PROPERTY ECONOMICS



RANGITOOPUNI FOREST

DEVELOPMENT FAST-TRACK

ECONOMIC IMPACT MEMORANDUM

Client:	Rangitoopuni Developments Limited Partnership
Project No:	52629
Date:	May 2026

W: www.propertyeconomics.co.nz E: s 9(2)(a) M: s 9(2)(a) PO: Box 315596, Silverdale 0944

28 May 2026 DIGITALLY DELIVERED

ECONOMIC MEMORANDUM

To: Rangitoopuni Developments Limited Partnership
c/- Mitch Tweedie
General Manager
Avant Group
Email: s 9(2)(a)

RE: FAST-TRACK ECONOMIC IMPACT OVERVIEW OF RANGITOOPUNI FOREST DEVELOPMENT

INTRODUCTION

Property Economics has been commissioned by Rangitoopuni Developments Limited Partnership ("the Applicant") to assess and quantify the economic benefits that will flow from the proposed Rangitoopuni Forest development, under the Fast-track Approvals Act 2024 ("FTAA").

Specifically, this economic memorandum assesses the latest economic and market metrics to determine if the Project will deliver significant economic benefits and contribute positively to the regional economy and satisfy the relevant provisions of the FTAA for a referral application, including:

- Section 3 which states that, "*The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.*"
- Section 13 which outlines the information requirements for a referral application.
- Section 22 which outlines the criteria for assessing a referral application.
- Schedule 5 Clause 2 which outlines information about the proposed resource consent application required in a referral application.

In short, the FTAA seeks to facilitate infrastructure and development proposals where the proposed development results in significant regional or national benefits. In assessing whether a project has such benefits, the following matters (of particular relevance to the current Project) may be considered:

- Whether the project will enable the continued functioning of existing regionally or nationally significant infrastructure.
- Whether the project will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (as per Policy 1 of National Policy Statement on Urban Development 2020 ("NPS-UD")).
- Whether the project will deliver significant economic benefits.

OVERVIEW OF THE RANGITOOPUNI FOREST DEVELOPMENT

The Rangitoopuni Forest Project represents the new stage in the long-term realisation of Te Kawerau ā Maki's Treaty Settlement land within Riverhead Forest. The proposed development is located to the northeast of Riverhead's existing urban residential areas and services, encompassing around 2,980ha of land (excluding Lot 1 and Retirement Village in Lot 2, and a part of Old North Road). Given this proximity, the subject development can be expected to positively contribute to the continued urban growth and expansion of the Riverhead community.

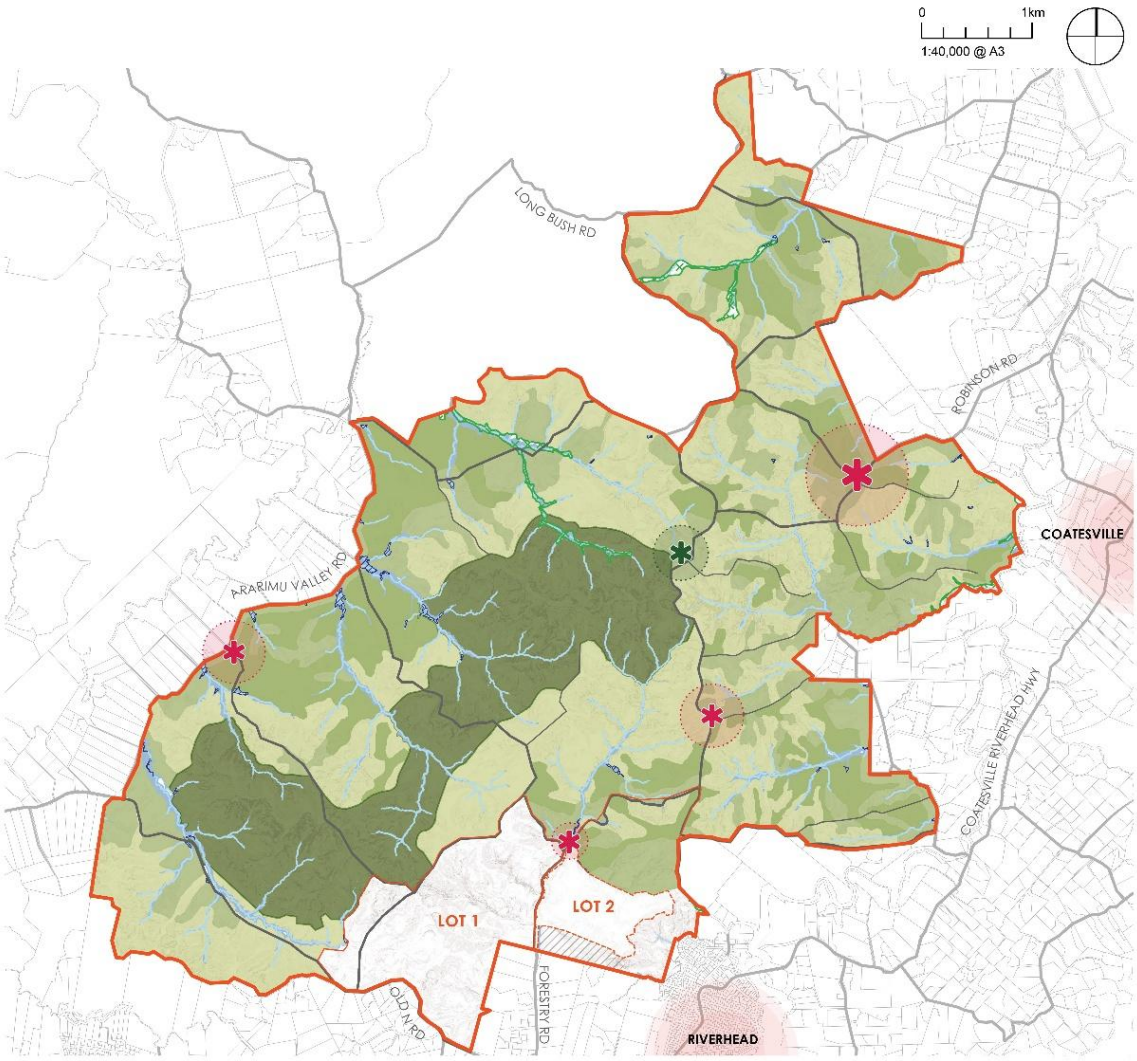
Note that while the sites (Lots 3-8) are zoned as Rural – Rural Production Zone under the Auckland Unitary Plan Operative in Part, the area being Treaty Settlement Land is also subject to special plan provisions (E21). These provisions allow for housing on Treaty Settlement Land at an average yield of one dwelling per hectare as a permitted activity, with more intensive development scenarios also provided for in the provisions.

In addition, the development area has easy and quick access to SH16, only a short 5-minute drive away. This reflects the good connectivity of the site to other urban areas of Auckland West, potentially increasing the attractiveness and accessibility of the development site for communities.

Specifically, the Project proposes a range of land use activities across Lots 3-8 within the forest area adjoining the approved Rangitoopuni development. These include around 3,760 rural lifestyle lots ranging in size from 2,500sqm to 1ha, together with around 150 small-scale residential dwellings. The Project also provides for some small-scale retail, commercial and light industrial activities, as well as tourism, community facilities and a small water storage structure.

An indicative masterplan of the wider Project (including approved Rangitoopuni Lot 1 and 2 component) is illustrated in the figure below.

FIGURE 1: INDICATIVE MASTERPLAN (INCLUDING RANGITOOPUNI LOT 1 & 2)



Source: Boffa Miskell

TOTAL ECONOMIC ACTIVITY FROM THE DEVELOPMENT

Injection into the Auckland Regional Economic Activity

This section assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general demolition, construction, design, infrastructure and development works. It anticipates development across a 20-year period. There is no indication of any material factors present which might delay progression of the Project and consequently delay the onset of any economic impact.

Relevant assumptions, underpinning data and exclusions are presented in Appendix 1. An explanation of how the outputs in Table 1 were calculated is provided in Appendices 2-3.

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

	2026-2030	2031-2035	2036-2040	2041-2047	Total
Direct Expenditure ($m)					
Land					
Earthworks / Civil Works/Infrastructure	$460.0	$230.0	$230.0	$0	$920.0
Civil Consultants	$59.7	$15.7	$0	$0	$75.4
Demolition	$0	$0	$0	$0	$0
Other	$22.2	$22.2	$22.2	$13.3	$80.0
Levies	$8.49150	$26.5	$23.3	$9.8	$68.2
Infrastructure	$47.6017	$76.2	$66.6	$0	$190.4
Total Development Costs (excl. land)	$598.0	$370.6	$342.2	$23.2	$1,333.9
Construction	$425.5	$1,329.9	$1,169.3	$1,117.2	$4,042.0
Total Construction and Development Costs (excl. Land)	$1,023.5	$1,700.6	$1,511.5	$1,140.3	$5,375.9
Total Direct Expenditure (excl. land)	**$1,025.0**	**$1,726.8**	**$1,600.5**	**$1,335.3**	**$5,687.7**
Level 2 Multiplier Impacts					
Total Auckland GDP NPV (48 sector multipliers)	**$1,013.0**	**$1,364.5**	**$958.7**	**$545.3**	**$3,881.4**
Employment (FTE Years)					
Development Employment	3,362	1,848	1,634	106	6,950
Construction Employment	2,722	7,136	4,953	3,648	18,459
Other Employment	732	526	571	582	2,411
Total Employment (FTE years)	**6,816**	**9,510**	**7,158**	**4,336**	**27,820**

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.*

Economic Activity

Two key values are represented in Table 1. The first is the Economic Activity generated in the Auckland Region. The Project will generate a direct expenditure of approximately $5.69 billion which represents the total cost of the development (excluding land).

This capital expenditure then is assessed through the process indicated in Appendix 1 which includes calculating the amount of direct spend that is retained within the Auckland Region. As a result, the Project will result in approximately $3.88 billion of total value added (GDP) for the Auckland Region over the life of the 20-year development timeframe.

Employment

The second aspect is the generation of employment. The Project will also contribute around 2,800 FTE jobs[1] during the peak construction year within Auckland, with a total estimated 27,820 FTE years over the development period.

For context, according to Stats NZ[2], the regional unemployment rate increased from 3.5% in 2022 to 6.6% in the first quarter of 2026. This equates to around 69,500 people unemployed in labour force within the Auckland region. Against this context, the Project will make a direct contribution to supporting regional employment levels.

In addition, in the first quarter of 2026, Auckland Region's labour force has an underutilisation rate of approximately 14%, the highest in five years and up from 9.5% in early 2020. This equates to an estimated 147,100 underemployed[3] people currently. The Project can be expected to support better labour utilisation by expanding employment opportunities and providing work for those who are currently underemployed.

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%[4]. In this section, sensitivity testing is undertaken using the 2% discount rate to quantify the scale of the Project's economic contribution to Auckland regional economy under this scenario.

The results indicate that, when applying the Treasury's mandatory 2% discount rate, the proposed development at the site is estimated to generate approximately $7 billion in total business activity across the Auckland Region over the full development timeframe.

AUCKLAND WEST POPULATION GROWTH AND RESIDENTIAL DEMAND

The table below presents the population and household growth projections within the Auckland West market over the next 13 years. These projections are derived from Stats NZ population High growth scenario which is more appropriate to reflect Auckland West's recent growth profile compared to the more conservative Medium scenario.

Based on the latest (June 2025) population estimate, around 302,300 people currently reside in Auckland West, accounting for around 17% of the region's total population of around 1.82 million people. In the event of achieving the High growth rate scenario over the forecast period, it is anticipated that the Auckland West's population will surpass 384,000 people by 2038. This

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

[2] *Stats NZ Household Labour Force Survey [https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2026-quarter/]*

[3] *Part-time workers who have both the desire and availability to work more hours.*

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

represents a net increase of approximately +81,720 people, equating to a growth of around +27% from the 2025 base.

TABLE 2: POPULATION PROJECTIONS AND ESTIMATES FOR AUCKLAND WEST

High Growth Scenario	2025	2028	2033	2038
Population	302,300	316,110	349,990	384,020
Households	104,420	110,240	123,140	136,290
Households Growth		5,820	18,720	31,870
Total Dwellings Required (incl. Unoccupied)		6,190	19,910	33,900
Net Dwellings Required + NPS Buffer		**7,430**	**23,890**	**40,680**

Source: Stats NZ, Property Economics

In terms of households, there is an anticipated increase of around +31,870 households, suggesting a demand for the same number of new dwellings assuming a one household per dwelling ratio. This demand excludes unoccupied dwellings identified as empty or used for holiday homes, but form part of total dwelling demand.

According to the 2023 Census data, the dwelling occupancy ratio within the catchment was around 94%[5]. Applying this ratio suggests that, including unoccupied dwellings, Auckland West would require a total of around 33,900 new dwellings by 2038.

Factoring in the appropriate NPS-UD buffers[6] would increase the net additional total dwelling requirement in Auckland West to around 40,680 new dwellings by 2038. Incorporating such buffers enhances market efficiency, maintains relative competitiveness, slows the rate of land and house price growth, and provides greater choices in terms of location, price, and typology.

RESIDENTIAL MARKET TRENDS

To understand the demand for residential properties in residential areas close to the development site, Figure 3 presents an overview of the median house prices of Riverhead over the past decade, spanning from March 2016 to March 2026.

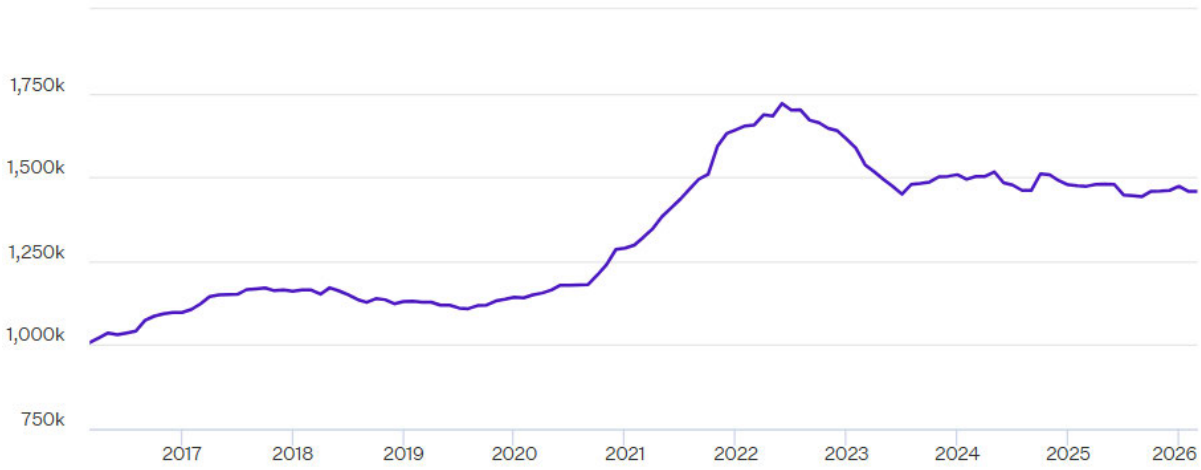
In general, there was a significant trend observed in Riverhead's median house prices, which increased from about $1m in March 2016 to around $1.46m in March 2026, indicating a material increase of approximately +46%.

This surge notably exceeded the growth rate of the wider Auckland Region's median house price, which rose from around $835,000 to around $1.04m, equating to a +25% increase over the same period.

[5] *This includes 90% of dwellings identified as 'Occupied' and 4% of dwellings identified as 'Residents Away'.*

[6] *The competitive margins for Tier 1 and Tier 2 councils are to provide 20% additional residential capacity over the projected demand for short- and medium-term timeframes.*

FIGURE 2: MEDIAN RESIDENTIAL SALES PRICE TRENDS IN THE RIVERHEAD LOCAL MARKET



Source: Cotality, Opes Partners

The relatively higher local house prices reflect the increasing attractiveness of the area, as well as a slower rate of new housing supply relative to underlying residential demand. This imbalance between supply and demand has significantly contributed to the escalating property prices in the local area. This suggests the sales rate in Riverhead reflects a lack of new supply being delivered to the market rather than demand, i.e., demand is likely higher than sales indicate.

Furthermore, over the past decade, the wider Riverhead, Kumeū and Huapai area has experienced notable enhancements in infrastructure, expanded amenities, and improved connectivity to the rest of the Auckland Region. These developments have collectively bolstered the area's appeal as a residential destination and have further fuelled demand for properties in the area, thus contributing to the consistent upward trajectory in property prices observed.

Considering these trends, enabling the proposed development to introduce 3,760 new dwellings would represent a significant injection into the local market and the broad region and assist in slowing house price growth. Consequently, the proposal has the potential to improve housing affordability in the local market and the wider Auckland Region, positively impacting economic and social well-being.

OTHER QUALITATIVE ECONOMIC BENEFITS

There are a range of other qualitative economic benefits that are likely to be achieved within the market beyond the direct economic activity (such as employment and economic output) generated as assessed earlier in this analysis. These are outlined in more detail below.

- Increased housing / residential capacity supply: In an economic environment where the market identifies a diverse range of circumstances, expanding the residential choices available to consumers enables them to make decisions that better suit their personal needs

and preferences. In this regard, the provision of additional residential product provides more options that, putting aside the costs element, will improve the community wellbeing.

The Project will also enable opportunities for marae and papakāinga housing, ensuring that the whenua continues to sustain current and future generations. This means the residential benefits of the Project are not limited to the general market, but also extend specifically to iwi aspirations for housing, intergenerational wellbeing, and maintaining cultural connections to ancestral land. Such outcomes can support the return of whānau to whenua, strengthen community cohesion, and reinforce the transfer of tikanga, mātauranga, and whakapapa across generations.

- Leveraging Māori-owned land for economic prosperity: The Project demonstrates the potential of Māori-owned land to generate wealth while respecting tikanga Māori. This project has the potential to set a precedent for other iwi and hapū by showcasing how cultural values, environmental stewardship, and economic prosperity can be synergised. It will establish a long-term pathway for self-determined economic growth, ensuring benefits for current and future Māori generations.

- Increased and diversified choice of housing location: The proposed development will also provide residents additional choices in their living environment in respect of location and potentially impact the overall price point resulting from supply, within the local market and the wider region. The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase in the relative attractiveness of the area with wider markets. In addition, enabling a greater mix of housing types in more locations would also help match the housing stock to match the future population's needs.

- Increased economic activity / local employment: Beyond the direct employment generated through the development and construction phases, the Project's increase in local population would support additional employment growth across the surrounding area by increasing demand for local businesses and services. This would provide an economic benefit to the local economy, supporting further business growth, service provision, and amenity improvements over time.

- Potential for improved affordability in the region: Auckland is widely recognised as one of New Zealand's least affordable housing markets, driven in part by a persistent undersupply of housing relative to population growth. In this context, accelerating the proposed development through Fast-track has the potential to improve housing affordability by increasing housing supply and development capacity.

- Enhanced access to existing and planned infrastructure networks: The proposed development would support more efficient use of existing infrastructure, services, and amenities in Auckland West and surrounding areas by increasing the local population base. This would improve utilisation of schools, healthcare facilities, recreational amenities, and

public transport, while strengthening the customer base for local businesses and supporting the vitality of existing centres and services across the area.

- Potential impetus for greater levels of local and regional growth: The proposed development has the potential to catalyse broader urban and economic growth by enabling additional housing, commercial activity, and complementary land uses. Population growth would increase demand for goods, services, and employment, supporting local and regional economic growth and contributing to a more self-sustaining urban community over time.

We have not endeavoured to quantify in dollar terms potential benefits arising from the proposal or to undertake a full assessment of the economic costs, given that this is a referral application. A more detailed analysis will be undertaken at the substantive application stage if the proposal is referred to the fast-track approvals process.

CONCLUSION

Considering the qualitative (non-monetised) economic benefits outlined above, and the quantitative economic injection into the regional economy and employment benefits described in this memo, Property Economics considers that advancing the proposed development would contribute significantly to the economic benefits for the regional economy (including Māori economy) and community.

It would positively contribute to increasing the supply of housing and accommodating housing needs within the Auckland Region, giving effect to the NPS-UD Policies, and meet the purpose of the FTAA by delivering a development project with significant regional benefits.

If you have any queries, please give me a call.

Kind Regards
Phil Osborne / Tim Heath
Directors

Tim Heath

M: s 9(2)(a)
PO: Box 315596, Silverdale 0944, AUCKLAND
E s 9(2)(a)
www.propertyeconomics.co.nz

APPENDIX 1. ASSUMPTIONS AND UNDERPINNING DATA

The following assumptions have been applied in the 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 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): 'residential construction', 'non-residential construction', 'non-building construction', 'other construction services.'

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.

3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2023 data. However, employment data has been updated as per the Statistics NZ Business Demography Statistics data[7] to March 2025.

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

5. The economic activity generated is based on the development's gross activity and does not consider redirecting growth opportunities from elsewhere in the catchment. This assessment is not site specific but is development 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[8]. Additionally, a 2% discount rate has been applied as a sensitivity test, also directed by Treasury.

7. Labour movements are based on average retention rates rather than specific company locations.

8. The proportion of materials and labour internalised in direct benefits to Auckland are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Auckland are based on the movement of resources (including labour) between other districts and regions.

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

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

This EIA estimates the total additional gross economic output[9] into the Auckland regional economy that would be facilitated about by the Project. The initial specifications and details have been provided by the Applicant and represent the development's configuration and costings at this point in time.

Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Auckland Region will benefit economically. It assesses the likely economic impacts on aggregate Auckland business activity given the composition of activities 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[10]) 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.

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

[10] *CAPEX – Capital Expenditure*

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

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by 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 20 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 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 regional economy[11]. 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.

[11] *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.