Final Report: 4 March 2025

Economic Assessment of Proposed Fast-track Development in Mission Bay, Auckland

Prepared for: **Generus Living Group**

Authorship

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1. Introduction

1.1 Context & Purpose of Report

Generus Living Group (the **applicant**) is a New Zealand-owned retirement village developer, renowned for creating premium senior living villages and aged care facilities. They have established some of the country's most admired retirement communities in sought-after locations, including Auckland, Mount Maunganui, and Christchurch.

The applicant is seeking consent under the Fast-track Approvals Act 2024 (**FTA Act**) to redevelop and expand a retirement village in Ōrākei, Auckland.

The proposal provides for the establishment of five new buildings and the redevelopment of the former Eastcliffe retirement village's aged care facility. Collectively, these new buildings provide approximately 252 apartment-style retirement units and 90 care beds, along with a range of amenities such as a restaurant, café, library, and wellness centre.

To assist, this report provides a high-level assessment of the likely economic effects of the proposal—particularly its impacts on the housing market, GDP, employment, and household incomes. It also considers a range of wider economic effects arising from the development.

1.2 Purpose of the Fast-track Approvals Act 2024

The FTA Act is a permanent Fast-track approvals regime for projects of national and regional significance, like the proposal. It aims to remove barriers that have historically made it difficult to build the projects New Zealand needs.[1]

As per Section 22 of the FTA Act, the Minister may consider various factors when determining whether a project will help to achieve the purpose of the Act. These include, but are not limited to:

- whether the project will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment;
- whether the project will deliver significant economic benefits; and
- whether the project is consistent with local or regional planning documents, including spatial strategies.

These factors will be the focus of this assessment, providing the basis for evaluating the proposal's alignment with the purpose of the FTA Act.

1.3 Summary of Findings

The proposal will create significant one-time boosts in GDP, jobs, and incomes, particularly during construction. Over a ten-year period, including flow-on effects, we estimate that the development could have the following national impacts:

[1] New Zealand Parliament. (2024). *Fast-track Approvals Act 2024* (s. 3, Purpose). Ministry for the Environment. https://www.legislation.govt.nz

- A one-time boost in national GDP of around $[redacted] million;
- Employment for 2,329 FTE-years (or 233 people employed full-time for 10 years); and
- Additional household incomes of $[redacted] million.

In addition, the proposed development will generate a range of wider economic and social benefits, including:

- **Substantial Increase in Housing Supply**: The delivery of 252 retirement units (and 90 care beds) helps address Auckland's housing crisis and broadens the range of residential options.

- **Land Use & Infrastructure Efficiency**: As a brownfield redevelopment with multi-storey buildings, the project makes efficient use of both land and existing infrastructure, minimising further demands on Council services.

- **Meeting the Needs of an Ageing Population**: The village's continuum of care model provides a purpose-built environment for older adults, contributing to Auckland's evolving demographic requirements.

- **Ongoing Local Economic Support**: Once operational, the retirement village will generate steady, on-site employment while also boosting spending in nearby centres such as Eastridge, Ōrākei, and Mission Bay.

- **Partnership with Ngāti Whātua Ōrākei**: The agreement ensuring Iwi members have access to the redeveloped care facility provides an enduring benefit for the local Māori community and fosters inclusive development.

The proposal not only delivers considerable short-term economic gains but also sustained long-term benefits for the region. The Fast-track process ensures these benefits are realised sooner than traditional development pathways would allow. Accordingly, we support it on economic grounds.

1.4 Structure of Report

The remainder of this report is structured as follows:

- **Section 2** locates the subject site and outlines the proposed development.
- **Section 3** discusses the impacts of the proposal on the housing market.
- **Section 4** analyses the wider economic impacts generated of the proposal.

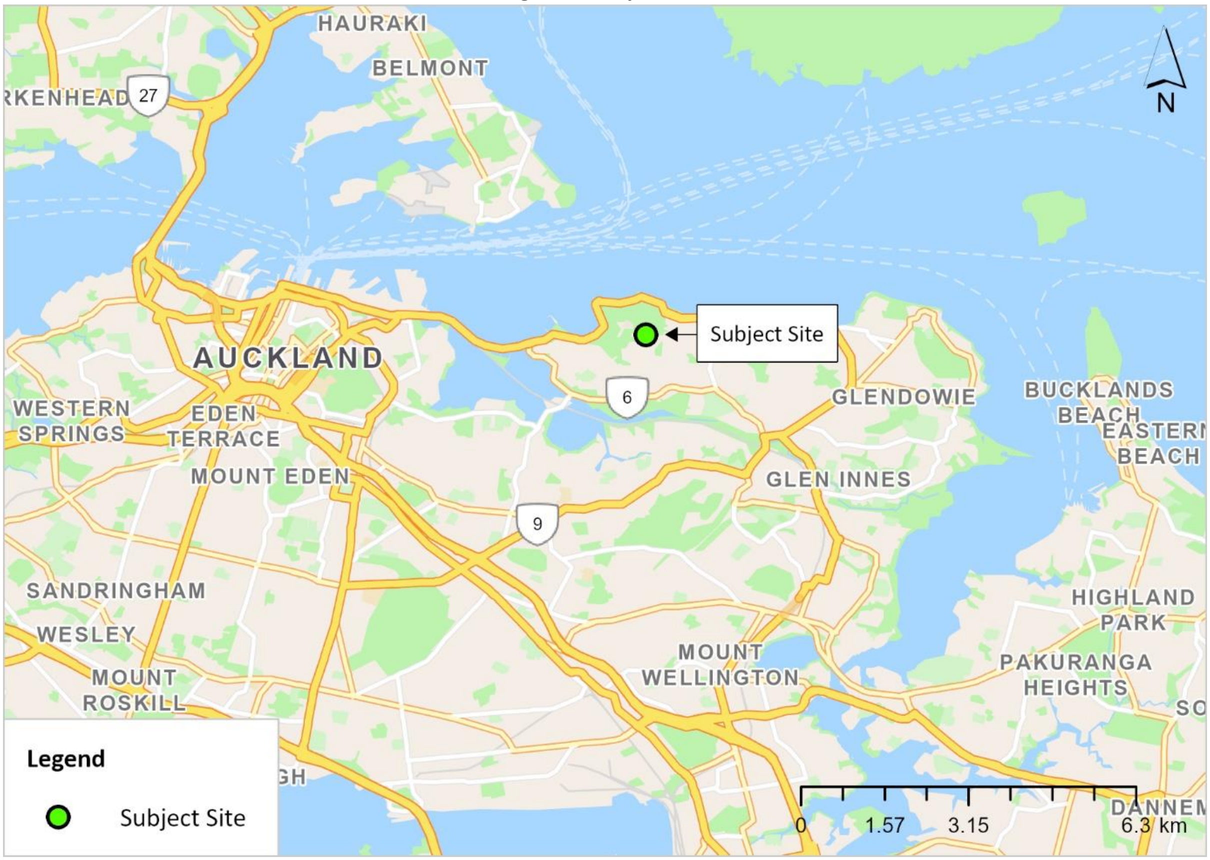
2. About the Proposal

This section briefly describes the proposed development for which Fast-track consent is sought.

2.1 Location & Description

The subject site is located adjacent to Bastion Point at 217 Kupe Street in Ōrākei, Auckland, as shown in Figure 1 below. The site lies less than 10 kilometres from the Auckland CBD and within a 10-minute walk of both Mission Bay and Ōkahu Bay beachfronts.

Figure 1: Subject Site



As shown in Figure 2 below, the site is bound by the Michael Joseph Savage Memorial Park to the north, Kupe Street to the west, and residential dwellings to the east and south.

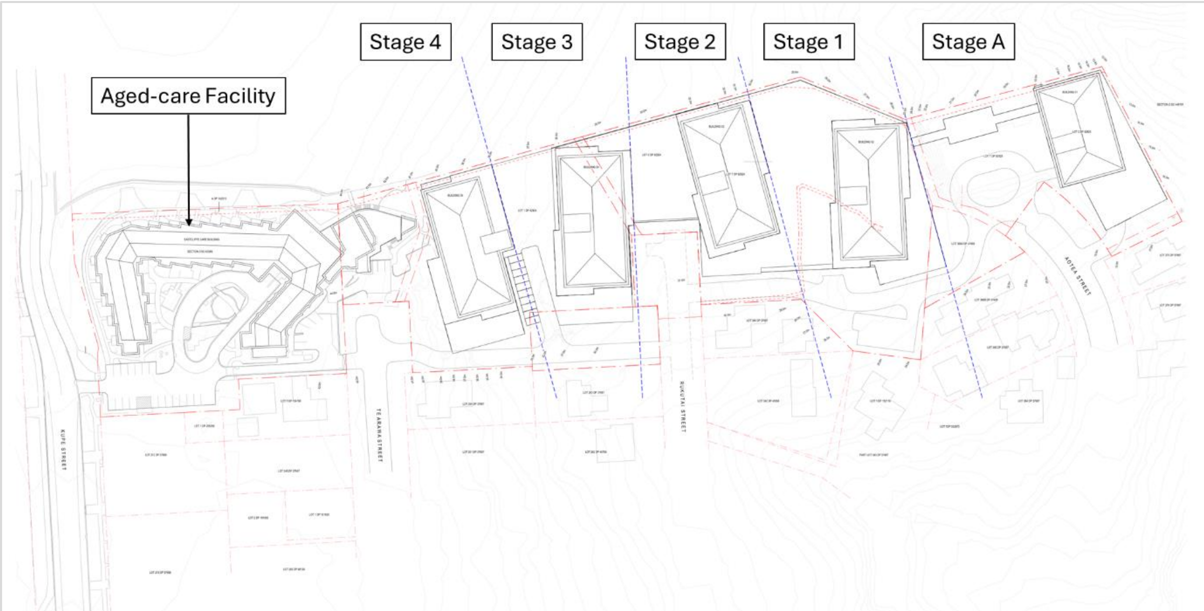
Spanning eight parcels, the site covers a total land area of approximately 2.4 hectares and slopes downward towards Aotea Street to the east. The site formerly accommodated the Eastcliffe retirement village; today, only the aged-care facility (fronting Kupe Street) remains. The proposal will integrate new development with the redevelopment of the former aged-care facility.

Figure 2: Receiving Environment

2.2 About the Proposal

The proposal enables the redevelopment of the site into a comprehensive luxury retirement village overlooking Bastion Point. Five new buildings, each rising 6–8 storeys, will be constructed adjacent to the former Eastcliffe aged-care facility, which is also set to be redeveloped as part of the proposal, providing a continuum of care for residents. Collectively, these buildings will provide approximately 252 apartment-style retirement units and 90 care beds, alongside various facilities for residents, visitors, and staff. Figure 3 below shows the location of the aged-care facility in relation to the five apartment buildings.

Figure 3: Proposed Layout & Staging Plan



The amenities that are likely to be included within the building are listed below:

- Reception
- Restaurant
- Café
- Library
- Games and multipurpose rooms
- Wellness centre
- Gymnasium
- Cinema
- Bowling green
- Pétanque

Additionally, around 300 undercover carparks are proposed within the basement levels, offering convenient and secure parking for residents, staff, and visitors.

3. Housing Market Impacts

3.1 Boost in Housing Supply

By delivering 252 apartment-style retirement units, the proposal provides a substantial increase in Auckland's housing capacity. This type of development is especially critical as the region grapples with an ongoing housing crisis and seeks to intensify existing urban areas to accommodate future demand. The proposal will help the market be more responsive to growth in demand, thereby reducing the rate at which house prices grow over time (relative to the status quo). While significant on its own, the proposal also broadens overall housing options and enhances choice for prospective residents.

3.2 Giving effect to the NPSUD

The significant boost in housing supply provided by the proposal also helps Council fulfil its obligations under the National Policy Statement on Urban Development 2020 (**NPSUD**) to provide "at least" sufficient housing capacity to meet demand at all times.

The NPSUD also requires high growth areas, like Auckland, to not only provide at least sufficient capacity to meet future demand in *aggregate*, but to also provide a range of housing typologies to meet a wide range of needs and preferences. This is shown is the excerpt below, which displays the first part of Policy 1 of the NPSUD.

Figure 4: Policy 1 of the NPSUD

2.2 Policies

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; and

The proposal helps give effect to this policy by catering to the needs of a specific and growing demographic of older people.

3.3 Meeting the Needs of an Evolving Population

Auckland's population is ageing, with a growing share of older residents and a shrinking share of younger people. Official projections indicate that over the next 30 years, the number of Auckland residents aged 65 and over will double, exceeding 20% of the region's total population.

The proposal addresses this demographic shift by providing a living environment tailored to older adults who prefer to reside among peers at a similar life stage.

3.4 Releasing Existing Housing to the Market

By providing housing options that cater specifically to the target demographic, this frees up existing housing for more intensive uses — whether for larger families or higher-density redevelopment. For example, older, larger dwellings can be made available for younger families or first homebuyers, for which they are likely to be better suited.

3.5 Land Use Efficiency

The high-density nature of the proposal (6-8 storey modulated built form) represents an extremely efficient use of the site's available land area for development. Moreover, the proposal helps give effect to the strategic direction set out in the Auckland Plan 2050, which encourages the development of apartment typologies to meet the changing needs and budgets of the region's evolving and aging population.

3.6 Infrastructure Efficiency

The proposal will also achieve very high levels of water and stormwater infrastructure efficiency, for two reasons. First, it is a brownfields redevelopment, which therefore does not require the extension of reticulation networks to service it. Second, multi-storeyed developments like the proposal generate lower peak/summer water demand and less stormwater than lower-rise developments, thereby creating less demand for Council water and stormwater infrastructure.

By achieving high levels of infrastructure efficiency, the proposal avoids unnecessary financial risks and costs for Council – as the primary local infrastructure provider – while helping to keep the costs of new homes as low as possible.

3.7 Travel Demand Efficiency

Residents of retirement villages have significantly lower transport demand generally, as well as lower peak demands than a typical household. This is due not just to the older age of retirement village residents and their relatively limited activity / mobility, but also the often-extensive provision of onsite social and recreational facilities to meet residents' needs without having to travel offsite. For needs not met onsite, the proposal is located in close proximity to both the Glen Innes town centre and the Auckland CBD (and transport hub).

3.8 Investment Signal Effects

The development will provide a signal of confidence in the city's economy, which may help spur on, accelerate, or bring forward other developments.

4. Wider Economic Impacts

This section briefly considers a range of wider economic effects generated by the proposal.

4.1 Impacts on GDP, Jobs, and Wages

4.1.1 One-off Construction Impacts

The various processes associated with designing, consenting, and constructing the 252 apartment-style retirement units and associated care facility and amenities enabled by the proposal will have significant one-off economic impacts on local GDP, jobs, and wages. We quantified these using a technique called multiplier analysis, which traces the impacts of additional economic activity in one sector – such as construction – through supply chains to estimate the overall impacts. These impacts include:

- **Direct effects** – which capture onsite activities directly enabled by the project, plus the impacts of businesses that supply goods and services directly to the project; plus
- **Indirect effects** – which arise when businesses working directly on the project source goods and services from their suppliers, who in turn may need to source goods and services from their own suppliers, and so on; and

The economic effects are usually measured in terms of:

- **Contributions to value-added (or GDP).** GDP measures the difference between a firm's outputs and the value of its inputs (excluding wages and salaries). It captures the value that a business adds to its inputs to produce its own outputs.
- **The number of FTEs employed** – this is measured in terms of full-time equivalents, which combines part-time and full-time workers to provide a single employment metric.
- **Total wages and salaries** paid to workers, which are reported as 'household incomes.'

For example, when a construction company wins a new project, they usually subcontract various parts of the build to other companies to help complete the job, such as hiring glaziers, tilers, and plumbers. Those subcontractors, in turn, will need to source a range of materials and services from their suppliers, who may also need to source materials and services from their suppliers, and so on. Multiplier analysis enables the impacts of these supply chain interactions to be captured to estimate the overall impact of the new building project, including its direct and flow-on (supply chain) effects.

4.1.2 Estimated One-off Economic Impacts

The following table details the estimated one-off economic impacts of the various activities that will be enabled by the proposal.

Table 1: One-Off National Economic Impacts of Construction

Professional Services	**Direct**	**Indirect**	**Total**
FTEs – 10 years	s 9(2)(b)(ii) [redacted]		
GDP $m			
Wages/Salaries $m			
Demolition & Groundworks			
FTEs – 8 years			
GDP $m			
Wages/Salaries $m			
Building Construction			
FTEs – 10 years			
GDP $m			
Wages/Salaries $m			
Furniture, Fixtures & Equipment			
FTEs – 10 years			
GDP $m			
Wages/Salaries $m			
Advertising & Marketing			
FTEs – 10 years			
GDP $m			
Wages/Salaries $m			
Project Totals			
FTE-years			
GDP $m			
Wages/Salaries $m			

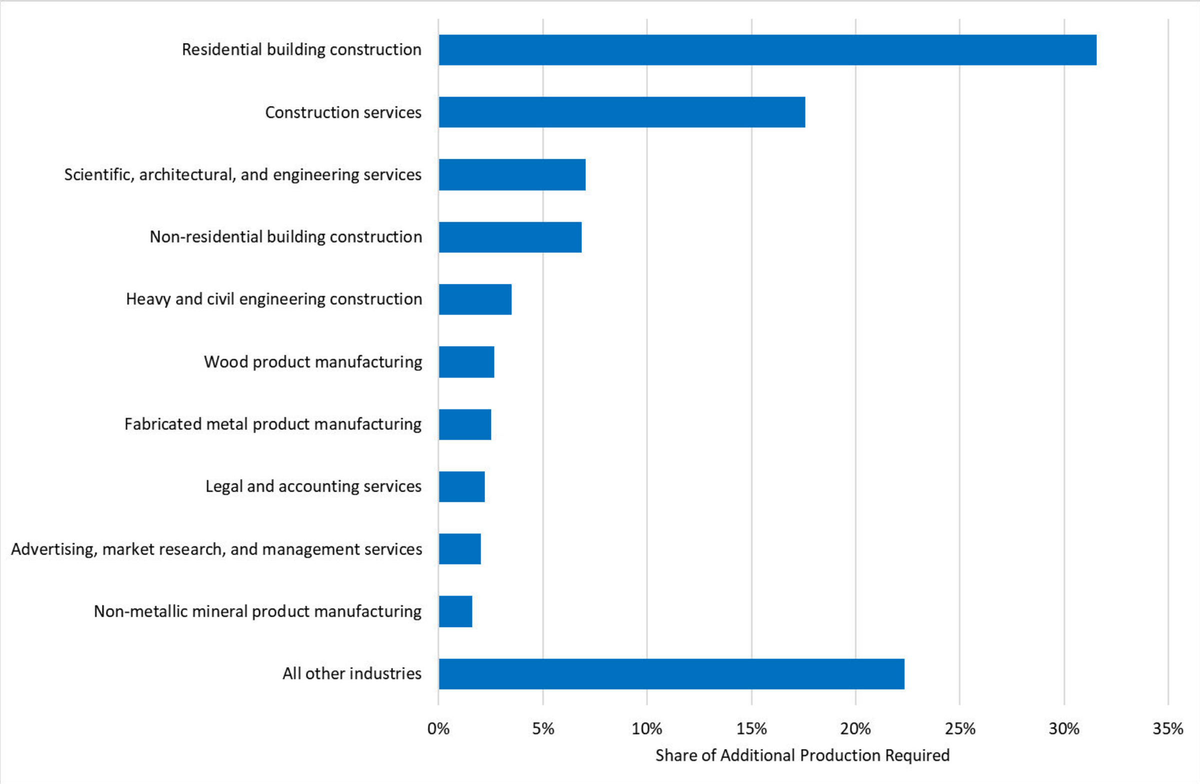
In summary, future construction activity enabled by the proposal could boost national GDP by $[redacted] million, including flow on effects, generate employment for 2,329 FTE-years, and generate $[redacted] million in household incomes. Assuming (say) a 10-year development period, these translate to annual impacts of $[redacted] million in GDP, employment for 233 people, and $20 million in household incomes.

4.1.3 Construction Output Impacts

Figure 5 below shows the corresponding stimulation in production by industry, based on Stats NZ's national IO inverse matrix.[2]

[2] Specifically, industry by industry total requirements (direct & indirect) per unit of final demand.

Figure 5: Industry Share of Additional Production Required by Proposal



The greatest share of additional production naturally falls to the construction sector, with residential building construction comprising 32% of the total, followed by construction services at 18%, non-residential building construction at 7% and heavy and civil engineering construction at 4%.

Professional services, including scientific, architectural, engineering, legal and advertising services, account for about 11% of the total production impact. Supporting industries also experience significant uplifts in output, including wood product manufacturing, fabricated metal product manufacturing, and non-metallic mineral product manufacturing, which collectively comprise approximately 7% of additional production required.

4.2 Ongoing Onsite Employment

Once operational, the proposal will provide ongoing employment for a diverse workforce, covering a wide range of skill levels and specialisations. Key roles will likely include:

- Village managers
- Gardeners
- Repairs and maintenance
- Cleaners
- Driver and transport related tasks
- Chefs and kitchen staff
- Laundry staff
- Accounts
- Marketing and advertising
- Activities coordinators

In total, based on information provided by the applicant, onsite activity across the village (excluding the care facility) is likely to sustain approximately 30 FTE jobs on an ongoing basis.

Importantly, these roles offer more than just a variety of employment opportunities; they also provide pathways for professional development and career progression. For example:

- **Career Development:** Staff can upskill through on-the-job training, seminars, and professional development programs tailored to the retirement living sector — ranging from health and safety to specialised geriatric care.

- **Local Workforce Opportunities:** The diverse scope of roles creates positions suitable for various skill levels, including entry-level roles (e.g., cleaners, gardeners) and more specialised positions (e.g., management, therapy, or marketing).

- **Stable, Year-Round Employment:** Retirement villages operate continuously, thereby providing permanent, stable roles rather than seasonal or transient employment.

- **Community Engagement:** The nature of a retirement village encourages strong ties with the surrounding community (e.g., local suppliers, schools, and volunteer groups), potentially creating further employment and training opportunities beyond the immediate village workforce.

Overall, by accommodating a broad mix of jobs and contributing both reliable and meaningful career paths, the proposal generates tangible and long-lasting social and economic benefits for the local area.

4.3 Project Acceleration

Not only will the project provide meaningful employment for a wide range of local workers, as illustrated above, but it will likely progress considerably faster via the FTA Act process than would otherwise be the case.

Absent Fast-track approval, the proposal is likely to be subjected to a protracted resource consent process that would invariably take significantly longer. Accordingly, the proposal enables the project to commence sooner, thereby allowing the associated economic benefits to be realised sooner too.

4.4 Critical Mass & Support for Nearby Centres Network

The proposal's proximity to several established centres — such as Eastridge, Ōrākei, and Mission Bay — will help strengthen those hubs as new residents move in and create additional consumer demand. By providing a critical mass of customers for local businesses, the development supports the viability of existing services, fosters potential growth in retail and hospitality offerings, and ultimately benefits the wider community through enhanced amenities and economic vitality.

4.5 Socioeconomic Benefits of Retirement Villages

Retirement villages, including the proposal, offer numerous socioeconomic benefits, such as:

- **Enhanced Wellbeing**: On-site community facilities encourage social connection and promote an active lifestyle.

- **Safe, Purpose-Built Housing**: Units designed expressly for older adults ensure security, accessibility, and comfort.

- **Greater Accessibility and Affordability**: Economies of scale enable a range of tenure options that cater to diverse financial situations.
- **Ageing in Place**: Residents can retain important social ties as they transition through varying levels of care within the same community.
- **Continuum of Care**: Seamless movement from independent living to managed care avoids the stress and disruption of multiple relocations.
- **Collective Advocacy**: A concentrated population of older adults can enhance their political voice and representation.
- **Health Service Efficiencies**: On-site care services improve the delivery and cost-effectiveness of community health resources.

4.6 Partnership with Ngāti Whātua Ōrākei

The site's former retirement village was owned and operated by Ngāti Whātua Ōrākei, who own much of the surrounding land, which is also home to the Ōrākei Marae. As part of negotiations with the applicant, we understand that an agreement has been reached to provide Iwi members with access to the redeveloped hospital and care facility services. This arrangement provides enduring benefits for the wider Ngāti Whātua Ōrākei community by offering local, culturally appropriate care options, while strengthening the long-term relationship between the developer and mana whenua.