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Economic and Property Research

77 & 109 Kapiti Road Mixed-Use Development, Kapiti Coast

Fast-Track Approvals Act 2024
Economic Assessment



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1. Executive Summary

The proposed development at 77 & 109 Kapiti Road, Paraparaumu represents a significant mixed-use investment of approximately $527.5 million. The direct construction activity is estimated to generate around $160.2 million in GDP, or an NPV of approximately $137 million over the estimated 15-year development period, discounted at 2% p.a., and support approximately 1,000 full-time equivalent (FTE) jobs. When broader supply chain (indirect) effects are taken into account, the total impact of the construction phase increases to approximately $313.3 million in GDP, or an NPV of approximately $268 million over the same period, and support around 1,765 FTE jobs across the wider economy. Once operational, the retail and commercial component of the development is expected to contribute approximately $48.8 million in GDP per annum, with an NPV of approximately $1.09 billion over a 30 year period at a 2% discount rate annually, representing a substantial contribution to the Kapiti Coast District and the wider regional economy.

The site is strategically located adjacent to the Coastlands shopping centre and wider Paraparaumu town centre. It represents one of the few remaining opportunities to expand the district's primary centre in a coordinated and efficient manner. As such, there is a significant economic benefit in ensuring the site is optimally developed. Without a comprehensive masterplanned approach, there is a material risk that the site could be developed in a fragmented or suboptimal manner, resulting in underutilisation of its strategic location and a loss of potential economic, social, and urban form benefits.

The proposal responds to this by delivering a masterplanned mixed-use development comprising residential, large format retail (LFR), specialty retail, and commercial activities. This integrated mix of uses optimises the site's locational advantages by co-locating housing, employment, retail, and services. In doing so, it enhances accessibility, supports agglomeration economies, and improves the overall performance and efficiency of the primary centre.

The commercial component, anchored by approximately 20,000m² of LFR and supported by 3,800m² of specialty and convenience retail, reflects an expansion of the Paraparaumu town centre, rather than a competing centre. As such, it does not result in any adverse distributional effects, but instead strengthens the role, scale, and functionality of the primary centre by increasing its diversity, accessibility, and critical mass.

Importantly, the existing Paraparaumu town centre is predominantly configured as a shopping mall and LFR node and does not currently function as a strong community hub. The proposal addresses this structural gap by introducing a broader mix of uses, including convenience retail, food and beverage, and service-based activities, which support day-to-day interaction and community activity. This will materially enhance the centre's role as a focal point for the local community and improve the overall quality and functionality of the urban environment.

From an economic standpoint, the proposal will expand the district's retail and service offering, reducing expenditure leakage and increasing the retention of spending within the district. Since 2016, the self-sufficiency of the Kapiti Coast has increased, with employment growth (17%) outpacing population growth (8%). The proposal will therefore contribute towards improving local economic self-sufficiency and increase the overall attractiveness of the Kapiti Coast as a place to live, work, and invest, supporting population retention and growth.

The residential component will deliver approximately 593 dwellings, increasing the district's greenfield housing capacity from approximately 6.2 years to 8.7 years. This represents a significant contribution toward meeting medium-term housing demand under the National Policy Statement on Urban Development (NPS-UD). The development is expected to deliver housing at an average price of approximately $810,000, positioning it at the more affordable end of the new-

build market (13% more affordable) and supporting improved housing accessibility and market efficiency.

Overall, the proposal represents a comprehensive, efficient, and strategic use of a key live-zoned greenfield site, delivering a scale and mix of development that would not be achieved through smaller, uncoordinated projects. It strengthens and expands the district's primary centre, introduces a critical community dimension, improves access to housing and services, and delivers substantial and enduring economic benefits.

Fast-track Approvals Act Assessment

The proposal clearly meets the purpose of the Fast-track Approvals Act, as set out in Section 3, which is to facilitate projects that deliver significant regional or national benefits. In particular:

- **Section 22(2)(a)(iii) – Housing and well-functioning urban environment:**
  The proposal provides a substantial increase in housing supply in a capacity-constrained market, improves affordability outcomes, and contributes to a well-functioning urban environment through the integrated provision of housing, employment, and services in a highly accessible location.

- **Section 22(2)(a)(iv) – Significant economic benefits:**
  The proposal delivers significant and measurable economic benefits, including a direct economic contribution of $160.2 million in GDP and 1,000 FTE jobs during construction, equivalent to an NPV of approximately $137 million over the estimated 15-year development period at a 2% discount rate. When broader supply chain effects are taken into account, total (direct and indirect) construction-related impacts increase to approximately $313.3 million in GDP and 1,765 FTE jobs across the wider economy, equivalent to an NPV of approximately $268 million over the same period. The development is also expected to generate $48.8 million in ongoing annual GDP contribution, equivalent to an NPV of approximately $1.09 billion over 30 years at a 2% discount rate, alongside improved retail efficiency and expenditure retention.

- **Section 22(2)(a)(v) – Support primary industries:**
  The proposal generates substantial flow-on effects across the wider economy, including supporting supply chains and improving the efficiency and productivity of the local commercial network. In addition, in the context of a medium-term shortage of residential land, the proposal would help avoid the need for greenfield development that displaces rural productive land.

In addition, the proposal delivers broader strategic benefits by ensuring the optimal use of a key site, avoiding inefficient or fragmented development, and reinforcing the role of Paraparaumu town centre as the district's primary centre.

Accordingly, the proposal is considered to deliver significant district and regional economic and urban development benefits, is consistent with the intent of the Fast-track Approvals Act 2024, and as such is recommended for approval.

2. Introduction

This report evaluates a proposed mixed use development ("the proposal") located at 77 & 109 Kapiti Road, Paraparaumu, against the purpose (Section 3) and Section 22(1)(a) of the Fast-track Approvals Act 2024.

2.1 The Proposal

The site and indicative development concept are illustrated in Figures 1 and 2. The proposal comprises a mixed-use scheme at **77 & 109 Kapiti Road and 1 Brett Ambler Way, Paraparaumu**, including residential, large format retail (LFR) and specialty retail and other commercial activities.

The proposal is located within the Paraparaumu town centre, representing a strategically important site for accommodating future growth in the district. The proposal functions as an extension of the existing shopping mall, LFR area, aquatic centre and council offices, integrating commercial and residential development in a central and accessible location.

The proposal provides for approximately **593 residential dwellings**, together with approximately:

- 20,000m² of LFR,
- 3,800m² of ground floor commercial/specialty retail floorspace.

As outlined in Figure 1, dwellings are estimated to achieve an average sale price of approximately **$810,000**, with a range of approximately **$755,000 on average for apartments, and $880,000 on average for stand alone dwellings**. This reflects a key area of demand, particularly for young families and retirees seeking affordable housing.

The commercial component is centred on **LFR**, supported by smaller-scale retail/commercial uses with residential development located across the southern part of the site.

Figure 1:
Indicative Residential Dwelling Yield & Price Scenarios

Product Type	Avg Land Area (m^2)	Avg GFA (m^2)	Total Dwellings/ Units	Estimated Sale Price
Stand Alone	250	180	156	$880,000
Duplex	195	160	32	$850,000
Terrace	135	130	186	$815,000
Apartment	65	85	219	$755,000
Total/Avg	**140**	**130**	**593**	**$810,000**

Source: Cotality, UE, Athfield Architects, Herriot Melhuish O'Neill Architects

Figure 2:
Development Concept Plan



Source: Athfield Architects, Herriot Melhuish O'Neill Architects

3. Study Area

Figure 3 outlines the study area adopted in this report. The study area includes all SA2's (Statistical Area Unit 2) that make up the Kapiti Coast District, encompassing suburbs such as Peka Peka, Paraparaumu, Waikanae Beach, Raumati South and Otaki. The proposal site is located in the Paraparaumu town centre, adjacent to the Coastlands shopping centre and council facilities, including the aquatic centre and council offices. It forms part of the Wellington region, however is relatively self-contained, and is therefore considered as a distinct location within the region.

Figure 3:
Study Area (Kapiti Coast District)



Source: LINZ, Google

4. Greenfield Residential Capacity Analysis

This section profiles the existing and pipeline medium to large-scale (50+ lots/dwellings) greenfield developments with remaining capacity in the study area.

Figures 4-5 provide a profile of the existing and pipeline greenfield developments within the study area. This reflects the medium-term (10-year) 'reasonably expected to be realised' greenfield capacity, based on developments that are zoned, serviced, consented and therefore expected to be delivered over this period.

The medium-term capacity is considered the most relevant period when assessing whether the housing market will function efficiently and meet demand in terms of dwelling type, price, and location.

The main points to note are:

- There are currently three greenfield developments supplying dwellings/lots within the study area[1].
- In total, these developments will supply approximately **424 dwellings/lots**, of which **195 remain to be developed/sold.**
- There are five pipeline greenfield developments, expected to provide approximately 1,261 dwellings.
- The current and pipeline developments are expected to provide approximately 1,685 dwellings in total.
- These developments are generally small to moderate in scale (typically 100–500 dwellings) and do not typically deliver broader amenities due to limited economies of scale.
- The proposal is relatively significant by comparison, representing one of the more notable greenfield opportunities remaining or proposed in the district over the medium term.

Figure 4:
Study Area Current & Pipeline Greenfield Development Dwelling Supply

Status	Development	Total Dwellings/ Lots	Sold	%Sold	Currently Selling	Remaining Supply
Current	Manu Park	162	99	61%	8	63
	Otaki Gardens	90	40	44%	50	50
	Anderson Park	62	50	81%	12	12
	Harakeke Heights (Stages 1-3)**	110	40	36%	-	70
Current Subtotal		**424**	**229**	**54%**	**70**	**195**
Pipeline*	Otaki Maori Racecourse	500	-	-	-	500
	Mansell Subdivision	370	-	-	-	370
	Moy Estate	137	-	-	-	137
	The Grange (99 & 103 SH1)***	200	-	-	-	200
	Kauri Street Subdivision	54	-	-	-	54
Pipeline Subtotal		**1,261**	**-**	**-**	**-**	**1,261**
Total Current + Pipeline		**1,685**	**229**	**14%**	**70**	**1,456**
The Proposal		**593**	**-**	**-**	**-**	**593**
Total + Proposal		**2,278**	**229**	**10%**	**70**	**2,049**

*Developments zoned/consented but not yet brought to market.

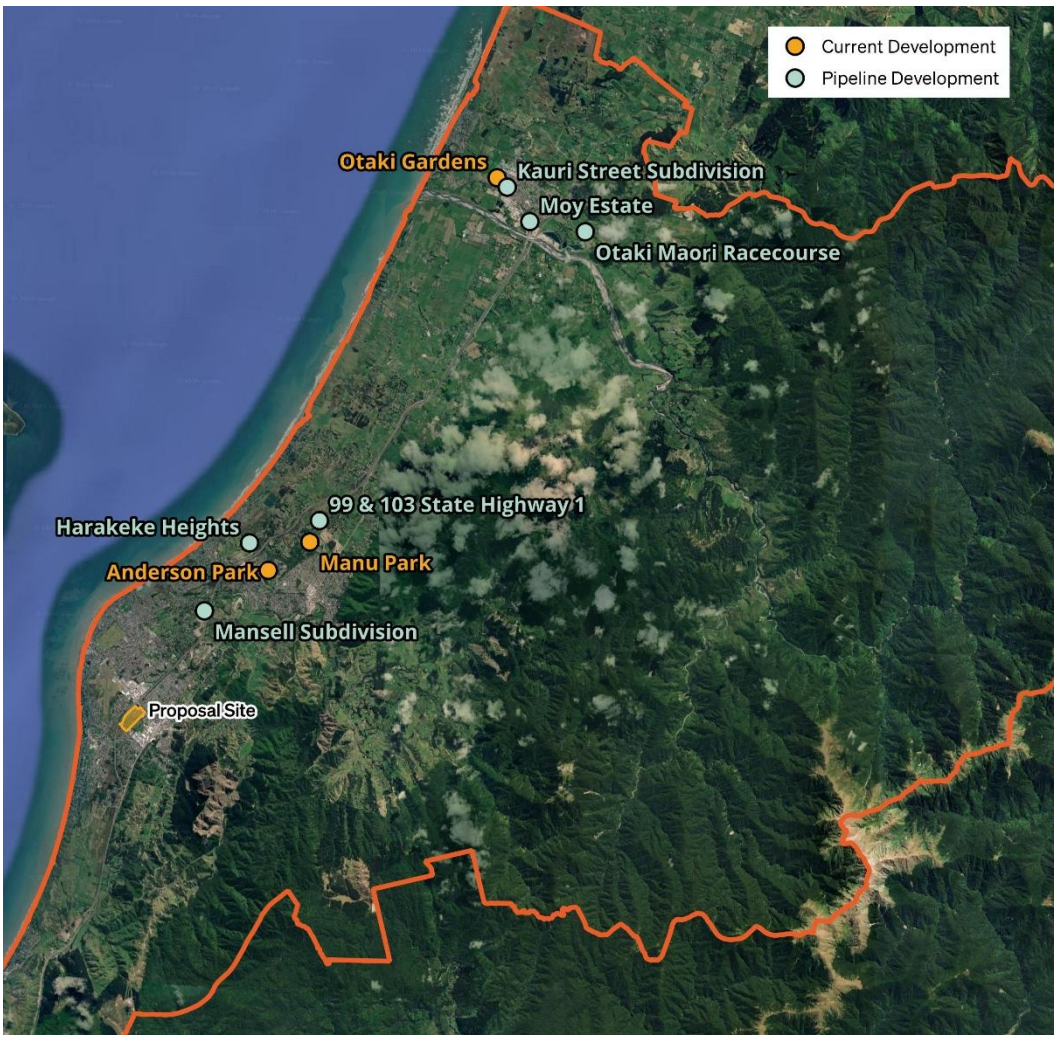
**Stages 4-7 (circa 320 lots) are not yet consented and have not been included in the pipeline supply.

***Lots granted consent under Stage 1.

Source: Cotality, Developer Website, TradeMe, KCDC

[1] As at 2026, noting that Harakeke Heights doesn't appear to have any lots currently on the market (e.g. on TradeMe and other real estate sources).

Figure 5:
Location of Current & Pipeline Greenfield Developments



Source: LINZ, Cotality, Developer Websites, Kapiti Coast District Council (KCDC), UE

5. Residential Demand & Sufficiency Analysis

This section provides an assessment of residential demand within the study area, including both the quantity and price distribution of dwellings.

5.1 Dwelling Sales

Figure 6 displays recent dwelling sales (March 2024 – March 2026) by price bracket and dwelling type. The main points to note are:

- Standalone dwellings dominate the market, accounting for approximately 87% of sales, followed by terrace housing (12%) and apartments (1%).
- The majority (64%) of standalone dwellings sold within the $600,000 to $1,000,000 price range, with a further 24% above $1,000,000.
- Terrace housing is concentrated at lower price points, with approximately 75% of sales below $700,000, while all apartments sold below $800,000.

- A total of approximately 2,560 dwellings were sold over the period, equating to approximately 1,280 sales per annum. Of these, approximately 15% (360 dwellings) were new dwellings.
- Terrace housing is the most affordable typology, with an average sale price of approximately $655,000, compared to $735,000 for apartments and $875,000 for standalone dwellings.

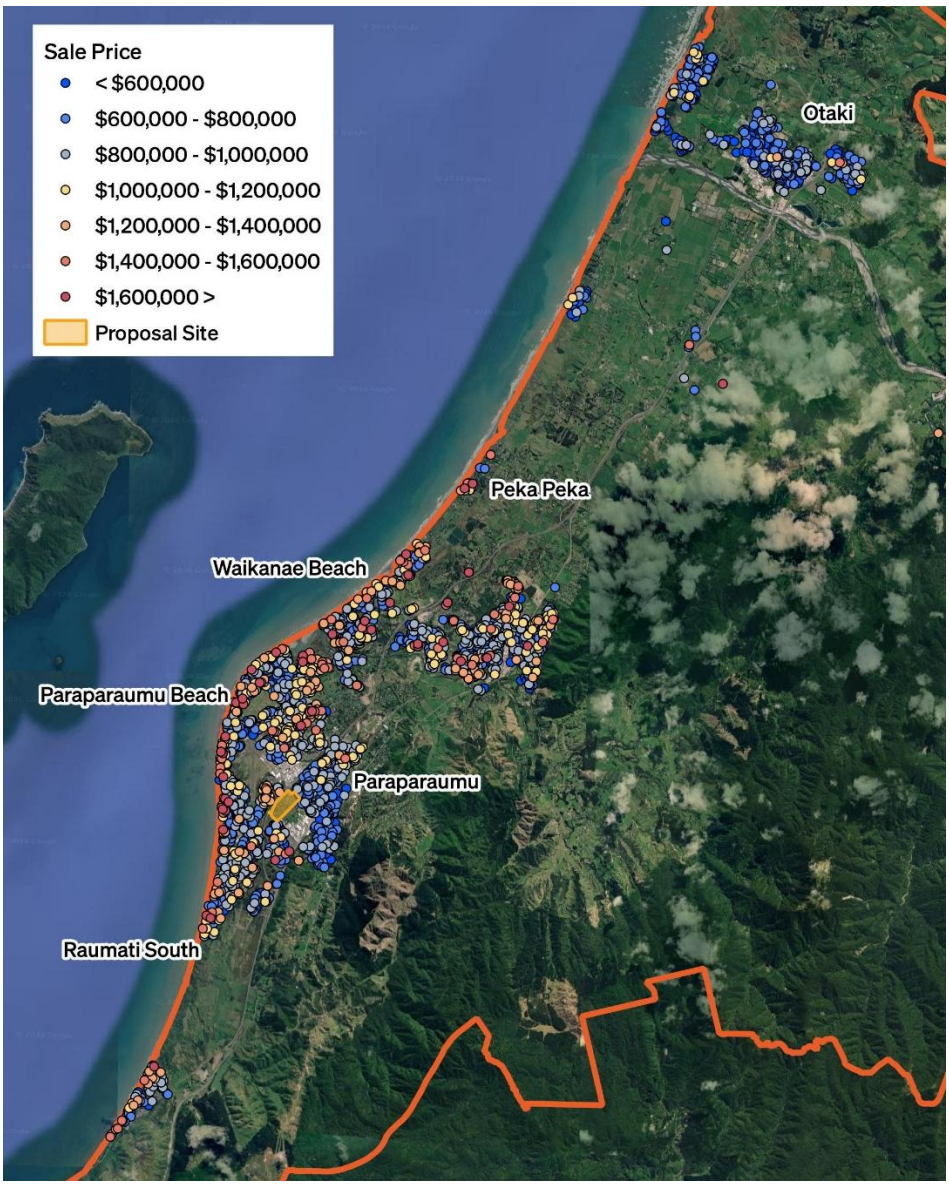
Figure 6:
Recent Sales by Price Bracket March 2024 - March 2026

Price Bracket ($000)	Number of Properties				Percentage Distribution			
	Stand Alone	Terrace	Apartment	Total	Stand Alone	Terrace	Apartment	Total
<$400	70	15	0	85	3%	4%	0%	3%
$400 - 500	70	30	0	100	3%	8%	0%	4%
$500 - 600	180	105	0	285	8%	29%	0%	11%
$600 - 700	320	125	5	450	15%	35%	100%	18%
$700 - 800	425	55	0	480	19%	15%	0%	19%
$800 - 900	395	15	0	410	18%	4%	0%	16%
$900 - 1,000	245	10	0	255	11%	3%	0%	10%
$1,000 - 1,100	135	0	0	135	6%	0%	0%	5%
$1,100 - 1,200	95	0	0	95	4%	0%	0%	4%
$1,200 - 1,300	80	0	0	80	4%	0%	0%	3%
$1,300 - 1,400	50	5	0	55	2%	1%	0%	2%
$1,400 - 1,500	50	0	0	50	2%	0%	0%	2%
$1,500 - 1,600	30	0	0	30	1%	0%	0%	1%
$1,600 - 1,700	15	0	0	15	1%	0%	0%	1%
$1,700 - 1,800	10	0	0	10	0%	0%	0%	0%
$1,800 - 1,900	5	0	0	5	0%	0%	0%	0%
$1,900 - 2,000	0	0	0	0	0%	0%	0%	0%
$2,000 - 2,100	0	0	0	0	0%	0%	0%	0%
$2,100 - 2,200	0	0	0	0	0%	0%	0%	0%
$2,200 - 2,300	10	0	0	10	0%	0%	0%	0%
$2,300 - 2,400	0	0	0	0	0%	0%	0%	0%
$2,400 - 2,500	5	0	0	5	0%	0%	0%	0%
$2,500 Plus	5	0	0	5	0%	0%	0%	0%
Total	**2,195**	**360**	**5**	**2,560**	**86%**	**41986%**	**1%**	**100%**
Average Sale Price	**$855,000**	**$700,000**	**$685,000**	**$835,000**	-	-	-	-

Source: Cotality, UE

Figure 7 shows the spatial distribution of dwelling sales over the January 2023 - December 2024 period. Higher-value properties are concentrated in coastal locations such as Paekākāriki Beach, Paraparaumu Beach, and Waikanae Beach, where prices typically exceed $1,600,000. Dwellings in the northern parts of the district (e.g. Otaki) generally sell below $800,000. The proposal site is located in Paraparaumu town centre, where recent sales exhibit a broad price range ($600,000 to $1,400,000), indicating the ability to support a diverse range of dwelling types and price points.

Figure 7:
Study Area Recent Sales by Location March 2024 – March 2026



Source: Cotality, LINZ

Figure 8 outlines the price distribution of new dwellings (2020+) in the Kapiti Coast District over the March 2024 - March 2026 period. The main points to note are:

- New dwellings generally achieve higher prices than the existing housing stock, reflecting the premium associated with new builds.
- New standalone dwellings have an average sale price of approximately $990,000, with a core market range of $700,000 to $1,100,000 (41% of sales).
- New terrace dwellings have an average sale price of approximately $785,000, with a core market range of $600,000 to $900,000 (55% of sales).

Figure 8:
Kapiti Coast District New Dwelling Sale Price Distribution by Dwelling Type (March 2024-March 2026)

Price Bracket ($000)	Number of Properties				Percentage Distribution			
	Stand Alone	Terrace	Apartment	Total	Stand Alone	Terrace	Apartment	Total
<$500	13	2	0	15	10%	5%	0%	9%
$500 - 600	7	6	1	14	6%	16%	17%	8%
$600 - 700	6	10	3	19	5%	26%	50%	11%
$700 - 800	11	4	2	17	9%	11%	33%	10%
$800 - 900	13	7	0	20	10%	18%	0%	12%
$900 - 1,000	17	3	0	20	14%	8%	0%	12%
$1,000 - 1,100	10	0	0	10	8%	0%	0%	6%
$1,100 - 1,200	4	1	0	5	3%	3%	0%	3%
$1,200 - 1,300	14	2	0	16	11%	5%	0%	10%
$1,300 - 1,400	10	3	0	13	8%	8%	0%	8%
$1,400 - 1,500	12	0	0	12	10%	0%	0%	7%
$1,500 Plus	7	0	0	7	6%	0%	0%	4%
Total	**124**	**38**	**6**	**168**	**74%**	**23%**	**4%**	**100%**
Average Sale Price	**$990,000**	**$785,000**	**$670,000**	**$930,000**	-	-	-	-

Source: Cotality, UE

5.2 Dwelling Demand

Figure 9 summarises the Kapiti Coast District's projected dwelling demand over the short (1-3 years), medium (4-10 years) and long term (11-30 years), as reported in the 2023 Housing and Business Capacity Assessment (HBA). It reflects estimated demand for additional dwellings after applying the National Policy Statement on Urban Development (NPS-UD) buffer of 20% for short and medium-term demand and 15% for the long-term. On an annualised basis, the HBA forecasts annual demand for approximately 516 dwellings in the short term and 655 dwellings in the medium term. This equates to total medium-term (1-10 years) demand of 548 dwellings per annum.

The HBA highlights significant housing affordability challenges in the Kapiti Coast district. It notes that the district has *"some of the worst levels of affordable housing and rent regionally and nationally"* (page 199) and that *"95% of renters are unable to afford to buy a house within the Kapiti district"* (page 206).

The HBA also indicates that approximately 85% of future housing capacity is expected to be delivered through infill and redevelopment. However, infill development is typically more expensive to deliver than greenfield development, reflecting higher land and construction costs, and therefore may not effectively address affordability constraints in itself.

It is also noted that the HBA does not differentiate demand by price point or housing typology, nor does it explicitly distinguish between infill and greenfield demand. This limits its ability to assess whether sufficient development capacity is provided across different market segments.

Figure 9:
Kapiti Coast District 2023 HBA Total Dwelling Demand

Total Dwelling Demand*	Additional Dwellings			
	Short Term (Years 1-3)	Medium Term (Years 4-10)	Long Term (Years 11-30)	Total Short + Medium-Term
Annualised	516	655	421	**548**
Total	1,549	3,928	8,411	**5,477**

*Including NPS-UD demand buffer of 20% for short/medium-term and 15% for long-term.

Source: Kapiti Coast District 2023 HBA

5.3 Consents by Location

Figure 10 provides a breakdown of new dwellings consented in the study area over the 2016–2025 period by broad location (infill, greenfield, and rural).

This provides a proxy for the distribution of dwelling demand by development type. Over the 2021–2025 period, approximately:

- 49% of new dwellings were consented in infill locations,
- 43% in greenfield locations, and
- 8% in rural areas.

The recent Environment Court decision on Private Plan Change 73[2] identified several key areas where the Auckland HBA does not meet the requirements of the NPS-UD. The decision noted that *"The Court would question the relevance of such data sets [household and population growth data], if they do not identify and distinguish greenfield-based trends and patterns over time from infill-based trends and patterns over time. In this regard, the practice of averaging household growth data over periods of time can mask relevant detail."*[208]. This is directly relevant to the Kapiti HBA, which does not consider dwelling demand in terms of the infill-greenfield split.

To inform greenfield demand in the study area, the share of recent consents occurring in greenfield locations[3] (43%) is applied to total medium-term dwelling demand, resulting in an estimated annual greenfield demand of approximately **236 dwellings over the short to medium-term.**

In many other urban centres across the country (and historically), greenfield housing typically accounts for 60-70% of demand, reflecting the ability of greenfield developments to provide dwellings at more affordable price points. The lower greenfield share in Kapiti reflects constrained land availability rather than underlying demand preferences. As such, the adopted 43% greenfield demand is considered to be a conservative estimate.

[2] Gardon Trust v Auckland Council [2023] NZEnvC 058.
[3] Building consent shares are based on SA2-level classifications by predominant development type. This is conservative, as both greenfield and infill activity can occur within the same SA2 (including greenfield capacity or development within infill-classified areas, and vice versa).

Figure 10:
Study Area New Dwellings Consented by Location (2016 - 2025)

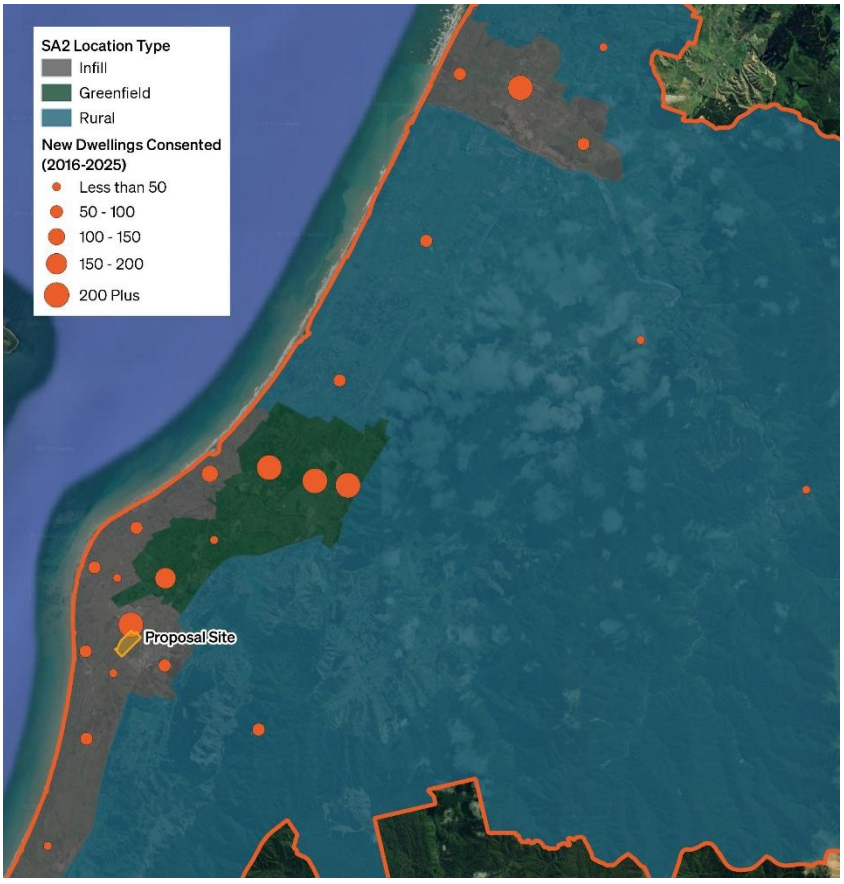
Year	New Dwellings Consented			
	Infill	Greenfield*	Rural**	Total
2016	100	110	30	240
2017	125	115	30	270
2018	105	120	30	255
2019	125	75	25	225
2020	100	90	20	210
2021	215	110	35	360
2022	175	70	30	275
2023	205	175	35	415
2024	100	175	10	285
2025	105	165	20	290
Total	**1,355**	**1,205**	**265**	**2,825**
5-Yr Average	**160**	**140**	**25**	**325**
5-Yr Average (%)	**49%**	**43%**	**8%**	**100%**

*SA2's w here residential grow th has predominantly occurred through greenfield developments.

**SA2's that are predominantly rural in character.

Source: Statistics NZ, LINZ, UE

Figure 11:
Location of New Dwelling Consents in the Study Area (2016 - 2025)



Source: Statistics NZ, LINZ, UE

Figure 12 outlines recent new dwelling consent trends by dwelling type in the Kapiti Coast District over the last decade. The main points to note are:

- Standalone dwellings have historically dominated new housing supply in Kapiti Coast. Between 2016–2020 they accounted for around **87%** of new consents.
- Housing supply has diversified more recently. Over the **2021–2025** period, standalone dwellings accounted for around **53%** of consents, while terrace housing increased to **29%** from **10%**, and retirement village units increased to **17%** from **3%**.
- The increase in terrace housing reflects growing demand for more affordable housing options and more efficient land use.
- Future developments are therefore likely to benefit from a mix of standalone and terrace housing rather than relying solely on detached homes.

Figure 12:
Kapiti Coast District New Dwelling Consents by Dwelling Type (2016-2025)

Year	Number of New Dwelling Consents					Average GFA (m^2)				
	Stand Alone	Terrace	Apartment	R.V	Total	Stand Alone	Terrace	Apartment	R.V	Total
2016	210	25	0	5	240	200	80	-	115	190
2017	225	40	0	5	270	200	110	-	150	190
2018	215	20	0	20	255	200	105	-	90	200
2019	210	15	0	0	225	185	75	135	-	175
2020	180	20	5	5	210	200	100	60	25	185
2021	240	120	0	0	360	190	90	-	-	160
2022	210	40	20	5	275	185	115	145	145	175
2023	140	165	0	110	415	190	100	-	95	175
2024	115	55	10	105	285	185	105	75	75	200
2025	160	85	0	45	290	175	75	-	115	165
2016-2020 Avg	**210**	**25**	**0**	**5**	**240**	**200**	**90**	**100**	**100**	**190**
2021-2025 Avg	**175**	**95**	**5**	**55**	**330**	**190**	**100**	**110**	**110**	**180**
2016-2020 Avg (%)	**88%**	**10%**	**0%**	**2%**	**100%**	**-**	**-**	**-**	**-**	**-**
2021-2025 Avg (%)	**53%**	**29%**	**2%**	**17%**	**100%**	**-**	**-**	**-**	**-**	**-**

Source: Statistics NZ

5.4 Greenfield Dwelling Sufficiency

Based on the above sections, Figure 13 estimates the remaining years of greenfield capacity in the study area. The main points to note are:

- In total, there is estimated to be a fundamental annual greenfield dwelling demand of 236 dwellings including the NPS-UD demand buffer of 20% over the medium term, as informed by the 2023 HBA and recent building consents by location[4].
- The proposal would increase total medium-term capacity to 2,060 dwellings.
- Based on the expected rates of greenfield demand, there is an estimated 6.2 years of greenfield capacity remaining. This is not sufficient to meet the medium-term requirements of Policy 2 of the NPS-UD.
- If the proposed development is approved, the remaining greenfield capacity would increase to 8.7 years and would therefore contribute towards meeting the short to medium-term capacity in the study area.

[4] Based on 43% of dwelling demand in greenfield locations, as informed by recent dwelling consent trends.

Figure 13:
Study Area Estimated Greenfield Dwelling Sufficiency

Greenfield	Total
Annual Demand Dwelling Demand (incl. NPS-UD Demand Buffer)	236
Remaining Medium-Term Capacity (Current + Pipeline Developments)	1,456
Remaining Medium Term Capacity (Current + Pipeline + Proposal)	2,049
Remaining Years of Capacity (Current + Pipeline)	**6.2**
Remaining Years of Capacity (Current + Pipeline + Proposal)	**8.7**

Source: Kapiti Coast District 2023 HBA, UE

The 'Wairarapa-Wellington-Horowhenua Future Development Strategy' (FDS) adopts a growth approach that relies primarily on infill and, to a lesser extent, new greenfield capacity to meet future housing demand. As shown in Figure 17, since 2020, the annual average house price in the Kapiti Coast District increased from $657,000 to $835,000, or by approximately 5% p.a. This indicates that housing has become progressively less affordable, which has significant economic and social costs.

The proposal is anticipated to supply dwellings to the market at an average price of $810,000, positioning it at the more affordable end of the new-build market, where new dwellings currently achieve an average sale price of approximately $930,000. As such, the proposal is considered to meet the needs of a market segment that is currently underrepresented (e.g. low-middle income households). This demonstrates the proposal's ability to provide comparatively affordable new housing in the Kapiti Coast and the wider region, which has significant economic and social benefits. To this extent, the proposal is considered to meet the purpose of the FTAA and provisions of the NPS-UD relating to housing capacity, and ensure a 'competitive land and development market'.

6. Large Format & Convenience Retail Market Analysis

The proposed development comprises a mid-large sized large format retail (LFR) centre of approximately 20,000m² (accommodating 3–6 anchor tenants), supported by a convenience retail and service centre of approximately 3,800m² (20-25 tenancies). The LFR component is intended to serve a district-wide catchment, while the convenience centre is primarily oriented toward servicing on-site workers, LFR customers, and nearby residents.

Convenience retail centres typically range from 1,000m² to 5,000m² in gross leasable area and accommodate between 5 and 30 tenancies. These centres are generally characterised by service-based and non-discretionary retail activities, including food and beverage outlets, takeaway operators, fresh food retailers, personal services (e.g. hairdressers), and small-scale professional services.

At approximately 3,800m², the proposed convenience centre sits at the mid-upper end of the typical size range. This scale is considered appropriate given the integrated nature of the wider development and its role in supporting both the LFR component and surrounding residential population. The centre will enhance local amenity by providing accessible day-to-day goods and services, thereby reducing the need for short-distance travel and supporting more efficient local consumption patterns.

Importantly, the proposed convenience component is not of sufficient scale to support a meaningful concentration of comparison retail (e.g. apparel, footwear, or homewares). As such, it will function in a complementary role rather than directly competing with the Coastlands shopping centre, which will continue to serve as the district's primary destination retail centre. In this context, the proposal represents a logical expansion of the Paraparaumu town centre, reinforcing its role and scale. The proposed retail will not result in any adverse distributional effects given it is an expansion of an existing Paraparaumu town centre rather than a new centre.

Figure 14 identifies the current supply of LFR floorspace within the Kapiti Coast District. Existing provision comprises approximately 48,800m² of tenanted LFR floorspace across 17 stores.

Figure 14:
Kapiti Coast District LFR Floorspace Supply (2026)

LFR Store*	GFA Estimate (m^2)
Mitre 10 Mega	8,270
Farmers**	6,000
PAK'nSAVE	5,620
The Warehouse	5,160
Paula's Home & Living	2,800
New World Kapiti	2,790
Woolworths Paraparaumu	2,410
Briscoes	2,250
Woolworths Waikanae	2,000
New World Waikanae	1,900
Harvey Norman	1,550
Spotlight	1,530
New World Otaki	1,490
Big Save Furniture	1,460
Rebel Sport	1,370
Sue's Fresh Fruit & Vege Market	1,120
Noel Leeming	1,080
Total	**48,800**

Source: Google, LINZ

*Stores with a gross floor area (GFA) of 1,000m^2 or more.

** GFA estimated.

Analysis of current and projected supply-demand dynamics indicates the following:

- At present, total LFR supply is estimated at approximately 48,800m², equating to 0.84m² per capita. This is below the typical benchmark of approximately 0.96m² per capita, implying a current undersupply of around 6,600m².
- Population growth from approximately 58,000 in 2025 to 63,640 by 2045 is expected to generate sustained demand for additional LFR floorspace.
- Incremental demand is projected to reach approximately 8,210m² by 2030, increasing to 9,550m² by 2035 and 10,850m² by 2040.
- When combined with the existing shortfall, total effective demand is estimated at approximately 14,810m² by 2030, increasing to 18,610m² by 2045.

On this basis, the proposed LFR provision of approximately 20,000m² aligns closely with the projected demand trajectory over the medium to long term. Allowing for typical retail development lead times (generally 3–5 years ahead of realised demand), the scale of the proposed LFR component is considered appropriate and consistent with efficient market delivery.

Figure 15:
Kapiti Coast LFR Demand

Kapiti Coast District	Value
Current GFA (m^2)*	48,800
2025 Population	58,000
Current LFR GFA per Capita (m^2)	**0.84**
Typical LFR GFA per Capita (m^2)	**0.96**
Current Supportable LFR (m^2)	**55,400**
Current GFA Shortage (m^2)	**6,600**
Population Projections	
2030	59,660
2035	61,060
2040	62,420
2045	63,640
Additional Demand Growth (m^2)	
2030	8,210
2035	9,550
2040	10,850
2045	12,010
Shortage + Additional Demand Growth (m^2)	
2030	**14,810**
2035	**16,150**
2040	**17,450**
2045	**18,610**

Source: UE, Statistics NZ, LINZ

The current retail offering within the district also indicates capacity for additional large format operators, with several major brands either absent or operating from undersized premises. Potential tenant demand is likely to include:

- Bunnings (currently absent; typical requirement 7,000m²),
- Kmart (currently absent; typical requirement 5,000m²),
- JB Hi-Fi (currently absent; typical requirement 1,000m²),
- Harvey Norman (existing store 1,500m² vs typical >5,000m²),
- Big Save Furniture (existing 1,400m² vs typical 3,000m²), and
- Woolworths (existing stores 2,000m² vs typical 3,500m²).

This gap between existing provision and typical store formats further supports the case for additional LFR capacity within the district.

Overall, the proposed retail component is best characterised as a net expansion of the Paraparaumu town centre, which is currently anchored by the Coastlands shopping centre and existing LFR precinct. The development will:

- broaden the range and depth of retail and service offerings, reducing outflow to other centres,
- improve access to goods and services for a growing population,

- support agglomeration benefits within the primary centre, and
- enhance the efficiency of the district's commercial network by consolidating activity in a highly accessible location.

From an economic standpoint, the proposal provides an efficient response to both existing undersupply and projected demand growth, strengthening the local retail offering and reducing the need for residents to travel outside the district to access goods and services.

7. Commercial Office Market Analysis

The proposed 3,800m^2 convenience retail and service centre would include some commercial/office activities. This use forms part of a typical centre offer and is complimentary to the large format retail and convenience retail components. It will be used by nearby residents, workers, and local businesses, and also compliment the overall attractiveness of the centre at a district level.

The inclusion of these activities enhances the overall appeal of the development by enabling a wider range of services and experiences in one location. This supports multi-purpose trips, where visitors combine retail with dining, health services, or leisure activities, and are therefore likely to spend longer in the centre. This increases overall activity levels and strengthens the performance of the centre as a whole. Office and medical uses contribute to employment and daytime activity, while hospitality and recreational uses extend activity beyond standard retail hours. At the proposed scale, these uses are appropriately integrated within the development and reinforce its role as a destination centre and an extension of the Paraparaumu town centre.

At the proposed scale, these uses are appropriate for the development and contribute to increased dwell time, higher overall activity levels, and a more diverse and active centre.

8. Affordability of New Greenfield & Infill Housing

New housing delivered through greenfield development is typically more affordable than housing delivered through infill development. This reflects the ability of greenfield developments to achieve economies of scale in land development and construction, as well as lower underlying land costs.

Figure 16 compares the sale price per square metre **(**$/m² of GFA**)** for new dwellings in greenfield and infill locations within the study area. On average greenfield dwellings are delivered at approximately 81% of the price of infill dwellings on a $/m² basis (i.e. approximately 19% more affordable). For example, new dwellings in infill locations achieve an average price of approximately $6,610/m², compared to $5,340/m² for greenfield dwellings.

This pricing differential is consistent with trends observed in other urban areas across New Zealand, where greenfield development typically provides a more cost-effective form of new housing supply.

In addition, several studies confirm that greenfield housing can be produced at more affordable prices than infill housing. For example, a study completed by Urbis Ltd in 2011 found that greenfield housing was significantly less expensive than infill housing (32% cheaper in Brisbane, 10% cheaper in Adelaide, 5% cheaper in Sydney, 22% cheaper in Melbourne and 32% cheaper in Perth).

Figure 16:
Average Sale Price/m² of New Build Properties March 2024 - March 2026 (Study Area)

Location Type	Sale Price/m² GFA			
	Stand Alone	Terrace	Apartment	Average
Greenfield	$5,240	$6,370	-	$5,340
Infill	$6,160	$6,710	$10,550	$6,610
Greenfield %Infill	**85%**	**95%**	**-**	**81%**

Source: CoreLogic, LINZ, UE

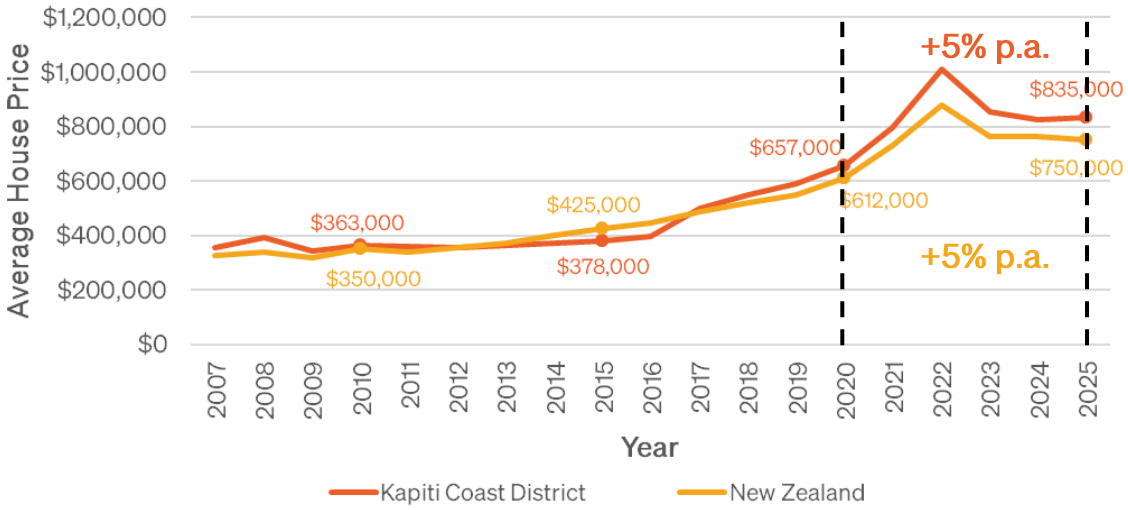
8.1 Kapiti Coast District Average House Price Growth 2007 – 2025

Figure 17 shows that the average house price in the Kapiti Coast District has increased steadily since 2007 and is now approximately $835,000.

Since 2020, average house prices have increased from approximately $657,000 to $835,000, equating to growth of approximately 5% per annum.

This rate of growth is consistent with national trends over the same period, where average house prices increased from approximately $612,000 to $750,000 (also approximately 5% per annum).

Figure 17:
Kapiti Coast District Average House Price Growth 2007 - 2025



Source: Cotality, REINZ

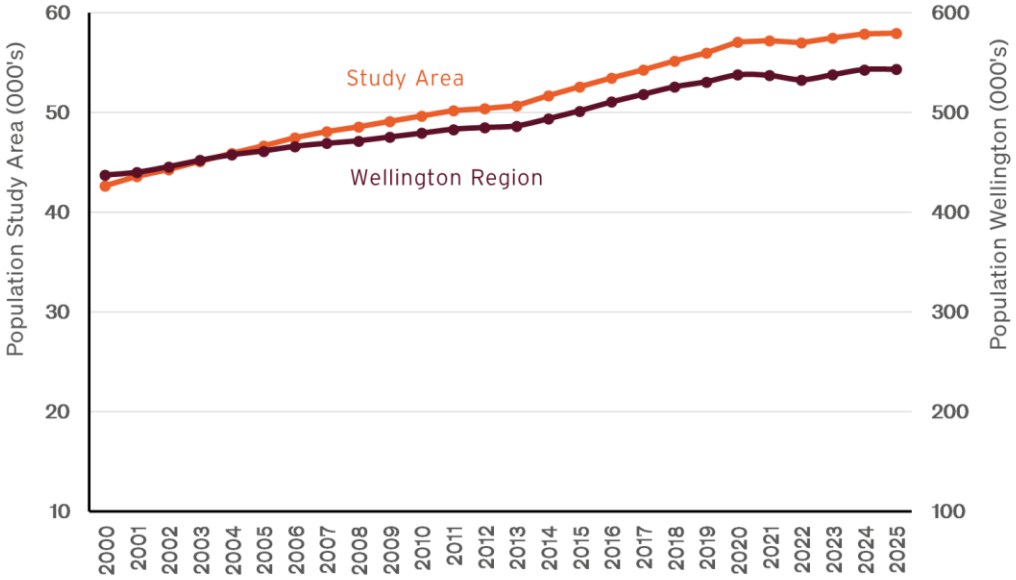
9. Study Area Population Growth

Figure 18 compares population growth in the study area and the Wellington Region. The study area population has increased from approximately 42,700 in 2000 to 58,000 in 2025, representing growth of 15,300 people (36%) over this period.

Over the same period, the Wellington Region population increased from approximately 438,000 to 543,400 (24%).

This outpacing of regional growth reflects the study area's relative attractiveness as a place to live and indicates that demand for housing is expected to remain strong over the medium to long term.

Figure 18:
Study Area and Wellington Region Population Growth 2000 - 2025



Source: Statistics NZ

10. Access to Employment Nodes & Services

This section assesses access to employment for future residents of the proposal.

The study area has experienced strong employment growth over the 2016-2025 period. As shown in Figure 19, employment increased by approximately 17%, compared to population growth of approximately 8% over the same period.

This indicates an increase in the self-sufficiency of the study area, with employment growth outpacing population growth. The study area currently has approximately 0.3 jobs per capita, compared to a regional average of approximately 0.5 jobs per capita. This reflects the concentration of employment within the Wellington CBD, the study area's location within the wider region, and the relatively high proportion of retiree households.

Figure 19:
Study Area Employment and Population Growth (2016 - 2025)

Study Area	2016	2025	Growth (2015-2024)	
			Nominal	%
Employment	12,965	15,145	2,180	17%
Population	53,500	58,000	4,500	8%

Source: Statistics NZ, UE

Figure 20 shows that the proposal is located within close proximity to a number of key employment nodes, with access to more than 11,000 jobs within a 20-minute drive time. These include:

- Paraparaumu town centre,
- Otaki industrial area and town centre, and
- Waikanae industrial area and town centre.

Overall, the proposal provides good access to employment and services, supporting a well-functioning urban environment.

Figure 20:
Employment Within a 20-Minute Drivetime



Source: Statistics NZ

11. Locational Efficiency & Site Optimisation

The proposed development occupies a strategically significant site within the Kapiti Coast District, immediately adjacent to the Coastlands shopping centre and wider Paraparaumu town centre. It represents a logical extension of the existing town centre, integrating residential, retail, and commercial activities within a central and highly accessible location. Additionally the proposal site is located adjacent to KCDC land that is anticipated for community activities in the Paraparaumu Town Centre Structure Plan, which would further support the proposed development.

The characteristics of the site mean that the proposal is not simply a transfer or redistribution of demand from other locations within the district. Rather, it enables a large-scale, masterplanned, mixed-use centre that co-locates housing, employment, and services.

Importantly, this is one of the only material remaining opportunities to expand the Paraparaumu town centre in a coordinated and efficient manner. Its location, scale, and proximity to existing infrastructure mean that it is well positioned to accommodate future growth. This creates a significant benefit from ensuring the site is optimally developed, otherwise there is a risk of underutilisation or fragmented development over time, leading to a loss of potential economic and community benefits.

The proposed development responds by providing a complementary mix of uses, including residential, large format retail, and commercial activities. This mix maximises the overall utility of the sites locational characteristics, supports local employment, and expands the districts main centre for community activity. The co-location of uses also improves accessibility between housing, jobs, and services, which is a key characteristic of a well-functioning urban environment.

The proposal delivers locational efficiency benefits at a regional level on the basis that Paraparaumu is identified as a subregional centre for the Kapiti Coast in the structure plan. In the absence of additional commercial and retail capacity within central Kapiti, residents are more likely to travel to larger centres such as Porirua, or other dispersed locations across the district, to access a broader range of goods and services. The proposal reduces this reliance by providing additional capacity locally, thereby reducing travel demand and associated environmental and economic costs.

11.1 Economic Implications and Practicability of Wetland Avoidance

The fragmented distribution of wetlands across the site is relevant to the practicability of avoiding wetland effects from an economic standpoint. Because the wetlands are dispersed across the site, avoiding them all would fragment the remaining developable land and constrain efficient road layouts, residential development and contiguous LFR areas. The resulting loss of development capacity could therefore be materially greater than the potential effects associated with retained wetland.

This is particularly relevant given the strategic characteristics of the site. As outlined above, the site immediately adjoins the Paraparaumu town centre and represents one of the few remaining substantial opportunities to accommodate a coordinated expansion of residential and commercial activity in a central and highly accessible location. The proposal has been designed as an integrated mixed-use development that co-locates housing, employment, retail and services and makes efficient use of these locational advantages.

The approximately 593 dwellings are a material component of the proposed mixed-use development and the broader function of the Paraparaumu town centre. They substantially increase residential living opportunities within the centre, support the proposed retail, commercial and service activities, and improve accessibility between housing, employment and services. The residential component also makes a significant contribution to District housing supply, increasing estimated greenfield capacity from approximately 6.2 to 8.7 years, with dwellings expected to be delivered at an average price of approximately $810,000 compared with around $930,000 for recent new-build dwellings across the District. A material reduction in residential capacity would therefore reduce not only these housing supply and affordability benefits, but also the scale and effectiveness of the integrated mixed-use outcome sought for the site.

Similar considerations apply to the proposed LFR component. The assessment identifies an existing LFR floorspace shortfall, increasing with future growth, and that some prospective

operators require large individual sites that are not otherwise available. LFR development consequently depends on sufficiently large and contiguous development areas capable of accommodating buildings, access, parking, loading and servicing. Fragmentation of these areas may therefore affect development capacity to a significant extent.

The residential and commercial components are also economically interrelated. The residential population supports retail, commercial and service activities, while proximity to those activities improves access to employment, goods and services. Materially reducing either component would therefore reduce the critical mass and co-location benefits associated with delivering the site as a comprehensive mixed-use extension of the Paraparaumu town centre.

Accordingly, from an economic standpoint, comprehensive wetland avoidance would materially affect the scale, configuration and integrated function of the proposed development. The fragmented nature of the wetlands means that these effects are likely to extend beyond the direct area of land retained, reducing development capacity, site efficiency and the housing, retail, employment and wider economic benefits identified in this assessment. The scale and mix of residential and commercial activity are also important to the overall commercial delivery and performance of the development, with the different components supporting the critical mass and complementary activity necessary for the site to function effectively as an integrated mixed-use extension of the Paraparaumu town centre. These economic implications are therefore relevant when considering the extent to which wetland avoidance can practicably be achieved across the site.

12. Expected Uptake Rates

This section estimates the expected uptake rates across the various components of the development, both individually and in aggregate.

Figure 21 presents the development composition, yield, and projected sales rates for the proposal. The analysis indicates a varied absorption profile across components, with stand alone and duplex housing expected to be absorbed relatively quickly (approximately 5-6 years and 3-4 years, respectively), while terrace and apartment products extend the overall residential delivery timeframe to approximately 15+ years.

This delivery profile has important economic implications. While the residential programme extends over the longer term, most commercial components, including large format retail (around 5-6 years) and commercial/specialty retail (around 1-2 years), are expected to be delivered within the short to early medium term.

For a strategically located site of this nature, this remains a positive outcome. It enables early delivery of key economic and community benefits, while maintaining a sustained pipeline of housing supply over time and avoiding the inefficiencies associated with either prolonged or overly rapid development.

Figure 21:
Development Land Yield & Uptake Rate Analysis

Property Type	Yield (Units/GFA)	Uptake Rate p.a.	Sell Down Years
Stand Alone	156	30	5.2
Duplex	32	9	3.6
Terrace	186	9	15+
Apartment	219	3	15+
Residential Total	**593**	**51**	**15+**
LFR	20,000	4,000	5.0
Commercial/Specialty Retail	3,800	2,500	1.5

Source: UE

13. Economic Contribution to GDP & Employment

This section assesses the economic contribution of the proposal in terms of employment and GDP. This assessment confirms that the proposal will "deliver significant economic benefits" for the Wellington region and the study area and is consistent with the economic requirements of the Fast-track Approvals Act.

13.1 Employment & GDP Contribution from Construction

The national value-added per employee has been applied to estimate the full-time equivalent (FTE) employment generated by the proposal. This approach captures the direct impact of construction-related activity generated by the proposal.

Figure 22 outlines the estimated construction value, GDP contribution, and employment generated by the proposal. In total, the proposal is estimated to generate:

- $527.5 million in project value,
- $160.2 million in value-added GDP, and
- 1,000 FTE jobs.

These figures represent the total employment and GDP generated over the construction period. On an annualised basis, this equates to an average of approximately 67 FTE jobs per annum, assuming a 15-year development timeframe (refer Section 12).

Based on UE's estimated sell-down rate of approximately 51 dwellings p.a., as outlined in Section 12, the proposal is expected to be delivered over approximately 15 years. Adopting this timeframe, the construction of the proposal would have an NPV (Net Present Value) of approximately $137 million, using a 2% discount rate p.a.[5]

[5] NPV estimates apply the 2% Social Rate of Time Preference (SRTP) identified in Treasury Circular 2024/15 for predominantly public interest/non-commercial impacts. Although privately delivered, the assessment considers wider regional and public benefits, including housing supply, affordability, competition and housing-market functioning, while construction GDP reflects value added across the wider economy rather than developer revenue, profit or return on capital. The 2% SRTP discount rate is therefore adopted.

Figure 22:
Value-Added GDP & FTE Employee Estimates

Development Component	Count	Value ($M)	Value Added GDP ($M)	FTE Employees
Stand Alone	156	$109.8	$33.4	210
Duplex	32	$21.8	$6.6	40
Terrace	186	$121.3	$36.8	230
Apartment	219	$132.3	$40.2	250
Residential Total	**593**	**$385.1**	**$117.0**	**730**
Large Format Retail*	20,000m²	$112.0	$34.0	210
Commercial/Specialty Retail*	3,800m²	$30.4	$9.2	60
Retail Total	**23,800m²**	**$142.4**	**$43.2**	**270**
Project Total	**-**	**$527.5**	**$160.2**	**1,000**

Source: UE, Statistics NZ

*Value estimated based on rents of $350/m^2 for the LFR centre and $500/m^2 for the commercial/specialty retail centre.

Figure 23 shows the estimated national 'value-added per FTE employee'. These figures are used to estimate the FTE employees created by the construction of the proposal.

Figure 23:
Construction Sector GDP and Value Added per Employee (2024)

Sector	Value Added GDP ($M)	FTE Workers	Value Added GDP Per Employee
Construction	$32,410	204,200	$159,000

Source: Statistics NZ

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

The contribution of the construction of the proposal to GDP and FTE employment is estimated using a value-added approach[6]. This is further refined to distinguish between direct and indirect (flow-on) contributions to GDP, based on an assessment of the interrelationships between sectors of the economy using input-output tables sourced from Statistics NZ. Particular focus is given to the proposal's impact on primary industries.

Figure 24 outlines the value-added (GDP) impacts and presents a breakdown of direct and indirect effects, along with associated FTE employment. The indirect effects capture the flow-on

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

impacts generated through supply chain linkages, as construction activity increases demand for goods and services from other sectors of the economy.

Some of the key points to note are:

- As outlined in Section 13.1, the direct construction impact is estimated at approximately $527.5 million in project value, generating $160.2 million in GDP and supporting approximately 1,000 FTE jobs. This includes building construction and related services.
- The indirect (flow-on) impact of the construction of the proposal on primary industries is estimated to be $8.9 million in GDP and will support approximately 5 FTE jobs. This includes, for example, activity in the 'Agriculture, forestry and logging' and 'Mining' sectors arising from the supply of raw materials used in construction (e.g. timber and aggregates).
- More broadly, indirect effects across all sectors are estimated to generate $153.1 million in GDP and support approximately 765 FTE jobs, reflecting supply chain activity in manufacturing, transport, wholesale trade, and other supporting industries during construction of the proposal.
- In total, the direct and indirect construction-related contribution is estimated at approximately $313.3 million in GDP and 1,765 FTE jobs. Discounted at 2% p.a. over the estimated 15-year development period, this equates to an NPV of approximately $268 million.

While the analysis focuses on direct and indirect effects, it is important to note that additional induced effects are also likely to occur. These arise as workers employed directly and indirectly spend their incomes within the wider economy (e.g. on retail, housing, and services), generating further economic activity. These effects are not quantified in this assessment, and as such the results presented in Figure 24 can be considered conservative.

Figure 24:
Indirect Economic Impact of Construction of The Proposal - Primary Industries Focus

Impact	Sector	Output Multiplier	Project Value/ Output ($M)	Value Added Multiplier	Value Added to GDP ($M)	FTE Estimate
Direct	**Construction**	**1.00**	**$527.5**	**0.30**	**$160.2**	**1,000**
Indirect	Primary*	-	-	0.02	$8.9	5
	Other	-	-	0.27	$144.1	760
	Sub-total	**0.71**	**$374.6**	**0.29**	**$153.1**	**765**
Total Impact	**-**	**1.71**	**$902.1**	**0.59**	**$313.3**	**1,765**

Source: Statistics NZ, UE

*Comprising sectors related to Agriculture, Forestry, Fishing and Mining.

13.3 Employment & GDP Generation from Ongoing Operation

Figure 25 shows the estimated national 'value-added per FTE employee'. These value-added per employee figures are used to estimate the FTE employees created from the ongoing operation of the proposed retail and commercial floor space. The retail sectors that have been included contribute approximately $27.1 billion to national GDP and employ approximately 269,400 FTEs, equating to a value-added of $100,000 per employee. The commercial sectors that have been included contribute approximately $127.5 billion to national GDP and employ approximately 518,100 FTEs, equating to a value-added of $246,000 per employee.

Figure 25:
Retail & Commercial Sector GDP and Value-added per Employee (2024)

Sector	Value Added GDP ($M)	FTE Workers	Value Added GDP Per Employee
Retail Trade	$17,870	165,800	$108,000
Accommodation and Food Services	$9,180	103,600	$89,000
Retail Total	**27,050**	**269,400**	**$100,000**
Information Media and Telecommunications	$8,080	27,400	$295,000
Financial and Insurance Services	$26,330	70,600	$373,000
Rental, Hiring and Real Estate Services	$28,930	27,800	$1,041,000
Professional, Scientific, Technical, Administrative and Support Services	$45,770	251,700	$182,000
Public Administration and Safety	$18,400	140,600	$131,000
Commercial Total	**127,510**	**518,100**	**$246,000**

Source: Statistics NZ

Figure 26 summarises the relationship between floorspace and economic output for both the retail and commercial sectors. The key points are:

- The retail sector generates approximately $2,050 per m² of floorspace, while the commercial sector generates approximately $4,120 per m².
- In total, the proposed 23,800m² of retail floorspace, the proposal is estimated to generate approximately $48.8 million in GDP per annum from ongoing operation. Discounted at 2% p.a. over 30 years, this equates to an NPV of approximately $1.09 billion.

This represents a significant ongoing economic contribution, supporting employment and business activity within the study area and wider region.

Figure 26:
Proposed Retail Sector GDP Contribution per GFA (m²)

Retail Sector	Total*
GFA Total (m^2)	13,180,000
Total GDP Contribution ($m)	$27,050
GDP Contribution/GFA	**$2,050**
Proposed Retail GFA (m^2)	23,800
Estimated GDP Contribution ($m)	**$48.8**

Source: Statistics NZ, Property Council NZ, Data Insight, UE

*2024 floorspace and GDP totals.

14. Kapiti Coast District Plan Assessment

The proposal site is located within Precinct C of the Metropolitan Centre Zone. This section evaluates the proposal against the provisions relevant from an economic perspective of the Metropolitan Centre Zone of the Kapiti Coast District Plan. These are addressed below.

MCZ-P1 – Metropolitan Centre Zone

"The Metropolitan Centre Zone will be developed for a range of activities which recognises its importance as the core of the Paraparaumu Sub-Regional Centre. This zone will be developed in a way which achieves an integrated and compact core, ensures all precincts are well connected through pedestrian and transport networks, and provides for a broad range of mutually compatible activities that are integrated with public transport, and that provide a strong community focal point.

The following land uses will be provided for in the Metropolitan Centre Zone consistent with the Metropolitan Centre Zone Structure Plan in Appendix 19:

...

4. commercial (excluding industrial), limited retail and residential activities in Precinct C which do not adversely affect the role, function and vitality of Precinct A."

The proposed 20,000m² LFR component responds to identified district-wide demand with assessment identifying an existing shortage of LFR floorspace, with further demand expected as the District grows (refer Section 6).

The proposed 3,800m² convenience retail and service component will broaden the range of activities within the development and wider Metropolitan Centre. It is not of a scale likely to support a material concentration of comparison retail and is therefore not expected to materially affect the role, function or vitality of Precinct A. This also retains the opportunity for Precinct A2 to accommodate future town centre retail and commercial development.

The proposal also provides approximately 593 dwellings, which is consistent with residential activity being provided for within Precinct C.

On this basis, the proposal is not expected to materially detract from the role, function or vitality of Precinct A and is considered consistent with MCZ-P1(4) from an economic perspective.

MCZ-P2 – Metropolitan Centre Zone Precincts

"Subdivision, use and development in the Metropolitan Centre Zone will be undertaken in accordance with the Metropolitan Centre Zone Structure Plan in Appendix 19 and consistent with the relevant matters in the Centres Design Guide in Appendix 25, in a manner that reinforces the following specific management principles for each precinct:

...

3. Precinct C

Manage Precinct C to provide development areas, some being subject to the resolution of stormwater management, to reinforce the sub-regional status and the vitality and functioning of the Metropolitan Centre. Precinct C shall be developed to provide strong connections within the Metropolitan Centre Zone and to accommodate development that is compatible with and complementary to the balance of the Centre and reinforces the role and function of the Sub-Regional Centre.

Precinct C will be developed in the following manner:

...

e. the establishment of complementary activities, including commercial and residential activities (excluding industrial and retail activities), will be provided for where activities remain compatible with the role and function

of Precinct A as the primary retail and commercial core of the Metropolitan Centre Zone;

f. allowance for retail activities will be limited in type and scale, to ensure adverse effects on the vitality and viability of the Metropolitan Centre will not be significant;

g. higher density residential activities will be enabled in conjunction with commercial activities (excluding industrial and retail activities); and…"

The proposed LFR component responds to identified district-wide demand. Existing LFR provision is estimated to be approximately 6,600m² below current demand, with the combined shortfall and additional demand increasing to approximately 18,610m² by 2045. The proposed 20,000m² of LFR therefore broadly aligns with estimated medium to long-term demand (refer Section 6).

LFR is also considered to be well suited to Precinct C given its Kapiti Road frontage, while retaining Precinct A2 for future town centre retail and commercial development that can better integrate with Coastlands and the existing centre. This is consistent with the Structure Plan approach, which allows development to adapt over time, including provision for more intensive uses and the future sleeving of commercial development.

The proposed 3,800m² convenience retail and service component will complement the LFR and residential components of the development and broaden the range of activities within the Metropolitan Centre. Within the context of the wider Paraparaumu Sub-Regional Centre, its scale and nature are not expected to result in any significant adverse effects, and would rather improve, the vitality and viability of the Metropolitan Centre, including Coastlands and future retail development within Precinct A2.

The proposal also provides approximately 593 dwellings, including a significant proportion of terrace housing and apartments. This substantially increases residential living opportunities within the Metropolitan Centre and supports the higher-density residential outcome anticipated within Precinct C.

On this basis, the proposal is considered to support the relevant Precinct C provisions of MCZ-P2 from an economic perspective.

MCZ-P4 – Centres Hierarchy

"The role, function, distribution, size and design of each centre is managed according to a centres hierarchy to ensure they can collectively meet community needs, and enable employment, goods and services to be accessed efficiently and equitably by the community. Development, use and subdivision within each centre will be of a type, scale, intensity and design appropriate to the position of that centre in the hierarchy. Centres include a range of activities that are compatible with and support their functioning, including community and civic activities, educational and cultural activities, and appropriate residential activities.

"The hierarchy of centres within the District is as follows:

"1. Paraparaumu Sub-Regional Centre (encompassing the Metropolitan Centre Zone and the Mixed Use Zone) …"

The proposal provides for a significant amount of residential, retail and commercial development within the Paraparaumu Sub-Regional Centre. The scale and mix of development are broadly aligned with estimated demand, including identified demand for additional housing and LFR floorspace over the medium to long term (refer Sections 5 and 6).

Additionally, the proposal would improve access to housing, employment, goods and services within the surrounding area. It is also expected to contribute towards retaining more expenditure within the District and reducing reliance on travel to larger centres outside the District for a wider range of goods and services.

On this basis, the proposal is considered to support and strengthen the role and function of the Paraparaumu Sub-Regional Centre within the District's centres hierarchy and is consistent with MCZ-P4 from an economic perspective.

MCZ-P6 – Intensification of Centres

> *"The growth and development of centres will be provided for in a manner which contributes to their vibrancy, vitality, efficiency and amenity values. Subdivision, use and development which increases the concentration of business activities within a centre will be provided for where it:*
>
> > *1. does not undermine the role, function and viability of other higher or similar centres;*
> >
> > *2. is consistent with the identified role and function of the centre;*
> >
> > *3. increases the range of compatible and complementary land uses and activities within the centre;*
> >
> > *...*
> >
> > *6. supports increased residential living opportunities, where appropriate."*

The proposal is considered to represent an expansion of the existing Paraparaumu centre rather than a separate competing centre. The LFR component responds to identified district-wide demand and broadly aligns with estimated medium to long-term demand (refer Section 6). Additionally, the proposed 3,800m² convenience retail and service component will broaden the range of activities available within the development and wider centre and is expected to complement Coastlands and future retail development within Precinct A2.

The proposal also increases the range of activities within the centre through the provision of LFR, convenience retail and service activities, and residential development. The residential component provides approximately 593 dwellings, including a significant proportion of terrace housing and apartments, increasing residential living opportunities within the centre and providing additional support for existing and proposed businesses and services.

Given the complementary role of the proposed activities and the identified demand for additional LFR floorspace, the proposal is not expected to materially undermine the role, function or viability of other centres. On this basis, the proposal is considered consistent with MCZ-P6 from an economic perspective.

15. Fast-track Approvals Act Economic Assessment

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

The relevant section for an economic analysis is outlined as follows.

> **Section 3:** *"The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits."*

The following sections may provide some guidance on how to determine significant regional or national economic benefits.

> **Section 22(1):** "The criteria for accepting a referral application are that-
>
> > *(a) the project is an infrastructure or development project that would have significant regional or national benefits…"*
>
> **Section 22(2):** *"For the purposed of subsection (1)(a), the minister may consider-*
>
> > *(a) whether the project-*
> >
> > *…*
> >
> > *(iii) will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)*
> >
> > *(iv) will deliver significant economic benefits*
> >
> > *(v) will support primary industries, including aquaculture:*

Each of the subsections outlined above are addressed below.

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

The proposal would make a significant contribution to the supply of housing and contribute towards a well-functioning urban environment. The reasons for this are summarised below.

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

> ***Policy 1:*** *"Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:*
>
> > *(a) have or enable a variety of homes that:*
> >
> > > *(i) meet the needs, in terms of type, price, and location, of different households…*
> >
> > *(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*
> >
> > *(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; …."*

The proposal would make a substantial contribution to the operation of the greenfield residential land and development market within the study area, which is currently undersupplied relative to future demand.

Currently there is approximately 6.2 years of greenfield dwelling capacity remaining in the study area. This is not sufficient to meet the medium-term requirements of Policy 2 of the NPS-UD, which states that:

> *"Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term."*

The proposal would increase greenfield capacity to an estimated 8.7 years and therefore contribute towards meeting the medium-term capacity requirements of the study area.

The proposal is considered to meet Section 22(2)(a)(iii) of the Fast-track Approvals Act.

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

This construction phase of the proposal is estimated to directly contribute $160.2 million to GDP and support 1,000 FTE jobs, equivalent to an NPV of approximately $137 million over the estimated 15-year development period at a 2% discount rate. In addition, the proposal is estimated to generate approximately $48.8 million in GDP per annum from the ongoing operation of the proposed LFR and commercial/specialty retail floorspace, equivalent to an NPV of approximately $1.09 billion over 30 years at a 2% discount rate. This is considered to be a significant economic benefit.

The proposal would also supply a significant number of new dwellings to a supply-constrained market, ensuring there is sufficient housing to meet demand and contributing to improved affordability outcomes over time.

The proposal is therefore considered to meet Section 22(2)(a)(iv) of the Fast-track Approvals Act.

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

The proposal is estimated to result in a total contribution to primary sector GDP of $8.9 million, which would support an estimated 5 FTE jobs. This is considered to be a significant contribution to primary sector industries.

The proposal is considered to meet Section 22(2)(a)(v) of the Fast-track Approvals Act.

In conclusion, the proposal is considered to meet Section 3 and Section 22(1)(a) of the Fast-track Approvals Act as it offers significant district and regional benefits, including a significant contribution to GDP, substantial employment generation, and support for a well-functioning urban environment through the provision of a large quantity of relatively affordable housing in a market that has experienced ongoing house price increases.

16. Economic Costs and Benefits Summary

The economic benefits of the proposal are summarised as follows:

- The proposal would deliver approximately 593 new dwellings to a supply-constrained market, increasing greenfield capacity from 6.2 years to 8.7 years.
- The proposal would contribute towards placing downward pressure on house prices over time, by delivering housing at an average price of approximately $810,000, positioning it at the more affordable end of the new-build market (13% more affordable).
- The construction of the proposal would enable a $527.5 million development, directly contributing approximately $160.2 million to GDP, and supporting approximately 1,000 FTE jobs.
- The proposal would result in flow-on (indirect) economic benefits, including approximately $8.9 million in GDP and 5 FTE jobs within primary industries. Indirect effects across all other sectors are estimated to generate a further $144.1 million in GDP and support approximately 760 FTE jobs.
- In total, the construction of the proposal would generate a direct and indirect contribution of approximately $313.3 million to GDP and support approximately 1,765 FTE jobs. Discounted at 2% p.a. over the estimated 15-year development period, this equates to an NPV of approximately $268 million.
- The proposal would generate approximately $48.8 million in GDP per annum from the ongoing operation of the proposed LFR and commercial/specialty retail activities. Discounted at 2% p.a. over 30 years, this equates to an NPV of approximately $1.09 billion.

- The proposal would contribute towards a well-functioning urban environment, by providing improved access to housing, employment, and services in a central location.

The economic costs resulting from the proposal are:

- Short-term construction impacts, including noise and traffic disruption effects. These are offset in part by the relatively fast completion of the project.

17. Conclusion

Based on the economic costs and benefits outlined in Section 16, the proposal is considered to deliver significant economic benefits to the District and wider region. From an economic perspective, these benefits support approval of the proposal under the **Fast-track Approvals Act 2024**.