

Brick Bay Lodge Development

FTAA Referral Economic Assessment

30 March 2026



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Prepared for

Christine and Richard Didsbury

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Report author(s): Tom Harris
s 9(2)(a)
s 9(2)(a)
Greg Akehurst
s 9(2)(a)
s 9(2)(a)

Director approval: Greg Akehurst
s 9(2)(a)
s 9(2)(a)

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Executive Summary

Brick Bay Lodge is a proposed luxury visitor accommodation development at 17 Arabella Lane, Snells Beach, on the Matakana Coast north of Auckland. The project comprises approximately 45 accommodation suites together with resort amenities including reception and restaurant facilities, a wellness retreat, pool house and beach house. It will be situated on the coastal side of a property that has been developed over 40 years as the home of Brick Bay Wines and the Brick Bay Sculpture Trail. The project represents a greenfield equity foreign direct investment of approximately \$390m (excluding land), funded by international capital and designed to attract high-spending international visitors to New Zealand.

This report assesses the economic benefits of the project in support of a referral application under the Fast-Track Approvals Act 2024 (FTAA). It evaluates whether the project is expected to deliver significant economic benefits at a regional or national level, consistent with the referral criteria at s22(2)(a)(iv) of the FTAA.

The economic case is underpinned by four categories of benefits: the scale of capital investment and associated construction activity; sustained operational expenditure and employment; the capture of international visitor spending as tourism export revenue; and a range of qualitative spillover benefits that are not easily quantified but are economically significant. We appraise benefits over a 30-year horizon to 2056.

Construction-phase benefits are substantial. Depending on cost scenario used, the project is estimated to generate \$317m – \$376m in value added (GDP contribution). Construction will sustain 1,110–1,150 direct job-year equivalents, an average of 185–190 direct jobs per year over the build period, and 3,760 – 4,130 total job-year equivalents when indirect and induced employment effects are included.

Operational-phase benefits will exist in each year after the lodge opens. Once fully operational, the lodge will incur annual operating expenditure of approximately \$19m, generating estimated value added of \$177m. Operations will sustain approximately 140 direct jobs per year, which represent high-quality positions in a sector characterised by higher skill requirements and wage premiums relative to the hospitality average.

International visitor expenditure represents a net addition to New Zealand's export base. Under conservative occupancy assumptions, annual revenue from international guests is estimated to be \$17.0m at full capacity. Ancillary spending by those visitors in the wider New Zealand economy is estimated to contribute a further \$12m – \$20m per year. The present value of combined visitor-related benefits and direct fiscal contributions (GST and local government rates) ranges from \$136m under the most conservative scenario to \$488m under assumptions informed by industry benchmarks. These estimates are conservative – they exclude corporate income tax, income tax on rental distributions to villa owners and spending by domestic visitors.

Taken together, the present value of quantified economic benefits ranges from \$630m to \$767m over the 30-year appraisal period.



Beyond these quantified impacts, the project will generate economically significant spillover effects. The academic and policy literature on FDI in tourism establishes that greenfield equity investment of this character produces the most favourable outcomes for host economies when it integrates with domestic supply chains, transfers knowledge and quality standards, and operates in a country with strong institutional and human capital conditions. New Zealand satisfies all of these conditions. The lodge will create sustained procurement demand across a wide range of domestic sectors, train staff to international standards and expose local suppliers to high quality protocols. Its high-profile positioning will generate destination branding benefits for the Auckland region and Matakana Coast, and the familiarity effect may facilitate future inward investment, which is particularly relevant given New Zealand's FDI stock sits 15 percentage points below the OECD median.

The project is directly aligned with multiple Government economic priorities. It advances the Going for Growth agenda's target of doubling New Zealand's exports within a decade. It supports Tourism New Zealand's objective of growing the value of tourism exports and is consistent with the Government Tourism Strategy's emphasis on increasing the unit value of tourism (growing value faster than volume). It also addresses an identified supply gap in luxury accommodation, particularly in proximity to Auckland.

No material adverse economic effects have been identified. The opportunity cost of the land is likely to be far below the value generated by development. Infrastructure demands are modest given the property already accommodates 35,000 – 40,000 visitors annually through the existing winery and sculpture trail operations.

Based on our assessment, Brick Bay Lodge will deliver significant economic benefits to New Zealand at both a regional and national level. The economic benefits are large in scale, durable and strategically aligned with Government priorities.



1 Introduction

1.1 Project Overview

The owners of 17 Arabella Lane, Snells Beach, propose to establish Brick Bay Lodge on the coastal side of their property. The lodge will provide luxury visitor accommodation comprising c45 accommodation suites and associated amenities. Accommodation will include a mix of villas, cottages and treehouses, supported by shared amenities which include a reception and restaurant building, pool house and gym, restoration pavilion, wellness retreat and a beach house.

The lodge will draw on the unique experience of the existing Brick Bay Wines and Sculpture trail, which has been developed on the inland side of the property over the past 40 years. The property is located 50 minutes' drive from downtown Auckland and approximately 1 hour 10 minutes from Auckland Airport.

1.2 Purpose and Scope

This report has been prepared to support a referral application under the Fast-Track Approvals Act 2024 (FTAA) by providing robust economic evidence on the project's benefits, costs and economic rationale. The assessment evaluates whether the project is expected to deliver significant economic benefits at a regional or national level, consistent with the referral criteria under s22(2)(a)(iv) of the FTAA. The report adopts an economic impact assessment approach to quantify the gross effects of the development and matches that to the requirements of the FTAA framework, incorporating the latest project parameters, a literature review on foreign direct investment and tourism, and an explicit statutory assessment. Because the project is under ongoing development, some parameters are subject to change. This report represents our analysis of the project using the most up-to-date information, as of 3 March 2026.

1.3 Approach

The assessment involves four stages of analysis.

1. We establish the statutory context under the FTAA and identify the relevant referral criteria.
2. We review academic and policy literature on Foreign Direct Investment (FDI) in tourism, considering domestic and international evidence to frame the mechanisms through which a project of this character generates economic benefits.
3. We examine the New Zealand tourism market context, the luxury accommodation segment and the FDI position within this.
4. We quantify the project's economic effects in three ways
 - a. Input-Output analysis of construction and operational expenditure;
 - b. Visitor expenditure analysis, estimating international guest ancillary spending; and
 - c. A fiscal impact assessment of GST and local government rates.

We also analyse qualitative effects where quantification is not viable, including supply chain spillovers, skills transfer and destination branding.



The report concludes with a statutory assessment and an overall evaluation of the project against the FTAA criteria.

1.4 Data Sources

The analysis draws on the following main sources:

- Project description and master plan (January 2026).
- Construction cost estimates from the developer's financial model and an independent Quantity Surveyor (QS) assessment.
- Operational and financial projections from the developer.
- Supply-use tables describing the inter-industry structure of the New Zealand economy.
- Tourism statistics published by Stats NZ.
- Tourism and MBIE data and publications.
- OECD data on FDI stocks.
- Academic literature on FDI, tourism and economic development.
- Industry sources and publications associated with the luxury accommodation sector.

1.5 Caveats and Limitations

The project is still at pre-construction feasibility stage. Construction cost estimates reflect typical planning-phase uncertainty. Quantitative findings are presented as indicative, with sensitivity analysis conducted where feasible. A conservative position is maintained throughout, with benefit estimates representing pessimistic outcomes. Caveats are discussed throughout the report alongside the analysis where they apply. Key limitations are listed below.

- Operational parameters by the developer have not been independently estimated or verified by Market Economics – they are taken as given and assumed to be reliable.
- The exclusion of corporate income tax due to uncertainty regarding business structures and future operating agreements.
- The exclusion of domestic visitor spending from benefit calculations on the basis that it might represent a transfer rather than net additionality.
- Residual uncertainty around visitor profiles, occupancy rates and trip characteristics.
- Input-Output analysis measures gross activity, not net welfare, and is subject to well-documented limitations which are acknowledged in section 5.

1.6 Code of Conduct

The author of this report is **Tom Harris (BSc/MSc Economics)**, Senior Consultant at Market Economics. Tom has three years' experience at Market Economics, during which time he has carried out a number of



economic assessments in support of FTAA applications. Prior to joining M.E, Tom worked in the UK Civil Service as an economist across a challenging portfolio of projects and sectors. During the Covid-19 pandemic he was the principal analyst in the Department for Education modelling the pandemic's impacts on Children's Social Care. His other roles included leading on graduate outcomes analysis, supporting high-profile national policy implementation, being embedded in the permanent secretary's office, and working closely with external academics and stakeholders. Tom has taught undergraduate economics at the University of Exeter and runs Good with Data, a New Zealand-based charity doing pro bono data-led project for charities.

Director approval and quality assurance has been provided by **Greg Akehurst (BA Geography/BCom. Economics)**, Director Market Economics, member of RMLA, and NZ Association of Economists. Greg has 30 years' experience in economic consulting, including 25 years as a Director of Market Economics Ltd. During this time, he has carried out numerous assessments of economic benefits and effects of developments and projects under the RMA, the COVID-19 Fast Track Act and the Fast Track Approvals Act 2024. With respect to aggregate, Greg has carried out economic studies including Kings Quarry Stage 2, Drury Quarry, Waihi North Mine, Waingaro Quarry and Belmont Quarry in Wellington. Greg has also acted as a peer reviewer for Councils and others on economic matters.

While this assessment and application is not before the Environment Court, this report has been prepared and reviewed in accordance with the Environment Court's Code of Conduct for Expert Witnesses, contained in the Environment Court Practice Note 2023. Other than where it is stated that reliance is placed on the advice of another person, the author(s) confirm that the issues addressed in this report are within their area of expertise. The author(s) have not omitted consideration of any material facts known to them that might alter or detract from the opinions expressed.



2 Statutory Context

2.1 The Fast-Track Approvals Act 2024

The Brick Bay Lodge application is being advanced under the FTAA. The referral criteria under s22(2)(a) of the FTAA most directly applicable to this economic assessment are whether the project will deliver significant economic benefits at a regional or national level (s22(2)(a)(iv)).

2.1.1 Significance of Economic Benefits

The FTAA does not prescribe quantitative thresholds for “significant economic benefits”. Significance is inherently contextual. The Waihi North panel confirmed that significance is an indication of scale and is not determined solely by whether regional or national GDP will change appreciably¹.

In the context of Brick Bay Lodge, the significance of economic benefits is assessed with reference to the quantum of benefits, the project’s alignment with national economic priorities, the quality and durability of the economic contributions and the extent of spillover effects that are not readily quantifiable. As demonstrated in the analysis, the economic benefits are significant on all of these dimensions.

2.2 Other Policy Alignment

2.2.1 Going for Growth

The Government’s Going for Growth agenda (2025) targets a doubling of New Zealand’s exports within ten years.² Tourism is explicitly identified as a sector with the capacity and potential to contribute to this objective. Brick Bay Lodge, designed to attract high-spending international visitors, is directly aligned with this ambition. The concentration of high-value visitors at a single facility generates not only direct export revenue but also ancillary economic activity that would not otherwise occur in the New Zealand economy.

2.2.2 Tourism New Zealand Strategic Priorities

In recognition of the sector’s potential, Tourism New Zealand’s Statement of Intent 2024 – 2028³ explicitly targets export growth. Similarly, the Government Tourism Strategy (2019) has the objective of growing tourism value faster than volume⁴. This is essential for improving sector productivity and can help reduce the environmental intensity of tourism activity per dollar of economic benefit. The strategy also recognises that the tourism sector’s productivity – measured by value added per employee – lags behind other sectors.

¹ [Record of Decisions of the Expert Panel for Waihi North](#) (18/12/2025)

² [Going for Growth](#) (Promoting global trade and investment) – MBIE

³ [Tourism-New-Zealand-Statement-of-Intent-2024-2028.pdf](#), Tourism New Zealand, page 4.

⁴ [New Zealand-Aotearoa Government Tourism Strategy](#) (2019) – MBIE



Brick Bay Lodge is well aligned with this strategic direction: it is low-volume, high-yield accommodation which will generate substantial economic activity per worker and per guest night.



3 Foreign Direct Investment and Tourism

This section reviews the academic and policy literature on the economic effects of Foreign Direct Investment (FDI), with particular focus on FDI in the tourism and hospitality sectors. The purpose is to establish the theoretical and empirical basis for how a project such as Brick Bay Lodge – which is funded by international capital and targeted at international visitors – can generate economic benefits for New Zealand.

3.1 FDI and Economic Growth

The theoretical case for countries to encourage inward FDI is well established. FDI can contribute to host-country economic performance through capital accumulation, technology and knowledge transfer, technical spillovers, supply chain development and competitive pressures on domestic firms. However, the academic literature suggests that outcomes can be mixed and are dependent on the nature of FDI and conditions in the host country. This section focuses primarily on research from the World Bank into this link, particularly a 2023 Working Paper from Bénétrix et al. (2023), which scrutinised the relationships between FDI and growth⁵.

In summary, there tends to be a positive and statistically significant correlation between FDI and growth for countries with sufficiently well-developed financial sectors or high levels of human capital, but no correlation for less developed countries. New Zealand's institutions mean it is in the category of economies where the complementary conditions are satisfied, suggesting FDI should facilitate growth.

Numerous studies have demonstrated productivity spillovers in host countries, particularly through backward linkages in the supply chain. When FDI involves sourcing intermediate goods and services from domestic suppliers, it can provide a GDP boost and expose the suppliers to higher standards of quality, reliability and operational practice⁶. These effects can diffuse through the local supply network.

The OECD's FDI Qualities Policy Toolkit (2022)⁷ highlights that foreign firms are more likely to offer formal training opportunities, invest in R&D, and incorporate environmental issues in their strategic objectives. It also finds that foreign firms' operations also have spillover effects on domestic businesses arising from value chain relationships between foreign and domestic firms, market interactions through competition and imitation effects, and labour mobility of workers. Greenfield projects in OECD countries generate 3 direct jobs per USD \$1 million invested, with labour-intensive sectors generating significantly more.

⁵ [The Elusive Link Between FDI and Economic Growth](#) – Bénétrix et al. (2023). World Bank Policy Research Working Paper.

⁶ [Does Foreign Direct Investment Increase the Productivity of Domestic Firms?](#) In Search of Spillovers Through Backward Linkages – Beata Smarzyska Javorcik (2004). American Economic Review, 94(3), 605–627.

⁷ [FDI Qualities Policy Toolkit](#) – OECD (2022)



3.2 Tourism FDI

Tourism FDI is structurally distinct from FDI in other sectors. It can encompass a range of activities, such as accommodation and transport infrastructure, tour operation and food and beverage services. Whereas FDI in extractive industries or advanced manufacturing typically concentrates capital and employment within a single facility or supply chain, tourism is more likely to disperse activity across sectors. The OECD estimates that every \$1 of tourism exports generates 89 cents of domestic value added, with 56 cents coming directly and 34 cents from indirect impacts – i.e., due to supply chain linkages⁸.

Accommodation accounts for the majority (59%) of greenfield tourism FDI projects globally, making hotel and resort construction the primary way foreign capital enters host countries⁹. These arrangements involve significant commitments, including construction programmes, and embed investors in the local supply chain. Non-equity arrangements (management contracts and franchise agreements etc.) involve much less.

Multinational hotel chains have overwhelmingly preferred non-equity modes of FDI¹⁰. The visible presence of hotel chains can therefore significantly overstate the foreign capital actually committed to host countries¹¹. Committing equity capital, as is the case with Brick Bay Lodge, represents a deeper economic engagement than typical tourism FDI.

In addition to being a source of FDI, tourism also facilitates the attraction of future FDI flows¹². Tourism is a location-specific determinant of FDI, which can create a positive feedback loop, and means that projects are not static¹³. International visitors who experience a country's environment, market conditions and quality of life might subsequently invest in the economy. This means that high-value tourism not only captures visitor spending but also acts as an advert for the host country's investment potential to potential future investors.

3.2.1 Luxury Tourism

The luxury tourism market exhibits many of the best features of tourism FDI for host countries identified above. Despite luxury tourists constituting a small share of total arrivals, their per-visitor and per-night economic contribution is disproportionately large. High-end tourists in Europe spend 8 times more per day than the average¹⁴. Comparing accommodation structures of equivalent scale, high-end accommodation also has 2 times as many employees¹⁵.

⁸ [Tourism Trends and Policies 2020](#) – OECD

⁹ [Tourism Investment Report](#) – UN Tourism (2022)

¹⁰ [Foreign Direct Investment in Tourism: Flows and Volumes](#) – Endo (2006)

¹¹ [FDI in Tourism: The Development Dimension](#) – United Nations Conference on Trade and Development (2007)

¹² [Investment in familiar territory: Tourism and new foreign direct investment](#) – Sandford (2000)

¹³ [The Relationship between Foreign Direct Investment and Tourism: Empirical Evidence from China](#) – Tang et al. (2007)

¹⁴ [High-end Tourism: a strong driver for Europe](#) – European Cultural and Creative Industries Alliance (2022, report by Bain & Company)

¹⁵ Ibid



Fortune Business Insights, a market research provider, projects the global luxury travel market to grow at 8.7% per year in the decade to 2034¹⁶. This reflects an expanding global affluent class and sustained post-pandemic preference for luxury travel. Capturing some of this demand offers potential for high economic rewards.

Luxury tourism should also yield good knowledge transfer benefits. Staff are trained to international standards, suppliers are held to explicit quality protocols, and many other advantages are transferred to staff or suppliers who might then apply those standards across New Zealand.

3.3 Application to Brick Bay Lodge

The literature establishes that tourism FDI generates the strongest positive outcomes when it involves greenfield equity investment, integrates with domestic supply chains, transfers knowledge and quality standards to local firms, and operates in a host country with the institutional and human-capital conditions to absorb those benefits. Brick Bay satisfies all of these conditions. In addition to being an addition to New Zealand's accommodation stock, it will boost the country's export base and productive capacity within the tourism sector. The project is an example of greenfield equity FDI, and involves a large capital commitment to New Zealand. Given New Zealand's meagre FDI stock as a proportion of GDP – which is examined in detail in Section 4 – investment of this scale is significant. The Lodge will generate procurement demand across a wide range of domestic sectors and integrate well into established supply chains.

¹⁶ [Luxury Travel Market Size](#) – Fortune Business Insights (accessed 04/03/2026)



4 Market Context

4.1 New Zealand Tourism

As detailed in Section 2.2, the Government has a target to double the value of New Zealand's exports in 10 years (by 2034).¹⁷ Tourism is New Zealand's second largest export sector¹⁸. In the year to March 2024, the sector contributed 7.5% of total GDP through direct tourism-related activity and supply chain effects.¹⁹ International tourism accounted for 17.2% of New Zealand's total exports, second only to dairy products by value.

The sector employs 183,000 people directly and a further 121,000 indirectly, which makes up 11% of total employment²⁰. However, value added per employee lags behind other sectors, and a focus of the most recent Government tourism strategy was to grow value faster than volume²¹.

4.2 The Luxury Accommodation Market

New Zealand's luxury lodge sector is small by international standards. Established properties include Huka Lodge (Taupō), Blanket Bay Lodge (Queenstown), The Lindis Lodge (Omarama) and a limited number of others. The sector is concentrated in the South Island, with limited luxury lodge capacity proximate to Auckland, despite Auckland being the entry point for a large share of international tourists.

Analysis by Horwath HTL suggests that luxury room supply in New Zealand remains constrained, particularly relative to the global growth trajectory of high-end tourism accommodation²². Brick Bay Lodge would partially address this supply gap. Its proximity to Auckland provides direct access to ancillary spending opportunities not available to more remote luxury properties, which has the added potential of increasing benefits to other parts of the economy beyond the lodge.

¹⁷ [Going for growth, February 2025 \(Promoting global trade and investment\)](#) – MBIE

¹⁸ [Tourism satellite account: Year end March 2024](#) – Stats NZ (Table 2). *Based on selected primary export product groupings.

¹⁹ [Tourism satellite account: Year end March 2024](#) – Stats NZ (Table 1)

²⁰ [Tourism satellite account: Year end March 2024](#) – Stats NZ (Table 6) and Total employment from Market Economics BD deluxe (2,817,000)

²¹ [New Zealand-Aotearoa Government Tourism Strategy \(2019\)](#) – MBIE

²² [New Zealand Hotels and Chains Report](#) – Horwath HTL (Hotel, Tourism, Leisure). 2023



4.3 Foreign Direct Investment in New Zealand

New Zealand's FDI stock stands at 35% of GDP (2024), ranking 10th lowest among 36 OECD countries and 15 percentage points below the OECD median (50%).²³ This is a significant shortfall. New Zealand is in the bottom third of advanced economies for attracting international investment, constraining the productivity gains that flow from FDI. This increases the relative importance of proposals of Brick Bay's scale.

²³ [Foreign Direct Investment Stocks – Direct principle inward](#). OECD (2024)



5 Economic Effects

5.1 Analytical Approach

The assessment uses a mixture of analytical techniques to quantify impacts across the construction and operational phases. Three approaches are employed, with omissions and other considerations such as spillovers discussed qualitatively.

- **Input-Output analysis:** This quantifies the value added and employment effects attributable to the construction and operational spending by Brick Bay Lodge.
- **Visitor expenditure analysis:** We estimate ancillary spending by international visitors. Three estimation methods are used to test sensitivity and in recognition of the residual uncertainty around visitor profiles or trip outcomes. Domestic visitor spending is excluded from benefit calculations because we assume it represents an expenditure transfer rather than net additionality.
- **Fiscal impact assessment:** in addition to the taxes paid on Brick Bay expenditure, we calculate GST on the goods sold plus local government rates on the property's capital value. Corporate income tax is excluded due to uncertainty regarding margins and operating practices. There will also be rental payments to the villa owners, which will incur income tax (or equivalent) in New Zealand. Again, because of uncertainties, these are not quantified for this report and are discussed qualitatively instead.

Within these frameworks, effects are classified as:

- **Direct:** on site activity generated by construction expenditure and lodge operations;
- **Indirect:** supply chain effects arising from the purchase of intermediate goods and services by direct suppliers; and
- **Induced:** household spending effects from employee incomes.

All costs and values are presented as real values in 2026 prices, in line with New Zealand Treasury guidance. The appraisal period used is 30 years from 2026 – 2055. Timings align with those assumed in the developer's financial models, with construction commencing in 2027, the lodge opening in 2029 and the final units being finished by 2031. We present the analysis of effects using both a 2% and 8% discount rate.

5.2 Project parameters

Table 1 shows the proposed components of the facility and indicative specifications.

Table 1 - Buildings and Facilities Summary

Component	Units	Floor Area (approx. sqm)	Key Features
Large Villas	22	300	Private pools, ocean views, concierge service, four bedrooms
Cottages	15	175 - 200	Garden setting, two bedrooms
Treehouses	8	100	Minimalist eco-design for wellness retreats
Central and Resort Facilities	—	4,158	Wellness Retreat; Restoration Pool; Reception, Food and Beverage; Pool House; Beach House

5.3 Construction-Phase Impacts

As the project is still in pre-construction feasibility stage, construction cost estimates reflect typical planning phase uncertainty. We model two scenarios based on independent preliminary cost assessments:

1. Financial Model (FM) assessment: The developer's internal projections of the total project costs; and
2. Quantity Surveyor (QS) assessment: Cost estimates by an independent QS, adjusted to reflect updated project parameters.

Table 2 summarises the high-level differences between the two estimates. Part of the divergence is likely due to how costs are recorded between spend items. Land acquisition costs are excluded from the QS costs, but these are not modelled through the I-O framework.

Table 2 – Construction Cost Estimates

Item	QS	FM
Accommodation	\$151m	\$218m
Amenities and Site Works	\$80m	\$70m
Professional Fees and Contingency	\$85m	\$55m
Consent and Planning	\$2m	\$7m
Land Purchase	\$25m	\$25m
Total less Land Costs	\$318m	\$350m

Using an Input-Output framework, the cost estimates are mapped to individual economic sectors based on the description of activities. All spending is assumed to occur in Auckland, and the staging of works is



aligned with the FM scenario. Construction is assumed to commence in 2027 and conclude by the end of 2031²⁴.

The model estimates suggest that total value added from construction could be between \$317m and \$376m when discounted at 8%, but these figures rise to \$380m - \$422m when discounted at 2%. The divergence is largely due to the different sectors in which spending is assumed to occur and reflect the sensitivity within IO models to how inputs are assigned. Differences in the timing of spend affects the outcomes. Because the costs are all borne between 2026 and 2031, the impact of different discount rates is minimal.

Employment estimates are for 1,110 – 1,150 direct job year equivalents, sustained through the construction stage and a total of 3,760 – 4,130 equivalent job years when considering indirect and induced employment. This is equivalent to an average of 185 – 190 direct jobs per year during the six-year construction period.

5.4 Operating-Phase Impacts

Lodge operations will generate ongoing economic activity through procurement of goods and services, marketing, maintenance, professional services and an array of other costs as they host international visitors. Rates payments and GST on revenue are calculated separately below. Lodge operating costs are expected to begin at \$11.9m per year (2026 prices) when the lodge opens in 2029 and rise to \$18.8m (2026 prices) once the construction of all accommodation is complete and the lodge is fully operational in 2032.

Operating costs are modelled over the full 30-year appraisal period (2026 – 2055), which amplifies the effect of discount rate selection relative to the construction phase impacts. Estimated value added ranges from \$177m (8% discount rate) to \$397m (2% discount rate).

Direct employment is estimated at 3,580 job years, which is equivalent to around 140 jobs per year. Detailed outputs for operational expenditure impacts are shown in the Annex.

5.5 Visitor Ancillary Spending

International visitor expenditure is a net export benefit to New Zealand. Domestic spending is excluded from the benefit calculations because, in the absence of Brick Bay Lodge, it is possible that guests would spend equivalently on goods and services within New Zealand, perhaps by staying at luxury accommodation elsewhere or increasing discretionary spending.²⁵ If they would opt for an international trip instead, this calculation omits the benefits from domestic visitors. However, it is equivalently true that international guests might travel elsewhere in New Zealand in the absence of Brick Bay, though the unique offering at

²⁴ Some costs associated with construction are allocated to 2026, such as spending on scientific and professional services, though physical work is not expected to take place until 2027

²⁵ Domestic guests will contribute to sustaining the business and therefore generating the operating costs which we have calculated above.

the lodge make this eventuality less likely. We cannot elicit potential travellers' exact preferences at this stage. Therefore, domestic visitors' spending is omitted from consideration of benefits to be conservative, representing true additionality rather than redistribution.

Two scenarios test the sensitivity of outputs to occupancy rates and international visitor composition.

- **Scenario 1 (Conservative)** applies downside occupancy projections from the developer's financial modelling. International visitors are assumed to comprise 62% of total guests, which is imputed from the trend observed 1999 – 2009 for luxury accommodation in New Zealand.²⁶
- **Scenario 2 (Industry Benchmarks)** applies average occupancy rates for luxury accommodation and boutique lodges in Auckland (48%) to the c50 hotel rooms in the nightly rental pool.²⁷ Due to fanuances with the villa rental subset, this occupancy is assumed to remain at half of that level. International visitors comprise 80% of total guests based on industry intelligence from comparable facilities.

Table 3 summarises key assumption values and modelling parameters. Occupancy rates and revenue proportions change over time as the development scales up to full capacity. Guests per room are based on New Zealand averages, however these tend to be higher for luxury lodges, meaning the total guests might be an underestimate. This suppresses our estimates of downstream benefits such as ancillary spending per guest.²⁸

Table 3 - Visitor Spending Modelling Assumptions

Assumption Input	2029	2032
General Assumptions		
Guests per Room	1.70	
Accommodation Revenue Share	35%	67%
Shorter Stay Villas Nightly Rate per Room (2026 prices)	\$1,885	
Longer Stay Villas Nightly Rate per Room (2026 prices)	\$942	
Scenario 1 - Conservative		
Occupancy - Shorter Stay Villas	25%	43%
Occupancy - Longer Stay Villas	15%	15%
International Guest Share	62%	
Scenario 2 - Industry Benchmark		
Occupancy - Shorter Stay Villas	25%	48%
Occupancy - Longer Stay Villas	15%	24%
International Guest Share	80%	

²⁶ "If you build it they will come" or will they? A review of travel motivation theory - Brocx & Harkinson (2009) via [Reflecting on moving forward: luxury hospitality in New Zealand post-COVID-19](#) – Tracy Harkinson (2023)

²⁷ [Tourism New Zealand Dashboard](#). Value for YE 2025

²⁸ [South Wairarapa District Council Strategy Working Committee](#).

Table 4 contains annual guest volumes and revenue estimates. International guest numbers are calculated by applying the international visitor share to total guests (based on the scenario occupancy assumptions and available rooms). Revenue from international guests is proportional to their guest share.

Table 4 – Brick Bay Revenue Estimates

Value	2029	2030	2031	2032
<i>Scenario 1 - Conservative</i>				
Average Nightly Total Guest Count	18	30	45	55
Average Nightly International Guest Count	11	19	28	34
Brick Bay Revenue	\$15.5m	\$18.8m	\$22.7m	\$27.4m
Revenue from International Guests	\$9.6m	\$11.6m	\$14.1m	\$17.0m
<i>Scenario 2 - Industry Benchmark</i>				
Average Nightly Total Guest Count	18	33	53	70
Average Nightly International Guest Count	14	26	43	56
Brick Bay Revenue	\$15.5m	\$20.2m	\$26.0m	\$33.4m
Revenue from International Guests	\$12.4m	\$16.1m	\$20.8m	\$26.7m

International visitors will generate economic benefits beyond their spending at the Lodge. We define their ancillary spending as anything not recorded as revenue by Brick Bay. This includes the cost of transport, activities, attractions, food and beverage services and retail. The extent of benefit to New Zealand businesses is determined by the volume and composition of this expenditure. Three methods are used to estimate this quantum.

- **Method 1 – Average Daily Spend of Airbnb guests.** A study by Oxford Economics found that non-accommodation spending by Airbnb guests was \$380 per day in 2024.²⁹
- **Method 2 – Highest Decile Trip Residual.** A 2019 release from the International Visitor Survey lists average trip spend and average trip duration for high-spending visitors, classified by the researchers as those in the top 10% of daily spend.³⁰ Accommodation costs at Brick Bay subtracted from this value gives an estimate of potential per visitor spending. This captures the spending propensity of wealthy visitors but may not fully reflect Brick Bay’s specific guest profile.
- **Method 3 – Non-accommodation spend share.** Tourism New Zealand releases market insights for visitors from different countries. The latest insights reveal that UK visitors spend 25% on accommodation and 5% on food and beverage services, on average.³¹ Visitors from the USA spend 20% on accommodation and 10% on food and beverage services.³² Using 30% as an assumed share

²⁹ [Airbnb’s impact in New Zealand](#) – Oxford Economics (2025) via Airbnb

³⁰ [Higher-spending visitors in the IVS](#) – MBIE (2019)

³¹ [United Kingdom Visitors and Market Insights](#) – Tourism New Zealand (2025)

³² [USA Visitors and Market Insights](#) – Tourism New Zealand (2025)

of spend that will take place at Brick Bay, additional spending can be calculated from the accommodation spend estimates.

All of the approaches are highly uncertain and likely misrepresent reality in various ways. Brick Bay guests will have much more spending power than average Airbnb guests, but on-site amenities may retain guests and therefore constrain further spending. Proximity to Auckland may increase spending opportunities relative to other remote lodges, though transport costs might be lower. Trip duration and unique itineraries introduce further potential for variability. Estimates from Method 3 are distorted by visitors camping or freedom camping, causing accommodation to comprise a small share of total costs. Method 2 is the most robust, though is considered conservative because Brick Bay's guests will have deeper pockets than the cohort analysed in the IVS. Estimates from Method 2 are therefore used in the aggregate tables of NPV.

Table 5 presents the ancillary spending estimates using the three methods under both occupancy scenarios. Method 1 results in the lowest estimates: \$4.7m - \$7.8m from 2031 based on occupancy scenario. Method 2 suggests \$12.4m - \$20.5m annually and Method 3 suggests \$26.7m - \$44.2m, highlighting the differences between inputs.

Table 5 – International Visitor Ancillary Spending (Spending in the Economy Outside of Brick Bay)

Method Used for Calculation	2029	2030	2031	2032
<i>Scenario 1 - Conservative</i>				
Average daily spend of Airbnb guests	\$1.5m	\$2.6m	\$3.9m	\$4.7m
Highest Spend Decile Trip Residual	\$4.0m	\$6.8m	\$10.1m	\$12.4m
Non-accommodation spend share	\$8.5m	\$14.7m	\$21.8m	\$26.7m
<i>Scenario 2 - Industry Benchmark</i>				
Average daily spend of Airbnb guests	\$1.9m	\$3.7m	\$5.9m	\$7.8m
Highest Spend Decile Trip Residual	\$5.1m	\$9.6m	\$15.5m	\$20.5m
Non-accommodation spend share	\$11.0m	\$20.7m	\$33.5m	\$44.2m

5.6 Additional Fiscal Benefits

This section quantifies two additional impacts:

1. GST on accommodation revenue from international visitors (calculated at 15% of revenue).
2. Local Government Rates, which is based on estimated capital value of \$338m (derived from land purchases and proportional return on spending on construction activities).

Corporate income tax has been excluded at this stage due to uncertainties, though this will constitute a fiscal benefit to New Zealand. Rental payments from the lodge to villa owners will also be subject to income tax (or equivalent) in New Zealand. It is not clear how these entities will be established, so these impacts are only recorded qualitatively. Importantly, not all post-rental income will be repatriated out of the country.

Table 6 summarises annual benefits under both occupancy scenarios. Rates are calculated from the capital value of the property, which is independent of occupancy scenario, so is presented separately but included in the totals. In the conservative scenario, benefits range from \$2.0m (2029) to \$3.5m (2032). In the industry benchmarks scenario, benefits range from \$2.4m (2029) to \$5.0m (2032).

Corporation tax on profits is a notable exclusion from this calculation. At this stage, it is deemed overly ambitious to assess how much profit will be earned based on profit allocation mechanisms between villa owners and lodge operators, the corporate structure and tax residency of entities involved, and other factors such as business costs.

Table 6 – GST and Rates

Benefit	2029	2030	2031	2032
Local Government Rates	\$0.5m	\$0.7m	\$0.9m	\$1.0m
<i>Scenario 1 - Conservative</i>				
GST on Brick Bay Revenue from Internationals	\$1.4m	\$1.7m	\$2.1m	\$2.6m
Total	\$2.0m	\$2.5m	\$3.0m	\$3.5m
<i>Scenario 2 - Industry Benchmark</i>				
GST on Brick Bay Revenue from Internationals	\$1.9m	\$2.4m	\$3.1m	\$4.0m
Total	\$2.4m	\$3.2m	\$4.0m	\$5.0m

5.7 Present Value of Benefits

Table 7 shows the Present Value (PV)³³ of the benefits in Table 6 + Table 5 over the 30-year appraisal period. Both scenarios use the Highest Spend Decile Trip Residual (Method 2).

The conservative scenario PVs range from \$136m (8% discount rate) to \$308m (2% discount rate). For the industry averages scenario, the range is \$214m - \$488m.

Table 7 - PV Visitor Generated Benefits and Direct Taxes

Scenario	8%	2%
Conservative	\$136m	\$308m
Industry Benchmark	\$214m	\$488m

Combining the outputs from Table 7 with those in the IO modelling gives a sense of potential total benefits. These are presented in Table 8 below. For the totals, the QS and conservative scenarios are added to the

³³ Present Value (PV) shows the current value of future sums of money, calculated by applying a discount rate that reflects the time value of money.

operational spending to form the lower estimate. The others are added to the operational spending in the upper estimate.

Table 8 - PV Benefits Summary

Scenario	8%	2%
<i>Construction Spending</i>		
QS	\$317m	\$380m
FM	\$376m	\$422m
<i>Operational Spending</i>		
Scenario	\$177m	\$397m
<i>Other Benefits</i>		
Conservative	\$136m	\$308m
Industry Benchmark	\$214m	\$488m
<i>Totals</i>		
Lower bounds	\$630m	\$1.1bn
Upper bounds	\$767m	\$1.3bn

5.8 Qualitative Effects and Spillovers

Beyond the quantified impacts, Brick Bay Lodge will generate a range of economically significant effects that are not easily quantified or expressed in monetary terms.

5.8.1 Skills Transfer and Labour Market Effects

There are possible positive distributional effects. 45% of hospitality workers' highest qualifications was a high school certificate or below³⁴. The lodge will require a workforce trained to international luxury standards, enabling workers to upskill. This is consistent with the FDI literature findings that FDI in tourism pays higher wages and invests more in development than domestically owned equivalents.

There is also high job satisfaction in the sector (72% of workers report enjoying their work), so work is likely to be rewarding for those employed relative to alternatives.

5.8.2 Destination Branding and Familiarity Effects

High-profile developments such as Brick Bay Lodge will generate media coverage, travel industry recognition and hype among a key demographic targeted by New Zealand tourism. This effect is not limited to the lodge. Matakana and Auckland region will benefit from visibility from visitors who might otherwise skip the area.

³⁴ [Hospitality and Tourism Report 2024](#) – MBIE



The familiarity effect is self-reinforcing: international visitors gain knowledge of New Zealand's investment environment and commercial opportunities. Given New Zealand's low FDI stock, converting tourism into subsequent investment could be significant.

5.8.3 Supply Chain Effects

The lodge has operational requirements that will create sustained demand for premium goods and services such as wine, high-end food, specialist landscaping etc. This boosts upstream economic activity and incentivises local producers or contractors to develop products to a higher standard. These effects would not be captured by the IO model because they represent improvements in supplier capability rather than being additional output.

5.8.4 Cultural and Community Benefits

The collaboration with Ngāti Manuhiri allows cultural heritage at Brick Bay to be celebrated, including a notable Pā site on the property. The Brick Bay Wines and Sculpture Trail already plays an important role in fostering the next generation of New Zealand fine artists. The lodge will extend this cultural contribution by providing an international audience for exhibitions. These cultural dimensions are not easily quantified but are an important aspect of the project's contribution.

5.9 Costs and Trade Offs

This assessment has considered a range of other effects including:

- **Opportunity costs.** The alternative uses of capital are not considered, although it is assumed that in the absence of Brick Bay, investor capital would not enter New Zealand. There are also opportunity costs for the land, though the economic value of the development might be an order of magnitude higher than realistic alternatives at this stage.
- **Infrastructure and Service Demand.** Increased visitor volumes will have costs on local infrastructure and public services. Despite the number of visitors being lower than other accommodation types, there is still an effect. Notably however, Brick Bay already admits 35,000 – 40,000 people to the winery, sculpture path and other on-site attractions. This is equivalent to 96 – 110 people per day. Using the occupancy assumptions above, the lodge would increase daily visitors by 50% - 73% (depending on occupancy assumptions and whether visitor numbers are closer to 35k or 40k).³⁵
- **Environmental and Amenity Costs.** Development impacts landscapes, ecology, traffic and local amenity.

³⁵ Visitors are not uniformly spread throughout the week. At weekends, the site receives many more visitors, meaning that guests at the lodge will comprise a smaller share. During the week, guests will bring the total levels closer to the current weekend attendance.



6 Statutory Assessment

On the basis of this assessment, Brick Bay Lodge should deliver significant economic benefits to New Zealand within the definition of the FTAA. The benefits arise from capital investment, operational expenditure, export revenue, fiscal contributions and qualitative spillovers, most of which are sustained over the full 30-year appraisal period. The economic case is not dependent on any one of these impacts. The combination of these impacts, strategic alignment and structural characteristics of the investment justify the project's FTAA referral on economic grounds.

The quantified benefits are substantial. Construction-phase value added is estimated at \$317m - \$422m depending on the cost scenario and discount rate. Operating-phase value added is estimated at \$177 - \$397m over the appraisal period.

Including visitor ancillary spending, GST and local government rates in total NPV adds \$136m - \$308m under the conservative scenario and \$214m - \$488m under the industry benchmarks scenario. These figures are conservative. They exclude corporate income tax, income tax on rental payments to villa owners, domestic visitor spending and a range of other revenue streams that will arise but have not been estimated. The analysis also applies conservative occupancy assumptions and uses a visitor spending methodology (Method 2) that is likely to understate the expenditure of Brick Bay's guest profile.

Construction will generate 1,110 – 1,150 direct job-year equivalents, averaging 185 – 190 direct jobs per year over the construction period. Total construction employment, including indirect and induced effects, is 3,760 – 4,130 job-year equivalents. Operations will sustain approximately 140 direct jobs per year over the life of the facility. Luxury hospitality is also characterised by higher skill requirements and higher wages than the sector average.

All spending by international visitors at the lodge and within New Zealand counts as tourism exports. Under the conservative scenario, annual international guest revenue at the lodge alone reaches \$17.0m at full capacity (with conservative occupancy assumptions). Ancillary spending in the wider economy is estimated to add a further \$12.4m – \$20.5m annually. These flows are net additions to New Zealand's export base and are unlikely to displace existing tourism activity because Brick Bay addresses an identified supply gap in the luxury accommodation market, particularly in proximity to Auckland.

The project advances multiple Government priorities. It increases the unit value of tourism exports, consistent with the Tourism Strategy's objective of growing value faster than volume. It also generates sustained employment in a sector with a workforce that often has few qualifications.

This economic analysis has identified no major adverse economic effects. The opportunity cost of the land is likely to be far below the value generated by the development. Infrastructure costs are also modest given the property already accommodates around 40,000 visitors annually, and the Lodge will increase daily traffic by a manageable amount.

Against this baseline, the proportionality test under the FTAA is comfortably satisfied. The economic benefits are significant by a wide margin relative to the economic costs.



7 Conclusion

The economic case for Brick Bay Lodge is strong in the context of the Fast-track Approvals Act. The project will deliver significant and sustained economic benefits to the Auckland region and to New Zealand, commencing during construction and extending over a 30-year operational horizon.

The quantified benefits are large. Construction and operational expenditure will generate value added contributions to GDP of between \$630m and \$1.3bn over the appraisal period, depending on cost scenario and discount rate. International visitor expenditure, GST and local government rates add a further \$136m – \$488m in net present value. These estimates are conservative throughout: they exclude corporate tax, income tax on rental distributions, domestic visitor spending and several other revenue streams that have not been quantified for this report.

The project will sustain approximately 140 operational jobs per year alongside the construction workforce of 185 – 190 direct positions per year during the build phase. These jobs represent the creation of high-quality employment in a sector where New Zealand has a strategic opportunity and a productivity deficit.

Beyond the quantified outputs, the economic rationale is enhanced by the nature of the investment. Brick Bay Lodge involves approximately \$390m in greenfield equity FDI at a time when New Zealand's FDI stock is 15 percentage points below the OECD median. Academic and policy literature reviewed in this report demonstrates that this form of investment – equity-based, integrated with supply chains and situated in a country with good baseline conditions – generates the most favourable outcomes for host economies.

Designed explicitly for the high-yield international visitor segment, the project directly supports the Government's Going for Growth agenda, Tourism New Zealand's export growth targets and the broader objective of increasing the unit value of tourism. It addresses an identified gap in luxury accommodation supply, particularly in proximity to Auckland.

The economic evidence supports the conclusion that Brick Bay Lodge satisfies the FTAA threshold for significant economic benefits at both a regional and national level.

8 Annex

Table 9 - Construction Phase Value Added Estimates

Scenario	Region	Value Added (NZ\$ million)							
		8% Discount Rate				2% Discount Rate			
		Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total
QS	Auckland Region	81	117	79	277	97	140	95	332
	Rest of North Island	0	12	17	29	0	15	20	35
	Rest of New Zealand	0	4	7	11	0	5	8	13
	Total	81	133	103	317	97	160	123	380
FM	Auckland Region	88	146	92	326	98	164	104	366
	Rest of North Island	0	16	20	36	0	18	23	41
	Rest of New Zealand	0	6	8	14	0	6	9	15
	Total	88	168	120	376	98	188	136	422

Table 10 - Construction Phase Employment Estimates

Scenario	Region	Employment (Years)			
		Direct	Indirect	Induced	Total
QS	Auckland Region	1,110	1,466	764	3,340
	Rest of North Island	0	118	164	282
	Rest of New Zealand	0	51	84	135
	Total	1,110	1,635	1,012	3,757
FM	Auckland Region	1,148	1,698	816	3,662
	Rest of North Island	0	140	179	319
	Rest of New Zealand	0	58	91	149
	Total	1,148	1,896	1,086	4,130

Table 11 - Operational Expenditure Value Added Estimates

Region	Value Added (NZ\$ million)							
	8% Discount Rate				2% Discount Rate			
	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total
Auckland Region	67	41	44	152	152	92	99	343
Rest of North Island	0	8	10	18	0	18	22	40
Rest of New Zealand	0	3	4	7	0	6	8	14
Total	67	52	58	177	152	116	129	397

Table 12 - Operational Expenditure Employment Estimates

Region	Employment (Years)			
	Direct	Indirect	Induced	Total
Auckland Region	3,576	1,103	1,036	5,715
Rest of North Island	0	180	225	405
Rest of New Zealand	0	76	115	191
Total	3,576	1,359	1,376	6,311