

Economic Assessment - Ōhoka Residential Subdivision

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Economic Assessment - Ōhoka Residential Subdivision

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1 Executive Summary

The purpose of the Fast Track Approvals Act 2024 (“the Act”) is to “*facilitate the delivery of infrastructure and development projects with significant regional or national benefits*”.

Schedule 2 of the Act lists 149 projects that the Government has determined meet the Act’s purpose, granting them direct access to the Fast-track pathway without requiring Ministerial referral. This includes the Ōhoka Residential Subdivision (“the Project”) that proposes 875 residential lots, a retirement village (of 250 units), a local commercial centre and a polo field along with a blue-green network on some 154.4 ha of land, immediately to the southwest of the existing Ōhoka settlement, in the Waimakariri District.

The purpose of this report is to quantify the significant economic benefits of the Project, including its contribution to housing supply and a well-functioning urban environment.

Our report concludes that the Project will generate a range of significant economic benefits at the regional level:

- **Housing Market Impact:** By increasing land supply in an area within the Greater Christchurch Urban Environment (“CUE”), where housing demand is growing rapidly, the Project will reduce market friction and help moderate house price inflation—critical in a district where prices have risen 3.5 times the national average (2021–2024).
- **Construction Phase:** In direct terms the development sustains a little more than 200 jobs every year of construction from a \$80m annual injection into the construction sector. Accounting for flow-on effects, the Project will deliver \$400 million in regional value added and nearly 3,700 job-years of employment over the development period. (See Table 1 below).
- **Ongoing Commercial Activity:** A new estimated 9,390m² GFA local centre is projected to generate \$65 million in annual turnover, contributing \$24 million in regional value added and supporting employment equivalent to 462 jobs annually. (See Table 2 below).

Table 1: Estimated Construction Sector Economic Effects

New Residential Dwellings	875
Retirement Units	250
Commercial GFA (sqm)	9,390
<i>Construction Sector Effects</i>	
Total Gross Output Shock (\$m)	\$ 801
Value Added Component (\$m)	\$ 200
Direct Employment (equivalent job years)	2,022
<i>Multiplier Effects</i>	
Total Gross Output (\$m)	\$ 1,269
Total Value Add (\$m)	\$ 400
Total Employment (equivalent job years)	3,685

Source: M.E



Table 2: Estimated Ongoing Centre Operation Effects

Commercial GFA (sqm)	9,390
<i>Commercial Centre Annual Effects</i>	
Annual Gross Output (\$m)	\$ 32
Value Added Component (\$m)	\$ 18
Direct Employment (equivalent job years)	426
<i>Annual Regional Flow on Effects</i>	
Total Annual Gross Output (\$m)	\$ 42
Total Annual Value Add (\$m)	\$ 24
Total Annual Employment Sustained	462

Source: M.E

Given these substantial economic benefits and alignment with the purpose of the Act, we conclude that the benefits of the Ōhoka Residential Subdivision project are regionally significant.



2 Introduction

Market Economics Limited (M.E), an independent economic research and consulting firm, has been engaged by Carter Group Limited (CGL) to provide an assessment of the economic benefits associated with the proposed development of 154.4 ha of land in Ōhoka, Waimakariri District, located at 535 and 531 Mill Road.

The purpose of this report is to provide a comprehensive overview of these benefits to assist the Expert Panel in evaluating the proposal against the relevant framework under the Fast Track Approvals Act 2024 (the Act).

The analysis demonstrates how the Project aligns with key criteria of the Act, including:

- Increasing housing supply and addressing housing needs.
- Contributing to a well-functioning urban environment.
- Driving regional economic growth.
- Creating employment opportunities.
- Supporting Canterbury's broader development objectives.

As demonstrated in the assessment within this report, the proposed development is anticipated to deliver significant benefits to the Canterbury region.

The experience and qualifications of the authors of this report are summarised in Appendix 1.

2.1 The Fast Track Approvals Act 2024

The Act came into force on 23 December 2024. The purpose of the Act is to *“facilitate the delivery of infrastructure and development projects with significant regional or national benefits”*.

Within the Act, Schedule 2 lists 149 projects that the Government has determined meet the Act's purpose, granting them direct access to the Fast-track pathway without requiring Ministerial referral. This includes the Ōhoka Residential Subdivision by authorised person(s) the CGL, which is the subject of this assessment.

The key consideration for the decision maker is the purpose of the Act, and the test for accepting or declining a substantive application (as set out in section 85(3)) which requires a weighing exercise of any sufficiently significant adverse impacts against (i.e. as a proportion of) the project's regional or national benefits. Section 22 of the Act outlines the key criteria for determining the regional or national benefits of a project under the Act, in order to approve the application for consideration, however these criteria form the basis for assessing the substantive application as well. They include the following;

- **Section 22(2)(a)(ii):** will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure.

- **Section 22(2)(a)(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).
- **Section 22(2)(a)(iv):** will deliver significant economic benefits.
- **Section 22(2)(a)(vii):** will support climate change mitigation, including the reduction or removal of greenhouse gas emissions.
- **Section 22(2)(a)(viii):** will support climate change adaptation, reduce risks arising from natural hazards, or support recovery from events caused by natural hazards.
- **Section 22(2)(a)(ix):** will address significant environmental issues.

Section 81(4) of the Act states that the assessment panel must consider the extent of the projects regional or national benefits in making their determination. For the purposes of this report, the focus is on the criteria in sections 22(2)(a)(iii) and 22(2)(a)(iv), to demonstrate the extent of regional and national benefits delivered by the project..

2.2 Report Structure

In the context of the above assessment requirements, this report provides an overview of the project in Section 3, provides estimates of economic benefits and costs of the development proposal in Section 4, and provides overarching conclusions in Section 5.

2.3 Relationship with Other Reports

This report does not consider the economic costs of the proposed Ōhoka Residential Subdivision. These have been assessed in the report by Savvy Consulting Limited. Having reviewed the content of that assessment we note, and accept, its conclusions that:

- No existing centre, including the nearby Mandeville centre, would suffer more than minor adverse effects on centre amenity, vitality and vibrancy based on the food, grocery and liquor store supply assumptions modelled. The distributional effects of a new centre (that is likely to combine a range of other convenience retail and service activities and other commercial, community and health activities) would not lead to any significant adverse effects on other centres in Waimakariri District.
- The proposed Ōhoka Residential Subdivision project will result in the permanent loss of LUC 2 and 3 land in Waimakariri District, but this loss is negligible when measured against the total LUC 1-3 land that exists in the district and accounting for the gross output of this status quo farming operation and any loss of direct and flow-on value added and employment contribution of that activity.

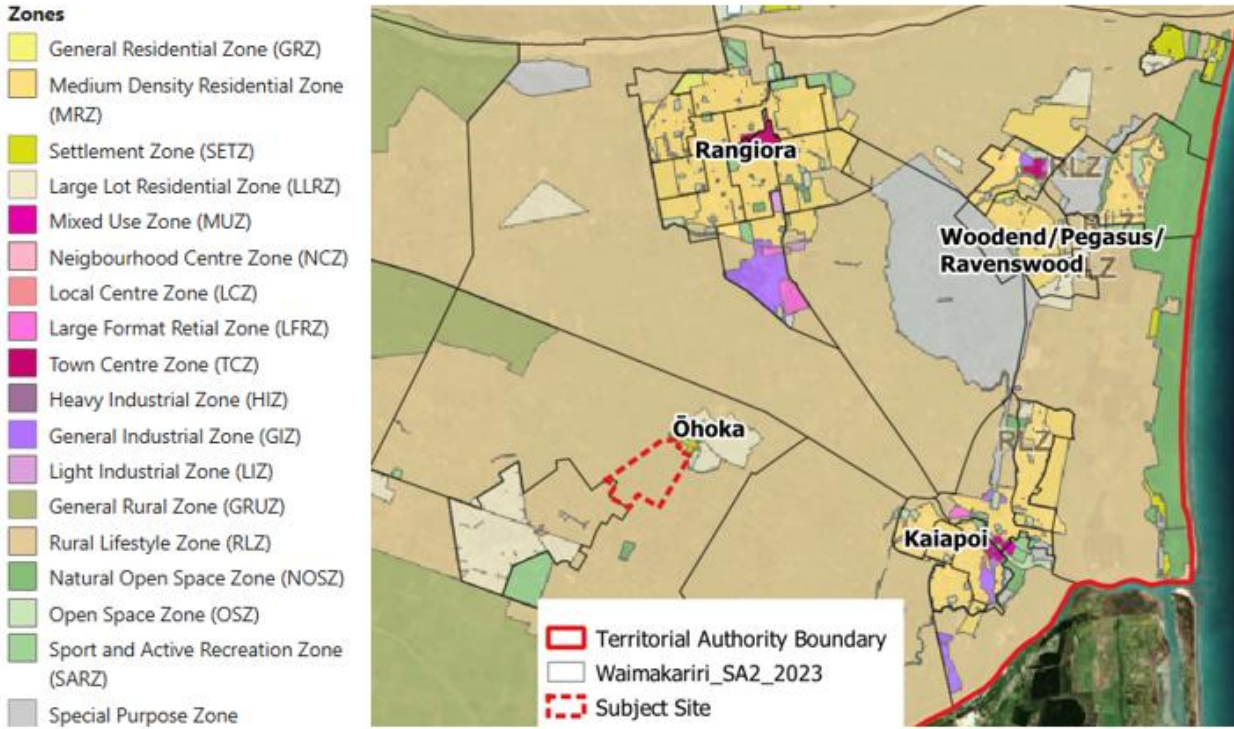
3 Development Proposal Overview

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

3.1 Ōhoka within the Waimakariri District Context

Waimakariri District, situated directly north of Christchurch City, forms an integral part of the CUE (see Figure 1). The district is anchored by three major urban centres, namely Rangiora, Kaiapoi, and Woodend/Pegasus/Ravenswood, which collectively accommodate the majority of the district’s population and are the primary focus of residential growth, infrastructure investment, and community services. These towns contain the district’s key commercial, civic, and employment nodes.

Figure 1: Waimakariri District – Area within the CUE (PODP¹ Residential Zones Shown)



Beyond these urban hubs, Waimakariri includes a number of smaller rural and lifestyle settlements that vary in size and function. These areas are predominantly characterised by low-density zoning, limited infrastructure, and minimal commercial activity.

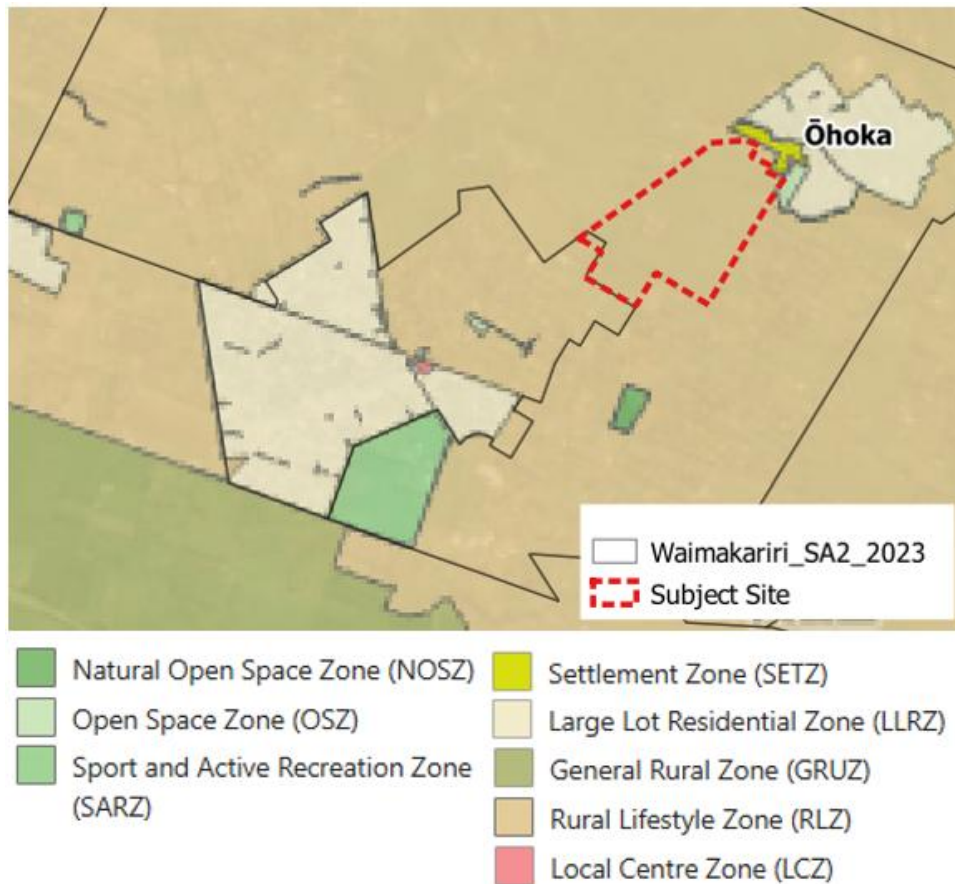
Ōhoka is located approximately 5 km northwest of Kaiapoi and 6 km southeast of Rangiora and is zoned primarily as Settlement Zone (SETZ) and Large Lot Residential Zone (LLRZ) under the Partially Operative

¹ Partially Operative Waimakariri District Plan



District Plan (PODP) (see Figure 2). This zoning reflects Ōhoka’s identity since the 1990’s as a low-density, lifestyle-oriented settlement, rather than a conventional urban township.

Figure 2: Ōhoka and Surrounds – PODP Residential Zoning and Proposed Subject Site



According to Stats NZ’s subnational population 2024 estimates, the Ōhoka SA2 (Statistical Area 2) area has a population of approximately 1,720 people, making it significantly smaller than the district’s main towns of Rangiora, Kaiapoi and Woodend/Pegasus/Ravenswood. Population growth in Ōhoka has been modest, with residential development largely limited to large-lot subdivisions. This is predominantly due to planning rules that restrict intensification, with a minimum lot size of 600m² in the Settlement Zone (SETZ), which covers approximately 11.5 hectares in Ōhoka, and an average of 5,000m² in the Large Lot Residential Zone (LLRZ). The SETZ is intended to support smaller rural settlements by allowing a mix of residential and limited commercial activity while retaining the existing character of the area.

Ōhoka currently features a very small Neighbourhood Centre Zone (NCZ) that applies to a service station and workshop, and is otherwise surrounded by the SETZ. It does not otherwise feature a local or commercial centre per se. Residents typically rely on surrounding towns for day-to-day services and amenities. The nearest Local Commercial Zone (LCZ) centre is Mandeville, located roughly 2 km to the south, which offers a small supermarket, cafés, a service station, and various retail and community services. The degree to which the Mandeville centre meets the needs of future Ōhoka Residents is covered in the Savvy Consulting report, that accompanies this application.



Non-residential activity in Ōhoka is limited. The settlement includes Ōhoka School (a full primary school), a community hall, and a small number of home-based enterprises. There is no significant commercial or industrial presence, and the area functions almost exclusively as a residential community.

Given its strategic location between Kaiapoi and Rangiora, we consider Ōhoka is a logical area for future growth. However, its current zoning, lack of a functioning centre, and infrastructure constraints have limited its ability to contribute meaningfully to Waimakariri’s overall housing supply and urban form. Addressing these constraints, including through infrastructure investment, could enable Ōhoka to evolve into a more integrated and functional part of the urban environment.

3.2 Proposed Development Site in the Context of Ōhoka

The proposed development site comprises approximately 154.4 ha of predominantly rural land located on the eastern edge of Ōhoka. It includes properties at 531 and 535 Mill Road, and is generally bounded by Mill Road to the northeast, Bradleys Road to the southeast, and Whites Road to the southwest (see Figure 3). The majority of the land is currently used for dairy farming, with associated farm buildings and pasture dominating the landscape.

Figure 3 Proposed Development Site – Ōhoka Residential Development





Under the operative Waimakariri District Plan, the site is zoned Rural, which reflects its existing land use. Under the PODP the site is zoned Rural Lifestyle (RLZ). However, the site is immediately adjacent to the existing Ōhoka settlement and sits within the broader urban catchment of the CUE.

Topographically, the site and surrounding area are generally flat, with an average slope of just 0.5%, and contain no significant native vegetation or outstanding landscape features. Notable exceptions include Ōhoka Bush, located adjacent to the site, which contains mature native wetland vegetation and established exotic shelterbelts, which are common across the rural Canterbury landscape.

The site also includes several natural waterways, including drains and minor streams—two of which feed into the Ōhoka Stream. Ecological investigations have confirmed the presence of native aquatic species, including longfin eels and other native fish species, highlighting the ecological importance of maintaining and enhancing riparian areas during future development.

To the west, the site sits in the wider visual context of the Southern Alps, which form a prominent and persistent backdrop to the Canterbury Plains, although the site itself is not located in an area identified in the statutory planning documents as being of particular landscape sensitivity.

Overall, the subject site represents a large and relatively unconstrained block of rural land located directly adjacent to Ōhoka's existing settlement area, offering a logical and practical extension to the township.

3.3 Development Plan

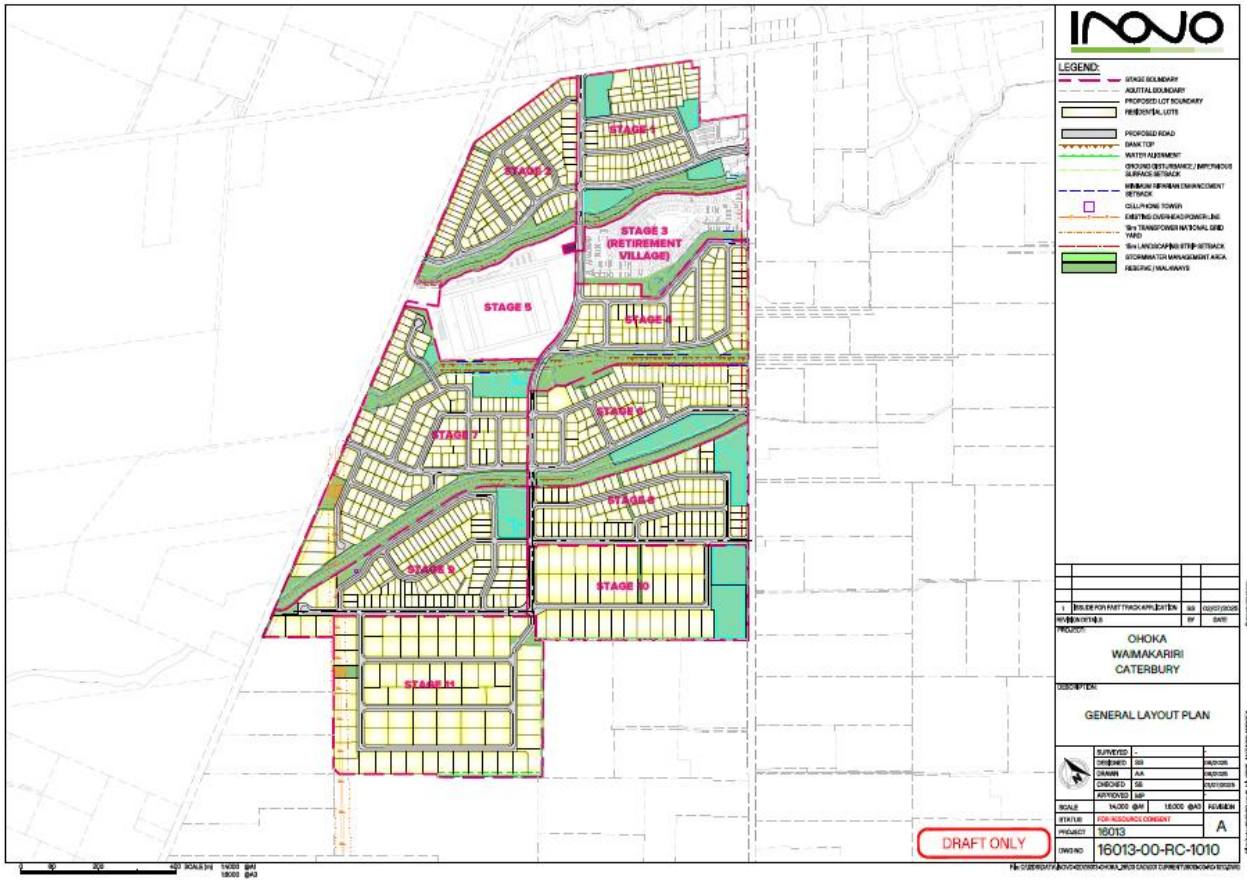
The proposed development seeks to subdivide and develop approximately 154.4 ha of land in Ōhoka. The development aims to enhance the settlement's character, meet housing demands, and support a sustainable and well-functioning urban environment, while strengthening Ōhoka's role within the district's broader residential network.

Central to the Project is the establishment of a new commercial centre in Ōhoka, located across two existing lots with a combined area of 1.49 hectares. The centre is intended to enhance local access to convenience goods and services and support the creation of a more self-sufficient community. The wider development includes approximately 875 residential lots, along with provision for a 250-unit retirement village and a polo field, ensuring the needs of a diverse and growing population are met.

The Project will incorporate waterways, riparian margins, and open green spaces that provide opportunities for movement, recreation, stormwater management, and ecological enhancement. This network of public open space will improve the overall amenity of the Ōhoka settlement compared to its current use as a private dairy farm. The Project also prioritises high-amenity streetscapes and public facilities that reflect and complement Ōhoka's rural character, helping to create a vibrant, attractive, and connected community.

This Project seeks to balance growth with the preservation of Ōhoka's natural environment, delivering a thriving, sustainable community while contributing to the broader development goals of the Greater Christchurch area of the Canterbury region. An indicative masterplan for the Project is shown in Figure 4.

Figure 4 Ōhoka – General Layout Plan





4 Economic Benefits

The Act establishes a permanent fast-track regime designed to streamline approvals for projects that deliver significant regional and national benefits. The regime aims to address two key issues within the existing consenting system:

- Time and cost barriers: The lengthy and costly approval process can deter or delay major projects.
- Undervaluation of economic and social benefits: The current system does not sufficiently recognize the positive economic and social contributions of development.

This section quantifies and summarises the economic benefits of developing the subject land at Ōhoka. These benefits are then evaluated against the district and regional economies to assess their overall significance.

Developments, such as proposed in Ōhoka, generate a range of economic costs and benefits. These trade-offs directly shape the proposal's ability to deliver net economic benefits, increase the supply of housing, address critical needs, and contribute to a well-functioning urban environment.

A portion of the economic benefits are effectively the avoided costs associated with lack of housing supply (price rises, sub optimal decision making, etc).

In addition, there are the benefits associated with the economic stimulation that occurs mostly within the construction sector through the development of land and the construction of around 875 dwellings, 250 retirement units and a new commercial centre.

4.1 Economic Benefits

The proposed development will generate a range of economic benefits at the district and regional level.

4.1.1 Housing Supply Increase

The Project aims to deliver approximately 875 dwellings over a 10-year period (indicatively). This increase in housing supply will enable the market to respond more efficiently to growth, mitigating the upward pressure on house prices caused by any supply shortages in a growing market.

This is particularly critical in Waimakariri District, where housing affordability is already a significant challenge. For the September 2024 quarter, the median house price in Waimakariri was \$729,039—a 20% increase from \$602,588 in the same quarter of 2021. This growth far outpaces the national average increase of 5.8% for the same period.² While the median sales price has dropped considerably since the

² Business and Development Quarterly report – July to September 2022, Waimakariri District Council, https://www.waimakariri.govt.nz/data/assets/pdf_file/0022/129226/Business-and-Development-Report-July-to-September-2022.pdf



peak to around \$679,000 in October 2024, it remains nearly 13% higher than the levels in 2021. This sustained elevation in prices underscores the ongoing affordability pressures within the district.

The Ministry of Housing and Urban Development uses CoreLogic data to compare median sale prices with median household incomes, illustrating that in Waimakariri District, it takes nine median household incomes to afford the median house price—three times the accepted affordability standard (three median incomes). This also underscores the affordability issues within the district, which the additional housing supply proposed by this development can help alleviate.

The 875 dwellings proposed amount to approximately 15.6% of the medium-term growth projected for urban Waimakariri as outlined in the most recent Housing and Business Capacity Assessment, or 'HBA' (5,600 dwellings, including the competitiveness margin). Currently, Waimakariri's medium-term urban residential capacity is estimated at 4,696 dwellings. The project would increase this capacity by approximately 18.7%, representing a substantial addition to the district's ability to accommodate growth and address housing needs. Moreover, the project will help support the Council's pending requirement to zone for at least 30 years of housing demand.


The National Policy Statement - Urban Development (NPS-UD) is relevant to this project and its increased housing supply for the district, particularly in relation to its core objectives. Objective 2 seeks to improve housing affordability by supporting competitive land and development markets; Objective 3 aims to enable more people to live in areas of high demand; Objective 4 recognises changes to urban environments in response to the needs of communities; Additionally, the NPS-UD requires councils and local authorities to: provide sufficient development capacity to meet expected short, medium and long-term demand for housing 'at all times'; be responsive to proposals that deliver a significant increase in capacity; and contribute to a well-functioning urban environment including by meeting different needs in terms of housing type, price and location.

The NPS-UD provisions summarised above reinforce the need for a flexible and proactive planning approach that enables additional housing supply, even if it is not explicitly planned within existing zoning frameworks. They also emphasise that urban planning should not be overly rigid but should instead respond dynamically to changing housing needs, market conditions, and population growth pressures. This is particularly important in high growth districts like Waimakariri, where any shortage of plan-enabled and infrastructure-ready land could constrain housing affordability and economic growth.

Furthermore, the NPS-UD recognises that housing developments do not always align perfectly with traditional land release sequencing or long-term planning documents. Urban growth patterns can shift due to economic factors, migration trends, and infrastructure improvements, meaning that previously unplanned areas can become viable for residential development. The Act provides a pathway via its 'one-stop-shop' approach, which makes it quicker and easier to obtain the approvals required to address any unplanned insufficiencies and provide significant regional benefits.

Notwithstanding the recent rezoning of the additional residential land in other parts of the District through the PODP, allowing additional capacity in Ōhoka can help create a more balanced housing market, alleviate price pressures, and provide a wider range of housing choices for current and future residents.

Moreover, Ōhoka's strategic location within the CUE makes it well-positioned to contribute to housing supply while still maintaining access to key employment hubs, transport networks, and urban amenities,



contributing toward a well-functioning urban environment. We consider that the 875 dwellings proposed represents a significant contribution to the Waimakariri District, and especially for that area close to Christchurch City outside of the district's main townships. The Project will otherwise provide additional development capacity and choice of housing type, price and location for the district.

Accordingly, we consider the Project has strong alignment with the core objectives of the NPS-UD and clear economic benefits associated with increased housing supply.

4.1.2 Land Market Competition

The project would introduce an additional 154.4 ha of predominantly residential land to the market. This increase in competition may incentivise other landowners in the district to bring their land to market more efficiently and in a timely manner. Without such competition, landowners possess greater market power due to their partial monopoly over the supply of residential land.

In monopolistic conditions, landowners act as price setters, optimizing prices based on where their marginal revenue from releasing land matches the marginal cost. This pricing strategy invariably results in prices higher than those in a fully competitive market. As a result, landowners capture “super profits”, which represent the difference between the monopolistic price and the competitive market price, multiplied by the volume of sales. Additionally, this market distortion creates a deadweight welfare loss for the district. Fewer sections are brought to market, reducing overall buyer and developer welfare, aside from the monopolistic landowner.

By minimising the effects of monopolistic competition in the residential land market, the Project delivers a significant economic benefit. It promotes a more competitive and efficient market, reducing pressure on rising housing costs and improving access to residential sections for buyers, developers, and the wider community.


4.1.3 Retail and Household Service Demand Increases

Associated with the residential development is a dedicated area of business-zoned land that will accommodate a new commercial centre. As discussed above, the proposed Ōhoka commercial centre comprises two lots with a combined area of 14,900sqm (1.49ha), consisting of approximately 11,000sqm north of the internal road and 3,900sqm south of it—all of which is considered developable. A commercial analysis of the proposal has been undertaken by Savvy Consulting.

Under a maximum building envelope scenario—with 55% site coverage and allowance for upper floors across the full footprint—the centre could yield up to 24,600sqm of gross floor area (GFA), resulting in a floor area ratio (FAR) of 1.65. However, taking into account market conditions and local demand, a more realistic development scenario assumes 45% site coverage and a first floor covering approximately 40% of the ground floor area. This yields a total GFA of 9,390sqm, with a FAR of 0.63.

This scale allows for practical on-site car parking and integration with the surrounding land, including the adjacent Ōhoka Domain. The centre is expected to accommodate a diverse mix of activities typical of a local centre, with an indicative floorspace distribution as follows:

- 40% Retail (e.g. supermarket, cafés, takeaway outlets, pharmacy) – approx. 3,760sqm

- 
- 40% Commercial services (e.g. gym, offices, shared workspaces) – approx. 3,760sqm
 - 20% Community and health-related services (e.g. daycare, medical, veterinary) – approx. 1,880sqm

Retail and community uses will primarily be located on the ground floor, while commercial services are likely to occupy ground and first floor tenancies.

The development of a functional local centre will effectively meet the day-to-day shopping and service needs of the growing Ōhoka community over the long term. In addition to improving local accessibility, the centre is expected to deliver wider benefits, including local employment opportunities and the ability to service a portion of household needs more conveniently—not only for future residents of the development but also for nearby existing communities who currently rely on more distant centres.

In addition, approximately 875 new households will spend money across a variety of centres within Waimakariri District. On average the new households will spend around \$72,000 annually on a wide range of goods and services. Approximately \$33,000 of this spend is directed to retail outlets. This means that total retail demand arising from the Project once fully developed will be near \$29m annually.³

Not all of this spend will be directed to Waimakariri retail outlets, but a significant portion will be, sustaining jobs and centre vitality. Added to this are the services and people activity generated by an additional 2,200 people (approximately). They will help support the provision of a range of services and help sustain or improve the viability of public transport initiatives to/from Ōhoka to other major centres.

4.1.4 Construction and Development Economic Effects

The other key area of economic effects arises from the process of developing the land, bringing it to market and the resulting civil works and construction activity to build the houses and associated infrastructure as well as the proposed commercial centre.

At this early stage, details of the type and nature of buildings to be developed are not known, therefore the analysis has relied on average dwelling sizes for the proposed lot sizes and the latest information from Quotable Value (QV's) Cost Builder software to generate estimates of build costs for the land. Estimates have also been generated for the civil construction and infrastructure costs that the developer will incur to convert the land from rural to urban use. Lastly, estimates have been prepared for the costs associated with developing approximately 9,390m² of commercial centre floorspace—based on a conservative floor area ratio (FAR) of 0.63.

The land development, civil infrastructure and subdivision costs equate to between \$90,000 and \$100,000 per lot. This covers all provision for ground improvements, services and roading for the proposed development. To be conservative, we have adopted the lower range. Multiplying this through the development process injects around \$101m into the civil construction sector over the duration of the build out. It is likely that these works are skewed to the short term with the build out stretching over the full 10 years.

³ Note that if the dwellings were distributed across the region, that the expenditure would most likely have similar effects.



Residential construction costs have been estimated using QV build cost data for Christchurch⁴, applied to an average dwelling size of 180m² for the approximately 752 dwellings planned on sub-2,000m² lots. This component of the Project is estimated to generate \$420m in construction expenditure over the Project timeline. For the 123 dwellings on lots larger than 2,000m², a larger average dwelling size of 250m² and a higher build cost of \$6,000/m² has been assumed, reflecting the premium nature of these homes. This results in an estimated additional \$185m in construction activity. In contrast, the 250 retirement units included in the development are expected to be smaller and relatively less expensive to construct than standard standalone dwellings. These units are estimated to contribute approximately \$76m to the construction sector.

The proposed commercial centre is estimated to yield a total GFA of 9,390 m². Average construction costs for this amount of floorspace add a further \$20m to the estimated construction sector output shock over the short term.

This expenditure sustains employment in the construction sector, supports business owners and business supply chains. Residential construction has strong local supply chains which means that additional house building sustains significantly more jobs in total than simply the builders on site.

Table 3 below summarises the construction effects on the economy in total. These effects will be distributed across the 10 years or so of development, giving approximately \$80m construction sector input each year, sustaining some 202 jobs directly (each year). Value added (analogous to GDP) captures profits, taxes, depreciation and wages and salaries. This is estimated to be on average \$20m annually over the build timeline - \$200m in total.

The flow-on effects, or multiplier effects capture both the supplier businesses to the construction sector and the retail and service sectors supporting directly and indirectly impacted workers. The flow-on-effects increase total value added to \$400m and sustain the employment equivalent of almost 3,700 job years.

Table 3: Estimated Construction Sector Economic Effects

New Residential Dwellings	875
Retirement Units	250
Commercial GFA (sqm)	9,390
<i>Construction Sector Effects</i>	
Total Gross Output Shock (\$m)	\$ 801
Value Added Component (\$m)	\$ 200
Direct Employment (equivalent job years)	2,022
<i>Multiplier Effects</i>	
Total Gross Output (\$m)	\$ 1,269
Total Value Add (\$m)	\$ 400
Total Employment (equivalent job years)	3,685

Source: M.E IO Model

⁴ Data was retrieved from the QV Cost Builder website as of January 2025.



It is likely that this employment and the benefits that flow from it will be distributed between businesses in Waimakariri District and Christchurch City, given the scale of development.

While these can be viewed as ‘one-off’ impacts, the construction sector relies on a constant stream of “one-off” impacts such as the proposed development to remain sustainable. By providing a degree of certainty for at least part of the sector over a ten-year horizon means this is a significant positive effect.

4.1.5 Ongoing effect of the proposed commercial centre

The commercial centre is expected to deliver substantial economic benefits. Based on an estimated commercial space of 9,390m², the centre is projected to generate an annual turnover of approximately \$65 million. This level of economic activity will support local businesses, attract investment, and strengthen the overall economic vibrancy of the area. By increasing local consumer spending and reducing the need for residents to travel to other centres (eg. Rangiora, Kaiapoi and even Christchurch) for everyday shopping and services, the centre will improve economic efficiency (i.e. travel efficiency) and help retain more expenditure within the Waimakariri District.

Table 4: Estimated Ongoing Centre Operation Effects

Commercial GFA (sqm)	9,390
<i>Commercial Centre Annual Effects</i>	
Annual Gross Outupt (\$m)	\$ 32
Value Added Component (\$m)	\$ 18
Direct Employment (equivalent job years)	426
<i>Annual Regional Flow on Effects</i>	
Total Annual Gross Output (\$m)	\$ 42
Total Annual Value Add (\$m)	\$ 24
Total Annual Employment Sustained	462

Source: M.E IO Model

Table 4 above summarises the ongoing economic impact of the commercial centre. In particular, the centre is expected to generate an annual gross output of \$32 million and sustain 426 direct jobs across various sectors, including retail, hospitality, and essential services. This employment growth may enhance local workforce participation and sustain both full-time and part-time employment opportunities across a range of occupations and skill levels.

The value-added component is estimated to average \$18 million per year over the life of the centre. Additionally, the centre will generate significant flow-on effects through its supply chain. These multiplier effects will increase the total annual value-added contribution to \$24 million and sustain the equivalent of 462 jobs per year across the wider regional economy⁵.

⁵ Note that an assessment of economic costs associated with the project is contained within the Savvy Consulting report that accompanies this application.



4.1.6 Other Broader Benefits

Beyond the direct construction, employment, and housing supply benefits outlined above, the Project offers additional strategic advantages arising from its nature as a comprehensively planned urban expansion.

As a master-planned development delivered by a single provider, the Project enables more efficient land development, clearer staging, and coordinated delivery of land use, transport connections, three waters infrastructure, stormwater management, open space, and community amenities. Compared with fragmented growth across multiple landholdings, this approach can reduce duplication, improve delivery efficiency, lower servicing costs, and provide greater certainty over development timing and sequencing.

The Project also represents a logical and consolidated extension to the existing Ōhoka settlement. This supports a more orderly urban form, enables efficient provision for growth, and reduces the risk of dispersed or uncoordinated development patterns.

A further benefit is the increase in housing choice, affordability, and market responsiveness. The proposed mix of residential lots, retirement living, and future dwelling typologies will help meet a wider range of household needs, life stages, and price points that are not currently well provided for within the local market.

The proposed local centre will support day-to-day retail, service, and community needs closer to where people live. This is likely to improve accessibility, reduce routine travel demand, and strengthen community cohesion over time.

Taken together, these outcomes are consistent with the characteristics of a well-functioning urban environment under the NPS-UD, including adequate development capacity, responsiveness to demand, choice in housing type and location, and access to services and infrastructure.

While this report focuses on economic benefits, we note that infrastructure cost matters, wider economic disbenefits, and non-economic considerations (including social, environmental, and cultural effects) are addressed separately by Savvy Consulting and other technical experts. Those assessments should be considered alongside the substantial positive economic outcomes identified in this report.

4.2 Summary

In summary, the Project is expected to generate significant economic and broader urban development benefits, including:

- **Increased Residential Land Supply:** by providing approximately 154.4 ha of residential land with around 875 residential lots and 250 retirement village units near Christchurch City, Rangiora, and Kaiapoi, helping address limited supply in parts of the District outside its main centres.
- **Housing Choice and Market Responsiveness:** through a broader range of dwelling typologies and price points, assisting in meeting a wider range of household needs and improving the responsiveness of the housing market.

- **Master-Planned Growth Benefits:** through coordinated land use, integrated infrastructure provision, efficient staging, and a logical extension of the existing Ōhoka settlement, supporting orderly and consolidated urban expansion.
- **Market Competition:** by increasing land supply, reducing land market concentration and monopolistic pricing, improving efficiency, and benefiting purchasers, builders, and developers.
- **Construction Phase Economic Impacts:** contributing approximately \$200 million in direct GDP and sustaining 2,024 full-time equivalent (FTE) job-years in the construction sector over the estimated 10-year build period. Including indirect and induced effects, this is estimated to increase to 3,688 FTE job-years and around \$400 million contribution to Canterbury GDP.
- **Operational Phase Economic Impacts:** with the proposed local centre potentially supporting 426 direct jobs across retail, hospitality, and service sectors, generating nearly \$65 million in annual turnover and contributing \$18 million directly to GDP. Total ongoing employment impacts (direct and indirect) are estimated at 462 FTEs annually, with approximately \$24 million added to regional GDP each year.
- **Long-Term Economic Contribution:** through ongoing business activity, employment generation, and supply chain linkages associated with the local centre and wider resident expenditure.
- **Local Accessibility and Community Benefits:** through provision of a local centre supporting day-to-day retail, service, and community needs closer to where people live, reducing some routine travel demand and supporting community cohesion.

Taken together, these outcomes contribute to a more well-functioning urban environment, including additional development capacity, improved housing choice, responsiveness to demand, and access to services and infrastructure.

The assessment by Savvy Consulting also considers the counterfactual scenario in which the Ōhoka Residential Subdivision does not proceed. Under this scenario, it is assumed that a similar component of housing demand—particularly demand for larger residential lots within the wider Greater Christchurch Urban Environment—would still be accommodated elsewhere within the south-eastern Waimakariri District or surrounding settlements. On this basis, a number of potential economic effects commonly associated with greenfield residential development, including changes in commuting patterns, transport costs, labour market accessibility, and broader urban efficiency effects, are considered broadly neutral at the economic level, as these outcomes are largely a function of where within the subregion growth occurs rather than whether it occurs. The assessment therefore identifies only a limited set of location-specific potential disbenefits, including possible impacts on the utilisation and cost recovery of existing Council infrastructure, long-term infrastructure servicing obligations not fully recovered through development contributions or rates, and potential pressure on Ōhoka Primary School capacity. However, these effects are considered uncertain, unquantified, and likely to be less than minor at the district scale.

By comparison, the economic costs of the project will be less than minor to minor (as detailed in the report by Savvy Consulting).

In conclusion, we consider that the project delivers significant economic benefits at a regional scale, through residential land supply, job creation, and market competition, and that these benefits significantly outweigh the less than minor to minor economic costs identified by Savvy Consulting.



5 Conclusions

Based on our analysis, the economic (and social) benefits for the district and wider Canterbury region associated with the Ōhoka Residential Subdivision project are substantial.

The development will provide a significant quantum of housing supply and additional housing choice in a District where housing affordability is a significant challenge. By increasing competition in the housing land market, the Project will help accelerate land supply, bringing sections to market quicker and at a lower cost. This will improve affordability and housing accessibility for prospective buyers, contributing toward a well-functioning urban environment.

The construction phase alone is projected to generate a one-off total GDP contribution of \$400m for the local economy, supporting the equivalent of 3,688 job-years of employment over the estimated 10-year build period. These jobs will span various industries, including construction, engineering, and professional services, creating significant employment opportunities within the region.

Beyond the construction phase, the project's commercial centre will deliver enduring economic benefits. Once operational, the commercial hub is projected to contribute \$24 million annually to Canterbury's GDP, sustaining approximately 462 full-time equivalent jobs per year. These ongoing employment opportunities will support local businesses and enhance the economic vitality of the surrounding community.

Proposals that increase development capacity, such as the Ōhoka Residential Subdivision project, play a crucial role in increasing housing supply, addressing any shortfalls and housing needs and contributing toward a well-functioning urban environment. By providing additional residential land supply, the project will enhance housing choice, improve affordability, and contribute to a more competitive land market, aligning with the strategic objectives of urban growth planning.

At a broader level, the Project is likely to generate significant benefits at the regional level, such as improved housing supply resilience, increased labour market mobility, and direct and flow-on economic benefits (contribution to regional GDP and employment). Having reviewed the economic costs assessed in the accompanying Savvy Consulting report, which identifies only less than minor to minor adverse effects, we confirm that the net economic benefits of the Project, after accounting for those costs, remain substantial and regionally significant.

Given the substantial economic benefits, the direct contribution to addressing Waimakariri District's housing affordability challenges, and the alignment with the purpose of the Act, we conclude that the benefits of the Ōhoka Residential Subdivision project are significant.



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 proposed at 104 Ryans Rd. 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.