Mt Victoria Historical Society

Presentation to Wellington City Council Policy & Strategy Committee August 6, 2020

Mt Victoria Historical Society seeks to raise important issues relating to the veracity of the assumptions used and the recommendations that go to the very heart of proposed changes to long-standing heritage planning rules. We believe these need further investigation.

Key Points

I. All the figures presented are from the Housing and Business Development Capacity Assessment (HBA), Forecast.id or Statistics NZ.

II. The "Housing Sufficiency" table (Appendix B) summarises the key inputs in arriving at Housing (Sufficiency) or the Shortfall/Surplus of Dwellings in Wellington City, which determines what additional capacity may or may not be needed.

III. Population Growth is a key driver of the outcome. The HBA assesses demand for residential dwellings based on two growth scenarios – a "Medium Growth" projection produced by Forecast.id and a "High Growth" projection from Statistics NZ.

IV. We conclude that using the Higher Growth projection is not valid:

a. The High Growth figure of 74,484 is a very unlikely scenario in statistical terms. In fact, it is as likely to occur as "low growth", which is circa 20,000. Some would even say in a post-COVID world it is actually a more likely outcome.

b. The HBA states that the primary reason for using High Growth is that "parts of the Wellington region have been growing at faster rates than expected over recent years". (See Appendix A).

- The rate of growth in Wellington City has ebbed and flowed over the last 23 years with periods of higher growth (shown in blue – greater than 1%) and lower growth (shown in green - less than 1%). The lower growth years have outnumbered the higher growth years by 13-10. While there has been a recent period of higher growth, the last two years to 2019 have in fact been a period of population loss. It is also worth noting the higher period of recent growth 2014-17 cited is likely, in expert opinion, to have been a temporary phenomenon related to high levels of migration into the country.
- Additionally, Policy PC1 of the National Policy Statement (NPS) requires that an oversupply is provided to account for uncertainty in demand and in supply being available, i.e. margins are built into both the demand and capacity numbers to help ensure that there is more than enough capacity to meet demand. It is therefore unnecessary to incorporate a higher growth projection as the NPS methodology provides the necessary margins (see Appendix B).

Taking the Statistics NZ medium population growth figure of 46,766, equating that to Housing Demand (adjusted figure of 24,929) and deducting the Housing Capacity (adjusted figure of 20,294), there is a shortfall of 4,635 dwellings over 30 years or just 153 dwellings per year city wide.

V. The reason for such a low shortfall is that the analysts have calculated there is already capacity for 20,294 dwellings under existing rules i.e. "the population is growing and they will need to be accommodated but provision already exists to satisfy most of this demand".

VI. The planner's riposte to this might be that in the inner-city areas there is greater demand for what they call "terrace housing" and apartments so, even though the shortfall is only 4,635, there is a high demand for terraced housing/apartments. However, looking at a breakdown of the Forecast.id "medium growth" population projection (see Appendix C), the majority of the increase in population – i.e. 83% - is from a natural increase in the population (not external/internal migration). This is unlikely to be the demographic looking for apartments or terrace housing.

Summary

- Does Wellington City have sufficient feasible residential capacity that will be realised over the next 30 years to meet expected population growth to 2047?
  No, it doesn't, but the magnitude as illustrated is minor.

- Yet it appears from Summary Spatial Plan that the Council are planning to provide an enormous amount of additional capacity from the outer suburbs, central city to the inner-city heritage or "character" areas.
  We question why all this additional capacity is being created when the Council's own figures show the shortfall is minor. It does not appear to be justified.

- Unfortunately, there are real word and irreversible outcomes if the plan is implemented as proposed. The outcome for "character" inner city areas could be significant. In the 2019 WCC Planning for Growth Survey "Appropriate management of character protection was the most discussed issue. Adamant opposition to character loss was expressed in around 200 comments, with the main sentiment being that the that the essence of what makes Wellington a great city would be lost if character was not protected". This is a quote from the Council's own report.

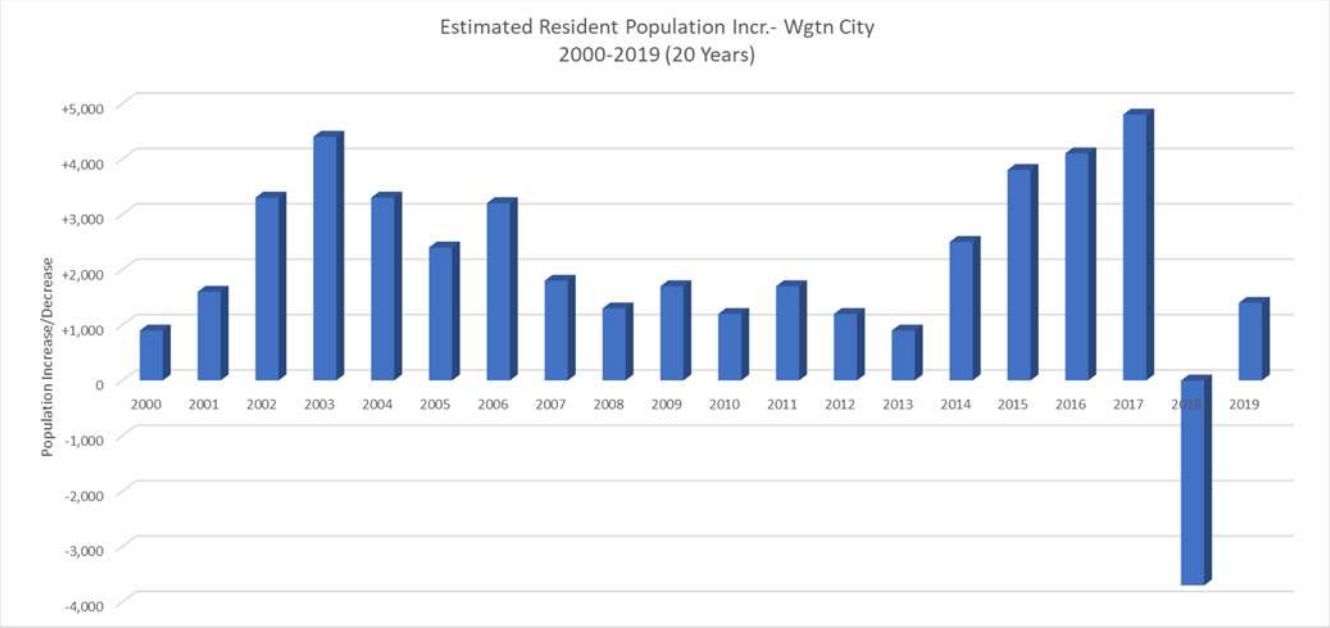
Conclusion

- **MVHS argues that WCC has not shown there is a material shortfall in housing capacity over the next 30 years (under the current rules), sufficient to justify removing the pre-1930s non-demolition rule to provide for intensified development.**

- **MVHS calls on WCC to engage an independent expert to review the key assumptions and rationale used in the HBA. Consultation with key stakeholders should form part of a robust review.**

Appendix A

Estimated Resident Population (ERP)				
Wellington City				
Year (ending June 30)	**Number**	**Change in number**	**Change in percent**	
2000	169,500	+900	+0.5	
2001	171,100	+1,600	+0.9	
2002	174,400	+3,300	+1.9	
2003	178,800	+4,400	+2.5	
2004	182,100	+3,300	+1.8	
2005	184,500	+2,400	+1.3	
2006	187,700	+3,200	+1.7	
2007	189,500	+1,800	+0.9	
2008	190,800	+1,300	+0.7	
2009	192,500	+1,700	+0.9	
2010	193,700	+1,200	+0.6	
2011	195,400	+1,700	+0.9	
2012	196,600	+1,200	+0.6	
2013	197,500	+900	+0.5	
2014	200,000	+2,500	+1.3	
2015	203,800	+3,800	+1.9	High
2016	207,900	+4,100	+2.0	Imigration
2017	212,700	+4,800	+2.3	
2018	209,000	-3,700	-1.8	
2019	210,400	+1,400	+0.7	



Source: Statistics New Zealand, Subnational Population Estimates - information releases for 30 June 2013

Compiled and presented in profile.id by .id , the population experts. https://home.id.com.au

Appendix B

The Housing Sufficiency table summarises how the Demand/Capacity numbers are derived.

Wellington City - Housing Sufficiency (shortfall/surplus) TOTAL 2017 - 2047 (30 Years)

	Incr/Decr	Medium Forecast ID	High Growth Stats NZ
4) Population Growth - Projections (Low Growth circa 20,000)		**46,766**	74,484
3) Housing Demand (New Build Demand)			
- Required Dwellings		**21,339**	32,337
- Adj. Required Dwellings (+20% Short-term & 15% Long-term)	**3,590**	**24,929**	32,337
2) Housing Development Capacity (Existing Capacity for New Build)			
- Plan Enabled Capacity		**106,411**	106,411
- Adj. Economically Feasible to Develop (26%)	**-78,457**	**27,954**	27,954
- Adj. Realisation Capacity	**- 7,660**	**20,294**	20,294
1) Shortfall (Demand less Capacity) - Over 30 Years		**4,635**	12,043
1a) Shortfall (Demand less Capacity) - Average Each Year		**155**	401
			260%

NOTE: All Figures from : Housing and Business Development Capacity Assessment Wellington City Council Report 8 Nov'19

The underlying assumptions about growth are driving a process leading toward reduction in protection for inner city character areas in order to provide intensified development.

Key points to note:

- **The Required Dwellings** - are increased by 3,590 to factor in a "suitable buffer of over-supply" to 24,929 Dwellings.
- **The Housing Development Capacity -** starts at 106,411 & finishes at 20,294.

An economically feasible overlay is applied (at the point in time of the analysis) massively dropping the number to 27,954 dwellings. Then the realisable capacity is applied (recognising that only some will build within the 30-year duration) reducing the capacity by a further 7,660 to 20,294 dwellings

Appendix C

The official population of the Wellington City as of the 30th June 2019, is 210,400

The Wellington City population forecast for 2020 is 214,537, and is forecast to grow to 248,953 by 2043

Wellington City

Component	Total 2019-2043	2019 to 2023	2024 to 2028	2029 to 2033	2034 to 2038	2039 to 2043
Births		12,191	12,475	12,620	12,842	13,290
Change in persons in non-private dwellings		371	305	245	282	105
Deaths		5,247	5,877	6,578	7,321	7,997
Natural increase/decrease	**30,396**	6,943	6,597	6,042	5,521	5,292
Net migration (external & internal)	**6,107**	2,964	980	-1,305	827	2,640
Total population change		**10,279**	**7,883**	**4,982**	**6,630**	**8,038**
		10279	7883	4982	6630	8038

Population and household forecasts, 2013 to 2043, prepared by Forecast .id , the population experts, November 2019.