PROPERTY ECONOMICS

ARDMORE BUSINESS PARK

FAST-TRACK APPLICATION

ECONOMIC IMPACT ASSESSMENT

Client: Knight Investments Limited

Project No: 52580

Date: December 2025

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SCHEDULE

Code	Date	Information / Comments	Project Leader
52580.5	December 2025	Report	Phil Osborne / Tim Heath

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1. INTRODUCTION

Property Economics has been commissioned by Knight Investments Ltd (the **Applicant**) to assess the economic impacts associated with a proposed new business park in Ardmore, Auckland (the **Project**).

Project Description

The purpose of this Project is to deliver a regionally significant industrial and employment hub. The Project capitalises on its location surrounding (and including) Ardmore Airport its accessibility to major transport networks (particularly the planned Mill Road corridor) and its proximity to the growing residential areas of Takaanini, Manurewa, Papakura and Drury.

The Project Area is approximately 511 hectares.

Of this total it is anticipated that:

(a) The net developable area will be between 193-276 hectares, which excludes significant ecological areas (**SEAs**), streams, stormwater management areas and that part of the Airport used for existing operations/runways and already under construction.

(b) The likely gross floor area for future activities / buildings would be between 67 hectares and 136 hectares, with additional land also for yards, individual site landscaping and car parking etc.

At a broad level the Project includes:

(a) The construction and development of a business park for light industry/service type activities.

(b) A green / blue network providing riparian planting, stormwater management and wastewater disposal and protection of existing SEAs.

(c) Upgrades to existing roads and intersections.

(d) New roading connections to the Airport and the wider site.

(e) Land modification works and infrastructure.

The sites that form part of the Project are set out in Appendix 1 to this assessment.

Appendix 1 also identifies those sites and roads for which infrastructure and/or upgrade works are required.

As this Project has a projected "range" for development areas, we have utilised the forecasted "lowest" numbers for areas. Thus, the findings in this EIA are conservative relative to a development scenario which utilises the higher range development areas.

Considerations under the Fast-track Approvals Act

This Economic Impact Assessment (**EIA**) provides 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 regional economy.

Provisions of the FTAA that are directly relevant to this assessment 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*" and Section 22 of the FTAA which sets out the following criteria for assessing whether the project is an infrastructure or development project that would have significant regional or national benefits:

- 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)).
- Whether the proposal "*will address significant environmental issues*" (Section 22(2)(a)(ix)).

In short, the FTAA aims to facilitate infrastructure and development with significant regional or national benefits.

Figure 1 provides an outline of the proposed development's scheme plan.

FIGURE 1: PROJECT SCHEME PLAN

Source: Knight Investments Limited

2. EXECUTIVE SUMMARY

The Project seeks to construct a comprehensively designed business park in Ardmore encompassing (at a conservative level) 276ha of gross land area, with 193ha of developable land accommodating around 676,000sqm building GFA of industrial and service type activity.

The total economic impact on business activity within Auckland Region as a result of the proposed industrial park is summarised in the following table.

Snapshot of Key Economic Benefits:

Estimated Quantitative Economic Impacts on Auckland Regional Economy:	
Total direct capital expenditure (excluding land)	**$2.7b**
Total NPV[1] at 8% over a 15-year development period[2]	**$1.86b**
Total NPV at 2%[3] over a 15-year development period	**$2.6b**
FTE years[4] during the peak development year[5]	**1,800 FTE years**
Total FTE years over the 15-year development period	**17,300 FTE years**
Total direct employment over the development period	**6,567 FTE years**
Total indirect and induced employment over development period	**10,731 FTE years**

The completed business park is estimated to accommodate between 4,500 to 5,000 ongoing employees once fully developed.

In addition to these quantifiable regional contributions, the Project is likely to generate a wide range of (non-monetised) qualitative economic benefits for the wider regional market and communities, including:

- Increased business land supply to accommodate demand of business activities;
- Greater economies of scale and business agglomeration effects;

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[1] *Net Present Value*

[2] *Note that five-year period assessed in this EIA does not represent a full five years of active economic activity, as the first year is primarily allocated to pre-construction activities such as planning, design work, procurement and contracting rather than actual construction.*

[3] *Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development.*

[4] *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.*

[5] *Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.*

- Improved land use efficiency;
- Attracting and retaining industrial activity within the Auckland Region;
- Improved existing infrastructure efficiency by reducing necessary duplication;
- Enhanced business location efficiency and competition;
- Potential for mitigation of industrial land prices;
- Improved productivity through a modern and fit-for-purpose industrial space;
- Greater industrial business location options;
- Increased flexibility for industrial growth and new entrants.

Overall, with these economic benefits, in conjunction with the development's quantified economic injection into the regional economy and employment opportunities, Property Economics considers that advancing the Project would represent a significant economic benefit for the Auckland regional economy and community. The Ardmore Airport itself does not account for the scale of benefits quantified in this assessment.

Therefore, our assessment supports the Project from an economic perspective in the context of the RMA and FTAA.

3. GENERAL INFORMATION

3.1. STATEMENT OF EXPERIENCE

Philip Osborne - I am an economic consultant and Director of 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 extensive experience and frequently commissioned to provide Environment Court expert evidence. I have undertaken numerous Economic Impact Assessments for fast-track applications (under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA).

Tim Heath – I am founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients. My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and frequently commissioned to provide expert evidence in the Environment Court. I have also been involved in undertaking economic assessments for dozens of fast-track applications.

3.2. INFORMATION & DATA SOURCES

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

- Auckland Region Growth Scenario (AGS23v1.1) – Auckland Council
- Business Demography Data – Stats NZ
- Input / Output Tables - Stats NZ

- Auckland Industrial Colliers Essentials 2H 2025 – Colliers
- Industrial Sector Classification – ANZSIC, Property Economics

The following information has also been provided to Property Economics by the applicant:

- Development Scheme Plan – Knight Investments Ltd
- Proposed Development Costings – Nakhle Group

3.3. GLOSSARY OF TERMS

Below is a list of terms relevant to this EIA. 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 does 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	refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy. These benefits may be expressed in financial or non-financial terms. In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.
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
Indirect economic impacts	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
GDP	gross domestic product
Net Present Value (NPV)	the present value of future cash inflows and / or cash outflows which in this report has been calculated with reference to an 8% discount rate (and, for sensitivity purposes, a 2% discount rate) over 15 years.
Transaction costs	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.
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; (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.

4. 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[6] of economic activity within this area.

2) The economic impacts are those resulting from the development over a 15-year period.

3) Regarding statutory considerations, the RMA provides context in terms of the utilisation of resources and the resulting impact on their price and provision. It calls for the "*efficient use and development of natural and physical resources*" (Part II section 7 (b) RMA).

   This can be considered from the perspective of economic efficiency which can be 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*"[7].

The Project is likely to have economic impacts that are felt beyond the specific benefits within the Region.

Additionally, as addressed in the various environmental assessment reports prepared in support of the application for referral of the Project into the FTAA, there are likely to be other, non-economic effects that may result in further economic impacts. These other potential further economic impacts are excluded from this assessment to avoid double counting of effects. For the most part, these other, non-economic effects, e.g., environmental effects, have not been addressed in this report.

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[6] *In this context retention relates to the level of direct spend that is attributable to the Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.*

[7] *Pass, Christopher and Lowes, Bryan, 1993, Collins Dictionary of Economics (2nd edition), Harper Collins, Page 148*

5. TOTAL ECONOMIC ACTIVITY

5.1. PROJECT'S INJECTION INTO THE TOTAL AUCKLAND ECONOMIC ACTIVITY

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

TABLE 1: TOTAL GROSS AUCKLAND REGIONAL ECONOMIC INJECTION OF PROJECT ($M)

	2026	2027	2028	2029	2030	2031	2035	2036	2040	Total
Direct Expenditure ($m)										
Land										
Earthworks / Civil Works	$4.8	$8.5	$15.7			$12.1		$10.9		$73.7
Consultants	$2.5	$3.0	$2.0	$0.5	$0.5	$2.0	$1.0	$1.0		$15.3
Other	$3.9	$5.5	$8.6			$3.9	$3.1	$4.7		$47.0
Levies	$2.9	$2.9	$2.9	$2.4	$1.8	$7.2		$6.4		$40.5
Infrastructure	$11.4	$28.4	$34.1			$14.2		$22.8		$172.1
Total Development Costs (excl. land)	$25.5	$48.3	$63.3	$2.9	$2.3	$39.4	$4.1	$45.8		$348.7
Total Construction			$179.4	$179.4	$179.4	$179.4	$179.4	$179.4	$179.4	*$2,332.2*
Total Construction and Development Costs (excl. Land)	$25.5	$48.3	$242.7	$182.3	$181.7	$218.8	$183.5	$225.2	$179.4	$2,680.8
Increased Local Spend*						$0.5	$2.5	$2.9	$4.8	$26.8
Total Direct Expenditure (excl. land)	**$25.5**	**$48.3**	**$242.7**	**$182.3**	**$181.7**	**$219.3**	**$186.0**	**$228.1**	**$184.1**	**$2,707.6**
Level 2 Multiplier Impacts										
Total Auckland Output NPV (48 sector multipliers)**	**$24.8**	**$43.9**	**$207.3**	**$150.2**	**$142.8**	**$165.8**	**$122.7**	**$141.4**	**$89.1**	**$1,864.5**
Employment (FTE Years)										
Development Employment	200	378	496	23	18	308	29	318	0	
Construction Employment			1142	1094	954	913	991	971	896	
Other Employment	15	2	159	185	265	215	129	90	121	
Total Employment (FTE years)	**215**	**380**	**1,797**	**1,302**	**1,237**	**1,437**	**1,150**	**1,378**	**1,016**	**17,298**

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 the Auckland Region as a result of direct, indirect and induced activities.*

Two key values are represented in Table 1. The Project will generate a direct expenditure of approximately $2.7b which represents the total cost of the development (excluding land). The Project will result in approximately $1.86b of total value added (NPV) for Auckland Region over the life of the development timeframe of 15 years (applying an 8% discount rate).

The Project will also contribute around 1,800 jobs during the peak construction year within Auckland, with a total number of approximate FTE years at 17,300 over the development and construction period.

Table 1 demonstrates how the direct expenditure and employment (FTE years) are broken down between different sectors. An explanation of how the outputs in Table 1 were calculated is provided in Appendix 3.

5.2. 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. These assumptions have 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 EIA, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): '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 Stats NZ based on 2018 data. However, employment data has been updated as per the Stats NZ Business Frame data[8] to March 2024.

4. This report deals with the economic impact of proposed development on the Auckland Region. These are specifically the direct impacts related to the construction of the Project.

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.

6. For the purposes of this report an 8% discount rate has been applied, consistent with the default rate for commercial proposals set by the Treasury[9].

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 the Auckland Region is based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in the Auckland Region is based on the movement of resources (including labour) between other districts and regions.

[8] *Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.*

[9] *https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates.*

This economic impact estimates the total additional gross economic output[10] 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 Project's configuration and costings at this point in time. As noted above, this EIA is not site specific but specific to the development and construction of the Project, i.e. the estimated economic impacts are not tied to the subject land, and the related development is not dependent on any particular sites or locations.

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 (CAPEX) 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 operation of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development.

The induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

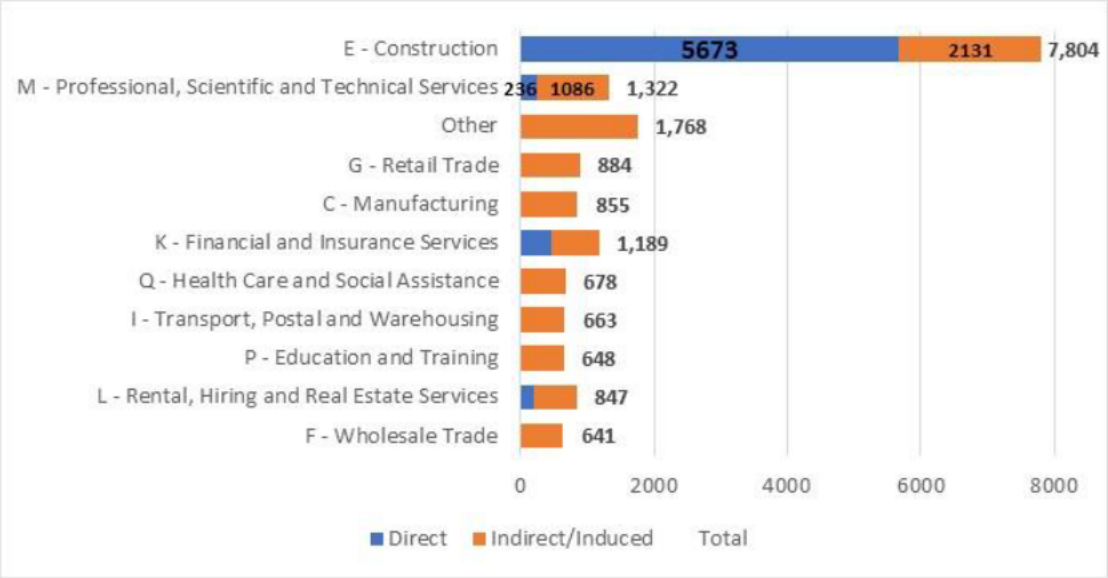
5.3. TOTAL AUCKLAND REGION DIRECT AND INDIRECT EMPLOYMENT

Figure 2 below shows how Direct and Indirect (including induced) FTE employment from the Project is anticipated to be disaggregated across sectors over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services), and the impact of the Project across a range of sectors through the generation of indirect employment.

The figure below illustrates direct employment generated by the Project will measure approximately 6,567 FTE years. The Project will also generate around 10,731 FTE years of indirect and induced activity.

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

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



Source: Property Economics

This scale of employment generation is significant in the regional context. For comparison, the regional unemployment rate increased from 3.5% in 2022 to 6.1% in 2025, equating to around +12,100 additional people unemployed per annum over the last three years. Against this context, the Project will make a direct contribution to supporting regional employment levels.

5.4. SENSITIVITY ANALYSIS

The Treasury's most recent review (February 2025) sets discount rates for commercial proposals at 8% (applied in the earlier analysis), with a mandatory sensitivity test at 2%[11]. In this section, sensitivity testing is undertaken using the 2% discount rate to quantify the scale of the Project's economic contribution to the Auckland regional economy under this scenario.

The results indicate that, when applying the Treasury's mandatory 2% discount rate, the Project is estimated to generate approximately $2.6b in total business activity across the Auckland Region over the full development timeframe.

TABLE 2: PROJECT SENSITIVITY ANALYSIS (2% NPV)

2026	2027	2028	2029	2030	2031	2035	2036	2040	Total
$25.84	$47.66	$234.95	$177.43	$175.84	$212.92	$186.08	$223.65	$166.54	$2,638.54

Source: Property Economics

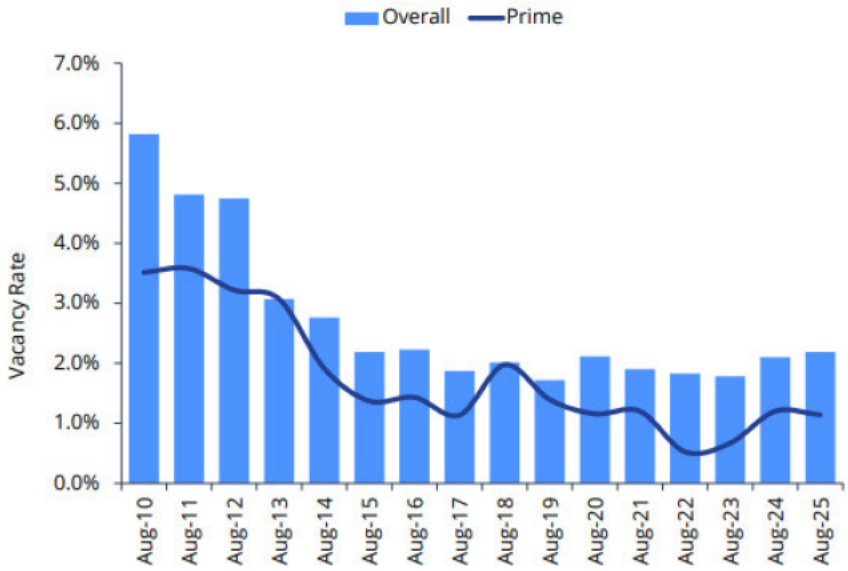
[11] *Source: https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates*

6. AUCKLAND INDUSTRIAL MARKET OVERVIEW

6.1. AUCKLAND INDUSTRIAL VACANCY TRENDS

According to Colliers' latest Auckland Industrial Essentials[12], the overall industrial built form vacancy rate across Auckland was 2.2% as at August 2025. Although vacancies have increased slightly over the past two years, largely reflecting the softer economic environment and reduced occupier confidence, the current rate remains well below historic levels. This indicates that even in a challenging economic environment, underlying demand for industrial space across the Region remains relatively strong.

FIGURE 3: AUCKLAND INDUSTRIAL VACANCY



Source: Colliers

Specifically, Colliers reports that prime industrial space vacancy across Auckland is sitting at approximately 1.1%. This low level of vacancy represents a significant environmental issue in the Auckland industrial market, indicating that existing industrial capacity is already under pressure.

Specifically, East Tāmaki, one of the Region's largest and most established industrial precincts, records an exceptionally low vacancy rate of 0.2%. Drury, currently under development, shows no remaining vacant stock. The Airport Corridor / Māngere area, which is the most comparable business cluster for the proposed industrial park given its proximity to an airport, exhibits a prime vacancy rate of just 0.8% as at August 2025.

[12] *Auckland Industrial Colliers Essentials 2H 2025, Colliers (Source: https://www.colliers.co.nz/download-article?itemId=39261627-3f6b-45ab-8aa1-4cbd158496f8)*

Collectively, these metrics highlight both the continuing tenant demand and the constrained supply environment within the regional industrial market. Even during a period of weaker economic conditions, high-quality, well-located industrial premises remain scarce and continue to lease rapidly. Therefore, the Project has the potential to address a significant environment issue under s 22(2)(ix), being the scarcity of prime industrial land available to support people to provide for their own economic and social wellbeing.

6.2. AUCKLAND INDUSTRIAL EMPLOYMENT TRENDS

This section assesses Auckland Region's industrial employment trends and changes in employment structure for the regional economy over the last 25 years. This analysis is useful to contextualise further industrial sector opportunities with the regional market.

Property Economics utilises the most recent version of ANZSIC[13] data as guidance, whereby businesses are assigned an industry according to their predominant land use. Activities that are likely to be located in industrial areas are grouped into a broader industrial sector for the purpose of the analysis.

Table 3 shows that Auckland Region has a current (2025) industrial employment base of just under 260,000 employees, equating to net growth of +38% above the 2000 industrial employment baseline of about 188,500 people.

TABLE 3: AUCKLAND REGION INDUSTRIAL SECTOR EMPLOYMENT TRENDS

ANZSIC Sector	2000	2005	2010	2015	2020	2025	2000-25 Growth (#)	2000-25 Growth (%)
A - Agriculture, Forestry and Fishing	640	670	550	580	580	590	**-50**	**-8%**
B - Mining	30	40	30	40	40	58	**28**	**93%**
C - Manufacturing	81,280	85,440	73,190	73,280	80,420	77,300	**-3,980**	**-5%**
D - Electricity, Gas, Water and Waste	840	1,000	1,000	1,260	1,680	1,980	**1,140**	**136%**
E - Construction	24,310	33,350	32,600	40,550	62,690	68,900	**44,590**	**183%**
F - Wholesale Trade	47,040	53,080	51,310	55,180	59,680	61,800	**14,760**	**31%**
I - Transport, Postal and Warehousing	31,370	31,590	31,650	33,980	39,870	42,700	**11,330**	**36%**
L - Rental, Hiring and Real Estate Services	2,970	4,180	3,860	4,560	5,750	6,400	**3,430**	**115%**
Total Industrial Employment	**188,480**	**209,350**	**194,190**	**209,430**	**250,710**	**259,730**	**+71,250**	**+38%**

Source: Stats NZ, Property Economics

[13] *Australia New Zealand Standard Industrial Classification*

Manufacturing is the largest industrial sector within the Auckland regional economy with around 77,300 employees in 2025. However, this sector has represented a diminishing proportion of Auckland's employment base over the last two decades from 43% in 2000 to 30% in 2025.

This steady proportional decline is a trend that has been observed across the country. This flatlining of Manufacturing employment growth is attributed in part to the adoption of new technologies and increased capital investment in automation by businesses, resulting in enhanced productivity and outputs, i.e. higher Manufacturing GDP with fewer employees. Such measures are crucial for maintaining competitiveness on both national and international scales. It also highlights an economy in transition from a more productive base shifting to a growing service-based economy.

The automation of many components of the manufacturing process is putting downward pressure on employment growth in this sector. This has seen improved production efficiencies and growth in the value of outputs based on this automation rather than increased employment. This trend is likely to continue for manufacturing businesses to remain competitive, but places increased importance on maintaining and facilitating large employment manufacturing businesses.

Contrastingly, employment in the Construction sector has grown over the 25 years to now be Auckland's second largest industrial employment sector and has experienced the most significant nominal (around 45,000 additional employees) and proportional (+183%) growth over the period. This growth can be attributed to escalating housing demand and the need for significant commercial and infrastructure projects to accommodate the expanding population.

Wholesale Trade, with a current employment base of around 61,800 employees, has the third largest industrial employment base within Auckland Region, contributing 24% of the total industrial employment base.

In terms of industrial employment growth over the assessed period, a significant 63% was within the Construction sector. With supply side constraints and a significant pipeline of construction projects required to better service and accommodate the Auckland Region's future population and business base, this industrial sector is anticipated to continue its strong growth performance over the next few decades, particularly around strategic transport hubs such as Ardmore Airport and Mill Road.

Considering the evolving business composition of the Region, the proposed business park surrounding the Ardmore Airport and on Mill Road (Road of National Significance) is strategically positioned to accommodate the shifting employment structure and evolving business activities within the regional industrial economy. It would provide greater flexibility and choice in land uses and business locations, allowing development to adapt to the changing employment needs and meet the growing demand for diverse employment and business opportunities in the regional market, particularly large scale industrial operations requiring larger sites.

Overall, the above industrial market metrics highlight the strong market and economic efficiency of enabling the proposed business park under the FTAA, as it would not only be responsive to current market trends but also aligned with long-term regional economic needs. Given the persistently low vacancy environment in the Region, it is reasonable to expect that additional industrial supply in an efficient and large scale master planned business park- would deliver significant economic benefits to Auckland's wider industrial economy particularly by enhancing agglomeration effects, strengthening market competitiveness, and supporting regional economic resilience.

7. OTHER NON-MONETISED ECONOMIC BENEFITS

In addition to the previously quantified economic injection, the Project would create a variety of potential (non-monetised) economic benefits. The following analysis outlines the key economic benefits of the Project within the framework of the RMA, the NPS-UD, and the FTAA Section 22(2)(iii), (iv) and (ix).

- Increased business land supply to accommodate demand of business activities: Under Auckland Council's Growth Scenario (AGS23v1.1), the Region's population base is projected to increase by around 218,380 people (around +12%) over the next decade to 2036. In this context, the Project will play a critical role in supporting and accommodating the business and employment needs arising from Auckland's anticipated growth.

  Specifically, by 2036, total employment across the Region is expected to reach around 1.1 million, representing an average annual increase of around 9,550 employees. Looking further ahead to 2052, Auckland's employment is forecast to expand by around +29%, equivalent to an average of about 11,150 additional employees per year.

  Given these significant long-term growth profiles, it can be expected that the proposed industrial park surrounding Ardmore Airport will serve as an important component of the Region's employment land supply and location, providing capacity for a wide range of industrial and business activities. The Project is well positioned to accommodate a meaningful share of future employment growth, ease capacity constraints in existing industrial precincts, and support the efficient functioning of Auckland's wider industrial economy.

- Greater economies of scale and business agglomeration effects: There are already some existing aviation and industrial operations within the Ardmore Airport Precinct / near the development land[14]. The proposed business park, located adjacent to an established industrial employment hub, would benefit from and create efficiencies through its integration with existing operations, generating more agglomeration benefits, efficiencies, and improving business performance.

- Improved land use efficiency: Again, considering the existing industrial environment in and around the Ardmore Airport, the development area emerges as highly compatible for accommodating industrial activities. Consequently, in contrast to alternative urban land uses such as residential and commercial uses, the proposed industrial park presents a more cohesive and efficient manner of better utilising the land resources.

[14] *Note that industrial activity is a permitted activity within the Ardmore Airport precinct (up to a limit of 15 hectares) under the AUP, and so could, realistically, and in a future environment sense, be considered to be developed in part for industrial uses up to that limit.*

- Attracting and retaining industrial activity within the Auckland Region: Rather than simply shifting businesses from other industrial areas within the Region, the proposed business park has the potential to capture industrial demand that might otherwise locate outside Auckland. The strategic location, scale, and new facilities that the Project accommodates and provides for has the potential to draw in higher-value and innovation-focused businesses that are seeking space but face limited availability, high costs, or capacity constraints in the Auckland market.

  By providing a viable and well-serviced alternative within the Region, the Project can retain and concentrate industrial activity that might otherwise be displaced elsewhere, supporting regional economic competitiveness. This can contribute to industrial market expansion in Auckland, increasing overall industrial output and employment locally, and enhancing the economic diversity and long-term resilience of the Region.

- Improved existing infrastructure efficiency by reducing unnecessary duplication: Development adjacent to existing airport-related operations, and other existing industrial activities, allows for shared use of infrastructure, utilities, and transport connections. This reduces the marginal cost of servicing new industrial land and makes infrastructure investment more efficient. This also reduces the need for duplicated networks in other areas and long-term infrastructure burdens on the wider community.

- Enhanced business location efficiency and competition: Locating new industrial activities around an established aviation precinct enables businesses to benefit from proximity to airport-related logistics, transportation links, and complementary businesses. This clustering effect improves operational efficiency, reduces travel and distribution costs, and encourages supply-chain integration. By supporting these agglomeration benefits, the proposed business park increases Auckland's attractiveness as a location for industrial and logistics investment. Over time, this strengthens the Region's competitive position nationally and internationally.

- Potential for mitigation of industrial land prices: The proposed business park has the potential to reduce upward pressure on industrial land prices locally and across the wider Auckland Region, making the market more accessible and cost-competitive for new and expanding industrial businesses. This increased industrial floorspace also reduces the incentive for landowners to hold land for speculative capital gains (land banking), as the availability of alternative sites encourages them to bring their land to market for development or leasing. This expanded supply promotes a more competitive and transparent industrial land market. Ultimately, this supports both business growth and broader economic efficiency in the Region.

- Improved productivity through modern and fit-for-purpose industrial space: As shown earlier, Auckland's industrial market is characterised by very low vacancy rates and a shortage of modern, high-specification (i.e., prime) industrial spaces and buildings. The proposed business park therefore provides an opportunity to introduce contemporary,

efficient premises that enhance Auckland business productivity. Improved building quality and layout also have the potential to contribute to lower operating costs and higher output. This lift in productivity extends across the Region as businesses grow and modernise.

- Greater industrial business location options: The proposed business park would provide both additional industrial land capacity and high-quality location choices for businesses. Its strategic positioning adjacent to Ardmore Airport and well-connected to key transport infrastructure, including the Mill Road RoNS, would offer efficient access to regional and national logistics networks. This enhanced connectivity makes the site particularly attractive for logistics, distribution, and aviation-related industries, as well as other industrial sectors requiring rapid access to transport corridors. By expanding the range of location options, the development would better accommodate the diverse site requirements of industrial businesses, support their operational efficiency, and enable more flexible and sustainable long-term growth within the Region.

- Increased flexibility for industrial growth and new entrants: The development would provide a substantial and strategically located supply of industrial land, offering businesses greater flexibility to expand, adapt, or establish new operations. This flexibility is particularly important in Auckland, where existing industrial precincts are heavily constrained and vacancy rates remain extremely low. By creating room for new entrants and growing businesses, the proposed business park would support a more diversified and competitive industrial sector. It would also potentially reduce barriers to entry, encourage innovation, and allow the regional economy to respond more effectively to changing industry needs and emerging opportunities.

We have not endeavoured to quantify in dollar terms potential benefits arising from the Project or to undertake a full economic cost / benefit analysis, given that this is a referral application. A more detailed analysis will be undertaken at the substantive application stage following referral to the Panel, if referred.

Based on our experience and our reading of the application, however, we consider that the economic benefits of the Project would comfortably outweigh any potential disbenefits.

Considering the (non-monetised) economic benefits 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 industrial economy and community. The Ardmore Airport itself does not account for the scale of benefits quantified in this assessment.

This approach would positively contribute to increasing and improving the Region's industrial economy, facilitating a well-functioning urban environment within the Auckland Region, and

will deliver significant economic benefits. This gives effect to the NPS-UD Policies and meet the purpose of the FTAA.

APPENDIX 1. APPLICATION SITES

Address	Legal Description	Address	Legal Description
308 Airfield Road	Lot 5 BLK XV DP 20982	95 Hamlin Road	Pt Lot 1 DP 50029
348 Airfield Road	Lot 1 BLK XV DP 192819	115 Hamlin Road	Pt Lot 1 DP 50029 Pt Lot 2 DP 50029
360 Airfield Road	Lot 2 DP 192819	120 Hamlin Road	Lot 1 BLK XV DP 53384
368 Airfield Road	Lot 2 DP 96780	125 Hamlin Road	Lot 1 BLK XV DP 53136
371 Airfield Road	LOT 1 DP 578804	130 Hamlin Road	Lot 2 DP 53384
382 Airfield Road	Lot 1 DP 96780	135 Hamlin Road	Lot 2 BLK XV DP 53136
394 Airfield Road	Lot 1 DP 198874	140 Hamlin Road	Lot 3 DP 53384
396 Airfield Road	Lot 2 DP 208957	143 Hamlin Road	Lot 1 DP 11032
398 Airfield Road	Lot 1 DP 208957	146 Hamlin Road	Pt Lot 4 DP 53384
448 Airfield Road	Lot 1 DP 336380	151 Hamlin Road	Lot 1 DP 316491
453 Airfield Road	Lot 200 DP 319290	155 Hamlin Road	Lot 2 DP 316491
457 Airfield Road	Lot 202 DP 458277	161 Hamlin Road	Lot 6 DP 39433
460 Airfield Road	Lot 2 DP 336380	40 Mullins Road	Lot 2 DP 169281
463 Airfield Road	Lot 203 DP 458277	50 Mullins Road	PT ALLOT 50 PSH Papakura
469 Airfield Road	Lot 204 DP 458277	53 Mullins Road	Lot 3 DP 206430
470 Airfield Road	Lot 1 DP 92845	61 Mullins Road	Lot 1 DP 75641
473 Airfield Road	Lot 205 DP 458277	66 Mullins Road	Lot 1 DP 22687
479 Airfield Road	Lot 206 DP 458277	90 Mullins Road	LOT 2 DP 598608
487 Airfield Road	Lot 207 DP 458277	100 Mullins Road	LOT 1 DP 598608
495 Airfield Road	Lot 208 DP 458277	114 Mullins Road	Lot 1 DP 95196, Lot 1 DP 81758
499 Airfield Road	Lot 209 DP 458277	124 Mullins Road	Lot 2 DP 129748
1 Burnside Road	Lot 1 DP 165259	7 Bullens Road	Lot 1 DP 141367
37 Burnside Road	Lot 2 DP 165259	19 Bullens Road	Lot 2 DP 450259
51 Burnside Road	Lot 2 DP 112997	49 Bullens Road	Lot 2 DP 111591
61 Burnside Road	Lot 2 DP 311910	51 Bullens Road	Lot 2 DP 473510
93 Burnside Road	PT ALLOT 1 DP 94470	52 Bullens Road	Lot 1 DP 473510
133 Burnside Road	LOT 2 DP 533681	99 Corsair Lane	LOT 2 DP 578804
803 Papakura-Clevedon Road	Lot 1 DP 450259	45 Clevedon-Takanini Road	Lot 3 DP 169281
881 Papakura-Clevedon Road	Lot 1 DP 483053	61 Clevedon Takanini Road	Lot 1 DP 112997

Public roads that may be subject to the required infrastructure / transport upgrades/connections:

- Airfield Road,
- Alfriston-Ardmore Road,
- Bullens Road,
- Cosgrave Road,
- Dominion Road,
- Burnside Road,
- Clevedon Road,
- Clevedon-Takanini Road,
- Hamlin Road,
- Mill Road,
- Mullins Road,
- Old Wairoa Road (including a paper road extension),
- Papakura-Clevedon Road,
- Petersons Road
- Village Way

APPENDIX 2. EXPLANATIONS OF EIA MODELLING PROCESS

The EIA assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general civil works and 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 Stats NZ (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.

This capital expenditure then is assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend 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 proposed period of 15 years, development beyond the first year is discounted to provide a Net Present Value (NPV).

APPENDIX 3. EXPLANATIONS OF EIA MODELLING OUTCOMES

By way of explanation of the items listed in Table 1:

- The reference to "*Levies*" is referring to external land and building costs such as Council costs.
- The reference to "*Development Costs*" includes costs associated with the development of the land, earthworks, etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.
- The reference to "*Construction Costs* "includes built form costs (i.e., cost of the physical built structure (the buildings).
- The Direct Expenditure line includes all expenditure on the Project, both in Auckland and externally to the region.

The "*Level 2 Multiplier Effects*" section identifies the proportion of the direct expenditure that is experienced in the Auckland region only. This incorporates consideration of the economic multipliers described in the following section.

This EIA evaluates the total economic effects of the specific project on the Auckland regional economy. Multipliers, a key component of EIA, quantify how initial changes in spending lead to larger, ripple effects throughout the Auckland economy[15]. These effects include direct, indirect, and induced impacts, reflecting changes in output, employment, income, and other economic variables.

Aggregating Impacts:

The following steps form the basis for the value and employment multipliers to quantify the number of FTE years generated by the project.

Step 1: Allocate total project expenditure by ANZSIC category.

Step 2: Apportion the extent of each expenditure category that is likely to be retain within the Region. This is based on business and employment composition, business size, capital formation, inflows of GDP (technically GRP), etc. This is direct regional spend and hence smaller than the total generated.

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[15] *Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry. Relevant key multiplier types include Output Multiplier: Measures the total change in economic output resulting from a change in demand for a specific industry, and Employment Multiplier: Measures the total change in employment resulting from a change in employment in a specific industry.*

Step 3: Utilising Stats NZ Input / Output tables generate regionally specific Level 1 multipliers (i.e. where each $1 spent goes through the first cycle). These multipliers are specific for each of the 48 sectors and are proportionally combined to produce the development multiplier: earth works, fees, etc (due to these having a materially different labour to capital breakdown) and the construction multiplier- built form.

Step 4: Utilise a similar process to assess the Level 2 multipliers for indirect and induced activities.

Step 5: These three (direct, indirect and induced impacts) are then aggregated and discounted to get the NPV seen in Table 1.