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Technical Memo

To:	Barker & Associates	From:	Insight Economics
Date:	20 February 2026	Page:	4 (including this page)
Subject:	Peer Review of Ridgeburn Economic Assessment		

Context

This memorandum provides an independent peer review of the Economic Impact Assessment (**EIA**) prepared by Property Economics Ltd (**PE**) in support of the proposed Ridgeburn Arrowtown Junction development, which is being advanced under the Fast-track Approvals Act 2024 (**FTAA**).

Scope and Purpose of Peer Review

The purpose of this peer review is to consider whether the EIA provides a sufficiently robust, transparent, and proportionate assessment of the economic effects of the proposal to inform decision-making under the FTAA, including whether it appropriately addresses the scale of regional benefits and the balance of economic costs and benefits.

This review does not seek to replicate the modelling undertaken by PE, verify underlying data inputs, or provide an alternative economic impact assessment.

Overview of the Proposal and Key Findings

The Ridgeburn proposal comprises a large-scale, residential-led development at Arrow Junction, north of Arrowtown and east of State Highway 6. The proposal includes approximately 1,240 dwellings across a range of typologies, including a defined component described as "more affordable" housing, together with worker accommodation, a local commercial centre and associated community infrastructure. Development is anticipated to occur over an approximately seven-year period.

The EIA assesses both quantitative and qualitative economic effects of the proposal. It identifies substantial construction-phase economic and employment effects at the regional level, reflecting the scale of capital expenditure and associated multiplier modelling. Beyond the construction period, the EIA concludes that the development would materially increase housing supply and residential land capacity, expand housing choice across typologies and price points, and contribute to improved affordability outcomes relative to the status quo. It also identifies potential benefits associated with worker accommodation and local commercial provision, including support for the district's tourism economy.

The EIA acknowledges a range of economic costs, including infrastructure and servicing requirements, the loss of productive rural land, and the potential for some residential displacement effects. Having considered these matters, the EIA concludes that the economic benefits outweigh the identified costs and that the proposal would deliver significant regional economic benefits.

General Observations

In our view, the EIA provides a well-structured and relatively detailed assessment of the economic effects of the proposed development. It addresses both quantitative and qualitative effects and engages directly with the key considerations relevant under the FTAA, including the scale of regional benefits and the balance between economic costs and benefits.

The report demonstrates that Queenstown Lakes is characterised by sustained and structurally high housing demand, significant affordability pressures in lower price bands, and ongoing supply constraints. It identifies that the proposal is of a scale capable of materially influencing housing supply, competition and market outcomes. The EIA also demonstrates that the development would generate substantial construction-phase economic activity within Otago and would deliver enduring economic effects through increased housing provision and the establishment of a local commercial centre.

Overall, we consider that the EIA provides a reasonable evidential basis for concluding that the proposal would deliver significant regional economic benefits in the context of the FTAA, and that these benefits outweigh the identified economic costs.

The sections that follow comment on particular aspects of the assessment approach and presentation.

Construction-Phase Economic Effects

The EIA applies a conventional input-output modelling framework to estimate direct, indirect and induced economic effects associated with the proposed capital expenditure. We consider this approach to be appropriate and consistent with established industry practice. It is a commonly applied methodology in the evaluation of developments of this type and scale.

There does appear to be some inconsistency in terminology regarding the headline Net Present Value figure of $642 million, which appears primarily to be an issue of drafting consistency. We assume this measure reflects value added (GDP), as per the executive summary, which would reflect standard industry practice. However, the use of "output" in Tables 1 and 2 and in the report appendices may lead to the potential for misinterpretation.[1]

We also note that the report presents aggregated direct, indirect and induced effects when reporting total impacts. While this approach is consistent with standard input–output modelling practice, decision-makers may be assisted by seeing these components disaggregated, particularly given that induced effects, which are driven by household consumption assumptions, are inherently uncertain.

Importantly, these matters do not materially alter the overall scale of effects identified. On the basis of the information presented, it is reasonable to conclude that the development would generate significant regional economic impacts during the construction period.

Housing Market Effects

The EIA provides a detailed overview of the Queenstown Lakes District housing market and identifies sustained demand pressures, elevated house prices relative to incomes, and limited availability in lower price bands. The characterisation of the district as a highly desirable location with structurally strong demand is well supported by the evidence presented.

In that context, a development of this scale has the capacity to influence supply dynamics in a way that smaller or more fragmented sites cannot. The EIA reasonably concludes that the proposal would expand residential capacity, increase housing choice across typologies and price points, and contribute to competitive pressure relative to the status quo. The inclusion of a defined component of lower-priced dwellings is also relevant in a market where supply in those bands is demonstrably constrained.

[1] Output is typically used to describe total business turnover, while GDP is a measure of the value that a firm adds to its own inputs to create its outputs.

The EIA also engages with the 2025 Housing Capacity Assessment (**HCA**) and raises questions regarding the extent to which theoretical capacity will translate into timely, deliverable supply. While we have not independently reviewed the HCA or its underlying assumptions, the issues are plausible considerations. The EIA's reasoning in this respect is coherent and contributes to understanding the underlying housing market context.

Overall, the analysis supports the conclusion that the proposal would generate enduring economic effects beyond the construction period, particularly through expanded housing provision in a supply-constrained and high-demand market.

Displacement and Competition

The EIA includes a qualitative assessment of potential displacement effects and concludes that any redistribution of activity would be limited in scale relative to the overall economic benefits of the proposal.

In markets characterised by sustained excess demand, strong inward migration and limited substitutability with surrounding districts, we agree that new supply has greater potential to accommodate latent or external demand rather than merely displace activity from other sites.

While some degree of redistribution within the district is likely in practice, the EIA reasonably concludes that such effects would not materially undermine the scale of regional economic benefit associated with the development. In addition, to the extent that increased supply enhances competitive pressure within the housing market, this may generate broader welfare benefits relative to the status quo.

Commercial and Ongoing Economic Effects

The EIA finds that the proposed commercial centre would perform a local convenience function and would not adversely affect the vitality or viability of established higher-order centres. In our view, the treatment of retail and commercial effects is proportionate to the scale of the commercial activity proposed and is supported by an appropriate understanding of the local and district-wide retail context. On the basis of the scale and role described, this conclusion appears reasonable.

The report also identifies ongoing economic effects associated with increased population, improved utilisation of existing infrastructure and services, and support for the district's tourism economy through worker accommodation provision. These longer-term effects are relevant to the FTAA's focus on the extent of regional benefit and complement the construction-phase impacts identified.

Productive Land and High Productive Land (HPL)

The EIA identifies the loss of productive rural land, including land mapped as Land Use Capability (**LUC**) Class 2 and 3, as a potential economic cost of the proposal. It refers to the site-specific assessment undertaken by Hanmore Land Management, which concludes that the extent of land meeting the practical definition of Highly Productive Land (**HPL**) is materially less than that indicated by the NZLRI mapping and that the productive capacity of the site is constrained by fragmentation and topography.

From an economic perspective, the loss of productive land represents an opportunity cost that should be weighed against the long-term benefits of alternative land use. The EIA acknowledges this trade-off and relies on the technical soil assessment to characterise the magnitude of the loss.

In the context of a district experiencing sustained housing supply constraints and strong demand pressures, the economic analysis reasonably frames the loss of productive land as one component of the overall cost–benefit balance. On the basis of the material presented, it is reasonable to conclude that this cost does not outweigh the scale of regional economic benefits identified elsewhere in the report.

Conclusion

Overall, we consider that the EIA provides a sufficiently robust and proportionate assessment of the economic effects of the proposed Ridgeburn development to inform decision-making under the FTAA.

The report adopts a methodology that is broadly consistent with established economic practice and provides a coherent explanation of both the quantitative construction-phase effects and the longer-term housing and commercial implications of the proposal. While there are minor areas where greater clarity of terminology and presentation would be beneficial, these matters do not materially affect the substance of the analysis or the reasonableness of its conclusions.

Having regard to the scale of the projected employment and value-added effects, the enduring contribution to housing supply in a structurally supply-constrained and high-demand market, the proposal can reasonably be regarded as delivering significant regional economic benefits in the context of the FTAA.

On the basis of the material presented in the EIA, it is reasonable to conclude that the economic benefits of the proposal outweigh the identified economic costs, and that the assessment provides an adequate evidential foundation for that conclusion.

Sincerely,

Fraser Colegrave
Managing Director