

1 Upper Hutt City Council

Key findings

- *Population growth: The Upper Hutt district has a requirement for 7,954 dwellings in the next 30 years.*
- *Housing Capacity: This assessment has identified capacity for 18,461 homes to meet demand over the short medium and long-term periods*
- *Business demand: Higher demand for business land resulting from higher growth over 2019 assessment with an identified demand of 55 hectares in the next 30 years.*
- *Business Capacity: There is business land in the short to medium term but in the longer terms capacity will rely on redevelopment.*
- *Infrastructure Capacity: Could be a challenge but Infrastructure Acceleration Funding will support growth.*

It is important to highlight that the Housing and Business Assessment represents a single point in time. All councils in the Wairarapa-Wellington-Horowhenua region are currently in the process of implementing changes to their District Plan. It is expected that through the submission process to the District Plans there will be some changes to the Plans as notified and these may impact this assessment and change sufficiency. At this point in time, we do not however know what those changes will be, but we know that in the housing assessment we have significant amounts of capacity that are unlikely to be impacted by any constraints from qualifying matters.

This report has been prepared for the Wellington Regional Leadership Committee (WRLC) as a report for the wider Wairarapa-Wellington-Horowhenua region. It will be used to support spatial and other planning being undertaken by the WRLC for that region. Whilst the report breaks land requirements down to a council level, we will be developing a regional response to meet required levels of expected demand. In the short term, this planning will be undertaken as part of the region's Future Development Strategy.

This chapter provides some detail and context for Upper Hutt City Council.

1.1 District Context

1.1.1 Upper Hutt District

Upper Hutt City covers 43,400 hectares in the Greater Wellington Region. Approximately 92% of the land is zoned rural or open space, with about 90% of that owned by Greater Wellington Regional Council and the Department of Conservation.

The urban environment lies predominantly within the valley floor, surrounded by forested hills along the eastern and western aspects. The city extends to the top of the Remutaka pass in the northeast and into the Akatārawa Valley to the north and northwest, almost reaching the Kāpiti Coast.

Te Awa Kairangi (Hutt River) travels through the valley, flowing downstream to the Taitā Gorge which separates Upper Hutt from its neighbour, Lower Hutt before it reaches Te Whanganui a Tara (the Wellington Harbour). The natural features of the Hutt Valley contribute to the District's overall identity, creating recreational opportunities and establishing ecological value. These natural environment qualities are a major drawcard for the over 47,500 people who call Upper Hutt home.

Upper Hutt has experienced significant growth in the past decade, with a particular increase in the 2010-2020s. Opportunities for affordable housing options in proximity to Wellington have been key drivers of growth.

In addition to the state highway network, a key attractor of the District is the Hutt Valley Rail Line, which traverses the length of the city, connecting Upper Hutt to the wider region, driving further attraction to the area and demand for housing and industrial development with good transport links.

1.1.2 Upper Hutt District Plan

The Upper Hutt District Plan was adopted in 2004.

The District Plan provides for residential use across the General Residential Zone and High Density Residential Zone, as well as within the City Centre Zone and as an activity ancillary to commercial activities within the Town Centre, Local Centre Zone. The District Plan also provides for rural residential activities within the Rural Zones.

Upper Hutt City Council (UHCC) has been engaged in a rolling district plan review process, with the recent focus in providing capacity and accommodating future growth. Since 2021, draft Plan Change 50 (PC 50) and the Intensification Planning Instrument (IPI) plan changes have been released to factor in the direction of the National Policy Statement on Urban Capacity (NPS-UD) to enable greater housing to meet demand. This includes specific requirements to enable high density living within at least a walkable catchment of existing and planned transport and edge of city centre zones and incorporate medium density residential standards (MDRS).

The changes proposed by the IPI to the operative District Plan were notified in August 2022 and form the basis of assessment for this HBA, but are still subject to change, with decisions due to be notified by August 2023.

1.1.3 Affordable Housing Strategy 2020

UHCC's vision is that all people living in Upper Hutt are well housed and have access to adequate, affordable housing that meets their needs. Whilst UHCC does not and will not own any social housing, this strategy states UHCC's commitment to working together and in partnership with central government and communities to achieve this vision.

The strategy sits alongside other Council strategies and identifies the critical role for UHCC is in setting land-use policy, undertaking further research, advocacy and monitoring, of which the HBA work programme forms a part, to help support and achieve our proposed outcomes for the District.

1.1.4 Sustainability Strategy 2020

Rautaki Whakauka Sustainability Strategy was adopted in 2020. With respect to the impacts of population growth, this strategy supports the adoption of more compact urban form and encourages adapting lifestyles that result in less consumption. This is seen as essential to accommodating new residents while restoring, preserving and enhancing the environment and quality of life. The aims of the Sustainability Strategy are consistent with Objective 8 of the NPS-UD which seeks to ensure that New Zealand's urban environments support reductions in greenhouse gas emissions; and are resilient to the current and future effects of climate change.

1.2 Residential Assessment and findings

This section provides demographic context and assessment of residential development capacity for the Upper Hutt City Council over the short (3 years), medium (10 years) and long term (30 years).

1.2.1 Population forecasts

The Sense Partners 2022 population forecast predicts that Upper Hutt can expect approximately 34.9% population growth by 2051, for a total population growth of 18,200 people. This long-term growth forecast has been moderated down from the 24,268 people predicted in the 2022 HBA, due to Covid-19 and border restrictions continuing to affect migration levels into the Upper Hutt district, the wider Wellington Region and New Zealand as a whole.

Table 1: Short, medium and long-term population growth for Upper Hutt District, 2021-2051

	<i>Estimated baseline total 2021</i>	<i>Population in 2024</i>	<i>Population in 2031</i>	<i>Population 2051</i>
<i>Sense Partners 50th percentile projection</i>	47,500	49,400	54,400	65,700

Table 2: Short, medium and long term change in population for Upper Hutt District, 2021-2051

	<i>Estimated baseline total 2021</i>	<i>Population change 2021-2024</i>	<i>Population change 2024-2031</i>	<i>Population change 2031- 2051</i>	<i>Total population change 2021-2051</i>
<i>Sense Partners 50th Percentile projection</i>	47,500	1,900	5,000	11,300	18,200
<i>Percentage change (%)</i>		4.0%	10.1%	20.8%	34.9%

1.2.2 Market analysis and demand for housing

The NPS-UD requires UHCC to use evidence about land and development markets to assess whether a well-functioning urban environment and sufficient housing capacity can be achieved.

The demand for housing in Upper Hutt is influenced by several factors, including changing population demographics, affordability and proximity to the transport network and employment centres. Travel data from the 2018 Census, identified that approximately 47% of people leave Upper Hutt for work. Whilst the census data showed that 9% of people working in Upper Hutt travel from outside the district, this pattern is now likely to have changed due to changing employment patterns related to Covid-19 and employment growth in Upper Hutt. More data will be available from the 2023 census.

These ever-changing factors result in differing housing needs and pressures which drive and influence demand for housing in Upper Hutt.

1.2.2.1 Changing demographics

In addition to population growth (which drivers the number of dwellings required), it is also important to understand changes in the age profile and household types in Upper Hutt, given their impact on the types of housing needed for Upper Hutt.

The population of Upper Hutt is expected to grow across almost all age cohorts over the next 30 years, and particularly attract late career and retirees to the city.

As with much of the rest of the region, and in keeping with national trends, Upper Hutt's older population is expected to grow significantly, with the elderly population in the city expected to more than double by 2051. This has resulted in an increase in independent living, retirement villages, rest and care homes and other types of accommodation for people in their 70s or older, and smaller 1 or 2 bedroom dwellings catering to elderly couples seeking to downsize.

While there is set to be an overall rise in Upper Hutt's working population by 2051, the percentage of the Upper Hutt population who will be of working age, will drop by 6.9%, a slightly smaller reduction than was projected in the 2022 HBA (which predicted a decrease of 7.3%). In comparison, single person households, and households comprising couples are set to increase by 2051. This may reduce demand for larger 3 to 4 bedroom, standalone houses favoured by established families, in favour of smaller 1 to 2 bedroom dwellings.

1.2.2.2 Home ownership affordability

As identified in the 2022 HBA, affordability of housing in Upper Hutt has been worsening in recent years.

House prices peaked in December 2021 at approximately \$920,000, however despite this, it was at this time that the number of houses sold and the proportion of sales to first home buyers were also at their highest, likely due to historically low interest rates brought about in relation to the COVID-19 pandemic.

Since this peak at the end of 2021, house prices, sales and first home buyer participation in the market have dropped considerably as shown in Figure 1 to Figure 4, which is likely due to external factors including interest rate rises, increasing inflation and the cost-of-living crisis.

It is unclear what impact increasing housing unaffordability will have on tenure over the long term, however the IPI plan change and the provisions of the MDRS.

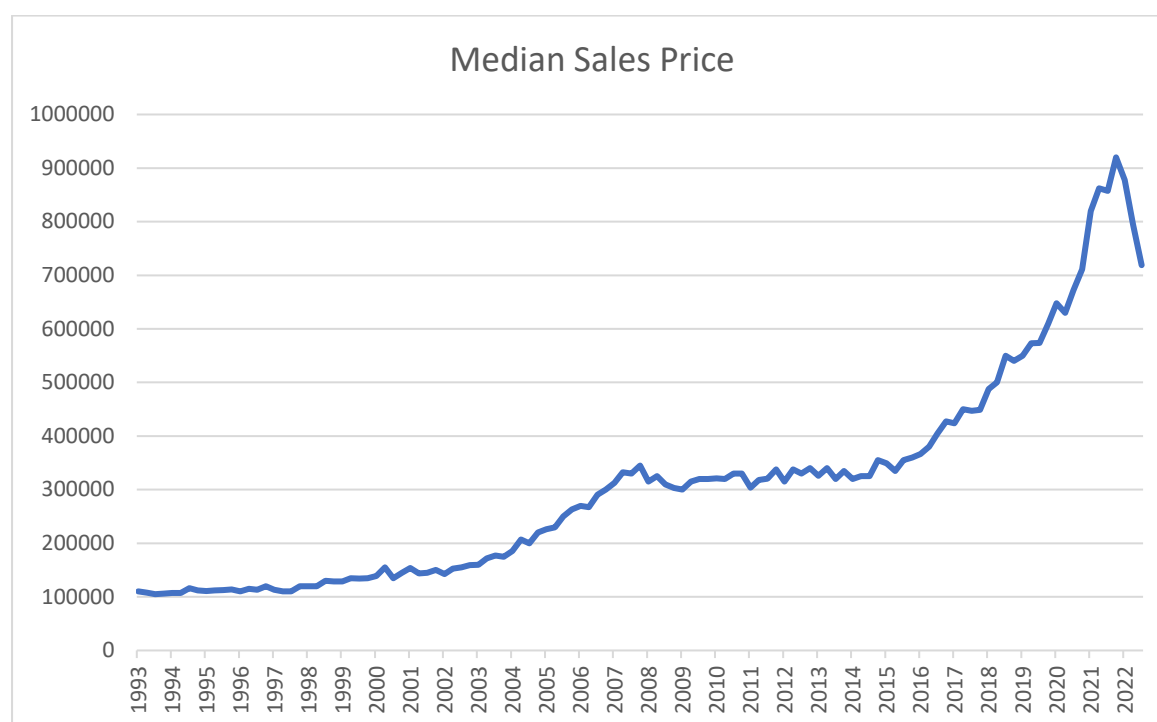


Figure 1: Median house sales price in Upper Hutt, 1993 to 2022

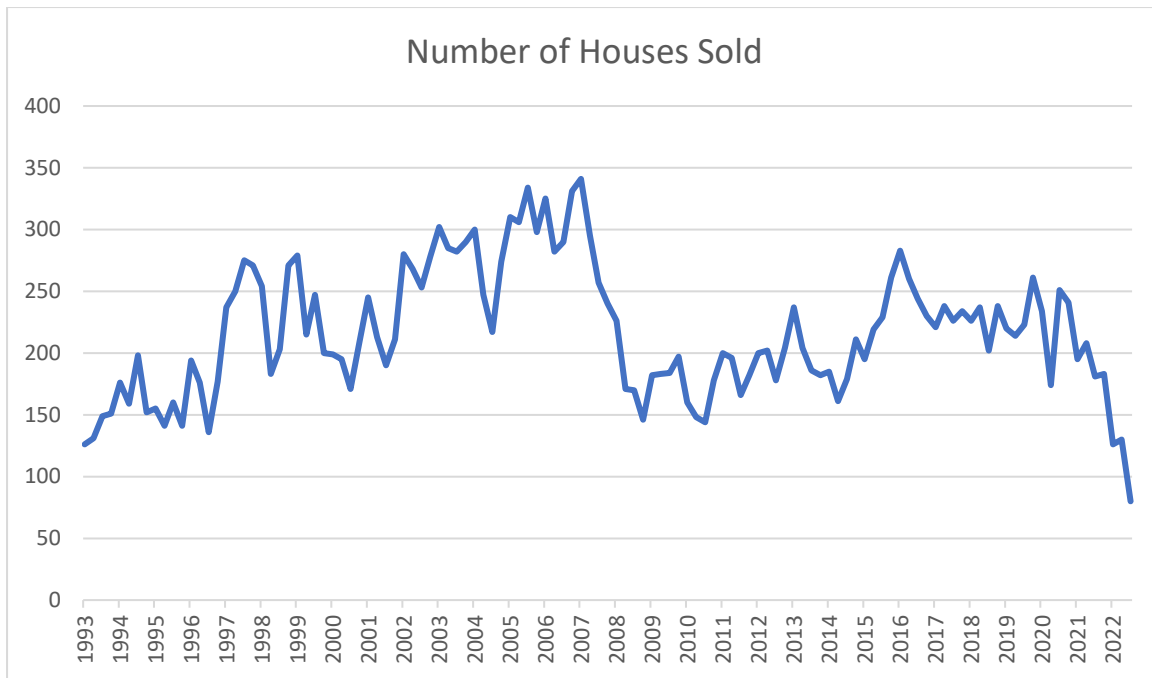


Figure 2: Number of houses sold in Upper Hutt, 1993 to 2022

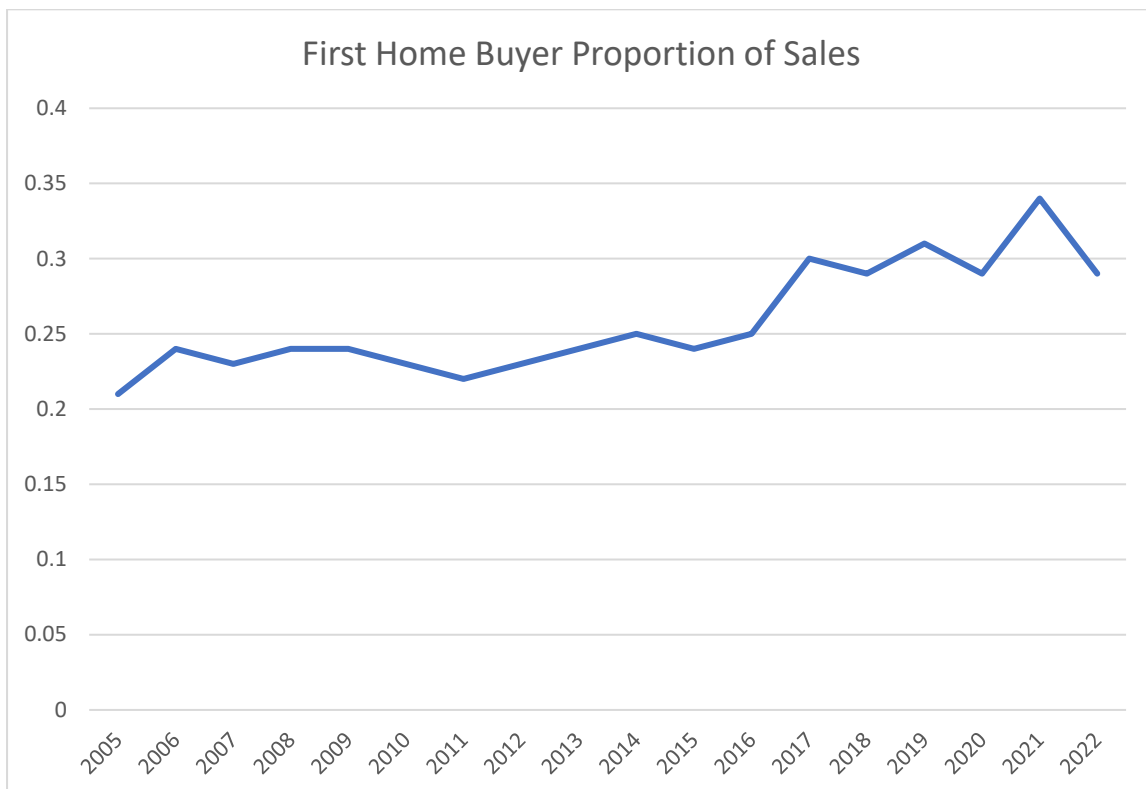


Figure 3: Proportion of first home buyers in number of sales in Upper Hutt, 2005 to 2022

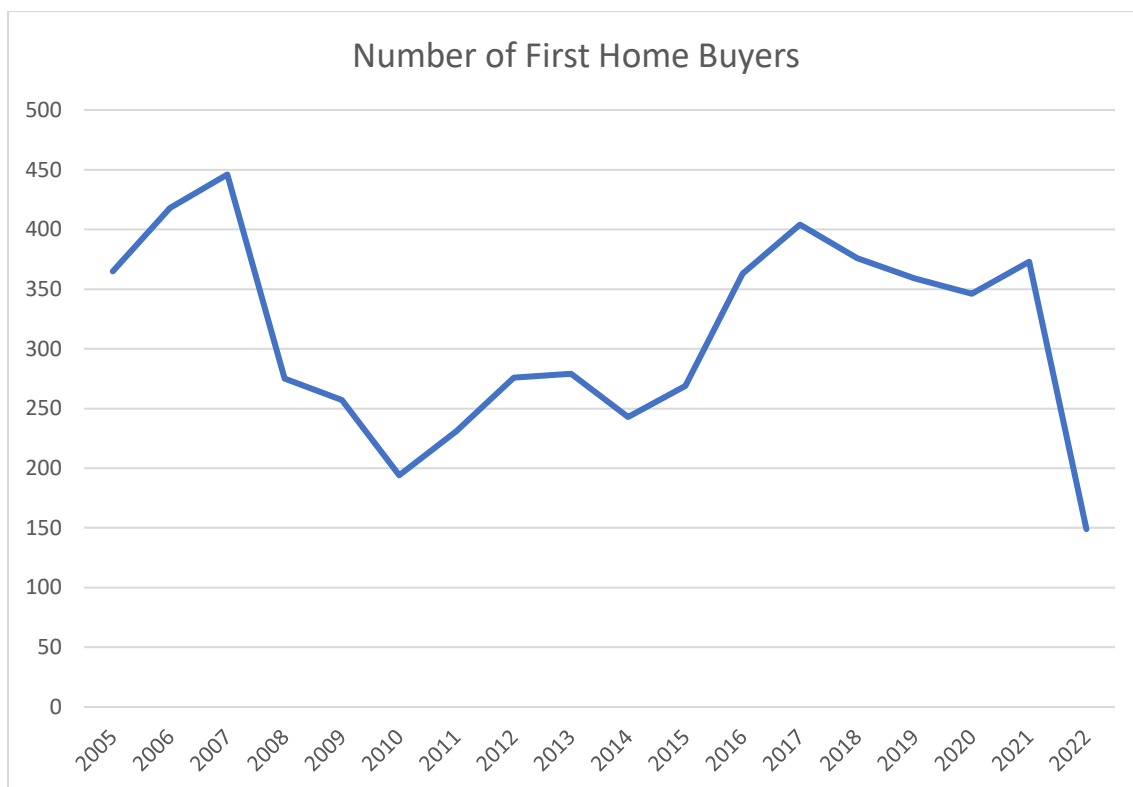


Figure 4: Number of first home buyers in Upper Hutt, 2005 to 2022

1.2.2.3 Renters

The 2018 census indicated the number of households renting in Upper Hutt has been steadily rising since 2006 to just over 27% in 2018. This proportion is expected to have risen in the five years since the census, due to worsening affordability, property market booms, the COVID-19 pandemic and the cost-of-living crisis.

The Ministry of Business, Innovation and Employment (MBIE) database of information relating to rent and bonds, recorded 2,925 active bonds in Upper Hutt, in May 2023. The data is for non-government owned properties that MBIE has information on and provides a useful indication of the nongovernment rental market based on bonds lodged.

Figure 5 shows the geometric mean rent data between 1993 and 2022. In this time, the mean rent has risen approximately 285%, with the mean rent in 2022 reaching \$582 per week.

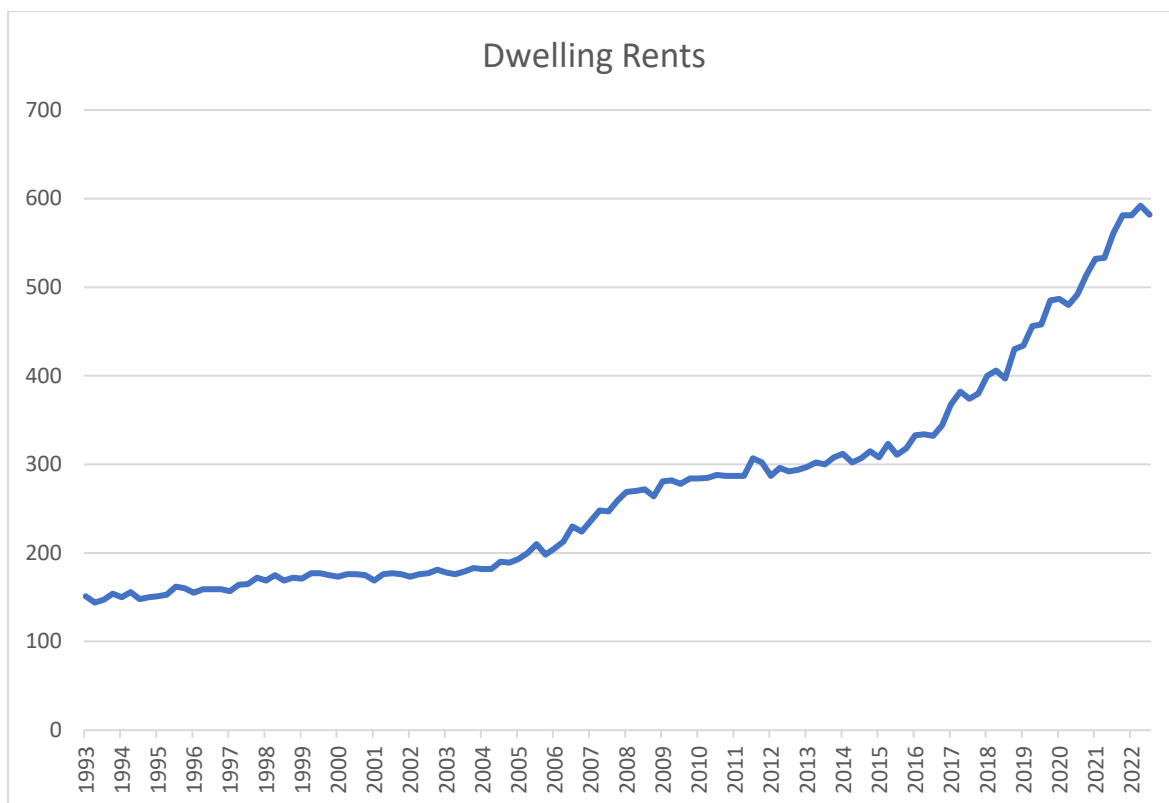


Figure 5: Dwelling rents in Upper Hutt, 1993 to 2022.

1.2.2.4 Māori housing

The last HBA identified that Upper Hutt’s Māori population is steadily increasing and represented 16% of Upper Hutt’s total population and approximately 2,577 households in 2018. The majority of households identifying as Māori are comprised of families with children (58%), and the vast majority of all Māori households live in separate dwellings (82%).

This current HBA has not specifically analysed Māori housing demand of typologies or forms for Upper Hutt in detail, however it should be noted that the IPI plan change has sought to specifically enable papakāinga developments throughout Upper Hutt.

These provisions would provide for housing and ancillary activities (including social, cultural, educational, recreational and commercial activities) for tangata whenua on their ancestral land, particularly in mixed use, residential and rural residential zones. This specific enablement is likely to influence demand for papakāinga developments where previous demand was unable to be identified, and further influence household composition changes, as the developments are uptaken.

1.2.2.5 Public housing

Public housing, transitional housing and emergency housing is another factor which should be analysed to understand the current picture of demand for appropriate housing, for people on low incomes or those in vulnerable or precarious situations in respect of their housing in Upper Hutt.

The Public Housing Register indicates that housing need among those in Upper Hutt on low incomes has been increasing steadily since 2017, indicating that demand for this type of housing is outstripping available supply of public housing. The worsening affordability of housing and increasing demand, particularly in the renting portion of the market, may be a factor in the rise of public housing registrations as those in vulnerable positions or low incomes are priced out of the market.

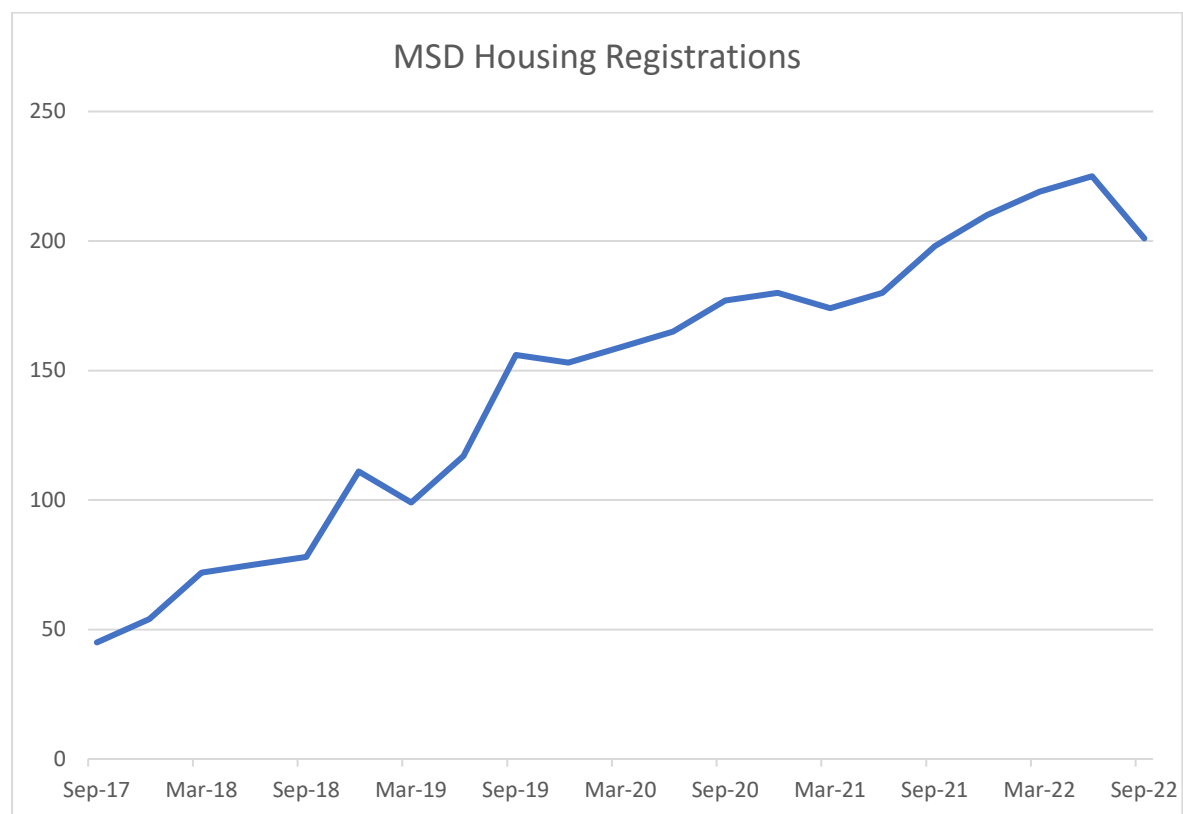


Figure 6: Housing need in Upper Hutt, September 2022

1.2.3 Forecast housing demand

The projected population growth in Upper Hutt requires an increase in the number of dwellings to accommodate the increased population.

Sense Partners have provided projections for dwellings and dwelling types set out in the tables below. In accordance with the NPS-UD, a margin of 20% is added to the short and medium-term demand, and 15% to the long-term demand. The inclusion of this buffer ensures there is additional capacity to support competitiveness in housing demand.

Table 3: Additional dwelling demand for the district, by dwelling type (including NPS adjustment)

Dwellings in 2021	Additional dwelling demand 2021-2024	Additional dwelling demand 2024-2031	Additional dwelling demand 2031-2051	Total increase d dwelling demand

Additional attached dwellings	3,777	126	541	1,339	2006
Additional standalone dwellings	15,170	808	1,470	3,645	5923
Total additional dwellings	19,317	942	2016	4973	7931

These district-wide demand projections were further broken down into the different growth catchments identified in the previous HBAs, and by SA2 suburbs. In order to accurately reflect urban growth demand in accordance with the NPS-UD, the Akatārawa and Mangaroa/Whitemans growth catchment has been removed from analysis. As with the 2022 HBA, the projections expect that the majority of growth would be within the central areas of Upper Hutt, where dwellings (and therefore households) have better access to transport links, services and amenities.

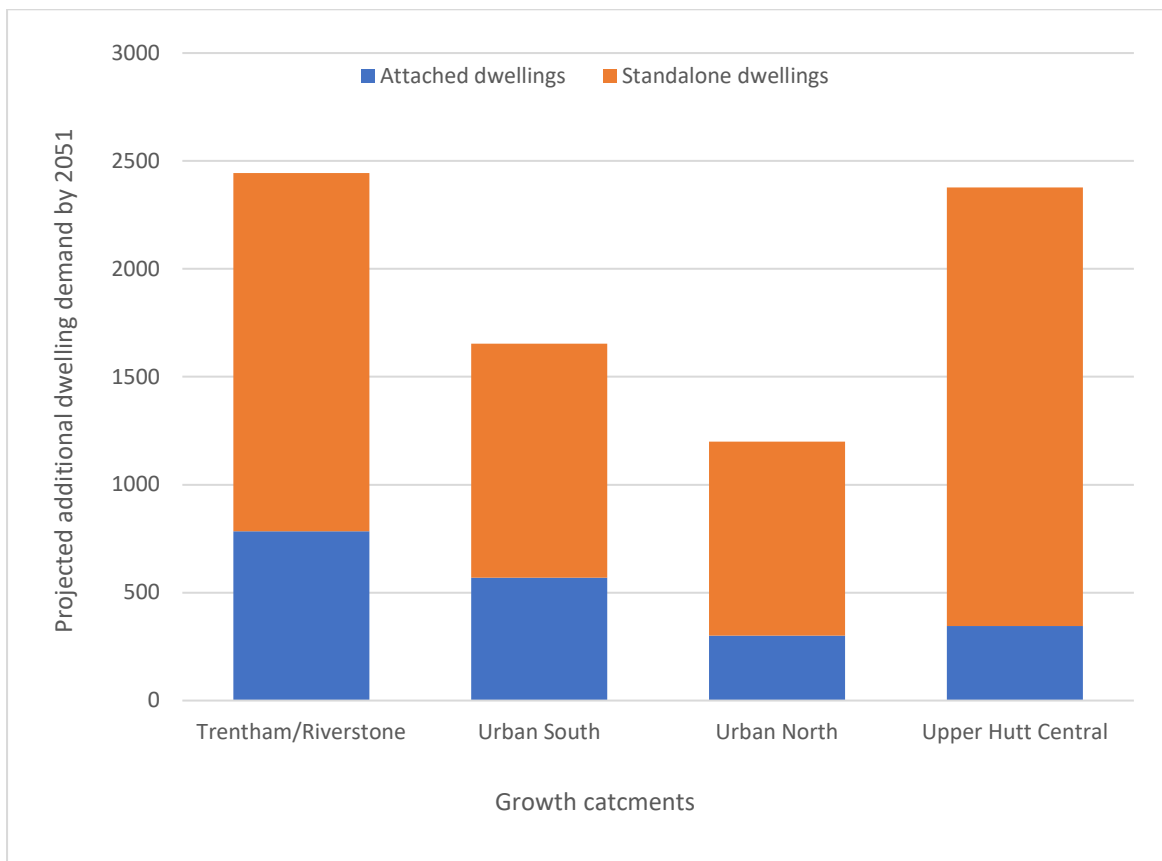


Figure 7: Projected additional dwellings 2021-2051 in Upper Hutt, by growth catchment area

Table 4 shows this future demand and typology breakdown over the short, medium and long term and identifies the continued demand for standalone dwellings, alongside the increasing demand for attached dwellings in Upper Hutt, overtime.

Table 4: Additional dwelling demand for the district, by growth catchment area and, by dwelling type (including NPS adjustment)

Housing area	Dwellings in 2021	Additional dwelling demand 2021-2024	Additional dwelling demand 2024-2031	Additional dwelling demand 2031-2051
		Number	Number	Number
Trentham/ Riverstone	5,003	473	647	1325
Attached dwellings	1264	79	273	433
Standalone dwellings	3641	394	371	894
Urban South	3,479	106	292	1246
Attached dwellings	508	4	29	537
Standalone dwellings	2910	99	261	724
Urban North	3,314	130	364	710
Attached dwellings	450	16	134	151
Standalone dwellings	2804	112	231	556
Upper Hutt Central	6,396	188	647	1549
Attached dwellings	1460	24	103	218
Standalone dwellings	4819	161	543	1329

1.2.4 Residential capacity – plan enabled, feasible and realisable

This section provides the assessment of residential development capacity calculated from the District Plan (including the notified IPI MDRS provisions). It is important to note that the IPI process is ongoing and may be subject to change which may affect the capacity figures identified below.

Property Economics have developed a model identifying the theoretical development capacity, feasible development capacity and finally, realisable development capacity within Upper Hutt.

1.2.4.1 Theoretical capacity

The theoretical development capacity is identified for all residential and mixed-use zones by applying the maximum development capacity of the land based on their underlying zoning and development controls. The assessment includes two scenarios – an infill scenario – which includes development capacity that can be developed around existing buildings; and redevelopment, which assumes what can be built if sites were redeveloped. Both infill and redevelopment scenarios are then also assessed against development of different housing typologies, including standalone housing, terraced housing, and apartments.

For Upper Hutt, based on the underlying zoning and development controls enabled by the IPI, the total theoretical capacity (including mixed used developments) identified was 209,996 new dwellings across the city. The model further identifies Trentham North as the suburb with the largest theoretical capacity at 27,527 dwellings.

Potential greenfield developments were also assessed, providing an additional theoretical capacity of 31,693 new dwellings. This results in a total combined theoretical capacity of 241,689 new dwellings in Upper Hutt.

This is a sizeable uplift from the previous HBA theoretical capacity of approximately 10,000 dwellings, illustrating the significant increase in enabled residential development capacity within the city, under the IPI and the potential effect this may have on the supply of housing in the District and the subsequent accessibility of the housing market.

1.2.4.2 Feasible capacity

To determine the feasible capacity, Property Economics have drawn on a range of development factors including location, land costs, building costs and sales values to inform what development scenarios are profitable (which was assessed at a 20% profit) - to indicate the extent to which the theoretical development capacity is feasible to develop at this point in time. The assessment also sought to determine the typologies which would be most profitable (and therefore more likely to be feasibly developed) across the city.

This assessment determined that developments undertaken by either an owner occupier or a developer, then there is potential for 25,543 additional dwellings within the Upper Hutt market (including greenfields), representing an approximately 11% feasibility rate on any theoretical capacity.

1.2.4.3 Realisable capacity

In addition to the feasibility assessment, Property Economics further sought to overlay policy and practical considerations, to take into account what is likely to be developed in today's market in Upper Hutt.

The realisation rates essentially provide for the ‘likelihood of development’, taking into consideration dwelling typology, development options and greenfield competition, and endeavours to consider the risks associated with the development of certain typologies, and the motivation of developers.

Table 6 identifies the realisable capacity by typology, in relation to the proposed theoretical capacity figures enabled by the District Plan. This further assessment shows that while the proportion of developments which can be ‘feasibly’ undertaken is approximately 10% of the theoretical capacity, the realisable development (taking into account further market risks and measures) is smaller still at an 8% realisation rate across the city. This results in a projected 18,461 new dwellings able to be built within Upper Hutt by 2051.

In keeping with dwelling demand projections, standalone developments have a higher realisation rate than other typologies and make up a large proportion of the type of dwellings which are likely to be built in Upper Hutt over the next 30 years.

Table 5: Realisable capacity in Upper Hutt

Type	Realisable capacity	
	Total	% of theoretical capacity
Apartments	891	0.4%
Standalone	15,084	6%
Terraced	2,485	1%
Greenfield	2,282	7%
Total	18,461	8%

This realisable capacity has been further broken down for the same growth catchments, identified in the demand section and includes realisation capacity figures for greenfield developments.

Housing area	Realisable capacity	
	Total	% of theoretical capacity
Trentham/ Riverstone	4,142	8%
Urban South	5,695	9%
Urban North	9,185	23%
Upper Hutt Central	3,335	5%

1.2.5 Sufficiency of residential capacity

To then determine assess the capacity of Upper Hutt to meet its projected housing needs in the short, medium and long term, it is important to reconcile the additional dwelling demand identified by Sense Partners, with the actual realisable capacity modelled by Property Economics.

Under the 50th percentile projection provided by Sense Partners, Upper Hutt is expected to require an additional 7,931 dwellings by 2051. The current district plan settings, including the capacity unlocked by the inclusion of MDRS standards by the IPI plan change, provides the District with a total realisable capacity of 18,461 additional dwellings, which is approximately twice the projected demand. This is broken down further in Table 6.

Based on this, it is clear that Upper Hutt City has more than sufficient realisable capacity to meet its projected housing needs over the next 30 years.

Table 6: Overall summary of supply to meet demand

Type	2021-2024	2024-2031	2031-2051	TOTAL
<i>Demand (inflated with 20%/15% buffer)</i>	942	2016	4973	7931
Attached	126	541	1,339	2006
Standalone	808	1,470	3,645	5923
<i>Development capacity (realisable)</i>				18,461
Apartment	874	-	-	891
Standalone	13,235	-	-	15,084
Terraced	2541	-	-	2,485
Greenfield	2277	-	-	2,282
<i>Balance</i>		+ 8,719		
<i>Sufficiency</i>	Yes	Yes	Yes	

1.3 Business Assessment and findings

1.3.1 Business areas

The NPS-UDC requires us to identify the overall sufficiency of development capacity to meet our future demand for business over the short (3 years), medium (10 years) and long term (30 years).

Historically, the location of industry in Upper Hutt has been influenced by two factors, land availability in southern and eastern Upper Hutt and the close proximity of transportation links.

Business land has been broken down into different business areas to help support analysis of demand and development capacity as part of this assessment. Collectively these business areas cover approximately 520 hectares of the district.

As with the previous HBA assessment, the areas assessed were based on 13 defined business clusters around Upper Hutt. These areas were categorised based on underlying zoning, in conjunction with established business characteristics and their boundaries. These areas are shown in Figure 68.

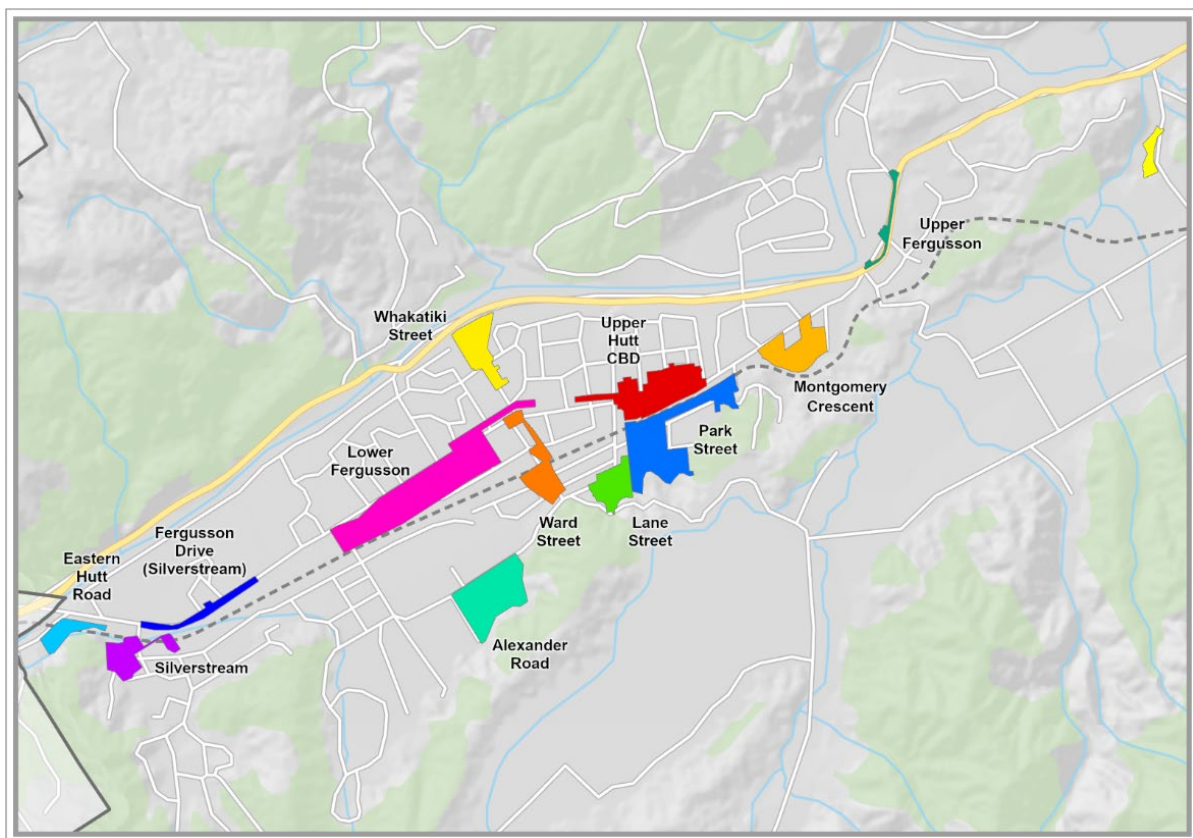


Figure 68: Business areas in Upper Hutt

The list below identifies some of the existing types of businesses located within the areas shown in the map above:

- Upper Hutt CBD – commercial, retail, services
- Ward Street – commercial
- Alexander Road – light and heavy industrial, manufacturing, commercial
- Park Street – light industrial, commercial, retail
- Maymorn – industrial, commercial
- Lane Street – commercial, retail, services,
- Montgomery Crescent – industrial, manufacturing

- Fergusson Drive - Commercial
- Silverstream – retail, commercial,
- Whakatiki Street – industrial, commercial, retail,
- Eastern Hutt Road – industrial
- Upper Fergusson – Suburban Commercial
- Lower Fergusson – Suburban Commercial-Industrial

The commercial and retail areas are typically found in the city centre (which is also a sub-regional centre in the Wellington Region) and at Silverstream, with smaller centres serving a more local need developing across the city.

The Upper Hutt District Plan, under the IPI, seeks to provide for a hierarchy of centres (in accordance with the NPS-UD) to support business development within the district by rezoning key areas of commercial and community activity.

In Upper Hutt, the Local and Neighbourhood Centre Zones support a range of small-scale commercial, retail and community activities that service the day-to-day needs, whilst larger developments are located within the Mixed Use Zones and Industrial Zones

1.3.2 Key business statistics and figures

Figure 79 identifies business trends (number of jobs and business typologies) in Upper Hutt in the five-year period between 2017 and 2022.

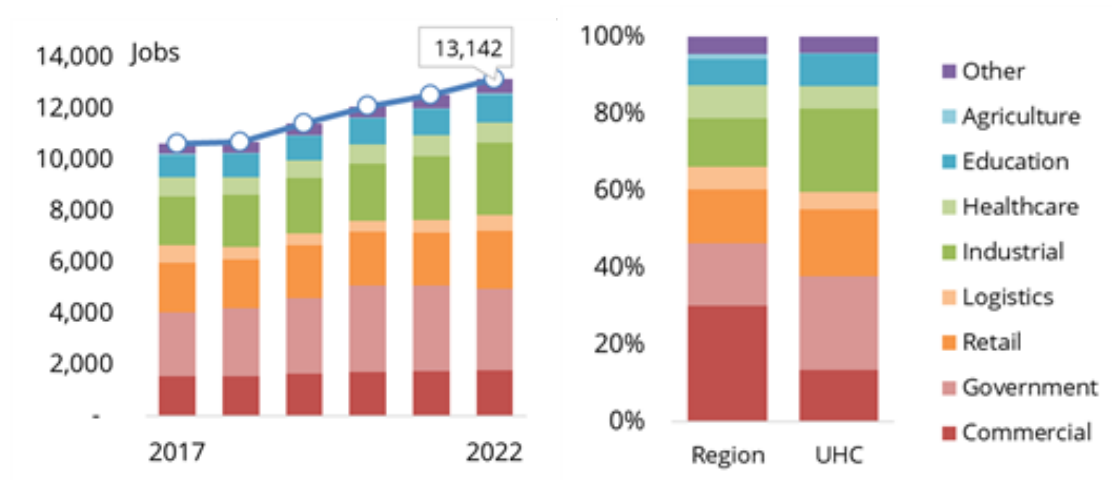


Figure 79: Employment trends in Upper Hutt, 2017 to 2022

As can be seen, the demand for industrial land has been increasing, and government activities make up a key part of the economy.

Upper Hutt has seen a consistent increase in demand for greenfield land for industrial purposes. This demand has been for different scales of operation, which is partly driven by the logistics and food industry.

Whilst retail demand has been declining, vacancies remain stable as the retail businesses are replaced by those working in the service sector. The government sector employs 3,200 people in Upper Hutt, of which around half are employed at the Trentham Military Camp and

the strong government presence is increasing. Some institutions are moving activities outside of Wellington, to locations like the Blue Mountains Campus, for resilience and business continuity reasons which are driving some of this demand.

Upper Hutt is also home to the New Zealand Campus of Innovation and Sport (NZCIS) and the National Training Centre for the Department of Corrections, whilst 740 people are employed at Remutaka Prison.

Whilst not specifically identified in figure 7 as its own category, the film industry also has a presence in Upper Hutt at the studios in Lane Street.

The quarterly economic report produced by Infometrics identifies that in the year to March 2023 the economy in Upper Hutt grew by 3.4%, employment grew by 3.1% and spending increased by 7.9%. Whilst unemployment increased slightly to 2.4% from the record low of 2.3% in 2022, this is lower than regional and national unemployment rates and the economy remains relatively stable.

1.3.3 Key Growth Drivers

In Upper Hutt, as elsewhere in the region, population growth remains a key driver for business growth. For the last 7 years population growth has tracked above the regional average, and Upper Hutt is expected to see 34.9% increase in population by 2051.

It is expected that in the short term there will be an increase in demand to support major development activity such as business activities in the Blue Mountains Campus, Lane Street Studios and the NZCIS.

Transport improvements such as Riverlink and rail investment will also make travelling to Wellington easier and support the high number of commuters arriving and departing Upper Hutt. Currently 22% of Upper Hutt's residents travel to Wellington CBD, whilst 25% commute elsewhere across the region. Conversely, 9% of workers in Upper Hutt reside outside the District.

It is anticipated that improvements to transport links will boost business activity In Upper Hutt and this, along with an expected continuing trend of some businesses locating in Upper Hutt due to resilience and business continuity, could affect travel patterns.

1.3.4 Market analysis and demand for business

Sense Partners have updated the business demand forecasts used in the 2019 HBA. Demand is based on Sense Partners 2022 population forecast and demand for business 'land' and 'floorspace' are broken down across seven core business sectors.

A model of economic activity was used to project region wide employment out to 2052. This model draws on job numbers by sector over the past 20 years and considers the relationship between different sectors over time and trends implied by the data.

Growth is anticipated in all business sectors in the long term, but analysis has identified that industrial business demand could be more affected in Upper Hutt, than in Wellington in an economic downturn.

Recent investment activity in Upper Hutt is an indication of market demand in Upper Hutt and includes:

- Brewtown – Hospitality;
- Eastern Hutt Road – Industrial Development;
- Ward Street – Government and other commercial businesses; and
- Lane Street – Film industry.

Building consents are also a good indication of investment in business activity and non-residential building activity.

Over the last five years data identifies 449 non-residential building consents, although 133 of these were farm buildings, 25 school buildings and 20 retirement units.

1.3.5 Forecast business demand

In accordance with the NPS-UD, demand has been identified for the short (3), medium (10) and long term (30) year period.

Future business demand is determined by considering the key drivers of economic development, patterns of employment change and market analysis. Figure 8 below identifies anticipated changes to commercial activity over the next 30 years.

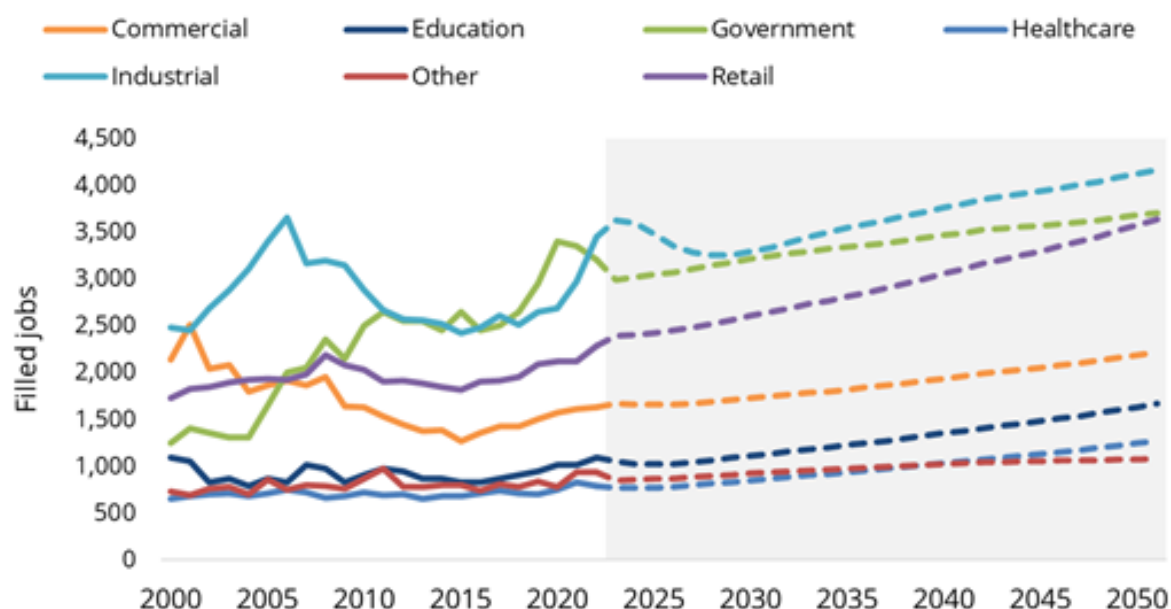


Figure 810: Employment in Upper Hutt, 2000 to 2052

Whilst **Figure 810** identifies the changes in employment figures over time, *Table 7* identifies how these employment figures translate into floorspace and land requirements.

Table 7: Demand for business land and floorspace by business sector over the short, medium and long term.

Type	Floorspace (m²)				Land (hectares)			
	2021-2024	2024-2031	2031-2051	Total	2021-2024	2024-2031	2031-2051	Total
<i>Commercial</i>	438	1,892	8,366	10,697	0.04	0.19	0.84	1.07
<i>Education</i>	-2,809	5,493	21,667	24,351	-0.37	0.73	2.89	3.25
<i>Government</i>	-2,708	3,863	8,076	9,331	-0.27	0.40	0.81	0.93
<i>Healthcare</i>	-687	4,449	16,514	20,276	-0.09	0.59	2.20	2.70
<i>Industrial</i>	10,679	-28,410	272,643	254,912	1.07	-2.84	27.26	25.49
<i>Other</i>	-2,952	3,334	5,526	5,908	-0.39	0.44	0.74	0.79
<i>Retail</i>	5,062	9,207	35,313	49,582	1.01	1.84	7.06	9.92
Total	7,023	-172	368,105	375,057	0.99	1.36	41.80	44.15

In accordance with the NPS-UD, a buffer of 20% is added to the short and medium-term demand, and 15% is added to the long-term demand. The inclusion of this buffer provides an additional margin to support competitiveness. The resulting inflated demand is as follows:

Table 8: Demand for business land and floorspace with competitive margin by business sector over the short, medium and long term

Type	Floorspace (m2S)				Land (hectares)			
	2021-2024	2024-2031	2031-2051	Total	2021-2024	2024-2031	2031-2051	Total
<i>Commercial</i>	526	2,270	9,621	12,418	0.05	0.23	0.96	1.24
<i>Education</i>	-2,247	6,592	24,917	29,262	-0.30	0.88	3.32	3.90
<i>Government</i>	-2,167	4,756	9,288	11,877	-0.22	0.48	0.93	1.19
<i>Healthcare</i>	-549	5,339	18,991	23,781	-0.07	0.71	2.53	3.17
<i>Industrial</i>	12,814	-22,728	313,539	303,625	1.28	-2.27	31.35	30.36
<i>Other</i>	-2,361	4,001	6,354	7,994	-0.31	0.53	0.85	1.07
<i>Retail</i>	6,074	1,148	40,610	57,733	1.21	2.21	8.12	11.55
Total	12,090	1,378	423,320	446,690	1.64	2.76	48.07	52.48

Land demand will be higher than floorspace requirements as this includes servicing requirement for the site such as parking and access. Industrial land, which equates to around half of Upper Hutt's demand for floorspace also tends to be more space intensive and require separation from sensitive land uses such as residential development.

Conversely retail and commercial sector development can be easier to accommodate and co-locate with other land use activities.

1.3.6 Business capacity – plan enabled, feasible and realisable

This section provides the assessment of business development capacity, and this follows a similar process to the residential capacity assessment in that the calculations are based on plan enabled development (including the notified IPI plan change).

The assessment undertaken by Property Economics looks at theoretical capacity for mixed-use and business areas based on their underlying zoning and development controls, and then a feasibility lens is applied to identify how much of that theoretical capacity could be realised.

The theoretical assessment considers scenarios for infill and redevelopment as well as identifying vacant land. The infill scenario identifies potential development capacity available alongside existing buildings, whilst vacant land is a sub-category of the redevelopment scenario.

Assumptions were made to help provide a more realistic assessment of development capacity. This included:

- using ratios to split development capacity between residential and business uses in areas that enable mixed uses
- appropriate site coverages to help provide a more realistic provision of the use of land including space to provide for parking and accessways to support shops, services and yard space
- additional site coverages applied for some sites
- heights of buildings used in industrial areas.

The vacant land is arguably the most important in the short term as it is readily available and is currently zoned for business development.

However, while building heights in industrial zones enables multi storey development, an assumption of single storey development has been used across industrial areas to reflect the large warehouse and factory building typology which is predominate across this zone.

Further information on modelling process and assumptions can be found in the supporting HBA methodology document.

Theoretical – Plan enabled capacity

Table 9 and *Table 10* identify the theoretical capacity by zones that accord with the NPS-UD for both floor space and land.

Table 9: Comparison of business floorspace by business zone

Business Zone	Existing floorspace			
	sqm	Infill (ha)	Redev (ha)	Vacant
City Centre Zone	78.411	22.48	80.36	7.49
General Industrial Zone	251.399	17.44	83.12	11.02
Local Centre Zone	19.172	8.53	26.69	
Mixed Use Zone	125,057	41.14	140,63	1.72
Neighbourhood Centre Zone	4,583	1.52	3.20	
Town Centre Zone	5,711	1.71	5.22	
Total	48.43 ha 484,333sqm	92.83	339.22	20.23

Table 10: Comparison of business land by business zone

Business Zone	Existing floorspace			Vacant (ha)
	(sqm)	Infill (ha)	Redev (ha)	
City Centre Zone	78.411	5.10	7.31	0.68
General Industrial Zone	251.399	9.62	29.80	3.94
Local Centre Zone	19.172	2.32	3.34	
Mixed Use Zone	125,057	6.99	17.58	0.21
Neighbourhood Centre Zone	4,583	0.71	1.06	
Town Centre Zone	5,711	0.39	0.65	
Total	48.43 ha 484,333 sqm	25.12	59.74	4.83

Feasibility

Given the complexities in modelling different potential uses of business land, a Multi Criteria Analysis (MCA) has been used as a way of assessing the feasibility of development across

business areas. The MCA uses a range of criteria to help identify relevant merits and constraints within business areas, to provide a picture of preferences for business development across the district. Details of the MCA process are available on request.

Table 11: Comparison of business floorspace by business area – with MCA score

<i>Business Area</i>	<i>MCA Score</i>	<i>Existing floorspace (sq)</i>	<i>Infill (ha)</i>	<i>Redev (ha)</i>	<i>Vacant</i>
<i>Area 1 Alexander Road</i>	56	55,501	4.05	24.46	9.83
<i>Area 2 Eastern Hutt Road</i>	49	6,854	0.93	4.63	0.03
<i>Area 3 Fergusson Drive</i>	48	4,288	1.80	5.68	0.77
<i>Area 4 Lane Street</i>	53	31,596	11.53	34.81	
<i>Area 5 Lower Fergusson</i>	44	34,658	9.75	28.51	0.95
<i>Area 6 Maymorn</i>	54	2,554	0.68	3.49	0.79
<i>Area 7 Montgomery Crescent</i>	51	6,052	3.17	13.83	
<i>Area 8 Neighbourhood Centre Zones</i>	-	4,583	1.51	3.20	
<i>Area 9 Park Street</i>	55	11,6800	22.07	91.49	0.16
<i>Area 10 Silverstream</i>	48	23,181	2.67	9.39	
<i>Area 11 Upper Fergusson</i>	44	1,830	1.01	2.53	
<i>Area 12 Upper Hutt CBD</i>	59	87,945	26.47	89.27	7.49
<i>Area 13 Ward Street</i>	56	6,395	4.10	12.44	
<i>Area 14 Whakatiki Street</i>	49	47,696	3.07	15.50	0.21
<i>Total</i>	N/A	<i>48.43 ha 484,333sqm</i>	92.83	339.22	20.23

Table 12: Comparison of business land by business area – with MCA score

<i>Business Area</i>	<i>MCA Score</i>	<i>Existing floorspace</i>	<i>Infill</i>	<i>Redev</i>	<i>Vacant</i>
<i>Area 1 Alexander Road</i>	56	55,501	2.24	8.59	3.49
<i>Area 2 Eastern Hutt Road</i>	49	6,854	0.44	1.76	0.02
<i>Area 3 Fergusson Drive</i>	48	4,288	0.39	0.71	0.10
<i>Area 4 Lane Street</i>	53	31,596	1.70	4.35	
<i>Area 5 Lower Fergusson</i>	44	34,658	2.58	3.56	0.12
<i>Area 6 Maymorn</i>	54	2,554	0.30	1.27	0.28
<i>Area 7 Montgomery Crescent</i>	51	6,052	1.75	5.16	
<i>Area 8 Neighbourhood Centre Zones</i>	-	4,583	0.71	1.07	
<i>Area 9 Park Street</i>	55	11,6800	5.88	15.35	0.06
<i>Area 10 Silverstream</i>	48	23,181	0.74	2.07	
<i>Area 11 Upper Fergusson</i>	44	1,830	0.16	0.32	
<i>Area 12 Upper Hutt CBD</i>	59	87,945	6.03	8.42	0.68
<i>Area 13 Ward Street</i>	56	6,395	0.56	1.55	
<i>Area 14 Whakatiki Street</i>	49	47,696	1.64	5.57	0.09
<i>Total</i>	<i>N/A</i>	<i>48.43 ha 484,333 sqm</i>	<i>25.12</i>	<i>59.74</i>	<i>4.83</i>

Key characteristics from across these areas include:

- Alexander Road scored second highest in the assessment. Capacity is minimal at this site and public transport is limited, but the area offers a range of scales of operation.
- Eastern Hutt Road – Resilience can be an issue here due to flood issues and accessibility to the rail station is difficult despite this being on a railway line. However, its location near State Highway 2 is making it attractive to the construction, distribution, logistics and freight industries.

- Fergusson Drive and Silverstream – These areas have a scattering of business activities within areas of higher density residential activities. Demand could increase in these areas in future, but feasibility could be an issue due to high land value and fragmented sites. Silverstream is identified as a town centre, where the NPS-UD anticipates higher density development in future.
- Lane Street, Goodshed Road and Park Steet – This is now a mix of hospitality, commercial and industrial activities. Access is constrained but more improvements are anticipated.
- Maymorn. Access remains limited but this area has attracted some industrial activity. Reverse sensitivity may be an issue.
- Montgomery Crescent – This is a general industrial area, and whilst capacity is limited development has been occurring as existing companies move out of the area. There is also some reverse sensitivity issues in this area.
- Neighbourhood Centre Zones – As identified above, these are small scale commercial areas with a mix of retail and commercial activities that serve a local need.
- Upper Hutt CBD scored the highest in the assessment – This reflects the role and function of the CBD coupled with the desirability of the location with good transport connections and access. Resilience is high and there is potential for some growth with mixed use developments making opportunities more feasible.
- Ward Street – This area includes the Blue Mountains Campus and has been attracting government agencies. Whilst access to other businesses is limited, this area has the potential to be self-sufficient. There is still some capacity, which could be realised in 2025.
- Whakatiki Street – Industrial area to the north of the City with access to State Highway 2. Capacity at this location is limited to infill and redevelopment opportunities.

Whilst this is not an identified business area, NZCIS based near Heretaunga rail station and Trentham Military Camp has seen a significant level of investment in office, sports and government activities. Road access is more limited than for some sites, but rail access is good and there is still some capacity. Recently two major sporting teams and the Corrections Training Centre have located here.

The nature and type of business development taking place identifies that there have been and are opportunities and options available for a range of business activities to locate in the District. However, supply of the right type and in the right place could be an issue with much of the land that is plan enabled being taken up.

The sufficiency of the business land identified in [Table 11](#) and [Table 12](#) is considered below.

1.3.7 Sufficiency of business capacity

Similar to residential development capacity, it is important to be realistic around the differences between current capacity enabled under the District Plan, its take-up and the current realisation of development.

Like other Districts in the Wellington Region, there is currently a gap between the bulk, height and scale of existing buildings across the District compared to what is enabled under the District Plan. While a greater scale of Plan-enabled capacity is available, this may not be realised for some time.

The assessment of business capacity sufficiency is more difficult to assess than that of residential capacity due to the range and scale of activities. This is why the analysis is more qualitative and uses the Multi Criteria Analysis to help assess the suitability and sufficiency of business land.

Table 13 shows theoretical business land demand (floorspace and land) against capacity over a 3, 10 and 30 year period.

Table 13: Sufficiency of business land

Demand (inflated with 20%/15% buffer)	1.64	2.76	48.07	52.48
Development Capacity	Redevelopment			59.74
	Vacancy			4.83
	Infill			25.12
Sufficiency	Yes	Yes	No	

Table 14: Sufficiency of business floorspace

Demand (inflated with 20%/15% buffer)	0.44	2.49	23.52	26.45
Development Capacity	Redevelopment			339.22
	Vacancy			20.23
	Infill			92.83
Sufficiency	Yes	Yes	No	

As identified above, an assumption has been made that the vacant land is the most realisable in the short term as it is both available and plan enabled. In this respect, as a District, it could

be identified from [Table 13](#) that there is sufficient land capacity to meet demand in the short term (0 to 3 years).

However, this assumes that all vacant land is developed, when in reality this may not be the case due to market drivers such as construction costs, price and the right land being available in the right location. As an example, the size and shape of vacant brownfield land parcels can be inconsistent with the manner in which they become available, which means they are not able to deliver to the type of demand that we receive.

Land availability also becomes more of an issue in the longer term when dependence for land is reliant on redevelopment of existing sites. There is no guarantee that land will come forward for redevelopment, and that this land will be what the market wants or feasible.

The relationship between the 13 key business areas, District Plan Zoning, the types of activity they accommodate, the MCA analysis, and the demand for business land is helpful in looking at business land sufficiency in more detail.

[Table 15](#) below shows a summary of business land demand for the next 30 years:

Table 15: Summary of business land demand

Type	Total
Commercial	1.24
Education	3.90
Government	1.19
Healthcare	3.17
Industrial	30.36
Other	1.07
Retail	11.55
Total	52.48

There would be sufficiency if there was spare land in each of the key business areas, and IPI zones, to accommodate further development that has a similar or the same typology as those that are currently located in those areas or zones. However, this is not the case when looking at the capacity in [Table 11](#) and [Table 12](#).

As an example, 30.36 hectares of industrial land is required (from a total of 52.48 hectares of business land), but there is only just over 10 hectares of vacant land and 8 hectares of infill land in the business areas currently accommodating industrial activities. There is 5.88 hectares of theoretical infill land at Park Street, but this currently accommodates light

industrial activities, and not all theoretical capacity will be realisable. Some of this land, for example will be attributed to outside areas for servicing etc that relate to existing activities.

There are also reverse sensitivity issues at Montgomery Crescent, and access issues at Alexander Road which may make these areas less viable or attractive, and there are capacity issues at Eastern Hutt Road and Whakatiki Street.

There is very little capacity in the neighbourhood centres, including those located along Fergusson Drive and as a result, it is unlikely that the vacant land that does exist will be built upon as it is not necessarily suitable. There is a similar issue at the town centre at Silverstream, which may prove problematic given the identified demand for 11.55 hectares of retail land demand in the centre.

There is an opportunity for some retail development to be accommodated within the City Centre but would rely on redevelopment, and as previously noted, capacity is already limited in the Town Centre, Neighbourhood, and Local Centre Zones. The only Town Centre Zone at Silverstream also scored comparatively lower than other business areas in the MCA assessment.

It should be noted however, that some of the business land shortfall will be addressed by the repurposing of existing developments and increasing densities and heights. Some new greenfield developments will also provide for additional capacity, particularly for retail and commercial activities that are more easily accommodated than industrial activities.

Recent examples of repurposing and refocusing of existing buildings including what has happened with Blue Mountains Campus and NZCIS being redeveloped in part for office accommodation. The tertiary education sector is changing and the NZCIS focus on vocational training (High Performance Sport, National Training Centre for Corrections, NZDF Youth Development Unit etc) offers an alternative to Te Pukenga and the reimagined polytechnic framework. In this respect, for education demand, there is an element of adapting capacity.

The policy settings in the IPI plan change also supports greater density and heights across the District in and around the commercial zones, and this increase in capacity can be seen in [Table 14](#) when compared to [Table 13](#).

Other business land demand such as education, commercial and government sectors could be accommodated with known pipeline developments, such as Stage 2 and 3 of the Blue Mountains Campus, or within large developments such as the Trentham Complex Development Opportunity.

1.4 Infrastructure Capacity

1.4.1 Three Waters

The last HBA identified a number of challenges around capacity in the drinking water and wastewater networks throughout the District, to accommodate existing demand and future

growth. Wellington Water identified that significant investment as well as new infrastructure will be required to enable the anticipated population increase.

Further assessments of capacity across a number of these areas have been undertaken and the 2021 assessment remains valid. Along with the most recent asset planning for 2024 onwards, it enables identification and prioritisation of robust medium-long term investment options to service growth, including upgraded or new reservoirs in Maidstone, Trentham and Pinehaven and significant wastewater main renewals across the city.

The nature and location of future growth also creates a challenge for water networks with regards to affordability. This is impacted by increasing physical costs to develop and maintain efficiency and effectiveness as networks grow and expand, in addition to costs associated with meeting higher health standards and environmental controls relating to the receiving environments.

While there are some areas of current deficiency across Council's networks based on known and planned growth, there are plans in place to address these through planned maintenance and upgrades, particularly regarding green and brown fields development. Proactively providing increased water infrastructure capacity for infill development presents a more significant challenge due to the new enabling and permissive planning environment potentially making this more reactive.

Further ongoing assessment work will be undertaken taking account of the prevailing growth and spatial context to inform infrastructure planning and investment.

1.4.2 Local road network

The local roading network is crucial to enable the movement of people, trade and goods. There have been no major changes to the local road network to report since the last HBA was published. However, in addition to the traffic model update, Upper Hutt City Council is currently developing an Integrated Transport Strategy which will inform future investment.

There have been no major changes to report since the last HBA. The previous assessment remains relevant, and a more detailed update is available on request.

Of particular note is that:

- The roading network needs to accommodate the growth anticipated, as well as changes to community desires for alternative transport options.
- The quality and safety of rural roads is an issue for the rural community, existing infrastructure is physically constrained and struggles to deal with multiple users at peak times and as additional areas are developed.
- It is anticipated that there will be degraded service levels in the future without intervention.
- A 47% of Upper Hutt's working population commutes outside of the district, arterial routes and connections to State Highway 2 are priorities.

- Council continues to seek funding opportunities to develop its walking and cycling network, and advocate for improvements to public transport.
- Council is working with the other local Councils in the region on both the Regional Emissions Reductions Plan, and a Vehicle Kilometres Travelled Reduction Pathway.
- Council will continue to encourage improvements to the city's movement network, and improved connectivity to the regional transport networks.

There is an increasing focus at a national and regional level to reduce the need to travel by private car and encourage mode shift.

Technology advances in vehicles may also present a challenge in terms of providing charging infrastructure in a safe and efficient manner within the context of more limited parking being provided by development in future.

Council is responding to the transport challenges through the development of an evidence base, and an Integrated Transport Strategy that will support infrastructure investment.

1.4.3 State highway network

Waka Kotahi have identified that in Upper Hutt, State Highway 2 acts as a transit corridor connecting Upper Hutt to Lower Hutt, Wellington and the Wairarapa. It also has a role in connecting communities within Upper Hutt with some parts of the road acting as a regional connector and other areas, such as through Timberlea having a more urban feel.

Challenges that have been identified across the region equally apply in Upper Hutt, including growth, road safety, resilience, journey time predictability and the need to reduce reliance on the private car.

Since the last HBA, a number of projects are underway to improve safety including State Highway 2 Ngāūranga to Featherston safety improvements, including intersection upgrades and a speed limit review.

A copy of the NZTA State Highway assessment is available on request.

1.4.4 Public transport

There have been no major changes in the public transport network since the last HBA. However, it is acknowledged that investment in the public transport network is a critical factor in responding to population growth and supporting our mode shift and emissions reduction goals.

Rail plays a major role in moving a large number of people efficiently, but busses also play a role in moving people around. Upper Hutt continues to be served by six sections, which moves people north / south and busses continue to service a number of routes to the CBD and the railway station.

However, busses also remain impacted by the same level and areas of congestion as private vehicles and must also continue to look at how public transport usage can increase in the context of a dispersed population.

Focus needs to continue to prioritise rail and bus investment to support growth and Councils will be collaborating with Greater Wellington Regional Council (GWRC) on the next Regional Public Transport Plan, as well as other transport linked developments such as the Complex Development Opportunities.

A copy of the Public Transport Assessment is available on request.

1.4.5 Open Space

Upper Hutt is characterised by a large variety of parks and open spaces, providing opportunities for many recreation activities and creating a highly valued natural setting for the city.

From a citywide view, the city appears to be well-served with an abundance of open space, containing a significant portion of the Wellington region's regional park area, while making up only 8.4% of the region's population. At a more detailed suburb or Statistical Area 2 level there is significant variation in provision of open space, in both quantity and quality. The indicative open space provision across the city is 8.7 Ha/1000, above the historic guideline of 7.0 Ha/1000 population.

Upper Hutt benefits from its proximity to significant non-council owned open spaces. This includes three of Greater Wellington Regional Councils' regional parks (Kaitoke Regional Park, Akatarawa Forest Park and Pakuratahi Forest) and the Te Awa Kairangi / Hutt River corridor, which is managed for both flood protection and recreation purposes as part of the Hutt River Trail. The Department of Conservation also manages the Remutaka Forest Park and the Tararua Forest Park in the District.

Higher housing density and the resulting population increase within the urban area will put pressure on our open spaces. It is important to maintain, enhance, and where needed and possible expand the open space network to ensure this treasured resource continues to serve the community. The typology, connectivity and accessibility of the open space network will need to respond accordingly and be nuanced by the local context of growth to complement in the nature of the development. A good example is high quality, small pocket parks and spaces in close proximity and suitable for frequent everyday activities by residents with limited private open space associated with housing.

The Open Space Strategy 2018-2028 is the guiding framework for Council's management of the open space network to continue meeting the changing needs of the community. It is currently being reviewed and a key focus and objective of this refresh is to take into account and respond to growth and the evolving urban planning environment over the last five years.

1.4.6 Education

The Upper Hutt catchment extends from Silverstream in the South to Te Mārua in the north at the base of the Remutaka Hill. Historically, a stagnant or declining population in Upper Hutt has allowed many schools within the catchment to operate without enrolment schemes and so students have been able to attend schools of their choice across Upper Hutt, regardless of where they live.

However, since 2012 the student population within the catchment has been growing. Several large developments completed, underway and planned within Upper Hutt, coupled with young families moving into existing homes will have an impact on rolls.

Whilst there is currently capacity within the catchment, the Ministry of Education is planning now to ensure there is capacity in the right locations to cater for this growth. A capacity assessment was undertaken in 2022 and includes state-integrated schools which are part of the education network but have special characteristics which may not appeal to all families.

By way of summary:

- There are 13 state primary schools and two state-integrated primary schools in this catchment.
- There is space for around 647 students in the state primary network and space for around 47 students in the state-integrated primary network.
- There are two state secondary schools and two state-integrated secondary schools in this catchment. There is space for 279 students in the state secondary schools. The state integrated secondary schools are at capacity. Both the state-integrated secondary schools are male only schools.
- Trentham School received two teaching spaces. Heretaunga College received eight short term roll growth alongside an enrolment scheme reduction.

1.5 Conclusions and next steps

The Housing and Business Assessment has identified that there is a need to accommodate 7,954 dwellings and 55 hectares of commercial land over the next 30 years.

Whilst there is more than sufficient capacity to accommodate housing demand, commercial land can be more of an issue.

For business land, short and medium term capacity is available, but longer term requirements may need to be accommodated by redevelopment of existing sites. Industrial land capacity is an issue across the region and in Upper Hutt and the Wellington Regional Leadership Committee is commissioning a piece of work to consider this in more detail.

This Housing and Business Assessment will form an evidence base that can be used to support regional and district planning processes.