Chapter 9: Carterton District Council HBA

Key Findings

Population Growth: The Carterton District forecast projects population growth of 4,600 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 industrial land in the Carterton 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.

9.1 District Context

9.1.1 The Carterton District

The Carterton District covers 1,180 square kilometres and sits in a farming area of the Wairarapa, bordered by the Tararua Ranges to the west, the Pacific Ocean to the east, the South Wairarapa District to the south and the Masterton District to the north.

The district sits in the middle of the eastern growth corridor within the Wellington Regional Growth Framework. Development has historically concentrated in the Carterton township, with some smaller settlements spread throughout the rest of the district.

9.1.2 Urban Growth Strategy

In 2017 Carterton District Council published its Urban Growth Strategy (UGS), to inform a planned approach for directing where and how future residential growth is accommodated in the District. The Strategy outlines the outcomes sought over the next 25 years and recognises key aspects of growth, including the potential need for greenfield land and provision of infrastructure. It also supports the growth of the local economy by signalling growth opportunities and proactively providing land areas suitable and attractive for development.

Key information is used in the UGS including demographics and population projections, urban development trends and economic indicators to inform a preferred growth scenario and the response required to accommodate potential growth.

The Strategy has a relationship with other strategies and plans including the District's Long Term Plan, the Wairarapa Combined District Plan (and its review), Infrastructure Strategy and the Walking and Cycling Strategy. These documents can give further effect to the outcomes and actions sought in the UGS.

9.1.3 Carterton Draft Structure Plan

The UGS identified the eastern side of the Carterton urban area as the most suitable location and direction for new greenfield development. This is due to its proximity and accessibility to existing community and infrastructure facilities and services, as well as it having no significant natural hazard risks or other significant constraints for urban development. Accordingly, in December 2020/January 2021 the council released a proposed Carterton Draft Structure Plan, which included four options for the community to provide feedback on. The ultimate objective of the Carterton Draft Structure Plan is to provide a vision for future development of the rural land east of the current developed urban area of Carterton and west of Booths Creek.

The Structure Plan was then incorporated into the draft Proposed District Plan review for informal consultation in 2022. The Proposed District Plan will reflect feedback on the Structure Plan and implement the outcomes sought for the growth of the area.

9.1.4 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.

9.1.5 Carterton Housing Action Plan

Carterton District Council (CDC) published a Housing Action Plan in July 2021, which aims to both consolidate a vision for housing in the District and to identify the options and tools available to CDC to effectively stimulate housing supply and increase affordability. Its vision is for Carterton to have 'a diverse range of quality housing options to meet the needs of current and future communities'. It indicates that as of 2021, the District needs approximately 1,000 new houses by 2043 to accommodate growth. The Housing Action Plan sits above the Long Term Plan, Urban Growth Strategy, Structure Plans and the District Plan, as these tools represent a way to give effect to the actions across the District.

9.1.6 '*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.

9.2 Residential Assessment of Development Capacity and Findings

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

9.2.1 Current population and future forecasts

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

Table 9.1: Total projected population by short, medium, and long-term periods for the Carterton District, 2022-2052.

	Projected Population				Projected Population Change			
Type	2022	2025	2032	2052	2022-2025	2025-2032	2032-2052	Total
Sense Partners Median	10,300	10,700	11,900	14,900	400	1,200	3,000	4,600

9.2.2 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 9.2: Dwelling demand (including competitive margin) for the Carterton District 2022-2052.

Type	2022-2025	2025-2032	2032-2052	Total
Sense Partners Median	260	578	1,503	**2,341**
Demand with competitive margin	312	693	1,728	**2,733**

In addition to addressing overall demand, the assessment considers the location of demand. For the purposes of this assessment, Carterton was divided into two broad "housing catchments" as shown in Figure 9.1 below.

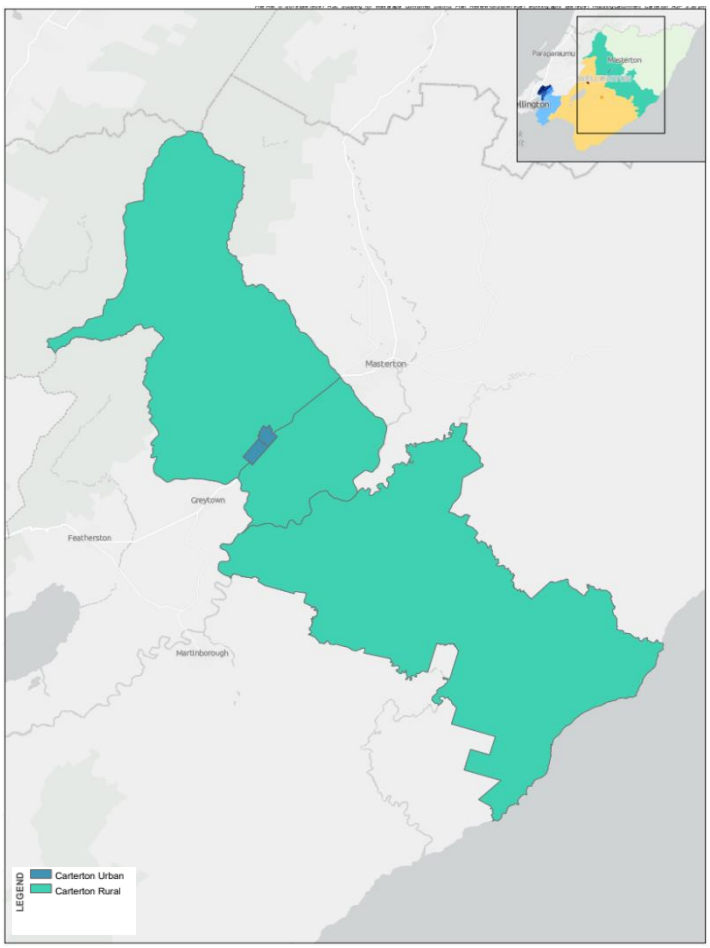

Figure 9.1: The two housing catchments in the Carterton District.

These housing catchments are groupings of suburbs which were selected for containing broadly similar housing markets. Table 9.3 below shows which Statistics New Zealand Statistical Area 2 areas are included in each catchment.

Table 9.3: Statistical Area's included in each housing catchment.

Housing catchment	SA2 areas included
Carterton Urban	Carterton North Carterton South
Carterton Rural	Mount Holdsworth Kokotau Gladstone (Carterton District)

The following table shows demand by housing types across the two catchments.

Table 9.4: Demand for additional dwellings (with competitive margin) by housing area and by typology, 2021-2051.

	2021-2024	2024-2031	2031-2051	Total[1]
Carterton Rural				
Stand-alone housing	87	517	547	**1,151**
Joined housing	7	1	0	**8**
Total	94	518	547	**1,159**
Carterton Urban				
Stand-alone housing	50	45	1,180	**1,275**
Joined housing	165	127	0	**292**
Total	215	172	1,180	**1,567**
	Total			
Stand-alone housing	**137**	**562**	**1,727**	**2,426**
Joined housing	**172**	**128**	**0**	**300**
Total	**309**	**690**	**1,727**	**2,726**

The assessment of demand by area shows that there is similar demand for housing in both of the catchments. There is less demand for joined housing in Carterton Rural, due to the nature of development in this environment and how this area is used. While joined housing has a higher

[1] *Due to rounding, there is a slight discrepancy between the totals in this table.*

demand in Carterton Urban than in the rural environment, stand-alone housing is still providing for the majority of future growth in the District.

9.2.3 Market analysis and demand for housing (pressures and activities)

Clause 3.23 of the NPS-UD requires every HBA to include analysis of how the local authority's planning decisions and provision of infrastructure affects the affordability and competitiveness of the local housing market. The analysis must be informed by:

1. Market indicators, including:

    a. indicators of housing affordability, housing demand, and housing supply; and

    b. information about household incomes, housing prices, and rents; and

2. Price efficiency indicators.

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 implications of these indicators.

Figure 9.2: Median residential dwelling sale price for the Carterton District. Source: MHUD.

The Residential Sales Price indicator shows an increase in sales prices in the Carterton 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 Carterton District broadly tracks with the regional and national trend.

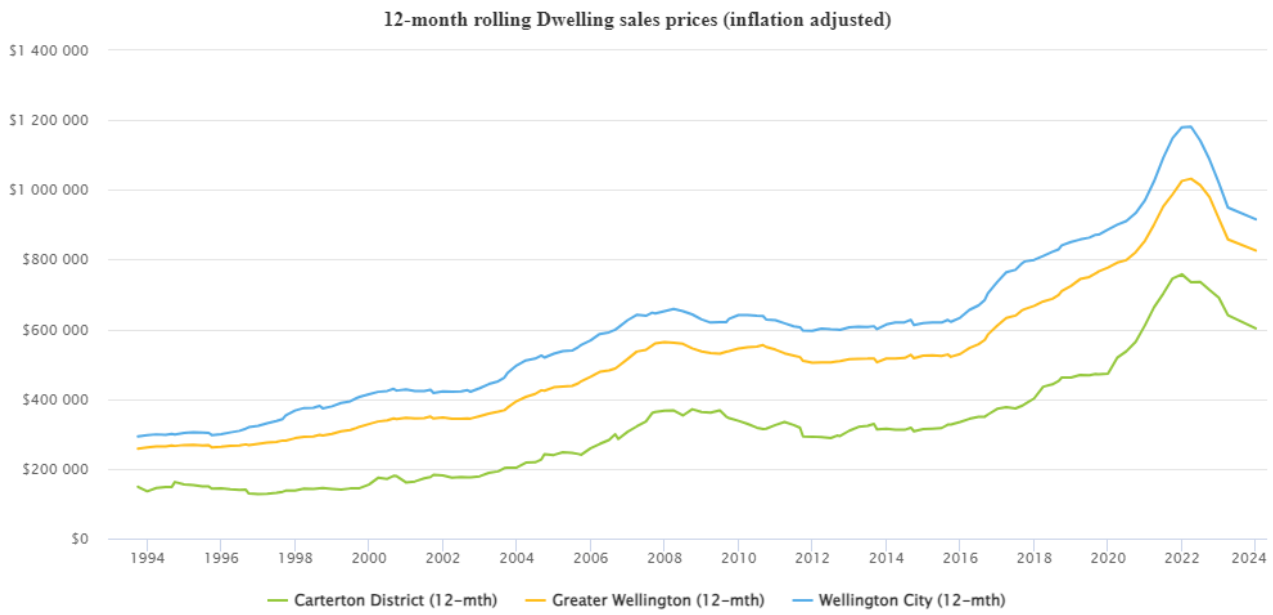

Figure 9.3: Median residential dwelling sale price for the Carterton District adjusted for inflation. Source: MHUD.

The 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 Carterton District commencing from 2022.

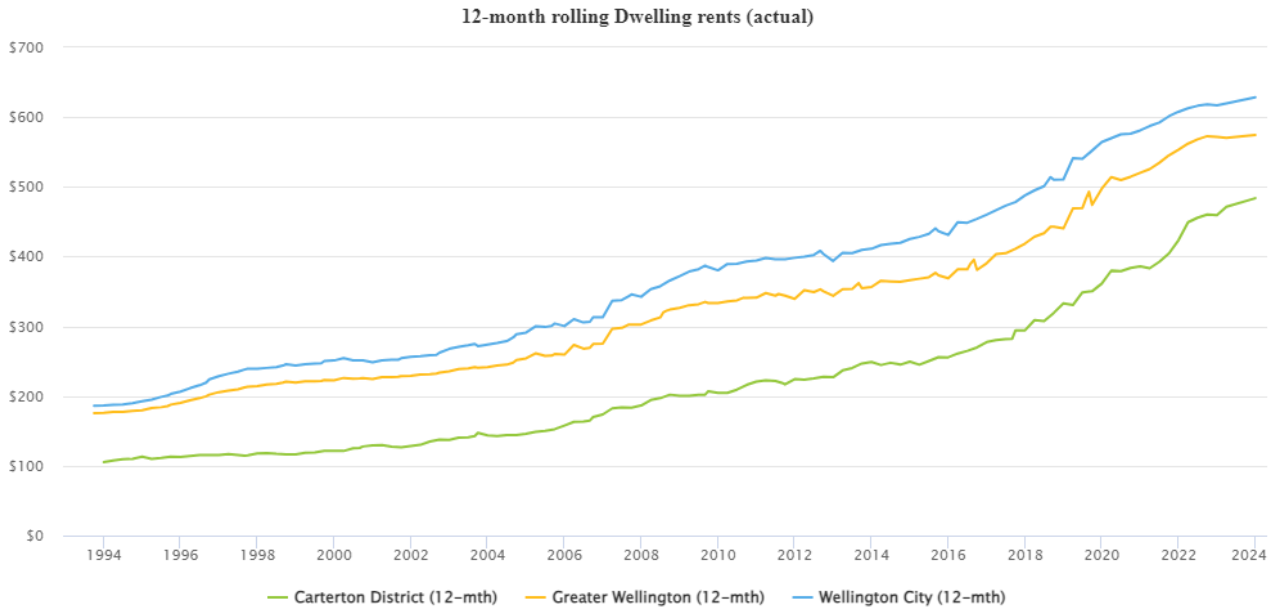

Figure9.4: Average dwelling rents in the Carterton District. Source: MHUD.

The rent indicator for the Carterton District shows rent prices rapidly increasing since 2015, which followed slight growth between 2010 and 2015. Since 2022, rent prices have plateaued with only a

slight increase. This trend in rent prices in the Carterton District is consistent with the wider Wellington Region and other Wairarapa Districts.

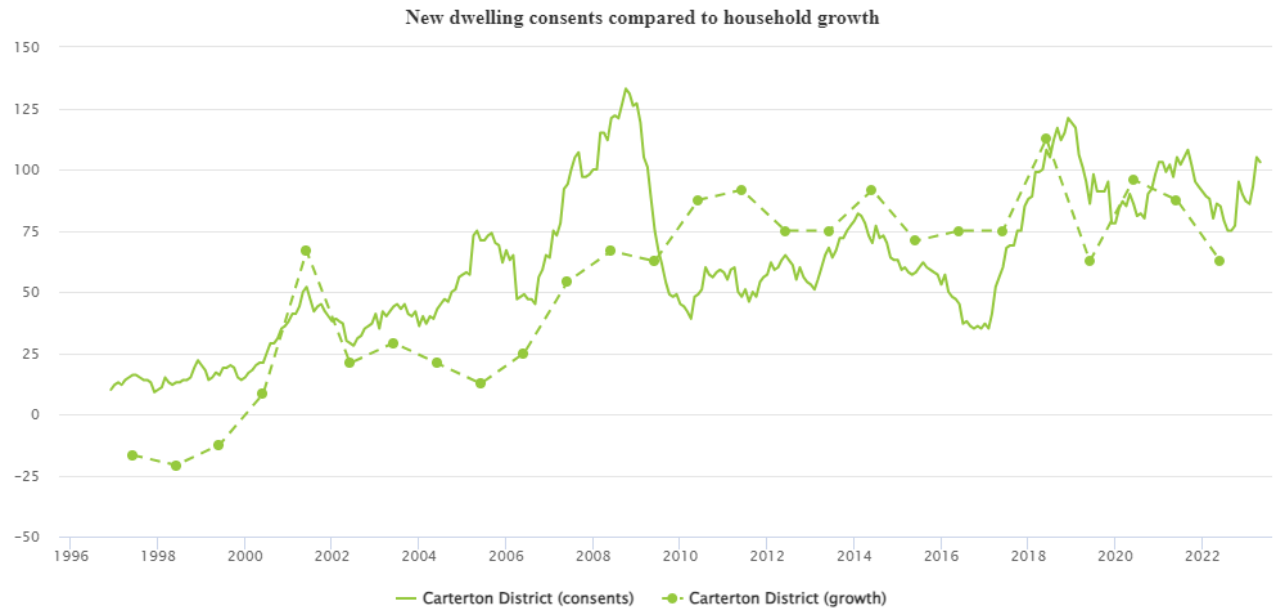

Figure 9.5: New dwelling consents compared to household growth for the Carterton District. Source: MHUD.

The comparison of new dwelling consents to household growth shows that between 2009 and 2018 the growth in new households outpaces the growth in new dwelling consents in the Carterton District. However, between 2018 and 2019 both new dwelling consents and new households experienced a decline. From 2021 the number of new dwellings consented has been higher than the number of new households in the district.

Based off these indicators, a picture has emerged of the current housing market and demands. The Carterton District has experienced a decline in dwelling sales price and a plateau (with a slight increase) in rent price since 2022. Alongside this, the growth in new dwelling consents has exceed new households. This suggests that dwelling construction has exceeded household formation, which could lead to an emerging surplus of housing in the Carterton District resulting in the decline of prices. As this is a consistent trend across the Wellington region, it could be an indicator of external factors impacting the housing market.

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 indicators 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:

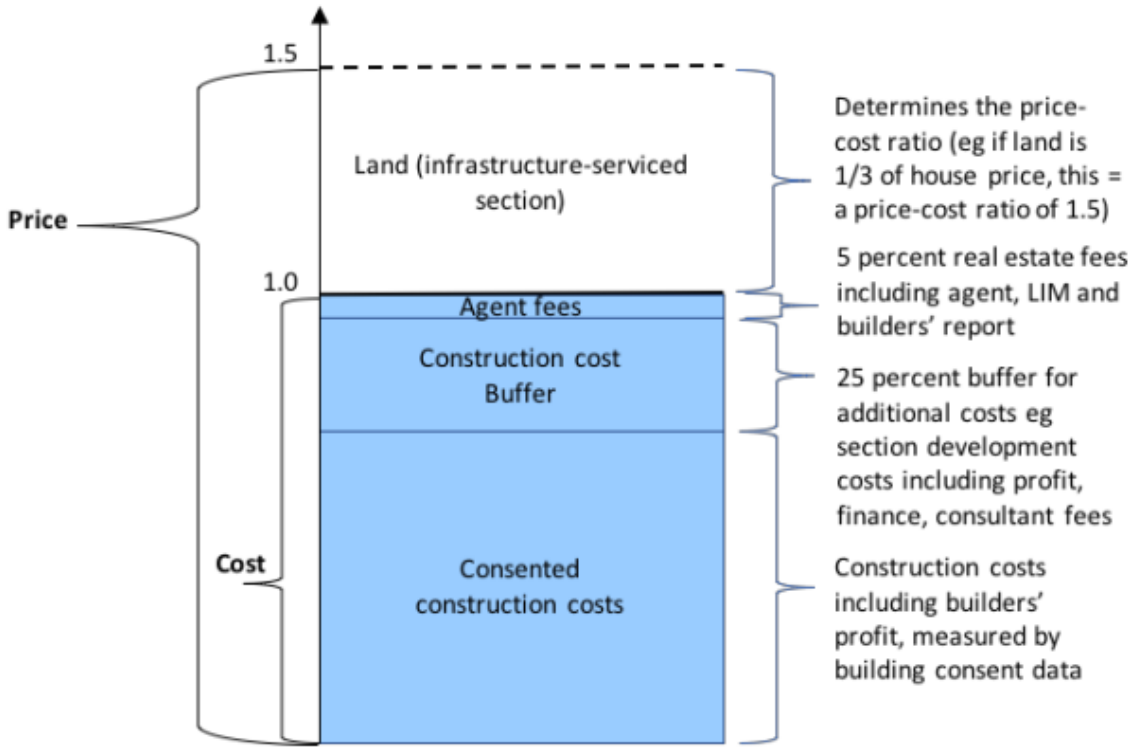

Figure 9.6: The components of the price-cost ratio. Source: MfE.

A 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 Carterton District is shown below in Figure X. 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 Carterton 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 Carterton is experiencing is consistent across the region.

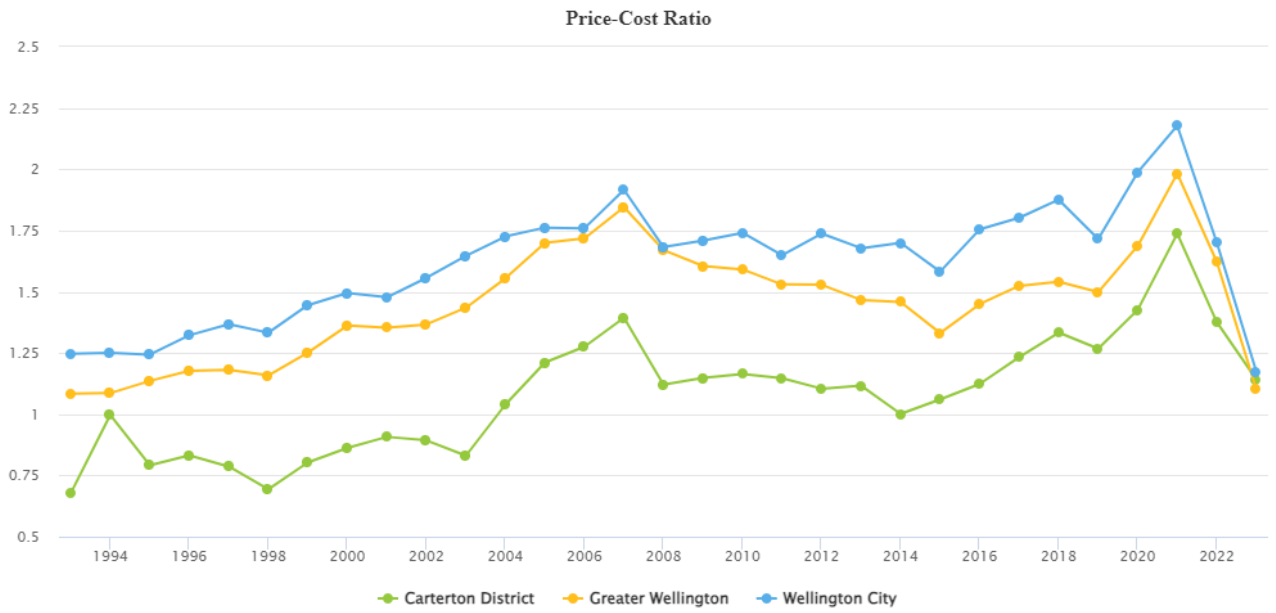

Figure 9.7: Price-cost ratio for the Carterton District. Source: MHUD.

9.2.4 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 9.5: Theoretical residential development capacity by Carterton statistical areas.

	Theoretical Capacity			
Type	Residential	Future Urban	Residential Greenfield	Total Residential
Carterton North	2,077	-	102	**2,179**
Carterton South	4,576	-	252	**4,828**
Kokotau	-	1,839	-	**1,839**
Mount Holdsworth	-	-	132	**132**
Total	**6,653**	**1,839**	**486**	**8,978**

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 9.6: Feasible residential development capacity by Carterton statistical areas.

	Feasible Capacity			
Type	Theoretical Capacity	Feasible Standalone	Feasible Terraced	Total Feasible Capacity
Carterton North	2,363	254	949	**1,203**
Carterton South	4,857	615	2,759	**3,374**
Kokotau	1,839	103	1,574	**1,677**
Mount Holdsworth	132	-	132	**132**
Total	**9,191**	**972**	**5,414**	**6,386**

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 9.7: Realisable residential development capacity by Carterton statistical areas.

Type	Realisable Capacity			
	Theoretical Capacity	Realisable Standalone	Realisable Terraced	Total Realisable Capacity
Carterton North	2,363	238	535	**773**
Carterton South	4,857	357	1,686	**2,043**
Kokotau	1,839	212	1,242	**1,454**
Mount Holdsworth	132	-	132	**132**
Total	**9,191**	**807**	**3,595**	**4,402**

9.2.5 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 notable 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 61 per annum ranging from 36 – 73 per annum. From 2017 to 2022 the average number of new residential units consented was 91 per annum ranging from 74 – 114 per annum.

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

Table 9.8: Demand (with competitive margin) for housing type against the realisable development capacity.

	Demand	Capacity	+/-
Carterton Urban			
Stand-alone housing	1,151	595	-556
Joined housing	8	2,221	2,213
Total	1,159	2,816	1,657
Carterton Rural			

Stand-alone housing	1,275	212	-1,063
Joined housing	292	1,374	1,082
Total	1,567	1,586	19
			Total
Stand-alone housing	**2,426**	**807**	**-1,619**
Joined housing	**300**	**3,595**	**3,295**
Total	**2,726**	**4,402**	**1,676**

The differences provide us with an indication of areas that are reasonably 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 9.9: Demand and realisable capacity of housing typologies over time, Carterton District, 2021-2051.

	2021-2024		2024-2031		2031-2051	
Housing typology	**Demand**	**Realisable[1]**	**Demand**	**Realisable**	**Demand**	**Realisable**
Stand-alone housing	137	92	562	204	1,727	511
Joined housing	172	408	128	910	0	2,277
Total	309	500	690	1,114	1,727	2,788

Table 9.10: Overall summary of supply to meet demand, Carterton District, 2021-2051.

Type	2021-2024	2024-2031	2031-2051	TOTAL
Demand (with competitive margin)	309	690	1,727	2,726
Development capacity (realisable)	500	1,114	2,788	4,402
Balance	191	424	1,061	1,676
Sufficiency	Yes	Yes	Yes	Yes

9.3 Business Assessment of Development Capacity and Findings

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

[1] *Realisable capacity figures per year have been calculated based on the percentage change of the demand figures.*

9.3.1 Business areas

The Carterton township has two main commercial and industrial areas which service the District. Carterton has the main industrial centre for the Wairarapa, which creates its own demand as the benefits from locating near other firms attract more demand. This industrial area is located to the north of the township, in Waingawa. In Carterton central, the commercial areas provide retail services to the District. Under the Wairarapa Combined District Plan, these areas are provided for under the Industrial and Commercial zones.

These commercial and industrial areas have been broken down into two different Business Areas to help support analysis of demand and development capacity as part of this assessment. These areas are identified in the map below.

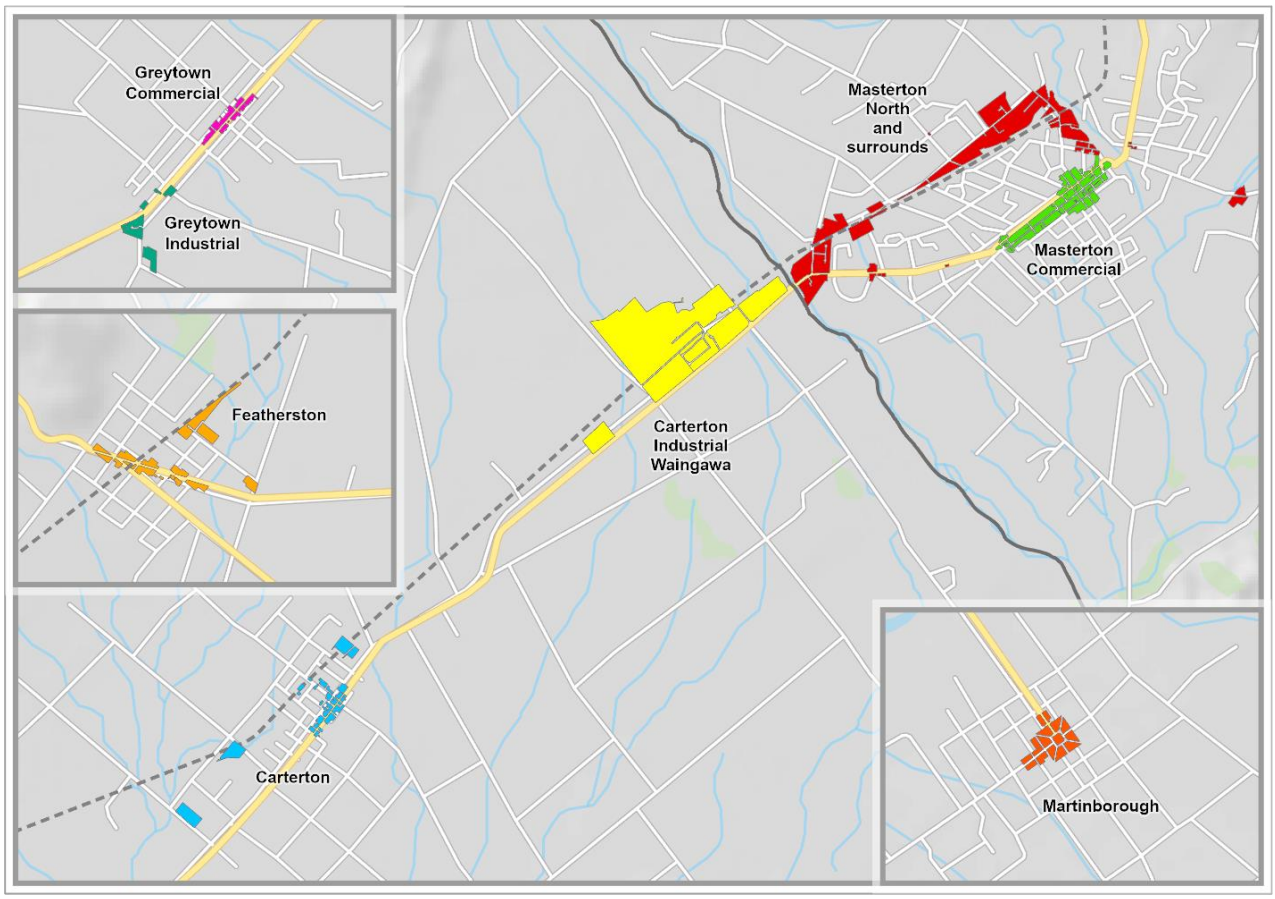

Figure 9.7: Map showing the two Business Areas in the Carterton District.

9.3.2 Key business stats and figures

The Carterton District is the hub for industrial activity in the Wairarapa, largely due to the industrial area at Waingawa.

The local economy is dominated by the industrial sector. This includes food processing industries, which build off the local agricultural economy in Carterton, South Wairarapa, and Masterton Districts. As a result of the concentration of industrial activity in Carterton, employment rates in the industrial sector are far higher than the Greater Wellington Region average.

Transport improvements will have a positive impact on economic activity in the Carterton 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 Carterton District, shown in Figure 9.8. 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 Carterton District is relatively small.

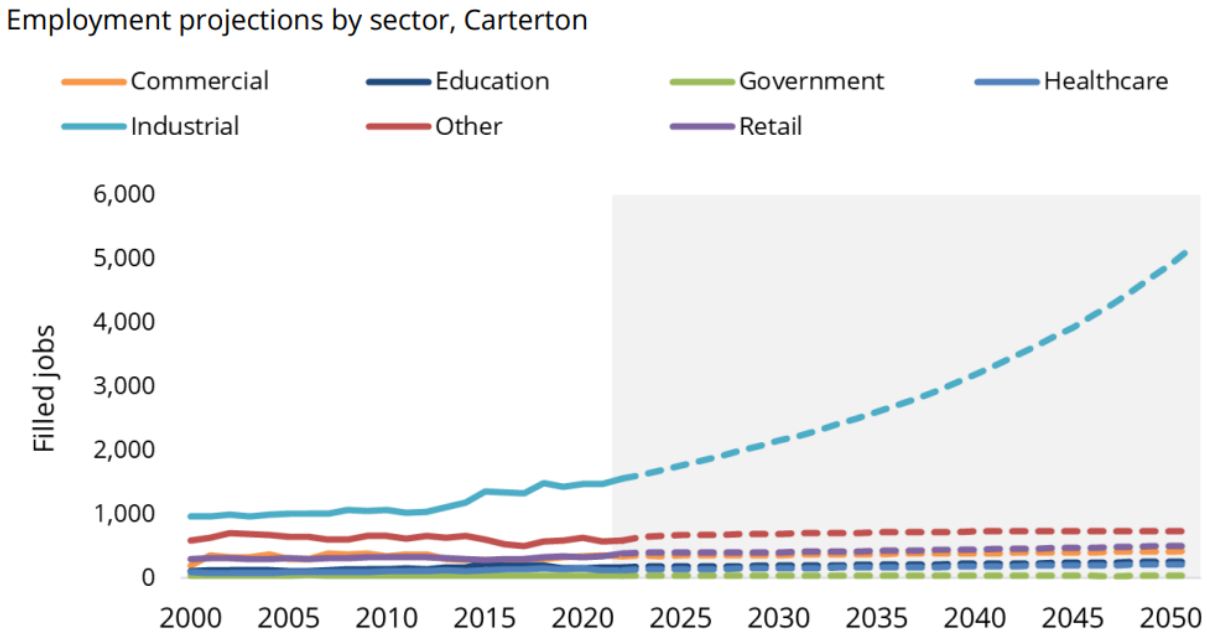

Figure 9.8: Employment projections by sector. Source: Sense Partners.

The strongest industry growth in the Carterton District is in the industrial sector. Normally, it would be expected that a lift in industrial jobs would trigger growth in other sectors. New jobs typically attract new residents, who need access to retail, healthcare, and education. Commercial sector jobs, such as lawyers or accountants, service industrial businesses as well as local residents.

This conventional relationship does not hold in the Carterton District. This is due to the bulk of the District's industrial land being located in Waingawa, which is adjacent to the Masterton urban area. This results in the majority of on-flow growth being experienced in Masterton, rather than Carterton.

9.3.3 Forecast business demand

Sense Partners have provided a business demand forecast for the Carterton 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 9.11 below.

Table 9.11: Demand for business land and floorspace by business sector over the short, medium, and long-term.

Type	Floorspace (m^2)				Land (m^2)			
	2022-2025	2025-2032	2032-2052	Total	2022-2025	2025-2032	2032-2052	Total
Retail	224	516	3,535	**4,275**	448	1,033	7,068	**8,549**
Healthcare	366	832	2,333	**3,531**	487	1,110	3,111	**4,708**
Education	567	731	2,635	**3,933**	756	975	3,513	**5,244**
Commercial	117	313	1,015	**1,445**	156	418	1,353	**1,927**
Government	-122	7	1	**-114**	-162	9	0	**-153**
Industrial	27,640	75,243	420,032	**522,915**	69,099	188,108	1,050,082	**1,307,289**
Other	3,146	1,365	1,159	**5,670**	4,195	1,819	1,546	**7,560**
TOTAL	**31,938**	**79,007**	**430,710**	541,655	**74,980**	**193,472**	**1,066,673**	**1,335,124**

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

Type	Floorspace (m^2)				Land (m^2)			
	2022-2025	2025-2032	2032-2052	Total	2022-2025	2025-2032	2032-2052	Total
Retail	269	619	4,065	**4,953**	538	1240	8,128	**9,905**
Healthcare	439	998	2,683	**4,121**	584	1,332	3,578	**5,494**
Education	680	877	3030	**4,588**	907	1,170	4,040	**6,117**
Commercial	140	376	1,167	**1,683**	187	502	1,556	**2,245**
Government	-97	8	1	**-88**	-129	11	0	**-118**
Industrial	33,168	90,292	483,037	**606,496**	82,919	225,730	1,207,594	**1,516,243**
Other	3,775	1,638	1,333	**6,746**	5,034	2,183	1,778	**8,995**
TOTAL	**38,374**	**94,808**	**495,317**	628,499	**90,040**	**232,166**	**1,226,674**	**1,548,880**

9.3.4 Market analysis and demand for business

The Carterton District is the main industrial hub of the Wairarapa, focused in Waingawa, which has the capacity to accommodate growth. Stakeholders note that some industrial uses are occurring within the Rural Zone and that there may need to be greater consideration given in terms of zoning. Industrial uses can have an impact on the rural land itself, along with surrounding rural land uses (reverse sensitivity). Further, the location of some established industrial areas suffer reverse

sensitivity issues with encroaching residential activities, which makes commercial development in these areas riskier.

Stakeholders also noted 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.

It was also identified that many of the industrial areas in the District have issues with three waters capacity and susceptibility to flooding due to overland flow issues. This can act as a constraint to development, as it requires greater investment by developers.

9.3.5 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 space 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 9.13: Business floorspace capacity (m^2) by business zone.

Business Zone	Existing floorspace	Infill floorspace	Redevelopment floorspace	Vacant
General Industrial Zone	103,722	2,468,586	2,599,053	2,468,586
Mixed Use Zone	5,503	93,644	122,385	23,411
Town Centre Zone	27,849	237,952	383,868	59,488
Total	**137,074**	**2,800,182**	**3,105,306**	**2,551,485**

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 9.14: Business floorspace capacity (m^2) by business area - with MCA score.

Business Area	MCA Score	Existing floorspace	Infill floorspace	Redevelopment floorspace	Vacant
Carterton Commercial	48	32,786	331,596	506,253	82,899
Carterton Industrial	N/A	26,074	192,607	214,865	192,607
Carterton Industrial Waingawa	55	78,214	2,275,979	2,384,189	2,275,979
Total	**N/A**	**137,074**	**2,800,182**	**3,105,306**	**2,551,485**

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 Carterton 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.

As described above, the Waingawa industrial area is the main industrial hub servicing the entire Wairarapa. It provides a significant land supply for future industrial development to meet the long-term needs of the Wairarapa, including industrial development that seek sizeable blocks of flat land. The Carterton commercial area is focused on servicing the needs of local residents and visitors. Due to the aging profile of many existing buildings in the Carterton commercial area, it is anticipated they will be redeveloped in the future.

9.3.6 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 Carterton Central, in the Mixed Use and Town Centre Zones.

Table 9.15: Overall summary of supply to meet demand (m²).

Type	2022-2025	2025-2032	2032-2052	TOTAL
Demand (with competitive margin)	38,374	94,808	495,317	628,499
Development Capacity	Redevelopment			3,105,306
	Infill			2,800,182
	Vacancy			2,551,485
Sufficiency				Yes

9.4 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:

b) in relation to the short term, there is adequate existing development infrastructure to support the development of the land

c) 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

d) 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 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 Carterton's existing and planned infrastructure and its adequacy to meet expected demand for housing.

9.4.1 Three Waters

Carterton has undertaken an assessment of their water infrastructure as part of the Infrastructure Strategy, which informed their Long Term Plan 2021-2031. This report is attached in Appendix C. The report should be read alongside this summary to fully understand the methodology, assumptions, levels of service and other associated commentary.

The assessment indicates that there are long-term constraints on water supply capacity, but neither wastewater or stormwater face short- or long-term capacity issues. These constraints will be managed through planned infrastructure investment programmes and projects.

Water

CDC owns and manages a water supply scheme for Carterton Township, and the water reticulation for the Waingawa area with water supplied from Masterton. It also owns and manages two rural water race schemes – the Carrington and Taratahi water race schemes.

The infrastructure assessment indicates that Carterton will have medium to long-term water supply capacity issues, without demand management and investment in supplementary water supply.

A proportion of the existing network is nearing its end of life (70-80 years), and also in poor condition. CDC will need to ensure an ongoing renewal programme, so that existing levels of service are maintained. GWRC's recent modelling of the Kaipaitangata and Waiohine surface water and groundwater catchments indicates there is already an over-allocation of these natural resources. Climate change is also likely to impact the water available from natural resources in summer months.

Potentially, demand could exceed consented supply and recommended storage capacity during peak summer periods. Additional demand beyond current supply capacity is anticipated due to the urban population growth projection and effects of climate change, subject to the available capacity of the residential zone.

Growth-related implications for the Carterton water supply scheme are dependent on sufficient residential zone capacity to meet projected demand beyond 2030. An additional trunk main and new reticulation is proposed in the Carterton Urban Growth Strategy.

Wastewater

CDC have an aging wastewater system, and accordingly have established an annual replacement programme to maintain current levels of service. The Council also recently finalised the upgrade of its wastewater treatment plant, which is designed for a projected population of 8,500 by the end of the new 35-year consent period (i.e. by 2052). So long as the renewal and replacement programme continues and the anticipated population does not increase at a much faster rate than anticipated, Carterton has long-term wastewater capacity.

Stormwater

CDC's stormwater infrastructure has two components - piped and open earth channels. The assessment indicates that with investment in pipe replacement and increased reticulation, medium to long-term capacity will be met.

Current reticulation capacity copes with most rainfall events or surface flooding of short duration. Beyond that, drainage of excess surface water relies on secondary flow paths. More intense rainstorms due to the effects of climate change could erode current levels of service. Planned renewals will include capacity increases to compensate for predicted climate change effects.

As the majority of pipes are considered 'young', an ongoing replacement programme will ensure there is long-term piped stormwater capacity.

Additional catchment and new reticulation are proposed in the Carterton Urban Growth Strategy area. The stormwater drain on the east side of town will be progressively replaced to accommodate projected residential growth in the north-east of town in line with the Urban Growth Strategy.

A project involving the construction of a bypass channel on the western side of Carterton is aimed at restoring stormwater drainage capacity of the Waikākāriki Stream during storm events. Land use development along the Waikākāriki Stream has impacted on levels of service. The bypass channel would divert peak stream flows to avoid surface flooding in the adjoining urban area. This project was deferred pending the outcomes from the GWRC Natural Resources Plan.

9.4.2 Local Road Network

As part of their Infrastructure Strategy, Carterton also assessed the local road network. The Council maintain approximately 441km of local roads, 286km of which are sealed and the remaining 155km unsealed.

The majority of the Carterton Road network consists of access roads because of the low traffic volumes. The growth and probable resultant increase in demand on the network is not expected to require any significant new roading, or significant additional capacity on the existing network. Access to any new residential/retirement developments will be provided by the developers. The need for any major upgrades is not seen at this stage, but localised upgrades may be required. The network will continue to be monitored to ensure improvements such as urban bypasses are provided in a timely manner.

CDC intends to review demand forecasts for the district roading network. The study will encompass an assessment of future demand due to increased use originating from proposed subdivision development and plantation forestry logging operations, and the actual and potential impact they will have on the roading network. This will enable the Council to better plan its road renewal and maintenance requirements. Minor safety projects will be introduced to target the dominant contributing factors to road accidents, namely:

- too fast for conditions
- poor handling

- alcohol and other impairments
- lack of attentiveness
- loss of control on bends on rural roads.

9.4.3 State Highway Network

Waka Kotahi have provided an update to assess 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 Carterton. SH2 connects Carterton to Greytown and Masterton. SH2 functions as an interregional connector outside of Carterton township, and an urban connector, peri-urban road, main street, and activity street at various points in and around Carterton. Waka Kotahi will be undertaking upgrades to SH2 – including safety improvements and speed reviews.

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

9.4.4 Public Transport

A public transport assessment has been provided by the Greater Wellington Regional Council. The full assessment is attached as Appendix 5.1.

Carterton has one bus service, which runs between Masterton and Martinborough several times a day. Carterton is also along the Wairarapa Railway Line, which runs five times a 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 building additional passing loops at Maymorn, Woodside, and Featherston.

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

9.4.5 Open Space

As part of their Long Term Plan, Carterton assessed the future demand on open spaces across the district. The existing recreational reserves/areas are sufficient to accommodate short-term population growth. Once the Eastern Growth Area is opened up further local reserve areas will be needed. These will be included in the structure plan for the area.

Increasingly, sports organisations that currently own their own property or use Crown land are unable to sustain or continue the status quo. This has resulted in them approaching the Council to use existing Council parks or provide additional land or facilities to accommodate these sports.

Carterton continues to discuss broader Wairarapa-wide needs, and how demand can be more effectively met. Without further investment and planning, Carterton may face medium to long-term capacity issues with their open space and sports fields, but currently they are not an issue limiting development capacity.

9.4.6 Education

Carterton has five schools within its District boundary – three are state primary schools (Carterton School, South End School and Dalefield School), and two state-integrated primary schools (St Mary's School and Ponatahi Christian School). All schools cater for students in years 1-8. There are no secondary schools within the District.

There are no capacity issues with local schools that would undermine development capacity, and any medium to long-term capacity issues can be managed by the addition of classrooms within the existing schools.