

From: [Official Information](#)
To: [REDACTED]
Cc: [Official Information](#)
Subject: Final response - LGOIMA 423847 - [REDACTED] - Future Proof/ Market Economics report/ Business Development Capacity Assessment 2023
Date: Tuesday, 17 September 2024 8:14:02 am
Attachments: [image001.png](#)
[image002.jpg](#)
[image003.jpg](#)

Kia ora,

We refer to your information request below. Hamilton City Council provides the following response.

Your request:

Please provide the most up to date" plans" showing "exactly" where the" industrial" and "commercial" land is "actually" or "potential" being zoned/ rezones to meet the "development capacity" as described in this report. There are no plans provided within this report

It appears that the report is "theoretical" only with no" economic evidence" provided. Page 87 Development Suitability states: "Unlike assessing capacity to meet housing demand , to assess business capacity does not specifically require an assessment of Development Feasibility. "

In addition to the "plans" requested please provide "geotechnical" information on the" areas" identified as industrial and commercial.

Our response:

1. **Please provide the most up to date" plans" showing "exactly" where the" industrial" and "commercial" land is "actually" or "potential" being zoned/ rezones to meet the "development capacity" as described in this report. There are no plans provided within this report**

Page 68 of the Future Proof Strategy, at Map 6 contains a map of the current and future Growth areas. Guided by this framework work is underway to identify particular land for rezoning that will best meet the industrial and commercial land shortfalls identified in the HBA Business. The map at page 68 of the link below.

<https://futureproof.org.nz/>

2. **It appears that the report is "theoretical" only with no" economic evidence" provided.**

The process of identifying the sufficiency of industrial land offering in the Hamilton market is based on a methodology set out under the NPS UD. Essentially it examines the current supply, sets that against projected demand – derived from population increase and productivity growth, to determine a sufficiency, or insufficiency of industrial land. It then passes to territorial authorities to address any identified insufficiencies.

3. **Page 87 Development Suitability states: “Unlike assessing capacity to meet housing demand, to assess business capacity does not specifically require an assessment of Development Feasibility.”**

This paragraph continues as below and explains the difference in methodology for residential and industrial land.

It is sufficient to provide suitable land in terms of location and scale. The cost and revenue based approach to assessing development feasibility for residential development is relatively simple, in that the numbers of development options for a residential developer are usually relatively small – as are the ownership options. This meant development feasibility could usually be determined with a simple ‘residual value’ type development model. This type of model starts with the anticipated final sale price and deducts all the costs associated with development – including a developer’s margin. The difference then between the final sale price and all of the developer’s costs is the amount the developer can pay for the land and remain viable.

If the land is priced higher than that, then the development is not feasible and won’t be developed – regardless of the zoning.

For business land, the situation is far more complex. The type and nature of business development is far more varied than residential – retail and commercial clients have a wide range of development types that might be suitable for a piece of land, each with different build costs, ownership types and developer margins. Industrial land may be developed in a bespoke manner by a particular manufacturer that may wish a purpose-built plant and plan to operate it for as long as the business is viable. This type of developer may be able to amortise costs across a very long timeframe, so is motivated very differently from a developer looking to build more generic tilt slab industrial units for rapid sale. [p.87 HBA Business]

4. **In addition to the “plans” requested please provide “geotechnical” information on the “areas” identified as industrial and commercial.**

Preliminary geotechnical reporting has been obtained for the areas under consideration. In addition a peer review of this information has been carried out by an independent consultant, resulting in an independent assessment of the geotechnical issues attached to each of the areas. As this is presently confidential this information cannot be shared at this time.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Ngaa mihi
Keeley Faulkner
Official Information Coordinator

Legal services
Governance & Assurance Team | Partnerships, communication & Maaori
Email: officialinformation@hcc.govt.nz



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I support flexibility at work. While it suits me to send this email now, I don't expect a response outside of your own working hours.

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Sent: Tuesday, September 3, 2024 4:27 PM
To: Official Information <officialinformation@hcc.govt.nz>
Cc: Andrew Bydder <andrew.bydder@xtra.co.nz>; Tim Macindoe <tim.macindoe@gmail.com>; Mark Davey <Mark.Davey@hcc.govt.nz> [REDACTED]@waikato.ac.nz; Office of Tama Potaka MP <Tama.PotakaMP@parliament.govt.nz>
Subject: Future Proof/ Market Economics report/ Business Development Capacity Assessment 2023

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Many thanks.

Kind Regards



Director

[REDACTED]

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