

Technical Memo

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| To: | Ashbourne Fast Track Panel | From: | Fraser Colegrave |
| Date: | Wednesday, 11 February 2026 | Page: | 6 (including this page) |
| Subject: | Response to economic issues raised in peer review by Planz Consultants | | |

CONTEXT & PURPOSE OF MEMO

As you will be aware, we have provided ongoing economic input in support of Ashbourne’s Fast Track Approvals Act (FTAA) application. Recently, the Expert Panel (**Panel**) commissioned a planning peer review by Planz Consultants (**Planz**), which raised several economic-related issues. It is not clear whether that Planz memorandum had considered the economic input that we had previously provided.

The purpose of this memo is to inform the Panel’s deliberations by referring to prior work that responds or relates to the various economic issues raised by, or arising from, the Planz peer review.

DOCUMENTS REFERRED TO

The table below identifies the reports referred to in this memo, along with their abbreviations.

Table 1: List of Documents Referred to and their Abbreviations

| Abbreviation | Document Name & Date |
|-------------------------|--|
| Planz Review | Planning peer review/position statement by Susannah Tait (Feb 2026) |
| IE Substantive Report | Ashbourne Substantive FTAA Application Report (23 Jun 2025) |
| IE Peer Review Response | Response to Economics Peer Review - Ashbourne Fast-track (26 Sep 2025) |
| IE Evidence Response | Response to Evidence by Tim Heath (18 Nov 2025) |
| Economics JWS | Ashbourne Economics Joint Witness Statement (11 Dec 2025) |
| Brabant Review | Legal advice by Jeremy Brabant (27 Jan 2026) |
| NPS-UD | National Policy Statement on Urban Development 2020 |
| NES-DRMU | Resource Management (National Environmental Standards for Detached Minor Residential Units) Regulations 2025 |

KEY ECONOMIC ISSUES RAISED BY PLANZ

The Planz peer review raises the following interrelated economic issues:

- No unmet housing need/no shortfall:
Planz state that the proposal “does not meet an unsatisfied housing supply need” and that there is already “sufficient zoned and planned land for housing supply.” They appear to rely on the 2025 Residential Capacity Assessment by Tim Heath of Property Economics to conclude that demand can be satisfied by planned supply. Consequently, Planz consider that the proposal does not “satisfy an unmet demand as required by Policy 2.”

- Potential “oversupply”/redistribution risk:
Planz further suggest that the NPS-UD assessment is “finely balanced”, so if the proposal merely results in “redistribution and dilution of growth” it could undermine a well-functioning urban environment.
- NES-DMRU will add supply anyway (small units):
Planz also consider that pending or recent national policy changes will “deepen the housing oversupply” issue just mentioned.
- Demonstrated need/shortfall test (UFD-P19/Appendix 14 Criteria A):
Finally, Planz conclude that the “economic benefit from housing supply does not contribute to a demonstrated need or shortfall” and “there is no housing supply shortfall that needs to be addressed... at this time.”

The remainder of this memorandum responds to these points (plus broader issues arising from them).

RESPONSE TO ISSUE ONE

Summary of issue:

Planz’s key conclusion assumes that the headline capacity numbers in the 2025 HCA/Residential Capacity Assessment by Tim Heath of Property Economics are a reliable proxy for feasible and likely-to-be-realised supply.

Response:

This conclusion is unsupported when feasible and likely realisable capacity are distinguished from their plan-enabled counterparts. Our prior work already addresses this directly, for example:

- IE Peer Review Response: We state the HCA overstates future growth capacity and provide a *parcel-level* reality check, including that infill-overlay assumptions imply 264 dwellings, but our assessment indicates “only approximately 50 dwellings, or up to 100 dwellings” are realistically feasible.¹
- In the IE Peer Review Response we quantify that existing zoned greenfield capacity is closer to 534 dwellings (after removing sites with severe constraints) rather than the HCA’s 1,040— a near-halving of what the HCA implicitly treats as “available”.²

Once the HCA is converted from theoretical plan-enabled capacity to deliverable capacity, the “no shortfall” inference is not reliable. The IE Peer Review Response explicitly notes that these corrections “bring forward the estimated timing of any long-term housing supply shortfall ... and confirm the need for additional housing supply now.”³

1 Insight Economics Response to Economics Peer Review - Ashbourne Fast-track (26 Sep 2025)

2 Ibid

3 Ibid

This is also consistent with the IE Substantive Report, which warned that “actual feasible capacity may be significantly lower than estimated feasible supply” and thus the timing of any shortfall may be “more imminent.”⁴

RESPONSE TO ISSUE TWO

Summary of issue:

Planz note that the NPS-UD assessment is “finely balanced”, so if the proposal just results in the “redistribution and dilution of growth” it could undermine a well-functioning urban environment.

Response:

The NPS-UD does not require a shortfall to appear before enabling extra capacity. Even if one accepted (for the sake of argument) that a modelled shortfall is not yet visible, our evidence explains why that does not negate need in the NPS-UD framework.

- In the IE Evidence Response, we set out that NPS-UD housing capacity figures are minima rather than targets, and that the core policy logic is to maintain a responsive market with competition—explicitly cautioning against “just-in-time planning” that risks undersupply.⁵
- We also note that the NPS-UD/HCA approach has recognised limitations and should be read as an input to judgement, not a binary “need/no need” switch.⁶

RESPONSE TO ISSUE THREE

Summary of issue:

Planz rely on the Residential Capacity Assessment to infer that demand is low or can be satisfied.

Response:

This comment overlooks the supply-driven demand dynamics that we have already documented. In short, it assumes that demand is largely exogenous and that supply does not materially change market equilibrium outcomes. Our evidence directly addresses why that is not a safe assumption for a master-planned development like Ashbourne:

- We explain that a project like Ashbourne can “make Matamata a more attractive place to live” and induce additional demand, rather than merely reallocating a fixed demand pool.⁷
- In the Economics JWS we explicitly reiterate our view that master-planned communities can “induce greater demand ... by reducing the equilibrium price and allowing more households to settle there at a price they can afford,” and that even where timing of any shortfall is unclear, enabling Ashbourne “sooner than later strengthens the supply pipeline, improves

4 Insight Economics – Ashbourne Substantive FTAA Application Report (23 Jun 2025).

5 Insight Economics – Response to Ashbourne Evidence by Tim Heath for MPDC (18 Nov 2025).

6 Ibid

7 Ibid

contestability, and supports affordability.”⁸ As the Economics JWS records, Tim Denne largely agreed with my views on those matters.⁹

In short: demand indicators derived from recent historic absorption (or from planning models that assume constrained supply) can materially understate what demand becomes once a step-change in supply/choice is credibly introduced.

RESPONSE TO ISSUE FOUR

Summary of issue:

Planz point to NES-DMRU as enabling minor units and “expediting smaller units into the market,” with a risk of “deepening the housing oversupply.”

Response:

In our view, NES-DMRU “minor units” do not resolve the real deliverable supply question. Two problems arise:

1. Scale and certainty: permitted provisions do not equate to delivered dwellings at scale; uptake depends on site-by-site feasibility, servicing constraints, finance, and owner preferences. That uncertainty is exactly why our parcel-level work materially reduced “infill overlay” deliverability to ~50–100 dwellings (vs 264 assumed).¹⁰
2. Risk of double counting / conceptual mismatch: the relevant question for “need” in an NPS-UD sense is deliverable capacity in a competitive market, not the existence of theoretical pathways to add a small secondary unit on some sites. Our evidence already explains why the HCA’s infill assumptions are optimistic even before layering on additional reliance on discretionary take-up.¹¹

As a result, NES-DMRU does not provide a robust basis to conclude “no need,” nor does it credibly establish “oversupply”.

RESPONSE TO ISSUE FIVE

Summary of issue:

Planz’s conclusion is: “economic benefit from housing supply does not contribute to a demonstrated need or shortfall ... In summary, there is no housing supply shortfall... at this time.”

Response:

We disagree, with our work already refuting the ‘factual’ premise underpinning this (i.e. because the deliverable capacity position is materially weaker than headline HCA numbers). Beyond that, if

8 Ashbourne Economics Joint Witness Statement (11 Dec 2025)

9 Ashbourne Economics Joint Witness Statement (11 Dec 2025) at paragraph 30.

10 Insight Economics Response to Economics Peer Review - Ashbourne Fast-track (26 Sep 2025)

11 Insight Economics – Ashbourne Substantive FTAA Application Report (23 Jun 2025).

“demonstrated need/shortfall” is interpreted more broadly (as it typically is in housing economics), we have already demonstrated:

- reduced deliverable capacity (bringing forward shortfall timing);
- welfare-relevant outcomes from earlier delivery: affordability pressure relief, competition, and pipeline certainty benefits (time value).

RESPONSE TO ISSUE SIX

Summary of issue:

Planz suggests redistribution/dilution could undermine a well-functioning urban environment.

Response:

From an economics standpoint, “redistribution” is not inherently a welfare loss; it depends on:

- whether it reduces aggregate housing delivery (a high evidential bar), and/or
- whether it creates material, tangible disbenefits (not merely competition).

As we explained in previous responses to Panel minutes, “protection” of theoretical future development on zoned land is not an appropriate basis to discount Ashbourne’s benefits without an unusually strong evidential foundation.

SUMMARY OF KEY POINTS

The key points that we wish to make in response to the Planz peer review are that:

- **Capacity sufficiency cannot be inferred from headline HCA numbers:** once deliverability is applied, the HCA materially overstates both infill and greenfield capacity, bringing forward any shortfall and confirming additional supply is needed now.
- **The NPS-UD is intended to promote market responsiveness and competition;** it does not require waiting for a shortfall to emerge before enabling supply at scale.
- **Supply is not purely reactive to demand in this context:** a credible, master-planned community can induce additional demand and improve affordability by shifting the equilibrium price/quantity outcome.
- **NES-DMRU is not a substitute for deliverable, financed, integrated supply,** and relying on it risks confusing permitted pathways with actual delivery outcomes.
- **Assertions about “redistribution” as an adverse economic effect require robust evidence;** competition is not, by itself, an adverse effect.

Sincerely,

Fraser Colegrave
Managing Director
Insight Economics