

Meeting: Council Meeting

Meeting Date: 27 September 2022

Subject: **Roy Stoneham Park *Masterplan Options Report 2022* – progressing residential development**

File No.: **TBC**

1 Background

To encourage further growth of the district, Council has selected Roy Stoneham Park (formerly the soccer club grounds) is the most suitable option for the next residential development.

The Kawerau District population has grown significantly and Statistics NZ expected to keep growing due to:

- The pandemic bringing whānau home;
- Economic development of the district and the region creating employment;
- Kawerau's housing stock being more affordable than other regions;

A property market analysis completed by Veros for Council in 2022 shows:

- Kawerau's population estimated to have grown by 7% since the last census;
- Population growth being experienced is out-stripping the building consents being issued (compared with other similar sized towns);
- Median house prices have increased by 182% in the last five years to \$432,000;
- Average house sold in Kawerau in the last 12 months was a 100m² 1960's three bedroom, one bathroom home on a 795m² section for around \$430,000;
- Release of Council's new subdivision has shown an appetite for larger new homes 3-4 bedrooms, 2 bathrooms on smaller sections around \$700,000 price point.

**Statistics New Zealand (medium) projection indicate a population of 8,000 by 2028.*

2 Housing Strategy - Overview

Council identified the need for growth and a mix of additional housing some time ago and has been proactively driving this with the Council Housing Strategy through the

- Long Term Plan 2018-2028 resolutions
- Long Term Plan 2021-2031 resolutions

These developments include:

- *Porritt Glade Lifestyle Village:*
Purpose-built retirement village with 29 units sold with a Right to Occupy.
This development will be completed in the first quarter of 2023.

To date all 18 units constructed are occupied. Of those, 17 residents sold their Kawerau homes to move into the village – thereby meeting Council's aim to provide high quality living for seniors and free up larger family-sized homes.

Of the 11 yet to be completed, 9 are under contract.

Council has completed the village on the principle of recouping costs.

- *Central Cove Development*

Freehold house and land packages comprising 31 sections.

To date only 12 sections are still available.

Profits from the Central Cove subdivision have been allocated as rates subsidies to benefit all ratepayers.

The discovery of low levels of asbestos contaminated soil on the site is likely to reduce profits due to the remediation costs of \$700k to date. However, Council will be seeking redress from the Ministry of Education that owned the site of the former Central School.

- *Hine Te Ariki and Bell Street Development*

Comprising four sections, Council resolved in 2022 to build two spec duplexes (four units).

Targeting the seniors' market with 'easy-care' quality brick units that are freehold. To be sold at market rates.

3 Future Housing Developments – Overview

Given the uptake of the current residential subdivisions, the waiting lists at the Council-owned rental flats, and Kadap (Kawerau and Districts Ageing in Place) survey responses indicating that nearly 20% of seniors surveyed would move into smaller 'easy care' units if they were available – Council wishes to progress the next residential housing development.

Roy Stoneham Park (formerly the soccer club grounds) has been identified as the most suitable and feasible option for Council to develop. Currently zoned as a reserve, this land is 5.42 hectares with a flat contour adjacent to the nearby Kawerau Pūtauaki Primary School.

Community engagement has been carried out in two Long Term Planning processes in 2018-2028 and 2021-2031.

With input from professional architects, Design Group Stapleton Elliott (DGSE) Council produced a 'vision plan and document' to discuss with Iwi, neighbours and the community which gained good levels of support. Therefore, Council resolved in July 2021 to:

- Proceed with the development
- Proceed with the reserve land swap
- Carry out further consultation and engagement with the community taking into consideration concerns raised by Iwi, neighbours, and stakeholders.

In 2022, Council has been working with DGSE and Veros to complete a stage one feasibility study.

This report outlines that the Stoneham Park development has the potential to achieve:

- Additional housing for the district in the range of approximately 80 dwellings (yet to be finalised)
- A range of housing options such as inter-generational
- A variety of section sizes to meet different price ranges
- More rateable properties
- Enhanced green space and recreational areas
- Potential to partner to offer a range of housing models (rent to own, rental, etc.)
- Increased value for the surrounding properties
- Revenue of \$2m (approx.) from sales in addition to Three Waters Reform tranche 1 funding (if used)
- Potential to develop the 1ha (approx.) at Kowhai Park Body Corp.

NEXT PHASES

The next phase of the project is to test, refine and confirm the findings in the preliminary development feasibility. This will include:

- Undertaking various technical assessments,
- Engagement and Consultation with Iwi, Neighbours and the Community
- Refining the development scheme
- Reserve Revocation and /or Land Swap
- Plan Change from Open Space to Residential
- Alterations to the Plan (s32) as required to enable the subdivision, to minimise future consenting issues by purchasers including:
 - Lowering the Set-backs to enable smaller and usable lots to allow for off-street parking, fencing and/or vegetation;
 - Site coverage changes to the existing 35% planning rule
 - Lot width to be lowered to

FUNDING REQUIREMENTS

Through the Veros feasibility study, Council is best placed as the developer as Council owns the land outright and has another similar sized area.

In addition, Council has the opportunity to apply for \$4,320,000 of funding from the 'Better Off' programme (Tranche 1). This funding which has become available due to the Government's Three Waters Reform is available to spend on projects and initiatives to improve local authorities' community well-being.

Utilising the feasibility report, Council has agreed in principle that it will be prudent to develop the subdivision in a staged approach. This utilises the 'Better Off' Funding well by enabling the funding to be effectively 'recycled' through the development.

The \$4.32m will enable the first stage of the development to be completed, with the likely timeline of titles being issued in late 2024, and the construction of homes beginning in late

2024, early 2025. This utilises the 'Better Off' Funding well by enabling the funding to be effectively 'recycled' through the development.

At the completion of the development, which is currently planned for 2027.

4 RECOMMENDATIONS AND DECISION MAKING OPTIONS

1. That Council discuss progressing the development (as the developer) and proceeding with the next steps and further feasibility reports, consultation and engagement.

2. That Council approve the use of the Three Waters 'Better Off' funding to:
 - a). Progress the Roy Stoneham Park development;
 - b). The Reserve Revocation and Land Swap;
 - c). Plan Change from open space to residential (in principle) utilising a Stoneham 'Precinct' model in principle to change the plan enabling the subdivision.

3. Maintain the status quo of Stoneham Park as a reserve, which costs approx. \$17k/pa for maintenance.

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