BEFORE A HEARINGS PANEL
OF THE FAR NORTH DISTRICT COUNCIL

I MUA NGĀ KAIKŌMIHANA MOTUHAKE O TE HIKU O TE IKA

Under the	Resource Management Act 1991 (RMA)
In the matter	of a request for rezoning of land in the Kerikeri-Waipapa area under the proposed Far North District Plan

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STATEMENT OF EVIDENCE OF LAWRENCE RYAN MCILRATH IN SUPPORT OF SECTION 42A REPORT FOR HEARING 15D

ECONOMICS

10 September 2025

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1. INTRODUCTION

1.1 My full name is Lawrence Ryan McIlrath.

1.2 I am a director of Market Economics Ltd (**M.E**). I have 25 years consulting experience working in both the private and public sectors. I have worked on numerous projects assessing and evaluating the financial and market aspects of projects, policies, and investment programmes. Most of these assessments reflected the interplays between, and spatial distribution of, market segments.

1.3 I have a BA et Sc (Planning), majoring in Economics from the Potchefstroom University of Christian Higher Education (South Africa), as well as a Master of Business Administration from North-West University (South Africa).

1.4 I specialise in market assessments, demand and supply analysis, sectoral analysis, and urban economic analysis. My work includes assessing sectoral structures and interactions, over time and across locations, scenario assessment and growth modelling, as well as evaluating the implications of different growth pathways on market segments. I have applied these skills across many sectors and locations around New Zealand.

1.5 I have been involved in preparing Housing and Business Land Assessments for several growth Councils under the National Policy Statement on Urban Development Capacity and National Policy Statement on Urban Development (**NPS-UD**). These assessments included demand and supply analysis associated with local economies, their growth drivers, and outlooks. I have assisted the following councils with their Housing and Business Assessments and associated workstreams:

(a) Far North District Council (**Council**);

(b) SmartGrowth (Tauranga City Council and Western Bay of Plenty);

(c) Waipā District Council;

(d) Nelson City Council;

(e) Napier City Council and Hastings District Council; and

(f) Queenstown-Lakes District Council.

1.6 In addition, I supported the Te Pātukurea Kerikeri Waipapa Spatial Plan (**Spatial Plan**) process by providing economic assessments and evaluations of the different options from an economic perspective.

1.7 I have been asked to provide evidence in relation to economics, to support the evaluation report prepared under s 42A of the RMA.

1.8 I have read the evaluation report prepared in accordance with s 42A of the RMA. I have also read the evidence prepared by:

(a) Mr Thompson on behalf of Kiwi Fresh Orange Company Limited (**KFO**);

(b) Mr Foy on behalf of Ms Campbell-Frear;

(c) Mr Heath on behalf of Ken Lewis Limited (**KLL**); and

(d) Mr Colegrave on behalf of Turnstone Capital.

1.9 I have read and am familiar with the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023. I have complied with the Code of Conduct in preparing my evidence and will continue to comply with it while giving oral evidence before the Hearings Panel. I confirm that my evidence is within my area of expertise except where I state that I am relying on the evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in my evidence.

2. SCOPE OF EVIDENCE

2.1 My evidence covers the following matters:

(a) The demand outlook across the district and the Kerikeri Waipapa area. This demand information forms the basis for assessing the situation for sufficiency of development capacity in the Far North and the Kerikeri Waipapa area.

(b) The development capacity associated with the Proposed District Plan recommendations version. The development capacity is presented in terms of the plan enabled capacity (**PEC**), the feasible capacity (**FC**) as well as the potential development capacity (**PDC**).

(c) The sufficiency position is estimated by comparing the enabled capacity against demand. The resulting position is contrasted against the sufficiency position identified in the Housing and Business Assessment (based on the Operative District Plan and Proposed District Plan) (**HBA**)[1].

(d) My views regarding the options and relief sought from submitters, specifically:

(i) Mr Thompson on behalf of KFO;
(ii) Mr Foy on behalf of Ms Campbell-Frear;
(iii) Mr Heath on behalf of KLL; and
(iv) Mr Colegrave on behalf of Turnstone Capital.

(e) I also comment on other matters, specifically, the opportunity costs of over-zoning.

1 I was the project lead for Market Economics.

3. SUMMARY OF EVIDENCE

3.1 Under the NPS-UD, Councils must provide sufficient development capacity. In 2024, I worked with the Far North District Council to prepare the HBA. The HBA reflected the Operative District Plan (**ODP**) as well as the Proposed District Plan (**PDP**) and covered several layers of capacity, including PEC, FC as well other aspects. The assessment is a bottom up approach, using parcel level data to estimate capacity in terms of redevelopment,[2] infill or vacant opportunities. The assessment covers the short (years 1-3), medium (years 4-10), and long term (years 11-30) and the relevant competitiveness margins are included.

3.2 The HBA highlighted an important aspect of the Far North and Kerikeri-Waipapa residential markets – housing affordability is a key issue with low household income levels constraining affordability. In addition, high construction costs impact the price points where a developer would explore/deliver development opportunities. Historically, most development focused on detached typologies but shifting towards intensification and higher density typologies (attached dwellings) could help address affordability challenges.

3.3 In terms of the growth outlook, the estimated demand for additional dwellings in the Kerikeri-Waipapa area is 3,260 over the long term. At a district-wide level the projected growth is estimated at 7,255.[3] While not a requirement for tier 3 councils under the NPS-UD, including the relevant competitiveness margins increases the demand to 3,830 for Kerikeri Waipapa and 8,525 for the entire district. I use these figures to estimate the sufficiency situation. I also consider the demand for detached and attached typologies. The HBA identified capacity deficits for detached dwellings in Kerikeri Waipapa and the district.

3.4 I have used the HBA capacity model to estimate the capacity that would be enabled by the Proposed District Plan – Recommended version (**PDP-R**). The PDP-R sees a significant shift in capacity across detached and attached typologies. The shift is more than 3.2 times the capacity estimated for the ODP for detached dwellings,

2 Redevelopment capacity reflects a situation where existing dwellings are demolished, and a parcel is redeveloped to the maximum enabled capacity.

3 Total district, including Kerikeri Waipapa.

and 2.4 times for attached (horizontal) capacity. In the business type zones, the PDP-R enables 2.5 times more capacity than the ODP.

3.5 The FC associated with the PDP-R is also significantly greater than that associated with the ODP and PDP. I considered the available FC and how it compares against the demand for housing over the short, medium and long terms to analyse sufficiency. I considered the following matters:

(a) the type[4] of FC identified for each parcel;

(b) the profit margin of each feasible opportunity (detached vs attached), including the dollar profit and profit margin;[5]

(c) the anticipated sales price for the development opportunities; and

(d) household income levels as a proxy for affordability.

3.6 After accounting for the above factors, the PDC[6] that can be expected to be delivered[7] is conservatively estimated at:

(a) Kerikeri Waipapa:

(i)	Detached	2,590
(ii)	Attached	2,413
(iii)	**Total**	**5,003**

4 This includes the typology (detached or attached), and redevelopment, infill or vacant capacity. Location and housing preferences are also considered.

5 The profit margin reflects the risk profile.

6 The PDC is seen as aligning with realistically expected to be realised (RER) capacity with the main difference being infrastructure readiness. I understand that work to understand the infrastructure implications of the different growth options is ongoing.

7 In reality, the market is unlikely to build more dwellings than what is demanded (i.e., demand places a natural cap on how much capacity is actually delivered).

(b) Total district:

(i)	Detached:	15,654
(ii)	Attached	7,618
(iii)	**Total**	**23,272.**

3.7 Comparing the PDP-R capacity against the anticipated demand reveals that there is sufficient capacity in Kerikeri Waipapa and the district for the short, medium and long terms, and for both the attached and detached typologies. For the long term, there is sufficient capacity at the district level for detached and attached typologies. However, there is a deficit for detached dwellings in Kerikeri Waipapa, but sufficient capacity for attached dwellings. The deficit (-365) for detached dwellings is projected to materialise circa 2048.

3.8 Crucially, the potential capacity associated with the Spatial Plan will increase available capacity. Adding the Spatial Plan capacity[8] to the sufficiency calculation shows that:

(a) The greenfield capacity for detached and attached dwellings across Kerikeri and Waipapa increase by between 2,833 and 3,199. Focusing on the detached capacity, the increase is 1,039 capacity compared to the identified deficit of 365. Including the Spatial Plan in the sufficiency calculation shows that the sufficiency requirement of the NPS-UD is satisfied.

(b) The deficit situation for detached dwellings in Kerikeri Waipapa is reversed and a surplus is returned and a sufficiency position is maintained across Kerikeri Waipapa and the district for all periods.

8 I understand that including the Spatial Plan in the capacity assessment is appropriate based on NPS-UD Clause 3.4(1)(c).

3.9 In my view, the PDP-R is consistent with the requirements of the NPS-UD and from an economic perspective, it is likely to deliver economic benefits that are greater than those anticipated under the ODP or PDP. The improved position is due to:

(a) enabling more residential capacity close to the economic centres, and supporting a well-functioning urban environment;

(b) better support housing choice and competitiveness in the residential development market; and

(c) supporting housing affordability by enabling higher density dwelling developments.

3.10 I have reviewed four statements from submitters, and I summarise the key points below.

Mr Thompson's evidence in support of KFO submission

3.11 Mr Thompson submitted evidence in support of the KFO submission. I had already provided comments on an earlier statement by Mr Thompson. Like the earlier statements, there are material differences between our positions.

Additional population data

3.12 The population growth projections underpinning Mr Thompson's views are outlined in his earlier statement (Hearing 1). My concerns with the nature or Mr Thompson's projections are presented in my earlier evidence (dated 23 June 2025). He provides additional information to support his case that I have reviewed. In my view, there are conceptual and methodological errors in his approach. For example, he draws on regional (Northland) internal migration information. I have reviewed the relevant/corresponding data for the Far North. The inferences Mr Thompson draws from the regional data that he then applies to the Far North case appear misguided and not supported by the district level information.

Case studies

3.13 Mr Thompson presents a case regarding the role that large greenfield developments could play to stimulate and support growth. I have significant reservations about the usability and applicability of the case studies for several reasons. In my view, Mr Thompson appears to equate correlation with causation. He does not present a counterfactual or isolate the causes of growth in any of the case studies. Other issues include unclear definitions and delineation, using a very short timeframe and not accounting for structural matters or cyclical movements (e.g., business cycles, Covid or the local contexts).

Urban growth options

3.14 To assess the potential contribution of greenfield options to accommodate housing demand, Mr Thompson reviews eight urban growth options of which some align broadly with the areas/scenarios used in the Spatial Plan process.[9] He assesses the cost implications, comments on the cost recovery mechanisms and uses a multi-criteria analysis to evaluate the options. The following points summarise my concerns:

(a) Cost implications - 1: In estimating house sales prices, Mr Thompson does not make any allowance for development cost to vary across the options and assumes a single rate for subdivision and other costs. This is unrealistic and does not capture actual development processes or cost variations. He does reflect these differences in his multi-criteria assessment.

(b) Cost implications – 2: He appears to omit the substantial flood protection and natural hazard investment (in the order of $10.9m to $19.8m) required for the KFO site from his analysis.

(c) Cost implication – 3: In calculating house sale prices,[10] the lot sizes are assumed to be the same and it is not clear why the dwelling construction costs would differ if the land prices changed. I estimate that the cost per

9 Statement of Evidence of Adam Thompson on behalf of Kiwi Fresh Orange Limited (Economics & Property Market), 30 June 2025 (**Thompson Evidence**) at [56]

10 Thompson Evidence at Figure 28.

square meter across Mr Thompson's examples varies between $2,400/m^2$ and $5,050/m^2$. In my view, the dwelling construction cost ($/m^2$) should not change in these examples.

(d) Cost recovery mechanism – 1: I agree with Mr Thompson that economies of scale can drive down per unit costs. Economies of scale can also be achieved by other means, such as intensification and greenfield developments are not the sole source of economies of scale.

(e) Cost recovery mechanism – 2: While greenfield developments can offer potentially lower land acquisition costs, the *total cost* — including infrastructure, environmental, and transport costs — tend to be higher than those associated with urban intensification.[11]

(f) Cost recovery mechanism – 3: Mr Thompson presents a potential funding stream (annual payments over time) and discounts this back to present value terms.[12] He does not state his assumptions re interest rates, term or proportions. Infrastructure is normally debt funded, and costs are incurred upfront. Mr Thompson's discounting under-presents the scale of the costs. In his example, the reported values show only half (51% to 55%) of the actual funding load.

(g) Multi-criteria assessment – 1: I agree that the type of instrument is appropriate in this context. In my view, the structure suffers from aggregation issues. A finer-grained assessment structure would have been more insightful and the current structure masks important issues.

(h) Multi-criteria assessment – 2: the scoring is based on unrealistically high population projections. Using more realistic projections will alter the scoring.

11 Cost-benefit analysis of proposed Medium Density Residential Standards. Dec 2012. Prepared for the Ministry for the Environment. Prepared by: PWC and Sense Partners.

12 My calculations return slightly different $-values than those reported by Mr Thompson.

(i) Multi-criteria assessment – 3: the definitions are narrow and, in my view, do not cover several important aspects (e.g., spatial efficiencies).

(j) Multi-criteria assessment – 4: the scoring appears to be misaligned e.g., the score of the infrastructure cost recovery is supposedly related to the merit of different funding mechanisms, but the scoring appears be based on the presumed ease with which a funding mechanism could be agreed.

(k) Agglomeration economies – 1: the scoring appears to ignore important matters such as proximity, ability to facilitate spatial clustering or potential to concentrate in/around centres.

(l) High productive land displacement – 1: the scoring appears to be based on the 'per hectare' costs. This does not reflect the total opportunity costs (area * rate). Under this approach, the KFO option returns the third highest loss meaning that it cannot be the highest/best (as per Mr Thompson).

National Policy Statement for Highly Productive Land assessment

3.15 The KFO site includes highly productive land as defined in the National Policy Statement for Highly Productive Land (**NPS-HPL**). For territorial authorities that are not Tier 1 and Tier 2, this means that it may be rezoned only if the conditions outlined in clause 3.6(4) of the NPS-HPL are met. Mr Thompson lists his position covering six points but some of these points are not relevant to the tests. In my view two of tests are not met:

(a) Sufficiency – the PDP-R provides substantially more capacity in terms of detached and attached capacity, and at lower price points. Therefore, the NPS-HPL sufficiency test (deficit position) is not met; and

(b) Practicable or feasible options – The PDP-R enables a significant shift in intensification meaning the subclause 3.6(4)(b) cannot be met.

3.16 Mr Thompson highlights a quote from the Auckland Independent Hearings Panel (**IHP**) and the need to avoid under -enabling dwellings.[13] I understand that the context of the statement was the identified capacity shortfall associated with the proposed Auckland Unitary Plan (**AUP**) relative to the expected demand – only around 53% of the anticipated demand was met with capacity. The IHP recommended Plan (including modified rules and rezoning) enabled FC of 422,000 to accommodate anticipated demand of 400,000.

3.17 Interpreting the additional enabled capacity suggests that the implied competitiveness margin is 5.5% - this is below the competitiveness margin required in the NPS-UD is set at 20% for the short and medium terms, and 15% for the long term. The NPS-UD competitiveness margins are more aggressive and, in my view, offers guidance about the degree of 'over-zoning' that is needed – the PDP-R and Spatial Plan delivers capacity that is beyond these margins, and therefore additional 'over-zoning' is not needed.

Mr Heath's evidence on behalf of KLL

3.18 KLL commissioned Property Economics (**PE**) to undertake an economic assessment of the proposed rezoning of 62ha near Kaitaia from Rural Residential (under the PDP), to General Residential. According to the PE report, this rezoning would enable around 500 dwellings.

3.19 I agree with many of the points highlighted in the PE report, including:

(a) the defined catchment;

(b) the role of Kaitaia;

(c) the key challenges in the local market (affordability);

(d) increased competition and contribution to supply; and

13 Thompson Evidence at [18(c)].

(e) contribution to support economic activity.

3.20 I do however note that economic effects in terms of the costs and benefit are not necessarily unique to the KLL site and could be achieved by other developments. That is, they are not exclusive to the relief sought.

3.21 The PE report states that the development could accommodate circa 500 dwellings. However, if the PDP-R provisions are applied, then the PEC for detached dwellings increases from 505 to 1,750 under the PDP-R – a threefold increase.

3.22 The HBA identified sufficiency challenges in the short and medium terms due to affordability. The PDP-R changes the price points (lower), but affordability challenges remain evident. The PDP-R will support an improvement in dwelling affordability, but the timeline associated with this process is over the long term.

3.23 The potential role of the relief sought over the short and medium term should be considered. In light of the anticipated future demand of circa 210 dwellings (long term), the scale of the relief sought (circa 500) appears excessive. If lower densities are used (larger lots) then the per unit costs will be higher and this erodes housing affordability. Alternatively, using smaller lots mean that total enabled capacity could be considerably greater than demand levels, potentially undermining intensification options.

3.24 The scale of the relief sought relative to the anticipated demand appears disproportionate. In my view, if approved at the proposed scale, this mismatch could lead to land banking-type behaviour so rightsizing the proposal is crucial.

3.25 Using the assumed densities (less dense than the PDP-R) and applying these to a portion of the anticipated growth over time provides an ability to illustrate the potential land requirements. Based on these assumptions, the total required land area is estimated at 11ha – or 18% of the site.

Mr Foy's evidence on behalf of Ms Campbell-Frear

3.26 Mr Foy provides evidence in support of Ms Cambell-Frear's submission and covers three covers three locations, the Packhouse node, the Redwoods node and an area of land with the relief sought being Rural Residential zone (RRZ).[14]

3.27 Mr Foy asserts that the district needs a centres hierarchy and states that the lack of a hierarchy could be a reason why the Packhouse and Redwoods nodes are not identified as commercial area (via zoning). While I was not involved in the spatial definitions of the commercial zones, there are other reasons that could explain the exclusion. These include the scale and role of the location and how it sits relative to the catchment it services, accessibility, market size, and infrastructure (transport).

3.28 Mr Foy sees the Packhouse and Redwoods locations as 'well-established nodes of commercial activity'[15] and he provides high level growth projections to illustrate that additional land is needed in response to a deficit (shortfall in commercial land). However, Mr Foy appears to use a short timeframe to inform his future projections. In addition, he appears to mis-interpret the timeframes reported in the HBA leading to erroneous analysis.

3.29 Regardless, a more important point is that the relative performance of the two business locations must be viewed in the wider Kerikeri Waipapa context. I have compared the relative size of the locations using employment and business counts. I considered the trends over the past two decades and how these trends compared against the same-sector trends in Kerikeri Waipapa. This comparison reveals the relative importance of the nodes in the wider context and shows that:

(a) The Redwoods node has seen a decline in total employment over the past 15 years or so. In terms of non-agriculture jobs, the node has also lost ground relative to the wider Kerikeri Waipapa area. The same

14 Statement of Evidence of Derek Richard Foy on behalf of Audrey Campbell-Frear (Economics), 27 June 2025 (**Foy Evidence**) at [2.13].

15 Foy Evidence at [5.2].

observation is evident when using business counts as metric or when using different timeframes.

(b) For the Packhouse location, the observations are more nuanced. At a total level, the location has seen an increase in employment and business counts over the long term. The data suggest that the lift in employment was due to overall market conditions, and the Packhouse location expanded marginally slower if the Kerikeri Waipapa location is used as benchmark.

3.30 This suggests that the two locations appear to lag the wider economy, and other areas are growing faster. I interpret this as suggesting that the two locations do not enjoy a locational advantage over other locations.

3.31 Location is important because it influences the potential contribution of the two locations to servicing specific demand catchments. It also determines the appropriateness of the nodes, the appropriateness of enabling/accommodating growth in those locations, and the potential effects. Mr Foy's analysis does not address these crucial matters.

3.32 In my view, the relief sought does not reflect the locational realities of the sites and the historic performance relative to the Kerikeri Waipapa area suggests that the scale is disproportionate to the potential role. The Redwoods and Packhouse locations are too far from the main business locations of Kerikeri Waipapa. Further, the two locations are too far from the anticipated growth areas to contribute meaningfully to urban efficiency. Therefore, the relief sought would be inconsistent with the NPS-UD's well-functioning urban environment. Intensifying and growing business activity in these locations are likely to dilute activity away from Kerikeri and Waipapa, generating adverse economic effects relating to undermining the vitality of these centres.

3.33 With reference to the requested rural residential zoning, Mr Foy appropriately considers the NPS-HPL requirements when assessing the 40-50 dwellings[16] that

16 Foy Evidence at [6.3].

would be enabled. Drawing on the HBA, Mr Foy concludes that the RRZ is needed to ensure compliance with the NPS-UD. Therefore, he sees the first test of the NPS-HPL as met. However, the PDP-R and the Spatial Plan means that there is sufficient capacity, and consequently the relief as sought is not needed – therefore the NPS-HPL first (sufficiency) and second (alternative options) tests cannot be met.

3.34 I concur with the type of economic benefits and costs Mr Foy identified. Crucially, I also agree with Mr Foy that some of the benefits would be transferred from other developments. Such transfers mean that the benefits (and potentially the costs) can be ignored.

3.35 I am of the opinion that the additional capacity enabled by the PDP-R and the Spatial Plan outweighs the potential benefits that could be achieved by relief sought.

Mr Colegrave's evidence on behalf of Turnstone Capital

3.36 Mr Colegrave prepared an economic assessment in support of Turnstone Capital's submission. I agree with the key points, identified benefits, and risks as outlined in the report. Further, I concur with the identified role and function of the existing commercial areas in Kerikeri and Waipapa as described.

3.37 A gravity model is used to assess the potential retail distribution effects of the relief sought. The results are in line with my expectations and within a plausible range. Three scenarios are assessed. Mr Colegrave's modelling suggest[17] that the potential effects for Scenario 1[18] and Scenario 2 would not see disproportionately large adverse effects.

3.38 In contrast, Scenario 3, the 'largest' scenario is flagged and the scale means that this scenario could have 'acute' impacts. Mr Colegrave explains that the modelling is comparative static (with/without) and the temporal development patterns are

17 The scenarios are described in section 7.5, page 20, of the Insight Economics report.

18 Under Scenario 1, the GFA of 8,675m2 is modelled and under Scenario 2, the GFA is assumed to be 17,350m2. Scenario 3 is assumed to see retail development with GFA of 26,025m2.

likely to blunt the effects of impacts. This is a plausible outcome and aligns with my expectations of the anticipated development patterns.

3.39 I concur with the observation that a small number of retailers could relocate but I would expect the developer to align staging to growth patterns. In my view, this reduces the risk that significant adverse retail distribution effects would materialise.

3.40 Nevertheless, the potential effects of scale are highlighted by Mr Colegrave's modelling. In my view, this provides guidance about sizing. While I consider the risks of the distributional effects arising as low-to-moderate, if the panel is concerned about the potential effects on the Kerikeri centre, then one way mitigate against this could be to place a cap on development in the short and medium term. Using Mr Colegrave's Scenario 2 is useful in this regard (17,350m^2 GFA). Under this scenario, the estimated trade impacts are likely to be more than offset by the growth in the market demand.

3.41 With reference to the potential benefits, enabling development on the site would deliver a range of potential benefits. Mr Colegrave outlines these in his report, and I agree mostly with the identified benefits. I would however add that the potential benefits could be achieved by another development.

3.42 I agree with Mr Colegrave position that the site is well-located in terms of the existing centre and its development would contribute to a well-functioning urban environment, help to reinforce Kerikeri's role as the district's primary service and employment centre. the relief sought is also consistent with the long term aspirations for Kerikeri as outlined in the Spatial Plan.

Opportunity cost of over-zoning

3.43 The relief sought by several submitters is to enable additional greenfield capacity. One position that is put forward is to combine the PDP-R and Spatial Plan as well as the relief sought (i.e., KFO site). There are risks associated with over-zoning capacity, including:

(a) opportunity costs associated with foregoing agricultural production options;

(b) losing the benefits of concentrated development; and

(c) undermines the efficiency of the spatial economy, with adverse effects on a well-functioning urban environment.

3.44 There risks manifest when the enabled capacity that is out of proportion (over-zoned) relative to the anticipated demand. It occurs because in such cases, a large share of demand could be accommodated by a small number of large developments in sub-optimal locations. This means that the remaining demand is too small to relative to the remaining development opportunities to generate the concentration benefits.

3.45 In addition, concentrating growth around centres lift the relative performance of centres and the associated amenity. Diluting growth away from centres will reduce these benefits. I consider that over-zoning greenfield capacity is likely to undermine intensification efforts, thereby erasing the potential to generate benefits associated with intensification

4. DEMAND SITUATION AND OUTLOOK

4.1 The population in the Far North is not static and the outlook is for the population positive with growth expected to continue. At the same time, the population structure is expected to change through ageing i.e., a larger portion of the population will fall in higher age-cohorts.

4.2 There are several population projections for the Far North district in circulation. I draw on the work completed for the HBA as well as the Spatial Plan. These two workstreams are underpinned by different projections because the purposes differed. The HBA is informed by projections that are based on the anticipated

trends in population and household growth.[19] These projections are informed by Stats NZ data and additional modelling.

4.3 The total change in households across the district is estimated for the short, medium and long terms. Table 1 draws on the HBA projections and reports the projected dwelling demand for the entire district as well as the Kerikeri Waipapa area.[20] The NPS-UD requires a competitiveness margin[21] to be added to the estimated demand. Clause 3.22(1) refers to the competitiveness margins and indicate that they are required for tier 1 and tier 2 territorial authorities. This margin is to ensure that the land market is not constrained and to promoting choice, competition, and responsiveness in land markets. While the margin is not a requirement for tier 3 councils, i.e., the Council, it is included for completeness and to ensure that the local market can function without supply constraints.

4.4 Based on the projected growth, the minimum capacity that is needed in terms of the sufficiency test is 3,260 in Kerikeri Waipapa, and 7,255 for the district (excluding competitiveness margin). The spatial distribution of growth across the district is based on historic patterns as revealed in consent data. In terms of the demand across dwelling typologies, the estimated proportions are also based on the patterns revealed by an analysis of consent data. The split between detached and attached dwellings is 90% detached dwellings and 10% attached. This relativity is expected to shift over time towards more attached typology with affordability and housing preference shifts driving the change. Table 2 reports the projected demand outlook for different typologies and reports the outlook with the competitiveness margin included and excluded.

19 The preferred HBA projections have been discussed with another economic consultancy (Infometrics) that work for the FNDC and it was agreed to be realistic.

20 See Appendix 1 for a map of the spatial extent of the Kerikeri Waipapa area as used in the HBA.

21 The NPS-UD competitiveness margins are: 20% for the short and medium terms, and 15 for the long terms.

Table 1: Projected demand

Projected change	Short term	Medium term	Long term	Total
	2023-2026	2026-2033	2033-2053	
Excluding Competitiveness Margin				
Kerikeri Waipapa	535	1,100	1,625	3,260
Rest of Far North	660	1,345	1,990	3,995
Far North (Total)	*1,195*	*2,445*	*3,615*	*7,255*
Including Competitiveness Margin				
Kerikeri Waipapa	640	1,320	1,870	3,830
Rest of Far North	790	1,615	2,290	4,695
Far North (Total)	1,435	2,935	4,155	8,525

4.5 Based on the projected growth, the minimum capacity that is needed in terms of the sufficiency test is 3,260 in Kerikeri Waipapa, and 7,255 for the district (excluding competitiveness margin). The spatial distribution of growth across the district is based on historic patterns as revealed in consent data. In terms of the demand across dwelling typologies, the estimated proportions are also based on the patterns revealed by an analysis of consent data. The split between detached and attached dwellings is 90% detached dwellings and 10% attached. This relativity is expected to shift over time towards more attached typology with affordability and housing preference shifts driving the change. Table 2 reports the projected demand outlook for different typologies and reports the outlook with the competitiveness margin included and excluded.

4.6 The relative distribution of demand across typologies is expected to shift towards attached dwellings. This shift has been observed in larger markets such as Auckland where higher density developments capture an increasingly larger share of residential development. The shift is in response to affordability challenges. In Auckland, the scale and rate of change has been substantial partially due to the cost-affordability pressures in the Auckland market. The Far North and Kerikeri Waipapa markets are substantially smaller, and the degree of acceptance (of attached dwellings) is not anticipated to be a fast or extensive as that seen in Auckland. However, a preference shift towards attached dwellings can be expected over the medium and long term due to the cost pressures and affordability constraints.

Table 2: Demand per typology

Projected change	2023-2026		2026-2033		2033-2053	
	Detached	Attached	Detached	Attached	Detached	Attached
Excluding Competitiveness Margin						
Kerikeri Waipapa	485	50	995	105	1,470	155
Rest of Far North	595	65	1,215	130	1,800	190
Far North	1,080	115	2,215	230	3,270	345
Including Competitiveness Margin						
Kerikeri Waipapa	580	60	1,195	125	1,690	180
Rest of Far North	715	75	1,460	155	2,070	220
Far North	1,300	135	2,655	280	3,760	395

4.7 The demand figures (in Table 2) are based on existing housing preference levels with around 10% of demand associated with attached dwellings. In my view, a gradual increase in the degree to which attached dwellings are accepted and adopted should be anticipated. In the Far North context, this shift will be supported by market and demographic factors, including:

(a) affordability and house prices, including borrowing capacity limits;

(b) shifts in household size (number of people), composition and age structure;

(c) a planning environment that enables medium density dwellings; and

(d) changing household preferences and an increase in the acceptance of medium density living.

4.8 Housing typology preference (detached vs attached dwellings) could shift from the current rates of one attached dwelling for every ten detached dwellings to one in four. Table 3 shows the change in demand for detached and attached dwellings under no-change approach, and a preference-shift approach.

Table 3: Demand impacts of a preference shift

	No change		Preference shift		**Change**	
	Detached	Attached	Detached	Attached	**Detached**	**Attached**
Kerikeri Waipapa	1,470	155	1,300	325	**-170**	**170**
Rest of Far North	1,800	190	1,590	400	**-210**	**210**
Far North	3,270	345	2,890	725	**-380**	**380**

4.9 The potential shift is important because the change in housing preferences towards higher density options is one way through which households could respond to affordability constraints. While the market for higher density living in the Far North is currently small, a potential shift can be expected over the medium to long term in response to cost pressures.

4.10 Shifting to attached typologies is also consistent with intensification efforts and will deliver economic benefits associated with concentrating growth around centres.

4.11 With reference to the demand projections underpinning the HBA and the District Plan review process, several submitters refer to the aspirational growth projections used as part of the Spatial Plan process. These projections are aspirational and were deliberately set at ambitious levels with a view to consider the potential spatial patterns, and spatial implications, from a strategic perspective. The aspirational projections start with the already (moderately) aggressive projections underpinning the HBA workstream, but the Blue Sky scenario lifts growth by:

(a) lifting district wide growth (+10%); and

(b) assuming that Kerikeri-Waipapa captures a larger share of the district's growth (5% points higher).

4.12 The combined effect is that the Blue Sky scenario adds between 10% and 22% to the demand levels used in the Spatial Plan process. The spread shows the variation over time.

5. SUPPLY – ESTIMATED DEVELOPMENT CAPACITY

5.1 Under the NPS-UD, councils must provide sufficient development capacity. I do not repeat the NPS-UD objectives and policies pertaining to the capacity assessment and sufficiency. However, the following points are important in the context of my economic evidence:

(a) the spatial pattern resulting from the decisions associated with the district plan is directly relevant to achieving well-functioning urban environments;

(b) the quantum and typology of housing development opportunities that are enabled have an impact on housing affordability and real estate markets;

(c) decisions must be integrated in terms of infrastructure, funding and financing requirements, and strategic considerations as well as the magnitude of proposed developments;

(d) robust and relevant assessments are crucial for planning decisions; and

(e) the effects of climate change and the associated risks cannot be ignored.

5.2 The Kerikeri-Waipapa urban area is a Tier 3 urban environment under the NPS-UD. While Tier 3 local authorities are not required to undertake Housing and Business Capacity Assessments, they are encouraged to do so.

The Housing and Business Capacity Assessment (2024)

5.3 The Far North District Council prepared the HBA in 2024.[22]

5.4 The HBA covered the residential and business situations. The HBA identified deficits for housing. For the business component, the anticipated issues were not

22 I was the project lead for Market Economics.

as acute and options to accommodate future growth via intensification were identified. Consequently, this evidence focuses on the residential component.

5.5 The residential capacity assessment completed for the HBA reflected the ODP for the short term, and the PDP for the medium and long terms. The HBA process covers several types of capacity, including:

(a) PEC – the theoretical maximum capacity that is enabled by the planning provisions.

(b) FC – the portion of PEC that can be developed and sold at a price point that would enable a commercial developer to make a suitable (20%)[23] return. The feasibility calculations are based on information provided by the local development community, local sales information as well as official data. The FC considers different typologies (detached and attached) and size (m^2 dwellings) combinations.

(c) PDC – in the NPS-UD, the capacity assessment should also consider infrastructure readiness to help inform the level of capacity that is realistically expected to be realised (**RER**). However, work to get a firmer handle on infrastructure readiness is ongoing. Therefore, the HBA process estimated the PDC to illustrate the level of capacity that could be developed in an RER-type context but without the detailed and supporting infrastructure capacity information. The PDC considers demand factors such as sales price points, demand levels, household income levels, as well as anticipated dwelling preferences.

5.6 Further, the capacity modelling considers different pathways, including: redevelopment, infill and vacant options.[24] In terms of estimating the total capacity across all parcels, redevelopment and vacant capacity can be summed, but redevelopment and infill capacity cannot be added. This is because the pathways

23 This is the rate outlined in relevant guidance.

24 These are defined as follows: redevelopment reflects a situation where a parcel is prepared for development by removing existing dwellings and structures, and then developing it up to the maximums. Infill development is the capacity associated with developing a new dwelling while retaining the existing dwelling. Vacant capacity is the development of vacant lots to the plan enabled maximums.

reflect the potential capacity at a parcel-level and only one pathway can be delivered.

5.7 The HBA process drew attention to several important aspects relating to the housing situation in the Far North and in Kerikeri Waipapa. The key observation being that affordability is constrained in the local market. In addition, construction costs in the Far North are comparatively high. These factors combine to make the local development landscape very challenging.

5.8 The main findings of the HBA in terms of the enabled capacity include:

(a) In terms of PEC, under the ODP, between 1,575 and 3,120 dwellings are enabled. The range reflects typology, with the lower limit representing a situation where only detached dwellings are considered, and the upper limit if only attached dwellings are considered. Under the PDP, this quantum increases to between 1,550 and 6,130 dwellings. The bottom estimate decreases because there are slightly less detached housing options but upper limit almost doubles.

(b) Capacity is concentrated in the General Residential zone. Under the ODP, this zone[25] accounts for approximately half (47%) of detached and two thirds (63%) of attached capacity. Under the PDP, detached capacity in this zone accounts for 53% of total detached capacity and 61% of attached capacity.

(c) In terms of detached capacity, the Rural Living zone (31%) accounts for the next largest share under the ODP and the Rural Lifestyle zone (39%) under the PDP provisions[26].

(d) With regard to attached capacity, the Commercial and Mixed Use zones account for 37% and 39% of total capacity, under the ODP and PDP provisions, respectively.

25 Combining sewered and unsewered properties.

26 These zones have different provisions, so the spatial extent is likely to be the reason for the similar percentage shares. Despite being reported together, the zones differ.

5.9 The PEC provides the starting point for assessing sufficiency with the FC assessed and the likelihood of the development occurring also considered.

5.10 Market dynamics change FC over time. These dynamics include shifts in land values, capital values, and construction costs that alter the development economics. Notwithstanding these interplays that change the supply situation, socio-demographic attributes and household income levels mean that housing affordability is a key challenge (from a demand-side perspective) in the Far North and Kerikeri-Waipapa contexts.

5.11 PDC and demand estimates are combined to assess the housing sufficiency situation for the short (years 1-3), medium (years 4-10), and long term (years 11-30). The sufficiency assessment includes the NPS-UD competitiveness margin, although that is not required for Tier 3 local authorities.

5.12 The sufficiency assessment of the HBA identified a deficit position with the projected demand outstripping supply. This deficit was identified at a total and typology level (for detached dwellings). Table 4 summarises the sufficiency position.

Table 4: Summary of HBA sufficiency position (Including competitiveness margin)

		Shortage/Surplus		
		Detached	Attached	Total
Kerikeri-Waipapa	Short term (3 years)	-300	310	15
	Medium Term (10 years)	-320	130	-185
	Long term (30 years)	-435	440	5
Total	Short term (3 years)	-575	275	-300
	Medium Term (10 years)	-1,450	545	-905
	Long term (30 years)	-635	615	-20

Sufficiency under the Proposed District Plan – recommendations version

5.13 I assessed the recommended changes in the PDP-R using the HBA capacity model meaning that there is consistency between the current assessment and the HBA. The assessment reflects the effects of the PDP-R in addressing the residential capacity constraints identified in the HBA.

5.14 Appendix 2 summarises the key planning-related changes. For the residential capacity assessment, the following are key:

(a) changes in site coverage and smaller sites for attached dwellings;

(b) introducing the Medium Density Residential Zone (**MDRZ**) that enables intensification; and

(c) residential development capacity enabled in the Mixed Use and Town Centre zones.

5.15 The change in the FC is an input into PDC that is, in turn used to inform the sufficiency assessment. I summarise the key metrics below, starting with the PEC and FC before highlighting the sufficiency position.

Plan enabled capacity and feasible capacity

5.16 The PDP-R enables a shift in dwelling typology across locations and dwelling size. These shifts influence the PEC (theoretical maximum capacity) that is available as well as the quantum of FC that the market could deliver. Table 5 summarises the PEC and FC for Kerikeri Waipapa and the district. *Note*: In this table, the PEC and FC for the typologies are not additive because the reported capacity is the sum of capacity per typology across all parcels. But, a parcel can be developed with detached typology or an attached dwelling (not both). Similarly, there could be an opportunity to develop a portion of a section (infill) without removing existing dwellings. For brevity, the discussion excludes the infill opportunities, but the scale is noteworthy - In Kerikeri Waipapa, there are 925 feasible infill opportunities for detached dwellings, and 1,415 attached dwelling opportunities. These opportunities are included in the PDC calculations later in the evidence.

Table 5: Summary of PEC and FC

PLAN ENABLED CAPACITY[1]		
	Detached	**Attached[3]**
Kerikeri-Waipapa (study area)	3,024	4,764
Total district	23,956	29,243

FEASIBLE CAPACITY [1, 2]		
Short term	**Detached**	**Attached**
Kerikeri-Waipapa (study area)	1,415	2,315
Total district	5,590	7,330
Medium term	**Detached**	**Attached**
Kerikeri-Waipapa (study area)	1,725	3,065
Total district	8,355	12,225
Long term	**Detached**	**Attached**
Kerikeri-Waipapa (study area)	2,375	4,040
Total district	15,095	21,125
TOTAL	**Detached**	**Attached**
Kerikeri-Waipapa (study area)	2,375	4,040
Total district	15,095	21,125
1- The capacity across detached and attached typologies is mutually exclusive, and cannot be summed 2 - Excludes infill opportunities 3 – Excludes vertically attached capacity		

5.17 For Kerikeri Waipapa, PEC is estimated at 3,024 for detached dwelling, and 4,764 for attached dwellings. At a district wide level, the equivalent PEC is 23,956 and 29,243 for detached and attached, respectively.

5.18 The PEC capacity is translated into FC using the same process that was applied in the HBA.[27] FC increases over time, and this is reflected in the analysis. In addition, some of the FC is 'consumed' as development occurs. The FC must account for these flows and the net change (growth and consumed) is reflected in the available activity. This netting out process is important to avoid overstating the available capacity.

5.19 With reference to FC for detached dwellings in Kerikeri Waipapa, the FC is estimated at 1,415 over the short term, before increasing over the medium and long terms with the closing balance over the long term estimated at 2,375 dwellings. For attached dwellings, the FC starts at 2,315 before increasing to 4,040 over the long term. The growth reflects the interplays between more opportunities becoming feasible and the market developing those opportunities.

5.20 Crucially, FC does not imply that developers will build all the commercially feasible opportunities. Instead, it shows how many potential opportunities there are that

27 An overview of the technical steps followed to estimate the PEC and FC is presented in the HBA (section 4.1).

mainstream/commercial developers could deliver based on the relationships between costs and sales prices (including a suitable profit margin).

Potential Development Capacity

5.21 A final lens is applied to the FC to identify the PDC. In the NPS-UD, RER must be used to inform the sufficiency assessment. RER includes infrastructure ready capacity. As mentioned, detailed infrastructure capacity information is still work in progress. Consequently, the PDC is estimated – it mirrors the process associated with estimated RER but it excludes the infrastructure component. In my view, there is a relationship between delivered dwellings and demand, affordability, and preferences. Historic development patterns shed light on how these relationships have played out in the Far North. These historic preferences are considered as part of estimating PDC.

5.22 I consider different aspects to estimate PDC including:

(a) the type/typology of FC identified for each parcel;

(b) the profit margin of each feasible opportunity (attached, detached), including the dollar profit and profit margin;[28]

(c) the anticipated sales price for the development opportunities; and

(d) household income levels as a proxy for affordability.

5.23 I place most weight on the typology (point a above), because it captures the historic bias towards detached dwellings and the revealed preference for this typology. The PDC shows the quantum of development opportunities that are available to the market to deliver. These opportunities are feasible, align with the type of demand that is expected and the relevant price bands.

28 The profit margin reflects the risk profile.

5.24 The PDC is not static, and it changes as FC shifts over time and as available capacity is used to accommodate growth, essentially forming a stock-flow sequence. Appendix 3 describes the stock flow process and provide summary data.

5.25 After accounting for the above factors, the PDC that can be expected over the long term[29] is estimated at:

(a) Kerikeri Waipapa:

(i)	Detached	2,590
(ii)	Attached	2,413
(iii)	**Total**	**5,003**

(b) Total district:

(i)	Detached:	15,654
(ii)	Attached	7,618
(iii)	**Total**	**23,272.**

Sufficiency position

5.26 The PDC is compared against the demand level across the short, medium and long terms to identify the sufficiency situation. The sufficiency position is estimated with the NPS-UD competitiveness margins included (see Table 6).

5.27 The assessment indicates that there is sufficiency capacity across both Kerikeri Waipapa and the total district for the short and medium term. This sufficiency is also observed for detached and attached typologies.

5.28 Over the long term, a deficit is expected for detached dwellings in Kerikeri Waipapa but the sufficiency situation remains positive for attached dwellings. At a district wide-level, sufficient capacity is projected across the detached and attached typologies.

29 The market is unlikely to build more dwellings than what is demanded (i.e., demand places a natural cap on how much capacity is delivered).

Table 6: Potential Development Capacity - Sufficiency

Short term	PDC Remaining after development		% of PDC used to accommodate growth		Sufficiency		
	Detached	Attached	Detached	Attached	Detached	Attached	TOTAL
Kerikeri-Waipapa	1,145	540	30%	9%	Suff.	Suff.	Suff.
Total district	4,745	1,140	19%	9%	Suff.	Suff.	Suff.
Medium term	**Detached**	**Attached**	**Detached**	**Attached**	**Detached**	**Attached**	**TOTAL**
Kerikeri-Waipapa	495	885	67%	11%	Suff.	Suff.	Suff.
Total district	5,360	3,695	29%	6%	Suff.	Suff.	Suff.
Long term	**Detached**	**Attached**	**Detached**	**Attached**	**Detached**	**Attached**	**TOTAL**
Kerikeri-Waipapa	-365	2,105	133%	7%	Defi.	Suff.	Suff.
Total district	3,730	10,235	47%	3%	Suff.	Suff.	Suff.

5.29 In my view, the updated sufficiency position is materially different from that assessed under the HBA. The PDP-R enables materially more capacity than the ODP and PDP, and addresses the sufficiency issues identified for the short, medium and long terms for detached dwellings at a district-wide level.[30] However, the long term pressures remain for detached dwellings in Kerikeri Waipapa even though there is more PEC enabled for detached dwellings.

5.30 I understand that the Spatial Plan is relevant to assessing PEC under clause 3.4(1)(c) of the NPS-UD. The Spatial Plan sets a blueprint for future planning and investment to support growth. The modelling underpinning the Spatial Plan is based on the aspirational assumptions. The Spatial Plan assessed the spatial context of different options (scenarios) and identified the preferred locations for future growth.

5.31 In terms of the sufficiency assessment, the key aspect of the Spatial Plan preferred option is that greenfield development will yield capacity of between 2,833 and 3,199 dwellings, broken down spatially as follows:[31]

(a) Kerikeri 2,195 to 2,561 additional dwellings; and

(b) Waipapa 638 additional dwellings.

30 See para 5.1212.

31 It is assumed that the greenfield development will be feasible.

5.32 A portion (1,039) of the capacity in Kerikeri is expected to be low density (assumed to be detached) dwellings.

5.33 I acknowledge that infrastructure considerations should also be considered as part of assessing sufficiency of development capacity. However, the absence of such information means that there is uncertainty around this aspect (i.e., infrastructure ready). Nevertheless, the Spatial Plan process did consider infrastructure costs and the implications of different spatial patterns (options), so I consider it realistic to include the associated Spatial Plan capacity as part of the sufficiency assessment.

5.34 To put this additional capacity in context, the anticipated deficit is -365 and is expected circa 2045. This suggests that the detached capacity identified in the Spatial Plan will provide 2.9 times the required capacity. The Spatial Plan identified areas will alleviate the long term deficit for detached dwelling as identified in the Kerikeri Waipapa area.

5.35 Table 7 summarises the sufficiency position for the long term with the Spatial Plan included.

Table 7: Sufficiency assessment – Including the Spatial Plan preferred option

	Demand in the long term period			PDC Available for development (Include Spatial Plan)			Sufficiency (assessed including the competitive margin)		
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	TOTAL
Kerikeri-Waipapa	1,472	154	1,626	2,147	4,605	6,752	Suff.	Suff.	Suff.
Total district	3,272	344	3,616	8,041	12,925	20,966	Suff.	Suff.	Suff.

5.36 The PDP-R and Spatial Plan combine to deliver sufficient development capacity to accommodate dwelling demand. In Kerikeri Waipapa, the additional capacity associated with the Spatial Plan means that 69% of the detached opportunities are needed to accommodate demand. For attached dwellings, this share is 3%. At a district level, the shares are more muted with 41% of detached opportunities needed and 3% for attached dwellings.

5.37 The sufficiency assessment shows that the Far North district complies with the NPS-UD even with the competitiveness margins included, which is not a mandatory requirement for tier 3 councils.

5.38 Including these margins in the sufficiency assessment means that demand used to estimate sufficiency is greater than the NPS-UD requirements. Including the NPS-UD competitiveness margins means that the intent of the NPS-UD regarding supporting choice and competition in the development and land markets is reflected.

Economic effects – PDP vs PDP-R

5.39 In my view, the PDP-R is consistent with the requirements of the NPS-UD and, from an economic perspective, it is likely to deliver economic benefits that are greater than those anticipated under the ODP or PDP. In addition, the Spatial Plan and its implementation is also expected to add to future development capacity, addressing sufficiency constraints.

5.40 The PDP-R position shows an improved alignment and compliance with key parts (from an economic perspective) of the NPS-UD, specifically:

(a) supporting and contributing towards a well-functioning urban environment[32] in Kerikeri-Waipapa;

(b) supporting housing affordability and a competitive land and development market;[33] and

(c) enabling more people to live near the town centre.[34]

5.41 Housing affordability is a key issue in the Far North and the PDP-R will deliver an improvement in terms of affordability – this shift is consistent with the NPS-UD. This improvement arises due to the significant lift in dwelling capacity as well as

32 NPS-UD Objective 1.
33 NPS-UD Objective 2, and Policy 1(a)(i), (d).
34 NPS-UD Objective 3(a).

the shift in typologies that are enabled. I have analysed these shifts as part of my assessment. Appendix 4 offers key data points about the shifts. The following highlights relating Kerikeri Waipapa are pertinent:

(a) The PDP-R enables significantly more capacity than the ODP or PDP – in terms of the PEC, the PDP-R enables 3.2 times more detached capacity and 2.4 times more detached capacity than the OPD. Compared to the PDP, the factor is 2.7 times and 1.3 times[35] more for detached and attached dwellings respectively.

(b) Relative to the OPD or PDP, the PDP-R enables a significant increase in capacity across detached and attached typologies.

(c) The price point of the enabled capacity is lower than that associated with the ODP or PDP. For example, the weighted average price point of the FC in Kerikeri Waipapa is between lower[36] for:

(i) Detached: -5% to -9% vs the ODP; and

(ii) Attached: -17% and -25% vs the ODP.

5.42 The same patterns are observed at the district-wide level, i.e., additional PEC and FC is enabled, and a broad lowering of the price points where capacity is feasible is evident.

6. ALTERNATIVE OPTIONS FROM SUBMITTERS

6.1 As part of the submission process, a range of alternatives were put forward, supported by economic evidence from:

(a) Mr Thompson on behalf of KFO;

35 If the dwellings associated with business locations are included, then this ratio is even higher – 2.6 times.
36 The range shows the differences across the medium and long term and the mentioned figures are for redevelopment opportunities.

(b) Mr Heath on behalf of KLL;

(c) Mr Foy on behalf of Ms Cambell-Frear; and

(d) Mr Colegrave on behalf of Turnstone Capital.

7. MR THOMPSON'S EVIDENCE IN SUPPORT OF THE KFO SUBMISSION

7.1 Mr Thompson provided evidence in support of the KFO submission with the relief sought being the rezoning of 197ha from Rural Production to a mix of general residential, mixed urban and natural open space. I understand that the proposed development would deliver a range of activities, including:[37]

(a) Residential, 1,830 dwellings (the medium value);

(b) Mixed use (commercial and employment centre), 23.5ha;

(c) Hotel and tourism, 1.0ha; and

(d) Local centre, 0.5ha.

7.2 I have already outlined my concerns and reservations about several matters of the economic assessment presented in the Urban Economics report.[38] I do not repeat the comments outlined in my earlier evidence, but I note that my earlier comments remain valid. In this statement, I respond the new information in Mr Thompson's evidence.

7.3 Mr Thompson's evidence focuses on three main parts:

(a) Why he sees the site as necessary to provide sufficient capacity;

37 Sourced from Urban Economics report dated 19 October 2022. Submission on the Proposed FNDC District Plan – Economic Assessment: Proposed Re-zoning of the Brownlie Land.

38 Statement of Primary Evidence on Behalf of the Far North District Council. 23 June 2025.

(b) The FNDC's plan to give effect to the NPS-UD through the Medium Density Residential Zone, and

(c) Assessing the proposed change against the NPS-HPL.

7.4 Mr Thompson summarises his earlier evidence[39] and his interpretation of the change associated with the PDP-R. Mr Thompson considers that a hybrid option with intensification and options D and E (as considered through the Spatial Plan process) is Council's position[40]. However, my understanding is that for present purposes, the option before the Hearings Panel at this stage includes intensification as anticipated by the Spatial Plan, but not the greenfield capacity of options D or E which were incorporated into the Spatial Plan.

Additional population data

7.5 The population growth projections underpinning Mr Thompson's views are outlined in his earlier statement (Hearing 1). My concerns with Mr Thompson's projections are presented in my earlier evidence (dated 23 June 2025). As outlined in that evidence, I consider Mr Thompson's population growth projections are very aggressive based on the scale of the assumed population growth driver (migration).

7.6 Mr Thompson provides new information outlining the long term population projections for Kerikeri Waipapa and compares these against other territorial authorities. He then focuses on the percentage change and interprets the regional patterns. This information is then used to suggest that lifestyle locations are attracting growth[41] to New Zealand. There are material errors with Mr Thompson's approach:

(a) **Equating regional patterns/shifts to local patterns**. Mr Thompson asserts that growth in Northland is being driven by people choosing to relocate from other parts of New Zealand due to lifestyle-oriented reasons. This observation is based on the share of growth that is attributable to internal migration. While I agree with Mr Thompson that

39 Referenced at [28] Thompson Evidence.
40 Thompson Evidence at [31].
41 Thompson Evidence at [48] –[50].

internal migration plays a role in the Far North's population growth, it is inappropriate to draw conclusions about the Far North from Northland data. A closer inspection of the data[42] Mr Thompsons uses shows that the information for the Far North is available. A disproportionate share of internal migration growth to Northland is to the Kaipara District – on average 36% of Northland's internal migration went to the Kaipara District but that district only has 13% of regional population. For the Far North, the share of internal migration is marginally less than the share of population (37% vs 36%). The Far North's internal migration patterns are broadly in line with the size of the population. However, the Far North underperforms relative to Northland in terms of internal migration – this is because the Kaipara District skews the regional picture. In my view, it is inappropriate to simply equate Northland's patterns to the Far North as Mr Thompson does.

(b) **Short timeframe**: The available data covers a short timeframe, from 2018 to 2024. It is not possible to draw meaningful observations from this short period. Not only is the timeframe very short (n = 6), it also spans a period of very high disruption i.e., the Covid-pandemic period and subsequent boom period.

7.7 I note that Mr Thompson presents information in Figure 18, but this is not discussed. This figure shows long term population growth rates for Tier 1 and Tier 2 councils. It also presents three growth projections for the Kerikeri Waipapa area (bottom of the table). There appears to be an error in the 2023 values that are attributed to the HBA and Spatial Plan. The reported values are '3,800' but it is unknown what these numbers relate to. The stated number could not be found in the reference HBA. Further, the resulting percentage change as estimated by Mr Thompson is nonsensical i.e., change of 214% and 309%.

7.8 The conclusions that Mr Thompson draws from the internal migration data, and his view that the data justifies his position regarding the need for lifestyle-related

42 Stats NZ: Subnational population component changes and median age.

developments is not supported by the actual data. There is little data to support Mr Thompson's view about the high internal migration.

7.9 The additional population information that Mr Thompson provides does not change my view that his growth projections are very aggressive. Using these high growth projections means that demand is significantly overstated and consequently, any sufficiency assessment will fall short (i.e., not have enough capacity).

Case studies

7.10 Mr Thompson presents several case studies as evidence that greenfield developments play an important role in accommodating growth[43]. He includes developments in:

(a) Wanaka;

(b) Lake Hawea;

(c) Morrinsville;

(d) Marsden Cove, and

(e) Hingaia.

7.11 I have significant reservations about the usability and applicability of the case study information for a range of reasons. The key issue is that Mr Thompson appears to equate correlation with causation. He does not present any counterfactual nor does he isolate the causes of the growth in any of the case studies. The extent of the analysis appears to simply differentiate consent data based on some unclear criteria and to then estimate the relative shares of greenfield vs intensification. The following issues limit the ability to replicate or assess the accuracy of the case studies:

43 Thompson Evidence at [41] – [50].

(a) **Unclear definitions and delineations:**

(i) The case study areas are referred to as 'lifestyle towns' but the term is not defined.

(ii) I have reviewed internal migration data from StatsNZ and there is not consistency across the case studies in terms of the role that internal migration played in driving recent growth. Drawing on territorial authority and local board level (the Hingaia case study) data reveals that Matamata-Piako, and the Papakura Local Board areas are under-represented in terms of internal migration (indexed vs change). Using a different indexing process (population size) does not provide consistency and any information that would support Mr Thompson's position.

(iii) The process to select the case studies is not described nor why some alternative areas are excluded from the analysis is not presented.

(iv) The delineation between infill and greenfields as presented in the figures is unclear and appears to be inconsistent. The replication of some 'standard' or 'selection criteria' across the case studies to classify the developments is not discussed and I have difficulty in seeing repeatable patterns. Apart from proximity, and the clustering of consents, I see no clear rationale for his differentiation. Appendix 5 shows examples of the unclear definitions.

(b) **Short timeframe**: The period covered by the case studies is not clear with the period simply stated as "the period since 2020". The end point is not provided. Regardless, the analysis period is very short at 3 to 4 years and drawing any conclusive findings from such a short period could be misleading.

(c) **Period of uncertainty:** The analysis period covers the unprecedented shifts associated with the Covid pandemic as well as the post disruption

period during which pent-up demand was relieved. Further, the economic boom period with low interest rates and high migration are embedded in the data.

(d) **Applicability of the case studies:** Apart from the definitional issues relating to 'lifestyle town', the transferability of the insights to the Far North context is questionable. The context and growth drivers in the case study areas are not reflected in Mr Thompson's analysis. Population growth is influenced by 'push' and 'pull' factors, such as employment prospects, lifestyle and amenity, connectivity (transport), social networks, environmental and climate factors, relative cost of living and personal preferences. These factors are diverse across the case study areas. For example, the economic prospects in Kerikeri Waipapa differ from those in Wanaka or Morrinsville. In addition, the locational attributes of the Mangawhai example (proximity to Auckland) means that these insights cannot be applied in the Kerikeri Waipapa context. Looking at the consents in isolation is not a robust approach. Mr Thompson's approach appears to ignore these crucial contextual matters. Simply transferring the insights to the Kerikeri Waipapa situation without adjusting for these matters is not best practise.

7.12 While I agree with Mr Thompson that residential development can respond to demand, I am not convinced that residential developments will necessarily stimulate demand for <u>additional</u>, above trend, housing demand. Housing and residential developments are demand driven with demand levels subject to the market dynamics associated with different locations. In my view, Mr Thompson's case studies do not capture the complexities and interplays between demand and supply for housing, and essential contextual matters. The case studies show correlation, and not causation. In my view, the case studies do not add any useful insights.

HBA and affordability

7.13 Housing affordability is a key issue in the Far North, as well as the rest of New Zealand. Mr Thompson quotes several paragraphs[44] from the HBA reiterating this point.

7.14 I note that the FC as reported in the HBA is in nominal terms i.e., it includes the effects of price changes over time. Reflecting the future value bands in today's dollars shows that the price points are lower. While this way of presenting the information can make it easier to comprehend the change, Mr Thompson does not make the necessary adjustments. I show the values with the adjustments to aid. Under the PDP, there are detached dwelling development opportunities in the $850,000 - $9000,000 band. Under the PDP-R, there are over 800 FC opportunities in the $700,000 to $1.2m value band for detached dwellings. For attached dwellings, the scale of change and lowering of the price points will see 6,990 attached development opportunities in the $500,000 to $1m band.

7.15 Mr Thompson notes[45] that he has reservations that the PDP-R would enable a material difference regarding the provision of additional capacity in terms of typology or price. I do not know what the basis is for this statement, but I acknowledge that he indicates that he will cover this matter in his rebuttal.

7.16 As show in the earlier analysis (see **Error! Reference source not found.** and **Error! Reference source not found.**) the additional capacity that is enabled by the PDP-R relative to the ODP and PDP:

(a) enables significantly more capacity across different typologies; and

(b) at lower price points.

Urban growth options

7.17 To assess the potential contribution of greenfield options to accommodate housing demand, Mr Thompson reviews eight urban growth options. Some of these

44 Thompson Evidence at [51] – [54].
45 Thompson Evidence at [91].

options align broadly with the areas outlined in the scenarios assessed as part of the Kerikeri Waipapa Spatial Plan process[46]. Mr Thompson undertakes his own assessment covering:

(a) cost implications;

(b) cost recovery mechanisms; and

(c) an analysis that is structured along the lines of a multi-criteria analysis.

Cost implications

7.18 A high level overview of the basic attributes of the different options is provided, covering the count of properties, total area, average parcel size and lot-size distribution.[47] This information is used to illustrate the effects that the value of raw land (Capital Value per hectare) can have on the potential sales price of the resulting dwellings.[48] The resulting values are then applied to the option to show the potential house/sales prices for each option. The analysis suggesting that Option F (the KFO site) would deliver dwellings at an average price of $670,000/dwelling.

7.19 I have reviewed Mr Thompson's estimates and uncovered methodological errors in Mr Thompson's estimates that nullifies the interpretation. In estimating the house sales price, Mr Thompson does not make any allowance for development cost to vary across the options and assumes a single rate for:

(a) Subdivision costs $150,000/lot; and

(b) Other costs $75,000/lot.

7.20 This approach does not address any cost variation associated with the options as canvased in the various appendices of the Spatial Plan. Mr Thompson lists the

46 Thompson Evidence at [56].
47 Thompson Evidence at [55] - [60].
48 Thompson Evidence at [61] and Figure 27.

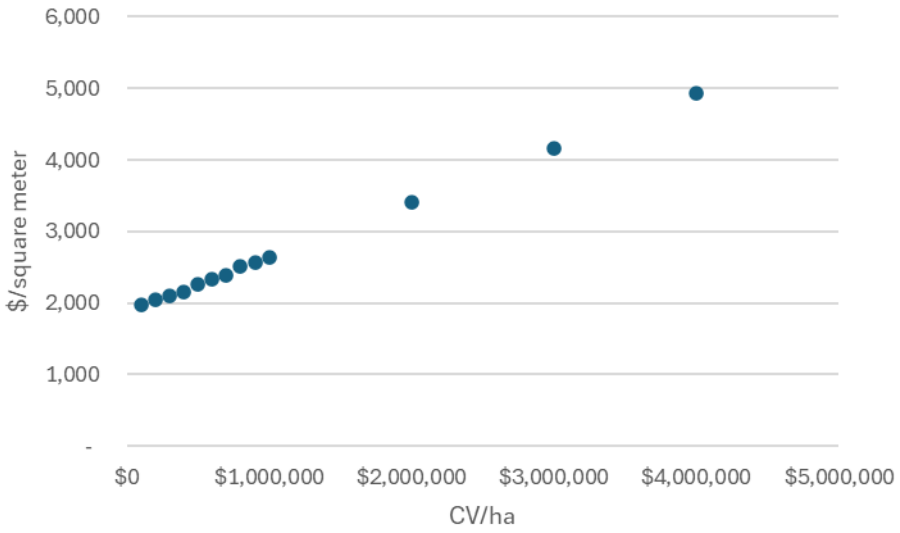
wider costs for the options[49] but those are not reflected in his cost estimates. Examples of the costs include transport and three waters infrastructure costs. It is entirely unrealistic to assume that the development costs for infrastructure would be constant across the options. I understand that the KFO proposal would need substantial flood protection and natural hazard investment (in the order of $10.9m to $19.8m). Such costs must be included in the cost estimates, but Mr Thompson does not reflect these differences. This means that the base assumptions underpinning his house price assessment are inaccurate.

7.21 Further, in calculating house sale prices,[50] crucial steps are missing. Mr Thompson's approach is to use CV/ha as a starting point for raw land. Essentially this is the cost to acquire the land. He then adds the constant subdivision and other costs to generate a sales price per lot. This is a simple approach and Mr Thompson states that for every $100,000 in CV/ha increase, the sales price of the dwelling increases by $20,000 - $30,000. However, the logic for this is not explained because the price increase is already captured in the change in the value of the raw lot – where the $100,000 increase in CV/ha leads to a change in the order of $9,100/lot.

7.22 Mr Thompson assumes that the lot sizes are constant across the different options. If the lot sizes and resulting dwellings are the same, then it is not clear why the dwelling construction costs would differ if the land prices changed. **Error! Reference source not found.** (below) shows the implies construction cost per square meter using a hypothetical dwelling of 180m^2. In my view, the construction cost ($/m^2) would not change, and Mr Thompson misstates the sales prices.

49 Thompson Evidence Dollar-values included in Figure 33.
50 Thompson Evidence at Figure 28.

Figure 1: Implied Construction Costs per square meter.



7.23 An artefact of Mr Thompson's approach is that the cost of the dwelling construction (i.e., the dwelling) is not associated with the actual dwelling. Subtracting the lot sales price from the house sales price shows the change across the value bands (CV/ha). I re-estimate the sales prices that Mr Thompson presented[51] using a hypothetical dwelling[52] and apply these to the sales prices for the different options (see Appendix 6). The main takeaway is that the sales prices as estimated by Mr Thompson are understated across all options and the price advantage of Option F is not evident.

7.24 In my view, the structure that Mr Thompson uses in his analysis introduces bias to the options with low(er) CV/ha relative to the other options. The results are inaccurate, and not useful.

7.25 In my opinion, the entire section where Mr Thompson (para 55 to 62) deals with the options is based on flawed analysis, is invalid and should be disregarded.

51 Thompson Evidence at Figure 28.
52 Based on 180m2 with construction cost of $700,000.

Cost recovery mechanism

7.26 Housing affordability is an important issue. The need to provide infrastructure to accommodate growth is undisputed and how infrastructure is funded/financed is a complex topic.

7.27 Mr Thompson introduces infrastructure cost recovery and indicates that large scale developments enable efficient staging and reduced per-dwelling costs[53]. I agree that economies of scale can reduce per unit costs. Crucially, economies of scale can also be achieved through intensification. In fact, intensification can also lift the efficiency of historic investments such as transport infrastructure e.g., roads and bridges.

7.28 Minimising costs is essential for delivering affordable housing. Analysis completed for the Ministry for the Environment (**MfE**)[54] that compares greenfield and urban intensification highlights the cost differences. While now somewhat dated[55] and applicable to Tier 1 urban environments, the analysis clearly points to the comparative cost-effectiveness of intensification options relative to greenfield options. The MfE research reports that the range of estimated gross cost is:

(a) Urban intensification:

(i) low $14,000; and
(ii) medium $38,774.

(b) Greenfields:

(i) low $40,044; and
(ii) medium $64,954.

7.29 In the MfE study, greenfield developments are more expensive on a per-unit basis than intensification options. Greenfield projects incur wider costs due to the need

53 Thompson Evidence at [65].
54 Cost-benefit analysis of proposed Medium Density Residential Standards. Dec 2012. Prepared for the Ministry for the Environment. Prepared by: PWC and Sense Partners.
55 Prepared in 2016, and updated to 2021 values.

for extensive new infrastructure, such as roads, water supply, wastewater systems, and community facilities. In contrast, intensification leverages existing infrastructure, making it a more cost-effective option.

7.30 Therefore, while greenfield developments can yield potentially lower land acquisition costs, the *total cost* — including infrastructure, environmental, and transport costs — tend to be higher than those associated with urban intensification. Consequently, intensification is often considered a more sustainable and cost-effective approach to accommodating urban growth in New Zealand.

7.31 In his statement, Mr Thompson discusses potential funding mechanisms, including Development Contributions (**DC**) and Infrastructure Funding and Financing Act 2020 (IFFA)[56]. A worked example is included to illustrate the potential workings associated with DCs, a levy or a combination.

7.32 I note that Mr Thompson refers to the recovered funding as 'revenue'. In my view, it is essential to remain aware of the fact that funding streams are to finance specific infrastructure investments and not a windfall or a new revenue stream. The contributions and levies (if implemented) will be paid by developers that pass on these costs as part of the sales price.

7.33 With reference to the example Mr Thompson provides about the Dollar-values collected,[57] he estimates that the levy would generate $43.5m in 'current value' (based on his mid-values). If DCs ($20,000/dwelling) are collected and combined with the levy, then the current value (after discounting) of that funding stream is reported as $86.1m. He interprets this as follows:

"in summary, Option F could generate substantial revenue, in the order of $60.9 - $111.2m".

56 Thompson Evidence at [68] - [70].
57 Thompson Evidence at [70] – [75].

7.34 Mr Thompson takes the potential funding stream (annual payments over time) and discounts this back to present value terms ($61.5m and $112.2m).[58] Removing effects of discounting shows that between $91.5m and $168.0m is collected from the development (developer and ultimately the purchasers of the dwellings). A more appropriate approach is to consider the required investment, add interest and then consider the distribution across funding mechanisms. Using the mid-point values from Mr Thompson's example ($129.8m collected vs $88.9m as report) shows that the interest change is in the order of $7.5m. If the splits between the DCs and the levy as implied in Mr Thompson's calculation are used, then the charges are as follows:

(a) Implied DC $24,590 per dwelling;

(b) Levy collected $1,365 per dwelling per year.

7.35 The main point is that the infrastructure costs are normally debt funded, and the costs must be incurred upfront and then repaid. Discounting the one-off and annual payments and reporting it in the way Mr Thompson has misrepresents the scale of costs. In this example, the value as reported shows only half (51% to 55%) of the actual funding load.

7.36 The effectiveness of the cost recovery mechanism is subject to how it is designed, how it compares against other available mechanisms, as well as the interplays with other funding mechanisms (e.g., rates).

7.37 Mr Thompson notes that the scale of the development (KFO site) provides opportunities to spread the cost over more properties and in turn this will support feasibility.[59] I agree with the principle that scale could deliver economies of scale and lower per-unit cost. However, the distribution of cost should be carefully considered especially where there is overlap with 'existing' households to avoid transferring costs to households that do not cause the need for the investment, or would not benefit from the investment (this is the who pays and who benefits

58 My calculations return slightly different $-values than those reported by Mr Thompson.
59 Thompson Evidence at [74].

issue). In addition, the potential effects of staging of financial flows are also important. These interplays must be considered to ensure that the cost allocation is:

(a) fair, equitable and proportionate; and

(b) proportional to, the persons who will benefit from the assets to be provided (including the community as a whole), as well as those who create the need for those assets.

Multi-criteria assessment

7.38 Mr Thompson reviews the options using a multi-criteria-type approach. I agree that the type of instrument is appropriate in this context but in my view, the structure could have been more nuanced and fine-grained. The structure covers:

(a) housing demand and affordability;

(b) development efficiency;

(c) infrastructure cost recovery;

(d) agglomeration economies; and

(e) highly Productive Soil displacement.

7.39 Mr Thompson scores each option, and he provides a short outline of his rationale for the scoring. I have reviewed the outline and scoring, and I comment on these below.

7.40 **Housing demand and affordability:** Mr Thompson draws on the HBA for information about the demand situation (demand by income) and then undertakes a basic assessment of demand per development type (greenfield vs intensification). He bases his assessment on the growth estimates of the 'blue sky scenario' underpinning the Spatial Plan. I have dealt with this above, in para 4.11 and why

using the HBA projections are more appropriate for current purposes. This means that Mr Thompson's scoring is based on unnecessarily high projections, and overstated land requirements. In addition, the scoring is based on dwelling prices as estimated using the process outlined in para 7.21 and is based on inaccurate price data. Therefore, the scoring cannot be accurate and biased.

7.41 **Development efficiency**: Mr Thompson's approach to development efficiency appears to capture only a single dimension, i.e., the land parcel size (>20ha). In my view, development efficiency is wider than just the comparative ease with which a developer could develop a site. Development efficiency includes the number of lots/dwellings that could be delivered in an area (i.e., density), enabled typologies, infrastructure requirements, natural hazard considerations, total costs and total per dwelling costs (e.g., $ per house). Further, spatial efficiencies and urban form considerations, environmental and social efficiency also form part of development efficiency. These matters are normally considered in terms of walkability/accessibility scores, green space per resident and resource use efficiencies. Therefore, I consider that Mr Thompson's narrow definition means that the scoring reflects a very limited number of aspects, and it does not fully reflect development efficiency. Using a more appropriate and encompassing definition means that it is difficult to see Scenario F (the KFO proposal) emerge as the preferred option[60].

7.42 **Infrastructure Cost Recovery**: Mr Thompson provides infrastructure costs for the different options. It appears that his scoring captures the relative ease with which a funding mechanism could be agreed based on the number of parties involved. However, this does not reflect the merits of different funding mechanisms, and I consider the scoring rationale as misplaced. Council's policy position around recovering costs (e.g., financial contributions or DCs), as well as other mechanisms such as infrastructure funding agreements or developer agreements, are not precluded/favoured under the options. Therefore, while it might be easier to recover costs across a small number of developments, it does not mean that the costs could be recovered even if growth is distributed over multiple locations and

60 I note that a comprehensive and wider definition was captured during the evaluation process used by the project team, Subject Matter Experts, when assessing the different options for the Spatial Plan process. That process did not identify the KFO site as a preferred option.

smaller developments. It is worth noting that large developments (especially ones that are disconnected from existing developments), could generate diminishing returns on scale, i.e., they are less efficient because they require additional investment to connect to networks and/or require additional network capacity (such as treatment plants). I note that the scoring ignores the per unit cost of infrastructure – an essential point in my view because it influences affordability, but this is not integrated into Mr Thompson's calculations (see para 7.20) or his scoring. The scoring overlooks these crucial matters, and consequently, little weight can be put on the relative ranking presented for the infrastructure cost recovery criteria.

7.43 **Agglomeration economies**: Mr Thompson reflects agglomeration economies and states that the criterion evaluates the potential for economic efficiencies by enabling Kerikeri-Waipapa to operate as one integrated urban area over time. The framing of this criteria introduces bias because it sets the spatial area and assumes that operating as one urban area is the only way to achieve agglomeration economies. Generally, agglomeration economies refer to the benefits that businesses and households (individuals) gain by being close to each other. Proximity is the core driver of agglomeration economies. Physical closeness reduces transaction costs (e.g., transport, time, communication). That is, being near related or complementary businesses – like suppliers, service providers, or competitors – encourages collaboration, competition, and innovation. In a small-town context, such as Kerikeri and Waipapa, agglomeration is achieved through spatial clustering of businesses (e.g., in a main street or near key intersections). Accessibility is a key consideration of agglomeration, and good transport links are crucial. High accessibility generates feedback loops, with greater business support creating vibrancy and vitality in centres. In turn, vibrancy adds to the desirability of residential areas, which in turn supports centres. These feedback loops are a key reason for concentrating growth in/around centres. Mr Thompson excludes these essential attributes and does not consider them in any shape whatsoever. This omission undermines the completeness of the scoring process. While Option F could benefit the Kerikeri-Waipapa area, accommodating growth closer to/in Kerikeri and Waipapa are likely to deliver comparatively greater agglomeration benefits.

7.44 **High productive land displacement:** Mr Thompson's scoring reflects the potential opportunity cost associated with losing productive rural land. His analysis reflects the potential lost on a per hectare basis. The appropriate measure is the total opportunity cost (i.e., hectares * per ha rate). Using Mr Thompson's data,[61] I estimate the total opportunity costs for the different options. Under this approach, Option F has the third highest loss of the options and consequently its score cannot be the highest as reported by Mr Thompson.

7.45 My review suggests the rating/scoring assessment has several issues. The use of incorrect information to inform the scoring compounds the issues identified with the narrow definitions. In my view, little weight can be put on the scores.

NPS-HPL assessment

7.46 The KFO site includes highly productive land as defined in the NPS-HPL. For territorial authorities that are not Tier 1 and Tier 2, this means that it may be rezoned only if three conditions outlined in clause 3.6(4) of the NPS-HPL are met:

(a) the urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district;

(b) there are no other reasonably practicable and feasible options for providing the required development capacity; and

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

7.47 The following alternatives could be considered as reasonably practicable in assessing the option to provide greater capacity:

(a) greater intensification in existing urban areas;

61 Thompson Evidence at Figure 33.

(b) rezoning land that is not highly productive land as urban; and

(c) rezoning different highly productive land that has a relatively lower productive capacity.

7.48 In my view, Mr Thompson's analysis does not show that the clause 3.6(4) tests are met. Mr Thompson lists his position covering six points[62] and I respond to each of these:

(a) Point 1: No infill capacity below $1m. The PDP-R enables significantly more dwellings and at lower price points. Regardless, Mr Thompson incorrectly ignores feasible attached dwelling capacity in his assessment. Attached dwellings are associated with intensification and this provides development capacity meaning that a deficit position is not evident.

(b) Point 2: Option F can provide lower priced dwellings – this point is not part of the NPS-HPL tests.

(c) Point 3: The site is centrally located between Kerikeri and Waipapa – this point is not part of the NPS-HPL tests.

(d) Point 4: No other large sites making it a unique option – the NPS-HPL test relates to practicable or feasible options, not unique options.

(e) Point 5: The economic value of the site. Based on Mr Thompson's reported information, I agree that the site has some of the lower relative productivity rates ($/ha). However, I have not been able to verify this as the data is not referenced.

(f) Point 6: Substantial benefits relative to the foregone agricultural land. Mr Thompson's assessment does not address the test associated with clause 3.6(4)(c) because he does not reflect the total opportunities cost

62 Thompson Evidence at [84].

or the temporal effects. I have used Mr Thompson's data and I estimate that the present value of the opportunity cost of the foregone agricultural activity (over 30 years, discounted at 2%) is in the order of $138.5m.[63] This suggests that to deliver substantial benefits, the proposal would need to deliver at least $138.5m of benefits relative to other options

7.49 I consider that Mr Thompson's assessment does not answer the questions posed for the three NPS-HPL tests. In my view, the following tests are not met:

(a) Sufficiency – the PDP-R provides substantially more capacity in terms of detached and attached capacity, and at lower price points. There is also sufficient capacity over the short and medium terms. The Spatial Plan is expected to address the deficit over the long term for detached capacity in Kerikeri-Waipapa. Therefore, the NPS-HPL sufficiency test (deficit position) is not met.

(b) Practicable or feasible options - The PDP-R enables a significant shift in intensification, therefore clause 3.6.(4)(b) cannot be met. Intensification is a reasonably practicable and feasible option for providing the required development capacity. To go further, preferred option is the most practicable location and will deliver the most favourable outcomes relative to the alternatives.

<u>Over-zoning - erring on the side of caution</u>

7.50 Mr Thompson points to the IHP and the statement relating to the cost of under-enabling dwellings[64]. The context of the statement is important. The AUP (notified) enabled capacity to accommodate only 53% of demand[65]. The statement was made in the face of the identified capacity shortfall associated with the proposed AUP relative to the expected demand. Accordingly, a central theme of the panel's work has been to enable greater residential capacity.

63 My calculations based on Mr Thompson's values but applying a 2% discount rate (as per Treasury guidance).
64 Thompson Evidence at [18(c)].
65 Report to Auckland Council Hearing topic 013 Urban Growth July 2016, Auckland Unitary Plan Independent Hearings Panel. Figure 1 on page 9.

7.51 The IHP recommended AUP (including modified rules and rezoning) enabled FC of 422,000 to accommodate anticipated demand of 400,000. Interpreting the additional enabled capacity suggests that the implied competitiveness margin is 5.5%.

7.52 The competitiveness margin required in the NPS-UD is set at 20% for the short and medium terms, and 15% for the long term. These margins are higher than the 5.5% implied in the AUP process. The NPS-UD competitiveness margins are more aggressive and, in my view, offer guidance about the degree of 'over-zoning' that is needed.

7.53 I note that many of the recommendations of the AUP-IHP relating to increasing residential capacity align with the same NPS-UD requirements, and are reflected in the PDP-R[66] outcomes, including:

(a) enabling rezoning to increase residential intensification;

(b) being more enabling by increasing densities and height in some centres; and

(c) providing for growth in a quality urban form.

7.54 I have attempted to compare the capacity that would be enabled by the KFO site and integrate it into the PDP-R sufficiency assessment. Using Mr Thompson's medium capacity (1,830 dwellings) the potential sufficiency position is indicated. Including these dwellings as detached and attached typologies (90:10) means that over the long term, detached dwelling capacity is oversupplied. Using the competitiveness margin as an indicator shows that:

(a) including the KFO site would see the implied margin over the long term sit at more than double (217%) the required capacity for detached dwellings (approximately 29 years of growth); and

66 Viewed from an economic perspective.

(b) including the KFO site and the Spatial Plan preferred option would see the implied margin increase to 296% for detached dwellings (39 years of growth).

7.55 The trade-off associated with the KFO site has to be viewed against the risk of displacing growth from other, more appropriately located areas (as identified in the Spatial Plan preferred option) as well as undermining efforts to facilitate intensification around existing centres.

7.56 In addition, the NPS-HPL tests mean that alternative development options (i.e., intensification) and locations must be considered. In my view, the additional capacity enabled by the PDP-R and the Spatial Plan mean that these tests cannot be satisfied by the KFO site.

8. MR HEATH'S EVIDENCE IN SUPPORT OF KEN LEWIS LIMITED'S SUBMISSION

8.1 KLL commissioned PE to undertake an economic assessment of the proposed rezoning of 62ha near Kaitaia from Rural Residential (under the PDP), to General Residential. According to the PE report, this rezoning would enable around 500 dwellings. The location of the site is shown in Appendix 7.

8.2 The relief sought would results in a loss of development capacity for rural residential scale-type dwellings and an increase in the suburban (general residential) scale developments.

8.3 PE delineates the local market to consider, and include Kaitaia as the key spatial extent. I agree with this delineation, and I also agree with the statement[67] that a portion of interest could arise from outside the area. However, in my view, this share is likely to be relatively minor.

8.4 PE presents population and household projections sourced from StatsNZ. These projections align with those underpinning the HBA and are also consistent with

67 PE report, section 4, page 11

more recent growth projections prepared by M.E as well as other service providers.[68]

8.5 PE states that the Kaitaia area does not cross the necessary thresholds to be classified as an 'urban environment under the NPS-UD'.[69] In addition, in PE's view, this does not mean that economic efficiency or the need to improve the functioning of the town should not be considered. Further, the role of Kaitaia in the wider Far North context is highlighted (i.e., an important urban cluster of residents, jobs, business and social amenity). I agree with these statements.

8.6 The residential sufficiency situation, based on the ODP and PDP as reflected in the HBA is summarised with a view to provide a context for the economic implications of the relief sought[70].

8.7 The PE report correctly highlights the key challenges in the local market as outlined in the HBA i.e., the affordability constraints impacting the residential market. The affordability issue is used as motivation for the relief sought.

8.8 PE also highlight the natural hazard issues (flooding), and I note that the HBA did consider the relevant flooding information.

8.9 PE summarises the economic effects in terms of the costs and benefits. While I agree with the identified costs and benefits, it is important to note that benefits could be achieved by other means. That is, they are not exclusive to the relief sought.

8.10 If the growth could be accommodated via another greenfield options or intensification, then most of those stated benefits would materialise. The PDP-R will deliver a material uplift in PEC relative to the PDP, for example, the PEC for detached dwellings increase from 505 under the PDP to 1,750 under the PDP-R – a threefold increase.

68 Infometrics work for FNDC.
69 PE report, page 13
70 PE report, page 14.

8.11 However, the affordability issue remains a challenge with limited FC over the short and medium terms. In contrast, feasibility capacity emerges over the long term. The FC enabled under the PDP-R is:

(a) Detached dwellings 465; and

(b) Attached dwellings 615.

8.12 The price point of the FC is important with the future capacity estimated to be in the $1.2m - $1.3m value bands ($600,000 to $650,000 in present $ terms) for detached dwellings. For attached dwellings, the opportunities emerge in the $800,000 - $900,000 bands ($400,000 -$450,000 in present terms). The PDP-R will support an improvement in dwelling affordability, but the timeline associated with this process is over the long term.

8.13 The enabled shift is seen in the context of the anticipated long term population change and the associated shift in households. The PDP-R will deliver sufficient PEC and FC capacity over the long term. However, affordability challenges are expected to remain over the short and medium terms.

8.14 The potential role of the relief sought over the short and medium term should be considered. In light of the anticipated future demand of circa 210 dwellings (long term), the scale of the relief sought (circa 500) appears excessive. This means that the likely market response could be to either develop the KLL area to a lower density to use the wider site. Alternatively, only a portion of the site would be delivered to the contemplated densities. Both pathways have effects.

8.15 If lower densities are used, the development economics change with larger lots translating into higher fewer units across which to recover costs (e.g., development, infrastructure and so forth). In turn, the higher per unit costs flow through into higher required sales prices, which erodes housing affordability.

8.16 In contrast, using a smaller area of the site to accommodate a portion of the growth could be better in managing cost pressures. The specific share of growth (210 over

30 years) that the KLL development would target is not mentioned in the PE report. Over the medium term (circa 15 years), the period before which the PDP-R FC become market ready, the demand is projected to be in the order of 80 dwellings.

8.17 In my view, there is merit in enabling development to support the local real estate market over the medium term. Over the medium- to long term, I also see a role for future greenfield opportunities to act together with intensification opportunities to accommodate growth. Providing diverse development opportunities support competition in the real estate market, offering choice and containing prices.

8.18 Many of the economic benefits and costs[71] outlined in the PE report can be achieved by almost any residential development in Kaitaia and are not entirely unique to the KLL relief. My comments regarding the identified benefits and costs follow:

(a) Increased certainty and potential supply over the short, medium term. I agree observation that the KLL site would send a positive signal regarding potential supply and provide certainty. However, I have doubts that the development would not face the same affordability challenges that are already inhibiting local activity – the comparatively high construction costs in the Far North combine with the low household income levels to limit the affordability.

(b) I agree with PE regarding many of the listed benefits. However, these benefits are not unique to the KLL relief and could be delivered by other development, including intensification options over the long term. These include:

(i) increase diversity and choice re location and price point;
(ii) potential to influence prices;
(iii) potential to cater for growth; and
(iv) increased amenities.

71 PE report, page 20

8.19 With reference to the costs[72], I concur with the listed costs:

(a) infrastructure investment (capex) and ongoing costs (opex);

(b) opportunity costs in the form of lost agriculture capacity and potential output; and

(c) diluting demand and development activity away from other more favourable locations.

8.20 The infrastructure investment and costs must be incurred to accommodate growth. Once instated, infrastructure must also be maintained and there are costs associated with such activities. An important aspect relating to infrastructure costs is the fairness of how those costs are distributed. On top of the points listed earlier (in para 7.377), how the funding load (costs) is distributed must reflect:

(a) current and future community interests;

(b) the community(ies) that the activity relates; and

(c) the specific (spatial) parts of the community/locations benefitting from and contributing to the need for the investment.

8.21 In my view, care should be taken to avoid a situation where the infrastructure costs (capex and opex) are loaded onto the existing communities in an inequitable way.

8.22 The scale of the relief sought relative to the anticipated demand appears disproportionate. In my view, if approved at the proposed scale, this mismatch could lead to land banking-type behaviour. This is because the sufficiency situation could then be used to argue against the need for other development areas to be brought to market. Such behaviour normally generates adverse economic effects

72 PE report on page 21

associated with asset (price) inflation, higher barriers to entry and capital misallocation.

8.23 Using the assumed densities (less dense than the PDP-R) and applying these to a portion of the anticipated medium term growth provides an ability to estimate the potential land requirements. This approach is illustrative only and is included to provide a general guide regarding the upper limit of potential demand. The key assumptions are:

(a) land area per dwelling 500m^2;

(b) share of local demand accommodated via greenfield:

(i)	short-medium term	100%;
(ii)	medium-long term	50%;

(c) area used for services, roads, storm water, amenities 32%.

8.24 Based on these assumptions, the total required land area is estimated at 11ha – or 18% of the site.

9. MR FOY'S EVIDENCE IN SUPPORT OF MS CAMPBELL-FREAR

9.1 Mr Foy provides evidence in support of Ms Cambell-Frear's submission. Mr Foy provided another statement of evidence[73] that outlined his position regarding why the proposed Horticulture Zone (HZ) is not justified and why the Rural Production Zone (RPZ) should be applied instead of the HZ. The statement covers three specific areas i.e., the Packhouse node, the Redwoods node and an area of land with the relief sought being Rural Residential zone (RRZ).[74]

9.2 Mr Foy comments on the need for a hierarchy in the district and he sees the absence of one as a potential reason why commercial zoning has not been

73 November 2024, referenced in Foy Evidence at [2.11].
74 Foy Evidence at [2.13].

proposed for the Packhouse and Redwoods nodes. While I have not been involved in the initial process to delineate different commercial zones, there are other entirely legitimate reasons for such exclusion, including:

(a) Scale and role – a small collection of commercial activities is not the same as a location with scale. The ability to service a wider catchment of residents adds to the scale and means that the role is focused on servicing local needs and contrast to simply servicing passing trade. The presence of a critical mass is part of scale considerations.

(b) Accessibility and position from a spatial perspective – the position of a collection of activities relative to other land uses, and other commercial centres is important.

(c) Market size – the size of the market being serviced by existing commercial centres, as well as the anticipated growth patterns are also considered.

(d) Infrastructure – roading and transport information influence movement patterns and these also influence where centres are located, and how they expand.

9.3 In his assessment, Mr Foy indicates that he sees the Packhouse and Redwoods nodes as 'well-established nodes of commercial activity'[75] and he outlines the scale of the activity.[76] He presents a summary of the parcel sizes in the submission areas. In addition, Mr Foy provides his interpretation of the growth projections for the entire district and the Kerikeri Waipapa area

9.4 In my view, it is important to contextualise the two nodes in terms of their relative scale in the Kerikeri Waipapa context as well as the rate of change i.e., how fast they have grown relative to the context. This type of information provides a sense of the relative importance of the nodes as well as if they are capturing a larger share (becoming more important) in the context.

75 Foy Evidence at [5.2].
76 Foy Evidence at [5.6] and [5.7].

9.5 The Redwoods node has seen a decline in total employment in the location over the past 15 years or so. Focusing on the type of employment to ignore agricultural employment shows that that location has lost ground as an employment node relative to the wider Kerikeri Waipapa area. The same observation is evident when using business counts as metric. Further, using different timeframes return similar observations.

9.6 With reference to the Packhouse location, the observations are more nuanced. At a total level, the location has seen an increase in employment and business counts over the long term (2001-2024). More recently (2023-2024), total employment numbers have dropped. In terms of the medium term shifts (2010-2024) the main drivers of employment (using modified employee count[77], or MEC, and employment indicator) growth have been:

(a) Construction +12MEC;

(b) Wholesaling +78MEC; and

(c) Health care and social assistance +23MEC.

9.7 Using the share of Kerikeri Waipapa's growth that is captured in the Packhouse location for businesses, employment as well as average size of businesses (employees per business) shows:

(a) limited change in the role of manufacturing over the medium or long term. However, there are signs of decline over the short term signalling pressures associated with the economic slowdown;

(b) wholesaling's relative size and share remained relatively range-bound between 2013 to circa 2021, before a significant change in 2023 (all growth occurred in the short term); and

77 An MEC is a headcount of employees as well as an allowance for working proprietors.

(c) health care and social assistance reported a reasonably steady position pre 2011 before a step-change and then limited ongoing growth for the next 5 years or so before seeing another increase in the past 5 years (post Covid). Comparing the size of these businesses to the size of the same sector in the Kerikeri Waipapa location shows that the Packhouse businesses were historically (2001-2018) larger than those in the Kerikeri Waipapa, but this size advantage has since been erased. The data suggest that the lift in employment was due to overall market conditions (all businesses in these sectors expanded) but those in the Packhouse location expanded marginally slower.

9.8 Mr Foy presents an argument that suggests that the zoning should reflect parcel sizes and at the same time consider the tests associated under the NPS-HPL. In my view, this argument does not address:

(a) the appropriateness of establishing the locations as nodes after considering the anticipated catchments and demand, the role in the network and locational efficiency considerations;

(b) the appropriateness of enabling/accommodating future growth in these nodes; or

(c) the potential effects, or risks associated with, diluting growth away from Kerikeri Waipapa.

9.9 In my view, the Redwoods and Packhouse locations are too far from the main business locations of Kerikeri Waipapa, and the enabled growth patterns. Even if the ambitions of the Spatial Plan are considered, the two locations are too far from the anticipated growth locations to contribute positively to urban efficiency (see **Error! Reference source not found.**). Notwithstanding existing use rights, the scale of the relief sought, and the spatial extent appears out of proportion of future growth or the locational attributes that would enable a well-functioning urban environment.

9.10 It is my opinion that relief sought would not be consist with the NPS-UD, especially the requirement to be responsive to plan changes that would add capacity and contribute to well-functioning urban environments.

9.11 Mr Foy undertakes a high-level assessment of the relief sought relative[78] to the NPS-HPL. I agree with Mr Foy regarding the tests to apply.

9.12 As part of his assessment, Mr Foy draws on earlier work by BERL (2017) as well as the HBA to form his views. He uses this information to assess the first NPS-HPL test i.e., sufficiency. I note the following aspects regarding Mr Foy's growth projections and interpretation:

(a) It is not appropriate to simply use historic growth rates (%-change) and to apply[79] these going forward to project future demand. Such an approach does not reflect crucial dynamics such as structural shifts in employment, capacity limits in some sectors, demand changes arising from policy shifts or productivity shifts.

(b) Mr Foy refers to the 2017 BERL work. However, there is another piece of work by BERL, dated 2020, that is used by the Council in the capacity assessment and growth outlooks. The more recent version underpinned the HBA. Consequently, the version Mr Foy bases his comparison on is not the most recent version. Similarly, the comments relating to the vacant capacity are also based on an incorrect source. With reference to the comparison of the growth outlook (projections) relative to historic growth, these comparisons are in fact part of the calibration process. The calibration process reflects population trends (ageing population with shifting demand patterns, and implications for labour force participation), exports, and capital investment. The growth rates are also tempered by sectoral production limits.

78 Foy Evidence at [5.17] - [5.54].
79 Foy Evidence at [5.23].

(c) Mr Foy incorrectly reflects the HBA timelines.[80] The HBA complies with the timeline requirements of the NPS-UD[81] and Mr Foy's assertion that the HBA uses a 20 year horizon is incorrect. The HBA uses the following timeframes (as reported in the table):

(i) 3 years (2023-2026);
(ii) next 7 years (2026-2033); and
(iii) next 20 years (2033-2053).

(d) The pressures on the industrial and commercial land are identified but this is over the long term. The relative intensity with which the land resource is currently used is estimated and the difference between the observed intensity and potential intensity (as seen across the district, and other parts of NZ) is estimated. This difference is seen as a way to accommodate a portion of growth and could be done by existing businesses seeking out efficiencies or my businesses seeking ways to optimise cost structures (reduce costs). The HBA shows the potential role that the improved utilisation of the land resource help address pressures.

9.13 Even if there is a shortfall in commercial land in the medium term, the location of the Redwoods and Packhouse locations relative to the demand and the Kerikeri Waipapa business areas must be considered. As mentioned earlier, I have doubts as to the appropriateness of these locations to accommodate future growth. Intensifying and growing business activity in these locations are likely to dilute activity away from the Kerikeri and Waipapa, generating adverse economic effects relating to undermining the vitality of these centres. I acknowledge the points raised my Mr Foy relating to the sunk costs, existing uses and links to the rural activities[82] and ongoing use of historic investment in buildings. However, I do not consider these points as relevant when considering the relief sought, and the adverse effects that enabling growth in these locations would have.

9.14 Consequently, my view is that the second NPS-HPL test is not met.

80 Foy Evidence at [5.33].
81 The timelines are outlined in table 6.3 of the HBA.
82 Foy Evidence at [5.43] and [5.44].

9.15 Mr Foy states that in his opinion, that there are very few economic costs of enabling the proposed urban zoning.[83] I agree that the opportunity cost of rural production, and the flow-on effects are important. Mr Foy asserts that the economic effects of enabling commercial activity could be positive. However, this can only be the case if there are no transfer or displacement effects. In other words, if the commercial activity that Mr Foy contemplates for the two locations can be accommodated elsewhere and those alternative locations are not on HPL, then there will be opportunity costs associated with developing the two locations.

9.16 Mr Foy indicates that the growth in the two locations will not have adverse effects on the Kerikeri town centre. However, he does not quantify the scale, timing or type of anticipated growth; and how this might compare against the growth anticipated for the Kerikeri town centre.

9.17 Consequently, my view is that Mr Foy's assessment of the third NPS-HPL test is incomplete, making it impossible to draw his conclusions.

9.18 Mr Foy appropriately considers the NPS-HPL requirements when assessing the requested rural residential zoning. According to Mr Foy, the estimated yield on the relevant area is circa 40-50 dwellings[84] on an area of 19.6ha.

9.19 Mr Foy draws on the HBA and describes the sufficiency situation[85] and he refers to development capacity. It appears that he is referring to FC – the correct indicator (not PEC). Crucially, the HBA and the associated discussion makes it clear that household income levels and the construction costs in the Far North combine to suppress opportunities. Mr Foy references the Blue Sky (aspirational) population projections associated with the Spatial Plan and he uses the Spatial Plan's aspirational settings to suggest that additional capacity is required. I have already commented about which the projection set to use for the District Plan review (see para 4.11).

83 Foy Evidence at [5.49].
84 Foy Evidence at [6.3].
85 Foy Evidence at [6.6].

9.20 Mr Foy concludes that the RRZ is needed to ensure that there is sufficient capacity to meet demand to ensure compliance with the NPS-UD. Therefore, he sees the first test of the NPS-HPL as met.

9.21 I note however, that the PDP-R enables significantly more PEC, and consequently FC than the PDP. Therefore, in light of the PDP-R, the first test of the NPS-HPL cannot be satisfied. Further, the additional capacity enabled by the PDP-R means that the second test of the NPS-HPL cannot be met because there are reasonably practicable and feasible options that can be used to satisfy demand.

9.22 The economic benefits and costs identified by Mr Foy are broadly consistent with my views. I agree that many of the benefits would be simply transferred from other developments. In my view, such transfers mean that the benefits (and potentially the costs) can be ignored. I also agree with Mr Foy's view relating to the improvement in choice and additional supply in the housing market and that such improvements are benefits. However, I'm of the opinion that the additional capacity enabled by the PDP-R is of a nature that it outweighs the potential benefits that could be achieved by relief sought.

9.23 As was the case with the Redwoods and Packhouse locations, the economic benefits could be achieved by enabling development elsewhere (or by the PDP-R). This would avoid the economic costs associated with foregoing the agricultural production and potential.

9.24 In summary, while I agree with Mr Foy on some elements and the economic benefits he identifies, the deficits he identifies for commercial land are, in my view not anticipated over the short and medium terms. In addition, there are opportunities to increase the relative densities of existing sites that would help accommodate a portion of growth. These opportunities are likely to be captured by existing businesses that make better use of their sites – this reflects organic growth and does not necessarily require investment in new buildings and locations. The current economic slowdown with the lower than normal investment and growth activity will push the pressure points further into the future. Regardless, the location of the two locations is, in my view, sub-optimal and other locations in

Kerikeri Waipapa are likely to make a more meaningful contribution to a well-functioning urban environment.

9.25 With reference to the Mr Foy's identified deficits for residential capacity, the PDP-R combined with the Spatial Plan sees that there is sufficient capacity over the short, medium and long terms. The additional residential capacity associated with the relief sought is not required to address the growth pressures. Regardless, the enabled capacity is in substantially better locations from an economic perspective and will support the economic functioning of Kerikeri Waipapa, contributing to a well-functioning urban environment. In contrast, enabling the sought relief would undermine and dilute the economic benefits associated with the spatial patterns i.e., where the growth occurs and how it interacts with other parts of the spatial economy.

10. EVIDENCE OF MR COLEGRAVE IN SUPPORT OF TURNSTONE CAPITAL'S SUBMISSION

10.1 Mr Colegrave prepared an economic assessment in support of Turnstone Capital's submission. The submission seeks[86] to extend the Kerikeri Town Centre Mixed Used Zone onto its land and to also rezone the Kerikeri Town Centre to Twon Centre Zone.

10.2 The submission seeks to alter the spatial extent of the Kerikeri Mixed Use Zone to include a portion of the subject site, and to rezone that portion to Town Centre Zone[87].

10.3 Mr Colegrave's statement[88] summarises this assessment that is detailed in the report attached to his evidence. I agree with the key points, identified benefits, and risks as outlined in the report.

86 Insight Economics, Economic Assessment of PDP Submission to Extend the Kerikeri Town Centre (**Insight Economics report**) at page 1, attached to Statement of Evidence of Fraser Colegrave on behalf of Turnstone Capital (Economics), 30 June 2025 (**Colegrave Evidence**).

87 Figure 4 on page 6 of the Insight Economics report accompanying Mr Colegrave's statement offers a map showing the spatial extent of the relief sought and the subject site.

88 Colegrave Evidence.

10.4 The report describes the existing commercial areas of Kerikeri and Waipapa, and how they function (their roles) in the local context. I agree with the characterisation of the centres, and the interactions with households in the catchments. The complementary roles of Kerikeri and Waipapa are highlighted and the importance of the Kerikeri centre as primary economic node for the district is outlined. These observations are consistent with my background analysis and work that informed the HBA and Spatial Plan.

10.5 The growth outlook in terms of retail and non-retail expenditure is projected using StatsNZ's medium projections. The population change is used as a key input into the modelling and the spending parameters are based on Mr Colegrave's inhouse datasets and models. As part of estimating the retail spending, the portion of demand that leaks out of the district is ignored. The reason for this is to maintain a conservative posture. This means that the overall demand estimates are likely to be understated. This is not a critical issue and using a more upbeat (less conservative) position is likely to paint the proposal in a more positive light i.e., increase the scale of the identified benefits.

10.6 With reference to the retail distribution effects, a gravity model is used to assess the potential scale of effects. A scenario approach is used to estimate the potential trade impacts, and the scenarios capture different sized developments. While I have not remodelled the scenarios using M.E's gravity model, the results are in line with my expectations and within a plausible range.

10.7 Mr Colegrave's modelling suggest[89] that the potential effects for Scenario 1[90] and Scenario 2 would not see disproportionately large negative effects. I agree with the observation regarding Scenario 3, the 'largest' scenario. Under this scenario, the development is sized at a level (GFA of 26,025m^2) that would capture 60% of growth[91]. The modelled impacts are substantial and likely to have adverse impacts on the existing centre. However, Mr Colegrave explains that the modelling is comparative static (with/without), and the temporal development patterns are

89 The scenarios are described in the Insight Economics report, section 7.5, page 20.

90 Under Scenario 1, the GFA of 8,675m^2 is modelled and under Scenario 2, the GFA is assumed to be 17,350m^2.

91 The scenario description states that it captures 60% of the growth to 2025. I suspect that this is a typing error because the other scenarios are described as capturing growth to 2048 and I assume that the year should relate to 2048, not 2025.

likely to blunt the effects of impacts. This is a plausible outcome and aligns with my expectations of the anticipated development patterns.

10.8 In addition, I would also add that developers also have an economic incentive to reduce their risk exposure by aligning development timelines in a way that responds to growth. This would reduce reliance on the ability to attract potential tenants away from existing locations. This point is similar to that described by Mr Colegrave[92] but is from a different perspective – the developer's perspective and not retailers.

10.9 I concur with the observation that a small number of retailers could relocate but I would expect the developer to align staging to growth patterns. In my view, this reduces the risk that significant adverse retail distribution effects would materialise.

10.10 Nevertheless, the potential effects due size (at the upper end) are highlighted by Mr Colegrave's modelling. In my view, this provides guidance about sizing the proposed development.

10.11 With reference to the potential benefits, enabling development on the site would deliver a range of potential benefits. Mr Colegrave outlines these in his report, and I agree mostly with the identified benefits. In terms of the benefits, I add the following points and caveats:

(a) In terms of supporting the local employment market by adding to the available opportunities, these impacts assume that the growth could not be accommodated elsewhere in Kerikeri, and the benefits are unique to the relief sought. This is not the case because the benefits could be achieved by another development.

(b) The measure of core retail employees per 1,000 residents is useful, and I agree with Mr Colegrave's point that enabling more commercial activities would support an improvement in retail sufficiency. Again, these benefits

92 Insight Economics report, section 7.6, page 21.

could be achieved by another development in Kerikeri, so the relief sought is not the only way to achieve these benefits.

10.12 I agree with Mr Colegrave position that the site is well-located in terms of the existing centre and its development would contribute to a well-functioning urban environment.

10.13 The NPS-UD requires sufficient development capacity to be enabled over the short, medium and long terms. The HBA identified the availability of intensification options to accommodate growth, and it acknowledges the constraints associated with vacant capacity. The PDP adds additional capacity (14ha) for business activity.

10.14 Mr Colegrave points to the age profile of development parcels and indicates that a substantial share has been developed relatively recently[93]. He indicates that sites developed since 1990 account for 85% of existing GFA. His data shows that a substantial portion of the total (72%) was developed in the 1990-1999 decade. This means that only 13% of the existing GFA has been developed since 2000. It also shows that 15% of the GFA is older than 40 years[94].

10.15 To contextualise the figures, consider the following: Over the long term (30 years) 87% of the GFA would be older than 61 years. Even if only half of the GFA developed in the 1990-1999 period is included, then the share of GFA older than 61 years is more than half (51%).

10.16 The HBA considers the short, medium and long terms. The process considers that ageing is likely to trigger redevelopment, and that the redevelopment process will see densities increase. It is this redevelopment process that underlines the HBA calculations.

10.17 Regardless, I agree with Mr Colegrave that the relief sought would help to reinforce Kerikeri's role as the district's primary service and employment centre. Enabling additional capacity to accommodate commercial growth in Kerikeri, especially on

93 Insight Economics report, Table 3, page 6.

94 Based on mid-point values (e.g., is the reported range is 1930 – 1999, then the mid-point is 1934/5).

this site, is consistent with the long term aspirations for Kerikeri as outlined in the Spatial Plan.

10.18 As noted earlier (para 10.7) relating to the scale issue, Mr Colegrave's analysis shows that there are risks of some displacement effects if commercial development is at the upper end of the tested scale (Scenario 3). If the panel is concerned about the potential effects on the Kerikeri centre, then one way mitigate against this could be to place a cap on development in the short and medium term. Using Mr Colegrave's Scenario 2, which scales the proposed development in a way that would enable it to respond to 40% of projected growth would cap the scale at 17,350m^2 GFA. Under this scenario, the estimated trade impacts are likely to be more than offset by the growth in the market demand.

10.19 Residential capacity will also be enabled under the relief sought. The additional capacity will be in an appropriate location, near the centre and thereby contributing positively to the vitality and vibrancy of the centre. Further, the additional residential capacity will provide choice and support the local land markets. I do not see any material economic costs (disbenefits) from enabling the residential capacity associated with the relief sought.

11. OTHER MATTERS (OPPORTUNITY COST OF OVER-ZONING)

11.1 Sufficient capacity can be provided using different approaches. Several submitters suggest greenfield options to provide additional capacity. One position that is put forward is to deliver capacity as per the PDP-R, and the Spatial Plan, as well as the relief sought. I have commented on the scale of enabled capacity (see para 7.534) if the Spatial Plan is enabled together with the KFO site. A potential question could be: what are the opportunity costs of over-zoning?

11.2 Apart from the opportunity costs associated with the foregone agricultural production options, there are other risks and potential costs to consider relating to locational and urban form implications. These costs are associated losses arising from externalities as well as foregoing benefits that would have accrued if activities were in a more optimal spatial structure. Essentially, these costs materialise if

growth occurs in a way that undermines the efficiency of the spatial economy, with adverse effects on a well-functioning urban environment.

11.3 An important consideration relating to providing capacity for residential growth relates to the location of the growth relative to other land uses.

11.4 Enabling capacity that is out of proportion (over-zoned) to the anticipated demand creates risk because a large share of demand could be accommodated by a small number of large developments in sub-optimal locations. This means that the remaining demand is too small relative to the remaining development opportunities to generate any concentration benefits. In this instance, sub-optimal is seen as located outside the main urban areas, or some distance away. Diluting growth away from the existing centres means that concentration benefits that would have materialised due to more households in/around the centres are foregone.

11.5 The location of intensification and growth is key and is (normally) enabled around the centres because the concentration effects generate benefits, and include:

(a) An increase in the amenity received by households through improved accessibility (the cost side of this relates to the congestion externalities).

(b) Higher concentration supports the viability of centres by lifting demand in the immediate catchments of centres, enabling a greater variety of services in those centres. In turn, the concentration of demand increases the efficiency of centres in servicing the community.

(c) Improving concentration around centres has sustainability, urban form, and related benefits. These benefits occur through several mechanisms, including:

(i) Enabling and supporting transport mode shifts (e.g. walking/cycling to the centre). This reduces traffic demand and

transport-related externalities, such as emissions and the social costs associated with accidents.

(ii) Increased travel efficiency at the town-scale through the concentration of commercial and social activities within centres (relative to a more dispersed pattern).

(iii) An increase in the viability of public transport options, especially where transport hubs are supported by centres.

(d) Concentrating residential activities (households) close to centres enables infrastructure investment to serve demand more efficiently.

11.6 In my view, enabling too much capacity carries considerable risk especially if the spatial extent over which the capacity is enabled is extensive. If the enabled capacity is out of proportion with demand, then a small number of developments could capture a very large share of growth, thereby diluting the benefits of concentrating growth.

11.7 I consider that over-zoning greenfield capacity is likely to undermine intensification efforts, thereby erasing the potential to generate benefits associated with intensification. These benefits include:

(a) supporting residential diversity and choice;

(b) supporting housing developments that are targeted towards the more affordability typologies;

(c) supporting centre functioning and viability;

(d) environmental gains due to improved efficiencies (e.g., lower emissions);

(e) improved access to jobs, services, and a more diverse service range;

(f) benefits associated with compact urban form;

(g) improved use of land; and

(h) preserving open space and natural environments and avoiding the consumption of highly productive land.

11.8 It is worthwhile bearing in mind that the sufficiency assessment includes the relevant competitiveness margin – 20% for the short and medium term, and 15% for the long term. The margins are to support the land markets, enable choice and competition. According to MfE[95], these margins are based on (and exceed) practice in England and Scotland. In England, local authorities must add a margin of 5 percent to the identification of 'specific deliverable sites' to ensure choice and competitiveness and must increase this to 20 percent if there has been persistent under-delivery of housing against projected demand. In Scotland, local authorities must add a margin of 10 to 20 percent (depending on local circumstances) to ensure a generous supply of land is provided. Both jurisdictions only require these margins to be added to the first five years of capacity.

11.9 As part of the background work into setting the competitiveness margin, MfE[96] highlights that there are risks to local government funding and financing, and that the appropriate balance between providing excess development capacity and the funding of other essential council services should be carefully considered. There is an opportunity cost for councils as funding the competitiveness margin cannot be recovered from DCs, and it means that money is not available to be spent on other services. While this point relates to the competitiveness margin, I consider that it is relevant in the context of over-zoning because, it would have financial implications associated with infrastructure planning and delivery, and ultimately the costs – including the distribution of those costs across households, and over time.

95 Ministry for the Environment. (2019). *Briefing: National Policy Statement on Urban Development—Policy recommendations package*. Wellington: Ministry for the Environment. Retrieved from here. Appendix H

96 In consultation with Department of Internal Affairs, para 24 in the MfE report.

12. CONCLUSION

12.1 Enabling sufficient development capacity is a key requirement of the NPS-UD with significant economic costs if sufficient capacity is not available. Constraining market development generally leads to adverse economic outcomes. The HBA identified deficits for detached typologies but sufficient capacity for attached dwellings. While a shift to attached dwellings can be expected in response to housing affordability challenges, the historic preference in the Far North has been for detached dwellings.

12.2 The PDP-R enables a significant shift in PEC that flows through into FC that can be used by the market in response to demand. In turn a portion of the FC is likely to be developed once factors such as typology and affordability are considered. In Kerikeri Waipapa, the PDC is estimated at 2,590 detached dwellings, and 2,413 attached dwellings; for a total of 5,003 dwellings. The equivalent capacity at a district-wide level is 15,654 detached dwellings and 7,618 attached dwellings yielding a total of 23,272.

12.3 Under the PDP-R, there capacity is sufficient to accommodate the anticipated demand for both detached and attached dwellings in the short and medium terms, in Kerikeri Waipapa as well as the total district. Similarly, there is sufficient capacity to at a district level to accommodate long term demand for both detached and attached typologies. At a Kerikeri Waipapa level, there is sufficient capacity for attached demand, but not for the projected demand for detached dwellings.

12.4 The Spatial Plan's preferred option enables additional capacity for attached and detached dwellings. This additional capacity is greater than the shortfall identified for the long term – the shortfall is estimated at 365 compared against the additional detached capacity of 1,039.

12.5 Therefore, a sufficiency position is maintained, and no deficit is expected over the short, medium or long terms, for detached or attached dwellings, in Kerikeri Waipapa or the district. The Far North District complies with the requirements of the NPS-UD regarding sufficiency and additional capacity is not required.

12.6 Apart from avoiding the adverse effects associated with insufficient development capacity, the type of capacity enabled by the PDP-R will deliver a range of other benefits (relative to the ODP), including:

(a) supporting growth in locations that will support and contribute towards a well-functioning urban environment;

(b) supports housing choice and the functioning of the local real estate market by enabling competition; and

(c) enabling residential development capacity at comparatively lower price points than the ODP, aligning better with local housing affordability issues.

12.7 I have reviewed the economic evidence that accompanied several submissions:

(a) Mr Thomspon in support of the KFO submission. I disagree with Mr Thompson on many aspects, ranging from his methodology, assumptions and calculations. I also disagree with his assessment relating to the NPS-HPL and that the different tests have been met.

(b) Mr Heath provided evidence in support the KLL submission. I agree with most of Mr Heath's approach and assessment. I also agree with the issues and benefits he identified. However, in my view some of the benefits are not entirely unique to the relief sought and could be achieved by other developments. My concern with the relief sought is the scale and how it compares against the anticipated demand. In my view, only a portion of the relief sought is required to support local development.

(c) Mr Foy delivered economic evidence in support of Ms Cambell-Frear's submission. Mr Foy considers two local nodes and the potential residential capacity. I have provided additional analysis that, in my view, shows that the role of the two nodes is smaller than implied by Mr Foy.

In my view, the appropriate context within which to view the proposed nodes has a wider locational perspective i.e., how the proposed nodes would operate within the network. A key part of Mr Foy's assessment is that there is a deficit in capacity. However, this is addressed via the PDP-R and consequently, the issues Mr Foy identifies and relies on as motivation for his position have been addressed. Further residential capacity is not needed, and the NPS-HPL tests cannot be met.

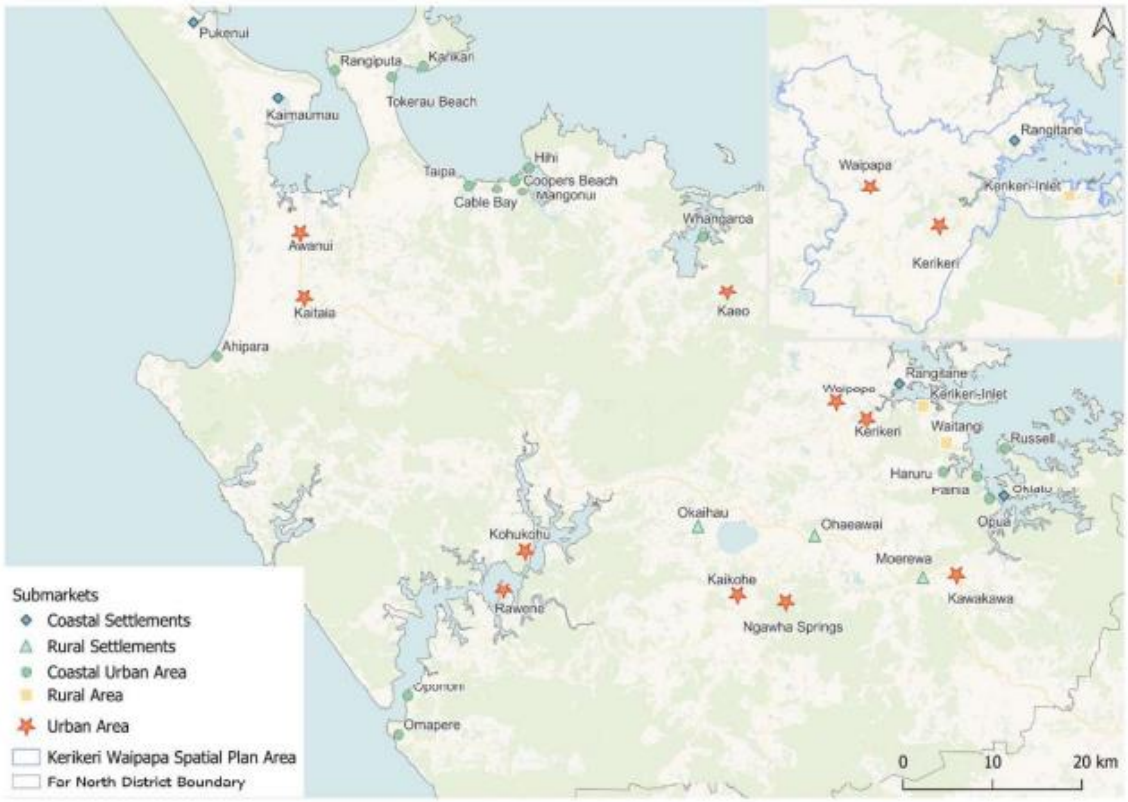
(d) Mr Colegrave describes the potential retail distribution effects of a development on the Turnstone Capital site. I agree with Mr Colegrave's assessment and the scenarios. Scenario 3 (the largest development) could have some adverse effects due to its scale, but temporal effects are likely to blunt these. One way to mitigate the associated risk is to limit the size of the development to that outlined in Mr Colegrave's Scenario 2 (17,350m^2).

12.8 In terms of other matters, I have considered the potential effects of over-zoning capacity i.e., combining the PDP-R, Spatial Plan and the KFO site. In my view, such an approach would generate substantial risks that could undermine the economic benefits associated with concentrating growth in and around centres. It would also dilute and weaken intensification efforts.

Lawrence Ryan McIlrath

10 September 2025

Appendix 1: Map of Kerikeri Waipapa Spatial Extent



Appendix 2: Summary of changes

		Detached (standalone)			Attached (horizontal)			Attached (vertical)			
Zone	Min lot size (sqm)	sqm per dwg (land)	Site Coverage	Max Height (storeys)	sqm per dwg (land)	Site Coverage	Max Height (storeys)	sqm per dwg (GFA)	Site Coverage	Max Height (storeys)	Min Lot size (apartments)
Operative District Plan											
Residential	600	600	45%	2	300	45%	2	na	na	na	
Residential (unsewered)	3,000	3,000	45%	2	na	na	na	na	na	na	
Coastal Residential	800	600	45%	2	na	na	na	na	na	na	
Coastal Residential (unsewered)	3,000	3,000	45%	2	na	na	na	na	na	na	
Russell Township	1,000	1,000	20%	2	na	na	na	na	na	na	
Russell Township (unsewered)	3,000	3,000	20%	2	na	na	na	na	na	na	
Rural Living	4,000	4,000	10%	3	na	na	na	na	na	na	
Coastal Living	40,000	40,000	10%	2	na	na	na	na	na	na	
Rural Production	200,000	200,000	12.50%	4	na	na	na	na	na	na	
Commercial	250	250	45%	3	83	45%	3	80	45%	3	
Commercial (unsewered)	3,000	3,000	45%	3	na	na	na	na	na	na	
Notified Proposed District Plan											
General Residential	600	300	50%	2	200	50%	2	na	na	na	
Mixed Use Zone	250	na	na	na	na	na	na	80	90%	2	
Kororareka Russell Township	800	800	20%	2	na	na	na	na	na	na	
Settlement	3,000	3,000	35%	2	na	na	na	na	na	na	
Rural Residential	4,000	4,000	12.50%	2	na	na	na	na	na	na	
Rural Lifestyle	40,000	40,000	10%	2	na	na	na	na	na	na	
Rural Production	400,000	400,000	12.50%	3	na	na	na	na	na	na	
Horticulture	100,000	100,000	12.50%	3	na	na	na	na	na	na	
Proposed District Plan - Recommendations											
General Residential	600	300	50%	2	200	50%	2	na	na	na	na
Med Density Resid.	350	350	60%	3	117	60%	3	100	60%	3	1,000
Town Centre	1,000	na	na	na	na	na	na	80	90%	3	1,000
Mixed Use Zone	250	na	na	na	na	na	na	80	90%	2	1,000
Kororareka Russell Township	800	800	20%	2	na	na	na	na	na	na	na
Settlement	3,000	3,000	35%	2	na	na	na	na	na	na	na
Rural Residential	4,000	4,000	12.50%	2	na	na	na	na	na	na	na
Rural Lifestyle	20,000	20,000	10%	2	na	na	na	na	na	na	na
Rural Production	400,000	400,000	12.50%	3	na	na	na	na	na	na	na
Horticulture	80,000	na	na	na	na	na	na	na	na	na	na

12.9 In terms of process, I use a stock-flow approach to assess how much PDC is available to the market to address market demand. The process starts with short term FC, adjust it downward to reflect dwelling preferences and affordability considerations the yield PDC. Next the anticipated demand is subtracted from the PDC. The closing balance PDC is carried to the medium term. Development opportunities that become feasible in the next 7 years (years 4-10) are identified and adjusted for dwelling preferences and affordability. The result is then added to the closing balance of the short term PDC to give the PDC that is available for used in the medium term. Growth in medium term is subtracted from the new total PDC and the remaining PDC is carried forward to the long term. Again, the capacity that becomes feasible of the long term is estimate and adjusted for dwelling preferences and affordability. This total is added to the closing PDC that was carried forward from the medium term. The process repeats for the long term. If demand for the dwellings is greater than the PDC, then a deficit is recorded.

		Short term		Medium Term		Long Term	
		Kerikeri-Waipapa	Total district	Kerikeri-Waipapa	Total district	Kerikeri-Waipapa	Total district
Demand (Excl margin) (a)	Detached	485	1,080	995	2,215	1,470	3,270
	Attached	50	115	105	230	155	345
	TOTAL	535	1,195	1,100	2,445	1,625	3,615
PDC available to accmodate growth (Opening value for term)	Detached	1,630	5,825	1,495	7,570	1,110	7,000
	Attached	590	1,255	985	3,930	2,260	10,580
	TOTAL	2,220	7,080	2,480	11,500	3,365	17,580
PDC remaining at end of period (+ve number means sufficient)	Detached	1,145	4,745	495	5,360	- 365	3,730
	Attached	540	1,140	885	3,695	2,105	10,235
	TOTAL	1,685	5,885	1,380	9,055	1,740	13,965
		0	0	0	0	0	0
% of PDC needed RER proxy)	Detached	30%	19%	67%	29%	133%	47%
	Attached	9%	9%	11%	6%	7%	3%
Sufficiency (including margin) (a * margin) < (b) = sufficient	Detached	Sufficient	Sufficient	Sufficient	Sufficient	Deficit	Sufficient
	Attached	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient
	TOTAL	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient	Sufficient

Appendix 4: Kerikeri Waipapa – scale of change

CHANGE IN COMMERCIALLY FEASIBLE CAPACITY ACROSS TYPOLOGIES AND DEVELOPMENT PATHWAYS

Kerikeri Waipapa

COMMERCIALLY FEASIBLE CAPACITY: PDP-R		Redevelopment (net)			Infill			Vacant		
		Standalone/Detached	Attached (horizontal)	Attached (vertical)	Standalone/Detached	Attached (horizontal)	Attached (vertical)	Standalone/Detached	Attached (horizontal)	Attached (vertical)
PDP-R	10Y	1,105	2,130	390	890	1,370	-	625	935	330
	30Y	1,525	3,095	2,465	925	1,415	190	855	945	1,350
CHANGE VS PDP-R										
PDP-R (10 y)	vs ODP	+890	+1,385	+390	+545	+685	-	+205	+210	+330
	vs PDP	+815	+775	+390	+460	+50	-	+285	+175	+330
PDP-R (30 y)	vs ODP	+1,010	+1,635	+2,270	+510	+695	+190	+220	+175	+1,025
	vs PDP	+980	+700	+1,835	+450	+55	+190	+275	+175	+755

WEIGHTED AVERAGE PRICE POINTS – KERIKERI WAIPAPA

VALUES IN 2025 TERMS — $m

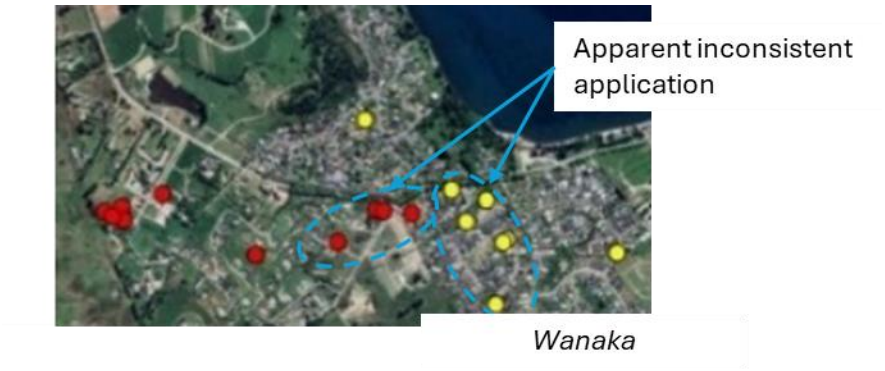
WEIGHTED AVERAGE PRICE		Redevelopment (net) Detached	Redevelopment (net) Attached	Infill Detached	Infill Attached	Vacant Detached	Vacant Attached	Market-led approach Detached	Market-led approach Attached	Market-led approach Total
ODP	10Y	1.32	0.90	1.33	1.04	1.31	0.89	1.32	1.10	1.26
	30Y	1.35	0.89	1.38	0.99	1.35	0.83	1.35	1.02	1.27
PDP	10Y	1.33	1.01	1.33	1.02	1.33	1.02	1.33	1.27	1.32
	30Y	1.38	0.91	1.37	0.99	1.32	0.84	1.35	0.74	0.98
PDP-R	10Y	1.27	0.86	1.29	0.95	1.28	0.84	1.28	0.84	1.13
	30Y	1.25	0.76	1.27	0.90	1.25	0.70	1.26	0.66	0.97
STANDARDISED										
ODP	10Y	1.32	0.97	1.33	1.04	1.31	0.97	1.32	1.33	1.32
	30Y	1.35	0.97	1.38	0.99	1.35	0.97	1.35	1.03	1.30
PDP	10Y	1.33	0.82	1.33	0.88	1.33	0.81	1.33	1.21	1.30
	30Y	1.38	0.77	1.37	0.87	1.32	0.71	1.35	0.71	0.96
PDP-R	10Y	1.27	0.81	1.29	0.95	1.28	0.78	1.28	0.86	1.11
	30Y	1.25	0.74	1.27	0.90	1.25	0.70	1.26	0.64	0.96

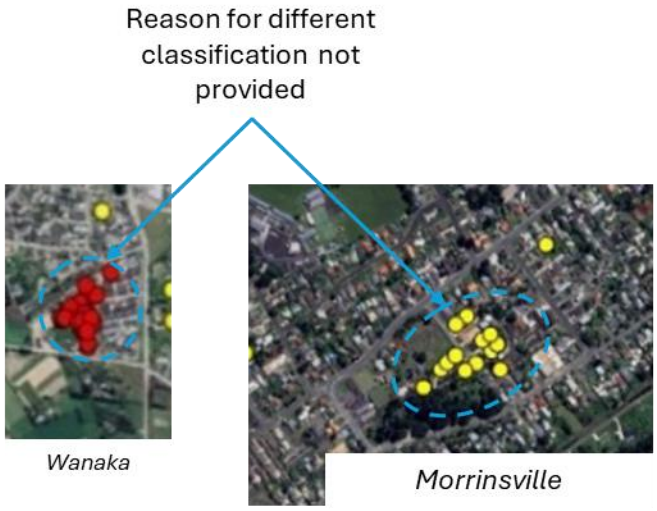
VALUES IN FUTURE TERMS

WEIGHTED AVERAGE PRICE		Redevelopment (net) Detached	Redevelopment (net) Attached	Infill Detached	Infill Attached	Vacant Detached	Vacant Attached	Market-led approach Detached	Market-led approach Attached	Market-led approach Total
ODP	10Y	1.73	1.18	1.75	1.36	1.71	1.16	1.73	1.44	1.65
	30Y	2.69	1.78	2.75	1.99	2.70	1.67	2.70	2.04	2.54
PDP	10Y	1.75	1.33	1.75	1.33	1.75	1.34	1.75	1.67	1.73
	30Y	2.75	1.82	2.74	1.98	2.63	1.68	2.69	1.47	1.96
PDP-R	10Y	1.66	1.13	1.69	1.25	1.68	1.10	1.68	1.10	1.48
	30Y	2.50	1.52	2.53	1.80	2.50	1.40	2.51	1.31	1.93
STANDARDISED										
ODP	10Y	1.73	1.27	1.75	1.36	1.71	1.27	1.73	1.74	1.73
	30Y	2.69	1.95	2.75	1.99	2.70	1.94	2.70	2.07	2.60
PDP	10Y	1.75	1.07	1.75	1.16	1.75	1.06	1.75	1.58	1.70
	30Y	2.75	1.54	2.74	1.75	2.63	1.42	2.69	1.41	1.93
PDP-R	10Y	1.66	1.06	1.69	1.24	1.68	1.03	1.68	1.12	1.46
	30Y	2.50	1.48	2.53	1.80	2.50	1.40	2.51	1.29	1.92

Appendix 5: Unclear classification

Source: screen shots from Mr Thompson's evidence (

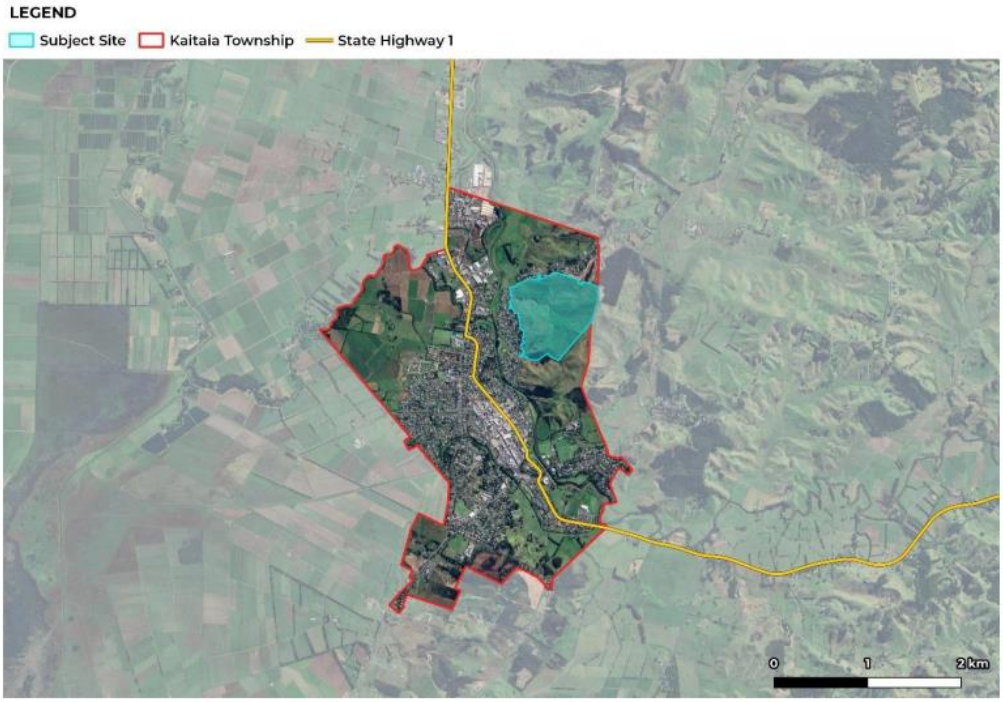




Appendix 6: Reworked Figure 28.

	Mr Thompson's Values		Calculation		
	CV/ha	Sales Prices			
OPTION	Av	Av	Implied Construction Cost/m2	Re-estimated with standard construction cost	Variation to Mr Thompson
B	$4,155,000	$1,510,000	5,050	$1,569,450	-$59,450
C	$3,010,000	$1,250,000	4,175	$1,443,500	-$193,500
D	$2,715,000	$1,180,000	3,950	$1,411,050	-$231,050
E	$940,000	$780,000	2,600	$1,215,800	-$435,800
F	$460,000	$670,000	2,225	$1,163,000	-$493,000
G	$2,755,000	$1,190,000	3,975	$1,415,450	-$225,450
H	$1,345,000	$870,000	2,900	$1,260,350	-$390,350
I	$670,000	$720,000	2,400	$1,186,100	-$466,100

Appendix 7: Location of KLL site



Source: Google Maps, LINZ, Stats NZ

Sourced from PE report