

**Memorandum To:** Mark Hughes; General Manager - Infrastructure  
Charlotte Almond; General Manager – Strategy

**From:** Rachael Pull; Senior Policy Planner

**Date:** 27 July 2017

**Subject:** Otamatea Development Overlay



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## INTRODUCTION

The information contained within this memo is for use in determining the future of the Otamatea Development Overlay and how applications to develop within it, should be considered.

## BACKGROUND

The Otamatea Development Overlay was inserted into the District Plan as part of Plan Change 26 in 2014. The overlay addressed a

*“lack of quantifiable information regarding the performance and capacity of the reticulated services network... This Committee agrees that the modelling exercise will allow more specific and better informed management of subdivision including minimum allotment sizes. This will result in a re-examination of the appropriateness of the subdivision framework, and where necessary, result in the future changes to the District Plan.”*

In 2015 a [Residential Growth Study](#) was prepared that predicted where growth would occur based on historic demand. It concluded that between 2015 and 2065 a total of 634 new residential dwellings would potentially be required at Otamatea:

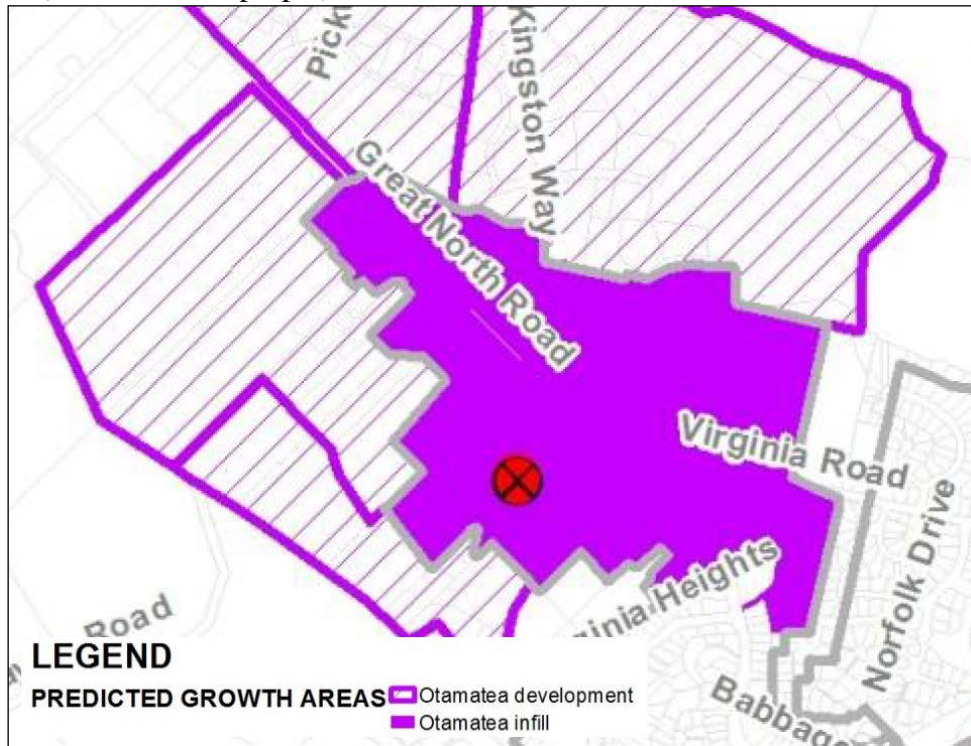
- **455** new dwellings would be required as infill within the Residential zone at Otamatea, based on assumptions about consistent demand (20-25% of total new dwellings per decade).
- **179** new dwellings would be required as greenfield development in the Otamatea Area. This was based on assumptions that current demand (40% of total new dwellings per decade) would decline to 10% by 2065.

A supply of land shortfall for 335 infill dwellings was identified. Assumptions were made that additional land would be zoned to Residential over the 50 year period to address this shortfall, although this was not defined spatially.

The available network capacity within the stormwater and wastewater reticulated infrastructure networks was confirmed for the Otamatea area. Stormwater and wastewater reticulated infrastructure networks were then modelling based on the predicted growth scenario indicated in the Residential Growth Study to identify additional network capacity requirements to serve this growth scenario. Additional network capacity beyond this modelled scenario is unlikely to be necessary until after 2065.

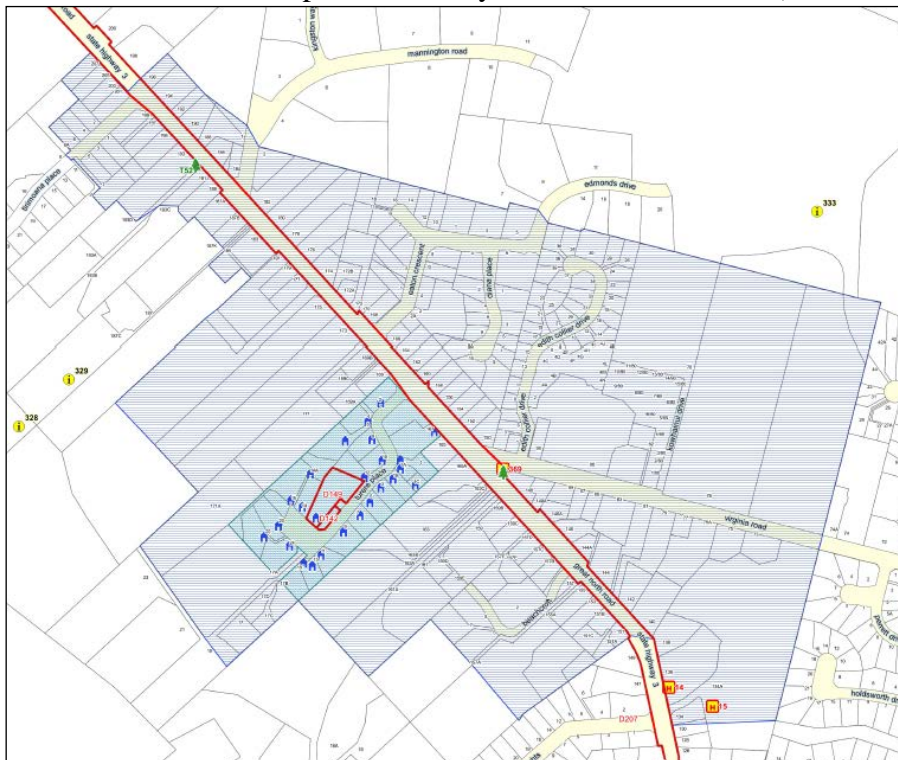
## ANALYSIS

The infrastructure modelling for infill in the Residential Zone was based on the following zoned area (coloured solid purple):



Extract from Figure 1, page 6 of the Wastewater Bulk Supply Investigation Report (2016)

The District Plan Otamatea Development Overlay covers a similar area (shaded blue):



Extract from District Plan Urban Planning Maps 3B and 8B.

The two areas are very similar in size, although the District Plan Overlay looks to contain more undeveloped lots than the infrastructure modelled area. This Overlay area comprises

Residential zoned land only and the analysis below will be focused on the land identified within this Overlay.

Below is a table that compares the total potential number of dwellings for the Otamatea Overlay area, based on different minimum lot size densities (performance standards). These totals exclude land already developed to capacity, steep land likely to be unfeasible and assumes 20% land area for roading and other infrastructure. See the maps in appendices to this report for the areas/sites excluded.

Table 1. Comparison of potential developable residential zoned lots.

<b>Land within the Overlay: 48.873 ha</b>						
Existing Development Residential Zone	Site Area Range					
	>400m <sup>2</sup>	400-799m <sup>2</sup>	800-1599m <sup>2</sup>	1600-1999 m <sup>2</sup>	2000m <sup>2</sup> +	
Total number of lots (existing):	28	39	108	20	48	
<b>Total Supply versus Demand of Residential Zoned lots within the Otamatea Development Overlay</b>						
<b>Predicted Lots required to 2065 (Demand): 455</b>						
Minimum Lot Size Density Options/ Lot	Total Number of Potential Additional Lots (Supply)					Balance Demand vs Supply
<b>400m<sup>2</sup> +</b> (Current Residential zone density)	nil	nil	173	48	289 <sup>1</sup>	<b>510</b> (55 lot oversupply)
<b>800m<sup>2</sup> +</b> (Optional density)	nil	nil	nil	32	145 <sup>2</sup>	<b>185</b> (270 lot undersupply)
<b>1000 m<sup>2</sup> +</b> (Current Overlay density)	nil	nil	nil	nil	120 <sup>3</sup>	<b>120</b> (335 lot undersupply)

As the table above shows, there is adequate land capacity within the Overlay area to accommodate the potential growth until 2065 only if the existing Residential Zone minimum lot size density of 400m<sup>2</sup> is applied. It is important to note that this table provides an overly optimistic picture as it assumes that every possible infill opportunity is developed, which will

<sup>1</sup> This number was calculated by taking all the developable land in this area (144,900m<sup>2</sup>) A map with the developable land is attached to the appendix.

<sup>2</sup> This number was calculated by taking all the developable land in this area (144,900m<sup>2</sup>) A map with the developable land is attached to the appendix.

<sup>3</sup> This number is taken from the Residential Growth Study 2015 which showed a potential supply of only 120 based on current District Plan performance studies.

not happen in reality. Therefore the 10% oversupply of potential housing is likely to be well within the margin of error.

These results are consistent with the Residential Growth Study which suggests that the current infill supply at Otamatea was only 120 lots if the overlay was retained, and that the remaining 335 would be sourced by rezoning land to residential (potentially in Otamatea West).

## CONCLUSION

Council has the following options based on the information within this memo:

1. Residential development within the area known as the Otamatea Development Overlay should be at a density of 400m<sup>2</sup> if future demand is to be satisfied without zoning more greenfield areas than being considered for the Otamatea Structure Plan. As part of this, the Otamatea Development Overlay is no necessary.

or

2. If a higher minimum lot size is used for the area, there is the potential that the demand for residential development in Otamatea will exceed supply before 2065. Therefore Council will need to re-zone additional greenfield land 'Residential' in the future and allocate budget to potentially extend the infrastructure and see if there is still adequate capacity within the network as modelled.



Appendix 1 – Property sizes within the Otamatea Development Overlay

