BEFORE THE INDEPENDENT HEARINGS PANEL

UNDER	the Resource Management Act 1991 (RMA)
IN THE MATTER	of the Far North Proposed District Plan - Hearing 15D: Rezoning Kerikeri-Waipapa

STATEMENT OF EVIDENCE OF ADAM THOMPSON ON BEHALF OF KIWI FRESH ORANGE COMPANY LIMITED

ECONOMICS & PROPERTY MARKET

30 June 2025

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WYNN WILLIAMS

INTRODUCTION

1 My full name is Adam Jeffrey Thompson.

2 I have been asked by Kiwi Fresh Orange Company Limited (**KFO**) to provide independent expert advice on the Proposed Far North District Plan (**FNPDP**).

3 This evidence relates to KFO's submission on Hearing 15: Rezoning Kerikeri-Waipapa. KFO owns 197 ha of land between Kerikeri and Waipapa (**Site**), which is proposed to be zoned for Rural Production. KFO's submission seeks a live urban zoning of the Site, comprising a mix of general residential, mixed urban and natural open space.

4 I have visited the site on several occasions and am familiar with the general locality.

QUALIFICATIONS AND EXPERIENCE

5 I am the Director of Urban Economics (**UE**) Limited. For the past 25 years, I have been providing consulting services in the fields of urban economics, property market analysis and property development advisory. For the past 23 years, I have owned and managed two consulting firms that have provided services in these fields.

6 I hold a Bachelor of Resource Studies from Lincoln University, a Master of Planning from the University of Auckland, and a Dissertation in Urban Economics from the London School of Economics and Political Science.

7 I have undertaken over 2,500 economic and property market assessments for a range of private and public sector clients. This includes a study in October 2022 on housing demand and development capacity in Kerikeri-Waipapa. This study was produced and submitted with KFO's submission on the FNDP.

CODE OF CONDUCT

8 Although this is not a hearing before the Environment Court, I record that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and agree to comply with it.

9 I confirm that the issues addressed in this brief of evidence are within my area of expertise, except where I state that I have relied on the evidence

of other persons. I have not omitted to consider material facts known to me that might alter or detract from the opinions I have expressed.

SCOPE OF EVIDENCE

10 The focus of my evidence is to:

(a) explain why rezoning the Site is necessary to provide sufficient development capacity in Kerikeri-Waipapa over the short, medium, and long terms;

(b) consider the FNDC's plan for giving effect to the National Policy Statement for Urban Development (**NPS-UD**) through a medium density residential zone; and

(c) assess KFO's rezoning proposal against the NPS-UD and National Policy Statement of Highly Productive Land (**NPS-HPL**).

11 This evidence is structured as follows:

(a) Summary of evidence

(b) Summary of my economic assessment and evidence at Hearing 1

(c) Spatial plan and HBA context for the definition of Kerikeri-Waipapa as an urban environment – how the Council intends to give effect to the NPS-UD

(d) Anticipated rate and pattern of growth under the draft Kerikeri-Waipapa Spatial Plan

(e) Greenfield development – small incremental vs medium large scale growth potential

(f) HBA development capacity commentary

(g) Kerikeri-Waipapa Spatial plan / growth option analysis

(h) Efficient infrastructure cost recovery

(i) Review of greenfield growth options

(j) Greenfield development – small incremental vs medium large scale growth potential

(k) HBA development capacity commentary

(l) Live urban zone or future urban zone

(m) NPS-HPL

(n) MDRZ

SUMMARY OF EVIDENCE

12 Kerikeri-Waipapa is anticipated to experience strong rates of growth over the long term, with the Housing and Business Development Capacity Assessment (**HBA**) estimating 3,260 additional dwellings, the Spatial Plan adopting 4,690 additional dwellings under the Blue Sky scenario, and UE estimating 6,000 additional dwellings.

13 This translates to an additional population of 8,150 under the HBA, 11,730 under the Spatial Plan Blue Sky scenario, and 15,000 under the UE scenario.

14 The Kerikeri-Waipapa existing urban population is 3,800 under the more conservative geographic area adopted by the HBA/Spatial Plan, and 9,200 under the UE geographic area, which includes the surrounding large-lot and lifestyle properties. Even under the conservative geographic area, Kerikeri-Waipapa will exceed a population of 10,000 over the long term, and is therefore considered an urban environment under the NPS-UD. In addition, there is a significant labour force of 1,500. The s42A report for Hearing 14 concludes that Kerikeri-Waipapa is an urban environment subject to the Spatial Plan being adopted (para 27).

15 The HBA concludes that Kerikeri-Waipapa will have a development capacity shortfall in the affordable price points and that this will worsen over time. It suggests that additional land for housing is required to address this shortage. Table 4-6 in the HBA, in particular, shows that Kerikeri-Waipapa will not be able to supply any additional dwellings for less than $1 million over the long term. This is the most significant economic and social issue facing Kerikeri-Waipapa and the district, and can only be addressed through the provision of additional greenfield land for development through the PDP review process. The HBA concludes:

> *"To conclude, the capacity results show that despite adequate PEC [Plan Enabled Capacity], <u>housing pressures are expected to remain due to the absence of FC [Feasible Capacity] at the lower</u>*

price points and in locations and typologies that households can afford and prefer…" (page v, emphasis added)

16 If the HBA adopted the higher rate of growth expected in the Spatial Plan growth of 4,690 dwellings over the long term, rather than more conservative 3,260 dwellings, this would mean that the HBA would estimate an even more severe shortage of development capacity (an additional 1,430 dwellings would need to be provided, in itself requiring 130 hectares).

17 Kerikeri-Waipapa is considered to be an urban environment in a Tier 3 local authority. Under the NPS-UD, the Council must provide 10 years of live zoned land (short-medium term) and a further 20 years of future urban zoned land (long term). The Government's 'Going For Growth' policy and the proposed revisions to the NPS-UD propose that Tier 1 and 2 local authorities will require 30 years of live zoned land, to ensure that the fast rate of growth can be accommodated. Tier 3 local authorities are proposed to retain the requirement for 10 years of live zoned land and a further 20 years of future urban zoned land. The policy intent for the provision of 30 years of live zone land in Tier 1 and 2 local authorities is a response to cities and towns with rapid rates of growth and related housing affordability pressures. Kerikeri-Waipapa is expected to be one of the fastest-growing towns in NZ, in percentage terms. Kerikeri-Waipapa is expected to grow by 200-300% over the long term, substantially higher than the Tier 1 and 2 local authorities, which are expected to grow by 20-80% over the same period.

18 Based on the high rate of growth anticipated in Kerikeri-Waipapa, I consider there is a justified policy and economic basis for adopting 30 years of live zoned land. In addition to the rate of growth, there are several other reasons that I consider 30 years of live zoned land to be justified:

(a) The NPS-UD under s 3.4(1) allows 30 years of live zoned land, i.e. the medium and long-term requirements can be met using live-zone land if needed.

(b) Kerikeri-Waipapa's growth is driven by rapid inward migration more so than any other District, in large part from Aucklander's relocating for the high amenity lifestyle. Many of these households

will be selling their Auckland house and will be in a position to outbid existing residents for houses, placing additional pressure on the existing residents, particularly first home buyers and lower-income households.

(c) The costs of 'under-enabling' dwellings (too few dwellings to meet demand and higher prices) are much more severe than the costs of 'over-enabling' dwellings, as concluded by Judge Kirkpatrick:

> "The Panel considers the Unitary Plan should err toward over-enabling, as there is a high level of uncertainty in the estimates of demand and supply over the long term, and the costs to individuals and the community of under-enabling capacity are much more severe than those arising from over-enabling capacity." (page 7, Report to Auckland Council Hearing topic 013 Urban Growth July 2016, Auckland Unitary Plan Independent Hearings Panel)

(d) A 30-year time frame is a relatively short time frame when the full history and future of a town such as Kerikeri-Waipapa is considered, e.g. over a 50-100 year time frame, the Kerikeri and Waipapa will likely join into one town, given they currently function symbiotically as one urban environment.

(e) The Spatial Plan recommended growth Options D and E have significant constraints relating to existing horticulture uses, lot sizes and high land prices, as addressed below, so they do not enable capacity that can be readily taken up or realised.

(f) Infill housing typically accounts for less than 10% of all growth in similar lifestyle towns. Despite the Operative District Plan enabling residential lots of 300m^2 as a Restricted Discretionary Activity, less than 10% of new dwellings sold in Kerikeri-Waipapa since 2020 were on lots of 300m^2 or less, reflecting strong demand for larger, greenfield properties.

19 The s42A report for Hearing 14 (**Topic 14 s42A report**) recommends adopting the Spatial Plans preferred growth Options D and E (expansions to Waipapa and Kerikeri) in combination with Option F (the KFO site) as a 'contingent future' option. Neither the HBA nor the Topic 14 s42A report prepared an assessment of the housing capacity enabled

in options D and E. I estimate these locations would enable a total of 1,450 dwellings, which is insufficient to meet the greenfield demand of 4,220 dwellings (90% of 4,690 dwellings).

20 The combined D, E and F scenarios would enable a total of 3,950 dwellings, which is near to, however also insufficient to meet the greenfield demand of 4,220 dwellings (90% of 4,690 dwellings). On this basis, the options D, E and F are required to meet demand.

21 A detailed economic cost-benefit analysis has been completed of all growth options. This finds that the KFO site has the greatest overall cost-benefit score, in large part due to its lower value productive capacity, the larger lot sizes enabling masterplanned development, the lower land prices and scale enabling more affordable housing to be supplied to the market, and its ability to increase the overall rate of growth in Kerikeri-Waipapa, consistent with the Blue Sky approach.

22 The growth options apply to locations that have different existing activities and land values. Many have high value horticultural uses, notably kiwifruit and citrus orchards, which means the land and improvements (e.g. orchards and related infrastructure) values are relatively high, and a developer would have a higher 'starting point' cost that would need to be passed on to home buyers with higher house prices. Notably, Option F has current land values that would enable houses to be built for $670,000 on average, and by contrast, Options D and E would enable houses to be built for $1,180,000 and $780,000 on average. Option F, therefore, presents a significant economic and social benefit, as the only practical option for low-priced dwellings to be supplied to meet the needs of existing and new residents.

23 The size of land parcels in Option F is 47.4 ha on average. By comparison, the size of land parcels in Option D and E is 1.0 ha and 6.2 ha on average. This is a major constraint, as analysis confirms that larger masterplanned developments, of 30+ ha, are required to achieve scale economies and on-site amenity, to attract higher rates of growth. In particular, similar lifestyle towns (Wanaka, Morrinsville, Marsden Point) experienced an increase of 100-200 new dwellings being built and taken up by the market each year, following the introduction of a new medium-large scale masterplanned development. This confirms that the rate of growth that is ultimately achieved in Kerikeri-Waipapa will be

driven to a large extent by whether or not there is one or more medium-large scale greenfield developments.

24 Mangawhai is a useful benchmark for Kerikeri-Waipapa, with three new medium-large scale greenfield developments recently approved (of 57-218 ha). Mangawhai is similar in size and projected growth to Kerikier-Waipapa.

25 Option F is well-positioned to support the efficient recovery of infrastructure costs in Kerikeri-Waipapa, as large-scale, coordinated greenfield developments typically enable more cost-effective infrastructure provision through increased annual sale rates and development contributions when compared to fragmented or uncoordinated growth (i.e. as anticipated under Option D). Additionally, Option F presents an opportunity to improve the overall efficiency of land use in Kerikeri-Waipapa, with recent growth patterns showing strong uptake in large-lot and lifestyle properties, which do not contribute towards the cost recovery of the public network. By providing more of the traditional residential typologies within a well-serviced and master planned environment, Option F would absorb a share of future demand that would otherwise be directed toward lifestyle and large-lot properties and therefore ensure a more efficient infrastructure cost recovery for Kerikeri-Waipapa.

26 I have reviewed the recently proposed MDR zone and do not consider this would materially increase infill capacity, or more importantly enable dwellings below $1 million, as the PDP already allows relatively small lot sizes, including a minimum subdivision lots size of 300m^2 and multi-unit terrace developments which have even smaller effective lot sizes. The HBA estimates that 31% of infill capacity (2,250 dwellings) exists for terrace and apartment dwellings under the PDP, so there is already significant potential enabled under the existing plan. I therefore do not agree with the s42A report conclusion that the addition of an MDR zone would materially improve the PDP in meeting the provisions of the NPS-UD.

27 In summary, I recommend that Options D, E and F are live zoned to ensure that there is sufficient development capacity to meet demand, ensure housing affordability, and support economic growth in the district.

SUMMARY OF MY ECONOMIC ASSESSMENT AND EVIDENCE AT HEARING 1

28 I have previously provided evidence at Hearing 1. In that evidence, I assessed whether Kerikeri-Waipapa was or would be an urban environment under the NPS-UD. I concluded that:

(a) Kerikeri-Waipapa was an urban environment in 2023, if 1,000m^2 - 5,000m^2 properties were counted as part of the housing and labour market as residential, given their urban / residential functions in the Kerikeri-Waipapa housing market; and

(b) If those properties were not counted and a smaller geographic area was used to define the urban environment, as adopted Infometrics, then the labour and housing market would reach 10,000 people over the long term (20-30 years).

29 Under either method, the Council must give effect to the NPS-UD. The Council did not recognise Kerikeri-Waipapa as an urban environment in the notified PDP (Topic 14 s42A report at paragraph 95). In its Topic 14 s42A report, the Council now acknowledges that Kerikeri-Waipapa is an urban environment (Topic 14 s42A report at paragraph 27).

SPATIAL PLAN AND HBA CONTEXT FOR DEFINING KERIKERI-WAIPAPA AS AN URBAN ENVIRONMENT – HOW THE COUNCIL INTENDS TO GIVE EFFECT TO THE NPS-UD

30 The Council's s 42A report explains that it intends to give effect to the NPS-UD by introducing a Medium-Density Residential Zone (**MDRZ**) and Town Centre Zone (**TCZ**) in Kerikeri-Waipapa. New zones will then be considered at the rezoning of Hearing 15D. Although this is not made explicit, the author implies that the Council intends new zones to mean Scenarios D and E rather than Scenario F.

31 This evidence therefore considers whether the hybrid scenario "D and E" and the MDRZ and TCZ can deliver enough housing to meet expected demand. It particularly focuses on whether these options will provide enough affordable housing.

ANTICIPATED RATE & PATTERN OF GROWTH UNDER THE DRAFT KERIKERI-WAIPAPA SPATIAL PLAN

32 The following sections provide an overview of patterns of growth in Kerikeri and other comparable lifestyle towns, and an analysis of the rates of development for lifestyle blocks compared to larger rural properties based on a case study analysis of Hingaia in Auckland.

Comparable Lifestyle Town Dwelling Growth Trends (Infill Vs Medium-Large Scale Greenfield Development)

33 Figures 2–5 show the pattern of new dwelling growth (i.e. dwellings built and sold after 2020) in Kerikeri-Waipapa and other comparable lifestyle towns, specifically Wanaka, Lake Hawea, Morrinsville, and Marsden Point. The medium-large scale greenfield developments are shown by the concentration of red dots, each representing a new dwelling. The scattered yellow dots represent the infill growth that has occurred.

34 These towns all enable infill housing with relatively small minimum lot sizes, and a high-level review indicates a large proportion of existing properties are large enough to enable subdivision; however, this subdivision has not occurred to any significant extent. Figure 1 shows the minimum subdivision lot sizes for each of these towns.

Figure 1: Minimum Lot Size for Subdivision in Comparable Towns

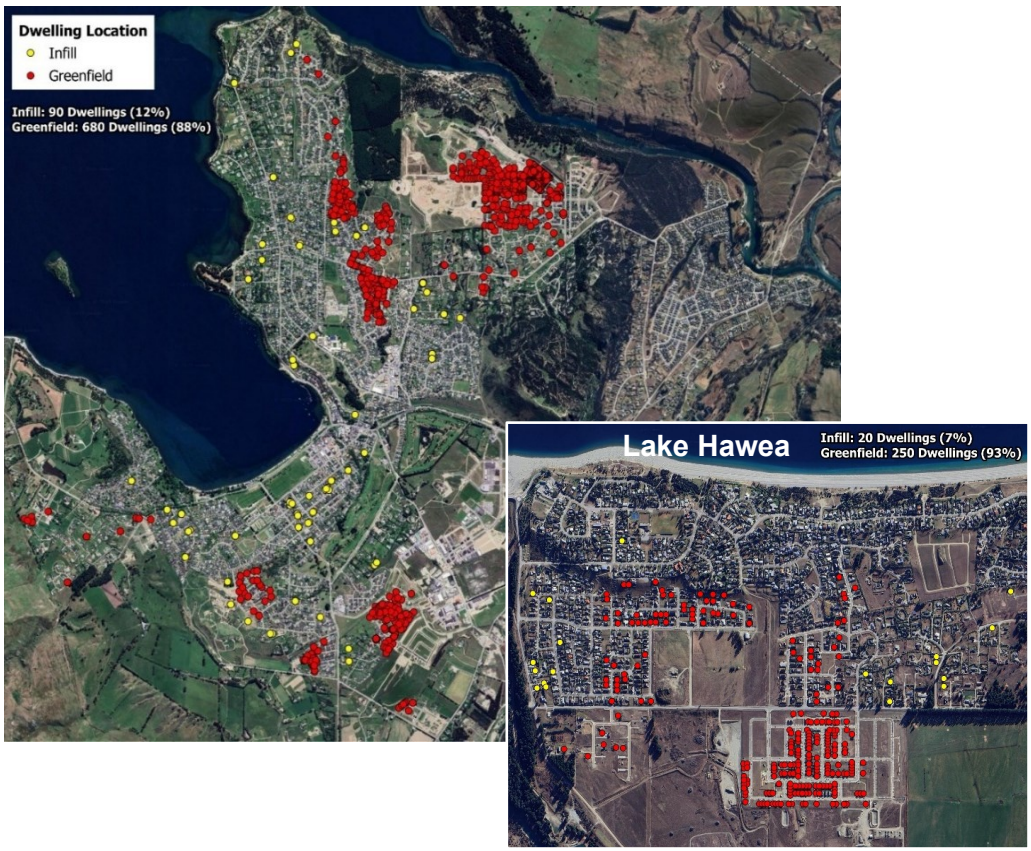
Location	Operative District Plan (ODP) Zone	Minimum Lot Size Enabled by ODP (m²)
Kerikeri-Waipapa	Residential	300
Wanaka	High Density Residential	250
	Low Density Residential	450
Morrinsville	Residential Zone	450
	Residential Infill Overlay	325
Marsden Point	General Residential	400

Source: FNDC, MPDC, QLDC, WDC

35 The assessment in Figures 2-5 demonstrates that 63-93% of new dwelling growth is via medium-large scale greenfield development, and only 7-37% of new dwelling growth is occurring as infill within existing urban areas. This confirms that the growth of small lifestyle towns similar to Kerikeri-Waipapa relies on greenfield growth. By contrast, larger towns and cities can achieve much higher rates of infill growth.

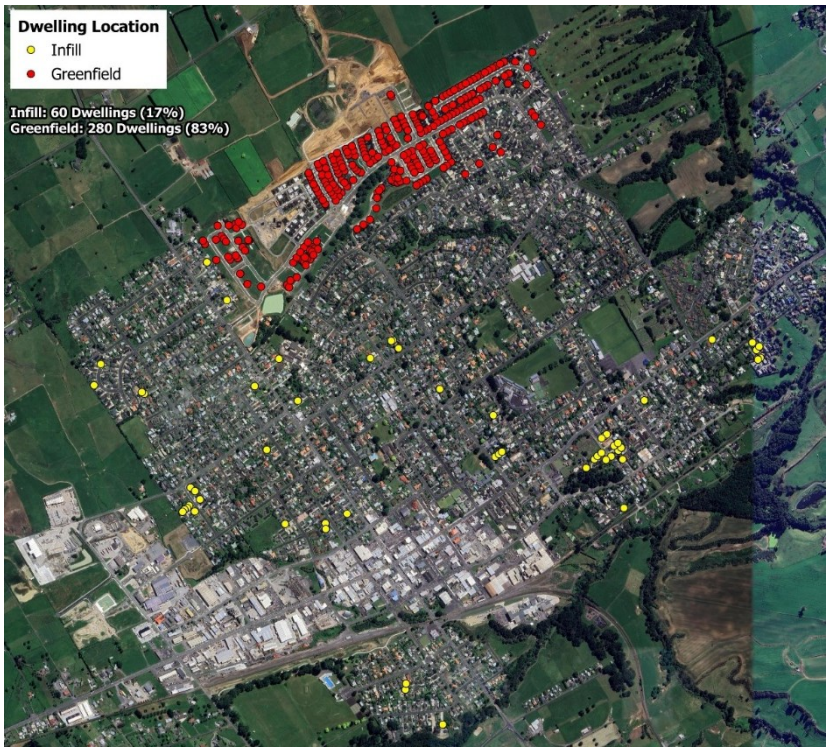
36 This indicates that greenfield development has played an important role in accommodating growth in these towns that share similar characteristics with Kerikeri-Waipapa in terms of scale, amenity, and overall lifestyle appeal. The implication for Kerikeri-Waipapa is that a comparable growth path is likely to be required if it is to achieve its full potential.

Figure 2: Wanaka & Lake Hawea Dwelling Growth by Location (Dwellings Built & Sold after 2020)



Source: CoreLogic, LINZ

Figure 3: Morrinsville Dwelling Growth by Location (Dwellings Built & Sold after 2020)

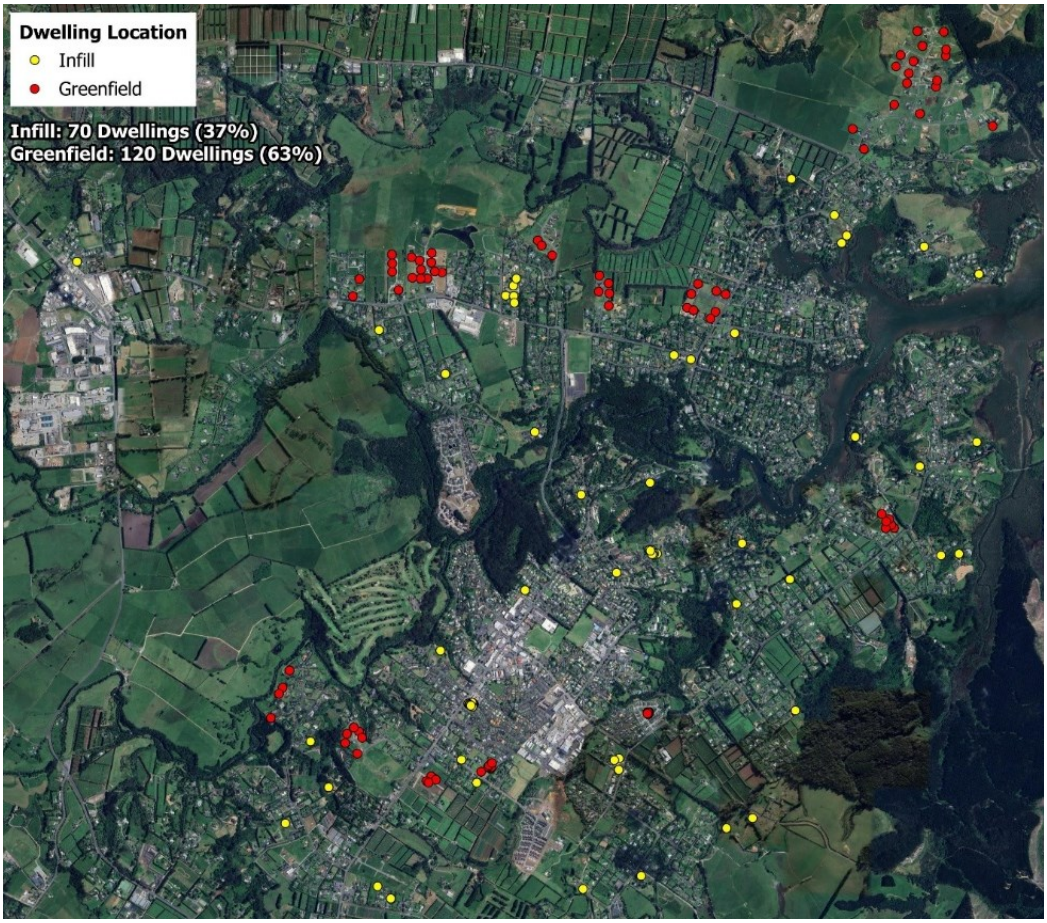


Source: CoreLogic, LINZ

Figure 4: Marsden Point Dwelling Growth by Location (Dwellings Built & Sold after 2020)

Source: CoreLogic, LINZ

Figure 5: Kerikeri-Waipapa Dwelling Growth by Location (Dwellings Built & Sold after 2020)



Source: CoreLogic, LINZ

37 Figure 6 shows the distribution of lot sizes for recent dwelling uptake in the towns assessed above. The average lot size for new dwellings in Kerikeri-Waipapa is approximately 2,500m², despite the Operative District Plan enabling 300m^2 residential lots as a Restricted Discretionary Activity. This is considerably larger than seen in other towns, indicating strong demand for larger properties and reinforcing the lifestyle and amenity-driven appeal of the area. This pattern of uptake suggests that the Far North District Council's expectation that 55-60% of future growth will be achieved through infill intensification is misaligned with actual market uptake trends achieved.

Figure 6: Comparable Lifestyle Town New Dwelling Uptake by Lot Size (New Dwellings Built after 2020)

Lot Size (m²)	Percentage Distribution				
	Wanaka	Lake Hawea	Morrinsville	Marsden Cove	Kerikeri-Waipapa
<200m²	10%	0%	9%	0%	5%
200-400m²	22%	9%	13%	0%	5%
400-600m²	30%	50%	35%	25%	13%
600-800m²	23%	2%	32%	67%	13%
800-1,000m²	6%	27%	9%	6%	5%
1,000-1,500m²	4%	4%	1%	2%	5%
1,500-2,000m²	1%	5%	0%	0%	0%
2,000-4,000m²	3%	4%	0%	0%	32%
4,000m² +	1%	0%	0%	0%	21%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Avg Lot Size (m²)	**590**	**680**	**520**	**640**	**2,500**

Source: CoreLogic

38 In addition to the towns assessed above, Mangawhai provides a useful comparison for understanding housing demand in a location that is highly comparable to Kerikeri-Waipapa. Mangawhai has three large greenfield developments that have recently been zoned, reflecting this town's response to recent increases in demand. These are shown in Figure 7, and it is important to note that the plan change areas apply to a land area of 57-218 ha, so are a similar large scale to the KFO property.

39 Kaipara District Council (KDC) anticipates long-term dwelling growth of 170 to 260 dwellings per annum in Mangawhai. This is comparable to Kerikeri-Waipapa, which has a demand for 160 dwellings p.a. under the Council's Blue Sky scenario (4,690 dwellings over 30 years) or 200 p.a. based on my demand estimates. Overall, this indicates Kerikeri-Waipapa has sufficient demand to support a medium to large-scale greenfield development.

Figure 7: Mangawhai Recent Plan Changes for Greenfield Developments

Source: Statistics NZ, KDC, UE

40 Figure 8 provides a breakdown of new dwelling consents by dwelling type in the comparable towns over the 2015-2024 (ten year) period. The vast majority of new dwellings in these comparable towns are stand alone dwellings. Across Wanaka, Morrinsville, Marsden Point, Mangawhai and Kerikeri–Waipapa, an average of 91% of all new dwellings built since 2015 have been stand alone. In contrast, only 8% have been terrace houses and just 1% apartments.

Figure 8:
New Dwellings Consented by Dwelling Type for Comparable Towns (2015-2024)

New Dwellings Consented (2015-2024)	Nominal Distribution				Percentage Distribution (%)			
	Stand Alone	Terrace	Apartment	Total	Stand Alone	Terrace	Apartment	Total
Wanaka	2,920	690	60	3,670	80%	19%	1%	100%
Morrinsville	710	50	10	770	93%	6%	1%	100%
Marsden Point	970	30	0	1,000	97%	3%	0%	100%
Mangawhai	780	20	0	800	98%	2%	0%	100%
Kerikeri-Waipapa	670	70	10	750	90%	9%	1%	100%
Average	**1,210**	**170**	**20**	**1,400**	**91%**	**8%**	**1%**	**100%**

Source: Statistics NZ

GREENFIELD DEVELOPMENT – SMALL INCREMENTAL Vs MEDIUM-LARGE SCALE GROWTH POTENTIAL

41 This section provides a case-study analysis of the growth pattern of Hingaia since 2000. It provides a basis for understanding the extent to which the existing parcel size and land uses prohibit or support greenfield growth, i.e. whether small sites of 5-10 ha's are difficult to develop and result in incremental growth at a slower rate, and conversely whether medium-large scale developments, say 30+ ha, result in a faster rate of growth, due to their overall scale. This is relevant to Kerikeri-Waipapa, given that the towns are in large part surrounded by smaller lifestyle properties, hobby farms, and relatively small horticultural parcels.

42 Figure 9 outlines the growth that has occurred in the new developments in Hingaia since 2000. An overview of these developments is outlined in Figure 10.

43 The most notable developments are the Karaka Lakes, Karaka Harbourside and Park Green master-planned developments, which range in size from 60-98 ha. These developments have achieved an average sale/development rate of (on average 30 p.a.) and peak at 70 p.a. on average in the latter stages (noting that Park Green is still in its initial stages of development).

44 In contrast, the small developments on circa 10 ha sites have achieved approximately a much lower rate of sales or 10 p.a. (one third the rate of larger developments).

45 The larger developments achieve a higher rate of sales due to greater on-site amenity, which is only economic for larger developments, and economies of scale in the construction process.

46 The 4-5 ha (47-lot) Traverse Developments' subdivision on Kerikeri Road provides a local benchmark. Since entering the market in early 2024, approximately 15 lots have been sold/developed, which equates to approximately 10 p.a., consistent with the smaller developments in Hingaia. This is a relevant consideration for Kerikeri-Waipapa, given that any greenfield development growth will need to account for the practical constraints relating to the size of the development site and the scale of the development itself.

Figure 9: Hingaia Residential Development Growth Pattern (2000-Present)

Source: CoreLogic, Developer Websites, Auckland Council, LINZ

Figure 10: Hingaia Developments/Subdivisions Profile

Development Scale	Development Area	Total Development Land Area (Ha)***	Sold Lots/ Dwellings	Average Sale Rate p.a.	Maximum Sale Rate p.a.
Large*	Karaka Lakes	68.9	790	45	115
	Karaka Harbourside	60.0	580	30	55
	Park Green	97.6	255	40	95
	Brookview	28.4	85	10	20
	Average	**63.7**	**430**	**30**	**70**
Small / Medium**	Karaka Harbour Bayview	11.7	85	30	70
	Karaka Waters	5.7	60	5	20
	April Park	9.7	15	5	10
	Pararekau Island	16.5	10	5	5
	Average	**10.9**	**45**	**10**	**25**

Source: CoreLogic, Developer websites, LINZ, Auckland Council

* Developments of 300+ Lots, or total land area of 20+ ha.

** Developments of less than 300 lots, or total land area of less than 20ha.

*** Gross land area estimate. Based on publically available information (i.e. masterplans, consents), and/or available property parcel records.

Medium-Large Scale Greenfield Developments as Catalysts for Growth

47 This section provides an assessment of the impact that new medium-large scale master-planned developments have on market demand (i.e. the rate of new dwellings that are built and sold) in similar rural towns to Kerikeri. In particular, the impact of new developments entering Wanaka, Morrisville and Marsden Point on the annual rate of dwellings consented (building consent) is provided. The main points to note are:

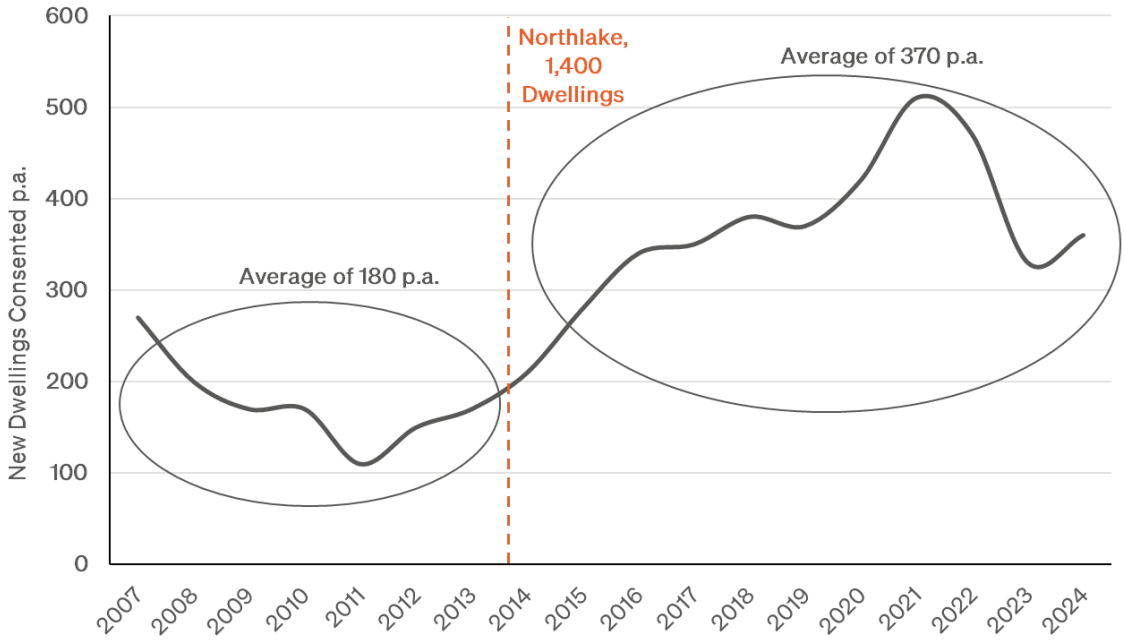
(a) Each town experienced a significant increase in dwellings consented immediately following the introduction of a new medium-large scale development. Increases of 50-190 dwellings p.a., or a 70-225% increase in the rate of demand, were experienced.

(b) The comparable towns achieved a growth rate of 40-180 dwellings p.a. prior to a new greenfield development being established, and 120-370 dwellings p.a. immediately following a new greenfield development being established.

(c) The assessment identifies a strong relationship between a new medium-large scale development and higher rates of growth. This confirms that new developments are a catalyst for higher rates of growth, reflecting higher market confidence for both buyers and construction sector firms.

(i) This is relevant for Kerikeri-Waipapa, which has not historically had any medium-large-scale greenfield developments. Of particular relevance is that a new medium-large scale development will likely increase the demand in the town and district, and achieve the higher rate of growth sought by the Blue Sky scenario in the Spatial Plan. The fact that Northland is the highest destination of households in percentage terms, and second highest in nominal terms behind Christchurch (Figure 17), underpins its fundamental potential for growth Kerikeri-Waipapa

Figure 11: Wanaka New Dwelling Consents (2007-2024)

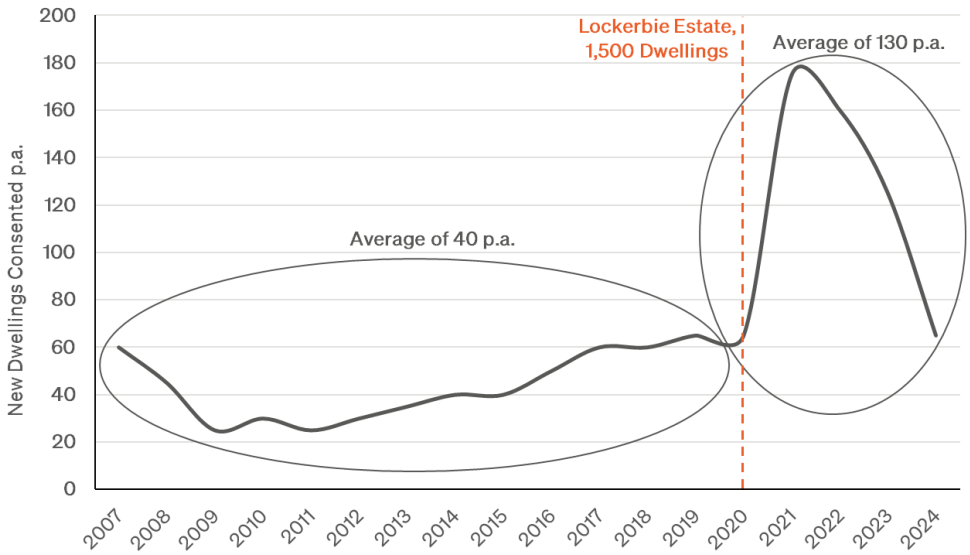


Source: Statistics NZ, UE

Figure 12: Wanaka Aerial Image - Northlake Greenfield Development

Source: Google

Figure 13: Morrinsville New Dwelling Consents (2007-2024)

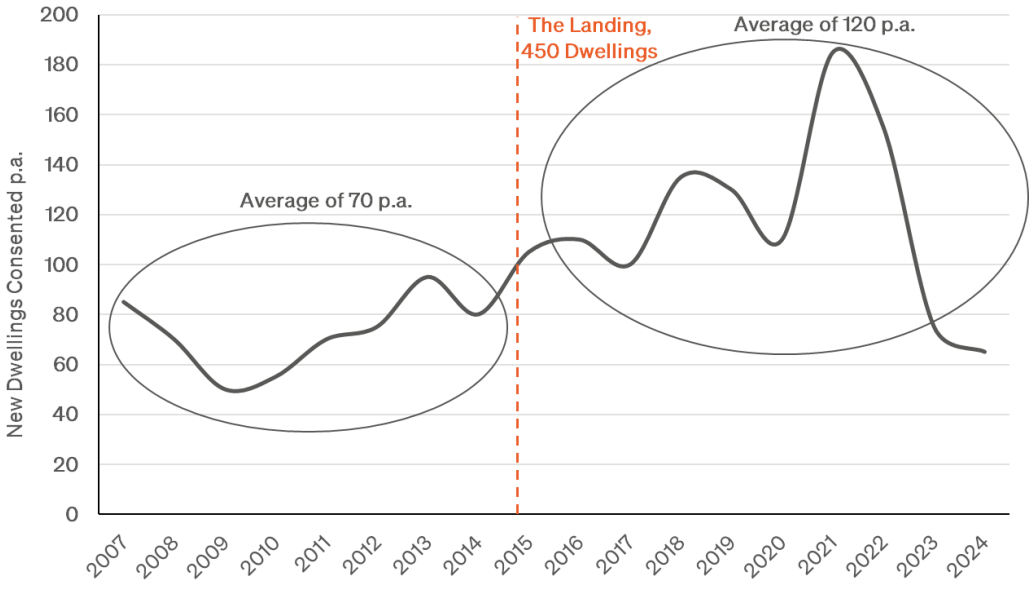


Source: Statistics NZ, UE

Figure 14: Morrinsville Aerial Image - Lockerbie Estate Greenfield Development

Source: Google

Figure 15: Marsden Point New Dwelling Consents (2007-2024)



Source: Statistics NZ, UE

Figure 16: Marsden Point Aerial Image - The Landing Greenfield Development

Source: Google

Lifestyle Locations Are Attracting Growth Across NZ

48 Figure 17 compares population growth across New Zealand's regions from 2018 to 2023, highlighting the extent to which internal migration has contributed to total growth.

49 Between 2018 and 2023, the Northland Region recorded a total population increase of 12,700 people, of which 7,530 (or 59%) was attributable to net internal migration. This represents the highest proportion of internal migration-driven growth among all regions in New Zealand.

50 This demonstrates that Northland's population growth is being driven by people choosing to relocate from other parts of the country, reflecting its appeal as a lifestyle-oriented destination. This trend reinforces the role of towns like Kerikeri-Waipapa in potentially achieving much higher growth than seen historically, subject only to providing a good lifestyle destination. This includes housing, basic amenities such as retail and

services, but also, and potentially more importantly, an expanding range of lifestyle and recreational activities.

Figure 17: Regional Net Internal Migration Performance

Region	2018 Population	2023 Population	2018-2023			
			Net Internal Migration	Population Growth	Net Internal Migration % of Population Growth	Total Population growth (%)
Northland	**185,800**	**198,500**	**7,530**	**12,700**	**59%**	**7%**
Tasman	54,000	59,100	2,740	5,100	54%	9%
Canterbury	622,800	676,600	25,500	53,800	47%	9%
Otago	235,000	248,500	6,280	13,500	47%	6%
West Coast	32,400	33,900	680	1,500	45%	5%
Waikato	475,600	516,800	15,000	41,200	36%	9%
Bay of Plenty	320,800	346,500	5,260	25,700	20%	8%
Taranaki	121,200	129,400	1,570	8,200	19%	7%
Manawatū-Whanganui	247,500	257,800	1,300	10,300	13%	4%
Marlborough	48,700	50,800	240	2,100	11%	4%
Hawke's Bay	172,400	179,000	-1,310	6,600	-20%	4%
Gisborne	49,500	52,300	-620	2,800	-22%	6%
Wellington	525,900	538,000	-6,500	12,100	-54%	2%
Auckland	1,654,800	1,855,600	-109,200	200,800	-54%	12%
Southland	100,500	102,700	-1,650	2,200	-75%	2%
Nelson	52,700	54,300	-1,230	1,600	-77%	3%

Source: Statistics NZ

Figure 18: Kerikeri-Waipapa Long Term Population Growth vs Tier 1 and 2 Local Authorities

NPS-UD Tier	Local Authority	2023	2053	30-Yr Growth	Growth %
1	Auckland	1,736,300	2,571,800	**835,500**	**48%**
	Waikato district	93,400	156,200	**62,800**	**67%**
	Hamilton city	185,500	288,400	**102,900**	**55%**
	Waipa district	62,200	82,300	**20,100**	**32%**
	Western Bay of Plenty district	62,300	86,300	**24,000**	**39%**
	Tauranga city	165,100	248,100	**83,000**	**50%**
	Kapiti Coast district	59,000	72,500	**13,500**	**23%**
	Porirua city	63,600	84,400	**20,800**	**33%**
	Upper Hutt city	49,700	65,300	**15,600**	**31%**
	Lower Hutt city	115,800	147,000	**31,200**	**27%**
	Wellington city	216,900	281,600	**64,700**	**30%**
	Waimakariri district	70,900	104,100	**33,200**	**47%**
	Christchurch city	399,700	536,600	**136,900**	**34%**
	Selwyn district	85,700	153,300	**67,600**	**79%**
2	Whangarei district	104,100	144,500	**40,400**	**39%**
	Rotorua district	78,800	97,900	**19,100**	**24%**
	Hastings district	93,300	125,400	**32,100**	**34%**
	Napier city	68,600	86,800	**18,200**	**27%**
	New Plymouth district	90,300	116,800	**26,500**	**29%**
	Palmerston North city	92,700	119,300	**26,600**	**29%**
	Tasman district	60,800	78,600	**17,800**	**29%**
	Nelson city	55,700	67,300	**11,600**	**21%**
	Queenstown-Lakes district	52,200	86,700	**34,500**	**66%**
	Dunedin city	134,200	162,900	**28,700**	**21%**
3	Kerikeri-Waipapa Urban Area (HBA)	3,800	11,950	**8,150**	**214%**
	Kerikeri-Waipapa Urban Area (Spatial Plan)	3,800	15,530	**11,730**	**309%**
	Kerikeri-Waipapa Urban Area (UE)	9,200	24,200	**15,000**	**163%**

Source: Statistics NZ, FNDC, UE

HBA DEVELOPMENT CAPACITY COMMENTARY

51 The 'Far North District Council Housing and Business Development Capacity Assessment, July 2024' ("HBA") provides estimates of development capacity by price point for the Kerikeri-Waipapa area. The HBA concludes:

> "Under a market-led approach, there are currently around 125 dwellings which are commercially viable. FC increases over time, with 3,120 dwellings deemed feasible over the long term. Detached capacity become the dominant typology only over the medium term, accounting for 78% of FC. Detached capacity is all within the $1.5-$2m bracket, and attached capacity mostly concentrated in this band. The remaining attached capacity is valued between $1m and $1.5m." (page 42)
>
> "Over the long term, the attached dwellings have a wider spread in terms of value bands (i.e., the potential sales prices) and detached options fall in the +$2m band." (page 42)
>
> *"Nevertheless, it is apparent that FC valued $1.9m+, outstrips demand. This suggests that only a small percentage of FC in those price ranges is required to satisfy demand, and competition for available (potential) capacity in the lower value bands will be intense, potentially increasing prices."* (page 44, emphasis added)
>
> *"To conclude, the capacity results show that despite adequate PEC, housing pressures are expected to remain due to the absence of FC at the lower price points and in locations and typologies that households can afford and prefer. It is beyond the scope of this report to make recommendations about actions Council should take to alleviate shortages, but this could include measures to increase housing choices associated with locations and typologies."* (page v, emphasis added)

Figure 19: HBA 2023 Housing Shortage Medium-Long Term

Table 4-8: Additional demand (incl. margin) versus Potential supply (Sufficiency)

		Potential Devt Capacity			Additional Demand (incl margin)			Shortage/Surplus		
		Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
Kerikeri-Waipapa (s	Short term (3 years)	285	370	660	585	60	645	-300	310	15
Kerikeri-Waipapa (s	Medium Term (10 years)	875	255	1,135	1,195	125	1,320	-320	130	-185
Kerikeri-Waipapa (s	Long term (30 years)	1,255	620	1,875	1,690	180	1,870	-435	440	5
Settlements	Short term (3 years)	410	40	450	390	40	430	-385	50	-430
Settlements	Medium Term (10 years)	325	560	880	795	85	880	-305	60	-880
Settlements	Long term (30 years)	1,060	180	1,240	1,125	120	1,245	-1,050	35	-1,245
Kaikohe	Short term (3 years)	0	0	0	30	5	35	-30	-5	-35
Kaikohe	Medium Term (10 years)	0	0	0	65	5	70	-65	-5	-70
Kaikohe	Long term (30 years)	0	110	110	95	10	105	-95	100	5
Kaitaia	Short term (3 years)	0	0	0	30	5	35	-30	-5	-35
Kaitaia	Medium Term (10 years)	0	0	0	65	5	70	-65	-5	-70
Kaitaia	Long term (30 years)	0	55	55	95	10	105	-95	45	-50
Rural	Short term (3 years)	25	0	25	260	25	285	-235	-25	-260
Rural	Medium Term (10 years)	0	5	5	530	55	585	-530	-50	-580
Rural	Long term (30 years)	810	50	860	750	80	830	60	-30	30
Total	Short term (3 years)	720	410	1,130	1,295	135	1,430	-575	275	-300
Total	Medium Term (10 years)	1,200	820	2,020	2,650	275	2,925	-1,450	545	-905
Total	Long term (30 years)	3,125	1,015	4,140	3,755	400	4,155	-630	615	-15

Table 4-6: Feasible capacity (market-led approach): Kerikeri-Waipapa

FEASIBLE CAPACITY - Kerikeri-Waipapa												
	CURRENT			3 YEARS			10 YEARS			30 YEARS		
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
$0-$300k	0	0	0	0	0	0	0	0	0	0	0	0
$301k-$500k	0	0	0	0	0	0	0	0	0	0	0	0
$501k-$700k	0	60	60	0	0	0	0	0	0	0	0	0
$701k-$1m	40	0	40	0	30	30	0	0	0	0	0	0
$1m-$1.2m	5	20	25	0	0	0	0	30	30	0	380	380
$1.2m-$1.5m	0	0	0	60	150	210	0	5	5	0	850	850
$1.5m-$2m	0	0	0	230	410	640	880	220	1,100	70	350	420
$2m+	0	0	0	0	0	0	0	0	0	1,180	290	1,470
TOTAL	**45**	**80**	**125**	**290**	**590**	**880**	**880**	**255**	**1,135**	**1,250**	**1,870**	**3,120**

Source: Far North District Council HBA 2024

52 The HBA concludes there is a shortfall in affordable price points and that this will worsen over time, and suggests additional land for housing is required to address this shortage. Table 4-6 in particular (Figure 19 above) shows that Kerikeri-Waipapa will not be able to supply any additional dwellings for less than $1 million over the long term (30 years). This is the most significant economic and social issue facing Kerikeri-Waipapa and the district, and can only be addressed through the provision of sufficient land for development through the PDP review process.

53 It is worth noting that the HBA is based on a 30-year demand in Kerikeri-Waipapa for 3,260 new dwellings (Table E1). By comparison, the Spatial Plan anticipates growth of 4,690 dwellings over the next 30 years, under its Blue Sky scenario, something that is quite plausible given the Far North is the most attractive destination for households

relocating within NZ. This will mean that the HBA currently underestimates the severity of the affordable housing shortage that the town will face. Both the HBA and my previous report conclude that there is insufficient capacity to meet demand in Kerikeri-Waipapa and a substantial amount of greenfield land is, by implication, required to ensure housing affordability is achieved to avoid significant adverse effects on the community from unaffordable housing. I would highlight that those households moving into Kerikeri-Waipapa are likely to outbid the district's residents (e.g. if selling a house and relocating from Auckland), and the adverse effects will therefore fall disproportionately on the existing residents rather than new residents.

54 Other key findings of the HBA are provided below for context:

(a) The majority of demand (90%) is for stand-alone or detached housing, over the medium term (Figure 4-8, HBA, 2024).

(b) There is a district-wide shortage of 1,450 dwellings, over the medium term. (Figure 4-8, Attachment 1, HBA, 2024).

(c) Kerikeri-Waipapa has a shortage of 320 dwellings, over the medium term. (Figure 4-8, HBA, 2024).

(d) The report assumes 100% of feasible capacity will be utilised. Typically, only 50-60% is utilised (Reasonably Expected to be Realised under the NPS-UD) over the long term. The shortage is therefore much greater (circa 600 dwellings for Kerikeri-Waipapa and 2,900 dwellings for FND for the medium term).

(e) Of most concern, Kerikeri-Waipapa has no stand-alone dwellings that are feasible for under $1.2 million in the medium-long term (Figure 4-4, HBA, 2024). Housing affordability will therefore worsen over time.

(f) These supply and demand issues are expected to continue over the long term.

(g) There is a maximum feasible capacity for 820 sewered dwellings, meaning 730 dwellings will be unsewered. This will substantially reduce infrastructure funding.

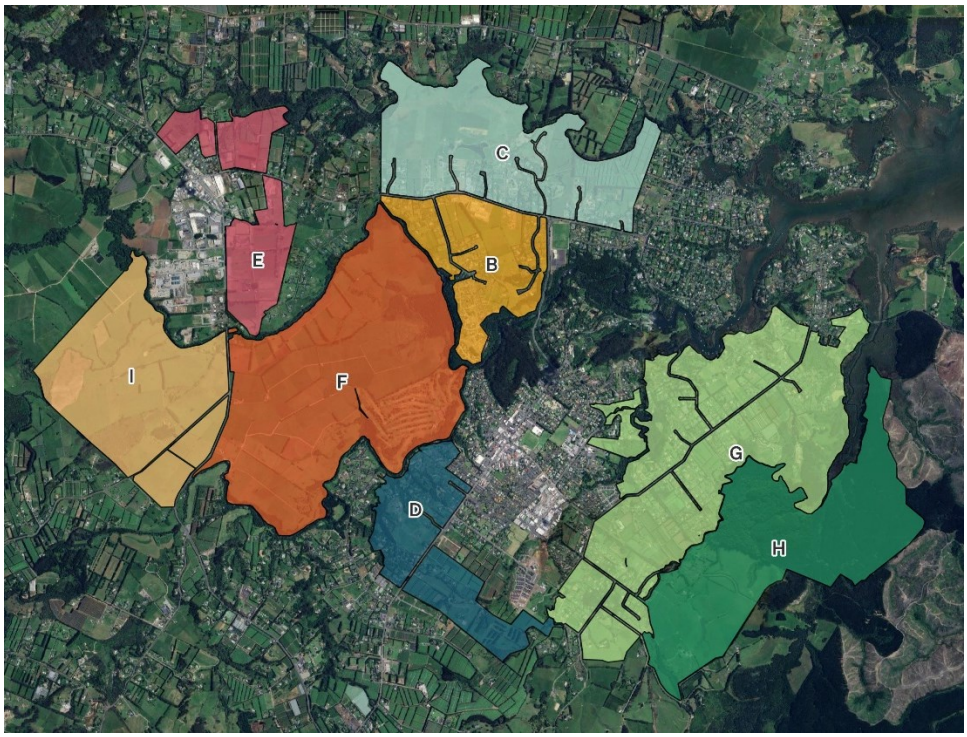
(h) There is no additional housing capacity from ODP to PDP in Kerikeri-Waipapa (Table 4.2).

KERIKERI-WAIPAPA SPATIAL PLAN/GROWTH OPTION ANALYSIS

55 This section provides a detailed analysis of different growth options for the expansion of Kerikeri-Waipapa.

56 These growth options are outlined in Figure 20, which are informed based on a combination of the areas identified in the Kerikeri-Waipapa Spatial Plan maps (i.e. areas B, C, D, E and F) with the addition of areas G, H and I.

Figure 20: Potential Urban Growth Options for Kerikeri-Waipapa



Source: Far North District Council (Kerikeri-Waipapa Spatial Plan), The Planning Collective, LINZ, Google

57 Figures 21-27 provide a detailed breakdown of the property characteristics across the identified Kerikeri-Waipapa growth areas, including the number of land parcels, total and average land area, and the distribution of these properties by size.

58 Growth Options F, H, and I stand out as being well-suited for accommodating future urban development. These areas are characterised by a relatively low number of land parcels and significantly larger average land areas per property. By contrast, the other areas are highly fragmented, with 81-98% of properties under 5 hectares in size.

59 However, while Option I performs well on landholding size, it is located further from the Kerikeri township, reducing Kerikeri-Waipapa's potential for agglomeration economies and raising potential transport and accessibility issues. Option H also appears favourable at face value, but it is understood that approximately half of the area is constrained by Crown forestry land, limiting its effective developable area.

60 This distinction is important, as larger parcels typically present fewer barriers to development. In particular, they require fewer landowner agreements, pose fewer fragmentation constraints, and allow for more efficient infrastructure cost recovery. Development within a smaller number of larger, contiguous land parcels supports greater economic efficiency, reducing per-dwelling development costs and thereby resulting in more affordable housing outcomes.

Figure 21: Kerikeri-Waipapa Growth Option Scenario Property Summary

Growth Scenario	Number of Properties	Total Land Area (Ha)	Avg Land Area (Ha)
B	156	109.5	0.7
C	196	213.1	1.1
D	124	120.7	1.0
E	16	98.8	6.2
F	**11**	**379.0**	**47.4**
G	561	385.5	0.7
H	14	261.0	18.6
I	2	216.8	108.4
Total	**1,080**	**1,784.5**	**1.7**

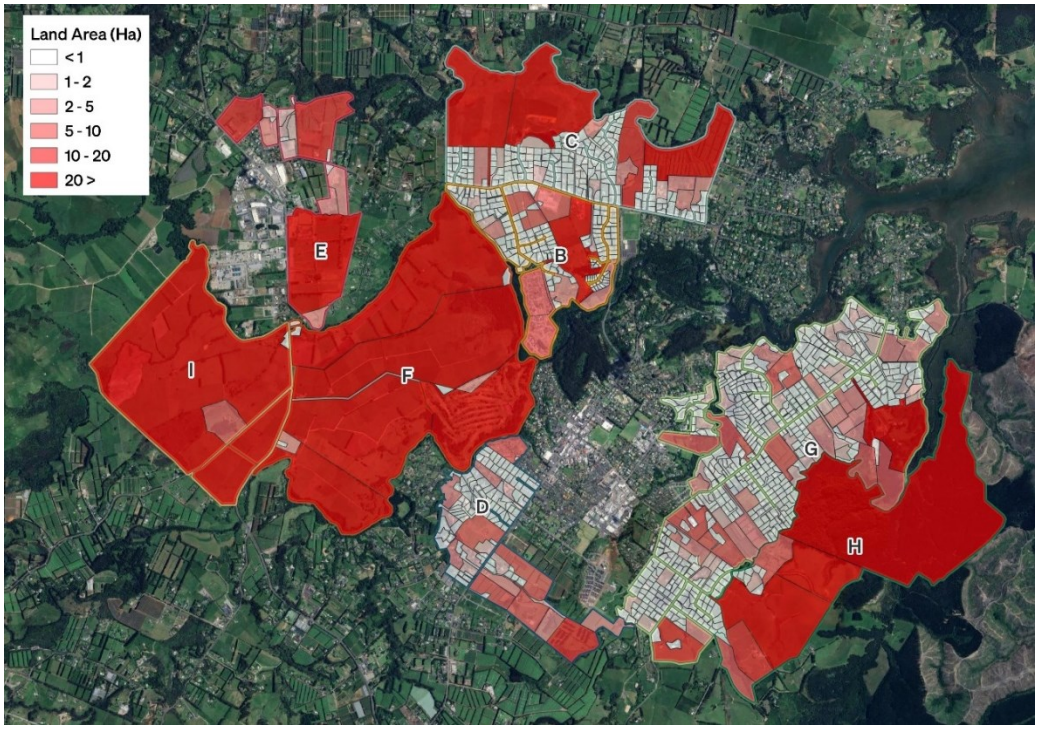
Source: Corelogic, LINZ, Far North District Council

Figure 22: Kerikeri-Waipapa Growth Area Lot Size Distribution

Land Area (Ha)	Growth Scenario (Number of Properties)								Total	%
	B	C	D	E	F	G	H	I		
< 1	145	182	103	4	6	503	8	1	**952**	**88%**
1 - 2	4	5	8	5	0	32	1	0	**55**	**5%**
2 - 5	3	5	6	4	1	15	0	0	**34**	**3%**
5 - 10	2	0	6	0	0	8	1	0	**17**	**2%**
10 - 20	1	1	1	1	0	2	1	0	**7**	**1%**
20 >	1	3	0	2	4	1	3	1	**15**	**1%**
Total	**156**	**196**	**124**	**16**	**11**	**561**	**14**	**2**	**1,080**	**-**
% < 5Ha	**97%**	**98%**	**94%**	**81%**	**64%**	**98%**	**64%**	**50%**	**96%**	**-**

Source: CoreLogic

Figure 23: Kerikeri-Waipapa Growth Area Lot Size Distribution Map



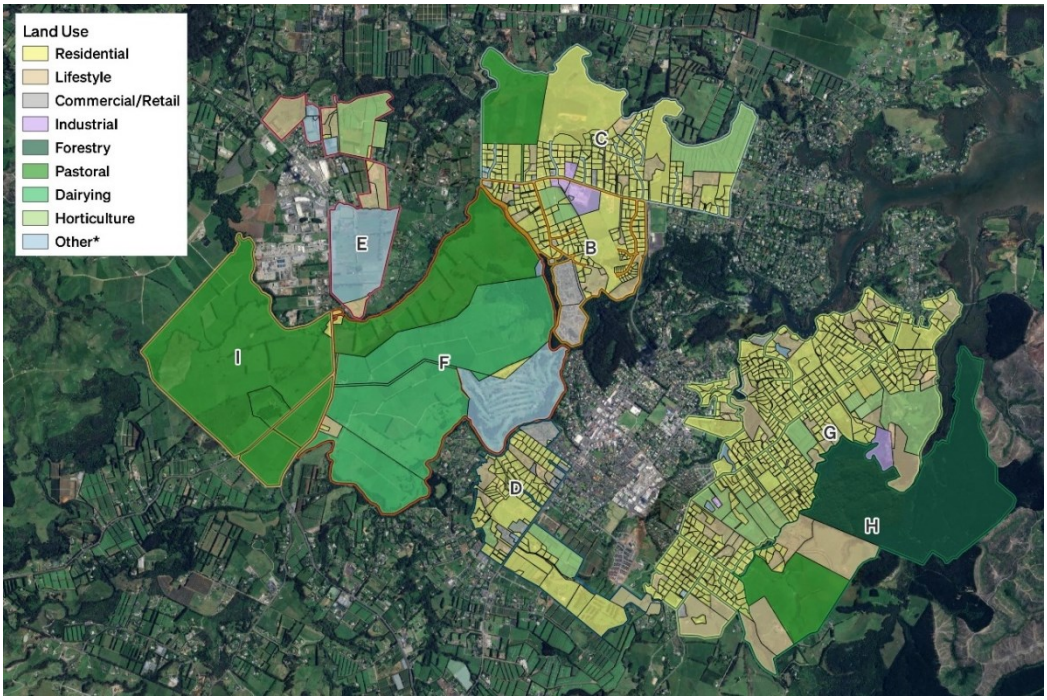
Source: CoreLogic

Figure 24: Kerikeri-Waipapa Growth Area Rural vs Non-Rural Land Distribution

Measure	Property Type	Growth Scenario									Total
		B	C	D	D1	E	F	G	H	I	
Property Count	Rural %	1%	1%	2%	3%	6%	27%	1%	14%	50%	**2%**
	Non-Rural %	99%	99%	98%	97%	94%	73%	99%	86%	50%	**98%**
Land Area (Ha)	Rural %	6%	30%	9%	13%	23%	84%	16%	79%	100%	**51%**
	Non-Rural %	94%	70%	91%	87%	77%	16%	84%	21%	0%	**49%**

Source: CoreLogic

Figure 25: Kerikeri-Waipapa Growth Area Land Use Map



*Includes Reserves, Parks, Utility Assets, Community Facilities, etc.

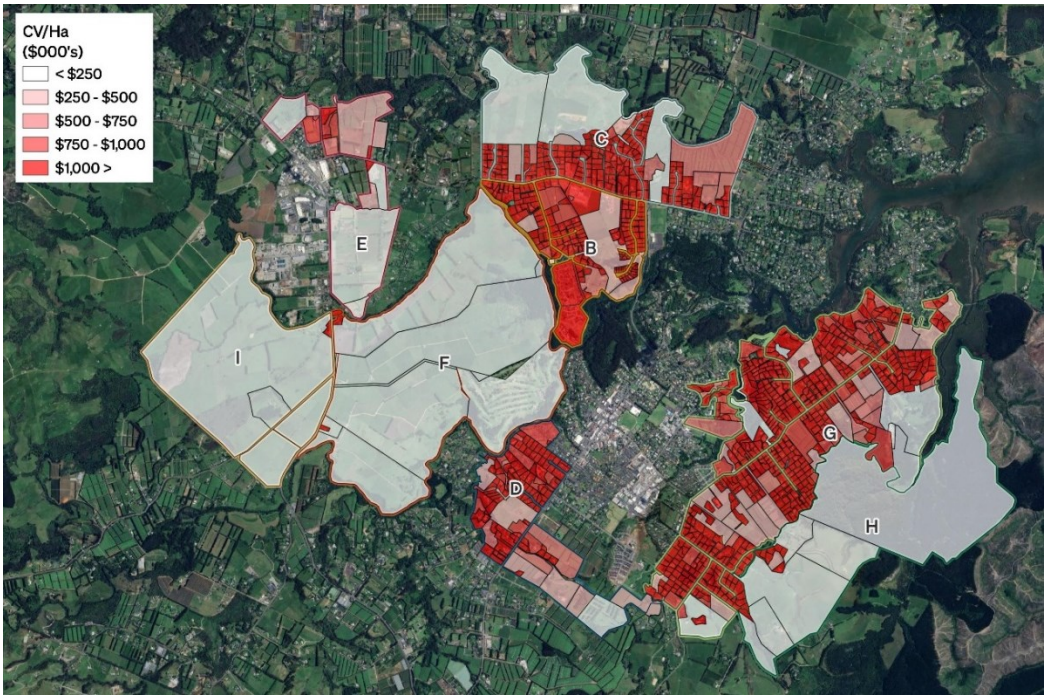
Source: CoreLogic, Far North District Council

Figure 26: Kerikeri-Waipapa Growth Area Capital Value/Ha Distribution

CV/Ha ($000's)	Growth Scenario (Number of Properties)								Total	%
	B	C	D	E	F	G	H	I		
< $250	**5**	**9**	**7**	**5**	**9**	**18**	**5**	**1**	**59**	**5%**
$250 - $500	3	3	6	3	0	16	1	0	**32**	**3%**
$500 - $750	2	5	5	1	0	13	0	0	**26**	**2%**
$750 - $1,000	3	1	13	3	0	27	0	0	**47**	**4%**
$1,000 >	143	178	93	4	2	487	8	1	**916**	**85%**
Total	**156**	**196**	**124**	**16**	**11**	**561**	**14**	**2**	**1,080**	**100%**
< $250	**3%**	**5%**	**6%**	**31%**	**82%**	**3%**	**36%**	**50%**	-	-
$250 - $500	2%	2%	5%	19%	0%	3%	7%	0%	-	-
$500 - $750	1%	3%	4%	6%	0%	2%	0%	0%	-	-
$750 - $1,000	2%	1%	10%	19%	0%	5%	0%	0%	-	-
$1,000 >	92%	91%	75%	25%	18%	87%	57%	50%	-	-
Avg CV/Ha ($000's)	**$4,155**	**$3,010**	**$2,715**	**$940**	**$460**	**$2,755**	**$1,345**	**$670**	-	-

Source: CoreLogic

Figure 27: Kerikeri-Waipapa Growth Area Capital Value/Ha Property Map



Source: CoreLogic, Far North District Council

Impact of Greenfield Land Prices on New Dwellings Prices

61 Figure 28 provides a summary of anticipated sale prices based on the existing value of development sites, with average site areas of 550m^2 (i.e. 11 dwellings per ha(net)). Based on this, it is estimated that for every additional $100,000 in CV/Ha for a development site, the sale price of a house once developed increases by $20,000-$30,000.

Figure 28: Development Site Valuation Impact on House Sale Prices

CV/Ha	Total Lots/Ha*	Raw Lot Value	Subdivision Costs/Lot	Other Costs	Lot Sale Price	House Sale Price
$100,000	11	$9,200	$150,000	$75,000	$234,200	**$590,000**
$200,000	11	$18,300	$150,000	$75,000	$243,300	**$610,000**
$300,000	11	$27,500	$150,000	$75,000	$252,500	**$630,000**
$400,000	11	$36,700	$150,000	$75,000	$261,700	**$650,000**
$500,000	11	$45,800	$150,000	$75,000	$270,800	**$680,000**
$600,000	11	$55,000	$150,000	$75,000	$280,000	**$700,000**
$700,000	11	$64,200	$150,000	$75,000	$289,200	**$720,000**
$800,000	11	$73,300	$150,000	$75,000	$298,300	**$750,000**
$900,000	11	$82,500	$150,000	$75,000	$307,500	**$770,000**
$1,000,000	11	$91,700	$150,000	$75,000	$316,700	**$790,000**
$2,000,000	11	$183,300	$150,000	$75,000	$408,300	**$1,020,000**
$3,000,000	11	$275,000	$150,000	$75,000	$500,000	**$1,250,000**
$4,000,000	11	$366,700	$150,000	$75,000	$591,700	**$1,480,000**

Source: UE

*60% net land area, 550m^2 lots.

62 Adopting the above, Figure 29 provides an estimate of the price range of dwellings within each growth option once fully developed. The key findings are as follows:

(a) Option B is anticipated to yield the most expensive dwellings, on average, with an estimated average price of $1.5 million.

(b) By comparison, Option F is anticipated to yield the most affordable dwellings, with estimated average dwelling prices of $670,000.

(c) Overall, Options E, F, H, and I are considered to be the most affordable growth options, each with the potential to supply dwellings for less than $1.0 million, on average.

Figure 29: Kerikeri-Waipapa Growth Area Anticipated House Prices

Growth Scenario	Cv/Ha			House Sale Price Estimate		
	LQ	Avg	UQ	LQ	Avg	UQ
B	$2,475,000	$4,155,000	$4,290,000	$1,130,000	**$1,510,000**	$1,550,000
C	$1,250,000	$3,010,000	$3,615,000	$850,000	**$1,250,000**	$1,390,000
D	$1,170,000	$2,715,000	$3,680,000	$830,000	**$1,180,000**	$1,410,000
E	$210,000	$940,000	$995,000	$610,000	**$780,000**	$790,000
F	$55,000	$460,000	$460,000	**$580,000**	**$670,000**	**$670,000**
G	$1,595,000	$2,755,000	$3,630,000	$930,000	**$1,190,000**	$1,390,000
H	$200,000	$1,345,000	$2,330,000	$610,000	**$870,000**	$1,100,000
I	$345,000	$670,000	$990,000	$640,000	**$720,000**	$790,000

Source: Corelogic, UE

Growth Option Scenario Dwelling Yield & Demand Sufficiency

63 Figure 30 outlines the estimated yield, dwelling demand (as informed by the HBA 2024 and 2024 Spatial Plan) and overall dwelling sufficiency by price for each growth option. The key findings are as follows:

(a) As identified in the 2024 Spatial Plan, there is an estimated demand for an additional 4,690 dwellings over the next 30 years (long-term), under the “Blue Sky Scenario”.

(b) Adopting the HBA income profile over the long-term, it is estimated that approximately 90% of future households (HBA page 17, Table 2-6) would demand dwellings of $1.0 million or less (based on current lending criteria), resulting in demand of 4,220 additional dwellings for $1.0 million or less.

(c) As identified in the 2024 HBA, there is capacity for approximately 130 infill dwellings to be supplied at $1.0 million or less (market-led

approach, HBA page 42, Table 4-6) in Kerikeri-Waipapa. Therefore, there is demand for approximately 4,090 dwellings of $1.0 million or less in greenfield areas, that is not otherwise able to be met in infill locations, based on the HBA conclusions.

(d) Of all the options, Option F (KFO site) would provide the largest quantity of dwellings for less than $1.0 million, supplying 2,500 dwellings at an average price of $0.7 million, resulting in a shortage of 1,590 dwellings for $1.0 million or less over the long term.

(e) Under the Spatial Plan's "hybrid growth scenario' (Options D + E), there would be an estimated shortage of 3,180 dwellings for $1.0 million or less, and a surplus of 70 dwellings above $1.0 million.

(f) Under a scenario where options D, E, and F are adopted, there would be an estimated shortage of 680 dwellings for $1.0 million or less, and a surplus of 70 dwellings for above $1.0 million. Therefore, the combined D, E and F scenario is broadly required to meet demand over a 30-year period.

Figure 30: Estimated Dwelling Sufficiency by Growth Option Scenario

Growth Scenario	Gross Land Area (Ha)	Net Land Area (Ha)*	Total Dwelling Yield**	Avg Price ($M)	% < $1.0M	Dwelling Yield < $1.0M	Dwelling Yield > $1.0M	Total Dwelling Demand***	Dwelling Demand < $1.0M ****	HBA Infill Capacity < $1.0M	Remaining Demand < $1.0M	Shortage/ Surplus < $1.0M	Shortage/ Surplus > $1.0M	Total Shortage/ Surplus
B	110	66	720	$1.5	20%	140	580	4,690	4,220	130	4,090	-3,950	110	-3,950
C	213	128	1,410	$1.3	33%	470	940	4,690	4,220	130	4,090	-3,620	470	-3,620
D	121	72	800	$1.2	33%	260	540	4,690	4,220	130	4,090	-3,830	70	-3,830
E	99	59	650	$0.8	100%	650	0	4,690	4,220	130	4,090	-3,440	-470	-3,910
D + E	219	132	1,450	-	-	910	540	4,690	4,220	130	4,090	-3,180	70	-3,180
F	379	227	2,500	$0.7	100%	2,500	0	4,690	4,220	130	4,090	-1,590	-470	-2,060
G	386	231	2,540	$1.2	33%	840	1,700	4,690	4,220	130	4,090	-3,250	1,230	-3,250
H	261	157	1,720	$0.9	80%	1,380	340	4,690	4,220	130	4,090	-2,710	-130	-2,840
I	217	130	1,430	$0.7	100%	1,430	0	4,690	4,220	130	4,090	-2,660	-470	-3,130
D + E + F	**599**	**359**	**3,950**	-	-	**3,410**	**540**	**4,690**	**4,220**	**130**	**4,090**	**-680**	**70**	**-680**

Source: CoreLogic, Far North District Council HBA 2024, Kerikeri-Waipapa Spatial Plan, UE

* @60% land area.

** Estimated at 11 dwellings per hectare.

*** As outlined under the "Blue-sky Scenario" in Kerikeri-Waipapa Spatial Plan.

**** Using 90% of Demand for less than $1.0M dwellings (HBA).

Economic Value Of Growth Option Rural Land

64 Figure 31 provides a summary of the quantity and value of rural land within each of the growth options for Kerikeri-Waipapa. The key findings are:

(a) Option B contains the highest average economic value of rural land (38.7% of CV/Ha), with an average value-added contribution to GDP of $375,000/ha. This is reflective of highly productive horticultural/arable land uses.

(b) By comparison, Options F, H, and I have relatively low economic values, of $19,000, $15,000, and $8,000/ha, respectively. This is reflective of relatively low productive uses of grazing/stock finishing and forestry. These options therefore, have a minor impact on the total supply of highly productive land (**HPL**) in the Kerikeri-Waipapa area.

(c) Options C and G contain the largest quantity of HPL (i.e. economic value of circa $200,000-300,000+), comprising 64 ha and 60 ha, respectively.

Figure 31: Quantity and Economic Value of Rural Land by Growth Option Scenario

Growth Scenario	Gross Land Area (Ha)	Rural Land Area (Ha)*	Avg CV/Ha	Avg Value Added/Ha **
B	110	6	$970,000	$375,000
C	213	64	$370,000	$143,000
D	121	11	$670,000	$259,000
E	99	22	$480,000	$186,000
F	379	319	$50,000	$19,000
G	386	60	$460,000	$178,000
H	261	207	$40,000	$15,000
I	217	216	$20,000	$8,000

Source: CoreLogic,Statistics NZ, UE

*Excluding urban and lifestyle uses.

**Value Added contribution for Agricultural Sectors of 38.7%.

EFFICIENT INFRASTRUCTURE COST RECOVERY

65 Option F is well-positioned to support the efficient recovery of infrastructure costs in Kerikeri-Waipapa. Large-scale, coordinated greenfield developments can typically enable more cost-effective infrastructure provision compared to fragmented or uncoordinated growth. The economies of scale inherent in such developments enable more efficient staging and reduced per-dwelling costs.

66 The Kerikeri-Waipapa wastewater system was recently upgraded at a cost of $27.0 million and has capacity for approximately 450 additional dwellings (FNDC). With the area currently growing at a rate of around 120 dwellings per annum, this capacity is likely to be exceeded within 4-5 years. It is important to note, however, that large-scale greenfield developments can increase dwelling demand to circa 200-300 p.a., as

seen in similar lifestyle towns (refer paragraph 47). This would reduce the years of remaining capacity.

67 In addition, the Kerikeri-Waipapa freshwater systems have a planned $23.0 million upgrade (FNDC). There is no public information on the additional capacity this will create.

68 Development contributions are typically utilised as a major source of funds for new infrastructure projects. These vary from location to location; however, they typically are within the $10,000 - $20,000 range.

69 Option F could enter into an agreement with the FNDC to pay development contributions to support a public system, or could alternatively set aside the same amount of funds to provide on-site infrastructure.

70 The Infrastructure Funding and Financing Act 2020 (**IFFA**) is another method available to fund council infrastructure. Figure 32 estimates the revenue generation of a typical $1,000, $1,500 and $2,000 levy per annum under the IFF Act, and development contributions of a typical $15,000, $20,000 and $25,000 per dwelling. The key points are summarised below.

71 The $1,000, $1,500 and $2,000 levy per annum under the IFF Act is estimated to generate a current value (2024) of $29.0 million, $43.5 million and $58.0 million.

72 The development contributions of $15,000, $20,000 and $25,000 are estimated to generate a current value (2024) of $31.9 million, $42.6 million and $53.2 million.

73 The combined IFF level + Development Contribution generates a current value (2024) of $60.9 million, $86.1 million and $111.22 million.

74 In summary, Option F could generate substantial revenue, in the order of $60.9 - $111.2 million, using both the IFF level and conventional DC mechanism. This would support significant additional infrastructure in Kerikeri-Waipapa. Greenfield offers scale, which is conducive to developer agreements and/or a volume of Development Contributions that support infrastructure that has a wider public value, e.g. costs can be amortised across a large number of properties to support major upgrades that may not otherwise be feasible.

Figure 32: Revenue Generation Through the IFF Act and Development Contributions

	Levy			Development Contributions (DCs)			Levy + DC Combined		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Levy Period (years)	30	30	30	30	30	30	30	30	30
No of Dwelling / Annum	100	100	100	100	100	100	100	100	100
Development Contributions	-	-	-	$15,000	$20,000	$25,000	$15,000	$20,000	$25,000
Levy / Dwelling / Annum	$1,000	$1,500	$2,000	-	-	-	$1,000	$1,500	$2,000
Inflation Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Net present Value ($m)	**$29.0**	**$43.5**	**$58.0**	**$31.9**	**$42.6**	**$53.2**	**$60.9**	**$86.1**	**$111.2**

Source: UE

75 Additionally, Option F presents an opportunity to improve the overall efficiency of land use in Kerikeri-Waipapa. Recent growth patterns show strong uptake in large-lot and lifestyle properties, which are typically less efficient in terms of land use and infrastructure servicing. By providing more of the traditional residential typologies within a well-serviced and master planned environment, KFO can absorb a share of future demand that would otherwise be directed toward dispersed, lower-density growth.

REVIEW OF GREENFIELD GROWTH OPTIONS

76 This section provides an economic evaluation of the growth options, as outlined in Figure 20. This draws on the previous analysis of this evidence.

77 The summary and conclusions are presented in Figure 33. Some of the key findings are:

(a) The Spatial Plan's preferred Hybrid Growth Scenario, comprising Options D and E in Figure 20, scores moderately against the other growth options. The main reasons for this are that the predominance of high-value farming land on smaller properties, many of which rely on HPL for intensive horticultural use, is a significant constraint to the potential development, in terms of creating well-designed master-planned developments, and enabling affordable housing.

(b) The KFO site (Option F) scores strongly, due to its location, ability to enable a large master planned development, the absence of HPL and its ability to provide affordable housing.

78 A key issue that arises is whether the Spatial Plan's Hybrid Growth Scenario, or other options such as KFO, are of a sufficient scale in themselves to meet growth over the long term. The Hybrid Growth Scenario would result in a shortage of 3,180 dwellings priced under $1 million, and an overall shortage of 3,180 dwellings. The KFO option would result in a shortage of 1,590 dwellings priced under $1 million, and an overall shortage of 2,060 dwellings. It is therefore evident that more than one single growth option is required to meet demand over the long term.

79 The combined Hybrid and KFO growth options result in nearly sufficient dwellings overall, and most importantly, in the under $1 million price range. The combined scenario would result in a shortage of 680 dwellings priced under $1 million, and an overall shortage of 680 dwellings across all price brackets. This option may have merit when other non-economic factors are also considered.

80 As a clarification, the economic evaluation only considers a 30-year time frame. However, there can be merit in considering a long time frame of 50+ years. Under this timeframe, it is conceivable that Kerikeri-Waipapa may see ongoing strong growth, in which case Kerikeri and Waipapa may merge into a single town. The KFO option is well placed for such a potential future, particularly if a direct vehicle connection between Kerikeri and Waipapa is completed.

Figure 33: Economic Evaluation of the Growth Options

Assessment Criteria	Criteria Description	Kerikeri-Waipapa Growth Scenraio	Rating*	Comments
Housing Demand & Affordability	This criterion assesses how well each scenario meets demand for housing in Kerkeri-Waipapa and the implications on addresseing housing affordability. A key consideration is whether infill capacity is able to meet demand, for households requiring dwellings under $1 million, over the short-long term.	A - Proposed District Plan Implementation	0.25	Scenario A maintains an infill focus, with no new greenfield land. Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split, with larger undeveloped sites providing opportunity for greenfield. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). Under the Spatial Plan Blue-sky scenario, there is total demand for 4,690** dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 (4,220 - 130) dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings (i.e. < $1.0M). For this scenario, an additional 4,090 greenfield dwellings are required, which would require an additional circa 371 ha of land (yield of 11 dwellings/ha). This scenario therefore has a shortfall of 371 ha of greenfield land to meet demand over the long term.
		B - South Waipapa Road Expansion	0.50	Scenario B has a 55:45 infill-greenfield split. Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 720 dwellings with an average price of $1.5M. It is estimated approximately 20% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 3,950 dwellings for less than $1.0M over the long term.
		C - North Waipapa Road Expansion	0.75	Scenario C has a 55:45 infill-greenfield split. Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 1,410 dwellings with an average price of $1.3M. It is estimated approximately 33% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 3,620 dwellings for less than $1.0M over the long term.
		D - Kerikeri South Focused Expansion	0.50	Scenario D has a 60:40 infill-greenfield split. Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 800 dwellings with an average price of $1.2M. It is estimated approximately 33% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 3,830 dwellings for less than $1.0M over the long term.
		E - Waipapa Focused Expansion	0.75	Scenario E has a 60:40 infill-greenfield split. Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 650 dwellings with an average price of $0.8M. It is estimated 100% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 3,440 dwellings for less than $1.0M over the long term.
		F - Kerikeri Northwest Expansion	1.50	Scenario F has a 60:40 infill-greenfield split. Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 2,500 dwellings with an average price of $0.7M. It is estimated 100% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 1,590 dwellings for less than $1.0M over the long term.
		G - Kerikeri East Expansion (Periphery)	0.75	Scenario G was not assessed in the Spatial Plan, however would likely have a similar infill-greenfield split as Scenarios D-F (60:40). Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 2,540 dwellings with an average price of $1.2M. It is estimated 33% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 3,250 dwellings for less than $1.0M over the long term.
		H - Kerikeri East Expansion (Okura Drive)	1.00	Scenario H was not assessed in the Spatial Plan, however would likely have a similar infill-greenfield split as Scenarios D-F (60:40). Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 1,720 dwellings with an average price of $0.9M. It is estimated 80% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 2,710 dwellings for less than $1.0M over the long term.
		I - Waipapa South Expansion	1.00	Scenario I was not assessed in the Spatial Plan, however would likely have a similar infill-greenfield split as Scenarios D-F (60:40). Historically Kerikeri-Waipapa has achieved a 25:75 infill-greenfield split. The HBA 2024 identifies potential for only 130 infill dwellings under $1.0M over the short-long term (30 years). There is total demand for 4,690 dwellings over the long term, and of these, around 90% (4,220) are for dwellings of under $1.0M (based on 90% of future households having incomes of under $100,000 (HBA page 17, table 2-6). Therefore, in total 4,090 dwellings will need to be provided in greenfield locations to meet demand and ensure access to affordable dwellings of less than $1.0M (4,690-130). This scenario would yield circa 1,430 dwellings with an average price of $0.7M. It is estimated 100% of dwellings would be for less than $1.0M. Therefore, this scenario would result in a shortfall of 2,660 dwellings for less than $1.0M over the long term.

Assessment Criteria	Criteria Description	Kerikeri-Waipapa Growth Scenraio	Rating*	Comments
Development Efficiency	This criterion evaluates how efficiently land can be developed based on parcel sizes, the need for aggregation, potential for masterplanning, and the ability to deliver integrated amenities.	A - Proposed District Plan Implementation	0.25	Scenario A focuses on growth within urban centres and intensification areas, which limits opportunities for large-scale, coordinated development. Without access to greenfield sites or larger parcels, this scenario is unable to support masterplanned developments that efficiently provide amenities like schools, parks, and shops. The reliance on smaller, fragmented urban sites increases the complexity of development.
		B - South Waipapa Road Expansion	0.50	Scenario B has 19% of its land on parcels larger than 20ha, which supports some potential for master-planned developments. However, a higher proportion of smaller parcels (<5ha) may require more land aggregation, increasing complexity and costs.
		C - North Waipapa Road Expansion	1.00	Scenario C has 50% of its land on sites larger than 20ha, making it well-suited for masterplanned developments. Large masterplanned developments allow for efficient provision of amenities such as schools, parks, and shops, providing significant community benefits. Large parcels also reduce the need for land aggregation.
		D - Kerikeri South Focused Expansion	0.25	Scenario D has no land (0%) on sites larger than 20ha, limiting opportunities for master-planned developments. The dominance of smaller parcels would require extensive land aggregation, increasing costs and making it challenging to efficiently deliver amenities for the local community
		E - Waipapa Focused Expansion	1.25	Scenario E has 68% of its land on sites larger than 20ha, making it well-suited for masterplanned developments. Large masterplanned developments allow for efficient provision of amenities such as schools, parks, and shops, providing significant community benefits. Large parcels also reduce the need for land aggregation.
		F - Kerikeri Northwest Expansion	2.00	Scenario F has almost all (99%) of its land on sites larger than 20ha, making it well-suited for masterplanned developments. Large masterplanned developments allow for efficient provision of amenities such as schools, parks, and shops, providing significant community benefits. Large parcels also reduce the need for land aggregation.
		G - Kerikeri East Expansion (Periphery)	0.25	Scenario G has 6% of land on sites larger than 20ha, limiting opportunities for master-planned developments. The dominance of smaller parcels would require extensive land aggregation, increasing costs and making it challenging to efficiently deliver amenities for the local community
		H - Kerikeri East Expansion (Okura Drive)	1.00	Scenario H has almost all (91%) of its land on sites larger than 20ha, making it well-suited for masterplanned developments. Large masterplanned developments allow for efficient provision of amenities such as schools, parks, and shops, providing significant community benefits. Large parcels also reduce the need for land aggregation. It should be noted that approximately 50% of the total land area of Scenario H is crown land used for forestry activities. This is a potential constraint to the full development of this area.
		I - Waipapa South Expansion	2.00	Scenario I has all (100%) of its land on sites larger than 20ha, making it well-suited for masterplanned developments. Large masterplanned developments allow for efficient provision of amenities such as schools, parks, and shops, providing significant community benefits. Large parcels also reduce the need for land aggregation.
Infrastructure Cost Recovery	This criterion evaluates how efficiently infrastructure costs can be recovered, based on the scale and type of development.	A - Proposed District Plan Implementation	2.00	Scenario A has infrastructure costs estimated at $71M - $137M, the lowest among the scenarios. However, with no additional greenfield growth, there is limited potential for efficient cost recovery, as infill developments are less likely to deliver predictable contributions to shared infrastructure costs. This scenario is likely to support additional lifestyle property development, reducing potential for effcent cost recovery.
		B - South Waipapa Road Expansion	0.50	Scenario B has infrastructure costs estimated at $155M - $261M, comparable to other scenarios. However, the prevalence of smaller parcels reduces potential certainty regarding development agreements and creates uncertainty in infrastructure delivery. This is less likely to support efficient infrastructure cost recovery.
		C - North Waipapa Road Expansion	1.00	Scenario C has infrastructure costs estimated at $154M - $260M, similar to other scenarios. However, the larger parcels and higher proportion of land on larger sites enable more potential certainty regarding development agreements for infrastructure provision. This potentially supports more efficient infrastructure cost recovery.
		D - Kerikeri South Focused Expansion	0.75	Scenario D has infrastructure costs estimated at $115M - $207M, the second lowest among the scenarios. However, the prevalence of smaller parcels reduces potential certainty regarding development agreements and creates uncertainty in infrastructure delivery. This is less likely to support efficient infrastructure cost recovery.
		E - Waipapa Focused Expansion	1.25	Scenario E has infrastructure costs estimated at $158M - $274M, the highest of the scenarios. However, the larger parcels and higher proportion of land on larger sites enable more potential certainty regarding development agreements for infrastructure provision. This potentially supports more efficient infrastructure cost recovery.
		F - Kerikeri Northwest Expansion	1.75	Scenario F has infrastructure costs estimated at $132M - $234M, at the lower end among the scenarios. The provision of large masterplanned development under Scenario F offers significant advantages, including greater certainty regarding development agreements and more efficient infrastructure provision. The scale of the masterplanned development supports streamlined cost recovery, as it delivers a substantial number of dwellings and amenities within a single, coordinated framework, reducing complexity and financial risk.
		G - Kerikeri East Expansion (Periphery)	1.00	Scenario G was not assessed in the Spatial Plan. The average cost across each growth scenario (B-F), of $142M - $247M is therefore adopted.
		H - Kerikeri East Expansion (Okura Drive)	1.00	Scenario H was not assessed in the Spatial Plan. The average cost across each growth scenario (B-F), of $142M - $247M is therefore adopted. However, given its distance from the existing urban area, there is potential for additional infrastructure costs to be incurred.
		I - Waipapa South Expansion	1.00	Scenario I was not assessed in the Spatial Plan. The average cost across each growth scenario (B-F), of $142M - $247M is therefore adopted. However, given its distance from the existing urban area, there is potential for additional infrastructure costs to be incurred, similar to the estimated cost for Scenario E.

Assessment Criteria	Criteria Description	Kerikeri-Waipapa Growth Scenraio	Rating*	Comments
Agglomeration Economies	This criterion evaluates the potential for economic efficiencies by enabling Kerikeri-Waipapa to operate as one integrated urban area over time.	A - Proposed District Plan Implementation	0.25	Scenario A focuses on growth within urban centres, limiting opportunities to strengthen the connection between Kerikeri and Waipapa.
		B - South Waipapa Road Expansion	1.50	Scenario B provides a relatively strong connection between Kerikeri and Waipapa. Development that connects the two towns is preferable, so they function as one urban area over time, rather than two distinct areas. This strengthens the local labour market and creates efficiencies for commercial activities. This may enable a direct connection (via or near to the golf course) to establish over the medium-long term. This scenario offers efficient transportation options for people wanting to access future employment in Waipapa. This would be an improvement in agglomeration.
		C - North Waipapa Road Expansion	1.00	Scenario C would likely result in development set back from Waipapa Road, due to lifestyle blocks near to the road. This suggests the majority of development would occur in the northern part of this area, reducing the potential agglomeration economies.
		D - Kerikeri South Focused Expansion	0.50	Scenario D focuses growth in Kerikeri South, limiting opportunities to connect the two towns. Concentrating development in one town reinforces their separation, rather than enabling them to function as a single area over time.
		E - Waipapa Focused Expansion	0.50	Scenario E focuses growth in Waipapa, limiting opportunities to connect the two towns.
		F - Kerikeri Northwest Expansion	2.00	Scenario F provides the strongest connection between Kerikeri and Waipapa. Development that connects the two towns is optimal, so they function as one integrated urban area over time, rather than two distinct areas. This strengthens the local labour market and creates efficiencies for commercial activities. This may enable a direct connection (via or near to the golf course) to establish over the medium-long term. This scenario offers efficient transportation options for people wanting to access future employment in Waipapa. This would be a substantial improvement in agglomeration.
		G - Kerikeri East Expansion (Periphery)	0.50	Scenario G focuses growth in Kerikeri East, limiting opportunities to connect the two towns. Concentrating development in one town reinforces their separation, rather than enabling them to function as a single area over time.
		H - Kerikeri East Expansion (Okura Drive)	0.25	Scenario H focuses growth in Kerikeri East, limiting opportunities to connect the two towns. Concentrating development in one town reinforces their separation, rather than enabling them to function as a single area over time.
		I - Waipapa South Expansion	0.50	Scenario I focuses growth in Waipapa, limiting opportunities to connect the two towns.
Highly Productive Land (HPL) Displacement	This criterion evaluates the overall loss of highly productive land (i.e. Horticultural/Arable land) to be removed from primary production.	A - Proposed District Plan Implementation	2.00	Scenario A focuses on growth within urban centres, thereby resulting in no loss of HPL surrounding Kerikeri and Waipapa.
		B - South Waipapa Road Expansion	1.00	Scenario B has 6ha of rural land (6% of total land area), with an average rural value added per hectare of $375,000, reflecting highly productive horticultural and arable activities. Despite this scenario resulting in only a small loss of HPL, it is some of the highest value land across each scenario.
		C - North Waipapa Road Expansion	0.50	Scenario C has 64ha of rural land (30% of total land area), with an average rural value added per hectare of $143,000, reflecting relatively productive horticultural and arable activities. This scenario results in one of the highest losses of HPL land across each scenario.
		D - Kerikeri South Focused Expansion	1.00	Scenario D has 11ha of rural land (9% of total land area), with an average rural value added per hectare of $259,000, reflecting the prevalence of relatively productive, horticultural and arable activities. Despite this scenario resulting in only a small loss of HPL, it is some of the highest value land across each scenario.
		E - Waipapa Focused Expansion	0.75	Scenario E has 22ha of rural land (23% of total land area), with an average rural value added per hectare of $186,000, reflecting the prevalence of relatively productive, horticultural and arable activities. Despite this scenario resulting in a relatively small loss of HPL, it is some of the highest value land across each scenario.
		F - Kerikeri Northwest Expansion	1.75	Scenario F has 319ha of rural land (84% of total land area), with an average rural value added per hectare of $19,000, reflecting the prevalence of low productive, pastoral/stock grazing activities. Despite this scenario resulting in a loss of a large amount of rural land, it is relatively unproductive, and therefore a good option for enabling growth.
		G - Kerikeri East Expansion (Periphery)	0.50	Scenario G has 60ha of rural land (16% of total land area), with an average rural value added per hectare of $178,000, reflecting the prevalence of relatively productive, horticultural and arable activities. This scenario results in one of the highest losses of HPL land across each scenario.
		H - Kerikeri East Expansion (Okura Drive)	1.50	Scenario H has 207ha of rural land (79% of total land area), with an average rural value added per hectare of $15,000, reflecting the prevalence of low productive, forestry and pastoral/stock grazing activities. Despite this scenario resulting in a loss of a large amount of rural land, it is relatively unproductive, and therefore a good option for enabling growth.
		I - Waipapa South Expansion	1.75	Scenario F has 216ha of rural land (100% of total land area), with an average rural value added per hectare of $8,000, reflecting the prevalence of low productive, pastoral/stock grazing activities. Despite this scenario resulting in a loss of a large amount of rural land, it is relatively unproductive, and therefore a good option for enabling growth.
Total Rating (out of 10)	**Scenario A**			**5**
	Scenario B			**4**
	Scenario C			**4**
	Scenario D			**3**
	Scenario E			**5**
	Scenario F			**9**
	Scenario G			**3**
	Scenario H			**5**
	Scenario I			**6**
Conclusion				**Growth Scenario F is the preferred option when measured against the five criteria, as it performs strongly across all criteria, offering the most efficient and integrated approach to meeting Kerikeri-Waipapa's future growth needs. No options provide sufficient land to meet total demand, with affordable dwellings, indicating additional land than provided in any one scenario is required. The combining, or partial combining, of F, alongside the adopted "hybrid growth scenario" from the Spatial Plan of E & D would provide the best scoring option in this regard, and sufficiently provide for the future growth needs of Kerikeri-Waipapa.**

Source: Various

*Each criterion is rated on a scale from 0 to 2, with higher scores indicating better performance. These scores are assigned based on how effectively each growth scenario addresses the specific criterion analysed. The total score for each scenario represents the overall performance (rating out of 10) across all five criteria, with higher totals reflecting better overall outcomes.

**Spatial Plan Blue-sky scenario. In comparison, UE estimate demand of 6,000 dwellings over a 30 year period.

LIVE URBAN ZONE OR FUTURE URBAN ZONE

81 The NPS-UD requires sufficient live zoned land to meet medium-term (10-year) demand, and over the 10-30-year time frame requires a minimum of future urban zone land. More recently, the central government has released its 'Going for Growth' policy and has proposed amendments to the NPS-UD that extend the period for live zone land out to 30 years of demand. Whilst not yet (and may not be) included in the revised NPS-UD, it is my opinion that a small town such as Kerikeri-Waipapa would benefit from having 30 years of live zoned land, and this would not present any significant cost, particularly if the infrastructure costs are sufficiently covered by each development.

82 Given the existing housing constraints, related affordability issues, and the HBA conclusion that these issues are not resolved by the PDP, in my opinion, there are significant benefits from having 30 years rather than 10 years of capacity. The higher growth rate anticipated in the Blue Sky projection adopted in the Spatial Plan further reinforces the need for longer-term supply to be available. A key consideration is that there is a need for a range of sites to be available for development, each year into the future, to ensure a 'competitive land and development market'.

83 I note that in the Auckland Unitary Plan review, the Independent Hearings Panel chair, Judge Kirkpatrick, addressed this matter and determined as follows:

> "The Panel considers the Unitary Plan should err toward over-enabling, as there is a high level of uncertainty in the estimates of demand and supply over the long term, and the costs to individuals and the community of under-enabling capacity are much more severe than those arising from over-enabling capacity."
>
> "The Panel considers it critical to the long-term well-being of people and communities in the region that the Unitary Plan enables a development pattern that is capable of meeting residential demand over the long term, and that it errs toward over-enabling capacity."
>
> (page 7/9, Report to Auckland Council Hearing topic 013 Urban Growth July 2016, Auckland Unitary Plan Independent Hearings Panel)

NPS-HPL

84 Section 3.6(1) of the NPS-HPL allows urban rezoning of HPL if it is required to provide sufficient development capacity to meet demand, if there are no other practicable locations, and if the benefits exceed the costs. These matters are addressed in my evidence. The key conclusions are:

(a) There is no infill capacity to meet demand for houses under $1 million, based on the HBA.

(b) The Option F site has the potential to provide lower-priced dwellings because it is a large site that enables economies of scale, and it has a relatively low land value, both of which enable lower-priced dwellings.

(c) It is centrally located between Waipapa and Kerikeri, providing efficient transportation.

(d) There are no other large sites with these characteristics, making it relatively unique as a growth option.

(e) The economic value of the Option F site for rural production is relatively low, at circa $19,000/ha. By comparison, other growth options have land that is many times more valuable for primary production.

(f) There are substantial benefits from providing housing for a growing population that exceed the costs, which relate only to forgone agricultural land.

85 For the reasons outlined above, I consider Option F is the best potential option for additional urban zoning.

NPS-UD

86 The HBA concludes that under the PDP, there is no potential for infill houses to be built for less than $1 million. The HBA does not consider the potential for greenfield land to provide for future housing demand. However, the HBA does Greenfield land is therefore required to meet demand. This is evident in the analysis of comparable lifestyle towns, and Kerikeri-Waipapa itself, where the majority of growth (63-93%) occurs in greenfield locations.

87 Efficient infrastructure cost-recovery is an important economic consideration. Clause 3.5 of the NPS-UD states, "Local authorities must be satisfied that the additional infrastructure to service the development capacity is likely to be available". Kerikeri-Waipapa has historically tended towards large-lot and lifestyle development, which does not generally connect to public water and wastewater infrastructure. This reduces the available development contributions to fund large investments in public infrastructure (I note this trend is continuing with the recently approved large lot development called Rangitane River Park, which includes 124 new lots).

88 Conventional suburban scale housing adjacent to Kerikeri-Waipapa would contribute to the cost of public infrastructure. Under the Local Government Act 2002 the FNDC can recover the cost of public infrastructure, however, only from residents benefit from the system. Options D, E and F would all contribute to public infrastructure costs; however, Option F would likely have the economies of scale to contribute substantially and ensure regular rates of development and development contributions revenue. This would, in turn, support more suburban rather than lifestyle property growth, which has been a long-standing historical challenge for Kerikeri-Waipapa, and something that is generally not seen in comparable towns.

MDRZ

89 The s42A Report for Hearing 14 recommends the introduction of an MDRZ and the removal of the multi-unit residential provisions (page 6). The S42A report does not provide any specification of the minimum lot sizes or building heights under the MDRZ for Kerikeri-Waipapa, beyond the general description provided in the National Planning Standards. I understand the provisions will be incorporated into the PDP through the Hearing 15D process. I intend to evaluate the provisions from an economic perspective in detail in rebuttal, once those provisions are known.

90 Notwithstanding the Council's lack of detail, it is in my opinion reasonable to conclude that there is no material difference between the potential for intensification enabled in the PDP and the subsequent recommendation for an MDRZ near the town centre. This is based on:

(a) A lack of historic uptake of infill development despite provisions enabling intensive development.

(b) Comparative examples of townships that have grown through greenfield developments, not infill.

(c) The HBA identifies 2,250 attached dwellings are feasible, out of 7,290 dwellings that are feasible overall, meaning that 31% of all feasible capacity under the PDP is for terrace and apartment dwellings.

(d) I note also that the HBA concludes that only 2% of infill capacity, whether it be stand alone, terrace or apartment, is estimate to have a price of under $1 million, which confirms that intensive housing has no practical capability of meeting the large proportion of dwelling demand, which is predominantly for dwellings of under $1 million.

91 I therefore have reservations that there would be any material difference between the PDP and MDRZ provisions with regard to providing suitable housing, in terms of both type and price, to meet future demand. I will consider these points in rebuttal once the provisions are known.

CONCLUSION

92 For the reasons outlined in this evidence, I consider that in addition to the Spatial Plan's recommended growth options D and E, Option F is required to enable sufficient development capacity to ensure a competitive land and development market. This is, in my opinion, especially important because Kerikeri-Waipapa is expected to have ongoing rapid and unprecedented relocation of residents from Auckland, which significantly benefits the district across a range of social and economic factors. However, it also raises a specific issue for existing residents, namely, a large proportion will be outbid by wealthy Aucklanders, and this will place increasing housing pressure on this part of the population.

93 My analysis finds that Option F scores highest against a range of economic criteria. However, there are also benefits from enabling competition, and Options D and E would ensure competition in the market overall. I believe this principle is well captured in the quote from

Judge Kirkpatrick that concludes it is best to err on the side of district plan provisions that are over-enabling rather than under-enabling, given the costs of under-enabling are far greater. I agree with this principle as housing affordability and meeting rapid growth present both a core challenge and essential outcome of district planning. Conversely, I consider there would be no material costs from having Options D, E and F all available for development.

……..

Adam Thompson

30 June 2025