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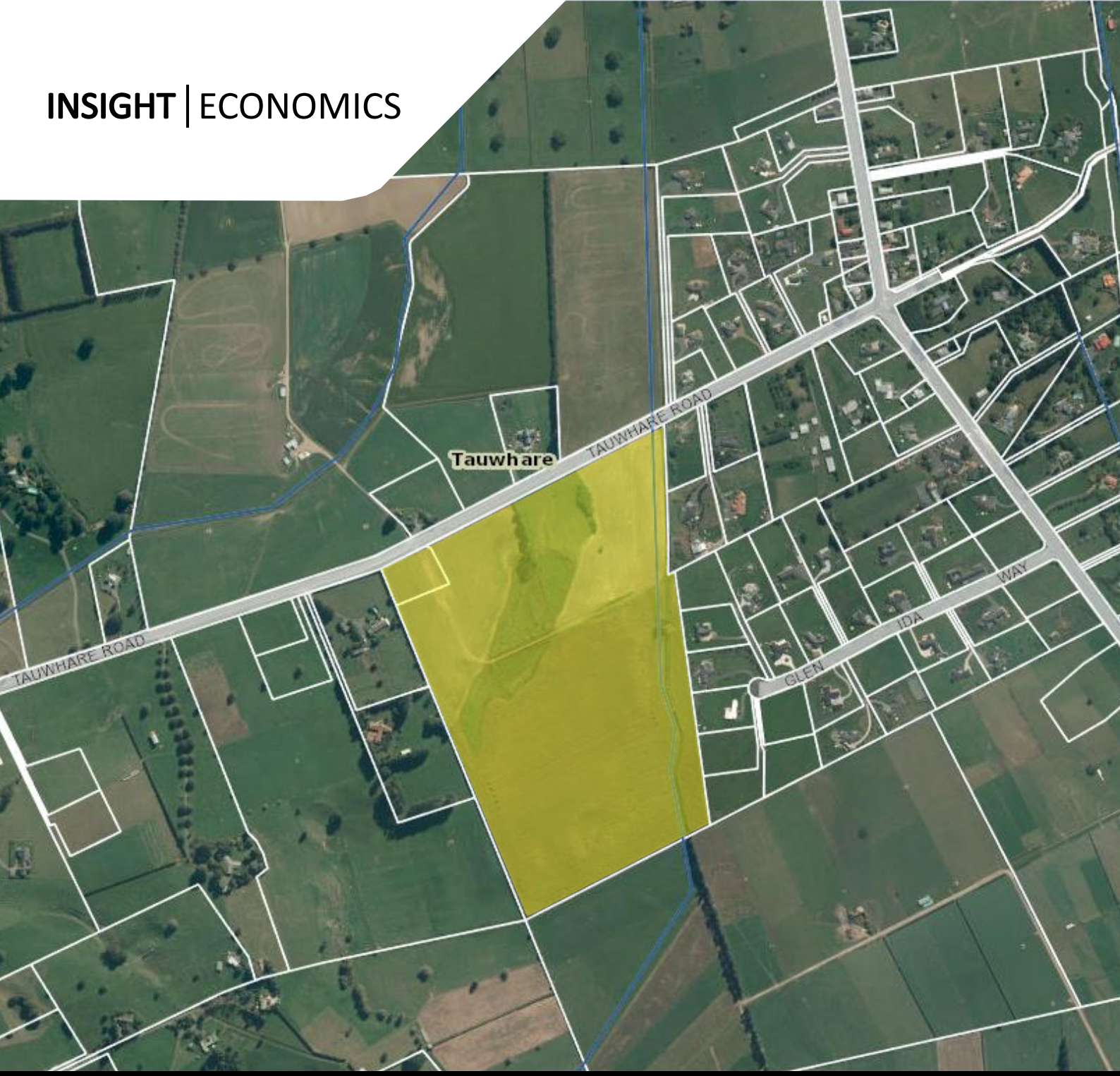

Final Report: 3 September 2020

Section 32 Economic Assessment for a Proposed Rezoning in the Waikato District

Prepared for:
Bowrock Properties Limited

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1. Introduction

1.1. Context

Bowrock Properties Limited (BPL) owns a 20-hectare block of land in Tauwhare, in the Waikato District, which is currently zoned rural. As part of the Waikato District Council's District Plan review process, BPL seek rezoning of the land to Country Living, to enable the eventual development of 20 to 30 rural residential dwellings over time.

Recent directions from the hearings panel require that zoning requests like this provide site-specific assessments in accordance with section 32AA of the Resource Management Act 1991 (RMA). To assist, this report briefly assesses the likely economic effects of the proposal to inform the wider assessment being undertaken by Place Group Limited on BPL's behalf.

1.2. Information Relied On

This assessment relies on the following information sources:

- Background information provided by the client
- Statistics New Zealand census 2018
- Statistics New Zealand population projections
- Data published pursuant to the National Policy Statement on Urban Development
- Waikato District Plan and associated planning maps
- Core Logic's Property Guru tool
- Maize for Grain 2016/17
- New Zealand maize price data
- Insight Economics regional input output tables

1.3. Structure of Report

The remainder of this proposal is structured as follows:

- **Section 2** locates the subject land and briefly describes its current zoning and receiving environment;

- **Section 3** outlines the proposed plan change;

- **Section 4** uses 2018 Census data to profile local residents and households;

- **Section 5** describes the current state of the district's housing market and briefly comments on the likely contribution of the proposal to local residential land supply;

- **Section 6** assesses the likely economic detriment of the proposal in terms of foregone productive activity;

- **Section 7** considers whether the proposal is likely to enable the highest and best use of the subject land;

- **Section 8** estimates the potential one-off economic impacts of future construction activity enabled by the proposal; and

- **Section 9** provides a brief summary and conclusion.

2. About the Subject Land

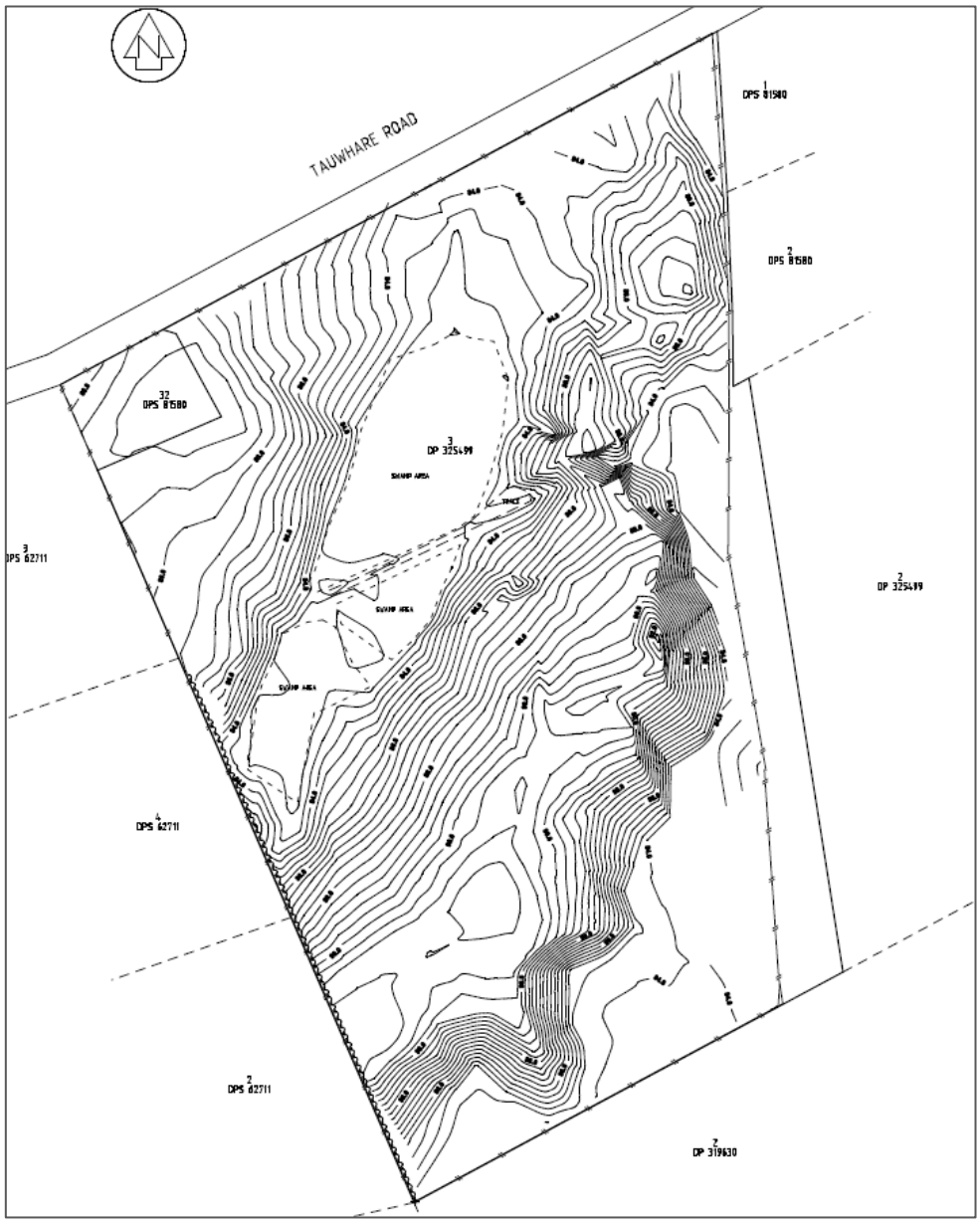
2.1. Map and Description of Subject Land

The subject site is located on the eastern outskirts of Hamilton in the Waikato district, adjacent to the existing township of Tauwhare. It is bound by Tauwhare Road to the north, established rural residential dwellings to the east, and rural land to the west and south. The site itself spans just over 20 hectares.

Figure 1: Location of Subject Site

The site has a gentle rolling topography, as indicated in Figure 2 below. There is a large area of wetland in the northern portion of the site, which has undergone significant restoration work in recent years. This has seen the area transformed into an attractive lake with designated tracts. Native plantings on the lake's perimeter have created a high-value habitat for birds and insects, leading to increased biodiversity without the loss of productive land.

Figure 2: Site Topography and Wetland

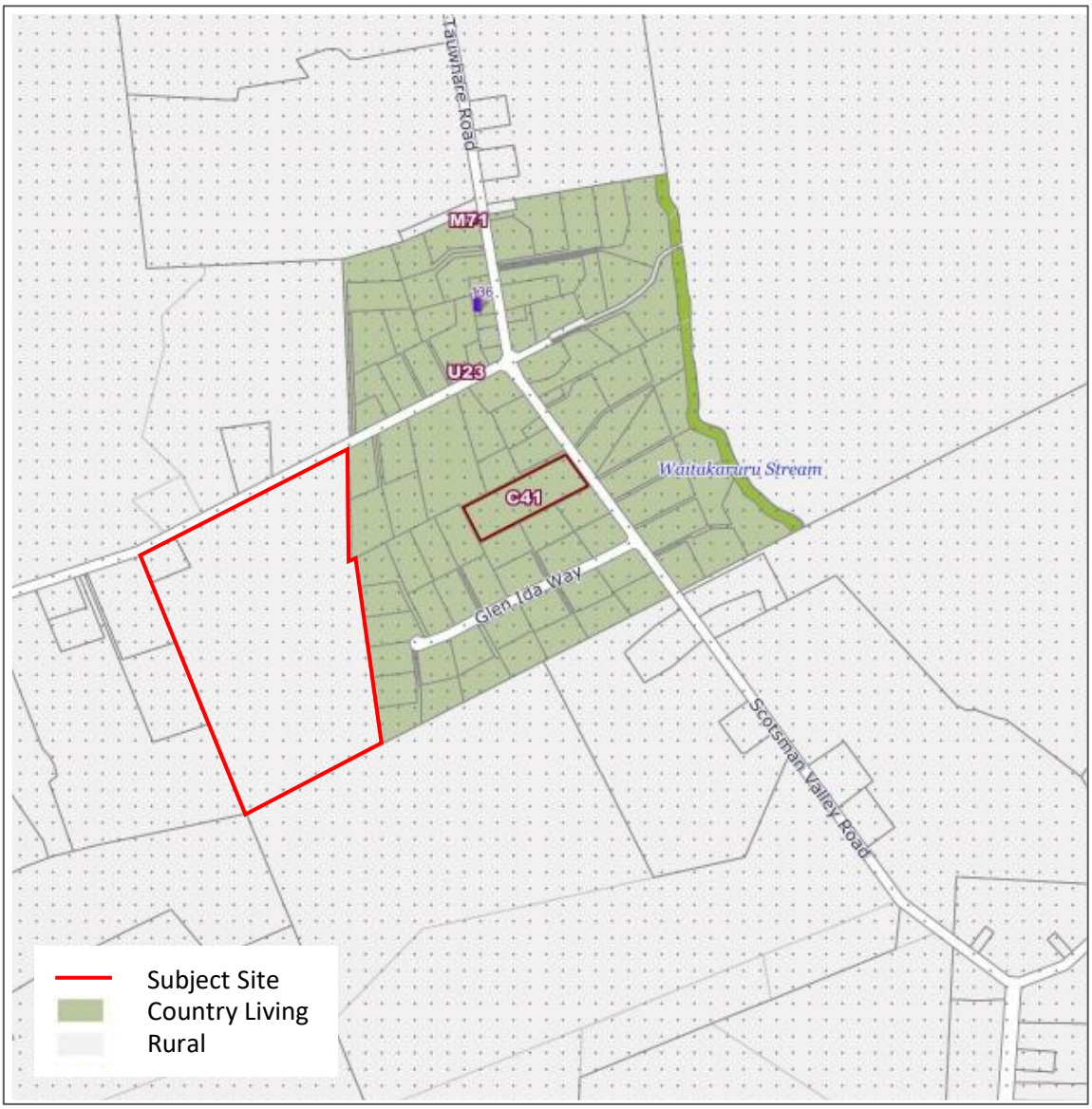


BPL has owned the subject land for approximately 15 years. During this time it has primarily been used for the cultivation of maize. It is currently in pasture, but not grazed.

2.2. Zoning & Receiving Environment

The site is currently zoned Rural under the Operative District Plan (ODP), as illustrated in Figure 3 below. This zoning has been carried forward to the Proposed District Plan (PDP).

Figure 3: Zoning of Subject Site



To the north, south and west of the site, the receiving environment is essentially Rural land in various uses. Land immediately to the east is zoned Country Living land and houses large rural residential dwellings on roughly 5,000m^2 sections.

3. About the Proposal

3.1. Description of Proposed Plan Change

Place Group Limited, on behalf of BPL, has proposed a rezoning of the subject land from Rural to Country Living Zone. In addition, they seek changes to the corresponding policy framework for the Country Living Zone to enable smaller lot sizes. This aims to provide flexibility for the consideration of subdivision proposals that make efficient use of land.

3.2. Indicative Enabled Development

The proposal enables the future development of up to 25 rural residential dwellings on the subject land, with a proportion potentially set aside for rural productive uses, such as a small market garden or orchard. BPL has provided two possible options for this assessment - one with and one without the proposed balance lot for rural purposes, as illustrated in Figure 4 below.

Figure 4: Concept Plans

3.3. Summary of Key Economic Changes

Relative to the status quo of rural zoning, the proposal:

- Increases the amount of countryside living land available;
- Reduces the amount of rural land available; and
- Potentially enables the land to be put to a higher and better use.

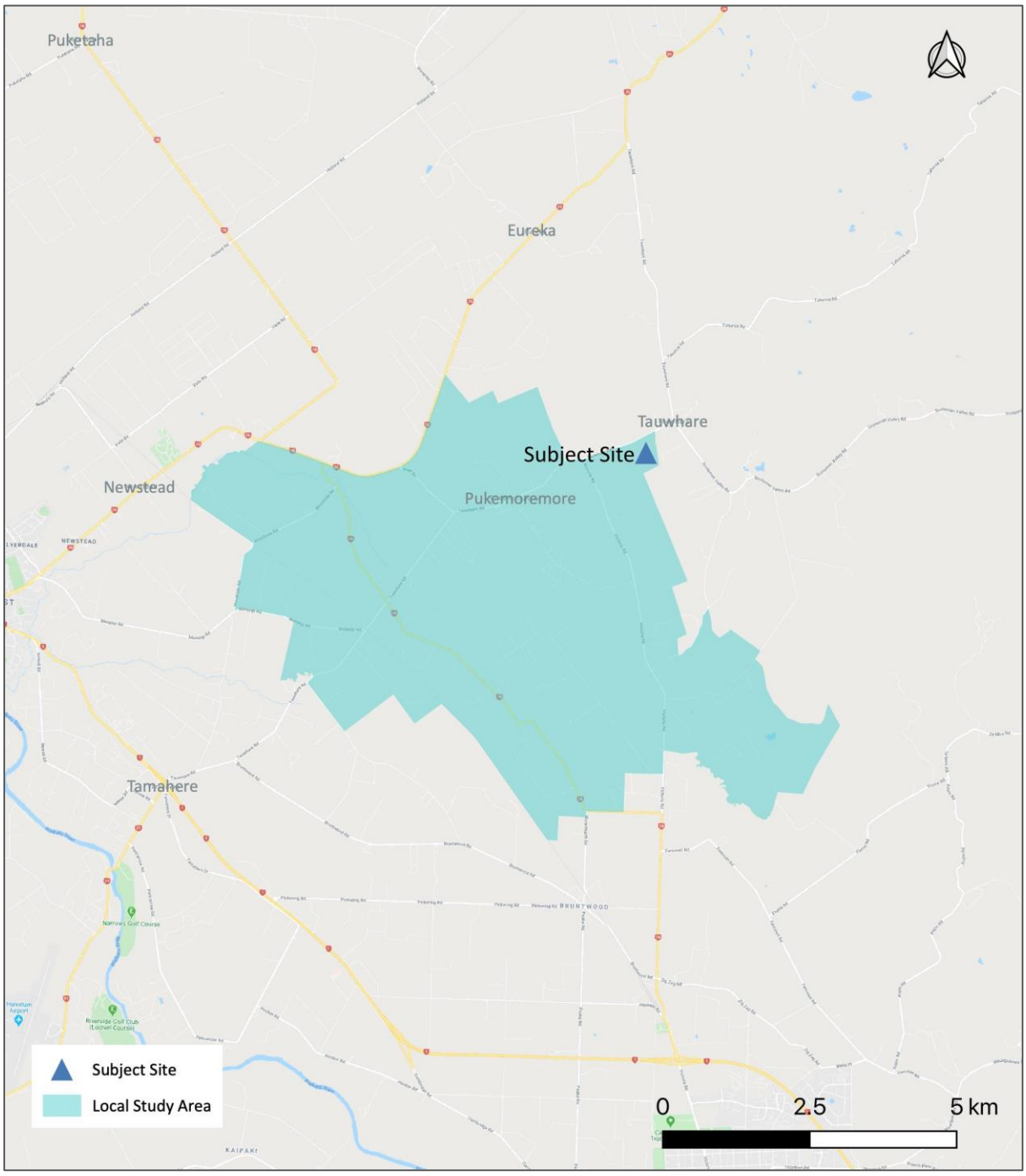
4. Population & Demography

This section defines a local study area and uses 2018 Census data to profile its residents and households. In addition, it presents the latest population projections by Statistics New Zealand.

4.1. Outline of Local Neighbourhood

Figure 5 shows the local study area used for our demographic assessment, which covers the Pukemoremore Statistical Area 2 (SA2) as defined by Statistics New Zealand.

Figure 5: Local Study Area for Demographic Analysis



4.2. Population & Demography

Table 1 summarises key information about local individuals and compares it to the district and national averages.

Table 1: 2018 Census Data – Demographic Overview

Summary information	Study Area	District	New Zealand
Total households	759	24,594	1,653,792
Census night population count	2,394	74,835	4,793,358
Usually resident population count	2,394	74,595	4,699,755
Average household size	3.2	3.0	2.8
Age in broad groups			
Under 15 years	24%	23%	20%
15-29 years	16%	17%	21%
30-64 years	49%	46%	45%
65 years and over	11%	13%	15%
Median age	39	39	37
Gender			
Female	50%	50%	51%
Male	50%	50%	49%
Ethnic group			
Asian	4%	5%	13%
European	73%	66%	62%
Māori	19%	23%	15%
Middle Eastern Latin American African	0%	1%	1%
Other Ethnicity	1%	1%	1%
Pacific Peoples	1%	4%	7%
New Zealander	1%	1%	1%
Religious affiliation			
No religion	57%	58%	52%
Buddhism	0%	1%	1%
Christian	39%	36%	39%
Hinduism	0%	1%	3%
Islam	0%	0%	1%
Judaism	0%	0%	0%
Māori religions, beliefs	1%	2%	1%
Other religions, beliefs	1%	2%	2%
Spiritualism and New Age religions	0%	0%	0%
Partnership status			
Partnered	71%	67%	61%
Non partnered	29%	33%	39%

Table 1 shows that the local study area contained nearly 2,400 people in early 2018, which occupied 759 dwellings. This gives an average household size of 3.2, which is higher than both the district and national averages. Relative to the district average, local residents are more likely to be:

- European and less likely to be Maori or Pacific Peoples; and
- Partnered/married.

4.3. Work and Study

Table 2 displays census information about residents' work and study habits, along with the corresponding district and national averages.

Table 2: 2018 Census Data – Work and Study

Study participation	Study Area	District	New Zealand
Part time study	3%	2%	3%
Full time study	25%	22%	21%
Not studying	72%	75%	76%
Work and labour force status			
Employed Full time	57%	53%	50%
Employed Part time	16%	15%	15%
Not in the Labour Force	24%	28%	31%
Unemployed	3%	4%	4%
Status in employment			
Paid employee	75%	77%	83%
Self-employed (no employees)	14%	13%	10%
Employer	8%	8%	6%
Unpaid family worker	3%	3%	1%
Occupation			
Clerical and Administrative Workers	11%	11%	11%
Community and Personal Service Workers	7%	8%	10%
Professionals	26%	20%	23%
Sales Workers	6%	7%	9%
Labourers	10%	12%	11%
Machinery Operators and Drivers	5%	7%	6%
Managers	22%	22%	18%
Technicians and Trades Workers	12%	13%	12%
Total personal income			
$5,000 or less	12%	13%	13%
$5,001 – $10,000	5%	4%	5%
$10,001 – $20,000	11%	17%	17%
$20,001 – $30,000	11%	12%	14%
$30,001 – $50,000	19%	19%	20%
$50,001 – $70,000	14%	15%	14%
$70,001 or more	27%	20%	17%

The data show that local residents have similar work and study habits to the rest of the district, with some marginal differences. Specifically, compared to the district average, local residents are more likely to:

- Be studying;
- Be in the labour force and more likely to employed;
- Work as a "professional" and less likely to work in the trades; and
- Have personal incomes in the top bracket ($70,000+)

4.4. Households and Dwellings

Table 3 presents statistics about local households and their dwellings.

Table 3: 2018 Census Data – Dwelling Information

Dwelling type	Study Area	District	New Zealand
Separate house	96%	94%	84%
Joined dwelling	3%	5%	15%
Other private dwelling	0%	1%	1%
Tenure of household			
Dwelling rented	21%	30%	35%
Dwelling held in a family trust	22%	14%	13%
Dwelling owned or partly owned	57%	56%	51%
Number of bedrooms			
One bedroom	3%	4%	6%
Two bedrooms	10%	12%	19%
Three bedrooms	33%	42%	43%
Four bedrooms	40%	31%	24%
Five or more bedrooms	14%	10%	7%
Motor vehicles			
No motor vehicle	2%	3%	7%
One motor vehicle	17%	25%	34%
Two motor vehicles	49%	43%	39%
Three motor vehicles	17%	17%	13%
Four motor vehicles	8%	7%	5%
Five or more motor vehicles	7%	4%	2%
Years at usual residence			
0 years	15%	19%	20%
1-4 years	34%	35%	34%
5-9 years	22%	17%	17%
10-14 years	12%	12%	11%
15-29 years	12%	12%	13%
30 years or more	5%	5%	5%
Weekly rent			
Under $100	5%	5%	7%
$100 - $149	5%	8%	9%
$150 - $199	7%	8%	7%
$200 - $299	24%	28%	18%
$300 - $399	36%	30%	22%
$400 - $499	14%	13%	18%
$500 - $599	5%	5%	10%
$600 and over	5%	3%	10%

The characteristics of households and dwellings in the local study area differ from the district averages in the following respects:

- Dwellings are slightly more likely to be separate. i.e. stand-alone dwellings;
- Dwellings are significantly less likely to be rented;
- Households are more likely to have four or more bedrooms;
- Households are more likely to have two or more motor vehicles;
- Households are more likely to have lived at their current address for less than 5 years;
- Weekly rents are more likely to be at least $300.

4.5. Population Projections

We used Statistics New Zealand's latest census area unit (CAU) population projections to assess the likely population growth in the local area. For the purposes of the population projections, the local study area is defined as the Tamahere-Tauwhare CAU, which is delineated in Figure 6 below.

Figure 6: Local Study Area for Population Projections

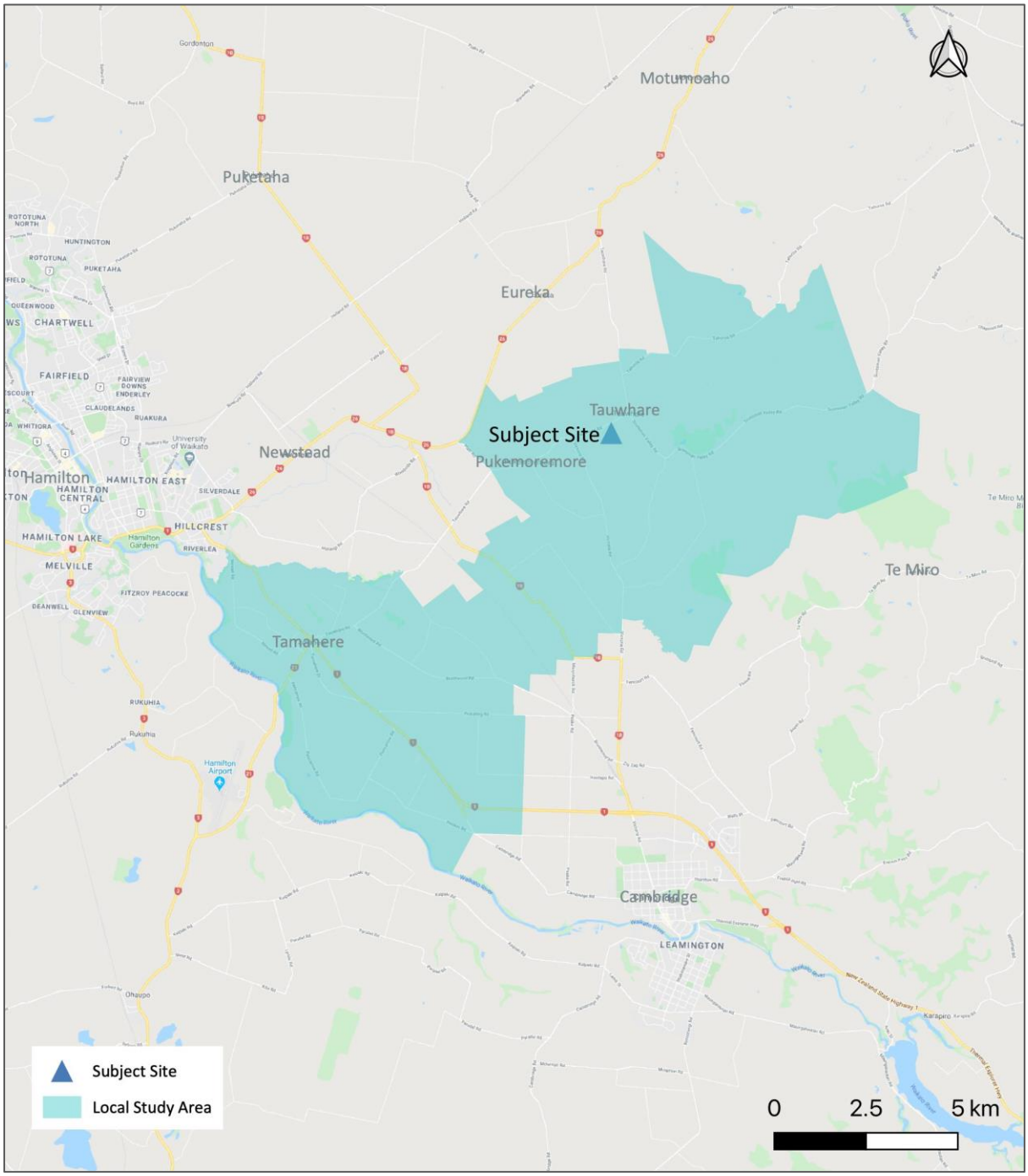


Figure 7 and Table 4 below present the population projection results.

Figure 7: Study Area Population Projections to 2043

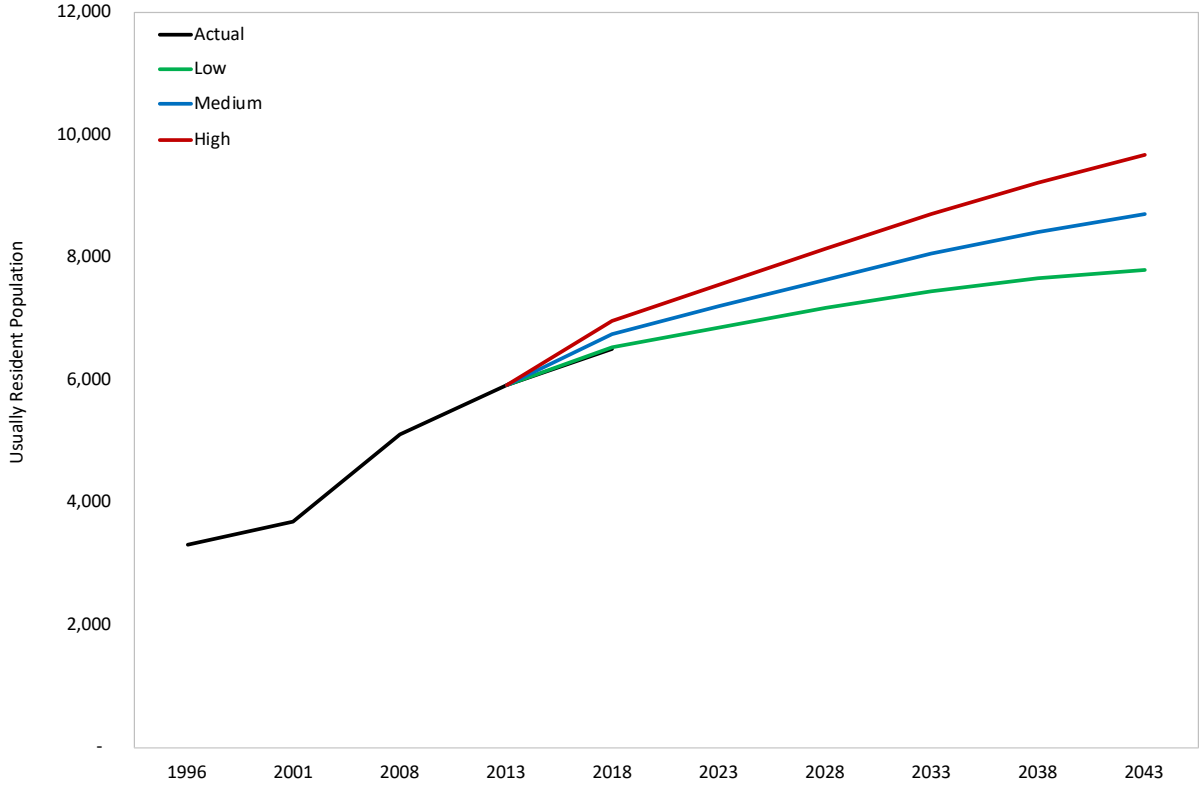


Table 4: Study Area Population Projections to 2043

Year	Low	Medium	High
2018	6,540	6,750	6,970
2023	6,860	7,200	7,550
2028	7,170	7,640	8,130
2033	7,440	8,060	8,700
2038	7,650	8,410	9,220
2043	7,790	8,700	9,680
Growth	**1,250**	**1,950**	**2,710**
CAGR	0.7%	1.0%	1.3%

To summarise: Official projections for the local area signal moderate population growth to 2043, with an increase of 1,250 people under the low scenario, 1,950 people under the medium scenario, and 2,710 people under the high. These translate to compound annual growth rates (CAGRs) of 0.7%, 1.0%, and 1.3% respectively. By contrast, the corresponding district growth rates are 0.8%, 1.2%, and 1.6% under the low, medium, and high scenarios, respectively. Hence, the local neighbourhood is forecast to grow slightly slower than the district average.

5. Increased Supply of Residential Land

This section considers the proposal's potential contribution to future residential land supply.

5.1. National Policy Statement on Urban Development 2020

The National Policy Statement on Urban Development (NPSUD) comes into effect on 20 August 2020, replacing the previous NPSUDC from 2016. It strengthens the provisions of the earlier NPS and requires Councils to be even more enabling with respect to the provision of land for dwellings and businesses.

The Waikato district is part of the Hamilton urban environment and is therefore classified as a tier one Territorial Authority. As such, it has an obligation to ensure that there is enough land to house the future population. While most of the district's future population growth will occur in and around existing and emerging townships, we believe that there will also be significant ongoing demand for rural residential properties, such as those enabled by the proposal.

5.2. Trends in Dwelling Prices, Rental Values & Land Values

We used data from the Ministry of Housing and Urban Development's (MHUD's) Urban Development Dashboard to analyse trends in local dwelling prices, rental values, and land values.[1] To begin, Figure 8 plots dwelling sales prices for both areas since 1994.

Figure 8: Trends in Dwelling Prices

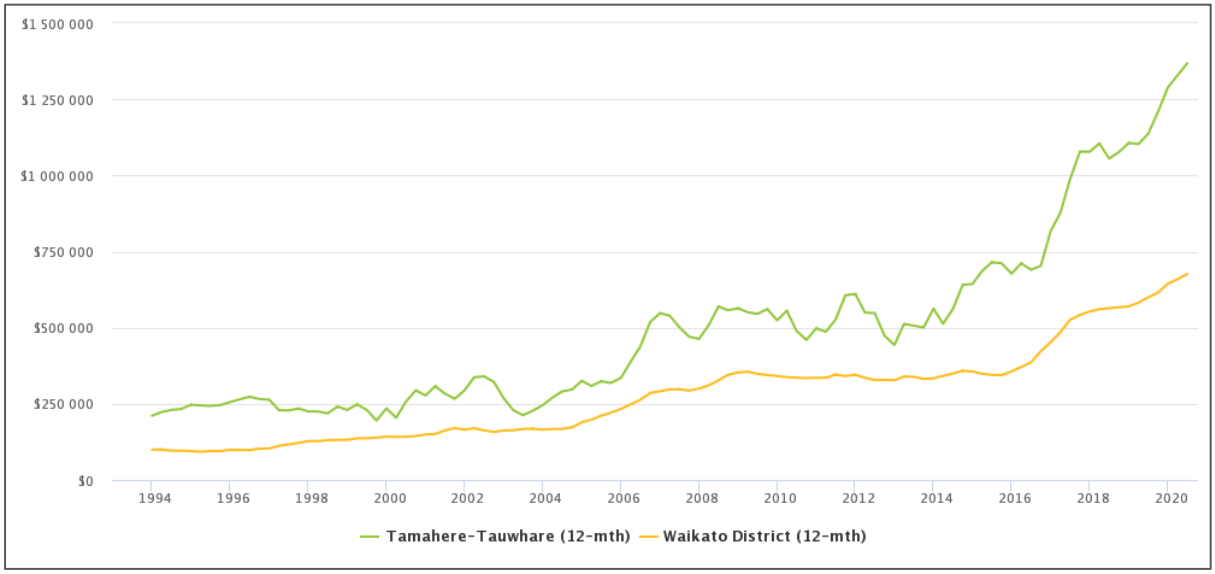


Figure 8 shows that local dwelling prices have increased from about $210k to almost $1.4m over the 26-year period to 2020, which represents an average annual growth rate of 7.2%. The district

[1] Specifically, we compared trends for the Tamahere-Tauwhare CAU (in Figure 6) to the district average.

growth rate was similar, but district prices started from a lower base and remained significantly lower than the local area by 2020 ($680,000 vs $1.4 million).

Figure 9 plots average dwelling rents between 1996 and 2020. While data for the local study area are more volatile due to the much smaller sample size, it follows a similar trend to the district, where rents have increased by an average of 5% per annum for the last 25 years or so. Current average rents are $437 in Tamahere-Tauwhare vs $402 for the district.

Figure 9: Trends in Rental Values

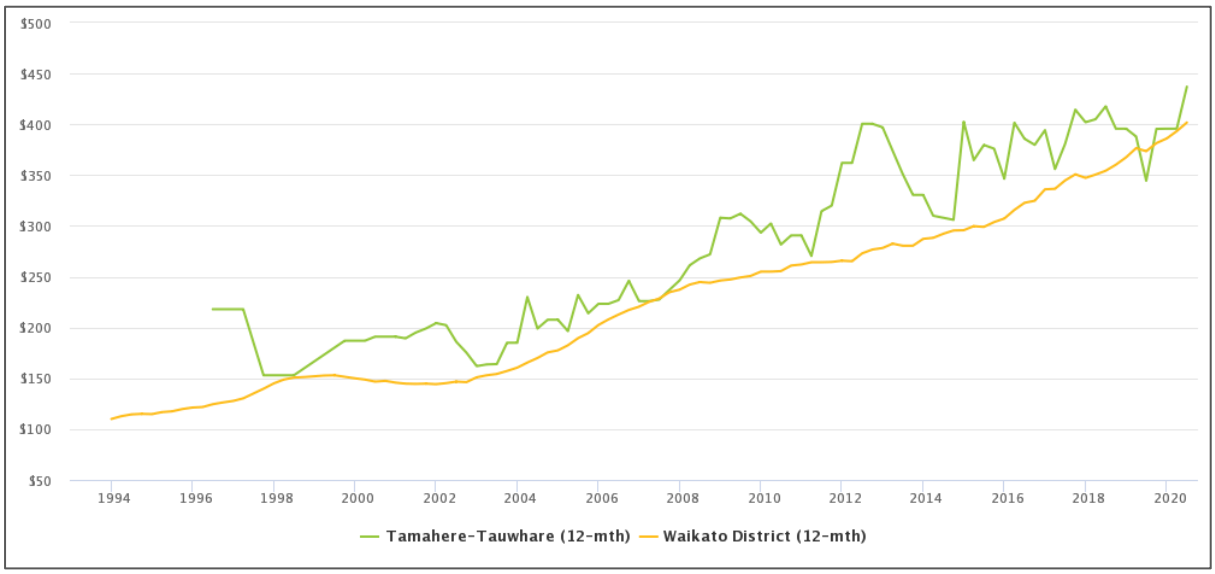


Figure 10 plots average land prices from 1994 to 2017 for both areas.

Figure 10: Trends in Land Value

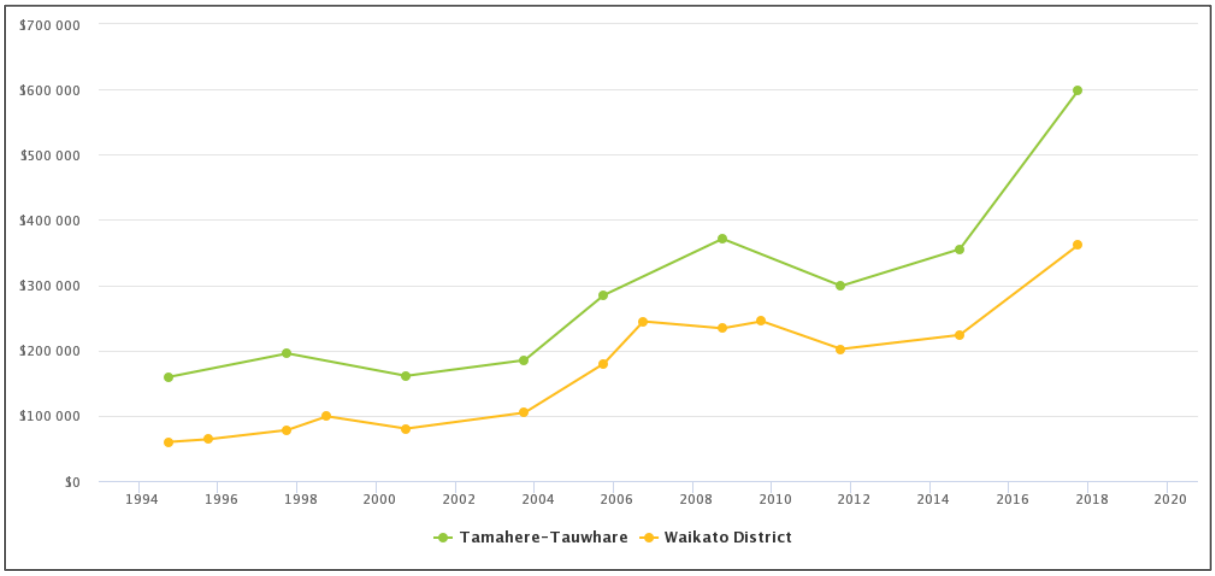


Figure 10 shows that land prices in both areas have fluctuated around a gradual upward trend until about 2014, when they suddenly spiked. In fact, local land prices increased by 64% between 2014 and 2017, while district land prices rose 61%.

Finally, we considered the extent to which recent increases in land prices may have affected district dwelling affordability. This was done using an indicator called the price-cost ratio, which is published on MHUD's Urban Development Dashboard. It measures the ratio of dwelling prices to construction costs (excluding land).

In general, price-cost ratios less than 1.5 signal that the land market is operating well, with house price inflation driven mainly by increasing construction costs. Conversely, ratio values greater than 1.5 indicate that there is a lack of available land relative to demand, with house price inflation therefore driven mostly by land prices, not construction costs. With that definition in mind, Figure 11 plots the district's price:cost ratio since 1994.

Figure 11: Waikato District Dwelling Price:Cost Ratio

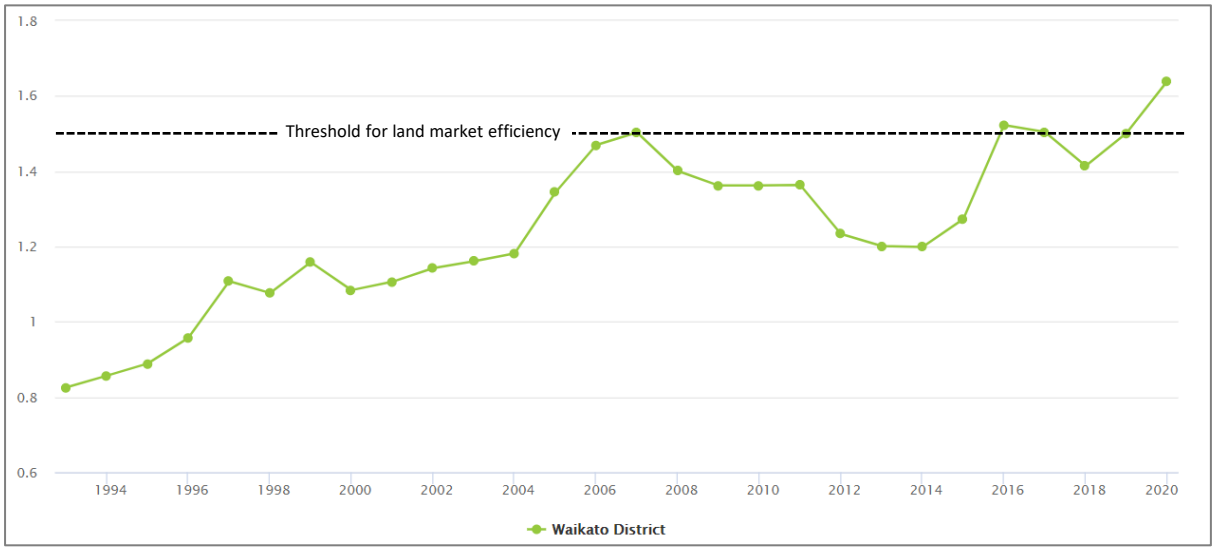


Figure 11 shows that the district's price:cost ratio has generally been below 1.5 for the last 25 or so years, but has touched that level a few times in the past. In 2020, however, the price:cost ratio shot up through the 1.5 threshold and is now clearly above it. This suggests that the district may be facing a shortage of available residential land to meet demand.

5.3. Impacts of the Proposal

The proposal will provide land for up to 25 additional dwellings in a sought-after location adjacent to an existing residential area, effectively via expansion of the existing Country Living zone directly to east. This uplift in supply seems particularly important given the significant pressure on house prices over the last few years, as demonstrated by the data presented above, and the evident role of land shortages in recent explosive house price inflation across the district.

Thus, not only will the proposal provide a useful increase in the quantity and choice of residential land available, but it will also avoid spot rezoning and instead expand an existing area intended for rural residential purposes. Moreover, as explored further in section 7, the proposal will also enable the land to be put to its highest and best use.

6. Impacts on Supply of Rural Productive Land

6.1. Overview

The proposal will forego the use of most of land for rural productive purposes, and may therefore impose economic opportunity costs. Accordingly, this section assesses the likely economic detriment of the proposal in terms of foregone rural productive activity.

6.2. Current and Past Uses of the Subject Land

BPL has owned the subject land for the past 15 or so years. It is currently growing grass, though it is not being used for grazing. In fact, it has not been used for grazing throughout the owner's 15-year tenure. The grass is expected to be harvested soon, with a new maize crop subsequently planted by the current lessee.

Prior to the current lease, which commenced in 2010, the land was leased to Civil Whey, who used it for dairy manufacture, by-product whey distribution, and maize cropping. However, we understand that these activities elicited objections by neighbours, which suggests that traditional rural productive potential may be limited by reverse sensitivity from adjacent residential uses.

6.3. Current Uses of Nearby Land of Same Zoning

We used Core Logic's Property Guru tool to extract information on more than 100 neighbouring properties with the same (Rural) zoning as the subject site to identify the types of economic activities occurring there. Table 5 below presents our findings.

Table 5: Current Uses of Nearby Land

Land Use Category	Number of Properties	Total Land Area (ha)	Total Land Value ($m)	Total Capital Value ($m)	Land Value per m²
Single Unit Residential	60	195	34.3	60.3	17.6
Dairying	19	1,193	62.8	73.4	5.3
Vacant Residential	18	93	11.7	11.8	12.7
Multi-Unit Residential	7	41	4.7	8.3	11.4
Specialist Livestock	2	50	3.1	3.5	6.2
Market Gardens and Orchards	1	9	1.1	2.2	12.5
Stock Finishing	1	64	3.5	3.6	5.4
Multi-use within Industrial	1	2	0.5	0.7	29.4
Vacant Recreational	1	3	0.1	0.1	4.0
Total	**110**	**1,648**	**121.8**	**163.8**	**7.4**

67 of the 110 properties in our sample (61%) are residential units, with a further 18 (16%) being vacant residential sections. Those aside, the predominant land use is dairying (72%). There is only one property in the "market gardens and orchards" category, which accounts for 0.5% of total land area. Accordingly, rural food production – the most likely rural productive use of the subject land absent the proposal – is rare locally, despite the rural zoning.

6.4. Prevalence of Food Production Across Wider District

To verify the results of the previous subsection, we cast our net wider and used Property Guru to extract information on all rural properties sold in the Waikato over the last two years. This allows us to better understand the types of economic activities occurring in the district.

Table 6: Nature of Rural Properties Sold in Waikato District Over Last 2 Years

Land Use Category	Number of Properties	Total Land Area (ha)	Total Land Value ($m)	Total Capital Value ($m)	Land Value per m²
Dairying	70	4,680	178.8	$210.6	$3.8
Stock Finishing	50	7,319	90.7	$105.8	$1.2
Store Livestock	14	3,966	24.6	$29.9	$0.6
Market Gardens and Orchards	14	205	15.8	$20.2	$7.7
Specialist Livestock	4	78	4.0	$8.7	$5.0
Forestry	2	541	1.3	$1.5	$0.2
Multi use within Rural Industry	2	196	4.8	$7.0	$2.4
Mineral Extraction	2	51	2.9	$3.1	$5.6
Vacant Lifestyle	1	27	1.2	$1.2	$4.3
Single Unit	1	49	0.9	$0.9	$1.8
Total	**160**	**17,112**	**324.9**	**$389.0**	**$1.9**

The table above confirms that rural land use in the district is dominated by meat and dairy production. Only fourteen properties have been identified in the Market Gardens and Orchards category, for a total of 205 hectares. This represents just over one percent of the total land area in the dataset, and indicates that food production is not an important economic activity to the district.

6.5. Likely Value of Future Maize production

The analyses above suggest that food production is not a widespread activity in the Waikato district, including rural-zoned land directly around the subject site. However, those observations notwithstanding, we took the opportunity to consider the potential value of the subject land for rural productive uses. Specifically, we estimated the likely value of future maize production on the site, which is its most recent (and expected future) rural productive use.

The following key assumptions were used in our assessment, many of which were derived directly from rural productive information found online.

- Available productive land of 15 hectares[2]
- Annual production per hectare of 12.5 tonnes of dry maize[3]
- Production cost per hectare of NZ$3,300[4]
- Dry maize price per tonne of NZ$230[5]

[2] 20ha of land in total, minus 2.5ha of wetland and another 2.5ha that are too steep for productive use
[3] See page 36 of https://www.pioneer.co.nz/content/file.php?file=OTk=
[4] See page 36 of https://www.pioneer.co.nz/content/file.php?file=OTk=
[5] Based on current maize price as per https://www.indexmundi.com/commodities/?commodity=corn&months=240&currency=nzd

Using these assumptions, we estimated that about 188 tonnes of maize would be produced per annum on the subject land, at a cost of around $49.5k. At current prices, this harvest would fetch just over $43k on the market, leading to an estimated loss of over $6,000. This is illustrated in Table 7 below.

Table 7: Estimated Annual Profit from Maize Production

Element	Value (NZD)
Maize sales revenue	43,125
Maize production costs	49,500
Profit (loss) from maize production	**(6,375)**

This simple analysis indicates that, under current market conditions, maize production represents a fairly poor use of the subject land, and may not even produce enough revenue to cover costs.

There are two primary forces at work here. The first is the relatively high value of the New Zealand dollar, which reduces farm-gate revenues for kiwi famers (which are typically denominated in US$ terms). The second is the currently low level of global maize prices, as illustrated in Figure 12 below. These currently sit at around $230, but have been as high as $400 over the last 10 years.

Figure 12: Maize Monthly Price (NZD)[6]

6.5.1. Summary & Conclusion

The subject land is currently in pasture, and not used for productive rural use. While maize may be grown in the future, its production is expected to be unprofitable in the short term due to

[6] Data source: https://www.indexmundi.com/commodities/?commodity=corn&months=240&currency=nzd

unfavourable market conditions. Over the longer term, maize production viability may improve, but it will still remain a marginal use of this valuable land. In addition, as shown above, food production is not a significant economic activity in the district, so the loss of this land for that potential purpose will not incur any broader detriment on the community and its wellbeing.

Finally we note that, while dairying is a relatively common rural economic activity on land near the subject site, we consider it an unlikely future use of the subject site itself. First, the subject site is relatively small for a dairy farm. For example, the average size of dairy farms in the local area is more than three times larger than the subject site. Second, and perhaps most importantly, the presence of an established rural residential area on the site's eastern boundary means that dairying is likely to cause reverse sensitivity effects, as was the case with earlier uses of the land under a prior lease. Accordingly, we do not consider dairying a likely productive use of the land absent the proposal.

7. Highest and Best Use of the Land

7.1. Overview

In an earlier section, we noted that the proposal would likely enable the land to be put to its highest and best use. In this section, we explore that hypothesis further by comparing the land's current value to its potential future value under the proposed rezoning. If the likely value under the proposed rezoning is significantly higher than its current value, the proposal is likely to enable the highest and best use (and vice versa).

7.2. Methodology

To assess the likely change in land value under the proposed rezoning, we drew on two sets of Property Guru data. The first set includes Rural-zoned properties in the vicinity of the subject land, as described in Section 6. The second consists of the Country Living-zoned land immediately east of the subject site. Using these two datasets, we calculated the average value of land per square metre and compared them to identify the differences associated with the two zones.

7.3. Results & Discussion

Table 8 below summarises the results of our analysis.

Table 8: Value of Land in Surrounding Area by Zone

Property Attributes	**Rural Zone**	**Country Living Zone**
Number of Properties	110	94
Total Land Area (ha)	1,648	57
Total Land Value ($m)	$122m	$32m
Land Value per m²	**$7**	**$56**

As the data above shows, the average value of Rural land in our sample is $7 per square metre, while the Country Living-zoned land is valued at around $56 per square metre. That is, land in the existing Country Living zone is approximately eight times more valuable than its Rural counterpart. Applying this uplift to the current value of the subject land allows us to estimate the increase in land value under the proposed use. Table 9 below shows the results.

Table 9: Estimated Change in Land Value Under Proposed Use

Element	**Amount ($m)**
Current land value	2.2
Estimated land value under proposed use	17.5
Estimated Increase in land value under proposed use	**15.3**

To summarise, the proposed rezoning is estimated to lift the value of the subject land by more than $15 million. This strongly indicates that the proposal represents a much higher and better use of the land than the status quo, and hence that it will help foster economic efficiency in the district's land market.

8. Economic Impacts of Construction

8.1. Overview

The construction of up to 25 new dwellings on the subject land will create economic stimulus, and provide incomes and employment for a local workforce. To illustrate the possible magnitude of these impacts, we used our regional input output tables for the Waikato region to estimate the potential impacts of future construction enabled by the proposal on regional GDP, incomes, and employment.

8.2. Assumptions

Our analysis assumes that:

- 25 dwellings are constructed
- Dwelling size is 225m^{2,} which is the average for the adjacent country living zone.
- Construction costs are \$2,450/m^{2,} which is the current average for the local area.

8.3. Estimated One-Off Economic Impacts

Combining the assumptions above, we calculated that the proposal would enable the construction of approximately 5,620m^2 of residential GFA, with an estimated construction cost of approximately \$13.8 million. Overlaying our regional economic multipliers, which capture the direct and flow-on effects of changes in economic activity, we deduced that this construction activity could:

- Boost regional GDP by over \$11 million;
- Provide full-time employment for 26 people for 5 years; and
- Generate household incomes of \$5.7 million.

While we accept that a proportion of this activity may represent diversions from elsewhere in the economy, the proposal is still likely to generate significant and enduring economic stimulus for the Waikato region.

9. Summary and Conclusion

This report has assessed the likely economic impacts of BPL's proposal to rezone its land at Tauwhare from rural to country living to enable the eventual development of up to 25 rural residential dwellings over time.

To set the scene, our assessment first showed that the district's housing market is exhibiting signs of land shortages, and that these have likely contributed to significant ongoing growth in district house prices.

In addition, this assessment has shown that the loss of rural productive activity due to the proposal is unlikely to have much effect, as these uses are rare on local rural land, and the viability of the most likely use (maize cropping) is marginal at best.

To determine whether the proposal will enable the land to be put to its highest and best use, we compared its current value to its likely future value if rezoning is allowed. Our analysis showed that adjacent land with a Country living zone is worth eight time mores than rural land around the subject site, and hence that the proposal will indeed enable the highest and best use of the land to emerge over time. In doing so, the proposal will allow economic efficiency to be achieved in the district's land market.

Finally, this report has estimated the potential one-off economic impacts of future construction activity enabled by the proposal and shown that they could:

- Boost regional GDP by over $11 million;
- Provide full-time employment for 26 people for 5 years; and
- Generate household incomes of $5.7 million.

Given the positive economic effects of the proposal, and noting the absence of any notable economic detriment via foregone rural productive uses, we strongly support the proposal on economic grounds.