

Greg Akehurst
Market Economics Ltd
PO Box 331 297
Takapuna 0740
Auckland

Dr David J Hayward
Senior Lecturer

Phone extension: 88454
d.hayward@auckland.ac.nz

16 February 2010

Re: Final Draft of 'Industrial Land in the Southern Sector: A Strategic Assessment of Requirements and Opportunities'

Dear Greg:

Thank you for the copy of your Final Draft of the Southern Sector Industrial Land report.

I have read this with interest and I note that you have made amendments and additions throughout the report. I am pleased with these and feel that you have greatly improved the report in respect to the documentation of the analysis and the justification of the interpretations.

In my review of 9 December 2009 I made three specific recommendations

- a) In respect to the evaluation of the eleven possible Group 1 areas I note that you have now included summary tables in section 5.1-5.11, and explicitly evaluated each in respect to the BLEG assessment criteria. This greatly increases the transparency of the analysis.
- b) The improved reporting in sections 5.1-5.11 complement the detailed, comparative analysis in Appendix 6, such that my concern over the metrics for this exercise is abated. Overall this now appears much more robust.
- c) In sections 5.1-5.11 and table 6.2 I note that you have included ranges of scores for each area in order to indicate the sensitivity of the scores. This introduces further transparency and greatly strengthens the analysis, the interpretations and the assertions.

I made also a number of supplementary observations and I note that these have been addressed. There are alterations to most sections of the report. I commend you and your team for a fine report and trust that it will be read with interest and confidence.

I will be pleased for you to copy this letter to your clients and other interested parties.

Kind regards,



David Hayward

Stevenson Group
C/- Richard Stilwell
PO Box 37-635
Parnell
Auckland 1151

Dr David J Hayward

Phone extension: 88454
d.hayward@auckland.ac.nz

19 April 2011

Peer Review of: 'Industrial Land in the Southern Sector: A Strategic Assessment of Requirements and Opportunities' – March, 2011

Dear Richard:

I have completed my review of the updated, March 2011 version of this report. I note that previously I have reviewed the first draft in December 2009 and then the final version of this in February 2010. I note that the updated version follows closely the methodology and structure but takes into account some changes in the intervening period. These include:

1. New projections of future demand owing to a revised outlook for the regional economy as estimated by the Economic Futures Model.
2. An increase in the availability of land for Land Extensive Industrial Activities (LEIA) owing to updated information and some rezoning since the original report.
3. The formation of the Auckland Council, which replaced the previous territorial local authorities and the Auckland Regional Council.

I am pleased to offer the following comments on this report. Since I have commented previously on the methodology and approach of this work in my reports of 9 December 2009 and 16 February 2010 I will focus primarily upon the changes in the present report.

I will be grateful for you to forward this to Stevenson Group and any other interested parties.

Overall Assessment

The report retains the integrity of the previous version. The structure of the report is unchanged and the analysis remains well-founded and sufficiently reflective, but now updated for recent changes. Owing to this there are necessarily changes to individual quantitative values throughout the report, as well as updated references to current and former local and regional authorities. Other than where noted below these have not altered the analysis or findings, and the integrity of the report is unchanged. It contains sound analysis and demonstrates rigorous analytical practice.

Specific Observations

The Executive Summary has been extended to explicitly identify the opportunities for additional LEIA land in order of priority. This is reasonable since the priorities are identified in the conclusion of the report and are an important finding.

Section 1 (Introduction) contains no substantive changes from the original report.

Section 2 includes the estimates of future employment growth in Auckland. This uses the Auckland Council's Economic Futures Model. The estimates from this have been altered since the original report and so these have been included, which necessarily leads to a number of changes in estimates. The magnitudes of the revised estimates do not alter the interpretation significantly.

As before Section 3 assesses the known supply of land for LEIA. It includes updated employment counts (for 2007 instead of 2006) and so as in the previous section there are numerous changes in specific data values. The report acknowledges also the changed estimates for future employment growth (as in Section 2) owing to the recent global economic situation (Section 3.5, page 39). Section 3 presents a robust estimate of future Group 1/LEIA land requirements for Auckland and the Southern Sector, and while the detail has been updated the conclusions are unchanged.

Section 4 considers the assessment criteria for LEIA land. This Section is substantially unchanged from the December 2009 report.

Section 5 reviews the known opportunities for LEIA land. This Section is substantially unchanged from the December 2009 report. Minor changes include an updated figure for Drury (p. 58); two comments in relation to Paerata pages 66 and 67; an updated measure for land available at Auckland Airport/Kirkbride (p. 70); an updated estimate of land at Favona (p. 72); and a comment on land ownership at Favona (p. 73).

Section 6 advocates a strategy for accessing sufficient LEIA land for the estimated future needs. As elsewhere the specific data values have been updated but are not substantially different and so the arguments made are unchanged. I note however, that the arguments made in the revised report are more assertive in respect to the opportunity for the Drury area, and the comparative appeal of areas such as Tuakau and Waiuku that are more distant from the metropolitan centre and transport corridors. Reference is made to alternative areas outside the present study in the Waikato and Bay of Plenty regions. While no comparable analysis is offered for these the point being made is reasonable: that is, that while a range of land opportunities exist it would be naive to assume that all are equally as attractive to developers and tenants. This report does not analyse this aspect of the market for LEIA land but I endorse the argument and feel that it should not be dismissed as conjecture. The final part of Section 6 has been altered to account for areas that have already been rezoned since the original report was prepared; this necessarily alters the priorities on page 80.

The conclusion in Section 7 has not been altered substantially other than to include updated estimates and the revised set of priority areas from Section 6.

Appendix 4 has been revised to include updated figures for available business land. Appendix 6 has been revised to include updated estimates for future land requirements.

I will be pleased to clarify these comments or respond to your queries.

Kind regards,



David Hayward