

Te Kowhai East Industrial Development, Hamilton

Fast-Track Approvals Act 2024 Economic
Assessment



About us

Our Areas of Expertise

Economic Analysis

Our work aims to bridge the gap between land-use planning and urban economics. Our focus is on the interaction between land markets, land-use regulations, and urban development. We have developed a range of methodologies using a quantitative approach to analyse urban spatial structure and audit land-use regulations.

Property Research

We provide property and retail market research to assist with the planning and marketing of new projects. This includes the identification of new sites and market areas, assessments of market potential and positioning, and the evaluation of market feasibility of specific projects.

Development Advisory

We provide development planning and costing advisory services to support small and large-scale developments.

Disclaimer

This document has been completed, and services rendered at the request of, and for the purposes of the client. The report is also available for the purposes of the Environmental Protection Authority and the panel. Urban Economics has taken every care to ensure the correctness of and reliability of all the information, forecasts and opinions contained in this report. All data utilised in this report has been obtained by what Urban Economics consider to be credible sources, and Urban Economics has no reason to doubt its accuracy. Urban Economics shall not be liable for any adverse consequences of the client's decisions made in reliance of any report by Urban Economics. It is the responsibility of all parties acting on information contained in this report to make their own enquiries to verify correctness. © 2026 Urban Economics Limited. All rights reserved.

Contents

1. Qualifications & Code of Conduct	4
1.1 Qualifications and Experience.....	4
1.2 Code of Conduct.....	4
2. Executive Summary.....	5
3. Introduction.....	7
4. The Development.....	7
5. Indicative Tenant Mix.....	8
6. Study Area.....	9
7. Hamilton City Population Growth.....	10
8. Industrial Land Supply.....	10
9. Industrial Land Demand.....	13
10. Industrial Land Sufficiency.....	16
10.1 Role of Other Industrial Nodes Within the Region.....	17
11. Assessment of Locational Efficiency.....	18
12. Rural Economic Value of Development Site.....	22
13. Economic Contribution.....	22
13.1 Construction Phase	23
13.2 Ongoing Operation.....	25
14. Economic Benefits under the Fast-track Approvals Act Economic.....	26
15. National Policy Statement for Highly Productive Land Considerations	29
16. Economic Costs and Benefits Summary	30
17. Conclusion	31

1. Qualifications & Code of Conduct

1.1 Qualifications and Experience

The authors of this report (the “authors”) are Adam Thompson and Conor Whyte.

Adam Thompson is the Director of Urban Economics (UE) Limited, who has over 25 years of experience providing consulting services in urban economics, property market analysis, and property development advisory. Over the past 23 years, Adam Thompson has owned and managed two consulting firms operating in these fields and holds a Bachelor of Resource Studies from Lincoln University, a Master of Planning from the University of Auckland, and a Dissertation in Urban Economics from the London School of Economics and Political Science. Adam Thompson has undertaken more than 2,500 economic and property market assessments for a wide range of private and public sector clients, and notably, was a primary developer of the Auckland Council Development Capacity Model (2016) on request of the AUP IHP Chair (Judge Kirkpatrick) and conducted a review of all Housing and Business Assessments under the National Policy Statement on Urban Development for the Ministry for the Environment (2021).

Conor Whyte is a senior economic and property researcher at UE, with over 5 years of experience providing consulting services in urban economics, property market analysis, and property development advisory. Conor Whyte holds a Bachelor of Commerce from the University of Auckland, with majors in Economics and Management. During his time at UE, Conor Whyte has undertaken over 250 economic and property market assessments for a wide range of private and public sector clients.

As a company, UE has delivered insightful economic analysis and property research to property developers, industry partners and government agencies across New Zealand for over 20 years, ensuring they are well-informed with the necessary knowledge and evidence for the present and future. UE has a proven track record of providing advisory services for:

- Expert evidence for over 200 Local Government, Environment Court, and High Court hearings,
- ~100+ New Housing Developments,
- ~50+ New Retirement Villages,
- ~2000+ New Retail Stores,
- ~100+ New Mixed-use Commercial Developments,
- ~50+ Fast-track Economic Assessments under the COVID-19 Recovery (Fast-track Consenting) Act 2020, and
- ~10 Fast-track Economic Assessments under the Fast-track Approvals Act 2024.

1.2 Code of Conduct

Although this is not a hearing before the Environment Court, the authors records that they have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and agrees to comply with it.

The authors confirm that the issues addressed in this report are within the authors area of expertise, except where the authors state they have relied on the information of other persons. The authors have not omitted to consider material facts known to them that might alter or detract from the opinions the author has expressed.

2. Executive Summary

The Te Kowhai East development is a large-scale industrial development across 187.5ha, providing approximately 123 hectares net developable land, supported by a 2ha neighbourhood centre (the Development). It is located on the north-western edge of Hamilton, adjacent to the Te Rapa industrial node, and at this scale represents one of the largest proposed industrial land releases in Hamilton.

The development is strategically located within the golden triangle (Auckland–Hamilton–Tauranga), New Zealand’s primary economic and freight corridor. Its proximity to Te Rapa, State Highway 1C, and major growth areas positions it as a logical extension of Hamilton’s primary industrial area.

Hamilton is experiencing strong population growth, increasing from approximately 156,800 in 2015 to 192,100 in 2025, and projected to reach approximately 286,500 by 2055. This growth will continue to drive demand for industrial land to support employment and economic activity.

Industrial land supply in Hamilton is limited and concentrated. Of approximately 1,500 hectares of industrial land, around 452 hectares remains vacant, largely within Ruakura (255 hectares) and Te Rapa (185 hectares). There is no current planned or approved additional industrial land supply within the Future Urban Zone, meaning future demand will need to be met through existing live-zoned land. This limits the responsiveness of supply to meet demand, particularly in the north-west where available land is both constrained and concentrated across a small number of owners. It is also worth noting that Ruakura provides a leasehold rather than freehold tenure offering, which provides a different market offering and may limit its attractiveness in the market.

Demand for industrial land is estimated at approximately 17-25 hectares p.a., or 170-250 hectares per decade. While current capacity equates to approximately 18-26 years of supply, it is concentrated in a small number of locations and does not provide a robust long-term supply position, with a shortfall projected over the long term (i.e. years 10-30).

There is also a spatial mismatch between growth and remaining supply. Future population growth is broadly split between north-western areas (approximately 665 people p.a.) and south-eastern areas (approximately 810 people p.a.). However, a large proportion of vacant industrial land supply is located in the south/east (Ruakura), while the north/north-west rely on Te Rapa, where vacant supply is more limited.

In this context, the development would address both the projected long-term shortfall in industrial land supply, and this spatial imbalance, by materially increasing supply in the north-west, where existing capacity is both limited and constrained. The development represents a net addition to the north-west industrial land market, reflecting the combination of a projected long-term shortfall in supply and the concentration of ownership of remaining landholdings, including Fonterra’s control of a significant share of undeveloped land in Te Rapa North.

The development would generate significant economic benefits. During construction, it is estimated to contribute approximately \$580.9 million to GDP and support approximately 4,800 FTE jobs. During operation, it is estimated to contribute approximately \$557.0 million to GDP per annum and support approximately 3,740 FTE jobs.

The development would displace land currently used for dairy farming, with an estimated value of approximately \$2.2 million in annual farm revenue, contributing an estimated \$1.0 million to GDP and supporting approximately 6 FTE jobs. This loss is small relative to the economic benefits of the development.

The ongoing operation of the development results in a net increase of approximately \$556.0 million in GDP per annum and approximately 3,734 FTE jobs relative to the base case (dairy farming), equating to a net present value of approximately \$7.5 billion over 30 years (discounted at 8%).

The development represents an efficient expansion to the existing Te Rapa industrial node and would support a range of industrial activities, including construction, manufacturing, wholesale trade, and transport-related services, consistent with Hamilton's role within the golden triangle.

In summary, the development:

- provides a large-scale and well-located addition to industrial land supply,
- addresses identified long-term supply shortfalls,
- supports a well-functioning urban environment,
- generates substantial economic output and employment, and
- supports continued growth within the golden triangle.

Overall, the development is considered to deliver significant regional economic benefits, by enabling a \$1.9 billion development, that would result in a contribution to GDP and employment of \$580.9 million, and 4,800 FTE jobs during construction. It would in addition contribute approximately \$557.0 million and 3,740 FTE jobs during ongoing operation.

3. Introduction

This report assesses the economic benefits of a proposed large-scale industrial development at 270 Te Kowhai Road and 28 Mathers Road (the Development).

The Development is a large-scale industrial development located on the north-western edge of Hamilton, adjacent to the established Te Rapa industrial area. The application provides for the creation of an integrated industrial precinct, including approximately 210 industrial lots, land for neighbourhood centre activities, reserves for recreation, stormwater management and ecological mitigation, and associated roading and infrastructure services. The application also seeks approval for the ultimate land use outcomes anticipated across the site, being predominantly industrial activities, along with a limited range of compatible non-industrial activities suited to an industrial environment. The development will form a logical extension of Hamilton's primary industrial node within the Upper North Island economic corridor and responds to projected growth and demand.

A comprehensive description of the Project is provided in the Substantive Application Report (SAR).

It evaluates the Development's contribution to the industrial land market, the wider industrial sector, employment outcomes, and overall economic activity within Hamilton City and the broader Upper North Island economic corridor (the "Golden Triangle").

4. The Development

The site and indicative development concept are illustrated in Figure 1. As noted above, the development comprises a large-scale industrial development that is expected to deliver approximately 210 industrial lots, with sizes ranging from approximately 0.25 hectares to 2 hectares. This range of lot sizes provides flexibility to accommodate a diverse mix of industrial uses. Given the overall scale of the Development, there is also flexibility to combine lots to accommodate larger industrial landholdings where required, with lot dimensions supporting this outcome. This provides additional flexibility to accommodate larger regional and multi-regional occupiers that may be more difficult to accommodate within other new or greenfield industrial areas.

In addition to industrial land, the development includes provision a 2 hectare neighbourhood centre. The neighbourhood centre is intended to support on-site businesses and employees by providing complementary retail and service functions.

The site is located on the north-western fringe of Hamilton City. Although it falls within the Waikato District, it is functionally integrated with Hamilton's industrial market and represents a logical extension of the established north-western (Te Rapa) industrial area.

More broadly, the development is situated within the "Golden Triangle", the economic corridor linking Auckland, Hamilton, and Tauranga, which contains a substantial share of New Zealand's population, freight flows, and industrial activity.

Figure 1:
The Development Site



Source: LINZ, Te Kowhai East Limited Partnership

5. Indicative Tenant Mix

The development will establish a new industrial node within Hamilton that, given its scale and strategic location, is expected to serve the upper North Island.

The likely tenant composition has been inferred from comparable large-scale industrial precincts, as summarised in Figure 2. Key observations include:

- Existing comparable industrial nodes are predominantly occupied by firms in construction (42%), manufacturing (19%), and wholesale trade (18%), with smaller shares in transport (9%) and agriculture (8%).
- Consistent with this pattern, the development is expected to attract a tenant mix including a high proportion of construction, manufacturing, distribution and wholesale trade activities. A smaller proportion of transport and logistics operators is also anticipated, reflecting the site's strong connectivity to Hamilton, Auckland, and Tauranga.
- Its proximity to the established Te Rapa industrial area further positions the development to support ongoing industrial and trade-related growth across northern and north-western Hamilton.

Figure 2:
Existing Industrial Nodes Tenants Mix

Exisiting Businesses	Dairy Flat	Silverdale	Hobsonville	Westgate	Pokeno	Te Rapa	Mt Maunganui	Total	%
Construction	190	155	230	165	140	170	475	1,525	42%
Manufacturing	40	110	30	30	25	195	260	690	19%
Wholesaling	30	75	40	35	10	190	250	630	18%
Transport	20	10	30	25	60	35	135	315	9%
Agriculture	45	10	10	0	80	5	155	305	8%
Others	10	10	5	5	5	25	40	100	3%
Warehousing & Storage	5	5	0	0	5	5	25	45	1%
Total	340	370	340	260	325	625	1,340	3,600	100%

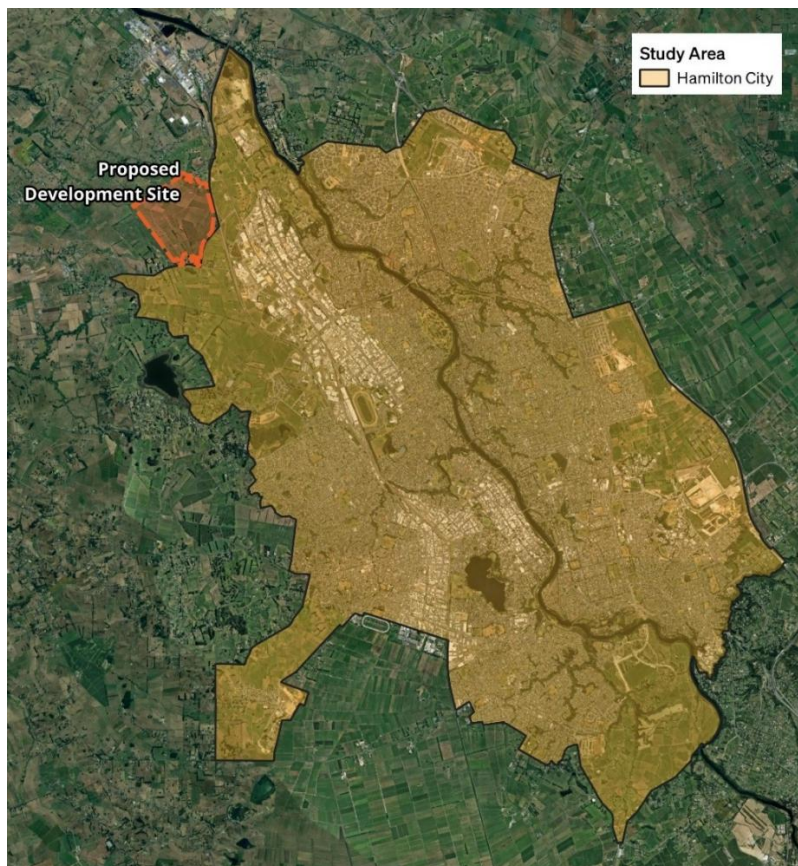
Source: Statistics NZ

6. Study Area

Figure 3 defines the study area adopted for this assessment, which aligns with the Hamilton City Territorial Authority boundary.

Although the site is located within the Waikato District, the development is effectively an extension of the established Te Rapa industrial area. On this basis, Hamilton City is considered the most appropriate study area for assessing industrial land supply and demand.

Figure 3:
Study Area



Source: LINZ, Google

7. Hamilton City Population Growth

Figure 4 outlines historical and projected population and household growth for Hamilton City for the 2015-2055 period.

The main points to note are:

- Hamilton City's population increased from approximately 156,800 in 2015 to 192,100 in 2025, equating to an increase of 35,300 people (23%) over the period, or approximately 3,530 people per annum.
- Population growth is projected to continue, with the population expected to reach approximately 286,500 by 2055, representing an increase of 94,400 people (49%) from 2025 levels.
- Population growth is expected to remain elevated over the long term, averaging approximately 2,980-3,360 people per annum across the projection period.
- Household growth follows a similar trend, increasing from approximately 51,690 households in 2015 to 63,330 in 2025, and projected to reach 94,450 households by 2055, equating to an increase of 31,120 households (49%) from current levels.
- This growth is in large part expected to be accommodated through two key greenfield growth areas, namely Rotokauri/Te Kowhai and Rototuna in the north-west, and Ruakura and Peacocke in the south-east.

Figure 4:
Hamilton City Population & Household Growth (2015-2055)

Hamilton City	Estimates			Projection			Growth p.a.			
	2015	2020	2025	2035	2045	2055**	2015-2025	2025-2035	2035-2045	2045-2055
Population	156,800	176,200	192,100	221,920	252,860	286,500	3,530	2,980	3,090	3,360
Households*	51,690	58,080	63,330	73,160	83,360	94,450	1,160	980	1,020	1,110

Source: Statistics NZ

*Estimated using the average household size of 3.0 over the 2013-2023 census.

**Annual projected growth rate over 2048-2053 period applied to to estimate 2055 population.

8. Industrial Land Supply

This section profiles the industrial land supply within Hamilton City, including the spatial distribution of developed and vacant land available to accommodate future demand.

Figures 5-7 present an overview of industrial land supply in Hamilton City, including total supply, the proportion currently utilised versus vacant, and its distribution across the primary industrial nodes.

Key observations are outlined below:

- Hamilton City has a total industrial land supply of approximately 1,500 hectares, of which around 1,048 hectares (70%) is developed and 452 hectares (30%) remains vacant.
- Industrial land supply is highly concentrated within a small number of key nodes. Te Rapa (808 hectares, 54%) and Ruakura (413 hectares, 28%) together account for the majority of total supply.
- Te Rapa is the primary industrial node within Hamilton, with approximately 185 hectares of vacant land, equating to a vacancy rate of 23%.

- Ruakura contains the largest share of vacant industrial land, with around 255 hectares (56% of total vacant land) and a vacancy rate of 62%, reflecting its more recent development and remaining pipeline capacity.
- Frankton (255 hectares total) and Riverlea (25 hectares total) are largely built out, with limited remaining vacant land (approximately 9 hectares and 3 hectares respectively), and low vacancy rates of 3% and 14%.
- The spatial distribution of vacant industrial land indicates that future industrial growth is likely to be concentrated in a limited number of locations, particularly Te Rapa and Ruakura. This is reinforced by the absence of additional planned industrial land within Hamilton's Future Urban Zone (Figure 8), meaning future demand will need to be absorbed by existing zoned land.
- While headline vacancy appears relatively high (30%), a significant proportion of this land (approximately 60%, or 275 hectares) is held by two major landowners - Fonterra Limited in Te Rapa (approximately 72 hectares) and TGH Ruakura Whenua Hold Co Limited in Ruakura (approximately 202 hectares)¹. This concentration of ownership is likely to influence the timing and scale of land release, effectively constraining available supply and placing upward pressure on industrial land prices over time.
- In particular, the concentration of ownership to a small number of primary owners in Te Rapa limits the effective availability of industrial land in the north-west. In this context, the development represents a net increase in available capacity, rather than a redistribution of activity from existing sites.
- The Development is located adjacent to the Te Rapa industrial area, where remaining vacant land is comparatively constrained relative to emerging growth areas such as Ruakura. This is particularly significant given Te Rapa's role as Hamilton's primary north-western industrial hub.

Figure 5:
Hamilton City Industrial Land Supply

Hamilton City Industrial Land	Land Area (ha)
Utilised	1,048
Vacant	452
Total	1,500
Vacant (%)	30%

Source: Cotality, Hamilton City District Plan

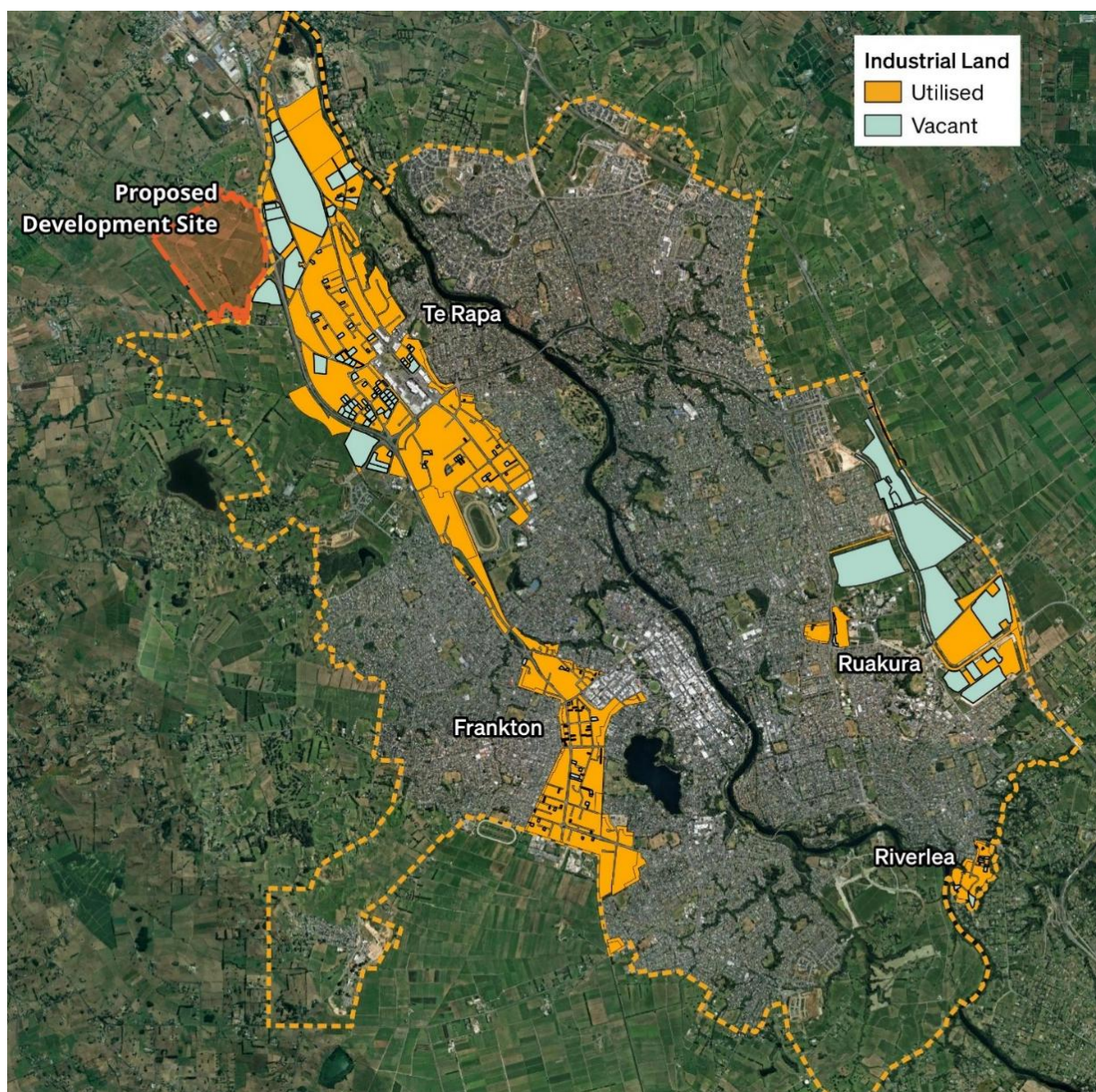
Figure 6:
Hamilton City Vacant Industrial Land Supply by Industrial Node

Location	Industrial Node	Vacant Land (Ha)	%	Total Land (Ha)	%	Vacancy Rate
North-West	Te Rapa	185	41%	808	54%	23%
Central	Frankton	9	2%	255	17%	3%
South East	Ruakura	255	56%	413	28%	62%
	Riverlea	3	1%	25	2%	14%
Total		452	100%	1,500	100%	30%

Source: Cotality

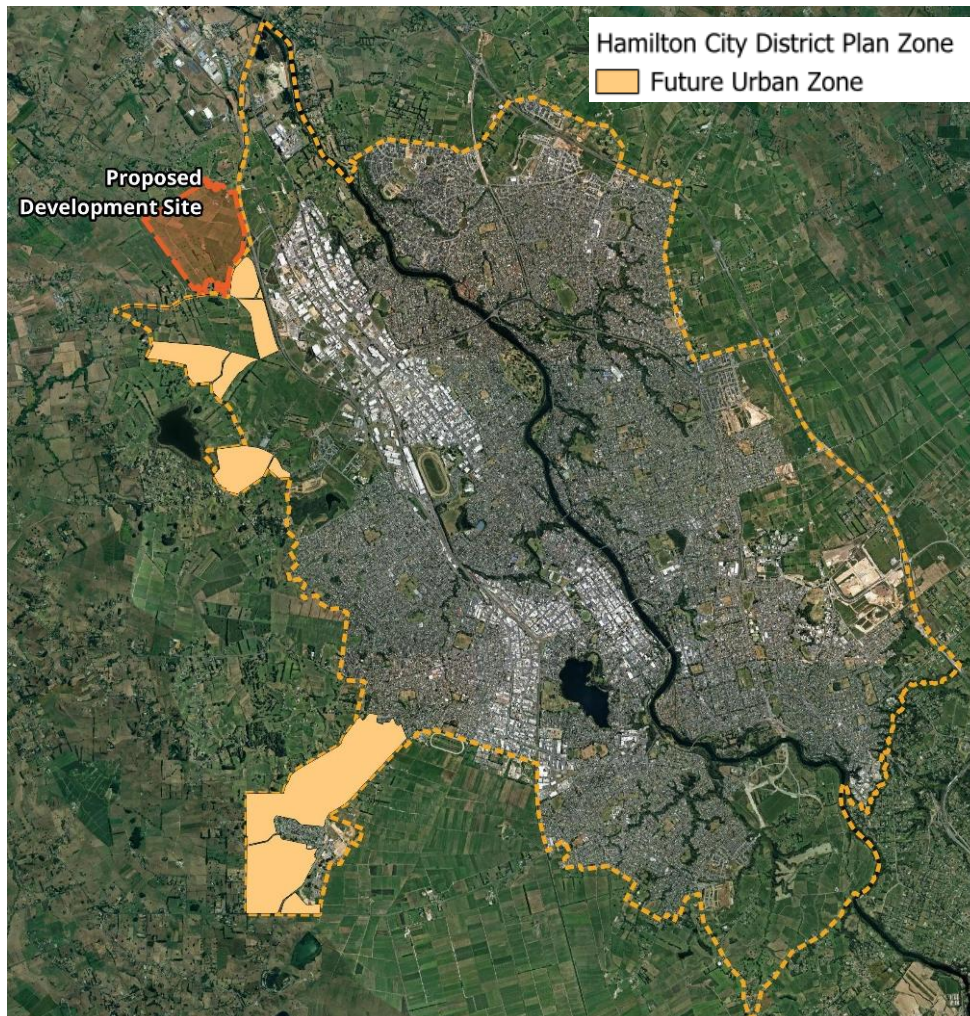
¹ Source: Cotality

Figure 7:
Hamilton City Vacant Industrial Land Supply by Industrial Node (2026)



Source: Cotality, Hamilton City Council, LINZ

Figure 8:
Hamilton City Future Urban Zone



Source: Hamilton City Plan

9. Industrial Land Demand

This section provides an assessment of the future demand for industrial land in Hamilton City, and a comparison of the current price of industrial land in Hamilton City to other locations across New Zealand.

Figure 9 shows the average sale price for vacant industrial land across key locations in New Zealand. There are relatively few sales and, as such, the prices are indicative rather than statistically definitive.

The main points to note are:

- Industrial land values in Hamilton average approximately \$640/m², which is below Auckland (\$860/m²) and Tauranga (\$840/m²), but above smaller regional centres such as Palmerston North (\$340/m²) and Invercargill (\$200/m²).
- Hamilton's relative pricing reflects its position within the golden triangle, where industrial land values are influenced by strong demand for logistics and distribution activities across the Upper North Island.

- Compared to Auckland and Tauranga, Hamilton provides a relatively more affordable industrial land option, which supports its role as a key inland distribution and industrial location.

Figure 9:
Vacant Industrial Land Sale Prices by Location (2023-2025)

Location	Price/m ² Land
Queenstown	\$1,380
Auckland	\$860
Tauranga	\$840
Wellington	\$840
Hamilton	\$640
Christchurch	\$510
Napier	\$440
Palmerston North	\$340
Invercargill	\$200
Whangarei	\$170
NZ	\$590

Source: Cotality

Figure 10 provides a summary of the annual industrial building consents in the study area over the 2016-2025 period. Additional land uptake is estimated based on an average site coverage of 35%. The results provide an indicative measure of the annual rate of industrial land consumption across the study area. The main points to note are:

- Over the 2016-2025 period, a total of 295 industrial consents were issued, for approximately 473,300m² of new industrial floorspace.
- This corresponds to an estimated total industrial land absorption of approximately 135.2 hectares, or an average of 13.5 hectares per annum over the period.
- More recent activity (2021-2025) indicates an average demand of approximately 15 hectares per annum, reflecting a sustained level of industrial development activity.
- Industrial demand has exhibited some variability over time, with peaks in 2022-2023 (approximately 26-27 hectares per annum) followed by a decline in more recent years, reflecting typical short-term fluctuations in economic conditions.

Figure 10:
Hamilton City Annual New Industrial Building Consents (2016-2025)

Year	Factories, Industrial, and Storage Buildings		
	Number of Consents	Additional GFA (m ²)	Annual Additional Land Estimate p.a. (ha)*
2016	28	28,900	8.3
2017	42	52,900	15.1
2018	41	57,200	16.3
2019	30	36,700	10.5
2020	25	31,400	9.0
2021	32	46,000	13.1
2022	42	94,600	27.0
2023	27	92,400	26.4
2024	18	21,100	6.0
2025	10	12,100	3.5
2016-2025 Total	295	473,300	135.2
2021-2025 Avg	26	53,240	15.0

Source: Statistics NZ

*Based on an average site coverage of 35%.

Figure 11 outlines projected industrial land requirements for Hamilton City, based on population growth and current industrial land utilisation rates.

The main points to note are:

- Hamilton currently has approximately 1,048 hectares of utilised industrial land, equating to approximately 55m² of industrial land per capita.
- Based on projected population growth, total industrial land requirements are estimated to increase to approximately 1,563 hectares by 2055, representing an increase of approximately 515 hectares from current levels.
- This equates to an additional industrial land requirement of approximately 17 hectares per annum over the projection period.
- When applying an NPS-UD competitiveness margin, which provides an efficiency buffer, total industrial land requirements increase to approximately 1,798 hectares by 2055, equating to an additional demand of approximately 25 hectares per annum.

Figure 11:
Hamilton City Industrial Land Demand (2025-2055)

Location	Utilised Industrial Land (Ha)	2025 Population	2025 Utilised Industrial land / Capita (m ²)	Population Projections			Future Utilised Industrial Land Requirement (Ha)			Additional Land p.a. (Ha)
				2035	2045	2055	2035	2045	2055	
Hamilton City	1,048	192,100	55	221,920	252,860	286,500	1,211	1,380	1,563	17
Hamilton City (NPS-UD Margin)*	1,048	192,100	-	221,920	252,860	286,500	1,453	1,587	1,798	25

Source: Statistics NZ, Cotality, Hamilton City District Plan, UE

*NPS-UD Competitiveness Margin of 20% in short-medium term (years 0-10), 15% in medium-long term (years 11-30).

The above conclusions regarding demand are broadly consistent with the findings of the recent industrial demand modelling completed by Formative Limited on behalf of Hamilton City Council (HCC Industrial Land Projections 2025).

These updated projections estimate average annual demand of approximately 20 - 25ha p.a. over the long term (medium/high growth scenarios, Figure 3-2, page 12), reflecting additional demand associated with Hamilton’s role within the golden triangle, including spillover from more constrained markets such as Auckland and Tauranga. Conversely, the current Future Proof Partners Business Development Capacity Assessment 2024 update (HBA) estimates slightly lower demand, with demand for approximately 17 ha p.a. (“business-as-usual” baseline scenario, Figure 3-2, page 12, derived from the Hamilton HBA 2024 update estimates).

Overall, this aligns with the annual demand estimated in Figure 11 of approximately 17–25 ha, confirming broad agreement between the assessments.

On this basis, industrial land demand in Hamilton City is estimated at approximately 170–250 ha per decade. This is broadly equivalent to adding the scale of the Frankton industrial node every 10 years. The development therefore represents approximately 7–11 years of future demand in Hamilton.

10. Industrial Land Sufficiency

This section provides an assessment of the sufficiency of remaining industrial land supply to meet future land demand.

Figure 12 presents an assessment of industrial land sufficiency across the study area. The main points to note are:

- Annual industrial land demand is estimated to be 17-25 ha p.a.
- Vacant supply across the sub-region is approximately 452 ha.
- This equates to 18.1-26.3 years of remaining supply in the study area.
- The development would increase industrial land capacity to approximately 639 ha, or approximately 25.6-37.6 years.

Figure 12:
Hamilton City Estimated Industrial Land Sufficiency

Hamilton City Industrial	Value
Vacant Land (ha)	452
Land Demand p.a. (Ha) (Baseline)	17
Land Demand p.a. (Ha) (NPS-UD Margin)	25
Years of Demand (Baseline)	26.3
Years of Demand (NPS-UD Margin)	18.1

Source: Cotality, Statistics NZ, UE

The development directly responds to industrial land shortages identified in the HBA. The HBA identifies that “industrial demand outstrips capacity in Hamilton City in the long term (114%) while demand is a fraction of capacity in Waikato (14%) and Waipa (43%)” (HBA 2024 update, page 11), highlighting a clear shortfall of industrial land across the majority of Hamilton. This shortfall is particularly evident in Te Rapa, where industrial land is insufficient to meet demand in the medium to long term (Figure 7-5 HBA 2024 update, page 94).

This position is further reinforced by updated industrial demand estimates outlined in the HCC Industrial Land Projections 2025 report, which indicate demand of approximately 20-25 ha p.a., compared with approximately 17 ha p.a. identified in the HBA. This is expected to accelerate the rate of land absorption and further exacerbate existing supply constraints, particularly within established industrial nodes.

The development offers a significant and well-located addition to industrial land supply in Hamilton, particularly given there is no planned additional industrial land supply within the Future Urban Zone, however it is reasonable to assume there will be additional industrial land live zoned in future urban zone over time. (refer Figures 8 & 15). As a result, for the foreseeable future, industrial demand will need to be met through existing live-zoned vacant land. However, the effective availability of this land is constrained due to the high degree of ownership concentration. This increases the importance of strategically located additions to supply, particularly adjacent to established industrial areas such as Te Rapa.

The development's scale, proximity to the Te Rapa industrial node, and access to key transport routes (e.g. State Highway 1) position it to support industrial demand growth across Hamilton and the wider golden triangle.

Additionally, the concentration of supply, by two major landowners (Fonterra Limited in Te Rapa with approximately 72 hectares and TGH Ruakura Whenua Hold Co Limited in Ruakura with approximately 202 hectares) places further constraints on the efficient operation of the industrial land market, that would in part be addressed by the development.

10.1 Role of Other Industrial Nodes Within the Region

Across the Waikato Region, there are a number of industrial areas outside the Hamilton main urban area. Most are relatively small and localised, including industrial areas in Pokeno, Huntly, Matamata, Morrinsville and Te Awamutu. These areas primarily support local businesses, trades, processing and agricultural servicing and therefore perform a more localised function within the industrial market.

The Horotiu Industrial Park (known as Northgate Business Park) is the main regional industrial node outside the Hamilton main urban area and is the most relevant comparison given its proximity to Te Rapa and the strategic transport network. However, Northgate is now largely developed, with only six lots remaining in its final stage, comprising approximately 5.9 hectares. Hamilton Airport also has a wider regional role, although its industrial function is more specialised around freight, business and activities that benefit from proximity to the airport. Hautapu primarily provides for light-to-medium industrial activity within the Cambridge / Waipa market.

The larger industrial nodes located around the Hamilton main urban area and strategic transport network are therefore better positioned to service regional and multi-regional industrial demand. The Development is expected to accommodate a broad mix of construction, manufacturing, distribution, wholesale and transport-related activities. Its location immediately adjacent to Te Rapa provides access to Hamilton's largest industrial area and the main transport routes connecting Hamilton with Auckland and Tauranga. This positions the Development to service demand across the wider Hamilton and Waikato regional market, including businesses operating across the upper North Island. In this context, industrial capacity elsewhere in the Waikato Region is not considered a practical substitute for the industrial land proposed as part of the Development, given the different functions these areas perform within the industrial market.

11. Assessment of Locational Efficiency

This section evaluates the locational efficiency of the development, with particular focus on the proximity to employment, and key projected growth areas in Hamilton City.

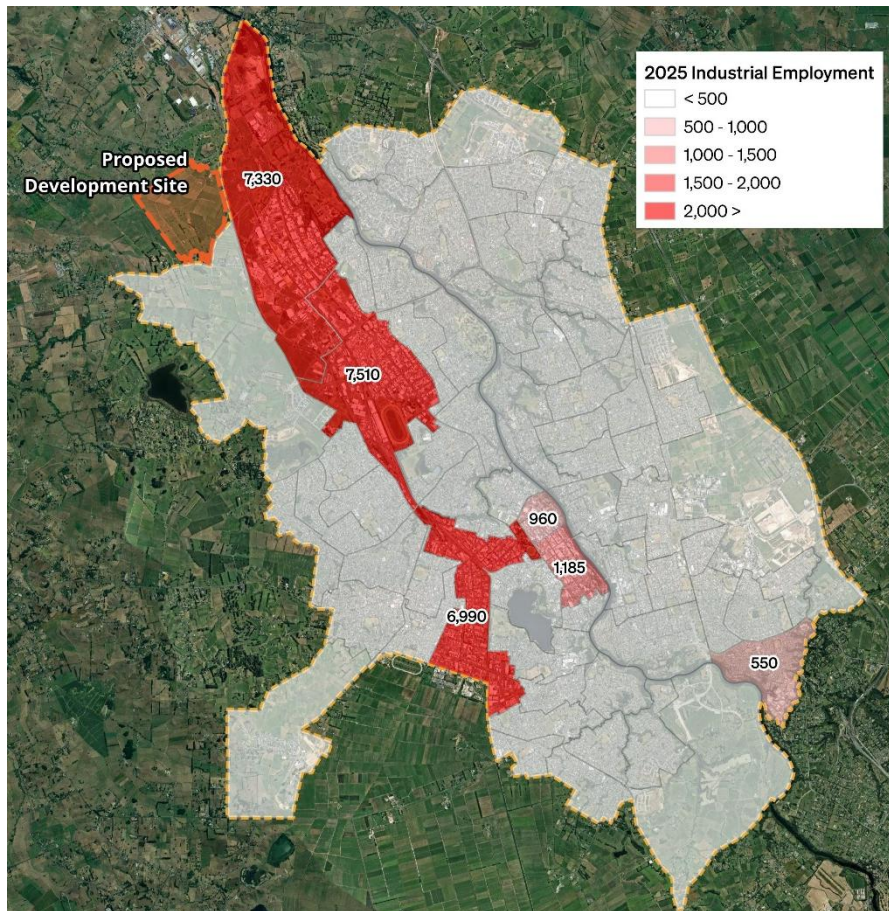
Figure 13 illustrates the distribution of industrial employment across Hamilton City in 2025. The main points to note are:

- The development is located immediately adjacent to the Te Rapa industrial area, which is the largest industrial employment concentration in Hamilton.
- Employment within the Te Rapa corridor is substantial, with the main employment areas accommodating approximately 7,330 and 7,510 jobs respectively.
- Hamilton's Frankton industrial node is the second largest industrial employment node, with approximately 6,990 jobs.
- Other notable industrial employment concentrations include the CBD (2,145 jobs) and Riverlea, with approximately 550 jobs in industrial related sectors.
- The development's location on the north-west of Hamilton places it adjacent to the city's largest industrial employment areas, while also retaining efficient access to the wider Hamilton urban area.

The proximity of the development to the Te Rapa industrial area is significant from an economic standpoint. Industrial firms derive productivity benefits from locating near other industrial and trade-based activities, including access to shared labour pools, related suppliers and services, and established freight and distribution networks. In this regard, the development is well placed to benefit from the co-location and agglomeration economies associated with Hamilton's primary industrial node (Te Rapa), with access to both Auckland and Tauranga within an approximate 90-minute drivetime. This reinforces the role of both the development and the wider Te Rapa industrial node within the golden triangle, supporting industrial activity operating at both a local and upper North Island scale.

The development represents a logical expansion of Te Rapa and is also well placed to accommodate demand associated with the golden triangle as a result. Its proximity to key arterial routes, including State Highway 1, also supports industrial activity, with strong access to labour, suppliers, and freight networks. This is particularly relevant given there is no additional industrial land currently planned within Hamilton's Future Urban Zone (Figures 8 & 15). Given the limited availability of large-scale sites in the north-west, with a high degree of ownership concentration, the development would enable additional industrial activity that would not otherwise be accommodated in this location.

Figure 13:
Industrial Employment Counts within Hamilton City (2025)



Source: Statistics NZ

Figure 14 outlines the key projected population growth areas within Hamilton City over the 2025–2045 period.

The main points to note are:

- **North-west Hamilton (Rotokauri / Te Kowhai / Te Rapa and northern areas)** is projected to experience strong population growth, with approximately 475 people per annum in the Rotokauri / Te Kowhai growth area, a further 55 people per annum in northern Te Rapa, and additional growth in Rototuna North (approximately 95 people per annum) and Flagstaff North (approximately 40 people per annum).
- **South-east Hamilton (Ruakura and Peacocke)** is expected to accommodate a significant share of future growth. Ruakura is projected to grow by approximately 270 people per annum, while Peacocke represents the primary growth front for the city, with the highest projected increase of approximately 540 people per annum over the next two decades.

The proximity of the development to major future urban growth areas (particularly Rotokauri / Te Kowhai and Rototuna North) supports access to population and improves the relationship between places of employment and future residential expansion. This is consistent with the objectives and policies of the NPS-UD, including enabling a well-functioning urban environment through the integration of business land with current and planned residential growth areas. This is particularly important in Hamilton, where much of the city's projected growth is occurring through large greenfield areas.

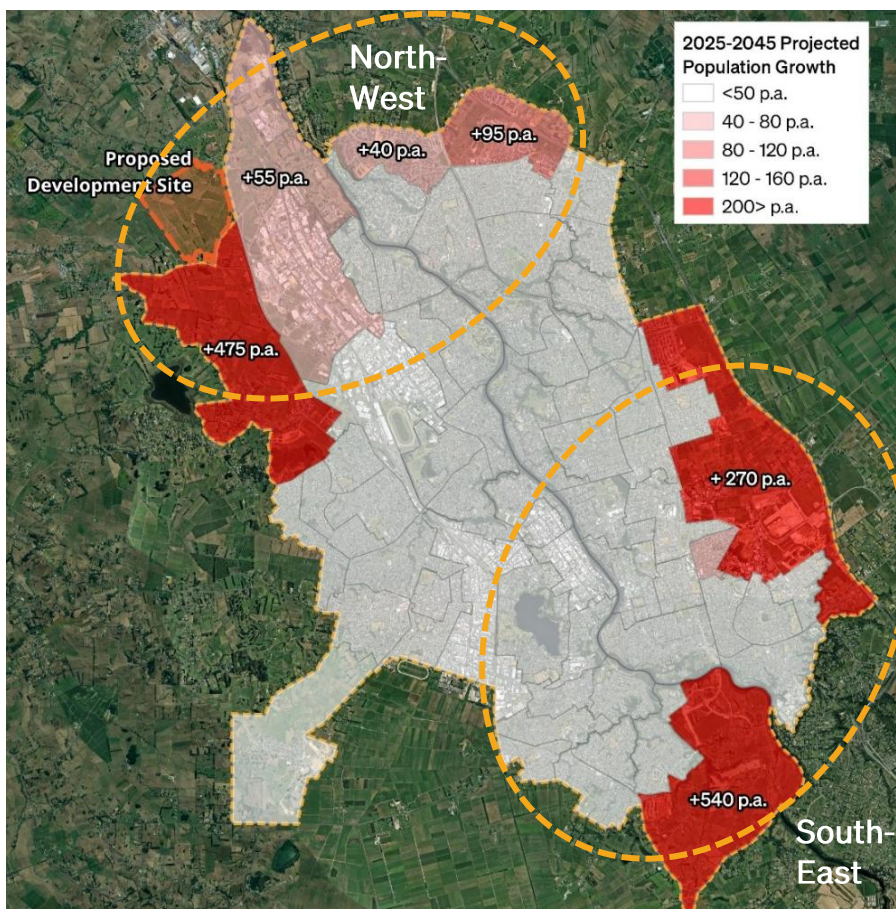
The development's location on the north-western edge of Hamilton places it in close proximity to Te Kowhai and the wider Rotokauri/north-western growth area, while also maintaining efficient access to the rest of Hamilton via the city's strategic transport network. In this context, the development is well positioned to support the long-term functioning of Hamilton's urban economy by providing industrial land in a location that is accessible to both existing employment catchments and key areas of future population growth.

The spatial distribution of future population growth is also relevant when considered alongside the distribution of industrial land supply, given projected growth is broadly balanced between the north-western growth areas (approximately 665 people p.a.) and the south-eastern growth areas (approximately 810 people p.a.).

In the south-east, future industrial needs are expected to be met largely through Ruakura, which currently comprises approximately 255 hectares of vacant industrial land, or 56% of total vacant industrial supply. By comparison, the north-west is more reliant on Te Rapa, which remains Hamilton's primary industrial node, but contains a more limited amount of vacant land (approximately 185 hectares, equating to a vacancy rate of 23%).

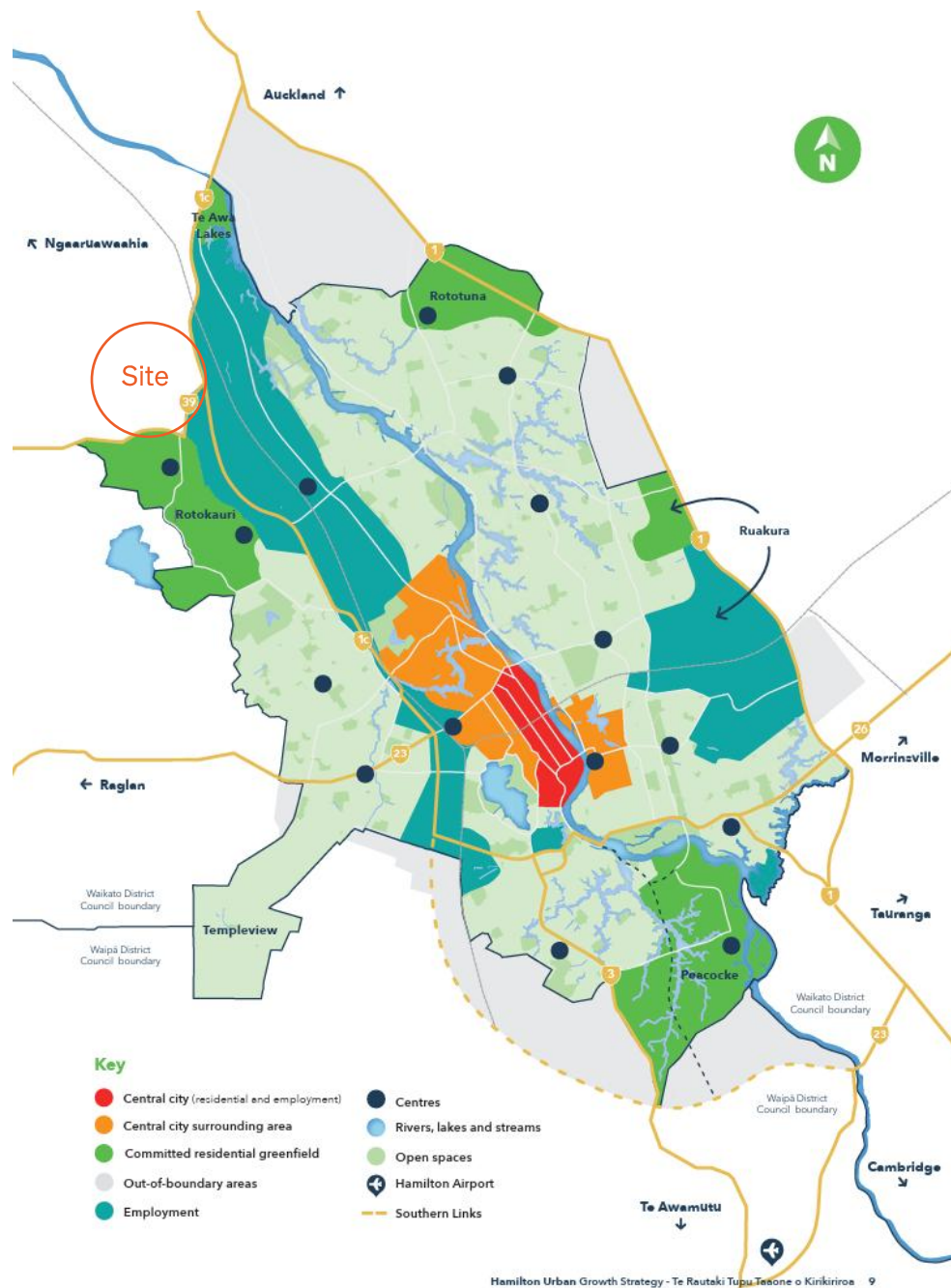
In this context, the development would increase industrial land supply in the north-western part of the city to a level that is more commensurate with the existing scale and spatial distribution of projected growth across Hamilton. This supports a more balanced distribution of vacant industrial land in relation to Hamilton's future growth pattern, and reinforces the strategic role of the development in supporting growth in the north-western part of Hamilton.

Figure 14:
Hamilton City Key Population Growth Areas (2025-2045)



Source: Statistics NZ

Figure 15:
Hamilton City Urban Growth Strategy Map



Source: Hamilton Urban Growth Strategy 2023 (Page 9)

12. Rural Economic Value of Development Site

The site is identified as suitable for dairy farming in Cotality's PropertyGuru, and this is adopted as the baseline economic use of the land.

To estimate the economic value of the site under dairying, an indicative farm revenue of \$11,883 per hectare for the Waikato region has been applied, sourced from DairyNZ's Economic Tracker (2025). Across the total site area of 187.5 hectares, this equates to gross farm revenue of approximately \$2.2 million per annum.

This level of output is estimated to generate approximately \$1.0 million in GDP annually, based on an agriculture sector value-added ratio of 45%, and to support around 6 FTE jobs (refer Section 13). When projected over a 30-year period and discounted at 8%², this stream of economic benefits corresponds to a net present value (NPV) of approximately \$12.0 million. This represents the present value of the future income-generating capacity of the site under dairying use.

Market-based evidence provides a complementary perspective. Dairy land in the Waikato region typically transacts at approximately \$39,000 per hectare (Colliers, New Zealand Dairy Property Market Report, 2025), implying a total land value of around \$7.3 million for the site. In comparison, the council rating database assesses the site at approximately \$14.7 million, or \$78,300 per hectare.

While these measures are derived using different approaches, they are underpinned by a common economic principle - the valuation of future benefits in present terms. The NPV provides an explicit, income-based estimate of value, while market transactions and rating valuations implicitly reflect the capitalisation of expected future returns into current land prices.

Taken together, these three indicators - the modelled NPV, observed market evidence, and rating valuation, provide a consistent range of values. The NPV estimate of approximately \$12 million sits between the lower bound indicated by market transactions and the upper bound reflected in rating valuations, and is therefore considered a reasonable central estimate of the site's economic value under its current dairying use.

Figure 16:
Rural Economic Value of the Site

Valuation Source	Site Land Area (Ha)	Land Value / Ha	Land Value
Market Sales (Colliers)	187.4	\$39,000	\$7,310,000
Council Valuation (Waikato District Council)	187.4	\$78,300	\$14,670,000
NPV of Economic Value	187.4	\$64,000	\$12,000,000

Source: Colliers NZ, Waikato District Council, DairyNZ, Statistics NZ, UE

13. Economic Contribution

This section assesses the impact of the development on GDP and FTE employment during the construction phase and subsequent ongoing operation of industrial and commercial occupants.

² Reflecting Treasury guidance on discount rates.

13.1 Construction Phase

The construction of the development includes the subdivision of the land and construction of industrial and commercial buildings. The contribution that this makes to GDP and FTE employment is estimated using the value-added approach. This is further refined to estimate the direct, indirect and induced contributions to GDP and employment.

Figure 17 outlines the value-added GDP and employment, and breaks this down into direct, indirect and induced impacts and FTE employment. Some of the key points to note are:

- The direct impact on the construction sector of the development is estimated to be \$196.8 million in GDP and will support approximately 1,625 FTE jobs. This includes building construction and related services.
- The indirect impact on the construction sector of the development is estimated to be \$151.8 million in GDP and will support approximately 1,255 FTE jobs. This includes for example, real estate services, consultancy, manufacturing, banking, insurance, retail trade and transport.
- The induced impact on the construction sector of the development is estimated to be \$232.2 million in GDP and will support approximately 1,920 FTE jobs. This includes various sectors, most notably supermarket and grocery stores, accommodation, food and beverage services, gas and water supply, telecommunications, healthcare, retail trade, banking and insurance.
- In total, the development is estimated to contribute approximately \$580.9 million to GDP and support approximately 4,800 FTE jobs in the regional economy during this phase.

Figure 17:
Economic Impact of The Development

Impact	Multiplier	Project Value (\$M)	GDP (\$M)	FTE
Direct	1.0	\$640.2	\$196.8	1,625
Indirect	0.8	\$493.7	\$151.8	1,255
Direct + Indirect	1.8	\$1,133.9	\$348.6	2,880
Induced	1.2	\$755.4	\$232.2	1,920
Total	3.0	\$1,889.3	\$580.9	4,800

Source: Statistics NZ, UE

Figure 18 provides a breakdown of the development's contribution to GDP and FTE employment, for each property type.

The industrial part of the development is estimated to contribute approximately \$467.2 million to GDP and support approximately 3,865 FTE jobs. This includes direct contributions from building construction and construction and related services, indirect effects from supply chain activities, and induced impacts from increased consumer spending within the community, which further increases economic growth.

The neighbourhood centre part of the development is estimated to contribute approximately \$14.7 million to GDP and support approximately 115 FTE jobs.

Overall, the construction of the development will contribute approximately \$580.9 million to GDP and support approximately 4,800 FTE jobs. This reflects the combined direct, indirect and induced impacts of the development.

Figure 18:
Direct, Indirect & Induced Economic Impact by Property Type

The Development Property Type	GDP Contribution (\$M)					Full-Time Equivalent (FTE)**				
	Direct	Indirect	Direct+ Indirect	Induced	Total	Direct	Indirect	Direct+ Indirect	Induced	Total
Industrial	\$158.3	\$122.1	\$280.4	\$186.8	\$467.2	1,310	1,010	2,320	1,545	3,865
Neighbourhood Centre	\$5.0	\$3.8	\$8.8	\$5.9	\$14.7	40	30	70	45	115
Other*	\$33.5	\$25.9	\$59.4	\$39.6	\$99.0	275	215	490	325	815
Total	\$196.8	\$151.8	\$348.6	\$232.2	\$580.9	1,625	1,255	2,880	1,920	4,800

*Includes roads, reserves, parks, etc.

**Difference in totals is due to rounding.

Source: UE

The construction of the development, including the land subdivision and construction of the buildings, is estimated to be completed by 2036³. Figure 19 outlines the direct, indirect and induced impact on GDP and the number of FTE jobs supported over the 2026 - 2036 period. Some of the key points to note are:

- Between 2026 and 2030, the direct, indirect and induced impact from the construction of the development will contribute approximately \$329.2 million to GDP and support approximately 2,725 FTE jobs.
- Between 2030 and 2036, the direct, indirect and induced impact from the construction of the development will contribute approximately \$251.7 million to GDP and support approximately 2,055 FTE jobs.
- Overall, between 2026 and 2036, the direct, indirect and induced impact from the construction of the development will contribute approximately \$580.9million to GDP and support approximately 4,800 FTE jobs.

Figure 19:
Direct, Indirect & Induced Economic Impact by Development Timeframe

Year	Direct			Indirect			Direct + Indirect			Induced			Total		
	Project Value (\$M)	GDP (\$M)	FTE	Project Value (\$M)	GDP (\$M)	FTE	Project Value (\$M)	GDP (\$M)	FTE	Project Value (\$M)	GDP (\$M)	FTE*	Project Value (\$M)	GDP (\$M)	FTE*
2026	\$83.7	\$25.7	215	\$64.5	\$20.2	165	\$148.2	\$46.0	380	\$98.7	\$30.4	255	\$246.9	\$76.3	635
2027	\$83.7	\$25.7	215	\$64.5	\$20.2	165	\$148.2	\$46.0	380	\$98.7	\$30.4	255	\$246.9	\$76.3	635
2028	\$65.0	\$20.0	165	\$50.1	\$15.3	125	\$115.1	\$35.3	290	\$76.7	\$23.6	195	\$191.8	\$58.8	485
2029	\$65.0	\$20.0	165	\$50.1	\$15.3	125	\$115.1	\$35.3	290	\$76.7	\$23.6	195	\$191.8	\$58.8	485
2030	\$65.0	\$20.0	165	\$50.1	\$15.3	125	\$115.1	\$35.3	290	\$76.7	\$23.6	195	\$191.8	\$58.8	485
2031	\$65.0	\$20.0	165	\$50.1	\$15.3	125	\$115.1	\$35.3	290	\$76.7	\$23.6	195	\$191.8	\$58.8	485
2032	\$65.0	\$20.0	165	\$50.1	\$15.3	125	\$115.1	\$35.3	290	\$76.7	\$23.6	195	\$191.8	\$58.8	485
2033	\$65.0	\$20.0	165	\$50.1	\$15.3	125	\$115.1	\$35.3	290	\$76.7	\$23.6	195	\$191.8	\$58.8	485
2034	\$27.7	\$8.5	70	\$21.3	\$6.5	55	\$49.0	\$15.0	125	\$32.6	\$10.0	75	\$81.6	\$25.1	200
2035	\$27.7	\$8.5	70	\$21.3	\$6.5	55	\$49.0	\$15.0	125	\$32.6	\$10.0	75	\$81.6	\$25.1	200
2036	\$27.7	\$8.5	70	\$21.3	\$6.5	55	\$49.0	\$15.0	125	\$32.6	\$10.0	75	\$81.6	\$25.1	200
2026-2030	\$362.3	\$111.4	925	\$279.4	\$86.4	705	\$641.7	\$197.7	1,630	\$427.5	\$131.4	1,095	\$1,069.2	\$329.2	2,725
2030-2036	\$277.9	\$85.4	705	\$214.3	\$65.4	540	\$492.2	\$150.9	1,245	\$327.9	\$100.8	810	\$820.2	\$251.7	2,055
2026-2036	\$640.2	\$196.8	1,625	\$493.7	\$151.8	1,255	\$1,133.9	\$348.6	2,875	\$755.4	\$232.2	1,920	\$1,889.3	\$580.9	4,800

*Difference in totals is due to rounding.

Source: UE

³ The 2036 completion date (i.e. 10 years) assumes an optimised development timeframe, reflecting the Development's scale and access to the Auckland-Hamilton-Tauranga markets. A longer timeframe of around 12-15 years is also possible, however, this would not materially change the estimated GDP or employment impacts.

Figure 20 compares the economic impact of the existing rural use (the “base case”) and the development.

As outlined in Section 12, the adopted base case use of the site is dairy farming. This is estimated to contribute approximately \$1.0 million to GDP and support approximately 6 FTE jobs. This is based on indicative farm revenue of approximately \$11,883 per hectare for the Waikato region, sourced from DairyNZ’s Economic Tracker⁴, applied across the 187.5 hectare site area.

In contrast, the development would contribute an estimated \$371.8 million to GDP and support approximately 3,070 FTE jobs (i.e. direct + indirect economic impact).

Overall, the development will result in a net addition of approximately \$347.6 million to GDP and support approximately 2,874 FTEs, when compared to the base case scenario, in terms of its direct and indirect economic impact. This is considered to be a conservative approach as it does not account for economic benefits from the induced impact outlined in Figures 17-19.

Figure 20:
GDP and FTE Base Case vs The Development (Direct + Indirect Impact)

Comparison	Project Value (\$M)	GDP (\$M)	FTE
Base Case*	\$12.0	\$1.0	6
The Development	\$1,133.9	\$348.6	2,880
Net Difference	\$1,121.9	\$347.6	2,874

Source: UE

*Present value of the future income-generating capacity of the site under dairying use over 30 years.

Figure 21 shows the estimated national ‘GDP per FTE employee’. These figures are used to estimate the FTE employees created by the construction project expenditure outlined in Figures 17-20.

Figure 21:
Industry GDP and GDP per Employee

Sector	GDP (\$M)	FTE Workers	GDP Per Employee
Construction	\$23,200	175,000	\$133,000
Industrial	\$111,000	740,250	\$150,000
Agriculture	\$14,100	84,900	\$166,000
Retail	\$17,000	232,700	\$73,100

Source: Statistics NZ

13.2 Ongoing Operation

Figure 22 outlines the direct and indirect economic contribution of the ongoing operation of the development. Some of the key points to note are:

- The ongoing economic impact from the base case scenario is estimated to be a \$1.0 million contribution to GDP and will support 6 FTE jobs per annum. This has a net present value of

⁴ <https://www.dairynz.co.nz/resources/tools/dairynz-econ-tracker-tool/>

approximately \$12.0 million (estimated over a 30-year period with a discount rate applied at 8% per annum⁵).

- The ongoing operation of the industrial component of the development is estimated to contribute \$553.5 million to GDP and support 3,690 FTE jobs per annum. This has a net present value of approximately \$6.7 billion (estimated over a 30-year period with a discount rate applied at 8% per annum).
- The ongoing operation of the retail component of the development is estimated to contribute \$3.5 million to GDP and support approximately 50 FTE jobs per annum. This has a net present value of approximately \$43.0 million (estimated over a 30-year period with a discount rate applied at 8% per annum).
- Overall, the ongoing operation of the development is estimated to result in a net addition of approximately \$556.0 million to GDP and support approximately 3,734 FTE jobs per annum, when compared to the base case. This would have a net present value of approximately \$6.7 billion (estimated over a 30-year period with a discount rate applied at 8% per annum).

Figure 22:
Economic Contribution and Employment

Land Use	Ongoing Operation Impact	Sector	Multiplier	GDP (\$M)	Net Present Value (\$M)	FTE
Base Case	Direct	Agriculture	1.00	\$0.5	\$6.4	3
	Indirect	Other	0.87	\$0.5	\$5.6	3
	Total Impact	-	1.87	\$1.0	\$12.0	6
Industrial	Direct	Industrial	1.00	\$295.6	\$3,594.5	1,970
	Indirect	Other	0.87	\$257.9	\$3,135.5	1,720
	Total Impact	-	1.87	\$553.5	\$6,730.0	3,690
Retail	Direct	Retail	1.00	\$2.1	\$25.3	30
	Indirect	Other	0.70	\$1.4	\$17.7	20
	Total Impact	-	1.70	\$3.5	\$43.0	50

Source: Statistics NZ, UE

14. Economic Benefits under the Fast-track Approvals Act Economic

This section assesses the development against the relevant economic matters under the Fast-track Approvals Act 2024 (FTAA), with particular regard to whether the development delivers significant regional or national benefits.

The relevant section for an economic analysis for a substantive application is outlined as follows.

Section 3: *“The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.”*

⁵ <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>

Section 81(4): *“When taking the purpose of this Act into account under a clause referred to in subsection (3), the panel must consider the extent of the project’s regional or national benefits.”*

The following sections provide some guidance on how to determine significant regional or national economic benefits. While section 22 relates specifically to referral applications, it provides useful guidance on the types of benefits recognised in the Act as indicators of regional or national significance and is therefore used as an indicative framework for this assessment.

Section 22(1): “The criteria for accepting a referral application are that-

(a) the project is an infrastructure or development project that would have significant regional or national benefits...”

Section 22(2): *“For the purposes of subsection (1)(a), the minister may consider-*

(a) 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

(v) will support primary industries, including aquaculture:

Each of the subsections outlined above are addressed below.

Section 22(2)(a)(iii): Housing Supply and Contribution towards Well-Functioning Urban Environment

The development would make a significant contribution to the regional supply of industrial land and contribute towards a well-functioning urban environment. The reasons for this are summarised below.

Policy 1 of the NPS-UD reads as follows:

Policy 1: *“Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:*

...(b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and

(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and

(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets;”

The development would make a substantial contribution to the operation of the industrial land and development market within Hamilton City, which is currently undersupplied relative to projected demand, particularly when accounting for the demand for industrial land in the north-west (Te Rapa) area and the existing level of market concentration of remaining vacant industrial land.

Currently, there is approximately 18.1-26.3 years of industrial land capacity remaining in the study area. This is not sufficient to meet the long term requirements of Policy 2 of the NPS-UD, which states that:

“Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.”

The development would increase industrial capacity to an estimated 25.6-37.6 years, and as such, make a significant contribution towards meeting the long-term capacity requirements of the study area, particularly given the majority of remaining capacity (60%) is controlled by a small number of owners. The development therefore directly addresses the projected long-term shortages in the Hamilton City industrial land market.

This is particularly relevant given there is no planned additional industrial land supply within the Future Urban Zone (Figures 8 & 15), meaning future industrial demand will need to be met through existing live-zoned land. The development also improves the spatial alignment between future industrial land supply and Hamilton’s north-western growth.

The development is therefore considered to meet Section 22(2)(a)(iii) of the FTAA.

Section 22(2)(a)(iv): Significant Economic Benefits

This development is estimated to contribute approximately \$580.9 million to GDP and support approximately 4,800 FTE jobs during the construction phase.

During ongoing operation, the development is estimated to contribute approximately \$557.0 million to GDP per annum and support approximately 3,740 FTE jobs.

Overall, the development results in a substantial net increase in economic output and employment relative to the base case, which is estimated to contribute approximately \$1.0 million to GDP and support 6 FTE jobs per annum.

In addition, the development contributes towards addressing the projected shortfall in industrial land supply, by providing approximately 7–11 years of future industrial land demand, supporting continued economic growth within Hamilton and the wider golden triangle.

From an economic standpoint, the development represents a transition to a more efficient use of the site, on the basis that the site is located on the urban fringe of Hamilton, represents an extension to the Te Rapa industrial node, and is in close proximity to key growth areas (including Rotokauri/Te Kowhai and Rototuna), and arterial routes including State Highway 1. In this context, the current rural use does not fully reflect the economic potential of the site within the wider urban and market setting.

The development is therefore considered to meet Section 22(2)(a)(iv) of the FTAA.

Section 22(2)(a)(v): Contribution towards Supporting Primary Industries

The development supports the broader functioning of primary industries by enabling industrial and logistics activity within the golden triangle, including processing, storage, and distribution functions that underpin primary sector supply chains.

On this basis, the development is considered to support primary industries at a regional/multi-regional level.

The development is considered to meet Section 22(2)(a)(v) of the FTAA.

In conclusion, the development is considered to meet Section 3 of the FTAA as it offers significant regional benefits, including a substantial contribution to GDP, significant additional employment opportunities, and support for a well-functioning urban environment both through the provision of industrial land suitable for a wide range of industrial activities (including manufacturing, wholesaling, agricultural and construction-related services) and an efficient location.

15. National Policy Statement for Highly Productive Land Considerations

The site contains some highly productive land, and as such, is subject to the National Policy Statement for Highly Productive Land (NPS-HPL). Within the context of the NPS-HPL, and under a typical consenting pathway, the development would be assessed against Clause 3.10, which provides for the subdivision, use, or development of highly productive land where certain criteria are met, including that the benefits of the development outweigh the long-term costs associated with the loss of highly productive land.

3.10 Exemption for highly productive land subject to permanent or long-term constraints:

“(1) Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under clauses 3.7, 3.8, or 3.9 if satisfied that:

(a) there are permanent or long-term constraints on the land that mean the use of the highly productive land for land-based primary production is not able to be economically viable for at least 30 years; and

(b) the subdivision, use, or development:

(i) avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and

(ii) avoids the fragmentation of large and geographically cohesive areas of highly productive land; and

(iii) avoids if possible, or otherwise mitigates, any potential reverse sensitivity effects on surrounding land-based primary production from the subdivision, use, or development; and

(c) the environmental, social, cultural and economic benefits of the subdivision, use, or development outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.”

The key economic consideration, from the above, is whether the benefits of the development outweigh the long-term costs associated with the loss of highly productive land (clause (c)).

As outlined in Section 10, there is a projected shortfall of industrial land over the long term, with demand in the order of 17–25 hectares per annum. On this basis, the development represents a net addition to the Hamilton industrial land market, reflecting both the projected long-term shortfall in supply and the concentrated ownership of existing zoned land, particularly in the north-west. The development would account for approximately 7–11 years of future demand, and form a significant component of the land required to accommodate that growth.

In this regard:

- The development enables a substantial increase in economic output and employment, relative to the existing rural use,
- The site represents a logical and consolidated expansion of the wider north-western industrial area (i.e. Te Rapa industrial node), avoiding dispersed development,

- The development responds to a demonstrated shortfall in industrial land supply, and provides capacity required to accommodate future growth, and
- The location of the site, in close proximity to an established industrial area, key residential growth areas, and strategic transport infrastructure, supports an efficient use of land within the wider Hamilton urban area.

On this basis, the economic benefits of the development are considered to outweigh any long-term economic costs associated with the loss of highly productive land for primary production.

Overall, the development provides for demand that would otherwise be unmet and supports the efficient expansion of industrial activity within Hamilton. The urbanisation of the site therefore results in a net economic benefit, reflecting both the uplift in economic output and employment, and a more efficient use of land.

16. Economic Costs and Benefits Summary

The economic benefits of the development are summarised as follows:

- Generate a **substantial increase in economic output**, contributing approximately **\$580.9 million to GDP** during the construction phase and approximately **\$557.0 million per annum** during ongoing operation.
- Support significant employment, including approximately **4,800 FTE jobs** during construction and approximately **3,740 FTE jobs** during ongoing operation.
- Ongoing operation net benefit of approximately **\$556.0 million in GDP per annum** and approximately **3,734 additional FTE jobs** supported, when compared against the base case.
- Provide approximately **187.5 hectares of industrial land**, representing approximately **7–11 years of future industrial land demand**, and directly addressing identified long-term supply shortfalls within the Hamilton industrial land market.
- Support a **well-functioning urban environment**, through the provision of industrial land in proximity to key employment areas, transport infrastructure, and future residential growth areas (e.g. Rotokauri / Te Kowhai).
- Support **co-location and agglomeration benefits**, through the expansion of the north-western industrial area (e.g. the Te Rapa industrial node), enabling productivity gains associated with the clustering of industrial activity.
- Support the ongoing growth of **industrial and logistics activity within the golden triangle**, which represents New Zealand's primary economic and freight corridor in the North Island.
- Improve the distribution of industrial land supply relative to Hamilton's future growth pattern, materially increasing supply in the north-west where no additional industrial land supply is currently planned within the Future Urban Zone, as identified in the Hamilton Urban Growth Strategy (2023).

The economic costs resulting from the development are:

- The loss of existing rural land suitable for dairy farming, which is estimated to generate approximately **\$11,883 per hectare in farm revenue**, equating to approximately **\$2.2 million per annum** across the site area (187.5 ha), and contributing approximately **\$1.0 million to GDP** and supporting approximately **6 FTE jobs per annum**. When projected over a 30-year period and discounted at 8%, this stream of economic benefits corresponds to a net present value of approximately **\$12.0 million**. This represents the present value of the future income-generating capacity of the site under dairying use.

17. Conclusion

Overall, the development is considered to deliver significant regional economic benefits, by enabling a \$1.9 billion development, that would result in a contribution to GDP and employment of \$580.9 million, and 4,800 FTE jobs during construction. It would in addition contribute a further \$620.1 million to GDP and 4,160 FTE jobs during ongoing operation.

The development represents a net addition to industrial land supply. On this basis, relative to the base case use for the site, the development represents an ongoing operation net benefit of approximately \$556.0 million in GDP per annum and approximately 3,734 additional FTE jobs supported.