

Pukekohekohe Gateway

Plan Change

Analysis of Economic Costs & Benefits



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1. Executive Summary

Pukekohe is identified in the Auckland Plan 2050 as a priority satellite town, anticipated to grow to a population of 50,000 people by 2040 – more than doubling its 2013 population of 21,000 people. This equates to a growth of approximately 450 dwellings per annum. In the Future Development Strategy 2023, Pukekohe is identified as an important rural node for south Auckland. The Future Development Strategy does not identify a specific growth target for Pukekohe.

Recent residential dwelling construction in Pukekohe has increased rapidly, from 120 per annum in 2010, to 350 per annum on average over the past 5 years.

Based on the regional housing shortage, the recent rapid increases in new dwelling construction, and the Pukekohe-Paerata Structure Plan (“structure plan”) anticipating 450 dwellings per annum, it is considered reasonable to anticipate that there will be ongoing demand for 450 new dwellings annually in Pukekohe.

The Pukekohe-Paerata Structure Plan identifies the potential for an additional 13,500 dwellings. However, a public plan change process is required before this capacity is live-zoned, given some of this land is currently zoned as Future Urban Zone, which would take at least several years.

There are five residential developments currently selling dwellings (or lots) in Pukekohe. Most developments are nearing completion, with Paerata Rise (a development which plans to provide 4,500 dwellings) being the only development with any significant capacity remaining. As a result, the Paerata Rise development accounts for approximately 98% of Pukekohe’s greenfield pipeline supply when excluding plan changes 74 & 76, and 56% of Pukekohe’s pipeline supply when including plan changes 74 & 76. This indicates that the Pukekohe housing market is highly concentrated and is unlikely to be competitive over the short-medium term.

There is an estimated potential for around 1,900 additional infill dwellings in Pukekohe. Given the slow rate of development of infill dwellings, this capacity is insufficient to meet the current high rate of annual demand.

Prices within the indicative development scenario would range from approximately \$600,000-\$900,000. This broadly aligns with pricing of similar product in other residential developments in the Pukekohe-Paerata area.

Only 24% of all terraced dwellings constructed in Pukekohe since 2016 are located within the existing urban area. This reflects a regional trend where terraced dwellings and apartments are primarily constructed as part of large masterplanned greenfield developments.

Pukekohe has a large town centre and other retail areas which include many of the main retail brands. Other amenities include 13 schools, several churches, one small hospital, a public library and one cinema.

The plan change area is in relatively close proximity to the Pukekohe train station which is in the process of being upgraded. This upgrade is being undertaken in conjunction with the completion of the electrification of the line from Auckland CBD to Pukekohe. KiwiRail indicates that this will lead to longer trains with more capacity and frequency of services, thus increasing the connectivity of Pukekohe to the rest of Auckland.

Pukekohe has approximately 11,300 jobs offered locally, and access to approximately 293,000 jobs within a 30-minute drivetime.

Objective 2 of the NPS-UD requires planning decisions to support competitive land and development markets. This objective is unlikely to be met if a concentrated market occurs given

that this would mean there are not enough developments in the market to ensure housing becomes more affordable over time]. The Pukekohekohe Gateway Plan Change (the “proposal”) will reduce the concentration of the existing Pukekohe greenfield market and therefore contribute to a more efficient greenfield land market in accordance with Objective 2 of the NPS-UD.

The proposal would enable another large-scale residential development into the Pukekohe-Paerata market, which would reduce market concentration and enable the provisions of the NPS-UD to be better met.

The ten-year Herfindahl-Hirschman Index scenario highlights the importance of the supply of both the number of competitors (developments) and the total quantity of lots to the market. In broad terms, while Pukekohe has a sufficient quantity of lots, an additional 4-5 medium-large developments would be required, in any one year, to ensure there is a competitive greenfield land market in Pukekohe. This is required to meet Objective 2 of the NPS-UD.

The proposal would enable a master planned development across 22.96ha of rezoned land. Masterplanned developments are key to providing a diversity of housing choices by type, size, location, and price.

The proposal would enable an efficient utilisation of existing bulk infrastructure, including three waters and roading, with a value of approximately \$29.8 million.

The proposal would result in a \$95.6 million contribution to GDP and support 683 jobs in the construction sector. This is considered to be a net addition to the economy, due to Auckland’s housing shortfall.

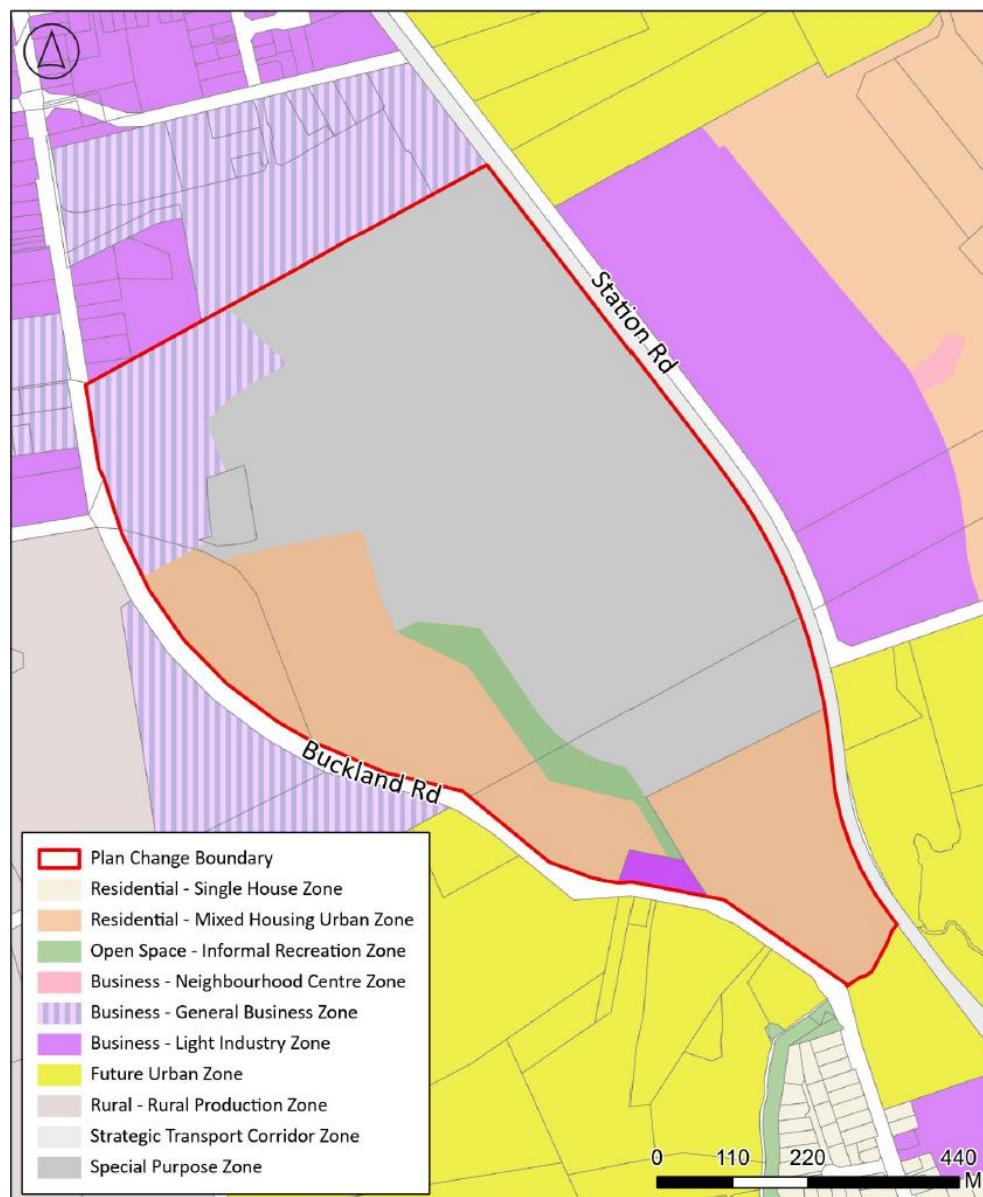
2. The Proposal

The proposal is to rezone approximately 22.96 hectares of Special Purpose - Major Recreation Facility Zone land to Mixed Housing Urban Zone (MHUZ) and Open Space – Informal Recreation Zone.

The total plan change area would result in an additional 20.82 hectares of MHUZ land and could provide approximately 500 dwellings.

Figure 1:

Proposed MHUZ and Open Space – Informal Recreation Zone shown in red outline



Source: Barker & Associates

2.1 Indicative Dwelling Yield by Type, Size & Price

The plan change area would include MHUZ land, which would enable a range of stand-alone and terrace dwellings.

The following figure displays an indicative dwelling yield for the plan change area. It is estimated that the plan change area would provide a mix of terrace and standalone dwellings to the Pukekohe market, with average lot sizes of 225m² and 300m², respectively, or a total development average lot size of 275m².

Prices have been estimated based on current market prices, market factors and a regression analysis of new dwellings across the Pukekohe-Paerata area.. This results in an estimated average price of \$680,000 for the terrace houses, and \$810,000 for the standalone houses, or an average sale price across the development of approximately \$780,000.

Figure 2:
Indicative Dwelling Yield by Dwelling Type, Size & Price

Dwelling Type	Estimated Dwelling Yield	Avg Lot Size (m ²)	Avg GFA Estimate (m ²)	Avg Section Price Estimate	Avg Dwelling Price Estimate
Terrace	125	225	100	-	\$680,000
Stand Alone	375	300	140	\$365,000	\$810,000
Total	500	275	130	\$365,000	\$780,000

Source: UE

3. NPS-UD & AUP Provisions

Various objectives and policies of the National Policy statement on Urban Development (May 2022) (NPS-UD) provide for development to meet demand, including through ensuring the type, price, and location of developments meet the needs of the communities they intend to service. The NPS-UD also encourages competitive land and development markets, particularly to improve housing affordability.

The key provisions of the AUP and NPS-UD that relate to efficient land markets are as follows.

"Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: (a) have or enable a variety of homes that: (i) meet the needs, in terms of type, price, and location, of different households; and (d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets"

"Policy 2: Tier 1, 2, and 3 local authorities, at all times, [must] provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term [1 to 3 years], medium term [3 to 10 years], and long term. [11 to 30 years]"

"Policy 6: When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters:... the benefits of urban development that are consistent with well-functioning urban environments (as described in Policy 1)"

"Policy 8: Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is: unanticipated by RMA planning documents; or out-of-sequence with planned land release."

"Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets"

"Objective 3: Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply: the area is in or near a centre zone or other area with many employment opportunities the area is well-serviced by existing or planned public transport there is high demand for housing or for business land in the area, relative to other areas within the urban environment"

AUP: *"B2.2.2.(1) Include sufficient land within the Rural Urban Boundary that is appropriately zoned to accommodate at any one time a minimum of seven years' projected growth in terms of residential, commercial and industrial demand... after allowing for any constraints on subdivision, use and development of land"*

Figure 3 shows the estimates of 'reasonably expected' development capacity across both infill and greenfield land markets in Pukekohe and compares this to dwelling demand. There is currently reasonably expected capacity for 1,900 dwellings from infill areas as a result of the 'Amendment Act', and 7,240 dwellings from greenfield areas (planned developments plus live zoned greenfield capacity). Live-zoned greenfield capacity is shown in Appendix 1.

With a demand of 450 dwellings per annum, this equates to 20.3 years of supply from existing land and 21.4 years of supply from existing land plus the proposed land. It is evident in Figure 3 that there is presently sufficient capacity for residential zone land to meet the requirements of the NPS-UD and AUP (both with and without the plan change).

Figure 3:
NPS-UD and AUP Pukekohe Development Capacity Analysis

Existing Capacity	Dwelling Capacity	Infill 'Reasonably Expected' Development Capacity	1,900
	Capacity	Greenfield 'Reasonably Expected' Development Capacity	7,240
	Demand p.a.		450
	Years of Supply		20.3
	NPS-UD	Land Provision Requirements	Met
Existing Capacity + Proposed Land		Short (0-3 year)	Met
		Medium (3-10 year)	Met
		Long (10-30 year)	Met
	AUP	B2.2.2.(1) (7 year)	Met
	Dwelling Capacity	Infill 'Reasonably Expected' Development Capacity	1,900
Existing Capacity + Proposed Land	Capacity	Greenfield 'Reasonably Expected' Development Capacity	7,240
	Demand p.a.	Proposed Land	500
	Years of Supply	Infill + Greenfield + Proposed Land	9,640
	NPS-UD	Land Provision Requirements	Met
		Short (0-3 year)	Met
AUP		Medium (3-10 year)	Met
		Long (10-30 year)	Met
	B2.2.2.(1) (7 year)		Met

Source: UE, Auckland Unitary Plan, National Policy Statement

Figure 4 displays an analysis of the Pukekohe-Paerata land market with regard to the intention of Objective 2 in the NPS-UD (“Planning decisions improve housing affordability by supporting competitive land and development markets”). Although Pukekohe-Paerata has enough raw development land available to meet demand, the concentration of this land in the hands of one main player suggests that a competitive market is unlikely to arise. Highly concentrated markets can exhibit monopoly pricing, where holding a dominant market share enables developers to charge higher prices. As outlined in section 3.5, Paerata Rise makes up 98% of planned development in the Pukekohe-Paerata residential land market when excluding PC 74 & PC 76, and 56% of planned development when including the anticipated yields from PC 74 & PC 76. A highly concentrated land market is unlikely to meet Objective 2 of the NPS-UD. As a result, in the short-medium term, this objective is not met in either scenario, as demonstrated in Figures 29 and 30. It is important to note that in both scenarios, Objective 2 is considered likely to be met in the long term assuming the Pukekohe-Paerata Structure Plan allows 5-10 additional medium-large masterplanned developments to enter the market (however it should be noted that there is no certainty that this will occur).

Figure 4:
NPS-UD Competitive Market Analysis

Existing Capacity	NPS-UD	Competitive Market Requirements	Short (0-3 year)	Not Met
			Medium (3-10 year)	Not Met
			Long (10-30 year)	Met
Existing Capacity + Proposed Land	NPS-UD	Competitive Market Requirements	Short (0-3 year)	Not Met
			Medium (3-10 year)	Not Met
			Long (10-30 year)	Met

Source: UE, Auckland Unitary Plan, National Policy Statement

The Herfindahl-Hirschman (H-H) index¹ is an industry best practice tool used to measure market concentration. Authorities that deal with regulating the competitiveness of markets, such as the Commerce Commission domestically and the US Department of Justice internationally, use the H-H Index to measure when markets have or will become too concentrated, if particular mergers occur, in order to ensure competitive markets. The US Department of Justice considers H-H index values between 1,500 – 2,500 to be moderately concentrated markets and values in excess of 2,500 to be highly concentrated.

Figures 5 and 6 display the H-H index values likely to occur in the Pukekohe greenfield land market over the next ten years, both with and without the proposal. This is calculated based on the current live-zoned greenfield capacity (Appendix 1) and currently selling/planned supply from greenfield developers in Pukekohe (Figure 12) with an individual supply capped at 125 dwellings per annum. This generally reflects the maximum amount a greenfield developer can supply to the market in any given year, accounting for physical and market limitations. It is important to note that in order to account for limitations for these potential developments to enter the market over the medium term, 50% of the estimated capacity has been applied to the developments outlined in Appendix 1 (shown in Appendix 2). This accounts for ongoing farming and land banking on around 50% of the lots over the medium term. The Pukekohe residential greenfield land market is estimated to account for approximately 375 dwellings per annum, while the infill residential market is estimated to account for 75 dwellings per annum. The main points to note are:

- The H-H index indicates that at present the Pukekohe greenfield market is 'highly concentrated', with a value of 7,150. This is in large part due to the existence of only one large developer in Pukekohe (Paerata Rise). This value slightly decreases as a result of an estimated introduction of PC 74 and PC 76 to the market from 2026 onwards, however, the market is still anticipated to remain highly concentrated over the medium term.
- With the addition of the proposal entering the market from approximately 2028², the Pukekohe greenfield market concentration falls slightly, from 4,730 to 4,070, but remains 'highly concentrated' overall. The market as a result is slightly more competitive than before and therefore contributes towards the Pukekohe residential land market better meeting Objective 2 of the NPS-UD.
- The number of competitors and the supply of lots in a residential greenfield market contribute significantly to the level of concentration that occurs. As shown below, the impact of one large development (the proposal) entering the market results in a notable decrease in market concentration. With the addition of more medium-large competitors, the concentration in Pukekohe would continue to fall, and a more efficient greenfield land market would result.
- This ten-year scenario highlights the importance of the supply of both the number of competitors (developments) and the total quantity of lots to the market. In broad terms, while Pukekohe has a sufficient quantity of lots, 4-5 medium-large developments would be required, in any one year, to ensure there is a competitive greenfield land market in Pukekohe. This is required to meet the provisions of Objective 2 of the NPS-UD.

¹ The Herfindahl-Hirschman index is calculated by squaring each supplier's market shares and then summing them. The maximum value is 10,000.

² Based on a conservative timeframe to enter the market of approximately 4 years from 2024 (i.e. 1-2 years for plan change process plus 1-2 years for site works and development process).

Figure 5:
Herfindahl-Hirschman Index, Pukekohe Greenfield Residential Land Market (Without Proposal)

Year	Number of Competitors	Development Dwelling Supply	Herfindahl - Hirschman Index	Market Concentration
2024	12	4,890	7,150	High
2025	9	4,515	7,870	High
2026	10	6,490	4,280	High
2027	5	6,120	4,510	High
2028	3	5,745	4,730	High
2029	3	5,370	4,930	High
2030	3	4,995	5,170	High
2031	3	4,620	5,490	High
2032	3	4,245	5,880	High
2033	3	3,870	6,400	High

Source: UE

Figure 6:
Herfindahl-Hirschman Index, Pukekohe Greenfield Residential Land Market (With Proposal)

Year	Number of Competitors	Development Dwelling Supply	Herfindahl - Hirschman Index	Market Concentration
2024	12	4,890	7,150	High
2025	9	4,515	7,870	High
2026	10	6,490	4,280	High
2027	5	6,115	4,520	High
2028	6	6,240	4,070	High
2029	4	5,865	4,230	High
2030	4	5,490	4,410	High
2031	4	5,115	4,640	High
2032	4	4,740	4,920	High
2033	4	4,365	5,270	High

Source: UE

4. Residential Market Analysis

The following sections provide an overview of the residential market in the Pukekohe-Paerata area. This provides background information for assessing housing market supply and demand, as required by the NPS-UD.

4.1 Regional Housing Market Overview

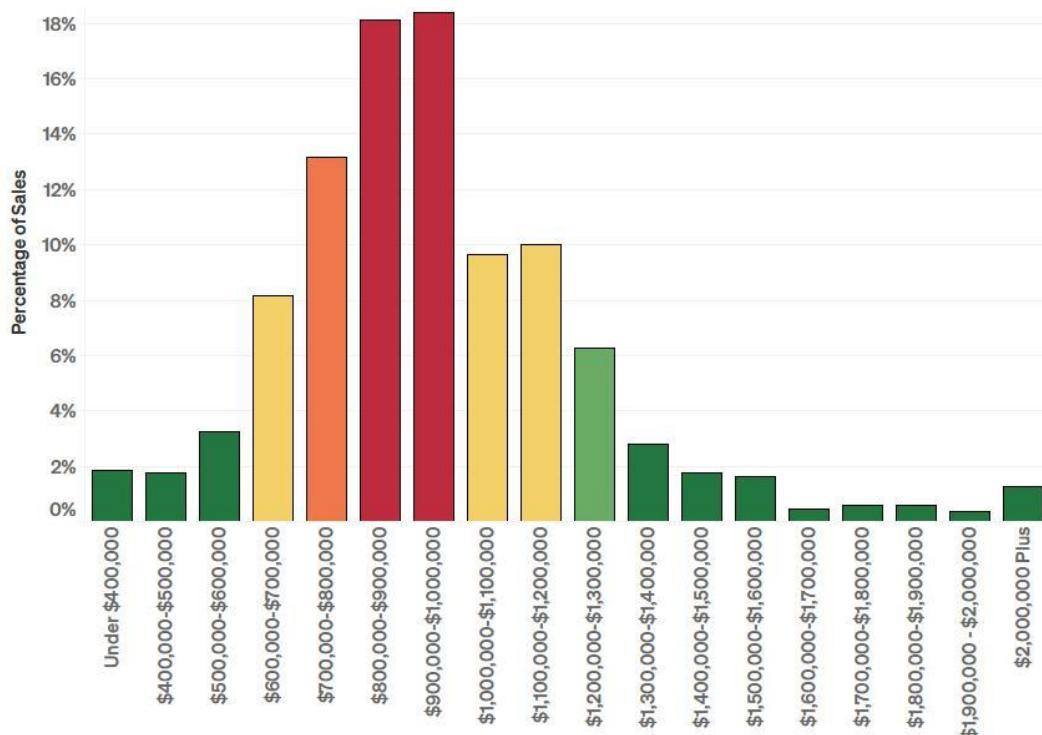
The Auckland housing market continues to have a housing shortage. Since the Auckland Unitary Plan (AUP) became operative in part in 2016, house prices have maintained record high prices, of around \$1.0 million on average. Auckland Council's most recent modelling finds that the price of

new dwellings in Auckland will continue to be high over the next decade, at \$1.66 million on average (maximum profit scenario³). This indicates that Auckland housing will experience ongoing upward price pressure.

4.2 Recent Sales

Figures 7 and 8 below provide the distribution of recent dwelling sales in Auckland and Pukekohe by price, for the 2022-2023 period. It is evident that the majority of sales in the Auckland urban area occurred within the \$700,000 - \$1,100,000 range (Figure 4), which is broadly consistent with the sales profile of the Pukekohe-Paerata area, where the majority of sales occurred within the \$800,000 - \$1,000,000 range (Figure 3), and the indicative development dwelling prices shown in Figure 2 above.

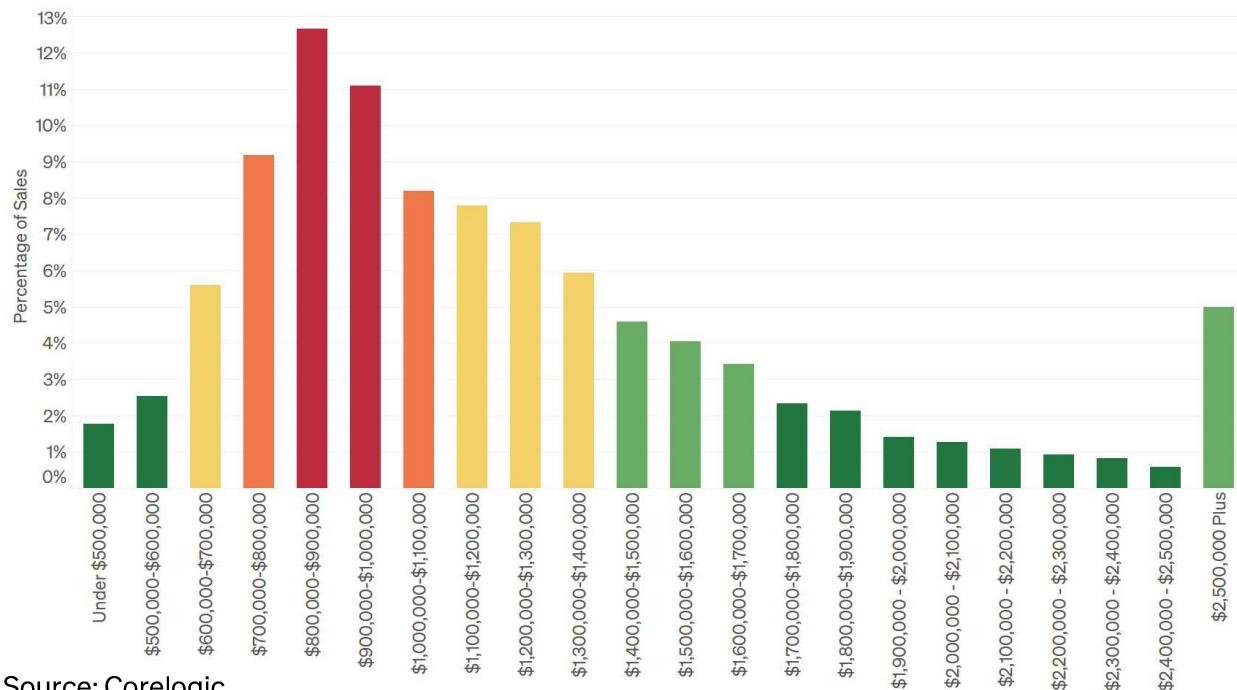
Figure 7:
Pukekohe-Paerata Residential Sales (2022 – 2023)



Source: Corelogic

³ Future Development Strategy, Overall Evidence Report, November 2023, Auckland Council, page 20

Figure 8:
Auckland Urban Residential Sales (2022 – 2023)



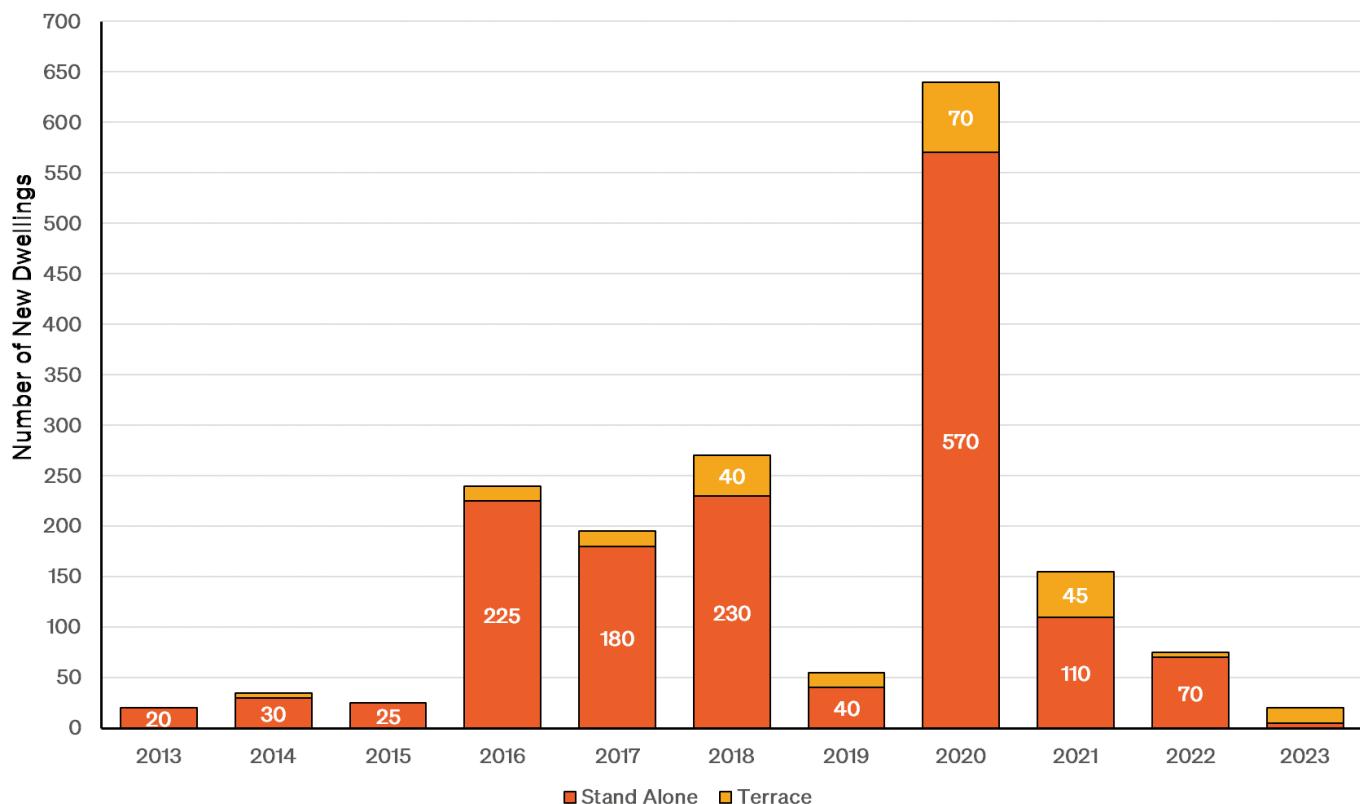
Source: Corelogic

4.3 New Dwelling Supply

Figures 9 and 10 illustrate the annual quantity and average sale price for new stand-alone and terrace dwellings introduced into the Pukekohe-Paerata area from 2013-2023. The key points to note are:

- The year 2020 saw the highest number of new stand-alone and terrace dwellings introduced into the market, with 570 stand-alone and 70 terrace dwellings.
- The average sale price for stand-alone dwellings built and sold in 2020 was \$790,000.
- The average sale price for terrace dwellings built and sold in 2020 was \$620,000.
- Over the last 5 years (2018-2023), there were approximately 800 new stand-alone and 150 terrace dwellings introduced to the market.
- The average sale price for new stand-alone dwellings over the last 5 years was \$930,000, with the average price peaking at \$1,260,000 in 2023.
- The average sale price for new terrace dwellings over the last 5 years was \$710,000, with the average price peaking at \$890,000 in 2023.

Figure 9:
New Dwelling Supply Pukekohe-Paerata (2013-2023)



Source: Corelogic, UE

Figure 10:
Average Sale Price of New Dwellings Pukekohe-Paerata (2013-2023)

Year	Average Price (\$)		Total	Average Growth
	Stand Alone	Terrace		
2013	\$450,000	-	\$450,000	-
2014	\$490,000	\$500,000	\$495,000	10%
2015	\$600,000	-	\$600,000	21%
2016	\$675,000	\$550,000	\$615,000	3%
2017	\$640,000	\$570,000	\$605,000	-2%
2018	\$690,000	\$525,000	\$610,000	1%
2019	\$690,000	\$585,000	\$640,000	5%
2020	\$790,000	\$615,000	\$705,000	10%
2021	\$990,000	\$675,000	\$835,000	18%
2022	\$930,000	\$795,000	\$865,000	4%
2023	\$1,260,000	\$890,000	\$1,075,000	24%

Source: Corelogic, UE

4.4 Current Listings

Figure 11 outlines the residential listings (for sale) by property type in Pukekohe in July 2024. The main points to note are:

- There are 184 stand-alone dwellings, and 19 terrace houses currently listed for sale on TradeMe in Pukekohe.
- The average asking price for stand-alone dwellings is \$980,000.
- The average asking price for terrace houses is \$790,000.
- Currently, 52% of the stand-alone dwellings are listed for between \$800,000 and \$1,200,000.
- Of the terrace houses presently listed, 58% have an asking price of between \$800,000 and \$1,000,000.

Figure 11:
Current Listings of Residential Dwellings (July 2024)

Price Bracket (\$000)	Count		Proportion	
	Stand Alone	Terrace	Stand Alone	Terrace
\$400-500	0	0	0%	0%
\$500-600	4	1	2%	5%
\$600-700	28	5	15%	26%
\$700-800	23	2	13%	11%
\$800-900	35	5	19%	26%
\$900-1000	24	6	13%	32%
\$1,000-1,100	18	0	10%	0%
\$1,100-1,200	18	0	10%	0%
\$1,200-1,300	12	0	7%	0%
\$1,300-1,400	9	0	5%	0%
\$1,400-1,500	4	0	2%	0%
\$1,500-1,600	2	0	1%	0%
\$1,600-1,700	3	0	2%	0%
\$1,700-1,800	0	0	0%	0%
\$1,800-1,900	1	0	1%	0%
\$1,900-2,000	0	0	0%	0%
\$2,000+	3	0	2%	0%
Total	184	19	100%	100%
Average (\$000)	\$980	\$790	-	-

Source: Trademe

4.5 Current Development Pipeline

Figure 12 displays the residential developments underway in mid-2024 in the Pukekohe-Paerata area, with the addition of Pokeno Village Estate in Pokeno, and Hunua Views in Ramarama. The main points to note are:

- As at mid-2024, there were five residential developments selling dwellings (or lots) in Pukekohe. Most developments are nearing completion, with Paerata Rise being the only current development with any significant capacity remaining.

- In Pukekohe, two plan changes have recently become fully operative, PC 74 & PC 76, which have the potential to deliver around 1,500 and 850 dwellings, respectively.
- Across the developments, there were 270 dwellings on the market as at mid-2024 and 4,695 dwellings planned. In total, there are 4,935 dwellings currently selling or planned in Pukekohe and the wider area, however, the inclusion of the plan changes (PC 74 and PC 76) could supply an additional 2,350 dwellings to the market.

In summary, Paerata Rise is the only significant development currently within Pukekohe, indicating that the market is highly concentrated and is unlikely to be competitive over the short-medium term. This will be placing upward pressure on prices and reducing the diversification of housing stock that would occur under a more competitive market.

Figure 12:
Current Residential Developments 2024

Location	Development	Total Dwellings	Sold	Proportion Sold	Currently Selling	Planned	Dwelling Types Offered
Pukekohe	Paerata Rise	4,500	370	8%	170	3,960	Stand Alone & Terrace
	Belmont Park	770	760	99%	5	-	Stand Alone & Terrace
	Anselmi Ridge	280	220	79%	10	50	Stand Alone & Terrace
	Regis Park	110	100	91%	10	-	Stand Alone & Terrace
	Reynolds Green	130	50	38%	30	50	Stand Alone Only
	Calcutta Road	25	20	80%	-	5	Stand Alone Only
Pokeno	Pokeno Village Estate	1,800*	1,660	92%	25	120	Stand Alone Only
Ramarama	Hunua Views	800	270	34%	20	510	Stand Alone & Terrace
Subtotal		8,415	3,450	57%	270	4,695	-
Pukekohe	Plan Change 74	1,500*	-	-	-	1,500*	-
	Plan Change 76	850*	-	-	-	850*	-
Total		10,770	3,450	57%	270	7,045	-

*Approximate

Source: Corelogic, Developer Websites, UE

Figure 13 provides a breakdown of the dwelling pricing and sizes offered by the current residential developments in the Pukekohe-Paerata area, with the addition of Pokeno Village Estate in Pokeno, and Hunua Views in Ramarama. This is based on a combination of CoreLogic sales data, and development masterplans. The most comparable development benchmarks, in terms of the scale of the development, are summarised below:

- **Paerata Rise, Paerata**
 - Paerata Rise is the largest residential development in Pukekohe, with 4,500 dwellings in total, comprising 540 completed dwellings and with a further 3,960 dwellings to be brought to the market in future stages.
 - The average lot sizes offered are 450m² for stand-alone dwellings, 290m² for terrace houses, and 475m² for sections.
 - The average gross floor area (GFA) for the different housing types offered are 180m² for stand-alone dwellings and 150m² for terrace houses.
 - Paerata Rise currently achieves prices at the higher end of the market when compared to other large residential developments in Pukekohe, with prices ranging from \$960,000-\$1,200,000 for stand-alone dwellings, \$680,000 - \$750,000 for terrace houses and

\$500,000-\$570,000 for sections.

■ **Anselmi Ridge, Pukekohe**

- Anselmi Ridge is the third largest development in the Pukekohe residential development market, with 280 dwellings in total. Of these, 79% have sold, with 60 currently selling or planned in future development.
- The average lot sizes offered are 510m² for stand-alone dwellings and 230m² for terrace houses.
- The average GFA for the different housing types offered are 195m² for standalone dwellings, and 170m² for terrace houses.
- Anselmi Ridge currently achieves prices of \$1,020,000-\$1,270,000 for stand-alone dwellings and \$780,000-\$935,000 for terrace houses. This development achieves the highest average stand-alone dwelling prices across the medium-large residential developments, with an average sale price of \$1,150,000.

■ **Pokeno Village Estate, Pokeno**

- Pokeno Village Estate, located within a 15-minute drive south from Pukekohe, is a sizeable development that is estimated to deliver approximately 1,800 dwellings in total. Approximately 92% of these dwellings/lots have sold, with around 145 dwellings/lots currently selling and/or planned for future stages.
- The average lot sizes offered are 635m² for stand-alone dwellings and 750m² for sections.
- The average GFA offered for stand-alone dwellings is 190m².
- Pokeno Village Estate currently achieves prices ranging from \$925,000-\$1,125,000 for stand-alone dwellings and \$390,000 - \$460,000 for sections.

■ **Hunua Views, Ramarama**

- Hunua Views is located within a 15-minute drive north of Pukekohe and has a total of 800 dwellings. To date, 34% of the development has sold, with a further 530 dwellings/sections currently selling and/or planned for future stages.
- The average lot sizes offered are 275m² for stand-alone dwellings, 265m² for terrace houses and 290m² for sections.
- The average GFA for the different housing types offered are 125m² for both stand-alone dwellings and terrace houses. This development offers the smallest average GFA for stand-alone dwellings in the Pukekohe and wider area.
- Hunua Views currently achieves prices ranging from \$700,000-\$830,000 for stand-alone dwellings, \$600,000-\$720,000 for terrace houses and \$310,000-\$390,000 for sections. This development achieves the lowest market prices across all housing types offered, when compared to the other residential developments in the Pukekohe and wider area, making the development attractive for young families and first home buyers.

Figure 13:
Current Residential Developments by Price & Size

Typology	Development	Price Range	Average Price	GFA Range (m ²)	Average GFA (m ²)	Lot Size Range (m ²)	Average Lot Size (m ²)
Stand Alone	Paerata Rise	\$960,000 - \$1,200,000	\$1,080,000	120 - 280	180	240 - 750	450
	Belmont Park	\$840,000 - \$1,000,000	\$920,000	80 - 210	150	200 - 560	360
	Anselmi Ridge	\$1,020,000 - \$1,270,000	\$1,150,000	115 - 420	195	220 - 1,110	510
	Regis Park	\$730,000 - \$950,000	\$840,000	85 - 350	200	410 - 950	570
	Calcutta Road	\$1,500,000 - \$1,730,000	\$1,615,000	250 - 380	320	1,000 - 2,650	1,620
	Pokeno Village Estate	\$925,000 - \$1,125,000	\$1,000,000	125 - 300	190	450 - 1,430	635
	Hunua Views	\$700,000 - \$830,000	\$790,000	95 - 160	125	190 - 370	275
Terrace	Paerata Rise	\$680,000 - \$750,000	\$715,000	110 - 190	150	240 - 400	290
	Hunua Views	\$600,000 - \$720,000	\$660,000	115 - 150	125	220 - 300	265
	Belmont Park	\$680,000 - \$790,000	\$735,000	65 - 140	105	110 - 310	210
	Anselmi Ridge	\$780,000 - \$935,000	\$860,000	150 - 180	170	220 - 250	230
	Regis Park	\$600,000 - \$740,000	\$670,000	75 - 130	85	270 - 300	290
Section	Paerata Rise	\$500,000 - \$570,000	\$535,000	-	-	350 - 635	475
	Reynolds Green	\$500,000 - \$700,000	\$600,000	-	-	570 - 1,310	710
	Pokeno Village Estate	\$390,000 - \$460,000	\$425,000	-	-	450 - 1,905	750
	Hunua Views	\$310,000 - \$390,000	\$350,000	-	-	230 - 390	290

Source: Corelogic, Developer Websites, UE

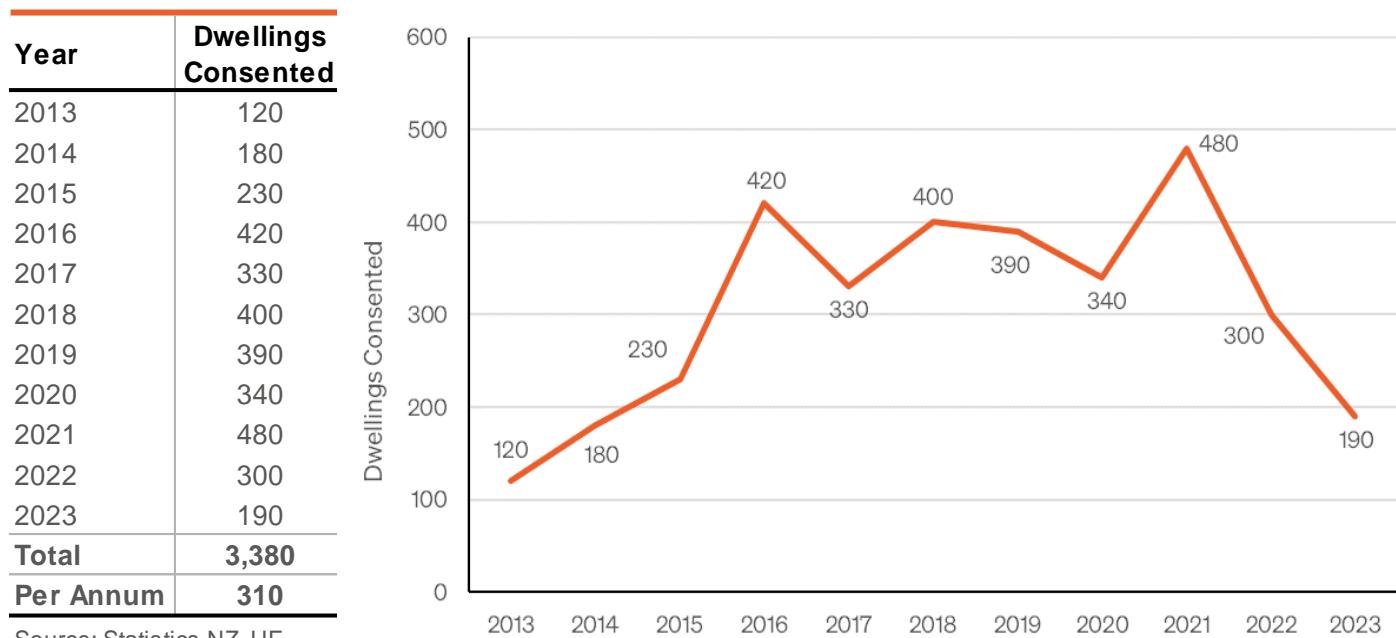
5. Residential Land Supply & Demand

This section provides an analysis of the supply and demand for residential land in Pukekohe.

5.1 Pukekohe-Paerata Housing Demand

Figure 14 shows the historical rate of new housing construction in Pukekohe-Paerata over the past decade. This shows that since 2013, the rate of new construction has increased rapidly. While the average over the past decade is 310 dwellings per annum, the average over the last five years is 350 dwellings per annum. This is nearly triple the number of dwellings consented in 2013.

Figure 14:
Residential Building Consents 2013-2023



Source: Statistics NZ, UE

Figure 15 below shows that Statistics NZ forecasts demand in the order of 290 households per annum for Pukekohe-Paerata for the next 20 years.

Figure 15:
Pukekohe-Paerata Statistics NZ Population & Household Forecasts

	Historic	Actual	Projection				Growth p.a	
	2018	2023	2028	2033	2038	2043	10-Yr	20-Yr
Population	26,700	30,000	33,700	37,400	41,100	44,800	670	700
Households	8,700	11,100	13,000	14,400	15,800	17,200	300	290

Source: Statistics NZ, UE

The Structure Plan documentation contains only a high-level indication of future dwellings and population⁴. The “Pukekohe-Paerata Structure Plan Growth Themes Background Paper - Transport (2018)” states:

“Pukekohe is identified in the Auckland Plan as a priority satellite town, anticipated to grow to a population of 50,000 people by 2040 – more than doubling Pukekohe’s 2013 population of 21,000 people. The revised Future Urban Land Supply Strategy (FULSS) anticipates that land to facilitate this growth will be available by 2027.” (Page 4)⁵

This equates to an additional 25,000 people or 10,000 dwellings (approximately) over the 22 years period (2018-2040), or around 450 dwellings per annum.

Based on the recent market construction trends, and the regional shortage for new competitively priced houses (section 4.2), and the significant increase in residential land and infrastructure planned in Pukekohe-Paerata, it is considered reasonable to anticipate that there is ‘upper end’

⁴ The FDS does not make any changes to the structure plan (Appendix Page 53)

⁵ Figure 4, which uses Statistics NZ projections to project a more conservative growth rate, with the 2040 population estimated at 38,180 people. This is a different source of projections than is used by the FULSS.

demand for 450 new dwellings annually in Pukekohe-Paerata, as estimated by the Auckland Council.

5.2 Pukekohe-Paerata Housing Supply

Figure 16 below provides a broad estimate of the current additional residential land planned for Pukekohe-Paerata, by zone. Assuming a net land yield of 55%, and various 'Dwellings per Hectare' rates⁶, there is estimated potential for an additional 13,500 dwellings and 33,750 people in greenfield development areas in Pukekohe-Paerata based on the current zoning (note this includes the large Wesley/Paerata Rise development). This is slightly less (by 800 dwellings) than the estimated capacity enabled by the FULSS of 14,300 dwellings by 2027 (page 32). This indicates that the planned infrastructure investment under the FULSS would not be fully utilised by the planned quantity of residential land, even over the long term (30 years) (noting that the Future Development Strategy does not specify infrastructure investment for different localities).

Figure 16:
Pukekohe Land & Dwelling Yield Estimates

Area	Zone	Land Area Gross	Land Area Net	Dwellings per Hectare	Total Dwellings
North Pukekohe	Paerata	300	170	20	3,400
	THAB	30	20	30	600
	MHU	310	170	20	3,400
	MHS	200	105	15	1,600
	SH	180	100	10	1,000
	Sub-total	1,020	565	-	10,000
South Pukekohe	THAB	0	0	30	0
	MHU	120	70	20	1,400
	MHS	225	120	15	1,800
	SH	50	30	10	300
	Sub-total	395	220	-	3,500
Total		1,415	785	-	13,500

Source: Auckland Council, UE

Overall, the potential supply of an additional 13,500 dwellings in Pukekohe-Paerata is equivalent to the Auckland Council's expected 30-year demand, which is estimated at 450 per annum. This is inclusive of approximately 2,350 dwellings that relate to the recently operative plan changes (fully operative in 2023) - PC 74 and PC 76.

The amount of residential development enabled by the quantity of land zoned in the Structure Plan is less than the growth identified to be enabled by the FULSS. It is also less than the amount of growth expected under the Structure Plan over the next thirty years.

It is worth noting that the Structure Plan supporting documentation aims to enable a 30-year supply to ensure future demand is met:⁷

"The Auckland Plan aim is to provide for 30 years of growth capacity including providing for growth within existing urban areas and around 15,000 hectares of greenfield (mainly rural) land, identified for development. The south is the largest future urban growth area in

⁶ The lot sizes typically achieved in peripheral or town greenfield masterplanned developments.

⁷ Pukekohe-Paerata Structure Plan, Growth Themes Background Paper - Transport at [4.1]

Auckland with around 5,300 hectares of land identified for urban development and this translates to approximately 42,000 new homes and 19,000 jobs over 30 years.”

5.3 Commercially Feasible Infill Capacity

Figures 17 and 18 show the estimated ‘commercially feasible’ infill lots and dwellings by lot size and price for Pukekohe. The main points to note are:

- In total, there is potential for 3,000 commercially feasible infill⁸ dwellings in Pukekohe as a result of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (Amendment Act). As some of these properties would not be available for development, as the owners would not sell these properties over the next decade, this would indicate that there is practical potential for around 1,900 additional infill dwellings over the next decade (assuming two thirds of properties are available for development).
- The minimum lot size is expected to be around 175m² in Pukekohe.
- The dwellings that are likely to be built on these lots would result in properties with a value of approximately \$720,000.
- Overall, it is concluded that there is low-moderate potential for infill development in Pukekohe, and future growth therefore will mostly be greenfield development, as demonstrated in the following section. This is further confirmed by the relatively low uptake rates of infill housing in rural towns and villages across Auckland under the AUP (mostly less than 10 dwellings per annum and 30 per annum in Pukekohe, based on our analysis).

Figure 17:
Plan Enabled & Commercially Feasible Infill Lots by Lot Price (following the MDRS Amendment Bill 2021)

Lot Size	Dwelling Price	Commercially Feasible Lots	Feasible Dwellings %
175 (MHUZ)*	\$720,000	2,790	93%
175 (THAB)	\$720,000	210	7%
Total	-	3,000	-

Source, Corelogic, Urban Economics

*All existing residential zones except THAB functioning as MHUZ

⁸ Infill development capacity has been assessed based on development of sites of 5,000m² or less, while greenfield development capacity is development of site of greater than 5,000m².

Figure 18:
Commercially Feasible Infill Lots by Lot Price



Source: Corelogic, UE

5.4 Realised Infill Capacity

Figures 19 and 20 outline the location of all new dwellings sold within Pukekohe from 2016-2023, broken down by dwelling type. An indicative urban boundary from 2016 is outlined in red in Figure 16, which determines whether a dwelling was constructed as part of 'greenfield' or 'infill' development. The main points to note are:

- Since 2016, 24% of terrace houses (or 60 in total – less than 10 per annum) were constructed as part of infill development. Conversely, 76% of new terrace houses were built as part of greenfield development. This reflects a regional trend where terrace houses and apartments are primarily constructed as part of large masterplanned greenfield developments.
- Overall, the majority (87%) of new dwellings have been constructed in greenfield areas, reflecting the normal development pattern for most towns, and the economies of greenfield development.

Figure 19:
New Dwellings Built in Pukekohe-Paerata, (2016 – 2023)

Dwelling Type	Greenfield	Infill	Total	Greenfield (%)	Infill (%)
Stand Alone	1,325	175	1,500	88%	12%
Terrace	195	60	255	76%	24%
Total	1,520	235	1,755	87%	13%

Source: Corelogic, UE

Figure 20:
New Dwellings Built in Pukekohe-Paerata, (2016 - 2023)



Source: Corelogic

6. Affordability of New Greenfield & Infill Housing

Housing in new greenfield developments is typically able to be brought to the market at lower prices than new infill housing, both in terms of its nominal price and square metre price. This is due to greenfield developments offering greater economies of scale for land development and house construction, and significantly lower raw land prices.

Figure 21 shows the sale price of new greenfield and infill dwellings in Auckland. Overall, greenfield dwellings are 5% - 24% more affordable than infill dwellings, when dwelling type and size are accounted for. On average, a house that costs \$1.44 million in an infill location could be purchased for \$1.16 million in a greenfield location (a 24% price difference). This price differential is more pronounced for small 2 or 3-bedroom stand-alone greenfield dwellings, which are 29% - 37% less expensive than infill.

Several studies confirm that greenfield housing is able to be produced at more affordable prices than infill housing. For example, a study completed by Urbis Ltd in 2013⁹ found that greenfield housing was significantly less expensive than infill housing (32% cheaper in Brisbane, 10% cheaper in Adelaide, 5% cheaper in Sydney, 22% cheaper in Melbourne and 32% cheaper in Perth).

Based on this analysis, it is evident that the Auckland greenfield housing is generally 20-30% cheaper than infill housing. Well-functioning residential land markets require both infill housing to enable higher densities and efficient use of existing infrastructure capacity, and greenfield housing to enable affordable housing to place downward pressure on prices and ensure all residents have access to suitable affordable housing. For rural towns and villages, there is a greater reliance on greenfield rather than infill dwellings, as the demand in these locations is predominately for stand-alone dwellings. For the main urban area, there is greater demand for infill housing.

⁹ National Dwelling Cost Study, prepared for the National Housing Supply Council, 2011, Urbis.

Figure 21:

Average Sale Price (\$m) of New Build Properties in Auckland between January 2020 - December 2022

Stand Alone						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	-	\$0.7	\$0.8	\$1.1	\$1.5	\$1.0
Infill	-	\$0.8	\$1.1	\$1.4	\$1.6	\$1.2
GF % Infill	-	79%	76%	84%	91%	79%
Terrace						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	-	\$0.7	\$0.9	\$1.2	-	\$1.0
Infill	-	\$0.8	\$1.0	\$1.2	-	\$1.0
GF % Infill	-	96%	94%	104%	-	98%
Apartments						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	\$0.6	\$0.7	-	-	-	\$0.7
Infill	\$0.6	\$0.8	-	-	-	\$0.8
GF % Infill	92%	84%	-	-	-	88%
Total						
Locations	1-bed	2-bed	3-bed	4-bed	5+bed	Average
Greenfield	\$0.6	\$0.7	\$0.9	\$1.2	\$1.5	\$1.0
Infill	\$0.6	\$0.8	\$1.0	\$1.3	\$1.6	\$1.2
GF % Infill	92%	86%	84%	93%	91%	89%

Source: CoreLogic

7. Opportunities for Masterplanned Developments in Pukekohe-Paerata

The Pukekohe-Paerata Structure Plan proposes a large quantity (1,427 hectares) of residential land. This is comprised mostly of MHSZ (54%) and MHUZ (30%) zoned land.

Across the 1,427 hectares, the average parcel size is relatively small, at 6 hectares, reflecting the predominance of lifestyle blocks (see the figure below).

It is also important to note that across the 1,427 hectares, only 4% of parcels are 30 hectares or greater in size (see Figure 22). This is particularly important in respect of large master planned developments, which tend to require sites of at least 30 hectares to enable in the order of 400 or more dwellings. To put this into context, the large master planned developments in Auckland tend to have 1,500 – 3,000 dwellings. For example, Hobsonville Point has 4,500 dwellings, Addison in Papakura has 1,500 dwellings, Stonefields in east Auckland has 2,500 dwellings, and Long Bay in the North Shore has 2,000 dwellings. Given the relatively small parcel sizes in the Pukekohe-Paerata area this means that there would be a large number of smaller incremental greenfield developments, that do not achieve the same amenity as medium-large scale greenfield developments.

Enabling large masterplanned developments in Pukekohe-Paerata has a number of notable benefits, most notably:

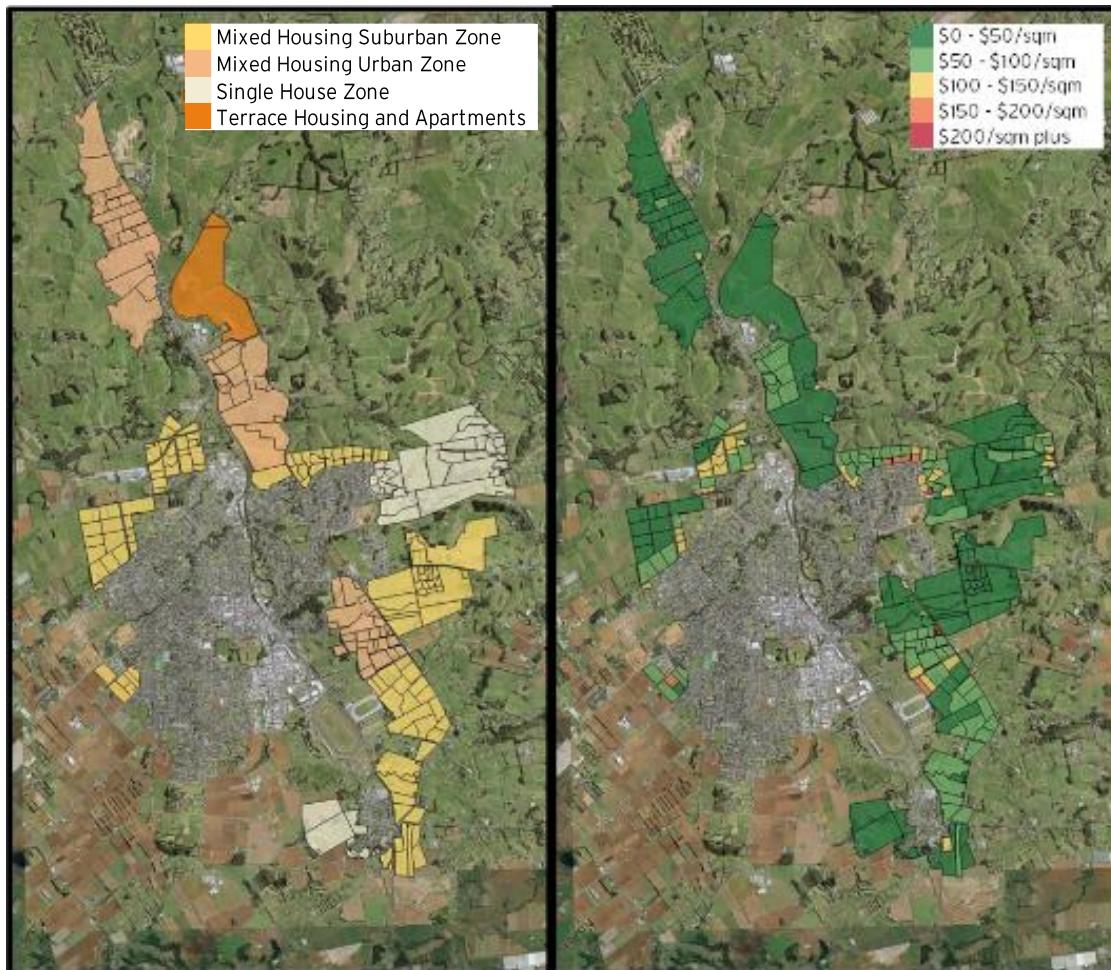
- Developers have a market incentive to produce a high quality development as they need to sell a large number of dwellings over an extended, long term period. By contrast, smaller developments, of 100-200 dwellings, often have a more basic design as there is no requirement for ongoing sales.
- Large developments often enable a more diverse housing stock, as some buyers are willing to purchase a smaller town/terrace house in order to be in a highly regarded development. This is evident in large developments in Auckland over the past decade, which have started with larger stand-alone homes, and then over time introduced smaller terrace and town houses.
- The housing design and road layout are better managed over a wider area.

Figure 22:
Additional Residential Land in Pukekohe–Paerata Structure Plan by Parcel Size

Parcel Size (Ha)	Count	Count (%)
0-10	204	86%
10-20	11	5%
20-30	14	6%
30-40	2	1%
40-50	4	2%
50-60	0	0%
60-70	2	1%
70-80	0	0%
80-90	0	0%
90-100	1	0%
Total	238	100%

Source: Corelogic

Figure 23:
Structure Plan Proposed Residential Land by Residual Land Value and Zone



Source: Corelogic, Auckland Council

One of the most notable benefits of large masterplanned developments is that they enable a diverse range of housing, in particular, high-density terrace and town houses. This is due to the quality of the environment that can be created with good urban design. Consequently, many buyers choose a terrace or town house in a large masterplanned development, rather than a conventional stand-alone house in a smaller development, even if the price is similar.

The total plan change area is of a relatively large scale (22.96ha) and would enable, as a conservative estimate, approximately 500 dwellings in the short-medium term, based on the indicative concept and yield estimate. At this scale it would be a notable development within the context of Pukekohe's residential development market and would make a considerable contribution to the compact urban form objective (RPS B2.2.1) given a significant proportion of the site is anticipated to be developed for smaller lots of 200-400m².

It should be noted that as a general principle, buyers of dwellings near the urban periphery, such as Pukekohe, prefer larger houses. Historically, very few terrace or town houses have been built in Pukekohe, and other similar places, such as Pokeno, which only offer large affordable sections. It is optimal that there is a predominance of MHUZ and MHSZ in the proposed Structure Plan, however, this zoning does not automatically mean that higher density housing will be built, as market factors, such as the general preference for large stand-alone dwellings, will continue to have a major influence on development trends. Given the historic trends, the opportunity for large

masterplanned developments is likely to be one of the primary factors that will enable higher density housing in Pukekohe-Paerata over the next 1-2 decades.

Figure 24 places the proposal within the context of Auckland's largest masterplanned developments. It is also worth noting that these developments have achieved a significant proportion of terrace/town houses and apartments, which represent in the order of 17-55% of all dwellings. This is significantly higher than the regional average and highlights the importance of large masterplanned developments in achieving the compact city objective.

Figure 24:
Large Development Dwelling Types Consented

Development	Stand Alone	Terrace	Apartments	Terrace + Apartments	Total	Stand Alone	Terrace	Apartments	Terrace + Apartments
Gulf Harbour	1,720	420	0	420	2,140	80%	20%	0%	20%
Hobsonville Point	670	610	210	820	1,490	45%	41%	14%	55%
Karaka	2,250	410	50	460	2,710	83%	15%	2%	17%
Millwater	1,770	380	50	430	2,200	80%	17%	2%	20%
Flat Bush	6,090	1,210	0	1,210	7,300	83%	17%	0%	17%
Stonefields	770	140	570	710	1,480	52%	9%	39%	48%
Total	13,270	3,170	880	4,050	17,320	77%	18%	5%	23%

Source: Statistics NZ

8. Access to Amenity & Opportunity

Pukekohe is an attractive rural town location, offering a wide range of amenities that support residential development. For example, residents of the proposed development would have access to:

- 13 schools, inclusive of Buckland School.
- A large town centre and other retail areas, including most of the main retail brands.
- Approximately 11,300 jobs locally, and access to 293,000 jobs within a 30-minute drivetime.
- The plan change area is in relatively close proximity to the Pukekohe train station which is in the process of being upgraded. This upgrade is being undertaken in conjunction with the completion of the electrification of the line from Auckland CBD to Pukekohe. KiwiRail indicates that this will lead to longer trains with more capacity and frequency of services, and commuters will no longer need to switch trains at Papakura, thus increasing the connectivity of Pukekohe to the rest of Auckland.
- Other amenities include a large leisure centre, several churches, green parks, a hospital, a public library, and one cinema.

9. Thresholds for Community Amenities

The following sub-sections outline the various population thresholds to support local amenities in Pukekohe.

9.1 Access to Business Goods & Services

Larger towns can support a more diverse range of business activities. There are commercial viability thresholds that, when reached, enable the particular type of business to operate. This, in turn, produces a range of social and economic benefits, most notably residents can access these goods and services locally, reducing travel outside of their neighbourhood. There are also other social benefits, including stronger communities and a better lifestyle from living in an area that has more goods and services available locally. This is an important contributor to a well-functioning urban environment.

Figure 25 provides the population and dwelling commercial viability thresholds for different business node types.

Figure 25:
Viability Population Threshold Analysis for Commercial Businesses

Business Node	Population	Dwellings
Sub-Regional Employment Hub	45,000	15,000
Large Format Retail (LFR)	30,000	10,000
Supermarket	11,500	3,800
Town Centre	10,000	3,300
Local Centre	5,000	1,700
Neighbourhood Centre	3,000	1,000

Source: AUP, Statistics NZ, UE

As outlined in Section 8, Pukekohe has a large town centre, and a large LFR centre that contains most of the main retail brands currently supported by the town's population of 30,000 people. As the town continues to grow, to approximately 50,000 people by 2040, there will be additional demand for a supermarket, and several additional Local Centres and Neighbourhood Centres to service the local population.

9.2 Public Amenities Provision

Generally, larger towns can support a greater range of public amenities. As outlined in Section 8, Pukekohe currently has 13 schools, a small hospital, public library, a range of community centres and other recreational amenities (e.g. gyms etc) servicing the town's population (30,000 people). At present, the current supply of community facilities and amenities provided are considered to be sufficient to service the additional 500 dwellings enabled by this plan change. However, as the town continues to grow, the demand for the public amenities will also continue to increase. It is therefore anticipated that by 2040, there will be demand for an additional secondary school, 2-3 primary schools, and several childhood centres, gyms and or community centres to service the additional population (approximately 20,000 people).

The population thresholds for a range of key public amenities are shown in Figure 26.

Figure 26:
Viability Population Threshold Analysis for Public Amenities

Public Amenities	Population	Dwelling
Medical Centre	45,000	15,000
Pool Facility	45,000	15,000
Leisure Facility	30,000	10,000
Library	30,000	10,000
Secondary Schools	13,000	4,300
Community Centres	7,500	2,500
Gyms	6,000	2,000
Primary Schools	3,500	1,200
Childhood Centre	1,000	300

Source: AUP, Statistics NZ, UE

10. Efficient Use of Infrastructure

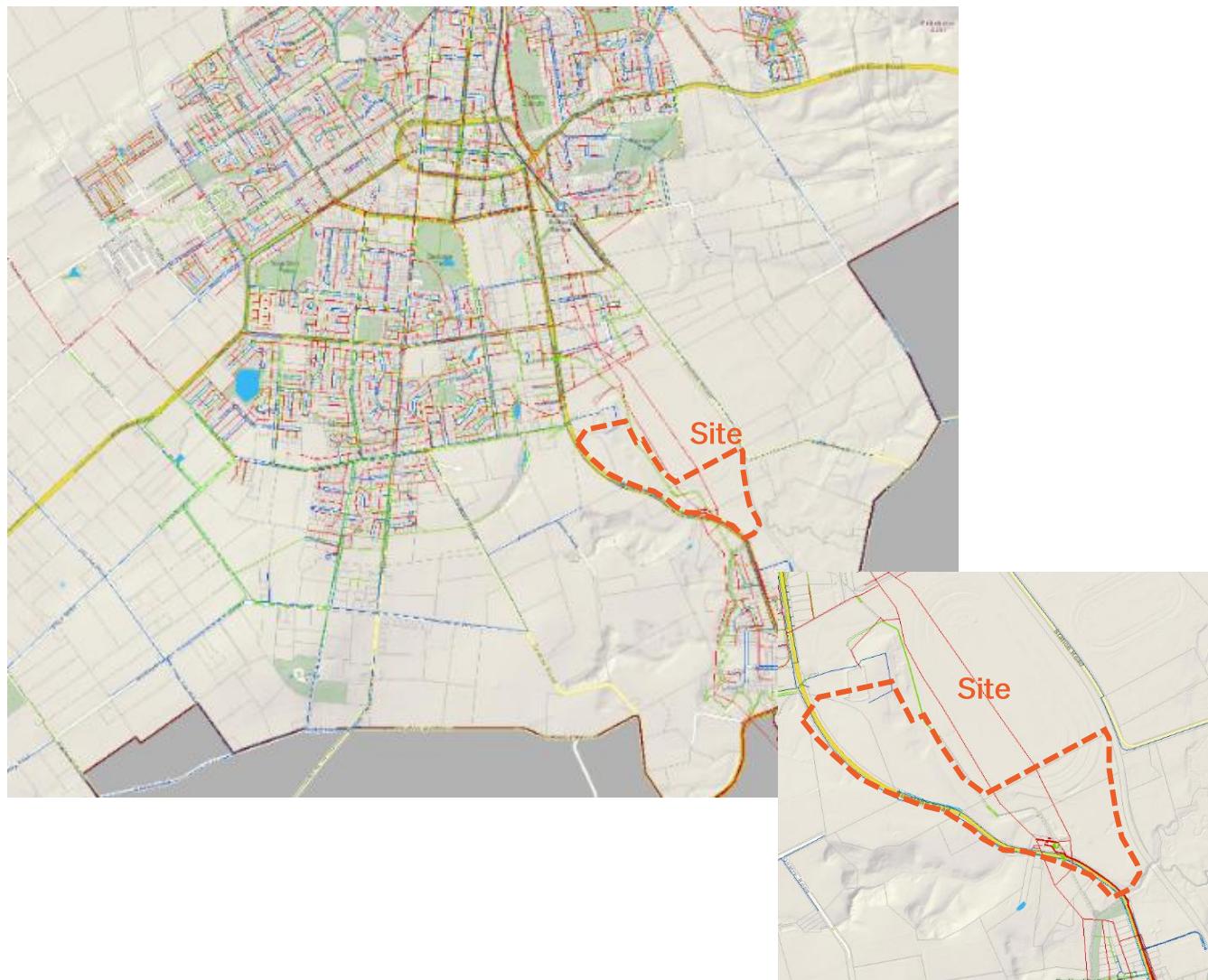
Auckland Council estimate that the city requires \$19.9 billion of expenditure on the infrastructure network for future urban areas (Auckland Future Urban Land Supply Strategy, July 2017, page 20). This equates to expenditure of \$1.3 million per hectare of land (15,000 hectares / \$19.9 billion = \$1.3 million).

The plan change area is presently serviced with bulk infrastructure, as shown in Figure 27. The Auckland Thoroughbred Racing Club site is one of the largest undeveloped sites in Pukekohe that is presently serviced with bulk infrastructure.

Based on the Auckland Council's cost to service land with bulk infrastructure, the rezoning of the plan change area would utilise existing infrastructure with a value of \$29.8 million (22.96ha hectares * \$1.3 million = \$29.8 million). This is a substantial economic benefit.

As outlined in Section 5.2, the zoned residential land area in the Pukekohe-Paerata Structure Plan provides for an additional 13,500 dwellings while the FULSS provides infrastructure to support 14,300 dwellings by 2027. This indicates that the planned infrastructure investment would not be fully utilised by the planned quantity of residential land under the Structure Plan, even over the long term (30 years). Enabling more dwellings through a plan change process provides a higher return on infrastructure investments increasing their efficiency.

Figure 27:
Infrastructure Map



Source: Auckland Council

11. Economic Contribution & Employment Generation

The proposal would create a considerable number of jobs within the construction industry. The national 'value added per employee' for each sector has been used to estimate the full time equivalent (FTE) employment for this project, under the indicative development scenario for the site (Figure 28). It is estimated that the construction of 500 dwellings would support approximately 683 FTE jobs and contribute approximately \$95.6 million to construction sector GDP. This number can be interpreted as the number of FTE jobs created on an annualised basis, i.e. if construction takes 4 years and is split evenly between the years then approximately 170-171 FTE jobs would be supported in each year.

Figure 28:
FTE Employee & Value-Added Contribution Estimates from Construction

Dwelling Type	Avg Lot Size (m ²)	Number of Dwellings	Project Value (\$M)	Value-Added GDP (\$M)	Number of FTE's
Terrace	225	125	\$68.0	\$20.9	149
Stand Alone	300	375	\$243.0	\$74.7	534
Total	275	500	\$311.0	\$95.6	683

Source: UE

Figure 29 shows the estimated national 'value added per FTE employee'. The value added per employee figures are used to estimate the FTE employees created by the construction of the project. Figure 25 shows that the construction sector has a \$23.2B contribution to national GDP and a workforce of 165,500 FTEs. This results in a value added of \$139,900 per FTE employee.

Figure 29:
Industry GDP and Value Added per Employee

Sector	Value Added GDP (\$M)	FTE Workers	Value Added GDP Per Employee
Construction	23,160	165,500	\$139,900

Source: Statistics NZ

12. Summary of Economic Costs & Benefits

The economic benefits resulting from the proposal are summarised as follows:

- The proposal would enable the provision of dwellings approximately in the \$600,000-\$900,000 price range. This broadly aligns with pricing of similar product in other residential developments in the Pukekohe-Paerata area.
- The proposal would enable a masterplanned development over the 22.96ha of rezoned land that is notable within the wider sub-region. Masterplanned developments are able to produce a wide range of dwelling types and prices which has inherent benefits.
- The proposal would increase the supply of new dwellings entering the Pukekohe-Paerata residential market. This introduces more competition into the market, which would increase overall market efficiency and place downward pressure on house prices.
- Based on the Auckland Council's cost to service future urban land with bulk infrastructure, the rezoning of the Auckland Thoroughbred Racing Club site would utilise existing infrastructure with a value of \$27.1 million (22.96 hectares * \$1.3 million = \$29.8 million). This is a substantial economic benefit to weigh up in the rezoning decision.
- The proposal would result in a \$95.6 million contribution to GDP and support 683 jobs in the construction sector. This is considered to be a net addition to the economy, due to Auckland's housing shortfall.

The following economic costs resulting from the proposed residential rezoning are identified as follows:

- The proposal would displace a small amount of land zoned for Special Purpose - Major Recreation Facility Zone land at the Pukekohe Park racecourse. This land is presently

underutilised and is not anticipated to be required for the operation of the racecourse. It is therefore considered to be a minor economic cost to consider.

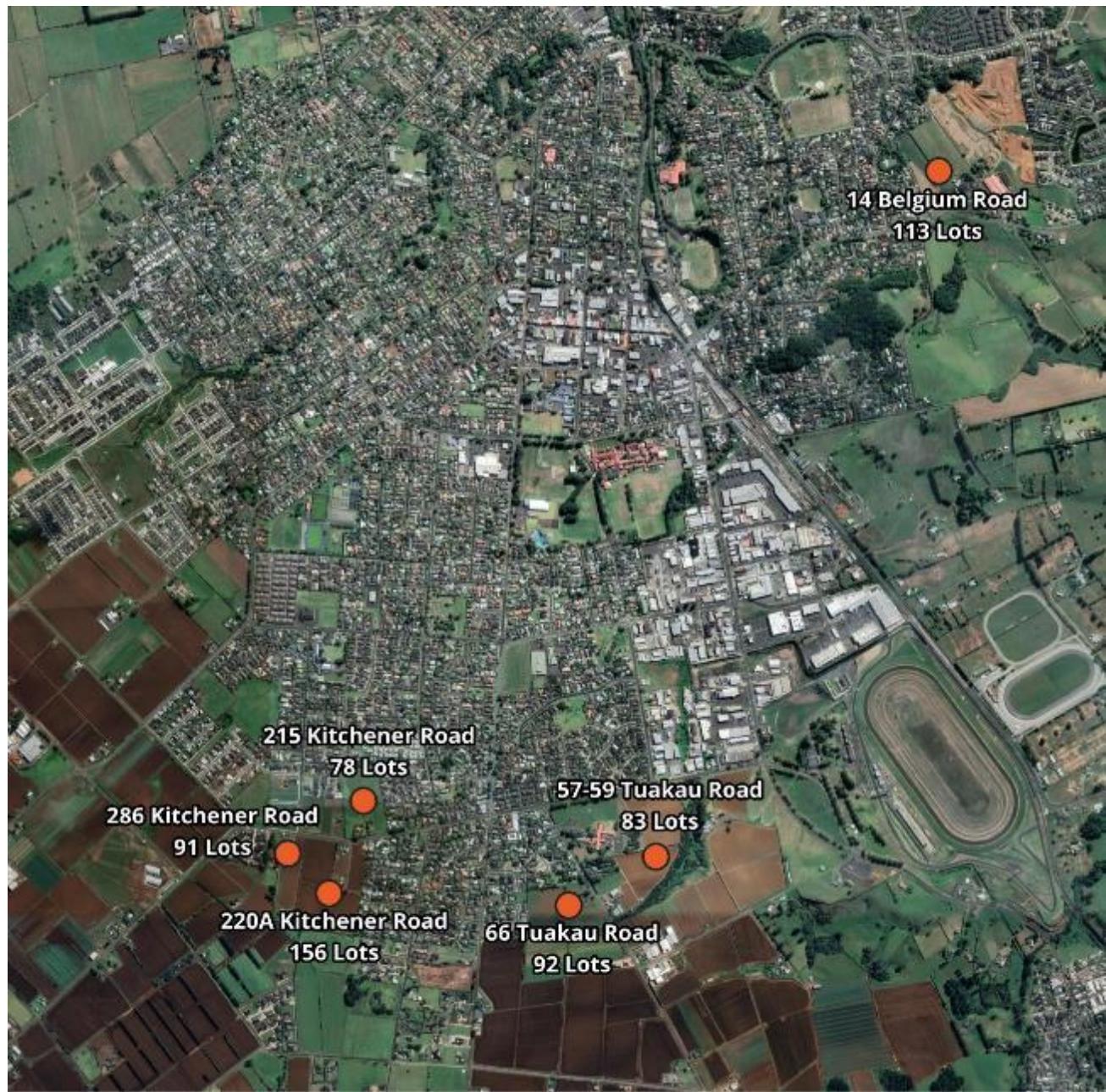
13. Conclusions & Recommendations

The proposal would result in considerable regional economic benefits. Key benefits include downward pressure on house prices resulting from increased market competition in Pukekohe-Paerata, utilising bulk infrastructure with an estimated value of \$29.8 million, supporting approximately 683 FTE jobs through construction and contributing an estimated \$95.6 million to Construction Sector GDP.

Based on the foregoing costs and benefits of the proposed rezoning, the proposal is considered to result in net economic benefits and is therefore recommended for approval.

14. Appendix 1: Live Zoned Residential Greenfield Capacity in Pukekohe

Figure 30:
Locations of Greenfield Capacity



Source: Corelogic, UE, Auckland Unitary Plan

15. Appendix 2: Planned & Potential Capacity Development List (Medium Term)

Figure 31:
List and Capacity of Current and Future Greenfield Development Competitors (Medium Term)

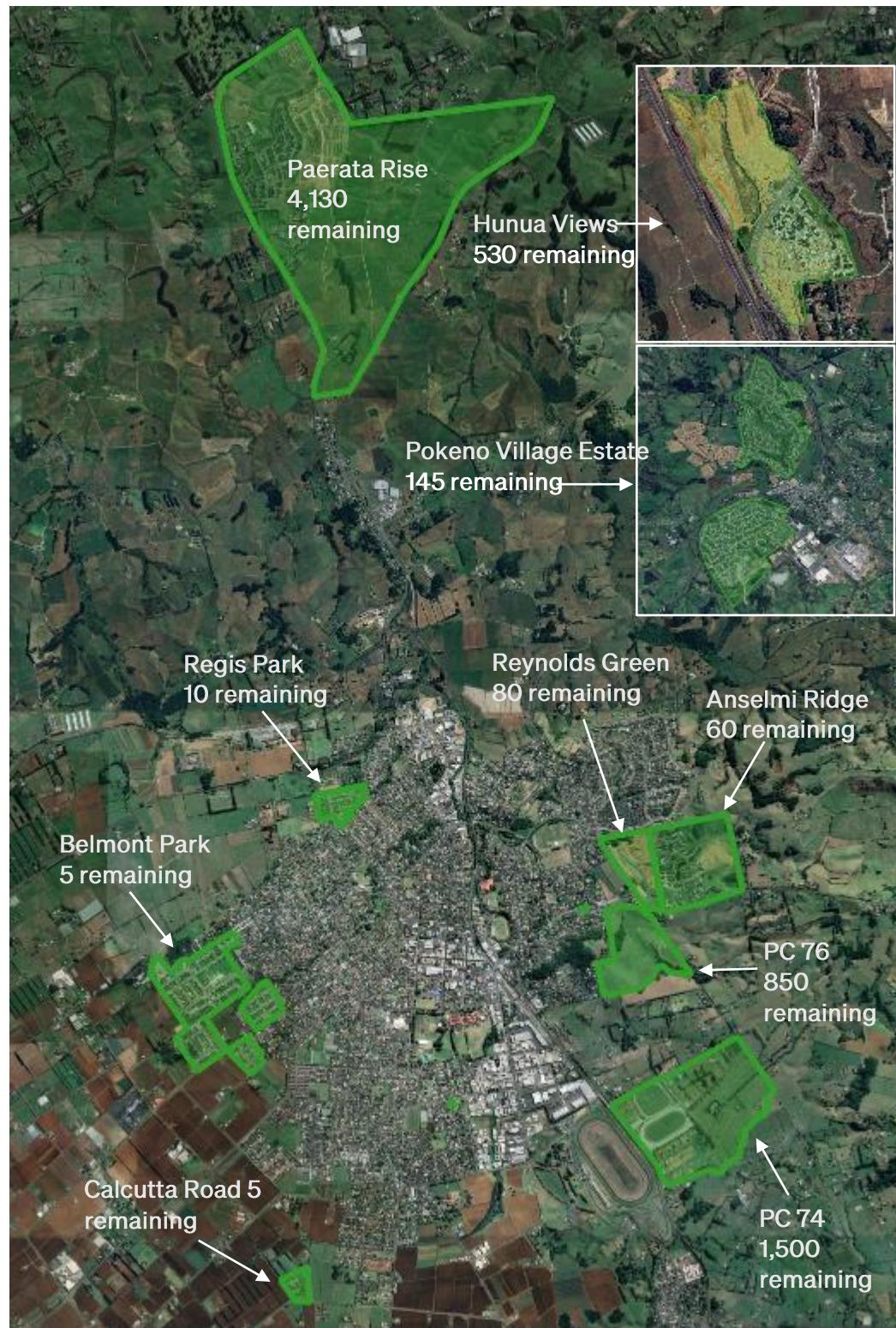
	Developments	Capacity (Lots)
Planned	Paerata Rise	3,953
	Anselmi Ridge	53
	Calcutta Road	4
	4 Valley Road	2
	Plan Change 74	1,500
	Plan Change 76	850
Potential Capacity	14 Belgium Road*	113
	220A Kitchener Road*	156
	286 Kitchener Road*	91
	215 Kitchener Road*	78
	66 Tuakau Road*	92
	57-59 Tuakau Road*	83

* A 50% realisation rate has been applied to account for the possibility of limitations to entering the market in the medium term (i.e. infrastructure constraints etc.)

Source: Various, UE

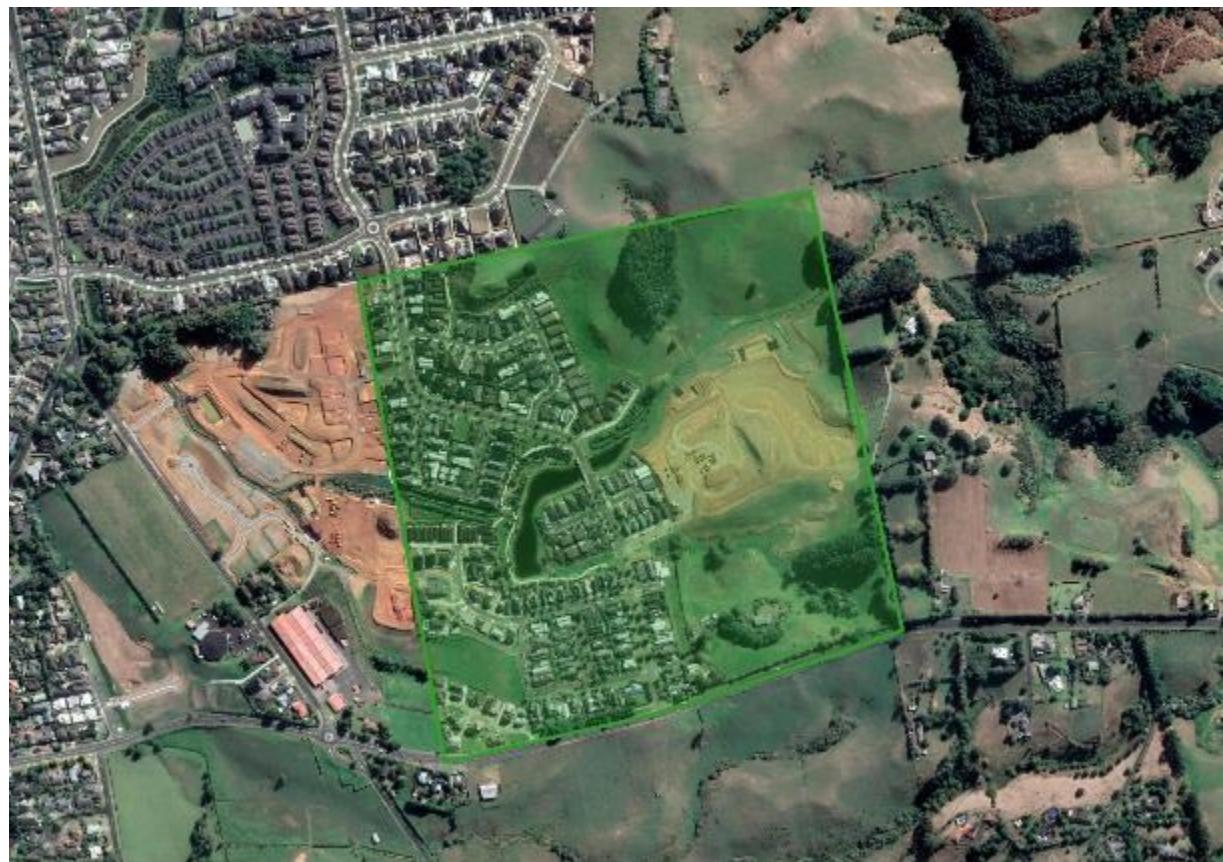
16. Appendix 3: Current Development Pipeline

Figure 32:
Current Development Locations



Source: Google, Corelogic, Developer Websites

Figure 33:
Anselmi Ridge



Source: Google, Corelogic

Figure 34:
Paerata Rise



Source: Google, Developer Website

Figure 35:
Regis Park



Source: Google, Developer Website

Figure 36:
Belmont Park



Source: Google, Corelogic

Figure 37:
Calcutta Road



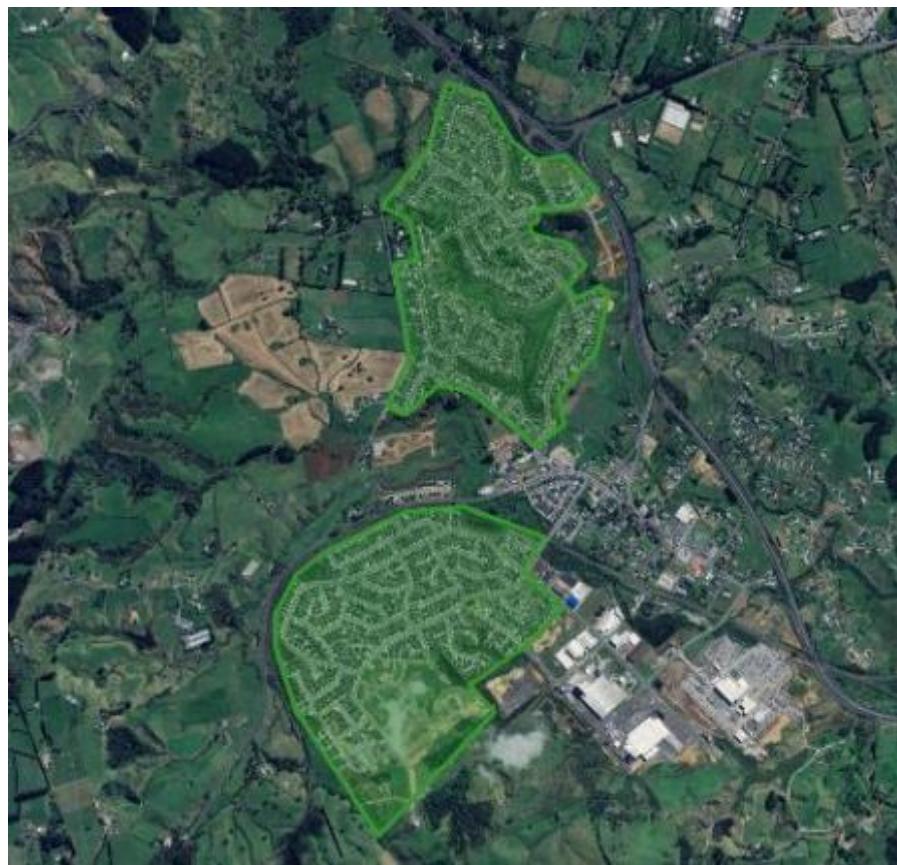
Source: Google, Corelogic

Figure 38:
Reynolds Green



Source: Google, Developer Website

Figure 39:
Pokeno Village Estate



Source: Google, Developer Website

Figure 40:
Hunua Views



Source: Google, Developer Website

Figure 41:
Plan Change 74 & Plan Change 76 Areas



Source: Google, Auckland Council