

4 June 2026

Ministry for the Environment
Attn: Listed Projects Team
Via email: listedprojects@mfe.govt.nz

To Whom It May Concern,

Response to the request for further information on application for referral of the Waiheke Onsen project under the Fast-track Approvals Act 2024

We refer to the request for further information on application for referral of the Waiheke Onsen project under Section 20 the Fast-track Approvals Act 2024, dated 13 April 2026.

We provided an initial response dated 11 May 2026. We now provide a further response to the information request is set out below:

- 1. There is limited information regarding the economic benefits of the ongoing operation aspect of the project within the application documentation. Accordingly, we request you to provide further information and supporting evidence to substantiate and quantify the economic benefits of the proposed ongoing operation of the project. This should include, but not be limited to the underlying metrics, assumptions, and methodology used, as well as the anticipated scale, geographic extent, and duration of those benefits.*

Please find attached:

- Economic Addendum from Property Economics dated 27 May 2026.
- A letter of intent from the applicant dated 27 May 2026.

A substantive economic effects assessment report will be produced in the future to support the substantive consent application.

We trust that this further information addresses the further information request. Please do not hesitate to contact us should additional clarification be required.

Yours sincerely | Nā māua noa, nā

Barker & Associates Limited



Rebecca Sanders

Senior Associate

s 9(2)(a)



Nick Roberts

Managing Director

s 9(2)(a)

4 June 2026

DIGITALLY DELIVERED

ECONOMIC ADDENDUM

To: **Waiheke Mon E Limited**

c/- Rebecca Sanders

Senior Associate

Barker and Associates (B&A)

Email **s 9(2)(a)**

RE: **ADDENDUM RESPONSE TO REQUEST FOR FURTHER INFORMATION ON THE WAIHEKE
ONSEN PROJECT REFERRAL APPLICATION UNDER THE FAST-TRACK APPROVALS ACT 2024**

INTRODUCTION

This Economic Memo has been prepared in response to the opportunity afforded by the Ministry for the Environment (MfE) regarding the ongoing (operational) economic benefits associated with the Waiheke Onsen Project, primarily the proposed 180-room luxury hotel component.

The economic response below supplements the economic activity and employment effects already identified in our Economic Impact Assessment and Economic Memo submitted as part of the application, and provides additional indicative quantification of:

- annual operating expenditure retained within Auckland;
- incremental visitor nights attributable to the proposed hotel; and
- incremental visitor expenditure and associated flow-on effects.

The following analysis has been informed by Auckland hotel market benchmarks, broader New Zealand tourism expenditure data, and standard tourism economic impact methodologies. As such, the estimates should be read as a high-level indication of potential ongoing economic benefits of the proposed hotel.

Incremental Visitor Nights

Applying the regional average occupancy rate of 70.9%¹ for the year ending March 2026, the proposed 180-room hotel could support approximately 46,600 occupied room nights annually.

However, not all of these visitor nights should necessarily be considered net additional activity to Auckland or Waiheke Island. Some visitors may otherwise have stayed in other accommodation facilities within the region.

¹ Source: MBIE – Accommodation Data Programme (<https://freshinfo.shinyapps.io/ADPRreporting/>)

Assuming approximately 15% of occupied room nights are incremental to the region, the proposed hotel would support approximately 7,000 net additional visitor nights annually. This percentage is considered conservative if assessing Waiheke Island specifically.

Annual Operating Expenditure (OPEX) Retained within Auckland

The operation of the proposed hotel and associated facilities would also generate substantial recurring operational expenditure within the Auckland economy.

Based on indicative hotel industry operating benchmarks, i.e. average daily (room) rate (ADR) of \$800² for a luxury hotel and a 65%³ OPEX ratio, the annual OPEX associated with the proposed hotel could be approximately \$24 million per annum. Note that this estimated expenditure includes wages and salaries, maintenance and servicing, utilities, cleaning and laundry services, etc but would exclude depreciation.

While some OPEX would leak outside the Auckland economy, a high proportion is expected to be retained regionally through employment and supplier linkages. Applying a conservative assumption of approximately 50% retention rate suggests that the proposed hotel could generate in the order of \$12 million in OPEX within Auckland per annum.

Based on the above, over a 10-year period total OPEX retained within Auckland would be estimated at approximately \$81m (8% discount rate), increasing to around \$108m at a 2% discount rate.

Incremental Visitor Expenditure

Additional visitor nights associated with the proposed hotel are also expected to generate broader expenditure across Waiheke and Auckland, including spending on:

- restaurants and hospitality;
- wineries and tourism attractions;
- ferry and transport services;
- retail expenditure;
- tours and recreation activities; and
- other visitor services.

Applying a conservative off-site visitor expenditure assumption of approximately \$350 per visitor night⁴ to the estimated 7,000 incremental visitor nights indicates that the proposed development

² This assumes pricing levels are broadly comparable to those of Delamore Lodge and The Boatshed, both located on Waiheke Island.

³ Source: <https://tiltanalytics.com/hotel-underwriting-guide>

⁴ This is based on Tourism New Zealand data (<https://www.tourismnewzealand.com/news-and-activity/international-visitor-spending-up-9-year-on-year/>), which indicates average visitor spending of approximately \$200-\$350 per person per day. Accordingly, an assumption of \$350 per visitor night is conservative.

could generate a further approximately \$2.4 million per annum in net additional annual visitor expenditure within the wider regional economy.

Based on this methodology, over a 10-year period, the total net additional visitor expenditure generated for the wider regional economy would be estimated at approximately \$16 million using an 8% discount rate, rising to about \$22 million when a 2% discount rate is applied. These estimates exclude accommodation expenditure associated with the hotel itself and therefore reflects broader visitor-related expenditure effects only.

Indirect and Induced Economic Effects

In addition to direct visitor and OPEX effects, the proposed hotel would also support indirect and induced economic activity through supply chain linkages and employee expenditure effects. These include increased demand for local suppliers and contractors, expenditure supported through employee wages and household consumption, and wider tourism and hospitality sector spillover effects.

Stats NZ Tourism Satellite Account data⁵ indicates that for the year ended March 2025, tourism directly contributed approximately 4.6% of New Zealand's GDP, while total tourism-related activity (including indirect / induced effects) contributed approximately 7.7% of GDP. Similarly, indirect tourism employment equated to approximately 68% of direct tourism employment nationally.

Based on these metrics, the tourism direct-indirect multiplier is estimated to be in the order of 1.4. Applying this multiplier, the proposed hotel's estimated direct incremental visitor expenditure of approximately \$2.4 million per annum is expected to support an additional approximately \$1.7 million per annum in indirect and induced economic activity through supplier linkages, household spending effects, and broader tourism sector interactions.

Therefore, over a 10-year period, the total indirect and induced economic activity generated from incremental visitor expenditure is estimated to be approximately \$12 million at an 8% discount rate, increasing to around \$16 million at a 2% discount rate.

Accordingly, the combined direct, indirect, and induced economic activity associated with this incremental visitor expenditure is estimated at approximately \$28 million over 10 years at an 8% discount rate, rising to about \$38 million at a 2% discount rate.

SUMMARY

Overall, the proposed 180-room hotel of the Waiheke Onsen Project is expected to generate ongoing economic benefits extending beyond direct economic activity and employment effects identified in the EIA.

⁵ Source: <https://teic.mbie.govt.nz/teiccategories/datareleases/tsa/>

Based on the applied assumptions and standard tourism economic impact methodology, the proposed hotel is estimated to generate the following operational benefits over a 10-year period (discounted at 8%):

- approximately **7,000** net additional visitor nights annually;
- approximately **\$81 million** in OPEX retained within Auckland;
- approximately **\$16 million** in net additional visitor expenditure across Auckland; and
- additional indirect and induced economic activity of around **\$12m** through tourism, hospitality and supplier flow-on effects.

These economic benefits would contribute to the ongoing diversification and strengthening of Waiheke Island's visitor economy and Auckland's wider tourism sector.

If you have any queries, please give me a call.

Kind Regards

Tim Heath / Phil Osborne

Directors



Tim Heath

Director

M: s 9(2)(a)

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www.propertyeconomics.co.nz

MEDIA BLANCO

27 May 2026

Fast Track Operations Team

Via email: referral@fasttrack.co.nz

To Whom It May Concern,

Response to the request for further information on application for referral of the Waiheke Onsen project under the Fast-track Approvals Act 2024

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The further information request is set out below:

- 1. There is limited information regarding the economic benefits of the ongoing operation aspect of the project within the application documentation. Accordingly, we request you to provide further information and supporting evidence to substantiate and quantify the economic benefits of the proposed ongoing operation of the project. This should include, but not be limited to the underlying metrics, assumptions, and methodology used, as well as the anticipated scale, geographic extent, and duration of those benefits.*

Quantifying the wider operational benefits at this early stage of the proposal is difficult as it will be driven by the final star / operator rating, operating model, and extent and level of services and amenities required to meet a luxury standard. A substantive economic effects assessment report will be produced in the future to support the substantive consent application.

Prior to the substantive economic effects assessment being carried out I can confirm my commitment to ensuring that Waiheke Onsen is a luxury six star accommodation, wellness and hospitality destination. A significant part of achieving this vision will be sourcing local products where possible to service the hotel, restaurant and spa facility in order to maximise economic benefits for the Waiheke economy.

Yours sincerely

Marc Ellis – Director

Waiheke Mon E Limited