

**BEFORE THE INDEPENDENT PANEL  
OF KĀPITI COAST DISTRICT COUNCIL**

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

**AND**

**IN THE MATTER** of Private Plan Change 4 ("**PC4**") to the Kāpiti Coast  
District Plan ("**Plan**") - 65 and 73 Ratanui Road,  
Otaihanga

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**STATEMENT OF EVIDENCE OF TIMOTHY JAMES HEATH ON BEHALF OF  
WELHOM DEVELOPMENTS LIMITED**

**(ECONOMICS)**

**16 JANUARY 2026**

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## 1. INTRODUCTION

- 1.1 My full name is Timothy James Heath, I am a property consultant, market analyst and urban demographer for Property Economics Limited, based in Auckland. I established the consultancy in 2003 to provide property development and land use planning research services to both the private and public sectors throughout New Zealand.

### **Qualifications and experience**

- 1.2 I hold a Bachelor of Arts (Geography) and a Bachelor of Planning both from the University of Auckland. I have undertaken property research work for 30 years, and regularly appear before Council, Environment Court, and Board of Inquiry hearings on economic and property development matters.
- 1.3 I advise district and regional councils throughout New Zealand in relation to industrial, residential, retail and business land use issues as well undertaking economic research for strategic planning, plan changes, district plan development and National Policy Statement on Urban Development 2020 ("**NPS-UD**"), National Policy Statement on Highly Productive Land 2022 ("**NPS-HPL**"), and Medium Density Residential Standards 2022 ("**MDRS**") capacity implementation.
- 1.4 I also provide consultancy services to a number of private sector clients in respect of a wide range of property issues, including residential capacity assessments, retail, industrial, and commercial market assessments, development feasibilities, forecasting market growth and land requirements across all property sectors, and economic cost benefit analysis.
- 1.5 My experience is particularly relevant to this plan change. I have a deep understanding of the economic drivers and opportunities for Kāpiti Coast, and more specifically Paraparaumu markets, having undertaken a variety of economic assessments for private sector plan changes and strategic planning work for Kāpiti Coast District Council ("**KCDC**") in relation to residential capacity / sufficiency, and retail centre modelling over recent years. Many of these assessments focused on the residential market, land supply analyses, dwelling capacity and forecasting residential demand. My expertise in understanding the economic drivers of urban growth and the importance of land availability for residential sectors allows me to contribute effectively to ensuring the plan change supports a well-functioning and sustainable urban environment.

### **Involvement in plan change request**

- 1.6 I was commissioned by Welhom Developments Limited ("**Welhom**") in November 2024 to undertake an economic assessment for the proposed development to rezone circa 12.65ha of land located at 65 and 73 Ratanui Road ("**Site**") from Rural Lifestyle to General Residential, with the provision for the potential development of a retirement village, under the Operative Kāpiti Coast District Plan 2021.

### **Code of conduct**

- 1.7 I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and I agree to comply with it. My qualifications as an expert are set out above. I confirm that the issues addressed in this brief of evidence are within my area of expertise, except where I state that I have relied on the evidence of other persons. I have not omitted to consider material facts known to me that might alter or detract from the opinions I have expressed.

## **2. SUMMARY OF EVIDENCE**

- 2.1 Utilising the Sense Partners' population projections for the Kāpiti Coast District,<sup>1</sup> I estimate under the 50th and 75th Percentile scenario an increase of +10,250 people and 12,160 people aged 65+ years within the district over the next 30 years, respectively.
- 2.2 For a retirement village scenario on the Site, using an existing retirement village penetration rate of around 23% for those aged 75 and over, along with an assumed rate of 2-3% for those aged 65-74, it is estimated that the Kāpiti Coast District will require around 2,750 retirement units over the next 30 years, under the 50th Percentile scenario. This demand figure increases to around 2,920 units if the 75th Percentile scenario is considered.
- 2.3 At present, the district has about 1,380 retirement units, with potential growth to 1,490 units in the short term and 1,730 units in the medium to long term as

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<sup>1</sup> Sense Partners have recently updated their population projections for the Wellington Region, including the Kāpiti Coast District, indicating a moderation in expected growth. I am aware of these revisions and consider the updated trajectory to be consistent with broader national forecasting trends, including those published by Stats NZ. I consider this updated projection does not alter the conclusions reached in my earlier Economic Assessments or the opinions expressed in this evidence.

the Arvida Waikanae Beach and Summerset Waikanae villages complete development.

- 2.4 Consequently, there is an estimated latent demand of just under 200 retirement units and a projected significant long-term shortfall of around 1,000 and 1,200 units under the respective percentile scenarios.
- 2.5 Given this, I consider that a potential retirement village development on the Site is appropriate and efficient to accommodate the needs of the increasing senior population within the district and potential demand from the rest of the region over the next 30 years.
- 2.6 These estimated shortfalls do not consider potential increase in demand inflows from other districts in the Greater Wellington Region if Kāpiti becomes more competitive and attractive for retirement living on a comparative basis.
- 2.7 An overview of the Regional Housing & Business Development Capacity Assessment 2023 ("**HBA**")<sup>2</sup> indicates that the Kāpiti Coast District has sufficient residential capacity to meet anticipated growth in the short, medium, and long term, considering the implementation of the Medium Density Residential Standards ("**MDRS**") and the National Policy Statement on Urban Development 2020 ("**NPS-UD**"). While this assessment outcome appears positive for the existing zoning framework and future growth of the district, the overall sufficiency in the broader residential market does not guarantee that the specific needs of certain community groups, particularly seniors with unique housing requirements, will be met.
- 2.8 In this context, the proposed development to specifically accommodate the senior housing demand of the district (and potentially from the wider region) is efficient and would not significantly undermine the demand for other existing and anticipated residential areas. In fact, the proposed development will potentially be a greater impetus for aged population to move to the retirement village, freeing up their existing property and adding further dwellings supply. This has the potential to temper price pressure in the local and surrounding markets, benefiting the community.
- 2.9 Moreover, an overview of large alternative sites (those with a land area exceeding 8ha) within existing residential areas in the district suggests very limited practical and efficient opportunities for accommodating senior living options with a full continuum of care facilities. Most vacant residential parcels

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<sup>2</sup>

HBA 2023, Chapter 5, Kāpiti Coast District Council HBA, Pages 195-229.

are either too small to support a comprehensive care facility or face geotechnical constraints. While a few locations might theoretically accommodate the development, issues like multiple ownership, market availability and development practicalities severely limit their ability to be realised in the foreseeable future.

- 2.10 In contrast, the PC4 Site has been identified as a "medium-priority greenfield growth area" in the Kāpiti Coast Growth Strategy – Te Tupu Pai, indicating that the land is anticipated and suitable to be urbanised, and the retirement development is consistent with sought residential purposes. This suggests that enabling the residential rezoning and proposed development is in line with the planned residential environment of the district and will not compromise the integrity of the Plan.
- 2.11 Furthermore, the Site's proximity to Paraparaumu Metropolitan Centre further ensures convenient access to essential services and amenities for future residents within the proposed development. With single ownership, the Site presents a more realistic and efficient opportunity to develop a comprehensive care retirement village that could seamlessly integrate with the surrounding urbanised environment.
- 2.12 Based on the development cost information supplied by Welhom, I estimate that the proposed retirement village at the PC4 site will generate approximately \$132m in total business activity across the Wellington Region over the full development period, using the Treasury's discount rate of 8% for commercial development. This figure increases to \$169m when applying the Treasury's mandatory 2% discount rate for sensitivity.
- 2.13 Overall, after evaluating the associated economic costs and benefits of PC4, I consider that the proposed development would generate significant net economic benefits for the local market and community. As such, I consider that PC4 to rezone the land from Rural Lifestyle Zone ("**RLZ**") to General Residential Zone ("**GRZ**") to enable residential with specific provision for a retirement village development is, from an economic perspective, appropriate, in the context of the RMA, Plan, NPS-UD and Regional Policy Statement ("**RPS**").

### **3. SCOPE OF EVIDENCE**

- 3.1 I have been engaged by Welhom to present economic evidence in relation to PC4. My evidence will:

- (a) summarise the findings of my demand assessment;
- (b) outline the results of my economic impact analysis;
- (c) respond to matters raised in Council officer's report and the matters raised in the economic peer review;
- (d) respond to matters raised in the relevant submissions; and
- (e) provide a brief conclusion.

#### **4. DEMAND ASSESSMENT**

4.1 The senior demographic is a rapidly expanding segment of the district's population, currently (in 2024) accounting for approximately 27% of the total population, which equates to about 15,610 individuals. This figure is significantly higher than in most neighbouring territorial authorities, both in absolute numbers and as a percentage of the total population, highlighting that the senior population constitutes a notably larger segment of the residential base in the Kāpiti Coast market compared to most of the surrounding districts.

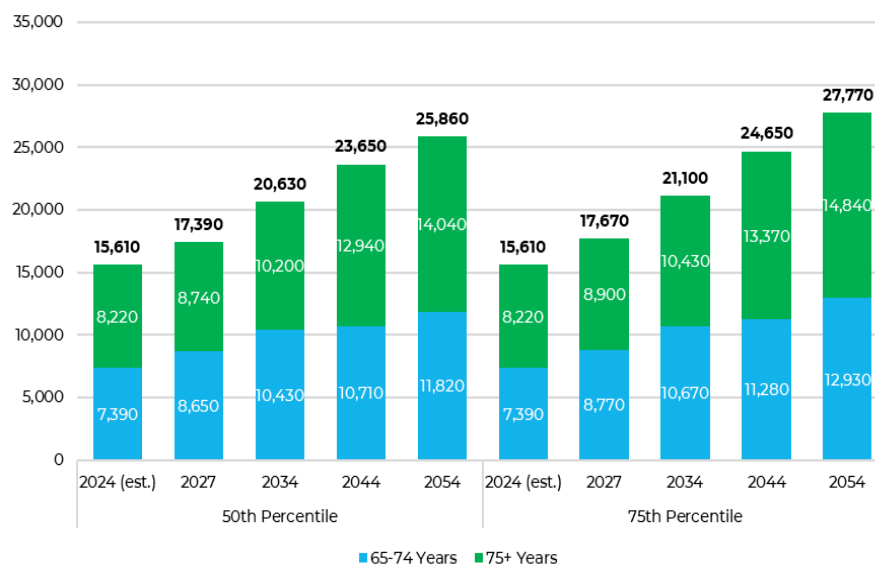
- Wellington City: 12% or 25,200 people.
- Porirua City: 14% or 8,500 people.
- Lower Hutt City: 15% or 17,000 people.
- Upper Hutt City: 16% or 7,600 people.
- Masterton District: 23% or 6,800 people.
- South Wairarapa District: 24% or 2,950 people.
- Carterton District: 25% or 2,600 people.

4.2 Figure 1 below illustrates the recent, current, and projected population of individuals aged 65 years and older in the district for the period from 2024 to 2054 based on both the 50th and 75th Percentile scenarios. This more focused age profile breakdown is particularly relevant given the provisions to enable the development of a retirement village on the Site.

4.3 Under the 50th Percentile scenario, it is projected that this demographic will grow to approximately 30% of the district's population base by 2054, accumulating to just under 25,900 individuals. In the more optimistic 75th Percentile scenario, the population of those aged 65 years and over in the

district is expected to reach about 27,770 by 2054, representing roughly one-third of the district's total population base.

**FIGURE 1: KĀPITI COAST 65+ YEAR AGE GROUP POPULATION GROWTH FORECAST**



Source: Sense Partners, Stats NZ. Note that the 2024 figures are derived from the latest estimates by Stats NZ, while the other figures are based on projections from Sense Partners.

- 4.4 In nominal terms, these projections suggest a net increase of between 10,250 to 12,160 individuals aged 65 years and older in the district. This growth will be fuelled by both proportional increases in age groups and overall population growth in the market. If realised, such a demographic shift will generate substantial demand for additional retirement village units and senior care services within the district throughout the forecast period to 2054.
- 4.5 For context, the general population in the district is projected to increase by approximately 40% under the 50th Percentile scenario and by 60% under the 75th Percentile scenario by 2054. In contrast, the growth rate for the 65+ year age cohort is anticipated to be significantly higher, estimated at around 66% and 78%, respectively.
- 4.6 Given these projections, it can be expected that comprehensive care retirement village / senior living options will become increasingly important for the district's residential market and community formation over the forecast period in order to meet forecast population growth.
- 4.7 To quantify the future retirement units demand and sufficiency status of the district, Table 1 outlines the projected population growth for these age

categories, the resulting estimated demand for retirement village units and net position (ie sufficiency) of the district over the short, medium, and long terms. For completeness, the estimated retirement units demand under both 50th and 75th Percentile scenarios are presented.

**TABLE 1: DISTRICT RETIREMENT UNITS DEMAND AND SUFFICIENCY FORECASTS**

50th Percentile / Median Scenario	Base Year 2024	Short-term By 2027	Medium-term By 2034	Long-term By 2054
75 and Over Age Group Total Population	8,220	8,740	10,200	14,040
75 and Over Age Group Retirement Village Residents	1,890	2,010	2,350	3,230
65 - 74 Age Group Total Population	7,390	8,650	10,430	11,820
65 - 74 Age Group Retirement Village Residents	150	170	260	350
<b>65 and Over Age Group Total Population</b>	<b>15,610</b>	<b>17,390</b>	<b>20,630</b>	<b>25,860</b>
<b>65 and Over Group Retirement Village Residents</b>	<b>2,040</b>	<b>2,180</b>	<b>2,610</b>	<b>3,580</b>
<b>Retirement Village Units Demanded in the Market</b>	<b>1,570</b>	<b>1,680</b>	<b>2,010</b>	<b>2,750</b>
<b>Existing and Expected Retirement Units Supply</b>	<b>1,380</b>	<b>1,490</b>	<b>1,730</b>	<b>1,730</b>
<b>Estimated Sufficiency (Units)</b>	<b>-190</b>	<b>-190</b>	<b>-280</b>	<b>-1,020</b>

75th Percentile / High Scenario	Base Year 2024	Short-term By 2027	Medium-term By 2034	Long-term By 2054
75 and Over Age Group Total Population	8,220	8,900	10,430	14,840
75 and Over Age Group Retirement Village Residents	1,890	2,050	2,400	3,410
65 - 74 Age Group Total Population	7,390	8,770	10,670	12,930
65 - 74 Age Group Retirement Village Residents	150	180	270	390
<b>65 and Over Age Group Total Population</b>	<b>15,610</b>	<b>17,670</b>	<b>21,100</b>	<b>27,770</b>
<b>65 and Over Group Retirement Village Residents</b>	<b>2,040</b>	<b>2,230</b>	<b>2,670</b>	<b>3,800</b>
<b>Retirement Village Units Demanded in the Market</b>	<b>1,570</b>	<b>1,720</b>	<b>2,050</b>	<b>2,920</b>
<b>Existing and Expected Retirement Units Supply</b>	<b>1,380</b>	<b>1,490</b>	<b>1,730</b>	<b>1,730</b>
<b>Estimated Sufficiency (Units)</b>	<b>-190</b>	<b>-230</b>	<b>-320</b>	<b>-1,190</b>

Source: Sense Partners, Retirement Village Association, JLL, Property Economics

- 4.8 Based on my forecast, the district will have a total of 25,860 – 27,770 people aged 65+ years by 2054 under the growth scenarios. Applying the respective penetration ratios for different senior age groups, the total potential retirement village residents would be around 3,580 people under the 50th Percentile scenario and around 3,800 people under the 75th Percentile scenario by 2054.
- 4.9 Utilising JLL's estimated ratio of 1.3 residents per retirement unit, the Kāpiti Coast District, with an estimated 2,040 retirement village residents in 2024, would currently require an existing stock of circa 1,570 retirement units. This demand is projected to rise significantly, reaching between 1,680 and 1,720 units by 2027, 2,010 to 2,050 units by 2034, and 2,750 to 2,920 units by 2054.
- 4.10 With a current supply of 1,380 units, there is a latent demand for approximately 190 additional retirement units within the district. Despite an anticipated short-term increase to about 1,490 units, driven by ongoing developments like

Summerset Waikanae and Arvida Waikanae Beach, this shortfall is expected to grow to around 230 units by 2027 under the 75th Percentile scenario. In the long term, the projected deficit may reach 1,000 to 1,200 units, highlighting the need for significant additional senior housing options within the district.

- 4.11 Using an average village size of about 150 units (based on the retirement village audit in Table 3), this projected shortfall of 1,000 to 1,200 units would require the development of approximately 6 to 8 additional retirement villages within the district by 2054.
  
- 4.12 Given the estimated current latent demand and projected future demand for additional retirement units within the district, the proposed retirement village is economically beneficial, not only in retaining retired residents who may otherwise choose to move outside the district, but also by offering greater housing choice to better meet the needs and wants of the district's retired population.
  
- 4.13 As such, enabling the rezoning of the site to GRZ with provision for residential uses, including a potential retirement village development, would give effect to Policy 55 of the RPS Proposed Change 1 and Variation 1, which requires *"managing greenfield development to contribute to well-functioning urban areas and rural areas"*, provided that *"(d) it would add significantly to development capacity in accordance with Policy UD.3"*.<sup>3</sup>
  
- 4.14 From an economic perspective, inadequate matching of projected demand in the market to supply would likely put further pressure on an already tight housing market or equally see 65+ year residents living in typologies not aligned to their dwelling preference, ie forced to remain living in homes they no longer want to live in, as there would be limited alternatives available.
  
- 4.15 Any potential negative impact on existing and planned retirement village developments in the district due to increased competition can be expected to be temporary and insignificant. This can be sufficiently offset by the anticipated significant market growth and the growing acceptance of retirement village living in the wider Wellington Region.

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<sup>3</sup>

RPS Policy UD.3 (Plan changes that provide for significant development capacity – consideration) outlines the criteria that need to be met for a development to be considered to provide 'significant development capacity' as required by clause 3.8(3) of the NPS-UD.

## 5. ECONOMIC IMPACT ASSESSMENT

5.1 The total economic impact on business activity within the Greater Wellington Region as a result of the proposed retirement village development (ie 250 residences (independent living units), 40 full-time care units, and 40 assisted living suites) is summarised in the following table.<sup>4</sup>

**TABLE 2: SUMMARY OF KEY ECONOMIC BENEFITS**

<b>Estimated Quantitative Economic Impacts on Wellington Regional Economy:</b>	
Total direct expenditure over 7-year development period	<b>\$174m</b>
Total NPV <sup>5</sup> at 8% over a 7-year development period <sup>6</sup>	<b>\$132m</b>
Total NPV at 2% <sup>7</sup> over a 7-year development period	<b>\$169m</b>
FTEs <sup>8</sup> during the peak development and operation year	<b>319 FTEs</b>
Total FTE years over the 7-year development period	<b>1,267 FTE years</b>
Total direct employment over the development period	<b>481 FTE years</b>
Total indirect and induced employment over development period	<b>786 FTE years</b>

5.2 In addition to these quantifiable regional contributions, the proposed development enabled by PC4 is likely to generate a wide range of (non-monetised) qualitative economic benefits for the broader regional market and communities, extending well beyond the Kāpiti Coast local market, including:

- (a) Increased senior housing supply and residential land capacity;
- (b) Improved residential care facility supply;
- (c) Increased and diversified choice of housing location and price point;
- (d) Increased economic activity and employment;
- (e) Impetus for greater levels of local and regional growth; and
- (f) Increased amenity.

<sup>4</sup> See the attached Economic Impact Assessment, "Summerset Otaihanga Project Fast-Track Economic Impact Assessment" (Property Economics, October 2025).

<sup>5</sup> Net Present Value.

<sup>6</sup> The development period in this EIA represents the years economic activity is generated by the project's development, not just the construction period. This includes pre-construction activities such as planning, design work, procurement, contracting and consulting.

<sup>7</sup> Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development.

<sup>8</sup> NB these are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.

- 5.3 Overall, in light of these economic benefits, in conjunction with the development's quantified economic injection into the regional economy and employment opportunities, I consider that advancing PC4 would represent a significant contribution to the Wellington regional economy and senior community, and by default the local Kāpiti market and community.

## 6. RESPONSE TO OFFICER'S S42A REPORT

- 6.1 The economic peer review conducted by Dr Kirdan Lees<sup>9</sup>, for KCDC, referred to in the Section 42A Hearing Report ("**s42A Report**"), has reached the following conclusions on PC4:

- i. Rezoning enables provision of a retirement village that meets growing demand is reasonable [15];
- ii. These benefits are substantial at a local level since land supply remains tight within the Kāpiti Coast District [16];
- iii. It does contribute to increasing housing affordability since it provides a general increase in housing supply [18];
- iv. The provisions proposed by PPC4, coupled with existing provisions in the District plan and any relevant National Environmental Standards, are sufficient to address issues of concern at subdivision or development [23].

- 6.2 I agree with the above conclusions and consider that they appropriately reflect both the economic efficiency and rationale supporting the proposed development.

- 6.3 In addition to the above conclusions, I note that Dr Lees raises a concern regarding the broader economic significance and impact of PC4. First, his evidence at paragraphs [17] and [41] states that it is unclear whether the development delivers benefits at a regional or national level, given its scale. In response, Section 5 of my evidence provides quantified estimates of the total NPV economic activity and FTE years generated within the Wellington Region of the proposed retirement village over the development timeframe. This is a significant regional economic benefit. Also identified, and additional to these quantified benefits, are a range of non-monetised qualified benefits to provide a more complete picture of economic benefits likely to be generated. These economic benefits are relevant to understanding the magnitude of regional and national economic benefits. When considered as a whole, in my opinion they reach the threshold for regional significance.

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<sup>9</sup>

Statement of evidence of Dr Kirdan Lees on behalf of Kāpiti Coast District Council (Economics), dated 14 November 2025.

- 6.4 Second, Dr Lees' evidence at [28], [36] and [38] identifies potential risks associated with out-of-sequence development and related infrastructure costs, specifically whether these risks outweigh the local benefits. The s42A report also notes this economic matter at [160]. In my view, it is unlikely that bringing rezoning of the Site forward would generate adverse effects that exceed the identified benefits. Given the growing housing affordability challenges and the structural increase in demand for retirement living arising from demographic ageing, there is a strong economic basis for enabling the proposed development sooner rather than later, particularly given the specific demographic it is intended to accommodate.
- 6.5 Further, the Council is required under the NPS-UD Policy 2 to provide sufficient development capacity to meet expected housing demand over the short, medium, and long term. My demand forecast indicates an unmet need for retirement units across over the short, medium and long term within the district. Enabling additional senior housing capacity is therefore necessary to meet future demand. From an economic perspective, the proposed development is efficiently located to provide a meaningful contribution toward accommodating these shortfalls.
- 6.6 Regarding infrastructure costs, my understanding is that the proposed development does not give rise to additional infrastructure requirements. This is recognised in Paragraph 330 of the s42A Report, which states that *"the site is located on an existing transport corridor with multi-modal transport options and does not necessitate the provision of new or upgrades to existing infrastructure."* Given that additional senior housing will be required within the district, the relevant economic question is whether equivalent capacity delivered later and in an alternative location would result in higher servicing costs. As outlined in my Economic Assessment, this is highly likely, given the relative locational efficiency and strategic attributes of the Site.
- 6.7 Third, Dr Lees' evidence at [37] mentions the latest population projections indicating lower regional growth and an updated forecast of 16,400-22,900 additional people in the Kāpiti Coast District over 2024-2054. I have applied these updated projections into my retirement village demand analysis. As indicated in Table 3, even under these updated growth scenarios, the results indicate an estimated shortfall of approximately 160-180 units in the short-medium term and 680-740 units in the long term. These updated projections therefore reinforce, rather than undermine, my conclusion that the district lacks sufficient retirement village capacity to meet anticipated demand from the 65+ year population.

**TABLE 3: RETIREMENT VILLAGE UNITS SUFFICIENCY APPLYING UPDATED SCENARIO**

50th Percentile Scenario	Short Term	Medium Term	Long Term
Retirement Village Units Demanded in the Market	1,648	1,882	2,407
Existing and Expected Retirement Units Supply	1,490	1,730	1,730
Estimated Retirement Village Units Sufficiency	<b>-158</b>	<b>-152</b>	<b>-677</b>

75th Percentile Scenario	Short Term	Medium Term	Long Term
Retirement Village Units Demanded in the Market	1,670	1,891	2,473
Existing and Expected Retirement Units Supply	1,490	1,730	1,730
Estimated Retirement Village Units Sufficiency	<b>-180</b>	<b>-161</b>	<b>-743</b>

Source: Sense Partners, JLL, Property Economics

- 6.9 Lastly, Dr Lees' evidence at [53] considers the risk of overstating or double-counting potential benefits, such as broader economic growth stimulated by the development and higher than expected demand for retirement living. I acknowledge that future market conditions introduce some uncertainty. However, from an economic perspective, while other (indirect) economic benefits are inherently more difficult to quantify, the likelihood of their realisation is supported by demographic trends, increasing acceptance of retirement village living, and the enabling effect of new development in creating demand for ancillary services.
- 6.10 Overall, I concur with the s42A Report's conclusion that "PPC4 would provide significant development capacity and contribute to improving housing affordability", and "there is demonstrated demand for additional land for housing for the elderly."

## **7. RESPONSE TO SUBMISSION**

### **Submission 14 by Hayden Mihaila-Milburn**

- 7.1 The submission by Mr Hayden Milburn raises three matters that fall within the scope of my economic expertise. My responses to each of these concerns, from an economic standpoint, are outlined below.

#### *Requirement of Additional Residential Capacity*

- 7.2 The submitter considers that "while this [PC4] site on Ratanui road may be required, along with the other land identified as medium priority, for more

intensive development sometime in the future it is not currently required and therefore does not necessitate a private plan change of a localised site within a Rural Lifestyle zone".

- 7.3 As outlined in my Economic Assessment, the sufficiency of zoned residential capacity in quantitative terms does not, on its own, meet the full intent of national policy. Even if the current Plan theoretically or feasibly enables sufficient capacity within existing urban areas, it remains important to recognise the diverse nature of housing demand across the community, particularly the specific needs of an ageing population. This is consistent with Policy 1 of the NPS-UD, which requires councils to enable a variety of housing types, tenures, and locations to meet the needs of different households, not just in aggregate supply but in terms of market alignment and housing choice.
- 7.4 From an economic perspective, while the quantum of existing residential capacity, including both infill and greenfield potential, is a relevant consideration when assessing the necessity of a new development, the concept of economic 'efficiency' goes beyond supply alone. Under the NPS-UD and MDRS, there may be increased infill potential, but realising that potential in a way that aligns with market preferences, particularly for senior living, requires a more nuanced consideration of location, suitability, and feasibility.
- 7.5 Given that PC4 seeks to rezone the Site for residential uses and to specifically deliver a senior living-focused residential outcome, the efficiency of the proposed development must be considered in terms of its ability to respond to demographic-specific housing demand, its locational advantages, and the ability of the Site to accommodate that demand effectively. In this context, enabling development on the PC4 site may better achieve the intended outcomes of the NPS-UD by providing a targeted housing typology in a location well-suited to its intended population segment, thus improving overall economic and social outcomes.

#### *Growth Scenarios*

- 7.6 The submitter argues that "25% percentile value would be more appropriate than the 75% percentile values" given that "the latest reports have shown overestimations in recent years and a continued drop in estimation values".
- 7.7 I acknowledge that the May 2023 update to the Sense Partners growth scenarios reflects a moderation in growth over the next 30 years, including adjustments to account for lower net migration immediately following the COVID-19 pandemic.

- 7.8 I also note that KCDC maintains the expectation that the district will continue to experience population and household growth within the medium to high range over the long term,<sup>10</sup> which supports the use of the 50th (medium) and 75th (high) percentile scenarios for future demand forecasting.
- 7.9 From an economic perspective, I consider that short-term fluctuations, such as those caused by temporary migration lags (eg due to COVID-19), should not disproportionately influence the district's long-term land use and infrastructure planning. In fact, recent data from Stats NZ indicates that net migration has already rebounded significantly above earlier post-pandemic estimates, contributing positively to population growth across New Zealand, including Kāpiti.
- 7.10 Therefore, the use of the 50th and 75th percentile growth scenarios remain an appropriate and prudent basis for long-term planning. This approach aligns with the methodology adopted in KCDC's strategic documents, for example, the HBA relies on 50th percentile projections to assess future housing and business land needs. In this context, the growth scenarios used in our Economic Assessment are consistent with the planning frameworks applied across the district and wider region.

#### *Retirement Village Units Demand*

- 7.11 The submitter considers that "projections based on population growth should use only the 23% infiltration rate based on the 75+ population figures and not include the unsubstantiated 2-3% for 65-74 population".
- 7.12 However, it is important to clarify the context of this 23.1% figure cited in the Retirement Villages Association ("**RVA**") submission on Plan Change 2 to the Plan, which noted that "in Kāpiti, retirement villages play an even more significant role than elsewhere in New Zealand, with 23.1% of the 75+ population living in a retirement village" (Paragraph 44). This clearly refers only to the 75+ age group and does not account for residents aged 65-74.
- 7.13 In practice, most retirement village operators in New Zealand allow entry at 70 years of age, with some offering entry as early as 65. Therefore, it is appropriate to include a modest penetration rate of 2-3% for the 65-74 cohort, as done in our Economic Assessment. This reflects observed trends in early

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<sup>10</sup>

Source: <https://www.Kapiticoast.govt.nz/community/community-insights/population-and-demographics/#senseforecasts21f27158d337426f93b93c6c637b746d>.

downsizing and lifestyle-driven decisions that are increasingly common in this younger age group.

- 7.14 Furthermore, even under a conservative scenario where demand from the 65-74 age group is excluded altogether, our modelling still identifies a noticeable shortfall in retirement village units across the short, medium, and long term within the district. The inclusion of the younger cohort (65-74 years age population) simply reflects a more comprehensive and realistic view of evolving demand patterns.

*Suitability of the Site for Retirement Village Development*

- 7.15 The submitter argues that "there are many sites available within the current zoned land that are in excess of 8 hectare size and the existing zoned sites are a more preferred location for them to develop" and "there are no essential services within close proximity which may isolate the residents".
- 7.16 However, the submission does not provide any substantiating evidence regarding the availability, development-readiness, or market feasibility of these purportedly suitable large sites. Without clarity on their ownership, constraints, timing, or willingness to develop for retirement living, it remains speculative as to whether these unidentified sites represent viable and efficient alternatives to the proposed development.
- 7.17 Regarding locational attributes, the proposed Site is situated within a 7-minute drive of the Paraparaumu Centre, which offers a comprehensive range of retail, community, and medical services. The nearest medical centre, located on Te Roto Drive, is approximately four minutes away by car. This level of accessibility supports the functional integration of the Site with key urban services and reinforces its suitability for senior living development.
- 7.18 Although the site is currently zoned Rural Lifestyle, it is effectively embedded within an urbanising environment and is surrounded on multiple sides by residential and commercial development. As such, it functions more like a brownfield site than a traditional greenfield one, representing a logical and efficient extension of Paraparaumu's urban footprint.
- 7.19 In conclusion, I maintain that PC4 and the proposed retirement village represents an economically efficient use of land that is aligned with local service accessibility, urban integration, and the anticipated future senior housing demand. The conclusions set out in my Economic Assessment therefore remain valid and well-supported.

#### **Submission 4 by Kim Hobson**

- 7.20 The submitter considers that "Paraparaumu and Waikanae have a larger share of retirement villages than other surrounding districts".
- 7.21 In my view, the existing number of retirement villages should not be considered in isolation, nor treated as the determining factor when assessing the economic efficiency of the proposed development. The existing supply must be understood in the context of the district's demographic profile and the expected growth in demand for senior housing.
- 7.22 As outlined earlier in this evidence and in my Economic Assessment, residents aged 65 years and over comprise approximately 27% of the district's population, significantly higher than in surrounding districts. This demographic structure reflects the district's relative attractiveness (and therefore higher demand) as a place of residence for older populations. Given this alone, I would expect Paraparaumu and Waikanae to have a larger share of retirement villages than other surrounding districts.
- 7.23 Furthermore, as demonstrated in my assessment, the district is projected to experience a shortfall in retirement unit supply across the short, medium, and long term. Accordingly, the relevant economic question is not whether retirement villages are overly concentrated in Paraparaumu and Waikanae because of the proposed development, but whether the overall level of provision is sufficient to meet community demand and support efficient housing and land-use development outcomes.
- 7.24 Based on my analysis, while the Paraparaumu-Waikanae area may have a higher proportion of retirement villages relative to neighbouring districts, this pattern is a logical reflection of the district's demographic composition and its comparatively strong demand for senior housing. It does not indicate saturation, nor does it diminish the economic rationale for additional, efficiently located retirement village capacity. In this context, I consider the proposed retirement village to be economically efficient and well-aligned with the district's future housing needs. PC4 will diversify residential options for older residents while also freeing up existing dwellings and land back to the general housing market, representing a significant economic benefit to the wider community.

#### **8. CONCLUSION**

- 8.1 Overall, my economic assessment and responses to Council's s42a Report and the relevant submission support my conclusion that PC4 to rezone the

land from RLZ to GRZ to enable residential and a retirement village development is, from an economic perspective, appropriate, in the context of the RMA, Plan, NPS-UD and RPS.

**Tim Heath**

16 January 2026