic Direction chapter are summarised below:

##### ***Policy 7: Strategic Planning:***

- 1. *In preparing regional policy statements, and plans:*
  - a. *consider where, how and when to provide for future residential, rural residential, settlement, urban development, and other activities in the coastal environment at a regional and district level; and*
  - b. *identify areas of the coastal environment where particular activities and forms of subdivision, use, and development*
    - i. *are inappropriate; and*
    - ii. *may be inappropriate without the consideration of effects through a resource consent application, notice of requirement for designation or Schedule 1 of the Resource Management Act process; and*
  - c. *and provide protection from inappropriate subdivision, use, and development in these areas through objectives, policies, and rules...*

##### ***Policy 13: Preservation of natural character:***

- 1. *To preserve the natural character of the coastal environment and to protect it from inappropriate subdivision, use, and development:*
  - a. *avoid adverse effects of activities on natural character in areas of the coastal environment with outstanding natural character; and*

- b. avoid significant adverse effects and avoid, remedy or mitigate other adverse effects of activities on natural character in all other areas of the coastal environment...*

25. The NZCPS is primarily implemented through the Coastal Environment chapter, but this is supported by an objective in the Strategic Direction chapter to recognise that this is a strategically important issue for the District.

### **National Planning Standards**

26. Section 75(3)(ba) of the RMA requires that district plans give effect to the National Planning Standards. The first set of National Planning Standards were gazetted in April 2019 and the purpose is to assist in achieving the purpose of the RMA and improve consistency in the structure, format, and content of RMA plans. As outlined above, the National Planning Standards directs that if a District Plan includes any of the following matters, they must be contained in the Strategic Direction chapter of a District Plan:
- a. Key strategic or significant resource management matters for the district.
  - b. Issues and objectives that address key strategic or significant matters for the district and guide decision making at a strategic level.
  - c. Policies that address these matters, unless those policies are better located in other more specific chapters.
  - d. How resource management issues of significance to iwi authorities are addressed in the plan.
27. The National Planning Standards also require an urban form and development chapter to be included in the Strategic Direction heading and that rules must not be included under the Strategic Direction heading.

### **Regional Policy Statement for Northland**

28. The Northland RPS (**NRPS**) was made fully operative on 14 June 2018. The following provisions in the RPS are directly relevant to the Strategic Direction chapter:
- a. Objective 3.4 Indigenous ecosystems and biodiversity
  - b. Objective 3.5 Enabling Economic Wellbeing: Northland's natural and physical resources are sustainably managed in a way that is attractive for business and investment that will improve the economic wellbeing of Northland and its communities.
  - c. Objective 3.6 Economic Activities – reverse sensitivity and sterilisation: The viability of land and activities important for Northland's economy is protected from the negative impacts of new subdivision, use and development.
  - d. Objective 3.8 Efficient and effective infrastructure: Manage resource use to:

- i. Optimise the use of existing infrastructure;
  - ii. Ensure new infrastructure is flexible, adaptable, and resilient, and meets the reasonably foreseeable needs of the community; and
  - iii. Strategically enable infrastructure to lead or support regional economic development and community wellbeing.
- e. Objective 3.11 Regional form: Northland has sustainable built environments that effectively integrate infrastructure with subdivision, use and development, and have a sense of place, identity and a range of lifestyle, employment, and transport choices.
- f. Objective 3.13 Natural hazard risk: The risks and impacts of natural hazard events (including the influence of climate change) on people, communities, property, natural systems, infrastructure, and our regional economy are minimised
- g. Objective 3.14 Natural character, outstanding natural features, outstanding natural landscapes, and historic heritage.

## 2. SUMMARY OF ADVICE RECEIVED FROM IWI

29. Section 32(4A) of the RMA requires evaluation reports to summarise all advice concerning the proposal received from Iwi Authorities under clauses 3(1)(d) and 4A of Schedule 1 of the RMA. The section 32 evaluation reports must summarise the response to the advice received, including any provisions of the proposal that are intended to give effect to the advice. Table 2 summarises the consultation undertaken and advice received from Iwi Authorities specifically related to the Strategic Direction chapter.

TABLE 2: SUMMARY OF ADVICE RECEIVED FROM IWI		
Details of the consultation process	Summary of advice concerning the proposal received from iwi authorities	Summary of the response to the advice received
Engagement with Tangata Whenua in 2021 about the content in the new District Plan.	<ul style="list-style-type: none"> <li>Align objectives, policies, and methods with the respective Iwi Management Plans and the Te Ao Māori/Māori world view.</li> <li>Update provisions for Papakāinga Development to support and encourage</li> </ul>	Council considered these points and agreed to include provisions addressing these issues. The Exposure Draft District Plan published in 2022 included draft Strategic Direction objectives that address some of the issues.

	<p>whānau to return to their whenua.</p> <ul style="list-style-type: none"> <li>Support the development of Māori landholdings to ensure economically sustainable and resilient outcomes for landowners.</li> </ul> <p>Include mechanisms to ensure consultation and/or a cultural assessment is undertaken with Tangata Whenua to protect sites and areas of significance to Māori.</p>	<p>(Other issues are addressed in other chapters of the PDP.)</p> <p>The Strategic Direction chapter also includes additional detail, developed through further consultation with Tangata Whenua.</p>
<p>Written feedback received from Te Uri o Hau and Te Roroa on the Tangata Whenua section of the Strategic Direction chapter in the Exposure Draft District Plan, September 2022.</p>	<ul style="list-style-type: none"> <li>Clarify wording, group into similar themes, and reduce the overall number of Strategic objectives.</li> <li>Reconsider the use of the terms Tangata Whenua compared to Mana Whenua and in what instances they are being referred to individually vs combined, as this varies throughout the Plan.</li> </ul> <p>Add policies under the Tangata Whenua objectives in the Strategic Direction chapter.</p>	<p>Tangata Whenua chapter has been redrafted accordingly.</p> <p>Provisions using terms Tangata Whenua and Mana Whenua redrafted accordingly.</p> <p>The Tangata Whenua/Mana Whenua objective SD-TW-O1 will ensure the relationship of Tangata Whenua/Mana Whenua with ancestral lands, waterbodies, sites, wāhi tapu and other taonga is recognised and provided for strategically across the PDP. This objective is supported by the Māori Purpose Zone objectives and policies.</p>

### 3. EVALUATION OF OBJECTIVES

#### 3.1 Introduction

30. Council must evaluate, in accordance with section 32 of the RMA, the extent to the proposed objectives in the PDP are the most appropriate way to achieve the purpose of the RMA. Each section of the Strategic Direction chapter contains objectives that set the direction for managing growth, land use and development in the Kaipara District. The following sections evaluate the objectives for each of the seven topics in the Strategic Direction chapter.

#### 3.2 Evaluation of Vision for Kaipara objectives

31. The Kaipara District has grown quickly in the last five years, driven mainly by rural living subdivisions, and sustained growth in the Mangawhai urban area. Demand for further rural subdivision to create rural residential and rural lifestyle properties is occurring in areas potentially better suited for use by primary production activities. Business and industrial activities have also pushed out into the rural areas, which is likely to have occurred because of constraints arising from mixed uses within urban settlements. Non-productive development in rural areas results in land fragmentation, loss of highly productive land and reverse sensitivity issues.
32. The proposed Vision for Kaipara objectives responds to these strategic resource management issues for the District and cover eight strategic issues including wellbeing, economic growth, primary production and the protection of highly productive land, rural lifestyle development, water supply, reverse sensitivity, providing a variety of development and housing options, and affordable infrastructure. Table 3.1A contains the proposed Vision for Kaipara objectives.

TABLE 3A: S32 ASSESSMENT OF PROPOSED STRATEGIC DIRECTION OBJECTIVES	
PROPOSED VISION FOR KAIPARA OBJECTIVES	
<b>SD-VK-O1</b>	<b>Wellbeing</b>
Social, economic, and cultural wellbeing are promoted through zones that provide for appropriate activities, character and amenity values across the Kaipara District, and that set appropriate outcomes and expectations for each zone.	
<b>SD-VK-O2</b>	<b>Enabling and driving economic growth and development</b>
The guiding principles to support development include:	
1.	Facilitate growth by being flexible, accommodating and proactive when dealing with growth and business opportunities;
2.	Be innovative and bold; and
3.	Focus on relationships to respond to growth and development opportunities.
<b>SD-VK-O2</b>	<b>Primary production and protection of highly productive land</b>
1.	Primary production activities operate efficiently and effectively to contribute to economic and social wellbeing and prosperity of the Kaipara District, including food security; and



2.	Highly productive land is protected for use in land-based primary production, both now and for future generations to give effect to the National Policy Statement for High Productive Land 2022.
<b>SD-VK-O4</b>	<b>Rural lifestyle development</b> Rural lifestyle development is concentrated in appropriate locations to contribute to the the distribution of population growth in the district without compromising primary production activities, loss of highly productive land or sterilizing urban growth areas.
<b>SD-VK-O5</b>	<b>Drought-resilient water supply</b> Residential development is appropriately serviced by infrastructure, including water supply systems that maintain supply during foreseeable drought periods.
<b>SD-VK-O6</b>	<b>Reverse sensitivity</b> Reverse sensitivity effects between incompatible activities and zones are avoided where practicable or otherwise mitigated.
<b>SD-VK-O7</b>	<b>Providing a variety of living options and housing choices</b> A variety of development opportunities, living options and housing choices are provided for through a range of zones.
<b>SD-VK-O8</b>	<b>Development is supported by affordable infrastructure</b> Development is integrated and phased with the provision of appropriate and affordable infrastructure to create a well-functioning environment.

33. Table 4G identifies the relevant sections of Part 2 of the RMA for each of the Vision for Kaipara objectives in the Strategic Direction chapter.

<b>TABLE 4A: RELEVANCE OF PROPOSED VISION FOR KAIPARA OBJECTIVES TO PART 2 OF THE RMA</b>								
<b>RMA Part 2 Sections</b>	<b>SD-VK-O1</b>	<b>SD-VK-O2</b>	<b>SD-VK-O3</b>	<b>SD-VK-O4</b>	<b>SD-VK-O5</b>	<b>SD-O6</b>	<b>SD-O7</b>	<b>SD-O8</b>
5(2)	✓	✓	✓	✓	✓	✓	✓	✓
7(b)	✓	✓	✓	✓	✓	✓	✓	✓
7(c)	✓					✓		
7(f)	✓					✓		
7(g)	✓		✓	✓				
7(i)					✓			

## Section 5 RMA

34. The purpose of the RMA is to promote the sustainable management of natural and physical resources, which is defined in section 5(2) as managing the use, development and protection of natural and physical resources in a way that enables people and communities to provide for their social, economic and cultural wellbeing while achieving the matters set out in clause (a)-(c). In particular, section 5(2)(a) requires the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations, section 5(2)(b) requires that the life-supporting capacity of air, water, soil and

ecosystems be safeguarded, and section 5(2)(c) requires adverse effects of activities on the environment be avoided, remedied or mitigated.

35. The Vision for Kaipara objectives contribute to sustainable management purpose of the RMA by enabling people and communities to provide for their social, economic, and cultural wellbeing. Specifically, SD-VK-O1 seeks to provide for the social, economic and cultural wellbeing of communities through appropriate zoning across the District that provide for appropriate activities, character and amenity values. SD-VK-O2 seeks to facilitate growth and be responsive to business opportunities to help provide for the economic wellbeing of communities in the District. This objective also gives effect to Objective 3.5 of the RPS which seeks to ensure Northland's natural and physical resources are sustainably managed in a way that will improve the economic wellbeing of the Northland region.
36. SD-VK-O7 seeks to ensure that there are a range of living options and housing choices for Kaipara's residents and SD-VK-O8 seeks to ensure development is serviced by appropriate and affordable infrastructure to create well-functioning environments. Collectively, these objectives are consistent with section 5 of the RMA and also give effect to Objective 3.8 in the NRPS to optimise the use existing infrastructure and ensure new infrastructure meets the reasonably foreseeable needs of the community.
37. SD-VK-O3 seeks to protect highly productive land for primary production use to enable the efficient use of this soil and protect its finite characteristics to support the Kaipara's current and future food security. This is consistent with section 5(2)(a) to sustain the use of natural resources to meet the foreseeable needs of future generations.

## **Section 7 RMA**

38. The following Section 7 'other matters' are relevant to the Vision for Kaipara objectives:
  - a. Section 7(b) the efficient use and development of natural and physical resources.
  - b. Section 7(c) the maintenance and enhancement of amenity values.
  - c. Section 7(f) maintenance and enhancement of the quality of the environment.
  - d. Section 7(g) any finite characteristics of natural and physical resources.
  - e. Section 7(i) the effects of climate change.
39. The Vision for Kaipara objectives collectively seek to ensure the efficient use and development of natural and physical resources in accordance with section 7(b) of the RMA. The Vision for Kaipara objectives seek to achieve the efficient use and development of physical resources by supporting economic growth and development across the Kaipara District, ensuring a variety of living options and housing choices, and ensuring development is integrated with the provision of appropriate and affordable infrastructure.
40. The Vision for Kaipara objectives also seek to ensure natural resources are efficiently used in accordance with section 7(b) of the RMA and to recognise the finite characteristics of natural resources

are recognised in accordance with section 7(g) of the RMA. Specifically, SD-VK-O3 seeks to enable primary production activities to operate effectively and efficiently and to protect highly productive land for primary production use which will enable the efficient use of this physical soil and protect its finite characteristics to support the Kaipara's current and future wellbeing, including food security.

41. SD-VK-O1 is consistent with section 7(c) of the RMA as it requires the PDP zones to provide for appropriate activities, character and amenity values across the Kaipara District. SD-VK-O5 is consistent with section 7(i) of the RMA by ensuring new residential developments are serviced by adequate water supply including through drought periods that may be exacerbated by climate change.
42. SD-VK-O6 seeks to ensure reverse sensitivity effects between incompatible activities and zones are avoided or mitigated to support the maintenance and enhancement of the quality of environments across the District in accordance with section 7(f) of the RMA. This also gives effect to Objective 3.6 of the NRPS which seeks to protect the viability of and activities that support the economy from negative impacts of new subdivision, use and development.

#### **Summary of Evaluation**

43. Overall, the proposed Vision for Kaipara objectives seek to achieve the sustainable management of growth, land use, and development in the Kaipara District to enable Kaipara's communities to provide for their social, economic, and cultural well-being and health and safety. Having assessed the proposed Vision for Kaipara objectives in the Strategic Direction chapter against Part 2 of the RMA, it is considered the proposed objectives are an appropriate way to achieve the purpose of the RMA.

### **3.3 Evaluation of Historic Heritage Objective**

44. Historic Heritage is a strategic resource management issue for the District. Kaipara contains heritage items, buildings, and areas that are of significance to communities that need protection because of their associations with the past and the contribution they provide to the character and identity of the District. Many of the District's heritage sites are also considered to be of national importance and are registered buildings or sites with Heritage New Zealand Pouhere Taonga under the Heritage New Zealand Pouhere Taonga Act 2014.
45. Table 3B contains the proposed Historic Heritage objective.

TABLE 3B: S32 ASSESSMENT OF PROPOSED STRATEGIC DIRECTION OBJECTIVES	
PROPOSED HISTORIC HERITAGE OBJECTIVE	
<b>SD-HH-O1</b>	<b>Historic heritage of the Kaipara District</b> The continuation of historic heritage to the District's character and identity is recognised.

46. Table 4B identifies the relevant sections of Part 2 of the RMA for the Historic Heritage objective.

TABLE 4B: RELEVANCE OF THE PROPOSED HISTORICAL HERITAGE OBJECTIVE TO PART 2 OF THE RMA	
RMA Part 2 sections	SD-HH-01 Historic Heritage
5(2)	✓
6(f)	✓
7(c)	✓

### Section 5 RMA

47. SD-HH-O1 assists in achieving the for sustainable management of natural and physical resources by recognising the contribution of historic heritage to the character and identity of Kaipara's District. This recognition and associated protection through the Historic Heritage chapter of the PDP will help to provide for the social and cultural wellbeing of people and communities.

### Section 6 RMA

48. SD-HH-O1 will assist in the protection of historic heritage from inappropriate subdivision, use and development consistent with section 6(f) of the RMA This objective will also guide decision-making on historic heritage at a strategic level and support the implementation of more specific provisions to protect historic heritage from inappropriate subdivision, use and development in the Historic Heritage chapter of the PDP.

### Section 7 RMA

49. Section 7(c) of the RMA requires particular regard to be had to the maintenance and enhancement of amenity values when managing the use, development, and protection of natural and physical resources. Historic heritage is recognised as contributing to amenity values in the District by providing a sense of connection to the past and contributing to a 'sense of place.' SD-HH-O1 will ensure the amenity values provided by historic heritage are valued and protected by ensuring the contribution of historic heritage to the District's character and identity is recognised in decision-making under the PDP supported by the more specific provisions in the History Heritage chapter of the PDP.

## Conclusion

50. Having assessed the historic heritage objective in the Strategic Direction chapter against Part 2 of the RMA, it is considered that it is the most appropriate way to achieve the purpose of the RMA. This objective will assist in decision-making at a strategic level in relation to historic heritage and will also provide support for the more specific provisions to protect historic heritage in the Historic Heritage chapter of the PDP.

## 3.4 Evaluation of Natural Environment objectives

51. The Natural Environment objectives in the Strategic Direction chapter seek to collectively protect, maintain or enhance indigenous biodiversity, and protect the natural character of the coastal environment and outstanding natural features and landscapes from inappropriate subdivision, use and development throughout the District.
52. Table 3C contains the proposed Natural Environment objectives in the Strategic Direction chapter.

TABLE 3C: S32 ASSESSMENT OF PROPOSED STRATEGIC DIRECTION OBJECTIVES	
PROPOSED NATURAL ENVIRONMENT OBJECTIVES	
<b>SD-NE-O1</b>	<b>Indigenous Biodiversity</b>
Indigenous biodiversity is protected, maintained or enhanced.	
<b>SD-NE-O2</b>	<b>Coastal environment</b>
The natural character of the coastal environment is preserved and protected from inappropriate subdivision, use and development.	
<b>SD-NE-O3</b>	<b>Outstanding natural features and landscapes</b>
The values of outstanding natural features and outstanding natural landscapes are identified and protected from inappropriate subdivision, use and development.	

53. Table 4C identifies the relevant sections of Part 2 of the RMA for each of the Natural Environment objectives.

TABLE 4C: RELEVANCE OF PROPOSED NATURAL ENVIRONMENT OBJECTIVES TO PART 2 OF THE RMA			
RMA Part 2 sections	SD-NE-O1	SD-NE-O2	SD-NE-O3
5(2)	✓	✓	✓
6(a)		✓	
6(b)			✓
6(c)	✓		
7(d)	✓	✓	
7(f)	✓	✓	✓

## **Section 5 RMA**

54. The Natural Environment objectives in the Strategic Direction chapter contribute to sustainable management purpose of the RMA as these collectively seek to protecting, maintain or enhance indigenous biodiversity, and protect the natural character of the coastal environment and outstanding natural features and landscapes from inappropriate subdivision, use and development. The objectives particularly focus on achieving sections 5(2)(a), (b) and (c).
55. More specifically, SD-NE-O1 directly gives effect to section 5(2)(a-c) by seeking to protect, maintain or enhance indigenous biodiversity which will help to ensure the PDP safeguards the life-supporting capacity of ecosystems across the Kaipara District and appropriately avoids, remedies or mitigates adverse effects on indigenous biodiversity.
56. Objective SD-NE-O2 seeks to preserve the natural character of the coastal environment and protect it from inappropriate subdivision, use and development and SD-NE-O3 seeks to identify and protect the values of outstanding natural landscapes and features from inappropriate subdivision, use and development. Overall, these objectives are assessed as being an appropriate way to achieve the purpose of the RMA as they focus on protecting these natural values from inappropriate subdivision, use and development not absolute protection per se. This will enable people and communities to provide for the social, economic and cultural wellbeing while ensuring adverse effects on the characteristics, qualities and values of these areas are avoided, remedied or mitigated.

## **Section 6 RMA**

57. The Natural Environment objectives are directly related to the following matters of national importance in section 6 of the RMA:
  - a. The preservation of the natural character of the coastal environment and protection from inappropriate subdivision, use and development (section 6(a)).
  - b. The protection of significant indigenous vegetation and significant habitats of indigenous fauna (section 6(c)).
  - c. The protection of outstanding natural landscapes and features from inappropriate subdivision, use, and development (section 6(b)).
58. The objectives make it clear that the protection of these areas and values is of strategic importance to the District which will support the implementation of more specific provisions on these values in the Ecosystems and Indigenous Biodiversity, Natural Features and Landscapes and Coastal Environment chapters of the PDP. These objectives also give effect to NRPS objectives 3.4 Indigenous ecosystems and biodiversity and 3.14 Natural character, outstanding natural features, outstanding natural landscapes, and historic heritage.

## **Section 7 RMA**

59. The Natural Environment objectives are directly relevant to:

- a. Section 7(d) as SD-NE-O1 will help to recognise and protect the intrinsic values of ecosystems
- b. Section 7(f) SD-NE-O2 and SD-NE-O3 as these objectives seek to protect natural character and landscape values which will help to maintain and enhance the quality of the environment.

### **Conclusion**

60. Having assessed the Natural Environment objectives in the Strategic Direction chapter against Part 2 of the RMA, it is considered that they are the most appropriate way to achieve the purpose of the RMA. These objectives will assist with strategic decision-making on these values and support the implementation of more specific provisions in the Ecosystems and Indigenous Biodiversity, Natural Features and Landscapes and Coastal Environment chapters of the PDP.

## **3.5 Evaluation of Natural Hazards and Resilience objective**

61. The Kaipara District is susceptible to risks associated with natural hazards and there is clear direction in the RMA and NRPS to avoid and mitigate the risks from natural hazards.

62. Table 3D contains the proposed Natural Hazards and Resilience objective.

<b>TABLE 3D: S32 ASSESSMENT OF PROPOSED STRATEGIC DIRECTION OBJECTIVES</b>	
<b>PROPOSED NATURAL HAZARDS OBJECTIVE</b>	
<b>SD-NH-O1</b>	<b>Natural hazards and resilience</b>
1.	Areas subject to predictable natural hazard risks are identified;
2.	The risks from natural hazards are taken into account for all new subdivision, use and development;
3.	The maintenance and upgrading of infrastructure assets that protect communities from natural hazard risk is provided for; and
4.	Kaipara communities have reduced vulnerability, strengthened resilience, and enhanced capacity to adapt to the impacts of natural hazard events.

63. Table 4D identifies the relevant sections of Part 2 of the RMA for the Natural Hazards objective.

<b>TABLE 4D: RELEVANCE OF PROPOSED NATURAL HAZARDS OBJECTIVE TO PART 2 OF THE RMA</b>	
<b>RMA Part 2 sections</b>	<b>SD-NH-O1 Natural Hazards</b>
<b>5(2)</b>	✓
<b>6(h)</b>	✓
<b>7(b)</b>	✓

64. **Section 5 RMA**

65. The Natural Hazards objective in the Strategic Direction chapter contributes to sustainable management by ensuring that the risks that natural hazards can pose to the social, economic, and cultural wellbeing



of people and communities, and their health and safety are appropriately assessed and managed. The objective is consistent with sections 5(2)(a) and (c) of the RMA by requiring areas subject to predictable natural hazard risks to be identified and ensuring that these risks are taken into account when making decisions on new subdivision, use and development.

66. SD-NH-O1(4) also seeks to reduce the vulnerability of Kaipara's communities to the impacts of natural hazard events and ensuring the Kaipara District has strengthened resilience and enhanced capacity to adapt to the impacts of natural hazard events. This will help provide for social, economic and cultural wellbeing of those communities. SD-NH-O1(3) recognises the critical role infrastructure has in protecting communities from natural hazard risks. Enabling natural hazard resilient infrastructure to be maintained and upgraded to protect communities will therefore assist in achieving the sustainable management of natural and physical resources in the District in accordance with section 5(2) of the RMA.

#### **Section 6 RMA**

67. Section 6(h) of the RMA requires that the management of the significant risks from natural hazards is recognised and provided for as a matter of national importance. SD-NH-O1 gives effect to section 6(h) of the RMA as it seeks to manage natural hazard risk in an efficient and effective manner by setting an overarching objective that ensures natural hazard risks are consistently taken into account in decision-making across the Kaipara District. This objective will support the implementation of more specific provisions to manage the risks from natural hazards in the PDP Natural Hazards chapter, including specific direction relating to high-risk hazard areas and sensitive activities (i.e. where there are potentially significant risks from natural hazards).

#### **Section 7 RMA**

68. SD-NH-O1 is consistent with section 7(b) of the RMA through providing direction to identify and manage natural hazard risks, which primarily relates to the built environment as a physical resource, and ensuring infrastructure assets are maintained and upgraded to help protect communities from natural hazard risks.

#### **Conclusion**

69. Having assessed the Natural Hazards and Resilience objective in the Strategic Direction chapter against Part 2 of the RMA, it is considered that it is the most appropriate way to achieve the purpose of the RMA. This objective will assist in strategic decision-making on natural hazards and support the implementation of more specific provisions to manage the risks from natural hazards in the Natural Hazards chapter of the PDP.



### 3.6 Evaluation of Tangata Whenua Objective

70. The RMA requires the PDP to respond to a range of considerations in Part 2 relating to Tangata Whenua/Mana Whenua interests and values, including their relationship with ancestral lands, taonga etc., the exercise of kaitiakitanga, and taking into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).
71. Table 3E contains the proposed Tangata Whenua/Mana Whenua objective.

TABLE 3E: S32 ASSESSMENT OF PROPOSED STRATEGIC DIRECTION OBJECTIVES	
PROPOSED TANGATA WHENUA/MANA WHENUA OBJECTIVE	
<b>SD-TW-O1</b>	<b>Tangata Whenua/Mana Whenua</b>
The relationship of Tangata Whenua/Mana Whenua with ancestral lands, waterbodies, sites, wāhi tapu, and other taonga is recognised and provided for.	

72. Table 4E identifies the relevant sections of Part 2 of the RMA for the Tangata Whenua/Mana Whenua objective.

TABLE 4E: RELEVANCE OF PROPOSED TANGATA WHENUA OBJECTIVES TO PART 2 OF THE RMA	
RMA Part 2 sections	SD-TW-O1
5(2)	✓
6(e)	✓
7(a)	✓
8	✓

#### Section 5 RMA

73. SD-TW-O1 recognises the important relationship of Tangata Whenua/Mana Whenua have with ancestral lands, waterbodies, sites, wāhi tapu and other taonga. The objective ensures this relationship is recognised and provided as a strategic issue for the District to inform all decision-making across the PDP. This will help ensure that natural and physical resources are managed, used and developed in a way that supports the social, economic, and cultural wellbeing of Tangata Whenua/Mana Whenua in accordance with section 5(2) of the RMA.

### **Section 6 RMA**

74. SD-TW-O1 directly gives effect to section 6(e) which states that recognising and providing for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga is a matter of national importance. SD-TW-O1 directly achieves section 6(e) by reinforcing this as a strategic issue for the Kaipara District to be considered in decision-making at a strategic level.
75. This also gives effect to Policy 8.1.2(a) of the NRPS which requires territorial authorities to recognise and provide for the relationship of tangata whenua and their culture and traditions with their ancestral land, water, sites wāhi tapu, and other taonga when developing plans and processing resource consents under the RMA.

### **Section 7 RMA**

76. Section 7(a) of the RMA requires that particular regard be had to kaitiakitanga when managing the use, development and protection of natural physical resources. SD-TW-O1 is directly relevant to section 7(a) as it will assist in enabling Tangata Whenua/Mana Whenua to exercise their kaitiaki role by recognising and providing for the important relationship Tangata Whenua/Mana Whenua have with ancestral lands, waterbodies, sites, wāhi tapu and other taonga. The objective ensures this relationship is recognised and provided for as a strategic issue across the Kaipara District and will support the implementation of more detailed provisions in the PDP that support Tangata Whenua/Mana Whenua to exercise their kaitiaki role.

### **Section 8 RMA**

77. In accordance with section 8 of the RMA, Kaipara District Council has taken into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) in developing the PDP. The principles of Te Tiriti o Waitangi relevant to SD-TW-O1 include partnership, participation, equity, and active protection. SD-TW-O1 takes these principles into account by ensuring the relationship of Tangata Whenua/Mana Whenua with their ancestral lands, water, sites, wāhi tapu, and other taonga is recognised and provided for as a strategic issue across the Kaipara District.

### **Conclusion**

78. Having assessed the Tangata Whenua/Mana Whenua objective in the Strategic Direction chapter against Part 2 of the RMA, it is considered that it is the most appropriate way to achieve the purpose of the RMA. This objective will assist in strategic decision-making on Tangata Whenua/Mana Whenua interests and values will also support the implementation of more specific provisions in the PDP.

## 4. EVALUATION OF PROVISIONS

### 4.1 Introduction

79. Section 32 assessments must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives. The Strategic Direction chapter includes objectives for a range of strategic issues, including Vision for Kaipara, historic heritage, natural environment, natural hazards and resilience, and Tangata Whenua/Mana Whenua and the PDP includes a range of more specific provisions to help achieve those objectives.
80. The only 'provisions' in the Strategic Direction chapter are the seven urban form and development policies which are intended to help achieve the five urban form and development objectives. An assessment of the urban form and development policies is required under section 32(1)(b) of the RMA to determine whether these policies are the most appropriate way to achieve the urban form and development objectives.

### 4.2 Reasonably Practicable Options

81. The following reasonably practicable options have been identified and assessed with regard to achieve the urban form and development objectives in the Strategic Direction chapter.

#### **Option 1 – Status Quo: 'Roll over' the existing approach in the KDP.**

82. The KDP sets a "District Wide Strategy" in Part A and a "Land Use and Development Strategy" in Chapter 3 of the KDC. This strategy and provisions seek to avoid:
- a. Ad hoc expansion of settlements.
  - b. The underutilisation of current residential and business zoned land.
  - c. Intensive developments in areas which may be more appropriate for lower density development or rural land uses.
83. This option would see the continuation of a land use strategy that does not provide clear direction on key urban form and development issues currently facing the Kaipara District and key urban form and development outcomes sought. These include the need to ensure sufficient development capacity of housing and business land to meet the current and predicted future demand of the District, the strategic management of urban amenity, the integrated and efficient delivery and management of infrastructure to support the development of land, and clear outcomes for the District's urban zones.

#### **Option 2 – Strategic Urban Form and Development Policies:**

84. This option would include clear strategic policies for the management of urban form and development across the Kaipara District that better reflect the key issues and urban development outcomes sought by Kaipara's communities. Those urban form and development policies would focus on:

- a. Providing sufficient development capacity to meet demand for housing and business land within or adjacent to urban areas
  - b. Maintaining and enhancing urban character and amenity through high quality urban design
  - c. Providing strategic direction on the use of urban zones (General Residential, Commercial, Heavy Industrial, Light Industrial) to achieve the desired outcomes in appropriate locations
  - d. Limiting development in the Mangawhai-Hakaru Managed Growth Area to manage current and future infrastructure and servicing requirements.
85. The preferred option to achieve the urban form and development objectives is Option 2 as it will provide a strategic policy framework for urban form and development in the Kaipara District that will:
- a. Ensure sufficient development capacity is provided for housing and business land within or adjacent to existing urban areas to ensure efficient use of infrastructure and quality urban areas
  - b. Maintain and enhance urban character and amenity values through high-quality design while allowing for these values and characteristics to change over time in respond to community needs and desired outcomes
  - c. Support an increase in housing supply and choice for Kaipara's residents to support their diverse and changing needs
  - d. Support well-designed commercial centres that integrate high quality urban design to enable a network of attractive commercial centres that enable mixed used developments to support a range of commercial and community activities in commercial areas
  - e. Help direct funding and investment in infrastructure to where it is most needed in existing urban areas and future growth areas adjacent to those areas.
  - f. Ensure industrial activities are located in appropriate places in the District through the use Light and Heavy Industrial zones to accommodate these industrial activities while also manage any adverse effects on the surrounding environment
  - g. Limit further development within the 'Mangawhai-Hakaru Managed Growth Area' to recognise that a number of plan changes have recently been approved in this area which will provide more than sufficient development capacity to meet demand<sup>4</sup>. This will ensure that infrastructure investment

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<sup>4</sup> For example, the PDP Development Capacity Assessment Report notes that "The place where growth is likely to result in the greatest pressure on capacity is in Mangawhai, where there are 1,170 additional dwellings projected to be required between now and 2034, and 2,550 by 2054, compared with RFC of around 5,000 new dwellings in both the medium- and long-term. The development capacity enabled within Estuary Estates, and by PPCs 83 and 84 will be sufficient to meet the next 30 years of residential demand growth (including competitiveness margin), and almost all dwelling growth including for holiday homes, even before other vacant lots (such as the Metlifecare site and the large block next to the PPC83 area) are accounted for". Refer pg.41.

can focus on the existing urban area and any future growth is limited and can only be considered when there is suitable infrastructure.

- h. Give effect to the NRPS, specifically Objective 3.5 Enabling economic wellbeing, Objective 3.8 Efficient and effective infrastructure, and Objective 3.11 Regional form.

### 4.3 Evaluation of the Proposed Provisions

86. Table 5A contains the urban form and development provisions cascade for the preferred option to be evaluated below.

Table 5A: Preferred option to be evaluated
<p><b>Objectives:</b></p> <p>SD-UFD-O1 Residential, commercial and industrial land</p> <p>SD-UFD-O2 Economic and business development</p> <p>SD-UFD-O3 Infrastructure</p> <p>SD-UFD-O4 Urban design</p> <p>SD-UFD-O5 Urban consolidation and integration</p> <p><b>Policies:</b></p> <p>SD-UFD-P1 Housing and business land development capacity</p> <p>SD-UFD-P2 Urban amenity</p> <p>SD-UFD-P3 General Residential Zone</p> <p>SP-UFD-P4 Commercial Zone</p> <p>SD-UFD-P5 Heavy Industrial Zone</p> <p>SD-UFD-P6 Light Industrial Zone</p>

**SD-UFD-P7 Development in the Mangawhai-Hakaru Managed Growth Area**

87. In accordance with S32(2) (a-c) of the RMA, Table 5B below identifies and assesses the benefits and costs, certainty and sufficiency of information supporting the urban form and development provisions and any risk of acting if information is uncertain or insufficient. The table also provides an assessment of the efficiency and effectiveness of the urban form and development provisions to achieve the urban form and development objectives in accordance with s32(1)(b)(ii) of the RMA.

**TABLE 5B: EVALUATION OF PROVISIONS**

**Option 2 – Urban Form and Development Policies**

<b>Benefits</b>	<p><b>Economic:</b></p> <ul style="list-style-type: none"> <li>• Enabling sufficient housing and business land within or adjacent to existing urban areas will have positive economic effects by creating jobs and meeting housing needs. This will result in positive flow on economic effects into supply chains across the Kaipara District to support economic development and growth.</li> <li>• The provisions will help ensure that there is sufficient development capacity is available to meet current and predicted future demand. An increase in development capacity and housing supply can lead to reduced housing costs for residents over time.</li> <li>• The provisions will assist in Council obtaining more development contributions from the development of residential and business land. This will contribute towards the cost of upgrading infrastructure, services and amenities within urban areas in the District.</li> <li>• Concentrating growth within or adjacent to existing urban areas encourages future population growth to live in these areas, enabling economies of scale and agglomeration benefits.</li> <li>• Well-designed commercial centres that integrate high quality urban design will improve urban amenity values making urban areas more attractive places to visit and spend money which will result in flow-on economic benefits.</li> <li>• Limiting development in the Mangawhai-Hakaru Managed Growth Area will ensure infrastructure funding is directed where it is most needed in existing urban areas and identified growth areas. This will support more efficient use and delivery of social and physical infrastructure with flow on economic benefits to the District.</li> <li>• Ensuring development capacity is provided within or adjacent to existing urban areas across the wider District is also likely to result in more cost-effective infrastructure delivery and upgrades to the existing infrastructure network. This will help flow on economic benefits and help avoid higher costs associated with greenfield developments located away from existing urban areas.</li> </ul>
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	<p><b>Social:</b></p> <ul style="list-style-type: none"> <li>• The provisions will help ensure Kaipara’s communities have greater access to a range of housing typologies and employment opportunities that meet the diverse housing and employment needs of communities. Enabling a greater diversity of housing typology provides increased housing choice and can support social wellbeing.</li> <li>• An increase in community activities in commercial centres will help ensure a wider range of community activities and services are available to communities across the District.</li> <li>• Urban amenity values will be managed through high quality urban design which will help ensure communities live in high quality urban areas and contribute to improved social cohesion and sense of place.</li> <li>• Kaipara’s communities located in existing urban areas will benefit from increased social and physical infrastructure that contributes to social wellbeing.</li> <li>• Public health benefits by enabling more people to live closer to employment and amenities making walking and cycling more viable modes of transport for everyday living.</li> </ul> <p><b>Environmental:</b></p> <ul style="list-style-type: none"> <li>• Consolidates heavy industrial activities in appropriate locations in the Heavy industrial zone where the PDP can manage the adverse effects of these activities through the targeted Heavy Industrial Zone objectives and provisions of the PDP (addressed in a separate s32 report).</li> <li>• Adverse effects on the environment from lighter industrial activities will be appropriately managed through the targeted Light Industrial Zone objectives and provisions of the PDP (addressed in a separate s32 report).</li> </ul>
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	<ul style="list-style-type: none"> <li>Residential and business land development will be directed away from areas of the District with higher natural environment values by supporting the consolidation and development of residential and business land within or adjacent to existing urban areas.</li> <li>Will help reduce travel across the District by supporting residential development, commercial activities and community activities within existing urban areas, increasing opportunities to use alternative transport modes, such as walking and cycling.</li> <li>Improvements to amenity will be achieved by ensuring urban development is managed through high quality urban design. This will also help ensure the potential adverse effects of built development are appropriately managed, including potential adverse effects on neighbouring residential, rural, and open space properties at zone boundary interfaces.</li> </ul> <p>Cultural:</p> <ul style="list-style-type: none"> <li>Ensuring development capacity is available for housing and business land within or adjacent to existing urban areas will reduce the potential for new development to affect sites and areas of significance to Māori (addressed through the PDP Sites and Areas of Significance to Māori chapter). .</li> </ul>
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<b>Costs</b>	<p>Economic:</p> <ul style="list-style-type: none"> <li>Landowners in rural areas may experience some opportunity costs (loss of land value appreciation and potential subdivision profits) compared to the status quo under the KDP, especially in the Mangawhai-Hakaru Managed Growth Area. However, any opportunities costs are considered to be low due to the subdivision opportunities provided in the General rural zone and Rural lifestyle zone (addressed in a separate s32 report).</li> <li>Concentrating the provision of sufficient development capacity for housing and business land within and adjacent to existing urban areas may increase land values in these areas which may result in increased development costs.</li> <li>Economic associated with providing new infrastructure and infrastructure upgrades to cater for increased density and development to provide sufficient development capacity for housing and business land. However, concentrating this investment through the intensification of existing urban areas is more efficient compared to new greenfield growth.</li> </ul> <p>Social:</p> <ul style="list-style-type: none"> <li>Smaller settlements may remain in current states, with existing local limitations in terms of services and community activities. However, these will be offset to some extent by new services and community activities being available within the larger urban areas in the District which are generally within easy reach to these smaller settlements.</li> <li>Perceived loss of amenity values associated with the intensification of existing low density urban areas (e.g. loss of views). However, any social costs associated with greater density of urban areas are expected to be low given the requirement for high quality urban design and controls on density (addressed through the zone chapters).</li> </ul> <p>Environmental: N/A – no environmental costs identified.</p>
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	Cultural: N/A – no cultural costs identified.
<b>Opportunities for economic growth</b>	<p>Ensuring there is sufficient development capacity for residential and business land development to meet current and predicted future demand will help enable a wide range of opportunities for economic growth. As noted in the PDP Development Capacity Report, the PDP zoning provides more than sufficient development capacity for commercial land requirements to meet demand over the life of the PDP.. More specifically, the PDP will increase commercially zoned land in the District by around 66ha to over 106ha, enabling approximately 44ha more commercially zoned land than expected demand through to 2054, including an additional 5.3ha in Dargaville and 2.5ha in Mangawhai<sup>5</sup>.</p> <p>The PDP also makes sufficient provision of industrial zoned land to meet demand for light and heavy industrial activities. More specifically, the PDP Development Capacity Assessment Report PDP estimates that the PDP will provide a projected surplus of 121ha Light Industrial Zone land and 77ha of Heavy Industrial Land HIZ land over the expected demand out to 2054<sup>6</sup>.</p> <p>The provisions also seek encourage a range of commercial activities in a consolidated network of commercial centres across the District which will support opportunities for economic growth. Enabling sufficient development capacity for business land will also provide opportunities for economic growth by making it easier for businesses to establish and grow.</p>
<b>Opportunities for employment</b>	By 2054, employment in the District is projected to have increased by 3,200 jobs (+37%), with the largest increase in job terms in the industrial and construction sectors, followed by health, commercial office and retail and hospitality <sup>7</sup> . Ensuring that there is sufficient development capacity for business land will support this increase in employment by making it easier for businesses to establish and grow. This is achieved through the urban form and development provisions and supporting plan enabled development capacity in the PDP commercial and industrial zones.
<b>Certainty and sufficiency of information</b>	There is certain and sufficient information on the urban form and development provisions as these are consistent with statutory requirements and are intended to support the implementation of other more specific PDP chapters (e.g. residential, commercial, industrial zones). .
<b>Risk of acting or not acting if there is uncertainty or insufficient information</b>	Not applicable as there is certain and sufficient information on the proposed provisions.

<sup>5</sup> Ibid. pg. 61.

<sup>6</sup> Ibid, pg. 71.

<sup>7</sup> Ibid.pg.2.

<b>Effectiveness in achieving the objective(s)</b>	<p>The provisions are effective in achieving the urban form and development objectives in the Strategic Direction chapter of the PDP. The provisions will support the PDP providing sufficient development capacity for housing and business land to meet the current and predicted future demands of the District. The provisions will also support residential development that accommodates the diverse housing needs of Kaipara's communities and encourage growth within or adjacent to existing urban areas. These provisions align with the urban form and development objectives to support urban consolidation and integration and to provide opportunities for residential, commercial and industrial development.</p> <p>The provisions support the urban form and development objectives to enable economic and business development opportunities in identified commercial, light industrial and heavy industrial zones and in other zones where these activities are compatible with the local environment, amenity and anticipated outcomes for the zone. The provisions support the objective to achieve high quality urban design in urban areas and mixed used development in the commercial zone that supports both community and commercial activities to establish a network of attractive commercial centres throughout the District.</p> <p>The provisions support the objectives to enable sufficient infrastructure capacity for land zoned for urban activities in the PDP by limiting development in the Mangawhai-Hakaru Managed Growth Area to ensure infrastructure is directed to existing urban areas and future urban growth.</p> <p>Overall, the urban form and development provisions support a range of housing, high quality urban design and urban consolidation and integration outcomes consistent with outcomes sought through the urban form and development objectives.</p>
<b>Efficiency in achieving the objective(s)</b>	<p>The proposed provisions are assessed as being efficient to achieve the urban form and development objectives as these primarily support the implementation of more specific provisions in the PDP. The provisions also focus on maximising development potential, encouraging growth within and adjacent to existing urban areas, and efficient provision of infrastructure and servicing which will achieve a number of efficiency benefits compared to the status quo.</p> <p>Overall, the package of urban form and development policies will achieve the objectives in an efficient manner by supporting the provision of development capacity for residential, commercial and industrial development meet current and predicted future demand, supporting economic and business development in commercial and industrial zones while managing adverse environmental effects, directing infrastructure provision and servicing to existing urban areas, and supporting high quality urban design.</p>

#### **4.4 Reasons for deciding on the provisions**

88. The proposed urban form and development policies in the Strategic Direction chapter are the most appropriate way to achieve the urban form and development objectives. The provisions support the outcomes sought in the urban form and development objectives and give effect to higher order policy documents, including the requirement in the National Planning Standards for district plans to include an urban form and development chapter within the Strategic Direction heading.
89. The identified costs are assessed as being acceptable, while providing benefits, particularly economic and social benefits to Kaipara's communities. The provisions help ensure the PDP enables sufficient housing and business land to meet current and predicted future demand which is achieved through the PDP residential, commercial and industrial zoning. This will help support the creation of jobs and result in positive economic flow on effects to support economic growth opportunities in the District.
90. The package of urban form and development policies will also help achieve the objectives by supporting urban character and amenity through high quality urban design outcomes, encouraging infrastructure investment in existing urban areas, and enabling a range of residential, commercial and industrial activities within the respective zones.
91. Overall, the proposed urban form and development policies are the most efficient and effective means of achieving the objectives as together they:
  - a. Enable Councils to fulfil its statutory obligations under the RMA, including the purpose and principles in Part 2 and section 31, and will ensure the plan give effect to higher order documents including the National Planning Standards in accordance with section 75(3)(ba) of the RMA
  - b. Set out the key urban form and development resource management matters and outcomes for the District which will support the implementation of other PDP chapters
  - c. Ensure the efficient use and development of land in the District to meet the housing and business needs of Kaipara
  - d. Set clear direction on the strategic urban form outcomes for development across Kaipara in the General residential zone, Commercial zone, Heavy industrial zone, and Light industrial zone
  - e. Ensure infrastructure is directed to existing urban areas and future urban growth to enable more efficient and effective infrastructure investment in the District.

#### **5. CONCLUSION**

92. Pursuant to section 32 of the RMA, the proposed Strategic Direction objectives have been evaluated against Part 2 of the RMA and are considered to be the most appropriate way to achieve the purpose of the RMA.

93. The proposed urban form and development policies have also been compared against reasonably practicable options and are considered to be the most appropriate way to achieve the proposed urban form and development objectives.

**ATTACHMENT 1 – Kaipara District Plan Review - Economic assessment of residential, commercial, and industrial land supply**



# **Kaipara District Plan Review**

**Economic assessment of residential, commercial,  
and industrial land supply**

**Prepared for Kaipara District Council**

**Draft final**

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# Executive Summary

Kaipara District Council (“KDC”) is currently developing the Proposed District Plan (“PDP”) and has asked Formative to provide key inputs into the needs assessment, specifically estimates of residential, retail, commercial, and industrial land requirements driven by household and economic activity projections. This assessment is a contribution to enabling KDC to meet its obligations under section 31 (1)(aa) of the Resource Management Act 1991 to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district.

The PDP proposes 13 zones, with most zone types having locations spread around the District. Of all land in the district, 84% is proposed to be zoned General Rural Zone, 10% is open space (Sport and Active Recreation, Natural Open Space and Open Space), and 5% Māori Purpose Zone.

Excluding those large zones, less than 2% of the District is zoned for residential activities (General Residential and Rural Lifestyle zones) and business activities (Commercial, Light Industrial and Heavy Industrial), and there are two Special Purpose Zones, including the Dargaville Hospital and Estuary Estates in Mangawhai. Estuary Estates enables a commercial centre, industrial land, and residential activity.

## Current situation

### Settlement patterns

The largest urban area is Dargaville (2,100 households), followed by Mangawhai (1,980 households, with a further 1,550 living in the Mangawhai rural hinterland). Mangawhai is a popular tourist town and has a large number of dwellings that are used as holiday homes. Those dwellings are not included in the household counts, but provision for them is included in this assessment. There are smaller settlements at Maungaturoto and Kaiwaka (300-400 households each), followed by Te Kopuru, Ruawai, Paparoa and Baylys Beach (c. 150-250 households each). There is also a large rural population – nearly 28% of district households are in rural area.

### Household growth

The fastest growing parts of the district out to 2054 are expected to be in the east. Mangawhai and its rural hinterland is anticipated to grow the fastest, by 1,980 households (+56%), while slower growth is projected in Maungaturoto (+28%) and Kaiwaka (+26%). Dargaville is projected to increase by only 300 households (+14%) over the same period, although will remain clearly the second largest settlement in the District.

## **Dwelling demand**

Dwelling demand is driven by both new households permanently occupying dwellings and non-residents who do not permanently occupy dwellings, largely (although not solely) holiday homes. In many parts of the District demand for holiday homes is significant, with an estimated 12% of all dwellings being used as holiday homes (i.e. secondary residences for people who have a primary residence elsewhere). For the entire District it is estimated that there will demand for a further 230 dwellings to be used by non-residents by 2054, which means that there will be a total demand for 2,970 dwellings. Most of the non-residents will be accommodated in Mangawhai, where it is estimated that there will be a need for an additional 200 holiday homes by 2054, which means a total dwelling demand of 2,180.

## **Economic activity**

There were some 8,600 workers employed in Kaipara District in 2023. Dargaville is the main employment node with nearly 3,000 people employed there. Mangawhai is the second largest employment node (nearly 1,600 jobs), followed by Maungaturoto (830 jobs) and Kaiwaka (250 jobs).

The largest concentration of employment in Kaipara is in rural sector activities (1,780 jobs), followed by industrial sectors (2,110 jobs), construction (1,020 jobs) and retail and hospitality (990 jobs). Since 2000, the highest employment growth rates have been in construction (+186%, +650 jobs), public administration (+180%, +150 jobs) and the commercial office sector (+140%, +410 jobs). The rural and automotive sectors are the only sector that have experienced a decline in employment (-340 and -10 jobs respectively), with a significant reduction in dairy sector jobs offset by increases in other rural activities such as vegetable growing, beef cattle, logging and agricultural support services.

## **Employment growth**

By 2054, total district employment is projected to have increased by 3,200 jobs (+37%), with the largest increase in job terms in the industrial and construction sectors, followed by health, commercial office and retail and hospitality (Figure ES1).

**Figure ES1: KDC employment structure economic sector by zone type<sup>1</sup>**

Economic sector	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
Retail and hospitality	990	1,030	1,110	1,200	1,310	220	22%
Commercial services	330	350	410	470	530	150	45%
Commercial office	720	760	870	970	1,080	270	38%
Public administration	300	320	350	380	400	80	27%
Accommodation	80	90	100	120	140	40	50%
Education	620	650	710	770	830	150	24%
Health	450	480	570	720	770	280	62%
Industrial	2,110	2,180	2,370	2,530	2,700	440	21%
Construction	1,020	1,100	1,290	1,450	1,610	440	43%
Automotive	230	250	290	330	380	100	43%
Rural	1,780	1,830	1,910	1,960	2,010	190	11%
Recreation	110	120	150	180	220	70	64%
<b>Total</b>	<b>8,740</b>	<b>9,160</b>	<b>10,130</b>	<b>11,080</b>	<b>11,980</b>	<b>3,240</b>	<b>37%</b>

## Residential land demand and supply

Given projected demand from permanent and non-permanent residents, there is expected to be a residential demand for 3,520 additional dwellings in the district by 2054 (including NPS-UD competitiveness margin).

The PDP makes provision for 1,849ha of residential zoned land through the GRZ, and a further 3,567ha of RLZ. Large areas of those two proposed residential zones are not currently zoned residential, and further large areas have been rezoned for residential activity since the PDP was notified, and therefore provide additional capacity in excess of the notified land area.

These areas have plan-enabled capacity to accommodate an extra 21,700 residential dwellings in Kaipara, plus an additional 5,600 infill dwellings, a total of 27,300 extra dwellings (in excess of current supply). That will be ample to accommodate projected residential demand growth of 3,520 out to 2054, even considering that not all capacity will be converted into new supply. Growth will place the greatest pressure on capacity in Mangawhai, although even in this high growth area the projected demand (2,550 dwellings by 2054) will be much less than plan-enabled capacity (3,670 plus 2,760 infill, a total of 6,440 dwellings).

Not all of that plan-enabled capacity will be reasonably expected to be realised (“RER”) or feasible, although because much of the capacity is in greenfields areas with no existing urban activities, a larger proportion of plan-enabled capacity will be feasible, compared to if there was a greater reliance on infill housing. Modelling indicates that 61% of non-infill plan-enabled capacity will be RER (13,300

<sup>1</sup> ‘Industrial zones’ are the Light and Heavy Industrial zones, ‘Residential zones’ are Medium Density Residential and Rural Lifestyle Zone.



dwelling), and 53% of infill plan-enabled capacity will be RER (2,950 dwellings), a total of 16,260 RER dwellings. That again is far in excess of long-term demand (3,520 dwellings out to 2054).

Not all of that RER capacity will be feasible, due to the need for developers to achieve particular profit margins, and the price likely to be able to be achieved once newly developed property is sold. Those factors mean certain types of dwelling will not be feasible to develop, with only 35% of plan-enabled capacity being feasible in the medium-term (36% of non-infill and 29% of infill plan-enabled capacity), and 59% in the long-term. That equates to feasible development capacity of 9,500 dwellings in the medium-term, and 16,200 dwellings in the long-term.

Overall across the District, the PDP proposes to zone much more capacity than is required to accommodate residential growth, and there is a good variety of residential zone types and locations to provide for the needs of household growth. The PDP provides for sufficient development capacity to meet expected residential demand for dwellings, as required in the NPS-UD clause 3.2.

## Commercial land demand and supply

Kaipara households, businesses, and tourists will spend an estimated \$318m in the district's retail and hospitality businesses in 2024. 2024, and that is projected to increase by 90% to reach \$606m. Much of that spend flows out of the District, notably to Whangārei and Auckland, however spend that is retained in the District is enough to sustain 30,400m<sup>2</sup> of retail, hospitality, services and offices floorspace in Dargaville, 17,400m<sup>2</sup> in Mangawhai, 4,400m<sup>2</sup> in Kaiwaka, and 4,300m<sup>2</sup> in Maungaturoto.

Given projected demand growth for these activities, additional space will be required to provide adequate space for businesses to continue to operate effectively and efficiently (including NPS-UD competitiveness margin). Mangawhai's Commercial zones will support an additional 13,600m<sup>2</sup> GFA (+78%) by 2054, which will require about an additional 8.2ha of zoned land. The 15,000m<sup>2</sup> of additional space that will be supported in Dargaville by 2054 will require about 10.2ha to accommodate it, while Kaiwaka will require an additional 2.7ha, and Maungaturoto 1.1ha. Other centres will need much less additional land area to accommodate their commercial floorspace growth.

The PDP proposes to increase the ODP's 40.3ha of Commercial zone by around 66ha to over 106ha. Large new areas of Commercial zone are proposed to be created in the Dargaville CBD (nearly 11ha), in Mangawhai Village (+7ha), and in Kaiwaka (+27ha gross, or an estimated 22ha net once new roads are developed to service the area). The PDP also proposes to zone small amounts of Commercial zone at Dargaville South and East, Baylys Beach, and Hakaru, with incremental changes to some existing commercial zones.

The proposed COMZ within Mangawhai (Mangawhai Village, Wood Street, Molesworth Drive and Estuary Drive) and the Estuary Estates commercial centre will combine to adequately provide for the future retail and services needs of the high growth Mangawhai population, and enable a range of retail

and service activities including a small amount of large format retail. The assessment shows that in all other places where COMZ is proposed, the PDP makes more than sufficient provision for zoned land to accommodate commercial land requirements for the life of the plan. Dargaville would have Commercial zoned area of 5.3ha more than demand requires, Mangawhai would have an extra 2.5ha, Kaiwaka 24ha, Maungaturoto 5.8ha, and Ruawai 7.3ha. The PDP provides for sufficient development capacity to meet expected demand for commercial land, as required in the NPS-UD clause 3.3.

## Industrial land demand and supply

Employment in the type of businesses using Kaipara's industrial zones is projected to grow by 29% (HIZ) and 14% (LIZ), and the zoned area required to accommodate that growth is projected to be 10.1ha for LIZ and 11.8ha for HIZ out to 2054 (including NPS-UD competitiveness margin). That is in addition to the industrial zoned area currently occupied, and equates to the need for 72.7ha for LIZ and 49.1ha for HIZ within the life of the PDP, a total of 98.1ha of industrial zoned land.

The PDP makes provision for a total of 296ha of industrial zoned land, including 184ha of LIZ and 112ha of HIZ. Those gross areas would net around 256ha, once the new blocks not currently containing roads are developed. Demand is much less than the zoned area proposed to be created by the PDP, for both LIZ and HIZ, for all time periods of the PDP, and by 2054 the assessment indicates a projected surplus of 97ha LIZ land and 31ha HIZ land. There is very unlikely to be any shortfall in industrial land supply over the life of the PDP, and a range of zones are provided for to adequately provide for the different location, size and activity types of the reasonably foreseeable range of industrial activities in Kaipara. The PDP provides for sufficient development capacity to meet expected demand for industrial land, as required in the NPS-UD clause 3.3.

# 1 Introduction

Kaipara District Council (KDC) is reviewing its District Plan and has commissioned Formative Limited to provide specialist economics advice to contribute to the evidence base that is being used to inform development of the Proposed District Plan (PDP).

## 1.1 Scope

This report summarises the economic assessment that has been undertaken to support KDC's section 32 requirements for residential, commercial and industrial zoning. The assessment includes quantification of the demand for and proposed supply of land within each of those three zone types in order to inform conclusions as to the adequacy of the land areas proposed to be zoned in the PDP.

Because the assessment relates only to the PDP, the focus of the assessment is the life of the PDP, but horizons consistent with the National Policy Statement on Urban Development (NPS-UD) have been applied (short, medium-, and long-term). All of Kaipara District is included in the assessment, with the focus of the information presented in this report being on the District's higher growth areas, and settlements.

KDC is not a Tier 1, 2, or 3 local authority in the NPS-UD, and hence is not required to undertake an assessment of demand and supply under the NPS-UD. However, this assessment adheres to the requirements set in the NPS-UD for Tier 1 and 2 authorities, including for example the competitiveness margin (clause 3.22), and does so in order to provide a robust, conservative assessment of the adequacy of the land areas proposed to be zoned in the PDP.

## 1.2 Objective

The objective of this report is to provide information that is able to be used to support the assessment, conclusions and recommendation made in KDC's section 32 reports relating to the residential, commercial and industrial zones.

## 1.3 Structure

The report is structure as follows:

- ❖ Section 2 provides an overview of the current Kaipara District environment, including the location and spatial extent of the relevant PDP zones, as well as a summary of Kaipara's residential and economic environments.
- ❖ Section 3 summarises the methodology applied in the assessment, firstly for residential zones, then commercial, and industrial.

- ❖ Section 4 contains the demand supply assessment for the residential zones, providing conclusions as to the adequacy of the residential zoned supply proposed in the PDP.
- ❖ Section 5 contains the demand supply assessment for the Commercial zone.
- ❖ Section 6 contains the demand supply assessment for the industrial zones.
- ❖ Section 7 provides conclusions for each of the zone types assessed.

## 1.4 Abbreviations

A number of abbreviations are used throughout this report, and a summary of those is provided here for reference.

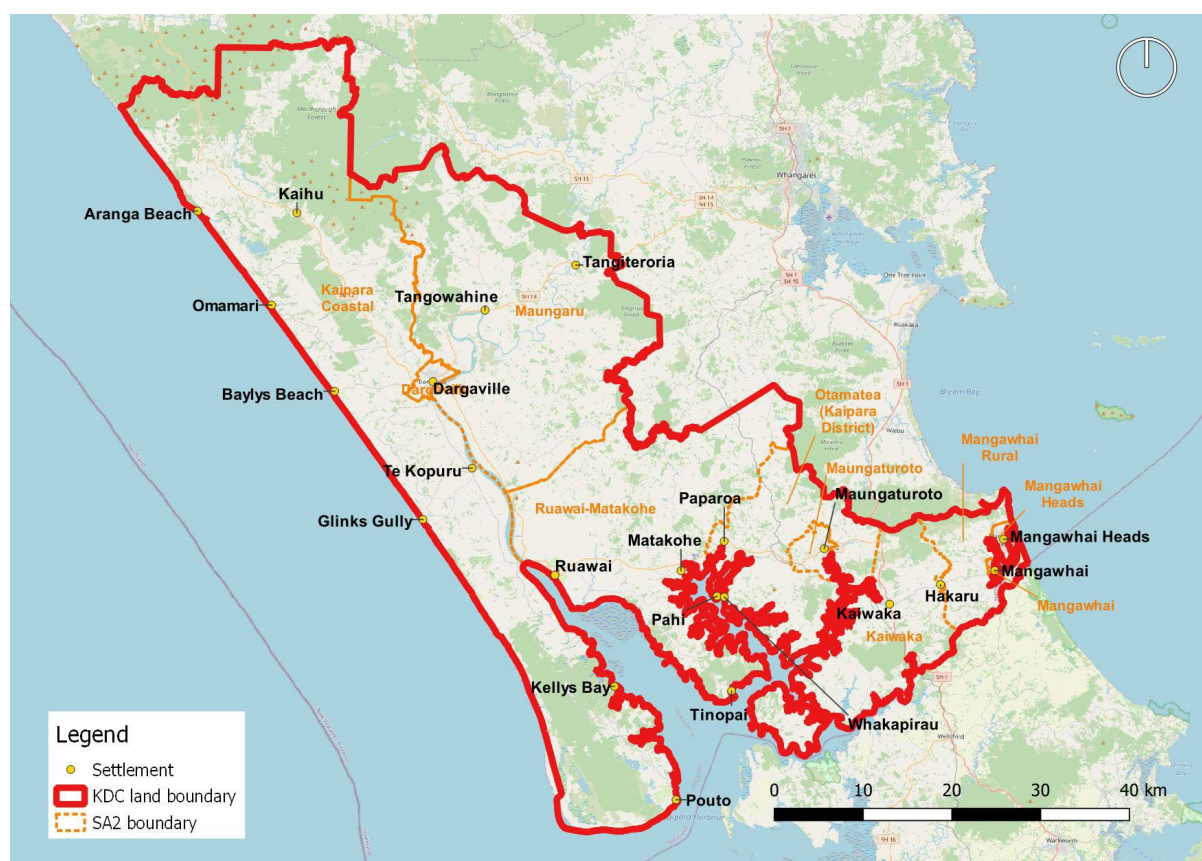
❖	CF	Commercially feasible capacity
❖	COMZ	Commercial Zone
❖	PDP	Draft Kaipara District Plan
❖	GFA	Gross floor area
❖	GRZ	General Residential Zone
❖	HIZ	Heavy Industry Zone
❖	KDC	Kaipara District Council
❖	LIZ	Light Industry Zone
❖	LUF	Land Use Framework
❖	NPS-UD	National Policy Statement on Urban Development
❖	ODP	Operative Kaipara District Plan
❖	PEC	Plan-enabled capacity
❖	PPCR	Private plan change request
❖	RCF	Reasonably expected to be realised and commercially feasible
❖	RER	Reasonably expected to be realised
❖	RLZ	Rural Lifestyle Zone
❖	SA1	Statistical Area 1
❖	SA2	Statistical Area 2
❖	TEC	Total employment count.

## 2 Current environment

### 2.1 Location overview

Kaipara District is a geographically large territorial authority that extends from the boundary with Auckland Region in the south to the Waipoua Forest in the north, a straight-line distance of over 100km. The District is dominated by rural landscapes, with a low population density overall, with the largest settlements being Mangawhai in the south-east, and Dargaville. The next largest settlements are Maungaturoto and Kaiwaka, with a number of other smaller settlements, with many of those located either along the ocean or harbour coast, or on or near State Highway 12 which runs from State Highway 1 through western Kaipara (Figure 2.1).

**Figure 2.1: KDC settlements and statistical areas (SA2s)**



The largest urban centres (Mangawhai and Dargaville) are both 50-60 minutes' drive from the nearest larger town (Whangārei), with Mangawhai a similar distance north of the fast-developing Silverdale area in Auckland, and Dargaville closer to two hours' from Silverdale.

### 2.2 PDP zoned areas

The PDP proposes 13 zones, with most zone types having locations spread around the District:

- ❖ One Commercial Zone. Areas of Commercial zone (COMZ) are indicated at Dargaville (the town centre, Dargaville East near the Grey Street bridge, and three areas along River Road to the south of the town centre), Mangawhai (the Mangawhai Village centre including the Mangawhai Tavern, Mangawhai Heads at Wood Street and two zones on Molesworth Drive), Maungaturoto, Paparoa, Kaiwaka, Baylys Beach, Hakaru, Ruawai and Te Kopuru (Figure 2.2).
- ❖ Two industrial zones: Light Industrial zone (LIZ) and Heavy Industrial zone (HIZ). There are three discrete areas of industrial zone proposed in Dargaville (west of the CBD, adjacent to State Highway 14 towards the Racecourse and a small block in Dargaville south), three in Maungaturoto (around the railway and two in Maungaturoto east), one each in Kaiwaka, Hakaru and Ruawai, and at the sawmill in Topuni. A further industrial area is consented and is being developed within Estuary Estates in Mangawhai, although is part of the Estuary Estates Special Purpose zone rather than a discrete industrial zone.
- ❖ Two residential zones: General Residential Zone (GRZ) and Rural Lifestyle Zone (RLZ). These tend to be located in and around the larger towns, and the smaller settlements where there are aggregations of dwellings. The PPC83 area “The Rise” is a precinct within the GRZ.
- ❖ A single rural zone, the General Rural Zone (GRUZ).
- ❖ Four special purpose zones: Dargaville Hospital, Estuary Estates, Mangawhai Hills, and Trifecta Development Area. Estuary Estates is the area in which Mangawhai Central will be developed, and will be comprised of a commercial centre and industrial and residential areas. The Trifecta Area is the former Dargaville Racecourse, and will comprise a mixture of residential, light industrial, neighbourhood centre and open space.
- ❖ Zones for Sport and Active Recreation, Natural Open Space, and Open Space.

Maps showing the proposed zoning for each of Kaipara’s main settlements are provided in Appendix 1.

**Figure 2.2: Proposed District Plan Zoned Areas (ha, excludes roads)**

	GRZ	RLZ	COMZ	LIZ	HIZ	SP Estuary Estates	SP Trifecta	SP Hospital	MPZ	Open space	GRUZ	Total
Aranga Beach	3	-	-	-	-	-	-	-	369	6,041	-	6,414
Kaihu	-	41	-	-	-	-	-	-	742	8,713	-	9,497
Omamari	6	-	-	-	-	-	-	-	418	416	-	840
Tangiteroria	-	45	-	-	-	-	-	-	287	3,797	-	4,129
Baylys Beach	89	-	2	-	-	-	-	-	-	121	-	212
Dargaville	418	329	29	103	14	-	90	11	1,440	1,150	-	3,584
Te Kopuru	68	-	2	-	-	-	-	-	402	69	-	541
Glinks Gully	7	-	-	-	-	-	-	-	9	538	-	555
Ruawai	24	-	9	4	-	-	-	-	62	844	-	943
Kellys Bay	3	-	-	-	-	-	-	-	5,197	1,398	-	6,599
Poutu	9	44	-	-	-	-	-	-	3,921	3,751	-	7,724
Matakohe	-	326	-	-	-	-	-	-	191	160	-	678
Paparoa	120	1,204	2	-	-	-	-	-	-	157	-	1,483
Pahi	35	217	-	-	-	-	-	-	170	8	-	430
Whakapirau	16	-	-	-	-	-	-	-	83	25	-	124
Kaiwaka	202	788	31	47	-	-	-	-	1,549	329	-	2,945
Tinopai	23	99	-	-	-	-	-	-	1,272	75	-	1,468
Maungaturoto	231	474	12	22	17	-	-	-	37	449	-	1,242
Hakaru	-	0	3	7	-	-	-	-	-	223	-	233
Mangawhai	595	-	16	-	-	127	-	-	-	1,130	-	1,867
Other	0	-	0	-	82	-	-	-	-	-	248,930	249,012
<b>Total</b>	<b>1,849</b>	<b>3,567</b>	<b>106</b>	<b>184</b>	<b>112</b>	<b>127</b>	<b>90</b>	<b>11</b>	<b>16,151</b>	<b>29,394</b>	<b>248,930</b>	<b>300,520</b>

Of the District's 300,000ha of zoned area, 83% is proposed to have a rural zoning in the PDP, 10% an open space zoning, and 5% will be Māori Purpose Zone (MPZ). Of that total, 1,849ha (0.62%) is GRZ, 3,567ha (1.19%) is RLZ, and 629ha (0.21%) is other urban zones (COMZ, industrial and Special Purpose).

## 2.3 Residential

Mangawhai (comprised of the Mangawhai, Mangawhai Heads and Mangawhai Rural SA2s) is home to just over 3,500 households in 2024, making the town the largest population base in the District. Dargaville is home to an estimated 2,140 households, some 1,400 fewer than Mangawhai. There are also a large number of dwellings used as holiday homes in the District, and particularly in Mangawhai, which are not captured in those household counts, as they do not accommodate households on a permanent basis.

Mangawhai is the largest, and also the fastest growing part of the District, influenced primarily by its proximity to Auckland, and appeal as a holiday destination. Since the 2006 Census, household numbers in Mangawhai have increased 260% (+2,550, +7.4% per annum on average), with the next fastest growing SA2s being Kaiwaka (+4.3% average annual), and other parts of central Kaipara (Ruawai-Matakohe, Otamatea, and Maungaturoto, each 2-3% per year on average). The slowest growing parts of Kaipara are those in Dargaville and the west of the district, where long-run average growth rates are around 1.2-1.5% (Figure 2.3). Due in large part to that strong growth in the southern part of the District, there are now estimated to be 72% more households than there were in 2006.



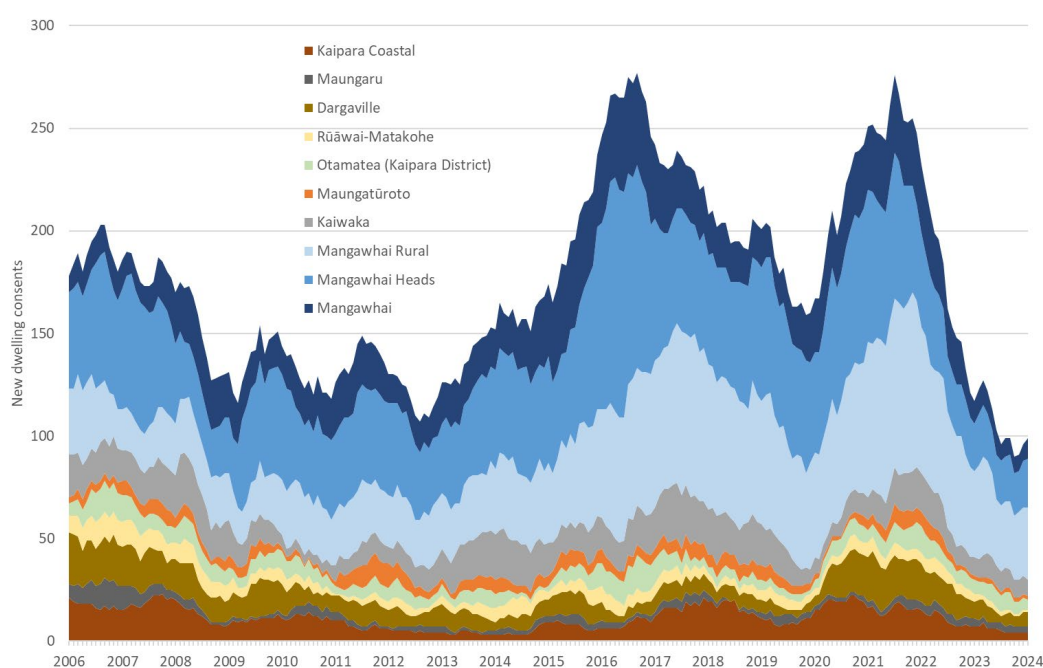
**Figure 2.3: Kaipara household counts (2006-2018 from Census, 2024 from Infometrics)**

SA2 name	2006	2013	2018	2024	Growth 2006-2024		
					n	Avg. annual	%
Kaipara Coastal	1,300	1,390	1,380	1,710	410	23	32%
Maungaru	630	660	670	820	190	11	30%
Dargaville	1,720	1,790	1,810	2,140	420	23	24%
Ruawai-Matakohe	830	920	950	1,180	350	19	42%
Otamatea	520	590	690	830	310	17	60%
Kaiwaka	520	630	750	1,100	580	32	112%
Maungaturoto	390	410	450	570	180	10	46%
Mangawhai Rural	410	580	820	1,550	1,140	63	278%
Mangawhai Heads	420	590	850	1,350	930	52	221%
Mangawhai	150	230	390	630	480	27	320%
KDC total	6,890	7,790	8,760	11,880	4,990	277	72%
Mangawhai total	980	1,400	2,060	3,530	2,550	142	260%

In many parts of the district there are a large number of holiday homes, with an estimated 12% of all dwellings being used as holiday homes (i.e. secondary residences for people who have a primary residence elsewhere). That equates to around 650 holiday homes in Mangawhai now and 1,080 in the rest of the District, which is a total of 1,730 dwellings used by non-permanent residents. In total there are approximately 13,610 dwellings in the district.

Accordingly, the number of new dwellings consented has been greatest in Mangawhai which has seen an average of 120 consents per annum since 2006 and a recent decline to less than 70 consents in the last 12 months. Combined, all the other areas had less than 50 new dwellings consents per annum.

**Figure 2.4: Kaipara New Dwelling Building Consents (Statistics NZ)**





## 2.4 Economic

### 2.4.1 Kaipara economy overview

The Kaipara workforce is currently<sup>2</sup> estimated to be 8,590 TECs (total employment count),<sup>3</sup> a figure which has grown by 41% since 2000, an average of 1.5% per year. That average rate is much slower than the average household growth in the last 15 years (+3.1%), reflecting a decline in the average employment per household from 1.03 TECs per household in 2006 to 0.73 in 2023.

Since 2000 at least Dargaville has always been, and remains, the District's main employment node. Nearly 3,000 people were employed in Dargaville in 2023, down 160 from 2020, but up 530 from 2000 (+22%) (Figure 2.5). Dargaville has 1.41 TECs per household within the SA2, much higher than the District average of 0.73. The other main population centre, Mangawhai, has much less employment, equivalent to 0.46 TECs per household, with only 1,570 TECs in 2023,<sup>4</sup> including in the Mangawhai Central commercial centre (which opened late 2022). The other large employment nodes are at Maungaturoto and Kaiwaka (780 and 810 TECs respectively in 2023), with the larger rural areas having similar or slightly smaller amounts of employment, but spread across large rural areas.

**Figure 2.5: Kaipara employment by SA2 (TECs)**

SA2 name	2000	2005	2010	2015	2020	2023	Growth 2000-2023	
							n	%
Kaipara Coastal	800	980	950	920	880	860	60	8%
Maungaru	530	630	570	600	620	520	10	-2%
Dargaville	2,440	2,380	2,620	2,570	3,130	2,970	530	22%
Ruawai-Matakohe	680	780	720	690	730	720	40	6%
Otamatea	290	300	250	330	360	360	70	24%
Kaiwaka	390	500	430	550	750	810	420	108%
Maungaturoto	590	670	610	560	740	780	190	32%
Mangawhai Rural	120	170	110	200	320	480	360	300%
Mangawhai Heads	160	240	280	300	520	560	400	250%
Mangawhai	110	180	230	250	450	530	420	382%
KDC total	6,110	6,830	6,770	6,970	8,500	8,590	2,480	41%
Mangawhai total	390	590	620	750	1,290	1,570	1,180	303%

Rural sectors have historically been the largest employers in Kaipara, with employment fluctuating between around 1,900 and 2,200 workers since 2000. That has changed recently, with a decline to 1,760 workers in 2023, making the growing Industrial sector now the largest employment sector in the district (2,080 workers in 2023, +770 from 2000). Construction (1,000 workers in 2023) and Retail

<sup>2</sup> 2023 estimates are the most recent available at present, given Statistics NZ's reporting timelines.

<sup>3</sup> Employment data is published by Statistics NZ as Employment Count ("EC"), a base employment measure that excludes working proprietors. Data presented in this report is based on TECs, a measure that includes working proprietors, as sourced from Statistics NZ's Linked Employer-Employee Data.

<sup>4</sup> Mangawhai has a larger proportion of its population aged over 65+, and a larger proportion no longer the workforce, than most other parts of the District.

and hospitality (980) are the next largest employment sectors, with recent strong growth in a number of public service sectors including Commercial Offices and Public Administration. A concordance of industries represented in each sector is provided in Appendix 2.

**Figure 2.6: Kaipara employment by sector (TECs)**

Economic sector	2000	2005	2010	2015	2020	2023	Growth 2000-2023	
							n	%
Retail and hospitality	630	830	810	670	890	980	350	56%
Commercial services	200	250	240	260	310	320	120	60%
Commercial office	290	330	470	480	630	700	410	141%
Public administration	120	120	160	180	270	300	180	150%
Accommodation	70	80	100	70	110	80	10	14%
Education	470	440	500	520	610	610	140	30%
Health	300	290	310	310	370	430	130	43%
Industrial	1,310	1,400	1,360	1,470	1,870	2,080	770	59%
Construction	350	490	580	600	1,030	1,000	650	186%
Automotive	230	290	230	240	250	220	10	-4%
Rural	2,100	2,210	1,940	2,070	2,100	1,760	340	-16%
Recreation	50	100	100	90	80	110	60	120%
KDC total	6,120	6,830	6,800	6,960	8,520	8,590	2,470	40%

To assist in understanding the current structure of the Kaipara economy, we next assess employment structure in more detail by zone type.

## 2.4.2 Commercial

This section summarises the type of activities that are located in Kaipara's existing commercial centres. The centres included in this assessment are the Dargaville CBD, the commercial zones in Mangawhai at the Village, Wood Street and Molesworth Drive, and those at Maungaturoto, Kaiwaka, and Ruawai. The focus of the economic activity in these centres is commercial, which is defined to include retail, hospitality, commercial services, commercial offices and some medical activities (as identified in Appendix 2). Other economic activities are also discussed for completeness, and to reflect the limitations<sup>5</sup> of the data.

Dargaville is the District's largest commercial centre, with 605 core commercial (centre) employees, and a similar amount of employment in non-commercial sectors (some of which will not be in adjacent non-centre zones). That range of employment reflects both the long-established nature of the Dargaville CBD, which has grown organically over a long time to provide for a broad range of personal

<sup>5</sup> Because the base EC data is published by Statistics NZ only to a SA1 level, and SA1s have on average around 100–200 residents, SA1s do not match up to zone boundaries, and particularly in commercial centres SA1s often include adjacent residential or industrial activity. For that reason, centres tend to include a small amount of peripheral economic activity that is not actually located inside the Commercial zone, hence the presence of a large number of industrial employees in the Dargaville CBD, for example.

and business needs, and also the geographic limitations of the centre's spatial definition (per footnote 5). Notable features of the Dargaville CBD include:

- ❖ One of only two large supermarkets in the district (Countdown, alongside the new New World Mangawhai Central).
- ❖ The District's only department<sup>6</sup> store and largest range and number of core retail stores.
- ❖ The main concentrations of employment in commercial services (76 TECs) and offices (101 TECs) in Kaipara.

There are also over 600 non-commercial employees in the Dargaville CBD, including nearly 300 in industrial businesses,<sup>7</sup> 90 in health, 80 in automotive, and 60 in construction (Figure 2.7).

Mangawhai grown significantly in recent years, particularly due to the recent opening of Mangawhai Central, and together the town's four commercial nodes (Mangawhai Village, Mangawhai Central, Wood Street, and Molesworth Drive) employ 577 commercial employees and 400 non-commercial employees. Mangawhai Village is the largest of the four centres with 300 commercial employees, while Mangawhai Central now employs over 120 commercial and 87 other workers, including in the town's only full-service supermarket (New World). The Village and Wood Street centres are fairly similar in their composition, both having a Four Square grocery store, a range of other food retailers, and a large hospitality sector. Mangawhai Village includes over 70 TECs in industrial businesses, and nearly 30 in construction. The smaller Molesworth Drive node (opposite the Fire Station) employs only 47 commercial employees, with 102 in other sectors, reflecting the area's industrial history.

Maungaturoto's commercial centre employs around 70 TECs, with a larger presence of non-commercial activities around its periphery. Commercial activities include the Four Square grocery store but very little core retail or hospitality, although there are 22 TECs engaged in commercial services businesses. The geographically large (proposed) Maungaturoto COMZ takes in the primary school, and also includes nearly 1ha that is occupied by a church and ambulance station. The centre otherwise contains a range of businesses servicing local households and businesses, and there are around 200 TECs recorded in the SA1s that take in the COMZ.

Kaiwaka has a similar employment composition to Maungaturoto, although is a smaller centre in terms of commercial employment, although takes in SA1s that have a large amount of industrial workers (185). The centres at Ruawai and Paparoa are also small centres, providing a limited range of convenience retail and services for their catchments, and pass by traffic.

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<sup>6</sup> The Warehouse, on Victoria Street

<sup>7</sup> Including for example the warehouses on Logan Street just south of the Kaihu River, manufacturing businesses on Normanby and Edward streets just north of the river

**Figure 2.7: Kaipara centres' employment structure (TECs, 2023)**

Economic sector	Dargaville CBD	Mangawhai Village	Mangawhai Central	Mangawhai Wood St	Mangawhai Molesworth Dr	Maungaturoto	Kaiwaka	Ruawai	Paparoa	Total Main Centres	Rest of KDC	KDC total	Main Centres Share
Food retail	107	82	104	9	-	21	-	8	-	331	24	355	93%
Core retail	57	16	2	26	-	4	6	5	-	115	61	176	65%
Department stores	38	-	-	-	-	-	-	-	-	38	-	38	100%
Hospitality	57	62	7	36	16	4	6	15	3	206	91	297	69%
Commercial services	76	32	-	21	12	22	5	7	8	182	151	333	55%
Commercial office	101	33	8	10	18	6	9	5	5	194	509	703	28%
Public administration	169	68	-	-	1	10	2	3	-	254	41	295	86%
Medical	-	6	-	8	-	3	-	4	-	21	80	101	20%
<b>Core centre activities</b>	<b>605</b>	<b>300</b>	<b>121</b>	<b>109</b>	<b>47</b>	<b>69</b>	<b>28</b>	<b>45</b>	<b>16</b>	<b>1,340</b>	<b>958</b>	<b>2,298</b>	<b>58%</b>
Non-centre retail	34	-	35	-	24	8	-	-	-	101	11	111	90%
Automotive	79	12	-	9	24	2	13	9	1	149	75	224	67%
Accommodation	20	1	-	2	6	-	2	-	1	32	49	80	40%
Education	14	71	-	-	-	49	26	-	10	169	444	613	28%
Health	89	3	-	-	3	31	1	-	1	129	205	334	39%
Industrial	297	74	24	1	39	22	100	185	3	746	1,339	2,084	36%
Construction	63	28	18	4	4	10	9	10	27	172	825	997	17%
Recreation	5	3	6	-	1	-	3	3	-	20	76	97	21%
Rural	15	3	4	-	-	9	7	12	3	53	1,706	1,759	3%
<b>Non-centre activities</b>	<b>616</b>	<b>194</b>	<b>87</b>	<b>16</b>	<b>102</b>	<b>129</b>	<b>161</b>	<b>218</b>	<b>46</b>	<b>1,570</b>	<b>4,729</b>	<b>6,299</b>	<b>25%</b>
<b>Total employment</b>	<b>1,221</b>	<b>495</b>	<b>208</b>	<b>125</b>	<b>150</b>	<b>198</b>	<b>189</b>	<b>264</b>	<b>62</b>	<b>2,910</b>	<b>5,687</b>	<b>8,597</b>	<b>34%</b>

Outside those centres there is a significant amount of employment (5,690 TECs) in all other areas, primarily in the non-commercial sectors (4,730 workers), as discussed in the following (Industrial) subsection. Of residual commercial employment, there are few significant concentrations, with many businesses dispersed over the large rural parts of the District, and throughout the residential areas of settlements that are not part of the centres (e.g. suburban Dargaville and Mangawhai).

The strong household growth observed in Mangawhai over the last two decades is reflected in a strong increase in employment there, an increase of over 820 TECs, including 500 in commercial sectors. That growth of 500 commercial workers accounts for all of the growth in commercial employment in Kaipara's main centres, with growth outside of Mangawhai being negative in Dargaville and Kaiwaka, and limited to small positive growth in other centres (Figure 2.8). There was growth of 150 industrial TECs in the Dargaville CBD, although again that is influenced by the geographic definition of the CBD taking in some industrial activities just outside the centre.

**Figure 2.8: Larger commercial centres employment change (2000-2023, TECs)**

Economic sector	Dargaville CBD	Mangawhai Village	Mangawhai Central	Mangawhai Wood St	Mangawhai Molesworth Dr	Maungaturoto	Kaiwaka	Ruawai	Paparua	Total Main Centres	Rest of KDC	KDC total	Main Centres Share
Food retail	- 34	78	104	- 3	-	18	- 3	4	- 6	159	- 14	209	76%
Core retail	- 35	13	2	23	- 1	- 17	- 6	0	-	22	36	162	-13%
Department stores	23	-	-	-	-	-	-	-	-	23	-	15	157%
Hospitality	- 52	49	7	29	10	4	0	14	2	64	28	205	31%
Commercial services	- 12	24	-	18	9	10	0	1	8	56	76	201	28%
Commercial office	30	27	8	9	14	- 3	5	0	5	96	321	287	33%
Public administration	75	66	-	-	1	8	- 1	0	-	150	25	121	124%
Medical	- 45	6	-	8	-	3	-	2	-	- 26	72	56	-47%
Core centre activities	- 49	264	121	84	34	22	- 4	19	9	500	544	1,255	40%
Non-centre retail	13	- 5	35	-	24	8	-	1	-	74	- 1	38	194%
Automotive	- 35	5	-	9	23	- 5	3	- 5	1	- 3	- 2	228	-1%
Accommodation	9	- 7	-	2	6	-	- 10	-	1	0	10	71	0%
Education	- 4	51	-	- 1	-	26	24	- 32	9	72	75	466	15%
Health	41	2	-	-	2	31	0	-	1	77	17	240	32%
Industrial	149	72	24	- 2	35	8	70	156	0	512	263	1,309	39%
Construction	- 22	23	18	2	0	5	2	- 0	23	51	593	354	14%
Recreation	2	2	6	-	1	- 2	- 2	0	-	7	36	53	14%
Rural	- 23	- 7	4	- 2	- 1	- 17	- 31	- 30	- 17	- 123	- 216	2,099	-6%
Non-centre activities	130	134	87	8	91	55	56	88	18	668	774	4,857	14%
Total employment	81	398	208	92	125	77	52	108	27	1,168	1,318	6,112	19%

The employment decline in the Dargaville CBD since 2000 is notable and consistent across most commercial sectors, and does recommend some inclusion in the PDP of objectives and policies to maintain the primacy of the CBD, and that seek to encourage a future concentration of commercial activities into Dargaville's commercial zones, and in particular the CBD.

### 2.4.3 Industrial

This section summarises the type of activities that are located in areas that are proposed in the PDP to be zoned either Light or Heavy Industrial zones. The industrial areas included in this assessment are as defined to be the SA1s that take in all or part of each Industrial zone, and in some cases include the same SA1 that is part of the town's centre (for example at Kaiwaka where a single SA1 includes all of the only COMZ and all of the only BLIZ). For that reason it is not possible to sum values from Figure 2.7 and Figure 2.9, as some double counting will be present. The industrial areas proposed in the PDP are:

- ❖ Dargaville East: the area on the eastern Dargaville urban fringe between town and the racecourse.
- ❖ Dargaville West: the area to the west of the CBD between the railway and the Kaihu River.
- ❖ Maungaturoto Railway: the area south of Maungaturoto where State Highway 12 meets the North Auckland railway and Whakapirau Road.

- ❖ Maungaturoto East: two discrete areas to the east of Maungaturoto: one on the south side of State Highway 12 around Davis Landing Street, the other the Fonterra Plant (opposite Mountain Road).
- ❖ Kaiwaka: a large new area of industrial zone either side of State Highway 1, and immediately north of Pukekaroro Stream.
- ❖ Topuni: a spot zone on the site of the Topuni Sawmill on Schiska Road.

Together the six industrial areas identified accommodate just over 1,500 TECs employed in industrial sectors, or 46% of the District's workforce (Figure 2.9). Large parts of the rest of that industrial employment are employed by businesses with a registered location in the district's residential zones (e.g. tradespeople with their business registered to home) or scattered throughout the large rural zones as standalone businesses.

**Figure 2.9: Kaipara industrial areas employment structure (TECs, 2023)**

Economic sector	Dargaville West	Dargaville East	Maungaturoto Railway	Maungaturoto East	Kaiwaka	Topuni	Total Main Industrial Areas	Rest of KDC	KDC total	Industrial Areas Share
Industrial	307	538	159	141	100	34	1,279	805	2,084	61%
Construction	76	7	31	15	9	3	141	857	997	14%
Automotive	81	16	-	8	13	-	118	106	224	53%
Industrial sectors	465	560	189	164	123	37	1,538	1,768	3,305	47%
Rural	34	173	6	5	7	18	242	1,517	1,759	14%
Other sectors	793	122	4	22	59	18	1,018	2,515	3,533	29%
Total employment	1,292	854	199	190	189	73	2,798	4,032	8,597	33%

#### 2.4.4 Rural

For completeness we also summarise the nature of employment in Kaipara's rural areas, defined as SA1s that are not otherwise captured as being in a commercial or industrial zone, and which are not within the district's larger towns (Dargaville, Mangawhai, Maungaturoto, Kaiwaka, Paparoa, Ruawai). Rural sector employment is heavily focussed in those rural areas, with 78% of total rural employment in the district being in those defined rural area. Those areas are also the location of a significant amount of industrial employment, spread across many places, and also a large amount of employment in home-based businesses such as construction, and in schools and other locally-focussed businesses. Most of that non-rural employment is in small businesses, with only 10-15<sup>8</sup> businesses in this rural area employing more than 10 workers each.

<sup>8</sup> It is not possible to establish an exact number given the resolution the data is published at

Figure 2.10: Kaipara rural areas employment structure (TECs)

	Kaipara Coastal	Maungaru	Ruawai-Matakohe	Otamatea	Kaiwaka	Mangawhai Rural	Total rural	Rest of KDC	KDC total
Rural	499	320	218	100	198	44	1,378	381	1,759
Industrial	74	37	45	45	66	29	296	1,788	2,084
Construction	138	64	36	79	70	85	473	524	997
These sectors	710	422	299	224	334	158	2,147	2,693	4,840
Other sectors	149	83	156	61	151	110	709	3,048	3,757
Total employment	859	504	455	285	485	268	2,856	5,741	8,597

## 3 Methodology

### 3.1 Residential demand-supply methodology

This subsection details the methodology used to calculate the demand for, and supply of, residential land in Kaipara. To assess the adequacy of the PDP's residential land supply we have assessed the demand and capacity of the residential zones to accommodate dwellings according to the requirements set out in the NPS-UD.

This subsection describes the approach applied for that assessment of residential demand and the calculation of capacity both that is plan-enabled and infrastructure ready (PEC)<sup>9</sup>, reasonably expected to be realised and commercially feasible (RCF).<sup>10</sup>

#### 3.1.1 Residential demand

Residential land demand is driven by household numbers and growth. KDC's adopted demographic projections were produced by Infometrics in 2024,<sup>11</sup> and are the base projections used for this assessment. KDC advises that council planning adopts the medium growth scenario for its planning purposes. The assessment has included non-permanently occupied dwellings (which are not part of the Infometrics projections), which are assumed to be demand at the level observed within the Census 2023.<sup>12</sup>

While KDC is not required to adopt a competitiveness margin in its planning (by virtue of not being a tier 1 or 2 local authority<sup>13</sup>), this assessment does apply the competitiveness margins set out in clause 3.22 of the NPS-UD, being for both business and housing land of 20% for the short- and medium-terms, and 15% for the long-term.

The focus of the assessment is establishing whether the PDP zones provide for enough residential land to accommodate the projected increase in households in the urban areas of the district. The 2018 Census recorded 2,480 out of Kaipara's 8,900 dwellings in SA1s with rural zoning and no residential

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<sup>9</sup> NPS-UD 3.4 Meaning of plan-enabled and infrastructure-ready.

<sup>10</sup> NPS-UD 3.26 Estimating what is feasible and reasonably expected to be realised.

<sup>11</sup> "Population Projections 2018-2054 Kaipara District Council", downloaded from Infometrics in November 2024, with data containing projections of population and households annually from 2018 to 2054, at an SA2 resolution for all of Kaipara District.

<sup>12</sup> Stats NZ (2023) Census Occupied and Unoccupied Dwellings.

<sup>13</sup> NPS-UD 3.2(2)(d).



zoning. That indicates that at least<sup>14</sup> 28% of the District's households are not located in the residential zones.

It is likely that a share of the future demand will be accommodated in the rural areas of the District. However, in this assessment the demand has not been separated into residential urban and rural housing, with the total demand for housing being used as the primary metric of demand. In that way the assessment is conservative, because it is likely that at least some of the projected household growth will locate in rural zones, reducing the number of households needing to be accommodated in the two residential zones.

### 3.1.2 Plan enabled capacity and infrastructure ready

The first step in the assessment was to estimate the total amount of development that is enabled in the PDP and that could be serviced by infrastructure. This assessment provides an estimate of the total theoretical capacity that can be developed within the planning framework proposed in the PDP. The assessment of residential supply included only the GRZ and RLZ. There are also a large number of dwellings located in the General Rural Zone, although those are not included in the additional capacity assessment, and would provide additional capacity to that assessed.

The proposed PDP provides for a significant increase in residential development potential across the urban areas of the district, and PEC is much larger than demand that is expected either in the life of the district (10 years) or by the end of the NPS-UD long term (30 years). This is a common outcome, which is observed in most high growth urban environments in New Zealand.

This assessment estimates residential PEC according to type of location:

- ❖ Plan change areas: which have recently been approved as new urban areas as the result of private plan change applications, with associated comprehensive development plans (i.e. Dargaville Racecourse PPC81, Moonlight Heights PPC82, The Rise PPC83, Mangawhai Hills PPC84, Estuary Estates PPC78). Dwelling capacity for these areas was sourced from development plans. Details on dwelling yields from these areas is provided in section 4.2.
- ❖ New greenfield areas: these are large areas that were not zoned for residential activity in the ODP, but are in the PDP as residential zones. Because these have not been zoned for residential activity previously, they are greenfields in nature, with only very limited existing residential dwellings within them at present. Dwelling capacity is estimated using a bulk calculation for the entire area.

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<sup>14</sup> The true figure will be higher than this because some households will be located in rural zones but in a SA1 where there is also a residential zoning. The geographic resolution of the SA1s means it is not possible to allocate all households to a zone.

- ❖ Vacant lots: these are parcels that were zoned residential in the ODP, but which do not contain a residential dwelling. They therefore have capacity to contain at least one dwelling, at potentially more depending on their size. The dwelling capacity of each parcel is calculated as per the description below.
- ❖ Infill parcels: these are parcels with an existing residential zoning but a number of dwellings on the parcel less than would be enabled under the density rules proposed in the PDP, and a location of the existing dwelling on the property that would enable the establishment of a new dwelling without removing the existing dwelling.

KDC has provided information on infrastructure which was applied to establish which capacity is developable. The following discussion briefly outlines the methods and assumptions adopted for assessing new greenfield areas, vacant lots and infill parcels.

### **New greenfield capacity assumptions**

There are several assumptions underlying the calculation of greenfield capacity:

- ❖ The parcel must be a residential zone (GRZ or RLZ) in the PDP, but not in the ODP.
- ❖ For large contiguous areas of greenfield GRZ land the dwelling capacity is calculated as the sum of the parcels area divided by the minimum lot size, excluding an allowance of 30% of the gross area required for accessways, parks, stormwater infrastructure, and other non-developable area,
- ❖ For small areas of greenfield GRZ land the dwelling capacity is calculated as the parcel area divided by the minimum lot size, excluding an allowance of 30% of the gross area required for accessways, parks and other non-developable area.
- ❖ For greenfield RLZ land the dwelling capacity is calculated as the sum of the parcels area divided by the minimum lot size, and excluding an allowance of for 10% of the gross area required for accessways, and other non-developable area (due to the larger size of these parcels requiring a smaller share of total area to be access).

### **Vacant lot assumptions**

There are several assumptions underlying the calculation of vacant capacity, including:

- ❖ The parcel must be in the GRZ or RLZ, with no existing buildings on the parcel.
- ❖ The property must be large enough to accommodate a new dwelling in accordance with the minimum lot size rules. In the GRZ a minimum lot size 600m<sup>2</sup>, or 400m<sup>2</sup> in places outside of Mangawhai that are serviced with both reticulated water and wastewater.

### **Infill capacity assumptions**

There are several assumptions underlying the calculation of infill capacity, including:

- ❖ The parcel must be in the GRZ. Any capacity in the RLZ is greenfields capacity.

- ❖ The property must be large enough to accommodate a new dwelling in accordance with the minimum lot size rules.
- ❖ Infill capacity can only exist without requiring any existing building to be moved.
- ❖ A new dwelling will be a minimum of 81m<sup>2</sup> ground floor area, and cannot extend into a buffer zone around the parcel's boundaries or existing buildings.

Parcels with capacity to accommodate an additional dwelling were identified in GIS, using mapping files of existing building footprints and parcel boundaries, downloaded from LINZ. The process applied is outlined in Figure 3.1, which shows locations within which a building centroid may be located as yellow polygons, and buffer zones into which a new building may not protrude as red polygons. The number of new dwellings that could be located within each existing parcel are constrained by the minimum lot size.

For example, a parcel in the reticulated GRZ area (minimum lot size 400m<sup>2</sup>) has capacity for only one existing dwelling unless it is 800m<sup>2</sup> or larger. If the parcel area is 800-1,199m<sup>2</sup> it has capacity for two total dwellings (so one additional, assuming one dwelling exists already). GRZ parcels then have capacity to accommodate one additional dwelling for every additional 400m<sup>2</sup> (minimum) land area. Allowance has been made for 20% of the gross total of larger lots (those able to accommodate 5+ dwellings) to be set aside for access to the new lots.

**Figure 3.1: Residential infill capacity calculation example**



### 3.1.3 Reasonably expected to be realised and commercially feasible capacity

The second step in the assessment was to assess the amount of PEC that is also RCF. As discussed in the previous section the amount of PEC is significantly larger than will ever be realised within the foreseeable future. It is likely that a large share of the PEC capacity will not be developable, either because of demand-side<sup>15</sup> or supply-side constraints<sup>16</sup>. The NPS-UD requires councils with an urban environment to establish the share of PEC that is reasonably realisable and commercially feasible, and this report adopts this requirement for Kaipara.

First, an assessment of land subdivision within the district has been undertaken to establish the density that the market has been realising in recent developments. For this assessment LINZ parcels created between 2020 and 2024 have been analysed. This data shows that the average subdivision of rural lifestyle lots achieves a density of one dwelling per 7,000m<sup>2</sup>, while urban residential subdivision averaged 700m<sup>2</sup> per dwelling in Dargaville, 800m<sup>2</sup> in Mangawhai, and 1,100m<sup>2</sup> in the rest of the district. The assessment applies these recent development densities to establish a conservative estimate of the capacity that could reasonably be expected to be realised in the future, resulting in an average of 61% of PEC being reasonably realisable. This estimate is conservative because density achieved by the market generally increases over time and the new planning rules in the PDP will allow more intensity than was enabled in the past. Both of those factors suggest the reasonably realisable density would potentially be higher than is estimated in this report.

Second, an assessment of commercial feasibility is undertaken which estimates whether a developer would be able to undertake development of the capacity. The assessment is a financial or accounting assessment of costs and revenues to establish whether a return is sufficient to warrant investment. The structure of the commercial feasibility assessment tests whether a commercial developer could purchase the land, invest money to construct a dwelling and then on-sell at a price that will return sufficient profit.

There are several assumptions underlying the calculation of commercial feasibility, including:

- ❖ testing of nine dwelling types, which was defined to reflect both the existing types of dwellings built in the district as well as the types that may be built in the future.<sup>17</sup> This

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<sup>15</sup> Given the scale of demand it is likely that only a small share of development will conceivably be needed. Also, households will demand a range of dwelling types, which means that the maximum potential would not be demanded

<sup>16</sup> There are a range of reasons why development potential may not be achieved by the market. Common examples are that developers tend to subdivide to provide a range of options to maximise the potential market that they can serve. Another example is that landholders choose to keep land for their own reasons (aging in place, cultural reasons, etc) which means that development is not achievable on some land.

<sup>17</sup> The assessment does not test feasibility of attached, townhouses, or apartments, because these types of dwellings are currently not being developed by the market and also the densities in each zone do not allow this type of dwelling as permitted.

includes three dwelling sizes (large, medium, and small) and three build qualities (premium, average, and budget). The dwellings sizes were set based on the floorspace of new dwellings developed by the market between 2020 and 2024, with a small house being 110m<sup>2</sup>, medium being 150m<sup>2</sup> and large being 190m<sup>2</sup>.<sup>18</sup>

- ❖ The build costs data was drawn from quantity surveyor database,<sup>19</sup> development contributions policy,<sup>20</sup> council consent fees,<sup>21</sup> and other ancillary costs datasets.<sup>22</sup> In summary, the premium build costs applied are \$3,600-3,800/m<sup>2</sup>, average build costs are \$3,000-3,500/m<sup>2</sup>, and budget costs \$2,900-3,000/m<sup>2</sup>.
- ❖ The purchase price of lots was set based on prices of new lots developed by the market between 2020 and 2024.<sup>23</sup> For infill the price of land was set as the greater of the land value<sup>24</sup> plus development contributions or the new lot purchase price.
- ❖ The sale prices of dwellings were set based on prices of new dwellings developed by the market between 2020 and 2024.<sup>25</sup>

The assessment subtracts the build cost and lot purchase price from the sales price of the dwelling to establish the profit. If the profit margin is more than 20% then it is considered to be commercially feasible.<sup>26</sup>

The assessment above applies to all infill, vacant, and greenfield areas. For the assessment of infill a development contribution is included as it is assumed that subdivision for the new infill dwelling(s) will result in an additional fee. For vacant and greenfield areas the new lot purchase price is assumed to include development contributions, which are paid at subdivision.

For the short-medium term the assessment holds all prices constant to model the “current relationship between costs and revenue” as required by the NPS-UD.<sup>27</sup> In the long term the assessment allows for change in prices to reflect “reasonable adjustment to that relationship”.<sup>28</sup> The

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<sup>18</sup> Corelogic (2024) Dwelling Sales Data – Dwelling Floorspace – Upper Quartile, Median, Lower Quartile.

<sup>19</sup> Quoteable Value (2024) Costbuilder.

<sup>20</sup> Kaipara District Council (2024) Development Contribution Policy.

<sup>21</sup> Kaipara District Council (2024) Fees and Charges 2024/2025.

<sup>22</sup> Ministry of Housing and Urban Development (2024) Development Feasibility Tool – inputs for infrastructure connection, design, project management, sales/marketing, legal, contingencies, and cost of capital.

<sup>23</sup> Corelogic (2024) Lot Sales Data.

<sup>24</sup> Quoteable Value (2024) Land Value – September 2023.

<sup>25</sup> Corelogic (2024) Dwelling Sales Data.

<sup>26</sup> It is likely that this assumption of profitability is conservative. Specifically development with lower profit margins will be commercially feasible, or developable by the market.

<sup>27</sup> NPS-UD 1.4 Interpretation – feasible (a).

<sup>28</sup> NPS-UD 1.4 Interpretation – feasible (b).

long term changes are set based a scenario of real growth observed in the building costs, land values, and sales prices which accounts for background inflation.<sup>29</sup>

The plan change areas are assumed to be commercially feasible. The action of developers to expend resources on PPCs is evidence that these developments are commercially feasible, and so it has been assumed that Dargaville Racecourse PPC81, Moonlight Heights PPC82, The Rise PPC83, Mangawhai Hills PPC84, and Estuary Estates PPC78 are commercially feasible to their maximum approved yield.

Finally, the NPS-UD suggests that “local authorities may use any appropriate method”<sup>30</sup> to estimate the amount of capacity that is reasonably expected to be realised and commercially feasible. The NPS-UD suggests methods for high growth councils (Tier 1)<sup>31</sup> and medium growth councils (Tier 2)<sup>32</sup>, but does not discuss a method for Tier 3 councils.

Conservatively, this assessment has adopted one of the methods suggested for the Tier 1 councils. The NPS-UD 3.26(2)(a) suggests that councils compare the capacity that is estimated to reasonably realisable to the capacity that is estimated to be commercially feasible and then apply the minimum of the two estimates. This is a conservative assessment method, which provides the lowest possible estimate of capacity and has been adopted in this report.

## 3.2 Commercial demand-supply methodology

This subsection details the methodology used to calculate the demand for, and supply of, commercial land in Kaipara.

The PDP’s COMZ includes the retail and commercial core of Kaipara’s larger settlements (except Mangawhai Central’s commercial node, which is part of the larger Estuary Estates Special Purpose Zone). Most of the commercial centres in those towns are dominated by retail, hospitality, and commercial services activities, and are projected to continue to have those activities as a strong focus in the future. There are also a range of other activities in the proposed COMZ areas, including healthcare and industrial activities. Ongoing provision for the full spectrum of current activities will be

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<sup>29</sup> Combing Stats NZ inflation data (Consumer Price Index and Producer Price Index) shows that in real terms (excluding general background inflation) the building costs increased by 1.0% per annum since 2006. A similar comparison using land values and dwelling sales data from Ministry of Housing and Urban Development shows that in real terms (excluding general background inflation) that Kaipara land values increased by 2.6% per annum and the sale price increased by 4.3% per annum since 2008. For this assessment we have applied a conservative rate of inflation for the long term assessment, which is half of the rates observed in the past and is called muted scenario. Alternatively if a business-as-usual scenario was applied then more capacity would become commercially feasible.

<sup>30</sup> NPS-UD 3.26(1)(a).

<sup>31</sup> NPS-UD 3.26(2).

<sup>32</sup> NPS-UD 3.26(3).



important, for as long as those activities are consistent with the objectives and policies in the PDP. The smaller settlements have a very limited commercial presence.

Demand for commercial land is comprised of three main elements, each of which is assessed separately in this analysis:

- ❖ Retail and hospitality: businesses in the retail and hospitality sector rely on public exposure to attract consumers. These businesses are captured in national retail trade statistics published by Statistics NZ, which allows demand for them to be quantified in dollar terms.
- ❖ Commercial services and offices: includes other commercial businesses that are not captured in retail trade statistics, such as office-based professions (e.g. lawyers, accountants, medical, and public administration), and those selling services to the public (e.g. banks, hair and beauty, drycleaners and clothing repair).
- ❖ Miscellaneous other: a wide range of other businesses that include industrial, construction and automotive that could locate outside the commercial zone, but are there for historical reasons and because there is benefit in being near commercial businesses.

The methodology for calculating demand for each of those three sector groupings is provided below.

### 3.2.1 Retail and hospitality land demand

Demand for retail and hospitality space is assessed using the following approach:

- ❖ Step 1: Demand is assessed at an SA1 level, using our proprietary Retail Expenditure Model (“REM”), details of which are provided in Appendix 3. That demand quantifies the dollar spend in all locations for all consumers living in each SA1 within Kaipara, including spend by households, businesses, and tourists. Demand is assessed for a 2024 base year, and projections are made for future years relevant to the NPS-UD, being 2027 (end of the short-term), 2034 (medium-term), and 2054 (long-term).
- ❖ Step 2: Consumer origin-destination patterns for retail and hospitality space involving Kaipara residents and merchants are assessed. These patterns are ascertained using data sourced from a customised Marketview data request (as detailed in Appendix 4). That request allows us to understand where people living in Kaipara direct their spending, and where all people shopping in Kaipara live.
- ❖ Step 3: Total demand for each year from Step 1 is then allocated to a destination using the origin-destination patterns identified in Step 2. The output of that process is sales estimates that will be directed to each centre in each year. That process assumes that the propensity of consumers to spend in each location will remain unchanged. The exception to that is Mangawhai where the modelling makes allowance for leakage to

decrease over time as a critical mass of retail and services activities establishes in response to the growing population, reducing leakage out to other places, in particular Auckland and Whangārei. Leakage assumptions also take into account expected greater local retention in Mangawhai as a result of Mangawhai Central's proposed commercial supply.

- ❖ Step 4: Sales projections for each location in each year are then translated into an amount of gross floor area ("GFA") required to support the level of sales assessed. That process uses industry productivity (\$/m<sup>2</sup>) estimates (provided in Appendix 3) that have been sourced from our internal retail models, and experience working on other projects, adjusted to reflect the local Kaipara environment.
- ❖ Step 5: the GFA from step 4 is translated into a land area required to accommodate it, given assumptions about site coverage and vertical development, as informed by the land use survey and assessment of building coverage in centres now. For this assessment it has been assumed that all retail and hospitality space will occur at ground floor level, because it heavily relies on good exposure to pedestrians, and that exposure is difficult to achieve above ground floor, making premises above ground floor unattractive to businesses in this category.

### 3.2.2 Commercial services and offices land demand

Commercial services and offices demand is assessed differently to retail and hospitality demand, in large part because there is no spend data available for the former. That means it is not possible to produce spending projections for commercial services and offices, and even if it were, spending would not necessarily be a good indication of the need for physical space, because many activities in this category do not involve payment for the services provided, including banks, insurance companies, many types of medical care which are covered by insurance or ACC, and community services such as libraries and Council offices.

To account for the space demands of businesses in this sector, the modelling allows for a defined portion of the commercial centre to be occupied by these types of activities, effectively linking demand for these activities to retail and hospitality activities. This is an established approach to incorporate these types of activities, and is informed by results of the land use survey detailed in section 3.2.5. Allowance is made for that proportion to increase over time as centres grow and provide for a more diverse range of non-retail activities, and as the settlements they are in grow to a point where, for example, larger professional offices are required that cannot be accommodated in home occupations.

The assumptions made around the share of centres that are occupied by commercial services and offices space are as follows:



- ❖ Dargaville and Mangawhai will accommodate 2% of commercial services and offices space above ground floor level, and the balance at ground floor level. This share is deliberately low, so as to not underestimate the land area required.
- ❖ In all other commercial zones, all commercial services and offices space will be accommodated at ground floor level.

As for retail and hospitality space, the GFA required in the future is translated into a land area required to accommodate it, given assumptions about site coverage and vertical development. Those assumptions are informed by the land use survey and assessment of building coverage in centres now, and how this commercial space can be accommodated above ground floor level.

### 3.2.3 Other land demand

Allowance is also made for other activities such as industrial to reflect the current existence of those activities in the District's Commercial zones. The assumptions are informed by the land use survey and assessment of these non-commercial activities in centres now, and assumes that the same amount of non-commercial activity will continue in centres in the future, although given increasing total activity, the share of non-commercial activity will decrease.

### 3.2.4 Total land demand

The final stage of the land demand assessment is to sum together the different elements calculated (retail and hospitality, commercial services and offices, and all other activities) to establish the total current and future demand for land in the Commercial zone. That demand is net of roads and reserves etc. but does implicitly make allowance for some off-street carparking through the assumptions made about building site coverage (e.g. at supermarkets and The Warehouse, in particular).

### 3.2.5 Commercial land supply

Land supply was originally assessed in a series of site visits to each of the PDP Commercial and Industrial zones. Those visits were undertaken in January and February 2022, and recorded for every parcel in those zones. The land use survey was then updated in a desktop study in October 2024 to record changes of land use since the physical visits. The zone, building use, business name, development status (occupied by a building or not), occupancy status (vacant or not), and notation about which activities were located at or above ground floor. That data was supplemented by desktop assessment of the land area of each parcel, and the building footprint of buildings on each parcel.

Together those data allow for summation to zone totals of the type and quantum of activity in each zone for each settlement, and the amount of vacant land and vacant premises that exist. Similar to the approach for the residential assessment, the plan enabled and infrastructure ready capacity was estimated using the rules in each zone and information from the council on infrastructure. As a final step an assessment of the suitability of land was undertaken in terms of location and site size. That

information provides the basis for understanding current supply, which allows comparison against current and future demand to assess current spare capacity, future development potential, and ultimately how much zoned land will be required to accommodate future commercial centre activities throughout the District. There will also be potential for redevelopment which could provide additional capacity to accommodate growth in commercial activity, which has not been included in this assessment.

### 3.3 Industrial demand-supply methodology

#### 3.3.1 Industrial land demand

The assessment of demand for industrial zoned land is based on proprietary employment projections developed for KDC by Formative. Those projections are detailed, both by economic sector and location, and are used to calculate the land area required to accommodate the expected future level of employment in the LIZ and HIZ. That process is described below.

#### 3.3.2 Employment projections

The employment projections used in this assessment are produced from our proprietary Macroeconomic Forecast Model (“MFM”). The MFM provides future estimates of economic indicators such as GDP and employment by industry. The MFM applies a two-stage process, involving economic and statistical modelling in the first stage, with an Input-Output process in the second stage based on ELM.

In the first step, real world historical data and industry insights are used to forecast the expected future demand for goods and services at both an economic sector and regional level. This includes demand from households, central and local government, exports (including tourism) and business investment in capital. Forecasts for each of these demand factors are built using statistical modelling, using data from Statistics NZ, the Ministry of Business, Innovation and Employment and the Ministry for Primary Industries. Notably, we include other forecasts as available for specific market sectors, and for large exporters such as dairy, tourism and forestry.

In the second stage the demand forecasts are fed through the ELM, which is a multi-regional input output model. The ELM records the interactions and relationships between actors in the economy, including businesses, households, government, exporters, and importers. At its essence, the interactions in the ELM describe how each sector responds to changes in the economy, and how those changes ripple out to influence a range of other outcomes (e.g. household decisions). Using the forecast demand from stage 1 we can then measure the future economic activity that can be expected to occur within the economy because of changes in demand. The output of this process is a projection of how much economic activity (measured in both employment and GDP) will be required to meet future household, government, and export demands.

Those District level employment projections are then taken to project forward employment counts at an SA1 level. The core assumptions in this process are:

- ❖ Employment is presumed to start from the 2024 base level recorded in the TEC data described in section 2.4.1.
- ❖ That 2024 count is then projected forward, with different growth drivers applied to each sector depending on whether their growth in Kaipara is primarily driven by internal (i.e. within Kaipara) forces, such as population growth, or external (macroeconomic) forces such as export demand. For the internally-driven sectors the total District growth projected is allocated spatially to be consistent with household projections so that, for example, Mangawhai's construction, legal, education and recreation employment will grow faster than the slower growing western parts of the District. For the externally-driven sectors, all employment throughout the District will grow at the same rate as the District total, which includes primary industries and manufacturing.
- ❖ Those SA1 by sector level projections then have applied to them the propensity to locate in certain zones, as described in more detail in section 2.4.1. That yields estimates of future industrial employment by zone by SA1 by grouped economic sectors (as detailed in Appendix 2). Those estimates are then summed to employment projections required to be accommodated within each zone.
- ❖ The land use survey quantified how much of each industrial zone is currently occupied, and that data forms the basis for calculating current employment densities in each zone. That current density is then taken as a baseline to indicate future expected employment density in the industrial zones, and, given the employment projections, how much land will be required in each industrial zone in the future.

### 3.3.3 Industrial land supply

While the area of the industrial zones in the PDP is known from measurements in GIS, it is important to understand how much of that area is being used currently. There are large greenfields areas of industrial zone proposed that have no industrial employment attached to them now, and the current use of the PDP's industrial zones was assessed using the land use survey described above in section 3.2.5. Again, the survey recorded site occupancy and development intensity for all of the PDP industrial zones throughout Kaipara, as a basis for comparing against future demand and to establish the adequacy of the zoned areas proposed in the PDP. Similarly to other assessments, the plan-enabled and infrastructure ready capacity was estimated using the rules in each zone and information from the council on infrastructure. As a final step an assessment of the suitability of land was undertaken in terms of location and site size.

Also, there will be potential for redevelopment, which could provide additional capacity to accommodate growth in industrial activity, which has not been included in this assessment.

## 4 Residential

### 4.1 Residential demand

#### 4.1.1 Households

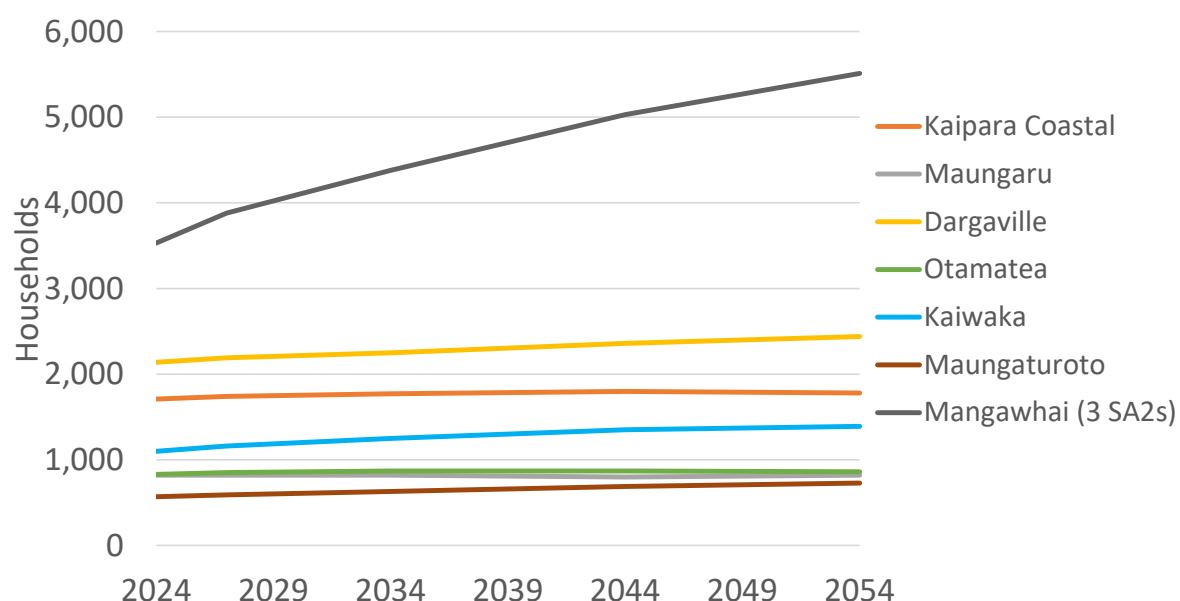
The Infometrics projections indicate that there are nearly 11,900 households living in Kaipara in 2024. Currently 29.7% of those households (3,530 households) live in the three Mangawhai SA2s, and 18% in Dargaville (2,140). The largest towns outside Mangawhai and Dargaville are Maungaturoto and Kaiwaka (both contained within larger rural SAs, and having 420 and 320 households respectively), followed by Te Kopuru, Ruawai, Paparoa and Baylys Beach (c.150-250 households each). There is a large rural population, and around 50% of District households live in SA1s are classified by Statistics NZ as being rural, not urban.

**Figure 4.1: Kaipara household projections (Infometrics Medium)**

SA2 name	2024	2027	2034	2044	2054	Growth		
						2024-2034	2024-2054	Avg. annual
Kaipara Coastal	1,710	1,740	1,770	1,800	1,780	60	70	2
Maungaru	820	820	820	800	820	-	-	-
Dargaville	2,140	2,190	2,250	2,360	2,440	110	300	10
Ruawai-Matakohe	1,180	1,180	1,180	1,160	1,090	-	- 90	- 3
Otamatea	830	850	870	870	860	40	30	1
Kaiwaka	1,100	1,160	1,250	1,350	1,390	150	290	10
Maungaturoto	570	590	630	690	730	60	160	5
Mangawhai (3 SA2s)	3,530	3,880	4,380	5,030	5,510	850	1,980	66
KDC total	11,880	12,410	13,150	14,060	14,620	1,270	2,740	91

The fastest growth parts of the District are projected to be Mangawhai (+1,980 households over the next 30 years, +56%,) and the other towns in the east near State Highway 1 (Maungaturoto +160 households, +28%; and Kaiwaka +290 households, +26%). Much slower growth is projected in other parts of the district, including Dargaville (+300 households, +14%), with fewer than 70 additional households projected in each of Kaipara Coastal, and Otamatea, and nil or negative growth in Maungaru and Ruawai-Matakohe. The dominance of Mangawhai in the District's future growth is apparent in Figure 4.2.

Figure 4.2: Kaipara household projections



#### 4.1.2 Dwellings

Dwellings accommodating households are permanently occupied dwellings. In addition to these are not permanently occupied dwellings, largely (although not solely) holiday homes. In many parts of the district demand for holiday homes is significant, with an estimated 12% of all dwellings being used as holiday homes (i.e. secondary residences for people who have a primary residence elsewhere).<sup>33</sup> That equates to around 800 holiday homes in Mangawhai now, which is projected to have increased to around 1,000 by 2054.

Growth in Mangawhai over the NPS-UD medium term is projected to be 980 dwellings (98 p.a.), and another 1,200 dwellings in the long-term, for a total of 2,180 over the next 30 years (long-term average of 73 p.a.). Growth projections indicate smaller numbers of dwellings in Kaiwaka (160+150=310 additional dwellings in 30 years), Dargaville (110+200=310) and Maungaturoto (60+110=170). All other SA2s are projected to have growth of less than 100 dwellings in 30 years, or to have negative growth. These dwelling projections are inclusive of occupied and holiday home growth.

<sup>33</sup> Stats NZ (2023) Census Occupied and Unoccupied Dwellings.

**Figure 4.3: Kaipara dwelling projections**

SA2 name	2024	2027	2034	2044	2054	Growth		
						2024-2034	2024-2054	Avg. annual
Permanent households								
Kaipara Coastal	1,710	1,740	1,770	1,800	1,780	60	70	2
Maungaru	820	820	820	800	820	-	-	-
Dargaville	2,140	2,190	2,250	2,360	2,440	110	300	10
Ruawai-Matakohe	1,180	1,180	1,180	1,160	1,090	-	- 90	- 3
Otamatea	830	850	870	870	860	40	30	1
Kaiwaka	1,100	1,160	1,250	1,350	1,390	150	290	10
Maungaturoto	570	590	630	690	730	60	160	5
Mangawhai (3 SA2s)	3,530	3,880	4,380	5,030	5,510	850	1,980	66
KDC total	11,880	12,410	13,150	14,060	14,620	1,270	2,740	91
Non-permanently occupied dwellings								
Kaipara Coastal	200	200	200	210	200	-	-	-
Maungaru	50	50	50	50	50	-	-	-
Dargaville	70	70	70	70	80	-	10	0
Ruawai-Matakohe	90	90	90	90	80	-	- 10	- 0
Otamatea	70	70	70	70	70	-	-	-
Kaiwaka	70	70	80	90	90	10	20	1
Maungaturoto	30	30	30	40	40	-	10	0
Mangawhai (3 SA2s)	800	860	930	990	1,000	130	200	7
KDC total	1,380	1,440	1,520	1,610	1,610	140	230	8
Total dwellings								
Kaipara Coastal	1,910	1,940	1,970	2,010	1,980	60	70	2
Maungaru	870	870	870	850	870	-	-	-
Dargaville	2,210	2,260	2,320	2,430	2,520	110	310	10
Ruawai-Matakohe	1,270	1,270	1,270	1,250	1,170	-	- 100	- 3
Otamatea	900	920	940	940	930	40	30	1
Kaiwaka	1,170	1,230	1,330	1,440	1,480	160	310	10
Maungaturoto	600	620	660	730	770	60	170	6
Mangawhai (3 SA2s)	4,330	4,740	5,310	6,020	6,510	980	2,180	73
KDC total	13,260	13,850	14,670	15,670	16,230	1,410	2,970	99

### 4.1.3 Residential Demand

The NPS-UD requires councils to ensure that there is sufficient capacity to accommodate expected dwelling demand. For high growth urban areas (tier 1 and 2 urban environments) councils are required to also include a competitiveness margin on top of the expected demand, which is defined as 20% for the short-medium term and 15% for the long term.

In the case of Kaipara District, Mangawhai would be considered a tier 3 urban environment, which means that applying a competitiveness margin is not technically required. However, in our opinion it would be prudent to apply the competitiveness margin for Mangawhai because it has experienced rapid growth in households (since 2006 7.4% p.a.) and high levels of dwellings consents (almost 120 p.a. since 2006). For the most of the District, which has low growth outlook, it would be conservative

to include a competitiveness margin. For this report we have applied NPS-UD competitiveness margin to dwelling demand throughout the District.

Growth plus competitiveness margin for Mangawhai over the NPS-UD medium term is projected to be 1,170 dwellings (117 p.a.), and another 1,380 dwellings in the long-term, for a total of 2,550 over the next 30 years (long-term average of 85 p.a.). Growth plus competitiveness margin indicates a smaller numbers of dwellings in Kaiwaka (190+180=370 additional dwellings in 30 years), Dargaville (130+230=360) and Maungaturoto (70+130=200). All other SA2s are projected to have growth of less than 100 dwellings in 30 years, or to have negative growth. These dwelling projections are inclusive of occupied and holiday home growth and the NPS-UD competitiveness margin.

**Figure 4.4: Kaipara residential demand (including competitiveness margin)**

SA2 name	2024	2027	2034	2044	2054	Growth		
						2024-2034	2024-2054	Avg. annual
Kaipara Coastal	1,910	1,950	1,990	2,040	2,010	80	100	3
Maungaru	870	870	870	850	870	-	-	-
Dargaville	2,210	2,270	2,340	2,470	2,570	130	360	12
Ruawai-Matakohe	1,270	1,270	1,270	1,250	1,180	-	- 90	- 3
Otamatea	900	920	940	940	930	40	30	1
Kaiwaka	1,170	1,240	1,360	1,490	1,540	190	370	12
Maungaturoto	600	620	670	750	800	70	200	7
Mangawhai (3 SA2s)	4,330	4,820	5,500	6,320	6,880	1,170	2,550	85
KDC total	13,260	13,970	14,950	16,100	16,740	1,680	3,520	116

## 4.2 Residential supply

### 4.2.1 Supply overview

The most significant new areas of residential zoned land identified in the PDP are in Mangawhai and Dargaville, which is consistent with those towns being the largest in the District, where there is projected to be the greatest demand for new dwellings (from the Infometrics projections). Large, areas of new residential zoned (GRZ and RLZ) land, are identified throughout the district, and together with zoned areas from the ODP will create large residential areas in and around all of the larger towns, and a number of smaller settlements in the District. Under the PDP zoning, the largest areas of GRZ will be in Mangawhai (595ha), Dargaville (418ha), Maungaturoto (229ha), Kaiwaka (202ha), and Paparoa (118ha). The largest areas of RLZ proposed are in Paparoa (1,624ha), Maungaturoto (473ha), Dargaville (278ha), Kaiwaka (223ha), Matakohe (117ha), and Tinopai (99ha), with a further 753ha elsewhere in the district.

Not all of those areas will come to accommodate new dwellings, particularly not within the life of the PDP, and particularly not to the extent that their capacity is exhausted, because some of those areas



are very large, and able to accommodate a total number of dwellings much greater than recent or projected demand indicates is likely to arrive. However, as described in section 3.1, while the large areas proposed to be zoned have a large theoretical plan-enabled capacity, not all of that capacity will be feasible to support the construction of new dwellings, or reasonably expected to be developed for new dwellings, based on development economics, construction and land costs.

This subsection describes the location of residential capacity that will be available in the district, either as major new zoned areas, areas already enabled by private plan changes but not yet developed, infill and occupation of vacant lots. This capacity was assessed at a parcel level, and is presented summarised to a Statistical Area 2 (SA2) level (and the three Mangawhai SA2s are grouped together), to reflect the broad spatial markets that operate in Kaipara's residential housing market.

The residential zonings proposed in the PDP for the larger towns are shown in the maps in Appendix 1, which also identify areas that were not previously zoned for residential activity (mostly having been changed from rural zoning in the ODP). The types of residential zones that will be able to accommodate dwelling growth are summarised below.

### **Greenfield and plan change areas**

The most significant new areas that will be able to accommodate residential growth and new dwellings in Kaipara are the areas that are relatively unconstrained by the presence of existing activities, and include area of proposed new GRZ or RLZ zoning around existing settlements and areas subject to approved zones changes advanced through private plan changes. Some of those major new areas of residential supply proposed to be established in the PDP include:

- ❖ Dargaville: new urban areas (formerly rural) around the urban fringe of Dargaville, and areas within PPC81 and PPC82:
  - ❖ PPC81 Dargaville Racecourse: now part of the ODP as the Trifecta Development Area, and proposed to be in the PDP as a Special Purpose Zone of the same name. The plan change area covers some 47ha with the capacity to accommodate an estimated 435 dwellings. The change became operative in September 2024.
  - ❖ PPC82 Moonlight Heights: is 39.2ha on the eastern side of Awakino Road in Dargaville, to the north of Dargaville Hospital. The plan change was approved in mid-2024 for rezoning from rural to residential, with capacity to accommodate an estimated 348 dwellings.
- ❖ Paparoa and surrounds: large new areas of RLZ, including along the Pahi Peninsula and around Matakohē.
- ❖ Maungaturoto: significant new areas of GRZ around the town in most directions, with additional RLZ beyond that GRZ.

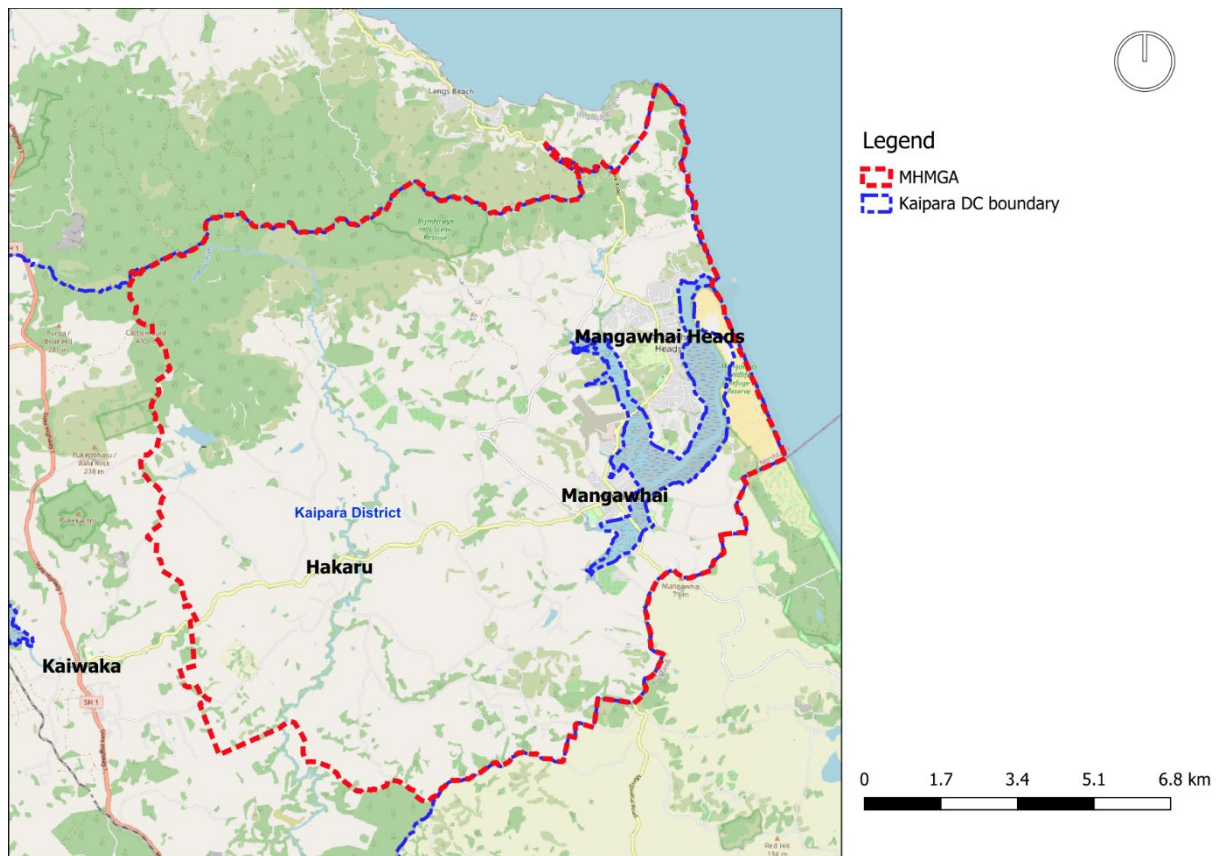
- ❖ Kaiwaka: a large new area of GRZ around the town, and a large new RLZ to the immediate south of that new GRZ.
- ❖ Mangawhai: Estuary Estates. Two other private plan change areas that have been approved since the PDP was notified will also enable a large number of new dwellings, and have been included in the capacity assessment, despite not forming part of the notified PDP. Mangawhai's major new growth areas will include:
  - ❖ Estuary Estates: Part of the ODP as the Estuary Estates Zone, and proposed to be in the PDP as a Special Purpose Zone of the same name. The area has estimated capacity for 850 dwellings immediately, plus another 650 when connection to Cove Road is established, for an ultimate total of 1,500 dwellings.
  - ❖ PPC83 The Rise: has recently been through mediation to resolve appeals, and is expected to become operative in late 2024/early 2025. The plan change area is 56.9ha, with estimated capacity for 324 dwellings.
  - ❖ PPC84 Mangawhai Hills: has recently been through mediation to resolve appeals, and is expected to become operative in late 2024/early 2025. The plan change area is 218.3ha, with estimated capacity for 600 dwellings.
- ❖ Smaller, but still locally significant, areas of new GRZ and RLZ zone around many smaller towns.

The development of new residential areas can positively contribute to urban environments through the required provision of a wider range and larger areas of open space and reserves, which will benefit the community by improving access to areas for recreation.

### **Mangawhai-Hakaru Managed Growth Area**

The Mangawhai-Hakaru Managed Growth Area ("MHMGA", Figure 4.5) is the area containing Mangawhai and surrounds that is proposed in the PDP to be subject to certain different planning rules than other parts of the District. The PDP proposes to restrict further subdivision, including urban infill subdivision, within the MHMGA to ensure consolidated infrastructure, including transportation and social infrastructure, is provided to sustainably manage future growth. Subject to finalisation of the rules proposed to give effect to proposed policy SUB-P13 "Subdivision in the Mangawhai/Hakaru Managed Growth Area", new GRZ lots would have a minimum land area of 600m<sup>2</sup>, and rules would restrict the creation of new rural residential parcels.

Figure 4.5: Mangawhai-Hakaru Managed Growth Area spatial extent



### Vacant parcels

There are a number of parcels that are zoned for residential activity under the operative District Plan, but which are vacant, and therefore able to accommodate residential dwellings. These parcels vary largely in size, from very large parcels (for example the two in Mangawhai which are to accommodate Metlifecare's Mangawhai retirement village and are 5 and 7ha, or the large formerly parcel to the immediate east of PPC83 in Mangawhai which is 36ha) through to parcels large enough for only a single dwelling (many locations throughout most of the settlements).

### Infill

Infill parcels are those that already have a dwelling on them, but are large enough pieces of land so that they might be able to accommodate one or more additional dwellings, depending on the position of any existing dwelling on the parcel (as explained in section 3.1.1). That potential capacity is then tested as to feasibility, and the share of capacity that is reasonably expected to be realised.

## 4.2.2 Plan-enabled and infrastructure-ready supply

The residential zones proposed in the PDP, and the areas that are already enabled for residential development through private plan changes to the operative District Plan, together have significant potential to accommodate new dwellings. This PEC amounts to:

- ❖ 10,000 dwellings in areas of new GRZ.
- ❖ Just over 3,200 dwellings in operative plan change areas.
- ❖ Some 1,800 dwellings on land that is currently vacant, but zoned residential within the operative District Plan.
- ❖ Over 6,700 dwellings in areas proposed to be zoned RLZ in the PDP, most of which is zoned 'Rural' in the operative District Plan.
- ❖ In total 21,700 additional dwellings in the district, without counting infill potential.
- ❖ There is potential PEC for an additional 5,600 dwellings to be developed through infill on parcels that are zoned residential in the operative District Plan, and which are large enough to accommodate more dwellings than they do, and could be subdivided into more than one parcel following minimum lot size rules in the PDP. That large infill potential reflects the relatively low intensity of development throughout operative residential zones and the small minimum lot size in the GRZ relative to many existing lots.
- ❖ Counting all of these potential development avenues, the PDP provides plan-enabled capacity for over 27,300 new dwellings to establish in the District.

**Figure 4.6: Kaipara PDP additional PEC (dwelling count)**

SA2 name	New MDRZ	Operative PC areas*	Vacant MDRZ	New RLZ	Total excl. infill	Infill	Total
Kaipara Coastal	1,157	-	128	148	1,433	568	2,001
Maungaru	-	-	-	80	80	-	80
Dargaville	2,475	783	140	546	3,944	1,157	5,101
Ruawai-Matakohe	1	-	40	751	792	183	975
Otamatea	1,081	-	204	2,825	4,110	419	4,529
Kaiwaka	2,146	-	19	1,456	3,621	49	3,670
Maungaturoto	3,138	-	44	908	4,090	452	4,542
Mangawhai (3 SA2s)	5	2,424	1,245	-	3,674	2,762	6,436
<b>KDC total</b>	<b>10,003</b>	<b>3,207</b>	<b>1,820</b>	<b>6,714</b>	<b>21,744</b>	<b>5,590</b>	<b>27,334</b>

*\*Dargaville PCs81 (435) and 82 (348); and Mangawhai PCs83 (324), 84 (600) and Estuary Estates (1,500)*

## 4.2.3 Reasonably expected to be realised and commercially feasible supply

Figure 4. presents the RCF assessment calculated above for the medium term (10 years), and shows that while not all PEC will be realisable or feasible, even once development economics are accounted

for, there remains a very significant capacity for the PDP's residential zones to accommodate new dwellings. This RFC amounts to:

- ❖ Very few dwellings in areas of new GRZ. This is low mostly because of the low level of demand (current and projected) which limits land values in most settlements, meaning it will not in the current low demand environment be feasible to develop land to try to sell for new houses. This category is also low in the short-medium term because the NPS-UD requires that no price increases are included in this assessment, whereas they are permitted to increase in the long-term, and so there is significant feasibility in these areas in the long-term. In practice if medium-term demand increased, prices would increase and so would feasibility, and the large amount of zoned land provides significant confidence that supply will be sufficient to account for all development futures. Further, development in some areas (e.g. new GRZ areas around the Dargaville urban fringe) will be unfeasible because more feasible supply will exist in other locations (e.g. PPC81 and 82 areas).
- ❖ Just over 3,200 dwellings in operative plan change areas.
- ❖ Just under 1,000 dwellings on land that is currently vacant, but zoned residential within the operative District Plan.
- ❖ Some 3,700 dwellings in areas proposed to be zoned RLZ in the PDP, most of which is zoned 'Rural' in the operative District Plan. This is much lower than PEC for that land primarily because data indicates that the minimum feasible lot size is larger than minimum plan-enabled lot size.
- ❖ In total almost 7,900 additional dwellings in the district without counting infill potential.
- ❖ There is potential capacity for an additional 1,610 dwellings to be developed through infill on parcels that are zoned residential in the operative District Plan, and which are large enough to accommodate more dwellings than they do, and could be subdivided into more than one parcel following lot size achieved by the market currently.
- ❖ Counting all of these potential development avenues, the PDP provides RFC capacity for nearly 9,500 new dwellings to establish in the District.

**Figure 4.7: Kaipara PDP medium-term additional RFC dwelling capacity (dwelling count)**

SA2 name	New MDRZ	Operative PC areas*	Vacant MDRZ	New RLZ	Total excl. infill	Infill	Total
Kaipara Coastal	-	-	-	104	104	-	104
Maungaru	-	-	-	80	80	-	80
Dargaville	-	783	-	526	1,309	-	1,309
Ruawai-Matakohe	-	-	-	341	341	32	373
Otamatea	2	-	45	1,482	1,529	84	1,613
Kaiwaka	-	-	-	723	723	-	723
Maungaturoto	-	-	-	461	461	-	461
Mangawhai (3 SA2s)	3	2,424	902	-	3,329	1,497	4,826
KDC total	5	3,207	947	3,717	7,876	1,613	9,489

*\*Dargaville PCs81 (435) and 82 (348); and Mangawhai PCs83 (324), 84 (600) and Estuary Estates (1,500)*

The long-term assessment shows that even more capacity will become realisable and feasible beyond 10 years, because (under methodology prescribed in the NPS-UD) inflation increases the revenue and costs for both existing and new dwellings beyond 10 years, making more new dwellings feasible to construct and sell. In total it is estimated that long-term capacity would be over 16,000 dwellings, up from 9,500 in the medium-term.

## 4.3 Adequacy of residential zoned land under PDP

### 4.3.1 District residential land overview

To assess whether adequate provision is made in the PDP in this section we compare residential demand (as inflated by the competitiveness margin from bottom half of Figure 4.4) and proposed residential supply (from Figure 4.), by location within Kaipara. This comparison is provided at an SA2 level for several reasons:

- ❖ SA2 is the most detailed resolution available in the Infometrics household projections.
- ❖ Housing markets tend to be relatively broad, geographically, so that it would be artificially precise to try to predict where within each SA2 growth will eventuate. For example, new households that establish within Dargaville would have an underlying broad preference to live in the town based on its location within Kaipara, but preferences to live in a specific part of Dargaville are much more difficult to predict.
- ❖ Data summarised to Kaipara's SA2s is easier to interpret than much more spatially detailed data, and no less helpful in understand overall adequacy of supply.

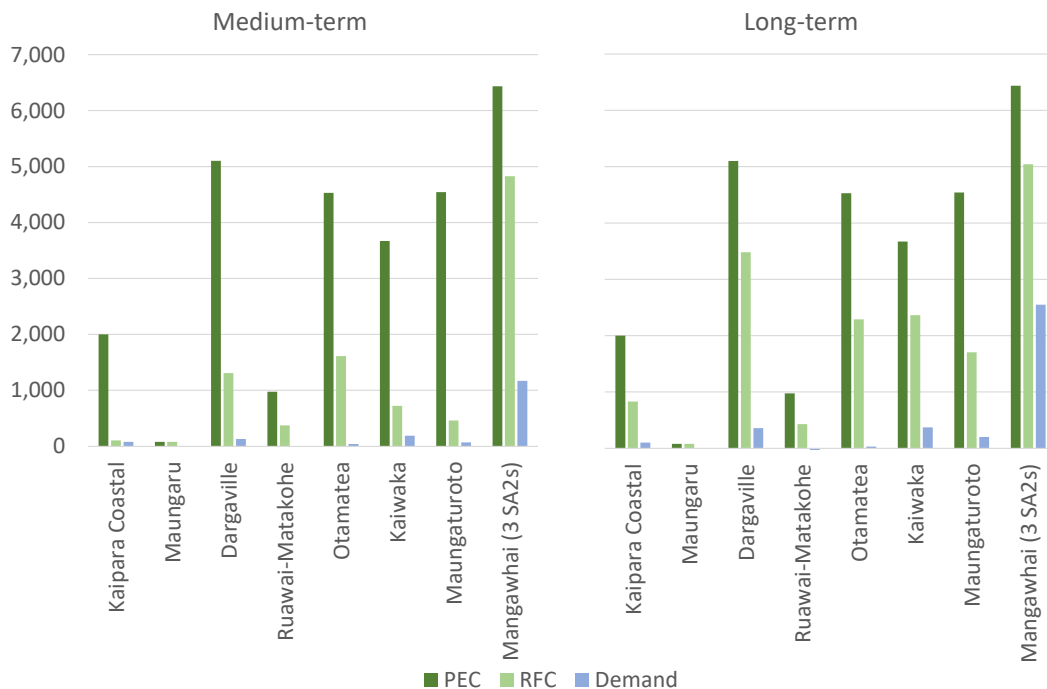
The three Mangawhai SA2s are grouped, as they essentially relate to a single settlement within the District.

Comparing household projections for each place with the residential capacity assessed (in terms of lots), enables a comparison of adequacy of supply. The assessment shows that there is sufficient

supply to meet demand for both PEC and RFC for all times out to 2054 (Figure 4.), and substantially more capacity that required to meet the needs of projected population growth, even accounting for:

- ❖ Development feasibility
- ❖ NPS-UD competitiveness margins
- ❖ Provision of dwellings for use as holiday homes.

**Figure 4.8: Residential demand (including competitiveness margin) vs PDP capacity (PEC and RFC)**



Further, there will also be development potential outside these five residential zones, particularly in the rural zones, where some of the District's household growth is likely to locate. From the capacity assessment this rural capacity is not required to accommodate growth (and is not assessed), but it can be expected that it will take some share of growth households as existing farms are subdivided or develop an additional dwelling.

#### 4.3.2 Conclusions on adequacy of residential zones

Comparing the residential capacity estimates from Figure 4. and Figure 4. with projected residential demand to 2054 (Figure 4.4) shows that expected growth is projected to be much less than the capacity that is available in all parts of Kaipara District. The place where growth is likely to result in the greatest pressure on capacity is in Mangawhai, where there are 1,170 additional dwellings projected to be required between now and 2034, and 2,550 by 2054, compared with RFC of around 5,000 new dwellings in both the medium- and long-term. The development capacity enabled within Estuary Estates, and by PPCs 83 and 84 will be sufficient to meet the next 30 years of residential demand growth (including competitiveness margin), and almost all dwelling growth including for holiday



homes, even before other vacant lots (such as the Metlifecare site and the large block next to the PPC83 area) are accounted for.

Supply is also sufficient, and even more so, in other parts of the district, where very significant additional residential capacity is proposed to be created by the PDP, despite what is in most parts of the district quite modest projected growth.

## 5 Commercial

The Commercial land demand assessment is based on projections of retail and hospitality demand, and how those translate into sales by Kaipara merchants, thus requiring physical space from which those sales can be generated. This section summarises the demand projections, structure of the Kaipara retail economy and existing commercial supply, drawing that information together to provide conclusions about the adequacy of Commercial zone supply that is proposed in the PDP.

### 5.1 Retail and hospitality demand

There is currently \$318m in retail and hospitality demand generated by consumers based in Kaipara (excluding automotive, hardware and garden centres) (Figure 5.1). That demand comes from households living in, businesses based in, and tourists spending nights in Kaipara District. The distribution of that demand is broadly in line with household numbers, although because the retail demand takes into account household size and incomes, propensity to spend varies geographically.

#### 5.1.1 Retail and hospitality demand projections

Dargaville and Mangawhai have the largest concentrations of retail demand, with smaller amounts from the less populated rural areas. Total district retail demand is projected to increase from the current \$318m to \$606m by 2054, growth of \$288m (90% increase). That is a faster growth rate than household growth, due to the assumed 1% average annual increase in retail demand per household (and visitors and businesses).

**Figure 5.1: Kaipara retail demand projections by Statistical Area (\$m)**

SA2	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
Kaipara Coastal	\$ 41.2	\$ 42.8	\$ 49.3	\$ 58.5	\$ 68.5	\$ 27.3	66%
Maungaru	\$ 20.4	\$ 20.8	\$ 22.7	\$ 24.7	\$ 26.1	\$ 5.7	28%
Dargaville	\$ 49.7	\$ 52.3	\$ 62.4	\$ 78.9	\$ 98.7	\$ 49.0	99%
Ruawai-Matakohe	\$ 21.7	\$ 22.3	\$ 24.5	\$ 26.9	\$ 29.0	\$ 7.2	33%
Otamatea	\$ 20.3	\$ 21.1	\$ 23.8	\$ 27.2	\$ 30.6	\$ 10.3	51%
Kaiwaka	\$ 27.6	\$ 29.1	\$ 34.9	\$ 42.3	\$ 49.9	\$ 22.3	81%
Maungaturoto	\$ 16.2	\$ 17.0	\$ 19.9	\$ 24.2	\$ 28.6	\$ 12.4	77%
Mangawhai (3 SA2s)	\$ 121.0	\$ 131.9	\$ 168.3	\$ 218.5	\$ 274.5	\$ 153.6	127%
<b>Total</b>	<b>\$ 318.1</b>	<b>\$ 337.3</b>	<b>\$ 405.7</b>	<b>\$ 501.3</b>	<b>\$ 605.9</b>	<b>\$ 287.8</b>	<b>90%</b>

At a district level, nearly half (46%) of total demand is directed to food retail businesses, 39% to core retail, and 15% to hospitality outlets (Figure 5.2). All three sectors are projected to grow at similar rates, retaining a similar structure in the future. These projections are presented at this summary level only, although the projections used in the assessment for this project are at a more detailed spatial (SA1) and storetype level.

**Figure 5.2: Kaipara retail demand projections by storetype group (\$m)**

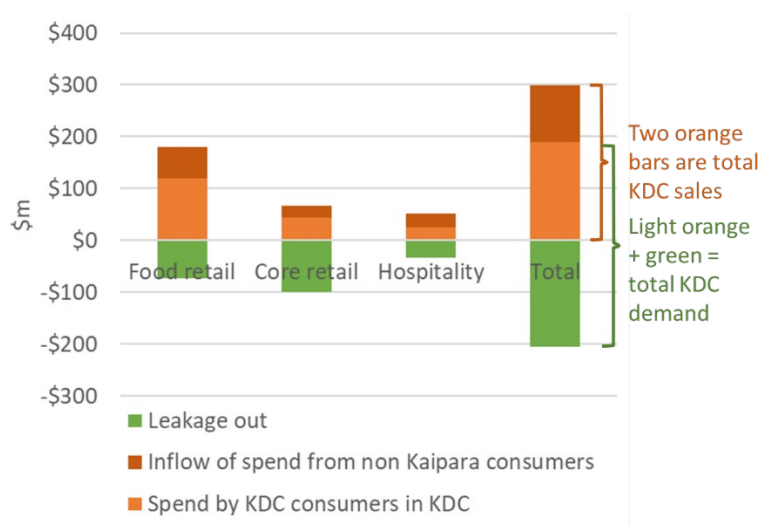
	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
Food retail	\$ 145.6	\$ 153.9	\$ 182.7	\$ 221.1	\$ 261.6	\$ 116.0	80%
Core retail	\$ 123.8	\$ 131.4	\$ 158.5	\$ 196.6	\$ 238.5	\$ 114.7	93%
Hospitality	\$ 48.6	\$ 52.0	\$ 64.5	\$ 83.6	\$ 105.8	\$ 57.2	118%
<b>Total</b>	<b>\$ 318.1</b>	<b>\$ 337.3</b>	<b>\$ 405.7</b>	<b>\$ 501.3</b>	<b>\$ 605.9</b>	<b>\$ 287.8</b>	<b>90%</b>

### 5.1.2 Retail and hospitality spend structures

The Marketview data described in Appendix 4 forms the basis of understanding how the Kaipara retail economy currently operates, with respect to the origin of Kaipara merchant's sales, and the destination of Kaipara residents' spending. That data has been integrated into the demand projections to inform the sales projections used as the basis of sustainable floorspace requirements assessed in Figure 5.6. Note that data sourced was for the 2019 calendar year, as the last full calendar year that was unaffected by Covid interruptions, and when data was available at the required level of (origin-destination) detail.

The Marketview data shows that a significant amount of spend generated locally by Kaipara households is not directed to Kaipara merchants, but instead leaks out of Kaipara to other destinations. Food retail has the lowest leakage (leakage being the green part of each bar) at 38% (Figure 5.3), which is consistent with the high frequency of visitation to food retail stores, and the inconvenience of regularly leaving the District to visit such stores. Leakage of hospitality (57%) and core retail (70%) spend is much higher, reflecting the proximity of much larger alternative markets in Whangarei and Auckland, and the relatively limited range of product types and brands in Kaipara.

**Figure 5.3: Kaipara retail and hospitality spend origins and destinations**



In net terms, 7% more food retail spend leaks out of Kaipara than flows in from non-locals, while both core retail (54%) and hospitality (12%) have more spend leaking out of the District than flowing in. The

large contribution non-locals make to the Kaipara retail economy reflects the attractiveness of parts of the District as a holiday destination, particularly Mangawhai, and also the proximity of Kaipara to both Mangawhai and Auckland – that proximity may induce a high level of leakage out, but it also encourages an inflow of spend from non-Kaipara residents.

Those patterns will have changed somewhat with the opening of new retail supply at Mangawhai Central, although the detailed Marketview data became unavailable since the 2019 data summarised above was commissioned, and so the effects of Mangawhai central are not able to be quantified. There have been no other significant changes in district retail supply since 2019 which are likely to have materially changed the patterns described.

While estimates in Figure 5.3 are presented in dollar terms, it is the relativity between the data points that is most important for this assessment, namely to show the relative size of the sectors (food vs. core retail etc.) and the relative size of the components of each bar (leakage vs inflow, etc.).

An analysis of the Marketview data relating to where Kaipara residents direct their retail and hospitality spending shows that:

- ❖ In the settlements with larger commercial centres (Dargaville, Mangawhai, Maungaturoto and Kaiwaka), the local centre is generally the largest destination for retail and hospitality spending in each category (Figure 5.4).
- ❖ Dargaville consumers direct 80% of their food retail spend to Dargaville stores, but only 43% for core retail and 32% for hospitality. Whangārei is the other most attractive destination for Dargaville residents, attracting 38% of core retail and 30% of hospitality spend, while 16% of core retail and 29% of hospitality spend is directed to all other parts of NZ (including Auckland). Other Kaipara centres outside Dargaville are not attractive destinations for Dargaville residents, with only low single figure shares of Dargaville spend directed to all other places in the District.
- ❖ Mangawhai has similar patterns to Dargaville, although with a smaller retail presence, lower shares of spend are retained locally, with 48% of food retail, 18% of core retail, and 31% of hospitality demand directed to Mangawhai merchants. Similar shares of Mangawhai spend go to Whangārei as go there from Dargaville, although much larger shares are directed to the rest of New Zealand, presumably mostly to Auckland, given its proximity.
- ❖ Kaiwaka merchants attract 25% of local food retail spend, 11% of core retail spend, and 51% of hospitality spend. Similar shares of core retail and hospitality spend from Kaiwaka head to Whangārei and Auckland, although more food spend leaves Kaiwaka for Auckland, reflecting its more limited range of food retail stores and closer proximity to Auckland than Mangawhai.

- ❖ Maungaturoto merchants attract 40% of food retail spend from local residents, and 17% in each of core retail and hospitality. Whangārei is a more attractive destination for Maungaturoto residents than it is for Kaiwaka and Mangawhai across all storetypes, and Auckland and the rest of NZ is a less popular spend destination.
- ❖ The three rural areas exhibit spend patterns very similar to the closest major town to them. Kaipara central and north have profiles very similar to Dargaville, while Kaipara south is very similar to Mangawhai, across all storetypes. The exception to this is a greater propensity of these rural catchments to direct spend to their closest smaller centre, with Maungaturoto and Kaiwaka appealing to those in Kaipara south and central.

Figure 5.4: Destination of retail and hospitality spend by Kaipara residents (share of spend)

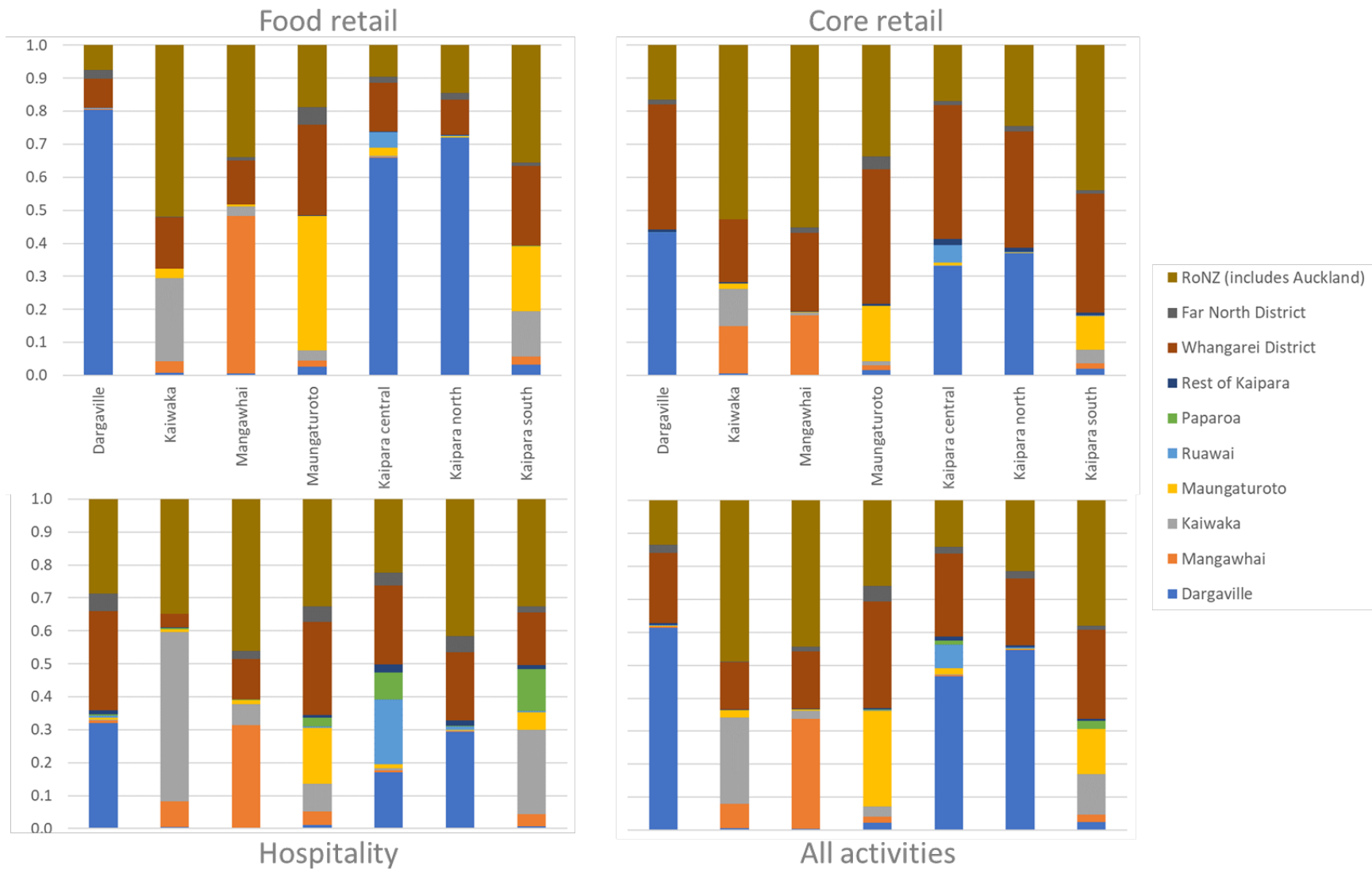
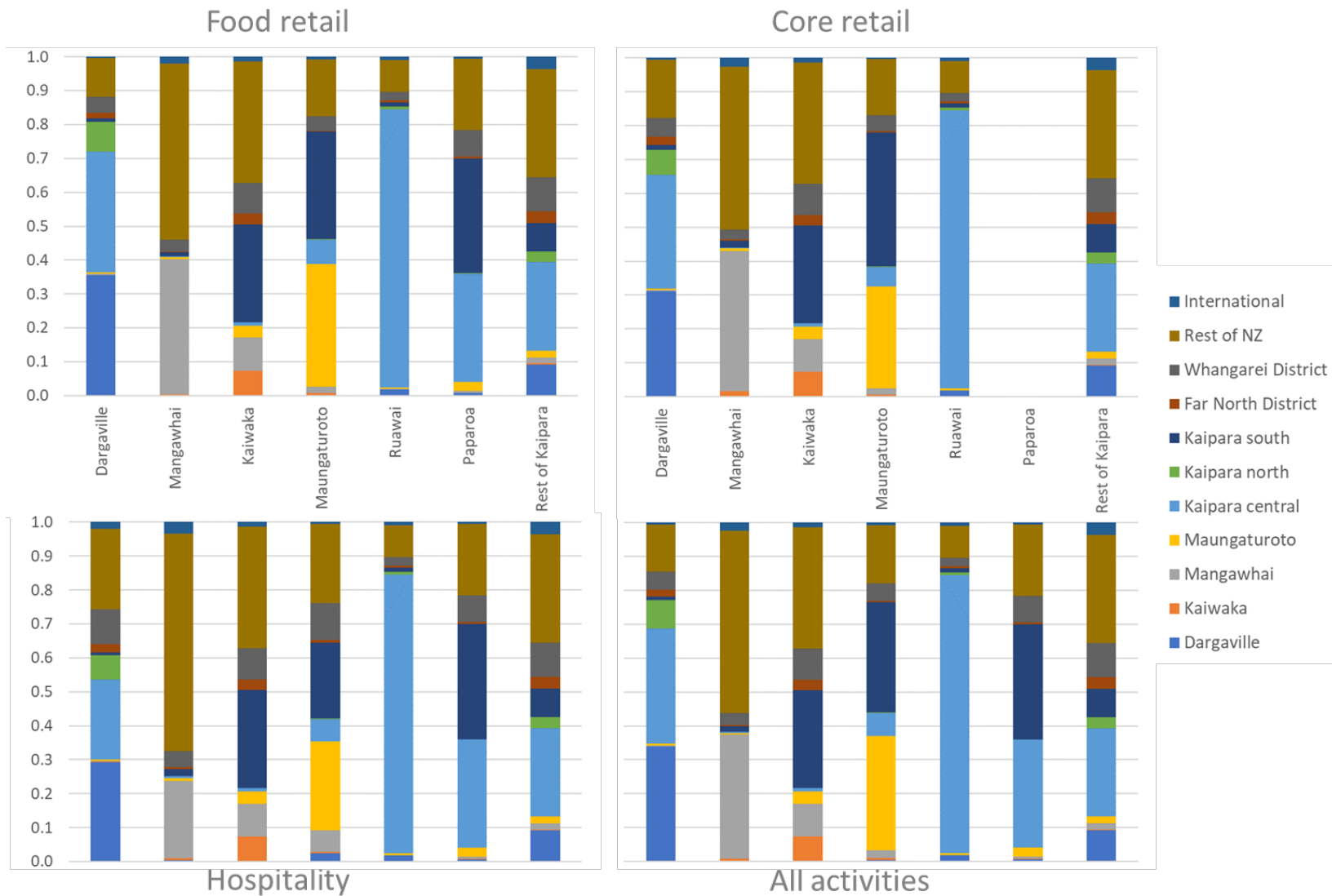


Figure 5.5: Origin of retail and hospitality sales by Kaipara merchants (share of sales)





The Marketview data also shows where Kaipara merchants attract their sales from (Figure 5.5). While that data reflects a number of the observations made above about where local spend is directed to, from the merchants' perspective the Marketview data shows that:

- ❖ Dargaville is the main focal point for retail and hospitality sales for a large part of the District. Dargaville food retailers make 80% of their sales to people living in either Dargaville, Kaipara central or Kaipara north, with slightly lower shares for core retail (72%) and hospitality (60%). The Kaipara north catchment has far fewer consumers living in it than Kaipara central and is therefore less visible in Figure 5.5, but directs similar shares of its spend to Dargaville as the central catchment does.
- ❖ Mangawhai is clearly strongly dependent on tourism. Mangawhai food and core retailers make around 40%, and hospitality outlets 23%, of their sales to Mangawhai residents. The largest customer origin for Mangawhai merchants is those living in Rest of NZ (52% of food retail, 48% of core retail, and 64% of hospitality sales).
- ❖ Kaiwaka's largest customer origin is the Rest of NZ catchment (including Auckland), and is much the same as Mangawhai in that regard. The large Kaipara south catchment is the next largest customer origin for all storetypes, while Kaiwaka stores do attract spend in from Mangawhai (about 7% of Kaiwaka sales in all storetypes come from Mangawhai) and Maungaturoto.
- ❖ Maungaturoto is less accessible to the Rest of NZ catchment than Kaiwaka, and makes a smaller share of its sales to that catchment. Across all three storetypes the largest customer origins for Maungaturoto merchants are those living in Maungaturoto or in the surrounding Rural south catchment, together contributing 45-60% of sales.
- ❖ Ruawai makes a vast majority of its sales in all storetypes (well over 80%) to consumers living in the Kaipara central catchment (which includes Ruawai), with the Rest of NZ catchment the next largest (9%). Ruawai is not a destination that attracts much spend from other Kaipara residents, and it therefore has a strong local focus.
- ❖ Paparoa also makes a large share of its sales to residents living nearby, namely those in the Kaipara south and central catchments. Possibly due to closer proximity to State Highway 1 than Ruawai, Paparoa makes a larger share (than Ruawai) of its sales to people travelling from the Rest of NZ (20%) and Whangārei (8%) catchments. No core retail spend was recorded in Paparoa by Marketview.
- ❖ For merchants outside those defined areas and therefore in the residual "Rest of Kaipara" group, sales are made to consumers from a broad range of origins. The location of these merchants outside the main centres means they have most appeal to people living nearby, and therefore in the rural catchments (Kaipara north, central and south). Interestingly over 30% of sales are made to consumers from the Rest of NZ, and around 10% to people from Whangārei.

### 5.1.3 Sustainable floorspace

Not all of the demand generated in Kaipara is directed to Kaipara merchants. As indicated by the Marketview data there is a significant amount of leakage of Kaipara-resident spend to locations outside the District, in particular Whangārei and Auckland (within the Rest of NZ catchment). That is balanced to some extent by an inflow of spend from non-Kaipara locations, as discussed earlier. Taking those net flows into account and applying floorspace productivities (\$/m<sup>2</sup>) to reflect space requirements in Kaipara, we have assessed the amount of floorspace (GFA) that will be sustainable in Kaipara in the future.

‘Sustainable’ in this sense means that which is required to provide for the needs of local and non-local consumers who will choose to direct their retail and hospitality spending to Kaipara merchants, without providing either too much space (which would be inefficiently used, potentially resulting in high vacancy rates) or too little (resulting in poor quality shopping experience and amenity for consumers and limited tenancy choice for businesses).

There is currently some 38,400m<sup>2</sup> GFA sustainable in Kaipara District to accommodate all food and core retail and hospitality activities required to support the needs of consumers. That total is split into larger amounts sustainable in Dargaville (19,700m<sup>2</sup>) and Mangawhai (10,900m<sup>2</sup>), and smaller amounts sustainable in Kaiwaka (3,500m<sup>2</sup>) and Maungaturoto (2,100m<sup>2</sup>) (Figure 5.6). Around 1,100m<sup>2</sup> of retail and hospitality space is sustainable in Ruawai, with less than 1,000m<sup>2</sup> sustainable elsewhere in the District.

Additional space is sustainable in the Commercial zones to provide for commercial services and offices. Taking that space also into account the GFA sustainable in Kaipara’s centres in 2024 is estimated to be 30,400m<sup>2</sup> in Dargaville, 17,400m<sup>2</sup> in Mangawhai, 4,400m<sup>2</sup> in Kaiwaka, 4,300m<sup>2</sup> in Maungaturoto, and 1,300m<sup>2</sup> in Ruawai, a total of 58,700m<sup>2</sup> GFA.

Given projected demand growth for these activities, additional space will be required to provide adequate space for businesses to continue to operate effectively and efficiently. The amount of floorspace sustainable in the fast growing Mangawhai area is projected to be 31,000m<sup>2</sup> GFA (+13,600m<sup>2</sup>, +78%) in Mangawhai’s Commercial zones by 2054, while the percentage increase in additional space required in Dargaville (+15,000m<sup>2</sup>, +49%) will be much less, reflecting slower population growth projected there. Other parts of the District are projected to require much less additional floorspace, with Kaiwaka sustaining 2,000m<sup>2</sup> more by 2054, driven in part by the ‘halo’ effect of being near Mangawhai, and also close to State Highway 1. Growth in floorspace sustainable in Maungaturoto is projected to be 1,400m<sup>2</sup>, while in all other parts of the District very little additional floorspace will be sustainable, with the main centres continuing to act as focal points for retail and commercial activities.

Figure 5.6: Kaipara sustainable retail GFA (m<sup>2</sup>)

Store location	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
Food retail							
Dargaville	4,200	4,300	4,600	5,100	5,500	1,300	31%
Mangawhai	3,400	3,700	4,600	5,700	6,900	3,500	103%
Kaiwaka	1,700	1,800	2,000	2,200	2,400	700	41%
Maungaturoto	800	800	900	1,000	1,000	200	25%
Ruawai	400	400	500	500	500	100	25%
Rest of Kaipara	-	-	-	-	-	-	0%
Total KDC	10,500	11,000	12,600	14,500	16,300	5,800	55%
Core retail							
Dargaville	12,800	13,200	14,700	16,700	18,800	6,000	47%
Mangawhai	4,600	4,900	6,100	7,600	9,200	4,600	100%
Kaiwaka	700	700	800	900	900	200	29%
Maungaturoto	1,000	1,000	1,100	1,200	1,300	300	30%
Ruawai	400	400	400	400	500	100	25%
Rest of Kaipara	500	500	500	600	600	100	20%
Total KDC	20,000	20,700	23,600	27,400	31,300	11,300	57%
Hospitality							
Dargaville	2,700	2,800	3,400	4,200	5,200	2,500	93%
Mangawhai	2,900	3,100	3,800	4,900	6,100	3,200	110%
Kaiwaka	1,100	1,200	1,400	1,600	1,900	800	73%
Maungaturoto	300	300	400	400	500	200	67%
Ruawai	300	300	400	400	500	200	67%
Rest of Kaipara	200	200	200	200	300	100	50%
Total KDC	7,500	7,900	9,600	11,700	14,500	7,000	93%
Services and office space							
Dargaville	10,700	11,000	12,200	14,000	15,900	5,200	49%
Mangawhai	6,600	6,900	7,600	8,300	8,800	2,200	33%
Kaiwaka	800	900	1,000	1,200	1,300	500	63%
Maungaturoto	2,300	2,300	2,500	2,700	2,800	500	22%
Ruawai	100	100	100	200	200	100	100%
Rest of Kaipara	200	200	200	300	300	100	50%
Total KDC	20,700	21,400	23,600	26,700	29,300	8,600	42%
Total retail, services and office space							
Dargaville	30,400	31,300	34,900	39,900	45,400	15,000	49%
Mangawhai	17,400	18,600	22,200	26,500	31,000	13,600	78%
Kaiwaka	4,400	4,600	5,200	5,800	6,400	2,000	45%
Maungaturoto	4,300	4,400	4,800	5,300	5,700	1,400	33%
Ruawai	1,300	1,300	1,400	1,500	1,700	400	31%
Rest of Kaipara	900	900	1,000	1,100	1,200	300	33%
Total KDC	58,700	61,100	69,500	80,100	91,400	32,700	56%

### 5.1.4 Land area required

The additional GFA assessed in Figure 5.6 will require land from which to operate. Some allowance is made for above ground development (as explained in section 3.2.2), which is built into the following assessment. The existence of vacant space (tenancies and land) in each centre, as identified in the land use survey, is also taken into account, as described later in this section.

The 58,700m<sup>2</sup> GFA of core 'centres' space that is currently sustainable in Kaipara (from Figure 5.6) requires nearly 16ha of net land area to accommodate it. The increase in sustainable GFA will require an additional 8.9ha of net land area by 2054, with most of that being required in Mangawhai (3.8ha), and Dargaville (3.7ha) (Figure 5.7). That land may be provided within existing areas on vacant parcels, through redevelopment of parcels that are inefficiently used or used for non-commercial activities (e.g. industrial or residential), or in greenfields developments (such as at Mangawhai Central).

**Figure 5.7: Net land area required by to accommodate GFA growth (ha) (excluding NPS-UD buffer)**

Store location	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
<b>Retail, hospitality, commercial services and commercial offices</b>							
Dargaville	7.6	7.8	8.7	9.9	11.3	3.7	49%
Mangawhai	5.0	5.3	6.3	7.5	8.8	3.8	77%
Kaiwaka	1.2	1.3	1.5	1.7	1.9	0.6	51%
Maungaturoto	1.3	1.3	1.4	1.5	1.6	0.3	27%
Ruawai	0.3	0.3	0.4	0.4	0.5	0.1	42%
Rest of Kaipara	0.4	0.4	0.4	0.5	0.6	0.2	43%
<b>Total KDC</b>	<b>15.8</b>	<b>16.4</b>	<b>18.6</b>	<b>21.6</b>	<b>24.6</b>	<b>8.9</b>	<b>57%</b>
<b>All other activities</b>							
Dargaville	6.3	6.6	7.8	9.4	11.3	5.0	80%
Mangawhai	6.0	6.3	7.1	8.2	9.2	3.2	53%
Kaiwaka	3.1	3.3	3.8	4.3	4.8	1.7	54%
Maungaturoto	4.2	4.1	4.5	4.7	4.8	0.6	15%
Ruawai	1.0	1.0	1.2	1.3	1.5	0.4	41%
Rest of Kaipara	2.4	2.4	2.4	2.5	2.6	0.2	7%
<b>Total KDC</b>	<b>23.0</b>	<b>23.8</b>	<b>26.7</b>	<b>30.4</b>	<b>34.1</b>	<b>11.1</b>	<b>48%</b>
<b>Total all activities</b>							
Dargaville	13.8	14.4	16.4	19.3	22.6	8.7	63%
Mangawhai	11.0	11.6	13.4	15.7	18.0	7.0	64%
Kaiwaka	4.3	4.6	5.3	6.0	6.6	2.3	53%
Maungaturoto	5.4	5.4	5.9	6.2	6.4	1.0	18%
Ruawai	1.4	1.4	1.6	1.7	1.9	0.6	41%
Rest of Kaipara	2.8	2.8	2.8	3.1	3.2	0.3	12%
<b>Total KDC</b>	<b>39.1</b>	<b>40.5</b>	<b>45.7</b>	<b>52.4</b>	<b>59.1</b>	<b>20.0</b>	<b>51%</b>

In addition to that space the assessment makes allowance for other activities (health, education, community, industrial, automotive, etc) to be present in the COMZ, reflecting some continuation of existing use rights for activities that will not be permitted in the COMZ, and a range of miscellaneous

activities that will be permitted but which are not captured in the core (retail, hospitality and commercial) activities group. In total the assessment indicates demand for 22.6ha of COMZ in Dargaville by 2054, 18.0ha in Mangawhai, 6.6ha in Kaiwaka, 6.4ha in Maungaturoto, and 1.9ha in Ruawai.

The assessment assumes that the amount of the COMZ occupied by 'all other activities' in the Commercial zone will remain the same as it is now, except in Mangawhai and Dargaville. The large part of the Commercial zone occupied by those non-commercial (predominantly industrial) activities and the large new industrial zones proposed in the PDP are taken to indicate potential for a decrease in those activities in the Dargaville Commercial zone. In Mangawhai the share of the Commercial zone that will be occupied by those other activities is assumed to decrease, although given the strong projected growth in commercial activities that will still result in a slight increase in 'all other activities' in Mangawhai's Commercial zones by 2054.

Those amounts do not make any allowance for the competitiveness margin required in the NPS-UD (as set out in section **Error! Reference source not found.**). Figure 5.8 includes allowance for that additional capacity, increasing the land area required in Figure 5.7. That assessment indicates demand for 24.0ha of COMZ in Dargaville by 2054, 19.1ha in Mangawhai, 7.0ha in Kaiwaka, 6.6ha in Maungaturoto, and 2.0ha in Ruawai.

**Figure 5.8: Net land area required by to accommodate GFA growth (ha) (including NPS-UD buffer)**

Store location	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
Retail, hospitality, commercial services and commercial offices							
Dargaville	7.6	7.8	8.9	10.3	11.9	4.3	57%
Mangawhai	5.0	5.3	6.5	8.0	9.4	4.5	90%
Kaiwaka	1.2	1.3	1.5	1.8	2.0	0.7	60%
Maungaturoto	1.3	1.3	1.4	1.6	1.7	0.4	32%
Ruawai	0.3	0.3	0.4	0.4	0.5	0.2	49%
Rest of Kaipara	0.4	0.4	0.4	0.5	0.6	0.2	49%
Total KDC	15.8	16.5	19.2	22.6	26.1	10.4	66%
All other activities							
Dargaville	6.3	6.7	8.1	9.9	12.1	5.8	93%
Mangawhai	6.0	6.3	7.3	8.5	9.7	3.7	62%
Kaiwaka	3.1	3.4	3.9	4.5	5.1	2.0	63%
Maungaturoto	4.2	4.1	4.5	4.8	4.9	0.7	18%
Ruawai	1.0	1.0	1.2	1.3	1.5	0.5	48%
Rest of Kaipara	2.4	2.4	2.4	2.6	2.6	0.2	8%
Total KDC	23.0	23.9	27.5	31.7	35.9	12.9	56%
Total all activities							
Dargaville	13.8	14.5	17.0	20.3	24.0	10.2	74%
Mangawhai	11.0	11.7	13.8	16.5	19.1	8.2	74%
Kaiwaka	4.3	4.7	5.5	6.3	7.0	2.7	62%
Maungaturoto	5.4	5.4	5.9	6.3	6.6	1.1	21%
Ruawai	1.4	1.4	1.6	1.8	2.0	0.7	48%
Rest of Kaipara	2.8	2.8	2.8	3.1	3.2	0.4	14%
Total KDC	38.7	40.4	46.7	54.3	62.0	23.3	60%

## 5.2 Commercial supply

### 5.2.1 Commercial zoned areas

There is 42.6ha of Business: Commercial zone in the ODP. The PDP proposes to significantly increase that to 111.8ha, a 56.6ha increase (Figure 5.9). Those figures include new provision of a 5.3ha commercial centre (zoned Estuary Estates Special Purpose Zone, rather than COMZ) within Estuary Estates. Large new areas of Commercial zone are proposed to be created in the Dargaville CBD (nearly 11ha), in Mangawhai Village (+6.7ha), and in Kaiwaka (+27ha gross, or an estimated 22ha net once new roads are developed to service the area).

Some new Commercial zones (or parts of them) are proposed to be created by converting non-commercial zones in the ODP, including from residential zones,<sup>34</sup> industrial zones,<sup>35</sup> and rural zones,<sup>36</sup>

<sup>34</sup> Around Mangawhai Village

<sup>35</sup> Notably in the Dargaville CBD

<sup>36</sup> Accommodating much of the large expansion to the Kaiwaka Commercial zone

while other existing Commercial zones are proposed to be varied only slightly or not at all from their current extents. Some of the existing Commercial zone in the Dargaville CBD along the undeveloped river frontage is proposed to change to Open Space zone, but generally the trend in the PDP is the addition of Commercial zone rather than removal.

**Figure 5.9: Kaipara PDP Commercial zones land area (ha)**

Commercial zone	Vacant DDP land (ha)	DDP zoned area (ha)	Share that is vacant	Net land area (ha)		ODP zoned area (ha)	DDP increase net area (ha)
				Vacant DDP land	DDP zoned area		
Dargaville CBD	0.3	23.4	1%	0.3	23.4	12.7	10.7
Dargaville East	0.2	0.6	40%	0.2	0.6	0.6	0.1
Dargaville South	0.9	5.0	18%	0.9	5.0	0.6	4.4
<b>Dargaville Commercial</b>	<b>1.4</b>	<b>29.0</b>	<b>5%</b>	<b>1.4</b>	<b>29.0</b>	<b>13.9</b>	<b>15.0</b>
Mangawhai Village	1.6	10.8	14%	1.6	10.8	4.1	6.7
Mangawhai Wood St	0.3	1.6	18%	0.3	1.6	1.1	0.5
Mangawhai Molesworth	-	2.8	0%	-	2.8	2.8	-
Mangawhai Estuary Drive	0.8	0.8	100%	0.8	0.8	0.8	-
Mangawhai Central	2.0	5.3	38%	2.0	5.3	-	5.3
<b>Mangawhai Commercial</b>	<b>4.6</b>	<b>21.3</b>	<b>22%</b>	<b>4.6</b>	<b>21.3</b>	<b>8.8</b>	<b>12.5</b>
Maungaturoto*	0.1	11.8	1%	0.1	10.1	8.9	1.2
Maungaturoto East	-	0.1	0%	-	0.1	0.1	-
Maungaturoto Hotel	-	0.5	0%	-	0.5	0.5	-
<b>Maungaturoto Commercial</b>	<b>0.1</b>	<b>12.4</b>	<b>1%</b>	<b>0.1</b>	<b>10.7</b>	<b>9.5</b>	<b>1.2</b>
Kaiwaka	16.5	29.9	55%	13.2	23.9	2.3	21.6
Kaiwaka South	0.4	1.0	40%	0.4	1.0	1.6	0.6
<b>Kaiwaka Commercial</b>	<b>16.9</b>	<b>30.9</b>	<b>55%</b>	<b>13.6</b>	<b>24.9</b>	<b>3.9</b>	<b>21.1</b>
Ruawai	0.1	9.3	1%	0.0	6.5	2.5	4.0
Paparoa	0.2	2.0	11%	0.2	2.0	2.3	0.3
Te Kopuru	0.1	1.7	6%	0.1	1.2	1.7	0.5
Baylys Beach	0.3	1.8	18%	0.2	1.2	-	1.2
Hakaru	0.5	3.3	14%	0.3	2.3	-	2.3
<b>Total Kaipara Commercial</b>	<b>24.2</b>	<b>111.8</b>	<b>82%</b>	<b>20.6</b>	<b>99.2</b>	<b>42.6</b>	<b>56.6</b>

\* Maungaturoto School removed from net Commercial Zoned area

Of the approximately 99.2ha net area proposed to be Commercial zones in the PDP, 29.0ha (29%) would be in Dargaville, 21.3ha (21%) in Mangawhai, 24.9ha (25%) in Kaiwaka, and 10.7ha (11%) in Maungaturoto. The main commercial zones (centres) are described in the following subsections.

## 5.2.2 Commercial land use survey overview

The land use survey recorded nearly 184,000m<sup>2</sup> of floorspace (GFA) in the PDP's proposed Commercial zones, with 69,000m<sup>2</sup> GFA of core centre activities (38% of Commercial zone floorspace), and 114,000m<sup>2</sup> of a wide range of other activities. Among the core centre activities, there is nearly



17,000m<sup>2</sup> of core retail,<sup>37</sup> 12,000m<sup>2</sup> of hospitality space, and 14,000m<sup>2</sup> of food retail space (including supermarkets) (Figure 5.10). There are smaller amounts of space for commercial services (such as hair and beauty, clothing repair, vets, real estate, and banks), commercial offices, medical and public administration.

Within the PDP's proposed Commercial zones there is a significant proportion of activity used for activities often found outside centres, and referred to in this assessment as "non-centre activities". Notable among these activities are industrial businesses which occupy over 28,000m<sup>2</sup> of GFA in the Commercial zone (15%), although many of these businesses are in parts of the operative Dargaville industrial zone which are proposed to change to COMZ in the PDP. Nevertheless, throughout the District's commercial zones there is a wide mix of activities, including automotive (workshops and retail) and non-centre retail (hardware stores, rural supplies, trade retail and garden centres), as well as a range of non-commercial activity such as community uses (churches, community groups etc.) and residential dwellings (particularly toward the edge of centres that the PDP has zoned to enable expansion of the centre).

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<sup>37</sup> Most retail categories excluding food retail, supermarkets, department stores, hardware, garden centres and automotive

Figure 5.10: Kaipara PDP Commercial zones GFA (m<sup>2</sup>)

Economic sector	Dargaville CBD	Dargaville East	Dargaville South	Mangawhai Village	Mangawhai Wood St	Mangawhai Central	Mangawhai Molesworth	Maungaturoto	Kaiwaka	Kaiwaka South	Ruawai	Te Kopuru	Baylys Beach	Hakaru	Total these locations
Food retail	5,309	-	277	668	1,171	2,800	-	771	1,612	-	977	323	-	-	13,909
Core retail	11,144	-	484	1,483	661	180	354	702	693	-	929	-	-	-	16,630
Department stores	4,165	-	-	-	-	-	-	-	-	-	-	-	-	-	4,165
Hospitality	4,479	-	816	1,691	1,083	200	122	600	1,990	-	592	-	318	-	11,891
Commercial services	5,303	-	-	864	484	-	92	1,079	379	-	288	-	-	370	8,858
Commercial office	4,877	-	517	624	288	400	-	1,078	-	-	-	-	-	-	7,784
Public administration	2,456	-	-	111	-	-	-	-	513	-	-	251	-	-	3,330
Medical	573	-	-	927	582	90	-	499	126	-	-	-	-	-	2,797
Core centre activities	38,306	-	2,095	6,369	4,268	3,670	568	4,728	5,312	-	2,786	574	318	370	69,365
Non-centre retail	8,741	1,484	-	920	-	-	2,224	1,880	396	-	788	-	-	-	16,433
Automotive	9,191	-	-	690	460	-	481	779	680	762	-	-	-	-	13,042
Accommodation	1,516	-	-	62	-	-	-	-	1,657	-	-	-	259	-	3,494
Education	-	-	-	197	-	-	-	3,097	373	-	-	-	-	-	3,666
Industrial	14,480	-	1,636	1,499	-	-	2,465	1,117	4,161	-	3,036	-	-	-	28,395
Recreation	527	-	-	-	48	-	-	-	-	-	-	-	-	-	575
Community	6,083	-	-	865	-	-	-	2,099	1,124	-	-	-	-	-	10,171
Vacant	1,785	-	43	-	-	570	-	1,300	-	231	830	-	-	-	4,759
Residential	3,248	-	-	5,249	304	-	-	5,405	5,042	-	3,753	2,762	2,021	971	28,757
Non-centre activities	45,572	1,484	1,679	9,482	812	570	5,171	15,678	13,432	993	8,408	2,762	2,280	971	109,293
Total GFA	83,878	1,484	3,774	15,851	5,080	4,240	5,738	20,406	18,744	993	11,194	3,336	2,599	1,341	178,658

### 5.2.3 Dargaville Commercial zones

There are three Commercial zones proposed in Dargaville in the PDP, the Dargaville CBD, Dargaville East, and Dargaville South.

Dargaville CBD is the largest commercial node in the district, at 24.3ha net land area (excluding roads), and some 84,000m<sup>2</sup> of GFA. Just under half of that GFA (38,900m<sup>2</sup>) is core centre activities, including:

- ❖ 11,100m<sup>2</sup> of core retail space (13% of centre GFA)
- ❖ 5,300m<sup>2</sup> of food retail GFA, making up 6% of centre GFA (dominated by the Woolworths supermarket)
- ❖ The Warehouse department store (nearly 4,200m<sup>2</sup>)
- ❖ 5-6% of centre GFA in each of hospitality, commercial services, and commercial offices (Figure 5.10).
- ❖ A large amount (14,500m<sup>2</sup>) of industrial activity, although much of that is located on parcels that are zoned Industrial in the ODP), as well as non-centre retail (8,700m<sup>2</sup>) and automotive (9,200m<sup>2</sup>) businesses.
- ❖ The floorspace survey recorded 2% of the total CBD floorspace as being vacant tenancies (1,800m<sup>2</sup>).
- ❖ Only two businesses are larger than 1,000m<sup>2</sup> GFA (The Warehouse and Woolworths), CBD is dominated by smaller tenancies, with 43% smaller than 200m<sup>2</sup>, and another 23% in tenancies of 200-300m<sup>2</sup>.

Dargaville East is a small (0.6ha) essentially spot-zone occupied by rural supplies outlets (1,500m<sup>2</sup> GFA), while the PDP also proposes to zone 4.1ha of Commercial zone in Dargaville South, across two close but not adjacent sites. At Dargaville South there is nearly 3,800m<sup>2</sup> GFA of floorspace, including a range of core centre activities (2,100m<sup>2</sup>) and industrial space (1,600m<sup>2</sup>), taking in a relatively large area which includes the Dargaville Saleyards.

### 5.2.4 Mangawhai Commercial zones

Mangawhai's existing commercial activities are spread across four distinct nodes, the proposed COMZ at Mangawhai Village, Wood Street and Molesworth Drive, and the commercial centre within the Estuary Estates Special Purpose Zone. A fifth Commercial zone is proposed at Estuary Drive, but is currently (0.78ha of) vacant land that could accommodate around 3,000m<sup>2</sup> of GFA. The commercial nodes are:

- ❖ Mangawhai Village: the largest centre in Mangawhai, with 15,900m<sup>2</sup> GFA and 10.7ha of COMZ land. The Village centre has a range of core and food retail and hospitality outlets, including cafes, bars, restaurants and takeaways, which reflects the dominance of tourism in the local economy. The proposed COMZ includes quasi-industrial activities

(Carters, the Moir Street boat park, Mangawhai Storage, and the manufacturing part of Bennetts chocolate), and a large amount of residential activity, mostly in the parts of the zone that have been zoned Residential in the ODP, including on the fringes of the centre. There were no vacant tenancies identified during the land use survey, although there are a several vacant parcels (including one of 0.5ha on Molesworth Drive, north of Moir Street), and there is good potential for redevelopment of some residential parcels to commercial activities over time. The largest businesses are the Mangawhai Tavern (at the eastern end of Moir Street, somewhat apart from the rest of the centre), and Bennetts Chocolate (well over 1,000m<sup>2</sup> including shop, café, factory, offices etc.).

- ❖ Wood Street in Mangawhai Heads (1.6ha) is about one third the size of the Mangawhai Village centre, at just over 5,000m<sup>2</sup> GFA, of which 4,300m<sup>2</sup> is core centre activities. Even more so than in the Village centre, activity at Wood Street is dominated by tourism-focussed businesses, including hospitality (21% of centre GFA) and commercial services and core retail targeted at beach and leisure activities. There is only 800m<sup>2</sup> of non-centre activities, including a small amount of residential, and the service station. There were no vacant tenancies identified during the land use survey.
- ❖ Molesworth Drive (2.77ha of COMZ, nearly 6,000m<sup>2</sup> GFA) is commercial centre is dominated by industrial activities with manufacturing, hardware stores and trade suppliers making up most of the centre's activities. No vacant tenancies were identified during the land use survey. There is a proposal to construct a nine-unit mixed use development<sup>38</sup> (retail, professional services, manufacturing, and wholesale) in the centre's northern-most parcel, although construction has not begun, and would not be completed before early 2026.
- ❖ The commercial centre at Mangawhai Central is 5.3ha within the larger Estuary Estates Special Purpose Zone. The centre currently consists of a standalone building housing Mangawhai's only supermarket (New World, opened late 2022) and three smaller buildings with a range of hospitality, core retail and commercial offices (Bunnings is located outside the centre, in the Business area) (Figure 5.11). Together these developed parts occupy about 1.9ha, leaving 3.4ha of vacant land which could accommodate about an extra 10,000-14,000m<sup>2</sup> of ground floor space once developed.

Two small Community Hub areas (total maximum net floor area of 2,000m<sup>2</sup>, and 1.6645ha) are also enabled within the PPC84 area at Mangawhai Hills, and is included in the sufficiency assessment.

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<sup>38</sup> 'Parkview' <https://parkview.net.nz/>

Figure 5.11: Mangawhai Central masterplan layout<sup>39</sup>



### 5.2.5 Kaiwaka and Maungaturoto Commercial zones

Maungaturoto and Kaiwaka both have proposed COMZ areas that contain a wide range of centre and non-centre activities, and function as service centres for broad rural catchments. Their businesses include industrial and rural supplies outlets, as well as food retailers, hospitality, commercial services, community services, education and medical. Maungaturoto has 4,700m<sup>2</sup> of core centres GFA, out of a total GFA in the centre of 20,400m<sup>2</sup>. The COMZ proposed takes in Maungaturoto Primary School, which is excluded from capacity calculations in this report. The Maungaturoto COMZ includes a new area of commercial zone on the south-eastern side of the centre, although that area is occupied by a church and retirement home.

Maungaturoto's commercial presence is mostly focussed on the main street precinct along State Highway 12 (north of the Four Square), with smaller areas to the south (the standalone Caltex service station, including a vacant warehouse building formerly a car dealer) and east (the vets at Bickerstaffe Road) and the Maungaturoto Hotel. No vacant tenancies were located in the main precinct on the northern side of State Highway 12. It should be noted that area (east of the where State Highway 12 rounds the corner) slopes steeply away from the road, and may not be suitable for commercial development.

<sup>39</sup> <https://mangawhaicentral.co.nz/concepts/plans/>

Kaiwaka has a similar presence of core centre activities to Maungaturoto, with 5,300m<sup>2</sup>, including 700m<sup>2</sup> of core retail, nearly 2,000m<sup>2</sup> of hospitality space and 1,600m<sup>2</sup> of food retail spread across a number of businesses. Kaiwaka is located on State Highway 1, a much busier route than State Highway 12 through Maungaturoto, and that exposure to passing traffic supports a much larger presence of hospitality businesses in Kaiwaka than in Maungaturoto. In comparison Maungaturoto has more commercial services and office space. There is a lot of industrial activity in Kaiwaka's COMZ (4,100m<sup>2</sup>), as well as many residential dwellings. Much of the proposed COMZ is currently vacant land, including large blocks east of State Highway 1 at the southern end of the town, and a large, new block in the west that is bound by the Kaiwaka River. The land use survey recorded no vacant tenancies in Kaiwaka.

### 5.2.6 Other Commercial zones

Much smaller Commercial zones are proposed elsewhere in the District, at Baylys Beach (a new zone in the PDP), Te Kopuru (unchanged commercial zone extent) and Ruawai (a much larger area in the PDP). Ruawai's much larger proposed COMZ includes areas behind the road-frontage parcels on the south side of State Highway 12 (mostly vacant rural land), and between the highway and the river (predominantly residential dwellings).

Ruawai has the most core centre space (2,800m<sup>2</sup>) of those smaller Commercial zones, anchored by the Ruawai Four Square, with several core retail stores and hospitality businesses, and with a small representation of services businesses. The centres in Te Kopuru (superette and fire station) and Baylys Beach (takeaways and part of the holiday park) are very small commercial presences, although provision is made for floorspace increases, with COMZ proposed to be applied to a number of residential dwellings adjacent the existing commercial activities.

## 5.3 Adequacy of commercial zoned land under PDP

The assessment above indicates that there will be demand for 24.0ha of COMZ land in Dargaville by 2054, 19.1ha in Mangawhai, 7.0ha in Kaiwaka and 6.6ha in Maungaturoto (all including the NPS-UD competitiveness margin). The PDP proposes to zone an area of COMZ that is greater than the level of demand in all of those places, as well as providing additional COMZ in some to the District's smaller settlements including Paparoa, Te Kopuru, Baylys Beach and Hakaru. In total, the PDP would make provision for about 106ha of vacant COMZ land<sup>40</sup> area in the District, some 44.7ha more than the demand assessment indicates will be required to provide for the needs of growth (Figure 5.12). That indicates that the PDP as proposed will provide adequate supply of vacant land, including allowance for a competitiveness margin to account for development uncertainty, and also including additional capacity to allow for land which will be unavailable for commercial development (e.g. land that is too steep or where landowners are not motivated to pursue development). Also, there will be potential

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<sup>40</sup> Or similarly enabling land, including 5.3ha within the Estuary Estates Special Purpose Zone, and 1.6ha of Community Hub areas within the PPC84 area.

for redevelopment, both on vacant lots and lots used for residential activities now, which could provide additional capacity, which has not been included in this assessment.

**Figure 5.12: Kaipara Commercial zones, adequacy of supply (net Commercial zoned area, ha, including NPS-UD competitiveness margin)**

	Demand for COMZ			DDP CZ supply	Supply - demand (2054)
	2024	2054	Increase		
Dargaville*	13.8	24.0	10.2	29.3	5.3
Mangawhai**	11.0	19.1	8.2	21.6	2.5
Kaiwaka	4.3	7.0	2.7	30.9	23.9
Maungaturoto	5.4	6.6	1.1	12.4	5.8
Ruawai	1.4	2.0	0.7	9.3	7.3
Rest of Kaipara	2.8	3.2	0.4	2.9	0.3
<b>Total KDC</b>	<b>38.7</b>	<b>62.0</b>	<b>22.8</b>	<b>106.4</b>	<b>44.7</b>

\* supply comprised of 29ha COMZ and in 0.29ha in PPC81 Trifecta Development Area

\*\* supply comprised of 16ha COMZ, 5.3ha in Estuary Estates, and 1000m<sup>2</sup> GFA in PPC84

## 5.4 Other factors influencing adequacy of commercial land supply

There are several additional factors to consider in relation to commercial land supply and land suitability.

### 5.4.1 Provision for space extensive activities

The assessment assumes that existing non-commercial activities in the Commercial zones would be able to remain in situ. In some cases a significant part of the Commercial zone is occupied by these other activities, particularly industrial and residential activities. The ongoing provision for those activities to remain provides further confidence that the supply proposed in the PDP is more than adequate to meet future demand for commercial space, because it is likely that some of those activities will convert to commercial uses within the life of the PDP. This is particularly true because there are large new industrial zones proposed in the PDP to accommodate many of these other activities.

This potential conversion of uses provides capacity for the accommodation of large format retail uses should there be demand for them. Currently the only large format retail in the district is Dargaville's The Warehouse, and the two supermarkets (Dargaville Woolworths and Mangawhai New World). It is unlikely that there will be strong demand for large format retail within the life of the PDP, because no settlement will be large enough to support most types of large format retail. Nevertheless, some opportunity to accommodate those stores exists around the fringe of the Dargaville CBD, and (for smaller LFR stores only) in parts of Mangawhai, particularly the low density or predominantly



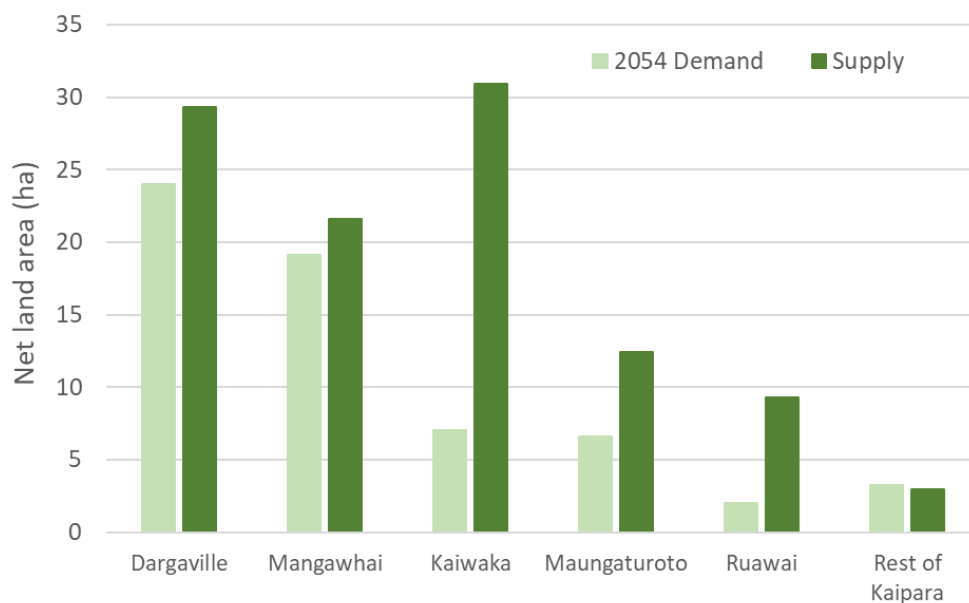
industrial parts of the Commercial zones at Molesworth Drive, Mangawhai Village, and the only partially developed Mangawhai Central.

Those new industrial zones represent a significant increase in industrial zoned land that will be available to accommodate industrial activities, a large proportion of which in some places previously established in (what is proposed to be) COMZ due to limited industrial supply, and permissive planning rules.

### 5.4.2 Geographic choice

That sufficiency of commercial land supply by location is shown in Figure 5.13, where the supply of COMZ proposed in the PDP exceeds future demand by 2054, even accounting for the prescribed NPS-UD competitiveness margin. These results shows that there is a wide range of supply across the district which will more than cater for the geographic choice of the market.

**Figure 5.13: Kaipara COMZ, adequacy of supply (net COMZ area, ha)**



The settlement in which excess supply is smallest is Mangawhai, where there is some additional space that will provide for some of the types of activities that might seek to establish in the COMZ. For example, the new Bunnings store in Mangawhai Central occupies a 1.5ha site, but is not within the commercial precinct of the Estuary Estates Special Purpose Zone, and so has been excluded from this sufficiency of commercial supply assessment. Other trade supply businesses could also locate in that ('Service Industry') part of Mangawhai Central (8.03ha), freeing up space in the COMZ for new commercial activities.

Together the PDP's proposed commercial land provides good geographic variation, and will be appropriate to service a range of commercial land needs throughout the District.



### 5.4.3 Development constraints

This assessment has not undertaken a detailed development feasibility assessment of individual commercial sites, and there may be some existing constraints to development for commercial activities, including topography (sloped sites unsuitable for building, watercourses etc.), natural hazards (e.g. flooding), roading configuration and landowner inertia. While allowance is made in section 5.3 to provide for new roading networks within the gross area of commercial land proposed in the PDP, that configuration is uncertain.

## 5.5 Commercial zoned area conclusion

While not all of the 106.4ha of net land area identified in Figure 5.12 is likely to be available for development due to development constraints, the margin by which proposed supply exceeds demand, and the increased industrial zoning which will provide an alternative home for industrial activities, gives significant confidence that the areas proposed in the PDP will be adequate to provide for the District's future commercial land needs. The location and size of commercial areas proposed is appropriate to adequately provide for a range of different types of future commercial activities, as well as existing non-commercial activities established in the proposed COMZ zones, and with different location requirements or preferences.

## 6 Industrial

### 6.1 Industrial demand

#### 6.1.1 Employment projections

For the purposes of this assessment the demand for industrial land is assessed using employment growth as a driver, as described in section 3.3.1. Total Kaipara District employment is currently (2024) estimated to be just over 8,700 TECs, with areas within what are proposed to be industrial zones (LIZ or HIZ) in the PDP accommodating about 20% of the workforce (1,700 TECs). Of those TECs, some 1,100 are employed in the LIZ, and nearly 600 in the HIZ (Figure 6.1).

**Figure 6.1: KDC employment projections (TECs)**

Activity	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
Commercial zone*	2,550	2,660	2,910	3,160	3,380	830	33%
Light industrial zone	1,120	1,140	1,200	1,240	1,270	150	13%
Heavy industrial zone	570	590	650	700	730	160	28%
Rural lifestyle zone	480	500	540	570	590	110	23%
General rural zone	3,880	4,120	4,660	5,230	5,810	1,930	50%
SPZ - Dargaville Hospital	140	150	160	180	200	60	43%
<b>Total</b>	<b>8,740</b>	<b>9,160</b>	<b>10,120</b>	<b>11,080</b>	<b>11,980</b>	<b>3,240</b>	<b>37%</b>

*\*Commercial parts of SPZs Estuary Estates and Trifecta Development Area included with COMZ*

By 2054, total District employment is projected to have increased by just over 3,200 TECs, to nearly 12,000 TECs, a 37% increase. That is faster growth than the household projections in Figure 4.1, reflecting an increasing number of jobs per household, from the current 0.74 jobs per household in 2024, to 0.82 jobs per household by 2054. That increase is driven in part by an increase in non-full time jobs, and runs counter to the projected aging population with more people working until later in life.

Employment in the LIZ and HIZ is projected to grow more slowly than the District average, with employment based in the LIZ projected to increase from 1,120 to 1,270 (+150, +13%), and in the HIZ that increase will be from 570 to 730 (+160, +28%). However, employment in these industrial zones is quite heavily influenced by the presence of large employers, and the arrival or departure of significant new employers in the District and is not possible to predict with any accuracy, so there is uncertainty inherent in the employment projections. For example, the Silver Fern Farms processing plant in the Dargaville HIZ employs around 360 TECs, and Fonterra in Maungaturoto employs around 130 TECs (both subject to seasonal variations). The entrance of a large, new entity such as those would require a site of 2-3ha to accommodate it, so it is important that the PDP makes adequate provision for that

future potential, although there is the possibility for private plan changes to accommodate significant new businesses such as these outside the industrial zones if appropriate.

### 6.1.2 Industrial land demand projections

The 1,120 TECs employed by businesses operating from Kaipara's LIZ are employed across 184ha land proposed by the PDP to be zoned LIZ, although a large amount of that is currently vacant (bare land). That current employment equates to a density within the areas that are occupied of only 17.9 TECs/ha (net land area, so excluding roads etc.). In the HIZ, the 570 TECs are employed on 37ha, a density of 15.4 TECs/ha.

The current LIZ employment density is low for a light industry zoning, due to a number of parcels classified as occupied but in practice having no or little employment registered to them, including the Northland Fieldays site in Dargaville, and a number of other sites in that vicinity. In practice employment density in the LIZ should be able to increase significantly from its current low level, however the industrial land demand modelling assumes the low status quo densities will persist, making the sufficiency assessment very conservative as one would expect some redevelopment or increase in utilisation of land to occur in the future which would accommodate some of the projected growth.

In the HIZ the current employment density is also assumed to remain, as that provides a good indication of the total (potential) employment yield of the PDP's proposed HIZ, notwithstanding the potential for growth to be at a density different to the current average. Those applied densities (10.5 TECs/ha in the LIZ, and 37 TECs/ha in the HIZ) are at the lower end of average industrial employment densities observed in other jurisdictions of 25-40 TECs/ha, reflecting less pressure on industrial land supply in Kaipara compared to some other districts.

Applying those densities indicates that the current (2024) net land area (excluding roads) that is occupied by, and therefore required in Kaipara for industrial activities is 62.6ha for LIZ, and 37.3ha for HIZ, a total of 99.9ha of industrial land. Given projected economic and employment growth, the industrial zoned land area required in Kaipara is projected to increase by 8.6ha for LIZ (+14%), and 10.1ha for HIZ (+27%) out to 2054, an overall increase of 19% from currently occupied industrial land levels (Figure 6.2). In practice that level of additional land required is likely overstated, due to the conservatism of the projections, particularly due to the low future employment density that is applied to employment projections.

**Figure 6.2: LIZ and HIZ land area required (ha, net of roads etc.)**

Activity	2024	2027	2034	2044	2054	Growth 2024-2054	
						n	%
<b>Excluding NPSUD buffer</b>							
Light industrial zone	62.6	63.8	67.0	69.3	71.2	8.6	14%
Heavy industrial zone	37.3	38.7	42.1	45.6	47.4	10.1	27%
<b>Total</b>	<b>99.9</b>	<b>102.5</b>	<b>109.1</b>	<b>114.9</b>	<b>118.6</b>	<b>18.7</b>	<b>19%</b>
<b>Including NPSUD buffer</b>							
Light industrial zone	62.6	64.1	67.9	70.6	72.7	10.1	16%
Heavy industrial zone	37.3	38.9	43.1	47.1	49.1	11.8	32%
<b>Total</b>	<b>99.9</b>	<b>103.0</b>	<b>111.0</b>	<b>117.6</b>	<b>121.9</b>	<b>21.9</b>	<b>22%</b>
<b>Land required in addition to current occupied land (incl. buffer)</b>							
Light industrial zone	-	1.4	5.2	7.9	10.1		
Heavy industrial zone	-	1.6	5.8	9.8	11.8		
<b>Total</b>	<b>-</b>	<b>3.0</b>	<b>11.0</b>	<b>17.7</b>	<b>21.9</b>		

For high growth areas the NPS-UD requires<sup>41</sup> assessments of this type to include allowance for a competitiveness margin over and above the base projected growth in order to support choice and competitiveness in housing and business land markets. That competitiveness margin is only required to be incorporated by Tier 1 and 2 councils, and because Kaipara is not a Tier 1 or 2 council (or Tier 3) the requirement does not apply in the District. Nevertheless, to be conservative we have included provision for that competitiveness margin, of 20% in the short (0-3 years) and medium (3-10 years) terms, and 15% for the long term (10-30 years).

Taking into account that competitiveness margin, there would need to be an additional 10.1ha of LIZ, and 11.8ha of HIZ required in Kaipara by 2054 to support economic growth, as well as choice and competitiveness in industrial land. That is around 0.73ha per year over the period 2024 to 2054, which is higher than the approximately 0.9ha per year<sup>42</sup> of land that we estimate would have been required to accommodate the new industrial buildings consented in Kaipara since 2000. Future growth is very similar to historic growth (average around 0.72ha/year since 2000).

## 6.2 Industrial supply

### 6.2.1 Industrial zoned areas

The PDP proposes to zone 185ha of LIZ, or about 171ha net once roads are taken into account to service several of the new zoned areas which do not currently have ready access,<sup>43</sup> and 101ha of HIZ

<sup>41</sup> NPS-UD 3.22(2) Competitiveness margin

<sup>42</sup> In this period Statistics NZ records 198,172m<sup>2</sup> of floorspace for new storage, factories and industrial buildings in Kaipara District. At an average of around 25% site coverage, that floorspace equates to 19.8ha of net land area to accommodate it in 22 years (2000-2021 inclusive), assuming all development is on the ground floor.

<sup>43</sup> The Kaiwaka LIZ and Maungaturoto Railway HIZ and Topuni HIZ

(79ha net) (Figure 5.10). Large new areas of industrial zone are proposed to be created at Dargaville East, in Maungaturoto (Railway Station and East), to the north of Kaiwaka, and around the Topuni sawmill.

**Figure 6.3: Kaipara PDP Industrial zones land area (ha)**

Industrial zone	Gross land area (ha)			Net land area (ha)	
	Vacant DDP land	DDP zoned area	Share that is vacant	Vacant DDP land	DDP zoned area
<b>Light Industrial Zone</b>					
Dargaville Central	11.7	24.1	49%	11.7	24.1
Dargaville East	46.7	77.5	60%	46.7	77.5
Dargaville South	-	1.8	0%	-	1.8
Maungaturoto East	1.9	5.7	33%	1.9	5.7
Maungaturoto Railway	18.7	18.7	100%	18.7	18.7
Kaiwaka	46.7	46.7	100%	32.7	32.7
Ruawai	-	4.0	0%	-	4.0
Hakaru	5.9	6.9	85%	5.9	6.9
<b>Sub-total LIZ</b>	<b>131.6</b>	<b>185.4</b>	<b>71%</b>	<b>117.6</b>	<b>171.4</b>
<b>Heavy Industrial Zone</b>					
Dargaville East	1.4	13.6	10%	1.4	13.6
Maungaturoto East	-	14.0	0%	-	14.0
Maungaturoto Railway	23.3	23.3	100%	16.3	16.3
Topuni	43.0	50.0	86%	30.1	35.0
<b>Sub-total HIZ</b>	<b>67.7</b>	<b>100.8</b>	<b>67%</b>	<b>47.8</b>	<b>78.8</b>
<b>Total Kaipara Industrial Zones</b>	<b>199.3</b>	<b>286.3</b>	<b>70%</b>	<b>165.4</b>	<b>250.3</b>

## 6.2.2 Industrial land use survey

The land use survey described in section 3.2.5 recorded existing built activities in the PDP's proposed industrial zones. Most of Kaipara's industrial areas are heavily dominated by industrial activities, along with trade retail activities and automotive-related businesses. Those three sectors make up 90-100% of activities recorded in Dargaville Central and East, and Maungaturoto East, and at least 70% elsewhere. These patterns indicate that the industrial zones are being appropriately used, and have not experienced any notable pressure to convert to non-industrial uses, as is the case in some other parts of New Zealand.

**Figure 6.4: Kaipara PDP Industrial zones GFA (m<sup>2</sup>)**

Economic sector	Light Industrial Zone								Heavy Industrial Zone				Total
	Dargaville Central	Dargaville East	Dargaville South	Maungaturoto East	Maungaturoto Railway	Kaiwaka	Ruawai	Hakaru	Dargaville East	Maungaturoto East	Maungaturoto Railway	Topuni	
Industrial	16,680	21,970	5,730	7,940	5,020	-	7,500	900	4,950	20,280	3,050	3,800	90,970
Non-centre retail	-	1,240	-	-	310	-	-	-	-	-	-	-	1,550
Automotive	520	1,140	-	590	270	-	570	-	-	-	-	-	3,090
Core centre activities	1,220	-	820	550	430	-	240	-	-	-	-	-	3,260
Residential	-	-	-	-	2,290	-	540	420	-	-	1,220	-	3,250
Vacant	-	410	1,640	-	-	-	-	-	-	-	-	-	2,050
<b>Total GFA</b>	<b>18,420</b>	<b>24,760</b>	<b>8,190</b>	<b>9,080</b>	<b>8,320</b>	<b>-</b>	<b>8,850</b>	<b>1,320</b>	<b>4,950</b>	<b>20,280</b>	<b>4,270</b>	<b>3,800</b>	<b>104,170</b>

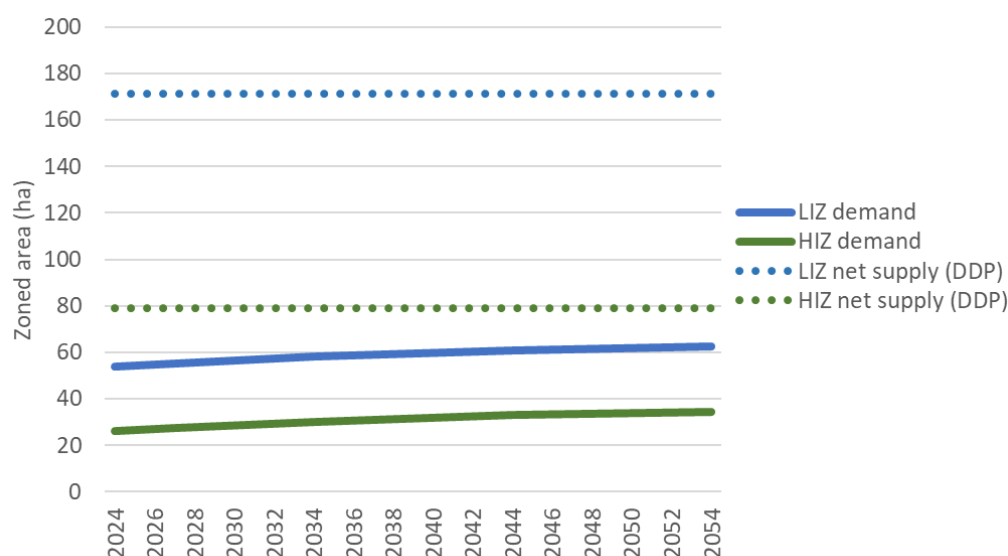
We note that few vacant tenancies are recorded in Figure 6.4, although vacant status can be difficult to determine for some industrial properties, which can be used for storage or other low profile activities that may not be able to be seen from the street. The survey presumed industrial buildings were occupied unless there was any clear indication to the contrary, so as to avoid overstating the amount of vacant floorspace available. That is a conservative assumption that should avoid under-provision of industrial space.

### 6.3 Adequacy of industrial zoned land under PDP

From section 6.2 the total additional industrial-zoned land that will be required in Kaipara District by 2054, over and above the amount of land that is currently occupied in the industrial zones (not over and above total zoned land), would be 8.7ha of LIZ and 8.3ha of HIZ by 2054, in addition to the 99.9ha that is currently occupied by industrial activities in Kaipara District. That would equate to a total zoned area required within the life of the PDP of 62.5ha for LIZ, and 34.4ha of HIZ, a total of 97.0ha of industrial zoned land. That demand is represented by the solid lines in Figure 6.5 that slope upwards, representing increased demand. Note the slight downslope at 2034, which is the transition between the NPS-UD medium- and long-terms, where a smaller competitiveness margin is applied, resulting in the slight decrease in demand during that period.

From Figure 6.5, demand for industrial land is well below the zoned area proposed to be created by the PDP, for both LIZ and HIZ, for all time periods over the life of the PDP. The point at which demand and supply (net supply is shown, to account for roading etc that will be required to service new industrial areas that develop) are projected to be closest is in 2054, and the end of the assessment period, at which point there is still projected to be 121ha more LIZ land zoned than there is demand for, and 77ha more HIZ land. In total then, the PDP proposes to make very significant provision for industrial zoned land, and much in excess of projected demand so there is very unlikely to be any shortfall in industrial land supply over the life of the PDP.

**Figure 6.5: PDP proposed industrial zoned area compared to demand**



## 6.4 Other factors influencing adequacy of industrial land supply

There are several additional factors to consider in relation to industrial land supply and land suitability.

### 6.4.1 Estuary Estates Special Purpose Zone

The Estuary Estates Special Purpose Zone includes provision for a Service sub-zone, with an area of just over 8ha. That sub-zone would be equivalent to the LIZ proposed in the PDP. The 8ha of industrial zoning the Service sub-zone provides for has not been accounted for in the assessment above, and therefore provides additional industrial land supply in excess of that assessed above. There is no other LIZ proposed in Mangawhai, although some LIZ-type activities are already established in the COMZ on Molesworth Drive at Moir Point Road. Any industrial activity required to support the local needs of Mangawhai residents (such as mechanics, self-storage etc.) can be provided in those locations, with the next closest LIZ area being the large new greenfields area at Kaiwaka.

### 6.4.2 Provision for space extensive activities

There is merit in providing for more than the projected amount of industrial land so as to be able to accommodate industrial activities that require a large amount of land from which to operate. Currently there are several examples of such activities in Kaipara, including the Silver Fern Farms processing plant in the Dargaville HIZ and Fonterra in Maungaturoto, both of which occupy sites of 2-3ha. Zoning large blocks of land in different places around the District will provide for new entrants to the Kaipara economy to establish on sites that suit their needs.

The PDP zoning adequately provides for these needs, with large new blocks of industrial zoned land proposed throughout the District, including Dargaville, Maungaturoto, Kaiwaka and Hakaru. This

geographic distribution of zones should be sufficient to provide a range of location options for large new industrial businesses wishing to establish in Kaipara.

### 6.4.3 Geographic choice

Further to the need to provide a range of location options for large businesses, the same requirement should apply to smaller industrial activities as well. Overall, the PDP proposes industrial zones in six locations, at Dargaville, Ruawai, Maungaturoto, Kaiwaka, Hakaru, and Topuni. Those locations are geographically spread, and located near the main existing and future population bases. That has the benefit of providing for a proximate workforce, and will allow industrial activities to be located close to the population bases who will be part of their customer base (with export-driven industries less reliant on being near a population base from a customer perspective).

Mangawhai is projected to be the District's main population growth area, and would be serviced by new industrial areas proposed at Hakaru (nearly 6ha of vacant land, about 6km west of Mangawhai) and Kaiwaka (47ha of vacant land, 12km west of Mangawhai) would together provide very significant capacity of new industrial activities in the south and east of Kaipara. In the north, the PDP proposes to zone industrial land in Dargaville of which 60ha is currently vacant. Industrial needs in central Kaipara would be provided for in Maungaturoto, including a large (26ha) new area around the Railway Village.

Together the PDP's proposed industrial land provides good geographic variation, and will be appropriate to service a range of industrial land needs throughout the District.

### 6.4.4 Development constraints

This assessment has not undertaken a detailed development feasibility assessment of individual industrial sites, and there may be some existing constraints to development for industrial activities, including topography (sloped sites unsuitable for building, watercourses etc.), natural hazards (e.g. flooding), roading configuration and landowner inertia. While allowance is made in section 6.3 to provide for new roading networks within the gross area of industrial land proposed in the PDP, that configuration is uncertain.

## 6.5 Industrial zoned area conclusion

While not all of the 295ha of gross industrial zoned land (approximately 256ha net) proposed to be established in the PDP is likely to be available for development due to one or more of these (or other) constraints, the margin by which proposed supply exceeds demand gives significant confidence that the areas proposed in the PDP will be adequate to provide for the District's future industrial land needs. The location and size of industrial areas proposed is appropriate to adequately provide for a range of different types of future industrial activities, and with different location requirements or preferences.



The provision of 8ha of industrial land with Estuary Estates will provide for much of the needs of the fast-growing Mangawhai market, with additional demand from southern Kaipara able to be accommodated in Hakaru and Kaiwaka. Large, zoned areas in and around Dargaville, Maungaturoto and Kaiwaka will also contribute to significant increases in the quantum of industrial land in Kaipara, and are in locations well spread throughout the District.

## 7 Conclusion

### 7.1 Environment overview

Kaipara District's largest urban areas are Dargaville (2,140 households) and Mangawhai (1,980 households, with another 1,550 living in the Mangawhai rural hinterland). There are smaller settlements at Maungaturoto (420 households) and Kaiwaka (320), followed by Te Kopuru, Ruawai, Paparoa and Baylys Beach (c.150-250 households each), and a large rural population.

Mangawhai and its hinterland is projected to be the fastest growing area out to 2054, with growth of 1,980 households (+56%), 72% of District growth. Growth will be slower, although still significant, in Maungaturoto (+28%) and Kaiwaka (+26%), while Dargaville is projected to grow by only 300 households (+14%) over the same period, although will remain clearly the second largest settlement in the District.

Dargaville is Kaipara's main employment node with 3,000 of the District's 8,600 jobs based there. There are smaller employment nodes in Mangawhai (1,600 jobs), Maungaturoto (830 jobs) and Kaiwaka (250 jobs). A significant 35% of 2023 employment was based in rural zones, with 32% in the PDP's proposed Commercial zones, with 18% in industrial zones. By 2054, total District employment is projected to have increased by 3,200 jobs (+37%), by which time the General Rural zones will accommodate 5,800 jobs, there will be nearly 3,400 jobs in the COMZ, and 2,000 jobs in the industrial zones.

### 7.2 Residential land supply

The PDP makes provision for 1,849ha of residential zoned land through the GRZ, and a further 3,567ha of RLZ. Large areas of those two proposed residential zones are not currently zoned residential, and further large areas have been rezoned for residential activity since the PDP was notified, and therefore provide additional capacity in excess of the notified land area.

These areas translate into plan-enabled capacity to accommodate an extra 21,700 dwellings residential dwellings in Kaipara, plus an additional 5,600 infill dwellings, a total of 27,300 extra dwellings (in excess of current supply). That will be ample to accommodate projected residential demand growth of 3,520 dwellings out to 2054, even considering that not all capacity will be converted into new supply. Growth will place the greatest pressure on capacity in Mangawhai, although even there projected demand growth (2,550 dwellings by 2054) will be much less than plan-enabled capacity (3,670 plus 2,760 infill, a total of 6,440 dwellings).

Not all of that plan-enabled capacity will be RER or feasible, although because much of the capacity is in greenfields areas with no existing urban activities, a larger proportion of plan-enabled capacity will

be feasible, compared to if there was a greater reliance on infill housing. Modelling indicates that 61% of non-infill plan-enabled capacity will be RER (13,300 dwellings), and 53% of infill plan-enabled capacity will be RER (2,960 dwellings), a total of 16,250 RER dwellings. That again is far in excess of long-term demand (3,520 dwellings out to 2054).

Not all of that RER capacity will be feasible, due to the need for developers to achieve particular profit margins, and the price likely to be able to be achieved once newly developed property is sold. Those factors mean certain types of dwelling will not be feasible to develop, with only 35% of PEC being feasible in the medium-term (36% of non-infill and 29% of infill PEC), and 59% in the long-term. That equates to feasible development capacity of 9,500 dwellings in the medium-term, and 16,200 dwellings in the long-term.

Overall across the District, the PDP proposes to zone much more capacity than is required to accommodate residential growth, and there is a good variety of residential zone types and locations to provide for the needs of household growth.

### **7.3 Commercial land demand and supply**

Kaipara resident households and businesses, along with tourists, will spend an estimated \$318m in Kaipara's retail and hospitality businesses in 2024, and that is projected to increase by 90% to reach \$606m. Much of that spend flows out of the District, notably to Whangārei and Auckland, however spend that is retained in the District is enough to sustain 30,400m<sup>2</sup> of retail, hospitality, services and offices floorspace in Dargaville, 17,400m<sup>2</sup> in Mangawhai, 4,400m<sup>2</sup> in Kaiwaka, and 4,300m<sup>2</sup> in Maungaturoto.

Given projected demand growth for these activities, additional space will be required to provide adequate space for businesses to continue to operate effectively and efficiently (including NPS-UD competitiveness margin). Mangawhai's Commercial zones will support an additional 13,600m<sup>2</sup> GFA (+78%) by 2054, which will require about an additional 8.2ha of zoned land. The 15,000m<sup>2</sup> of additional space that will be supported in Dargaville by 2054 will require about 10.2ha to accommodate it, while Kaiwaka will require an additional 2.7ha, and Maungaturoto 1.1ha. Other centres will need much less additional land area to accommodate their commercial floorspace growth.

The PDP proposes to increase the ODP's 40.3ha of Commercial zone by around 66ha to over 106ha. Large new areas of Commercial zone are proposed to be created in the Dargaville CBD (nearly 11ha), in Mangawhai Village (+7ha), and in Kaiwaka (+27ha gross, or an estimated 22ha net once new roads are developed to service the area). The PDP also proposes to zone small amounts of Commercial zone at Dargaville South and East, Baylys Beach, and Hakaru, with incremental changes to some existing commercial zones.

The proposed COMZ within Mangawhai (Mangawhai Village, Wood Street, Molesworth Drive and Estuary Drive) and the Estuary Estates commercial centre will combine to adequately provide for the future retail and services needs of the high growth Mangawhai population, and enable a range of retail and service activities including a small amount of large format retail. The assessment shows that in all other places where COMZ is proposed, the PDP makes more than sufficient provision for zoned land to accommodate commercial land requirements for the life of the plan. Dargaville would have Commercial zoned area of 5.3ha more than demand requires, Mangawhai would have an extra 2.5ha, Kaiwaka 24ha, Maungaturoto 5.8ha, and Ruawai 7.3ha.

## **7.4 Industrial land demand and supply**

Employment in the type of businesses using Kaipara's industrial zones is projected to grow by 29% (HIZ) and 14% (LIZ), and the zoned area required to accommodate that growth is projected to be 10.1ha for LIZ and 11.8ha for HIZ out to 2054 (including NPS-UD competitiveness margin). That is in addition to the industrial zoned area currently occupied, and equates to the need for 72.7ha for LIZ and 49.1ha for HIZ within the life of the PDP, a total of 98.1ha of industrial zoned land.

The PDP makes provision for a total of 296ha of industrial zoned land, including 184ha of LIZ and 112ha of HIZ. Those gross areas would net around 256ha, once the new blocks not currently containing roads are developed. Demand is much less than the zoned area proposed to be created by the PDP, for both LIZ and HIZ, for all time periods of the PDP, and by 2054 the assessment indicates a projected surplus of 97ha LIZ land and 31ha HIZ land. There is very unlikely to be any shortfall in industrial land supply over the life of the PDP, and a range of zones are provided for to adequately provide for the different location, size and activity types of the reasonably foreseeable range of industrial activities in Kaipara.

## Appendix 1     PDP zoning maps selected areas

Figure A1.1: PDP zones Dargaville

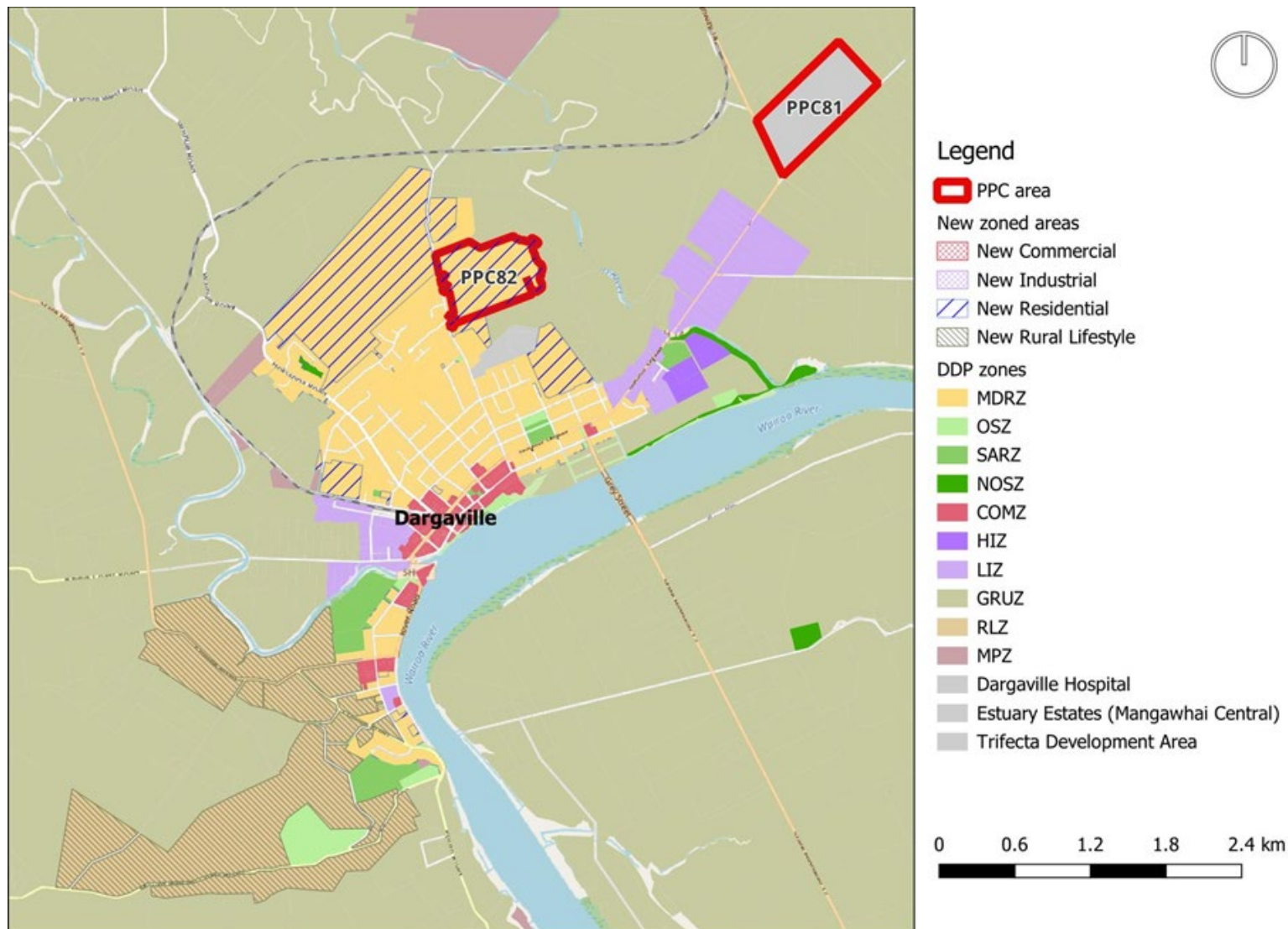


Figure A1.2: PDP zones Mangawhai

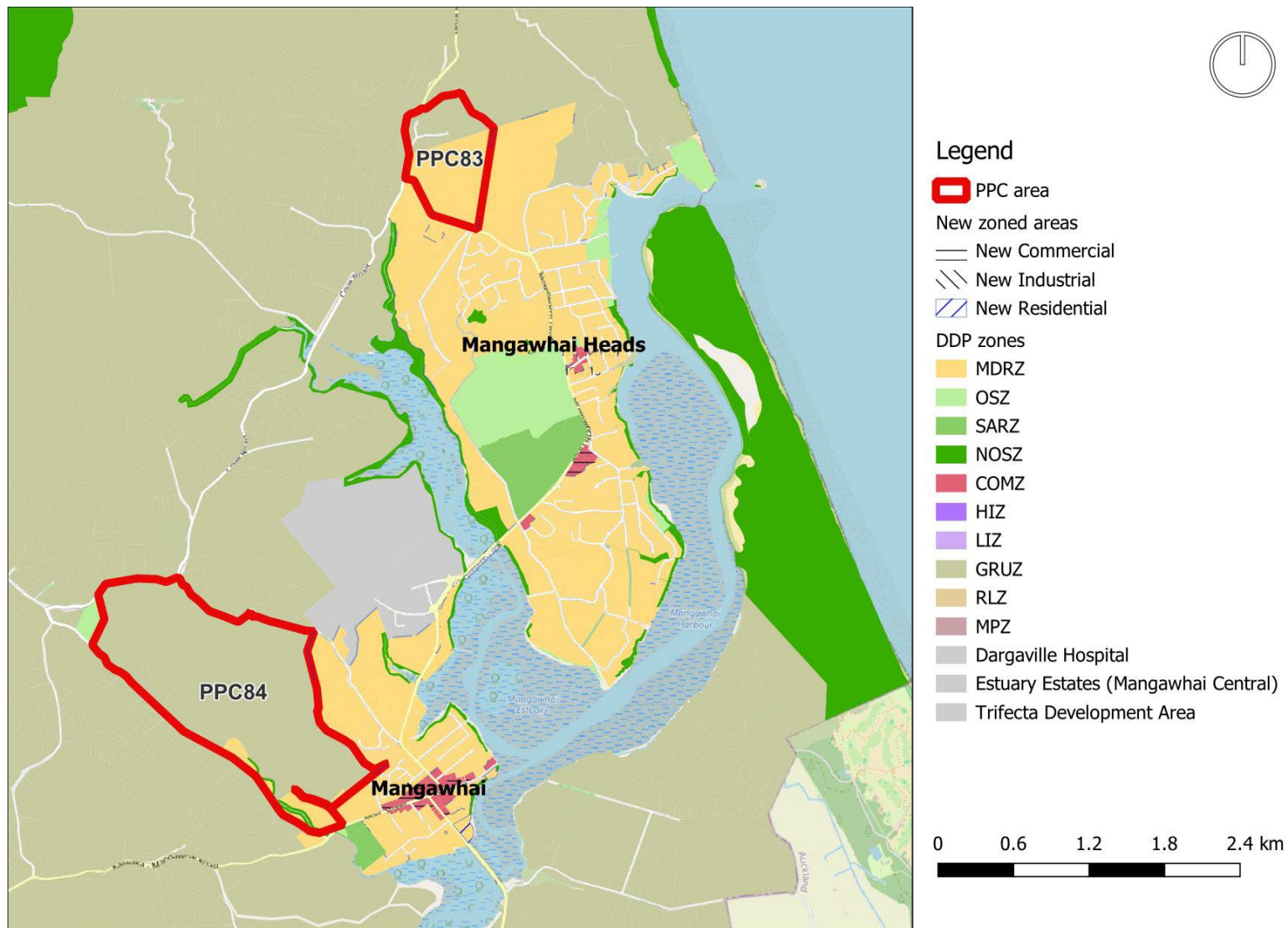




Figure A1.3: PDP zones Maungaturoto

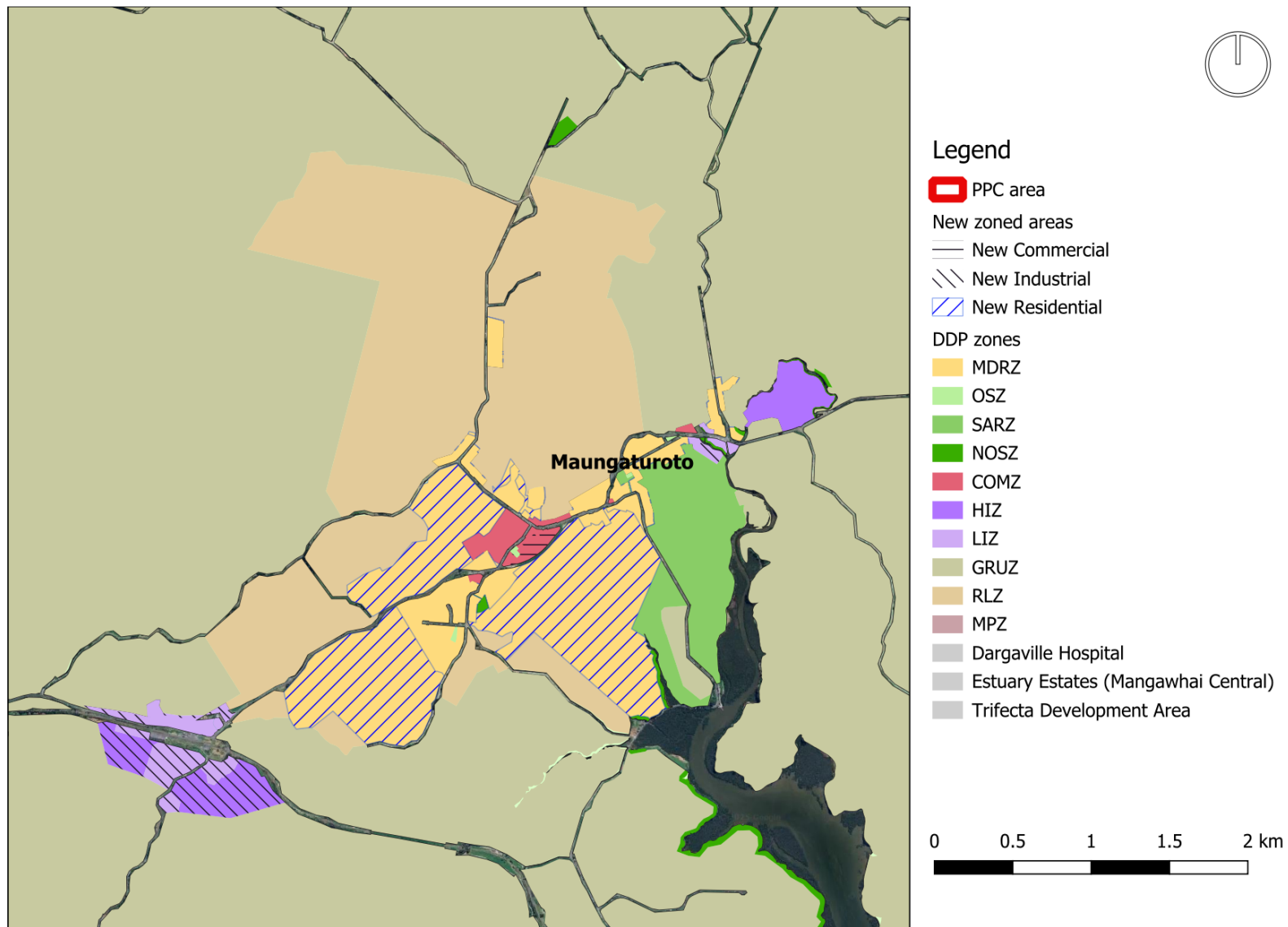




Figure A1.4: PDP zones Matakoho, Paparua, Pahi, and Whakapirau

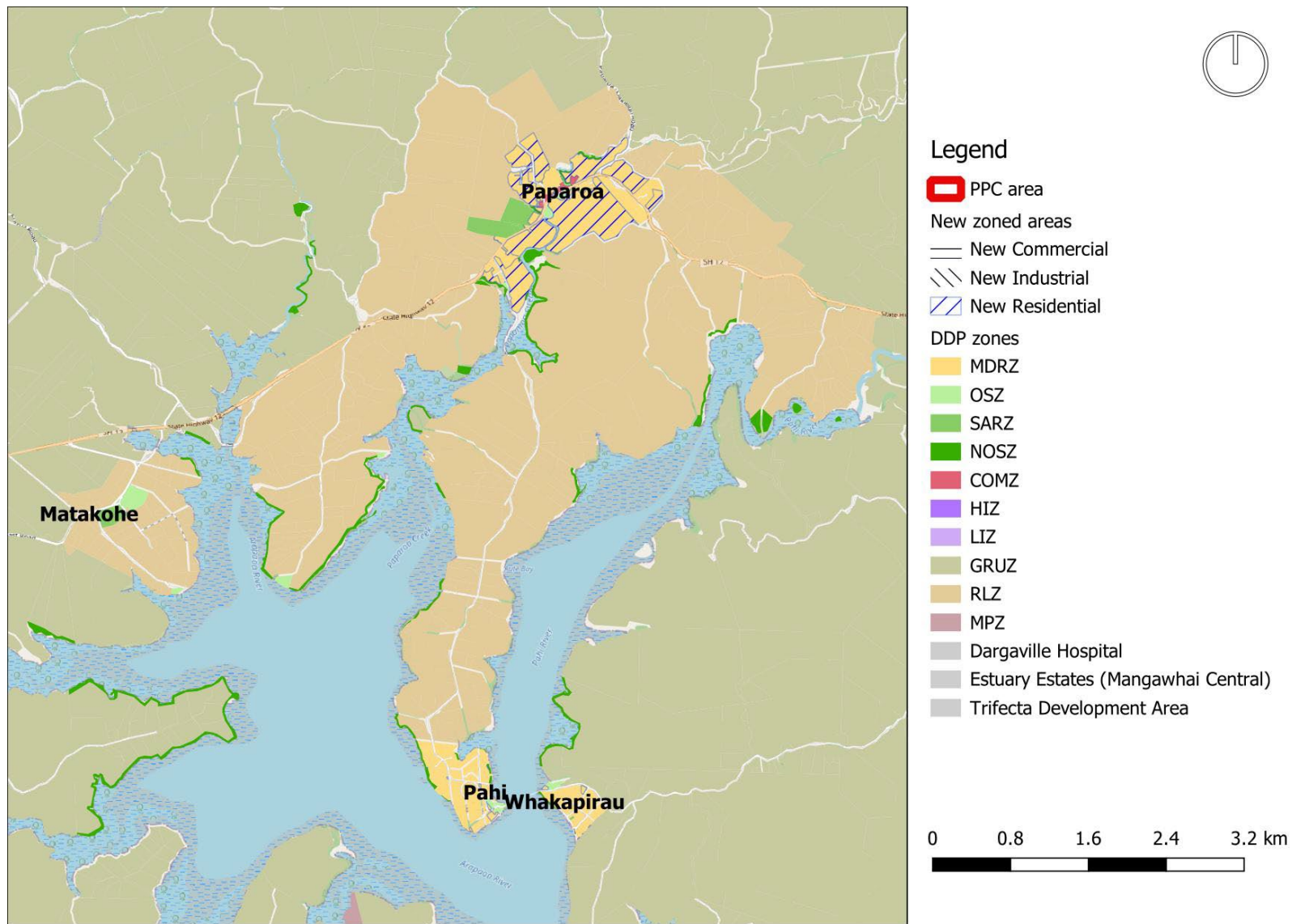


Figure A1.5: PDP zones Kaiwaka

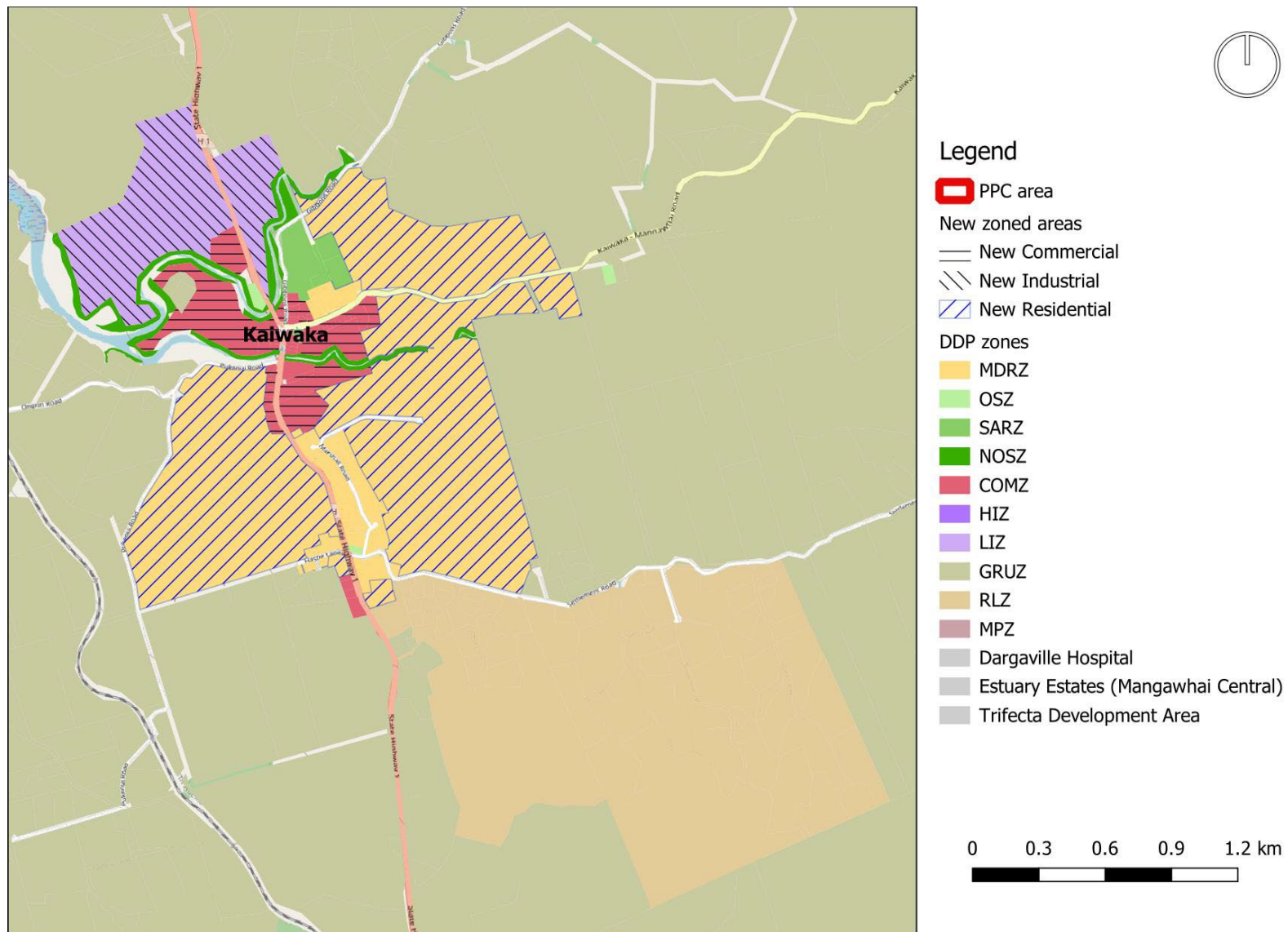
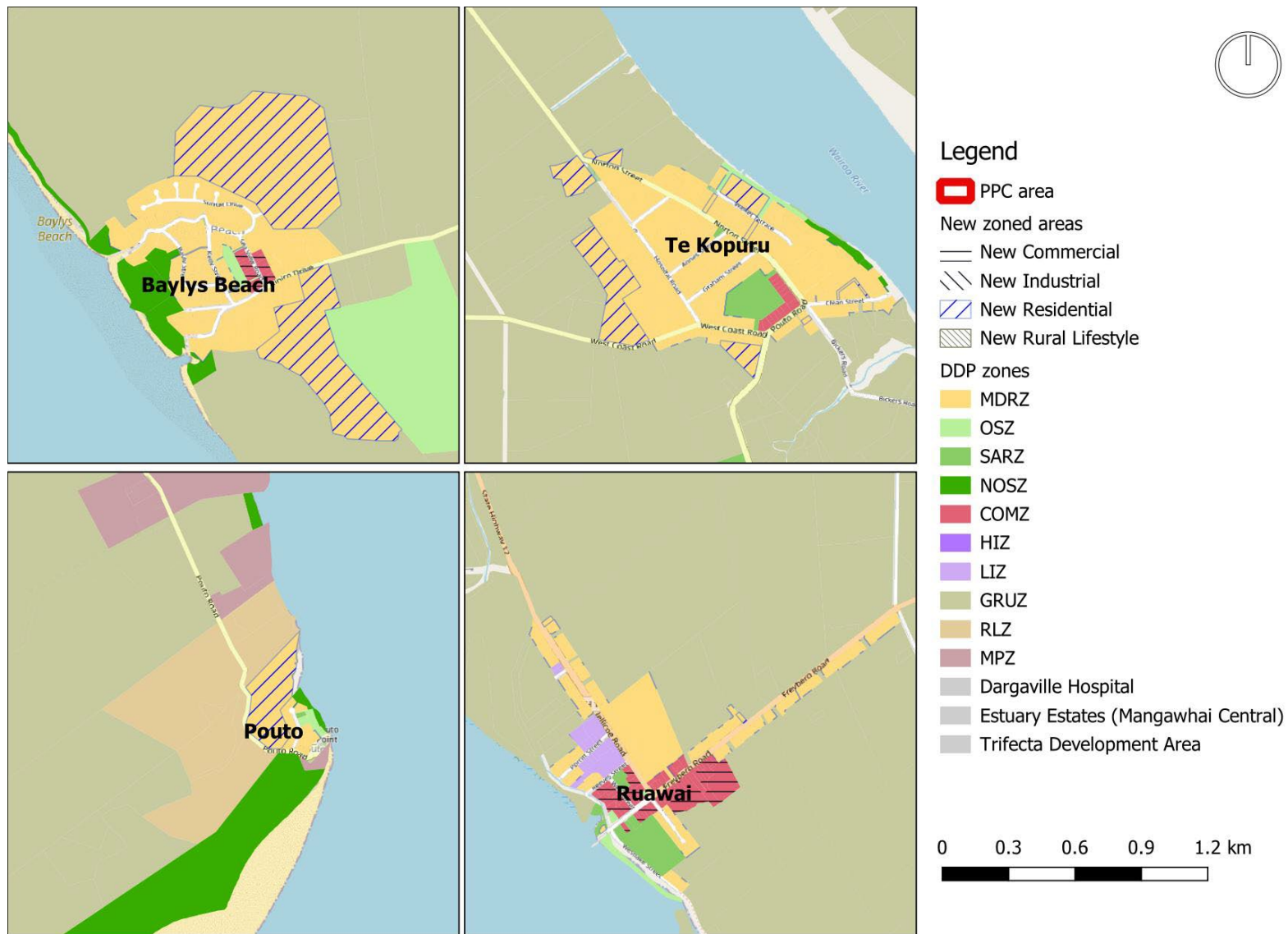


Figure A1.6:PDP zones Baylys Beach, Te Kopuru, Poutu and Ruawai



## Appendix 2 Economic sector concordances

Figure A2.1: Economic sector concordance for all economic sectors

Economic sector	ANZSIC activities
Retail and hospitality	<ul style="list-style-type: none"> <li>❖ ANZSIC division G (Retail Trade) excluding subdivision G39 (Motor Vehicle and Motor Vehicle Parts Retailing), and</li> <li>❖ ANZSIC division H (Accommodation and Food Services) excluding H440000 (Accommodation)</li> </ul>
Commercial services	<ul style="list-style-type: none"> <li>❖ ANZSIC subdivision Q87 (Social Assistance Services)</li> <li>❖ ANZSIC classes K622100 (Banking), K622200 (Building society operation), and K622300 (Credit union operation)</li> <li>❖ ANZSIC classes L663200 (Video and other electronic media rental and hiring) and L672000 (Real estate services)</li> <li>❖ ANZSIC classes M697000 (Veterinary services) and M699100 (Professional photographic services)</li> <li>❖ ANZSIC class N722000 (Travel agency and tour arrangement services)</li> <li>❖ ANZSIC division S (Other Services) except ANZSIC groups S941 (Automotive Repair and Maintenance), S942 (Machinery and Equipment Repair and Maintenance), and S955 (Civic, Professional and Other Interest Group Services)</li> </ul>
Commercial office	<ul style="list-style-type: none"> <li>❖ ANZSIC division J (Information Media and Telecommunications) except ANZSIC classes J551100 (Motion picture and video production) and J551300 (Motion picture exhibition)</li> <li>❖ ANZSIC division K (Financial and Insurance Services) excluding classes K622100 (Banking), K622200 (Building society operation), and K622300 (Credit union operation)</li> <li>❖ ANZSIC classes L664000 (Non-financial intangible assets (except copyrights) leasing), L671100 (Residential property operators), L671200 (Non-residential property operators)</li> <li>❖ ANZSIC division M (Professional, Scientific and Technical Services) excluding ANZSIC classes M697000 (Veterinary services) and M699100 (Professional photographic services)</li> <li>❖ ANZSIC division N (Administrative and Support Services) except ANZSIC classes N722000 (Travel agency and tour arrangement services), N731300 (Gardening services), and N732000 (Packaging services)</li> </ul>



	❖ ANZSIC class S955 (Civic, Professional and Other Interest Group Services)
Public administration	❖ ANZSIC division O (Public Administration and Safety)
Accommodation	❖ ANZSIC class H440000 (Accommodation)
Education	❖ ANZSIC division P (Education and Training)
Health	❖ ANZSIC division Q (Health Care and Social Assistance) excluding subdivision Q87 (Social Assistance Services)
Industrial	<ul style="list-style-type: none"> <li>❖ ANZSIC divisions C (Manufacturing), D (Electricity, Gas, Water and Waste Services ), F (Wholesale Trade), and I (Transport, Postal and Warehousing)</li> <li>❖ ANZSIC class J551100 (Motion picture and video production)</li> <li>❖ ANZSIC classes L661100 (Passenger car rental and hiring), L661900 (Other motor vehicle and transport equipment rental and hiring), L662000 (Farm animal and bloodstock leasing), L663100 (Heavy machinery and scaffolding rental and hiring), L663900 (Other goods and equipment rental and hiring n.e.c.).</li> <li>❖ ANZSIC classes N731300 (Gardening services), and N732000 (Packaging services)</li> <li>❖ ANZSIC group S942 (Machinery and Equipment Repair and Maintenance)</li> </ul>
Construction	❖ ANZSIC division E (Construction)
Automotive	<ul style="list-style-type: none"> <li>❖ ANZSIC subdivision G39 (Motor Vehicle and Motor Vehicle Parts Retailing)</li> <li>❖ ANZSIC group S941 (Automotive Repair and Maintenance)</li> </ul>
Rural	<ul style="list-style-type: none"> <li>❖ ANZSIC division A (Agriculture, Forestry and Fishing)</li> <li>❖ ANZSIC division B (Mining)</li> </ul>
Recreation	<ul style="list-style-type: none"> <li>❖ ANZSIC division R (Arts and Recreation Services)</li> <li>❖ ANZSIC class J551300 (Motion picture exhibition)</li> </ul>

**Figure A2.2: Economic sector concordance for all centre activities**

Economic sector	ANZSIC activities
Food retail	❖ ANZSIC subdivision G41 (Food Retailing)
Core retail	❖ ANZSIC subdivision G42 (Other Store-Based Retailing) except ANZSIC Group G426 (Department Stores)
Department stores	❖ ANZSIC Group G426 (Department Stores)
Hospitality	❖ ANZSIC subdivision H45 (Food and Beverage Services)
Medical	❖ ANZSIC classes Q851100 (General practice medical services), Q853100 (Dental services), Q853200 (Optometry and optical dispensing), Q853300 (Physiotherapy services), Q853400 (Chiropractic and osteopathic services)
Non-centre retail	❖ ANZSIC classes G423100 (Hardware and building supplies retailing) and G423200 (Garden supplies retailing)
Other activities	❖ Per Figure A2.1, with categories including the sectors specified in this table amended to exclude sectors in this table so as to avoid double counting

## Appendix 3      Retail Expenditure Model

This appendix summarises the methodology and parameters of the Formative Limited Retail Expenditure Model (“REM”).

Key inputs to the model are as follows:

- ❖ Geography. The REM covers all of NZ, with output at a Statistical Area 1 (“SA1”) level. That SA1 resolution is the most detailed statistic area for which economic and demographic data is published, and replaces meshblocks as the statistical area building block. Current SA1s used in the REM are SA1 2018.
- ❖ Household projections: the base household projections used in the REM are derived from Statistics NZ demographic projections, unless otherwise stated in an assessment. Statistics NZ release population projections ahead of household projections, often at least a year in advance. As updated projections become available, they are incorporated into the REM, applying relationships such as future population per household to enable derivation of updated (modelled) household projections prior to the household projections series being released by Statistics NZ.
- ❖ Retail Trade Survey: The REM quantifies total retail spending in New Zealand consistent with spending provided in the RTS. The RTS provides sales for 43 classes (essentially storetypes) in the retail trade (ANZSIC division G) and accommodation and food services (ANZSIC division H) sectors, at a national level. Sub-national (multi-regional) data is also used for groups of ANZSIC classes to refine the geographic distribution of sales.
- ❖ National level retail spending in each ANZSIC class is split to spend by households, domestic tourists, international tourists and businesses.
- ❖ Household Economic Survey: The HES provides national level retail expenditure by ANZSIC class for income deciles. This is used to understand the share of spending in each storetype that is undertaken by households in each income decile.
- ❖ NZDep2018 Index of Deprivation: NZDep2018 provides SA1 level deprivation deciles, which are used to distribute national level retail spending geographically, in conjunction with the multi-regional RTS data. This sub-national distribution of retail spend also factors in average household size.
- ❖ Tourism spending in each retail class is quantified using sub-national information from Marketview NZ and the Statistics NZ Tourism Satellite Account. That tourism spend is distributed geographically around NZ using accommodation employment at SA1 level (from Statistics NZ Business Demography data), and also using the distribution of

unoccupied dwellings, taken as a proxy for holiday homes. Together these variables describe the spatial distribution of tourism in commercial and private accommodation. Given current uncertainty in tourism conditions, tourism numbers are projected to increase at 2% per annum.

- ❖ Business spending in each retail class is quantified using economic models of spending the economy, and includes spend by all businesses and government organisations. National level spending in each class is distributed geographically using the employment at SA1 level (from Statistics NZ Business Demography data), and adjusted using sub-regional economic model output to account for regional variations in spend. Future business spending is calculated using employment projections from Formative in-house economic models.
- ❖ Real retail spend growth is assumed to occur at 1% per annum. This growth is consistent with long-run trends over at least the last 20 years, and has been driven by increasing household wealth, and an increase in debt-funded spending, and reflects the trend for households to buy an increasing amount of retail products over time.
- ❖ Covid-19. The REM projects Business as Usual retail expenditure, and does not amend outputs to account for effects of Covid-19. Although those effects are significant in some retail and hospitality sectors, and some parts of the country, the retail projections are generally used for longer term planning, and assume that retail demand will remain, even if difficulty accessing supply exists in the short-term.



## Appendix 4      Marketview data

Marketview data, is sourced from Worldline (formerly Paymark), by way of customised data requests for specific research projects. Marketview data represents all electronic card spending in New Zealand, and will be supplied for each request as a specific aggregation of merchant types that is sufficiently broad so as to avoid giving rise to any confidentiality concerns, which in practice requires a minimum of three merchants in any merchant group in any one location.

Approximately 70% of transactions in New Zealand are processed on the Worldline core switch, which supports approximately 85,000 merchants, or roughly 70-75% of merchants in the industries represented. Although Paymark was originally owned by the four major banks of the late 1980s (BNZ, Westpac, ASB, National Bank), it is now owned by Worldline and every merchant in NZ has the option to be set up with Paymark, no matter where their merchant banking is conducted.

Through the information provided by Worldline and previous data sources Marketview have attached geographic and industry classifications to each merchant, aligning with Statistics NZ definitions wherever possible. For cardholder origin reporting Marketview attach a modelled home address where possible to every unique card that makes a transaction on the Paymark switch, based on purchase behaviours (i.e. where and when a card typically makes purchases).

For this assessment the data was structured as follows:

- ❖ Customer origins: 11, Dargaville, Mangawhai, Kaiwaka, Maungaturoto, Kaipara north, Kaipara central, Kaipara south, Whangarei District, Far North District, Rest of NZ, International
- ❖ Merchant location: 10, Dargaville, Mangawhai, Kaiwaka, Maungaturoto, Ruawai, Paparoa, Rest of Kaipara, Whangarei District, Far North District, Rest of NZ
- ❖ Storetypes: 3, Food retail, Core retail, Hospitality. The composition of these storetypes is the same as detailed in Figure A2.2, with the exception that department stores are included in the Core retail group rather than being a separate group.