

# Residential Growth





## Residential Growth

### Key Issues:

Residential growth outside the existing urban boundaries has implications for the current and future amount of residential land zoned for development. Demand for residential type properties outside of the existing town boundaries puts additional pressure on essential services such as water, stormwater and wastewater. Objectives in our Plan relate to the containment of existing towns, and consolidating residential development in those areas that can be serviced efficiently. The desire for residential lots outside the main towns is challenging the objective of containing the towns. Are the objectives relating to urban encroachment on high quality soils and consolidation within existing urban boundaries achieving the anticipated environmental results?



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### Indicators

#### Pressures:

- Number of residential lots created as a result of subdivision;
- Number of resource consents applied for/granted for dispensation of development controls (e.g. maximum height, yards, site coverage etc);
- Number of notable trees or areas of indigenous vegetation removed as a result of residential development; and
- Number of building consents applied for/granted for new dwellings.

#### State:

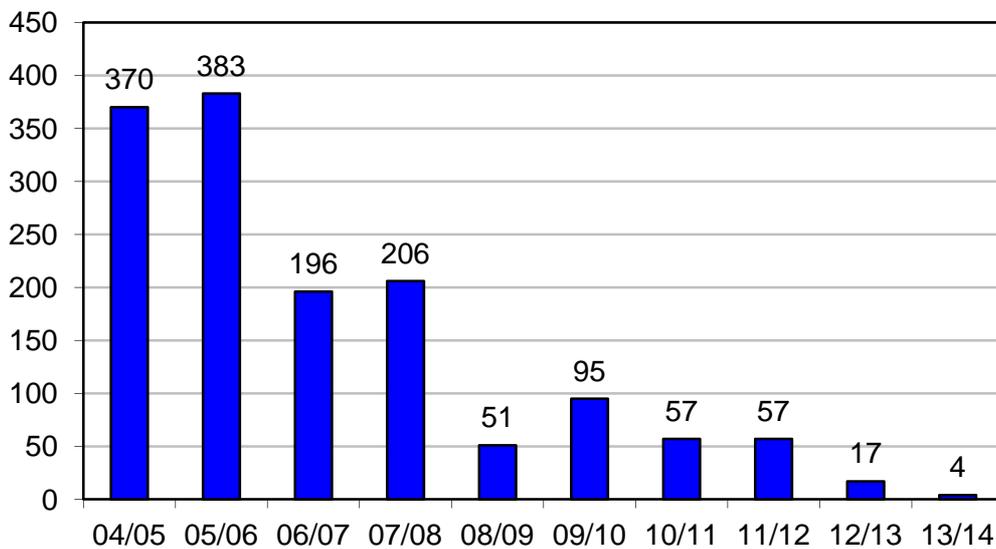
- Urban population numbers, including average household unit, age demographics etc;
- Area of land zoned Residential and Rural-residential;
- Number of lots between 2,500m<sup>2</sup> and 10,000m<sup>2</sup> in the Residential and Rural-residential zones;
- Capacity of urban services to meet five year forecasted demands (water, waste etc); and
- Number of residential lots available with access to Council services.

#### Response:

- Number of infill subdivision consents granted and number of lots created per annum;
- Number and value of development contributions collected per annum;
- Council spending on urban service upgrades/maintenance per annum; and
- Number of resource consent applications declined for non compliance with development controls.

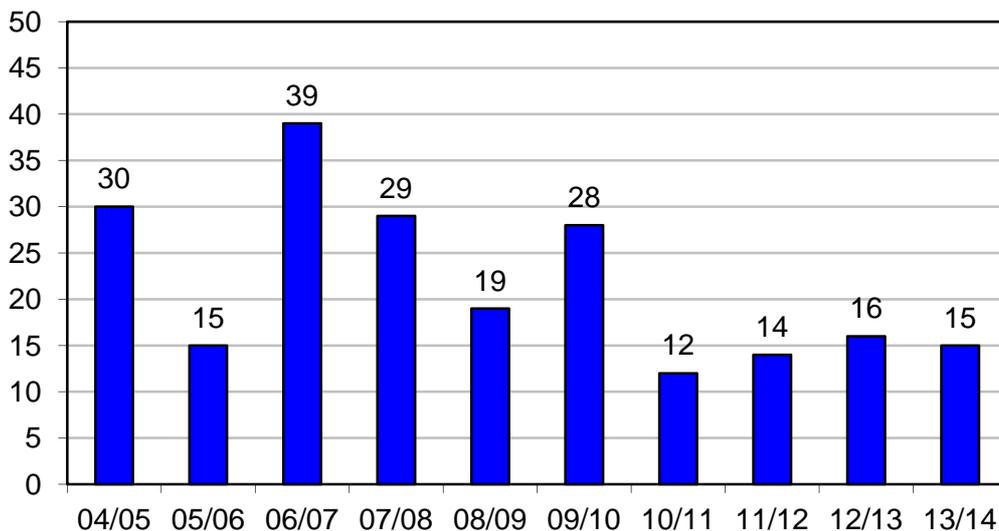
**Results:**

**Number of lots created in the Residential zone**



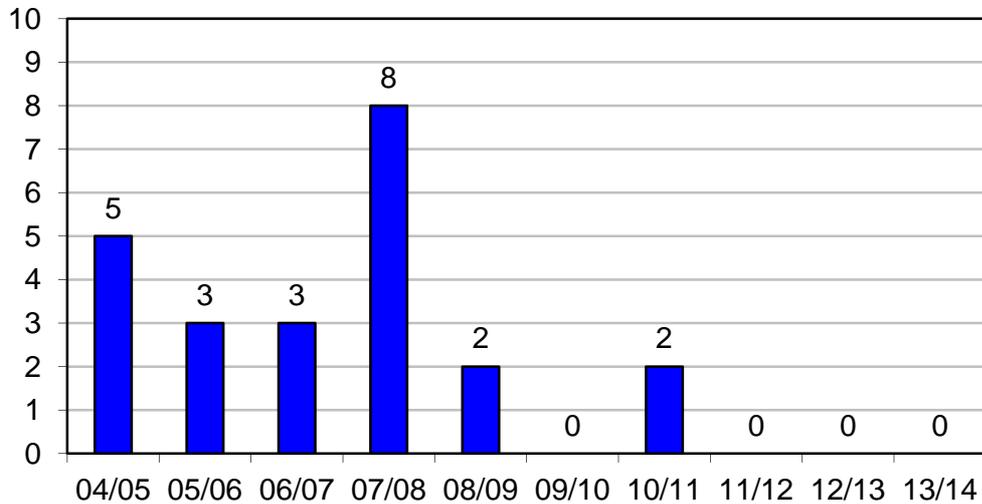
The number of lots created in the Residential Zone peaked in 2005/06, with a total of 383 lots created during that year. Subsequent to the global financial crisis, the number of lots created has dropped down significantly. During the last five financial years (2009/10 – 2013/14) a total of 230 lots were created, an average of less than 50 lots per year.

**Resource consent applications granted for the dispensation of residential development controls**



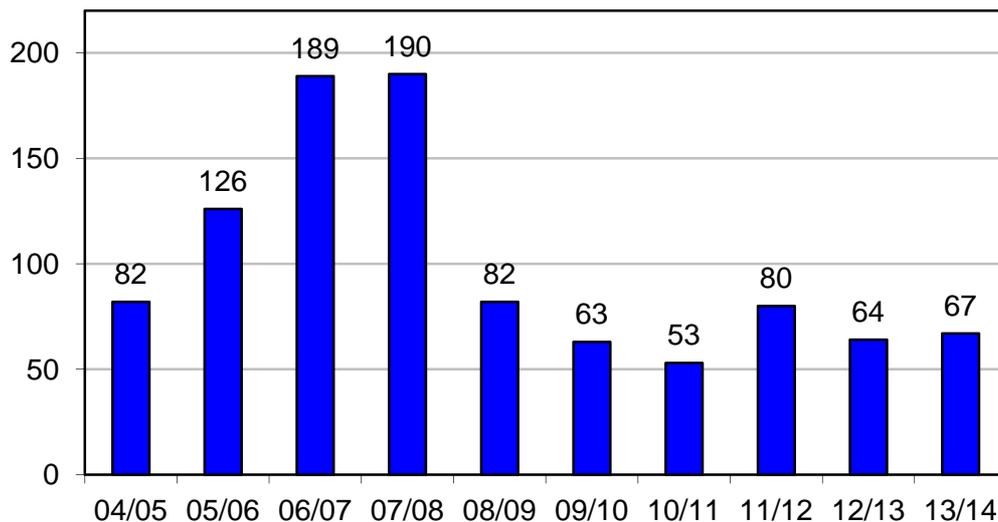
Development controls are in place for new developments to ensure any negative impacts are minimised. These include but are not limited to maximum heights for buildings, yards, and site coverage. The number of resource consents granted that were allowed to breach development controls has varied considerably, with between 12 – 28 consents granted each year during the past five financial years (2009/10 – 2013/14).

**Number of resource consents granted for removal of notable trees as a result of residential development**



New development can also affect amenity values through the removal of notable trees. During the last five financial years (2009/10 – 2013/14) only 2 notable trees have been removed as a result of residential development.

**Number of building consents granted for new dwellings in the Residential zone**



Over the last five financial years (2009/10 – 2013/14) a total of 327 building consents (an average of 65 per year) were granted for the creation of new dwellings within the Residential Zone. The number of building consents granted has dropped off significantly post the global financial crises.

There are currently approximately 1,651 hectares of land zoned for residential and rural-residential purposes in the district. Within the area zoned Residential and Rural-Residential there were approximately 312 lots between 2,500m<sup>2</sup> and 10,000m<sup>2</sup> at the end of the 2007/08 year.

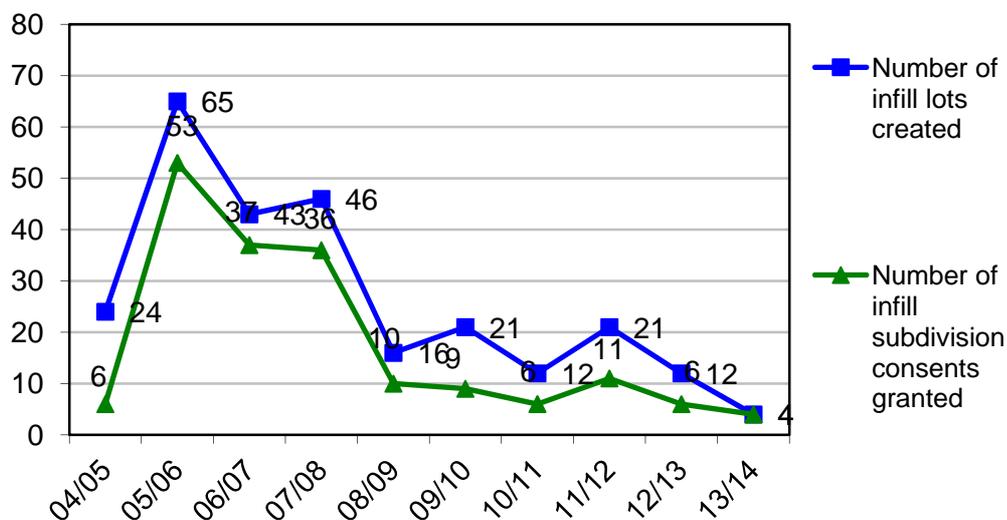
Between 2000 and 2002 there were approximately 8,632 residential lots available with access to Council services. Morrinsville (2,820 lots), Matamata (2,900 lots) and Te Aroha (2,160 lots) have access to sewer, water and stormwater services. Waharoa (320 lots), Tahuna (67 lots), Te Poi (40 lots), and Hinuera (25 lots) have access to Council water services; while Waihou has 300 lots with access to Council sewer services.

By the start of 2007/08:

- 9,544 lots had access to water supply;
- 8,439 lots had access to stormwater;
- 8,893 had access to wastewater; and
- 8,204 had access to waste collection.

The graph below shows the number of infill lots created through subdivision of existing lots in the Residential Zone.

**Infill subdivision in the District**



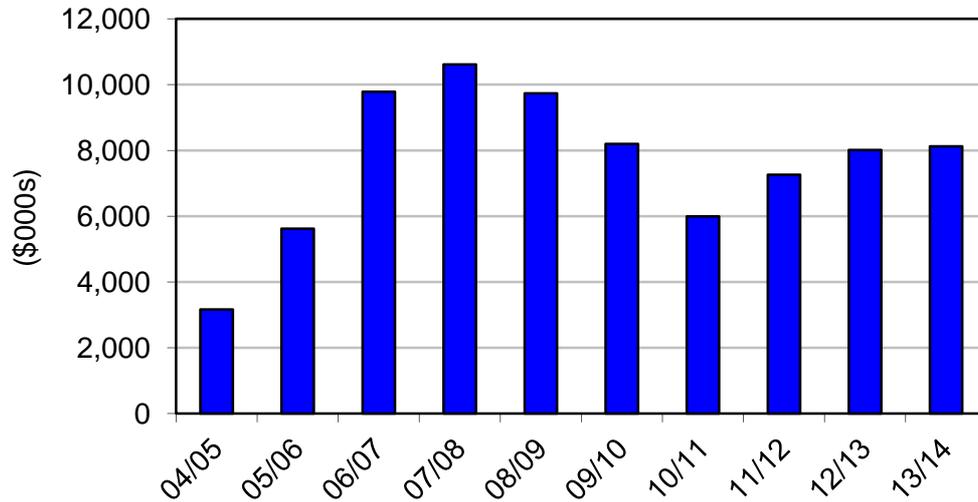
Number and value of development contribution and financial contributions collected per year

| Year       | 04/05   | 05/06   | 06/07     | 07/08     | 08/09     | 09/10   | 10/11   | 11/12   | 12/13   | 13/14   |
|------------|---------|---------|-----------|-----------|-----------|---------|---------|---------|---------|---------|
| Number     | 59      | 261     | 379       | 263       | 135       | 118     | 238     | 219     | 160     | 196     |
| Value (\$) | 758,000 | 915,000 | 1,661,000 | 1,457,000 | 1,136,000 | 297,000 | 373,000 | 394,000 | 421,000 | 366,000 |

\*Includes Network contributions and Parks and Reserves contributions

Council spends considerable amounts of money on maintaining and upgrading urban services such as sewerage, water and stormwater. The expenditure is funded partly through development and financial contributions levied for new development

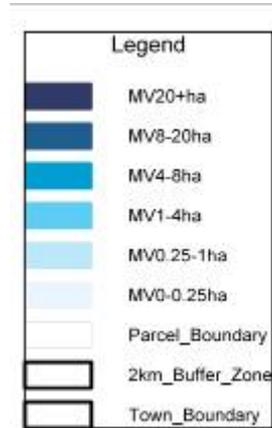
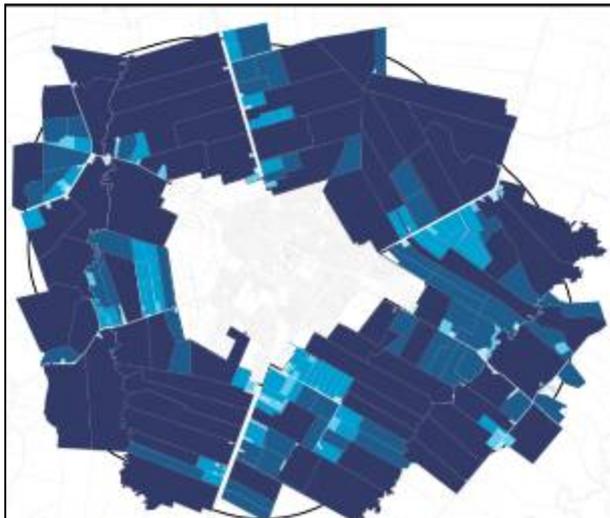
**Amount of Council spending on upgrading and renewing urban services**



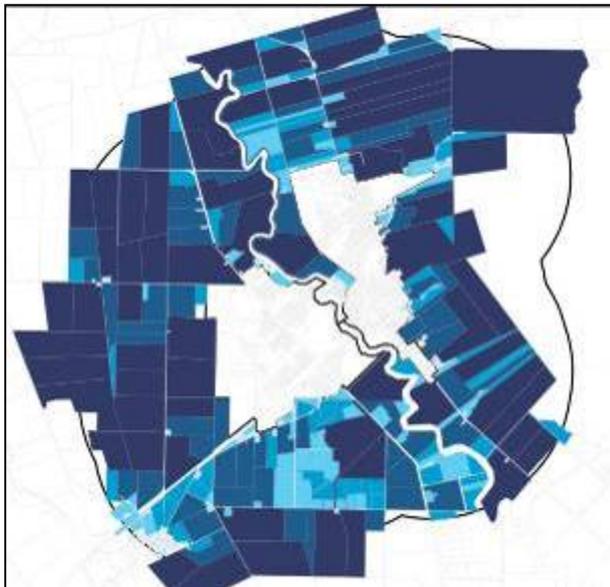
Over the last five financial years (2009/10 – 2013/14) the Council collected total development and financial contributions in the amount of approximately \$1.85 million. In the same period, the Council spent \$3.0 million on upgrading and renewing urban services.

Size of lots within 2 kilometres of the three main towns

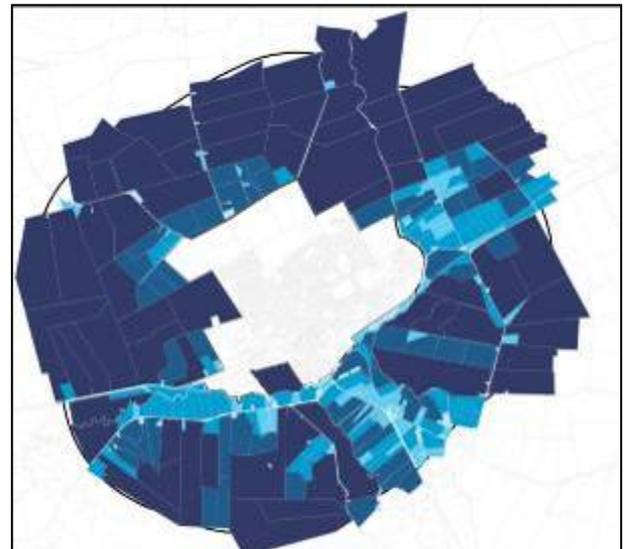
Matamata



Te Aroha



Morrinsville



| Size of lots (ha) | Number of lots | Area of land (ha) | % of land  |
|-------------------|----------------|-------------------|------------|
| 0-0.25            | 408            | 35.374            | 0.288630   |
| 0.25-1            | 221            | 113.858           | 0.929010   |
| 1-4               | 224            | 475.04            | 3.876029   |
| 4-8               | 178            | 995.427           | 8.122061   |
| 8-20              | 170            | 2265.185          | 18.482490  |
| 20+               | 198            | 8370.958          | 68.301780  |
|                   | 1399           | 12255.84          | 100.000000 |

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## District Plan Provisions

### Section 2.4 Sustainable Management Strategy

**Objective:**

- To avoid inappropriate residential and rural-residential growth in the rural environment so as to protect the use of the District's rural land resource for rural production.

**Policies:**

- To direct and ensure consolidation of residential development within appropriate existing zone boundaries of all settlements subject to the availability of infrastructure services, contiguous growth and the constraints of the environment.
- To manage the orderly and programmed expansion of residential areas consistent with the relevant structure plan and the ability to provide utility services.

**Anticipated environmental results:**

- Contiguous, orderly expansion of residential zoning onto the finite good quality soils.

### Section 3.4.2 Subdivision

**Objective:**

- To ensure that land subdivision results in allotments that are suitable for activities anticipated by the zone and that existing activities and resources in the vicinity of the site are not unreasonably compromised.

**Policy:**

- To ensure that each allotment has suitable natural and physical characteristics including infrastructure services for the activities anticipated by the zoning or resource consent.

**Objective:**

- To maintain and enhance, where appropriate, public access to and along the District's principal waterways.

**Policy:**

- To improve through subdivision, use and development the public's access to, and enjoyment of, the District's waterways and the environmental quality of riparian margins and waterways.

**Objective:**

- To ensure that subdivision does not compromise the sustainable management of significant sites and features.

**Policy:**

- To avoid, remedy or mitigate the adverse effects of subdivision and consequential development on the environment.

**Objective:**

- Subdivision of land in a manner that does not adversely affect the function or capacity of transportation networks within the District.

**Objective:**

- To ensure that our towns are developed to enhance our communities through recognising good quality urban design.

**Policy:**

- To avoid, remedy or mitigate any potential adverse effects of subdivision as a result of a lack of urban design through the New Zealand Urban Design Protocol and through the National Guidelines for Crime Prevention through Environmental Design.

**Anticipated environmental results**

- All land titles are to be useable now and for future generations; and
- Land titles must not compromise the achievement of the Plan's objectives and policies.

**3.9.2 Development contributions**

**Objective:**

- To ensure that adequate water supply, roading, sewage reticulation and treatment, stormwater services and public reserves are available to support the needs of people in the District and to avoid, remedy or mitigate any adverse effects on the environment.

**Policy:**

- To avoid, remedy or mitigate the adverse effects of new development on infrastructure services (including reserves) and on the environment generally through the implementation of fair and equitable development contributions.

**Objective:**

- To manage the acquisition and development of reserves in a manner which best serves the dual objectives of environmental enhancement and the provision of adequate land for recreational use.

**Policy:**

- To implement a fair and equitable reserves contribution levy which recognises the additional demand for recreational facilities and open space that new development will generate.

**Anticipated environmental results**

- More equitable funding of Council services; and
- Reduction of public funding of infrastructure servicing private development.

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## Efficiency and Effectiveness

*Are the Plan's objectives and policies the most effective and efficient way to achieve the following anticipated environmental results?*

- *Contiguous, orderly expansion of residential zoning onto the finite good quality soils.*
- *All land titles are to be useable now and for future generations.*
- *Land titles must not compromise the achievement of the Plan's objectives and policies.*
- *More equitable funding of Council services.*
- *Reduction of public funding of infrastructure servicing private development.*

Residential growth outside the existing urban boundaries has implications for the current and future amount of residential land zoned for development. There are currently approximately 1,651 hectares of land zoned for residential and rural-residential purposes in the District.

Between 1996 and 2006 the District's population increased by 2% overall, however there are discrepancies between the towns. Te Aroha's population decreased by 1%, while Matamata and Morrinsville increased by 6% and 11% respectively. Although between 1996 and 2006 the population of the District increased by only 2% it is the pattern of living which is changing substantially and affecting our residential growth. Between this same period, the number of dwellings in the District increased by 8% which is an increase of over 850 dwellings. The number of dwellings in Te Aroha increased by 7.4%, while in Matamata and Morrinsville they increased by 11.8% and 13.5%, respectively.

In 2001 the total average household size was 2.7 people per dwelling. In 2006 this had decreased to 2.67 in total for the District however the urban figure was 2.46 persons per household. In 2006, approximately 23% of our District's total households lived in a one person household.

In Part A, Section 2.3.1 of the District Plan it is estimated that the population of the District in 2013 was 32,085 persons, with 17,935 living in the District's three main towns of Matamata, Morrinsville and Te Aroha, and the remaining 14,150 people living rurally. The District is currently home to an estimated 12,395 households of which approximately 7,516 live in the three main towns, while 4,879 live rurally.

Part A, Section 2.3.1 of the District Plan estimates that, over the next 20 years, the population of the District will show growth of around 0.49% per year. While the growth will be moderate, more significant changes in the demographic composition is expected to occur, as the population ages and average household size decreases, in line with global and national trends.

It is projected in the District Plan that the population will increase to 35,200 by the year 2033, with the rural population remaining relatively stable, while the combined urban population of the three main towns will increase by 3,115 people to 21,050. In regard to the three towns:

- Morrinsville is the District's largest town with a current (2013) population of approximately 7,066 people, representing 2,782 households. The population of Morrinsville is estimated to increase to 8,817 and the number of households to 3,768 by 2033.
- Matamata is the second largest town with a current (2013) population estimated to be approximately 6,821 people, representing 2,966 households. By 2033, the population of Matamata is estimated to increase to 7,831 and the number of households to 3,729.
- Te Aroha is the smallest of the District's three main towns with a current (2013) population of approximately 4,048 people, representing 1,768 households. The population of Te Aroha is estimated to increase to 4,403 and the number of households to 2,107 by 2033.

The decrease in household size significantly affects growth and development in the District because even though our population isn't increasing substantially, the demand for houses, and therefore lots, is increasing.

The AER '*contiguous, orderly expansion of residential zoning onto the finite good quality soils*' anticipates some development outside of the town boundaries in an orderly way. This AER is being effectively achieved. While there is some residential-style development on the edges of our towns the actual percentage of land affected is minimal. Land within two kilometres of our three towns contains approximately 600 lots under one hectare, this however accounts for approximately 1% of the land. Approximately 12% of the land within the District is sized between 1 and 8 hectares, 19% of the land is between 8 and 20 hectares and over 68% of the land surrounding our towns is in lots of more than 20 hectares. It is recognised that we do not have the information regarding whether this growth around the town boundaries occurred before or after the implementation of the current Plan. These results show that our objective '*to manage residential growth so as to limit as far as practicable the use of the finite good quality soils*' is working to reasonably effectively achieve the AER.

The policy '*to ensure consolidation of residential development within existing zone boundaries at all settlements subject to the availability of infrastructure services, contiguous growth and the constraints of the environment*' through rules in the Plan is effectively achieving the AER '*contiguous, orderly expansion of residential zoning onto the finite good quality soils*'. The number of new residential lots created in the residential zones of the District has been high especially between 2004/2005 and 2007/2008. The creation of lots within existing boundaries where infrastructure services are already available is a sustainable way for the District to grow. It not only allows for infrastructure costs to be kept to a minimum, it protects the finite rural land resource. This ensures that the life supporting capacity of those soils is not compromised and provides for the efficient use and development of existing resources.

The characteristics and rules associated with residential activities that occur in this zone, protect the high quality soils in our Rural zones by guiding residential development to the Residential zone. This effectively achieves the AER's '*all land titles are to be useable now and for future generations*' and '*land titles must not compromise the achievement of the Plan's objectives and policies.*'

In 2007 dairy farming was our most valuable sector, it added a total value of approximately \$294 million to our District's economy and was the second highest employer behind retail in the District. It would therefore be highly inefficient to allow residential growth to compromise the high quality soils of our Rural zones. Good quality soils are also required to be protected as a finite resource under section 7 of the RMA.

It is considered efficient to have enough land zoned for residential purposes as it is economically effective to centralise infrastructure services. Inadequate provision of zoned land, on the other hand, creates ad hoc developments in inappropriate zones.

It is considered efficient to retain high quality rural soils through consolidation of residential development. It would be inefficient to not have these objectives and policies in the Plan to achieve the AERs. Failure to consolidate residential development would cause long-term detrimental effects to our District, as our economy is heavily reliant on the productive use of the good quality soils. The use of zoning and resource consent processes are effective means of ensuring the objectives and policies within the Plan are met.

In the 2007/08 year, there were 9,544 lots with access to water supply, 8,439 with access to stormwater, 8,893 with access to wastewater and 8,204 with access to waste collection. The economic burden of funding works and infrastructure is significant to certain sectors of the community. Such costs need to be borne by the people benefiting from the increased demand for these service and as a result, Council requires development contributions from developers to cover these costs. It is however noted that the development contributions taken from developers needs to be fair and reasonable and only associated with the cost of growth.

Through the policies:

- *‘to avoid, remedy or mitigate the adverse effects of new development on the infrastructure services (including reserves) and on the environment generally through the implementation of fair and equitable development contributions’ and*
- *‘to manage the acquisition and development of reserves in a manner which best serves the dual objectives of environmental enhancement and the provision of adequate land for recreational use’*

Council is effectively able to achieve the AERs:

- *‘more equitable funding of Council services’ and*
- *‘reduction of public funding of infrastructure servicing private development.’*

Through these policies Council is able to place the economic cost of facilities more equitably with those who are to directly benefit, rather than the cost being placed on the wider community. Council implements these policies through a development contributions policy which sets the amounts that need to be paid as part of our Long Term Plan (LTP).

Development contributions are an effective way of achieving the AERs. It would be inefficient not to have the ability to charge development contributions, as the whole community would pay while the benefits accrue to only certain selected individuals.

It is acknowledged that the Plan alone does not drive residential growth – other factors such as the economic climate can drive or guide residential growth. Population growth or population change such as the decreasing average household size can affect residential growth.

Council is currently reviewing the urban provisions of the District Plan (Plan Change 47). This review will consider, amongst other issues, the provision of zoned land for urban (including residential) purposes, infill development at appropriate densities, and the need to integrate land-use with infrastructure. The plan change will also consider the need to ensure high quality urban design and to incorporate CPTED principles.

It is anticipated that the plan review will introduce new objectives, policies and AER's that will address the above mentioned matters. The amended provisions will need to form the subject of future reviews of the District Plan's effectiveness and efficiency.

## Summary

| <b>Anticipated Environmental Results</b><br><b>Residential Growth</b>                  | <b>Achieved?</b><br>😊 - Achieving<br>→ - Progress towards achievement<br>😞 - Not achieving<br>? - Not monitored |
|--|---|
| Contiguous, orderly expansion of residential zoning onto the finite good quality soils | 😊   |
| All land titles are to be useable now and for future generations                       | →   |
| Land titles must not compromise the achievement of the Plan's objectives and policies  | →   |
| More equitable funding of Council services   | 😊   |
| Reduction of public funding of infrastructure servicing private development            | 😊   |