TASMAN GROWTH PROJECTIONS 2024 – 2054

SUPPLEMENTARY INFORMATION FOR TASMAN'S 10-YEAR PLAN 2024 – 2034

One of the Council's Strategic Priorities is "Enabling positive and sustainable development".

The Council is required by legislation to ensure there is sufficient development capacity to meet Tasman's expected demand for residential and business land. Enabling housing supply is one way to help address housing affordability issues.

As part of developing Tasman's 10-Year Plan 2024-2034 we have updated our Growth Model to inform our plans to provide for growth with sufficient infrastructure and zoned land in the right location at the right time.

This document was provided as supplementary information for Tasman's 10-Year Plan 2024–2034. It outlines when and where the Council expects new development, based on the 10-Year Plan updated population growth scenario and infrastructure programme.

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EXECUTIVE SUMMARY

One of the Council's Strategic Priorities for Tasman's 10-Year Plan 2024-2034 is "Enabling positive and sustainable development". This aligns with the sustainable development approach required by the Local Government Act 2002, to promote the social, economic, environmental, and cultural well-being of Tasman communities, in the present and for the future[1]. The Council is also required to ensure there is sufficient development capacity to meet Tasman's expected demand for residential and business land in the Tasman urban environment[2].

Ensuring we have enough serviced and zoned land for housing and business development is a key priority for the Council. We know that housing affordability is a real issue for our residents, and also for those wanting to move to our beautiful region. Although the Council cannot solve the affordability problem alone, we can be part of the solution. In our Tasman's 10-Year Plan we are planning to provide the infrastructure services required (including drinking water, wastewater, stormwater, roading, footpaths, reserves and community facilities) to enable residential and business development to occur.

Tasman's 10-Year Plan 2024-2034 assumes that Tasman District's population is likely to grow by almost 7,400 residents over the next ten years, to reach 67,900. Growth is projected to continue in the long term, but at a slower rate, to reach 78,800 by 2054. This is based on the medium scenario of updated population projections. Most of the overall population growth will be driven by net migration gains.

These updated projections have been incorporated in the latest version of the Council's Growth Model, to identify when and where development is likely to occur over the next thirty years. The Growth Model has also been guided by the Nelson Tasman Future Development Strategy 2022-2052. The development scenario from the Growth Model sets the strategic direction for the Council's 10-Year Plan 2024-2034 planning framework, to enable the Council to provide for growth with appropriate infrastructure and zoned land in the right location at the right time.

Under the medium scenario, all age groups in Tasman are projected to experience growth but the highest growth continues to be in the 65+ age group. An ageing population typically sees a reduction in average household size. Smaller households create demand for more dwellings.

The Council assumes 4,250 new dwellings will be built over the next ten years, and a further 7,430 dwellings between 2034 and 2054. This is enough to meet demand District-wide and for the urban environment overall (excluding the competitiveness margin[3]). Some towns are projected to have a shortage of development capacity and an undersupply of housing, but this can be offset by extra supply in other areas.

The Council assumes at least 15 hectares of business land will be developed over the next ten years, and a further 22 hectares between 2034 and 2054, which will meet Tasman's projected demand. Most of this development is expected to occur in the urban environment.

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[1] Ss 3 and 10, Local Government Act 2002

[2] Ss 30 and 31 of the Resource Management Act 1991; National Policy Statement on Urban Development 2020. The Tasman urban environment includes Richmond, Motueka, Mapua, Brightwater and Wakefield.

[3] The National Policy Statement on Urban Development (NPS-UD) requires the Council to provide an additional competitiveness margin of feasible development capacity in the urban environment

Table 1: Growth assumptions by location, 2024-2034

	Population Change	Supply of New Dwellings	Supply of Business Land (hectares)
	2024-2034		
Richmond	2,530	1,460	7.06
Brightwater	460	200	0.14
Māpua/Ruby Bay	570	290	0.26
Motueka	540	330	4.21
Wakefield	530	230	0.04
Subtotal of urban environment	**4,640**	**2,500**	**11.71**
Moutere	1,290	600	0.13
Golden Bay Ward	390	400	0.88
Lakes-Murchison Ward	220	190	0.13
Rest of District	860	560	2.05
Tasman District Total	**7,380**	**4,250**	**14.9**

The National Policy Statement on Urban Development (NPS-UD) requires the Council to provide an additional competitiveness margin of feasible development capacity in the urban environment. When including the additional NPS-UD margin for the Tasman urban environment and using the NPS-UD definition of sufficient capacity, there is sufficient residential capacity for most of the next 30 years, except towards the end of the medium term (Years 4-10). The Council can provide enough capacity to meet the projected demand for both retail/commercial and industrial land for Tasman District overall, and for the urban environment, even including the NPS-UD additional margin.

For a more detailed assessment of future demand and development capacity, please refer to the Housing and Business Assessments (HBA) for Tasman and Nelson. The HBA is also a requirement of the National Policy Statement on Urban Development and assesses whether there will be sufficient development land, of the right type and in the right place, over the next thirty years.

There is always a degree of uncertainty when making assumptions about the future. The model was based on the best information available at the time and is not intended to be an exact forecast of when and where development will actually occur. While the Growth Model and the Council's planning aims to ensure that the availability of serviced, zoned land is not a constraint on housing supply, the actual supply of new land or dwellings for sale is largely determined by the private sector, including landowners, financial institutions and the construction industry.

It is conventional to see the medium population growth scenario as indicating the most likely scenario. However, the high and low scenarios also need to be considered for potential effects on the Council's financial estimates, infrastructure needs, and zoning requirements. The Council will continue to monitor data on construction and population trends.

HOW THE GROWTH MODEL FITS INTO THE COUNCIL'S PLANNING

The Council has its own Growth Model that forecasts future housing and business development. The Growth Model is a district-wide, long term spatial planning tool which is updated every three years to inform Tasman's 10-Year Plan and the Tasman Resource Management Plan, to provide for growth with sufficient infrastructure and zoned land. The model predicts when and where new residential dwellings and new business land is needed (demand) and when/where land development capacity and supply is projected over the following 30 years. The model estimates growth for 20 Growth Model Areas, consisting of 15 discrete towns/communities and five rural Ward remainder areas.

The latest update of the Growth Model has been guided by the Nelson Tasman Future Development Strategy 2022-2052[4] (FDS), which is a joint strategy between Tasman District Council and Nelson City Council. The FDS is a high-level strategy which identifies future growth sites for various types of housing and business development, including intensification, managed greenfield expansion and rural residential.

The development scenario from the Growth Model sets the strategic direction for the Council's 10-Year Plan planning framework, to enable the Council to provide for growth with sufficient infrastructure and zoned land in the right location at the right time. The Growth Model outputs inform Tasman's 10-Year Plan and the Tasman Resource Management Plan, as well as supporting documents such as the Housing and Business Capacity Assessment, Activity Management Plans, Financial and Infrastructure Strategies, and the Development and Financial Contributions Policy. The Housing and Business Assessment (HBA) for Tasman provides a detailed assessment to check whether there will be enough land over the next 30 years which can be developed to meet the forecast demand for new houses and business land.

[4] Future Development Strategy FDS | Tasman District Council, adopted by the Council in August 2022.

GROWTH MODEL PROCESS AND DEFINITIONS

The key concepts of the Growth Model are the **demand**, **capacity** and **rollout** for future development in each Growth Model Area.

Demand

- **Demand** is defined as the number of new dwellings or the amount of business land that are needed, based on the population projection scenario.

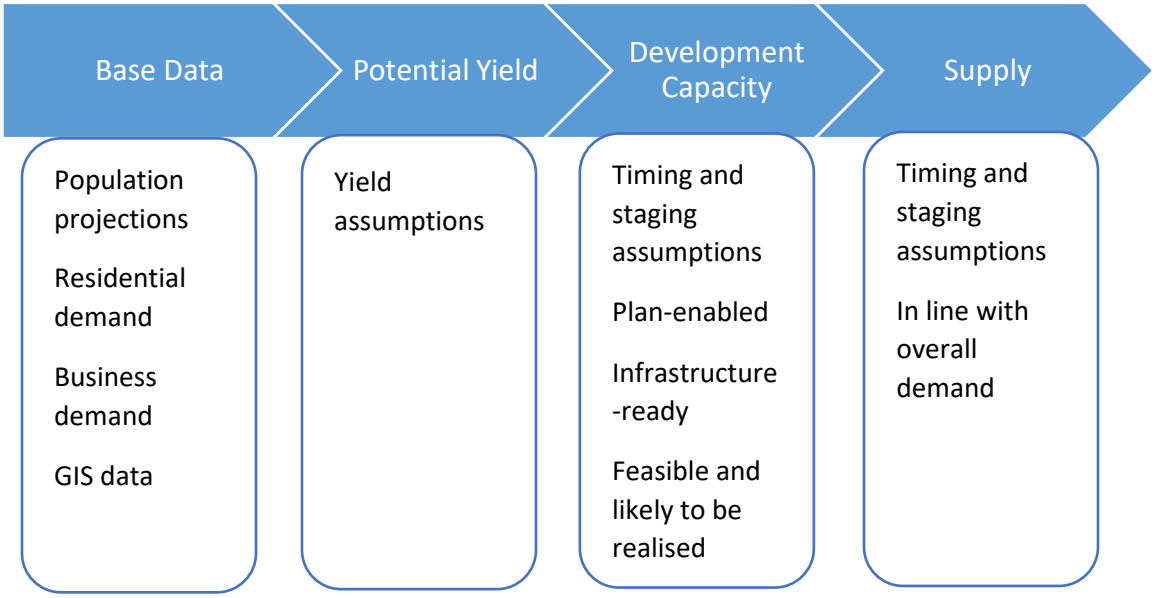
Development Capacity

- **Development capacity** is the potential yield for new dwellings or business land which is likely to be developed, taking into account hazard risk, terrain, existing buildings and land use, infrastructure availability, zoning and density in operative or proposed RMA planning documents, and developer/landowner intentions.

Rollout (supply)

- **Rollout** (supply) is the number of new dwellings or the amount of business land we assume can and will be built, based on future demand and development capacity. The rollout numbers form the growth assumption for the Tasman's 10-Year Plan 2024-2034.

The Growth Model update process is a combination of data inputs, including assumptions agreed by staff at a series of workshops. The Growth Model itself is an SQL database which ensures calculations are robust and less prone to error. Staff workshops use webmaps to review development across the district, bringing together knowledge and expertise from various Council teams. The Model provides outputs in various reports and webmaps.



Geographic Definitions

The Growth Model is a spatial model which divides the Tasman District into 20 Growth Model Areas, covering 15 towns/communities and five rural Ward remainder areas. Where possible, these Areas are defined using Stats NZ geographic boundaries. The Model then divides each of the 15 towns/communities into smaller Development Areas, generally based on land use and zoning, to which assumptions are applied to calculate developable capacity. The Development Area definitions are updated to align with growth sites identified in the Future Development Strategy (FDS). The maps of the five urban environment towns (Richmond, Motueka, Mapua, Brightwater and Wakefield) at the end of this report show how each town is divided into Development Areas.

GIS data is entered for each Development Area, including the total land area, existing dwellings, vacant land, and land used for roads, greenspace, schools, etc. To inform the capacity assumptions, webmaps are developed which include GIS layers such as current zoning, growth sites identified in the FDS, hazard risks, productive land, terrain, topography, wetlands and waterbodies, and overland flow paths.

POPULATION PROJECTIONS

Updated population projections are used to calculate future demand for new residential dwellings and business land.

Together with Nelson City Council, the Council engaged DOT Consulting[5] to provide population and household projections (2018-2058), with low, medium, high scenarios, to inform the LTP 2024-2034. The projections were provided for each Stats NZ SA2 area. The projections were based on long term demographic trends for fertility rates and life expectancy (births and deaths) and observed migration trends between 2001 and 2018 Census years. After considering recent estimated population and dwelling growth rates, both Councils have assumed the medium growth scenario for the LTP 2024-2034.

Based on the medium scenario, Tasman District is projected to have average annual population growth of 1.2% for the next 10 years, 2024-2034. Figure 1 shows the three growth scenarios for Tasman's population growth between 2024 and 2054. The graph also shows Stats NZ's population estimates for 2008 to 2023. The three population projections (low, medium, and high growth) incorporate different fertility, mortality, and migration assumptions for Tasman. Further information on the population projections is available in DOT Consulting's report here.

Based on the medium projection scenario, the overall population of Tasman is expected to increase by 7,400 residents between 2024 and 2034, from 60,500 to 67,900 (12%). Growth is projected to continue, but at a slower rate, with a further 10,900 residents (16%) to reach 78,800 by 2054. Most of the overall population growth will be driven by net migration gains (more people moving to Tasman District than leaving).

Two-thirds of Tasman's population growth over the next 30 years is expected to be in the urban environment (Richmond, Motueka, Mapua, Brightwater and Wakefield). The rural Moutere area is also projected to have significant population growth. The Golden Bay and Lakes-Murchison Wards are projected to experience population growth for the next 20 years, with slight population decline

[5] Tasman District and Nelson City Population Projections 2018-2058 provided by DOT Consulting, March 2023

projected after that. These projections reflect those Ward's age structures and migration trends (net gains/losses) for different age groups.

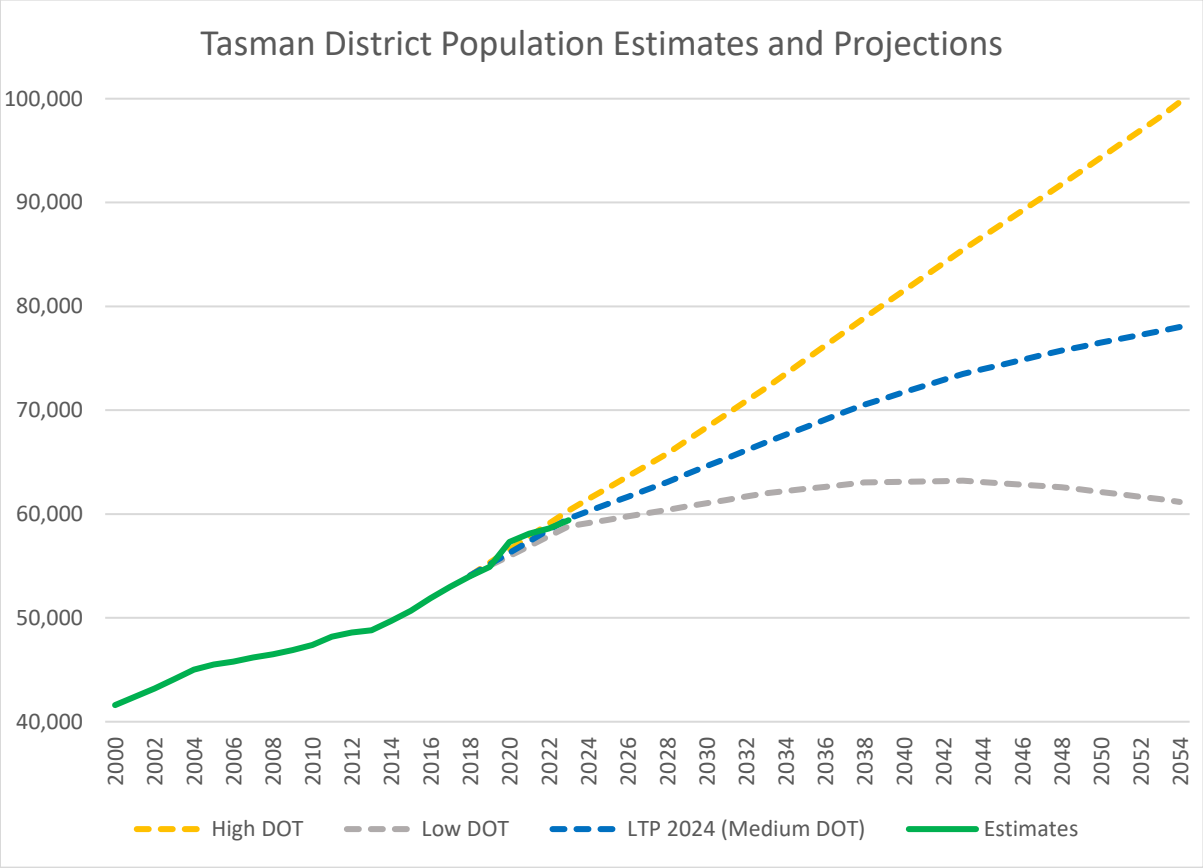


Figure 1: Estimated and projected population series, 2000-2054, Tasman District

Ageing Population

Under the medium scenario, all age groups in Tasman are projected to experience growth. However, the highest growth continues to be in the 65+ age group, which is projected to increase by 50% between 2023 and 2053. The proportion of the population in this age group is projected to increase from 23% to 28% by 2034. This increase, known as structural ageing, means that total population growth rates are projected to slow down over time. Once a population has more than 20% aged 65 years and over, it is usually approaching the end of natural increase. Tasman reached that threshold in 2016 and has experienced relatively low natural increase in recent years.

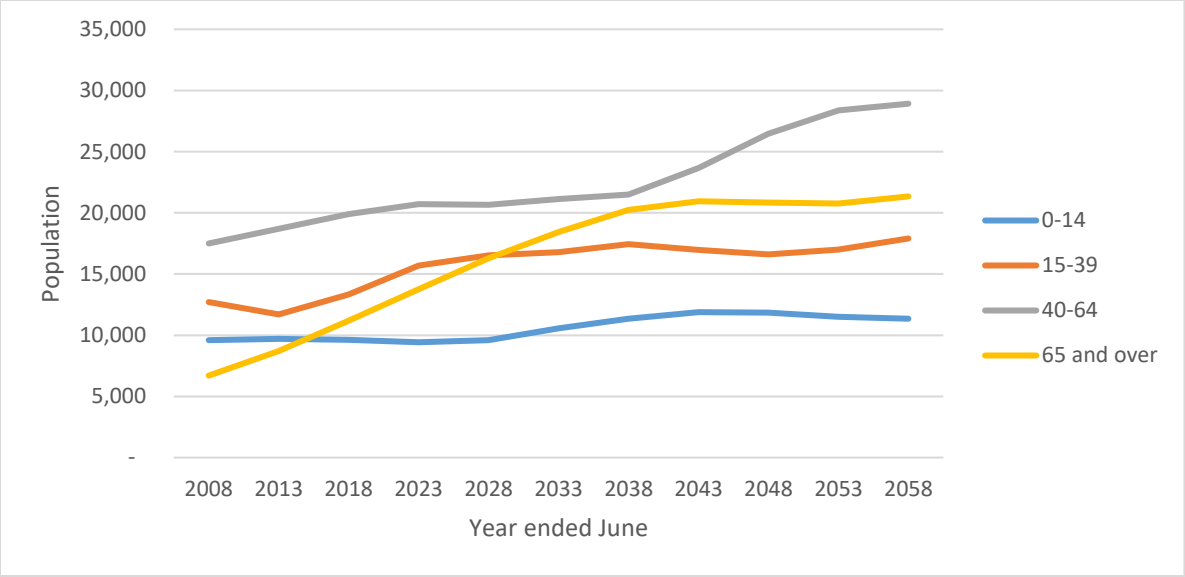


Figure 2 Estimated and projected population by age group, 2008-2053, Tasman District

Household Size

The ageing population is driving a change in the average household size across the District, projected to decrease from 2.43 residents per household in 2023, to 2.33 in 2033 and 2.23 in 2053[6]. Average national household size in NZ is currently 2.57. An ageing population typically sees a reduction in average household size, in part because there are fewer children per household, more people live as couples without children and, especially at older ages, more people live alone. Smaller households create demand for more dwellings.

There are variations in the projected household size across the District e.g. Brightwater and Wakefield are projected to maintain above average household size across all the time series.

[6] DOT Consulting, Medium Scenario, Household Size Projections

DEMAND PROJECTIONS

Residential Demand

Future demand for new dwellings is based on a combination of population growth and decreasing household size, as well as some non-resident dwelling demand (such as holiday homes).

Dwelling demand is projected to be relatively constant over the next 20 years, at approximately 400 dwellings per year for the whole District. Lower dwelling demand is projected for years 20-30 (300 per year) based on slower population growth. In total, 11,430 dwellings are needed over the 30 years to meet demand in the District.

Table 2 below shows the demand for dwellings by location. Over the next 30 years, 63% of Tasman District's new dwellings are needed in the urban environment. This demonstrates the role these towns are playing in providing locations to live within commutable distance to the major employment areas of Richmond and Nelson.

Table 2: Demand for new dwellings by location, 2024-2054

	Demand for new dwellings	
	2024 - 2034 (Years 1-10)	2034 - 2054 (Years 11-20)
Richmond	1,152	2,156
Brightwater	242	592
Māpua/Ruby Bay	192	352
Motueka	644	1,093
Wakefield	248	573
Subtotal of urban environment	**2,478**	**4,766**
Moutere	606	1,290
Golden Bay Ward	362	298
Lakes-Murchison Ward	183	124
Rest of District	547	777
Subtotal of rest of District	**1,698**	**2,489**
Tasman District Total	**4,176**	**7,255**

Growth Model input data includes population and household size projections for each Growth Model Area. These are based on the relevant SA2 projections provided by DOT Consulting.

The growth model includes non-resident demand (likely to be holiday home properties or seasonal worker accommodation) and assumes that each area will maintain the current proportion of dwellings which are used for these purposes. The proportion of unoccupied dwellings in each area is calculated by comparing base year household numbers with the number of existing dwellings. This proportion is then included in future dwelling demand calculations. This proportion is significant for several areas outside of the urban environment (e.g. Pōhara, St Arnaud, Kaiteriteri/Marahau).

Business Demand

The medium growth population projections for Tasman also informs demand for business land in Tasman. The two Councils jointly commissioned an assessment of business land demand for each city/district, as well as the Nelson Tasman urban environment, in 2021.[7] The underlying business land forecasting model was updated in 2023. The model estimates future land requirements in hectares for three different types of business land (industrial, office, retail). The model incorporates national and regional economic and demographic trends, employment projections, employment to land ratios, and the updated population projections.

The Council's growth model measures business demand and capacity in hectares for retail/commercial and industrial land use types. Business land demand for the Tasman urban environment and other towns was calculated from the Sense Partners projections for Tasman District, by allocating future demand based on each area's existing share of jobs for each industry[8]. There is a high degree of uncertainty in business land projections, given the wide range of factors that can have an influence, and the uncertainty and margin for error increases with estimates for areas with relatively low population and employment numbers.

According to the Sense Partners 2023 model, the projected population growth and associated economic activity will create demand for 23 hectares of industrial land over the next thirty years, and 9 hectares of retail/commercial land. The latest model forecasts relatively low amounts of demand for business land, compared with recent building consent trends.

Table 3: Business land demand by type and location, 2024-2054

	Business land demand in hectares			
	Industrial		Retail/commercial	
	2024 - 2034 (Years 1-10)	2034 - 2054 (Years 11-20)	2024 - 2034 (Years 1-10)	2034 - 2054 (Years 11-20)
Richmond	2.82	4.27	1.78	2.12
Brightwater	0.60	0.91	0.03	0.03
Wakefield	0.14	0.21	0.05	0.06
Māpua/Ruby Bay	0.08	0.12	0.15	0.18
Motueka	1.72	2.61	0.84	1.00
Subtotal of urban environment	**5.36**	**8.12**	**2.85**	**3.39**
Golden Bay towns (Tākaka, Collingwood, Pōhara)	0.46	0.70	0.42	0.50
Lakes-Murchison towns (Murchison, Tapawera, St Arnaud)	0.09	0.14	0.04	0.05
Rest of District	3.42	5.18	0.66	0.78
Subtotal of rest of District	**3.97**	**6.02**	**1.12**	**1.33**
Tasman District Total	**9.33**	**14.14**	**3.97**	**4.72**

[7] Demand for business land in the Nelson and Tasman shared urban environment – from today's economy to future needs, Sense Partners (June 2021)

[8] Stats NZ, Business Demography Statistics, Employee count by industry and statistical area, 2022

Additional Development Capacity Margins

The National Policy Statement on Urban Development (NPS-UD) requires the Council to provide an additional competitiveness margin of feasible development capacity in the urban environment which is 20% above the projected demand for the next ten years, and 15% above the demand projected for 2034–2054.

The Housing and Business Assessment (HBA) provides a detailed assessment to quantify whether the development capacity is sufficient to meet expected demand, including the competitiveness margin.

POTENTIAL YIELD

The first round of staff workshops focus on assessing which Development Areas have potential for future growth and, if so, making assumptions which the Model applies to the base GIS data to calculate the potential developable quantity. The staff workshops bring together knowledge and expertise from various Council teams, e.g. Environmental Information, Environmental Policy, Infrastructure Planning, Resource Consents, and Development Engineers.

The initial assessment of developability uses a scoring system of land use constraints and opportunities, including factors such as hazard risk, productive land value, ability to service, amenity, and settlement form. Preference is given to land which minimises hazard risks, is capable of being serviced, compliments settlement form and avoids productive land.

The assumptions to estimate potential yield include:

- average lot size once developed (based on zoning or likely zoning)
- the proportion needed for roads, other infrastructure, greenspace, and community buildings
- the extent that a Development Area's terrain will affect its potential for development; and
- the proportion of properties which are realistically likely to subdivide or redevelop over the next 30 years.

Average lot sizes include an assumption of the future end use and zoning of each Development Area, e.g. residential, intensification, or business land types, with FDS growth areas based on the FDS indicative typologies and yield. Land zoned deferred for residential has been included. Land zoned as mixed business is included in the retail/commercial business land capacity estimates.

Potential yield include existing vacant lots and expected new lots created by subdivision.

DEVELOPMENT CAPACITY ESTIMATES

The second round of staff workshops focuses on assessing the development capacity in each Development Area. To be sufficient according to the NPS UD requirements, the development capacity must be plan-enabled, infrastructure-ready, feasible and reasonably expected to be realised, according to the NPS-UD definitions. Development Capacity is estimated across four year sets to align with NPS-UD timeframes: Short Term (2024/2025 – 2026/2027), Medium Term (2027/2028 – 2033/2034) and Long Term (2034/2035 – 2043/2044 and 2044/2045 – 2053/2054).

The amount and timing of development capacity is based on the potential yield calculated by the model, and the following assumptions:

- the availability and timing of infrastructure, based on the LTP and Infrastructure Strategy capital works programme
- current zoning and any growth sites identified in FDS or proposed plan changes
- past development trends, including infill rates
- current or planned subdivisions (when, where, and how many lots); and
- developer/landowner intentions.

Having staff from various teams ensures capacity estimates are 'plan-enabled' (informed by Environmental Policy) and 'serviced' (Infrastructure Planning). The Development Engineering and Resource Consents teams advise on the capacity that is feasible and likely to be realised.

For Years 10-30, development capacity is based on an assumption that the Tasman Resource Management Plan planning rules and zone extents will change accordingly to allow the FDS growth areas, or to stop development in hazard risk areas.

Residential Capacity

The Council can provide enough development capacity to meet combined demand for the Tasman urban environment and for the District overall. There is a deficit for Brightwater and Wakefield by Year 10, and for Motueka throughout the next 30 years. Further capacity can be realised from Year 10 in Brightwater and Wakefield once the Waimea Plains Water and Wastewater Plan is complete. Motueka is constrained by low-lying land, natural hazards, highly productive land and the need for expensive infrastructure, meaning significant additional residential zoning is not possible. These deficits are provided for with extra capacity in Richmond and Māpua.

Table 4: Demand and capacity for new dwellings by location, 2024-2054, (red indicates a deficit)

	Dwelling Demand		Development Capacity	
	2024 - 2034 (Years 1-10)	2034 - 2054 (Years 11-20)	2024 - 2034 (Years 1-10)	2034 - 2054 (Years 11-20)[9]
Richmond	1152	2156	1612	2999
Brightwater	242	592	201	694
Māpua/Ruby Bay	192	352	248	852
Motueka	644	1093	325	453
Wakefield	248	573	225	673
Subtotal of urban environment	**2478**	**4766**	**2611**	**5671**
Moutere	606	1290	800	1020
Golden Bay Ward	362	298	530	580
Lakes-Murchison Ward	183	124	260	270
Rest of District	547	777	600	795
Subtotal of rest of District	**1698**	**2489**	**2190**	**2665**
Tasman District Total	**4176**	**7255**	**4801**	**8336**

[9] Long-term development capacity includes any surplus or deficit from the short and medium term.

Moutere is likely to have a deficit by Year 30, although the rural nature of this area makes it difficult to quantify its development capacity. Golden Bay and Lakes-Murchison Wards both have enough capacity overall to meet demand, although there are capacity constraints in Tākaka and Murchison until Year 10, when infrastructure upgrades are due to be completed.

When including the additional NPS-UD margin for the Tasman urban environment and using the NPS-UD definition of sufficient capacity, there is sufficient capacity for most of the next 30 years, except towards the end of the medium term (Years 4-10). Refer to the Tasman Housing and Business Assessment for further details.

Business Land Capacity

The Council can provide enough capacity to meet the projected demand for both retail/commercial and industrial land for Tasman District overall, and for the urban environment, even including the NPS-UD additional margin. There is also enough capacity in the urban environment if future demand is at the higher levels experienced in recent years.

In the Tasman Resource Management Plan, there are central business, commercial, light industrial, heavy industrial, rural industrial and mixed business zones. Retail could locate in central business, commercial or mixed business zones. The mixed business zone provides for business and commercial activities, and acts as a buffer between the residential and light industrial zone. It also provides for a range of large format retail activities. Therefore, retail and commercial capacity estimates are combined and include the mixed business zone capacity.

In terms of individual towns, there is a greater degree of uncertainty when estimating business land demand and capacity for smaller geographies. However, based on Growth Model estimates, there are potentially small deficits in industrial land in Brightwater and Wakefield in the medium term, until rezoning and infrastructure projects can enable new capacity. The deficit can be offset by a surplus of industrial land in Richmond, which is in close proximity. There is also potentially a deficit in industrial land in Māpua in the long term, which can be offset by surplus industrial land in both Richmond and Motueka.

Table 5: Business land demand and suitable capacity by type and location, 2024-2054, (red indicates a deficit)

	Industrial				Retail/commercial			
	Demand	Capacity	Demand	Additional Capacity	Demand	Capacity	Demand	Additional Capacity
	2024 – 2034 (Years 1-10)		2034 – 2054 (Years 11-20)		2024 – 2034 (Years 1-10)		2034 – 2054 (Years 11-20)	
Richmond	2.82	25.10	4.27	0	1.78	40.07	2.12	21.80
Brightwater	0.60	0.11	0.91	4.00	0.03	0.20	0.03	0
Wakefield	0.14	0	0.21	11.00	0.05	0.52	0.06	0
Māpua/Ruby Bay	0.08	0.17	0.12	0	0.15	0.60	0.18	0
Motueka	1.72	4.29	2.61	13.33	0.84	2.94	1.00	10.67

	Industrial				Retail/commercial			
	Demand	Capacity	Demand	Additional Capacity	Demand	Capacity	Demand	Additional Capacity
	2024 – 2034 (Years 1-10)		2034 – 2054 (Years 11-20)		2024 – 2034 (Years 1-10)		2034 – 2054 (Years 11-20)	
Subtotal of urban environment	**5.36**	**29.67**	**8.12**	**28.33**	**2.85**	**44.33**	**3.39**	**32.47**
Golden Bay towns (Tākaka, Collingwood, Pōhara)	0.46	**14.10**	0.70	**7.50**	0.42	**2.22**	0.50	**1.00**
Lakes-Murchison towns (Murchison, Tapawera, St Arnaud)	0.09	**2.92**	0.14	**0**	0.04	**1.76**	0.05	**0**

The estimates indicate there is sufficient business land in Golden Bay as a whole (Tākaka, Pōhara, Collingwood) and Lakes-Murchison as a whole (Tapawera, Murchison and St Arnaud).

While there is likely to be some business land development in rural areas outside of these towns, the amount and location is difficult to predict or quantify. The surplus of business land capacity in rural towns and in the urban environment may also provide for the estimated business land demand for the rural remainder of the district (land outside towns).

Given the greater uncertainty in assessing business land demand and capacity in smaller towns and rural areas, it is important for the Council to keep up to date with anecdotal evidence of shortages of sites for particular businesses, through discussions with applicants and developers.

In addition, the surplus of business land in the Tasman urban environment is providing capacity for Nelson's shortfall of commercial and retail and industrial land in the medium and long terms– as explained in the joint Nelson Tasman urban environment HBA.

HOUSING SUPPLY and BUSINESS LAND DEVELOPMENT

Rollout (supply) is the number of new dwellings or the amount of business land we assume can and will be built, based on the demand projections and 'reasonably expected to be realised' development capacity estimates. Rollout generally aligns with demand District-wide. If an individual Growth Model Area is unlikely to have enough development capacity to meet demand, this has been offset by more capacity in other areas (within the urban environment or within the same Ward). The rollout numbers form the growth assumption for the LTP 2024-2034 and feed into various financial models such as the Ratings Model and the calculation of Development Contributions charges.

Residential Growth

The Council assumes 4,250 new dwellings will be built over the next ten years, and a further 7,450 dwellings between 2034 and 2054. This is enough to meet demand District-wide and for the urban environment overall (excluding the competitiveness margin). As discussed in terms of capacity deficits, some individual areas are projected to have an undersupply of housing, which is offset by extra supply in other areas.

Table 6: Demand and supply for new dwellings by location, 2024-2054, (red indicates a deficit)

	Demand for new dwellings	Supply of new dwellings	Demand for new dwellings	Supply of new dwellings
	2024 - 2034 (Years 1-10)		2034 - 2054 (Years 11-20)	
Richmond	1,152	1,463	2,156	2,436
Brightwater	242	201	592	592
Māpua/Ruby Bay	192	288	352	774
Motueka	644	325	1,093	901
Wakefield	248	225	573	603
Subtotal of urban environment	**2,478**	**2,502**	**4,766**	**5,306**
Moutere	606	606	1,290	929
Golden Bay Ward	362	401	298	333
Lakes-Murchison Ward	183	185	124	132
Rest of District	547	559	777	752
Subtotal of rest of District	**1,698**	**1,751**	**2,489**	**2,146**
Tasman District Total	**4,176**	**4,253**	**7,255**	**7,452**

Population Projections based on Housing Supply

The Council has estimated the future population for each area based on the future housing supply.

Table 7: Population growth assumption by location, 2024-2054

	Projected Population			
	2024	2034	2044	2054
Richmond	17,400	19,930	21,670	23,270
Brightwater	2,460	2,920	3,510	4,110
Māpua/Ruby Bay	2,970	3,540	4,210	4,860
Motueka	8,630	9,170	10,140	10,300
Wakefield	2,650	3,180	3,880	4,440
Subtotal of urban environment	**34,100**	**38,740**	**43,410**	**46,980**
Moutere	6,090	7,380	8,540	9,090
Golden Bay Ward	5,860	6,250	6,360	6,420
Lakes-Murchison Ward	4,240	4,460	4,450	4,390
Rest of District	10,180	11,040	11,600	11,860
Tasman District Total	**60,490**	**67,870**	**74,350**	**78,760**

Business Land Growth

The Council assumes at least 15 hectares of business land will be developed over the next ten years, and a further 22 hectares between 2034 and 2054, in line with Tasman's projected demand.

The majority of this development is expected to occur in the urban environment. However, Nelson is expected to have an undersupply of business land (5 hectares in Years 1-10, 24 hectares after Year 10 when compared with forecast demand), which is likely to be met by Tasman's extra business land capacity, particularly in Richmond, meaning higher rates of business land development are likely.

For the rest of Tasman District, as there is sufficient business land supply in Golden Bay and Lakes-Murchison towns, this is assumed to develop in line with demand projections. While there is likely to be some business land development in rural areas outside of these towns, the amount and location is difficult to predict or quantify.

The latest forecasts of demand for business land are lower than those used in the 2021 Growth Model. However, there is enough capacity in most locations if growth occurs at a higher rate than the projected demand.

Table 8: Demand and supply of business land by location, 2024-2054

	Hectares of Business Land			
	Demand	Supply	Demand	Supply
	Years 1-10 (2024-2034)		Years 11-30 (2034-2054)	
Richmond	4.6	7.06	6.39	7.65
Brightwater	0.63	0.14	0.94	1.52
Wakefield	0.19	0.04	0.27	1.34
Māpua/Ruby Bay	0.23	0.26	0.3	0.3
Motueka	2.56	4.21	3.61	6.39
Subtotal of urban environment	**8.21**	**11.71**	**11.51**	**17.20**
Golden Bay	0.88	0.88	1.2	1.2
Lakes-Murchison	0.13	0.13	0.19	0.2
Rest of District	4.08	2.18	5.96	3.12
Tasman District Total	**13.3**	**14.9**	**18.86**	**21.72**

CONSIDERATION OF OTHER SCENARIOS

There is always a degree of uncertainty when making assumptions about the future. There are several factors which are difficult to predict such as population migration (either to/from overseas or within New Zealand); the proportion of dwellings used as holiday houses; developer and landowner activity; and natural events. Positive net migration is the major contributor to the District's population growth and could be affected by housing supply, house prices and incomes in other regions and countries.

DOT Consulting[10] provided population and household projections with low, medium, high scenarios. The projections were based on long term demographic trends for fertility rates and life expectancy (births and deaths) and observed migration trends between 2001 and 2018 Census years. However, there are only moderate differences in mortality and fertility between the three scenarios. The biggest difference between scenarios is therefore driven by different migration assumptions. The medium migration assumptions equate to the average of observed migration by age and sex between 2001 and 2018. The high/low scenario migration assumptions equate to the medium scenario migration assumption plus/minus 25% applied separately to each age/sex group, which is comparable to observed high and lows. It is unlikely, however, that very high levels of migration would continue unabated across the projection timeframe, and so these variants should be considered possible, though unlikely, scenarios of population change. They illustrate plausible alternative scenarios of future demographic behaviour and provide an indication of the inherent uncertainty of demographic behaviour.

It is conventional for the medium scenario to forecast the most likely scenario. However, other scenarios should also be considered for potential effects on the Council's financial estimates, infrastructure needs, and zoning requirements. The Council considered these other scenarios and adopted the medium growth projection.

[10] Tasman District and Nelson City Population Projections 2018-2058 provided by DOT Consulting, March 2023

QUALITY ASSURANCE

The model is based on the best information available at the time and is not intended to be an exact forecast of when and where development will actually occur. There are several factors which are difficult to predict such as population migration patterns; economic activity; developer and landowner decisions; and natural events. While the Growth Model and the Council's planning aim to ensure that the availability of serviced, zoned land is not a constraint on housing supply, the actual supply of new dwellings for sale is largely determined by the private sector, including landowners, financial institutions and the construction industry.

There is an internal quality assurance process of the pre-work calculations and inputs. The inputs and outputs of the growth model are checked against recent trends in population and dwelling growth. The business land yield estimates are ground-truthed using webmaps to visually check the model isn't including vacant land which is actually serving a purpose, e.g. storage, truck parking, etc. The semi-rural development areas are also visually ground-truthed as these often include parcels of land which aren't feasible for development.

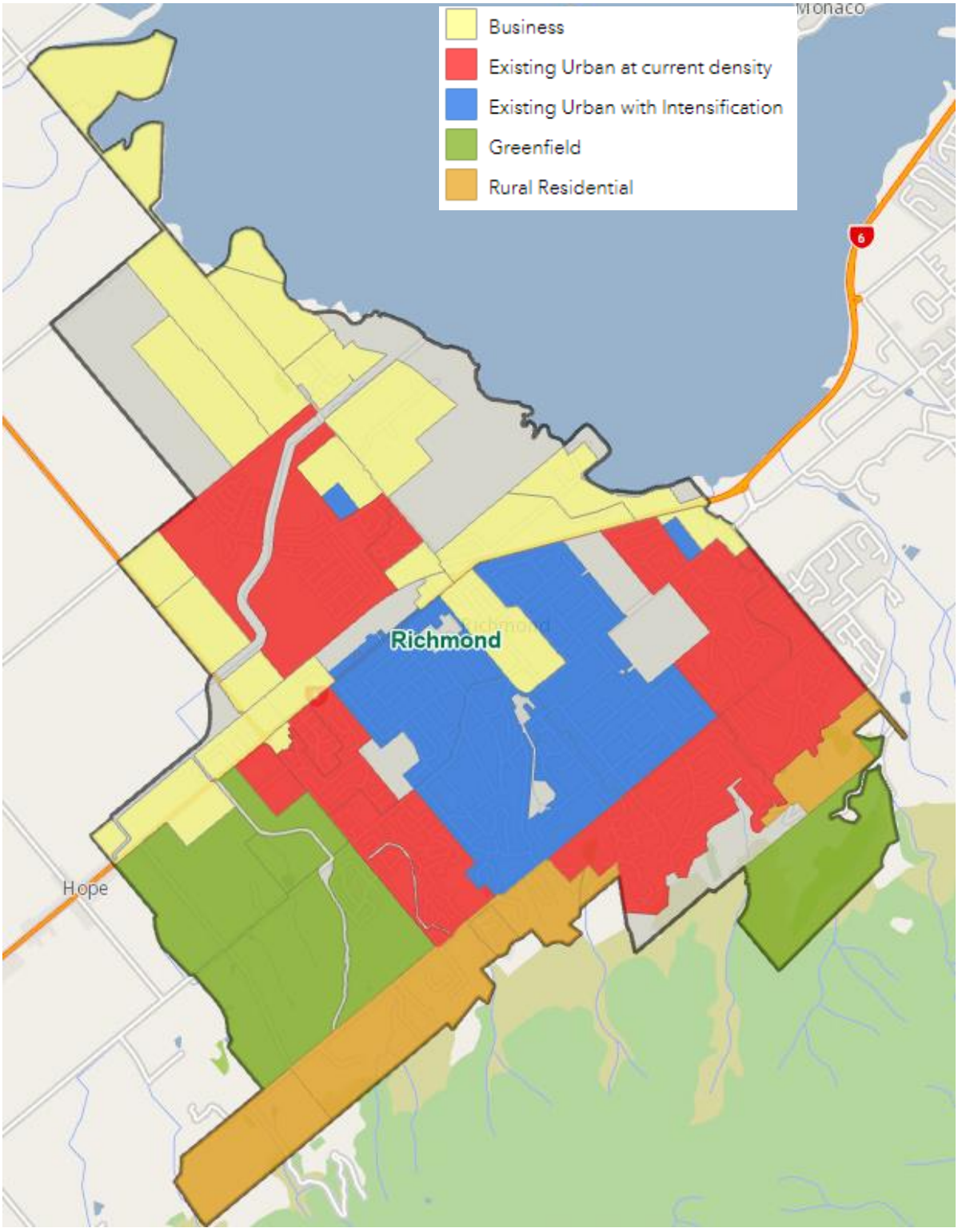
This is the seventh iteration of the Growth Model, and the model is continuously reviewed and improved, to ensure it efficiently and effectively meets the Council's planning requirements.

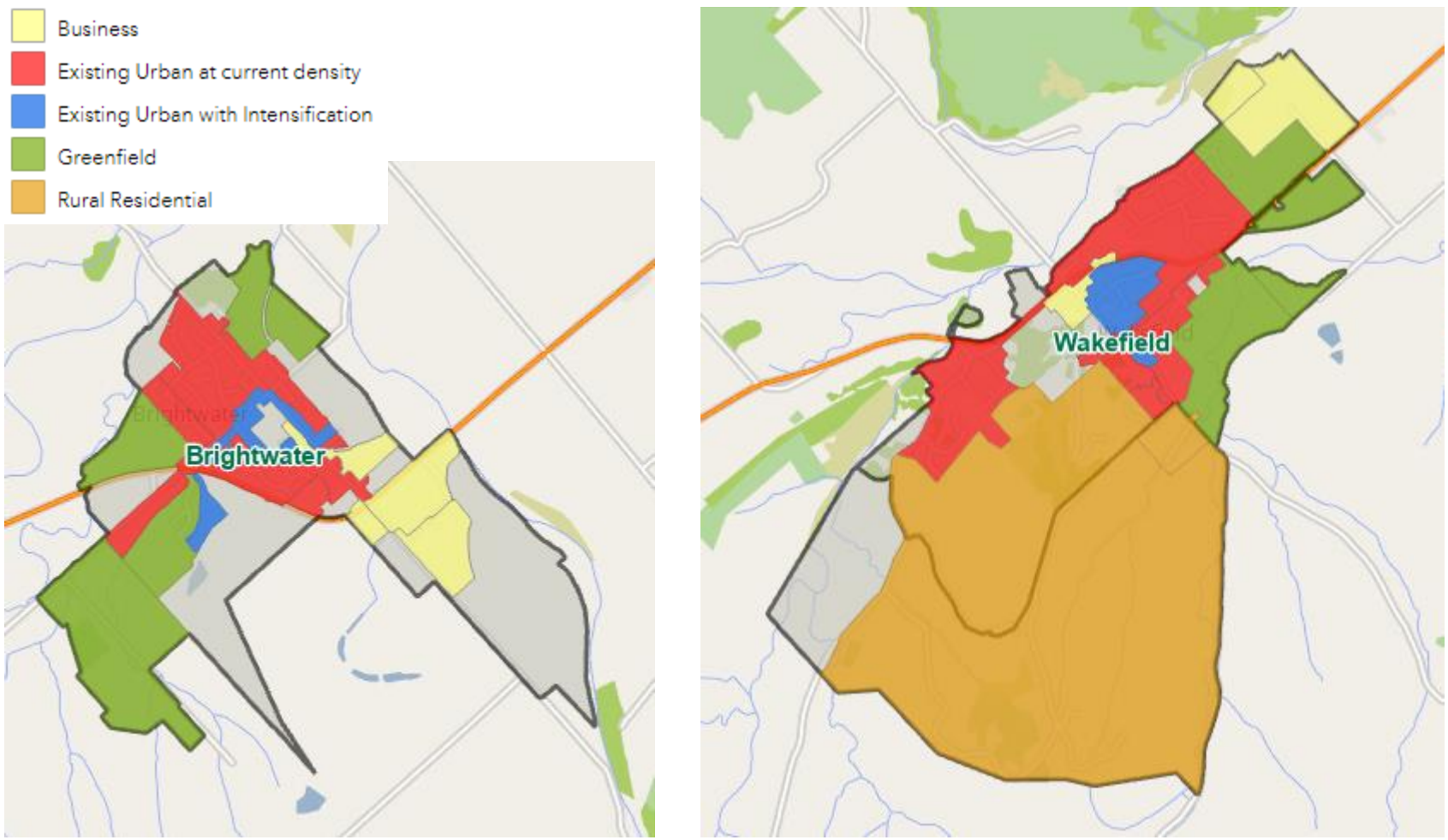
The Council will continue to monitor data on construction and population trends[11].

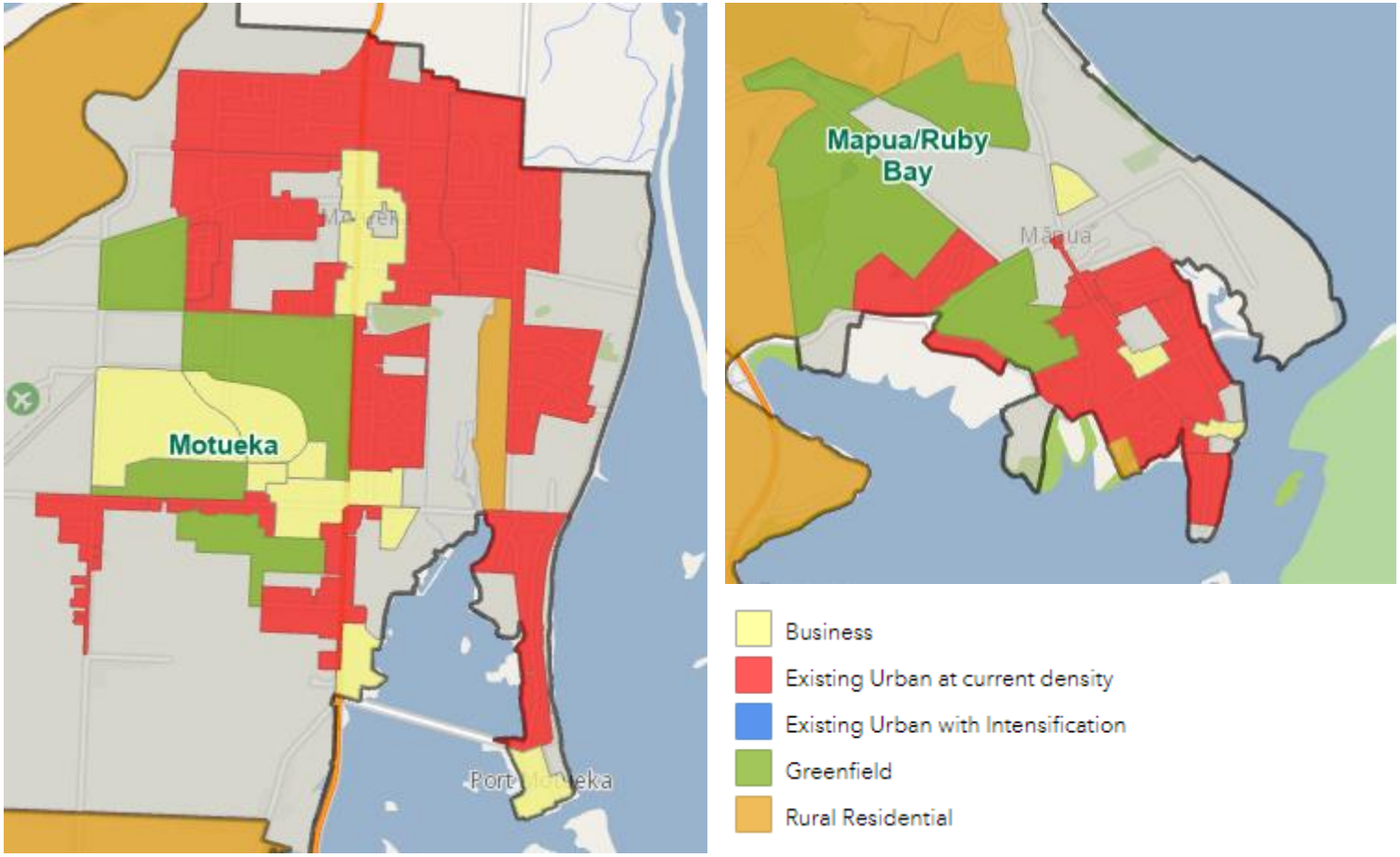
[11] Monitoring reports | Tasman District Council

GROWTH MODEL MAPS OF URBAN ENVIRONMENT TOWNS

The following maps give an indication of where future types of development could occur over the next thirty years.




Business
Existing Urban at current density
Existing Urban with Intensification
Greenfield
Rural Residential
Brightwater
Wakefield


Motueka
Mapua/Ruby Bay
Mapua
Business
Existing Urban at current density
Existing Urban with Intensification
Greenfield
Rural Residential