

# Chapter 8: Masterton District Council HBA





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## Key Findings

*Population Growth: The Masterton District forecast projects population growth of 13,200 between 2022 and 2052.*

*Housing Capacity: This assessment has identified sufficient housing capacity to meet demand over the short, medium, and long-term periods.*

*Business Demand: There is highest demand for healthcare and industrial land in the Masterton District.*

*Business Capacity: There is sufficient development capacity on business land to meet demand over the long term.*

*Infrastructure Capacity: Remains an ongoing challenge, with long-term constraints on water supply capacity. The local road network, State Highway network, public transport, open space, and education have sufficient capacity to meet future demand.*

## 8.1 District Context

### 8.1.1 The Masterton District

The Masterton District covers 2,300 square kilometres and sit between the Tararua Ranges to the west, the Pacific Ocean to the east, the Tararua District to the north, and the Carterton District to the south. Historically, development and growth has concentrated in the Masterton township, with some smaller settlements spread throughout the rest of the district.

### 8.1.2 The Long-Term Plan 2021-2031

The Masterton District Council adopted amendments to the Long-term Plan in June 2022. This document outlines the growth and demand assumptions for the district over the next 10 years.

The data contained in the Long-Term Plan will provide a base assumption for population growth throughout the district and informs the development of land to appropriately service current and future residents. Urban, rural, and business areas are all essential to the effective operation of the district, and all require infrastructure, services, and facilities which depend on targeted investment decisions and planning.

This combination of documents provides specific detail on how the Masterton District will work alongside and achieve the objectives of the Wellington Regional Growth Framework.

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### 8.1.3 The Wairarapa Combined District Plan

The Wairarapa Combined District Plan became operative in May 2011 and provides an overall approach to development in the three Wairarapa districts of Masterton, Carterton, and South Wairarapa. Since being made operative, there have been a few plan changes, mostly of a site-specific nature rezoning land for urban development.

As District Plans must be reviewed every 10 years, the Wairarapa Combined District Plan is due for review and renewal, which is underway currently. The review will also incorporate any recent changes in legislation, national and regional policy statements, environmental standards, and other regulations.

A new non-statutory Draft District Plan was released for informal consultation in October 2022. The Draft District Plan follows a similar approach to the Operative District Plan. Following the receipt of feedback on the draft and subsequent analysis, a 'Proposed' District Plan will be publicly notified later in 2023.

The relevant housing and business objectives of the Proposed District Plan include:

- ensuring Wairarapa's urban areas grow in a planned, efficient, and structured way;
- ensuring there is enough urban land supply for housing, business, and recreational needs;
- ensuring urban growth and infrastructure provision occurs in an integrated manner;
- ensuring Wairarapa has vibrant town centres.

The Operative and Proposed District Plans provide for residential and business land uses across the Wairarapa through zoning. They identify areas for future growth and expansion, manage several other issues including natural hazards, open spaces, transport, rural subdivision, and sites and values of importance to Tangata Whenua.

### 8.1.4 'Thrive' Wairarapa Economic Development Strategy

The Wairarapa Economic Development Strategy was developed to maintain momentum in the region's economy and plan for a future which allows for growth. The Strategy is a collaborative venture between the three Wairarapa Councils and WellingtonNZ (the regional economic development agency). The strategy is based on a close study of the Wairarapa's economy and community, identifying key characteristics of the region which help define its direction and priorities. It provides a function to ensure that resources and effort are aligned behind the region's priorities and is reviewed every 3 years, in line with the Long-Term Plan process. These priorities are outlined in an 'action plan' which include initiatives linked to financial years under the Long-Term Plan. In relation to growth, the strategy has established several key priorities to support land use optimisation (e.g. facilitating land-use diversification) and enabler activities (e.g. supporting the delivery of an updated water resilience strategy for Wairarapa). These actions will be undertaken between 2023 and 2025.

### 8.1.5 Housing Strategy and Housing Needs Assessment

The Masterton District has been growing faster than what had been previously projected, a trend which is likely to continue. A higher population growth rate increases the amount of new housing required, and Council officers have already identified future growth areas throughout Masterton. While projections are for the Masterton District as a whole, the majority of this population will be residing in the Masterton urban area. This is supported by the development trends seen through building and subdivision consents.

Over the next 30 years, an additional 6,193 dwellings will need to be built, with the most demand for smaller dwellings. A theoretical lot/dwelling yield has been calculated based on the current provisions of the Operative District Plan, which indicates the capacity of the Masterton urban areas is in the order of 11,000 – 11,500 dwellings/lots. Identification of potential growth and intensification areas was completed by Council officers, and this assessment will determine the key characteristics, features, challenges, and constraints associated with each site and their overall suitability for development.

## 8.2 Residential Assessment of Development Capacity and Findings

This section provides context and assessment of residential development capacity for the Masterton District over the short (3 years), medium (10 years), and long term (30 years).

### 8.2.1 Current population and future forecasts

The Sense partners median forecast has analysed predicted growth over the short-term (2022-2025), medium-term (2025-2032), and long-term (2032-2052) periods (3, 10, and 30-year periods).

*Table 8: Total projected population by short, medium, and long-term periods for the Masterton District, 2022-2052.*

Type	Projected Population				Projected Population Change			
	2022	2025	2032	2052	2022-2025	2025-2032	2032-2052	Total
Sense Partners Median	28,900	30,500	33,900	42,100	1,600	3,400	8,200	13,200

### 8.2.2 Forecast Housing Demand

Projected demand for dwellings and dwelling type is set out in the tables below. In accordance with the National Policy Statement on Urban Development 2020 (NPS-UD), a margin of 20% is added to the short and medium-term demand, and 15% to the long-term demand. The inclusion of this buffer ensures there is additional capacity to support competitiveness in housing demand.

Table 9: Dwelling demand (including competitive margin) for the Masterton District 2022-2052

Type	2022-2025	2025-2032	2032-2052	Total
Sense Partners Median	634	2,137	3,422	6,193
Demand with competitive margin	760	2,564	3,935	7,259

In addition to addressing overall demand, the assessment considers the location of demand. For the purposes of this assessment, Masterton was divided into two broad “housing catchments” as shown in Figure 8.1 below.

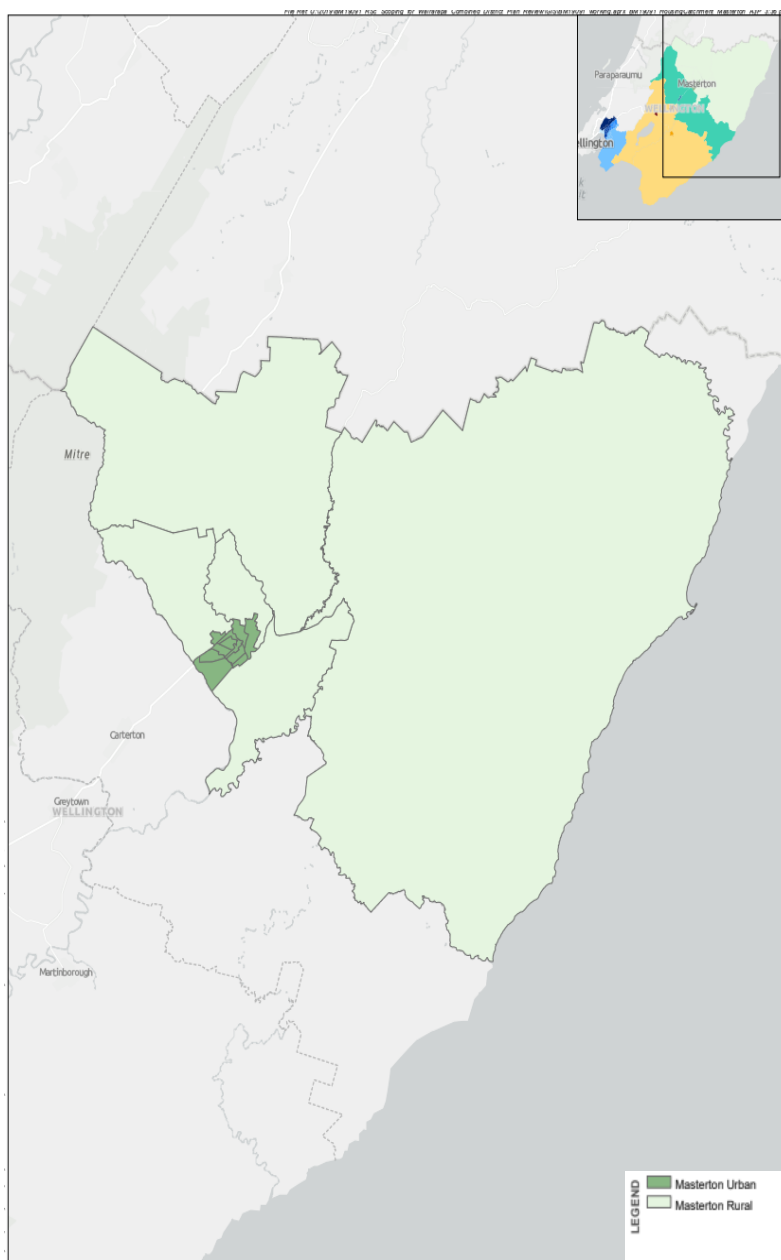


Figure 12: The two housing catchments in the Masterton District.

These housing catchments are groupings of suburbs which were selected for containing broadly similar housing markets. Table 8.3 below shows which Statistics New Zealand Statistical Area 2 areas are included in each catchment.

*Table 10: Statistical Area's included in each housing catchment.*

Housing catchment	SA2 areas included
Masterton Urban	Lansdowne East Lansdowne West McJorow Park Cameron and Soldiers Park Masterton Central Douglas Park Ngaumutawa Kuripuni Solway North Solway South
Masterton Rural	Upper Plain Opaki Homebush -Te Ore Ore Whareama Kopuaranga

The Table 8.4 shows demand by housing types across the two catchments.

Table 11: Demand for additional dwellings (with competitive margin) by housing area and typology, 2021-2051.

	2021-2024	2024-2031	2031-2051	Total <sup>1</sup>
<b>Masterton Urban</b>				
Stand-alone housing	441	1,087	1,523	<b>3,051</b>
Joined housing	220	1,325	1,827	<b>3,372</b>
Total	663	2,415	3,333	<b>6,411</b>
<b>Masterton Rural</b>				
Stand-alone housing	81	126	491	<b>698</b>
Joined housing	7	16	101	<b>124</b>
Total	89	143	595	<b>827</b>
<b>Total</b>				
Stand-alone housing	<b>522</b>	<b>1,213</b>	<b>2,014</b>	<b>3,749</b>
Joined housing	<b>227</b>	<b>1,341</b>	<b>1,928</b>	<b>3,496</b>
Total	<b>749</b>	<b>2,554</b>	<b>3,942</b>	<b>7,245</b>

The assessment of demand by area shows that there is a higher demand for housing in the Masterton Urban catchment than there is in the Masterton Rural catchment. In the short term, there is higher demand for standalone housing in the Masterton Urban environment. However, in the medium and long term there is a switch, where there will be a higher demand for joined housing. Standalone housing consistently has higher demand in the Masterton Rural catchment, and is still providing for slightly more of the future growth in the District.

### 8.2.3 Market analysis and demand for housing (pressures and activities)

Clause 2.23 of the NPS-UD requires every HBA to include analysis of how the local authority's planning decisions and provision of infrastructure affected the affordability and competitiveness of the local housing market. This analysis must be informed by:

1. Market indicators, including:
  - a. indicators of housing affordability, housing demand, and housing supply; and
  - b. information about housing incomes, housing prices, and rents; and
2. Price efficiency indicators.

<sup>1</sup> Due to rounding, there is a slight discrepancy between the totals in this table.

The following section outlines the latest updates to the relevant market and price efficiency indicators produced by the Ministry of Housing and Urban Development and the Ministry for the Environment. The subsequent discussion will consider the implication of these indicators.

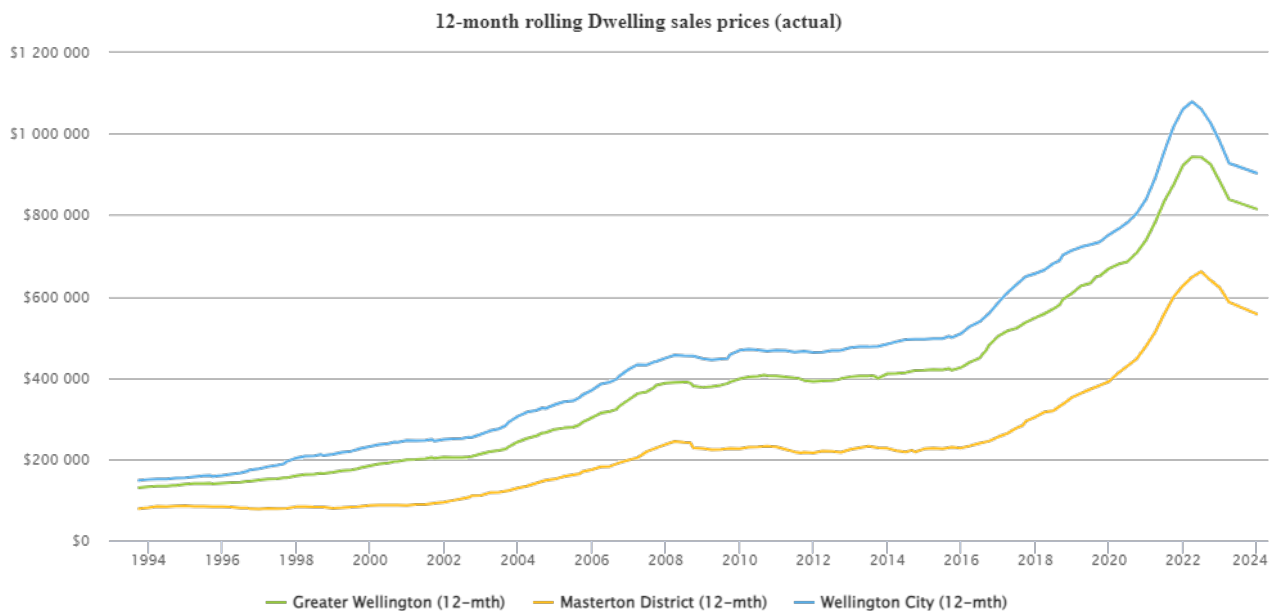


Figure 13: Median residential dwelling sale price for the Masterton District. Source: MHUD.

The Residential Sale Price indicator shows an increase in sales prices in the Masterton District beginning in early 2016, which followed a period of low growth from 2008 to 2015 and an earlier period of growth in the early 2000s. However, the sales prices peaked in 2022, and have been declining since. This decline in sales prices in the Masterton District broadly tracks with the regional and national trend.



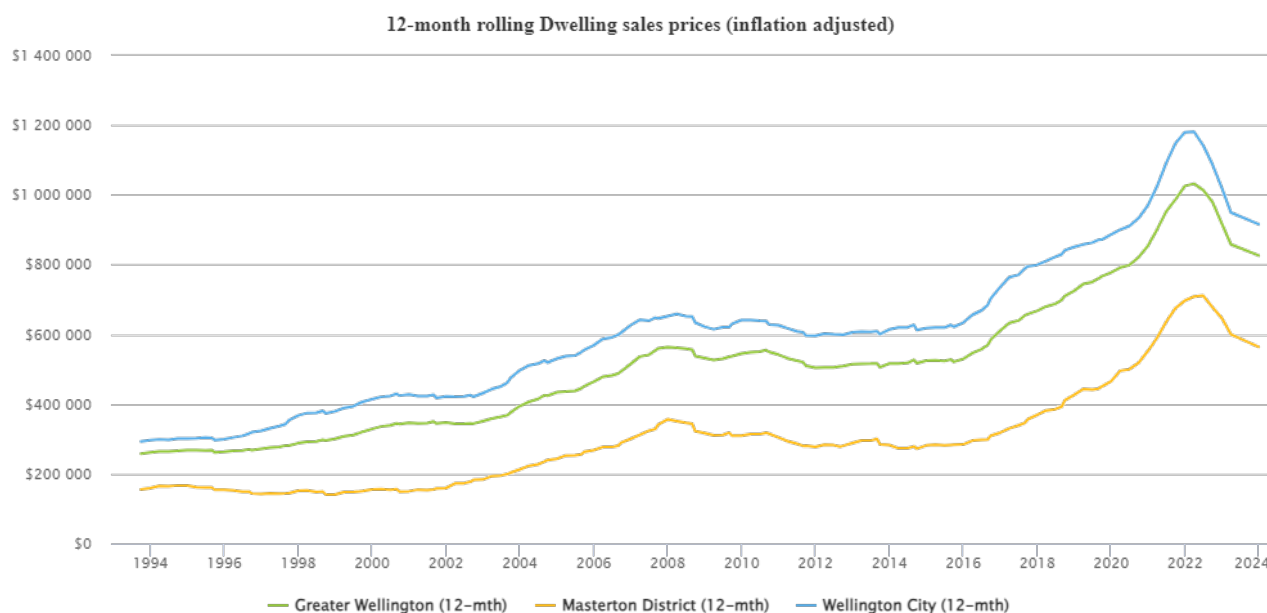


Figure 14: Median residential dwelling sale price for the Masterton District adjusted for inflation. Source: MHUD.

This indicator above shows the median prices of residential dwellings sold in each quarter adjusted for inflation. The inflation adjusted dwelling sales price indicator shows a trend of declining housing prices in the Masterton District commencing from 2022.

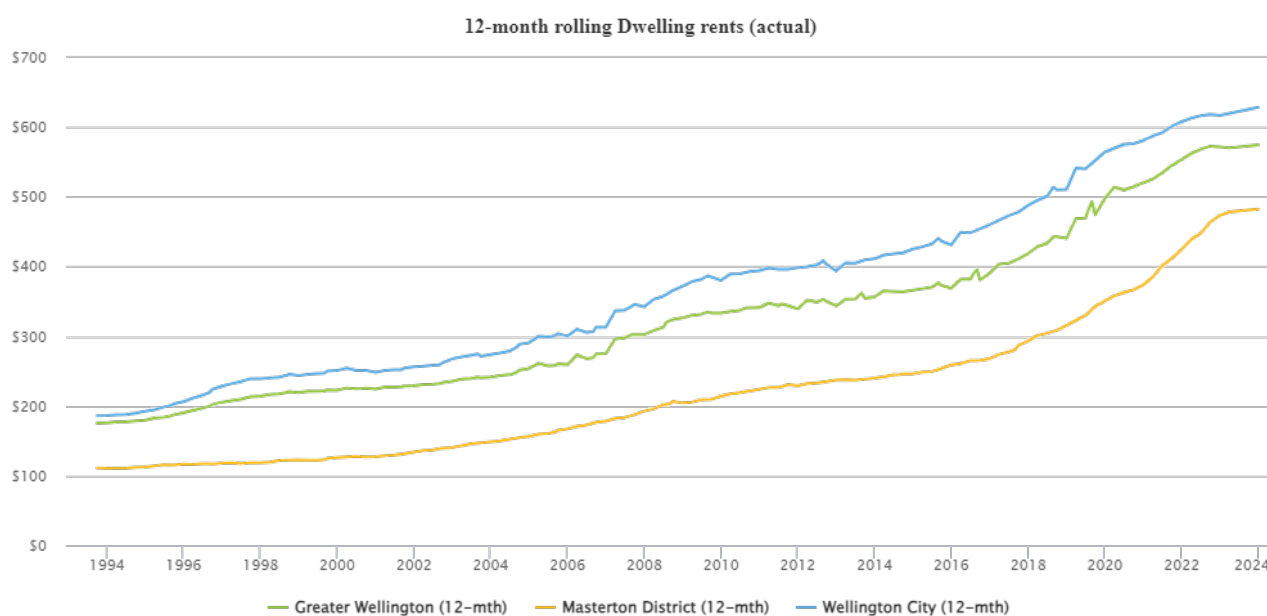


Figure 15: Average dwelling rents in the Masterton District. Source: MHUD.

The rent indicator for the Masterton District shows rent prices rapidly increasing since 2015, which followed slight growth between 2010 and 2015. Since 2022, rent prices have plateaued. This trend

in rent prices in the Masterton District is consistent with the wider Wellington Region and other Wairarapa Districts.

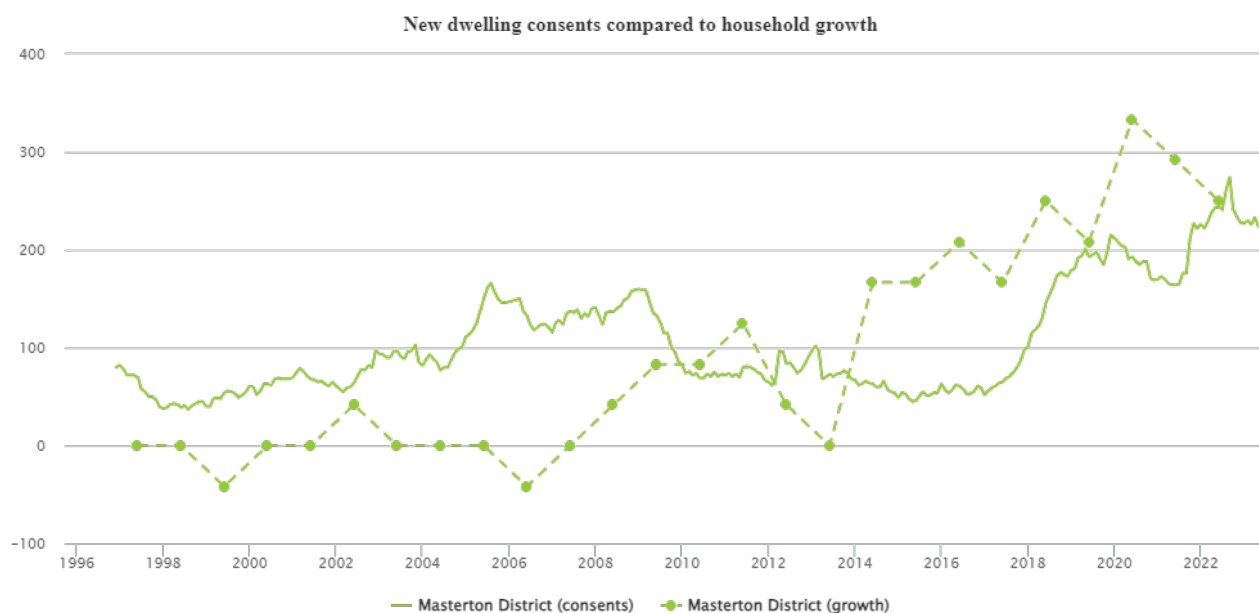


Figure 16: New dwelling consents compared to household growth for the Masterton District. Source: MHUD.

The comparison of new dwelling consents to household growth shows that between 2013 and 2023 the growth in new households outpaces the growth in new dwelling consents in the Masterton District. There has been a decline in the number of new households in the district and, aside from a brief peak in early 2022, the number of new dwelling consents has stayed around 230.

Based off these indicators, a picture has emerged of the current housing market and demands. The Masterton District has experienced a decline in dwelling sales price and a plateau in rent price since 2022. Alongside this, the growth in new households is similar to the number of new dwelling consents. This suggests that new households have been forming within existing buildings, such as occupying previously vacant buildings, converting existing buildings for residential uses or more intensively using existing buildings. It also indicates there could be future demand for new buildings due to the demand for new households. This trend is inconsistent with what is being experienced across the Wellington region.

### Price Efficiency Indicators

The NPS-UD requires Councils to monitor a range of price efficiency indicators. These indicators seek to provide a deeper insight into the operation of the land market and the role of planning interventions in it.

There are four such indicators:

- Price Cost Ratio
- Rural-Urban Differentials

- Industrial Differentials
- Land Concentration Index

These indications are produced by the Ministry for Business, Innovation and Employment and the Ministry for the Environment. They are reproduced directly.

The price cost ratio indicator provides an insight into the responsiveness of the land market, relative to construction activity. In short, it monitors the proportion of land cost to the cost of a home. The ratio is composed of the following:

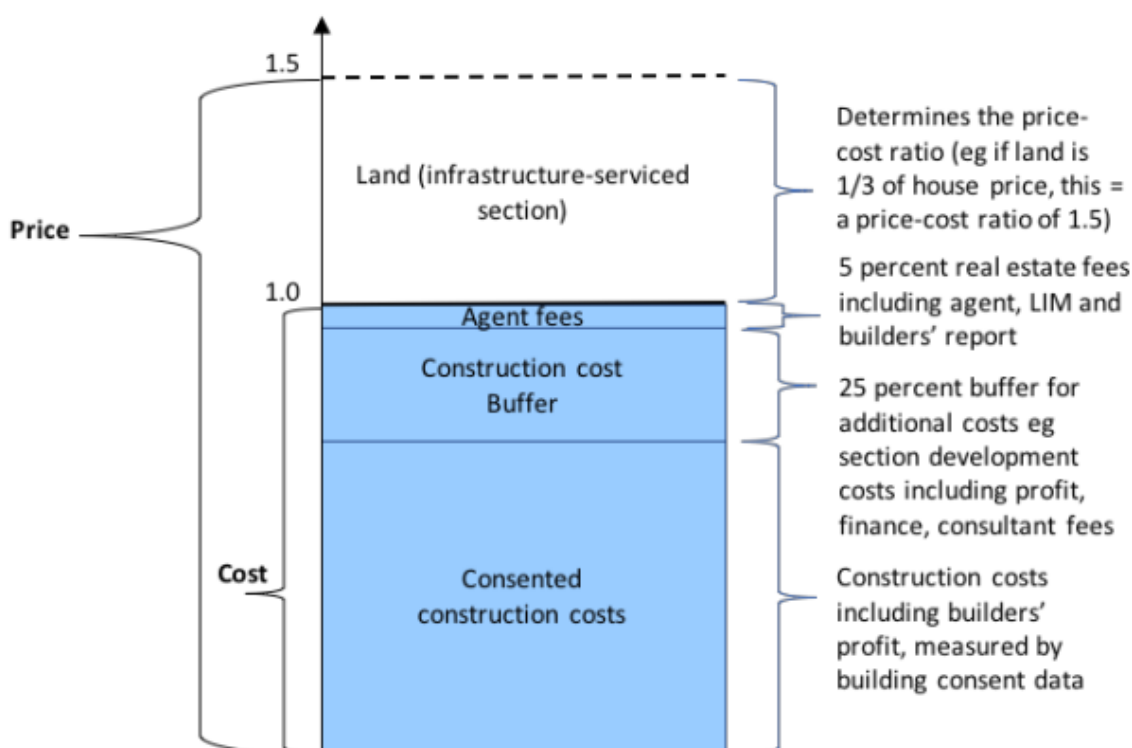


Figure 17: The components of the price-cost ratio. Source: MfE.

The ratio of below one indicates that houses are selling for a price below the cost of replacing them. Such a situation may occur in areas of no growth or contraction.

A price cost ratio of between 1-1.5 is historically common where the supply of land, and development opportunities, are responsive to demand. All urban areas in New Zealand had a ratio of between 1-1.5 some 20 years ago. In areas of New Zealand with more affordable housing markets, such ratios are still common.

A price cost ratio above 1.5 suggests, with some caveats, that land supply and development opportunities are not keeping up with demand. As a result, land prices are having an effect on house prices.



The price cost ratio for the Masterton District is shown below in Figure 8.7. It shows that the price cost ratio is approximately 1.12 suggesting that the supply of land and development opportunities are responsive to demand in the District. The Masterton figure is lower than that of Wellington City and the Greater Wellington Region historically, but similar to both of them in 2023. This suggests that what Masterton is experiencing is consistent across the region.

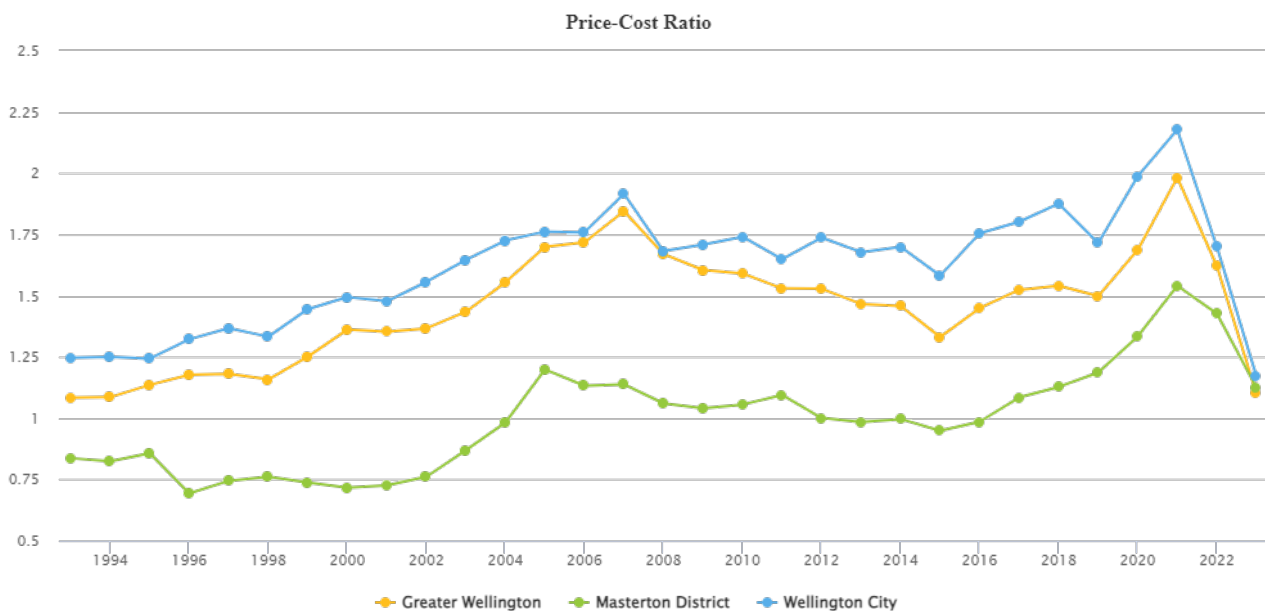


Figure 18: Price-cost ratio for the Masterton District. Source: MHUD.

#### 8.2.4 Residential development capacity – theoretical, feasible, and realisable

This section provides the assessment of residential development capacity calculated from the Wairarapa Combined District Plan (including the Draft Wairarapa Combined District Plan).

Theoretical development capacity is identified for all residential, future urban, and greenfield zones based on their underlying zoning and development controls.

Table 12: Theoretical residential development capacity by Masterton District statistical area.

Type	Theoretical Capacity			Total
	Residential	Future Urban	Residential Greenfield	
Cameron and Soldiers Park	830	-	141	971
Douglas Park	1,054	-	123	1,177
Homebush-Te Ore Ore	-	-	-	-
Kuripuni	919	-	290	1,209
Lansdowne East	2,033	-	1,244	3,277
Lansdowne West	1,257	-	273	1,530
Masterton Central	154	-	-	154
McJorow Park	704	-	162	866
Ngaumutawa	800	-	73	873
Opaki	143	527	120	790
Solway North	1,444	-	294	1,738
Solway South	2,904	-	-	2,904
Upper Plain	284	1,979	98	2,361
Whareama	834	-	-	834
<b>Total</b>	<b>13,360</b>	<b>2,506</b>	<b>2,818</b>	<b>18,684</b>

Next, the feasibility of theoretical development capacity is assessed. This assessment draws on a range of development factors including land costs, building costs, and sales values to inform what development scenarios are profitable. This indicates the extent to which theoretical development is feasible to develop at this point in time.

Table 8.6 13: Feasible residential development capacity by Masterton District statistical area.

Type	Feasible Capacity			Total Feasible Capacity
	Theoretical Capacity	Feasible Standalone	Feasible Terraced	
Cameron and Soldiers Park	971	138	232	370
Douglas Park	1,265	221	231	452
Homebush-Te Ore Ore	162	-	-	-
Kuripuni	1,453	228	217	445
Lansdowne East	3,277	348	1,507	1,855
Lansdowne West	1,539	246	548	794
Masterton Central	1,525	27	522	549
McJorow Park	866	3	46	49
Ngaumutawa	876	101	301	402
Opaki	790	228	441	669
Solway North	2,085	344	283	627
Solway South	3,292	384	1,122	1,506
Upper Plain	2,933	147	2,275	2,422
Whareama	839	438	3	441
<b>Total</b>	<b>21,873</b>	<b>2,853</b>	<b>7,728</b>	<b>10,581</b>

Finally, we identify realisable development capacity. This is the amount of feasible development capacity that is likely to come forward and be realised. This assessment includes the consideration of other motivating factors, as landowners may have different objectives for their land and may not wish to sell to a developer or develop it themselves even if it is profitable to do so. These motivations will influence the likelihood of development being taken up under current market conditions.



Table 14: Realisable residential development capacity by Masterton District statistical area.

Type	Realisable Capacity			Total Realisable Capacity
	Theoretical Capacity	Realisable Standalone	Realisable Terraced	
Cameron and Soldiers Park	971	33	39	72
Douglas Park	1,265	261	84	345
Homebush-Te Ore Ore	162	-	-	-
Kuripuni	1,453	238	120	358
Lansdowne East	3,277	382	1,181	1,563
Lansdowne West	1,539	219	350	569
Masterton Central	1,525	32	442	473
McJorow Park	866	-	-	-
Ngaumutawa	876	104	220	324
Opaki	790	263	348	611
Solway North	2,085	265	157	422
Solway South	3,292	306	261	567
Upper Plain	2,933	297	1,959	2,256
Whareama	839	407	1	408
<b>Total</b>	<b>21,873</b>	<b>2,807</b>	<b>5,162</b>	<b>7,968</b>

### 8.2.5 Sufficiency of residential capacity

In considering whether there is sufficient development capacity to meet housing demand, it is useful to look at the comparison while also considering other factors, including recent residential development rates. Recent rates of residential new builds provide an indicator of capacity for delivering housing.

Recent building consent rates for new builds are contained in the supporting HBA monitoring information and show a significant increase in the average number of new residential (stand-alone and joined housing) builds per year over the last 5-year period compared to the previous 5-year period. From 2012 to 2016 the average number of new residential dwelling units consented was 63 per annum ranging from 51 – 74 per annum. From 2017 to 2022 the average number of new residential units consented was 188 per annum ranging from 157 – 253 per annum.

The table below compares the demand (with competitive margin) for housing by type against the realisable development capacity.

Table 8.815: Demand (with competitive margin) for housing type against the realisable development capacity.

	Demand	Capacity	+/-
<b>Masterton Urban</b>			
Stand-alone housing	3,051	1,840	-1,211
Joined housing	3,372	2,854	-518
Total	6,411	4,693	-1,718
<b>Masterton Rural</b>			
Stand-alone housing	698	967	269
Joined housing	124	2,308	2,184
Total	827	3,275	2,448
<b>Total</b>			
Stand-alone housing	<b>3,749</b>	<b>2,807</b>	<b>-942</b>
Joined housing	<b>3,496</b>	<b>5,162</b>	<b>1,666</b>
Total	<b>7,245</b>	<b>7,968</b>	<b>723</b>

The differences provide us with an indication of areas that are reasonable aligned, and those that are mismatched. These numbers are based on reasonable demand, as future demand takes into account future changes which may not be realised. The realisable capacity is a current consideration, which has the ability to change and adapt to demand over time. It provides a helpful indicator of whether housing capacity can meet the demand.

This allows for the assumption that demand can change over time.

Table 8.1016: Demand and realisable capacity of housing typologies over time, Masterton District, 2021-2051.

Housing typology	2021-2024		2024-2031		2031-2051	
	Demand	Realisable <sup>1</sup>	Demand	Realisable	Demand	Realisable
Stand-alone housing	522	290	1,213	989	2,014	1,527
Joined housing	227	534	1,341	1,820	1,928	2,809
Total	749	824	2,554	2,809	3,942	4,225

Table 8.11 17: Overall summary of supply to meet demand, Masterton District, 2021-2051.

Type	2021-2024	2024-2031	2031-2051	TOTAL
Demand (with competitive margin)	749	2,554	3,942	7,245
Development capacity (realisable)	824	2,809	4,225	7,858
Balance	75	255	283	613
Sufficiency	Yes	Yes	Yes	Yes

## 8.3 Business Assessment of Development Capacity and Findings

Identification of the overall sufficiency of development capacity to meet the future demand for business in the Masterton District over the short (3 years), medium (10 years), and long-term (30 years) is also important.

### 8.3.1 Business Areas

The Masterton township has several commercial and industrial areas which service the District. Commercial and retail centres are found in the centre of the urban area, along the State Highway and Queen Street (the main street). The industrial areas are found at the periphery of the urban area, to the north-west of the township along the heavy traffic bypass (Ngaumutawa Road) and along the southern stretch of the State Highway. Under the Operative Wairarapa Combined District Plan, these areas are provided for as part of the Commercial and Industrial zones.

<sup>1</sup> Realisable capacity figures per year have been calculated based on the percentage change of the demand figures.



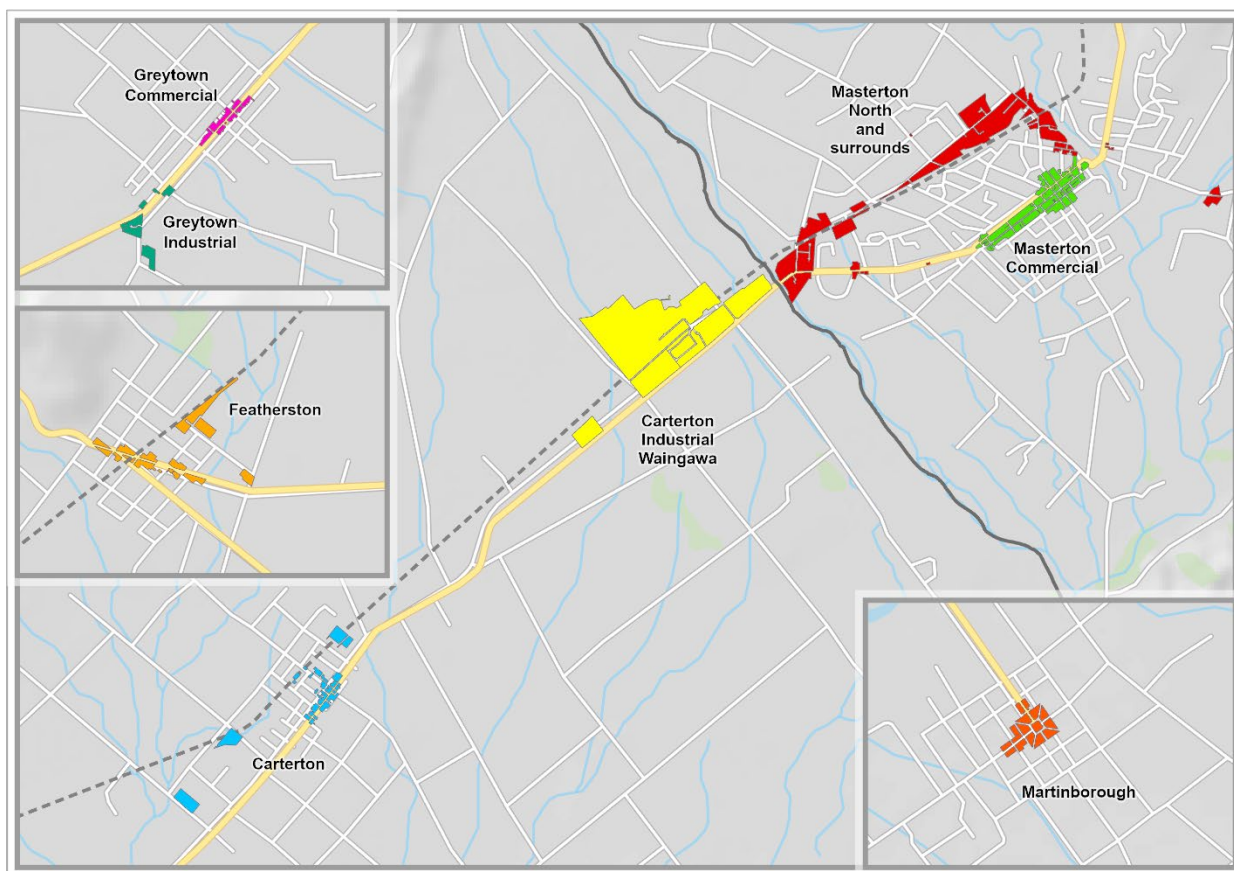


Figure 8.819: Map showing the two Business Areas in the Masterton District.

### 8.3.2 Key Business Stats and Figures

Masterton is the primary services town for the Wairarapa. This is reflected in the higher share of commercial jobs compared to Carterton and South Wairarapa Districts. The relative proximity between the three districts, and the easy-going travel between them, means that Masterton is readily able to serve the whole Wairarapa.

Transport improvements will have a positive impact on economic activity in the Masterton District. However, the Remutaka Ranges remain a considerable barrier to accessing the wider Wellington Region. Investment in the rail network, while delivering significant travel time reductions between Wellington and the Wairarapa, is still restricted by low frequency.

Sense Partners have prepared employment projections for the Masterton District, shown in Figure 8.9. These include baseline projections and an adjustment for the impact of key transport projects, including the Northern Corridor, Riverlink, and Rail Network Investment. The impact of Let's Get Wellington Moving was assessed separately, as the effect on the Masterton District is relatively small.

### Employment projections by sector, Masterton

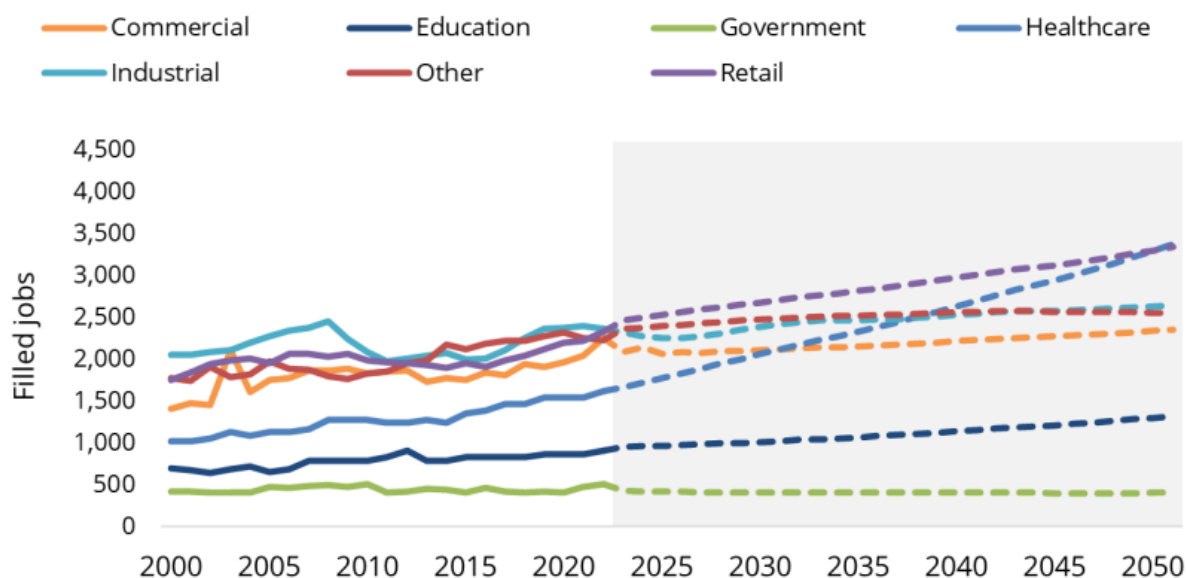


Figure 8.9 8.920: Employment projections by sector. Source: Sense Partners.

Employment growth is strongest in sectors that service a growing population, including retail and healthcare. Growth in the education sector is slower, due to the largest population growth being in older demographics, particularly retirees. In the future, if there were to be a major change in transport links connecting the wider region to the Wairarapa, the District may begin to see more commuter families move into the area. This is similar to what is being seen in Kāpiti with the opening of Transmission Gully Motorway.

Industrial employment for the Wairarapa is primarily located in Carterton District. This is an artefact of district boundaries, as the Waingawa industrial area is within the Carterton District jurisdiction though located closer to the Masterton township. This has triggered a fall in the projection of industrial employment for Masterton. However, much of the economic flow on impact of the industry at Waingawa will be experienced in Masterton, including population growth and a boost to retail and commercial services.

### 8.3.3 Forecast Business Demand

Sense Partners have provided a business demand forecast for the Masterton District. The Sense Partners 2022 population forecast update has been used as the basis to forecast business demand within the district over the short (3 years), medium (10 years), and long-term (30 years).

The projected land and floorspace required by sector are outlined in Table 8.11 below.

Table 8.12 8.1118: Demand for business land and floorspace by business sector over the short, medium, and long-term.

Type	Floorspace (m <sup>2</sup> )				Land (m <sup>2</sup> )			
	2022-2025	2025-2032	2032-2052	Total	2022-2025	2025-2032	2032-2052	Total
Retail	6,911	7,387	22,530	<b>36,828</b>	13,823	14,772	45,061	<b>73,656</b>
Healthcare	6,481	15,816	51,293	<b>73,590</b>	8,641	21,088	68,391	<b>98,120</b>
Education	2,462	2,898	12,247	<b>17,607</b>	3,283	3,863	16,330	<b>23,476</b>
Commercial	-3,299	1,035	4,217	<b>1,953</b>	-4,399	1,381	5,622	<b>2,604</b>
Government	-1,518	-113	-99	<b>-1,730</b>	-2,024	-151	-131	<b>-2,306</b>
Industrial	-15,341	26,215	28,706	<b>39,580</b>	-38,353	65,538	71,765	<b>98,950</b>
Other	6,656	4,303	1,996	<b>12,955</b>	8,874	5,737	2,663	<b>17,274</b>
<b>TOTAL</b>	<b>2,352</b>	<b>57,541</b>	<b>120,890</b>	<b>180,783</b>	<b>-10,155</b>	<b>112,228</b>	<b>209,701</b>	<b>311,774</b>

In accordance with the NPS-UD, a buffer of 20% is added to the short and medium-term demand, and 15% is added to the long-term demand. The inclusion of this buffer ensures there is additional capacity to support competitiveness. The resulting demand is as follows:

Table 8.13 Table8.1219: Demand for business land and floorspace with competitive margin by business sector over the short, medium, and long-term.

Type	Floorspace (m <sup>2</sup> )				Land (m <sup>2</sup> )			
	2022-2025	2025-2032	2032-2052	Total	2022-2025	2025-2032	2032-2052	Total
Retail	8,293	8,864	25,910	<b>43,067</b>	16,588	17,726	51,820	<b>86,134</b>
Healthcare	7,777	18,979	58,987	<b>85,743</b>	10,369	25,306	78,650	<b>114,325</b>
Education	2,954	3,478	14,084	<b>20,516</b>	3,940	4,636	18,780	<b>27,355</b>
Commercial	-2,639	1,242	4,850	<b>3,452</b>	-3,519	1,657	6,465	<b>4,603</b>
Government	-1,214	-90	-84	<b>-1,389</b>	-1,619	-121	-111	<b>-1,851</b>
Industrial	-12,273	31,458	33,012	<b>52,197</b>	-30,682	78,646	82,530	<b>130,493</b>
Other	7,987	5,164	2,295	<b>15,446</b>	10,649	6,884	3,062	<b>20,596</b>
<b>TOTAL</b>	<b>10,886</b>	<b>69,094</b>	<b>139,053</b>	<b>219,033</b>	<b>5,724</b>	<b>134,734</b>	<b>241,195</b>	<b>381,654</b>

#### 8.3.4 Market analysis and demand for business

Stakeholders have identified that some of the businesses located within the Masterton District are reliant on a customer base coming from Wellington City and the Hutt Valley. This includes both through traffic and local tourism. The issue of this reliance is a potential risk of the Wellington market being cut off, resulting in a significant impact on the economy. The reduction of through



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traffic during the COVID period had a noticeable impact on local retail outlets. However, there is now a higher volume of people coming to the area than pre-COVID.

It was also noted that the Masterton Town Centre is fully developed, with the creation of new floorspace through redevelopment of existing buildings and properties, including demolition and construction. There is a mix of offices and retail, with some residential dwellings present above the first storey. The District has also experienced an increase in lifestyle and technology businesses, showing a shift away from farming and agricultural retail. Since COVID, more people are working from home, a lifestyle change which is being supported by businesses.

It was also identified that while buses are set up to get people from homes to rail stations for commuting to Wellington, there are limited buses available for commuting between towns in the Wairarapa. This limits the opportunity for people to live and work in different towns in the Wairarapa and encourages people to leave the Wairarapa to work.

### 8.3.5 Business Capacity – Plan enabled, feasible, and realisable

This section provides the assessment of business development capacity calculated from the Draft Wairarapa Combined District Plan 2022.

The calculation of business capacity follows a similar process to that for residential capacity. Theoretical development capacity is identified for mixed-use, business, and industrial areas based on their underlying zoning and development controls.

The assessment looks at scenarios for infill and redevelopment, while also identifying vacant land. While the infill scenario identifies potential development capacity available alongside existing buildings, vacant land is a sub-category of the redevelopment scenario but is important as it identifies development capacity that is currently zoned and available for development.

A number of additional assumptions are made in the modelling of business land to help provide a more realistic identification of development capacity. This includes using ratios to split development capacity between residential and business uses in areas that enable mixed uses. Some zones also have additional site coverages applied. While many business zones do not have site coverages under the District Plan, these have been used to help provide a more realistic provision of the use of land and allows the use of space to provide for parking and accessways to support shops and services, and yard spaces in the case of industrial uses.

The last assumption applied is the heights of buildings used in industrial areas. While building heights in industrial zones enable multi-storey development, an assumption of single-storey development has been used across industrial areas to reflect the large warehouse and factory building typology which is predominate across this zone.

Further information on the modelling process and assumptions can be found in the supporting HBA methodology document.

Table 8.14: Business land capacity (m<sup>2</sup>) by business zone.

Business Zone	Existing floorspace	Infill floorspace	Redevelopment floorspace	Vacant
General Industrial Zone	93,485	620,372	737,195	620,372
Mixed Use Zone	93,164	1,933,373	2,377,661	483,343
Neighbourhood Centre Zone	9,657	65,690	87,021	21,897
Town Centre Zone	219,103	1,142,713	1,981,368	285,678
<b>TOTAL</b>	<b>415,409</b>	<b>3,762,147</b>	<b>5,183,245</b>	<b>1,411,290</b>

Given the complexities in modelling different potential uses of business land, a Multi-Criteria Analysis (MCA) has been used as a way of assessing the feasibility of development across business areas. The MCA uses a range of criteria to help identify relevant merits and constraints within business areas, to provide a picture of preferences for business development across the District. Details of the MCA process are available in Appendix 4.

Table 8.15: Business land capacity (m<sup>2</sup>) by business area - with MCA score.

Workshop Business Area	MCA Score	Existing floorspace	Infill floorspace	Redevelopment floorspace	Vacant
Masterton Commercial	48	226,869	1,174,345	2,023,179	293,586
Masterton North and Surrounds Industrial	50	188,540	2,587,802	3,160,066	1,117,703
<b>TOTAL</b>	<b>N/A</b>	<b>415,409</b>	<b>3,762,147</b>	<b>5,183,245</b>	<b>1,411,290</b>

In a similar way to residential development capacity, it is important to be realistic about the differences between current capacity enabled under the Wairarapa Combined District Plan, its take-up, and the current rate of development.

There is currently a gap between the bulk, height, and scale of existing buildings across the Masterton District compared to what is enabled under the District Plan. While a greater scale of plan-enabled capacity is available, this is not likely to be realised until market conditions are more supportive. This includes the growth and demand from population throughout the Wairarapa, but also competition around development of space.

The above analysis shows there is significant capacity for infill development and redevelopment of existing business land. This more intensive use of existing business land provides opportunities in all parts of Masterton for a range of commercial and industrial uses.

### 8.3.6 Sufficiency of business capacity

Unlike the residential assessment, the assessment of business is more difficult given the variety and type of activities. For this reason, a qualitative analysis uses a range of information sorted by zoned land type and business area.

The MCA results help to assess whether available development capacity is sufficient to meet future needs across the District.

While the future demand for business land is provided at a district level, we can use our understanding of current business activities to assume where future development might locate and the sufficiency of capacity in those areas. Overall, the assessment of the redevelopment, infill, and vacant land scenarios, identifies a large amount of development capacity is available to meet future business demand across the District.

The MCA also identified some clear preferences for business activities and where they might locate. Future retail, commercial, and government activities are likely to locate in Masterton Central, in the Mixed Use and Town Centre Zones.

*Table 8.16: Overall summary of supply to meet demand*

Type	2022-2025	2025-2032	2032-2052	TOTAL
Demand (with competitive margin)	10,886	69,094	139,053	219,033
Development Capacity	Redevelopment			5,183,245
	Infill			3,762,147
	Vacancy			1,411,290
Sufficiency				Yes

## 8.4 Infrastructure Capacity

The NPS-UD requires councils to provide sufficient development capacity to meet expected demand for housing. In order to be sufficient to meet expected demand the development capacity must be both plan-enabled and infrastructure-ready. According to clause 3.4(3) of the NPS-UD development capacity is infrastructure-ready if:

- in relation to the short term, there is adequate existing development infrastructure to support the development of the land
- in relation to the medium term, either paragraph (a) applies, or funding for adequate infrastructure to support development of the land is identified in a long-term plan
- in relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy (as required as part of its long-term plan).

*Infrastructure* is broadly defined. *Development infrastructure* refers to three waters<sup>6</sup> and land transport infrastructure. Other infrastructure refers to a broader range of infrastructure including open space, social and community infrastructure. The following section provides information on the Masterton District's existing and planned infrastructure and its adequacy to meet expected demand for housing.

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### 8.4.1 Three Waters

The Council has assessed Three Waters as part of their 2021-2031 Long Term Plan Infrastructure Strategy. Results from recent modelling indicate that without investment and planning, the Masterton District does not have sufficient capacity available across the existing three waters network to meet the medium to long-term growth needs.

#### **Water Supply**

Funding has been allocated in the Long Term Plan to construct storage reservoirs at the Kaituna Water Treatment Plant and extend the Millard Avenue supply, which will assist in maintaining adequate water supply. Ongoing exploration into future water supply to support growth is also planned. A renewals programme for aging pipes and increasing treated water capacity is also ongoing to ensure existing levels of service continue as growth occurs.

#### **Wastewater**

The Council are completing renewal work on wastewater infrastructure in the urban area, and at Castlepoint and Riversdale, as well as enhancing the performance of the Homebush Wastewater Treatment Plant to improve levels of service and accommodate future growth. These investments will ensure that medium to long-term growth capacity is met.

#### **Stormwater**

Masterton provides a limited stormwater network, including the use of natural channels and streams, to collect and dispose of surface water run-off from residential, commercial, and industrial properties in the urban area. The Council have an ongoing renewals and upgrade programme for their stormwater systems which is planned and funded through their Long Term Plan. This ensures that stormwater systems are maintained, and the impacts of growth are catered for. Flood protection work is also underway with GWRC, to decrease the likelihood of flooding impacting the urban area.

Without ongoing investment, Masterton is likely to face medium to long-term stormwater capacity issues.

### 8.4.2 Local Road Network

As part of their Long Term Plan and Infrastructure Strategy, the Council also assessed the local road network. They maintain approximately 279km of unsealed and 529km of sealed roads across their network.

The Council has a number of investment priorities under their Long Term Plan, including the ongoing renewal programme to improve the condition and safety of roads throughout the District. The Council is also urbanising and upgrading roads in response to existing/planned development including Millard Avenue, Gordon Street, Kitchener Street, and Chamberlain Road. Upgrades to the standard of footpaths to meet community expectations and future demand is also planned.

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This programme of renewals and upgrades will ensure that medium to long-term growth is accommodated, and that the local roading network does not constrain development capacity.

#### 8.4.3 State Highway Network

Waka Kotahi have provided an assessment of the impact of the state highway network on capacity and demand for business and housing land. This update is attached as Appendix 5.3.

State Highway 2 (SH2) is the only highway which passes through Masterton. SH2 connects Masterton to Carterton in the south and Tararua District to the north. In and around Masterton, SH2 functions as an urban connector or an activity street. North of Masterton, SH2 functions as an interregional connector. Waka Kotahi will be undertaking upgrades to SH2 – including safety improvements and speed review.

The capacity of the state highway is not a major constraining factor for development capacity in Masterton.

#### 8.4.4 Public Transport

A public transport assessment has been provided by the GWRC. The full assessment is attached as Appendix 5.1.

The District only has one bus service, which runs between Masterton and Martinborough several times a day. The Wairarapa Railway Line also runs through Masterton, which has five journeys per day between Masterton and Wellington Stations, providing a commuter rail service between Wellington City and Wairarapa.

Ongoing upgrades to the Wairarapa line will improve reliability and frequency of train services. These upgrades include installing signalling systems, replacing tracks, renewing bridges, and developing additional passing loops at Maymorn, Woodside, and Featherston.

Overall public transport does not present any critical constraints on growth in Masterton. However, further increases in capacity and frequency of services will be needed to service growth over the long-term.

#### 8.4.5 Open Space

As part of the Parks and Open Space Strategy and Long Term Plan, the Council assessed the future demand on open spaces across the district. Five growth areas were identified on the western and northern sides of Masterton's current urban area, due to their relatively unconstrained nature (particularly in terms of flood hazard risk and large infrastructure/land use compatibility). The western and northern sides have low levels of Council provided parks and open space, and poor connectivity and linkages. They are also located further from the key recreational Waipoua River Management Area and have less local benefit from this area.

Over the next 10 years, the Council plans to continue the investment and improvement of their open spaces, including developing a Reserve Management Plan for Queen Elizabeth II Park which will assist planning and prioritising future work. The Skate Park is also being revamped, and the

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recreational trail network expanded, in conjunction with the construction of a new cycle and pedestrian bridge over the Waipoua River, which will enable users to complete a 'river loop'. An ongoing programme to improve sports facilities is underway too, including the replacement of the all-weather athletics track surface at Colin Pugh sports bowl over a five year period. Delivery of these projects will result in an improved level of service, with new (and renewed) facilities enabling the delivery of more activities and services to the community.

The review of the Wairarapa Combined District Plan also presents an opportunity to provide District Plan provisions that encourage appropriately sized and well-located parks, open spaces, and infrastructure.

The existing recreational reserves/areas are sufficient to accommodate short-term population growth. Planned investment and upgrades (with the involvement of the parks and open spaces team during design/provision phases) are essential to ensure that medium to long-term growth and development capacity is met.

#### 8.4.6 Education

Masterton has 20 schools within its district boundary – 11 are state primary/intermediate schools (Mauriceville School, Lakeview School, Fernridge School, Douglas Park School, Opaki School, Solway School, Tinui School, Wainuioru School, Whareama School, Masterton Primary School, and Masterton Intermediate School), two are state secondary schools (Makoura College and Wairarapa College), two are state-integrated primary schools (St Patrick's School and Hadlow Preparatory School), four are state-integrated secondary schools (Chanel College, Rathkeale College, Solway College, and St Matthew's Collegiate), and one is a composite school (Te Kura Kaupapa Māori o Wairarapa).

While there are generally no significant capacity issues with local schools that would undermine growth, some schools face more roll pressure than others with limited space. In the medium to long-term, these capacity issues will need to be managed through the addition of classrooms and additional teaching staff to support further growth.