INSIGHT ECONOMICS



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Economic Assessment of Proposed Residential Development in Karaka for Fast-track Referral

Prepared for:
132 Whangapouri Drury Ltd

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1. Executive Summary

This report assesses the economic merits of 132 Whangapouri Drury Ltd's proposed residential-led development at Whangapouri Road, Karaka, for referral under the Fast-track Approvals Act 2024 (**FTAA**). The proposal would enable a master-planned community across 100 hectares of rural-zoned land, comprising approximately 904 residential lots, 200 retirement village units, a local centre, open space, stormwater reserves, wetland and stream features, and supporting transport infrastructure.

Based on the indicative masterplan, we estimate total project investment of approximately $764 million. Using conservative multiplier analysis, we estimate that this investment would generate approximately 3,030 FTE-years of employment across Auckland over the development period, equivalent to around 433 FTEs per annum over the seven-year construction programme. These jobs would generate approximately $271 million in wages and salaries, and around $543 million in regional GDP.

Once complete, the proposed local centre is expected to provide approximately 3,500 m² of retail and commercial floorspace, supporting approximately 80 FTEs at full build-out. This activity is estimated to generate approximately $4.9 million in wages and salaries each year, and more than $8.2 million in annual GDP, before accounting for any wider offsite supply-chain effects.

In housing market terms, the delivery of more than 1,100 new dwellings would make a substantial contribution to dwelling capacity in southern Auckland and improve the responsiveness of the local housing market to demand growth. This is important given persistent affordability pressures in Auckland, where Cotality's latest indicators show median dwelling values at around 7.5 times median household income, mortgage servicing costs at approximately 44 percent of gross household income, and around 10 years required to save a typical deposit.

The proposal would also support a more efficient and diverse housing market. Its mix of lot sizes, together with a retirement village, would cater to a range of household needs, budgets and life stages. This is consistent with Policy 1 of the NPS-UD, and with Auckland Council's Southern Rural Strategy, which recognises the importance of increasing housing choice within rural settlements. The proposal is also well located relative to emerging employment opportunities in the wider Karaka / Drury growth area, including the proposed Fisher & Paykel Healthcare campus on Karaka Road, which would represent a major long-term employment anchor directly opposite the site.

Finally, the proposal would deliver wider benefits, including economies of scale, coordinated infrastructure delivery, improved land market competition, and greater certainty that enabled capacity will be converted into actual dwellings. While the development would displace existing rural production on the site, those opportunity costs are expected to be minor relative to the scale of the proposal's housing, employment and GDP benefits.

Overall, our assessment is that the proposal would increase housing supply, contribute to a well-functioning urban environment, and deliver significant regional economic benefits. On that basis, we consider the proposal meets the relevant FTAA referral criteria and we support it on economic grounds.

2. Introduction

2.1. Context

132 Whangapouri Drury Ltd (the **applicant**) seeks referral under the Fast-track Approvals Act 2024 (**FTAA**) to enable an integrated, residential-led development spanning 100 hectares of rural-zoned land in Karaka, Auckland (the **proposal**). It will provide for varying densities of residential development, plus local-scale commercial activities, and open space, supported by local roads and stormwater infrastructure. Ultimately, the proposal is intended to facilitate a well-functioning urban environment and to respond to anticipated population and housing demand growth in southern Auckland.

2.2. FTAA Referral Criteria & Report Scope

The purpose of the FTAA is to facilitate the consenting of large-scale projects expected to generate significant regional and/or national benefits. Under Section 22 of the Act, proposals may be referred to an expert panel for fast-track consenting where the Minister is satisfied that they meet the Act's purpose. When deciding whether to refer a project, the Minister may consider a range of factors set out in Section 22(2)(a) of the Act. To that end, this report provides an economic assessment of the proposal against two of the referral criteria in Section 22(2)(a), namely whether the project will:

iii. 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 (**NPS-UD**)); and

iv. deliver significant economic benefits.

2.3. Scope & Structure of this Report

The remainder of this document is structured as follows:

- **Section 3** identifies the subject site and summarises the latest proposed masterplan.
- **Section 4** describes the methodology used to estimate the proposal's economic benefits.
- **Section 5** details the inputs and assumptions used to estimate economic benefits.
- **Section 6** estimates the one-time impacts of the proposal's future development.
- **Section 7** estimates the annual impacts of non-residential activities sustained on-site.
- **Section 8** describes the proposal's impacts on the local housing market.
- **Section 9** considers a range of wider economic impacts of the proposal.
- **Section 10** provides a conclusion and checklist against the FTAA referral criteria.

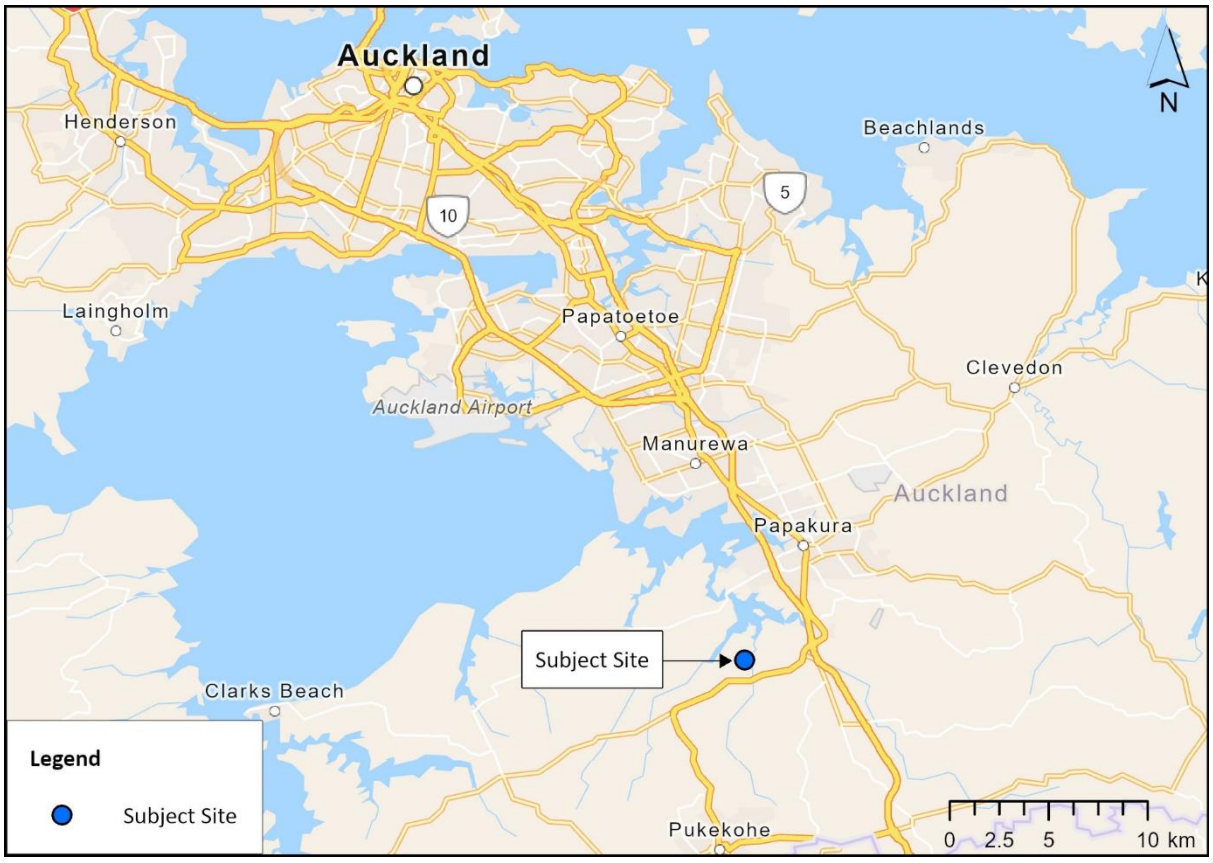
3. About the Proposal

This section identifies the subject site and provides indicative development yields.

3.1. Site Location & Description

The subject site is located on Whangapouri Road, Karaka, in the south of Auckland. The land is bound by Karaka Road to the south, Whangapouri Road to the west, Arana Drive to the north and rural land to the east. The location of the site is denoted by the blue dot in the map below.

Figure 1: Location of Subject Site

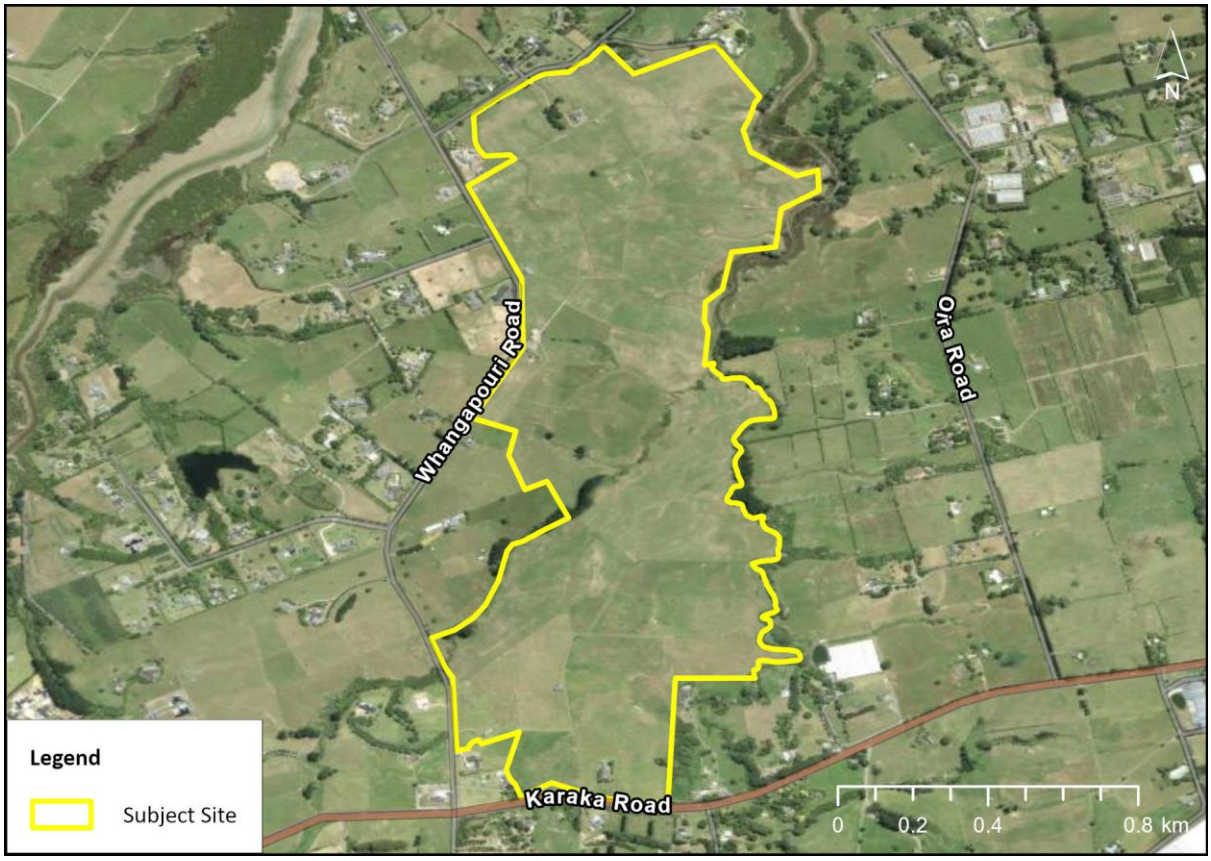


The site spans approximately 100 hectares of rural land held in several parcels. It is predominantly zoned Mixed Rural Zone under the Auckland Unitary Plan (**AUP**), with the exception of an area of approximately 14 hectares in the northern reaches of the site that is zoned Rural Coastal Zone. It has historically been used for low-intensity rural activities (grazing) and accommodates two residential dwellings along with several ancillary structures.

3.2. Receiving Environment

Figure 2 shows a satellite view of the site in its immediate receiving environment, which currently comprises a mix of rural and rural residential (lifestyle) uses.

Figure 2: Receiving Environment



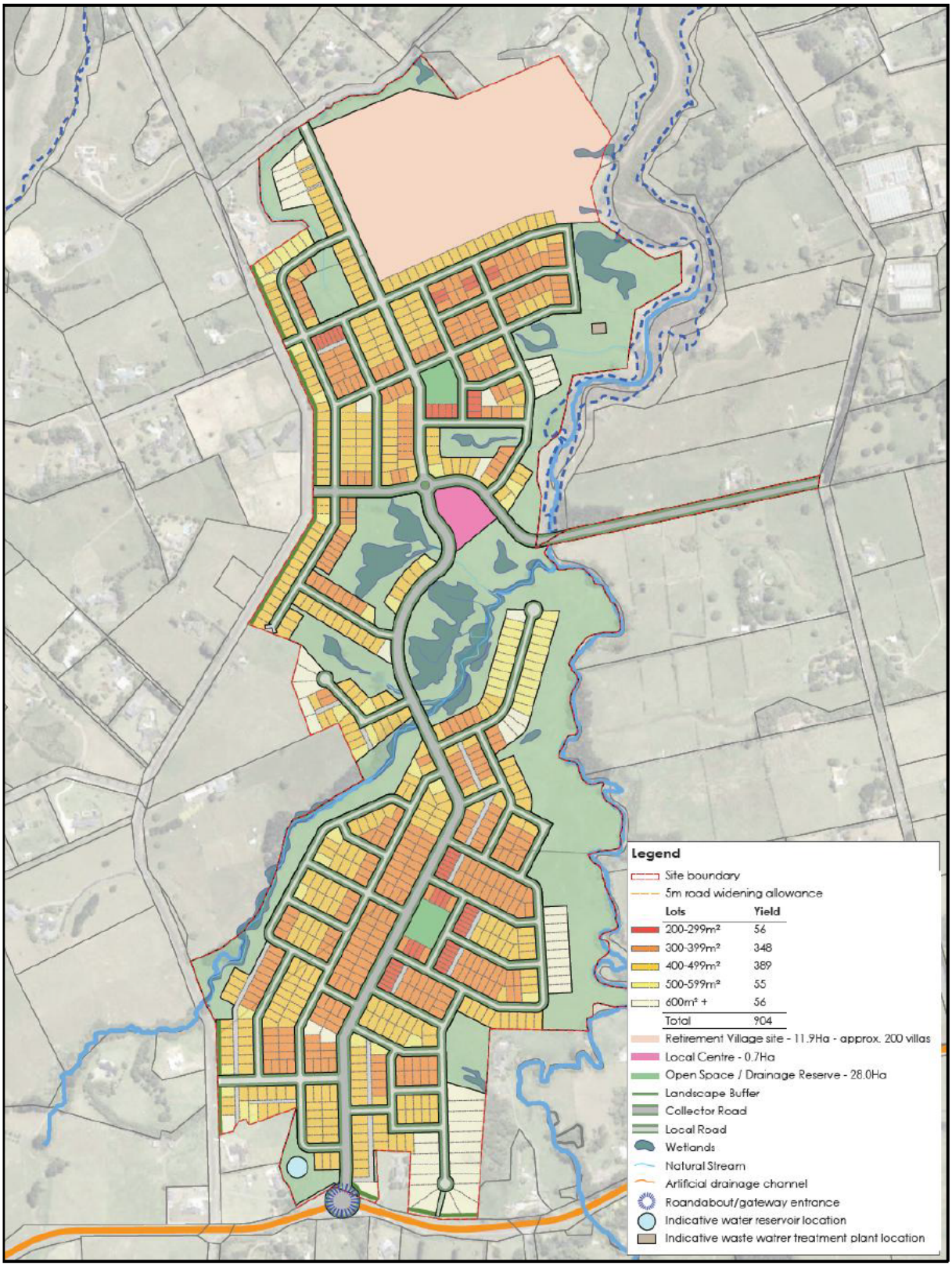
More broadly, the surrounding area is undergoing ongoing transition as urban growth continues to expand southwards from Auckland. Established residential communities on the Hingaia Peninsula – including Karaka Lakes, Karaka Harbourside, and the Hingaia precincts – have progressively developed since the early 2000s. Large-scale development and infrastructure investment associated with the wider Drury–Ōpaheke growth area are progressing nearby, with significant tranches of land live-zoned and further rezoning underway. Notably, Fisher & Paykel Healthcare is progressing a private plan change (**PC121**) for a new campus on Karaka Road, directly opposite the subject site. This is consistent with the broader Southern Auckland Economic Masterplan, which identifies the wider Drury area as a focus for future economic investment and employment growth, including the planned Fisher & Paykel Healthcare campus.[1]

3.3. Indicative Masterplan

The current indicative masterplan provides for approximately 904 residential lots, together with a retirement village in the northern reaches of the site anticipated to accommodate approximately 200 villas. The proposal also includes a local centre, extensive areas of open space and drainage reserves, wetland and stream features, and supporting transport infrastructure. Residential lots are expected to comprise a range of sizes, with most lots between 300 m² and 500 m², supplemented by a smaller proportion of higher-density and larger-format lots. See Figure 3 below.

[1] Arup, *Economic Masterplan: Southern Auckland*, prepared for Tātaki Auckland Unlimited, April 2023.

Figure 3: Indicative Masterplan



4. Methodology

This section describes the methodology used to estimate the proposal's economic impacts.

4.1. Introduction to Multiplier Analysis

Our assessment uses a widely known technique called "multiplier analysis" to estimate the GDP, jobs, and wages/salaries associated with one-time and ongoing economic activity enabled by the proposal, plus the GDP, jobs, and wages/salaries lost via foregone rural production. Multiplier analysis is based on detailed matrices called "input-output" (I-O) tables, which capture the interrelated supply chains that comprise each economy. Leveraging those relationships, multiplier analysis captures the overall impacts of a change in one sector on the economy, including both direct and supply-chain effects.

Consider the following example. Suppose a local construction company wins a new building contract. In addition to boosting its own workforce to complete the job, the company will also need to engage various subcontractors and to source building products from its own suppliers. However, some of those suppliers, in turn, may then need to source various inputs from their suppliers, and so on. Multiplier analysis traces all these supply-chain interdependencies so that the wider economic effects of the new building work can be estimated, including flow-on effects.

As this example alludes to, multiplier analysis is particularly useful for assessing construction projects, because such a large share of the work is typically done by third parties (i.e., subcontractors), not the main contractor. In fact, according to the latest official data, for every $1.00 of GDP generated directly in building construction, another $2.76 is generated in the industries that support it.[2] Similarly, for every FTE directly employed in building construction, another 2.82 FTEs are employed by supply chain industries. Accordingly, multiplier analysis is particularly useful for assessing the economic impacts of large-scale construction projects like the proposal.

4.2. Scope of Effects Estimated

The impacts derived via multiplier analysis typically comprise three parts, namely:

- **Direct effects** – which capture the economic impacts of entities directly engaged to complete the project (e.g., the main building contractor); plus

- **Indirect effects** – which arise when the main contractor sources goods and services from their suppliers (i.e., subcontractors), who in turn may need to source goods and services from their own suppliers, and so on; and

- **Induced effects** – which occur when a share of the additional wages and salaries generated by the project (either directly or indirectly) are spent in the local/regional economy and therefore give rise to additional rounds of economic impacts.

[2] As measured by the indirect effect, i.e., excluding induced effects.

These effects are typically measured in terms of:

- **Contributions to value-added (or GDP):** GDP measures the difference between a firm's outputs and the value of its inputs. It captures the value that a business adds to its own inputs to produce its outputs. From an accounting perspective, GDP equals a firm's earnings before interest, tax, depreciation, and amortisation (**EBITDA**), plus total wages and salaries paid.

- **The number of FTEs employed**: this is measured in terms of full-time equivalents, which convert part-time roles into their full-time equivalent.

- **Total wages and salaries paid to workers**: sometimes called 'household incomes.'

4.3. Limitations & Mitigation Strategy

Despite the intuitive appeal and widespread use of multiplier analysis, it does face some limitations. They include that it:

- **Assumes that businesses use inputs in fixed proportions:** i.e., without substituting towards more cost-effective options if/when they become available.

- **Ignores capacity constraints:** it assumes that labour, materials, and other inputs are always available when needed, which may be unrealistic in a tight economy.

- **Does not capture price effects**: multiplier models are fixed-price frameworks, which ignore cost inflation, wage pressures, and so on.

Consequently, multiplier analysis is useful for showing how spending ripples through an economy's supply chains, but it is not – on its face – a precise forecast of real-world net benefits. To help address these limitations and ensure that our analysis is as robust as possible, we adopted the following mitigation strategies and measures.

- **Strategy 1: Ignoring induced effects:** We ignore these because, in our view, much of the assumed spending would have likely occurred regardless of the proposal.

- **Strategy 2: Using the most up-to-date multipliers:** The multipliers used in this assessment were derived from National Accounts data for the year ended September 2025.

- **Strategy 3: Applying conservative construction cost rates:** While not a direct response to the limitations of multiplier analysis *per se*, we also adopt conservative construction cost rates for the proposal to further limit estimated one-time economic benefits.

5. Development Inputs & Assumptions

5.1. Introduction

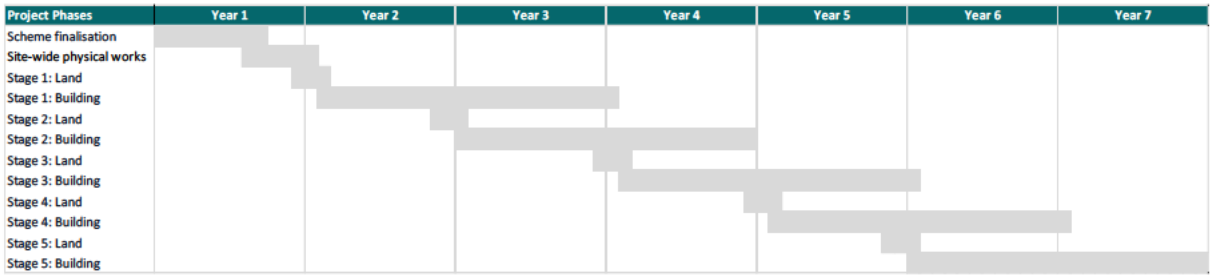
This section sets out the key inputs and assumptions used in our economic assessment, including the anticipated staging and timing of development, yields by dwelling type, and estimated construction costs. Where possible, inputs have been drawn from project-specific data and complemented with the latest available industry data to fill any gaps. All cost figures are expressed in current (2026) dollars unless otherwise stated. Throughout this report, we assume that 90 percent of estimated project benefits accrue to the Auckland region.

5.2. Staging & Timing

Our modelling assumes that the proposal is delivered in five stages over a period of about seven years (as shown in Figure 4). Development commences with a period of scheme finalisation and site-wide enabling works, which includes the delivery of bulk earthworks and trunk infrastructure. Then, the first stage of subdivision commences.

Within each of the five subdivision stages, land development is assumed to take about three months, followed by a building period of two years. Each subsequent stage starts before the previous one finishes, enabling a degree of overlap that ensures a seamless stream of supply over time. Figure 4 presents this indicative timeline.

Figure 4: Indicative Project Timeline



5.3. Anticipated Yield

For the purposes of this initial assessment, we have adopted a total residential yield of 1,104 homes, corresponding to the indicative masterplan in Figure 3. This comprises 904 dwellings across a range of dwelling sizes and types, plus 200 retirement village units. The new homes are assumed to be evenly spread across five development stages to produce the table of anticipated residential yields below.

Table 1: Assumed Dwelling Yields by Stage and Typology

Dwelling Types	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Total
Terrace housing	12	12	12	12	8	56
Small stand-alone	47	47	47	47	44	232
Medium stand-alone	79	79	79	79	78	394
Large stand-alone	44	44	44	44	44	222
Retirement villas	40	40	40	40	40	200
Totals	**222**	**222**	**222**	**222**	**214**	**1,104**

In addition, the proposed local centre is expected to yield approximately 3,500 m^2 of commercial and retail GFA, split evenly across the fourth and fifth stages (i.e., when onsite critical mass is sufficient to support it).

5.4. Total GFA & Construction Costs

Construction costs are drawn from regional benchmarks by building type, and are tabulated below along with the estimated GFAs to derive a total construction cost estimate of approximately $611 million across the five stages.[3] See Table 2 below.

Table 2: Estimated GFA and Total Construction Cost

Building Types	Total GFA	Cost/m^2	Build Cost $m
Terrace housing	7,000	$3,000	$21.0
Small stand-alone	32,480	$3,300	$107.2
Medium stand-alone	66,980	$3,300	$221.0
Large stand-alone	44,400	$3,300	$146.5
Retirement villas	22,000	$4,500	$99.0
Retail	2,625	$5,000	$13.1
Commercial	875	$4,000	$3.5
Totals	**176,360**	**$3,470**	**$611.4**

5.5. Other Development Costs

The development will require significant upfront investment in site-wide enabling works before staged construction can commence, including bulk earthworks, trunk stormwater infrastructure, and the formation of the primary roading network. In addition, each stage will require further detailed design, local civil works, and other stage-related expenditures. This suite of broader costs was estimated using project-specific information where possible, with any gaps filled via broad industry averages gleaned from our experience with numerous similar developments across New Zealand.

5.6. Total Estimated Development Cost

Table 3 brings everything together to estimate the total development cost of the proposal, which is nearly $764 million. This expenditure forms the basis for the one-time economic impact assessment presented in Section 6.

Table 3: Summary of Estimated Project Investment

Cost Category	Estimated Cost ($m)	Share of Cost
Scheme finalisation	$6	0.8%
Site-wide enabling works	$73	9.6%
Staged land development costs	$37	4.8%
Staged building-related costs	$37	4.8%
Construction costs	$611	80.0%
Total Estimated Cost $m	**$764**	**100.0%**

[3] Build costs were based on average values over the last two years in the Auckland region, as reported in building consent data.

6. One-Time Impacts of Development

This section estimates the one-time impacts of future development enabled by the proposal.

6.1. Introduction

Above, we demonstrated that the proposal could deliver more than 176,000 m^2 of (mainly residential) floorspace. Preparing the land for development, installing all necessary infrastructure, subdividing it, then constructing new homes will have significant one-time impacts on GDP, jobs, and wages. These are estimated below using the methodology and development-specific inputs summarised above.

6.2. Impacts on GDP, Jobs & Wages

Table 4 presents the one-time impacts of development on the Auckland region.

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

Employment (FTE-years)	Direct	Indirect	Total
Upfront/Site-wide	125	165	290
Stage 1	155	380	535
Stage 2	155	380	535
Stage 3	155	380	535
Stage 4	170	405	575
Stage 5	165	395	560
Project Totals	**925**	**2,105**	**3,030**
Wages & Salaries ($m)	**Direct**	**Indirect**	**Total**
Upfront/Site-wide	$14	$15	$29
Stage 1	$14	$33	$47
Stage 2	$14	$33	$47
Stage 3	$14	$33	$47
Stage 4	$15	$36	$51
Stage 5	$15	$35	$50
Project Totals	**$86**	**$185**	**$271**
GDP ($m)	**Direct**	**Indirect**	**Total**
Upfront/Site-wide	$25	$32	$57
Stage 1	$29	$66	$95
Stage 2	$29	$66	$95
Stage 3	$29	$66	$95
Stage 4	$31	$71	$102
Stage 5	$30	$69	$99
Project Totals	**$173**	**$370**	**$543**

To summarise:

- Overall, the proposal's development is estimated to boost regional employment by 3,030 FTE-years, which equals an average of approximately 433 FTEs per annum spread over seven years.

- Those jobs will generate $271 million in wages and salaries over the 7-year development period, and approximately $543 million in GDP.

- Consistent with our earlier commentary, indirect effects dominate the estimated one-time economic impacts, accounting for more than two-thirds of the total for all three metrics.

- Up-front, site-wide enabling works are likely to have only relatively modest impacts of their own, but they pave the way for the greatest impacts in subsequent development stages.

- Finally, while impacts are similar across the five development stages, they are slightly higher in stages 4 and 5 due to the assumed timing of constructing the commercial/retail floorspace.

6.3. Top 10 Industries by FTEs Employed

To better understand the likely impacts of the proposal's future development, Table 5 reveals the 10 industries likely to experience the greatest employment boosts. Those top 10 industries account for more than 80 percent of all full-time employment generated by the proposal, with the balance spread across numerous other sectors.

Table 5: Top 10 Industries by FTE-years Generated during Development

Industries	FTE-years	Shares
Building Construction	771	25%
Construction Services	633	21%
Professional, Scientific and Technical Services	313	10%
Heavy and Civil Engineering Construction	180	6%
Wholesale Trade	136	4%
Fabricated Metal Product Manufacturing	129	4%
Wood Product Manufacturing	114	4%
Administrative and Support Services	102	3%
Non-Metallic Mineral Product Manufacturing	59	2%
Petroleum and Coal Product Manufacturing	48	2%
Top 10 Subtotal	**2,483**	**82%**
All Other Industries	547	18%
Total All Industries	**3,030**	**100%**

7. Ongoing Impacts of Future Uses

This section estimates the annual impacts of future commercial uses on the site at full build-out.

7.1. Introduction

In addition to the one-off economic impacts of the proposal's development, as just estimated, ongoing economic activity will be sustained at the site's commercial area over time. Below, we estimate the corresponding annual impacts in terms of contributions to GDP, jobs, and wages/salaries using the methodology and project-specific inputs and assumptions above.

7.2. Estimated Future Onsite Workers

The first step is to convert the proposal's proposed commercial area into an estimate of potential future onsite workers. To that end, we adopted a conservative average employee density of one FTE per 40 m^2 of GFA for retail workers, and one FTE per 60 m^2 for all other commercial uses. Further, we assume that retail uses would consume 75 percent of the proposed commercial area's GFA, and all other commercial activities would comprise the remaining 25 percent. Combined, these various input values indicate a potential future onsite workforce of approximately 80 FTEs at full build-out.

7.3. Annual GDP, Jobs, and Wages

Distributing the estimated 80 future onsite FTEs across various retail and commercial activities, we then derived an average annual wage/salary per FTE, and an average annual GDP contribution per FTE. Applying those indicative averages to the estimated workforce of 80 FTEs, and assuming that there is about one job per 0.95 FTEs, the proposal could directly support the following annual, ongoing economic activity:

- Work for 84 people (which collectively yield 80 FTEs);
- $4.9 million paid annually in salaries and wages; and
- GDP of more than $8.2 million.

When offsite supply-chain effects are included, future site uses enabled by the proposal could support even greater ongoing activity to benefit the community's long-term social and economic needs.

8. Housing Market Impacts

This section assesses the likely impacts of the proposal on the local housing market.

8.1. Significant Boost in Housing Supply

The proposal will enable the development of more than 1,100 new dwellings. This represents a material uplift in housing capacity for southern Auckland and will help narrow the gap between expected housing demand and supply over time. To put this supply boost in context, Auckland Council's latest Housing Capacity Assessment[4] projects growth of up to around 800 households per annum for the Franklin Ward over the 30 years to 2053. On that basis, the proposed development equates to 1.4 years of household growth for the area, which is a substantial contribution to housing supply from a single proposal.

All else being equal, enabling supply increases to occur at this scale improves the responsiveness of the housing market to demand growth, which helps moderate the rate of house price growth (relative to the status quo). This is important given that affordability pressures remain material across the Auckland housing market. Cotality's latest affordability indicators suggest that Auckland remains one of New Zealand's least affordable main centres, with median dwelling values currently sitting at approximately 7.5 times median household income. Further, servicing a standard mortgage still requires approximately 44 percent of gross household income, while saving a typical housing deposit would take around 10 years at current income levels. Although these indicators have improved materially following easing mortgage rates and softer house values, they nevertheless remain elevated and indicate that many households, particularly first-home buyers, continue to face material barriers to entering the market.[5]

The proposal may also help to offset some of the residential development capacity previously envisaged on the PC121 site on Karaka Road, which is now proposed to accommodate a new Fisher & Paykel Healthcare campus.[6]

8.2. Land Market Competition

In addition to directly boosting 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 bring their product to the market in a more timely and cost-effective manner, thus further helping to keep city housing as affordable as possible.

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

[4] Auckland Council. (2023). *Housing and Business Development Capacity Assessment for the Auckland Region 2023*.

[5] Cotality, NZ Housing Affordability Report – Q4 2025, published March 2026.

[6] Noting that the PC121 site is indicated for residential use under the Drury-Ōpaheke Structure Plan.

8.3. Catering to a Variety of Budgets and Preferences

Policy 1(a)(i) of the NPS-UD recognises that well-functioning urban environments should enable a variety of homes that meet the diverse needs and preferences of different households. The proposal aligns with this objective by providing a broad range of residential products across different lot sizes and life stages. This, in turn, is expected to support a variety of housing outcomes and cater to a broad range of households, including:

- **Housing choice for older residents** – The retirement village component provides purpose-built accommodation for older residents seeking lower-maintenance living arrangements and opportunities to age within a community setting. This is particularly relevant given the ageing population profile of the wider Franklin area, where the number of residents aged 75 and over is projected to more than triple over the next 30 years.[7] The provision of dedicated retirement accommodation will help meet the needs of this rapidly growing demographic group.

- **Smaller households** – Smaller lots provide opportunities for more compact and potentially more affordable housing outcomes that may appeal to first-home buyers, younger households and downsizers seeking lower-maintenance living options.

- **Family housing and changing household needs** – Mid-sized and larger lots provide flexibility for a range of household types, including growing families and multi-person households seeking larger dwellings.

This diversity is also consistent with Council's Southern Rural Strategy, which recognises the importance of increasing housing choice within rural settlements to meet the needs of young people, older residents wishing to downsize, and an increasingly diverse population.[8]

8.4. Supporting Housing Market Efficiency

The proposed retirement village supports more efficient use of Auckland's existing housing stock by enabling older residents to transition into purpose-built accommodation. Most future residents are expected to already live within the region, often in standalone houses that may no longer suit their lifestyle or needs. By moving into a retirement village setting, those homes are released back to the market, where they may be more suitable for younger families or first-home buyers, or the land they occupy made available for redevelopment.

This process helps ensure that housing supply is better matched to demand across age groups and life stages, thereby enabling more Aucklanders to access housing that suits their needs.

[7] Statistics New Zealand, *2023-base Subnational Population Projections (Medium Projection), Franklin Local Board Area*. The population aged 75+ is projected to increase from 6,070 in 2023 to 21,220 in 2053.
[8] Adopted by Auckland Council in May 2025.

8.5. Economic Efficiency of Master-planned Development

Master-planned communities such as the proposal provide a strategic and coordinated approach to urban growth, delivering efficiency gains compared to more fragmented forms of development. For example, these developments:

- **Achieve economies of scale:** Large-scale development can lower per-unit costs through more efficient planning, procurement, and delivery of infrastructure and housing.

- **Optimise infrastructure investment:** Coordinated delivery of roads, utilities, and public services helps reduce duplication and ensures infrastructure is appropriately sized and timed to support growth.

- **Generate employment:** Provide a sustained pipeline of work for local contractors and tradespeople over the development period.

Further, compared to more fragmented patterns of growth, master-planned communities:

- **Encourage timely development:** The scale and structure of development can support a more predictable and continuous supply pipeline.

- **Enable efficient sequencing of infrastructure investment**, reducing the risk of under- or over-provision relative to demand.

At the same time, the proposal would deliver key infrastructure and supporting amenities that generate benefits beyond those directly associated with enabling new dwellings. Importantly, these works would be privately funded and delivered as part of the project, reducing reliance on public funding and enabling infrastructure to be planned, sequenced and delivered in a coordinated manner. This is likely to be more efficient than smaller, piecemeal subdivision or infill projects, where infrastructure provision can be more fragmented and reactive.

8.6. Feasibility and Delivery of Enabled Capacity

Finally, the proposal is being advanced by an experienced developer with a demonstrated track record of delivering large-scale, master-planned communities. Developer capability is relevant to housing market outcomes because enabled capacity only translates into effective supply if it is delivered in a timely and coordinated manner. An experienced developer is better positioned to manage complex staging, infrastructure delivery, and market sequencing, reducing the risk of delayed uptake. This increases confidence that the capacity enabled by the proposal will convert into completed dwellings over time.

9. Wider Economic Impacts

This section considers a range of wider economic impacts of the proposal.

9.1. 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 take, in our experience, materially longer. Accordingly, the proposal enables the project to commence sooner, thereby allowing the associated economic benefits to be realised sooner too.

9.2. Spatial Match with Employment Opportunities

The proposal is also well located relative to existing employment opportunities in southern Auckland, including in Papakura and Manukau. Further, the planned urbanisation in Drury West and surrounding areas is expected to support a broader mix of local business, industrial, retail and service-based employment over time.

This direction is reinforced by the Southern Auckland Economic Masterplan, which envisages Drury evolving into a major metropolitan growth node and employment centre for Auckland. The Masterplan emphasises the importance of developing employment land alongside housing supply, with the objective of creating a more balanced urban environment that provides opportunities for people to live and work within the same broader area.[9]

In particular, the Masterplan identifies Fisher & Paykel Healthcare's planned 105 ha research and manufacturing campus on Karaka Road, directly opposite the subject site. That proposal is now being progressed through a private plan change. It is intended to support the company's long-term growth over the next 30+ years and, according to the supporting plan change documentation, is anticipated to provide employment capacity for more than 15,000 workers across research and development and manufacturing activities.[10] This would establish a major long-term employment anchor within the wider Drury area and further reinforce its role as a significant emerging employment hub.

In this context, the proposal would help improve the spatial alignment between housing and employment by enabling a substantial residential community in close proximity to both existing and planned employment opportunities. This has the potential to reduce commuting distances, increase opportunities for residents to live closer to work, and contribute to a more efficient urban form. In turn, these outcomes support the creation of a well-functioning urban environment and help ensure that future housing growth is aligned with the area's evolving economic base.

[9] Arup, *Economic Masterplan: Southern Auckland*, prepared for Tātaki Auckland Unlimited, April 2023.

[10] Accessible here: https://www.aucklandcouncil.govt.nz/en/plans-policies-bylaws-reports-projects/our-plans-strategies/unitary-plan/auckland-unitary-plan-modifications/proposed-plan-changes/pc-121-private-karaka-road-precinct.html

9.3. Foregone Rural Production

The main economic cost of the proposal is the opportunity cost of other foregone site uses, like rural production. We understand that the site has historically been used primarily for low-intensity rural activities, so we assume that this would have continued across the entire site absent the proposal. To estimate the potential value of this activity, we estimated annual rural production across the full 100 hectares for a handful of plausible scenarios.

Table 6: Foregone Rural Production under Various Scenarios

Productive Use	GDP $	FTEs	Wages $
Dry-stock Sheep	59,990	0.3	17,010
Dry-stock Cattle	54,510	0.2	15,460
Mixed Cropping (Barley & Dry-stock Sheep)	78,570	0.3	22,280
Forage Cropping (Hay & Baleage)	122,950	0.5	34,860
Dairy Heifer Grazing & Baleage	89,660	0.4	25,420
Average	**81,140**	**0.3**	**23,010**

Table 6 indicates that foregone rural activity would be minor, averaging:

- Annual GDP of approximately $81,000;
- Employment for less than half of one FTE; and
- Wages of approximately $23,000 per annum.

Accordingly, the opportunity cost of losing the site for future rural productive uses is largely immaterial from an economic perspective.

9.4. Investment Signal Effects

Finally, the development will provide a signal of confidence in the region's medium- to long-term economic outlook. Over time, this can help spur or bring forward complementary development, including associated residential, commercial, or service-based development, as well as supporting infrastructure.

10. Conclusion & Checklist

10.1. Conclusion

Available and readily developable residential land supply is constrained in the Auckland region, which is likely to only become more acute over time. The proposal directly responds to and helps address this issue while also:

- Boosting housing supply while contributing to a well-functioning urban environment; and
- Generating **significant regional economic benefits.**

In addition, the Fast-track process helps ensure that those benefits are realised sooner than traditional consenting pathways would normally otherwise allow. On that basis, we consider the proposal meets criteria 22(2)(a)(iii) and 22(2)(a)(iv) of the FTAA and we support it on economic grounds.

10.2. 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 7: 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	Section 8
(iv)	Delivers significant economic benefits	Sections 6, 7 & 9
(v)	Supports primary industries, including aquaculture	n/a
(vi)	Supports development of natural resources, including minerals and petroleum	n/a
(vii)	Supports climate change mitigation (e.g. reducing greenhouse gas emissions)	n/a
(viii)	Supports climate change adaptation, reduces risk from natural hazards	n/a
(ix)	Addresses significant environmental issues	n/a
(x)	Consistent with local/regional planning documents and spatial strategies	n/a