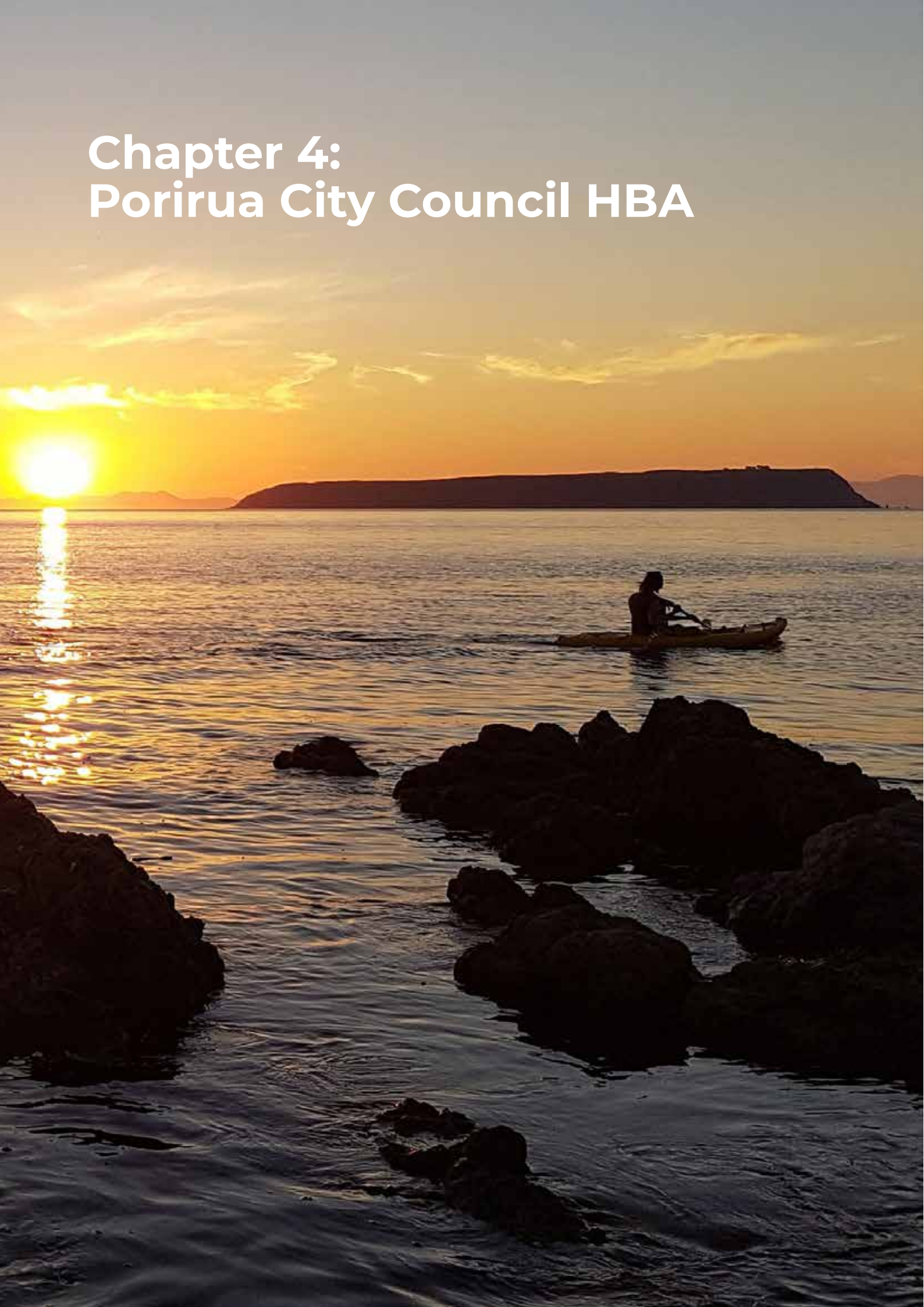


Chapter 4: Porirua City Council HBA



Key Findings

Population Growth: Population growth in Porirua continues at anticipated levels, and the population has grown by 3,000 since 2019 and is currently 62000. It is projected to reach 89,000 by 2051.

Housing affordability: Housing affordability is stabilising in Porirua. House prices continued their downward trend in 2023, although there continues to be an undersupply of housing. This is contributing to increasing rents, which is increasing faster than incomes are rising.

Housing supply: There has been an undersupply of new housing since 2014.

Housing Capacity: Modelling indicates that Porirua has plan enabled, feasible and realisable housing development capacity to meet short, medium and long-term housing need. Greenfield housing supply will contribute 34% of the total supply in the long-term.

Housing Sufficiency: Porirua has adequate enabled housing development capacity to meet the short, medium, and long term future demand based on population projections

Business sufficiency: there is considered enough enabled floor space for business purposes to meet demand for the next 30-years, and the overall supply of business floorspace is assessed as being sufficient. There is however insufficient zoned or identified future industrial land to meet demand over the next 30-years

Infrastructure: Porirua has constraints in its three waters networks which will need to be addressed to enable housing growth. Porirua's wastewater and water supply networks will not be able to meet required levels of service for the increasing population without significant investment. Increased investment in transport networks will also be required to enable expected population and housing growth.

4.1 Porirua City - background and context

4.1.1 Overview

Porirua City Council (PCC) is one of five territorial authority areas that make up the Wellington 'Tier 1' urban area as defined by the NPS-UD.

In 2021, Porirua's population was 62,075. Population projections estimate an increase of 26,983 people will be living in the City by 2052, with a total estimated population of 89,058¹.

¹ Sense Partners, 50th percentile forecast, June 2021

Through the Proposed District Plan, PCC has enabled sufficient housing capacity to cater for the increasing population and demand for housing, along with enabling sufficient floor space for business growth. There remains a shortfall in plan enabled industrial land in the long term.

PCC is planning for and investing in infrastructure to service this forecasted growth, especially three waters and transport infrastructure. Additional amenities and community infrastructure will also need to be provided to meet the needs of a growing and changing population, and planning for additional amenities is underway.

4.1.2 Vision, Community Outcomes and Strategic Priorities

Any discussion on housing supply and growth in Porirua needs to be considered within the context of PCC's overall vision, community outcomes and strategic priorities. Figure 1 below sets out Council's recently updated vision statement which provides the lens through which all Council led planning and investment is considered. Council's vision was updated in July 2021 and was adopted at the same time as the 2021 – 2051 Long term Plan.

Although enabling additional housing supply to meet demand and investing in infrastructure to service growth are strategic priorities for Council, they are not the only priorities. They need to be considered alongside other priorities such as restoring the health of the Te Awarua-O-Porirua catchment, proactively responding to the climate crisis, and providing for the needs of the community and young people. A holistic and integrated approach is therefore required to deliver on all of Council's strategic priorities.

Our vision

Porirua City, a great place to live, work, and raise a family

Community outcomes

Our people

We are diverse and inclusive – a city with lifelong economic and social opportunities



Safe, active and healthy communities

Genuine participation in city decisions

Young people at the centre of our whanau

Access to quality education and diverse employment opportunities

Our harbour

We have a healthy harbour and catchment – a thriving natural environment



A place to gather food

A place of recreation and enjoyment

Diversity of organisms

A taonga

Our home

We build to last and adapt to change



Thriving economy

Diverse housing options

Low carbon community

Ready for growth – infrastructure, homes and business

Sustainable use of resources

Connected and accessible transport

Strategic priorities

In the short term Council will focus on four things of key importance

Investing in 3 waters infrastructure and catchment restoration

Proactively responding to the climate crisis

Advocating for and providing a safe, healthy and thriving community

Putting children and young people at the heart of the city

Figure 4.1 – Porirua's strategic priorities

4.1.3 Porirua Growth Strategy 2048

The Porirua Growth Strategy 2048 is a guiding framework for growth in Porirua and was adopted in March 2019. It helps shape and influence ‘why’ and ‘where’ the city will develop over the next 30-years and beyond. It provides a clear direction for the growth of the city by:

- Setting out the key challenges facing Porirua now and in the future;
- Establishing six principles that underpin our community values;
- Providing direction to Council to help apply the principles; and
- Setting a broad spatial framework that shows where growth and change is likely to occur.

The six guiding principles set out in the Growth Strategy are:

- Principle tahi: A diverse and inclusive city
- Principle rua: A harbour-centred city
- Principle toru: A compact and liveable city
- Principle wha: A connected and active city
- Principle rima: A city of opportunities and prosperity
- Principle ono: A resilient city

Within the existing urban area, the Growth Strategy has a strong focus on compact, more intensive housing development centred around public transport hubs and established urban centres. It therefore promotes more efficient use of existing urban land, which is also a key factor in creating more affordable housing. It also supports investment in multi-modal transport options to support higher residential densities and reduce reliance on private vehicles.

The Growth Strategy also broadly identifies new greenfield areas suitable for residential purposes. These include the Northern Growth Area (NGA) and Judgeford Hills. These areas have subsequently been identified in the Proposed District Plan (PDP) as Future Urban Zone (FUZ).

The Growth Strategy is currently undergoing a refresh and the updated strategy will likely be adopted in late 2023.

4.1.4 Proposed District Plan

The PDP further considers and refines the approach set out in the Growth Strategy, including the spatial strategy. The PDP is PCC’s most important land use planning tool and aims to significantly increase housing supply, along with helping to achieve a variety of other vital and complimentary social, economic and environmental outcomes. It will be largely operative by 2023 to 2024.

Variation 1 to the PDP and Plan Change 19 to the Operative District Plan were notified in 2022 and implement the NPS-UD intensification policies and the MDRS¹. They also identify additional qualifying matters which limit intensification in areas where there are identified constraints to development or natural, historic or cultural values that require protection.

¹ *Medium Density Residential Standards*

The PDP sets the planning and policy framework for housing supply and urban development in Porirua through:

- Creation of several new zones that enable growth along with a variety of urban and non-urban land uses. Zones include Medium and High-Density Residential Zones, Commercial and Mixed Use Zones, Rural Zones and Special Purpose Zones;
- Measures to encourage housing intensification within existing residential areas through highly enabling rules in the High Density and Medium Density Residential Zones, Residential Intensification Precincts, and Commercial and Mixed-Use Areas. Buildings of at least 6-storeys are permitted in areas within a walkable catchment of the city centre and most train stations, 5-storeys within walking distance of local centres, and 3-stories in all other residential areas;
- Identification of greenfield (rural) areas suitable for future housing, industry and business as FUZ. There are three FUZ areas identified; the NGA and Judgeford Hills which are suitable for predominantly residential use, and Judgeford Flat which is suitable for predominantly industrial use;
- Incorporation of urban design guides for urban zones to ensure high quality and well designed and integrated built form;
- New objectives, policies and rules for District Wide matters that regulate and enable all types of infrastructure including three waters, transport, energy and telecommunications infrastructure; subdivision; earthworks; renewable electricity generation; noise, light and signs;
- A new risk-based approach to managing natural hazards including coastal hazards, seismic fault hazards and flooding hazards, with a low, medium and high-risk profile applying to a large number of properties across the City. The rules result in additional restrictions for properties located in hazard areas;
- Recognition and promotion of Tangata Whenua values, including through a Tangata Whenua Chapter written by Te Rūnunga O Toa Rangitira, a new Māori Purpose Zone at Hongoeka, and enabling papakaingā across the City;
- Identification of buildings and sites of historic and cultural importance, and new objectives, policies and rules in relation to how they are managed and protected;
- The identification and protection of areas of indigenous biodiversity, known as Significant Natural Areas (SNAs), including on private property. To enable their protection, the PDP restricts how land identified as being a SNA can be used; and
- The identification and protection of valued landscapes, natural features and areas of high natural character in the coastal environment.

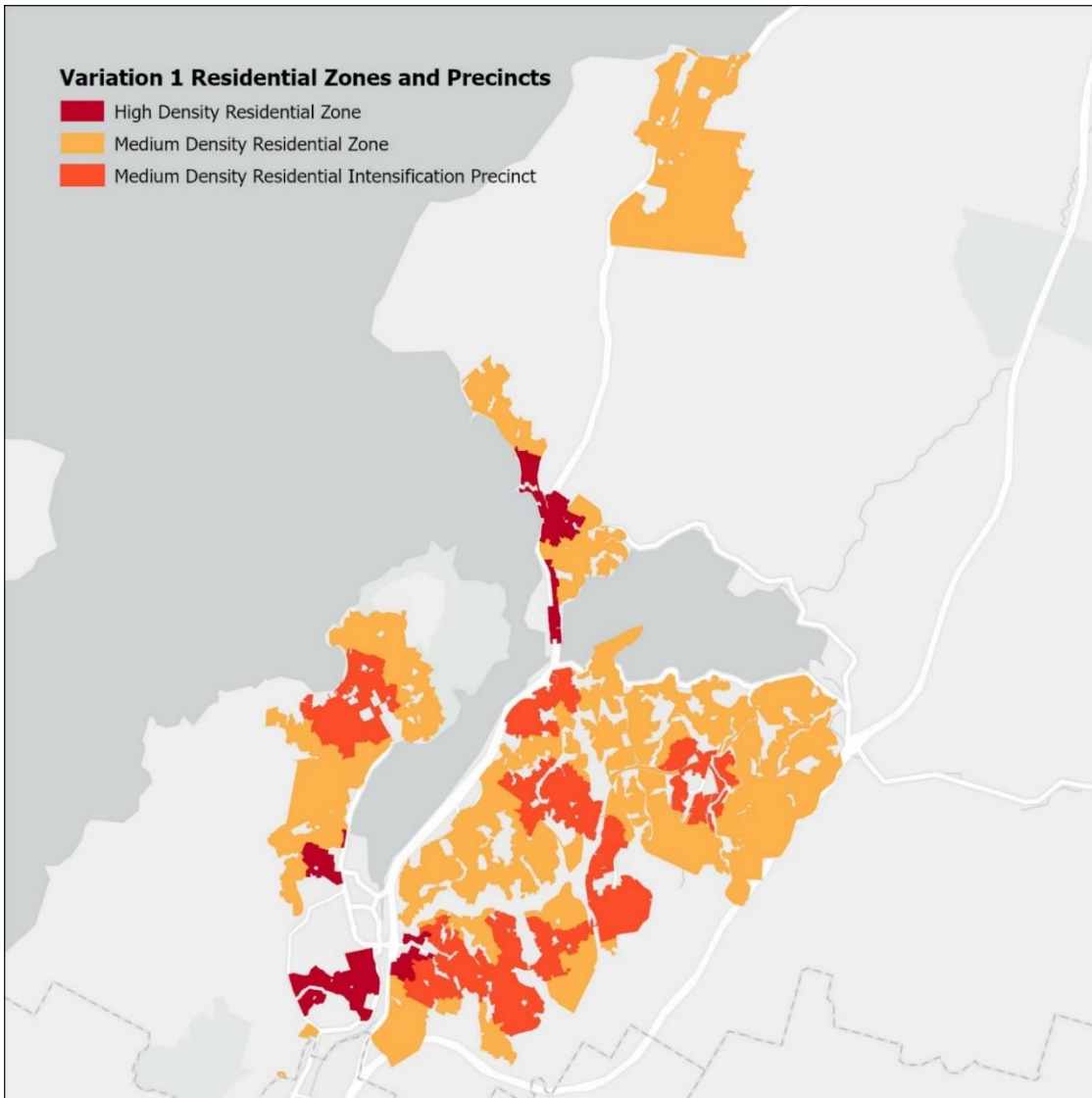


Figure 4.2 – Residential zones and precincts introduced through Variation 1 to the PDP

4.1.5 Growth Areas

The City Centre and Local Centres

The City Centre provides a wide range of commercial, cultural, community, recreational and residential activities that serve the city’s economic and social needs. Recent improvements to the urban form, such as the upgrade of Cobham Court, have improved the amenity of the City Centre and its attractiveness for a greater range of activities such as hospitality and residential activities. Variation 1 has set highly enabling policies and rules for residential activity above ground floor in the City Centre, and apartments are allowed up to 14-storeys subject to meeting design guidelines.

The existing local commercial centres, such as Whitby, Mana and Titahi Bay shopping centres, perform a vital economic and social function, and the existing hierarchy of centres is proposed to be maintained and strengthened. New policies and rules also permit residential dwellings and apartments in local centres above ground floor, typically up to 5-storeys in height.

Kenepuru Landing

Kenepuru Landing is a predominantly medium-density residential development just to the south of the City Centre. To date 300 new dwellings have been built comprising a combination of standalone, duplex and terraced houses. Given its proximity to the city centre, Kenepuru train station and a range of services and employment areas, it has been re-zoned to High Density Residential Zone through Variation 1. This means apartments up to 6-storeys can be built on the remainder of the site, and the total housing capacity has the potential to reach 1,100 dwellings. Ngāti Toa have recently taken ownership of the undeveloped area of the site and plan to develop it to its full potential over the medium to long-term.

Eastern Porirua

Kainga Ora, in partnership with PCC and Ngāti Toa, are leading the regeneration of Eastern Porirua. Kāinga Ora plans to refurbish 2,000 existing state houses to make them warmer, drier and safer, and build 1,800 new houses.

An Eastern Porirua Spatial Plan has been prepared to guide the regeneration project, along with masterplans for individual neighbourhoods and infrastructure investment is underway to support housing development. Older state homes that are past their best are being replaced with modern homes that are better suited to tenants' needs. Opportunities for home ownership are also being created through development of affordable homes. The regeneration project is also focussed on designing better neighbourhoods, including improved parks and streets, to improve amenity and make it safer and easier to get around.

The Northern Growth Area

The NGA is 1,036 hectares of greenfield land between Pukerua Bay and Plimmerton adjacent to SH59. The northern part of the growth area has been identified as being suitable for residential development as a FUZ in the PDP, while the southern part was rezoned to the Plimmerton Farm Zone in the Operative District Plan. The NGA has the capacity for up to 6,000 new houses along with supporting infrastructure and services.

The NGA is made up of seven major land holdings. Plimmerton Farm, the largest land holding at 400 hectares, has been re-zoned for residential development through a separate plan change process. The first stage of the Plimmerton Farm development is currently going through a fast track consenting process with over 1000 new dwellings proposed in a mixture of housing typologies including low rise apartments, terraced housing and standalone houses.

Two further land holdings, Mt Welcome Station and the Muri Road Block, are also going through a re-zoning process known as the Northern Growth Development Area which is part of Variation 1 to the PDP. A structure plan has been prepared to guide this development, and it has the potential for 1,500 houses.

Kāinga Ora has also selected the NGA for assessment as a Specified Development Project (SDP) under the Urban Development Act. If confirmed, this would set up a standalone planning

framework for the NGA, along with a new governance entity and funding arrangements for infrastructure and services. The SDP assessment process is still at an early stage.

Whitby and Aotea

There are several subdivisions and housing developments actively progressing within Whitby and Aotea. The Silverbrooke, Brookside, Exploration Way, Navigation Heights and Cleat St developments are at various stages of planning and building, with a total expected yield of 700 houses. Further housing intensification in and around Whitby Local Centre is also expected. The final stages of the Aotea development are progressing, with a potential for a further 200 houses.

Western Porirua

Ngāti Toa’s Community Housing Provider entity, Te Āhuru Mōwai, manages 700 former state houses in Western Porirua across Titahi Bay, Elsdon and Takapuwahia. As well as maintaining and upgrading existing housing, Te Āhuru Mōwai plans to develop its housing assets in the medium and long-term.

4.2 Residential assessment of development capacity and findings

4.2.1 Current population and future forecasts

Sense Partners have provided short, medium, and long-term growth projections for population and dwellings in Porirua for the period 2021-2051. The Councils have resolved to use the 50th percentile projections, and these projections are summarised in the table below for Porirua.

The Sense Partners 2021 population projections have been used as the basis for assessment of residential demand and sufficiency for Porirua City to ensure the Porirua HBA report is consistent with the PDP. This is because the evidence base with respect to Variation 1 to the PDP was based on the 2021 population projections, including the Property Economics expert evidence and responses to questions from the PDP Hearings Panel. The decision to continue using the 2021 projections was agreed to by Council, and was also discussed and agreed by the partner councils at the inception of the latest HBA reporting process.

Table 4.1: Population projection for Porirua 2021 - 2051

| | Estimated baseline total 2021 | Short term growth: 2021-2023 | Medium term growth: 2024-2030 | Long term growth: 2031-2051 | Total increase |
|------------|---|--|---|---------------------------------------|----------------|
| Population | 62,075 | 3,271 | 7,205 | 16,507 | 26,983 |

In addition to population growth, it is also important to understand changes in the age profile and household types in Porirua, as these contribute to housing demand and housing need. Sense Partners have provided projections for the population aged 70 or older, the working age population and household types. These projections show that for Porirua over the period 2021 - 2051:

- There will be a significant increase in the older population (aged 70 or older);
- There will be a slight decline in the working age population as a share of the total population;
- There will be only a moderate change in household types with two-parent families still being the main household type in Porirua;
- Smaller households (couples and single persons) will make up 28% of households by 2048; and
- Family households (one-parent, two-parent and multi-family) will make up nearly 68% of all households.

4.2.2 Forecast housing demand

Population growth can be translated into growth in dwelling numbers based on the number of households and changes in household size. Based on the population projections set out above, housing demand over the next 30 years is projected in Table 4.2¹:

Table 4.2: required new dwellings per annum to meet demand

| | Short term: 2021-2023 | Medium term: 2024-2030 | Long term: 2031-2051 | 2021-2051 average per year |
|----------------------------------|--------------------------|---------------------------|-------------------------|-------------------------------|
| New dwellings required per annum | 563 | 463 | 350 | 398 |

Projected demand for dwellings and dwelling type is set out in the tables below. In accordance with the NPS-UD, a competitiveness 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 4.3: Overall housing demand for Porirua City 2021-2051 including competitiveness margin

| | Short term: 2021-2023 | Medium term: 2024-2030 | Long term: 2031-2051 | Total increase |
|-----------------|--------------------------|---------------------------|-------------------------|----------------|
| Dwellings | 1,688 | 3,242 | 7,010 | 11,940 |
| Margin | 20% | 20% | 15% | - |
| Adjusted Demand | 338 | 648 | 1,052 | 2,038 |
| Total | 2,026 | 3,890 | 8,062 | 13,978 |

Property Economics have further analysed the Sense Partners forecasts to estimate future demand spatially across Porirua and by housing typology. This helps identify how population growth and change is likely to occur in the City, and the community's preferred housing typology. Future housing demand by area, typology and time is summarised in Table 4.4 below:

¹ Property Economics, Porirua Feasible Capacity Assessment, December 2021

Table 4.4: housing demand by area, typology and time period 2021-2051

| | 2021-2023 Standalone | 2021-2023 Attached | 2024-2030 Standalone | 2024-2030 Attached | 2031-2051 Standalone | 2031-2051 Attached |
|------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| Aotea | 129 | 5 | 151 | 35 | 262 | 76 |
| Ascot Park | 60 | 0 | 145 | 1 | 325 | 7 |
| Camborne | 65 | 2 | 131 | 16 | 338 | 34 |
| Cannons Creek East | 52 | 55 | 97 | 98 | 169 | 101 |
| Cannons Creek North | 55 | 6 | 89 | 38 | 135 | 68 |
| Cannons Creek South | 30 | 1 | 84 | 5 | 223 | 2 |
| Elsdon- Takapuwhia | 25 | 1 | 81 | 12 | 153 | 17 |
| Endeavour | 77 | 2 | 212 | 15 | 340 | 32 |
| Mana Island | 0 | 0 | 0 | 0 | 0 | 0 |
| Onepoto | 55 | 0 | 113 | 2 | 287 | 7 |
| Paekākāriki Hill | 9 | 0 | 147 | 0 | 220 | 432 |
| Papakowhai | 41 | 2 | 144 | 11 | 316 | 20 |
| Paremata | 72 | 3 | 135 | 23 | 271 | 55 |
| Pāuatahanui | 49 | 0 | 237 | 0 | 129 | 258 |
| Plimmerton | 31 | 3 | 109 | 23 | 193 | 38 |
| Porirua Central | 125 | 331 | 21 | 87 | 38 | 309 |
| Porirua East | 53 | 2 | 117 | 10 | 287 | 23 |
| Postgate | 45 | 2 | 174 | 12 | 370 | 20 |
| Pukerua Bay | 31 | 1 | 100 | 8 | 198 | 7 |
| Ranui Heights | 28 | 0 | 1 | 0 | 106 | 9 |
| Titahi Bay North | 78 | 6 | 122 | 43 | 283 | 97 |
| Titahi Bay South | 85 | 4 | 174 | 31 | 330 | 70 |
| Waitangirua | 37 | 0 | 0 | 1 | 98 | 19 |
| Whitby | 45 | 4 | 141 | 26 | 234 | 58 |

4.2.3 Housing market analysis and trends

Overview

The 2022 HBA Report documented the trend of declining housing affordability based on median sale price to median income. The Regional Economic profile for July¹ shows that house prices have declined noticeably in Porirua between late 2022 and early 2023 however. Combined with slightly increased median incomes, housing affordability has stabilised and improved slightly from levels seen in 2018 - 2022. Rents have continued to rise however above historically high rates of inflation, meaning there has been a decline in housing affordability for people renting. This indicates a continuing shortage of housing supply in Porirua.

Market indicators

As summarised above, significant infill and brownfield housing development housing is anticipated in Porirua Central, Titahi Bay and Eastern Porirua, primarily associated with the Eastern Porirua Regeneration Project and other Kāinga Ora backed development.

Further greenfield subdivision and development is expected in and around Whitby, Aotea and Kenepuru Landing as further stages of development are completed. There has been a trend in Whitby and Kenepuru Landing towards higher housing densities compared to traditional greenfield development, with an increasing prevalence of terraced housing and duplex housing.

There will also be significant greenfield housing uplift in Plimmerton and Pukerua Bay associated with development of Plimmerton Farm and the NGA.

There is continued strong demand for standalone residential units, but with a particular focus on smaller one and two-bedroom dwellings. These account for 45% of future demand, while the demand for larger standalone houses accounts for 34%. Future demand for apartments and terraced units of all sizes makes up only 21% of the total future demand.

Housing stress and housing need

A range of data including demand for public housing, transitional housing and emergency housing has been analysed to understand demand for housing for people on low incomes or those in vulnerable or precarious situations with respect to housing. The housing demand, affordability and need in Porirua City – 2021² report defines renter housing stress as:

households that are paying more than 30% of their gross household income in rent; and

Severe renter housing stress as households that are paying more than 50% of their gross household income in rent.

¹ *Infometrics; Regional Economic Profile - Porirua, July 2023*

² *Livingston and Associates Ltd, July 2021, Housing demand, affordability and need in Porirua City – 2020 update*

Between 2001 and 2018 the proportion of stressed renters increased from:

- 83% in 2001 to 92% in 2018 for those with household incomes up to \$30,000;
- 15% in 2001 to 77% in 2018 for those with household incomes between \$30,000 and \$50,000; and
- 5% in 2001 to 42% in 2018 for those with household incomes between \$50,000 and \$70,000.

Severely stressed renter households are concentrated in Eastern Porirua and Titahi Bay.

Housing need can also be gauged via other data sources, including the public housing register. The public housing register provides the number of applicants assessed as eligible for social housing who are ready to be matched to a suitable property. The 2021 data indicates that housing need among those in Porirua on low incomes has been increasing steadily over several years.

Public housing stock

Kāinga Ora is the dominant public housing landlord in Porirua with a managed portfolio of 2,051 residential units. 64% these are 3-bed units, and only 20% are 1 or 2-bed¹.

The other main provider of public housing in Porirua is Te Āhuru Mōwai. Under a partnership with the New Zealand Government, Te Rūnanga o Toa Rangatira (Ngāti Toa), established a registered community housing provider. Te Āhuru Mōwai Limited Partnership entered into an agreement to manage and upgrade approximately 900 homes in Western Porirua and Tawa. These homes provide tenancies for people on low incomes with social support needs. They are in the suburbs of Tawa, Elsdon, Takapūwāhia, Titahi Bay and Mana and were transferred from Kāinga Ora management on 3 October 2020. Existing tenants are retained under this arrangement and future new tenants will be placed from the government's Public Housing Register. Te Āhuru Mōwai aspires to progressively upgrade their portfolio over time to ensure that all homes are warm, dry and fit for purpose. They also wish to progressively purchase and redevelop existing housing and grow the overall supply of housing².

While Porirua has a large public housing stock, this also helps serve the housing needs of the Wellington Region. There is also a low vacancy rate within this stock, with only seven units managed by Kainga Ora being vacant and ready to let³.

Building consents issued and completed houses

Figure 4.2 below shows residential building consents issued for new dwellings for the period May 2022 – May 2023⁴. It shows a significant decline in building consents issued for new dwellings from late 2022 onwards which is primarily down to a range of macroeconomic factors including high

¹ *Managed Kāinga Ora Rental Properties by Territorial Local Authority as at 30 June 2021*

² *Te Āhuru Mōwai website, October 2021*

³ *Vacant Kāinga Ora Rental Properties by Territorial Local Authority as at 30 June 2021*

⁴ *PCC building consents data, June 2023*

inflation, rising interest rates, a national and regional drop in property prices, post-COVID supply chain issues and very low net migration. Notably, as well as an overall drop in building consents for new dwellings, there has been a sharp drop off in building consents issued for multi-unit developments (defined as three or more residential units). This is despite the MDRS having been operative since August 2022.

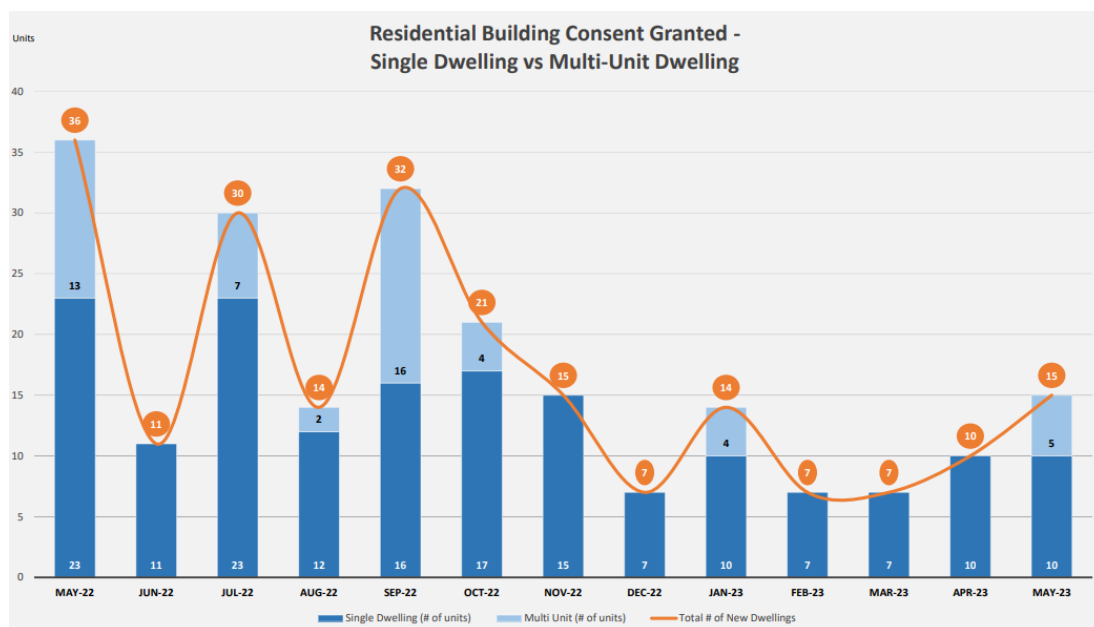


Figure 4.2: residential building consents issued for new dwellings, May 22 – May 23

Figure 4.3 shows the number of Code Compliance Certificates (CCCs) issued for completed dwellings for the period May 2022 – May 2023¹. It shows a high number of completed dwellings in March 2023 and an average construction period for new dwellings of 16 months. This reflects historically high numbers of building consents granted in in 2022. The number of completed dwellings for the remainder of 2023 is expected to remain reasonably constant before tailing off in early 2024, reflecting the current low numbers of dwellings being consented.

¹ PCC building consents data, June 2023

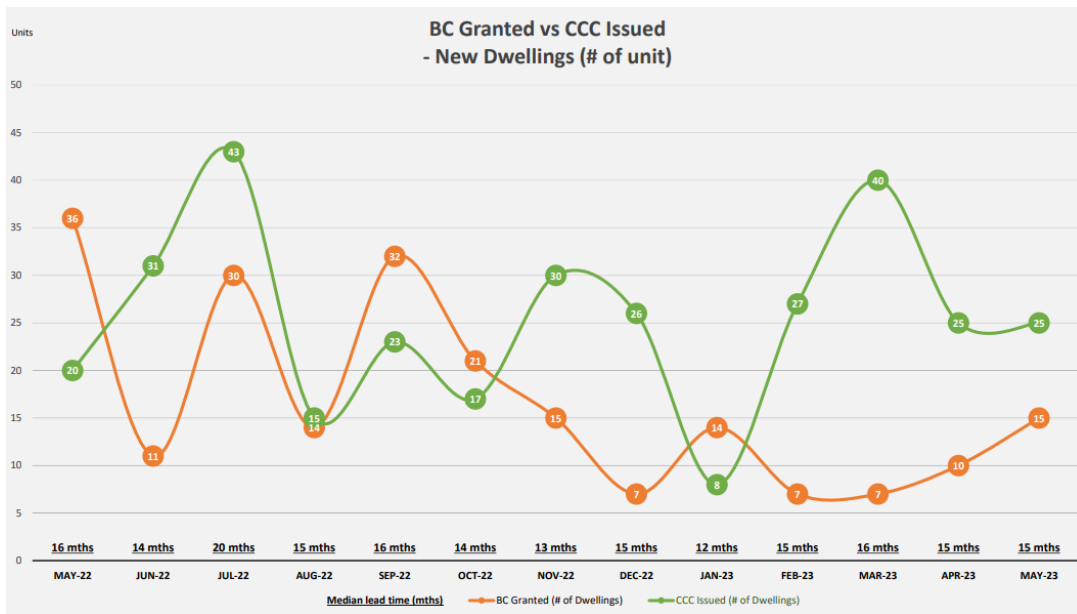


Figure 4.3: Code Compliance Certificates (CCCs) issued for completed dwellings for the period May 2022 – May 2023

Based on the housing demand figures set out above, there is a significant shortfall in the number of houses currently being supplied to the market to meet demand. This undersupply of new dwellings continues to be a key contributor to ongoing housing affordability issues in Porirua.

4.3 Residential development capacity – Theoretical, feasible and realisable

4.3.1 Overview

This section provides an assessment of residential development capacity based on Variation 1 to the PDP (incorporating the MDRS and implementation of NPS-UD Policy 3(a)), along with Plan Change 19 that implements the MDRS and NPS-UD in the Plimmerton Farm Zone of the Operative District Plan.

Theoretical development capacity is identified for all residential, commercial and mixed-use zones based on the underlying zone policy framework and built form standards, and considers capacity with respect to standalone housing, terraced housing and apartments.

All sites over 5 hectares in size with a residential zoning, and rural sites zoned FUZ under the PDP, are identified and assessed separately as greenfield development.

4.3.2 Greenfield Capacity

The 2019 and 2022 HBA reports identified a greenfield land capacity of 375ha of feasible area to develop, amounting to 4,838 of additional sections. Since 2019, the greenfield site at Plimmerton Farm has been rezoned to a full urban zone (Plan Change 18 to the ODP), and the other greenfield sites in the NGA and at Judgeford Hills have been rezoned to FUZ under the PDP. The Northern Growth Development Area (NGDA) has also been established through Variation 1, involving upzoning of two major land parcels in the NGA just south of Pukerua Bay from FUZ and Rural

Lifestyle Zone to Medium Density Residential Zone. A structure plan and bespoke Development Area provisions have been notified in relation to the NGDA.

The greenfield capacity assessment also takes into account Plan Change 19 to the Plimmerton Farm Zone of the Operative District Plan which introduces a High Density Residential Zone to part of the site, increasing the development capacity. The estimates of greenfield capacity are also based on realistic estimates of feasible development yield provided by developers, with theoretical greenfield capacity being much greater.

Table 4.5: estimated greenfield housing supply in Porirua

| Total supply (dwellings) | Supply with full urban zoning | Supply with Future Urban Zoning |
|--------------------------|-------------------------------|---------------------------------|
| 6,604 | 4,650 | 1,954 |
| 100% | 70% | 30% |

4.3.3 Theoretical Development Capacity

The assessment of theoretical residential capacity assesses theoretical capacity across residential zones, residential intensification precincts and commercial and mixed-use zones in existing suburbs along with commercial centres in Porirua. It also compares the theoretical residential capacity under the PDP (as notified August 2021) with Variation 1 to the PDP.

Table 4.6: Comparison of theoretical development capacity by area – PDP vs Variation 1

| Area | PDP theoretical capacity | Variation 1 theoretical capacity | Difference |
|---------------------|--------------------------|----------------------------------|------------|
| Aotea | 5,257 | 6,039 | +782 |
| Ascot Park | 3,157 | 7,162 | +4,005 |
| Camborne | 1,795 | 2,360 | +565 |
| Cannons Creek | 13,012 | 23,728 | +10,716 |
| Elsdon | 6,826 | 11,022 | +4,196 |
| Hongoeka | 965 | 7 | -958 |
| Kenepuru | 9,433 | 14,494 | +5,061 |
| Papakowhai | 2,575 | 5,824 | +3,249 |
| Paremata | 4,161 | 9,217 | +5,056 |
| Plimmerton | 6,660 | 13 | +7,177 |
| Porirua City Centre | 25,682 | 47,781 | +22,099 |

| | | | |
|---------------|----------------|----------------|----------------|
| Pukerua Bay | 3,656 | 3,900 | +244 |
| Ranui | 7,993 | 17,774 | +9,781 |
| Takapuhawahia | 3,560 | 3,336 | -224 |
| Titahi Bay | 12,090 | 22,250 | +10,160 |
| Waitangirua | 7,173 | 15,278 | +8,105 |
| Whitby | 13,751 | 20,758 | +7,007 |
| Total | 127,746 | 224,767 | +97,021 |

4.3.4 Feasible Development Capacity

The feasibility of theoretical development capacity 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 the current time. For the purposes of this report, a development is deemed feasible if it reaches or exceeds a profit level suitable to meet market expectations (20% for the purpose of this analysis). The aggregated results are set out in Table X:

Table 4.7: Summary of feasible development capacity by housing typology – Commercial Zones, Residential Zones and Residential Intensification Precincts

| | Theoretical capacity | Apartments | Standalone | Terraced | Feasible capacity |
|---------------------------------|----------------------|---------------|--------------|---------------|-------------------|
| Commercial Zones | 87,277 | 955 | 1,642 | 8,461 | 11,064 |
| Residential Zones | 44,923 | 70 | 1,177 | 13,093 | 14,340 |
| Resi. Intensification Precincts | 92,617 | 14,437 | 229 | 5,672 | 20,338 |
| Total | 224,767 | 15,462 | 3,054 | 27,226 | 45,742 |

4.3.5 Realisable Development Capacity

In addition to feasible capacity, practical considerations must be considered in terms of what housing developments will come forward given a range of market and non-market factors. The realisation rate or 'realisable development capacity' seeks to assess these various factors, with particular emphasis on dwelling typology and greenfield competition.

The identification of these variables not only allows for consideration of a range of factors but also addresses the relativity between typologies. While all three typologies (standalone, apartment and terraced) may be feasible, realisable development capacity identifies the scenario with the highest profit margin. Although the model assesses typology based on the standard 20% profit margin, there is greater risk in some typologies. The assessment below endeavours to consider these risks in determining realisability.

Table 4.8: Realisable development capacity by housing typology – Commercial Zones, Residential Zones and Residential Intensification Precincts

| | Feasible capacity | Apartments | Standalone | Terraced | Realisable capacity |
|---------------------------------|-------------------|--------------|--------------|---------------|---------------------|
| Commercial Zones | 11,064 | 931 | 465 | 450 | 1,846 |
| Residential Zones | 13,340 | 15 | 3,594 | 7,751 | 11,360 |
| Resi. Intensification Precincts | 20,338 | 1,520 | 2,922 | 4,941 | 9,383 |
| Total | 45,742 | 2,466 | 6,981 | 13,142 | 22,589 |

4.3.6 The effect of Qualifying Matters on Realisable Development Capacity

Under the NPS-UD and RMA-EHS, Council can make the MDRS and NPS-UD intensification policies less enabling of development because of qualifying matters, which are listed in Clause 3.32 of the NPS-UD.

The PDP as notified in 2021 included a range of qualifying matters, as expressed through plan provisions and overlays, that have the effect of restricting development capacity. These include:

- Areas at risk of natural hazards including flooding, coastal inundation, tsunamis and fault rupture during seismic events;
- Significant Natural Areas (SNAs);
- Natural Character areas including Special Amenity Landscapes (SAL) and Coastal High Natural Character Areas;
- Heritage Sites;
- Sites and Areas of significance to Māori (SASM);
- Noise Contours - 100m buffer from Railway and State Highway; and
- The National Grid Corridor.

In addition, through Variation 1, PCC introduced additional qualifying matters to manage the effect of additional development capacity on adjacent areas with identified values. These are primarily height variation control overlays that limit building height and other built form standards. The purpose of height variation control overlays is primarily to:

- Reduce the effects of shading from the development of sites on steep, south sloping land (ie downhill shading effects);
- Reduce the effects of shading on the Mungavin Park Netball courts complex; and
- Limiting building heights on sites adjacent to heritage sites and features, and Sites and Areas of Significance to Māori (SASM).

The impact of qualifying matters on realisable development capacity was modelled by property Economics¹ and the results are summarised in Table 4.9 below:

¹ Property Economics, Variation 1 and Plan Change 19 Qualifying Matters Assessment, Porirua City Council, July 2022

Table 4.9: the impact of qualifying matters on realisable development capacity

| Qualifying matter | Apartments | Standalone | Terraced | Lost realisable capacity |
|--|-------------|-------------|---------------|--------------------------|
| Coastal Hazards | -383 | -199 | -220 | -802 |
| Natural Hazards | +251 | +42 | -404 | -111 |
| Heritage Sites | -15 | -34 | -50 | -99 |
| SASM | - | -13 | - | -13 |
| National Grid corridor | - | - | -16 | -16 |
| Railway and State Highway Noise Corridor | -332 | +48 | -538 | -822 |
| Significant Natural Areas | -14 | -70 | -64 | -148 |
| Railway Corridor Setback | - | - | - | - |
| Heritage Height Control | -5 | -16 | +13 | -8 |
| Shading Height Control | - | +91 | -625 | -534 |
| SASM Height Control | -51 | - | -12 | -63 |
| Total | -549 | -195 | -1,916 | -2,616 |

In summary, because of qualifying matters introduced through the PDP and Variation 1, there is an impact on realisable development capacity of -2,616 houses¹.

4.3.7 Sufficiency of residential capacity

With realisable development capacity established (considering the lost development capacity associated with qualifying matters), along with demand for housing in the short, medium and long term, an overall assessment can be made of residential sufficiency (i.e., is there adequate housing supply in Porirua to meet demand).

The assessment of residential sufficiency applies the NPS-UD competitiveness margin of 20% in the short and medium term, and 15% in the long term. The assessment also includes greenfield housing supply, and assumes that greenfield areas with full urban zoning are available over the short term except for Plimmerton Farm and the NGA, which are allocated over the medium term. The remaining housing capacity allocated to long term greenfield housing represents a conservative estimate of expected FUZ capacity.

¹ Refer section 5.5 of the Property Economics Report for further discussion and clarification on assumptions used in determining the impacts of qualifying matters on realisable development capacity

Table 4.10: Overall summary of housing supply to meet demand

| Type | 2021-2024 | 2024-2031 | 2031-2051 | TOTAL |
|---|---------------|---------------|---------------|---------------|
| Demand (inflated with 20%/15% buffer) | 2,026 | 3,890 | 8,062 | 13,978 |
| Commercial Zones | 2,008 | - | - | 2,008 |
| Greenfield capacity | 1,966 | 2,379 | 2,259 | 6,604 |
| Residential Zones & Intensification Precincts | 18,342 | - | - | 18,342 |
| Total realisable capacity | 22,316 | 24,695 | 26,955 | 26,955 |
| Sufficiency | Yes | Yes | Yes | Yes |

4.4 Conclusion

Overall, the residential assessment shows that there is sufficient plan enabled, feasible and realisable housing capacity to meet expected demand over the short, medium and long term. If the population grows at a faster rate than expected however some of the capacity allocated to the long term may be realised through earlier up-zoning of greenfield areas, and increased demand for infill and brownfield housing within existing urban areas.

4.5 Infrastructure

4.5.1 Purpose

The NPS-UD requires Councils to consider infrastructure needs when providing residential and business development capacity. The main infrastructure components are three waters (water supply, wastewater and stormwater), roading and transport infrastructure, and other infrastructure such as open space, social and community infrastructure.

4.5.2 Three Waters

Overview

Wellington Water have assessed if areas identified and being considered for future development in Porirua can be serviced with existing or planned three waters infrastructure¹. In addition, Wellington Water² updated its 2018 reports using updated modelling to reflect projects completed since 2017 that provide network capacity, along with consideration of the 2021-2031 Long Term Plan and 30-year infrastructure strategy produced by PCC.

¹ Wellington Water, *Porirua Three Waters Growth Study (2019)*.

² Wellington Water, *Wellington Regional Three Waters Capacity Assessment - 2021*.

The results indicate that water supply and wastewater networks in Porirua generally lack capacity to meet projected population and housing growth, especially over the short term. This shortfall in capacity will likely place constraints on growth over the next 30-years. Wellington Water's assessment also indicates constraints with the stormwater network, although these can be mitigated through a range of alternative measures including policies and rules in the PDP requiring hydraulic neutrality¹, and through adoption of other water sensitive methods.

Most identified greenfield sites are not serviced by three waters infrastructure, however funding for essential infrastructure has been identified within the current 2021 – 2051 Long Term Plan including further wastewater capacity upgrades for the NGA. PCC is also in discussions with developers to provide the necessary infrastructure and to secure this through developer agreements. In addition, on-site wastewater retention is likely to be required. Once in place, infrastructure will be vested with Council and PCC will be responsible for the operational and maintenance costs.

The PDP also has a three waters chapter which places requirements on developments. Rules within this chapter require developments to:

- be hydraulically neutral;
- be serviced by the reticulated water supply, wastewater and stormwater management networks;
- meet the Wellington Water Regional Standards for Water Services; and
- ensure water meters are included in all new developments.

Water supply network

Wellington Water assessed Porirua's water supply capacity to accommodate future growth based on storage capacity (S), network pressure (N) and overall capacity in the short, medium and long term for 15 Water Storage Areas (WSA's). This assessment has determined that catchment scale upgrades will be needed to the water supply network to support proposed urban development where:

- Pressure in the existing network drops below 25m as a result of projected infill development;
- The existing reservoir storage is insufficient to support projected urban growth; and
- The bulk water supply network will not be able to adequately replenish some local reservoirs.

The assessment identifies that investment in new reservoirs is planned for Aotea, a new Porirua high level reservoir, and Camborne Future Low level reservoir. Other measures being implemented to improve the water supply network include a booster pump station at Navigation Heights in Whitby, the creation of a new Whitby high Water Storage Area, and a water supply pipeline along the Waitangirua Link Road.

¹ Ensuring that stormwater runoff post-development is the same as pre-development

Wellington Water notes that the capacity of Porirua’s water supply network is insufficient in the short term but is sufficient for large parts of the city in the medium and long term with planned investment¹.

Wastewater Network

The Porirua wastewater network and treatment plant (WWTP) receives wastewater from all urban areas within Porirua along with the northern parts of Wellington City including Churton Park, Tawa and parts of Johnsonville. The network requires significant investment to accommodate population and housing growth, and detailed network modelling and programme optimisation has been completed to recommend network upgrades. A comprehensive suite of projects has been developed and included in the Long Term Plan and the 30-year Infrastructure Strategy.

The following projects have been included in the current LTP:

- Central city wastewater storage tank (under construction);
- Completion of the Duck Creek wastewater storage project;
- Upgrades to existing pump stations and downstream pumped pipework to provide additional capacity (ongoing); and
- Renewal of the Bothamley Park sewer to provide for increased growth capacity (under construction).

Wellington Water concludes that the overall capacity of Porirua’s wastewater network is insufficient in the short term but will improve over the medium term and will be largely sufficient to meet long term demand given planned investment².+6

Stormwater

Existing stormwater capacity in urban areas throughout Porirua is designed to accommodate regular rainfall events, and is based on six modelled catchments³. In addition, modelling has recently been undertaken at Hongoeka, and is underway for the Aotea and Whitby catchments. During heavy rainfall events, stormwater flows overland increasing potential for localised flooding.

The following stormwater projects and planning activities are underway or have been recently completed:

- Eastern Porirua Stormwater Network Plan, which identified a range of projects to manage stormwater quality and mitigate flooding impact;
- Completion and operation of the Elsdon wetland, along with Central City stormwater improvements;
- Catchment modelling and planning in relation to the Stage 1 Plimmerton Farm development, which is required to fully mitigate stormwater flooding risk; and

¹ See 8.1 Wellington Regional Three Waters Capacity Assessment – 2021 for a more detailed assessment

² See 8.2 Wellington Regional Three Waters Capacity Assessment – 2021 for a more detailed assessment

³ Cannons Creek, Porirua CBD, Titahi Bay, Taupo Swamp, Pāuatahanui and Plimmerton.

-
- Modelling is also underway in the Aotea, Whitby and Hongoeka catchments. The results of these will inform options to mitigate flood effects.

Kāinga Ora and the Te Aranga Alliance are implementing the Eastern Porirua Stormwater Network Plan outcomes as part of the Eastern Porirua Regeneration Project

Flood risk will also be mitigated through protection of overland flow paths via District Plan rules, and ensuring new development is hydraulically neutral. Provisions in the Natural Hazards and Three Waters chapters of the PDP seek to achieve this mitigation.

4.5.3 Transport network

State Highway Network

Waka Kotahi have assessed the State Highway and land transport issues for the Wellington Region against the anticipated growth in population and housing for the region. SH1 and SH59 are both classified as National High-Volume highways under the One Network Road Classification, and SH58 is a Regional Highway.

Overall, the capacity of the state highway network is not a constraining factor for development capacity in Porirua. The opening of the Transmission Gully Motorway has resulted in a 50 -90 percent drop in traffic volumes along SH59, with the biggest reduction in flows in the north of the city between Pukerua Bay and Plimmerton¹.

Waka Kotahi, PCC, GWRC and a range of stakeholders are in discussions on the future form and function of SH58 and SH59, with specific discussions on access improvements and other investment required to enable urban development at Plimmerton Farm and in the Northern Growth Area. Safety improvement works continue on SH58 which improve the safety of this key east-west strategic corridor.

Public Transport

GWRC has assessed how the Metlink public transport network can respond to population growth². The Metlink public transport network is based on a layered hierarchy of services comprising core routes, local routes and targeted services identified in the Regional Public Transport Plan. These include:

- Core Bus routes provide high-capacity, frequent, all-day services within urban areas. These meet all-day travel demand and operate at least every 15 minutes during the day, and often more frequently during busy periods;
- Core Rail routes providing high-capacity, long-distance commuter services connecting key urban areas across the region;

¹ Waka Kotahi briefing note to PCC, May 2023

² Material for NPS for urban development capacity: role of public transport in responding to population growth, 2021.

-
- Local Bus routes, including all-day medium- to low-frequency services connecting town and activity centres along lower-demand corridors, and providing local access to town and activity centres within suburban areas. These routes complement the core network by covering areas not served by core services, and by collecting and distributing passengers to and from it; and
 - Targeted services, providing services to areas or link destinations where there is not enough demand to justify core or local routes, or where normal services cannot meet the peak demand.

In terms of mode share to work, only 19% of journeys are currently by shared or active transport, compared to 72% by car¹. In Wellington City, the respective figures are 44% and 45%. The Wellington Regional Mode Shift Plan outlines the following opportunities for shifting to public and active transport:

- Nodal development/ improved multi-modal access to train stations;
- Eastern Porirua regeneration and improved urban form and access to Porirua City Centre; and
- Access Porirua business case improvements (including Kenepuru, Titahi Bay shared path, Wi Neera-Onepoto cycleways).

The following improvements are also planned to the rail and bus network in Porirua:

- A complete upgrade of Plimmerton Station, including three main and nine new turnouts, a new platform/shelter, pedestrian underpass extension and all associated overhead line equipment, along with upgraded signalling and drainage. The upgrades are required to enable an enhanced timetable to be implemented as a part of the Future Rail upgrades in Wellington; and
- Upgrading Porirua station shelter.

A range of planned improvements are also proposed for local bus services including routes 210, 220, 226, 60, 226 and 220, along with considerations on how to expand the network to Whitby and Papakowhai.

Local Transport Network

The 2021 - 2051 LTP identifies the following transport projects:

- Road pavement resurfacing and rehabilitation: Focus on resurfacing roads and keeping up with pavement rehabilitation, including catching-up on the existing backlog;
- Drainage renewals and resilience improvements: Focus on renewing and upgrading rural drainage to reduce pavement risk and address storm related risks due to climate change;
- Structures and network service renewals: Focus on transport structure renewals to preserve asset integrity, with an ongoing focus on safety in replacing network service assets;
- Walking and cycling improvements and renewals: Focus on maintaining level of service;
- Road Safety Strategy (Road to Zero): Focus on pedestrian crossings, school zones and speed management;

¹ Wellington Region Active Transport Plan

-
- Access Kenepuru: A package of local road, walking and cycling improvements, including upgrade of the Kenepuru Dr/Titahi Bay Rd intersection, required due to the impact of TGM and significant residential and commercial growth in Kenepuru Landing;
 - Porirua CBD to Titahi Bay Shared Path (Wi Neera to Onepoto): Construction of a shared cycling and pedestrian pathway and associated coastal resilience improvements along Titahi Bay Road;
 - Whitford Brown Corridor Improvements: Upgrade of intersection with Papakōwhai Road to support active modes including removal of existing pedestrian and potential changes to Okowai Rd intersection;
 - City Centre Revitalisation Transport Improvements: Improvements to key routes and intersections within the city centre; and
 - Station Access Improvements: Improvements to active mode access to stations to be investigated and implemented.

Overall, the local transport network does not have enough capacity to accommodate anticipated growth without changes in how people move around the city. The Council intends to continue to improve the city's transport network and to plan for growth and future community needs.

The transport work programme is based around finishing off committed and must do improvement projects, and delivering a sustainable maintenance and renewals programme that focuses on pavements and structures. The programme also includes road safety improvements focusing on pedestrian crossings, school zones and speed management, and better understanding the needs of users and planning for growth.

4.5.4 Other infrastructure

Parks and amenities

Other infrastructure includes parks and public amenities, as the NPS-UD requires councils to be satisfied that other infrastructure is likely to be available to service growth and contribute to a well-functioning urban environment. It requires Council to be informed about the likely availability of such infrastructure when making decisions about where to enable development capacity. In terms of future needs, the 2021-2051 Long Term Plan includes the following projects to meet growth and changing demand:

- Future cemetery 2034 Capacity: Whenua Tapu Cemetery capacity runs out in 2034. PCC has a statutory obligation to plan and consider options to provide these services;
- Titahi Bay Community Park: A new community level play space is proposed for the west of Porirua on existing land in response to growth anticipated in the west;
- Whitby Neighbourhood Park: A new community park for Whitby is proposed, with spatial planning expected to begin in 2023;
- Whitby Connections, Ascot Park, Postgate Link, Ridgeline Walkway: High-level planning has been completed to consider the connections that will be required to establish this walkway;
- Rangituhi connections: A walking connection is proposed between Rangituhi and Titahi Bay; and
- New artificial turf: a new turf built on existing land is anticipated to provide enough capacity to respond to growth and demand for training and competition in all weather conditions.

Other recreation and amenity infrastructure in Porirua is provided by GWRC and the Department of Conservation including:

- Battle Hill Regional Park;
- Belmont Regional Park;
- Pāuatahanui Wildlife Reserve; and
- Rangituhi Scenic Reserve.

5.1.1 Community infrastructure

The 2021 – 2051 LTP identifies community infrastructure projects to support growth and change in the population. These projects are focussed around four community catchments and anticipate the following:

- an Eastern Porirua Community facility;
- a Northern Porirua Community facility;
- a Western Porirua/Titahi Bay Community facility; and
- a Whitby Community facility

The Western Porirua proposal seeks to ensure equity of provision within Titahi Bay and create improved access to community places. This may include potential partnerships with schools and sports clubs. To help provide for both infill and greenfield development, additional facilities are also required in Whitby. An Eastern Porirua community facility is also identified as a project in the Long term Plan which is advancing through concept planning stages.

4.6 Business Assessment and findings

4.6.1 Purpose

The NPS-UD requires councils to identify the overall sufficiency of development capacity to meet our future demand for business over the short, medium and long-term.

4.6.2 Business Areas

Porirua features several commercial, retail, large format retail, mixed-use and industrial areas. Under the PDP, a commercial centres hierarchy exists and applies a zone structure to these areas. A summary of the zones and the specific areas they apply to is provided below:

Metropolitan Centre Zone

(Porirua City Centre) – this is the primary commercial centre at the heart of the City, and is a sub-regional centre within the wider Wellington Region. The Metropolitan Centre Zone provides for a diverse range of commercial, retail, residential, community and recreational activities and offers a variety of employment opportunities.

Large Format Retail Zone

(Elsdon and north of the Porirua City Centre) – this zone provides for a range of retail stores, and is characterised by buildings with large footprints and associated car parking areas. It also provides for residential development and apartments above ground floor.

Local Centre Zone

(comprising suburban shopping centres at Mana, Plimmerton, Paremata, Whitby, Aotea, Waitangarua, Cannons Creek, Ranui and Titahi Bay) - Local Centres are commercial centres that are located conveniently to service the needs of the surrounding residential catchment. They provide for a range of commercial and community activities, and offer services and employment opportunities. These can also include supermarkets and medical centres. High density housing is also enabled in Local Centres.

Neighbourhood Centre Zone

(numerous small neighbourhood shopping centres) – Neighbourhood Centres provide for a range of small-scale commercial, retail and community activities that service the day-to-day needs of the immediate surrounding residential neighbourhood. They provide a limited range of services, employment opportunities and living opportunities at a scale appropriate to the residential neighbourhoods they are located in.

Mixed-Use Zone

(Ranui, Kenepuru, Broken Hill, Waitnagarua, Titahi Bay, Mana and Ulric Street) - the Mixed Use Zone provides for a compatible range of activities, including residential, light industrial, commercial, recreational and community activities.

General Industrial Zone

(Elsdon, Broken Hill) - the General Industrial Zone is used predominantly for a range of small and large footprint industrial activities that typically have a range of effects that make them incompatible with more sensitive land uses. A key attribute of the zone is that it contains sites large enough to accommodate industrial activity, and it is typically located close to key freight routes. A 90-hectare area at Judgeford Flats along SH58 at has also been identified as a future potential industrial area, and has been zoned FUZ as a result.

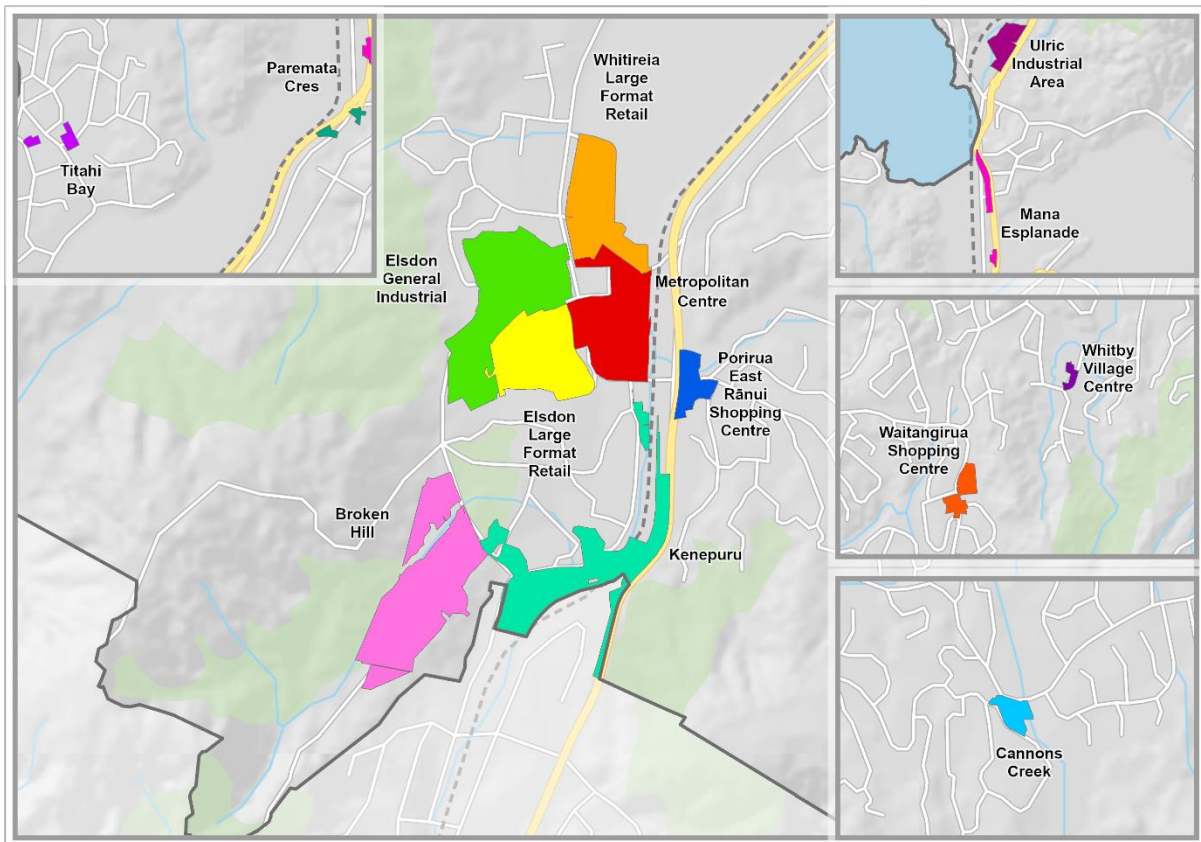


Figure 4.4: Porirua Business Areas

4.6.3 Business and Economic Trends

Key Growth Drivers

Population growth, coupled with Porirua’s strategic location within the region and improved regional connectivity through the opening of Transmission Gully, have been a key driver of sustained economic growth in the City over the past three years.

The local economy and employment continue to show resilience in the post-COVID environment across most sectors. Porirua also continues to benefit from Government and private sector office workers employed in Wellington City but living in Porirua continuing to work from home in high numbers (1-2 days per week on average¹).

Given the high proportion of residents who commute regularly to Wellington City, this is reflected in the higher share of employment in education and healthcare sectors in Porirua. Wellington city jobs are dominated by the government and commercial sectors. Often the latter supports the former, and many commercial services have clustered in Wellington to support government.

¹ Infometrics, PCC June 2023 quarterly update

Sustained GDP Growth

Porirua continues to outperform the country and Wellington Region with respect to GDP growth, with sustained rates of GDP growth above the national average since 2019.

Strong GDP trend in recent years

Annual GDP growth, March years

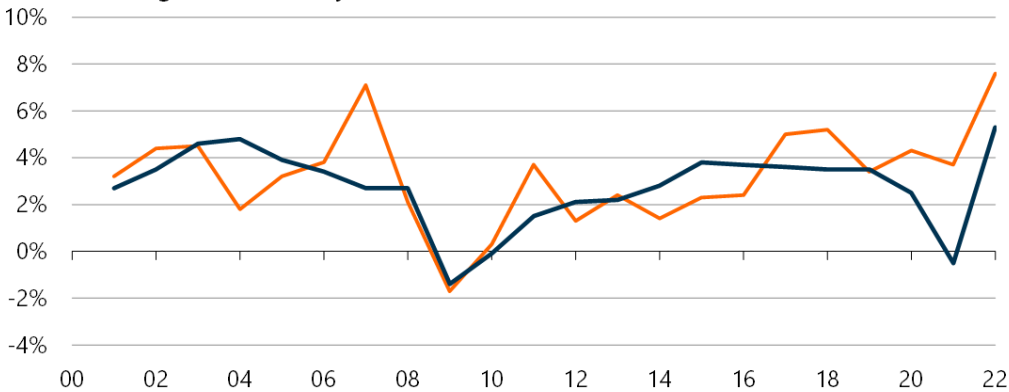


Figure 4.5: Annual GDP growth – Porirua vs New Zealand Source: infometrics

Porirua is the third strongest local economy

Comparison of total overall economic growth from pre-pandemic times till now shows that Porirua is the third strongest performing economy in the country, with total economic growth of 16 percent over the period December 2019 – March 2023. The City has experienced almost double the growth of the Wellington Region and country as a whole during this period.

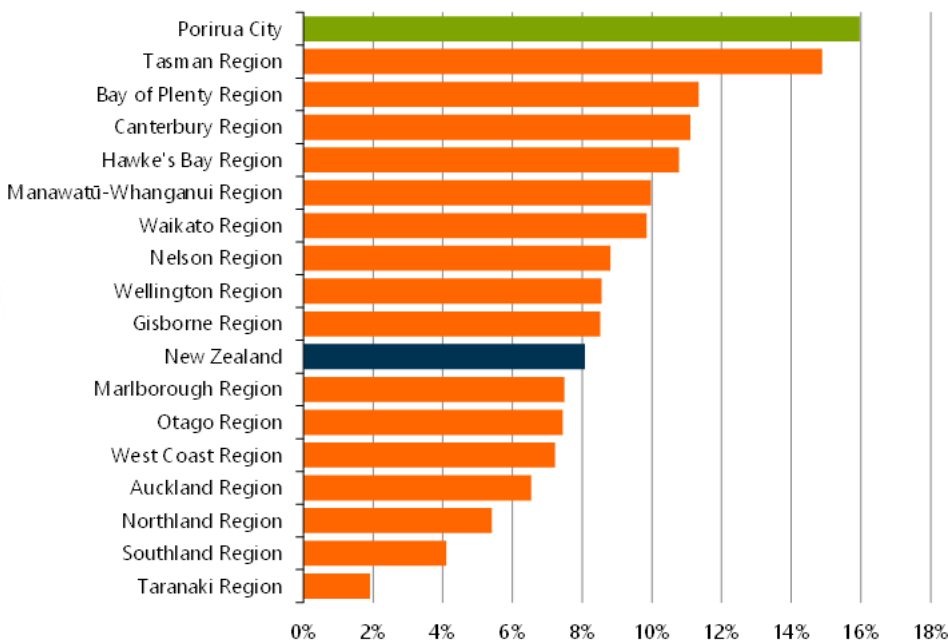


Figure 4.6 Provisional annual economic activity estimates - March 2023 vs Dec 2019 Source: infometrics

Employment by sector in Porirua

Construction, health, education and retail continue to be the best performing sectors in terms of overall employment, with 56 percent of the City’s workers employed in these sectors.

A range of focus areas in Porirua
Share of employment, year to March 2022

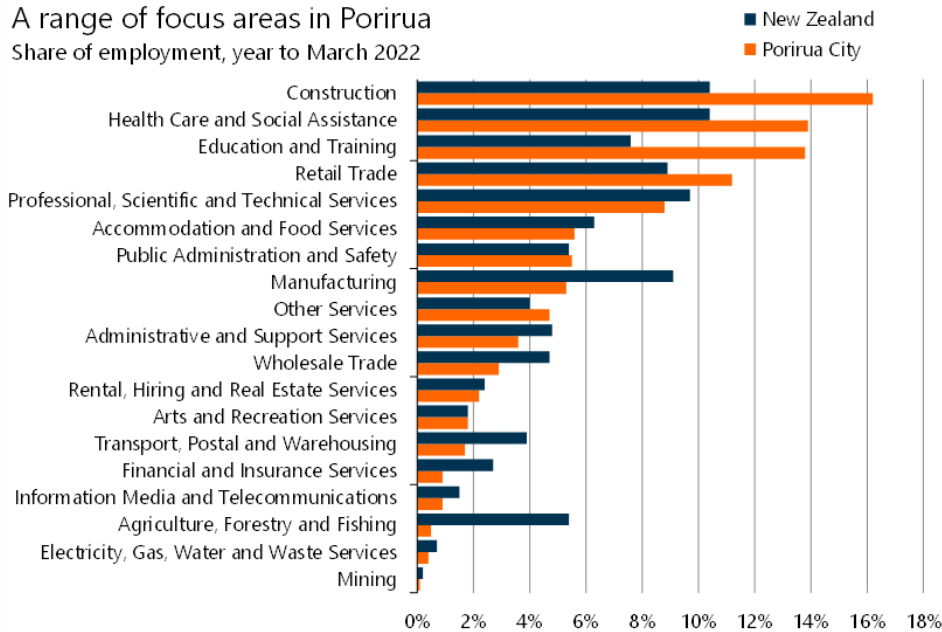


Figure 4.7 – Employment by sector in Porirua Source: infometrics

Trends in job placements

Retail continues to show resilience with the North City shopping centre performing well as the anchor of the City’s retail offering, although overall employment in retail has dropped more than any other sector. The public administration, accommodation and food and transport Sectors are showing the sharpest increase in new jobs in Porirua in 2023.

Filled jobs by industry, Apr 2023, Porirua (residential location)

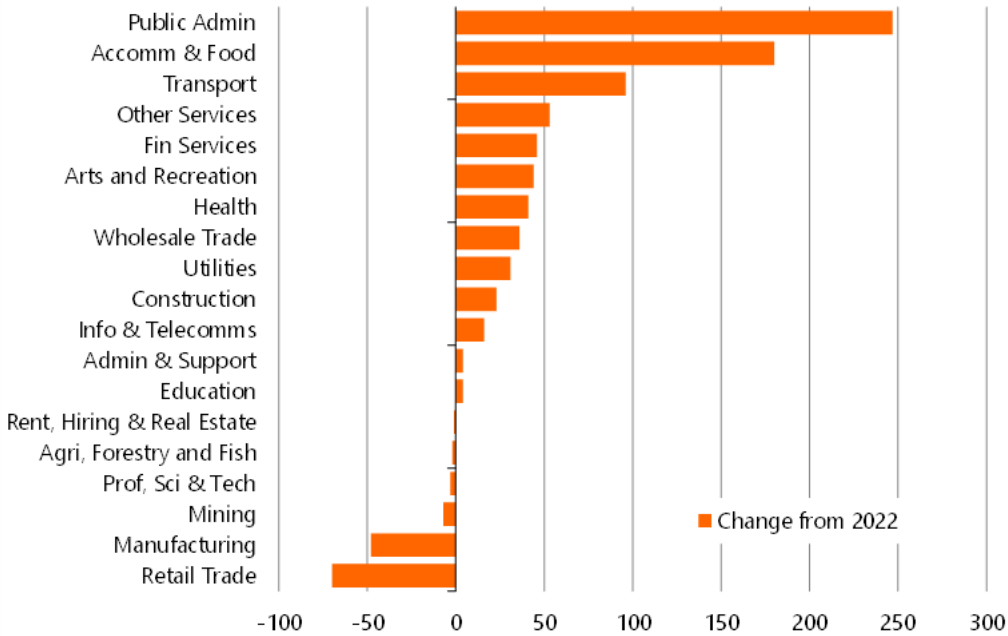


Figure 4.8: Job placements by sector in Porirua Source: infometrics

Total Employment

The total number of people in employment in Porirua hit 30,000 in late 2022, although has plateaued slightly since then. Note: this relates to jobs based on residential address, with many of the jobs Porirua residents hold based outside of the City.

Growth of 1.6%pa at start of 2023

Quarterly filled jobs, by residential address

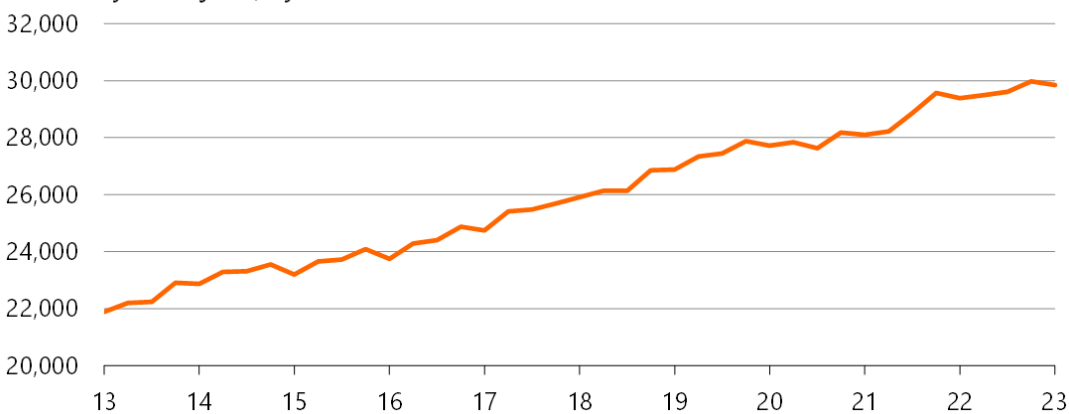


Figure 4.9: Growth in employment in Porirua Source: infometrics

Spending still rising

Porirua has seen a year-on-year increase in local spending of 6.6 percent, which is striking in the context of a potential shallow economic recession at a national level. One key reason for this is less

'leakage' in spending from Porirua residents to Wellington City and other parts of the region as a result of 33 percent of employees working from home regularly, and buying more goods and services locally.

A 6.6%pa boost in annual spending

\$m, card spending, annual running totals. Source: Marketview

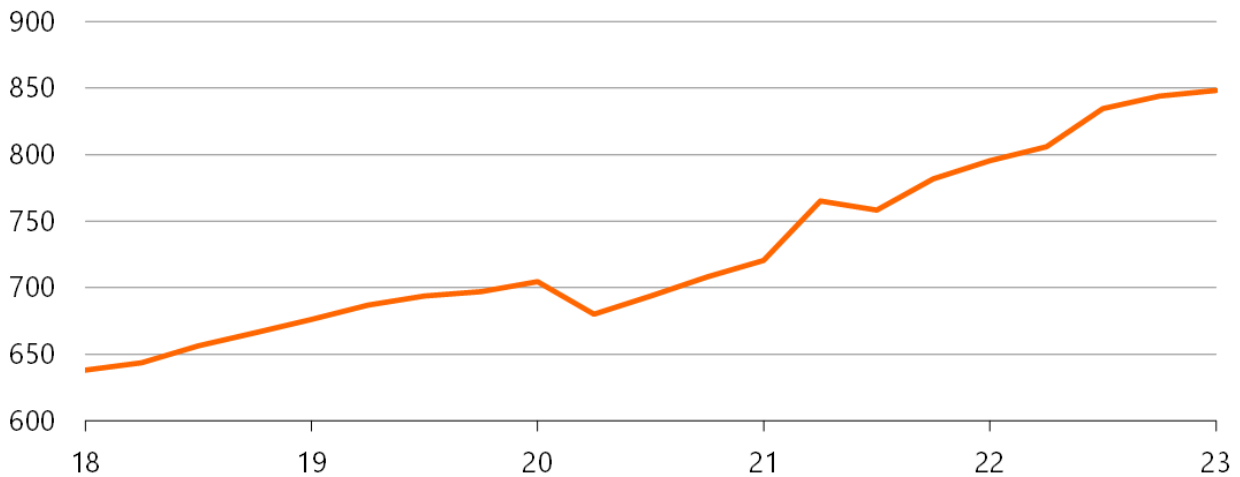


Figure 4.10: spending by year in Porirua Source: infometrics

Residential and non-residential construction activity

House building has recently fallen sharply from a period of sustained high numbers of houses being built per year, with a large drop in building consents issued in 2023 compared to 2022. Conversely, there has been a strong increase in the value of non-residential building consents issued in 2023, with several major commercial developments recently consented.

Large amount of work to get through

Annual running total, residential consents

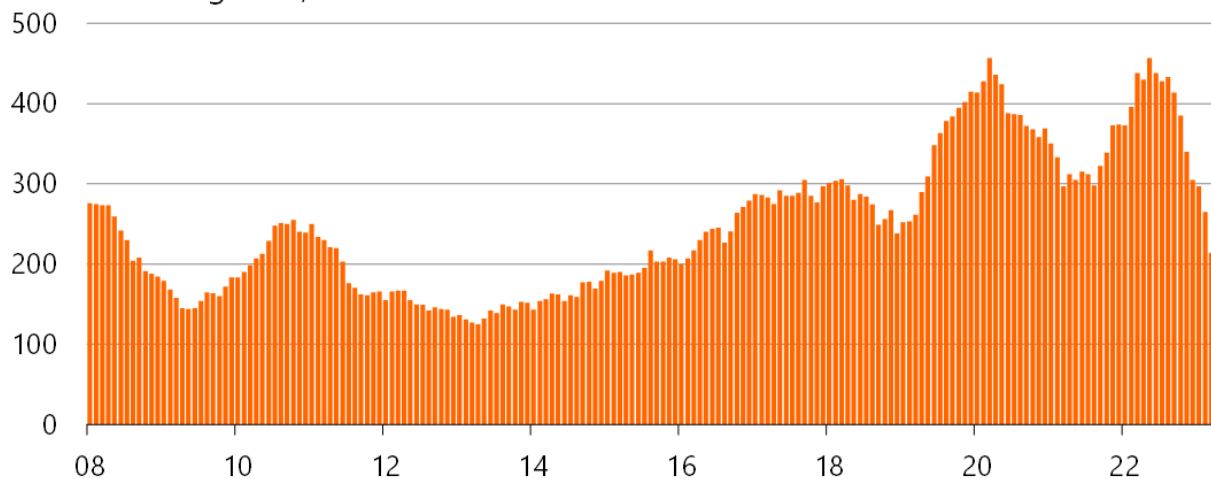


Figure 4.11: Annual running totals of building consents for new houses Source: Infometrics

Even more local investment

\$m, annual running totals, non-res consent values

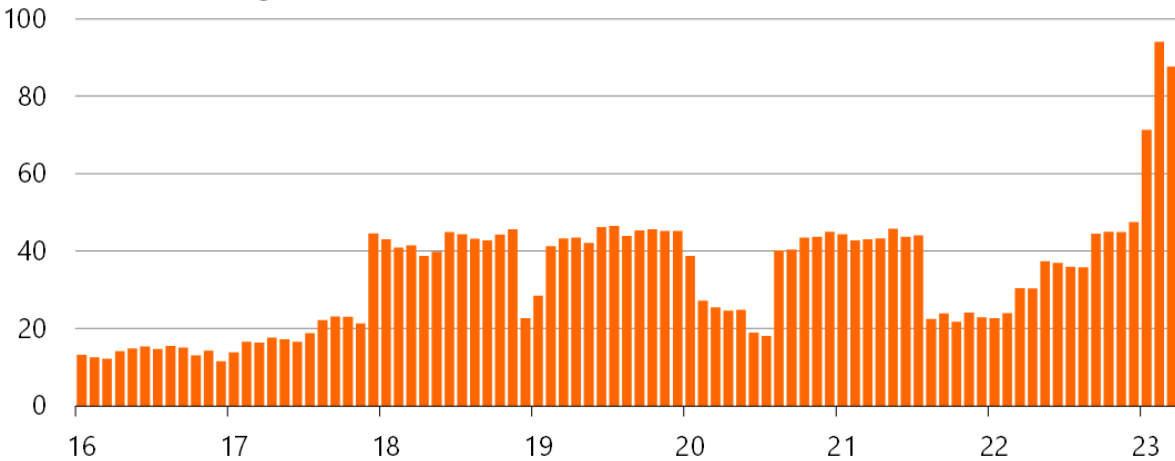


Figure 4.12: monthly value of non-residential building consents source: Infometrics

4.6.4 Forecast business demand

Market and Population Drivers

Demand for industrial, commercial and mixed-use land remains very high, although there is a clear market preference for modern, high quality, well serviced sites with good accessibility to SH1 and SH59¹. In this respect we note there is a tension between the market demand and locational preference for sites close to SH1 and SH59, and the NPS-UD and PDP approach which directs business growth to areas well served by public and active transport. Nonetheless, there are high levels of unmet demand for industrial land and large lot commercial development sites across Porirua. This is driving reinvestment in older industrial properties that would have previously been unfeasible to develop, which is an efficient use of the existing industrial land resource.

To meet longer-term demand for industrial land, PCC has identified the Judgeford Flats FUZ as an area suitable for industrial land use. Once developed through a structure plan and up-zoning, this is expected to net approximately 60-70 hectares of new serviced industrial land.

There is also a high degree of market interest in land at the southern terminus of Transmission Gully. This area benefits from excellent access to SH1 (north-south connectivity) and is equally accessible to SH58 (east-west connectivity). Because of this accessibility, businesses will be able to serve customers across the region more efficiently than they could elsewhere, and this is driving up demand for business land south of the Porirua City Centre including the Kenepuru Mixed-Use Zone.

Major housing developments in the City and associated population growth are also expected to continue to fuel demand for new business floor space in the City. Key developments contributing to this demand include the Eastern Porirua Regeneration Project, further stages of the Kenepuru

¹ TPG Report Land Use Report, May 2023

Landing development, the development of the NGA, ongoing subdivision and development in Whitby and Aotea, and infill and housing intensification within existing urban areas.

Strong employment growth in industry, which is both a floorspace and land ‘hungry’ activity, is another driver behind the growth in business land demand.



Figure 4.13: Judgeford Flats Future Urban Zone

Increase in business land demand

Given the above market and population drivers, Sense Partners forecast demand for business land in Porirua will be 13 percent higher by 2052 compared to 2022.

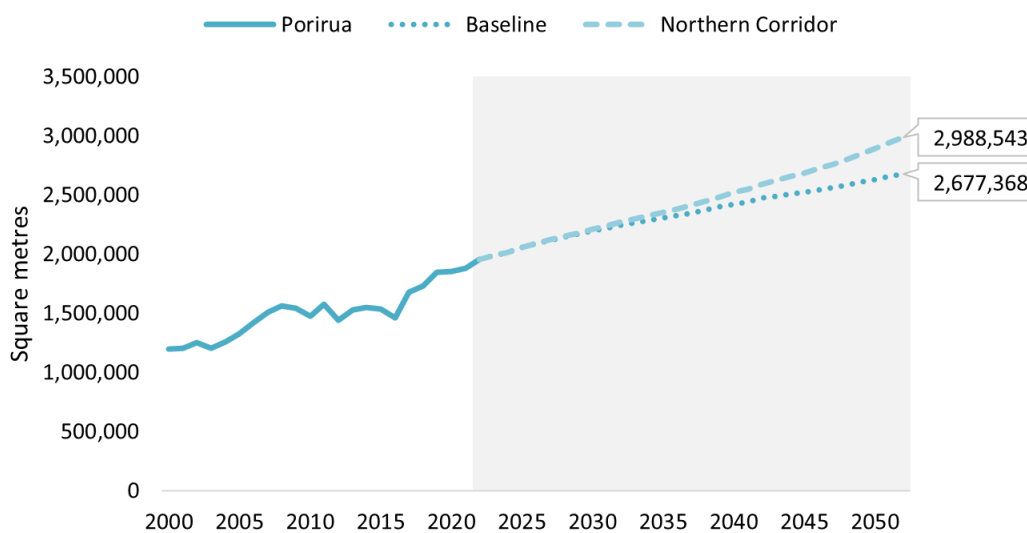


Figure 4.14: Projected land demand in Porirua 2022 – 2052 Source: Sense Partners

Demand for Business floorspace and land

Figure 4.14 above refers to the supply and demand for business land. However, for business purposes other than industrial activities, the relevant measure of supply is floorspace rather than land. It's important the two are distinguished to provide an accurate indication of enabled business capacity. For example, one piece of zoned commercial land may supply 10,000sqm for business purposes due to permitted building heights, while another site may only permit 2,000sqm due to building height restrictions. For this reason, both floorspace and land area are provided in Table 4.11 below.

Table 4.11: Demand for business floorspace and land by sector 2022-2052

| Type | Floorspace (m2) | | | | Land (m2) | | | |
|--------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | 2021-2024 | 2024-2031 | 2031-2051 | Total | 2021-2024 | 2024-2031 | 2031-2051 | Total |
| Retail | 4,179 | 18,552 | 67,500 | 90,231 | 5,970 | 26,503 | 96,428 | 128,901 |
| Healthcare | -5,055 | 7,462 | 44,884 | 52,346 | -6,739 | 9,951 | 59,844 | 69,795 |
| Education | 10,322 | 17,078 | 54,894 | 82,294 | 13,763 | 22,770 | 73,193 | 109,726 |
| Commercial | 4,388 | 6,627 | 22,212 | 33,227 | 3,375 | 5,098 | 17,086 | 25,559 |
| Government | -1,205 | 531 | 1,979 | 2,510 | -927 | 408 | 596 | 1,004 |
| Industrial | 54,935 | 112,068 | 250,743 | 417,746 | 122,078 | 249,041 | 557,205 | 928,324 |
| Other | 9,911 | 21,289 | 99,216 | 130,416 | 1,321 | 28,387 | 144,180 | 173,888 |
| TOTAL | 83,735 | 183,608 | 541,428 | 808,770 | 146,507 | 342,158 | 948,532 | 1,437,197 |

Figure 4.15 below shows the above demand for floor space by sector aggregated, which highlights the high demand for industrial land and floorspace relative to other sectors in Porirua:

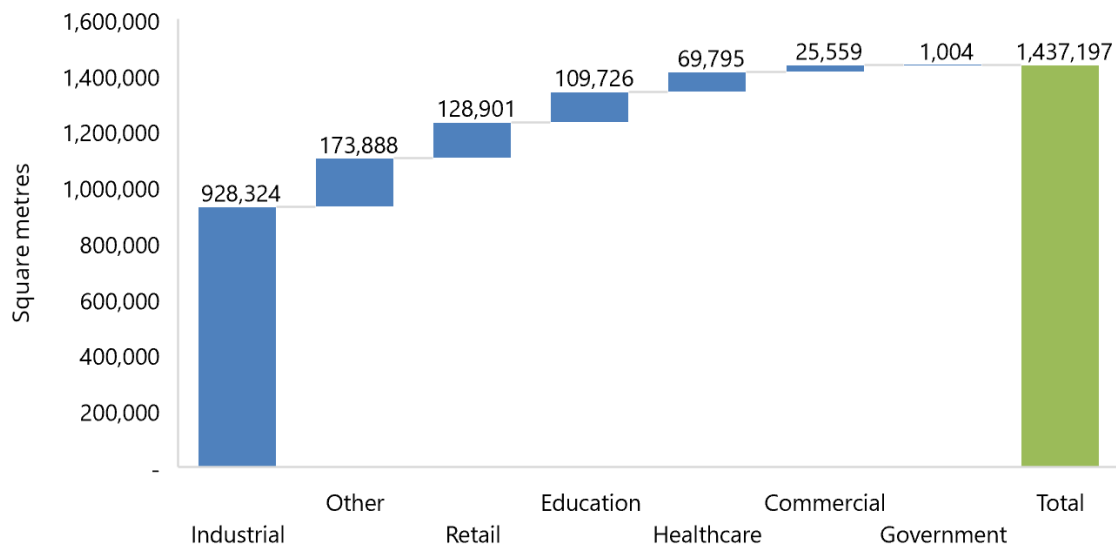


figure 4.15: Comparison of demand for business floor space by sector source: Sense Partners

The demand for business land has also been converted to hectares in Table 4.12 below:

Table 4.12: Demand for business land by sector 2022-2052 (hectares)

| Business Land (hectares) | | | | |
|--------------------------|-------------|-------------|-----------|--------------|
| Type | 2021-2024 | 2024-2031 | 2031-2051 | Total |
| Retail | 5.9 | 2.6 | 9.6 | 12.9 |
| Healthcare | -0.7 | 1 | 5.9 | 6.9 |
| Education | 1.4 | 2.3 | 7.3 | 10.9 |
| Commercial | 0.3 | 0.5 | 1.7 | 2.5 |
| Government | -0.1 | 0 | 0.1 | 0.1 |
| Industrial | 12.2 | 24.9 | 55.7 | 93 |
| Other | 1.3 | 2.8 | 14.4 | 17.4 |
| TOTAL | 14.5 | 34.2 | 95 | 143.7 |

Demand for business floorspace and land including competitiveness margin

In accordance with the NPS-UD, a buffer of 20% has also been added to the short and medium-term demand for floorspace, and 15% is added to the long-term demand. The inclusion of this buffer provides an additional margin to support competitiveness. The resulting inflated demand is as follows:

Table 4.13: Demand for business floorspace and land with competitive margin by sector 2022 - 2052

| Type | Floorspace (m2) | | | | Land (m2) | | | |
|--------------|-----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 2021-2024 | 2024-2031 | 2031-2051 | Total | 2021-2024 | 2024-2031 | 2031-2051 | Total |
| Retail | 5,014 | 22,262 | 77,625 | 104,901 | 8,597 | 31,804 | 110,892 | 151,293 |
| Healthcare | -5,055 | 8,954 | 51,617 | 60,571 | -6,739 | 11,941 | 68,821 | 80,762 |
| Education | 12,386 | 20,493 | 63,128 | 96,007 | 16,517 | 27,324 | 84,172 | 128,013 |
| Commercial | 5,266 | 7,952 | 25,544 | 38,762 | 4,050 | 6,118 | 19,648 | 29,816 |
| Government | -1,205 | 637 | 2,276 | 2,913 | -927 | 490 | 685 | 1,175 |
| Industrial | 65,922 | 134,482 | 288,354 | 488,758 | 146,494 | 298,849 | 640,786 | 1,086,129 |
| Other | 11,893 | 25,547 | 114,098 | 151,538 | 1,585 | 34,064 | 173,016 | 208,665 |
| TOTAL | 100,481 | 220,327 | 622,642 | 943,450 | 177,243 | 410,590 | 1,098,020 | 1,685,853 |

4.6.5 Opportunities and constraints affecting business land supply

District Plan Enablement

Through recent changes to the RMA and NPS-UD, the Government has directed councils to change their district and regional plans to enable more intensification and greater levels of urban development. Although much of the focus has been on enabling housing in urban areas, it also requires plans to enable more business land.

As such, the PDP has enabled much more intensive and taller built form in existing commercial zones, and flexibility in terms of the range of uses permitted in commercial zones.

The NGA¹ will also feature a range of new commercial zonings, including a neighbourhood centre and local centre, although the main purpose of these is to service the day-to-day and weekly needs of residents within the area. The development of the NGA, and resulting future population, will also strengthen the viability of existing commercial centres in the north of the city and drive further demand for business land.

A new mixed-use zone has also been established through the PDP which provides for a wide range of commercial and light industrial uses, along with residential development. Kenepuru and Ulric St in Paremata are the two largest mixed-use zones.

Infrastructure enablement

Recent major roading infrastructure improvements, particularly the opening of the Transmission Gully Motorway, have also been a key enabler of population and business growth and have had a

¹ This includes the Plimmerton Farm development and the Northern Growth Development Area

noticeable impact on the demand for business land in the city through improved transport connectivity and accessibility. This has heightened the current shortfall in industrial land available for development, particularly for larger sites suited to heavy industry.

Physical constraints

The challenging topography in Porirua, limits to transport system capacity and reach, and the prevalence of natural hazards limits how much business land demand can be accommodated in undeveloped greenfield areas. Irrespective of planning enablement, there are numerous physical constraints present on much of the City's undeveloped and rural land which limit the potential for greenfield land to be developed for business purposes. As a result it's likely that much of the forecast demand for business land will not be able to be accommodated in Porirua. Given these constraints, better utilisation of existing brownfield business land in Porirua is a desirable outcome.

Infrastructure servicing costs and constraints for industrial land

Even with planning enablement, and in areas where physical constraints are likely to be overcome fairly easily (such as the Judgeford Flats FUZ area), the costs of infrastructure servicing may make development of new industrial land cost prohibitive. This is exacerbated by current funding and financing options.

Some business sectors, such as commercial activities, can overcome this by achieving economies of scale to justify the investment in infrastructure servicing by building up. Many industrial land uses by their nature however are unsuited to being located over multiple floors. As a result, most industrial activities will seek out large, flat land with existing services or in areas where services can be readily established. Where there is a shortage of land of this nature in a city or district, the industrial market will look regionally and beyond for suitable sites.

Competition between land uses

In addition, an important dynamic in the demand for and development of industrial land is competition between land uses in existing brownfield and greenfield areas, particularly between residential, commercial activities and industrial activities. Residential and commercial land uses typically deliver higher yields and profit margins than industrial land use, therefore greenfield land earmarked for industrial land use is likely to also be attractive for residential and commercial development. It is important therefore that district plans appropriately protect existing and proposed industrial land for these purposes, or risk industry leaving or not locating in the city in the first place. This also forces up the price of existing industrial zoned land as it becomes comparatively more scarce.

Given the compounding effect of the above factors, it's likely that demand for industrial land will outstrip supply in the medium to long term, impacting negatively on business land sufficiency.

4.6.6 Business capacity – Plan enabled, feasible and realisable

This section provides an assessment of business development capacity calculated based on the PDP including Variation 1.

An analysis of plan enabled floorspace has been undertaken with respect to all commercial zones as notified in Variation 1. The calculation of business capacity follows a similar process to that for residential capacity, whereby theoretical development capacity is identified for mixed-use and business areas based on the underlying zoning policy framework and rules.

The assessment compares scenarios for both infill and full redevelopment, and identifies vacant land. While the infill scenario identifies potential development capacity available around existing buildings, the redevelopment scenario considers demolition of existing buildings and redevelopment up to the maximum permitted building envelope for height, site coverage etc. Vacant land is a sub-category of the redevelopment scenario and 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 realistically determine development capacity. This includes using ratios to split development capacity between residential and business uses in zones that enable mixed use (e.g. commercial centre zones and the mixed use zones), and using the underlying zone standards to model maximum permitted building height, site coverage etc.

The last assumption applied is the heights of buildings 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 largely single storey nature of buildings associated with activities located in the industrial zone e.g. factories, warehouses and sheds.

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

Table 4.14: Existing land area and enabled floorspace by zone

| Business Zone | Existing land area (m²) | Existing floorspace (m²) | Infill floorspace (m²) | Redevpmt floorspace (m²) | Vacant floorspace (m²) |
|--------------------------|---|--|--|--|--|
| General Industrial Zone | 740,690 | 184,415 | 206,051 | 6,391 | 0 |
| Local Centre Zone | 188,453 | 51,228 | 30,094 | 576,096 | 28,236 |
| Metropolitan Centre Zone | 158,490 | 64,689 | 340,699 | 972,210 | 14,892 |
| Mixed Use Zone | 340,320 | 74,320 | 419,743 | 1,054,244 | 158,506 |
| Large Format Retail Zone | 429,810 | 182,126 | 679,701 | 1,508,761 | 17,595 |
| Total | 1,857,763 | 556,778 | 1,676,288 | 4,117,702 | 219,229 |

Table 4.16: Existing land area and enabled floorspace by business area (with MCA score)

| Business Area | Existing land area (m ²) | Existing building area (m ²) | Infill floorspace (m ²) | Redevpmnt. floorspace (m ²) | Vacant floorspace (m ²) | MCA score |
|------------------------------------|--------------------------------------|--|-------------------------------------|---|-------------------------------------|-----------|
| Unspecified | 420,453 | 30,907 | 83,016 | 483,617 | N/A | N/A |
| Broken Hill | 374,394 | 56,204 | 59,804 | 0 | 0 | 53 |
| Cannons Creek | 14,409 | 7,663 | 11,974 | 38,013 | 2,110 | 56 |
| Elsdon General Industrial | 366,296 | 128,211 | 146,247 | 6,391 | 6,391 | 55 |
| Elsdon Large Format Retail | 235,288 | 103,188 | 395,964 | 808,188 | 12,782 | 55 |
| Kenepuru | 213,836 | 52,085 | 282,783 | 659,708 | 51,570 | 63 |
| Mana Esplanade | 41,426 | 9,741 | 58,779 | 143,404 | 3,701 | 51 |
| Metropolitan Centre (City Centre) | 158,490 | 64,689 | 340,699 | 972,210 | 14,892 | 54.5 |
| Paremata Cres | 10,406 | 3,637 | 13,193 | 25,831 | N/A | 51 |
| Porirua East/Ranui Shopping Centre | 42,855 | 9,616 | 54,075 | 129,527 | 1,550 | 58 |
| Titahi Bay | 17,311 | 5,635 | 20,003 | 54,831 | 4,169 | 43 |
| Ulric St industrial area | 116,078 | 18,598 | 123,767 | 368,705 | 10,6936 | 43 |
| Waitangirua Shopping Centre | 56,964 | 13,480 | 71,385 | 172,612 | 16,707 | 51 |
| Whitby Village Centre | 15,487 | 5,093 | 14,775 | 37,709 | N/A | 39 |
| Whitireia Large Format Retail | 194,522 | 78,938 | 283,738 | 700,574 | 4,813 | 54.5 |
| Total | 2,278,216 | 587,685 | 1,960,202 | 4,601,320 | 225,620 | |

MCA scoring of business areas

Along with a quantitative assessment of business capacity, the business areas identified in Table 4.16 above have been subject to a multi-criteria assessment (MCA). This involved an assessment of each area against 14 criteria to assist in identifying the suitability of each area for business

development, and the nature of business development. Each criterion was scored on a scale of 1 (least favourable) to 5 (most favourable). This was supplemented by qualitative information in relation to each area from a range of stakeholders including Council staff, developers, real estate agents and business directors. The MCA criteria were as follows:

1. Proximity to major roading corridors
2. Access to rail routes
3. Access to airport
4. Access to seaport
5. Public transport accessibility
6. Parking availability & accessibility
7. Access to required labour force
8. Access to markets/consumers & reliance
9. Resilience to hazards
10. Supporting business/services in the area
11. Land & property cost
12. Developability/functionality
13. Separation from more sensitive activities
14. Community impact

Commentary on each business area, and the justification for any moderation of MCA scoring, is set out in the TPG Report included appended to the HBA report.

4.6.7 Sufficiency of business capacity

Like the assessment with respect to residential development capacity, there is a considerable gap between the business capacity enabled by the PDP and the realisation rate of business development, and the extent to which the enabled business capacity is taken up by new development.

Although a much greater scale of plan-enabled capacity is now available in Porirua, this is unlikely to be fully realised until market conditions are more supportive. In likelihood, there will be a considerable amount of enabled business capacity that will never be realised as many sites will not be redeveloped in the foreseeable future due to a range of market and non-market reasons, and sites that are developed may not make use of the full permitted building envelope.

Table 4.17: summary of business floorspace supply to meet demand 2022 – 2052 (m2)

| Type | 2021-2024 | 2024-2031 | 2031-2051 | TOTAL |
|--|-----------|-----------|-----------|------------------|
| Demand (inflated with 20%/15% buffer) | 100,481 | 220,327 | 622,642 | 943,450 |
| Redevelopment capacity | 4,601,320 | - | - | 4,601,320 |
| Infill capacity | 1,960,202 | - | - | 1,960,202 |
| Vacancy | 225,620 | - | - | 225,620 |
| Sufficiency | Yes | Yes | Yes | |

4.7 Conclusion on business sufficiency

There are numerous assumptions that have been applied in determining overall business sufficiency, however there is considered enough enabled floor space for business purposes to meet demand for the 30-year period 2022 – 2052. The overall supply of business floorspace is therefore assessed as being sufficient. There is however insufficient industrial zoned land in Porirua to meet demand over the next 30-years.

The Judgeford Flats FUZ is likely to provide sufficient capacity for 30-years of industrial land supply, however this assumes it can be adequately serviced, and that landowners and developers will act collectively to develop the area in a comprehensive manner to maximise its development potential. It is also likely to meet demand from Wellington City, Hutt City and Upper Hutt, cities that also have a shortfall in industrial land supply, which reflects a broader issue of insufficient industrial land supply across the region. If this (probable) scenario plays out, the 30-years of industrial land supply enabled through the up-zoning of Judgeford Flats FUZ will be exhausted within 10-15 years.

The ongoing, long-term shortage of greenfield industrial land in Porirua (and the region) is unlikely to be resolved in the foreseeable future given physical, planning and infrastructure servicing constraints, and the unrealistic costs associated with overcoming these. This will likely drive two market behaviours (both of which are evident already):

- Investment in the repurposing and modernising of existing industrial land. Historically, industrial sites are not efficiently laid out and optimised in terms of land use, and redevelopment provides an opportunity to make more efficient use of sites. Modern methods of production are also more efficient in terms of land use, making greater use of the limited industrial land resource. There is recent and ongoing redevelopment of industrial land in Elsdon of this nature, and this is likely to increase.
- Businesses requiring large footprint industrial sites either leaving Porirua (and the region) or not looking to establish in Porirua in the first place. Other districts in the lower North Island such as Horowhenua, Manawatu and Palmerston North have comparatively more affordable and available industrial land (and future industrial).

New commercial zoned areas created as part of the development of the NGA, along with other smaller greenfield areas, will likely be sufficient to meet the limited demand for new retail and commercial land over the next 30-years. These zoned areas will primarily service the new populations that will be living in these greenfield areas. The NGA is also likely to supply sufficient land to meet the projected demand for new education and health care facilities over the next 30-years.