

Urban Development Indicators

Quarterly Monitoring Report (No.2)

Meeting the requirements of the National Policy Statement on
Urban Development Capacity (PB6)

March 2018



Mountain to Sea

Te Kaunihera-ā-Rohe o Ngāmotu

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Executive Summary

This report provides an overview of New Plymouth housing and business development capacity for the March 2018 quarter. As such, the report uses a selection of nationally agreed indicators and is designed to meet the monitoring requirements of the Government's *National Policy Statement on Urban Development Capacity* (NPS-UDC), which requires local authorities to be well informed about urban development activity and outcomes.

The report is the second of its kind and reviews statistical indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space for the New Plymouth district. Analysis of the statistics is included to provide a qualitative overview of the monitoring results and their impact on Taranaki.

Summary of findings:

- New Plymouth expected to be a medium-high population growth district. This assessment will be reviewed in December 2018.
- Housing: In general all the indicators in this group have increased with the exception of the housing affordability measure, which has improved. This leads us to believe that while the cost of building or buying a first home in New Plymouth has increased, it is less than the rate of affordability¹.
- Rent has continued to increase but the rate of change has decreased, therefore renting has become more affordable in the past ten years.
- Subdivisions: The increase in subdividable lots and residential consent applications has naturally given rise to an increase in the number of dwellings.
- Business sector growth: Notwithstanding a recent short term drop in business sector growth, over the medium term there has been growth in the business sector.
- Business Indicator Group 2: These indicators are still being developed due to the challenges involved in securing data sources.

¹ As determined by MBIE's national affordability benchmark developed in 2013, which is the amount of income the median New Zealand household had after paying for their housing costs in June 2013. The 2013 national affordability benchmark is residual income of \$662 per week for a one person household, plus \$331 per additional adult and \$199 per child.

Introduction

The *National Policy Statement on Urban Development Capacity* (NPS-UDC) was introduced by the Ministry for the Environment (MfE) in 2016 and requires the Council to assess housing and business demand and capacity across the district. They have newly defined New Plymouth District as medium-high growth (i.e. projected to grow by more than 10 per cent from 2013 to 2023).

As a result, the NPS-UDC requires the New Plymouth District Council and Taranaki Regional Council to provide sufficient development capacity for the New Plymouth district to meet demand over a 30-year period, including 15 - 20% additional development capacity to ensure there is competition in the housing and business markets.

Both the New Plymouth District Council and Taranaki Regional Council recognise that affordable housing is important for people's well-being. For lower income households, high housing costs can leave households with insufficient income to meet other basic needs. Expenditure on housing is a major component of household spending and a key factor in the assessment of housing affordability.

To determine the required level of development capacity to meet the estimated population growth for the New Plymouth district, the NPS-UDC requires the New Plymouth District Council and Taranaki Regional Council to:

- Undertake quarterly monitoring of market indicators, and use indicators of price efficiency (Policies PB6 and PB7). This report gives effect to that requirement.
- Prepare housing and business development capacity assessments (HBAs) on at least a three-yearly basis which forecast demand and "feasible" development capacity, and the likely take-up of capacity (Policies PB1 to PB5). HBAs will be informed by the quarterly monitoring of market indicators with the first being due June 2018.

Purpose

The purpose of this report is to review, for the quarter ending March 2018, indicators of house prices, housing affordability and housing development, as well as business land (retail, commercial, and industrial) and floor space for the New Plymouth district.

The report seeks to ensure that the New Plymouth District Council, and Taranaki Regional Council, are well-informed about demand for housing and business development capacity, urban development activity and outcomes in the New Plymouth urban area, and to fulfil the requirements of Policy PB6 in the NPS-UDC. The report summarises monitoring information for a range of indicators on a quarterly basis, including:

- prices and rents for housing, residential land and business land, by location and type; and the changes in these prices and rents over time;
- the number of resource consents and building consents granted for urban development relative to the growth in population;
- indicators of housing and rental affordability; and
- business indicators, including supply of business space..

Scope and structure of quarterly report

The second quarterly report contains updated residential and business indicators for the March 2018 quarter. The residential baseline indicators are comprised of five groups. These are:

- Housing.
- Rentals.
- Price Efficiency.
- Housing affordability.
- Provision of new houses.

The business baseline indicators are comprised of three groups. These are:

- Employment and growth.
- Supply of business space.
- Price Efficiency.

The indicators are presented in groups to help better identify and understand trends, which will assist in developing an overall picture on the impacts of each indicator for New Plymouth District. For each indicator, the data is shown in a graphical format along with an explanation on what the indicator shows, and the identified source for the data. For the second quarterly report, the data for each indicator is from 2007 to 2017. The housing affordability measure indicators have not changed, as no new data is available until May 2018, when it is due to be updated by the Ministry of Business, Innovation and Employment (MBIE).

The report, for comparative purposes, includes information on some other medium-high growth urban areas to help understand general trends around New Zealand. Locations selected for the purposes of this report are of similar size and growth as New Plymouth District.

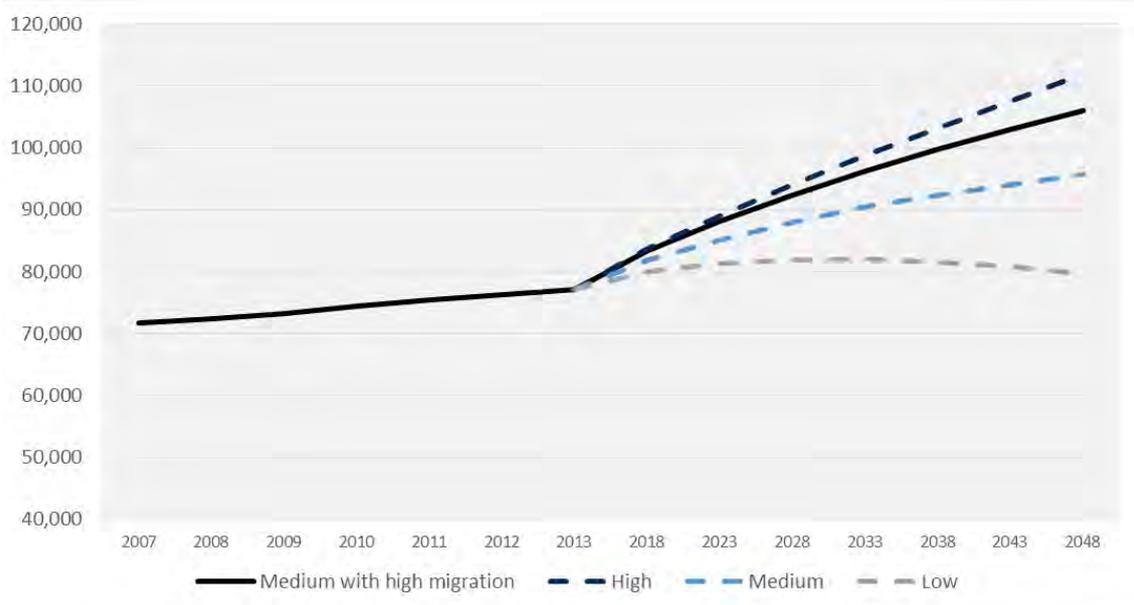
Overview of population growth in the New Plymouth District

The New Plymouth District is situated in the wider Taranaki region and covers an area of 2,205 square kilometres, including both rural and urban areas. One of the resource management issues facing the district is planning for growth and development, whilst ensuring that the needs of the community are met and adverse effects on the environment are avoided, remedied or mitigated.

For the purposes of this report, all of the indicators relate to the wider New Plymouth District area. In the future it is intended to develop monitoring to report on specific urban areas and suburbs.

Statistics New Zealand predict that there will be high population growth in the New Plymouth District over the next ten years. The population is projected to grow from an estimated 83,400 in 2018 to 92,400 in 2028, and to 106,100 by 2048. This equates to growth of 22,700 (27.2%) and will include people with a wide range of social, housing, environmental and economic requisites.

New Plymouth District Population Growth



Source: Statistics New Zealand

Residential Indicators

This section summarises information sourced from MfE, the MBIE UDC-Dashboard and Statistics NZ which provides available information on residential trends on supply and demand, and has been supplemented by specific local authority measures of housing capacity.

Residential Indicators Group 1: Housing

Indicator 1: Price for housing-dwelling sale price (actual)



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

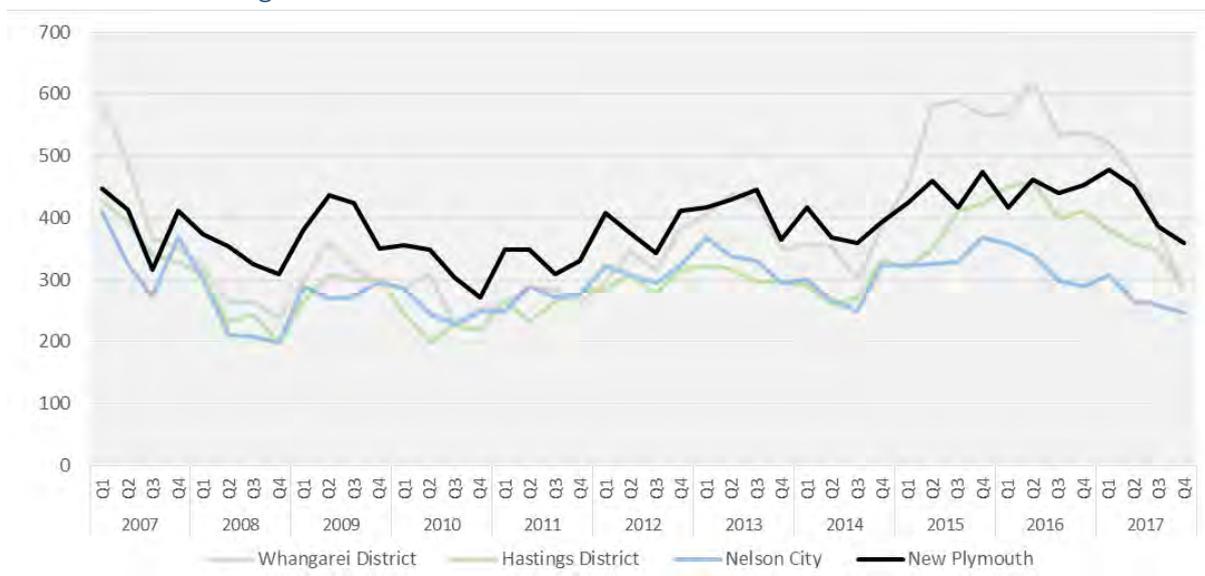
	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Sale Price					
New Plymouth	\$302,300	\$341,300	\$405,300	19% ↑	34% ↑
Whangarei	\$328,400	\$320,000	\$456,700	39% ↑	43% ↑
Hastings	\$277,900	\$304,400	\$396,300	30% ↑	43% ↑
Nelson	\$317,500	\$361,100	\$479,000	33% ↑	51% ↑

Between 2007 and 2017, there has been an increase in house prices across the New Plymouth District – both in the short to medium term. However, compared with other ‘high’ growth areas such as Whangarei and Nelson, New Plymouth average house price has remained consistently lower. The increase in New Plymouth house prices over the ten years averages out to 3.4% per annum. Below is a breakdown of sale prices within the New Plymouth District for different housing types. The average price of an empty section in New Plymouth is just over \$220,000.

New Plymouth District	Number of Sales	Median Sale Value
Houses	320	\$431,500
Apartments	5	\$487,800
Flats	53	\$332,500
Sections	34	\$221,200

Source: Quotable Value, for the three months up to March 2018

Indicator 2: Dwellings sold



Source: MBIE Urban Development Capacity Dashboard, March 2018

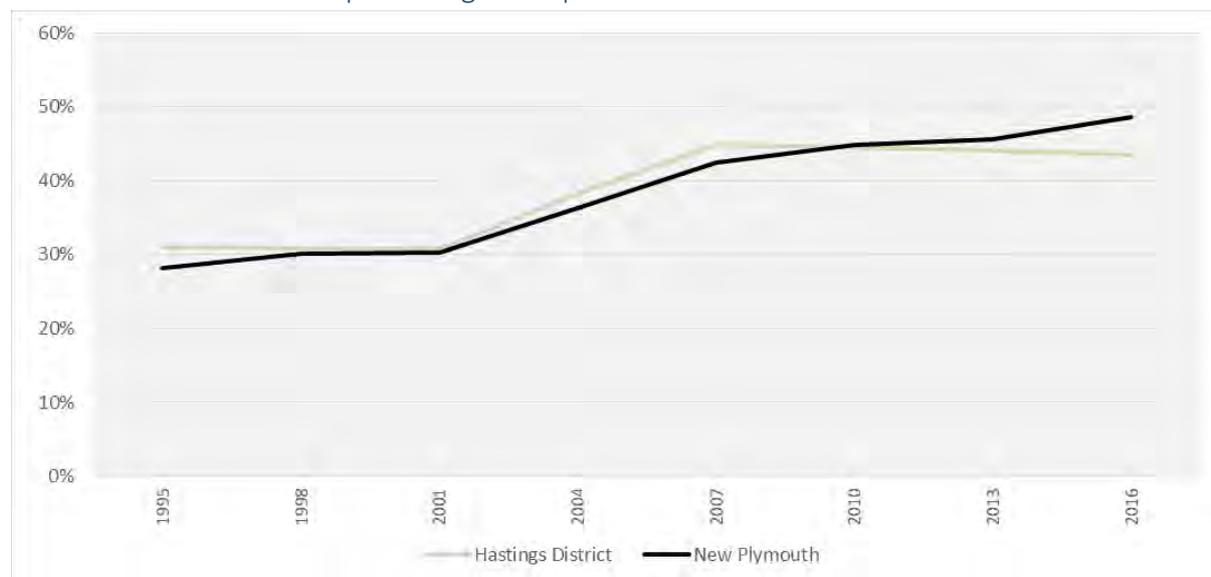
Observations

Dwellings Sold	2006/07	2013/14	2016/17	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	1,590	1,540	1,670	8% ↑	5% ↑
Whangarei	1,800	1,390	1,660	19% ↑	-8% ↓
Hastings	1,490	1,150	1,370	19% ↑	-8% ↓
Nelson	1,380	1,140	1,080	-5% ↓	-22% ↓

On average 389 dwellings per quarter or 1,555 per annum have been sold across the New Plymouth District since 2007. The number of sales per quarter has remained consistently in the 300-500 bracket over the past ten years and no obvious spikes have occurred. The number of sales consistently drop in the fourth quarter of each year which is common in the property market due to the festive season.

Indicator 2 relates to Indicator 1 and the equilibrium between supply and demand of housing in these areas. Generally, the number of dwellings traded in the housing market tends to be positively related to the changes in prices. For example in the event of decreasing or stagnant house prices, the number of dwellings traded tends to decrease. Future quarterly reports will be updated to include new information on supply and demand to identify any emerging trends that might affect the district and future urban capacity.

Indicator 3: Land value as percentage of capital value



Source: MBIE Urban Development Capacity Dashboard, March 2018

Data on land value as a percentage of capital value is provided on a three-yearly basis, when revaluations occur via Quotable Value. Only Hastings data is currently available for comparative purposes.

This indicator shows the proportion of house values that are estimated to be related to land prices at each valuation period. A higher ratio indicates that land is more valuable relative to the buildings that occupy it.

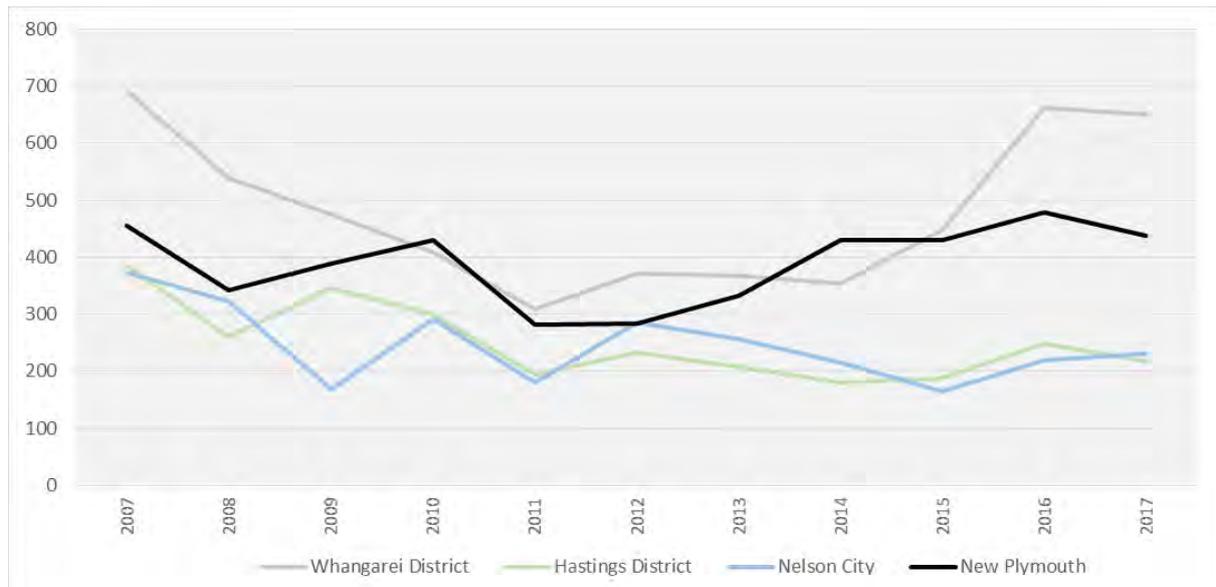
Observations

LV % CV	2007	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
New Plymouth	43%	46%	49%	3% ↑	6% ↑
Hastings	45%	44%	44%	0% ↑	-1% ↓

Land value as a percentage of capital value has been slowly increasing across the New Plymouth District over the past nine years. The higher ratio indicates that land is becoming more valuable over time relative to the buildings that occupy it.

The increase in land value relative to capital value is less than a one per cent increase per annum. The increase is not attributed to decreasing building costs or house sizes (as seen in indicators 5 and 6). To fully understand this increase future quarterly monitoring reports will look further into our current housing stock; their age, land area and type.

Indicator 4: Number of residential building consents



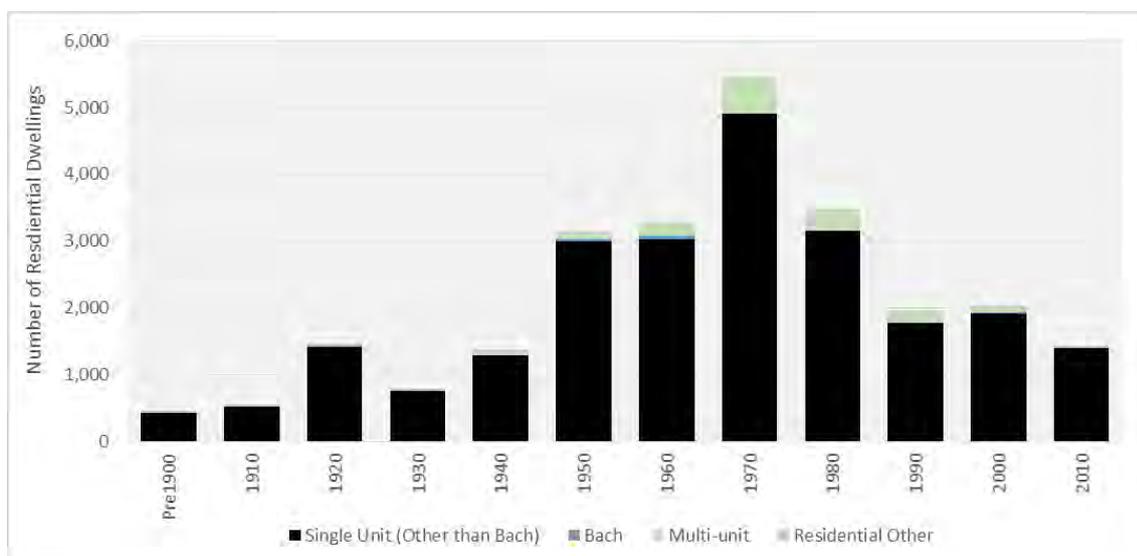
Source: Statistics NZ (InfoShare), March 2018

The number of consents for residential dwellings (classified as dwellings, houses, apartments, townhouses, units and others, retirement villages, flats, units and other dwellings) constructed across the New Plymouth District in a calendar year can be determined up to 2017.

Observations

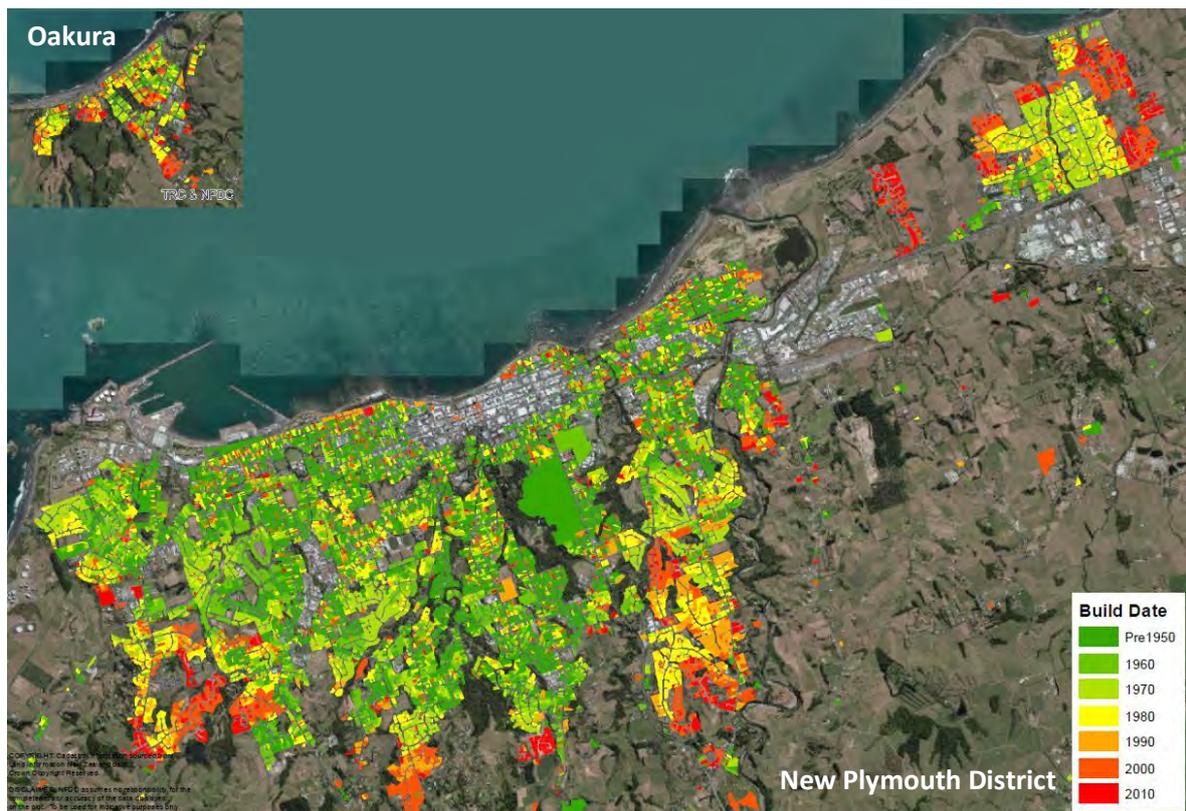
Building consents	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	456	429	438	2% ↑	-4% ↑
Whangarei	692	354	650	84% ↑	-6% ↓
Hastings	384	180	217	21% ↑	-43% ↓
Nelson	373	215	230	7% ↑	-38% ↓

Dwelling build age and type



Source: Quotable Value 2017

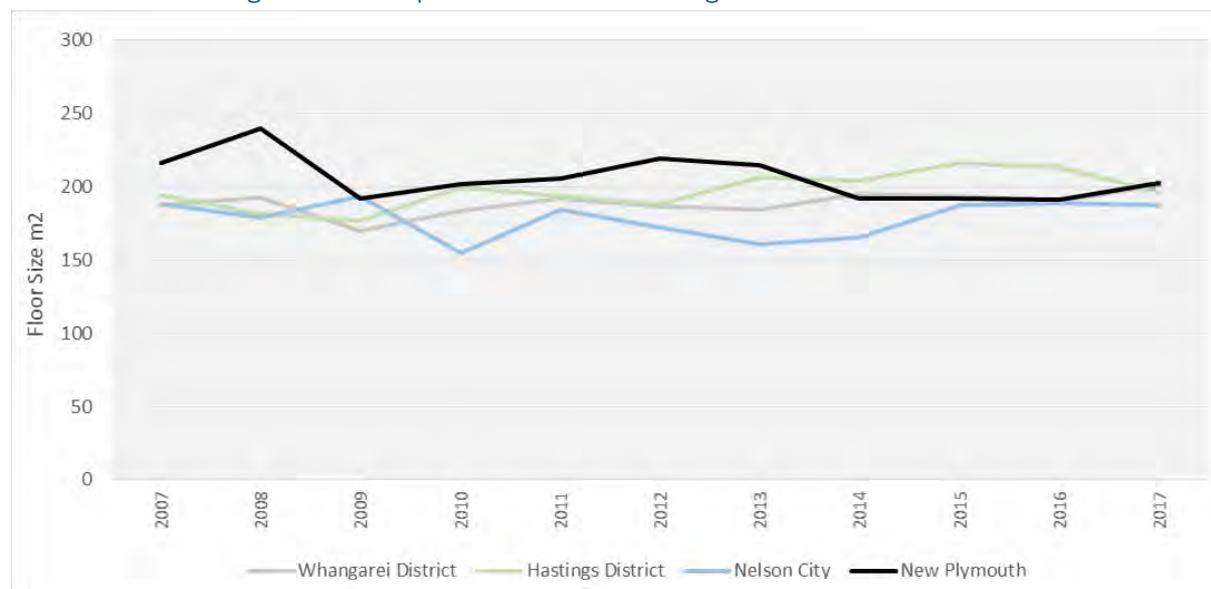
Dwelling build age, by location, up to 2017



Source: Quotable Valuation Data 2017

The number of building consents across the New Plymouth District dropped briefly during 2011/2012 but has increased again in the past five years. New Plymouth District Council has received 400+ consents since 2014 and it is predicted in the Long Term Plan (LTP) for the New Plymouth District Council that 387 houses will be built per annum over the next five years, and 353 houses per annum in the following five years. However according to the NPS-UDC, our planning provides infrastructure and land supply for 464 new houses to be built per annum from 2018-2023, and 424 new houses per annum from 2023-2028.

Indicator 5 –Average Floor Size per Residential Building



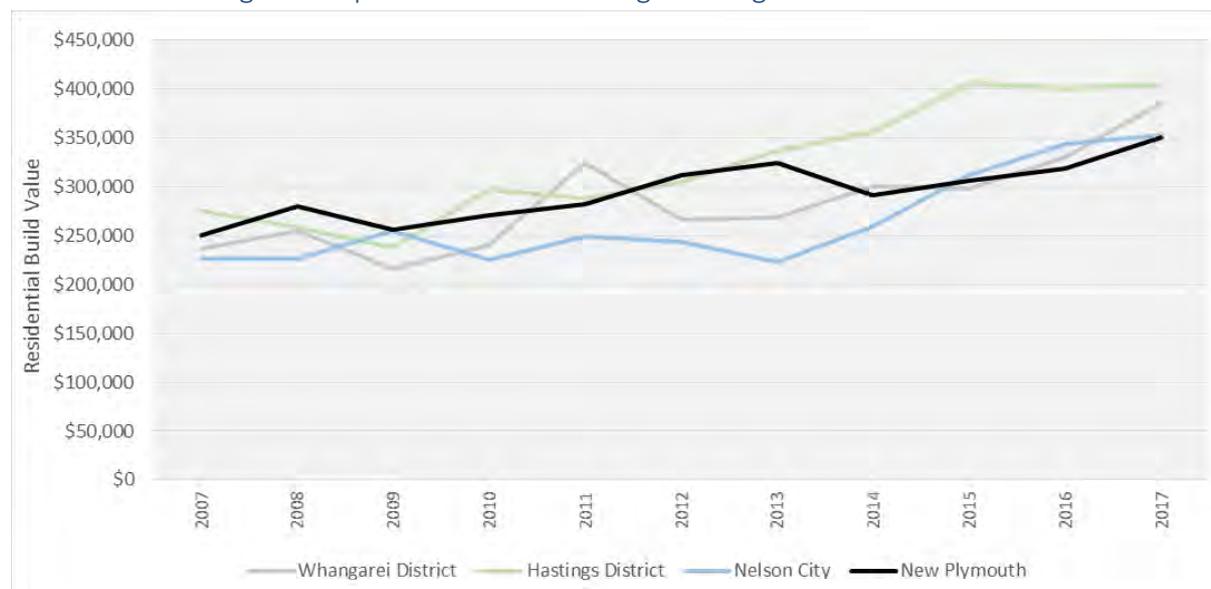
Source: Statistics NZ (InfoShare), March 2018

Observations

Average Floor Size	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	216m ²	192m ²	202m ²	5% ↑	-7% ↓
Whangarei	187m ²	195m ²	201m ²	3% ↑	7% ↑
Hastings	194m ²	204m ²	197m ²	-4% ↓	1% ↑
Nelson	188m ²	165m ²	187m ²	13% ↑	0% ↑

The average house size across New Plymouth District has remained consistently around 200m² in the last ten years. Factors such as building costs, section size, and growth have had little effect on the size of house being built.

Indicator 6: Average value per residential building dwelling consent



Source: Statistics NZ (InfoShare), March 2018

Observations

Average Build Cost \$	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	\$250,000	\$292,000	\$350,000	20% ↑	40% ↑
Whangarei	\$237,000	\$300,000	\$386,000	29% ↑	63% ↑
Hastings	\$276,000	\$357,000	\$406,000	14% ↑	47% ↑
Nelson	\$226,000	\$260,000	\$353,000	36% ↑	56% ↑

The average build cost for residential houses across the New Plymouth District, over the past ten years, has increased at an average of around 4% per annum. The average build cost is lower than the other three comparative districts.

Summary on housing indicators for New Plymouth District

	Short Term % Change	Medium Term % Change
1. Dwelling sales price	↑	↑
2. Dwellings sold	↑	↑
3. LV % CV	↑	↑
4. Number of Consents	↑	↓
5. Average floor size	↑	↑
6. Average value	↑	↑

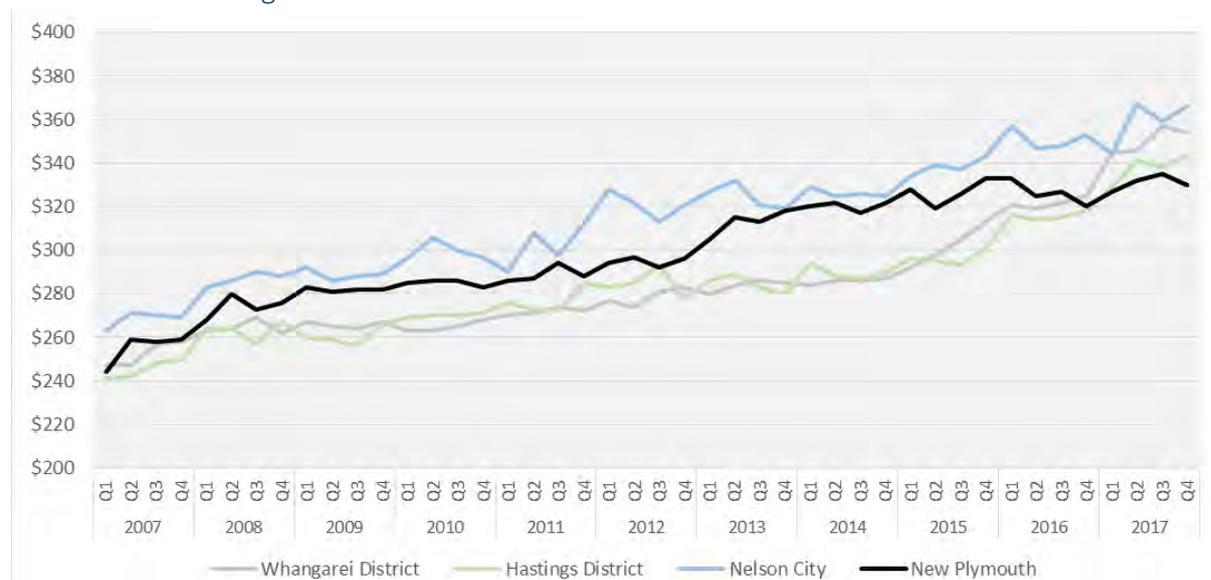
Future quarterly reports will include additional data sources to assist with monitoring the housing market.

In summary, the above housing indicators provide information on the relative 'health' of the property market across the New Plymouth District, including major trends and how they could be influenced by growth and development.

All the housing indicators for New Plymouth District, except consent applications, have increased and consequently the cost of building or buying a home in New Plymouth has become more expensive. The largest increases are in dwelling sale price and building cost. While housing affordability has improved (see below, Indicator 10) the cost of housing remains high.. These trends are expected to continue into the future.

Residential Indicators Group 2: Rent

Indicator 7: Dwelling Rents



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

Average Rent	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	\$255	\$320	\$331	3% ↑	30% ↑
Whangarei	\$252	\$286	\$351	23% ↑	39% ↑
Hastings	\$245	\$290	\$338	17% ↑	38% ↑
Nelson	\$268	\$326	\$359	10% ↑	34% ↑

Rents across the New Plymouth District have increased over the past ten years, on average around 3% per annum. However the overall increase in rent is less than that of house price increases. It is expected that rents will continue to increase in the long term. Of note, in 2017, average rents were cheaper than for comparative cities (this has not always been the case).

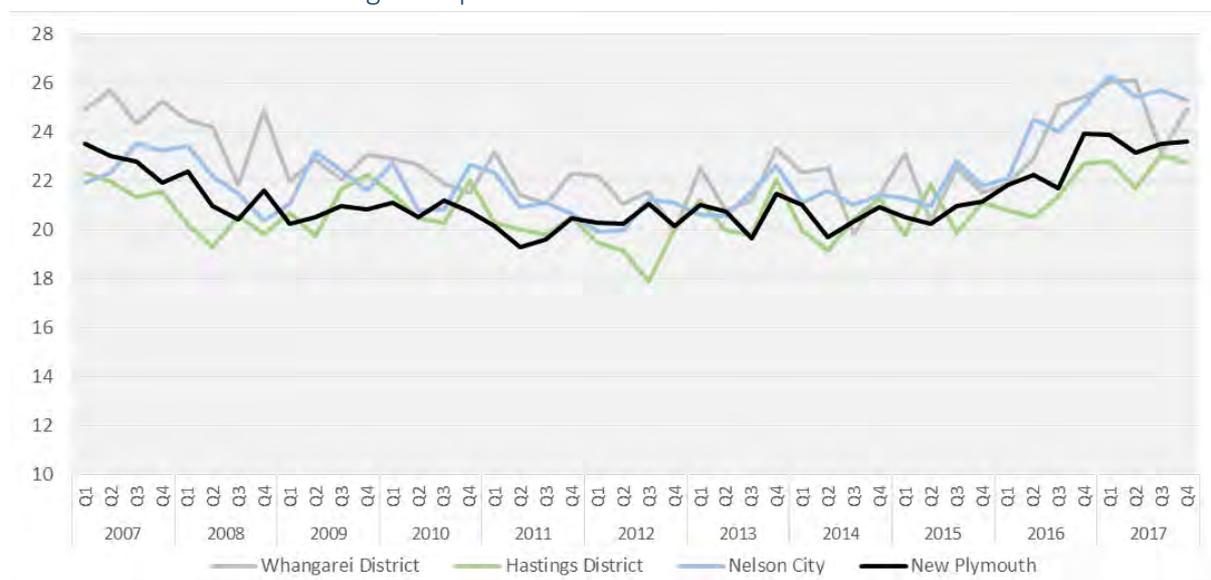
Indicator 8: Rentals per dwelling type New Plymouth

	Suburb	Bonds Received	Lower Quartile	Median Rent	Upper Quartile
One bedroom	Central	38	\$220	\$237	\$253
	Outer	67	\$212	\$243	\$272
Two bedrooms	Central	118	\$274	\$304	\$322
	Outer	211	\$282	\$304	\$334
	Rural	7	\$282	\$300	\$307
Three bedrooms	Central	112	\$340	\$360	\$390
	Outer	275	\$349	\$380	\$401
	Rural	32	\$277	\$335	\$380
Four bedrooms	Central	27	\$365	\$420	\$476
	Outer	65	\$425	\$480	\$568
	Rural	8	\$240	\$340	\$375
Five+ bedrooms	Outer	8	\$427	\$455	\$487

Source: Tenancy New Zealand – Market Rent Data, October 2017

Only a limited data range is available on rentals by dwelling types in New Plymouth and no updated data (from the December quarter report) is available at this time. As new data becomes available it will be included in future quarterly reports.

Indicator 9: Ratio of dwelling sales prices to rent



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

Ratio of dwelling sales prices to rent	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	21.9	20.9	23.6	13% ↑	8% ↑
Whangarei	25.2	21.4	24.9	16% ↑	-1% ↓
Hastings	21.5	21.3	22.7	7% ↑	6% ↑
Nelson	23.2	21.4	25.3	18% ↑	9% ↑

This ratio of dwelling sales prices to the rent in New Plymouth shows a current ratio of 23.6, which indicates that the price of a median house is 23.6 times the mean annual rent paid. The ratio has not changed significantly over the previous ten years. However, while both housing and rentals have increased in New Plymouth, the rate of rental increase has been less. This suggests that it is currently more affordable to rent in New Plymouth than purchase a home.

Summary on rental indicators for New Plymouth District

	Short Term % Change	Medium Term % Change
7. Dwelling rents	↑	↑
8. Rentals per dwelling type	To be developed	
9. Ratio of dwelling sale prices to rent	↑	↑

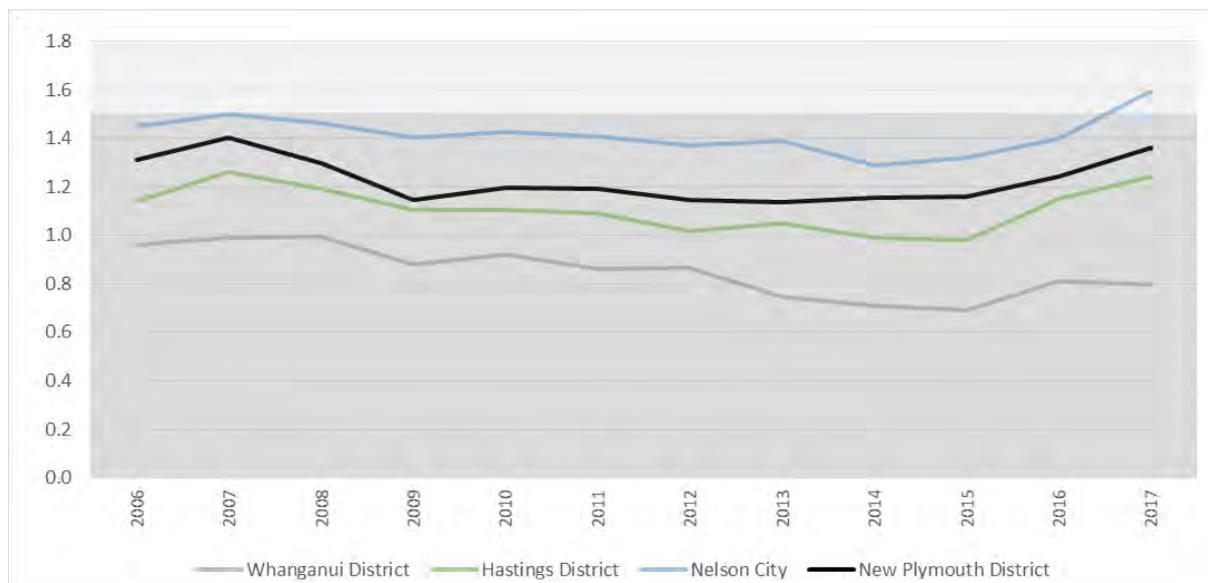
In summary, over the last ten years, the cost to rent and the ratio of dwelling sale prices to rent have increased. The rental increase in New Plymouth has followed a similar pattern of house sale prices but at a slower rate.

Residential Indicators Group 3: Price Efficiency

Indicator 10: Price Cost Ratio

The price cost ratio indicator shows the proportion of house prices that is related to construction and other costs in New Plymouth District. The indicator monitors how much the price of housing is driven by the cost of land, including the degree to which the supply of land and development opportunities are constrained relative to demand.

A price cost ratio of 1.5 or more means that land costs exceed 1/3 of the total house price. A higher ratio may indicate insufficient land supply, an impact due to a surge in house prices or illustrate the extent of a lag in the supply of houses.



Source: MBIE Urban Development Capacity Dashboard, March 2018

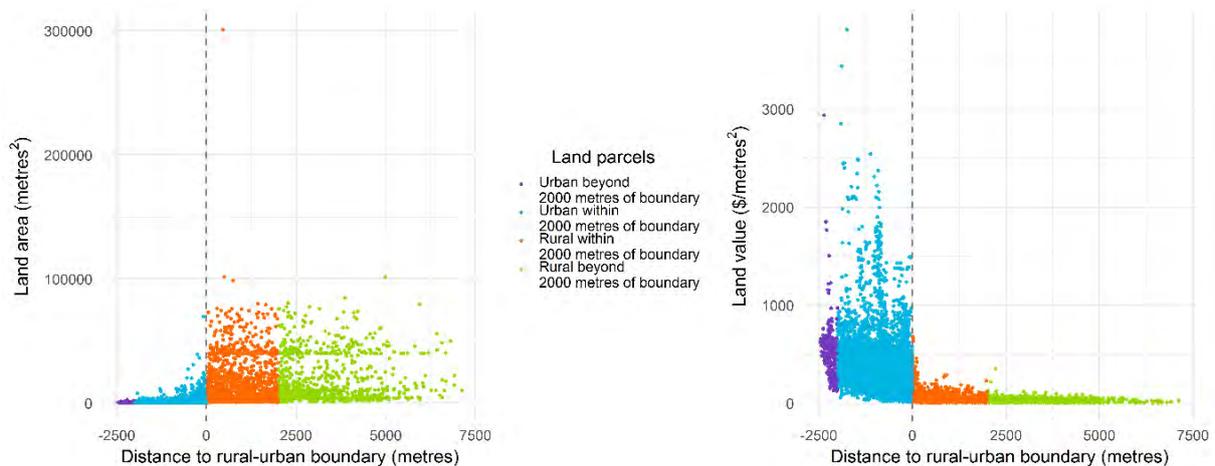
As noted in the graph, aside from Whanganui district, the other three districts have followed a very similar trend in relation to the price cost ratio for housing. New Plymouth has consistently stayed below the 1.5 threshold which suggests that the supply of land, and development opportunities, have kept up with demand.

Indicator 11: Rural-Urban value differentials

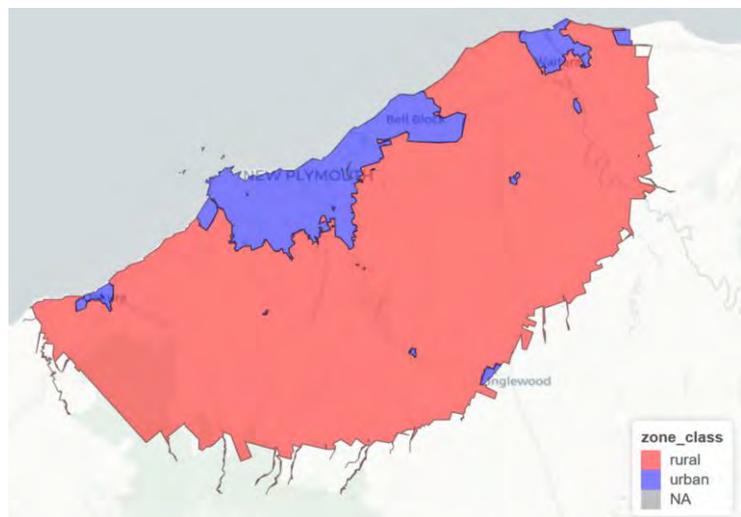
Rural-urban value differentials have been calculated for the New Plymouth District by comparing the values of residential land 2km either side of the boundary between urban and non-urban zones, after removing non-regulatory factors affecting land values. If the value of land jumps where the zone changes, this may indicate that various land-use regulations are constraining urban development capacity. The Rural-urban value differential is a key indicator of whether the District Plan provides sufficient development capacity.

Urban Area	Ratio	Difference (\$/m ²)	Difference (\$/600m Section)
New Plymouth	1.61	\$92	\$55,080
Whangarei	2.00	\$80	\$48,064
Nelson	2.06	\$153	\$91,757

New Plymouth: Parcel land values near rural-urban boundary



The scatter plots above show that land area increases and land values drop at the rural-urban boundary. After removing major non-regulatory factors that affect land values, urban residential land close to the rural-urban boundary is worth just over 1.61 times the value of rural land next door, or \$92 more per square meter. A rural-urban differential above 1 signals that zoning and/or other regulations are constraining development capacity enough to increase urban land values.



The New Plymouth District Council is currently in the process of reviewing its district plan, which will affect the areas zoned residential within New Plymouth. The revised Plan provisions are anticipated result in a drop in the urban-rural ratio.

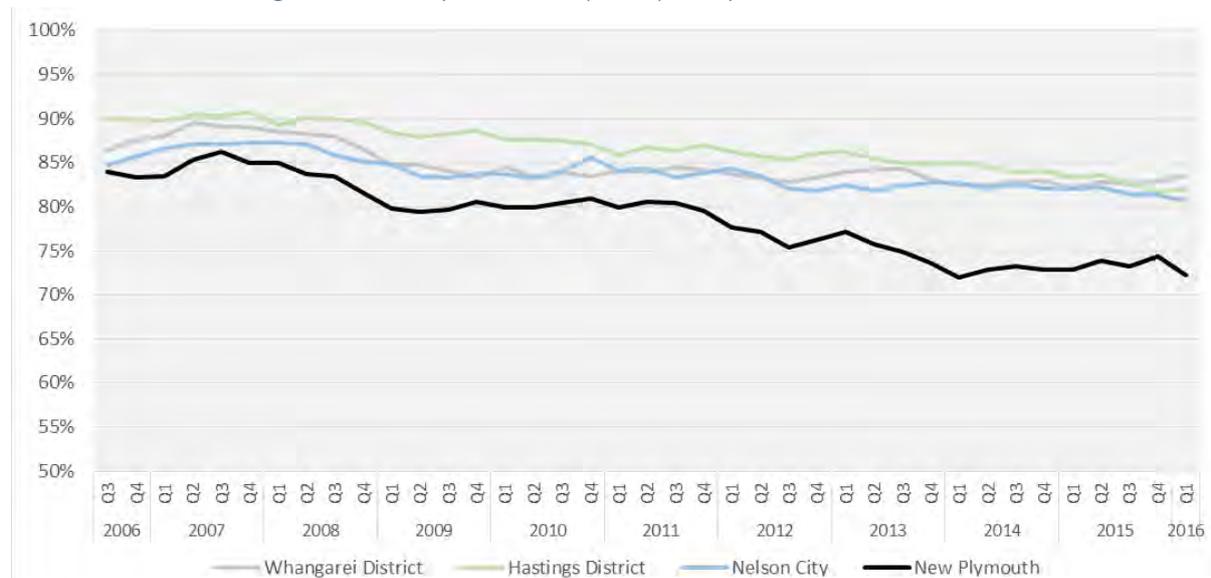
Summary on price efficiency for New Plymouth District

In summary, the price cost ratio for New Plymouth indicates that the supply of land, and development opportunities, have kept up with housing demands. The report also confirms that land area increases and land values drop at the rural-urban boundary.

The previous two new indicators to the report are supplied by MBIE and MfE to identify current restraints on land availability both within, and bordering, the urban area. They will inform the development of the HBA.

Residential Indicators Group 4: Housing Affordability

Indicator 12: Housing Affordability Measure (HAM) - Buy



Source: MBIE Urban Development Capacity Dashboard, October 2017

HAM indicators provide a picture of housing affordability trends, bringing together the impact of changes in house prices or rents, mortgage interest rates and incomes. For potential home-owning households, HAM Buy calculates what their residual income would be, after housing costs, if they were to buy a modest first home in the area in which they currently live.

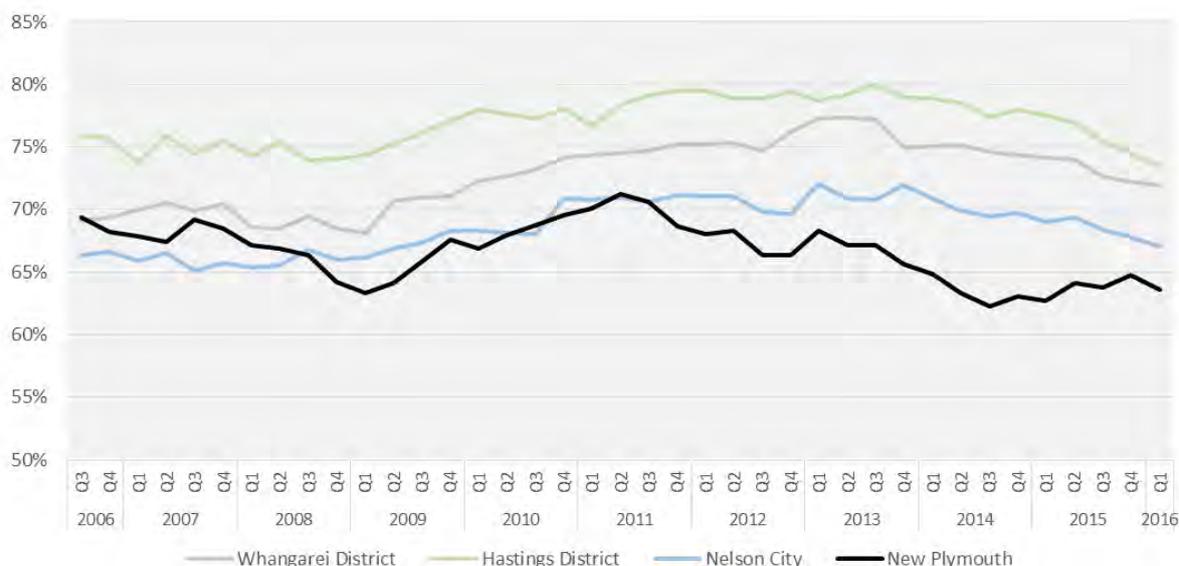
Data for this indicator is only available up to 2016 quarter one. The indicator is published with a one-year lag and hence does not pick up recent trends. No data has been updated for this indicator since the previous report.

Observations

HAM - Buy	2006	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
New Plymouth	84%	74%	72%	1.4% ↓	11.2% ↓
Whangarei	86%	84%	83%	-1% ↓	-3% ↓
Hastings	90%	86%	82%	-5% ↓	-9% ↓
Nelson	82%	82%	81%	-2% ↓	-2% ↓

According to the MBIE HAM Buy indicator, housing affordability has been improving over the past ten years. This is due to a combination of low interest rates, wage growth and slower house prices inflation, helping improved buyer affordability. While the improvement in housing affordability is positive, the level remains high. For example at March 2016, 72 per cent of first-home buyers in New Plymouth could not comfortably afford a typical 'first-home' priced house.

Indicator 13: Housing Affordability Measure (HAM) – Rents



Source: MBIE Urban Development Capacity Dashboard, October 2017

Observations

HAM - Rent	2006	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
New Plymouth	70%	68%	64%	-7% ↓	-9% ↓
Whangarei	70%	77%	72%	-7% ↓	3% ↑
Hastings	75%	79%	73%	-7% ↓	-2% ↓
Nelson	64%	72%	67%	-7% ↓	4% ↑

Even though the cost of renting in New Plymouth has increased, rental affordability has improved over time. This is because the rental increase is fairly small and lower than that of house sale prices and other affordability factors, such as wage growth and other housing costs. Over the last ten years rent has increased but at a slower rate and consequently, affordability has improved.

As mentioned above the housing affordability measure for renting in New Plymouth is lower than that of buying, therefore it is currently more affordable to rent in New Plymouth than purchasing a home. No updated data was available since the previous report for this indicator.

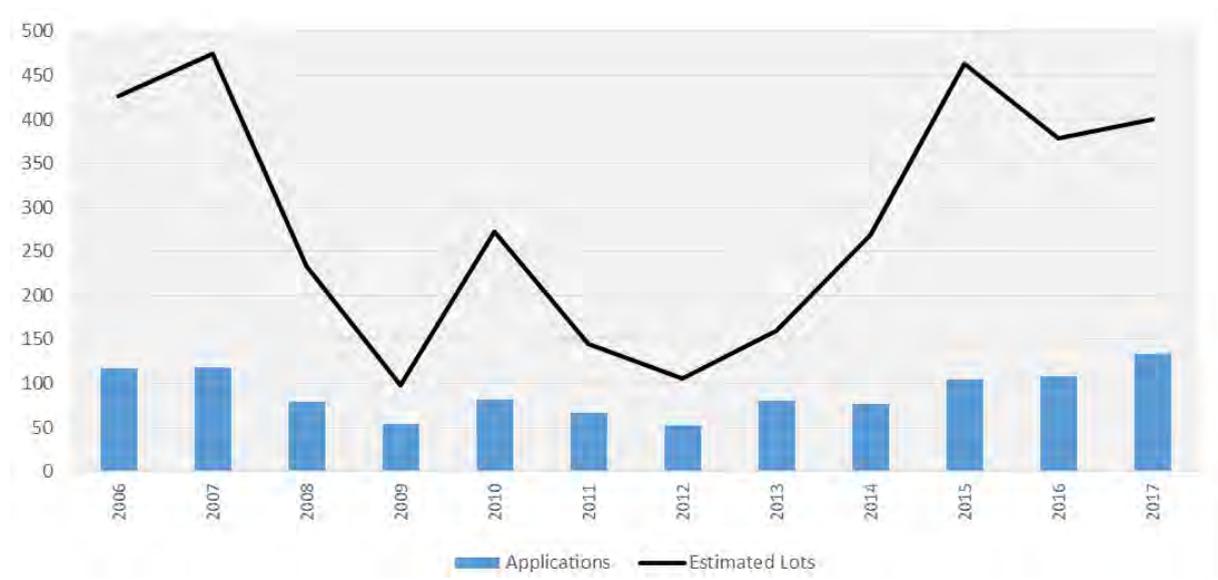
Summary of housing affordability for New Plymouth District

	Short Term % Change	Medium Term % Change
12. HAM - Buy	↓	↓
13. HAM - Rent	↓	↓

In summary, although both house sale prices and rents have increased, both housing affordability measures have improved in the short and medium term. The improvement in affordability may be due to a decline in mortgage interest rates and an increase in household income.

Residential Indicators Group 5: Provision of new houses

Indicator 14: Residential subdivision consents – approved and the number of lots created



Source: NPDC Data, October 2017

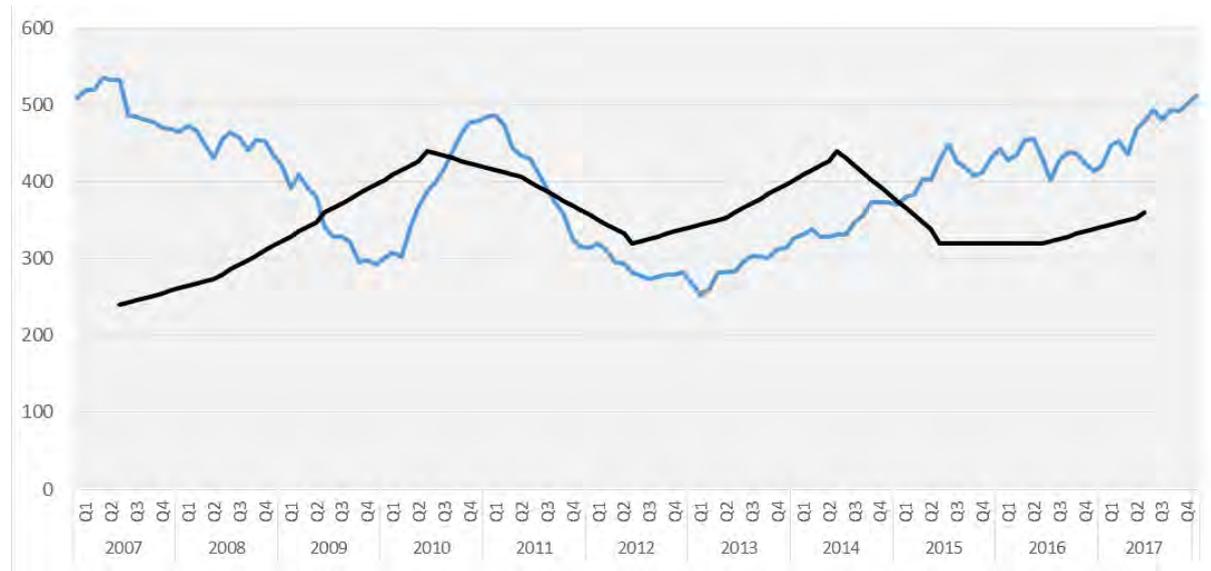
Note: This data will be refined in future reports.

Observations

	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Applications	118	77	134	74% ↑	14% ↑
Estimated number of lots	474	269	400	49% ↑	-16% ↓

The number of residential subdivision applications across the New Plymouth District, over the previous ten years, has varied slightly with a drop during the 2011-2013 period. One of the more obvious changes in the short term is the increase in larger lot subdivision (>10 estimated lots). The number of applications with more than two lots will help with affordability and house price sales as it makes building a new house more accessible.

Indicator 15: New dwellings compared to household growth



Source: MBIE Urban Development Capacity Dashboard. October 2017

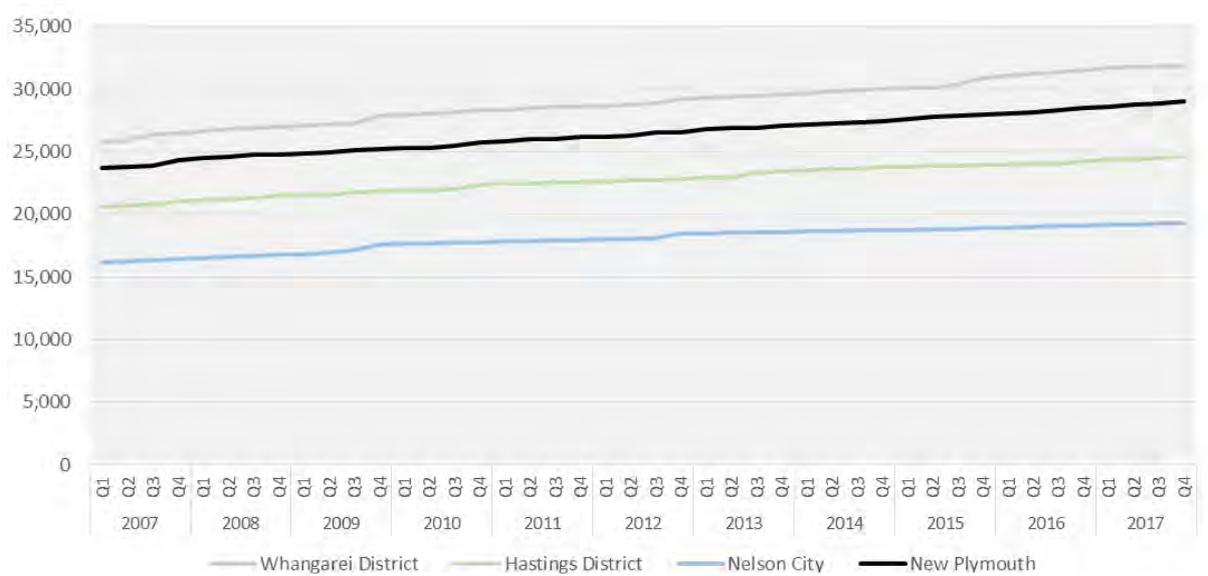
The number of new dwelling building consents across the New Plymouth District is lagged by six months, to account for the time taken from consenting to completion, as recommended by MBIE.

Observations

	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Household growth	240	440	360	-22% ↓	33% ↑
New consents	533	332	473	30% ↑	-19% ↓
% Comparison	45%	133%	76%		

Generally over the past ten years New Plymouth District household growth and new residential dwellings have been consistently on par. During the period from 2012 to 2014 household growth was 133% above the number of consented dwellings, which could have had an effect on the increase in residential sale price and building costs. However, over the last two years, the number of residential consents has caught up with growth, which should assist New Plymouth in maintaining reasonable sale prices and the affordability of buying a home.

Indicator 16: Dwelling stock



Source: MBIE Urban Development Capacity Dashboard, March 2018

Observations

Dwelling stock	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
New Plymouth	23,800	27,400	29,000	6% ↑	18% ↑
Whangarei	25,900	29,800	31,800	6% ↑	19% ↑
Hastings	20,800	23,600	24,600	4% ↑	15% ↑
Nelson	16,200	18,700	19,300	3% ↑	16% ↑

The housing stock has increased in New Plymouth District to mirror the increase in population. The increase has been consistent over the past ten years with no major spikes to indicate a dramatic change.

Summary in the provision of new houses in the New Plymouth District

	Short Term % Change	Medium Term % Change
14. Subdivision consents	↑	↓
15. Growth v. consents	No trend available	
16. Dwelling stock	↑	↑

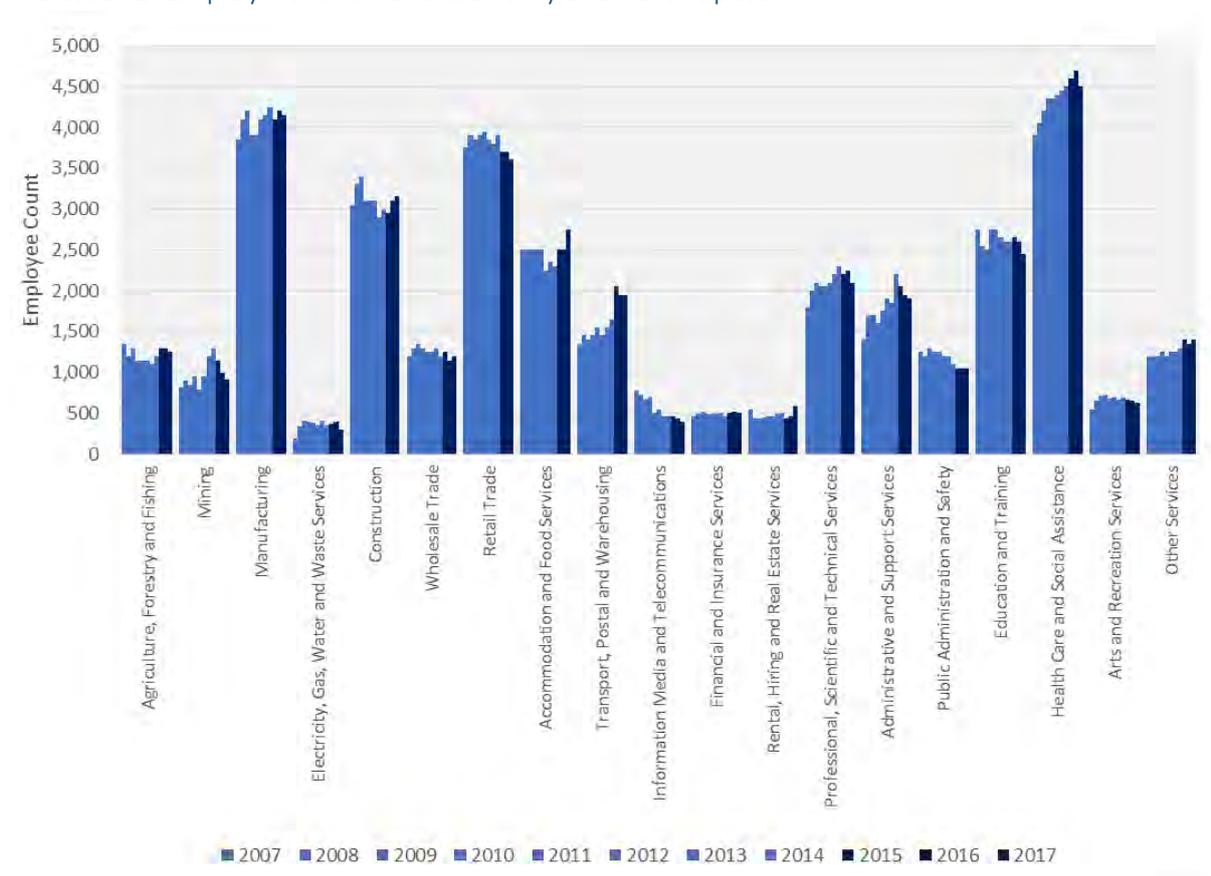
The increase in available subdividable lots and number of residential consents across the New Plymouth District indicates an increase in the number of dwellings. The level of change is evident in the positive changes in both Group 1 and Group 2 Indicators for housing provision.

Business Indicators

This section summarises information sourced from freely available information on business trends and supply and demand, and specific local authority measures of business capacity.

Business Indicators Group 1: Employment and growth

Indicator 1: Employment current economy and recent past



Source: Statistics New Zealand, March 2018

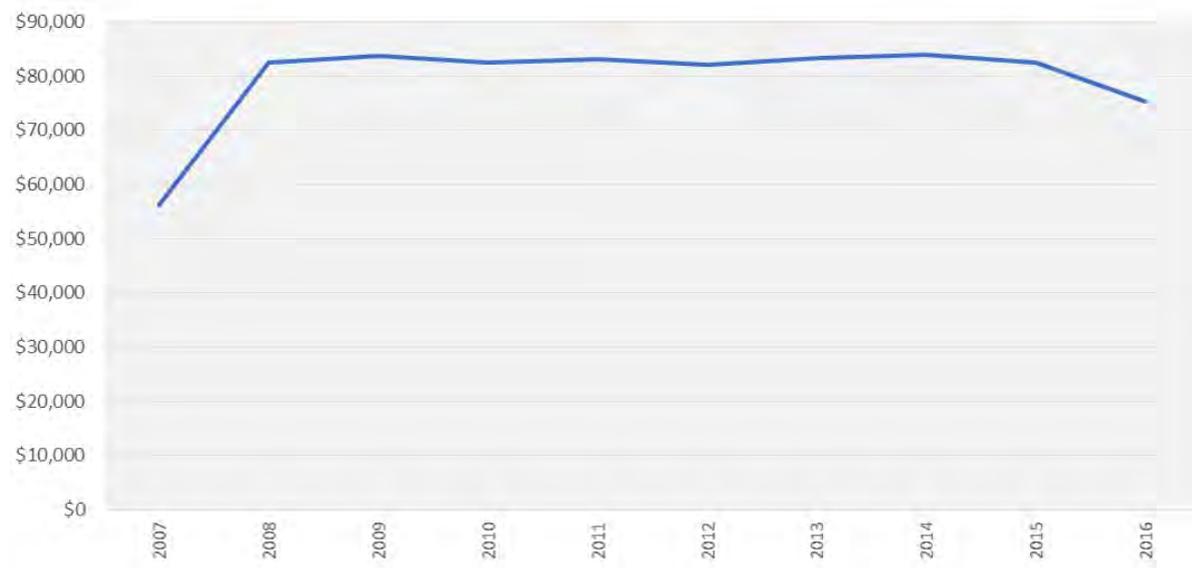
Observations

Employment Growth	2007	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2007-2017)
Agriculture	1,350	1,200	1,250	4% ↑	-7% ↓
Retail	3,750	3,900	3,600	-8% ↓	-4% ↓
Healthcare	3,900	4,500	4,500	0% ↑	15% ↑
Construction	3,050	3,000	3,150	5% ↑	3% ↑

In the short term the New Plymouth District has experienced employment growth in agriculture and construction while there was a decline in retail and healthcare remained static. However, over the medium term the biggest growth in employment has been with the healthcare industry. The growth

in healthcare is due to additional rest home and retirement village facilities being constructed in the past few years. Updated data for this indicator was not available for this report.

Indicator 2: Nominal Taranaki GDP per capita



Source: MBIE Regional Economic Activity Web Tool, October 2017

Notes The GDP per capita indicator is of interest because it provides an understanding of changes in average income, which is a key factor in housing affordability. Updated data for this indicator was not available for this report.

Observations

	2006	2013	2016	Short Term % Change (2013-2016)	Medium Term % Change (2006-2016)
GDP per capita	\$46,997	\$83,217	\$75,222	-10% ↓	60% ↑

Nominal GDP has improved significantly over the long term but there is a slight drop in the short term. Despite the recent drop in GDP, Taranaki still remains ahead of the national average.

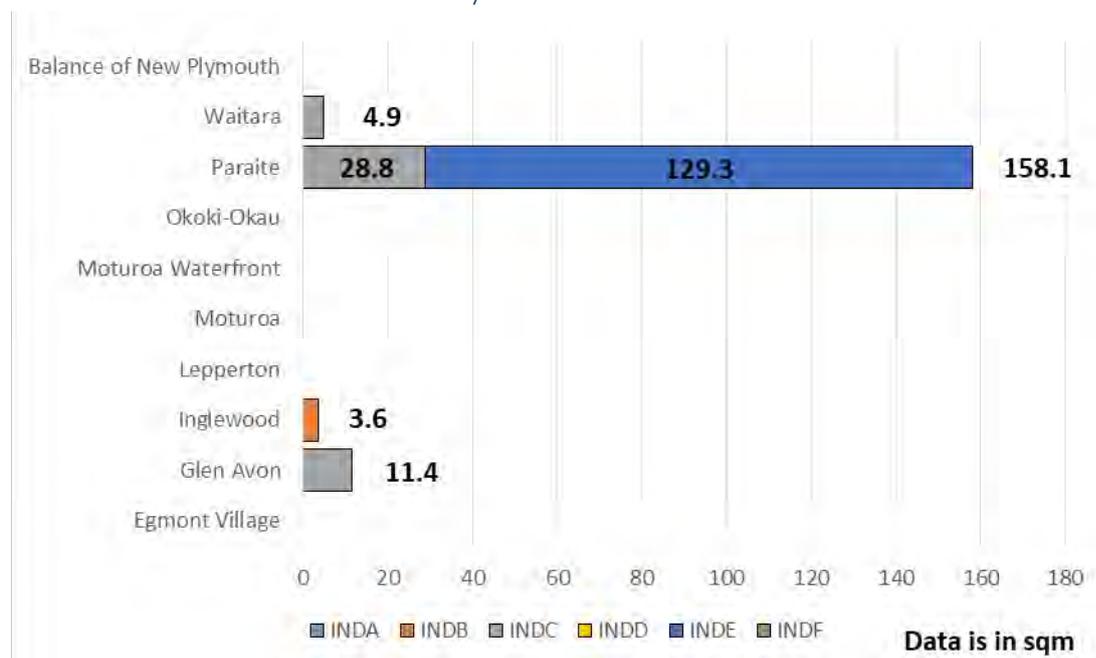
Summary of employment and growth for the New Plymouth District

	Short Term % Change	Medium Term % Change
1. Employee current economy and recent past	↓	↑
2. GDP per capita	↓	↑

In summary, while over the medium term there have been gains in employment growth and GDP in the New Plymouth District, in recent times these gains have been offset by a decline against both indicators.

Business Indicators Group 2: Supply of business space

Indicator 3: Vacant industrial land by location



Source: Property Economics, NPDC July 2016

This indicator is still under construction and will be more fully addressed in future quarterly monitoring reports. In particular New Plymouth District Council is developing data for commercially zoned vacant land. In the meantime, monitoring confirms a substantial amount of vacant industrial zoned land was available for industrial activities in 2015 and this has not changed significantly over the past two years.

Indicator 4: Capacity within existing and new built facilities – retail²

Retail Classifications	Store #	GFA #	Store %	GFA %
Supermarket retailing	7	23,950	1%	15%
Food retailing	53	10,290	11%	6%
Clothing, footwear and personal accessories	65	12,140	14%	8%
Furniture, floor coverings, houseware and textile goods retailing	31	21,390	7%	13%
Electrical and electronic goods	7	4,690	1%	3%
Pharmaceutical and personal goods retailing	13	2,040	3%	1%
Department stores	4	26,640	1%	17%
Recreational goods retailing	22	9,470	5%	6%
Other goods retailing	75	16,050	16%	10%
Food and beverage services	168	25,560	35%	16%
Vacant	31	7,040	7%	4%
	476	159,260	100%	100%

² GFA = Gross Floor Area.

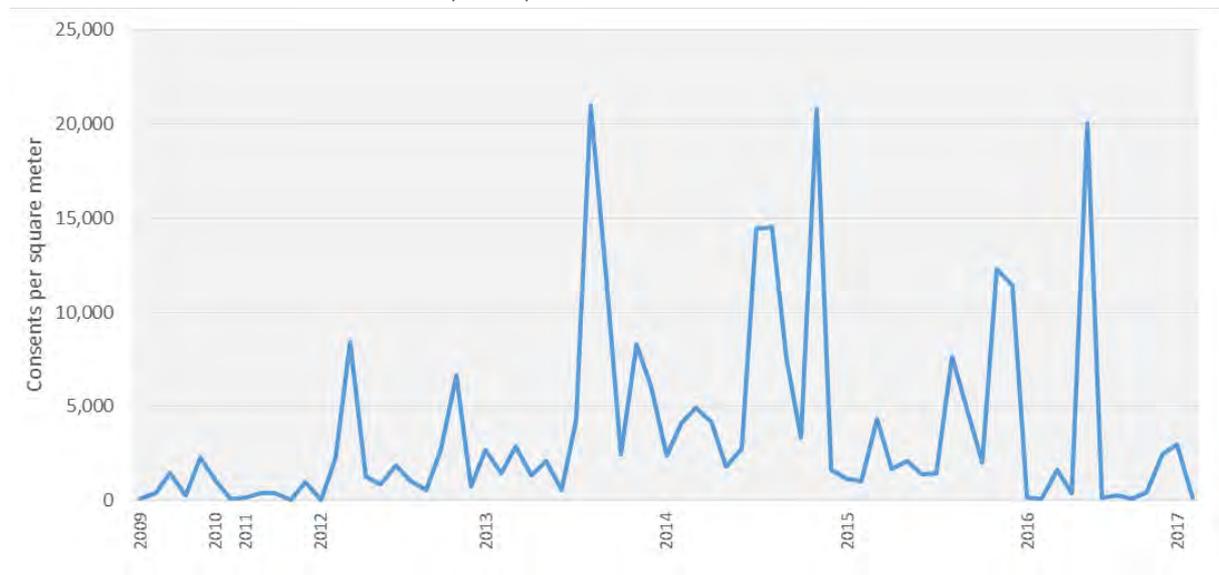
Source: Property Economics, NPDC July 2016

Current vacancy levels in New Plymouth are sub-optimal, totalling 31 stores or 7% of the total retail market by store count. A high prevalence of vacant stores fails to attract shoppers in the quantities that are required to sustain the level of gross floor area provided. A more acceptable level of retail store vacancy from an economic retail perspective in a thriving commercial centre is 5%.

Indicator 5: Capacity within existing and new built facilities – industrial
Under construction – to be addressed in future quarterly monitoring reports.

Indicator 6: Capacity within existing and new built facilities – commercial/office
Under construction – to be addressed in future quarterly monitoring reports.

Indicator 7: Commercial consents per square metre



Source: NPDC Data, October 2017

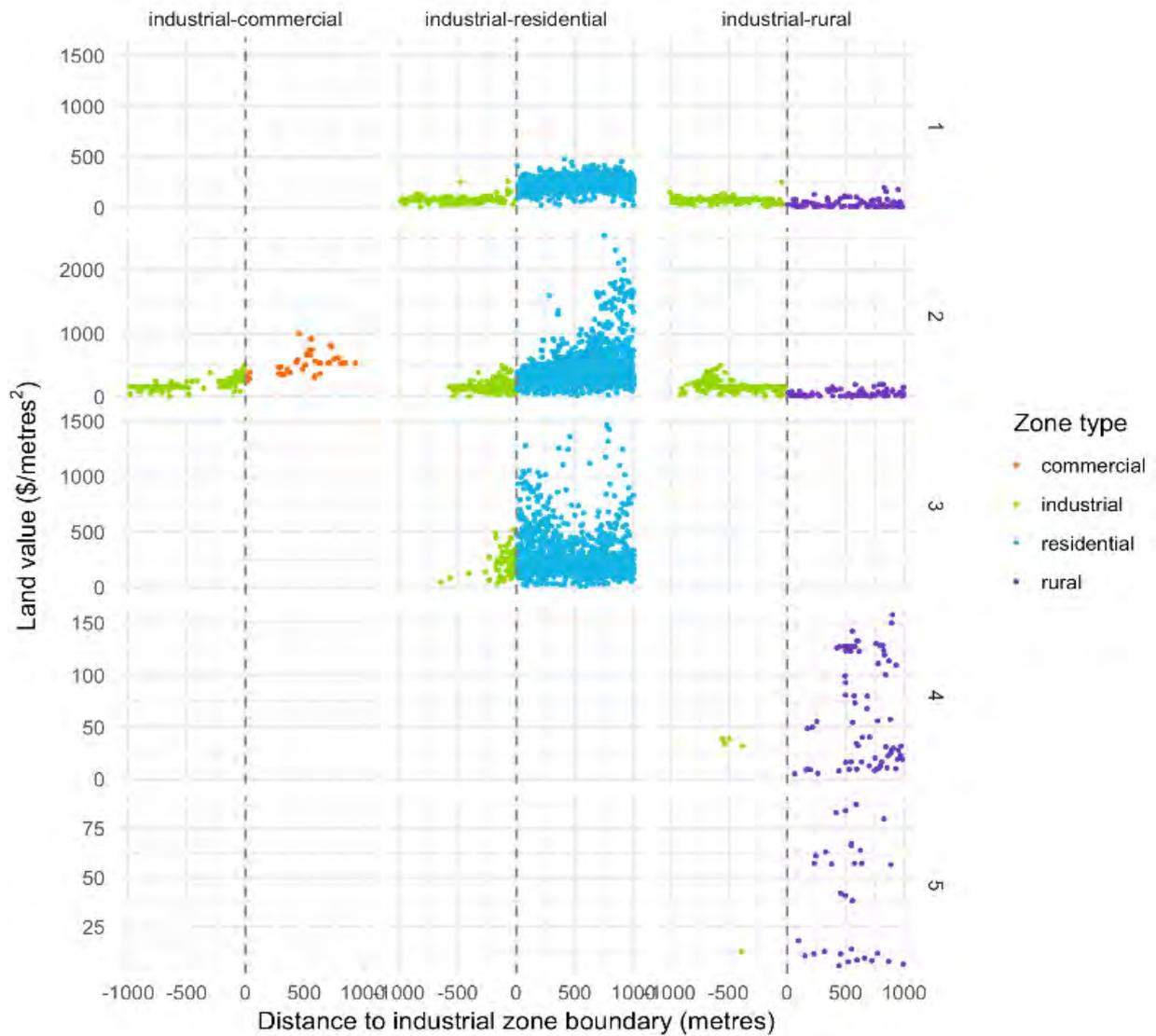
Observations

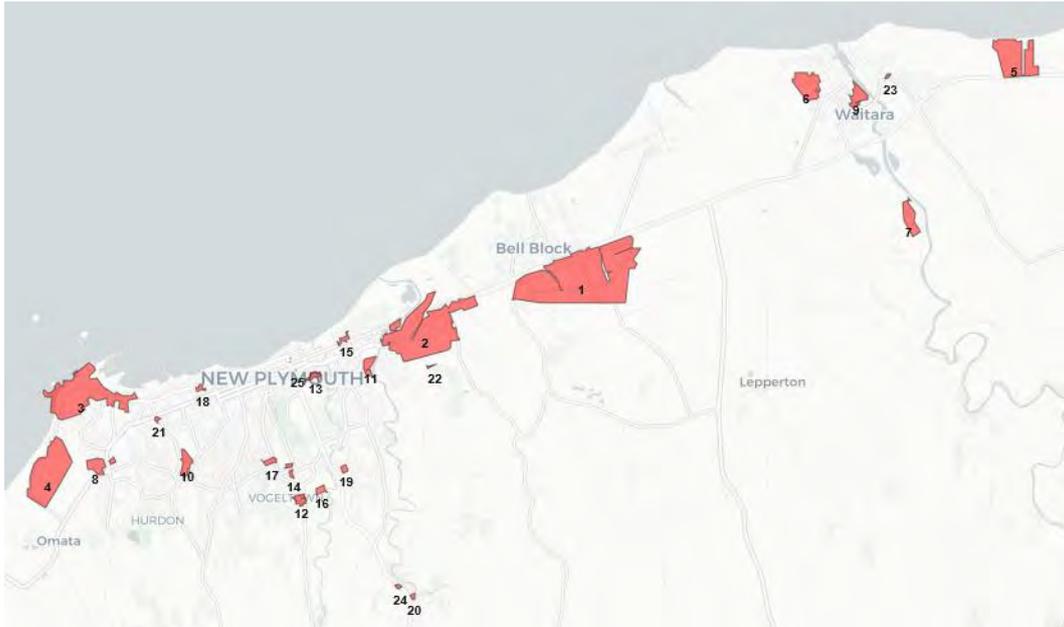
	2009	2014	2017	Short Term % Change (2014-2017)	Medium Term % Change (2009-2017)
Commercial consents per square metre	910	6,869	1,570	-77% ↓	72% ↑

There was an increase in commercial consents during the period from 2014/2015, and these have dropped slightly during the first part of 2017. For future reporting, more information on available vacant commercial data will be gathered.

Indicator 8: Industrial zone differentials

Industrial zone differentials across the New Plymouth District have been calculated by comparing the values of land within 250m either side of the boundary between the industrial zone and 'other' zones. If the value of land jumps significantly where zoning changes between an industrial zone and other activity zones, this indicates that zoning and other regulations may not be constraining current demand for different land uses in the same location. Consistent differentials over time may indicate insufficient development capacity for more expensive land uses throughout the district.





New Plymouth district currently has 25 industrial zones (refer map above). The data for the largest five industrial zones is represented on the scatter plots and can be located on the map. A majority of the boundaries are adjacent to residential zones and the scatterplots represent a small jump in land value in zones one and three³. Residential land in these two zones is worth more than industrial which suggests a greater demand for residential land rather than a shortfall on industrial land.

Summary of supply of business space for New Plymouth District

	Short Term % Change	Medium Term % Change
3. Industrial vacant land		N/A
4. Retail capacity		N/A
5. Industrial capacity		N/A
6. Commercial/office capacity		N/A
7. Commercial consents per square metre	↓	↑

In summary, there does not appear to be any shortfall of industrial land in New Plymouth. However, expanded monitoring of these indicators and other datasets will be incorporated into future quarterly reports.

³ Which areas do these numbers refer to???

Future Quarterly Reports

The New Plymouth Council is committed to improving this document over time. In particular, there is some information required by the NPS-UDC that has not yet been collected due to insufficient information or challenges sourcing accurate reliable data nationally or locally. This includes the following indicators:

- Residential Indicator 8: Dwellings rents (include graph with time-series data).
- Residential Indicator 14: Subdivision consents (data refinement).
- Business Indicator 3: Vacant industrial land by location (future work is required on this indicator).
- Business Indicator 4: Addition of gross floor area for vacant commercial land needed.
- Business Indicator 5: Capacity within existing and new built facilities (commercial) (to be developed. Challenge sourcing data).
- Business Indicator 6: Capacity within existing and new built facilities (industrial) (to be developed. Challenge sourcing data.)

Future quarterly reports will be adjusted over time to incorporate or refine information on data sources for the above indicators.