Economic Assessment - Westhaven Residential Development Fast Track Substantive Application

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m.e consulting

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1 Executive Summary

Westhaven Residential Development (Project) would deliver approximately 4,134 dwellings in Rolleston, the principal growth centre of Selwyn District, one of New Zealand's fastest-growing districts. Approximately 1,838 of these dwellings represent additional capacity beyond what the existing planning framework would realistically enable. The Project also provides three neighbourhood commercial centres. The site is already zoned for residential development and identified for urban growth. In ME's opinion, the Project's regional economic benefits are significant and any adverse economic impacts are not out of proportion to these benefits.

Rolleston faces a long-term housing capacity shortfall rather than a surplus. Selwyn District Council's March 2024 assessment identified only around one year of feasible housing capacity above medium-term demand in Rolleston and a long-term shortfall of approximately 5,000 dwellings. Subsequent evidence indicates that growth has remained strong. Selwyn District's population reached approximately 87,600 in June 2025, an increase of 6.8% over two years. Rolleston's share of the district population increased from 29.1% in 2018 to 38.9% in 2025, while Rolleston recorded an average of almost 780 dwelling consents per year between 2020 and 2025. These trends indicate continued demand for housing and suggest that existing capacity is being progressively absorbed, rather than that a material surplus is emerging.

At approximately 4,134 dwellings, Westhaven would accommodate around 11,600 residents, based on an assumed average household size of 2.8 people. Development is expected to be staged between 2028 and 2034, averaging approximately 590 dwellings per year. This is below Rolleston's recent average dwelling consent rate of around 780 per year, indicating that Westhaven would supplement the wider supply of residential development opportunities rather than, by its scale alone, displace all other development.

The assessment identifies benefits additional to those enabled by the existing planning framework. ME has assessed the Project against a realistic counterfactual comprising approximately 2,296 dwellings under the General Residential Zone (GRZ) provisions, with no residential development within the Pines Odour Control Overlay (OCO). Compared with this baseline, the Fast-track approval would enable approximately 768 dwellings within the OCO, where residential activity is non-complying, and approximately 1,070 further dwellings through the proposed higher-density development, reflecting an assumed density of around 16 dwellings per hectare compared with 11 dwellings per hectare under the GRZ counterfactual. The Project would also provide approximately 18,300 m² of additional commercial development and associated activity beyond the amount assumed under the existing framework. In addition, the approval would provide a coordinated pathway for infrastructure provision and staged development, rather than relying on progressive consenting under the DEV-RO7 provisions, including the 1,500-site cap that applies until 2033. The economic assessment distinguishes the incremental capacity and associated activity enabled by the approval from development that could occur under the counterfactual, and does not count the economic activity associated with the remaining counterfactual capacity as a benefit of the approval.

Transfer and displacement effects are unlikely to materially undermine the Project's overall economic contribution, although some redistribution of activity is expected. Rolleston's identified long-term housing shortfall and sustained rate of development support the conclusion that Westhaven would contribute to meeting unmet housing demand. Some residential demand would nevertheless be redirected from other locations, and the extent of this displacement cannot be quantified precisely from the available evidence.

For retail, the commercial centres' modelled turnover is equivalent to approximately 104% of the retail and food expenditure of Project households. This indicates that the centres would also draw spending from the wider catchment and passing traffic on State Highway 1, rather than relying exclusively on expenditure generated by Project households. The proportion of this activity transferred from elsewhere is difficult to quantify and is inherently uncertain. ME has therefore tested a sensitivity scenario in which 50% of net value added is assumed not to be additional. Even under this scenario, the present value of the remaining net additional value added is approximately $750 million at an 8% discount rate and $1.3 billion at a 2% discount rate.

Relative to the counterfactual, construction activity and associated multiplier effects are estimated to generate approximately $3.9 billion in gross output, $1.5 billion in value added and 14,800 job-years. Once operational, the commercial centres are estimated to generate approximately $69 million in additional annual value added and sustain around 1,250 jobs. Across the assessment period from 2027 to 2056, the present value of net additional value added is estimated at approximately $1.5 billion using an 8% real discount rate and $2.6 billion using a 2% real discount rate. These figures represent modelled economic activity and value added relative to the counterfactual and should not be interpreted as equivalent to net social welfare benefits.

No material additional economic costs have been established on the evidence currently available. The site is already zoned for urban residential development and is not classified as Highly Productive Land. The Project therefore does not involve the loss of land identified as Highly Productive Land, nor does it represent a new decision to convert an otherwise unzoned rural area to urban use. The economic implications of infrastructure servicing and development within the OCO depend on the relevant technical evidence and the measures required to address any associated constraints. On the information available to ME, these matters have not been shown to give rise to material additional economic costs that would alter the overall assessment of the Project.

In summary, ME considers that Westhaven would make a substantial contribution to housing capacity and regional economic activity, with benefits extending beyond those available under the existing planning framework. While some transfer and displacement of economic activity is likely, the sensitivity analysis indicates that the Project's net additional economic contribution remains substantial under a more conservative assumption about additionality. In ME's opinion, any adverse economic impacts are not sufficiently significant to be out of proportion to the Project's regional benefits for the purposes of section 85(3)(b) of the Fast-track Approvals Act 2024. From an economic perspective, ME identifies no basis for declining the approvals sought.

2 Introduction

The Fast Track Approvals Act 2024 was enacted with its purpose being to; "facilitate the delivery of infrastructure and development projects with significant regional or national benefits"

2.1 The Fast Track Approvals Act 2024

The Fast-track Approvals Act 2024 ('FTAA') came into force in December 2024. The purpose of the FTAA is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.

Carter Group Limited (CGL) has lodged a substantive application under the FTAA for the Westhaven Residential Development (a listed project identified in Schedule 2 of the FTAA as the 'Rolleston West Residential Development', now known as 'Westhaven').

In determining the substantive application, the Expert Panel (Panel) must apply the decision-making framework set out in sections 81 to 85 of the FTAA. In doing so, the Panel must consider the substantive application and the information received through the statutory process, apply the relevant provisions of Schedule 5 and 7, and have regard to the purpose of the FTAA. When taking the purpose of the FTAA into account, section 81(4) requires the Panel to consider the extent of the project's regional or national benefits.

From an economic perspective, the key matters relevant to this assessment include:

- the extent to which the project delivers regional or national benefits;
- the economic effects of the project;
- the extent to which the project supports the purpose of the FTAA;
- the extent to which the project is consistent with relevant national direction, including the National Policy Statement on Urban Development 2020 (NPS-UD); and
- whether there are any adverse impacts that are sufficiently significant to be out of proportion to the project's regional or national benefits, after taking into account any proposed or imposed conditions to avoid, remedy, mitigate, offset or compensate for those impacts.

Under section 85(3), the Panel may decline an approval where it concludes that there are one or more adverse impacts in relation to the approval sought, and that those adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits, even after taking into account any conditions or modifications that may address those adverse impacts. The statutory framework therefore requires consideration of the project's regional or national benefits alongside its adverse impacts, including whether those adverse impacts remain sufficiently significant to be out of proportion to the benefits after taking into account the measures available to avoid, remedy, mitigate, offset, or compensate for them.

Accordingly, this assessment considers the economic benefits and effects of the Westhaven Residential Development, including its contribution to housing supply and choice, support for a well-functioning urban environment, employment and investment, and broader economic outcomes for Selwyn District, Greater Christchurch and New Zealand.

2.2 The focus of this report

This report presents an economic assessment of the Westhaven Residential Development, a large-scale residential and community development proposed on land to the west of Rolleston in the Selwyn District.

The purpose of this report is to assess the economic effects and benefits of the Project in the context of the FTAA and to assist the Panel in its consideration of the substantive application.

The assessment examines the existing economic and strategic context, the need for additional housing and supporting infrastructure, and the direct, indirect and longer-term economic effects of the proposed development. It also considers the extent to which the Project delivers regional and national benefits, contributes to the purpose of the FTAA, and aligns with relevant national, regional and local planning frameworks.

In assessing the benefits of the substantive application, the report distinguishes between development that is already enabled by the existing zoning and outline development plan, and the additional development and benefits enabled by the substantive application. This includes the additional housing enabled within the Pines Odour Control Overlay (OCO), the greater level of residential development arising from the proposed density, and the enlarged commercial area at the north-eastern corner of the site. The assessment also considers the benefits associated with the coordinated delivery of the wider development through the approvals sought under the FTAA.

As demonstrated in this report, the project is expected to deliver substantial economic and wider public benefits through increasing housing supply and choice, supporting a well-functioning urban environment, facilitating investment and employment, and contributing to the long-term growth and resilience of Rolleston, Selwyn District, Greater Christchurch, Canterbury and New Zealand. The assessment considers these benefits having regard to the development that could occur under the existing planning framework and the additional benefits associated with the substantive application.

2.3 Market Economics Ltd

Market Economics Limited (ME) is an independent economic research and consulting firm, that has been engaged by Carter Group Limited to provide an Economic Impact Assessment for the proposed development. This report has been prepared by Dr. Maggie Hong (PhD, Economics) and overseen by Greg Akehurst, Director at ME. Their experience and qualifications are summarised in Appendix 1.

2.4 Code of Conduct

This assessment has been prepared in accordance with the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023. The authors have complied with that Code in preparing this report and confirm that the opinions expressed are within their respective areas of expertise, except where reliance has been placed on information or opinions provided by others.

2.5 Report Structure

The remainder of this report is structured as follows. Section 3 describes the Project site, planning context, proposed development and the scope of the substantive application. Section 4 assesses housing demand and development capacity in Rolleston and Selwyn District, including recent growth and housing delivery trends. Section 5 evaluates the Project's economic benefits relative to the counterfactual, including additional housing and commercial capacity, construction and operational effects, present value impacts, and potential transfer and displacement effects. Section 6 considers the principal economic costs and potential adverse economic effects associated with the Project. Section 7 presents the overall conclusions of the assessment.

3 Development Overview

In this section, the project site is described in terms of scale and location and the proposed subdivision and subsequent development plans of CGL are outlined.

3.1 Site Description

The Project is located on approximately 263.6 hectares of land immediately to the west of Rolleston in the Selwyn District (see Figure 1). The site is bounded by State Highway 1 (SH1) to the north, Selwyn Road to the south and Dunns Crossing Road to the east.

Figure 1: Westhaven Fast Track Application Area



Source: Westhaven Residential Development Graphic Attachment A

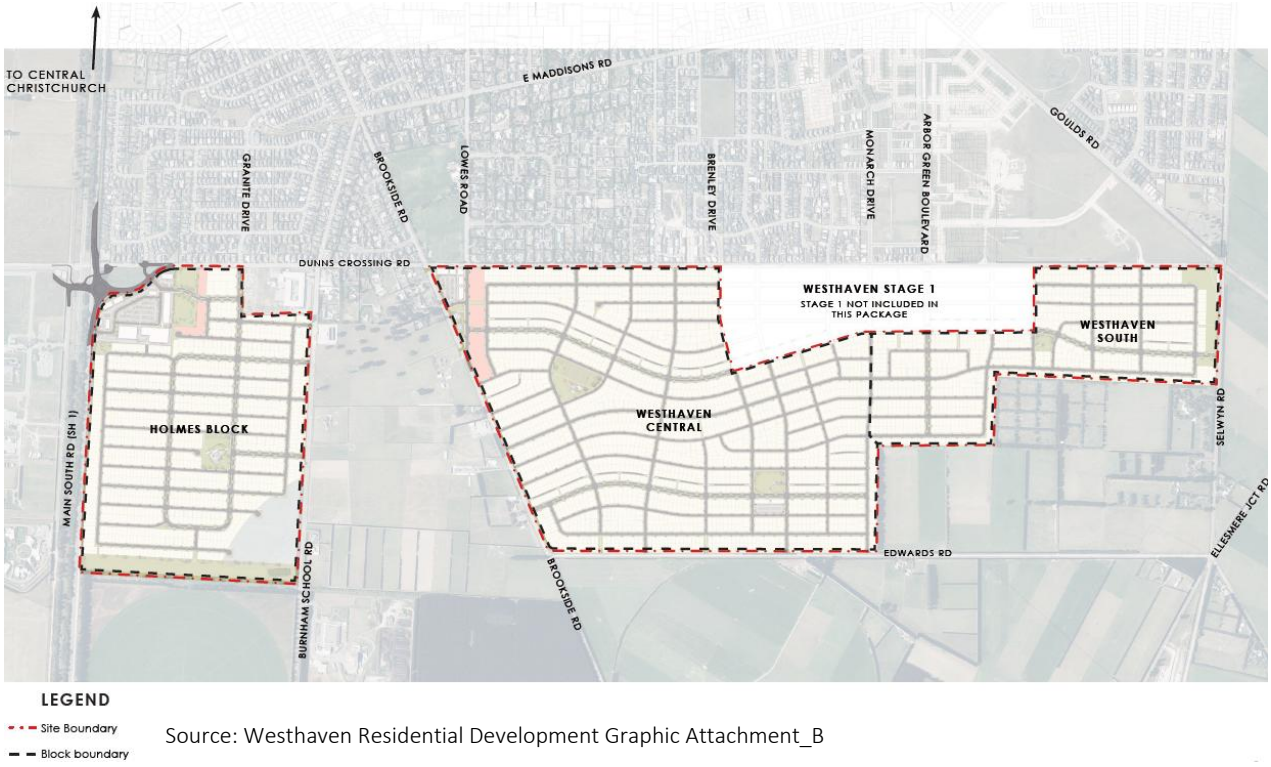
The site comprises the Holmes Block, covering approximately 85 hectares between SH1 and Burnham School Road, and the Westhaven Central and Westhaven South Block, covering approximately 211 hectares between Brookside Road, Edwards Road and Selwyn Road (See Figure 2).[1] The land is predominantly used for rural production and adjoins the existing Rolleston urban area.

An adjoining area, located next to Westhaven Central and Westhaven South Block (referred to as Westhaven Stage 1), is currently under construction pursuant to existing resource consents obtained under the Resource Management Act 1991 (RMA). This area is separate from, and excluded from, the substantive

[1] These areas may be referred to collectively as the "Skellerup Block" in other expert evidence and supporting project documentation.

FTAA application assessed in this report. The existing approvals and the distinction between this consented development and the proposed FTAA development are described in the later Sections.

Figure 2: Development Naming Conventions



Source: Westhaven Residential Development Graphic Attachment_B

To the east, across Dunns Crossing Road, is the Arbor Green residential community. Land surrounding the remainder of the site is predominantly rural in character. The site's location adjoining Rolleston provides an opportunity to integrate the proposed development with the existing urban area and planned infrastructure network.

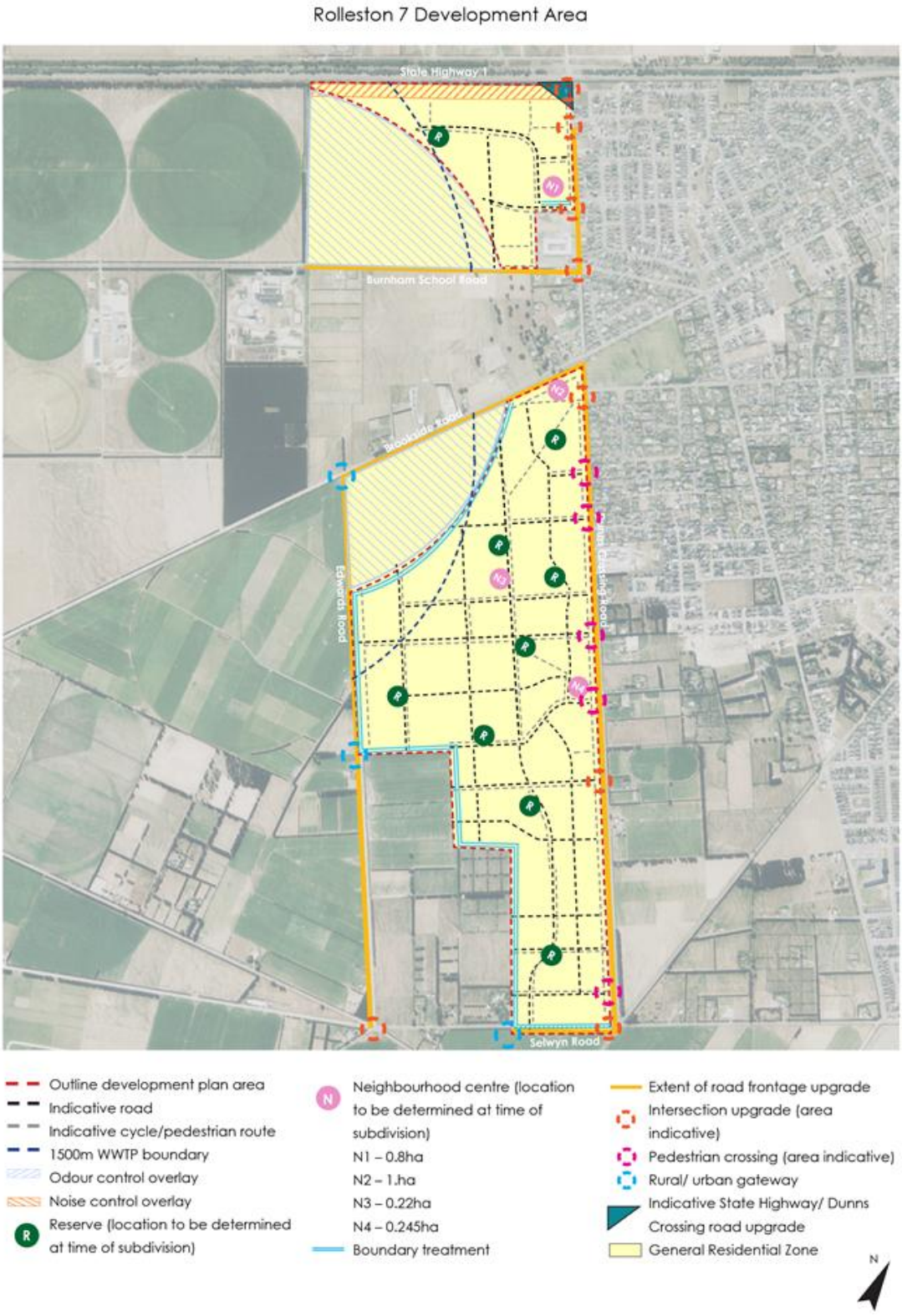
3.2 Planning Context

The site is identified for urban expansion within the Selwyn District planning framework. Under the Partially Operative Selwyn District Plan (Appeals Version) (POSDP), it is zoned General Residential Zone (GRZ) and falls within the Rolleston 7 Development Area (DEV-RO7) (see Figure 3). Consequently, development on the site is governed by the DEV-RO7 Outline Development Plan (ODP) and its associated statutory provisions.

The Project is consistent with the planned urban expansion of Rolleston. However, the existing zoning and ODP do not mean that every component of the proposed development is already permitted or can be delivered within the same timeframe. In particular, the substantive FTAA application seeks to enable residential development within parts of the Pines OCO, where residential activity is not currently anticipated under the applicable planning provisions, and a larger commercial centre at the north-eastern corner of the site, adjacent to SH1 and Dunns Crossing Road, than would otherwise be anticipated. The approval would also provide a pathway for the staged development to proceed without being subject to

the ODP's 1,500-site cap before 2033, thereby enabling housing capacity to be brought forward relative to the timing otherwise provided for under the existing planning framework.

Figure 3: Outline Development Plan DEV-RO7 (Source: POSDP)



An adjoining area of approximately 32.4 hectares (refer to Figure 2, Westhaven- Stage 1 area) is subject to existing subdivision and land use resource consents granted by Selwyn District Council (SDC) and Canterbury Regional Council (CRC or ECAN). These approvals provide for approximately 470 residential lots, four comprehensive development lots with an assumed yield of approximately 120 residential units, approximately 3,000 m² of commercial floor space, and associated roads, reserves, landscaping and infrastructure. Development in this area is currently under construction and is excluded from the substantive FTAA application.

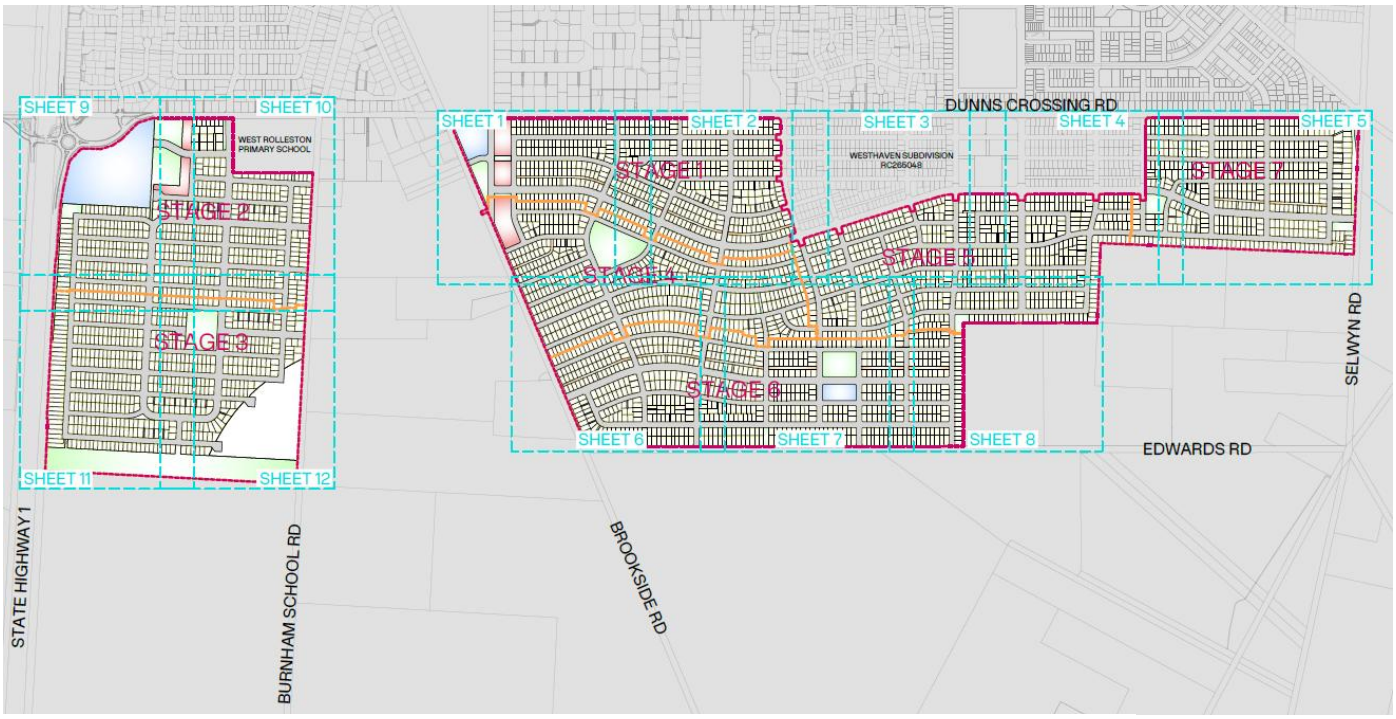
Accordingly, the substantive FTAA application assessed in this report does not include the area that has already been consented and relates to the balance of the proposed development beyond the adjoining consented area shown in Figure 2. The economic assessment also distinguishes between the development enabled through the FTAA application and development already authorised by existing resource consents, to avoid double counting housing supply and associated economic effects.

3.3 Development and Subdivision Plan

The Project is proposed as a comprehensively planned urban extension to Rolleston, integrating residential neighbourhoods, commercial services, open space and supporting infrastructure within a single master-planned community.

The substantive application seeks approval for approximately 4,134 dwellings across the Holmes Block, Westhaven Central and Westhaven South Block, comprising Stages 1–7 (Figure 4). The proposed residential development incorporates a range of housing densities, including standard residential lots and higher-density areas, to provide greater housing choice and support the efficient use of urban land. Development is expected to be delivered progressively in stages over time, allowing the release of residential land to be coordinated with infrastructure provision and market demand.

Figure 4: Proposed Subdivision Plan



Source: Westhaven Residential Development Subdivision Application Plan Stages Overview

The Project also includes three commercial centres intended to provide convenient access to retail and local services for future residents. The largest, Holmes Commercial (NC1), located in the Holmes Block and in Stage 2, occupies approximately 5.7 hectares at the north-eastern corner of the site, adjacent to SH1 and Dunns Crossing Road. It is intended to operate in a similar manner to a Local Centre under the POSDP and accommodate a supermarket, convenience retail activities, food and beverage outlets and other commercial services. The other two centres are Brookside Shops (NC2), located in Stage 1 of the Project and comprising a commercial parcel of approximately 1.1 hectares, and Edwards Shops (NC3), located in Stage 6 and comprising a commercial parcel of approximately 0.56 hectare. These centres will operate similar to the Neighbourhood Centre Zone under the POSDP and provide additional neighbourhood-level retail and service opportunities across the development.

Supporting infrastructure includes an integrated transport network, upgrades to Dunns Crossing Road, and water supply, wastewater and stormwater infrastructure. The development also incorporates extensive open space and recreation areas, including landscaped reserves, neighbourhood parks and a centrally located recreation reserve, providing amenity and recreational opportunities for future residents.

4 Housing Demand & Capacity Assessment

Rolleston has approximately one year's buffer of feasible capacity above medium-term demand, with a long-term shortfall of approximately 5,000 dwellings. Updated evidence indicates stronger growth than reflected in the earlier assessment, and the Project would make a significant contribution to increasing the supply of housing, addressing housing needs (i.e. addressing the capacity gap in Selwyn), and contributing to a well-functioning urban environment.

4.1 Selwyn Housing Demand and Capacity Context

Selwyn District has experienced sustained and rapid population growth over the past two decades and is one of New Zealand's fastest-growing territorial authorities. Much of this growth has been concentrated within the Greater Christchurch urban area, particularly Rolleston, which has emerged as the District's principal growth centre and now accommodates the majority of new residential development.

To support growth planning and fulfil the requirements of the National Policy Statement on Urban Development (NPS-UD), SDC regularly assesses housing demand and development capacity. The Council's current understanding is primarily informed by the Selwyn Capacity for Growth Model 2022 (SCGM22) and the subsequent Selwyn Residential Capacity and Demand Model – 2023 Post DPR and IPI Decision Update published in March 2024. The March 2024 update retained the high-growth demand scenario adopted in the SCGM22 and updated residential development capacity assumptions to reflect decisions arising from the District Plan Review (DPR) and Intensification Planning Instrument (IPI).

Under the high-growth scenario, demand is projected to increase by approximately 12,550 dwellings across Selwyn District between 2023 and 2033, rising to approximately 32,760 dwellings by 2053. More than half of this future growth is expected to occur within Rolleston, reflecting its role as the District's primary urban growth area.

While the assessment identified substantial plan-enabled residential capacity across the District, it concluded that only a proportion of this capacity is likely to be feasible and developable within the relevant planning horizons. Feasible capacity was estimated at approximately 19,500 dwellings in the medium term and 29,400 dwellings in the long term, with the majority of this capacity located within greenfield growth areas rather than through redevelopment and intensification of existing urban areas.

Overall, the assessment concluded that Selwyn District had sufficient feasible residential capacity to accommodate projected growth over the medium term. However, it also recognised the uncertainty inherent in long-term forecasting and the importance of maintaining a sufficient supply pipeline to respond to changes in population growth, housing preferences, and market conditions.

4.1.1 Rolleston Housing Demand and Capacity

Rolleston is expected to accommodate the majority of future residential growth within Selwyn District and continues to perform a critical role in meeting housing demand across the Greater Christchurch urban area. The SCGM22 projects that more than half of all additional dwellings required within Selwyn District over the next 30 years will be located in Rolleston, reflecting its strategic role as the District's principal urban centre and growth area.

Under the high-growth scenario adopted by the SCGM22, demand in Rolleston is projected to increase by approximately 6,980 dwellings between 2023 and 2033 (short-medium term) and by approximately 18,230 dwellings over the period to 2053 (long term). These projections incorporate the NPS-UD competitiveness margin and therefore represent the **minimum** level of housing capacity required to support a responsive and competitive housing market. Maintaining sufficient capacity to accommodate demand beyond these minimum projections can provide greater flexibility to respond to uncertainty in future growth patterns, infrastructure delivery, market preferences and development feasibility over time.

The March 2024 assessment identified approximately 7,920 dwellings of feasible residential capacity in Rolleston over the medium term and approximately 13,230 dwellings over the long term. While this indicates sufficient capacity to accommodate projected demand over the next decade, the assessment identified a potential long-term shortfall of approximately 5,000 dwellings if growth continues in line with the adopted high-growth scenario (see Table 1).

Table 1: Rolleston Residential Dwelling Demand (Including Competitiveness Margin) and Feasible Housing Capacity

Rolleston Dwelling Situation	2023-2033 Short-Medium	2023-2053 Long
Demand +Margin	6,980	18,230
Feasible Supply	7,920	13,230
Sufficiency	**940**	**- 5,000**

Source: Formative Limited (2024), Figure 4-4, Selwyn Residential Capacity and Demand Model – 2023 Post DPR and IPI Decision Update.

A key finding of the assessment was that future housing supply in Rolleston is expected to be delivered predominantly through greenfield development rather than urban intensification. While the planning framework enables a substantial amount of theoretical redevelopment capacity, only a relatively small proportion of this capacity was assessed as being commercially feasible. Consequently, the continued availability of appropriately located greenfield development opportunities remains important to maintaining housing supply and market responsiveness in Rolleston.

The findings of the SCGM22 and March 2024 update therefore indicate that, while Rolleston currently has sufficient feasible capacity to accommodate projected medium-term growth, additional development opportunities are likely to be required over time to maintain an adequate supply pipeline and support the continued growth of the Greater Christchurch urban area and Canterbury.

4.2 Changes Since the March 2024 Capacity Assessment

The March 2024 *Selwyn Residential Capacity and Demand Model – 2023 Post DPR and IPI Decision Update* represents the most recent assessment of housing demand and development capacity for Selwyn District. However, the assessment was a partial update that retained a 2023 reporting base year and demand projections based on 2022 population data, while using a residential capacity assessment derived from development information available at that time. Consequently, the assessment does not capture the substantial population growth, housing delivery and changes in development capacity that have occurred since it was completed.

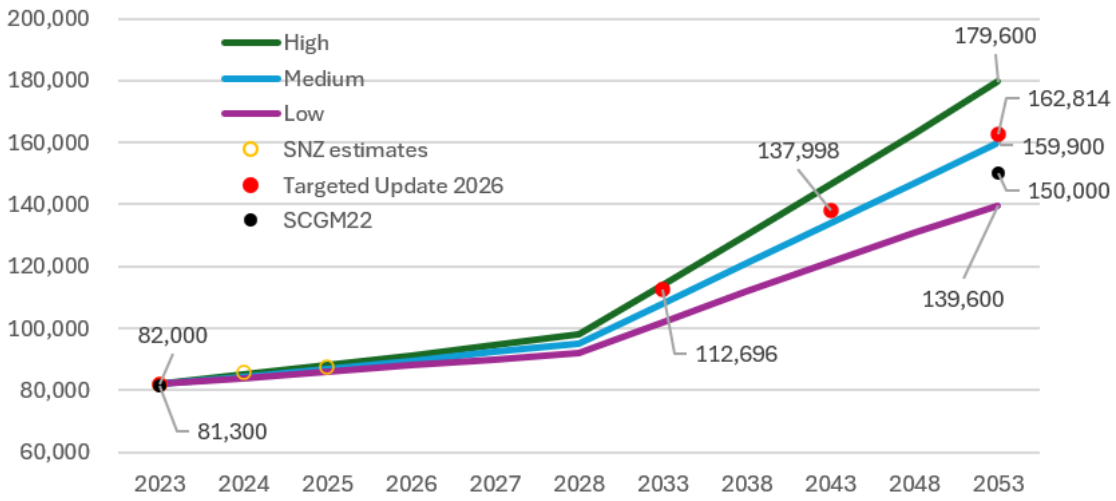
This section therefore examines more recent evidence on population growth, housing demand, residential development activity and changes in development capacity since the March 2024 Assessment. The purpose of this analysis is not to update or replace the SCGM22, but rather to provide additional context on how actual growth and development trends are tracking relative to the assumptions underpinning the March 2024 Assessment and to inform the assessment of the proposed Westhaven Residential Development.

4.2.1 Residential Growth and Housing Delivery

Since completion of the March 2024 Assessment, Selwyn District has continued to experience strong population growth and housing delivery. This growth has been disproportionately concentrated within Rolleston, which continues to strengthen its role as the District's principal urban centre and a primary location for residential development. The SCGM22 adopted a High Growth scenario in recognition of Selwyn District's exceptional growth performance. The assessment noted that the District's population had increased from approximately 27,600 residents in 2000 to approximately 81,300 residents in 2023 and that population growth had averaged approximately 3,800 residents per annum over the preceding six years. Based on this growth trajectory, the SCGM22 projected that Selwyn's population would increase to approximately 150,000 residents by 2053.

Since completion of the SCGM22, updated population data and projections have become available. Statistics New Zealand's (Stats NZ) estimated resident population indicates that Selwyn District's population reached approximately 82,000 residents in 2023, around 3.3% higher than the population assumed in the SCGM22. More recent estimates indicate that the District's population increased further to approximately 87,600 residents by June 2025, representing growth of approximately 5,600 residents, or 6.8%, over the two-year period.

Figure 5: Selwyn District Population Growth – SCGM22, Targeted Update 2026, Stats NZ Projections & Population Estimates



Stats NZ's latest 2023-based subnational population projections suggest that Selwyn's long-term growth potential may be greater than that assumed in the SCGM22 (see Figure 5). Under the High Projection, the District's population is projected to reach approximately 179,600 residents by 2053, while the Medium Projection forecasts a population of approximately 159,900 residents. Both projections exceed the SCGM22 projection of approximately 150,000 residents by 2053.

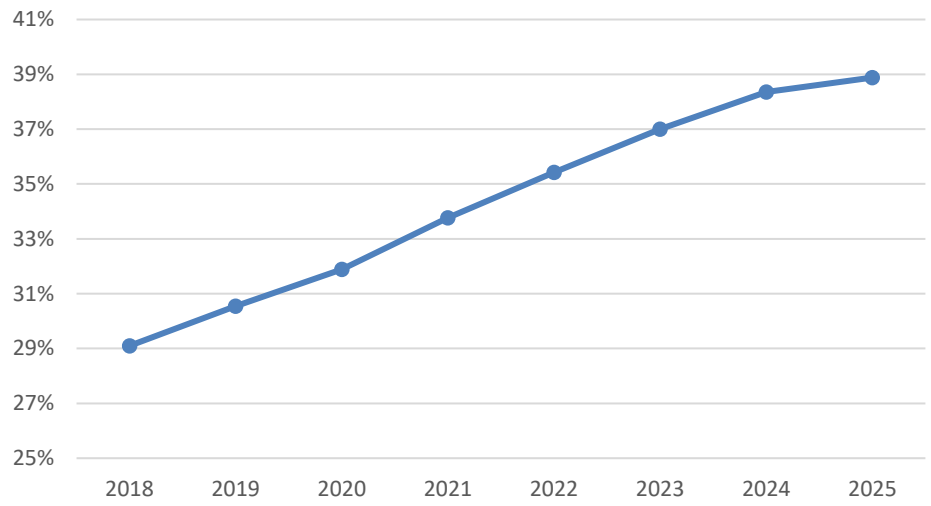
The 2025 estimated resident population of 87,600 residents aligns closely with the Medium Projection (87,655 residents) and remains only 1.4% below the High Projection (88,848 residents), indicating that recent growth has continued broadly in line with the Higher Growth scenario underpinning the SCGM22.

To ensure that growth planning continues to reflect recent demographic trends, the Greater Christchurch Partnership (GCP) commissioned the Targeted Update 2026, which updated the assessment of housing need and affordability across Greater Christchurch. Historically, SDC has adopted either the High or a variant of the Medium-High Stats NZ population projection for strategic planning purposes, reflecting the District's sustained pattern of population growth exceeding the official Medium projection. Following a review of recent demographic trends, the Targeted Update 2026 adopted Formative's Medium population projection, which sits between the Stats NZ Medium and High projections and was considered to provide the most appropriate basis for long-term growth planning.

Under the Targeted Update 2026, Selwyn District's population is projected to increase from approximately 82,000 residents in 2023 to approximately 112,700 residents by 2033, 138,000 residents by 2043, and 162,800 residents by 2053. Correspondingly, the number of households is projected to increase from approximately 28,300 households in 2023 to 40,100 households by 2033, 50,300 households by 2043, and 60,500 households by 2053. These projections indicate that Selwyn District will continue to experience substantial population and household growth over the coming decades, reinforcing the need to maintain sufficient residential development capacity to accommodate future demand.

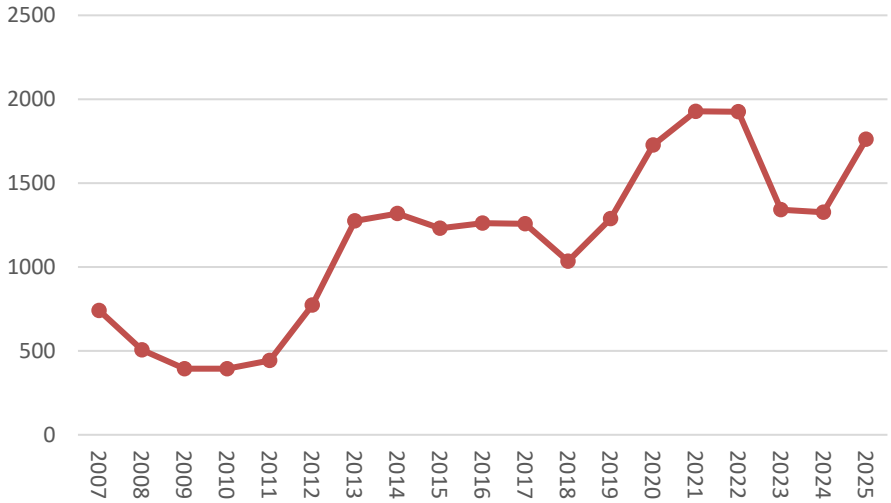
Although the Targeted Update adopts a projection lower than the Stats NZ High scenario, it remains significantly above the official Medium projection and continues to anticipate strong population growth driven by sustained migration and housing demand. This supports the timely delivery of strategic residential developments such as the Westhaven Residential Development, which will increase the supply of housing and contribute to meeting the district's long-term housing needs.

Figure 6: Increasing Concentration of Population Growth in Rolleston, 2018–2025



A notable feature of recent growth has been the increasing concentration of population within Rolleston (see Figure 6). Stats NZ population estimates indicate that Rolleston's population increased from approximately 18,420 residents in 2018 to 34,060 residents in 2025, representing growth of almost 15,700 residents over the seven-year period. As a result, Rolleston's share of Selwyn District's population increased from 29.1% in 2018 to 38.9% in 2025. This means that almost two-fifths of Selwyn District's residents now live in Rolleston, compared with less than one-third in 2018.

Figure 7: Residential Building Consents in Selwyn District, 2007–2025



Housing delivery has remained correspondingly strong. Selwyn District recorded 1,327 new residential building consents in 2024 and 1,761 in 2025 (see Figure 7). Following a moderation in activity during 2023 and 2024, dwelling consent issuance increased again in 2025, indicating that residential development activity remains strong. Recent consent volumes remain well above historical averages and continue to reflect the sustained demand for housing across the District.

Rolleston has accounted for a significant proportion of this residential development activity. Between 2020 and 2025, approximately 4,675 new residential dwellings were consented within Rolleston, equivalent to an average of almost 780 dwellings per annum. Detached housing remains the dominant form of residential development in Rolleston, accounting for approximately 4,350 consents over the period. However, the number of townhouses, flats, units and other medium-density dwellings has increased in recent years, reflecting changing housing preferences and the gradual intensification of parts of the Rolleston urban area.

Recent consent activity highlights the continuing importance of Rolleston as the District's primary growth location. During 2024 and 2025, approximately 1,340 dwellings were consented within Rolleston, representing a substantial share (approximately 43.4%) of total residential construction activity across Selwyn District. This level of housing delivery has supported the District's rapid population growth and contributed to maintaining housing supply within the Greater Christchurch housing market.

The combination of strong population growth and sustained housing construction indicates that existing development capacity continues to be actively utilised. While recent subdivision approvals and zoning changes have expanded the residential land supply pipeline, ongoing dwelling delivery progressively absorbs available development capacity. Consequently, maintaining a sufficient supply of future development opportunities remains important to ensuring that Rolleston can continue to accommodate forecast population growth and support a well-functioning urban environment.

4.2.2 Additional Housing Capacity Enabled Since March 2024

The March 2024 Assessment incorporated several significant residential developments that had been approved under the Covid-19 Recovery (Fast-track Consenting) Act 2020 and the Housing Accords and Special Housing Areas Act 2013 and were progressing at the time of the assessment. These included the Faringdon South, Acland Park, Faringdon South West, Faringdon South East and Faringdon Oval (also known as Arbor Green). The model also incorporated Plan Change 68 (Prebbleton), which enabled approximately 820 residential sites, and Plan Change 71 (Rolleston), which sought to enable approximately 660 residential sites. Consequently, much of the residential development activity currently occurring within Rolleston was already reflected in the Council's assessment of future housing capacity.

Residential development has continued across these developments, resulting in the ongoing delivery of new dwellings and the progressive conversion of zoned land into serviced residential neighbourhoods.

As discussed in Section 4.2.1, this has supported strong housing delivery and population growth across Rolleston and the wider Selwyn District, while also progressively utilising the development capacity identified in the Council's assessment.

The Westhaven Residential Development represents a significant opportunity to further enable and realise residential development within Rolleston's existing urban growth framework. The project comprises an

integrated master-planned community providing approximately 4,134 dwellings, together with neighbourhood commercial centres, open space, community facilities and supporting infrastructure.

The significance of Westhaven in the context of housing supply is therefore not simply the creation of additional underlying residential zoning. Rather, the project would provide a substantial volume of coordinated, infrastructure-supported development capacity within an identified growth area, enabling that capacity to be progressively realised. Importantly, the substantive application would also enable residential development that would be difficult to achieve under the existing planning framework. This includes approximately 768 dwellings within the Pines OCO, where subdivision and residential activity are subject to non-complying activity status, as well as additional residential capacity arising from the proposed development pattern and density elsewhere on the site (given that it is zoned GRZ under the POSDP). The substantive application also provides for the integrated development of the site, including the necessary residential staging, infrastructure, transport connections, open space and supporting commercial and community facilities. The project therefore provides a clear pathway for the progressive conversion of the site's development potential into actual housing supply.

As with other large-scale greenfield developments, the Project will be delivered progressively over an extended period. The rate of development will be influenced by infrastructure provision, staging, market demand, development feasibility and broader economic conditions. The scale of the project therefore enables residential capacity to be released in response to market demand over time, supporting an orderly and efficient pattern of urban growth. The economic assessment therefore considers not only the quantum of additional housing capacity, but also the timing over which that capacity is expected to be realised.

Maintaining a diverse and responsive pipeline of development opportunities remains important to supporting a competitive housing market and a well-functioning urban environment. In this context, the Project will complement other planned growth areas by broadening the range of available development opportunities and increasing the capacity of Rolleston to accommodate future population growth over the long term.

The Project's location further enhances its strategic merits. Unlike some alternative growth areas around Rolleston, including parts of East Rolleston, the site does not contain Highly Productive Land as defined under the National Policy Statement for Highly Productive Land (NPS-HPL). Accordingly, the Project provides an opportunity to accommodate substantial urban growth without resulting in the permanent loss of highly productive soils, while making efficient use of land that has already been identified for urban development through the Selwyn District planning framework.

4.3 Summary

The evidence presented in this section demonstrates a clear and growing need for residential development capacity in Rolleston over the medium and long term. While SDC's March 2024 assessment identified sufficient feasible capacity to meet medium-term demand, it also identified a substantial long-term shortfall of approximately 5,000 dwellings under the high-growth scenario. Since that assessment, population growth and housing delivery have been stronger than anticipated, while the development capacity identified in the assessment has progressively been utilised.

Rolleston's role as the District's principal growth centre has also continued to strengthen, with its share of Selwyn District's population increasing from 29.1% in 2018 to 38.9% in 2025. Sustained building activity further demonstrates the strength of housing demand and the ongoing conversion of development capacity into occupied dwellings.

These trends highlight the importance of distinguishing between underlying zoning capacity and capacity that can realistically contribute to future housing supply. The availability of zoned land does not, on its own, ensure that sufficient housing can be delivered when required. Infrastructure, transport connections, development feasibility, planning requirements, market conditions and the progression of subdivision and development all influence the timing and extent to which capacity can be realised. As existing growth areas are progressively developed, maintaining a sufficient forward pipeline of feasible and developable capacity becomes increasingly important.

Overall, the evidence indicates that Rolleston requires a continuing and responsive pipeline of development opportunities to accommodate sustained population growth and future housing demand. The long-term capacity shortfall identified in March 2024, together with stronger subsequent growth and continued housing delivery, reinforces the importance of ensuring that additional feasible and developable capacity is available to address housing needs and support Rolleston's continued growth.

5 Housing Supply and Economic Benefits

Westhaven delivers housing capacity that the District Plan does not enable on land adjoining the existing urban area, and it converts zoned capacity into shovel-ready supply materially sooner than would otherwise occur. Those benefits are significant in a Rolleston, Selwyn, Greater Christchurch and Canterbury context.

The FTAA establishes a fast-track approvals regime to facilitate projects that deliver significant regional or national benefits. These benefits may include increasing housing supply, addressing housing needs, contributing to a well-functioning urban environment, and generating significant economic benefits.

As discussed above, the project will make a substantial contribution to addressing Selwyn District's future housing needs, support the continued growth of Rolleston as the district's principal urban centre, facilitate significant private investment in urban infrastructure, and generate substantial economic activity during both the construction and operational phases. The following sections assess the benefits of increasing housing supply and the economic benefits of the Project, accounting for the counterfactual and for potential transfer and displacement effects.

5.1 Counterfactual and Additionality

The assessment compares the substantive application with the development that could reasonably be expected to occur if the application were not approved. The counterfactual is defined having regard to the existing planning framework, including the GRZ zoning, DEV-RO7 provisions, outline development plan, Pines OCO, and the development and infrastructure constraints that would apply under the conventional RMA consenting pathway.

5.1.1 Counterfactual

The counterfactual is as follows:

- **Zoning and plan framework:** The site is zoned GRZ within DEV-RO7 of the POSDP and is subject to the ODP. Development is required to progress westward from Dunns Crossing Road and is subject to a maximum of 1,500 residential sites until 1 January 2033, after which the cap no longer applies.
- **Already consented development:** The approximate 590 dwellings already approved under the existing Stage 1 consent are outside the substantive FTAA application and are assumed to proceed independently under their existing consent. They are therefore excluded from both the substantive application yield and the assessment of additionality.
- **OCO:** Within the Pines OCO, subdivision under SUB-R27 and residential activity under EI-R36 are non-complying activities. While residential development is not prohibited, the planning pathway and associated uncertainty mean that residential development within the overlay is not considered a realistic component of the counterfactual. The counterfactual therefore assumes no residential development within the approximately 54.9 ha overlay.

- **Residential yield outside the overlay:** Excluding the previously consented development, the site comprises approximately 263.6 ha, of which 208.7 ha is outside the OCO. Applying the assumed GRZ density of 11 households per hectare gives an estimated counterfactual yield of approximately 2,296 dwellings[2].
- **Commercial development:** Under DEV-RO7, each neighbourhood centre provides for 450 m² GFA before an assessment of effects on the transport network and centre hierarchy is required. On this basis, the three centres could provide 1,350 m² of commercial GFA in the counterfactual.

In the absence of the substantive application, development within the assessment area would therefore need to proceed through the conventional RMA consenting pathway within the existing planning framework. This would require the relevant subdivision and land-use consents to be obtained before development could become shovel-ready, with delivery then subject to the planning, infrastructure and staging constraints applying under the existing framework.

5.1.2 Quantified additionality

The additionality assessment compares the development enabled by the substantive application with the realistic development outcome under the counterfactual. The results are summarised in Table 2.

Table 2: Additionality – Westhaven Residential Development Relative to the Counterfactual

	Westhaven	GRZ counterfactual	Additional
Dwellings within the OCO	768	0	768
Dwellings outside the OCO	3,366	2,296	1,070
Total dwellings	**4,134**	**2,296**	**1,838**
Commercial development/activity (m²)	19,653*	1,350	18,303

* The 19,653 m² substantive commercial figure comprises 14,940 m² of commercial activity within NC1-Holmes Commercial, 3,000 m² within NC2-Brookside Shops and 1,713 m² within NC3-Edwards Shops.

The Project therefore provides approximately 1,838 additional dwellings relative to the realistic counterfactual. This comprises approximately 768 dwellings within the OCO, where a zero residential yield is assumed in the counterfactual, and approximately 1,070 additional dwellings outside the overlay.

The additional 1,070 dwellings outside the overlay arise primarily from the higher development density proposed by the substantive application. The substantive application provides approximately 16 dwellings per hectare across the non-overlay area, compared with the assumed 11 households per hectare under the GRZ counterfactual. Within the OCO, the application provides approximately 14.0 dwellings per hectare, compared with a zero realistic residential yield in the counterfactual.

The substantive application also provides substantially greater commercial capacity provided for in the PODP. The three proposed centres provide approximately 19,653 m² of commercial development/activity, compared with 1,350 m² of commercial GFA under the counterfactual. The comparison is based on the applicable planning controls and the development programme and does not imply that all commercial

[2] Whilst resource consent was obtained to develop Stage 1 at MRZ-equivalent density (rather than GRZ per the zoning, developing the balance of DEV-RO7 at MRZ density is not anticipated and the prospects of obtaining resource consent are uncertain.

activity is directly additional in economic terms; the potential economic effects of the additional commercial provision are considered separately in the assessment.

5.1.3 Timing and realisation of development

The substantive application would enable the additional residential capacity to be delivered within the applicant's proposed development programme, commencing with construction in 2027 and progressing through to completion in 2034.

Under the counterfactual, development would remain subject to the conventional RMA consenting pathway and the 1,500-site cap under DEV-RO7. For the purpose of the assessment, the counterfactual is conservatively assumed to progress at the same underlying rate as the applicant's programme once the necessary approvals are obtained. The assessment therefore does not assume that the RMA pathway is inherently slower than the FTAA pathway.

On this basis, the substantive application would enable a material volume of additional housing capacity to be realised earlier than would otherwise be possible under the existing 1,500-site constraint. The timing of these additional dwellings is reflected in the economic assessment through the staged development programme and associated discounting.

5.2 Housing Supply and a Well-Functioning Urban Environment

The Project will provide approximately 4,134 dwellings. Based on Selwyn District's average household size of approximately 2.8 persons per household, this represents capacity to accommodate around 11,600 residents at full development. Of these, approximately 1,838 dwellings, or around 5,150 residents, represent additional residential capacity relative to the counterfactual assessed in Section 5.1.

As demonstrated in Section 4, Selwyn District continues to experience strong population growth and sustained housing demand, with Rolleston accommodating an increasing share of the district's population. The Project will make a substantial contribution to the supply of housing in Rolleston and to the longer-term capacity of the Greater Christchurch urban area.

The Project is also consistent with the objectives of the National Policy Statement on Urban Development (NPS-UD), particularly its focus on well-functioning urban environments, housing choice and affordability, accessibility, competitive land and development markets, and integrated and responsive urban development. The NPS-UD also distinguishes between plan-enabled, infrastructure-ready, feasible and reasonably expected to be realised development capacity. The Project provides a substantial addition to development capacity that can be progressively realised through an integrated development programme.

The Project incorporates a range of housing densities together with neighbourhood commercial centres, open space and supporting infrastructure, creating an integrated master-planned community. These components will not only increase the supply and choice of housing, but also support access to employment, retail, community services and recreation within the developing urban area.

The combination of additional housing capacity and supporting urban amenities will contribute to a well-functioning urban environment by supporting the efficient expansion of Rolleston and enabling residents

to access a range of everyday activities and services within a connected community. The benefits therefore extend beyond the number of dwellings delivered, reflecting the contribution of the Project to the structure, functionality and longer-term growth of the Rolleston urban area.

5.3 Increased Competition in the Residential Land Market

The Project will provide a significant source of consented, infrastructure-coordinated and progressively realisable residential development capacity. By providing a substantial and diversified source of housing supply that can be brought forward through an integrated development programme, the Project will broaden the range of development opportunities available to developers, builders and homebuyers. This is consistent with the outcomes sought by the FTAA and NPS-UD Objective 2, Policy 1(d), Policy 2 and Clause 3.22, which support competitive land and development markets and sufficient development capacity to meet demand.

The scale and staging of the Project are also relevant to market responsiveness. FTAA approval would provide a coordinated pathway for the Project to progress through its proposed development programme, enabling residential capacity to be brought forward progressively from 2027. This provides greater certainty around the timing and scale of future land release and supports the progressive realisation of development capacity, while allowing the Project to respond to changing market conditions over time. The availability of a substantial additional development opportunity would also strengthen competition between development opportunities within Rolleston.

The Project will provide a range of housing densities and typologies, including more intensive housing forms. This will broaden the range of development and housing products available in the market and allow developers to respond to different segments of housing demand.

Greater depth and diversity in the residential development pipeline can encourage more timely and competitive land release, provide greater choice for developers, builders and purchasers, and improve the ability of the market to respond to changing demand. The benefit is therefore not simply the quantity of land available, but the increased diversity and responsiveness of the development opportunities entering the market.

5.4 Efficient Urban Expansion

The Westhaven Residential Development represents a logical, contiguous and efficient expansion of Rolleston's existing urban area. The project adjoins the current urban boundary on the western side of Rolleston. It is zoned GRZ and is located within DEV-RO7 of the POSDP, reflecting previous strategic planning decisions that recognised the suitability of the land for residential growth.

The project has been designed as a comprehensively planned urban extension incorporating housing, neighbourhood commercial centres, open space and supporting infrastructure within a single master-planned development. Delivering these elements in an integrated manner through one application under the FTAA enables infrastructure investment to be coordinated with the staged delivery of housing and community facilities, while providing greater certainty for infrastructure providers and future residents.

The project's location immediately adjoining the existing Rolleston urban area enables it to integrate with established residential neighbourhoods and transport connections, supporting a consolidated pattern of urban growth rather than dispersed or fragmented development. This approach reduces the need for isolated infrastructure investment and supports the efficient utilisation of existing and planned infrastructure networks.

The Project would accommodate additional residential development, including the approximately 768 dwellings within the OCO, on land already zoned GRZ and identified for residential growth under DEV-RO7. The site is not classified as Highly Productive Land under the NPS-HPL. The Project can therefore provide additional housing capacity within the existing urban growth framework without requiring the loss of land protected as Highly Productive Land. The site is also not subject to the identified airport noise constraints or natural hazard constraints that would materially limit its residential development potential.

These characteristics enhance the project's strategic value and reinforce its contribution to achieving efficient, coordinated and sustainable urban growth within Selwyn District.

5.5 Retail and Household Service Demand Increases

The Project incorporates three commercial centres. These centres will provide retail and service activities to support the proposed residential community and the wider Rolleston catchment.

Holmes Commercial (NC1) is located at the north-eastern corner of the site, adjoining State Highway 1 and Dunns Crossing Road, on approximately 5.7 hectares. It provides 14,940 m² of stated gross floor area (GFA), comprising a 5,000 m² supermarket, 1,306 m² of fast-food premises (including potential drive-through facilities), 4,800 m² of mixed tenancies, 2,800 m² of small tenancies, and a service station incorporating a 350 m² shop and café, a 600 m² petrol filling area, and an 84 m² car wash. The centre will operate in a similar manner to a Local Centre. Brookside Shops (NC2) provides approximately 3,000 m² GFA, and Edwards Shops (NC3) approximately 1,713 m² GFA. Both NC2 and NC3 are intended to accommodate Neighbourhood Centre-type development.

Across the three centres, the Project provides approximately 19,653 m² of commercial development and associated activity, compared with 1,350 m² of GFA under the existing District Plan controls. This illustrates the substantially greater scale of commercial activity enabled by the Project.

At full development, the approximately 4,134 dwellings are estimated to generate $384.0 million in annual household expenditure, including $147.0 million on retail goods and food services. The 1,838 additional dwellings identified in Section 5.1 account for an estimated $170.7 million in annual household expenditure, including $65.4 million on retail goods and food services. These estimates are based on annual expenditure of $92,880 per household overall and $35,565 per household on retail goods and food services.

The resident population will provide a substantial customer base for the proposed centres, supporting demand for retail, food and other local services. Modelled turnover across the centres is equivalent to approximately 104% of the estimated retail and food service expenditure of Project households, indicating that the centres are expected to serve a wider catchment than Project residents alone. In particular,

Holmes Commercial's location adjoining SH1 and Dunns Crossing Road provides an opportunity to attract passing traffic and customers from the wider Rolleston area.

The centres will also provide opportunities for local employment and improve residents' access to everyday goods and services. Together with the Project's residential development, they will contribute to an integrated community and provide a broader range of local amenities as Rolleston grows. Some retail expenditure may transfer from existing businesses in Rolleston and the surrounding area; this potential effect is considered separately in the assessment of transfer and displacement.

5.6 Construction and Development Economic Effects

Construction effects are estimated using the Project's development programme, comprising approximately 4,134 dwellings (1,107 at Holmes, and 3,027 at Westhaven Central and Westhaven South Block, including 768 within the OCO) and 19,653 m² of commercial development across Holmes Commercial (NC1), Brookside Shops (NC2) and Edwards Shops (NC3). The estimates also include car parking, internal roads supporting infrastructure and associated infrastructure costs.

The same approach is applied to the GRZ counterfactual, comprising 2,296 dwellings and 1,350 m² of commercial development. The difference between the Project and the counterfactual represents the net construction and development effects attributable to the Project. Construction is expected to occur progressively between 2027 and 2034, with house construction following title issuance over approximately two years. The timing of development under the counterfactual may differ, however, given the development restrictions under the existing ODP, including the 1,500-site cap that applies until 2033. Accordingly, the timing of construction under the counterfactual reflects the extent to which development could realistically proceed within those restrictions, rather than automatically adopting the Project's development programme.

Table 3: Estimated Construction and Development Economic Effects (One-off Impacts)

	Project	GRZ counterfactual	Net additional effect
Development scale			
New residential dwellings	4,134	2,296	1,838
Commercial development (m²)	19,653	1,350	18,303
Direct construction effects			
Gross output ($m)	2,746	1,497	1,250
Value added ($m)	688	377	311
Employment (job-years)	9,706	5,341	4,365
Total effects, including multipliers			
Gross output ($m)	8,633	4,699	3,933
Value added ($m)	3,307	1,802	1,505
Employment (job-years)	32,668	17,838	14,830

Source: ME IO Model

As shown in Table 3, the Project is estimated to generate approximately $2.7 billion in direct construction output, $688 million in direct value added and 9,700 direct job-years. Including multiplier effects, the total effects are estimated at approximately $8.6 billion in output, $3.3 billion in value added and 32,700 job-years.

Relative to the GRZ counterfactual, the Project generates an estimated additional $1.25 billion in direct output, $311 million in direct value added and 4,400 direct job-years. Including multiplier effects, the net additional effects are approximately $3.9 billion in output, $1.5 billion in value added and 14,800 job-years. These employment figures represent cumulative job-years over the construction and development period, rather than the number of individual workers or jobs present at any one time.

5.7 Ongoing Effect of the Proposed Commercial Centres

The Project provides approximately 19,653 m² of commercial development and associated activity across Holmes Commercial (NC1), Brookside Shops (NC2) and Edwards Shops (NC3). For modelling purposes, the centres are assumed to open progressively as the surrounding residential population establishes, with Brookside Shops opening around 2029, Holmes Commercial around 2031 and Edwards Shops around 2033.

Table 4: Estimated Ongoing Centre Operation Effects (Annual, Once All Centres Are Operating)

	Project	GRZ counterfactual	Net additional effect
Commercial development (m²)	19,653	1,350	18,303
Direct commercial centre effects			
Turnover ($m)	158	9	149
Annual gross output ($m)	54	4	50
Annual value added ($m)	32	2	30
Direct employment (annual jobs)	982	62	920
Total annual effects, including flow-on effects			
Gross output ($m)	137	10	128
Value added ($m)	74	5	69
Employment sustained (annual jobs)	1,343	89	1,254

Source: ME IO Model

As shown in Table 4, once all three centres are operating, the Project's commercial activities are estimated to generate approximately $158 million in annual turnover, translating into $54 million in annual gross output and $32 million in annual value added, supporting around 980 direct jobs. Including supply-chain and household expenditure effects, the total annual effects are estimated at approximately $137 million in gross output, $74 million in value added and 1,340 jobs.

Relative to the GRZ counterfactual, the net additional effects are estimated at approximately $149 million in annual turnover, $50 million in annual gross output, $30 million in annual value added and 920 direct jobs. Including flow-on effects, the net additional annual effects are approximately $128 million in gross output, $69 million in value added and 1,250 jobs.

These figures represent annual effects once all three centres are operating. The timing of their opening and the progressive realisation of these effects are accounted for separately in the assessment of discounted economic benefits.

5.8 Present Value of Net Economic Effects

The construction and operational effects of the Project occur over different periods. To provide a consistent basis for comparison, the estimated value added is discounted to present values in constant 2026 dollars. The assessment uses a 30-year period from 2027 to 2056, with no terminal value included for effects beyond the assessment period.

Consistent with the discount rates adopted for this assessment under Treasury's public-sector cost-benefit analysis guidance, an 8% real discount rate is used as the base case, with a 2% real discount rate included as a sensitivity test. The lower rate places greater weight on economic effects occurring further into the future, particularly the ongoing effects of the commercial centres as they become operational and continue to serve households over time.

Table 5 presents the present value of direct value added and total value added, including multiplier effects, for the Project, the GRZ counterfactual and the net additional effect attributable to the Project. Construction effects are discounted over the anticipated development period, while operational effects reflect the assumed staged opening of the commercial centres. The comparison therefore accounts for both the scale and timing of the estimated effects.

Table 5: Present Value of Value Added ($m, constant 2026 dollars)

Effect	Project	GRZ counterfactual	Net additional
8% real discount rate			
Construction – direct value added	466	270	196
Construction – total value added, including multipliers	2,233	1,286	947
Operations – direct value added	259	19	240
Operations – total value added, including multipliers	597	45	552
Combined – direct value added	725	289	435
Combined – total value added, including multipliers	2,830	1,331	1,499
2% real discount rate (sensitivity)			
Construction – direct value added	621	345	276
Construction – total value added, including multipliers	2,982	1,647	1,334
Operations – direct value added	601	43	559
Operations – total value added, including multipliers	1,388	101	1,287
Combined – direct value added	1,222	388	834
Combined – total value added, including multipliers	4,369	1,748	2,621

Source: ME analysis. Figures may not sum due to rounding.

At the 8% base discount rate, the present value of net additional value added is approximately $435 million on a direct basis and $1.5 billion when multiplier effects are included. At the 2% sensitivity rate, the corresponding estimates are approximately $834 million and $2.6 billion, respectively.

Ongoing commercial operations make a substantial contribution to these results. They account for approximately $552 million, or 37%, of the combined net present value of total value added at the 8% rate, increasing to approximately $1.3 billion, or 49%, at the 2% rate. This reflects the continuing economic activity generated by the commercial centres after their staged opening, in addition to the one-off effects associated with construction.

These estimates represent the discounted value of economic activity generated relative to the GRZ counterfactual. They are not a measure of net welfare benefits or a comprehensive cost-benefit assessment: in particular, value added and multiplier effects should not be interpreted as equivalent to net social benefits. The results demonstrate the scale of the Project's potential contribution to economic activity over the assessment period, subject to the assumptions and limitations of the modelling.

5.9 Transfer and Displacement Effects

The economic effects estimated for the Project need to be considered in the context of whether the associated activity would otherwise occur elsewhere in the economy. Potential transfers include households locating in the Project instead of other residential areas and retail expenditure shifting from existing centres. Displacement may also occur if the labour, materials, plant and capital required for construction would otherwise be used for other economic activity. These considerations are relevant to interpreting the estimated effects relative to the GRZ and overlay counterfactual.

5.9.1 Transfer of households

The counterfactual allows for approximately 2,296 dwellings on land outside the Pines OCO. Accordingly, the principal difference in housing capacity between the Project and the counterfactual is approximately 1,838 additional dwellings, including approximately 768 dwellings within the OCO, together with the earlier realisation of development under the Project.

Some households accommodated by the Project may otherwise have located elsewhere in Rolleston, the wider Selwyn District or the Canterbury region. To that extent, the Project would redirect some residential demand rather than generate wholly new demand. However, the demand and capacity assessment in Section 4 identifies a substantial long-term requirement for additional housing capacity in Rolleston, including a potential shortfall of approximately 5,000 dwellings under the high-growth scenario. This indicates that the Project would contribute to meeting a significant identified housing requirement, although it does not establish that every additional dwelling would accommodate a household that would otherwise be unable to find housing elsewhere.

The Project is expected to deliver approximately 470–735 lots per year (an average of around 590) from 2028 to 2034, compared with Rolleston's recent average of around 780 dwelling consents per year. This delivery profile indicates that the Project could contribute materially to future housing supply while allowing other residential development to continue. The scale of the Project's contribution to housing

supply should therefore be distinguished from the extent to which households and development activity may transfer from other locations.

5.9.2 Displacement of construction resources

Construction of the Project will require labour, materials, plant and capital that could otherwise support other projects. The economic assessment assumes that the construction programme can be accommodated without one-for-one displacement of equivalent economic activity elsewhere. This is an assumption about the availability and deployment of resources, rather than a conclusion that displacement cannot occur.

The Project is expected to be delivered progressively from 2027 to 2034, rather than through a single concentrated construction programme. Staging spreads demand for construction resources over time and reduces the risk of a substantial short-term increase in demand. Nevertheless, some displacement may occur, particularly during periods of strong construction activity or where particular skills, materials or contractors are constrained.

Given the duration and staged nature of the programme, the assessment considers one-for-one displacement of other construction activity unlikely. However, the estimated construction effects should be interpreted as modelled economic effects relative to the counterfactual, subject to the availability of resources and the extent to which competing activity may be affected.

5.9.3 Retail Distribution Effects

Some expenditure at the Project's proposed commercial centres is likely to be transferred from existing centres rather than representing wholly additional expenditure within the regional economy. The estimated operational effects therefore need to be considered alongside the extent to which the centres attract spending that would otherwise occur at other retail locations.

The Project's proposed centres are expected to serve a portion of the needs of the new residential community and may also attract customers from the wider Rolleston area and passing trade. Based on the expenditure assumptions in Section 5.5, estimated retail and food-service expenditure associated with the 4,134 Project dwellings is approximately $147.0 million per year, including approximately $65.4 million associated with the 1,838 additional dwellings. The modelled turnover of the proposed centres is approximately 104% of the estimated retail and food-service expenditure of Project households. This indicates that the centres are expected to draw on a wider catchment, rather than rely solely on expenditure from Project households. Some expenditure by new households will also be directed to existing centres, meaning that the turnover of the proposed centres should not be interpreted as wholly additional economic activity within the regional economy.

However, the comparison does not establish how much turnover would represent genuinely additional expenditure in the local economy and how much would be transferred from existing retail locations. In particular, Holmes Commercial is expected to have a wider catchment than the Project's residential population alone, creating the potential for some redistribution of retail expenditure. The extent and significance of any resulting displacement of existing retail activity cannot be reliably quantified from the available evidence.

In any event, retail distribution effects are excluded from consideration under the relevant statutory provisions, including section 104(1A) of the Resource Management Act 1991, as amended by the Planning Act 2026, to the extent that those amendments apply. Accordingly, any retail distribution effects associated with the Project are matters to be disregarded in accordance with the applicable statutory decision-making framework.

5.9.4 Implications for the Estimated Economic Effects

Transfer and displacement do not necessarily eliminate the economic contribution of the Project, but they affect the extent to which the modelled effects can be interpreted as additional economic activity across the wider economy. The estimated effects are comparisons with the GRZ and overlay counterfactual and include direct and multiplier effects. They should not be interpreted as a guarantee that all estimated activity would be additional to the wider regional economy.

To illustrate the sensitivity of the results to transfer and displacement, a scenario is tested in which 50% of the estimated net additional value added is assumed not to represent additional economic activity across the wider economy. This is an illustrative sensitivity assumption rather than an estimate of the actual level of transfer or displacement.

Under this scenario, the present value of net additional total value added is approximately $750 million at an 8% real discount rate and $1.3 billion at a 2% real discount rate, compared with approximately $1.5 billion and $2.6 billion, respectively, in the base assessment. The results indicate that the estimated economic contribution remains significant under this assumed reduction. However, they should be interpreted as sensitivity results for modelled value added, rather than as estimates of net welfare benefits or proof that actual transfer and displacement would be limited to 50%.

5.10 Summary

The Project would increase the supply of housing and commercial capacity and generate material construction and ongoing operational economic effects relative to the GRZ and overlay counterfactual.

In terms of housing supply, the Project enables 4,134 dwellings with approximately 1,838 additional dwellings beyond that anticipated by the existing zoned density, including approximately 768 dwellings within the Pines OCO. It also provides a coordinated pathway for housing to be delivered progressively from 2027, contributing to housing supply at a time when Rolleston faces an estimated long-term shortfall of approximately 5,000 dwellings under the high-growth scenario.

The Project enables approximately 18,300 m² more commercial development and associated activity than the counterfactual. The proposed centres would support the retail and service needs of the growing residential community and may also serve a wider catchment.

The net construction effects are estimated at approximately $3.9 billion in gross output, $1.5 billion in value added and 14,800 job-years, including multiplier effects, relative to the counterfactual. Once operating at the modelled scale, the proposed commercial centres are estimated to generate approximately $128 million in additional annual gross output, $69 million in additional annual value added and 1,250 additional jobs sustained, including multiplier effects.

Over the 2027–2056 assessment period, the present value of net additional total value added is approximately $1.5 billion at an 8% real discount rate and $2.6 billion at a 2% sensitivity rate. These estimates represent modelled economic activity relative to the counterfactual, rather than net welfare benefits.

Some household demand, retail expenditure and construction resources may be transferred from other locations or activities. The extent of these effects cannot be quantified precisely from the available evidence. An illustrative sensitivity test assuming that 50% of the estimated net additional value added is not additional to the wider economy reduces its present value to approximately $750 million at an 8% discount rate and $1.3 billion at a 2% discount rate. These results demonstrate that the estimated economic contribution remains significant under the assumed reduction, while recognising the uncertainty associated with transfer and displacement.

6 Economic Costs and Potential Adverse Economic Effects

The economic costs and potential adverse effects of the Project are expected to be limited in the context of the site's existing urban zoning and identification for residential growth. Potential effects associated with infrastructure and servicing requirements, the distribution of economic activity and the management of existing land-use constraints are considered unlikely to be disproportionate to the Project's anticipated regional economic benefits, subject to the relevant infrastructure arrangements and technical evidence.

The Project may give rise to economic costs and potential adverse effects associated with infrastructure and servicing requirements, the existing Pines OCO, and the distribution of economic activity. These effects need to be considered in the context of the site's existing status under the planning framework and the counterfactual against which the Project is assessed.

The site is already GRZ under the POSDP and identified for residential growth through DEV-RO7. The Project therefore represents the development of land already planned and zoned for urban residential use, rather than a new decision to convert rural land to urban use. The broader opportunity cost of urbanising the site has largely been addressed through the existing planning framework. Any remaining opportunity cost associated with the Project principally relates to the earlier cessation of interim rural uses as individual stages are developed. The site is not classified as Highly Productive Land under NPS-HPL, and the Project does not require the loss of land protected under that policy.

The Project will require infrastructure and servicing to support the proposed residential and commercial development. The economic implications depend on the infrastructure required, the timing of its provision, and the extent to which costs are borne by the developer or the wider community through the applicable servicing arrangements, development contributions and infrastructure agreements. These costs should be distinguished from the wider economic activity generated by construction and development. Any residual costs to the Council or other infrastructure providers would need to be considered in light of the relevant arrangements and the infrastructure requirements attributable to the Project. The extent of any such residual costs cannot be determined from the information considered in this section alone.

Part of the site is affected by the Pines OCO, which applies within 1,000 metres of the active composting area. The application seeks to enable residential development within part of the overlay, at a setback of approximately 600 metres from the active composting area. This relies on the applicant's air quality evidence that the proposed setback (of 600 m) is acceptable without an upgrade to the composting facility. Land within the overlay that is not developed for residential purposes is proposed to be retained as a balance lot, providing a transition between the existing infrastructure and the residential neighbourhoods. The principal economic consideration is whether residential development at the proposed setback can be accommodated without requiring additional mitigation or imposing material costs on the operator of the composting facility, future residents or other parties On the basis of the applicant’s air quality assessment, the proposed setback (600 m) is appropriate and no upgrade or additional mitigation is required. On this

basis, the Project will enable additional residential capacity on land already zoned for urban development without material additional costs associated with the existing overlay.

Overall, the principal potential economic costs and adverse effects relate to infrastructure and servicing requirements, the management of the existing Pines OCO, and possible changes in the distribution of economic activity. The site's existing GRZ zoning and identification for residential growth mean that the Project does not introduce a new rural-to-urban land conversion decision. The economic implications of infrastructure provision and the OCO depend on the relevant servicing arrangements and the acceptance of the technical evidence, respectively. Potential retail distribution effects are also considered in this assessment. These considerations qualify the assessment of the Project's economic contribution but do not, on the information currently available, establish that material additional economic costs would arise. The overall assessment should therefore be based on the identified costs and constraints, the evidence available to assess them, and the limitations on quantifying potential transfer and displacement effects.

7 Conclusions

In short, Westhaven adds housing and commercial capacity to a growing market, on land already planned and zoned for urban development. The Project is expected to increase the supply of housing, address housing needs, contribute to a well-functioning urban environment and also generate significant regional economic benefits, while the potential adverse economic effects identified in the assessment are not out of proportion to those benefits under s 85(3)(b) of the FTAA.

The Project would increase supply of housing, address housing needs and add commercial capacity to a growing market on land already zoned and identified for urban development. The economic assessment identifies significant construction and ongoing operational economic contributions relative to the counterfactual. While infrastructure requirements, the existing Pines OCO, and potential transfer and displacement effects require consideration, the available evidence does not establish that the Project's potential adverse economic effects would be out of proportion to its regional benefits.

The Project would provide approximately 4,134 dwellings, including approximately 768 dwellings within the Pines OCO. Relative to the assessed counterfactual, this represents approximately 1,838 additional dwellings. The Project would contribute to housing supply in a district experiencing continued population growth. SDC's March 2024 assessment identified a long-term housing capacity shortfall of approximately 5,000 dwellings under the high-growth scenario. The Project would help address this need by enabling housing to be delivered progressively from 2027.

The Project's contribution is not limited to the number of dwellings enabled. Although the site is already zoned GRZ and identified for residential growth through DEV-RO7 in the POSDP, zoned capacity does not necessarily equate to integrated, infrastructure-coordinated and market-ready development. The approvals sought would provide a coordinated pathway for the delivery of housing, commercial activities, open space and supporting infrastructure. This would support the progressive release of development capacity and contribute to competition between development opportunities.

The economic assessment estimates that the Project's net construction effects, relative to the counterfactual, would generate approximately $3.9 billion in gross output and $1.5 billion in value added, including multiplier effects. Construction activity is estimated to support approximately 14,800 job-years, including multiplier effects. These estimates reflect the difference between the Project and the counterfactual, rather than the total effects of the Project in isolation.

The proposed commercial centres would provide approximately 19,653 m² of commercial development and associated activity, compared with approximately 1,350 m² under the counterfactual. Once operating at the modelled scale, the centres are estimated to generate approximately $128 million in additional annual gross output and $69 million in additional annual value added, including multiplier effects, and support approximately 1,250 additional jobs sustained. The centres would provide retail and service activities for the Westhaven community and may also serve a wider catchment.

Across the 2027–2056 assessment period, the present value of net additional value added is estimated at approximately $1.5 billion using an 8% real discount rate, increasing to approximately $2.6 billion under a 2% sensitivity rate. These are estimates of modelled economic activity relative to the counterfactual, rather than net welfare benefits. Some household expenditure, construction resources and economic activity may be transferred from other locations or activities, and the available evidence does not allow these effects to be quantified precisely. An illustrative sensitivity test assuming that 50% of the estimated net additional value added is not additional to the wider economy reduces its present value to approximately $750 million at an 8% discount rate and $1.3 billion at a 2% discount rate.

The potential economic costs and adverse effects principally relate to infrastructure and servicing requirements, the management of the existing Pines OCO, and the possible distribution of economic activity. The site is already planned and zoned for urban residential development, so the Project does not represent a new decision to convert rural land to urban use. The site is not classified as Highly Productive Land under the NPS_HPL. The implications of infrastructure provision depend on the relevant servicing arrangements, while the acceptability of residential development within the OCO depends on the technical evidence and whether additional mitigation or upgrades are required (which we understand none are proposed based on retaining a 600 m setback). These matters should be assessed against the evidence available; the assessment does not quantify all potential residual costs.

Section 81(4) of the FTAA requires the Panel to consider the extent of the Project's regional or national benefits. The assessment identifies significant benefits through additional housing and commercial capacity, construction activity, ongoing commercial operations and associated employment. Section 85(3)(b) concerns whether adverse impacts, even after taking into account the Project's regional or national benefits, are sufficiently significant to be out of proportion to those benefits. On the economic evidence assessed, the Project would make a significant contribution to housing supply and economic activity, while the identified potential costs and adverse effects are not out of proportion to those benefits. From an economic perspective, the assessment therefore does not identify a basis for declining the approvals sought under section 85(3)(b).

Appendix 1: Expertise & Experience of Report Authors

Dr. Maggie Hong joined Market Economics in late 2023 and brings over 15 years of experience in both the public and private sectors in New Zealand. Prior to joining ME, she was a Principal Analyst in Waikato District Council's Growth and Analytics Team, where she provided economic advisory and analytical support to the Executive Leadership Team and elected members. In recent years, Maggie has worked extensively on projects related to the National Policy Statement on Urban Development (NPS-UD) monitoring, demographic analysis, and business and residential land use analysis. She holds a PhD in Economics from the University of Canterbury and has published research in edited books and international peer-reviewed journals, including Applied Economics and the Journal of Economic Surveys. Maggie has expertise in econometrics, cost-benefit analysis, geographic information systems (GIS), and spatial analysis. She is highly proficient in working with large datasets and analytical tools such as SQL, Power BI, QGIS, and Python.

Greg Akehurst (BA/BCom) has degrees in Geography and Economics and is a founding Director of ME. He has 29 years of experience in the fields of Urban Economics and Development Economics. He has specialised in developing models that are used to assess the economic effects of developments such as the approved Fast-track project for the Ryans Road Industrial Development. He has prepared and presented expert evidence in Council Hearings, the Environment Court and prepared affidavits and given evidence in the High Court on behalf of developers and Councils. Greg has headed up ME's Housing and Business Development Capacity Assessment work and authored the National Policy Statement on Urban Development Capacity 2016 guidance document advising Councils how to carry out business and residential land sufficiency assessments. ME have carried out HBA studies for Auckland council, Future Proof, Tauranga, Rotorua Lakes District, Hastings District, Selwyn District and Waimakariri District, Nelson /Tasman, Queenstown and Dunedin City over the past 6-9 years.