



# Crestview Rise, Papakura Proposed Plan Change Economic Assessment Report

**December 2023**

**Prepared for:**

**HARBOUR VIEW HEIGHTS LP.**

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Kelvin Norgrove  
**Strateg.Ease Ltd**

Level 6 AIG Building  
41 Shortland St.  
Auckland Central 1010

**Disclaimer**

This report has been prepared for Harbour View Heights Limited Partnership. Although every effort has been made to ensure the accuracy and integrity of information presented in this report, the author accepts no liability for any actions taken on the basis of the information or recommendations contained in the report.

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# Executive summary

## Introduction

This report has been commissioned by Harbour View Heights LP to support a private plan change (PPC) application to the Auckland Council to rezone land zoned Countryside Living at Crestview Rise, Papakura (Nos. 28, 30 and 66; consisting of 2ha to be rezoned) to Mixed Housing Urban (MHU). The proposal is for a comprehensively planned residential development over 5 years. The PPC will also require an adjustment to the Rural Urban Boundary (RUB) in the Auckland Unitary Plan (AUP).

## Scope of the report

This report assesses the proposal against various statutory requirements to inform the council's decision-making on a proposed Plan Change pursuant to the Resource Management Act (RMA) 1991. The scope of the report comprises:

1. analysis of demographic information and commuting patterns in the Papakura Local Board area;
2. assessment against relevant RMA plans including provisions of the Auckland Unitary Plan (AUP), the NPS-UD 2020 and the Auckland Council Future Development Strategy (FDS) 2023;
3. assessment of the PPC's potential economic effects, measured in terms of the development's construction costs/output and its associated direct contribution to value-add GDP and related employment levels.

## Planning assessment

The PPC is assessed to be entirely in keeping with the objectives and policies of the AUP RPS and the NPS-UD 2020 that are considered relevant to this report. Application of the Mixed Housing Urban zone (MHU) to the Plan Change area will enable a variety of housing types and choice at different price points and contribute to a well-functioning urban environment.

In terms of the Auckland Council FDS 2023 the PPC is not identified as an area to be zoned for residential development. The FDS does acknowledge the benefits of creating more residential capacity to support a responsive and competitive market and allows a 'pathway' for development that wishes to proceed earlier than the timeframes envisaged by the council, provided there is no cost to council and well-functioning urban environment outcomes can be met.

On the basis that the PPC can provide development capacity that is not limited by infrastructure constraints nor places future funding obligations on the Council, the PPC can be accepted as being 'not inconsistent' with the FDS.

The overall planning assessment concludes that the PPC satisfies statutory planning requirements and urbanisation of the land is appropriate to be enabled via a minor adjustment to the AUP's Rural Urban Boundary and application of the MHU zone as proposed.

### **Economic effects**

In summary, the proposed development is assessed to have a range of positive economic effects:

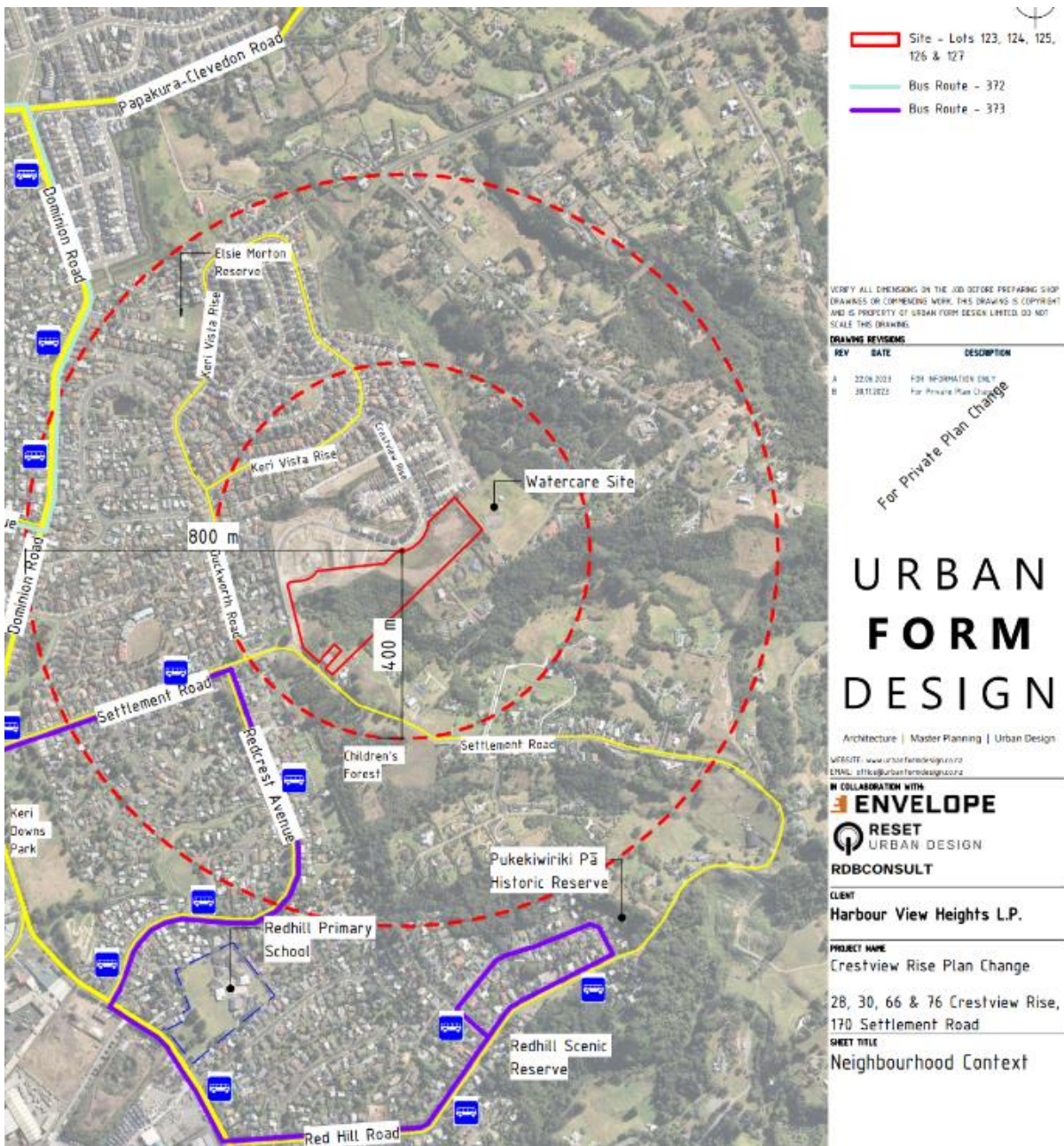
1. The lowest density option (Option 1) is estimated to involve a total construction cost of \$32.8m and to generate a contribution to Auckland's GDP of \$10.4m and a total 137 full-time and part-time jobs for the duration of the construction period.
2. By comparison the highest density option (Option 3) would involve a significantly higher scale of total costs at \$57.0m and generate a GDP contribution of \$18.1m and 246 jobs.
3. Additional contributions to GDP (not estimated) will arise from:
  - i) upstream 'indirect impacts' due to the land development and construction businesses increasing demand for goods and services from suppliers in Auckland (and elsewhere in New Zealand) and;
  - ii) induced final demand impacts from the additional household incomes of those living in the houses at Crestview Rise generating increased demand and expenditure on local consumer goods and services.
4. While the above wider economic effects are unquantified, it is reasonable to expect they will increase demand for goods and services from local suppliers including industrial and commercial businesses in the Papakura area as well as in other locations.
5. Enabling the land to be developed for housing will also be efficient in fiscal terms for the Council and its council-controlled organisations (CCOs) as it will entail extension of a newly developed neighbourhood without requiring any additional, unplanned investment in local infrastructure networks.

# 1.0 Introduction

## 1.1 Location context

The Proposed Plan Change (PPC) seeks to rezone land for residential purposes located at Crestview Rise, Papakura (refer Figure 1). Crestview Rise is within the Papakura Local Board area (refer Attachment A for map of the local board area).

**Figure 1: Site location**



Source: Urban Form Design 2023.

The area to be developed for residential purposes consists of 2 hectares adjacent to the newly established subdivision and development at Crestview Rise (refer Figure 2) and is proposed to be zoned Mixed Housing Urban (MHU). The PPC has applied the MHU zone to the portion of the PPC land proposed to be residential, to be consistent with the residential zoning applied by the Council’s Plan Change 78 to the surrounding area, and thereby integrate with the existing as well as potential future urban character of Crestview Rise.

**Figure 2: Crestview Rise proposed zoning**



Source: Urban Form Design 2023

To provide a guide to the achievable number of dwellings under this zoning four different options of subdivision and housing typology have been developed by the client team, as summarised below:

**Table 1: Crestview Rise residential development options**

Option	No. of Parent Lots	No. of Dwellings	No. of Storeys	Typical No. of Bedrooms
1. Semi-Detached	36	68	2	3
2. Triple-Attached	33	81	3	3
3. Infill/rear lots	35	89	3	3
4. Triple-Attached	29	70	2	3

The client team considers that given the topography of the site and the prevailing form of development within the vicinity of the site, 2 storey buildings are more likely to be the market-led development outcome (i.e. options 1 or 4); although some 3 storey dwellings might be achieved on low lying areas of the development site. The client team also anticipate that the floor area size of individual dwellings will be in the range of 100-120m<sup>2</sup>.

## 1.2 Papakura Local Board context

StatsNZ estimates suggest the Papakura Local Board's resident population has grown from 61,100 in 2018 to 75,800 in 2023. As recently as 2021 the area was forecast to increase to 95,000 by 2048 (an increase of 25,700 residents or an additional 952 people per annum)<sup>1</sup>. Actual growth appears to be tracking faster than those projections given the estimated increase in residents of 3,500 over 2022-23. Papakura was Auckland's second fastest growing local board area in the past year, at an annual growth rate of 4.9 percent compared to the region's overall 2.9 percent<sup>2</sup>.

In 2018 the area had a lower proportion (15 percent) of individuals earning a high income (over \$70,000 per year) compared to the region (20 percent). There was also a 60:40 split between houses owned by occupiers and houses in rental tenure, suggesting new housing may similarly be occupied by a mix of owners and renters.<sup>3</sup>

The PLB area has a relatively low ratio of jobs to residents, meaning most people have to commute elsewhere for employment. StatsNZ analysis of 2018 Census data indicates that 11,391 people (67% of commuter departures) leave the PLB area<sup>4</sup> to 74 different areas for work, as illustrated in Figure 3.

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<sup>1</sup> TĀTAKI AUCKLAND UNLIMITED REPORT Papakura Local Economic Overview 2022. Population projection is the medium scenario. Refers to Infometrics 2021 Local Board profiles.

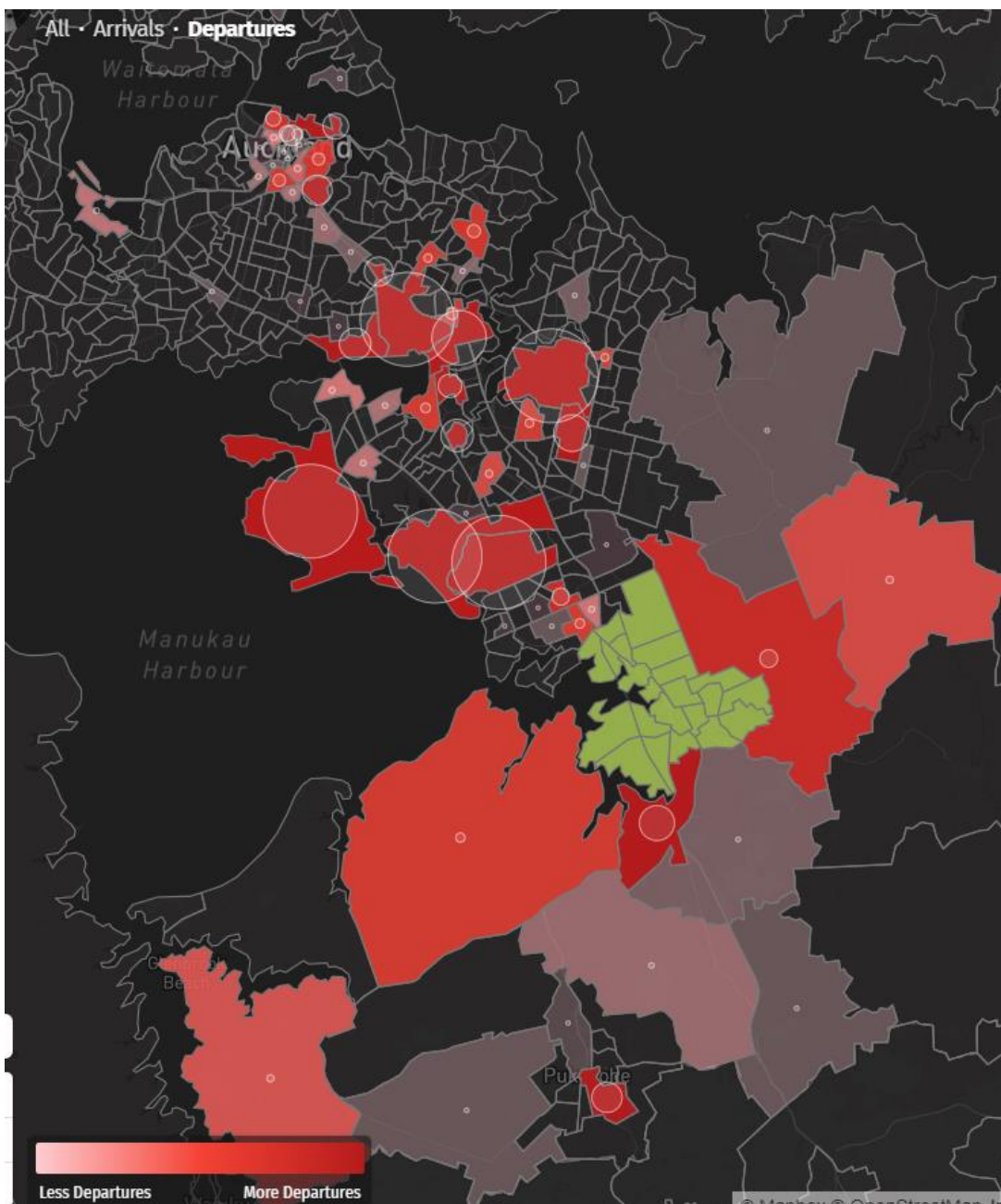
<sup>2</sup>StatsNZ population estimates for year-end June 2023.

<sup>3</sup> Refer: <https://www.stats.govt.nz/tools/2018-census-place-summaries/papakura-local-board-area#housing>

<sup>4</sup> Note the area shown in Figure 3 is slightly different from the PLB area as it excludes the large Drury statistical area (a small part of which lies inside the PLB boundaries).

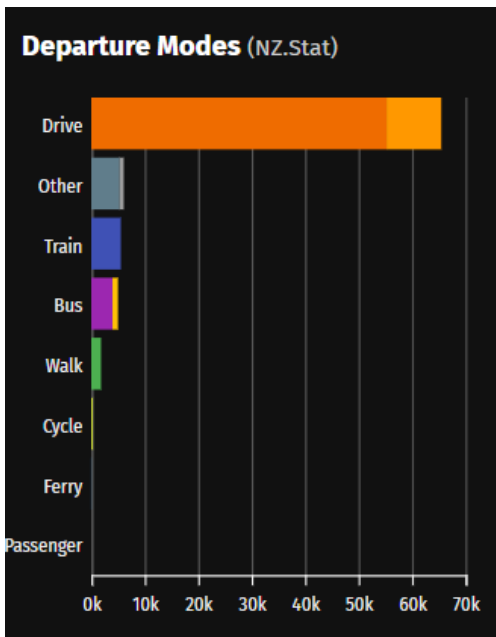


**Figure 3: Papakura Local Board commuter destinations (2018).**



Source: SNZ Commuter view <https://commuter.waka.app/>

'Commuter view' also reports that excluding people who work from home, the majority of commuters drive a private car, truck or van to work (i.e. 65% of all commuters working outside the area and 85% of all commuters within the area).



Source: SNZ Commuter view <https://commuter.waka.app/>

Figure 3 indicates that commuting destinations are concentrated in several commercial and industrial areas relatively close to Papakura. Auckland’s main industrial areas are Onehunga, Penrose, Mt Wellington, Airport Oaks, Wiri/Manukau and East Tāmaki. The PLB pattern of commuting destinations has a relatively weak relationship to the central isthmus or western and northern areas. The correlation with industrial locations reflects the PLB area having a lower proportion of employment in the skilled and higher-skilled levels (43 percent) compared to the wider Auckland region (52 percent). Conversely it has a higher proportion of employment in the semi-skilled and low-skilled levels (57 per cent) compared to the wider Auckland region (48 per cent)<sup>5</sup>.

A report prepared for Auckland Transport<sup>6</sup> (also based on the 2018 Census) suggests a significant proportion (28 per cent) of Papakura residents worked within the Papakura area, while commuting destinations to other local board areas in the ‘south’ accounted for a further share of 42% (refer Table 2; ‘south’ areas highlighted in **bold**). The most popular areas travelled to for work outside of Papakura were Maungakiekie-Tāmaki (12 per cent) and Ōtara-Papatoetoe (10 per cent).

<sup>5</sup> TĀTAKI AUCKLAND UNLIMITED REPORT Papakura Local Economic Overview 2022.

<sup>6</sup> Richard Paling 2020 Analysis of the 2018 Census Results; Travel to work and education in Auckland. Prepared for Auckland Transport.

**Table 2: Local Board destinations of Papakura resident commuters (2018 Census)**

<b>Destinations</b>	<b>Share of all commuters 2018</b>
Live and work in area	28%
Maungakiekie-Tamaki	12%
<b>Ōtara-Papatoetoe</b>	10%
Waitematā	9%
<b>Manurewa</b>	9%
<b>Howick</b>	9%
<b>Māngere-Ōtāhuhu</b>	8%
<b>Franklin</b>	6%
Other	9%

Source: Richard Paling 2020

Note since 2018 there has been investment in public transport infrastructure (e.g. Puhinui interchange) and the CRL (yet to be completed) which will support greater mode shift in southern urban areas of Auckland beyond 2026.

## 2.0 Planning assessment

This section addresses the relevant national and regional strategic planning documents that apply to the PPC.

Section 75(3) of the RMA requires that a district plan must give effect to:

- a. Any National Policy Statement; and
- b. Any New Zealand Coastal Policy Statement; and
- c. A National Planning Standard; and
- d. Any Regional Policy Statement.

For the purposes of this report, only matters a. and d. are considered relevant. The PPC is assessed against these matters below, along with associated Auckland Council strategic planning documents relevant to each matter.

### 2.1 National Policy Statement on Urban Development (NPS-UD) 2020

The proposal gives effect to the NPS-UD 2020 (amended in 2022) and the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021.

The first objective of the NPS-UD is to achieve well-functioning urban environments for people and communities. The PPC will meet this objective by enabling additional houses (estimated in the range of 68-89 dwellings) to be developed in a way that blend into an existing urban neighbourhood and can readily be connected to the local roading and public transport network. Residents will have easy access to jobs and amenities within the Papakura area as well as the wider region.

The PPC incorporates the Medium Density Residential Standards (MDRS) by applying the AUP's MHU zone that enables three storey housing, the same zoning that has been applied to the surrounding area under the Council's Plan Change 78 (i.e. without any "qualifying matters").

Refer Table 3 for assessment of the PPC against specific NPS-UD objectives and policies relevant to the scope of this report<sup>7</sup>.

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<sup>7</sup> It is also noted that there are other provisions of the NPS-UD that the proposal will need to be assessed against, including the extent to which it integrates infrastructure planning and funding decisions (Objective 6a), supporting reductions in greenhouse gas emissions (Objective 8a) and some aspects of a well-functioning urban environment – including providing good accessibility via public or active transport (Policy 1c), and supporting reductions in greenhouse gas emissions (Policy 1e).

**Table 3: Assessment against relevant NPS-UD objectives and policies**

Objectives and Policies	Comment
Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.	The zoning allows 2-3 storey dwellings to be built in a medium density form which will allow a range of housing choice and price points.
Objective 3: Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply: (a) the area is in or near a centre zone or other area with many employment opportunities (b) the area is well-serviced by existing or planned public transport (c) there is high demand for housing or for business land in the area, relative to other areas within the urban environment.	Existing neighbourhood recently developed and extension to include the PPC site is expected to similarly attract residents into a fast-growing local board area. The area is near employment; is serviced with public transport and has already played a part in meeting demand for housing in this high demand area.
Objective 6: Local authority decisions on urban development that affect urban environments are: (a) integrated with infrastructure planning and funding decisions; and (b) strategic over the medium term and long term; and (c) responsive, particularly in relation to proposals that would supply significant development capacity.	The PPC does not require additional infrastructure investment from the Council or its CCOs. While it is of a modest scale (maximum 89 dwellings) it will at least contribute additional housing capacity in an established urban area which is growing faster than 2021 population projections indicated.
Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: (a) have or enable a variety of homes that: (i) meet the needs, in terms of type, price, and location, of different households; and (ii) enable Māori to express their cultural traditions and norms;  (c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and (d) support, and limit as much as possible adverse impacts on, the competitive	The zoning will allow 1,2 or 3 storey dwellings to be built at different price points and will accommodate a mix of owner occupiers and renters. The site will have a positive influence on competitive land supply by providing additional capacity within a recently developed neighbourhood. Sale prices in Crestview Rise for houses on similar sized lots anticipated by the PPC have tended to be in the range of \$650-900,000 in recent years (2021-23) and compare to the Auckland median sale price of over \$1m over the same period <sup>8</sup> .  The area is located in reasonable proximity to transport links, industrial employment centres, and established commercial centres and other amenities

<sup>8</sup> Refer: <https://www.interest.co.nz/charts/real-estate/median-price-reinz>

operation of land and development markets;	within or nearby the Papakura Local Board area.
<p>Policy 8: Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is:</p> <ul style="list-style-type: none"> <li>(a) unanticipated by RMA planning documents;</li> <li>or</li> <li>(b) out-of-sequence with planned land release.</li> </ul>	<p>For the reasons above it will contribute to a well-functioning urban environment. The PPC is not anticipated in RMA planning documents (e.g. AUP or the Council’s Future Development Strategy 2023) but nor is it of a scale that will have any significant implications for the sequencing of planned land release in such documents.</p> <p><i>Note: Clause 3.8 (3) Every regional council must include criteria in its regional policy statement for determining what plan changes will be treated, for the purpose of implementing Policy 8, as adding significantly to development capacity.</i></p>

The Council has recently made changes to the AUP’s RPS to give effect to the objectives and policies of the NPS-UD through Plan Change 80. Assessment of the PPC against the RPS is provided in the section below.

## 2.2 Auckland Regional Policy Statement

Section B2 of the Auckland Unitary Plan’s (AUP) Regional Policy Statement (RPS) identifies the issues, objectives and policies governing urban growth and form within the Auckland Region. In 2022 Auckland Council’s Plan Change 80 (PC80) proposed changes to the RPS. At the time of writing this report PC80 has been adopted by the Council but is subject to outstanding appeals. Although PC80 is not currently operative, it still has significant weight, and it is appropriate to assess the PPC against the amended RPS provisions.

Table 4 provides an assessment of the objectives and policies of the AUP which are relevant to the scope of this report. Amended RPS provisions are shown in Table 4 below as underlined words.

**Table 4: Assessment against relevant AUP RPS objectives and policies**

Objectives and Policies	Comment
<p><b>Chapter B Regional Policy Statement</b></p> <p><b>B2.2 Urban growth and form</b></p>	
<p><b>B2.2.1 Objectives</b></p> <p>(1A) <u>A well functioning urban environment that enables all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.</u></p> <p>(1) <u>A well-functioning urban environment with a quality compact urban form that enables all of the following:</u></p> <p>(a) a higher-quality urban environment;</p> <p>(b) greater productivity and economic growth;</p> <p>(c) better use of existing infrastructure and efficient provision of new infrastructure;</p> <p>(d) <u>good accessibility for all people, including by improved and more efficient public or active transport;</u></p> <p>(e) greater social and cultural vitality;</p> <p>(f) better maintenance of rural character and rural productivity;</p> <p>(g) reduced adverse environmental effects; <u>and</u></p> <p>(h) <u>improved resilience to the effects of climate change.</u></p>	<p>The PPC meets the objectives by:</p> <ul style="list-style-type: none"> <li>● Providing zoning and precinct provisions to ensure development is complementary with the existing urban form in this area while enabling efficient use of the land in terms of connections to existing infrastructure networks and providing options for housing density and typologies.</li> <li>● The subject area is adjacent to existing urban development which means it is already market attractive and the proposed zoning will contribute to maintaining a compact urban form.</li> <li>● Development will be cost effective as it will connect to existing infrastructure networks.</li> <li>● Residents will have good access to commercial and social facilities in Papakura and employment areas in Auckland via local roads and the southern motorway and railway.</li> <li>● These attributes will generate economic benefits for owners and occupiers of the housing.</li> <li>● There will also be benefits for social vitality insofar as there will be a range of housing choice with a mix of typologies and price points.</li> </ul>
<p>(2) Urban growth is primarily accommodated within the urban area 2016 (as identified in Appendix 1A).</p>	<p>The proposal will imply a very marginal extension of the urban area as at 2016. The area is contiguous with existing urban development and is of such a minor scale that it does not challenge the RPS objective being met.</p>
<p>(3) Sufficient development capacity and land supply is provided to accommodate residential,</p>	<p>The area to be rezoned will make a minor contribution to supply capacity to accommodate demand in the Papakura Local</p>

commercial, industrial growth and social facilities to support growth.	Board area.
(4) Urbanisation is contained within the Rural Urban Boundary, towns, and rural and coastal towns and villages	<p>The proposal to rezone a small area of CLZ land to residential implies it is not currently within the RUB, but it will only require a marginal adjustment of the RUB to reflect that the land is appropriate to be urbanised. There are no physical constraints that suggest the land is inappropriate to be urbanised and it will not undermine the integrity of the RUB.</p> <p>Refer section below for separate s32 assessment of proposed change in alignment of RUB boundary.</p>
<p><b>B2.2.2 Policies</b> <i>Development capacity and supply of land for urban development</i></p>	
(1) Include sufficient land within the Rural Urban Boundary that is appropriately zoned to accommodate at any one time a minimum of seven years' projected growth in terms of residential, commercial and industrial demand and corresponding requirements for social facilities, after allowing for any constraints on subdivision, use and development of land.	Subject to the proposed minor adjustment to the RUB, the PPC will provide capacity for 68-91 dwellings, depending on the built form typology actually developed. That will make a relatively minor but positive contribution to accommodating projected growth in residential demand in the Papakura Local Board area.
<p>(2) Ensure the location or any relocation of the Rural Urban Boundary identifies land suitable for urbanisation in locations <u>that contribute to a well-functioning urban environment and that:</u></p> <p>(a) promote the achievement of a quality compact urban form</p> <p>(b) enable the efficient supply of land for residential, commercial and industrial activities and social facilities;</p> <p>(c) integrate land use and transport supporting a range of transport modes;</p> <p>(d) support the efficient provision of infrastructure;</p> <p>(e) provide choices that meet the needs of people and communities for a range of housing types and working environments;</p> <p>(ee) <u>support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and</u></p>	<p>The modest scale of the PPC means it will make a minor contribution to a well-functioning urban environment. RPS Appendix 1 refers to several matters that will be addressed in other experts reports but for completeness the references below to demand and supply matters have been addressed in this report's section on the Future Development Strategy 2023.</p> <p>1.4. <u>Matters to identify, investigate and address</u> A structure plan is to identify, investigate and address the matters set out below.</p> <p>1.4.1. Urban growth (1) The future supply and projected demand for residential and business land in the structure plan areas to achieve an appropriate capacity to meet the subregional growth projections in the Auckland Plan</p>



<p>(f) follow the structure plan guidelines as set out in Appendix 1; while:</p> <p>(m) aligning the Rural Urban Boundary with:</p> <p style="padding-left: 40px;">(i) strong natural boundaries such as the coastal edge, rivers, natural catchments or watersheds, and prominent ridgelines;</p> <p>(n) <u>Limits or avoids urbanisation where a “qualifying matter” justifies that limitation or avoidance of urbanisation.</u></p>	<p>adopted under the Local Government (Auckland Council) Act 2009.</p> <p>1.5. Specialist documents to support the structure plan and plan changes process. The scale and detail of the investigation and reporting required needs to be at a level appropriate to the scale of the area subject to the structure planning process and the complexity of the issues identified by the process. Reports may be required on the matters listed below to support the structure planning and plan change process.</p> <p>(1) Land use:</p> <p>(a) evaluation of the identified role of and principal objectives for the structure plan area in terms of land uses and amenity values;</p> <p>(b) assessment against any relevant sub-regional spatial plan; and</p> <p>(c) analysis of anticipated land use supply and demand informing the spatial allocation of areas for different activities, intensities and densities.</p>
<p>(3) Enable rezoning of future urban zoned land for urbanisation following structure planning and plan change processes in accordance with Appendix 1 Structure plan guidelines.</p>	<p>The plan change includes precinct provisions which have been developed in accordance with structure planning principles, to an extent commensurate with the scale of the site and potential effects.</p>
<p>(4) Promote urban growth and intensification within the urban area 2016 (as identified in Appendix 1A), enable urban growth and intensification within the Rural Urban Boundary, towns, and rural and coastal towns and villages, <u>in a way that contributes to a well-functioning urban environment</u> and avoid urbanisation outside these areas.</p>	<p>Refer s32 assessment for amendment to the RUB in this location.</p>
<p>(7) Enable rezoning of land within the Rural Urban Boundary or other land zoned future urban to accommodate urban growth in ways that <u>contribute to a well-functioning urban environment and that</u> do all of the following:</p> <p>(a) support a quality compact urban form;</p> <p>(b) provide for a range of housing types and employment choices for the area;</p> <p>(c) integrate with the provision of infrastructure;</p>	<p>Not applicable to the PPC as it is not within the RUB or zoned future urban. Nonetheless the PPC will provide for a range of housing types and good accessibility, while adding a minor contribution to the competitive supply of development land.</p>

<p>(caa) <u>provide good accessibility, including by way of efficient and effective public or active transport.</u></p> <p>(d) follow the structure plan guidelines as set out in Appendix 1, and</p> <p>(e) <u>support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets.</u></p>	
<p><b>B2.3 A Quality built environment</b></p>	
<p><b>B2.3.1 Objectives</b></p> <p>(1) A <u>well functioning urban environment with a quality-built environment</u> where subdivision, use and development do all of the following:</p> <p>(a) respond to the intrinsic qualities and physical characteristics of the site and area, including its setting;</p> <p>(b) reinforce the hierarchy of centres and corridors;</p> <p>(c) contribute to a diverse mix of choice and opportunity for people and communities;</p> <p>(d) maximise resource and infrastructure efficiency;</p> <p>(e) are capable of adapting to changing needs; and</p> <p>(f) <u>has improved resilience</u> to the effects of climate change</p>	<p>The zoning will allow 1,2 or 3 storey dwellings to be built at different price points and will likely accommodate a mix of owner occupiers and renters.</p>
<p><b>B2.4 Residential growth</b></p>	
<p><b>B2.4.1 Objectives</b></p> <p>(1) Residential intensification <u>contributes to a well-functioning urban environment and supports a quality compact urban form.</u></p> <p>(1A) <u>Residential intensification is limited in some areas to the extent necessary to give effect to identified qualifying matters.</u></p> <p>(2) Residential areas are attractive, healthy, safe <u>and have improved resilience to the effects of climate change,</u> with quality development that is in keeping with the planned built character of the area.</p> <p>(3) Land within and adjacent to centres and corridors or in close proximity to public transport and social facilities (including open space) or employment opportunities is the primary focus for residential intensification.</p>	<p>The PPC will contribute to intensification by optimising use of land adjacent to an existing residential neighbourhood that is in close proximity to public transport and social facilities and employment. As noted above it will also contribute to zoned development capacity to meet the targets in Table B2.4.1 albeit in a minor way.</p>

<p>(4) An increase in housing capacity and the range of housing choice which meets the varied needs and lifestyles of Auckland’s diverse and growing population.</p> <p>(5) Non-residential activities are provided in residential areas to support the needs of people and communities.</p> <p>(6) Sufficient, feasible development capacity for housing is provided, in accordance with Objectives 1 to 4 above, to meet the targets in Table B2.4.1 below:</p> <table border="1" data-bbox="164 629 772 808"> <thead> <tr> <th>Term</th> <th>Short to Medium 1 - 10 years (2016 – 2026)</th> <th>Long 11 - 30 years (2027 – 2046)</th> <th>Total 1 – 30 years (2016 – 2046)</th> </tr> </thead> <tbody> <tr> <td><b>Minimum Target</b> (number of dwellings)</td> <td>189,800</td> <td>218,500</td> <td>408,300</td> </tr> </tbody> </table>	Term	Short to Medium 1 - 10 years (2016 – 2026)	Long 11 - 30 years (2027 – 2046)	Total 1 – 30 years (2016 – 2046)	<b>Minimum Target</b> (number of dwellings)	189,800	218,500	408,300	
Term	Short to Medium 1 - 10 years (2016 – 2026)	Long 11 - 30 years (2027 – 2046)	Total 1 – 30 years (2016 – 2046)						
<b>Minimum Target</b> (number of dwellings)	189,800	218,500	408,300						
<p><b>B2.4.2 Policies</b></p> <p><i>Residential intensification</i></p> <p>(1) Provide a range of residential zones that enable different housing types and intensity that are appropriate to the residential character of the area.</p> <p>(3) Provide for medium residential intensities in areas that are within moderate walking distance to centres, public transport, social facilities and open space.</p>	<p>The zoning will allow 1,2 or 3 storey dwellings to be built at different price points and will accommodate a mix of owner occupiers and renters. Sale prices in Crestview Rise for houses on similar sized lots anticipated by the PPC have tended to be in the range of \$650-900,000 in recent years (2021-23) and compare to the Auckland median sale price of over \$1m over the same period<sup>9</sup>.</p>								
<p><i>Affordable housing</i></p> <p>(11) Enable a sufficient supply and diverse range of dwelling types, sizes <u>and locations</u>, that meet the housing needs of people and communities, including:</p> <p>(a) households on low to moderate incomes; and</p> <p>(b) people with special housing requirements.</p>									
<p><b>B9.2. Rural activities</b></p> <p><b>B9.2.1. Objectives</b></p>									
<p>(4) Auckland’s rural areas outside the Rural Urban Boundary and rural and coastal towns and villages are protected from inappropriate subdivision, urban use and development.</p>	<p>The PPC will establish a defensible boundary in a more appropriate location/alignment than currently and thereby better demarcate the edge of residential development from rural land.</p>								
<p>(5) Auckland’s rural areas inside the Rural Urban Boundary are not compromised for future</p>	<p>Although the CLZ could potentially be developed slightly more intensively under</p>								

<sup>9</sup> Refer: <https://www.interest.co.nz/charts/real-estate/median-price-reinz>

<p>urbanisation by inappropriate subdivision, use and development.</p>	<p>current zone provisions, the PPC will enable more intensive and efficient use of the land for urban purposes. The rural zoned land is not in a location or of a form that would be feasible to use for rural production purposes.</p>
<p>B9.2.2. Policies (1) Enable a diverse range of activities while avoiding significant adverse effects on and urbanisation of rural areas, including within the coastal environment, and avoiding, remedying, or mitigating other adverse effects on rural character, amenity, landscape and biodiversity values.</p>	<p>The CLZ allows 3 very large houses on the land as a permitted baseline together with 3 minor dwellings as a restricted discretionary activity (i.e. 6 dwellings in total). The PPC's additional dwellings are proposed to be subject to precinct provisions which protect amenity and landscape values in this location.</p>

### 2.3 Section 32 assessment for amendment to the Rural Urban Boundary

The PPC proposes to shift the Rural Urban Boundary (RUB) in the southern portion of the precinct to coincide with the outer edge of the proposed MHU residential zone (refer Figure 2 in Section 1.0 of this report). Any relocation of the RUB must give effect to the objectives and policies of the regional policy statement which establish it.

Under RMA s32 the following matters require consideration:

#### 1. Provision for the most appropriate way to achieve the objective

The RUB is an operative method in the Auckland Unitary Plan, and the proposal simply realigns a small length of the boundary to incorporate the additional residential zoning in the precinct and separate the urban area from the Countryside Living zone (CLZ). The RUB's function remains the same and it is appropriate to amend its location in this case to reflect the change in the spatial extent of the urban zoning.

#### 2. Options considered

There are two options:

- a) retain the RUB in its existing location (while rezoning land outside the RUB as MHU); or
- b) align the RUB to align with the new zone boundary as proposed.

#### 3. Efficiency and effectiveness

Option a) is an inferior (less effective) option as it would leave a portion of residential zoned land outside the RUB, and once that land is developed, infrastructure services on that land would also lie outside the RUB. The outcome would be inconsistent with the purpose of the RUB to clearly demarcate urban from rural (which includes CLZ) zoning.

#### **4. Benefit and cost**

The main benefit of option a) is it wouldn't require a change to be made to the AUP maps. The cost is that a relatively small area of land would not strictly be able to be rezoned as proposed to residential and be developed at greater density than the CLZ allows. The cost of option b) is the loss of a small area of CLZ land but it would not be significant in economic terms as it is not feasible to use that land for the wide range of uses associated with rural production and the alternative use for residential will be at a higher yield and value than if that land were developed for countryside living. Option b) would not cause costs in terms of undermining the integrity of the RUB as a signal of the divide between urban and rural development for the wider community as it is not a major change; rather it is a limited and incremental modification in terms of where it is placed in the Crestview Rise location. The rationale behind the change can be readily explained to adjoining landowners.

#### **5. Effects**

The effects of option b) is a slight increase in the urban area and a corresponding slight decrease in the rural area. It also has the beneficial effect that the RUB then follows a logical boundary based on property boundaries and topography.

#### **6. Risk**

The risk of changing the RUB alignment as proposed is minor. The rural zoned area to be rezoned residential is of negligible significance for rural uses and the counterfactual use would most likely be for low density housing.

#### **7. Reasons for proposal**

It is logical that the RUB be realigned as per option b), to follow a combination of ridgeline and cadastral boundaries for the land to be zoned residential, as distinct from the rural zoned land to the south. The amended RUB location would also demarcate a defensible boundary based on the topography of landform between the two zonings.

## 2.4 Auckland Council Plan Change 78

Auckland Council's Plan Change 78 (PC78) incorporates Medium Density Residential Standards (MDRS) that enable three storey housing in relevant residential zones in urban Auckland and implements qualifying matters to reduce the height and density of development in various locations<sup>10</sup>.

As one of the Council's s32 reports for PC78 states<sup>11</sup>: "The legislation seeks to increase plan-enablement for housing throughout Auckland, to facilitate housing supply. Potential effects include increases in housing supply, housing diversity and choice, and downward pressure on housing and land prices, with likely higher levels of dwelling ownership, and lower housing costs within household living costs. These outcomes generally represent benefits to the community at large, including through positive effects on community cohesion".

In the context of the subject PPC, PC78 does not amend the RPS and nor does it propose to change the zoning of the PPC subject sites from Countryside Living Zone (CLZ). PC78 essentially up-zones the existing residential zoned area around Crestview Rise to Mixed Housing Urban (MHU) without applying any qualifying matters (with the implication that the MHU zoning in this location is operative and not subject to change through the PC78 hearings process). The PPC is designed to be consistent with the approach of PC78 in the Crestview Rise area and can be regarded as having the same potential (positive) effects as referred to in the abovementioned s32 report.

## 2.5 Auckland's future residential development capacity

The NPS-UD 2020 requires the Council to publish a Future Development Strategy (FDS). The purpose of the FDS is to indicate where future development can go, in terms of scale, type and location, and how the infrastructure to support it will be provided (by the local authority as well as other providers).

Auckland Council previously gave effect to this requirement through the Auckland Plan (i.e. Development Strategy section) and the Future Urban Land Supply Strategy 2017 (FULSS). The Council has recently adopted a new FDS 2023 which supersedes the FULSS.

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<sup>10</sup> Auckland Council, as a tier 1 territorial authority, was required by the RMA to prepare, notify and progress an Intensification Planning Instrument (IPI) to be notified on or before 20 August 2022 in accordance with s80F(1)(a) of the RMA.

<sup>11</sup> Refer: SECTION 32 EVALUATION REPORT (ECONOMY MATTERS), p7.

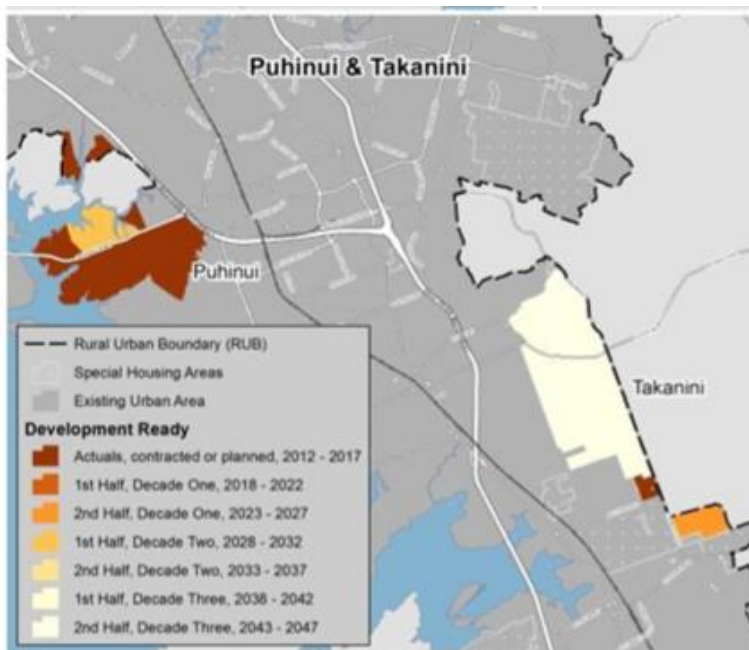
The assessment below refers to both the FDS 2023<sup>12</sup> and the FULSS to indicate the extent to which they may have different implications for the PPC’s subject site in terms of future provision for residential development capacity in the southern urban area. To assess the PPC’s consistency with the FULSS or the FDS, it is necessary to have regard to the context they each set for the supply of future residential development capacity in the Papakura local board and surrounding area and then identify how the PPC fits within that context.

**Future Urban Land Supply Strategy (FULSS) 2017**

The FULSS is primarily concerned with regional sequencing and timing of large future urban zoned (FUZ) areas. The development capacity planned to be provided in Auckland’s southern area (i.e. to the north and south of the PPC site) are considered the most relevant locations to have regard to in this assessment.

The FULSS signals a large FUZ area in Takanini (to the north of the PPC area) as planned to be ‘development ready’ in 2043-47 (refer Figure 4a). It also notes that this area has capacity for 4,500 dwellings but the area is subject to “significant flooding and geotech constraints - further technical investigations required”<sup>13</sup>.

**Figure 4a: Future Urban Zoned land - southern Auckland area**



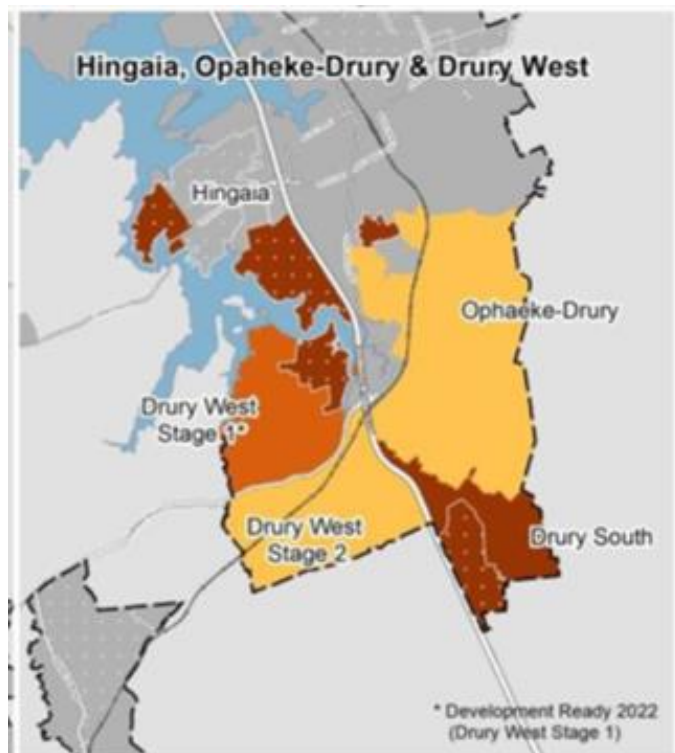
Source: FLUSS 2017 Map 3, p16.

<sup>12</sup> Refer agenda of the Auckland Council Planning, Environment and Parks Committee meeting, 2 November 2023.

<sup>13</sup> Refer FLUSS 2017, p13.

To the south, the FULSS shows Drury West Stage 1 and Drury South are expected to be development ready before 2022 and will have capacity for 4,200 and 1,000 dwellings respectively. The large areas remaining in Drury West Stage 2 and Opaheke-Drury (post- 2022), are timed to be developed in the 2028-32 period, and have capacity for 5,650 and 8,200 dwellings respectively<sup>14</sup>.

**Figure 4b: Future Urban Zoned land - southern Auckland area**



Source: FLUSS 2017 Map 3, p16.

It is noted that since the FULSS was published, plan changes for some of these areas have become operative, and subdivision and development of residential zoned land has commenced. The FDS 2023 updates the FULSS capacity numbers for this area, and also changes the timing of some areas, as outlined below.

### **Future Development Strategy 2023-53**

The Future Development Strategy (FDS) 2023 largely follows the quality compact approach of the Auckland Plan and current Development Strategy, but the strategy adopted (2 November 2023) makes significant changes to the development capacity picture in Auckland due to three key drivers:

1. Updates to include key findings from the 2023 Housing and Business Assessment (HBA).
2. Addressing the issue of development in floodplains (and discharge to floodplains with downstream effects) as well as preparing for adaptation in the most vulnerable locations and communities.

<sup>14</sup> Refer FLUSS 2017, p31.



3. A greater recognition of the financial challenges facing Auckland Council and ratepayers and aiming to give the development sector clear signals about these constraints and when council is likely to be able to invest in infrastructure and services in respective areas, especially in greenfields. The aim is to give the sector as much certainty as possible for their own planning.

The FDS removes four FUZ areas for urban development, removing those parts within the floodplain and ‘red-flagging’ those areas not within but discharging to the floodplain, to ensure associated requirements are met if development is to occur. The FDS also signals that some existing urban areas will require further investigation into their infrastructure capacity.

Regarding the Papakura Local Board area, the FDS relies substantially on capacity being met from intensification within the existing urban area, but it is also relevant to assess how greenfield capacity has changed between the FDS compared to the previous FULSS. The implications are shown at a high level in Table 5 (refer Attachment B for the FDS ‘updated’ maps):

**Table 5: Comparison of FULSS 2017 and FDS 2023 greenfields capacity (southern area)**

Area	Residential capacity (FULSS 2017)	FDS 2023
Takanini	4,500 (2043-47)	A large portion to be removed as FUZ and the rest is a red-flagged area (2050+)
Drury West Stage 1	4,200 (prior to 2022)	Remainder area timed 2035+
Drury South	1,000 (prior to 2022)	
Drury West Stage 2	5,650 (2028-32)	Also includes a ‘new’ Drury West Stage 3; both areas now timed for 2035+
Opaheke-Drury	8,200 (2028-32)	Some of the area is live zoned now, but a large portion is to be removed as FUZ and another large area is red-flagged (2050+)  Also includes the ‘new’ Drury East area that is timed for 2035+

Source: Refer FDS 2023 Figure 34 Future urban areas map and associated table with timeframes from when areas are planned to be development ready.

## **Conclusions**

The PPC subject area is not specifically identified as an area proposed to be developed for urban purposes in either the FULSS or the FDS. That reflects the current rural zoning of the land area, but it is also not surprising that the site is not referred to in those documents given its relatively minor scale.

Compared to the FULSS 2017, the FDS 2023 removes a significant volume of greenfield residential development capacity in the southern area of Auckland (i.e. several thousand dwellings), and also pushes out capacity that was previously signalled to occur in 2028-32 by at least seven years (i.e. post 2035). At the same time there is uncertainty about the outcome of Plan Change 78 in terms of adding residential development capacity within Auckland's existing urban area where qualifying matters have been applied. In this context, the PPC has potential to make a minor contribution to catering for short to medium term residential development demand in the southern area. Nor would it give cause (of itself) to revisit or amend the timing of release of any FUZ land to the north or south of the subject site.

Accordingly the PPC is not antagonistic to the FDS, and indeed will provide a small addition of residential capacity in substitute to the significant reduction in FUZ capacity that has otherwise been anticipated by the development market.

## 3.0 Economic effects

The economic effects of a Plan Change or major resource consent are typically measured in terms of their impacts on industry output, value-added GDP and/or employment.

The economic effects of the PPC have been assessed by estimating:

- A. the total construction costs associated with land development, infrastructure provision and housing construction enabled by the PPC (based on expected costs and house sizes sourced from the client project team);
- B. the net impact of the above on Auckland's GDP, and the number of jobs (part-time and full-time) associated with that impact (based on industry wide data for the Auckland construction sector<sup>15</sup>).

The costs of the initial land development and infrastructure components (including earthworks, retaining walls, utility connections, and professional fees and charges) have been estimated by Envelope Ltd. to be in the order of \$8.8m for a 68 dwelling development<sup>16</sup>.

Housing construction costs will be the major component of cost and therefore economic value (refer Table 6). Based on construction costs in a range of \$3,250-\$4,750 per m<sup>2</sup> (depending on dwelling typology), the total cost of building dwellings on the site is estimated to be in the range of \$24.3m to \$46.5m (reflecting the variation in the options in terms of total number of dwellings able to be achieved and their per unit costs)<sup>17</sup>.

**Table 6: Estimate of dwelling construction costs (Crestview Rise Plan Change)**

Option	No. of storeys	No. of Dwellings	Ave. build cost \$/m <sup>2</sup>	\$ cost for size 100m <sup>2</sup>	\$ cost for size 120m <sup>2</sup>	Total value \$m*
1. Semi-Detached	2	68	\$3,250	325,000	390,000	24.31
2. Triple-Attached	3	81	\$4,250	425,000	510,000	37.87
3. Infill/rear lots	3	89	\$4,750	475,000	570,000	46.50
4. Triple-Attached	2	70	\$3,500	350,000	420,000	26.95

\* based on average of the size range dwelling costs, times total no. of dwellings

<sup>15</sup> Data on construction industry output, value-added GDP and employment sourced from: Huang, T and R Wilson (2020). Auckland's construction sector: industry snapshot and trends to 2019; Infometrics 2022: [https://ecoprofile.infometrics.co.nz/auckland/Employment/Structure \(2022\);](https://ecoprofile.infometrics.co.nz/auckland/Employment/Structure (2022);) MOTU 2016 Report ER8 Productivity distribution and drivers of productivity growth in the construction industry Adam Jaffe, Trinh Le and Nathan Chappell. Project funded by the Building Research Levy.

<sup>16</sup> Estimate as at 12 December 2023; based on plans for a 68 lot development with allowance for typical costs for developments of this nature. Some components are provisional allowances and the estimate includes a 15 percent contingency.

<sup>17</sup> Note that the value of the PPC land before it is developed is not included, as although that value will be recovered by the owner once house sales take place it does not have an economic impact in its own right (i.e.the unimproved land value is simply transferred from one owner to other owners).

Some cost items in the land development and infrastructure cost component will vary depending on the total number of dwellings (e.g. development contributions, utility connections). In order to allow for such increased costs a range estimate of \$8.5-10.5m has been adopted in this report for this component (i.e. so as to reflect a high-level difference in costs between the lower density options (Nos. 1 and 4) and the higher density options (Nos. 2 and 3).

The net contribution to Auckland’s GDP and the associated number of jobs (full-time and part-time) generated by the full development of the site is shown below for each option (refer Table 7).

**Table 7: Estimate of value-added (GDP) and jobs from construction (Crestview Rise Plan Change)**

Construction component	Cost \$million	GDP (value-add) \$m	Jobs (FT & PT)
A) Land development and infrastructure	8.5 - 10.5	2.7 - 3.3	23 - 28
B) Dwelling construction options:			
1. Semi-Detached 2 storey	24.3	7.7	114
2. Triple-Attached 3 storey	37.9	12.0	178
3. Infill/rear lots 3 storey	46.5	14.8	218
4. Triple-Attached 2 storey	27.0	8.6	127

As an example of how to interpret the results, Option 1 (68 two- storey dwellings) is estimated to involve a total construction cost of \$8.5m plus \$24.3m (i.e. \$32.8m) and generate a contribution to Auckland’s GDP of \$2.7m plus \$7.7m (i.e. \$10.4m) and employment in 23 plus 114 jobs (i.e. total 137 jobs).

At the higher end of the options, Option 3 (i.e. 89 three-storey dwellings) would involve total costs of \$57.0m (\$10.5m plus \$46.5m), GDP of \$18.1m (\$3.3m plus \$14.8m) and a total 246 jobs (28 plus 218).

While the estimates of the PPC’s GDP contribution is necessarily based on high level, aggregated industry data, they should be regarded as conservative. They do not allow for indirect economic impacts on the local economy such as suppliers of goods and services to the construction industry, or downstream impacts on retail centres from the increased number of residents in the Crestview Rise neighbourhood.

## 4.0 Conclusions and recommendations

The PPC has potential to make a modest positive contribution to catering for projected demand for residential housing in the Papakura area which is currently a high-growth location.

The PPC is assessed to be in keeping with the relevant objectives and policies of the AUP RPS and the NPS-UD 2020. Application of the Mixed Housing Urban zone (MHU) to the Plan Change area will enable a variety of housing types and choice at different price points and contribute to a well-functioning urban environment.

The Council's FDS 2023 does not have any direct bearing on the PPC site, but it does provide a basis for describing the way that residential development is expected to occur by the Council in the Papakura Local Board area, as follows:

1. the primary location for accommodating demand for additional housing over the next 20 years will be within the existing urban area, given the Takanini FUZ land is not planned to be released until 20 years or more even if it is found to be feasible;
2. significant demand for additional housing over the next decade (2023-2032) will otherwise need to be catered for further south, particularly in the Opaheke- Drury area.

In conclusion the PPC satisfies statutory planning requirements and offers to make a small contribution to providing additional capacity for 68-89 dwellings in an existing urban neighbourhood. Urbanisation of the land is appropriate to be enabled via a minor adjustment to the AUP's RUB and application of the MHU zone as proposed.

In economic terms the land development and infrastructure and housing construction activity enabled by the PCC will make a modest contribution to Auckland's GDP and employment. The total effect will mainly be a function of the number of dwellings built and their typology. The lowest density option (Option 1) is estimated to involve a total construction cost of \$32.8m and to generate a contribution to Auckland's GDP of \$10.4m and a total 137 jobs for the duration of the construction period. By comparison the highest density option (Option 3) would involve total costs of \$57.0m, GDP of \$18.1m and a total 246 jobs.

As a construction project that will cost in the vicinity of \$33m to \$57m over the course of the site's build-out, it will provide a positive boost to the construction industry sector in the Papakura area. The PPC will enable efficient use of the land for a higher value purpose than the CLZ and by not requiring investment in infrastructure networks by the Council or its CCOs.

## 5.0 References

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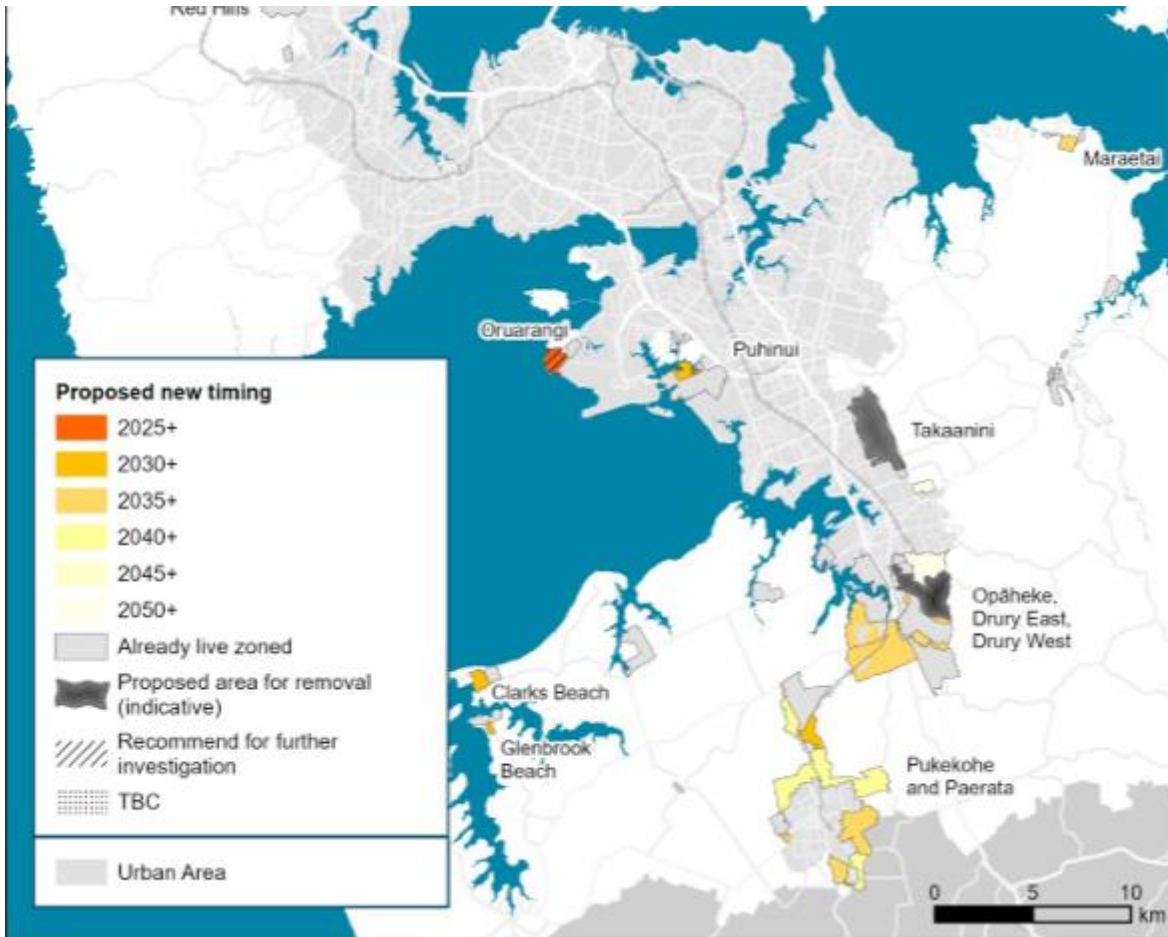
# ATTACHMENTS

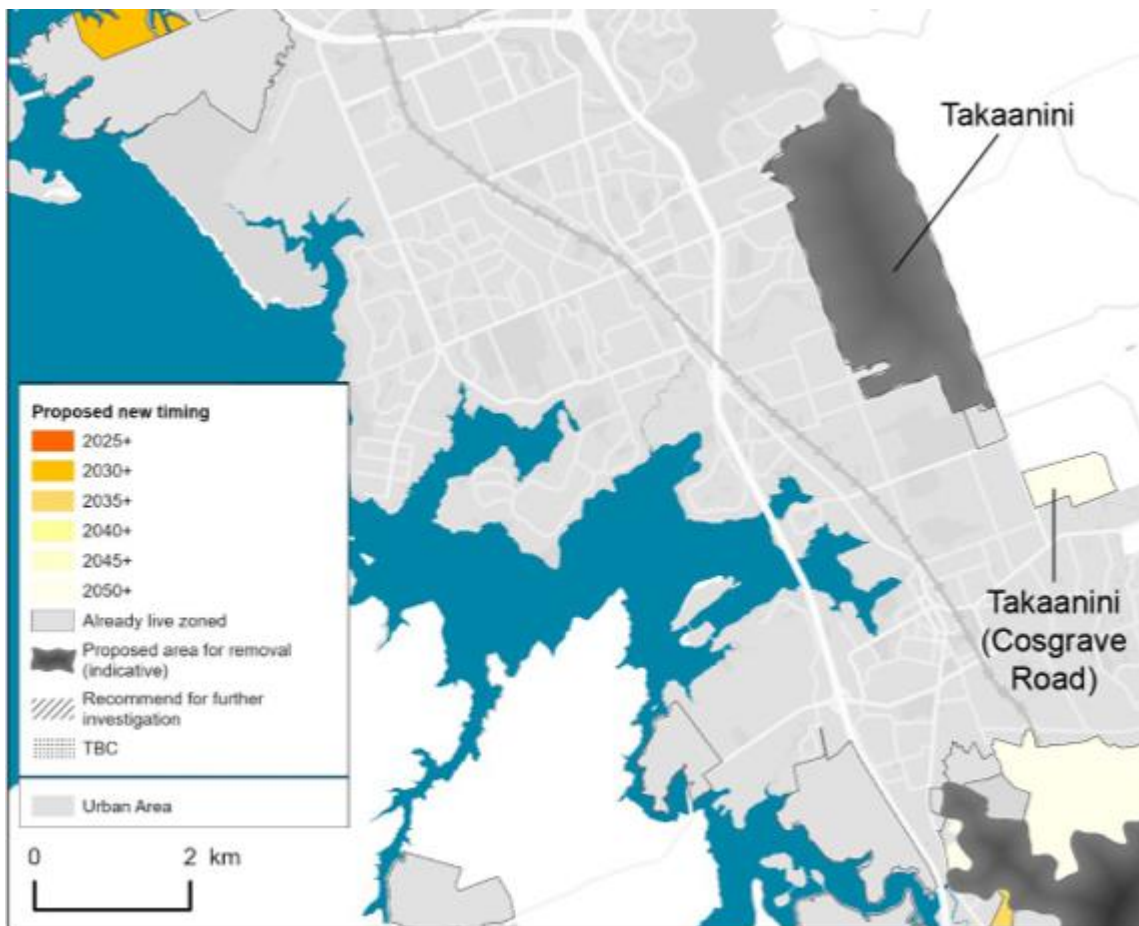
# Attachment A: Papakura Local Board area





# Attachment B: Future Development Strategy 2023 maps for southern urban area





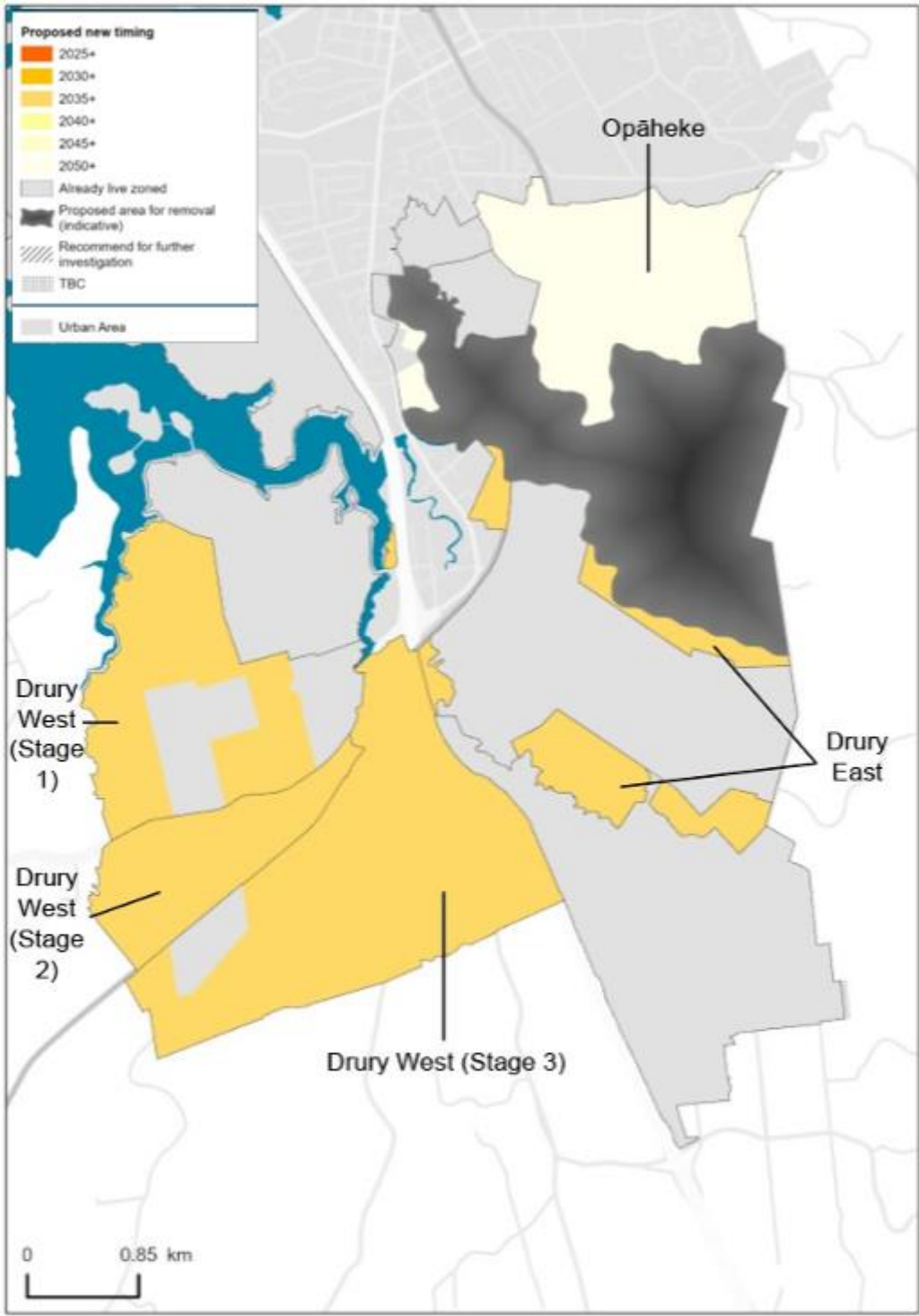


Figure 39 - Proposed timing and approach to Drury & Opāheke future urban areas