# Appendix 8 – Retirement Economic and Market Evidence

# Memorandum — Economic and Market-Need Assessment

To: Waipā District Council
From: Angela Webster, Founder and Director, WEBSTER Research
Date: 15th September 2026
Subject: Harlow Lifestyle Village, Ohaupo Road, Te Awamutu — Summary of Economic and Market Evidence Relevant to the Application

**1. Purpose and Basis of this Memorandum**

I prepared a WEBSTER Research economic report on demand, competition, and pricing for Te Awamutu Developments Ltd in June 2026. That report has since been updated and reissued as the Economic Report: Demand, Competition and Price Point Report, dated 14 September 2026 (referred to in this memorandum as the Main Report). The update was prepared after reviewing the Market Economics technical peer review of the application's economic and market evidence (Hong and Fairgray, Market Economics Ltd, 1 September 2026); the matters raised in that review in respect of the WEBSTER evidence are addressed through the body of the Main Report, with a cross-reference at section 2.1 of that report identifying the responding sections. The purpose of the Main Report is to provide an in-depth commercial analysis of the target market and pricing for the proposed Harlow Lifestyle Village to inform the developer's decision-making. I have drawn on the analysis, data and modelling underpinning that report in preparing this memorandum, which I have prepared for the purposes of the Substantive application under the Fast-track Approvals regime, and which updates and replaces my memorandum dated 6 July 2026. This memorandum sets out my assessment of the economic and market-need evidence relevant to the panel's determination. It is intended to assist the consenting panel, Waipā District Council and other commenting parties.

This memorandum is prepared by Angela Webster, Founder and Director of WEBSTER Research, an independent economic research and advisory practice specialising in the New Zealand retirement village and residential care sectors. I hold a master's degree in economics from the University of Waikato and have 23 years of professional experience in economic analysis, market research and property-sector advisory work, including senior roles at RCG (NZ), UBS (London) and JLL (NZ). Over the past eight years, I have authored more than 470 reports, the majority of which assess retirement village and residential care developments across all regions of New Zealand, and I am regularly engaged as an expert on these sectors by listed operators, private developers, trust-based providers, and planning advisors.

The Main Report's analysis is grounded in objective data, Statistics New Zealand population projections, CoreLogic residential market data, Te Whatu Ora occupancy reporting, operator disclosure statements and WEBSTER's proprietary supply and pipeline databases, and its conclusions are presented with their conditions and risks attached. This memorandum follows the same discipline: the assessment set out below rests on the quantified findings of the Main Report.

*I have read and agree to comply with the Code of Conduct for Expert Witnesses as set out in the Environment Court Consolidated Practice Note 2023, where relevant to this memorandum, and acknowledge that this is a technical report rather than expert evidence.*

## 2. The Proposal in Brief

Harlow Lifestyle Village is a comprehensively master-planned, integrated retirement community on a 25.78-hectare greenfield site fronting Ohaupo Road (State Highway 3) at the edge of the Te Awamutu urban area. The proposal comprises: approximately 414 dwellings delivered across a nine-stage residential programme, spanning standalone villas, two-storey duplex villas, independent apartments and serviced apartments; a residential care facility of approximately 100 beds and suites, delivered early in the programme (Stage 1B) and offering a full continuum of care including rest home, hospital and dementia-level services; a community and retail hub (Stage 2A) serving both residents and the surrounding catchment; a mixed-tenure structure, Fee Simple titles, Unit Title ownership and Occupation Right Agreements (ORA), within a single integrated village; and developer-funded external works, including the realignment of Ohaupo Road/State Highway 3 with a new roundabout, three-waters servicing, riparian planting and wetland restoration.

A Fast-Track Referral application was approved in October 2025. Earthworks and civil works for Stages 1A and 1B are programmed to commence in 2027.

## 3. The Demographic Need

The analysis underpinning this memorandum is framed around two catchment areas, each defined at the Statistics New Zealand SA2 level. The primary catchment area comprises the 24 SA2 areas covering the Te Awamutu urban area, the adjoining township of Kihikihi, and the surrounding rural and satellite communities, including Pirongia, Ngahinapouri, Te Pahu and Ōtorohanga. It has been drawn to capture the area for which Te Awamutu is the natural service, retail, and healthcare town, sharing a common day-to-day amenity offer within the Te Awamutu urban core and a road network anchored on State Highway 3 and the surrounding rural arterial routes. The subject site sits at the northern gateway of this catchment, a position the proposed State Highway 3 realignment reinforces.

The secondary catchment area comprises 50 SA2 areas extending in four broad directions from the primary catchment. To the north, it captures the southern Hamilton suburbs, including Peacocke, Glenview, Deanwell, Melville South, and Temple View, as well as Whatawhata. To the north-east, it spans all of Cambridge and Leamington, as well as the Tamahere cluster. To the west, it reaches the Raglan coast. To the south and south-east, it extends through the King Country and South Waikato, including Te Kuiti, the Ōtorohanga district's rural areas, Tirau, and Putaruru. This broad delineation reflects Te Awamutu's role as a more affordable retirement destination within reach of these communities, while recognising that much of the secondary catchment, particularly the Cambridge area, has its own substantial competing supply, which moderates its practical contribution to the subject village.

The catchment the village serves is ageing rapidly, far faster than its population is growing. Within the primary catchment area (Te Awamutu, Kihikihi, Pirongia, Ōtorohanga and the surrounding rural communities), the population aged 70 and over is projected to grow from 5,637 in 2026 to 8,990 by 2048 (+59%), and the population aged 85 and over from 848 to 2,235 (+164%), against total population growth of only around 13% over the same period. By 2048, almost one in five residents of the primary catchment will be aged 70 or over.

The Waipā District has the oldest age structure of all the geographies modelled in the Main Report, and its older cohort has the least deprived and most home-owning profile, with a high mortgage-free prevalence among its older homeowners, the demographic foundation on which retirement village demand rests.

**4. Residential Care: A Present Shortfall in the Primary Catchment**

Unlike the village programme, which projects demand over the forecast period, the residential care component responds to a shortfall that exists today. Four points establish the position.

- The primary catchment opens the forecast period undersupplied in residential care, with a penetration rate of 32% of the 85+ population count, against the 36% benchmark, equivalent to a present-day shortfall of around 30 beds or suites before any allowance for growth. The need here is therefore not a future contingency but a present shortfall.
- Provision deteriorates faster here than anywhere else tested.
    - The primary catchment records the sharpest deterioration in provision of any geography modelled, sliding from 3.08 residents aged 85+ per care bed or suite in 2026 to 5.19 by 2048, even with the full identified pipeline delivered (including the project site), and to approximately 6.8 if the subject development's care component is removed. The subject development's care component accounts for most of the difference between the two trajectories.
- The catchment currently has no ORA care suites and only limited dementia capacity.
    - The existing local care stock is entirely bed-based, with no care suites of any kind, limited dementia provision, and an ageing footprint; approximately 29% of its care beds sit in facilities opened before 1980. There is also little slack in the wider system to absorb growth: aged-care occupancy across the Waikato district for the March 2025 quarter was 93%, with rest home beds at 94%, both above the national average and among the highest in the Te Whatu Ora Midland region[1].
- The Stage 1B facility accounts for around two-thirds of the local care pipeline.
    - The Stage 1B facility provides approximately 100 beds and suites, around two-thirds of the entire identified care pipeline in the primary catchment, including the catchment's first ORA care suites and meaningful new dementia capacity. Its early position in the delivery programme means the care response arrives ahead of, not behind, the demand curve. Because it is both early and large relative to everything else in the pipeline, the Stage 1B facility is not one contributor among several but effectively the catchment's whole current care response for the forecast period.

The significance of this local care provision is heightened by the fact that Te Awamutu has no full-service hospital. A substantially expanded local base of residential care, with on-site clinical capability and a planned continuum from independent living through to dementia-level care, keeps care placements local, spares families the travel burden of placements in Hamilton or Cambridge, and supports planned rather than crisis-driven transitions. To the extent that timely access to residential care reduces avoidable acute admissions and delayed discharges, the facility may also relieve pressure on Waikato Hospital. The Main Report is candid that this last effect is unquantified and depends on the facility's occupancy ramp-up and clinical staffing.

[1] Aged Care Association, Aged residential care occupancy for the 31 March 2025 quarter (21 July 2025), analysis of the Te Whatu Ora ARC Quarterly Reporting Survey.

## 5. Retirement Village Demand, Local Choice and the Supply Gap in Te Awamutu

Te Awamutu's existing retirement village offer is small, fragmented and narrow: 216 units across five villages, all independent-living villas, with no apartment product of any kind, whether independent or serviced, no care suites, and no operating village delivering a full contemporary amenity programme or an integrated continuum of care. The WEBSTER net latent demand model indicates demand for approximately 737 retirement village units from primary catchment residents by 2048, more than three times the current local supply.

The practical consequence of this gap is limited choice. The Waipā District's contemporary, amenity-rich, care-integrated supply is heavily concentrated in Cambridge, which largely operates at higher price points than those proposed for Harlow Lifestyle Village and already draws demand from well beyond the District, so its capacity is committed to a wide regional pool. A Te Awamutu resident who wants modern retirement living with a committed care pathway must today leave the town to obtain it, moving away from the social networks, family, healthcare arrangements and community ties they have built locally.

Proximity to these connections is a well-established driver of retirement accommodation decisions. It is consistent with the sales origin analysis underpinning this memorandum, which indicates the primary catchment is the largest single source of demand for the village (an estimated 38% of sales), and that the care facility draws far more locally again, with an estimated 80% of care residents expected to originate within the primary and secondary catchments combined. The proposal removes that forced trade-off: residents of Te Awamutu and its surrounding rural communities who do not wish to relocate to Cambridge, Tamahere or Hamilton will no longer have to. It locates supply where the underprovision actually sits, most acutely in residential care, and in product types the town currently lacks altogether, including independent and serviced apartments, at price points calibrated to the local equity base. In doing so, it supports ageing in place within established networks: a need that district-wide supply totals obscure, because Cambridge's abundance lifts those totals while doing nothing for a Te Awamutu resident who cannot or does not wish to move there.

### Reading the Demand Evidence: What the Local-Only Test Does and Does Not Show

The Main Report is transparent about how local demand interacts with the wider pipeline, and the following sets out what its demand numbers do and do not show. Under a deliberately conservative "local market only" stress test, which asks whether each geography could absorb its existing supply plus the full identified pipeline using demand from its own resident 70+ population alone, the primary catchment absorbs an estimated 88% of its supply plus pipeline by 2048. Full absorption of the subject village depends on inflows from the secondary catchment and the wider region, consistent with the modelled sales-origin profile: 38% from the primary catchment, 28% from the secondary catchment, 20% from the rest of the Waikato Region, and 14% from beyond.

That residual primary-catchment position reflects the pipeline's structure rather than any oversupply in the underlying market. The subject development accounts for roughly 70% of the identified primary catchment pipeline, so the local-only test is, in substance, a test of the development's own scale against local demand alone. Two figures from the model make the point. Local 70+ demand growth to 2048 is around 521 units, while the identified pipeline, excluding the subject development, is only 181 units. Even with the rest of the local pipeline delivered, the catchment still carries substantial unmet demand growth over the forecast period. The subject development's 414 units fill that residual local gap and add a modest margin, around 74 units at 2048, that depends on buyers from beyond the catchment rather than on local demand alone. Both halves of this position need to be read together.

- The with-project test is the base case. It is the test on which the decision turns, because the panel is being asked to approve the project, and the question that matters is what happens to the market once Harlow is delivered into the existing pipeline at its proposed scale. On that test, the combined catchment clears its supply-plus-pipeline position on local demand alone by around 2045, and the Waikato Region by around 2042, each with a residual buffer. This is the conservative frame: it measures the market as it would exist once Harlow is delivered, rather than inflating the shortfall by excluding the very project under assessment.
- The residual position is a function of the development's own weight, not of competing local supply. As the Main Report records, stripping the subject development out of the pipeline, the remaining primary-catchment pipeline of 181 units would clear comfortably within the forecast period against local demand growth of around 521 units. The local-only result therefore measures the scale of the programme being tested against its home catchment, rather than indicating a market that cannot absorb further supply.

Taken together, the figures support a measured reading. The local "shortfall" under the with-project test reflects the development's own weight in the primary-catchment pipeline, tested against local demand alone, rather than a structural surplus in the market: demographic demand growth in the catchment is real and continues across the forecast period, but it is not, by itself, sufficient to absorb a programme of this scale. Full absorption rests on capturing a defensible share of a regional pool that is already pipeline-heavy relative to its demographic weight and will grow further as additional villages are proposed over the period, which is why the intended staging (with early delivery of the care facility), pricing (intended to be lower than comparable developments in Cambridge), and differentiation disciplines (for example, the mixed Fee Simple, Unit Title and ORA tenure structure, which no operating or pipeline village in the comparator set offers) carry the weight they do and are important to ensuring full absorption.

The residential care component does not depend on that contested-pool logic. Without the development's care component, care provision in the primary catchment would fall to around one bed or suite for every 6.8 residents aged 85+ by 2048, indicating a present shortfall rather than a contested share. Delivery of the village is, on the recommendation of the analysis, staged to respond to demonstrated demand, so approving the full master plan enables capacity without committing the market to absorb supply ahead of demonstrated need.

**6. Breadth of Offer: Typology, Tenure and Price Point**

The proposal materially widens accommodation choices for older residents of the catchment and beyond across three dimensions.

- Typology
    - The programme introduces product types with no operating local precedent: the area's first independent apartments and serviced apartments; an intermediate duplex villa tier below standalone villas at each bedroom count; and the area's first ORA care suites, alongside conventional standalone villas. This breadth allows households across the equity spectrum, from care-suite entry points of approximately $245,000 to $365,000 and serviced apartments from approximately $360,000, through to premium freehold villas, to be served within a single village, rather than a single price band.
- Tenure
    - No operating or pipeline village in the comparator set offers what Harlow proposes: Fee Simple ownership, Unit Title ownership, and ORA occupancy within a single integrated village with a co-located care facility. The structure gives purchasers a genuine choice between retaining capital gain under conventional ownership and the lower entry pricing and certainty of the ORA model, with the same amenity and care access in either case.

- Price points
    - The indicative pricing is anchored to the band where local absorption is demonstrably strong (a core two-bedroom villa band of approximately $650,000 to $850,000, broadly within the primary catchment's 75th percentile equity capacity of approximately $820,000). It deliberately preserves Te Awamutu's affordability advantage over the Cambridge and Tamahere clusters and the upper-range Broadwater village now under construction in southern Hamilton. On a price and dollar-per-square-metre basis, the proposal provides a more affordable, locally oriented alternative to the higher-priced destination villages that currently dominate the District's supply.

**Two Further Accommodation Benefits Worth Drawing Out**

Beyond the three dimensions above, two additional positive indicators strengthen the accommodation case and warrant direct mention to the panel.

- The development materially widens the options available to people aged 55 to 70. Because of its tenure mix and product range, Harlow can serve a younger-old cohort that other villages, with higher entry ages or narrower offerings, cannot. The combination of freehold and Unit Title ownership alongside ORA occupancy, and of standalone villas, duplex villas, and apartments at a range of price points, opens contemporary retirement living to households who are downsizing earlier and who would otherwise find the local market either closed to them or confined to a single-tenure model. It is also relevant to the absorption question addressed in section 5. The demand modelling underpinning this memorandum applies penetration benchmarks expressed against the population aged 70 and over, calibrated to observed market outcomes. To the extent that the development's tenure mix and product range attract uptake from the 55 to 70 cohort beyond levels typical of the villages from which those benchmarks are drawn, that uptake is not reflected in the modelled figures, and the modelling is conservative to that extent.
- Te Awamutu currently has no independent or serviced apartment product. Harlow introduces the catchment's first apartments, directly addressing this unmet demand. For older residents who want to remain in the area but no longer want a standalone dwelling and its associated upkeep, the apartment typologies, together with the serviced-apartment tier for those seeking a higher level of support, close a genuine gap in the local housing continuum. However, the analysis treats apartment absorption cautiously and recommends releasing this component against demonstrated demand.

**7. Demand Risk, Staging Discipline and the Oversupply Question**

WEBSTER anticipates that parties invited to comment on the application may argue the regional retirement village pipeline is larger than the Main Report identifies, both because some current projects will not yet be captured in WEBSTER's databases and because further villages will be proposed and consented across the 22-year forecast period, and that approving Harlow on top of them risks oversupply. The Main Report directly engages with this concern, and the answer lies in the delivery structure. First, the programme is delivered in nine discrete stages, each a separate commercial commitment decision. The analysis recommends governing stage progression by demonstrated absorption rather than the calendar, with the programmed nine-month stage intervals treated as minimums, not a schedule. Delivered on that basis, supply enters the market as demand is demonstrated; the consent enables capacity, it does not compel it ahead of need. The detailed absorption framework, including indicative pre-sales and sell-down thresholds and a quarterly monitoring regime, is set out in the analysis underpinning this memorandum and reflects the developer's own commercial incentive not to deliver supply ahead of demand.

Second, the components addressing the most acute needs are sequenced first: the Fee Simple villas, for which local demand is evidenced, and the Stage 1B care facility, which responds to the primary catchment's modelled present-day undersupply. Third, the long-run structure of the residential care sector supports the integrated model presented here. New residential care capacity in New Zealand is now delivered overwhelmingly through village-integrated facilities and ORA-based care suites rather than standalone care facilities.

The identified North Island care pipeline is heavily weighted toward care suites within retirement villages. At the same time, a large share of the existing local standalone stock predates 1980 and will likely need to be replaced within the forecast period. In practical terms, consenting to integrated villages of this kind is the mechanism by which the District will build its future care capacity.

For the reasons set out in section 5, the apparent local shortfall under the local-only test reflects Harlow's own weight in the pipeline rather than market surplus. The with-project base case, which clears the combined catchment by around 2045 and the region by around 2042 on a shallow and contested margin, is why the staging discipline set out above carries the weight it does.

The updated Main Report also tests the sensitivity of these conclusions directly, in response to the Market Economics review. On the penetration-rate pathway, a 2048 endpoint of 9.0% rather than 10.0% reduces estimated primary catchment demand to approximately 665 units, with approximately 75% of the supply plus pipeline position absorbed by 2048; an 8.0% endpoint reduces demand to approximately 592 units and absorption to approximately 63%; and commencing the pathway at the observed 2026 penetration rate of 4.73%, rather than the applied 5.5%, leaves the 2048 position unchanged but slows the demand build-up and extends the absorption timeline. On purchaser origin, reducing the secondary catchment share of sales from 28% to 20% and the rest-of-Waikato share from 20% to 15% extends full sell-down of the programme from approximately nine years to approximately ten and a half, and a severe variant halving both shares extends it to around twelve years. In every case the direction of the conclusions holds: the practical effect of the downside settings is a longer, staged programme governed by the absorption triggers rather than delivered oversupply, so the conclusions are not an artefact of the base-case settings.

From an economic standpoint, the site's position on the rural edge of the urban area allows a comprehensively planned development of this scale to be delivered without displacing existing residential activity, while placing several hundred future residents within a short drive of the town's established retail, healthcare and community amenities.

**8. Conclusion**

The economic case for Harlow Lifestyle Village rests on two distinct components: a present and quantified shortfall in residential care in the primary catchment, and a village programme scaled to a regional demand pool, with staging discipline matching delivery to demonstrated absorption.

The residential care component is the firmer of the two. For the reasons set out in section 4, the primary catchment opens the forecast period undersupplied, provision deteriorates across the period, and the Stage 1B facility, delivered early and representing around two-thirds of the identified local care pipeline, meets that need ahead of, rather than behind, the demand curve. In a town with no full-service hospital, it keeps care local and supports planned rather than crisis-driven transitions.

The village programme rests on a genuine but shallower foundation. Because Harlow accounts for roughly 70% of the identified primary catchment pipeline, full absorption depends materially on inflows from a regional pool that is already pipeline-heavy relative to its demographic weight and will grow further as additional villages are proposed and consented across the period. No demand analysis over a 22-year horizon can guarantee absorption of a programme of this scale, and I do not offer that guarantee. The sensitivity testing in the updated Main Report supports this measured position. Under slower penetration pathways and reduced out-of-catchment sales shares, the conclusions hold in direction, with the consequence in each case being a longer programme rather than unabsorbed supply. The delivery structure means no such guarantee is required. Each of the nine stages is a separate commercial commitment decision, governed by demonstrated absorption rather than the calendar, so approval of the full master plan enables capacity without committing the market to absorb it; if demand falls short, the consequence is the deferral or curtailment of later stages at the developer's cost, rather than the entry of unabsorbed supply into the market. Two unquantified factors moderate the reliance on regional inflows: uptake from the 55 to 70 cohort beyond the levels embedded in the penetration benchmarks, and the development's differentiation in typology, tenure and price point, which widens choice in ways the existing local market cannot match. Certain dependencies sit outside the developer's control and warrant monitoring: housing-market liquidity, the review of the Retirement Villages Act, and the apartment component, which runs ahead of the local evidence base and warrants release against demonstrated villa absorption.

Accordingly, my conclusions are these. The residential care component is well founded and responds to the most acute and immediate need identified in the analysis. The village programme is appropriately enabled by the consent sought, based on the demand-responsive staging described in section 7. The pace and extent of the programme ultimately delivered will rightly be determined by demonstrated demand.

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*Note: All quantified figures in this memorandum are indicative, gross direct estimates, as defined in the WEBSTER Research Economic Report (14 September 2026) on which this memorandum is based.*