CLIENT
Cabra Mangawhai Limited

30/06/2025

Economic and Property Research

Proposed Plan Change Mangawhai

Evaluation of Economic Costs & Benefits

About us

Our Areas of Expertise

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 urban spatial structure and audit land-use regulations.

Property Research

We provide property and retail market research to assist with the planning and marketing of new projects. This includes the identification of new sites and market areas, assessments of market potential and positioning, and the evaluation of market-feasibility of specific projects.

Development Advisory

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

Contents

1. Executive Summary

Mangawhai is a small rural town in the Northland region, approximately 100km north of Auckland's CBD. Prior to 2014, it was predominantly a coastal holiday town. However, since then structural change has been occurring within Mangawhai i.e., a transition from a medium-sized coastal holiday town to a larger coastal town with more permanent residents, many of whom are couples, younger working families and retirees.

The proposed plan change consists of 18 sites, with a total area of approximately 93.3 hectares, of which approximately 74.2 hectares will include a mix of residential and commercial development, subject to the coastal hazard assessment findings. The proposal includes 788 residential dwellings, a neighbourhood centre and a mixed-use development. The proposed zoning will also provide an opportunity for a retirement village should there be demand and that land use be desired.

Auckland's population has declined over the last two years, by 12,800 people for the year ending March 2021 and by 9,000 for the year ending March 2022. This is likely to be the defining national demographic trend of the 2020s and of central importance for places that are the recipients of the outflow from Auckland requiring a sea change in the approach of these locations to respond to growth demands.

The main demographics of permanent home buyers in Mangawhai, at present, are young and middle-aged families and retirees. Key drivers of demand for housing in Mangawhai include work-from-home, relatively large properties and a relaxing lifestyle.

Auckland's declining share of national population growth has been offset by rapid growth in the regions. This indicates that Statistics NZ has consistently underestimated the growth in the regions and overestimated growth in the Auckland region.

Between 2020 and 2021 the median house price increased from $650,000 to $1.1 million, an increase of $450,000 or 69% in one year. Prices continued to increase to $1.3 million in 2022 and then declined slightly to $1.2 million in 2023 associated with a flattening property market across the nation.

Over the last 5 years, an average of 150 dwellings per annum were consented within Mangawhai. Of these, stand-alone dwellings accounted for 140 dwellings (98%) and terrace houses accounted for 5 dwellings (2%). This indicates that more than 73% of all dwellings consented within the Kaipara district are in Mangawhai.

The historic (2006-2022) dwelling demand per annum in Mangawhai nearly doubled from 90 units p.a. in 2006 to 150 units in 2022. Over 2023 – 2053, Kaipara District Council (KDC) forecast demand for 170 dwellings p.a. under the medium scenario and 260 dwellings p.a. under the high scenario. Over 2023 – 2053, UE forecast demand for 270 dwellings p.a. under the medium scenario and 340 dwellings p.a. under the high scenario. The UE projection is based on the region's and district's share of national population growth. Based on this analysis, it is considered reasonable to adopt an **annual housing demand of 270 dwellings.**

Mangawhai currently has a surplus of 375 infill dwellings and a shortfall of 190 greenfield dwellings in the short term. In the medium term, there is a surplus of 105 infill dwellings but a shortfall of 1,330 greenfield dwellings. Over the long term, there is a significant shortfall in both infill and greenfield dwellings.

In spite of PC83 being operative, Mangawhai still has a short-term surplus of 375 infill dwellings and a shortfall of 190 greenfield dwellings. In the medium term, there remains a surplus of 105

infill dwellings but a reduced shortfall of 530 greenfield dwellings. Over the long term, there is a significant shortfall in both infill and greenfield dwellings. Mangawhai requires the Proposal, PC84, and 15-20 additional medium to large-scale developments to meet medium (between 50 and 250 dwellings) to large-scale (between 250 and 500 dwellings) developments in the market.

As of 2023, there are approximately 1,520 65+ households residing in Mangawhai. At a market penetration rate of 20%, this equates to a retirement village demand of approximately 310 units, as of 2023. Mangawhai will have demand for approximately 2 additional retirement villages by 2033 and approximately 3-to 4 additional retirement villages by 2043.

It is estimated that the construction of the proposed development the proposal would contribute $237.5 million to the construction sector's GDP and generate 1,785 FTE jobs. Over the Base Case Scenario, the proposal in a net addition of $199.7 million and 1,500 FTEs.

The proposed neighbourhood centre would have a catchment that could support a total GFA of approximately 4,600 - 6,300m^2. This would support the day-to-day needs of the immediate population. It is therefore considered to be consistent in scale and function with a small-medium neighbourhood centre.

There is a shortage of industrial land in Mangawhai. The proposed mixed-use land would provide, to some extent, for the industrial demand that is not otherwise being met within Mangawhai.

Mangawhai's urban population will surpass 10,000 within the next 15-25 years. Additionally, a daily influx of around 200 workers (according to Statistics NZ employment data, 2023) boosts the total population, suggesting the 10,000 threshold will be reached within 10-20 years. This confirms Mangawhai qualifies as an urban environment, with its housing and labour force population expected to exceed 10,000 in the medium to long term.

Herfindahl-Hirschman Index (HHI) analysis indicates that Mangawhai's residential market is highly concentrated, indicating a lack of competition and resulting in limited housing diversity and higher prices. The proposed plan change will add approximately 788 residential dwellings, offering various housing types from rural lifestyle (6,000m^2) to large lots (1,800m^2) to medium-density housing (500m^2), priced between $1,000,000 and $1,550,000. By increasing the housing supply, the proposal aims to enhance competition, lower prices, and make homes more affordable, thereby having a more competitive land and development market.

The proposal would displace a small amount of land suitable for agricultural activity valued at $2.9 million[1].

[1] Notwithstanding the potential removal of LUC 3 land from the NPS-HPL.

2. Introduction

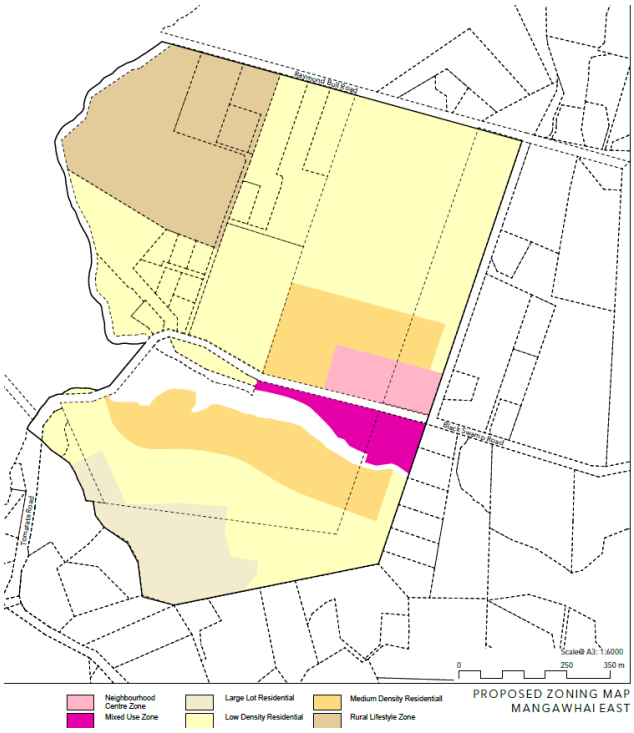
This report provides an evaluation of the economic costs and benefits of a proposed rezoning of land located to the south-east of Mangawhai to a mix of residential and commercial zones. The area of the proposed private plan change totals 93.3 hectares of Rural Zoned land, located at Raymond Bull Road and Black Swamp Road (the "proposal").

3. Sites & Town Characteristics

Figure 1 outlines the proposal site. The proposed plan change consists of 18 sites, with a total area of approximately 93.3 hectares, of which approximately 74.2 hectares will include a mix of residential and commercial development, subject to the coastal hazard assessment findings.

Mangawhai is an attractive coastal town approximately 100km north of Auckland's CBD. It is the largest town in the Kaipara District.

Figure 1:
Proposal Site



Source: LINZ, Aspire Consulting

4. Proposed Development Indicative Yield

Figure 2 estimates the net developable land area of the proposed development based on the proposed zone map. The proposal has a total area of 93.3 hectares. After accounting for the site's constraints, roads and parks the site has a net developable area of approximately 74.2 hectares.

Figure 2:
Estimated Net Developable Land Area

The Proposal	Land Area (Ha)
Gross PPC Area	93.3
Net PPC Area	74.2

Source: Aspire Consulting, UE

Figure 3 outlines an indicative development scenario for the site based on the proposed zone map. This includes 6.7 hectares for large lot residential development, 43.7 hectares for low-density residential development, 10.7 hectares of medium-density residential development, 10.3 hectares of rural residential and 1.6 hectares each of neighbourhood centre and 1.3 hectares for mixed-use development.

Figure 3:
Indicative Development Scenario

The Proposal	Net Developable Land Area (Ha)
Residential	
Large Lot Residential	6.7
Low Density Residential	43.7
Medium Density Residential	10.7
Rural Lifestyle	10.3
Sub-Total Residential	**71.3**
Business	
Neighbourhood Centre	1.6
Mixed-Use	1.3
Sub-Total Business	**2.9**
Total	**74.2**

Source:Aspire Consulting, UE

Figure 4 presents an estimated dwelling yield and price profile for the proposed development that is expected to be achieved under typical market conditions. It includes around 788 residential dwellings: 37 large lot dwellings (average lot size 1,800m², priced at approximately $1.4 million), 530 low-density housing units (average lot size 825m², priced at about $1.2 million), and 207 medium-density housing units, of which 57 dwellings would be conventional residential (priced at around $1.0 million) and 150 would be retirement village units with an average GFA of approximately 120m², priced at an average of $720,000and, 14 rural lifestyle dwellings (average lot size 6,000m², priced at approximately $1.5 million).

Figure 4:
Estimated Dwelling Yield & Price

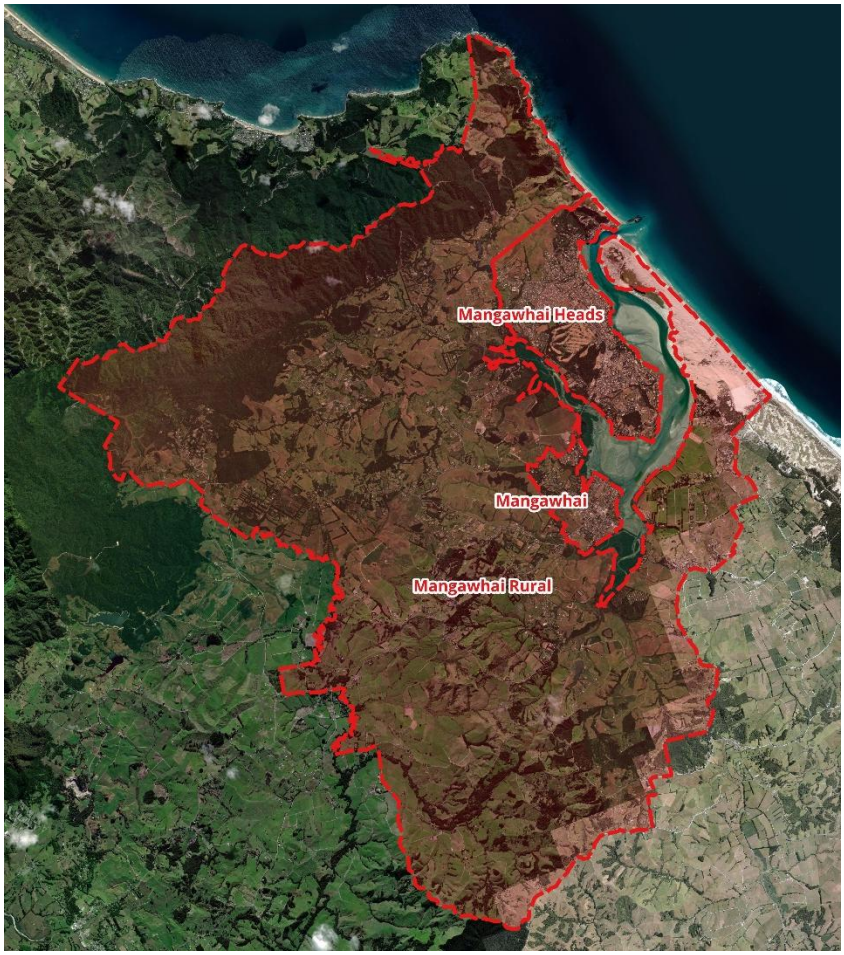
The Proposal	Type	Lots/ Dwellings	Lot Size (m^2)	GFA (m^2)	No. of Beds	No of Baths	Price	Price/m^2
Large Lot	Type A	37	1,800	220	4	2	$1,410,000	$6,400
Low-Density	Type B	530	825	180	4	2	$1,230,000	$6,800
Medium Density	Type C	57	500	140	3	2	$1,000,000	$7,100
Rural Lifestyle	Type D	14	6,000	220	2	2	$1,550,000	$7,000
Sub Total	-	638	965	180	3	2	$1,230,000	$6,800
Retirement Village Units	RV	150	300	120	2	2	$720,000	$6,000
Total		**788**	**800**	**200**	**3**	**2**	**$1,130,000**	**$6,600**

Source: UE

5. Study Area

Figure 5 outlines the study area that has been used to evaluate the proposal. It includes Mangawhai and the surrounding rural area.

Figure 5:
Study Area



Source: Statistics NZ

6. Population Growth Analysis

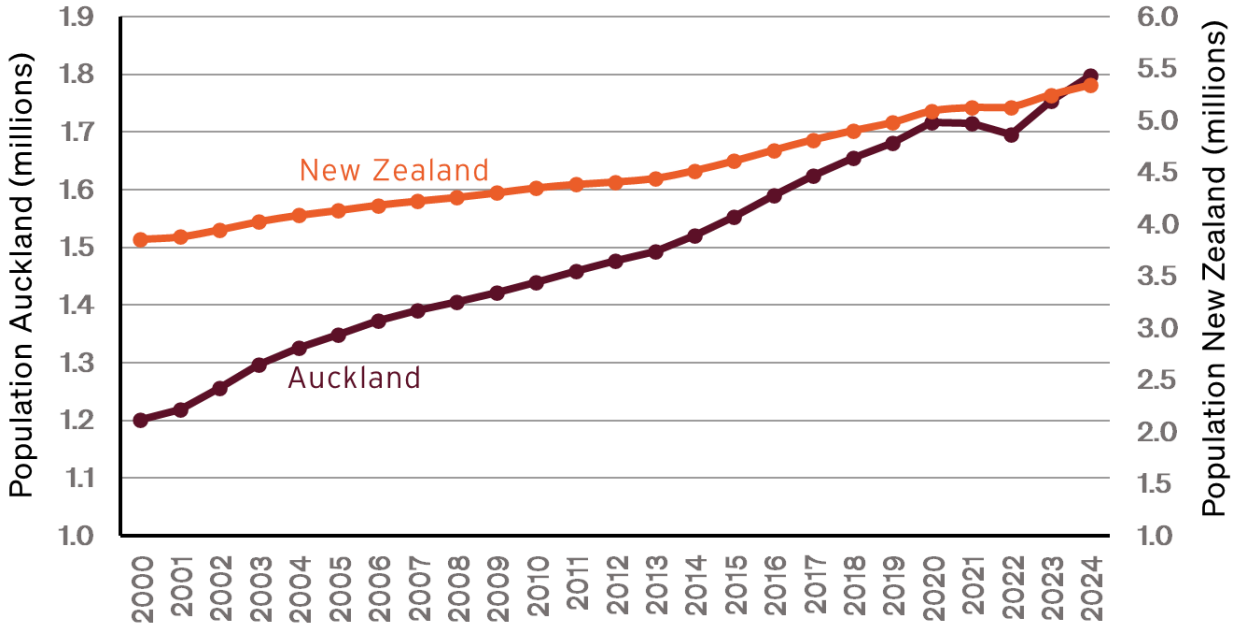
This section provides an analysis of the population and household growth potential for Mangawhai. Mangawhai's growth is in large part, driven by people relocating from Auckland, which is analysed in detail.

6.1 Auckland Exodus

Figure 6 compares the population growth in Auckland and New Zealand. New Zealand has experienced strong population growth over the past two decades, which continued through the Covid-19 period, including years ending March 2021 and 2022. New Zealand's population increased by 21,600 for the year ending March 2021 and by 12,600 for the year ending March 2022. Growth continued into 2023 and 2024, with population increases of 121,000 and 93,500, respectively.

By comparison Auckland's population has declined over the COVID-19 period, by 12,800 people for the year ending March 2021 and by 9,000 for the year ending March 2022. This is the first decline Auckland has seen since 1861 and this exodus has led to the rise of the regions. This is likely to be the defining national demographic trend of the 2020s and of central importance for places that are the recipients of the outflow from Auckland requiring a sea change in the approach of these locations to respond to growth demands. It should be noted that after the COVID-19 period, Auckland's population returned to growth, increasing by 58,500 in 2023 and 44,600 in 2024.

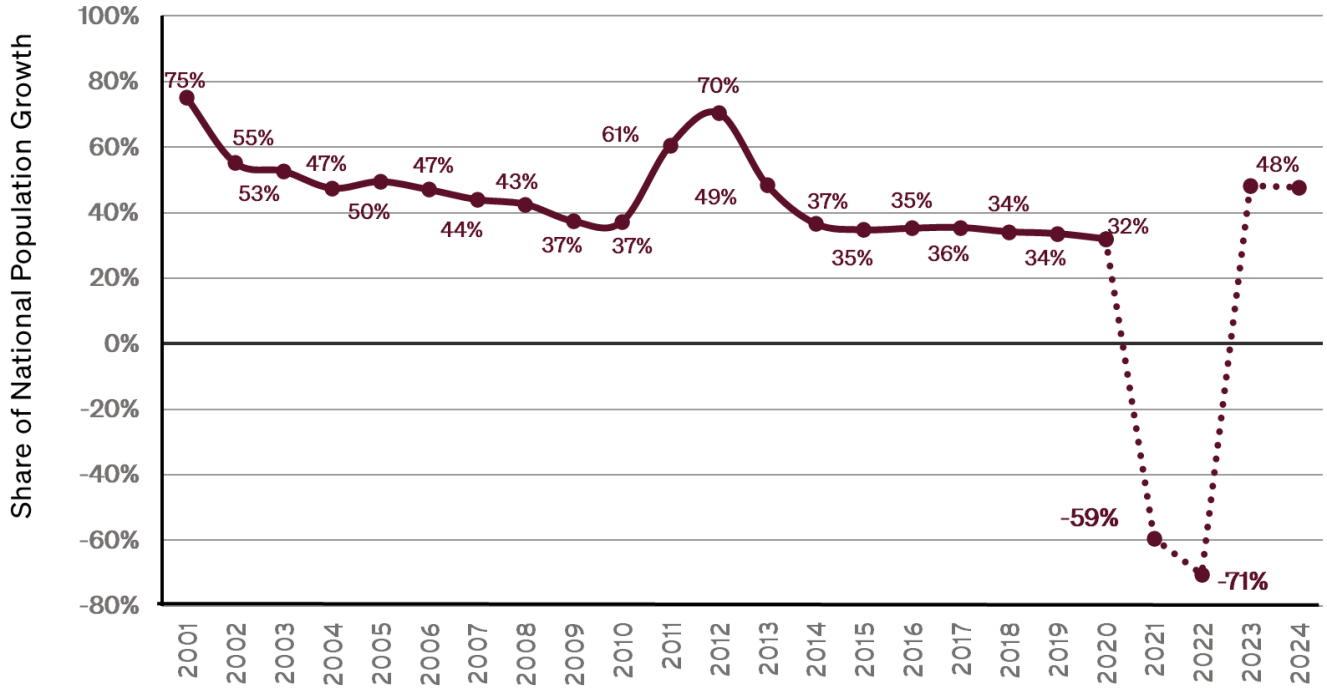
Figure 6:
NZ and Auckland Growth 2000 - 2024



Source: Statistics NZ

Figure 7 outlines Auckland's share of national population growth. Auckland's share of the national population growth has declined from 75% in 2001 to 32% in 2020. The only exception was a brief period following the Christchurch earthquake, during which time Auckland attracted the population leaving Christchurch. Over the year ending 2021 Auckland's share of national population growth was -59% and over the year ending 2022 Auckland's share of national population growth was -70% (i.e. Auckland's population declined for these two years). Over the last two years, Auckland's share of national population growth rebounded to 48%, marking a recovery from the declines in 2021 and 2022. This reflects the resurgence of international migration in Auckland.

Figure 7:
Auckland's Share of the National Population Growth 2000 - 2024

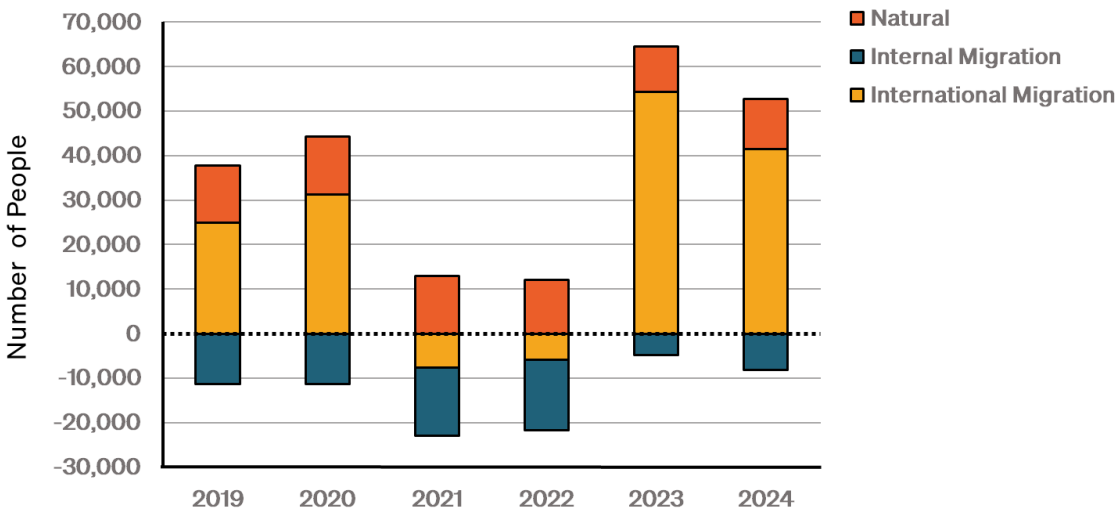


Source: Statistics NZ

A city's growth is comprised of natural population growth (births minus deaths), international migration (the net in/outflow to overseas countries) and internal migration (the net in/outflow from other cities in New Zealand).

As shown in Figure 8, Auckland's natural population growth has remained steady at around 10,000 - 12,000 people per annum (shown in red) over the 2019 - 2024 period. International migration (shown in yellow) has historically been a key driver of Auckland's population growth. Pre-COVID, net international migration ranged from 25,000 to 30,000 people per annum. With restrictions on international migration over the Covid period, Auckland's main source of population growth was curtailed, and the total population went into decline. However, over the past two years, international migration ramped up to 40,000 - 54,000 people per annum. By contrast, internal migration (shown in blue) has been in decline throughout this entire period, with approximately 11,000 - 15,000 people leaving Auckland per annum between 2019 and 2022, and 5,000 - 8,000 people leaving per year over the last two years. As a result, Auckland's New Zealand-born population has been in decline, a trend that is expected to continue.

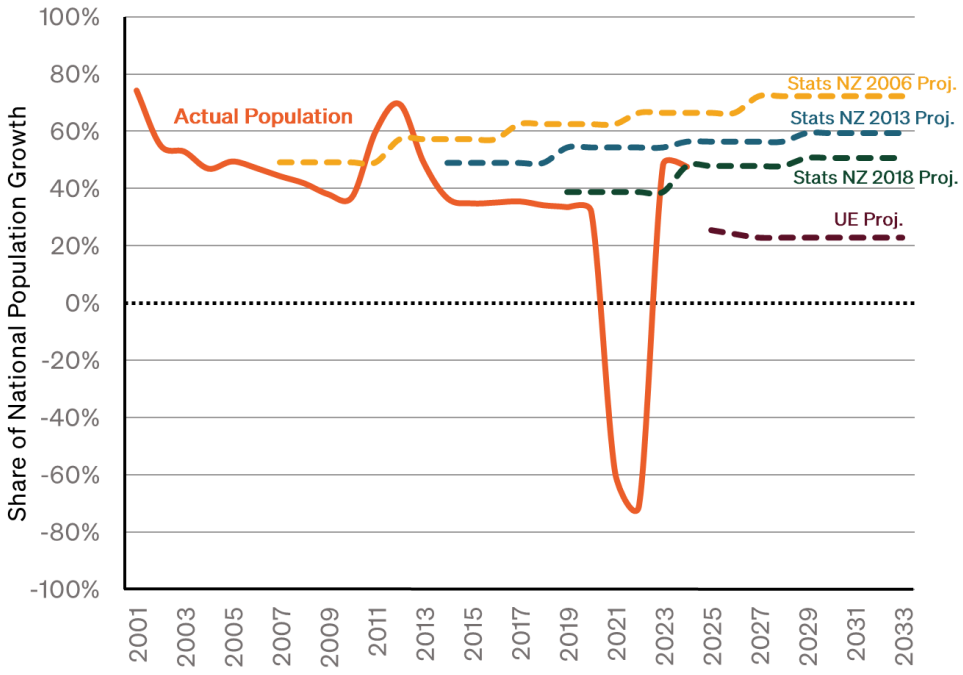
Figure 8:
Composition of Auckland's population growth 2019 - 2024



Source: Statistics NZ

Statistics NZ has been relied upon to prepare population projections for many decades. Statistics NZ has prepared a 2006, 2013 and 2018 base projection, corresponding to the recent census data. As shown in Figure 9, Statistics NZ's projections for Auckland have anticipated an increasing share of the national population growth, for example, the 2006 base projection anticipated Auckland would achieve around 50% of national growth and that this would increase to around 70% by 2022. The subsequent two projections were similar. However, as shown by the actual population growth, Auckland has experienced a rapid decline to around 30% of national growth in 2020 (Covid).

Figure 9:
Auckland's Share of National Population Growth

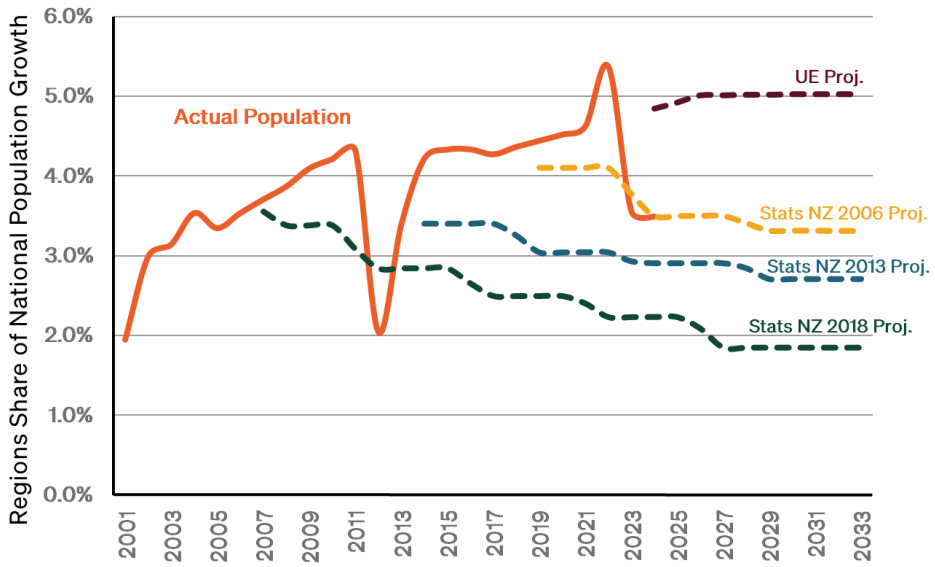


Source: Statistics NZ, UE

6.2 Growth of the Regions

Figure 10 outlines the regions' share of national population growth. Auckland's declining share of national population growth has been offset by rapid growth in the regions. This indicates that Statistics NZ has consistently underestimated the growth in the regions and overestimated growth in the Auckland region. The drop off in the regional share of population growth between 2022 and 2024 reflects the resurgence of international migration into Auckland during this period, as outlined in Figure 8 of the report. While Auckland's share of national growth rebounded, regional growth remained above pre-2014 levels, reinforcing the long-term trend of increased population dispersal beyond Auckland.

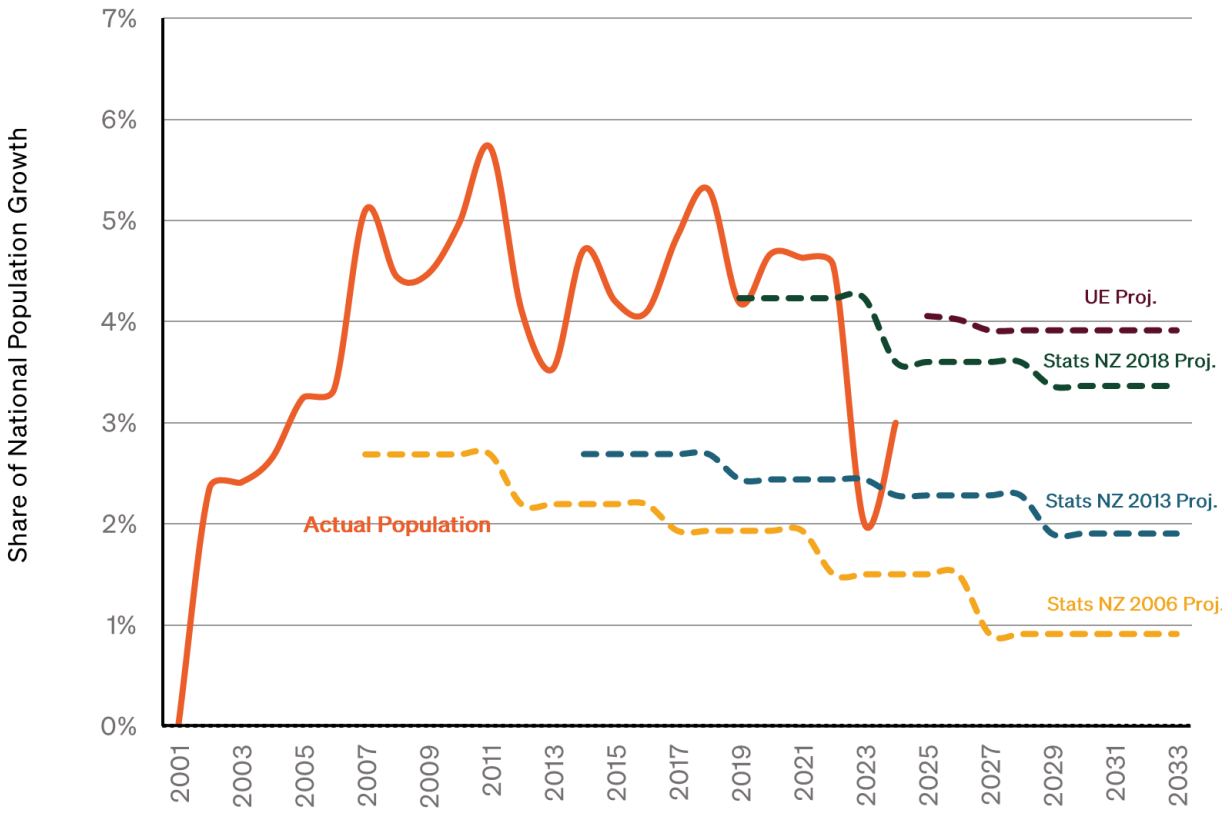
Figure 10:
Regions' (except Auckland) Share of National Population Growth



Source: Statistics NZ, UE

Figure 11 outlines the Northland Region's share of growth. The Northland Region has seen the same trend as most other regions and has consistently outperformed Statistics NZ's projections. As shown in Figure 11, Northland has increased from attracting 1% - 2% of national growth in the early 2000s to around 4.5% of national growth over the last decade.

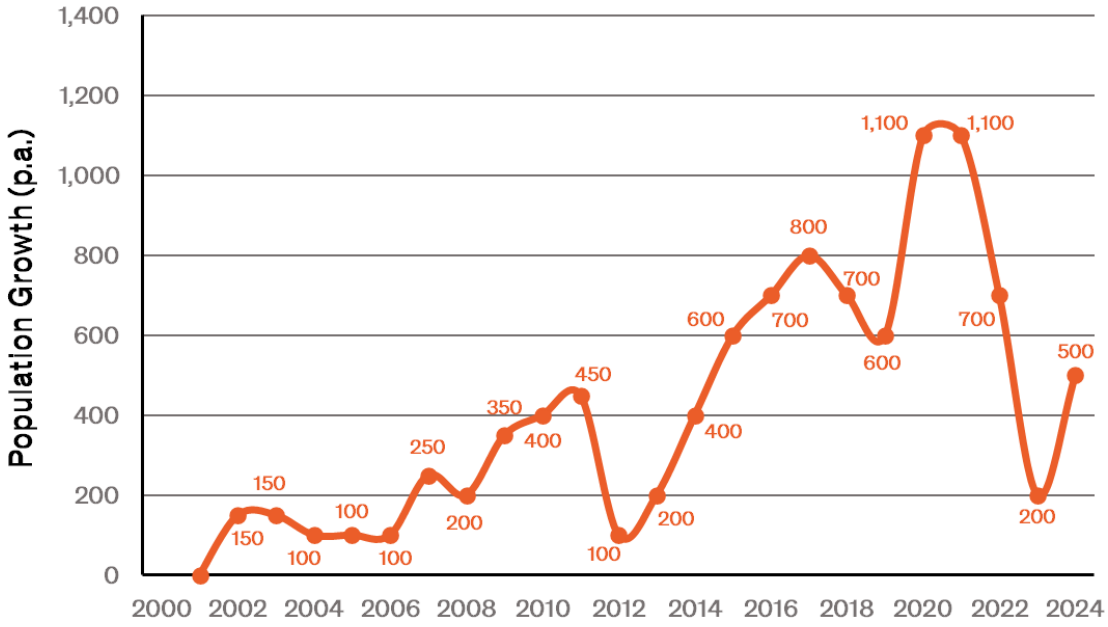
Figure 11:
Northland's Share of National Population Growth



Source: Statistics NZ, UE

As shown in Figure 12, the Kaipara District's annual population growth has increased from around 100 - 200 people per annum over the 2000 - 2008 period to around 1,100 people in 2020. It should be noted that growth slowed in 2023, however, regained momentum in 2024. The period between 2014 and 2021 represents a major step-change in Kaipara's population growth, with elevated growth rates persisting for nearly a decade. While growth slowed in 2023, the increase in 2024 suggests that the underlying trend remains strong. It is this recent trend that is the most reliable basis for estimating growth over the next 5 - 10 years.

Figure 12:
Kaipara District Annual Population Growth (p.a.) 2000 - 2024



Source: Statistics NZ

Figure 13 outlines the annual population growth in Kaipara district over the 2000 - 2024 period. There have been some notable demographic changes that have underpinned population growth in the Kaipara district since 2014. This has been driven by an increase in empty nesters and retirees, which increased from a growth of 100 - 200 per annum pre-2014, to 300 - 400 per annum post-2014. Perhaps more significant, it was also driven by an increase in young family age populations 15 - 39 and 0 - 14, both of which were in decline pre-2014 (-100 per annum) but increased significantly to the growth of 200 - 500 post-2014. The increase in family-age population highlights that the Kaipara District has become an attractive destination for younger family households.

Figure 13:
Kaipara District Population Growth (p.a.) by Age 2000 - 2024

Age Range	0-14	15-39	0-39	40-64	65+	Total
2000	0	-150	-150	150	0	0
2001	-100	-100	-200	200	50	50
2002	-50	-50	-100	150	50	100
2003	0	0	0	150	50	200
2004	-50	-50	-100	100	100	100
2005	-50	-50	-100	100	100	100
2006	-50	-50	-100	50	150	100
2007	-50	0	-50	150	100	200
2008	0	0	0	200	100	300
2009	0	50	50	150	100	300
2010	0	100	100	150	150	400
2011	0	0	0	100	250	350
2012	0	0	0	0	200	200
2013	0	-100	-100	0	300	200
2014	0	200	200	100	200	500
2015	0	100	100	200	200	500
2016	100	200	300	200	200	700
2017	100	200	300	100	300	700
2018	200	200	400	200	300	900
2019	0	100	100	0	300	400
2020	200	300	500	300	400	1200
2021	200	300	500	300	400	1200
2022	100	100	200	100	300	600
2023	100	100	200	100	300	600
2024	100	100	200	100	200	500
5-Year Average	**140**	**180**	**320**	**180**	**320**	**820**
%Total Growth	**17%**	**22%**	**39%**	**22%**	**39%**	**100%**

Source: Statistics NZ

Figure 14 outlines the annual population change in Mangawhai over the 2000 - 2024 period. Mangawhai has experienced similar demographic changes to the Kaipara District. Since 2014, Mangawhai has experienced a higher proportion of young families and retirees entering the town. Most notably, since 2017 Mangawhai has seen a dramatic increase in the number of young family households, indicating a structural change from a holiday destination to a self-contained coastal town. This is likely because Mangawhai is a popular destination for Aucklanders, given it is a premium coastal location with a range of amenities (retail, supermarket, community, recreation, etc).

Figure 14:
Mangawhai Population Growth (p.a.) by Age 2000 - 2024

Age Range	0-14	15-39	0-39	40-64	65+	Total
2000	10	-10	0	50	0	50
2001	10	10	20	50	10	80
2002	10	10	20	30	20	70
2003	20	20	40	30	10	80
2004	30	20	50	70	20	140
2005	20	20	40	50	40	130
2006	30	0	30	50	10	90
2007	10	40	50	80	40	170
2008	10	10	20	80	30	130
2009	0	40	40	60	40	140
2010	30	30	60	60	80	200
2011	20	20	40	70	90	200
2012	20	0	20	10	90	120
2013	20	10	30	-10	80	100
2014	-10	80	70	80	60	210
2015	30	60	90	100	100	290
2016	70	90	160	90	130	380
2017	100	120	220	130	170	520
2018	100	100	200	130	160	490
2019	100	100	200	100	150	450
2020	100	80	180	150	190	520
2021	80	150	230	140	160	530
2022	50	40	90	50	100	240
2023	30	40	70	60	100	230
2024	30	20	50	50	90	190
5-Year Average	**60**	**65**	**125**	**90**	**130**	**340**
%Total Growth	**18%**	**19%**	**37%**	**26%**	**38%**	**100%**

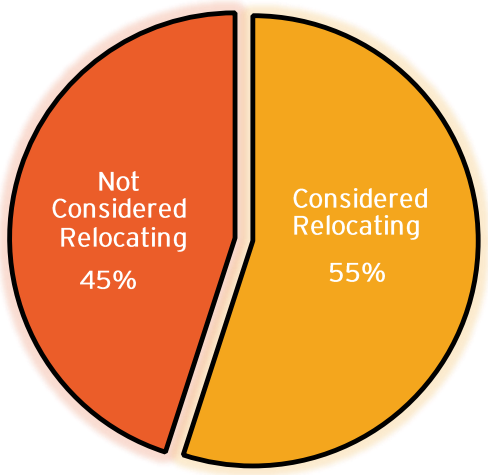
Source: Statistics NZ

6.3 Drivers of Population Growth in the Kaipara District

Figure 15 and Figure 16 outline some of the underlying drivers of population growth in Mangawhai. This is based on a survey of Auckland residents commissioned by UE in 2022. Some of the key findings are:

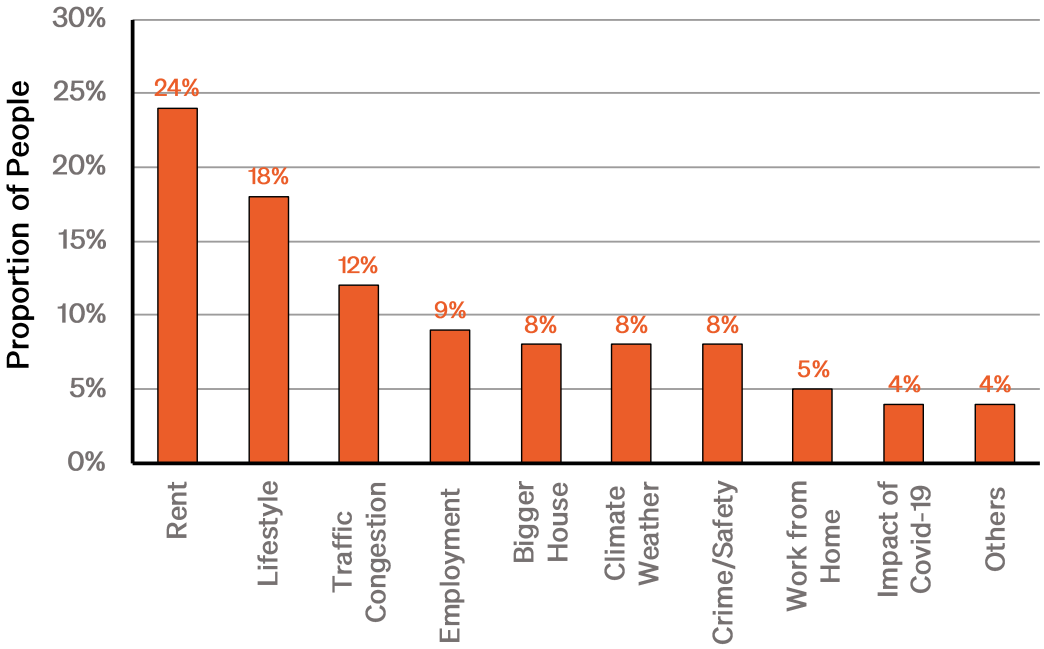
- 55% of Auckland residents are considering relocating out of Auckland.
- The main reasons for this are the cost of mortgage/rent, lifestyle and traffic congestion. This is commonplace in cities that have high house prices, and many locations, such as Sydney and San Francisco, which have similar high housing prices to Auckland, are seeing lower rates of population growth or a declining population.
- Additionally, around 5% of the Auckland residents surveyed stated that the ability to work remotely is a contributing factor for considering relocating. This is a growing trend especially following the COVID-19 Pandemic, which allows for more flexibility when choosing where to live.
- This has resulted in an increased demand for lifestyle locations such as Mangawhai.

Figure 15:
Aucklanders Considering Relocating



Source: UE

Figure 16:
Main Reasons for People to Consider Relocating from Auckland



Source: UE

An analysis of the impact of house prices on population growth, and in particular whether a region performed above or below the projected growth, has been undertaken. The results are presented in Figure 17. Some of the key points to note are:

- In broad terms, cities with average house prices of over $600,000 achieved growth that would be below the projected growth, and conversely, cities with average house prices of less than $600,000 achieved growth that was above projected growth. This analysis has an r^2 of 57% indicating a strong correlation.
- The main implication is that cities that have affordable housing will attract a high rate of growth and vice versa. This has important implications, as regions that enable affordable housing will be able to achieve population and economic growth, at a faster rate than cities that do not enable affordable housing. For regions that have had nil or low growth, this

presents an important opportunity to strengthen local economies, provide employment and attract a diverse population.

Figure 17:
House Prices and Share of National Population Growth Above/Below Statistics NZ Projections

Source: Statistics NZ, UE, QV

This suggests that Mangawhai's recent increase in house prices will have a significant impact on demand, and conversely, if additional low-priced housing is available in Mangawhai, there will be an increase in demand.

6.4 Kaipara and Mangawhai Population Projections

The following figure displays the Statistics NZ, Kaipara District Council (KDC) and UE population projections for Mangawhai. Some of the key points to note are:

- Over the 2018 - 2023 period, the Mangawhai population increased by around 420 persons per annum.
- The Statistics NZ medium projections are for 220 persons per annum between the 2023 and 2028 period and then reducing to 160-180 per annum over the mid-long term.
- The KDC medium projections are for 180 persons per annum between the 2023 and 2028 period, increasing slightly to 200 persons per annum over the 2028-2033 period, and then reducing to 140-200 persons per annum over the period ending 2043.

- The Statistics NZ and KDC projections are significantly below historic actual growth. Given the increasing exodus from Auckland, a strong rate of growth can be expected in Mangawhai, more consistent with the rate achieved over the past 5-10 years.
- The UE Medium and High projection estimates growth to be slightly below the historic trends of 400-500 per annum over the 2023 – 2028 period.

Figure 18:
Mangawhai Historical Actual and Projected Population 2018 – 2043

Population	Actual		Projection				Growth P.A				
	2018	2023	2028	2033	2038	2043	2018-2023	2023-2028	2028-2033	2033-2038	2038-2043
Stats NZ Medium	5,300	7,400	8,500	9,400	10,200	11,000	420	220	180	160	160
Stats NZ High	5,300	7,400	8,700	9,900	11,100	12,200	420	260	240	240	220
KDC Medium	5,300	7,400	8,300	9,300	10,000	10,700	420	180	200	140	140
KDC High	-	-	-	-	-	-	-	-	-	-	-
UE Medium	5,300	7,400	9,400	11,300	13,300	15,300	420	400	400	400	400
UE High	5,300	7,400	10,000	12,500	15,000	17,500	420	500	500	500	500

Sources: Statistics NZ, Infometrics, UE

- The UE Medium and High projections are considered a more useful basis for land use policy, as they are consistent with recent rates of growth and account for an ongoing exodus from Auckland to places such as Mangawhai.

7. Residential Demand

This section evaluates the demand for housing in the study area, for the short, medium and long term.

7.1 Residential Building Consents

Figures 19-20 show dwellings consented over 2016 - 2024 within Kaipara District and Mangawhai. 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 130 dwellings per annum were consented within Mangawhai. Of these, stand-alone dwellings accounted for 125 dwellings (97%) and terrace houses accounted for 5 dwellings (3%).
- Over the last 5 years, an average of 170 dwellings per annum were consented within the Kaipara district. Of which, stand-alone dwellings accounted for 165 dwellings and terrace houses accounted for 5 dwellings.
- This indicates that approximately 76% of all dwellings consented within the Kaipara district are in Mangawhai.

Figure 19:
Kaipara Building Consents 2016 - 2024

Year	Stand Alone		Terrace		Apartment		Retirement		Total	
2016	260	98%	10	4%	0	0%	0	0%	265	100%
2017	220	96%	10	4%	0	0%	0	0%	230	100%
2018	200	98%	5	2%	0	0%	0	0%	205	100%
2019	185	100%	0	0%	0	0%	0	0%	185	100%
2020	195	98%	0	0%	0	0%	0	0%	200	100%
2021	245	100%	5	2%	0	0%	0	0%	245	100%
2022	190	95%	5	3%	0	0%	0	0%	200	100%
2023	115	96%	5	4%	0	0%	0	0%	120	100%
2024	75	88%	5	6%	0	0%	5	6%	85	100%
5-Year Avg	**165**	**95%**	**5**	**3%**	**0**	**0%**	**0**	1%	**170**	**100%**
3-Year Avg	**125**	**93%**	**5**	**4%**	**0**	**0%**	**0**	**2%**	**135**	**100%**

Source: Statistics NZ

Figure 20:
Mangawhai Building Consents 2016 - 2024

Year	Stand Alone		Terrace		Apartment		Retirement		Total	
2016	210	98%	5	2%	0	0%	0	0%	215	100%
2017	145	94%	10	6%	0	0%	0	0%	155	100%
2018	135	96%	5	4%	0	0%	0	0%	140	100%
2019	135	100%	0	0%	0	0%	0	0%	135	100%
2020	145	100%	0	0%	0	0%	0	0%	145	100%
2021	175	97%	5	3%	0	0%	0	0%	180	100%
2022	120	96%	5	4%	0	0%	0	0%	125	100%
2023	120	96%	5	4%	0	0%	0	0%	125	100%
2024	75	94%	5	6%	0	0%	0	0%	80	100%
5-Year Avg	**125**	**97%**	**5**	**3%**	**0**	**0%**	**0**	0%	**130**	**100%**
3-Year Avg	**105**	**95%**	**5**	**5%**	**0**	**0%**	**0**	**0%**	**110**	**100%**

Source: Statistics NZ

7.2 Annual Housing Demand Forecasts

Figure 21 shows the historic and projected dwelling demand per annum in Mangawhai. The projections include those prepared by KDC and UE. The UE projection is based on the region's and district's share of national population growth. This is further supported by the Warkworth-Te Hana SH1 extension, which will reduce the drive time and increase the access for those commuting from Auckland, either for work or holiday accommodation. This, combined with the new secondary school, are considered significant step changes for demand.

The key points to note are:

- Between 2006 and 2022, the dwelling demand within Mangawhai nearly doubled from 90 units p.a. in 2006 to 150 units in 2022.
- Over 2023 – 2053, KDC forecast demand for 170 dwellings p.a. under the medium scenario and 260 dwellings p.a. under the high scenario.
- Over 2023 – 2053, UE forecast demand for 270 dwellings p.a. under the medium scenario and 340 dwellings p.a. under the high scenario.

Based on this analysis, it is considered reasonable to adopt an **annual housing demand of 270 dwellings.**

Figure 21:
Mangawhai Historic & Projected Dwelling Demand Per Annum

Dwelling Demand	Actual			Projected			
	2006-2013	2013-2018	2018-2022	2023-2028	2028-2033	2023-2033	2023-2053
KDC Med	90	150	150	170	170	170	170
KDC High	90	150	150	260	260	260	260
UE Med	90	150	150	270	270	270	270
UE High	90	150	150	340	340	340	340

Source: KDC, UE

Figure 22 outlines the split between infill and greenfield housing demand, over the short, medium and long term. This is determined by looking at the typical proportion of infill housing achieved in rural towns and villages, which is typically in the order of 5-10% of total growth. A figure of 10% infill is considered a likely 'upper end' infill proportion in Mangawhai. The results are presented in Figure 22. Some of the key points to note are:

- Currently, there is a demand for 270 dwellings p.a., of which 25 are infill and 245 are greenfield.
- By 2033, the demand is expected to be 2,700 dwellings which 250 are infill and 2,450 are greenfield.
  By 2053, the demand is expected to be 8,100 dwellings, of which 750 are infill and 7,350 are greenfield.

Figure 22:
Dwelling Demand by Infill & Greenfield Location 2023-2053

Demand	2023	2028	2033	2038	2043	2048	2053
Infill	25	125	250	375	500	625	750
Greenfield	245	1,225	2,450	3,675	4,900	6,125	7,350
Total	**270**	**1,350**	**2,700**	**4,050**	**5,400**	**6,750**	**8,100**

Source: UE

8. Housing Market Assessment

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

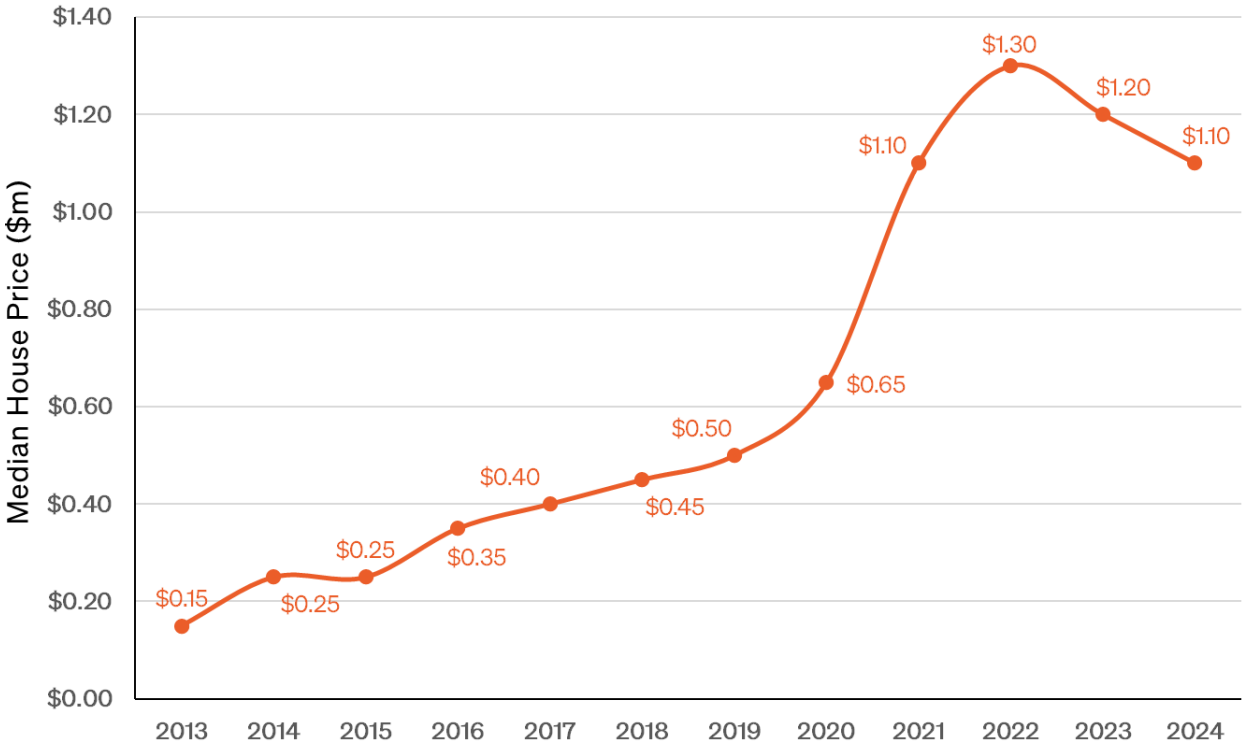
8.1 House Price Trends 2013 - 2024

Figure 23 displays the median house price in Mangawhai between 2013 and 2024. The main points to note are:

- In the 2013-2020 period, there was a steady increase in house prices.

- Between 2020 and 2021 the median house price increased from $650,000 to $1.1 million, an increase of $450,000 or 69% in one year. Prices continued to increase to $1.3 million in 2022 and then declined slightly to $1.2 million in 2023 and $1.1 million in 2024.
- This significant price increase suggests Mangawhai experienced a significant increase in popularity, to both retiree and younger family households, in approximately 2021. This is likely to have resulted in a surge of demand that outstripped supply, resulting in a significant increase in house prices.

Figure 23:
Mangawhai Median House Price 2013 - 2024



Source: realestate.co.nz

8.2 Recent Sales

Figures 24 and 25 display the recent sales of dwellings in Mangawhai over the last 2 years. The main points to note are:

- The majority of stand-alone dwellings were sold within the $800,000 – $1.3 million price range. A considerable number of stand-alone dwellings were also sold above the $1.5 million price range.
- The majority of terrace houses were sold in the $700,000 – $900,000 price range.
- Overall, 78% of all dwellings sold in Mangawhai were above the $900,000 price range.

Figure 24:
Mangawhai Recent Sales by Price Bracket June 2021 – 2023

Price ($000)	Stand Alone	%	Terrace	%	Total	%
Less than $500	10	5%	-	-	10	4%
$500-$600	5	2%	-	-	5	2%
$600-$700	10	5%	-	-	10	4%
$700-$800	0	0%	4	57%	4	2%
$800-$900	20	9%	2	29%	22	10%
$900-$1,000	35	16%	-	-	35	15%
$1,000-$1,100	35	16%	-	-	35	15%
$1,100-$1,200	20	9%	-	-	20	9%
$1,200-$1,300	20	9%	-	-	20	9%
$1,300-$1,400	5	2%	-	-	5	2%
$1,400-$1,500	20	9%	-	-	20	9%
$1,500 plus	40	18%	1	14%	41	18%
Total	**220**	**100%**	**7**	**100%**	**227**	**100%**

Source: Corelogic

Figure 25:
Mangawhai Recent Sales June 2021 – 2023

Source: CoreLogic

Figure 26 shows the average residential sale price achieved over the June 2021 – 2023 period in Mangawhai. Stand-alone dwellings achieved the highest average price of $1.2 million, while terrace housing achieved an average sale price of $930,000. Overall, across all dwelling types, the average sale price in Mangawhai was $1.2 million.

Figure 26:
Mangawhai Dwelling Average Sale Price June 2021 – 2023

Dwelling Type	Average Sale Price
Stand Alone	$1,210,000
Terrace	$930,000
Total	**$1,200,000**

Source: CoreLogic

8.3 Current Listings

Figure 27 outlines the current residential listings (for sale) in Mangawhai. The main points to note are:

- There are 72 dwellings currently listed for sale on TradeMe in Mangawhai, with an average asking price of $1,120,000.
- Currently, 12% of dwellings are listed for less than $800,000 in Mangawhai.
- By contrast, 61% of dwellings listed for more than $1,000,000 in Mangawhai.

Figure 27:
Current Listings of Residential Dwellings

Price Bracket ($000)	Count	%
$300-400	2	3%
$400-500	2	3%
$500-600	1	1%
$600-700	1	1%
$700-800	3	4%
$800-900	7	10%
$900-1,000	13	18%
$1,000-1,100	12	17%
$1,100-1,200	8	11%
$1,200-1,300	4	6%
$1,300-1,400	5	7%
$1,400-1,500	4	6%
$1,500 Plus	10	14%
Total	**72**	**-**
Average ($000)	**$1,120**	**-**

Source: TradeMe

8.4 Buyer Profile Market

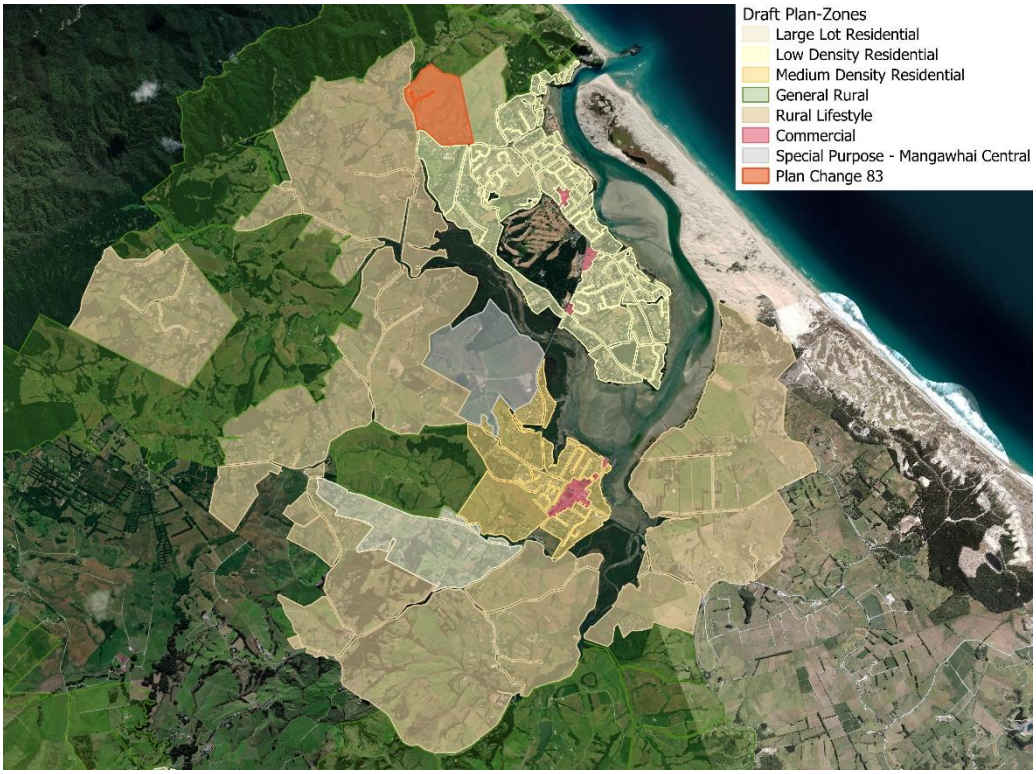
This section outlines the buyer profile for residential dwellings in Mangawhai. This is based on the responses of the real estate agents interviewed in July 2023. Some of the key points to note are:

- Prior to the last ten years, the vast majority of buyers in Mangawhai were Aucklanders in search of a holiday home. However, over the past 5-10 years there has been a shift with an increasing proportion of buyers looking for permanent homes.
- The main demographics of the permanent home buyers are young and middle-aged families that sell their homes to relocate to Mangawhai. Retirees also account for a significant proportion of the buyer market in the Mangawhai area.
- Key drivers of demand for housing in Mangawhai include work-from-home, relatively large properties and a relaxing lifestyle.
- The typical budget of the buyer is broken down into three main categories $1.5 - $3.0 million for the wealthier part of the market, $800,000 - $1.3 million for the mid-level buyers, and $700,000 - $800,000 for the first home buyers.
- The real estate agents consider housing demand to be increasing, however, suggest there is a shortage of available lots to meet demand.

9. Residential Capacity

Figure 28 outlines the zonings under the Exposure Draft District Plan (DDP). It includes Medium Density Residential, Low-Density Residential, Commercial, Special Purpose – Mangawhai Central, recently operative PC83 'The Rise', PC84 'Mangawhai Hills, and other Rural residential zones. The methodology and assumptions undertaken to estimate the development capacity are outlined in section 9.1. Development capacity estimates are outlined in section 9.2.

Figure 28:
Mangawhai Draft Plan Zones



Source: Kaipara District Council

9.1 Methodology and Assumptions

This section outlines the methodology and assumptions undertaken to estimate the plan-enabled and reasonably expected to be realised (RER) capacity under the DDP. The capacity is presented for Urban and Rural areas. Urban capacity includes capacity in Mangawhai Central[2], infill areas, greenfield areas and operative plan changes. Osborne (2024) notes that various estimations exist for nominal residential capacity, with the most recent being identified in the economic review for PC83 and PC84. This review establishes an approximate 1,000 lots at Mangawhai Central: *"There are a number of estimations regarding nominal residential capacity within Mangawhai, the most recent of which is established in the economic review for PC83 and PC84 through the s42A reports. In paragraph 4.7 of this review, Formative identify existing capacity of 3,300 sites on larger blocks of Residentially zoned land (including 1,000 at Mangawhai Central)."*[3]

Some of the assumptions and steps to estimate the Plan Enabled and RER capacity are as follows:

- Properties that had land-use classifications such as residential and lifestyle were included in capacity estimates modelling.
- All properties with land area of less than 1 ha were identified as infill and properties with land area of more than 1 ha were identified as greenfield properties.
- All properties were collected at the parcel level using the CoreLogic dataset. These properties were then grouped into zones as outlined by the DDP.
- A ratio of 70% was applied to estimate the developable land area.
- The developable land area for each parcel was then divided by using the minimum lot size under the DDP. The total number of dwellings that can be accommodated on each parcel was derived from this step.
- Plan Enabled Capacity was estimated by subtracting the existing dwelling from the total number of dwellings.
- The RER capacity was estimated on the assumption that 65% of all live-zoned greenfield and rural properties and 35% of all infill properties are expected to be realised. This accounts for land banking, the position of the existing dwelling on the site, infrastructure constraints, geotechnical constraints and the lifestyle choice of people living in and moving to Mangawhai.

9.2 Residential Capacity Estimates

Figure 29 outlines the plan enabled and RER capacity for Mangawhai, incorporating the Draft District Plan zones and the operative plan changes, including PC83 and PC84. Some of the key points to note are:

- Mangawhai has RER capacity for approximately 3,600 dwellings in the urban area, including 265 dwellings in medium-density infill, 490 in medium-density greenfield, 780 in low-density greenfield, 140 in low-density infill.
- Further residential capacity is provided through Mangawhai Central (1,000 dwellings), PC84 (600 dwellings) and PC83 (325 dwellings). These form key components of the area's planned urban growth.

[2] A high proportion of capacity is currently restricted by the lack of reticulated water supply.
[3] Osborne, P. (2024). Economic Assessment Report for Private Plan Change 84. Paragraph 14

Figure 29:
Plan Enabled & RER Capacity by DDP Zones

Draft District Plan Capacity		Min lot size (m²)	Developable Land Area (Ha)	Net Land Area (Ha)	Plan Enabled Capacity	RER Capacity
Urban Residential Zones	Mangawhai Central	500-1,000	115	80	1,000	1,000
	Low Density Greenfield	750	130	90	1,200	780
	Mangawhai Hills (PC84 Operative)	1,000	220	140	600	600
	Medium Density Greenfield	400	45	30	750	490
	The Rise (PC83 Operative)	400	55	40	325	325
	Medium Density Infill	400	40	30	750	265
	Low Density Infill	750	45	30	400	140
Urban Total		-	**650**	**440**	**5,025**	**3,600**
Rural Residential Zones	Large Lot Residential	1,000	60	40	400	260
	Rural Lifestyle	10,000	290	205	205	135
Rural Total		-	**350**	**245**	**605**	**395**
Total Capacity		-	**1,000**	**685**	**5,630**	**3,995**

Source: KDC, UE

Figure 30 outlines the RER capacity (Urban) over the short, medium and long term. Some of the key points to note are:

- Currently, there is capacity for 505 dwellings of which 405 dwellings are in infill areas.
- By 2033, there is capacity for approximately 1,830 dwellings, comprising 405 dwellings in infill locations and 1,425 dwellings in greenfield locations.
- By 2053, there is capacity for approximately 2,985 dwellings of which 405 dwellings are in infill locations and 2,580 dwellings in greenfield locations.

Figure 30:
RER Capacity by Infill & Greenfield Areas 2023-2053

DDP Capacity	2023	2028	2033	2038	2043	2048	2053
Infill	405	405	405	405	405	405	405
Greenfield	100	650	1,425	2,150	2,525	2,580	2,580
Total	**505**	**1,055**	**1,830**	**2,555**	**2,930**	**2,985**	**2,985**

Source:UE

10. Housing Demand vs Supply Differential

Figure 31 provides an estimate of the sufficiency of development capacity over the short (0-3 years), medium (3-10 years) and long term (10-30 years) as defined in the NPS-UD. The sufficiency estimates rely on:

- The housing demand estimates from Figure 22,
- The realisable development capacity estimates from Figure 29, and
- A 20% 'competitiveness margin' for the short-medium term, and a 15% 'competitiveness margin' for the long term.

The key points to note are:

- Over the short term, there is a surplus of 375 infill dwellings and a shortfall of 190 greenfield dwellings.
- Over the medium term, the surplus of infill dwellings reduces to 105, while the greenfield shortfall increases to 1,515 dwellings.
- Over the long term, there is a significant shortfall across both housing types, with a 455 dwelling deficit in infill areas and a 5,870-dwelling deficit in greenfield areas.
- At the total level, the housing supply is slightly above demand in 2023 (185 dwelling surplus), but this shifts into a shortfall of 1,410 dwellings by 2033 and 6,325 dwellings by 2053.

Despite PC83 and PC84 being operative, there remains a significant shortage of residential dwellings in Mangawhai. The Proposal, alongside existing developments, is necessary to help address medium-long term housing demand.

In the long term, Mangawhai will require between 15 to 20 additional medium (50 - 250 dwellings) to large-scale (250 - 500 dwellings) developments to meet projected demand.

The analysis finds that there is insufficient capacity for dwellings under the DDP over the short, medium, and long terms, and it therefore does not meet the requirements of the NPS-UD.

If annual dwelling demand were 150 dwellings per annum, development capacity would be sufficient to meet demand until approximately 2038, at which point shortfalls would emerge across both infill and greenfield areas. By 2043, total shortfalls would reach 515 dwellings, increasing to 2,195 dwellings by 2053.

If demand was at 200 dwellings per annum, these shortfalls emerge significantly earlier, with a total housing deficit appearing by 2033. Under this scenario, Mangawhai would face a 145 dwelling shortfall by 2028, increasing to 1,670 dwellings by 2043 and 3,915 dwellings by 2053.

Figure 31:
Demand vs Supply Differentials

DDP Demand Supply Differentials	2023	2028	2033	2038	2043	2048	2053
Infill							
Dwelling Demand (incl 20%/15% Buffer)	30	150	300	450	575	720	860
Development Capacity	405	405	405	405	405	405	405
Surplus/Shortfall	**375**	**255**	**105**	**-45**	**-170**	**-315**	**-455**
Greenfield							
Dwelling Demand (incl 20%/15% Buffer)	290	1,470	2,940	4,410	5,640	7,040	8,450
Development Capacity	100	650	1,425	2,150	2,525	2,580	2,580
Surplus/Shortfall	**-190**	**-820**	**-1,515**	**-2,260**	**-3,115**	**-4,460**	**-5,870**
Total							
Dwelling Demand (incl 20%/15% Buffer)	320	1,620	3,240	4,860	6,215	7,760	9,310
Development Capacity	505	1,055	1,830	2,555	2,930	2,985	2,985
Surplus/Shortfall	**185**	**-565**	**-1,410**	**-2,305**	**-3,285**	**-4,775**	**-6,325**

Source:UE

11. Housing Choice

The proposed plan change will increase the supply of residential dwellings in Mangawhai which has a shortage of dwellings over the medium to long term. It will offer a mix of housing types, from rural lifestyle lots with an average lot size of 6,000m^2 to large lot residential with an average lot size of 1,800m^2 to medium-density housing with an average lot size of 500m^2. These homes will be priced between $1,000,000 and $1,550,000, providing options for different budgets. By adding more homes to the market, the proposal will create more competition, thereby lowering prices and making homes more affordable. Overall, the plan change not only adds more homes but also leads to competitive land and development markets.

12. Retirement Village Demand

The following figure displays a summary of the current and projected retirement village demand across the catchment and compares it with the existing/pipeline retirement village unit supply. The key points to note are:

- Since 2017, Mangawhai has seen an increasing proportion of retirees.
- As of 2023, there are approximately 1,515 65+ households residing in Mangawhai. At a market penetration rate of 20%, this equates to a retirement village demand of approximately 305 units, as of 2023. Based on the existing and planned retirement village unit supply of 160 units (MetLife Care, Mangawhai Central), there is a shortage of 145 units. This demonstrates there is currently demand for approximately one additional retirement village.

- If no additional supply is brought to the market, there is estimated to be a shortage of 320 units by 2033, and 500 units by 2043.
- This shows that Mangawhai will have demand for approximately three additional retirement villages by 2033 and approximately 4 - 5 additional retirement villages by 2043. These estimates are considered to be conservative given locations such as Mangawhai are expected to attract a higher proportion of Auckland residents for retirement housing over the next 1 – 2 decades, due to the relative affordability and lifestyle offered in the Kaipara District.

Figure 32:
Retirement Village Demand and Sufficiency Analysis

	Year	65+ HH's*	65+ HH's Growth p.a.	R.V Demand **	R.V Demand Growth p.a.	R.V Existing & Planned Supply	R.V Sufficiency
	1997	200	0	40	0	-	-
	1998	205	5	40	0	-	-
	1999	215	10	45	5	-	-
	2000	215	0	45	0	-	-
	2001	220	5	45	0	-	-
	2002	235	15	45	0	-	-
	2003	240	5	50	5	-	-
	2004	255	15	50	0	-	-
	2005	280	25	55	5	-	-
	2006	285	5	55	0	-	-
	2007	315	30	65	10	-	-
	2008	335	20	65	0	-	-
Historic	2009	360	25	70	5	-	-
Actuals	2010	415	55	85	15	-	-
	2011	475	60	95	10	-	-
	2012	535	60	105	10	-	-
	2013	585	50	115	10	-	-
	2014	625	40	125	10	-	-
	2015	695	70	140	15	-	-
	2016	780	85	155	15	-	-
	2017	895	115	180	25	-	-
	2018	1,000	105	200	20	-	-
	2019	1,100	100	220	20	-	-
	2020	1,225	125	245	25	-	-
	2021	1,335	110	265	20	-	-
	2022	1,400	65	280	15	-	-
	2023	*1,515*	*115*	*305*	*25*	*160*	***-145***
	2024	*1,605*	*90*	*320*	*15*	*160*	***-160***
	2025	*1,695*	*90*	*340*	*20*	*160*	***-180***
	2026	*1,785*	*90*	*355*	*15*	*160*	***-195***
	2027	*1,875*	*90*	*375*	*20*	*160*	***-215***
	2028	*1,965*	*90*	*395*	*20*	*160*	***-235***
	2029	*2,050*	*85*	*410*	*15*	*160*	***-250***
	2030	*2,140*	*90*	*430*	*20*	*160*	***-270***
	2031	*2,230*	*90*	*445*	*15*	*160*	***-285***
	2032	*2,320*	*90*	*465*	*20*	*160*	***-305***
Projections	*2033*	*2,410*	*90*	*480*	*15*	*160*	***-320***
	2034	*2,500*	*90*	*500*	*20*	*160*	***-340***
	2035	*2,585*	*85*	*515*	*15*	*160*	***-355***
	2036	*2,675*	*90*	*535*	*20*	*160*	***-375***
	2037	*2,765*	*90*	*555*	*20*	*160*	***-395***
	2038	*2,855*	*90*	*570*	*15*	*160*	***-410***
	2039	*2,945*	*90*	*590*	*20*	*160*	***-430***
	2040	*3,030*	*85*	*605*	*15*	*160*	***-445***
	2041	*3,120*	*90*	*625*	*20*	*160*	***-465***
	2042	*3,210*	*90*	*640*	*15*	*160*	***-480***
	2043	*3,300*	*90*	*660*	*20*	*160*	***-500***

Source: Statistics NZ, UE

*Estimated based on an average household size of 1.5.

**Estimated based on a 20% penetration rate.

13. 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 per sqm price. This is due to greenfield developments offering greater economies of scale for lot and house construction, and lower raw land prices.

Figure 33 and 34 show the sale price of new greenfield and infill dwellings in Auckland. Overall, greenfield dwellings are 88% – 89% of the price of infill dwellings (11% – 25% more affordable). On average, a house that costs $1.2 million in an infill location could be purchased for $1.0 million in a greenfield location. This price differential is more pronounced for small 2 – 3-bedroom stand-alone greenfield dwellings, which are 68% – 79% of the price of their infill counterparts (20% – 32% more affordable).

Figure 33:
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

Figure 34:
Average Sale Price/m^2 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	-	$7,000	$5,500	$5,400	$4,800	$5,700
Infill	-	$10,300	$7,100	$6,400	$5,400	$7,300
GF% Infill	**-**	**68%**	**77%**	**84%**	**89%**	**80%**
Terrace						
Locations	**1-bed**	**2-bed**	**3-bed**	**4-bed**	**5+ bed**	**Average**
Greenfield	-	$8,100	$6,900	$9,200	-	$8,100
Infill	-	$9,600	$7,200	$8,300	-	$8,400
GF% Infill	**-**	**84%**	**96%**	**111%**	**-**	**97%**
Apartments						
Locations	**1-bed**	**2-bed**	**3-bed**	**4-bed**	**5+ bed**	**Average**
Greenfield	$10,800	$8,700	-	-	-	$9,800
Infill	$11,400	$10,300	-	-	-	$10,900
GF% Infill	**95%**	**84%**	**-**	**-**	**-**	**90%**
Total						
Locations	**1-bed**	**2-bed**	**3-bed**	**4-bed**	**5+ bed**	**Average**
Greenfield	$10,800	$7,900	$6,200	$7,300	$4,800	$7,867
Infill	$11,400	$10,100	$7,200	$7,400	$5,400	$8,900
GF% Infill	**95%**	**78%**	**86%**	**99%**	**89%**	**88%**

Source: CoreLogic

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 2011[4] 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.

For younger singles and couples (that are considering starting a family) and younger families with children looking to enter the housing market, it is the 2 – 3 bedroom family homes that are most important, as these houses best meet their needs. Having these available at prices that are 20% – 32% more affordable (i.e. $700,000 – $800,000) is therefore critical in ensuring the town has a competitive land and development market.

[4] National Dwelling Cost Study, prepared for the National Housing Supply Council, 2011, Urbis.

14. Economies of Scale Enabled by Town Size

14.1 Housing Diversification

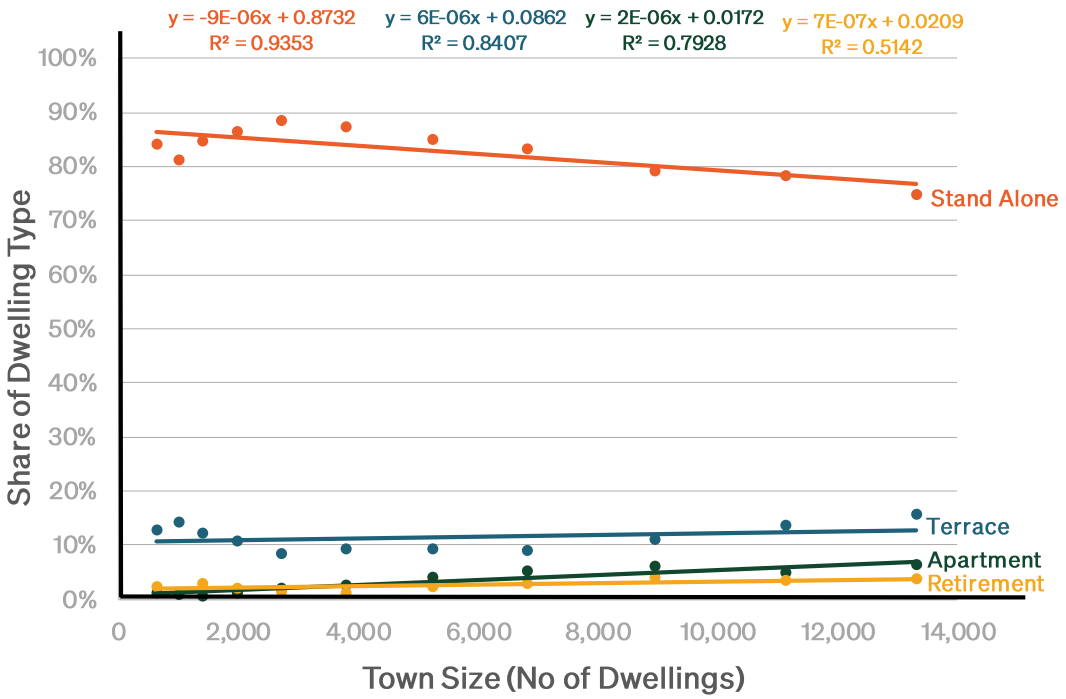
Figure 35 provides an analysis of the housing composition that is achieved by towns of different sizes. Some of the key points to note are:

- As towns get bigger, they have an increasing proportion of terrace houses and apartments and a corresponding decreasing proportion of stand-alone homes.
- Mangawhai has an estimated 4,300 dwellings. At this size, it is expected to have 80% stand-alone, 10% terrace, 7% retirement village and 3% apartments.
- Recent building consents show that 98% of new dwellings in Mangawhai are stand-alone.

This indicates that there is a lack of choice and competition in Mangawhai, i.e. it is currently dominated by few players, as is common in similar towns.

There are social and economic benefits from housing diversification, including a wider range of house types and prices for people as their needs change over time and more diverse and resilient communities.

Figure 35:
Housing Diversification by Town Size



Source: Statistics NZ, UE

14.2 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 that 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 36 provides the population and dwelling commercial viability thresholds for some key commercial businesses.

Figure 36:
Viability Population Threshold Analysis for Commercial Businesses

Business Nodes	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

Figure 37 outlines the existence of business nodes in Mangawhai. Some of the key points to note are:

- Currently, Mangawhai has 2 LFR stores, 2 supermarkets, 1 town centre, 1 local centre and 2 neighbourhood centres. This is largely consistent with the population threshold in Figure 36, with the only exception being the existence of 4 LFR stores and supermarkets.
- This suggests that Mangawhai services a much wider catchment (40-minute drive-time) with an approximate population of 24,300 people.

Figure 37:
Number of Business Nodes in Mangawhai

Business Nodes	Count	Names
Sub Regional Employment Hub	-	-
Large Format Retail (LFR)	2	Bunnings & Carters
Supermarket	2	New World & Four Square
Town Centre	1	Mangawhai Central
Local Centre	1	Moir St
Neighbourhood Centre	2	Molesworth Dr & Wood Street

Source: KFC, GoogleMaps

With the population expected to increase significantly within Mangawhai and also to some extent in the surrounding rural areas, this suggests that there could be demand for additional business nodes and jobs within Mangawhai.

14.3 Public Amenities Provision

Larger towns can support a greater range of public amenities. The population thresholds for a range of key public amenities are shown in Figure 38.

Figure 38:
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

Figure 42 outlines the existing public amenities in Mangawhai. Some of the key points to note are:

- Currently, Mangawhai has 1 medical centre, 2 leisure centres, and a library. These activities are generally associated with a higher residential population within the catchment.
- These facilities service a significantly wider catchment (40 minutes drive time) with an approximate population of 24,300 people.
- Interestingly, Mangawhai has just 1 primary school (Mangawhai Beach School) and no secondary school. However, it is understood that a new private secondary school is opening next year. The Mangawhai Beach school has a current roll count of approximately 600 students. The school has almost reached full capacity. However, a new block is due to open in 2024[5]. This indicates a growing pressure on existing schools and suggests that there is a shortage of both primary and secondary schools within the local catchment.
- Mangawhai's population is expected to reach 11,300 people by 2033 and 15,300 by 2043. This indicates that there is a demand for at least 2 additional primary schools by 2033 and 1 additional primary school by 2043. There is also a demand for 1 additional secondary school within Mangawhai.
- The establishment of a new secondary school in Mangawhai provides a critical piece of infrastructure that will boost residential demand. The provision of an additional secondary school reflects Mangawhai's increasing appeal as a permanent residential destination. The availability of a local secondary school removes a significant barrier for families considering relocation, as access to education is a key driver in residential decision making. By ensuring an additional local schooling option, the new secondary school reinforces Mangawhai's attractiveness for households. This supports sustained population and housing growth above historical levels.
- The extension of SH1 from Warkworth to Te Hana will significantly increase access between Auckland and Mangawhai, for commuters and holiday home owners, increasing demand at Mangawhai, by making it effectively closer in terms of drive time.

[5] https://www.localmatters.co.nz/mahurangi-news/school-feels-growth-pressure/

Figure 39:
Number of Public Amenities in Mangawhai

Public Amenities	Count	Names
Medical Centre	1	Coast to Coast Health Care
Leisure Centre	2	Mangawhai Activity Zone & Mangawhai Domain
Library	1	Mangawhai Public Library
Secondary Schools	-	-
Community Facilitiy	3	Mangawhai Club, Village Hall, Senior Citizens Community Centre
Gyms	4	FIT365, Level Movement, Mangawhai Fitness, Coastal Fitness
Primary Schools	1	Mangawhai Beach School
Childhood Centre	3	Mangawhai Kindergarten, BeforeSix Childcare, Miniwhais

Source: GoogleMaps, Ministry of Education

14.4 Infrastructure Efficiency & Cost Recovery

An important function of local authorities is infrastructure provision. An infrastructure project that has a cost recovery period of 10 - 20 years has relatively efficient cost recovery. By contrast, an infrastructure investment that has a cost recovery period of 30+ years has inefficient cost recovery.

Figure 40 provides the results of an analysis of infrastructure cost recovery timeframes for Mangawhai across 3 different dwelling demand scenarios. Scenario A has a dwelling demand of 225 dwellings per annum. Scenario B has a dwelling demand of 325 dwellings per annum. Scenario C has a dwelling demand of 425 dwellings per annum. The modelling also accounts for the realised dwelling capacity, revenue generated and the cost of the infrastructure.

Based on the analysis in Figure 40, under Scenario A, Mangawhai has an infrastructure recovery timeframe of 16.0 years. Under Scenario B, Mangawhai has an infrastructure recovery timeframe of 11.1 years and under Scenario C, Mangawhai has an infrastructure recovery timeframe of 8.5 years. All of these scenarios are considered to result in efficient cost recovery, as the cost recovery period is less than 20 years.

It is important to note that the faster the cost recovery, the greater the opportunity for the local authorities to save on interest costs, identify new projects, and reinvest in other infrastructure projects.

Figure 40:
Infrastructure Cost Recovery

Scenarios	Residential		Infrastructure				Cost Recovery (Years)
	Realised Capacity	Demand (p.a)	Cost 2020 ($M)	Cost 2023 ($M)	Cost Per Dwelling ($)	Revenue Per Annum ($)	
Scenario A	3,600	225	$49.6	$63.7	$17,700	$4.0	16.0
Scenario B	3,600	325	$49.6	$63.7	$17,700	$5.8	11.1
Scenario C	3,600	425	$49.6	$63.7	$17,700	$7.5	8.5

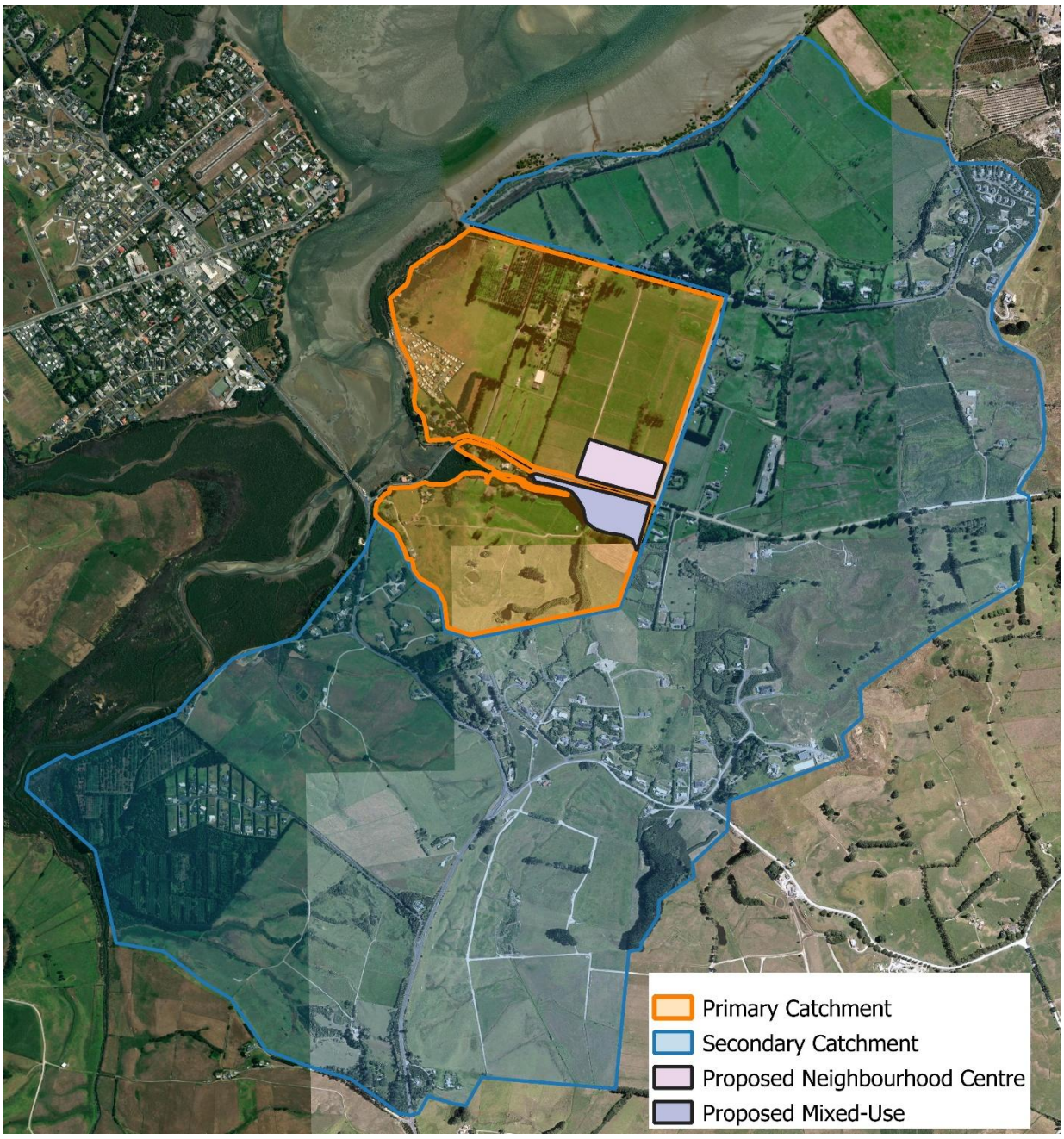
Source:UE

15. Neighbourhood Centre

This section evaluates the proposed neighbourhood centre (2.6 ha).

Figure 44 outlines the anticipated catchment for the proposed neighbourhood centre. The catchment area for the proposed neighbourhood centre encompasses the PPC highlighted in the 'orange' area, as the primary catchment, and a part of a large lot residential zone (under the DDP) highlighted in 'blue' surrounding the PPC area.

Figure 41:
Catchment Area



Source: UE

Figure 42 provides a profile of existing business land within Mangawhai. The main points to note are:

- As of 2023, Mangawhai has a total business land area of 9.7 ha, which is comprised of 5.6 ha of Commercial and 4.1 ha of Industrial zone land.
- As of 2023, only 1.3 ha of commercial land is vacant. There is no vacant industrial land available.
- When accounting for future zoned capacity in Mangawhai Central and PC 84, Mangawhai is estimated to have an additional circa 7.0 ha of Commercial zone land and 8.0 ha of Industrial zone land. This equates to a total of 15.0 ha of additional business zone land.

Figure 42:
Mangawhai Business Land Profile

Business Land	Commercial (Ha)	Industrial (Ha)	Total (Ha)
Occupied	4.3	4.1	8.4
Vacant	1.3	0.0	1.3
SubTotal	**5.6**	**4.1**	**9.7**
Future Supply*	**7.0**	**8.0**	**15.0**
Total	**12.6**	**12.1**	**24.7**

Source: KDC, CoreLogic

*Mangawhai Central, PC 84 - Mangawhai Hills

The neighbourhood centres within four comparable large master-planned developments have been evaluated to provide a benchmark for the GFA (Gross Floor Area) and land demand for this centre. These include the Long Bay, Millwater, Hobsonville Point and Stonefields centres.

Figure 43 provides a summary table of centre GFA, land area and the population within each development. The main points to note are:

- Centres in comparable developments support between 0.5m^2 and 5.2m^2 of centre GFA per capita.
- Millwater and Stonefields are considered to be the most relevant benchmarks for the proposed centre, as these centres primarily service the needs of the immediate population, rather than a wider area (due to the centre location).
- This indicates that the proposed centre will support between 0.5m^2 and 0.9m^2 of centre GFA per capita. This is consistent with (or slightly above) Auckland's regional average of 0.5m^2 per capita of convenience retail floor space.

Figure 43:
Large Masterplanned Development Centre Summary

Masterplanned Development	Hobsonville Point	Millwater	Long Bay	Stonefields
Retail GFA	7,200	3,200	6,000	2,800
Office GFA	600		200	
Other GFA	200		900	700
Total GFA	**8,000**	**3,200**	**7,100**	**3,500**
Centre Land Area (ha)	2.8	1.2	3.9	2.6
Census 2018 Population	3,770	6,000	1,370	3,790
Centre GFA per Capita	**2.1**	**0.5**	**5.2**	**0.9**

Source: Statistics NZ, Corelogic, Auckland Council, Development Websites

Figure 44 outlines the demand for retail floor space in the total catchment area. The total catchment area has estimated demand for between 1,300 m^2 and 2,300 m^2 of retail GFA, requiring approximately 0.5 – 0.8 ha of land.

Figure 44:
Supportable Retail GFA

Catchment	Population 2038	0.5m^2 Centre GFA / Capita		0.9m^2 Centre GFA / Capita	
		GFA (m^2)	Land Area (Ha)*	GFA (m^2)	Land Area (Ha)*
Primary	2,160	1,100	0.4	1,900	0.7
Secondary	434	200	0.1	400	0.1
Total	**2,594**	**1,300**	**0.5**	**2,300**	**0.8**

Source: KDC, Cabre Mangawhai Limited, UE
* Estimated based on a 40% building coverage and 30% land use for roads to vest.

The neighbourhood centre would also support other uses that meet the requirements of residents within the primary and secondary catchment. Figure 45 outlines the supportable GFA for both retail (derived from Figure 44) and a range of other uses that occur within a neighbourhood centre. The main points to note are:

- 1,000m^2 - 1,200m^2 of office can be supported.
- 2,300m^2 and 2,800m^2 of other uses (e.g. medical, health, recreation, childcare, vet) can be supported.
- Overall, a neighbourhood centre has a supportable GFA between 4,600m^2 and 6,300m^2.

Figure 45:
Supportable GFA Other Uses

Indicative Composition	Supportable GFA(m^2)	
Retail	1,300	2,300
Office	1,000	1,200
Medical Centre	700	800
Health Centre (Recreation)	550	650
Childcare Centre	450	550
Vet	350	450
Other	250	350
Total	**4,600**	**6,300**

Source:UE

The proposed neighbourhood centre would have a catchment that could support a total GFA of approximately 4,600 - 6,300m^2. This would support the day-to-day needs of the immediate population (as outlined in the catchment area shown in Figure 41). It is therefore considered to be consistent in scale and function with a small-medium neighbourhood centre, as defined by the National Planning Standards:

> *"Areas used predominantly for small-scale commercial and community activities that service the needs of the immediate residential neighbourhood."* (page 37)

Based on the foregoing analysis, the proposed neighbourhood centre would provide for the needs of the immediate community and is therefore considered to provide economic benefits, relating to efficient access to day-to-day goods and services. There are no anticipated economic costs.

16. Mixed-Use Land

This section evaluates the proposed mixed-use land (2.2 ha).

The main anticipated uses include industrial (storage, warehousing and small-scale live and work units). In addition, a range of other uses, that are not typically provided for in neighbourhood centres, are anticipated, for example, accommodation and recreation.

Figure 46 outlines the demand for industrial land in Mangawhai. This is based on the ratio of industrial land per 1,000 people, seen in comparable towns across NZ (e.g. Morrinsville, Martinborough, Katikati, Woodend, Ngaruawhaia, Kaiapoi). The demand for industrial land in Mangawhai is estimated to be approximately 10-15 ha in 2023, and this is expected to increase to 15-20 ha by 2033. At present there is 7.3 ha of industrial land, indicating a current shortage of around 3-8 ha, and a forecast shortage (by 2033) of 8-13 ha.

The proposed mixed-use land would provide, to some extent, for the industrial demand that is not otherwise being met within Mangawhai.

Figure 46:
Industrial Land Demand Mangawhai 2023-2043

Year	Population	Low (1.5 ha per 1,000 people)	High (2.0 ha per 1,000 people)
2023	7,400	11.1	14.8
2028	9,400	14.1	18.8
2033	11,300	17.0	22.6
2038	13,300	20.0	26.6
2043	15,300	23.0	30.6
2023-2033	**3,900**	**5.9**	**7.8**

Source: KDC, UE

While the predominant anticipated use of the mix-use zone is predominantly industrial, there is potential for a range of other secondary uses. Retail could potentially occur in this zone, although unlikely, this may result in competitive effects on other centres that have a wider economic cost. For this reason, it is recommended that retail within the mixed-use zone is restricted to a small quantity of café/lunch bars. Residential could also potentially occur, e.g. terrace houses, as is commonplace in mixed-use land in larger cities. This would increase the total number of residential dwellings in the plan change area. Subject to there being sufficient infrastructure, any additional housing, particularly smaller (more affordable) forms of housing, would have economic benefits. Overall, it is considered that a range of non-residential uses are most likely, given the number of residential dwellings proposed within the plan change area, would mean that there are commercial incentives to diversify the range of activities within the overall development.

17. Hotel Accommodation

Figure 47 outlines the existing supply of accommodation providers in Mangawhai. There are currently 8 accommodation providers all categorized as small-scale operations, with a total of 51 rooms. This equates to just 0.006 rooms per 100 people, significantly lower than the national average of 2 rooms per 100 people.

Given Mangawhai's population of 7,400 people, the optimal accommodation supply should ideally be around 148 rooms, indicating a shortage of around 100 rooms. With the population set to increase to approximately 11,300 by 2033, this equates to approximately 226 rooms. Indicating a shortage of around 170 rooms over the next decade.

The proposal would enable the potential for an additional hotel, with a suitable site available for this activity. This would contribute to Mangawhai's economy, and in particular, would support the visitor market. There is in addition, the potential for a medium-scale hotel, of circa 40-80 rooms, to attract a greater number of visitors, potentially from Auckland, for weekends, holidays, weddings and conferences.

Figure 47:
Existing Hotel Supply

Accommodation Providers	Number of Rooms	Average Room Rate	Star Rating
Mangawhai Lodge	4	230	4
Mangawhai Retreat	10	206	4.5
Aotearoa Surf Eco Pods	7	215	2.5
The Ridge	10	350	4
Tui & Nikau Cabins	7	235	3
Dune View Accommodation	5	235	4
Te Arai	4	200	4.5
The HideOut	4	180	3
Total	**51**	**240**	**4**

Source: Booking.com, Hotels.co.nz

18. Access to Employment

Mangawhai has access to a significant number of employment opportunities, both locally, and within the wider rural area. Figure 48 outlines the employment opportunities accessible to residents of Mangawhai. The key points to note are:

- The residents of Mangawhai have access to a total of 1,110 jobs within a 20-minute drive time (including Mangawhai town).
- The residents of Mangawhai have access to a total of 3,430 jobs within a 30-minute drive time.
- The residents of Mangawhai have access to a total of 5,730 jobs within a 40-minute drive time.

Figure 48:
Drive time to Employment Hubs

Drive Time	Access to Jobs
20-Mins	1,110
30-Mins	3,430
40-Mins	5,730

Source: Statistics NZ

19. Economic Impact of The Proposal

This section assesses the impact of the proposed rezoning on employment and GDP. This is required under Section 32(2)(a) of the RMA and requires the identification of costs and benefits with particular emphasis on economic growth and employment generation.

19.1 Employment & GDP Contribution from Construction

The national 'value-added per employee' for each sector has been used to estimate the full-time equivalent (FTE) employment for this proposal.

Figure 49 outlines the FTEs and value-added to the construction sector GDP that the proposal would generate. It is estimated that the construction of the proposed residential development of the site would contribute $224.5 million and generate 1,685 FTE jobs to the construction sector's GDP.

The construction of a proposed neighbourhood centre and mixed-use development would contribute $13.0 million and generate 100 FTE jobs to the construction sector's GDP.

Overall, the proposal would contribute $237.5 million and generate 1,785 FTE jobs to the construction sector's GDP.

The employment number can be interpreted as the number of FTE jobs created on an annualised basis, i.e. if construction takes 10 years and is split evenly between the years then approximately 178 FTE jobs would be created in each year.

Figure 49:
Value-Added GDP & FTE Employee Estimates

The Proposal	Type	Count	GFA (m^2)	Value ($M)	Value Added GDP ($M)	FTE Employees
Large Lot	Type A	37	220	$41.7	$12.8	95
Low-Density	Type B	530	180	$508.8	$156.4	1,175
Medium Density	Type C	207	140	$162.3	$49.9	375
Rural Lifestyle	Type D	14	220	$17.4	$5.3	40
Total Residential	-	**788**	**180**	**$730.2**	**$224.5**	**1,685**
Business	Neighbourhood Centre	-	6,370	$22.9	$7.1	55
	Mixed-Use	-	5,365	$19.3	$5.9	45
Total Business	-	-	-	**$42.2**	**$13.0**	**100**
Total	-	-	-	**$772.4**	**$237.5**	**1,785**

Source: UE

Figure 50 compares the value-added GDP contribution and FTEs generation under the Base Case scenario and the proposal.

The Base Case scenario outlines the GDP contribution and FTE generation from its current use. The site is expected to be zoned Rural Lifestyle under the DDP, and therefore the site can be subdivided into a maximum of 90 lifestyle blocks, contributing approximately $37.7 million to GDP and generating approximately 285 FTEs.

In contrast, the proposal scenario would contribute approximately $237.5 million to the construction sector GDP and generate 1,785 FTEs.

In general, the proposal scenario would result in a net addition of $1997.1 million and 1,500 FTEs over the Base Case scenario.

Figure 50:
Economic Contribution Proposal Vs Base Case

Scenario	Value ($M)	Value Added GDP ($M)	FTE Employees
The Proposal	$772.4	$237.5	1,785
Base Case**	$153.5	$37.7	285
Net Benefits	**$619.0**	**$199.7**	**1,500**

Source: UE, CoreLogic
**Based on Lifestyle use of the site.

Figure 51 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 project expenditure outlined in Figure 49.

Figure 51:
Industry GDP and Value Added per Employee

Sector	Value Added GDP ($M)	FTE Workers	Value Added GDP Per Employee
Construction	$23,200	175,000	$133,000
Agriculture	$14,053	84,900	$166,000

Source: Statistics NZ

19.2 Employment & GDP from Ongoing Operation

Figure 52 provides an estimate of the ongoing expenditure expected upon the completion of the development. This is estimated to be 35% of the total benefits.

The main points to note are:

- Upon completion of the proposal, the average household expenditure is forecast to be $41,000 per household, per annum. This generates a value-added to GDP of approximately $23,400 per household, per annum.
- The total ongoing household expenditure from the residents of the residential dwellings is estimated to be $32.4 million per annum. This generates a value-added to GDP of approximately $18.5 million per annum, supporting approximately 214 FTE jobs.
- It is estimated that the net benefit arising from the proposal would be approximately 35%. This equates to value-added to GDP of approximately $6.4 million per annum, supporting approximately 75 FTE jobs.

Figure 52:
Employment & GDP Generation from Ongoing Expenditure

Proposed Development	Household Spend (p.a)*	Value Added GDP (p.a.)	Ongoing Household Expenditure (p.a)	Value Added GDP (p.a.)	FTE Employees (p.a.)
Large Lot	$41,300	$22,492	$1,530,000	$830,000	10
Low-Density	$41,300	$23,600	$21,890,000	$12,510,000	145
Medium Density	$40,400	$23,200	$8,360,000	$4,800,000	55
Rural Residential	$40,400	$22,717	$570,000	$320,000	4
Total/Average	**$41,000**	**$23,400**	**$32,350,000**	**$18,460,000**	**214**
Net Benefit @ 35%	**-**	**$8,200**	**$11,320,000**	**$6,461,000**	**75**

Source: Statistics NZ, UE
*Upon completion of development.

Figure 53 shows the estimated national 'value-added per FTE employee'. These value-added per-employee figures are used to estimate the FTE employees created from the ongoing household expenditure from future residents of the proposal. The sectors that have been included contribute $86.8 billion to the national GDP and employ 1,002,000 FTEs. This results in a value-added of $87,000 per employee.

Figure 53:
Industry GDP and Value-added per Employee

Sector	Value Added GDP ($M)	FTE Workers	Value Added GDP Per Employee
Retail Trade	13,800	163,000	$85,000
Accommodation and Food Services	6,800	104,000	$66,000
Transport, Postal and Warehousing	13,400	83,000	$162,000
Financial and Insurance Services	17,400	58,000	$303,000
Education and Training	13,100	245,000	$53,000
Health Care and Social Assistance	18,300	163,000	$112,000
Arts and Recreation Services	4,000	186,000	$21,000
Total	**86,800**	**1,002,000**	**$87,000**

Source: Statistics NZ

20. Urban Environment Assessment

This section outlines that Mangawhai is intended to be an urban environment. The definition of an urban environment is provided in the NPS-UD, as follows:

> *"urban environment means any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that:*
>
> *(1) is, or is intended to be, predominantly urban in character; and*
> *(2) is, or is intended to be, part of a housing and labour market of at least 10,000 people"*

An urban environment therefore includes both the resident population and the workforce. Both the resident population and workforce (considered to be the daily inflow of employees, but excluding residents that work locally) are assessed as follows.

Figure 54 provides the current estimated number of dwellings and population within the study area. This confirms that Mangawhai is expected to meet the definition of an urban environment. As of the 2023 Census, Mangawhai's population was approximately 6,840 people, increasing to an estimated 7,560 by 2025.

When the RER capacity from Mangawhai Central (1,000 dwellings), PC84 (600 dwellings), PC83 (325 dwellings), and other zoned greenfield areas (approximately 1,270 dwellings combined) are accounted for, the estimated resident population increases to approximately 15,230 people. This assumes an average household size of 2.4 persons per dwelling, consistent with the 2023 Census. Including the daily inflow of the 'labour market' population estimated to be 200 (Statistics NZ employment data, 2023), this totals to a housing and labour market population of 15,430 people.

The operative plan changes demonstrate Mangawhai is intended to support a housing and labour market exceeding 10,000 people. This is consistent with the NPS-UD definition of an urban environment.

In addition, the Spatial Plan capacity estimate (Figure 55) confirms Mangawhai will support a population of 10,975, which exceeds the population threshold of 10,000.

Figure 54:
Current and Future Dwellings & Population in Mangawhai

Mangawhai (Study Area)	Dwellings	Population
2023 Census	2,800	6,840
2025 Estimated*	3,070	7,560
Daily Inflow Workforce	-	200
Mangawhai Central	1,000	2,400**
Mangawhai Hills (PC84 Operative)	600	1,440**
The Rise (PC83 Operative)	325	780**
Medium Density Greenfield	490	1,180**
Low Density Greenfield	780	1,870**
Total	**6,265**	**15,430**

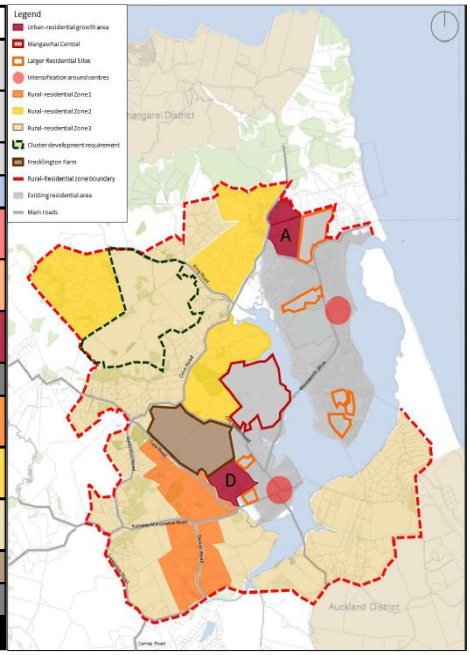
*Estimated using historic census grow th.

**Calculated using 2.4 persons per dw elling, derived from 2023 Census data.

Source: Statistics NZ, UE

Figure 55:
Population Projection Kaipara Spatial Plan

		Dwellings	Population
Urban-Residential	Zoned but not built (min. 600m^2)	1,643	3,943
	Infill (min. 600m^2)	493	1,183
	Mangawhai Central	1,000	2,400
	Minor dwellings	180	287
	Intensification around centres (min. 400m^2)	30	49
	More density larger Res. Sites (min. 400m^2)	538	1,291
	Growth pockets (min. 600m^2)	302	725
	SUBTOTAL	4,186	9,878
Rural-Residential	Rural-residential Zone 1 (min. 0.4 - 0.8ha)	149	358
	Rural-residential Zone 2 (min. 0.8 - 2.0ha)	48	115
	Rural-residential Zone 3 (min. 2.0 - 4.0ha)	181	434
	Frecklington Farm	79	190
	SUBTOTAL	457	1,097
TOTAL		4,643	10,975



ABOVE FIG. 3-4-6: Breakdown of the potential dwelling and population capacity of the preferred growth option

21. Analysis of Competitive Land & Development Markets under the Draft District Plan

The NPS-UD requires an evaluation of whether there is a competitive land and development market. The Herfindahl-Hirschman index[6] (H-H) 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 use the Herfindahl-Hirschman (H-H) Index to measure whether markets are or will become too concentrated if particular mergers occur, to ensure competitive markets. Most notably, the Commerce Commission has used the H-H index to assess the competitiveness of the supermarket and telecommunications sectors in New Zealand over recent years. The US Department of Justice considers HH index values between 1,500 – 2,500 to be moderately concentrated markets and values over 2,500 to be highly concentrated markets.

The H-H index is considered to be the best tool in determining the competitiveness of an urban land market, with respect to achieving the following objectives and policies from the NPS-UD:

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

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

Policy 1 (a(i)): "Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum meet the needs, in terms of type, price, and location, of different households",

and Policy 1 (d): "Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets".

Highly concentrated land and development markets (H-H values greater than 2,500) lead to a monopolistic market structure, whereby the producers (developers) have exclusive power of the supply of dwellings to the market and therefore are price-markers. This discourages competition and leads to higher prices. As a result, a highly concentrated land and development market is unlikely to meet the above relevant policies and objectives of the NPS-UD.

An H-H index analysis has been undertaken for the Mangawhai live-zoned and proposed greenfield land market under the Draft District Plan. Figure 58 displays the H-H index values likely to occur in the Mangawhai live-zoned and proposed greenfield land market based on two scenarios. Scenario A assesses the H-H index with no land banking constraints (Plan Enabled). Scenario B assesses the H-H index with 40% land bank constraints (RER).

The analysis adopts a greenfield annual demand of 270 dwellings per annum (including a 20% buffer)[7]and an individual developer supply capped at 100 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). To account for limitations for potential developments to enter the market over a ten-year time period, it is assumed that 40% of the estimated capacity is unlikely to be developed due to land banking, commercially unviable, infrastructure constraints, geotechnical constraints, ongoing farming activity or owner's lack of desire to develop the land. Some of the key points to note are:

- Under Scenario A, the H-H index for the live-zoned and proposed greenfield land under the DDP indicates that at present the Mangawhai is 'Low' concentrated with a value of 1,000. This is in large part due to the significant number of small subdivisions that balance out the market share. By 2030, the market will be 'Moderate' concentrated once the supply from small developments is exhausted.
- Under Scenario B, the H-H index for the live-zoned and proposed greenfield land under the DDP indicates that at present the Mangawhai is 'Moderate' concentrated with a value of 1,700. This is in large part due to the reasonable number of small subdivisions in the market. By 2028, the market will be 'High' concentrated once the supply from small developments is exhausted.

[7] Estimated based on future supply of dwellings in Greenfield locations.

Figure 56:

Live-zoned & Proposed Greenfield Land Market Concentration

Year	Scenario A: No Land Bank (Plan Enabled)				Scenario B: Land Bank 40% (RER)			
	No.of Competitors	Remaining Dwelling Capacity	Herfindahl-Hirschman Index	Market Concentration	No.of Competitors	Remaining Dwelling Capacity	Herfindahl-Hirschman Index	Market Concentration
2024	54	5,580	1,000	Low	32	3,280	1,600	Moderate
2025	54	5,320	1,000	Low	32	3,020	1,900	Moderate
2026	48	5,050	1,100	Low	31	2,750	2,200	Moderate
2027	42	4,790	1,200	Low	22	2,520	2,500	Moderate
2028	35	4,530	1,400	Low	14	2,320	2,800	High
2029	28	4,280	1,500	Moderate	9	2,080	3,200	High
2030	18	4,040	1,600	Moderate	6	1,800	3,800	High
2031	13	3,800	1,800	Moderate	3	1,550	4,600	High
2032	8	3,540	1,900	Moderate	1	1,290	5,800	High
2033	7	3,330	2,100	Moderate	1	1,080	6,000	High

Source: Urban Economics

The number of competitors and the total quantity of lots in a residential market significantly contribute to the level of concentration that occurs. This highlights a significant addition of greenfield land, to meet Policy 1(a(i), Policy 1(d) and Objective 2 of the NPS-UD. The lack of competition in Mangawhai is expected to have significant negative impacts due to the lack of a competitive land and development market, resulting in limited housing diversity and increased prices.

Mangawhai needs a supply of approximately 2,500-3,500 lots with a minimum of 15-20 medium-large developments required to ensure a competitive residential land market in Mangawhai over a 10-year period. This increased competition would lead to housing diversification and exert downward pressure on prices.

A useful case study for Mangawhai is the recent Waikato District Plan Review with regard to Pokeno. The independent commissioners' ruling in Pokeno's case highlighted that increasing supply is preferable to having no supply. The commissioners stated:

> *"Despite the evidence of Mr Thompson, we are not convinced that truly affordable housing will be provided on either the Munro or CSL Block, but in any case, we still see economic and social benefits arising from increasing residential land supply and increasing competition in the development market."*

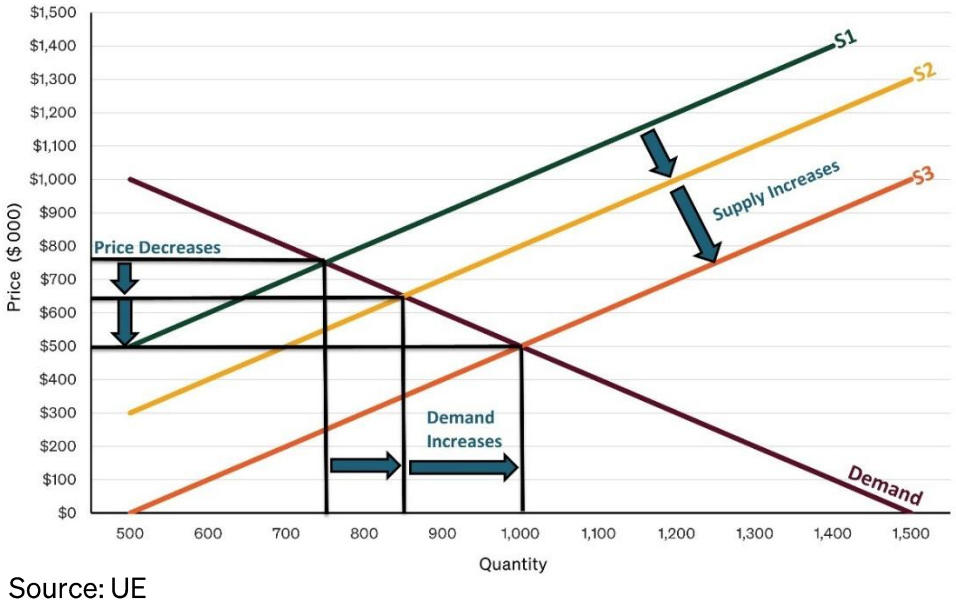
Additionally, the Auckland Independent Hearings Panel's decision on the AUP Review process highlighted the importance of over-enabling supplying of housing. The decision stated:

> *"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. To provide for sufficient residential capacity the Plan needs to both enable a large step-change in capacity in the short to medium term and to provide a credible pathway to ongoing supply over the long term."*

The following figure shows a hypothetical example of the impact of market competitiveness on the supply, demand and pricing of dwellings. S1 represents a highly uncompetitive market with limited supply, where the equilibrium price is high at around $750,000 and the quantity of

dwellings is low at about 750 per annum. As competition increases and the market becomes more competitive relative to S1, the supply shifts to S2. Here, the equilibrium price decreases to approximately $650,000 and the quantity rises to around 850 dwellings. In a highly competitive, supply-unconstrained market, the supply curve shifts further to S3, reducing the equilibrium price significantly to about $500,000, and increasing the quantity of dwellings to around 1,000. This shift in supply curves from S1 to S3 demonstrates how increased competition and supply lead to lower prices and higher demand in the housing market.

Figure 57:
Demand & Supply Analysis of Residential Dwellings



Source: UE

The supply and demand curve provides the economic law to evaluate residential land use policy. The law states that supply and demand can only be understood as a function of both quantity and price. This was addressed in detail in Bunnings Ltd vs Queenstown Lakes District Council ([2019] NZEnvC 59). Some relevant excerpts from this decision are provided as follows.

> *[39] Objectives QA 1 to QA3 show that the NPS-UDC is primarily an enabling document. It is designed to provide opportunities, choices, variety and flexibility in relation to the supply of land for housing and business. Important secondary themes are the integration of development and land use with infrastructure (objective OD1) and coordinated planning across local authority boundaries (objective OD2). While there may be a justified need to manage development - expressly in relation to the infrastructure objective, and implicitly in relation to the bottom lines of section 6 of the RMA - the NPSUDC is basically designed to open doors for and encourage development of land for business and housing, not to close them.*
>
> *[40] The only term in those objectives which is not used in Part 2 of the RMA is the concept of "demand". That is defined by the NPS-UDC as meaning:*
>
> *In relation to business land, the demand for floor area and lot size in an urban environment in the short, medium and long term, including:*
>
> > *(a) the quantum of floor area to meet forecast growth of different business*

activities;

(b) the demands of both land extensive and intensive activities; and

(c) the demands of different types of business activities for different locations within the urban environment.

Curiously, the "demand for different price points" - which is identified as part of the concept of "demand" for housing - is not expressly included in the concept of demand for business land. However, the latter definition is inclusive so we hold that the quantity of land demanded at different price points is part of the concept of demand as shown in any basic demand curve [37]. In fact, "demand" is usually thought of as simply a list or schedule of the quantity of widgets, in this case areas of land, demanded at different prices. This is often shown on a graph as a "demand curve".

Footnote: 37 Plotting the quantity demanded on the x-axis and the price on the y-axis, and producing an inverted curve which reflects the intuitive result that, as the price goes up, the quantity of widgets demanded goes down.

[53] There is a tendency in district plans, e.g. in both the ODP and PDP plans here, to conflate the amount of the land zoned Industrial (plus more general zones allowing industrial activities) with the supply of industrial land. That is a false equivalence. Zoning land so that industrial activities are allowed and protected to some extent may approach being a necessary condition for the supply of land for industrial development but it is certainly not a sufficient condition. Many other factors, usually reflected in the price at which particular land is put on the market, come into play when establishing supply as shown on a supply curve.

[54] One of the benefits which the NPS-UDC gives to local authorities is in making clear the difference between zoned capacity and the quantity of land supplied. The NPSUDC's policies are designed to ensure there is plenty of business development capacity so that even the lower land value uses such as industrial (when compared with commercial or residential use) can - in most cases - be left to the market to actually ensure demand is met at different price points.

The NPS-UD replaced the NPS-UDC in 2020. The concept of demand has not changed significantly in the NPS-UD (e.g. s3.28 and Policy 1). The NPS-UD includes a range of additional considerations, including Objective 2 which requires consideration of “competitive land and development markets” (as below). This further supports the concept of demand in terms of price and also potentially enables consideration of market concentration issues (in which one land owner has undue control over supply in a locality).

“Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.” NPS-UD

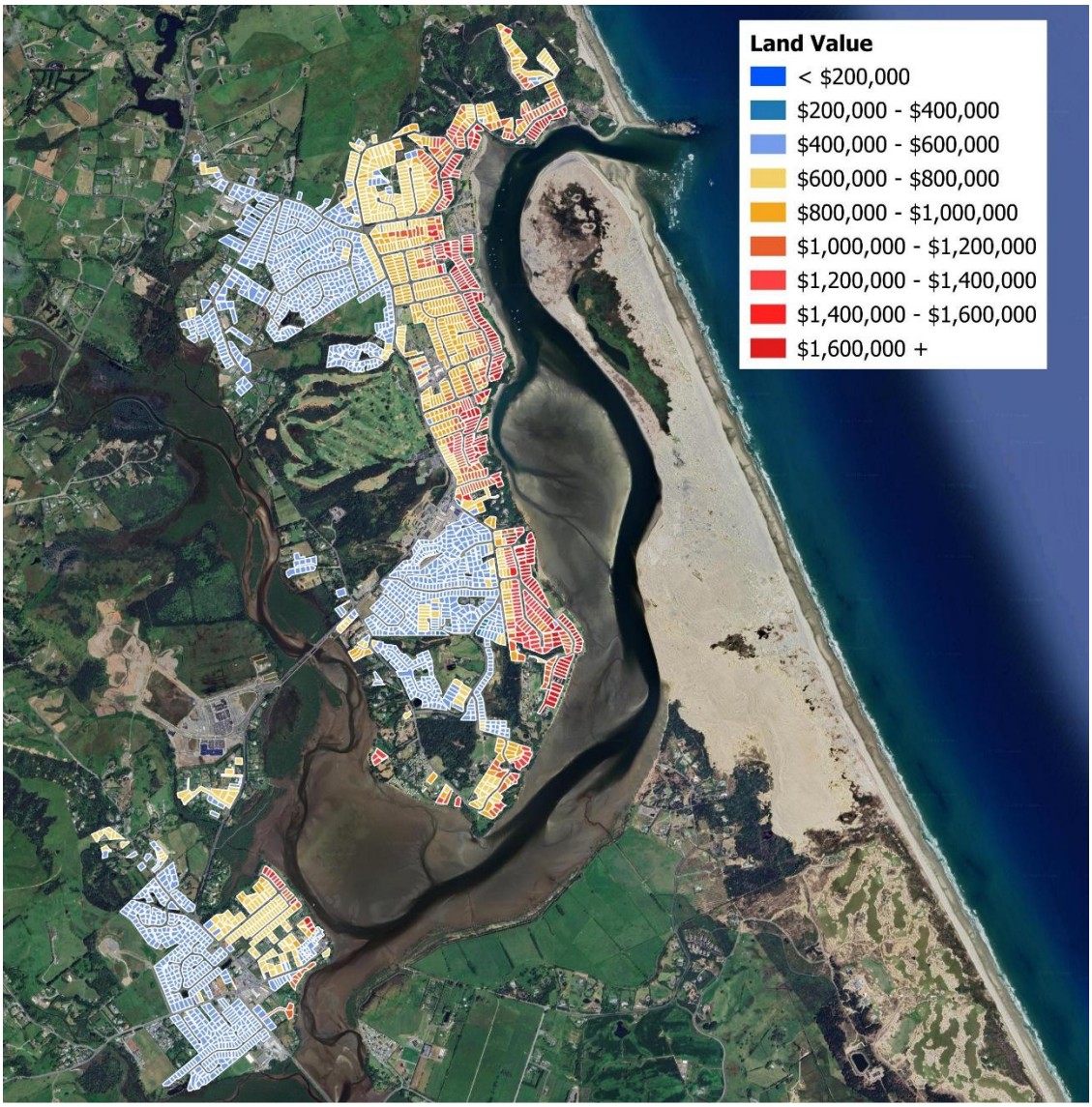
Paragraph 53 of Bunnings Ltd vs Queenstown Lakes District Council highlights that the quantity of land zoned does not equate with “supply” as there are other factors, such as the “price at which particular land is put on the market” come into play when quantifying the potential supply under a PDP.

22. Residential Demand Drivers in Mangawhai

This section provides an analysis of the key drivers of residential demand in Mangawhai, based on an analysis of the valuation of residential properties.

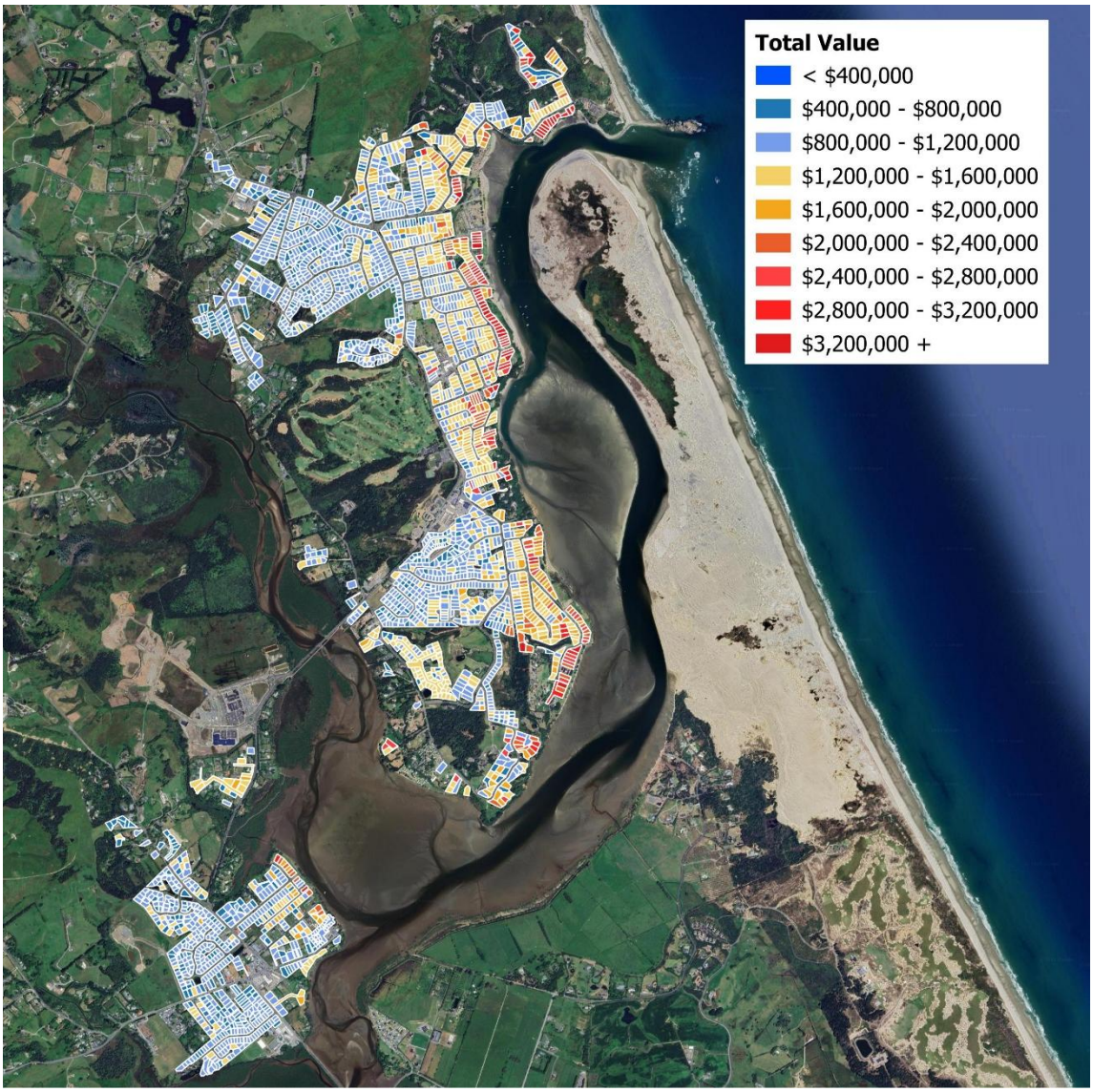
The land value and total values of properties are shown in Figures 58 and 59. It is clearly evident that properties near the harbour and beaches have significantly higher values, reflecting the desirable amenity for residents. Harbour-front properties are valued at approximately $1.45 million for the land on average and approximately $1.95 million for the total property on average. By comparison, non-harbour-front properties are valued at approximately $620,000 on average and approximately $1.05 million on average in total. Harbour-front properties are approximately 85% (total value) to 140% (land value) more expensive than non-harbour-front properties, showing significantly greater amenity and demand.

Figure 58:
Land Value of Residential Properties in Mangawhai



Source: CoreLogic, LINZ, Google

Figure 59:
Total Value of Residential Properties in Mangawhai



Source: CoreLogic, LINZ, Google

Overall, this illustrates that the general preference of residents in Mangawhai is to be close to the harbour and beaches, which offers residents access to high levels of amenity, such as recreation, swimming and boat access. As such, a fundamental requirement for meeting future demand and enabling growth in Mangawhai is for housing to be provided adjacent to the harbour or beaches, which will enable the town to meet the requirements of a 'Well-Functioning Urban Environment' as outlined in the NPS-UD (as it relates to housing demand).

The proposed development is on one of the few remaining sites with direct access to the harbour and, as such, is considered to be an optimal economic and market location for enabling residential development in Mangawhai.

23. Assessment of Alternative Development Options

This section provides an assessment of 8 alternative development options that could enable residential growth in Mangawhai, to address Section 3.6(1)(b) of the NPS-HPL (National Policy

Statement for Highly Productive Land). This includes the 6 development options assessed on pages 11-14 of the "Addendum Report for the Cabra Mangawhai Ltd & Pro Land Ltd Soil and Resource Report, Mangawhai" completed by Hanmore Land Management Ltd (10 September 2024), the proposal site and the adjacent land to the proposal site. The location of the alternative development options are outlined in Figure 60.

Figure 60:
Location of Alternative Development Sites in Mangawhai

Source: Hanmore Land Management Ltd, LINZ, Google, UE

Figure 61 provides a multi-criteria analysis assessment of the alternative development options identified above (i.e. NPS-HPL 3.6(4)(b) 'there are no other reasonably practicable and feasible options for providing the required development capacity'). The key criteria considered are:

- Proximity to the Existing Urban Area,
- Proximity to the 'Mangawhai Central' Town Centre,
- Proximity to a Beach,
- Proximity to the Harbour, and
- Loss of Rural Productive Potential.

Each of the criteria is scored out of a maximum score of 10, giving each potential development site a maximum potential score of 50.

Each of the 'proximity' criteria is scored based on the approximate drive distance for each option. The 'Loss of Rural Productive Potential' criteria is scored based on the quantity of highly productive land (HPL) and the overall level of productivity findings from the Hanmore Land Management Ltd report. Under this criteria, scores of 0-2 indicate a generally highly productive site, with predominantly elite and prime soils (LUC Class 1/2), while an unproductive site (i.e. predominantly LUC Class 7/8) would achieve scores of 8-10, indicating no loss of rural productivity. Other sites score within this range. In general, the economic value of HPL is in the order of $50,000-$100,000/ha for land suitable for crops/horticulture, and by contrast, non-HP{L that is suitable for grazing has an economic value of $25,000-$50,000/ha for land suitable for grazing. Urban zone land by contrast has a high economic value, related to the residential and business function of a town or city.

The key findings from the analysis are as follows:

- As identified in Section 22, properties within close proximity of the harbour are in higher demand, and as a result, development sites that offer this will be more efficiently absorbed into the market. This is in part reflected in the results of this analysis, with the top 3 development options each scoring 8-10 for the 'Proximity to Harbour' criteria.
- Three of the eight development options achieved scores of 30/50 or more. The proposal scored highest among the potential development site options, achieving a total score of 40/50, while Development Option 5 scored the lowest, achieving a score of 16/50.
- Development Options 7 and 4 scored 34/50, and 37/50, respectively. As such, these Development Options are considered the next best alternative development options for Mangawhai.
- Overall, this analysis confirms that the proposal is the most optimal site for expanding the residential area of Mangawhai, given its proximity to high levels of amenity (e.g. existing urban area, town centre, beach, and harbour), while avoiding significant losses in rural production in the study area (i.e. HPL).

Figure 61:
Multi-Criteria Analysis of Alternative Development Options

Development Option	Proximity to Urban Area	Proximity to Mangawhai Central	Proximity to Beach	Proximity to Harbour	Loss of Rural Production Potential	Total	Rank
Proposal	9	8	8	10	5	**40 / 50**	**1**
4	10	8	5	10	4	**37 / 50**	**2**
7	5	5	10	10	4	**34 / 50**	**3**
5	4	8	6	10	4	**32 / 50**	**4**
6	4	5	6	5	5	**25 / 50**	**5**
1	6	4	3	4	7	**24 / 50**	**6**
2	6	5	2	5	6	**24 / 50**	**6**
3	4	4	1	2	5	**16 / 50**	**8**

Source: UE, Google, Hanmore Land Management, New Zealand Land Resource Inventory, AgFirst

24. NPS & RMA

24.1 Resource Management Act

Sections 30(1)(ba) and 31(1)(aa) of the RMA requires sufficient development capacity with respect to housing demand at both the district and regional levels. As identified in Section 10, the

sufficiency analysis concluded that there is insufficient development capacity in Mangawhai areas to meet demand in the medium - long term, which cannot be met from capacity enabled through the Draft District Plan. The proposal would contribute towards reducing this shortage, and therefore contribute towards meeting Sections 30(1)(ba) and 31(1)(aa) of the RMA.

Section 32(2)(a) of the RMA requires the identification and assessment of costs and benefits. This includes a particular emphasis on economic growth and employment generation. The proposal would result in several notable benefits, namely the proposal would result in a contribution of approximately $199.7 million to GDP and generate an additional 1,500 FTE jobs over the base case use for the site.

24.2 NPS-UD

The key provisions of the NPS-UD that relate to efficient residential land markets are as follows:

NPS-UD: *"Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets."*

"Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: have or enable a variety of homes that:

(i) meet the needs, in terms of type, price, and location, of different households..."

"Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and business land

over the short term [1 to 3 years], medium term [3 to 10 years], and long term. [11 to 30 years]"

"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"

Objective 2 of the NPS-UD requires planning decisions to support competitive land and development markets. Markets operating with a small number of suppliers can quickly become anti-competitive resulting in higher prices and lower quality goods and services supplied.

Currently, there is only 1 small developer of greenfield land in Mangawhai. This indicates that there is a significant shortage of residential dwellings in Mangawhai. This has resulted in a significant price spike over the past 2 – 3 years.

The proposal would contribute towards resolving this shortage, by supplying 788 residential dwellings. It will offer a mix of housing types, from rural lifestyle lots with an average lot size of 6,000m^2 to large lot residential with an average lot size of 1,500m^2 to medium-density housing with an average lot size of 500m^2. These homes will be priced between $1,000,000 and $1,550,000, providing options for different budgets. By adding more homes to the market, the proposal will create more competition, thereby lowering prices and making homes more affordable. Overall, the plan change not only adds more homes but also leads to competitive land and development markets.

24.3 NPS-HPL

The proposal site does not have LUC class 1 (elite) and LUC class 2 (prime) soil. The development site has a reasonable quantity of LUC class 3 land which is currently used for agricultural activities

(stock finishing) and is therefore subject to the provisions of the NPS-HPL, in particular section 3.6.

Section 3.6(1) of the NPS-HPL outlines the requirements that must be met for urban rezoning of highly productive land. These include:

> *(a) the urban rezoning is required to provide sufficient development capacity to meet the demand for housing or business land to give effect to the National Policy Statement on Urban Development 2020; and*
>
> *(b) there are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment; and*
>
> *(c) the environmental, social, cultural and economic benefits of rezoning outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.*

With regard to 3.6(1)(a), as identified in Section 10, the sufficiency analysis concluded that there is insufficient development capacity in Mangawhai areas to meet demand in the medium-long term. The proposal would increase supply and contribute towards providing sufficient development capacity in Mangawhai to meet demand in the medium to long term.

With regard to 3.6(1)(b), the proposal will contribute towards Mangawhai achieving a well-functioning urban environment. As identified in Section 10, the sufficiency analysis concluded that there is a shortfall of dwellings in the medium and long term in the existing urban areas. In addition, Section 23 assessed alternative development site options in Mangawhai, which concluded that the proposal site is the most optimal development site for providing sufficient development capacity in Mangawhai. It can, therefore, be concluded that there are no other reasonably practicable and feasible options for providing sufficient development capacity in Mangawhai.

With regard to 3.6(1)(c), the proposal is considered to have economic and social benefits relating to meeting the housing needs of Mangawhai, by providing a diverse range of housing, priced between $1,000,000 and $1,550,000, providing options for different budgets. By adding more homes to the market, the proposal will create more competition, thereby lowering prices and making homes more affordable. The economic benefits are considered to significantly exceed the loss of productive land and to meet 3.6(1)(c) of the NPS-HPL.

The Northland Region has approximately 127,880 hectares of highly productive land and Kaipara District has approximately 33,250 hectares of highly productive land[8]. Therefore, given the uniqueness and the nature of the proposal, a small reduction of HPL LUC class 3 land (a maximum of 43 hectares) is not expected to result in any discernible reduction in the productive capacity of highly productive land on this property, or the district or the region more generally.

In addition, the site is relatively unique and presents a sequential expansion of the Mangawhai urban area, as the sites to the North and East are urban in character under the DDP zonings.

[8] https://ourenvironment.scinfo.org.nz/maps-and-tools/app/Land%20Capability/lri_luc_hpl?%3FcontextLayers=set-69,water_transport_text

With regard to the proposed lifestyle properties, s 3.10 of the NPS-HPL requires consideration of the 'economic viability' of the property and whether it contributes to 'primary production'. This is considered to be matter of whether the land proposed for lifestyle properties is able to operate as a farming business, with the intention of making a profit, or whether it's use is for a hobby farm or maintenance, which is incidental to the residential use. The parcel sizes that are proposed for lifestyle properties are 10.6 ha, 2.5 ha, 1.0 ha and 0.7 ha. The largest has flooding constraints which would significantly reduce its potential output.

Based on the report prepared by Mr Jeremy Hunt, the highest use for the land is considered to be pastoral grazing, which would return in the order of $2,090/ha in total revenue. This indicates total net revenue of $1,460 - $22,200 p.a. for each of the properties, or $30,900 p.a. in total if combined, or $600 - $8,700 p.a. in net revenue, accounting for costs ($12,200 if combined). This is well below the threshold for a farm to operate with the intention of making a profit, and be sufficient to support a farming household, and rather would reflect a hobby farm or maintenance.

It is worth noting that the IRD and Statistics NZ define a GST registered business/commercial farm as earning more than $60,000 p.a.. More generally, a hobby farm, or farm operating with a low net income, would not contribute to GDP, as goods are typically not sold to the market, rather are consumed for personal household use. This is expected to be the case for these properties.

In summary, the properties proposed for lifestyle use are not considered to be of a sufficient scale, based on the land type, to be economically viable and would not contribute to primary sector production. The proposal is therefore considered to meet s 3.10 of the NPS-HPL with regard to the proposed lifestyle property zone.

25. Kaipara District Council Exposure Draft District Plan

The key provisions of the Kaipara District Council Exposure Draft District Plan, that relate to efficient residential land markets, are outlined as follows.

> *"Objective UFD-O1: Ensure there are sufficient opportunities for the development of residential, business and industrial land to meet current and proven future demand."*

Mangawhai is expected to have a shortfall of approximately 1,025 dwellings under Scenario 1 and 425 dwellings under Scenario 2 in the medium term. Over the long term, there is a shortfall of approximately 6,030 dwellings under Scenario 1 and 5,120 dwellings under Scenario 2 in the long term. The analysis finds that there is insufficient capacity for dwellings in Mangawhai.

The proposal would provide a diverse range of housing, priced between $1,000,000 and $1,550,000, providing options for different budgets. By adding more homes to the market, the proposal will create more competition, thereby lowering prices and making homes more affordable. The proposal would increase the supply and meet the demand for relatively affordable housing. The proposal therefore meets the requirement of Objective UFD-O1 of the DDP.

> *"Policy UFD-P1: Ensure sufficient residential and business development capacity is provided for by zoning land where development of land is feasible and is either serviced with development infrastructure or has allocated funding for the development of infrastructure identified in Council's Long-Term Plan".*

The proposal by supplying approximately 788 dwellings, a neighbourhood centre and a mixed-use development ensures that sufficient residential and business development capacity is provided to support the growth of Mangawhai.

> *"Policy UFD-P3: Provide for a range of residential housing types to accommodate the diverse housing needs of the community".*

The proposal would provide a diverse range of housing, priced between $1,000,000 and $1,550,000, providing options for different budgets. The proposal therefore aligns with Policy UFD-P3 of the DDP by providing a range of residential housing types to accommodate the diverse housing needs of the community.

> *"Policy UFD-P4 (2): Provides for small-scale convenience retail that meets the day-to-day needs of the immediate community".*

The proposal includes the development of a neighbourhood centre on approximately 2.6 ha of land. The neighbourhood centre would have a range of uses from convenience retail, office, medical centre, recreation centre, and vet. This would support the daily needs of the local residents. Therefore, the proposal meets the requirements of Policy UFD-P4(2).

26. Summary of Costs & Benefits

The following costs and benefits have been identified in this report:

Economic Benefits:

- The proposal would enable a more efficient housing market. Currently, Mangawhai has a shortage of approximately 6,030 dwellings under Scenario 1 and approximately 5,120 dwellings under Scenario 2 in the medium-long term. The proposal would enable an additional 788 dwellings to enter the market, contributing towards meeting the medium - long-term shortfall that cannot be met from capacity enabled through the Draft District Plan.
- The proposed plan change will increase the supply of residential dwellings in Mangawhai which has a shortage of dwellings over the medium to long term. It will offer a mix of housing types, from rural lifestyle lots with an average lot size of 6,000m^2 to large lot residential with an average lot size of 1,500m^2 to medium-density housing with an average lot size of 500m^2. These homes will be priced between $1,000,000 and $1,550,000, providing options for different budgets. By adding more homes to the market, the proposal will create more competition, thereby lowering prices and making homes more affordable. Overall, the plan change not only adds more homes but also leads to competitive land and development markets.
- The construction of the proposal would contribute $237.5 million in GDP and generate 1,785 FTEs to the construction sector.
- These are considered to be net positive benefits for the local and regional economy, as these benefits would not otherwise occur if the proposal does not proceed.

Economic Costs:

- The proposal would displace a small amount of land suitable for agricultural activity valued at $2.9 million[9].
- It is noted that the DDP proposes lifestyle properties for this area of land, which would similarly displace agricultural activity. On the basis that lifestyle properties are displaced, this would have an economic cost of 285 additional construction sector FTE jobs and generate $37.7 million in GDP per annum.

27. Conclusion

The proposal has many significant economic benefits and one minor economic cost relating to the loss of lifestyle properties. The proposal is therefore recommended for approval.

[9] Notwithstanding the potential removal of LUC 3 land from the NPS-HPL.

28. Appendix 1: Response To Council Economic Peer Review

This memo responds to a request for further information dated from KDC dated 29 January 2025. In particular, this memo responds to the questions raised by Mr Derek Foy, listed under point I – Economic and Growth Provisions.

Each query in the RFI is addressed as follows.

Query 1:

"Please assess how much land would be required to enable a similar dwelling capacity to that presented in Figure 4 of the Economics assessment, if only Medium Density residential zones were enabled."

Reasons for request:

"The NPS-HPL directs territorial authorities to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment. Evaluation of the merits of the proposal will require an assessment against clause 3.6(5) of the NPS-HPL."

The query relates to whether the proposed zone layout is using the land efficiently in meeting market demand (required development capacity) to minimise the extent to which urban land impacts on Highly Productive Land.

This raises the questions of (1) what type of housing is in demand, in regard to lot size, and (2) what the other housing supply, also in regard to lot size, is expected come into the market (noting that individual developments provide different housing to meet total aggregate demand).

Figure 1 provides an outline of recent dwelling sales in Mangawhai as an indication of the current market. This indicates a market preference for larger lot sizes. The average lot size across all dwellings is 840m². Lots under 500m² account for just 4% of all dwellings. This indicates that demand for housing of small lots in Mangawhai is low. Instead, the predominant market preference is for medium to large lots, with 41% of demand being for housing on lots of 500-750m², and 56% being for housing on lots of over 750m².

Figure 62:
Mangawhai Housing Demand - Recent Sales Last 12 Months

Lot Size Range (m²)	All Dwellings*	
	Count	%
<500	5	4%
500 - 750	55	41%
750 - 1,000	40	30%
1,000+	35	26%
Total	**135**	**100%**
Avg Lot Size (m²)	**840**	**-**

*For properties with lot size under 1,500m²

Source: CoreLogic, UE

Figure 2 shows the current planned and proposed supply of greenfield development lots by size range. In summary:

- Mangawhai Central is an **intensive urban development**, with 57% of lots proposed to be in the 250-500m² size range, reflecting its central location near to the main commercial centre.
- PC83 (The Rise) is a **medium density suburban development**, with 92% of lots proposed to be in the 500-1,000m² range.
- PC84 (Mangawhai Hills) is a **low density development**, with all lots above 1,000m².
- The Proposal (PPC85 – Mangawhai East) is a **medium density development** with allocation for comprehensively designed residential development which could include a retirement village. A high proportion of lots are in the 750-1,000m² range reflecting the location at the urban edge and adjacent to rural residential development. However, if the retirement village does not proceed, this may result in an increase in the proportion of lots in the 500-750m² range, to 20-25%. This would make the proposal more consistent with PC83 in terms of overall composition. It could also result in a comprehensively planned higher density development, if this reflects market demand at the time.

Figure 63:
Estimated Lot Supply Distribution by Size and Development

Minimum Lot Size (m²)	Estimated Supply (Lots)					% Distribution				
	Mangawhai Central	PC83	PC84	The Proposal*	Total	Mangawhai Central	PC83	PC84	The Proposal*	Total
250-500	565	-	-	150	715	57%	-	-	19%	26%
500-750	270	120	-	55	445	27%	37%	-	7%	16%
750-1000	20	180	-	530	730	2%	55%	-	68%	27%
1000+	145	25	600	50	820	15%	8%	100%	6%	30%
Total	**1,000**	**325**	**600**	**785**	**2,710**	**100%**	**100%**	**100%**	**100%**	**100%**

*Including retirement units (150 in the 250-500sqm lots size range)

Source: KDC, UE

When comparing demand (Figure 1) to supply (Figure 2) it is evident that 45% of demand is for lots of under 750m², and that this is consistent supply across all new developments, which have 42% of all supply on lots of under 750m². Similarly, 55% of demand is for dwellings on lots above 750m² and 57% of supply in new developments is for lots above 750m². Overall, this indicates that the new developments, in aggregate, include a range of dwellings on lot sizes that closely match demand. This means that the proposal, when considered as part of aggregate supply,

contributes to meeting the requirements of the NPS-HPL and NPS-UD, as it enables dwellings that closely align with demand, and therefore utilizes that land as efficiently as possible.

The proposal includes some large lot and lifestyle properties reflecting identified constraints, most notably coastal inundation hazard risk. There is demand for these properties and the Exposure Draft District Plan acknowledges this in the provision of land proposed to be zoned for this type of housing. It is worth noting also, that the site is identified as being potentially subject to coastal inundation and flooding, and the proposed zones and development concept respond to this constraint, in the provision of large lot and lifestyle properties, e.g. such uses are on land with these constraints, that are not suitable for more intensive development.

Query 2:

"Please describe the rationale for the split of the proposed residential zonings."

Reasons for request:

"The NPS-HPL directs territorial authorities to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment. Evaluation of the merits of the proposal will require an assessment against clause 3.6(5) of the NPS-HPL."

As outlined in the response to Query 1, the rationale for the proposed residential zonings is to respond to market demand and while utilising the site as efficiently as possible. A range of zones are proposed to meet a large cross section of market demand, in terms of house type and price. The more intensive housing planned in Mangawhai Central, meets the more intensive housing market sufficiently, and this development has a medium density market position with potential for a more intensive retirement village. This meets the s3.6(5) of the NPS-HPL. The proposed zonings allow flexibility, through the discretionary resource consent process, for more intensive development, if market conditions change over time, and it is therefore important to consider the proposed zones in terms of both the permitted and discretionary activity provisions, regarding dwellings type and lot size.

Query 3:

"Please update Figures 6 to 12, Figure 17, and Figures 19-20 of the Economic assessment, and any associated text and conclusions to include years 2023 and 2024."

Reasons for request:

"Data more recent that those used in the Economics assessment are available, including for years ended June 30, 2023, and 2024. Inclusion of those recent years will assist in evaluating the recent demographic and other trends presented in the Economics assessment, and the conclusions which are based on analysis of those trends."

The figures in the UE economic assessment have been updated to include data for the 2023 and 2024 years. This does not materially change the findings or conclusions reached in the report, as the historical trends have largely continued.

Query 4:

"Where possible, please update Figures 13 and 14 of the Economic assessment, and any associated text and conclusions to include years 2023 and 2024."

Reasons for request:

"Population estimates more recent that those used in the Economics assessment are available at a territorial authority level, including for years ended June 30, 2023, and 2024. Inclusion of those recent years will assist in evaluating the recent demographic trends presented in the Economics assessment."

The figures in the UE economic assessment have been updated to include data for the 2023 and 2024 years. This does not materially change the findings or conclusions reached in the report, as the historical trends have largely continued.

Query 5:

"Please provide a copy of the questions used in the survey referred to in section 6.3 of the Economic assessment and describe other key survey data such as the number of respondents, sampling method, confidence level, response rate, geographic coverage, and how the survey was conducted."

Reasons for request:

"The Economic assessment provides no information that enables an assessment to be made of the reliability of the survey data presented, without which it is not possible to know how much weight to give the survey findings."

The survey questions are provided in Appendix 1. The survey was completed by 1,500 randomly selected respondents from Auckland.

Query 6:

"Please explain how projected population growth under the UE scenarios of 400-500 people per year (Figure 18, Economic assessment) translates to growth of 270-340 dwellings per year (Figure 21)."

Reasons for request:

"The population and dwelling demand projections equate to a low population per dwelling, and it will be important to understand that relationship when assessing future growth prospects."

The dwelling projections are not derived directly from the population projections, rather are estimated based on the following factors:

- The historic high rates of dwelling construction achieved at a period when house prices were relatively affordable and not impacted by supply constraints.
- The recent increase in dwelling prices have reduced the relative attractiveness of Mangawhai as a destination, and lower prices, resulting from additional supply and competition, will increase demand (law of supply and demand).
- Mangawhai has a growing family with children population, which is a significant demographic and economic step forward for the town, however the absence of a secondary school has been a substantial constraint in this regard, and has reduced potential growth of the town. With Mangawhai Hills College planned to open this year, and the recent introduction of a New World supermarket, this will significantly improve the self-sufficiency and attractiveness of the town to families, and will in my opinion result in a more optimistic rate of growth being achieved in the short, medium and long-term.

The dwelling projections of 270 p.a. are consistent with the KDC high growth projections of 260 p.a. In my opinion, the provision of development land should err on the side of an oversupply

rather than undersupply, to ensure an efficient and competitive housing market in response to recent shortages and rapid price increases, and this justifies an optimistic demand projection.

Query 7:

"Please provide some assessment or opinion as to why the median house price in Mangawhai increased from $650,000 to $1.1m in one year (2020-2021) (Figure 23, Economic assessment)."

Reasons for request:

"This change appears to be significant, and it would assist evaluation of the merits of the proposal if the reason for this change could be understood."

The likely reason, as verified with discussions with real estate agents, is that during and post Covid, many households that were considering relocation to Mangawhai over the short term (within the next 1-3 years), for retirement or for a small-town family lifestyle, decided to bring their plans forward, and this surge in relocation resulted in a rapid increase in demand that exceeded available supply. Once demand exceeded supply, prices began to reflect ability to pay rather the fundamental cost to produce lots/dwelling. As a consequence, there would need to be a significant increase in supply to ensure some downward pressure on prices over time, given the sticky nature of house prices, i.e. sellers are typically reluctant to sell at a lower price than was previously achievable or what they purchased for.

Query 8:

"Please provide some conclusion as to the relevance of the house price trends and recent sales assessment in section 8 of the Economic assessment."

Reasons for request:

"It is not clear how the assessment contributes to any conclusions reached in the Economics assessment."

Section 8 shows that house prices nearly double over a 1-2 period, from $650,000 to $1.1 million over the past 4 years, indicating demand had significantly outpaced supply. This has significant adverse economic effects as housing costs increase and the rate of growth in Mangawhai decreases (e.g. less construction sector employment). Relatively affordable housing in Mangawhai is achievable if there is both a sufficient quantity of land available for development, and a sufficient number of developers that control this land to ensure a competitive land and development market (5-6 developers each supplying 50 lots p.a. enables a more competitive market than 2-3 development supply 100 lots p.a.).

Query 9:

"Please amend the Economic assessment to include provision for 324 dwellings in the PC83 area, 600 in PC84, and 1,500 at Mangawhai Central."

Reasons for request:

"These plan changes are all now operative, and those dwelling numbers form part of the conditions of each plan change and should be taken to be both the Plan-enabled and the RER capacity, with the areas having been subject to the hearing process."

The Economic assessment has been updated to reflect the operative status of PC83, PC84, and Mangawhai Central. Mangawhai Central is generally expected to yield 1,000 rather than 1,500

dwellings, by KDC consultants, as derived from the plan change documentation, as referenced in the revised economic report (page 27). A yield of 1,000 dwellings in Mangawhai Central has been adopted on this basis. In addition, typical yield calculations, for the indicated zoning and lot sizes, suggest a yield of 1,000 rather than 1,500 dwellings is achievable in this development, based on typical developable land yields and lot sizes.

Query 10:

"Please explain how the Economic assessment has assessed the number of dwellings which are RER at different time periods (per bullet points on page 27)."

Reasons for request:

"The tabular data (figures 29 and 30, Economics assessment) does not contain a time element, and only presents the Plan-enabled and RER capacity as totals. It will be necessary to understand how the assessment has drawn conclusions as to the timing of that development to assess the merits of the application."

The assessment of RER capacity reflects current market costs and prices. RER capacity would only increase if either costs reduce over time, which is unlikely, or if prices increase over time. Increasing prices would reduce affordability and wellbeing and not meet Objective 1 of the NPS-UD, and for this reason is not considered to be an appropriate condition or assumption for modelling RER capacity. It is worth noting that if prices become more affordable, meeting Objective 1 of the NPS-UD, then there would be less RER infill capacity over time, however new greenfield development would generally continue to be feasible (due to the lower price of raw greenfield land compared to infill land).

Query 11:

"Please confirm whether the Plan-enabled and RER capacity is total capacity within Mangawhai including existing capacity, or if it is capacity that is net additional to the number of dwellings already existing in Mangawhai."

Reasons for request:

"This clarification is required to ensure certainty of interpretation of the Economics assessment conclusions."

The estimated RER capacity is net additional capacity.

Query 12:

"Please explain the rationale for applying a market penetration rate of 20% for retirement village demand, including the geographic area this has been based on, and whether that average is relevant to Mangawhai."

Reasons for request:

"It would assist interpretation of the demand for retirement village dwellings to have some explanation as to that basis for the market pentation assessment. It is not clear from the assessment how representative Mangawhai's retirement community might be relative to other communities."

The market has moved from around 10% in 2015, to 15-20% today, with some variation between locations. This reflects the ongoing supply of high amenity retirement villages, offering a range of independent and assisted care living options. Based on this trend, it is considered reasonable to expect 20% of retiree households choose to live in a retirement village over the next decade.

Query 13:

"Please clarify the basis for assessing viability of commercial businesses in Figure 39 of the Economic assessment."

Reasons for request:

"The Economic assessment does not explain how viability has been assessed, and whether the information presented is based on any financial assessment of centre turnover, costs, and patronage, etc. or whether the assessment is instead based on empirical observations of existing centres in some way."

The assessment of commercial viability in Figure 39 (Figure 36 in the revised economic report) is based on population thresholds derived from Auckland centre counts and population data. This approach provides a benchmark for evaluating the likely viability of commercial centres in Mangawhai by considering the scale of population required to sustain different types of centres. It accounts for a degree of commercial flexibility, with regard to lower rents being able to be offered to ensure tenants are commercially viable, while accounting for the typical range of tenants that establish to service the day-to-day needs of residents.

Query 14:

"Please explain the basis for classifying Mangawhai's business nodes in Figure 40 of the Economics assessment."

Reasons for request:

"Because Mangawhai's centres are not zoned as different types of centres, nor are they proposed to be in the replacement District Plan, the basis for classifying the various business nodes is unclear, but that classification appears to be important to the Economic assessment."

The classification of Mangawhai's business nodes in Figure 40 (Figure 37 in the revised economic report) is based on their functional role and scale, rather than specific zoning distinctions. This approach aligns with common economic assessment methodologies, which assess business nodes based on their range of commercial activity, catchments served and anticipated function in the local economy.

Query 15:

"Please clarify the basis for assessing viability of public amenities in Figure 41 of the Economic assessment."

Reasons for request:

"The Economic assessment does not explain how viability has been assessed, and whether the information presented is based on any financial assessment or whether empirical observations of existing amenities in some way."

The assessment of public amenity viability in Figure 41 (Figure 38 in the revised economic report) is based on population thresholds derived from assessing comparable public amenities in Auckland. This approach provides a benchmark for evaluating the likely viability of different public amenities in Mangawhai by considering the scale of population required to support different types of facilities.

Query 16:

"Please provide a source for the infrastructure costs and revenues provided in Figure 43 of the Economic assessment, and for the realised capacity data."

Reasons for request:

"No source is provided for this data, and it is not clear whether infrastructure costs relate only to the proposed development, or to all infrastructure in Mangawhai, or something else. The assessment should describe how new infrastructure required to service the development is proposed to be funded, and the implications for ratepayers of any additional funding burden."

The infrastructure cost estimates presented in the Economic assessment are based on project costings outlined in the Kaipara District Council Long Term Plan (LTP) 2021-2031.

Query 17:

"Please amend Figure 45 in the Economic assessment and associated text to include all of Mangawhai's existing business zoned areas in the operative District Plan."

Reasons for request:

"The Economics assessment does not correctly capture the 5.3ha commercial area in Estuary Estates, the 1.6645ha of Community Hub space in Plan Change 84, or the Estuary Estates Special Zone's Service sub-zone (8ha)."

Figure 45 (Figure 42 in the revised economic report) and the associated text have been updated in the Economic assessment to reflect all existing business-zoned areas in the operative District Plan. While additional business zoned areas have been identified, their inclusion does not materially impact the assessment's conclusions regarding the proposed business land, because these are planned rather than operating centres. I understand from Ms O'Connor that the Exposure Draft was a consultation document and has no statutory weight.

Query 18:

"Please explain how the population serviced by each of the centres identified in Figure 46 of the Economic assessment is calculated, and the relevance of those centres to the proposed Mangawhai development."

Reasons for request:

"The four centres and residential developments identified are all part of contiguous urban/suburban catchments and service areas with no natural or readily identifiable catchment boundaries. Understanding the geographic basis for the assessment in Figure 46 would assist interpretation of its findings. Explanation of the relevance of the examples is necessary given the much larger populations they are described to serve."

The centre catchments predominantly reflect the extent of each development rather than adjacent suburbs.

Query 19:

"Please provide some source of explanation for the part of the assessment that establishes how much non-retail GFA will be supportable in the neighbourhood centre (Figure 48 of the Economic assessment)."

Reasons for request:

"It is not clear from the Economic assessment whether this assessment is based on some data or the author's opinion, or how the supportable GFA has otherwise been established."

The centre activity compositions are derived from the composition of similar sized centres in Auckland., which provide real-world examples of convenience centres, that provide useful benchmarks for other locations. Local convenience centers have a relatively predictable composition in terms of the range of store types and services offered. The assessment accounts for both retail and non-retail (office) GFA.

Query 20:

"Please explain whether the final row of Figure 46 is "Centre GFA per Capita" or Retail GFA per Capita."

Reasons for request:

"Figure 46 is labelled to included total Centre GFA per capita, but then subsequently in Figure 47 that data is presented as Retail GFA per capita, and then in Figure 48 additional non-retail space is added on, which appears to potentially double count non-retail space."

Figure 47 (Figure 44 in the revised economic report) relies primarily on the Millwater and Stonefields centres to determine the retail GFA per capita, as these centres are predominantly retail focused (refer Figure 43 in the revised economic report)

Query 21:

"Please explain how the comparable towns used in section 16 of the Economic assessment were established, and the catchments used for the per capita industrial land supply assessment were defined."

Reasons for request:

"It would assist interpretation of the assessment to understand how relevant are the comparator towns in terms of comparable population, economic role, and proximity to larger urban economies, and how the catchment used to quantify the population was established for each."

The comparable towns used in Section 16 were selected based on their status as rural towns with populations of approximately 10,000, which function as service hubs for surrounding rural areas. These towns provide a useful benchmark for estimating industrial land demand relative to population size, as they are similar in size and function to Mangawhai.

Query 22:

"Please explain why non-commercial accommodation such as privately owned holiday homes, and Air BNBs etc have not been included I the assessment in section 17 of the Economic assessment, and, if necessary, expand that assessment to include them."

Reasons for request:

"There is substantial amount of accommodation capacity in Mangawhai that is provided in venues that are not hotels/motels, and consideration of this capacity is necessary to establishing demand for hotel supply in Mangawhai."

The AirBnB sector is separate to the traditional hotel sector, with each achieving a share of the total accommodation market. The hotel market assessment focuses on hotel sector demand and supply. It is not necessary to assess the AirBnB sector for this reason.

Query 23:

"Please provide an opinion from an economics perspective as to whether there would be alternate the capacity the plan change seeks to enable."

Reasons for request:

"The NPS-HPL directs that conversion of HPL to urban uses be minimised, however the application generally, and the Economic assessment in particular, does not provide any assessment of whether the level of additional supply stated by the applicant to be required could be provided in an alternative format, such as by applying a mixture of different typologies, so as to use less land for the same

The economic assessment estimates total capacity and demand and concludes that the proposed development is required to meet demand over the medium term (sections 9 and 10 of the report). In addition, there is a need to have a sufficient number of developers operating in the market, in each year over the medium term, to ensure there is a 'competitive land and development market' as required by the NPS-UD. The proposal is considered to make an important contribution in this respect (section 21). The recent rapid increase, nearly doubling, of the housing prices in Mangawhai demonstrate that there is currently insufficient capacity and competition to meet demand, and that additional developments are required to ensure price return to more affordable levels over time.

Query 24:

"Please expand on the assessment under clause 3.6(1)(b) of the NPSHPL relating to alternative options for providing sufficient residential development capacity in Mangawhai."

Reasons for request:

"Notwithstanding the Economic assessment that additional residential supply is required in Mangawhai, there could be other places around Mangawhai that could be rezoned to provide that additional capacity, if suitable non-HPL locations exist. That is required to be assessed under the NPS-HPL."

Other assessments have been completed regarding the suitability of other locations for development, which form a large part of the response to this query. An assessment of rural land productivity has been completed by Ian Hanmore[10].

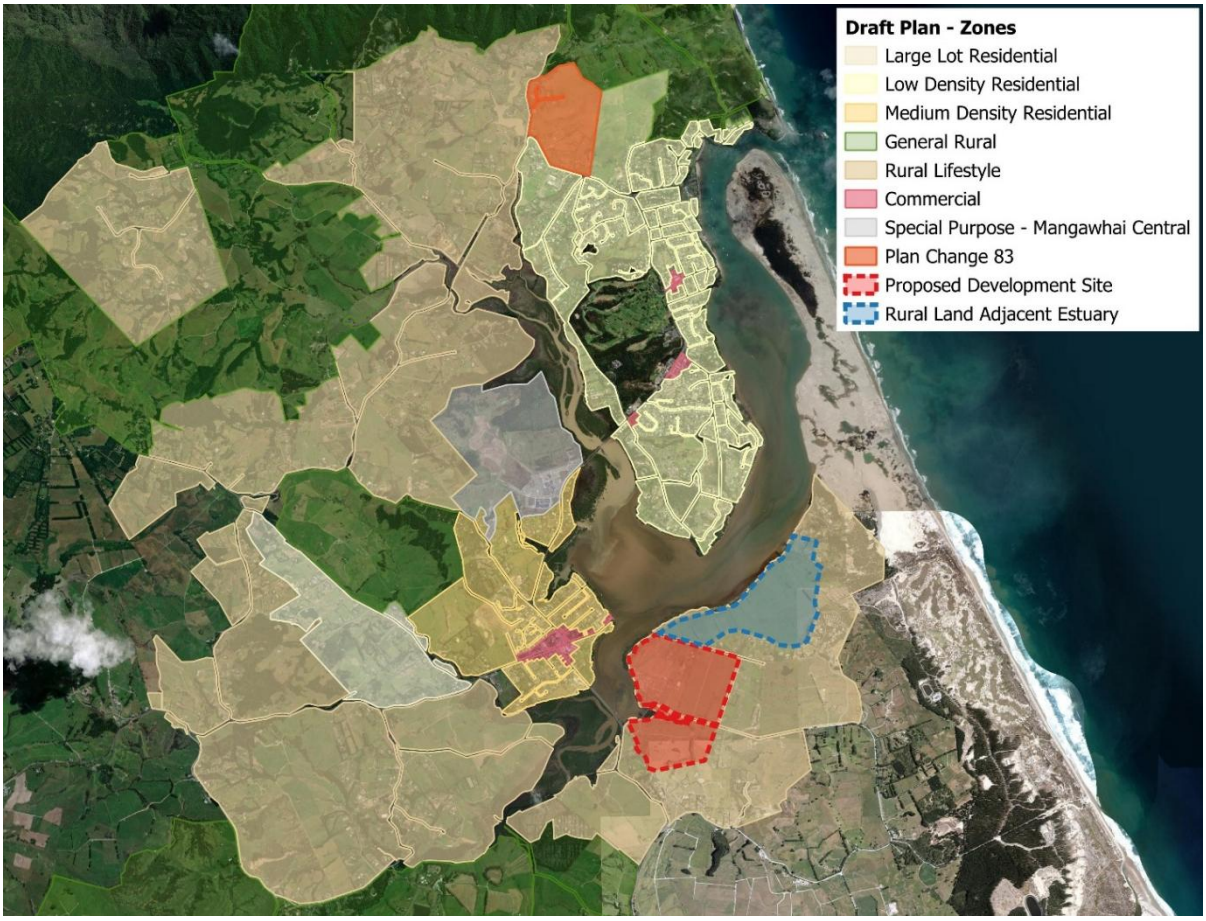
The proposed development is considered to be in an optimal economic and market location for several reasons. First, Mangawhai is considered to be a coastal town, however the town has predominately developed adjacent to an estuary, which offers high amenity, recreation, swimming and boat access. The location is one of very few remaining that offer direct and alternative access to the estuary. Second, the location is near to the existing main road, enabling efficient access to the rest of the town, most notably including the supermarket and schools. Third, the location includes a large area of land that is relatively undeveloped, that allows a master-planned development. By contrast, other locations have a higher proportion of lifestyle properties (e.g. to the west of the existing urban area) which make medium-large scale development difficult.

[10] **Addendum Report for the Cabra Mangawhai Ltd & Pro Land Ltd Soil and Resource Report Mangawhai, Hanmore Land Management, 2024**

An assessment of the remaining land adjacent to the estuary is provided in Figures 3 and 4 below. This shows that the proposed development site and the adjacent rural land to the north are the only two remaining large tracts of land adjacent to the estuary. The rural land to the north appears to operate as one area of grazing land, with a total land area of approximately 73 hectares. This land is however subdivided into 42 titles, ranging in size of 0.2 to 20 hectares, and owned by 63 different entities. This indicates that this area of land may be difficult for master-planned development, if some owners prefer to retain the land in rural or lifestyle use. For this reason, the proposed development is considered to be the optimal location with regard to having no practical constraints to development, close access to the existing town and direct access to the estuary.

It is worth noting that the proposed plan change would enable potential access to the harbour, for boating and other recreation, which would reinforce Mangawhai's coastal lifestyle.

Figure 64:
Development Location Options Adjacent the Estuary



Source: KDC, CoreLogic, LINZ

Figure 65:
Land Area and Ownership for Development Location Options Adjacent the Estuary

Measure	Rural Land Adjacent Estuary
Number of Lots	42
Smallest Lot (ha)	0.2
Largest Lot (ha)	20.2
Total Land Area (ha)	73.3
Unique Owners	63

Source: CoreLogic, LINZ, UE

Query 25:

"In relation to Figure 61 of the Economic assessment, please explain the assumptions relating to the number of competitors in the Mangawhai residential land market and how those change over time, and how introducing a new competitor (the applicant's land) would change that competition."

Reasons for request:

"The Economic assessment does not draw any conclusions as to how the proposed plan change would affect market concentration, which would be a relevant consideration under the RMA. The number of competitors in the future is a core driver of the concentration output, but there is no explanation provided as to the assumed basis for that competitive environment, including whether new competitors might arrive in the future, and those assumptions need to be understood to understand the economic effects of the analysis."

The analysis looks at remaining competitors in the greenfield development sector (properties zoned for development that are 1.0 hectare of greater in size). Under Scenario A there is no land banking and under Scenario B there is 40% land banking (Scenario B is considered more reflective to a typical market). The analysis concludes that Mangawhai currently has 'moderate' market concentration under Scenario B and that by 2028 Mangawhai will have 'high market concentration under Scenario B. This indicates that the market has relatively high levels of market concentration. The proposal would add an additional master-planned development that would reduce market concentration, particularly due to its medium-large scale, and this would put downward pressure on house prices over time. This is considered to be a significant economic benefit.

Appendix 1: Survey Questions

Q1: Which age bracket do you fall into?

- 18-24
- 25-34
- 35-44
- 18-24
- 45-54
- 55-64
- 65+

Q2: Where were you born?

- New Zealand
- Overseas

Q3: How long have you lived in your City?

Less than a year

- 1-2 years
- 2-3 years
- 3-5 years
- 5-7 years
- 7-10 years
- 10 years +

Q4: What ethnic group fo you belong to?

- NZ-European
- Other-European
- Maori
- Pacific Islander
- Asian
- Other

Q5: Which of the following best describes your employment status?

- Full-time
- Part-time
- Student
- Homemaker
- Retired
- Unemployed
- Other

Q6: What is your sector of employment?

- Education and Training
- Health Care and Social Assistance
- Professional, Scientific and Technical Services

Public Administration and Safety

- Information Media and Telecommunications
- Financial and Insurance Services
- Administrative and Support Services
- Construction
- Retail Trade
- Accommodation and Food Services
- Arts and Recreation Services
- Agricultural, Forestry and Fishing

- Manufacturing
- Transport, Postal and Warehousing
- Rental, Hiring and Real Estate Services
- Electricity, Gas, Water and Waste Services
- Other (Please Specify)

Q7: What is your annual total household income (before tax)?

- Less than $20,000
- $20,000 to $40,000
- $40,000 to $60,000
- $60,000 to $80,000
- $80,000 to $100,000
- $100,000 to $150,000
- $150,000 to $200,000
- $200,000 to $500,000
- $500,000 +

Q8: Do you prefer to work remotely?

- All the time
- 3-4 days a week
- 2-3 days a week
- 1-2 days a week
- Never

Q9: How would you describe your current living arrangements?

- Living on my own
- Living with housemates
- Family with child/children
- Couple (without child/children)
- Other

Q10: Do you currently rent or own?

- Rent/Board
- Own

Q11: How much do you spend on rent or mortgage payments per week?

- Less than $300
- $300-$400

$400-$500

- $500-$600
- $600-$700
- $700-$800
- $800-$900
- $900-$1,000
- $1,000+

Q12: What type of house do you currently live-in?

- House
- Terrace/Townhouse
- Apartment

Q13: What type of housing do you prefer?

- House
- Terrace/Townhouse
- Apartment

Q14: In terms of lifestyle, how would you rate your city over the past 1-2 years.

- It is becoming a more attractive place to live
- About the same
- It is becoming a less attractive place to live

Q15: Have you considered moving out of your city to other cities/regions in New Zealand in the past two years?

- Yes - I have 'strongly considered' moving out of my city in the past two years.
- Yes - I have 'somewhat considered' moving out of my city in the past two years.
- No - I have 'not considered' moving out of my city in the past two years.

Q16: If you have considered moving out of your city in the past two years, what are the main reasons for this?

- Rent/Mortgage Cost
- Traffic Congestion
- Lifestyle
- Bigger House
- Climate/Weather
- Employment opportunities
- Crime/Safety
- Ability to Work Remotely
- Impact of Covid-19
- Others (please specify)

Q17: If you have considered moving out of your city in the past two years, what are the 3 things you would consider important when choosing a new city/region?

Rent/Mortgage Cost

- Traffic Congestion
- Lifestyle
- Bigger House
- Climate/Weather
- Employment opportunities
- Crime/Safety
- Ability to Work Remotely
- Impact of Covid-19
- Others (please specify)

Q18: If you have considered moving out of your city in the past two years, are you anticpating working remotely?

- Yes - I intend to work remotely all of the time.
- Yes - I intend to work remotely for part of the week and commute to the office for part of the week
- No