

ALL OVER DEVELOPMENT LAND SALES



Welcome to this fourth development land newsletter for 2025 from the experts at Bayleys, here to inform and add value for stakeholders who are shaping the future of Auckland across the land and development sales sector.

With summer now upon us, we're pleased to report that we're seeing a sustained thaw across a sector, where activity has been chilled by challenging economic conditions.

Another 'double-banger' 50-basis-point cut in October, followed by a 25-point cut in November, has taken the Official Cash Rate to 2.25%, a full 325 basis points below the 2023-24 peak of 5.5%. The consensus among analysts is that the latest cut may have rounded out the Reserve Bank's current cutting cycle, and the Bank's own forecast supports the view that the economy is gaining strength.

For some time, there was a perception that much of the development sector was in something of a holding pattern. But aggressive OCR cuts are flowing through into hefty falls in lending rates available across the sector. This is positively influencing calculations of land purchase and project viability, and decisions to proceed. Buyer confidence is returning.

At the same time, major change is sweeping the development landscape. New housing density is set to be unlocked across the Super City, with Auckland Council's Plan Change 120 opening the door to higher-density infill development, particularly around key transport nodes benefiting from the City Rail Link.

The plan is designed to deliver at least the same level of housing capacity as previous planning provisions, but with a smarter, more resilient focus – including strengthened natural hazard rules. This is a potential game changer that could alter the face of large tracts of the city. We look at

what it means for you in more depth in this newsletter.

Our team is in constant contact with participants across the development land ecosystem – owners, vendors, investors and developers – and we're now witnessing clear signs of momentum returning to the market. The early signals are that we're at the cusp of a significant property turnaround.

With the tailwinds of cheaper capital and supportive planning reforms aligning, the window of opportunity is now. Landowners who have held off selling, and developers ready to build out their pipeline, can begin to move forward with renewed confidence.

Our view is that 2026 is shaping up to be the strongest year in recent memory. Analysts are anticipating solid growth in property values as the land and development sales market, and wider economy, rebound.

As ever, our focus is on maximising the financial outcomes for our clients and customers. If you'd like to learn more about the insights and trends in this newsletter, or to talk through your needs and how you can capitalise on the current environment, please don't hesitate to call or drop us a line.

Your Future Urban and Development Land sales expert,

Roman van Uden

Wesley Gerber

Roman van Uden

027 313 8803

roman.vanuden@bayleys.co.nz

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Wesley Gerber

021 647 117

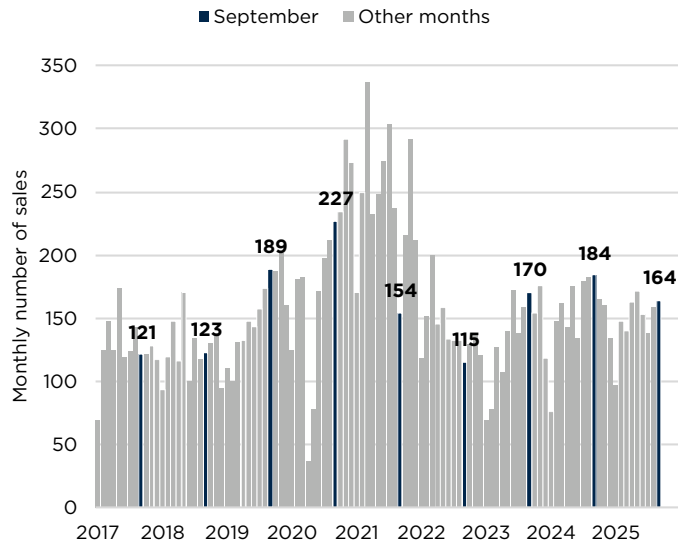
wesley.gerber@bayleys.co.nz

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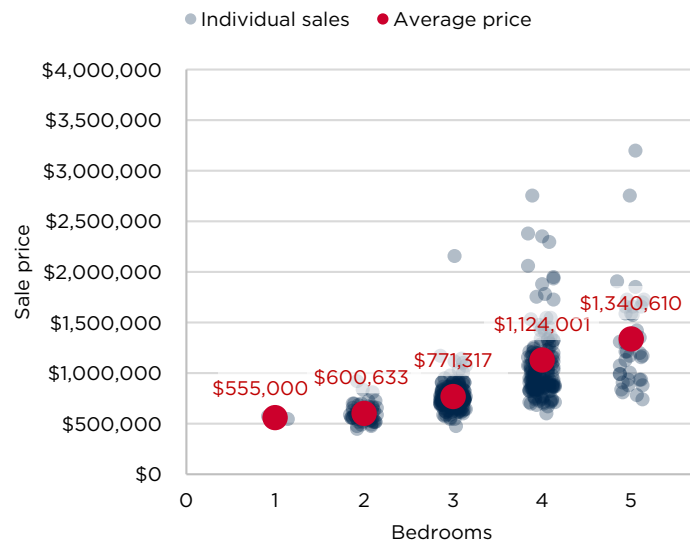
Market insights

Residential market update: South Auckland

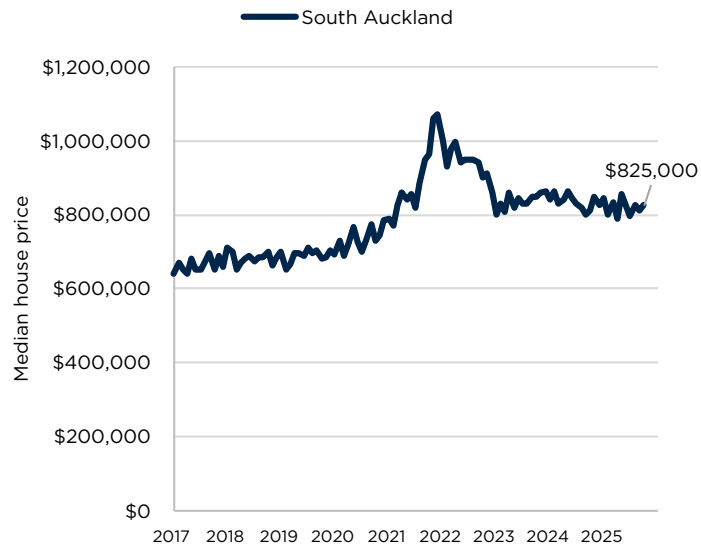
Monthly number of sales



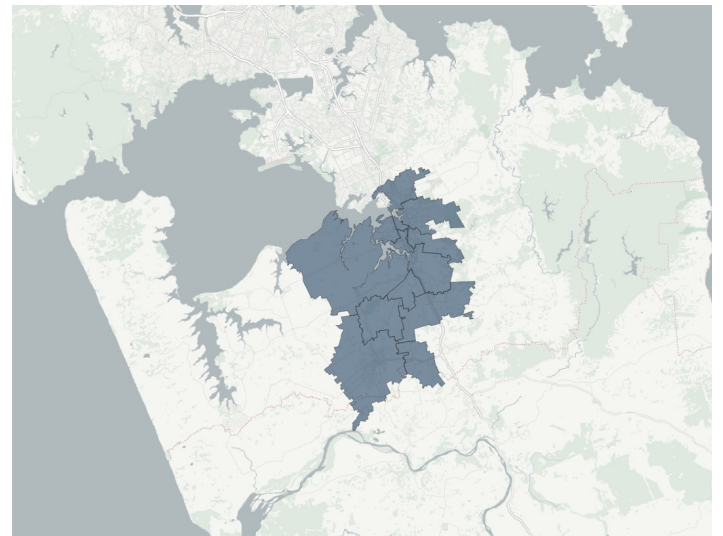
Sale price by bedroom count (past 3 months)



Price trend



Catchment map



Auckland Council replaces PC78 with Plan Change 120: Targeted Intensification and Resilience

Auckland Council has officially withdrawn its blanket intensification proposal (Plan Change 78) and adopted a new “Plan Change 120: Housing Intensification and Resilience.” This new plan is designed to meet Auckland’s obligations under the National Policy Statement on Urban Development (NPS-UD) while taking a more targeted, transit-oriented approach to growth and strengthening protections in natural hazard areas. The shift comes after concerns that PC78’s broad upzoning would enable development in flood-prone areas; under PC120, the city will focus new housing capacity around key transport corridors and centers, and away from high-risk locations.

Background: From PC78 to PC120

Plan Change 78 (PC78) was Auckland’s original Intensification Planning Instrument notified in response to the NPS-UD 2020. It incorporated the Government’s Medium Density Residential Standards (MDRS), which would have allowed up to three homes of three storeys on most residential sites across Auckland as of right. However, the January 2023 Auckland floods – and subsequent storm events – highlighted problems with this blanket approach, since PC78 had no mechanism to prevent intensive housing in areas vulnerable to flooding or coastal hazards.

In mid-2025, the Government agreed to Auckland Council’s request for a way out. In August 2025, Parliament passed a special RMA Amendment enabling Auckland to withdraw PC78 and prepare an alternative intensification plan. This legislative change gave Council the ability to opt out of applying MDRS everywhere and to “downzone” properties exposed to natural hazards. The law also set conditions: any replacement plan must maintain at least the same citywide housing capacity as PC78 and enable greater building heights around key City Rail Link (CRL) stations.

On 24 September 2025, Auckland’s Planning and Environment Committee voted 18-5 in favor of withdrawing PC78 and proceeding with the new plan (now formally numbered Plan Change 120). This cleared the way for PC120 to be notified using a Streamlined Planning Process overseen by central government. PC120 (subtitled Housing Intensification and Resilience) was publicly notified on 3 November 2025, marking the start of a fresh plan change process.

Key changes under Plan Change 120

No more blanket MDRS zoning: PC120 removes the city-wide application of the MDRS that PC78 would have imposed. Under PC78, most suburban residential sites were set to allow

three dwellings of up to three storeys as-of-right. By contrast, PC120 opts out of this blanket upzoning – many properties will revert to their previous zoning and height limits instead of automatically being zoned for 3-storey builds. This change responds to community concerns and means intensification will not be uniformly spread across all suburbs.

Downzoning high-risk areas: A cornerstone of PC120 is stronger natural hazard management. Approximately 12,000 properties identified as most at risk from flooding or coastal erosion are being “downzoned,” making new development on those sites more restricted or outright not permitted. In the worst flood-prone locations – for example, parts of Henderson, Milford and Māngere – the zoning is lowered to Single House only, effectively prohibiting dense housing in those areas. These new rules (which take effect immediately upon notification) introduce tougher risk assessments for any development in hazard zones and use “non-complying” activity status to give Council greater control. Updated floodplain and coastal hazard maps have also been released to inform landowners and buyers of the risks. By limiting intensification in high-risk areas, the plan aims to prevent future homes from being built in harm’s way.

Targeted growth near transit hubs: To compensate for removing blanket density, PC120 concentrates greater housing capacity in strategic locations with good public transport. The new plan allows much taller buildings around key transit stations – for example, up to 15 storeys in the walkable catchments of certain City Rail Link train stations (such as Maungawhau/Mt Eden, Kingsland, and Morningside). Other major train stops like Baldwin Avenue and Mt Albert will be surrounded by zones allowing around 10 storeys. This is a significant increase from PC78’s baseline of 6-storey limits in these areas. In addition, six-storey medium-density zoning will apply along many frequent bus routes and around transport corridors, rather than PC78’s approach of upzoning everywhere indiscriminately. By targeting height and density to transit-rich areas, the plan seeks to maximize housing where infrastructure can support it – especially with the \$5.5 billion CRL set to open next year.

Intensification around centres: PC120 also expands high-density residential zoning around Auckland’s town and local centres. The Terrace Housing and Apartment Buildings (THAB) zone – which enables mid-rise apartments – will be applied more broadly to land adjacent to numerous urban centres. In fact, the replacement plan identifies 57 centres for intensified housing in their surroundings (up from 46 centres under PC78). This means more areas near shops, jobs

and community amenities will be zoned for apartments or terraced housing. The goal is to reinforce a “quality compact city” model by steering growth into established centres and along transit corridors, rather than spilling into undeveloped outskirts. Residents near these centres may see more 4–6 storey developments (or higher in some larger centers), which Council argues will support local businesses and transit use. At the same time, areas outside these nodes (especially traditional suburban neighborhoods with fewer services) will experience less change in zoning than they would have under PC78.

Overall capacity and NPS-UD Compliance: Crucially, Plan Change 120 is required to maintain the overall housing capacity enabled by PC78. The Council’s modeling indicates that PC120 still provides for roughly 2 million potential new dwellings citywide – about the same theoretical capacity that PC78 would have yielded. This ensures Auckland can accommodate projected growth and meets the Government’s conditions. The difference is that the 2 million+ capacity is now distributed more deliberately, rather than via broad-brush upzoning. PC120 also explicitly gives effect to NPS-UD Policy 3, which calls for intensification in and around city centres, metropolitan centres, and transit stops. By enabling greater building heights around the CRL stations and major hubs, Auckland Council is aligning with the intent of the NPS-UD while using allowable qualifying matters (like hazard risk, infrastructure constraints, heritage, etc.) to moderate density in other areas. In summary, the new plan aims to deliver the same capacity “bottom line” without the one-size-fits-all approach.

Focus on infill, not greenfield: It’s important to note that PC120 deals exclusively with urban intensification within Auckland’s existing built-up area. It does not open up new greenfield (future urban) land for development. Greenfield growth – such as expansion into rural outskirts or developing farmland – will continue to be managed through separate Structure Plan processes and guided by Auckland’s Future Development Strategy (FDS) rather than this plan change. In fact, the Council’s recently adopted FDS 2023–2053 emphasizes a policy of “avoiding growth in places that put people in harm’s way, focusing development where infrastructure is in place, and maintaining a quality compact urban form”. PC120 reflects that approach by enabling more infill housing in well-serviced locations (and restricting it in unsafe ones), while deferring any rezoning of future urban areas. The Government has signaled that it expects Auckland to consider overall housing distribution including future greenfield supply as part of this process, but any such greenfield provisions would likely be addressed through the FDS and subsequent plan changes, not within PC120 itself.

Next steps in the PC120 process

Auckland Council notified Plan Change 120 on 3 November 2025, which means the proposal is now open for public input. The submission period runs for seven weeks, closing 19 December 2025 at 5pm. During this time, any individual or organisation can make a submission in support, opposition, or seeking specific changes to the plan. (Because PC120 is a completely new plan change, anyone who made submissions on PC78 will need to submit a new if they want their views

considered – previous PC78 submissions do not carry over into this process).

After submissions close, the plan change will proceed through an accelerated hearings and decision process under the Streamlined Planning Process (SPP). In early 2026, independent hearings panels appointed jointly by the Council and central government will conduct hearings to review the submissions and evidence. The panel (expected to have 8–9 members, including several appointed by Government ministers) will then make recommendations on the plan change. The streamlined process is set to run about 18–20 months in total, so a final decision on PC120’s provisions is anticipated by around mid-2027. Throughout this period, a “Friend of Submitter” service is being offered to help the public engage – reflecting the Council’s aim for a transparent, inclusive process.

Ultimately, the Council’s governing body will decide whether to accept the panel’s recommendations (with any rejected recommendations going to the Environment Minister for a final call, as per the SPP rules). Until the plan becomes operative, PC120’s proposed rules have legal effect on notification for certain matters (notably the hazard controls) to prevent a flood of consents exploiting the old rules. Developers and landowners should review the notified provisions and maps now to understand how their properties may be affected, and submit feedback if they have concerns or support.

Why it matters

Plan Change 120 represents a major shift in Auckland’s growth strategy toward transit-oriented and risk-aware development. In a nutshell, the new plan “focuses new homes around town centres, major train stations (maximising the CRL investment), and key rapid transit routes”, while allowing downzoning in flood-risk and coastal erosion areas. This means land near transport hubs and jobs centers will see significantly increased development potential, whereas hazard-prone areas will see less. For example, properties within walking distance of train stations may now qualify for 10–15 storey apartments under PC120 (versus a 6-storey cap in those areas under PC78). On the other hand, properties in low-lying flood zones or unstable coastal cliffs face new limits – some will revert to single-house zoning, greatly constraining redevelopment.

The intended outcome is a city that can grow “up” in the right places instead of sprawling out or building in risky locations. By channeling capacity into well-serviced areas, Auckland can leverage its investment in public transport (like the CRL and busways) and make walking, cycling, and transit more viable for more residents. At the same time, the plan’s risk-sensitive approach is aimed at improving resilience – ensuring that future housing developments are safe from severe floods and climate impacts. For the development sector and landowners, PC120 creates new opportunities to intensify in transit-rich, amenity-rich zones, but also imposes stricter hurdles in areas with environmental constraints. In summary, Auckland Council’s adoption of Plan Change 120 marks a move away from one-size-fits-all density, toward a more nuanced growth plan that seeks to balance housing needs with infrastructure capacity and community safety.

NEW LISTING



Boundary lines are indicative only

Drury, Auckland
7 Lignite Steet
[bayleys.co.nz/16910167](https://www.bayleys.co.nz/16910167)

Sale method	Deadline sale
Land area	1,945sqm (more or less)
Zoning	Residential with commercial approval

NEW LISTING



Boundary lines are indicative only

Karaka, Auckland
30 Burberry Road
[bayleys.co.nz/1699941](https://www.bayleys.co.nz/1699941)

Sale method	Price by negotiation
Land area	39,012sqm (more or less)
Zoning	Residential zone – mixed housing urban

Contact Roman on 027 313 8803 or Wesley on 021 647 117 for more details on the current listings above or to discuss your development land requirements.

ALTOGETHER CONNECTED

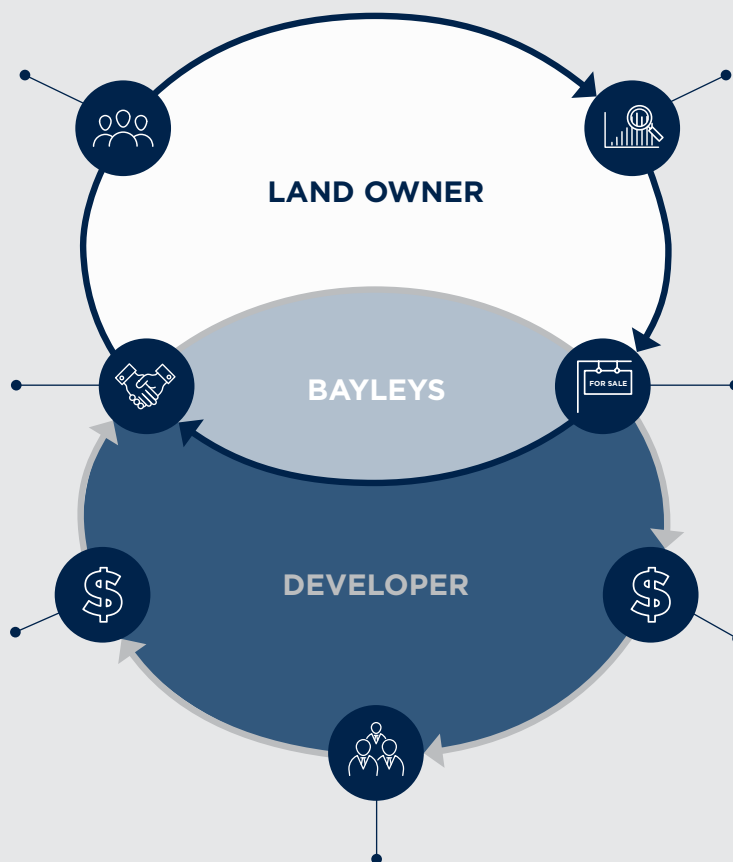
The strength of the Bayleys brand, and our passion for real estate means we're now New Zealand's largest full-service real estate company. We offer in-depth expertise not only in the Commercial sector - but across Residential, Rural and Property Services.

Understanding our clients and their requirements

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Settlement of the land or project

with altogether better results delivered to our clients.

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