APPENDIX 3 – MARKET ECONOMICS PLAN CHANGE 33 SUBMISSION REVIEW AND ECONOMIC ADVICE

Memo

To: Peter Skilton, Team Leader District Plan, Waipā District Council

From: Greg Akehurst, Director, Market Economics

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Date: 15 September 2025

Re: PC33 Submission Review & Economic Advice

1. Introduction

Waipa District Council (WDC) has engaged Market Economics (ME) to provide specialist economic advice in relation to Proposed Private Plan Change 33 (PC33), which seeks to activate approximately 16.3 ha of deferred industrial zoned land at Hautapu (Area 7 in the C9 Industrial Growth Cell).

The purpose of this advice is to review and provide comment on the economic material and submissions relating to PC33, with a focus on the appropriateness of the proposed activation provisions. Specifically, ME has been asked to:

- Review and provide comment on the plan change documentation prepared by the applicant, including:
  - Appendix 3A – Statement of Evidence (Tim Heath);
  - Appendix 3B – Hautapu Area 7 Economic Memo (Property Economics (PE) - Tim Heath); and
  - The applicant's proposal and reasoning in the Section 32 report to introduce a rule change that would allow activation of Area 7 ahead of the timing currently provided in the District Plan, in the event that Area 6 has not reached 80% development.
- Review and provide comment on the submissions of J V West and Kama Trust, particularly in relation to:
  - The potential effects of live-zoning Area 7 ahead of the timeframe set out in Appendix S1 of the Waipā District Plan; and
  - Whether live-zoning Area 7 ahead of schedule, as proposed, could result in significant adverse economic effects on Kama Trust.

This memorandum sets out ME's assessment of these matters and provides advice to assist WDC in preparing its position on PC33. The remainder of the memorandum is structured as follows:

First, Section 2 begins by introducing the geographical and planning context of the proposal, including relevant site information and its relationship to the wider structure plan and other growth cells. Section 3 then presents a detailed review of the Applicant's economic evidence, specifically assessing PE's approach to evaluating PC33, the implications of the BDCA 2023, and the relevance of recent development activity, concluding that the justification for an out-of-sequence release is not met. Finally, Section 4 provides a direct response to the issues raised in submissions from J V West and Kama Trust, focusing on the adverse effects of live-zoning Area 7 ahead of schedule and the significant economic prejudice this would impose.

2. Background

In the Waipā District, several Industrial Growth Cells have been identified to support anticipated growth and meet the ongoing demand for industrial land. These growth cells are strategically located in key areas such as Cambridge, Te Awamutu, and Kihikihi, and are designed to accommodate a range of industrial activities. Their development is intended to contribute to the local economy by:

- Providing dedicated and serviced land for businesses;
- Generating employment opportunities; and
- Supporting the district's long-term development goals as set out in the Waipā District Growth Strategy and the Future Proof Strategy.

Figure 1: Growth Cell in Cambridge

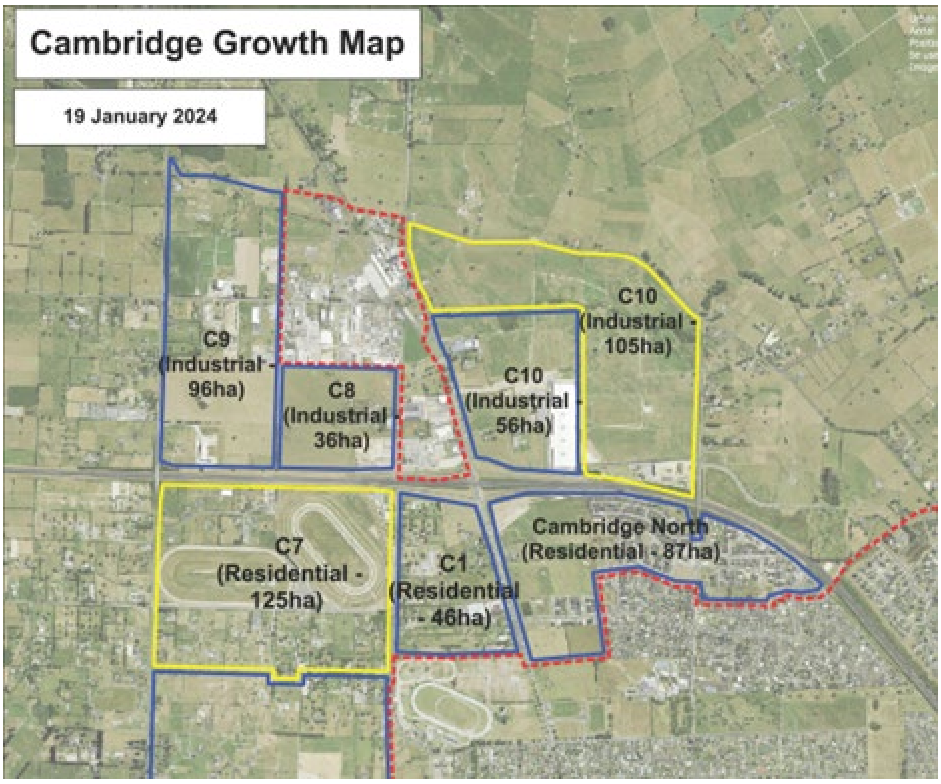

Figure 1 illustrates the three key Industrial Growth Cells in Cambridge:

- C8 – Hautapu Industrial Zone (Core Area) - The first major industrial hub within the Hautapu Industrial Zone.
- C9 – Hautapu Industrial Extensions- Located adjacent to C8, this area forms part of the planned industrial expansion at Hautapu.

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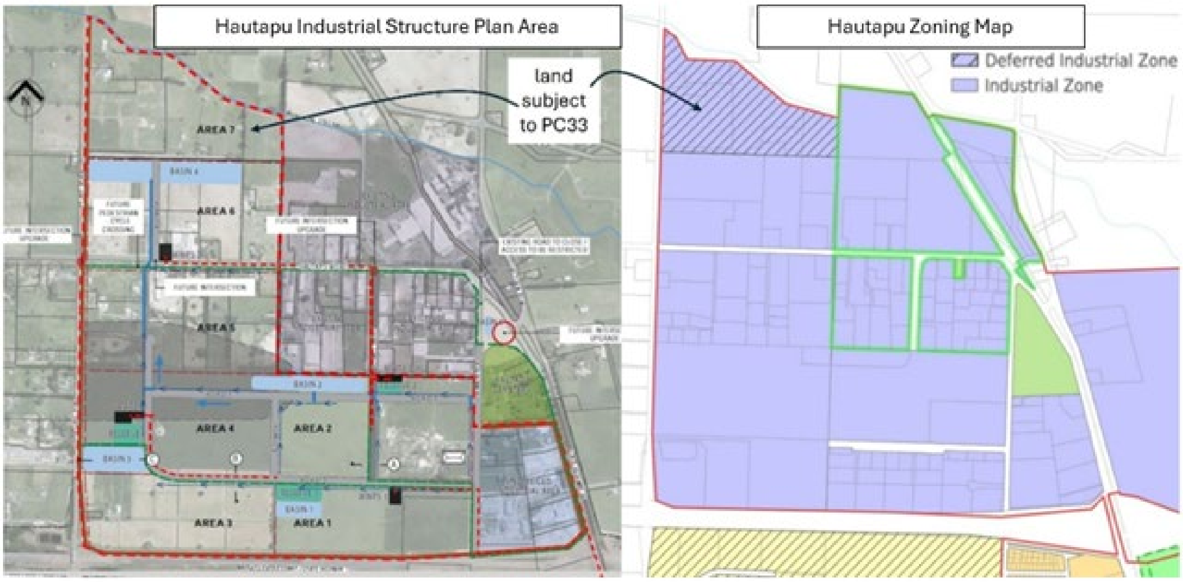
1) Area 6: Approximately 15 ha of land rezoned as Industrial Zone through Plan Change 17 (PC17), which took effect on 19 January 2024.
2) Area 7: Addressed through Proposed PC33 later.

- C10 – Bardowie and Mangaone Precincts
  1) Bardowie Industrial Precinct: Comprising 30 ha of Deferred Industrial Zone and 26.7 ha of Rural Zone, rezoned to Industrial Zone through Plan Change 11 (PC11).
  2) Mangaone Precinct: Approximately 79.2 ha of Rural Zone land rezoned to Industrial Zone through Proposed Plan Change 14 (PC14). From 12 June 2025, PC14 has had legal effect and has been incorporated into the Waipā ePlan. The lodgement of appeals closed on 24 July 2025.

Proposed PC33 seeks to rezone Area 7 in the C9 Industrial Growth Cell and the Hautapu Industrial Structure Plan Area (see Figure 2 below) from Deferred Industrial to Industrial in the Waipā District Plan.

Figure 2: Land subject to PC33



Following the decisions on PC17, which took effect on 19 January 2024, Area 7 was included in the C9 Industrial Growth Cell and the Hautapu Industrial Structure Plan as a Deferred Industrial Zone. Area 7 is comprised of 16.3 ha in eight records of title. The owners of these titles form the 'applicant', being the Hautapu Landowners Group (HLG). Under Appendix S1 of the Waipā District Plan, the deferred status of Area 7 is expected to be lifted through a plan change when either 80% of Area 6 is developed[1] or by 31 March 2030, whichever occurs first. PC33 seeks to lift the deferred status ahead of this timeline.

[1] For the purposes of Appendix S1, "developed" means that 80% of the developable land area within Area 6 has been the subject of Section 224(c) certificates under the Resource Management Act.

3. Review of Applicant's Economic Evidence and Rationale

As part of this review, ME has considered the economic material prepared on behalf of HLG in support of PC33. This material comprises:

- Appendix 3A – Statement of Evidence (Tim Heath, March 2023), prepared on behalf of HLG as a submitter on PC17. This statement provided an economic assessment of industrial land capacity and sufficiency in the Cambridge industrial market, drawing on the Future Proof Business Development Capacity Assessment 2021 (BDCA 2021) and supplemented by site observations in December 2022.
- Appendix 3B – Hautapu Area 7 Economic Memorandum (PE - Tim Heath, May 2024), commissioned by HLG specifically for PC33. This memorandum reviewed the updated BDCA 2023 forecasts and provided a high-level economic overview of their implications for the proposed live-zoning of Area 7 under the Waipā District Plan.
- PC33 application (including Section 32 Report), which sets out the rationale for the plan change, including the proposal to amend Appendix S1 to allow activation of Area 7 ahead of the current sequencing framework (i.e., prior to 80% development of Area 6 or by 31 March 2030), and provides an assessment of efficiency, effectiveness, benefits, and costs of the proposed amendments.

These three documents are closely related and provide the foundation of the applicant's economic case for PC33. Rather than assessing them in isolation, this review considers their evidence and reasoning collectively, focusing on four central themes where the key economic issues arise:

1. Property Economics' assessment approach – including the methodology, assumptions, and framing adopted by Tim Heath in both the statement of evidence and subsequent memorandum.
2. Implications of the BDCA 2023 – including how projections of demand and supply for industrial land have been interpreted in relation to Area 7.
3. Industrial land availability in Cambridge – recent development, uptake, and sufficiency.
4. Land use efficiency and agglomeration – an assessment of the applicant's claims regarding the efficiency gains, economies of scale, and agglomeration benefits from the live-zoning of Area 7

The following review and commentary are structured around these themes, highlighting areas of agreement and disagreement with the applicant's evidence and identifying matters that require further consideration from an economic efficiency perspective.

PE's Assessment Approach

Under the National Policy Statement on Urban Development (NPS-UD), Tier 1 councils must prepare a BDCA every three years to demonstrate that sufficient business land capacity exists over the short, medium, and long term. PE, in reviewing both BDCA 2021 and 2023 for PC17 and PC33, concludes that BDCA 2023 contains fundamental flaws that underestimate industrial land demand and overstate capacity across the sub-region. There are several issues with PE's claims.

PE's review notes that the BDCA 2023 results differ significantly from those of the BDCA 2021, both in terms of projected demand across the short, medium, and long term, and in the estimated capacity available to support growth. Table 2 in PE's report details these differences, which arise from variations in the approaches used in the BDCA 2023 to assess demand and supply across the sub-region. PE particularly challenges the industrial land demand projections, scrutinising the employment projections that underpin the assessment.

Table 1: BDCA 2023 input summary – WISE/NIDEA Projections (High)

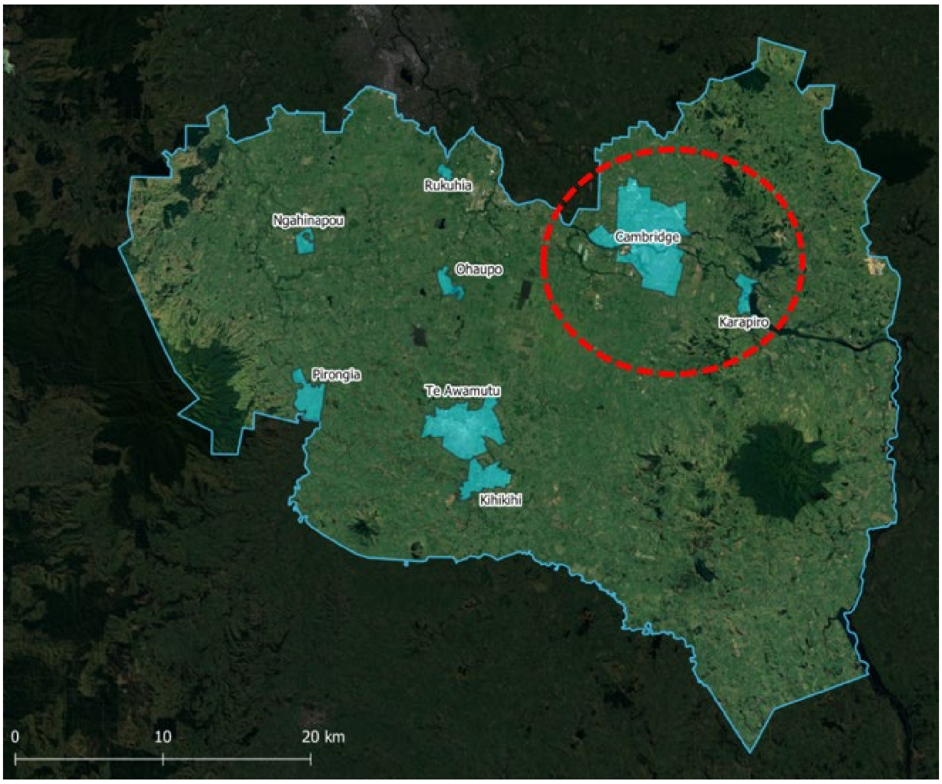
Population - High	2022	2025	2032	2052
Hamilton City	184,404	193,088	213,903	271,072
Waikato District	85,737	89,760	98,648	124,128
Waipā District	59,035	61,144	66,064	80,549
Sub-region Total	**329,176**	**343,992**	**378,615**	**475,750**
		2022-25	**2025-32**	**2032-52**
Cumulative Growth Rate		4.5%	10.1%	25.7%
Annual Growth Rate		1.5%	1.4%	1.1%
Labour Force - High	**2022**	**2025**	**2032**	**2052**
Hamilton City	103,126	109,841	127,003	173,191
Waikato District	47,421	49,656	55,258	69,822
Waipā District	33,003	34,294	37,549	46,079
Sub-region Total	**183,550**	**193,791**	**219,811**	**289,092**
		2022-25	**2025-32**	**2032-52**
Cumulative Growth Rate		5.6%	13.4%	31.5%
Annual Growth Rate		1.8%	1.8%	1.4%
Employment - High	**2022**	**2025**	**2032**	**2052**
Hamilton City	110,427	116,016	128,419	154,775
Waikato District	26,962	28,589	31,939	39,304
Waipā District	26,063	27,125	29,311	35,254
Sub-region Total	**163,453**	**171,730**	**189,669**	**229,334**
		2022-25	**2025-32**	**2032-52**
Cumulative Growth Rate		5.1%	10.4%	20.9%
Annual Growth Rate		1.7%	1.4%	1.0%

A comparison of the adopted projection series (see Table 1) with those used by PE shows that the main differences occur in the short term (2022–2025). Since PE applied a slightly different version of the UoW projections, it is inappropriate to question the reliability of ME's methodology by assuming that forecast population trends were directly used to derive employment growth. In practice, NIDEA's High projection series is an input into the WISE model, which combines population growth, export performance by sector, national economic growth, and drivers such as Gross Fixed Capital Formation (GFKF) to generate economic futures (output, GDP, employment) at the SA2 and district level. These futures then determine the land use change required to sustain growth, accounting for constraints such as zoning, flooding, and slope. Importantly, WISE is a dynamic model, where environmental and planning constraints feed back into economic performance, and hence employment projections. The employment projections generated through this process, combined with the current and future planning layers, form the basis for the BDCA at the local level.

Secondly, it is worth noting that while labour force numbers and employment numbers are related concepts, they have distinct meanings in the context of economics and are not interchangeable. Generally, the labour force includes all people of working age (typically between 15 and 65 years) who are either employed or actively seeking employment, whereas employment refers specifically to the subset of the labour force (i.e. people who hold jobs, either full-time or part-time, in paid employment or self-employment). The dynamic relationship between the labour force and employment implies that their rates of growth may differ. In the case of the WISE projections, as shown in Table 1, the annual growth rates of employment are lower than those of the labour force across all periods. This contrasts with PE's claim that "the higher growth rates anticipated by NIDEA's labour force projections imply a substantially greater increase in employment over time" (Page 7).

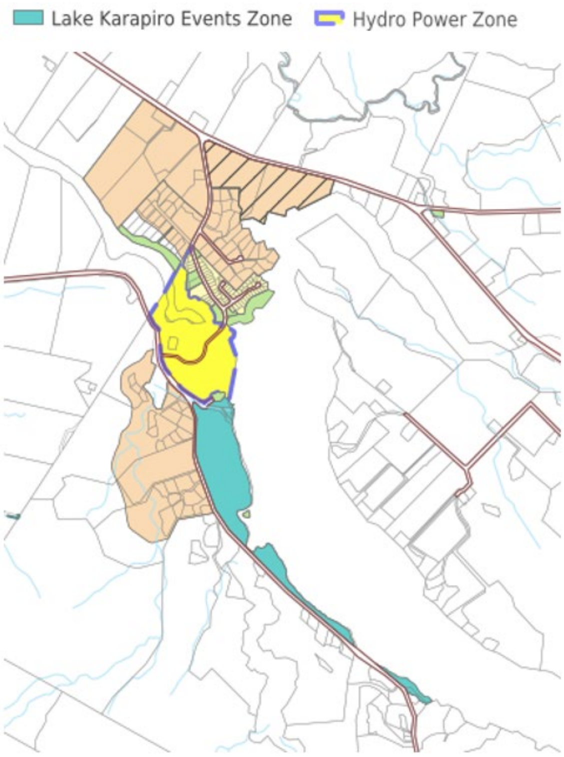
Thirdly, PE disputes the inclusion of the Lake Karāpiro Events Zone and Mystery Creek Events Zone in the capacity modelling. For the Waipā District, the BDCA outputs have been aggregated to a combination of towns based on geographic location, to effectively capture the range of urban towns and townships in both districts. Figure 3 shows the Spatial Framework for the Waipa District. Results for Cambridge and Karāpiro (highlighted in the red dotted line circle) have been aggregated reflecting the proximity of the satellite town to the major centre. The Mystery Creek Events Zone is located outside this area.

Figure 3 Waipā District Spatial Framework



The zoning around Lake Karāpiro (see Figure 4) is primarily focused on recreational and infrastructure-related activities, with the two main non-residential zones being the Lake Karāpiro Event Zone and the Hydro Power Zone. The Lake Karāpiro Event Zone supports the area's role as a premier venue for water sports, outdoor events, and tourism-related activities, while the Hydro Power Zone accommodates the infrastructure associated with the Karāpiro Dam and its hydroelectric operations. Given the area's environmental, recreational, and energy functions, it is not expected to see any significant industrial activity or rezoning for industrial purposes in the foreseeable future. Contrary to PE's claim, the BDCA 2023 did not account for any industrial capacity in Lake Karāpiro.

Figure 4 Zoning around Lake Karāpiro



Lastly, PE addresses the implications of Plan Change 19 (PC19) – Carter's Flat within the context of industrial land provision in Cambridge. It is suggested that "live zoning" Area 7 would alleviate industrial land pressure by providing existing industries at Carter's Flat with the option to relocate to the Hautapu Industrial Zone. However, no evidence has been provided as to whether the rezoning of Carter's Flat can be considered a justification for PC33. In particular, further analysis is required to quantify the likely extent of additional land required for relocations from Carter's Flat, taking into account the recent plan changes and the additional industrial capacity they already provide. Such analysis would strengthen the case for PC33 by providing a clearer understanding of the actual land requirements for these relocations.

In summary, PE's conclusions heavily rely on the observed differences between the 2021 and 2023 BDCA outputs and perceived variations in modelling assumptions (including misidentified unusual synchronicity between employment and population growth). However, they do not offer an independent or alternative projection to validate or challenge the BDCA's methodology for assessing industrial land demand and capacity. This absence of an alternative model raises questions about the robustness of PE's conclusions.

Implications of the BDCA 2023

By analysing current and future needs, the BDCA helps councils plan for sustainable growth and make informed decisions about zoning, infrastructure, and other urban development initiatives. ME applies a well peer-reviewed three-step process to assess business space demand and capacity:

1. Demand assessment – analysing the current economy, projecting future economic activity by sector, and translating these projections into spatial demand for specific locations and zones.
2. Capacity assessment – evaluating plan-enabled capacity, validating estimates through ground-truthing, and assessing suitability against demand attributes and infrastructure availability.
3. Sufficiency assessment – integrating demand and capacity findings to identify whether sufficient business land is available.

Key inputs into the BDCA model include WISE model outputs, which provide population and employment projections at a local level. For the BDCA 2023, the Future Proof councils adopted the High-growth NIDEA projections (May 2021) as the base series, despite the availability of more recent University of Waikato (UoW) projections.

The WISE/NIDEA projections are considered a reliable tool for forecasting population, employment, land use, and other urban development indicators. Their development relies on research and inputs from experts in urban planning, economics, and environmental science. This peer-reviewed approach ensures that the model adheres to best practices and is based on validated methodologies. In ME's view, based on WISE/NIDEA's employment projections, the industrial land demand in the BDCA 2023 provides a reasonable forecast for the Waipā District 2025.

In terms of provision of industrial land, the BDCA 2023 found that Waipā District had 177.7 ha of vacant industrial land available for development as at 2022. Demand growth for industrial land to 2052, plus a competitiveness margin will sit around 128.2 ha, well under the available capacity. Similarly, industrial land capacity within the Cambridge-Karāpiro local market is projected to meet demand in the short, medium, and long terms, with 5.3 ha, 17.8 ha, and 57.5 ha, respectively (See Table 2). ME maintains the position that sufficient capacity exists in Cambridge-Karāpiro as suggested in BDCA 2023.

Table 2: Waipā District Industrial Land Sufficiency Summary (ha)[2]- Plus Margin

Name	Short Term	Medium Term	Long Term	Total Vacant Land (sqm)	Short Term	Medium Term	Long Term
Cambridge-Karapiro	5.3	17.8	57.5	64.2			
Te Awamutu-Kihikihi	5.6	13.8	42.0	33.8			Insufficient
Rukuhia-Ngahinapouri-Ohaupo-Pirongia	2.6	7.6	22.5	76.7			
Rest of Waipa	0.6	2.1	6.2	2.9			Insufficient
Total	**14.1**	**41.4**	**128.2**	**177.7**			

Noting that the BDCA was last updated by ME in 2023, more than two years ago, it is important to recognise that significant changes have occurred in the industrial land market around Cambridge since then. These developments could affect both industrial land demand and supply. Any decision on PC33 should take these factors into account.

On the Demand side, the completion of the final section of the Waikato Expressway in July 2022 has been a major driver of change. The four-lane highway now runs approximately 102 kilometres from Auckland's southern suburbs to Tirau (south of Cambridge). Since its completion, Cambridge has undergone significant transformation in both economic development and population growth. The expressway has enhanced accessibility, attracted new businesses and industries, stimulated local economic growth, and expanded retail and service offerings. Improved connectivity has also made Cambridge more attractive to investors and developers, leading to a surge in residential development as people seek a semi-rural lifestyle while remaining close to Hamilton and other employment centres. In particular, the extension of State Highway 1 as a motorway past Cambridge's industrial zones has substantially strengthened the town's competitiveness for industrial development, creating demand that extends well beyond the local market. This demand growth is underpinned by Cambridge's emerging advantages as a hub for industrial and logistics businesses across the Waikato and into the Golden Triangle. Collectively, these shifts have made Cambridge more dynamic and economically active, changes that were not reflected in the BDCA 2023, highlighting the need for updated consideration of industrial land demand.

On the supply side, there have been substantial additions to industrial land since the BDCA 2023. PC17, which took effect on 19 January 2024, rezoned around 15 ha of land from Rural to Industrial. More significantly, PC14 rezoned approximately 79.2 ha of Rural Zone land to Industrial (Mangaone Precinct), which from 12 June 2025 has had legal effect and is now incorporated into the Waipā ePlan (noting that some parts of PC14 are subject to appeal). Theoretically, PC14 and PC17 will add more than 94 ha of industrial land capacity in Cambridge[3]. This represents approximately 146% of the existing 64.2 ha of capacity in the Cambridge–Karapiro area, effectively more than doubling local

[2] Please note that demand figures differ from the estimates published in the BDCA 2023, as they reflect a revised approach and an upward adjustment in demand projections.
[3] These capacity calculations are indicative only, as a few land parcels in Area 6 are already occupied. In addition, recent plan changes outside of Cambridge–Karāpiro (e.g. PC20 – Airport Northern Precinct Extension) have not been included.

supply. At the district-wide level, the uplift equates to over a 50% increase on the 177.7 ha of vacant industrial capacity reported in the 2023 BDCA.

When compared against projected demand, this increase is highly material. The BDCA 2023 estimated that Cambridge–Karāpiro demand would reach around 57.5 ha by 2052 (including competitiveness margin). Even if demand were to double relative to the BDCA forecasts, the new supply (177.7 + 94 = 272 ha) would still provide a very substantial buffer and pipeline well beyond projected requirements. This suggests that, at present, Cambridge and Waipā more broadly have a significant surplus of industrial land capacity, and that recent rezonings already go a long way toward addressing future needs. In this context, enabling live zoning of Area 7 through PC33 is not necessary at this time. However, other factors must also be considered, particularly the role of existing rules and the expectations they create. For example, the sequencing framework in Appendix S1, reinforced through PC17, clearly sets out the triggers for when Area 7 can transition to live zoning. This creates both certainty for the market and an orderly approach to land release.

In addition, the advanced progress of subdivision and development within Area 6 is a critical factor. Given the pace of development, the 80% s224 threshold that activates Area 7 is likely to be reached sooner rather than later. This means that, even without PC33, the pathway for Area 7 to come online is already built into the District Plan and will occur within a defined and foreseeable timeframe.

Recognising these points, the question is not whether Cambridge faces an immediate shortfall in industrial land, but rather how best to manage the timing of further releases in a way that balances flexibility with the need for sequencing discipline. The next section provides updated information on recent development and industrial land availability in Cambridge, including site-specific observations and landowner intentions, to assess whether current capacity settings already provide for a sufficient pipeline without the early activation of Area 7.

Industrial Land Availability in Cambridge

While PE provides a general overview of existing industrial land provisions and identifies prominent vacant industrial sites in the Cambridge–Karāpiro area, their survey was conducted in December 2022 and does not reflect more recent plan changes or developments. To provide an up-to-date assessment, ME undertook a land survey in September 2025 to obtain a clear indication of the available industrial land capacity in Cambridge. This survey captures both recently rezoned land and developed parcels, and incorporates information on landowner intentions where available, offering a more accurate and practical understanding of the current industrial land supply and the potential pipeline for future development.

In Cambridge, industrial-zoned land is primarily concentrated in two key areas: Matos Segedin Drive and Hautapu.

The **Matos Segedin Drive industrial area** is largely developed, with limited vacant industrial land available (see Figure 5). Key land use and ownership details include:

- Inghams Factory (Dark Blue): A significant established industrial facility within the area, forming a core part of Cambridge's industrial base.
- Existing Industrial Activity (Green outline): Most of the surrounding land is already occupied by established businesses, leaving only limited undeveloped space for new entrants.
- Wastewater Treatment Designation (Purple): An area adjacent to the industrial zone has been designated for a wastewater treatment station. While this limits the scope for additional industrial expansion in that location, it provides essential servicing infrastructure to support existing and future industrial operations.
- Vacant Sites: Six vacant sites remain available for development. The largest site is approximately 1.76 ha, followed by another at 1.18 ha. The remaining four sites are considerably smaller, ranging between 1,600 m² and 5,000 m², offering only modest-scale development opportunities.

Figure 5: Land availability and ownership status – Matos Segedin Drive

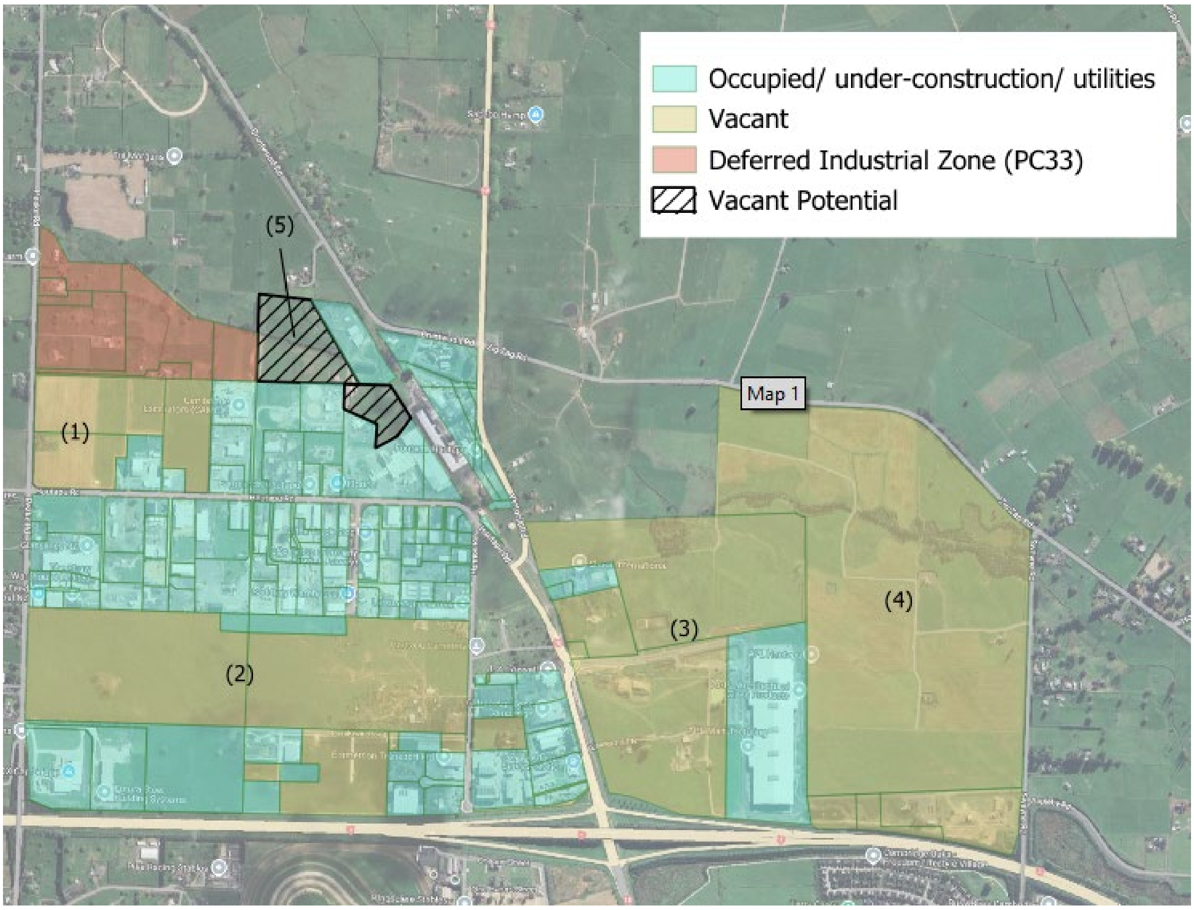
Given the high level of existing industrial occupation and limited vacant land, opportunities for new industrial developments in Matos Segedin Drive are constrained. However, the remaining vacant sites provide some capacity for further industrial growth, particularly for businesses requiring smaller-scale industrial lots.

Located north of Cambridge, The **Hautapu Industrial Area** is a well-established hub for manufacturing, logistics, and agribusiness. With direct access to State Highway 1 (Waikato Expressway), it offers strong transport links to Hamilton, Auckland, and Tauranga, making it an attractive location for large-scale businesses, including food processing facilities, warehousing, and distribution centres. Waipa

District council identified future Industrial Growth Cells in this location to accommodate strong demand pressures (see Figure 1).

Figure 6 illustrates the industrial land status in the Hautapu area, with categories differentiated by colour-coded shading. Green areas denote land that is already occupied, under construction, or allocated to infrastructure such as stormwater management. Yellow areas represent vacant industrial land, while the orange area identifies the PC33 site, which remains zoned as Deferred Industrial. The line-patterned area corresponds to part of the Fonterra dairy factory site, classified as having vacant potential. However, this land is expected to be retained for Fonterra's future expansion needs and is therefore unlikely to become available to the wider industrial market.

Figure 6: Land Status Map of the Hautapu Industrial Area



Several specific sites are worth highlighting:

- Area 1 (Vacant): Part of Area 6, rezoned to Industrial Zone through PC17. Subdivision consent has been granted for the area, and active development is now underway. Under the Waipā District Plan Appendix S1, the 80% developable land threshold for Area 6 will be reached once s224 certification is issued for the current subdivision. This milestone is expected to occur in the near future, which means the trigger to uplift Area 7 will likely be activated well in advance of the 31 March 2030 backstop date.

- Area 2 (Vacant): Commonly known as the Hannon Block, this site comprises approximately 38.2 ha of industrial-zoned land owned by the Hannon family. To date, the owners have expressed no interest in pursuing industrial development. However, a small corner parcel at the intersection of Parakiwai Road and Hannon Road is currently utilised by Buildinglink Cambridge (a nearby business) as a storage yard
- Area 3 (Vacant): Located within the Bardowie Industrial Precinct, this land is currently vacant but subject to a Structure Plan that will guide future development. This Structure Plan is to enable the development of new specialised industry, into the Cambridge area (according to the Introduction of the Structure Plan). While this land may not be available for sale, its clear purpose is to provide additional capacity for industrial activities. Its final use will be determined by long-term planning objectives.
- Area 4 (Vacant): Mangaone Precinct, approximately 79.2 ha of Industrial Zone land recently rezoned through PC14.
- Area 5 (Vacant Potential): Owned by Fonterra, the site contains a stream running through the centre, presenting natural constraints that limit the extent to which the site can be developed for industrial purposes

Table 3 Total Area[4] (in Ha) of Industrially Zoned Land by Category in the Hautapu Area

Status	Area in ha.	%
Occupied/ under-construction/ utility	117.0	36%
Deferred Industrial Zone (PC33 site)	16.6	5%
Sites with Vacant Potential	7.3	2%
Vacant industrial land (including PC14 site)	181.4	56%
Total	322.3	100%

Table 3 summarises the total area of industrially zoned land in the Hautapu area, broken down by category. While the total zoned land amounts to 322.3 ha, 181.4 ha (56%) is currently classified as vacant. It is important to note that “vacant” does not necessarily mean the land is available for sale or immediate development, as factors such as ownership intentions may limit actual market availability. A further 7.3 ha (2%) is considered to have vacant potential, although its availability may again be constrained by landowner intentions (e.g., Fonterra) or other limitations. A substantial 117.0 ha (36%) is currently occupied by existing industrial activities, under construction, or utilised for essential infrastructure, such as stormwater ponds.

The PC33 site, comprising 16.6 ha zoned as Deferred Industrial, represents approximately 5% of the total industrial land in Hautapu. This is a relatively minor share in the context of the broader land supply, and its early release would not materially alter the sufficiency position. Compared with the

[4] Caution is required when interpreting the area figures, as some measurements may include road corridors or other non-developable land within parcel boundaries.

BDCA findings, the current land sufficiency situation in Cambridge has improved significantly, reflecting the additional land that has been enabled through recent plan changes. On this basis, there is no requirement to rezone PC33 at this time.

However, given the advanced status of subdivision in Area 6, Council may wish to consider whether approval of PC33 with conditions that mirror the existing Appendix S1 rules could provide a more pragmatic outcome. Under Appendix S1, Area 7 will automatically transition to live zoning once 80% of Area 6 is developed (measured by the issue of s224 certificates), or by 31 March 2030 at the latest. Subdivision activity in Area 6 is already well progressed, and this trigger point is likely to be reached in the near future.

From a process perspective, declining PC33 outright carries the risk of appearing overly rigid, particularly if Area 7 becomes live within a short period of time regardless of Council's decision. Replicating the Appendix S1 pathway within the PC33 provisions would preserve sequencing integrity, while also avoiding the need for a further cumbersome plan change process to unlock land that is already earmarked for industrial use. This approach would also address concerns about efficiency and market responsiveness, without undermining Council's intent to manage the release of industrial land in a staged and orderly manner.

While the rezoning of PC33 is not necessary at this time given the substantial pipeline of industrial capacity already available in Cambridge and across the district, enabling live zoning of Area 7 would not in itself generate significant adverse economic impacts. From a practical perspective, allowing the zoning to transition without the need for multiple future plan change processes and associated appeals could reduce costs and administrative burdens for both Council and ratepayers.

However, it is critical that the staging provisions in Appendix S1 of the Waipā District Plan are retained. In particular, the 80% development threshold for Area 6 and the 31 March 2030 backstop date remain essential to maintaining sequencing discipline and avoiding premature release of additional industrial capacity. Retaining these triggers would strike an appropriate balance between providing flexibility for landowners and developers on the one hand, and preserving the integrity of Council's long-term planning framework on the other.

Land Use Efficiency and Agglomeration

The requested rezoning will, in practice, make little difference to the timing of when Area 7 can be developed compared with the current rule framework, given the advanced progress of the Area 6 subdivision.

As part of the proposed provisions, the applicant has suggested a new rule:

Rule 15.4.2.XX	The subdivision and development of Area 7 for industrial purposes can occur either: c) In conjunction with Area 6 in accordance with a co-ordinated subdivision consent application process incorporating both Areas 6 and 7; or

d) When Area 6 of the Hautapu Industrial Structure Plan Area has reached 80% development (i.e. 80% of the developable land area is the subject of s224 certificates) or by 31 March 2026, whichever occurs sooner.

The "or" condition is important. It means that Areas 6 and 7 do not have to be developed together. Moreover, Kama Trust does not support the first part of the proposed rule (15.4.2.XX(c)) that would enable an opportunity for Areas 6 and 7 to be developed in a co-ordinated manner.

The second condition (15.4.2.XX(d)) is very similar to the current activation rule in Appendix S1, except that it advances the backstop date from 2030 to 2026. In reality, given the time required for infrastructure to be vested and completed, this earlier date would make little difference. As discussed in the previous section, it is recommended that the existing 2030 date is retained to ensure orderly sequencing and avoid premature activation.

While there may be some theoretical benefits if Areas 6 and 7 were developed at the same time (for example, if a single landowner controlled both), this is highly unlikely given the status of the Area 6 subdivision. Road 4, a key piece of enabling infrastructure, is already being vested and constructed as part of the Area 6 subdivision, with costs borne entirely by those developers. Any suggestion that infrastructure costs could be shared between Areas 6 and 7 is negated by this fact. Extending Road 4 into Area 7 would be the responsibility of the private landowners of Area 7, exactly as under the current rules.

Overall, while the proposed rezoning of Area 7 would deliver very limited additional benefit in terms of land use efficiency or agglomeration, it would also be unlikely to materially alter the development timeline of the site. The direct and indirect benefits associated with industrial development in Area 7 will in any case be realised in due course, consistent with the intent of PC17, which rezoned the land from Rural to Deferred Industrial. These benefits include:

- Increased Investment Appeal: A competitive supply of industrial land at scale will continue to attract a broad range of investors, developers, and businesses, supporting capital inflows and strengthening regional economic stability.
- Enhanced Job Creation: Expansion of the industrial base in Waipā District is expected to generate additional employment opportunities, including higher-skilled roles in logistics, advanced manufacturing, and related sectors.
- Supply Chain Efficiency: Proximity to the Waikato Expressway and wider transport corridor will enhance logistics performance, reduce freight costs, and improve access for businesses reliant on agricultural and regional inputs.
- Long-Term Economic Resilience: A diversified and competitive industrial sector will contribute to Waipā District's resilience against cyclical market fluctuations, sustaining growth and maintaining a strong employment base over time.

These outcomes are already embedded within the existing planning framework. Retaining the Appendix S1 sequencing provisions, namely, the 80% development threshold for Area 6 and the 31 March 2030 backstop, provides a clear and predictable pathway for achieving these benefits in a timely manner. This approach supports integrated and efficient development while safeguarding the district's sequencing principles and avoiding the risk of premature or duplicative release of capacity.

4. Review of key PC33 submissions

This section presents an analysis of the key submissions received on PC 33, specifically reviewing the economic points raised by J V West and Kama Trust. Each submission will be addressed individually in the following discussion.

J V West - Submission #02

The submission from J.V West opposes Plan Change 33. The key ground for opposition, from an economic perspective, is:

- There is no demonstrated need for the additional industrial land, as sufficient supply already exists and will remain available for the next five years.

It is important to note that the submission is made from the perspective of a landowner whose property is located some 350m northeast of Area 7, and thus removed from any immediate effects of development. Nonetheless, the core argument of the submission that there is no demonstrated need for the premature live-zoning of Area 7, is well-founded. This is supported by clear evidence of plentiful, vacant, and serviceable industrial land within Hautapu's already live-zoned areas.

However, it is also necessary to consider the current rules and the pace of development in Area 6. The staging framework in Appendix S1 of the Waipā District Plan is specifically designed to ensure that industrial land is released in sequence, aligned with actual demand. This approach provides an orderly and efficient pattern of development while limiting adverse effects on land markets, infrastructure planning, and investment certainty.

If the activation provisions for Area 7 under PC33 are aligned with the Appendix S1 framework (i.e. triggered by the 80% subdivision threshold in Area 6 or the 2030 backstop date), then the economic impacts of live-zoning would be no different from what is already provided for under the existing rules. In other words, the early zoning of Area 7 would not materially accelerate land release or provide additional benefit, but would simply replicate the current framework in a different form.

Kama Trust - Submission #03

The submission from Kama Trust conditionally supports Plan Change 33, subject to resolution of specific concerns. The submitter owns approximately 15 ha of industrial-zoned land within Area 6 of the C9 Growth Cell. Key economic related concerns include:

- Opposition to the proposed coordinated subdivision consent process between Areas 6 and 7, which would require redesign of Kama Trust's development and cause significant delays.
- Opposition to the amendment of the sequencing trigger in Appendix S1, changing the date for uplifting the deferred status of Area 7 from 31 March 2030 to 31 March 2026.
- Concerns about transport effects, including the vesting of "Road 4" and the timing of upgrades to Hautapu Road and Peake Road intersection.

The submission highlights valid concerns about the potential economic effects of live-zoning Area 7 ahead of the timeframe prescribed by Appendix S1 of the Waipā District Plan. In particular, bringing forward the sequencing trigger from the established 80% development threshold (or 2030 backstop date) to 2026 would undermine the deliberate staging framework set through the PC17 process. That framework was specifically designed to ensure orderly development aligned with actual market demand, avoiding premature release of additional capacity.

Importantly, the coordinated development provision between Areas 6 and 7 is not mandatory under the proposed rule. It provides an option for integrated subdivision but does not require it. As such, Kama Trust would not be forced to redesign its Area 6 development or incur significant delays. Their current development programme can proceed independently, with Road 4 already being vested and constructed as part of the Area 6 subdivision. Consequently, their investment expectations are not jeopardised, and the potential for economic prejudice is minimal.

Overall, the concerns raised about transport and sequencing are understandable, but in practical terms the proposed rules do not materially alter the development pathway already in place for Area 6. Retaining the current Appendix S1 triggers, rather than adopting a premature 2026 date, ensures certainty and consistency for landowners, while protecting the integrity of the district's industrial land staging strategy.