INSIGHT ECONOMICS



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Rangitīkei Housing Capacity Realisation Assessment – Proposed Plan Change 3

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Rangitīkei District Council

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Executive Summary

Context & Purpose

Rangitīkei District Council (**Council**) is currently pursuing Proposed Plan Change 3 (**PPC3**) to enable enough residential development capacity to meet projected demand in its main towns over the next 30 years. PPC3 responds to a recently identified shortfall of capacity in two ways. First, it makes infill easier, by introducing a Residential Intensification Area (**RIA**) in which the minimum lot size falls from 400 sqm to 250 sqm. Second, it expands the supply of greenfield land by rezoning rural land at Marton and Bulls for about 711 new lots. Some submitters argue that the greenfield rezoning is unnecessary because enough capacity already resides within the existing General Residential Zone (**GRZ**). To assist, Council asked us to independently assess how many new lots could feasibly be created within the existing GRZ of Marton, Bulls and Taihape, how many will likely be realised, both with and without the RIA, and what that implies for PPC3's rezoning provisions. This report presents our assessment.

Approach

We examined every GRZ property in the three towns, 3,794 sites in all, working from the number of lots that the plan enables, to those that are commercially feasible, to the number of lots likely to be realised (and the dwellings built on them) within 3, 10 and 30 years. Those figures were compared to Council's projected demand by town and period to calculate (i) the proportion of PPC3's greenfield land needed to meet any potential gaps, and (ii) the chance that there is sufficient supply to meet demand with and without PPC3's greenfield land. We focus on the creation of new lots via subdivision by owner-occupiers and developers, because that is what PPC3's rezoning enables. Comprehensive redevelopment, where existing houses are bought, demolished and replaced, is the other pathway. We do not report on that in detail because it is highly uneconomic at local land values, but an appendix addresses it for completeness. Finally, because we have not accounted for infrastructure servicing, flood hazards or a range of other potential physical, legal and ownership constraints that may limit developability in practice, our estimates of feasible and realisable capacity likely err on the high side.

Key Findings

Table 1 summarises the results of our assessment by town. In theory, the GRZ allows about 5,600 new lots to be created via subdivision, which is about 3.5 times Council's 30-year demand figure. However, only about 900 lots are commercially feasible at today's prices and costs, and most of them are on a few dozen larger blocks in Marton. Backyard subdivision generally leaves owners worse off once the value of the land they give up is accounted for, while most of Bulls' blocks are infeasible, as are all sites in Taihape. Many of Marton's estate-sized blocks are marginal when subdivided at typical lot sizes, and most of its larger holdings are lived in. Owners and developers also act slowly. Applying observed realisation rates over the past decade, the existing GRZ and proposed RIA would yield only about 80 dwellings within 3 years, 260 within 10 years and 670 within 30 years.

Table 1: Summary of results by town (recommended PPC3 rules including the RIA)

Town	Number of GRZ sites	District Plan-enabled lots	Commercially feasible lots	Realisable over 3 years	Realisable over 10 years	Realisable over 30 years
Marton	2,249	3,523	866	72	221	540
Bulls	796	952	61	7	35	114
Taihape	749	1,148	0	3	6	14
Total	**3,794**	**5,623**	**927**	**81**	**262**	**668**

Implications for PPC3

Over 30 years, every town would fall short of Council's projected demand without the greenfield land. Marton's existing zone and the RIA would supply about 540 dwellings against demand for 707, a shortfall of about 170, Bulls about 110 against 402, and the district as a whole, including Council's 55 dwellings for Hunterville and Mangaweka, about 720 against 1,608.

Because the pace of development is uncertain, we also measured the chance that supply meets demand across 5,000 simulations. Without the greenfield land, Marton has about one chance in three of meeting its demand within 10 years and about one chance in twelve within 30 years, while Bulls and the district as a whole have almost none. Closing Marton's 30-year gap requires about 31% of its 547 greenfield lots to be built on, which is about what comparable blocks deliver at the observed pace (35%), leaving almost no margin. Even with the greenfield land, Marton has only about an even chance of meeting demand over 30 years, and in Bulls the 30-year shortfall of about 290 dwellings exceeds the town's entire greenfield allocation of 164.

These figures exclude infrastructure servicing and the other constraints noted above, each of which would reduce the supply from the existing zones further, so the true need for the proposed greenfield land is likely to be greater than shown.

Conclusion

In our opinion, on economic grounds, the greenfield rezoning proposed in PPC3 is necessary in both Marton and Bulls, and the recommended extent appears to be no more than required. In Bulls it is less than required. The RIA is a sensible enabling measure but is unlikely to yield much extra capacity. Overall, we support PPC3 as recommended in the section 42A report on economic grounds.

1. Introduction

1.1. Context for PPC3

Council is currently pursuing PPC3 to enable enough residential development capacity to meet projected demand over the short, medium and long term, after a 2024 monitoring report identified a shortfall of capacity in its main towns. PPC3 works in two ways. First, it makes infill easier, by introducing an RIA overlay over parts of Marton, Bulls and Taihape within which the minimum lot size falls from 400 sqm to 250 sqm, and by amending the subdivision and residential zone provisions that govern lot size, shape and access. Second, it expands the supply of greenfield land by rezoning rural land at Marton and Bulls for residential use, with capacity for about 711 lots (547 in Marton and 164 in Bulls) as recommended in the section 42A report.

The need for additional capacity reflects the balance between projected demand and capacity, which Table 2 summarises. In short, the section 42A report projects demand for 1,608 additional dwellings by 2055 and counts 770 dwellings of capacity in the existing residential zones, 316 in the RIA and 711 on the greenfield land, a total of 1,797 and a surplus of 189 (paragraph 115). It also acknowledges that plan-enabled capacity should not be equated with the dwellings that will be delivered, because realisation depends on landowner willingness, development costs, market demand, servicing and site constraints (paragraph 116). We agree.

Table 2: Council's estimates of demand and capacity over 30 years (dwellings)

Capacity by type and location	Marton	Bulls	Taihape & other	District
Existing residential zones	330	297	143	770
Residential Intensification Area	186	103	27	316
Greenfield land	547	164	0	711
Total capacity	**1,063**	**564**	**170**	**1,797**
Projected demand	707	402	499	1,608
Capacity less demand	**+356**	**+162**	**–329**	**+189**

Source: section 42A report, Tables 2 and 3 and paragraph 115. Taihape & other includes Hunterville and Mangaweka (55 dwellings).

Table 2 shows that Council's surplus of 189 dwellings depends on all the existing-zone and RIA capacity being taken up. Some submitters go further and argue that the existing zones alone hold enough capacity to remove the need for greenfield rezoning. Horizons Regional Council seeks evidence that the greenfield extent on highly productive land is the minimum necessary under clause 3.6(5) of the National Policy Statement for Highly Productive Land (**NPS-HPL**). KPA Properties, which holds consented and proposed land in Bulls, supports the rezoning. We accept Council's figures as a reasonable first screen and a point of comparison, but our assessment is independent of them, using our own method and inputs throughout.

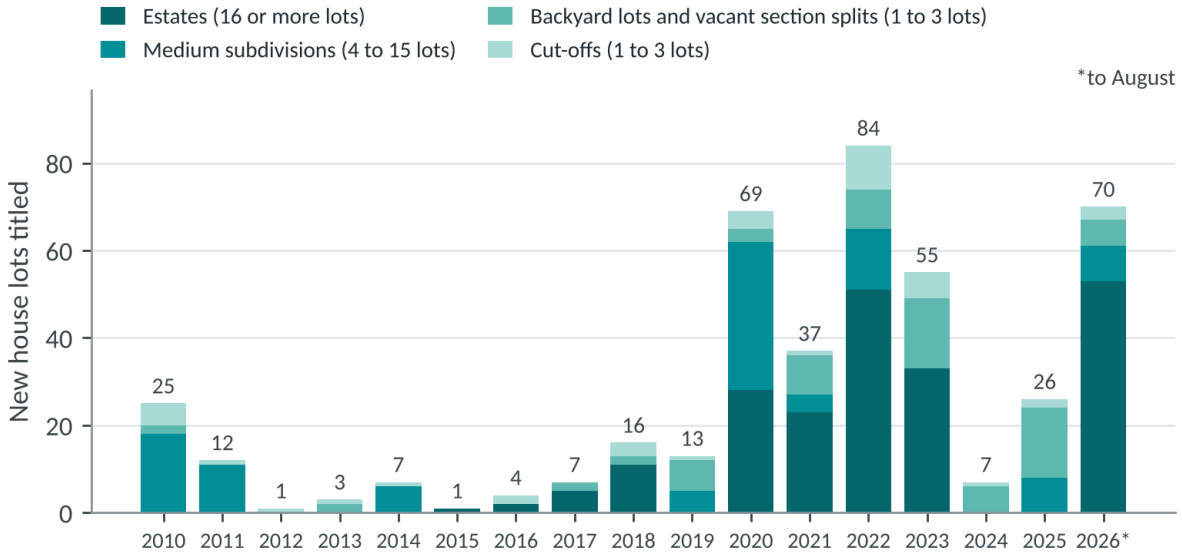
1.2. Recent Price & Consent Trends

Two features of the local market frame the assessment. The first is that property values are low and have yet to recover from the fall that followed the post-Covid spike. House prices in the three towns rose about 67% between late 2019 and their 2022 peak, fell about 14% by early 2023 and have been broadly flat since. Section prices rose later, peaked earlier and fell further, so that a section in Marton

or Bulls now sells for about 25% less than it did in late 2021 (Section 5.2). This is important because the cost of creating a section does not fall with the value of the land, so low section prices leave little or no room for a financial return.

The second is the pattern of recent development. Figure 1 shows every new house lot titled in the three towns since 2010, classified by the type of subdivision. The existing zones have produced 388 new lots since January 2016, about 36 a year, of which 72% were in Marton and 53% came from estates of 16 or more lots. Activity has been uneven. Some 245 lots were titled in 2020 to 2023, when prices were at their peak, against seven in 2024, and backyard lots and vacant section splits together have added only about seven lots a year. New house builds follow new lot creation, with most district dwellings being stand-alone homes on their own lots. Many are relocated second-hand houses, with 74 of the 268 dwelling consents granted in 2019 to 2023 being for relocations (Council monitoring report, 2024). Speculative building of new houses for sale appears relatively rare.

Figure 1: New house lots titled by year and type of subdivision, three towns, 2010 to 2026



Source: Insight Economics classification of LINZ titles (issue dates to 28 August 2026). The 2026 figure is to August.

1.3. Implications for & Scope of the Assessment

These two features shape what we have assessed and how. Capacity in an existing residential zone can be realised in two ways, namely by subdividing properties to create new lots or by comprehensively redeveloping them, where a developer buys one or more properties, demolishes the houses and builds a larger number of new homes. Comprehensive redevelopment is common in New Zealand's metropolitan areas, where high land values carry the cost of acquiring and clearing a site. In a low-value provincial market it is almost always infeasible, because the house and section cost far more than the bare land is worth and the demolition then adds a large share to the cost of the land it clears. It also tends to produce attached dwellings, such as townhouses and units, which do not match the stand-alone homes that households in these towns have mostly sought. Where it occurs at all it is usually undertaken by public and community housing providers rather than the commercial market. We therefore focus on subdivision. Appendix E tests comprehensive redevelopment separately and shows that including it would not change our results or conclusions.

Accordingly, **the scope of this assessment is as follows**:

- It covers every GRZ property in Marton, Bulls and Taihape, excluding reserves and other public and non-residential uses, and assesses each town separately (Appendix F combines Marton and Bulls, whose markets likely overlap).
- It considers both owner-initiated and developer-led subdivision of occupied and vacant properties, under the operative rules and those recommended in the section 42A report, with and without the RIA.
- It measures capacity in new lots created by subdivision, which is also what the greenfield rezoning creates, and does not assess the viability of building houses on those lots, although it counts a lot as supply only once a house is built on it at the pace observed locally.
- It does not account for infrastructure servicing constraints, flood hazards or other physical, legal and ownership constraints, all of which can reduce capacity realisation in practice (Section 2.4 explains the effect).

1.4. Structure of Report

The remainder of this report is structured as follows.

- **Section 2** summarises our approach and defines the terms used;
- **Section 3** identifies the properties analysed;
- **Section 4** measures their plan-enabled capacity;
- **Section 5** tests the commercial feasibility of plan-enabled capacity;
- **Section 6** derives realisation rates from observed market outcomes and applies them to estimate realisable capacity over the short, medium and long term;
- **Section 7** compares that capacity with Council's projected demand;
- **Section 8** assesses the share of PPC3's greenfield land needed to meet any shortfalls;
- **Section 9** concludes; and
- **the appendices** set out the inputs, the property register, the sensitivity tests, the likelihood of sufficiency under different greenfield extents, the comprehensive redevelopment test, the combined Marton and Bulls results and the sources.

2. Summary of Approach

2.1. Overview

We tested the commercial feasibility and likely realisability of creating new lots on every residential-zoned land parcel in the three towns, then compared the result with projected demand to see how much of PPC3's greenfield land may be needed to meet any shortfalls arising. Figure 2 summarises the seven steps involved.

Figure 2: The seven steps of the assessment



Source: Insight Economics.

The first three steps establish what the district plan enables, by grouping Council's rating units into development sites, excluding those too small to yield another lot on the minimum lot size alone, and applying a fuller set of plan provisions to the balance to count the new lots that theoretically fit on each site. The fourth step tests whether creating those lots is commercially worthwhile, by comparing the full cost of subdivision with the likely sale price of the new lots net of selling costs to see if a 20% margin on cost could be earned.

The fifth step recognises that feasibility shows where subdivision may be worthwhile, not when owners may act, so we reconstructed every subdivision in the three towns since 2016 from the title record, derived the rate at which each type of property has been subdivided, and applied those rates to estimate the lots likely to reach the market within 3, 10 and 30 years, and the houses likely to be built on them. The final two steps compare that realisable capacity with Council's projected demand, calculate the shortfall and the chance that supply meets demand in each period, express the shortfall as the share of PPC3's greenfield land that would need to be built on in that period, and compare that share with the rates at which comparable land has been developed. This, in turn, reveals the degree to which PPC3's greenfield land provisions are likely to be needed to meet future demand.

2.2. Capacity Concepts & Timeframes

Although the National Policy Statement on Urban Development (**NPS-UD**) does not apply to Rangitīkei (section 42A report, paragraph 40), it provides a useful distinction between different measures of capacity for this assessment, so we adopt many of its concepts and key terms here. They include:

- **Plan-enabled capacity**, which is the number of new lots the district plan allows on each site once every relevant rule is applied, ignoring all other constraints.
- **Commercially feasible capacity**, which is plan-enabled capacity that is commercially viable to create, because the net sale price of new lots covers all costs, including land, and earns a 20% developer margin on cost.
- **Realisable capacity**, which is the supply likely to be brought to market within a given period, estimated from how often each type of property has been subdivided historically. It is the final capacity measure that we compare with demand, and because demand is for dwellings we count a new lot once a house is built on it.

We report realisable capacity over the three NPS-UD timeframes, namely the short term (3 years), the medium term (10 years) and the long term (30 years), each measured from October 2026, so that the long-term horizon broadly aligns with Council's 2025 to 2055 demand period. The NPS-UD also provides that long-term feasibility may be assessed using projected future prices and costs, a point we return to in Section 5.5.

2.3. Types of Subdivision

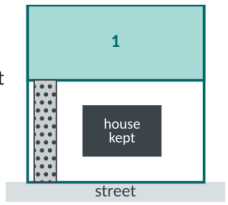
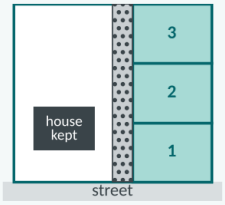
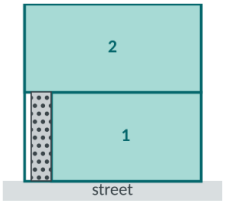
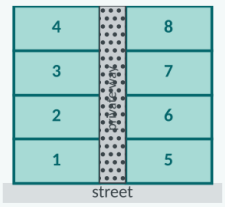
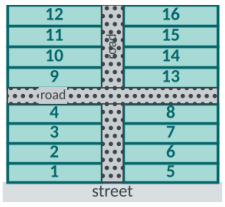
New lots are created in different ways, with both the economics and the pace of development differing between them. Accordingly, we distinguish five types of subdivision throughout this report, namely:

- **Backyard lots (Type 1)** – 1 to 3 new lots on an occupied section of up to 2,500 sqm, with house(s) kept;
- **Cut-offs (Type 2)** – 1 to 3 lots cut from an occupied property over 2,500 sqm, with house(s) kept;
- **Vacant section splits (Type 3)** – 2 or 3 lots on a vacant section of up to 2,500 sqm;

- **Medium subdivisions (Type 4)** – 4 to 15 lots on a bare block, or 4 to 14 on land around retained house(s); and
- **Estates (Type 5)** – 16 or more lots on a large block, with new roads and reticulation.

Figure 3 illustrates each of these subdivision types for ease of reference.

Figure 3: The five types of subdivision assessed

Type and description	Typical site	New lots	Who	Land cost	Picture
TYPE 1 **Backyard lots** Owner-occupier keeps the house and sells 1 to 3 lots behind, beside or in front of it	Occupied section of up to 2,500 sqm	**1 to 3**	Owner-occupier	Garden given up, at its current-use value to the owner	
TYPE 2 **Cut-offs** Owner-occupier keeps the house and sells 1 to 3 lots cut from a larger property	Occupied property over 2,500 sqm	**1 to 3**	Owner-occupier	Land given up, at its current-use value to the owner	
TYPE 3 **Vacant section splits** A vacant section is split into 2 or 3 lots	Vacant section of up to 2,500 sqm	**2 or 3**	Developer or owner	Section bought at market value	
TYPE 4 **Medium subdivisions** 4 to 15 lots served by a private way on a bare block, or 4 to 14 on the land around a house that is kept	Block of about 0.3 to 2 hectares	**4 to 15** (4 to 14 if a house is kept)	Developer, or owner of a larger holding	Block, or the land around a kept house, at market value*	
TYPE 5 **Estates** 16 or more lots with new roads and reticulation, on a large bare block or around a house that is kept	Block of 2 hectares or more	**16 or more**	Developer, or owner of a larger holding	Market value: $200,000 a hectare for a bare block, $315,000 around a kept house*	

Existing lot, kept | New lot (numbered) | Driveway, private way or road | House kept

Source: Insight Economics. Pictures are schematic and not to scale; estates are modelled at about 630 sqm a lot, the median in Marton's estates since 2016. *On holdings of 1 hectare or more in Marton and Bulls, $200,000 a hectare for a bare block and $315,000 a hectare for the land around a kept house; smaller sites and Taihape are valued from rating values.

The first two types are undertaken by owner-occupiers, who keep their house and sell the new lots as bare sections. The last three are typically – but not exclusively – undertaken by developers, who buy

the land, subdivide it and sell the lots. Each site is tested across various subdivision types and its plan-enabled capacity is the maximum number of lots that any type allows. However, it is classified, and modelled, according to the subdivision type that gives its owner the highest estimated return, which on some larger blocks means fewer, larger lots than theoretically allowed. For example, estates are laid out at the lot sizes the local market buys (Appendix A). The main difference between the two groups is the treatment of the land. A developer buys it at a market price, whereas an owner-occupier already holds it, and the value that an owner imputes to the land they sell can greatly affect its modelled commercial feasibility (Section 5.3).

2.4. Central Assumptions, Exclusions & Quality Assurance

The results in the main body of this report reflect a central set of assumptions for prices, costs and the pace of development, so that each result is a single figure. One qualification applies to the realisation step. Because the pace of subdivision depends on section prices, which rise and fall, the realisable figures are the average of 5,000 simulated paths of future prices around today's level, with owners' rates of action drawn from the statistical range of the observed rates. We report that average as the central figure, and the share of simulations in which supply meets demand as the chance of sufficiency, which Sections 7 and 8 use as a key measure of the need for PPC3's greenfield land. Section 6.3 reports the range around the central figures, Appendix C the sensitivity tests and Appendix D the chance of sufficiency under different greenfield extents.

Three exclusions should be kept in mind when reading the results. First, we have not accounted for infrastructure servicing constraints, so our estimates of existing-zone capacity are higher than they would otherwise be. Second, we have not deducted land within the district plan's flood hazard overlays, although we do report the capacity that falls within them. Third, we have not accounted for other physical, legal and ownership constraints, such as ground conditions, covenants and other encumbrances on titles, multiple or unwilling owners, access and the effects of neighbouring uses. Each of these may reduce realisable capacity, so our estimates of existing-zone supply should best be read as tending towards upper estimates (Section 9).

When comparing supply with demand, which Council expresses in dwellings, we count a new lot only once a house is built on it, at the pace observed in the title record, under which about half of new lots carry a house within two years of being titled, two-thirds within five and nearly four-fifths within ten.

The assessment uses Insight Economics' property feasibility model, which has been gradually developed and applied across New Zealand, together with a GIS-based geometric analysis of each site. The property register reconciles to the 2023 Census dwelling count within 5%, the realisation model is calibrated to observed rates of development across the three towns since 2016, and a parcel-level cross-check via an alternative method corroborated the report's main findings. Appendix G lists the key data sources relied on.

3. Properties Analysed

The assessment covers every GRZ property in Marton, Bulls and Taihape, excluding reserves and other public or non-residential uses. Table 3 presents the steps taken to filter Council's rating database to obtain the sample of development sites analysed, while Table 4 summarises those sites.

Table 3: From Council's rating units to the residential development sites analysed

Measures	Marton	Bulls	Taihape	Total
Rating units at least half inside the GRZ	2,456	844	810	4,110
Less units grouped into one site (cross-leases, unit titles etc)	−118	−18	−24	−160
Less reserves, schools, churches, businesses, utilities etc	−89	−30	−37	−156
Residential development sites analysed	**2,249**	**796**	**749**	**3,794**

Source: Insight Economics property register (Council rating records, April 2025; LINZ parcels and titles to 28 August 2026; district plan layers).

Table 4: Profile of the residential development sites analysed

Measures	Marton	Bulls	Taihape	Total
Sites with a dwelling	2,060	733	654	3,447
Vacant sites	189	63	95	347
Existing dwellings on sites	2,231	813	708	3,752
GRZ land on the sites (hectares)	368	116	123	607
Sites of 1 hectare or more	49	11	11	71
Sites within the recommended RIA	313	121	34	468

Source: Insight Economics property register. Vacant sites hold no house; a few hold a garage or shed.

Table 3 shows that grouping and exclusions remove about 8% of the rating units inside the GRZ, leaving 3,794 residential development sites. Table 4 shows that those sites hold 3,752 dwellings on about 607 hectares, that about 9% of them are vacant, and that 71 are a hectare or more. Where a holding is only partly zoned GRZ, only the GRZ land counts, and 16 rating units that are mostly zoned rural are excluded from the tables, except KPA Properties' consented Johnson Street estate in Bulls, which the realisation step counts at its 88 consented lots.

Fifteen sites have had new titles issued since April 2025, led by a 53-lot estate at Hendersons Line in Marton; their capacity is measured as at April 2025, before those titles were issued. In the realisation step, their new lots that are still vacant count as supply as houses are built on them, and only the remaining capacity is left to be realised, with the balance of the Hendersons Line estate treated as already under way. Appendix B explains the register and the measurement of each site.

4. Plan-Enabled Capacity

This section measures the number of additional lots enabled by the district plan on each site in two stages. First, it filters out sites too small to subdivide given their land area and the minimum lot size. Then, a fuller suite of planning provisions is applied to determine how many additional lots could likely fit according to the subdivision and residential zone rules recommended in the section 42A report, including the RIA; the operative rules are reported for comparison.

4.1. Initial Lot Size Screening

The simplest way to initially test a site's capacity for growth is to divide its total land area by its minimum lot size, before subtracting the number of existing dwellings to determine room for more. Those minimum lot sizes vary by location as follows (each of which excludes land for legal access):

- 400 sqm in the GRZ;
- 250 sqm in the RIA; and
- 800 sqm in Taihape West.

Table 5 summarises the effects of applying these to each residential zone site in the three towns.

Table 5: Initial screening of sites on the minimum lot size (recommended rules)

Measures	Marton	Bulls	Taihape	Total
Number of residential-zoned sites	2,249	796	749	3,794
Less sites too small for extra lots	−689	−304	−300	−1,293
Sites passing the initial screen	**1,560**	**492**	**449**	**2,501**
Extra lots enabled based just on minimum lot size	6,613	1,859	1,849	10,321

Source: Insight Economics analysis. The last row divides each site's area by the minimum lot size and subtracts its existing house or, for a vacant site, its existing lot.

Table 5 shows that about a third of the sites are too small to subdivide on any basis, and that the remaining 2,501 sites could theoretically accommodate about 10,300 extra lots if the minimum lot size were the only planning constraint. As demonstrated below, though, these additional capacity figures tend to shrink when a broader suite of planning rules is applied to each site.

4.2. Fuller Assessment of Plan Provisions

The second step applies further planning provisions to get a more accurate picture of site capacity. For example, each new lot must meet the minimum site area while also providing an access leg, be able to contain a 15-metre circle (or 12 metres in the RIA) and have legal access to the street, to name but a few. To assess these broader planning rules, we measured the frontage, depth and width of every site, positioned existing houses within each site using building outlines, kept the existing house on a lot of at least the minimum size with a 3.5-metre driveway past it, and tested whether a new lot fits behind, beside, or in front of the house.

Vacant sites and large landholdings were tested as comprehensive subdivisions of the whole site or of the land around the house, with more land used for shared accesses or roads as the number of lots

increases. Figure 4 shows how this works on an actual 1,012 sqm Marton section with a 1950s house, which we also use as the worked example in Section 5, and Appendix B summarises the method.

Figure 4: How a quarter-acre Marton section yields one backyard lot (measured house outline)



Sources: Council rating polygon and LINZ building outline for an actual Marton site; Insight Economics analysis. Appendix B checks the layout against the plan rules.

Figure 4 shows why measuring the size and location of existing houses matters. The section is 20.1 metres wide and 50.3 metres deep. Dividing its 1,012 sqm by the 400 sqm minimum gives 2.5 lots, so the initial screen allows one additional lot alongside the existing house. The back wall of the house sits 24.3 metres from the road, and a cut 1.5 metres behind it leaves a rear lot 24.5 metres deep and 20.1 metres wide, or 493 sqm, which meets the 400 sqm minimum and contains a 15-metre circle. A 3.5-metre access leg beside the house (90 sqm) gives it legal access, so the owner gives up 583 sqm in all and keeps a 429 sqm front lot. On this site the arithmetic and the geometric test agree, but on many others they do not, because the house sits too deep on the section, too close to a side boundary for a driveway to pass, or on land too narrow for the circle. Across the three towns, the fuller assessment removes a further 1,238 sites that passed the initial screen and roughly halves the lot count, from about 10,300 to 5,623.

4.3. Plan-Enabled Capacity by Town & Type of Site

Table 6 presents the resulting plan-enabled capacity by town and type of subdivision, using the five types defined in Section 2.3. Each site is counted once, under the type of subdivision that gives its owner the highest return.

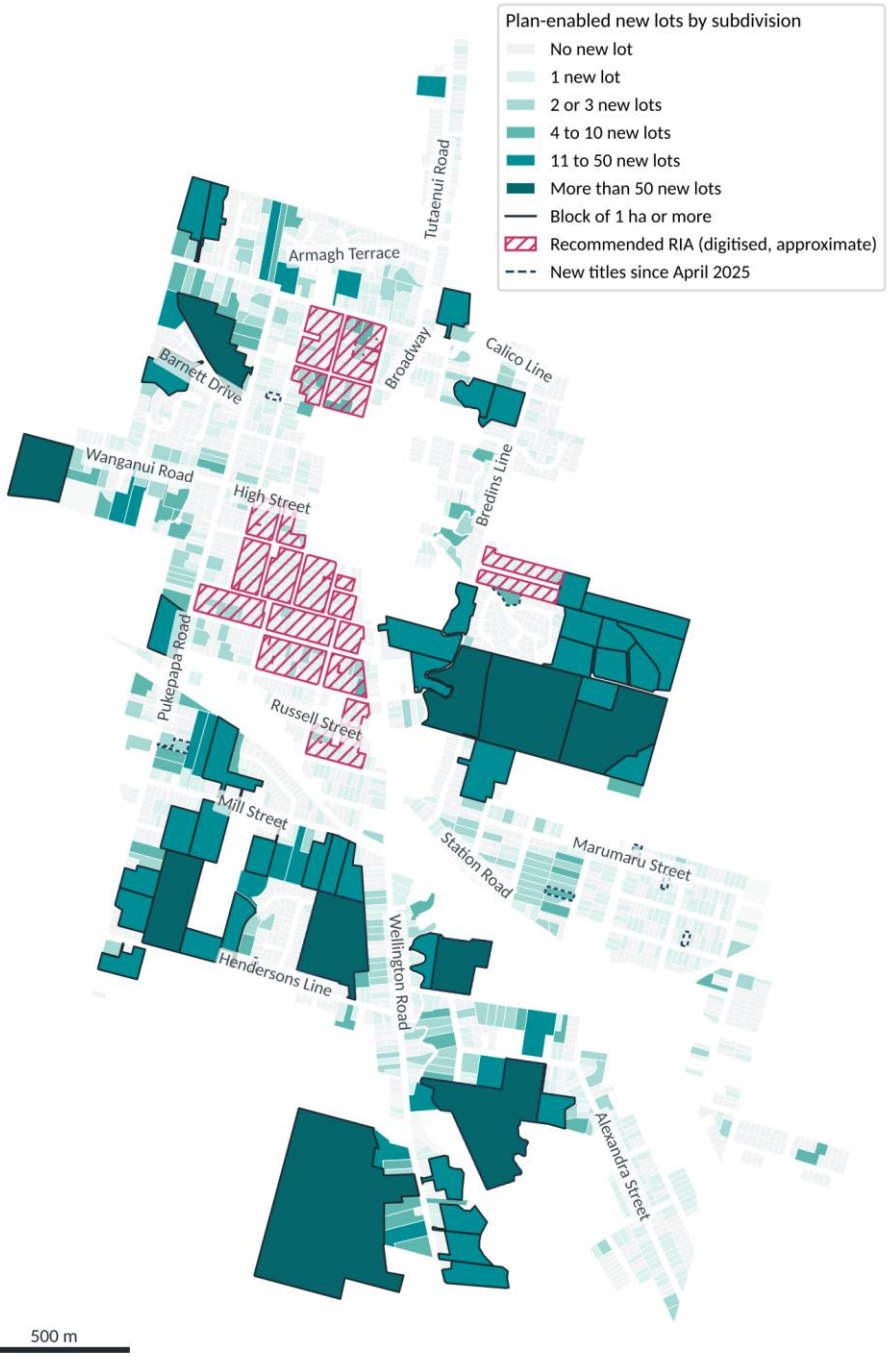
Table 6: Plan-enabled new lots by town and type of subdivision (recommended rules)

	Number of sites				Number of lots			
Type of subdivision	Marton	Bulls	Taihape	Total	Marton	Bulls	Taihape	Total
Backyard lots	592	136	188	916	686	180	225	1,091
Cut-offs	86	35	23	144	325	303	69	697
Vacant section splits	38	15	31	84	83	32	71	186
Medium subdivisions	64	11	23	98	1,117	191	299	1,607
Estates	14	3	4	21	1,312	246	484	2,042
All sites with capacity	**794**	**200**	**269**	**1,263**	**3,523**	**952**	**1,148**	**5,623**
Under the operative rules	711	187	267	1,165	3,402	923	1,133	5,458

Source: Insight Economics analysis. The last row applies the operative rules, which differ from the recommended rules only in the absence of the RIA.

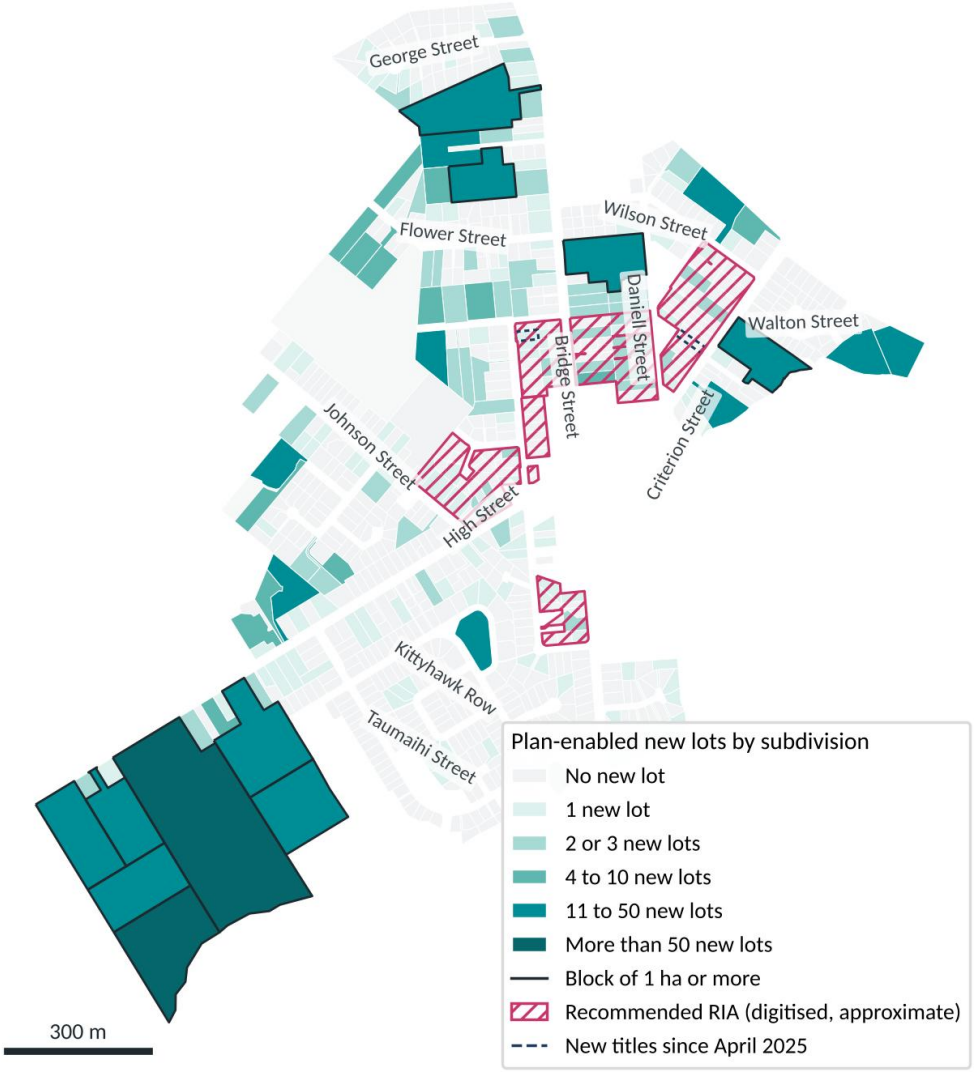
Table 6 shows that the plan enables about 5,600 new lots across the three towns on 1,263 sites, 3.5 times Council's 30-year demand for the whole district, with the recommended rules adding only 165 extra lots (over and above the operative rules). Capacity is heavily concentrated. For example, medium subdivisions and estates account for 65% of total plan-enabled capacity on just 119 sites, whereas the 916 backyard sites with plan-enabled capacity provide only 1,091 lots (or 19% of the total), adding little more than one each. Figures 5, 6 and 7 map plan-enabled capacity by site in each town, together with the recommended RIA and the blocks of a hectare or more.

Figure 5: Marton: plan-enabled new lots by site, the recommended RIA and the large blocks



Sources: Insight Economics analysis; recommended RIA digitised from the section 42A report, Appendix 3 (approximate).

Figure 6: Bulls: plan-enabled new lots by site, the recommended RIA and the large blocks



Sources: as for the Marton map. The Johnson Street holding is shown in grey as a partly zoned site.

Figure 7: Taihape: plan-enabled new lots by site, the recommended RIA and the large blocks



Sources: as for the Marton map.

Figures 5 to 7 show that most of the capacity in each town sits in a small number of large blocks on the urban edge, while the established streets, including most of the recommended RIA, hold little.

4.4. Capacity by Site Size & Presence of a House

Table 7 shows how capacity varies by site size and the presence or absence of an existing dwelling, across the three towns.

Table 7: Plan-enabled new lots by site size and presence of a house, three towns (recommended rules)

	Number of sites		Number of additional lots		
Site size	Count	Share with capacity	On occupied sites	On vacant sites	Total
Under 700 sqm	848	1%	5	0	5
700 to 1,000 sqm	1,242	14%	169	12	181
1,000 to 1,500 sqm	1,091	49%	500	53	553
1,500 to 2,500 sqm	334	83%	419	38	457
2,500 to 5,000 sqm	164	98%	495	120	615
5,000 sqm to 1 ha	44	100%	342	203	545
1 ha or more	71	100%	1,830	1,437	3,267
All sites	**3,794**	**33%**	**3,760**	**1,863**	**5,623**

Source: Insight Economics analysis. Site size is the GRZ land on the site. Occupied sites hold at least one house; vacant sites hold none.

Table 7 shows that more than half of all sites (2,090) are smaller than 1,000 sqm, and hold capacity for only another 186 lots in total. The 71 sites of at least a hectare hold capacity for another 3,267 lots, which is 58% of the total. Vacant land accounts for 33% of the capacity on 9% of the sites. In other words, the plan-enabled total is not a measure of how much infill the established streets can absorb. It is mostly a measure of how much land a few dozen owners of large blocks hold.

4.5. Effect of the RIA

The recommended RIA lowers the minimum lot size to 250 sqm on 468 sites, 313 of them in Marton. In plan-enabled terms, it adds very little. Once existing houses are kept with their access and setbacks, the lower minimum adds 165 new lots across the three towns (121 in Marton, 29 in Bulls and 15 in Taihape), on 132 sites. On 214 of Marton's 313 RIA sites the lower minimum adds nothing, either because no additional lot fits even at 250 sqm or because the GRZ rules already allow the same outcome. Section 5.6 shows what the RIA uplift adds once commercial feasibility is accounted for too.

4.6. Capacity in Flood Hazard Overlays

The district plan's natural hazard overlays for flooding (NH Overlays 1 and 2) cover parts of Marton and Bulls but none of Taihape's residential land. We have not deducted this land, but it bears on how the results are read. In Marton, 66% of plan-enabled lots sit on sites that intersect one of the overlays, mostly the large blocks on the town's eastern and southern edges; however, the overlays cover only about a quarter of the land on those sites, and 15% of the town's lots are on sites where an overlay covers at least half the site. In Bulls the corresponding shares are 42% and 7%. Removing the higher-hazard land altogether would reduce Marton's feasible lots by about 6% (Appendix C). Section 5.4 flags the feasible capacity that falls within the overlays.

5. Commercial Feasibility

This section tests whether it is commercially feasible to create the plan-enabled lots above. In short, for each of the 1,263 sites identified with plan-enabled capacity and for every type of subdivision they can accommodate, we estimate the full cost of subdivision, then estimate the likely net sale price of the new lots. Finally, we compare site costs and revenues to see which ones are likely to earn a 20% margin on cost, which is a typical required rate of return. We do this at today's prices and costs, but also consider how things might change in the longer run as prices and costs evolve.

5.1. Cost of Subdivision

Table 8 summarises the costs adopted for each type of subdivision, which have been built up from a range of sources, including Council fees and charges, LINZ, utility connection prices, published civil works rates, and local developers' reported costs. Appendix A sets out the detail.

Table 8: Costs of creating lots by type of subdivision (October 2026)

Type of subdivision	Cost per lot	Main components
One backyard lot (owner, incl GST)	$83,000	Survey, planning and consent fees, LINZ fees, legal work, service connections, power, driveway past the house, fencing
One backyard lot (developer, ex GST)	$72,000	As above
Two lots behind a house (ex GST)	$55,000	As above, with a shared right of way
Medium subdivision, 4 to 15 lots (ex GST)	$60,000	Private way, reticulation, consents
Estate, 16 or more lots (ex GST)	$78,000	Roads, stormwater, water and wastewater mains, earthworks, fees
Finance	8% a year	On funds drawn for 12 to 24 months; an estate's land is carried until its lots sell, at about 20 lots a year
Selling a lot	$9,600	Agent, marketing and legal
Development contributions	Nil	Council's 2024 policy does not currently charge them

Source: Insight Economics cost build-up (Appendix A). Medium and estate costs are per 650 sqm lot and scale with lot size; estates are laid out at about 630 sqm a lot. Owners are usually not GST-registered, so they pay the GST-inclusive cost but keep the whole sale price.

Table 8 shows that the cost of creating a lot is similar across the types, at roughly $55,000 to $83,000, because every lot needs its own survey, consents, connections and access whatever the scale of the scheme, and the roads and mains of an estate cost about as much per lot as the driveway and connections of a single backyard lot. The differences in feasibility between the types therefore come mainly from the cost of the land and the prices the lots fetch (Section 5.3).

5.2. Sale Prices

We estimated today's section prices from 35 rear-lot sales since 2019 and 28 vacant-lot sales since October 2024, cross-checked against rating land values and two independent estimates of the Marton

rear-lot price, which agree within 2%. Table 9 summarises the prices adopted for a 500 sqm lot in each town and how far they have fallen since the peak of the market.

Table 9: Section prices by town and type of lot (500 sqm, October 2026, GST inclusive)

Town and type of lot	Price today	Change since late 2021
Marton, rear lot behind a house	$120,000	−25%
Marton, lot beside or in front of a house	$145,500	−25%
Marton, estate lot	$143,500	−24%
Bulls, rear lot behind a house	$104,000	−25%
Bulls, estate lot or lot beside or in front of a house	$121,000	−24%
Taihape, any lot	$36,500	n/a

Sources: PropertyGuru sales 2019 to 2026; Insight Economics analysis. Changes compare the second half of 2021 with October 2026.

Table 9 shows that sections in Marton and Bulls sell for between $100,000 and $150,000, while those in Taihape sell for much less. Section prices in Marton and Bulls are down about 25% from their market peak five years ago. In the feasibility tests, sale prices are calculated net of selling costs and, for a GST-registered developer, net of GST too.

The Taihape price rests on thinner evidence than the others and we have checked it with care, because it drives the town's result. Four Taihape sections of 700 to 1,100 sqm have sold since late 2024, at $36,000, $37,000, $54,000 and $73,000, a median of about $45,500 that scales to about $38,000 for a 500 sqm lot. The 2023 rating land values of the town's 73 vacant sections tell the same story, with a median of $65,000 for a typical 1,000 sqm section, or about $65 per sqm against about $190 per sqm for vacant sections in Marton, and Taihape sections have sold at about half to four-fifths of their rating values since 2024. We therefore adopt $36,500, close to what the sales imply, and test a range of $24,000 to $49,500 (Appendix A). The Taihape conclusion in Section 5.4 does not depend on where in that range the true figure lies.

5.3. Comparing Costs & Revenues

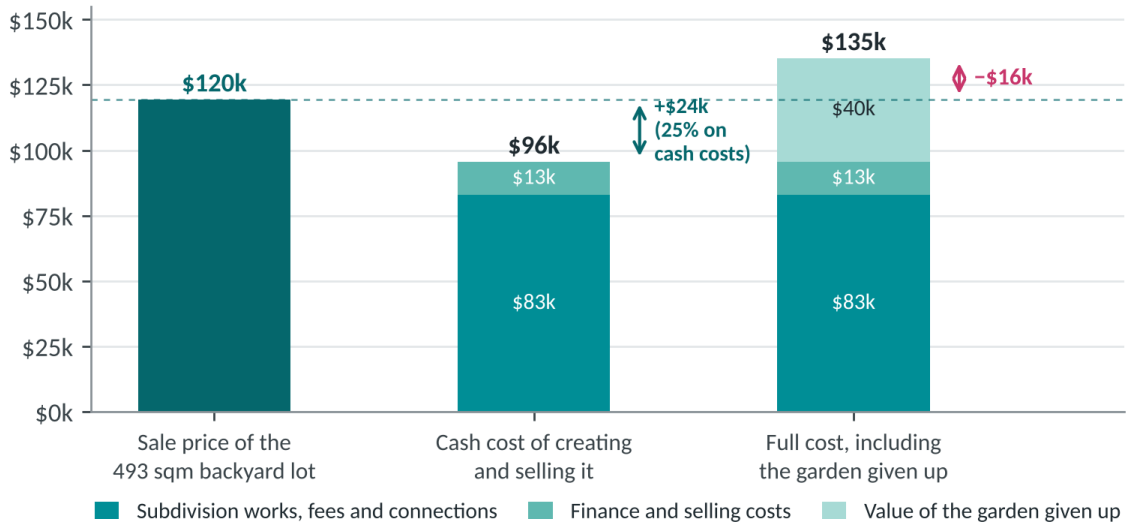
For a developer, the comparison between subdivision costs and revenues is straightforward. The land is acquired, the lots are created and sold, and the margin is what remains once all costs are paid.[1] Conversely, the comparison for an owner-occupier subdividing their backyard depends critically on the value they attribute to the land they subdivide and sell. At one end of the spectrum, a purely financial view ignores the land cost (especially if the land was purchased long ago) and counts only cash flows, because the purchase has already occurred. An economic view, by contrast, requires each resource to be valued, so that the real trade-off between subdividing and keeping a garden is explicit.[2]

[1] For bare blocks of a hectare or more in Marton and Bulls we set the land price at about $200,000 per hectare, and for smaller sites, and all Taihape sites, at market value estimated from rating values. For holdings of a hectare or more in Marton and Bulls that carry a house, the land around the house is valued at about $315,000 per hectare, the median land share of nine arm's-length sales of such holdings in Marton and Bulls, because their owners give up a lifestyle property rather than bare land (Appendix A).

[2] While we consider the economic view to better reflect reality, it is important not to overstate the imputed value of land when calculating owner-occupier feasibility. For example, assigning a pro-rata share of each site's rating land value would overstate it, because doubling the size of a land parcel typically increases its value by far less than 100%. Applying those principles to local house sales gives indicative land values of $68 per sqm in Marton, $75 in Bulls and $40 in Taihape.

Figure 8 shows what this means for the owner of the 1,012 sqm Marton section in Figure 4 under two scenarios, one where the value of land sold is ignored, and one where it is not.

Figure 8: One Marton backyard lot: sale price against the cash cost and the full cost of creating it



Source: Insight Economics feasibility model (worked example, owner-occupier, GST inclusive, October 2026 prices and costs). Appendix A sets out the calculation.

Figure 8 shows how finely balanced the situation can be for backyard subdivision. In this example, the 493 sqm backyard lot sells for about $120,000, against about $96,000 to finance, create and sell it. The profit of $24,000 exceeds a 20% return on cost, so the subdivision appears viable. However, the owner loses 583 sqm of garden and driveway that the market indicatively values at $40,000. So, when the forgone land is valued, the owner is $16,000 worse off. Table 10 shows how many occupied sites with owner capacity pass the 20% test under each view of the land, for each town.

Table 10: Feasibility of occupied sites with owner capacity, with and without land value imputed (recommended rules, today's prices)

Town	Occupied sites with plan-enabled owner capacity	Feasible at a 20% margin with no land cost	Feasible at a 20% margin with land cost imputed
Marton	728	645	79
Bulls	174	95	5
Taihape	228	0	0
Total	**1,130**	**740**	**84**

Source: Insight Economics feasibility model. Occupied sites with owner capacity are those on which the owner could keep the house and sell one or more new lots; they include backyard lots, cut-offs and the land around a house on larger holdings. The adopted land values are $68, $75 and $40 per sqm.

Table 10 shows that if the land is treated as free, 89% of Marton's 728 occupied sites with owner capacity and 55% of Bulls' earn a 20% margin, and infill looks abundant. Once the land given up is valued at what it is worth to the owner, the shares fall to 11% and 3%, or 79 and 5 sites. No Taihape site passes on either view, because a lot there sells for less than it costs to create. The apparent feasibility of backyard subdivision is therefore a matter of perspective. We adopt the economic view, which is consistent with the observed reality that very few owners who can subdivide do (Section 6.1).

5.4. Feasible Capacity by Type, Town & Size

Table 11 presents the feasibility results by type of subdivision, Table 12 by town and Table 13 by site size.

Table 11: Commercially feasible new lots by type of subdivision, three towns (recommended rules, 20% margin)

Type of subdivision	Plan-enabled lots	Commercially feasible lots	Share of lots that are feasible	% of feasible lots on sites in flood overlay
Backyard lots	1,091	51	5%	33%
Cut-offs	697	71	10%	46%
Vacant section splits	186	30	16%	70%
Medium subdivisions	1,607	651	41%	65%
Estates	2,042	124	6%	66%
All types	**5,623**	**927**	**16%**	**62%**

Source: Insight Economics feasibility model. A site in a flood overlay intersects NH Overlay 1 or 2 by any amount; the overlays cover about a quarter of the land on those sites in Marton. Lots that the owners of larger holdings with a house could cut off are counted under the holding's type.

Table 12: Commercially feasible new lots by town (recommended rules, 20% margin)

Town	Sites with plan-enabled capacity	Total plan-enabled lots	Commercially feasible lots	Sites containing feasible lots	Share of lots that are feasible
Marton	794	3,523	866	113	25%
Bulls	200	952	61	10	6%
Taihape	269	1,148	0	0	0%
Total	**1,263**	**5,623**	**927**	**123**	**16%**

Source: Insight Economics feasibility model.

Table 13: Commercially feasible new lots by site size, three towns (recommended rules, 20% margin)

Site size	Number of sites	Plan-enabled lots	Commercially feasible lots	Share that is feasible
Under 700 sqm	848	5	0	0%
700 to 1,000 sqm	1,242	181	4	2%
1,000 to 1,500 sqm	1,091	553	10	2%
1,500 to 2,500 sqm	334	457	49	11%
2,500 to 5,000 sqm	164	615	91	15%
5,000 sqm to 1 ha	44	545	193	35%
1 ha or more	71	3,267	580	18%
All sites	**3,794**	**5,623**	**927**	**16%**

Source: Insight Economics feasibility model. Site size is the GRZ land on the site.

Table 11 shows that about 900 lots, or 16% of the plan-enabled total, are commercially feasible at today's prices and costs, and that the result differs sharply by type. Medium subdivisions and estates account for 84% of total feasible lots, because their land costs about $20 to $32 per sqm at block values, against the $68 per sqm an owner's garden is worth, and their lots sell for more. Backyard lots and cut-offs account for just 13% across the three towns. Estates, which hold the most plan-enabled capacity, contribute only 124 feasible lots. Laid out at typical lot sizes, nine of Marton's ten bare estate blocks sit within 1% of the 20% margin threshold, so whether they pass is finely balanced.

Table 12 shows that feasible capacity is concentrated in Marton, on 113 sites. Bulls is marginal. Its lots sell for less than Marton's but cost about the same to create, so only 61 lots on ten sites pass. The last estate in Bulls was titled in January 2021, and KPA Properties' 88-lot subdivision at Johnson Street, consented in June 2022, has not proceeded; the developer told Council in 2023 that it was redesigning the scheme to improve its viability (Council's 2024 response to KPA). Taihape has no feasible site at all. A 500 sqm lot there sells for about $36,500, whereas creating, financing and selling one costs about $96,000, so no Taihape site is even cash positive, let alone able to earn a margin. A lot would need to sell for about $115,000 to pass, more than three times the adopted price and more than double the top of the range in Appendix A. The title record is consistent with this, since no occupied Taihape site has been subdivided since 2016 and the town's only subdivisions in that time were two vacant section splits that created four lots. Finally, 63% of Marton's feasible lots are on sites that intersect a flood overlay, nearly all of them large blocks on the town's edges.

5.5. Feasibility Over the Longer Run

The results above are a snapshot at today's prices and costs, which is typically used to assess short- to medium-term capacity. While strictly only a guide here, the NPS-UD also allows long-term feasibility to be tested using projected future prices and costs. This is a complicated exercise to do reliably over such a long period, and the general presumption of price inflation outstripping costs may not hold. Indeed, over the past decade, prices rose sharply, then fell and have remained flat since, while the cost of creating lots has risen alongside other construction costs.

Because the cost of creating a lot is largely fixed, feasibility is highly sensitive to the price level, and a 10% fall in prices would remove about two-thirds of Marton's feasible lots (Appendix C). This sensitivity is itself a finding. In a market where land is worth little more than it costs to subdivide, feasible capacity is fragile, and a stock of feasible sites today is no guarantee of supply tomorrow. To assist the independent hearing panel (the **Panel**), the realisation modelling in Section 6 lets section prices rise and fall around today's level, year by year, as they have over the past decade, and retests the feasibility of every site along the way, so that periods of higher prices, when more sites become feasible and more owners act, are captured in the long-term results.

5.6. Residential Intensification Area

Section 4.5 showed that the RIA adds only 165 plan-enabled lots, but its contribution to feasible capacity is smaller still. Marton's 313 RIA sites yield just 23 feasible lots under the recommended rules

versus eight under the operative rules. No RIA site in Bulls or Taihape appears feasible under either set of rules. Figure 9 maps Marton's RIA sites to illustrate the effects of the lower minimum lot size.

Figure 9: Marton: what the recommended RIA does for each site



Source: Insight Economics analysis of rating polygons, LINZ building outlines and the feasibility model (recommended rules). Letters mark the three example sites described in the text. Probabilities are the share of 2,000 combinations of prices and costs, within the ranges in Appendix A, in which a site earns the margin.

Figure 9 shows that most RIA sites are infeasible, because a smaller lot of (say) 250 to 300 sqm sells for about $100,000, only slightly less than a 500 sqm lot, but costs about as much to create. Site A is one of the few exceptions, a wide corner section where a lot can be cut beside the house as well as behind it. Site B is the typical case, a 910 sqm section where the RIA allows one 250 sqm rear lot, but which is highly infeasible. Site C is a section where the land behind the house cannot contain the 12-metre circle once the access leg is taken, so no lot fits under any rule. In our view, the RIA is a sensible enabling measure that costs nothing to provide, but it adds limited feasible capacity. Section 6.4 considers what that implies for Council's 15% uptake assumption.

6. Realisable Capacity

This section estimates how many of the lots identified in Sections 4 and 5 are likely to be developed within 3, 10 and 30 years. To do so, it applies the rates at which owners have subdivided over the past decade to the sites where subdivision is feasible, then converts the resulting lots into homes.

6.1. Observed Realisation Rates

Table 14 shows how often each type of property has been subdivided each year since 2016, based on the title record. It reveals that owners act slowly. Only about one Marton owner in 300 with room for a backyard lot subdivides in a typical year. Larger occupied properties are subdivided more often (1.4% to 1.9% a year in Marton and Bulls), but the blocks able to take an estate, which hold most of the capacity, are subdivided at only 0.5% to 0.8% a year, and no occupied property in Taihape has been subdivided since 2016. Rates were higher during the 2019 to 2023 price peak, and we test that faster pace in Appendix C. Larger schemes happen almost entirely on bare land: 12 of the 13 subdivisions of four or more lots since 2016. Owners who live on a large holding mostly stay put or cut off just one to three lots.

Table 14: Observed subdivision rates by type of property and town, 2016 to 2026

	Properties in the class			Share subdivided each year		
Type of property	Marton	Bulls	Taihape	Marton	Bulls	Taihape
House with room for a backyard lot	509	123	187	0.3%	0.4%	0.0%
Vacant section of up to 2,500 sqm (split)	144	49	70	0.8%	0.5%	0.3%
Occupied property over 2,500 sqm (cut-offs and medium subdivisions)	118	39	45	1.4%	1.9%	0.0%
Block able to take an estate	52	12	10	0.5%	0.8%	0.0%
Existing vacant section gaining a house (no subdivision)	116	34	70	1.8%	1.3%	0.4%

Source: Insight Economics analysis of LINZ titles. Properties are the stock at April 2025, classed on land area under the operative rules, so the classes are broader than the types in Table 6, which also allow for the house, access and lot shape (for example, 52 Marton properties have the area for an estate, but only 14 the layout at the lot sizes the market buys). The last row is the rate at which buildable older vacant sections, a subset of the vacant sections in the second row, gain a house.

6.2. From Observed Rates to New Lots Realised

A lot is created only if subdivision is feasible and the owner chooses to act. We calibrated our model so that it reproduces the number of subdivisions recorded since 2016. Because only some sites were feasible at the time, the rates applied to feasible sites are higher than the raw rates in Table 14 (for example, about 1.75% a year for backyard lots rather than 0.3%). The model also assumes owners accept a lower return than developers (15% rather than 20%), which is generous to the existing zones, and lets section prices move over time. This is why a few lots appear in Taihape, and why Bulls realises more lots over 30 years than are feasible today. Table 15 shows the results over 30 years.

Table 15: New lots realised within 30 years by type of subdivision and town (central case)

	Plan-enabled lots			Realised within 30 years			Share realised within 30 years		
Type of subdivision	Marton	Bulls	Taihape	Marton	Bulls	Taihape	Marton	Bulls	Taihape
Backyard lots	686	180	225	80	9	0	12%	5%	0%
Cut-offs	325	303	69	49	16	0	15%	5%	0%
Vacant section splits	83	32	71	51	10	6	61%	32%	8%
Medium subdivisions	1,117	191	299	191	38	0	17%	20%	0%
Estates	1,312	246	484	204	39	0	16%	16%	0%
Johnson Street consented estate	–	88	–	–	27	–	–	31%	–
Total	**3,523**	**1,040**	**1,148**	**575**	**139**	**6**	**16%**	**13%**	**0%**

Source: Insight Economics realisation model (central case, mean of 5,000 simulations). Plan-enabled lots include the RIA uplift. The model develops each site as its highest-return type, which for estates means lots of about 630 sqm rather than the plan maximum, so the shares are measured against the plan-enabled count. Lots cut off by the owners of larger holdings with a house are counted under the holding's type. The Johnson Street estate, 88 consented lots on existing residential-zoned land separate from PPC3's greenfield land, is counted at its consented lots.

Only a small share of plan-enabled capacity is realised within 30 years: about 16% in Marton, 13% in Bulls and almost none in Taihape. Vacant section splits do best (61% in Marton) because their owners are already in the market. The large blocks that hold most of the capacity are slow and uncertain, with each of Marton's nine bare estate blocks yet to start having only about an even chance of starting within 30 years.

6.3. Realisable Capacity by Town & Period

Table 16 converts these lots into homes, and adds the houses expected on lots already titled and on existing vacant sections.

Table 16: Realisable capacity by town and period (dwellings, central case)

	Realisable dwellings			Of the 30-year total		
Town	Within 3 years	Within 10 years	Within 30 years	Houses on new lots created by subdivision	Houses on lots titled since April 2025	Houses on existing vacant sections
Marton	72	221	540	439	54	47
Bulls	7	35	114	104	0	11
Taihape	3	6	14	4	2	8
Total	**81**	**262**	**668**	**547**	**56**	**66**

Source: Insight Economics realisation model (central case). Totals are of unrounded figures. New lots created by subdivision include the RIA uplift.

Across the three towns, about 80 homes would be added within 3 years, 260 within 10 years and 670 within 30 years. Most of these are in Marton (about 540), with about 110 in Bulls and 15 in Taihape. The model's first decade in Marton (about 250 new lots) is close to the 278 lots created there over the past decade. Counting every older vacant section as supply would add only about 150 homes and would not close any town's shortfall.

These figures are uncertain, mainly because much of the supply depends on a few large blocks that either start or do not. Plausible outcomes range from about 420 homes over 30 years at half the observed pace to about 930 at the 2019 to 2023 pace (Appendix C). Even if prices stayed at the late-2021 peak for 30 years, the total would reach only about 1,070, and Bulls would remain well short.

6.4. The RIA & Council's 15% Uptake Assumption

Council assumes that 15% of the RIA's capacity will be taken up. Table 17 tests this assumption.

Table 17: The RIA uplift over 30 years against Council's 15% assumption (lots)

Measure	Marton	Bulls	Taihape	Total
Council's RIA figure (section 42A report)	186	103	27	316
Council's figure at 15% uptake	28	15	4	47
Our plan-enabled uplift (Section 4.5)	121	29	15	165
Lots realised within 30 years	**14**	**1**	**0**	**15**
Share of Council's figure	7%	1%	0%	5%
Share of our plan-enabled uplift	11%	5%	0%	9%

Sources: Insight Economics realisation model (recommended RIA); section 42A report, Table 3; Council's intensification worksheet. The 10th to 90th percentile range for the three towns is 8 to 23 lots.

Our assessment indicates that the RIA would deliver only about 15 lots over 30 years, or roughly 5% of Council's figure of 316. Put in that context, Council's 15% uptake rate seems slightly high, but the bigger problem is that it is applied to too large a base: the RIA enables about 165 extra lots, not 316. We therefore recommend counting the RIA at about 15 lots (or 10 dwellings) over 30 years.

7. Comparison with Projected Demand

7.1. Council's Projected Demand by Period

Council's estimated demand for 1,608 additional dwellings over 30 years is based on the Infometrics high population projection. In our view, this is the correct basis for a sufficiency test, because the cost of under-providing capacity is much larger than the cost of zoning land that may be developed later than expected (Section 8.4); Appendix D also reports the results against the medium projection. For the comparison by period, we spread Council's demand evenly over the 30 years, which gives about 161 dwellings within 3 years, 536 within 10 years and 1,608 within 30 years for the district.

7.2. Supply, Demand & Balance by Period

Table 18 compares the realisable capacity of the existing zones and the RIA with Council's projected demand in each period and area, and Figure 10 plots the comparison year by year for Marton and the district. Supply comprises the realisable dwellings from Table 16 together with Council's 55 dwellings for Hunterville and Mangaweka, which we have not re-assessed. It excludes PPC3's greenfield land, which Section 8 considers.

Table 18: Realisable capacity of the existing zones against Council's projected demand, by area and period (dwellings)

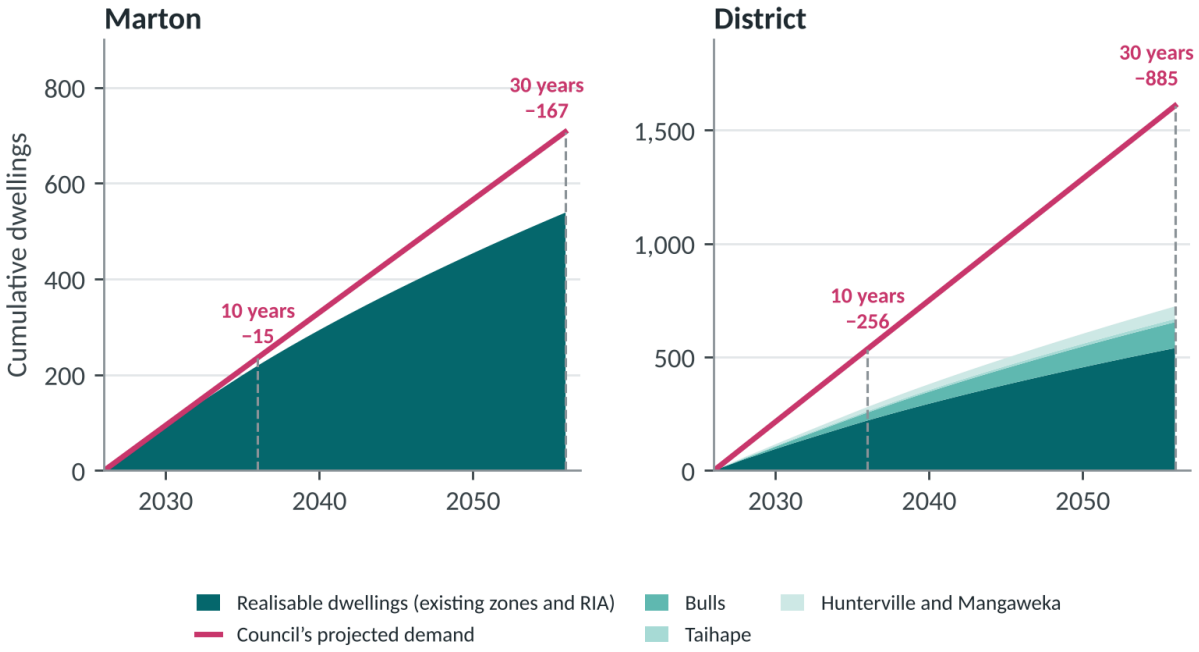
	Realisable capacity			Projected demand			Supply less demand		
Area	3 yrs	10 yrs	30 yrs	3 yrs	10 yrs	30 yrs	3 yrs	10 yrs	30 yrs
Marton	72	221	540	71	236	707	+1	−15	−167
Bulls	7	35	114	40	134	402	−34	−99	−288
Taihape & other	8	24	69	50	166	499	−42	−142	−430
District	**87**	**280**	**723**	**161**	**536**	**1,608**	**−74**	**−256**	**−885**

Sources: Insight Economics realisation model (central case); section 42A report. Taihape & other comprises Taihape's realisable dwellings plus Council's 55 dwellings for Hunterville and Mangaweka. Excludes PPC3 greenfield land.

Table 18 and Figure 10 show three things. First, Marton's existing zone keeps pace with demand for only the first few years. It roughly matches the demand Council allocates to the town at 3 years, is about 15 dwellings short at 10 years and about 170 short at 30 years. Second, Bulls falls short in every period, by about 35 dwellings within 3 years, 100 within 10 years and 290 within 30 years, and Taihape and the rest of the district supply very little against the 499 dwellings Council allocates to them. Third, the district as a whole is short in every period, by about 75 dwellings within 3 years, 260 within 10 years and 880 within 30 years. Even the feasible capacity identified in Section 5, about 900 lots, is well short of the 30-year demand, and it is realised too slowly to meet even half of it.

Much of the district's 30-year shortfall arises in the demand that Council allocates to Taihape, Hunterville, Mangaweka and the rural area, where we find almost no realisable capacity. That demand will not go unmet so much as move. Over 2019 to 2023, about 96% of the 268 new dwelling consents recorded in Council's monitoring report were in Marton (195) and Bulls (61), with six in Taihape and six elsewhere. Households who cannot find a section where Council's projection places them will mostly look to Marton and Bulls, which adds to the pressure on both towns rather than relieving it.

Figure 10: Cumulative realisable dwellings in the existing zones against Council's projected demand, Marton and the district, 2026 to 2056



Sources: Insight Economics realisation model (central case); section 42A report. Excludes PPC3 greenfield land.

7.3. Chance of Sufficiency

The balances above are central figures. Because the pace of development is uncertain, Table 19 also presents the chance that the existing zones and the RIA meet Council's projected demand, namely the share of the 5,000 simulations in which they do. We regard this as the most informative single measure of the need for additional land, because it shows how likely the existing zones are to suffice rather than whether they do on average.

Table 19: Chance that the existing zones and the RIA meet Council's projected demand, by area and period

Area	Within 3 years	Within 10 years	Within 30 years
Marton	48%	37%	8%
Bulls	0%	1%	0%
District	0%	1%	0%

Source: Insight Economics realisation model (5,000 simulations of section prices, owners' rates of action and which blocks start). Excludes PPC3 greenfield land.

Table 19 shows that, without the greenfield land, Marton has about an even chance of meeting its demand within 3 years, about one chance in three within 10 years and about one chance in twelve within 30 years, while Bulls and the district have almost none in any period. In other words, the existing zones are very unlikely to meet projected demand on their own.

8. Greenfield Land Needed to Meet Demand

8.1. Share of PPC3's Greenfield Land Required

Table 20 shows how much of PPC3's recommended greenfield capacity (547 lots in Marton and 164 in Bulls) would need to be built on to close the shortfalls in Table 18.

Table 20: Share of PPC3's greenfield land required to close the shortfall, by area and period

		Shortfall in existing-zone supply (dwellings)			Share of greenfield land required		
Area	**PPC3 enabled greenfield lots**	**3 yrs**	**10 yrs**	**30 yrs**	**3 yrs**	**10 yrs**	**30 yrs**
Marton	547	None	15	167	0%	3%	31%
Bulls	164	34	99	288	20%	60%	175%
District	**711**	**74**	**256**	**885**	**10%**	**36%**	**124%**

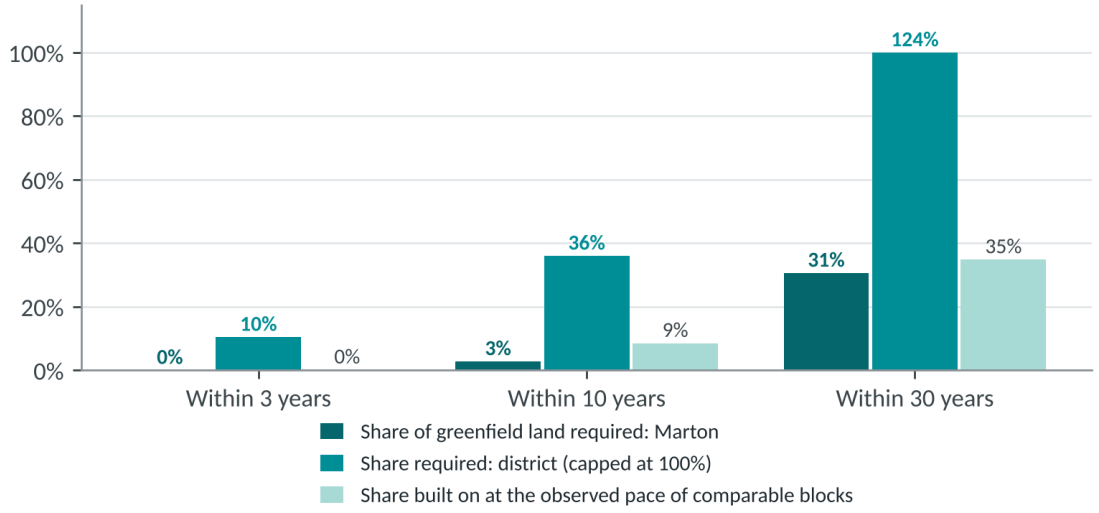
Source: Insight Economics analysis of Table 18 and the section 42A report.

Marton needs almost none of its greenfield land within 10 years, but about a third of it within 30 years. Bulls needs far more: 60% within 10 years and 175% within 30 years. For the district as a whole, the 30-year shortfall exceeds all 711 greenfield lots.

8.2. Comparison with Observed Realisation Rates

These shares matter only if the land is developed. The best guide is Marton's bare blocks already in the zone, which are the same kind of land. At their observed pace, and allowing two years for rezoning and consents, only about 9% of the greenfield land would be built on within 10 years and 35% within 30 years. Figure 11 and Table 21 compare this with the shares required.

Figure 11: Share of PPC3's greenfield land required in each period against the share built on at the observed pace of comparable blocks



Source: Insight Economics analysis. The benchmark is the modelled realisation of Marton's bare estate blocks at the calibrated rate for bare blocks (Section 6.2), two years behind.

Table 21: Greenfield land required against the observed pace of comparable blocks

Period	Share required, Marton	Share required, district	Share built on at the observed pace	Marton greenfield dwellings at that pace	Marton shortfall remaining	District shortfall remaining
Within 3 years	0%	10%	0%	1	None	73
Within 10 years	3%	36%	9%	47	None	195
Within 30 years	31%	124%	35%	191	None	637

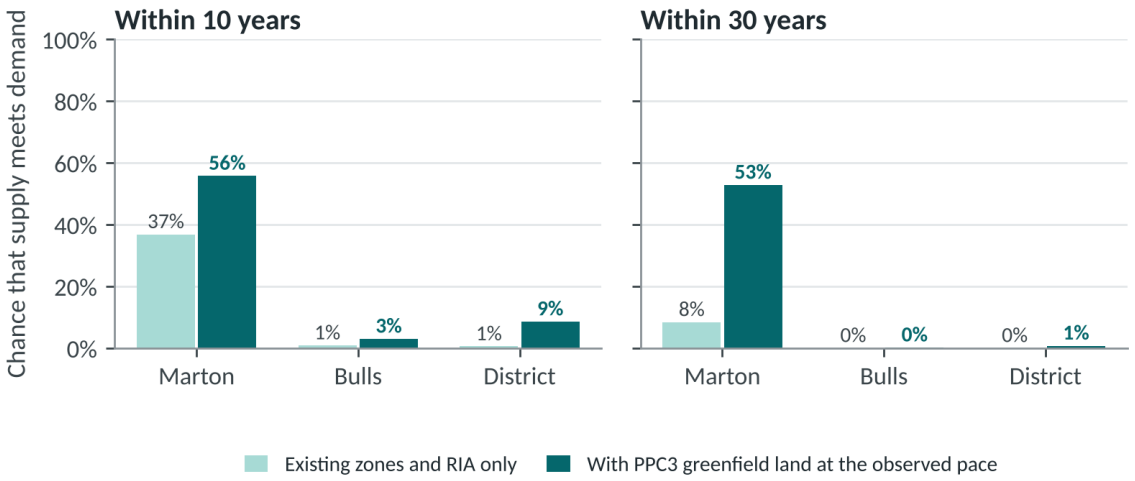
Source: Insight Economics analysis. Shortfalls remaining are in dwellings, after the greenfield land in Marton and Bulls is built on at the observed pace.

At that pace, Marton's greenfield land would deliver about 190 dwellings within 30 years, just enough to cover its shortfall of about 170 but with almost no margin. The district would remain well short, with about 250 dwellings delivered against a shortfall of about 880. Even if every greenfield lot were built on, the district would still be about 170 dwellings short.

8.3. Chance of Sufficiency With & Without the Greenfield Land

Figure 12 and Table 22 show how the greenfield land changes the chance that supply meets Council's projected demand.

Figure 12: Chance that supply meets Council's projected demand, without and with PPC3's greenfield land



Source: Insight Economics realisation model (5,000 simulations). The greenfield land is developed at the observed pace of comparable blocks, two years behind.

Table 22: Chance that supply meets Council's projected demand, without and with PPC3's greenfield land, by area and period

	Within 3 years		Within 10 years		Within 30 years	
Area	Without	With	Without	With	Without	With
Marton	48%	48%	37%	56%	8%	53%
Bulls	0%	0%	1%	3%	0%	0%
District	0%	0%	1%	9%	0%	1%

Source: Insight Economics realisation model (5,000 simulations). With greenfield land developed at the observed pace of comparable blocks.

The greenfield land raises Marton's chance of meeting demand over 30 years from about one in twelve to about even. Bulls and the district remain very unlikely to meet demand even with all of it, and a smaller greenfield extent would lower these chances further (Appendix D).

8.4. Implications for PPC3

We draw four conclusions.

1. **Marton needs its greenfield land.** Without it, Marton has only about a one-in-twelve chance of meeting its demand over 30 years; with it, about an even chance. A smaller extent lowers this further (Appendix D), and much of the demand placed elsewhere in the district is likely to land on Marton.

2. **Clause 3.6(5) of the NPS-HPL.** Horizons Regional Council asks for evidence that the greenfield extent on highly productive land is the minimum necessary. That is ultimately for the Panel, but the economic evidence suggests the recommended extent is no more than the minimum in Marton, and less than it in Bulls and for the district as a whole.

3. **The costs of error are asymmetric.** Zoning too much land simply means some stays rural for longer. Zoning too little pushes up section prices, which is slow and costly to reverse. Because zoning creates an option, not an obligation, the balance of risk favours enabling at least the recommended extent.

4. **Zoning is necessary but not sufficient.** The greenfield land must be developed at least as fast as comparable land has been, so timely servicing, flexible staging and monitoring of uptake matter as much as its extent, particularly in Bulls, where the recommended extent falls short of the town's own needs.

9. Summary & Conclusion

Some submitters argue that PPC3's greenfield rezoning is unnecessary because the existing residential zones already have enough capacity. We tested this property by property, from the lots the plan enables, to those that are commercially feasible, to the dwellings likely to be built, and compared the result with Council's projected demand. Table 23 summarises the results.

Table 23: Summary of the assessment by area (recommended PPC3 rules including the RIA)

Measure	Marton	Bulls	Taihape & other	District
Plan-enabled new lots	3,523	952	1,148	5,623
Commercially feasible new lots	866	61	0	927
Realisable dwellings within 30 years (including the RIA)	540	114	69	723
Council's projected demand to 2055 (dwellings)	707	402	499	1,608
Supply less demand over 30 years	**−167**	**−288**	**−430**	**−885**
Chance that the existing zones meet demand within 30 years	**8%**	**0%**	**–**	**0%**
PPC3 greenfield lots	547	164	–	711
Share of greenfield land required within 30 years	**31%**	**175%**	**–**	**124%**
Share built on at the observed pace of comparable blocks	35%	35%	–	35%
Chance of meeting demand within 30 years with the greenfield land	**53%**	**0%**	**–**	**1%**

Source: Insight Economics analysis. Taihape & other includes Council's 55 dwellings for Hunterville and Mangaweka in realisable supply. Plan-enabled and feasible lots for Taihape & other are Taihape's.

The existing zones enable about 5,600 new lots, but only about 900 are commercially feasible at today's prices and costs, and the three towns would add only about 670 dwellings within 30 years. That leaves Marton about 170 dwellings short of Council's projected demand, Bulls about 290 short and the district about 880 short. Even with PPC3's greenfield land, Marton has only about an even chance of meeting demand, and Bulls and the district almost none.

If anything, these results are generous to the existing zones, because we have not allowed for:

- **infrastructure servicing**, namely whether the water supply, wastewater and stormwater networks can serve new lots where the capacity lies, and at what cost to the developer;
- **flood hazard**, since we have not deducted land in the district plan's flood overlays or allowed for the cost of building above flood levels, although 63% of Marton's feasible lots are on sites that intersect an overlay;
- **ground conditions**, contamination and other physical limits on particular sites;
- **legal and ownership constraints**, including covenants and other encumbrances on titles, cross-leases, multiple owners, and owners who do not wish to sell or develop at any price; and
- **access and neighbouring uses**, including servicing corridors and the effects of adjoining activities on what can be built.

Each of these can only reduce supply. Greenfield land faces them too, but they can be identified and planned for as part of the rezoning. The true need for PPC3's greenfield land is therefore likely to be greater than we have shown.

In our opinion, on economic grounds, PPC3's greenfield rezoning is necessary in both Marton and Bulls, and the recommended extent is no more than the minimum required (and in Bulls, less than that). The RIA should be counted at about 15 lots (about 10 dwellings) over 30 years, not 316. We have tested against Council's high demand projection because under-providing capacity costs far more than zoning land that is developed later than expected. Against Infometrics' medium projection, Marton's existing zone would have about three chances in five of meeting demand over 30 years on its own, rising to about seven in eight with its greenfield land (Appendix D). We therefore support PPC3 as recommended in the section 42A report.

Appendix A: Inputs & Assumptions

This appendix documents the inputs to the feasibility tests, two worked examples and the evidence on land values. All values are in October 2026 dollars and are rounded for ease of reading.

Adopted Inputs

Table 24 presents the inputs to the feasibility tests, with the central value used in the body of the report and the low and high values that bound the local evidence. Section prices are expressed per 500 sqm lot; the price of any other lot size follows a fitted curve under which doubling a lot's size raises its price by about 23% in Marton. The probabilities of feasibility that the realisation model uses, and that Figure 9 maps, come from testing every site under 2,000 combinations of these inputs, each drawn within its range. For the larger blocks, they are derived from each block's central result and the spread it showed in that test.

Table 24: Adopted feasibility inputs and their ranges

Input	Low	Central	High
Sale prices of lots, 500 sqm, GST inclusive			
Marton, rear lot behind a house	$105,000	$120,000	$145,000
Marton, lot beside or in front of a house	$112,000	$145,500	$161,500
Marton, estate lot	$130,500	$143,500	$179,500
Bulls, rear lot behind a house	$91,000	$104,000	$123,500
Bulls, estate lot or lot beside or in front of a house	$94,500	$121,000	$144,500
Taihape, any lot	$24,000	$36,500	$49,500
Owner's value of the land given up, per sqm			
Marton	$50	$68	$90
Bulls	$50	$75	$100
Taihape	$20	$40	$60
Subdivision costs, excluding GST			
One backyard lot (rear lot behind a house), per subdivision	$40,500	$72,000	$122,000
Two new lots behind a house (shared right of way), per subdivision	–	$110,500	–
Medium subdivision of 4 to 15 lots, per 650 sqm lot	$45,000	$60,000	$75,000
Estate of 16 or more lots, per 650 sqm lot	$62,000	$78,000	$95,000
Estate lot size	–	630 sqm	–
Development contributions, per lot	–	$0	–
Land			
Bare block of 1 hectare or more, Marton and Bulls, per hectare	$100,000	$200,000	$350,000
Land around a kept house on a holding of 1 hectare or more, Marton and Bulls, per hectare	–	$315,000	–
Vacant section under 1 hectare, or any Taihape bare block		Capital value adjusted to market	
Land around a kept house on a site under 1 hectare, or in Taihape		Share of the rating land value	
Finance and selling			
Interest rate on funds drawn	6%	8%	10%

Input	Low	Central	High
Period financed		12 to 24 months; estate land carried over a sell-down of 20 lots a year	
Selling a lot (agent, marketing and legal), GST inclusive	–	$9,600	–
Return required			
Developer's margin on total cost	–	20%	–

Source: Insight Economics. Low and high values are those of the cost build-up, the 10th and 90th percentiles of the sales evidence and the range around the arm's-length block sales. Owners who subdivide their own section pay the GST-inclusive cost (one backyard lot about $83,000) and keep the whole sale price, because the sale of bare land by a private individual is not a taxable supply; developers count costs and revenue net of GST.

Worked Example: One Backyard Lot

Table 25 sets out the owner-occupier's case for the 1,012 sqm Marton section in Section 5.3 as a cost stack compared with the sale price. The model reproduces every figure.

Table 25: Worked example: one backyard lot on a Marton quarter-acre section (owner-occupier)

Step	Calculation	Result
Lot size	Land behind the house less the access leg (Figure 4)	493 sqm
Sale price	$120,000 × (493 ÷ 500)^0.295	$119,500
Subdivision cost (GST inclusive)	One-rear-lot subdivision	$82,800
Finance	8% × 50% drawn × 12 months × $82,800	$3,300
Selling and legal	Agent, marketing and legal for one lot	$9,600
Cash costs	Sum of the three lines above	$95,700
Cash left to the owner	**Sale price less cash costs**	**$23,800**
Owner's land cost	$68 × 583 sqm (including land for access)	$39,600
Full cost stack, including land	Cash costs plus owner's land cost	$135,400
Owner's position after valuing the garden	**Sale price less full cost stack**	**–$15,900**
Price needed for a 20% margin	Full cost stack × 1.2	$162,400 (+36%)

Source: Insight Economics feasibility model (worked example). Figures are rounded independently.

Worked Example: An Estate

Table 26 works through a 4.4-hectare bare block in Marton laid out as an estate, first at the 400 sqm minimum and then at the lot size Marton's estates deliver, with its land carried over the sell-down.

Table 26: Worked example: a 4.4-hectare bare block in Marton as an estate (developer, excluding GST)

Step	At the 400 sqm minimum	At Marton's estate lot size
Lots, after 25% of the land for roads and reserves	83 of 402 sqm	52 of 641 sqm
Sale price per lot (GST inclusive)	$134,500	$154,500
Sales net of GST	$9.72m	$6.99m
Civil works and fees ($78,000 per 650 sqm lot, scaled to lot size)	$5.23m	$4.03m
Finance on the works	$418k	$322k
Selling costs	$693k	$434k
Land at $200,000 per hectare, with interest while it is held	$1.11m (37 months on average)	$1.05m (28 months on average)
Surplus after a 20% margin on total cost (sales ÷ 1.2, less all costs and land)	**$652k**	**−$17k**
Distance from the 20% margin	8% clear	0.3% short

Source: Insight Economics feasibility model. The block is one of Marton's bare estate blocks; its owner is not identified. Both layouts carry the land over a sell-down of 20 lots a year.

Table 26 shows that laying the block out at the minimum lot size makes it comfortably feasible on paper, but that at the lot sizes the local market buys it yields nearly two-fifths fewer lots and sits right at the 20% margin. This is why most of Marton's bare estate blocks are finely balanced in Section 5.4.

Owner's Backyard Value & Block Land

The owner's land cost is what the garden is worth to the household that gives it up. We estimated it in two independent ways from local house sales, namely a statistical analysis of how much more buyers pay for houses on larger sections, and a comparison of matched pairs of similar houses on sections of different sizes. The two agree in Marton, where the evidence is strongest, and the adopted values of $68, $75 and $40 per sqm are capped at each site's own pro-rata land value. Table 27 summarises the sales of block land behind the developer's land costs.

Table 27: Sales of block land per hectare, 2019 to 2026 (October 2026 terms)

Evidence	Sales	Lower quartile	Median	Upper quartile
Bare GRZ blocks of 1 ha or more, Marton and Bulls, arm's length	**8**	**$157,000**	**$213,000**	**$354,000**
Improved GRZ holdings of 1 ha or more with a house, Marton and Bulls (land share)	**9**	**$288,000**	**$315,000**	**$364,000**
Adjoining rural and lifestyle bare land	6	$31,000	$37,000	$87,000
Bare land of 1 ha or more, Taihape	3	$10,000	$15,000	$126,000

Sources: PropertyGuru sales; Council rating polygons; Insight Economics analysis. The land share of an improved sale is the sale price apportioned by the rating land and capital values.

Table 27 shows that the arm's-length sales bracket the adopted $200,000 per hectare for bare blocks, and that the land on holdings that carry a house sells for about half as much again. Taihape's block sales are too few and too dispersed to use, so its block land is valued from the land component of rating values.

Appendix B: Properties & Site Geometry

Dwellings are counted from Council's property category codes and checked against address points and the commercial sales database. The register agrees with the 2023 Census dwelling count within 5% and with an independently built register from commercial property data within 2%. The geometric tests were carried out on Council's rating polygons, the LINZ primary parcels and the LINZ building outlines. For each site the program finds the main road frontage, measures depth and width from it, finds the largest circle the site can contain and positions every building outline, then tests a rear lot behind the house with a 3.5-metre access leg, a lot beside the house and a lot in front, each required to meet the minimum area excluding access and to contain the required circle. Large and vacant sites are tested as subdivisions of the whole site or of the land around the house, with more land for shared access or roads as the number of lots rises.

Rule Check on the Worked Example

The layout in Figure 4 complies with the provisions applied. Both lots exceed the 400 sqm minimum excluding access (493 sqm and 429 sqm) and each contains a 15-metre circle, the rear lot being 20.1 metres wide and 24.5 metres deep and the front lot 16.6 metres wide and 25.8 metres deep. The 3.5-metre access leg gives the rear lot legal access to the street. The new boundary sits 1.5 metres behind the house, which meets the operative plan's 1-metre building setback; where a habitable-room window faces the new boundary the plan requires 3 metres, and a cut at that distance would leave a rear lot of 463 sqm without changing the result. The house covers about 36% of the front lot, within the 40% limit, and both lots retain the 55 sqm outdoor living area the rules require.

Appendix C: Sensitivity Tests

The body of this report uses a single set of central assumptions. This appendix shows how the main results move when the most influential assumptions change, one at a time.

Feasible Lots

Table 28 shows how the commercially feasible lots in Marton and Bulls change when one assumption at a time is varied from the central case. Taihape has no feasible lots in any of these cases.

Table 28: Commercially feasible lots under alternative assumptions (recommended rules, 20% margin)

Case	Marton, lots	Change	Bulls, lots	Change
Central (October 2026 prices and costs)	866	–	61	–
Sale prices 10% lower	292	−66%	33	−46%
Sale prices 10% higher	1,532	+77%	104	+70%
Sale prices a third higher (the late-2021 level)	2,279	+163%	547	+797%
Estates laid out at the 400 sqm minimum	1,487	+72%	61	0%
Land around a kept house at the bare-block value	943	+9%	86	+41%
Estate land carried for 24 months whatever the estate's size	1,067	+23%	61	0%
Higher-hazard flood land (NH Overlay 1) removed	810	−6%	61	0%

Source: Insight Economics feasibility model. Each case varies one assumption from the central case.

Table 28 shows that sale prices exert the biggest influence, because the cost of creating a lot is largely fixed. Laying estates out at the 400 sqm minimum would add about 620 feasible lots in Marton, but no estate in the district has been laid out that way and the estate prices come from larger lots. Valuing the land around a kept house at the bare-block value would add about 9%, and ignoring the sell-down of larger estates about 23%, while removing the higher-hazard flood land changes little.

Realisable Capacity & the Chance of Sufficiency

Table 29 shows realisable dwellings over 30 years and the chance that the existing zones meet Council's projected demand without the greenfield land, under different paces of development and price levels.

Table 29: Realisable dwellings over 30 years and the chance of sufficiency without the greenfield land, by pace of development and price level

Case	Marton	Chance	Bulls	Chance	District	Chance
Central (2016 to 2026 pace)	540	8%	114	0%	723	0%
Half the observed pace	345	0%	65	0%	474	0%
Pace of 2019 to 2023, blocks starting twice as often	735	58%	175	0%	983	0%
Prices a third higher throughout (central pace)	802	80%	249	0%	1,128	0%

Source: Insight Economics realisation model (5,000 simulations). District supply includes Council's 55 dwellings for Hunterville and Mangaweka.

Table 29 shows that only if prices sat permanently at their late-2021 peak, or owners acted at the 2019 to 2023 pace for 30 years, would Marton's existing zone be more likely than not to meet its demand, and that Bulls and the district fall well short in every case. A permanent price premium of that size is the cost of under-providing capacity that Section 8.4 describes, so we regard these cases as upper bounds rather than forecasts. The observed rates carry wide statistical intervals where events are few, particularly for blocks, which is why the simulations draw the rates from those intervals rather than fixing them.

Appendix D: Likelihood of Sufficiency by Greenfield Extent

Section 8.3 compared the chance of sufficiency with and without PPC3's greenfield land. Table 30 extends that comparison to two illustrative reduced extents, and to Infometrics' medium demand

projection, with the greenfield land developed at the observed pace of comparable blocks in every case.

Table 30: Chance that supply meets demand by greenfield extent (5,000 simulations)

Greenfield extent	Marton, 10 years	Marton, 30 years	Marton, 30 years, medium demand	District, 30 years	District, 30 years, medium demand
As recommended (711 lots)	56%	53%	87%	1%	27%
Less 100 lots (50 in Marton, 50 in Bulls)	55%	50%	86%	0%	22%
Less 200 lots (150 in Marton, 50 in Bulls)	52%	43%	83%	0%	18%
No PPC3 greenfield land	37%	8%	61%	0%	1%

Source: Insight Economics realisation model (central rates). Demand is Council's high projection unless stated; medium demand is drawn between 1,027 and 1,248 dwellings for the district over 30 years and allocated by Council's shares.

Table 30 shows that every reduction in the greenfield extent lowers the chance of sufficiency, in Marton from 53% to 43% over 30 years if its allocation were cut by 150 lots, and that against the medium projection the recommended extent gives Marton about seven chances in eight of meeting demand against about three chances in five without it. For the reasons given in Section 7.1, however, the high projection is the appropriate test.

Appendix E: Comprehensive Redevelopment

Section 1.3 explained why this report focuses on subdivision. Counting the capacity that could be reached only by demolishing existing houses adds 1,379 dwellings to the plan-enabled total, which with the 326 existing vacant sections able to take a house gives a plan-enabled capacity of 7,328 dwellings, the figure most directly comparable with Council's 770 and 316. However, when every occupied site with capacity was tested as a comprehensive redevelopment, with the developer buying the property at market value, demolishing the house, subdividing to the maximum the rules allow and building and selling new houses, no site in any of the three towns earned a 20% margin, and the typical site would need its new homes to sell for about 74% more than they do. Including comprehensive redevelopment would therefore add nothing material to feasible or realisable capacity, which is consistent with the market, in which speculative redevelopment of occupied sites does not occur.

Table 31 shows the problem in its simplest form, for the same 1,012 sqm Marton section used in Section 5.3, cleared and cut into a 500 sqm front lot and a 420 sqm rear lot that are sold bare.

Table 31: Worked example: clearing a Marton quarter-acre section and selling two bare lots (excluding GST)

Step	Calculation	Result
Purchase of the property	Capital value of $340,000 adjusted to market (× 1.06), plus legal and due diligence	$367,000
Demolition and site clearance	155 sqm 1950s house, with an allowance for asbestos	$35,000
Subdivision into two lots	One-rear-lot subdivision cost (the second lot is the existing title)	$72,000
Finance	8% on the land for 12 months and on half the works	$33,600
Selling two lots	Agent, marketing and legal, excluding GST	$16,700
Total cost before any margin		**$524,300**
Sale of the two lots	$145,500 (500 sqm front lot) plus $114,000 (420 sqm rear lot) including GST, net of GST	$225,700
Shortfall before any margin	**Sale proceeds less total cost**	**−$298,600**

Source: Insight Economics feasibility model inputs (Appendix A). Figures are rounded.

Table 31 shows that the property is worth about $367,000 as a house and section but only about $226,000 as two bare lots once GST is paid, so the developer loses about $140,000 on the day of purchase, before any demolition or subdivision cost.

Appendix F: Marton & Bulls Combined

The body of this report assesses each town separately, consistent with Council's allocation of demand by town. However, Marton and Bulls are only about 10 minutes' drive apart, so their housing markets likely overlap to some degree. Table 32 therefore sets the realisable capacity of the two towns combined against their combined demand, without PPC3's greenfield land and with it, developed at the observed pace of comparable blocks.

Table 32: Supply against demand, Marton and Bulls combined (dwellings)

	3 years	10 years	30 years
Council's high demand, Marton and Bulls	111	370	1,109
Realisable dwellings, existing zones and RIA	79	256	654
Supply less demand, existing zones only	**−32**	**−114**	**−455**
Chance of meeting demand, existing zones only	7%	9%	0%
Supply less demand, with the greenfield land	**−31**	**−54**	**−207**
Chance of meeting demand, with the greenfield land	8%	31%	23%

Source: Insight Economics realisation model (central rates, 5,000 simulations).

Table 32 shows that taken together the two towns fall short of their combined demand in every period, by about 450 dwellings over 30 years without the greenfield land, and that even with it they would have about one chance in four of meeting that demand. Treating the two towns as one market therefore does not weaken the case for the recommended greenfield extent in either.

Appendix G: Sources

The assessment draws on the following documents and data. A trace file records the source of every number in this report.

- Rangitīkei District Council, Proposed Plan Change 3 – Urban Growth, Section 42A Report (5 October 2026), including Tables 2 and 3 and Appendix 3, and the recommended subdivision and GRZ provisions (Appendices 1.1 and 1.2).
- Rangitīkei District Council, PPC3 hearing workbook (Growth data for Hearing), including the land-available and intensification worksheets.
- Rangitīkei District Council, Efficiency and Effectiveness Monitoring Report (2024).
- Rangitīkei District Council, rating and valuation records and valuation polygons (April 2025 extract); fees and charges 2026/27; Development Contributions Policy (2024); operative district plan (August 2024); wastewater and stormwater networks; district plan zones and natural hazard overlays (Council online mapping).
- Submissions on PPC3, including Horizons Regional Council (35) and KPA Properties; Council's 2024 Long Term Plan response to KPA Properties on Johnson Street (RM210084).
- Land Information New Zealand (LINZ Data Service), property titles (to 28 August 2026), primary parcels, building outlines (2021 imagery), road sections, and survey and title fees.
- PropertyGuru sales and property records for the three towns, 2019 to 2026.
- Stats NZ, building consents issued (new dwellings by territorial authority), subnational population projections and 2023 Census; Infometrics population projections (high and medium).
- Published cost sources, including Powerco connection pricing, neighbouring councils' lateral prices, Waimakariri greenfield unit rates indexed with the Stats NZ civil construction price index, and QV CostBuilder.
- Insight Economics, Beyond Sufficiency (working paper, 2026) and Sufficiency Under Uncertainty (working paper, 2026).
- National Policy Statement on Urban Development 2020 and National Policy Statement for Highly Productive Land 2022 (as amended December 2025).