

Appendix I

Review of guiding documents



Te Utanganui

Review of previous work completed

Palmerston North City Council

06 October 2022



→ The Power of Commitment

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Printed date	6/10/2022 3:00:00 pm
Last saved date	06 October 2022
File name	Review of previous work
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Project manager	David Norman
Client name	Palmerston North City Council
Project name	Central New Zealand Distribution Hub Masterplan
Document title	Te Utanganui Review of previous work completed
Revision version	Rev A
Project number	12566838

Document status

Status Code	Revision	Author	Reviewer		Approved for issue		
			Name	Signature	Name	Signature	Date
Draft	A	D Norman B Chairungroj R Wood S Jenkin S Gerard	D Walker		D Walker		
Final		D Norman B Chairungroj R Wood S Jenkin S Gerard	D Walker		D Walker		

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Context to the Masterplan

A lot of work had already been done that informed the development of the Masterplan prior to GHD being commissioned to assist with the Masterplan. As a consequence, Stage 2 of the Masterplan project focused on reviewing the documentation that already existed as of December 2021 (more documents have of course since been completed). This section highlights the key learnings from these studies to incorporate relevant objectives, outcomes and obstacles into the Masterplan. Our review of previous work can be divided into the following topic areas:

- Overarching Distribution Hub strategy
- KiwiRail Regional Freight Hub (KiwiRail Freight Hub)
- North East Industrial Zone (NEIZ)
- PNCC's Innovative and Growing City Strategy
- Transport
- Housing and growth projections.

Distribution Hub Strategy

The Distribution Hub Strategy was published by the Central Economic Development Agency (CEDA) in August 2021 to provide a strategic overview of the transport and logistics network position of the Manawatū region/Lower North Island (LNI). This overview primarily included the value proposition of investment to create expand the distribution hub, as well as funding and planning mechanisms, and governance models.

At present, Palmerston North distributes goods for approximately 20% of New Zealand's population. Palmerston North provides connectivity for the inbound and outbound transportation of goods through rail, road and a 24/7 air freight network. The Central Government has committed funding for the purchase of land to build a high tech and large-scale rail hub at Bunnythorpe adjacent to Palmerston North's industrial hub. In addition, total funding of \$3.3 billion is committed to infrastructure upgrade projects in the Manawatū region, including the proposed Regional Freight Ring Road Transformation project and other significant road upgrade projects such as Te Ahu a Turanga/Manawatū-Tararua Highway and the Otaki to Levin Expressway.

The distribution hub is anticipated to be based around the existing NEIZ and enhance the benefits of investment by businesses such as Ezibuy, DKSH, Foodstuffs, Toyota and Progress Enterprises that are already using the rail, road network and airport services for national and Trans-Tasman distribution in the region. The KiwiRail Freight Hub is expected to connect cargo via rail to the growing Port of Napier and increase imports to the distribution centres of the NEIZ.

Coda Logistics, a joint venture logistics company between Kotahi Logistics and Port of Tauranga that operates freight and cargo management services, is planning to build its facilities within the KiwiRail Freight Hub (Level 1 User) with the aim of improving cargo flows within the supply chain, consolidate freight and improve connectivity between transport modes and freight hubs. The investment and construction of the KiwiRail Freight Hub and the Proposed Regional Freight Ring Road projects are aligned with the Accelerate 25 Economic Action Plan and PNCC Growth Plan and will tie in with other freight transport projects within the region.

One of the most important aspects highlighted in the Distribution Hub Strategy is to ensure efficient connectivity exists between the modes of rail, road and air freight. Some of the key benefits identified from the Distribution Hub Strategy include the following:

- Users get a better experience and a more efficient operating model, which will encourage more investment in the freight precinct
- Achieving optimal outcomes for the Manawatū region without undermining its value proposition

- Increasing value of the NEIZ and the Palmerston North Airport Limited (PNAL) proposition by enabling streamlined access to rail for large distribution businesses
- Enabling housing development while supporting population and jobs growth as freight task and investment grow
- Making the Manawatū region more liveable.

KiwiRail Regional Freight Hub

This section deals with the most relevant aspects of KiwiRail's Notice of Requirement (NoR) to designate approximately 177 hectares of land for the KiwiRail Freight Hub in Palmerston North. The process of establishing the new freight hub is one of the most progressed elements for this project, so it is worth reviewing progress thus far and the obstacles and opportunities the process has unearthed.

KiwiRail Notice of Requirement

The new KiwiRail Regional Freight Hub is a key element of the proposed transport network and aims to contribute to the sustainable growth of rail throughout New Zealand, replacing KiwiRail's current Palmerston North freight yard in Tremaine Avenue. KiwiRail's freight handling business currently accounts for about 17% of New Zealand's freight task and it estimates the overall freight task in New Zealand will increase by over 58% by 2042.

KiwiRail's objectives for developing the Regional Freight Hub are to:

1. Increase its operational capacity to accommodate projected regional and national freight growth and support wider regional development
2. Enable rail to be integrated with, and connected to, other transport modes and networks
3. Improve the resilience of the regional and national freight transport system over time.

The location of the KiwiRail Freight Hub, shown in Figure 1, runs from Waughs Road along Sangsters Road to the corner of Roberts Line, along Roberts Line, towards Clevely Line and then past it through Te Ngaio Road, parallel to Maple Street and back to Waughs Road. It also includes the 2.4-kilometre-long section of the North Island Main Trunk (NIMT) located between Railway Road and Sangsters Road.

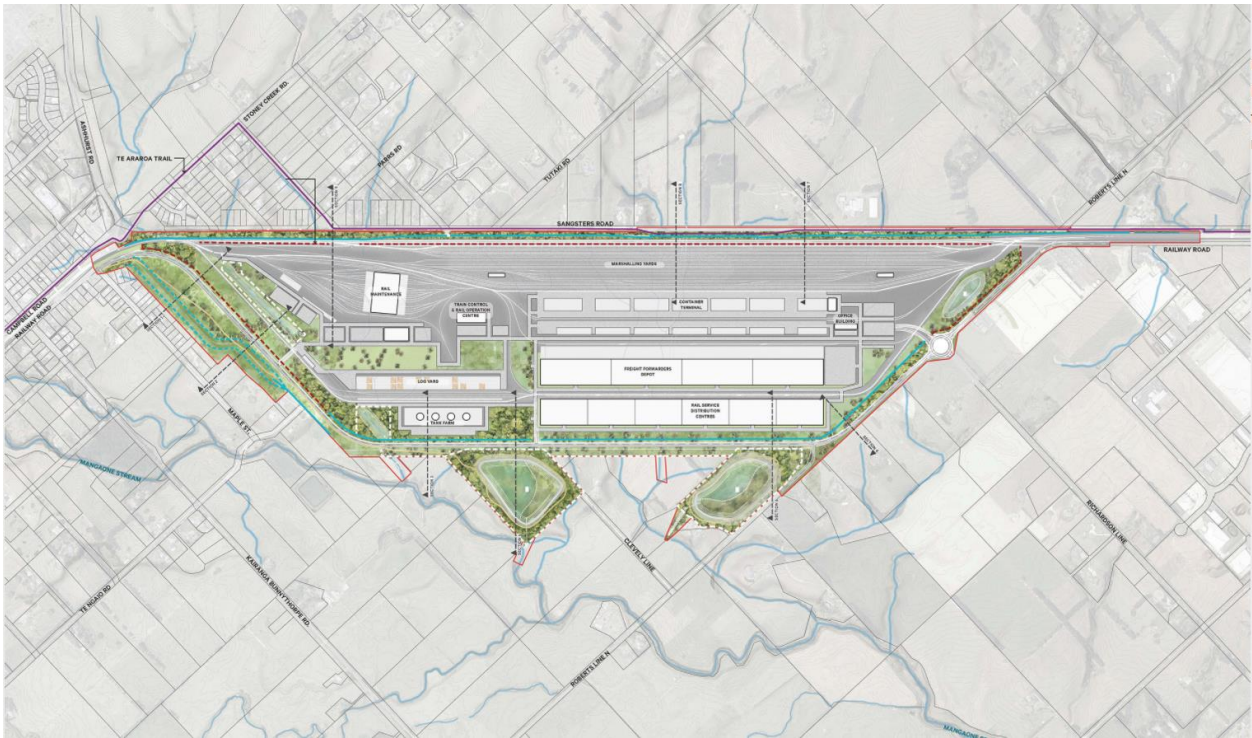


Figure 1 Identified site location for the new KiwiRail Freight Hub

The existing natural and urban landscape character of the site is made up of rolling unmodified landforms which are usually impacted by flooding and stream tributaries flowing into the Mangaone Stream. The plans for the KiwiRail Freight Hub include a naturalised channel to replicate one of the Mangaone Stream tributaries and other channels will be culverted under the site.

A number of roads will be required to be legally stopped and a new perimeter road, noise mitigation walls and earth bunds, and storm water ponds will need to be constructed.

The evidence concluded that it is imperative the hub forms part of the regional strategy of the wider Central New Zealand Distribution Hub (now Te Utanganui), which encompasses the NEIZ, the Airport and the proposed KiwiRail Freight Hub, with connections to the future Regional Freight Ring Road, to reach the desired level of efficiency/positive outcome. Integration of these elements is where the Masterplan will add value as it will allow for strong oversight of how everything is interconnected and ensure planning is carried out to maximise the potential of the KiwiRail Freight Hub.

In determining the appropriate size of the new KiwiRail Freight Hub, the following were considered:

- Longer trains mean the marshalling yard, arrival and departure yard and the Container Terminal yard need to be sized correctly as long trains arriving more frequently require additional operating space including space to meet safety and environmental factors.
- Wagon storage, equipment maintenance, network services and yard operation are a significant requirement for the hub.

North East Industrial Zone

The North East Industrial Zone (NEIZ) originated from a PNCC Land Use Study completed in June 2001. The initial purpose of the NEIZ was to provide 95 hectares of land for large floor plate industrial activity in a location separated from residential areas but highly accessible to key transportation routes, including road, rail and air. The PNCC Land Use Study noted the following:

- demand for large industrial sites with over 5 hectares of land
- the projected growth in distribution activities given the city's central location within the southern North Island

- the importance of the NEIZ being accessible on a 24-hour basis.

District Plan rules, in conjunction with a Structure Plan and Design Guide, were intended to ensure that the NEIZ was developed as an efficient and attractive industrial area. However, most of the area was developed by a single developer on leasehold rather than an owner-occupied freehold basis.

Proposed Plan Change 15A-H Report

The Proposed Plan Change (PPC) 15A-H Report was completed in January 2015 as part of the Palmerston North City Sectional District Plan Review (SDPR). This process included a review of the existing NEIZ provisions and a proposed 126 hectares extension to the NEIZ supported by a Structure Plan and specific planning provisions. The key rationale for proposing an extension to the NEIZ were to enable large floor-plate freight and 24/7 distribution activities and to create the connectivity to the Palmerston North Airport, North Island main trunk railway, and new inter-regional transport network as proposed by PNITI.

- There is a need to anchor development with a structure plan that clearly articulates expected environmental outcomes and enables the integrated provision of infrastructure for the NEIZ.
- There is a need to ensure staged development achieves connectivity within the existing NEIZ and the Extension Area.
- Mitigation measures must be put in place, primarily at the subdivision stage of development, in areas affected by natural hazards.
- There is a lack of choice of industrial land in terms of location, size and tenure e.g. not enough larger (4+ hectares) blocks.
- Vacant industrial zoned land is frequently not available.
- Excessive industrial zoned land is held by too few people (or companies).
- Industrial areas would need to be situated away from residential areas.
- PNCC and MCC would require a growth planning strategy looking at where and how industrial land is to be provided and serviced over a 20-year time frame as a minimum.
- Identified demand for large footprint warehousing and distribution activity is best located to the east of the NEIZ.
- The NEIZ was the only area where land should be rezoned and extended for the purpose of large floor plate industrial development over the short to medium term.

Transport

This section summarises three previous studies with respect to a Transport's perspective within the Manawatū-Whanganui region: Assessing Central New Zealand Strategic Case, Palmerston North-Manawatū Strategic Transport Study and Palmerston North Integrated Transport Initiative Network Options Report, that may be relevant to the Masterplan for *Te Utanganui*.

Assessing Central New Zealand Strategic Case

The Assessing Central New Zealand Strategic Case Report was completed in November 2016 by Waka Kotahi New Zealand Transport Agency (Waka Kotahi NZ Transport Agency) to assess transport requirements for delivering on the Manawatū-Whanganui Economic Action Plan (Accelerate25). The focus of this report is to help the Manawatū-Whanganui regions reach their economic potential with the aim of progressing toward a programme business case. The central location of the Manawatū-Whanganui region more broadly and Palmerston North in particular has seen it develop as a key freight and distribution hub in New Zealand by providing:

- a connection of the main north island trunk line through the region and to Hawkes Bay and Taranaki

- a 12-hour drive time connection for heavy vehicles cover across New Zealand
- 24-hour operations at the Palmerston North Airport.

The report highlighted the following key problems and benefits.

Problems

1. Access into and from key destinations in the area is deteriorating and becoming less predictable creating inefficiencies, particularly in the freight distribution logistics chain. (assigned 60% of the problem value)
2. Recent and future development in land use is outpacing the direction of the planned strategic network leading to a transport network that is not functioning as intended. (30%)
3. Changes in the type and size of vehicles using the network has created pinch points at locations across the transport network. (10%)

Benefits

1. Greater optimisation of the transport network (75% of the opportunity value)
2. An agreed transport network (hierarchy) (10%)
3. Less modal conflict (15%)

In addition, the option to extend SH54 from the SH3/54 intersection through to the intersection of Kairanga-Bunnythorpe/Milsons Line intersection would create a key access point to the NEIZ. It was suggested that this option should proceed to a Single Staged Detailed Business Case. Similarly, the options for solving existing problems on SH3 between Roberts Line and Stoney Creek should be advanced through an Indicative Business Case as a wider range of solutions may be available to solve conflicts in traffic flow and industrial and residential growth issues.

Palmerston North-Manawatū Strategic Transport Study

The Palmerston North-Manawatū Strategic Transport Study (Phase 1 Report) was published in March 2010 to inform the identification and analysis of options in Phase 2 which was published in June 2010, for future development of the road network within the study areas including Palmerston North, Feilding and Ashhurst as shown in Figure 1. The main purposes and objectives of the study were to:

1. summarise the findings of existing studies and strategies
2. develop an integrated transport network for the study area, with a key focus on confirming a road hierarchy within the Manawatū region
3. identify the road improvements and develop a programme of works to give effect to the proposed road hierarchy
4. describe future travel demands based on long-term land use trends and current travel patterns.

Transport considerations

On average, the traffic growth rates within the study area (highlighted in purple lines) shown in Figure 1 have generally been within the range of -2% to 8% per annum in between 1990 and 2009. It is expected that the longer-term traffic growth rate over the study area will be 2.5% per annum.

In Phase 1, the following roading hierarchy of a rural ring road was proposed, with the route and function to be reviewed and confirmed in Phase 2:

- Stoney Creek Road south from Bunnythorpe and across the Manawatū River via a new bridge to connect to SH57
- SH57 westwards to Linton and including the option of a new route around Massey University
- Shirriffs Road and Longburn Rongotea Road on the west side of Palmerston North
- KB Road to Bunnythorpe.

In Phase 2, a set of network options were developed to make provision for:

- new state highway route between Mt Stewart and the Manawatū Gorge
- a new upstream bridge on the alignment preferred by PNCC
- a bypass of Bunnythorpe
- improved access to the NEIZ
- a new eastern corridor on the alignment of either Tutaki Road or Stoney Creek Road
- connecting with Bunnythorpe (or its bypass) and the new bridge
- a rural ring road around Palmerston North.

Key challenges in developing and implementing road hierarchy options and road improvements in Phase 2 included the consideration of:

- travel patterns and traffic demand on the network
- the role of public transport and rail and other travel demand management measures
- the viability and fundability of any improvements.

Industrial development

According to the key findings of the industrial land use planning review undertaken in 2007 for PNCC and Manawatū District Council (MDC), there were three areas that are suitable for industrial development:

- The NEIZ for warehousing and distribution
- South-East Feilding for light industry/agricultural business
- Longburn for wet industrial.

The NEIZ is located north-east of the Palmerston North Airport on land bounded by Railway Road, Roberts Line North, Richardsons Line and Setters Line, consisting of vacant developable land that is well connected to the primary road network to serve as a distribution and warehouse centre for the Lower North Island. There has been a Plan Change to extend the NEIZ across Setters Line on the western side of the airport. With rationalisation of land ownership within the area, the Airport had approved a new industrial/commercial development with access to Railway Road and Airport Drive. Other zoning extensions within and across the city boundaries were also being investigated.

Palmerston North Integrated Transport Initiative Network Options Report

The Palmerston North Integrated Transport Initiative Network Options Report (PNITI) was completed by Waka Kotahi NZ Transport Agency in January 2021. It was an effort to provide a plan for the whole transport system that would help maintain efficient freight movements to and from the KiwiRail Freight Hub, the NEIZ and other industrial areas within Palmerston North while managing growth and improving the liveability of residential areas and the city centre. Key problems, benefits and opportunities of implementing a prioritised freight network have been identified as part of the Council's Strategic Direction and Vision, which are summarised in Figure 2.

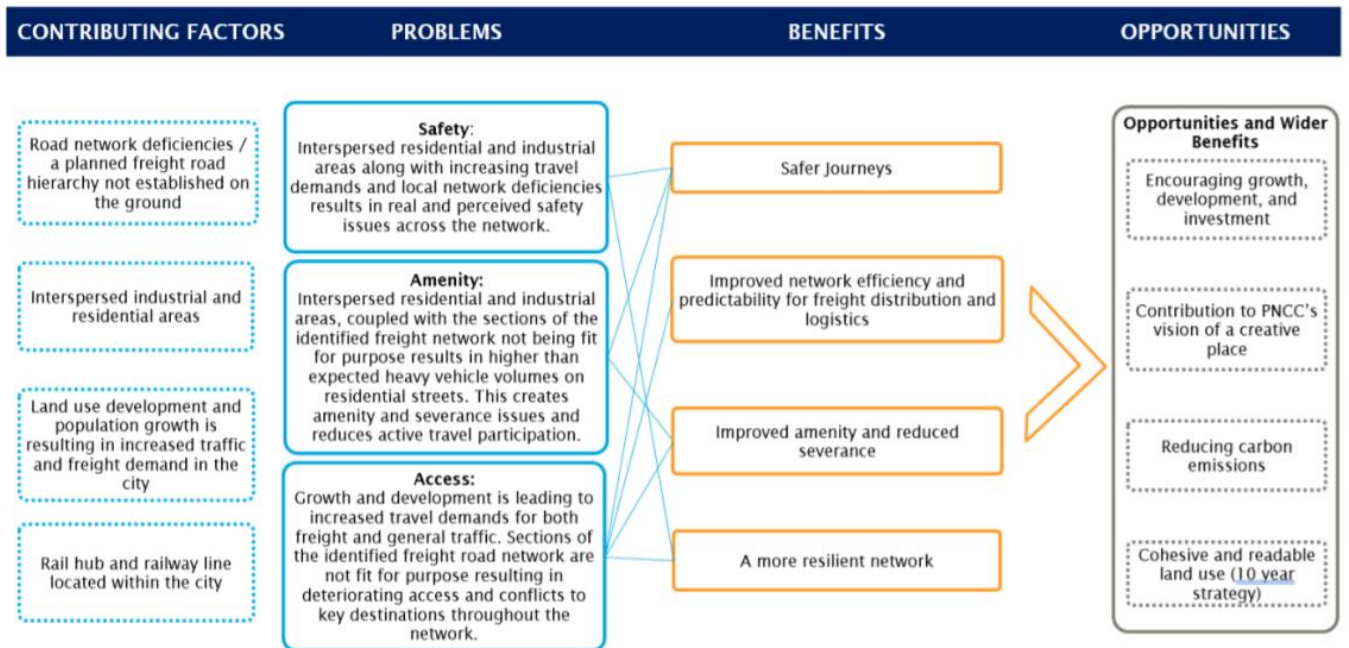


Figure 2 Key problems, benefits and opportunities of a prioritised freight network, PNITI Network Options Report

The recommended programme (as shown in the Figure 3) consists of corridor and intersection upgrades for safety and access, as well as safer speeds, placemaking, and land use changes across the transport network. The programme also includes longer term interventions to support the KiwiRail Freight Hub, such as improvements between Bunnythorpe and Ashhurst, and a future downstream bridge over the Manawatū River to reduce trips through the city and enable placemaking and amenity improvements. The implementation of the programme can occur via a staged approach with planned developments and growth and is estimated to cost between \$335 and \$370 million.

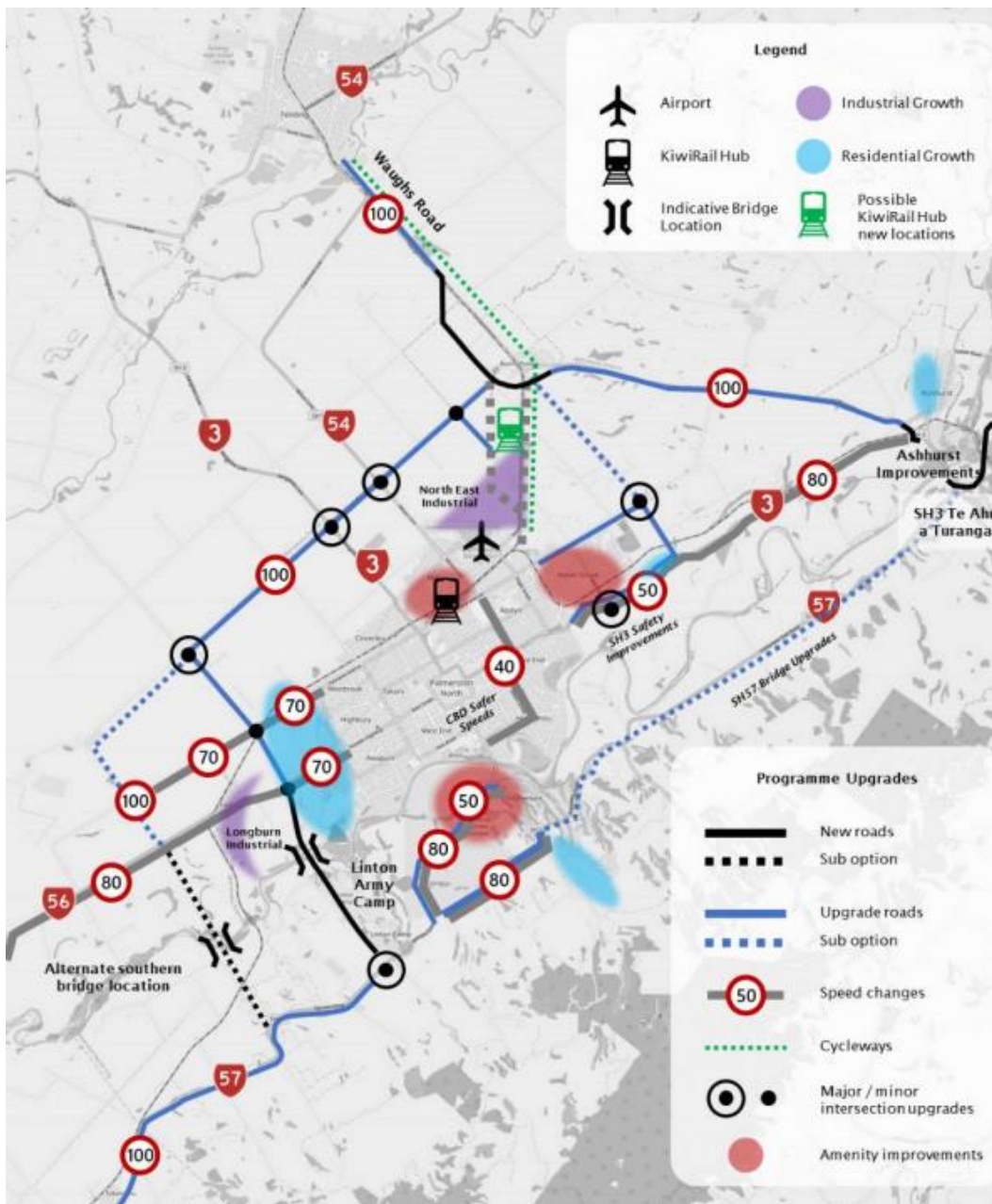


Figure 3 Recommended programme, Palmerston North Integrated Transport Initiative Network Options Report

The total number of heavy vehicles traveling to and from Palmerston North increased by 10% between 2012 and 2017. This 10% growth is expected to increase and continue through to 2031, with about 2,000 vehicles per day in these three areas: NEIZ, Tremaine Avenue/Kelvin Grove, and Feilding. Hence, key activities under a staged approach were proposed to align with the projected growth and to co-ordinate with the KiwiRail Freight Hub project over the short, medium and long term, which are summarised in Table 1 below.

Table 1 Key activities proposed to be co-ordinated with the KiwiRail Freight Hub

Timeframe	Proposed activities
Short term	Development of a Manawātū Transport System Plan to identify the core functions of key routes and significant places within the Manawātū region.
	Implementation of safety projects to address high risk sites (Safety Boost Programme, Safer Network Programme, Safer Speed Limits, Napier Road and SH 3/54 projects).
	Development of new land use strategy to better separate residential and industrial areas and reduce further amenity, safety and access issues.

Timeframe	Proposed activities
	Development of a programme of amenity, safety and access interventions within the central city to prioritise people over vehicles.
	Further work around KiwiRail Freight Hub to ensure an integrated solution that works for both road and rail freight networks and the city.
Medium and long term	Medium term ring road including interventions along Ashhurst Road, Kelvin Grove Road, Kairanga Bunnythorpe Road, Rongotea Road/No 1 Line, SH56 and SH57 to prioritise a ring route away from the city for freight movements.
	Long term ring road interventions including a new downstream crossing of the Manawatū River (between Longburn and Linton) to improve freight movement efficiency and remove freight traffic from the central city.

Overall, the recommended programme is expected to tackle amenity, safety and access issues across the transport network by:

- reducing freight movements on residential and place-based streets by up to 50%
- supporting and enabling Urban Cycling Masterplan initiatives and investment by flow reductions through the city centre, rural villages/townships and key places/routes increasing the attractiveness of active modes across the city
- reducing the number of congested intersections by 50% and improving journey times on key freight routes by up to 10 minutes
- reducing deaths and serious injuries by 35-40% across the rural freight network
- supporting economic development such as the KiwiRail Freight Hub and the NEIZ which enables positive land use changes within the city
- improving safety and access for new housing developments at Whakarongo, Aokautere and City West.

PNCC's Innovative and Growing City Strategy

The Innovative and Growing City Strategy was established in 2021 by PNCC to plan for the growth and expand opportunities for Palmerston North. PNCC's main goals through the Strategy shown in Figure 4 are to become:

1. **An innovative and growing city** by providing provide support for innovation and new infrastructure development to enable diversification
2. **A creative and exciting city** by creating new employment in research, development and creative industries
3. **A connected and safe community** by supporting social, economic, environmental and cultural wellbeing of the community
4. **An eco-city** by converting into a low carbon economy
5. **A driven and enabling council** by providing good governance and improving performance.

Overall, the summarised key objectives and priorities of the Strategy are to:

- support economic wellbeing through the Central Economic Development Agency (CEDA)
- promote the city to build a positive national and international reputation
- provide enough land and infrastructure to meet housing and business demands
- provide enough development capacity to meet expected demand for housing and business in the short, medium and long term
- meet legal requirements for building and resource consents
- provide public spaces with good urban design

- provide a transport system that links people and opportunities.



Figure 4 Overall Strategic Direction, Innovative and Growing City Strategy 2021-31 Report

Three different plans established in 2021 should be considered in conjunction with the Strategy: the City Growth Plan, Economic Development Plan and Transport Plan.

City Growth Plan

The City Growth Plan 2021-31 was established to contribute to PNCC's goals and vision of an innovative and growing city. The purpose of this Plan is for the Council to:

- develop capacity to meet expected demand for housing and business in the short, medium and long term
- perform the regulatory planning role under the Local Government Act and Resource Management Act
- provide public spaces (streets, open spaces, civic and community buildings and infrastructure) that are sustainable, connected, diverse, integrated, adaptable, interesting, comfortable and safe
- work with the development community to increase knowledge and influence urban design outcomes.

The Plan describes Council's housing and future development activities for the first three years (2021-2023) of the 10-Year Plan. Specific examples of the housing activities currently presented in the Palmerston North City include:

- Infill development is the most prevalent housing typology (62% in 2020 compared to the long-term average of 40%)

- There is capacity for approximately 300 greenfield residential sections. Greenfield housing development is predominately occurring at Aokautere
- Council has started working with landowners at Aokautere, Ashhurst, Kakatangiata, Roxburgh Crescent and Flyers Line to initiate planning processes to rezone land for more housing.

Some of the major activities that PNCC aims to achieve from this Plan include the following:

- Developing over 50% of housing within the existing urban footprint, through redevelopment and infill subdivision
- A constant supply of at least 1,800 greenfield residential sections and infrastructure capacity to exceed demand by 20% as required by the National Policy Statement
- Encouraging developers to deliver a more diverse range of housing types, such as duplexes, terraced housing, apartments and other multi-unit options, particularly in brownfield developments
- Developing housing opportunities at Ashhurst, Napier Road, and Roxburgh Crescent.

Economic Development Plan

The Economic Development Plan supports the priority to develop, provide and advocate for services and facilities that create a connected, welcoming and inclusive community. Some of the major activities that PNCC aims to achieve from this Plan include the following:

- Targeting at or above the national average GDP growth
- Leading a distribution hub
- Having average annual employment growth of 1.9% (a further increase of 12,000 jobs by 2031)
- Closing the gap between the average annual household income in Palmerston North and New Zealand overall
- Supporting new low carbon technology businesses
- Growing skilled workforce
- Supporting local Iwi Māori businesses and workforce.

Transport Plan

The Transport Plan is published to contribute towards the goal of Innovative and Growing Strategy, which is to provide an integrated multi-modal transport network to growth areas that connects people and goods with destinations in a safe, efficient and sustainable manner and meets new transport demands with less reliance on private motor vehicles. This Plan also supports the economic development opportunities in the Central New Zealand Hub, FoodHQ and Linton Military Camp. Some of the major activities that PNCC aims to achieve from this Plan include the following:

- Having an integrated transport network with clear priorities and movement principles for all users
- Investing in the Palmerston North Integrated Transport Initiative (PNITI)/Regional Freight Ring Road project
- Having zero deaths or serious injuries on streets
- Supporting the urban network that prioritises active and public transport and direct freight to the Regional Freight Ring Road
- Providing a timely transport infrastructure that supports city growth and economic development opportunities
- Involving Ragitane o Manawatū in major active and public transport projects

- Increasing active modes of transport (such as walking and cycling) participation to 15% of all journeys by 2024; to 20% by 2027; and to 30% by 2030
- Partnering with Horizons Regional Council to create a new urban bus terminal.

Housing demand

This section outlines a summary of the 2019 and 2021 Housing Capacity Assessment Reports that associated with housing demand and land availability to accommodate growth in Palmerston North.

Housing Capacity Assessment Report

The Housing Capacity Assessment Report (HCA) was published by Palmerston North City Council (PNCC) in June 2021, revising the HCA report published in May 2019. The purpose of this report is to meet the Council's requirements under the National Policy Statement on Urban Development Capacity 2020 (NPS) by assessing the availability of land and infrastructure to accommodate growth and provide market choice while responding to changing demographics in Palmerston North. The assessment in the report was also carried out to estimate the demand for dwellings and different types and locations of businesses and interactions between housing and business activities. In particular, the HCA reports issued in 2019 and 2021 provided the following context for the city of Palmerston North that may be relevant in developing the Masterplan for *Te Utanganui*:

HCA 2019

- The Capacity Assessment projections done in 2018 for Business Zone land (Retail, Office and Commercial Services) indicated a shortage of land over the next 30 years i.e., no shortage for the next 3 years but a shortage of 9 hectares in the next 3 to 10 years and 47 hectares in the next 10 to 30 years.
- The main infrastructure constraint for the urban Industrial Zone, the NEIZ and Extension Area relates to wastewater. However, the focus of the NEIZ and Extension Area is on dry industry such as distribution, storage and logistics activities.
- The HCA highlighted KiwiRail's intention to develop 60 hectares of land in the NEIZ Extension Area; while approximately 30 hectares of land in the Extension Area is already under contract.
- KiwiRail's plans to relocate to the NEIZ Extension Area means its Industrial Zone Tremaine Avenue freight yards, approximately 26 hectares of land, are likely to become available for small to medium scale industrial activity. The purpose of this relocation for KiwiRail is to better handle freight flows throughout the lower North Island. The company received a \$40 million commitment from the government's Provincial Growth Fund to assist it with the planning process for the project and for land purchase.
- The proposed 126 hectares of land in the Extension Area for large floor-plate transport, warehousing and logistics activities may only be sufficient to meet demand over the next 10 to 15 years and therefore the processes to rezone additional land may need to be initiated in the next 5 to 8 years.
- In total, Palmerston North has about 212 hectares of land zoned for large floor-plate industrial development, with approximately 150 hectares of land has already been developed or secured to develop in the short to medium term.
- Employment in the wholesale trade and road/transport sectors increased from 160 jobs in 2000 to 1,550 in 2018. The strongest rate of increase between 2000 and 2018 was in the Palmerston North Airport census area unit, which includes the industrial zone to the north-east of the city.

HCA 2021

- Demand for housing has accelerated due to recent strong economic growth and population growth.
- The city continues to experience a net loss from migration within New Zealand, but the estimated net loss declined from 430 people in the year to June 2019 to 280 people in the year to June 2020. Further increases in the construction of new housing stock in the city will be necessary for the city to move from a net domestic migration loss to a net gain.

- The construction industry is at capacity in terms of materials (especially timber) and labour. This has led to increased construction costs and delays due to closed borders, which may not be desirable for new builds due to risk of slow construction and additional building costs.
- The KiwiRail Freight Hub is expected to have an initial construction cost of \$1 billion and up to \$3 billion in additional logistics infrastructure over the next 20 to 30 years.

Housing growth projections

Following the National Policy Statement for Urban Development 2020, a significant feature of housing growth in Palmerston North is intensification, in the form of infill and multi-unit development. Intensification has been attractive to landowners due to large uplifts in land value. Greenfield capacity has also been consumed quickly, which is driving the need to bring forward long-term growth options to satisfy short and medium term demand in the city. Significant capacity is proposed to be rezoned and serviced over the first three years (2021-2024) of PNCC's long term plan to meet greenfield housing demand over the next 30 years. Changes will also be made to PNCC's District Plan to further encourage and enable more intensification and to place less reliance on growing the city outward. Additional growth in the outlying villages (Bunnythorpe, Ashhurst, Longburn and Linton) will also be explored to provide greater locational and price point choices for the market. Housing growth is important in developing the Masterplan as there would be value in exploring opportunities that associated with the growth such as industrial capacity of the NEIZ, new land identification, integrated stormwater management, efficient transport connection and increased employment.

According to Statistics New Zealand population estimates to June 2020, outlined in the HCA 2021 Report, Palmerston North had an estimated total resident population of 90,400 with an estimated urban area population of 81,640. The annual population growth is expected to increase by 1,269 people between 2021 and 2024 and is forecasted to grow to nearly 102,100 people and 42,000 households by 2048. Likewise, the Urban Growth Strategy 2009 and the HCA 2019 Report were also reported similar projections. A summary of short, medium and long term housing growth projections is outlined in Table 2 below.

Table 2 Summary of the household growth projections from Housing Capacity Assessment 2021 Report

Timeframe	Short term (2021 – 2024)	Medium term (2024 – 2031)	Long term (2031 – 2051)	30-year total growth (2021 - 2051)
Total household growth	1,269	2,936	6,891	11,096

In contrast, the Long-Term Plan (LTP) 2021-2031 has adopted a more optimistic growth picture (including the additional margins of 20% required by the National Policy Statement for Urban Development), shown in Table 3 below.

Table 3 The population and household projections outlined in the LTP 2021-2031

Timeframe	Annual population growth (people or % per annum)	Annual household growth (households or % per annum)
10-year projection 2021-31	1,089 or 1.1%	504 or 1.4%
20-year projection 2021-41	1,039 or 1.0%	459 or 1.2%
30-year projection 2021-51	1,002 or 1.0%	432 or 1.1%

Depending then on the forecasts used, demand for new household formation may range between 11,100 households in 30 years, and 13,000.

Bunnythorpe Village Surveys

PNCC has conducted several surveys and feedback to understand how Bunnythorpe residents wish to see the area develops as a community and how PNCC can prepare a Village Plan that meets Bunnythorpe residents' expectation.

The following surveys and feedback were completed:

- Bunnythorpe Public Hall Society and Bunnythorpe Community Committee Survey (completed in July 2015 with 42 respondents)
- City Council Village Plan Survey (completed in September 2016 with 71 respondents)
- Bunnythorpe Wishing Tree (completed in March 2016 with 73 respondents).

Most residents believed that Bunnythorpe is in need of these following key aspects:

- Facilities that would build on the sense of community such as a community hub
- Rooding and transport improvements such as roundabout and intersection improvements, and better pedestrian or cycling facilities
- Quiet and relaxed rural lifestyle
- Easy access to the services and facilities in Palmerston North and Feilding.

A major concern raised by the respondents was around a lack of community identity in Bunnythorpe in light of the developments currently happening in the NEIZ.

Scope and limitations

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