

BEFORE AN EXPERT CONSENTING PANEL

IN THE MATTER of the Fast-track Approvals Act 2024 (the **FTAA**)

AND

IN THE MATTER of Ashbourne (FTAA-2507-1087)

**STATEMENT OF EVIDENCE OF TIMOTHY HEATH ON BEHALF OF THE
MATAMATA-PIAKO DISTRICT COUNCIL**

(Economics)

Dated: 11 November 2025

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1. SUMMARY OF EVIDENCE

- 1.1 My evidence evaluates the asserted regional economic benefits of the proposed Ashbourne development under the Fast-track Approvals Act 2020 (FTAA). While the project is substantial in scale, my assessment concludes that its economic benefits are likely overstated once displacement and opportunity-cost effects are properly considered.
- 1.2 Matamata-Piako District already provides sufficient zoned residential capacity to meet projected demand, and ample suitably sized land exists to accommodate additional retirement-village development without extending onto Highly Productive Land (HPL). Consequently, the Ashbourne proposal would primarily redistribute housing activity rather than generate new regional demand, meaning most of the associated benefits represent displaced, not additional, economic activity.
- 1.3 In addition to the displacement effects, the two key economic costs are: (1) inefficient use and permanent loss of HPL contrary to the NPS-HPL, and (2) unplanned infrastructure investment risks that may impose wider costs on the community. Taken together, these factors materially diminish the project's net economic benefit to the Waikato Region and raise doubt as to whether its regional benefits are sufficient to outweigh the adverse impacts, as required under section 85 of the FTAA.

2. INTRODUCTION

- 2.1 My name is Timothy James Heath. I am a property consultant, market analyst and urban demographer for Property Economics Limited, based in Auckland. I established the consultancy in 2003 to provide property development and land use planning research services to both the private and public sectors throughout New Zealand.
- 2.2 My qualifications and relevant experience are set out in **Appendix 1**.
- 2.3 In preparing this evidence, I have reviewed:
- (a) Economic impact assessment ("EIA") prepared by Insight Economics ("IE"), titled "*Economic Assessment of Proposed Ashbourne in Matamata*", dated 23 June 2025;
 - (b) Economic memo provided by IE, titled "*Response to Economics Peer Review – Ashbourne Fast-track*", dated 26 September 2025.

3. CODE OF CONDUCT

- 3.1 Although this matter is not before the Environment Court, I confirm that I have read the Code of Conduct for Expert Witnesses outlined in the Environment Court's Practice Note (2023) (**Code**) and have complied with it in preparing this statement of evidence. If a hearing is held, I also agree to follow the Code when presenting evidence to the Panel.
- 3.2 I confirm that the issues addressed in this brief of evidence are within my area of expertise, except where I state that I rely upon the evidence of other expert witnesses. I also confirm that I have not omitted to consider material facts known to me that might alter or detract from my opinions.

4. EVIDENCE

- 4.1 Please refer to my economic peer review report in **Appendix 2**, which identified a number of concerns relating to IE's EIA. Although I found in my review that the methodology applied to quantify the economic impacts of IE's memo was appropriate for providing context to the relative scale of the Project, I raised several economic issues.
- 4.2 IE has responded to the economic issues raised in my review. Overall, the explanations and additional analysis outlined in IE's response memo provide additional context but have not fully addressed my economic queries on all issues. My concerns persist for the economic efficiency of the Project, specifically on the following matters:
- 4.3 The following are key matters relating to IE's EIA:
- (a) Residential Capacity Sufficiency
 - (b) Potential (or lack thereof) to stimulate demand
 - (c) Retirement Villages Demand
 - (d) Highly Productive Land
 - (e) Infrastructure Cost burden on Council

My key findings on each of these matters are summarised below.

- 4.4 **Residential capacity sufficiency**: IE's substantive application report identified a need for additional housing capacity, citing the Council's 2022

Housing Capacity Assessment (HCA) as showing a long-term shortfall. IE further asserted that, due to several high-level issues within the 2022 HCA, the shortfall was likely to occur sooner than acknowledged. In our review, we requested further evidence to substantiate these claims. IE subsequently provided some supplementary material in their response memo.

- 4.5 Specifically, the response disaggregated the Greenfield capacity identified in the 2022 HCA, suggesting that only 58% (534 dwellings) of the 928 plan-enabled capacity was feasible and realisable over the Short-Medium Term due to the “*staged nature of larger subdivisions, delivery rates, and the mismatch... [in density]*”. IE also provided commentary on the infill potential, suggesting that the actual dwelling yield was potentially less than half.
- 4.6 In response to this critique, Property Economics was engaged by Matamata-Piako District Council to provide an update to the HCA. The detail of this assessment was provided to Council as a separate report, which is attached as **Appendix 3** to this evidence. Having reassessed both the identified greenfield locations and the potential existing urban housing capacity, I consider that Matamata has more than sufficient capacity to meet its projected High demand growth over the Short-, Medium-, and Long-Term in accordance with its statutory requirements under the NPS-UD¹.
- 4.7 Firstly, it should be noted that this conclusion is not inconsistent with the 2022 HBA. While IE correctly observes that the HCA identifies a long-term shortfall in zoned capacity, IE omits the subsequent statement noting that this shortfall could be addressed through rezoning of the identified Future Residential Policy Area. The NPS-UD expressly recognises land identified for growth as contributing to long-term capacity, and the Property Economics assessment has appropriately reflected this.
- 4.8 I also disagree with IE’s assumptions around Realisable Capacity as it applies to Greenfield Sites, particularly given that many of these sites already

¹ *The Property Economics Capacity Assessment 2025 report tests sufficiency over the long term against a few different strategic scenarios. Allowing for both the Competitiveness Margin (which is not required for Tier 3) over and above the High Growth projection, and 90% of growth to be directed to urban areas (which is a strategic objective for the Region that sits above current trends), then there is potentially a small long-term shortfall in Matamata. This does not occur until the end of the third decade (the Long Term period). However, based on requirements under the NPS-UD, Property Economics assessment determines there to be sufficient capacity to meet expected demand over the Short-, Medium-, and Long-Term.*

have active resource consents and/or approved masterplans. In my view, this provides strong evidence that the yield potential is both feasible and likely to be realised.

- 4.9 Although IE identifies staging as an important consideration for realisation over the Short-Medium term, staging is primarily a mechanism to align land release with expected demand, not a fundamental constraint. In my view, if there were sufficient demand in the market, all of the identified Greenfield capacity could feasibly be realised within the Medium Term. Even where a single landowner lacks the capital to undertake development at the required scale, large parcels can readily be sold to other developers, a common and well-established practice throughout the country.
- 4.10 I also note that IE's stated realisation rates for several Greenfield sites already appear inconsistent with the development that has occurred over the past three years. For example,
- (a) Site 3 – Tower Road 2 has already been fully developed, despite IE assessing only 80% as feasible and realisable.
 - (b) Site 11 – Batham Drive now has only two or three vacant lots remaining despite IE claiming 70% realisable, and
 - (c) Site 8 – Banks Road has been largely subdivided and sold, with more than a dozen completed homes consistent with the approved master plan. Despite IE assuming only 60% of the site would be realised within the Short to Medium Term, it now appears well on track for full build-out within the next few years.
- 4.11 Consequently, some properties / land that IE have stated will not be realised capacity, have in fact already been developed.
- 4.12 Although demand drivers mean the total homes built within the Short-Medium Term is likely to be closer to IE's assessed 534 dwellings, this does not accurately represent Matamata's capacity for growth that could reasonably be expected to be realised should the demand require it.
- 4.13 It should be noted that IE relies on its assessment of Feasible and Realisable Dwelling Capacity over the Short to Medium Term to imply corresponding Long Term capacity shortfalls. In my view, this is misleading, particularly

where the assumed realisation rates are based on staging and delivery constraints, which are not relevant considerations over the Long Term.

- 4.14 Finally, I note that the Ashbourne proposal to rezone Rural-Residential land (i.e. lost Rural-Residential capacity) has the potential to create a shortfall in the supply of lifestyle properties. Matamata is surrounded by Highly Productive Land, and Clause 3.7 of the NPS-HPL expressly seeks to (“avoid”) the rezoning of HPL for rural lifestyle that is not otherwise subject to long term constraints. Consequently, Council will potentially have no ability to provide additional land for this purpose. In this manner, the proposal has the effect of reducing choice in Matamata’s housing market for the rural lifestyle sector.
- 4.15 In conclusion, I consider IE’s assessment of residential capacity to be inaccurate. Based on Property Economics’ recent update of Matamata’s zoned housing capacity, I am satisfied that the Matamata-Piako Council meets its obligations under the NPS-UD in that there is sufficient residential capacity to meet projected demand across the Short-, Medium-, and Long-Term.
- 4.16 **Potential to stimulate demand**
- 4.17 IE purports that large, well-planned developments can stimulate additional demand and/or reveal latent demand not captured in demand figures. In arguing this case, IE references two examples: Pōkeno and Pegasus.
- 4.18 In the first example, IE suggests that Plan Change 24 revealed significant latent demand for Pōkeno that had previously been unable to materialise. I was the economist for the development of the Pokeno Structure Plan (2006-2008) and subsequently Plan Change 24 which provided the statutory framework for the implementation of the Pokeno Structure Plan. This plan change was to the Franklin District Plan before the Auckland supercity was formed.
- 4.19 While I partly agree with IE’s suggestion, much of Pōkeno’s growth was instead driven by declining housing affordability and housing supply constraints in the Auckland market (in Franklin District Plan and Papakura District Plan policy settings at the time). Most purchasers were Aucklanders looking for more affordable homes. This did not represent latent demand for Pōkeno, just that was where the supply was delivered, so Pōkeno was where

the purchases were made. In this context, Pōkeno represented an opportunistic satellite township and benefited from that shift in Auckland's housing market.

- 4.20 In the second example, IE identifies that Pegasus' growth rapidly outpaced projections following the Canterbury earthquakes. In doing so, IE appear to clearly identify the driver of Pegasus growth, that being the Canterbury Earthquake displacement rather than the supply of additional land. The Canterbury earthquakes displaced tens of thousands of Christchurch's residents, while Pegasus escaped relatively unscathed due to land remediation work that was undertaken as part of the development. Importantly, the plan change that enabled Pegasus occurred well before the earthquakes (and which residential uptake was very slow in its formative years), so it would appear unlikely that it was Pegasus itself which stimulated demand.
- 4.21 In both cases, there is a clear external driver of demand that is independent of any planning decisions made within the context of the individual townships. I also note both these examples are on the fringe of major cities, an attribute not applicable to Matamata.
- 4.22 I therefore do not consider either case to be applicable to the Matamata context. The town already has ample greenfield land available, and while this has supported solid growth, that growth remains consistent with the district's High Growth projections. Accordingly, neither example supports the suggestion that Ashbourne would stimulate or unlock latent demand in Matamata, i.e. there is sufficient zoned land supply available now which can be developed if demand were higher.
- 4.23 Furthermore, since these examples were developed, there has been a significant shift in the statutory planning framework. The introduction of the NPS-UD in 2020, followed by the Intensification Planning Instruments, resulted in Tier 1 urban areas upzoning a significant proportion of their existing residential zone land to Medium Density.
- 4.24 The result is that this proposal is unlikely to attract demand to the district which would not have otherwise occurred. I therefore consider the resulting housing growth that occurs in Ashbourne to be a redistribution, rather than a stimulant for demand. This has important implications for the assessment of Residential Capacity, the subdivision and development of Highly Productive

Land under the NPS-HPL, and Infrastructure Costs as will be discussed in the following sections.

RV units demand forecast:

- 4.25 The IE assessment of retirement village demand assumes a constant 18% penetration rate. This is reportedly based on the current penetration rate in the identified catchment, calculated by dividing the estimated Retirement Village population by the 'Over 75+ population'. Given that this penetration rate was subsequently relied upon in calculating demand, my initial review questioned the validity of this statistic, noting it was substantially higher than the Waikato Region average calculated by JLL, which is only 13.3%².
- 4.26 In their response, IE claim that the regional average is not applicable to their defined catchment, as it encompasses a large area with varying demographics and service levels. They further contend that penetration rates are likely lower in rural areas due to the limited availability of retirement villages, overlooking the fact that a substantial portion of their own identified catchment is, in fact, rural.
- 4.27 It is not clearly explained how IE has estimated the current retirement village population or what data their estimate is based on. However, it seems a coincidence that the stated retirement village unit demand of 1,322 matches exactly the existing retirement village capacity reported in Appendix C of their Substantive Application Report. These factors illustrate the estimated retirement village population used to derive demand appears to be based on two flawed assumptions:
- (a) That all existing capacity is currently occupied, despite many units still being on the market for sale; and
 - (b) That the current retirement village housing stock accurately reflects supply as at 2023, when in fact, based on their data sources, it appears likely to represent a more recent 2025 supply.
- 4.28 These factors may explain why IE's estimated penetration rate for their catchment is higher than the regional average. While a modestly higher rate

² [jll-research-retirement-village-whitepaper-2024.pdf](#)

could be reasonable, I consider it likely that IE has overestimated the level of retirement village demand within their defined catchment area.

- 4.29 The effect on the sufficiency of supply of Retirement Village housing stock within IE's identified catchment is shown in Table 1. Relying on the information IE provided about their 45min drive time catchment, the table compares the effect of the penetration rate assumption on the sufficiency of existing and Planned Retirement Village supply.
- 4.30 This demonstrates that even under IE's higher penetration rate assumption of 18%, there is sufficient planned retirement village supply to meet demand over the Medium Term. It is only over the Long Term that a potential shortfall may emerge. When the regional penetration rate of 13.3% is applied, this potential shortfall is deferred well into the Long Term.

TABLE 1: RETIREMENT VILLAGE DEMAND AND SUPPLY COMPARISON BETWEEN 13.3% AND 18% PENETRATION RATES

	Base	Short Term	Medium Term	Long Term
RV Capacity	1,322	1,600	1,969	1,969
Demand 18%	1,322	1,475	1,867	3,148
Sufficiency 18%	+ 0	+ 125	+ 102	- 1,179
Demand 13.3%	961	1,073	1,358	2,290
Sufficiency	+ 361	+ 527	+ 611	- 321

Source: Property Economics, Insight Economics

- 4.31 Regardless, given the substantial amount of suitably sized vacant greenfield land within the Matamata-Piako District, there appear to be no land supply constraints that would prevent the development of additional retirement village capacity on already zoned land.
- 4.32 This distinction is particularly significant given that the proposed retirement village would occupy a considerable area of Highly Productive Land. Although this application may contribute positively to a long-term shortfall in Retirement Village units, it is not required to meet expected demand, particularly over the short to medium term. In my view, this diminishes the net economic benefit of this component of the Ashbourne Project.

Displacement Effects

- 4.33 The economic impact analysis prepared by IE estimates that the proposal will “*provide full-time work for nearly 385 people for seven years... and **boosting** GDP by \$373 million*”³ [emphasis added]. This implies that the generated activity will be a net addition to the regional economy. The reality is, in the absence of additional demand, the project is likely to displace existing construction by slowing down the development of existing residential areas. In this regard, the net economic benefit is likely to fall well short of the stated \$373 million projected by IE.
- 4.34 IE’s report explains that project-related expenditure generates both direct and indirect economic impacts as activity flows through the wider economy. I agree. What has not been considered however is the displacement effect. This represents the extent to which the project simply reallocates existing demand, labour, or investment within the region, particularly Matamata, instead of generating genuinely new economic activity.
- 4.35 In the context of Ashbourne, this can be understood with reference to the staging approach typically adopted for large-scale land releases. Because development is fundamentally demand-driven, introducing additional supply to the market without a corresponding increase in demand does not accelerate housing delivery. Rather it simply spreads the same level of demand across more sites. In practice, this extends the timeframe before developers can progress to subsequent stages, delaying their investment spending in favour of Ashbourne.
- 4.36 Even if Ashbourne is believed to represent a net growth for Matamata, the FTAA requires that projects demonstrate regionally significant benefits. For the Ashbourne proposal to meet this threshold, the activity would need to be unique to the Waikato Region, not just Matamata. Pegasus is a good example of this as it represented a redistribution of activity away from Christchurch City to the Waimakariri District, benefiting the district but providing no net benefit to the Canterbury Region.
- 4.37 In a sense, this is similar in principle to the approach by which IE claimed rezoning was directly responsible for rapid growth in Pokeno and Pegasus. However, as outlined above, I consider that their analysis conflated

³ IE Substantive Application pg. 14

correlation with causation, failing to control for exogenous factors which drove demand increases independent of the planning response.

- 4.38 Accounting for displacement effects has not typically been required when assessing developments under the RMA. However, where the principal justification for approving a project under the FTAA rests on its regionally significant benefits, I consider it essential to also assess the extent to which those benefits may be offset by displacement effects to obtain a more balanced depiction of economic benefits. Displacement effects represent an adverse economic impact not easily mitigated as it is a fundamental reality of market dynamics.
- 4.39 While I have not attempted to quantify these displacement effects, it is noted that more than 80% of the total project expenditure relates to the residential and retirement village components, aspects which, in my view, are likely to be replicated in existing zoned areas in the absence of the Ashbourne Project. I therefore consider it likely that a significantly lower proportion of the activity generated by the projects will represent a net additional contribution to regional activity.
- 4.40 Consequently, while the proposal is arguably regionally significant in scale, I consider the proposal will likely generate economic benefits materially lower than asserted. Once displacement effects are considered, most of the projected benefit is likely to reflect a redistribution of existing development and investment rather than a genuine increase in overall economic activity.

Other Economic Costs and Benefits

- 4.41 In our review, we identified that there are economic costs associated with rezoning additional land when there is no shortfall of supply. This is to say that in the absence of demand, the mere scale of a proposal does not make it economically efficient. On the contrary, enabling large-scale capacity where it is not required risks undermining the viability of existing and anticipated residential growth areas (and committed infrastructure investment), while also imposing additional infrastructure costs to service a “significant” but potentially unnecessary development.
- 4.42 In response to our review, IE stated there are economic benefits “*regardless of the precise timing of any identified shortfall*”.

- 4.43 Firstly, they assert “*enabling this project now strengthens the supply pipeline*” ... “*reducing reliance on reactive, ad hoc planning responses*”. In my view, the provision of over 30 years of potential housing supply under a High Growth Projection is more than sufficient to ensure a stable supply pipeline.
- 4.44 IE assert further that in addition to increasing housing capacity, the proposal would enhance competition, improve affordability, broaden market choice, and contribute to a well-functioning urban environment. While I do not consider the proposal to deliver a more efficient or functional urban form than the housing opportunities already enabled by the Council, I acknowledge and agree with the other stated benefits.
- 4.45 There is, however, likely to be a difference in opinion regarding the extent of these claimed benefits. In my view, the advantages of additional housing supply are subject to diminishing returns. Beyond a certain point, the marginal infrastructure costs of servicing new land begin to outweigh the marginal benefits of added capacity. If this were not the case, the logical planning response would be to rezone vast swathes of the district for residential use to maximise competition and consumer choice. However, such an approach would be both economically and physically inefficient, as it would be impossible to service the district effectively in terms of infrastructure and would result in a highly dispersed and inefficient pattern of development.
- 4.46 While it is difficult to quantify the exact point at which the marginal costs outweigh the marginal benefits, I am content that the Council has provided sufficient residential capacity within its zoned and planned growth locations (over 30 years' worth in Matamata) that is sufficient to achieve the intended benefits of competition and choice. As a result, any further gains from this proposal in terms of affordability or market function are likely to be marginal.

Highly Productive Land

- 4.47 The NPS-HPL provides a strong direction to avoid the inappropriate subdivision and use of Highly Productive Land. Table 19 of IE’s report sets out the 24.7ha of HPL not otherwise exempt that is planned to be taken up by the proposal, including:
- (a) 19.8ha for the Retirement Village,
 - (b) 1.9ha of the Residential Development; and

- (c) 3.1ha for Wastewater treatment.
- 4.48 As this is a consent application, the IE assessment identifies the requirements set out by Clause 3.10, which allows the development of Highly Productive Land that has permanent or long-term constraints that make it unviable for primary production for at least 30 years.
- 4.49 IE states that assessing the Clause 3.10(1) (a) - long term constraints, and (b) – avoiding the productive loss and fragmentation, is outside their area of expertise. Consequently, they focused primarily on Clause 3.10(1)(c)- which assesses whether or not the economic benefits of the proposal outweigh the economic costs.
- 4.50 Fraser McNutt’s memorandum response to the issues on NPS:HPL⁴ asserts that the Ashbourne development meets the exception criteria under Clause 3.10 of the NPS-HPL, stating there are “*permanent and long-term constraints that significantly limit its viability for productive use.*” However, Clause 3.10 (1)(a) as I read it requires the permanent or long-term constraints to make land-based primary production economically unviable for at least 30 years, not that the soil applies limitations.
- 4.51 The attached soils assessment on which this view was reportedly based, determined that the wetter soils would not be capable of “*supporting crops and horticulture that require good soil drainage*” and that “*The land is best suited to pastoral systems and seasonal (summer) arable cropping,*” This is not the same as economically unviable and according to IE’s original report, the site is currently utilised as a Dairy Farm with nothing to suggest that this ongoing activity is economically unviable. Based on the information provided, the application would appear to not satisfy the test under Clause 3.10 from an economic perspective.
- 4.52 I understand that the applicant’s lawyer Phil Lang has advised the panel that inconsistency with the NPS-HPL is not a determinative or fatal flaw under the FTAA, but rather an adverse impact the panel is required to weigh against the Regional Economic Benefits. Consequently, my evidence seeks to contextualise the relative significance of this HPL loss.
- 4.53 The NPS-HPL is intended to limit the continued expansion of urban development onto Highly Productive Land. It establishes an “avoid unless”

⁴ Appendix 2 to Phil Lang Response to Minute 2, paragraphs 2(a), (b), (c) (28 October 2025)

framework, directing councils to avoid rezoning HPL for urban use unless it is necessary to meet demand and no practical alternative exists on less productive land.

- 4.54 While the applicant suggests that the HPL component represents only a small proportion of the overall development area, the intent of the NPS-HPL is to prevent the gradual erosion of productive soils through incremental loss. Allowing developments to proceed on this basis risks creating a cumulative effect that, over time, could be significant. Consequently, I do not consider it appropriate to simply discount the significance of the HPL loss on the basis that it is less than a quarter of the total development area.
- 4.55 With this context in mind, I now turn to the issue of net economic benefit of the HPL. This underpins IE's assessment in their Substantive Application in relation to Clause 3.10(1)(c), which requires consideration of whether the net economic benefits of the proposal outweigh its costs. This is highlighted in IE's response to our review, where they state that:

The peer review is correct that any urban expansion around Matamata will inevitably involve the use of HPL. In that sense, the key issue is not whether HPL is affected, but whether the benefits of the chosen land use outweigh the opportunity costs and whether the land is being put to its highest and best use.

- 4.56 Practically, the economic value of urban land is almost always higher on a per-square-metre basis than rural land, reflecting the greater intensity of development and capital investment. As a result, it is relatively easy to suggest that the urban development will deliver a higher economic return, when ignoring any displacement effects arising as a result.
- 4.57 This is illustrated by IE's Total Economic Value (TEV) analysis, which shows that investing \$147 million to construct a retirement village over two years would generate a greater economic output than continued dairy farming. However, this comparison overlooks a critical consideration; the same development could occur on non-HPL land already zoned or identified for urban growth, achieving similar economic benefits without the loss of highly productive soils.
- 4.58 Viewed through this lens, the relevant question is not whether urban development produces higher economic output than rural use, but whether

the development of Highly Productive Land is necessary to achieve that outcome.

- 4.59 This is not to say there are no benefits to additional housing supply. The potential wider economic benefits of housing supply were identified and addressed in the preceding section. Regardless, the NPS-HPL seeks to elevate how we value HPL by placing a strict requirement for the land to be both functionally required and non-substitutable before HPL is deemed appropriate to develop.
- 4.60 In terms of IE's TEV analysis, the appropriate counter-factual in my opinion under the NPS-HPL is that a \$147 million Retirement Village is constructed on land already identified for urban activities and the HPL remains productive. Under this scenario, it is clear that there is a net economic loss to utilising land not otherwise identified or required for urban growth.
- 4.61 IE's analysis assumes the only alternative land uses to dairy farming (the current use) are hay and baleage production or sheep and beef farming, which, according to IE's Table 22, generate less than one-third of the productive output per hectare of dairy farming. Even if these activities accurately represent the predominant uses currently undertaken around Matamata, they do not, in my view, reflect the full productive potential of Highly Productive Land.
- 4.62 Finally, although I agree with the benefits surrounding the proposed Solar Farm, there is nothing in the NPS-HPL that suggests developing HPL is acceptable if part of the project's proposal is an appropriate use of HPL. It is therefore important not to conflate these two elements of the project. In my view, it would be inappropriate to approve a multi-faceted development primarily to secure one component, particularly where there is no guarantee that the applicant will proceed with the solar farm should it later prove unviable.

Infrastructure costs:

- 4.63 Council has indicated that, if approved, the project would require infrastructure to be owned and maintained by the council indefinitely, raising questions about whether the benefits justify the long-term costs. Developing in an unplanned or less efficient location risks diverting infrastructure

investment from areas already prioritised in the long-term plan, potentially undermining growth and market efficiency.

- 4.64 In both the substantive application and their response, IE maintains that the risk to the council is minimal as the infrastructure requirements can be coordinated in advance, noting that funding options exist including private developer agreements which the Council is currently exploring with the Applicant.
- 4.65 In my view, the existence of these funding mechanisms, including the proposed private developer agreements, does not automatically ensure full cost recovery or eliminate the risk of wider community burden. Furthermore, the issue remains that even if all of the direct costs associated with the proposed project are recovered, the redistribution of growth will invariably slow the development of existing zoned areas. This will inevitably raise the marginal cost of infrastructure and the duration that council has to bear the associated financial costs, which Council has no ability to recover from existing land owners.
- 4.66 Unless the Project demonstrably meets new or unmet demand, these indirect costs, along with the financial pressure of maintaining duplicated and unbudgeted infrastructure, impose real economic burdens on the community in the absence of proven short- to medium-term need.

5. CONCLUSION

- 5.1 Having reviewed IE's Economic Impact Assessment and memo response, I am of the view there are economic matters and potential costs associated with the proposed Ashbourne project that the panel should consider in its evaluation. The relevant matters are as follows:
- The Matamata-Piako District Council has provided sufficient zoned residential capacity in Matamata to meet expected demand, consistent with the requirements of the NPS-UD.
 - While the current supply of retirement village units may be insufficient to meet long-term demand, there is ample vacant and suitably sized zoned land to accommodate additional retirement village development — meaning this does not appear to be a land supply-side issue.

- The proposed Ashbourne development is unlikely to generate new residential demand for Matamata; rather, it would primarily result in a redistribution / disperse growth already planned for within Matamata.
- 5.2 As a result, I have determined that the majority of economic activity generated by this particular project is likely to displace residential construction activities that would have otherwise occurred in absence of the proposal. The adverse impact of this displacement means that although the scale of the project may be sufficient to meet the significance threshold under the FTAA, the net economic benefit to the Waikato Region is likely to represent only a significantly smaller proportion of the total economic activity purported by IE's report.
- 5.3 Furthermore, there are a few more economic costs the panel should consider in their evaluation of adverse impacts. These are the inefficient use of Highly Productive Land, loss of Rural Lifestyle zoned land, and the risks associated with infrastructure provision and cost allocation.
- 5.4 Not only does the project appear inconsistent with the NPS-HPL, but I also disagree with IE's assessment of net economic benefits arising from its use. In my view, it is inappropriate to compare the effect of over \$130m in investment against the ongoing productive use of the land, when that investment has sufficient opportunities to occur elsewhere on appropriately zoned non-HPL land.
- 5.5 The NPS-HPL expressly prohibits ("avoid") the rezoning of HPL for rural lifestyle, meaning the Council cannot easily replace the Rural Lifestyle Land lost for this purpose. In this manner, the proposal has the effect of reducing choice in Matamata's housing market.
- 5.6 The infrastructure required to service the project presents a further concern, as no planned infrastructure currently exists in the subject area. This creates a risk that infrastructure costs will fall on the wider community, and even if the immediate direct costs are fully covered, there are indirect costs associated with inefficient infrastructure development.
- 5.7 Consequently, I remain concerned as to whether the potential benefits are of sufficient scale to outweigh the associated adverse impacts, as required under Section 85 of the FTAA.

Tim Heath

11 November 2025

APPENDIX 1

QUALIFICATIONS AND EXPERIENCE

My name is Timothy James Heath.

I hold a Bachelor of Arts (Geography) and a Bachelor of Planning both from the University of Auckland. I have undertaken property research work for 30 years, and regularly appear before Council, Environment Court and Board of Inquiry hearings on economic and property development matters.

I advise district and regional councils throughout New Zealand in relation to residential, retail, industrial and business land use issues as well undertaking economic research for strategic planning, plan changes, District Plan development and National Policy Statement on Urban Development 2020 (NPS-UD), National Policy Statement on Highly Productive Land 2022 (NPS-HPL), and Medium Density Residential Standards 2022 (MDRS) capacity requirements.

I also provide consultancy services to a number of private sector clients in respect of a wide range of property issues, including residential capacity assessments, retail, industrial, and commercial market assessments, development feasibilities, forecasting market growth and land requirements across all property sectors, economic impact and cost benefit analysis.

APPENDIX 2: ECONOMIC IMPACT - PEER REVIEW MEMORANDUM

PROPERTY **E**CONOMICS



ASHBOURNE FAST TRACK

ECONOMIC IMPACT ASSESSMENT

PEER REVIEW MEMORANDUM

Client: Matamata District Council

Project No: 52544

Date: September 2025

3 September 2025

DIGITALLY DELIVERED

ECONOMIC MEMORANDUM

To: Matamata Piako District Council
c/- Marius Rademeyer
Resource Management Consultancy Limited
Email: roadhouse@outlook.co.nz

RE: PEER REVIEW OF ASHBOURNE FAST TRACK APPLICATION ECONOMIC ASSESSMENT

INTRODUCTION

Property Economics has been commissioned by Matamata-Piako District Council (the **Council**) to undertake an economic peer review of the economic impact assessment (EIA) prepared by Insight Economics (IE)¹ in support of a Fast Track substantive application lodged by Matamata Development Limited for the proposed Ashbourne Project in Matamata, under the Fast Track Approvals Act (FTAA).

This Economic Memo reviews IE's EIA and evaluates whether the economic analysis is robust and the findings are sufficiently sound to support expediting the Ashbourne Project under the FTAA from an economic perspective.

FTAA PROVISIONS CONTEXT

Provisions of the FTAA that are directly relevant to a Fast Track Application from an economic perspective include:

- Section 3 which states that, "*The purpose of this Act is to facilitate the delivery of infrastructure and development projects with **significant regional or national benefits.***"
- Section 85 which records when a panel must or may decline approval and specifies that a panel may **decline** consent where "***adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits.***"
- Schedule 5 Clause 7 which requires economic effects to be assessed in the Assessment of Environmental Effects.
- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.

In short, the FTAA supports development proposals to expedite the consent process where the proposed development results in significant regional or national benefits, the efficient operation of

¹ Titled "*Economic Assessment of Proposed Ashbourne Development in Matamata*", Insight Economics, dated 23 June 2025

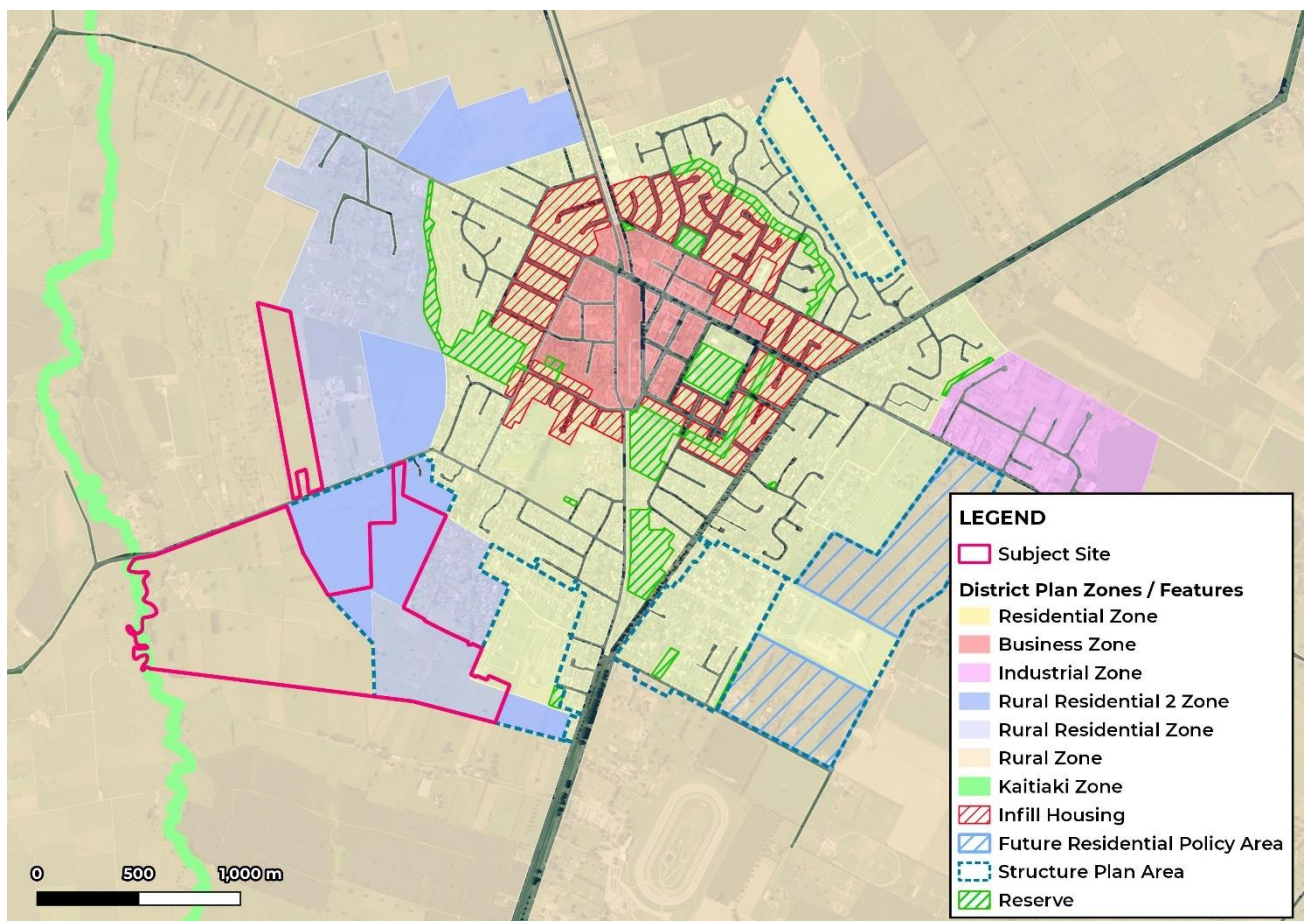
the consenting process and contributes to a well-functioning urban environment (as per Policy 1 of the National Policy Statement on Urban Development). This Economic Memo reviews the proposed Ashbourne Project and IE's EIA within the context of these provisions.

PROPOSED ASHBOURNE PROJECT OVERVIEW

The Ashbourne Project proposes the development of approximately 520 residential dwellings, a 218-unit retirement village with associated care facilities, a commercial node, and two agrivoltaics solar farms. The development is planned across a 125ha site located approximately 1.8km southwest of Matamata township.

The map below illustrates the site's location and its underlying zone context as set out in the Matamata-Piako District Plan.

FIGURE 1: SUBJECT SITE IN THE MATAMATA-PIAKO DISTRICT PLAN CONTEXT



Source: Matamata-Piako District Council, Google Maps, LINZ

As shown in the figure above, the land identified for the proposed solar farms, along with the western portion of the subject site, is zoned Rural under the District Plan. These areas are not currently anticipated for urbanisation in the Council's District Plan or other relevant statutory planning documents. As such, their inclusion in the Project requires careful consideration when assessing whether the development should be expedited under the FTAA.

Development of rural-zoned land may have potential to undermine the consolidation and efficient growth of Matamata's existing urban area and identified future growth areas. In effect it would predominantly redistribute Matamata's growth rather than generate significant new growth. It could also reduce the district's overall capacity for productive rural land use, which is a finite and strategically important resource.

REVIEW OF IE'S ECONOMIC IMPACT ASSESSMENT

Overall, the EIA presents a substantial body of economic analysis addressing a range of matters relevant to the proposed Ashbourne Project, including:

- Quantification of both one-time and ongoing economic impacts
- Assessment of local residential market trends
- Review of existing Housing Capacity Assessment
- Forecast of retirement living demand
- Evaluation of the economic effects of the proposed development components (residential, commercial, and solar farms)
- Consideration of impacts on highly productive land
- Identification of broader qualitative economic benefits

In Property Economics' view, the EIA provides a useful basis for understanding the likely economic implications of the Ashbourne Project and addresses key economic matters relevant to determining whether the Project delivers "*significant national and regional benefits*" under the FTAA.

The following sections outline our considerations on several of the main economic issues raised in the EIA.

(1) Quantification of Economic Impacts

Sections 6 and 7 of the EIA quantify both the direct and indirect impacts of the Project, including effects on GDP, employment, and wages, at the activity level. Property Economics considers this analysis appropriate for providing context around the overall scale of the Project's economic impact.

(2) Residential Capacity Sufficiency

In Section 9, the EIA references the Housing Capacity Assessment 2022 (HCA) and considers that a shortfall in residential capacity is "*more imminent than currently acknowledged*" in the HCA. However, the HCA does not provide detailed supply-demand assessment at the local or district level, and the EIA does not present clear evidence to demonstrate whether the Ashbourne Project is necessary over the short to medium term in light of existing or planned residential capacity, including identified infill opportunities.

This issue is important because introducing a substantial amount of residential capacity in an unanticipated location has the potential to undermine the uptake and development viability of infill

opportunities and identified greenfield growth areas already planned and with committed infrastructure funding and timings.

In particular, if the market has sufficient capacity over the short, medium, or even long term (30 years), there would be an economic cost associated with fast-tracking a development that is not anticipated for urbanisation under the District Plan. In such a scenario, priority should be given to intensifying existing urban areas, especially around the town centre, and to sequencing development in line with identified future growth areas.

Property Economics understands that the eastern portion of the subject site, which adjoins the existing township, is located within the Rural Residential / Residential 2 Zone and the Eldonwood South Structure Plan Area, which is identified for future township growth. However, urbanisation of this structure plan area would still require rezoning via a plan change process. This indicates that development is anticipated only when justified by market demand.

Accordingly, even for land within the structure plan area, it is important to demonstrate a clear and evidence-based need for additional residential capacity in the short to medium term.

While NPS-UD Objective 6(c) requires that local authority decisions on urban development that affect urban environments are responsive, particularly in relation to proposals that would supply “significant development capacity”, this concept of significance cannot be understood and assessed in isolation. It must be considered in the context of practical market demand and economic efficiency.

In the absence of demand, the mere scale of a proposal does not make it economically efficient. On the contrary, enabling large-scale capacity where it is not required risks undermining the viability of existing and anticipated residential growth areas (and committed infrastructure investment), while also imposing additional infrastructure costs to service a “significant” but potentially unnecessary development.

(3) Retirement Village (RV) Units Demand Forecast:

In Section 10 of the EIA, a retirement village catchment is defined to assess the demand for additional senior living capacity. The analysis assumes a constant penetration rate of 18% across the assessment period. However, Property Economics notes that, according to JLL’s 2023 report², the current penetration rate for the Waikato Region is 13.3%, representing a 0.7% decline from 2022.

If the regional average of 13.3% were applied, estimated demand for retirement village units within the EIA-defined catchment would decrease by approximately 400 units in the short term and around 860 units over the long term. Even under the EIA’s more optimistic forecast using the 18% rate, Table 16 shows medium-term (10-year) demand of 1,867 units, while Appendix C estimates that the catchment already has capacity for 1,969 units. This suggests that the proposed retirement village component of the Ashbourne Project is unlikely to be required within the medium term.

² *New Zealand retirement villages whitepaper August 2024, JLL*

While Property Economics acknowledges the potential economic benefits of increasing the supply of senior living options, particularly those targeting a specific demographic segment, it is also important to weigh the potential economic costs. In this case, developing additional RV capacity in an area not currently serviced by planned infrastructure, more distant to services and amenities than existing opportunities, and where existing and planned capacity already appears sufficient in the wider urban environment for the foreseeable future, would likely diminish the net economic benefit of this component of the Project.

(4) Rural Production Capacity Impacts

The EIA appropriately includes a quantification of the economic impact associated with the loss of rural production, which is useful in understanding the scale of the opportunity cost and the potential effects on highly productive land.

Property Economics notes that the areas surrounding Matamata Township comprise highly productive rural land. As such, any urban expansion in Matamata would inevitably involve the conversion of such land. While the economic benefits of the Project, including increased GDP and employment, may exceed the monetised value of the land lost, it remains important to consider the broader economic implications of reducing the district's productive rural capacity, particularly if additional residential or senior living capacity is not required in the short to medium term.

This is a criterion under the NPS-HPL Clause 3.6(1)(a) which requires that *"the urban rezoning is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development"*.

(5) Infrastructure Costs

Council has indicated in a letter³ that, if approved, the Project would *"necessitate infrastructure that is vested in and operated by the Council indefinitely."* This highlights the need to carefully assess whether the Project delivers enough benefit to justify the Council taking on this ongoing burden, particularly if the development is in an unplanned or less efficient location.

Importantly, enabling the proposed development has the potential to divert infrastructure investment away from locations already identified and serviced (or planned to be serviced) in the Long-Term Plan. This diversion risks undermining the efficiency of the market and slowing growth in existing and anticipated residential expansion areas.

The only circumstance in which this risk could be mitigated is where the proposed development demonstrably generates genuinely new demand or where there is clear evidence of additional residential capacity being required in the subject location. Absent such justification, the development is more likely to divert demand away from established and planned residential growth areas, undermining both their viability and the efficient use of existing and committed infrastructure.

³ *Manaia Te Wiata's letter to Caleb Pearson Re: Proposed Development – Ashbourne Fast-Track Process Application*

In Section 16.4, the EIA states that because infrastructure funding mechanisms exist, there will not be an economic cost to the wider community, but this is considered a flawed leap in logic. In Property Economics' view, while a range of statutory tools exist to fund infrastructure, including development contributions, financial contributions, and targeted rates, the existence of these mechanisms does not automatically ensure full cost recovery or eliminate the risk of wider community burden.

Moreover, where infrastructure investment is not already planned or budgeted, the timing and scale of capital requirements may impose financial pressure on the Council or delay service provision, potentially resulting in increased interim costs to the broader community. The risk of under-recovery, timing mismatches, and broader network effects should be acknowledged as potential economic costs, particularly where there is no demonstrated short- to medium-term need for additional residential capacity.

CONCLUSION

Having reviewed the EIA, Property Economics considers that the potential impact of the Project on the uptake of existing and anticipated residential land has not been adequately addressed. A clear rationale for why this development should proceed under the FTAA, rather than through standard consenting process, is also lacking, particularly given the absence of demonstrated insufficiency requiring additional residential capacity in the market over the short to medium term.

The infrastructure required to service the Project presents a further concern, as no planned infrastructure currently exists in the subject area. This creates a risk that infrastructure costs will fall on the wider community. However, if a clear and evidenced need for additional residential capacity were established, the economic benefits of accommodating anticipated growth may help offset these costs, including the infrastructure investment and the opportunity cost of lost rural production, by showing that this capacity is genuinely required in addition to infill and existing greenfield areas.

At present, the EIA does not fully address these critical issues. In Property Economics' view, unless further evidence is provided to address them, it remains unclear whether the Project delivers regional or national benefits that are sufficiently significant to outweigh its potential adverse impacts, as required under Section 85 of the FTAA.

If you have any queries, please give me a call.

Kind Regards



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APPENDIX 3: MATAMATA-PIAKO RESIDENTIAL CAPACITY ASSESSMENT 2025

PROPERTY **E**ECONOMICS



MATAMATA-PIAKO

RESIDENTIAL CAPACITY

ASSESSMENT

Date: November 2025

Project No: 52554

Client: Matamata-Piako
District Council



SCHEDULE

Code	Date	Information / Comments	Project Leader
52554.5	November 2025	Report	Tim Heath / Stephen Ellis

DISCLAIMER

This document has been completed, and services rendered at the request of, and for the purposes of Matamata-Piako District Council only.

Property Economics has taken every care to ensure the correctness and reliability of all the information, forecasts and opinions contained in this report. All data utilised in this report has been obtained by what Property Economics consider to be credible sources, and Property Economics has no reason to doubt its accuracy.

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1. INTRODUCTION

Matamata-Piako District Council (**MPDC**) has commissioned Property Economics to undertake a Residential Capacity Assessment for the district, with a specific focus on the Matamata urban area. The purpose of this assessment is to evaluate the district's capacity to accommodate projected housing demand over the short-, medium-, and long-term consistent with the requirements of the National Policy Statement on Urban Development (**NPS-UD**).

This assessment identifies the theoretical, feasible, and realisable residential development capacity within existing urban zones and designated Future Residential Policy Areas. The analysis takes into account planning provisions, infrastructure capacity, and market feasibility to estimate how much of the zoned and future land supply is realistically developable.

MPDC previously undertook a Housing Capacity Assessment in 2022. This report seeks to provide an update to that housing assessment, although Property Economics' approach to assessing theoretical and feasible capacity is materially different. Therefore, this report identifies these differences in methodology where relevant to assist any stakeholders who had been utilising the previous assessment.

Ultimately, this report provides an evidence-based understanding of whether the Matamata-Piako District has sufficient development capacity to meet anticipated growth. As the vast majority of land surrounding the main urban areas is highly productive according to the New Zealand Land Resource Inventory (**NZLRI**) - Land Use Capability (LUC) classifications, rezoning additional land for urban growth is likely to require consideration under the National Policy Statement for Highly Productive Land (**NPS-HPL**). Consequently, this policy statement is a key consideration in our analysis and reporting.

MPDC is a Tier 3 territorial authority under the NPS-UD. Although Tier 3 territorial authorities are not required to undertake a full Housing and Business Capacity Assessment, they are expected to provide sufficient development capacity for housing (Clause 3.2).

In this context, MPDC and Property Economics consider the following housing assessment to be a valuable tool, providing not only a sound economic basis for implementing the NPS-UD, but also for strategic forward planning and infrastructure investment decision making.

1.1. GLOSSARY

- **Theoretical Yield / Plan Enabled Capacity** – The total number of properties that could be developed under the District Plan provisions within the permitted building envelope, irrelevant of market conditions.
- **Comprehensive Development** – A development option that assumes the removal of all existing buildings for a comprehensive redevelopment of the entire site with less restrictions.
- **Infill Development** - A development option that assumes the existing building is retained, and new residential house(s) are developed on balance of the site (i.e., the backyard).
- **Standalone House** – Single detached dwelling.
- **Terraced** – Dwellings that are attached horizontally to other dwellings but not vertically. This typology is always built to the ground floor (i.e., does not include homes built above retail stores).
- **Total Yield**- The total number of dwellings developed.
- **Net Yield** – The total number of dwellings constructed net of any existing dwellings removed. For Infill development, the total yield is equal to the net yield, while for Comprehensive development, the net yield is equal to the total yield less the existing dwellings.
- **NPS-HPL** – National Policy Statement for Highly Productive Land
- **NPS-UD** - National Policy Statement on Urban Development.

2. THEORETICAL CAPACITY

The Theoretical Capacity Model is an assessment of what could theoretically be built within the given district plan regulations (i.e. Plan Enabled Capacity). The model identifies infill opportunities assessment of capacity by taking into account the geospatial placement of existing buildings, the relevant planning constraint overlays, and the recession planes extruding from the site boundaries.

This assessment focuses on the housing capacity within the three main urban centres, Matamata, Morrinsville and Te Aroha. Although the focus is primarily on urban capacity, the Rural Residential areas on the borders of these towns have been included as they contribute directly to the housing supply of these specific towns.

Additionally, Waharoa has been included in the model as a larger settlement with an underlying Residential Zone. However, these areas are not relied upon when assessing sufficiency within the urban areas.

The following sections outline the process and key assumptions used in developing the theoretical capacity model.

2.1. GEOSPATIAL MAPPING

The procedural modelling is designed to assess the potential floorspace under two different development scenarios, Infill (retaining the existing dwelling) and a Comprehensive Redevelopment (where the existing dwelling is removed).

For Comprehensive development, the primary driver of Theoretical Capacity is the minimum site size (which is 450sqm in the General Residential Zone), however, the calculation of infill capacity is more complex.

In order to assess whether there is sufficient space within the parcel to fit an additional dwelling, the sites are imported into a geospatial mapping software, where the buildable area is calculated simultaneously by removing the existing dwelling and other building constraints (e.g. setback requirements, designations) from the parcel.

Typically, Property Economics would assess the dwelling yield across upwards of nine different sizes and typology options for each site and compare the relative feasibility and realisation rates of these different development options.

In Matamata-Piako, however, the district plan constraints mean the resulting capacity is almost exclusively Standalone. Consequently, although the model still tests Standalone and Terrace options on each site, typology is not a driving factor in the model.

2.2. KEY ASSUMPTIONS

Some of the key assumptions applied in the model are as follows:

- A distinctive feature of the Matamata–Piako District Plan is the requirement that each subdivided lot within the Residential Zone contain “a minimum 150sqm rectangular area of land for a building site with no dimension less than 10m.” Property Economics’ theoretical capacity model applies equivalent geometric and area-based constraints. Specifically, the model excludes any areas narrower than 10 metres and ensures a minimum of 150 sqm of buildable area per dwelling.
- In addition, Net Site Area (after removing any accessways) for each subdivided lot in the Residential Zone must exceed 450sqm. Although the Infill Precinct allows more flexibility in the contiguous land allocated to each lot, with a separate density provision, Property Economics has conservatively applied a minimum land area of 250sqm.
- The location of the existing dwelling on each site is based on the LINZ¹ building outlines GIS file. Small buildings are typically garages and as such, are assumed to be removable for the purposes of a subdivision.
- Furthermore, infill subdivision is only allowed where there is road access to the rear of the site (defined as being a sufficient distance between the side boundary and the existing property to fit a driveway).
- Infill development options have been excluded on sites with more than three existing dwellings.
- Public facilities such as school sites have been removed from development capacity. Furthermore, there were some areas which were not marked as reserves but otherwise appeared upon inspection to be public land. Property Economics have removed these sites from the model.
- Thirty percent of the total land area on sites larger than 1ha not otherwise accounted for separately as greenfield has been removed to accommodate roads and reserves. On sites larger than 2,500sqm, 15% of the site has been removed to accommodate two-way vehicle access.

2.3. MODELLING OF FLOOD OVERLAYS

Although the Matamata–Piako District Plan currently includes a Flood Overlay for Te Aroha, the Council has recently undertaken more comprehensive flood modelling covering the entire district. This updated modelling remains in draft form, and a future Plan Change will be required to formally incorporate it into the District Plan. Nonetheless, it was agreed with MPDC that it would be prudent to consider the potential impact of flood hazards on dwelling capacity across the district.

¹ Land Information New Zealand

In the absence of an adopted Flood Hazard policy, the assessment has therefore relied on both the flood hazard classifications and corresponding planning responses applied in the Hamilton City District Plan. It should therefore be noted that the effects of this flood modelling are subject to change once the finalised results are released and the appropriate planning provisions for Matamata-Piako are implemented through the formal Plan Change process.

2.4. MODELLING OF CONSTRAINT OVERLAYS

The constraint overlays in which development was removed include:

- **Medium and High Flood Hazard:** classified as a Discretionary and Non-Complying activity in the Hamilton City District Plan.
- **Designations**
- **National Grid and Underground Transmission Lines**
- **Heritage Items**
- **Waahi Tapu Sites, Notable Trees, and Outstanding Natural Features:** The GIS identification of these areas in the plan are individual points, so the entire site is removed rather than a specified geospatial area.

In addition, the following overlays had the following impact on modelling:

- **Character Areas:** The only Character Precinct is in the Te Aroha Business Zone so it does not affect the residential capacity assessment.
- **Instability:** Overlay increases the earthworks cost on affected sites.
- **Low Risk Flood Hazards:** As per the Hamilton City District Plan, building within this area is a permitted activity provided the applicant can demonstrate compliance with specific standards. For this assessment, development within the area is enabled at an additional cost to construction.

2.5. ZONE STANDARDS

Table 1 shows the key zone rules for the Operative Matamata-Piako District Plan including the site coverage, Density Limit and minimum site size. These standards are utilised in combination with the aforementioned spatial mapping to calculate the potential yield.

TABLE 1 OPERATIVE MATAMATA-PIAKO DISTRICT PLAN ZONE RULES

Zone	Max Site Coverage	Density Limit	Minimum Site Size
Residential	35% / 45%	500	450
Infill Residential	45%	325	250
Rural Residential		10,000	2500
Rural Residential 2		5,000	2500

Source: Property Economics

Points to note:

- The minimum site size shows the minimum contiguous land area allocated to each dwelling, while the land area is divided by Density Limit.
- Infill Residential at the stated density is an RD activity. Consequently, both the RD development option and the Permitted Subdivision option is tested in the model.
- The higher 45% site coverage is permitted in the Residential Zone with the payment of Development Contributions for Reserves.

2.6. GREENFIELD

In the 2022 Housing Capacity Assessment for Matamata-Piako, the Council identified a number of greenfield areas that collectively accounted for the majority of the district's housing capacity. Some of these areas were supported by approved subdivision consents, while others were based on assumed density yields.

With updated consent information provided by Council, Property Economics has revised this assessment to reflect both new development constraints (including the recently modelled flood hazards) and for dwelling construction completed since the original assessment.

TABLE 2: GREENFIELD SITES

Matamata	2022 HBA	2025 Capacity	Basis for Calculation	Notes
1: Tower Road Subdivision	384	332	RC	160 Subdivision with 12.43ha remaining.
2: Tower Road 1	25	25	RC	
3: Tower Road 2	14	0	-	Completed
4: Mangawheroa Road	39	39	RC	
5 & 6: Ancroft / Kaimai Drive	93	93	RC + Concept	Partially subdivided, but otherwise vacant
7: Burwood	24	-	RC	Excluded, already subdivided
8 & 9: Banks Road	287	227	RC + Concept	265 Concept plan less 38 built
10: Banks Road	15	14	Model	Feasible Capacity modelled on 1ha site
11: Batham Drive	38	-	-	Excluded, mostly built
12: Peakedale Drive	65	-	-	Excluded, already subdivided
13: Haig/Beatty	56	53	Concept + Model	4.6ha remaining at 600sqm site average.
Total	1,040	783		

Morrinsville				
1: Lockerbie	124	66	RC	58 Built
2: Lockerbie	163	81	RC	Approximately half built
3: Lockerbie	66	-	-	Excluded, mostly built
4: Lockerbie	37	-	-	Excluded, mostly built
5: Riverview Road	45	20	Model	Irregular shape affects density potential.
6: Allan Street	9	9	RC	
7: Seales Road	399	375	Model	Adjusted for constraints.
8: Lockerbie Structure Plan Area	1,200	1,200	Concept	Structure Plan
Total	2,043	1,751		

Te Aroha				
1: Tui Rd	177	142	Model	11.8ha * 12hh /ha
2: Stirling Street	172	89	RC + Model	56 lot Subdivision (Yet to be granted) with 4.3ha remaining at 7.8hh/ha.
3: Sunset Place	15	10	RC	Yet to be granted
4: Stanley Avenue	76	56	Model	Affecting by Flooding
5: Stanley Ave Vogel	30	24	Model	2ha * 12hh/ha
Total	470	321		

Source: Property Economics, Matamata – Piako District Council

A comparison of the 2022 greenfield capacity estimates with the updated figures is presented in Table 2. The accompanying notes outline the basis for each estimate and describe how it has been updated. It should be noted that several of the areas identified in 2022 have since been subdivided, and in some cases, this has made it difficult to reconcile the same boundaries. Any residual capacity from areas now identified as 'excluded' in Table 2 has been incorporated into the Vacant Sites component of the Theoretical Capacity model.

For areas which are partially subdivided or have consented yields for part of the site, the capacity on the remaining area is assumed to be the same density. Where no site-specific information is available, the previous Housing Capacity Assessment adopted a default density of 15 lots per hectare. Property Economics has retained this assumption for sites in Morrinsville and Matamata, except where site-specific constraints clearly limit development potential.

In contrast, a lower density of 12 lots per hectare has been applied in Te Aroha. While recent consents and active developments in Morrinsville and Matamata generally align with the 15 lots per ha assumption, those in Te Aroha are notably lower. This reflects both the elevated flooding risk (the Stirling Street site has a gully running through it) and market conditions, with lower house prices and demand likely to support smaller-scale, lower-density development outcomes relative to the district's larger towns.

In this context, the estimated yields within Greenfield Areas are not the maximum possible theoretical yield, but an assessment of expected development. This is particularly the case for any site which has specific concept plans or resource consent applications, which Property Economics considers a strong evidential basis to assume both feasibility and potential realisation. However, even the sites for which such information is not available, the yields shown in Table 2 are in effect, an expected development density which considers site constraints.

2.7. MINOR DWELLINGS

While the reforms announced by the Government to simplify building and consenting for minor standalone dwellings (commonly referred to as "granny flats") are still in progress, they represent a significant latent capacity opportunity for the district. Under the proposed regime, single-storey dwellings of up to 70m² floor area could be constructed without requiring a traditional building consent, provided they comply with a defined set of conditions. The 70m² threshold is sufficient to accommodate a small two-bedroom home.

Although the complementary changes removing the need for a resource consent have yet to be finalised, the Government has indicated an intention to implement the full suite of provisions by early 2026. This represents a significant source of additional dwelling capacity within the existing urban areas that will be available within the short term that our model has not captured.

Property Economics intends to expand the model to incorporate this capacity once the details of the resource management conditions are published. However, preliminary testing based on a draft set of conditions indicates that nearly 4,000 sites within the urban areas of the

Matamata-Piako District could potentially support the addition of a minor dwelling. Of these, 2,200 are sites which would not otherwise qualify for subdivision under the Operative District Plan. In this regard, the 2,200 minor dwelling capacity represents a net addition to the Theoretical dwelling capacity published below.

Assessing the feasibility and likely realisation of this potential will require a different set of modelling parameters, as it is likely these minor dwellings will be unable to be sold separately. Rather, they will enable landowners to generate supplementary rental income or to accommodate extended family members. Consequently, although full realisation of the estimated 4,000 potential minor dwellings is unlikely, Council reports a high degree of public interest in the announced changes. Consequently, Property Economics believes that the contribution to the district's housing supply will be material.

2.8. RESULTS

Tables 3 show the results of this Theoretical Capacity Modelling, combining assessment of Greenfield Sites with the modelled results across the remaining urban area. This is based on taking the option with the highest possible yield for each site, which, commonly in regard to Infill / Redevelopment, means a comprehensive redevelopment of existing sites. Combined, the district can theoretically develop 7,135 new dwellings within the three main Urban areas and a further 202 dwellings in Waharoa.

TABLE 3 –THEORETICAL RESIDENTIAL DEVELOPMENT CAPACITY BY TOWN

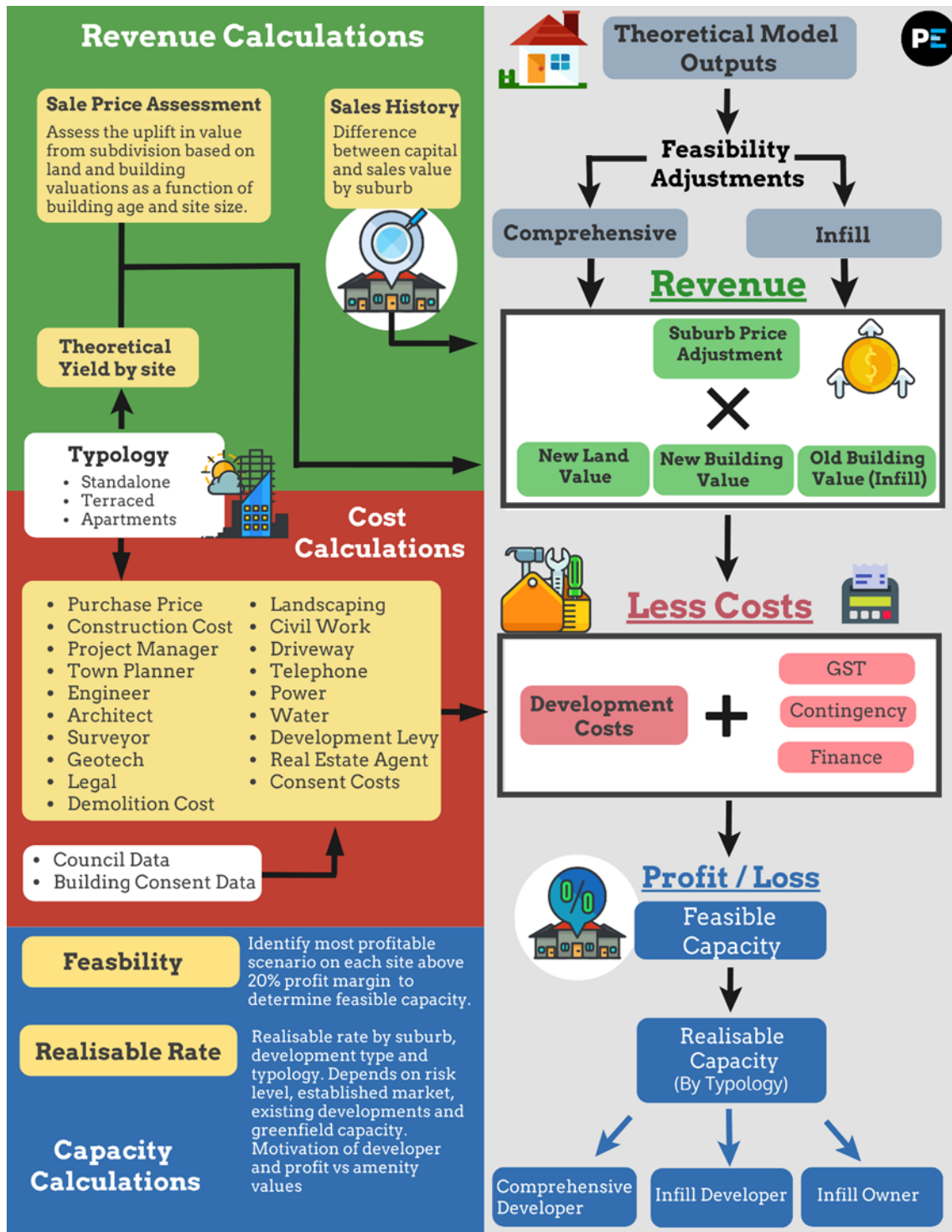
Theoretical	Infill / Redevelopment	Vacant / Large Sites	Greenfield	Rural Residential	Total
Matamata	1,077	173	783	74	2,107
Morrinsville	1,396	202	1,751	113	3,462
Te Aroha	981	209	321	55	1,566
Urban Total	3,454	584	2,855	242	7,135
Waharoa	144	58	0	0	202
Total	3,598	642	2,855	242	7,337

Source: Property Economics

3. FEASIBLE CAPACITY MODELLING

A high-level overview of the model utilised by Property Economics in determining the feasible residential capacity is outlined in the flow chart in Figure 1 below, with detailed descriptions of each stage of the process given following.

FIGURE 1: PROPERTY ECONOMICS RESIDENTIAL FEASIBILITY MODEL OVERVIEW



Source: Property Economics

3.1. IMPROVEMENT VALUE PER SQM

Using the rating database provided by MPDC, the land value per sqm and improvement value per sqm is calculated. This is then summarised by suburb, size and typology to give the average per sqm value for various types of dwellings.

By splitting the valuation into land and improvement value, it accounts for variations of both sizes e.g., a large dwelling on a small piece of land compared to the same size dwelling on a larger piece of land.

Values are not the same across each suburb (due to differing structures and quality), and thus it is required to give the per sqm value for each suburb individually. Also, the per sqm rate for land and improvement value is shown not to be consistent across all sizes. For example, a larger dwelling has on average a lower per sqm improvement value than a smaller one. This inverse relationship between size and per sqm value is the same for both land value per sqm and building value per sqm.

Table 4 demonstrates how a subdivision primarily makes its profit through an increase in land value. Note that this is a generic example, (i.e., does not represent a specific site in Matamata) that is simply included for demonstration purposes.

TABLE 4: EXAMPLE OF HOW BUILDING VALUE AND LAND VALUE CAN VARY BETWEEN STANDALONE AND TERRACED DEVELOPMENT OPTIONS

Development Option on 500sqm site	Building Value per dwelling	Site Size per dwelling	Land Value per dwelling	Sale Price per dwelling	Land Value Per SQM	Total Land Value
One 100sqm Standalone	\$ 400,000	500	\$ 500,000	\$900,000	\$ 1,000	\$ 500,000
Two 100sqm Standalone	\$ 400,000	250	\$ 400,000	\$800,000	\$ 1,600	\$ 800,000
Three 100sqm Terraces	\$ 400,000	167	\$ 360,000	\$760,000	\$ 2,160	\$ 1,080,000

Source: Property Economics,

As this table shows, the value of each individual 100 sqm building remains unchanged. Rather the value in greater subdivision density is inherent in the increase in land value from \$1,600 per sqm to \$2,160 per sqm, which is the result of being able to build more homes on the same site.

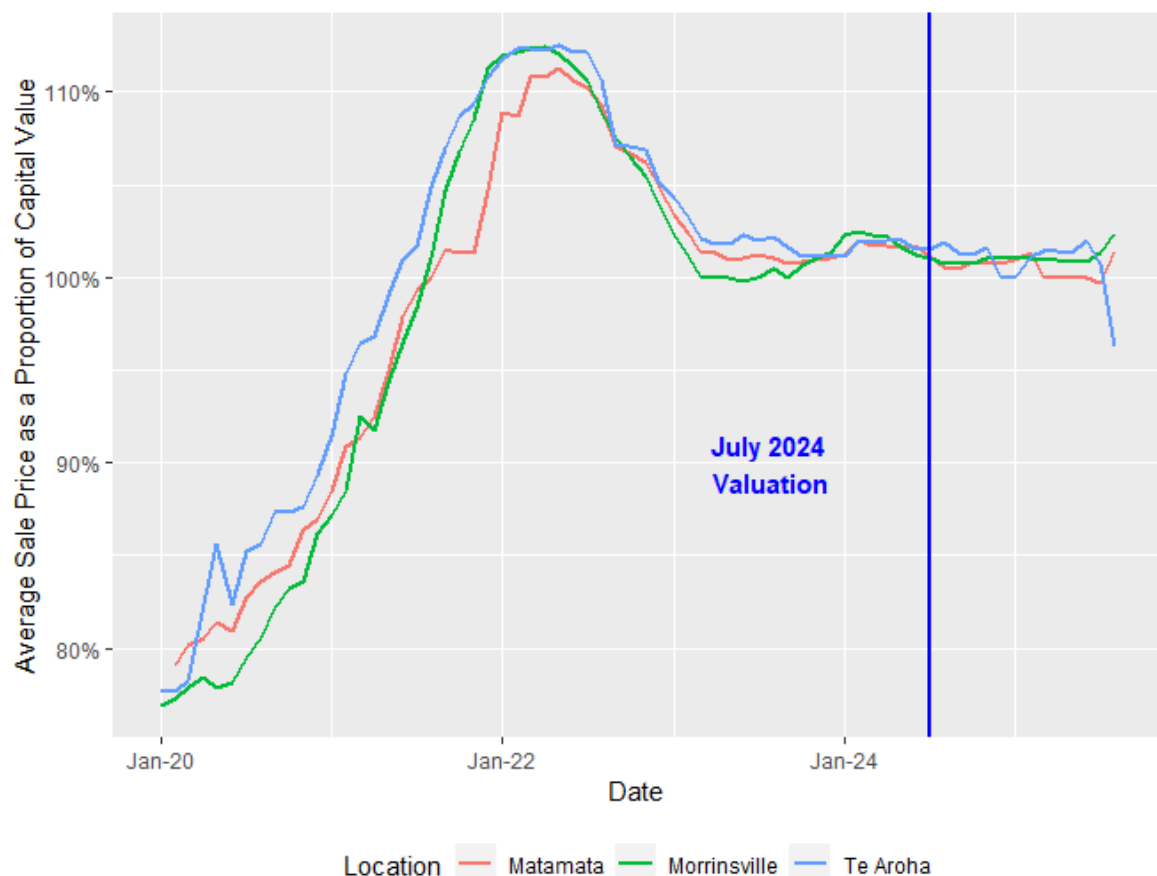
Where the development of terraced housing does not generate a higher yield than standalone dwellings, the Feasible Capacity Model identifies standalone housing as the preferred development form. This is the case in Matamata–Piako, where the smallest minimum site size permitted is 325sqm within the Infill Precinct. In practice, some attached typologies (particularly duplexes) are still likely to occur in response to individual site shapes and configurations; however, these nuances are not explicitly captured within the model.

3.2. CHANGES IN MARKET

Figure 2 shows how the average sales price compares to the July 2024 valuations between January 2020 and August 2025. This provides an indication of how sales price has changed over the past few years. Notably, homes across all three urban townships have sold for on average around 1% - 2% higher than their valuations, even during the same month the valuations were undertaken. This may indicate that the valuations were marginally undervalued.

At the market peak in late 2021, properties within the district were selling for around 11% above their current valuations on average. However, by early 2023, sale prices had declined to roughly align with these valuations. This pattern was consistent with broader national trends, although in many other districts the market correction over 2022 was more pronounced, with values falling by more than 20% in some cases.

FIGURE 2: ROLLING AVERAGE RATIO OF SALES PRICE TO CAPITAL VALUE JANUARY 2020 - 2025



Source: Property Economics, Core Logic

3.3. FEASIBILITY OF VACANT AND RURAL RESIDENTIAL SALES

Property Economics model is designed to assess feasibility of urban infill and redevelopment opportunities. For the other sources of housing capacity, the assessment of feasibility (and subsequent realisation) is markedly different.

At a minimum, vacant sites are feasible for building a single dwelling. However, the model also evaluates the potential for further subdivision where this is considered viable. This is reflected in the feasible capacity results presented in the following section. Additionally, it is assumed that subdivision of Rural Residential properties is generally feasible, given the larger lot sizes and limited servicing constraints typical of these areas.

4. MODEL CAPACITY RESULTS

4.1. FEASIBLE CAPACITY OUTPUTS

Property Economics has assessed the variables outlined above in the Matamata-Piako market and run feasible capacity models across the range of locations, land values, improvement values, and land value changes. A key component of the market's willingness to develop infill is the relationship between a site's land value, fixed subdivision costs and the identifiable 'uptake' in value (sqm) through subdivision.

Table 5 shows the total feasible capacity number of potential sections on sites where the ratios meet a profit level suitable to meet market expectations (20% profit for the purpose of this analysis).

The tables represent the subdivision undertaken by either an owner-occupier or a developer, with the capacity representing the most profitable. This is an important difference as motivations and capital outlay are often different. These figures have removed all 'double ups' i.e., where multiple instances were tested on a specific site and represent the most profitable scenario for that site.

TABLE 5: PROPOSED DISTRICT PLAN THEORETICAL AND FEASIBLE CAPACITY

Feasible (Max Profit)	Infill / Redevelopment Sites	Vacant / Large Sites	Greenfield	Rural Residential	Total
Matamata	161	122	783	118	1,184
Morrinsville	268	134	1,751	113	2,266
Te Aroha	97	147	321	55	620
Urban Total	526	403	2,855	286	4,070
Waharoa	11	35	0	0	46
Total	537	438	2,855	286	4,116

Source: Property Economics

The results of this assessment show that in total, if developments were to be undertaken by either a developer or owner occupier, then there is the potential for 4,070 additional units within the three primary urban townships within the Matamata-Piako District. Additionally, there are a further 46 feasible dwellings in Waharoa. As all development options have been considered in Table 5, this represents the total feasible capacity in the market.

As a whole, this level of feasible capacity represents over a 50% feasibility rate on the theoretical capacity due to it predominantly being Greenfield and Rural Residential sites. In regard to the Infill / Redevelopment, however, only 15% of the theoretical capacity is feasible.

4.2. REALISABLE CAPACITY OUTPUTS

On top of the feasible capacity modelling, practical considerations must be taken into account as to what is likely to be developed in the real world. In essence, the realisation rates essentially provide for 'development chance' given the propensity for development variances.

These considerations are based on:

- Dwelling typology
- Development option
- Greenfield competition

The identification of these variables not only provides for sensitivities but also addresses the relativity between typologies. While all three typologies may be feasible the development model identifies the site scenario with the highest profit margin. However, practically while the model assesses the standard 20% profit margin, there is greater risk in some typologies. The assessment below endeavours to consider these risks and motivation differentials.

Risk has been accounted for developments undertaken by developers by increasing the required profit level for a development to be classified as 'realisable', on top of being feasible.

Table 6 below shows the profit levels required for each combination of typology and development options to be considered realisable by the model.

TABLE 6 – DEVELOPER REALISABLE PROFIT RATES

	Comprehensive Developer	Infill Developer	Infill Owner
Standalone	20%	20%	25%
Terraced	23%	20%	28%

Source: Property Economics

This reflects the market practicality that developments taken on by a developer have relatively lower risk if they are an infill development, rather than a comprehensive development. It also shows the increasing risk of development as the typology increases in scale from standalone dwellings, through to terraced product.

For an owner occupier, the model considers the profit level of the development relative to the capital value of the existing dwelling(s). This is because motivations for an owner to subdivide their property are inherently linked with the relative profit they can achieve against the value of their own home, e.g., a \$100,000 profit on a \$1,000,000 site will be less likely to be developed by the owner, compared to a \$100,000 profit on a \$500,000 site, assuming similar fixed costs.

Therefore, as a methodology for this, the model considers that the lowest quartile of feasible infill developments in terms of the relative profit / CV ratio will not be realised by the market.

Taking these market practicalities into consideration, Table 7 show a summary of the realisable capacity within the district under the ODP.

TABLE 7: REALISABLE CAPACITY

Realisable	Infill / Redevelopment	Vacant / Large Sites	Greenfield	Rural Residential	Total
Matamata	98	122	783	118	1,121
Morrinsville	160	134	1,751	113	2,158
Te Aroha	60	140	321	55	576
Urban Total	318	396	2,855	286	3,855
Waharoa	11	35	0	0	46
Total	329	431	2,855	286	3,901

Source: Property Economics

For Rural Residential, Greenfield, and most Vacant or Large Sites, the capacity identified as feasible is also expected to be realised, as there are minimal barriers to development

Table 8 shows that under these modelling assumptions, the realisable capacity across Matamata – Piako is 3,901 new dwellings, representing a 95% realisation rate of the Feasible Capacity across the district. However, it should be noted that for the Infill / Redevelopment Capacity specifically within the main urban areas, the Realisation Rate is just over 60% of feasible capacity.

4.3. FUTURE RESIDENTIAL POLICY AREAS

There are three areas identified for future urban expansion within the district plan, two in Matamata and one in Te Aroha. These are shown in Table 8 below alongside the potential capacity estimated for each area based on an assumed density of 15 lots per ha for Matamata and 12 lots per ha in Te Aroha as per the discussion on assumed densities for greenfield sites.

TABLE 8: FUTURE RESIDENTIAL POLICY AREA CAPACITY

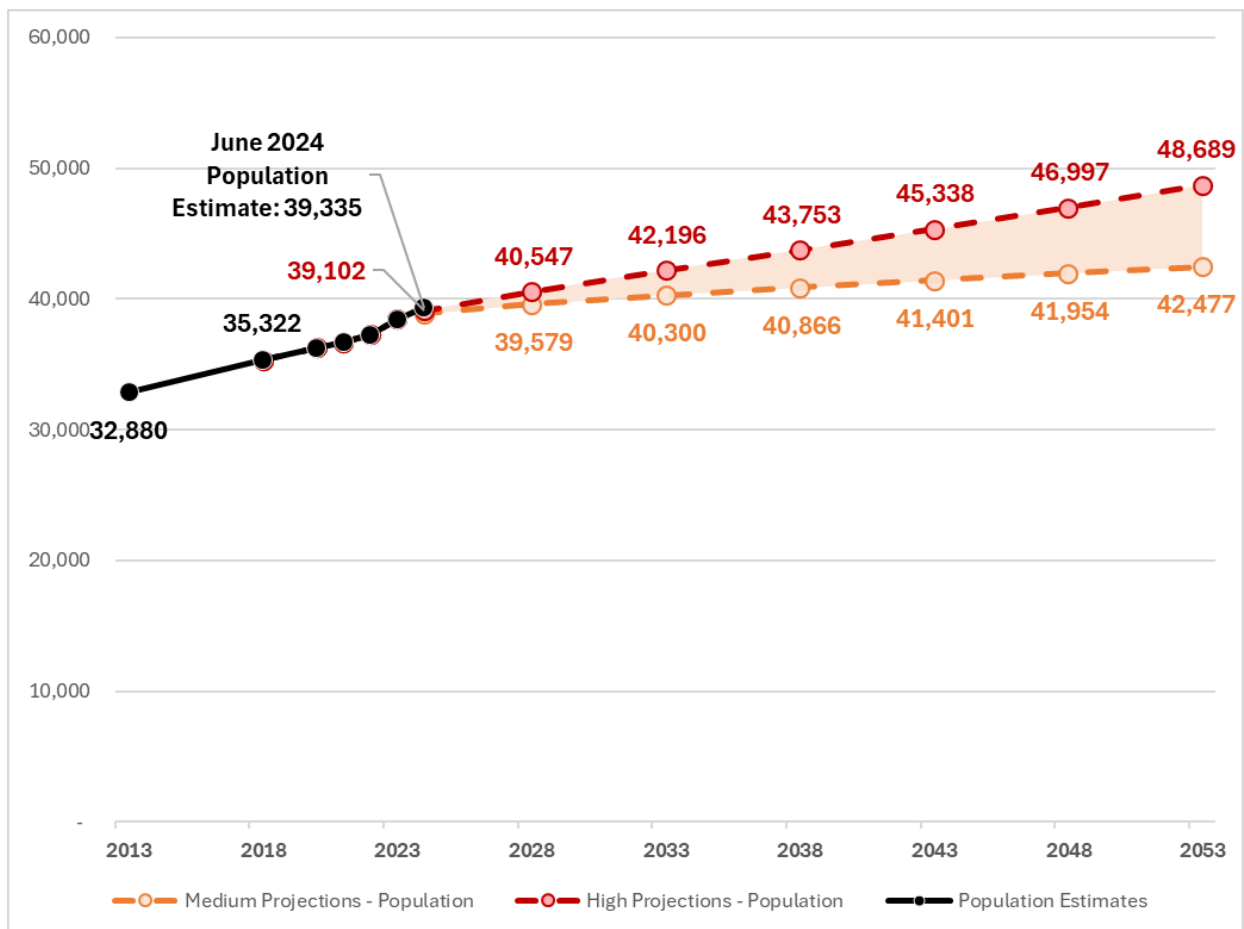
Future Residential Policy Areas	Area (ha)	Estimated Lots
Te Aroha	17.809	214
Matamata (Tokotoko Parade)	26.3	395
Matamata (Mangawhero Rd)	37.9	569
Total	82	1,177

Source: Property Economics, MPDC

5. SUFFICIENCY TO ACCOMMODATE DEMAND

Figure 3 shows the population growth projections according to the projections developed by WISE for the Matamata Piako District in 2025². It shows growth according to their Medium and High growth scenarios from the 2023 base. Under these scenarios, the projected 30-year growth between 2024 and 2054 ranges from about 3,150 people under the Medium to over 9,350 residents under the High Projection.

FIGURE 3: POPULATION PROJECTIONS MATAMATA – PIAKO DISTRICT



Source: Property Economics

Table 8 following shows how this corresponds to the housing demand over the Short-, Medium-, and Long-Term. It should be noted that in absence of the latest WISE Household Projections (which are scheduled to be completed after this report), the household projections have been calculated by adapting StatsNZ previous projection on average household size.

Additionally, Table 8 shows the effect of applying the Competitiveness Margin described in the NPS-UD. Tier 1 and Tier 2 districts are required to have sufficient capacity over and above

² Property Economics understands WISE are soon to release a more detailed breakdown of their district growth projections. No preliminary projections were available for the purpose of this modelling exercise.

expected demand to ensure sufficient competitiveness. Although this requirement does not apply to Tier 3 districts such as Matamata-Piako, Property Economics considers it sound economic practice to incorporate a competitiveness margin, particularly over the Short to Medium Term.

However, as the margin is not a legal requirement, Tier 3 local authorities may be unable to justify rezoning Highly Productive Land under the NPS-HPL solely to meet that margin where sufficient capacity already exists to accommodate expected demand.

Table 8 shows that over the next 30 years (2024 – 2054), Matamata-Piako has demand for about 3,135 dwellings under the medium projection and nearly 6,000 dwellings under the High projection. It should be noted that the medium household growth is only just smaller than the projected population due to the anticipated decrease in average household density across both the new and existing residents.

TABLE 9: HOUSEHOLD PROJECTIONS OVER SHORT, MEDIUM, AND LONG TERM

Total District Demand		Short Term (2024 - 2027)	Medium Term (2027 - 2034)	Long Term (2034 - 2054)	Total Increase
Medium	Dwelling Demand	350	739	2,046	3,135
	NPS Buffer	20%	20%	15%	-
	Total	420	887	2,353	3,660
High	Dwelling Demand	670	1,283	4,026	5,979
	NPS Buffer	20%	20%	15%	-
	Total	804	1,540	4,630	6,974

Source: Property Economics

At the time of writing, the SA2 level projections are still being developed by WISE. According to the previous projections, the Matamata, Morrinsville and Te Aroha urban areas was anticipated to represent approximately 60% of total district growth. They currently represent just over 60% of the total population base, and this trend was anticipated to continue. However, since then, the Future Proof Regional Strategy has been developed, which has the stated objective of 90% of growth occurring in the identified Urban Areas.

Over the past five years, approximately 80% of new dwelling consents in the district have occurred within urban areas. This metric supports the prospect of achieving a similar level of urbanisation in the future; however, reaching the target of 90% would require the relative rural growth to halve on average over the next 30 years. While the Regional Strategy directs the Council to plan for this outcome, Property Economics considers the goal to be 'optimistic' and, importantly, likely to inflate the demand expectations when assessing the appropriateness of zoning additional land under the NPS-HPL.

On this basis, Table 9 below compares the capacity within the three urban towns against both an 80% and 90% allocation of the latest district demand projections. Under both allocation scenarios, there is more than sufficient capacity to accommodate demand in the Medium Growth scenario, regardless of whether the Competitiveness Margin is applied.

Under the High Growth scenario, a modest shortfall may emerge at the end of the Long Term period. Importantly, however, Matamata-Piako has sufficient urban capacity to accommodate 80% of district growth without applying the margin. While a 90% allocation results in a small shortfall, this equates to only 349 dwellings, less than two year's expected growth.

Consequently, it is Property Economics' view that the Council is under no urgency to rezone additional land for residential capacity, particularly if it is Highly Productive.

TABLE 10: URBAN SUPPLY'S CAPACITY TO ACCOMMODATE DISTRICT DEMAND BASED ON 80% AND 90% GROWTH ALLOCATIONS TO URBAN AREAS

Sufficiency - Urban - 80%		Short Term (2024 - 2027)	Medium Term (2027 - 2034)	Long Term (2034 - 2054)
Medium	Cumulative Demand	280	871	2,508
	Capacity	3,855	3,855	5,032
	Sufficiency	+ 3,575	+ 2,984	+ 2,524
	Demand + Margin	336	1,046	2,928
	Sufficiency with Margin	+ 3,519	+ 2,809	+ 2,104
High	Cumulative Demand	536	1,562	4,783
	Capacity	3,855	3,855	5,032
	Sufficiency	+ 3,319	+ 2,293	+ 249
	Demand + Margin	643	1,875	5,579
	Sufficiency with Margin	+ 3,212	+ 1,980	- 547

Sufficiency - Urban - 90%		Short Term (2024 - 2027)	Medium Term (2027 - 2034)	Long Term (2034 - 2054)
Medium	Cumulative Demand	315	980	2,822
	Capacity	3,855	3,855	5,032
	Sufficiency	+ 3,540	+ 2,875	+ 2,210
	Demand + Margin	378	1,176	3,294
	Sufficiency with Margin	+ 3,477	+ 2,679	+ 1,738
High	Cumulative Demand	603	1,758	5,381
	Capacity	3,855	3,855	5,032
	Sufficiency	+ 3,252	+ 2,097	- 349
	Demand + Margin	723	2,109	6,276
	Sufficiency with Margin	+ 3,132	+ 1,746	- 1,244

Source: Property Economics

Table 11 below breaks down the sufficiency to meet demand by the three main urban towns for both an 80% and 90% allocation over the Long Term. In the absence of updated SA2 level projections from WISE, Property Economics has taken the proportional growth allocations from the StatsNZ projections for these three towns, and applied them to the dynamically adjusted Urban total depending on the percentage allocation. In other words, because Matamata represented 35.4% of growth under the StatsNZ projections, it has been allocated 35.4% of the 5,381 Long Term Dwelling demand under the High Growth 90% allocation.

Excluding the Competitiveness Margin, Matamata has sufficient capacity to accommodate their projected High Growth demand over the Long Term. A potential shortfall arises in Morrinsville and Te Aroha but not until well into the third decade. If we consider the Competitiveness Margin, however, achieving the 90% urban allocation would likely require some additional capacity in all three towns over the Long Term. However, this requirement is not until the third decade.

It should be noted that these potential shortfalls may, in practice, be offset by the introduction of minor dwellings. As outlined earlier, there are an estimated 4,000 sites within the district's urban areas that could accommodate a minor dwelling, including around 2,200 sites with no other theoretical development pathway. If 90% of future growth does occur within the urban areas, addressing the modelled 349 dwelling shortfall at a district could be achieved through only a modest uptake of this potential. That being said, additional capacity within Morrinsville particularly is projected to be required within the next 20 or so years.

TABLE 11: SUFFICIENCY BY TOWN BASED ON 80% AND 90% GROWTH ALLOCATIONS LONG TERM

Urban Area - Long Term - 80%	Total Capacity	High Demand	Sufficiency (Excluding Margin)	Including Margin	Sufficiency (Including Margin)
Matamata	2,084	1,694	+ 391	1,976	+ 108
Morrinsville	2,158	2,358	- 200	2,743	- 585
Te Aroha	790	732	+ 58	860	- 70
Total	5,032	4,783	+ 249	5,579	- 547

Urban Area - Long Term - 90%	Total Capacity	High Demand	Sufficiency (Excluding Margin)	Including Margin	Sufficiency (Including Margin)
Matamata	2,084	1,905	+ 179	2,223	- 139
Morrinsville	2,158	2,652	- 494	3,086	- 928
Te Aroha	790	823	- 33	968	- 178
Total	5,032	5,381	- 349	6,276	- 1,244

Source: Property Economics

6. ALTERNATIVE SCENARIOS

6.1. SENSITIVITY TO PRICES

Table 12 below illustrates the effect of a 10% increase in house prices on urban capacity, assuming all other variables remain unchanged. At the market peak in 2021, average house prices within the district were approximately 11% higher than current levels, while construction costs have since risen.

Market conditions naturally fluctuate, and during more favourable periods, such as those experienced a few years ago, development that was previously unfeasible can become viable. Accordingly, while this scenario does not reflect a sustainable long-term level of supply, it provides an indication of the additional infill capacity that could be realised should market conditions change.

As the table highlights, there is a significant number of sites which fall just below the 20% profit margin requirement. Consequently, the effect of a 10% increase in sales price results in an approximately 46% increase in the level of feasible capacity for Infill and Vacant Sites. Unsurprisingly, the effect on Infill / Redevelopment is substantially higher, representing almost a two-thirds increase, while the impact on Vacant / Large Sites is only 22%.

TABLE 12: FEASIBLE CAPACITY WITH A 10% INCREASE IN SALES PRICE

Feasible (Max Profit)	Current Prices			Sales Price + 10%		
	Infill / Redevelopment	Vacant / Large Sites	Total	Infill / Redevelopment	Vacant / Large Sites	Total
Matamata	161	122	283	273	124	397
Morrinsville	268	134	402	401	188	589
Te Aroha	97	147	244	190	182	372
Urban Total	526	403	929	864	494	1,358
Waharoa	11	35	46	11	35	46
Total	537	438	975	875	529	1,404

Source: Property Economics

APPENDIX 1 – GREENFIELD SITE MAPS

FIGURE 4: MATAMATA GREENFIELD AREAS

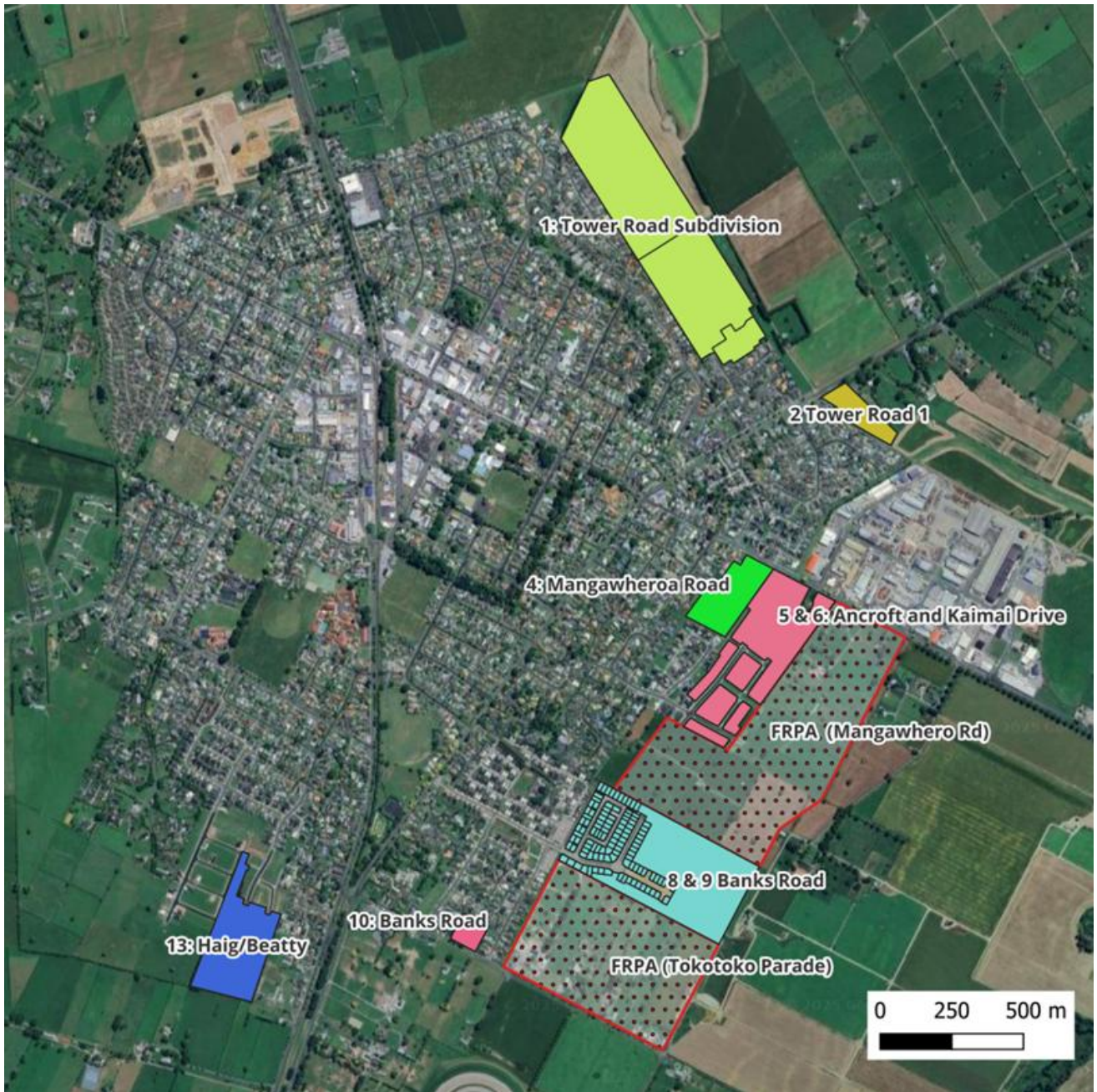


FIGURE 5: MORRINSVILLE GREENFIELD AREAS

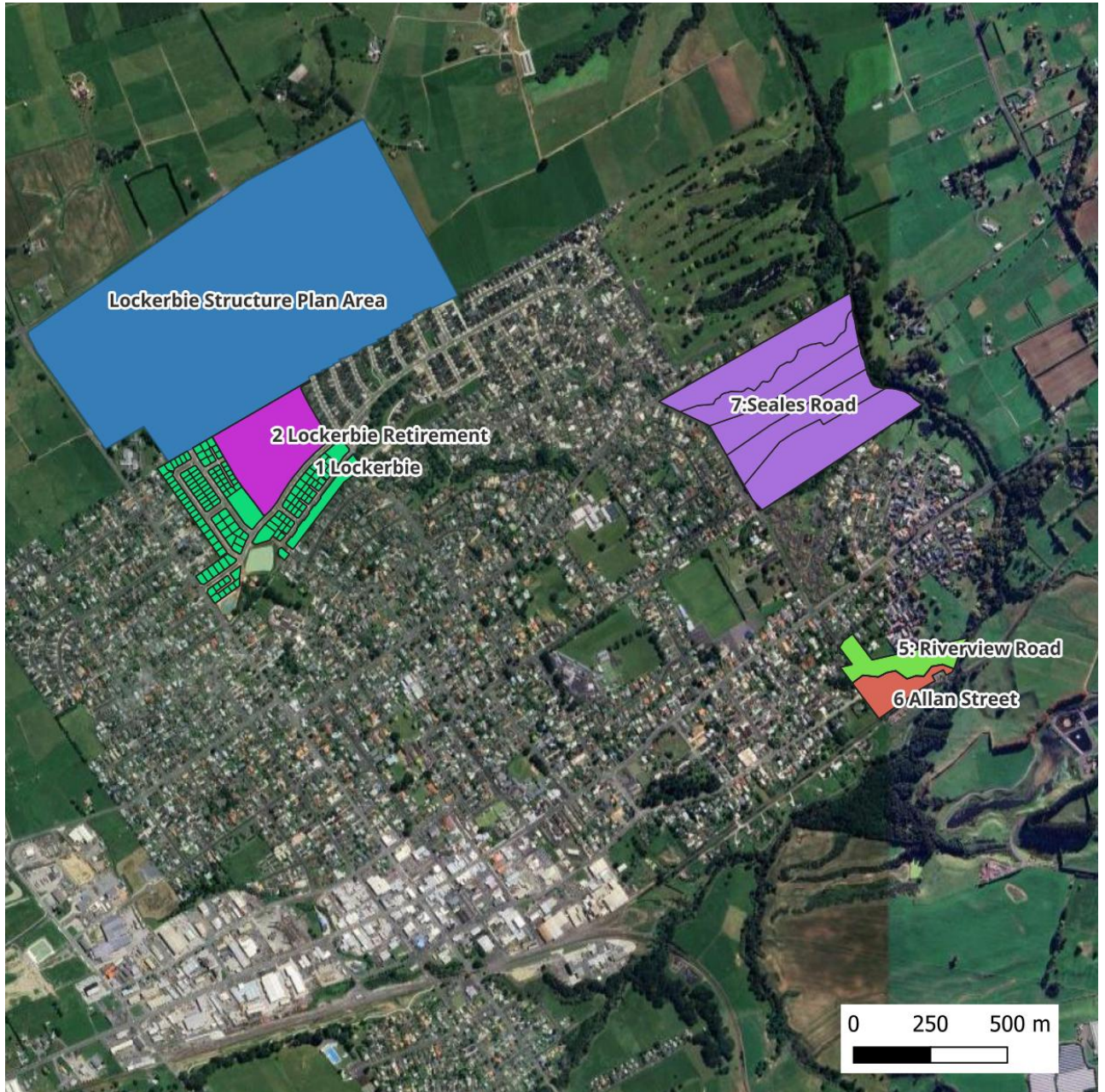


FIGURE 6: TE AROHA GREENFIELD AREAS

