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INSIGHT ECONOMICS

Technical Memo

To:	Delmore Project Team/Expert Panel	From:	Insight Economics
Date:	Wednesday, 15 July 2026	Pages:	3 (including this one)
Subject:	Economic Response to RFI 3, Item 1(a) – Capacity of Local Services		

Context

This memorandum helps respond to the request for further information issued on 7 July 2026 (**RFI 3**). It addresses item 1(a) about concerns raised by adjacent landowners regarding perceived impacts on local schools, doctors, hospitals and emergency services, which are perceived to already be under pressure. My conclusions are confined to economic and demographic matters. I have not undertaken an operational capacity audit of any individual school, medical practice, hospital or emergency-service provider, which remains a matter for the responsible agencies. The other matters raised in RFI 3 fall outside my area of expertise and are rightly being addressed by other domain experts.

Summary

Long waits to see a doctor, crowded classrooms, or delayed emergency responses, where evidenced, are real community issues. They do not, however, establish the incremental effect of Delmore, which is the relevant question for this application. To the extent that services are under pressure today, they represent a baseline that would exist with or without the development; that would not, by itself, demonstrate that Delmore would cause an immediate, substantial and unmanageable capacity effect.

A proper assessment should distinguish three things that the comments conflate: **gross occupancy** at Delmore; the **net addition** to each service catchment, after allowing for residents who already live within it; and the **ability of service capacity to adjust** as the development is built and occupied over a decade. Once those distinctions are drawn, the material available does not, in my view, establish local-service capacity as a fundamental economic constraint on the proposal.

Dwellings are not an immediate population shock

The 1,203 proposed dwellings should not be treated as 1,203 new households arriving simultaneously from outside every relevant service catchment to directly increase population and hence net service demand. In practice, some Delmore purchasers or tenants will already live in Ōrewa, Silverdale, Milldale or elsewhere in northern Auckland. So, while they are new to the site itself, they may already fall in the same hospital, primary-care, or emergency-service network. Accordingly, is it incorrect to assume that 100% of all residents at the Development are new to every service catchment.[1]

The development will also be delivered gradually over (say) a decade, so additional service demands will build gradually rather than all occurring at once. For example, based on the 2023 Census profile

[1] I note that people moving within the same catchment to live at Delmore may be leaving behind an empty home that could be occupied by others from outside the catchment, thus causing the population to increase. While that is true, it is only one of many possible outcomes, with the overall impacts depending on the full cascade of moves triggered by the household moving to Delmore. Another possibility is that such moves do not free up a home in the catchment because they simply reflect the reorganization of the existing population across more homes. For example, older people who were previously living intergenerationally with family may eventually move into their own space, couples may separate and split their households across multiple dwellings, and most kids eventually leave home to go flatting. All are examples of increases in the number of occupied households within a catchment for a given population size. As a result, there is no predictable, one-for-one relationship between the provision of new housing in an area and its future population size.

for the adjacent Hibiscus and Bays Local Board Area, the 1,203 dwellings planned for Delmore correspond to roughly 3,420 gross residents at full build-out, including an indicative 650 school-aged residents. On an even-delivery basis, that equates to about 342 gross residents and 65 gross school-aged residents per year. These are conservative gross benchmarks, not forecasts of net additional demand. The relevant question is therefore the ability to manage gradual marginal demand over a decade, not whether today's services could absorb the completed development tomorrow.

Schools

School capacity must be considered by age group, across the network, and – critically – by the enrolment zones that apply to the site. On the latter, the Delmore site fronts Upper Ōrewa Road in Wainui, on the western side of State Highway 1, where local primary school provision is at Wainui School and the new Ahutoetoe School at Milldale (opened 2023), with the applicable in-zone school to be confirmed by the Ministry of Education. At secondary level, the site falls within the enrolment zone of Orewa College, whose zone expressly extends west to Wainui.

The Ministry has nonetheless planned and provided for growth in precisely this location. It classifies Ōrewa–Whangaparāoa as a high-growth "Blueprint for Growth" catchment and has opened two new primary schools in the wider area since 2023 – Ahutoetoe at Milldale and Nukumea at Ōrewa. Most directly, it acquired a 5.6-hectare site at 37 Upper Ōrewa Road, Wainui – adjacent to the development – expressly to meet the educational needs of the Milldale growth area, and expects that site to enable both a new primary school and a new secondary school, with planning directed towards an opening in the second half of this decade.

Delmore will add pupils as it builds out, and the timing and funding of that new provision remain for the Ministry to confirm; but the comments do not demonstrate that the development's gross benchmark of about 652 school-aged residents would arrive at once, would all be additional to the wider network, or could not be accommodated through the Ministry's established roll-growth tools and the school site it has already secured on the Delmore's doorstep.

Doctors & hospitals

A reported two-week wait for a GP appointment indicates pressure at one or more practices, but it is not an assessment of the capacity of the wider primary-care market. General practice is funded substantially through capitation, wherein practices receive funding according to the number and characteristics of the patients enrolled with them. Thus, additional enrolled residents bring recurrent public funding as well as patient co-payments. A larger patient base can support expanded hours, additional clinicians, practice expansion or a new entrant. Health-workforce constraints mean adjustment may lag; they do not make the current number of appointments permanently fixed. I also note that many people choose to stay with their existing doctor when they move to a new suburb, so any genuine new arrivals may elect to use medical services outside Delmore's immediate environs.

Hospital services are planned across much broader areas. Health New Zealand Waitematā serves approximately 650,000 people across the North Shore, Waitākere and Rodney. Delmore's full gross occupancy benchmark is about 0.53% of that population, and about 0.05% per year averaged over the ten-year build; the net addition is smaller still to the extent residents already live within the district. North Shore Hospital has 663 beds, and the Tōtara Haumaru facility opened in June 2024 with eight operating theatres and up to 150 additional beds to help serve the growing catchment. This does not prove that there are no current bed or waiting-list pressures. Instead, it demonstrates that hospital

capacity is planned and augmented at a broad network scale, so anecdotal accounts of existing waits do not quantify Delmore's marginal effect.

Fire, ambulance & police

Fire, ambulance and police are also networked services. Their demand depends on incident rates, risk profiles, response geography and deployable resources, not dwelling numbers alone. The comments do not quantify Delmore-related calls, response-time effects, station capacity or additional resource requirements, and those matters can be tested with the responsible agencies if the Panel requires further assurance.

Funding & conclusion

The NZIER assessment estimated development contributions payments of $24,066 per dwelling – or nearly $29 million across the development's lifecycle – plus Auckland Council rates of about $3.45 million per year at full build-out. Those amounts are fiscal transfers rather than free-standing welfare benefits, and they are not dedicated to every service named in the comments, many of which are funded through central government, levies or capitation. They nevertheless demonstrate that growth brings an expanded ratepayer, taxpayer, customer and enrolled-patient base alongside its service demand. If a responsible agency identifies a specific Delmore-related augmentation cost, the proportionate economic response is to quantify it, identify its funding mechanism and weigh it against the project's benefits. No such quantified cost has been provided in the unsolicited comments, of which I am aware.

Accordingly, the comments establish that the area is growing and assert that some services may currently be under pressure, which is common in most parts of Auckland. They do not establish that Delmore would impose the demand of 1,203 dwellings immediately, that every resident would be new to each service catchment, that service capacity is fixed over the ten-year build period, or that the marginal demand attributable to Delmore would be material, unmanageable or disproportionate. Even on NZIER's most conservative housing-benefit scenario, its Auckland-focussed analysis returned a net present benefit of about $331.8 million and a benefit–cost ratio of 1.8, and nothing in the comments quantifies a cost capable of disturbing that conclusion. On the information presently available, local-service capacity is not established as a fundamental economic constraint on the proposal; the proportionate response to any specific constraint identified by a responsible agency is coordination, staging or targeted augmentation.

Sincerely,

Fraser Colegrave
Managing Director