

# PROPERTY **E**CONOMICS



**KAITAIA RESIDENTIAL**

**PLAN CHANGE**

**ECONOMIC ASSESSMENT**

Project No: 52524

Date: May 2025

Client: Ken Lewis Limited



## SCHEDULE

Code	Date	Information / Comments	Project Leader
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## 1. INTRODUCTION

Property Economics has been commissioned by Ken Lewis Limited (**KLL**) to undertake an economic assessment for a Proposed Plan Change (**PPC**) to rezone around 62ha of land in Kaitaia currently included as part the Rural Residential Zone (**RZZ**), under the Far North Proposed District Plan (**PDP**) to General Residential Zone (**GRZ**). This proposed rezoning seeks to enable the development of around 500 dwellings.

This economic assessment presents a high-level analysis of projected household growth and dwelling demand in Kaitaia through to 2053, alongside an evaluation of the sufficiency of residential development capacity in both Kaitaia and the wider Far North District, drawing on the Far North Housing and Business Development Capacity Assessment July 2024 (**HBA**).

The report also considers the suitability and locational characteristics of the PPC site for residential development and outlines the likely economic costs and benefits associated with enabling the proposed rezoning.

Overall, the assessment provides an informed view on the appropriateness and efficiency of the PPC from an economic perspective within the context of the RMA<sup>1</sup> and the NPS-UD<sup>2</sup>.

### 1.1. RESEARCH OBJECTIVES

The salient research objectives of this economic assessment include:

- Provide a high-level overview of the PPC in the context of the PDP zone framework as well as the established Kaitaia amenities, services, and land uses.

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<sup>1</sup> Resource Management Act 1991

<sup>2</sup> National Policy Statement on Urban Development 2020

- Using the latest population and household projections from Stats NZ, evaluate the anticipated residential growth in Kaitaia's local market over the short term (3 years), medium term (10 years), and long term (30 years).
- Outline the key findings from the HBA, focusing on estimated residential capacity and projected dwelling demand in both Kaitaia and the broader Far North District across the short, medium, and long-term periods.
- Identify and evaluate the locational characteristics of the PPC site to accommodate future residential growth in Kaitaia, from an economic perspective.
- Provide a high-level overview of the economic costs and benefits of the PPC, evaluating the overall appropriateness and economic efficiency of the proposed rezoning, in the context of the PDP and RMA.

## 1.2. INFORMATION & DATA SOURCES

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

- Kaitaia Catchment and Site Maps – LINZ, Google Maps
- Far North Proposed District Plan – Far North District Council
- Population and Household Estimates – Stats NZ
- Population and Household Projections – Stats NZ
- Housing and Business Development Capacity Assessment July 2024 – M.E
- Concept Plan and Development Yield - KLL

## 2. EXECUTIVE SUMMARY

This report evaluates the economic rationale and merits of the PPC to rezone land in Kaitaia from Rural Residential to General Residential under the PDP and within the framework of the RMA.

According to the Far North Housing and Business Development Capacity Assessment July 2024 (HBA), the Kaitaia local market is projected to face a shortfall in residential capacity across the short (3 years), medium (10 years), and long term (30 years) planning horizons, even when accounting for the additional capacity enabled by the PDP zoning provisions.

Although the HBA indicates that plan enabled capacity exists, it highlights that feasible and potential development capacity in Kaitaia is expected to be severely constrained, with only 55 dwellings estimated to be realistically deliverable over the medium to long term. This limitation arises from a mismatch between the costs at which development becomes feasible and the levels of housing affordability in the area. The new Flood Hazard Zone removes the HBA capacity, meaning the shortfall is likely to be materially greater than identified in the HBA.

In light of this projected capacity shortfall and considering the site's strategic locational characteristics, including its integration with existing General Residential-zoned areas, access to established infrastructure, and absence of river flooding hazards or highly productive soils, Property Economics concludes that the PPC is necessary, appropriate and economically efficient. It would support the growth and spatial expansion of the Kaitaia Township, bridging the gap between plan enabled and realisable capacity.

Having undertaken a high-level economic cost and benefit analysis, Property Economics considers that the additional infrastructure servicing requirement to support the proposed development would be a major economic cost. This economic cost is likely at least in part mitigated by the need for this capacity to be realised to meet the shortfall in capacity identified and would potentially be mitigated further by either developer contributions or the level at which the developer provides the infrastructure itself.

From an economic perspective, the primary economic benefits attributable to the PPC would include:

- Increased short-medium term residential land / dwelling supply
- Increased and diversified choice of housing location and price point
- Higher level of development and residential capacity certainty in the short-medium term
- Increased efficiency of infrastructure (relative to rezoning other greenfield sites that are remote to the existing Kaitaia township)
- Potential for lower residential land prices in Kaitaia and the wider district

- ⊕ Increased local employment
- ⊕ Potential to cater for greater levels of growth
- ⊕ Increased amenities

Based on the economic analysis outlined in this report, Property Economics considers the PPC to be appropriate for rezoning from Rural Residential to General Residential and will contribute positively to a well-functioning urban form in the context of the RMA, the NPS-UD, and the PDP. The PPC would provide net economic benefits with no consequential economic costs.



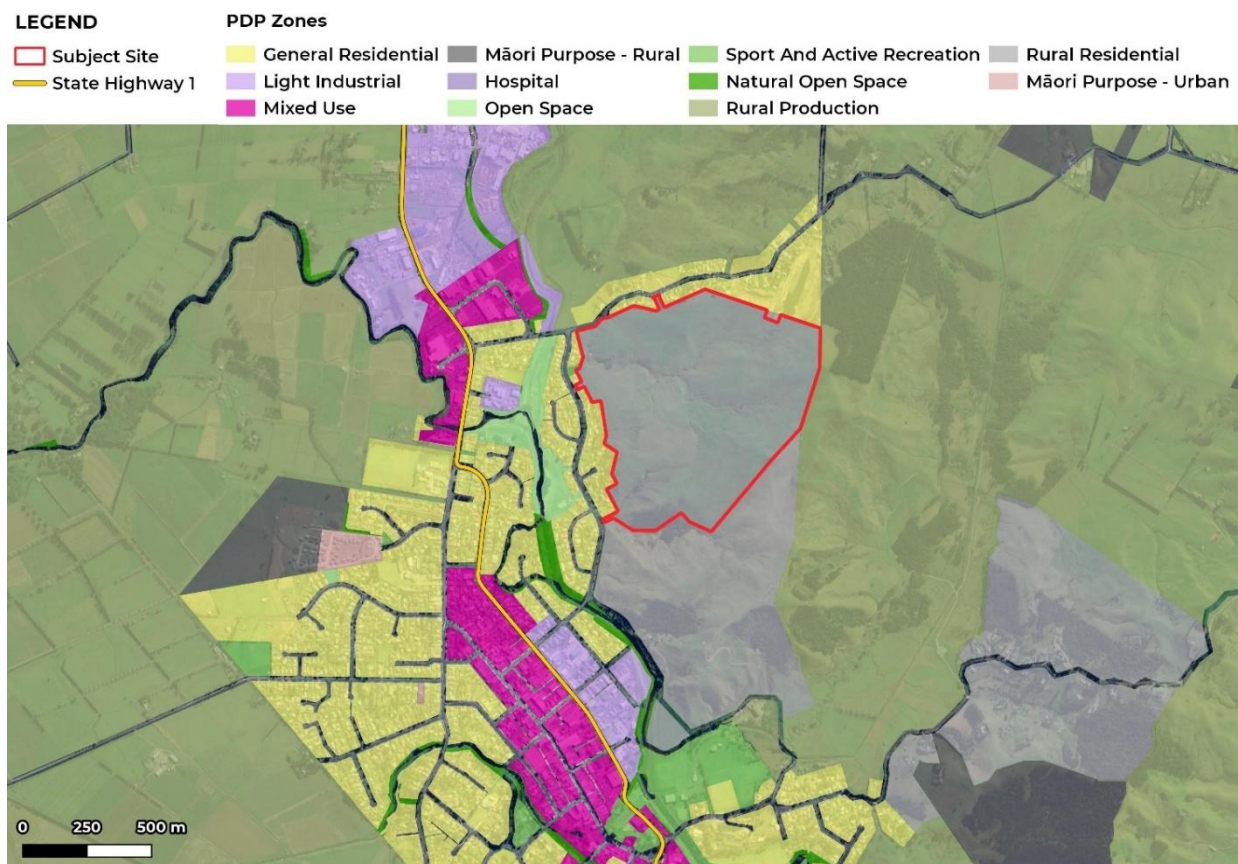
### 3. PPC OVERVIEW

The Far North District Council is currently in the process of updating the District Plan. KLL is proposing to rezone around 62ha of land located on the eastern edge of the Kaitaia Township, from RRZ to GRZ, under the PDP.

As shown in the figure below, the site is situated immediately east of Kaitaia's existing urban area, with direct access from Donald Road and Allen Bell Drive.

Under the PDP, the purpose of the RRZ is to “provide an opportunity for people to enjoy a spacious, peri-urban living environment located close to a settlement” and “used predominantly for rural residential activities and small-scale farming activities that are compatible with rural character and amenity of the zone” (RRZ-O1).

**FIGURE 1: PPC SITE IN THE CONTEXT OF FAR NORTH PDP ZONINGS**



Source: Far North District Council, Google Maps, LINZ

Under RRZ-R3 of the PDP, residential development in the RRZ requires a minimum site area of 4,000sqm per dwelling to be classified as a permitted activity. As such, while residential development is anticipated on the PPC site, it would occur at a much lower density than what is proposed under the GRZ.

Therefore, the intent of the PPC is not to introduce an entirely new residential land use but rather to enable a more intensive and efficient use of the land. This would support a broader range of housing typologies and price points necessary to meet projected residential demand in Kaitaia.

With regard to the surrounding context, the site lies immediately east and south of existing GRZ areas in Kaitaia. This proximity suggests the site is well-positioned to integrate seamlessly with the existing higher-density urban form, without compromising the overall coherence of the local environment.

#### 4. RESIDENTIAL STUDY AREA

To quantify the residential potential of the PPC, it is important to delineate an area for economic assessment purposes. The figure following illustrates the extent of the local market (i.e., study area), or conversely, where residential dwellings in the proposed development area are likely to compete.

In Property Economics' view, the Kaitaia Township represents the key market of residential dwellings that would result from the PPC. While interest would arise from outside this area, this is considered the key spatial extent of Kaitaia.

This catchment is an important study area of the following residential demand forecast overview. Minor adjustments to the boundaries of the study area would not significantly impact the conclusions of this economic assessment, as the surrounding areas are predominantly rural and Kaitaia is relatively isolated from other major urban areas in the district, such as Kerikeri-Waipapa and Kaikohe.

**FIGURE 2: GEOSPATIAL EXTENT OF THE KAITAIA TOWNSHIP**

##### LEGEND

 Subject Site  Kaitaia Township  State Highway 1



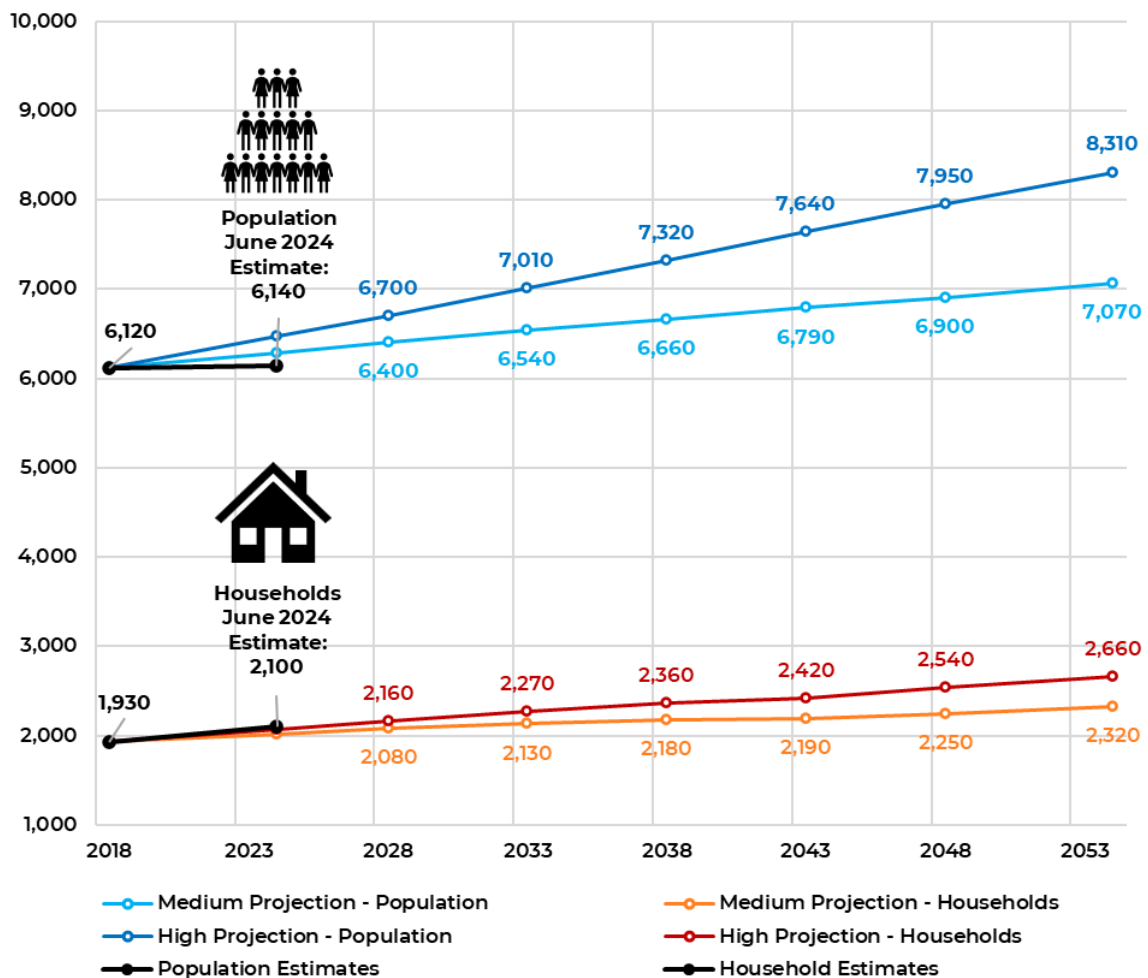
Source: Google Maps, LINZ, Stats NZ

## 5. POPULATION AND HOUSEHOLD GROWTH

The figure below presents the population and household estimates and projections for the Kaitaia Township. These projections are based on the most recent Stats NZ Medium and High growth scenarios, with Property Economics producing interpolated forecasts extending to 2054.

As of June 2024, Stats NZ estimates Kaitaia's population at just under 6,140 residents. In comparison, the Far North District has a total estimated population of approximately 73,500, meaning that Kaitaia accounts for around 8.4% of the district's overall population base.

**FIGURE 3: KAITAIA POPULATION AND HOUSEHOLD GROWTH FORECASTS**



Source: Stats NZ, Property Economics

Under the High growth scenario, the population of Kaitaia is expected to grow to approximately 8,310 people by 2054, equating to a +35% (or + 2,170 people) growth above the 2024 population base.

Kaitaia is forecast to have around 2,660 households by 2054 under the same High growth scenario, representing growth of around +560 households above the current (2024) household

base. This suggests that the catchment would require net additional 560 occupied dwellings (or equivalently 20 dwellings per annum) on a one dwelling per household basis to accommodate the anticipated population growth over the next 30 years.

The Medium growth scenario offers a more conservative forecast, suggesting that Kaitaia's population would be slightly above 7,000 people by 2054, equating to 2,320 households. Applying the one household per dwelling ratio suggests that the township would require additional 220 occupied dwellings by 2054.

Given the current population base of the area, the scale of the Kaitaia Township currently does not meet the numeric criteria of an '*urban environment*' under the NPS-UD context and would not be able to meet the 10,000 people threshold over the long term given its current growth trajectory. However, just because Kaitaia does not meet this threshold does not mean providing additional capacity at an economically efficient location would not generate economic, market and community benefits through facilitating a well-functioning urban form.

In Property Economics' view, no matter an area's size, councils should aim to be well-functioning, forward looking and provide sufficient development capacity over the long term due to the economic benefits it brings, and the NPS-UD should not be interpreted as tool that prevents consideration of that.

There are many smaller urban areas in the form of rural townships across New Zealand that would not meet the NPS-UD threshold for an urban environment, but it would be remiss and economically inefficient to not improve the functioning of these smaller urban areas as well and incorporate new development that generates the economic benefits and efficiencies available from urban growth.

Therefore, Property Economics considers that Kaitaia is clearly a key urban area in Far North and represents an important urban cluster of residents, employment opportunities, commercial activity, community, educational and medical facilities, visitor facilities within the district.



## 6. RESIDENTIAL DEMAND AND SUFFICIENCY

This section provides a high-level review of the projected residential demand and sufficiency of capacity in the local Kaitaia market through to 2053, based on the findings of the HBA. This analysis helps to contextualise the economic implications of the PPC in terms of its contribution to additional residential capacity, particularly within the framework of the RMA and the NPS-UD.

### 8.1 HBA RESIDENTIAL SUFFICIENCY OF CAPACITY ESTIMATES

The HBA estimates the residential capacity of the Far North District by applying the Operative District Plan (ODP) provisions for the short term and the PDP zone framework for the medium and long terms. The projected capacity for the Kaitaia local market is summarised in the table below, based on data from Tables E1 and E2 (pages iv–v) of the HBA.

**TABLE 1: DWELLING CAPACITY AND SUFFICIENCY IN KAITAIA**

Kaitaia	Short Term (by 2026)	Medium Term (by 2033)	Long Term (by 2053)
Plan-enabled Capacity	2,580	3,075	3,075
Feasible Capacity	0	0	55
<b>Potential Development Capacity</b>	<b>0</b>	<b>0</b>	<b>55</b>
<b>Additional Demand (incl. margin)</b>	<b>35</b>	<b>70</b>	<b>105</b>
<b>Residential Capacity Sufficiency</b>	<b>-35</b>	<b>-70</b>	<b>-50</b>

Source: HBA (July 2024) - Tables E1 and E2 (pages iv–v)

As the PDP zone provisions are applied to the medium and long-term forecasts, the PPC site, which is currently expected to accommodate lower-density Rural Residential development, is also factored into the HBA's residential capacity assessment.

According to the table above, the Kaitaia local market is estimated to have a plan-enabled capacity of approximately 2,580 dwellings in the short term under the ODP. With the implementation of the PDP, this capacity is projected to increase to around 3,075 dwellings over the medium and long term.

While these figures may appear substantial, the HBA identifies a critical issue: none of the projected capacity in the short and medium term is expected to be feasible for development, and only 55 dwellings are considered likely to be viable and taken up over the forecast period. This equates to an average of just 1-2 dwellings per year over the next 30 years.

When compared to the projected long-term demand of 105 dwellings, which includes the required NPS-UD competitiveness margins, it is clear that the Kaitaia market will experience a persistent shortfall in feasible residential capacity throughout the 2023-2053 period.

Furthermore, it is important to note that, although the projected residential capacity shortfalls in Kaitaia may appear modest in nominal terms, the HBA (Section 4.3.5, Page 45) highlights a more complex and critical underlying issue:

*"affordability is a challenge for many households in Far North District, and the analysis shows a mismatch between the price points which dwellings become feasible, and households' affordability levels"; and*

*"the pressures are more acute in areas such as Kaikohe and Kaitaia, where residential capacity is theoretically available, i.e., enabled by the planning provisions, but not feasible over the short or medium term. Over the long term, a small number of attached dwellings become commercially viable. This indicates that the shortage or lack of housing in these areas cannot be solved through planning only."*

Given this context and the anticipated low feasibility of development in Kaitaia, the PPC, supported by a committed developer intending to deliver approximately 500 additional dwellings, would provide much-needed market certainty. It would also support the growth and spatial expansion of the Kaitaia Township, bridging the gap between theoretical and realisable capacity.

While it is possible that some of Kaitaia's theoretical capacity may become feasible over time due to changes in development costs, building technologies and household income dynamics, natural hazards pose additional limitations. Notably, river flood hazards are likely to inhibit the realisation of residential capacity in many greenfield areas surrounding Kaitaia.

The figure below illustrates the updated Flood Hazard Zone for Ruawai (February 2025), adopted by the Northland Regional Council. It shows that a significant portion of the rural greenfield land around Kaitaia falls within River Flood Hazard Zone (RFHZ) 3, defined as areas with a 1% annual flood risk, including projected climate change impacts. This further reduces the effective land available for feasible, safe residential development in the area.

Importantly, this undermines the findings of the HBA with the updated Flood Hazard Zone removing a significant component of the determined plan enabled and feasible capacity, indicating the practical capacity would be significantly less than identified. Additionally, the HBA did not incorporate any infrastructure constraints casting further doubt on the veracity and reliability of the HBA outputs.

While the presence of RFHZ areas does not entirely preclude residential development, the associated flood risks could significantly impact development feasibility. The PDP Part 2 – District-Wide Matters – Natural Hazards NH-P6 sets out specific planning controls on land use and subdivision in areas subject to river flooding, particularly within the 1-in-100-year flood hazard zones. These provisions aim to manage risks to people and property, creating a policy tension between natural hazard mitigation and the ability to make reasonable use of private land.

In this context, the PPC site's location outside of the RFHZ is a key advantage. It presents a suitable and efficient option for delivering additional residential capacity to the local market with a higher degree of certainty. This aligns with climate resilience objectives and reduces the regulatory and financial complexities associated with flood-prone land.

This advantage is particularly significant given the projected shortfall in residential sufficiency and the broader development feasibility challenges identified within the Kaitaia local housing market.

**FIGURE 4: RIVER FLOOD HAZARD ZONE – 1 IN 100 YEAR CLIMATE CHANGE IMPACT EXTENT**



Source: Northland Regional Council

## 6.2. IMPLICATIONS ON THE PPC IN NPS-UD CONTEXT

NPS-UD provisions are prepared to establish objectives and policies for matters of national significance relevant to achieving the purpose of the RMA. All District and Regional Plans are to give effect to NPS-UD in their plans and policies to respond to changes in demand by allowing more efficient housing in areas where people want to live, that are well-connected to jobs, transport, and community facilities.

Policy 8 is particularly relevant to the PPC as it states:

*“Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is:*

- (a) unanticipated by RMA planning documents, or*
- (b) out of sequence with planned land release.”*

This policy directs that providing capacity is more important (subject to some provisos) than inflexibly adhering to the development sequences in planning documents.

These objectives and policies provide support for the PPC as they emphasise the importance of increasing development capacity, supporting additional competition, encouraging choice of housing types and locations, and responding to opportunities even when the development does not match the expectations in the planning documents. The emphasis is one of erring on the side of more capacity rather than less capacity.

Accordingly, Property Economics considers that enabling the PPC would align with and give effect to the relevant objectives and policies of the NPS-UD. The proposed residential development would meaningfully contribute to meeting sufficiency of capacity, particularly in light of the high development costs in the area and the updated Flood Hazard Zone, which significantly constrain the level of feasible and realisable capacity available to meet projected housing demand.

## 7. RESIDENTIAL LOCATIONAL CHARACTERISTICS

Urbanisation is a complex process that requires alignment between land use, infrastructure, transport, developer and market demand. While each urban use (e.g. residential, commercial, community) may have specific needs, there are a set of foundational locational characteristics that generally underpin the suitability of land for urban development.

These include factors such as proximity to employment and town centres, accessibility to transport networks, integration with existing infrastructure, access to social and community amenities, environmental constraints, capacity for staged development, and the ability to provide for diverse land use outcomes. Economically efficient urbanisation tends to occur where development can leverage existing investment, minimise infrastructure costs, respond to market demand, and deliver housing and employment opportunities in a coordinated manner.

Having assessed the locational characteristics of the PPC site against the above criteria and factors, Property Economics considers that the site is appropriate and economically efficient for higher density residential / urban development.

The following list summarises the relevant economic considerations:

- **Alignment with Kaitaia existing residential patterns:** The PPC site adjoins existing GRZ to its immediate north and west, which contribute to the established urban extent of Kaitaia. Given this surrounding environment the PPC site represents a logic, practical and efficient area of Kaitaia for urban development and expansion.
- **Infrastructure connectivity:** Situated directly adjacent to established residential areas, as well as the existing roading network, i.e., Donald Road and Allen Bell Drive, the PPC site would efficiently connect to existing and anticipated infrastructure networks including water, wastewater, electricity, and transport systems. This supports more efficient infrastructure delivery, enhances connection across neighbouring developments, and helps to optimise the return on (existing and anticipated) public investment in urban services and transport networks. In effect, the PPC would reduce the marginal infrastructure cost of that public investment with increased and more efficient use of those public assets.
- **Access to existing employment opportunities, amenities and services:** The PPC site is located near the established employment areas, schools, parks, and retail offerings in the township. This proximity allows future residents within the development to access essential and frequently required social and community infrastructure without the immediate need for large-scale public investment, promoting efficiency and amenity value.



- **Strong transport access:** The site's proximity to SH1 ensures strong district accessibility. This strategic location enables efficient travel to other parts of the district and major employment hubs in the broader area. In addition, the PPC site's integration with the existing road network supports future public transport services, efficient logistics, and streamlined service delivery relative to more distant / separate greenfield alternatives.
- **Absence of river flooding hazards:** As previously outlined, much of the land surrounding the Kaitaia Township falls within the RFHZ. In contrast, the PPC site represents one of the few remaining opportunities for a logical extension of the existing urban footprint that is not affected by significant flood risk. Its strategic location not only supports a more resilient and sustainable residential environment but also enhances the likelihood of development feasibility, especially when compared to the largely theoretical and constrained capacity identified in the HBA for Kaitaia.
- **Suitable landform:** The PPC site comprises easily developable, unconstrained land, free from significant natural hazards. These physical attributes make the site suitable for efficient urban development, enabling streamlined subdivision processes and reducing upfront land preparation and construction costs. As a result, development feasibility would be enhanced, and more cost-effective housing delivery becomes possible, supporting broader housing affordability objectives and market responsiveness.
- **Absence of highly productive soils:** The PPC site is located on land that does not fall within Land Use Capability Classes 1-3, which are identified as the most versatile and productive soils for primary production. In addition, the PPC site is one of the very few sizable greenfield location adjoining Kaitaia that does not comprise highly productive land. This minimises key opportunity cost typically associated with greenfield development, i.e., the loss of high-value or highly productive rural land.

## 8. ECONOMIC COSTS AND BENEFITS

The PPC would generate a range of potential economic costs and benefits to the Kaitaia local market and community. This section outlines the high-level economic costs and benefits of the PPC in the context of PDP and RMA.

### ECONOMIC BENEFITS

- + **Increased short-medium term residential land / dwelling supply:** The PPC would supply the market with an increase in net residential capacity of around 500 new dwellings. This represents a net increase in the overall residential capacity for the Kaitaia market and contributes to accommodating the forecast population growth of Kaitaia and the wider district, particularly in the short to medium term.

This PPC would also provide clear direction to the market regarding both its ability to meet future demand pressures and its provision through an efficient site location and size. It is also important to note that unlike some of the assessed theoretical and feasible capacity, in the local market, the propensity for this 'greenfield' development to occur is potentially greater than the potential for 'piecemeal' development within the existing residential areas.

- + **Increased and diversified choice of housing location and price point:** The PPC would also offer residents additional choices in their living environment in respect of location and potentially impact upon the overall price point resulting from supply, within the catchment. Since most residential areas are situated on the western side of SH1, closer to the coastline, the PPC site would provide for housing products with distinguished views and living environments. The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase (subject to infrastructure costs) in the relative attractiveness of the area with wider markets.

- + **Higher level of development and residential capacity certainty in the short-medium term:** The PPC site is owned by one entity that would provide for a efficient development of the site. This means that the additional residential capacity provided by the PPC has the potential to exhibit greater levels of certainty than other theoretical capacity identified in the HBA.

Given that the residential capacity sufficiency of Kaitaia is anticipated to be largely dependent on the feasibility of future residential development, greater level of development certainty would be critical to ensure a continuous population and economic growth of Kaitaia and the wider district in the future. This is also considered as one of the critical economic benefits of enabling the PPC.

- + **Increased efficiency of infrastructure (relative to rezoning other greenfield sites that are remote to the existing Kaitaia township):** The influence of urban development on infrastructure and amenities can be two-sided. Greater density zoning typically provides more efficient use of infrastructure. The larger number of people in an area means greater returns on the use of the local infrastructure. This can vary depending on the level of unused capacity of existing infrastructure and the cost of replacement / upgrade of said infrastructure.
- + **Potential for lower residential land prices in Kaitaia and the wider district:** The development of the PPC site has the potential to influence the local and even wider Far North house affordability by increasing the supply of residential capacity. A decrease in Kaitaia house prices would benefit residents who do not already own homes, including existing renters (who pay for housing on a weekly basis) and first home buyers, such as young residents.
- + **Increased local employment:** The increased local population base will result in a net increase in the number of full-time equivalent employees able to work within Kaitaia due to the PPC generating increased demand for local business and services. This will be a net gain for the local economy and stimulate further growth and amenity improvements for the area.
- + **Potential to cater for greater levels of growth:** Growth from residential developments can often work as a catalyst that spurs further growth in the area, particularly the Kaitaia local market. The PPC site to accommodate a large-scale residential development could also trigger interest for additional residential / small-scale commercial activity within the Kaitaia housing market and provide significant impetus for growing its local economy.
- + **Increased amenities:** The proposed development would provide for high amenity, master planned environments with purpose built, and targeted amenity values in a co-ordinated and integrated manner. This can significantly improve the amenities of the receiving environment and generate community benefits.

## ECONOMIC COSTS

- **Additional infrastructure investment and servicing requirements:** Land and associated infrastructure costs are the biggest cost components of residential housing development costs and tend to scale according to the size of the network. This means that expanding networks to accommodate higher density will tend to lead to a proportional increase in long-term operating, maintenance, and renewal costs.

In Property Economics' view, these capital costs are likely to be mitigated, at least in part, through either developer contributions or the level at which the developer provides the infrastructure itself.

Furthermore, as additional residential capacity is required in Kaitaia over the long term, the extent to which this can be considered an economic cost depends on the relative cost of servicing the infrastructure in an alternative location at a later point in time.

- **Loss of small-scale farming activity potential:** Given that small-scale farming activities are anticipated within the RRZ, enabling higher-density residential development on the PPC site would result in the loss of that potential.

However, as the site does not contain highly productive land and is expected to primarily accommodate rural residential or low-density residential uses (as per the PDP), the opportunity cost associated with foregoing farming activities is minimal. Consequently, in Property Economics' view, the proposed rezoning would not have a material impact on the wider district's cumulative productive capacity and primary production sector.

- **Impact on existing zoned areas:** A potential concern for Council and the economy in rezoning additional residential land is the potential to redirect demand from capacity existing residential areas (both new growth areas and potential brownfield redevelopment). This potential cost is primarily measured by both the above costs associated with infrastructure duplication and underutilisation and the potential economic benefits associated with aggregated residential and employment activities.

It is important, when considering these potential costs in this instance, to recognise that in this context the potential costs are likely to be limited to the period of time prior to their requirement to meet growth, while the impetus to create additional growth has long-term term impacts. Considering that Kaitaia is projected to have a shortfall in residential capacity over the next 30 years, the potential competition with the existing residential areas and established zones would not have a significant impact.

Further mitigating this cost is the new Flood Hazard Zone which encompasses most urban zones in Kaitaia.

## SUMMARY

Considering the economic cost benefit analysis outlined above as a whole (including the projected Kaitaia residential capacity sufficiency and locational characteristics of the site for residential development), Property Economics considers that enabling the proposed development would yield significant net economic benefits for the local and district economy and community. The PPC would positively contribute to the facilitation of a well-functioning urban form within Kaitaia, giving effect to the NPS-UD policies.