Coromandel Peninsula Blueprint:

Housing

September 2007

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1 Introduction

1.1 Purpose and Scope

The need to address demand for housing and development in the Thames-Coromandel District (TC District) is a cornerstone of future strategic planning because this development pressure and growth will be the catalyst for much of the planning, investment and activity of the Thames-Coromandel District Council (TCDC) and Environment Waikato (EW) in the future.

This paper describes the current situation of housing in the TC District and describes how this has changed over time. It also looks at trends in housing in the TC District and identifies some key issues and opportunities for forward planning. This paper links closely with the Demographic Profile Statement but also has linkages to the other Profile Statements (Infrastructure, Open Space and Recreation, Economy, Natural Hazards, Natural Character and Landscapes –prepared by Beca, Natural Heritage and Biodiversity and Cultural Resources prepared by the Councils).

1.2 Definitions

Housing affordability - the ability of households to rent or purchase housing in an area of choice at a reasonable price, the capacity of households to meet ongoing housing costs, and the degree that discretionary income is available to achieve an acceptable standard of living.

Occupied dwelling – A dwelling that was occupied as at census night, in any time during the 12 hours following midnight, or where the occupant completed a questionnaire at another dwelling during this period for that particular year. Includes private occupied dwellings (both permanent and temporary), and non-private occupied dwellings (as defined by Statistics New Zealand).

Unoccupied dwelling – A dwelling that was unoccupied as at census night, in any time during the 12 hours following midnight, or where the occupant completed a questionnaire at another dwelling during this period for that particular year. This count includes empty dwellings and dwellings where the residents are away (as defined by Statistics New Zealand).

LCP - Local Coastal Planning area (as referenced in the Environment Waikato Local Coastal Planning Scoping Study, 2005). They are settlements where focused planning is considered necessary because of a number of factors such as community demand (identified through community planning exercises), the significance of natural and physical values of an area that may be threatened and/or growth and demand pressure facing areas that necessitates a planned management approach.

CPA – Cluster Policy Area (as referenced in the Environment Waikato Local Coastal Planning Scoping Study, 2005). These are areas that are geographically close and have characteristics that are similar for wider level planning than LCP level (e.g. Tairua and Pauanui).

District Plan –Thames-Coromandel District Plan – operative in part

1.3 Limitations

This paper has been developed using existing information related to housing in the TC District where information gaps have been identified that would be useful to the future planning of the District, these have been recognised in the further work section.

No community consultation has been undertaken as part of the drafting of the Housing Profile Statement. However, interviews with a real estate agent active in the TC District has been undertaken. A meeting was also held with a major developer in the TC District - Hoppers Development Ltd. There has been no validation of information provided by the real estate agent or developer.

1.4 Housing Market variables

The housing market in the TC District is subject to trends and changes both from within the District and from national influences. Indeed the TC District has market variations between towns on the Coromandel Peninsula arising from the different character of each town and, more particularly, the effect of houses that are owned by absentee owners.

This leads to a 'vulnerability' in the housing market and can make it difficult to predict what the future housing market in the TC District may be. Some of the trends that can influence the housing market include, but are not limited to the following:

- The affordability and cost of housing in towns in the TC District;
- The desire of absentee owners to have a second home in the TC District;
- The availability of houses (and sections) on the market;
- Economic trends in Auckland and Waikato influencing the ability for absentee home ownership; and,
- The ability to service a home ownership loan and the interest rates imposed on loans.

2 Current Profile and Trends

2.1 Peninsula-wide

2.1.1 Number/Locations

The numbers of dwellings in the TC District continues to grow steadily in most locations. Table 1 shows that in 2006 there were approximately 22,704 privately owned dwellings (both occupied and unoccupied) in the entire TC District, 5,721 more than in 1991 when there were 16,983 dwellings (an 34% increase compared to 25% for New Zealand)[1]. The number of new dwellings in the TC District increased more during the period 2001-2006 (2.7% per annum) than in the prior period 1996-2001 (2.2% per annum)[1].

When the community board areas of the TC District are considered, the total number of dwellings (i.e. both occupied and unoccupied dwellings) between 1991 and 2006 increased by a range of 0% to 59% per annum (Table 2). The largest increase was the area that includes Opito/Otama and Matapaua Bay (59% per year between 1991 and 1996), although these areas had the smallest number of dwellings in 1991 (54 dwellings). In absolute numbers, the Mercury Bay Community Board area had the largest increase in number of new dwellings (2,547 new dwellings between 1991 and 2006, see Table 2). In particular, the number of occupied and unoccupied dwellings in Whitianga increased by 1059 between 1991 and 2006 (Table 1). If the 'other' category is excluded, Opoutere was the exception to the increase in growth in dwellings between 2001 and 2006 census years with a decrease of 1% (9 less dwellings since 2001)[2].

1 Census 2006 information, provided by TCDC.
2 Information provided by TCDC

Table 1- Number of Total Dwellings (Occupied and Unoccupied)

Settlement	1991			1996			2001			2006		
	#	%		#	%	% increase per annum	#	%	% increase per annum	#	%	% increase per annum
Coromandel												
Occupied	582	80%		669	83%	3.0	702	79%	1.0	723	74%	0.6
Unoccupied	126	17%		96	12%	-4.8	144	16%	10.0	207	21%	8.8
Under Construction	18	2%		6	1%		3	0%		12	1%	
Total	726	100%		804	100%	2.1	885	100%	2.0	972	100%	2.0
Cooks Beach												
Occupied										183	21%	
Unoccupied										678	77%	
Under Construction										9	1%	
Total	630			672		1.3	741		2.1	879	100%	3.7
Matarangi												
Occupied	39	13%		51	13%	6.2	99	26%	18.8	129	14%	6.1
Unoccupied	261	86%		339	84%	6.0	270	71%	-4.1	759	83%	36.2
Under Construction	3	1%		3	1%		3	1%		15	2%	
Total	303	100%		405	100%	6.7	381	100%	-1.2	915	100%	28.0
Pauanui												
Occupied	351	22%		339	23%	-0.7	381	19%	2.5	396	18%	0.8
Unoccupied	1,272	78%		1,095	75%	-2.8	1,575	80%	8.8	1,746	80%	2.2
Under Construction	6	0%		0	0%		12	1%		15	1%	
Total	1,632	100%		1,458	100%	-2.1	1,962	100%	6.9	2,175	100%	2.2
Tairua												
Occupied	531	49%		609	51%	2.9	672	49%	2.1	612	42%	-1.8
Unoccupied	540	50%		528	44%	-0.4	654	48%	4.8	840	57%	5.7
Under Construction	3	0%		15	1%		21	2%		6	0%	
Total	1,074	100%		1,203	100%	2.4	1,371	100%	2.8	1,473	100%	1.5
Thames												
Occupied	2,577	93%		2,907	93%	2.6	2,973	93%	0.5	3,168	93%	1.3
Unoccupied	180	6%		63	2%	-13.0	66	2%	1.0	54	2%	-3.6
Under Construction	24	1%		0	0%		0	0%		9	0%	
Total	2,781	100%		3,111	100%	2.4	3,192	100%	0.5	3,423	100%	1.4
Whangamata												
Occupied	1,449	42%		1,599	45%	2.1	1,743	44%	1.8	1,632	39%	-1.3
Unoccupied	1,953	57%		1,887	53%	-0.7	2,160	55%	2.9	2,502	60%	3.2
Under Construction	54	2%		30	1%		15	0%		30	1%	
Total	3,456	100%		3,531	100%	0.4	3,939	100%	2.3	4,182	100%	1.2
Whitianga												
Occupied	1,089	61%		1,311	64%	4.1	1,383	61%	1.1	1,674	60%	4.2
Unoccupied	684	38%		678	33%	-0.2	861	38%	5.4	1,053	37%	4.5
Under Construction	24	1%		33	2%		24	1%		75	3%	
Total	1,794	100%		2,037	100%	2.7	2,259	100%	2.2	2,811	100%	4.9
Thames-Coromandel District												
Occupied	9,306	55%		10,431	58%	2.4	11,052	55%	1.2	11,547	51%	0.9
Unoccupied	7,500	44%		7,464	41%	-0.1	8,850	44%	3.7	10,920	48%	4.7
Under Construction	177	1%		168	1%		135	1%		240	1%	
Total	16,983	100%		18,060	100%	1.3	20,040	100%	2.2	22,704	100%	2.7
New Zealand												
Occupied	1,185,396	90%		1,283,994	91%	1.7	1,368,207	90%	1.3	1,478,709	90%	1.6
Unoccupied	122,712	9%		113,391	8%	-1.5	147,432	10%	6.0	159,276	10%	1.6
Under Construction	9,603	1%		10,449	1%		9,027	1%		13,560	1%	
Total	1,317,711	100%		1,407,828	100%	1.4	1,524,663	100%	1.7	1,651,542	100%	1.7

Table 2 – Dwelling Growth by Community Board Area

Community Board Area	1991		1996		2001		2006	
	#		#	% per annum	#	% per annum	#	% per annum
MERCURY BAY								
Whitianga	1,752		2,037	3	2,259	2	2,811	5
Matarangi	303		405	7	381	-1	915	28
Whangapoua/Te Rerenga	267		264	0	330	5	351	1
Rings Beach-Kuaotunu	390		279	-6	288	1	402	8
Otama-Opito-Matapaua Bay	54		213	59	231	2	249	2
Ferry Landing/Cooks Beach	630		672	1	741	2	879	4
Hahei	174		417	28	489	3	660	7
Other	720		438	-8	507	3	570	2
Total Mercury Bay	4,290		4,725	2	5,226	2	6,837	6
WHANGAMATA								
Whangamata	3,453		3,531	0	3,939	2	4,182	1
Onemana	291		324	2	342	1	366	1
Opoutere	129		117	-2	156	7	147	-1
Other	27		27	0	60	24	51	-3
Total Whangamata	3,900		3,999	1	4,497	2	4,746	1
TAIRUA/PAUANUI								
Tairua	1,098		1,203	2	1,371	3	1,473	1
Pauanui	1,617		1,458	-2	1,962	7	2,175	2
Other	69		81	3	102	5	138	7
Total Tairua/Pauanui	2,784		2,742	0	3,435	5	3,786	2
COROMANDEL/COLVILLE								
Coromandel	735		804	2	885	2	972	2
Manaia	156		153	0	150	0	180	4
Colville	180		159	-2	192	4	225	3
Little Bay/Tuateawa/Kennedy Bay	249		282	3	381	7	393	1
Port Charles/Port Jackson	144		162	3	162	0	168	1
Other	240		318	7	276	-3	291	1
Total Coromandel/Colville	1,704		1,878	2	2,046	2	2,229	2
THAMES								
Thames	2,829		3,111	2	3,192	1	3,423	1
Thames Coast	1,038		1,104	1	1,077	0	1,125	1
Thames South	372		390	1	384	0	426	2
Total Thames	4,239		4,605	2	4,653	0	4,974	1
Total District	**16,917**		**18,060**	1	**20,037**	2	**22,572**	3

Whangamata has the largest number of dwellings in the TC District with 4,182 as at 2006 (Table 2). The second largest settlement is Thames with 3,423 dwellings.

Following the 2006 Census, population projections have been prepared by the Population Studies Centre of the University of Waikato for the TC District and each main settlement. The projection of number of dwellings was based on the Census of Population and Dwellings, the Statistics New Zealand sub national population projection series and some underlying assumptions. The projections are shown in Table 3 below.

As there are a large number of absentee ratepayers in the TC District, particularly the eastern seaboard, and most of these ratepayers reside in the Waikato, Auckland and to a lesser extent, Bay of Plenty regions (see Demographics Profile Statement), then growth in dwellings is likely to occur in relation to economic and demographic trends in these regions.

The forecasts in Table 3 below are based on the 2006 Census of Population and Dwellings, the Statistics New Zealand sub national population projection series and some underlying assumptions.

The availability of land to develop into housing is a key factor in actual growth. Beachside settlements in the TC District have a range of housing types but the most predominant is the stand-alone house on its own section. Some recent developments have included apartments and time-share housing arrangements as new housing market options for purchasers.

Where land is readily available within easy access to the beach the growth in housing is likely to be higher (for example in areas such as Matarangi, Whitianga, Pauanui and Tairua, where holiday homes are a significant part of the housing stock).

The forecast growth may change if there is a change of housing type preference towards comprehensive housing developments occurring, such as apartments and units, or there is a change to the subdivision controls in the District Plan.

Table 3- Dwellings by Occupancy, Actual 1991-2006, Projected 2011-2041

Settlement	1991	1996	2001	2006	2011	2016	2021	2026	2031	2036	2041
Coromandel											
Occupied	582	654	684	723	756	791	825	860	894	929	963
Unoccupied	126	123	168	207	250	292	334	376	418	460	502
Under Construction	18	15	6	12	10	12	13	14	15	17	18
Total	726	789	858	972	1016	1094	1172	1250	1327	1405	1483
Percent Unoccupied	17.8	15.8	19.7	22.3	24.9	27.0	28.8	30.4	31.9	33.1	34.3
Matarangi											
Occupied	39	54	102	129	178	227	279	334	360	388	419
Unoccupied	261	348	279	759	1010	1241	1469	1695	1761	1832	1907
Under Construction	3	6	3	15	12	16	19	23	25	27	28
Total	303	405	384	915	1199	1484	1768	2052	2146	2246	2354
Percent Unoccupied	87.0	86.6	73.2	85.5	85.0	84.5	84.0	83.5	83.0	82.5	82.0
Pauanui											
Occupied	351	357	387	396	419	439	458	478	497	517	536
Unoccupied	1272	1095	1593	1746	2129	2455	2780	3106	3431	3757	4082
Under Construction	6	6	12	15	26	31	36	41	46	51	56
Total	1632	1457	1992	2175	2574	2924	3274	3624	3974	4324	4674
Percent Unoccupied	78.4	75.4	80.5	81.5	83.6	84.8	85.9	86.7	87.3	87.9	88.4
Tairua											
Occupied	531	606	663	612	633	636	639	642	645	648	651
Unoccupied	540	555	663	840	971	1114	1256	1399	1541	1684	1826
Under Construction	3	15	15	6	16	19	21	23	26	28	30
Total	1074	1173	1347	1473	1620	1768	1916	2064	2212	2359	2507
Percent Unoccupied	50.4	47.8	50.0	57.9	60.5	63.6	66.3	68.5	70.5	72.2	73.7
Thames											
Occupied	2472	2688	2739	3168	3345	3585	3825	4065	4305	4545	4785

Unoccupied	180	147	198	54	202	211	220	229	238	247	256
Under Construction	24	9	6	9	36	41	45	49	53	57	61
Total	2674	2844	2945	3423	3583	3837	4090	4343	4596	4849	5102
Percent Unoccupied	6.8	5.2	6.7	1.7	5.7	5.6	5.4	5.3	5.2	5.2	5.1
Whangamata											
Occupied	1449	1653	1785	1632	1669	1659	1648	1638	1627	1617	1606
Unoccupied	1953	1944	2223	2502	2781	3060	3339	3618	3897	4176	4455
Under Construction	54	33	18	30	45	50	55	60	65	69	74
Total	3456	3633	4026	4182	4495	4769	5042	5316	5589	5862	6135
Percent Unoccupied	57.4	54.0	55.5	60.5	62.5	64.9	67.0	68.8	70.5	72.1	73.5
Whitianga											
Occupied	1089	1317	1374	1674	1812	1991	2169	2348	2526	2705	2883
Unoccupied	684	693	873	1053	1233	1413	1593	1773	1953	2133	2313
Under Construction	24	33	24	75	31	36	42	47	52	58	63
Total	1794	2037	2271	2811	3076	3440	3804	4168	4531	4895	5259
Percent Unoccupied	38.6	34.5	38.9	38.6	40.5	41.5	42.3	43.0	43.6	44.1	44.5
Unspecified											
Occupied	2793	3102	3318	3213	3332	3395	3457	3516	3574	3603	3685
Unoccupied	2484	2559	2853	3759	4061	4681	5302	5926	6550	7177	7806
Under Construction	45	51	51	78	76	86	97	108	119	129	140
Total	5322	5712	6222	7050	7469	8163	8856	9550	10243	10909	11631
Percent Unoccupied	47.1	45.2	46.2	53.9	54.9	58.0	60.5	62.8	64.7	66.6	67.9
Thames-Coromandel District											
Occupied	9306	10431	11052	11547	12126	12684	13242	13800	14358	14916	15474
Unoccupied	7500	7464	8850	10920	12534	14262	15990	17718	19446	21174	22902
Under Construction	177	168	135	240	252	288	324	360	396	432	468
Total	16983	18060	20040	22704	24912	27234	29556	31878	34200	36522	38844
Percent Unoccupied	44.6	41.7	44.5	48.6	50.8	52.9	54.7	56.2	57.5	58.7	59.7

2.1.2 Type

The type of housing in the TC District is very important in maintaining the community 'sense of place' or the character of areas, in particular, design, location, height/scale, intensity of housing. Currently, most of these aspects of housing are managed through the District Plan. The District Landscape Assessment exercise TCDC are currently undertaking addresses these issues in relation to natural character/landscapes values[3].

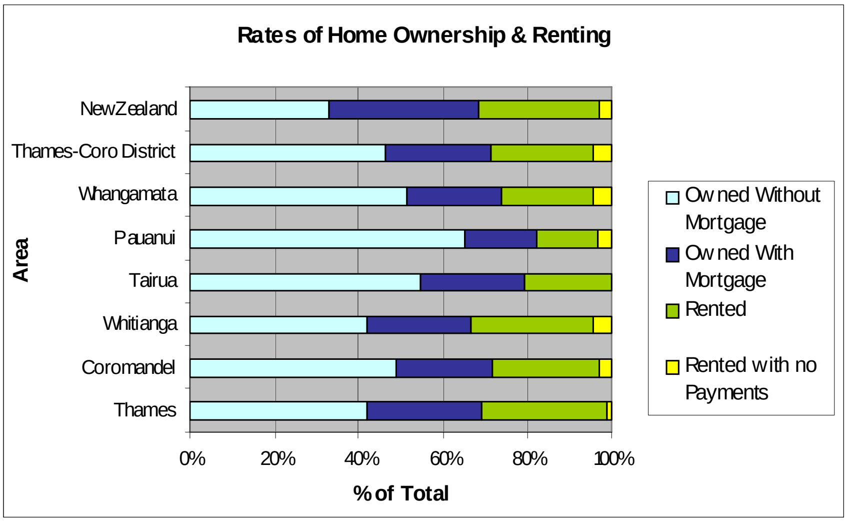
It is noted that the physical nature of housing on the Peninsula is changing as smaller 'bach' type housing is bought and redeveloped into larger, more modern houses. This is particularly the case in beachfront properties that have frontage or adjoin a reserve adjacent to the beach. It is now very rare to see a small bach on any beachfront property on the eastern side of the Peninsula. There is also increasing numbers of higher density housing appearing, for example apartment style housing in Whitianga, Whangamata and more recently Coromandel.

Interestingly, despite the appearance of larger homes on the Peninsula, the total floor area of building consents issued in the TC District in the year ended March 2006 decreased from the previous year by around 25%. This compares with a national decrease of 10.4%. This decrease may be partly due to the increasing numbers of units/apartments appearing in some areas of the TC District offsetting the larger homes being built[11].

The number of homes in the TC District that are owned freehold is much greater than the national average (Figure 1). The majority of households (42%) in the TC District own the home in which they reside, freehold, compared with a national average of 31%. A higher proportion of homes are owned freehold in Pauanui, Tairua and Whangamata (Figure 1). This is likely, in part, due to the nature of many dwellings in the TC District being second homes. The affordability of a second home has a high correlation to income level, reflected in over 50% of absentee home-owners in the TC District.

3 Coromandel Peninsula Draft Landscape Assessment, 2006. Report prepared for Thames-Coromandel District Council by LA4 Landscape Architects and Harry Bhana Associates.

Figure 1: Property Tenure

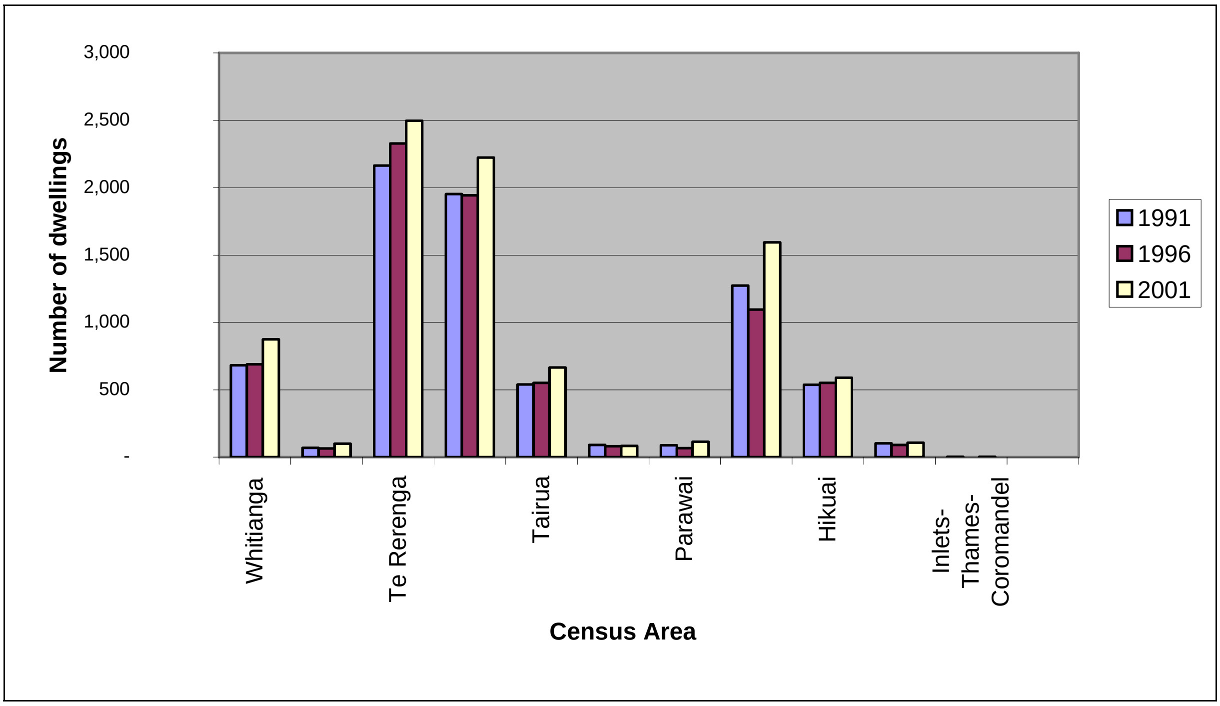


Source: Housing Affordability in the Thames Coromandel District – An Issues and Opportunities paper.

On the 2006 census night, some 48% of the 22,704 privately owned dwellings in the TC District were unoccupied, one of the highest rates for any district in the country and compared to a national average of 10%. This is indicative of the large proportion of holiday homes within the TC District. The percentage of unoccupied dwellings is similar to other tourist destinations, for example, Queenstown-Lakes District had 48% unoccupied dwellings in 2001.

Another indicator of the increasing number of holiday homes is the continued growth in unoccupied dwellings between the 1991 and 2001 Census periods in most areas (Figure 2). Over the decade, there has been an 18% increase in the number of unoccupied dwellings. Tairua/Pauanui had the highest proportion of absentee ratepayers of the District (see Demographic Profile Statement) with 67% in 2000. It is therefore likely that most of the properties in Tairua/Pauanui are holiday homes. Areas such as Thames have a correspondingly lower proportion of absentee ratepayers (i.e. higher occupancy rate) and therefore have lower proportion of holiday homes.

Figure 2: Unoccupied Dwellings



2.1.3 Density

The increasing number of dwellings in the TC District is resulting in an increasing density of housing in some areas. There is no easily accessible database of density of housing in the TC District. However, a study has been undertaken in Whangamata relating to infill subdivision[4]. The report considers some of the issues surrounding infill subdivision and the options available for land use management in the future.

The partly operative District Plan is the main tool that controls the density of housing development on the TC District, through zoning and the Settlement and Amenity Policy. The Settlement and Amenity Policy of the District Plan aims to focus development into the seven main serviced settlements of Thames, Coromandel, Matarangi, Whitianga, Tairua, Pauanui and Whangamata.

The District Plan has a Housing Zone with four policy areas designed to enable different forms of housing development. Low Density housing policy areas are located at the edge of existing housing development (e.g. Aileen Place, Whangamata) and generally aim to achieve a buffer between urban and rural areas. Development is limited to no more than one house per lot in this policy area. Minimum lot sizes in the Low Density Housing Policy area are 2,500m^2 for both front and rear lots.

Extra Density housing policy areas are generally located around the commercial centres of Thames, Whitianga, Tairua, Pauanui, and Whangamata and at Matarangi, in line with the Settlement and Amenity policy of the District Plan. The Extra Density policy area aims to enable the highest density that is appropriate to the amenity value of the town and allows

4 Whangamata Infill Subdivision – Background Information, 2004. Report prepared by Policy and Planning Group of Thames Coromandel District Council.

people to live close to the town centre. Minimum lot sizes are 250m² for a front property and a minimum of 350m² for a rear property.

The Beach Amenity Policy Area aims to protect the amenity values of beachfront areas located at the east coast towns of Matarangi, Tairua, Pauanui and Whangamata. The zone restricts height, has a more restrictive day-lighting standard and promotes low scale development. The minimum lot sizes in this policy area are 400m² for front lots and 500m² for rear lots.

It is noted that the lot sizes prior to March 1997, when the District Plan was notified, provided for lots of 300m² in the Housing zone -outside all policy areas. This enabled 'small lot subdivision' to occur creating many infill sections of around 300m² in the coastal towns.

The current District Plan standards for minimum lot size (and therefore density of housing) in the seven main serviced settlements (except Pauanui) in the District Plan is as follows:

	District Plan Standards			
Zone	Front Lot	Rear Lot	Site Coverage	Height
Housing – Outside All Policy Areas	400m2	500m2	35%	8m
Housing – Extra Density	250m2	350m2	45%	8m
Housing – Beach Amenity	400m2	500m2	35%	7m
Housing – Low Density	2,500m2	2,500m2	15%	8m

Smaller settlements (i.e. those not included as one of the seven main serviced settlements) are zoned Rural Village Policy Area (RVPA), Rural Residential Policy Area (RRPA), Coastal Village Policy Area (CVPA) or Coastal Residential Policy Area (CRPA). In addition, there is the Maori Policy Area (MPA), which is applied to small areas of the District's settlements, for example at Manaia.

RVPAs and CVPAs have the same minimum lot sizes as the Housing – Beach Amenity and Housing – Outside all Policy Areas zones discussed above (400m² front lot and 500m² rear lot). CRPAs have minimum lot sizes of 600m² front lots and 700m² rear. The minimum lot size for RRPAs is significantly larger (2 hectares for both front and rear lots).

However, while these lost sizes are set in the District Plan, the resource consent process appeared to have been used in the past to decrease the lot size of development. For example, the Infill Subdivision Report prepared for Whangamata in 2004 records that at the end of April 2004, 375 residential lots in the Housing – Outside All Policy Areas were smaller than the minimum lot size specified in the District Plan (13% of total lots). A further

12 residential lots in the Beach Amenity Policy Area of the Housing Zone were smaller than the minimum lot size (9% of total lots).[5]

As coastal settlements in the TC District reach capacity under the current District Plan, it is expected that there will be increasing pressure to provide for infill housing, for example, at Whangamata, and a consequent increase in the density of settlements. Already in towns such as Whangamata and Whitianga, there is an increasing amount of more comprehensive housing developments occurring, such as apartments and units to maximise use of land area. If new growth areas are provided then this may reduce the demand for infill housing, or intensive housing developments in the TC District in the future.

Such changes may require changes to the District Plan to make more land available for housing or enable more intensive use of existing land zoned for housing in existing settlements. Both these processes require community input and consultation so that character and amenity values are maintained. The appropriateness of more green fields subdivision 'balanced' against enabling greater housing densities would require community discussion before any decisions.

2.1.4 Affordability

The New Zealand Housing Strategy Affordability Report published in 2003 defines housing affordability as "*the ability of households to rent or purchase housing in an area of choice at a reasonable price, the capacity of households to meet ongoing housing costs, and the degree that discretionary income is available to achieve an acceptable standard of living*".

Inherent in the definition of housing affordability is the cost of housing compared with the average income of households. TC District had the second highest house price to income ratio out of all of the local authorities in New Zealand in 2001 with a ratio of 5.54 (second only to Queenstown Lakes District which had a ratio of 5.67)[6]. This is an increase from 1991 where Thames-Coromandel had a house price to income ratio of 3.6, however it was still the second highest ratio of all local authorities (Tasman District had a ratio of 3.62).

According to a Housing New Zealand report prepared in 2005, 13.9% of TC District was unable to purchase a house in 1991, due to the cost of dwellings, compared with 33% in 2001[7], reflecting the increasing issue of housing affordability for the usually resident population on the Peninsula.

5 Thames-Coromandel District Council, 2004. Whangamata Infill Subdivision – Background Information. Report prepared Policy and Planning Group, November 2004.

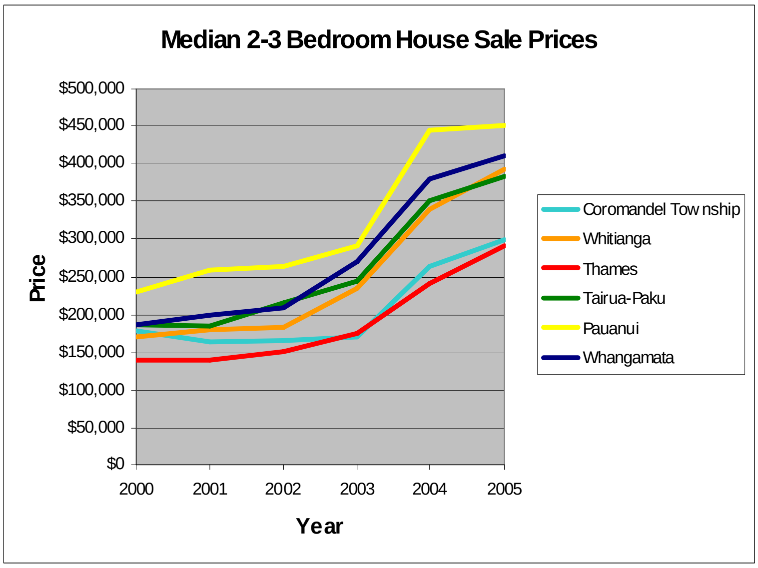
6 Median annual personal income in the District in 2001 was $14,700 compared with $18,500 for all New Zealand

7 Housing New Zealand, 2005. Local Measures Of The Ability Of Working Households To Become Home Owners In New Zealand. Report prepared by the Research and Evaluation Team of Housing New Zealand Corporation.

Sun-belt destinations such as the TC District have high house price growth compared with other locations due to the growth of the investment. As discussed in Section 2.1.1, the TC District had an overall increase in number of dwellings relative to population growth, indicative of both the ageing population (see Demographic Profile) and the on-going development of holiday homes or investment properties. Real house price growth in the Thames-Coromandel District between 1991 and 2004 was 217%, just slightly behind Auckland City (223%) and Queenstown Lakes District (244%)[8]. The average sale price in the Thames-Coromandel District in April 2006 was $434,261[9].

House sale prices in the TC District have increased significantly in the years between 2000 and 2005. Figure 3 below illustrates the increase for 2-3 bedroom houses, by district settlement. The major increase occurred between 2003 and 2004, however prices have continued to increase since then. Pauanui is the most expensive settlement for 2-3 bedroom houses in the District.

Figure 3: Median House Sale Prices (2-3 Bedroom) 2000-2005



(Source: Quotable Value New Zealand)

Central government, through Housing New Zealand Corporation, owns just over 200 State houses on the Peninsula. The majority of these houses are located in Thames, with a small number in Coromandel, Whangamata and Whitianga. There may be reluctance by the Government in providing more affordable state housing on the Coromandel Peninsula, due to the high purchase price of land. The house and land prices on the Peninsula mean that 2-3 houses may be purchased in more affordable locations such as Paeroa for a similar price of just one property on the Coromandel.

New developments occurring on the Peninsula are not generally including affordable housing elements in their design. For example, the Whitianga Waterways development has sections that range in price from a minimum of $200,000[10]. However, there are plans as part of the Waterways development to provide comprehensive housing parcels throughout the

8 2006, Centre for Housing Research. Research Bulletin, February 2006.

9 QV Residential Price Movement Report - as at April 2006

10 Discussions with Lesley McCormick, TCDC Whitianga Area Manager and Leigh Hopper, Hopper Developments Ltd 2006.

medium density development, to maximise land use and minimise the purchase price (as land value is the primary reason for the high cost of property in the TC District). This shows the increasing recognition by some developers of the importance affordable housing will play in achieving the vision of a more permanent and diverse community, and consequently support other developments such as the retail centre at the Whitianga Waterways. However, lower cost housing in the TC District, for example in the Whitianga Waterways development, tend to be the low end of a high price bracket and may still be unachievable for lower income earners.

2.2 Western Sub-catchment (Thames to Coromandel)

2.2.1 Type

The western sub-catchment has a mix of housing ranging from heritage-type houses, baches (Photo 1) and more modern houses. The settlement of Waikawau on the Thames Coast has some unique holiday housing in the form of 36 trams (relocated from Auckland). There is a management plan in place for these tram-dwellings, which have historic importance. Council has had some pressure by owners of these dwellings to enlarge and enhance them[11].

Thames, Coromandel and Whitianga also have pensioner housing, owned and managed by community groups but located on T C District-owned land.

In Coromandel there is a limited supply of rental accommodation and a high demand for more accommodation over the summer period when tourists visit the TC District. This impacts on the ability of seasonal workers to find affordable accommodation (see Section 2.2.4 and the Economic Profile Statement which discusses this issue further).

Thames-Coromandel District Council has recently received (within the last 12 months) 2-3 applications for travellers accommodation in Coromandel township. However, it is noted that there is some opinion that this temporary accommodation may be converted to more permanent dwellings (apartment style housing) in the future by applying for unit title subdivision consent[11]. (However, it is noted that any such conversion would also require a further resource consent to change its use).

A larger number of houses on the western sub-catchment are permanently occupied compared with the eastern side of the Peninsula, but Coromandel and Thames have a higher than average proportion of households which rent (although the proportion of households that rent (22%) is still lower than the national average (27%)).

[11] Lachlan McCarthy, TCDC consents officer pers. com. 2006

Photo 1: Holiday baches – Waikawau

2.2.2 Location/number

The largest towns (in terms of dwelling numbers) in the western sub-catchment are Thames and Coromandel. Thames and Coromandel are expected to grow in dwellings numbers steadily to 2026 by around 25-30% under a medium growth scenario (Table 3). Although the smaller towns of the western sub-catchment are expected to continue to grow, the rate is likely to be slow, as these settlements have not been identified as locations for growth in the District Plan Settlement and Amenity policy and as such there is limited capacity provided for in these areas (e.g. limited infrastructure to support increased development)[12]. The growth in Coromandel and Thames is expected to take the pressure off the smaller settlement of the Thames coast.

The Future Development Potential document for Thames suggests that if each of the four sub-areas (Tararu, Thames core, Kauaeranga, Kopu) are developed to their full residential potential, according to current and likely future planning, and land use trends, there could potentially be 7,208 dwellings in Thames[12]. Using projected growth rates derived from Census 2006 (Table 3), it is estimated that in 2026, there could be 4,343 dwellings and 5,102 dwellings by 2041 in Thames. There is therefore likely to be capacity for growth in dwellings in Thames out to 2041.

The development potential document for Coromandel town suggests that if each of the five sub-areas (Coromandel Core, Coromandel Residential, Long Bay and Rural, Ruffin Peninsula, Preece Point & Coromandel Rural) is developed to its full residential potential,

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[12] Future Development Potential of Thames – an assessment of the growth potential of Thames out to 2026. A report prepared by the TCDC Policy and Planning Group, April 2005.

according to current/likely future planning and land use limitations, there could potentially be 5,981 dwellings in Coromandel[13]. This would be provided through a mix of infill and redevelopment, but mainly through greenfield subdivision. Using projected growth rates (Table 3), it is estimated that in 2026, there will be 1,250 dwellings and 1,483 dwellings by 2041 in Coromandel. Comparisons of the above information indicate that there will be sufficient dwelling potential to meet the projected growth rates out to 2041, if changes are made to the District Plan[13].

The settlements on the western sub-catchment were originally established as service centres for surrounding gold mining, kauri logging and gum digging and farming industries during the late 1800s. As these industries have declined, the settlements have been reduced to mostly residential and holiday homes.

The location of housing on the western sub-catchment is limited by topography and the presence of Conservation zoned land on the Department of Conservation managed estate. Most growth is therefore achieved through creation of smaller rural blocks of land and infill-type residential development. Most settlements occur around the floodplains on the coast as these are the flatter areas at the base of the Coromandel ranges. However, further housing in these areas will be limited by the flood hazard (see Natural Hazards Profile).

There are increased opportunities for low density housing to be located up the Tapu valley through the Tapu-Coroglen road providing access. However, some conservation covenants on coastal bush restrict the future development potential of this area.

2.2.3 Density

Most additional house lots in the western sub-catchment have been created through residential or rural infill subdivision activity, with no significant greenfield development. This is due to the limitations on development caused by topography, natural hazards and conservation covenants. Lot sizes vary with the location of any proposed subdivision and the desire of the applicants to keep within the District Plan rules (i.e. seek resource consent to allow smaller lot sizes).

Thames and Coromandel townships have the highest density of housing as they are identified as one of the seven main serviced settlements identified for growth and have extra density zoning to allow for housing intensification. The high density is a factor of the age of parts of these settlements, with many parcels of land being created during the early days of Thames. One property has a lot area of 168m^2, but this is not typical. Average lot sizes can vary between different parts of Thames and Coromandel with the newer developed areas such as The Booms (Thames) having lots around 800m^2. Older established areas can be larger than this as sections were created to meet the 'quarter-acre' section standard and have a lot area of 1012m^2.

Approximately 45 additional house lots were created in Coromandel during the period between January 2000 and October 2004. This equates to, on average, approximately 9 additional house lots each year. These lots created are estimated to be around 600m^2 in area, being a typical area for one house per lot, depending on the topography.

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[13] Future Development Potential of Coromandel – an assessment of the growth potential of Coromandel out to 2026. A report prepared by the TCDC Policy and Planning Group, April 2005.

2.2.4 Affordability

It can be seen from Figure 4 in Section 2.1.4 that the median house sale price for 2-3 bedroom dwellings in the western sub-catchment towns of Thames and Coromandel are the lowest for the whole District.

However, affordable housing has still been identified as an issue in the western sub-catchment, particularly for aquaculture workers (e.g. on or associated with the marine farms). Accommodation is severely limited for the seasonal workers, due to the pressures on camping grounds as well as rental accommodation over the summer season being too expensive for the workers. This is an issue that has been identified by the Marine Farming Association on the Peninsula. In Whitianga, there used to be 6 camping grounds and factory staff would come into the town for the season, staying at the camping grounds. Now there is one remaining camping ground.

The Manaia Community Plan does address this issue with respect to the Manaia settlement and notes that "*iwi management will enable people to have affordable housing*". The community plan does not state how this is to be achieved. However, the District Plan does have a Maori Policy area that provides for activities additional to those provided for in the zone, including marae buildings and papakainga housing.

2.3 Northern Sub-catchment (Colville to Kennedy Bay)

2.3.1 Type

In terms of development trends, this area consists predominantly of housing, lifestyle blocks and farmland. Subdivision in Colville is characterised by smaller rural blocks. Colville township was established as part of the milling, mining and farming industries but most industry has moved on and the town now comprises of a small number of houses and a general store and cafe.

2.3.2 Location/number

The settlements of the northern catchment are smaller and have seen steady, low growth in dwelling numbers over the last decade. The low growth is predominantly a result of the isolation of these communities from urban services and the limited road access. The smaller secondary settlements and rural areas remain unserviced in terms of water, stormwater and wastewater, placing additional costs on any potential residential development, which may in turn act as a disincentive to development in this area.

In terms of development trends, the settlements of the northern sub-catchment consist mostly of housing nestled amongst the bush (e.g. Port Charles, Little Bay and Tuateawa) or small rural blocks (e.g. Colville).

The large tracts of Conservation estate in DOC management limit housing in the northern catchment. A significant proportion of Kennedy Bay is in Maori ownership and the District Plan recognises Maori management capabilities through a specific zone (Iwi Kainga Zone) in the Plan.

An 18 lot subdivision has recently been approved by Council for Kennedy Bay and a number of infill subdivisions have occurred in Tuateawa, as well as the creation of 17 additional lots in two subdivisions in 2005. Growth in the total number of dwellings in the Kennedy Bay, Tuateawa and Little Bay areas is consequently the largest for the northern sub-catchment.

There have been no future development potential documents prepared for the northern sub-catchment of the TC District and therefore the capacity for new dwellings compared with growth has not been calculated.

2.3.3 Density

In general the zoning of the northern sub-catchment allows for medium density housing through the Coastal-Residential zones in Waitete Bay, Port Charles, Little Bay and Tuateawa but not for any high or extra density housing. This recognises that there are no serviced settlements in this sub-catchment, where intensive growth is encouraged through the District Plan. Most of the Coastal Residential zoned areas are at, or just about to reach, capacity (e.g. Waitete Bay, Port Charles, Little Bay).

As noted above, Kennedy Bay has an Iwi Kainga zone where concept plans developed by tangata whenua will show the general location of activities (possibly by precincts), and the development standards that will apply to activities, including density. There are currently no concept plans in place for this area but discussions have commenced between the landowners and Council.

The only notable subdivision activity in the northern sub-catchment between 2000 and 2005 occurred in Tuateawa. Over the last six years there has been a small number of infill subdivisions in Tuateawa, as well as the creation of 17 additional lots in two adjacent subdivisions in 2005. Whilst quite heavily subdivided, Tuateawa property sizes are larger than residential properties in neighbouring Little Bay. However, the Coastal-Residential zoning may allow for further infill subdivision in the future.

2.3.4 Affordability

At the time of this study, and with the limitations of scope (see section 1.3), there was no information available on the affordability (house prices and income of households) of settlements in the northern sub-catchment.

2.4 North Eastern Sub-catchment (Whangapoua to Hot Water Beach)

2.4.1 Type

Dwellings in the northeastern sub-catchment are a mix of stand alone dwellings, townhouses and apartments. In the last two years there has been a significant increase in the number of apartment type dwellings being constructed in Whitianga. Since March 2001 approximately 185 apartments have either been constructed, or are currently in the process of being constructed. In addition, there is approximately a further 190 apartment type dwellings that have either recently been granted resource consent, or are in the process of obtaining resource consent (i.e. potentially 375 apartments either already built or planned for construction in Whitianga)[14]. At some stage in the near future (perhaps within the next five years) there is a likelihood of an 80-120 room hotel/resort establishing in Whitianga[14].

There is currently a number of large scale residential developments taking place in Whitianga, such as at Whitianga Waterways (Stage 2) and greenfield developments south of Racecourse Road, for which subdivision consents have not yet been sought. Although there has been some infill type subdivision activity in Whitianga in the recent past, most of the subdivision has occurred as a result of green field residential developments, on the fringe of existing serviced areas (around the eastern end of Racecourse Road for example)[14].

The Whitianga waterways Structure Plan is intended to provide for a mixture of water oriented housing and apartments around an inland waterways system[14]. The waterways structure plan has a 'Comprehensive Residential Policy Area', which will provide a range of residential activities including retirement villages and comprehensive housing (including multi-unit town housing or apartment style developments)[14].

Matarangi has some older developed areas with some remaining temporary dwellings (caravans) and vacant sections at its southern end. However, the reminder of Matarangi is recent subdivision and predominantly consists of large, modern housing, particularly properties on the beachfront.

2.4.2 Location/number

The northeastern sub-catchment is the fastest growing area in the TC District (in terms of new dwellings) with Whitianga and Matarangi forecast to grow by 85-90% and 150-160% respectively under a medium growth scenario by the year 2041. Whitianga is the largest settlement in the northeastern sub-catchment (in terms of dwelling numbers) with around 2,800 dwellings as at 2006.

The future development potential document produced for Whitianga estimates that, given current/likely future planning and land use limitations, around 8,582 dwellings could potentially be developed in Whitianga[14]. Using projected growth rates (Table 3), it is estimated that by 2041 that there will be 5,259 dwellings in Whitianga under a medium growth scenario. Comparisons of the above information indicate that there will be sufficient dwelling potential to meet the projected growth rates out to 2041.

The future development potential document produced for Matarangi estimates that, given current/likely future planning and land use limitations, around 2,258 dwellings could potentially be developed in Matarangi[15]. Using projected growth rates (Table 3), it is estimated that by 2041 that there will be 2,354 dwellings in Matarangi. Comparisons of the above information indicate that there will not be sufficient dwelling potential to meet the projected growth rates out to 2041 if no changes are made to the District Plan. By 2036, new residential development opportunities will have started to become increasingly scarce in Matarangi creating pressures on the current land-use of the area (Table 3).

[14] Future Development Potential of Whitianga – an assessment of growth potential of Whitianga out to 2026. A report prepared by the TCDC Policy and Planning Group, April 2005.

[15] Future Development Potential of Matarangi – an assessment of growth potential of Matarangi out to 2026. Report prepared by the TCDC Policy and Planning Group, April 2005.

Besides Matarangi, the fastest growth in dwellings between 2001 and 2006 census periods has occurred in Rings Beach-Kuaotunu (8% per annum) and Hahei (7% per annum). This is in contrast to the policy outcomes desired by the Settlement and Amenity Policy in the District Plan of focusing development into the seven main serviced settlements and may be indicative of increasing desire for more 'remote' locations for holiday homes.

Recently (between 2001 and 2006 census years) Rings Beach-Kuaotunu is also growing more rapidly (8% per annum) in terms of new dwellings, when compared with Coromandel (2% per annum), even though they are not included in the Settlement and Amenity Policy (e.g. they are not part of the seven main serviced settlements where Council has indicated growth should be focussed). This growth, although contrary to the Settlement and Amenity Policy in the District Plan, is not surprising as the growth has been appropriate to the zoning in these areas. This indicates that the current rules of the District Plan may not be well aligned with the Council policy direction.

The close proximity of Kuaotunu to Whitianga and Whangapoua to Matarangi, along with the improvements to the state highways and the desire for people to seek more 'remote' coastal locations are likely to be drivers for continued growth in areas such as Kuaotunu in the future.

2.4.3 Density

Although there has been some infill type subdivision activity in Whitianga in the recent past, most of the subdivision has occurred as a result of low-density green field residential developments, on the fringe of existing serviced areas (around the eastern end of Racecourse Road for example).

Whitianga town and the area adjacent to Beach Road is zoned Extra Density in the District Plan, which allows lots down to 250m^2 for front lots and 350m^2 for rear lots. In addition, the Waterfront, Pedestrian Core and General activities zones adjacent to Whitianga town allow lots sizes down to 200m^2 with maximum site coverage ranging between 50% (Waterfront) and 80% (Pedestrian Core).

The standard section size in green field residential developments in Whitianga is around 600m^2, with some sections around 550m^2. Housing density is therefore increasing in Whitianga as section sizes in the older residential areas of Whitianga are often around 800-900m^2 [16]. There is a low density housing area proposed adjacent to the airfield (minimum 4 dwellings per hectare). However, there are currently no District Plan standards which apply to residential development in this area and it is therefore likely that this area will be developed to medium density (15 dwellings per hectare)[16]. Currently there are proposals to develop approximately 135 residential lots.

The Future Development Potential of Whitianga report prepared by TCDC in April 2005[16] predicts that as land for residential development becomes scarcer in Whitianga, changes may be made to the District Plan to enable more intensive development to occur. In particular, it is possible there will be pressure for 6-8 level development near and along the waterfront, as well as potential intensification of the General Activities and Housing zones.

[16] Thames Coromandel District Council, 2005. Future Development Potential of Whitianga. Report prepared by the Policy and Planning Group, April 2005.

This intensification of development in these areas is not consistent with existing District Plan rules.

The development of Matarangi is subject to a structure plan. It is not expected that there will be significant infill subdivision at Matarangi due to existing property sizes not meeting the District Plan standards to be able to subdivide and the large houses which currently maximise site coverage (particularly in the Beach Amenity Policy Area).

2.4.4 Affordability

Although no data is available on actual numbers, it is likely eastern seaboard settlement dwellings are rented for peak periods as holiday homes. This adds to the issues of housing affordability as properties can get more revenue from rental over peak holiday periods than they can with long term rentals. Often this results in 'residents' being unable to afford rental during peak periods. Anecdotal evidence from TCDC staff observations of school roll numbers suggest that families move into an area at the start of the school year and come the Christmas holiday period, move away from the Peninsula to more affordable locations, sometimes not returning.

In Whitianga, there used to be 6 camping grounds and factory staff would come into the town for the season, staying at the camping grounds. Now there is one remaining camping ground. This will put pressure on the availability of affordable rental housing over peak periods and impact on seasonal staff being able to find suitable accommodation.

Matarangi has limited land for development and as increasing demand for coastal property occurs the house prices of Matarangi properties are likely to increase. However, as Matarangi is mostly a holiday resort, housing affordability is not likely to be a significant issue.

2.5 South-Eastern Sub-catchment (Sailors Grave to Whangamata)

2.5.1 Type

The type of housing in the southeastern sub-catchment varies older style baches through to larger and substantial sized modern houses. Most locations (e.g. Whangamata and Pauanui) show a mixture of both new and old housing development.

Historically, Whangamata's residential development was concentrated in the flat area surrounding the Ocean and Otahu Beaches. More recently, residential development has expanded to Moana Point (to the north of the town) and surrounding hills following the construction of the causeway over the Moana Anu Anu Estuary. These development patterns are reflected in the types of housing in Whangamata, with many older baches on large sites still remaining on the flat area of Whangamata and larger, substantial sized modern housing appearing at Moana Point. The settlements of Onemana and Pauanui were more comprehensively planned than the older settlements and therefore have more consistent styles of housing from the same era.

There are an increasing number of apartment style houses appearing in Whangamata and Tairua and Pauanui. Resort type housing is located outside Pauanui settlement (i.e. Lakes Resort), and consists of a mix of standalone dwellings and apartments.

2.5.2 Location/number

The settlements in the southeastern sub-catchment are growing in size rapidly (in terms of number of new dwellings), with increase in number of dwellings between 1991 and 2006 ranging between 13% (Opoutere) and 34% (Tairua and Pauanui). In absolute terms, Whangamata had the second largest growth in new dwellings in the period 1991-2006 than any other settlement on the Peninsula (approximately 730 new dwellings. Whitianga had the largest growth with 1,060 new dwellings).

Between September 2000 and August 2007, the townships of Tairua and Pauanui had been subjected to a moratorium on subdivision and development until the wastewater treatment plant is upgraded (scheduled for completion by the end of 2006/07). This is reflected in the slower growth in dwelling numbers per annum in Tairua and Pauanui between 2001 and 2006 census periods (only 1 and 2% growth in dwellings per annum – Table 2). While in principle the moratorium should have resulted in no subdivision taking place in either Tairua and Pauanui, in practice some subdivision has been occurring, where it is has been shown that proposed developments do not increase the existing demand on wastewater infrastructure or they are able to make alternative arrangements for the disposal of wastewater. Development was also allowed on lots that were created prior to the moratorium being invoked. Council records indicate that approximately 36 additional residential lots in Tairua and Pauanui were awaiting the lifting of the moratorium before commencing subdivision and construction.

The future development potential document produced for Pauanui/Tairua estimates that, given current/likely future planning and land use limitations, around 4,040 dwellings could potentially be developed in Pauanui and 3,254 dwellings in Tairua by 2026[17]. If only the areas of benefit are developed to their full potential then there could be 3,452 dwellings in Pauanui and 3,154 dwellings in Tairua by 2026[17].Using projected growth rates (Table 3), it is estimated that by 2026 that there will be 2,064 dwellings in Tairua and 3,624 dwellings in Pauanui under a medium growth scenario. However, the projected number of dwellings for Pauanui under a medium growth scenario (3,624) means that there will be insufficient capacity for projected growth out to 2026 both within and outside of areas of benefit if no changes are made to the District Plan.

The Future Development Potential document produced for Whangamata estimates that, given current/likely future planning and land use limitations, around 6,472 dwellings could potentially be developed in Whangamata by 2026[18]. Using projected growth rates (Table 3), it is estimated that by 2026 that there will be 5,316 dwellings in Whangamata[18]. This indicates that there will be sufficient dwelling potential to meet the projected growth rates out to 2026 if changes are made to the District Plan.

2.5.3 Density

There are three of the seven main serviced settlements in the southeastern sub-catchment (Tairua, Pauanui and Whangamata). Each of these areas has an extra density zone to reflect the Settlement and Amenity Policy of the District Plan. Whangamata in particular has

17 Future Development Potential of Pauanui & Tairua: Supplementary Document

18 Future Development Potential of Whangamata – an assessment of growth potential of Whangamata out to 2026. Report prepared by the TCDC Policy and Planning Group, April 2005.

experienced a substantial increase in the number of infill subdivisions occurring within the existing town limits. This could be due to a number of large sections with older-style baches in central Whangamata that have the potential for redevelopment and intensification. As at April 2004, there were 500 residential lots that could potentially be subdivided as a controlled activity under the District Plan standards, with a further 271 residential lots that could potentially be subdivided as a restricted discretionary activity.

Increasing housing is occurring at Sailors Grave, a relatively undeveloped coastal area just north of Tairua. Much of Sailors Grave is zoned Coastal-Residential in the District Plan, allowing subdivision down to 600m^2 lot sizes. Notwithstanding the zoning, the intensification of housing at Sailors Grave was not generally anticipated, as it was considered that geotechnical constraints would provide a limit to the housing potential in the area and therefore act as a control for the intensity of development. However, with modern engineering practices, Sailors Grave is now subject to increasing housing pressure. This development threatens the visual amenity and character of the area.

Summary and Conclusions

Most areas on the Peninsula are growing in terms of dwelling numbers between 2001 and 2006 census periods (with the exception of Opoutere which has seen a 1% decrease in dwellings numbers between 2001 and 2006). Some areas, such as Matarangi with a 200% increase in dwelling numbers, have had particularly rapid growth between 1991 and 2006. Whitianga has had the largest absolute growth in dwelling numbers between 1991 and 2006 with 1,060 new dwellings being built.

More recently the trend is for growth in numbers of dwellings in the north-eastern-sub-catchment, particularly Mercury Bay. 2006 census data suggests that Cooks Beach/Ferry Landing is nearing the size of Coromandel Township (in terms of numbers of dwellings) and locations such as Kuaotunu and Whangapoua are growing more rapidly per year than Coromandel (between 2001 and 2006 census periods).

Most major settlements have capacity for estimated growth in dwellings out to 2026. However, it is noted that changes to the district plan are required in many of these settlements. Matarangi is the area that is anticipated to have the most pressure by 2026, as new residential development opportunities will have started to become increasingly scarce, creating pressures on the current land-use of the area[15]. Tairua will also have insufficient development capacity to cater for the projected growth under a medium growth scenario out to 2026.

A notable proportion of growth is not being focused to Council's seven serviced settlements, indicating that there is market demand and pressure for a range of housing types and environments beyond those explicitly provided for in the District Plan. The "Settlements and Amenity Values" resource management issue in the District Plan could be reviewed to reflect the existing pattern of settlement and development and to form objectives and policies for sustainable management of the settlements until the next full review of the District Plan.

The Peninsula has a high percentage of unoccupied dwellings compared with national figures (48% in Thames-Coromandel District compared with 10% nationally). The numbers of unoccupied dwellings are increasing faster than the number of occupied dwellings in many settlements in the TC District (with the exception Thames). The number of projected dwellings are also expected to continue this trend reflecting the demand for holiday homes, rather than permanent residences.

Market demand is currently highest for Whitianga (in terms of number of house sales). However, Tairua and Pauanui were hotspots for market demand prior to the moratorium on new development being imposed. The lifting of the moratorium may therefore see demand once again increase in these areas.

Housing affordability on the Peninsula is an increasing issue with TC District having the second highest house price to income ratio out of all of the local authorities in New Zealand. Construction costs may increase, but more slowly than the increasing land value, which is driving prices up. It is possible that demand for land that previously was not likely to be developed in marginal areas such as inland blocks (with no coastal views) may increase as people seek affordable housing options.

...Summary and Conclusions Continued

Future planning exercises should consider whether new buildings on the Peninsula should cater for new housing demand from both residents and non-residents (where the latter includes New Zealand and international owners of holiday homes, as well as casual tourists) and, if so, how this should occur. Although not currently an issue, if new house supply is not sufficiently responsive in these regions, the effect on local prices, and hence on housing affordability for local residents could become problematic in the future (recognising that housing affordability is already a concern).

Some new developments that are occurring on the Peninsula are starting to include relatively cheaper housing options (e.g. the comprehensive housing zone to maximise use of land in the Whitianga Waterways). However, these options tend to be the lower end of the high price range of properties in the TC District and therefore may not be affordable to the general resident.

The real estate market is currently slowing, although prices remain high. However, beachfront properties still sell quickly when they come onto the market and fetch top dollar, representative of the coastal property trend nationwide.

3 Influencing Factors

There are a number of factors that can affect the nature of housing in the TC District and the trends that are observed. These include current policy direction, demographics, physical constraints, community desires and market demand. These are described in more detail below.

3.1.1 Policy

a. Location/Number

The partly operative Thames-Coromandel District Plan (the Plan) is currently the main tool for managing growth in the District and directing the nature of development, including housing, in the TC District. The objectives in the Settlement and Amenity Values section relate to maintaining landscape, amenity and character of areas and protecting sensitive coastal and natural environments are particularly relevant for directing the nature of development ion the TC District. The Settlement and Amenity Policy of the Plan aims to contain the future development on the Peninsula within its existing seven main settlements (Thames, Coromandel, Whitianga, Pauanui, Tairua, Matarangi and Whangamata). Reasons for this are given as "*The District towns are the best locations for most of the District's growth because they are fully serviced with utilities and infrastructure. There are substantial economies of scale and efficiencies to be gained from investing in the maintenance and construction of infrastructure in a number of limited locations.*" Although the purpose of the Settlement and Amenity policy is to achieve efficiencies in infrastructure provision, it is also to protect amenity values of the TC District and restrict urban sprawl by focusing the development into designated areas of the coast.

It is noted, however, that development has been occurring rapidly in areas that are not identified in the Settlement and Amenity Policy of the Plan. Particular 'hotspots' of development are Cooks Beach (which has almost caught up to Coromandel town in terms of number of dwellings) and Rings Beach-Kuaotunu, which is growing at a rapid rate. This may be a result of the moratorium on development that has been in place since 2000 for two of the seven main serviced settlements (i.e. Tairua and Pauanui), but it appears is largely due to an apparent misalignment of the rules in the Plan with the zoning and policies. The Settlement and Amenity policy of the Plan is now out of date and requires a review as a result of the development that has occurred in the District.

Planning documents also control the location of housing through consideration of natural hazards and the general policy direction of avoiding development in areas prone to natural hazards (e.g. floods or coastal erosion). TCDC are currently reviewing the Natural Hazards section of the District Plan to incorporate flood hazard categories and also coastal setback lines for erosion avoidance. Currently, coastal flooding and erosion area setback standards for development are applied and enforced under the Building Act (e.g. no Buildings, structures or septic tanks or their disposal fields shall be located within 30m inland from the toe of the natural shoreline or seaward vegetated toe of the foredune on the East Coast). The Thames Flood Management Plan has also been developed to manage flood risks to properties (see Natural Hazards Profile Statement).

The Civil Defence Emergency Management Act 2002 (CDEMA) outlines the statutory requirements for civil defence emergency management in New Zealand. The CDEMA requires co-operation and coordination of local authorities in the reduction, readiness, response and recovery from an emergency and this would therefore include consideration of land use constraints to development.

The New Zealand Coastal Policy Statement also provides direction in the location of appropriate development in the coastal environment in terms of the preserving the natural character of the coastal environment by encouraging subdivision, use or development in areas where the natural character has already been compromised and avoiding sprawling or sporadic subdivision. The New Zealand Coastal Policy Statement also states that subdivision, use and development in the coastal environment should be conditional on the provision of adequate services (particularly the disposal of wastes). The Settlement and Amenity policy, which aims to focus development in to the seven main serviced settlements, is considered consistent with this policy.

The large amount of land in crown ownership in the TC District (see Open Space and Recreation Profile Statement) is also an influencing factor into the location and growth of housing developments on the Peninsula. DOC manages this land for conservation purposes and has policies that support that underlying conservation purpose. Development is therefore restricted on crown land. For example, Port Charles is surrounded by DOC managed land and this constrains the growth of that area beyond its current zoned boundaries in the District Plan. DOC also manages many of the offshore islands for conservation purposes and so growth will not occur in these areas (see Biodiversity Profile Statement).

The Regional Policy Statement has some effect on the nature of housing (mostly location of housing) in the TC District through objectives and policies relating to natural hazards avoidance (see Natural Hazards Profile statement). The Regional Policy Statement also recognises that inappropriate subdivision, use and development within the coastal environment resulting in loss of natural character is an issue (see Natural Character and Landscape Profile Statement).

b. Type

The District Plan can control the nature of housing on the Peninsula in terms of height of buildings, and special nature of housing such as heritage status. For example, the Heritage Policy Area incorporates housing areas which have been identified in heritage studies as having value to the community, and where this character should be retained. Heritage Policy Areas are located in Grahamstown in Thames, and at Coromandel. The Beachfront Housing Policy areas, located along the beachfronts at the east coast towns of Matarangi, Tairua, Pauanui and Whangamata aim to protect the amenity of the beach. This is done in two principal ways: by limiting the height of buildings to 7 metres and requiring any application to exceed the height to be publicly notified, and by having a more restrictive than normal daylighting standard.

The District Plan currently contains general guidance on appropriate housing design through assessment criteria used for houses in the Coastal Residential Policy Area. However, no specific design guidelines have been developed for this purpose within the serviced settlements.

The Government is investigating a National Policy Statement on Urban Design and National Urban Design Guidelines that will provide guidance on achieving and assessing the quality of urban design in the development and re-development of urban areas, possibly including performance criteria and best practice tools and techniques. These tools could become a pivotal resource to help Council decision-makers, and would be especially useful where more detailed local guidelines are not available such as in the TC District.

c. Density

There are a number of 'structure plans' in the District Plan that allow certain types and scale of developments in specific areas. For example, the Little Bay settlement is zoned Coastal-Residential and has largely been developed to capacity under the existing rules of the District Plan. The developed area is partially bordered on either side by structure plans, which allow for a maximum of 9 or 10 lots. The purpose of this structure plan is to provide for the development and use of the subject land for low-density residential purposes whilst ensuring that in conjunction with such development, the natural character of the coastal environment and its associated landscape, amenity and ecological values are protected and enhanced[19].

The current subdivision standards for the Housing Zone – Outside All Policy Areas are 400m^2 for front lots and 500m^2 for rear lots. At present subdivision that meets the development controls and minimum lot sizes is a controlled activity, and below the minimum lot sizes is a restricted discretionary activity. This means that an application for a 398m^2 front lot and an application for a 218m^2 front lot both have the same activity status. This is regardless of the fact that the larger lot is only slightly smaller than the allowed lot size, while the other is significantly smaller. The Infill Subdivision Report prepared for Whangamata in 2004 states that at the end of April 2004, 375 residential lots in the Housing – Outside All Policy Areas were smaller than the minimum lot size specified in the District Plan (a total of 13%). This suggests that subdivision to smaller lot sizes than the minimum standards in the District Plan is occurring regularly.

In order to address this, the current subdivision rules could be altered by way of a variation/plan change so that down to a certain lot size subdivision (below the minimum lot size) is restricted discretionary (e.g. 300m^2), and below that the application becomes discretionary or non-complying[5].

Density is controlled through the implementation of the District Plan through zoning and minimum density and site coverage standards, and also by whether the area is serviced as the District Plan requires that unserviced lots to have larger areas of land for on-site provision of wastewater/stormwater disposal. The Waikato Regional Plan impacts on the density of development in unserviced areas through their rules regarding on-site disposal of wastewater and minimum disposal areas (e.g. permitted activity Rule 3.5.7.4 requires a

[19] Thames-Coromandel proposed District Plan.

minimum effective disposal area of 2,500 square metres for discharges from systems installed after 11 July 1994).

3.1.2 Demographics

There is an aging demographic profile in the TC District. Previously the trend has been younger retirees moving to the area. Older retirees tend to move away from the Peninsula, probably due to the lack of tertiary healthcare (see Demographics Profile Statement). However, the proposed modifications to the Thames hospital and the planned medical and aged care facilities at Whitianga are likely to increase the appeal for older retirees to stay in the District and an associated increased demand for more retirement housing in the TC District in these locations.

3.1.3 Physical Constraints

There are a range of land use capability factors (slope, stormwater constraints, landscapes etc) and amenity expectations (building height, open space etc) that affect the scale and intensity of residential development and therefore the nature of housing in the TC District.

Many of the future development opportunities in the TC District are limited by the topography and lack of suitable building sites. This is particularly the case in the western sub-catchment in the TC District. On the Thames Coast, development opportunities are limited by the flood hazard in some of the flatter settlement areas, which have been the favoured development areas in the past due to the flatter topography (see Natural Hazards Profile).

Topography may also limit development in terms of service constraints. For example, development of the land outside of the area of benefit in Hahei is limited by the steep topography, which inhibits the suitability of septic tank use on those sites. Steep slopes and high clay content soils in the TC District are also prone to slippage (see Physical Environment Profile Statement).

However, constraints such as slope stability and flooding are being overcome through engineering practices that are now allowing consideration of developments in areas previously considered unsuitable for development. For example, Sailors Grave is now being developed more intensively than was likely to have been previously anticipated by TC District Council staff as it was thought that geotechnical constraints would limit the ability to build dwellings in that location. Modern day engineering has allowed for more intensive development in these areas to be achieved. Also, a recent development on the edge of the Tairua River (on Hikuai Settlement Road) has been approved by an Independent Commissioner acting for TCDC, against advice from the Regional Council, Environment Waikato as mitigating measures were offered such as providing raised mounds for the house sites and even an emergency boat for access if flood events were to occur.

In addition to the above, moratoriums on development in areas in the TC District are used by the Council to control growth in areas to give Council time to respond to increased demand on services. For example, Tairua and Pauanui have had a moratorium on development imposed since 2000 to avoid additional strain on already overloaded wastewater infrastructure.

Hahei also has a moratorium on subdivision as a result of the current wastewater plant being at capacity.

The accessibility of some locations on the Peninsula is likely to have helped constrain growth in the past. Kuaotunu has seen an increase in growth in the number of dwellings in recent years and this may partly be a result of improvements to the road from Whitianga and Coromandel townships, decreasing the travel time between Kuaotunu and the larger settlement. Subdivision here has also included connection to a reticulated sewerage system serving the lots created.

3.1.4 Community Desires

Some communities in the TC District have developed community plans, some with Council assistance and some completely independently. The plans reflect the community desires for growth, and the nature and location of future housing, amongst other matters. The aspirations of the following communities, as outlined in their community plans, are summarised below.

a. Whangamata

The Draft Whangamata Community Vision Plan includes six visions for the future of Whangamata, one of which is to limit development within defined town boundaries to avoid urban sprawl. Simultaneously, the plan includes a goal to balance development with limits on infill and multi-storey development by, for example, enforcing the current District Plan standards. Future strategic planning exercises will need to consider these objectives and consider whether there are any resulting opportunities for growth.

b. Tairua

The Tairua community plan revealed that the community like the 'village' feel. The majority of the Tairua community favour medium density housing, similar to existing. Some of the community are accepting of higher density forms of development such as infill housing or high rise development but prefer these types of development to be located away from the seaside and in the hills behind or near the town centre. In particular the community noted that they wanted high-density development to occur away from areas like Sailors Grave, Pumpkin Hill and foreshore areas, because of the natural character values. Some of the community wishes the Council, through the Community Board, to prepare changes to the District Plan that will restrict or avoid infill development in the Residential Policy Area and Beach Amenity Policy Area, as this form of development is not considered to be an appropriate environmental outcome for Tairua.

c. Pauanui

A Pauanui survey found residents thought high-density housing would ruin the abundance of trees, the beach and peacefulness of the town. However, the community was generally accepting of an extra density zone near the township as a way to contain growth within the existing settlement while retaining the character of Pauanui (e.g. the reserve and open space network). If increased density is to occur in this area whilst protecting the values stated by the community then urban design criteria may need to be developed.

d. Other localities

Community plans are being developed in other settlements in the TC District as communities seek to address the issues of development that arise and how these issues are able to be managed. These plans are non-statutory but form an important linkage between the community and the council's role in strategic planning.

e. Community Plans & Future Strategic Planning

The work undertaken by communities in developing Community Plans to reflect local aspirations will contribute to future strategic planning in the District and the development of localised structure plans. These plans will then inform the District Plan in the context of the wider District framework. It will be important for future planning to provide the wider strategic context so that areas outside of the communities that have prepared Community Plans are also represented as part of the vision for the District.

3.1.5 Market Demand

Market demand on the Peninsula impacts on house prices and therefore affordability of housing. It also is the underpinning driver for development on the Peninsula.

It is possible to assess market demand by evaluating real estate and property development trends from a practitioner's perspective. In this regard, discussions have been held with a real estate professional, active in the Thames-Coromandel District, the main developer on the Peninsula (Hopper Developments Ltd) and assessing publications relevant to the real estate market on the Coromandel. The results provide useful information both with respect to the market conditions as a whole, but also with respect to particular localities or niche markets.

In an article published by the New Zealand Herald in July 2004, Richardsons Real Estate principal officer Neil Christie said property on the Peninsula, with its beach baches, bush-clad sections and trendy resorts, started to take off in about 2000. He attributed the rising prices to better roads (the tar sealing of the road between Coromandel township and Whitianga triggered a surge of sales in Matarangi) and the strong Auckland market, which gave people extra cash[20].

During the period between 2000 and 2005, the Reserve Bank of New Zealand increased short-term interest rates to the highest level in the industrialized world, at least partially to restrain rising house prices. Yet, the interest rate hikes have proven to be impotent with respect to restraining house prices, which have continued to escalate well ahead of incomes (Figure 5)[21].

As construction costs have remained relatively consistent over the 2000 and 2005 period, the higher prices can be attributed to increasing land value. Studies[22] into the proximate

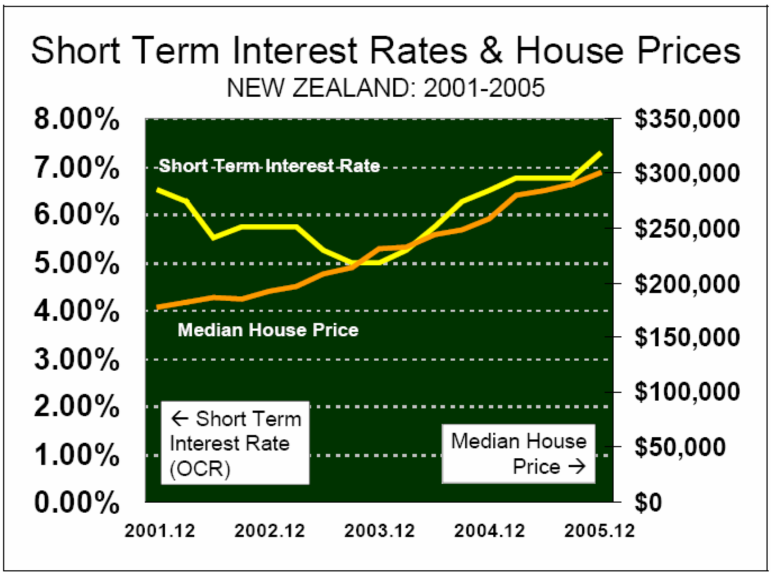
20 NZ Herald article, Coromandel Property Boom roars on 6/7/04

21 Pavletich Properties Limited, 2005. 2nd Annual Demographia International Housing Affordability Survey: 2006, http://www.demographia.com/dhi-ix2005q3.pdf.

22 Centre of Housing Research, February 2006 research bulletin

cause of the extraordinary house price escalation in unaffordable markets indicate that it is government policies that create land scarcity, in turn causing the increase in land value. In the Centre of Housing Research, February 2006 research bulletin, investigators estimate that a 10% increase in regional house supply (relative to population) results in an approximate 8% decline in house prices in that area. However, this does not apply in Thames-Coromandel District due to the large absentee population. Supply of housing on the Peninsula continues to increase in some areas more than 10% and there has been no decline in house prices.

Figure 5: Short-term interest rates compared with house prices (2001-2005)



An article published by the New Zealand Herald in May 2006 referencing Quotable Value statistics from 2006, states that Tairua is now the second-most expensive beach spot on the Peninsula and Whangamata is now the third-most expensive settlement in which to purchase a Coromandel beach property.

Real estate agents have observed that the current hot spot for the number of real estate sales is Whitianga, in particular units. This has changed from being Tairua and Pauanui back in 2000. The decreasing number of sales in Tairua and Pauanui in recent years may be indicative of the moratorium on new development imposed in 2000.

It appears demand is still far outstripping supply, and prices are not being dampened by the growth in the number of new dwelling consents issued in the District. However it is noted from recent observations of the real estate market that, although properties are still fetching high prices, they are staying on the market for longer (i.e. the market is slowing). It has also been observed by real estate agents that undeveloped sections are taking longer to sell. This may be a result of an increase in the development contributions required for new development being passed on to buyers, however no data is available on average sale price of vacant land to confirm this. Beachfront properties remain in high demand, sell quickly and fetch top dollar.

Discussions with real estate agents indicate that the real estate market on the Peninsula is relatively uncertain and has fluctuated in the past. It is difficult to predict future trends due to this uncertainty. However, it is apparent that there is still a seasonal demand for property on the Peninsula and this reflects the increasing number of purchases made for holiday homes.

Whilst the market demand may only be predicted by analysing trends, there are sufficient indicators to give confidence that growth will continue to the forecast numbers in Table 3. The numbers of additional houses are not large but are significant in terms of the TC District (refer Table 1).

It would appear that the market would be impacted only by a severe down turn in the national economy, as even increased interest rates have had little effect on median house prices.

The market demand can be generally summarised as follows:

- Average prices in some Coromandel holiday hotspots have doubled over the past five years with 2001 having average sales of approximately $160,000 compared with average sales of approximately $380,000 in 2004.
- Whitianga has had particularly strong sales in 2006, however Tairua and Pauanui were the hotspots in terms of number of properties selling in 2000.
- Currently demand for coastal real estate is dominated by demand for holiday homes.
- Demand is considered to be highest for newly constructed dwellings or existing dwellings rather than vacant lots. There is only slight demand for multi-unit housing. For example, units that came on the market in Whitianga near the township have only just had Certificate of Titles issued in 2006.
- Beachfront properties are still fetching the highest price and do not stay on the market long, indicating the continual demand for beachfront property, particularly on the eastern seaboard.
- The western sub-catchment of the Peninsula (i.e. Thames and Coromandel) is still recording sales (although less than the eastern sub-catchment) but houses are not fetching prices as high as equivalent sized houses on the east coast.
- The current market is described as “stagnated” (with houses staying on the market longer) compared to “booming” in 2004. As the market on the Peninsula is variable it is difficult for real estate professional to predict future trends.

4 Key Issues/Constraints

4.1 Hot spots

The District Plan has a Settlement and Amenity policy that aims to keep development and growth within the seven main serviced settlements of Thames, Coromandel, Matarangi, Whitianga, Tairua, Pauanui and Whangamata. However, recent statistics on number of dwellings on the Peninsula (Census 2006) show that the eastern seaboard settlements of Cooks Beach, Hahei and Kuaotunu are particular hot spots for growth in new dwellings.

Growth and development that is occurring outside of the seven main serviced settlements in areas such as Kuaotunu may cause adverse effects and place increasing pressure for Council investment in infrastructure. Septic tanks may fail in areas of intensive development (see Infrastructure Profile Statement).

Growth is expected to continue in the northeastern sub-catchment in areas such as Cooks Beach, Whangapoua and Kuaotunu. Policies in the District Plan need reviewing and adjusting to match these trends.

4.1.1 Cooks Beach

Cooks Beach has just about reached Coromandel township in terms of size (i.e. numbers of dwellings). Cooks Beach/Ferry Landing had 879 dwellings on Census night 2006. Coromandel had 972 dwellings on Census night 2006. Although Cooks Beach has just about reached Coromandel town in numbers of dwellings and is not one of the seven serviced settlements identified by TCDC, it still has the infrastructure to support that growth. As Cooks Beach was already zoned for development, Council has been prepared for the growth in new dwellings in that area and it has come as no surprise that it has grown to this level. However, the Settlement and Amenity Policy of the District Plan may need to be updated to reflect the growth of Cooks Beach and community facilities reviewed for adequacy.

4.1.2 Kuaotunu

Kuaotunu has grown four times more rapidly than Coromandel in recent years (8% per annum compared with 2% per annum between 2001 and 2006). However, Rings Beach-Kuaotunu is still a small settlement and has less than half the number of dwellings as Coromandel (402 compared with 972 in 2006). The rapid growth may be the result of State Highway 25 upgrades, making Kuaotunu more accessible from Whitianga. Kuaotunu is currently not developed to its potential under the District Plan and so we can expect to see the growth in dwellings continuing in the short to medium term. There has also been subdivision activity in the outlying rural area of Kuaotunu, with on-site septic tank wastewater treatment. As Kuaotunu develops, there may be increasing adverse effects on the environment (e.g. septic tanks, stormwater disposal) and Council may come under increasing pressure to invest in infrastructure to support the growth (or the community that has established as a result of growth). The local stream quality is already a concern due to septic tank runoff[23], and this is anticipated to be an increasing issue with new development.

4.1.3 Whangapoua

Whangapoua was also growing faster than Coromandel township between 1996 and 2001 (5% compared to 2% per annum). However, in more recent years the growth has slowed to 1% per annum between 2001 and 2006 census periods (Table 2). Whangapoua had a number of greenfield subdivisions in the years between 1996 and 2001, which may reflect the growth.

It is anticipated that once the Matarangi settlement is developed to capacity that there may be more pressure on nearby areas such as Whangapoua to meet the demand for coastal property.

Interestingly, there was a decrease in the usually resident population of Whangapoua of approximately 6% between 1996 and 2001. However, during that same period, there was an increase of 25% in number of new dwellings. This reflects the large number of holiday homes in Whangapoua. The large influx of holidaymakers during the peak periods will put increasing pressure on infrastructure and water supply is a particular issue currently.

4.1.4 Matarangi

As discussed in Section 2.4.2 growth predictions for Matarangi indicate that by 2026, new residential development opportunities will have started to become increasingly scarce in Matarangi, creating pressures on the current land-use of the area. This may result in future pressure on TC District Council to amend the District Plan to allow more intensive forms of development (e.g. infill housing).

4.2 Implications of Housing Trends

4.2.1 Provision of Services

- As settlements in the TC District reach development capacity under the current District Plan, it is likely that privately owned holiday parks on the Peninsula may be developed, adding to growth pressures. For example, the Hahei Holiday Resort camping ground is currently in private ownership and if it is developed then this will require an increase in the wastewater plant to meet additional load. Council has indicated in the 2006-2016 Long Term Council Community Plan (LTCCP) that upgrades to the Hahei wastewater plant is anticipated. Once the Hahei wastewater treatment plant is upgraded then it is likely that more growth will occur in Hahei, although it is not one of the seven main serviced settlements for growth.
- There is an increasing trend for development to occur outside of the seven main serviced settlements, as people seek more 'remote' housing locations. This impacts on the provision of services for these areas. Unserviced settlements that continue to grow in size may have cumulative effects on the environment, e.g. from septic tanks.

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23 Thames-Coromandel District Council, 2005. Water and Sanitary Assessment 2005.

- Although privately owned campgrounds do not allow for public access, they contribute to the open space feel of areas and, once developed, result in a perceived loss of open space by the community. It may therefore be appropriate for TCDC to consider adequate provision of open space and reserves (see the Open Space Profile Statement for further discussion on this issue).
- The trend of more intensive development (e.g. infill housing at Whangamata) may affect infrastructure provision, as septic tanks may no longer be suitable for wastewater treatment on smaller lots.

4.2.2 Location

- The trend of growth in areas outside of the seven main serviced settlements has implications for the amenity of the coast in the TC District. Urban sprawl is not desirable by the communities on the Peninsula (as evidenced through Community Plans) and is inconsistent with the Policy direction provided in the New Zealand Coastal Policy statement, and indeed in the Settlement and Amenity Policy of the District Plan.

4.2.3 Affordability

- Thames-Coromandel District has the second highest house price to income ratio of all territorial authorities in New Zealand. However, housing affordability is only an issue for Thames-Coromandel District usual residents and investment in holiday homes by purchasers from outside of the District is likely to continue to drive the housing market. This issue of housing affordability for 'usual residents' of TC District is likely to encourage some low-to-medium paid workers to migrate elsewhere in search of affordable housing and sustainable lifestyles, raising the possibility of labour shortages in particular locations and occupations.
- The trend of decreasing housing affordability is likely to have impacts on the demographic profile as families may not be able to afford to live on the Peninsula and therefore service providers such as education providers may not be able to sustain their activity. Lack of affordable housing is also likely to impact on lower-earning and younger people who may not be able to afford to live on the Peninsula, in turn impacting on the economy through lack of employees to fill vacancies.
- Although it has been identified that it is not currently a problem for the TC District, land scarcity, as areas are developed to potential under existing District Plan rules, may fuel the property market and affect house prices in the future in some areas of the Peninsula (e.g. Matarangi).
- Demand may soon increase for development in marginal areas (e.g. inland locations with no coastal views) that would otherwise not have been developed as people seek affordable housing options in the TC District.
- Gentrification (where older areas are renovated and upgraded) has implications for housing affordability in areas (increasing housing costs).
- The Tairua Community Plan notes that the Tairua community are struggling to provide an adequate service industry, partly because of the lack of affordable housing.

The Economic Development focus group suggested that land – possibility at Hikuai – be zoned rural/residential to encourage development that would not be so expensive to buy or rent. However, this is contrary to the Settlement and Amenity Policy of the District Plan that aims to contain development to serviced settlements to avoid urban sprawl and to enhance efficiencies of infrastructure provision. There is also no guarantee that such housing development would be any more affordable.

- Housing affordability is an issue that is discussed in many of the community plans of the District's settlements. The communities recognise that housing affordability is an issue that needs to be addressed in order to achieve the vision for the community, particularly in regards to economic growth and character of the towns.

4.2.4 Density

- As greenfield development land becomes scarcer there will be increased focus upon the development potential of the areas currently zoned low density and a resultant increase in the density of housing. This has implication for open space and reserve provision as increasing density will increase the associated demand for more open space and reserves in close proximity to developments. At present, there are limited design guidelines in the District Plan to make sure that increased density developments preserve amenity values.
- As settlements are developed to capacity it is likely there will be pressure on plan changes to allow for increased intensification of development (e.g. Matarangi and Tairua).
- There are an increasing number of applications being received by Council for accessory buildings on sites (e.g. Hahei). It is considered likely by Council that these accessory buildings are secondary dwellings. This may impact on the open space 'feel' of towns as it is essentially infill subdivision but without the property subdivision.
- More than one house per lot is a controlled activity in some policy areas of the District Plan if minimum standards (e.g. site coverage, front, side and rear yard setbacks, etc) are met. This means that more intensive development can be recognised in some communities. If implemented, the character of small coastal communities could change with less open space and more housing. Tighter controls may be necessary to achieve a sustainable development balance and preserve character / amenity in some towns.
- Community planning exercises provide good information on the desired 'theme' of community (e.g. Tairua a coastal village) but no urban design guidelines are in place to make that vision a reality.
- The current trend in housing on the Peninsula is for towns to grow out (urban sprawl) and more intensive developments are starting to occur in some areas (e.g. Whangamata and Whitianga). Small settlements on the outskirts of towns (e.g. Kuotunu, Matarangi) are growing rapidly and the demand for more 'remote' coastal locations appears to be ongoing. If the current District Plan rules remain the same then there will be little control in this trend. In particular, the Settlement and Amenity

Policy of the District Plan is not achieving its purpose of focusing growth in the seven main serviced settlements.

Implications for Future Strategic Planning

- As the serviced settlements such as Whitianga and Matarangi reach capacity then there will be more pressure on neighbouring smaller settlements for growth. The settlements of Kuaotunu and Hahei are already feeling the effects of increased growth pressure due to their proximity to Whitianga and as people seek smaller 'bachy' or 'exclusive' settlements. This may need to be considered by TCDC as these areas are growing at such a rate that is not expected or desired under the current Settlement and Amenity Policy of the District Plan.
- Although it is a not currently a problem in the TC District when developing future scenarios or visions for growth, the impacts of restrictive land zoning on the future house market could be considered. If the demand for more residential properties is not catered for in the District Plan zoning then it is likely house prices will increase, especially in the eastern seaboard settlements and it will become less affordable for people to live, work and raise families on the Peninsula in the future - as land becomes scarce. This will affect the demographics of the Peninsula, fuelling the current trend of an aging population and increasing absentee ratepayers. This, in turn, is likely to place pressure on the economy of the Peninsula as there will be a lack of younger staff to support industries year round. Local government zoning may positively affect housing affordability through the provision of zoning in marginal areas of land (for example inland areas with no coastal views) and with the provision of simple infrastructure services. However further investigation would be required to validate this option.
- There are often conflicts in a community on whether growth is wanted. Some want no growth but others view that growth is important to maintain the viability of settlements. These issues, as well as how to cater for growth whilst achieving local aspirations of the communities, will need to be balanced in the development of planning scenarios as the next stage of growth strategy work.
- The community plans developed for each settlement are increasingly proposing changes to the zones of the area through the District Plan. Although the TCDC has indicated that plan changes with a district focus are the main priority, there is acknowledgment that zone changes requested through community plans are also likely. The implementation of these various exercises will need to be carefully considered by Council to ensure that future planning is providing the overarching direction for growth on the Peninsula in a wider context. Future strategic planning could achieve this through setting a district-wide vision for growth that will feed down into local planning exercises.
- Housing is occurring in the TC District in areas valued by the communities for their sense of place and natural character values (e.g. Sailors Grave). However, this development is occurring in the absence of urban design criteria specifically developed to preserve the special values. Future strategic planning could provide the overarching direction to appropriate urban design criteria in the District that could then be modified and adopted by local communities through the local structure plans to achieve local aspirations. If urban design criteria is investigated further, the investigation should discuss what the criteria needs to achieve for the district (based on the vision for the district), the level to which urban design criteria should be introduced (i.e. at specific locations or more generalised for the district as a whole or both) and whether it should be developed to control design of buildings, the settlement network, safety, view shafts, public spaces, etc. This work should link to the Natural Character and Landscape Profile Statement.

5 Opportunities

- The lack of affordable housing in the TC District is affecting the ability of industries locating on the Peninsula (e.g. marine farming) to retain workers to support economic growth. Although many ratepayers indicated through LTCCP submissions that they do not think it appropriate for TCDC to be spending money investigating the housing affordability issue, it is recognised in many community plans as an important issue that needs to be resolved in order to achieve the vision for the settlement. As discussed above, future strategic planning could identify mechanisms available to the District (its not just a District Council problem or role) to promote affordable housing, such as identifying strategic locations throughout the TC District that may be zoned to allow residential development and the provision of basic infrastructure services (for example inland areas with no coastal views).
- Currently the Thames-Coromandel District Plan includes a Settlement and Amenity policy that has policies to ensure the character of the built environment, including commercial, housing and subdivision design, is coherent with the landscape character and amenity values of the immediate and surrounding area, and to contain the expansion of settlements so that the District's natural areas, rural areas and coastline margins are protected. However, as discussed in Section 4.1 growth in numbers of dwellings is occurring in smaller settlements in close proximity to the main towns indicating an increasing desire for holiday homes in more 'remote' locations (e.g., Kuaotunu). Future strategic planning could therefore consider mechanisms, such as urban design guidelines, to ensure that growth is managed and occurs in a way that will protect amenity values of the area and maintain the 'character' of coastal towns on the Peninsula. This will be consistent with the community outcomes stated in the LTCCP of "*Our communities recognise and value the natural environment*" and "*The natural values of our coast and beaches are respected and enhanced*". These aspirations are also reflected in the many community plans developed in the TC District, e.g. the Coromandel Community Plan states the community wants "*Development that is appropriate to the area and the Peninsula, which retains the character and beauty of the region*" and the Pauanui Community Plan (Vision Pauanui) goes as far as developing a number of Environmental Spatial Outcomes (ESOs) to protect features of the Pauanui living environment that the community values greatly[24].
- Providers could consider any upgrades or extra provision of services as this is likely to pre-empt growth. At the same time, any upgrades to cater for future growth relies on this growth to actually happen and contribute to the costs of providing these upgrades. For example, it is anticipated that there may be rapid growth of Hahei if the current wastewater treatment plant is upgraded and additional capacity provided. There is currently a moratorium on development in Hahei due to wastewater servicing constraints. The community have expressed a desire in their community plan for no further growth, or containment of growth within currently defined town boundaries to maintain the character of the town.

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24 Vision Pauanui – The Pauanui Community Plan – 2005.

6 Geographic Profile/issues and Opportunities

This section provides a summary of existing information on the current housing profile, trends, issues and any opportunities in each of the Cluster Policy Areas and, where information permits, in the Local Coastal Planning areas of the TC District.

The following colour coding is used to differentiate the current profile, trends, issues and opportunities information:

Current Profile

Trend/Forecast

Issue

Opportunity

Where possible, we have placed the issue, opportunity, etc, near to the area on the map it relates to. Note, some information relates to the geographic area as a whole.

The following figures summarise issues and conflicts by Local Coastal Planning areas (LCP) and Cluster Policy Areas (CPA), as defined in the Environment Waikato Local Coastal Planning Scoping Study (2005), where the information is available. Topographic maps are provided of larger land areas (e.g. Thames Coast) to help with the identification of areas and because aerial photography at that scale may be poor quality.

Potential development area maps have been included for the main settlements. These maps display shaded areas where urban density (i.e. lot sizes less than 1,000m^2) development is possible under the current District Plan overlaid on top of the 2002 aerial. This illustrates areas, as at 2002, where further intensive development is possible under the current District Plan.

Thames

Thames Potential Development Areas

Thames Coast

Manaia

Coromandel

Coromandel (Ruffin Peninsula) Potential Development Areas

Coromandel (Core) Potential Development Areas

Coromandel (South) Potential Development Areas

Northern sub-catchment

Little Bay / Tuateawa / Kennedy Bay

Whangapoua

Matarangi

Matarangi Potential Development Areas

Kuaotunu / Opito / Otama

Whitianga

Whitianga North Potential Development Areas

Whitianga Core Potential Development Areas

Whitianga (Buffalo Beach) Potential Development Areas

Ferry Landing / Cooks Beach

Ferry Landing/ Cooks Beach Development Areas

Hahei / Hot Water Beach

Tairua / Sailors Grave

Tairua – Potential Development Areas

Pauanui

Pauanui – Potential Development Areas

Opoutere / Onemana

Whangamata

Whangamata Potential Development Areas

7 Recommended Further Work

7.1 Housing Profile

It will be important to update this Profile Statement, particularly the issues and opportunities sections when information on Cultural Resources is available through that Profile Statement. Information from other Profile Statements will need to be compared with the trends in this paper and hotspots for housing on the Peninsula determined and where disincentives to housing may be needed.

7.2 Strategic Planning

As highlighted in this profile statement, many settlements in the TC District do have further capacity for growth in dwellings. Future strategic planning will play an important part in providing an overview of where amendments are appropriate/desired to accommodate growth.

There is a lack of up to date and easily accessible information on currently undeveloped land that is able to be developed under the District Plan. There is also a lack of growth projections for the smaller settlements of the TC District. Future strategic planning would benefit from the analysis of currently underdeveloped land that is capable of being subdivided/developed (including infill housing). This could then be matched with the current growth rates in settlement areas and shortfalls/excesses identified. This will also enable the prediction of when these areas are likely to meet capacity under current growth projections.

Future strategic planning should investigate the diverse demands for housing in the TC District to better identify trends and provide for future demand, e.g. apartments.

This profile statement has outlined the importance of housing affordability on the economy and demographics of the TC District. Future strategic planning could therefore identify mechanisms available to agencies (its not just a District Council problem or role) to promote housing affordability in the District, such as identifying strategic locations throughout the TC District that may be zoned to allow residential development and the provision of basic infrastructure services (for example inland areas with no coastal views). This will assist with addressing issues such as retention of workers to support economic growth of industries locating in the TC District, e.g. marine farming.

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