



**CARTERTON**  
DISTRICT COUNCIL

July 2021

## **Carterton District Council Housing Action Plan**





[office@planalytics.co.nz](mailto:office@planalytics.co.nz)  
[www.planalytics.co.nz](http://www.planalytics.co.nz)

Carterton District Council Housing Action Plan  
Status: FINAL Version: 01  
Date: July 2021  
COVER IMAGE: AdobeStock

# Contents

Introduction	3	What are our options for deploying these tools?	19
Responding to our community	5	Option 1 – Status quo	20
<b>Where are we now?</b>	<b>6</b>	Option 2 – CDC as an enabler	21
Context	7	Option 3 – CDC as a developer	22
Stakeholders	10	Option 4 – CDC as an intermediary	23
<b>Where do we want to be?</b>	<b>12</b>	Options analysis	24
Our vision for housing	13	Implementation pathway	26
Housing Action Plan workshop	14	Acknowledgements	27
<b>How do we get there?</b>	<b>15</b>	Attachments – Council case studies	28
What housing supply tools are available to achieve our vision?	16		





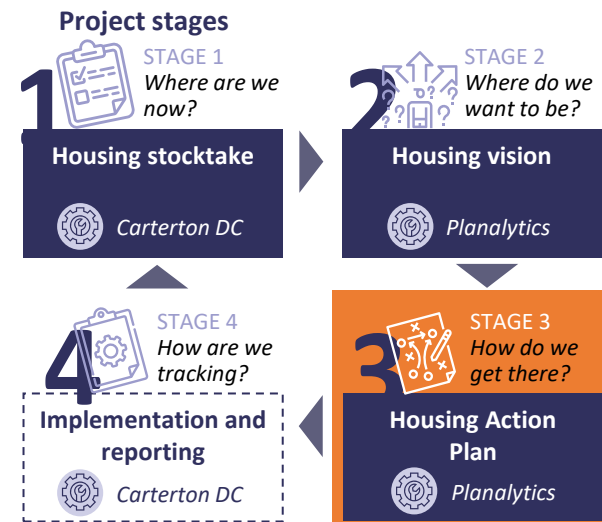
# Introduction

**The purpose of this Housing Action Plan is to provide a roadmap for Carterton District Council to achieve its vision for housing in the district & improve community wellbeing.**

Carterton district is growing. With that growth comes the need to carefully consider the balance between the demand for, and supply of, housing for current and future residents.

Currently, Carterton has the highest median weekly rent of the three Wairarapa districts. Available data<sup>1</sup> also tells us that for Carterton homeowners, 29% of household income is required to service an 80% loan to value mortgage. This indicates that solutions are required to alleviate pressure within the Carterton housing market.

To understand what solutions are available, Carterton District Council (CDC) commissioned this Housing Action Plan to both consolidate a vision for housing in the district and to identify the options and tools available to CDC to effectively stimulate housing supply and increase affordability.



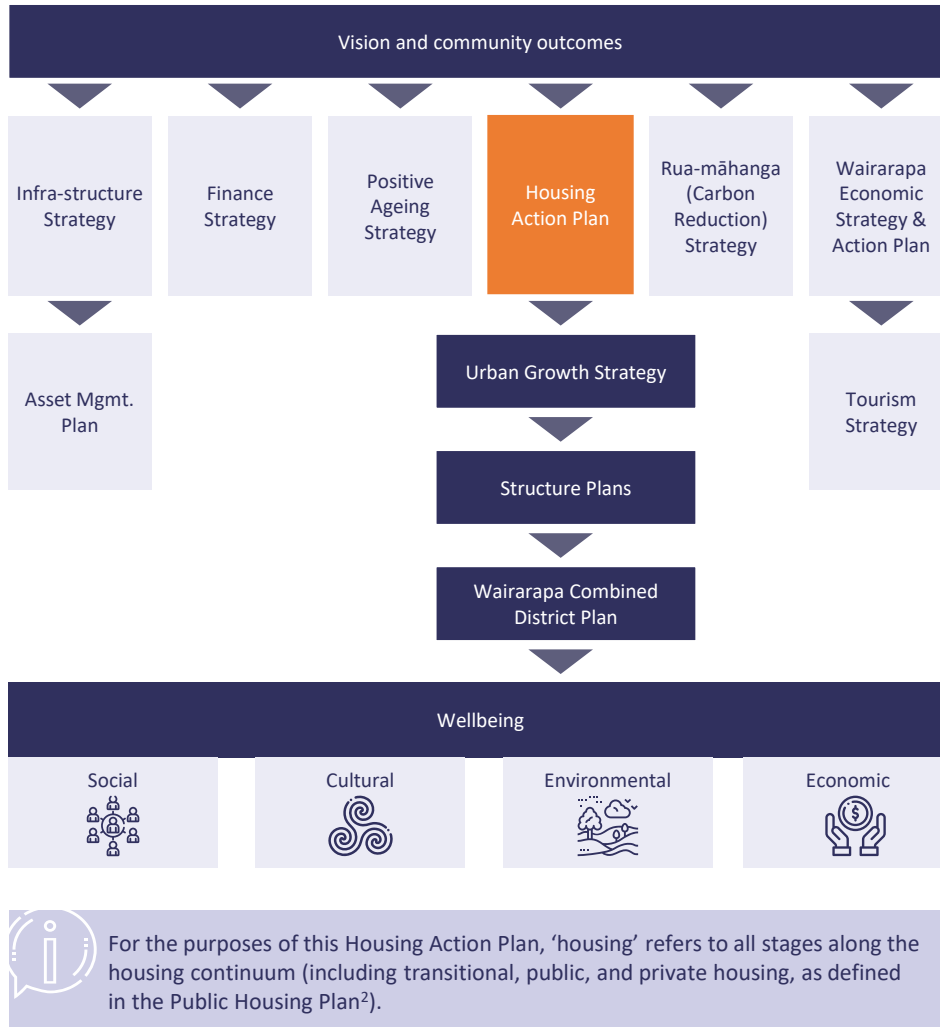
This Housing Action Plan was developed as outlined in the diagram above. The Housing Action Plan will only be effective, however, if it is implemented in conjunction with stakeholders, regularly reported upon, reviewed and updated.

**CDC growth studies indicate that Carterton needs approximately 1,000 new houses to accommodate growth between now and 2043.**

This represents a 24% increase from the total of 4,143 total private dwellings in Carterton district as per the 2018 Census, or 40 new houses per year between 2018 - 2043.



## Carterton District Council strategic pathway for housing



## Approach

A streamlined methodology was adopted to develop this Housing Action Plan. It included the following steps:

- Desktop review of current practice in local government housing action plans, Wairarapa and Carterton housing data, and submissions to recent CDC public consultations.
- Development and delivery of a workshop with CDC elected members and staff to articulate a shared vision for housing in Carterton and discuss tools available to Council to stimulate housing supply.
- Telephone interviews with four councils to discuss specific local government-led housing supply tools and their associated implementation opportunities and challenges.
- Synthesis of findings and further liaison with CDC elected members and staff to confirm options for housing action, culminating in a preferred option.
- Production of a final Housing Action Plan, including an implementation pathway for the preferred option.

It is anticipated that this will be the first of many iterations of a Housing Action Plan for Carterton. To be effective, the Housing Action Plan should be regularly updated to ensure it remains relevant in a rapidly evolving development environment and continues to meet community need.

# Responding to our community

**Public consultation indicates that the Carterton community is very concerned about the availability and affordability of housing in our district.**

## What does this tell us?

- Carterton residents are thinking about local housing need and how it could be addressed.
- There is mixed understanding of CDC's ability to influence housing outcomes.
- There is a strong desire for more housing options (e.g. tiny homes or medium-density housing).



## What the community said:

# 1

**Big Jar of Ideas**  
July – August 2020

- Enable development conditions that will lead to affordable housing.
- Provide housing for people in need.
- Require water tanks for houses.
- Make more land available for small dwellings (tiny homes).
- Affordable housing for disabled people.
- Prioritise the needs of tenants.
- Consider housing options such as apartments.
- Pressure central government to prioritise housing delivery.

# 2

**Carterton Draft Structure Plan**  
December 2020

- Provide for smaller lot sizes and mixed residential density.
- Take a less prescriptive approach to residential development.
- Provide for a range of housing styles (duplex, apartments etc) to promote affordability.
- Residential development should have access to walking and cycling tracks, green spaces, and adequate infrastructure.
- Promote sustainable materials and infrastructure (e.g. solar panels).

# 3

**Long Term Plan**  
April 2021

- General support for urban growth.
- Relax lot sizes to allow smaller properties.
- Consider 'eco suburbs' with low level eco kit buildings (homes, schools and shops).
- Concerns around the cost of housing.
- Allow more granny flats, co-housing schemes and residential closer to town.
- Council should purchase land and develop affordable housing.
- Rates affordability is a concern (for low income and older people).



# Where are we now?

**“It is a capital mistake to theorise before one has data”.**

*- Arthur Conan Doyle (writing as Sherlock Holmes)*

It is important to understand the current housing context in Carterton in order to develop an effective response strategy to any issues or anomalies identified. The baseline information outlined in this section informed both the development of a vision for housing and a responsive action plan for Carterton.



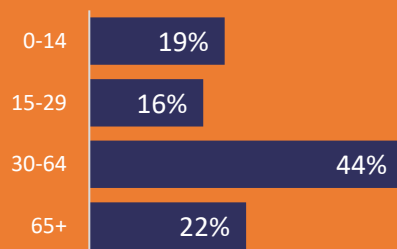
# Context

## CARTERTON'S POPULATION 2018

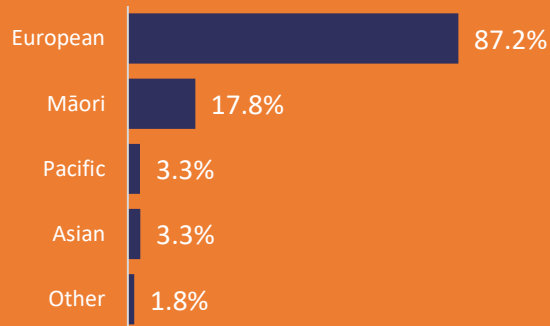


9,132

### BY AGE (%)



### BY ETHNICITY <sup>1</sup> (%)



## TOTAL PRIVATE DWELLINGS (2018)

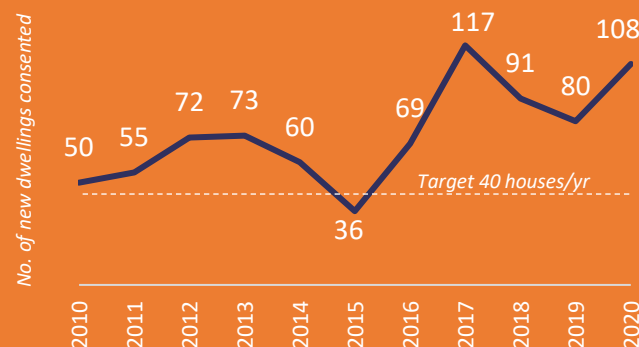


4,143

### MSD HOUSING REGISTER <sup>2</sup> (18 months)



### NEW DWELLINGS CONSENTED <sup>3</sup> (10 years)



### What does this tell us?

- Carterton has a small ratepayer base. Any direct CDC housing activity would likely have a large impact on rates and/or require trade-offs in terms of funding current activities.
- Housing need is growing. The number of applicants on the MSD Housing Register in Carterton has more than doubled over the last year.
- Looking at new dwellings consented per year for the last ten years, Carterton is exceeding its target of 40 new houses per year between 2018 - 2043.

Source: StatsNZ, 2018 Census unless otherwise specified

1. Ethnicity is self-perceived, and people can belong to more than one ethnic group hence percentage figures do not total 100%.

2. Source: Ministry of Social Development (MSD) Housing Register, Dec 2020

3. Source: StatsNZ, New dwellings consented by statistical area 2: January 2021.

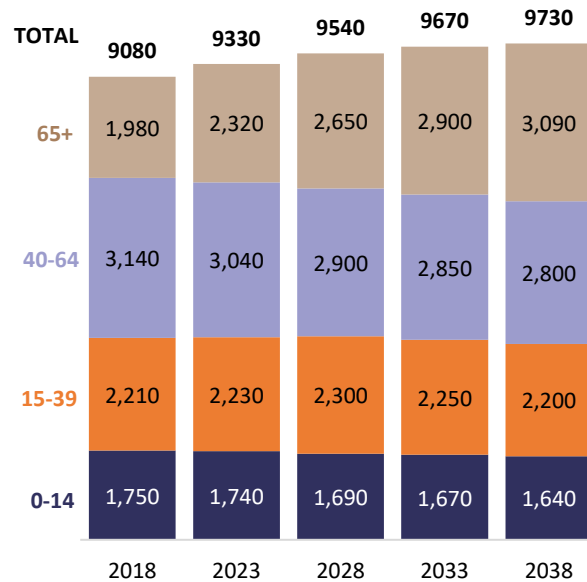


## POPULATION PROJECTION 2038

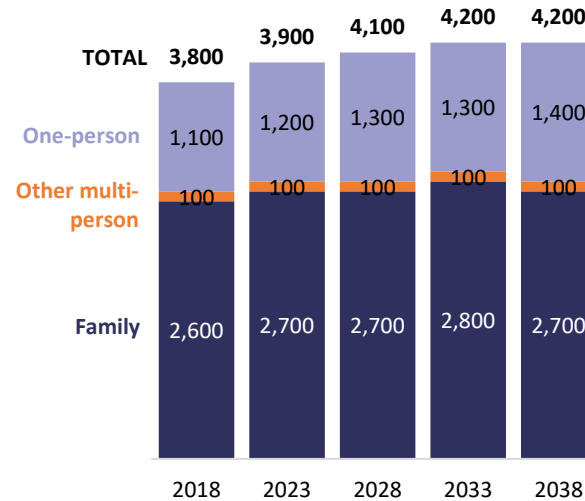


# 9,730

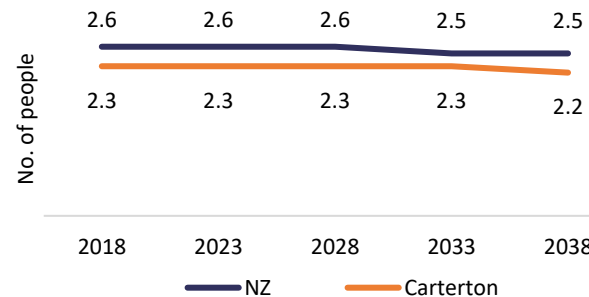
## BY AGE (2018-2038)



## BY HOUSEHOLD TYPE<sup>1</sup> (2018-2038)



## AVERAGE HOUSEHOLD SIZE



## What does this tell us?

- Residents in Carterton are ageing and demand for suitable housing will increase particularly in the 65+ age group.
- Average household size in Carterton is below the NZ average. Provision for a range of housing sizes, particularly smaller houses, should be made.
- These population and household projections were last updated in 2017. They could be revisited to ensure accuracy, particularly to understand the impact of regional migration trends following the coronavirus pandemic.

1. One-person household – one person usually living alone. Family household – two or more people usually living together with at least one couple and/or parent-child relationship, with or without other people. Other multi-person household – two or more people usually living together, but not in couple or parent-child relationships with each other.

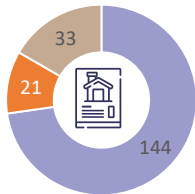
Source: StatsNZ, 2013 census data, updated 2017

# Looking across the region

Quarter ending Dec 2020

● Carterton ● Masterton ● South Wairarapa

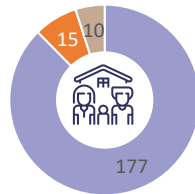
HOUSING REGISTER APPLICANTS<sup>1</sup>



WAIRARAPA

198

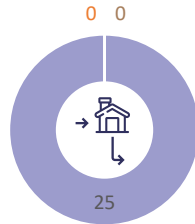
PUBLIC HOUSING TENANCIES<sup>1</sup>



WAIRARAPA

202

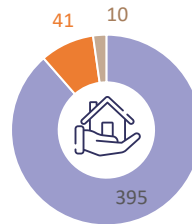
TRANSITIONAL HOUSING PLACES<sup>1</sup>



WAIRARAPA

25

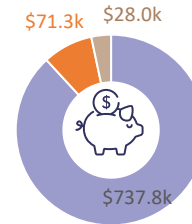
NO. OF EH SNG<sup>2</sup> APPROVED<sup>1</sup>



WAIRARAPA

446

AMOUNT OF EH SNG APPROVED<sup>1</sup> (\$k)



WAIRARAPA

\$837.1k



MEDIAN WEEKLY RENT<sup>3</sup> (\$)

CARTERTON

\$440

MASTERTON

\$418

SOUTH WAIRARAPA

\$400



AVG. PROPERTY VALUE<sup>4</sup> (\$k)

SOUTH WAIRARAPA

\$694k

CARTERTON

\$534k

MASTERTON

\$519k



MORTGAGE SERVICING<sup>4</sup> (%)

The share of household income required to service an 80% loan to value mortgage

27%

29%

30%



RENT AFFORDABILITY<sup>4</sup> (%)

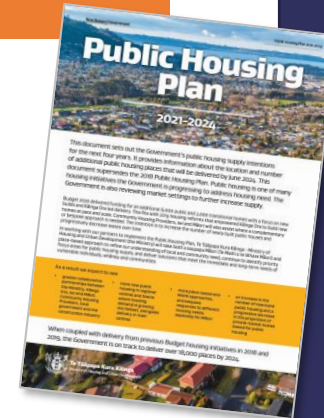
The proportion of household income required to pay the rent

17%

19%

20%

Current Kāinga Ora work programme for Wairarapa = 0



## What does this tell us?

- Housing need is growing as shown by the number of Housing Register applicants and EH SNG<sup>2</sup> issued for Carterton.
- Very few public housing, and no transitional housing, tenancies are available locally.
- Carterton has the highest rent for private dwellings of the three districts in Wairarapa.
- Carterton (and Wairarapa in general) is a low government priority for public housing provision due to greater need in other parts of the country.

1. Source: HUD, Public Housing Regional Factsheet, Wellington Region, quarter ending December 2020  
 2. EH SNG = Emergency Housing Special Needs Grant  
 3. Source: HUD Rental Bond Data, 1 March 2021  
 4. Source: Corelogic, NZ Housing Affordability Report, released February 2021, data as at Quarter 4, 2020

# Stakeholders

For a relatively small district, there are a number of stakeholders active in the delivery of public and private housing across Carterton.

Understanding who these stakeholders are and what tools they have available to them is useful to:

- Enable effective partnership opportunities, where partners have access to different skills and/or funding options;
- Target efforts and avoid duplication or unintended competition for land;
- Share knowledge, skills and experiences; and
- Build capability across and within housing-related organisations.

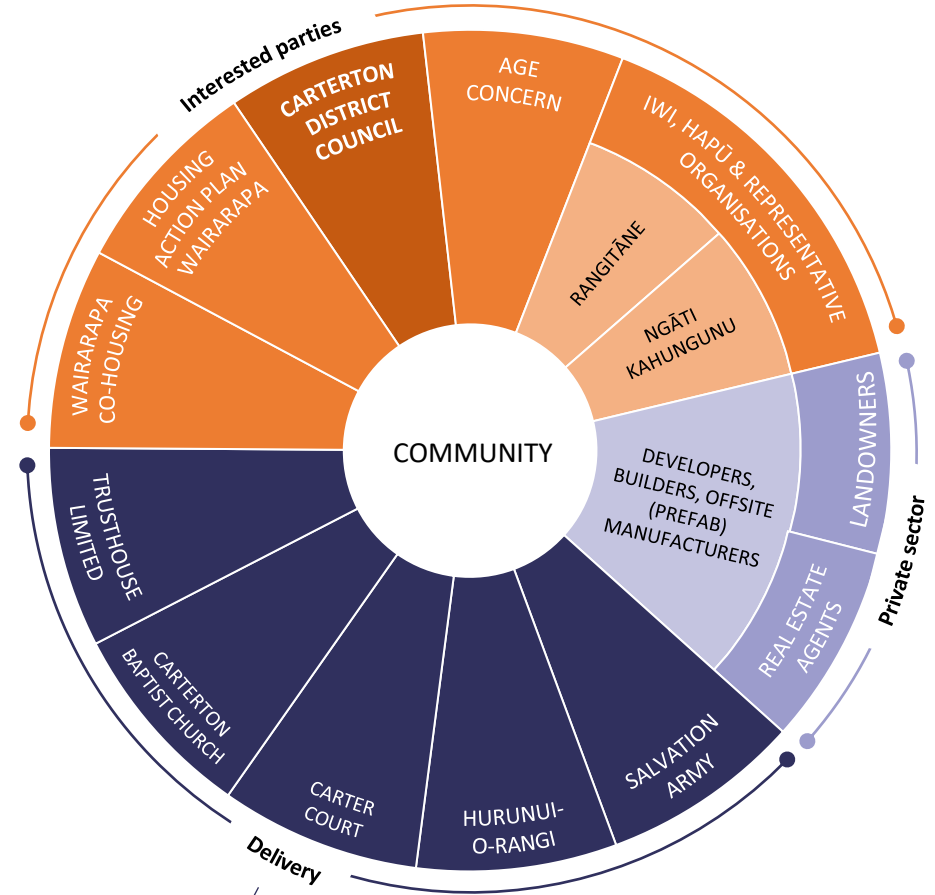



IMAGE: CDC



**TRUST HOUSE**  
HOUSING  
Trust House Limited  
5 units




**Carterton Baptist Church**  
Youth housing



**Carter Court**  
Elderly housing  
44 units



**Hurunui O Rangi**  
Papakāinga  
6 units



**Salvation Army**  
8 units



### What does this tell us?

- Carterton is a tight-knit district with existing stakeholder relationships in place.
- There are already motivated stakeholders in operation, providing bespoke housing solutions.
- There is an active network of developers, builders and offsite manufacturers in Carterton and Wairarapa generally.
- New, community-led housing advocacy groups are emerging and illustrate the importance of housing to the local community.
- Carterton is well positioned to work together (CDC and stakeholders) to progress local solutions to current and future housing challenges.

### CDC cannot reduce housing need on its own.

Local government has a limited range of housing tools available to it, which are best complemented by those available to stakeholders. Strong relationships are a key success factor in housing delivery.



IMAGE: CDC



# Where do we want to be?

**“To the person who does not know where he wants to go there is no favourable wind”.**

— *Seneca*

A clear vision for housing in Carterton is needed to articulate the district’s housing aspirations and effectively target interventions to achieve that vision. A good vision will provide an anchor for future Council activities, prioritisation and decision-making in relation to housing and land management. This section outlines CDC’s vision for housing and the outcomes it wishes to achieve.





# Carterton's vision for housing

## Vision:



Carterton has a diverse range of quality housing options to meet the needs of current and future communities.

## Desired outcomes:



Residents can **afford** good quality rental or permanent housing.



Housing enables **connected** and **accessible communities**.



Housing is **warm, sustainable, and healthy**.



Strong **partnerships** and **relationships** enable the delivery and continued achievement of Carterton's housing vision.



**A diverse range** of housing is available (tenure, size, type).



# Housing Action Plan workshop participant feedback

Carterton Events Centre, 24 March 2021

“**Mixed communities**, mixed demographics.”

“**Green spaces** and recreational areas.”

“Facilitate **stakeholders**.”

“Town centre rentals.”

“Investigate more **housing blocks** like the Baptist Church have done.”

“Opportunities for **co-housing** or **co-living** e.g. granny flats.”

“**Range of section sizes**.”

“Ensure housing need is met from **cradle to grave**.”

“**Rent to buy** schemes. Progressive home ownership.”

“**Partnering** with CHPs<sup>1</sup> to support housing need.”

“Create **affordable options** both to buy and rent.”

“**Sustainable** homes – low waste, passive heating etc.”

“**Good connectivity** (socially and physically).”

“**Safe** neighbourhoods and housing.”

“**Diversity** – housing stock **options**.”

“Social housing. Needs **wraparound infrastructure** – not available in Carterton.”

“**Appropriate**, clean, healthy homes.”

“**Zero** homelessness.”

“Increase supply while **keeping the feel**.”

“Home **ownership** for all.”



# How do we get there?

**"It's not the ideas; it's design, implementation and hard work that make the difference".**

*- Michael Abrash*

CDC is well positioned to work with stakeholders to achieve a diverse range of quality housing options across the district. This section identifies the tools CDC could use to stimulate housing supply in an effort to increase affordability, and four options for action.





# What housing supply tools are available to achieve our vision?

**Local government has a number of tools it can use to stimulate the supply of quality, affordable housing.**

**These tools were explored and considered as part of the development of this Housing Action Plan.**

Carterton has unique characteristics which make some housing supply tools more useful than others. For example, Carterton has a relatively small ratepayer base which reduces available funding for direct housing investment. CDC also does not own any housing or blocks of land that could be used for housing development.

What Carterton does have, however, is a motivated and tight-knit community, good relationships with stakeholders, and the flexibility to think and act innovatively. In addition, Carterton is already exceeding the 40 new houses per year signalled in the Council's Urban Growth Strategy.

In this section we document what supply-led affordability tools CDC is already using, those tools which could be used, and those that have been discarded. This will inform four options for CDC housing action as outlined in this section.

## Local government housing supply tools



Partnerships



Advocacy



Regulatory settings



Papakāinga



Land disposal



Rebates & remissions



Council-owned housing



Co-living





### Housing supply tools already in use by CDC:



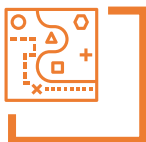
#### *Providing developable land*

- CDC has developed an Urban Growth Strategy and is finalising the Carterton East Structure Plan. This will create approximately 462 additional residential sections<sup>1</sup> to the east of town.



#### *Rates remissions & consent assistance for papakāinga*

- Utilised to incentivise this type of housing on Māori land.



#### *Understanding vacant residential land and council land ownership*

- CDC has mapped undeveloped residential land and Council-owned land in the urban area, to understand development opportunities.



#### *Relationships*

- CDC holds relationships with some housing stakeholders in order to progress housing outcomes.



### Housing supply tools that could be used by CDC:

- **Updating residential rules** through the District Plan review to enable a range of density options, papakāinga, co-housing, and/or **minor residential units**. This could stimulate infill development within the existing urban area, to complement greenfields development to the east of town.
- Investigating **inclusionary zoning**, a planning tool used to require a minimum proportion of housing developments to be released to market at an 'affordable' rate. Currently used in Queenstown (refer to page 31).
- Forming even stronger **relationships** with landowners, developers, builders, offsite housing manufacturers, CHPs<sup>1</sup> & other housing providers to understand development intentions and potential barriers to housing development.
- Clearly **communicating** development opportunities and expectations to development stakeholders, to ensure they understand current and future opportunities. This may result in quicker housing delivery.
- **Monitoring** housing indicators to understand market trends in order to better position supply responses. For example, progress against Carterton's target of 40 new houses per year between 2018 - 2043.



A **minor residential unit** is a 'self-contained residential unit that is ancillary to the principal residential unit and is held in common ownership with the principal residential unit on the same site'. Such units provide opportunities for an additional house on a section (for family or to rent) without the need to subdivide.



### Housing supply tools not used by CDC:

#### *Council-owned housing*

- CDC does not currently own any housing stock, having divested 38 units to Carter Court in 2016.

#### *Land disposal*

- CDC does not currently own any vacant land that could be divested or otherwise transferred to a development partner.

#### *General rates remissions*

- CDC is not in a position to offer general rates remissions for housing development, given its desire to keep rates within the parameters outlined in the Long Term Plan (LTP).

#### *Discounted development contributions*

- CDC is not in a position to offer discounted development contributions for housing development, given the need to fund infrastructure from a variety of sources and not rely on rates revenue.

# What are our options for deploying these tools?

**Using the tools identified, CDC considered its role in achieving its housing vision.**

Four options were developed to illustrate how CDC could most effectively stimulate housing supply in the district. From these, CDC identified a preferred option to progress to implementation. Documenting options in this way provides transparency to the community regarding housing-related aspirations and decision-making, and provides a framework for any future spending that may be required.

# 1

## Status quo

CDC continues its current approach to stimulate housing supply by:

- Providing developable land through its Urban Growth Strategy and Carterton East Structure Plan.
- Providing rates remissions for papakāinga housing to incentivise development.
- Consolidating relationships with some housing stakeholders.



IMAGE: © Planalytics NZ Ltd

# 2

## CDC as an enabler

CDC focuses on enabling development through regulatory settings such as:

- Updating residential rules in the District Plan to enable density options.
- Considering the use of inclusionary zoning to require a minimum proportion of affordable housing in future developments.
- Continuing to implement its Urban Growth Strategy.



IMAGE: AdobeStock

# 3

## CDC as a developer

CDC creates a land development function to directly deliver housing to market by:

- Purchasing and developing land to provide affordable housing units.
- Partnering with other landowners to develop housing.
- Increasing resourcing to secure internal development capability.



IMAGE: © Planalytics NZ Ltd

# 4

## CDC as an intermediary

CDC positions itself as an intermediary by:

- Forming strong relationships with landowners, iwi, developers, and other stakeholders.
- Clearly communicating development opportunities to the private sector to enable pipeline delivery planning.
- Monitoring housing indicators to inform supply responses.



IMAGE: © Planalytics NZ Ltd



# Status quo

## Option 1



COST

HIGH
<b>MEDIUM</b>
LOW

Some cost will be incurred making land development-ready (e.g. planning and infrastructure).

CDC continues its current approach to stimulate housing supply by:

- Providing developable land in accordance with its Urban Growth Strategy and Carterton East Structure Plan.
- Providing rates remissions for papakāinga housing.
- Consolidating relationships with some housing stakeholders.



ADVANTAGES

- The Carterton East Structure Plan is currently in progress and would provide for an estimated 462 additional residential sections<sup>1</sup> (although the development timeframe is unclear).
- CDC is already undertaking these activities and, presumably, has made provision for resourcing and budget within the Long Term Plan.
- Strong relationships are a key success factor in housing delivery and current stakeholder engagement is useful.



DISADVANTAGES

- Focuses the majority of CDC effort on making developable land available (which is highly advantageous), however, does not recognise that multiple tools are required to effectively stimulate housing supply.
- The Carterton East Structure Plan will meet less than half<sup>1</sup> the anticipated demand for housing by 2043. It is unclear whether CDC intends the remaining housing to be provided via infill of the current urban area or if it will look outward for further greenfield development opportunities.
- Even when the Carterton East Structure Plan is approved there is no guarantee that affected landowners and/or developers will begin building within the short to medium term. This will depend on a number of external factors outside of CDC control.
- The status quo doesn't provide a coordinated approach and may result in missed opportunities (e.g. communicating CDC's intended land supply pipeline to the development community in sufficient detail for developers to secure financing).
- Rates remissions for papakāinga housing may not incentivise development at the scale required to address housing need across the wider community.
- Piecemeal stakeholder relationships are not likely to yield the strategic information or momentum necessary to effect real change.
- Unless CDC has dedicated resourcing for maintaining and growing relationships with housing stakeholders, this function may slip through the gaps in an increasingly busy operating environment.

### Associated implementation actions:

1. Finalise the Carterton East Structure Plan and incorporate it in the Wairarapa Combined District Plan.
2. Monitor the uptake of papakāinga rates remissions to understand impact.
3. Continue to develop relationships with some housing stakeholders.

1. Note that this number will be even higher if the current Wairarapa District Plan review enables smaller section sizes.

# CDC as an enabler

## Option 2



COST

HIGH

**MEDIUM**

LOW

Cost will be incurred updating CDC's current regulatory settings.

CDC focuses on enabling development through regulatory settings such as:

- Updating residential rules in the District Plan to enable a wider range of density options.
- Considering the use of inclusionary zoning.
- Implementing its Urban Growth Strategy beyond Carterton east.



ADVANTAGES

- Permissive regulatory settings, such as through the District Plan, can unlock development potential for both infill and greenfield housing development.
- As the Wairarapa Combined District Plan is currently being reviewed, the timing is good to review residential zoning and density rules.
- Enabling minor residential units (or 'granny flats') provides the opportunity for an additional house on a section for family members or to rent, without the need to subdivide. This can be a 'quick win' in terms of increasing the number of housing units.
- Carterton has a number of larger sites (>800m<sup>2</sup>) within the existing urban area which lend themselves to infill development or minor residential units.
- Inclusionary zoning requires housing developments to provide a minimum proportion of affordable dwellings.
- Having a clear spatial strategy for growth provides a level of certainty regarding where growth may occur once Carterton east is underway.

### Associated implementation actions:

1. Ensure residential zoning and rules for Carterton are updated in the Wairarapa Combined District Plan to enable a wider range of housing densities and typologies.
2. Complete an internal business case regarding inclusionary zoning in Carterton.
3. Update the Urban Growth Strategy to identify any developable land beyond Carterton east.



DISADVANTAGES

- Updated residential zoning and density rules to enable a wider range of housing options must be balanced with retention of the character and amenity of Carterton.
- The Palmerston North case study (refer to page 28) shows that a permissive regulatory framework requires commitment to good communication with the community (and developers) to ensure they know about the development and investment opportunities provided by infill and minor residential units.
- Infrastructure must be in place to service infill development, including minor residential units.
- Inclusionary zoning has been effective in Queenstown (refer to page 31) but may not be a solution for Carterton given the fast pace and large scale of residential development required to yield enough affordable units to make the process worthwhile.
- The Urban Growth Strategy does not provide direction for growth beyond Carterton east, which is already subject to structure planning.
- The Carterton East Structure Plan will meet less than half the anticipated demand for housing by 2043. It is unclear whether CDC intends the remaining housing to be provided via infill of the current urban area or if it will look outward for further greenfield development opportunities.

# CDC as a developer

## Option 3



COST

HIGH

MEDIUM

LOW

Extremely high cost option that would likely require additional financing, potential rates rises, and trade-offs in council expenditure on core services.

CDC creates a land development function to directly deliver housing to market by:

- Purchasing and developing land to provide affordable housing units for sale and/or rent.
- Partnering with landowners to develop housing on their land.
- Increasing resourcing to secure internal development capability.



ADVANTAGES

- Provides CDC with full control of developed housing units, including affordability (e.g. can be sold or rented for below market rates).
- Reduces CDC reliance on the private market, community housing providers, and central government to provide local housing solutions.
- Allows CDC to set sale or rental eligibility criteria to meet evolving housing demand for groups and individuals who may otherwise slip through the gaps (e.g. the elderly or youth).
- Responds to some community feedback that CDC should purchase land and develop affordable housing (refer to page 5).



DISADVANTAGES

- Huge initial capital outlay requiring access to significant financing which would have intergenerational impacts on current and future Carterton residents.
- Few councils have been able to sustain housing portfolios on a rates-neutral basis (e.g. affordable rent has not covered ongoing maintenance and other expenditure).
- As land is scarce, this option may lead to perverse outcomes such as CDC competing with private developers for the limited amount of developable land available, driving market housing prices up.
- Would require trade-offs with other council services to divert funding to any such housing development activity.

### Associated implementation actions:

1. Obtain legal advice on any requirements for CDC acting in a development function.
2. Prepare an internal business case looking at costs and benefits of this activity and associated expenditure, with a focus on intergenerational impact.
3. Complete a scoping study of current and pipeline developable land to understand if sufficient scale exists to necessitate the creation of land development functionality within CDC without adversely impacting the residential private market.



IMAGE: © Planalytics NZ Ltd



# CDC as an intermediary

## Option 4



COST

HIGH  
MEDIUM  
LOW

Likely cost associated with dedicated, internal resourcing and stakeholder engagement.

CDC positions itself as an intermediary by:

- Forming strong relationships with landowners, developers, and other stakeholders.
- Clearly communicating development opportunities to the private sector to enable pipeline delivery planning.
- Monitoring housing indicators to inform supply responses.



ADVANTAGES

- Low cost option to CDC that utilises relationships and communication to enable other parties to deliver housing in Carterton.
- Creates a link between those stakeholders that may own land, and those that may wish to develop land.
- Ensures that the development community are aware of what residential development opportunities are likely to be available in the short, medium and long term. This would allow them to undertake accurate pipeline delivery planning and secure financing.
- Require dedicated internal resourcing that could be achieved via a shared arrangement between Wairarapa councils (as per current climate change and zero waste roles).
- Regular monitoring and reporting of agreed housing metrics would provide oversight of trends over time and enable CDC to respond accordingly. It would also assist in understanding the impact of housing interventions. For example, whether median weekly rent decreases once developable land is made available in Carterton east.
- Would provide a 'one stop shop' contact point for council-related housing issues and communication.

### Associated implementation actions:

1. Complete an internal business case (including terms of reference) for any housing engagement role. (Consider joint resourcing with other councils).
2. Update the Urban Growth Strategy to identify any developable land beyond Carterton east.
3. Develop a housing monitoring strategy and implementation plan for Carterton and the wider Wairarapa.



DISADVANTAGES

- Does not lead to direct, tangible outcomes (such as increase in housing supply).
- Will require dedicated internal resourcing to ensure that staff are not side-tracked or diverted from housing tasks.
- A commitment to building strong relationships with the development community has been successful in Christchurch (refer to page 30) but needs to be combined with other tools to be effective in stimulating housing supply.
- May need to overcome any unwillingness of housing stakeholders to share information and work together.
- CDC requires a clear idea of its urban growth potential beyond just Carterton east, to accurately communicate likely future development areas to the development community.
- Monitoring of housing metrics will need to be well designed and regularly reported on, to achieve maximum impact. Public reporting would be preferable to ensure transparency and bring the community along on the journey.

# Options analysis

## Which option is best for Carterton and why?

The four options outlined were checked against the assessment criteria in Table 1 to understand their suitability and likelihood of achieving CDC's vision and desired outcomes for local housing.

**Table 1: Multi-criteria options analysis**

Assessment criteria	1 Status quo	2 CDC as an enabler	3 CDC as a developer	4 CDC as an intermediary
Alignment with CDC LTP vision: "A welcoming and vibrant community where we all enjoy living."	●	✓	●	●
Alignment with CDC housing vision "Carterton has a diverse range of quality housing options to meet the needs of current and future communities."	●	✓	●	●
Alignment with CDC housing desired outcomes (page 12).	●	✓	●	✓
Likely to enable the delivery of at least 40 new houses per year until 2043	✓	✓	✓	✓
Low or medium estimated cost.	✓	●	X	✓
Minimal additional resourcing required.	✓	✓	X	●
Intergenerational equity (doesn't financially burden future ratepayers).	✓	✓	X	✓
Responds to community feedback regarding housing (page 5).	X	✓	✓	✓
Provides an opportunity for iwi/hapū input.	✓	✓	✓	✓
Support of elected members.	✓	✓	X	✓
Critical success factors present (refer to pages 28-31).	●	✓	X	✓

✓ = yes, ● = maybe, X = no

Based on this assessment, it is recommended that Options 1, 2 and 4 be adopted.



IMAGE: AdobeStock

Options 1, 2 and 4 are considered most likely to effect real change in residential land supply (CDC's area of influence) in order for stakeholders to successfully deliver a range of housing typologies across the district that may result in a more affordable housing offer.


#### Other reasons for adopting these options include:

- CDC, in conjunction with South Wairarapa and Masterton District Councils, is currently reviewing the provisions of the Wairarapa Combined District Plan. There has never been a better time to utilise regulatory settings to ensure a reliable supply of developable land with permissive and appropriate residential development conditions (**Option 2**).
- The Carterton East Structure Plan is currently in progress and would provide an estimated 462 additional residential sections (almost half of the estimated required new dwellings by 2043). CDC has been planning well and needs to keep this momentum going (**Options 1, 2 and 4**).
- The status quo alone (**Option 1**) may not be sufficient to meet housing demand moving forward. A range of tools need to be deployed to ensure momentum and longevity of housing initiatives.
- Strong relationships are a key success factor in housing delivery, alongside transparent monitoring and reporting of progress (**Option 4**).
- CDC does not currently own any housing stock or land that would be suitable for housing development. Acting as a developer (**Option 3**) would be cost prohibitive and potentially result in perverse outcomes where CDC unintentionally competed with developers for land, driving prices up instead of down. However, CDC may revisit this position if circumstances change in the future.



# Implementation pathway

The below table outlines some clear next steps and implementation actions to achieve CDC's vision and desired outcomes for housing as articulated in this Housing Action Plan.

Option	Implementation action	Timeframe
<b>Communication Plan</b>  	Housing Page added to website: <ul style="list-style-type: none"> <li>• What we currently doing</li> <li>• What's available (subdivision options etc)</li> <li>• District Plan documents</li> <li>• Housing indicators</li> <li>• Dashboard</li> <li>• Housing Action Plan</li> </ul>	2021/2022
	<ul style="list-style-type: none"> <li>• Socialise this Housing Action Plan with the community.</li> </ul>	2021
	<ul style="list-style-type: none"> <li>• Host a stakeholders meeting (Carterton); Explore further what this meeting could look like and the benefits of it for Carterton. Discuss the HAP and identify ways to work together to support housing delivery in our community.</li> </ul>	6 monthly
	<ul style="list-style-type: none"> <li>• Keep this Housing Action Plan updated.</li> </ul>	Annually
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Develop deeper relationships with Stakeholders and CHP (Trust House, Emerge, Papakainga, Habitat for Humanity, etc).</li> </ul>	Ongoing
	<ul style="list-style-type: none"> <li>• Provide advice and support to stakeholders.</li> </ul>	Ongoing
	<ul style="list-style-type: none"> <li>• Advocate for housing providers and developers to consider Carterton as an option for future development.</li> </ul>	Ongoing
<b>District Plan</b>	<ul style="list-style-type: none"> <li>• Ensure residential zoning and rules for Carterton are updated in the Wairarapa Combined District Plan to enable a wider range of housing densities and typologies.</li> </ul>	2021-2023

# Implementation pathway continues

Option	Implementation action	Timeframe
<b>Urban Growth</b>  	<ul style="list-style-type: none"> <li>Consider the Carterton Housing Action plan in the Eastern Growth Framework.</li> </ul>	2021-2023
	<ul style="list-style-type: none"> <li>Identify any developable land beyond Carterton east.</li> </ul>	2021 - 2023
	<ul style="list-style-type: none"> <li>Inclusionary Zoning: Complete an internal business case regarding the use of inclusionary zoning in Carterton (Could the three councils fund a feasibility study for inclusionary zoning in the Wairarapa?)</li> </ul>	2022 – 2023
	<ul style="list-style-type: none"> <li>Complete IAF application as part of the Wellington Regional group.</li> </ul>	2021
<b>Regional Approach</b>	<ul style="list-style-type: none"> <li>Link the Carterton Housing Action plan into Wairarapa Economic Development Strategy and explore the possibility of a Wairarapa Wide housing strategy.</li> </ul>	2021 - 2022
	<ul style="list-style-type: none"> <li>Complete an internal business case (including terms of reference for any housing engagement role. (consider joint resourcing with other councils).</li> </ul>	2021-2022
<b>Reporting:</b> Report on progress made towards achieving these implementation actions	<ul style="list-style-type: none"> <li>Reporting template developed and reported to on quarterly at Ordinary Council meetings.</li> </ul>	2021
	<ul style="list-style-type: none"> <li>Monitoring Dashboard created including local data on housing stats.</li> </ul>	2021 – 2022
	<ul style="list-style-type: none"> <li>Develop a housing monitoring strategy and implement plan for Carterton and the wider Wairarapa</li> </ul>	2022 – 2023

- This implementation can be monitored, reported on and updated as needed to ensure momentum is maintained and meaningful progress is made

# Acknowledgements

## Kia mau ki te tokanga nui a noho

*There's no place like home*

The Planalytics team would like to thank Carterton District Council staff and elected members for the opportunity to engage on this project. Warm, dry, affordable housing is a vital foundation for quality of life, a core component of community wellbeing, and a subject close to our hearts.

### Whare tapa whā



**Taha hinegaro**  
Mental and emotional  
wellbeing



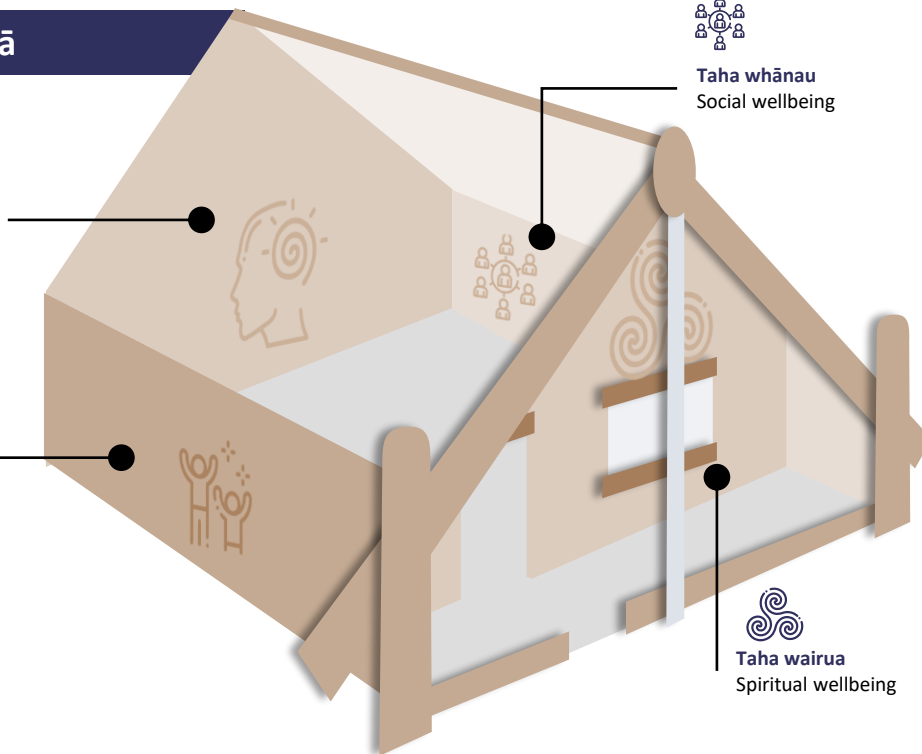
**Taha tinana**  
Physical wellbeing



**Taha whānau**  
Social wellbeing



**Taha wairua**  
Spiritual wellbeing





# Attachments

**"Mai i te kōpae ki te urupa, tātou ako tonu ai"** *From the cradle to the grave, we are forever learning.*

CDC is not the only district facing housing pressure. During the development of this Housing Action Plan, interviews were completed with four councils to discuss specific local government-led housing supply tools and their associated implementation opportunities and challenges. These case studies are presented here.

## Case study notes: Minor residential units

### POPULATION<sup>1</sup>



84,639

### HOUSING REGISTER<sup>2</sup>



685

### HOUSING SUPPLY TOOL



- Regulatory: Minor dwelling units as a permitted activity in the Residential Zone.

### DESCRIPTION



- Minor dwellings are self-contained units built on the same site as the main house and can be rented out.
- Implemented via the District Plan as a permitted activity (subject to compliance with performance standards).

### DESIRED OUTCOME:

To increase the supply of housing, including private rental housing, in existing residential areas of the City to meet the needs of the 'missing middle'. Aimed principally at 'mum and dad' investors seeking to maximise the potential of their property without the need to subdivide.



### OPPORTUNITIES

- Increases fluidity in the housing supply chain by providing rental, intergenerational living and 'down-sizing' options.
- Enables access to development opportunities for 'mum and dad' investors without the need to subdivide.
- Enables the development and design community to develop accessible, affordable 'off-the-shelf' solutions to suit a range of sites, budgets and housing need.



### CHALLENGES

- Lack of understanding or knowledge of the rule regarding minor residential units can limit uptake.
- Requires Council to identify what it (and the community) is willing to trade to increase or stimulate housing supply. For example, changes in amenity and character of residential areas.

### CRITICAL SUCCESS FACTORS:

- Clear understanding of existing development patterns.
- Large, serviced residential sites (generally upwards of 500m<sup>2</sup>).
- Willingness to make planning rules permissible.
- Internal resourcing to communicate/ promote development opportunities provided by minor dwellings.

### APPLICABILITY TO CARTERTON DC:

- The Carterton urban area includes sites of a sufficient size to accommodate minor dwellings.
- Review of the District Plan enables consideration of the impact of minor dwellings and any rules necessary to enable them.
- CDC has good communication channels with the community (and developers) to ensure they know about the development and investment opportunities provided by minor dwellings.

## Case study notes: Integrated residential development (IRD)

### POPULATION<sup>1</sup>

**33,261**

### HOUSING REGISTER<sup>2</sup>

**190**

### HOUSING SUPPLY TOOL

- Regulatory: Flexible density for residential subdivision and development.

### DESCRIPTION

- Allow Integrated Residential Development (IRD) for serviced sites in the Residential Zone.
- Requires communal open space.
- Implemented via the District Plan (rule, definition, and policy framework).

### DESIRED OUTCOME:

To provide greater flexibility/agility in the District Plan to address larger-scale, more complex residential development proposals such as retirement villages, student accommodation and apartment living in an integrated manner to meet emerging demand for a more diverse housing offer.



- Increases the range of housing typologies available; including to meet the needs of a growing (and ageing) population.
- An integrated approach to development contributes to creating communities, not just housing.
- Flexible density approaches can be coupled with other tools, e.g. capping consenting fees or reducing developer contributions to encourage uptake.
- Develop and improve relationships with developers that are experienced in design-led approaches to development.



- Lack of large enough single sites or opportunities to amalgamate contiguous sites to meet the 2,000m<sup>2</sup> site minimum.
- Local development community lack experience or capability to shift to a 'design approach'.
- District Plan must be sufficiently clear to signal what will/will not be acceptable (can take time and several iterations).

### CRITICAL SUCCESS FACTORS:

- A growing population and increase in housing need.
- Large (2,000m<sup>2</sup> or greater), serviced vacant land in the residential zone.
- Supportive, engaged and committed elected members.
- District Plan with a robust rule and policy framework to enable consistent interpretation and decision-making.

### APPLICABILITY TO CARTERTON DC:

- Current review of the District Plan offers opportunities to explore options to enable housing diversity and community-building (as opposed to house-building).
- IRD style development could "increase supply while keeping the feel" of Carterton.
- Carterton may not have enough large, vacant sites to unlock IRD potential.

1. StatsNZ, 2018 Census

2. Applicants on the Ministry of Social Development (MSD) Housing Register, Dec 2020



## Case study notes: Partnerships and relationships

### POPULATION<sup>1</sup>



369,006

### HOUSING REGISTER<sup>2</sup>



1,524

### HOUSING SUPPLY TOOL



- Partnerships and relationships.

### DESCRIPTION



- CCC has employed a range of partnership and relationship approaches to support the city centre rebuild.
- These have included developer forums, community-accessible events e.g. Community Conversations, and in-house services such as pre-application services and case management.

### DESIRED OUTCOME:

Provide and nurture opportunities for partnerships, relationships and open dialogue with the development community and other agencies or groups interested in housing supply to encourage a development pipeline that meets the needs of all stakeholders.



### OPPORTUNITIES

- Use of supply tools in combination with commitment to good partnerships with the development community can have a cumulative, positive impact on housing supply.
- Forming partnerships with other agencies focused on increasing supply can share resources and responsibility, and amplify Council's reach and impact.
- Creating values-based relationships can help achieve built outcomes that align with the Council and community's vision.



### CHALLENGES

- Developing and maintaining good relationships can take significant time and resources to yield results.
- Relationships on their own are unlikely to stimulate housing supply.
- Building good relationships does not always avoid tension, e.g. between developers and the community.

### CRITICAL SUCCESS FACTORS:

- Supportive, informed and committed elected members and staff.
- Access to a range of stakeholders committed to co-achievement of Council's outcomes.
- Presence of dedicated people, resources and processes to support good partnerships, e.g. case management approach for large-scale development, proactive pre-app service, in-house topic experts, e.g. subdivision, infrastructure.

### APPLICABILITY TO CARTERTON DC:

- CDC already has good relationships with many in the community interested in stimulating housing supply.
- A case management style of consenting is already in place for large-scale or complex developments.
- CDC staff have a reputation of being approachable and outcomes focused.
- Messaging regarding dedicated resourcing for relationship-building could be useful.

## Case study notes: Inclusionary zoning

### POPULATION<sup>1</sup>



39,153

### HOUSING REGISTER<sup>2</sup>



24

### HOUSING SUPPLY TOOL



- Inclusionary zoning (affordable housing).

### DESCRIPTION



- QLDC intend to include an inclusionary zoning tool in its District Plan to achieve affordable homes as part of residential developments.
- An arms-length, independent agency, Queenstown Lakes Community Housing Trust (QLCHT), provides delivery mechanism for affordable housing leveraged through the District Plan.

### DESIRED OUTCOME:

The creation of a proven affordable housing delivery model to stimulate the supply of affordable housing that can be retained in perpetuity for the community.



### OPPORTUNITIES

- Where a delivery pathway is in place, this tool can be highly effective (\$24m has been leveraged in QLDC, aiding 177 households).
- Creates financially sustainable housing ensuring households are more resilient to financial shocks (e.g. COVID-19)
- Can be combined with other tools such as reviewing consents fees, development contributions rebates & rates relief to encourage uptake.



### CHALLENGES

- Attempts to leverage affordable housing via district plans can be resisted by the development community.
- Successful implementation requires a clear delivery pathway in place, e.g. housing or land trust.
- Partnerships between Council and Housing Trusts (or similar) can take energy and resources to maintain.
- Cost incurred creating and implementing inclusionary zoning.

### CRITICAL SUCCESS FACTORS:

- Medium or large-scale residential development (to ensure the return of a meaningful proportion of affordable units).
- Legal mechanisms to ensure affordable housing (cash or land) can be retained for the community in perpetuity.
- Informed and engaged elected members.
- Ability to appropriately resource the Council and delivery agency relationship.

### APPLICABILITY TO CARTERTON DC:

- Carterton may not have enough medium or large-scale residential development to make inclusionary zoning feasible.
- Review of the District Plan offers opportunities to explore inclusionary zoning.
- Cost would be incurred setting up legal mechanisms and a Trust.
- May disincentivise developers from undertaking medium or large-scale projects in Carterton (as opposed to neighbouring districts).
- Requires a delivery partner and partnership model which could take time and resources disproportionate to the potential number of affordable units able to be secured.

1. StatsNZ, 2018 Census

2. Applicants on the Ministry of Social Development (MSD) Housing Register, Dec 2020



# planalytics

research + policy

PO Box 104, Greytown 5742

[www.planalytics.co.nz](http://www.planalytics.co.nz)