

Before an Independent Hearings Panel

The Proposed Waikato District Plan (Stage 1)

IN THE MATTER OF the Resource Management Act 1991 (**RMA**)

IN THE MATTER OF hearing submissions and further submissions on the Proposed Waikato District Plan (Stage 1):

Topic 25 – Zone Extents

**SUMMARY STATEMENT OF ADAM JEFFREY THOMPSON
ON BEHALF OF POKENO WEST LIMITED (97) AND CSL TRUST & TOP END
PROPERTIES LIMITED (89)**

(ECONOMICS & PROPERTY DEVELOPMENT)

07.05.2021

1. SUMMARY OF EVIDENCE

- 1.1 My full name is Adam Jeffrey Thompson. I am an urban economist and property market analyst.
- 1.2 I am providing economic evidence in relation to proposed rezoning sought by Pokeno West Limited and CSL Trust & Top End Properties Limited.
- 1.3 The main findings of my economic assessment are outlined as follows:
- (a) Historic building consent data confirms strong demand growth in Pokeno and that there was demand for 275 dwellings in 2021. This exceeds all growth projections prepared by NIDEA, Statistics NZ and Waikato District Council. With several new developments recommended for approval in Pokeno, increasing house prices in Auckland and Hamilton driving demand to more affordable locations, and the recent opening of a Countdown supermarket, in my opinion Pokeno will continue to see increasing growth in demand.
 - (b) Mr Mead has recommended live zoning for several sites, including the Pokeno West Limited and CSL Trust & Top End Properties sites. I estimate these sites would provide capacity for 2,410 additional dwellings based on actual yields from development plans.
 - (c) Mr Mead has assumed all greenfield land recommended for live zoning will be developed over the life of the proposed District Plan. In my opinion it should be assumed that only a fraction of this capacity, in the order of 50-75%, will be developed over the life of the proposed District Plan, as there are many factors that can result in development not occurring. I note Dr Davey adopts a similarly conservative view in regard to the uptake of greenfield capacity.
 - (d) Under the lower demand estimates, including my baseline demand estimate, Pokeno would have sufficient capacity to meet the medium-term requirements of the NPS-UD. However, if demand increases over the next decade, which I expect it to do, Pokeno would not in my opinion have sufficient capacity to meet the medium-term requirements of the NPS-UD.

- (e) The proposal would increase competition in the residential land development market. This will result in more choice for purchasers and may result in lower prices. This is a significant economic benefit.
- (f) Both Auckland and Waikato regions have housing shortages, estimated at 45,000 and 8,000 respectively. This will also result in more choice for purchasers and may result in lower prices. This is a significant economic benefit.
- (g) The proposal has a net present value (NPV) of \$683.4 - \$694.0 million over the course of thirty years. This represents a significant boost to the Waikato District economy.
- (h) The proposal would produce additional employment opportunities. The proposal produces approximately 170 - 190 FTE jobs per annum over the life of the project and an additional 70 – 120 FTE jobs per annum in the retail and hospitality sector upon completion. This is a significant economic benefit.
- (i) The proposal would displace rural land with a value of \$5 million. This is a minor cost in comparison to the benefits.

1.4 The proposal would have significant economic benefits and no notable economic costs and is recommended for approval.

07.05.21

Adam Thompson