

Appendix H – Economics Analysis





Final Report: 27 May 2025

Economic Assessment of Proposed Senior Living Village in Te Awamutu for Fast-track Referral

Prepared for:
Te Awamutu Developments Limited

Authorship

This document was written by Fraser Colegrave, Danielle Chaumeil, and Nic Keith.

Contact Details

For further information about this document, please contact us at the details below:

Fraser

Phone: s 9(2)(a)

Email: s 9(2)(a)

Disclaimer

Although every effort has been made to ensure the accuracy and integrity of the information and analysis presented in this document, Insight Economics Limited and this document's authors accept no liability for any actions, or inactions, arising from its contents and conclusions.

Cover Photo Credit

<https://woodforesteearthworks.com/>

Copyright

© Insight Economics Ltd, 2025. All rights reserved.

Contents

1.	Executive Summary.....	1
2.	Introduction	3
2.1.	Context.....	3
2.2.	Criteria for Assessing Referral Applications	3
2.3.	Structure of this Document	3
3.	About the Proposal	4
3.1.	Site Location and Description	4
3.2.	About the Proposal	4
3.3.	Anticipated Development Yields.....	5
4.	One-Time Impacts of Development.....	6
4.1.	Introduction	6
4.2.	Methodology.....	6
4.3.	Development Assumptions	7
4.4.	Summary of Development Costs	8
4.5.	Estimated Impacts on GDP, Jobs, and Wages	8
4.6.	Top 10 Industries by FTEs Employed	9
4.7.	Indicative GST Payments.....	9
4.8.	Regional Share of One-Time Impacts.....	10
5.	Ongoing Impacts of Future Uses.....	11
5.1.	Introduction	11
5.2.	Methodology.....	11
5.3.	Annual GDP, Jobs, and Wages	11
5.4.	Indicative GST Payments.....	12
5.5.	Regional Share of Ongoing Impacts	12
5.6.	Wider Ongoing Employment Impacts.....	12
6.	Housing Market Impacts	13
6.1.	The Need for Additional Dwelling Capacity	13
6.2.	Addressing Shortage in Senior Living Accommodation	14
6.3.	Significant Boost in Housing Supply	15
6.4.	Meeting the Needs of an Ageing Population	16
6.5.	Land Market Competition	16
6.6.	Providing a Variety of Dwellings	17
6.7.	Helping Foster Well-Functioning Urban Environments	18
6.8.	Releasing Existing Housing to the Market	18
7.	Wider Economic Impacts	20
7.1.	Project Acceleration.....	20
7.2.	Critical Mass and Support for Local Retail/Service Provision	20
7.3.	Socioeconomic Benefits of Senior Living Villages	20
7.4.	Highest and Best Use of Land	21
7.5.	Investment Signal Effects.....	21
8.	FTAA Criteria Checklist.....	22

1. Executive Summary

Context

Te Awamutu Developments Limited (**TADL**) seeks to develop a new senior living community on the northern outskirts of Te Awamutu, in the Waipa District (the **Proposal**). The proposal comprises 407 fee-simple dwellings of varying typographies, a 100-bed care home, and communal facilities for residents and visitors. To expedite development, TADL is seeking consent for the proposal under the Fast-track Approvals Act 2024 (**FTAA**). 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.

Key Findings

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

- A one-time boost in regional GDP of around \$120million;
- Employment for 848 FTE-years (or 212 people employed full-time for 4 years); and
- Additional household incomes of \$70 million.

In addition, the proposed development will generate the following housing market impacts:

- **Significant Increase in Housing Supply:** The supply boost provided by the proposal will help the market be more responsive to growth in demand, thereby reducing the rate at which local house prices grow over time (relative to the status quo).
- **Meeting the Needs of an Ageing Population:** The proposal caters to a growing population of older adults who prefer to reside among peers at a similar life stage.
- **Addressing Shortage in Senior Living Accommodation:** The proposal helps to address a critical shortage in senior living accommodation in Te Awamutu to meet expected future demand.
- **Land Market Competition:** The proposal will help to foster competition in the local land market, which is a cornerstone of economic efficiency.
- **Providing a Variety of Dwellings:** The proposal helps cater to a variety of needs and preferences by providing for a range of dwelling typologies and an alternative tenure model to traditional retirement villages, while still offering a continuum of care.
- **Fostering Well-Functioning Urban Environments:** Master-planned communities like the proposal provide a strategic and coordinated approach to urban growth, delivering superior economic and social benefits compared to fragmented development.

Finally, the proposal will generate a range of wider economic and social benefits, including:

- **Ongoing Local Economic Support:** Once operational, the aged care home will generate steady, on-site employment. In addition, future residents of the proposal will help boost spending in other nearby centres including the Hamilton CBD.
- **Highest and Best Use of Land:** The proposal enables the subject land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.
- **Investment Signal Effects:** The development will provide a strong signal of confidence in the local economy, which may help spur on, accelerate, or bring forward other developments

Conclusion

Overall, the proposal delivers regionally significant economic benefits, including both short-term gains and sustained long-term benefits. The fast-track process ensures these benefits are realised sooner than traditional development pathways would otherwise normally allow. Accordingly, we support the proposal on economic grounds.

2. Introduction

2.1. Context

Te Awamutu Developments Limited (**TADL**) seeks to develop a new senior living community on the northern outskirts of Te Awamutu, in the Waipa District (the **Proposal**). The proposal comprises 407 fee-simple dwellings of varying typographies, a 100-bed care home, and communal facilities for residents and visitors. To expedite development, TADL is seeking consent for the proposal under the Fast-track Approvals Act 2024 (**FTAA**). 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.

2.2. Criteria for Assessing Referral Applications

The FTAA is a new, permanent fast-track approvals regime. The purpose of the Act is to facilitate the delivery of infrastructure or development projects with significant regional or national benefits. Under section 22 of the Act, proposals may be referred to an expert panel for fast-track consenting where the Minister is satisfied that the project meets the purpose of the Act.

In considering whether to refer a project, the Minister may consider a range of factors set out in Section 22(2)(a). To assist decision makers, this report provides an assessment of the proposal against two of those criteria from an economic perspective. Specifically, it considers 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.

2.3. Structure of this Document

The rest of this document is structured as follows:

- **Section 3** identifies the subject site and provides indicative dwelling yields.
- **Section 4** estimates the one-time impacts of the proposal's future development.
- **Section 5** estimates the annual impacts of non-residential activities sustained on-site.
- **Section 6** assesses the likely impacts of the proposal on the local housing market.
- **Section 7** considers a range of wider economic impacts of the proposal.
- **Section 8** provides a checklist against the FTAA referral criteria.

3. About the Proposal

3.1. Site Location and Description

The subject site is located on the northern outskirts of Te Awamutu, in the Waipa district. It is bound by State Highway 3 to the east, rural and residential land to the south, and rural land to the west and north. The site itself spans approximately 26 hectares and has a gently undulating terrain.

Figure 1: Location of Subject Site



The site is currently zoned Rural Zone under the Waipa Operative District Plan, and abuts the northern extent of the Te Awamutu Residential Zone.

3.2. About the Proposal

The proposed development is a master-planned senior living community that offers a distinctive alternative to traditional retirement villages. Unlike the typical license-to-occupy model, dwellings are provided on fee-simple titles, offering residents greater autonomy and long-term investment security. Open to individuals aged 55 and over, it also caters to a younger cohort of retirees seeking flexibility and independence earlier in their later-life journey. Importantly, the inclusion of an on-site care home ensures a full continuum of care, allowing residents to age in place with confidence and dignity as their needs evolve.

3.3. Anticipated Development Yields

Figure 2 below shows an indicative masterplan of the proposed development, which is expected to deliver 407 dwellings, a 100-bed care home, and communal facilities for residents and visitors.

Figure 2: Indicative Masterplan



A range of housing typologies are provided for, including single-storey standalone homes of various sizes and configurations, double-storey duplexes, and apartments. Table 1 below provides further detail.

Table 1: Anticipated Dwelling Yields

Dwelling Types	# of Bedrooms	Average Size GFA (m ²)	Count	Share
Standalone (Type 1)	2	98	93	18%
Standalone (Type 2)	3	129	20	4%
Standalone (Type 3)	3	149	82	16%
Standalone (Type 4)	3	211	8	2%
Duplex	2	114	124	24%
Apartment (Type 1)	2	94	56	11%
Apartment (Type 2)	3	113	24	5%
Aged Care Unit ¹	1	48	100	20%
Totals	n/a	n/a	507	100%

¹ The average GFA per aged care unit was calculated by dividing the total aged care building GFA (4,767 m²) by the number of suites (100), as provided in the master plan. This provides a proxy average unit size, inclusive of shared and support areas within the building, such as lounges, staff facilities, and internal walkways.

4. One-Time Impacts of Development

This section estimates the one-time impacts of the proposal.

4.1. Introduction

In the previous section we showed that the proposal could deliver approximately 407 new homes plus 100 aged care suites. Constructing these new buildings and facilities, and preparing the land for development (not to mention installing all necessary infrastructure and obtaining all necessary consents) will have significant one-time economic impacts on GDP, jobs, and wages.

4.2. Methodology

We quantified these one-time economic impacts using a special technique called multiplier analysis, which traces the impacts of additional economic activity in one sector – such as construction – through its supply chain to estimate the overall impacts, including flow-on effects. These comprise two parts:

- **Direct impacts** – which capture all on-site and off-site activities directly related to the proposal’s development, e.g., home builders and their various subcontractors and suppliers, some of which will be on-site, and some of which will be off-site.
- **Indirect effects** – which capture additional (supply-chain) impacts arising 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.

These economic impacts are measured in various ways, including:

- **Contributions to GDP (or value-added)** – GDP measures the difference between a business’ inputs (excluding wages and salaries) and the value of its outputs. It captures the value that a business adds to its inputs to create its own outputs, hence the term “value-added.”
- **Total FTEs** – which equals the total number of full-time equivalent workers employed.
- **Total Jobs** – which is the total number of people employed, i.e., including both part-time and full-time workers.
- **Total wages and salaries** – which equals the total amount paid in wages and salaries.

For example, when a construction firm wins a new project, they will subcontract various parts of the build to other companies, such as glaziers, tilers, plumbers, electricians etc. Those subcontractors, in turn, will then usually need to source additional materials and services from their suppliers, who may then 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.

For completeness, we also provide broad-brush estimates of potential GST payments based on the GDP (i.e., value-added) created.

4.3. Development Assumptions

Our analysis incorporates various assumptions about the likely scale and cost of future development. Because reliable information was available on likely residential and aged care facility yields, we started with those. Specifically, we first estimated the costs of all residential and aged care facility construction. Then, we estimated planning/consenting and earthworks/infrastructure costs as percentages of those. Specifically, we estimated planning and consenting costs equal to 2% of total construction costs, and earthworks/infrastructure equal to 20% of construction costs (based on our experience with similar developments elsewhere in New Zealand).

Table 2 and Table 3 display our residential development assumptions, which include average dwelling sizes by type and associated build costs,² for the 407 new dwellings and 100 aged care suites.³ Overall, construction costs are estimated at \$180 million in today's dollars.

Table 2: Residential Development Assumptions

Dwelling Types	# of New Dwellings	# of Bedrooms	Average Size GFA m ²	Build Cost \$/m ² GFA	Total Build Cost \$m
Stand-alone (Type 1)	93	2	98	\$3,300	\$30
Stand-alone (Type 2)	20	3	129	\$3,300	\$10
Stand-alone (Type 3)	82	3	149	\$3,300	\$40
Stand-alone (Type 4)	8	3	211	\$3,300	\$5
Terrace / Duplex	124	2	114	\$3,000	\$40
Apartment (Type 1)	56	2	94	\$4,500	\$25
Apartment (Type 2)	24	3	113	\$4,500	\$10
Total	407	n/a	n/a	n/a	\$160

Table 3: Aged Care Development Assumptions

Type	Total GFA m ²	Build Cost \$/m ² GFA	Total Build Cost \$m
Aged Care Facility	4,767	\$3,800	\$20
Total	4,767	n/a	\$20

Based on the tables above, total construction costs equal \$180 million, from which we then derived:

- \$4 million for planning, designing, and consenting costs (i.e., 2% of build costs); and
- \$36 million for infrastructure and civil works costs (i.e., 20% of build costs).

² Estimated build costs were benchmarked using average building consent values for the Waikato region (annual to February 2025), as reported by Stats NZ. These were used to ensure that the construction cost assumptions applied in our model are broadly consistent with recent market activity.

³ While the proposal also includes a community hub and outdoor amenities, construction costs for these elements have been excluded to provide a conservative estimate.

4.4. Summary of Development Costs

Table 4 summarises the estimated total cost of the proposal across the four key activities based on the assumptions set out above, which equal \$220 million in today's dollars.

Table 4: Summary of Estimated Development Costs (\$ millions)

Development Activity	\$ millions
Planning/design/consent	\$4
Civil works & infrastructure provision	\$36
Residential construction	\$160
Aged care construction	\$20
Total Development Cost	\$220

Finally, these costs were mapped⁴ to sectors of the regional/national economy then overlaid with the latest economic multipliers to derive the one-off impacts of the proposal's development, as set out below.

4.5. Estimated Impacts on GDP, Jobs, and Wages

Table 5 presents the one-time national impacts⁵ of the proposal's development based on the methodology, inputs, and assumptions described above. All activities are assumed to occur over a four-year period.

Table 5: One-Time National Economic Impacts of the Proposal (spread over 4 years)

	Planning & Design	Infrastructure & Civil Works	Residential Construction	Aged Care Construction	Development Totals
Annual Jobs					
Direct impacts	4	22	56	5	86
Indirect impacts	3	28	164	22	216
Total	6	50	220	27	302
Annual FTEs					
Direct impacts	3	21	53	5	82
Indirect impacts	2	26	153	20	201
Total	5	47	206	25	283
Total Wages \$m					
Direct impacts	\$2	\$10	\$15	\$2	\$29
Indirect impacts	\$1	\$10	\$50	\$5	\$66
Total	\$2	\$20	\$65	\$7	\$94
Total GDP \$m					
Direct impacts	\$2	\$10	\$25	\$5	\$42
Indirect impacts	\$2	\$15	\$90	\$10	\$117
Total	\$4	\$25	\$115	\$15	\$159

⁴ This exercise is straightforward for property development projects like this because three of the four key activities identified map directly to sectors in the economic multipliers dataset. Only the fourth activity – planning, design, and consenting – required a more detailed mapping. It was allocated to three sectors: scientific, architectural, and engineering services; legal and accounting services; and advertising, market research, and management services.

⁵ In some countries, regional I-O tables are commonly used to estimate subnational economic impacts. However, in New Zealand, the regions are generally too small and economically interlinked to produce reliable standalone I-O tables. Regional data is often sparse, outdated, or lacks the industry granularity required for robust modelling. Accordingly, we have used national multipliers.

In summary, we estimate that:

- Future planning/design/consenting will create full-time employment for 5 people over the four-year development period, generating total wages/salaries of \$2 million;
- Land development (including infrastructure provision and all other civil works) will create full-time work for 47 people, with \$20 million paid in wages and salaries;
- Residential construction will provide full-time work for nearly 206 people, with \$65 million paid in wages and salaries; and
- Aged care construction will create full-time work for 25 people, with \$7 million paid in wages and salaries.

Overall, the proposal's development is estimated to provide full-time work for more than 280 people for four years, generating \$94 million in wages/salaries, and boosting GDP by nearly \$160 million.

4.6. Top 10 Industries by FTEs Employed

To better understand the likely impacts of future development, Table 6 reveals the 10 industries likely to experience the greatest employment boosts. Those top 10 industries account for nearly three-quarters of all full-time employment generated by the proposal's development, with the balance spread across numerous other sectors.

Table 6: Top 10 Industries by Annual FTEs Generated during Development

Industries	Annual FTEs	Shares
Construction services	61	21%
Residential building construction	57	20%
Heavy and civil engineering construction	25	9%
Scientific, architectural, and engineering services	13	5%
Non-residential building construction	13	5%
Fabricated metal product manufacturing	10	4%
Public order, safety, and regulatory services	10	3%
Wood product manufacturing	9	3%
Employment and other administrative services	6	2%
Legal and accounting services	6	2%
Top 10 Subtotal	210	74%
All Other Industries	72	26%
All Industries	283	100%

4.7. Indicative GST Payments

Finally, we estimated indicative GST payments potentially associated with the proposal's future development. This is difficult to do accurately, though, because such payments depend on factors not explicitly captured in our analysis. That said, a broad-brush, indicative estimate can be derived from the national GDP generated, which was \$159 million. Applying the current (15%) GST rate to this figure gives an indicative GST payment of \$24 million in today's dollars.

4.8. Regional Share of One-Time Impacts

Based on the location and nature of the proposal, we conservatively estimate that around 75% of the national one-time economic benefits are likely to accrue to the Waikato region. On that basis, the proposal is expected to generate a regional GDP boost of approximately \$120 million, support around 212 full-time jobs over four years, and contribute around \$70 million in regional wages and salaries.

5. Ongoing Impacts of Future Uses

This section estimates the annual impacts of the proposal's aged care component once built out.

5.1. Introduction

In addition to the one-off economic impacts of the proposal's development just estimated, its future aged care hospital is expected to sustain around 81 full-time equivalent jobs on a permanent basis, spread across a mix of full- and part-time roles. These roles span a wide range of services commonly required in retirement and senior living communities, including carers and medical staff, village management, maintenance and repairs, cleaning, home help, transport, food services, laundry, administrative support, and recreational activities.

5.2. Methodology

We estimated the potential annual economic impacts of this future activity by:

1. Inputting the likely operational workforce supported at full build-out (circa 98 Jobs).⁶
2. Allocating those roles to their respective input-output industries.
3. Applying the same economic multipliers from the previous section to translate future ongoing employment into corresponding measures of annual GDP and wages/salaries.
4. Summarising the findings as provided in the following section.

5.3. Annual GDP, Jobs, and Wages

Table 7 summarises the annual economic impacts of future aged care activity in terms of FTEs employed, GDP contributed, and wages generated.

Table 7: Estimated Annual Economic Impacts of the Proposal (at full build-out)

Activity	Jobs	FTEs	GDP \$m	Wages \$m
Aged Care	98	81	\$8.3	\$6.1
Total	98	81	\$8.3	\$6.1

In summary, the proposal's future aged care component could sustain the following activity at full build-out:

- Full-time employment for 81 people;
- Annual GDP of nearly \$8.3 million; and
- \$6.1 million paid annually in salaries / wages.

⁶ Estimated workforce is based on a national ratio of ~0.98 employees per aged care bed, using 2022-2023 data from Stats NZ Business Demography (ANZSIC Q860100) and JLL's Aged Care Database (NZACD). This ratio reflects total staff headcount (not FTEs) and assumes one bed per aged care unit.

5.4. Indicative GST Payments

Finally, based on the estimated national GDP of \$8.3 million, we calculated indicative/ballpark GST payments of \$1.2 million.

5.5. Regional Share of Ongoing Impacts

Assuming 75% of ongoing national impacts accrue to the region, the aged care facility is expected to contribute around \$6.2 million to regional GDP and \$4.5 million in wages annually, while supporting 60 full-time equivalent jobs in the Waikato Region.

5.6. Wider Ongoing Employment Impacts

Importantly, the jobs enabled by the proposal 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:** Care homes operate continuously, thereby providing permanent, stable roles rather than seasonal or transient employment.
- **Community Engagement:** The nature of a senior living 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 region.

6. Housing Market Impacts

6.1. The Need for Additional Dwelling Capacity

The latest Housing Capacity Assessment (HCA) released in 2023 by the Future Proof Partnership shows significant shortfalls in dwelling capacity in the sub-region in the short-medium term, particularly in and around Hamilton City. See Figure 3 below.

Figure 3: Medium-Term Sufficiency Assessment (from 2023 HCA)

AREA	Additional Demand + Margin ¹	Plan Enabled Capacity ²	Infrastructure Served Capacity ³	Commercially Feasible Capacity ⁴	Reasonably Realised Capacity ⁵		Net Sufficiency ⁶	
					Conservative Allocation/Baseline	HCC Growth Model	Conservative Allocation/Base	HCC Growth Model
WAIKATO DISTRICT								
Pokeno/Tuakau	1,700	23,600	21,100	5,500	3,900		2,200	
Te Kauwhata	600	8,300	7,500	1,100	900		300	
Huntly/Ohinewai	1,100	9,700	8,700	200	20		-1,100	
Taupiri/Hopuhopu/Ngaruawahia/Horotiu	800	12,700	11,600	800	200		-600	
Raglan	800	5,400	3,700	1,200	500		-260	
Total ⁷	5,100	59,700	52,700	8,700	5,600		500	
HAMILTON CITY								
Greenfield	15,200	46,700	24,600	9,000	6,000	5,500	-2,800	-4,500
Infill/Intensification		195,700	65,200	29,700	6,400	5,200		
Total ⁷	15,200	242,500	89,800	38,700	12,400	10,700	-2,800	-4,500
WAIPA DISTRICT								
Cambridge	2,300	21,700	21,700	4,800	2,100		-170	
Te Awamutu	1,300	20,300	20,300	2,200	2,100		800	
Total ⁷	3,500	42,000	42,000	7,000	4,100		600	
TOTAL FUTURE PROOF ⁷	23,700	344,200	184,500	54,500	22,100		-1,700	-3,300

As Figure 3 illustrates, the HCA estimates a significant surplus for Te Awamutu over the short-medium term. However, a very high proportion of Te Awamutu's feasible capacity is deemed "reasonably expected to be realised" or RER. This is illustrated in the table below, where 95% of Te Awamutu's feasible capacity is presumed to be RER, compared to a Future Proof total of only 37%. This has a profound impact on the perceived need (or otherwise) for additional capacity.

Table 8: Comparison of RER as a % of Feasible Capacity by Area

Waikato District		Feasible	RER	RER %
Pokeno/Tuakau		5,500	3,900	71%
Te Kauwhata		1,100	900	82%
Huntly/Ohinewai		200	20	10%
Taupiri/Hopuhopu/Ngaruawahia/Horotiu		800	200	25%
Raglan		1,200	500	42%
Total		8,800	5,520	63%
Hamilton City		Feasible	RER	RER %
Infill		9,000	5,500	61%
Greenfield		29,700	5,200	18%
Total		38,700	10,700	28%
Waipa District		Feasible	RER	RER %
Cambridge		4,800	2,100	44%

Te Awamutu	2,200	2,100	95%
Total	7,000	4,200	60%
FP Total	54,500	20,420	37%

Further, this surplus only holds in aggregate across all price bands. Within that, there are significant shortfalls. This is shown in the excerpt below from page 157 of the 2023 HCA, where the overall surplus of 800 dwellings masks shortfalls in all but one price band. Accordingly, additional capacity is needed to provide new homes in Te Awamutu outside the \$500k to \$600k price band where HCA capacity is mostly concentrated.⁷

Table 6-51: Sufficiency by Dwelling Value Band: Te Awamutu/Kihikihi Medium-Term (Current Prices)

Dwelling Value Band	2032 Demand (Current Prices)	CAPACITY					Total Current + Potential Future	Net Sufficiency
		Existing Dwelling Stock	RER Capacity		Apartments	Total RER		
			Detached	Attached				
Under \$100k	30	20	-	-	-	-	20	0
\$100k to \$200k	100	80	-	-	-	-	80	-20
\$200k to \$300k	200	200	-	-	-	-	200	-30
\$300k to \$400k	400	300	-	-	-	-	300	-60
\$400k to \$500k	1,300	1,100	70	-	-	70	1,200	-200
\$500k to \$600k	1,900	1,600	2,000	-	-	2,000	3,600	1,700
\$600k to \$700k	1,500	1,200	10	-	-	10	1,200	-200
\$700k to \$800k	800	600	-	-	-	-	600	-100
\$800k to \$900k	500	400	-	-	-	-	400	-80
\$900k to \$1m	200	200	-	-	-	-	200	-40
\$1m to \$1.25m	300	300	-	-	-	-	300	-50
\$1.25m to \$1.5m	100	100	-	-	-	-	100	-20
\$1.5m to \$1.75m	50	40	-	-	-	-	40	-10
\$1.75m to \$2m	30	30	-	-	-	-	30	-10
\$2m to \$2.25m	20	10	-	-	-	-	10	0
\$2.25m to \$2.5m	10	10	-	-	-	-	10	0
\$2.5m +	50	50	-	-	-	-	50	-10
TOTAL	7,500	6,200	2,100	-	-	2,100	8,300	800

Source: M.E 2023 FPP HBA.

In summary, there is insufficient capacity for new dwellings across the Future Proof area overall in the short-medium term. While Te Awamutu appears to have ample capacity to meet expected demand, this is based on high realisation rates that may be overly optimistic and also masks notable shortfalls for dwellings at most price points, which the proposal may help to address.⁸

6.2. Addressing Shortage in Senior Living Accommodation

A detailed study commissioned by the applicant and undertaken by Webster Research indicates a significant shortage in retirement living accommodation in Te Awamutu and the wider Waipa District. Their Net Latent Demand Forecast Model projects that by 2048, demand for retirement village units in the proposal's primary catchment area will reach 675 units—286 units more than what is currently

⁷ We also consider Table 6-51 of the 2023 HCA to demonstrate that the analysis may not accurately represent real-world market outcomes, where developers usually meet a range of different price points to cater for varying needs and budgets.

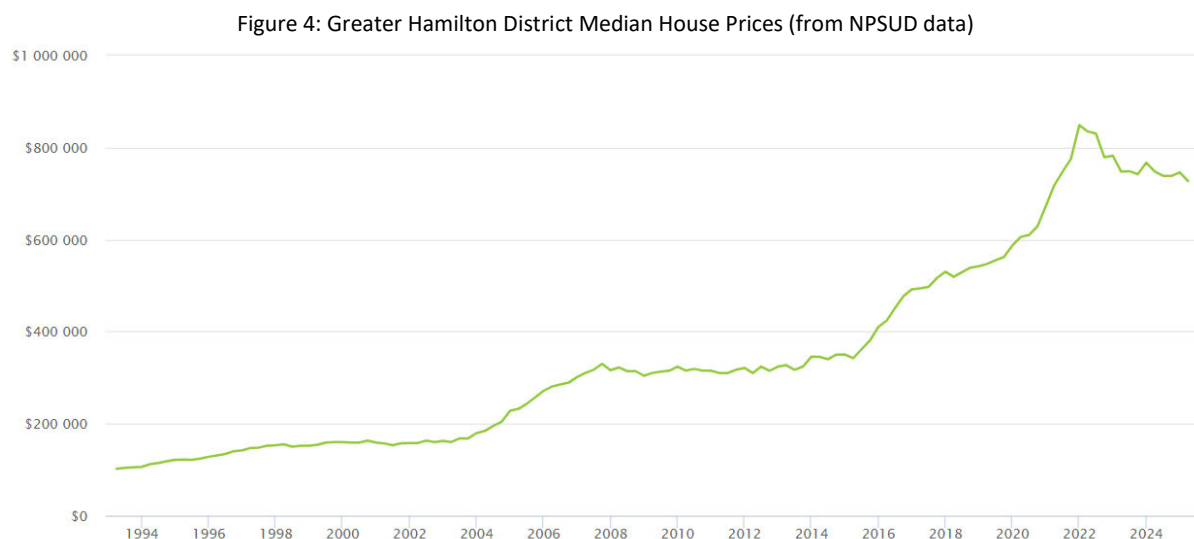
⁸ Depending on price points achieved.

supplied or in the development pipeline. Notably, this supply shortfall is expected to emerge as early as 2032/2033. The proposed development is strategically positioned to help address this critical gap in the market.

6.3. Significant Boost in Housing Supply

The proposal acknowledges and directly responds to the need for more dwellings to meet growth in demand over time, by providing 407 new dwellings, plus an additional 100 care home beds. All other things being equal, this supply boost will help the market to be more responsive to growth in demand, thereby reducing the rate at which house prices grow over time (relative to the status quo).

This is important sub-regional house prices have risen significantly over recent years, which has led to significant affordability issues. In fact, the median dwelling price in the sub-region⁹ more than doubled in the past 10 years, up from \$342,000 in 2015 to \$727,000 in March 2025. See Figure 4 below.



To assess whether this supply boost satisfies the definition of “significant” in Objective 6(c) of the National Policy Statement on Urban Development (**NPS-UD**), we used data from a Tier 1 city Council in the North Island, which details the nature and scale of all residential subdivision consents granted there over the past six or seven years. The data covered 1,666 consents and enabled the creation of nearly 13,000 new residential lots.

Of those 1,666 consents:

- The median number of new lots created was only 4;
- Only the top 10% provided 10 lots or more;
- Only the top 3% provided 30 lots or more; and
- Only the top 1% provided 75 lots or more.

⁹ Comprising Hamilton City, Waipa District and Waikato District.

Based on these data, and drawing on our vast experience with more than 80 residential subdivisions across New Zealand over the past 20 years, we have derived the following rules of thumb for assessing the significance of development proposals under the relevant parts of the NPS-UD:

- 15 to 30 lots represent a significant increase in capacity;
- 30 to 100 lots represent a highly significant increase; and
- More than 100 lots represent an extremely significant increase.

Applying these rules of thumb to the proposal, it follows that the additional residential dwellings enabled by the proposal represent an extremely significant increase in development capacity for the purposes of the NPS-UD.

6.4. Meeting the Needs of an Ageing Population

The proposal provides a living environment tailored to older adults who prefer to reside among peers at a similar life stage. This is important, because not only is the district's population growing, but it is also ageing. Official projections indicate that the number of Waipa residents aged 55 and over will grow by more than 7,400 people in the 30 years to 2053, with the highest growth in residents aged 75 and over.

Table 9: Waipa District Official Medium Population Projections by Age Group¹⁰

Year	Under 15	15-54	55-64	65-74	75-84	85+	Total
2023	11,660	28,290	7,650	6,110	4,100	1,520	59,330
2028	11,450	28,750	7,990	7,110	4,860	1,970	62,130
2033	11,270	29,710	7,840	7,710	5,550	2,580	64,660
2038	11,290	30,510	7,400	8,080	6,490	3,080	66,850
2043	11,530	30,850	7,820	7,980	7,070	3,660	68,910
2048	11,780	31,070	8,370	7,590	7,480	4,370	70,660
2053	11,920	31,640	8,800	7,930	7,200	2,890	70,380
30-year Change	260	3,350	1,150	1,820	3,100	1,370	11,050
30-yr % change	2%	12%	15%	30%	76%	90%	19%
CAGR	0.1%	0.4%	0.5%	0.9%	1.9%	2.2%	0.6%

Assuming an average occupancy rate of 1.6 residents per dwelling¹¹ and one resident per care unit, the proposal provides housing for approximately 750 older people. This equates to 10% of the projected increase in district residents aged 55 or older over the 30-year period, which we consider a significant contribution to meeting growth in this demographic.

6.5. Land Market Competition

In addition to directly boosting district dwelling capacity, the proposal will also help to foster competition in the local land market. This is important because, as recognised through Objective 2 of

¹⁰ Waipa district projections from 2023 to 2048. Projections for 2053 are extrapolated based on the relative rate of change in national projections from 2043 to 2048 versus 2048 to 2053.

¹¹ This is higher than the national average occupancy rate for retirement villages (1.3) because the proposal caters to a younger demographic.

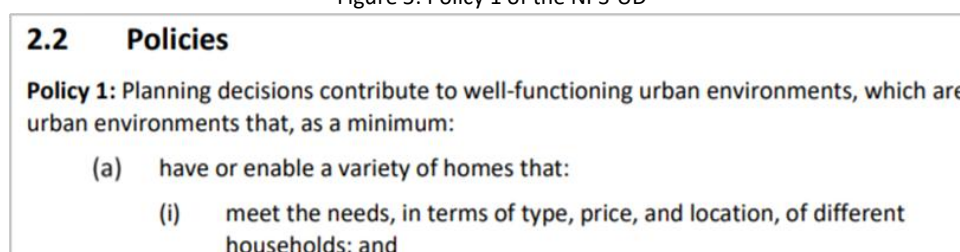
the NPS-UD, competition is the cornerstone of economic efficiency. When the land market becomes more competitive, land developers have a greater incentive to bring their product to the market in a more timely and cost-effective manner, thus further helping to keep city housing as affordable as possible.

Absent competition, landowners experience “market power”, which enables them to charge more for land and be slower in releasing it to the market. Both outcomes conspire against affordability and reduce the overall efficiency of the housing market.

6.6. Providing a Variety of Dwellings

The NPS-UD requires high growth areas, like Waipa, 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 in the excerpt below, which displays the first part of Policy 1 of the NPS-UD:

Figure 5: Policy 1 of the NPS-UD



The proposal gives effect to this policy in several ways:

1. It caters to the needs of a growing demographic of active older people who wish to live in a community with those at a similar life stage;
2. It provides an alternative to traditional retirement village accommodation by catering for a younger cohort of retirees and providing fee-simple lots, while also offering a continuum of care; and
3. It provides for a range of housing typologies including single-storey standalone homes of various sizes and configurations, double-storey duplexes, and apartments. This includes dwellings that are considerably smaller than the existing Te Awamutu housing stock, which is characterised by standalone homes on large sections.¹² Accordingly, it helps to cater to a range of budgets and preferences.

¹² In 2023, the average dwelling in Te Awamutu had 210m² of floorspace on a 1,010m² section.

6.7. Helping Foster Well-Functioning Urban Environments

More generally, master-planned communities like the proposal provide a strategic and coordinated approach to urban growth, delivering superior economic and social benefits compared to the alternative (i.e., fragmented development). For example, these developments:

- **Achieve economies of scale** – Large-scale development lowers per-unit costs through efficient planning and resource allocation. This, in turn, helps to keep new homes as affordable as possible.
- **Optimise infrastructure investment** – Coordinated delivery of roads, utilities, and public services reduces inefficiencies and ensures infrastructure is right-sized and cost-effective.
- **Generate employment** – Provide steady employment for local contractors and tradespeople.

Further, master-planned developments like the proposal create well-connected, vibrant neighbourhoods by:

- **Prioritising walkability and accessibility** – Integrated transport networks encourage active transport, reducing car dependency and promoting healthier lifestyles.
- **Providing essential amenities on-site** – Such as those (indicatively) anticipated in the proposed community hub.
- **Enhancing safety through CPTED principles** – Thoughtful urban design improves visibility, deters crime, and promotes secure public spaces.

Finally, unlike fragmented growth, which often leads to inefficiencies, master-planned communities:

- **Prevent inconsistent urban form** – Coordinated development ensures a seamless integration of infrastructure, housing, and amenities.
- **Avoid land banking** – Large-scale projects encourage timely development, addressing housing and infrastructure needs efficiently.
- **Reduce reliance on external infrastructure** – Self-sufficient communities alleviate pressure on existing networks, supporting sustainable urban expansion.

In short, master-planned communities like the proposal not only enhance day-to-day life for residents but also establish a foundation for sustainable, long-term growth that supports a well-functioning urban environment.

6.8. Releasing Existing Housing to the Market

Finally, by providing housing options that cater specifically to older residents, this frees up existing housing for others. For example, older, larger dwellings could be made available for younger families or first homebuyers, for which they are likely to be better suited. Webster Research anticipates that approximately 85% of sales for the proposed dwellings will originate from existing residents of the

Waikato Region. On that basis, the proposal will result in a net increase in dwelling supply for the region.

7. Wider Economic Impacts

7.1. Project Acceleration

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

Absent fast-track approval, the proposal is likely to be subjected to a protracted plan change and 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.

7.2. Critical Mass and Support for Local Retail/Service Provision

As future development enabled by the proposal occurs and new residents move to the area, they will help create critical mass to support greater local retail / service provision. This is important, because Waipa district residents tend to rely on centres in Hamilton City to meet many of their household needs. This will not only support greater district economic activity, but will also reduce vehicle travel and the harmful emissions associated with it. Future residents of the proposal will also help create critical mass to support the provision of improved public transport facilities and services over time.

7.3. Socioeconomic Benefits of Senior Living Villages

Senior living villages, like 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.

7.4. Highest and Best Use of Land

The proposal will also enable the land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.

7.5. Investment Signal Effects

Finally, we note that the development will provide a strong signal of confidence in the district economy, which may help spur on, accelerate, or bring forward other developments.

8. FTAA Criteria Checklist

The following table provides a signpost to where each of the relevant criteria listed in Section 22(2)(a) of the FTAA are addressed in this report.

Table 10: Assessment Against Section 22(2)(a) Criteria of FTAA

Ref	Criterion	Signpost
(i)	Identified as a priority project in government plans or strategies	n/a
(ii)	Delivers new or supports existing regionally/nationally significant infrastructure	n/a
(iii)	Increases housing supply, addresses housing needs, or contributes to a well-functioning urban environment	Sections 6 & 7
(iv)	Delivers significant economic benefits	Sections 4, 5, 6 & 7
(v)	Supports primary industries, including aquaculture	n/a
(vi)	Supports development of natural resources, including minerals and petroleum	n/a
(vii)	Supports climate change mitigation (e.g., reducing greenhouse gas emissions)	n/a
(viii)	Supports climate change adaptation, reduces risk from natural hazards	n/a
(ix)	Addresses significant environmental issues	n/a
(x)	Consistent with local/regional planning documents and spatial strategies	n/a