

## Industrial Focus<sup>®</sup> Research | October 2020

### Hawke's Bay Building Consent Trends + Industrial Land Supply

#### Prior Industrial Focus Report

Our prior Industrial Focus Report is available at [www.turley.co.nz/2018/03/15/industrial-focus-report-march-2018](http://www.turley.co.nz/2018/03/15/industrial-focus-report-march-2018) It confirmed Hastings District non-residential property building consents value for two years 2016-17 was \$183m – an increase from \$163m for the 2014-15 period. Napier City for the same periods recorded \$65m, up from \$56m.

#### HB Industrial Building Consents Peaked 2016-17

Statistics New Zealand building consents data to 31 December 2019 analyses by Turley & Co:

Industrial Building Consents (factories, industrial and storage buildings)			
Period	Napier	Hastings	Total
Jan 18 to Dec 19	\$15.5m	\$55.7m	\$71.1m
Jan 16 to Dec 17	\$13.0m	\$91.4m	\$104.4m
Jan 14 to Dec 15	\$12.9m	\$77.0m	\$90.0m
Change 18-19 v 14-15	19.7%	-27.7%	-20.9%
Change 18-19 v 16-17	18.7%	-39.1%	-31.9%
Change 16-17 v 14-15	0.8%	18.7%	16.1%

Refer to Turley & Co for full data and other metrics.

#### Observations

The prior industrial building boom for Hawke's Bay peaked in 2016-17 and has considerably tapered since. Hastings 2018-19 v. 2016-17 is down about 40%. Meanwhile Napier industrial building values per consents is up almost 20% for 2018-19 v. 2016-17. Hastings industrial consents in 2014-15 and 2016-17 made up about half of all non-residential consents. Comparatively for the 2018-19 period, this dropped to just under 30%.

Napier-Hastings commercial consents (all categories including industrial) were \$292m for 2018-19, up 33% on 2014-15. All categories non-residential consents for Napier increased by almost 80% for 2018-19 v. 2014-15.

Commercial Building Consents (non-residential buildings incl. industrial)			
Period	Napier	Hastings	Total
Jan 18 to Dec 19	\$99.7 m	\$192.1 m	\$291.8 m
Jan 16 to Dec 17	\$65.1 m	\$183.5 m	\$248.5 m
Jan 14 to Dec 15	\$55.7 m	\$163.3 m	\$218.9 m
Change 18-19 v 14-15	79.1%	17.7%	33.3%
Change 18-19 v 16-17	53.2%	4.7%	17.4%
Change 16-17 v 14-15	16.9%	12.4%	13.5%

Refer to Turley & Co for full data and other metrics.

Contact us for more consents information and analyses, land valuation, industrial developments tracking and other metrics [www.turley.co.nz/tcl-people/our-people](http://www.turley.co.nz/tcl-people/our-people) See industrial land supply reporting overleaf ...



Maratōtara River restoration original sponsor 2006

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## Industrial Land Supply Hawke's Bay – 187 hectares

Hastings District Council in 2016 rezoned major tracks of rural land to industrial at Irongate and Omaha Road, including land that had already been developed with industrial buildings via resource consent. The vacant industrial land supply for Napier-Hastings is represented by the Turley & Co survey summary as at 30 September 2020:

HB Vacant Industrial Land Supply Sep 2020				
TLA District	Fully Serviced	Partially Serviced	Total	Ratio
Hastings District Indus	43.6 ha	94.6 ha	138.2 ha	74%
Napier City Indus	36.7 ha	-	36.7 ha	20%
Napier City Mixed Use	0.6 ha	-	0.6 ha	0%
Napier/ HB Airport	11.0 ha	-	11.0 ha	6%
Napier Subtotal	48.3 ha	-	48.3 ha	26%
Total	92.0 ha	94.6 ha	186.5 ha	100%

Refer to Turley & Co for full data and other metrics.

Contact us for detailed metrics information for individual industrial properties and by sub-category

[www.turley.co.nz/tcl-people/our-people](http://www.turley.co.nz/tcl-people/our-people)

**Hawke's Bay vacant industrial land** includes land held by speculators, thus some land is not actually available for development. Other land has services challenges. But overall Hawke's Bay industrial land supply is considerable at ~187 hectares. At 2014-19 building rates this represents 187 large sheds or probably at least 30 years supply.

### Supply Study Appellations

The Hastings supply total includes the Tomoana Food Hub (8.8 ha). Napier supply metrics include ~11 hectares at Hawke's Bay Airport accessed via newly-built Watchman Road that is being promoted for industrial occupancy

[www.hawkesbay-airport.co.nz/business-parks/about-the-business-parks](http://www.hawkesbay-airport.co.nz/business-parks/about-the-business-parks)

Excluded industrial use land includes: Pan Pac at Whirinaki, Napier Port, Lagoon Farm, the Stortford Lodge sale yards and low-density buildings industrial land.

Napier City's previously mooted development of Lagoon Farm for industrial and/ or commercial uses is a future supply possibility. The Napier City owned land at Prebensen Drive (opposite Orotu Dr), is 289 hectares including Rural Conservation and Business Park (~45 ha) zone land. About 30 hectares net of stormwater attenuation that is excluded from surveyed 187 ha.

### Key Observations

Hawke's Bay industrial land is often cited as being undersupplied and supply considerably tightening that is untrue. The Napier-Hastings supply at 187 hectares is sufficient for 187 large sheds at 5,000m<sup>2</sup> given 50% site cover.

Given industrial consent values for Napier-Hastings for 6 years 2014-19 at \$265m (\$44m annually), this indicates current land supply is probably sufficient for at least 30 years industrial building activity.

The zoned industrial vacant land supply includes greenfields land that has services adequacy challenges, including road access and water supply; coupled with stormwater disposal or attenuation land loss considerations and aquifer constraints.

The approximated supply future take-up metric will be impacted by industrial land usurped by non-industrial uses and unforecastable rates of economic expansion led development.

## Other Considerations

The vacant unoccupied industrial land (187 hectares) excludes buildings low-density sites. These properties could be further developed. It also excludes properties occupied by obsolete or end-of-life industrial buildings being land suitable for redevelopment (brownfields land).

In addition, up to 2,500m<sup>2</sup> horticulture use industrial buildings are permitted in Hastings' Plains Production zone. There are hundreds of Heretaunga Plains properties in this appellation. Permitted is post-harvest fruit handling/ packing and storage plus winemaking, etc; or by resource consent such as Delegates. Napier has similar rules.

Industrial land occupiers are typically open to Hawke's Bay-wide locations such as Irongate and Whakatu. An exclusively Napier location requirement is rare – it's a Hawke's Bay land market.

Wet industry being a small minority of Hawke's Bay industrial use, is suitable services land much scarcer. Whakatu has trade waste or wet industry services, but most building developments are for dry uses and a proposed inland port [www.turley.co.nz/2020/07/01/whakatu-inland-port-tcl-land-acquisition](http://www.turley.co.nz/2020/07/01/whakatu-inland-port-tcl-land-acquisition). Pandora and Awatoto have wet services industrial land, though dry uses predominate.

The most recent wet industry requirement is for the proposed new Zivi petfood factory at Awatoto [www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=12345377](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12345377)

By Team Turley & Co

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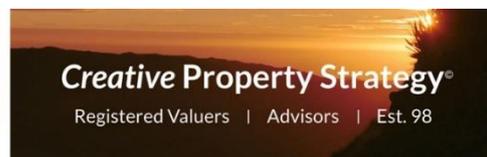
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Our People [www.turley.co.nz/tcl-people/our-people](http://www.turley.co.nz/tcl-people/our-people)



Tim Whittaker Te Mata Peak Millennium Sunrise

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