

File Ref: 4613

9 February 2016

The Environmental Policy Manager
Hastings District Council
Private Bag 9002
HASTINGS

Re: Variation to Plan Change 57 Omaha Road North Industrial

Further to instructions from Mr Philip McKay we have reviewed the proposed expansion of the Omaha North Industrial zone. Our instructions are to provide a projection of industrial land consumption in the zone area.

1.0 THE PROPOSAL

Plan Change 57 related to the creation of a staged industrial area adjoining the northern side of Omaha Road to the west of Hastings City. In response to submissions by land owners, the Council now seeks to expand the industrial zone to provide some 60 hectares of land suitable for industrial development without any staging requirement. To overcome storm water management issues, a swale is to be formed to the northern side of the industrial strip with that land also being utilised as a services corridor. The land will be acquired from a number of adjoining landowners and will facilitate the rezoning of land between it and Omaha Road.

Council seek to own the services corridor, the route of which has yet to be determined. The corridor will have a width of some 24 metres and will extend the full length of the rezoned land approximating 3.2 kilometres equating to a total area estimated at 7.68 hectares.

The land is currently zoned Plains and its conversion to industrial land is dependent upon the swale.

At present Logan Stone Ltd is undertaking a research report to project industrial land consumption within Hastings District and Napier City through until the end of 2025. We have referred to that work to provide a projection for the uptake of industrial land in the Omaha Road north precinct should the zone change be successful in 2016. We include our projections in this report. Beyond 2025 the projections lose accuracy due to the passage of time and the potential change in the underlying economic and regional conditions. Like most projections, they are unlikely to reflect the actual consumption and the variance between the actual uptake and the projections will increase over time.

The projections are a good basis for future planning. Periodic review of the projections is prudent. Until 2025 the projections are soundly based and consistent with the regional demand projections completed by Logan Stone Ltd in 2016. After 2025 the projections contain a higher level of conjecture with adjustment necessary as economic, political and social changes occur.

2.0 UPTAKE PROJECTIONS

In order to project the likely consumption of industrial land within the proposed Omahu Road north zone we have considered region wide demand in addition to historical uptake figures for the Omahu industrial area in particular. The rezoning of industrial land upon the northern side of Omahu Road was first mooted in 2001 and has been subject to ongoing expectation since. Issues surrounding the provision of services to accommodate industrial development and other resource management priorities have delayed the rezoning. During the property boom leading in to 2007 speculative acquisition occurred in the locality. Subsequently a number of acquisitions have occurred as a result of the confirmation by Council that the Omahu rezoning would occur. As a result of the long-term intention Council has been accommodating of industrial development and supportive of consent applications for industrial development within the general locality. This has already led to industrial activity. No industrial consents have been declined. The result has been that there has already been some land consumption with most new development occurring on sites of ample size.

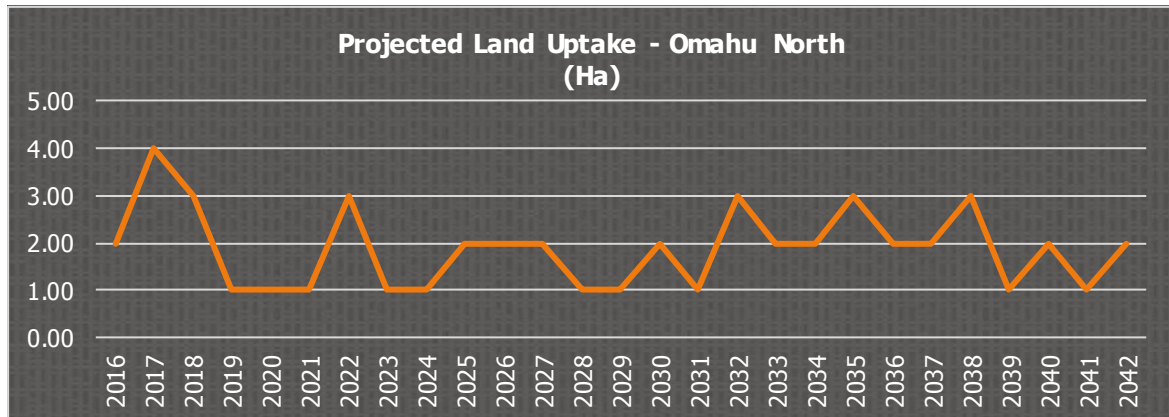
At present some 9.0 hectares of the land is used for industrial activity. Some of those activities date from before 2001, but assuming all have developed since 2001, an annual average uptake rate of 0.65 hectares is derived. That development occurred without the Industrial zoning, but in a permissive framework. Some interest waned due to the delay in rezoning and the uncertainty around development contributions. Accordingly we have taken the annual average demand to have risen throughout the period and to be equivalent to 2.0 hectares since 2010.

In recent years concern about the potential quantum of development contributions has constrained commitment to the development of industrial property within the locality.

The following table illustrates the expected consumption for the Omahu industrial area. Demand must be influenced by alternative prospects and it is likely that between now and 2025 those prospects include the industrial precincts of Irongate, Whakatu, Awatoto and Pandora. The latter part of that period and beyond will also likely see competition from industrial land at Awatoto.

	Derived Omahu Land Demand	Likely Building Footprint
Year	Ha	Sq.M.
2016	2.00	6,000
2017	4.00	12,000
2018	3.00	9,000
2019	1.00	3,000
2020	1.00	3,000
2021	1.00	3,000
2022	3.00	9,000
2023	1.00	3,000
2024	1.00	3,000
2025	2.00	6,000
2026	2.00	6,000
2027	2.00	6,000
2028	1.00	3,000
2029	1.00	3,000
2030	2.00	6,000
2031	1.00	3,000
2032	3.00	9,000
2033	2.00	6,000
2034	2.00	6,000
2035	3.00	9,000
2036	2.00	6,000
2037	2.00	6,000
2038	3.00	9,000
2039	1.00	3,000
2040	2.00	6,000
2041	1.00	3,000
2042	2.00	6,000
Total	51.00	153,000

We expect that the 51 ha of industrial land will take some 27 years to be developed.



Thank you for your instructions in this matter we look forward to providing further advice as the project progresses.

Yours faithfully

LOGAN STONE LIMITED

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