INSIGHT ECONOMICS

Final Report: 1 May 2025

Economic Assessment of Proposed Rezoning at Whisper Creek

Prepared for: LMM Investments 2012 Limited

Authorship

This document was written by Fraser Colegrave and Danielle Chaumeil.

Contact Details

For further information about this document, please contact us at the details below:

Phone: +64 21 346 553
Email: fraser@ieco.co.nz
Web: www.insighteconomics.co.nz

Disclaimer

Although every effort has been made to ensure the accuracy and integrity of the information and opinions presented herein, the report's authors and Insight Economics Limited accept no liability for any actions, or inactions, arising from its contents.

Cover Photo Credit

ArcGIS Pro

Copyright

Contents

1. Executive Summary

Context

LMM Investments 2012 Limited (the **applicant**) owns a large tract of land in Spencerville, in the northeastern reaches of Christchurch City. Most of the site is currently zoned to enable the establishment of a comprehensive golf resort, including an 18-hole golf course, residential dwellings, a golf academy, visitor accommodation and supporting commercial amenities. However, no demand for such uses has materialised over the past 15 years. Accordingly, the applicant now wishes to rezone the site for residential uses to meet strong and ongoing demand for new city dwellings. To assist, this report assesses the likely economic effects of the proposal relative to uses enabled by its existing zoning.

Key Findings

Because the proposal primarily involves repurposing land already identified as suitable for urban uses, our assessment focusses on any key differences between the proposal and the various activities already enabled by the proposed rezoning. They are that the proposed rezoning:

1. Enables a higher overall dwelling yield;

2. Includes provisions for a small community and commercial hub; and

3. Foregoes using the site as a golf resort.

However, because no demand has ever existed – or is likely to ever exist – for a golf resort on the site, the third point is moot. Accordingly, the report focusses on the first two key differences identified above, namely the impacts of the proposal's residential and commercial provisions relative to the status quo.

The economic impacts of the higher dwelling yield enabled by the proposal include:

- **Significant boost in market supply –** The proposal enables approximately 650 more residential dwellings than current zoning. All other things being equal, this will help the market to be more responsive to growth in demand, thereby reducing the rate at which city house prices grow over time (relative to the status quo).

- **Enhanced market competition –** The proposal will help to foster competition in the local land market. This is important because competition is the cornerstone of economic efficiency.

- **Fostering well-functioning urban environments –** Master-planned communities like the proposal provide a strategic and coordinated approach to urban growth, delivering superior economic and social benefits compared to fragmented development.

- **Catering to a variety of needs and preferences –** The proposal provides for a range of lot sizes, which will enable the development of a variety of dwellings over time.

The economic impact of the proposed community and commercial hub will be minimal because a similar scale of commercial activity is already anticipated by the current zoning. Further, it will not adversely affect the role function, health, or vitality of the city's existing centres network because:

- **Demand-driven growth –** The community and commercial hub will grow organically over time in response to demand. This will ensure that demand and supply remain in balance and reduce the need to attract spending from elsewhere

- **Small scale of commercial activity –** The proposed commercial area is intentionally small, which immediately curtails its ability to compete with the other larger centres.

- **Dispersed market impact –** With no existing centres in the immediate vicinity, any economic effects will be dispersed across multiple centres, preventing undue pressure on any single commercial area.

- **Higher-order needs met elsewhere –** People that previously frequented other commercial areas for higher-order shopping will continue to do so as they remain the best places to meet those needs.

The proposal will generate a range of wider economic benefits, including:

- **One-off economic stimulus** – Constructing the new dwellings enabled by the proposal will generate significant one-off economic impact, including We estimate that this will provide employment for 1,865 FTE-years, generate $155 million in household wages/salaries, and boost national GDP by $258 million.

- **Ongoing employment –** Once completed, the community and commercial hub will sustain ongoing employment across a range of roles.

- **Infrastructure efficiency –** The coordinated nature of the development ensures infrastructure is delivered efficiently, optimising costs and leveraging economies of scale.

- **Optimal land use –** The proposal enables the subject land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.

Conclusion

Overall, the proposal will generate a wide range of enduring economic benefits and avoid any material economic costs. Accordingly, we support it on economic grounds.

2. Introduction

2.1 Context & Purpose of Report

LMM Investments 2012 Limited (the **applicant**) owns a large tract of land in Spencerville, in the northeastern reaches of Christchurch City. Apart from 16ha that has a Rural Urban Fringe zoning, most of the site is currently zoned to enable the establishment of a comprehensive golf resort, including an 18-hole golf course, 150 dwellings, a golf academy, visitor accommodation and supporting commercial amenities. However, no demand for such uses has materialised over the past 15 years. Accordingly, the applicant now wishes to rezone the site for residential uses to meet strong and ongoing demand for new city dwellings. To assist, this report assesses the likely economic effects of the proposal relative to uses enabled by its existing zoning.

2.2 Scope of Assessment

Because the proposal seeks to just swap one urban zoning for another, many of the proposal's potential effects will have already been assessed for the site and considered appropriate. For example, the existing zoning already enables large numbers of people to dwell onsite, either as residents of the enabled dwellings, as short-stay visitors, or as long-term participants in the Golf Academy. This differs from the situation where land that is currently zoned for rural uses is proposed for urbanisation, which raises a raft of potential issues that would not yet have been considered for the site.

Recognising this, our assessment focuses only on the key economic differences arising between the proposed rezoning and the various activities enabled by its current zoning. Those key differences, in our view, are that the proposed rezoning:

- Enables a higher overall dwelling yield;
- Includes provisions for a small community and commercial hub; and
- Foregoes the site for use as a golf resort.

In addition, this report briefly examines various other economic effects associated with the proposal.

2.3 Structure of Report

The remainder of this report is structured as follows:

- **Section 3** identifies and describes the subject site.
- **Section 4** defines two possible zoning options for the site.
- **Section 5** provides context on the local housing market.
- **Section 6** describes the likely effects of the proposal on the local housing market.
- **Section 7** discusses the likely economic impacts of the proposed community and commercial hub.
- **Section 8** briefly considers the wider economic impacts of the proposal.
- **Section 9** provides a summary and conclusion.

3. About the Subject Site

This section identifies and briefly describes the subject site.

3.1 Site Location and Description

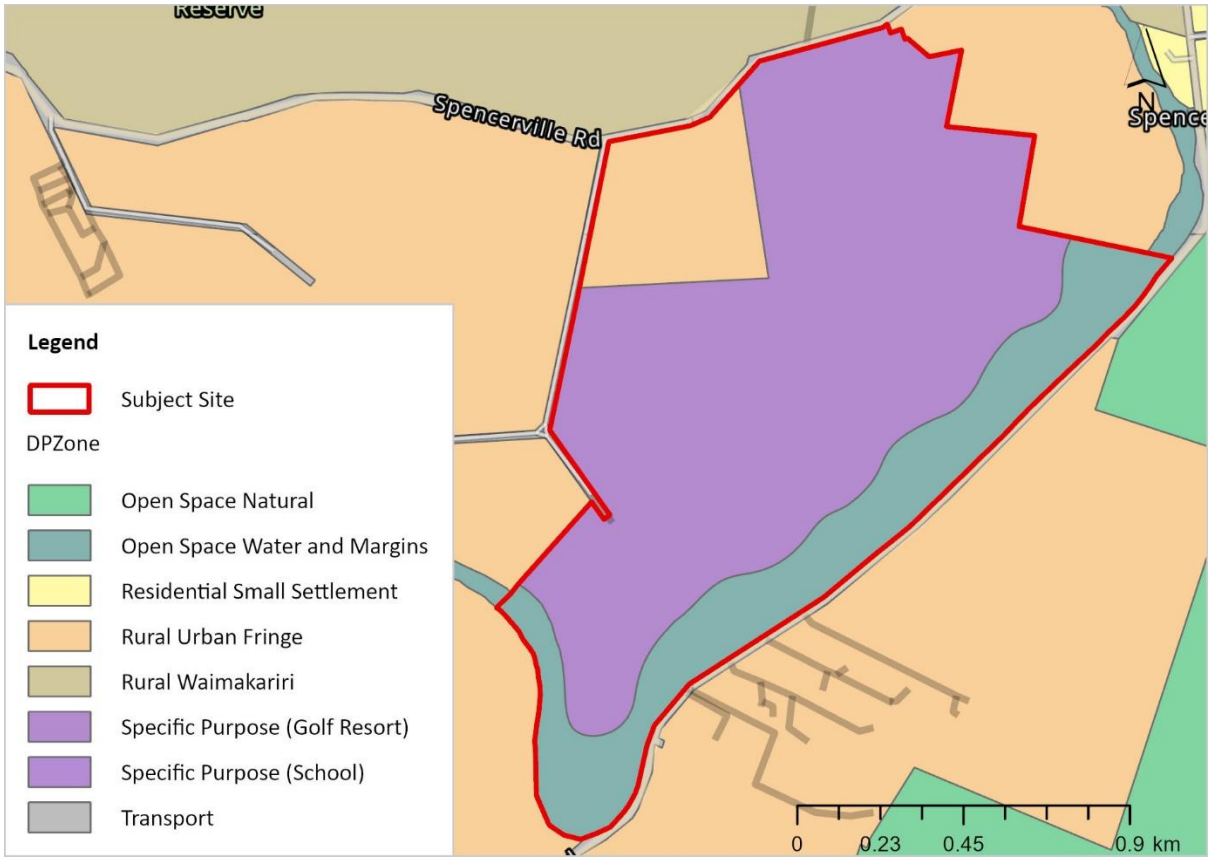
The subject site is located approximately two kilometres north of Prestons, in Christchurch City. It is bound by Spencerville Road to the north, the Styx River to the south-east and Turners Road to the west. The site spans an area of approximately 170 hectares and is currently in use as a dairy farm and four 4 ha lifestyle blocks. The location of the site is illustrated in Figure 1 below.

Figure 1: Subject Site Location

3.2 Current Zoning

The site is primarily zoned Specific Purpose (Golf Resort) (**SPR**) under the Christchurch District Plan. In addition, the portion of the site adjacent to the Styx River is zoned Open Space Water and Margins (**OWM**), while approximately 16 hectares in the northwestern corner are zoned Rural Urban Fringe (**RuUF**). The zoning layout is illustrated in Figure 2.

Figure 2: Subject Site Zoning



4. Zoning and Development Options

This section identifies two zoning options for the subject site.

4.1 Option 1: Status Quo

The first option is the development enabled by the subject site's current zoning. Development permitted in the SPR zone includes:

- **Golf –** 18-hole golf course.
- **Commercial –** golf academy, clubhouse, restaurants, gymnasium and spa facilities, indoor sports complex, food and beverage outlets[1] and retail activity.[2]
- **Visitor Accommodation –** 160-bedroom academy dormitory and 380-bedroom resort apartments.
- **Residential –** 150 dwellings.

The RuUF portion of the site already accommodates four dwellings, consistent with the minimum lot size requirements. Accordingly, no additional development is enabled by the current zoning on that part of the site.

4.2 Option 2: Proposed Rezoning

The proposal seeks to rezone most of the site to Residential New Neighbourhood (**RNN**) zone, with the lower-lying parts of the site beyond the river margins retained as greenspace. In addition, the proposal includes provisions for a small amount of associated commercial activity in the form of a small scale "community and commercial hub".

The indicative masterplan below shows a potential development outcome enabled by the proposed rezoning.

[1] Up to 1,000m^2 GFA.

[2] Up to 500m^2 GLFA, excluding food and beverage outlets, and servicing recreation activities and visitor needs within the zone.

Figure 3: Indicative Masterplan

Based on the indicative masterplan above, it is anticipated the rezoning will enable the establishment of approximately 800 new dwellings over time.

The proposed community and commercial hub is identified by the purple shading in the indicative masterplan. While its size and location are yet to be finalised, it may include (for example) a preschool and a small amount of convenience retail to cater to the day-to-day needs of the plan change area.

4.3 Option Comparison

Besides the small pocket of rural-zoned land in the northwest corner of the site, the proposal represents a repurposing of land already designated for urban use. Compared to the status quo, the proposed rezoning:

- **Enables a higher overall dwelling yield** – The proposal enables approximately 800 dwellings, compared to 150 new dwellings under the consented baseline.

- **Includes provisions for a community and commercial hub** – While both zoning options permit some commercial activity to meet onsite demand, the current zoning focuses on the needs of golfers and visitors (e.g., a pro shop and food and beverage outlets), whereas the proposed rezoning caters to the day-to-day needs of future residents.

- **Foregoes the site for use as a golf resort** – The proposal precludes the development of a golf course, golf academy, visitor accommodation and associated commercial amenities on the site. However, the loss of the site for this purpose is purely theoretical as no demand for such uses has materialised over the past 15 years.

To expand on the previous point, we note our involvement with a private plan change that enables the expansion of the existing Pegasus golf course in Waimakariri into a comprehensive golf resort.[3] Located just 13 kilometres north of the site, the proposed Pegasus development includes up to 500 visitor accommodation units, along with hot pools and supporting retail, entertainment, and commercial activities.

In our view, if demand exists for a large golf result in North Canterbury, it is far more likely to be realised at Pegasus than at Whisper Creek. Pegasus already has the critical mass to support further development due to its location within an established neighbourhood and its popular championship golf course, which has hosted multiple major events including the New Zealand PGA. In addition, it already has a comprehensive range of amenities including a driving range, practice greens, pro shop, tennis courts, gym and bar & café.[4] However, despite reaching an advanced stage of planning and consent, development at Pegasus has stalled due to funding constraints.[5]

While development of the site as a marquee golf course may have reinforced the position of Christchurch as a golfing destination, the market has not taken up this opportunity. In any case, Central Otago already functions as the South Island's primary golfing hub, with a well-established marquee network concentrated around Queenstown.

In short, we consider the economic impact of foregoing the site for use as a golf resort to be negligible. Accordingly, the remainder of this report focusses on the economic impacts of the enabled residential and commercial development under the proposed re-zoning. First, though, we discuss the current state of the local housing market.

[3] That land is now zoned "Special Purpose Zone - Pegasus Resort" in the Waimakariri Proposed District Plan.

[4] https://www.cbre.co.nz/press-releases/pegasus-golf-resort-back-on-the-market-after-court-action-stalls-sale

[5] https://www.thepress.co.nz/nz-news/350014259/big-plan-pegasus-tourist-resort-hangs-offshore-cash

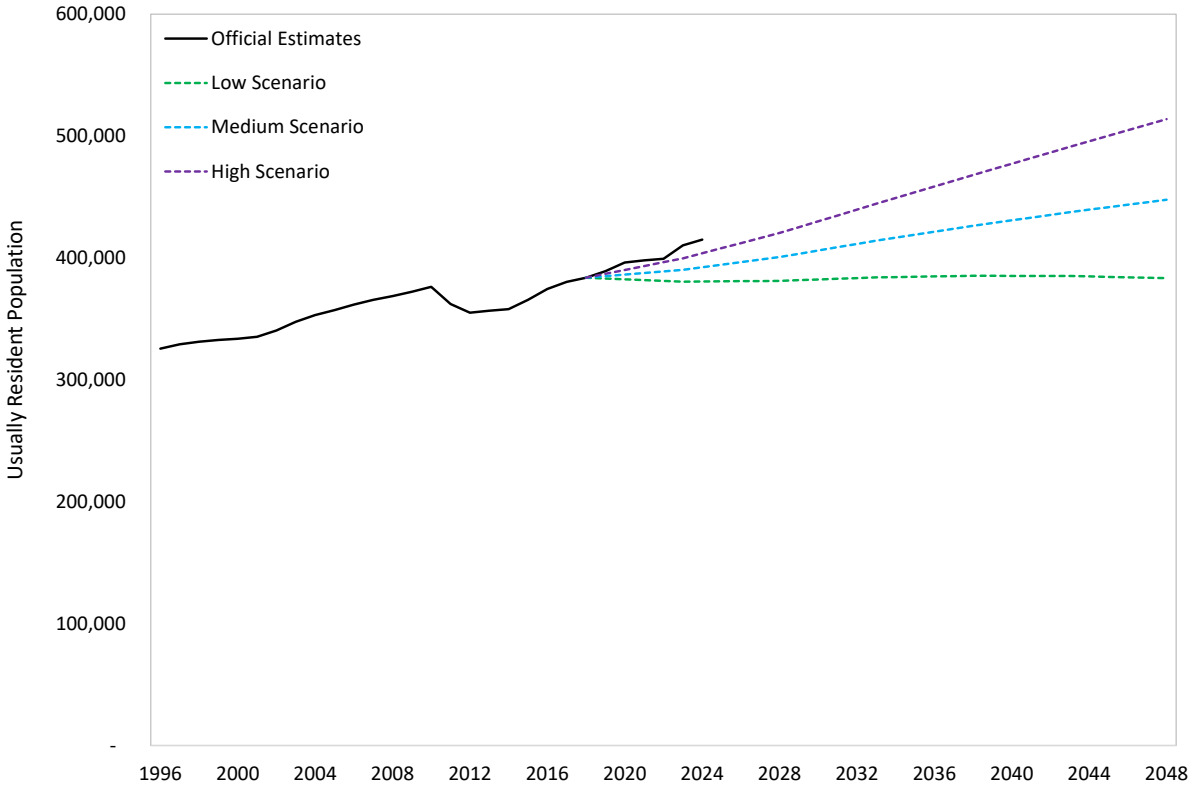
5. Housing Market Context

This section provides context on the local housing market to inform the remainder of the report.

5.1 Population Growth

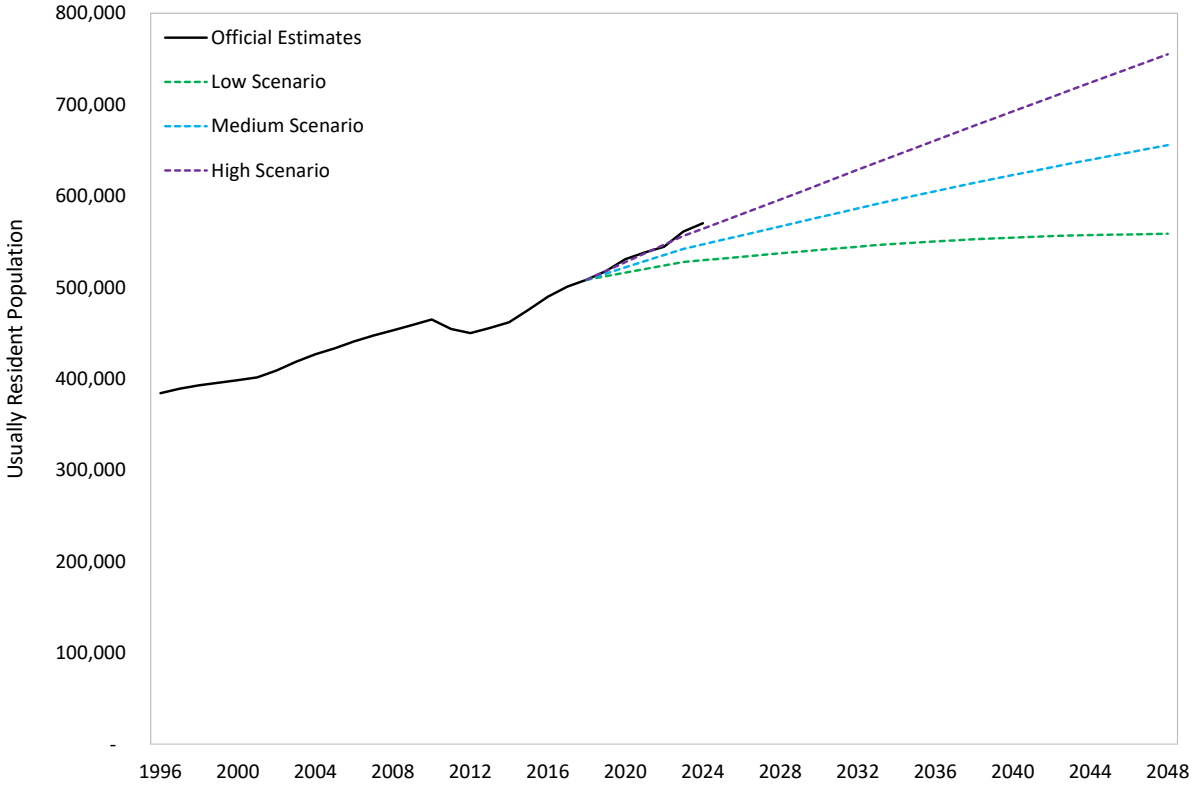
Christchurch City's population contracted by nearly 6% following the 2010/2011 Canterbury Earthquake sequence, falling from about 376,000 residents in 2010 to just over 355,000 in 2012. Following a decade of steady growth, the city's resident population now exceeds pre-quake levels by approximately 10%. This recent growth has outpaced official projections, and the latest Statistics New Zealand's (**Stats NZ**) population estimates are now tracking above the high growth population scenario as illustrated in Figure 4.

Figure 4: Official Population Estimates to 30 June 2024 vs Official Projections – **Christchurch City**



Selwyn and Waimakariri are also growing apace. As a result, the latest population estimates are now tracking in line with the high growth population scenario for the Greater Christchurch area, as illustrated in Figure 4.

Figure 5: Official Population Estimates to 30 June 2024 vs Official Projections – **Greater Christchurch**



5.2 Projected Dwelling Demand

In 2023, the Greater Christchurch Partnership released their latest Housing Capacity Assessment (**HCA**). Amongst other things, it includes household growth projections for Christchurch City. They adopt Stats NZ's latest high growth population projections, which are converted to household projections based on projected future household sizes. Table 1 presents the results over the short-, medium- and long-terms.

Table 1: Christchurch City Household Demand Projections

Timeframe	**Households**
Short Term (2022-2025)	3,256
Medium Term (2022-2032)	12,001
Long Term (2022-2052)	32,479

According to Table 1, the number of households in the city will increase by nearly 32,500 between 2022 and 2052. The HCA therefore estimates that demand will average just over 1,000 households per year over the next 30 years.

5.3 Building Consent Trends

The chart below shows the number of new dwellings consented in the city since 1991.

Figure 6: Christchurch City Residential Building Consents

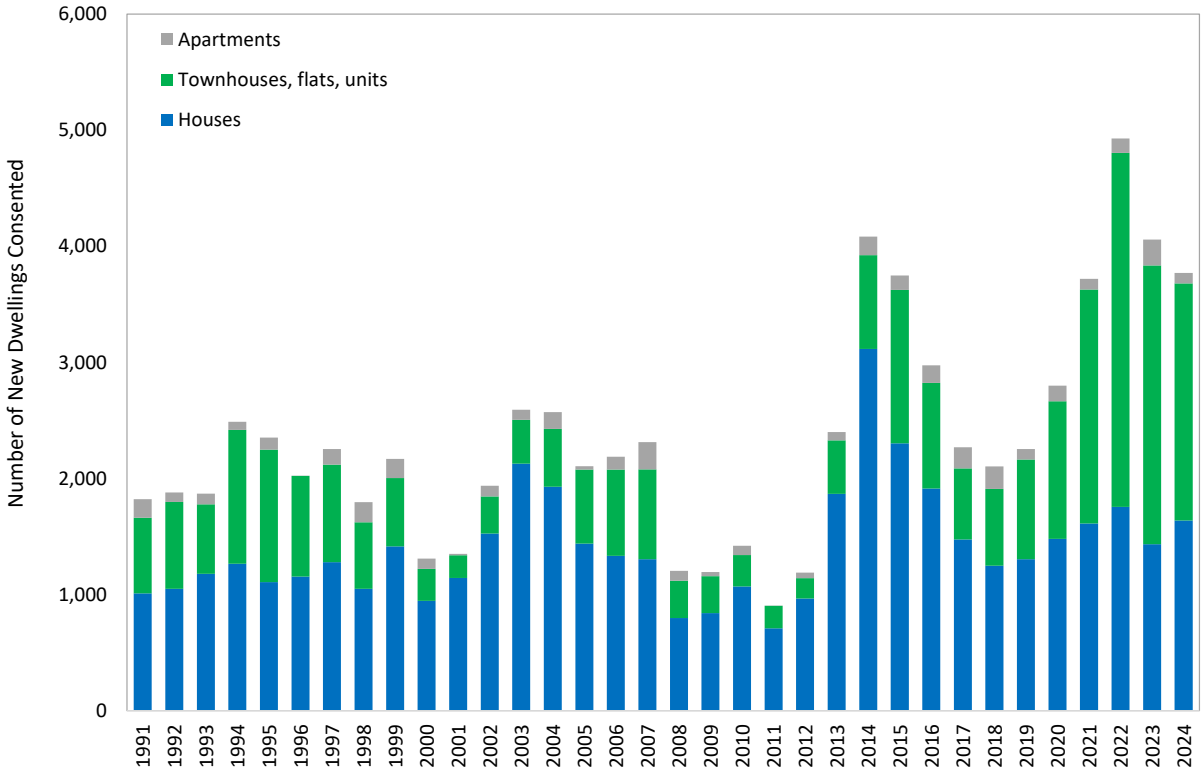


Figure 6 shows an initial surge in development following the earthquakes, followed by a sustained period of elevated consenting activity. Over the past five years, consents have averaged 3,900 per year—significantly higher than the long-term average of less than 2,100 per year over the preceding 29 years and well above yearly average of less than 1,100 projected in the latest HCA. Attached dwellings have become increasingly popular and have accounted for the majority of consents for the past four years running.

5.4 Supply-Driven Demand Dynamics

While the figures above provide useful information, the availability of ready-to-market lots in strategic locations can unlock latent demand, attracting both new residents and those seeking to upgrade their living situations. This dynamic means that well-timed, strategic supply increases can be drivers of demand in their own right. There are many examples of relatively slower-growing, peri-urban areas experiencing sudden explosive growth when new opportunities are unlocked via changes to the planning rules, either as private plan changes or revisions to key plans, strategies and bylaws. Appendix A provides a case study of Pokeno, in the northern reaches of the Waikato district.

As in Pokeno, suppressed demand in northeastern Christchurch may remain unrecognised due to a lack of opportunities to express itself. The rapid build-out of Prestons, just two kilometres down the road, suggests the presence of latent demand in this general location. A master-planned community such as the proposal could unlock this latent demand, attracting new residents seeking an alternative to high housing costs nearer to the city centre.

5.5 Demographic Summary

We used detailed data from the 2023 census to compare the demographic profile of existing residents in the northeast of Christchurch with city averages. Appendix B provides the details, including a map of the study area adopted.

To summarise, compared to Christchurch averages, **residents** in the northeast are:

- Slightly older;
- Much more likely to identify as European and less likely as Asian or Māori;
- More likely to be married;
- More likely to earn a personal income of $70,000 or more;
- More likely to live in a one-family household, and less likely to live alone;
- Much less likely to be renting.

In addition, compared to Christchurch averages, **dwellings** in the northeast are:

- Much more likely to be standalone homes;
- More likely to have four or more bedrooms.

These differences indicate that the northeast has a different demographic profile to the rest of Christchurch.

5.6 Trends in Dwelling Prices

The city's dwelling prices have risen sharply in recent years. This is illustrated in Figure 7 below, which charts the quarterly median prices of residential dwellings.

Figure 7: Christchurch City Median Dwelling Price[6]

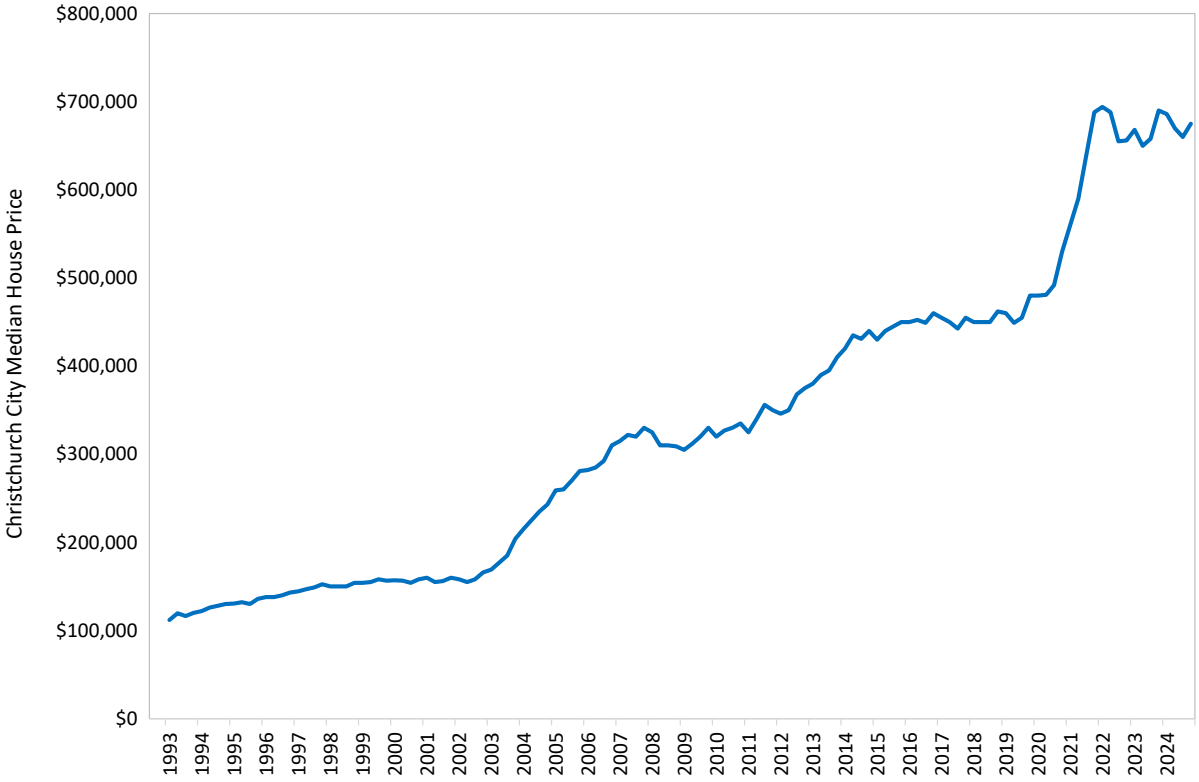


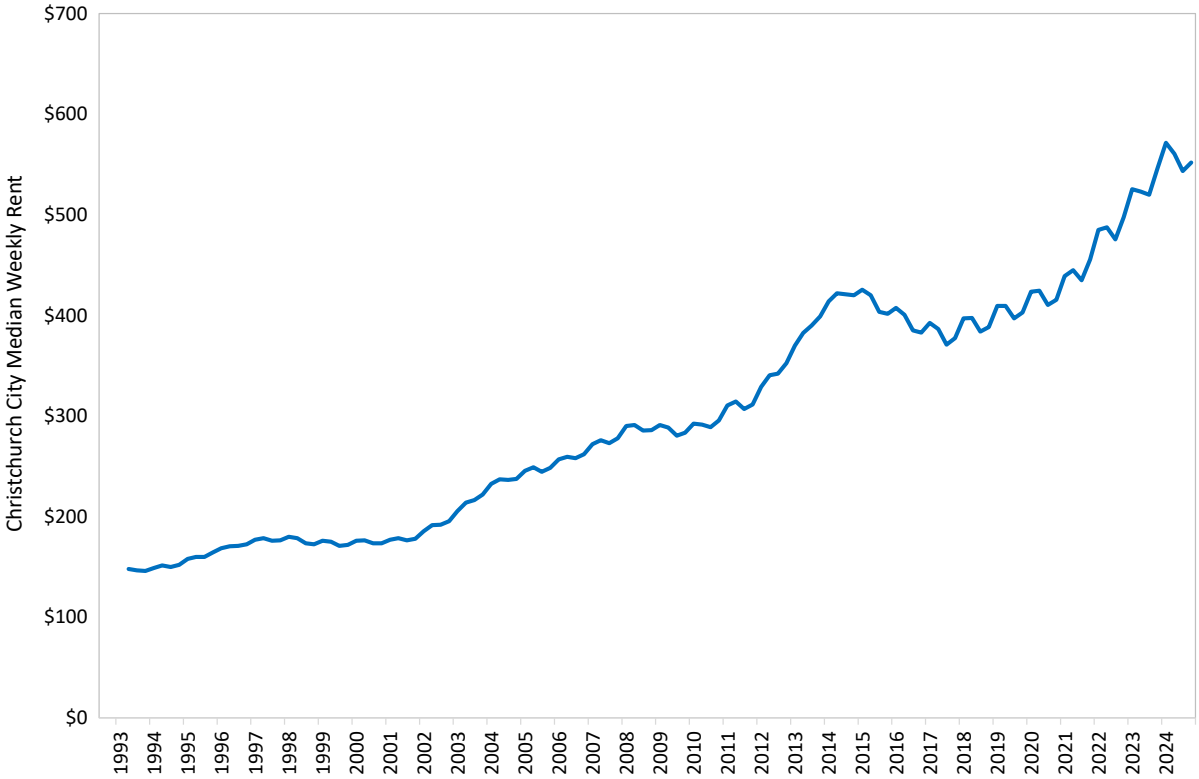
Figure 7 shows a significant increase in the median sales price in Christchurch over the past two decades. In 2004, the median stood at around $243,000. This grew to approximately $675,000 by December 2024, translating to a compound annual growth rate (**CAGR**) of 5% over the 20-year period.

Weekly rents have also grown steadily too, but to a lesser extent. As illustrated in the chart below, average weekly rental values[7] in Christchurch increased from approximately $150 in 1993 to more than $560 in December 2024. This represents a CAGR of around 4%.

[6] All housing market indicator charts sourced from the Ministry of Housing and Urban Development's (MHUD's) Urban Development Dashboard, which is available here: https://huddashboards.shinyapps.io/urban-development/

[7] Calculated using rental bond data

Figure 8: Average Weekly Rental Values



5.7 Affordability Trends

The charts above show that city dwelling prices and rental values have both increased significantly over the last 20 to 30 years. Amongst other things, these persistent trends have made living in Christchurch increasingly unaffordable, and the surrounding districts of Selwyn and Waimakariri are growing rapidly as a result.

While housing affordability can be measured in various ways, a common approach is to use the "median multiple", which divides the median dwelling price by median household incomes. The higher the resulting multiple, the less affordable it is to buy a dwelling, and vice versa. With growth in property prices continuing to outstrip income growth, the median multiple is now 7.2 for Christchurch City, meaning the median house price is now more than seven times the median household income. By comparison, the benchmark for affordability is a ratio of only three. Despite dropping mortgage rates and rising incomes, it now takes 58% of gross earnings to service a mortgage. In addition, it now takes 9.6 years just to save the deposit for a new home in Christchurch city.[8]

[8] Available here: https://www.corelogic.co.nz/news-research/reports/housing-affordability-report

6. Impacts of Increased Dwelling Yield

Having described the current state of the housing market, this section considers the likely effects of the increased dwelling yield enabled by the proposal.

6.1 Boosting Residential Land Supply

The proposal will provide a substantial, direct boost in the city's dwelling capacity, thereby helping to narrow the gap between likely future supply and demand. All other things being equal, this supply boost will help the market to be more responsive to growth in demand, thereby reducing the rate at which city house prices grow over time (relative to the status quo).

To assess whether this supply boost satisfies the definition of "significant" in Objective 6(c) of the NPS-UD, we first reviewed the latest HCA. At page 15, it discusses consultation with the development community (while writing the HCA) and describes landowners that could develop 20 or more dwellings as being significant.

Next, we used data from a Tier 1 city Council in the North Island, which details the nature and scale of all residential subdivision consents granted there over the past six or seven years. The data covered 1,666 consents and enabled the creation of nearly 13,000 new residential lots.

Of those 1,666 consents:

- The median number of new lots created was only 4;
- Only the top 10% provided 10 lots or more;
- Only the top 3% provided 30 lots or more; and
- Only the top 1% provided 75 lots or more.

While these data apply to a different part of New Zealand we consider them to provide a reliable basis for assessing the likely significance of the proposal.

Based on these data, and drawing on our vast experience with more than 80 residential subdivisions across New Zealand over the past 20 years, we have derived the following rules of thumb for assessing the significance of development proposals under the relevant parts of the NPS-UD:

- 15 to 30 lots represent a significant increase in capacity;
- 30 to 100 lots represent a highly significant increase; and
- More than 100 lots represent an extremely significant increase.

Applying these rules of thumb to the proposal, it follows that the 650 additional residential dwellings enabled by the proposal represent an extremely significant increase in development capacity for the purposes of the NPS-UD.

6.2 Helping Foster Land Market Competition

In addition to directly boosting district dwelling capacity, the proposal will also help to foster competition in the local land market. This is important because, as recognised through Objective 2 of the NPS-UD, competition is the cornerstone of economic efficiency. When the land market becomes

more competitive, land developers have a greater incentive to get their product to the market in a more timely and cost-effective manner, thus further helping to keep district housing as affordable as possible.

Absent competition, landowners experience "market power", which enables them to charge more for land and be slower in releasing it to the market. Both outcomes conspire against affordability and reduce the overall efficiency of the housing market.

6.3 Helping Foster Well-Functioning Urban Environments

Master-planned communities like the proposal provide a strategic and coordinated approach to urban growth, delivering superior economic and social benefits compared to the alternative (fragmented development). For example, these developments:

- **Achieve economies of scale –** Large-scale development lowers per-unit costs through efficient planning and resource allocation.
- **Optimise infrastructure investment –** Coordinated delivery of roads, utilities, and public services reduces inefficiencies and ensures infrastructure is right-sized and cost-effective.
- **Generate employment –** Provide steady employment for local contractors and tradespeople.

Further, master-planned developments like the proposal create well-connected, vibrant neighbourhoods by:

- **Prioritising walkability and accessibility –** Integrated transport networks encourage active transport, reducing car dependency and promoting healthier lifestyles.
- **Providing essential amenities on-site –** Such as the preschool and convenience retail stores (indicatively) anticipated in the proposed community and commercial hub.
- **Enhancing safety through CPTED principles –** Thoughtful urban design improves visibility, deters crime, and promotes secure public spaces.

Finally, unlike fragmented growth, which often leads to inefficiencies, master-planned communities:

- **Prevent inconsistent urban form –** Coordinated development ensures a seamless integration of infrastructure, housing, and amenities.
- **Avoid land banking –** Large-scale projects encourage timely development, addressing housing and infrastructure needs efficiently.
- **Reduce reliance on external infrastructure –** Self-sufficient communities alleviate pressure on existing networks, supporting sustainable urban expansion.

In short, master-planned communities like the proposal not only enhance day-to-day life for residents but also establish a foundation for sustainable, long-term growth that supports and contributes towards a well-functioning urban environment.

6.4 Catering to a Variety of Needs and Preferences

Another way the proposal helps to contribute to a well-functioning urban environment is by providing for a range of lot sizes, which will enable the development of a variety of dwellings over time. According to the latest indicative masterplan, larger lots spanning approximately 1,000m^2 to 2,000m^2 will be located around the site's western frontages with Turners Road, while pockets of medium density housing are anticipated adjacent to open spaces.

This helps give effect to Policy 1 of the NPS-UD, which requires high growth areas like Christchurch to not only provide adequate capacity to meet future demand, but to also provide a range of housing choices to meet a wide range of needs and preferences. This is shown in the excerpt below, which displays the first part of Policy 1 of the NPS-UD:

Table 2: Policy 1 of the NPS-UD

2.2 Policies

Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:

(a) have or enable a variety of homes that:

(i) meet the needs, in terms of type, price, and location, of different households; and

By enabling a variety of dwellings, the proposal also helps meet the evolving needs of the city's population.

7. Impacts of Community and Commercial Hub

This section analyses the likely economic impacts of the proposed community and commercial hub.

7.1 Comparison of Commercial Provisions

The proposed community and commercial hub enables a small amount of commercial activity to meet the day-to-day needs of the plan change area. While its size and location are yet to be finalised, it is likely to comprise a preschool and (say) three or four small format shops (e.g. dairy, food and beverage outlets).

The current zoning also enables the following retail and hospitality activity, provided it occurs within specified activity areas:

- **Food and beverage outlets** up to 1,000m^2 GFA; and
- **Retail activity** up to 500m^2 gross leasable floor area (**GLFA**), excluding food and beverage outlets, and servicing recreation activities and visitor needs within the zone.

Although both zoning options enable commercial activity, the key difference is their intended purpose. The existing zoning primarily supports businesses catering to golfers and resort visitors, whereas the proposed rezoning enables convenience retail and services for future residents. Given the similarities in scale, the overall economic impact of the community and commercial hub will be minimal. Nevertheless, it is still important to assess potential adverse effects of the proposed community and commercial hub on other areas.

7.2 Steps in the Analysis

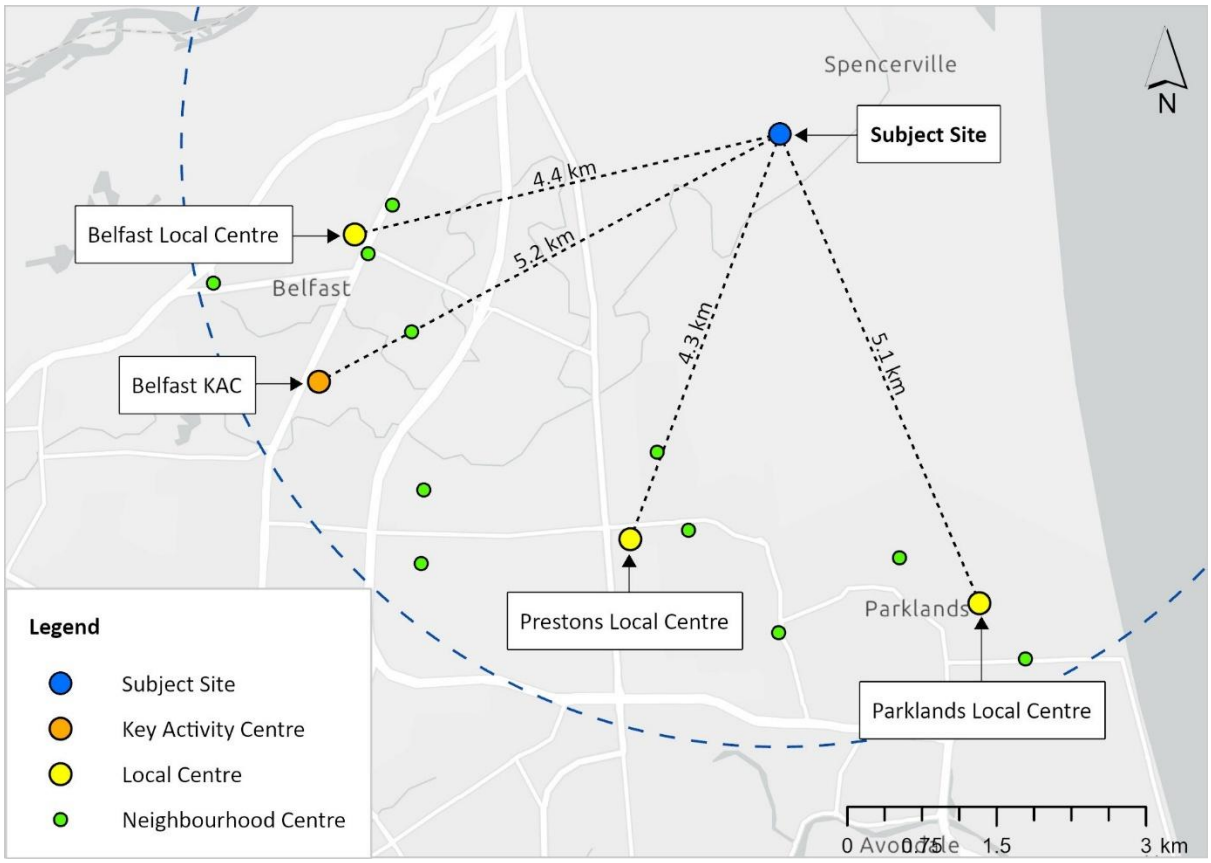
To that end, the remainder of this section is structured as follows:

1. Identification of Potentially At-Risk Centres
2. Definition of Retail Distribution Effects
3. Likelihood of Retail Distribution Effects Arising

7.3 Identification of Potentially At-Risk Centres

Figure 9 below illustrates the location of the site within the existing centres network. The blue dashed line denotes a six-kilometre radius of the subject site.

Figure 9: Location of Subject Site within Existing Centres Network



The map above shows that no existing centres are located in the immediate vicinity of the subject site. However, an extensive network of centres is situated slightly further away to the south and west. The Belfast Key Activity Centre (**KAC**) is approximately 5.2 kilometres southwest of the site, while the Belfast, Prestons, and Parklands local centres are between 4.3 and 5.1 kilometres away. Additionally, 11 neighbourhood centres are within the six-kilometre radius.[9]

7.4 Definition of Retail Distribution Effects

To consider the likelihood of adverse retail distribution effects arising, we first highlight the critical distinction between retail distribution effects and trade impacts.

Under the Resource Management Act 1991 (**RMA**), decision makers must disregard effects that are ordinarily associated with trade competition when evaluating proposed developments. Instead, they may only consider possible flow-on effects arising from trade competition, which are known as retail distribution effects.

Retail distribution effects *may* occur if a new development reduces the patronage of competing stores so acutely that it causes some to close, thereby causing the roles and functions of their respective centres to decline so significantly that the social and economic wellbeing of their communities is undermined.

[9] Distances are measured from the indicative location of the community and commercial hub near the centre of the subject site.

A strong body of case law confirms that trade impacts must go beyond effects that are ordinarily associated with trade competition to be considered, and that impacts on individual stores are irrelevant because they amount to pure trade competition.

7.5 Likelihood of Retail Distribution Effects Arising

Acknowledging the definition of retail distribution effects just above, we consider it highly unlikely that the proposal will adversely affect the role function, health, or vitality of the existing commercial centres identified above. There are several reasons, including:

- **Demand-driven growth –** The proposed onsite commercial activity will grow organically over time in response to demand. This will ensure that demand and supply remain in balance and reduce the need to attract spending from elsewhere.

  To put this in context, we estimated likely future spending originating on the subject site at full build-out by applying regional average spending from the latest Household Economic Survey. To be conservative, these estimates ignore ongoing growth in annual household income over time. The results are tabulated below and reflect total annual spending by 800 households.

Table 3: Projected Future Spending Originating Onsite

Expenditure Group	Annual Spend per Household	Total Annual Spend ($ millions)
Food	$14,750	$11.8
Alcoholic beverages and tobacco	$1,700	$1.4
Clothing and footwear	$2,300	$1.8
Housing and household utilities	$20,550	$16.4
Household contents and services	$3,400	$2.7
Health	$2,800	$2.2
Transport	$14,000	$11.2
Communication	$2,100	$1.7
Recreation and culture	$7,700	$6.2
Education	$1,300	$1.0
Miscellaneous goods and services	$7,700	$6.2
Other expenditure	$8,550	$6.8
Total Household Expenditure	**$86,850**	**$69.5**

  Table 3 shows that future residents of the proposal will spend $69.5 million per annum on a wide range of household goods and services, assuming they spend at the same rate as the average regional household. This will provide significant commercial support for future tenants of the proposal.

- **Size –** The proposed commercial area is intentionally small, which immediately curtails its ability to compete with the other larger centres. For context, the Belfast KAC spans a land area

of approximately 7.7 hectares[10], while the nearby local centres zones range in size from about 1.3 hectares (at Parklands) to 10.7 hectares (Prestons). Conversely, the proposal will provide less than a handful of tenancies.

- **Impacts dispersed across multiple centres –** As shown in Figure 9, there are no existing commercial centres in the immediate vicinity of the site. Instead, a network of 15 centres, varying in size and function, is located within a four- to five-kilometre radius. Given this broad distribution, any potential impact from the proposed community and commercial hub will be minor and dispersed across multiple centres, and any impact on individual centres indiscernible.

- **Higher-order needs met elsewhere –** People that previously frequented other commercial areas for higher-order shopping will continue to do so as they remain the best places to meet those needs.

For these reasons, we do not consider the proposal to pose any material risk of retail distribution effects arising, particularly not to the level that they become relevant in RMA terms.

[10] This land area corresponds to the Belfast Large Format Retail Zone (**LFRZ**). We have not included the remaining commercially zoned land, a large part of which is being developed as a retirement village.

8. Wider Economic Effects of Proposal

This section briefly considers the wider economic impacts of the proposal.

8.1 One-Off Impacts of Construction on GDP, Jobs, And Wages

Constructing the 800 dwellings enabled by the rezoning will generate significant one-off economic impacts. We quantified these using a technique called multiplier analysis, which traces the impacts of additional economic activity in one sector – such as construction – through supply chains to estimate the overall impacts.

These impacts include:

- **Direct effects** – which capture onsite activities directly enabled by the project, plus the impacts of businesses that supply goods and services directly to the project; plus
- **Indirect effects** – which arise when businesses working directly on the project source goods and services from their suppliers, who in turn may need to source goods and services from their own suppliers, and so on.

These economic effects are usually measured in terms of:

- **Contributions to value-added (or GDP)**. GDP measures the difference between a firm's outputs and the value of its inputs (excluding wages/salaries). It captures the value that a business adds to its inputs to produce its own outputs.
- **The number of FTEs employed**. This is measured in terms of full-time equivalents, which includes both part-time and full-time workers.
- **Total wages and salaries** paid to workers, which are reported as household incomes.

Our analysis adopts the following key assumptions, based on recent building consent data.[11]

Table 4: Key Construction Cost Assumptions

Measure	**Value**
# of dwellings enabled	800
Average dwelling size (m^2)	125
Cost per m^2	$3,050
Total construction cost ($m)	**$305**

In addition, we estimated planning/design/consent and land development costs based on the known costs of similar, previous projects. However, we do not disclose them here for commercial sensitivity reasons (because they are not publicly available like construction costs are in building consent data).

[11] New dwellings consented in Christchurch City in the 12 months to November 2024.

Having defined our methodology and set out our assumptions, the following table now presents the estimated one-off economic impacts of the development enabled by the proposal.[12]

Table 5: One-Off National Economic Impacts of Construction

Planning / Design / Consent	Direct	Indirect	Total
FTEs – 1 year	5	3	8
GDP $m	$0.8	$0.5	$1.3
Wages/Salaries $m	$0.6	$0.3	$0.9
Site Preparation			
FTEs – 1.5 years	100	105	205
GDP $m	$20	$25	$44
Wages/Salaries $m	$13	$14	$27
Construction			
FTEs – 6 years	55	140	195
GDP $m	$50	$163	$213
Wages/Salaries $m	$32	$95	$127
Project Totals			
FTE-years	580	1,285	1,865
GDP $m	$70	$188	$258
Wages/Salaries $m	$46	$110	$155

In summary, future construction activity enabled by the proposal could boost national GDP by $258 million, including flow on effects, generate employment for 1,865 FTE-years, and generate $155 million in household incomes. Assuming (say) a 10-year development period, these translate to annual impacts of $26 million in GDP, employment for 186 people, and $16 million in household incomes.[13]

8.2 Ongoing Employment within Commercial Elements

Once operational, the proposed commercial centre will also provide ongoing employment across a range of roles. While future tenancies will be determined by the market, they may include, for example, a preschool, a small café, and one or two takeaway food outlets. Once operational, this future onsite activity will provide ongoing employment for, say, 10 FTE employees.

8.3 Infrastructure Efficiency

The proposed master-planned community will deliver high levels of infrastructure efficiency through economies of scale and strategic coordination. Large-scale planning enables the cost-effective delivery

[12] The estimated one-off economic impacts presented here do not account for the proposed community and commercial hub. As a result, the estimates are conservative and likely understate the full benefits of the proposal.

[13] While construction activity is sometimes viewed as substitutive (i.e. a house not built here is still built elsewhere so the wider economic benefits occur regardless), this assumes a plentiful supply of development-ready land. In constrained markets like Christchurch—where urban-zoned greenfield land is limited and fragmented—large-scale developments can bring forward housing that may not otherwise occur at the same scale, timing, or location, resulting in genuine additional economic activity. Moreover, master-planned developments of this scale may influence population migration decisions and contribute to shifts in the city's long-term growth trajectory.

of essential infrastructure—such as roads, water, wastewater, and utilities—by ensuring it is right-sized from the outset.

Unlike fragmented development, which can lead to underutilised or overburdened networks, a master-planned approach reduces inefficiencies by aligning infrastructure capacity with market demand. This minimises excess costs and ensures infrastructure is used without wastage or delay. This optimised deployment helps to avoid unnecessary costs for the Council while also helping to keep the costs of new homes as low as possible.

8.4 Travel Time & Cost Savings

The subject land is significantly closer to key employment hubs within Christchurch City than most other new greenfield residential developments in the subregion, which are typically located in neighbouring districts Selwyn and Waimakariri. As a result, the proposal has the potential to deliver meaningful travel time and cost efficiencies for future residents who work in the city.

For example, if 300 future residents of the development were to commute to Christchurch Central for work an average of four times per week,[14] the savings—when compared to a counterfactual commute from Rolleston—could be substantial:

- **9,600 hours** of travel time saved annually
- **Nearly $280,000** in fuel cost savings[15]
- **Just under $500,000** in total combined savings (travel time and fuel)[16]

When compared to commuting from Rangiora, the estimated annual savings increase significantly:

- **30,700 hours** of travel time saved annually
- **Nearly $420,000** in fuel cost savings
- **Over $1.1 million** in total combined savings.

8.5 Land Use Efficiency

The proposal yields an estimated 800 dwellings on an effective development area of 64-hectares.[17] This translates to an anticipated dwelling density of approximately 12.5 dwellings per hectare, which represents an efficient use of the site's land.[18]

[14] Across 48 weeks of the year.

[15] Assuming an average fuel price of $2.55 per litre and fuel economy of 9.5 litres per 100 km.

[16] The value of travel time is sourced from the Monetised Benefits and Costs Manual (NZTA, November 2024), which provides a July 2021 base value of $19.53. This was updated to $22.94 using RBNZ's CPI inflation calculator.

[17] While the site spans 170 hectares, this includes approximately 106 hectares of flood-prone land on the lower terrace.

[18] Noting that the development area will also contain stormwater basins, which is why a more typical target of 15 households per hectare in Greater Christchurch is not achieved.

8.6 Highest & Best Use of Land

The proposal will also enable the land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.

8.7 Investment Signal Effects

Finally, we note that the development will provide a strong signal of confidence in the city's economy, which may help spur on, accelerate, or bring forward other developments.

9. Summary and Conclusion

This report has considered the economic merits of the proposed rezoning. It has shown that future residential development enabled by the proposal represents a significant boost in dwelling capacity, which will help keep pace with demand. It has also shown that the proposed community and commercial hub poses no material risk to the city's existing centres network. Overall, the proposal will generate a wide range of enduring economic benefits and avoid any material economic costs. Accordingly, we support it on economic grounds.

Appendix A: Pokeno Case Study

Pokeno is a thriving township in the northern reaches of the Waikato district, which was once only sparsely populated and barely growing, if at all. That changed when Plan Change 24 (**PC24**) to the Operative District Plan enabled the development of thousands of homes plus large areas of business land. Figure 10 shows how PC24 rewrote the growth trajectory for Pokeno thereby invalidating any population growth allocations based on historic data.

For reference, please note that in Figure 10 the:

- **Blue line** shows Pokeno's actual population using an index that equals 100 in 1996.
- **Green line** shows the district's actual population (also via an index set to 100 in 1996); and
- **Dashed black line** shows Pokeno's projected population based on growth between 1996 and 2013. i.e. prior to Plan Change 24. Again, using an index set to 100 in 1996.

Figure 10: Pokeno Population Growth Before and After Plan Change 24 (Indices set to 100 in 1996)

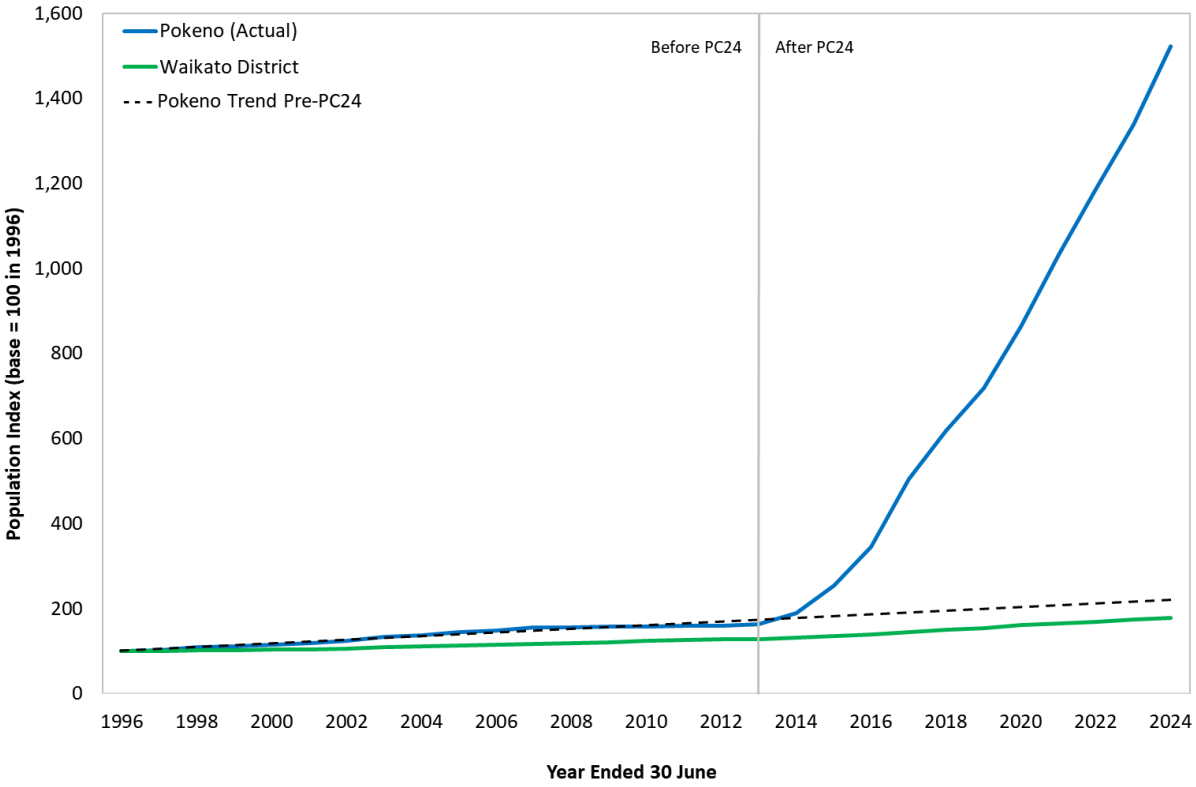


Figure 10 shows that projections of Pokeno's future growth in 2013 based on business as usual (**BAU**) would have dramatically understated its true potential, because the previous lack of market opportunity suppressed historic development. However, when PC24 became operative and enabled market demand to properly "express" itself, Pokeno's population exploded. In fact, the estimated resident population in 2024 was seven times higher than the BAU projection in 2013 would have suggested.

Appendix B: Census Demography Data

The study area adopted for the demographic summary in Section 5.4 comprises the following 12 Statistical Area 2 (**SA2**) units located in northeast Christchurch.

Table 6: Study Area SA2 Units (2023 boundaries)

SA2 Code	SA2 Name
317100	Brooklands-Spencerville
317201	Styx
323700	Queenspark
318401	Marshland
318402	Burlington-Oakbridge
321301	Prestons
321302	Prestons Park
321600	Waitikiri
324001	Burwood North
325100	Parklands
326000	Waimairi Beach
327200	North Beach

The resulting study area is illustrated in Figure 11 below, with the subject site identified in blue for context.

Figure 11: Study Area for Demographic Profile

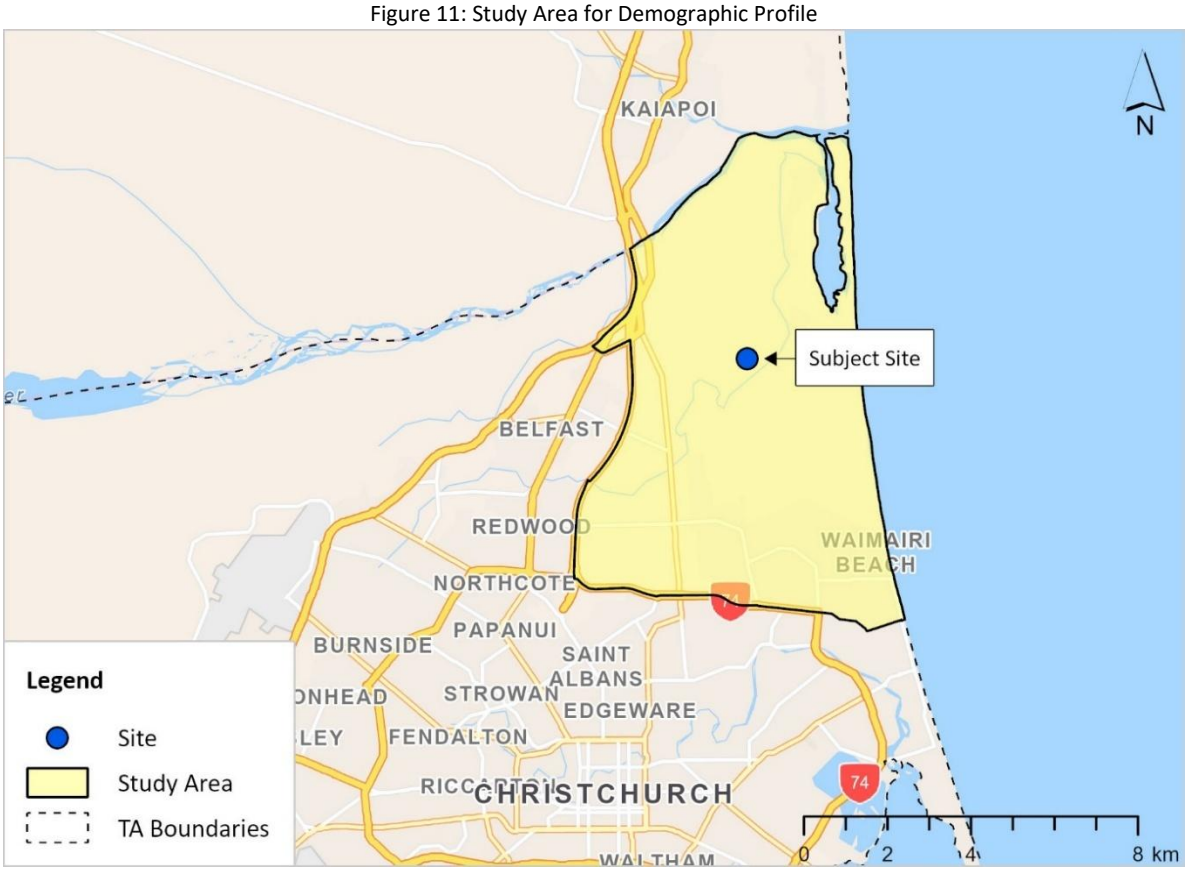


Table 7: 2023 Census Demographic Profile of study area and Christchurch City

Population	**Study Area**	**Christchurch**
Census usually resident population count	25,923	391,377
Age		
Under 15 years	19%	17%
15-29 years	16%	22%
30-64 years	47%	46%
65 years and over	17%	16%
Median - age	40.6	37.9
Ethnicity		
Other ethnicity	1%	1%
Pacific Peoples	4%	4%
Asian	6%	17%
European	88%	76%
Māori	13%	11%
Middle Eastern/Latin American/African	1%	2%
Not elsewhere included	0%	0%
Legally registered relationship status		
Civil Union (Not Separated)	0%	0%
Divorced or dissolved	9%	8%
Married (Not Separated)	46%	39%
Never married and never in a civil union	35%	41%
Widowed or surviving civil union partner	5%	5%
Separated	3%	3%
Not elsewhere included	2%	3%
Occupation, by usual residence address		
Clerical and Administrative Workers	12%	10%
Community and Personal Service Workers	10%	10%
Labourers	7%	8%
Machinery Operators and Drivers	5%	6%
Managers	18%	15%
Technicians and Trades Workers	14%	13%
Professionals	25%	29%
Sales Workers	8%	8%
Status in employment		
Paid employee	84%	86%
Employer	6%	4%
Unpaid family worker	1%	1%
Self-employed and without employees	9%	9%
Not elsewhere included	0%	0%
Study participation		
Not studying	75%	75%
Part-time study	4%	4%
Full-time study	21%	21%
Not elsewhere included	0%	0%
Total personal income		
$10,000 or less	12%	14%

$10,001-$20,000	11%	11%
$20,001-$30,000	15%	15%
$30,001-$50,000	17%	18%
$50,001-$70,000	17%	18%
$70,001-$100,000	15%	13%
$100,001 or more	12%	11%
Not stated	0%	0%
Median ($) - total personal income	$44,360	$41,430
Work and labour force status		
Not in the Labour Force	31%	33%
Employed Full-time	51%	50%
Employed Part-time	15%	15%
Unemployed	2%	3%
Household composition		
One-family household (with or without other people)	72%	63%
Two-family household (with or without other people)	2%	2%
Three or more family household (with or without other people)	0%	0%
Other multi-person household	4%	7%
One-person household	20%	25%
Household composition unidentifiable	2%	3%
Number of usual residents in household		
Number of usual residents unidentifiable	1%	2%
One usual resident	21%	25%
Two usual residents	35%	33%
Three usual residents	18%	17%
Four usual residents	17%	14%
Five usual residents	6%	6%
Six usual residents	2%	2%
Seven usual residents	1%	1%
Eight or more usual residents	0%	0%
Average - number of usual residents in household	2.6	2.6
Tenure of household		
Dwelling owned or partly owned	70%	55%
Dwelling held in a family trust	10%	9%
Dwelling not owned and not held in a family trust	20%	35%
Total household income		
$20,000 or less	4%	6%
$20,001-$30,000	8%	9%
$30,001-$50,000	13%	13%
$50,001-$70,000	9%	11%
$70,001-$100,000	14%	15%
$100,001-$150,000	23%	21%
$150,001-$200,000	15%	12%
$200,001 or more	12%	11%
Not stated	1%	2%
Median ($) - total household income	$103,140	$93,450
Weekly rent paid by household		

Under $ 200	16%	17%
$200-$300	7%	8%
$300-$400	17%	19%
$400-$500	27%	28%
$500-$600	18%	16%
$600-$700	9%	6%
$700-$800	3%	2%
Over $800	1%	2%
Median ($) - weekly rent paid by household	$470	$430
Not elsewhere included	1%	1%
Dwelling type		
Separate house	89%	73%
Joined dwelling	10%	26%
Other private dwelling	1%	0%
Number of bedrooms		
One bedroom	3%	6%
Two bedrooms	15%	25%
Three bedrooms	44%	42%
Four bedrooms	32%	21%
Five or more bedrooms	5%	5%
Not elsewhere included	0%	0%
Average - number of bedrooms	3.2	3.0