



Final Report: 1 September 2025

Economic Assessment of Proposed Brookvale Green Development for Fast-track Referral

Prepared for:
Vermont Street Partners

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1. Executive Summary

Context

Vermont Street Partners (VSP) has engaged Insight Economics to provide economic services for the master planning, consenting and design of Brookvale Green. The subject site is located at 174 & 176 Brookvale Road approximately 3.5 km to the east of Havelock North's village centre in the Hawke's Bay region. It comprises a total area of 22.26 hectares on the eastern edge of Havelock North's urban residential boundary. Brookvale Green provides a unique opportunity to deliver a comprehensive residential community comprising 189 – 215 new homes within a well-connected, high-quality and distinctive living environment (the **proposal**). To expedite development, VSP 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) and 22(2)(a)(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 7-year period, including flow-on effects, we estimate that the development could have the following **regional impacts**:

- A one-time boost in GDP of around \$81 million;
- Employment for approximately 565 FTE-years (or 81 people employed full-time for 7 years); and
- Additional household incomes of around \$49 million.

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

- **Significant Increase in Housing Supply:** The proposal enables approximately 189 - 215 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.
- **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.
- **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

The Hawke's Bay region's population is growing steadily, and the latest HCA points to a looming shortfall in greenfield development capacity within Hastings District. The proposal directly responds by unlocking well-located, development-ready greenfield land on the edge of Havelock North. In addition, the proposal:

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

On that basis, we consider the proposal meets criteria 22(2)(a)(iii) and 22(2)(a)(iv) of the FTAA. The fast-track process ensures these benefits are realised sooner than traditional development pathways would otherwise normally allow, and we support it on economic grounds.

2. Introduction

2.1 Project Description

Vermont Street Partners (**VSP**) has engaged Insight Economics to provide economic services for the master planning, consenting and design of Brookvale Green. The subject site is located at 174 & 176 Brookvale Road approximately 3.5 km to the east of Havelock North's village centre in the Hawke's Bay region. It comprises a total area of 22.26 hectares on the eastern edge of Havelock North's urban residential boundary. Brookvale Green provides a unique opportunity to deliver a comprehensive residential community comprising 189 – 215 new homes within a well-connected, high-quality and distinctive living environment (the **proposal**).

The proposal is designed to create a defined rural/urban boundary while enhancing the site's natural ecological features. A defining characteristic of the site is the two stream corridors, one meandering through the centre and the other forming the northern boundary. These features are central to the design approach, providing a strong landscape framework that has shaped the layout of streets, lots, and open spaces. The streams contribute significantly to the site's visual amenity, support ecological values, and provide opportunities for walking, cycling, and passive recreation. Their integration into the development ensures a strong connection to the site's natural character, while the northern stream establishes a soft green edge that reinforces the relationship with the wider rural landscape.

The residential community of Brookvale Green is guided by a series of design principles focused on delivering a liveable, connected, and green environment, with enhanced public spaces and diverse housing options. The development is structured around a central loop road that extends from Brookvale Road and runs through the heart of the site. This loop is supported by local streets and pedestrian and cycle connections to enable a legible grid structure. A variety of housing typologies and densities are proposed to meet the evolving and growing needs of the housing market, ensuring choice and flexibility for future residents. Together, these elements will support the creation of a diverse, visually interesting neighbourhood with a strong sense of place.

To expedite development, VSP 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 describes the proposed development.
- **Section 4** estimates the one-time impacts of the proposal's future development.
- **Section 5** provides context on the local housing market.
- **Section 6** assesses the likely impacts of the proposal on the local housing market.
- **Section 7** considers a range of wider economic impacts of the proposal.
- **Section 8** 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 at 174 & 176 Brookvale Road approximately 3.5 km to the east of Havelock North’s village centre in the Hawke’s Bay region. It comprises a total area of 22.26 hectares on the eastern edge of Havelock North’s urban residential boundary. The site is bound by Brookvale Road to the north, rural land to the east, Te Mata Estate Vineyard to the south and residential activities to the west. Its location is denoted by the blue dot in Figure 1 below.

Figure 1: Location of Subject Site

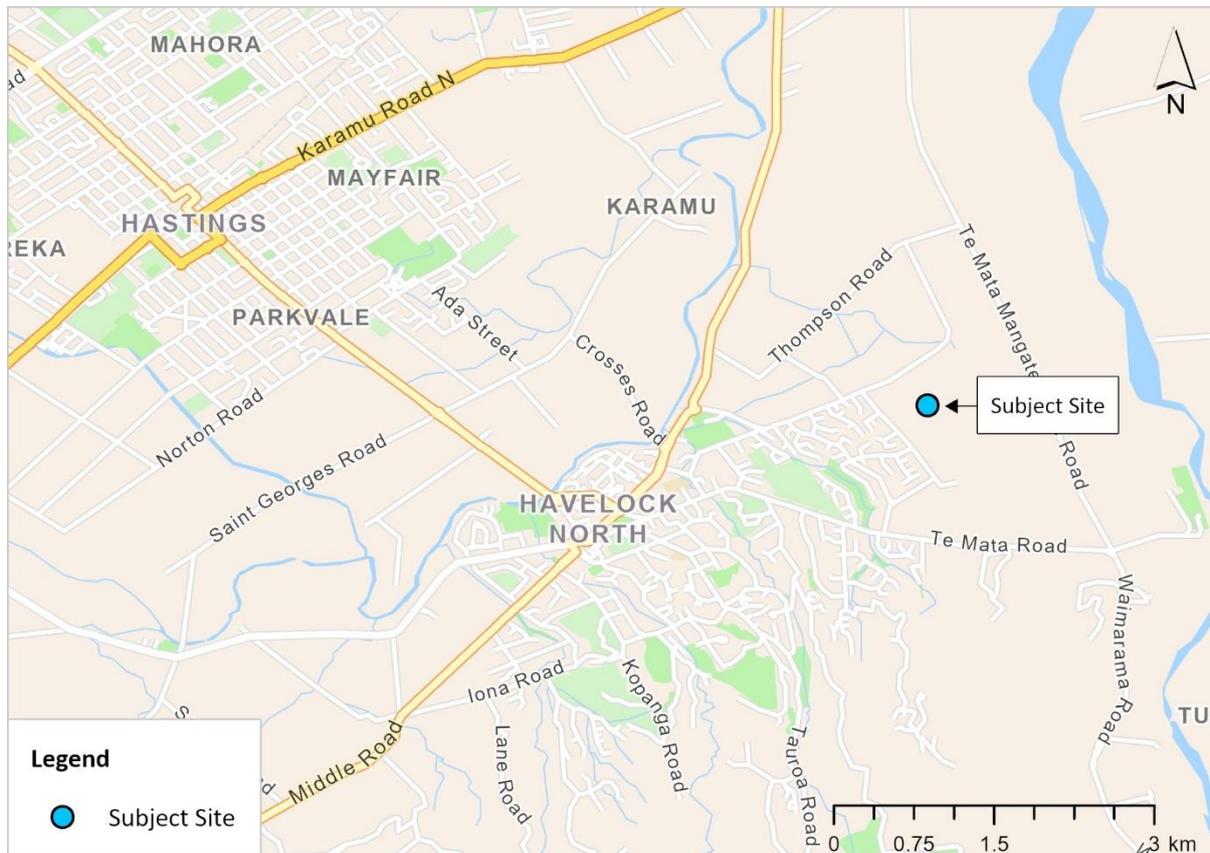


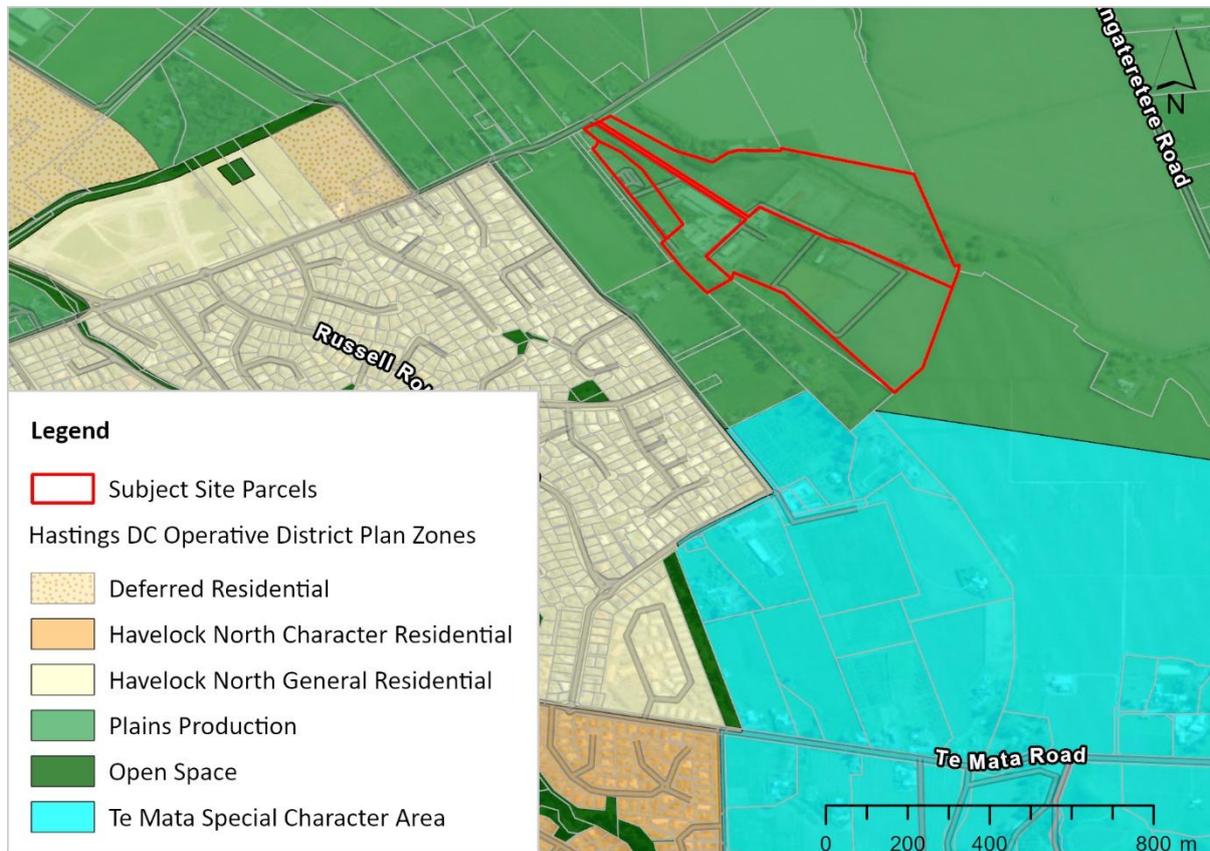
Figure 2 below provides a satellite view of the site in its immediate receiving environment.

Figure 2: Receiving Environment



Under the Hastings Operative District Plan (ODP) the site is zoned Plains Production, as illustrated in Figure 3 below.

Figure 3: Subject Site Zoning under the ODP

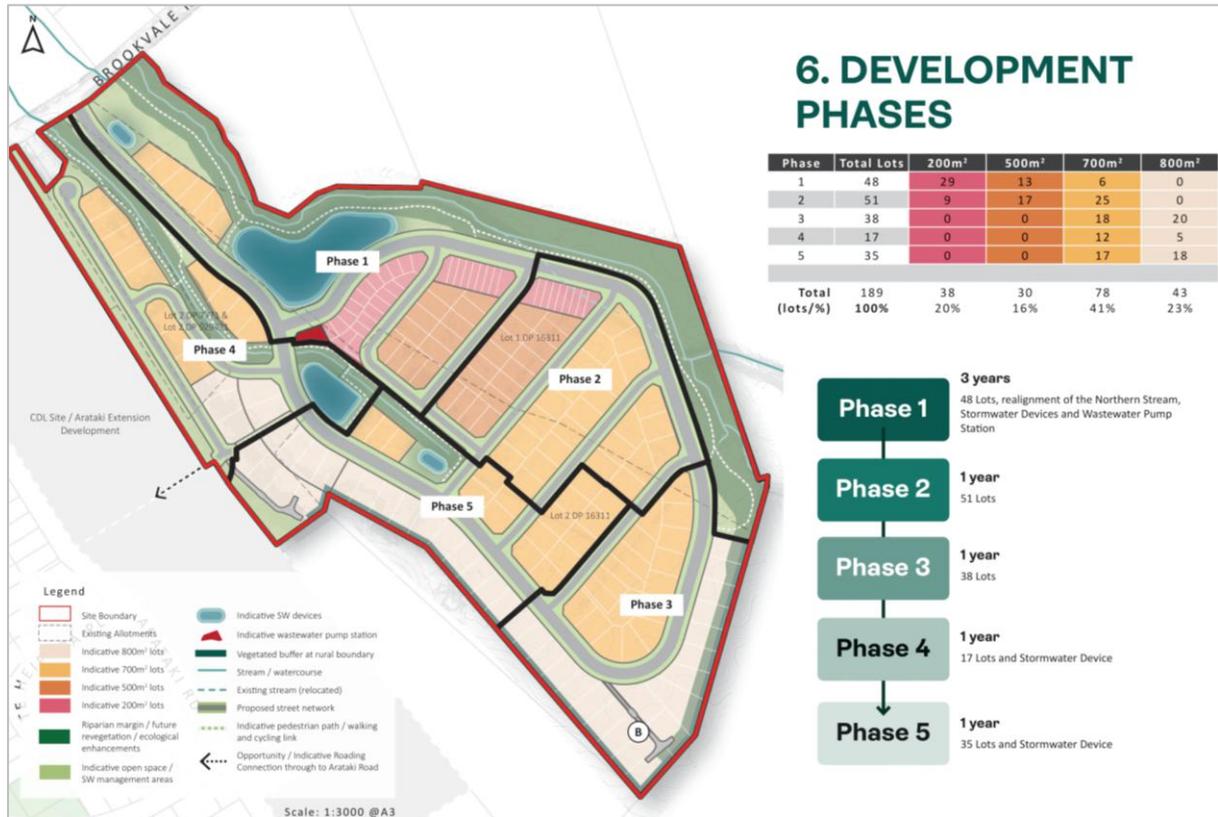


3.2 Anticipated Development Yields and Sequencing

While final yields are yet to be confirmed and are expected to fall within the range of 189 to 215 homes, the latest masterplan notionally shows a yield of approximately 189 dwellings. The development would comprise a mix of section sizes and housing types, with lots expected to range between 200 and 800 square metres, predominantly supporting stand-alone homes, with a small amount of terraced housing to provide additional housing choice and density.

Development is planned to occur in five phases over a period of approximately seven years. The phasing reflects the sequencing of infrastructure, including realignment of the northern stream, stormwater management devices, and a wastewater pump station. This sequencing enables early delivery of infrastructure and provides for a steady pipeline of new housing supply. The indicative lot mix and sequencing across all phases is set out in Figure 4 below.

Figure 4: Indicative Masterplan Yield and Development Phases



4. One-Time Impacts of Development

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

4.1 Introduction

In the previous section we showed that the latest masterplan notionally indicates a yield of approximately 189 new homes. This figure is adopted for modelling purposes in the following analysis. 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 75% of the national one-time impacts accrue to the Hawke's Bay region.¹

In addition, our analysis incorporates various assumptions about the likely scale and cost of future development. Because reliable information was available on likely residential yields, we first estimated the costs of all 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 1 displays our residential development assumptions, which include average dwelling sizes by type and associated build costs², for the 189 new dwellings enabled.

Table 1: Residential Development Assumptions

Dwelling Typology	Approximate Average Lot Size (m ²)	# of New Dwellings	Average Size GFA (m ²)	Build Cost \$/m ² GFA	Total Build Cost \$m
Terrace / Duplex	200	38	125	\$3,700	\$18
Detached (Small)	500	30	160	\$3,400	\$16
Detached (Medium)	700	78	190	\$3,400	\$50
Detached (Large)	800	43	210	\$3,400	\$31
Totals	n/a	189	n/a	n/a	\$115

Overall, residential construction costs are estimated at \$115 million in today's dollars, from which we then derived:

- \$2 million for planning, designing, and consenting costs (i.e., 2% of build costs); and
- \$23 million for infrastructure and civil works costs (i.e., 20% of build costs).

4.4 Summary of Development Costs

Table 2 summarises the estimated total cost of the proposal across the four key activities based on the assumptions set out above, which equal \$140 million in today's dollars.

¹ 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 Hawke's Bay region.

² Build costs were based on the average values over the two years to May 2025 in the Hastings District, as reported in building consent data.

Table 2: Summary of Estimated Development Costs (\$ millions)

Development Activity	\$ millions
Planning, Design, & Consent	\$2
Earthworks & Infrastructure	\$23
Residential Construction	\$115
Total Development Cost	\$140

Finally, we mapped these costs³ 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 Impacts on GDP, Jobs, and Wages

Table 3 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 7-year period.

Table 3: One-Time Economic Impacts of the Proposal by Activity (spread over 7 years)

	Planning & Design	Infrastructure & Civil Works	Residential Construction	Development Totals
Annual Jobs				
Direct	1	6	18	25
Indirect	1	8	51	60
Total	2	14	69	85
Annual FTEs				
Direct	1	6	18	25
Indirect	1	8	47	56
Total	2	14	65	81
Total Wages \$m				
Direct	\$1	\$4	\$10	\$15
Indirect	\$1	\$5	\$28	\$34
Total	\$2	\$9	\$38	\$49
Total GDP \$m				
Direct	\$2	\$6	\$15	\$23
Indirect	\$1	\$8	\$49	\$58
Total	\$3	\$14	\$64	\$81

In summary, we estimate that:

- Future planning/design/consenting will create full-time employment for approximately 2 people over the 7-year development period, generating total wages/salaries of \$2 million;

³ This exercise is straightforward for property development projects like this because two of the three key activities identified map directly to sectors in the economic multipliers dataset. Only the third 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.

- Land development (including infrastructure provision and all other civil works) will create full-time work for 14 people, with \$9 million paid in wages/salaries; and
- Residential construction will provide full-time work for 65 people, with \$38 million paid in wages and salaries.

Overall, the proposal’s development is estimated to provide full-time work for 81 people for 7 years, generating approximately \$49 million in wages/salaries, and boosting GDP by \$81 million.

4.6 Top 10 Industries by FTEs Employed

To better understand the likely impacts of the proposal’s future development, Table 4 reveals the 10 industries likely to experience the greatest employment boosts. Those top 10 industries account for nearly three-quarters of all full-time employment generated by the proposal’s development, with the balance spread across numerous other sectors.

Table 4: Top 10 Industries by Annual FTEs Generated during Development

Industries	Annual FTEs	Shares
Residential building construction	20	25%
Construction services	16	19%
Heavy and civil engineering construction	7	8%
Scientific, architectural, and engineering services	4	5%
Public order, safety, and regulatory services	3	4%
Wood product manufacturing	3	3%
Fabricated metal product manufacturing	2	3%
Legal and accounting services	2	2%
Employment and other administrative services	2	2%
Non-metallic mineral product manufacturing	1	2%
Top 10 Subtotal	59	73%
All Other Industries	22	27%
Total FTE-years (all industries)	81	100%

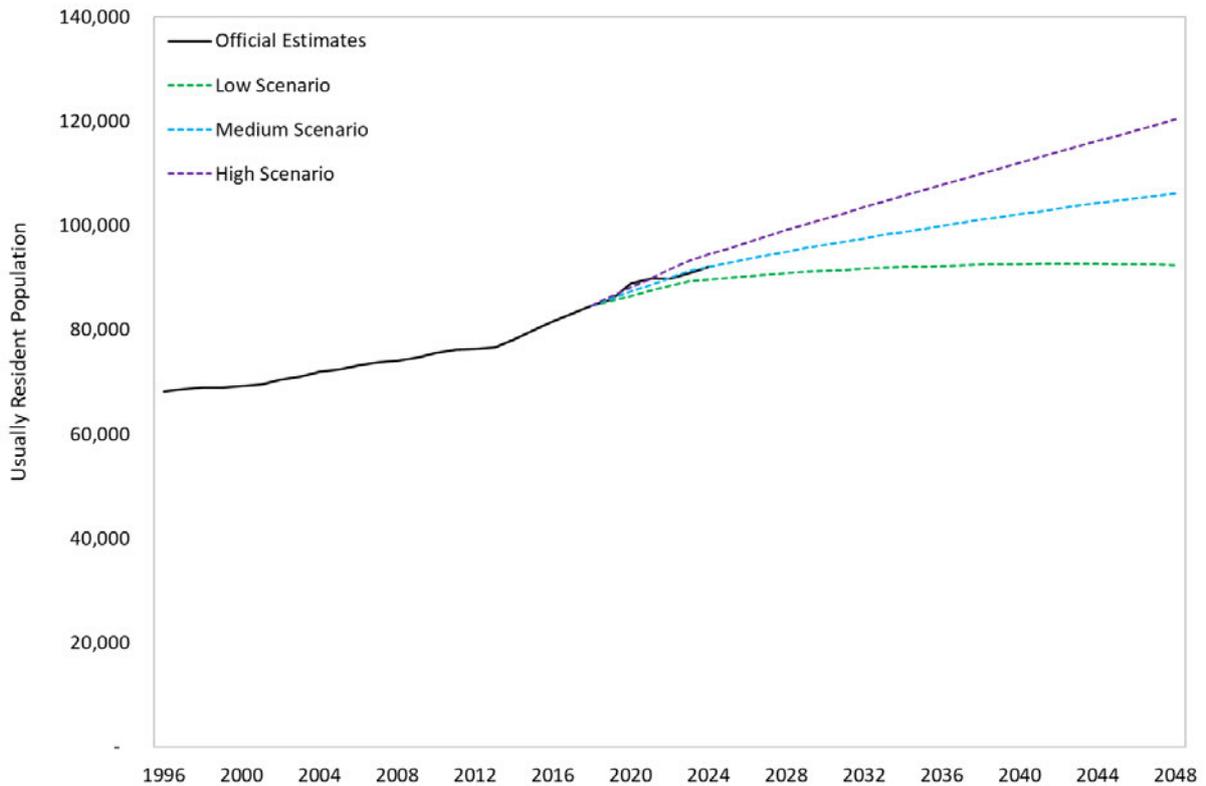
5. Housing Market Context

This section provides context on the district’s housing market.

5.1 Population Growth

Hastings’ population has grown significantly since 2000, increasing from 69,300 to 88,900 in 2020. Following a brief plateau during the Covid-19 period, growth has resumed with the population reaching 92,000 by June 2024. Current Stats NZ population estimates are now tracking the medium growth projections, as illustrated in Figure 5 below.

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



5.2 Housing Market Indicators

Despite a recent correction, the district’s dwelling prices have remained stubbornly high relative to past prices. This is illustrated in Figure 6 below, which charts the quarterly median prices of dwellings in the district.

Figure 6: Hastings District Median Dwelling Sales Price (12-mth Rolling Average)⁴

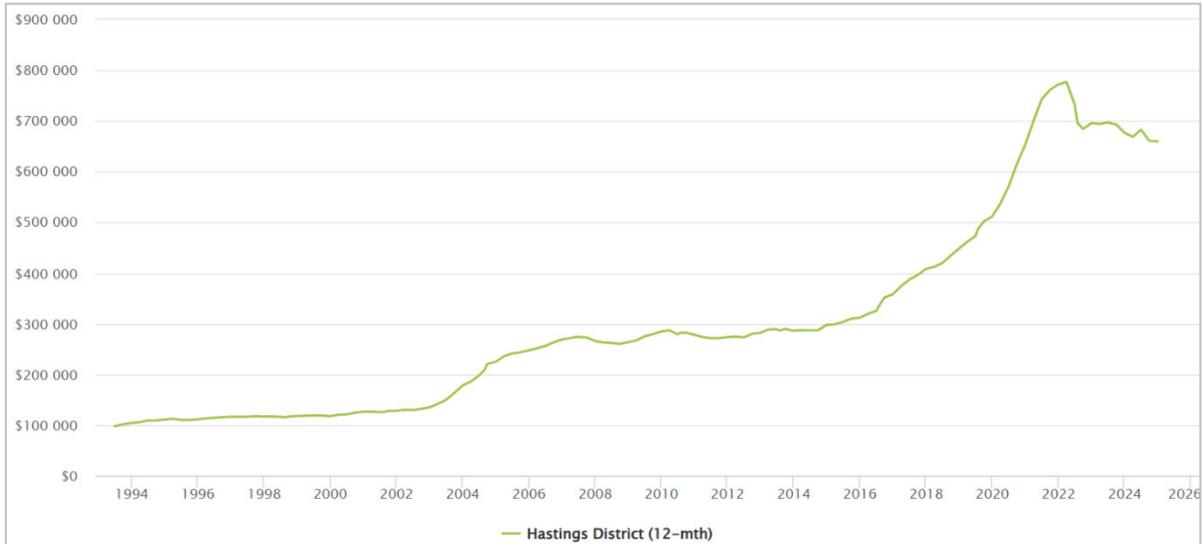


Figure 6 shows a significant increase in the median sales price over the past decade. In December 2014 it was \$298,000, but by December 2024 reached \$660,000, a compound annual growth rate (CAGR) of 8.3%.

Like dwelling prices, land values have also skyrocketed, more than trebling in less than a decade, from approximately \$132,000 in July 2016 to \$459,000 in March 2025 (a CAGR of 15.3%). Figure 7 plots the trend over time since the mid-1990s.

Figure 7: Hastings District Average Dwelling Land Value



With land and dwelling prices both increasing far quicker than household incomes for most of the past 30 years, housing in the district has become increasingly unaffordable. According to Core Logic’s latest housing affordability report, for example, it now takes more than eight years to save the deposit on

⁴ All housing market indicator charts sourced from the Ministry of Housing and Urban Development’s (MHUD’s) Urban Development Dashboard, which is available here: www.huddashboards.shinyapps.io/urban-development/

an average valued home in Hastings District, with 39% of gross earnings required thereafter to service the mortgage.⁵

5.3 Need for Additional Housing

The draft Napier-Hastings Future Development Strategy (**Draft FDS**)⁶ is scheduled for completion in mid-2025. It is informed by a Housing Capacity Assessment (**HCA**) completed by Market Economics in May 2024.⁷ The Draft FDS identifies a requirement for 9,620 additional dwellings to meet expected demand in Hastings over the 30 years to 2052.

Based on the information used to inform the latest decision making at the Hastings District Council Meeting on the Draft FDS,⁸ there is a shortfall in Hastings’s greenfield development capacity of 330 dwellings. The shortfall occurs due to Council’s recent decision to exclude sites which were initially recommended to be included, being Middle Road and Wall Road.⁹ The Councils are in the process of updating the Draft FDS to reflect this decision, including revised development capacity calculations. The final FDS is not currently available, and we therefore can only rely on the information presented to the Councils to date. Table 5 below reproduces the relevant figures for Hastings District.

Table 5: Hastings District Residential Capacity and Sufficiency Estimates

Measure	Dwellings
Total Intensification Capacity ¹⁰	5,840
Total Greenfield Capacity ¹¹	4,070
Total Intensification Demand: <i>40% short term – 60% long term</i>	5,220
Intensification Sufficiency	620
Total Greenfield Demand: <i>60% short term – 40% long term</i>	4,400
Greenfield Sufficiency	-330

In addition to the identified shortfall, the FDS demand figures do not account for latent demand – households who would form their own household if suitable housing were available, but are instead living in shared arrangements. The HCA estimates this at between 620 and 1,065 dwellings for Hastings, on top of projected growth. Council officers and the Independent Hearings Panel also noted the uncertainty over when greenfield capacity will actually be brought to market, given landowner preferences and development constraints in some areas.

In this context, Brookvale Green offers an unconstrained, fully master-planned development that is ready to proceed, providing a high degree of certainty that the identified shortfall in greenfield capacity can be addressed in a timely manner. It will also help to meet latent demand and reduce the

⁵ Available here: www.corelogic.co.nz/news-research/reports/housing-affordability-report

⁶ Available here: www.hastingsdc.govt.nz/hastingsnapierfuturedevelopment/

⁷ Available here: [Napier Hastings Housing and Business Capacity Assessment](#)

⁸ Hastings District Council Meeting, 22 July 2025. Available here: [View Agenda](#)

⁹ With the reasons for their exclusion being the sites are on highly productive land and are not required to meet demand capacity under the FDS.

¹⁰ Redevelopment / infill within the existing urban area.

¹¹ Excluding Middle and Wall Road. Calculated as 4,820 dwellings less 110 dwellings at Wall Road and 640 dwellings at Middle Road.

risk of ad hoc or unplanned development elsewhere. The site's location, contiguous with Havelock North's existing urban boundary, makes it well placed to contribute to housing supply in the district while supporting a well-functioning urban environment.

6. Housing Market Impacts

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

6.1 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 approximately 189 - 215 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 used data from a Tier 1 city Council in the North Island, which details the nature and scale of all residential subdivision consents granted there over the past six or seven years. The data covered 1,666 consents and enabled the creation of nearly 13,000 new residential lots.

Of those 1,666 consents:

- The median number of new lots created was only 4;
- Only the top 10% provided 10 lots or more;
- Only the top 3% provided 30 lots or more; and
- Only the top 1% provided 75 lots or more.

Based on these data, and drawing on our vast experience with more than 80 residential subdivisions across New Zealand over the past 20 years, we have derived the following rules of thumb for assessing the significance of development proposals:

- 15 to 30 lots represent a significant increase in capacity;
- 30 to 100 lots represent a highly significant increase; and
- More than 100 lots represent an extremely significant increase.

Applying these rules of thumb to the proposal, it follows that the 189 - 215 additional residential dwellings enabled by the proposal represent an extremely significant increase in development capacity.

6.2 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 National Policy Statement on Urban Development (**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.

6.3 Providing for a Range of Dwelling Types

The proposal also enables a range of dwelling types to be constructed on the land over time, such as detached dwellings of various sizes and configurations and terraces / duplexes. This diversity of end use helps the proposal give effect to Policy 1(a)(i) of the NPS-UD, which requires planning decisions to contribute to well-functioning urban environments that provide a variety of homes to meet the needs of a diverse population.

Importantly, the proposal includes sections that are considerably smaller than Havelock North’s existing housing stock, with an average section size of 600 m² compared to the town average of approximately 1,450 m².¹² Developments like this are critical to providing a range of smaller and more affordable dwellings to meet the district’s rapidly evolving needs.

6.4 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 (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.
- **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.

¹² According to Core Logic’s Property Guru data.

- **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.

7. Wider Economic Impacts

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

7.1 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 private plan change and resource consent process that would invariably take significantly longer and involve higher costs.

Clause 22(1)(b)(i) of the FTAA specifically recognises that referral may be appropriate where it would enable a project to be processed in a more timely and cost-effective way than under normal processes. The FTAA provides such a pathway here, enabling the proposal to commence sooner, with lower consenting costs. Accordingly, the associated economic benefits are realised earlier and more efficiently.

7.2 Critical Mass and Support for Nearby Centres

The proposed development is located less than 3 kilometres east of the Havelock North town centre, approximately 5 kilometres southeast of Hastings, and a 20-minute drive from Napier. These three centres are the largest urban areas in the region and collectively form the core of its commercial network. As future development enabled by the proposal occurs and new residents move into the area, they will help create critical mass to support the ongoing health and vitality of these and other nearby centres.

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 Survey¹³. To be conservative, these estimates ignore ongoing growth in annual household income over time and adopt the lower bound of the proposed household yield. The results are tabulated below and reflect total annual spending generated by 189 new households.

¹³ For the North Island (excluding Auckland and Wellington).

Table 6: Projected Future Spending Originating Onsite

Expenditure Group	Annual Spend per Household	Total Annual Spend (\$ millions)
Food	\$14,250	\$2.7
Alcoholic beverages and tobacco	\$1,550	\$0.3
Clothing and footwear	\$1,800	\$0.3
Housing and household utilities	\$17,600	\$3.3
Household contents and services	\$2,750	\$0.5
Health	\$2,450	\$0.5
Transport	\$10,950	\$2.1
Communication	\$1,950	\$0.4
Recreation and culture	\$5,900	\$1.1
Education	\$650	\$0.1
Miscellaneous goods and services	\$6,950	\$1.3
Other expenditure	\$7,600	\$1.4
Total Household Expenditure	\$74,400	\$14.1

Table 6 shows that future residents of the proposal will spend more than \$14 million per annum on a wide range of household goods and services, assuming they spend at a rate equal to that of the average household. This additional spending will help support the region’s largest centres, reinforcing their role as key service hubs and contributing to their ongoing vitality.

7.3 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.

7.4 Investment Signal Effects

Finally, 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. Conclusion and Checklist

8.1 Conclusion

The Hawke's Bay region's population is growing steadily, and the latest HCA points to a looming shortfall in greenfield development capacity within Hastings District. This proposal directly responds by unlocking well-located, development-ready greenfield land on the edge of Havelock North. In addition, the proposal:

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

On that basis, we consider the proposal meets criteria 22(2)(a)(iii) and 22(2)(a)(iv) of the FTAA. The fast-track process ensures these benefits are realised sooner than traditional development pathways would otherwise normally allow, and we support it on economic grounds.

8.2 FTAA Criteria Checklist

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

Table 7: Assessment Against Section 22(2)(a) Criteria of FTAA

Ref	Criterion	Signpost
22(1)(b)(i)	Would facilitate the project, including by enabling it to be processed in a more timely and cost-effective way than under normal processes	Section 7.1
22(2)(a)(i)	Identified as a priority project in government plans or strategies	Addressed in the B&A Application Report
22(2)(a)(ii)	Delivers new or supports existing regionally/nationally significant infrastructure	n/a
22(2)(a)(iii)	Increases housing supply, addresses housing needs, or contributes to a well-functioning urban environment	Sections 6 & 7
22(2)(a)(iv)	Delivers significant economic benefits	Sections 4 & 7
22(2)(a)(v)	Supports primary industries, including aquaculture	n/a
22(2)(a)(vi)	Supports development of natural resources, including minerals and petroleum	n/a
22(2)(a)(vii)	Supports climate change mitigation (e.g. reducing greenhouse gas emissions)	n/a
22(2)(a)(viii)	Supports climate change adaptation, reduces risk from natural hazards	n/a
22(2)(a)(ix)	Addresses significant environmental issues	n/a
22(2)(a)(x)	Consistent with local/regional planning documents and spatial strategies	n/a