

# PROPERTY ECONOMICS

**NEW WAITĀKERE COURTHOUSE**

Client: Minister of Justice

**DEVELOPMENT ECONOMIC**

Project No: 52499

**IMPACT ASSESSMENT**

Date: September 2025



## SCHEDULE

<b>Code</b>	<b>Date</b>	<b>Information / Comments</b>	<b>Project Leader</b>
52499.6	September 2025	Report	Phil Osborne / Tim Heath

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## 1. INTRODUCTION

This report has been prepared to support a Substantive Application made by the Minister of Justice under the Fast Track Approval Acts 2024 in accordance with the requirements of Section 42. The proposal is a Referred Project and this report has been prepared to support a Notice of Requirement Application to designate the site at 14 Edmonton Road, Henderson for 'Judicial and Court purposes' known as the Waitākere District Courthouse - New Courthouse project.

Under s42(4)(d), this substantive application is giving notice of a requirement to designate the site that would otherwise be applied for under the Resource Management Act 1991. Section 43 of the Fast Track Approval Act sets out the information to be included in a substantive application, which includes an assessment of adverse effects of the project on the environment. This report has been prepared to assess the economic benefits and significance of the Waitākere District Courthouse Project.

Property Economics has been commissioned by the Minister of Justice to assess the economic impacts of the proposed Waitākere Courthouse development, which involves the construction of a new courthouse in Waitākere, Henderson, Auckland. The new courthouse will increase the Waitākere District Court's capacity to 10 courtrooms

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The Waitākere District Court is currently the largest non-jury court in New Zealand and services a significant and growing catchment within the Auckland Region. At present, it operates with only six courtrooms and four mediation / hearing rooms.

However, the Minister of Justice has identified the Waitākere Courthouse as one of a number of courthouses nationwide in "very poor" condition<sup>1</sup>. These courthouses are generally the busiest courts in the country, meaning their failure would result in significant disruption to the justice system.

Furthermore, Property Economics understands that the existing courthouse is "*too small, not fit-for-purpose, and presents a number of ongoing health and safety issues directly related to the building's original design and condition*". This means that without the development of a new, fit-for-purpose courthouse, there is a considerable risk of operational disruption within

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<sup>1</sup> Source: <https://s3.documentcloud.org/documents/23991202/property-revamp-brief-12pp-105941-sept-2023a.pdf>

Auckland's regional court network, which is already experiencing growing pressure due to increasing caseload volumes<sup>2</sup>.

Given the above context, this Economic Impact Assessment ("EIA") is designed to provide an economic assessment in terms of the Fast-Track Approvals Act (2024) ('the FTAA') based around economic injection, employment, and scale of economic impacts / benefits for the economy. Provisions of the FTAA that are directly relevant to this report include:

Provisions of the FTAA that are directly relevant to this report include:

- Section 3 which states that, "*The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.*"
- Section 85 which records when a panel must or may decline approval and specifies that a panel may decline consent where "*adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits.*"
- Schedule 5 Clause 7 which requires economic effects to be assessed in the Assessment of Environmental Effects.
- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.
- Whether the proposal "*will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment* (emphasis added ...)(within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)" (Section 22(2)(a)(iii)); and
- Whether the proposal "*will deliver significant economic benefits*" (Section 22 (2)(a)(iv)).

In short, the FTAA supports development proposals to expedite the consent process where the proposed development results in significant regional or national benefits, the efficient operation of the consenting process and contributes to a well-functioning urban environment (as per Policy 1 of the National Policy Statement on Urban Development ("NPS-UD").

This economic impact estimates the total additional gross economic output<sup>3</sup> into the Auckland regional economy that would be facilitated by the Project. The initial specifications and details

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<sup>2</sup> According to the District Court Annual Report 2023 (latest available), the new active cases in the Auckland Metro courts increased by 37% when compared with the previous financial year.

<sup>3</sup> For example, this has not taken into account the short-term loss of operational employment currently on site

have been provided by the applicant and are assumed to represent the development's configuration and costings at this point in time.

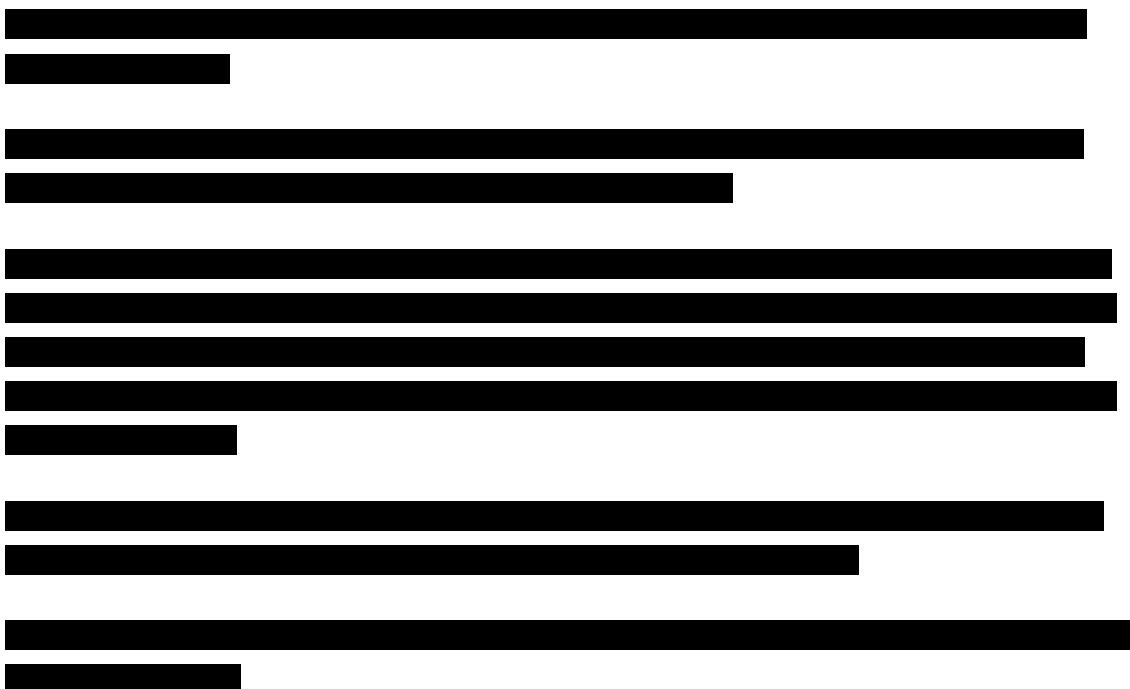
It is assumed the subject land represents an efficient location for this community activity and therefore the associated infrastructure is location specific. Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Auckland Region will benefit economically. It assesses the likely economic impacts upon aggregate Auckland business activity given the composition of the development proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes design and construction costs (CAPEX<sup>4</sup>) of the facilitated activities and the proportion of those costs that are retained within the Region.

The direct economic impacts are derived from the actual spending / expenses incurred through the design and construction of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development, while induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

### 1.1. STATEMENT OF EXPERIENCE



<sup>4</sup> CAPEX – Capital Expenditure

## 1.2. CODE OF CONDUCT

Although this Application is not before the Environment Court, we have approached this EIA on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

We therefore confirm that we have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that we have complied with it in preparing this EIA. We confirm that the issues addressed in this EIA are within our area of expertise, except where we have indicated that we are relying on others' opinions. We have not omitted material facts known to me that might alter or detract from this EIA.

### 1.3. INFORMATION & DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Regional Input / Output Tables - Stats NZ
- Business Frame Data - Stats NZ
- Proposed Development Costings – Minister of Justice

## 1.4. GLOSSARY OF TERMS

Below is a list of terms relevant to this economic impact assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This will not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
<b>ANZSIC</b>	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
<b>CAPEX</b>	capital expenditure.
<b>Development contributions</b>	fees that developers pay to territorial authorities for the provision of infrastructure and upgrades required as a consequence of development, which may include water supply, sewerage connections, roads and community infrastructure.
<b>Direct economic impacts</b>	derived from the actual spending / expenses incurred through the construction of the anticipated development.
<b>Economic costs</b>	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.
<b>Employment multipliers</b>	the level of indirect and induced employment activity generated through the expenditure on and off site.
<b>FTE years</b>	these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
<b>Indirect economic impacts</b>	the increased spending brought about by those firms / households and their employees / occupants, who supply the development.
<b>Induced economic impacts</b>	measured in terms of the additional income that will be spent in the area due to increased business activity.

<b>Economic benefits</b>	<p>refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy.</p> <p>These benefits may be expressed in financial or non-financial terms.</p> <p>In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.</p>
<b>GDP</b>	gross domestic product.
<b>Net Present Value (NPV)</b>	the difference between the present value of cash inflows and the present value of cash outflows over a period of time.
<b>Transaction costs</b>	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.
<b>Wellbeing</b>	<p>Wellbeing is a broad concept that aims to capture the essence of a fulfilling and meaningful life, encompassing physical, mental, social, and spiritual aspects of well-being, as well as the ability to thrive and cope with life's challenges.</p> <p>Individuals and communities with a higher state of wellbeing are generally happier and feel more connected.</p> <p>The Local Government (Community Wellbeing) Amendment Act encourages local government to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.</p>
<b>Well-functioning urban environment</b>	as defined in Policy 1 of the NPS-UD: 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 <ul style="list-style-type: none"> <li>(i) meet the needs, in terms of type, price, and location, of different households; and</li> <li>(ii) enable Māori to express their cultural traditions and norms; and</li> <li>(b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and</li> <li>(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</li> <li>(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and</li> <li>(e) support reductions in greenhouse gas emissions; (f) and are resilient to the likely current and future effects of climate change.</li> </ul>

## 2. EXECUTIVE SUMMARY

This economic overview quantifies and evaluates the economic impacts associated with the proposed new Waitākere Courthouse development in Henderson, Auckland.

The total quantitative economic impacts as a result of the proposed development are summarised in the following table.

### Snapshot of Key Economic Benefits:

Estimated Quantitative Economic Impact on Auckland Regional Economy:	
Total NPV <sup>5</sup> over a 3-year development period	<b>\$218m</b>
FTEs during the peak development and operation year <sup>6</sup> :	<b>930 FTEs</b>
Total FTE years over the 3-year development period	<b>1,511 FTE years</b>
Contribution to regional household incomes	<b>\$122m</b>

In addition to the quantified economic impacts outlined above, the Project would also deliver several broader qualitative economic benefits that should be considered when assessing the economic merits of the Project in the round. These high-level economic benefits include:

- Improved regional justice infrastructure capacity, ensuring the court could support future population and potential caseload growth<sup>7</sup>.
- Improved justice system efficiency and reduced operational costs through decreased delays and backlogs.
- Faster dispute resolution, enabling more timely enforcement of contracts, protection of property rights, and business certainty.
- Reducing the time and cost burdens for individuals, families, and businesses engaging with the justice system.
- Increased workforce productivity through improved working conditions for judicial and court staff, reducing turnover and downtime.

<sup>5</sup>Net Present Value

<sup>6</sup>Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.

<sup>7</sup>Based on detail provided by the Applicant, "it has also seen reported victimisation of crime for the Waitemata Police District increased by 16.5% between July 2014 and February 2024, a trending increase of 6% since 2021. This growth is accompanied by changing demographic profiles, including increases in younger populations, higher levels of cultural diversity, and growing needs for services that support vulnerable communities."

- Potential boost to the regional legal services sector, supporting employment, service delivery efficiency, and professional retention.

Property Economics understands that the existing courthouse facility is in “very poor” condition, too small, and affected by major health and safety issues, making it unfit for purpose in meeting the ongoing operational and service needs of the Waitākere District Court as a regionally significant justice asset and infrastructure.

As such, the proposed development would not only address critical justice capacity and functionality issues but also enhance the wider region’s justice network and system and help secure its long-term contribution to the broader Auckland region’s justice assets, economy, and community.

This consideration aligns with information provided by the applicant, which notes:

*“The project presents a significant infrastructure investment in West Auckland, supporting local employment during both construction and operation phase.*

*Beyond its core justice functions, the courthouse will act as a regional anchor institution – contributing to the vibrancy, economic resilience, and civic life of the Henderson town centre”.*

Property Economics considers that advancing the proposed new Waitākere Courthouse development would yield significant economic benefits for the regional economy and community. Overall, our assessment supports the proposed development from an economic perspective in the context of the RMA and FTAA.

### 3. TOTAL ECONOMIC ACTIVITY

This section assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general design, infrastructure and development works.

This includes design and construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Stats NZ (based on 48 sectors), which were then assessed at a district level based on Auckland Region's economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each \$1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Auckland catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

#### 3.1. ASSUMPTIONS

The following assumptions have been applied in this impact analysis in order to assess the level of economic injection into the overall economy at this time. This has some (limited) impact on the distributional effects of the costs and benefits but can be quickly adjusted to accommodate more specific construction and on-going costs and injections.

1. For the purposes of this Economic Impact Assessment, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'non-residential construction', 'non-building construction', 'other construction services'.

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
3. The origin of labour has been assessed based on regional labour movements furnished by Stats NZ based on 2018 data. However, employment data has been updated as per the Stats NZ Business Frame data<sup>8</sup> to March 2024.
4. This report deals with the economic impact of proposed development on Auckland Region. These are specifically the direct impacts related to the construction of the proposed development.
5. The economic activity generated is based on the development's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchment.
6. For the purposes of this report a 6% discount rate has been applied.
7. Labour movements are based on average retention rates rather than specific company locations.
8. The proportion of materials and labour internalised in direct benefits to Auckland Region are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Auckland are based on the movement of resources (including labour) between other districts and regions.

The following table outlines the resulting impacts on the Auckland regional economy as a result of the proposed development.

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<sup>8</sup> Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

### 3.2. TOTAL AUCKLAND REGION ECONOMIC ACTIVITY

**TABLE 1: TOTAL GROSS AUCKLAND REGIONAL ECONOMIC INJECTION OF PROJECT**

	2027	2028	2029	Total
<b>Total Auckland Output NPV (48 sector multipliers)**</b>	<b>\$40.5</b>	<b>\$130.8</b>	<b>\$46.9</b>	<b>\$218.3</b>
<b>Household Income</b>				<b>\$122.2</b>
<b>Employment (FTE Years)</b>				0
Development Employment	178	116	52	345
Construction Employment	134	762	176	1,072
Other Employment	11	54	28	94
<b>Total Employment (FTE years)</b>	<b>323</b>	<b>932</b>	<b>256</b>	<b>1,511</b>

Source: Property Economics

*The impacts on Auckland Region as a result of direct, indirect and induced activities.*

The key value represented in the preceding table is based on the total (confidential) cost of the development. This capital expenditure is then assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend that is retained within the Auckland Region.

Then utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a period of 3 years, development beyond the first year is discounted to provide a Net Present Value. The result of this process yields the estimated \$218m of total value added for Auckland Region over the life of the development timeframe.

The preceding table illustrates that the total impact on business activity within Auckland as a result of the Project over a 3-year period is estimated to be in the order of \$218 million.

In terms of employment multipliers this would contribute over 930<sup>9</sup> jobs during the peak construction year within Auckland, with a total number of FTE years at 1,511 over the development period.

In terms of household incomes, it is estimated the development would contribute around \$122m to household incomes in the region over the development period.

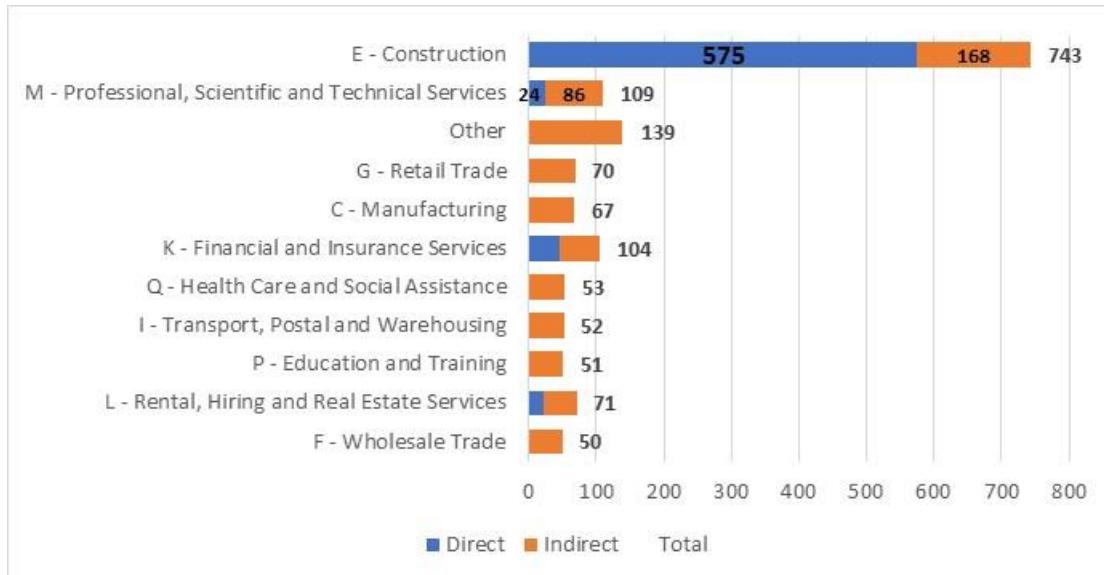
<sup>9</sup> NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

### 3.3. TOTAL AUCKLAND REGION DIRECT AND INDIRECT EMPLOYMENT

Figure 1 below disaggregates employment generated by sector and Direct and Indirect (including induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure below illustrates the sectors associated with direct employment measure approximately 666 FTE years with the remaining around 845 FTE years resulting from indirect and induced activity

**FIGURE 1: AUCKLAND EMPLOYMENT GENERATION BY SECTOR (DIRECT, INDIRECT AND INDUCED)**



Source: Property Economics