INSIGHT ECONOMICS

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Economic Assessment of Proposed Waimauku West Development for Fast-Track Referral

Prepared for:
Halberd Holdings Limited

Authorship

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1. Executive Summary

Context

Halberd Holdings Limited (**HHL**) wishes to develop a large tract of land in Waimauku, in northwest Auckland. The proposed development comprises an estimated 1,500 to 2,020 residential lots, approximately 8 hectares of light industrial land and a small neighbourhood centre (the **proposal**). To expedite development, HHL is seeking consent for the proposal under the Fast-track Approvals Act 2024 (**FTAA**).

To assist, this report provides a high-level assessment of the proposal against Criteria 22(2)(a)(iii-iv) of the FTAA from an economic perspective.

Key Findings

The proposal will create significant one-time boosts in GDP, jobs, and incomes, particularly during construction. Over a 15-year period, including flow-on effects, we estimate that the development could have the following **regional impacts**:

- A one-time boost in GDP of about $650 million;
- Employment for over 4,500 FTE-years (or 305 people employed full-time for 15 years); and
- Additional household incomes of $385 million.

In addition, the proposal's non-residential areas could sustain the following activity at full build-out:

- Full-time employment for 284 people;
- Annual GDP of $57 million; and
- Over $24 million paid annually in salaries / wages.

The proposed development will also generate the following housing market impacts:

- **Accommodating Growth in Northwest**: The proposal offers a nearby alternative to the Kumeū–Huapai and Riverhead Future Urban Area, where large portions of land have recently been red-flagged due to flooding and natural hazard risks and are now expected to revert to rural zoning.
- **Significant Increase in Housing Supply**: The proposal enables approximately 1,500 to 2,020 new dwellings, which will help the market be more responsive to growth in demand, thereby reducing the rate at which local house prices grow over time (relative to the status quo).
- **Land Market Competition**: The proposal will help to foster competition in the local land market, which is a cornerstone of economic efficiency.
- **Providing a Variety of Dwellings**: The proposal caters to a variety of needs and preferences by providing for a range of dwelling typologies, including standalone homes of various sizes

and configurations as well as terraces / duplexes. It enables the delivery of larger homes than are currently being provided in other greenfield areas in Auckland's northwest.

- **Fostering Well-Functioning Urban Environments**: Master-planned communities like the proposal provide a strategic and coordinated approach to urban growth, delivering superior economic and social benefits compared to fragmented development.

Finally, the proposal will generate a range of wider economic and social benefits, including:

- **Improved Local Retail / Service Provision**: As future development enabled by the proposal occurs and new residents move to the area, they will help create critical mass to support greater local retail / service provision.

- **Boost in Industrial Supply**: The proposal enables approximately 28,650 m^2 of industrial floorspace, which will help keep pace with demand over time, thereby helping to ease land supply constraints and supporting a more responsive industrial market.

- **Highest and Best Use of Land**: The proposal enables the subject land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.

- **Investment Signal Effects**: The development will provide a strong signal of confidence in the local economy, which may help spur on, accelerate, or bring forward other developments.

Conclusion

Northwest Auckland's population is growing rapidly, and a steady supply of new homes is needed to accommodate this growth. This proposal addresses that need directly and:

- Makes a **significant contribution to regional housing supply**; and
- Generates **significant regional economic benefits**.

The fast-track process ensures these benefits are realised sooner than traditional development pathways would otherwise normally allow. On that basis, we support the proposal on economic grounds.

2. Introduction

2.1. Context

Halberd Holdings Limited (**HHL**) wishes to develop a large tract of land in Waimauku, in northwest Auckland. The proposed development comprises an estimated 1,500 to 2,020 residential lots, approximately 8 hectares of light industrial land and a small neighbourhood centre (the **proposal**). To expedite development, HHL is seeking consent for the proposal under the Fast-track Approvals Act 2024 (**FTAA**).

2.2. Criteria for Assessing Referral Applications

The FTAA is a new, permanent fast-track approvals regime. The purpose of the Act is to facilitate the delivery of infrastructure or development projects with significant regional or national benefits. Under section 22 of the Act, proposals may be referred to an expert panel for fast-track consenting where the Minister is satisfied that the project meets the purpose of the Act.

In considering whether to refer a project, the Minister may consider a range of factors set out in Section 22(2)(a). To assist decision makers, this report provides an assessment of the proposal against two of those criteria from an economic perspective. Specifically, it considers whether the project:

iii. Will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020).

iv. Will deliver significant economic benefits.

2.3. Scope and Structure of this Document

This report provides a high-level assessment of the proposal against the criteria above from an economic perspective. The remainder of this document is structured as follows:

- **Section 3** identifies the subject site and provides indicative development yields.
- **Section 4** estimates the one-time impacts of the proposal's future development.
- **Section 5** estimates the annual impacts of non-residential activities sustained on-site.
- **Section 6** provides context on the local housing market.
- **Section 7** assesses the likely impacts of the proposal on the local housing market.
- **Section 8** considers a range of wider economic impacts of the proposal.
- **Section 9** provides a checklist against the FTAA referral criteria.

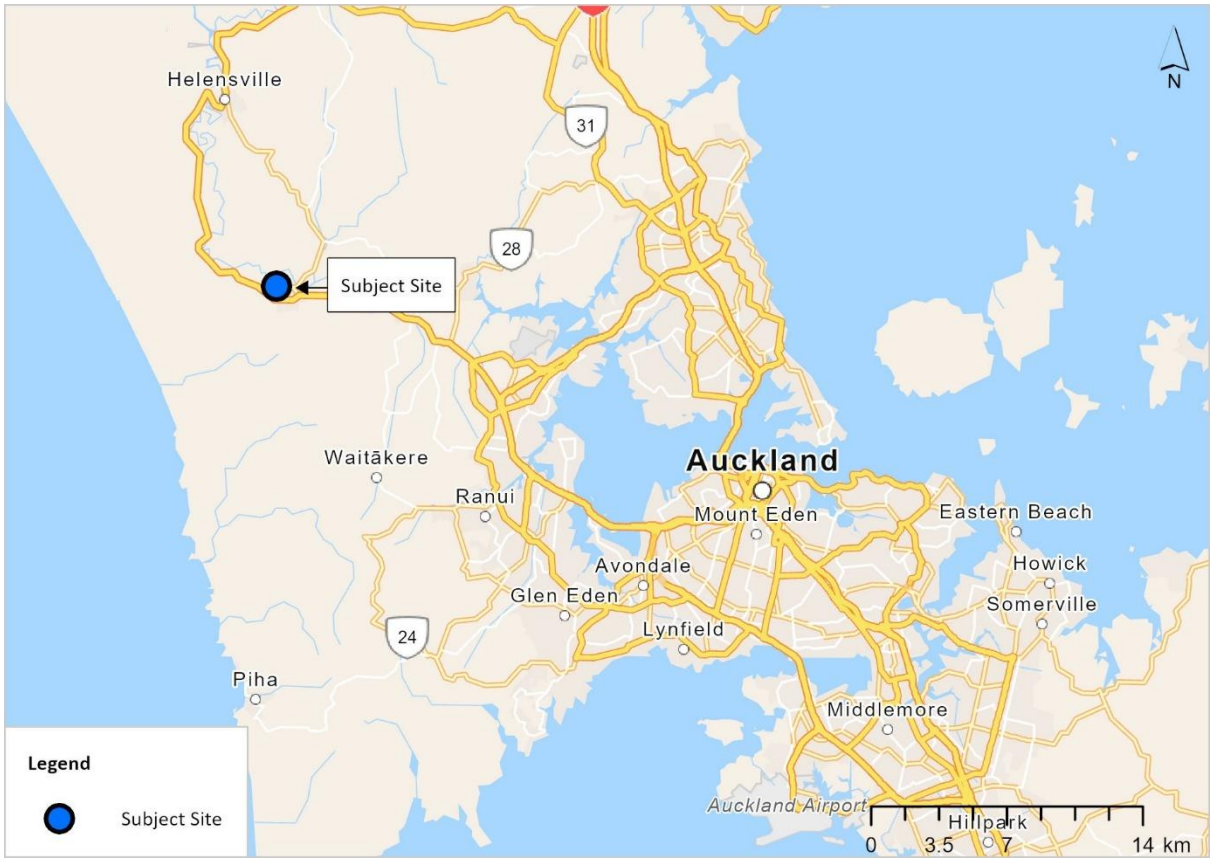
3. About the Proposal

This section identifies the subject site and provides indicative development yields.

3.1. Site Location and Description

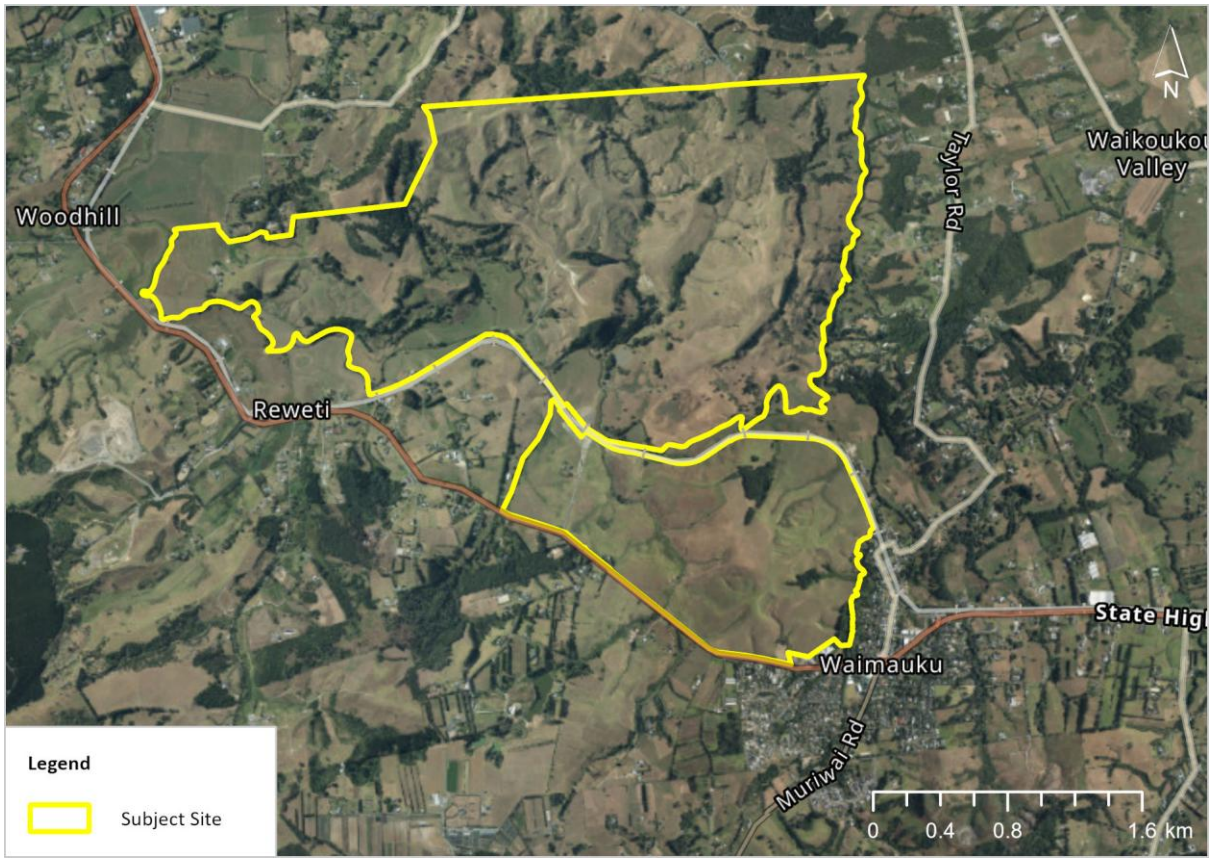
The subject site is located in Waimauku, in northwest Auckland. It is bound by the Waimauku stream to the east, State Highway 16 (**SH16**) to the south and west and rural land to the north. Its location is denoted by the blue dot in Figure 1 below.

Figure 1: Location of Subject Site



The subject site spans an area of approximately 463 hectares, about 200 hectares of which is located south of the North Auckland railway line, and immediately west of the existing Waimauku urban area. This is illustrated in Figure 2 below, which shows the site in its immediate receiving environment.

Figure 2: Receiving Environment



Under the Auckland Unitary Plan (**AUP**), the site is zoned Rural Production Zone (**RPZ**).

3.2. Anticipated Development Yields

Figure 3 below shows an indicative masterplan for the development, which is expected to deliver around 1,500 to 2,020 residential lots, approximately 8.2 hectares of light industrial land, and a small neighbourhood centre to cater to the day-to-day needs of the local community.

Figure 3: Indicative Masterplan

While the final dwelling counts are subject to detailed design, the remainder of this assessment adopts an indicative yield of 1,593 dwellings, which corresponds to an earlier iteration of the masterplan.[1] Table 1 provides further detail. It shows that the proposal will support a mix of housing types — including standalone homes in a range of sizes and configurations, as well as terraces and duplexes on smaller lots within the proposed medium density areas.

Table 1: Anticipated Residential Development Yields

Residential Category	Average Lot Size (m^2)	Count of Lots	Share of Lots
Countryside Living	5,265	29	2%
Large Lot Residential	1,670	95	6%
Medium Density Residential	165	357	22%
Standard Residential	405	1,112	70%
Total Residential	**515**	**1,593**	**100%**

To estimate the non-residential floorspace enabled by the proposal, we adopt an indicative floor area ratio (FAR)[2] of 0.35 for the light industrial area and 0.5 for the neighbourhood centre. Overall, this equates to approximately 30,050 m^2 of new non-residential floorspace, as illustrated in Table 2 below.

[1] We consider this a conservative assumption as it is at the lower end of the anticipated dwelling yield range.
[2] The floor area ratio (FAR) is calculated by dividing GFA by land area.

Table 2: Anticipated Non-Residential Floorspace

Non-Residential Category	Land Area (ha)	Indicative FAR	Estimated GFA (m^2)
Light Industrial	8.2	0.35	28,650
Neighbourhood Centre	0.3	0.50	1,400
Total Non-Residential	**8.5**	**n/a**	**30,050**

4. One-Time Impacts of Development

This section estimates the one-time regional impacts of future development enabled by the proposal.

4.1. Introduction

In the previous section we showed that the proposal could deliver 1,500 to 2,020 new homes and 30,050 m^2 of non-residential floorspace. Constructing these new buildings and preparing the land for development (not to mention installing all necessary infrastructure and obtaining all necessary consents) will have significant one-time economic impacts on GDP, jobs, and wages.

4.2. Methodology

We quantified these one-time economic impacts using a special technique called multiplier analysis, which traces the impacts of additional economic activity in one sector – such as construction – through its supply chain to estimate the overall impacts, including flow-on effects. These comprise two parts:

- **Direct impacts** – which capture all on-site and off-site activities directly related to the proposal's development, e.g., home builders and their various subcontractors and suppliers, some of which will be on-site, and some of which will be off-site.

- **Indirect effects** – which capture additional (supply-chain) impacts arising when businesses working directly on the project source goods and services from their suppliers, who in turn may need to source goods and services from their own suppliers, and so on.

These economic impacts are measured in various ways, including:

- **Contributions to GDP (**or **value-added)** – GDP measures the difference between a business' inputs (excluding wages and salaries) and the value of its outputs. It captures the value that a business adds to its inputs to create its own outputs, hence the term "value-added."

- **Total FTEs** – which equals the total number of full-time equivalent workers employed.

- **Total Jobs** – which is the total number of people employed, i.e., including both part-time and full-time workers.

- **Total wages and salaries** – which equals the total amount paid in wages and salaries.

For example, when a construction firm wins a new project, they will subcontract various parts of the build to other companies, such as glaziers, tilers, plumbers, electricians, etc. Those subcontractors, in turn, will then usually need to source additional materials and services from their suppliers, who may then need to source materials and services from their suppliers, and so on. Multiplier analysis enables the impacts of these supply chain interactions to be captured to estimate the overall impact of the new building project, including its direct and flow-on (supply chain) effects.

4.3. Development Assumptions

Based on the location and nature of the proposal, we assume that 90% of the national one-time economic impacts of the proposal are likely to accrue to the Auckland region.[3]

In addition, our analysis incorporates various assumptions about the likely scale and cost of future development. Because reliable information was available on likely residential and non-residential yields, we started with those. Specifically, we first estimated the costs of all residential and non-residential construction. Then, we estimated planning/consenting and earthworks/infrastructure costs as percentages of those. Specifically, we estimated planning and consenting costs equal to 2% of total construction costs, and earthworks/infrastructure equal to 20% of construction costs (based on our experience with similar developments elsewhere in New Zealand).

Table 3 displays our residential development assumptions, which include average dwelling sizes by type and associated build costs[4], for 1,593 new dwellings. Overall, residential construction costs are estimated at $740 million in today's dollars.

Table 3: Residential Development Assumptions

Dwelling Types	# of New Dwellings	Average Size GFA (m^2)	Build Cost ($/$m^2$ GFA)	Total Build Cost ($m)
Standalone (small)	870	130	$3,300	$375
Standalone (large)	401	200	$3,300	$265
Terraces / duplexes	321	100	$3,100	$100
Totals	**1,593**	**n/a**	**n/a**	**$740**

Next, Table 4 combines our notional estimates of non-residential floorspace with their associated build costs to yield estimated total construction costs of $63 million in today's dollars.

Table 4: Non-Residential Development Assumptions

Non-Residential Uses	Total GFA (m^2)	Build Cost ($/$m^2$ GFA)	Total Build Cost ($m)
Light Industrial	28,700	$2,100	$60
Convenience Retail	1,050	$2,200	$2
Services/Other	450	$2,200	$1
Totals	**30,200**	**n/a**	**$63**

Based on the tables above, total construction costs equal $803 million, from which we then derived:

- $16 million for planning, designing, and consenting costs (i.e., 2% of build costs); and
- $161 million for infrastructure and civil works costs (i.e., 20% of build costs).

[3] In some countries, regional I-O tables are commonly used to estimate subnational economic impacts. However, in New Zealand, the regions are generally too small and economically interlinked to produce reliable standalone I-O tables. Regional data is often sparse, outdated, or lacks the industry granularity required for robust modelling. Accordingly, we have used national multipliers and attributed a share of national impacts to the Auckland region.

[4] Build costs were based on average values over the year to April 2025 in Auckland, as reported in building consent data.

4.4. Summary of Development Costs

Table 5 summarises the estimated total cost of the proposal across the five key activities based on the assumptions set out above, which equal $980 million in today's dollars.

Table 5: Summary of Estimated Development Costs ($ millions)

Development Activity	**$ millions**
Planning/design/consent	$16
Civil works & infrastructure provision	$161
Residential construction	$740
Non-residential construction	$63
Total Development Cost	**$980**

Finally, we mapped these costs[5] to sectors of the regional/national economy, then overlaid the latest economic multipliers to derive the one-off impacts of the proposal, as set out below.

4.5. Estimated Regional Impacts on GDP, Jobs, and Wages

Table 7 presents the one-time impacts of the proposal's development based on the methodology, inputs, and assumptions described above. All activities are assumed to occur over a 15-year period.

Table 6: One-Time Regional Economic Impacts of the Proposal by Activity (spread over 15 years)

	Planning & Design	**Infra & Civil Works**	**Residential Construction**	**Non-Resi Construction**	**Development Totals**
Annual Jobs					
Direct impacts	4	23	65	6	97
Indirect impacts	3	30	181	15	228
Total	**6**	**53**	**245**	**21**	**325**
Annual FTEs					
Direct impacts	4	22	62	5	93
Indirect impacts	2	28	169	14	212
Total	**6**	**50**	**231**	**19**	**305**
Total Wages $m					
Direct impacts	$6	$33	$70	$7	$115
Indirect impacts	$3	$37	$215	$18	$273
Total	**$9**	**$70**	**$285**	**$25**	**$388**
Total GDP $m					
Direct impacts	$9	$46	$109	$12	$176
Indirect impacts	$5	$66	$371	$32	$474
Total	**$14**	**$112**	**$480**	**$44**	**$650**

[5] This exercise is straightforward for property development projects like this because four of the five key activities identified map directly to sectors in the economic multipliers dataset. Only the fifth activity – planning, design, and consenting – required a more detailed mapping. It was allocated to three sectors: scientific, architectural, and engineering services; legal and accounting services; and advertising, market research, and management services.

In summary, we estimate that:

- Future planning/design/consenting will create full-time employment for 6 people over the 15-year development period, generating total wages/salaries of $9 million;

- Land development (including infrastructure provision and all other civil works) will create full-time work for 50 people, with $70 million paid in wages/salaries;

- Residential construction will provide full-time work for about 230 people, with $285 million paid in wages and salaries; and

- Non-residential construction will provide full-time work for 19 people, with $25 million paid in wages and salaries.

Overall, the proposal's development is estimated to provide full-time work for 305 people for 15 years, generating over $385 million in wages/salaries, and boosting GDP by around $650 million.

4.6. Top 10 Industries by FTEs Employed

To better understand the likely impacts of the proposal's future development, Table 7 reveals the 10 industries likely to experience the greatest employment boosts. Those top 10 industries account for three-quarters of all full-time employment generated by the proposal's development, with the balance spread across numerous other sectors.

Table 7: Top 10 Industries by Annual FTEs Generated during Development

Industries	**Annual FTEs**	**Shares**
Residential building construction	74	24%
Construction services	63	21%
Heavy and civil engineering construction	27	9%
Scientific, architectural, and engineering services	15	5%
Public order, safety, and regulatory services	11	4%
Wood product manufacturing	10	3%
Fabricated metal product manufacturing	10	3%
Legal and accounting services	7	2%
Employment and other administrative services	6	2%
Non-residential building construction	5	2%
Top 10 Subtotal	**229**	**75%**
All Other Industries	75	25%
Total FTE-years (all industries)	**304**	**100%**

5. Ongoing Impacts of Future Uses

This section estimates the annual impacts of the proposal's future non-residential uses once built out.

5.1. Introduction

In addition to the one-off economic impacts of the proposal's development just estimated, its future industrial area and neighbourhood centre will also sustain ongoing economic activity over time. Accordingly, this section briefly estimates those impacts in terms of annual contributions to GDP, jobs, and wages.

5.2. Methodology

We estimated the potential annual economic impacts of future activity sustained by the proposal by:

1. Inputting the likely operational workforce supported at full build-out, as follows:

    a. **Neighbourhood Centre:** The 0.3 hectares of neighbourhood centre land was divided by a "land per worker ratio" of 100 m^2 per employee to derive an estimated future workforce of 30 people.

    b. **Light Industrial:** A ratio of 300 m^2 of land per worker was applied to the 8.2 hectares of light industrial land to derive an estimated future workforce of 275 employees at full build.

2. Allocating these roles to their respective input-output industries.

3. Applying the same economic multipliers from the previous section to translate future ongoing employment into corresponding measures of annual GDP and wages/salaries.

5.3. Annual GDP, Jobs, and Wages

Table 8 below summarises the annual economic impacts of future activity sustained by the proposal in terms of FTEs employed, GDP contributed, and wages generated.

Table 8: Estimated Annual Economic Impacts of the Non-Residential Uses (at full build-out)

Non-Residential Uses	Jobs	FTEs	GDP $m	Wages $m
Light Industrial	275	260	54	22.8
Neighbourhood Centre	30	25	3	1.6
Total	**305**	**284**	**57**	**24.5**

In summary, the proposal's non-residential areas could sustain the following activity at full build-out:

- Full-time employment for 284 people;
- Annual GDP of $57 million; and
- Over $24 million paid annually in salaries / wages.

6. Housing Market Context

This section provides context on the local housing market to inform the remainder of the report.

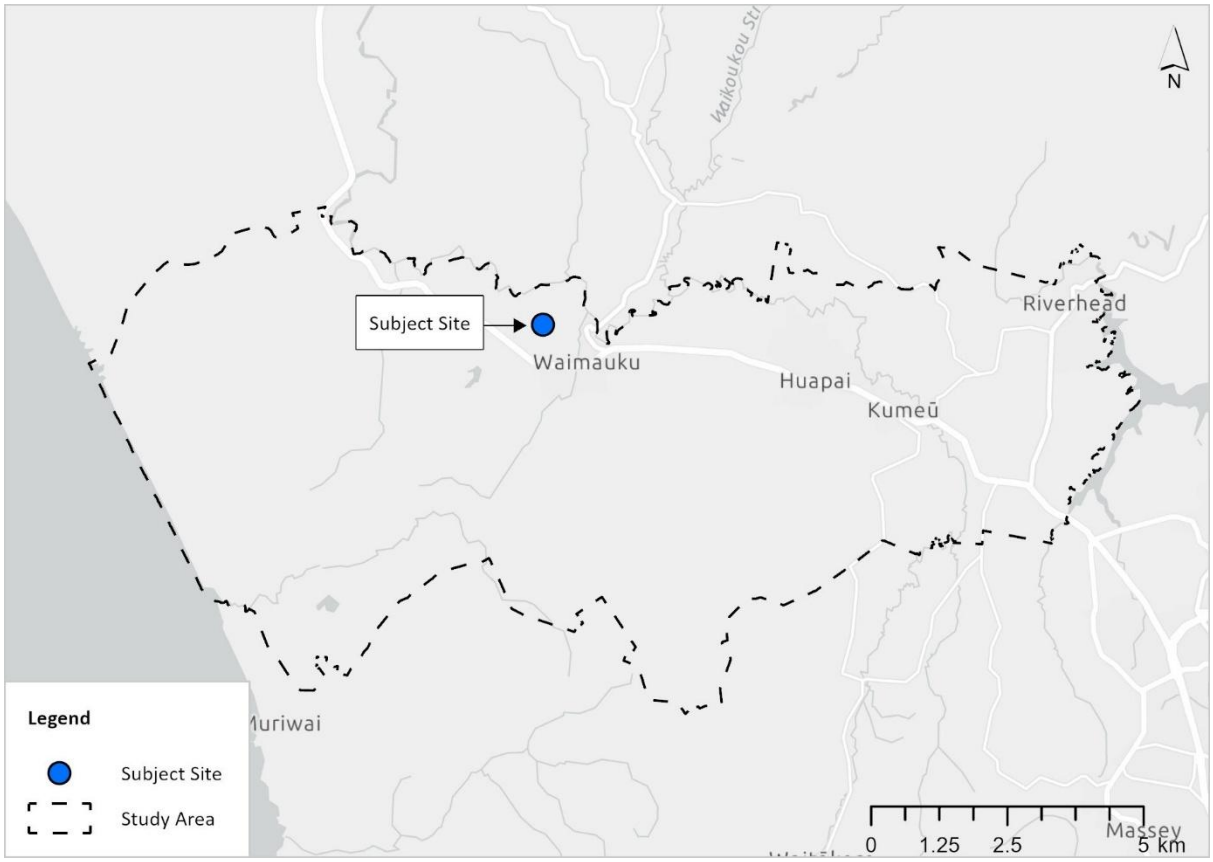
6.1. Study Area

The study area adopted for this section is delineated in Figure 4, and corresponds to the following Statistical Area 2 (**SA2**) units.[6]

Table 9: Study Area SA2s (2023 Boundaries)

SA2 Code	SA2 Name
113201	Waipatukahu
114201	Waimauku
114701	Kumeū Rural West
115001	Kumeū-Huapai North
115002	Kumeū-Huapai South
115901	Riverhead
116101	Kumeū Rural East

Figure 4: Study Area



[6] 2023 boundaries.

6.2. Demographic Summary

We used detailed data from the 2023 census to compare the demographic profile of existing residents in the study area with regional averages. To summarise, compared to Auckland averages, **residents** of the study area are:

- Slightly older, with a median age of 38.1 compared to 36.3 for Auckland;
- More likely to have been born in New Zealand;
- More likely to be in the labour force;
- More likely to be self-employed and less likely to be a paid employee; and
- More likely to have a personal income greater than $100,000.

In addition, compared to Auckland averages, **dwellings** in the study area are:

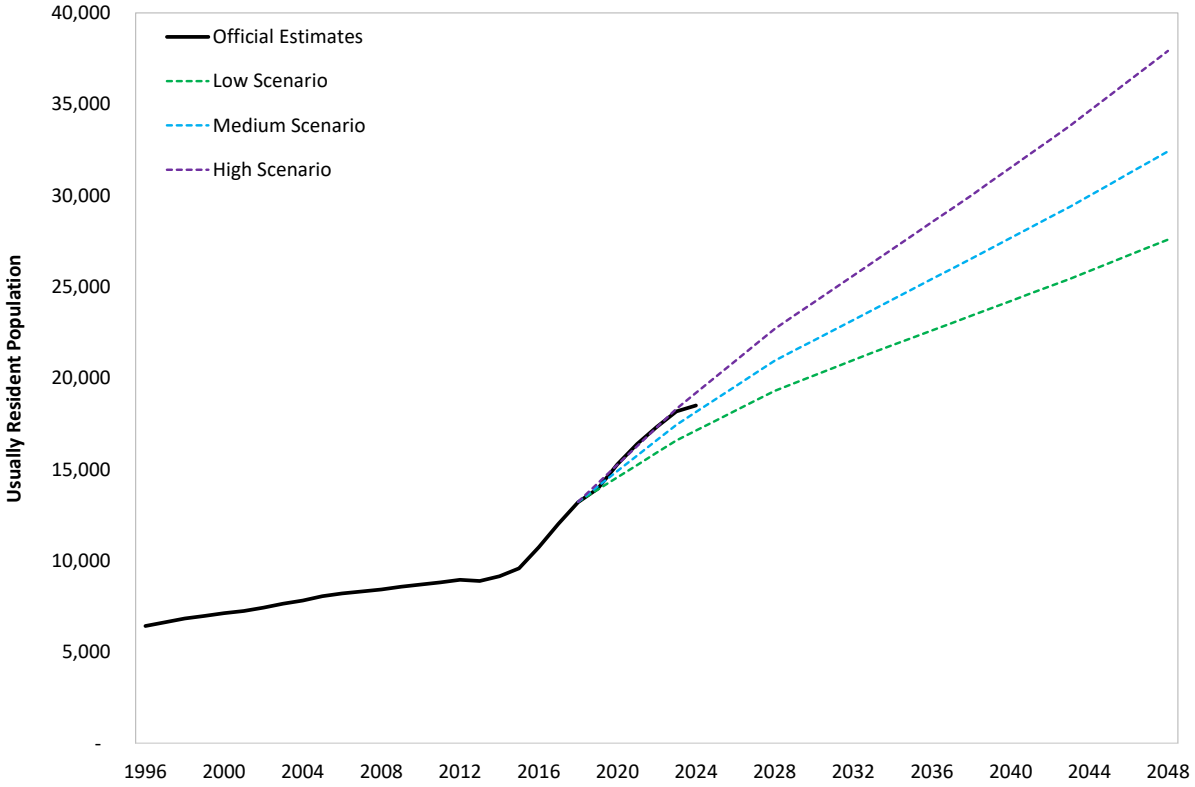
- More likely to be owner-occupied; and
- More likely to be standalone homes (and less likely to be attached dwellings).

These differences indicate that the study area has a different demographic profile to the rest of Auckland.

6.3. Population Growth

The study area has experienced rapid growth over the past decade, with the population climbing from just under 9,600 residents in 2015 to more than 18,500 in 2024 (an increase of 193%). Growth has levelled off since 2023, and the latest Stats NZ population estimates are now tracking between the medium and high growth population scenarios. As illustrated in Figure 5, there are clear expectations of further growth that are yet to be realised.

Figure 5: Official Population Estimates to 30 June 2024 vs Official Projections



6.4. Strategic Context

The study area includes the Kumeū–Huapai and Riverhead Future Urban Area (**FUA**) cluster — the closest identified growth area to the subject site. The viability of this FUA was reassessed in the Auckland Future Development Strategy, which highlights flooding and other natural hazards as significant risks to development. As a result, the FUA has been scaled back, with some areas removed and the remainder delayed and 'red-flagged' (see **Appendix A**). We understand that Auckland Council now intends to rezone this red-flagged land back to a rural, thereby removing it from future residential development capacity.

In our view, the proposal offers an opportunity to offset some of this lost capacity by absorbing growth that would otherwise have been directed to the FUA. It does so in a nearby location that also enables the logical and orderly expansion of the existing Waimauku urban area.

7. Housing Market Impacts

This section assesses the likely impacts of the proposal on the local housing market.

7.1. Significant Boost in Housing Supply

The proposal acknowledges and directly responds to the need for more residential land to meet growth in demand over time, by enabling the development of 1,500 to 2,020 new homes. All other things being equal, this supply boost will help the market to be more responsive to growth in demand, thereby reducing the rate at which city house prices grow over time (relative to the status quo).

To assess the significance of this supply boost, we reviewed the demand projections in Auckland Council's latest Housing Capacity Assessment (**HCA**)[7] by Local Board Area (**LBA**). For the Rodney LBA, where the site is located, the HCA projects growth of up to 845 households per annum over the 30 years to 2053. On that basis, the 1,593 dwellings indicatively enabled by the proposal equate to at least 22 months of supply for the area.

This represents a substantial and highly significant contribution to housing supply from a single proposal, particularly given the expansive nature of the LBA, which includes multiple growth nodes such as Red Hills and Whenuapai in the northwest, and Warkworth in the north.

In our view, the supply boost also satisfies the definition of "significant" in Policy 8 of the National Policy Statement on Urban Development (**NPS-UD**), which requires authorities to be responsive to significant unplanned or out-of-sequence proposals that would contribute meaningfully to a well-functioning urban environment.

7.2. Land Market Competition

In addition to directly boosting dwelling capacity, the proposal will also help to foster competition in the local land market. This is important because, as recognised through Objective 2 of the **NPS-UD**, competition is the cornerstone of economic efficiency. When the land market becomes more competitive, land developers have a greater incentive to bring their product to the market in a more timely and cost-effective manner, thus further helping to keep city housing as affordable as possible.

Absent competition, landowners experience "market power", which enables them to charge more for land and be slower in releasing it to the market. Both outcomes conspire against affordability and reduce the overall efficiency of the housing market.

7.3. Providing for a Range of Dwelling Types

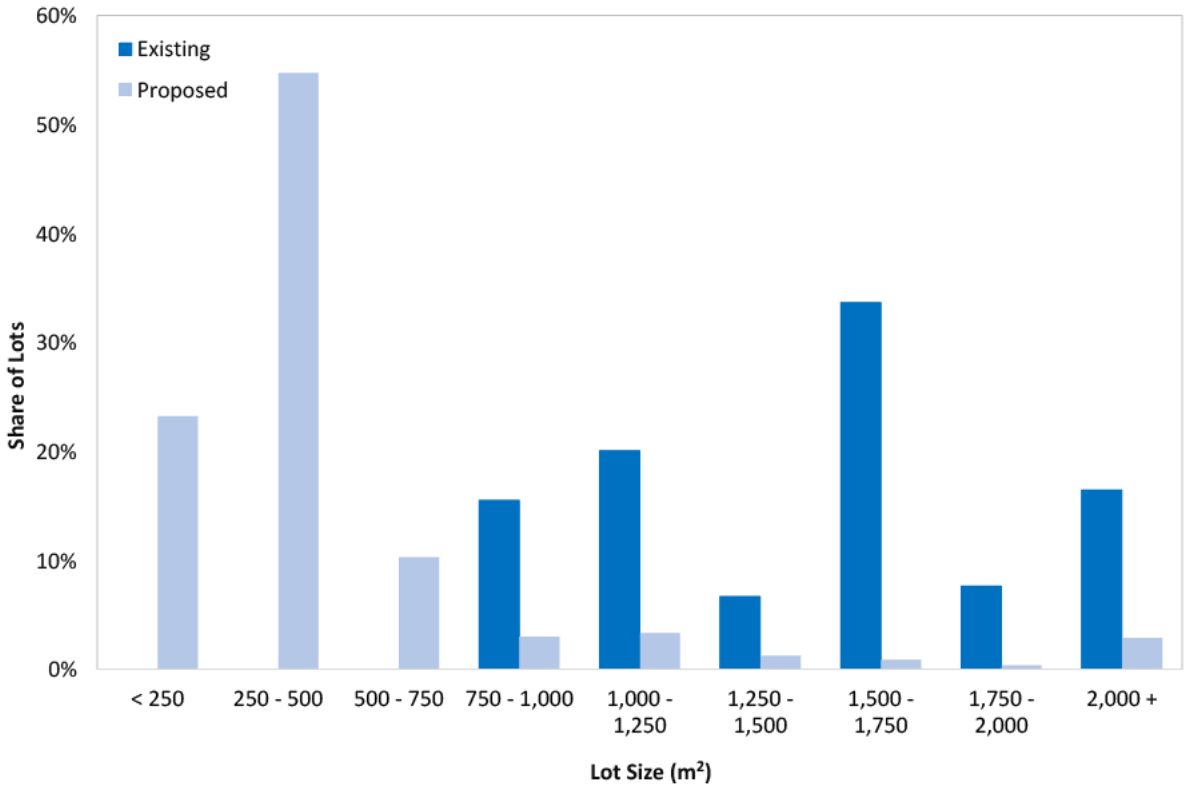
The proposal provides for a broad range of lot sizes, enabling a diverse range of housing typologies – from standalone homes of various configurations to terraced and duplex options in the medium density area. This helps give effect to Policy 1(a)(i) of the NPS-UD, which requires planning decisions

[7] Auckland Council. (2023). *Housing and Business Development Capacity Assessment for the Auckland Region 2023*.

to contribute to well-functioning urban environments that provide a variety of homes to meet the needs of a diverse population.

Notably, the proposal includes smaller sections than are typical in Waimauku, where housing is currently dominated by large dwellings on oversized lots (see Figure 6).[8] As such, it will help to diversify the local housing market and contribute to a more affordable and adaptable supply to meet Auckland's evolving needs.

Figure 6: Lot Size Distribution – Proposal v Existing Waimauku Dwelling Stock



In addition to introducing smaller lot sizes than are currently typical in Waimauku, the proposal also delivers larger sections than are typically being provided in other greenfield growth areas across northwest Auckland. For example, dwellings constructed in the Kumeū and Whenuapai growth nodes since 2020 had an average land area of 340 m^2 and 230 m^2 respectively, compared to an average section size of 516 m^2 for the proposal.[9] See **Appendix C** for further detail.

While final dwelling sizes will depend on future purchasers and typology choices, the underlying lot sizes provide capacity for more spacious homes—supporting choice for households seeking larger-format housing, including intergenerational families or those upsizing from more compact typologies. This further reinforces the proposal's contribution to a well-functioning urban environment by expanding the range of housing options available within the city's northwest.

[8] According to Core Logic data, the average dwelling in the Waimauku urban area has 215 m^2 of floorspace and is situated on a 1,630 m^2 section.
[9] According to Core Logic data.

7.4. Helping Foster Well-Functioning Urban Environments

Master-planned communities like the proposal provide a strategic and coordinated approach to urban growth, delivering superior economic and social benefits compared to the alternative (i.e., fragmented development). For example, these developments:

- **Achieve economies of scale –** Large-scale development lowers per-unit costs through efficient planning and resource allocation.
- **Optimise infrastructure investment –** Coordinated delivery of roads, utilities, and public services reduces inefficiencies and ensures infrastructure is right-sized and cost-effective.
- **Generate employment –** Provide steady employment for local contractors and tradespeople.

Further, master-planned developments like the proposal create well-connected, vibrant neighbourhoods by:

- **Prioritising walkability and accessibility –** Integrated transport networks encourage active transport, reducing car dependency and promoting healthier lifestyles.
- **Providing essential amenities on-site –** Such as the convenience retail and services (indicatively) anticipated in the proposed neighbourhood centre.
- **Enhancing safety through CPTED principles –** Thoughtful urban design improves visibility, deters crime, and promotes secure public spaces.

Finally, unlike fragmented growth, which often leads to inefficiencies, master-planned communities:

- **Prevent inconsistent urban form –** Coordinated development ensures a seamless integration of infrastructure, housing, and amenities.
- **Avoid land banking –** Large-scale projects encourage timely development, addressing housing and infrastructure needs efficiently.
- **Reduce reliance on external infrastructure –** Self-sufficient communities alleviate pressure on existing networks, supporting sustainable urban expansion.

In short, master-planned communities like the proposal not only enhance day-to-day life for residents but also establish a foundation for sustainable, long-term growth that supports a well-functioning urban environment.

8. Wider Economic Impacts

This section considers a range of wider economic impacts of the proposal.

8.1. Project Acceleration

Not only will the proposal provide meaningful employment for a wide range of local workers, as illustrated above, but it will likely progress considerably faster via the FTAA process than would otherwise be the case.

Absent fast-track approval, the proposal is likely to be subjected to a protracted resource consent process that would invariably take significantly longer. Accordingly, the proposal enables the project to commence sooner, thereby allowing the associated economic benefits to be realised sooner too.

8.2. Critical Mass and Support for Nearby Centres

As future development enabled by the proposal occurs and new residents move to the area, they will help create critical mass to support a small amount of onsite commercial provision to meet daily needs (potentially) without the need for private motor vehicle travel. In addition, spending by future residents will provide support for the ongoing health and vitality of nearby centres, including the Waimauku local centre and the Kumeū–Huapai town centre.

To put this in context, we estimated likely future spending originating on the subject site at full build-out by applying average spending from the latest Household Economic Survey.[10] To be conservative, these estimates ignore ongoing growth in annual household income over time. The results are tabulated below and reflect total annual spending by 1,593 new households.

[10] For Auckland Region.

Table 10: Projected Future Spending Originating On-site

Expenditure Group	Annual Spend per Household	Total Annual Spend ($ millions)
Food	$17,600	$28.0
Alcoholic beverages and tobacco	$1,350	$2.2
Clothing and footwear	$2,650	$4.2
Housing and household utilities	$24,350	$38.8
Household contents and services	$2,950	$4.7
Health	$2,650	$4.2
Transport	$15,350	$24.5
Communication	$2,000	$3.2
Recreation and culture	$7,350	$11.7
Education	$1,550	$2.5
Miscellaneous goods and services	$7,300	$11.6
Other expenditure	$11,350	$18.1
Total Household Expenditure	**$96,450**	**$153.6**

8.3. Boost in Industrial Supply

The proposal provides 8.2 hectares of light industrial land, which enables the development of approximately 28,650 m^2 of floorspace.

Given the size and location of the proposed industrial area, it is expected to predominantly accommodate "local industrial" activities, which primarily serve the residents, workers and businesses of smaller areas like Waimauku. These types of activities are numerous and geographically dispersed, with many small-to-medium-sized firms operating across a wide range of locations nationwide.[11] Indicative tenancies include automotive repairers, contractor bases for trades such as plumbing, electrical, and roofing services, as well as warehousing and storage facilities.

By enabling a variety of industrial sites to meet local needs, the proposal helps give effect to Policy 1(b) of the NPS-UD, which requires planning decisions to contribute to well-functioning urban environments by providing a range of sites for different business sectors.

To assess the appropriateness of the quantum of industrial land proposed, we drew on a recent study we undertook for a separate matter. This comprehensive, bottom-up study used a database of 22,500 industrial properties across 63 territorial authorities to estimate land requirements for local industrial activities (i.e., those likely to locate in Waimauku). The results indicate average demand of 2.24 hectares of local industrial land per 1,000 residents (see **Appendix B**). On that basis, the new homes enabled by the proposal could generate demand for approximately 10.7 hectares of local industrial land.[12]

[11] In contrast, "general industrial" activities primarily serve customers spanning vast geographic areas (such as entire regions or nations). They are fewer of them, and they are geographically concentrated in a limited number of places.
[12] Assuming a dwelling yield of 1,593 and an average of 3.0 residents per household.

Accordingly, the 8.2 hectares proposed will help keep pace with anticipated demand. This, in turn, will help ease land supply constraints, support a more responsive industrial market, and improve access for businesses seeking to invest or expand in the area.

8.4. Residential and Non-Residential Land Use Synergies

The new dwellings provided by the proposal will also help to support and enhance its non-residential land uses. For example, future occupants of the subject site will provide a pool of labour to help fill local jobs, while local workers will create demand for local housing. Similarly, local workers and residents will create ongoing demand for nearby retail, commercial services, and entertainment. Finally, those retailers and other services will make the area a more attractive place to live and work, which strengthens demand for residences and workspaces. Accordingly, the proposal's various elements will support and reinforce one another.

8.5. Highest and Best Use of Land

The proposal will also enable the land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.

8.6. Investment Signal Effects

Further, the development will provide a strong signal of confidence in the district economy, which may help spur on, accelerate, or bring forward other developments.

8.7. Infrastructure Servicing Cost and Risk

Finally, we have considered whether the proposal might impose unwarranted costs on the wider community via the infrastructure required to service it. In our view, this risk is minimal because:

- We would expect the applicant to fund and deliver all infrastructure works within the site boundary, plus any necessary infrastructure connections.

- Any off-site upgrades that may be required to accommodate the development will be recoverable through development contributions, in line with Auckland Council's policy.

Accordingly, any infrastructure-related costs or risks to Auckland Council – and by extension, the wider community – are expected to be minimal.

9. Conclusion and Checklist

9.1. Conclusion

Northwest Auckland's population is growing rapidly, and a steady supply of new homes is needed to accommodate this growth. This proposal addresses that need directly and:

- Makes a **significant contribution to regional housing supply**; and
- Generates **significant regional economic benefits**.

The fast-track process ensures these benefits are realised sooner than traditional development pathways would otherwise normally allow. On that basis, we support the proposal on economic grounds.

9.2. FTAA Criteria Checklist

The following table provides a signpost to where each of the relevant criteria listed in Section 22(2)(a) of the FTAA are addressed in this report.

Table 11: Assessment Against Section 22(2)(a) Criteria of FTAA

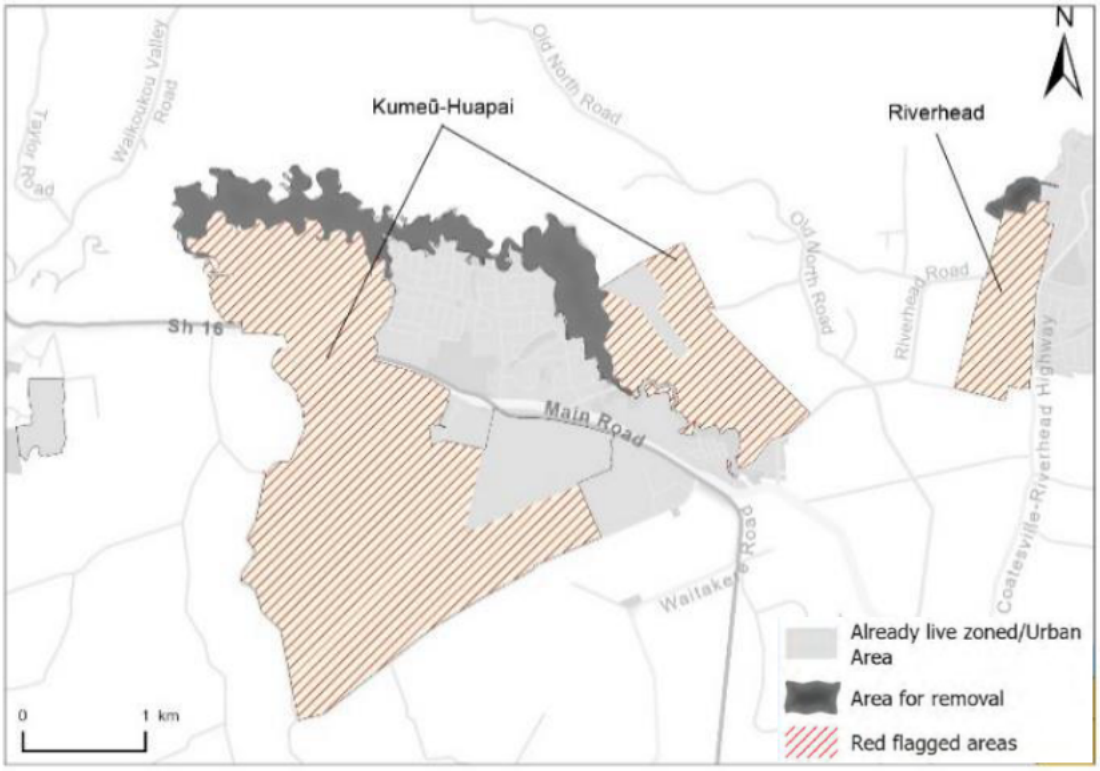
Ref	Criterion	Signpost	Assessment Summary
(i)	Identified as a priority project in government plans or strategies	Not assessed	n/a
(ii)	Delivers new or supports existing regionally/nationally significant infrastructure	Not assessed	n/a
(iii)	Increases housing supply, addresses housing needs, or contributes to a well-functioning urban environment	Sections 7 & 8	■ ■ ■ ■ ■
(iv)	Delivers significant economic benefits	Sections 4, 5 & 8	■ ■ ■ ■ ■
(v)	Supports primary industries, including aquaculture	Not assessed	n/a
(vi)	Supports development of natural resources, including minerals and petroleum	Not assessed	n/a
(vii)	Supports climate change mitigation (e.g. reducing greenhouse gas emissions)	Not assessed	n/a
(viii)	Supports climate change adaptation, reduces risk from natural hazards	Not assessed	n/a
(ix)	Addresses significant environmental issues	Not assessed	n/a
(x)	Consistent with local/regional planning documents and spatial strategies	Not assessed	n/a

Legend: ■ ■ ■ ■ ■ = Met (Strong); ■ ■ ■ □ □ = Met (Moderate)

Appendix A: Future Urban Area Cluster

Figure 7 below shows proposed changes to the Kumeu-Huapai and Riverhead FUA cluster outlined in the Auckland Future Development Strategy (FDS).

Figure 7: Kumeu-Huapai and Riverhead FUA Cluster as per FDS



Appendix B: Local Industrial Demand Study

Table 12 below is an extract from our recent study into local industrial land requirements. It shows our estimates of local industrial demand per 1,000 residents by activity group.

Table 12: Estimated Local Industrial Demand per 1,000 Population

Group	3-Digit ANZSIC Industry	Ha per 1,000 pop
Light Manufacturing	C117 Bakery Product Manufacturing	0.08
	C149 Other Wood Product Manufacturing	0.06
	C161 Printing	0.02
	C222 Structural Metal Product Manufacturing	0.05
	C251 Furniture Manufacturing	0.06
	C259 Other Manufacturing	0.03
Construction	E322 Building Structure Services	0.05
	E323 Building Installation Services	0.16
	E324 Building Completion Services	0.14
	E329 Other Construction Services	0.08
Wholesale trade	F331 Agricultural Product Wholesaling	0.02
	F332 Mineral, Metal & Chemical Wholesaling	0.02
	F333 Timber & Hardware Goods Wholesaling	0.03
	F341 Specialised Industrial Machinery/Equipment Wholesaling	0.03
	F349 Other Machinery & Equipment Wholesaling	0.06
	F350 Motor Vehicle & Motor Vehicle Parts Wholesaling	0.03
	F360 Grocery, Liquor & Tobacco Product Wholesaling	0.05
	F371 Textile, Clothing & Footwear Wholesaling	0.02
	F373 Furniture, Floor Coverings & Other Goods Wholesaling	0.08
	F380 Commission-Based Wholesaling	0.03
Auto Sales	G391 Motor Vehicle Retailing	0.05
	G392 Motor Vehicle Parts Retailing	0.01
Hardware Retail	G423 Hardware, Building & Garden Supplies Retailing	0.08
Postal & Courier	I461 Road Freight Transport	0.35
	I510 Postal & Courier Pick-up & Delivery Services	0.25
Warehousing/logistics	I530 Warehousing & Storage Services	0.03
Rental & Hiring	L661 Motor Vehicle & Transport Equipment Rental & Hiring	0.06
	L663 Other Goods & Equipment Rental & Hiring	0.10
Domestic Repairs	S941 Automotive Repair & Maintenance	0.17
	S942 Machinery & Equipment Repair & Maintenance	0.04
Totals		**2.24**

Appendix C: Lot Size Distribution

Figure 8 below shows the distribution of lot sizes for the proposal (dark blue) and new dwellings constructed in the Kumeu and Whenuapai growth nodes since 2020 (light blue).

Figure 8: Lot Size Distribution – Proposal v Recent Builds in Kumeū and Whenuapai