

PROPERTY **E**CONOMICS



RANGITOOPUNI DEVELOPMENT

FAST TRACK ECONOMIC IMPACT

ASSESSMENT OVERVIEW

Client: Rangitootuni Developments
Limited Partnership

Project No: 52493

Date: April 2025



SCHEDULE

Code	Date	Information / Comments	Project Leader
52493.7	April 2025	Report	

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1. INTRODUCTION

Property Economics have been commissioned to summarise the economic impacts that will flow from the application by Rangitootuni Developments Limited Partnership (RDLP) for the proposed countryside living subdivision and retirement village on Old North Road, Huapai, and Forestry Road, Riverhead (**"the Project"**).

The Project is located to the direct northeast of Riverhead's existing urban residential areas, services and amenities, encompassing circa 395ha of land. Given this close proximity, the subject development can be expected to positively contribute to the continued growth and expansion of the Riverhead community and for reasons addressed below will generate significant regional benefits.

Specially, the Project seeks to enable the construction of 208 countryside living properties along with a retirement village comprised of 260 villas and 36 care units. The retirement village includes a wellness centre with salon, gym and pool.

This EIA is designed to provide an economic assessment in terms of the Fast-Track Approvals Act (2024) (**"the FTAA"**) based around economic injection, employment, and scale of economic impacts / benefits for the economy. Provisions of the FTAA that are directly relevant to this report include:

- Section 3 which states that, *"The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits."*
- Section 85 which records when a panel must or may decline approval and specifies that a panel may decline consent where *"adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits."*
- Schedule 5 Clause 7 which requires economic effects to be assessed in the Assessment of Environmental Effects.

- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.

The following criteria applies to the assessment of a referral application and does not need to be assessed within the substantive application for a listed project like the RDLP Project (but nonetheless indicates relevant matters in the context of assessing regional or national benefit). In assessing whether a development project would have significant regional or national benefits, the Minister may consider the following:

- Whether the proposal “*will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)*” (Section 22(2)(a)(iii)); and
- Whether the proposal “*will deliver significant economic benefits*” (Section 22 (2)(a)(iv)).

In short, the FTAA supports development proposals to expedite the consent process where the proposed development results in significant regional or national benefits, the efficient operation of the consenting process and contributes to a well-functioning urban environment (as per Policy 1 of the National Policy Statement on Urban Development (NPS-UD)).

This economic impact estimates the total additional gross economic output¹ into the Auckland regional economy that would be facilitated by the Project. The initial specifications and details have been provided by the applicant and represent the development’s configuration and costings at this point in time. It is important to note that this is not site specific.

It is assumed the subject land represents an efficient location for future growth and therefore the associated infrastructure is location specific. Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Auckland Region will benefit economically. It assesses the likely economic impacts upon aggregate Auckland business activity given the composition of the development proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes the construction costs (CAPEX²) of the facilitated activities and the proportion of those costs that are retained within the Region.

The direct economic impacts are derived from the actual spending / expenses incurred through the construction of the facilitated development.

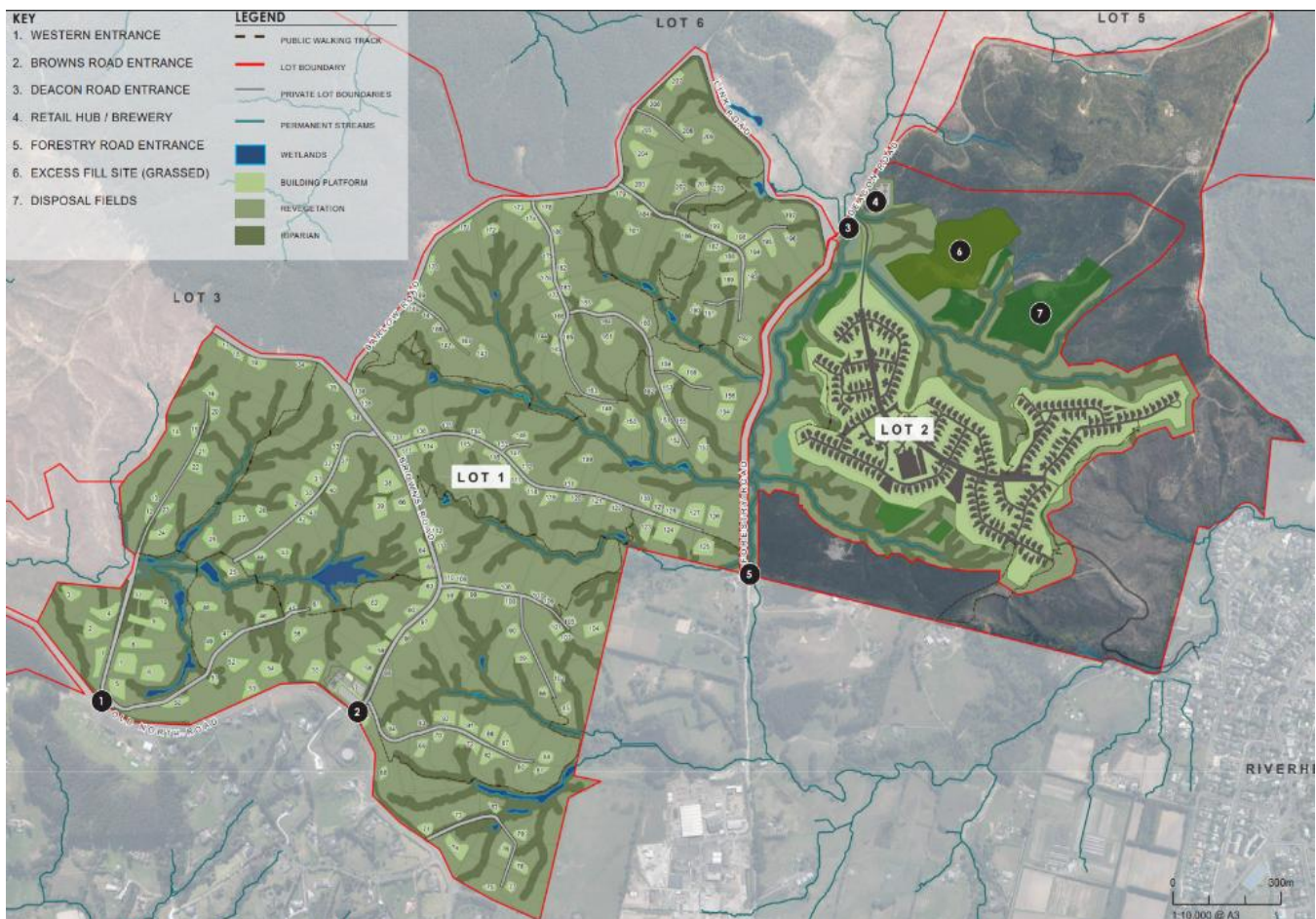
¹ For example, this has not taken into account the short-term loss of operational employment currently on site

² CAPEX – Capital Expenditure

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development, while induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

Figure 1 following provides an outline of the concept plan of RDLP's proposed Riverhead development.

FIGURE 1: RIVERHEAD DEVELOPMENT PLAN OUTLINE



Source: Boffa Miskell

1.1. STATEMENT OF EXPERIENCE

██████████ is an economic consultant for the company Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for FTAA applications.

1.2. CODE OF CONDUCT

Although this is not a hearing before the Environment Court, I record that I have read and agree to comply with the Environment Court's Code of Conduct for Expert Witnesses as specified in the Environment Court's Practice Note 2023. I confirm that this report is within my area of expertise, except where I state that I rely upon the evidence or reports of other expert witnesses lodged forming part of the Project's application material. I have not omitted to consider any material facts known to me that might alter or detract from the opinions expressed.

1.3. INFORMATION & DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Input / Output Tables - Statistics NZ
- Business Frame Data - Statistics NZ
- Proposed Development Costings – RDLP
- Development Plan – Boffa Miskell

1.4. GLOSSARY OF TERMS

Below is a list of terms relevant to this economic impact assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This will not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
ANZSIC	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	capital expenditure
Development contributions	fees that developers pay to territorial authorities for the provision of infrastructure and upgrades required as a consequence of development, which may include water supply, sewerage connections, roads and community infrastructure
Direct economic impacts	derived from the actual spending / expenses incurred through the construction of the anticipated development
Economic benefits	usually gains that can be expressed in financial terms as the result of an improvement in facilities provided by a government, local authority, etc.
Economic costs	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.
Employment multipliers	the level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
GDP	gross domestic product.
Indirect economic impacts	are the increased spending brought about by those firms / households and their employees / occupants, who supply the development.
Induced economic impacts	measured in terms of the additional income that will be spent in the area due to increased business activity.
Net Present Value (NPV)	the difference between the present value of cash inflows and the present value of cash outflows over a period of time.
Transaction costs	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

Wellbeing	individuals and communities with a higher state of wellbeing are generally happier and feel more connected. The Local Government (Community Wellbeing) Amendment Act encourages local government to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.
Well-functioning urban environment	as defined in Policy 1 of the NPS-UD: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: (a) have or enable a variety of homes that: (i) meet the needs, in terms of type, price, and location, of different households; and (ii) enable Māori to express their cultural traditions and norms; and. (b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and (c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and (d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and (e) support reductions in greenhouse gas emissions; (f) and are resilient to the likely current and future effects of climate change.

2. EXECUTIVE SUMMARY

The RDLP application seeks to establish 208 countryside living properties alongside a retirement village featuring 260 villas and 36 care units. The retirement village will also offer a wellness centre equipped with a salon, gym, pool, and other amenities.

The total economic impact on business activity within Auckland region as a result of the RDLP development over a 9-year period is estimated to be just over \$708m (NPV)³. In terms of employment multipliers⁴ this would contribute 1,484⁵ FTEs during the peak development and operation year within Auckland, with a total of just over 7,000 FTE years over the 9-year development period.

In addition to these quantifiable regional contributions, the RDLP development can be expected to generate a wide range of qualitative economic benefits to the wider market and communities, including:

- Increased residential capacity and senior living supply
- Increased and diversified choice of housing location and price point
- Increased diversity of buyer pool
- Increased efficiency of infrastructure
- Increased economic activity
- Potential for lower residential land prices in region
- Increased local employment opportunities
- Potential to cater for greater levels of growth
- Increased amenity
- Leveraging Treaty Settlement land for economic prosperity

Given that the proposed RDLP development is located on Treaty Settlement Land returned to Te Kawerau ā Maki as commercial redress, enabling this development is critical to advancing their long-term economic and social aspirations. Treaty settlements are not only about addressing past grievances—they are a foundation for unlocking the potential of iwi to thrive in a modern economy. Facilitating development on this land enables Te Kawerau ā Maki to

³ Net Present Value

⁴ Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.

⁵ NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.

exercise rangatiratanga and realise the value of their settlement assets through strategic land utilisation, investment, enterprise development, and long-term financial sustainability.

The proposed development represents a meaningful step toward economic self-determination. It creates opportunities for employment, skills development, and intergenerational wealth creation. It supports the diversification of the iwi's asset base, strengthens financial resilience, and enables reinvestment into broader cultural, social, and environmental priorities for their people.

Additionally, several broader economic benefits, while not quantified or assessed in this economic assessment, contribute to the overall economic efficiency of the project. These include native tree farming, iwi-led pest management on-site, the establishment of a nursery to support vegetation needs for the development, enhanced food sovereignty and seasonal growth, opportunities to retain land and develop a commercial base through a retirement village, and the creation of iwi-owned and operated businesses. .

These economic benefits, in conjunction with the development's quantified economic injection into the regional economy and employment opportunities, would outweigh the economic costs associated with the infrastructure requirement, loss of forest, increased traffic and potential reverse sensitivity effects.

Property Economics considers that advancing the proposed development would yield significant economic benefits for the regional economy and community, with a particular advantage for iwi. Overall, our assessment supports the RDLP development from an economic perspective in the context of the RMA and FTAA.

3. ECONOMIC CONTEXT

In assessing the potential economic impacts, it is important to firstly establish the context in which they will be assessed. For the purposes of this assessment the three important parameters are:

- 1) The geospatial extent of the economic impact. While facilitation of additional business development and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Auckland Region. As identified, for the purposes of this assessment, the extent of economic impacts is focussed on the retention of activity within this area.
- 2) The economic impacts are those resulting from the residential development over a nine-year period.
- 3) In terms of the statutory considerations the RMA provides context in terms of the utilisation of resources and the resulting impact on the price and provision of these resources. It calls for the *"efficient use and development of natural and physical resources"*, with economic efficiency being defined as *"the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs"*, Part II section 7 (b) RMA.

As identified the proposed development is likely to have economic impacts that are felt beyond the specific costs and benefits within the region. Additionally, there are likely to be non-economic effects, such as environmental. While these effects may result in economic impacts for the most part they have not been addressed here.

4. TOTAL ECONOMIC ACTIVITY

This section assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general civil works and residential development.

This includes construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Statistics New Zealand (based on 48 sectors), which were then assessed at a district level based on Auckland economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each \$1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Auckland catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

4.1. ASSUMPTIONS

The following assumptions have been applied in this impact analysis in order to assess the level of economic injection into the overall economy at this time. This has some (limited) impact on the distributional effects of the costs and benefits but can be quickly adjusted to accommodate more specific construction and on-going costs and injections.

1. For the purposes of this Economic Impact Assessment, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'residential construction', 'non-residential construction', 'non-building construction', 'other construction services.'

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2018 data. However, employment data has been updated as per the Statistics NZ Business Frame data⁶ to March 2024.
4. This report deals with the economic impact of proposed development on Auckland. These are specifically the direct impacts related to the construction of the proposed development.
5. The economic activity generated is based on the development's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchment. As stated, this assessment is not site specific but is development specific.
6. For the purposes of this report a 6% discount rate has been applied.
7. Labour movements are based on average retention rates rather than specific company locations.
8. The proportion of materials and labour internalised in direct benefits to Auckland are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Auckland are based on the movement of resources (including labour) between other regions.

Table 1 following outlines the resulting impacts on the Auckland regional economy as a result of the development.

⁶ Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

4.2. TOTAL AUCKLAND ECONOMIC ACTIVITY

TABLE 1: TOTAL GROSS AUCKLAND REGIONAL ECONOMIC INJECTION OF PROJECT (FAST TRACK)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Direct Expenditure (\$m)										
Land										
Earthworks / Civil Works	\$25.3	\$42.2	\$76.0	\$25.3						\$168.9
Civil Consultants	\$8.9	\$13.4	\$7.4							\$29.8
Other			\$1.2	\$1.2	\$2.9	\$4.0	\$2.3			\$11.5
Infrastructure										
Total Development Costs (excl. land)	\$34.3	\$55.6	\$84.6	\$26.5	\$2.9	\$4.0	\$2.3			\$210.2
Residential Large Lots				\$20.2	\$44.4	\$36.3	\$36.3	\$36.3	\$28.2	\$201.6
Retirement Village		\$11.6	\$22.4	\$47.1	\$65.9	\$37.6	\$46.3			\$230.8
Other		\$0.4	\$0.8	\$1.6	\$3.3	\$4.1	\$4.0	\$1.5		\$15.7
Total Construction		\$12.0	\$23.2	\$68.9	\$113.5	\$77.9	\$86.6	\$37.8	\$28.2	\$448.0
Total Construction and Development Costs (excl. Land)	\$34.3	\$67.6	\$107.8	\$95.4	\$116.4	\$81.9	\$88.9	\$37.8	\$28.2	\$658.2
Increased Local Spend*			\$0.5	\$1.3	\$2.1	\$2.9	\$3.7	\$4.5	\$5.3	\$20.3
Total Direct Expenditure (excl. land)	\$34.3	\$67.6	\$108.3	\$96.7	\$118.5	\$84.8	\$92.6	\$42.3	\$33.5	\$678.5
Level 2 Multiplier Impacts										
Total Auckland Output (48 sector multipliers)										
Total Auckland Output NPV (48 sector multipliers)	\$46.1	\$86.9	\$118.0	\$105.4	\$122.1	\$82.2	\$84.6	\$36.3	\$27.1	\$708.7
Employment (FTE Years)										
Development Employment	453	735	1,116	350	38	53	30	0	0	
Construction Employment		117	214	594	905	575	639	279	208	
Other Employment	54	100	153	107	104	68	71	29	21	
Total Employment (FTE years)	507	952	1,484	1,051	1,048	696	740	308	229	7,015

Source: Property Economics

* Increased Local Spend by residents, employees, construction workers and additional local business spend through the different stages of development.

**The impacts on Auckland as a result of direct, indirect and induced activities.

Two key values are represented in the preceding table. These include the \$678.5m which represents the total cost of the development (excluding land). This capital expenditure then is assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend (\$678.5m) that is retained within the Auckland Region.

Then utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a period of 9 years, development beyond the first year is discounted to provide a Net Present Value. The result of this process yields the \$708.7m of total value added for Auckland Region over the life of the development timeframe.

The preceding table illustrates that the total impact on business activity within Auckland region as a result of the Project over a 9-year period is estimated to be nearly \$710 million.

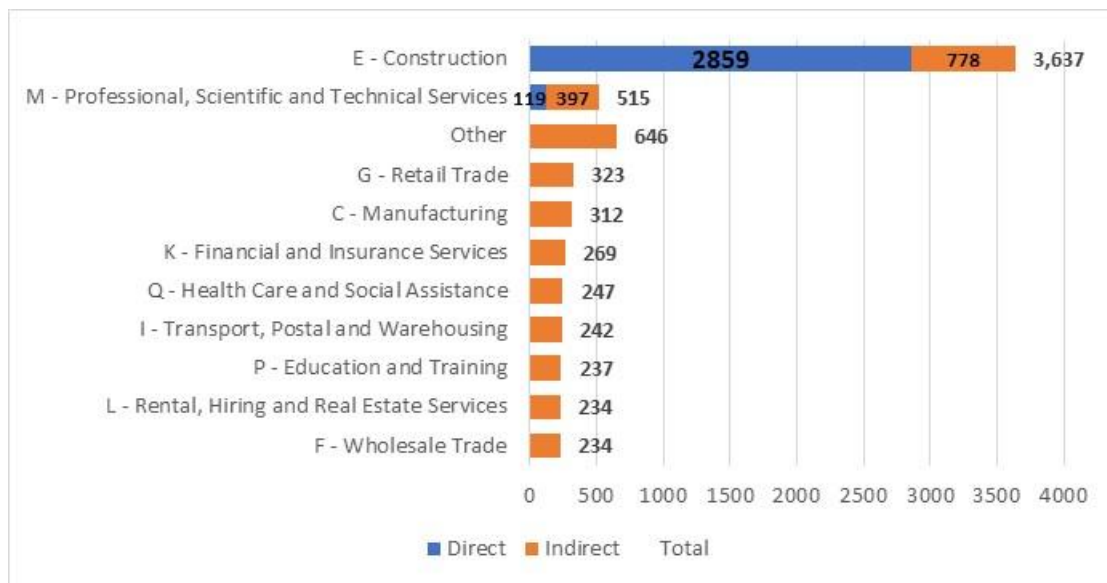
In terms of employment multipliers this would contribute over 1,484⁷ jobs during the peak construction year within Auckland, with a total number of FTE years at just over 7,000 over the development period.

4.3. TOTAL AUCKLAND DIRECT AND INDIRECT EMPLOYMENT

Figure 2 below disaggregates employment generated by sector and Direct and Indirect (including induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure below illustrates the sectors associated with direct employment measure approximately 2,978 FTE years with the remaining around 3,933 FTE years resulting from indirect and induced activity

FIGURE 2: AUCKLAND EMPLOYMENT GENERATION BY SECTOR (DIRECT, INDIRECT AND INDUCED)



Source: Property Economics

⁷ NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

5. OTHER ECONOMIC COSTS AND BENEFITS

In addition to the previously quantified economic injection, the Project would create a variety of potential economic costs and benefits. The following analysis outlines the key economic costs and benefits of the proposed development within the framework of the RMA and the NPS-UD.

Economic Benefits

- + **Increased residential capacity / senior housing supply:** The proposed development would supply the market with a meaningful increase in residential capacity of around 503 dwellings. This represents an increase in the overall residential capacity for the local and broader regional market and contributes to accommodating the anticipated population growth of the markets, particularly in the short to medium term

It would also provide clear direction to the market regarding both its ability to meet future demand pressures and its provision through an efficient site location and size.

- + **Increased and diversified choice of housing location and price point:** The proposed development would also provide residents additional choices in their living environment in respect of location and potentially impact upon the overall price point resulting from supply, within the local market and the wider region.

It would provide for housing products with distinguished views and living environments. The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase in the relative attractiveness of the area with wider markets.

- + **Increased diversity of buyer pool:** In addition to the proposed 208 lots, which would accommodate a diverse range of homebuyers, including young professionals, couples, and families, the retirement village would also help unlock existing housing stock by providing downsizing opportunities for older residents, thereby increasing the availability of family homes for younger buyers, such as couples and growing families, resulting in greater market and community benefits.

- + **Increased efficiency of infrastructure:** The influence of urban development on infrastructure and amenities might be two-sided. On the positive side, greater density in and close to the existing urban areas typically provides more efficient use of infrastructure.

The larger number of people in an area means greater returns on the use of the local infrastructure. This has the potential to enhance the sustainability of utility services, as fixed costs are spread over a larger user base, thus reducing the per capita cost of infrastructure provision.

- + **Increased economic activity:** In addition to the construction of the proposed residential lots, the building and operation of a new retirement village will generate on-going employment opportunities in Construction, Health Services and Administration for the economy. This represents an increase in employment retention which has flow on, “secondary,” impacts that also boost regional economic activity.

- + **Potential for lower residential land prices in region:** Accelerating the development of the subject site has the potential to enhance housing affordability by increasing the supply of residential units and senior housing capacity.

Increased housing supply could lead to a reduction in house prices, benefiting those who do not currently own property, including existing renters who pay for housing on a weekly basis and first-time buyers, particularly young residents. This increase in supply would help create a more balanced housing market, making homeownership more attainable and easing the financial burden on renters.

Additionally, the retirement village development, will provide a greater impetus for the aged population to move to the retirement village freeing up their existing property and adding further dwelling supply.

- + **Increased local employment opportunities:** The growing local population as a result of the proposed development proposed will lead to a net increase in the number of full-time equivalent employees within the region. This influx will serve as a boost to the local and regional economy, fostering further growth and enhancing amenities in the area.

Additionally, the construction of the new dwellings, the operation of the retirement village, in conjunction with a wellness centre, will generate temporary and permanent jobs, particularly in construction and service-related fields as well as local servicing employment delivering substantial benefits to the community during both the development and ongoing operation phases.

- + **Potential to cater for greater levels of growth:** Growth from residential developments can often work as a catalyst that spurs further growth in the area. The proposed development to accommodate a large-scale residential development could also trigger interest for additional residential / small-scale commercial activity within the local market and provide significant impetus for growing both the local and regional economy.

- + **Increased amenity:** Master-planned residential developers are able to provide high amenity, master planned environments with purpose built, and targeted amenity values such as parks, playgrounds and community facilities.

This is also true for large retirement village operators as they can provide dedicated facilities for aged care and wellbeing for target demographics (aged population). These come purpose built with highly specialised improvements to appeal to their clientele and benefit that community.

- + **Leveraging Treaty Settlement land for economic prosperity:** Given that the proposed RDLP development is within Treaty Settlement land, enabling the proposed development will contribute to the economic and social aspirations of iwi by providing opportunities for land utilisation, investment, and long-term financial sustainability.

The development has the potential to support iwi-led economic development through direct involvement in housing, commercial activities, and service provision while ensuring that the land generates ongoing value for future generations.

The development of Treaty Settlement land has been prioritised under the AUP via the Auckland Regional Policy Statement (**ARPS**). Chapter B6 of the ARPS outlines that the development of Treaty Settlement land be enabled to ensure that these lands and associated resources contribute to lifting Māori social, cultural, and economic wellbeing significantly. The overarching outcome of Chapter B6 is to enable the outcomes that Treaty Settlement intended to achieve be realised.

Chapter E21 Treaty Settlement Land provisions within the Auckland Unitary Plan recognise that the principles of the Treaty of Waitangi / TeTiriti o Waitangi (including the principle of redress and the principle of active protection) and require the Council to enable the use and development of land acquired by Mana Whenua through Treaty settlement legislation. There are several objectives and policies that signal a permissive planning approach on Treaty Settlement Land, and the reasons for that approach are linked to economic development. For example:

E21.2

- (2) *Mana Whenua use and develop land acquired as commercial redress to support their social and economic development.*

E21.3

- (1) *Provide for an appropriate character, scale, intensity and range of development on Treaty settlement land across Auckland, including in coastal areas and outside the Rural Urban Boundary, recognising that the purpose of the Treaty settlement land provisions is to give effect to the outcomes of Treaty settlements to promote the cultural, social and economic development of Mana Whenua.*

- (2) *Provide for a range of activities, including dwellings for papakāinga, marae and associated facilities, customary use, cultural and commercial activities, on Treaty settlement land.*
- (4) *Avoid, remedy or mitigate adverse effects on neighbouring properties while recognising that the Treaty settlement land provisions facilitate a scale, intensity and range of activities that may not be anticipated in the zone of the site.*

The Project is considered to wholly align with this sentiment as it enables Te Kawerau ā Maki to develop whenua returned to them as part of their Treaty Settlement in a manner than will provide for their economic wellbeing now and into the future.

Beyond those already identified, the Project also brings several additional high-level economic benefits, including:

- Native tree farming for timber and resources
- Iwi involvement in pest management on site
- Creating a nursely to supplement the vegetation needed for the development
- Food sovereignty, seasonal growth
- Retirement village – opportunity to retain land and build a commercial base
- Businesses that are iwi-owned and operated, which will contribute to the iwi economy

Economic Costs

- **Additional infrastructure investment and servicing requirements:** Land and associated infrastructure costs are one of the biggest cost components of residential housing development costs and tend to scale according to the size of the network. This means that expanding networks to new greenfield areas will tend to lead to a proportional increase in long-term operating, maintenance, and renewal costs.

In Property Economics' view, these capital costs are likely to be mitigated, at least in part, through either developer contributions or the level at which the developer provides the infrastructure itself.

- **Loss of productive forestry land and the associated carbon units / stock on the subject land:** The subject land encompasses an extensive area covered by exotic forest. This means that enabling the Project would lead to the loss of forestry potential and its

associated economic value, , timber harvesting potential, and broader flow-on effects into the economy.

For instance, the forest currently contributes to the local and regional economy through its sequestration of carbon emissions, potential employment in forestry-related industries, and indirect benefits such as ecosystem services.

At a high level, , the estimated value of the trees from forestry-related activities within Lot 1 and development area of Lot 2, is approximately \$351,000 per annum. Over a period to full maturity, the total reduction in inputs (direct contribution to GDP), once discounted, is estimated to be in the order of \$724,000 (NPV).

Additionally, there is a carbon sequestration value to the trees (805t at 30 years). This would represent an economic opportunity cost, particularly in the context of New Zealand's Emissions Trading Scheme and the increasing economic incentives for carbon sequestration.

Note that approximately one-third of the forest on the site (around 140ha) has already been cleared, meaning the economic value associated with retaining this cleared land for timber and carbon has already been foregone. This existing change to the receiving environment, therefore, represents a prior economic loss, which, if accounted for, would further moderate the high-level estimate of the reduction in economic output, as estimated above.

While the cleared land may have some potential for rural production, its classification as a mix of Land Use Capability (LUC) Class 4 and 6 soils appears to suggest significant constraints for arable and pastoral use. Therefore, utilising this cleared land in a more economically viable and efficient manner could generate net benefits for the market and community.

Overall, the site is already zoned as Countryside Living under the AUP, meaning that lower-density rural lifestyle developments are anticipated in this location, albeit at a different density than the proposed development.

Therefore, in Property Economics' view, the opportunity cost of the forest loss needs to be weighed against the economic benefits the Project is expected to generate.

Considering the economic cost benefit analysis outlined above as a whole (including the quantitative economic injection into the regional economy and employment benefits), Property Economics considers that advancing the proposed development would yield significant economic benefits for the regional economy and community. This approach would positively contribute to the facilitation of a well-functioning urban environment within the Auckland Region, giving effect to the NPS-UD Policies and meet the purpose of the FTAA.