



Land for Housing Programme development at 31 Ngongotahā Road, Rotorua

Severe housing need across Aotearoa New Zealand, and especially in Rotorua, has continued to grow. We urgently need to build more homes for people and whānau, to rent and to buy.

Rotorua has experienced strong population growth in recent years, but new housing supply has not kept up. Rotorua's population grew by about 9000 people between June 2013 and August 2022, but only 1600 homes were consented – and fewer completed. The Rotorua Lakes Council and Te Arawa Rotorua Housing Strategy indicated there was a shortfall of up to 1750 homes in late 2019.

Through the Rotorua Housing Accord, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is committed to exploring every opportunity to increase housing supply in Rotorua so we can alleviate the severe housing stress experienced by many people in the community.

HUD purchased the 15.9-hectare site at 31 Ngongotahā Road in December 2022 through the Land for Housing Programme, as a significant opportunity to increase the housing supply in Rotorua.

We are in the early stages of planning for a development of approximately 350 homes, including a standalone, duplex, and terraced housing. Our vision is that there will be a mix of market homes, homes that are affordable for first home buyers, and public homes. We expect planning and construction to take place over the next five to seven years, with the first stage delivering approximately 196 homes.

We have entered a Memorandum of Understanding (MOU) with Watchman Residential to progress design and consenting works. Watchman Residential has a team of consultants working directly with councils and the Ministry for the Environment on consenting applications and requirements.

We have completed relevant due diligence investigations on the site, including legal, geotechnical, contamination, quantity surveying, ecology, valuation, traffic, and infrastructure.

While the site is not currently zoned for residential development, Ngongotahā has been identified as a growth area in the Rotorua Spatial Plan. A private plan change application, alongside a resource consent application for the first stage of the development (196 homes using the COVID-19 Recovery (Fast-track Consenting) Act 2020), is currently being prepared by planners on behalf of Watchman Residential. A successful plan change would allow for residential development by rezoning the site to residential.

The flooding constraints on part of this site is a key factor that will inform the final design, including making sure that homes are not damaged by flooding, the development does not give rise to flooding effects upstream or downstream of the catchment, and ensuring that the overall flood storage is not reduced.

Progressing this development now enables a significant residential development to get underway to maintain the increase in building activity across Rotorua.

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Land for Housing Programme

The Land for Housing Programme purchases underutilised land for residential development and works with Iwi and private developers to increase housing supply by building a mix of affordable, public, and market homes. The programme has operated across Aotearoa New Zealand since 2017.

The Land for Housing Programme has acquired 34 sites on 316.33 hectares of land. HUD estimates that these will deliver 9891 dwellings, of which approximately 25 percent are likely to be sold at prices affordable for first home buyers and 15 percent will be made available for public housing.

Questions and answers

How did HUD come to consider purchasing the site late last year?

The site was brought to HUD for consideration by Watchman Residential in early 2022.

How much did you pay for the site?

As we are currently progressing our procurement process and commercial negotiations for the development of this site the purchase price of the land is commercially sensitive.

In August 2019, Minister Woods did not allow the project as a Special Housing Area. Why has it started again?

The Special Housing Area application for this location, which was made in 2019 by the then owner of the site, was not pursued by the Minister of Housing at the time due to the absence of accurate flood risk analysis.

Flood assessments and hydraulic modelling has since been completed on the part of the site that is subject to flooding. Through these assessments feasible solutions have been identified to mitigate flooding issues and enable residential development. Further design and modelling are now underway, this will be peer reviewed and then assessed under the resource consent application process.

When the site was considered under Special Housing Area the proposed density of homes was 190. We are now expecting approximately 350 – why has it increased so significantly?

Development over the last five or more years has focused on increased density, in line with good urban design principles, to counteract housing shortage and an undersupply of housing across Aotearoa New Zealand.

The proposed yield is based on the ability of the site to accommodate more homes based on the Medium Density Residential Standards (MDRS). Anything less would be an under development of the site, particularly given the lack of land development in the area.

Have you discussed this project with Iwi and hapū?

Preliminary discussions have commenced with representatives of Ngāti Tura, Ngāti Te Ngākau, Ngāti Ngārarānuī, and Ngāti Rangiwēwehi.

Because the land was only purchased in December 2022, these discussions have only just started. However, both HUD and Watchman Residential are committed to ongoing meaningful consultation with Iwi, hapū and mana whenua to ensure that Iwi interests are met through the design and implementation of the development.

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What types of homes are proposed to be built?

Stage 1 of the development is proposing a range of 3- and 4-bedroom homes for families and whānau to address the housing shortage in Rotorua. These will comprise a mix of standalone, duplex and terrace dwellings. Stage 2 planning will allow for a mix of 1–4-bedroom homes. These development schemes are still being modelled and are yet to be confirmed.

Does each dwelling have a carpark?

Yes, and for the Phase 1 consent (196 units) approximately 95% will have 2 car park spaces.

Who will live in these homes?

The Land for Housing Programme aims to relieve housing pressure by increasing housing supply. Developments completed by the Programme provide a mix of affordable, public and market homes in local communities. This development is likely to have a large proportion of home ownership and some public homes. We are also exploring options for progressive home ownership and affordable rentals homes. Mixed housing developments play an important part in meeting the needs of many within the community.

Individuals, families and whānau living in public housing will receive support and tenancy management from Community Housing Providers (CHPs). CHPs are registered and regulated by the Community Housing Regulatory Authority (CHRA). CHRA works:

- as a registrar and regulator of community housing.
- to make sure that tenants of community housing providers are appropriately housed.
- to support the growth of a fair, efficient and transparent housing sector.

What are the benefits of this development?

Through the Rotorua Housing Accord, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is committed to exploring every opportunity to increase housing supply in Rotorua so we can alleviate the severe housing stress experienced by many people in the community. This development will enable the accelerated delivery of approximately 350 high quality residential homes.

In addition to the provision of much needed housing, this development aims to enhance the community of Ngongotahā. The additional population will add to the vibrancy and economic sustainability of the Ngongotahā local shopping centre. The project will have a positive economic effect on Rotorua regarding employment opportunities, including local suppliers. HUD will work with local and central government to update future population modelling for Ngongotahā, which will help other agencies get prepared for the increase in school rolls, demand on medical centres and other community resources.

An Economic Impact Assessment prepared by Property Economics estimated a total number of FTEs just over 886 over the 5-year development period. The direct impact on the Construction and Construction Services sectors associated with direct employment measure is approximately 479 FTE years over the 5-year construction period. Direct economic injection from construction and development phases equate to approximately \$86.2m.

A shared pedestrian and cycling path will be provided along the stream edges which will provide an enhanced interaction with the existing streams for residents and the wider local community.

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When and how will I be able to give my thoughts on this development?

As we are at the start of the application processes the project team is working through the design process. You will be able to provide feedback if the development proceeds to Stage 2 of the Fast-track process for Stage 1 of the development and throughout Plan Change process, dependent on regulatory decisions.

HUD and the developer will set up local drop-in days designed for all community members to receive updates and have their input. Further information on these dates will be provided through local channels such as the iwi groups, Ngongotahā Community Progress Group, and Rotorua District Residents and Ratepayers.

Addressing development constraints

How will you address the flooding issues?

It is important to remember that there are large parts of the site that do not flood.

The site has a known flood level. The 2018 flood extents are well known, and the predevelopment flood level and extent has been considered.

The proposed number of homes for the site is based to a large extent on recent updated flood modelling and preliminary site design work. The project team is acutely aware of the flooding issues for the site, and this will inform the final design and the final yield.

Development will largely be excluded from those parts of the site which are identified as being flood prone. Where development is proposed to occur in identified flood prone areas, the design of the development will be undertaken in a manner that seeks to avoid damage to buildings from flooding, by ensuring that all dwellings are located with suitable freeboard above the 1 in 100-year flood plain.

The design team will also be seeking to ensure that the development does not give rise to any flooding effects upstream or downstream of the catchment.

While no works are proposed to the existing stream, retained open space areas on other parts of the site will be modified to create flood storage capacity to ensure that overall flood storage is not reduced on the site.

In addition to the known flood level, appropriate climate change conditions will be allowed for in the design to cater for predicted increased storm events and storm intensity.

The final flood design will be peer reviewed and then assessed through the Resource Consenting process.

What is the quantified level of flood hazard to downstream properties and potential impact?

Any development will be required to attenuate/detain any increase in stormwater runoff back to the predevelopment (existing) condition.

Any increase in runoff due to increased impervious areas will be mitigated with various options. These include:

- strategic lowering of areas within the property that sit outside the development footprint to increase flood volume/storage
- attenuation within stormwater devices i.e., permanent wetlands/ponds, and
- possible onsite attenuation tanks and/or soakage devices.

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All residential sites will have a minimum 500mm of freeboard from the finished floor level to final flood level. This is standard practice across all residential developments.

What flood mitigation has been planned at the site and downstream?

We are proposing several options for flood mitigation. For example, lowering of ground level, proposed wetlands or ponds, and onsite attenuation tanks.

As part of the proposed consent application, the proposed flood model will be peer reviewed by an independent consultant to verify the flood model and any proposed mitigation options.

The development will require the runoff to match the pre-development conditions. As part of the consent application the flood model will confirm there is no impact to downstream properties.

What are the findings of geotechnical evaluations of the site?

A geotechnical site investigation has been carried out, consisting of multiple machine boreholes, hand augers, excavation test pits and soil sampling tests.

The geotechnical investigation has identified ground improvements to mitigate or improve some of the underlying soil material constraints, to achieve the required building standards for residential properties, i.e., potential ground settlement due to compressible soils, consideration of liquefaction and post-earthquake subsidence.

These ground conditions or constraints are very typical across Rotorua. Ground improvements are expected to be possible undercutting of softer material, preloading of soil to compress the underlying material and adopting certain foundation designs.

The Geotechnical Engineer has summarised the site as considered geotechnically suitable, subject to the identified geohazards being mitigated by adopting the appropriate ground improvement works and/or foundation solutions. The existing site conditions and proposed ground improvements are common to multiple developments/areas across Rotorua and the wider region.

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Managing infrastructure and environmental impacts

The Waiteti Stream is world renowned as a high-quality trout and native fauna environment, how will it be protected?

The proposal will see the restoration of this section of the Waiteti Stream through the removal of invasive exotic vegetation and weeds and the replanting of locally sourced native vegetation along the riparian edge of the stream. No physical works are proposed to the stream itself, with development proposed to be setback from the stream edge and a minimum 20 metre esplanade reserve provided in public ownership that will provide the community access to walk along the stream edge.

All stormwater runoff will be treated through numerous stormwater devices before discharging to any stream and or existing network. Stormwater design will be in accordance with best practice to maintain the high-quality values of Waiteti Stream to ensure it is protected and enhanced as a world-renowned trout habitat.

Strict sediment and erosion control measures will be in place during the construction phase to avoid the sedimentation going into the stream during construction.

How will you manage the impacts of more than 350 people moving into Ngongotahā village?

We are in the very early stages of development planning, so there are many details still to be worked through, including how we will work with other central government agencies and Rotorua Lakes Council on improvements and amenities needed to accommodate an increase in the population at Ngongotahā.

Are there any traffic safety concerns?

Watchman Residential have engaged a traffic engineer to design a suitable access to and from the site. Appropriate engagement with Waka Kotahi will be undertaken in relation to the access design.

Has the development taken into consideration existing traffic volumes through Ngongotahā?

Assessment and analysis have been undertaken of the additional traffic onto SH36 (Ngongotahā Road) using traffic data on SH39 which included vehicles coming to and from Tauranga.

How will increased traffic be handled?

The roundabout of SH39 / SH5 has been significantly upgraded recently (in 2020/2021) to provide significant additional capacity in the area (it was not upgraded at the time of the SHA application for 31 Ngongotahā Road). This intersection was previously the cause of congestion in the area which has subsequently been removed. The development proposal also includes extending footpaths and bus provisions in the area to encourage other forms of transport.

What, if any, traffic upgrades will occur?

A small number of upgrades would be required in the local area to accommodate the additional dwellings, including:

- A new intersection with SH39
- Reducing the posted speed along the site frontage to 50km/hr
- A new footpath along the site frontage connecting with the existing footpath network A new bus stop outside the new development

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Resource consent for the development

What is the consent pathway for this development?

At this stage, the developer has applied to the Ministry for the Environment for a Fast-track consenting process under the COVID-19 Recovery (Fast-track Consenting) Act 2020 (the Act).

The Act looks to support projects that boost employment and economic recovery and investment in a way that promotes the sustainable management of natural and physical resources

Environmental management safeguards are built into the Fast-track legislation.

The Fasttrack application is being sought for Phase One of the project, being 196 dwellings at the front part of the site.

How does the Fast-track process work?

There are two stages to the Fast-track process. The first stage is seeking approval from the Minister for the Environment to become a Fast-track application. The second stage (if the first stage is approved), is to apply for a resource consent through the Environmental Protection Authority

An application is made to the Ministry of Environment and if the project meets the criteria it is referred to expert consenting panels to make decisions on both the resource consent applications and notice of requirements, and to set any conditions on the projects before they can go ahead.

The Environmental Protection Authority (EPA) provides advice and administrative support for the panels, which are appointed by the convener.

The process is much faster and will take approximately 10 months as opposed to 36-39 months for a standard resource consent process (taking into account an appeal process).

What are the benefits of a faster process?

This will enable us to deliver much needed homes for families quicker than using the normal RMA consenting process. There is a significant housing shortage in Rotorua.

With the increase in population in Rotorua, the demand for housing has increased in parallel. Rotorua Lakes Council and Te Arawa Rotorua Housing Strategy indicated there was a shortfall of up to 1750 homes in late 2019.

This includes both public and private rental homes and homes available for sale. In line with the increase in demand, is the rapid rise in rental and property sale prices. This has essentially locked residents out of either finding a suitable rental home or purchasing a home.

Will potentially affected parties be consulted in the consent process?

Yes, if the Fast-track process is agreed to by the Minister for the Environment, then as part of the Stage 2 of the Fast-track application process, it is proposed to consult with potentially affected parties.

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