4 August 2026

ECONOMIC MEMORANDUM

To: Westhaven Residential Limited Partnership
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RE: RESPONSE TO COMMENTS FROM INVITED PARTIES IN RELATION TO THE 188 BEAUMONT STREET DEVELOPMENT APPLICATION UNDER THE FAST-TRACK APPROVALS ACT 2024

ECONOMIC RESPONSE

This memorandum outlines a high-level response to Auckland Council's economic response dated 17 July 2026, on the 188 Beaumont Street Fast Track Application Economic Impact Assessment (**EIA**) prepared by Phil Osborne and Tim Heath from Property Economics (March 2026) and the comments from John Courtney, Martin Kunz and Coriamber Hogan, and Robert and Robyn Pryor.

Auckland Council Specialist Memo Economics 17 July 2026

Dr Martin's assessment concludes that the economic benefits of the Project are likely to be positive due to the scale of the residential development, the strategic location within Wynyard Quarter, and alignment with the goals and policy direction of the National Policy Statement on Urban Development.

Notwithstanding that conclusion, Dr Martin's review comments on the approach undertaken by our Economic Impact Assessment as distinct from a Cost Benefit Analysis (**CBA**), noting that he considers aspects of a CBA are important to assessing the benefits of a project.

Preference for a CBA (or at least a CBA framework as Dr Martin suggests) rather than an EIA to assess the economic impacts of a Project has undergone much scrutiny over the process of the FTAA, with expert panels making findings on this debate and concluding that a CBA is not necessary when evaluating national or regional benefits under the FTAA.

At a high level, a CBA is used to assess the overall net welfare effects of a proposal, typically by comparing costs and benefits across alternative options. We acknowledge there exist methodologies under a CBA to monetarise costs and benefits associated with other disciplines and that there are conditions and circumstances in which this is appropriate. However, it is our view that these, along with the inherent value judgements necessary in a CBA, present a risk to the FTAA process of obscuring important information for the Panel and misvaluing factors (such as cultural, environmental and social) important for FTAA consideration.

The purpose of the EIA is different. It identifies the nature, scale and significance of economic activity generated by the Project and provides the context within which its value-added GDP and employment effects should be understood. Additional investment, economic activity and employment within the regional economy are relevant economic outcomes and align with the FTAA's focus on facilitating projects with significant regional or national benefits. The EIA is intended to inform that exercise by identifying the Project's economic contribution. It is not intended to provide a single monetised assessment of all effects or determine whether the Project represents the most economically efficient alternative.

The EIA also proceeds on the reasonable assumption that a commercially rational applicant or infrastructure provider does not incur expenditure simply to increase its own costs. Rather, investment is undertaken because the applicant expects the Project to generate benefits sufficient to justify that expenditure. The EIA does not seek to second-guess the applicant's commercial assessment or treat project expenditure as an economic benefit in isolation. Instead, it assesses the extent to which that expenditure supports economic activity, value added and employment within the relevant economy. This approach is also consistent with that adopted for some infrastructure projects advanced under the FTAA. For example, infrastructure providers such as Waka Kotahi NZ Transport Agency may undertake a CBA for their own investment and funding purposes while relying on an EIA to identify the wider economic activity associated with a project for the purposes of a fast-track application. This reflects the different functions served by the two forms of assessment. The use of a CBA in other public-sector decision-making contexts does not, in itself, mean that a CBA is necessary or an appropriate economic assessment tool in the context of an FTAA application.

A CBA also fundamentally answers the wrong question asked by the FTAA as a CBA considers the relative Cost Benefit Ratio to weigh alternative policies or projects against each other, in terms of efficiency. The FTAA does not ask this question; it asks whether the significant regional or national benefits outweigh the adverse impacts.

While Dr Martin's review does not necessarily offer any new insight into the discussion, it does highlight the difference between an applied economic assessment prepared to address the specific objectives and considerations of the FTAA, and one which seeks to go further and provide economic relativity between all impacts. In our view, the former is the more appropriate role for the EIA in this context, and the EIA provides an appropriate and sufficient basis for assessing the Project's anticipated economic significance.

Requirement for Project to provide affordable housing

John Courtney, Martin Kunz and Coriamber Hogan, and Robert and Robyn Pryor (all residents of 30 Madden Street) comment that the Project fails to address Auckland's critical affordable housing shortage. While the Project does not directly provide for "affordable housing", the Project contributes to the overall housing market function by increasing capacity, expanding choice and reducing competition for existing dwellings within that market segment. This has been further addressed in response to the Panel's initial questions (refer to response 3(c) in the Response to Panel questions for the Applicant Table). There also appears to be agreement from the Council's economist (refer Annexure 2, page 7, end of point 9 'Residential Market Overview') regarding this point which indicates that the Project 'clearly' helps to attenuate prices.

Phil Osborne / Tim Heath

Directors