

**SUMMARY STATEMENT OF TIM HEATH ON BEHALF OF WELHOM
DEVELOPMENTS LIMITED**

ECONOMICS EVIDENCE

1. SUMMARY OF KEY CONCLUSIONS

- 1.1 My economic assessment relates to the proposed Private Plan Change ("**Plan Change**") to rezone approximately 14.7ha of land in the northern fringe of the Masterton township ("**Site**").
- 1.2 The key retirement village demographic is a rapidly growing proportion of the Masterton district's population and this trend is projected to continue over the next 30 years. The economic market for residential dwellings extends further than Masterton and captures Carterton due to the close proximity of the Site to the border of the districts. Both of these districts have a significantly higher proportion of residents aged 50 years and above compared to the general Greater Wellington Region.
- 1.3 There is a significant shortfall in the supply of existing retirement village units in the Masterton and Carterton catchment to accommodate the current and projected 75-year+ population over the next 30 years. Therefore, providing additional retirement units at the Site would be essentially required to satiate part of this expected demand and improve the wellbeing of the local community.
- 1.4 My assessment supports that the loss of 14.7ha of Land Use Capability ("**LUC**") Class 3 productive soil due to the Plan Change has no material propensity from an economic perspective to undermine the primary production capacity of the Masterton District as a whole, given the extensive distribution of highly productive soil around the Masterton township and the physical limitations of the Site for future primary production.
- 1.5 There are limited development opportunities within the existing residential zone and the rural blocks on the urban-rural boundary that is either available or more economically appropriate to accommodate the proposed comprehensive care retirement village. The Site is considered an efficient location for the proposed retirement village development in terms of land area, physical characteristics of the Site, locational attributes, and mitigating the economic costs associated with a loss of more productive land of a higher LUC classification within the district.

- 1.6 The loss of productive land due to the Plan Change would not undermine the current and future primary production level of the district given that the Site accounts for a negligible proportion (0.02%) of the catchment's (Masterton and Carterton's) highly productive soil, and only 0.4% of the localised Masterton District's highly productive soil.
- 1.7 The Plan Change and the subsequent proposed retirement village and residential lots would provide significant economic benefits to the community including increased housing supply, more competitive residential environment, increased market certainty, increased housing choice, decreased marginal infrastructure costs, and local employment growth and economic activity.
- 1.8 The Site is an economically efficient location to provide for additional retirement units within the district compared to alternative locations within the residential zones and the rural blocks on the Masterton urban – rural boundary and would generate significantly more economic benefits than economic costs to the local community.
- 1.9 The location and assessed economic benefits of the Site means the rezoning as a whole (retirement village and residential lots) would deliver an efficient and well-functioning urban environment from an economic perspective.
- 1.10 Overall, the economic benefits of the Plan Change would significantly outweigh the economic costs of a minor productive land loss under the context of the National Policy Statement on Highly Productive Land ("**NPS-HPL**"). Based on my analysis, I consider that rezoning the Site is required and efficient to provide the land needed for the proposed development in the context of NPS-HPL urban rezoning requirements. My economic assessment supports the Plan Change to rezone the land from Rural (Primary Production) to Residential from an economic perspective under the Resource Management Act 1991, National Policy Statement on Urban Development and NPS-HPL context.

Tim Heath

8 March 2023