

# Blue Moon Langs Beach

## Economic & Property Market Evidence Summary

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## Current Housing Market

S42 report decision:

*“more appropriate to focus growth in Waipu”*

- Assumes that growth can be redirected from Langs Beach / Waipu Cove to Waipu township
- Fundamentally different townships and attract different types of buyers

## Current Housing Market

### Langs Beach / Waipu Cove

- A 'beach house' destination (80% houses are baches)
  - Attractive to Aucklanders (confirmed by agents)
    - Very expensive houses

## Current Housing Market

### By contrast: Waipu Township

- More permanent residents (38% houses are baches)
  - More attractive to people that live and work in Whangarei
    - Lower priced houses

## Current Housing Market

### Conclusions

- **No evidence** has been provided that population growth can be redirected to Waipu township
- I believe this is not possible because they are **fundamentally different markets**

## Future Housing Market

### Langs Beach / Waipu Cove Aerial Photography:

2004: 369 Dwellings

2014: 532 Dwellings

**+ 163 Dwellings (+ 44%)**

## Future Housing Market

### Waipu Township (zoned) Aerial Photography:

2004: 226 Dwellings

2014: 328 Dwellings

+ 102 Dwellings (+ 45%)

## Future Housing Market

### WDGM & 30/50 Forecasts

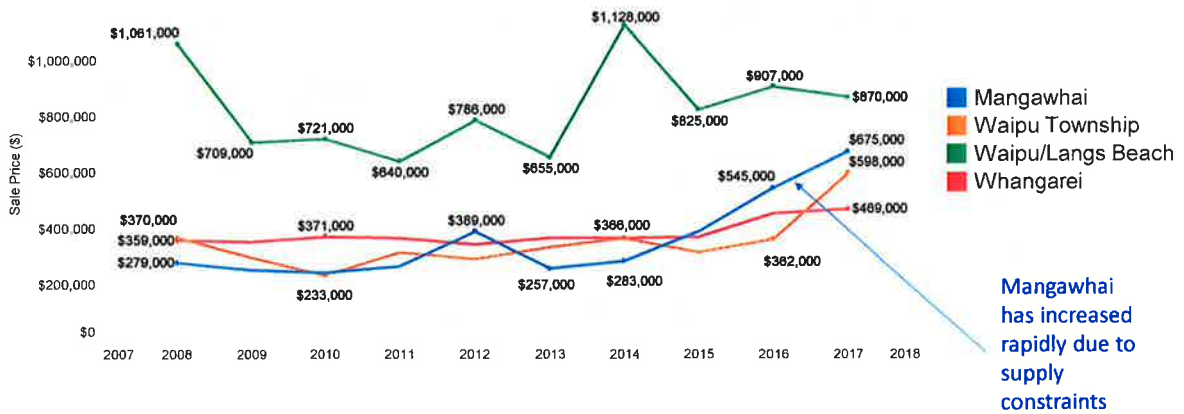
WDGM Projections	2013	2041	2061	30/50 Projections	2006	2041	2061
Hikurangi	1,700	2,008	2,406	Hikurangi	1,557	3,271	5,000
Matapouri	520	674	807	Matapouri	372	685	814
Maungakaramea	910	1,068	1,280	Maungakaramea	756	1,124	1,134
Maungatapere	700	1,142	1,369	Maungatapere	645	1,044	1,239
McLeod Bay/Reotahi	750	1,148	1,376	McLeod Bay/Reotahi	627	956	1,135
Ngunguru	1,185	1,426	1,709	Ngunguru	846	1,184	1,405
Oakura	235	310	371	Oakura	345	704	836
Parua Bay	1,240	1,830	2,193	Parua Bay	1,068	2,852	5,000
Pataua	560	681	816	Pataua	480	843	1,001
Taurikura/Urquharts Bay	360	384	460	Taurikura/Urquharts Bay	339	717	895
Tutukaka	735	801	960	Tutukaka	756	1,457	1,730
Waipu	1,260	2,529	3,032	Waipu	1,035	3,614	5,000
Waipu Cove/Langs Beach	520	510	611	Waipu Cove/Langs Beach	450	1,386	1,645
<b>Total</b>	<b>10,675</b>	<b>14,511</b>	<b>17,390</b>	<b>Total</b>	<b>9,276</b>	<b>19,837</b>	<b>26,834</b>

# Future Housing Market

- No technical explanation of the 30/50 or WDGGM projections
- I was not able to ascertain the basis of these projections

# Future Housing Market

## High House Prices = Strong Demand



## Future Housing Market

Strong demand also confirmed by:

- Real estate agents - confirm strong demand and lack of supply
  - House prices now average \$1,000,000
  - High recent growth rates (4% per annum)

## Future Housing Market

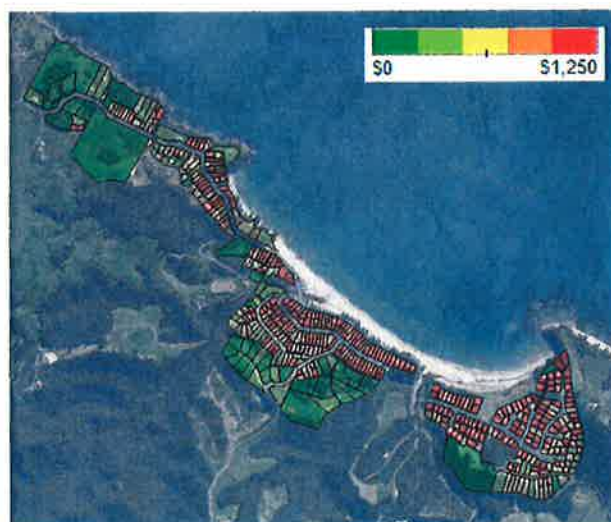
### Conclusion

- Strong demand forecast at Langs Beach / Waipu Cove
- If prices were lower demand would be significantly higher (e.g. Mangawhai)
  - Enabling demand would result in a net addition to population for the District

## Development Capacity

- I have assessed **commercial feasibility** of development
  - Estimate **265 additional dwellings feasible** under District Plan
  - This falls short of estimated **demand** of 300-500 dwellings

## Development Capacity (RLV)



## Development Capacity (Lots with Commercial Feasibility)



## Economic Considerations



Net addition to population will lead to:

- Increased **construction** activity
- Increased **employees and consumer market**



## Economic Considerations

Planned infrastructure upgrade of over **\$20 million**

- **Additional development** will recover this cost more efficiently with 'development contributions'

## Economic Considerations

### Conclusions

- Net economic benefit of approximately \$25 million
- Mostly from net addition to construction sector

## NPS-UDC

- “...sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.” (OA2, Page 10)
- This establishes an important principle - to **support the type of growth that people prefer** unless there are identified costs

## Conclusion

The proposed rezoning and development would have significant net economic and social benefits