188 Beaumont Street Fast-track

Auckland Council Specialist Memo

Annexure 2:

Economics

Dr. Shane Martin

17 July 2026

1.0 APPLICATION DESCRIPTION

Application and property details

Fast-Track project name:	188 Beaumont Street
Fast-Track application number:	EPA: FTAA- 2604-1205 Council: BUN60464683

2.0 Technical Specialist Memo - Economics

To:	Lewis So– Lead Planner Russell Butchers – Principal Project Lead
From:	Shane Martin, Consulting Economist, MR Cagney Ltd
Qualifications & Relevant Experience:	I hold a Bachelor of Arts in Mathematics and Economics, a Master of Arts in Economics, and a PhD in Economics. I have nearly twenty years of experience as a professional economist – the last nine in New Zealand – and have worked across local government, central government, and the private sector. I have published my research on urban economics issues in peer-reviewed journals and have contributed to numerous studies on economic issues in New Zealand. I have peer-reviewed economic evidence submitted as part of resource consent applications, plan changes, fast-track referrals, and fast-track applications. I have appeared as an expert witness before consent authorities and the environment court on multiple occasions. In addition, I am an accredited Independent Commissioner.
Preparation in Accordance with the Code of Conduct:	I confirm that I have read the Environment Court Practice Note 2023 – Code of Conduct for Expert Witnesses (**Code**) and have complied with it in the preparation of this memorandum. I also agree to follow the Code when participating in any subsequent processes, such as expert conferencing, directed by the Panel. I confirm that the opinions I have expressed are within my area of expertise and are my own, except where I have stated that I am relying on the work or evidence of others, which I have specified.
Signature:	
Date:	17 July 2026

3.0 Executive Summary / Principal Issues

Overall, in my professional opinion, the economic benefits of the proposal are likely to be positive (i.e., the benefits outweigh the costs) and I tentatively support the application. However, my assessment is not particularly based on the economic evidence provided by the PE Report which does not provide a robust assessment of the benefits and costs. Instead, it is based on the scale of the residential development proposed, its location within the city centre / Wynyard Quarter, and the goals and policy direction of, for example, the National Policy Statement on Urban Development (NPS-UD).

Two documents were prepared in regard to the economic impact of the proposed development. The PE Report is an economic impact assessment which mainly discusses the economic impact that occurs from the construction of the development. The ME Report then discusses the worldwide market for superyacht refit yards and describes how the proposed development would support that industry in New Zealand.

The main metrics used by the PE Report are GDP and jobs. These measures are indicative of economic activity but do not directly measure economic benefit. In fact, the GDP impact would be larger and the job numbers higher if the project budget blows out and there are massive delays in delivery. This scenario would not be beneficial per se, though the interpretation that higher numbers are better would indicate that this is the case. There is also an implicit assumption that this activity would not take place if this particular development did not happen.

The ME report provides helpful context for the global superyacht refit industry and the underlying trends in the industry that are required for a provider of those services to remain competitive. The report then estimates the amount of spending (presumably by mostly non-citizens) that is likely to take place in New Zealand if the industry here remains competitive. That is, the amount of money flowing into the country that could be at risk if the industry in New Zealand falls behind other countries in terms of their offerings. While this report also uses GDP (or value added) as a measure, it is eminently more plausible that if this spending by superyacht owners did not take place at this facility, it would not take place in New Zealand – in contrast to spending on construction of housing.

4.0 Documents Reviewed

The following documents have been reviewed in preparing this memorandum:

- 188 Beaumont St Development Fast-track Application Economic Impact Assessment (henceforth referred to as "PE Report")
  - Prepared by Property Economics for Westhaven Residential Limited Partnership. Dated March 2026.
- 188 Beaumont St Redevelopment: Fast-Track Referral Application Wider Regional and National Benefits Assessment (henceforth referred to as "ME Report")
  - Prepared by Market Economics for Westhaven Residential Partnership Limited. Dated 26 March 2026.
- 'Economic Memorandum – Response to Auckland Council's Section 67 Matters'

- Prepared by Property Economics for Westhaven Residential Limited Partnership. Dated 13 July 2026.

5.0 Specialist Assessment

Overview

Overall, in my professional opinion, the economic benefits of the proposal are likely to be positive (i.e., the benefits outweigh the costs) and I tentatively support the application. However, my assessment is not particularly based on the economic evidence provided by the PE Report which does not provide a robust assessment of the benefits and costs[1]. Instead, it is based on the scale of the residential development proposed, its location within the city centre / Wynyard Quarter, and the goals and policy direction of, for example, the National Policy Statement on Urban Development (NPS-UD).

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More detailed feedback, PE Report

This section of my feedback will follow the structure of the two reports, beginning with the PE report.

Executive Summary, PE Report

[1] I find the most compelling evidence to be buried in the body of the report and the least important information to be in the executive summary and provided as the headline results.

At a high level, the PE Report states that the construction of three buildings – containing 210 residential apartments, ground floor retail, and some "amenity spaces" – would result in a $369 to $450 million impact on GDP and create 3,400 full-time equivalent years of employment. The PE Report is an Economic Impact Assessment (EIA).

In general, economic impacts are not the same as economic benefits. This is a point that has been debated ad nauseum in the context of, e.g., Section 32(2)(a) RMA reports where the Act states that the "benefits and costs of the… economic… effects that are anticipated" must be identified an assessed. Repeatedly, the analyses provided only quantify the *impacts* in terms of construction jobs and spending to build the project and any associated indirect or induced activity that takes place. While these are useful measurements for showing *how large* a project is, they do not quantify the benefits and costs in an economic sense.

These types of analysis have several potential shortcomings with varying degrees of concern. Again, this does not mean that EIAs are not useful. It does, however, mean that they are an incomplete picture of the costs and benefits (in an economic sense) of a project.

- EIAs implicitly (and in some cases, explicitly) count construction costs as economic benefit. But construction costs are *costs*. And while they are undoubtably economic *activity*, it is unstated how much these expenses benefit the economy.
    - Using the construction costs = benefits logic, the City Rail Link costing twice what the initial estimates suggested and taking much longer than anticipated would mean that the City Rail Link is twice as beneficial as it was initially estimated to be. This is despite the outcome being delivered not changing and being delivered on a delayed schedule.
- The EIA omits other costs (benefits) such as environmental or social costs (benefits).
- The EIA treats all economic activity as *additional* economic activity, which ignores scarcity of labour and other resources. For instance, the contribution to jobs of this project implicitly assumes that none of those jobs would exist elsewhere in the economy if this project did not exist. In the current environment, this may be appropriate. But, in general, it is not best practice to assume that all jobs from a project are new jobs.
- GDP is often used as a proxy for well-being (i.e., benefits that accrue to society), but this is controversial and generally considered to be incorrect or at least incomplete[2].

In the PE report (page 6), a list of non-monetised economic benefits is provided:

- Increased residential (apartment) capacity
- Increased and diversified choice of housing location and price point
- Improved land use efficiency
- More efficient infrastructure use through higher density development of the land and reduced marginal infrastructure cost
- Increased economic activity and employment and improved travel efficiencies

These non-monetised benefits are far more compelling than the GDP and jobs numbers provided as the main output of the report.

A short analysis of building consents issued in the year to March 2026 shows that 259 apartments were consented in the Waitematā Local Board area where the site in question lies. In the year to March 2025,

[2] https://hbr.org/2019/10/gdp-is-not-a-measure-of-human-well-being

the number was 96 apartments. This means that the proposed development will provide 60% as many apartments in site's Local Board than have been consented over the last two years. Despite this benefit not being monetised, it is clear that it is significant. A similar analysis is done by the authors of the PE report, but it is not highlighted as a key reason for this project being regionally significant.

Consequently, approving this development would satisfy Policy 1 of the NPS-UD which states that planning decisions should (among other things) contribute to a well-functioning urban environment that:

- Enable a variety of homes that meet the needs in terms of type, price, and location of different households
- Have good accessibility for people between housing, jobs, community services, natural spaces, open spaces, including by way of public or active transport

In a world where government policy suggests that more, denser, and centrally located housing near transport is desirable, and where little investment in the densest housing typology is taking place, it is clear that this proposal goes towards meeting those goals. In my professional opinion, this alone is sufficient to demonstrate the proposal's regional significant and likely benefit to Auckland.

4. Overview of the proposed development

This section discusses the proposed development and states that it is in a strategic location and is one of the last developable waterfront sites in the city centre. All the points made in this section are reasonable. However, left unsaid is that the height of each of the buildings of the proposed development is non-complying. According to Appendix 30 of the application, the proposed height of the Marina building is 34.56m where a maximum of 18m is permitted; the proposed height of the Tower building is 84.05m where a maximum of 62m is permitted; and the proposed height of the Beaumont building is 40.97m where a maximum of 31m is permitted.

I note that the Appendix 30 indicates that the following aspects of the proposal are also non complying: floor area ratio, building frontage alignment and height, non-marine/port retail activities, and exceeding the maximum allowed width of vehicle crossing (among other things).

Given the significant exceedance of complying building heights (roughly 30% to 50%), I would expect the benefits and costs of this to be discussed (if not necessarily quantified). Additionally, extra-wide vehicle crossings create potential pedestrian safety issues which are unquantified in the economic analysis and should be.

5. Economic context for EIA

This section largely argues that a full cost-benefit analysis (CBA) is not required under the fast track application process and that an EIA is sufficient. I agree that a full CBA is not necessary to show the likely benefit of a project like the one proposed. However, aspects of a CBA, such as quantifying (or at least identifying and proxying) the benefits is critical to be able to say whether a project is beneficial.

Historically, EIAs have been accepted as adequate under the RMA (though I would argue whether this should be the case). However, the purpose of the FTAA is to "facilitate the delivery of infrastructure and development projects with significant regional or national benefits." In general, it is standard for regionally and nationally significant projects to be assessed using a CBA framework rather than an EIA.

The authors of the EIA claim that an EIA "effectively captures the scale and nature of economic activity generated by the development." They also claim that it is a "reliable basis for assessing the Project's economic significance." These statements are both true. However, measuring the scale and nature of economic activity is not the same as measuring the likely *benefit* from the activity. Similarly, a *big* activity is not necessarily a *beneficial* activity (for example, building a 16-lane tunnel from Marsden Point to Whangārei Heads would be a very big project with a lot of spending but would almost certainly not be a beneficial project). It is clear from the objectives of the FTAA that the Act is concerned with benefits rather than simply activity.

A final note on this section is that the authors mention that there may be other "non-economic" effects such as land value changes or environmental effects. In fact, these effects are economic effects and should not be discounted as "other" effects.

6. Total Economic Activity

This section provides a good overview of the direct expenditures likely to be incurred by the developers of this project, including earthworks, civil works, consultants, levies, construction, and other costs. These are then used as inputs to a multiplier model to generate total economic impacts and employment. These are standard EIA practices that have their uses and their criticisms. The assumptions made in this section to generate these results are reasonably standard and reasonable for an EIA.

Most compelling from this section is the acknowledgement that Auckland, and New Zealand more broadly, are in a state of relatively high unemployment. Consequently, any jobs created by this development are likely to be (at least partly) additional jobs in the labour market. In general, EIAs tend to overstate the employment impacts by implicitly assuming that all jobs are additional jobs. In normal times, with low unemployment, this is not true. However, in the current environment, the total job creation is likely to be less overstated by the EIA than is usually the case.

7. Other Non-monetised economic benefits and costs

The EIA identifies several economic benefits that are non-monetised

- Increased residential apartment capacity (I note that this section refers to data "already discussed" but which occurs in sections located after this section)
- Increased and diversified choice of housing
- Improved land use efficiency
- More efficient infrastructure use
- Increased economic activity and employment
- Catalysing additional development in the city centre
- Supporting intensification for the city centre

As well as several costs that are non-monetised

- Cost of infrastructure
- Impact on marine land

This section provides a thorough and thoughtful explanation for the non-monetised benefits and costs likely to occur from this development. The explanations are clear and I agree with them.

One additional benefit is that this is one of the few sites in Wynyard Quarter that is not constrained by a Regionally Significant Volcanic View Shafts And Height Sensitive Areas Overlay. This is a quite crucial point and makes this site particularly unique and the potential benefit of developing this site significantly higher than in other areas in the precinct. This could have been discussed in Section 8 as well.

I would have liked to see the inclusion of some other potential costs. These include environmental impacts, impacts on visual amenity (notwithstanding the comment on view shafts above), risk from weather events, etc.

9. Residential Market Overview
This section describes how dwellings consented in the city centre have fallen from a peak of over 1,000 per year the first year the Unitary Plan was operative in part to a total of 82 over the last three calendar years. This alone, as I mentioned in my overview, shows the regional significance of the project.

This section also uses the Auckland Growth Scenario 2023 version 11 (AGS) to describe projected household growth across the region. It is a pedantic point, but this is not a forecast or a projection, but merely a "scenario" of what could happen given a certain level of population growth. In practice, however, the AGS is used by nearly everyone as a forecast.

The authors note that even with a softening in the housing market in Auckland and New Zealand more broadly, prices in Auckland are still quite unaffordable. It is inarguable that adding more dwellings to the housing supply will help attenuate prices, all else equal – something that this project clearly does.

More detailed feedback, ME Report

The ME Report provides helpful context for the global superyacht refit industry and the underlying trends in the industry that are required for a provider of those services to remain competitive.

Executive Summary, ME Report
The executive summary provided shows how Orams (the superyacht refit yard in Wynyard Quarter) operates within the global market for their services. In addition to the proposed project providing additional housing to Auckland's city centre (as noted in the PE Report), the project would also allow for on-site accommodation for Orams' customers at their refit yard. Based on the trends in the industry, it appears that this is required for a refit yard to remain competitive. The report then goes on to quantify this in terms of contribution to GDP, household incomes, etc.

This report using these metrics is more appropriate than the PE report using them because most of the superyacht activity in New Zealand is to foreigners. This means this is *not* money that would have been spent in some other way in New Zealand if not on this service. Instead, it is spending that would take place in another country if it did not take place here.

Remainder of report
I do not discuss the remainder of the report in detail as it is a fairly standard analysis of how spending in this industry flows through the economy. I appreciate the inclusion of a conservative scenario and the exclusion of indirect and induced effects in Section 2. The remainder of the report uses a multiplier model (with all the inherent issues as described in the analysis of the PE report) to show how this direct expenditure results in indirect and induced effects and the total impact on GDP, employment, and household income.

I find the use of Modified Employee Count (MEC) to be somewhat confusing as it is something of a "black box" that turns Stats NZ employee count into a count employees plus sole traders. That said, this is a minor issue and unlikely to materially affect the findings. It is likely that the indirect and induced MEC counts are overstated by the multiplier analysis, but the direct employment is large at 14,360 FTE years in the conservative scenario.

Similarly, though GDP and income are likely to be overstated by the multiplier analysis, the fact that this is foreign money flowing into New Zealand that would otherwise be spent overseas lends credence to the direct impact numbers being completely reasonable. With a direct value add of nearly $600 million over 25 years in the conservative scenario, it is clear this can be a regionally significant sector.

Property Economics Memorandum dated 13 July 2026
The following matters were raised as s67 information gaps with the applicant:

1. Neither economic report mentions Māori/iwi/etc. and potential costs or benefits – low/medium risk. Note: *In the past, determining whether a project has regional/national significance has been partially influenced by impact on Māori/iwi.*
2. The PE report does not actually measure economic benefits but provides a measure of economic activity – medium risk. Note: *It will be impossible for the panel to determine if the project is likely to be net beneficial without some quantification of benefits and costs properly. There is no debate that the proposal is large. Instead, it is whether it is likely to result in economic benefit to Auckland or New Zealand more broadly. A CBA framework (not necessarily a full CBA) would be helpful in comparing benefits to costs.*
3. Assessment of the cost of environmental, visual amenity, etc. effects in the PE report – low risk. Note: *The Wider Regional and National Benefits Assessment is silent on economic "externalities" of the development. These are likely to be primarily experienced through environmental impacts (either positive or negative) and visual amenity impacts (either positive or negative). These will be real costs/benefits to society and should be considered as part of the costs and benefits of the project.*

In response to these matters, the applicant has provided a memo from Property Economics dated 13 July 2026. Having reviewed this memo I consider that item 1 has been resolved and that item 3 is essentially a subset of item 2 which remains outstanding. I found the memo to be useful to provide context on the applicant's interpretations of the requirements under the FTAA and what they consider to be the role of economists and economic analysis in the process.

In general, that I view this matter as still outstanding is based on differing interpretations of the FTAA in regard to "economic benefit" and how to best provide information to the Panel to support the decision-making process. A thorough description of this matter is described below in Section 6.

6.0 Section 67 Information Gap

At the time of writing this Memo I have identified the following information gaps that still remain. As a note, it is primarily a difference of professional option as to what is required under the FTAA and the appropriate context for showing that a project does (or does not) deliver economic benefit:

Description of Missing Information

6.1 The PE report does not measure economic benefits but provides a measure of economic activity – medium risk

Why is this Information Essential?

6.1 It will be quite difficult for the panel to determine if the project is likely to be net beneficial without some quantification of benefits and costs properly. There is no debate that the proposal is large. Instead, it is whether it is likely to result in economic benefit to Auckland or New Zealand more broadly. Economists are experts in monetising benefits and costs. Ultimately, dollars are used as a unit of account for costs and benefits as they are a unit that everyone understands. This is so that the size of various impacts can be compared in units that people understand well.

For instance – in a completely fictional illustrative example -- it is much easier for anyone to judge whether a project that costs $2 million is net beneficial when compared to $5 million in benefit than it would be when comparing the $2 million cost to a reduction in ambient noise by 6 decibels for 13 hours per day for 63 households and a reduction in particulate matter ($PM_{2.5}$) by 3 tonnes per year in urban areas. The economist would be doing the Panel a disservice by not providing the context for how large the benefit in reduction of noise and particulate pollution is relative to the cost of the project. Especially since the relative sizes of how society values noise and pollution improvements are well-known, robust, and supported by government guidance.

The authors of the report note that “the FTAA process allows for consideration of other (primarily non-economic) costs to be weighed and considered by the Panel” and that it is not the job of the economist to tell the Panel the size of these costs. I disagree – particularly where the sizes of these costs are known and well-established. The economist should be arming the Panel with the well-established and accepted information that will help them to make the best decision.

As stated earlier, this is a fundamental difference of professional opinion on what is required by the FTAA and what would be useful to the Panel in their decision-making. I fall on the side of giving the Panel as much information as possible and providing sound, expert evidence on the relative size of costs and benefits rather than leaving the Panel to (in many cases) draw inferences from outside their areas of expertise.

7.0 Recommendation

Overall, in my professional opinion, the economic benefits of the proposal are likely to be positive (i.e., the benefits outweigh the costs) and I support the application. However, my assessment is not particularly based on the economic evidence provided by the PE Report which does not provide an assessment of whether the project is likely to be net beneficial. Instead, it is based on the scale of the residential development proposed, its location within the city centre / Wynyard Quarter, and the goals and policy direction of, for example, the National Policy Statement on Urban Development (NPS-UD).

9.0 Supporting Documents

- Statistics New Zealand (2026) Building Consents – New Dwellings (Apartments)
- Fast-track Approvals Act 2024 (https://www.legislation.govt.nz/act/public/2024/56/en/latest)
- Auckland Council Geomaps (https://geomapspublic.aucklandcouncil.govt.nz/viewer/index.html)
- National Policy Statement on Urban Development 2020 (https://environment.govt.nz/assets/publications/National-Policy-Statement-Urban-Development-2020-11May2022-v2.pdf)
- Rules Assessment (Appendix 30) 188 Beaumont Street, Substantive Fast-track Approval Application
    - Prepared by Barker and Associates. Undated. Provided as part of application.