

PROPERTY **E**CONOMICS



188 BEAUMONT ST REDEVELOPMENT

FAST-TRACK REFERRAL APPLICATION

ECONOMIC IMPACT MEMORANDUM

Client: Westhaven Residential Limited Partnership

Project No: 52518

Date: August 2025

28 August 2025

ECONOMIC MEMORANDUM

To: Westhaven Residential Limited Partnership
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 Email: s 9(2)(a)

RE: FAST-TRACK REFERRAL APPLICATION - ECONOMIC IMPACT OVERVIEW OF 188 BEAUMONT STREET REDEVELOPMENT PROJECT

EXECUTIVE SUMMARY

Property Economics has been commissioned to provide a high-level assessment of the potential economic impacts and benefits resulting from the proposed residential-led development on 188 Beaumont Street, Wynyard Quarter, in Auckland for the purposes of a referral application under the Fast-Track Approvals Act 2024 ("FTAA").

This project involves the construction of approximately 215 apartments, 551sqm GFA commercial and retail space, and 450sqm GFA amenity spaces, across a 5,215sqm site located within the Wynyard Precinct of the Auckland City Centre (the "Project").

The total quantitative economic impacts as a result of the Project are summarised in the following table.

Estimated Quantitative Economic Impact on the Auckland Regional Economy:	
Total NPV ¹ over a 5-year development period ²	\$397.6m
FTEs during the peak development and operation year ³ :	1,240 FTEs
Total FTE years ⁴ over the 5-year development period	3,400 FTE years

¹ Net Present Value

² Note that five-year period assessed in this EIA represents five years of active economic activity. The first year is primarily allocated to pre-construction activities such as planning, design work, procurement and contracting rather than actual construction. The actual construction phase is expected to span approximately 34 months, from September 2027 to June 2030.

³ Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.

⁴ FTE years 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.

In addition to the quantified economic impacts outlined above, the Project would also deliver several qualitative economic benefits, which include:

- Increased residential (apartment) capacity
- Increased and diversified choice of housing location and price point
- Improved land use efficiency
- More efficient infrastructure use
- Increased economic activity and employment and improved travel efficiencies

The Project's strategic location (i.e., being in the Wynyard Quarter / City Centre / Auckland waterfront and adjacent to the Orams Marine Precinct) also has potential to unlock and accelerate growth of this regionally and nationally significant Marine Precinct asset. These economic benefits are unique to the Site and therefore not substitutable to another location within the region.

These flow-on economic benefits of the project would include:

- Catalysing additional development(s), investment and business opportunities in the City Centre, particularly in the marine sector by improving Orams Marine Precinct's competitiveness on the international market for luxury yacht refurbishments.
- Supporting intensification for the City Centre.
- Increased retail spends and employment internalisation within Wynyard Quarter and the City Centre.

From an economic perspective, enabling the Project under the FTAA would strengthen the Wynyard Precinct's function as a regionally significant asset and a critical land resource within the City Centre. Wynyard Quarter is already a high-value mixed-use precinct that supports advanced industries, commercial activity, and a strong visitor economy, all underpinned by significant public investment in infrastructure and amenity. The Project would complement these existing functions, adding scale and diversity to the residential component while further enhancing the Precinct's regional economic significance.

Cumulatively, in Property Economics' view, the Project would generate economic benefits (quantitative and qualitative direct, indirect, induced and catalytic) that are exclusive to the Site and go beyond the construction period of the Project itself. The Project would therefore deliver flow on wider economic benefits to the community considered significant in a regional economic context.

OVERVIEW OF THE PROPOSED DEVELOPMENT

The proposed development comprises of approximately 215 apartments within three primary building elements and a shared carparking podium on 188 Beaumont Street.

The three primary building elements enable a stratification of residential offerings and each of these three buildings is envisaged to have a differentiated identify:

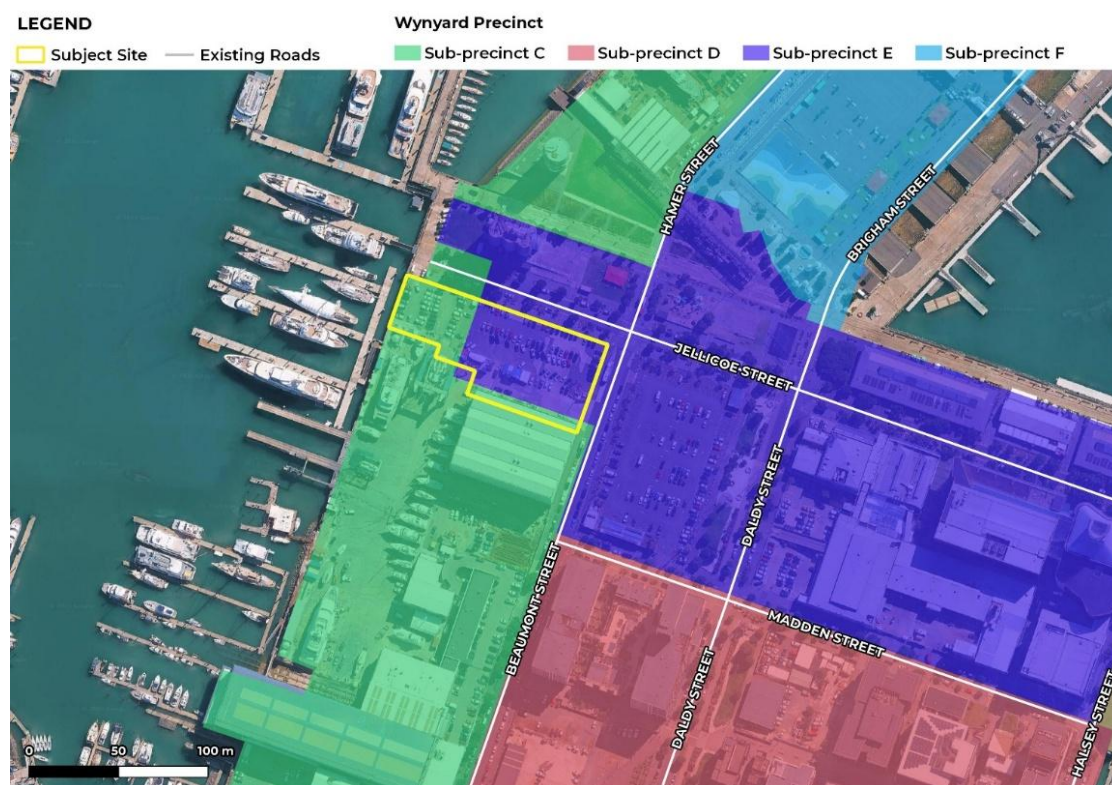
- (1) **Beaumont Building** – comprises 72 apartments with a wide range of price points and more compact floorplans. This building includes inbuilt flexibility for these apartments to be utilised for visitor accommodation or as serviced apartments.
- (2) **Marina Building** – a collection of 18 bespoke apartments on the water's edge.
- (3) **Angled Tower** – comprises 125 apartments.

The total tower height for the Angled Tower (the tallest in the scheme) is approximately 80m consisting of 23 levels including ground and car park podium levels.

In addition, two retail tenancies are proposed to be provided on the ground level of the Angled Tower development, encompassing around 550sqm of GFA cumulatively, and around 450sqm of amenity space.

The figure below illustrates the extent and surrounding zone context of the Site under the Auckland Unitary Plan Operative in Part (AUP).

FIGURE 1: PROJECT AREA IN THE CONTEXT OF THE AUP PLANNING FRAMEWORK



Source: Auckland Council, LINZ, Google Maps

Under the AUP I214.1, the purpose of the Wynyard Quarter is identified to “*provide for the comprehensive and integrated redevelopment of this large brownfield area while enabling the continued operation of marine industry and hazardous industry*”. The Site is located within both Sub-precincts C and E of the Wynyard Precinct.

ECONOMIC ACTIVITY AND EMPLOYMENT GENERATION

Total Economic Activity

As part of the assessment of economic activity, the construction and development costs have been assessed and 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 106 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 residential / 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.

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): ‘non-residential construction’, ‘non-building construction’, ‘other construction services’.

2. Associated (and estimated) land costs have been included in the financial repayment assessment for the project.
3. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
4. 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 data⁵ to March 2023.
5. 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.
6. The economic activity generated is based on the development's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchments. As stated, this assessment is not site specific but is development specific.
7. For the purposes of this report a 6% discount rate has been applied.
8. Labour movements are based on average retention rates rather than specific company locations.
9. 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 districts and regions.

Total Auckland Economic Activity

Table 1 following considers the impacts of the project on two aspects of the Auckland economy.

⁵ Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

TABLE 1: TOTAL GROSS AUCKLAND ECONOMIC INJECTION (FASTTRACK)

	2026	2027	2028	2029	2030	Total
Direct Expenditure (\$m)						
Land						
Earthworks / Civil Works		\$12.9	\$5.5			\$18.4
Civil Consultants	\$9.5	\$21.8	\$19.9			\$51.1
Levies				\$3.5	\$5.7	\$9.2
Other		\$1.8	\$2.7	\$2.7	\$10.7	\$17.8
Total Development Costs (excl. land)	\$9.5	\$36.4	\$28.1	\$6.2	\$16.4	\$96.5
Construction		\$25.2	\$113.6	\$123.0	\$53.6	\$315.4
Total Construction and Development Costs (excl. Land)	\$9.5	\$61.6	\$141.7	\$129.2	\$70.0	\$411.9
Increased Local Spend*					\$4.6	\$4.6
Total Direct Expenditure (excl. land)	\$9.5	\$61.6	\$141.7	\$129.2	\$74.6	\$416.5
Level 2 Multiplier Impacts						
Total Auckland Output NPV (48 sector multipliers)**	\$10.2	\$63.4	\$137.0	\$120.6	\$66.4	\$397.6
Employment (FTE Years)						
Development Employment	87	341	261	59	151	
Construction Employment		192	863	800	386	
Other Employment	2	15	116	84	43	
Total Employment (FTE years)	89	548	1,240	942	580	3,400

Source: Property Economics

Notes: * 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. The first is the Economic Activity generated in the region. This is estimated at \$416.5m 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 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 5 years⁶, development beyond the first year is discounted to provide a Net Present Value (NPV). The result of this process yields the \$397.6m of total estimated value added for Auckland Region over the life of the development timeframe. In summary, the project is estimated to generate economic activity in the region amounting to an NPV of approximately \$397.6m.

⁶ 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. The actual construction phase is expected to span approximately 34 months, from September 2027 to June 2030.

The second aspect is the generation of employment. This takes account of the number of “Full Time Equivalent” employment years generated in the Auckland Region over the 5-year period. In terms of employment multipliers, the project would contribute around 1,240⁷ FTE jobs during the peak construction year within Auckland, with a total number of FTE years at around 3,400 over the development period.

NON-MONETISED QUALITATIVE ECONOMIC BENEFITS

In addition to the quantified economic injection, the Project would create a variety of (non-monetised) economic benefits. The following outlines the key qualitative economic benefits generated as a result of the proposed development.

- + **Increased residential (apartment) capacity:** The Project will add 215 new apartments to Auckland City Centre. This is significant when considered in the broader context of apartment development within the City Centre. According to Stats NZ’s building consents data, between 2022 and 2024, only around 81 apartments have been consented within the City Centre, and over the past decade, the average number of consented apartments has been approximately 441 per year. Against this backdrop, the delivery of 215 additional apartments represents a significant contribution to apartment supply in the City Centre, a regionally and nationally significant commercial hub where intensified development is encouraged.
- + **Increased and diversified choice of housing location and price point:** The Project would also provide residents additional (higher density) choices in this central location and thereby improve market competitiveness resulting from a meaningful increase in supply within the City Centre market. It would provide for housing product with waterfront views and high-quality mixed use living environment. The opportunity for an increase in the level of competitive residential development is likely to be coupled with an increase in the relative attractiveness of the area benefiting the wider regional and international market.
- + **Improved land use efficiency:** Taller residential buildings mean land is being utilised more efficiently as the vertical space being utilised more effectively. The Project will transform a currently underutilised site (used only for car parking) into a high-density residential asset. By intensifying land use in a prime City Centre location, the Project can maximise the site’s economic output and contributes to higher land productivity in the area. This aligns with the directives outlined in the NPS-UD and Auckland Unitary Plan, particularly in directing developments towards existing and planned rapid transit stops (e.g., NPS-UD Policy 3).
- + **More efficient infrastructure use:** The significant existing infrastructure investment in the Wynyard Quarter and the City Centre as a whole, and future infrastructure investment in

⁷ FTE years 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.

Auckland waterfront that is put in place to service residents in and around the City Centre is used by a larger number of people sooner. This includes road / rail network, community facilities, libraries, halls, parks, power and telecommunications, three waters, urban parks. The larger number of people in the form of both increased employees and tourists using these infrastructure assets and increased residents living in the area lowers the marginal cost of the infrastructure for all residents in the region.

- + **Increased economic activity and employment:** The increased local population base will result in a net increase in the number of full-time equivalent employees able to work within the Wynyard Quarter and City Centre. Wynyard Quarter is a fast growing employment and hub supported by Council so an increased residential base in Wynyard Quarter improves travel efficiencies by improving commuting efficiency, reduce travel distances and costs. The Project also generates increased demand for local business and services. These benefits elevate the Wynyard Quarter mixed use hub's regional and international appeal, represent a net gain for the economy and would stimulate further growth and amenity improvements.

BENEFITS OF THE SITE'S STRATEGIC LOCATION

In addition to the Project's already identified quantitative and qualitative economic benefits, the Project would deliver unique flow-on economic benefits that would not be easily substitutable or replicable in other sites / locations.

The Site's unique and strategic location within Wynyard Quarter, the City Centre and Auckland's waterfront benefits and facilitates the ongoing transformation of the wider Wynyard Quarter including the ongoing expansion of Orams Marine Village to attract and compete in the luxury yacht market, the recently refurbished Xelocity building, Winton's Cracker Bay masterplan and the recently completed Beca corporate headquarters. The Project is considered both appropriate and economically efficient to maximise land use potential and contribute positively to the vibrancy and functionality of the Wynyard Quarter and the wider urban environment. Importantly, the Project aligns with Auckland Council's long-term vision for the waterfront, as an integrated, vibrant, and economically productive precinct.

In February 2019, Panuku Development Auckland (the urban regeneration arm of Auckland Council now referred to as 'Auckland Urban Development Office') entered into a Development Agreement with Orams Marine to deliver a purpose-built superyacht marine refit facility at directly south of the project area⁸. This facility is designed to accommodate vessels up to 800 tonnes, servicing approximately 85% of the global superyacht market. This facility provides a unique asset and opportunity for both the region and nationally.

⁸ Source: <https://ourauckland.aucklandcouncil.govt.nz/news/2019/02/new-marine-facility-confirmed-for-wynyard-quarter/>

Alongside the marine yard, the development also includes commercial buildings and a residential tower, making it a significant mixed-use addition to the precinct. The Site is an integral component of the Development Agreement and the delivery of the Orams Marine Precinct, with the economic benefits attributable to the Site's development not substitutable to another location within the region.

The Orams Marine development holds major economic significance for Auckland. It is expected to generate over 500 new jobs and provide apprenticeship opportunities for around 200 people, thereby creating a skilled pipeline of marine industry professionals. This investment transforms an underutilised site into a hub of marine enterprise and employment, supporting the broader vision of Auckland to create a unique regionally and nationally significant centre of high-value industry and innovation.

The Orams Marine yard site was identified as the only remaining marine-zoned site in the city large enough to accommodate a facility of this scale. Its development supports Auckland's global reputation for marine excellence and ensures the city remains competitive in the superyacht servicing market. Orams Marine described the project as a flagship example of how sustainable economic development can be achieved within the marine sector.

The Orams Marine redevelopment also incorporates key environmental and infrastructural upgrades, including the replacement of ageing seawalls and the remediation of contaminated land. These enhancements improve the ecological resilience of the Auckland waterfront and ensure long-term viability of marine operations in the area.

The proposed residential-led nature of this project and at this location will integrate, complete and compliment the Orams Marine redevelopment directly adjoining the south of the site by contributing to the creation of a vibrant, mixed-use waterfront precinct. It will help contribute to creating a cluster of residents in the area, which supports local businesses, enhances passive surveillance, and adds vitality outside of standard business hours. This can strengthen community appreciation for the marine sector and its regional economic significance, helping to embed marine heritage into the everyday urban experience. The Wynyard marine facility, in conjunction with the Project, is therefore both a catalyst for economic growth and a cornerstone of Auckland's sustainable urban regeneration strategy.

Additionally, residents living near a working waterfront and superyacht facility may benefit from unique views and an engaging urban character not typically found in other parts of the region. The presence of the marine facility may also attract professionals, specialists, and business visitors associated with the industry, helping to diversify the residential market and potentially increase property values due to the area's distinctiveness and amenity.

The built-in flexibility of the Beaumont Building allows for the inclusion of serviced apartments, creating an opportunity to provide fully integrated accommodation for Orams' customers. Orams Marine businesses frequently require significant accommodation facilities for the staff and crew of their clients'. The Project provides the opportunity to efficiently integrate some serviced apartments

providing a fully integrated service to the Orams customers ensuring that high value customers are housed near the marina and within the Wynyard Quarter.

Therefore, in addition to the economic activity and employment benefits generated during the construction phase, the Project will generate further benefits by enhancing the wider marine precinct and strengthen one of the region's, and New Zealand's, best known international assets – the Auckland waterfront. Both Auckland and New Zealand benefit significantly from imagery associated with activities, events, facilities and amenities on the Auckland waterfront.

The Auckland waterfront is a key focus for the international branding of the 'City of Sails' and the Project strengthens this asset by providing international standard accommodation right in the marine precinct and directly adjacent to superyacht facility which is not otherwise readily available to international visitors in Auckland at present.

OTHER FLOW-ON ECONOMIC BENEFITS

- **Catalysing additional development(s) in the City Centre:** Large-scale developments within the Marine Precinct, Wynyard Quarter and City Centre both support and act as catalysts for further investment and complementary activity. By increasing the concentration of residents and visitors, such developments create a stronger customer base, which in turn facilitates further demand and investment activity and places Orams Marine Precinct in a stronger position to compete on the international market for luxury yacht business activity, such as refurbishments and refits. This catalysing effect supports not only the ongoing revitalisation of Auckland's (and New Zealand's) marine sector but creates the opportunity for significant ongoing contributions to Auckland's marine economy in terms of economic GDP and skilled employment over the long-term.
- **Supporting intensification for the City Centre:** The proposed high-density residential development will encourage increased foot traffic to the area through employment, residents and tourists / visitors attracted by the higher levels of amenity in the public realm areas at ground level within the Project. By delivering high-density residential buildings and more attractive public realm, the Project makes more efficient use of the scarce waterfront land resource and creates a more vibrant and attractive location to visit. This improvement in location's critical mass and attractiveness is also important for flow-on benefits such as attracting international events to Wynyard Quarter, such as sailing events / regattas. This also aligns with Auckland Council's strategy for intensification and supports a compact urban form.
- **Increased retail spends and employment internalisation:** The proposed development would encourage greater retail spending and employment internalisation within Wynyard Quarter and the City Centre. By increasing the resident population in Wynyard Quarter, the development expands the immediate residential base / catchment for local goods and services. This strengthens the role of the City Centre as a regionally and nationally significant commercial and employment hub.

CONCLUSION

Based on the economic impact analysis presented in this Memo, Property Economics considers that the Project will generate a significant positive contribution to the future economic and social wellbeing of Auckland (particularly, the Auckland City Centre which itself is a critical economic engine for the Auckland economy), with flow-on effects to other areas of the Auckland regional economic base.

Cumulatively, in Property Economics' view, the Project would generate economic benefits (quantitative and qualitative direct, indirect, induced and catalytic) that are considered significant in a regional economic context.

Kind Regards

Tim Heath / Phil Osborne

Directors