PROPERTY ECONOMICS



WAIKATO RACING HUB

PENCARROW ROAD TAMAHERE

ECONOMIC IMPACT ASSESSMENT

Client: Waikato Thoroughbred Racing

Project No: 52576

Date: October 2026

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SCHEDULE

Code	Date	Information / Comments	Project Leader
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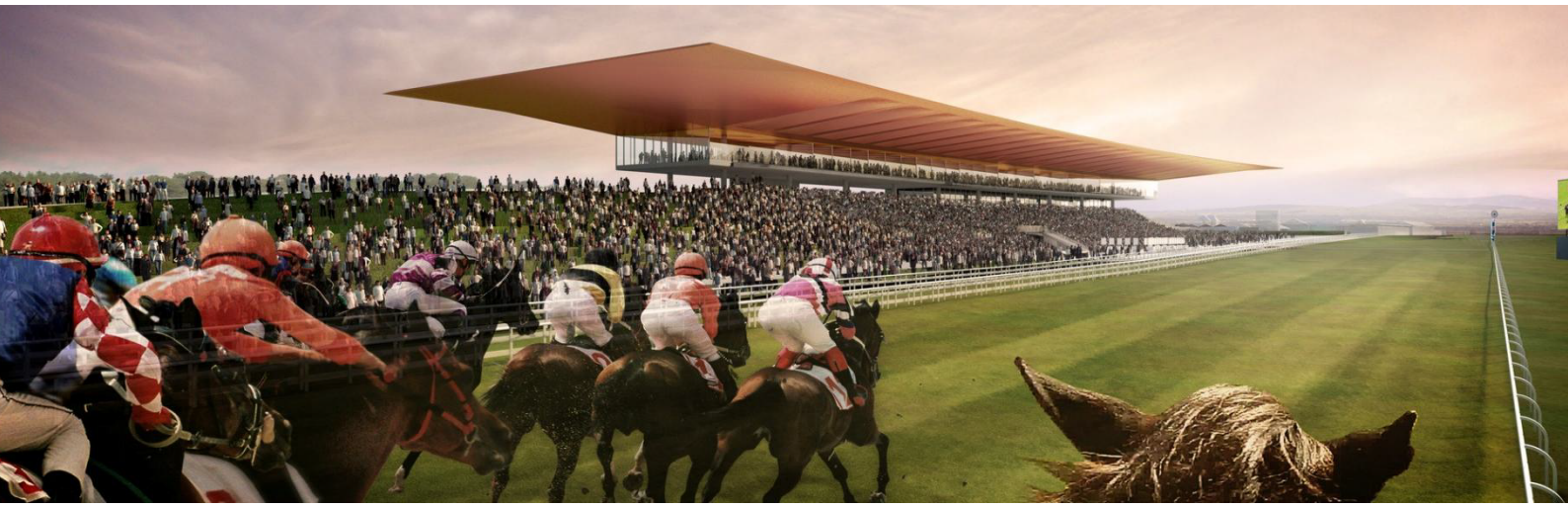
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1. INTRODUCTION

Property Economics has been commissioned by Waikato Thoroughbred Racing ("**WTR**") to assess the economic impacts and efficiency associated with the proposed new greenfield equine hub and racecourses with a mix of other land uses at a circa 163.9ha site ("the **Site**") at Pencarrow Road, Tamahere ("the **Project**"), under the Fast-track Approvals Act 2024 ("**FTAA**").

The Project Overview

The purpose of the Project is to create a unique, world class greenfield racing hub designed for horse training, racing and other equine related activities, while bringing the expertise and strength of the local racing fraternity together in a centralised location.

This enables the local racing industry to be more streamlined, competitive, sustainable and future focused while bringing potential international investment and creating a 'destination' for horse racing in New Zealand, also increasing tourism opportunities for the wider region.

A key driver behind the proposed greenfield equine hub and racecourses is enabling the consolidation of four separate racecourse facilities (Te Rapa Racecourse, Te Awamutu Racecourse, Cambridge Racecourse, and Cambridge harness track).

These facilities duplicate assets and resources and, given their current condition require significant levels of upgrades and investment to provide fit-for-purpose facilities that meet the higher standards of the modern-day racecourse experience. The retirement of these areas also frees up significant tracts of land within existing urban areas for future development, increasing housing supply and reducing pressure for greenfield development.

To support the development's financial viability and enhance the site's long-term vibrancy as a racing, entertainment, commercial and community precinct, the proposal includes a range of complementary activities on the remaining land. These include equine support services, rural residential housing, a retirement living community, a village centre and a bloodstock sales precinct.

Project Land Uses

Specifically, the Project involves the following land uses:

- Racetracks (thoroughbred and harness tracks), training tracks, racing infrastructure, buildings, stabling, training facilities, etc.
- Bloodstock sale yard and stabling: 15,600sqm
- Commercial development: 8,900sqm
- Senior living development: 90 villas, 200 units, and a 1,050sqm community centre
- Residential lifestyle lots: around 34 blocks
- Equine commercial services: 3,800sqm

Figure 1 following provides an outline of the Project's proposed master plan.

FIGURE 1: PROPOSED SITE PLAN



Source: Designgroup Stapleton Elliott + COX

Considerations under the Fast-track Approvals Act

This economic impact assessment ("**EIA**") provides an economic assessment of the Project under the framework of the FTAA. The assessment considers the project and its economic injection, employment, and scale of economic impacts (including benefits and costs) for the economy. The provisions of the FTAA that are directly relevant to this report are:

- Section 3 which states that, "*The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.*"
- Section 81 which provides that when a panel is making a decision on a substantive application, the panel must consider the extent of the project's regional or national benefits.
- Section 85 which provides that a panel may decline an approval where it forms the view "*adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits*" (after taking into account conditions the panel may set in relation to adverse impacts).
- Schedule 5 Clauses 5(4) and 6 require a consent application to include an assessment of the activity's actual or potential effects on the environment. Schedule 5 Clause 7 outlines this assessment must include any effect on the people in the neighbourhood and, if relevant, the wider community, including any social, economic or cultural effects.
- Schedule 5 Clauses 5(1)(h) and 5(2) requires an assessment of the activity against relevant documents including the National Policy Statement on Urban Development 2020 ("**NPS-UD**").
- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.

In short, the FTAA supports development proposals to expedite the consent process where the proposed development results in significant regional or national benefits (and in circumstances where the adverse impacts are not sufficiently significant to be out of proportion with these benefits) and contributes to a well-functioning urban environment (as per Policy 1 of the NPS-UD).

2. EXECUTIVE SUMMARY

The Waikato Region has long been recognised as one of New Zealand's most influential centres of thoroughbred breeding, training, and racing. With a history stretching back to the late 19th century, the region has produced many of the country's leading studs, trainers, and racehorses, shaping both the national racing landscape and New Zealand's international reputation in the equine sector.

The Waikato racing industry continues to play a significant economic role, supporting a wide network of breeders, trainers, jockeys, veterinarians, farriers, transport providers, and event-related businesses. Anchored by its strong bloodstock base, high-quality pasture, specialist workforce, and proximity to major markets such as Hamilton, Cambridge, and Matamata, the region's equine infrastructure contributes substantially to employment, export earnings, and visitor activity.

According to the 2024 NZ Racing Industry Report by IER, in the 2022–23 season, Waikato hosted 120 TAB race meetings (around 25% of North Island's total) and contributed $505.3m in value-added GDP, representing 27% of the national racing industry's total of $1.88b. Most of this stems from direct spending on breeding, training, and racing activities, supporting approximately 3,810 full-time equivalent jobs and a wider network of over 6,000 individuals involved in the industry.

Beyond these direct impacts, Waikato's racing sector stimulates local supply chains and regional businesses, from agriculture to hospitality. The consolidation of thoroughbred and harness racing assets in the Waikato Region represents critical infrastructure investment for the sustainable future of the region's racing sector. This consolidation forms part of a wider national rationalisation of racing infrastructure, intended to improve the long-term sustainability, efficiency, and resilience of the wider racing industry in New Zealand.

As a consequence of the consolidation, the new greenfield Site proposes to facilitate the development of a world class equine 'super hub' at Pencarrow Road, bringing the expertise and strength of the local racing fraternity together in one centralised location.

Property Economics understands that this approach is the most viable option for the industry and avoids the duplication of assets, resources and facilities that have unsustainably existed across multiple racecourses within close proximity and enables the provision of modern, fit-for-purpose racing, training, and support infrastructure at a single, strategically located site.

Based on our assessment, the total quantitative economic impacts as a result of the Project are summarised in the following table.

Snapshot of Key Economic Benefits – 2032 Development Scenario

Estimated Gross Economic Impact on the Waikato Regional Economy:	
Total direct expenditure over an 8-year development period[1] (excl. land)	**$457.0m**
Total GDP NPV[2] at 8% over an 8-year development period	**$147.1m**
Total GDP NPV at 2%[3] over an 8-year development period	**$243.2m**
FTEs during the peak development year[4]	**464 FTE years**
Total FTE years[5] over the 8-year development period	**1,306 FTE years**
Total direct employment over the development period	**496 FTE years**
Total indirect and induced employment over development period	**810 FTE years**

2030 Development Scenario

Under a scenario where Project development starts two years earlier in 2030 and spans 8 years, this would lead to an estimated increase in total value added (GDP) of around $173.7m for the Waikato Region with 8% NPV over the life of the 8-year development timeframe. Applying a 2% discount rate, the Project is estimated to generate approximately $253.3m in total business activity across the Waikato Region over the development timeframe.

Qualitative Benefits

In addition to the quantified economic impacts outlined above, the Project would also deliver a wide range of other (non-monetised) qualitative economic benefits for the wider regional market and communities, extending well beyond the local market, which include:

- Strengthening of Waikato region's nationally significant racing industry
- Long-term industry sustainability and productivity gains
- Regional employment and income generation
- Increased event-based expenditure and visitor economy benefits

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[1] *Note that this development period not only includes the demolition and construction period of the project, but all of the pre-lodgement design/ consultant work. In addition, there are no construction activities expected in 2037-2039.*

[2] *Net Present Value*

[3] *Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development.*

[4] *Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.*

[5] *NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.*

- Enhanced local and regional profile
- Improved bloodstock sales market efficiency
- Increased competition in rural lifestyle housing options
- More productive use of existing racecourse land resources (indirect)

In contrast to these economic benefits, the potential economic costs associated with the Project, including the loss of productive land, infrastructure requirements and any displacement effects, are not considered sufficient to materially undermine the Project's overall economic significance.

While the Project would utilise productive land, practical alternative locations capable of accommodating a full-scale racecourse and associated facilities without requiring the use of HPL are scarce. Racecourse consolidation would also release around 159.5ha of existing racecourse and harness track land at Te Rapa, Cambridge and Te Awamutu for more intensive mixed-use development, improving land-use efficiency and reducing pressure for further greenfield growth.

Infrastructure required to service the Project would be provided as part of the development, with no additional public infrastructure burden.

Some displacement of existing or future activity is also likely but would be minimal, given the differentiated nature of retirement living and rural lifestyle demand. The Project would therefore broaden market choice and capacity rather than result in a one-for-one reduction in development elsewhere, and is unlikely to materially constrain the uptake or development potential of other existing or identified zoned areas

Overall, the direct and wider economic benefits generated by the Project, including the land-use efficiencies arising from racecourse consolidation, are likely to outweigh the identified economic costs. In Property Economics' view, these costs do not materially detract from the overall economic benefits and regional significance of the Project.

The Waikato Region plays a central role in New Zealand's thoroughbred breeding and training ecosystem, and the development of a single, high-quality racing hub strengthens this position. The scale and functionality of the new facility can be expected to support significant racing events, attract industry participants from outside the region, and sustain employment across racing, training, veterinary, and associated service sectors.

In addition, the consolidation will enable racing land at former or underutilised racecourse sites to be released for more productive and efficient uses. This supports broader urban development objectives, including housing supply and land use intensification, while avoiding the inefficiencies associated with retaining redundant or underperforming specialised infrastructure. Although these benefits are not directly part of the Project, they represent economic efficiency unlocked as a result of the Project.

In light of this economic assessment, Property Economics considers that enabling the Project would yield regionally significant economic benefits and market efficiencies for the racing industry, regional economy and community. Overall, our assessment supports the Project from an economic perspective in the context of the FTAA and the RMA.

3. GENERAL INFORMATION

3.1. STATEMENT OF EXPERIENCE

Philip Osborne is an economic consultant for the company Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for fast-track applications (under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA).

Tim Heath is the founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients.

My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that bridges planning ideology and commercial realities to ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court. I have also been involved in undertaking economic assessments for dozens of Fast Track applications under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA.

3.2. CODE OF CONDUCT

Although this Application is not before the Environment Court, we have approached this EIA on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

We therefore confirm that we have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that we have complied with it in preparing this EIA. We confirm that the issues addressed in this EIA are within our area of expertise, except where we have indicated that we are relying on others' opinions. We have not omitted material facts known to us that might alter or detract from this EIA.

3.3. INFORMATION & DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Business Classifications - Stats NZ
- Business Demographic Statistics – Stats NZ
- Input / Output Tables - Stats NZ
- Population Estimates and Projections – Stats NZ
- Proposed Development Costings – Rawlinsons
- Review of the New Zealand Racing Industry (31 July 2018) – John Messara AM
- Size and Scope of the New Zealand Racing Industry (January 2024) – IER
- National Yearling Sale Data – New Zealand Bloodstock
- House Price Data – Infometrics
- Residential Sales Data – Cotality
- Retirement Living Market Analysis – Formative
- Retirement Living Study Report - Future Proof Committee
- Population Projections by age group - Stats NZ

3.4. GLOSSARY OF TERMS

Below is a list of terms relevant to this EIA. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This will not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
ANZSIC	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	capital expenditure.
Development contributions	fees that developers pay to territorial authorities for the provision of infrastructure and upgrades required as a consequence of development, which may include water supply, sewerage connections, roads and community infrastructure.
Direct economic impacts	derived from the actual spending / expenses incurred through the construction of the anticipated development.
Economic costs	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.
Employment multipliers	the level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
Indirect economic impacts	the increased spending brought about by those firms / households and their employees / occupants, who supply the development.
Induced economic impacts	measured in terms of the additional income that will be spent in the area due to increased business activity.
Economic benefits	refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy. These benefits may be expressed in financial or non-financial terms. In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.

GDP	gross domestic product.
Net Present Value (NPV)	the present value of future cash inflows and / or cash outflows which in this report has been calculated with reference to an 8% discount rate.
Transaction costs	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

4. INTRODUCTION OF THE METHODOLOGY

There has been some discussion in recent Fast-track applications regarding the appropriate approach to assessing economic benefits under the FTAA, particularly whether an assessment should take the form of an Economic Impact Assessment or a Cost Benefit Analysis (**CBA**).

These approaches serve different purposes. A CBA is generally used to assess the net welfare effects of a proposal by comparing its costs and benefits, often against a counterfactual or alternative options. An EIA instead focuses on identifying the nature, scale and significance of the economic activity and benefits generated by a project, together with any material economic disbenefits.

For the purposes of this assessment, an EIA is considered the more appropriate framework. The FTAA requires consideration of the significant regional or national benefits of a project alongside its potential adverse impacts. The economic assessment provides an input into that wider evaluation by identifying the Project's economic contribution and any material economic costs. This EIA is not intended to provide a single monetised measure of all project effects or determine whether the Project represents the most economically efficient use of resources compared with all possible alternatives.

There are several reasons why a full CBA is not considered necessary for this purpose.

First, many of the costs and benefits relevant to an FTAA decision extend beyond matters that can readily or reliably be monetised. These effects are addressed through the wider specialist assessments and ultimately weighed by the Panel as part of its overall assessment. An economic assessment can inform that process without attempting to convert all environmental, social, cultural or amenity effects into monetary values.

Second, CBA and EIA treat development expenditure differently. Under a CBA, labour, materials and capital used to deliver a project represent resources with an opportunity cost and are therefore treated as costs. An EIA, by contrast, identifies the economic activity generated through that expenditure, including business activity, employment and value added. This is relevant where the purpose of the assessment is to understand the significance of the economic activity associated with a project.

Third, undertaking a CBA would require a range of assumptions regarding matters such as:

- the appropriate counterfactual and the timing and likelihood of alternative development;
- future market demand, supply responses and price effects;
- the opportunity cost of labour, materials and capital;
- the magnitude and monetary value of environmental, amenity and other external effects; and

- the appraisal period, discount rate, residual values and treatment of taxes and financing flows.

The results of a CBA are highly sensitive to these assumptions, particularly where effects that do not have observable market values need to be monetised.

CBA is commonly used in public investment and policy contexts where decision-makers are allocating limited public resources between competing projects, programmes or options. In those circumstances, assessing relative economic efficiency is an important part of the decision-making process.

The purpose of this EIA assessment is different. It is to identify the scale and significance of the Project's economic benefits and any material economic disbenefits relevant to the FTAA assessment. Furthermore, the FTAA does not prescribe CBA as the required form of economic assessment.

Accordingly, this assessment adopts an EIA framework. This provides a proportionate basis for identifying the Project's anticipated economic contribution, while allowing other project effects to be assessed through the relevant specialist evidence and considered collectively within the wider FTAA decision-making process.

5. ECONOMIC CONTEXT FOR THE EIA

In assessing the potential economic impacts, it is important to firstly establish the context in which they will be assessed. For the purposes of this assessment the three important parameters are:

1) The geospatial extent of the economic impact. While facilitation of the Project and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Waikato Region. This EIA assessment focusses primarily on the extent of economic impacts and activity that will be retained[6] within the Region.

2) The economic impacts are those resulting from the commercial and residential development over an 8-year period. Ongoing operational and wider flow-on economic effects are not quantified as part of the EIA but are discussed qualitatively in Section 9 of this report.

3) Regarding statutory considerations, the RMA provides context in terms of the utilisation of resources and the resulting impact on their price and provision. It calls for the "*efficient use and development of natural and physical resources*" (Part 2 section 7 (b) RMA).

   This can be considered from the perspective of economic efficiency which can be defined as "t*he effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor* inputs"[7].

In addition to the regional benefits quantified in the following assessment, the Project is likely to have economic impacts that extend beyond the specific benefits to the region and generate national benefits. Section 9 identifies the key qualitative economic costs and benefits generated as a result of the proposed development, including direct and flow-on operational economic benefits.

Additionally, as addressed in the various environmental assessment reports prepared in support of the application for referral of the Project into the FTAA, there are likely to be other,

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[6] *In this context retention relates to the level of direct spend that is attributable to the Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.*

[7] *Pass, Christopher and Lowes, Bryan, 1993, Collins Dictionary of Economics (2nd edition), Harper Collins, Page 148*

non-economic effects that may result in further economic impacts, such as changes in traffic patterns, noise levels, amenity, or community wellbeing.

These potential additional economic impacts are excluded from this analysis to avoid double counting of effects. Other non-economic effects, for example environmental or social impacts, have not been addressed in this report.

6. TOTAL ECONOMIC ACTIVITY

This section assesses the potential economic activity generated within the Waikato Region specifically attributable to the Project through spending on the general design, infrastructure and development works.

6.1. INJECTION INTO THE WAIKATO REGIONAL ECONOMIC ACTIVITY

Table 1 following outlines the resulting impacts on the Waikato regional economy as a result of the Project.

TABLE 1: TOTAL GROSS WAIKATO REGIONAL ECONOMIC INJECTION OF THE PROJECT ($M)

	2032	2033	2034	2035	2036	2037	2038	2039	Total
Direct Expenditure ($m)									
Land									
Other	$1.1	$1.6	$2.7	$3.7	$1.6				$10.6
Earthworks / Civil Works / Consultants	$3.8	$5.7	$9.5	$13.3	$5.7	$1.7		$1.7	$41.4
Civil Consultants	$5.0	$6.0	$8.0	$1.0					$19.9
Levies				$0.9	$0.9	$0.1		$0.1	$2.0
Infrastructure				$19.6	$19.6				$39.2
Total Development Costs (excl. land)	$9.8	$13.3	$20.1	$38.5	$27.8	$1.8	$0	$1.8	$113.1
Construction			$86.0	$120.4	$137.6				$343.9
Total Construction and Development Costs (excl. Land	$9.8	$13.3	$106.1	$158.9	$165.3	$1.8	$0	$1.8	$457.0
Total Direct Expenditure (excl. land)	**$9.8**	**$13.3**	**$106.1**	**$158.9**	**$165.3**	**$1.8**	**$0**	**$1.8**	**$457.0**
Level 2 Multiplier Impacts									
Total Waikato GDP NPV (48 sector multipliers)**	**$5.2**	**$7.0**	**$37.3**	**$43.2**	**$53.4**	**$0.5**	**$0**	**$0.5**	**$147.1**
Employment (FTE Years)									
Development Employment	31	41	61	114	81	5		5	
Construction Employment			224	296	306				
Other Employment	8	11	25	21	77				
Total Employment (FTE years)	**39**	**52**	**310**	**431**	**464**	**5**	**0**	**5**	**1,306**

Source: Property Economics

** Increased Local Spend by residents, employees, construction workers and additional local business spend through the different stages of development.*
***The impacts on the Waikato Region as a result of direct, indirect and induced activities.*

Note that exclusions include racecourse cost contingency, development contributions, construction builds on residential lifestyle blocks.

Two key metrics are represented in Table 1. The first is the Economic Activity generated in the region. The Project will generate a direct expenditure of approximately $457m which represents the total cost of the development (excluding land).

This capital expenditure then is assessed through the process indicated in Appendix 1 which includes calculating the amount of direct spend that is retained within the Waikato Region. An explanation of how the outputs in Table 1 were calculated is provided in Appendix 2.

The result of this process estimates that the Project will result in approximately $147.1m of total value added (GDP) for the Waikato Region over the life of the 8-year development timeframe.

The second key metric is the generation of employment. This takes account of the number of "Full Time Equivalent" (FTE) employment years generated in the Waikato Region over the 8-year period. In terms of employment multipliers, the Project will also contribute around 464[8] jobs during the peak construction year within Waikato, with a total number of approximately FTE years at 1,306 over the development period.

2030 DEVELOPMENT SCENARIO

Table 2 shows an additional scenario where development starts two years earlier in 2030 and spans eight years. This would lead to an estimated increase in total value added (GDP) of around $173.7m for the Waikato Region over the life of the 8-year development timeframe.

TABLE 2: ADDITIONAL SCENARIO - DEVELOPMENT COMMENCES IN 2030 - TOTAL GROSS WAIKATO REGIONAL ECONOMIC INJECTION OF THE PROJECT ($M)

	2030	2031	2032	2033	2034	2035	2036	2037	Total
Direct Expenditure ($m)									
Land									
Other	$1.1	$1.6	$2.7	$3.7	$1.6				$10.6
Earthworks / Civil Works / Consultants	$3.8	$5.7	$9.5	$13.3	$5.7	$1.7		$1.7	$41.4
Civil Consultants	$5.0	$6.0	$8.0	$1.0					$19.9
Levies				$0.9	$0.9	$0.1		$0.1	$2.0
Infrastructure				$19.6	$19.6				$39.2
Total Development Costs (excl. land)	$9.8	$13.3	$20.1	$38.5	$27.8	$1.8	$0	$1.8	$113.1
Construction			$86.0	$120.4	$137.6				$343.9
Total Construction and Development Costs (excl. Land)	$9.8	$13.3	$106.1	$158.9	$165.3	$1.8	$0	$1.8	$457.0
Total Direct Expenditure (excl. land)	**$9.8**	**$13.3**	**$106.1**	**$158.9**	**$165.3**	**$1.8**	**$0**	**$1.8**	**$457.0**
Level 2 Multiplier Impacts									
Total Waikato GDP NPV (48 sector multipliers)**	**$6.1**	**$8.3**	**$44.0**	**$51.0**	**$63.1**	**$0.6**	**$0**	**$0.6**	**$173.7**
Employment (FTE Years)									
Development Employment	31	41	61	114	81	5		5	
Construction Employment			224	296	306				
Other Employment	8	11	25	21	77				
Total Employment (FTE years)	**39**	**52**	**310**	**431**	**464**	**5**	**0**	**5**	**1,306**

Source: Property Economics

[8] *NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).*

6.2. SENSITIVITY ANALYSIS

The Treasury's most recent review (February 2025) sets discount rates for commercial proposals at 8% (applied in the earlier analysis), with a mandatory sensitivity test at 2%[9]. In this section, sensitivity testing is undertaken using the 2% discount rate to quantify the scale of the Project's economic contribution to the Waikato regional economy under this scenario.

The results indicate that, when applying the Treasury's mandatory 2% discount rate, the proposed development is estimated to generate approximately $243.2m in total business activity across the Waikato Region over the full development timeframe.

TABLE 3: DEVELOPMENT SENSITIVITY ANALYSIS (2% NPV)

Discount Rate	Total Waikato GDP NPV (48 sector multipliers)								Total
	2032	2033	2034	2035	2036	2037	2038	2039	
2%	$7.1	$10.2	$58.0	$71.6	$94.4	$1.0	$0	$1.0	$243.2

Source: Property Economics

As shown in Table 4, under the additional scenario with development commencing in 2030, the proposed project is projected to generate around $253.3m in total business activity across the Waikato Region over the full development period.

TABLE 4: SENSITIVITY ANALYSIS (2% NPV) FOR THE ADDITIONAL 2030 DEVELOPMENT SCENARIO

Discount Rate	Total Waikato GDP NPV (48 sector multipliers)								Total
	2030	2031	2032	2033	2034	2035	2036	2037	
2%	$7.4	$10.6	$60.4	$74.5	$98.3	$1.0	$0	$1.1	$253.3

Source: Property Economics

6.3. ASSESSMENT ASSUMPTIONS

The following assumptions have been applied in this impact analysis in order to assess the level of economic injection into the overall economy at this time.

1. For the purposes of this EIA, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): non-residential construction', 'non-building construction', 'other construction services.'

[9] *Source: https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates*

2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.

3. The origin of labour has been assessed based on regional labour movements furnished by Stats NZ based on 2023 data. However, employment data has been updated as per the Statistics NZ Business Demography Statistics data[10] (at February 2025).

4. This report deals with the economic impact of the proposed development on the Waikato regional economy. These are specifically the direct impacts related to the construction of the proposed development.

5. The economic activity generated is based on the development's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchment. This assessment is not site specific but is development specific.

6. For the purposes of this report an 8% discount rate has been applied, consistent with the default rate for commercial proposals set by the Treasury[11]. Additionally, a 2% discount rate has been applied as a sensitivity test, also directed by Treasury.

7. Labour movements are based on average retention rates rather than specific company locations.

8. The proportion of materials and labour internalised in direct benefits to the Waikato Region are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in the Waikato Region are based on the movement of resources (including labour) between other districts and regions.

This EIA estimates the total additional gross economic output[12] into the Waikato Region economy that would be facilitated by the Project. The initial specifications and details have been provided by the Applicant and represent the development's configuration and costings at this point in time.

[10] *This data provides Stats NZ measure of employment count in an area by ANZSIC sector.*

[11] *https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates*

[12] *For example, this has not taken into account the short-term loss of operational employment currently on site*

Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Waikato Region will benefit economically. It assesses the likely economic impacts upon aggregate Waikato business activity given the composition of activities proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes the construction costs (CAPEX[13]) of the facilitated activities and the proportion of those costs that are retained within the Waikato Region.

The direct economic impacts are derived from the actual spending / expenses incurred through the operation of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development.

The induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

6.4. TOTAL WAIKATO REGION DIRECT AND INDIRECT EMPLOYMENT

The following figure disaggregates employment generated by sector and Direct and Indirect (including Induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure illustrates the sectors associated with direct employment are estimated to generate approximately 496 FTE years with the remaining around 810 FTE years resulting from indirect and induced activity.

This scale of employment generation is significant in the regional context. By way of comparison, according to Stats NZ[14], the Waikato regional unemployment rate increased from the lowest at around 2.9% in 2022 Q4 to 5.5% in 2026 Q2. This equates to an estimated increase of approximately +8,200 unemployed persons over the period, or over 2,000 additional unemployed people per annum. Against this backdrop, the Project will make a meaningful direct contribution to supporting and stabilising regional employment levels.

In addition, as of 2026 Q2, the region's labour force has an underutilisation rate of approximately 14.3%, up from 9% in early 2023[15]. This equates to an estimated approximately

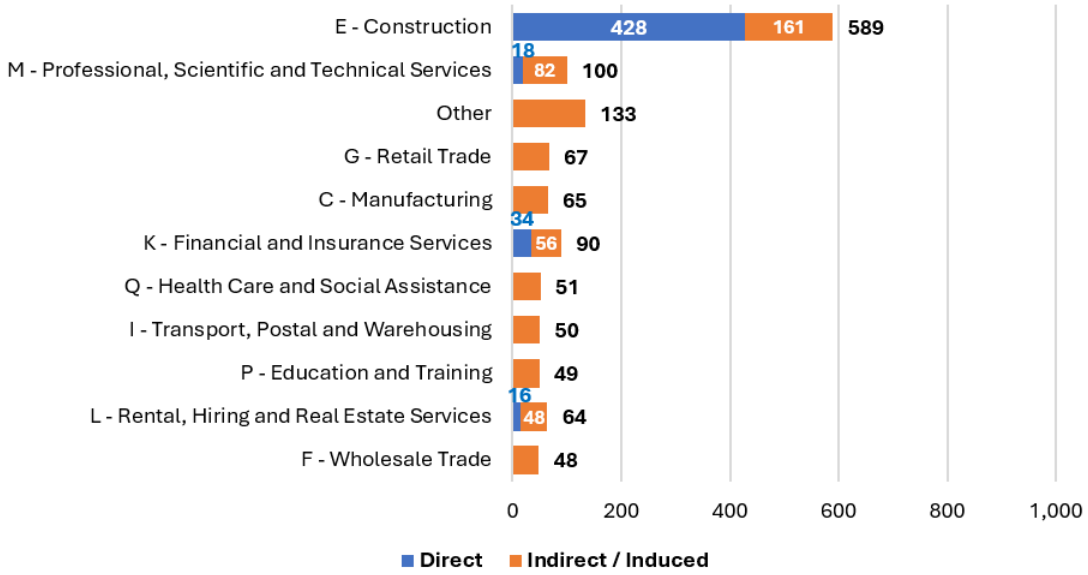
[13] *CAPEX – Capital Expenditure*

[14] *Source: Stats NZ – Household Labour Force Survey*

[15] *Source: https://www.stats.govt.nz/news/unemployment-rate-at-5-3-percent-in-the-september-2025-quarter/*

40,000 underemployed[16] people in 2026 Q2. The Project can be expected to support better labour utilisation by expanding employment opportunities and providing work for those who are currently underemployed in the regional market.

FIGURE 2: WAIKATO REGION EMPLOYMENT GENERATION BY SECTOR



Source: Property Economics

[16] *Part-time workers who have both the desire and availability to work more hours.*

7. RACING INDUSTRY OVERVIEW

This section outlines key trends in the racing industry within the Waikato Region, providing context for assessing the economic significance of the Project in supporting the industry and its contribution to the wider regional economy.

7.1. RACING INDUSTRY ECONOMIC CONTRIBUTION AND IMPACTS

According to the latest 2024 NZ Racing Industry Report by IER, there are 92 racing clubs in New Zealand across the three codes of racing. Racing clubs not only provide the opportunity for participants and spectators to participate in the sport of racing, but they also provide an important social destination and, in many regions, are an important part of the social fabric of the community. Appendix 1 shows the locations of existing racetracks in the country.

The Waikato Region has long been recognised as one of New Zealand's most influential centres of thoroughbred breeding, training, and racing. With a history stretching back to the late 19th century, the region has produced many of the country's leading studs, trainers, and racehorses, shaping both the national racing landscape and New Zealand's international reputation in the equine sector.

Today, the Waikato racing industry continues to play a significant economic role, supporting a wide network of breeders, trainers, jockeys, veterinarians, farriers, transport providers, and event-related businesses. Anchored by its strong bloodstock base, high-quality pasture, specialist workforce, and proximity to major markets such as Hamilton, Cambridge, and Matamata, the region contributes substantially to employment, export earnings, and visitor activity.

According to IER, in the 2022-23 racing season, there were 950 TAB race meetings in New Zealand. These race meetings attracted attendances more than 639,000. Of which the Waikato Region (120) accounts for around 25% of North Island's total TAB race meeting and around 12.6% of the national total.

In the 2022-23 racing season, the economic contribution of the racing industry to the Waikato Region reached an impressive $505.3m in value-added GDP. This figure represents around 27% of the total value-added generated by New Zealand's entire racing industry of around $1.88b.

TABLE 5: WAIKATO REGION RACING INDUSTRY ECONOMIC IMPACTS BREAKDOWN

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	$149.0m	$7.0m	$1.6m	$157.7m
Direct Spending on Breeding Activities	$202.9m	$2.5m	$0.6m	$206.0m
Direct Spending on Racing & Wagering Activities	$49.6m	$12.5m	$8.6m	$70.6m
Total Direct Expenditure	$401.5m	$22.1m	$10.8m	$434.3m
Total Value-Added	**$466.2m**	**$26.1m**	**$13.0m**	**$505.3m**
Full-Time Equivalent Employment	3,536	191	85	3,812

TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	325	118	5	448
Owners	2,120	399	120	2,639
Trainers	245	44	29	318
Racing Club & Industry Staff	150	11	30	191
Staff employed by participants	1,339	295	19	1,653
Jockeys & Drivers	78	49	0	127
Volunteers	640	174	44	858
Total roles in New Zealand Racing	**4,897**	**1,090**	**247**	**6,234**

Source: IER

Most of this contribution stems from direct spending, including the costs associated with racing, breeding, and training activities. The industry's direct expenditure alone totalled $434.3m. Of this, $206m was channelled into breeding operations, $157.7m into training and a further $70.6m supporting racing and wagering activities. These figures reflect the significant scale and scope of the racing industry's influence on the regional economy, not only through expenditure but also through the steady circulation of income and the support of regional supply chains.

The racing sector plays a pivotal role in employment generation in the region. It supports around 3,810 full-time equivalent jobs across a range of roles, including breeders, trainers, jockeys, club officials, and support staff. Beyond these FTE positions, the broader ecosystem comprises approximately 6,230 individuals actively engaged in the industry. This includes 448 registered breeders who, alongside their 1,653 employed staff and 858 dedicated volunteers,

ensure the continued success and quality of Waikato's bloodstock. On the training side, 318 licensed thoroughbred trainers are responsible for overseeing horses currently in training, supported by a team of 191 staff members and 858 volunteers.

Despite the direct economic contribution from the Waikato racing industry, the indirect and induced economic impacts due to higher rates of imported goods and services, nonetheless support a web of local businesses and industries, from agriculture and logistics to hospitality and accommodation. The racing industry acts as a catalyst for economic activity that reverberates well beyond the racetrack.

Based on the above overview, the racing industry is a prominent and growing sector in New Zealand. The proposed development of a world class greenfield racecourse facility at the Site has the potential to leverage the existing equine assets of the region to create a more attractive racing proposition for the market (nationally and globally). A rise in the number of visitors to the region can be expected to generate substantial flow-on benefits to the wider region by supporting local businesses and services.

7.2. RACECOURSE DEVELOPMENT TRENDS

In recent years, New Zealand has seen a marked shift in how racecourse land is used, reflecting broader trends in urban growth and changes within the racing industry. Many racecourses are now being redeveloped, either partially or entirely, into residential, commercial, or mixed-use precincts.

This trend is not only a response to the declining frequency of local race meetings in some areas but also a strategic effort to consolidate courses, avoid unnecessary duplication of racecourse assets, unlock the economic value of these large landholdings and provide a financially sustainable basis to build the industry in the future. Interactive (AI) and experiential race day opportunities are also a growing trend to attract the younger market.

The following list summarises recent and ongoing racecourse redevelopment projects nationwide, helping to illustrate the potential and appropriate range of activities for the proposed greenfield racecourse development at the Pencarrow Road site.

- Ellerslie Racecourse, Auckland: In 2021, Fletcher Living purchased a 6.2ha parcel of land from Auckland Thoroughbred Racing to redevelop the former Ellerslie Racecourse site for residential use, planning to deliver 357 dwellings, including apartments, terraced homes, and retirement villages. Previous land sales at Ellerslie involved the development of a private medical hospital, hotel and office buildings.

- Avondale Racecourse, Auckland: The Avondale Jockey Club has submitted a proposal to Auckland Council to rezone the 35ha Avondale Racecourse site for terrace housing and apartment development. Racing activities are scheduled to cease at the venue in July 2026, after which the land will be sold.

- Hokitika Racecourse, West Coast: The Westland District Council has approved the sale of three super lots within the former Hokitika Racecourse site, enabling the creation of at least 110 residential sections.

- Riccarton Park, Christchurch: A 38ha area on the edge of the racecourse site is being redeveloped to accommodate 600 new residential homes including a retirement village.

- Paeroa Racecourse, Hauraki: The former Paeroa Racecourse site is being transformed into a mixed-use neighbourhood featuring housing, retail, hospitality, and community facilities.

- Dargaville Racecourse, Kaipara: Dargaville Racecourse Inc. has applied to rezone 47ha of land to accommodate a mix of housing, a retirement village, light industry, a neighbourhood centre, and open space (PPC81). This application has been approved by the Council and became operative in September 2024.

- Pukekohe Gateway Precinct, Auckland: A private plan change by Auckland Thoroughbred Racing to rezone around 23ha of surplus land within the wider Pukekohe Park site, primarily for residential development while retaining the Park's core racing and training functions. The proposal could enable approximately 400-600 dwellings, together with open space and ecological enhancement. A Council hearing was held on 11 August 2026, with a decision pending.

In addition to the redevelopment of existing racecourses, greenfield racecourse projects across the country are increasingly adopting diversified land-use models that balance economic outcomes, community needs, and strategic planning objectives.

As an example, the Southern Parallel Equine Centre (**SPEC**) in Canterbury is a purpose-planned international-standard greenfield equine precinct developed to consolidate a wide range of equine-related activities into a single, strategically located site. This equine centre has been designed as a fully integrated industry hub rather than a single-use racecourse, with land uses structured to support day-to-day operations, major events, and long-term sector growth while remaining compatible with surrounding rural land uses.

This SPEC project has obtained land use consent in May 2024 and is aiming to open the event and competition aspects in the fourth quarter of 2027 and in readiness for major Ashburton equestrian events commencing 2028.

Primary land uses within the wider SPEC development include[17]:

[17] *Source: https://southernparallelcampus.nz/*

- Racing and training facilities
- Equine support services (veterinary, feed, transport)
- Administration, education, and research
- Event, hospitality, and visitor facilities
- Homes
- Wellness clinic, health spa
- High performance gym
- Medical and therapy suites
- Nutrition centre, cafe
- Open space, biosecurity buffers, etc

The above spread of activities is designed to broaden the asset's income base and increase usage and appeal of the facility. From an economic perspective, the SPEC project demonstrates how a greenfield equine development can accommodate a diversified yet functionally integrated mix of activities. The co-location of racing, training, industry services, and small-scale commercial uses creates operational efficiencies, reduces transport demand, and supports clustering benefits that would not be achievable through dispersed rural zoning.

7.3. DEVELOPMENT POTENTIAL OF THE PENCARROW ROAD SITE

Waikato Region has a deep and active equine economy, breeding, spelling, training and racing, so demand for a full suite of equine activities at a new regional racecourse is likely to be strong if the proposed greenfield racecourse is positioned and marketed efficiently.

Demand drivers of the proposed greenfield racecourse include an established local and national trainer/owner network that needs modern training infrastructure, commercial breeders seeking proximate agistment and spelling facilities, race meeting organisers who require spectator and service infrastructure, allied-service suppliers (veterinary, farriery, feed, transport) and event/tourism demand.

A world class, multifunctional equine hub that provides high-quality training surfaces, stabling capacity, and support services can capture displaced demand from smaller or ageing venues, generate new training throughput by attracting inter-regional trainers, and support ancillary economic activity (hospitality, conferences, equipment suppliers).

Comparing the market's existing provision with international standard horse complexes highlights several potential gaps that the site could fill to be truly competitive.

First, there is increasing demand for year-round, all-weather training surfaces for inclement weather, facilities many older country tracks lack.

Second, advanced veterinary and high-dependency care (on-site surgical suites, advanced imaging, rehabilitation pools and isolation/quarantine facilities meeting international biosecurity standards) are often provided only at a small number of specialist centres. A co-located, high-capability vet hospital would materially increase the hub's ability to host horses and high-stakes events.

Third, modern ancillary infrastructure, purpose-built spelling paddocks with rotational systems, secure high-standard stabling with integrated drainage and waste management, dedicated farrier and saddlery workshops, equine treadmill and aqua-walker rehabilitation facilities, and accredited track maintenance and surface testing services, are commonly cited as differentiators for international-standard complexes.

Finally, event and spectator infrastructure (grandstands, corporate boxes, integrated betting/media facilities, high-quality hospitality and short-stay accommodation) are required to convert training-only throughput into viable race-day income and visitor economic impact.

Overall, there is strong demand driven by international quality regional racing, training, event and equine related facilities to future proof the racing industry in the Waikato region, grow industry participation and improve NZ's international competitiveness. An ongoing requirement for large-scale, equine facilities that cannot be efficiently accommodated or replicated within urban environments.

In addition, Bloodstock sales centre would add value, profile and credibility to the development domestically and internationally.

7.4. IMPLICATIONS OF THE MESSARA REPORT 2018

The proposed greenfield racecourse development is consistent with the recommendations of the Messara Report, an independent, Government-commissioned assessment of the domestic racing industry. This earlier report identified structural challenges facing the sector and recommended clear guidance on actions required to ensure long-term sustainability. It specifically recommended support for initiatives that would consolidate racing activities and develop fit-for-purpose facilities capable of sustaining the industry into the future.

In assessing existing facilities, the Messara Report found that Te Rapa Racecourse was located in an excellent location and supported training activities but had average infrastructure that would require substantial investment to remain viable in the long term. Similarly, Te Awamutu Racecourse was considered to have a good location for training but poor infrastructure, also necessitating major upgrades to maintain operational standards.

The report therefore concluded that incremental improvements to these existing facilities would be insufficient to address the long-term operational, infrastructure, and efficiency needs of the Waikato racing industry.

Accordingly, the Messara Report made two key recommendations relevant to this proposal:

> "*4. Build an exceptional new racing and training venue in the Waikato within the next 8 to 10 years at an estimated cost of at least $110 million, and then close and sell the Te Rapa, Cambridge, and Te Awamutu racecourses to fund the development.*"
>
> *"15. ...Support the development of the Waikato Greenfields Project."*

These recommendations provide a clear strategic basis for the proposed greenfield racecourse. WTR's financial modelling demonstrates that a purpose-built, consolidated 'super hub' is the most economically viable solution to deliver long-term, fit-for-purpose racing and training facilities. By enabling the consolidation of resources, expertise, and operational activity into a single, modern facility, the project improves the overall efficiency of the Waikato racing industry, avoids duplication of investment across multiple ageing sites, and strengthens the regional racing economy.

More recently, Project Stamina (2026)[18] has provided an updated national masterplan for New Zealand's racing venue network. Consistent with the Messara Report, it supports a more consolidated network, targeted reinvestment in stronger venues and the recycling of capital from surplus sites. For the thoroughbred network, it identifies Te Rapa, or a Waikato Greenfields successor, as a metropolitan venue, while noting that transition decisions should remain business-case-led and appropriately sequenced.

The subsequent One Equine View, agreed by NZTR and HRNZ, confirms that the future configuration of the Waikato/Bay of Plenty network remains closely tied to the Waikato Greenfields project. It treats Te Rapa as the current proxy for a future Greenfields venue, with the future roles of Te Rapa, Cambridge and Te Awamutu dependent on the Greenfields business case.

Overall, Project Stamina updates and reinforces the strategic direction established by the Messara Report, supporting consolidation and more efficient investment across the Waikato racing network while leaving the final configuration and timing subject to further business-case assessment.

From an economic perspective, the proposed greenfield racecourse represents both an efficient use of capital and a critical enabler of industry performance. Consolidating racing activity into a single, strategically located facility maximises the value derived from infrastructure investment, increases operational scale, and centralises expertise and services, which enhances the competitiveness and resilience of the Waikato racing sector.

[18] *One Equine View – Responses to RCP Project Stamina Masterplan, July 2026*

Conversely, failing to establish the greenfield racecourse would leave existing facilities fragmented and underperforming, particularly in light of the closure of the Waipā Racing Club in Te Awamutu, and could undermine the broader financial and operational sustainability of the regional industry.

It is therefore important that the economic significance of the proposed greenfield racecourse is assessed in context, rather than in isolation. The Project addresses longstanding infrastructure deficits, operational inefficiencies, and facility limitations across Te Rapa, Cambridge, and Te Awamutu. By providing a single, fit-for-purpose venue, the Project ensures that the Waikato racing industry can operate effectively, deliver nationally significant racing events, and support employment and associated economic activity in the region.

7.5. BLOODSTOCK SALE MARKET

New Zealand's thoroughbred breeding and sales industry is highly concentrated within the Waikato Region, which accommodates a majority of the national breeding stock and associated equine services. This spatial concentration has fostered a well-developed industry cluster characterised by strong agglomeration benefits, including access to specialised labour, veterinary services, and supporting infrastructure.

Within this context, the Karaka sales complex operated by New Zealand Bloodstock serves as the primary national marketplace for bloodstock transactions, particularly for yearling sales. According to New Zealand Bloodstock, across both books, 848 yearlings were catalogued in 2026 compared to 1,008 in 2025. After four straight years sitting around the 1,100 marks, the shape of the sale materially changed. Fewer lots meant more competition per horse, and a clearer lift in the floor, reflected in the averages, medians, and clearance rates.

TABLE 6: BOOK 1 AND 2 OF OVERALL 5-YEAR METRICS NZB NATIONAL YEARLING SALE

Book 1

Year	Catalogued	Offered	Sold	Clearance	Gross	Median
2026	567	520	422	81%	$79,022,500	$140,000
2025	661	588	457	78%	$75,332,500	$110,000
2024	682	607	473	78%	$79,585,500	$120,000
2023	644	582	461	79%	$70,063,000	$130,000
2022	636	558	430	77%	$63,127,500	$100,000

Book 2

Year	Catalogued	Offered	Sold	Clearance	Gross	Median
2026	281	248	188	76%	$12,247,000	$60,000
2025	427	355	270	76%	$9,759,000	$26,750
2024	443	378	265	70%	$11,444,000	$32,500
2023	435	376	267	71%	$11,516,000	$32,000
2022	466	385	247	64%	$10,036,000	$30,000

Source: New Zealand Bloodstock

As shown in the table below, a notable feature of the market is its strong reliance on international buyers, particularly from Australia, who frequently account for 43-48% of total expenditure.

TABLE 7: NEW ZEALAND BLOODSTOCK GROSS SPEND BY BUYER LOCATION

Funding buyer	2026 lots	2026 gross	2025 lots	2025 gross
Australia	242	48%	438	43%
New Zealand	283	34%	227	41%
Hong Kong	49	9%	44	10%
China	24	4%	16	0%
South Africa	9	2%	5	1%
Singapore	9	1%	8	1%

Source: New Zealand Bloodstock

From an economic perspective, the establishment of a modern purpose built bloodstock sales facility within the Waikato Region has the potential to improve overall market efficiency by providing greater flexibility in the timing and format of sales. Such a facility could accommodate overflow demand, support specialised or secondary sales segments, and extend the sales calendar, thereby reducing peak congestion at Karaka.

At the same time, the introduction of a competing venue has the potential to generate positive competitive effects, incentivising improvements in service quality, buyer experience, and operational efficiency across the sector. Importantly, these effects are not necessarily redistributive, rather, they can enhance allocative efficiency by improving the matching of buyers and vendors and increasing the likelihood that horses are sold at values that more accurately reflect underlying demand.

Quantitatively, the scale of the existing market suggests that even marginal improvements in performance could yield noticeable economic benefits. For illustrative purposes, applying current market parameters (e.g. catalogues of approximately 1,000 horses and median prices in the order of $100,000-$140,000), a 5%-10% increase in clearance rates would result in a meaningful uplift in realised sales. This equates to approximately 50-100 additional horses sold per annum, which, at prevailing price levels, could generate on the order of $5-14m in additional turnover per annum.

Given the high proportion of international buyers, improvements in the quality, accessibility, and capacity of sales infrastructure may also support increased offshore participation, further strengthening export earnings. The proposed Waikato-based sale yard is particularly well positioned to realise these benefits due to its proximity to the core breeding catchment and established industry environment. Reduced transport distances lower costs and minimise stress on animals, while accessibility to Auckland Airport supports the movement of both international buyers and exported horses. These locational advantages reinforce the strategic rationale for additional sales infrastructure within the region.

Overall, the proposed development of a new bloodstock sales yard in Waikato will be an important investment in enabling infrastructure that supports the continued growth and resilience of a high-value export industry. Rather than creating additional supply, the proposed development has the potential to unlock latent value within the existing market by improving efficiency, enhancing competition, and strengthening New Zealand's position in the global bloodstock sector.

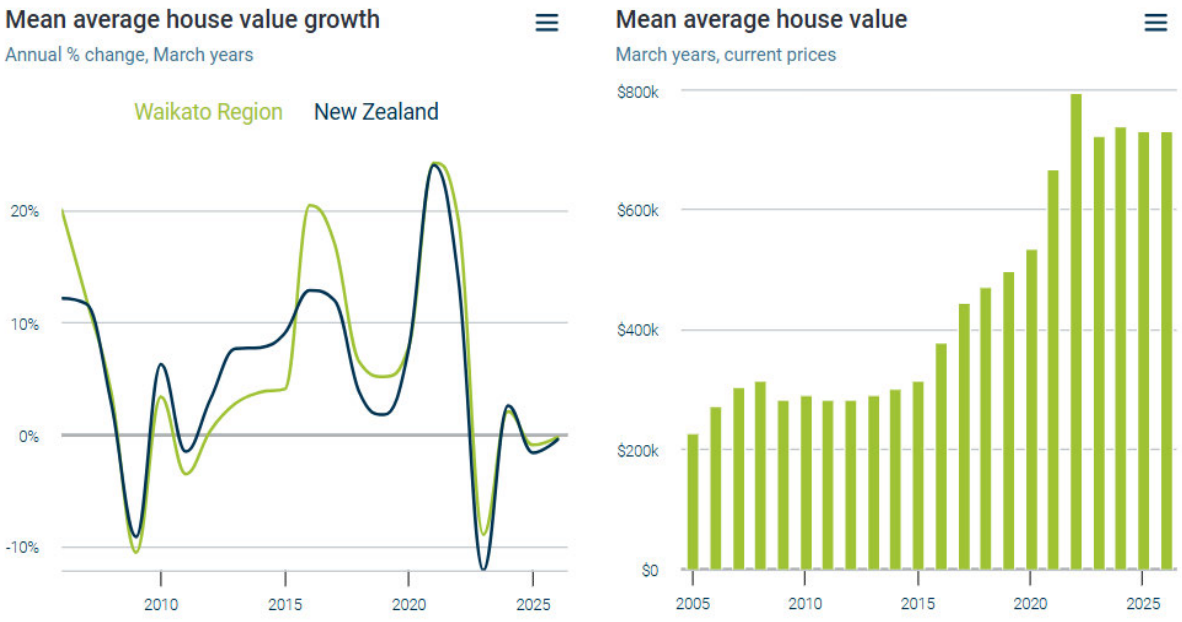
8. RESIDENTIAL MARKET OVERVIEW

The Waikato regional housing market has experienced both significant cyclical volatility in house price growth and a sustained long-term increase in house values. Annual house price growth has fluctuated between approximately +25% and -12% over the past two decades, and at times has exceeded the national average, indicating periods where the region has outperformed broader national trends.

This suggests that the Waikato regional market is relatively responsive to demand pressures, including spillover effects from Auckland, while also being more exposed to cyclical corrections.

As a result, the region's average house values have increased from just above $200,000 in the mid-2000s to approximately $730,000 in recent years, representing a more than threefold increase. This growth suggests persistent pressure on housing supply, likely driven by population growth, spillover demand from Auckland, and constraints on the supply of serviced land.

FIGURE 3: WAIKATO REGION HOUSE PRICE AND GROWTH TRENDS



Source: Infometrics

8.1. POPULATION AGE COMPOSITION CHANGE

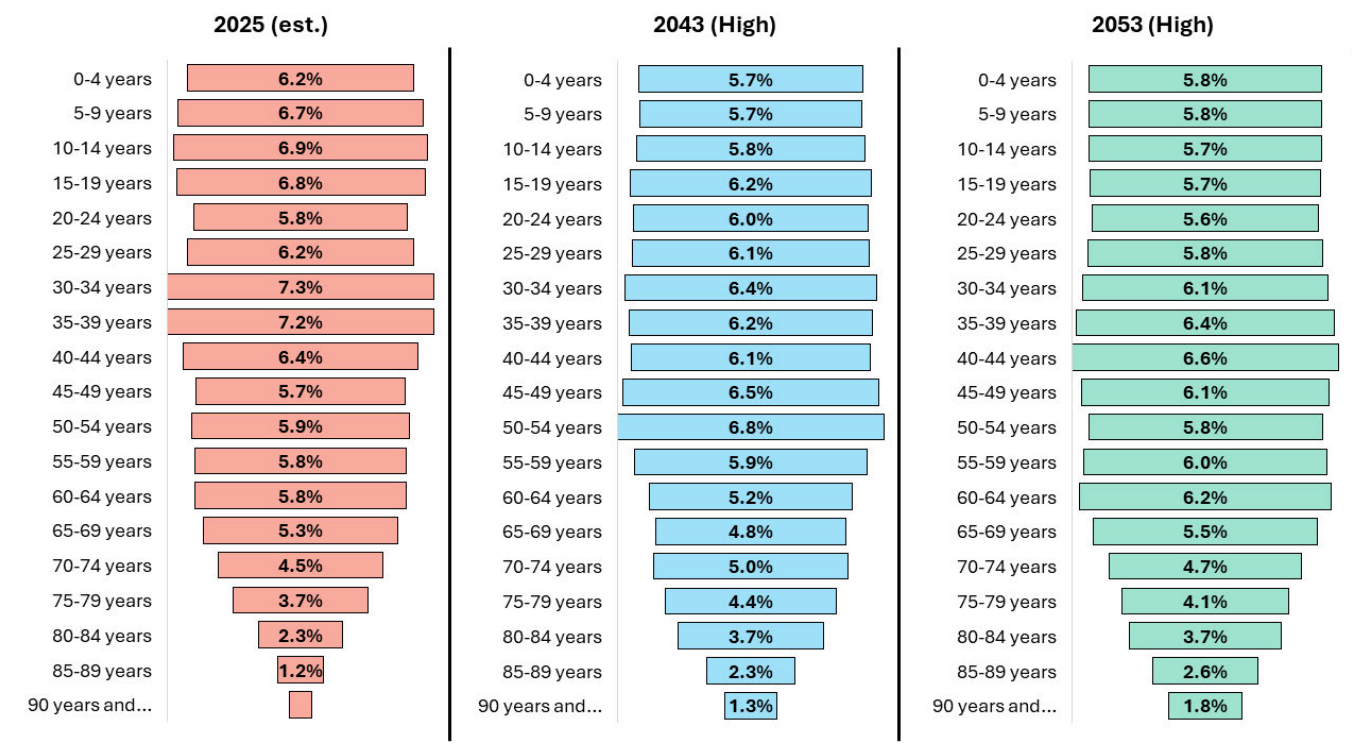
Figure 4 on the following page illustrates the present (2025) and projected (2053) population bases for the wider Waikato Region categorised by age groups.

According to Stats NZ's estimates, the wider region currently has a population base of around 532,000 people in 2025, with an estimated average household size of approximately 2.7. Among this existing population, the predominant demographic group comprises Babies, Kids,

Teenagers, and Young Adults (0-24 years), constituting approximately 32.3% of the total population. Additionally, around 93,370 people are retirees / aged 65+ years, representing around 17.5% of the overall population. This ratio is slightly higher than the average of around 16.9%.

Looking forward, the total population of the wider Waikato Region is projected to reach approximately 703,430 people by 2043 under the Stats NZ (2023 Base) High growth scenario, indicating a projected increase of around 171,400 people or a significant growth of around 32% over the next 18 years. By 2053, the total population base will grow to around 797,600 people, representing a 50% growth or +265,500 additional people from the 2025 population.

FIGURE 4: WAIKATO REGION CURRENT AND FUTURE POPULATION AGE PROFILE



Source: Stats NZ

Specifically, the projected growth in retirees (65+ years) amounts to around 57,460 people by 2043 and 86,340 by 2053 within the wider regional market, constituting around one-third of Waikato Region's total population growth. This equates to a significant +62% expansion by 2043 and a significant growth of +92% from the current population base of the 65+ age group, making it the group of residents with the most significant growth over the next 28 years.

As a result, the demographic contribution of the 65+ age group is anticipated to be around 22.5% as a proportion of total population by 2053 from 17.5% in 2025. This represents a significant structural ageing trend that will drive sustained growth in demand for a range of retirement village products, from independent living to higher-care accommodation. Even at current market penetration rates, this shift implies a material uplift in required supply,

strengthening the potential and efficiency for additional retirement village development, particularly in well-located areas with access to services and amenities.

Waikato Region is not the only council having to grapple with increasing pressure to accommodate the burgeoning 65+ year cohort. This is a challenge across New Zealand at present, and one that is only going to quickly amplify unless a supply pipeline can start to be established now given planning and development lead times.

8.2. RETIREMENT LIVING OPTIONS AND SUFFICIENCY OVERVIEW

To evaluate the market potential and economic efficiency of the proposed retirement village component, the following analysis provides an overview of the Future Proof Implementation Committee's recently adopted Retirement Living Study Report (**RLSR**).

As the Future Proof sub-region encompasses most of the urban areas of the wider Waikato Region[19], its findings provide important implications on the scale and distribution of future retirement living demand relevant to the proposed development.

The RLSR draws on the recent research undertaken by Formative[20], which identifies a distinction between overall retirement living supply across the sub-region and whether that supply is available in the locations where demand is arising.

As indicated in the table below, at an aggregate level, existing and anticipated supply is estimated to meet demand across the wider Future Proof area until at least 2028. However, this overall balance does not reflect the spatial distribution of demand, with existing shortfalls identified in both Waikato and Matamata-Piako districts.

These pressures are forecast to increase over time. Formative forecasts an overall shortfall of approximately 430 retirement units and care beds by 2033, under the medium growth/high market penetration scenario. This shortfall is projected to expand further to around 1,040 units and care beds under the high growth/high market penetration scenario.

The projected shortfall is particularly pronounced within Waikato District, where unmet demand is estimated at approximately 450-970 units and care beds by 2033. Based on prevailing retirement village development models, Formative estimates that accommodating this demand would require approximately 23-49ha of additional land.

Over the longer term, the wider Future Proof area is projected to require approximately 3,300-7,310 additional retirement units and care beds by 2048. If current development models persist, this equates to an estimated additional land requirement of approximately 152-316ha. Formative therefore estimates that accommodating this growth would be equivalent to

[19] *i.e. Waikato District, Matamata-Piako District, Waipa District, and Hamilton City*

[20] *"Retirement living market analysis", Formative, dated 1 July 2025*

delivering 20-41 additional retirement villages by 2048, or around 0.8-1.6 new villages per annum.

TABLE 8: RETIREMENT VILLAGE SUFFICIENCY (NUMBER OF UNITS INCLUDING CARE BEDS)

Scenario	2023	2028	2033	2038	2043	2048
Status Quo Medium						
Waikato District	- 220	70	450	870	1,300	1,730
Matamata-Piako District	140	280	430	590	730	880
Waipa District	- 1,530	- 1,310	- 1,060	- 760	- 490	- 230
Hamilton City	- 1,780	- 1,410	- 880	- 300	310	920
Future Proof	- 3,390	- 2,370	- 1,060	400	1,850	3,300
High Share Medium						
Waikato District	30	390	830	1,310	1,770	2,250
Matamata-Piako District	300	460	630	810	960	1,110
Waipa District	- 1,340	- 1,080	- 780	- 450	- 140	150
Hamilton City	- 1,310	- 860	- 250	430	1,110	1,820
Future Proof	- 2,320	- 1,090	430	2,100	3,700	5,330
Status Quo High						
Waikato District	- 190	140	570	1,060	1,600	2,160
Matamata-Piako District	170	330	520	730	930	1,140
Waipa District	- 1,530	- 1,270	- 980	- 630	- 290	60
Hamilton City	- 1,710	- 1,270	- 650	60	840	1,650
Future Proof	- 3,260	- 2,070	- 540	1,220	3,080	5,010
High Share High						
Waikato District	60	460	970	1,540	2,130	2,760
Matamata-Piako District	330	530	740	970	1,190	1,410
Waipa District	- 1,340	- 1,040	- 690	- 300	100	480
Hamilton City	- 1,230	- 690	20	850	1,720	2,660
Future Proof	- 2,180	- 740	1,040	3,060	5,140	7,310

Colour legend: Surplus supply in TA; Surplus supply in aggregate FP area

Source: Formative (Table 4.5, Page 34).

The RLSR notes that the scale of retirement living referred through Fast-track applications suggests that much of the forecast demand could potentially be accommodated and that delivery will be front-loaded[21]. However, the proposed Fast-track development capacity should not be treated as equivalent to realised supply. There remains significant uncertainty as to which proposals will obtain consent, proceed to construction, and the timing and scale of delivery.

In this context, the proposed retirement village component would provide additional capacity within a market where a material increase in retirement accommodation and care provision demand is expected over the medium and long term. It would positively contribute to accommodating future demand, increase the range and choice of retirement living options available to the growing senior population, and reduce the risk of future supply constraints or spatial disparities.

[21] *RLSR, Page 34*

From an economic perspective, the proposed retirement village component represents an efficient response to an identified and growing market requirement. The presence of other proposed developments through the Fast Track process does not diminish this economic benefit. While those developments may contribute to accommodating aggregate demand across the wider Future Proof area, retirement living demand is inherently localised and influenced by proximity to family, established communities, services and care networks.

This is particularly relevant given Formative's finding that the overall regional balance masks significant spatial differences in supply and demand. Other Fast-track proposals located elsewhere in the sub-region therefore cannot necessarily be treated as direct substitutes for capacity provided in the local market.

Given the scale of demand projected by Formative, the uncertainty associated with the development pipeline and the locational nature of retirement living demand, enabling a range of appropriately located developments will improve market choice, competition and supply resilience.

On this basis, the proposed retirement village component is considered appropriate and would make a positive contribution toward meeting the wider region's retirement living requirements.

8.3. RECENT LIFESTYLE SALES TRENDS

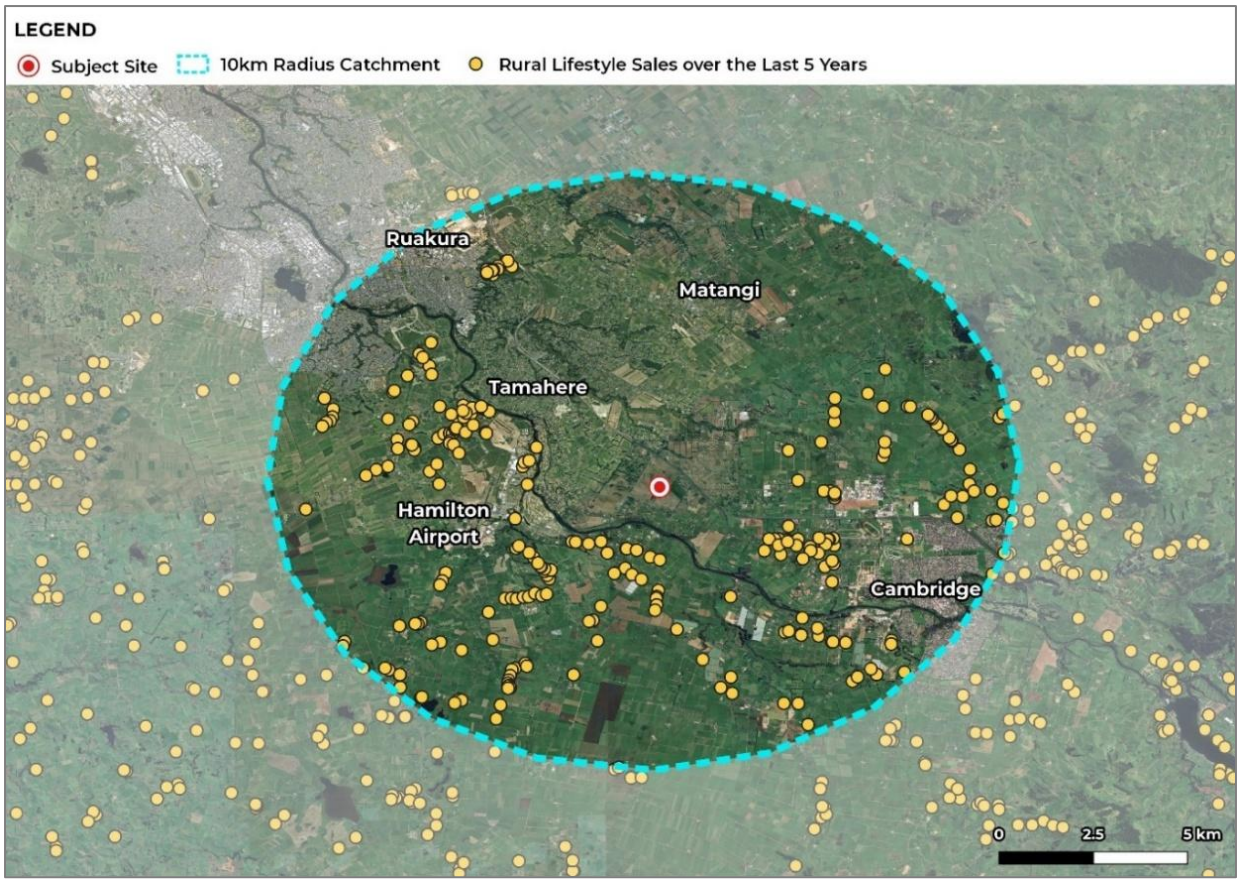
Cotality residential sales data provides an indication of the scale and spatial distribution of recent rural lifestyle market activity surrounding the Site. The figure below identifies lifestyle property sales within a 10km radius of the Site over the five years from 1 December 2020 to 1 December 2025.

Over this period, 263 lifestyle properties were sold within the catchment, equating to an average of approximately 53 transactions per annum. This represents a sustained level of market activity and demonstrates an established local market for rural lifestyle living.

The spatial distribution of these sales is also relevant. To the north, transactions are concentrated around Ruakura, Matangi, Tamahere and the eastern edge of Hamilton, where rural amenity is combined with relatively convenient access to employment, services and the wider Hamilton urban area. A similar pattern is evident to the west and southeast, including around Hamilton Airport and towards Cambridge.

Taken together, these sales indicate an established lifestyle market along the broader Hamilton-Cambridge corridor rather than demand being confined to isolated rural locations. In particular, the level of activity within the surrounding market indicates an established preference for locations that provide larger residential properties and rural amenity while retaining convenient access to urban centres, employment, services and strategic transport connections.

FIGURE 5: GEOSPATIAL DISTRIBUTION OF RECENT RURAL LIFESTYLE SALES (1 DEC 2020 - 1 DEC 2025)



Source: Cotality, Google Maps

The Site is well positioned within this established market. Its location between Hamilton and Cambridge, and in proximity to existing lifestyle areas and key transport connections, means the proposed lifestyle component would provide a product that is consistent with demonstrated household preferences in the surrounding market.

From an economic perspective, the sales data demonstrates an established market for rural lifestyle housing within the Hamilton-Cambridge corridor. This represents a distinct segment of the wider residential market, reflecting demand for larger lots and rural amenity while retaining convenient access to employment, services and urban centres. The proposed lifestyle component would therefore broaden housing choice by providing additional product aligned with demonstrated market preferences.

The economic rationale extends beyond simply adding residential capacity. As part of the wider greenfield racecourse development, the lifestyle component can be planned alongside the Project's other land uses, infrastructure, access and amenity outcomes. This provides an opportunity to accommodate lifestyle demand within a coordinated development framework and to integrate the scale and form of this housing with the efficient development of the wider Site.

Importantly, both the recent sales volume and distribution indicates sufficient market depth to support appropriately located products. Given the Site's position within an established lifestyle market between Hamilton and Cambridge, the proposed component has a strong market basis and would contribute to a more diverse and efficient development outcome.

9. OTHER NON-MONETISED (QUALITATIVE) ECONOMIC BENEFITS

In addition to the previously quantified economic injection, the Project would create a variety of potential (non-monetised) economic benefits. The following outlines the key qualitative economic costs and benefits generated as a result of the proposed development, including direct and flow-on operational economic benefits.

9.1. ECONOMIC BENEFITS

- Strengthening of Waikato's nationally significant racing industry: Waikato is a core region for thoroughbred breeding and training in New Zealand. Establishing a modern 'super hub' reinforces this cluster by centralising expertise, infrastructure, and industry participants. Economic clustering generates agglomeration benefits, including knowledge transfer and service specialisation, which enhance industry competitiveness and potentially attract participants and investment from outside the region.

- Long-term industry sustainability and productivity gains: The greenfield racecourse enables the consolidation of fragmented and ageing facilities into a single, purpose-built hub. This improves operational efficiency, reduces duplication of maintenance and capital expenditure, and enhances productivity across racing, training, broadcasting, and event delivery. A modern facility designed to current standards improves race quality, animal welfare outcomes, and wagering performance, all of which are key revenue drivers for the industry. Sustaining the racing sector supports associated supply chains including breeding, veterinary services, feed suppliers, transport operators, and professional services.

- Regional employment and income generation: Once operational, the consolidated racecourse will support direct employment (racing operations, training, administration, events) and indirect employment across the wider racing ecosystem. By strengthening the viability of the regional racing sector, the proposal protects and enhances long-term employment opportunities in the Waikato, particularly in rural and peri-urban areas where racing-related activities are concentrated.

- Increased event-based expenditure and visitor economy benefits: A modern, consolidated facility capable of hosting high-quality race meetings and major events will attract participants and spectators from outside the immediate catchment. This generates visitor expenditure across accommodation, hospitality, transport, and retail sectors. Event-based tourism contributes to regional GDP and supports local businesses, particularly in sectors aligned with the visitor economy.

- Enhanced local and regional profile: The proposed development has the potential to attract residents and tourists from beyond the broader Waikato Region as well as the

rest of the country and internationally. This would enhance the region's profile, triggering further economic investment and growth. As mentioned earlier, a defining feature of the New Zealand racing industry and bloodstock sale market is its reliance on international purchasers. Offshore participants and buyers account for a substantial share of total expenditure at major bloodstock sales, contributing significantly to aggregate turnover and price formation.

- Improved bloodstock sales market efficiency: The development of a new bloodstock sales facility at the site would enhance the efficiency and capacity of New Zealand's thoroughbred industry by complementing existing operations at New Zealand Bloodstock. By accommodating additional or more flexible sales, reducing congestion, and improving buyer-vendor matching, the facility has the potential to increase clearance rates and sale values, generating additional annual turnover. The site's location within the core breeding cluster, with access to Auckland Airport, would also support international participation and export growth, reinforcing the industry's competitiveness.

- Increased competition in rural lifestyle housing options: The proposed residential component (comprising rural lifestyle and senior living) increases competition and options available to residents. In doing so, it responds to increasingly diverse household preferences, including demand for lower-density living environments, ageing-in-place opportunities, and more specialised forms of accommodation.

  Importantly, the development would introduce housing options within a distinctive, racecourse-integrated setting, offering an alternative to more conventional urban or rural lifestyle opportunities. This unique environment has the potential to attract niche segments of the market seeking amenity, open space, and a strong sense of place.

- More productive use of existing racecourse land resources (indirect): Although not part of this Project, it does represent a real world outcome as a result of the Project with existing racecourse land being unlocked for more productive and efficient uses. This represents a significant opportunity cost benefit, a large, centrally located landholdings can be repurposed for housing, mixed-use, or commercial development, generating higher economic output and contributing to urban growth objectives. This improves overall land-use efficiency and contributes to a well-functioning urban environment.

9.2. ECONOMIC COSTS

- Impact on Highly Productive Land

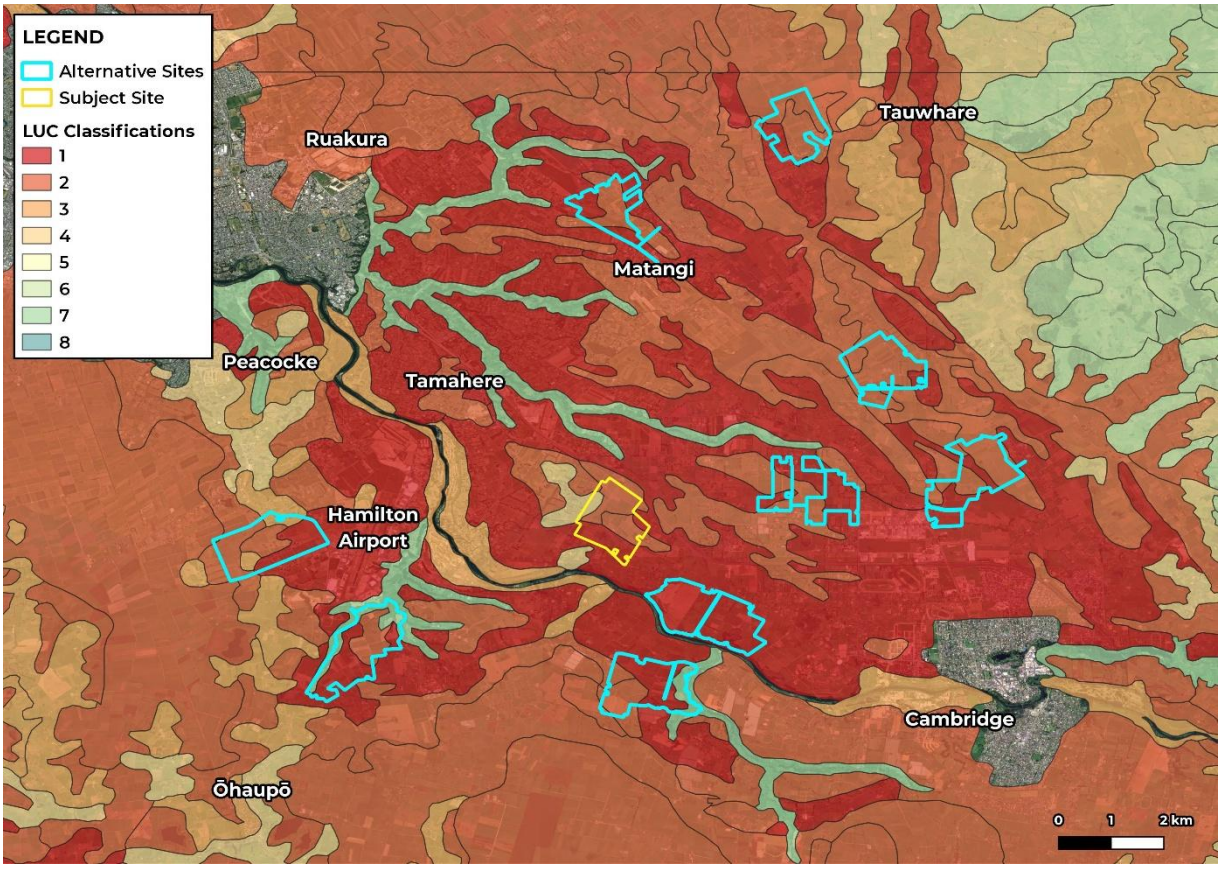
The proposed development would result in the conversion of rural land, including highly productive land (HPL), to non-rural activities. From an economic perspective,

this represents an opportunity cost through the foregone primary production potential of the Site.

However, the significance of this cost needs to be considered against the particular land and locational requirements of the proposed consolidated racecourse. From a practical perspective, a modern racecourse requires extensive flat, contiguous land, together with convenient access to established training and horse bases, urban areas for the general publics' access, infrastructure, services and supporting amenities. These requirements materially constrain the number of locations capable of sufficiently and efficiently accommodating the activity.

This is particularly relevant in the Waikato context, where HPL is extensive around the main urban areas. The figure below identifies the distribution of productive land surrounding the urban environment, together with nine alternative locations assessed by WTR of sufficient scale to potentially accommodate the racecourse within the same broad locality.

FIGURE 6: SUBJECT SITE AND ASSESSED ALTERNATIVE OPTIONS IN THE HPL CONTEXT



Source: NZLRI, Google Maps, LINZ

The assessment indicates that opportunities to accommodate the proposed racecourse while avoiding productive rural land are virtually non-existent in the wider area. Each of the identified alternative options contains productive land to varying degrees. The relevant

economic consideration is therefore not simply whether the Project results in the loss of HPL, but whether a realistically available alternative location could accommodate the requisite racecourse complex while materially reducing that loss.

There is also an important difference in the locational flexibility of the competing activities. While primary production relies on suitable productive land, there is a comparatively extensive rural land resource across the wider Waikato Region. In contrast, the racecourse has significantly more constrained requirements in terms of land area, contiguity, topography, accessibility and proximity to both the equine and general public markets the facility will serve.

Accordingly, the economic opportunity cost should be considered in terms of the productive value foregone on the Site, rather than the loss of HPL in isolation. It is also relevant to consider the extent to which displaced primary production could occur elsewhere, compared with the more limited ability to relocate the proposed racecourse without compromising its operational or locational requirements.

The retirement village, rural lifestyle and commercial components would also occupy some productive land. However, these activities form part of the wider integrated development and as outlined earlier in this report, respond to identified market demand while contributing to the broader functioning and efficient utilisation of the Site. Their inclusion therefore needs to be assessed against both the additional productive land foregone and the wider economic benefits they generate.

Importantly, the HPL effects of the Project should also be considered in the context of the wider land use changes enabled by the consolidation of existing racing activities. Development of the new racecourse would enable the existing Te Rapa (approximately 50ha), Cambridge (approximately 61ha) and Te Awamutu (approximately 34ha) racecourse landholdings and Cambridge Harness (14.9ha) to be progressively redeveloped for mixed-use activities. Collectively, this would release around 159.5ha of existing racecourse and harness track land for more intensive and efficient urban uses.

From an economic perspective, this is relevant to the opportunity cost associated with the Project. By enabling additional housing, employment and other activities to be accommodated on existing racecourse land (including anticipated growth area[22]), the consolidation has the potential to reduce the amount of additional greenfield land required elsewhere to accommodate the same underlying growth. The loss of HPL associated with the new racecourse should therefore not be considered in isolation from the more intensive land-use opportunities created across the existing racecourse sites.

[22] *The Cambridge Racecourse is identified as part of the C7 Growth Cell. According to Appendix S1 of the Waipā District Plan, C7 has been identified as potentially suitable for residential development in the event that it is no longer required for equine / racing purposes. There is also the potential for an element of the cell to be large lot residential purposes.*

This is particularly relevant in the Waikato Region context, where HPL is extensive around the existing urban areas. To the extent that future growth is likely to require some further outward expansion, avoiding HPL entirely is challenging. Enabling greater utilisation of existing racecourse land therefore has the potential to reduce wider development pressure on the regional rural land resource, including HPL.

Accordingly, while the Project would result in a loss of HPL at the Site, consolidation of the three existing racecourses also creates an offsetting land-use efficiency benefit by releasing substantial existing landholdings for higher-value and more intensive uses. This wider economic benefit should be recognised when assessing the economic implications of the Project for the region's HPL capacity.

Overall, the use of HPL represents an economic opportunity cost but does not in itself determine the economic efficiency of the Project. This cost needs to be weighed against the limited number of sites capable of accommodating a consolidated racecourse and the wider land-use efficiencies enabled by the Project.

In particular, consolidation of the existing racing activities would release around 159.5ha of existing strategically located racecourse and harness track land at Te Rapa, Cambridge and Te Awamutu for more intensive mixed-use development, helping reduce pressure for additional greenfield growth elsewhere.

On balance, having regard to these wider land use effects and the economic benefits identified elsewhere in this assessment, Property Economics considers that the foregone productive potential of the Site does not outweigh the benefits of enabling the Project.

- Infrastructure Requirement

A potential economic cost associated with greenfield development is the need for additional infrastructure investment, particularly where development requires extensions or upgrades to public transport, water, wastewater, stormwater or other network infrastructure.

Based on the information provided, the infrastructure required to service the proposed development is intended to be provided within the Site as part of the wider Project, with no additional public infrastructure required to enable the development. The associated servicing costs would therefore be internalised within the Project rather than imposed on the wider community or public infrastructure providers.

Accordingly, Property Economics does not consider infrastructure requirement to represent a material economic cost of enabling the proposed development.

- Potential adverse effect on existing centres

In Property Economics' view, the proposed commercial provision does not have any material propensity to undermine the role, function or growth potential of the existing centres network. The closest existing commercial node is located on Newell Road in Tamahere, around a 4-

minute drive from the proposed development and primarily serves the surrounding Tamahere community.

The proposed commercial activity would service a different and more localised function. Its primary role would be to accommodate the day-to-day convenience needs from the different land uses within the wider development, including residents of the retirement village and lifestyle areas, together with racecourse participants, race day activities, employees and visitors. As such, it would not draw materially from the same localised catchment served by the Tamahere convenience centre or compete with higher-order centres for a broader range of retail and commercial activity.

From an economic perspective, the proposed commercial provision is therefore appropriate and considered supporting amenity for the wider development rather than a competing new centre. By providing convenient access to frequently required goods and services close to where demand is generated, it would improve the amenity, accessibility and overall functionality of the development while having no consequential effect on the existing centre hierarchy or the future growth and development potential of nearby centres.

10. CONCLUSION

Having undertaken the economic analysis outlined earlier, Property Economics considers that enabling the Project under the FTAA would yield significant economic benefits for the regional racing industry and broader economy.

Overall, our assessment supports the Project from an economic perspective meeting the purpose of the FTAA.

These regional economic benefits include but are not limited to:

- Total direct expenditure over an 8-year development period (excl. land) $457.0m
- Total GDP NPV at 8% over an 8-year development period $147.1m
- Total GDP NPV at 2% over an 8-year development period $243.2m
- FTEs during the peak development year 464 FTE years
- Total FTE years over the 8-year development period 1,306 FTE years
- Total direct employment over the development period 496 FTE years
- Total indirect and induced employment over development period 810 FTE years

Under a scenario where development starts earlier in 2030 and spans 8 years, this would lead to an estimated increase in total value added (GDP) of around $173.7m for the Waikato Region over the life of the 8-year development timeframe. Applying a 2% discount rate to this scenario, the Project is estimated to generate approximately $253.3m in total business activity across the Waikato Region over the full development timeframe.

Overall, our assessment supports the Project from an economic perspective in the context of the RMA, NPS-UD Policies and FTAA.

APPENDIX 1. EXPLANATIONS OF EIA MODELLING PROCESS

The EIA assesses the potential economic activity generated within the Waikato Region specifically attributable to the Project through spending on the general civil works and residential development. This includes construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Stats NZ (based on 48 sectors), which were then assessed at a district level based on Waikato regional economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each $1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Waikato region catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

This capital expenditure then is assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend that is retained within the Waikato Region.

Then utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a proposed period of 8 years, development beyond the first year is discounted to provide a Net Present Value (NPV).

APPENDIX 2. EXPLANATIONS OF EIA MODELLING OUTCOMES

By way of explanation of the items listed in Table 1:

- The reference to "*Levies*" is referring to external land and building costs such as Council costs.
- The reference to "*Development Costs*" includes costs associated with the development of the land, earthworks, etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.
- The reference to "*Construction Costs*" includes built form costs.
- The Direct Expenditure line includes all expenditure on the Project, both in and externally to the Waikato Region.

The "*Level 2 Multiplier Effects*" section identifies the proportion of the direct expenditure that is experienced in the Waikato Region only. This incorporates consideration of the economic multipliers described in the following section.

This EIA evaluates the total economic effects of the specific project on the Waikato regional economy. Multipliers, a key component of EIA, quantify how initial changes in spending lead to larger, ripple effects throughout the Waikato regional economy[23]. These effects include direct, indirect, and induced impacts, reflecting changes in output, employment, income, and other economic variables.

Aggregating Impacts:

The following steps form the basis for the value and employment multipliers to quantify the number of FTE years generated by the project.

Step 1: Allocate total project expenditure by ANZSIC category.

Step 2: Apportion the extent of each expenditure category that is likely to be retain within the Region. This is based on business and employment composition, business size, capital

[23] *Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry. Relevant key multiplier types include Output Multiplier: Measures the total change in economic output resulting from a change in demand for a specific industry; and Employment Multiplier: Measures the total change in employment resulting from a change in employment in a specific industry.*

formation, inflows of GDP (technically GRP), etc. This is direct regional spend and hence smaller than the total generated.

Step 3: Utilising Stats NZ Input / Output tables generate regionally specific Level 1 multipliers (i.e. where each $1 spent goes through the first cycle). These multipliers are specific for each of the 48 sectors and are proportionally combined to produce the development multiplier: earth works, fees, etc (due to these having a materially different labour to capital breakdown) and the construction multiplier - built form.

Step 4: Utilise a similar process to assess the Level 2 multipliers for indirect and induced activities.

Step 5: These three (direct, indirect and induced impacts) are then aggregated and discounted to get the NPV seen in Table 1.