

Waikato District Council
Growth and Economic Development Strategy

Project 2

Industrial Land Evaluation

Part 2.2 b

**Projected Future Industrial Land Demand for
'Service Trades' at Different Locations**

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**Projected Demand for Land for
'Service Trades'
At Different Locations**

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1.0 INTRODUCTION AND DEFINITIONS

This Report is intended to scope the possible most desirable locations to locate future ‘*Service Trades*’ land in the Waikato District up to 2045.

‘**Service Trades**’ – can be defined as businesses operated by tradespeople (such as plumbers, electricians), and property service providers (such as cleaners, landscapers, pest-control and maintenance services).

This definition can be expanded to include the following *secondary activities*:

‘*Trade Supplies*’ - businesses supplying trades people and property service providers with products and related services (including ancillary showrooms and incidental retail sales)

‘*Customised Production and Assembly*’ – the low impact production of customised and bespoke products for domestic and commercial end users (such as computers, computer equipment, shower-screens, fly-screens; picture framing, soft furnishings, curtains and blinds)

‘*Product Repair Services*’ – the low impact repair and maintenance of small sized domestic, commercial and trade equipment (such as electrical, medical, computer equipment and trade tools - excluding engines, pumps and motor vehicles and other activities likely to have adverse amenity impacts)

‘*Small Storage and Hire Services*’ – the storage and display of small products and equipment for short term hire to domestic, commercial or trade customers (where the items for hire are of a relatively small size and stored and displayed within a building)

Visual References: ‘Service Trades’



Visual References: 'Secondary Activities'



This discussion expressly excludes 'Other Building, Construction or Hire Services' such as:

- 'Building Structural and Engineering Services' (such as engineering, geological and surveying services; site preparation, concreting, building structural and completing services) – where operations, vehicles or equipment are stored outside the building
- 'Builders, Suppliers, Utility, Hire and Trade Yards' (used for the outside storage, display or sale of products, materials, vehicles or equipment)
- 'Landscaping and Garden Centres' (where landscaped and garden products, plants and materials are display, stored or sold to customers)

These are more appropriately located in 'General Industry' or 'Light Industry' Areas.

Visual References: 'Excluded Uses'



'Home Based Businesses'

Many 'Service Trades' can operate successfully as 'Home Based Businesses' - operated on a small scale by residents, with few employees, from residential or rural properties.

There are also many self-employed construction workers and tradespeople who operate from home and travel to clients for work.

These may not need to be treated as a 'Home Based Business' if they only have a home office and there is no 'off-site' or residential amenity impact from this arrangement.

The potential demand from such 'home based businesses' has been deducted from the likely demand for land for 'Service Trades' at different centres discussed in this report.

The Data Used For This Report

This Report is based on analysis of recent employment growth from 2001 to 2017 in the Waikato District and in *Regional North Island New Zealand* (identified as the North Island minus Hamilton, Auckland, Wellington, Upper and Lower Hutt).

The figures used in this Report are based on the '*High Growth*' Scenario – where Waikato's future employment growth matches the *highest recent growth* achieved for different activities in Regional North Island or the Waikato District (whichever was the highest between 2001 and 2017).

A separate '*Relative Competitive Advantage of Waikato*' Report outlines the basis and rationale for using this scenario and database.

The same database and scenario was used for the *Waikato Blueprint Strategy*.

2.0 PROJECTED DEMAND FOR LAND FOR 'SERVICE INDUSTRIES'

The likely future demand for 'Service Trades' and 'Support Services' was projected for the Waikato District up to 2045 based on the 'High Growth' Scenario – where Waikato's future employment growth matches the *highest recent growth* achieved for different activities in Regional North Island or the Waikato District (whichever was the highest between 2001 and 2017).

This was based on the employment growth projected under this scenario for businesses likely to meet each definition – having deducted the proportion of this employment likely to be located in home based businesses.

The results of this analysis revealed a projected demand for 12.6 ha of industrial land for 'Service Trades'.

Some 4.4 ha (35%) of future demand for industrial land for 'Service Trades' can be expected to come from businesses requiring at least some 'showroom space'.

Only 0.7 ha (6%) of this land for future 'Service Trades' is likely to be required by businesses needing to be located in 'clean production' areas.

Seventy percent (70%) of the required 'Service Trades' land (8.83 ha) could be accommodated in 'General Industry' areas – although a better quality business and employee environment would be more attractive.

Given this limited demand, it could be advisable to plan for these activities to be accommodated in larger, landscaped 'Trading Estates' or 'Business Parks' that could also be attractive for a broad range of 'new economy'; low impact activities and light industries desiring high amenity settings.

3.0 LOCATIONAL CONSIDERATIONS WHEN PLANNING FOR ‘SERVICE TRADES’

There are a number of locational considerations that could affect the best distribution of possible ‘Service Trades’ land throughout the Waikato District.

The most important of these considerations include:

- i. *Ensure Local Services Can Be Provided Close To Local Demand* – consequently sufficient land should be available to accommodate service trades close to where the largest increases in future residential population and business clients are proposed.
- ii. *Providing for the Local ‘Grow-out’ of Successful ‘Home Based Businesses’* – it is important to provide the opportunity for successful home based service trades to ‘grow-out’ to affordable business premises (ideally within 4 km of where the business started up).
- iii. *Recognising That Successful Service Trades Will Grow By Serving Wider Markets* – consequently more, larger service trades are likely to grow where they can easily service the southern Greater Auckland residential growth areas south of Drury.
- iv. *Recognising That ‘Support Services’ Are Competing For ‘Volume’ Trade* – consequently they are most likely to locate where there is greatest trade demand but away from their own and other competing rival outlets (that are likely located in Hamilton or near the new Drury Town Centre).
- v. *Some ‘Service Trades’ and ‘Support Services’ Need to ‘Showcase’ Their Wares* – these need to incorporate modest ‘showroom space’ that is best located where visible to large volumes of potential customers passing by.

The interplay of these different aspects needs to be considered when allocating land to these activities.

Unlike retail analysis, there is no statistical way to quantify how each of these forces will play themselves out over time in the Waikato District.

Consequently the professional judgement of this author has been relied upon to make a best estimate of how the projected demand for future service trades land may be best distributed in the Waikato District.

4.0 DESIRABLE LOCATIONAL PROVISION FOR 'SERVICE TRADES' LAND

The following Population increases are provisionally planned for by 2060 in the 'Statement of Proposal: Waikato 2070, Draft Growth and Economic Development Strategy' (exposure draft November 2019):

| | |
|--------------------|--------------|
| Pookenu | 11,500 (27%) |
| Tuakau | 4,000 (9%) |
| Te Kauwhata | 8,000 (19%) |
| Huntley & Ohinewai | 6,500 (15%) |
| Taupiri | 1,000 (2%) |
| Ngaaruawaahia | 3,500 (8%) |
| Te Kowhia | 3,500 (8%) |
| Raglan | 4,500 (11%) |

The following distribution of *future 'Service Trades' land* will possibly best meet potential future demand up to 2045:

| | |
|--------------------|-----------------|
| Pookenu | 5.5 ha (43%) |
| Tuakau | 1.2 ha (10%) |
| Te Kauwhata | 1.2 ha (10%) |
| Huntley & Ohinewai | 2.2 ha (17%) |
| Taupiri | 8,000 sq m (6%) |
| Ngaaruawaahia | 5,000 sq m (4%) |
| Te Kowhia | 5,000 sq m (4%) |
| Raglan | 8,000 sq m (6%) |

These areas are '*net' usable site areas*, excluding roads, parks, landscaping, utility and other areas.

The equivalent 'gross' developable (*englobo*) land areas to plan for are of the order of:

| | |
|--------------------|--------|
| Pookenu | 6.6 ha |
| Tuakau | 1.5 ha |
| Te Kauwhata | 1.5 ha |
| Huntley & Ohinewai | 2.6 ha |
| Taupiri | 1.0 ha |
| Ngaaruawaahia | 0.6 ha |
| Te Kowhia | 0.6 ha |
| Raglan | 1.0 ha |

**List of Possibly Acceptable
'Service Trades'**

(If operated at an appropriate scale
with limited subsidiary retail or display)
(by 4 digit ANZSIC Code)

| |
|---|
| 4200 Construction Trade Services, undef |
| 4230 Installation Trade Services, undef |
| 4231 Plumbing Services |
| 4232 Electrical Services |
| 4233 Air Conditioning, Heating Services |
| 4234 Fire, Security System Services |

**List of Possibly Acceptable
'Secondary Activities'**

(If operated at an appropriate scale
with limited subsidiary retail or display)
(by 4 digit ANZSIC Code)

| |
|---|
| 2229 Textile Product Mfg, nec |
| 2262 Leather & Leather Substitute Prod Mfg |
| 2329 Wood Product Manufacturing, nec |
| 2410 Printing & Services to Printing undef |
| 2413 Services to Printing |
| 2864 Machine Tool & Part Mfg |
| 2921 Wooden Furniture, Upholstered Seat Mfg |
| 2940 Other Manufacturing, undef |
| 4210 Site Preparation Services |
| 4220 Building Structure Services, undef |
| 4530 Builders Supplies Wholesaling undef |
| 4613 Computer Wholesaling |
| 4614 Business Mach Wholesaling, nec |
| 4615 Electrical Equipment Wholesaling nec |
| 4619 Machinery, Equip Wholesaling nec |
| 4700 Personal, Household Good Wholesaling undef |
| 4730 Household Good Wholesaling, undef |
| 4731 Household Appliance Wholesaling |
| 4733 Floor Covering Wholesaling |
| 4790 Other Wholesaling, undef |
| 5260 Household Equip Repair Services, undef |
| 5261 Household Equip Repair Services (Electrical) |
| 5269 Household Equip Repair Services, nec |
| 7700 Property Services, undef |
| 7740 Machinery & Equipment Hiring Leasing undef |
| 7822 Surveying Services |
| 7823 Consulting Engineering Services |
| 7829 Technical Services, nec |
| 7830 Computer Services, undef |
| 7851 Advertising Services |
| 7864 Security, Invest Services (Ex Police) |
| 7865 Pest Control Services |
| 7866 Cleaning Services |

