

24 April 2024

Future Proof

Via email: futureproofcoordinator@waikatoregion.govt.nz

Re. Future Proof Business HBA

Dear Future Proof,

Thank you for completing the business element of the Housing and Business Development Capacity Assessment (HBA).

As you will know, Property Council is the leading not-for-profit advocate for New Zealand's most significant industry, property. Property is the second largest industry in the Waikato, with property providing a direct contribution to GDP of \$2.8 billion (12 per cent) and employment for 18,030 Waikato residents. We connect property professionals and represent the interests of 94 Waikato based member companies across the private, public, and charitable sectors.

Completing the Business HBA is an important building block towards dialogue on the supply of business land across the Waikato region. Property Council is concerned that the Business HBA modelling suggests that in most cases, there is sufficient current supply of business land, which differs from our experience. We are also deeply concerned about the significant capacity constraints that are predicted across different segments of business land (e.g. commercial, retail, and industrial), particularly in the medium to long term.

Our member's experience is that there are significant capacity constraints across a broad spectrum of property asset classes in the Waikato. We are worried about the impact of further capacity constraints in the future on the region's economic vitality. There is going to be major population growth in the Waikato over the next thirty years, and it is critical to ensure that the region can provide sufficient space for business expansion to support this growth with employment and services.

To address our concerns, we strongly recommend working to increase the supply of business land (across all segments) available in the Waikato region. This will help maintain competitive land markets and help ensure that the Waikato region remains an attractive destination for investment and development.

Alongside increasing supply of business land, we also continue to support the use of alternative funding and financing tools for growth-related infrastructure. Examples of these models include targeted rates, user-pays systems, and Special Purpose Vehicles ("SPVs") as enabled under the Infrastructure Funding and Financing ("IFF") Act.

Viable funding for development enabling infrastructure is also important for ensuring that plan enabled capacity (residential or business) can be utilised for future development. Without the required infrastructure, otherwise planned enabled developments (with market demand for them), will not be able to proceed. This produces flow-on effects on the ability for business to find and make use of adequate premises.

We would like to thank Future Proof for the opportunity to provide comments on the Business HBA. For any enquiries, please contact Sarah Rundstrom, Central Regional Manger via email: Sarah@propertynz.co.nz.

Yours sincerely,



Morgan Jones
Central Region Committee Chair
Property Council New Zealand