

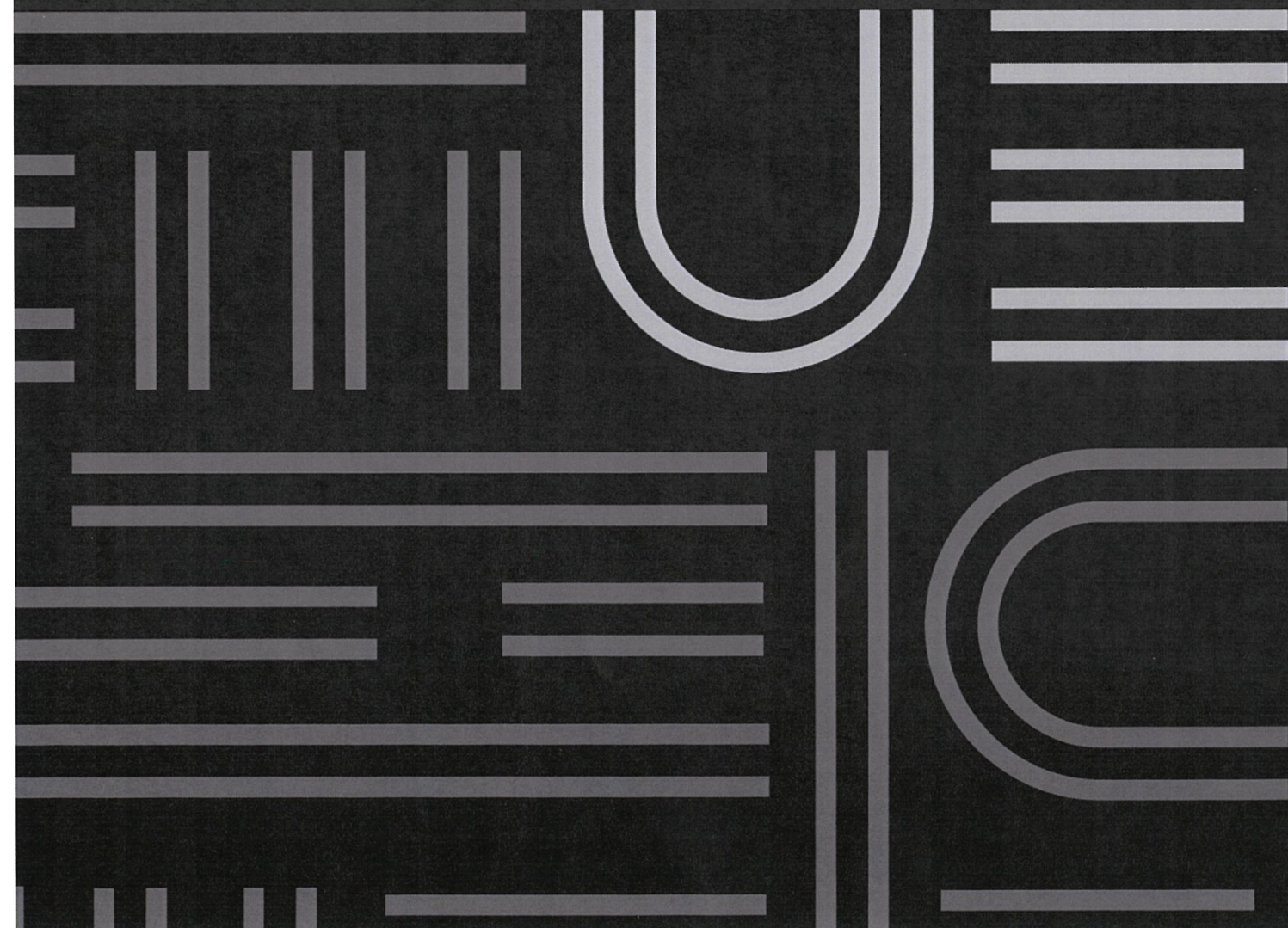
CLIENT
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11/04/2025

Economic and
Property Research

Homestead Bay Residential Development, Queenstown

Fast-track Approvals Act 2024
Economic Assessment



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1. Executive Summary

The proposal is for a subdivision creating a mixture of standard residential lots as well as medium and high density residential lots which will provide for approximately 2531 residential dwellings which will be a combination of standalone houses, townhouses and apartments. UE have estimated that residential dwellings will have an average price of \$1,220,000. This is \$500,000 (or 29%) lower than the average sale price for dwellings within the study area (currently \$1,720,000). This demonstrates the proposal's comparative affordability and its overall contribution towards the supply of housing that addresses housing needs in the Queenstown-Lakes District.

The proposal is considered to make a significant contribution towards a well-functioning urban environment by adding another major greenfield development to the study area, which would contribute towards ensuring there is a wider range of housing available to the market at more affordable prices.

Over the medium-term, there is greenfield capacity of 3,910 dwellings in the study area. This equates to approximately 5.4 years of greenfield dwelling capacity based on annual greenfield demand for 720 dwellings. This is not sufficient to meet the medium-term requirements of Policy 2 of the NPS-UD. At 2,531 dwellings, the proposal represents a 65% increase to the current and pipeline greenfield supply and increase the number of years of capacity to 9.0 years. This demonstrates the scale and significance of the proposal to the future function of the study area's greenfield development market.

Since 2015, the annual average house price in the Queenstown-Lakes District has increased from \$698,000 to \$1,781,000, or 16% p.a. This is approximately double the rate of capital growth achieved at the national level of 8% p.a. (increase from \$425,000 to \$763,000). This indicates a shortage of dwellings supplied to the market relative to demand, in particular for greenfield dwellings, which generally enables a greater supply of lower-priced dwellings to the market. The proposal will, therefore, represent a net addition to the greenfield market in the study area.

As a result, the proposal is considered to make a significant contribution towards retaining population that would otherwise likely be forced to relocate to other regions across the country as a result of the ongoing high housing prices. This will contribute towards the Queenstown-Lakes District's long-term social and economic resilience, which will rely on attracting and retaining younger households. This, however, will not be achieved under current market conditions.

The construction of the proposal would contribute approximately \$720.3 million to GDP and support 4,420 FTE jobs. Once constructed, it is estimated that the expenditure of future residents would contribute approximately \$67.6 million to GDP and support 679 FTE jobs, and the operation of the proposed retail centre would contribute \$21.7 million and support approximately 223 FTE jobs. These economic benefits are considered to be net economic benefits to the district/region, given the current and projected housing shortfalls are leading to high house prices, which is reducing the total potential growth of Queenstown and the wider district/region.

The construction of the proposal would also make a significant contribution towards primary sector GDP and FTE employment. In total, the development of the project is estimated to result in a total contribution to primary sector GDP of \$160.0 million, which would support an estimated 980 FTE jobs.

Overall, the proposed development will increase the range and affordability of new greenfield housing in the study area, and result in several significant net economic benefits to the district/region as a result of the construction and ongoing household expenditure and related commercial centre. The proposal therefore would result in significant benefits to the Queenstown-Lakes District and Otago region and is considered to meet the purpose of the Fast-



track Approvals Act, as stated in Section 3, by delivering a development with significant regional benefits.

2. Introduction

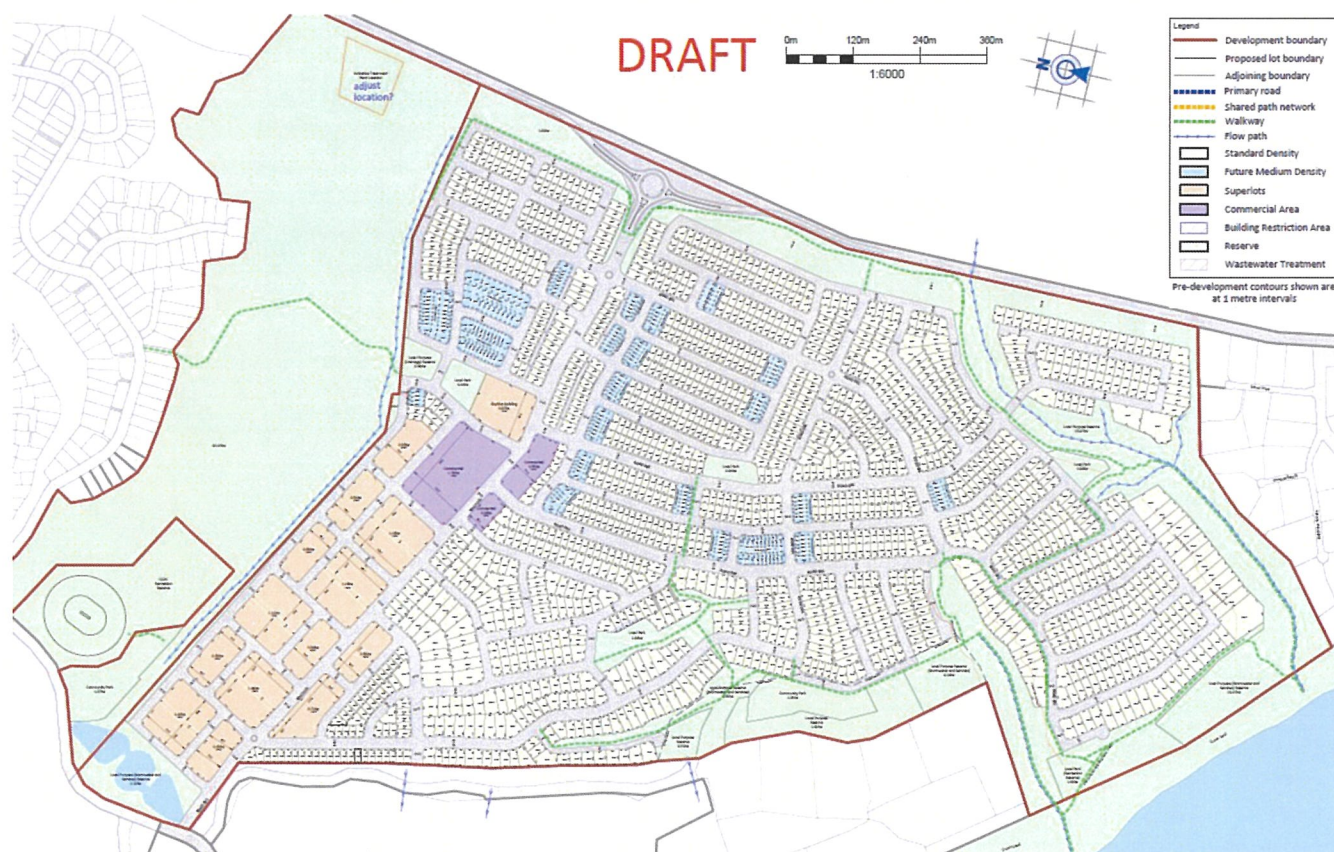
This report evaluates a proposed residential and commercial development located at 495 Kingston and Homestead Bay Road, Queenstown, against the Act's purpose, as outlined in Section 3 of the Act.

2.1 The Proposal

The proposed Homestead Bay development (the proposal) site comprises Rural Zone (67%) and Jacks Point Resort Zone (33%) under the Queenstown-Lakes District Council (QLDC) Proposed District Plan.

A concept plan is shown in Figure 1. As outlined in Figure 2, the proposal comprises approximately 2,530 residential dwellings, at relatively affordable price points, and approximately 3 hectares of commercial land, which would yield approximately 11,000m² of retail and commercial floorspace.

Figure 1:
Homestead Bay Development Subdivision Plan (05/03/2025)



Source: RCL Group, Patersons Land Professionals



Figure 2:
Proposal Indicative Dwelling Yield & Price

Activity	Lot Density	Dwelling Type / Industry Type	Total Dwellings / GFA (m ²)	Avg Lot Size (m ²)	Avg GFA Estimate (m ²)		Avg Total Sale Price Estimate
Residential	Standard	Stand Alone	1,438	480	190		\$1,530,000
	Medium	Terrace	203	230	130		\$1,180,000
	High	Terrace/Apartment	890	150	110		\$720,000
	Total	-	2,531	340	160		\$1,220,000
Commercial		Retail	11,000*	-	-		-

Source: RCL Group, Patersons Land Professionals

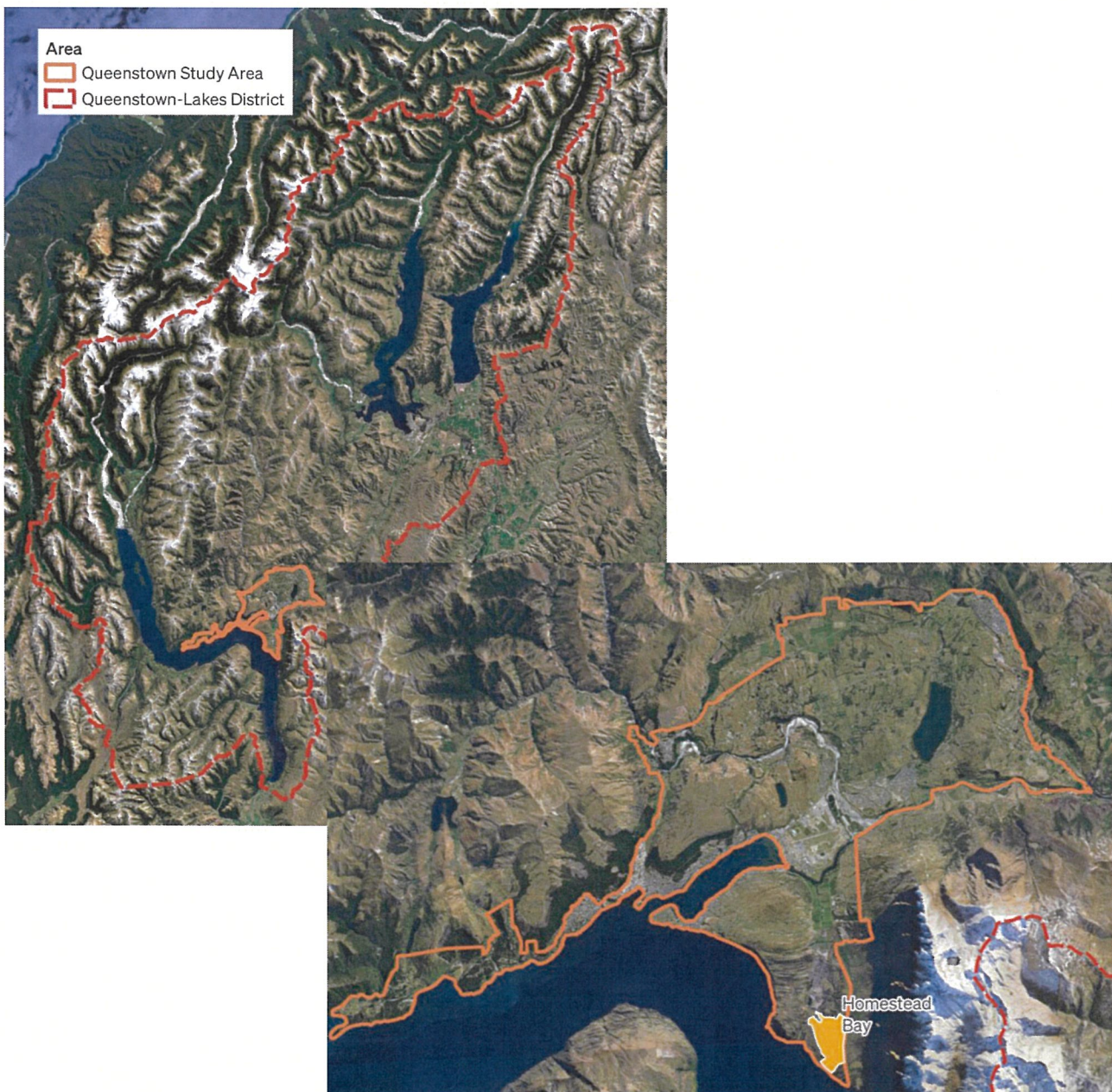
*Across a total commercial land area of 2.5-3.0 ha approx.

3. Study Area

Figure 3 outlines the study area adopted in this report, with respect to assessing the residential market.

The study area encompasses the Queenstown urban area (inclusive of its immediate rural surrounds), which broadly includes the suburbs of Queenstown, Arthurs Point, Frankton, Jacks Point, Shotover Country and Arrowtown. This encapsulates the residential areas within the Wakatipu Basin area.

Figure 3:
Queenstown Study Area



Source: LINZ, UE

4. Greenfield Residential Capacity Analysis

This section profiles the existing and pipeline medium-large scale (50+ lots/dwellings) greenfield developments (i.e. capacity) with remaining capacity in the study area.

Figures 4-5 provide a profile of the existing and pipeline greenfield developments within the study area¹. This reflects the medium-term (10 year) 'reasonably expected to be realised' greenfield capacity in the study area, as identified in Table 8.3 (page 164) of the Queenstown-Lakes District Council Housing Capacity Assessment 2021 (HBA) as it reflects the developments that are zoned, serviced and expected to occur over this period. The medium-term capacity is considered to be the most relevant period, when determining whether the housing market will function efficiently, and meet demand in terms of dwelling type, price and location. The main points are:

- There are currently five greenfield developments supplying lots in the study area.
- In total, these developments will supply approximately 2,156 dwellings/lots, of which, 1,677 remain to be developed/sold.
- Most of the current developments entered the market recently, in the past 1-2 years.
- In total, the current greenfield developments have achieved an average annual dwelling sale rate of 290 dwellings per annum. This was largely due to Five Mile Villas, which achieved 170 sales last year, with the other developments have only supplied 10-50 dwellings p.a.
- Across the study area, the HBA identifies 'reasonably expected to be realised' medium-term capacity of 3,920 dwellings, of which, an estimated 2,156 dwellings/lots will be supplied in current greenfield developments, and a further 1,764 dwellings/lots are estimated to be supplied over the medium term in other, currently unknown, developments. The proposal would increase the medium-term capacity in the study area, to 6,451 lots/dwellings.

Figure 4:
Study Area Existing & Pipeline Greenfield Development Dwelling Supply

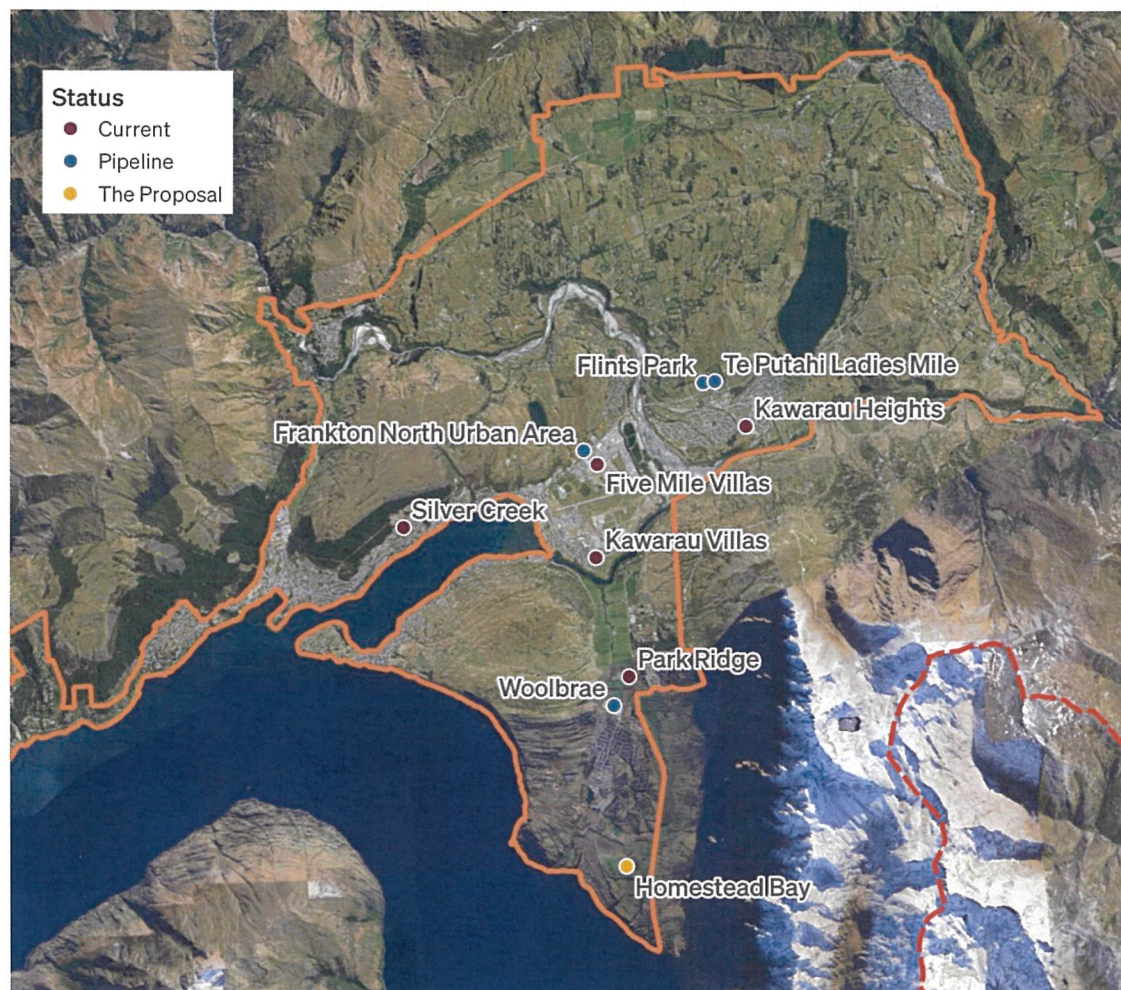
Status	Development	Total Dwelling s	Sold	% Sold	Currently Selling	Planned	Year to Market	Sale Rate p.a.	Dwelling Types Offered
Current	Park Ridge	600	30	5%	20	550	2025	30	Sections, Stand Alone
Current	Silver Creek	1,050	83	8%	15	952	2022	28	Sections, Terrace, Apartments
Current	Five Mile Villas	226	170	75%	57	0	2024	170	Townhouse/Stand Alone
Current	Kawarau Heights	100	13	13%	15	72	2024	13	Stand Alone
Current	Kawarau Villas	180	75	42%	2	103	2024	50	Terrace
Sub-total		2,156	371	17%	109	1,677	-	290	-
Pipeline	Other Medium-Term Supply*	1,764	-	-	-	1,764	-	-	-
Total Medium-Term Capacity*		3,920	-	-	-	3,441	-	-	-
Proposed	Homestead Bay	2,531	-	-	-	2,531	-	-	Stand Alone, Terrace, Apartments
Total		6,451	371	6%	109	5,972	-	-	-

Source: Developer Websites, Queenstown-Lakes District Council (HBA), TradeMe, CoreLogic

*As identified in Table 8.3 of the HBA 2021.

¹ Development of largely vacant land, informed by publicly available information and sources (i.e. development websites, news articles, council plan changes, etc.).

Figure 5:
Study Area Existing & Known Pipeline Greenfield Development Locations



Source: LINZ, Corelogic, Developer Websites, Google, UE

5. Greenfield Residential Demand & Sufficiency Analysis

This section provides an assessment of greenfield residential demand, in terms of quantity and price, within the study area.

5.1 Dwelling Sales

Figure 6 below displays the recent dwelling sales by price bracket and type. The main points to note are:

- Stand alone dwellings accounted for the majority of sales (74%), followed by terrace houses (22%) and apartments (4%).
- The majority (68%) of stand alone dwellings were sold within the \$1,000,000 - \$2,000,000 price range. In addition, a considerable proportion (11%) of stand alone dwellings were sold for above \$3,000,000.

- By comparison, the majority of terrace houses were sold in the \$600,000 - \$1,200,000 price range (64%), and apartments in the \$600,000 - \$900,000 price range (73%).
- Over this period, a total of 1,315 dwellings were sold. This equates to annual sales of approximately 660 dwellings. Of these sales, approximately 46% (or 305 dwellings) were new dwellings (build after 2010).
- Apartments were the most affordable housing type in the study area, with an average sale price of \$1,040,000, slightly below terrace housing, with an average sale price of \$1,100,000. By comparison, stand alone dwellings achieved the highest average sale price of \$1,910,000.
- In addition to the 1,315 dwelling sales over the period, approximately 150 vacant lots were sold, predominantly (60%) for less than \$1,000,000.

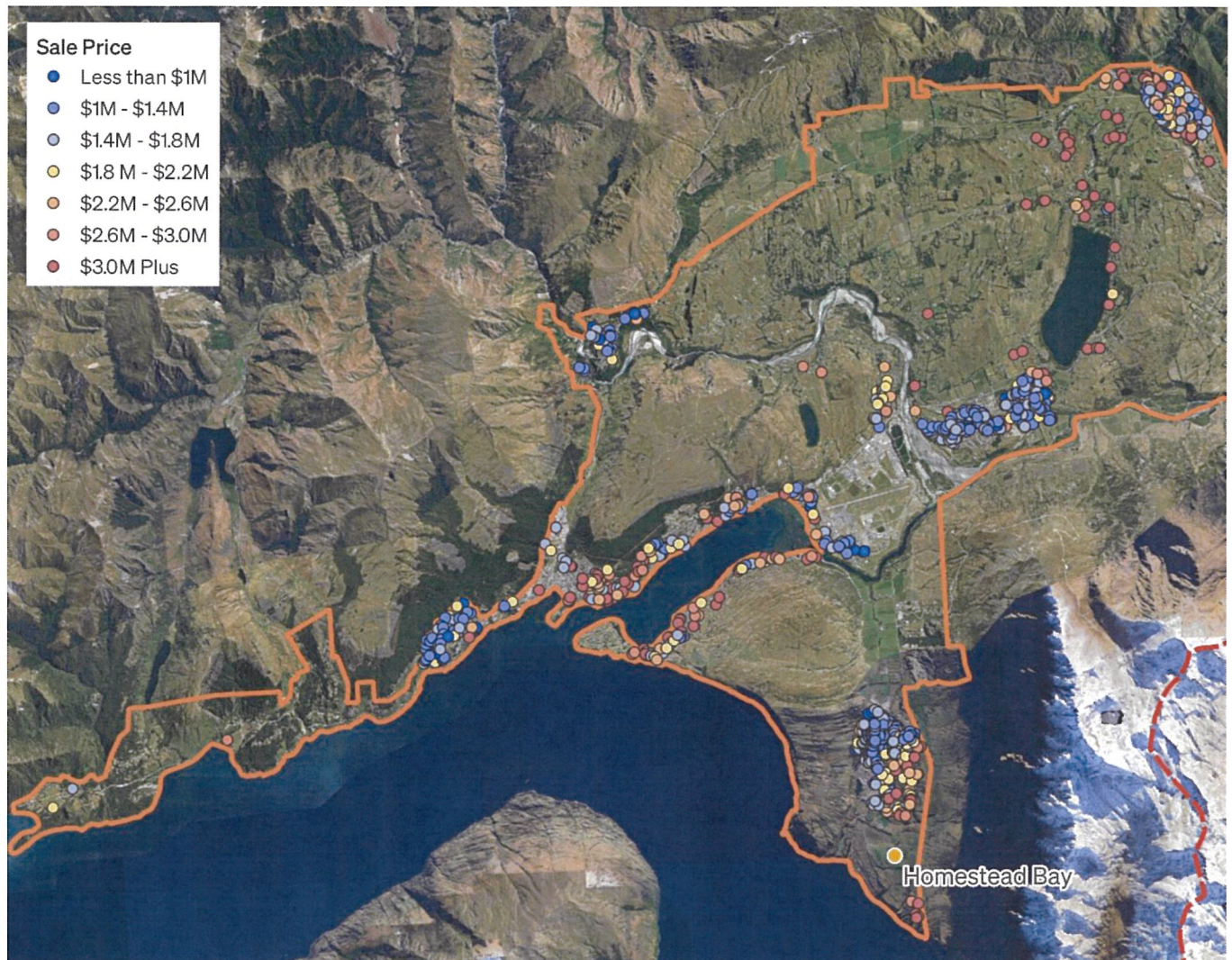
Figure 6:
Study Area Recent Sales by Price Bracket January 2023 – December 2024

Price Bracket	Stand Alone	Terrace	Apartment	Vacant Lot	Total	Stand Alone	Terrace	Apartment	Vacant Lot	Total
Less than \$500,000	0	15	0	15	30	0%	5%	0%	10%	2%
\$500,000-\$600,000	0	20	5	10	35	0%	7%	9%	7%	2%
\$600,000-\$700,000	0	25	10	10	45	0%	9%	18%	7%	3%
\$700,000-\$800,000	0	30	15	25	70	0%	10%	27%	17%	5%
\$800,000-\$900,000	5	40	15	20	80	1%	14%	27%	13%	5%
\$900,000-\$1,000,000	25	35	0	10	70	3%	12%	0%	7%	5%
\$1,000,000-\$1,100,000	35	30	5	10	80	4%	10%	9%	7%	5%
\$1,100,000-\$1,200,000	55	25	0	15	95	6%	9%	0%	10%	6%
\$1,200,000-\$1,300,000	85	15	0	5	105	9%	5%	0%	3%	7%
\$1,300,000-\$1,400,000	105	10	0	10	125	11%	3%	0%	7%	9%
\$1,400,000-\$1,500,000	80	5	0	5	90	8%	2%	0%	3%	6%
\$1,500,000-\$1,600,000	85	5	0	5	95	9%	2%	0%	3%	6%
\$1,600,000-\$1,700,000	80	5	0	5	90	8%	2%	0%	3%	6%
\$1,700,000-\$1,800,000	50	5	0	0	55	5%	2%	0%	0%	4%
\$1,800,000-\$1,900,000	50	5	0	0	55	5%	2%	0%	0%	4%
\$1,900,000-\$2,000,000	30	0	0	0	30	3%	0%	0%	0%	2%
\$2,000,000-\$2,100,000	30	5	0	0	35	3%	2%	0%	0%	2%
\$2,100,000-\$2,200,000	25	0	0	0	25	3%	0%	0%	0%	2%
\$2,200,000-\$2,300,000	15	0	0	0	15	2%	0%	0%	0%	1%
\$2,300,000-\$2,400,000	20	0	0	0	20	2%	0%	0%	0%	1%
\$2,400,000-\$2,500,000	15	0	0	0	15	2%	0%	0%	0%	1%
\$2,500,000-\$2,600,000	15	5	0	0	20	2%	2%	0%	0%	1%
\$2,600,000-\$2,700,000	10	0	0	5	15	1%	0%	0%	3%	1%
\$2,700,000-\$2,800,000	20	0	0	0	20	2%	0%	0%	0%	1%
\$2,800,000-\$2,900,000	15	0	0	0	15	2%	0%	0%	0%	1%
\$2,900,000-\$3,000,000	10	0	0	0	10	1%	0%	0%	0%	1%
\$3,000,000 plus	110	10	5	0	125	11%	3%	9%	0%	9%
Total	970	290	55	150	1,465	66%	20%	4%	10%	100%
Average Sale Price	\$1,940,000	\$1,100,000	\$1,040,000	\$1,060,000	\$1,720,000	-	-	-	-	-

Source: Corelogic

Queenstown township, Arrowtown and in new subdivisions in the Jacks Point area. The proposal site is located immediately south of the Jacks Point suburb, at the southern edge of the study area.

Figure 7:
Study Area Recent Sales by Location January 2024 – December 2024



Source: Corelogic

5.2 Dwelling Consents by Location

Figure 8 provides a breakdown of the location of new dwellings consented in the study area over the 2015-2024 period. It shows that on average, over the 2022-2024 period, approximately 28% of all new dwellings consented occurred within the existing urban area (infill locations), 65% occurred within new greenfield areas (e.g. Jacks Point etc), and 7% occurred within rural areas. The building consent data indicates a total annual dwelling demand of approximately 850-900 dwellings, of which 550 (65%) is for greenfield dwellings.

Figure 8:
Study Area New Dwellings Consented by Location (2015-2024)

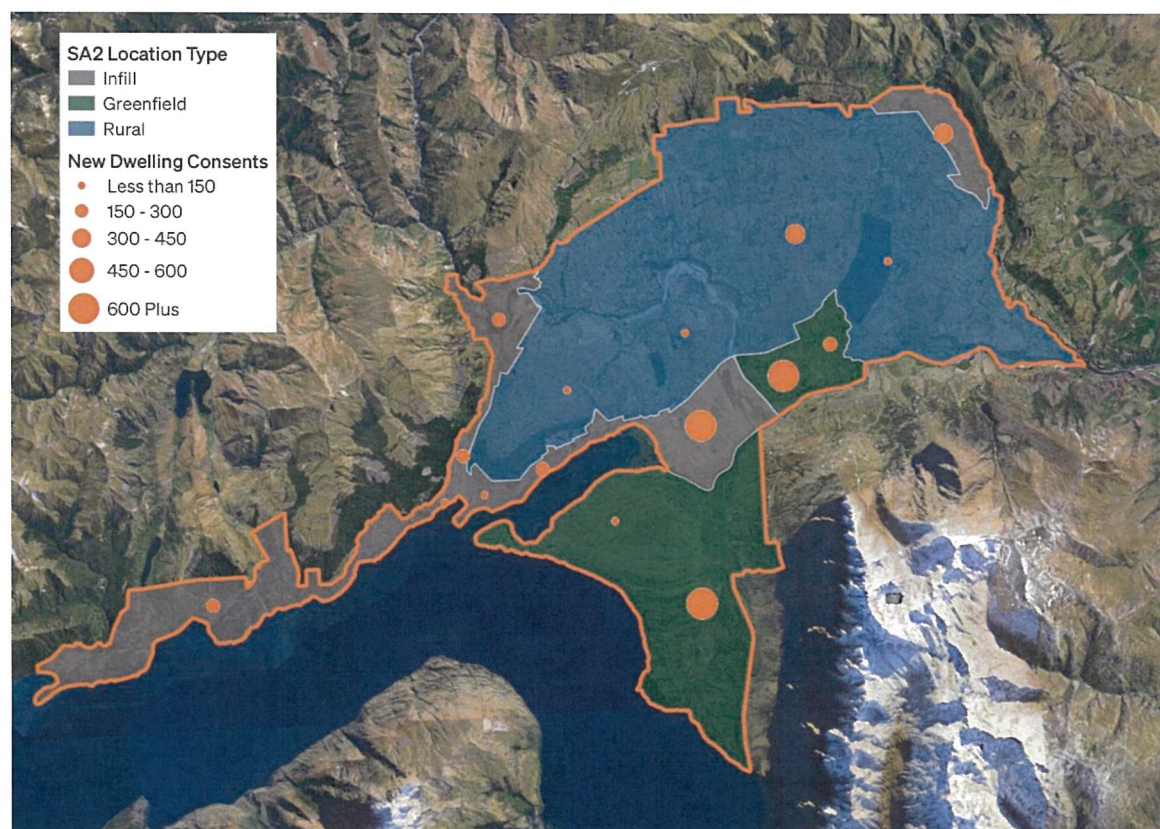
Year	New Dwellings Consented			Total
	Infill	Greenfield*	Rural**	
2015	145	285	70	500
2016	110	375	65	550
2017	265	475	80	820
2018	220	320	60	600
2019	435	450	65	950
2020	185	400	70	655
2021	160	500	40	700
2022	140	610	60	810
2023	180	420	35	635
2024	405	620	70	1,095
Total	2,245	4,455	615	7,315
3-Yr Average	240	550	60	850
3-Yr Average (%)	28%	65%	7%	100%

Source: Statistics NZ, UE

*SA2's predominantly comprised of greenfield developments over the last decade.

**SA2's predominantly located outside of the PDP Urban Growth Boundary.

Figure 9:
Location of New Dwelling Consents in the Study Area (2015-2024)



Source: Statistics NZ, UE

Based on the above, Figure 10 estimates the remaining years of greenfield capacity in the study area. The main points to note are:

- In total, there is estimated to be a fundamental annual greenfield dwelling demand of 600 dwellings, as informed by recent building consents by location, or 720 dwellings p.a. including the NPS-UD demand buffer of 20% over the medium term.
- As identified in the HBA, there is a reasonably expected to be realised capacity in the study area of approximately 3,920 dwellings.
- The proposal would increase total medium-term capacity to 6,450 greenfield dwellings.
- Based on the expected rates of greenfield demand (i.e. UE estimate), there is an estimated 5.4 years of greenfield capacity remaining. This is not sufficient to meet the medium-term requirements of Policy 2 of the National Policy Statement on Urban Development (NPS-UD).
- If the proposed development is approved, the remaining greenfield capacity would increase to 9.0 years, considerably contributing towards meeting the medium capacity requirements of the NPS-UD.

Figure 10:
Study Area Estimated Greenfield Dwelling Sufficiency

Greenfield Areas	Total
UE Annual Dwelling Demand (incl. NPS-UD Demand Buffer)	720
Remaining Medium-Term Capacity (Current + Pipeline Developments)	3,920
Remaining Medium Term Capacity (Current + Pipeline + Proposal)	6,450
Remaining Years of Capacity (Current + Pipeline)	5.4
Remaining Years of Capacity (Current + Pipeline + Proposal)	9.0

Source: Statistics NZ, UE

The above conclusions regarding demand, capacity and sufficiency are consistent with the findings of the 2021 Queenstown-Lakes Housing Capacity Assessment (HBA).

Over the medium-term, the HBA estimates demand of 15,300 dwellings including the NPS-UD demand buffer, which equates to 1,530 dwellings p.a. (Table 9.2, page 177). A conservative assumption of 50% of demand being for greenfield dwellings, indicates greenfield demand for approximately 770 dwellings p.a.. This is similar to the UE greenfield demand estimate of 720 dwellings p.a. confirming broad agreement.

Table 8.3 (page 164) of the HBA concludes the greenfield capacity in the study area of approximately 3,920 dwellings. The HBA therefore estimates greenfield capacity for the medium term of approximately 5.1 years, similar to the UE estimate of 5.4 years (Figure 10). This HBA and UE analysis therefore indicates that there is insufficient greenfield medium-term capacity to meet the requirements of the NPS-UD.

6. Study Area Infrastructure Capacity

Some of the greenfield areas listed are expected to have infrastructure constraints that limit their ability to be developed, particularly in the short to medium term. For example, zoning rules in Te Putahi Ladies Mile are understood to restrict much of the development occurring until as-yet unfunded transport projects are completed on the state highway.

The study area is currently serviced by the Shotover Wastewater Treatment Plant, which is nearing capacity as a result of rapid population growth across the Whakatipu Basin.

QLDC has committed to a major upgrade of the treatment plant, scheduled for completion in 2026. This upgrade is expected to double current capacity and provide for projected growth through to approximately 2048. However, until this upgrade is delivered, capacity limitations remain a considerable constraint on future development. This may be a limitation on further rezonings that would add to the pipeline of greenfield land.

The proposal includes self-contained infrastructure, including on-site wastewater infrastructure, mitigating the risk of relying on other parties to deliver infrastructure, and ensuring new housing is able to be supplied to the market over the short-medium term.

7. Ability to Deliver Large Housing Projects

It is understood that the applicant has an established track record of having delivered 1,740 residential sections/dwellings over 8 years in Queenstown (in excess of 190 per year), and is projecting to deliver in the order of 250 sections/dwellings per year in Homestead Bay. There is no comparable development of this scale and rate of development in Queenstown and this would place it amongst the largest residential developments in New Zealand. This reflects both a capability and preference to develop at this scale.

In respect of capability, it is noted that developing residential land at scale requires technical expertise and experience within companies and their consultant groups and contractors. Relationships with contractors and lending institutions are other important aspects, which can take new entrants to a market time to develop.

In respect of a preference to develop at this scale, it is noted that large scale development is a significant undertaking, normally requiring significant lending and risk. It should be noted that many large scale landowners/developers choose to hold their land in the hope of realising appreciating value or to release it slowly (i.e function as part developer and part land-banker). It is notable that of the large greenfield sites referred to earlier, many have been zoned for development for years and decades. Some of these areas have seen very little development occur in that time and none have been developed at the rate seen in RCL's project at Hanley's Farm. This preference and capability is a relevant market consideration when ensuring supply of new housing is actually realised (i.e. capacity that is 'reasonably expected to be realised' in the NPS-UD).

8. Affordability of New Greenfield & Infill Housing

Housing in new greenfield developments is typically able to be brought to the market at lower prices than new infill housing, both in terms of its nominal and per sqm price. This is due to greenfield developments offering greater economies of scale for land development and house construction and lower raw land prices.

Figure 11 shows the sale price of new greenfield and infill dwellings in the study area. Overall, greenfield dwellings are brought to the market for 88% of the price of infill dwellings on average (i.e. greenfield dwellings 12 percentage points more affordable). For example, a house that costs \$1.5 million in an infill location could be brought to the market for \$1.3 million in a greenfield location. The lower cost of greenfield dwellings is a trend seen in other major cities, including Auckland and Wellington.

In addition, several studies confirm that greenfield housing can be produced at more affordable prices than infill housing. For example, a study completed by Urbis Ltd in 2011 found that greenfield housing was significantly less expensive than infill housing (32% cheaper in Brisbane, 10% cheaper in Adelaide, 5% cheaper in Sydney, 22% cheaper in Melbourne and 32% cheaper in Perth).

This shows that the proposal can supply more affordable housing to the Queenstown market.

Figure 11:
Average Sale Price (\$m) of New Build Properties between Jan 2023 - Dec 2024 (Study Area)

Location Type	Sale Price				Sale Price/m ² GFA			
	Stand Alone	Terrace	Apartme nt	Average	Stand Alone	Terrace	Apartme nt	Average
Greenfield	\$1.7	\$1.2	-	\$1.7	\$8,200	\$10,100	-	\$8,300
Infill	\$2.4	\$1.6	\$1.1	\$1.9	\$10,900	\$10,400	\$11,300	\$10,900
Greenfield % Infill	70%	78%	-	88%	75%	97%	-	76%

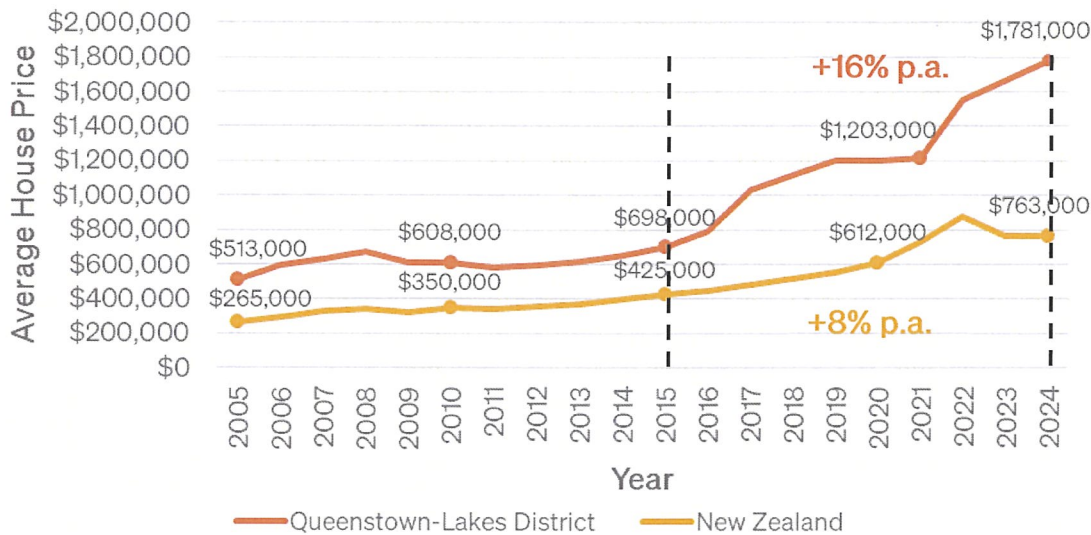
Source: CoreLogic

8.1 Queenstown-Lakes District Average House Price Growth 2005-2024

Figure 12 shows that the average house price in the Queenstown-Lakes District has increased since 2005 and is now around \$1.8 million, making it the most expensive housing nationally.

Since 2015, the annual average house price in the Queenstown-Lakes District increased from \$698,000 to \$1,781,000, or by 16% p.a.. This is double the rate of price growth seen at the national level of 8% p.a. (increase from \$425,000 to \$763,000). This indicates a shortage of dwellings supplied to the market relative to demand.

Figure 12:
Queenstown-Lakes District Average House Price Growth 2005-2024



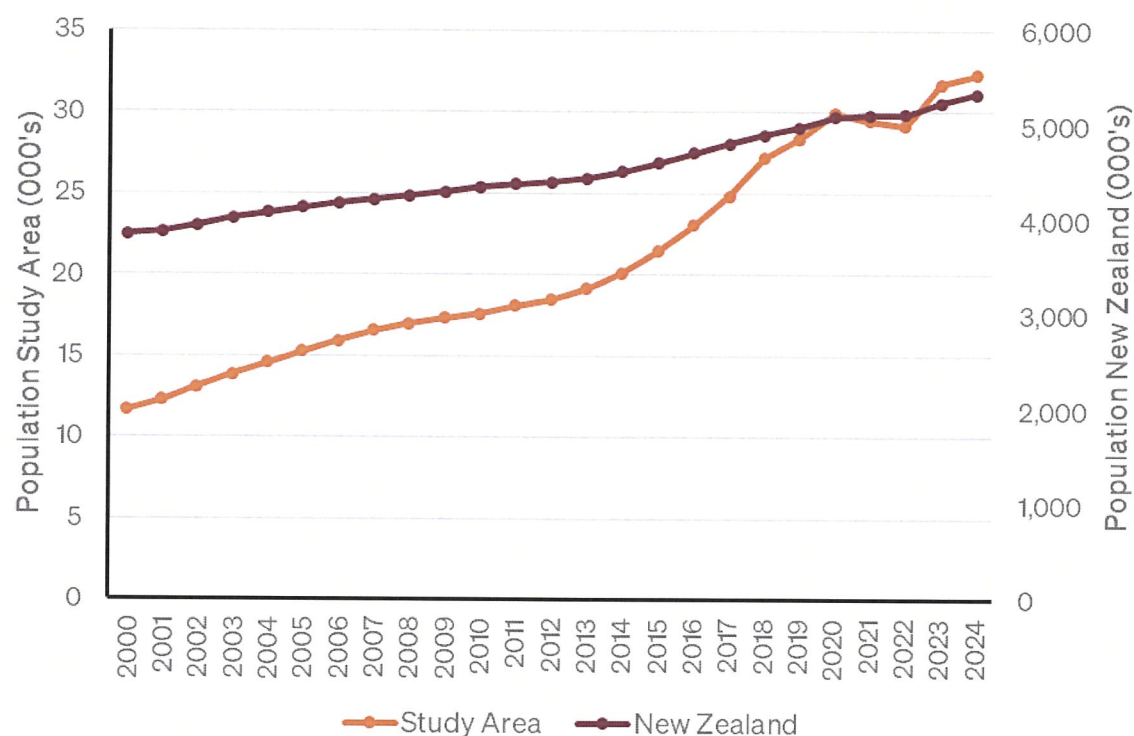
Source: REINZ, CoreLogic

9. Study Area Population Growth

Figure 13 compares the population growth in the study area with national population growth. The study area's population has grown steadily from 11,690 in 2000 to 32,320 in 2024, representing a net increase of 20,630 people (176%) over this period. Conversely, over the same period, New Zealand grew from 3.8 million people to 5.3 million people (a 38% increase). This highlights the strong growth achieved in the study area relative to the rates of growth achieved nationally.

This is a strong indicator of the study area's overall attractiveness as a place relocate to within the wider region and nationally, suggesting that demand for housing is likely to remain strong.

Figure 13:
Study Area and National Population Growth 2000 - 2024



Source: Statistics NZ

10. Access to Employment Nodes & Services

The study area has experienced significant employment growth over the 2015 - 2024 period. As shown in Figure 14, employment over this period has increased by 55%. Similarly, the study area has experienced population growth of approximately 51% over this same period, demonstrating the relative self-sufficiency of the study area, with approximately 0.7 jobs per capita.

Overall, this shows the proposal will offer good access to employment across the Queenstown urban area, most notably employment at the Airport and Frankton is located 11 km's from the site, and at the CBD is located 16 km's from the site, which offers efficient access for employees (noting most jobs nationally are within 20 km's drive).

Figure 14:
Employment and Population Growth (2016-2023)

Study Area	2015	2024	Growth	
			Nominal	%
Employment	14,230	22,080	7,850	55%
Population	21,440	32,320	10,880	51%

Source: Statistics NZ

11. Economic Contribution to GDP & Employment

This section assesses the impact of the proposal on employment and GDP. This assessment addresses whether the proposal will “deliver significant economic benefits” for the Queenstown-Lakes District or Otago Region, as required by Section 22(2)(a)(iv) of the Fast-track Approvals Act, with respect to the purpose of the Act outlined in Section 3 of the Act.

11.1 Employment & GDP Contribution from Construction

The national ‘value-added per employee’ for each sector has been used to estimate the contribution to GDP and full-time equivalent (FTE) employment for the proposal. This methodology includes both the direct and indirect impact of the proposal.

It is estimated that the proposal would contribute \$720.3 million to the construction sector's GDP and support approximately 4,420 FTE jobs.

Figure 15:
Value-Added GDP & FTE Employee Estimates

Development Component	Count	Value (\$M)	Value Added GDP (\$M)	FTE Employees
Residential - Standard Density	1,438	\$1,760.1	\$508.1	3,120
Residential - Medium Density	203	\$191.6	\$55.3	340
Residential - High Density	890	\$512.6	\$148.0	910
Residential Total	2,531	\$2,464.4	\$711.4	4,370
Retail Total	11,000m²	\$30.8	\$8.9	50
Project Total	-	\$2,495.2	\$720.3	4,420

Source: UE, Statistics NZ

Figure 16 compares the economic impact of the existing use (the ‘Base Case’ scenario) and the proposal.

The Base Case scenario evaluates the economic value of the existing rural activity. The existing use is estimated to contribute approximately \$14.4 million to GDP and support approximately 90 FTE jobs (assuming efficient agricultural utilisation). This reflects its current valuation, however this may overstate its potential rural production use, which if limited to grazing would be in the order of 75% or less.

The proposal would supply approximately 2,531 dwellings and 11,000m² of retail, which would contribute an estimated \$720.3 million to GDP and support 4,420 FTE jobs.

Overall, the proposal would result in a net additional contribution of \$705.9 million to GDP and support 4,330 additional FTEs, when compared to the Base Case.

Figure 16:
GDP and FTE Comparison Base Case vs The Proposal

Scenario	Value (\$M)	Value Added GDP (\$M)	FTE Employees
The Proposal	\$2,495.2	\$720.3	4,420
Rural Base Case	\$37.2	\$14.4	90
Net Benefit	\$2,458.0	\$705.9	4,330

Source: UE, CoreLogic, Statistics NZ

Figure 17 shows the estimated national 'value-added per FTE employee'. These figures are used to estimate the FTE employees created by the construction of the proposal.

Figure 17:
Industry GDP and Value-Added per Employee

Sector	Value Added GDP (\$M)	FTE Workers	Value Added GDP Per Employee
Construction	\$29,159	179,300	\$163,000
Agriculture	\$13,252	78,900	\$168,000

Source: Statistics NZ

In addition to the economic benefit of added employment in the district, it should be noted that constraints in housing supply can translate into a constrained labour markets, in terms of labour availability, which may limit the growth of key sectors in the economy. Queenstown has an established role of national importance in the New Zealand tourism industry, which requires a supply of inexpensive labour. This highlights the significant costs facing Queenstown resulting from insufficient housing supply.

11.2 Flow-on Effect of the Proposal on Primary Industries

The contribution of the proposal to GDP and FTE employment is estimated using the value-added approach². This is further refined to estimate the direct and indirect contributions to GDP based on an evaluation of the interrelationship between different sectors of the economy (using input-output tables sourced from Statistics NZ), with a particular focus on the proposal's impact on primary industries.

Figure 18 outlines the proposal's value-added contribution to GDP and breaks this down into direct and indirect impacts and FTE employment. Some of the key points to note are:

- The proposal's direct impact on the construction sector is estimated to be \$338.4 million in GDP. This would support approximately 2,075 FTE jobs.

²The value-added of an industry, also referred to as gross domestic product (GDP)-by-industry, is the contribution of a private industry or government sector to overall GDP. The components of value-added consist of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus. Value-added equals the difference between an industry's gross output (consisting of sales or receipts and other operating income, commodity taxes, and inventory change) and the cost of its intermediate inputs (including energy, raw materials, semi-finished goods, and services that are purchased from all sources).

- The proposal's indirect impact of the construction on primary industries is estimated to be \$160.0 million in GDP. This would support approximately 980 FTE jobs. This includes, for example, jobs in the 'Agriculture, forestry and logging' sector resulting from the purchasing of raw materials to construct the proposed dwellings (e.g. timber).

Figure 18:
Economic Impact of The Proposal on Primary Industries

Impact	Sector	Multiplier	Project Value (\$M)	GDP (\$M)	FTE
Direct	Construction	1.00	\$1,172.3	\$338.4	2,075
Indirect	Primary	0.47	\$554.3	\$160.0	980
	Other	0.66	\$768.6	\$221.9	1,360
Total Impact	-	2.13	\$2,495.2	\$720.3	4,420

Source: Statistics NZ, UE

11.3 Employment & GDP Generation from Ongoing Expenditure

Figure 19 shows the estimated national 'value-added per FTE employee'. These value-added per employee figures are used to estimate the FTE employees created from the ongoing household expenditure from future residents of the proposed development and spend at the proposed retail centre. The sectors that have been included contribute approximately \$26 billion to national GDP and employ approximately 268,000 FTEs. This results in a value-added of \$97,000 per employee.

Figure 19:
Industry GDP and Value-added per Employee

Sector	Value Added GDP (\$M)	FTE Workers	Value Added GDP Per Employee
Retail Trade	17,400	166,000	\$105,000
Accommodation and Food Services	8,600	102,000	\$84,000
Total	26,000	268,000	\$97,000

Source: Statistics NZ

Figure 20 outlines the national retail sector GFA and total retail sector contribution to GDP. In total, there are approximately 13.2 million m² of retail GFA across NZ and a total retail sector contribution to GDP of \$26 billion. This equates to a total retail sector contribution to GDP of \$1,970/m². When this rate is applied to the proposed 11,000m² retail centre this equates to a total contribution of \$21.7 million to GDP, p.a..

Figure 20:
Retail Sector GDP Contribution per GFA (m²)

Retail Sector	Total
GFA Total (m ²)	13,180,000
Total GDP Contribution (\$m)	\$26,000
GDP Contribution/GFA	\$1,970
Proposed Retail GFA (m ²)	11,000
Estimated GDP Contribution (\$m)	\$21.7

Source: Statistics NZ, Property Council NZ, Data Insight, UE

Figure 21 provides an estimate of the ongoing household expenditure expected upon completion of the proposal (i.e. 2036). The main points to note are:

- Upon completion, the average household expenditure is forecast to be approximately \$45,100 per annum. This generates a value-added contribution to GDP of approximately \$26,700 per annum.
- The total ongoing household expenditure from the residents is estimated to be approximately \$114.2 million per annum. This generates a value-added contribution to GDP of approximately \$67.6 million per annum, supporting approximately 567 FTE jobs (based on a value-added per employee ratio of \$119,000).

Figure 21:
Employment & GDP Generation from Ongoing Household Expenditure

Ongoing Household Expenditure	Number of Households	Average HH Spend (\$p.a.)*	Value Added GDP (p.a.)	HH Expenditure Per Annum (\$M)	Value Added GDP Per Annum (\$M)	FTE Employees (p.a.)
Homestead Bay	2,531	\$45,100	\$26,700	\$114.2	\$67.6	567

Source: UE, Statistics NZ

*Upon completion of proposed development (approximately 2036).

Figure 22 provides a summary of the total estimated contribution to GDP and employment from the proposed retail and household expenditure annually. The main points to note are:

- The proposed 11,000m² of retail would generate a value-added contribution to GDP of approximately \$21.7 million per annum, supporting/generating approximately 223 FTE jobs.
- The ongoing household expenditure would generate a value-added contribution to GDP of approximately \$67.6 million per annum and support approximately 567 FTE jobs.

Figure 22:
Ongoing Employment & GDP Contribution from Homestead Bay

Ongoing Economic Impact	Number of Dwellings/ GFA	Value Added GDP per Dwelling/GFA	Value Added GDP p.a. (\$m)	FTE Employees (p.a.)
Household Expenditure	2,531	\$26,700	\$67.6	697
Proposed Retail	11,000	\$1,970	\$21.7	223
Total	-	-	\$89.2	920

Source: UE, Statistics NZ

12. Sale Rate Analysis

This section provides an analysis of the sale rates achieved in two comparable key developments in close proximity to the proposal in terms of price, floor area, lot size and dwelling type. This provides a basis for estimating the sale rate (or supply of new dwellings to the market) that the proposal can achieve.

Figure 23 outlines the size and average sale rates achieved in each development. Figure 24 then provides a summary of dwelling sales by price, type, lot size and floor area in these key developments over the Jan 2023 - Dec 2024 period. The main points to note are:

- Hanley's Farm is comprised of 1,732 dwellings and Station View has 72 dwellings. Given its large scale, Hanley's Farm has achieved a higher sale rate of 190 p.a.. This provides a good indication of the sale rate the proposal can achieve given the similar scale of the proposal to Hanley's Farm.
- During the 2023 - 2024 period, Hanley's Farm achieved an average sale price of \$1,480,000 and Station View achieved an average sale price of \$1,120,000.
- Hanley's Farm supplied the largest dwellings across the developments assessed, with average floor areas of 200m² and section sizes of 480m².
- By comparison, Station View provided much smaller product, with an average floor area of 130m² and section size of 210m².

Figure 23:
Key Development Sale Rate Summary

Development	Development Size (Dwellings/Lots)	Annual Dwelling Sales		
		Min	Avg	Max
Hanley's Farm	1,732	125	190	305
Station View	72	10	15	30

Source: Hanley's Farm (RCL Group), CoreLogic

Figure 24:
Key Development Benchmark Summary Table (Recent Sales Jan 2023 - Dec 2024)

Hanley's Farm	Stand Alone	Terrace	Total
Average Sale Price	\$1,510,000	\$910,000	\$1,480,000
Average Lot Size (m ²)	500	150	480
Average Floor Area (m ²)	205	85	200
% Sold Below \$1m	0%	50%	4%
% Sold Above \$1m - \$2m	96%	50%	93%
% Sold above \$2m	3%	0%	3%

Station View	Stand Alone	Terrace	Total
Average Sale Price	\$1,130,000	\$1,030,000	\$1,120,000
Average Lot Size (m ²)	220	140	210
Average Floor Area (m ²)	130	115	130
% Sold Below \$1m	45%	50%	46%
% Sold Above \$1m - \$2m	55%	50%	54%
% Sold above \$2m	0%	0%	0%

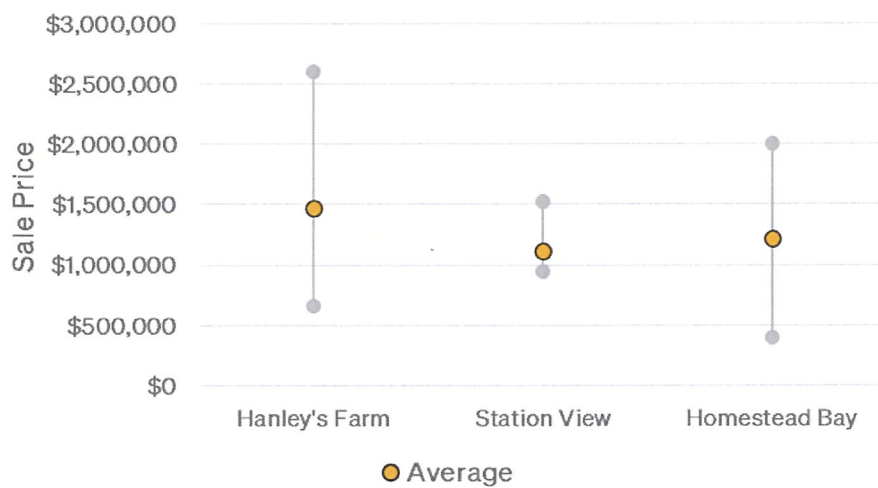
Source: CoreLogic

Figures 25 - 27 provide a comparison of the size and price composition of the key developments for the 2023 - 2024 period against the proposed development (Homestead Bay). Homestead Bay would supply similar dwellings, in terms of size and price, to the surrounding developments³.

Given the proposal's large scale and ability to supply dwellings significantly cheaper (around 20-25%) than the existing market, it is anticipated it will achieve sales of approximately 250 dwellings per annum. This would equate to 40% of all new greenfield dwellings, and around 30% of total supply across the study area, over the next decade.

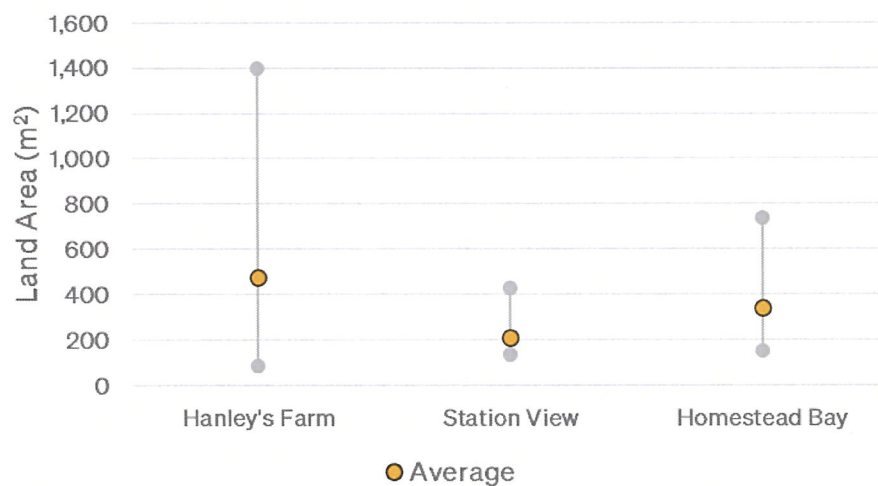
³ It should be noted that RCL are primarily land developers, and it is unclear at this stage whether they will be constructing dwellings at Homestead Bay. Figures 25-27 therefore reflect typical yields for their lots based on recent sales trends in the study area. More generally, the RCL development would ultimately enable new dwellings, regardless of whether they undertake construction of those dwellings, and this is considered to be the relevant economic impact for consideration.

Figure 25:
Key Development Price Range



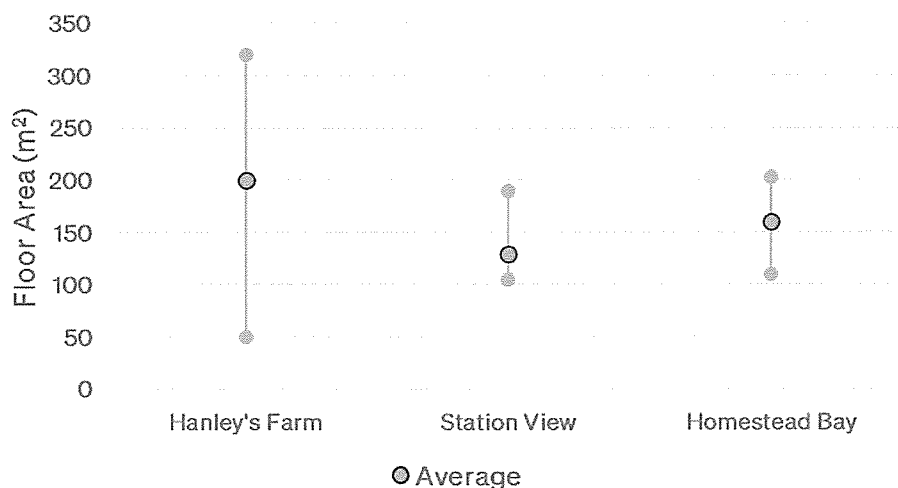
Source: CoreLogic

Figure 26:
Key Development Land Area Range



Source: CoreLogic

Figure 27:
Key Development Floor Area Range



Source: CoreLogic

13. Fast-track Approvals Act Economic Considerations

This section assesses the proposal against the relevant economic matters related to regional or national significance in the Fast-track Approvals Act.

The relevant section for an economic analysis is outlined as follows.

Section 3: *“The purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.”*

The following sections may provide some guidance on how to determine significant regional or national economic benefits.

Section 22(1): *“The criteria for accepting a referral application are that-*

(a) the project is an infrastructure or development project that would have significant regional or national benefits...”

Section 22(2): *“For the purposed of subsection (1)(a), the minister may consider-*

(a) whether the project-

...

(iii) will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)

(iv) will deliver significant economic benefits

(v) will support primary industries, including aquaculture:

Each of the subsections outlined above are addressed below.

Section 22(2)(a)(iii): Housing Supply and Contribution towards Well-Functioning Urban Environment

The proposal would make a significant contribution to the supply of housing and contribute towards a well-functioning urban environment. The reasons for this are summarised below.

Policy 1 of the National Policy Statement on Urban Development (NPS-UD) reads as follows:

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

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

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

(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and

(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets;”

The proposal would make a substantial contribution to the operation of the greenfield residential land and development market within the study area, which is currently undersupplied relative to future demand.

Currently there is approximately 5.4 years of greenfield dwelling capacity remaining in the study area. This is not sufficient to meet the medium-term requirements of Policy 2 of the NPS-UD, which states that:

“Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.”

The proposal would increase greenfield capacity to an estimated 9.0 years, significantly contributing towards meeting the medium-term capacity requirements of the study area.

The proposal would help address the housing shortage identified in the current Housing and Business Capacity Assessment for the Queenstown-Lakes District (2021), which concludes:

“Over time, house price growth is expected to be faster than growth in real incomes in the district and housing affordability is projected to decline over the long term to a shortfall of 6,960 affordable dwellings by 2050 for non-owner resident households. While in the long term, new dwellings expected to be built are concentrated in price bands more affordable to non-owner resident households, there is a still insufficient feasible and infrastructure ready capacity expected to be realised in the lowest price bands. This is particularly in price bands up to \$600,000 but also includes small-moderate shortfalls of dwelling for those that could afford to pay up to \$1.2m.” (Queenstown Lakes District Housing Development Capacity Assessment 2021, page 5)

The proposal is considered to meet Section 22(2)(a)(iii) of the Fast-track Approvals Act.

Section 22(2)(a)(iv): Significant Economic Benefits

This proposal is estimated to contribute \$720.3 million to GDP and support 4,420 FTE jobs. This is considered to be a significant economic benefit.

The proposal would supply a significant number of new dwellings to a supply constrained market, ensuring there is sufficient housing to meet demand, and that housing becomes more affordable over time.

The proposed project is therefore considered to meet Section 22(2)(a)(iv) of the Fast Track Approvals Act.

Section 22(2)(a)(v): Contribution towards Supporting Primary Industries

The proposal is estimated to result in a total contribution to primary sector GDP of \$160.0 million, which would support an estimated 980 FTE jobs. This is considered to be a significant contribution to primary sector industries.

The proposal is considered to meet Section 22(2)(a)(v) of the Fast-track Approvals Act.

In conclusion, the proposal is considered to meet Section 3 of the Fast-track Approvals Act as it offers significant regional benefits, including a significant contribution to GDP, significant additional employment opportunities and support a well-functioning urban environment, by providing a large quantity of relatively affordable housing in a market that has faced ongoing house price increases.

14. Conclusion

The proposal would result in significant economic benefits to the Queenstown Lakes District and the wider Otago region. In particular it would:

- contribute 2,531 additional dwellings to a supply constrained market,
- provide affordable dwellings and put downward pressure on housing prices generally,
- provide in the order of 250 dwellings per annum, equating to 35% of new greenfield dwelling demand and 25% of total dwelling demand,
- support net additional construction sector GDP and employment, of \$720.3 million and 4,420 FTE jobs,
- enable ongoing population growth, leading to significant net additional GDP and employment, of \$89.2 million and 920 FTE jobs, and
- provide on-site wastewater system of a significant scale, that reduces risks related to new dwelling supply.

The proposal is considered to meet the economic requirements of the Fast-track Approvals Act and is recommended for approval.