

From: Stephanie Blick s 9(2)(a)
Sent: Monday, 3 April 2023 3:15 pm
To: Fast Track Consenting
Cc: Brendan Hogan
Subject: RE: [COMMERCIAL]COVID-19 Recovery (Fast Track Consenting Act) 2020 - Request for further information - Plimmerton Farm
Attachments: 51960.5.05 Plimmerton Farm Stage 1 Fast Track Economic Assessment.pdf

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Kia ora,
Please see attached revised economic report to address the two RFI matters.

Changes outlined as follows:

Section 1: Executive Summary

- Total Number of Dwellings updated to 835 dwellings from previously 1,044 dwellings.
- FTE expected to be generated updated to 1,170 FTE jobs from previously 1,465 FTE Jobs
- Contribution to value-added GDP updated to \$155.4 million from previously \$194.2 million.
- Direct and Indirect FTE and Value-Added GDP Split.
- Reference regarding the proposed development enabling 209 additional dwellings to be constructed by a third party now added.

Section 2.1: The proposal

- Total Number of Dwellings updated to 835 dwellings from previously 1,044 dwellings.
- Figure 2 updated to reflect 835 residential dwellings

Section 9: Economic Contribution of The Proposal

- FTE expected to be generated updated to 1,170 FTE jobs from previously 1,465 FTE Jobs
- Contribution to value-added GDP updated to \$155.4 million from previously \$194.2 million.
- Direct and Indirect FTE and Value-Added GDP Split.
- Figure 13 & 14 updated to reflect FTE and GDP contribution based on 835 residential dwellings.
- Reference regarding the proposed development enabling 209 additional dwellings to be constructed by a third party now added.

Section 10: Other Fast Track Assessment Considerations

- FTE expected to be generated updated to 1,170 FTE jobs from previously 1,465 FTE Jobs
- Contribution to value-added GDP updated to \$155.4 million from previously \$194.2 million.
- Total Number of Dwellings updated to 835 dwellings from previously 1,044 dwellings.

Section 11: NPS-UD, RPS & NES-F Assessment

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- Contribution to value-added GDP updated to \$155.4 million from previously \$194.2 million.

Section 12: Conclusion

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- Contribution to value-added GDP updated to \$155.4 million from previously \$194.2 million.
- Direct and Indirect FTE and Value-Added GDP Split.

Ngā mihi,

STEPHANIE BLICK
PRINCIPAL PLANNER
s 9(2)(a)

From: Fast Track Consenting <fasttrackconsenting@mfe.govt.nz>

Sent: Friday, 31 March 2023 3:05 pm

To: Stephanie Blick s 9(2)(a)

Cc: Fast Track Consenting <fasttrackconsenting@mfe.govt.nz>

Subject: [COMMERCIAL]COVID-19 Recovery (Fast Track Consenting Act) 2020 - Request for further information - Plimmerton Farm

Tēnā koe Stephanie

Accounting for the Easter break comments close 18 April

Please find attached letter in relation to the COVID-19 Recovery (Fast-Track Consenting) Act 2020.

Many thanks

Jacob

Fast Track Consenting

Ministry for the Environment | Manatū Mō Te Taiao

fasttrackconsenting@mfe.govt.nz | mfe.govt.nz

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reanga katoa.





Economic Assessment for: Plimmerton Farm Mixed-Use Development – Stage 1

PREPARED FOR
KM and MG Holdings Limited



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Economic Analysis

Our work aims to bridge the gap between land-use planning and urban economics. Our focus is on the interaction between land markets, land-use regulations, and urban development. We have developed a range of methodologies using a quantitative approach to analyse the urban spatial structure and audit land-use regulations.

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We provide development planning and costing advisory services to support small and large-scale developments.

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1. Executive Summary

Stage 1 of the Plimmerton Farm development (the proposal) is comprised of up to 835 residential dwellings.

Within the Porirua City District, stand alone dwellings achieved an average sale price of \$1,010,000, while terrace housing achieved an average sale price of \$750,000.

There is a relatively low proportion of terrace (25%) and apartment (0%) dwellings consented over the last 5 years in the Porirua City District compared with the Region as a whole (32% and 17% respectively). The proposed development is anticipated to provide terrace and apartment housing that will address this comparative shortage.

There is one small scale and two medium-large scale residential developments currently selling within Porirua City, with a total supply of 1,122 new dwellings.

Of the total supply, there are approximately 727 dwellings remaining. This equates to 2-3 years of supply based on the annual demand of approximately 335 dwellings per annum, indicating there is a shortage of new residential dwellings resulting in unmet demand in Porirua City.

The proposal is within a 10-minute drive of the Porirua city centre, giving the residents access to approximately 786 businesses offering a total of approximately 10,800 jobs.

It is estimated that the construction of 835 residential dwellings would generate 1,170 FTE jobs and contribute \$155.4 million to construction sector GDP. In broad terms the direct and indirect impact each account for 50% of the total GDP and employment impact. As such, it is estimated that the proposed residential development would directly contribute 585 FTE jobs and \$77.7 million to construction sector GDP, and similarly, would indirectly contribute 585 FTE jobs and \$77.7 million to construction sector GDP.

Additionally, the proposed development would enable 209 additional dwellings, to be constructed by a third party. On the assumption that all 1,044 residential dwellings are constructed, the proposed development would generate 1,465 FTE jobs and contribute \$194.2 million construction sector GDP.

The proposal would provide additional housing with an estimated development average price of approximately \$790,000. The proposal, therefore, provides a range of affordable housing that meets the market demand for additional dwellings.

The proposal would meet the economic requirements of the fast-track consenting process and is recommended for approval.



2. Introduction

This report provides an economic and market assessment to support a fast-track consent application for stage 1 of a proposed mixed-use development at Plimmerton Farm.

2.1. The Proposal

Figure 1 outlines the location of the total Plimmerton Farm development site. Stage 1 of the Plimmerton Farm development is for up to 835 dwellings, with future stages containing a lot for a retirement village, commercial development and school. Stage 1 (“the proposal”) is anticipated to provide a mix of stand alone (detached), duplex, apartments and terrace dwellings, with an estimated development average market price of approximately \$790,000.

Figure 1: Proposal Site



Source: Google, LINZ



Figure 2: Proposed Dwelling Yield

Product Type	Count	Estimated Sale Price*
Stand Alone	62	\$950,000
Duplex	214	\$900,000
Terrace	237	\$750,000
Apartment	244	\$650,000
Vacant **	78	\$950,000
Total/Avg	835	\$790,000

Source: Voxell, Urban Economics

* Average

** Anticipated to be developed with same configuration and price as the "Stand Alone" Product

3. Study Area

Figure 3 outlines the study area which is used to evaluate the local residential market for the proposed development. The study area includes all SA2's (Statistical Area Unit 2) that make up the Porirua City District.

Figure 3: Study Area



Source: Urban Economics



4. Housing Market Supply Assessment

This section provides an overview of the current housing supply market within the Porirua City District.

4.1. Existing Housing Stock (Recent Valuation)

Figure 4 displays the 'existing housing stock' capital valuation for the Porirua City District. The main points to note are:

- The majority of stand alone dwellings are valued in the \$400,000-\$800,000 price range.
- The majority of terrace houses are valued in the \$300,000-\$600,000 price range.

Figure 4: Porirua City District Residential Market Stock Profile (Current Capital Valuation)

Price Bracket	Stand Alone	Terrace	Total
Less Than \$300,000	0	65	65
\$300,000-\$400,000	475	360	835
\$400,000-\$500,000	3,615	395	4,010
\$500,000-\$600,000	2,450	280	2,730
\$600,000-\$700,000	2,770	240	3,010
\$700,000-\$800,000	2,450	105	2,555
\$800,000-\$900,000	1,795	40	1,835
\$900,000-\$1,000,000	1,190	15	1,205
\$1,000,000-\$1,100,000	515	5	520
\$1,100,000-\$1,200,000	260	5	265
\$1,200,000-\$1,300,000	130	5	135
\$1,300,000-\$1,400,000	70	5	75
\$1,400,000-\$1,500,000	40	0	40
\$1,500,000-\$1,600,000	35	0	35
\$1,600,000-\$1,700,000	15	0	15
\$1,700,000-\$1,800,000	10	0	10
\$1,800,000-\$1,900,000	10	0	10
\$1,900,000-\$2,000,000	5	0	5
\$2,000,000+	15	5	20
Total	15,850	1,525	17,375

Source: CoreLogic

4.2. Recent Residential Sales Analysis

Figure 5 illustrates the distribution of dwelling sales by price over the August 2021-2022 period. The highest priced locations within the Porirua City District are Aotea and Whitby, which typically achieve sale prices above \$1,000,000-\$1,500,000. The proposal site is located in close proximity to Camborne, which has a relatively mixed price profile, with an approximate equal share of sales over



the last year occurring between \$500,000-\$1,000,000 and \$1,000,000-\$1,500,000.

Figure 5: Porirua City District Residential Sales August 2021-2022



Source: CoreLogic

Figure 6 displays the average residential sale price achieved over the August 2021-2022 period in the Porirua City District. Stand alone dwellings achieved the highest average sale price of \$1,010,000, while terrace housing achieved an average sale price of \$750,000. In addition, the average sale price of vacant sections over the same period was \$470,000.



Figure 6: Porirua City District Average Residential Sale Price by Dwelling Type August 2021-2022

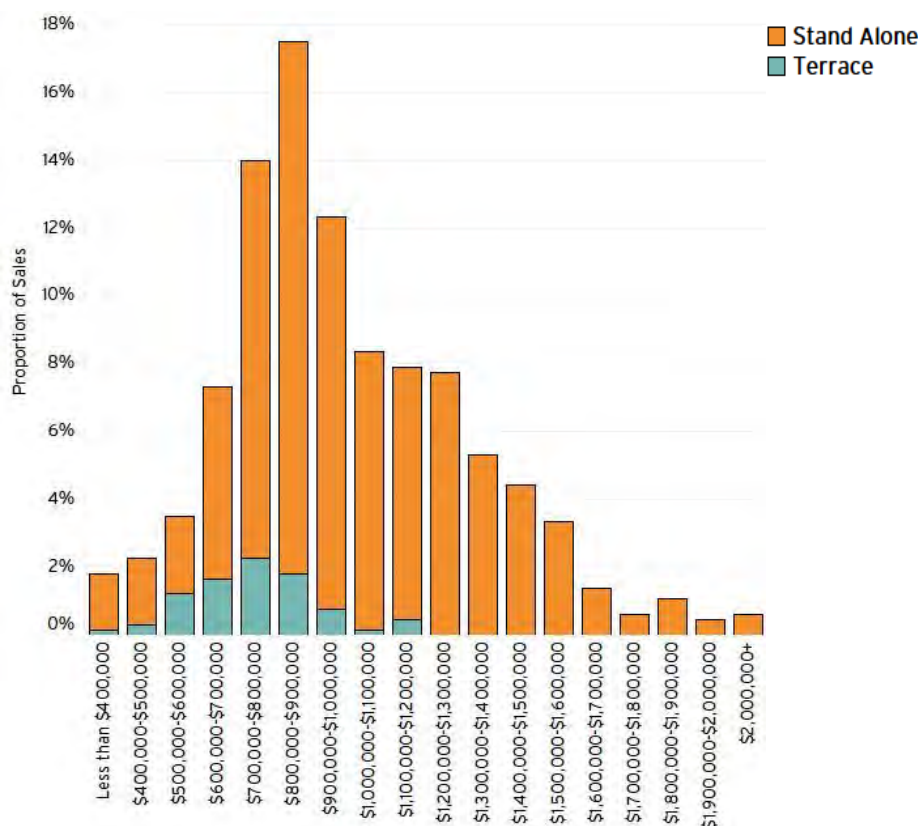
Dwelling Type	Average Sale Price
Stand Alone	\$1,010,000
Terrace	\$750,000
Vacant	\$470,000
Total	\$950,000

Source: Corelogic

The following figures display the proportion of residential sales for dwellings in the Porirua City District and the Wellington Region for the August 2021-2022 period. Within the Porirua City District, the majority of stand alone dwellings were sold in the \$700,000-\$1,300,000 price range and terrace houses were typically sold in the \$600,000-\$900,000 price range. It should be noted that no apartment sales occurred over this period.

Conversely, within the Wellington Region, the majority of stand alone dwellings sold in the \$900,000-\$1,400,000 price range, terrace houses sold in the \$700,000-\$1,200,000 price range and apartments primarily sold for less than \$800,000.

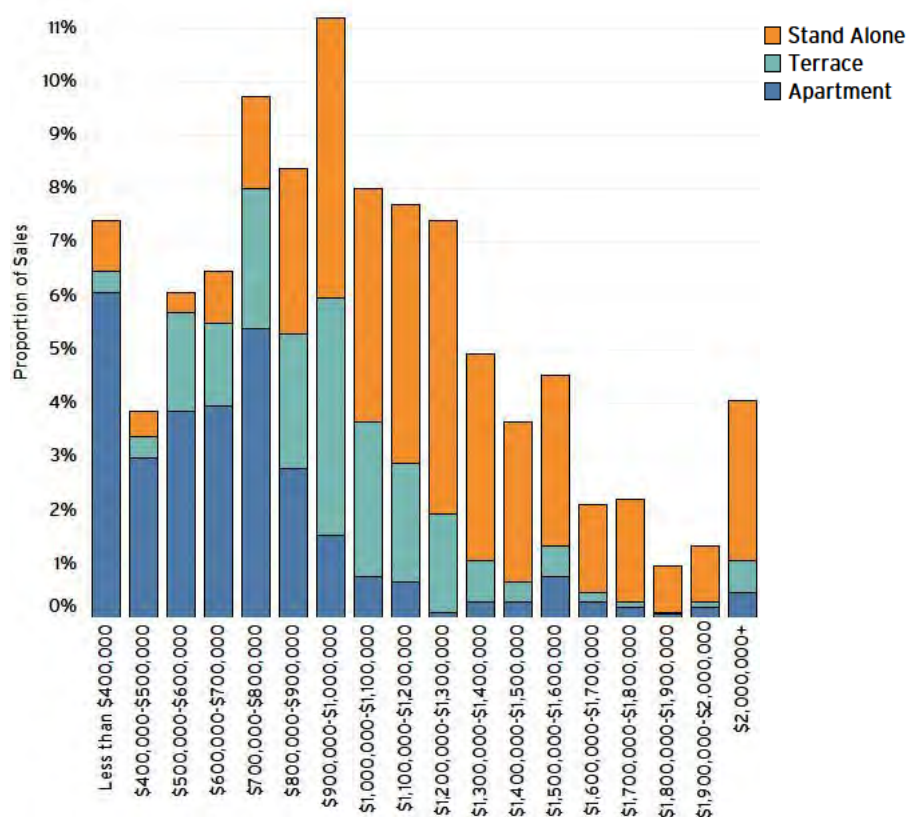
Figure 7: Porirua City District Sales August 2021-2022



Source: CoreLogic



Figure 8: Wellington Region Sales August 2021-2022



Source: CoreLogic

5. New Dwelling Construction 2018-2022

The following figures show dwellings consented since 2018 within the Porirua City District and the Wellington Region. This provides a useful indication of demand by dwelling type within the study area. The main points to note are:

- Over the last 5 years, an average of 335 dwellings per annum were consented within the Porirua City District. Of which, stand alone dwellings accounted for 215 dwellings (67%), terrace houses accounted for 85 dwellings (25%) and retirement village units accounted for 30 units (8%) consented per annum.
- Over the last 5 years, an average of 3,060 dwellings per annum were consented within the Wellington Region. Of which, standalone dwellings accounted for 1,440 dwellings, terrace houses accounted for 980 dwellings, apartments accounted for 510 units and retirement villages accounted for 130 units consented per annum.
- There is a relatively low proportion of terrace dwellings (25%) and apartments (0%) consented over the last 5 years in the Porirua City District compared with the Region as a whole (32% and 17% respectively). The proposed development is anticipated to provide terrace and apartment housing that will address this comparative shortage.



Figure 9: Porirua City Building Consents 2018-2022

Year	Stand Alone	%	Terrace	%	Apartments	%	Retirement	%	Total
2018	225	96%	10	4%	0	0%	0	0%	235
2019	295	71%	65	16%	0	0%	55	13%	415
2020	190	51%	110	30%	0	0%	70	19%	370
2021	235	63%	105	28%	0	0%	35	9%	375
2022*	140	52%	130	48%	0	0%	0	0%	270
Average (p.a)	215	67%	85	25%	0	0%	30	8%	335

Source: Statistics NZ

* As at September 2022

Figure 10: Wellington Region Building Consents 2018-2022

Year	Stand Alone	%	Terrace	%	Apartments	%	Retirement	%	Total
2018	1,595	58%	575	21%	445	16%	120	4%	2,735
2019	1,540	48%	955	30%	570	18%	155	5%	3,220
2020	1,485	49%	795	26%	685	22%	95	3%	3,060
2021	1,565	43%	1,350	37%	570	16%	170	5%	3,655
2022*	1,015	39%	1,220	46%	285	11%	115	4%	2,635
Average (p.a)	1,440	47%	980	32%	510	17%	130	4%	3,060

Source: Statistics NZ

* As at September 2022

6. Comparable Developments

Figure 11 provides an outline of comparable developments presently selling in Porirua City. The main points to note are:

- There is one small scale and two medium-large scale residential developments currently selling within Porirua City, with a total supply of 1,122 new dwellings.
- The most comparable developments are Silverbrooke and Kenepuru landing, which have a price profile of between \$860,000-\$1,100,000 and \$880,000-\$1,260,000.
- Of the total supply, there are approximately 727 dwellings remaining. This equates to just over 2 years of supply based on the annual demand of approximately 335 dwellings per annum (Figure 9), indicating there is a shortage of new residential dwellings resulting in unmet demand in Porirua City.

Figure 11: Comparable Developments

Development/ Address	Dwelling Type	GFA (m ²)	Price (\$000)	Remaining Units	Total Units
Silverbrooke, Whitby	Townhouse/Stand Alone	95-185	\$860-\$1,100	111	222
The Marina, Paremata	Townhouse	75-170	\$950-\$1,580	9	20
Kenepuru Landing	Townhouse/Stand Alone	100-220*	\$880-\$1,260	607	880

Source: TradeMe, Developer Websites

* Subject to various building company GFA preferences for house and land packages



Figure 12: Map of Comparable Developments



Source: Google, TradeMe

7. Access To Amenity & Employment

The proposed development is located in a relatively attractive location, offering a wide range of amenities that support residential development. Most notably:

- The proposed development is within a 5-minute drive of a supermarket, medical centre, sports park, church, and various places of employment (i.e. small industrial centre).
- The proposed development is within a 10-minute drive of the Porirua city centre, giving the residents access to approximately 786 businesses offering a total of approximately 10,800 jobs.
- The residents of the proposed development would have access to a wide range of educational facilities, with most schools in Porirua City being within a 10-15-minute drive.

8. Impact of Covid-19

This section assesses the impact of Covid-19 on the residential sector.



8.1. Residential Sector

The NZ Treasury commissioned a report on the impact of Covid-19 on the national economy¹. This concluded that over the two years ending March 2022, total employment was expected to decline from 2.59 million jobs to 2.47 million jobs, or a decline of 120,000 jobs. The construction sector was similarly expected to decline, from 260,000 jobs to 239,000 jobs, or a decline of 21,000 jobs.

The Covid-19 Recovery (Fast-track Consenting) Act 2020 requires consideration of the costs and benefits of those involved in the construction sector, as follows:

The project's economic benefits and costs for people or industries affected by COVID-19 (see section 19(a)).

Historically the construction sector has followed the wider economy closely. The global financial crisis of 2008 saw an accompanying drop-off in new dwellings consented. It wasn't until 2017 that Wellington Region's building consents recovered to the previous peak of 2,400 consented dwellings per annum last seen in 2003.

Covid-19 forced New Zealand's borders to close for over two years. Over this time, record high international immigration was replaced with near to zero international immigration. The ongoing effects of this border closure are likely to result in a decline in the number of houses demanded and constructed which may place pressure on the construction sector over the coming years.

9. Economic Contribution of The Proposal

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 the proposal. This methodology accounts for both the direct and indirect jobs to be generated from the proposed development. In addition, it doesn't account for the induced or flow-on jobs generated from the proposed development, and for this reason is considered to be a conservative estimate of the economic impact. The methodology for this approach is outlined in Appendix 1.

Additionally, the proposed development would enable 209 additional dwellings, to be constructed by a third party. On the assumption that all 1,044 residential dwellings are constructed, the proposed development would generate 1,465 FTE jobs and contribute \$194.2 million construction sector GDP.

Figure 13 outlines the FTEs and value-added to construction sector GDP that the proposal would generate. It is estimated that the construction of the proposed residential development would generate 1,170 FTE jobs and contribute \$155.4 million to construction sector GDP. In broad terms the direct and indirect impact each account for 50% of the total GDP and employment impact. As such, it is estimated that the proposed residential development would directly contribute 585 FTE jobs and \$77.7 million to construction sector GDP, and similarly, would indirectly contribute 585 FTE jobs and

¹ The effects of COVID-19 on the regional economies of New Zealand for The Treasury, October 2020, Infometrics



\$77.7 million to construction sector GDP.

Additionally, the proposed development would enable 209 additional dwellings, to be constructed by a third party. On the assumption that all 1,044 residential dwellings are constructed, the proposed development would generate 1,465 FTE jobs and contribute \$194.2 million construction sector GDP.

Figure 13: FTE Employee Estimates

Product Type	Project Value (\$M)	Value Added (\$M)	FTE Employees			Total
			Building Construction	Construction Services	Architectural, Scientific, & Engineering Services etc	
Stand Alone	§ 9(2)(b)(ii)	\$13.7	24	56	24	104
Duplex		\$45.3	79	184	78	341
Terrace		\$41.7	73	169	72	314
Apartment		\$37.2	65	151	64	280
Vacant		\$17.5	30	71	30	131
Total		\$155.4	271	631	268	1,170

Source: Urban Economics

The proposed development is estimated to be developed over the 2024-2030 period. Figure 14 outlines the number of FTE Jobs generated in each year, with most employment (approximately 70%) generated over the 2027-2030 period.

Figure 14: Annual Construction Sector FTE Employee Estimates

Year	FTE's Generated p.a.
2024	135
2025	97
2026	147
2027	194
2028	289
2029	149
2030	159
Total	1,170

Source: Urban Economics

Figure 15 shows the estimated national 'value-added per FTE employee'. These value added per employee figures are used to estimate the FTE employees created by the construction of the proposal. Figure 15 shows that the construction sector contributes \$18.5 billion to the national GDP, employing 139,800 FTEs, resulting in a value-added of \$133,000 per FTE employee. The construction sector is comprised of other sub-industries, which are detailed in the figure below.



Figure 15: Industry GDP and Value Added per Employee

Industry	Contribution to GDP (\$m)	FTE Employees	Value Added Per Employee
Building Construction	\$4,100	32,400	\$127,000
Construction Services	\$8,740	75,400	\$116,000
Architectural, Scientific, & Engineering Services etc	\$5,700	32,000	\$178,000
Construction Sector Total	\$18,540	\$139,800	\$133,000

Source: Statistics NZ, Urban Economics

10. Other Fast Track Assessment Considerations

The COVID-19 Recovery (Fast-track Consenting) Act 2020 requires several other economic considerations, which are addressed as follows.

The project's effect on the social and cultural well-being of current and future generations (see section 19(b)).

The proposal would provide additional employment and increase the range and affordability of new housing in Porirua City by providing a mix of dwellings with an estimated development average sale price of \$790,000. The proposal would have a positive impact on the social and cultural well-being of current and future generations by increasing the housing supply within Porirua City, at relatively affordable prices. Additionally, supplying new dwellings up to modern building standards reduces the social pressures caused by inadequate housing.

If applicable, whether the project may result in a public benefit by generating employment (see section 19(d)(i)).

As outlined in Section 9, the proposal would generate an estimated 1,170 FTE jobs and contribute \$155.4 million to construction sector GDP. These jobs would be in roading, construction, landscaping, planting, land surveying, administration and support services and other related activities. This is a notable economic benefit.

If applicable, whether the project may result in a public benefit by increasing the housing supply (see section 19(d)(ii)).

The proposal would increase residential housing supply by providing up to 835 new dwellings to the market.

11. NPS-UD, RPS & NES-F Assessment

The NPS-UD 2020 requires planning decisions to contribute to well-functioning urban environments (Policy 1). The provisions of Policy 1 that relate to the proposal 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...

(b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and

(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and

(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets;..."

The proposal would increase the range of housing at affordable price points supplied to the market (development average of approximately \$790,000) in a location close to a wide range of employment and amenities (supermarket, schools etc.). The proposal therefore contributes towards meeting the provisions of Policy 1(a)(i) of the NPS-UD.

Policy 1(d) requires the competitive operation of land and development markets, as uncompetitive or concentrated land and development markets result in reduced housing affordability. A key finding from the latest Housing and Business Capacity Assessment (HBA) completed for Porirua City is housing affordability is worsening in the district, as “indicators of housing affordability identify that housing affordability is declining in Porirua. House prices are increasing due to increased demand, and this is not being met by a commensurate increase in new supply. This is exacerbated by a declining number of existing houses for sale. Incomes are also not increasing as much as house prices and this in turn is further reducing housing affordability”². The proposal would make a notable contribution towards meeting the need for more new housing to enter the market, while increasing competition among developers. The proposal therefore supports and improves the competitive operation of land and development markets in Porirua and thus contributes towards meeting the provisions of Policy 1(d).

In addition, an important consideration regarding the competitive operation of land and development markets is the critical role greenfield development plays. In general terms, a large number of greenfield developments are required for a city the size of Porirua, typically 20-40, to ensure a competitive land market exists over the ten-year life of a District Plan. This is because as individual developments are completed, there are fewer remaining potential developments over the life of the plan and the market quickly becomes less competitive. In general, as demonstrated in Christchurch, a competitive greenfield market can achieve affordable housing, with a large proportion of houses built in greenfield subdivisions sold in the \$500,000 - \$700,000 price range. These have lower upfront land costs, often around \$25,000 per house, and this is reflected in the lower end price of the house. However, in other major cities the upfront land cost in greenfield subdivisions is \$200,000-\$400,000 per house, and therefore the end house price is inevitably higher. This is evident in Porirua with the increasing unaffordability of new dwellings for the majority of households looking to enter the

² Porirua City Council Housing and Business Development Capacity Assessment - Housing update May 2022, pg. 51



housing market, with the price of new dwellings by type and area displayed in the figure below.

Figure 16: Average Sale Price for Greenfield and Infill Areas

Areas	Stand Alone	Terrace
Greenfield	\$1,440,000	\$1,100,000
Infill	\$1,430,000	\$820,000
Total	\$1,440,000	\$1,070,000

Source: Homes.co.nz, Urban Economics

This confirms that a competitive greenfield land market is essential for a well-functioning urban environment and illustrates the important contribution the proposal will make towards meeting the provisions of Policy 1 of the NPS-UD, in particular Policy 1(d).

Based on the above, the proposal contributes towards achieving a well-functioning urban environment, which relates to Section 45C(6)(a) of the National Environmental Standards for Freshwater (NES-F). The NES-F aims to regulate activities that present risks to the health of freshwater and freshwater ecosystems, for example, regulating urban development on natural inland wetlands.

The resource consent for the proposal seeks to reclaim natural inland wetlands, which is a restricted discretionary activity under Section 45C(4) of the NES-F. For the consent to be granted, the conditions of section 45C(6)(a) are required to be met, which states that:

45C(6): *"A resource consent for a restricted discretionary activity under this regulation must not be granted unless the consent authority has first–*

(a) satisfied itself that the urban development–

(i) will contribute to a well-functioning urban environment; and

(ii) will provide significant national, regional, or district benefits; and..."

Section 45C(6)(a)(i) requires urban development to contribute towards a well-functioning urban environment. As mentioned above, the proposal is considered to contribute towards achieving a well-functioning urban environment (Policy 1 of the NPS-UD) for the reasons outlined, with the proposal increasing the range, affordability and supply of new housing in Porirua City being a key contribution.

In addition, the proposal would result in the generation of an estimated 1,170 FTE jobs and contribute \$155.4 million to construction sector GDP. This is a significant benefit to Porirua City, and therefore meets the provisions of Section 45C(a)(ii).

In addition, the proposal will assist in meeting the housing bottom lines, particularly in the short-medium term, as identified in Objective 22A of the Regional Policy Statement (RPS). This is a notable regional benefit to consider in relation to Section 45(6)(a)(ii) of the NES-F.

In summary, the proposal will contribute to a well-functioning urban environment while providing significant regional and district benefits. The proposal therefore meets the provisions of Section



45C(6)(a) of the NES-F.

12. Conclusion

The proposal would provide a range of stand alone, duplex, apartments and terrace houses to the market within Porirua City.

It is estimated that the construction of 835 residential dwellings would generate 1,170 FTE jobs and contribute \$155.4 million to construction sector GDP. In broad terms the direct and indirect impact each account for 50% of the total GDP and employment impact. As such, it is estimated that the proposed residential development would directly contribute 585 FTE jobs and \$77.7 million to construction sector GDP, and similarly, would indirectly contribute 585 FTE jobs and \$77.7 million to construction sector GDP.

Additionally, the proposed development would enable 209 additional dwellings, to be constructed by a third party. On the assumption that all 1,044 residential dwellings are constructed, the proposed development would generate 1,465 FTE jobs and contribute \$194.2 million construction sector GDP.

The proposal would meet the economic requirements of the fast-track consenting process and is recommended for approval.



13. Appendix 1: Economic Contribution of Proposal Methodology

The contribution that the proposal makes to GDP and employment has been calculated using the value added methodology. This calculates the direct and indirect contribution of the proposal, as a single figure. The flow-on contribution is not estimated, as it is not certain that this can be attributed to the specific project, as economic activity would potentially occur in other sectors if it did not occur in this sector.

The economic impact of the proposal is calculated using sector GDP and FTE employment data from Statistics NZ. The sector value added contribution to GDP is the proportion of sector output that contributes to GDP, (i.e. construction sector is 29%). This ratio is then applied to the total value of the proposal to estimate the value added contribution to sector GDP. Using FTE employee data, a value added per employee value is calculated by dividing sector GDP contribution by sector FTE employees (i.e. construction sector is \$133,000/FTE). This value added per FTE employee ratio is then applied to the proposals value added contribution to sector GDP to estimate the total sector FTE employment generated from the proposal.