

Proposed Delmore Residential Development, Hibiscus Coast, Auckland

Economic Assessment



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1. Executive Summary

The proposal is for approximately 1,250 residential dwellings that would have an average price of \$985,000. This is \$305,000 (or 23%) lower than the average sale price for stand-alone dwellings within the study area (currently \$1,290,000). This demonstrates the proposal's comparative affordability within the Hibiscus Coast, and its overall contribution towards the supply of housing that addresses housing needs in Auckland.

The proposal is considered to make a significant contribution towards a well-functioning urban environment by adding a second major greenfield development to the study area, on Future Urban Zone (FUZ) land, which would contribute towards ensuring there is a wider range of housing available to the market, at more affordable prices.

The Auckland Plan 2050 (Auckland Plan) allocates demand for 129,000 dwellings over the 2016-2026 period, of which 24%, or 31,580 dwellings are expected to occur in greenfield (FUZ) locations. The more recent Auckland Future Development Strategy (FDS) allocates demand for 85,080 dwellings over the 2023-2033 period, of which, 11,700 (14%) dwellings are expected to occur in greenfield (FUZ) locations.

The Hibiscus Coast is identified in the Auckland Unitary Plan (AUP) as the largest greenfield growth area and is anticipated to accommodate 24% of the regions total greenfield demand. This equates to demand for 7,450 greenfield dwellings over the 2016-2026 period, or approximately 750 dwellings per annum, based on the Auckland Plan, and 2,760 dwellings over the 2023-2033 period, or for approximately 280 greenfield dwellings per annum based on the FDS.

Since the AUP became operative in 2016, only one new greenfield development has entered the market in the Hibiscus Coast, namely Ara Hills. This development has supplied only 50 dwellings per annum to the market since 2019 (or 25 dwellings per annum since 2016), falling substantially short of both the greenfield demand outlined in the Auckland Plan and FDS, in the order of 230-700 dwellings per annum, or 82-93% below the expected rate of greenfield growth for this part of the city, under the respective documents.

It is estimated that the study area requires an additional 4-7 medium-large greenfield developments, to be underway, in any one given year over this period under the Auckland Plan, and an additional 1-2 medium-large scale greenfield developments under the FDS, in order to ensure that there is sufficient supply and a competitive housing land and development market.

The proposal would contribute approximately \$304.2 million to GDP and generate/support 2,290 FTE jobs. This is considered to be a net economic impact, due to the current housing shortfall and high house prices, which is reducing the total potential growth of Auckland.

The proposal is considered to make a significant contribution towards retaining population that would otherwise likely be forced to relocate to other regions across the country as a result of the ongoing high prices of houses in Auckland. This will contribute towards Auckland's long term social and economic resilience, which relies on attracting and retaining younger households, however, this will not be achieved under current market conditions.

The proposal would make a notable contribution towards primary sector GDP and FTE employment. In total, the development of the project is estimated to result in a total contribution to primary sector GDP of \$67.6 million, which would support an estimated 510 FTE jobs. This is as a result of the purchasing of raw materials that are required to construct the dwellings (i.e. timber etc), which will support the ongoing employment and performance of sectors such as the 'Agriculture, forestry and logging' sector.

Overall, the proposal is considered to result in several significant regional benefits to the Auckland region, namely the provision of housing that would result in lower prices, increased product range, and a greater overall rate of construction for Auckland, and through the economic benefits generated as a result of the construction of the proposal. The proposal is therefore considered to meet the provisions of Section 22(1)(a) of the Fast-track Approvals Act 2024.

2. Introduction

This report evaluates a proposed residential development located at Russell and Upper Orewa Road against the relevant economic provisions of Section 22(1)(a) of the Fast-track Approvals Act 2024.

2.1 The Proposal

The proposed development (the “proposal”) is located within the Future Urban Zone (FUZ) under the Auckland Unitary Plan, to the West of Ōrewa.

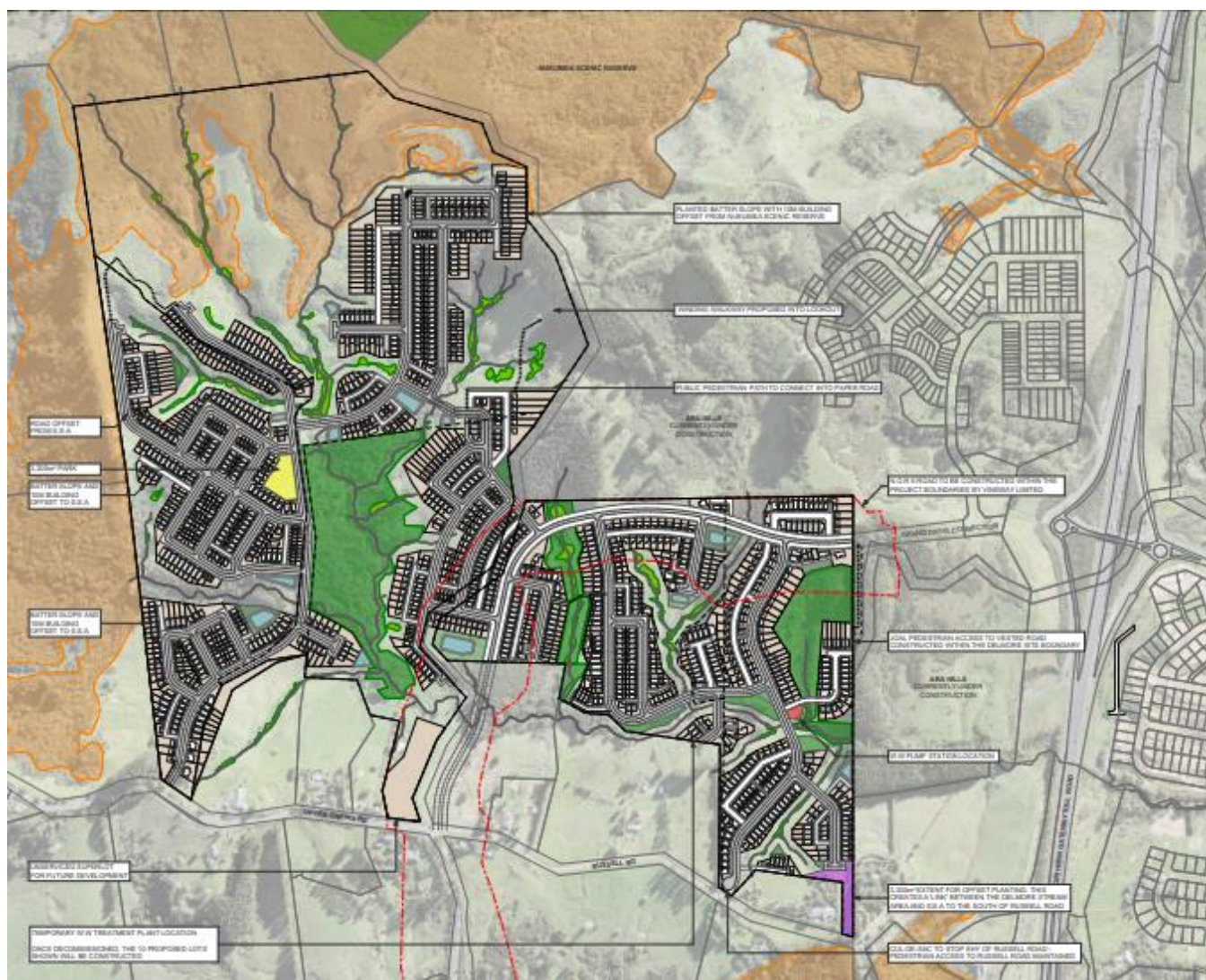
A concept plan is shown in Figure 1. As outlined in Figure 2, the proposal comprises approximately 1,250 residential dwellings, of which approximately 643 or 51% of dwellings are expected to be priced at or below \$1,000,000¹. The remaining 607 or 49% of dwellings are priced below \$1,200,000.

Overall, the proposal will supply housing predominantly within the \$890,000 - \$1,010,000 price range², or at an average price of \$985,000. This is \$305,000 (23%) less expensive than the average sale price for stand-alone dwellings within the study area (\$1,290,000). This demonstrates the proposal’s comparative affordability within the Hibiscus Coast part of Rodney.

¹ I.e all of the 3-bed dwellings plus 25% of 4-bed dwellings (550+93=643).

² Or a total development price range of \$850,000-\$1,200,000.

Figure 1:
Delmore Residential Development Concept Site Plan



Source: Vineway Ltd

Figure 2:
Indicative Dwelling Yield & Price

Development Stage	Beds	Number of Lots	GFA Range/Avg (m²)	Estimated Sale Price		
				Lower Quartile	Median	Upper Quartile
Stage 1	3	234	97-135	\$890,000	\$920,000	\$950,000
	4	158	127-175	\$1,000,000	\$1,040,000	\$1,080,000
	5	89	155	\$1,050,000	\$1,050,000	\$1,050,000
Sub-total/Avg		481	-	\$960,000	\$980,000	\$1,010,000
Stage 2	3	316	97-135	\$890,000	\$920,000	\$950,000
	4	214	127-175	\$1,000,000	\$1,040,000	\$1,080,000
	5	239	155	\$1,050,000	\$1,050,000	\$1,050,000
Sub-total/Avg		769	-	\$970,000	\$990,000	\$1,020,000
Delmore Total		1,250	-	\$965,000	\$985,000	\$1,015,000

Source: Vineway Ltd

3. Study Area

Figure 3 outlines the study area adopted in this report. The study area encompasses the Hibiscus Coast, one of Rodney's urban areas, which is broadly comprised of the suburbs of Ōrewa, Silverdale and Whangaparaoa.

Figure 3:
Hibiscus Coast Study Area



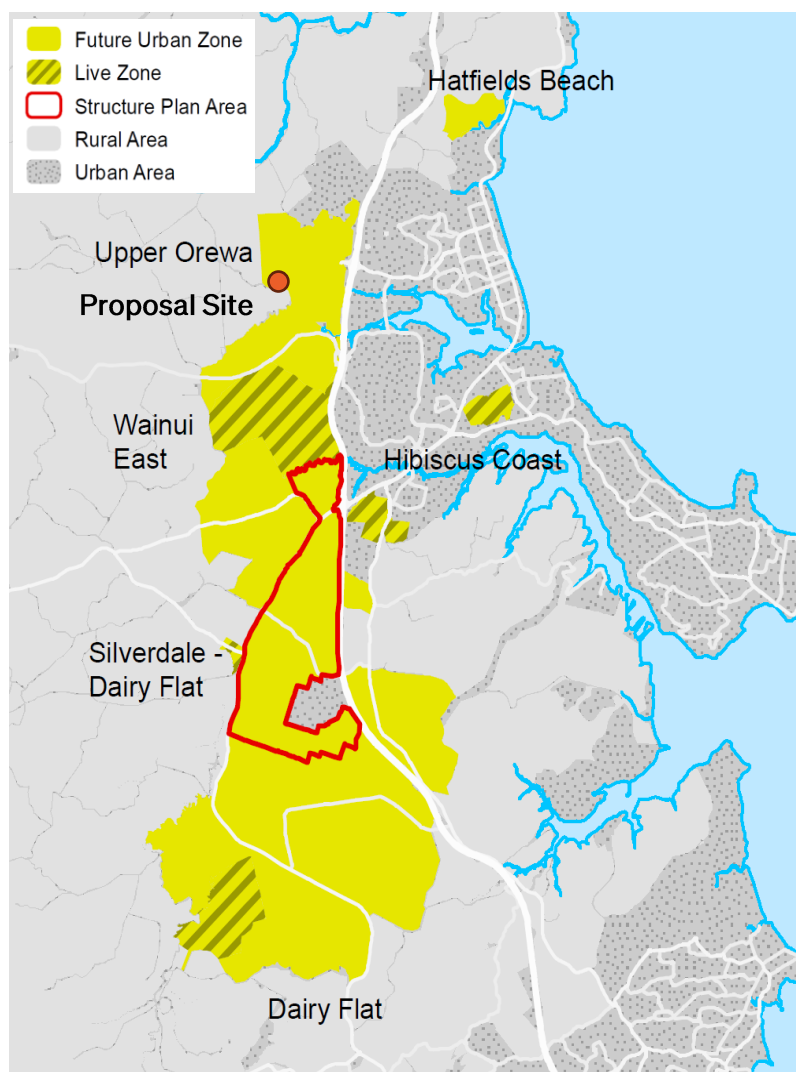
Source: LINZ, UE

4. Greenfield Residential Capacity Analysis

This section evaluates the capacity for greenfield developments within the study area. Figure 4 shows the location of FUZ land, as at 2016, as taken from the Auckland Plan 2050 (Auckland Plan)³, and 2023, and Figure 5 as taken from the Auckland Future Development Strategy 2023-2053 (FDS). This is the quantity of land that has been identified in the Auckland Unitary Plan for potential live urban zoning and has not yet been subject to an approved Plan Change. The majority of this land is on the western side of State Highway 1, extending from Wainui in the north, through to Dairy Flat in the south.

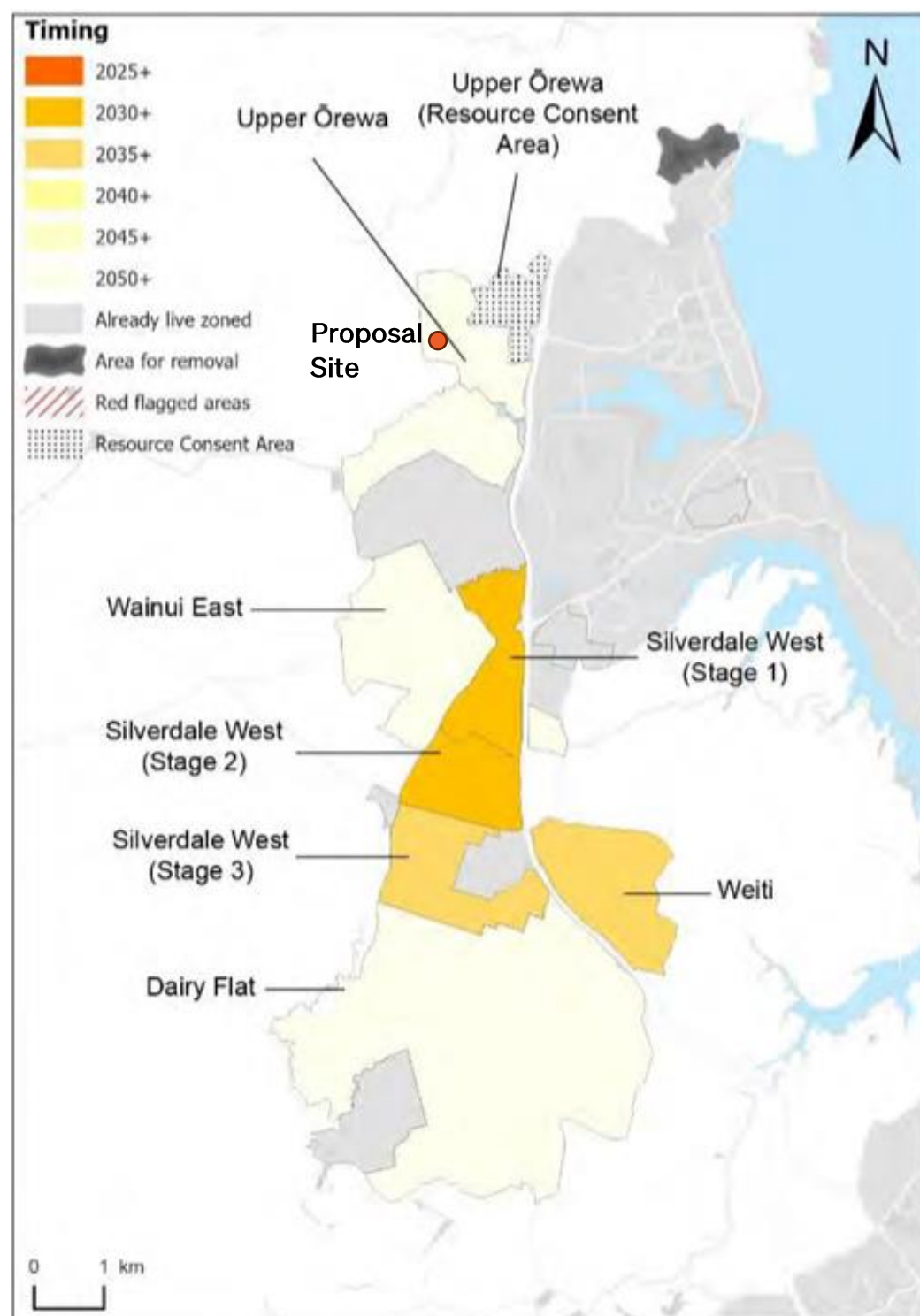
³ Auckland Plan 2050, Page 39

Figure 4:
Silverdale – Dairy Flat, Wainui East and Upper Ōrewa Future Urban Areas - 2016



Source: Auckland Plan 2050

Figure 5:
Future Urban Zone Hibiscus Coast - 2024



Source: Future Development Strategy 2023-2053

Figures 6 and 7 outline the greenfield developments that have occurred within the study area since 2016 (i.e on FUZ land identified in the Auckland Unitary Plan and has been subject to either Plan Change to live-zone or resource consent to enable development). This is as per the definition of greenfield developments in the Auckland Unitary Plan, which defines it as “land identified for

future urban development that has not been previously developed". As such, only developments that have occurred within the FUZ since 2016 are considered to be greenfield capacity.

The main points to note from Figure 6 are:

- There has only been one new greenfield residential development that has occurred in the study area since 2016. This is Ara Hills, which started selling in 2019.
- Ara Hills will supply 700 dwellings in total, of which 470 remain to be developed.
- In total new greenfield capacity for 700 dwellings has been enabled within the study area since 2016, of which 200 dwellings have been completed.
- Ara Hills has achieved a sale rate of 50 dwellings per annum since 2019.
- In total, 25 greenfield residential dwellings have been supplied to the market per annum within the study area since 2016, or 50 per annum since 2019.

Figure 6:
Current Greenfield Residential Developments

Development	Total Dwellings	Sold	Proportion Sold	Currently Selling	Planned	Sale Rate p.a.	Dwelling Types Offered
Ara Hills	700	200	29%	40	470	50	Stand Alone, Terrace & Apartments
Total	700	200	29%	40	470	50	-

Source: Corelogic, Developer Websites, Trademe, UE

Figure 7 provides a breakdown of the dwelling pricing and sizes offered by Ara Hills. The sale prices are derived from Corelogic recent sales data (last two years). The main points to note are:

- The average lot sizes offered are 440m² for stand alone dwellings and 230m² for terrace houses.
- The average GFA offered is 200m² for stand alone dwellings and 170m² for terrace houses.
- Ara Hills currently achieves average prices of \$1,240,000 for stand alone dwellings and \$1,130,000 for terrace houses.

Figure 7:
Ara Hills Profile by Price & Size

Development	Typology	Price Range	Average Price	GFA Range (m ²)	Average GFA (m ²)	Lot Size Range (m ²)	Average Lot Size (m ²)
Ara Hills	Stand Alone	\$1,060,000 - \$2,250,000	\$1,240,000	170 - 340	200	320 - 1,230	440
	Terrace	\$1,080,000 - \$1,230,000	\$1,130,000	170 - 170	170	210 - 230	230

Source: Corelogic, Developer Websites, UE

Figure 8:
Location of Current Greenfield Developments



Source: LINZ, Corelogic, Developer Websites, UE

5. Greenfield Residential Demand Analysis

The following sections provide an assessment of greenfield residential demand, in terms of quantity and price, within the study area, and the wider Auckland region. The Auckland Plan and subsequently the Auckland FDS allocate a proportion of demand to greenfield land, as one of their strategic objectives. These proportions are adopted as part of this analysis. The Auckland Plan is considered to be relevant, as the AUP zoning is currently based on its allocation of greenfield/infill housing established. While the FDS adopts a different greenfield/infill allocation of demand, this has not yet been reflected in the AUP zoning, which currently relies on the distribution established under the Auckland Plan (this will occur when the AUP is reviewed and has become operative, which I understand may be around 2028). As such, both the Auckland Plan and FDS are considered in this assessment.

5.1 Recent Dwelling Sales

Figure 9 below displays the distribution of recent dwelling sales (last two years 2022-2024) by price bracket and type in the study area. The main points to note are:

- The majority of dwellings sold within the study area were stand alone dwellings, which accounted for 80% of sales. Terrace houses accounted for 15% of sales, and apartments accounted for 5%.

- The majority (51%) of stand alone dwellings were sold within the \$1,000,000 – \$1,500,000 price range. In addition, a considerable number of stand alone dwellings were sold for above \$1,500,000 (24%).
- The majority of terrace houses were sold in the \$800,000 – \$1,100,000 price range (56%).

Figure 9:
Recent Sales by Price Bracket for the Study Area January 2022 – 2024

Price Bracket	Stand Alone	Terrace	Apartment	Total
Less than \$500,000	2%	4%	1%	3%
\$500,000-\$600,000	1%	1%	5%	2%
\$600,000-\$700,000	1%	4%	14%	2%
\$700,000-\$800,000	3%	10%	6%	4%
\$800,000-\$900,000	7%	21%	16%	9%
\$900,000-\$1,000,000	9%	20%	11%	11%
\$1,000,000-\$1,100,000	8%	15%	8%	9%
\$1,100,000-\$1,200,000	10%	15%	5%	10%
\$1,200,000-\$1,300,000	13%	5%	11%	12%
\$1,300,000-\$1,400,000	13%	2%	9%	11%
\$1,400,000-\$1,500,000	8%	1%	3%	7%
\$1,500,000-\$1,600,000	8%	1%	5%	6%
\$1,600,000-\$1,700,000	5%	0%	3%	4%
\$1,700,000-\$1,800,000	4%	0%	1%	3%
\$1,800,000-\$1,900,000	2%	0%	2%	2%
\$1,900,000-\$2,000,000	1%	0%	0%	1%
\$2,000,000 Plus	5%	1%	1%	5%
Total	80%	15%	5%	100%

Source: Corelogic, UE

Figure 10 outlines the average sale price of different dwelling types within the study area over the January 2022 – 2024 period. Terrace housing is shown to be the most affordable housing type with an average sale price of \$960,000. Stand alone dwellings achieved the highest average sale price of \$1,290,000. Apartments achieved an average sale price of \$1,050,000.

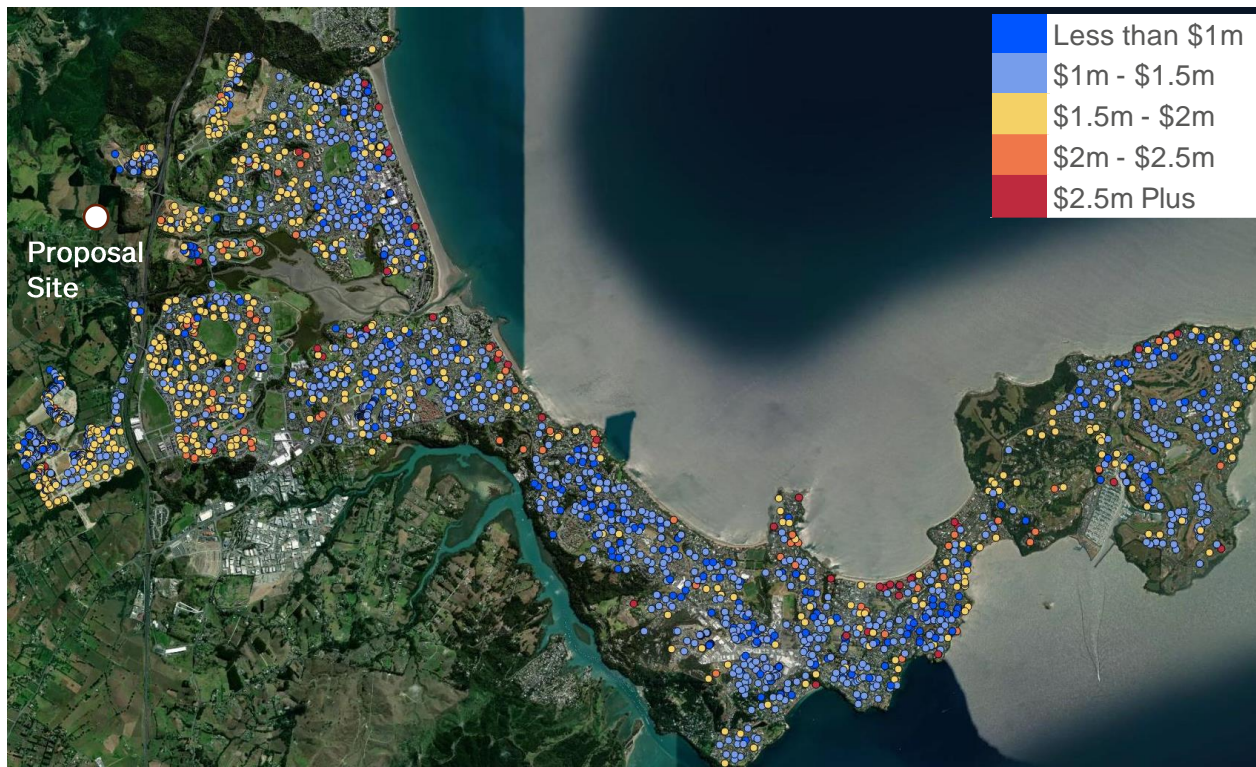
Figure 10:
Average Sale Price by Dwelling Type for the Study Area January 2022 -2024

Dwelling Type	Avg. Sale Price
Stand Alone	\$1,290,000
Terrace	\$960,000
Apartment	\$1,050,000
Total	\$1,230,000

Source: Corelogic, UE

Figure 11 shows the distribution of dwelling sales by price over the January 2022 - 2024 period. The highest priced locations within the study area are beachside properties located along the coast in Ōrewa and Whangaparaoa, and in new subdivisions such as Millwater. The proposal site is located on the western periphery of Ōrewa.

Figure 11:
Recent Sales by Location January 2022 - 2024



Source: Corelogic

5.2 Regional Dwelling Demand by Location

Figure 12 provides a breakdown of the location of new dwellings consented in the Auckland region over the 2016-2023 period. It shows that approximately 85% of all new dwellings consented occurred within the existing urban area (infill locations), 10% occurred within the FUZ area (greenfield area) and 5% occurred within rural areas.

Figure 12:
Auckland Region New Dwellings Consented by Location (2016-2023)

Year	New Dwellings Consented			Total
	Infill*	Greenfield**	Rural***	
2016	7,910	1,195	920	10,025
2017	8,595	1,500	770	10,865
2018	11,030	1,305	530	12,865
2019	13,140	1,445	570	15,155
2020	14,090	1,890	675	16,655
2021	17,490	2,100	940	20,530
2022	18,565	1,860	875	21,300
2023	13,585	1,335	570	15,490
Total	104,405	12,630	5,850	122,885
%	85%	10%	5%	100%

Source: Statistics NZ, UE

*SA2's within the Rural Urban Boundary.

**SA2's containing Future Urban Zone.

***SA2's outside the Rural Urban Boundary.

Figure 13 shows potential dwelling yield by FUZ area for Auckland Region. This provides a basis for understanding the regional distribution of greenfield residential demand that is anticipated by the AUP. The study area is anticipated to account for 24% of all greenfield residential demand across the region⁴. This is the highest proportion among all identified FUZ areas, indicating it is one of the main greenfield development locations identified in the AUP.

Figure 13:
Potential Dwelling Yield by FUZ Area for Auckland Region

Future Urban Area	Potential Dwelling Yield*	%
Warkworth	7,600	6%
Silverdale-Dairy Flat, Wainui East**	32,300	24%
Kumeu-Huapai, Riverhead	8,000	6%
Whenuapai, Scott Point	21,350	16%
Red Hills	12,050	9%
Puhinui	40	0%
Opaheke-Drury, Drury West	23,520	17%
Takaanini	5,300	4%
Pukekohe, Paerata	14,270	10%
Rural Settlements	12,460	9%
Total	136,890	100%

Source: Auckland Plan, Future Urban Land Supply Strategy

*As outlined on p.37 of the Auckland Plan 2050 Development Strategy Monitoring Report (Dec. 2021)

**Consistent with the study area adopted.

⁴ Page 37, Auckland Plan 2050 Development Strategy Monitoring Report (December 2021)

The above analysis assists with determining whether the AUP is presently meeting its strategic objective in allocating demand to greenfield development, as outlined in the Auckland Plan and FDS.

The Auckland Plan states:

“Around 62 per cent of development over the next 30 years is anticipated to be within the existing urban area. The remaining development is anticipated to occur in future urban areas (32 per cent) and in rural areas (6 per cent).”⁵

“In the future urban area more development is expected in decades two and three than in decade one, as infrastructure delivery is progressed.”⁶

The Auckland Plan (page 218) allocates 24% of housing demand over the medium term (1-10 years) to be in greenfield locations, as outlined in Figure 14. In summary, there is total dwelling demand of 129,000 dwellings, of which 24%, or 31,580 dwellings, are expected to occur in greenfield locations, over the 2016-2026 period. The main points to note are:

- Over the 2016-2026 period, regional greenfield dwelling demand is for 31,580 dwellings, or 3,160 dwellings per annum. This is equivalent to approximately 20-30 medium-large scale greenfield developments being required to be underway in any given year, for this period. This is based on an average annual supply per development of 100-150 dwellings for any single development (i.e. the typical average number of dwellings that a single development can supply to the market in one year, given the practical constraints of the development process).
- Based on the Hibiscus Coast accounting for 24% of regional greenfield demand, this equates to a need for this location to supply 7,450 dwellings over the 2016-2026 period, or for approximately 750 greenfield dwellings per annum. This is equivalent to approximately 5-8 medium-large greenfield developments required in any one given year over this period (based on an average annual supply per development of 100-150 dwellings). This indicates an additional 4-7 greenfield developments are required to meet greenfield demand.
- Based on this, there is a significant shortfall of greenfield capacity within the study area, since 2016, with only 200 greenfield dwellings sold in the study area, as identified in Section 4.
- Similarly, there is a significant shortfall of greenfield capacity being released within the region, with only 12,630 new greenfield dwellings consented since 2016. In addition, it is estimated that this would only result in 8,840 greenfield dwelling completions (based on a 70% completion rate).
- This results in a regional greenfield dwelling shortfall since 2016 of approximately 16,440 dwellings, and a Hibiscus Coast study area shortfall of 5,800 dwellings, since 2016.

⁵ Auckland Plan 2050, Page 217

⁶ Auckland Plan 2050, Page 217

Figure 14:
AUP Greenfield Dwelling Demand (2016-2026) under the Auckland Plan

Area	AUP Dwelling Demand 2016-2026 *	AUP Greenfield Dwelling Demand (2016-2026)		
		% of Dwelling Demand***	Number of Dwellings	Number of Dwellings p.a.
Auckland Region	129,000	24%	31,580	3,160
Hibiscus Coast**	-	-	7,450	750

Source: Auckland Plan, UE

*Outlined on Page 220 of Auckland Plan 2050.

**Based on 24% of greenfield demand allocated to the Silverdale-Dairy Flat, Wainui East future growth area (AUP).

*** Based on Figure 44 of Auckland Plan 2050, p.218

Figure 15:
Auckland Plan 2050 Greenfield Dwelling Sufficiency (2016-2024)

Area	Greenfield Dwelling Demand*	Dwelling Completions /Sold*	Shortfall/ Surplus
Auckland Region	25,280	8,840	-16,440
Hibiscus Coast	6,000	200	-5,800

Source: Auckland Council Statistics NZ, Corelogic, UE

*To date (2016-2024)

The FDS assesses four growth scenarios, which allocate a range of demand to greenfield land, from 7% in Scenario A to 21% in Scenario D (in decade 1)⁷. The FDS does not identify a recommended growth scenario. For this reason, it is considered reasonable to take the average of the four scenarios (for decade 1) for the purpose of determining the proportion of demand allocated to greenfield locations over the 2023-2033 period. This results in an average of 14% of demand allocated to greenfield land, as outlined in Figure 16. In summary, the FDS outlines total dwelling demand of 85,080 dwellings, of which, 11,700 (14%) dwellings are expected to occur in greenfield locations, over the 2023-2033 period. The main points to note from Figure 16 are:

- Over the 2023-2033 period, the FDS allocates regional greenfield dwelling demand of 11,700 dwellings, or 1,170 dwellings per annum. This is equivalent to approximately 8-11 medium-large scale greenfield developments being required to be underway in any given year, for this period (based on an average annual supply per development of 100-150 dwellings).
- Based on the Hibiscus Coast accounting for approximately 24% of regional greenfield demand, this equates to a need for this location to supply 2,760 dwellings over the 2023-2033 period, or for approximately 280 greenfield dwellings per annum. This is equivalent to approximately 2-3 medium-large greenfield developments required in any one given year over this period (based on an average annual supply per development of 100-150 dwellings).
- As a result, there is also considered to be a significant shortfall of greenfield capacity within the study area under the FDS greenfield growth scenario, with only 50 dwellings sold per annum across the study area since 2019 (or 25 dwellings sold per annum since 2016), as identified in Section 4. This is significantly below the amount of growth required (of 280 dwellings per annum)

⁷ Future Development Strategy 2023-2053 – Growth Scenarios Evidence Report, Table 3, Page 15.

- In summary, there is considered to be a requirement for an additional 1-2 medium-large scale greenfield developments in the study area in order to meet the greenfield dwelling demand outlined in the FDS, and to contribute towards reducing the accumulated greenfield dwelling shortfall in the Hibiscus Coast.

Figure 16:
AUP Greenfield Dwelling Demand (2023-2033) under the FDS

Area	FDS Dwelling Demand 2023-2033 *	FDS Greenfield Dwelling Demand (2023-2033)		
		% of Dwelling Demand	Number of Dwellings	Number of Dwellings p.a.
Auckland Region	85,080	14%	11,700	1,170
Hibiscus Coast**	-	-	2,760	280

Source: Auckland Plan, UE

*Outlined Appendix 4 of FDS, Appendix p.22. Inclusive of competitiveness margin.

**Based on 24% of greenfield demand allocated to the Silverdale-Dairy Flat, Wainui East future growth area (AUP).

6. Affordability of New Greenfield & Infill Housing

Housing in new greenfield developments is typically able to be brought to the market at lower prices than new infill housing, both in terms of its nominal price and per sqm price. This is due to greenfield developments offering greater economies of scale for land development and house construction, and lower raw land prices.

Figures 17-18 show the sale price of new greenfield and infill dwellings in Auckland. Overall, greenfield dwellings are 88-89% of the price of infill dwellings (11-25% more affordable). On average, a house that costs \$1.2 million in an infill location could be purchased for \$1.0 million in a greenfield location. This price differential is more pronounced for small 2-3 bedroom stand-alone greenfield dwellings, which are 68-79% of the price of their infill counterparts (20-32% more affordable).

For younger singles and couples looking (that are considering starting a family) and younger families with children looking to enter the housing market, it is the small 2-3 bedroom family homes that are most important, as these houses best meet their needs. Having these available at prices that are 20-32% more affordable (i.e. \$700,000 - \$800,000) is therefore critical in ensuring the city is competitive in the national and international markets. It is now evident that Auckland has seen a decline in New Zealand born residents, with people relocating to more affordable locations, such as Hamilton, Tauranga, and Napier.

Consequently, Auckland now relies on wealthy international migrants for its population and economic growth. During Covid, Auckland's population decreased for two straight years (2021 and 2022) due to near zero international immigration, however by contrast during this time New Zealand's regional center's experienced strong growth. This indicates that middle-lower income New Zealand-born Aucklanders are relocating to regions due to a shortage of affordable homes. This is one of the most notable demographic changes occurring in New Zealand, and likely for this decade, and it will have potential adverse gentrification and ageing effects on the Auckland population. In particular, Auckland's long term social and economic resilience relies on attracting and retaining younger households, however, this will not be achieved under current market conditions.

Several studies confirm that greenfield housing is able to be produced at more affordable prices than infill housing. For example, a study completed by Urbis Ltd in 2011⁸ found that greenfield housing was significantly less expensive than infill housing (32% cheaper in Brisbane, 10% cheaper in Adelaide, 5% cheaper in Sydney, 22% cheaper in Melbourne and 32% cheaper in Perth).

It is reasonable to expect Auckland greenfield housing to be 20-30% cheaper than infill housing if there are enough new greenfield developments occurring in each part of the city at any one time. For example, if the average dwelling price were \$1,100,000 in infill locations, the average dwelling price for a comparable dwelling (size and type) in a greenfield location would be around \$750,000 - \$850,000. Affordable dwellings in greenfield locations would attract and retain younger households in Auckland and curb the unprecedented relocation to the regions.

FUZ land is the only opportunity for greenfield housing in Auckland over the short-medium and long term, based on the definition outlined in the AUP and Auckland Plan. An important function of FUZ land is to provide affordable housing and keep the housing market and prices in balance. Well-functioning residential land markets require a balance of infill housing, to enable higher densities and efficient use of existing infrastructure capacity, and greenfield housing, to enable affordable housing to place downward pressure on prices and ensure all residents have access to suitable affordable housing. Currently, Auckland does not achieve this balance, and this will be exacerbated by the outcome of the Housing and Business Development Capacity Assessment (HBA) 2023, Auckland PC78 and FDS (if adopted/applied as they are), which seek to further prioritize infill housing over greenfield housing.

Figure 17:

Average Sale Price (\$m) of New Build Properties between January 2020 - December 2022

Stand Alone						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	-	\$0.7	\$0.8	\$1.1	\$1.5	\$1.0
Infill	-	\$0.8	\$1.1	\$1.4	\$1.6	\$1.2
GF %Infill	-	79%	76%	84%	91%	79%
Terrace						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	-	\$0.7	\$0.9	\$1.2	-	\$1.0
Infill	-	\$0.8	\$1.0	\$1.2	-	\$1.0
GF %Infill	-	96%	94%	104%	-	98%
Apartments						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	\$0.6	\$0.7	-	-	-	\$0.7
Infill	\$0.6	\$0.8	-	-	-	\$0.8
GF %Infill	92%	84%	-	-	-	88%
Total						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	\$0.6	\$0.7	\$0.9	\$1.2	\$1.5	\$1.0
Infill	\$0.6	\$0.8	\$1.0	\$1.3	\$1.6	\$1.2
GF %Infill	92%	86%	84%	93%	91%	89%

Source: CoreLogic

⁸ National Dwelling Cost Study, prepared for the National Housing Supply Council, 2011, Urbis.

Figure 18:
Average Sale Price/m² of New Build Properties between January 2020 - December 2022

Stand Alone						
Locations	1-bed	2-bed	3-bed	4-bed	5+ bed	Average
Greenfield	-	\$7,000	\$5,500	\$5,400	\$4,800	\$5,700
Infill	-	\$10,300	\$7,100	\$6,400	\$5,400	\$7,300
GF% Infill	-	68%	77%	84%	89%	80%
Terrace						
Locations	1-bed	2-bed	3-bed	4-bed	5+ bed	Average
Greenfield	-	\$8,100	\$6,900	\$9,200	-	\$8,100
Infill	-	\$9,600	\$7,200	\$8,300	-	\$8,400
GF% Infill	-	84%	96%	111%	-	97%
Apartments						
Locations	1-bed	2-bed	3-bed	4-bed	5+ bed	Average
Greenfield	\$10,800	\$8,700	-	-	-	\$9,800
Infill	\$11,400	\$10,300	-	-	-	\$10,900
GF% Infill	95%	84%	-	-	-	90%
Total						
Locations	1-bed	2-bed	3-bed	4-bed	5+ bed	Average
Greenfield	\$10,800	\$7,900	\$6,200	\$7,300	\$4,800	\$7,867
Infill	\$11,400	\$10,100	\$7,200	\$7,400	\$5,400	\$8,900
GF% Infill	95%	78%	86%	99%	89%	88%

Source: CoreLogic

6.1 Auckland Median House Price Growth 2003-2023

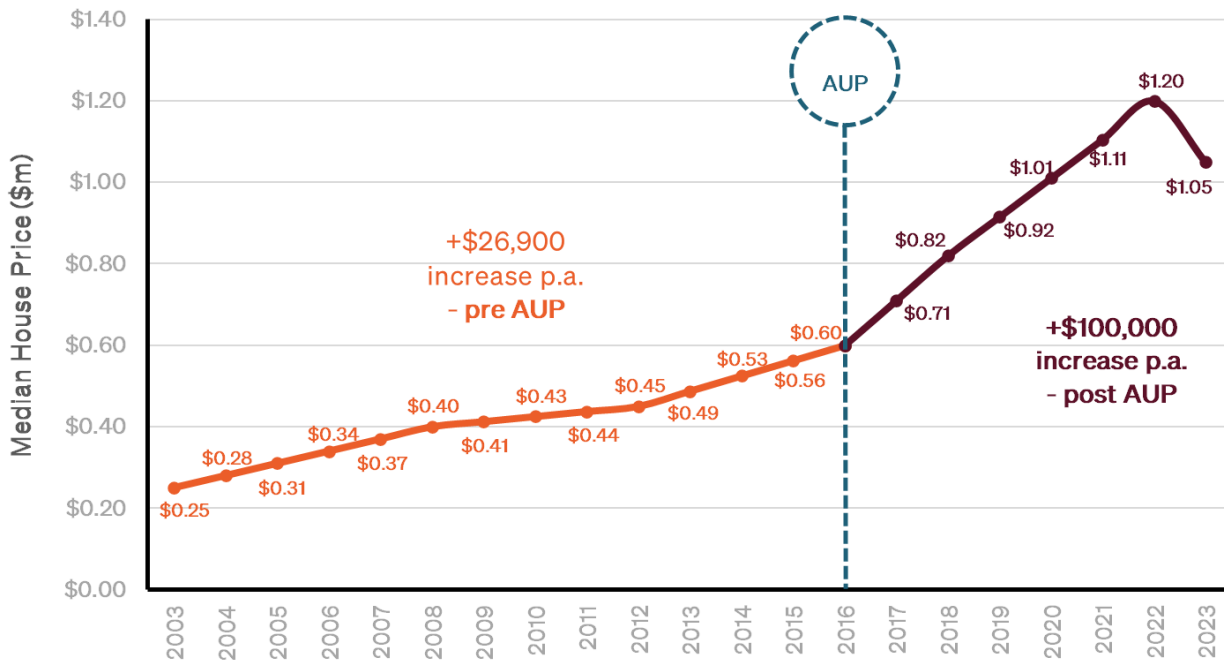
Figure 19 shows the median house price in Auckland has increased since 2003 and now sits above \$1 million. This has had significant adverse social and economic effects.

Since the AUP became operative in part in 2016, the annual average house price increased from approximately \$26,900p.a. pre-AUP (i.e. prior to 2016) to approximately \$100,000p.a. post-AUP. The main driver of house price growth has been the imbalance between infill and greenfield housing. The Auckland Plan anticipated 32% of growth in greenfield locations, however since the AUP became operative, only 10% of growth has been in FUZ greenfield locations⁹. This has meant greenfield development has not been sufficient to provide enough low-priced housing to keep prices affordable, and some greenfield developments have, in the absence of competition, focused solely on high-priced housing.

As discussed above, the ongoing high prices of houses in Auckland are historically unprecedented and have resulted in Auckland's first population decline since its inception 200 years ago, for both 2021 and 2022. During this time the other regions across New Zealand experienced strong growth confirming this was unique to Auckland.

⁹ Based on an assessment of new dwellings consented. Refer Section 5.2.

Figure 19:
Auckland Median House Price Growth 2003-2023

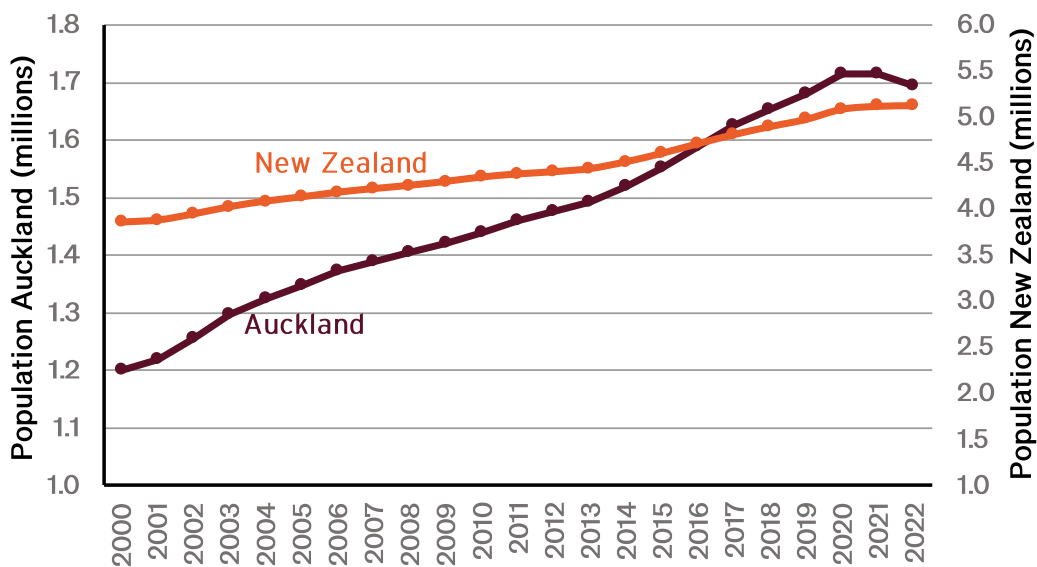


Source: REINZ

7. Auckland Growth

Figure 20 compares the population growth in Auckland and New Zealand. New Zealand has experienced strong population growth over the past two decades, which continued through the Covid-19 period, including years ending March 2021 and 2022. New Zealand's population increased by 21,600 for the year ending March 2021 and by 12,600 for the year ending March 2022. By comparison the Auckland population has declined over the last two years, by 12,800 people for the year ending March 2021 and by 9,000 for the year ending March 2022. This is the first decline Auckland has seen since 1861, and this exodus has led to the rise of the regions. This is likely to be the defining national demographic trend of the 2020s and of central importance for places that are the recipients of the outflow from Auckland.

Figure 20:
NZ and Auckland Growth 2000 – 2022

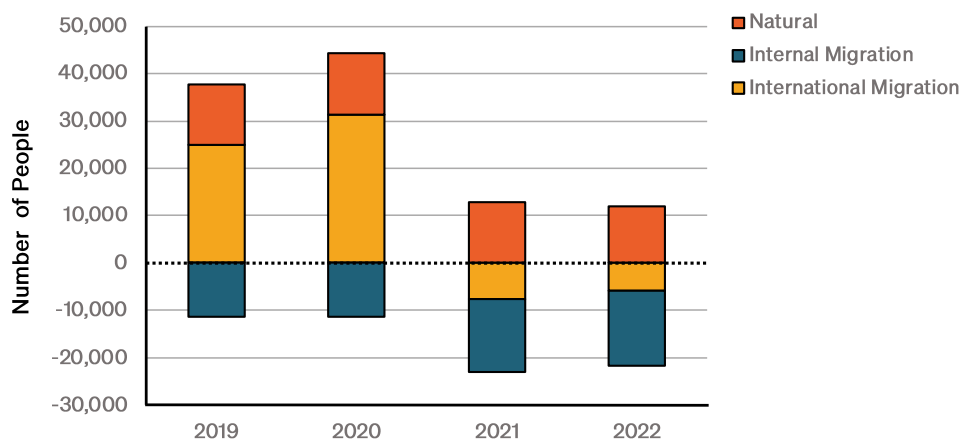


Source: Statistics NZ

A city's growth is comprised of natural population growth (births minus deaths), international migration (the net in/outflow to overseas countries) and internal migration (the net in/outflow from other cities in New Zealand).

As shown in Figure 21, Auckland's natural growth has been steady, at around 12,900 per annum (shown in red) over the 2019 – 2022 period. However, the internal migration (shown in blue) has been in decline with around 11,400 people leaving Auckland for the 2019 and 2020 years, increasing to 15,400 in 2021 and 15,900 in 2022. Overall, the New Zealand-born population has been in decline and this rate of decline is increasing. This trend is expected to continue. By contrast, the international migration (shown in yellow) in Auckland has been historically strong, and recently this was 25,000 for 2019 and 31,300 for 2020. With restrictions on international migration over the Covid period, Auckland's only source of population growth was curtailed, and the total population went into decline.

Figure 21:
Composition of Auckland's population growth 2019 – 2022



Source: Statistics NZ

It is therefore considered reasonable to conclude that the above relocation of Aucklanders is a result (in many cases) of the increasing house prices across the region, which is a consequence of Auckland not providing sufficient lower priced greenfield housing, which is fundamental required to place downward pressure on house prices, as demonstrated in Sections 5.2 and 6.

8. Access to Employment Nodes & Services

The study area has had significant employment growth between 2016 - 2023. As shown in Figure 22 below, employment through this period has increased by 36%. This is tracking considerably higher than the population growth of 22% over the same period, which demonstrates that the study area is a key employment node in North Auckland.

Strong employment growth in the study area is expected to continue, supported by approximately 350ha of net developable industrial land being identified in the Silverdale West - Dairy Flat Industrial Area Structure Plan 2020¹⁰. This will provide significant additional employment for the future residents of the study area, which approximately 10,000 – 15,000 new jobs, which will enable residents to live close to their place of work.

Figure 22:
Employment and Population Growth (2016-2023)

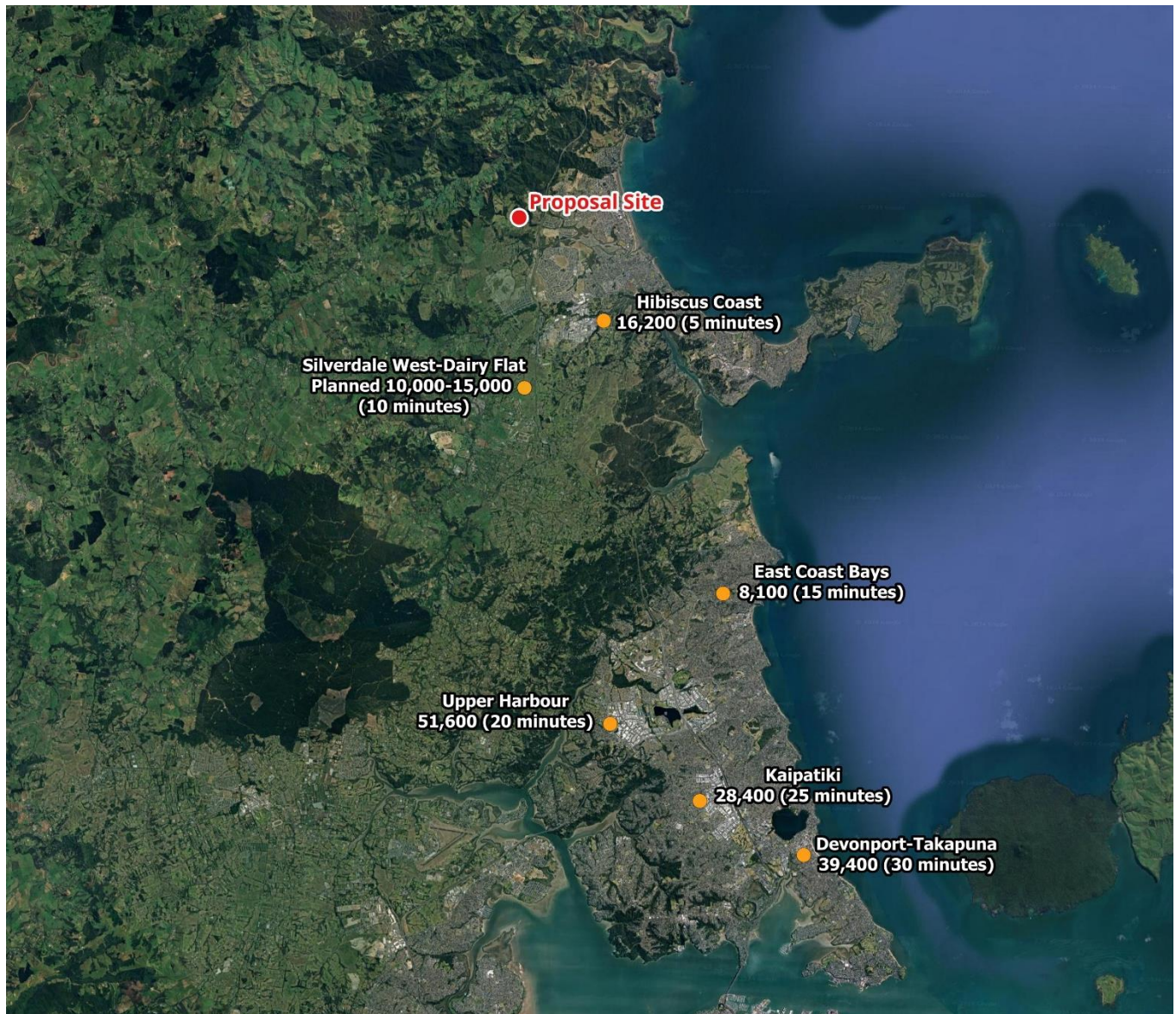
Hibiscus Coast	Employment		Growth (2016 - 2023)	
	2016	2023	Nominal	%
Employment	11,930	16,230	4,300	36%
Population	50,700	62,120	11,420	23%

Source: Statistics NZ, UE

Figure 23 demonstrates that there is significant employment in close proximity to the proposal site, with future residents having access to approximately 140,000 jobs within a 30-minute drive time. This includes the major employment nodes of Silverdale, Albany (Rosedale), Wairau and Takapuna/Devonport.

¹⁰ Silverdale West Dairy Flat Industrial Area Structure Plan 2020.

Figure 23:
Employment Within a 30-Minute Drivetime



Source: Statistics NZ

9. Economic Contribution to GDP & Employment

This section assesses the impact of the project and the proposed shift to urban use on employment and GDP. This assessment confirms that the proposal will “deliver significant economic benefits” for the Auckland region, Rodney, and the study area, and is consistent with Section 22(2)(a)(iv) of the Fast-track Approvals Act.

9.1 Employment & GDP Contribution from Construction

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

Figure 24 outlines the FTEs and value-added to the construction sector GDP that the proposal would generate. It is estimated that the development of the site would support/generate approximately 2,290 FTE jobs and contribute \$304.2 million to the construction sector's GDP.

The employment number can be interpreted as the number of FTE jobs created on an annual basis, i.e. if construction takes 10 years and is split evenly between the years then approximately 229 FTE jobs would be supported in each year.

Figure 24:
Value-Added GDP & FTE Employee Estimates

Construction Phase	Beds	Count	Value (\$M)	Value Added GDP (\$M)	FTE Employees
Land + Dwelling	3	550	\$404.8	\$124.5	940
	4	372	\$309.1	\$95.0	710
	5	328	\$275.5	\$84.7	640
Total	-	1,250	\$989.4	\$304.2	2,290

Source: UE, Statistics NZ

Figure 25 compares the economic impact of the existing use (the 'Base Case' scenario) and the proposed development.

Under the Base Case scenario, the site is currently being used for lifestyle residential with site size restricted to a minimum of 2 ha. This results in a total of 38 lots.

This is estimated to contribute \$11.7 million to GDP and supports approximately 90 FTE jobs.

In contrast, the proposal will develop approximately 1,250 lots + dwellings, contributing an estimated \$304.2 million to GDP and supporting approximately 2,290 FTE jobs.

Overall, the proposal will result in a net addition of 1,212 lots, contributing an additional \$292.5 million to GDP and supporting approximately 2,200 additional FTEs, when compared to the Consented Baseline scenario.

Figure 25:
GDP and FTE Comparison Base Case vs The Proposal

Scenario	No. of Lots	Value (\$M)	Value Added GDP (\$M)	FTE Employees
The Proposal	1,250	\$989.4	\$304.2	2,290
Base Case	38	\$38.0	\$11.7	90
Net Benefit	1,212	\$951.4	\$292.5	2,200

Source: UE, CoreLogic, Statistics NZ

Figure 26 shows the estimated national 'value added per FTE employee'. The value added per employee figures are used to estimate the FTE employees created by the construction of the proposal. Figure 26 shows that the construction sector has a \$23.2B contribution to national GDP and a workforce of 175,000 FTEs. This results in a value added of \$133,000 per FTE employee.

Figure 26:
Industry GDP and Value Added per Employee

Sector	Value Added GDP (\$M)	FTE Workers	Value Added GDP Per Employee
Construction	\$23,200	175,000	\$133,000

Source: Statistics NZ

9.2 Flow-on Effect of the Proposal on the Primary Industries

The contribution of the proposal to GDP and FTE employment is estimated using the value-added approach¹¹. This is further refined to estimate the direct and indirect contributions to GDP based on an evaluation of the interrelationship between different sectors of the economy (using input-output tables sourced from Statistics NZ), with a particular focus on the proposal's impact on primary industries.

Figure 27 outlines the value-added GDP and breaks this down into direct and indirect impacts and FTE employment. Some of the key points to note are:

- The direct impact on the construction sector of the development is estimated to be \$142.9 million in GDP and will support approximately 1,075 FTE jobs. This includes building construction and related services.
- The indirect impact of the construction of the development on primary industries is estimated to be \$67.6 million in GDP and will support approximately 510 FTE jobs. This includes jobs in the 'Agriculture, forestry and logging' sector resulting from the purchasing of raw materials to construct the proposed dwellings (e.g. timber).
- In total, the development is estimated to contribute approximately \$304.2 million to GDP and support approximately 2,290 FTE jobs in the regional economy during this phase.

Figure 27:
Economic Impact of The Proposal on Primary Industries

Impact	Sector	Multiplier	Project Value (\$M)	GDP (\$M)	FTE
Direct	Construction	1.00	\$464.9	\$142.9	1,075
Indirect	Primary	0.47	\$219.8	\$67.6	510
	Other	0.66	\$304.8	\$93.7	705
Total Impact	-	2.13	\$989.4	\$304.2	2,290

Source: Statistics NZ, UE

¹¹The value added of an industry, also referred to as gross domestic product (GDP)-by-industry, is the contribution of a private industry or government sector to overall GDP. The components of value added consist of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus. Value added equals the difference between an industry's gross output (consisting of sales or receipts and other operating income, commodity taxes, and inventory change) and the cost of its intermediate inputs (including energy, raw materials, semi-finished goods, and services that are purchased from all sources).

9.3 Employment & GDP Generation from Ongoing Expenditure

Figure 28 provides an estimate of the ongoing expenditure expected upon the completion of the development. The main points to note are:

- Upon completion of the proposal, the average household expenditure is forecast to be approximately \$41,700 per household, per annum. This generates a value-added to GDP of approximately \$23,900 per annum. These values have been used for both scenarios.
- The total ongoing household expenditure from the residents of the proposal is estimated to be approximately \$52.1 million per annum. This generates a value-added to GDP of approximately \$29.9 million per annum, supporting approximately 344 FTE jobs.
- The total ongoing household expenditure from the residents of the Base Case Scenario is estimated to be approximately \$1.6 million per annum. This generates a value-added to GDP of approximately \$0.9 million per annum, supporting approximately 10 FTE jobs.
- The proposal results in a net additional \$29.0 million in annual value added contribution to GDP, and an additional 334 FTEs supported.

Figure 28:
Employment & GDP Generation from Ongoing Household Expenditure

Ongoing Economic Impact	Number of Households	Average HH Spend (\$p.a.)*	Value Added GDP (p.a.)	HH Expenditure Per Annum (\$M)	Value Added GDP Per Annum (\$M)	FTE Employees (p.a.)
The Proposal	1,250	\$41,700	\$23,900	\$52.1	\$29.9	344
Base Case	38	\$41,700	\$23,900	\$1.6	\$0.9	10
Net Benefit	1,212	-	-	\$50.5	\$29.0	334

Source: UE, Statistics NZ

*Upon completion of proposed development (approximately 2035).

Figure 29 shows the estimated national 'value-added per FTE employee'. These value-added per employee figures are used to estimate the FTE employees created from the ongoing household expenditure from future residents of the proposed development. The sectors that have been included contribute \$86.8 billion to national GDP and employ 1,002,000 FTEs. This results in a value-added of \$87,000 per employee.

Figure 29:
Industry GDP and Value-added per Employee

Sector	Value Added GDP (\$M)	FTE Workers	Value Added GDP Per Employee
Retail Trade	\$13,800	163,000	\$85,000
Accommodation and Food Services	\$6,800	104,000	\$66,000
Transport, Postal and Warehousing	\$13,400	83,000	\$162,000
Financial and Insurance Services	\$17,400	58,000	\$303,000
Education and Training	\$13,100	245,000	\$53,000
Health Care and Social Assistance	\$18,300	163,000	\$112,000
Arts and Recreation Services	\$4,000	186,000	\$21,000
Total	\$86,800	1,002,000	\$87,000

Source: Statistics NZ

10. Infrastructure Capacity Analysis

This section provides an assessment of the impact of the proposal on the remaining capacity of the Army Bay Wastewater Treatment Plant.

The Army Bay Wastewater Treatment Plant services the Hibiscus Coast area (Figure 3) and is nearing full capacity, therefore inhibiting dwelling growth in the area. As a result, developments with building consent have been given priority to connect to the system, while developments with resource consent are being assessed on a case-by-case basis. Developments without resource consent will be required to wait to connect until after the system has been upgraded. The main points to note from Figures 30 and 31 are:

- In total, the Army Bay Wastewater Treatment Plant has a maximum capacity for approximately 75,000 people, or approximately 27,000-28,000 dwellings.
- Currently, there is an estimated 23,300 connections to the Army Bay Wastewater Treatment Plant. This is informed by the Census 2023 dwelling counts release.
- In total, Watercare estimates remaining capacity of the Army Bay Wastewater Treatment Plant for 4,000 dwellings.
- At present, there are a total of approximately 2,110 unfinished dwellings (i.e. no Code of Compliance Certificate) with approved building consents in the Hibiscus Coast. These dwellings will be prioritised for new connections to the system over the coming years.
- As a result, there is an estimated 1,890 remaining connections for new developments with approved resource consents.
- Over the last few years Watercare indicate an average of 800¹² new home connections to the Army Bay Wastewater Treatment Plant annually.
- As such, there is an estimated 2-3 years of capacity remaining at the plant. This is approximately 3-4 years short of the planned 2031 upgrade, which will have significant social and economic implications for the area.

Figure 30:
Army Bay Wastewater Treatment Plant Capacity

Army Bay Wastewater Treatment Plant	Existing Dwelling Connections*	Total Dwelling Capacity**	Total Remaining Dwelling Capacity***	Total Unfinished Dwellings with Building Consent****	Remaining Dwelling Capacity for Developments only with Resource Consent
2024	23,300	27,300	4,000	2,110	1,890

Source: Statistics NZ, Watercare, Auckland Council

* Census 2023 Occupied Dwelling Count.

** Watercare estimate. Based on current maximum serviceable population of approximately 75,000 people, and 2.75 people/dwelling.

*** Watercare estimate.

**** Sourced from OIA request to Auckland Council

¹² "The Hibiscus Coast has been growing rapidly, and in the past few years Watercare has connected about 800 new homes each year." (Plans to invest \$500m for growing Hibiscus Coast community (14 November 2024))

Figure 31:
Number of Years of Capacity Remaining

Army Bay Wastewater Treatment Plant	Remaining Dwelling Capacity for Developments only with Resource Consent	Average Number of new Connections (p.a.)*	Remaining Years of Capacity
2024	1,890	800	2.4

Source: Watercare, Auckland Council

* As indicated by Watercare media release "Plans to invest \$500m for growing Hibiscus Coast community" (14 Nov 2024).

While there is no remaining capacity for the proposed Delmore development to connect to the infrastructure system based on these figures, the development includes a temporary wastewater system for the beginning stages, enabling new supply to the market prior to the proposed Army Bay Wastewater Treatment Plant upgrades in 2031. This proposed development therefore offers the advantage of contributing towards the current greenfield housing shortage (Section 5.2, Figure 15) in the Hibiscus Coast and ensuring the supply of new housing meets the current and future needs of the population in terms of price and dwelling type, however, does not impact the existing operation or capacity of the existing wastewater system.

11. Market Positioning Analysis

This section provides an analysis of the market positioning of other key developments surrounding the proposal, in terms of price, lot size and dwelling type. This is to determine whether the proposal would add additional supply to the market, that would not otherwise be available.

Figure 32 provides a summary of dwelling sales by price, type, lot size and floor area in these key developments over the 2022 - August 2024 period (2.75 years). The main points to note are:

- During the 2022 - August 2024 period, Milldale achieved an average sale price of \$1,275,000, Millwater achieved an average sale price of \$1,490,000, Ara Hills achieved an average sale price of \$1,315,000.
- Across each development, approximately 90% of sales occurred for more than \$1,000,000. This highlights a significant gap in the market.
- During the 2022 – August 2024 period, Millwater supplied the largest product across the developments assessed, with average floor areas of 230m² and section sizes of 500m².
- By comparison, Milldale and Ara Hills provided slightly smaller product, with average floor areas of 180m² and 210m² respectively, and section sizes of 400m² and 430m².

Figure 32:
Key Development Benchmark Summary Table (Recent Sales 2022-August 2024)

Milldale	Stand Alone	Terrace	Apartment	Total
Average Sale Price	\$1,315,000	\$1,035,000	-	\$1,275,000
Average Lot Size (m ²)	430	180	-	400
Average Floor Area (m ²)	180	150	-	180
% Sold Below \$1m	4%	62%	-	11%
% Sold Above \$1m	96%	38%	-	89%

Millwater	Stand Alone	Terrace	Apartment	Total
Average Sale Price	\$1,585,000	\$1,055,000	\$785,000	\$1,490,000
Average Lot Size (m ²)	570	190	20	500
Average Floor Area (m ²)	250	160	80	230
% Sold Below \$1m	0%	36%	100%	6%
% Sold Above \$1m	100%	64%	0%	94%

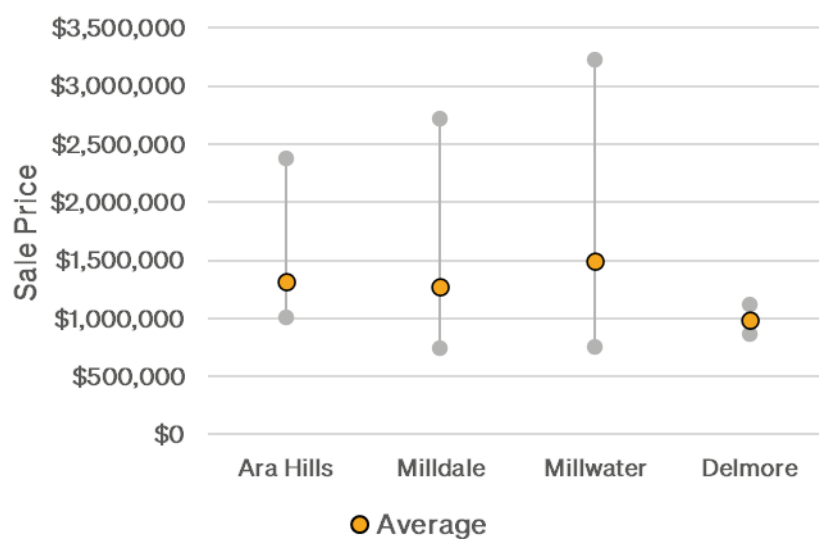
Ara Hills	Stand Alone	Terrace	Apartment	Total
Average Sale Price	\$1,340,000	\$1,085,000	-	\$1,315,000
Average Lot Size (m ²)	460	220	-	430
Average Floor Area (m ²)	210	170	-	210
% Sold Below \$1m	0%	0%	-	0%
% Sold Above \$1m	100%	100%	-	100%

Source: Corelogic

Figures 33 and 34 provide a comparison of the size and price composition of the key developments over the 2022-August 2024 period against the proposed development.

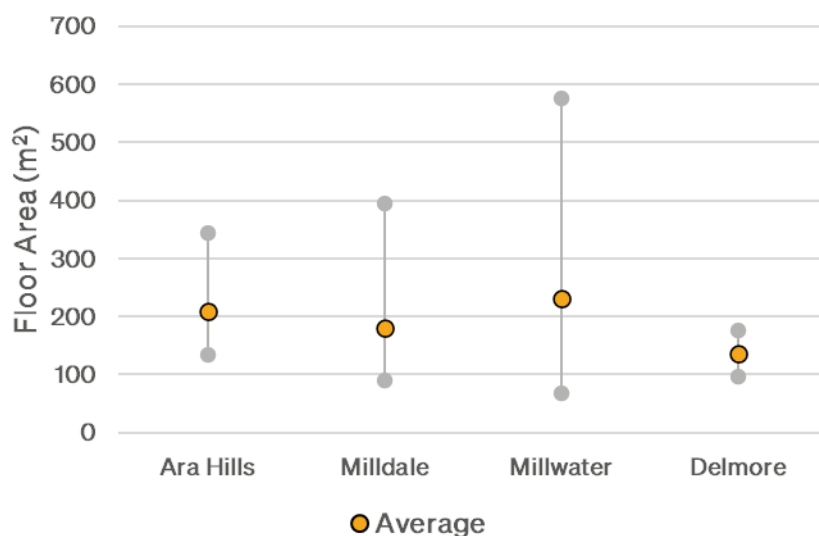
As shown below, Delmore will supply new dwellings at the lower end of the market, in terms of size and price, when compared against the surrounding key developments. As such, Delmore is considered to meet the needs of a market segment that is currently underrepresented (i.e. new housing for first home buyers of less than \$1,000,000). This confirms the proposed development will offer economic benefits relating to the type and price of dwellings available in the market.

Figure 33:
Key Development Price Range



Source: CoreLogic

Figure 34:
Key Development Floor Area Range



Source: CoreLogic

12. Fast-track Approvals Bill Economic Considerations

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

The relevant sections for an economic analysis are outlined as follows.

Section 22(1): “The criteria for accepting a referral application are that-

(a) the project is an infrastructure or development project that would have significant regional or national benefits...”

Section 22(2): “For the purposes of subsection (1)(a), the minister may consider-

(a) whether the project-

...

(iii) will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)

(iv) will deliver significant economic benefits

(v) will support primary industries, including aquaculture:

...

(x) is consistent with local or regional planning documents, including spatial strategies.”

Each of the subsections outlined above are addressed below.

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

As outlined in Section 22(2)(a)(iii), the proposal would make a regionally significant contribution to increasing the supply of housing to ensure housing needs are met. It would also contribute towards a well-functioning urban environment in a way that is of regional significance. The reasons for this are summarised below.

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

Policy 1: “Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:

(a) have or enable a variety of homes that:

(i) meet the needs, in terms of type, price, and location, of different households...

(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and

(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets;”

The study area has been identified as the major greenfield growth area within the AUP, accounting for 24% of the regions total greenfield demand. This requires the supply 7,450 dwellings over the 2016-2026 period, or for approximately 750 greenfield dwellings per annum based on the Auckland Plan greenfield dwelling demand, and 2,760 dwellings over the 2023-2033 period, or for approximately 280 greenfield dwellings per annum based on the FDS greenfield dwelling demand.

Since the AUP became operative in 2016, only one new greenfield development has entered the market in this location, namely Ara Hills. This development has supplied only 50 dwellings per annum to the market since 2019 (or 25 dwellings per annum since 2016), falling substantially short of both the greenfield demand outlined in the Auckland Plan and FDS, in the order of 230-700

dwelling per annum, or 82-93% below the expected rate of greenfield growth for this part of the city. It is estimated that the study area requires approximately an additional 4-7 medium-large greenfield developments in any one given year over this period under the Auckland Plan greenfield demand, and an additional 1-2 medium-large scale greenfield developments under the FDS greenfield demand, in order to ensure that there is sufficient supply and a competitive housing land and development market.

More generally, the proposal would contribute to the regional shortfall in greenfield housing expected to be supplied to the market since 2016.

Similarly, the proposal will contribute towards addressing the significant shortfall of greenfield capacity being realised within the region, since 2016. In particular, only 1,260 new greenfield dwellings consented per annum since 2016, well below (60%) the expected rate of 3,160 per annum.

As a consequence, the average house price in Auckland has increased substantially since the adoption of the AUP (2016), with the annual average house price growth increasing by approximately \$26,900 p.a. pre-AUP (i.e. prior to 2016) to approximately \$100,000 p.a. under the AUP. The main driver of this house price growth has been the predominance of new infill housing supply relative to new greenfield housing. This is because greenfield housing has prices that are 20-30% below that of infill housing.

The proposal would add a second major greenfield development to the study area, which would contribute towards ensuring there is a wider range of housing available to the market, at more affordable prices.

The proposal is considered to make a regionally significant contribution to addressing housing needs, not just because of the number of houses it will provide in a high demand area, but because of the anticipated price of the housing it will provide. The anticipated prices of the housing provided would provide housing for households that would otherwise likely relocate outside of Auckland, due to the increasing unaffordability of new housing being supplied to the market. This is supported by the 2023 HBA, which concludes that Auckland has sufficient capacity to meet demand in terms of the quantity of houses that can be built, however, there is insufficient development capacity to meet demand in terms of the price of houses that can be built (predominantly in the sub-\$900,000 price range¹³). In particular, that there is the insufficient capacity of lower priced or affordable houses, and that this issue is permanent and will not change over time.

“The housing sufficiency analysis for the 2023 assessment suggests that affordability will deteriorate further in the future if recent trends in household incomes and housing prices continue. Figure 68 illustrates the match (or mismatch) between supply and demand across the distribution of dwelling values in 2022, and projected for 2025, 2032, and 2052. Bars below the zero line represent a shortfall in dwelling units in that dwelling value band, while bars above the line represent excess supply. It is important to note that even in 2022 there is a significant segment of low-income households that cannot afford market provided housing, and the shortage of housing in this market segment is projected to grow from 2022 to 2052.” (HBA, page 114).

“If the supply of affordable housing (housing priced at \$770,000 or less) grows at a rate lower than 4.5 per cent, the mathematical model fails to find a finite solution, that is, the housing unaffordability situation of Auckland becomes permanent.” (HBA, page 81).

¹³ HBA, Page 114

The proposal would provide approximately 643 new relatively affordable dwellings to the market at \$1,000,000 or less, which is less than the average sale price of stand alone dwellings in the study area over the 2022-2024 period. This is considered to make a significant contribution towards retaining population that would otherwise be forced to relocate to other regions across the country that can meet their housing needs, as a result of the ongoing high prices of houses in Auckland.

As a result, the proposed project is considered to meet Policy 1 of the NPS-UD and therefore meet Section 22(2)(a)(iii) of the Fast-track Approvals Act.

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

As outlined in Section 9 of this report, the proposal would result in a direct contribution to GDP of approximately \$142.9 million and support approximately 1,075 FTE jobs in the construction-related sectors. In addition, the proposal would result in an indirect economic impact of a contribution to GDP of approximately \$161.3 million and support an additional 1,215 FTE jobs in supporting industries. This brings the total economic impact of the project to an estimated \$304.2 million in contribution to GDP and 2,290 FTE jobs being supported/generated. This is considered to be a significant economic benefit resulting from the proposed project. Further, this is considered to be a net economic impact, due to the current housing shortfall and high house prices, which is reducing the total potential growth of Auckland.

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

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

As outlined in Section 9 of this report, the proposal would result in a notable contribution towards Primary sector GDP and FTE employment. In total, the development of the project is estimated to result in a total contribution to Primary sector GDP of \$67.6 million, which would support an estimated 510 FTE jobs. This is as a result of the purchasing of raw materials that are required to construct the dwellings (i.e. timber etc), which will support the ongoing employment and performance of sectors such as the 'Agriculture, forestry and logging' sector.

As a result, the proposed project is considered to make a notable contribution towards Primary Industries and therefore meets Section 22(2)(a)(v) of the Fast-track Approvals Act.

Section 22(2)(a)(x): Consistent with Local or Regional Planning Documents

As outlined in Section 10 of this report, the proposal is considered to be consistent with provisions B2.4.1.(4) and B2.4.2.(11)(a) of the AUP, by increasing the supply of relatively affordable housing in the Hibiscus Coast, which would meet the needs of households on lower-moderate incomes that currently do not have their housing needs met. As a result, the proposal is considered to meet Section 22(2)(a)(x) of the Fast-track Approvals Act, in terms of the AUP provisions.

Overall, the proposal is considered to result in several significant regional benefits and therefore meet Section 22(1)(a) of the Fast-track Approvals Act 2024.

13. Conclusion

The proposal would result in several significant regional benefits to the Auckland region, namely related to providing housing that is considered to result in the retention of population, and through the economic benefits generated as a result of the construction of the proposal.