

ATTACHMENT 18 - Response to question on significant economic benefits

Will the project deliver significant economic benefits?

The proposed retirement village will deliver a range of significant economic benefits at both a local and regional scale, including the following:

- Job creation during construction and operation: The development will generate substantial employment opportunities during the construction phase, including jobs in civil works, trades, project management, and supply chain industries. Post-construction, the village will provide ongoing employment across a range of roles including healthcare, administration, hospitality, facilities maintenance, and groundskeeping—creating long-term, stable jobs in the local area.
- Enabling more efficient healthcare delivery: By offering purpose-built housing with integrated care services, retirement villages can reduce strain on public health infrastructure. This can improve the efficiency and cost-effectiveness of healthcare delivery in the region, freeing up public resources and reducing hospital admissions among older adults.
- Optimising use of existing housing capacity: The project allows older residents to downsize from family homes, unlocking this existing housing stock for younger families and working-age individuals. This improves housing availability and affordability, particularly in areas close to employment centres and transport networks which will support regional economic growth and labour mobility.
- Ageing in place: The development responds to the demographic realities of an ageing population by providing high-quality, age-friendly accommodation. This reduces reliance on public services including the health care system, and helps retain older residents who continue to contribute economically and socially within their communities.
- Proximity to urban development: The Site is well situated within the urban areas of Paraparaumu and Otaihanga and is of a size where use for primary production activities is limited both due to the size of the Site and it not containing any significant extents of land with the land use capability classifications of 1-3. Providing housing and access to hospital level healthcare is a more efficient use of the land than its current use.

Economic benefits during construction

An Economic Impact Assessment has been completed by Property Economics which is attached to the application as Attachment 6. The total economic impact on business activity within the Greater Wellington Region is significant and is outlined in the EIA.

In addition to the quantifiable regional contributions, the Project is likely to generate a wide range of (non-monetised) qualitative economic benefits for the broader regional market and communities, extending well beyond the Kāpiti local market, including:

- Increased senior housing supply and residential land capacity
- Improved residential care facility supply
- Increased and diversified choice of housing location and price point
- Increased economic activity and employment
- Impetus for greater levels of local and regional growth

The EIA finds that:

Overall, in light of these economic benefits, in conjunction with the development's quantified economic injection into the regional economy and employment opportunities, Property Economics considers that advancing the proposed development would represent a significant contribution to the Wellington regional economy and senior community, not just the local Kāpiti market and community.

There will be direct benefits for construction workers, project managers, architects, engineers and health and safety consulting service providers resulting from the Project with a total of 1,267 FTE years created for the Wellington Regional Economy. There will also be associated financial and development contributions for KCDC as part of the development.

The EIA states that under the Fast-Track scenario, sustained employment is provided over a seven year development period with 481 FTE years of direct employment over the development period, and 786 FTE years of total indirect and induced employment over development period.

Indirect benefits include significant investment in supplies and services purchased by the appointed construction team, or by contractors engaged by the Applicant. These include the wholesale and retail building supplies, and legal, telecommunications, administrative and accounting services. Other professional services sectors, such as real estate and conveyancing, are expected to benefit as accommodation options are released into the market.

Economic benefits during operation

Around 65% of staff employed for the operation of the retirement village will be caregivers and housekeepers. The village will also employ other qualified professionals such as registered nurses, a village manager, property managers and diversional therapists. As provided in the New Zealand Aged

Care Workforce Survey 2016, the aged care workforce is predominately made up of women aged 45 and above. Summerset's employment data also reflects this trend, with approximately 80% of staff being female.

The Project operations include many wider roles in staffing the resident amenities which will provide opportunities for those in the hospitality sector. The Project therefore presents employment opportunities for people that are likely to have been affected by the recent recession.

Summerset will also seek to recruit locally where possible and will engage a range of local contract resources.

The provision of onsite hospital and rest home level healthcare through the Project will provide efficiencies as follows:

- (a) Earlier identification of health problems as residents are regularly assessed.
- (b) Reduced emergency or unnecessary call outs with assessments accessible on Site.
- (c) Centralised location for healthcare and social welfare services.
- (d) Lower healthcare costs (hospital stays), and more efficient care with multiple people visited by healthcare professionals in the same location.

The Project would also be cost effective in relation to council and public services, as the provision of on-site amenities reduces pressure on these services within the local community. Further, capital expenditure and maintenance costs for infrastructure (such as drains and vehicle accessways) within the Site would be borne by Summerset. Rates would also be charged on the retirement village as a whole, which also bring revenue to the Kāpiti Coast District Council.

Caring for vulnerable people such as parents, grandparents, family or friends can often place a financial, time and emotional burden on carers, especially when this is a full-time responsibility. This burden often falls on a working aged generation and many carers both need to and want to work, but are unable to due to this responsibility. The retirement village would enable carers to return to the workforce which may ease the financial situation of the carer while contributing to the local economy.

Flow on effects

The economic impacts of the Project will include flow-on effects that arise indirectly from the construction and operation of the retirement village, these include:

- (a) approximately 88% of construction spending by Summerset stays within the New Zealand economy and for every dollar spent on developing a Summerset village, 20% is spent on salaries to local employees and only 12% of the construction spend is attributed to imported goods;
- (b) increased business for local firms and industries supplying goods and services to the retirement village during the construction phase and thereafter during the future village operation;

(c) salaries earned by local residents being spent on purchasing household goods and services, boosting the regional economy;

(d) increased housing both through the provision of new housing in the retirement village and the release of usually large family homes which are released back on the market for more efficient use;

(e) "new money" coming into the area as a result of the retirement village, for example residents and staff relocating from outside the area, and spending by relatives and friends of the village residents who live outside the Otaihanga area;

(f) increased household incomes flowing through the local community; and

(g) possible increased visitor benefits.

The Project will result in significant additional direct and indirect employment in Paraparaumu and the wider Kāpiti Coast Region and lower North Island, particularly in land development and construction industry, and operational employment (in terms of commercial development opportunities).

Overall, the Project is of a similar size, scale and design to Summerset's Mosgiel village which was included within the FTAA as a listed project.