CLIENT
Tahimana Ltd

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Economic and Property Research

Tahimana Lifestyle Development, Tasman

Fast-track Approvals Act 2024 Economic Assessment

About us

Our Areas of Expertise

Economic Analysis

Our work aims to bridge the gap between land-use planning and urban economics. Our focus is on the interaction between land markets, land-use regulations, and urban development. We have developed a range of methodologies using a quantitative approach to analyse urban spatial structure and audit land-use regulations.

Property Research

We provide property and retail market research to assist with the planning and marketing of new projects. This includes the identification of new sites and market areas, assessments of market potential and positioning, and the evaluation of market feasibility of specific projects.

Development Advisory

We provide development planning and costing advisory services to support small and large-scale developments.

Contents

1. Executive Summary

The proposal is for a subdivision of a mix of residential and lifestyle lots, which will provide for approximately 141 residential dwellings. It is estimated that these dwellings will have an average sale price of $1,140,000, which is consistent with the pricing of similar housing achieved in the rural lifestyle market (i.e. properties within the Rural 3 and Rural Residential Zones).

The rural lifestyle market is distinct within the Tasman District/region, providing housing primarily for middle-higher-income/wealth retiree/semi-retiree and work-from-home households. This market accounts for approximately 15% of the total residential market in Tasman, with demand for an additional 85 dwellings annually.

The proposal is considered to make a significant contribution towards the efficient function of the rural lifestyle market by adding a relatively large development, which would contribute towards ensuring a wider range of housing is available to the market.

Over the medium term, there is estimated remaining capacity (pipeline developments) in the rural lifestyle areas in the Tasman District/region of 117 dwellings. This equates to approximately 1.4 years of capacity based on an annual demand of 85 dwellings per annum. At 141 dwellings, the proposal represents a 120% increase to the current and pipeline dwelling supply and increases the number of years of remaining capacity to approximately 3.0 years. This demonstrates the scale of the proposal with respect to the rural lifestyle market and the significance of the proposal's contribution to the future function of this distinct market.

Since 2020, the annual average house price in the Tasman District/region has increased from $634,000 to $782,000, or 5% per annum. By comparison, the average house price in the rural lifestyle market has increased at over double this rate, from $873,000 to $1,445,000, or 13% per annum. This indicates a shortage of dwellings supplied to the market relative to demand, most notably in the lifestyle housing sector. The proposal will, therefore, represent a net addition to the rural lifestyle market in the Tasman District.

Over the 2018-2023 period, approximately 54% of population growth was attributed to national migration (i.e. inter-district/region migration from elsewhere in NZ). This is a strong growth driver for the district/region, largely driven by the high levels of natural amenity and relatively affordable house prices.

The proposal is considered to make a notable contribution towards retaining the high rates of national migration achieved by the district/region, which in part has been driven by the overall amenity and lifestyle offered by the district/region. In addition, the proposal would make a notable contribution towards retaining the population that would otherwise may relocate to other regions across the country as a result of the ongoing shortage of lifestyle dwellings. The proposal is therefore considered to make a significant contribution towards the Tasman district/region's long-term social and economic resilience, which will rely in part on attracting and retaining high wealth/income households. This, however, is unlikely to be achieved under the current market conditions.

The construction of the proposal would directly contribute approximately $17.4 million to Construction sector GDP and support 105 Full-Time Equivalent (FTE) jobs. In addition, the construction of the proposal would indirectly contribute $19.6 million to national GDP and support approximately 120 FTE jobs. Of this indirect economic impact, the proposal would make a significant contribution towards the Primary Sector GDP and FTE employment, contributing approximately $8.2 million, which would support an estimated 50 FTE jobs.

Once constructed, it is estimated that the expenditure of future residents in the proposal would contribute approximately $3.7 million to GDP and support 30 FTE jobs annually.

The above economic benefits are considered to be net economic benefits to the district/region, given that the current and projected housing shortfalls are leading to higher rates of house price increases for rural lifestyle dwellings, which is potentially reducing the total potential growth of the Tasman District/region.

This is confirmed by UE's 'additive vs redistributive' analysis of new greenfield masterplanned developments in the Tasman region, which finds that the proposal would result in a net addition of 160 dwellings being added to the total housing market (i.e. it would be 114% additive).

The proposal is largely self-servicing for infrastructure, with wastewater fully managed onsite and only a limited connection to the Council's water network, and transport upgrades funded by the developer. This enables housing delivery with no additional reliance on, or cost to, Tasman District Council and ratepayers.

Overall, the proposed development would increase the range and supply of new rural lifestyle dwellings in the Tasman district/region, which would result in a range of significant net economic regional benefits, particularly as a result of the construction and ongoing household expenditure. The proposal is therefore considered to meet the purpose of the Fast-track Approvals Act, as stated in Section 3 of the Act, by 'delivering a development with significant regional benefits'.

2. Introduction

This report evaluates a proposed lifestyle development located at Stagecoach Road, Tasman, against the Act's purpose, as outlined in Section 3 of the Act.

2.1 The Proposal

The proposed Tahimana development (the proposal) site is on Rural 3 Zone land in the Tasman District Council Tasman Resource Management Plan (TRMP). A concept plan is shown in Figure 1. As outlined in Figure 2, the proposal comprises approximately 141 lots, with a range of lot sizes (750m^2 - 85,400m^2) and average prices of $1,080,000 for residential properties, $1,275,000 for lifestyle properties, $1,610,000 for rural properties and an overall average of $1,140,000.

The development comprises 2 rural lots (5.7 ha and 11.4 ha), 38 lifestyle lots (around 7,900m^2) and 101 residential lots (750m^2). The residential lots are larger than those typically found in urban towns, and the majority have expansive rural outlooks. These are more attractive to households seeking rural amenity with lower maintenance, most notably these are attractive to older households that have previously lived on rural or lifestyle properties. In terms of price, these will be generally more expensive than residential lots in urban towns, however a large proportion of the dwellings (in the order of 98%) are below the average price of rural residential properties ($1.45m) so would generally have a distinct buyer demographic. However, there would be a degree of transferability (i.e. a small proportion of buyers, say 20%, would be relatively indifferent between urban town and residential lots in this development).

Figure 1:
Tahimana Development Subdivision Plan (August 2025)

Source: Tahimana Ltd, Staig & Smith Ltd

Figure 2:
Proposal Indicative Dwelling Yield & Price

Development Component	Total Lots	Avg Lot Size (m²)	Avg GFA Estimate (m²)	Avg Section Price Estimate	Avg Total Sale Price Estimate		
					Lower	Upper	Total
Residential	101	750	210	$385,000	$1,075,000	$1,315,000	$1,080,000
Lifestyle	38	7,900	230	$510,000	$1,230,000	$1,400,000	$1,275,000
Rural Lots	2	85,400	250	$805,000	$1,395,000	$1,830,000	$1,610,000
Total	**141**	**3,900**	**220**	**$425,000**	**$1,075,000**	**$1,830,000**	**$1,140,000**

Source: CoreLogic, UE

3. Study Area

Figure 3 outlines the study area adopted in this report, with respect to assessing the housing market.

The study area encompasses the Tasman District/region. The proposal is located approximately within a 20 minute drivetime of the two major townships within the region, Motueka and Richmond.

Figure 3:
Tasman District Study Area

Source: LINZ, Google

4. Rural Lifestyle Market Analysis

This section provides an overview of the rural lifestyle market within the study area, including property values, dwelling consents, population and household growth and key demographic trends. For the purposes of this assessment, the rural lifestyle market is defined as properties located within the Rural Residential Zone and Rural 3 Zone.

4.1 Dwelling Valuation by Location

Figures 4-5 below display the valuation of dwellings and sections by price bracket and zone. The main points to note are:

- Lifestyle dwellings in the Rural Residential Zone and Rural 3 Zone are typically priced between $1,000,000 and $2,000,000, with 76% of properties falling in this range.
- Residential dwellings within the Rural Residential Zone and Rural 3 Zone achieve prices significantly lower, with all properties below $900,000.
- The majority (68%) of Rural 3 Zone lifestyle sections were valued below $600,000 and in the Rural Residential Zone, 57% of were valued under $600,000.
- Residential dwellings within residential zones tend to have lower prices overall, with 79% of properties below $900,000.
- This reflects the presence of two distinct markets within the study area being traditional residential-scale dwellings and rural lifestyle properties.

Figure 4:
Study Area Valuation by Zone

Price Bracket ($000)	Urban/Suburban Area*				Rural Residential Zone				Rural 3 Zone			
	Residential Dwelling**	Residential Section**	Lifestyle Dwelling	Lifestyle Section	Residential Dwelling**	Residential Section**	Lifestyle Dwelling	Lifestyle Section	Residential Dwelling**	Residential Section**	Lifestyle Dwelling	Lifestyle Section
<$600	2,685	415	5	5	10	5	20	85	0	0	0	65
$600 - 700	2,330	15	0	0	5	0	20	15	5	0	5	15
$700 - 800	2,505	10	5	0	10	0	45	10	0	0	10	5
$800 - 900	1,835	10	0	0	5	0	55	5	0	0	20	5
$900 - 1,000	1,015	0	5	0	0	0	60	15	0	0	15	5
$1,000 - 1,100	535	0	0	0	0	0	75	5	0	0	35	0
$1,100 - 1,200	310	5	0	0	0	0	110	5	0	0	60	0
$1,200 - 1,300	210	0	0	0	0	0	85	5	0	0	40	0
$1,300 - 1,400	125	0	0	0	0	0	80	0	0	0	40	0
$1,400 - 1,500	75	0	0	0	0	0	65	5	0	0	65	0
$1,500 - 1,600	60	0	0	0	0	0	50	0	0	0	35	0
$1,600 - 1,700	40	0	0	0	0	0	30	0	0	0	30	0
$1,700 - 1,800	25	0	0	0	0	0	25	0	0	0	25	0
$1,800 - 1,900	30	0	0	0	0	0	25	0	0	0	20	0
$1,900 - 2,000	15	0	0	0	0	0	25	0	0	0	15	0
$2,000 +	100	0	0	0	0	0	130	0	0	0	65	0
Total	**11,895**	**455**	**15**	**5**	**30**	**5**	**900**	**150**	**5**	**0**	**480**	**95**

Source: CoreLogic, TDC

*Includes Residential Zone, Residential Coastal Zone, Residential Closed Zone.

**Properties with a lot size of 1,500m² or less.

Figure 5:
Study Area Valuation Percentage Distribution by Zone

Price Bracket ($000)	Urban/Suburban Area*				Rural Residential Zone				Rural 3 Zone			
	Residential Dwelling**	Residential Section**	Lifestyle Dwelling	Lifestyle Section	Residential Dwelling**	Residential Section**	Lifestyle Dwelling	Lifestyle Section	Residential Dwelling**	Residential Section**	Lifestyle Dwelling	Lifestyle Section
<$600	23%	91%	33%	100%	33%	100%	2%	57%	0%	-	0%	68%
$600 - 700	20%	3%	0%	0%	17%	0%	2%	10%	100%	-	1%	16%
$700 - 800	21%	2%	33%	0%	33%	0%	5%	7%	0%	-	2%	5%
$800 - 900	15%	2%	0%	0%	17%	0%	6%	3%	0%	-	4%	5%
$900 - 1,000	9%	0%	33%	0%	0%	0%	7%	10%	0%	-	3%	5%
$1,000 - 1,100	4%	0%	0%	0%	0%	0%	8%	3%	0%	-	7%	0%
$1,100 - 1,200	3%	1%	0%	0%	0%	0%	12%	3%	0%	-	13%	0%
$1,200 - 1,300	2%	0%	0%	0%	0%	0%	9%	3%	0%	-	8%	0%
$1,300 - 1,400	1%	0%	0%	0%	0%	0%	9%	0%	0%	-	8%	0%
$1,400 - 1,500	1%	0%	0%	0%	0%	0%	7%	3%	0%	-	14%	0%
$1,500 - 1,600	1%	0%	0%	0%	0%	0%	6%	0%	0%	-	7%	0%
$1,600 - 1,700	0%	0%	0%	0%	0%	0%	3%	0%	0%	-	6%	0%
$1,700 - 1,800	0%	0%	0%	0%	0%	0%	3%	0%	0%	-	5%	0%
$1,800 - 1,900	0%	0%	0%	0%	0%	0%	3%	0%	0%	-	4%	0%
$1,900 - 2,000	0%	0%	0%	0%	0%	0%	3%	0%	0%	-	3%	0%
$2,000 +	1%	0%	0%	0%	0%	0%	14%	0%	0%	-	14%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**-**	**100%**	**100%**

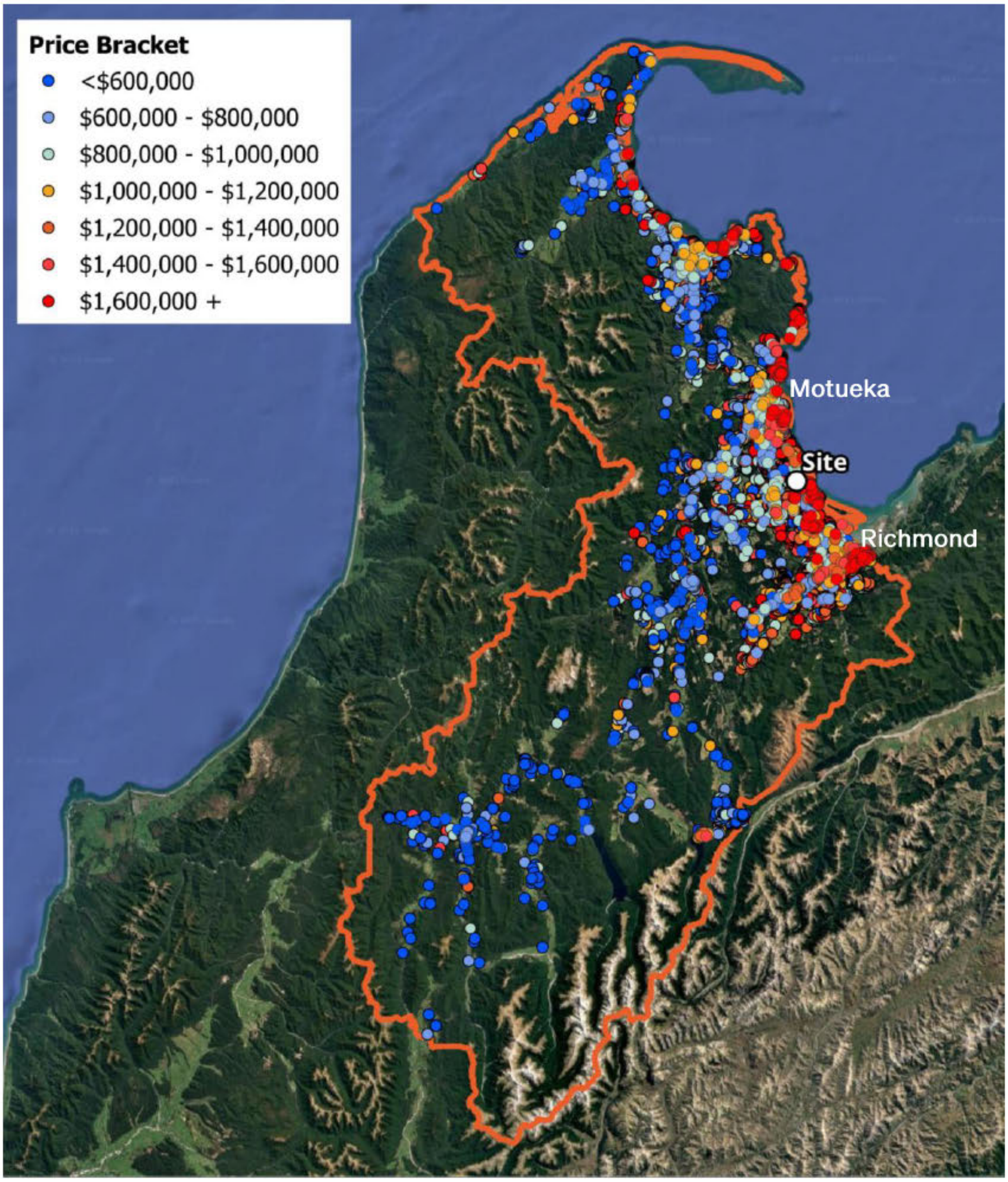
Source: CoreLogic, TDC

*Includes Residential Zone, Residential Coastal Zone, Residential Closed Zone.

**Properties with a lot size of 1,500m² or less.

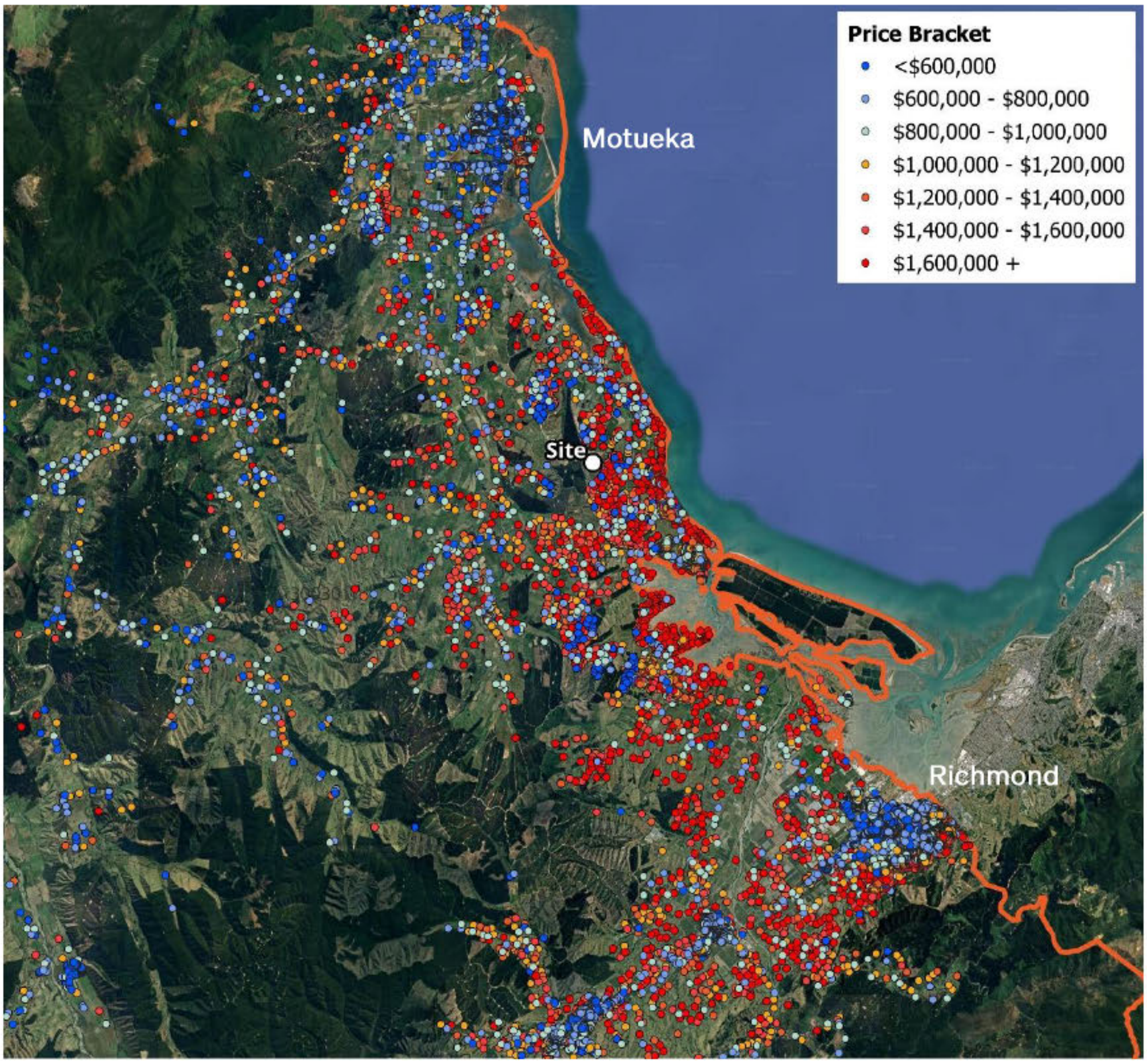
Figures 6-7 show the distribution of dwelling values by price bracket in the study area. The highest priced locations within the study area are coastal properties located in Ruby Bay, Mapua and in rural lifestyle subdivisions in Redwood Valley and south of Richmond. The proposal site is located west of Ruby Bay, at the northeastern edge of the study area.

Figure 6:
Study Area Total Stock Valuation (Residential and Lifestyle Properties)



Source: Corelogic, LINZ

Figure 7:
Study Area Total Stock Valuation - Close Up (Residential and Lifestyle Properties)



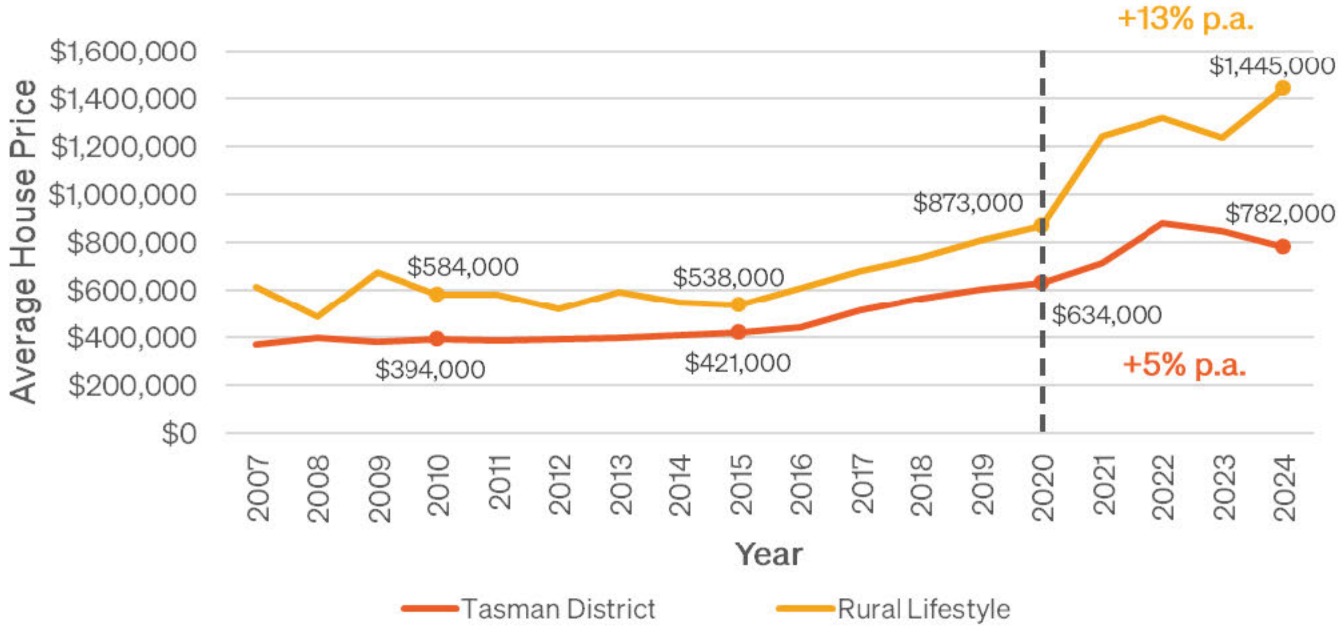
Source: Corelogic, LINZ

4.2 Average House Price Growth 2007-2024

Figure 8 shows that the average house price in the Tasman District has increased since 2007 and is now around $782,000.

Since 2020, the annual average house price in the Tasman District increased from $634,000 to $782,000, or by 5% p.a.. This is less than half the rate of price growth seen in rural lifestyle properties of 13% p.a. (increase from $873,000 to $1,445,000). This indicates a shortage of rural lifestyle dwellings supplied to the market relative to demand.

Figure 8:
Tasman District House Price Growth 2007 – 2024



Source: REINZ, CoreLogic

4.3 Dwelling Consents by Location

Figure 9 provides a breakdown of the location of new dwellings consented in the study area over the 2018-2024 period. It shows that on average, approximately 59% of all new dwellings consented occurred within the urban/suburban area, 14% occurred within rural lifestyle areas (e.g. Rural Residential & Rural 3 Zones), and 28% occurred within rural areas. The building consent data indicates a total annual dwelling demand of approximately 500 dwellings, of which 70 (14%) is for rural lifestyle dwellings.

Figure 9:
Tasman District New Dwellings Consented by Location (2018-2024)

Measure	Location	2018	2019	2020	2021	2022	2023	2024	Average
Number of New Dwellings	Urban/ Suburban Area	245	325	325	285	400	190	155	295
	Rural Residential	25	20	25	25	25	15	15	25
	Rural 3	40	50	65	50	40	25	30	45
	Rural Lifestyle Total	**65**	**70**	**90**	**75**	**65**	**40**	**45**	**70**
	Rural - Other	85	105	135	165	195	140	95	140
	Total	**395**	**500**	**550**	**525**	**660**	**370**	**295**	**500**
% of New Dwellings	Urban/ Suburban Area	62%	65%	59%	54%	61%	51%	53%	59%
	Rural Residential	6%	4%	5%	5%	4%	4%	5%	5%
	Rural 3	10%	10%	12%	10%	6%	7%	10%	9%
	Rural Lifestyle Total	**16%**	**14%**	**16%**	**14%**	**10%**	**11%**	**15%**	**14%**
	Rural - Other	22%	21%	25%	31%	30%	38%	32%	28%

Source: Statistics NZ

4.4 Population & Household Growth by Location

Figure 10 provides a breakdown of the population and household growth in the study area over the 2018-2023 period. The study area's population has grown steadily from 52,370 in 2018 to 57,855 in 2023, representing a net increase of 5,485 (10.5%) over this period. Over the same period, the number of households grew from 19,450 to 21,875, a net increase of 2,335 (12.0%). This highlights the strong growth achieved in the district.

Figure 11 provides internal (national) migration trends and highlights the Tasman region's appeal as a place to live. Between 2018 and 2023, the Tasman region experienced a net internal migration gain of 2,740 people, accounting for 54% of its total population growth over the period. This is one of the highest proportions of growth via national migration in the country and highlights that this is an important driver of growth for the District.

This confirms that the study area's overall attractiveness as a place to relocate to within the wider region and nationally, suggesting that demand for housing is likely to remain strong, particular from the growing number of retirees seeking lifestyle locations.

Figure 10:
Study Area Population & Household Growth by Location 2018 - 2023

Location	Population				Households			
	2018	2023	2018-2023 (p.a.)	%	2018	2023	2018-2023 (p.a.)	%
Urban/Suburban Area	26,770	29,825	610	56%	10,310	11,760	290	62%
Rural Residential Zone	2,560	2,770	40	4%	935	1,045	20	4%
Rural 3 Zone	1,865	2,535	135	12%	710	920	40	9%
Rural Lifestyle Total	**4,425**	**5,305**	**175**	**16%**	**1,645**	**1,965**	**60**	**13%**
Rural - Other	21,175	22,725	310	28%	7,585	8,150	115	25%
Total	**52,370**	**57,855**	**1,095**	**100%**	**19,540**	**21,875**	**465**	**100%**

Source: Statistics NZ

Figure 11:
Regional Migration Trends

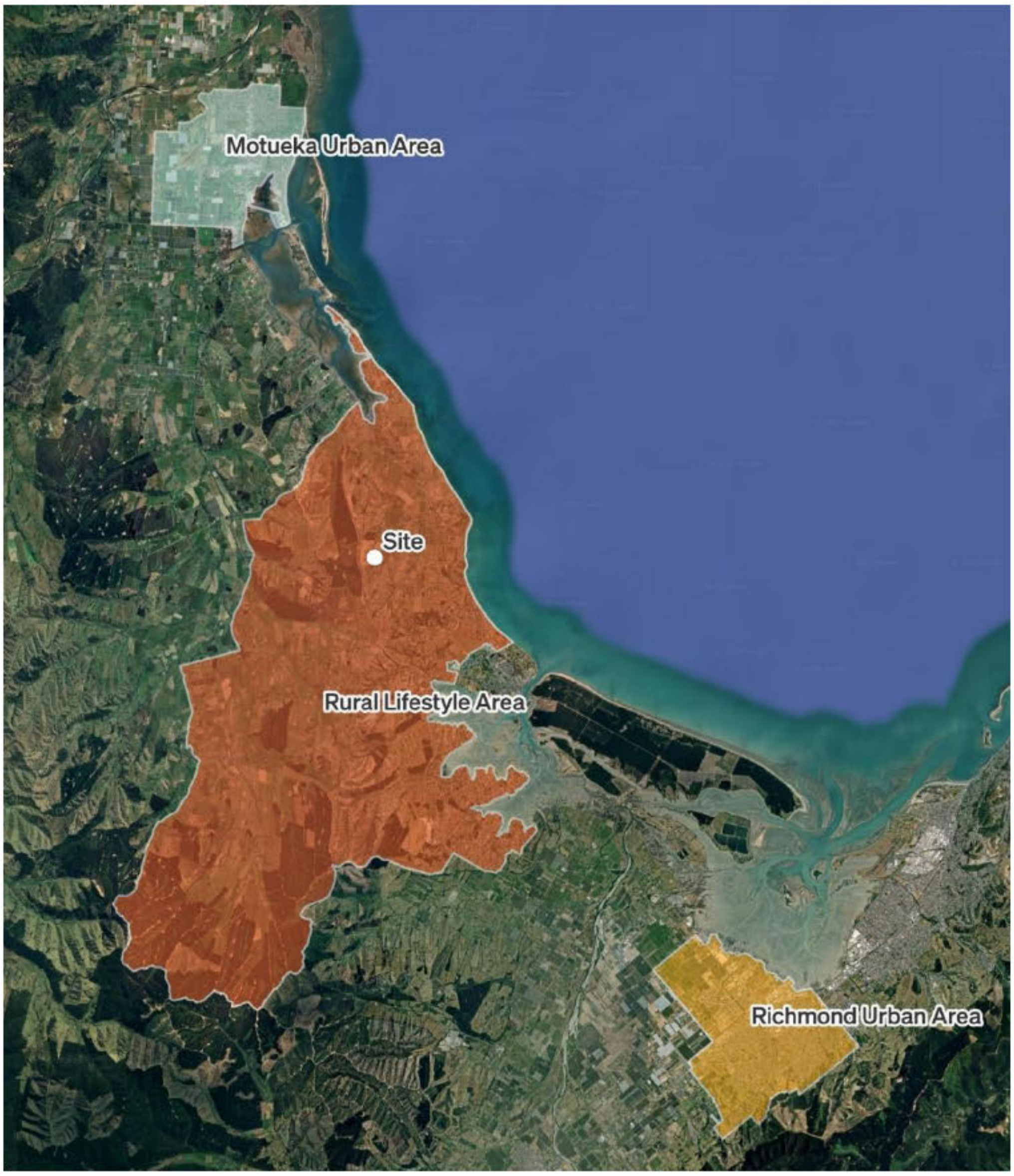
Region	2018-2023		
	Net Internal Migration	Population Growth	Net Internal Migration % of Population Growth
Northland	7,530	12,700	59%
Tasman	**2,740**	**5,100**	**54%**
Canterbury	25,500	53,800	47%
Otago	6,280	13,500	47%
West Coast	680	1,500	45%
Waikato	15,000	41,200	36%
Bay of Plenty	5,260	25,700	20%
Taranaki	1,570	8,200	19%
Manawatū-Whanganui	1,300	10,300	13%
Marlborough	240	2,100	11%
Hawke's Bay	-1,310	6,600	-20%
Gisborne	-620	2,800	-22%
Wellington	-6,500	12,100	-54%
Auckland	-109,200	200,800	-54%
Southland	-1,650	2,200	-75%
Nelson	-1,230	1,600	-77%

Source: Statistics NZ

4.5 Demographic Profile Analysis

Figure 12 illustrates the rural lifestyle area surrounding the proposal site, along with the nearby urban townships of Richmond and Motueka, each located within a 20-minute drive. These areas are used as comparative case studies to provide context on local demographic and income characteristics, and to better understand the profile of households likely to drive future housing demand in the study area.

Figure 12:
Demographic Profile Case Study Locations



Source: Statistics NZ

Figure 13 provides a breakdown of household income by age group for the rural lifestyle area surrounding the proposal site, compared with the nearby urban centres of Motueka and Richmond. A full detailed breakdown can be found in Appendix 2. The key points to note are:

- Middle-higher-income households are more common in the rural lifestyle area, with 29% of all households earning over $150,000, compared to 21% in Richmond and just 11% in Motueka.
- Over half of households in the rural lifestyle area are in the 40 - 64 year age range indicating a strong presence of working family households. This is likely driven by the ability to work from home, while being within a short commute of work.
- Among 40 - 64 year residents, 20% of rural lifestyle households earn over $150,000, significantly higher than Richmond (15%) and especially Motueka (8%).

Overall, this confirms there is a clear demographic distinction between the rural lifestyle and urban locations in Tasman District.

Figure 13:
Detailed Demographic Profile by Location Summary Table (2023)

Household Type	Age of Oldest Resident	Household Income	Household Count			% of Households		
			Rural Lifestyle*	Motueka Urban	Richmond Urban	Rural Lifestyle*	Motueka Urban	Richmond Urban
Total Households	Less than 39 Years	$70,000 or less	30	140	225	2%	5%	4%
		$70,001-$150,000	65	195	580	4%	6%	9%
		$150,000 Plus	35	50	255	2%	2%	4%
		Sub-total	**130**	**385**	**1,060**	**8%**	**13%**	**17%**
	40-64 Years	$70,000 or less	195	395	650	12%	13%	10%
		$70,001-$150,000	335	520	1,130	20%	17%	18%
		$150,000 Plus	335	235	955	20%	8%	15%
		Sub-total	**865**	**1,150**	**2,735**	**52%**	**38%**	**43%**
	65+ Years	$70,000 or less	325	1,145	1,880	19%	38%	29%
		$70,001-$150,000	235	295	560	14%	10%	9%
		$150,000 Plus	115	55	145	7%	2%	2%
		Sub-total	**675**	**1,495**	**2,585**	**40%**	**49%**	**41%**
	Total	**$70,000 or less**	**550**	**1,680**	**2,755**	**33%**	**55%**	**43%**
		$70,001-$150,000	**635**	**1,010**	**2,270**	**38%**	**33%**	**36%**
		$150,000 Plus	**485**	**340**	**1,355**	**29%**	**11%**	**21%**
		Sub-total	**1,670**	**3,030**	**6,380**	**100%**	**100%**	**100%**

Source: Statistics NZ

*Rural lifestyle zones surrounding the proposal site, i.e. in the Ruby Bay/Mapua area.

5. Rural Lifestyle Capacity & Demand Sufficiency Analysis

This section profiles the existing and pipeline rural lifestyle developments (i.e. capacity) with remaining capacity in the study area.

Figures 14-16 provide a profile of the existing and pipeline rural lifestyle developments within the study area[1]. This reflects the medium-term (10 year) 'reasonably expected to be realised' capacity in the study area, reflecting the developments that are zoned, serviced and expected to occur

[1] Developments located within the Tasman Resource Management Plan Rural 3 and Rural Residential Zones, informed from publicly available information and sources (i.e. development websites, news articles, Council plan changes, etc.).

over this period. The medium-term capacity is considered to be the most relevant period, when determining whether the housing market will function efficiently, and meet demand in terms of dwelling type, price and location. The main points are:

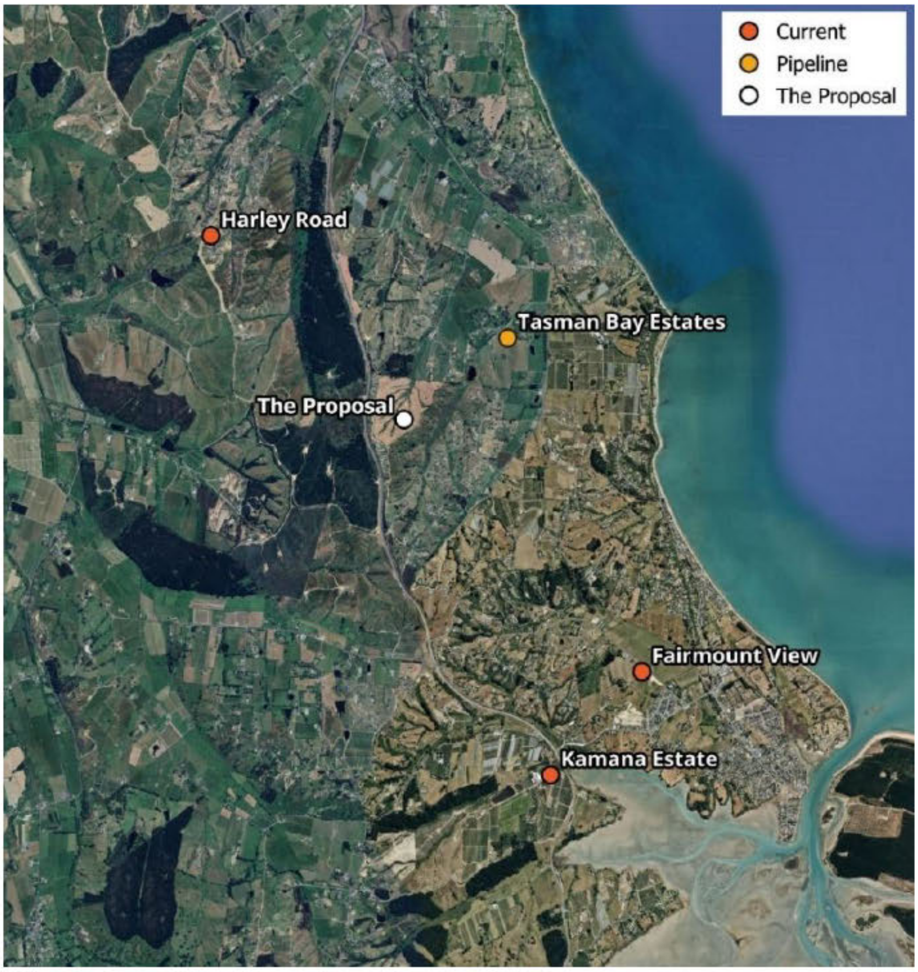
- There are currently three rural lifestyle developments supplying lots in the study area.
- In total, these developments will supply approximately 109 dwellings/lots, of which, 59 remain to be developed/sold.
- Most of the current developments entered the market recently, in the past 1-2 years.
- In total, there is estimated to be a fundamental annual rural lifestyle dwelling demand of 70 dwellings, as informed by recent building consents by location (Figure 9), or 85 dwellings p.a., including the NPS-UD demand buffer of 20% over the medium term (not a requirement however useful in principle).
- There is therefore a reasonably expected to be realised capacity in the study area of approximately 117 dwellings over the medium term.
- The proposal would increase total remaining medium-term rural lifestyle capacity to 258 dwellings.
- Based on the expected rates of rural lifestyle demand (i.e. UE estimate) there is an estimated 1.4 years of rural lifestyle capacity remaining.
- If the proposed development is approved, the remaining capacity would increase to 3.0 years and therefore, make a significant contribution towards meeting short-medium term rural lifestyle capacity in the district/region.

Figure 14:
Study Area Existing & Pipeline Rural Lifestyle Development Dwelling Supply

Status	Development	Total Dwellings/ Lots	Sold	% Sold	Currently Selling	Remaining Supply
Current	Harley Road	50	39	78%	2	11
	Fairmount View	33	2	6%	11	31
	Kamana Estate	26	9	35%	3	17
Total Current		**109**	**50**	**46%**	**16**	**59**
Pipeline	Tasman Bay Estates	58	-	-	-	58
Proposed Tahimana		**141**	**-**	**-**	**-**	**141**
Total Current + Pipeline		**167**	**50**	**-**	**16**	**117**
Total + Proposal		**308**	**50**	**-**	**16**	**258**

Source: CoreLogic, Developer Websites, TradeMe, Google

Figure 15:
Study Area Existing & Known Pipeline Rural Lifestyle Development Locations



Source: LINZ, Corelogic, Developer Websites, Google, UE

Figure 16:
Study Area Estimated Rural Lifestyle Dwelling Sufficiency

Rural Lifestyle	Total
UE Annual Dwelling Demand (incl. NPS-UD Demand Buffer)	85
Remaining Medium-Term Capacity (Current + Pipeline Developments)	117
Remaining Medium Term Capacity (Current + Pipeline + Proposal)	258
Remaining Years of Capacity (Current + Pipeline)	**1.4**
Remaining Years of Capacity (Current + Pipeline + Proposal)	**3.0**

Source: Statistics NZ, UE

5.1 Tasman Housing & Business Assessment

Tasman District Council has completed the report "Housing and Business Assessment for Tasman 2024" to meet the requirements for the NPS-UD. This report concludes, in Table A (page 4) that the District will have a capacity shortfall of 550 dwellings over the medium term, due to low lying land, natural hazards, highly productive land and infrastructure constraints. The proposal will assist in meeting this shortfall, by providing 141 additional dwellings, that are not affected by these constraints. This is a significant benefit, notably with regard to the development being largely serviced on-site. There is expected to be a degree of substitutability, between the suburban property in the towns and the smaller residential property in the proposed development, however this would be limited by the generally higher prices, which are suitable for middle-higher income households.

6. Study Area Infrastructure Capacity

Wastewater servicing for the proposal will be managed through a combination of systems. All of the residential allotments will connect to a communal onsite wastewater treatment system within the development, while the lifestyle and rural allotments will manage wastewater onsite within their individual property boundaries.

The communal and onsite wastewater systems are designed to operate independently of the Council reticulated infrastructure. As a result, the proposal will not place any burden on existing district wastewater networks or constrain their ability to service future urban growth. This mitigates the risk of relying on other parties to deliver infrastructure, and ensures new housing is able to be supplied to the market over the short-medium term.

The lifestyle and rural allotments will have onsite fresh water supply, while the residential allotments will be connected to the Council water system by way of a large communal water tank. As a result, the overall impact of the proposal on the existing district freshwater system is considered to be minor, and therefore not restrict growth within the urban areas of the rest of the district. The proposal will assist in addressing the District's housing shortage, which is in part due to infrastructure constraints, which is a significant benefit.

In addition to the above, the proposal includes a significant upgrade to public roading infrastructure. The developer will fund the upgrade and reconstruction of approximately 2.6 kilometres of Stagecoach Road, which will serve as the primary access route to the development. As part of this upgrade, a separated cycleway and walkway will also be delivered along Stagecoach Road, improving transport access and safety for pedestrians and cyclists. This investment supports the development but also delivers infrastructure benefits to the wider community.

7. Access to Employment Nodes & Services

The proposal site benefits from proximity to two growing employment centres. Within a 20-minute drive, Motueka and Richmond together support over 2,700 businesses and more than 12,600 jobs as of 2024. Job growth in these centres has been strong, with Richmond adding approximately 215 jobs per year since 2015, and Motueka contributing a further 60 jobs annually. This sustained employment growth enhances the appeal of the surrounding rural lifestyle areas, providing residents with convenient access to a growing local job market.

In addition to access to nearby employment centres, the proposal is likely to attract work-from-home households, given the growing flexibility of jobs and the appeal of rural lifestyle properties for home-based work.

Figure 17:
Business & Employment Growth within 20-Minutes Drivetime (2015-2024)

Location	Number of Businesses			Number of Jobs		
	2015	2024	Growth (p.a.)	2015	2024	Growth (p.a.)
Motueka	760	850	10	3,420	4,040	60
Richmond	1,470	1,920	45	6,470	8,600	215
Total	**2,230**	**2,770**	**55**	**9,890**	**12,640**	**275**

Source: Statistics NZ

8. Economic Contribution to GDP & Employment

This section assesses the impact of the proposal on employment and GDP. This assessment addresses whether the proposal will "deliver significant economic benefits" for the Tasman Region, as required by Section 22(2)(a)(iv) of the Fast-track Approvals Act, with respect to the purpose of the Act outlined in Section 3 of the Act.

8.1 Employment & GDP Contribution from Construction

The national 'value-added per employee' for each sector has been used to estimate the contribution to GDP and full-time equivalent (FTE) employment for the proposal. This methodology includes both the direct and indirect impact of the proposal.

Figure 18 shows the estimated national 'value-added per FTE employee'. These figures are used to estimate the FTE employees created by the construction of the proposal.

Figure 18:
Industry GDP and Value-Added per Employee

Sector	Value Added GDP ($M)	FTE Workers	Value Added GDP Per Employee
Construction	$29,159	179,300	$163,000
Agriculture	$13,252	78,900	$168,000

Source: Statistics NZ

Figure 19 provides an estimate of the economic contribution of the proposal. It is estimated that the proposed 141 dwellings would contribute $37.1 million to the construction sector's GDP and support approximately 225 FTE jobs.

Figure 19:
Value-Added GDP & FTE Employee Estimates

Development Component	Count	Value ($M)	Value Added GDP ($M)	FTE Employees
Residential	101	$87.3	$25.2	150
Lifestyle	38	$38.8	$11.2	70
Rural	2	$2.6	$0.7	5
Total	**141**	**$128.6**	**$37.1**	**225**

Source: UE, Statistics NZ

Figure 20 provides a comparison of the economic impact of the existing use (the 'Base Case' scenario) with the proposed development.

The Base Case scenario evaluates the economic value of the existing rural activity. The existing use is estimated to contribute approximately $0.6 million to GDP and support approximately 5 FTE jobs.

Overall, the proposal would result in a net additional contribution of $36.6 million to GDP and support 220 additional FTEs, when compared to the Base Case.

Figure 20:
GDP and FTE Comparison Base Case vs The Proposal

Scenario	Value ($M)	Value Added GDP ($M)	FTE Employees
The Proposal	$128.6	$37.1	225
Rural Base Case	$1.5	$0.6	5
Net Benefit	**$127.1**	**$36.6**	**220**

Source: UE, CoreLogic, Statistics NZ

8.2 Flow-on Effect of the Proposal on Primary Industries

The contribution of the proposal to GDP and FTE employment is estimated using the value-added approach[2]. This is further refined to estimate the direct and indirect contributions to GDP based on an evaluation of the interrelationship between different sectors of the economy (using input-output tables sourced from Statistics NZ) with a particular focus on the proposal's impact on primary industries.

Figure 21 outlines the proposal's value-added contribution to GDP and breaks this down into direct and indirect impacts and FTE employment. Some of the key points to note are:

- The proposal's direct impact on the construction sector is estimated to be $17.4 million in GDP. This would support approximately 105 FTE jobs.
- The proposal's indirect impact of the construction on primary industries is estimated to be $8.2 million in GDP. This would support approximately 50 FTE jobs. This includes, for example, jobs in the 'Agriculture, forestry and logging' sector resulting from the purchasing of raw materials to construct the proposed dwellings (e.g. timber).

[2]The value-added of an industry, also referred to as gross domestic product (GDP)-by-industry, is the contribution of a private industry or government sector to overall GDP. The components of value-added consist of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus. Value-added equals the difference between an industry's gross output (consisting of sales or receipts and other operating income, commodity taxes, and inventory change) and the cost of its intermediate inputs (including energy, raw materials, semi-finished goods, and services that are purchased from all sources).

Figure 21:
Economic Impact of The Proposal on Primary Industries

Impact	Sector	Multiplier	Project Value ($M)	GDP ($M)	FTE
Direct	Construction	1.00	$60.4	$17.4	105
Indirect	Primary	0.47	$28.6	$8.2	50
	Other	0.66	$39.6	$11.4	70
Total Impact	-	**2.13**	**$128.6**	**$37.1**	**225**

Source: Statistics NZ, UE

8.3 Employment & GDP Generation from Ongoing Expenditure

Figure 22 shows the estimated national 'value-added per FTE employee'. These value-added per employee figures are used to estimate the FTE employees created from the ongoing household expenditure from future residents of the proposed development. The sectors that have been included contribute approximately $113.7 billion to national GDP and employ approximately 900,800 FTEs. This results in a value-added of $126,000 per employee.

Figure 22:
Industry GDP and Value-added per Employee

Household Expenditure Sectors	Value Added GDP ($M)	FTE Workers	Value Added GDP Per Employee
Retail Trade	17,400	166,000	$105,000
Accommodation and Food Services	8,600	102,000	$84,000
Transport, Postal and Warehousing	16,800	86,800	$194,000
Financial and Insurance Services	23,600	67,000	$353,000
Education and Training	15,600	164,000	$96,000
Health Care and Social Assistance	26,700	218,000	$123,000
Arts and Recreation Services	5,000	97,000	$52,000
Total	**113,700**	**900,800**	**$126,000**

Source: Statistics NZ

Figure 23 provides an estimate of the ongoing household expenditure expected upon completion of the proposal (i.e. 2036). The main points to note are:

- Upon completion, the average household expenditure is forecast to be approximately $45,100 per annum. This generates a value-added contribution to GDP of approximately $25,900 per annum.
- The total ongoing household expenditure from the residents is estimated to be approximately $6.4 million per annum. This generates a value-added contribution to GDP of approximately $3.7 million per annum, supporting approximately 30 FTE jobs (based on a value-added per employee ratio of $126,000).

Figure 23:
Employment & GDP Generation from Ongoing Household Expenditure

Ongoing Household Expenditure	Number of Households	Average HH Spend ($p.a.)*	Value Added GDP (p.a.)	HH Expenditure Per Annum ($M)	Value Added GDP Per Annum ($M)	FTE Employees (p.a.)
Tahimana	141	$45,100	$25,900	$6.4	$3.7	30

Source: UE, Statistics NZ

*Upon completion of proposed development (approximately 2036).

9. Tasman Region Greenfield Development Additive vs Redistributive Demand Analysis

This section assesses whether large-scale greenfield development represents an addition or redistribution to the housing market, i.e. whether it results in a net increase to total supply and demand for housing in the Tasman region, or whether it redistributes supply and demand from other locations within the region.

The analysis below provides a quantitative assessment to determine whether greenfield development is additive or redistributive in the Tasman region.

9.1 Methodology

A 'Statistical Area 2' (SA2) dataset of annual dwelling building consents from 2000 - 2024 was prepared for the Tasman region. This was disaggregated into greenfield (GF) and infill (IF) locations. Figure 24 provides a map highlighting these locations.

From this dataset the year-over-year changes were calculated:

- **ΔGF** = change in greenfield dwelling uptake
- **ΔIF** = change in infill dwelling uptake
- **ΔTotal** = change in total dwelling uptake

The following regression was then estimated:

$$\Delta IF_y = a + b \cdot \Delta GF_y + \varepsilon_y$$

This was estimated using Ordinary Least Squares (OLS), a widely used statistical method in economic analysis. OLS identifies the best-fit linear relationship between variables and is the standard framework for evaluating how changes in one factor are associated with changes in another.

From this regression, the impact of greenfield development on total development is inferred as:

$$\Delta Total = \Delta GF + \Delta IF \approx (1 + b)\,\Delta GF$$

The additivity factor (1 + b) indicates the extent to which greenfield development contributes to total growth, and can be interpreted as follows:

- **0 < 1 + b < 1:** partially additive
- **1 + b = 1:** fully additive (one-for-one)
- **1 + b > 1:** more than fully additive (i.e. greenfield stimulates additional growth beyond its own contribution)

The regression tests how changes in greenfield construction influence infill activity. This relationship determines whether the overall increase in total dwelling uptake is less than, equal to, or greater than the greenfield contribution.

To ensure reliability, robust standard errors (HC1) were applied within the regression, adjusting for irregularities in the annual dwelling data. In addition, annual additivity ratios (ΔTotal / ΔGF) were calculated as a separate diagnostic check, allowing consistency to be assessed across individual years.

9.2 Results

The analysis shows that greenfield dwelling uptake in the Tasman region is associated with a 'more than additive' increase in total dwelling uptake. In other words, new greenfield development is linked to the greenfield dwellings and additional dwellings, being delivered across the Tasman region. The statistical results and key interpretations are as follows:

- Estimated additivity factor = 1.14
- R^2 = 0.83 (strong explanatory power - i.e. 83% explanatory power)
- This means that on average, an additional 100 greenfield dwellings are associated with a net additional 114 dwellings in the Tasman region.
- Applied to the Tahimana development of 141 dwellings, this equates to an estimated 160 additional total dwellings in the region (i.e. the 141 dwellings in the development would result in a 114% increase in the total dwellings supplied and demanded in the region: 141x114%=160 net additional dwellings).

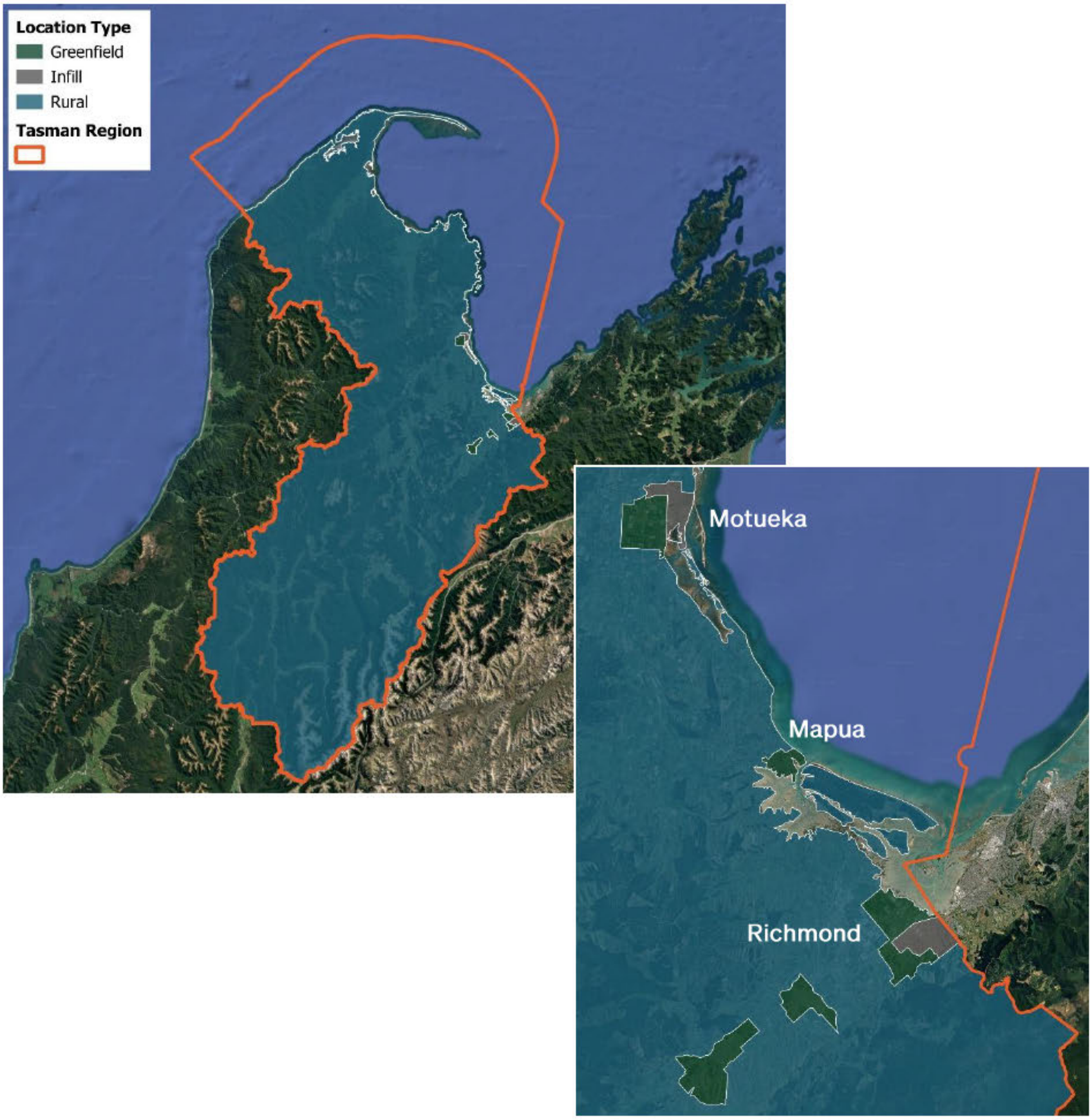
UE has undertaken a similar analysis in the Queenstown-Lakes District. That analysis found an estimated additivity factor of 1.24. This means that every 100 additional greenfield dwellings are associated with a net additional 124 total dwellings, i.e. new greenfield developments are 'more than additive', as they also stimulate further housing activity beyond the development itself.

9.3 Conclusion

The empirical results demonstrate that greenfield activity in the Tasman region is demonstrably additive rather than redistributive. **This means the proposed Tahimana 141 dwelling greenfield development is likely to generate a net addition of 160 dwellings over the medium-long term across the region.** This represents a material contribution to easing housing pressures and indicates that a new greenfield development will increase total growth, i.e. leads to additional growth rather than spreading existing growth more thinly. Additionally, findings from the Queenstown analysis show that in similarly constrained housing markets, large-scale greenfield developments act as a catalyst for additional growth beyond their direct contribution.

Based on this analysis, new greenfield developments are estimated to support higher rates of growth, and be a catalyst for additional growth, increasing housing supply, reducing prices and increasing total economic activity and employment.

Figure 24:
Greenfield and Infill Locations - Tasman Region



Source: LINZ, Statistics NZ, UE

10. Fast-track Approvals Act Economic Considerations

This section assesses the proposal against the relevant economic matters related to regional or national significance in the Fast-track Approvals Act.

The relevant section for an economic analysis is outlined as follows.

> **Section 3:** *"The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits."*

The following sections may provide some guidance on how to determine significant regional or national economic benefits.

> **Section 22(1)**: *"The criteria for accepting a referral application are that-*
>
> *(a) the project is an infrastructure or development project that would have significant regional or national benefits..."*
>
> **Section 22(2)**: *"For the purposed of subsection (1)(a), the minister may consider-*
>
> *(a) whether the project-*
>
> *...*
>
> *(iii) 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)*
>
> *(iv) will deliver significant economic benefits*
>
> *(v) will support primary industries, including aquaculture:*

Each of the subsections outlined above are addressed below.

Section 22(2)(a)(iii): Housing Supply and Contribution towards Well-Functioning Urban Environment

While the proposal is located outside of a defined urban environment and is not subject to assessment under the National Policy Statement on Urban Development (NPS-UD), Policy 1 of the NPS-UD provides a useful set of economic principles that inform how developments can support a well-functioning housing market. These principles are relevant in determining whether the proposal contributes positively to housing supply and market efficiency in the wider district.

The proposal would make a significant contribution to the supply of housing, as confirmed in the 'additive vs redistributive' analysis in Section 9, and contribute towards a more efficient rural lifestyle housing market. The reasons for this are summarised below.

Policy 1 of the National Policy Statement on Urban Development (NPS-UD) reads as follows:

> ***Policy 1:*** *"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...*

> *(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; ....”*

The proposal would make a substantial contribution to the operation of the rural lifestyle land and development market within the study area, which is currently undersupplied relative to future demand.

Currently there is approximately 1.4 years of rural lifestyle dwelling capacity remaining in the study area. This is not sufficient to meet the short or medium-term housing needs of the district as required by Policy 2 of the NPS-UD, which states that:

> *“Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.”*

The proposal would increase rural lifestyle capacity to an estimated 3.0 years, significantly contributing towards meeting the medium-term capacity of the study area.

The proposal is considered to meet Section 22(2)(a)(iii) of the Fast-track Approvals Act.

Section 22(2)(a)(iv): Significant Economic Benefits

This proposal is estimated to contribute $37.1 million to GDP and support 225 FTE jobs. This is considered to be a significant economic benefit.

The proposal would supply a significant number of new dwellings to a supply constrained market, ensuring there is sufficient housing to meet demand, and that housing becomes more affordable over time.

As concluded in the Tasman Region Greenfield Development Additive vs Redistributive Analysis (Section 9), large greenfield developments in the Tasman region are additive, rather than redistributive. Therefore, the construction of the proposed development is considered to result in a net addition to the regional construction sector, beyond the development itself. As such, the net economic benefits stated above ($37.1 million contribution to GDP, 225 FTE jobs) are conservative, given the estimated greenfield development additivity rate for the region is 114%.

The proposed project is therefore considered to meet Section 22(2)(a)(iv) of the Fast-track Approvals Act.

Section 22(2)(a)(v): Contribution towards Supporting Primary Industries

The proposal is estimated to result in a total contribution to primary sector GDP of $8.2 million, which would support an estimated 50 FTE jobs. This is considered to be a significant contribution to primary sector industries.

The proposal is considered to meet Section 22(2)(a)(v) of the Fast-track Approvals Act.

In conclusion, the proposal is therefore considered to meet Section 3 of the Fast-track Approvals Act as it offers significant regional benefits, including a significant contribution to GDP, significant additional employment opportunities and support a well-functioning housing market, by providing a large quantity of desirable housing in a market that has faced ongoing house price increases.

11. Conclusion

The proposal would result in significant economic benefits to the Tasman Region. In particular it would:

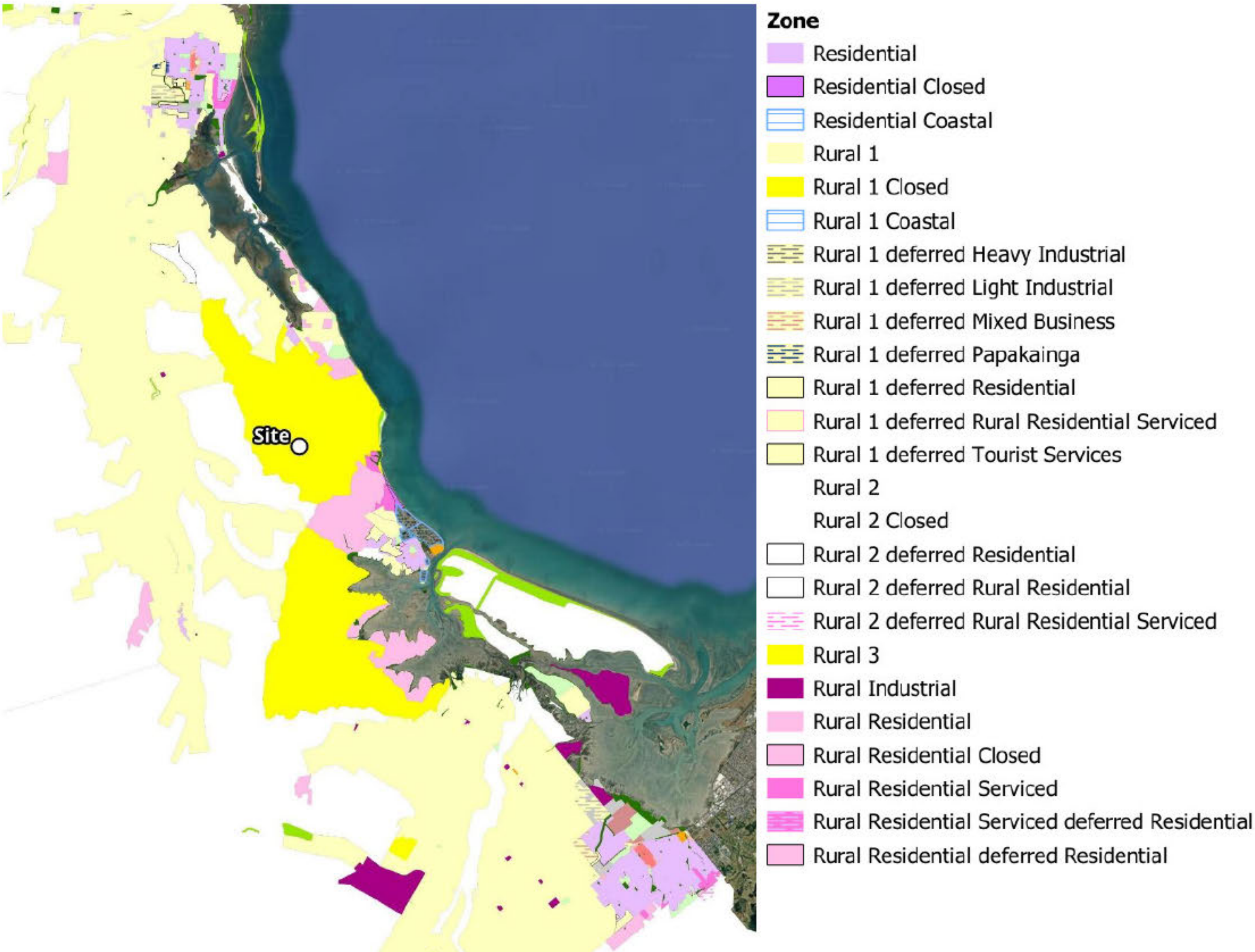
- contribute 141 additional dwellings to a supply constrained market[3],
- provide desirable dwellings and put downward pressure on housing prices generally by increasing supply,
- increase total medium-term rural lifestyle capacity to 238 dwellings, increasing remaining capacity from 1.4 to 3.0 years,
- support net additional construction sector GDP and employment, of $37.1 million and 225 FTE jobs,
- enable ongoing population growth, leading to significant net additional GDP and employment, of $3.7 million and 30 FTE jobs,
- provide an on-site wastewater system of a significant scale, which does not place additional demand on existing infrastructure and results in no additional cost to the Council or the ratepayer, and
- deliver an upgrade of approximately 2.6 km of Stagecoach Road, including a separated cycleway and walkway, providing transport and amenity benefits at no additional cost to the Council or ratepayers.

The proposal is considered to meet the economic requirements of the Fast-track Approvals Act and is recommended for approval.

[3] This aligns with Tasman District Council's 2024 Housing and Business Assessment, which confirms the district faces a medium-term housing shortfall due to land and infrastructure constraints.

12. Appendix 1: Tasman District Zoning Map

Figure 25:
Tasman District Zoning Map



Source: Tasman District Council, Google

13. Appendix 2: Detailed Demographic Profile Table

Figure 26:
Detailed Demographic Profile by Case Study Location (2023)

Household Type	Age of Oldest Resident	Household Income	Household Count			%of Households		
			Rural Lifestyle*	Motueka Urban	Richmond Urban	Rural Lifestyle*	Motueka Urban	Richmond Urban
Singles & Couples	Less than 39 Years	$70,000 or less	20	55	85	1%	2%	1%
		$70,001-$150,000	25	65	185	1%	2%	3%
		$150,000 Plus	0	10	95	0%	0%	1%
		Sub-total	**45**	**130**	**365**	**3%**	**4%**	**6%**
	40-64 Years	$70,000 or less	140	225	400	8%	7%	6%
		$70,001-$150,000	150	195	445	9%	6%	7%
		$150,000 Plus	125	55	265	7%	2%	4%
		Sub-total	**415**	**475**	**1,110**	**25%**	**16%**	**17%**
	65+ Years	$70,000 or less	320	1,065	1,810	19%	35%	28%
		$70,001-$150,000	190	175	410	11%	6%	6%
		$150,000 Plus	75	35	85	4%	1%	1%
		Sub-total	**585**	**1,275**	**2,305**	**35%**	**42%**	**36%**
	Total	$70,000 or less	480	1,345	2,295	29%	44%	36%
		$70,001-$150,000	365	435	1,040	22%	14%	16%
		$150,000 Plus	200	100	445	12%	3%	7%
		Sub-total	**1,045**	**1,880**	**3,780**	**63%**	**62%**	**59%**
Families with Children	Less than 39 Years	$70,000 or less	10	85	140	1%	3%	2%
		$70,001-$150,000	40	110	355	2%	4%	6%
		$150,000 Plus	35	35	125	2%	1%	2%
		Sub-total	**85**	**230**	**620**	**5%**	**8%**	**10%**
	40-64 Years	$70,000 or less	55	160	245	3%	5%	4%
		$70,001-$150,000	175	285	630	10%	9%	10%
		$150,000 Plus	195	155	620	12%	5%	10%
		Sub-total	**425**	**600**	**1,495**	**25%**	**20%**	**23%**
	65+ Years	$70,000 or less	5	50	55	0%	2%	1%
		$70,001-$150,000	35	70	120	2%	2%	2%
		$150,000 Plus	25	15	35	1%	0%	1%
		Sub-total	**65**	**135**	**210**	**4%**	**4%**	**3%**
	Total	$70,000 or less	70	295	440	4%	10%	7%
		$70,001-$150,000	250	465	1,105	15%	15%	17%
		$150,000 Plus	255	205	780	15%	7%	12%
		Sub-total	**575**	**965**	**2,325**	**34%**	**32%**	**36%**
Other	Less than 39 Years	$70,000 or less	0	0	0	0%	0%	0%
		$70,001-$150,000	0	20	40	0%	1%	1%
		$150,000 Plus	0	5	35	0%	0%	1%
		Sub-total	**0**	**25**	**75**	**0%**	**1%**	**1%**
	40-64 Years	$70,000 or less	0	10	5	0%	0%	0%
		$70,001-$150,000	10	40	55	1%	1%	1%
		$150,000 Plus	15	25	70	1%	1%	1%
		Sub-total	**25**	**75**	**130**	**1%**	**2%**	**2%**
	65+ Years	$70,000 or less	0	30	15	0%	1%	0%
		$70,001-$150,000	10	50	30	1%	2%	0%
		$150,000 Plus	15	5	25	1%	0%	0%
		Sub-total	**25**	**85**	**70**	**1%**	**3%**	**1%**
	Total	$70,000 or less	0	40	20	0%	1%	0%
		$70,001-$150,000	20	110	125	1%	4%	2%
		$150,000 Plus	30	35	130	2%	1%	2%
		Sub-total	**50**	**185**	**275**	**3%**	**6%**	**4%**
Total Households	Less than 39 Years	$70,000 or less	30	140	225	2%	5%	4%
		$70,001-$150,000	65	195	580	4%	6%	9%
		$150,000 Plus	35	50	255	2%	2%	4%
		Sub-total	**130**	**385**	**1,060**	**8%**	**13%**	**17%**
	40-64 Years	$70,000 or less	195	395	650	12%	13%	10%
		$70,001-$150,000	335	520	1,130	20%	17%	18%
		$150,000 Plus	335	235	955	20%	8%	15%
		Sub-total	**865**	**1,150**	**2,735**	**52%**	**38%**	**43%**
	65+ Years	$70,000 or less	325	1,145	1,880	19%	38%	29%
		$70,001-$150,000	235	295	560	14%	10%	9%
		$150,000 Plus	115	55	145	7%	2%	2%
		Sub-total	**675**	**1,495**	**2,585**	**40%**	**49%**	**41%**
	Total	**$70,000 or less**	**550**	**1,680**	**2,755**	**33%**	**55%**	**43%**
		$70,001-$150,000	**635**	**1,010**	**2,270**	**38%**	**33%**	**36%**
		$150,000 Plus	**485**	**340**	**1,355**	**29%**	**11%**	**21%**
		Sub-total	**1,670**	**3,030**	**6,380**	**100%**	**100%**	**100%**

Source: Statistics NZ

*Rural lifestyle zones surrounding the proposal site, i.e. in the Ruby Bay/Mapua area.