

Memo

To: Carly Hinde, Principal Project Lead, Auckland Council

From: Susan Fairgray-McLean, Associate Director, M.E Ltd

Date: 17 May 2025

Re: Milldale Stages 10-13 Fast Track Application: Initial Assessment of Proposed Changes to Neighbourhood Centre 4

1. Introduction

M.E have been requested by Auckland Council to provide an initial preliminary assessment of the likely economic effects of selected proposed changes in the Fast Track application for Stages 4C and 10-13 of the Milldale development. Initial advice has been sought by Council to understand the range of potential economic effects to inform any Council-suggested changes to or clarification of the applicant's proposal¹.

This memo contains a summary of our initial assessment of the selected economic aspects of the proposal.

2. Scope and Material Reviewed

The requested scope of our advice includes the economic effects of the proposed changes to the commercial centre - Neighbourhood Centre 4² (NC4). While the proposed changes have been reviewed within the context of the full economic assessment submitted by the applicant, economic advice is not required at this stage by Auckland Council on other economic matters covered by the proposal³.

The documents we have been requested to review include:

- Insight Economics Ltd, 2025. *Economic Assessment of Milldale Stages 4C and 10-13 Fast-track Application*, prepared for Fulton Hogan Land Development Limited, Final Report, 27 March 2025. ("the economic assessment").

¹ A Council-led Clause 23 process does not apply to this application as it has been submitted to the Environmental Protection Authority under the Fast-Track Approvals Act 2004.

² This commercial centre was labelled as Neighbourhood Centre 4 within the Milldale North and Wainui West Private Plan Change applications. We have applied the same label here for clarity.

³ This includes assessment of the proposed changes to the residential component of the development and their economic effects.

- Wood & Partners Consultants Ltd and Barker & Associates Ltd, 2025. *Volume 2: Milldale Stages 10-13: Milldale, Wainui Fast-track Approvals Act 2024 Substantive Applications*, Final Revision 1, 28 March 2025. (“the AEE”).
- Wood & Partners Consultants Ltd and Barker & Associates Ltd, 2025. *Volume 3: Milldale Stage 4C: 21 Karapapa Road, Milldale, Wainui Fast-track Approvals Act 2024 Substantive Applications*, Final Revision 1, 28 March 2025.

Importantly, our assessment has been undertaken within the context of and with consideration to our current engagement by Auckland Council on the Milldale North and Wainui West Private Plan Changes. These plan changes are proposed on adjacent, and overlapping (for the commercial centres), land areas by the same applicant, and would function together as part of the same subdivision as the areas covered by this proposal. Specifically, this assessment considers our earlier assessment⁴ (and economic report by the applicant⁵) on the proposed changes to the commercial centre network across the combined area.

3. Proposed Changes Relevant to Assessment

The following proposed changes are relevant for this assessment:

- Change to the location of NC4: it is proposed to relocate the Stage 13 area commercial centre to an area further north within the precinct on Cemetery Road Link intersection.
- Change to the size of NC4: it is proposed to reduce the zoned land area of the NC4 from 7,520m² in its currently zoned location to 1,289m² within its newly proposed location.
- Changes to the level of development enabled within residential zones: rule and development standard changes are proposed that would enable a greater range of dwellings and increase the likely dwelling yield within the PPC.

Assessing the economic effects of the proposed residential area changes is limited to their consideration in relation to the proposed commercial centre changes.


4. Milldale North and Wainui West PPC: Proposed Changes to Commercial Centre Network Relevant for this Assessment

It is important to assess the proposed changes to NC4 together with the proposed changes across the combined centre network. These are summarised as:

- Proposed removal of NC1 and NC3

⁴ M.E Ltd, 2024. *Re: Milldale North and Wainui West, Private Plan Change, Request for Further Information*, memo to Dave Paul at Auckland Council, 5 April 2024; M.E Ltd, 2025. *Re: Milldale North and Wainui West, Private Plan Change, Response to Request for Further Information Response*, memo to Dave Paul at Auckland Council, 14 January 2025.

⁵ Insight Economics Ltd, 2023. *Economic Assessment of Proposed Centre Changes for Milldale & Milldale North*, prepared for Fulton Hogan Land Development Ltd, 8 August 2023.

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- Proposed addition of a commercial centre (NC5) in Milldale North (0.8ha land area).
 - Proposed provision for commercial activity nodes at key intersections within the Milldale North PC area. It is noted that the enabled number and scale of these commercial activity nodes is currently unknown.

5. Proposed Change to Location of NC4

We have considered the applicant's economic assessment of the proposed relocation of NC4. We have reconsidered our earlier assessment (memo dated 5 April 2024) of the similar proposed relocation of this centre to take account of the likely changes within the centres surrounding catchment area. These include changes to the dwelling yields and density of demand within the northern parts of the Wainui Precinct that would be likely to occur with the resident area proposed changes.

We consider that the proposed location for NC4 at the Cemetery Road intersection is likely to represent a more efficient location than the location of currently zoned area. We agree with the applicant's economic assessment that the centre is currently within close proximity to the larger Local Centre, which would provide households within the current NC4 catchment area with commercial amenity. This view takes account of the likely future size and role of the Local Centre.


We agree that a northern relocation of the centre would likely increase the residential areas served by a commercial centre within this part of the development. We note the proposed residential changes enable an increased density within this area.

6. Proposed Change to the Size of NC4

We have assessed the current and proposed size of NC4 together with the commercial centres network across the wider development area as set out in Section 4. Amenity provided by the Local Centre is most relevant, with this centre serving demand from across the wider development area. We note also the potential contribution from the Milldale North PPC proposed commercial nodes at key intersections, although this requires clarification.

In our view, the currently zoned size of NC4 (7,520m² land area) is large relative to its location and likely share of demand within its surrounding catchment area. We also consider that this area is likely to be above that required to function as a small centre serving local convenience demand in the proposed northern location.

We have considered the zoned area that is likely to be required for a small convenience centre to serve local demand within the proposed northern location. We consider that the proposed size of 1,289m² land area is likely to be within a range that would enable this type of centre to establish, albeit at the lower end. While we consider there is a likely range to the land area appropriately scaled to this type of centre in this location, the upper range is significantly closer to the proposed 1,289m² than the currently zoned 7,520m². However, if the centre is intended to also contain a social function



or community infrastructure, then we would suggest allowance for further land area to accommodate these uses.

The AEE states that the proposed centre could accommodate 855m² commercial floorspace. We estimate that a portion of this is likely to occur as above ground tenancies (based on a gross land area of 1,289m²), which are less likely to be occupied by businesses serving local convenience demand.

7. Applicant Calculation of Commercial Space Required Across the Development

The economic assessment calculates the total commercial floorspace required across the development. This is based on ratios of local and neighbourhood centre floorspace per 1,000 households observed in other developments. These have been applied to the Wainui Precinct originally estimated 4,500 households to estimate a “required” level of commercial land area. This is then compared to the aggregate total floorspace currently zoned to estimate the difference between supply and required space.

In our view, the commercial amenity provided by the Local Centre is relevant on a development wide basis. However, we consider that NC in one part of the development have a reduced ability to meet local convenience need in other less proximate parts of the development. We therefore consider that the precinct level aggregate provision is less likely to form a reliable indicator of commercial amenity at the local scale.

We also note that this calculation within the economic assessment does not take account of the other currently proposed changes to the commercial centres network, nor the total household yield from the wider development that the network is likely to serve. It is unclear whether it has included allowance for any increase in residential yield as a result of the proposed changes as the 4,500 households reflect earlier yield estimates. If these factors were taken into account, then the calculation would include over 7,000 households across the combined area.

The calculations would also apply a different total provision for commercial space in NCs. On balance, this would be at a reduced scale to the 3.64 ha included in the current assessment. This would include any decrease in land area from centres proposed for removal, a potential change to the size of NC2 based on information contained within the economic assessment⁶, an increase in provision from the proposed NC5, and an increase in commercial area to reflect the contribution of proposed commercial nodes within the Milldale North PPC.

⁶ The NC2 land area is included at 1.29ha. However, this is reported to contain a land area of 3,000m² (economic assessment page 27). It is not clear whether this represents the final size of this centre or only the area developed to date.