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Economic Assessment of Fast-track Referral Application for Brymer

Prepared for:
Pragma

Authorship

This document was written by Fraser Colegrave and Danielle Chaumeil.

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)

Danielle

Phone: s 9(2)(a)

Email: s 9(2)(a)

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Contents

Contents.....	2
1. Executive Summary.....	1
2. Introduction	3
2.1. Context.....	3
2.2. Criteria for Assessing Referral Applications.....	4
2.3. Structure of this Document	4
3. About the Proposal	5
3.1. Site Location and Description	5
3.2. Anticipated Development Yields.....	6
4. One-Time Impacts of Development.....	7
4.1. Introduction	7
4.2. Methodology.....	7
4.3. Development Assumptions.....	8
4.4. Summary of Development Costs	9
4.5. Estimated Impacts on GDP, Jobs, and Wages.....	9
4.6. Top 10 Industries by FTEs Employed	10
4.7. Indicative GST Payments.....	10
5. Ongoing Impacts of Future Uses.....	11
5.1. Introduction	11
5.2. Methodology.....	11
5.3. Inputs & Assumptions	11
5.4. Annual GDP, Jobs, and Wages	11
5.5. Indicative GST Payments.....	12
6. Housing Market Impacts	13
6.1. Significant Boost in Housing Supply	13
6.2. Land Market Competition	14
6.3. Providing a Variety of Dwellings	14
6.4. Helping Foster Well-Functioning Urban Environments	14
6.5. Alignment with Hamilton Urban Growth Strategy	15
7. Wider Economic Impacts	17
7.1. Project Acceleration.....	17
7.2. Critical Mass and Support for Nearby Centres	17
7.3. Socioeconomic Benefits of Retirement Villages	18
7.4. Highest and Best Use of Land	18
7.5. Investment Signal Effects.....	18
8. FTAA Criteria Checklist.....	19

1. Executive Summary

Context

Brymer is a residential development comprising approximately 1,650 residential units of varying typologies, such as detached, duplexes, terraces, apartment units and retirement village units, along with a supporting mixed-use neighbourhood centre, open spaces, and infrastructure (the **proposal**).

To expedite development, Brymer Farms Limited 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 ten-year period, including flow-on effects, we estimate that the development could have the following national impacts:

- A one-time boost in national GDP of around \$720 million;
- Employment for 5,070 FTE-years (or 507 people employed full-time for 10 years); and
- Additional household incomes of \$428 million.

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

- **Significant Increase in Housing Supply:** The proposal enables approximately 1,650 new dwellings, which 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).
- **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 caters to a variety of needs and preferences by providing for a range of dwelling typologies.
- **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 neighbourhood centre 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

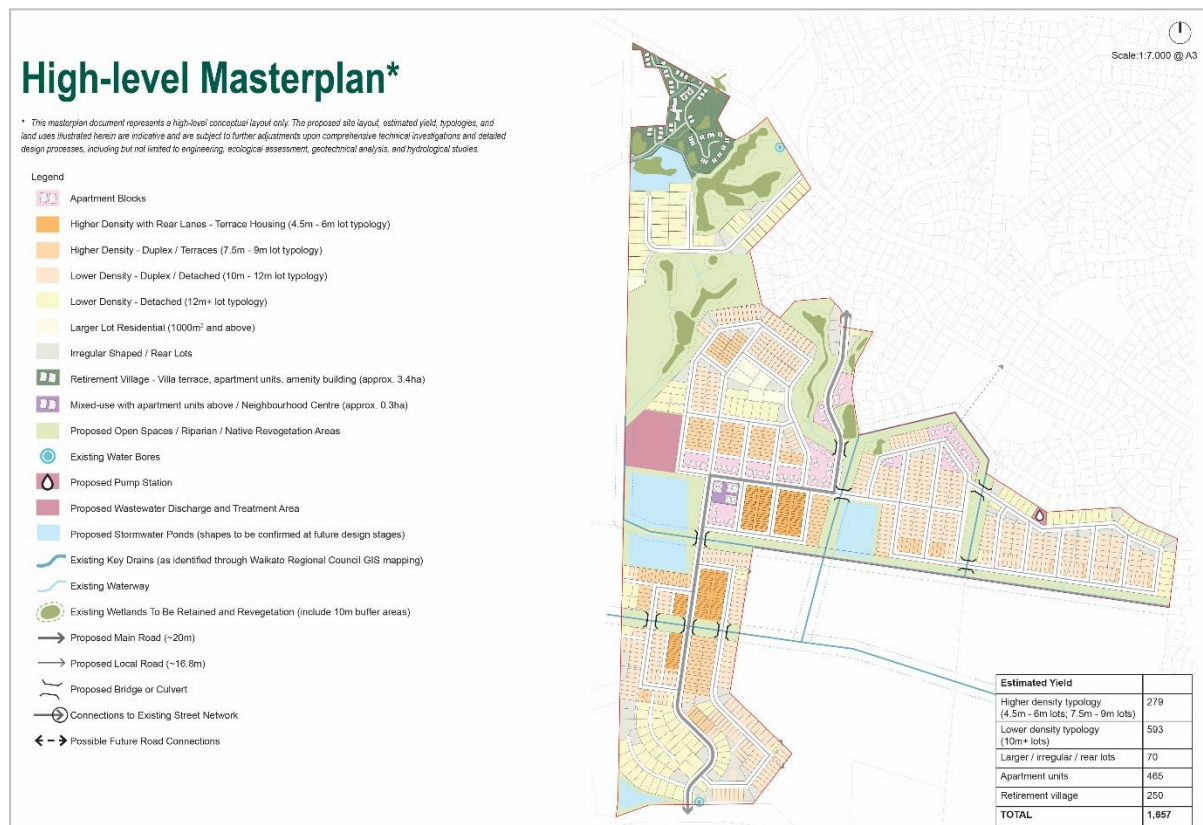
Overall, the proposal delivers both significant short-term economic gains. and sustained long-term benefits. for the region. The fast-track process ensures these benefits are realised sooner than traditional development pathways would otherwise normally allow. Accordingly, we support the proposal on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

2. Introduction

2.1. Context

Brymer is a residential development that comprises circa 1,650 residential units of varying typologies, such as detached, duplexes, terraces, apartment units and retirement village units, along with a supporting mixed-use neighbourhood centre, open spaces, and infrastructure. The Brymer Masterplan is shown in Figure 1, and contained within the Urban Design Memorandum.

Figure 1: Brymer Masterplan



The residential community is underpinned by a series of design principles, which focus on creating a well-connected, legible and diverse community on Hamilton City's urban fringe. The proposed transport network, with a 20-metre-wide spine road running north-to-south, is supported by local roads, cycle connections and pedestrian pathways to create an accessible and legible development. As aforementioned, a range of housing typologies and densities are proposed to meet the growing and changing needs of the housing market to ensure there are options for future residents. Each typology has been thoughtfully located, based on opportunities and constraints, with density ranging from terraces, duplexes and standalone dwellings to ensure integration with the adjoining urban footprint.

In the heart of Brymer is a 0.3 hectare mixed-use neighbourhood centre that will provide a range of amenities and services to support the residential development. This mixed-use neighbourhood centre will likely include commercial properties, cafés and a local superette. Apartment units are provided above the neighbourhood centre. The commercial element of the residential development has been

scaled to support the density proposed, located directly adjacent to the majority of apartment building typology.

Sitting at the higher, northern point of the site is a retirement village, that comprises approximately 3.4 hectares, and provides villa terraces, apartment units and an amenity building. This will be serviced by its own private transport network, infrastructure, and high amenity open spaces.

Integrated throughout the residential development are a number of open spaces that are well distributed to create a highly amenable community that will be a pleasant and enjoyable place to live for future residents. The open spaces support ecological restoration through the retention of a number of natural wetlands and riparian revegetation.

The development will be appropriately serviced via a robust infrastructure strategy, which includes a new pump station, wastewater discharge and treatment area, stormwater ponds, and utilisation of the existing water bores.

2.2. Criteria for Assessing Referral Applications

The FTAA is a new, permanent fast-track approvals regime for projects of national and regional significance. It aims to remove barriers that have historically made it difficult to deliver the infrastructure and development New Zealand needs. 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 and has the potential to deliver significant regional or national benefits.

In considering whether to refer a project, the Minister may consider a range of factors set out in Section 22(a), including whether the project will support housing supply, deliver significant economic benefits and align with government strategies.

This report provides an assessment of the proposed development against the relevant criteria under section 22(2)(a) from an economic perspective.

2.3. Structure of this Document

The remainder of this document is structured as follows:

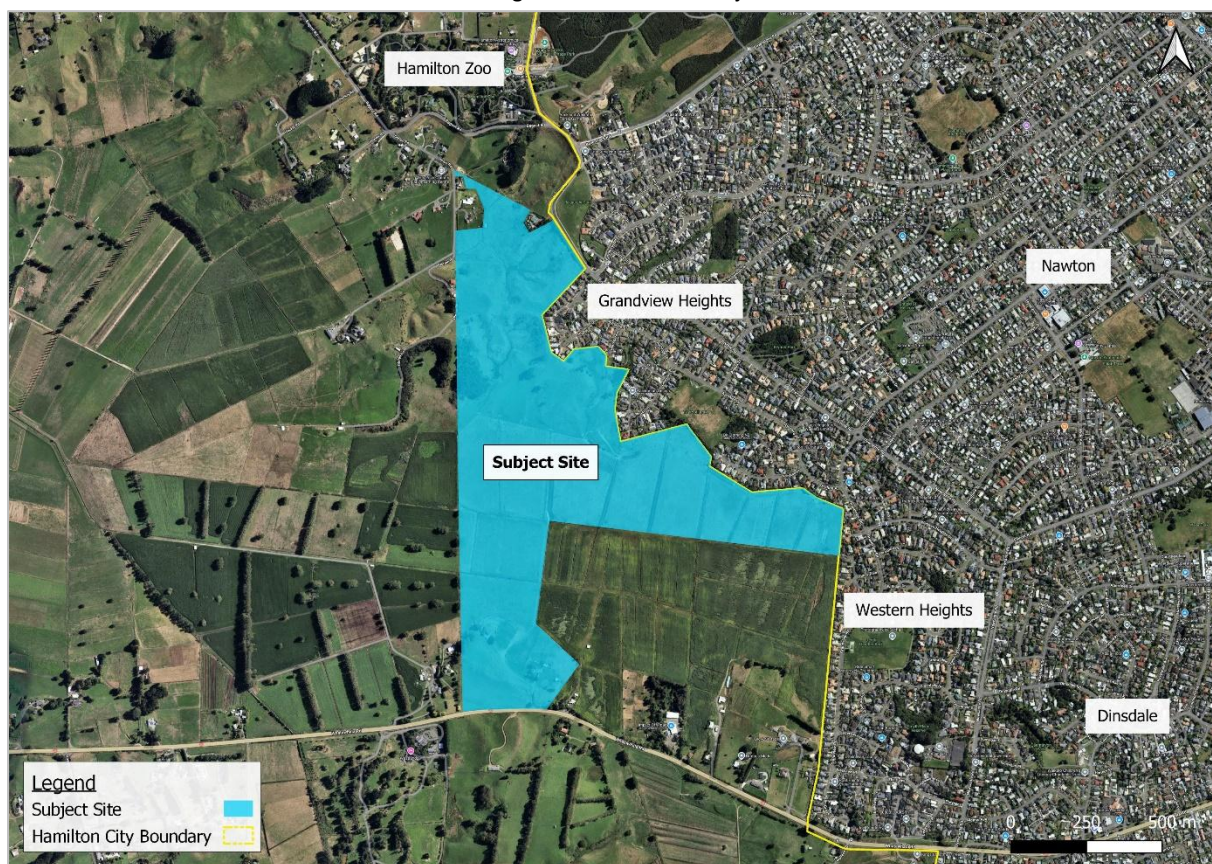
- **Section 3** identifies the subject site and provides indicative dwelling yields.
- **Section 4** estimates the one-time impacts of the proposal's future development.
- **Section 5** estimates the annual impacts of non-residential activities sustained onsite.
- **Section 6** assesses the likely impacts 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

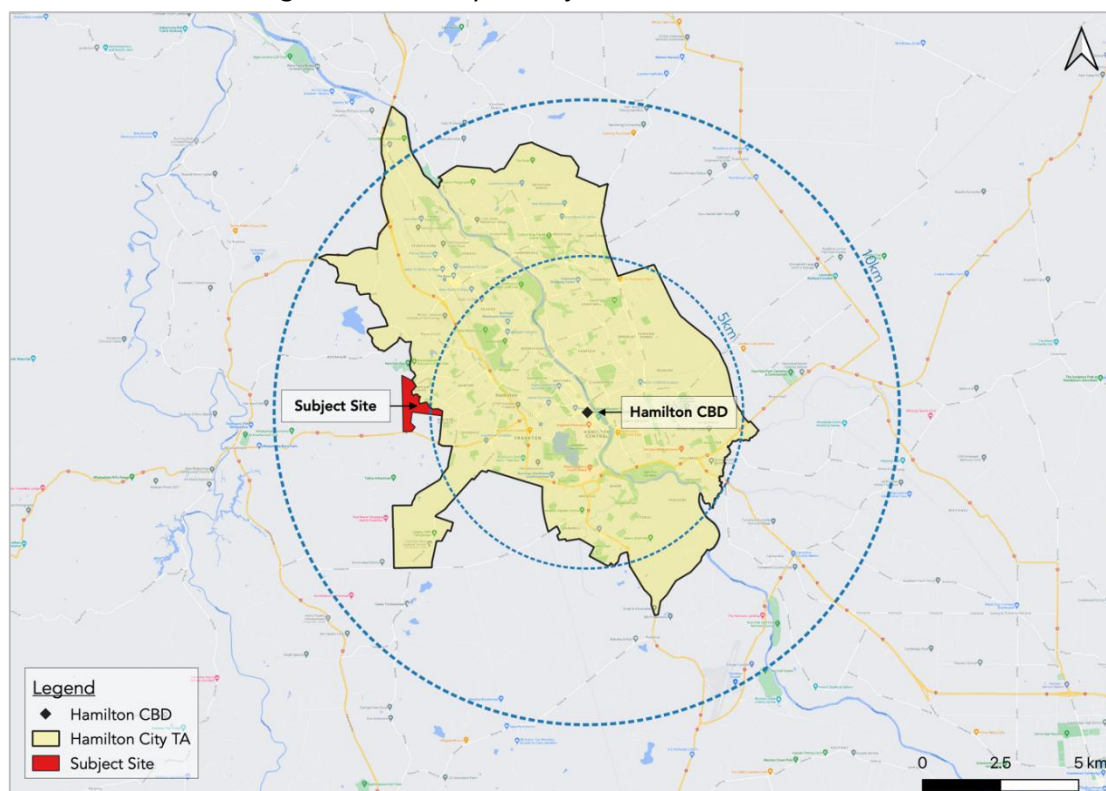
The subject site is located in the Waikato district, just west of the Hamilton City territorial boundary. It is bound by Brymer Road to the north, rural land to the east and west, and State Highway 23 to the south. The site comprises five separate lots which collectively span approximately 80 hectares. Its topography is varied, including areas of steep slopes in the northern and southern reaches, with many flat areas interspersed. The location of the site is illustrated in Figure 1 below, where the yellow line denotes the Hamilton City boundary.

Figure 2: Location of Subject Site



While the subject site is technically in the Waikato district, it is only about six kilometres from Garden Place in the Hamilton CBD, which is closer than many of Hamilton city's own suburbs. This is illustrated in the map below, where the blue dotted lines delineate areas that are five or ten kilometres from Garden Place (an area commonly considered the heart of the Hamilton CBD).

Figure 3: Proximity of Subject Site to Hamilton CBD



The map above shows that the subject site is closer to the Hamilton CBD than many Hamilton city suburbs (including Rototuna, Rotokauri, Flagstaff, and Temple View). Accordingly, we consider the subject site to effectively form part of the greater Hamilton city urban area.

3.2. Anticipated Development Yields

The proposed development is expected to deliver 1,657 dwellings, including a 250-unit retirement village, located in the northern reaches of the site. The balance of the residential development comprises a mix of housing typologies, including apartments, duplexes, terraces, and standalone homes. See Table 1.

Table 1: Anticipated Dwelling Yields

Dwelling Type	Count	Share
Terrace Housing & Higher Density Duplex	279	17%
Detached & Lower Density Duplex	593	36%
Detached - Larger Lot	70	4%
Apartment Unit	465	28%
Retirement Unit	250	15%
Total	1,657	100%

In addition, the proposal provides for approximately 0.3 hectares of neighbourhood centre land. Assuming a floor area ratio (**FAR**) of 0.5, this translates to about 1,500 m² of new commercial floorspace to support the day-to-day needs of the local community.

4. One-Time Impacts of Development

This section estimates the one-time impacts of Brymer's future development.

4.1. Introduction

In the previous section we showed that the proposal could deliver approximately 1,657 new homes plus 1,500m² of non-residential floorspace. Constructing these new buildings, 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-in effects. These comprise two parts:

- **Direct impacts** – which capture all onsite and offsite activities directly related to the proposal's development. e.g. home builders and their various subcontractors and suppliers, some of which will be onsite, and some of which will be offsite.
- **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 non-residential yields, we started with those. Specifically, we first estimated the costs of all residential and non-residential 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 displays our residential development assumptions, which include average dwelling sizes by type and associated build costs¹, for the 1,657 new dwellings enabled. Overall, residential construction costs are estimated at \$795 million in today's dollars.

Table 2: Residential Development Assumptions

Dwelling Types	# of New Dwellings	Average Size GFA m ²	Build Cost \$/m ² GFA	Total Build Cost \$m
Stand-alone (small)	262	120	\$3,000	\$95
Stand-alone (large)	485	200	\$3,000	\$290
Terrace/duplexes	195	120	\$3,000	\$70
Apartments	465	100	\$4,500	\$210
RV units	250	130	\$4,000	\$130
Totals	1,657	n/a	n/a	\$795

Next, Table 3 combines our notional estimates of non-residential floorspace with their associated build costs to yield estimated total construction costs of nearly \$7 million in today's dollars.

Table 3: Non-Residential Development Assumptions

Non-Residential Uses	Total GFA m ²	Build Cost \$/m ²	Total Cost \$m
Convenience Retail	1,200	\$4,500	\$5.4
Services/Other	300	\$4,500	\$1.4
Totals	1,500	n/a	\$6.8

Based on tables 2 and 3, total construction costs equal \$802 million, from which we then derived:

- \$16 million for planning, designing, and consenting costs (i.e. 2% of build costs); and
- \$160 million for infrastructure and civil works costs (i.e. 20% of build costs).

¹ Build costs were based on average values over the year to February 2025 across Auckland, Waikato, and Bay of Plenty, as reported in building consent data.

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 \$978 million in today's dollars.

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

Development Activity	\$ millions
Planning/design/consent	\$16
Civil works & infrastructure provision	\$160
Residential construction	\$795
Non-Residential construction	\$7
Total Development Cost	\$978

Finally, these costs were mapped² to sectors of the regional/national economy then overlaid with the latest economic multipliers to derive the one-off impacts of Brymer's development, as set out below.

4.5. Estimated Impacts on GDP, Jobs, and Wages

Table 5 presents the one-time impacts of the proposal's development based on the methodology, inputs, and assumptions described above. All activities are assumed to occur over a 10-year period.

Table 5: One-Time Economic Impacts of Brymer's development by (spread over 10 years)

	Planning & Design	Infrastructure & Civil Works	Residential Construction	Non-Resi Construction	Brymer Totals
Annual Jobs					
Direct impacts	6	38	116	1	160
Indirect impacts	4	50	324	3	380
Total	10	88	439	4	540
Annual FTEs					
Direct impacts	6	37	111	0.5	153
Indirect impacts	4	46	302	2.5	354
Total	9	83	412	3.0	507
Total Wages \$m					
Direct impacts	\$6	\$35	\$85	\$0.7	\$127
Indirect impacts	\$4	\$40	\$255	\$2.3	\$301
Total	\$10	\$75	\$340	\$3.0	\$428
Total GDP \$m					
Direct impacts	\$10	\$50	\$130	\$1.2	\$191
Indirect impacts	\$6	\$75	\$445	\$4.2	\$530
Total	\$15	\$125	\$575	\$5.3	\$720

² 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.

In summary, we estimate that:

- Future planning/design/consenting will create full-time employment for 9 people over the 10-year development period, generating total wages/salaries of \$10 million;
- Land development (including infrastructure provision and all other civil works) will create full-time work for 83 people, with \$75 million paid in wages/salaries;
- Residential construction will provide full-time work for more than 412 people, with \$340 million paid in wages and salaries; and
- Non-residential construction will provide full-time work for 3 people, with \$3 million paid in wages and salaries.

Overall, the proposal's development is estimated to provide full-time work for more than 500 people for 10 years, generating nearly \$430 million in wages/salaries, and boosting GDP by \$720 million.

4.6. Top 10 Industries by FTEs Employed

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

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

Industries	Annual FTEs	Shares
Residential building construction	132	26%
Construction services	101	20%
Heavy and civil engineering construction	44	9%
Scientific, architectural, and engineering services	26	5%
Public order, safety, and regulatory services	19	4%
Wood product manufacturing	17	3%
Fabricated metal product manufacturing	16	3%
Legal and accounting services	11	2%
Employment and other administrative services	11	2%
Non-metallic mineral product manufacturing	9	2%
Top 10 Subtotal	386	76%
All Other Industries	121	24%
All Industries	507	100%

4.7. Indicative GST Payments

Finally, we estimated indicative GST payments potentially associated with Brymer'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 GDP generated, which was \$720 million. Applying the current (15%) GST rate to this figure gives an indicative GST payment of \$108 million in today's dollars.

5. Ongoing Impacts of Future Uses

This section estimates the annual impacts of the proposal's future non-residential uses once built out.

5.1. Introduction

In addition to the one-off economic impacts of the proposal's development just estimated, its future non-residential area will also sustain ongoing economic activity over time. Accordingly, this section briefly estimates those impacts in terms of annual contributions to GDP, jobs, and wages.

5.2. Methodology

We estimated the potential annual economic impacts of future activity sustained at Brymer by:

1. Quantifying the various non-residential land areas that might establish in the mixed-use neighbourhood centre. e.g. commercial properties and convenience retail.
2. Overlaying "land per worker ratios" for each activity type from the latest Business Capacity Assessment (BCA) to derive total workers per area at full build-out.
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 in tables etc.

We now briefly work through each step.

5.3. Inputs & Assumptions

Table 7 shows the land areas and land per worker ratios used in our analysis. Together, they indicate that Brymer's neighbourhood centre could sustain employment for approximately 30 workers at full build-out, mostly in convenience retail, but also in some commercial services.

Table 7: Non-Residential Land Areas and Workers at Full Build Out

Non-Residential Areas	Total Land ha	Land/Worker	Future Workers
Convenience Retail	0.24	100	24
Services/Other	0.06	100	6
Totals	0.30	100	30

5.4. Annual GDP, Jobs, and Wages

Next, Table 8 summarises the annual economic impacts of future activity sustained at Brymer in terms of FTEs employed, GDP contributed, and wages generated.

Table 8: Estimated Annual Economic Impacts of Brymer's Non-Residential Area (at full build-out)

Non-Residential Uses	Jobs	FTEs	GDP \$m	Wages \$m
Convenience Retail	24	18	\$1.7	\$1.3
Services/Other	6	5	\$0.7	\$0.4
Totals	30	23	\$2.4	\$1.7

In summary, Brymer's neighbourhood centre could sustain the following activity at full build-out:

- Full-time employment for 23 people;
- Annual GDP of \$2.4 million; and
- \$1.7 million paid annually in salaries / wages.

5.5. Indicative GST Payments

Finally, we estimated indicative/ballpark GST payments of \$359,000.

6. Housing Market Impacts

6.1. Significant Boost in Housing Supply

Hamilton City's population is the fourth largest of New Zealand's 67 territorial authorities, but it has the smallest land area, so its population density is the highest by far. Accordingly, there are limits on the extent to which the city's future growth can readily be contained within its borders. At the same time, sub-regional³ residential land and house prices have risen significantly over recent years, which has led to significant affordability issues, particularly in Hamilton.

The proposal acknowledges and directly responds to the need for more residential land to meet growth in demand over time, by enabling the development of approximately 1,650 new homes. 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 city house prices grow over time (relative to the status quo).

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.

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 1,650 additional residential dwellings enabled by the proposal represent an extremely significant increase in development capacity for the purposes of the NPS-UD.

³ i.e. the Future Proof sub-region, comprising Hamilton City, Waipa District and Waikato District.

6.2. Land Market Competition

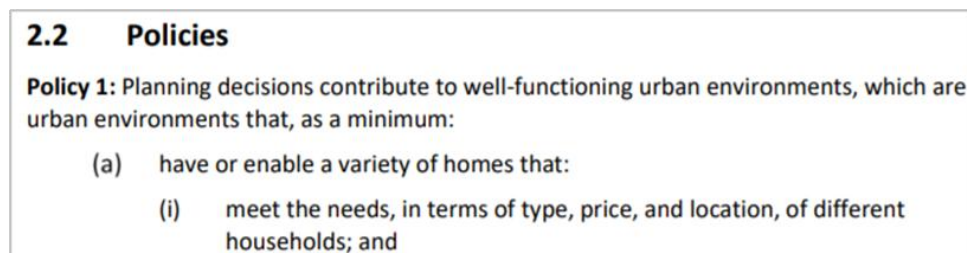
In addition to directly boosting district dwelling capacity, the proposal will also help to foster competition in the local land market. This is important because, as recognised through Objective 2 of the NPS-UD, competition is the cornerstone of economic efficiency. When the land market becomes more competitive, land developers have a greater incentive to get 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.

6.3. Providing a Variety of Dwellings

The NPS-UD requires high growth areas, like the Future Proof subregion, 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 4: Policy 1 of the NPS-UD



The proposal gives effect to this policy by providing a range of housing typologies, including apartments, duplex / terraced housing, standalone homes, and retirement villas across a variety of sizes and configurations. The mix of dwelling typologies and section sizes also helps to achieve a variety of price points, further giving effect to the policy. Economies of scale achieved from the single-entity master-planned development will also likely help keep prices affordable.

Further, the proposed retirement living caters to the needs of a specific and growing demographic of active older people who wish to live in a community with those at a similar life stage. Moreover, by providing housing options that cater specifically to the target demographic, this frees up existing housing for more intensive uses — whether for larger families or higher-density redevelopment. For example, older, larger dwellings can be made available for younger families or first homebuyers, for which they are likely to be better suited.

6.4. Helping Foster 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 the alternative (fragmented development). For example, these developments:

- **Achieve economies of scale** – Large-scale development lowers per-unit costs through efficient planning and resource allocation.
- **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 the preschool and convenience retail stores (indicatively) anticipated in the proposed commercial 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.

6.5. Alignment with Hamilton Urban Growth Strategy

The Hamilton Urban Growth Strategy is a long-term spatial vision for the city that outlines how growth is actively managed. The latest strategy was published in April 2023 and contains a set of principles that guide decision making on releasing “out of sequence” or “out of boundary” areas for future development. Below we briefly reconcile the proposed development with the strategy’s principles for out of boundary developments, which are the most relevant here.

To begin, we first identify the principles that apply to the assessment of out of boundary developments like the proposal. In short, they must enhance the overall wellbeing of current and future residents and create quality communities by:

1. Delivering

- Neighbourhoods where key services are close by and easily accessible
- Compact and accessible developments
- Alignment with key public transport corridors providing good access to the central city
- Affordable housing choices
- Sustainable and integrated infrastructure solutions
- Significant land value uplift for the benefit of the wider community
- Places to work, or quality connections to places of work
- Places for recreation
- Best-practice urban design

2. Enhancing Hamilton's economy

3. Protecting and recognising cultural heritage

4. Responding to climate change

5. Growing green areas and biodiversity

6. Meeting the costs of all infrastructure

7. Not compromising planned investment

The proposed development reflects a compact and accessible design, where local services are close by and easy to reach within the site's internal commercial hub. In addition, with the Hamilton CBD only five kilometres to the east, higher order shopping and other household needs are also readily accessible.

Further, with the development's high share of higher density housing and apartments, it will provide more affordable housing choices than have typically been made available in the past. This will be delivered within a fully master-planned area that incorporates sustainable and integrated infrastructure solutions.

Similarly, as a master-planned development in the control of a single landowner with a strong track record, the development will provide places to live, work, and play, while also ensuring quality connections to other places of work.

Accordingly, we consider the development to be a good match with the requirements of the Urban Growth Strategy for out of boundary developments.

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 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 Nearby Centres

The proposed development is located five kilometres west of the Hamilton CBD, which is the commercial heart of the Waikato region. As future development enabled by the proposal occurs and new residents move to the area, they will help create critical mass to support the ongoing health and vitality of nearby centres, including the CBD.

To put this in context, we estimated likely future spending originating on the subject site at full build-out by applying average spending from the latest Household Economic Survey⁴. To be conservative, these estimates ignore ongoing growth in annual household income over time and adopt the lower development yield anticipated by masterplan option 2. The results are tabulated below and reflect total annual spending by 1,657 new households.

Table 9: Projected Future Spending Originating Onsite

Expenditure Group	Annual Spend per Household	Total Annual Spend (\$ millions)
Food	\$14,250	\$23.6
Alcoholic beverages and tobacco	\$1,550	\$2.6
Clothing and footwear	\$1,800	\$3.0
Housing and household utilities	\$17,600	\$29.2
Household contents and services	\$2,750	\$4.6
Health	\$2,450	\$4.1
Transport	\$10,950	\$18.1
Communication	\$1,950	\$3.2
Recreation and culture	\$5,900	\$9.8
Education	\$650	\$1.1
Miscellaneous goods and services	\$6,950	\$11.5
Other expenditure	\$7,600	\$12.6
Total Household Expenditure	\$74,400	\$123.3

Table 9 shows that future residents of the proposal will spend more than \$123 million per annum on a wide range of household goods and services, assuming they spend at a rate equal to that of the average household. This additional spending will help support the sub-region's key centres, while also

⁴ For the North Island (excluding Auckland).

creating sufficient onsite critical mass to support a small amount of local commercial provision to meet daily needs (potentially) without the need for private motor vehicle travel.

7.3. Socioeconomic Benefits of Retirement Villages

Retirement villages, including that proposed on the subject site, 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 4 & 6
(iv)	Delivers significant economic benefits	Sections 4 & 5
(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	Section 6.5