

**BEFORE THE INDEPENDENT HEARINGS PANEL
OF HAMILTON CITY COUNCIL**

UNDER the Resource Management Act 1991 ("**RMA**")

AND

IN THE MATTER of Private Plan Change 17 to the Hamilton City
Operative District Plan ("**PC17**")

**STATEMENT OF EXPERT EVIDENCE OF FRASER JAMES COLEGRAVE
ON BEHALF OF FONTERRA LIMITED**

ECONOMIC

7 OCTOBER 2025

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1. EXECUTIVE SUMMARY

- 1.1 This evidence assesses the economic effects of PC17, which seeks to enable future industrial development of approximately 91 hectares of land at Te Rapa North ("**Plan Change Area**") by removing the Deferred Industrial Zone Area overlay.
- 1.2 Hamilton faces a clear and pressing shortfall of industrial land, particularly in Te Rapa. PC17 responds directly by bringing forward 53 hectares of developable land from long-term to medium-term supply.
- 1.3 The Plan Change Area is well suited to meet this need. The area is already signalled in the planning framework for industrial use, has strong locational attributes, and is supported by a staged delivery framework that ensures future development can be brought forward in a coordinated way.
- 1.4 PC17 will also generate substantial economic benefits:
 - (a) By increasing industrial land supply, it will make the market more responsive to demand, ease upward pressure on prices, and improve overall efficiency.
 - (b) During construction, it is expected to sustain hundreds of jobs over a decade, generate around \$170 million in household income, and boost Gross Domestic Product ("**GDP**") by about \$300 million.
 - (c) Once operational, activities enabled by PC17 are expected to support around 1,325 jobs, generate \$95 million in annual wages, and contribute roughly \$200 million to GDP each year.
- 1.5 The main potential economic cost of PC17 is the modest loss of rural production, which is minor in comparison.
- 1.6 The potential risk of adverse retail distribution arising from PC17 has been appropriately addressed via a new plan provision capping food and beverage retail in the Focal Area at 800m².
- 1.7 In my view, the Plan Change Area is well suited to meet Hamilton City's industrial land needs and PC17 is consistent with the Waikato Regional Policy Statement's ("**WRPS**") criteria for out-of-sequence development from an economic perspective.

- 1.8 Future industrial uses enabled by PC17 will unlock significant and enduring economic benefits without incurring any material economic costs. On that basis, I support it on economic grounds.

2. INTRODUCTION

Qualifications and Experience

- 2.1 My name is Fraser James Colegrave. I am an economic consultant and the managing director of Insight Economics Limited ("**Insight Economics**"), a boutique consultancy that I founded in 2013. Prior to that, I was the founding director of another economic consultancy, Covec Limited, for 12 years.
- 2.2 I hold a Bachelor of Commerce (first-class honours) in economics from the University of Auckland (1996).
- 2.3 I have 28 years' commercial experience, the last 25 of which I have worked as an economic consultant. During that time, I have successfully completed more than 600 projects across a wide range of sectors and have helped gain planning approval for numerous projects and developments worth more than \$30 billion.
- 2.4 My main areas of expertise are property development, land-use, market supply and demand, and local infrastructure funding. I have undertaken extensive work in these areas for dozens of New Zealand's largest public and private sector organisations.
- 2.5 Current and recent clients include Argosy Property, Calder Stewart, Fletcher Building, Fulton Hogan, Harvey Norman, Infinity Group, Kāinga Ora, Kiwi Property, Mike Greer Homes, Millbrook, Ngai Tahu Property, Sanderson, Skyline, Templeton Group, Tramco, Universal Homes, and Woolworths NZ.
- 2.6 Over the last 15 years, I have helped gain consent for major greenfield and brownfield developments yielding 50,000 new homes, and thousands of hectares of additional business land.
- 2.7 I have presented expert economic evidence at more than 120 hearings before Councils, Boards of Inquiry, Independent Hearing Panels, the Land Valuation Tribunal, the Environmental Protection Agency, the Environment Court, the Family Court and the High Court.

Involvement in PC17

- 2.8 Insight Economics was engaged by Fonterra Limited ("**Fonterra**") to assess the likely economic effects of enabling the anticipated industrial capacity of the Plan Change Area. I co-authored the Economic Assessment of Proposed Industrial Plan Change in Te Rapa North ("**Economic Assessment**"), which was prepared by Insight Economics for PC17. My assessment was undertaken on the basis that PC17 gives effect to the long-held planning vision for the Te Rapa North area and is anticipated by its current zoning.

Code of Conduct

- 2.9 I confirm that I have read the Expert Witness Code of Conduct set out in the Environment Court's Practice Note 2023. I have complied with the Code of Conduct in preparing this evidence and I agree to comply with it while giving oral evidence before the Hearings Commissioners. Except where I state that I am relying on the evidence of another person, this written evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.

3. PC17

- 3.1 The Plan Change Area comprises three distinct parts (the North, West and South-East Blocks), all of which are encompassed by the Waikato River to the east, the State Highway 1C (Waikato Expressway) and the North Island Main Trunk rail line ("**NIMT**") to the west, Hutchinson Road and Bern Road to the north and Ruffell Road, Old Ruffell Road and property boundaries to the south.
- 3.2 State Highway 1C is located nearby to the northwest and provides regional road connectivity. The NIMT forms part of the western boundary of the Plan Change Area with the nearest stopping point being the Mainfreight Depot south of the junction of Onion and Ruffell Road. In addition, all three parts of the Plan Change Area have frontage to Te Rapa Road which runs north to south through the centre of the Plan Change Area.
- 3.3 The Plan Change Area is currently utilised predominantly for rural uses, with some residential land use.
- 3.4 The extent of the Plan Change Area is shown in Figure 1.

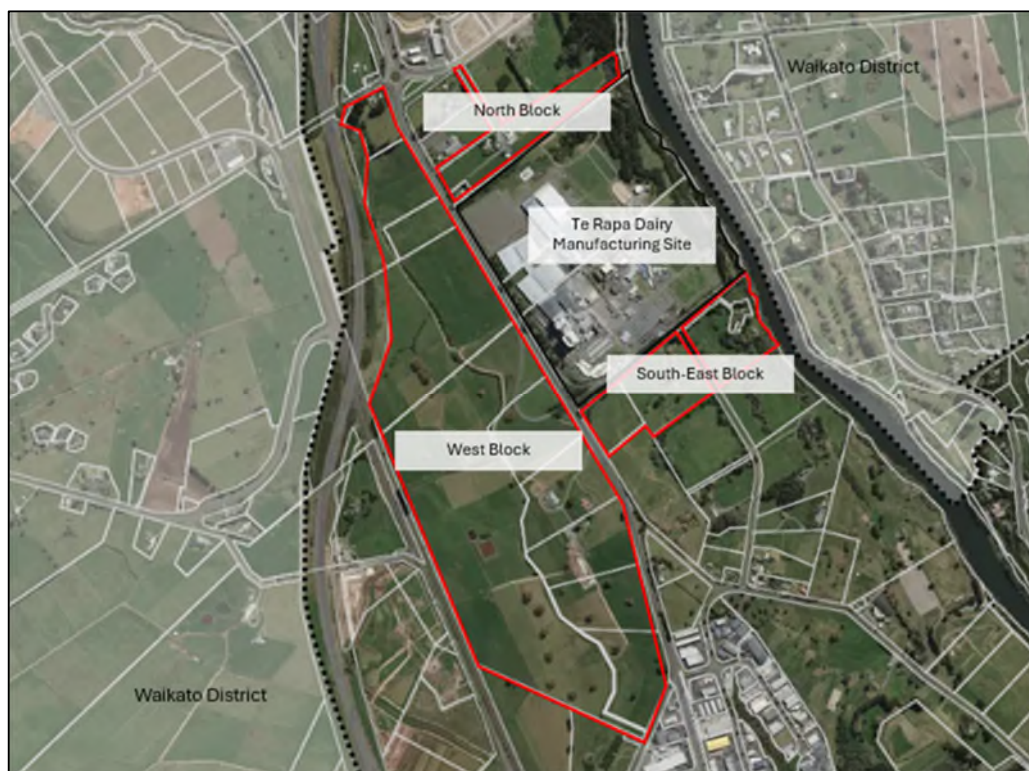


Figure 1: Plan Change Area Boundaries.

- 3.5 Under the Hamilton City Operative District Plan ("**ODP**"), most of the Plan Change Area is zoned Te Rapa North Industrial Zone, which is overlaid with the Deferred Industrial Zone Overlay.
- 3.6 PC17 seeks to remove the Deferred Industrial Zone Overlay which will enable the Plan Change Area to be developed for its intended future industrial use.
- 3.7 The Plan Change Area, and other land nearby, forms part of Hamilton City's long term industrial land supply. Until relatively recently, Hamilton City Council ("**Council**") was advancing Plan Change 10 ("**PC10**") to the ODP to rezone the deferred parts of the Te Rapa North Industrial Zone, but this has been put on indefinite hold by the Council. PC17 will effectively replace PC10 for the Plan Change Area.

4. SCOPE OF EVIDENCE

- 4.1 This statement of evidence:
- (a) describes the indicative yields and market context for PC17;
 - (b) summarises the latest land supply and demand information underpinning PC17;

- (c) outlines the economic rationale for PC17 and assesses it against the responsive planning criteria in Appendix 13 of the WRPS;
- (d) summarises the key findings from the Economic Assessment undertaken in relation to PC17;
- (e) addresses potential retail distribution effects and the proposed retail cap;
- (f) responds to economic matters raised in the Council Officer's Section 42A Report ("**Section 42A Report**");
- (g) responds to economic matters raised in submissions; and
- (h) provides an overall conclusion on Fonterra's application for PC17 from an economic perspective.

5. INDICATIVE YIELDS

- 5.1 In my experience, about 35% of gross land area is typically used for roads, reserves, stormwater management and similar supporting uses when developing a greenfield area for industrial purposes. Applying that rule-of-thumb, PC17 will yield about 58 hectares of developable industrial land. I have reviewed Mr Inder's transport evidence and understand he assesses there will be 53 hectares of net developable land in the Plan Change Area due to topography, stormwater management, but also the setting aside of sufficient land for two future strategic transport projects.¹ Accordingly, I adopt Mr Inder's calculation of 53 hectares for my analysis.
- 5.2 Depending on future development intensities, this could accommodate up to approximately 225,000m² of new industrial building gross floor area ("**GFA**"). I adopt that value for assessment purposes.

6. MARKET CONTEXT

- 6.1 Industrial activity in Hamilton has expanded rapidly over recent years. Building consents for industrial floorspace surged to record levels in 2022 and 2023, with more than 186,000m² of floorspace added over the two-year period. Consent volumes have since eased back from those highs.

¹

Statement of Evidence of Cameron Inder dated 7 October 2025 at [1.1].

- 6.2 Most of Hamilton's recent industrial growth has occurred in Te Rapa North, which accounted for around 70% of Hamilton's new industrial floorspace consented between 2017 and 2022. Its share fell to around 30% in 2023 following the rezoning of Ruakura as a new growth area.
- 6.3 Employment in Hamilton's industrial sectors has also risen over time, with a notable increase in recent years. While the most recent figures are slightly down on 2023, overall employment levels remain strong.
- 6.4 Property values have also risen steeply. According to CoreLogic data, the average land value of industrial-zoned properties nearly trebled between 2013 and 2023, and capital values more than doubled.
- 6.5 Over the same period, the composition of industrial land uses shifted towards storage and logistics, which have been the fastest-growing activities. Conversely, sectors such as textiles and timber product manufacturing declined. Vacant industrial floorspace also reduced markedly.
- 6.6 Taken together, these trends show that Hamilton's industrial land market remains under sustained pressure. Without a substantial boost in supply, land prices are likely to continue rising and the market will struggle to remain responsive to growth in demand.

7. PROJECTED LAND SUPPLY / DEMAND INFORMATION

- 7.1 The Business Development Capacity Assessment 2023 ("**BCA**") for the Future Proof Partners² shows that demand for industrial land in Hamilton is expected to be strong and sustained. Te Rapa accounts for over 60% of projected demand in the short and medium term, and just over half over the long term.
- 7.2 In contrast, supply in Te Rapa is very limited. Only 40 hectares are available in both the short and medium term, creating substantial deficits against projected demand. Even in the long term, the BCA forecasts a significant shortfall of nearly 90 hectares, despite this assuming the full development of Te Rapa North, which includes the Plan Change Area.
- 7.3 Citywide, deficits are projected across almost all nodes, with Ruakura being the only location expected to maintain a surplus. This is illustrated in Table 1, which shows the sufficiency of supply to meet projected demand.

²

The Future Proof area sits within the Waikato Region and comprises of the following Future Proof Partners: Hamilton City Council, Waipā District Council, Waikato District Council and Matamata-Piako District Council.

Table 1: Hamilton City Projected Supply-Demand Balances (Supply-Demand) hectares

Node	Short Term	Medium Term	Long Term
Te Rapa	1	-84	-87
Chartwell	0	-1	-2
Frankton	-4	-27	-85
CBD	-2	-9	-27
Ruakura	65	150	158
Other	5	-16	-72
Total	65	14	-114

7.4 These findings confirm a pressing need for additional industrial capacity in Hamilton City, and particularly in Te Rapa. I now consider the suitability of PC17 to meet that need.

8. ECONOMIC RATIONALE FOR REZONING

8.1 In my view, PC17 is well placed to help meet the identified need for industrial land in Hamilton. The zoning of the Plan Change Area signals that it is appropriate for industrial use, and it is in a location that is both anticipated and well suited for industrial development.

8.2 PC17 is consistent with Table 35 (Appendix 6) of WRPS, which sets out indicative timings for new industrial development by node. However, it would bring forward the sequencing of the development to the medium term compared to what is shown in Map 43 of the WRPS, which classifies Te Rapa as long-term development.

8.3 This then requires territorial authorities to assess PC17 against the responsive planning criteria contained in Appendix 13 of the WRPS. Those considered relevant to this assessment are:

- A. That the development would add significantly to meeting a demonstrated need or shortfall for business floor space, as identified in a Housing and Business Development Capacity Assessment or in council monitoring.

- B. That the development contributes to a well-functioning urban environment. Proposals are considered to contribute to a well-functioning urban environment if they:
 - i. Have or enable a variety of sites that are suitable for different business sectors in terms of location and site size;
 - ii. Support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets.
- C. That the development is consistent with the Future Proof Strategy guiding principles, and growth management directives (in this instance B8: Growing a Prosperous Economy).
- D. In cases where development is being brought forward, whether it can be demonstrated that there is commitment to and capacity available for delivering the development within the advanced timeframe.
- I. That the development does not compromise the efficiency, affordability or benefits of existing and / or proposed infrastructure in the subregion.
- K. That the development demonstrates efficient use of local authority and central government financial resources, including prudent local authority debt management.

8.4 I now work through each criterion in turn.

Criterion A: Demonstrated need or shortfall

8.5 The BCA identifies substantial medium and long-term deficits of industrial land in Te Rapa, even when the Te Rapa North Industrial Zone is included in the latter. PC17 directly addresses this by bringing forward 53 hectares of developable land from long-term to medium-term supply, helping to reduce the expected shortfall. Accordingly, I consider PC17 consistent with Criterion A.

Criterion B(i): Contribution to a well-functioning urban environment

8.6 The Plan Change Area is an excellent fit with industrial location criteria. It has direct access to major transport routes and rail, is flat and versatile, and sits alongside existing industrial land. The BCA's multicriteria assessment ranks Te Rapa as the most suitable industrial growth area in the Future Proof

subregion, which reinforces the suitability of the Plan Change Area for industrial development.

- 8.7 In addition, the Plan Change Area provides a unique opportunity for businesses to co-locate with the Manufacturing Site and capture synergies from proximity. These agglomeration benefits are well recognised in economics and help explain why businesses cluster together. This further supports the efficient functioning of the urban environment. Accordingly, I consider PC17 consistent with Criterion B(i).

Criterion B(ii): Support for competitive land markets

- 8.8 Much of Hamilton's future industrial land supply is concentrated at Ruakura, where most land is available only on a leasehold basis. Based on my experience participating in arbitrations between ground lessees and lessors, I expect that many organisations will not lease land and construct a new industrial building due to future ground rent risk. Bringing the Plan Change Area forward for development will increase the availability of freehold land, contributing positively to competitive land markets. Accordingly, I consider PC17 consistent with Criterion B(ii).

Criterion C: Consistency with the Future Proof Strategy guiding principle B8: Growing a Prosperous Economy

- 8.9 PC17 aligns with the Future Proof Strategy (Future Development Strategy Update 2024 – 2054) and the WRPS growth management directives. It supports a prosperous economy by providing for employment-generating industrial activity in a strategic location already earmarked for growth. Accordingly, I consider PC17 consistent with Criterion C.

Criterion D: Ability to deliver in the advanced timeframe

- 8.10 The revised Structure Plan for the Plan Change Area introduces a staged framework that ensures development can be delivered in a timely and coordinated way.
- 8.11 This staged approach provides flexibility to bring land to market quickly, while also ensuring that capacity can expand as key transport and servicing upgrades are delivered. In my opinion, the framework demonstrates that PC17 can be delivered within the medium-term horizon and that there is both commitment and capacity to bring the land forward in line with projected demand. This is especially true since most of the Plan Change Area is under the control of a single landowner with clear development intentions.

- 8.12 Accordingly, I consider PC17 consistent with Criterion D.

Criterion I: Infrastructure delivery

- 8.13 As is natural with greenfield developments, significant infrastructure will be required to enable future development of the Plan Change Area. The need for specific transport infrastructure upgrades is directly tied to the amount of land developed and the resulting traffic generation. Initial development (up to 20 ha) requires only minor upgrades to Old Ruffell Road. Further development (up to 35 ha) requires construction of Access 2 and extension of the Spine Road, but not the full East-West Road or Northern River Crossing intersection. Mr Inder's evidence describes these transport upgrades in more detail.³
- 8.14 Water and wastewater infrastructure requirements will primarily be addressed in step with development, according to the proposed staging plan, with interim solutions being utilised where necessary. Mr Farrell's evidence describes integration with infrastructure in more detail.⁴
- 8.15 Mr King's evidence also explains the proposed stormwater infrastructure can be staged to align with development, with each sub-catchment provided with the necessary treatment and attenuation measures as it is developed. There are no interdependencies between sub-catchments that would restrict the order of development.⁵
- 8.16 Accordingly, I consider PC17 consistent with Criterion I.

Criterion K: Efficient use of financial resources

- 8.17 PC17 will not impose undue financial burdens on the Council or the Waikato Regional Council. Growth-related costs can be recovered through development contributions or other funding tools. Any ongoing costs can also be managed through targeted rates or similar mechanisms. Accordingly, I consider PC17 consistent with Criterion K.

Conclusion

- 8.18 Taken together, I consider that PC17 clearly satisfies the relevant Appendix 13 criteria, is well suited to meet the growing demand for industrial property in Hamilton, and will make a meaningful contribution to addressing the City's projected land shortfalls.

³ Statement of Evidence of Cameron Inder dated 7 October 2025 at [10.3-10.4].

⁴ Statement of Evidence of Matthew Farrell dated 7 October 2025 at [6.12].

⁵ Statement of Evidence of Scott King dated 7 October 2025 at [1.6].

9. KEY FINDINGS

9.1 Having established the economic rationale for PC17, I now briefly summarise its likely wider economic impacts:

- (a) PC17 will bring forward 53 hectares of developable industrial land into the medium-term horizon, directly increasing supply in a market where significant shortfalls are forecast. This additional supply will make the industrial land market more responsive to demand. All else being equal, this will help reduce upward pressure on prices and improve affordability for future owners and occupiers. The increase in supply will also generate efficiency gains in the land market, reflected in greater consumer and producer surplus for land buyers and sellers.
- (b) Development of the Plan Change Area will deliver significant one-off benefits during the construction phase, which I estimate could sustain hundreds of jobs for at least a decade, generate \$170 million in wages / salaries, and boost GDP by \$300 million.
- (c) Once operational, future activities supported onsite are expected to sustain around 1,325 full-time equivalent ("**FTE**") jobs, generate \$95 million in annual wages and salaries, and contribute \$200 million to GDP annually.
- (d) PC17 enables the Plan Change Area to be put to its highest and best use, thereby maximising economic efficiency in the underlying land market, while also supporting the overarching purpose of the RMA.
- (e) The main potential cost of PC17 is the loss of rural production. However, this is very modest compared to the benefits, with average output of less than \$1 million per year and less than two FTE jobs supported.

9.2 Taken together, these findings confirm that PC17 will deliver substantial net economic benefits, while directly addressing pressing industrial land supply shortfalls in Hamilton.

10. RETAIL CAP

10.1 I understand a submission was made by Te Awa Lakes that the Focal Area provisions could enable a scale of food and beverage activity that went beyond

meeting the day-to-day needs of workers, businesses, and visitors in the zone with consequential retail distribution effects on the Te Awa Lakes centre.

- 10.2 To that end, an additional provision has been proposed that limits the total GFA of food and beverage retail within the Focal Area to 800m². This cap is in addition to the other controls already in place, including the restriction of food and beverage outlets to the Focal Area only, a 250m² maximum tenancy size, and Non-Complying activity status for supermarkets.
- 10.3 I was involved in the derivation of the 800m² figure and I consider it appropriate. It provides for a modest level of food and beverage activity that is proportionate to the expected needs of the Te Rapa North Industrial Zone workforce and visitors, while ensuring that the Focal Area remains clearly subordinate to the zone's industrial role. I consider that this additional control appropriately addresses potential retail distribution effects raised by the submitter and avoids the risk of a destination retail node forming.

11. SECTION 42A REPORT

- 11.1 The Section 42A Report notes the need for the plan change and the associated timing has been demonstrated through the application material (including the Economic Assessment) and has not been directly challenged through evidence from submitters.⁶
- 11.2 The Section 42A Report refers to a submission seeking consideration of industrial land demand and supply across the whole Strategic Industrial Node of Horotiu / Te Rapa North / Rotokauri.⁷ However, the Section 42A Report author notes it is unclear if this assessment is required.
- 11.3 In my view, it is appropriate that the economic assessment focuses on the Te Rapa node as defined in the BCA, which is the area used for monitoring supply and demand under the NPS-UD.
- 11.4 While the WRPS identifies a broader Strategic Industrial Node spanning multiple jurisdictions, the BCA does not report demand or supply at that combined level. Assessing Te Rapa North in isolation therefore provides the most relevant and consistent basis for understanding the shortfalls that PC17 is intended to address, and I do not consider that a separate assessment at the combined Strategic Industrial Node scale is necessary or instructive.

⁶

Section 42A Report at [5.8].

⁷

Section 42A Report at [5.10] (Topic 2c).

12. RESPONSE TO SUBMISSIONS

- 12.1 I have read the submissions received on PC17 that raise concerns relating to economic matters.
- 12.2 The only submission that raised economic concerns was by Te Awa Lakes concerning scale of activity enabled in the Focal Area. This has been addressed in paragraphs 10.3 to 10.5 above.

13. CONCLUSION

- 13.1 In my view, PC17 addresses a clear and pressing shortfall of industrial land in Hamilton by bringing forward 53 hectares of developable land into the medium-term horizon. The Plan Change Area is well suited for industrial use, with strong locational attributes that make it an appropriate place for new development.
- 13.2 I consider PC17 to be consistent with the WRPS's criteria for the early release of out-of-sequence development from an economic perspective.
- 13.3 Overall, PC17 will generate substantial economic benefits, while avoiding any material costs, and I support it on economic grounds.

Fraser Colegrave

7 October 2025