

## Technical Memo

To:	Steph Wilson	From:	Insight Economics
Date:	Monday, 14 July 2025	Page:	4 (including this page)
Subject:	Economic Assessment of Proposed Ashbourne Development in Matamata - Addendum		

Steph,

Thank you for contacting us in relation to this matter. This brief memo sets out our findings. I trust it provides all the information that you need for now, but please let me know if you need anything further.

### CONTEXT

Insight Economics previously prepared an economic assessment of the Ashbourne development to support a substantive application under the Fast-track Approvals Act 2024 (**FTAA**). This memo is an addendum to that assessment. The purpose of this addendum is to assess an alternative land use scenario proposed by the applicant, which would replace the proposed commercial node with additional residential lots.

### STRUCTURE OF THIS MEMO

The remainder of the memo is structured as follows:

1. **Development Options** – Summarises the two development scenarios assessed.
2. **Likely Economic Impacts: Option A** – Points to the economic impacts of the original development plan, including a commercial node.
3. **Likely Economic Impacts: Option B** – Summarises an alternative scenario with 18 additional residential lots in place of the commercial node, and its likely impacts.
4. **Option Comparison** – Compares one-time, ongoing, and wider economic impacts across the two scenarios.
5. **Conclusion** – Sets out the implications for decision-makers, including trade-offs between options.

### DEVELOPMENT OPTIONS

#### Option A: Residential + Commercial Scenario

Under this option, development of the subject site occurs in accordance with the provisions described in our original assessment, including:

- A 218-unit retirement village;
- 518 general residential lots;
- A commercial node with approximately 1,900 m<sup>2</sup> of gross floor space (**GFA**); and
- Two solar farms.

### **Option B: Residential-Only Scenario**

Under this option, the proposed commercial node is replaced with 18 residential lots ranging in size from 360 m<sup>2</sup> to 467 m<sup>2</sup>. All other components of the proposed development remain unchanged. In summary, Option B enables:

- A 218-unit retirement village;
- 536 general residential lots; and
- Two solar farms.

### **Option Comparison**

To summarise, compared to the original proposal, Option B enables the development of an additional 18 dwellings, and removes 1,900 m<sup>2</sup> of commercial GFA.

### **LIKELY ECONOMIC IMPACTS – OPTION A**

The likely economic impacts of Option A are assessed in detail in our original assessment.

### **LIKELY ECONOMIC IMPACTS – OPTION B**

This section presents the corresponding economic impacts of Option B, using the same methodology adopted in our original assessment. To summarise:

- **One-Time Economic Impacts** – Development enabled by Option B is estimated to generate the following one-off economic impacts during construction:
  - FTE employment for approximately 386 people per annum over a 7-year construction period;
  - Total GDP contribution of \$378 million; and
  - Total wages and salaries of \$235 million.
- **Ongoing Economic Impacts** – At full build-out, Option B is expected to support:
  - Full-time employment for approximately 61 people;
  - Annual GDP of \$7.5 million; and
  - \$4.8 million paid annually in salaries / wages.
- **Wider Benefits** – In addition to the wider benefits identified in our original assessment (excluding those related to the commercial node), Option B is expected to:
  - Further boost housing supply, enabling 536 general residential dwellings – an extremely significant increase in capacity for the purposes of the NPS-UD.
  - Expand the provision of smaller lot sizes in Matamata, directly supporting housing affordability and making ownership more accessible to a wider range of households; and
  - Strengthen critical mass to support the Matamata town centre, with projected household spending of \$39.9 million per annum. While not all spend will occur locally,

a high proportion is likely to benefit businesses in and around Matamata, particularly for day-to-day goods and services.

## LIKELY ECONOMIC IMPACTS – OPTION COMPARISON

This section compares the one-time, ongoing, and wider economic impacts of the two development scenarios.

- **One-Time Economic Impacts** – The replacement of the commercial node with additional dwellings in Option B results in a modest increase in one-time economic impacts, as set out in Table 1. This reflects the difference in construction multipliers associated with residential building activity compared to non-residential.<sup>1</sup>

Table 1: Differences in One-Time Impacts

Ongoing Impacts	Option A	Option B	Difference
Jobs	410.5	412.0	1.5
FTEs	384.0	386.0	2.0
GDP \$m	\$229.5	\$234.5	\$5.0
Wages \$m	\$373.0	\$378.0	\$5.0

- **Ongoing Economic Impacts** – Option B also results in a material reduction in ongoing employment, GDP, and wages, as the commercial node would have supported permanent retail and service jobs. See Table 2 below.

Table 2: Differences in Ongoing Impacts

Ongoing Impacts	Option A	Option B	Difference
Jobs	135.0	73.0	-62.0
FTEs	108.6	61.1	-47.6
GDP \$m	\$12.0	\$7.5	-\$4.5
Wages \$m	\$8.2	\$4.8	-\$3.4

- **Wider Benefits** – The two options also differ in their wider benefits. Option B will provide more general residential lots, increasing the development's housing contribution and support for broader affordability goals. These additional dwellings will generate an estimated \$39.9 million in annual household spending – \$1.4 million more than Option A. However, without the commercial node, this spend will occur entirely in existing centres, rather than partially onsite as in Option A.

## CONCLUSION

This brief memo has shown that Option B delivers marginally greater one-time economic impacts, but reduced ongoing employment impacts. Option A therefore offers greater long-term benefits through ongoing employment and on-site service provision, while Option B delivers a higher housing yield and

---

<sup>1</sup> Although the additional residential dwellings have a greater total GFA than the commercial node, commercial construction has a higher build cost per square metre. These differences largely offset one another, resulting in similar overall construction costs between the two options. However, the one-time economic impacts under Option B are slightly higher due to the stronger multipliers applied to residential building activity compared to non-residential construction.

greater household spending, albeit redirected to existing centres. In our view, both options remain economically supportable.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Fraser Colegrave  
Managing Director