Appendix 10 – Economic Assessment

INSIGHT ECONOMICS



Final Report: 25 September 2026

Economic Assessment of Proposed Harlow Lifestyle Village for Fast-track Substantive Application

Prepared for:
Te Awamutu Developments Limited

Authorship

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Statement of Qualifications & Experience

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I am the Founder and Managing Director of Insight Economics, one of New Zealand's leading economic consultancies on resource management, property development, and local infrastructure. Prior to that, I was a founding director of another economics consultancy – Covec Limited – for 12 years.

I hold a first-class honours degree in economics from the University of Auckland, where I received numerous prizes and scholarships for academic excellence. Over the past 25 years, I have successfully completed more than 600 consulting projects across a wide range of sectors, including dozens of large-scale commercial, industrial, and residential developments, and have appeared as an expert witness at more than 150 hearings before various judiciaries all the way up to the High Court.

Danielle Chaumeil
I am a Consultant at Insight Economics. I have been employed at Insight Economics since 2020. I hold a BCom (Actuarial Studies) / BAppFin from Macquarie University and a BDes (Architecture) from the University of Sydney.

I have 20 years of professional experience in insurance, consulting, and architecture, including roles as an Actuary in both Australia and France. My experience includes economic and retail impact assessments, market supply and demand studies, resource consents, and plan changes.

Nicholas Keith
I am a Consultant at Insight Economics. I have been employed at Insight Economics since 2023. I hold a BSc (Statistics) from the University of Auckland and a first-class honours MSc (Analytics) from Massey University.

I have three years' professional experience in economic consulting, with a background in statistical and econometric analysis. Since joining Insight Economics I have contributed to significant projects across retail, residential, tourism, industrial, and local infrastructure sectors, including Fast-track applications for some of New Zealand's largest property developers.

We have been engaged by Te Awamutu Developments Limited to assess the economic effects of the Harlow Lifestyle Village project and to prepare this report to accompany the substantive application under the FTAA.

We are collectively responsible for preparing this report on behalf of Insight Economics. We confirm that, in our capacities as authors of this report, we have read and agree to abide by the Environment Court of New Zealand's Code of Conduct for Expert Witnesses contained in the Practice Note 2023.

For more information about Insight Economics, including our extensive experience with helping to secure planning approval for major projects (including numerous Fast-track applications), please visit our website: www.insighteconomics.co.nz

Harlow Lifestyle Village at a Glance

The proposal: a master-planned senior living community on the northern edge of Te Awamutu, delivering approximately 414 dwellings across a range of typologies and tenures, a 100-bed residential care home including the catchment's first ORA care suites, a community and retail hub, and a developer-funded realignment of SH3, with total investment of approximately $232 million.

The market: the primary catchment's population aged 85 and over grows around 2.6 times by 2048. Webster Research identifies demand for around 737 retirement village units and 884 care beds and suites by 2048, against current local supply of around 216 units and 275 beds, with the catchment already undersupplied in residential care.

The benefits: approximately $76 million of GDP and 620 FTE-years of employment during construction, plus a permanent onsite economy of around 118 FTEs generating $85 million of GDP (NPV) over 30 years, alongside a significant boost to senior housing supply, care capacity, competition, and housing choice.

The costs: forgone rural production worth around $0.5 million of GDP (NPV) over 30 years, deliberately overstated. Even the most productive alternative rural use the land could physically support is worth a fraction of the proposal's benefits.

The net result: net quantified impacts of approximately $160 million of GDP (including $95 million of wages) and 2,830 FTE-years of employment, before counting the qualitative benefits.

The conclusion: the proposal is strongly supported on economic grounds.

Executive Summary

Context

Te Awamutu Developments Limited is seeking approval under the Fast-track Approvals Act 2024 (FTAA) to develop Harlow Lifestyle Village at 2025 Ohaupo Road, on the northern edge of Te Awamutu. The proposal comprises approximately 414 senior dwellings across a mix of typologies and tenures, a 100-bed residential care home, a community and retail hub, extensive open space, and associated infrastructure, including the developer-funded realignment of State Highway 3. Insight Economics prepared the economic assessment supporting the successful referral application in 2025, and this report assesses the economic effects of the proposal in support of the substantive application.

Quantified Economic Effects

The proposal's quantified effects are assessed against a counterfactual in which the site continues in its current use of dairy heifer grazing and baleage, which the AgFirst agribusiness assessment identifies as the only credible rural use of the land. Effects are estimated using multiplier analysis over a 30-year horizon and expressed as net present values at an 8 percent discount rate. The modelling is deliberately conservative. Induced effects are excluded, only 80 percent of direct and indirect impacts are counted, only 75 percent of impacts are attributed to the Waikato region, and the value of forgone rural production is deliberately overstated. The extent to which the modelled activity is additional to the regional economy is addressed separately in Section 9.

On this basis, construction of the proposal is estimated to contribute approximately $76 million of GDP (including $38 million of wages) and 620 FTE-years of employment to the Waikato region over the assumed nine-year build programme. Once complete, the village and care home will sustain a permanent onsite workforce of around 118 FTEs across 141 jobs, worth approximately $85 million of GDP (NPV) over 30 years, including $58 million of wages. Forgone rural production offsets only around $0.5 million of GDP. The proposal's net quantified impacts are approximately $160 million of GDP (including $95 million of wages) and 2,830 FTE-years of employment.

Housing Market and Care Benefits

Beyond the quantified impacts, the proposal delivers a range of housing market benefits:

- It provides a significant boost to senior housing supply in a catchment whose population aged 85 and over is projected to grow around 2.6 times by 2048, and where Webster Research identifies demand for approximately 737 retirement village units from primary catchment residents against a current local supply of around 216.

- Its 100-bed care home addresses the catchment's most acute need. The primary catchment opens the forecast period undersupplied in residential care and requires around 884 beds and suites by 2048, more than three times current capacity. The proposal represents around two-thirds of the entire identified care pipeline, and introduces the catchment's first ORA care suites and meaningful new dementia capacity.

- It widens housing choice through a mix of villas, apartments, and serviced apartments across Fee Simple, Unit Title, and ORA tenures that no operating or pipeline comparator offers, with entry prices extending well below anything currently available locally.

- It strengthens competition in the local land and retirement markets, helps moderate price pressures, and releases an estimated 15 to 20 established family homes to the market each year through downsizing chains.

The NPS-HPL Weighing

Because part of the site comprises highly productive land, this report also addresses the economic limb of clause 3.10(1)(c) of the NPS-HPL. Valued using the Total Economic Value (TEV) framework, which captures the value of market production together with intangible values, the long-term economic cost of forgoing the land for rural production ranges from $0.6 million under the current use to $17.8 million under the most productive alternative the land could physically support. The ongoing activity of the completed village and care home alone is worth several times the highest of those costs. The economic benefits of the proposal therefore outweigh the economic costs of losing the land for land-based primary production by a wide margin under every scenario tested.

Conclusion

The economic benefits of the proposal are substantial, enduring, and broadly shared, while its economic costs are modest and contained. The Fast-track process ensures those benefits, most critically the care capacity, arrive years earlier than conventional consenting pathways would allow. The proposal is strongly supported on economic grounds.

1. Introduction

This section introduces the proposal and sets out the scope, purpose, and structure of this report.

1.1. Context

Te Awamutu Developments Limited (the **applicant**) is seeking to develop Harlow Lifestyle Village at 2025 Ohaupo Road, on the northern outskirts of Te Awamutu in the Waipa District. The proposal is to enable the development of a community for senior living in Te Awamutu, providing approximately 414 dwellings/units (including single-storey houses, duplex units and apartments), and a 100-bed care facility. The development will also feature communal facilities and a neighbourhood centre, riparian planting, wetland restoration, three waters services infrastructure, and transport infrastructure. The project is designed to cater specifically to an ageing population, addressing a critical need for retirement housing and care capacity.

Insight Economics previously prepared the economic assessment supporting the applicant's Fast-track referral application for the proposal, which was accepted in October 2025. Following the approval of that referral, the applicant is now making its substantive application for all necessary approvals under the Fast-track Approvals Act 2024 (**FTAA**). This report supports that substantive application and builds on our earlier referral assessment.

A draft of this report dated 13 August 2026 was provided to Waipā District Council ahead of lodgement. The Council commissioned Market Economics to review the economic and market evidence supporting the application, and its review dated 1 September 2026 sought clarification on several matters. We have considered each of the matters raised and updated this report accordingly. Appendix E records where each matter raised in the review is addressed. This version also reflects the applicant's latest indicative masterplan and yield.

1.2. Criteria for Assessing Substantive Applications

The FTAA establishes a permanent approvals regime designed to expedite projects that deliver significant regional or national benefits. When considering substantive applications, the Expert Panel is guided by the provisions in sections 81 to 85 of the FTAA, together with the matters set out in Schedule 5. The key provisions relevant from an economic perspective are summarised in Table 1.

Table 1: Economic matters relevant to substantive assessment under the FTAA

Provision	Relevance to this assessment
Purpose of the Act (s3; refer also to s43(1)(b)(i); s81(2)(b))	The central purpose of the FTAA is *"to facilitate the delivery of infrastructure and development projects with significant regional or national benefits."* The Panel must have particular regard to whether projects achieve that purpose.
Balancing Benefits and Adverse Effects (s85(3)-(4))	The Panel may decline an approval if it considers the adverse impacts are out of proportion to regional or national benefits.
Nature and Scale of Benefits (s81(4))	The Panel must consider the extent of the project's regional or national benefits.

Consistency with National Direction (s81(2)(aab))[1]	The Panel must also consider the extent to which a project aligns with a relevant Government policy statement, including those under the Resource Management Act 1991 (RMA), such as the National Policy Statement on Urban Development (NPS-UD).
Schedule 5, Clause 7	Requires an assessment of economic effects as part of the Assessment of Environmental Effects (AEE).
Schedule 5, Clause 17	Directs that greatest weight be given to the purpose of the FTAA when considering consent applications.

In short, these provisions confirm that substantive applications are to be assessed primarily on the extent to which they deliver significant regional or national benefits, and whether those benefits outweigh any adverse effects.

1.3. Scope and Purpose of Report

This report assesses the likely economic effects of the proposal against the criteria in Table 1. It focuses on the proposal's capacity to boost senior housing supply and residential care capacity, generate employment, support well-functioning urban environments, and contribute positively to regional economic performance – including impacts on GDP, household incomes, and wider economic outcomes. The net quantified assessment also directly informs the weighing of benefits against the long-term costs of the loss of highly productive land under clause 3.10(1)(c) of the National Policy Statement for Highly Productive Land (NPS-HPL). The assessment is intended to assist the Panel in determining whether the proposal provides sufficient benefit to justify approval under the FTAA.

1.4. Relationship to Other Technical Assessments

The application is supported by several related technical assessments, and this report is designed to work alongside them.

Webster Research has undertaken a comprehensive assessment of retirement housing and residential care demand, supply, competition, and pricing for the applicant, and its findings are set out in its report of September 2026 and summarised in a memorandum of economic and market evidence dated 15 September 2026, prepared for this application. We rely on that market evidence and do not re-derive it. Where this report presents demand projections, supply and pipeline figures, comparator pricing, or sales-origin profiles, principally in the housing market assessment in Section 9 and in the village staffing assumptions in Section 5, the underlying analysis is Webster Research's and is attributed accordingly.

AgFirst has assessed the site's agribusiness context, the productive capability of the land, and the economic viability of alternative rural uses. Its assessment answers a farm-level question: whether a landowner or investor could operate each rural use at an acceptable commercial return, based on farm budgets and investment cashflows. This report draws on that work but answers a different question on a different basis. We use the land use scenarios, land areas, and per-hectare output figures from the AgFirst assessment as inputs to our modelling of forgone rural production, which

[1] Inserted by the Fast-track Approvals Amendment Act 2025; which received Royal assent on 16 December 2025 and applies from 17 December 2025.

values the economic activity each use would generate across the economy, measured as GDP, employment, and wages, and including supply-chain effects. Because the two assessments measure different things, their results are not directly comparable. In particular, a positive GDP value in this report does not imply that the underlying rural enterprise would be profitable or economically viable. We make no assessment of economic viability and rely on AgFirst's conclusions on that question.

The AgFirst findings, together with the soil and land use capability assessment prepared by Landsystems, also inform the counterfactual land use adopted in this report.

Within this framework, our report provides the formal economic impact assessment of the proposal and addresses the economic limb of the weighing required by clause 3.10(1)(c) of the NPS-HPL.

1.5. Structure of this Document

The remainder of this document is structured as follows:

- Section 2 describes the subject site, its current use, and its surrounding environment.
- Section 3 sets out the two options assessed: the proposal and the counterfactual.
- Section 4 describes the analytical framework and methodology used in the assessment.
- Section 5 summarises the key inputs and assumptions underpinning the analysis.
- Section 6 estimates the one-time impacts of construction activity on GDP, jobs, and wages.
- Section 7 assesses ongoing onsite economic activity under the proposal and counterfactual.
- Section 8 presents the net quantified economic impacts of the proposal.
- Section 9 considers the proposal's housing market effects.
- Section 10 discusses wider long-term economic effects.
- Section 11 considers the role of the FTAA in accelerating project delivery.
- Section 12 assesses the economic limb of clause 3.10(1)(c) of the NPS-HPL.
- Section 13 presents the overall summary and conclusion.

2. About the Subject Site

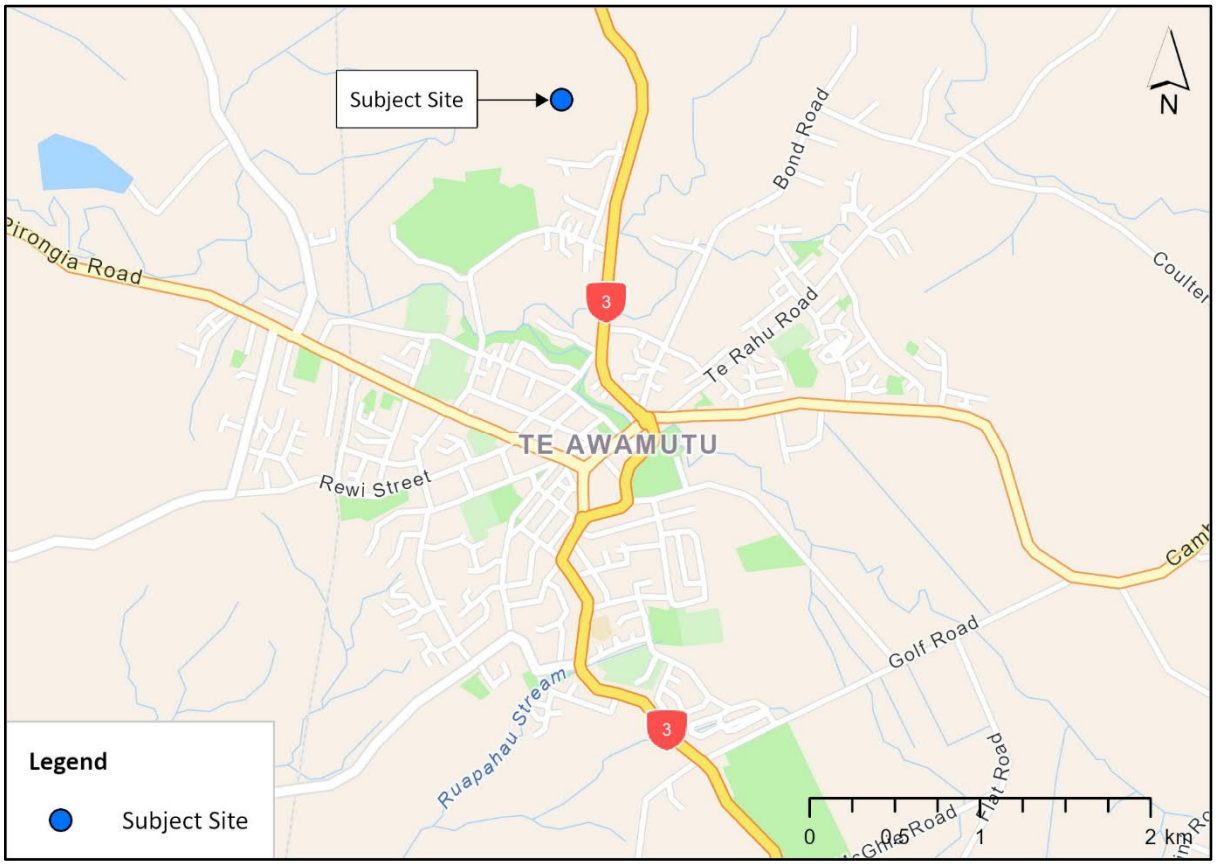
This section identifies and briefly describes the subject site.

In short: The 25.8-hectare site adjoins the northern edge of Te Awamutu's urban area. At most 7.1 hectares qualifies as highly productive land, occurring as fragmented pockets within lower-class land, and the site's soil and agribusiness assessments conclude that the land is best suited to pastoral use.

2.1. Site Location and Description

The subject site is located at 2025 Ohaupo Road, on the northern outskirts of Te Awamutu in the Waipa District. It is bound by State Highway 3 (SH3) to the east, rural and residential land to the south, and rural land to the west and north, and it abuts the northern extent of the Te Awamutu Residential Zone. Figure 1 shows the site's location.

Figure 1: Site Location



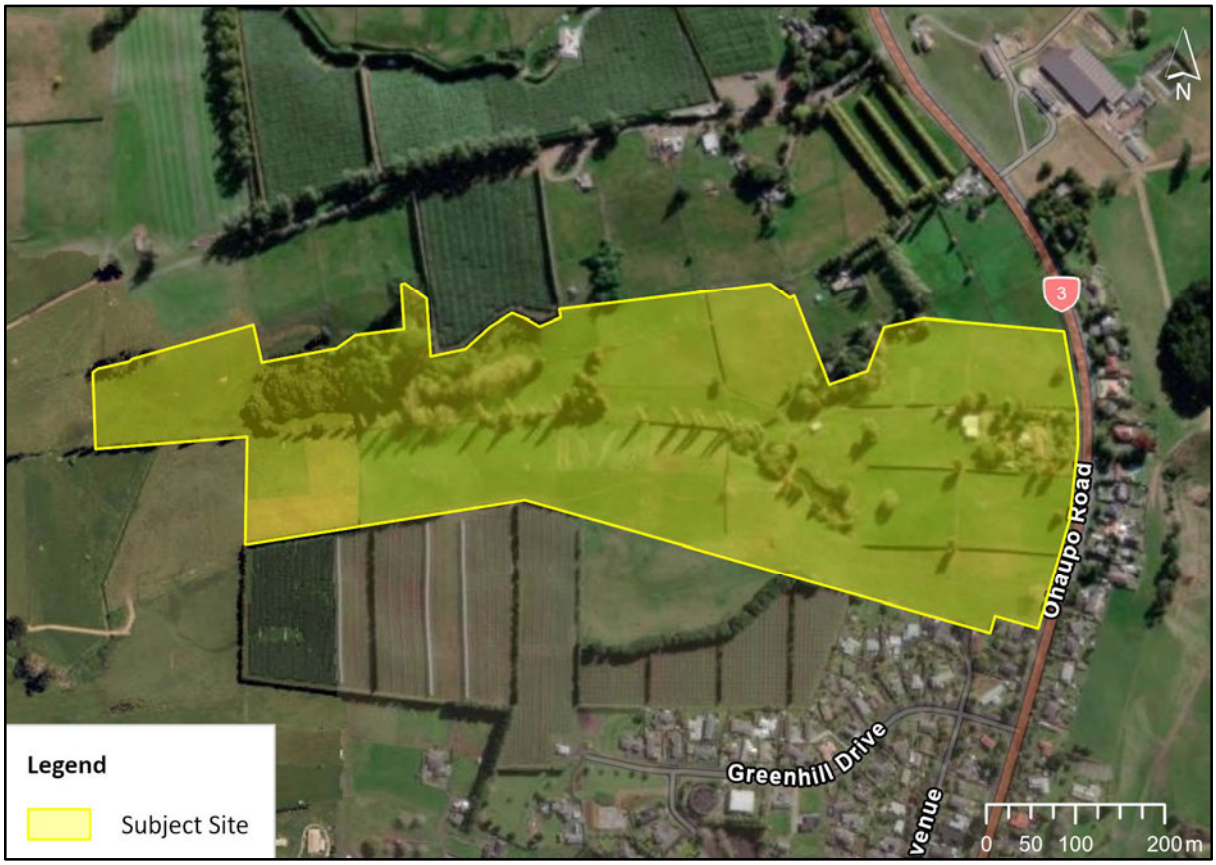
The site spans an area of approximately 25.8 hectares of gently undulating terrain and is zoned Rural under the Waipa Operative District Plan. A detailed soil and land use capability (LUC) assessment prepared by Landsystems found that only 5.7 hectares (22 percent) of the site qualifies as highly productive land under the NPS-HPL,[2] being the LUC 2s1 Horotiu soils mapped by the New Zealand Land Resource Inventory.[3] The balance comprises LUC 3 land – excluded from the highly productive

[2] As amended by the National Policy Statement for Highly Productive Land Amendment 2025 (in force 15 January 2026).
[3] Landsystems (2026), *Soil and Land Use Capability Classification Assessment: 2025 Ohaupo Road, Te Awamutu, Final v1.0*, 2 June 2026.

land definition under clause 3.5(7)(b)(iii) for the proposed senior living development – together with LUC 4 land and approximately 6.0 hectares of non-productive areas (earthworked areas, buildings and curtilage, tracks, native vegetation, and wetlands). Landsystems' more detailed on-site mapping identified 7.1 hectares (28 percent) of LUC 2 land, which the AgFirst agribusiness assessment adopts as a conservative upper bound.[4] On either basis, the high class soils occur as fragmented inclusions within a landscape of lower-class land, and Landsystems concludes that cropping is not practically feasible across the site and that the land is best suited to pastoral use. The site is presently used for pastoral farming, with a net pastoral area of 19.8 hectares, and contains a number of farm buildings.

The site's immediate receiving environment is characterised by the existing Te Awamutu urban area to the south, rural and rural-residential land to the north and west, and the SH3 corridor to the east. Figure 2 shows the site within its surrounding context.

Figure 2: Receiving Environment



[4] AgFirst Waikato (2016) Ltd (2026), *2025 Ohaupo Road Fast-track NPS-HPL Assessment*, 30 July 2026.

3. Development Options

This section describes the two options considered for the site's future use.

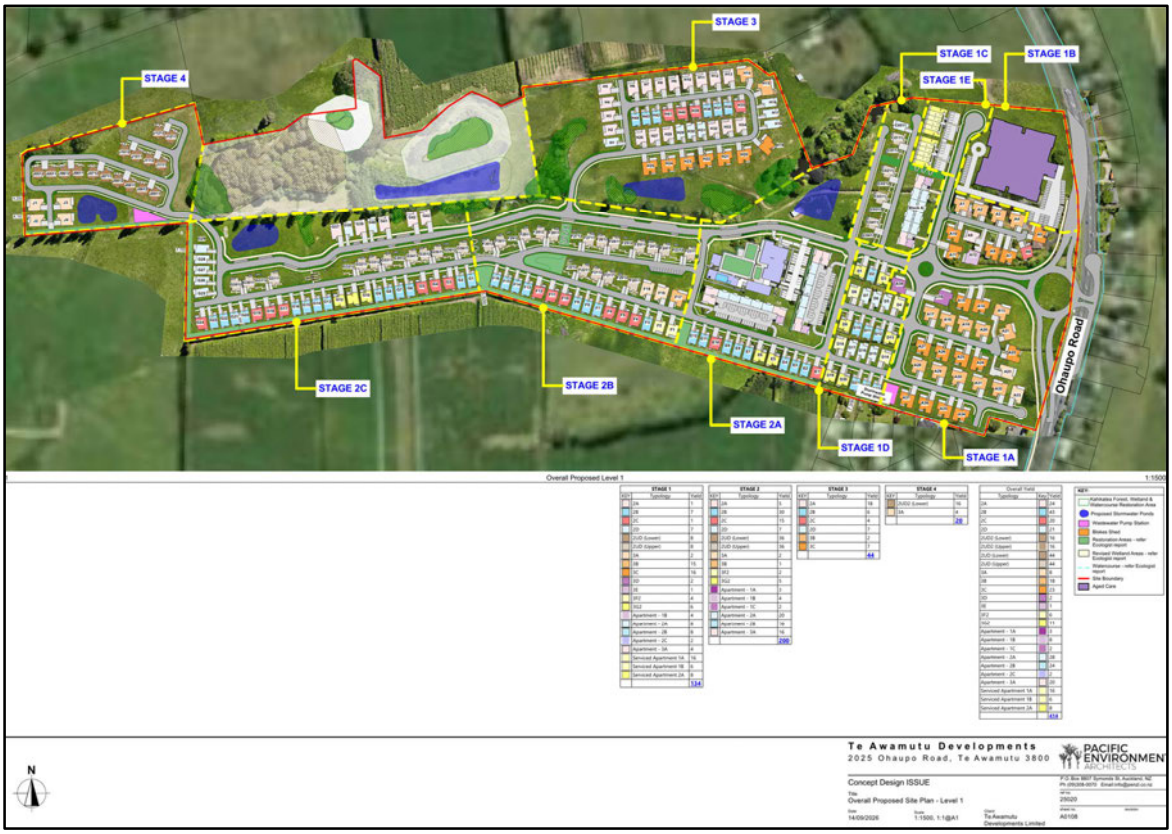
In short: The proposal delivers approximately 414 senior dwellings, a 100-bed residential care home, and a community and retail hub. The counterfactual is a continuation of the site's current use, dairy heifer grazing and baleage, which the AgFirst assessment concludes is the only credible rural use of the land.

3.1. Option 1: Harlow Lifestyle Village

The proposal is to enable the development of a community for senior living in Te Awamutu, providing approximately 414 dwellings/units (including single-storey houses, duplex units and apartments), and a 100-bed care facility. The development will also feature communal facilities and a neighbourhood centre, riparian planting, wetland restoration, three waters services infrastructure, and transport infrastructure. The project is designed to cater specifically to an ageing population, addressing a critical need for retirement housing and care capacity.

The development will proceed in alpha-numeric order as set out on the indicative masterplan below, notwithstanding that some downstream infrastructure that lies within latter stages will need to be constructed at the time that the earlier stages require it.

Figure 3: Indicative Masterplan (Pacific Environments Architects, 14 September 2026)



General construction timing is expected to be as follows:

- Stages 1A and 1B are programmed to commence earthworks and civils in Q1–Q2 2027.
- Subsequent stages are programmed at approximately nine-month intervals between stage commencements.

3.2. Option 2: Counterfactual

The counterfactual represents the most likely use of the subject site in the absence of the proposal, and provides the benchmark against which the proposal's net economic effects are assessed. In this case, and consistent with the site's current use, its Rural zoning, and the LUC findings summarised in Section 2, we consider that the site would most likely continue in its current use of dairy heifer grazing and baleage production for the foreseeable future. This is also the conclusion of the AgFirst agribusiness assessment, which evaluated the full range of alternative land-based uses contemplated by clause 3.10(2) of the NPS-HPL and found that none of these alternatives is economically viable on this site. Arable cropping is physically practicable on around 14.5 hectares of the site but generates returns insufficient to service the capital employed. Kiwifruit would require establishment investment of $3.9 million to $11.5 million and is projected to return well below investor requirements, reflecting the site's frost risk, mixed aspect, and distance from packhouse infrastructure. Continued pastoral use is therefore the most credible benchmark for this assessment. The higher-value alternatives are nonetheless valued and tested in Section 12 to ensure the NPS-HPL weighing is robust.

3.3. Key Option Differences

The proposal represents a fundamental change in the use of the site, from pastoral production to a master-planned, senior-living-led urban development. This shift changes both the nature and distribution of economic effects, moving from an extensive, low-value primary land use generating relatively modest and concentrated economic activity, to a diversified urban environment that supports senior housing supply, residential care provision, local employment, and a broad range of construction, household, and service-related economic activity. These differences provide the basis for the economic assessment that follows, which evaluates the nature, scale, and distribution of effects associated with the proposal relative to the continuation of pastoral production.

4. Approach to Assessment

This section sets out the analytical framework and methodology used to assess the economic effects of the proposal.

In short: Economic effects are assessed against the counterfactual using multiplier analysis over a 30-year horizon, with results expressed in NPV terms at an 8 percent discount rate. The modelling is deliberately conservative: induced effects are excluded, only 80 percent of direct and indirect impacts are counted, and the value of forgone rural production is maximised.

4.1. Summary of Overall Approach

The economic effects of the proposal are assessed by comparing the proposal against the counterfactual described in the previous section – in which the site continues in low-intensity rural use for the foreseeable future. The assessment identifies a range of economic costs and benefits of the proposal relative to that counterfactual, evaluated using a combination of quantified and qualitative methods, reflecting the nature of the effects being assessed. See Table 2 below, which also identifies a set of broader outcomes to which these effects contribute. The quantified and qualitative effects are drawn together in the concluding section, and the Total Economic Value (**TEV**) framework underpins the NPS-HPL weighing in Section 12 (see **Appendix B**).

Table 2: Summary of Economic Effects by Assessment Approach

Assessment Approach	Economic Effects
Quantitative	Construction activity (one-time impacts)
	Ongoing village and care home operations
	Forgone rural production
	Net economic impacts (GDP, employment, wages)
Qualitative	Senior housing supply contribution
	Residential care capacity contribution
	Housing affordability
	Housing choice and tenure diversity
	Land market competition
	Economic efficiency of master-planned development
	Support for retail provision and town centre vitality
	Release of existing housing stock
	Health system and ageing-in-place benefits
	Infrastructure cost and risk
	Transport emissions cost
	Investment signal effects
Outcomes	Alignment with Government growth agenda
	Acceleration of anticipated benefits

4.2. Approach to Quantitative Analysis

Our assessment uses multiplier analysis to estimate the impacts of the proposal on GDP, employment, and household incomes, relative to the counterfactual. These three measures are not additive. Wages

and salaries are the labour income component of GDP, and employment is the workforce to which those wages are paid. They are different views of the same activity rather than separate benefits.

Multiplier analysis utilises the supply chains that comprise an economy, enabling changes in one sector to be traced through to estimate economy-wide impacts, including flow-on (i.e., supply chain) effects. It is particularly well-suited to assessing construction projects like the proposal, because much of the work is usually subcontracted out, rather than being done by the main contractor, which multiplier analysis is designed to address.[5]

The analysis adopts a regional framing, with impacts assessed at the Waikato region level. The region is adopted as the assessment scale because it is the smallest area at which impacts can be robustly attributed: construction labour markets and supply chains operate region-wide, and finer-grained attribution would imply a precision the method cannot support. The sub-regional housing market context is addressed in Section 9, drawing on the market evidence prepared by Webster Research. Official input-output tables are not produced at the regional scale in New Zealand. Accordingly, national multipliers are applied, with a proportion of the resulting impacts attributed to the Waikato region (see Section 5.2).

Within this framework, the approach is applied to both:

- One-time effects, associated with development of the site; and
- Ongoing effects, associated with the operation of the completed village and care home, and with the loss of ongoing rural production.

The economic impacts derived via multiplier analysis comprise three parts, namely:

- Direct effects – which capture the economic impacts of entities directly engaged to complete the project (e.g., the main building contractor); plus
- Indirect effects – which arise when the main contractor sources goods and services from their suppliers (i.e., subcontractors), who in turn may need to source goods and services from their own suppliers, and so on; and
- Induced effects – which occur when a share of the additional wages and salaries generated by the project (either directly or indirectly) are spent in the local/regional economy and therefore give rise to additional rounds of economic impacts.

While multiplier analysis is widely used in economic impact assessment, it has recognised limitations. In particular, it assumes that businesses use inputs in fixed proportions, does not account for capacity constraints within the economy, and does not capture price effects that may occur in practice. These

[5] For context, according to the latest multipliers, for every dollar of GDP generated by the building construction sector, an extra $2.76 of GDP is generated in the industries supporting it. Similarly, for every FTE directly employed in building construction, an extra 2.82 FTEs are employed in the sectors that comprise its supply chain.

limitations are acknowledged in this assessment and addressed through a suite of measures, including:

- Ignoring induced effects, which are considered the least reliable component of multiplier analysis and are therefore excluded to avoid overstating economic impacts;

- Scaling direct and indirect effects, by counting only 80 percent of them as a deliberate conservatism margin for the recognised limitations of multiplier analysis, including the capacity and price responses that fixed-proportion, fixed-price models cannot capture;

- Using the most up-to-date multipliers, derived from current official data to ensure the results reflect current economic conditions rather than outdated input-output relationships;

- Maximising the value of forgone production, by conservatively assuming that rural activity ceases immediately across the site under the proposal; and

- Applying conservative construction cost rates, based on building consent data that is understood to understate true costs, thereby reducing estimated development-related impacts.

This ensures that the resulting impact estimates do not overstate project benefits and instead provide a sound and reliable basis for decision-making. Refer to Appendix A for further detail.

4.3. Analysis Horizon & Time Value of Money

Quantified economic effects are estimated over a 30-year horizon, consistent with long-term planning periods. Where appropriate, these are expressed in monetised terms, with all costs and benefits converted to net present values (NPV) to account for the time value of money. A discount rate of 8 percent is applied, consistent with the New Zealand Treasury's Social Opportunity Cost of Capital rate for commercial purposes.[6] [7]

[6] While there is no prescribed discount rate for economic impact assessments, this assessment adopts a real discount rate of 8%, consistent with the New Zealand Treasury's recommended Social Opportunity Cost of Capital (SOC) discount rate for commercial proposals in cost-benefit analysis. This provides a recognised benchmark for discounting future economic benefits to present values. See: New Zealand Treasury (2024), *Public Sector Discount Rates for Cost Benefit Analysis*. Available here: www.treasury.govt.nz/publications/guide/soc-public-sector-discount-rate-cost-benefit-analysis

[7] Because the proposal's benefits are substantially longer-dated than its costs, applying a lower rate would materially increase the estimated net benefit; 8 percent is therefore the conservative choice.

5. Key Inputs & Modelling Assumptions

This section presents the key inputs and assumptions underpinning the quantitative assessment.

In short: Development is assumed to deliver 414 dwellings, a 100-bed residential care home and a 3,500 m² community and retail hub across five grouped stages over approximately nine years at a total estimated cost of approximately $232 million.

5.1. Introduction

Inputs have been drawn from project-specific data and complemented with the latest available industry data to fill any gaps. All cost figures are expressed in current (2026) dollars unless otherwise stated. All values reported in tables are calculated from unrounded model outputs and are individually rounded for presentation; as a result, components may not sum exactly to the totals shown.

5.2. Regional Attribution

For the purposes of this assessment, it is assumed that 75 percent of the total estimated national impacts of the proposal accrue to the Waikato region. This is a modelling assumption informed by a high-level understanding of the location of the site on the northern edge of Te Awamutu, the labour catchment it draws on across the Waipa District and wider Waikato, and the regional concentration of residential construction supply chains. It is intended to provide a reasonable basis for regional attribution rather than represent an empirically derived estimate. By contrast, all economic impacts associated with forgone rural production are assumed to accrue to the Waikato region.[8]

We note that applying the same 75 percent attribution to future onsite activity is likely to be conservative. Unlike construction, which draws on supply chains that extend well beyond the region, the operational workforce of a retirement village and care home is inherently local: the roles are physically located on the site and would be filled overwhelmingly from the Te Awamutu and wider Waipa labour market. A higher regional share would therefore be defensible for the ongoing component, and the reported regional impacts of future onsite activity should be read as a lower bound in this respect. Appendix D tests attribution rates of 60 percent and 90 percent.

5.3. Scaling of Modelled Economic Impacts

Consistent with the approach described in the previous section, our modelling counts only 80 percent of the estimated direct and indirect impacts of the proposal. This multiplier impact scaling factor is a general modelling margin. It addresses a recognised limitation of multiplier analysis, namely that the labour and other resources required to deliver modelled activity are not always freely available, and that fixed-proportion, fixed-price models cannot capture the capacity and price responses that follow. The same margin is applied to the construction and operational components because it reflects the limits of the method rather than the characteristics of either component. It is not a project-specific

[8] The remaining 25 percent of impacts accrue to the rest of New Zealand. These are valid impacts of the proposal but are excluded from the reported results, adding a further layer of conservatism at the regional level.

estimate of additionality, which is a separate question addressed in Section 9.10, and it is not a judgement about the deliverability of the development.

To ensure a conservative comparison, forgone rural activity is not scaled and is assumed to be fully realised over the modelling period. Appendix D reports the results without this margin, and under a lower margin, as sensitivity tests.

5.4. Yields Adopted for Modelling

Anticipated development yields are described earlier in this report; this section records only how those yields are represented in the model. We adopt the yield schedule shown on the applicant's latest indicative masterplan dated 14 September 2026 (Figure 3). It provides 414 dwellings, together with the 100-bed Stage 1B residential care home and the Stage 2A community and retail hub. For modelling purposes the full range of dwelling typologies is consolidated into four categories – two-bedroom villas, three-bedroom villas, apartments and serviced apartments – with an average gross floor area (GFA) applied to each. This simplifies the construction cost calculation and may produce minor variations in cost between individual stages, but has no effect on project totals. The two non-residential components adopted for modelling are summarised below.

Table 3: Non-Residential Components Adopted for Modelling

Non-Residential Component	GFA (m²)
Residential care home	4,310
Community and retail hub	3,500
Total non-residential GFA	**7,810**

Residential GFA is based on the indicative dwelling areas shown on the indicative masterplan, with apartment areas measured exclusive of balconies. On this basis the 414 dwellings comprise approximately 52,020 m² of GFA, and the care home and community hub add a further 7,810 m², giving approximately 59,830 m² in total. The care home and community hub are the only non-residential components of the proposal; the mix of activities that ultimately establish within the hub will be determined by market forces.

5.5. Development Staging & Timing

These yields are delivered progressively, and the timing of that delivery drives the profile of economic activity estimated in the sections that follow. We understand from the applicant that earthworks and civil works for Stages 1A and 1B are programmed to commence in the first half of 2027, with subsequent stages commencing at intervals of approximately nine months. Webster Research treats those intervals as minimums, with each stage commitment conditional on the sales performance of the preceding stage, and describes the resulting programme as an indicative nine years. Our modelling adopts a base case that commences in 2027 and is built out over approximately nine years. Appendix D tests an earlier-delivery case, together with delayed and slower delivery.

Development is assumed to begin with a period of scheme finalisation lasting around nine months, followed by approximately twelve months of site-wide enabling works. These works include bulk earthworks, the primary internal roading network, trunk three waters infrastructure and utility connections, together with the developer-funded realignment of State Highway 3 and the new

roundabout at the town's northern gateway. Staged land development and building activity then commence and progressively extend across the site.

For modelling purposes the nine masterplan stages are consolidated into five grouped stages: grouped Stage 1 comprises Stages 1A and 1B; grouped Stage 2 comprises Stages 1C and 1D; grouped Stage 3 comprises Stage 2A; grouped Stage 4 comprises Stages 2B and 2C; and grouped Stage 5 comprises Stages 3 and 4. Table 4 presents the dwelling yield adopted for each.

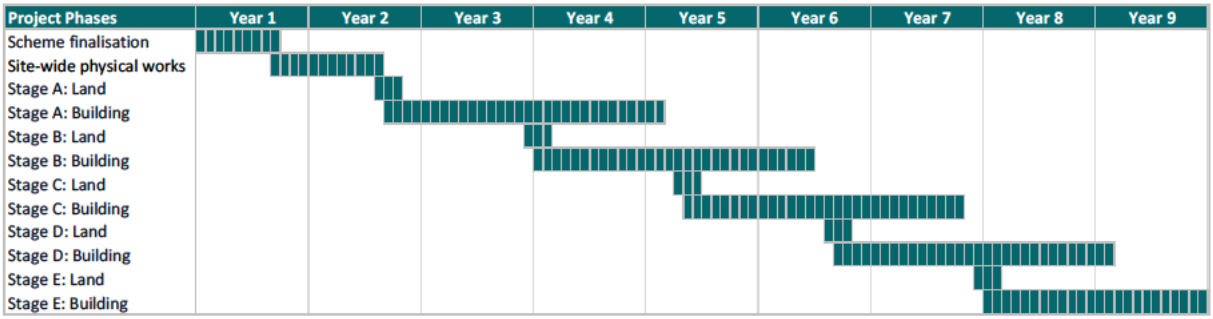
Table 4: Assumed Dwelling Yield by Stage and Typology

Dwelling Typology	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Total
Villas 2-bed	0	32	12	117	67	228
Villas 3-bed	45	1	0	10	13	69
Apartments	0	26	61	0	0	87
Serviced apartments	0	30	0	0	0	30
Totals	**45**	**89**	**73**	**127**	**80**	**414**

In addition, the 100-bed residential care home is assumed to be delivered as part of grouped Stage 1, and the community and retail hub with grouped Stage 3.

Within each grouped stage, land development is assumed to take about three months. Building activity then follows over approximately 30 months, reducing to 24 months in the final stage. Each subsequent stage starts before the previous one finishes, enabling a degree of overlap between stages that ensures a seamless stream of supply over time. Figure 4 illustrates this indicative timeline.

Figure 4: Indicative Project Timeline



Ongoing activity generated by the completed development is assumed to build progressively over this same programme. Care home employment commences on completion of grouped Stage 1 and ramps up in three equal increments across the following stages, reaching full operation approximately three years later, which reflects the multi-year occupancy ramp typical of a new residential care facility. Employment associated with the wider village operation also commences on completion of grouped Stage 1 and builds in line with dwelling delivery, reaching full operation only once the final stage is complete.

5.6. Building GFA & Construction Costs

Building costs are estimated on a per-square-metre basis by building type, applying conservative unit rates derived from Statistics New Zealand building consent data for the Waikato region over the two years to June 2026. Table 5 summarises estimated GFA and construction costs by building type.[9]

Table 5: Construction GFA & Costs by Typology

Building Types	Total GFA (m^2)	Build Cost ($/m^2$ GFA)	Construction Cost ($m)
Villas 2-bed	28,960	$3,100	$90
Villas 3-bed	12,960	$3,100	$40
Apartments	7,840	$3,100	$24
Serviced apartments	2,260	$3,100	$7
Care home	4,310	$4,300	$19
Community facilities	3,500	$1,700	$6
Totals	**59,830**	**$3,100**	**$186**

Overall, construction expenditure across all stages is estimated at approximately $186 million, comprising around $161 million of residential construction and $24 million for the care home and community hub.

5.7. Other Development Costs & Total Proposal Cost

Beyond construction, the development requires significant upfront investment in site-wide enabling works before staged construction can commence, covering bulk earthworks and the primary roading network, trunk three waters infrastructure and utility connections, and the SH3 realignment and roundabout, together with scheme finalisation costs. Each development stage then requires further detailed design, local civil works and other stage-related expenditure, comprising staged land development costs – lot design and approvals, civils and services, and local roading – and staged building-related costs covering architecture and design, consents and code compliance certificates, sales and marketing, and settlements and conveyancing. These items are estimated as a proportion of total construction cost, using project-specific information wherever possible, with gaps informed by benchmarks from comparable New Zealand developments.

Table 6 brings these components together with the construction costs estimated above. The total estimated development cost of the proposal is approximately $232 million, and this expenditure forms the basis for the one-time economic impact assessment presented in the following section.

[9] Build costs were based on average values over the two years to June 2026 in the Waikato region, as reported in building consent data. The 'retirement village unit' rate is applied to all dwelling typologies, the 'hospitals, nursing homes and other health buildings' rate to the care home, and the 'non-residential buildings' rate to the community and retail hub.

Table 6: Summary of Estimated Project Investment

Cost Category	Estimated Cost ($m)	Share of Cost
Scheme finalisation	$2	0.8%
Site-wide enabling works	$22	9.6%
Staged land development costs	$11	4.8%
Staged building-related costs	$11	4.8%
Construction	$186	80.0%
Total estimated project cost	**$232**	**100.0%**

5.8. Ongoing Activity Assumptions

Once operational, the proposal will provide ongoing employment for a diverse workforce, covering a wide range of skill levels and specialisations. Key roles are likely to include those set out below.

Table 7: Anticipated Key Onsite Roles

Care Roles	Wider Village Roles
Registered nurses and nurse management	Village management and operations
Care experience managers	Administration, reception and sales
Caregiving	Property management, grounds and maintenance
Night managers	Chefs, kitchen and hospitality staff

We estimated the ongoing economic activity generated by this workforce by:

- Inputting the likely operational workforce at full build-out. For the care facility staff, this is estimated by applying typical staff-to-bed ratios observed nationally.[10] For wider village operations, this is based on information provided in the applicant's economic and market evidence prepared by Webster Research.[11]
- Allocating those roles to their respective input-output industries;[12] and
- Applying the same economic multipliers used in the preceding section to translate that workforce into annual GDP and wages and salaries.

Table 8: Key Ongoing Employment Assumptions

Component	Jobs	FTEs[13]
Residential care home	102	85
Wider village operations	39	33
Total onsite workforce	**141**	**118**

[10] A national average of 1.02 employees per care bed, estimated using 2023–24 data from Stats NZ Business Demography (ANZSIC Q860100) and JLL's New Zealand Aged Care Database (NZACD). The ratio reflects total staff headcount rather than FTEs and assumes one bed per care unit. It sits within the 0.8 to 1.0 FTE per bed band indicated by Aged Care Association sector data.

[11] WEBSTER, *Harlow Lifestyle Village – Economic Report*, September 2026, section 10.4, which estimates village management, sales, maintenance, grounds, hospitality and hub roles at 25 to 40 FTEs. We have cross-checked this against seven recent Insight Economics retirement village assessments, which imply a median of approximately 0.12 FTEs per dwelling, or roughly 49 FTEs at Harlow's scale. The adopted mid-point of 32.5 FTEs is therefore conservative on that basis.

[12] Wider village employment is allocated across Administrative and Support Services (management, grounds, maintenance and cleaning), Accommodation and Food Services (restaurant, café and function activities), Arts and Recreation Services (pool, gymnasium and activities), and Other Store-Based Retailing (hub tenancies). Care home employment is allocated entirely to Health Care and Social Assistance.

[13] Headcount is converted to full-time equivalents at a ratio of 0.83 FTEs per job, being the FTE-to-job ratio for the Health Care and Social Assistance industry implied by Insight Economics' multipliers, which are derived from Stats NZ data including the Annual Enterprise Survey, Linked Employer-Employee Data and Quarterly Employment Survey.

Together these indicate an estimated future onsite workforce of approximately 118 FTEs across 141 jobs at full build-out, building progressively over the delivery programme as described above.

These staffing assumptions describe the workforce at full operation. Whether that workforce, and in particular the clinical roles the care home requires, can be recruited on the modelled timeline is a matter for the applicant and its operator, and we do not assess it here. The modelled ramp-up described in Section 5.5 already defers full operation of the care home to around three years after it opens, and if recruitment proves slower the operational impacts would be deferred rather than lost. Appendix D tests a slower ramp-up in which full operation is reached around six years after opening. We also note that, at a high level, it is the provision of new care capacity such as that proposed that creates the impetus for these positions to be created and filled over time.

5.9. Forgone Rural Production Assumptions

Consistent with the conservative approach taken throughout this assessment, we model continued pastoral production across the entire site. The counterfactual land use is dairy heifer grazing and baleage, being the site's existing use and, per the AgFirst agribusiness assessment, the most credible future use of the land absent the proposal. Consistent with the distinction drawn in Section 1.4, the AgFirst figures are used here as measures of rural output, not as evidence about profitability. The economic viability of rural uses is assessed by AgFirst, and is not addressed in this report. Per-hectare output is drawn directly from that assessment and tabulated below.[14]

Table 9: Estimated Rural Production per Hectare

Measure	Value
Gross output ($)	$2,169
GDP ($)	$707
FTEs	0.003
Wages & salaries ($)	$200

These values are applied across the full gross site area of approximately 25.8 hectares, which deliberately overstates the productive area and therefore the opportunity cost. AgFirst records a net pastoral area of only 19.8 hectares, so the modelling assumes that six hectares not farmed in practice nonetheless generates full pastoral output, and that the whole site remains productively farmed for the full 30-year period notwithstanding that farming would be phased out progressively as development proceeds. Both assumptions inflate the counterfactual and ensure the net effects of the proposal are not overstated.

[14] Gross output per hectare reflects the AgFirst farm budget of $42,944 across the 19.8-hectare net pastoral area. GDP, employment, and wages are derived by applying Insight Economics' input-output ratios for the relevant industry to that output. The AgFirst budget indicates that the current operation runs at a loss before financing costs, so treating its full output as forgone economic activity is a further layer of conservatism.

6. One-Time Impacts on GDP, Jobs & Wages

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

In short: Development enabled by the proposal is estimated to support approximately 620 FTE-years of employment and $76 million in GDP (NPV, including $38 million in wages) in the Waikato region, with around two-thirds of the impact flowing through supply chains beyond the construction site itself.

6.1. Estimated One-Time Impacts

The table below presents the estimated one-off regional economic impacts of the proposal's development, broken down by development stage, for each of the three key impact metrics: employment, wages and salaries, and GDP.

Table 10: Estimated One-Time Regional Economic Impacts by Stage

Employment (FTE-years)	Direct	Indirect	Total
Upfront/Site-wide	25	35	60
Stage 1	40	95	135
Stage 2	25	60	85
Stage 3	25	60	85
Stage 4	45	110	155
Stage 5	30	70	100
Project totals	**190**	**430**	**620**

Wages & Salaries (NPV $m)	Direct	Indirect	Total
Upfront/Site-wide	$3	$3	$6
Stage 1	$3	$7	$9
Stage 2	$2	$4	$5
Stage 3	$1	$3	$5
Stage 4	$2	$6	$8
Stage 5	$1	$3	$5
Project totals	**$12**	**$25**	**$38**

GDP (NPV $m)	Direct	Indirect	Total
Upfront/Site-wide	$5	$6	$11
Stage 1	$6	$13	$19
Stage 2	$3	$7	$10
Stage 3	$3	$7	$10
Stage 4	$5	$11	$16
Stage 5	$3	$7	$10
Project totals	**$25**	**$51**	**$76**

The proposal's development is estimated to support approximately 620 FTE-years of employment (undiscounted). This is equal to an average of approximately 69 full-time positions sustained across each year of the nine-year programme. In present value terms, the proposal is estimated to generate

around $76 million in GDP over the development period, including approximately $38 million in wages and salaries. Impacts are largest in grouped Stages 1 and 4 – the former because it carries the care home alongside its villa allocation, and the latter because it delivers the greatest number of dwellings.

Indirect (supply-chain) effects account for between two-thirds and 70 percent of the total impact across the three metrics, reflecting the significant upstream demand that residential and care construction generates for building materials, manufactured components, professional services, and transport and logistics.

6.2. Top 10 Industries by FTE-years Generated

To better understand the likely impacts of the proposal's future development, Table 11 reveals the 10 industries likely to experience the greatest employment boosts. Those top 10 industries account for more than 80 percent of all full-time employment generated by the proposal, with the balance spread across numerous other sectors. As expected for a development of this nature, construction-related sectors lead – building construction and construction services alone account for almost half of the total – followed by professional services, wholesale trade, and a range of manufacturing industries.

Table 11: Top 10 Industries by FTE-years Generated during Development

Industries	FTE-years	Shares
Building Construction	158	25%
Construction Services	130	21%
Professional, Scientific and Technical Services	64	10%
Heavy and Civil Engineering Construction	37	6%
Wholesale Trade	28	4%
Fabricated Metal Product Manufacturing	26	4%
Wood Product Manufacturing	23	4%
Administrative and Support Services	21	3%
Non-Metallic Mineral Product Manufacturing	12	2%
Petroleum and Coal Product Manufacturing	10	2%
Top 10 Subtotal	**508**	**82%**
All Other Industries	112	18%
Total All Industries	**620**	**100%**

7. Future Onsite Economic Activity

This section estimates the ongoing economic activity under both the proposal and the counterfactual, using the inputs and assumptions outlined in the previous section.

In short: Once fully operational, the proposal supports approximately 118 FTEs onsite across 141 jobs, generating around $14 million of GDP each year on a national, unscaled basis. Over 30 years, this equates to approximately 2,215 FTE-years and $85 million of GDP (NPV), against roughly 6 FTE-years and $0.5 million of GDP under the counterfactual.

7.1. Future Activity Under Proposal

The proposal sustains a substantial permanent workforce onsite. Applying the staffing assumptions set out in the previous section, the residential care home and wider village operation together support an estimated 141 jobs at full operation. The table below presents the resulting direct onsite activity at maturity, disaggregated between the care home and the wider village, on a national and unscaled basis.

Table 12: Estimated Direct Ongoing Onsite Activity at Maturity (National, Unscaled)

Measure	Care Home	Wider Village	Total
Employment (Jobs)	102	39	**141**
Employment (FTEs)	85	33	**118**
Wages & Salaries ($m)	$9	$2	**$11**
GDP ($m)	$11	$3	**$14**

The care home is by some margin the larger contributor, accounting for around 70 percent of onsite employment and about 80 percent of onsite GDP and wages. This reflects both its staffing intensity and the higher output per worker of the health care and social assistance sector relative to the retail, hospitality and property services activities that make up the wider village operation. The table below expresses these impacts over the 30-year assessment period, with GDP and wages in present value terms, after applying the multiplier impact scaling factor and regional attribution factor described earlier, and includes indirect supply-chain effects.

Table 13: Estimated Onsite Activity – 30-Year Summary (GDP and Wages as NPV)

Measure	Direct	Indirect	Total
Employment (FTE-yrs)	1,700	515	**2,215**
Wages & Salaries (NPV $m)	$44	$14	**$58**
GDP (NPV $m)	$59	$27	**$85**

Over 30 years the proposal's future onsite activity is therefore estimated to support approximately 2,215 FTE-years of employment in the Waikato region, alongside $85 million of GDP in present value terms, including $58 million of wages and salaries. Unlike construction expenditure, which ceases at completion, these flows persist for the life of the village. As noted in Section 5, the regional attribution applied to this component is likely conservative, since the roles are physically located onsite and would be drawn overwhelmingly from the local labour market.

7.2. Future Activity Under Counterfactual

Table 14 presents the total estimated annual economic activity that the site could hypothetically sustain under the counterfactual, in which the site continues to be used for pastoral production.

Table 14: Estimated Annual Production of Counterfactual Activity

Metric	Direct	Indirect	Total
FTEs	0.1	0.1	**0.2**
Wages	$5,200	$9,600	**$14,800**
GDP	$18,200	$21,300	**$39,500**

In short, absent the proposal, the counterfactual could theoretically sustain total annual employment of approximately 0.2 full-time equivalent employees, generate around $39,500 in GDP, of which wages and salaries account for approximately $14,800, including flow-on effects. These figures are very small in absolute terms, reflecting the low labour and output intensity of dairy heifer grazing and baleage relative to the site's area. As with all quantified results in this report, these figures measure the economic activity the land could support, including supply-chain effects. They are not measures of farm profitability, which is addressed in the AgFirst assessment.

The corresponding 30-year estimates are summarised in the table below.

Table 15: Counterfactual Production – 30-Year Summary (GDP and Wages as NPV)

Metric	Direct	Indirect	Total
FTE-Years	2.3	3.3	**5.7**
NPV Wages ($m)	$0.1	$0.1	**$0.2**
NPV GDP ($m)	$0.2	$0.2	**$0.5**

Over 30 years, the counterfactual is estimated to support approximately 6 FTE-years of employment, and $0.5 million in GDP in present value terms, including $0.2 million in wages.

8. Net Quantified Impacts of the Proposal

This section compares the quantified impacts of the proposal to the counterfactual to derive the net impacts of the proposal on GDP, jobs and wages.

In short: The proposal generates net quantified impacts of approximately $160 million of GDP (NPV), including $95 million of wages, and 2,830 FTE-years of employment, over 30 years.

8.1. Net GDP Effects

The table below summarises the estimated impacts of the proposal on GDP, expressed in NPV terms.

Table 16: Summary of Quantified GDP Impacts

Activity	NPV GDP ($m)
One-time construction activity	$76
Future onsite activity	$85
Forgone rural production	-$0.5
Proposal net impacts	**$160**

Overall, the proposal generates a net positive GDP impact of approximately $160 million (NPV). This comprises approximately $76 million from one-time construction activity and $85 million from future onsite activity at the village and care home. Quantified costs are very modest at approximately $0.5 million, reflecting the value of forgone rural production. To put this in perspective, the NPV of forgone GDP is equivalent to only around 0.6 percent of the estimated one-time GDP contribution of the proposal's construction activity, and around 0.3 percent of total quantified benefits, even when assessed over a period of 30 years and on the deliberately overstated basis described in Section 5. Forgone rural production is therefore small relative to the economic benefits enabled by the proposal.

8.2. Net Employment & Wage Effects

Alongside the GDP effects outlined above, the proposal generates a substantial net increase in employment relative to the counterfactual. Construction of the development is estimated to support approximately 620 FTE-years of employment over the development period, and the completed village and care home a further 2,215 FTE-years of permanent employment over the 30-year horizon. These effects are broad-based, extending beyond the construction sector to include health care, professional services, manufacturing, transport, hospitality and other supporting industries.

These gains are partially offset by the loss of employment associated with ongoing rural production, which is estimated to account for approximately 6 FTE-years over a 30-year analysis period, as illustrated in Table 17.

Table 17: Summary of Employment Impacts

Activity	FTE-Years	Wages NPV ($m)
One-time construction activity	620	$38
Future onsite activity	2,215	$58
Forgone rural production	-6	-$0.2
Proposal net impacts	**2,830**	**$95**

Overall, the proposal is therefore estimated to generate a net increase of approximately 2,830 FTE-years of employment, alongside a net increase in wages and salaries of approximately $95 million (NPV), which forms part of the net GDP impact reported above. It is worth noting the difference in character between the two components: construction employment is temporary and concentrated in the delivery period, whereas the 118 FTEs supported by the completed village and care home are permanent, year-round roles spanning a wide range of skill levels, and would make the completed development one of the larger private employers in Te Awamutu.

8.3. Interpreting the Quantified Results

The results above are indicative measures of the economic impacts of the proposal relative to the counterfactual identified in Section 3, estimated on the conservative assumptions set out in Sections 4 and 5. We consider them an appropriate proxy for the scale of the proposal's economic effects in the Waikato region rather than precise estimates. Appendix D tests their sensitivity to the main assumptions.

While the quantified assessment captures the direct and indirect economic impacts of the proposal within the Waikato region, a number of additional effects, particularly those relating to housing outcomes, residential care provision and market functioning, are more appropriately assessed on a qualitative basis. These are considered in Sections 9 and 10.

9. Housing Market Impacts

This section assesses the housing market effects of the proposal.

In short: Te Awamutu's older population is growing rapidly, and Webster Research identifies a large and compounding shortfall of retirement housing and residential care. The proposal is the catchment's largest and most differentiated response. It meets the care need directly, widens choice across typologies, tenures, and price points, frees established family homes for younger households, moderates price pressures, and adds committed, deliverable supply that strengthens competition.

9.1. The Role and Importance of Housing

Housing is a fundamental determinant of human wellbeing. It provides shelter and physical safety, but its impact extends much further. Where people live shapes their access to employment, education, health services, and social networks. Stable, adequate housing supports better physical and mental health outcomes, stronger educational attainment for children, and greater economic participation for adults. Conversely, housing stress, whether through unaffordability, insecurity of tenure, or overcrowding, is consistently associated with poorer outcomes across all such dimensions. For older households, these considerations are amplified: the suitability, accessibility, and security of housing directly shape health outcomes, independence, and the ability to age in place.

These considerations are relevant to how the economic evidence in this section should be interpreted. The analysis that follows, of supply contributions, affordability effects, and market competition, captures the proposal's housing market impacts in terms that are easily describable. But those metrics are ultimately proxies for something more fundamental: whether more people will have access to a wider range of safe, secure, and fit-for-purpose homes due to the proposal. In our view, they will, and the significance of that outcome is not fully captured by any economic model.

9.2. Significant Boost in Senior Housing Supply

The catchment's demographic trajectory is unambiguous. On the Statistics New Zealand projections adopted by Webster Research, the primary catchment's population aged 85 and over is projected to grow from around 850 in 2026 to approximately 2,235 by 2048, an increase of around 2.6 times. Demand modelling prepared by Webster Research indicates total demand for approximately 737 retirement village units from primary catchment residents by 2048, more than three times the current local supply of around 216 units. Even if every other identified retirement village project in the primary catchment proceeds, the pipeline identified by Webster Research, excluding the proposal, amounts to around 181 units, well short of the roughly 521 additional units required by local demand growth alone.

The proposal responds directly to that shortfall. It supplies approximately 414 dwellings together with a 100-bed care facility and community hub, making it the only proposal of its scale in the local pipeline and around 70 percent of the identified pipeline overall. Delivery is staged over roughly nine years, with absorption-based thresholds that match the release of each new stage to demonstrated demand, so supply arrives progressively and in step with the market.

The significance of this contribution is best seen in Webster Research's "with-project" modelling. Even with the proposal delivered in full alongside the rest of the pipeline, local demand alone is projected to absorb around 88 percent of total supply by 2048. The proposal is, by a wide margin, the largest single contribution to meeting projected demand, and without it the catchment's shortfall would continue to compound.

Policy 8 of the NPS-UD directs decision-makers to be responsive to plan changes and proposals like Harlow that would add significantly to development capacity and contribute to well-functioning urban environments, even where that capacity is unanticipated by planning documents or out of sequence with planned land release. The economic rationale is that the option to respond when a credible, well-located source of supply comes forward is worth more than strict adherence to a forecast sequence. That is particularly relevant where, as here, the capacity serves a sub-market, purpose-built senior housing and residential care, that the planned land release programme does not explicitly provide for.

The benefits discussed in the remainder of this section flow from this supply contribution. The subsections that follow consider, in turn, the catchment's residential care need, the distinctiveness of the offer and the choice it creates, the proposal's effects on the wider housing market and affordability, and the deliverability and competition benefits of the capacity it adds.

9.3. Addressing the Catchment's Residential Care Undersupply

The proposal's residential care contribution addresses the catchment's clearest and most pressing need. The primary catchment is the only geography modelled by Webster Research that opens the forecast period undersupplied, with a penetration rate of 32 percent against the 36 percent benchmark, and it records the sharpest deterioration in provision of any geography tested: from 3.08 residents aged 85+ per operating care bed or suite in 2026 to 5.19 by 2048, even with the identified development pipeline delivered. Excluding the proposal's care component, that ratio rises to approximately 6.8, which would sit above every benchmark in the analysis. The demand modelling indicates the catchment requires around 884 beds and suites by 2048, more than three times the current capacity of around 275, leaving roughly 453 net new beds and suites to deliver beyond the identified pipeline, or around 21 per year.

Occupancy indicators reported by Webster Research reinforce the supply pressure: Waikato's aged-care occupancy of 93 percent is among the highest of the Te Whatu Ora districts, with rest home beds at 94 percent approaching the conventional full-occupancy threshold, leaving limited slack to absorb further demand growth. Against this backdrop, the Stage 1B facility, which delivers a full continuum of care and introduces the catchment's first ORA care suites and meaningful new dementia capacity, represents around two-thirds of the entire identified care pipeline in the primary catchment. Its early position in the delivery programme means the care response arrives ahead of, rather than behind, the demand curve. Webster Research also finds that around 80 percent of future care residents are expected to originate from within the primary and secondary catchments. In a town without a full-service hospital, local care capacity supports planned transitions into care close to family and established networks, rather than crisis-driven placements in Hamilton or Cambridge.

9.4. A Differentiated Offering in the Local Market

The proposal's offer is also qualitatively different from anything available in the catchment. Webster Research's supply analysis shows that the existing local supply of around 216 retirement village units consists entirely of independent-living villas. There are currently no independent apartments, no serviced apartments, and no ORA care suites in the primary catchment, and around 29 percent of existing care beds are in facilities built before 1980 that are likely to need replacement within the forecast period. Against that backdrop, the proposal introduces the catchment's first apartments and serviced apartments, its first ORA care suites, meaningful new dementia capacity, and a full contemporary amenity programme within an integrated continuum-of-care community. The entry age is a further point of difference. The village provides for residents from age 55, below the 65 or older, and often 70 or older, entry thresholds typical of New Zealand retirement villages, which widens the range of households able to access the offer.

Local market evidence compiled by Webster Research indicates that demand is strongest in the price band the proposal targets. The operating comparator closest to that band runs at a vacancy rate below 1 percent, with resales averaging around 73 days and a waitlist for its pipeline villas, while comparators priced above approximately $850,000 show greater resistance. The proposal is therefore not simply adding more of what already exists. It fills gaps in the market that no operating or pipeline comparator is positioned to fill.

The economic significance of this differentiation is twofold. First, the proposal serves demand that existing supply cannot absorb. A household seeking a serviced apartment or an ORA care suite currently has no local option at any price, so the proposal expands the effective choice set rather than competing for the same buyers. Second, it introduces competition into product segments that have never faced it locally, which disciplines pricing and service quality across the wider retirement market. The breadth of choice within the village itself is considered next.

9.5. Catering to a Variety of Needs and Preferences

The proposal provides for a broad range of dwelling typologies and tenures, enabling a diverse range of senior housing options to be delivered on the site over time. The programme spans standalone and duplex villas through to independent and serviced apartments, with dwelling sizes ranging from around 55 m² to approximately 210 m² and a bedroom mix of 35 one-bedroom, 290 two-bedroom, and 89 three-bedroom homes. The variety is deliberate. It provides for the active early retiree seeking a standalone villa with a garage and space for visiting family, the downsizer looking to shed maintenance without leaving town, the resident who needs the day-to-day support of a serviced apartment, and the couple who want certainty that care is available on site should one of them come to need it. In doing so, the proposal helps give effect to Policy 1(a)(i) of the NPS-UD, which requires planning decisions to contribute to well-functioning urban environments that provide a variety of homes to meet the needs of a diverse population. Table 18 summarises the typologies and their key features.

Table 18: Summary of Dwelling Typologies and Key Features

Typology	Units	Bedrooms	Typical unit size (m²)	Key features
Two-bedroom villas (eight variants, incl. duplexes)	228	~2	117 to 143	Lots of approx. 235 to 300 m²; single or double garage
Three-bedroom villas (seven variants)	69	3	169 to 208	Lots of approx. 400 to 480 m²; double garage
Independent apartments	87	1 to 3	54 to 107	Balconies of 9 to 23 m²; dedicated parking
Serviced apartments	30	1 to 2	71 to 84	Balconies; shared parking; access to village support services
Residential care home	100 beds	n/a	n/a	Rest home, hospital and dementia care, including ORA care suites

The mixed tenure structure is equally deliberate, and is a combination that no operating or pipeline comparator in the catchment offers. Fee Simple villas provide a conventional ownership option with retained capital gain and no deferred management fee. Unit Title villas occupy an intermediate position. The ORA products, including the catchment's first serviced and independent apartments and first ORA care suites, extend the affordability spectrum downward, with serviced apartments positioned in the lower half of the regional price band. This tenure ladder broadens the range of households that can access the village and allows residents to transition between products as their needs evolve.

Webster Research benchmarks the proposal's indicative pricing against the housing equity of older owner-occupier households in the catchment. It finds that the core villa offer sits within reach of the typical local downsizer, while the serviced apartments and care suites provide entry points well below the villa range. Pricing will ultimately be set by the applicant closer to delivery, but the breadth of the range is itself the point: it widens access across the equity spectrum rather than serving only the top of it.

The dwellings are supported by a substantial shared amenity programme, indicatively including a pool, spa, gymnasium and wellness centre, residents' lounge, games room, theatre and library, a restaurant and cafe, and function spaces, together with outdoor bowling, croquet and pétanque greens and community gardens. Amenity provision of this breadth is a defining feature of contemporary master-planned villages and does not exist in the catchment today.

9.6. Supporting Housing Market Efficiency

The proposal will also improve the efficiency of the district's housing market by enabling older residents to transition into purpose-built accommodation better suited to their needs. Most future residents are likely to already live within the district or wider region, often in larger standalone homes that no longer match their stage of life. Based on the sales-origin profile prepared by Webster Research, an estimated 38 percent of sales are expected to originate from within the primary catchment. Applied to an average delivery rate of 46 dwellings a year across the nine-year programme, that implies roughly 15 to 20 established local homes released back to the wider market each year. By providing an attractive local option, the proposal will free up existing dwellings for younger

households and families. This in turn helps to realign housing supply with demand across age groups, thereby supporting greater housing fluidity and choice within the region while allowing older residents to remain connected to their communities.

9.7. Impacts on Prices and Affordability

These efficiency effects operate in two markets at once. Within the retirement market, the proposal adds supply and price points across the spectrum, from serviced apartments to premium villas, in a catchment where the existing offer is confined to villas. That breadth, together with the competitive response it is likely to provoke from other operators, works to keep senior housing options within reach of more households.

In the general residential market, the proposal's effects arrive through the established homes it releases and through the overall responsiveness of supply. Housing affordability in the district, as across New Zealand, has deteriorated significantly over recent decades, with dwelling prices and rents rising faster than incomes. When supply is more responsive, any given increase in demand results in more homes being built, and prices and rents rising by less than they otherwise would. The conceptual mechanism underpinning this effect is illustrated in Appendix C.

The scale of these effects should not be underestimated. Auckland provides a direct test. The 2016 Auckland Unitary Plan upzoned around three-quarters of the city's residential land, enabling far more capacity than was thought to be needed, and detailed empirical research found large, real effects rather than redundancy: on the order of 22,000 additional dwelling consents in the five years after the plan became operative, with rents estimated to be around 28 percent lower six years on than they would otherwise have been.[15] While that experiment concerned intensification, the principle transfers to well-located greenfield supply: additional capacity, spread across more sites and owners, converts into real supply and price moderation because it changes feasibility and competition at the margin.

The delivery of new housing at Harlow will not, in isolation, reduce prices in absolute terms. It is, however, expected to play a meaningful role in moderating the rate of future price growth relative to the status quo, in which supply remains more constrained, and to do so for both older households and the younger families who purchase the homes they release.

9.8. Feasibility and Delivery of Enabled Capacity

Te Awamutu is ringed by growth cells identified for future urbanisation under the district's growth strategy, and we understand BBO is separately assessing the capacity of those cells. Identified capacity is, however, only the starting point. Enabled capacity contributes to market outcomes only if it is commercially feasible, infrastructure-ready, controlled by willing landowners, and brought to market within the relevant timeframe, and typically only a proportion of an area's theoretical capacity meets those tests. Nor do the identified growth cells specifically provide for the purpose-built senior housing and residential care assessed in this report.

[15] Greenaway-McGrevy, R. and Phillips, P.C.B. (2023), *The impact of upzoning on housing construction in Auckland*, Journal of Urban Economics; Greenaway-McGrevy, R. and So, B. (2024), Economic Policy Centre. The evidence is reviewed in Donovan, S. and Maltman, M. (2025), Land Use Policy, and summarised in our Beyond Sufficiency working paper.

Developer capability and intention are therefore decisive: a proposal advanced by a capable party with genuine intent to deliver at pace and scale is worth far more, in realisable-supply terms, than the same capacity attributed to owners who will not execute. In this regard, the proposal is being actively advanced by a motivated and well-resourced applicant with control of the entire site and a demonstrated commitment to delivery. This is evidenced by the progression of the project through the Fast-track process, including the engagement of an experienced multidisciplinary team, and commitment of significant capital to design, consenting, and infrastructure investigations ahead of approval.

The single-ownership, master-planned structure also enables housing, care, infrastructure, open space, and the community hub to be planned and delivered in an integrated manner, while the absorption-based staging framework, with pre-sales thresholds before each stage commitment, provides discipline that matches delivery to demonstrated demand. That structure also means the principal delivery risk sits with the applicant rather than the community. If demand proves slower than anticipated, later stages would come forward later, with the associated holding costs borne by the applicant. If demand materialises as projected, the district secures the housing, care capacity, and economic benefits identified in this report.

Accordingly, the significance of the proposal lies not only in the number of homes it may enable, but also in the fact that it represents a feasible and deliverable source of future senior housing supply. This provides greater confidence that the capacity enabled by the proposal will ultimately convert into completed dwellings, care capacity, and housing opportunities within the wider district. Finally, we note that whether enabled capacity is theoretically sufficient is, from an economic perspective, a secondary question. Additional supply advanced by willing and capable suppliers improves market outcomes regardless, for the reasons set out next.

9.9. Helping Foster Land Market Competition

In addition to directly boosting dwelling capacity, the proposal will also help to foster competition in the local land market. This is important because, as recognised through Objective 2 of the NPS-UD, competition is the cornerstone of economic efficiency. When the land market becomes more competitive, land developers have a greater incentive to bring their product to the market in a more timely and cost-effective manner, thus further helping to keep local housing as affordable as possible.

Absent competition, landowners may experience “market power”, which enables them to charge more for land and be slower in releasing it to the market. Both outcomes conspire against affordability and reduce the overall efficiency of the housing market. The empirical evidence on this point is compelling. A recent, detailed analysis of Australian development trends found that the eight largest developers held land banks equivalent to roughly thirteen years of supply, and that the amount of zoned supply in a region was essentially unrelated to the rate of new housing supply, because developers timed production to the property cycle.[16] The United Kingdom’s Competition and Markets Authority reached the same conclusion in its housebuilding market study, namely that builders release

[16] Murray, C. (2020), Time is money: How landbanking constrains housing supply, Journal of Housing Economics, vol. 49.

homes at the rate the local market will absorb without depressing prices, rather than at the rate they could build if faced with stiff competition.[17]

Enabling additional capacity therefore does its real work not simply by adding inventory, but by adding competitors. When development-ready land is spread across more independent and willing suppliers, no single owner can withhold supply without ceding sales to a rival, so the incentive to sit on land and wait is sharply reduced. The release of a large, master-planned development like the proposal increases contestability by introducing an additional source of supply, placing competitive pressure on other operators and landowners to either advance development, adjust pricing, or bring alternative sites forward. This dynamic is directly observable in the local retirement market, where the proposal's committed care and amenity programme contrasts with pipeline comparators whose equivalent components remain uncommitted.

For these reasons, the identification of growth cells around the township does not diminish the competitive value of the proposal. Enabled capacity creates options rather than obligations. From an economic perspective, the downside of enabling credible additional supply is small, because unneeded capacity simply goes unused, while the downside of enabling too little is large, because scarcity is capitalised into land values and housing costs and is slow to unwind.[18] A market in which a committed, well-resourced operator is actively delivering is more competitive than one in which capacity waits on paper.

9.10. Additionality and Displacement

This section considers the extent to which the proposal's village dwellings will be additional to the senior housing supply that would otherwise be delivered in the region. The care facility responds to an existing shortfall in residential care that the identified pipeline does not close, as set out in Section 9.3. Given the scale of that shortfall and projected unmet demand, we consider the care capacity to be materially additional and do not consider it further in this subsection.

We do not assume that every dwelling delivered by the proposal will be net additional to the region. In any well-functioning market, a new village competes with existing and prospective operators, and some redistribution of activity is to be expected. Some households that would otherwise have moved to another village may choose Harlow instead, and some other development may consequently proceed more slowly. In our view, this is not a shortcoming of the proposal. It is one of the mechanisms through which competitive markets deliver benefits for households, through greater choice, keener pricing, and stronger incentives for operators and landowners to bring supply forward.

Nor, in our view, can a single project-specific additionality or displacement percentage be estimated with useful precision from the available market evidence. The relevant economic question is instead whether the proposal materially expands deliverable senior housing capacity and market contestability relative to the market that would otherwise prevail. The market evidence indicates that it does.

[17] Competition and Markets Authority (2024), Housebuilding Market Study: Final Report, London.

[18] The asymmetry between the costs of under- and over-enabling, and the tendency of capacity assessments to overstate deliverable supply, are examined in Insight Economics (2026), Beyond Sufficiency, working paper.

Webster Research's demand and supply analysis, summarised in Section 9.2, finds that growth in local demand to 2048 is nearly three times the pipeline of other identified projects in the primary catchment. Even with the proposal and the rest of that pipeline delivered in full, local demand alone is projected to absorb most of the total supply by 2048. The proposal is the largest single addition to that pipeline and, for the reasons set out in Section 9.8, the capacity it adds is deliverable rather than notional. It also introduces an additional operator into the local retirement market, together with typologies and tenures that no operating or pipeline village in the catchment offers (Section 9.4). On that basis, the proposal materially expands both the deliverable supply of senior housing in the catchment and the number of operators competing to provide it.

NPS-UD capacity assessments and the applicant's growth-cell analysis inform the quantum and broad development potential of residential capacity within the wider market, while Webster Research assesses demand for and identified supply of purpose-built senior housing. None of these establishes that, absent the proposal, an equivalent quantity of senior housing would be delivered elsewhere, on the same timetable, or in the same mix of typologies, tenures and price points. That depends on site-specific feasibility, infrastructure readiness, landowner and operator intentions, and market absorption. Accordingly, even if aggregate residential capacity is sufficient in planning terms, it does not follow that the proposal's dwellings would simply displace, one-for-one, senior housing that would otherwise have been delivered.

Demand is also not a fixed quantity waiting to be counted. Older households' decisions to move respond to the availability and cost of suitable housing. When purpose-built options are scarce or unaffordable, people remain in family homes that no longer suit their needs, delay entering care until a crisis forces the move, or leave the district to find the product they want. At a local level, growth is also not spatially fixed: a catchment that provides a wider range of senior housing can retain and attract households that would otherwise locate in Hamilton or Cambridge.

Webster Research's analysis provides evidence consistent with this. It treats the retirement village penetration rate as a calibration parameter rather than a fixed behavioural share. It also attributes the low observed rate in the primary catchment to a current offer confined to independent-living villas rather than to a lack of demand.[19] The projected rise in the local rate over the forecast period reflects convergence toward the rates already observed in surrounding geographies as the range of product widens. On that basis, the demand observed in the constrained local market is likely to understate the demand that a wider range of product can reveal.

For these reasons, the economic case for enabling additional senior housing capacity does not depend solely on demonstrating a calculated shortfall. It also rests on competition and supply responsiveness. A deeper pool of deliverable capacity, particularly where it is spread across capable and willing operators, strengthens the incentive to bring development forward, disciplines pricing, and increases the likelihood that growth in demand is met through additional homes rather than higher prices and longer waits. These benefits arise whether or not a point-in-time assessment indicates a formal

[19] WEBSTER Research (2026), Harlow Lifestyle Village Economic Report, September 2026, section 7.6.1 and Table 15, which record an observed 2026 penetration rate of 4.73 percent of the population aged 70 and over for the primary catchment, against an applied starting rate of 5.5 percent, and an observed rate of 16.92 percent for the secondary catchment. Section 7.6.1 explains the gap between the observed and applied rates, and the basis for the projected increase to 10 percent by 2048.

capacity shortfall. The New Zealand evidence discussed in Section 9.7 is consistent with this: enabling substantially more capacity than the apparent requirement in Auckland translated into materially more housing and lower housing costs across the market as a whole.

Accordingly, we accept that some dwellings enabled by the proposal may partially displace development that would otherwise occur elsewhere. As noted in Section 8.3, the quantified impacts in this report are indicative measures of the economic activity associated with the proposal relative to the site counterfactual, rather than precise estimates of economy-wide net additional activity after every possible market response. The possibility of some displacement should therefore be recognised when interpreting those results, but does not negate the proposal's housing-market benefits. Where a development adds genuinely deliverable capacity, improves contestability, and enables supply to respond more readily to changing demand, it can generate material economic benefits even where the precise proportion of net additional dwellings cannot be reliably quantified.

These conclusions assume that any growth-related infrastructure costs attributable to the proposal are appropriately addressed and recovered from the development, as Section 10.3 describes. Subject to that premise, the possibility of some displacement does not provide an economic reason to withhold otherwise suitable and deliverable capacity.

10. Other Long-term Impacts

This section considers a range of wider long-term economic costs and benefits of the proposal.

In short: The proposal supports town centre vitality, relieves pressure on a care system operating near full occupancy, funds its own infrastructure, including the SH3 realignment, and signals confidence in Te Awamutu's growth. Its qualitative economic costs are minimal, largely internalised, or readily managed.

10.1. Support for the Te Awamutu Town Centre

The village will add several hundred households of new spending power on the town's northern edge. While the onsite hub will meet some day-to-day needs, it is modest in scale and convenience-oriented, so the bulk of spending by residents, staff, and visitors will flow to existing businesses, with the Te Awamutu town centre well placed to capture it. Retirement communities also generate steady, year-round weekday demand for cafes, pharmacies, medical services, and personal services. The proposal is therefore expected to support the vitality of the existing centre.

10.2. Health System and Ageing-in-Place Benefits

By providing a full continuum of care within a single integrated community, spanning independent living through to rest home, hospital, and dementia-level care, the proposal enables residents to age in place with confidence and dignity as their needs evolve. Early delivery of committed care capacity in an undersupplied catchment reduces the distance and disruption faced by local families, supports timely transitions between care levels, and relieves pressure on a regional care system operating near full occupancy. These benefits accrue not only to future residents, but also to the wider community, whose access to local care capacity would otherwise continue to deteriorate as the population ages.

10.3. Infrastructure Cost and Risk

It is important to consider whether the proposal might impose unwarranted costs on the wider community via the infrastructure required to service it. In our view, this risk is minimal for three reasons. First, the applicant will fund and deliver all infrastructure works within the site boundary, plus the key external works, notably the SH3 realignment and new roundabout, riparian planting, and wetland restoration, which together establish the town's northern gateway and unlock servicing capacity without ratepayer funding. Second, any off-site upgrades that may be required to accommodate the development will be recoverable through development contributions, in line with Council policy. Third, local reticulation is inherently demand-led: it is built when and where development proceeds and funded by that development, so unbuilt capacity carries near-zero public cost.

10.4. Transport Emissions Cost

A further consideration is whether locating growth at the site would give rise to higher transport emissions over time. Assessed from an economic perspective, any such cost is minor. The site adjoins the existing Te Awamutu urban area and forms a logical extension of the settlement, rather than a new or isolated growth node; the onsite hub and care facility mean some daily needs can be met

within the village; and the resident profile of a senior living community generates materially fewer commuting trips than conventional residential development. More generally, residual combustion emissions are already priced through the Emissions Trading Scheme, meaning any remaining cost is largely internalised. Accordingly, we do not consider transport emissions to represent a material economic cost of the proposal.

10.5. Investment Signal Effects

The development will provide a strong signal of confidence in the region's medium- to long-term economic outlook. Large, capital-intensive developments typically require detailed due diligence, long investment horizons, and confidence in future population growth, labour availability, and infrastructure provision. As a result, their delivery can act as a market signal to other investors that underlying economic fundamentals are sufficiently robust to support further activity.

Such signalling effects are particularly relevant in sectors characterised by high upfront costs and long payback periods, where investment decisions are sensitive to perceptions of risk and uncertainty. The establishment of a significant new development can help reduce perceived market risk by demonstrating that funding, consenting, and delivery barriers can be successfully navigated. Over time, this can help bring forward or unlock complementary investment, including associated residential, commercial, or service-based development, as well as supporting infrastructure.

10.6. Alignment with Government Growth Agenda

The Going for Growth agenda, launched by the New Zealand Government in early 2025, outlines a long-term strategy for lifting national productivity and living standards. It is built around five interrelated pillars: developing talent; building competitive business settings; promoting global trade and investment; innovation, technology and science; and investing in infrastructure for growth.

The proposal aligns well with several of these priorities:

- Developing Talent: Construction of approximately 414 dwellings, the care home, community hub, and associated infrastructure will generate substantial employment over the construction period, creating opportunities for apprentices, tradespeople, and professionals. Once operational, the village will also provide an enduring base of care-sector employment with clear pathways for training and career progression, from entry-level roles through to specialised clinical positions.

- Building Competitive Business Settings: By bringing a large supply of new senior housing and care capacity to market, the proposal will foster greater competition in the local land, housing, and retirement markets, supporting more efficient land use and improved housing choice.

- Promoting Global Trade and Investment: The scale of the development represents a major private sector investment of approximately $232 million, which signals confidence in the regional economy and strengthens its attractiveness as a destination for further investment.

- Driving Innovation, Technology and Science: The master-planned design incorporates an integrated continuum-of-care model, a mixed-tenure structure with no operating comparator,

and sustainable infrastructure solutions, providing a model for senior living development in regional New Zealand.

- Investing in Infrastructure for Growth: The proposal includes significant investment in essential infrastructure, including the SH3 realignment and roundabout, three-waters servicing, and riparian and wetland works, which will not only service the development itself but also strengthen the resilience and efficiency of the wider urban system.

11. Project Acceleration

This section describes how the FTAA process would accelerate delivery of the proposal.

In short: The FTAA pathway enables earthworks to commence in 2027, bringing forward construction stimulus, senior housing delivery, and, most critically, care capacity into a catchment whose care shortfall compounds by around 21 beds and suites each year.

11.1. Timing of Economic Benefits

The proposal will progress considerably faster through the FTAA than would otherwise be the case. The FTAA establishes a streamlined approvals pathway with tighter statutory timeframes, coordinated decision-making, and, importantly, no merits-based appeals on decisions made by Fast-track Panels.

In contrast, obtaining consent via the standard RMA pathways would likely involve a multi-stage and potentially appeal-prone process, resulting in substantial delays – particularly given the site's rural zoning, which would likely necessitate a plan change ahead of any resource consent. Similarly large proposals often experience extended processing timeframes due to public notification, hearings, and Environment Court appeals.

The FTAA (as strengthened by the Fast-track Approvals Amendment Act 2025) is specifically designed to accelerate nationally and regionally significant projects, reduce consenting uncertainty, and bring forward the timing of economic activity. For the proposal, this means enabling works to commence as programmed in 2027, thereby bringing forward the one-off construction-related stimulus, the delivery of new senior housing, and – critically – the delivery of care capacity into a catchment whose shortfall compounds annually, with demand modelling indicating a need for around 21 additional beds and suites per year through to 2048. Each year of acceleration therefore has a real welfare benefit for older residents and their families, in addition to increasing the present value of the quantified economic impacts estimated in this report.

12. NPS-HPL Clause 3.10(1)(c) Assessment

This section addresses the economic limb of clause 3.10(1)(c) of the National Policy Statement for Highly Productive Land.

In short: Applying the Total Economic Value framework, which considers both tangible and intangible values, the long-term cost of forgoing the land for rural production ranges from $0.6 million to, at most, $17.8 million (NPV over 30 years). The ongoing activity of the completed village and care home alone is worth around $85 million. The benefits of the proposal outweigh the costs of the loss under every scenario tested.

12.1. What the Clause Requires

Clause 3.10(1) provides that highly productive land may only be used or developed for activities not otherwise enabled under clauses 3.7, 3.8 or 3.9 where a territorial authority is satisfied of each of three matters. The third of these, at clause 3.10(1)(c), is that the environmental, social, cultural and economic benefits of the development outweigh the long-term environmental, social, cultural and economic costs associated with the loss of that land for land-based primary production, taking into account both tangible and intangible values.

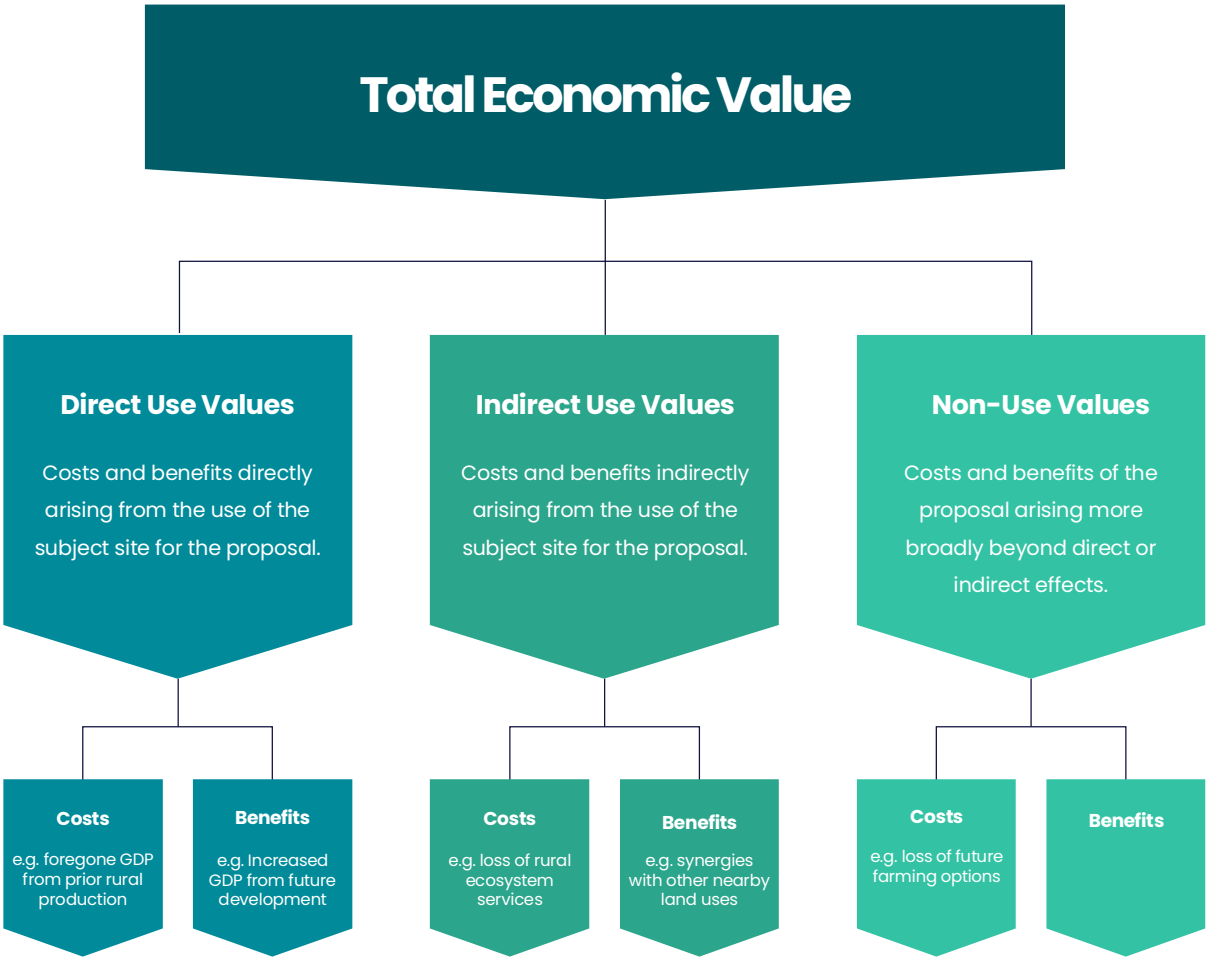
Our scope covers the economic limb of that weighing. The environmental, social and cultural dimensions, and the separate tests at clauses 3.10(1)(a) and 3.10(1)(b) concerning permanent or long-term constraints on economic viability, loss of productive capacity and fragmentation, are addressed in the applicant's planning, land capability and agribusiness evidence.

Two features of the clause shape the analysis that follows. First, it is the long-term cost that must be weighed, so the forgone production is valued over the full 30-year assessment period. Second, the clause expressly directs that intangible values be taken into account, which requires a valuation framework that goes beyond market outputs.

12.2. The Total Economic Value Framework

We value the forgone production using the Total Economic Value (TEV) framework. TEV captures the direct use value of production, the indirect use values associated with the ecosystem services that rural land provides, and the non-use values people place on the existence and preservation of a resource. Figure 5 illustrates the framework, and the underlying evidence is set out in Appendix B.

Figure 5: The Total Economic Value (TEV) Framework



The framework maps onto Clause 3.10(1)(c) as follows:

- The tangible values of the land in primary production are captured by the direct use value of its output.

- The intangible values the clause directs be taken into account are captured by the two remaining components: indirect use value (covering regulating and cultural ecosystem services such as waste treatment, biological pest control, and recreation), and non-use value (covering the option, existence, and bequest values people place on keeping land in rural use).

Each land use scenario is therefore valued as the sum of one tangible and two intangible components.

In practice, the three components are derived as follows.

- Direct use value is the present value of the GDP that the land would generate in each use over the 30-year assessment period, estimated by applying our input-output multipliers to per-hectare output, including supply-chain effects, and discounted at 8 percent.

- Indirect use value is derived from Patterson and Cole (2013), the most comprehensive assessment of the total economic value of New Zealand's land-based ecosystems, by applying

the ratio of indirect to direct value it reports for the relevant ecosystem: 38.6 percent for agriculture and 0.13 percent for horticulture and cropping.

- Non-use values are not separately quantified by Patterson and Cole for these ecosystems, so we have made our own assumption, setting non-use value equal to indirect use value. That assumption is deliberately conservative, in that it increases the estimated cost of the loss.

The derivation of the Patterson and Cole ratios, and the sensitivity of the results to the non-use assumption, are set out in Appendix B.

12.3. Relationship to the AgFirst Assessment

The role of this valuation is distinct from that of the AgFirst agribusiness assessment. AgFirst assesses whether each rural use would be economically viable for a landowner or investor. That is a farm-level question of commercial returns, answered through farm budgets and investment cashflows, and it is relevant to clauses 3.10(1)(a) and (b) and to the evaluation of alternatives under clause 3.10(2).

Our task under clause 3.10(1)(c) is different. We value the economic activity that would be forgone if the land ceased to be available for rural production, whether or not that production would be commercially attractive. AgFirst's per-hectare output figures are used as inputs and converted into GDP, employment, and wages using our input-output multipliers. The resulting values measure each use's contribution to economic activity, including supply-chain effects, not enterprise profitability, so a positive value does not imply a viable business. The current pastoral operation illustrates the point: it generates positive GDP in our modelling even though the AgFirst farm budget indicates it operates at a loss before financing costs.

Valuing the forgone production over a 30-year horizon is consistent with the treatment of long-term productive capacity in the NPS-HPL implementation guidance.[20]

12.4. Valuing the Land in Rural Production

As set out in Section 2.1, only 5.7 hectares of the 25.8-hectare site, or 22 percent, qualifies as HPL under the NPS-HPL as amended with effect from January 2026, rising to at most 7.1 hectares (28 percent) on the more detailed field-mapped basis adopted by AgFirst, and the detailed mapping shows those soils occurring as fragmented inclusions within a landscape of lower-class land. Notwithstanding that, and to ensure the cost side of the weighing is not understated, we value the production forgone across the whole of the area that could realistically be farmed under each land use, rather than only the highly productive portion.

The counterfactual adopted in this assessment is a continuation of the site's existing use, being dairy heifer grazing and baleage across the net pastoral area of 19.8 hectares identified in the AgFirst agribusiness assessment. Valued on a TEV basis over 30 years, that use is worth approximately $0.6 million in present value terms. The clause, however, is concerned with the productive potential of the

[20] Ministry for Primary Industries, *National Policy Statement for Highly Productive Land: Implementation Guidance*, which frames long-term productive capacity over a horizon of at least 30 years.

land, not only its current use. The next section therefore values the higher-value rural uses that AgFirst identifies as physically possible on the site.

12.5. Testing Higher-Value Rural Alternatives

Clause 3.10(2) requires alternative forms of land-based primary production to be evaluated when considering whether constraints on economic viability can be addressed. Whether any of those alternatives is in fact viable on this site is a matter for the agribusiness and land capability evidence.

That evidence concludes that none is. Arable cropping generates a positive operating return but cannot service the capital employed. Kiwifruit requires establishment investment of around $3.9 million (Hayward Green) to $11.5 million (SunGold) over the first three years, and modelled returns over the first decade of around 2.6 to 5.7 percent fall well short of the 8 to 10 percent investors typically require, reflecting the site's frost risk, mixed aspect, undulating contour, and distance from packhouse infrastructure. For the purposes of the economic weighing under clause 3.10(1)(c), however, we have valued them regardless, in order to test whether the conclusion would change if the land were put to its most productive physically feasible use.

The three alternatives modelled alongside the current use are those identified by AgFirst as physically possible on parts of the site. The land area and output value adopted for each scenario are drawn from that assessment, with each use applied only to the portion of the site physically suited to it:

- **Arable cropping**, comprising maize silage and annual ryegrass, across 14.5 hectares;
- **Kiwifruit** production of the **Hayward Green** cultivar across 10.95 hectares; and
- **Kiwifruit** production of the **Zespri SunGold** cultivar across 10.95 hectares, being the highest-value land-based primary production the site could physically support.

Table 19 sets out the resulting total economic value of each scenario, with the tangible component (direct use value) and the intangible components (indirect use and non-use values) shown separately.

Table 19: Total Economic Value (TEV) of Forgone Rural Production by Land Use Scenario (30-year NPV, $m)

Land use scenario	Area (ha)	Direct use value	Indirect use value	Non-use value	TEV
Dairy heifer grazing and baleage	19.8	$0.35	$0.13	$0.13	$0.62
Maize silage and annual ryegrass	14.5	$0.77	$0.30	$0.30	$1.37
Kiwifruit (Hayward Green)	10.95	$7.95	$0.01	$0.01	$7.97
Kiwifruit (Zespri SunGold)	10.95	$17.79	$0.02	$0.02	$17.83

Two points emerge. The first is the obvious one: moving from the current pastoral use to intensive horticulture raises the direct use value of production sharply, by a factor of more than 50 between the grazing and SunGold scenarios. The second is less obvious but material to this clause. The intangible components behave in the opposite direction. Under this framework, pastoral agriculture carries substantial indirect use and non-use values, which together add around 77 percent to its direct value, whereas horticulture and cropping carries almost none, adding around 0.3 percent. In practical

terms, pastoral land supports regulating services such as gas regulation, waste treatment and nutrient processing, and biological pest control, together with recreation and cultural values, that intensive cultivation, canopy structures, and orchard inputs largely displace. The practical consequence is that the intangible values the clause directs be taken into account are most significant for the lowest-value use, and effectively negligible for the highest-value ones.

The positive direct use values in Table 19 measure forgone economic activity, not returns to a landowner. Consistent with the distinction drawn earlier in this section, they do not indicate that these uses would be economically viable, and they are not comparable to the farm-level investment returns assessed by AgFirst. The question for clause 3.10(1)(c) is whether the benefits of the proposal outweigh the value of what would be forgone, and it is that question Table 19 informs.

12.6. Weighing Benefits Against Economic Costs

The table below compares the total economic value of each land use scenario against the ongoing economic activity generated by the completed village and care home, on a consistent 30-year present value basis. To be conservative, the proposal's one-time construction benefits, worth approximately $76 million of GDP (NPV) and 620 FTE-years of employment, are excluded from the comparison and noted here only for context.

Table 20: Comparison of Long-Term Economic Values (30-year totals; GDP, TEV and wages as NPV at 8 percent)

Basis	GDP / TEV ($m)	FTE-years	Wages ($m)
Proposal: future onsite village and care activity	$85.5	2,215	$57.5
Current use (the counterfactual): grazing	-$0.6	-4	-$0.1
Alternative use: arable cropping	-$1.4	-10	-$0.3
Alternative use: kiwifruit (Hayward Green)	-$8.0	-153	-$4.1
Alternative use: kiwifruit (Zespri SunGold)	-$17.8	-341	-$9.1

Under the counterfactual actually adopted, the economic opportunity cost of forgoing the land for rural production is equivalent to less than 1 percent of the proposal's ongoing benefits. Even under the most productive use the land could physically sustain, that cost rises to only around 21 percent. Put another way, the ongoing economic activity generated by the completed village and care home exceeds the total economic value of the highest value rural use of the site by a factor of nearly five, and that margin widens substantially once the construction-phase benefits are added.

That comparison is conservative in four respects. The counterfactual is measured gross, with no deduction for the multiplier impact scaling factor or regional attribution applied to the proposal's benefits, so the two sides are not scaled symmetrically, and the imbalance favours the counterfactual. Rural production is assumed to continue undiminished across the full assessment period. Each alternative is also valued at full mature output from the first year, although kiwifruit in particular would carry its establishment costs in years one to three, produce no fruit until years two to three, and reach mature yields only around years five to six. And the proposal's benefits counted here are only those capable of quantification; the substantial qualitative benefits identified in Sections 9 and 10, including the increase in senior housing supply, the catchment's principal residential care response, land market competition and the developer-funded infrastructure legacy, sit outside the

comparison entirely. Testing a substantially higher non-use value for the horticultural scenarios does not change the conclusion (see Appendix B).

12.7. Conclusion on Clause 3.10(1)(c)

The economic benefits of the proposal outweigh the long-term economic costs associated with the loss of the land for land-based primary production under every scenario tested, including one that assumes the land is converted to the most valuable horticultural use it could physically support and that this use continues undiminished for 30 years. Intangible values are taken into account quantitatively, through the indirect use and non-use components valued for each scenario in Table 19.

13. Summary and Conclusion

This assessment has considered the full range of economic effects associated with the proposal, relative to a counterfactual in which the site remains in pastoral production.

In short: The proposal generates net quantified impacts of approximately $160 million of GDP (NPV over 30 years), including $95 million of wages, and 2,830 FTE-years of employment, alongside significant qualitative benefits led by senior housing supply and the catchment's principal residential care response. Economic costs are modest and contained. We support the proposal on economic grounds.

13.1. Weighing of TEV Costs and Benefits

Consistent with the TEV framework described in Section 12 and Appendix B, this section draws together the principal economic costs and benefits of the proposal identified in this report, spanning both the quantified and qualitative effects.

The quantified net impacts comprise approximately $76 million of GDP and 620 FTE-years of employment from construction, and $85 million of GDP and 2,215 FTE-years from the ongoing operation of the village and care home, offset by forgone rural production worth around $0.5 million of GDP and 6 FTE-years, all in present value terms over 30 years. The most significant qualitative benefits are the boost to senior housing supply and the residential care response, followed by stronger land market competition, moderated price pressures, health system and ageing-in-place benefits, and improved housing choice. The remaining benefits, including the release of existing housing stock, master-planned efficiencies, support for the town centre, investment signalling, and the acceleration of delivery through the FTAA, are more moderate but cumulatively material. The identified economic costs, being infrastructure risk, transport emissions, and the loss of a small and fragmented area of highly productive land, are minimal, largely internalised, or readily managed.

Weighing these effects in terms of magnitude, likelihood, and distribution, the position is clear. The proposal's benefits are substantial and enduring: it generates a large net positive quantified impact, driven by one-time construction activity and the enduring operations of the care home, village, and community hub, while simultaneously delivering a significant and timely increase in deliverable senior housing supply, the catchment's principal residential care response, more competitive and efficient land market outcomes, and a well-functioning urban extension to the existing Te Awamutu settlement. These benefits accrue broadly across the community, including future residents and their families, construction workers, care staff, local businesses, and households benefiting from the release of existing housing stock.

By contrast, the economic costs are modest and contained. The quantified opportunity cost of forgone pastoral production is very low, reflecting the site's limited productive capability, while the qualitative costs – infrastructure risk, transport emissions, and the loss of a small, fragmented area of highly productive land – are minimal, largely internalised, or readily managed through established funding and pricing mechanisms.

13.2. Conclusion

Te Awamutu's population is ageing rapidly, and its primary catchment enters the forecast period with a clear and compounding undersupply of both purpose-built senior housing and residential care capacity. The proposal addresses that need directly, delivering the catchment's most significant senior housing and care response over the forecast period alongside substantial regional economic benefits, at very low economic cost. The Fast-track process ensures these benefits are realised sooner than traditional consenting pathways would otherwise allow.

Accordingly, we consider that the proposal delivers significant regional economic benefits that outweigh the identified costs by a wide margin. The proposal is strongly supported on economic grounds.

Appendix A: About Multiplier Analysis

Introduction

Our assessment uses a widely known technique called multiplier analysis to estimate the GDP, jobs, and wages/salaries associated with one-time and ongoing economic activity enabled by the proposal, plus the GDP, jobs, and wages/salaries lost via forgone rural production. The underlying economic multipliers come from detailed matrices called input-output (IO) tables, which show the interrelated supply chains comprising an economy. Specifically, IO tables show both:

- the set of inputs that each industry needs to produce one unit of its output, plus
- the industries and end-users to which each sector sells its output.

By leveraging these supply-chain relationships, IO tables enable the effects of a change in one sector to be traced throughout the economy to estimate its overall impacts, including flow-on effects.

Example

Consider the following example. Suppose a local construction company wins a new building contract. In addition to boosting its own workforce to complete the job, the company will also need to engage various subcontractors and to source building products from its own suppliers. However, some of those suppliers, in turn, may then need to source various inputs from their suppliers, and so on. Multiplier analyses trace all these supply-chain interdependencies so that the wider economic effects of the new building work can be properly estimated, including all flow-on effects.

Types of Effects Estimated

The economic impacts derived via multiplier analysis comprise three parts, namely:

- Direct effects – which capture the economic impacts of entities directly engaged to complete the project (e.g., the main building contractor); plus
- Indirect effects – which arise when the main contractor sources goods and services from their suppliers (i.e., subcontractors), who in turn may need to source goods and services from their own suppliers, and so on; and
- Induced effects – which occur when a share of the additional wages and salaries generated by the project (either directly or indirectly) are spent in the local/regional economy and therefore give rise to additional rounds of economic impacts

As alluded to above, these effects are typically measured in terms of:

- Contributions to value-added (or GDP). GDP measures the difference between a firm's outputs and the value of its inputs. It captures the value that a business adds to its own inputs to produce its outputs. From an accounting perspective, GDP equals a firm's earnings before interest, tax, depreciation, and amortisation (EBITDA), plus the wages and salaries paid.

- The number of FTEs employed – this is measured in terms of full-time equivalents, which convert part-time roles to their full-time equivalent so that part-time and full-time workers are counted on a common basis.

- Total wages and salaries paid to workers, which are sometimes called 'household incomes.' Wages and salaries are a component of GDP, as defined above, so the two measures are not additive.

Importance for Assessing Construction Projects

Multiplier analysis is particularly useful for assessing the economic impacts of construction projects, because such a large proportion of the work is typically subcontracted to third parties, rather than all being done by the main contractor itself. Multiplier analysis therefore enables all the supply chain activity initiated by the main contractor to be properly captured to provide a comprehensive picture of overall economic impacts associated with its activities.

For context, according to the latest multipliers, for every dollar of GDP generated by the building construction sector, an extra $2.76 of GDP is generated in the industries supporting it.[21] Similarly, for every FTE directly employed in building construction, an extra 2.82 FTEs are employed in the sectors that comprise its supply chain. Accordingly, multiplier analysis is critical to capturing the overall effects of economic activity enabled (or forgone) by large-scale development proposals.

Multiplier Analysis Limitations & Mitigation Strategy

Despite the intuitive appeal and widespread use of multiplier analysis, it does face some well-known limitations. They include that it:

- Assumes that businesses use inputs in fixed proportions, i.e., without substituting towards more efficient options if/when they become available.

- Ignores capacity constraints. It assumes that labour, materials, and other inputs are always available when needed, which may be unrealistic in a tight economy.

- Does not capture price effects. Multiplier models are fixed-price frameworks, which ignore cost inflation, wage pressures, and so on.

Consequently, multiplier analysis is useful for showing how spending ripples through an economy's supply chains to produce both direct and flow-on economic impacts, but it is not – on its face – a precise forecast of real-world net benefits. To help address these limitations and ensure that our analysis is as robust as possible, we adopted the following mitigation strategies and measures. They seek to moderate the raw outputs of the multiplier analysis to provide more robust and defensible estimates of overall economic impacts.

[21] As measured by the indirect effect, i.e., excluding induced effects.

Strategy 1: Ignoring Induced effects: Induced effects are – in our view – the least reliable of the three types of economic impact estimated by multiplier analysis, because much of that spending would have likely occurred regardless of the proposal. Moreover, including induced effects can produce multiplier values we consider implausibly high for a regional economy over the longer run, so we exclude induced effects entirely in our assessments. Appendix D reports the results with induced effects included, for reference.

Strategy 2: Scaling direct & indirect effects: We count only 80 percent of the estimated direct and indirect impacts. This scaling provides a general margin against the limitations described above, in particular the assumption that labour, materials and other inputs are always available when needed, and the inability of fixed-proportion, fixed-price models to capture the capacity and price responses that follow. It reflects the indicative nature of multiplier-based estimates. It is not a project-specific estimate of additionality, which is addressed in Section 9.10, and not a site-specific deliverability measure.

Strategy 3: Using the most up-to-date multipliers: We regularly revise the industry-level multipliers used in our assessments to ensure they always reflect the latest official data, rather than relying on the 'official' IO tables from Stats NZ, which are for the year ended March 2020. Our multipliers, conversely, were derived from data covering the year ended September 2025.

Strategy 4: Maximising the value of forgone production: While not a direct response to the limitations of multiplier analysis *per se*, we further assume that forgone rural production ceases immediately sitewide under the proposal. In practice, however, former rural production is usually phased out in a staged manner as the site is developed. This assumption helps maximise the estimated opportunity cost of the proposal and therefore adds another layer of conservatism.

Strategy 5: Applying conservative construction cost rates: Finally, while again not a direct response to multiplier limitations, we also estimate construction cost rates for the proposal using regional building consent data. These are widely understood to systematically understate the true cost. This, in turn, reduces the estimated economic benefits of the proposal's one-off development.

Collectively, these mitigation measures make our analysis inherently conservative, which we consider appropriate to avoid the inadvertent overstatement of proposal benefits.

Appendix B: Total Economic Value

This appendix sets out the detailed evidence behind the total economic values reported in Section 12. It reproduces the Patterson and Cole (2013) service-level estimates used to derive the indirect use and non-use values applied to each land use scenario, records the scenario inputs and resulting annual production, and tests the sensitivity of the results to the non-use assumption.

The Patterson and Cole (2013) Evidence

Patterson and Cole (2013)[22] applies the TEV framework described in Section 12 to twelve land-based ecosystems in New Zealand, splitting use values into provisioning, regulating, cultural and supporting services. Supporting services are excluded from totals to avoid double counting, because their value is already embodied in the other services. Two of the twelve ecosystems are relevant to this site: agriculture, which corresponds to the pastoral and arable scenarios, and horticulture and cropping, which corresponds to the two kiwifruit scenarios. Tables 21 and 22 reproduce the service-level values reported for those two ecosystems, and identify how each service is treated in this assessment.

Table 21: Use Values of Agriculture Ecosystem Services (Patterson and Cole 2013, $2012 million)

Ecosystem service	Service category	Treatment in this assessment	Value ($2012m)
Water provisioning	Provisioning	Direct use value	$85
Food production	Provisioning	Direct use value	$8,363
Raw materials	Provisioning	Direct use value	$514
Gas regulation	Regulating	Indirect use value	$200
Waste treatment	Regulating	Indirect use value	$2,488
Biological control	Regulating	Indirect use value	$657
Recreation	Cultural	Indirect use value	$57
Cultural values	Cultural	Indirect use value	$57
Soil formation	Supporting	Excluded (double counting)	$28
Erosion control	Supporting	Excluded (double counting)	$7,008
Pollination	Supporting	Excluded (double counting)	$715
Total direct use value			**$8,962**
Total indirect use value			**$3,459**

Table 22: Use Values of Horticulture and Cropping Ecosystem Services (Patterson and Cole 2013, $2012 million)

Ecosystem service	Service category	Treatment in this assessment	Value ($2012m)
Water provisioning	Provisioning	Direct use value	$2
Food production	Provisioning	Direct use value	$2,263
Climate regulation	Regulating	Indirect use value	$3
Erosion control	Supporting	Excluded (double counting)	$12
Pollination	Supporting	Excluded (double counting)	$11
Total direct use value			**$2,265**
Total indirect use value			**$3**

[22] Patterson and Cole (2013), *Total Economic Value of New Zealand's Land-Based Ecosystems and Their Services*. This study is widely cited and appears to be the most comprehensive and up-to-date assessment of its kind. It is therefore relied on for the estimates used here.

Direct use value comprises the provisioning services shown above, being water provisioning, food production, and raw materials. Indirect use value comprises the regulating services together with the recreation and cultural services. On this basis, agriculture's indirect use value equals 38.6 percent of its direct use value ($3,459 million against $8,962 million), while for horticulture and cropping the ratio is 0.13 percent ($3 million against $2,265 million). These are the ratios summarised in Table 23 and applied in the scenario valuations.

Table 23: Derived Direct and Indirect Use Values by Ecosystem (Patterson and Cole 2013, $2012 million)

Ecosystem	Direct use value	Indirect use value	Indirect as share of direct
Agriculture	$8,962	$3,459	38.6%
Horticulture and cropping	$2,265	$3	0.13%

Scenario Inputs and Annual Production

The scenario definitions, land areas, and production parameters are drawn from the AgFirst agribusiness assessment, with kiwifruit output rates based on industry benchmarks applied to the areas AgFirst identifies as physically suited to each use. Each land use is applied only to the portion of the site suited to it, which is why the modelled areas differ. The resulting annual production, including supply-chain effects, is shown below.

Table 24: Scenario Inputs and Estimated Annual Production (gross, direct plus indirect)

Land use scenario	Area (ha)	Output ($/ha)	FTEs	Wages ($)	GDP ($)
Dairy heifer grazing and baleage	19.8	$2,169	0.14	$11,400	$30,400
Maize silage and annual ryegrass	14.5	$6,600	0.32	$25,400	$67,700
Kiwifruit (Hayward Green)	10.95	$84,600	5.09	$354,300	$695,400
Kiwifruit (Zespri SunGold)	10.95	$189,255	11.38	$792,500	$1,555,700

Even under the most productive scenario, the site would sustain fewer than 12 full-time equivalent positions. By comparison, the completed village and care home are estimated to support approximately 118 full-time equivalent positions onsite at full operation.

Sensitivity to the Non-Use Scalar

Because the non-use component is a modelling assumption rather than a value derived directly from Patterson and Cole, we have tested its influence on the results in both directions. Removing it entirely reduces the TEV of the highest-value scenario from $17.83 million to $17.81 million, because non-use value is tied to the near-zero indirect share of horticulture.

A more demanding test is to assume instead that the horticultural scenarios retain the full intangible loading of pastoral agriculture, with indirect and non-use values together equal to 77.2 percent of direct use value. On that deliberately high basis, the TEV of the SunGold scenario rises from $17.8 million to approximately $31.5 million, and the Hayward Green scenario from $8.0 million to approximately $14.1 million.

Even then, the ongoing activity of the completed village and care home, at $85.5 million (NPV), exceeds the highest alternative rural value by a factor of about 2.7, and the proposal's total quantified benefits exceed it by a factor of about five. The conclusion under clause 3.10(1)(c) is unchanged in each case. The base assumption is retained because it is consistent with the Patterson and Cole evidence while still erring in favour of rural production.

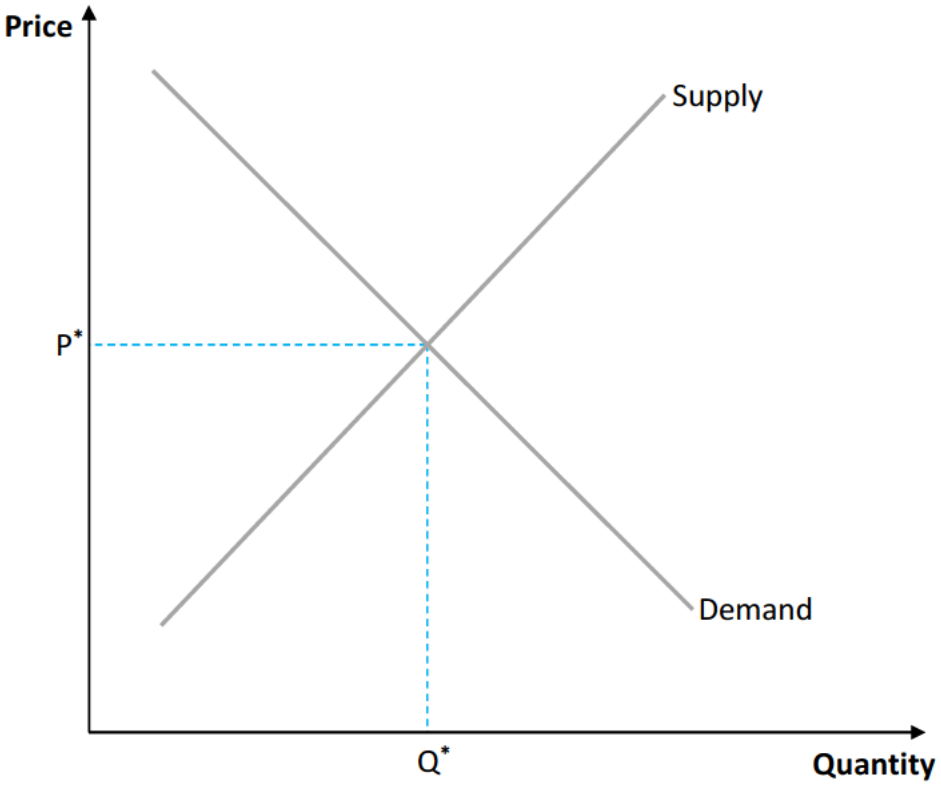
Appendix C: About Housing Market Effects

Illustrating the Housing Market Effects

This appendix uses supply-demand analysis, one of the most common tools in economics, to illustrate how the proposal would affect the residential land market.

A supply-demand graph comprises two curves. The supply curve shows the minimum price sellers will accept for each quantity; it slopes up because higher prices entice more supply to the market. The demand curve shows the maximum price consumers will pay; it slopes down because lower prices improve affordability and enable greater consumption. The market settles where the curves intersect, at the equilibrium price (P*) and quantity (Q*), because that is the only combination acceptable to both buyers and sellers. The figure below shows a typical market in equilibrium.

Figure 6: A Typical Supply-Demand Graph in Equilibrium at P* and Q*



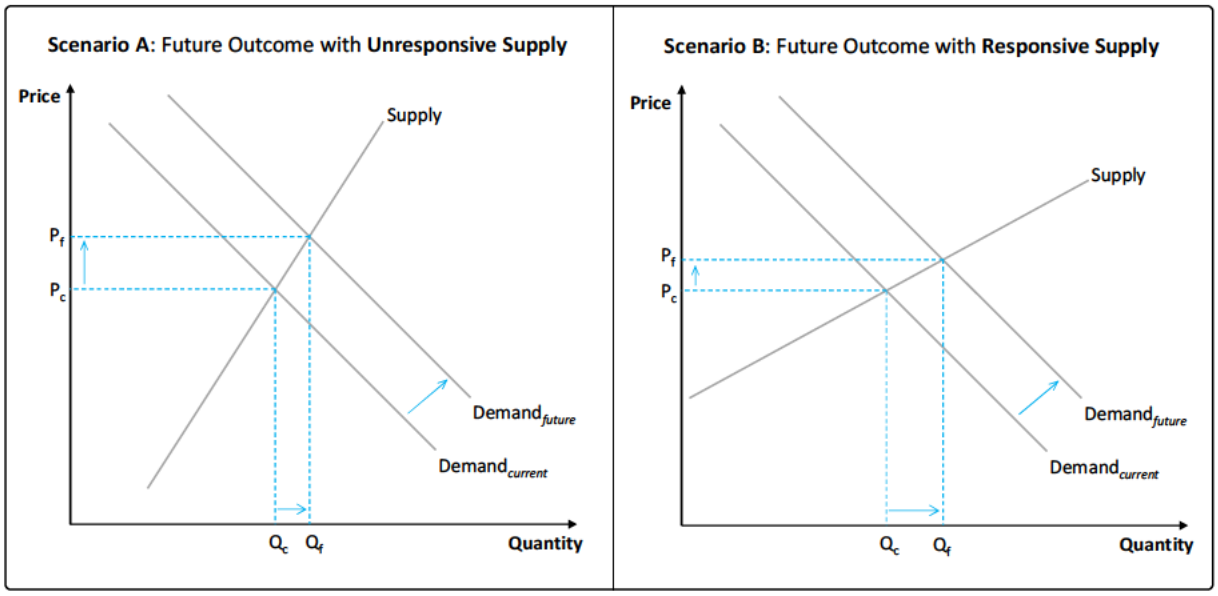
These illustrations are stylised and abstract from several real-world complexities, including staging, infrastructure timing, and potential displacement of activity within the district. They do not imply that prices will fall in absolute terms, but rather that they are likely to be lower than they would otherwise have been under the status quo. The analysis therefore focuses on relative market effects rather than precise price outcomes.

The Benefits of a More Responsive Supply

The proposal's key market effect is to make future residential land supply more responsive to demand. That does not necessarily mean prices fall in absolute terms. Rather, for any given increase in demand,

more sections are delivered and prices rise by less than they otherwise would. The side-by-side scenarios in the figure below illustrate the point. Both panels contain the same two demand curves, but Scenario A depicts a restricted, unresponsive supply, of the kind the district has today, while Scenario B depicts the more responsive supply the proposal would help create. Relative to Scenario A, Scenario B delivers more new homes at lower average prices.

Figure 7: Future Housing Market Outcomes with Unresponsive vs Responsive Supply



These benefits propagate well beyond the first purchaser. New housing creates chains of moves that free up older, cheaper dwellings elsewhere, eases pressure in lower-priced sub-markets, and strengthens competition among suppliers. In a constrained market, demand shocks are absorbed through prices and scarcity rents; in a responsive one, they are absorbed through construction, choice, and competition. The resulting gains in consumer and producer surplus are the standard welfare benefits of enabling more supply.

Appendix D: Sensitivity Analysis

This appendix tests the sensitivity of the quantified results in Section 8 to the modelling margin described in Section 5.3, the regional attribution rate described in Section 5.2, and the delivery programme described in Section 5.5. It also reports the results with none of those adjustments applied, for reference. Each scenario changes one set of assumptions and holds all others at their base case values. Unless stated otherwise, results are reported on the same basis as Section 8: net present values at 8 percent over 30 years, attributed to the Waikato region.

Scenarios Tested

The scenarios are as follows.

- Base case: the results reported in Section 8, which count 80 percent of direct and indirect impacts and adopt the nine-year programme from 2027 described in Section 5.5.
- Lower modelling margin: only 60 percent of direct and indirect impacts are counted. This tests whether the conclusions hold under a larger allowance for the limits of the methodology.
- Regional attribution: 60 percent and 90 percent of the national impacts of the proposal are attributed to the Waikato region, rather than 75 percent. Forgone rural production remains fully attributed to the region in both cases.
- Faster delivery: scheme finalisation takes three months and site-wide enabling works nine months, and each physical stage commences at nine-month intervals, so that the final stage completes in 2034 rather than 2036.
- 12-month delay: every phase of the base case programme commences 12 months later than assumed (a 2028 start), with the 30-year assessment horizon unchanged.
- 12-year programme: the interval between the commencement of each grouped stage extends from around 16 months to around 25 months, so that the final stage completes in 2038 and the programme runs around 12 years. This represents the case in which progression between stages is governed by the absorption-based staging framework described by Webster Research rather than by the programme, and corresponds to the severe variant of Webster Research's own sensitivity testing, which reduces the shares of sales drawn from the secondary catchment and the rest of the Waikato and extends full sell-down from around nine years to around 12 years.[23]
- Slower care home ramp-up: the care home opens on completion of grouped Stage 1 as in the base case, but builds to full operation in three equal tranches three years apart, so that full operation is reached around six years after opening rather than around three.

[23] WEBSTER Research (2026), Memorandum: Economic and Market-Need Assessment, Harlow Lifestyle Village, 15 September 2026, section 7.

Results

Table 25 summarises the results. The one-time and ongoing GDP columns correspond to Tables 10 and 13, and the net columns to Tables 16 and 17.

Table 25: Sensitivity of Net Quantified Impacts to Modelling Assumptions (30-year totals; GDP and wages as NPV)

Scenario	One-time GDP ($m)	Ongoing GDP ($m)	Net GDP ($m)	Net FTE-years	Net wages ($m)
Base case	$76	$85	$160	2,830	$95
Lower modelling margin (60 percent)	$55	$64	$120	2,120	$71
Regional attribution 60 percent	$61	$68	$128	2,260	$76
Regional attribution 90 percent	$92	$103	$193	3,390	$114
Faster delivery	$84	$99	$183	2,980	$109
12-month commencement delay	$69	$78	$147	2,740	$87
12-year programme	$69	$79	$147	2,740	$87
Slower care home ramp-up	$76	$77	$152	2,720	$89

Table 25 shows that faster delivery would raise the net GDP impact by around 14 percent, because the impacts arrive earlier and the completed village operates for longer within the 30-year horizon. The delayed and slower delivery scenarios reduce it by between 5 and 8 percent. The reductions reflect discounting and the shorter period of operation within the horizon. Delayed or slower delivery defers the impacts rather than removing them. Attributing 60 percent of impacts to the region rather than 75 percent reduces the net GDP impact to around $128 million, and counting only 60 percent of the modelled activity reduces it to around $120 million, which remains more than six times the total economic value of the most productive rural use the land could physically support (around $17.8 million, Section 12).

Unadjusted Results

Sections 4.2 and 5 describe three adjustments that moderate the raw outputs of the multiplier analysis: induced effects are excluded, only 80 percent of direct and indirect impacts are counted, and only 75 percent of impacts are attributed to the Waikato region. Table 26 shows the results with none of those adjustments applied, for reference. The first row repeats the base case. The second counts 100 percent of the national direct and indirect impacts. The third adds induced effects, which arise when the wages generated by the proposal are spent in the economy. These are estimated by applying industry-level induced multipliers to the same construction tasks, onsite activities and forgone rural production, on the same timing and discounting basis as the base case.[24] Induced effects are added on both sides of the comparison, so the forgone rural production also rises.

[24] Induced multipliers (Type II less Type I) are derived from the Stats NZ input-output tables for the year ended March 2024, expressed at year ended June 2026 prices. The direct and indirect multipliers used elsewhere in this report are from Insight Economics' year ended September 2025 build.

Table 26: Unadjusted Results (30-year totals; GDP and wages as NPV)

Case	One-time GDP ($m)	Ongoing GDP ($m)	Net GDP ($m)	Net FTE-years	Net wages ($m)
Base case (Waikato region, 80 percent margin, induced effects excluded)	$76	$85	$160	2,830	$95
National impact, 100 percent of direct and indirect effects	$126	$143	$268	4,720	$158
Unadjusted: national impact, 100 percent, induced effects included	$206	$262	$468	7,080	$236

The base case therefore counts around one-third of the proposal's unadjusted net GDP impact. The three adjustments remove around $307 million of GDP (NPV) and around 4,250 FTE-years, of which the exclusion of induced effects alone accounts for around $200 million. The unadjusted results are shown for reference only and are not the basis of any conclusion in this report.

Under every scenario tested, the conclusions in Sections 8 and 12 are unchanged.

Appendix E: Response to Council Peer Review

Waipā District Council commissioned Market Economics to review the economic and market evidence supporting the application. Its review, dated 1 September 2026, considered the draft of this report dated 13 August 2026 together with the Webster Research memorandum and report. Table 27 records where each matter raised in the review is addressed. Matters directed at the Webster Research evidence are addressed by Webster Research in its updated report and memorandum of September 2026, and are listed here only where this report draws on that evidence.

Table 27: Matters Raised in the Market Economics Review and Where Addressed

Review section	Matter raised	Where addressed in this report
4.1	Basis of the 80 percent factor, and its relationship to additionality and displacement	Sections 4.2 and 5.3 (basis of the factor); Section 9.10 (additionality and displacement); Appendix D (results with and without the margin)
4.2	Workforce availability and the timing of operational impacts	Section 5.8; Appendix D (slower ramp-up)
4.3	Sensitivity of the results to the timing or extent of delivery	Section 5.5; Appendix D
5.1	Consistency of the development yield across the evidence	Sections 3.1 and 5.4; Table 4
5.2	Reconciliation of the market evidence on competing supply with the treatment of additionality	Sections 9.2 and 9.10
5.3	Consistency of the modelled programme with the absorption-based staging	Section 5.5; Appendix D (12-year programme)
3.4	Reconciliation of the masterplan yield	As for 5.1