

PROPERTY **E**CONOMICS



RIDGEBURN ARROWTOWN JUNCTION

FAST TRACK APPLICATION

ECONOMIC IMPACT ASSESSMENT

Client: Ridgeburn Limited

Project No: 52509

Date: March 2026



SCHEDULE

Code	Date	Information / Comments	Project Leader
52509.20	March 2026	Report	Phil Osborne / Tim Heath

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1. INTRODUCTION

Property Economics have been commissioned to summarise the economic impacts that are estimated to flow from the proposed development (the **Project**) by Ridgeburn Limited to construct a total of approximately 1,240 dwellings at 122 Morven Ferry Road, Arrow Junction, Queenstown Lakes.

LOCATIONAL CHARACTERISTICS

The site is located within the wider Arrowtown-Frankton growth corridor of the Queenstown Lakes District, an area anticipated to experience sustained residential growth supported by strategic transport infrastructure and close proximity to key employment nodes.

In terms of connectivity and accessibility, the site benefits from its proximity to State Highway 6, which provides a critical north-south transport link between Arrowtown, Frankton, Queenstown Airport, and Queenstown Town Centre. This strategic corridor enables efficient access to a broad range of established amenities and employment areas, including the 5-Mile, Frankton, the Queenstown Airport and Remarkables Park commercial precincts, and their wider tourism-related employment base that drives the district's economy.

Collectively, these established centres are able to accommodate the majority of higher-order retail, commercial, and service needs of future residents of the proposed development, helping to minimise travel distances, reduce reliance on private vehicle trips, and support positive community and economic outcomes.

Overall, from an economic perspective, the site exhibits strong district and regional connectivity and functional integration with established centres and employment areas, reinforcing its suitability for urban development and its potential to support a mixed range of activities.

PROJECT DESCRIPTION

The Project includes the construction of 180 higher density 'more affordable' dwellings and 1,062 houses.

The 180 'more affordable' dwellings comprise two categories:

- 45 (25%) dwellings to be sold at more affordable price points; and
- 135 (75%) dwellings be operated as more affordable rental units for a period of 10 years at 90% of median market rental rates, before being subsequently sold at the more affordable price points (adjusted for median house price increases).

Below are proposed typologies and price points of the 'more affordable' homes:

Typology	Total # dwellings	Sale price point*	Rental price point (\$ per week) **
One-bedroom home with carpad	54	\$599,000	\$540
Two-bedroom home with garage	46	\$899,000	\$702
Three-bedroom home with garage	12	\$999,000	\$878
Two-bedroom with rear yard / front patio	16	\$779,000	\$675
Dual-Key with car park	52	\$749,000	\$666

* Following the 10-year rental period, the rental units will be sold. At this time, the homes will be valued applying the sale price in the table above as the starting point and adjusted based on Quotable Value's House Price Index for Queenstown Lakes District. ([QV House Price Index](#)). For example, the latest index for the district is 2,980, whereas it was 2,903 at the latest valuation date, implying a price increase of 2.65%¹.

** For the first 12 months, thereafter, increases in rent will be benchmarked against the district's median weekly rent increase over the preceding year

In addition, the Project includes the proposed commercial precinct of approximately 8,250sqm of GFA for commercial, retail and community tenancies, and approximately 8,950sqm GFA for visitor / worker accommodation located at the northeastern corner of the site. The retail /

¹ If the QV House Price Index is no longer available or is not kept up to date at the time of the sale, a comparable public index will be used. If no such index is available for the Queenstown Lakes District, then the developer will obtain sales data and assess the market movements themselves using the Sales Price Appraisal Ratio (SPAR), which is the method recommended by the RBNZ. [Microsoft Word – AN Evaluating alternative monthly house price measures for NZ FINAL.docx](#)

commercial component of this precinct equates to 3,400sqm GFA excluding the supermarket. The commercial precinct includes:

- Supermarket: 3,650sqm
- Daycare: 750sqm
- Worker / Visitor Accommodation: 8,950sqm
- Community Hall / Gym: 450sqm

CONSIDERATIONS UNDER THE FAST-TRACK APPROVALS ACT

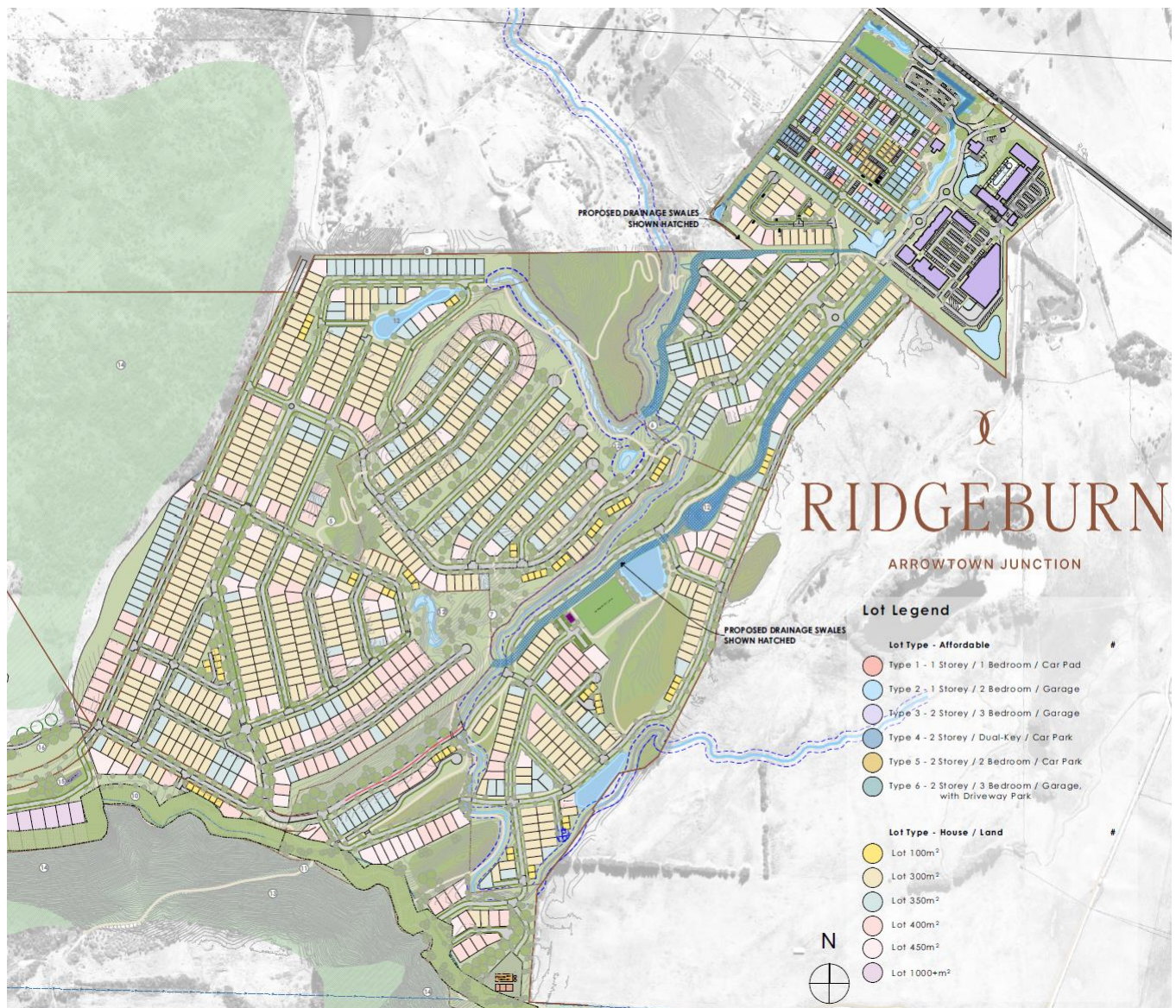
This EIA is designed to provide an economic assessment in terms of the Fast-Track Approvals Act (2024) (**'the FTAA'**) based around economic injection, employment, and scale of economic impacts / benefits for the economy.

Provisions of the FTAA that are directly relevant to this report include:

- Section 3 which states that, *"the purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits."*
- Section 81 which provides that when making a decision on a substantive application, a panel must consider the extent of the project's regional or national benefits.
- Section 85 which provides that a panel may decline an approval where it forms the view *"adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits"* (after taking into account conditions the panel may set in relation to adverse impacts).
- Schedule 5 Clauses 5(4) and 6 require a consent application to include an assessment of the activity's actual or potential effects on the environment. Schedule 5 Clause 7 outlines this assessment must include any effect on the people in the neighbourhood and, if relevant, the wider community, including any social, economic or cultural effects.
- Schedule 5 Clauses 5(1)(h) and 5(2) requires an assessment of the activity against relevant documents including the National Policy Statement on Urban Development 2020 (**"NPS-UD"**)).
- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.

Figure 1 following provides an outline of the site master plan of the proposed development.

FIGURE 1: PROPOSED DEVELOPMENT SITE MASTER PLAN



Source: Novak + Middleton Limited & Ridgeburn Limited

2. EXECUTIVE SUMMARY

The Project seeks to construct approximately 1,240 dwellings (including 180 'more affordable' homes) and a mix of commercial, retail, recreational spaces and workers accommodation activities within circa 200ha of land to the south of Arrow Junction in the Queenstown Lakes District. For context, this development, if enabled, would account for approximately an entire year of the district's average annual residential consents.

The total economic impact on business activity within Otago Region as a result of the proposed development is summarised in the following table.

Snapshot of Key Economic Benefits:

Estimated Quantitative Economic Impacts on Otago Regional Economy:	
Total direct capital expenditure over 7-year development period ² (excl. land)	\$997m
Total NPV ³ contribution to GDP at 8% over a 7-year development period	\$642m
Total NPV contribution to GDP at 2% ⁴ over a 7-year development period	\$864m
FTEs ⁵ during the peak development year	1,462 FTE years
Total FTE years over the 7-year development period	6,554 FTE years
Total direct employment over the development period	2,888 FTE years
Total indirect and induced employment over development period	3,666 FTE years

In addition to these quantifiable regional contributions, the Project is likely to generate a wide range of (non-monetised) qualitative economic benefits for the broader market and communities, including:

- Increased housing supply and residential land capacity
- Increased and diversified choice of housing location and price point
- Potential for lower housing prices through increased competition, increased supply and improved affordability in the region

² Note that 7-year period assessed in this EIA does not represent a full 7 years of active economic activity, as the first year is primarily allocated to pre-construction activities such as planning, design work, procurement and contracting rather than actual construction.

³ Net Present Value

⁴ Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development

⁵ NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.

- Increased economic activity through increased construction and contributions to local employment, both during the development period and ongoing.
- Better utilisation of the existing infrastructure, facilities, services and amenities already provided in Queenstown by way of increased population growth.
- Impetus for greater levels of local and regional growth
- Improved convenience and amenity values at a localised level to minimise additional trip generation
- Delivering (more affordable) capacity with greater certainty
- Supporting the tourism economy with workers accommodation

The Queenstown Lakes residential market is unique due to its strong tourism orientation, high levels of investment-driven demand, and significant population and purchaser inflows from both New Zealand and overseas. A large share of homes therefore function as holiday houses or short-term rentals, increasing the demand for housing beyond the needs of permanent residents and workers. Combined with geographic constraints and high building costs, these factors create a distinctively pressured market with more constrained supply and affordability challenges than most other districts.

Based on our analysis, over the past two years, only 646 residential properties in the Queenstown Lakes District were sold for less than \$1 million, accounting for just one quarter of total market transactions. This highlights a persistent and substantial shortage of housing within an accessible price range for many households.

Rental affordability also remains as a major challenge for residents and workers, with the district's rent-to-income ratio currently sitting at 36%, compared with a national average of 28%. Over the last four years, the median rent has gone up around \$300 a week, equating to a significant growth of around +60%. This steep growth reflects both the rebound of the local economy and the persistent undersupply of rental housing. Against this context, the committed delivery of 45 homes priced between \$599,000 and \$999,000 represents a significant and urgently needed contribution to the district's constrained supply of more affordable housing.

These 'more affordable' homes would increase the number of below-\$1m sales relative to recent market volumes, an impact that is both material and strategically aligned with the district's affordability objectives. This impact will be reinforced over the medium term as the 135 homes identified as being more affordable rentals for a period of 10 years ultimately come to market at these lower price points, adjusted solely for comparable median house price growth over that period.

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Likewise, the identification of 135 dwellings as more affordable rentals (which will ultimately be sold at a lower price point) will stabilise the rental market by improving overall supply responsiveness, tempering rapid rent escalation, and supporting a more resilient and sustainable local labour force.

Based on Ridgeburn's proposed rent setting for the 'more affordable' product at 90% of the median rent for an equivalent typology, then a 2-bedroom property would be priced at \$693 per week based on current rental markers, a saving of \$77 per week or \$4,000 per year. Over 10-year period this would equate to a saving of \$40,000 per household.

The latest Queenstown Lakes District HBA 2025 indicates that there is a significant shortfall of infrastructure serviced housing capacity to meet the projected demand within the district over the short term (by 2026). Although the assessment suggests that theoretically, the planned infrastructure investment will open up sufficient capacity over the medium term, the HBA has not taken transportation infrastructure constraints into account, nor does the capacity necessarily address the affordable housing gap.

Furthermore, transportation constraints aside, there remains significant shortfalls in the supply of detached standalone dwellings in the greenfield areas of both the Wānaka and Wakatipu wards. Developers seeking to meet this need may produce a significantly lower housing density on existing greenfield sites than modelled, thereby lowering the overall capacity significantly.

A further concern is that the HBA's approach to estimating Reasonably Expected to be Realised (RER) Capacity would appear optimistic, with almost all feasible sites likely to also be deemed realisable. This assumption is problematic when considering existing urban capacity, which is heavily reliant on landowner motivations. Quite simply, an assumption all owners of feasible redevelopment sites will elect to sell to developers, or all be willing to subdivide off the back section of their site even if it were feasible to do so is an unrealistic basis for capacity modelling. It would be unrealistic to assume full uptake of redevelopment and infill opportunities. Consequently, the stated RER for the Urban Capacity appears to be implausibly optimistic across the Short, Medium and Long Term.

Cumulatively, the undersupply of land-intensive standalone housing, the failure to incorporate transportation constraints, and the unduly optimistic / unrealistic RER assumptions raise significant doubt as to whether Queenstown's housing supply will be sufficient to meet projected demand.

Overall, the 'more affordable' aspects of the Project represent a timely, well-targeted approach in an increasingly unaffordable housing market (including rental market). By boosting the below-\$1m housing stock and enabling earlier delivery and proposing an affordable rental component, the Project has potential to play a significant role in easing housing and rental affordability pressures in both Queenstown Lakes and the wider Otago Region.

Furthermore, in a tourism-oriented market with a high proportion of lower paid tourism and hospitality employment, more affordable rental product and worker / visitor accommodation is critical to servicing the region's ongoing economic and tourism growth. It would also potentially reduce seasonal labour shortages and improve staff retention by offering more affordable, accessible housing options.

Additionally, the proposed commercial component will function as a small, local convenience centre complementing the existing centre hierarchy, serving the localised catchment and reducing the need for longer trips for daily shopping. Delivered in accordance with the wider Ridgeburn development, it fills a gap in local convenience provision, generating market and transport efficiencies. By providing a local convenience centre within Ridgeburn, economic and market inefficiencies can be addressed, day-to-day retail needs can be met closer to home, and the development supports a more self-contained, accessible, and resilient local community.

Overall, these economic benefits, in conjunction with the development's quantified economic injection into the regional economy and employment opportunities, would outweigh the economic costs associated with the loss of rural land, and impact on existing residential land uptake and intensity impetus.

Property Economics considers that advancing the proposed development would yield significant economic benefits for the regional economy and community. Overall, our assessment supports the proposed development from an economic perspective in the context of the RMA and FTAA.

3. DATA SOURCES AND GLOSSARY

3.1. STATEMENT OF EXPERIENCE

Philip Osborne - I am an economic consultant and Director of Property Economics Limited, based in Auckland. My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors.

I have extensive experience and frequently commissioned to provide Environment Court expert evidence. I have undertaken numerous Economic Impact Assessments for fast-track applications (under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA).

Tim Heath – I am founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients. My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and frequently commissioned to provide expert evidence in the Environment Court. I have also been involved in undertaking economic assessments for dozens of Fast Track applications under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA.

3.2. CODE OF CONDUCT

Although this Application is not before the Environment Court, we have approached this EIA on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

We therefore confirm that we have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that we have complied with it in preparing this EIA. We confirm that the issues addressed in this EIA are within our area of



expertise, except where we have indicated that we are relying on others’ opinions. We have not omitted material facts known to me that might alter or detract from this EIA.

3.3. INFORMATION AND DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Average House Price Trends - Cotality & Opes Partners
- Average Household Income - Infometrics
- Business Frame Data - Stats NZ
- Housing Affordability Report Q2 2025 – Cotality
- Input / Output Tables - Stats NZ
- New Zealand 2023 Census Data – Stats NZ
- Proposed Development Costings – Ridgeburn Limited
- Queenstown Lakes District Housing and Business Development Capacity Assessment 2025 - M.E
- Queenstown Lakes Tourism GDP – Infometrics
- Rental Price Trends – Cotality & Opes Partners
- Residential Building Consents Data – Stats NZ
- Residential Sales Data (1 Dec 2023 – 20 Nov 2025) – Cotality
- Site Master Plan – Novak + Middleton Limited & Ridgeburn Limited
- The Queenstown Lakes Spatial Plan (July 2021) – Queenstown Lakes District Council
- Average Weekly Rent Article (December 2025) – Stuff
- Soil and Resource Report for 122 Morven Ferry Road, Arrowtown (April 2025) – Hanmore Land Management

3.4. GLOSSARY OF TERMS

Below is a list of terms relevant to this economic impact assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This does not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
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ANZSIC	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	capital expenditure
Direct economic impacts	derived from the actual spending / expenses incurred through the construction of the anticipated development
Economic benefits	refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy. These benefits may be expressed in financial or non-financial terms. In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.
Economic costs	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.
Employment multipliers	the level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee
Indirect economic impacts	the increased spending brought about by those firms / households and their employees / occupants, who supply the development
Induced economic impacts	measured in terms of the additional income that will be spent in the area due to increased business activity.
GDP	gross domestic product
Net Present Value (NPV)	the present value of future cash inflows and / or cash outflows after accounting for the time value of money.
Transaction costs	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

4. ECONOMIC CONTEXT

In assessing the potential economic impacts, it is important to first establish the context in which they will be assessed. This is particularly important in the assessment of a project under the FTAA where a key assessment criterion is the relative 'scale' and whether something is noteworthy within the associated region being used to consider its level of effect. For the purposes of this assessment the three important parameters are:

- 1) The geospatial extent of the economic impact. While facilitation of additional business development and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Otago Region. As identified, for the purposes of this assessment, the extent of economic impacts is focussed on the retention⁶ of economic activity within this area.
- 2) The economic impacts are those resulting from the construction of the residential and commercial development over the expected seven-year period construction period.
- 3) Regarding statutory considerations, the RMA provides context in terms of the utilisation of resources and the resulting impact on their price and provision. It calls for the "*efficient use and development of natural and physical resources*" (Part II section 7 (b) RMA).

This can be considered from the perspective of economic efficiency which can be defined as "*the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs*".

The proposed Project is likely to have economic impacts that are felt beyond the specific benefits within the region. Additionally, as addressed in the various environmental assessment reports prepared in support of the application there are likely to be other non-economic effects that may result in further economic impacts. These other potential further economic impacts are excluded to avoid double counting of effects. For the most part, these other, non-economic effects, e.g., environmental effects, have not been addressed in this report.

⁶ In this context retention relates to the level of direct spend that is attributable to the Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.

⁷ Pass, Christopher and Lowes, Bryan, 1993, *Collins Dictionary of Economics* (2nd edition), Harper Collins, Page 148

5. TOTAL ECONOMIC ACTIVITY

5.1. TOTAL OTAGO ECONOMIC ACTIVITY

Table 1 following outlines the resulting impacts on the Otago regional economy as a result of the development. As well as Regional Impacts, the table demonstrates how the direct expenditure and employment (FTE years) are broken down between different aggregated sectors. An explanation of how the outputs in Table 1 were calculated is provided in Appendix 2.

TABLE 1: TOTAL GROSS OTAGO REGIONAL ECONOMIC INJECTION OF PROJECT (\$M)

	2026	2027	2028	2029	2030	2031	2032	Total
Direct Expenditure (\$m)								
Land								
Earthworks / Civil Works		\$33.1	\$57.9	\$24.8	\$33.1	\$16.5		\$165
Civil Consultants	\$4.2	\$8.5	\$2.1	\$4.2	\$2.1			\$21
Other		\$7.4	\$11.1	\$18.6	\$14.8	\$14.8	\$7.4	\$74
Infrastructure								
Total Development Costs (excl. land)	\$4.2	\$49.0	\$71.1	\$47.6	\$50.0	\$31.3	\$7.4	\$261
Total Construction		\$23.2	\$92.7	\$154.5	\$130.3	\$159.3	\$154.5	\$715
Total Construction and Development Costs (excl. Land)	\$4.2	\$72.2	\$163.8	\$202.1	\$180.3	\$190.6	\$161.9	\$975
Increased Local Spend*			\$1.4	\$2.9	\$4.4	\$5.9	\$7.4	\$22
Total Direct Expenditure (excl. land)	\$4.2	\$72.2	\$165.2	\$205.0	\$184.7	\$196.5	\$169.3	\$997
Level 2 Multiplier Impacts								
Total Otago Output NPV (48 sector multipliers)**	\$3.1	\$52.9	\$118.3	\$141.2	\$116.0	\$116.4	\$94.5	\$642
Household Income								\$360
Employment (FTE Years)								
Development Employment	42	490	695	448	430	255	57	
Construction Employment		120	476	767	599	694	642	
Other Employment	8	53	216	247	133	111	70	
Total Employment (FTE years)	50	663	1,387	1,462	1,162	1,060	769	6,554

Source: Property Economics

* Increased Local Spend by residents, employees, construction workers and additional local business spend through the different stages of development.

**The impacts on Otago as a result of direct, indirect and induced activities (see Appendix 2)

Two key values are represented in Table 1. The Project will generate a direct expenditure of approximately \$997m which represents the total cost of the development (excluding land). The Project will result in approximately \$642m of total value added (GDP) for Otago Region over the life of the development timeframe of 7 years.

The Project will also contribute an estimated 1,462⁸ jobs during the peak construction year within the Otago Region, with a total number of approximately 6,554 FTE years over the development timeframe.

⁸ NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

5.2. ASSUMPTIONS

The following assumptions have been applied in this impact analysis in order to assess the level of economic injection into the overall economy at this time. This has some (limited) impact on the distributional effects of the costs and benefits but can be quickly adjusted to accommodate more specific construction and on-going costs and injections.

1. For the purposes of this EIA, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'residential construction', 'non-residential construction', 'non-building construction', 'other construction services'.
2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2023 data. However, employment data has been updated as per the Statistics NZ Business Frame data⁹ to March 2025.
4. This report deals with the economic impact of proposed development on the associated region. These are specifically the direct impacts related to the construction of the proposed development.
5. The economic activity assessed by the EIA is based on the development's gross activity and does not consider this redirecting growth opportunities from elsewhere in the catchment. The general extent of this potential redirection is considered separately in this report.
6. For the purposes of this report an 8% discount rate has been applied, consistent with the default rate for commercial proposals set by the Treasury¹⁰. Additionally, a 2% discount rate has been applied as a sensitivity test, also directed by Treasury.
7. Labour movements are based on average retention rates rather than specific company locations.
8. The proportion of materials and labour internalised in direct benefits to Otago are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Otago are based on the movement of resources (including labour) between other regions.

⁹ Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

¹⁰ <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>

This economic impact estimates the total additional gross economic output¹¹ into the Otago regional economy that would be facilitated by the Project. The initial specifications and details have been provided by the applicant and represent the development's configuration and costings at this point in time. The following quantified EIA is not site specific but specific to the Project, i.e. the estimated economic impacts are not tied to the subject land, and the related development is not dependent on any particular location. Benefits and costs associated specifically to this site are addressed later in the report.

The assessment has not endeavoured to identify the extent to which particular parts of the Otago Region will benefit economically. It assesses the likely economic impacts upon aggregate Otago business activity given the composition of the development proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes the construction costs (CAPEX¹²) of the facilitated activities and the proportion of those costs that are retained within the Region.

The direct economic impacts are derived from the actual spending / expenses incurred through the development and construction period of the proposed development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development.

Induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

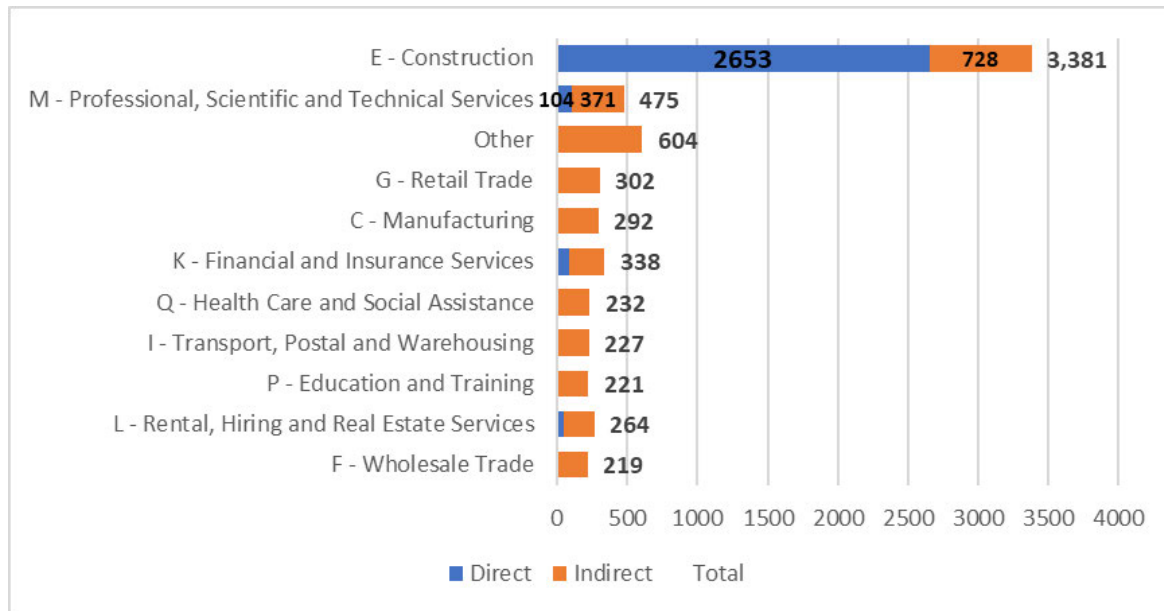
5.3. TOTAL OTAGO DIRECT AND INDIRECT EMPLOYMENT

Figure 2 below shows how Direct and Indirect (including induced) FTE employment from the Project is anticipated to be disaggregated across sectors over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services), and the impact of the Project across a range of sectors through the generation of indirect employment.

In total, there is estimated to be 2,888 FTE years directly generated by the Project. In addition, the flow on indirect and induced activity of the Project will also generate around 3,666 FTE years

¹¹ For example, this has not taken into account the short-term loss of operational employment currently on site

¹² CAPEX – Capital Expenditure

FIGURE 2: OTAGO EMPLOYMENT GENERATION BY SECTOR (DIRECT, INDIRECT AND INDUCED)

Source: Property Economics

5.4. SENSITIVITY ANALYSIS

The Treasury's most recent review (February 2025) sets discount rates for commercial proposals at 8% (applied in the earlier analysis), with a mandatory sensitivity test at 2%¹³. In this section, sensitivity testing is undertaken using the 2% discount rate to quantify the scale of the Project's economic contribution to the Otago regional economy under this scenario.

The results indicate that, when applying the Treasury's mandatory 2% discount rate, the proposed development at the subject site is estimated to generate approximately \$864m in total business activity across the Otago Region over the full development timeframe.

TABLE 2: PROJECT SENSITIVITY ANALYSIS (2% NPV)

Discount Rate	Total Otago Region Output NPV (\$m)							Total
	2026	2027	2028	2029	2030	2031	2032	
2%	\$3.3	\$60.0	\$143.0	\$181.8	\$159.1	\$170.0	\$147.1	\$864

Source: Property Economics

¹³ Source: <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>

6. RESIDENTIAL MARKET OVERVIEW

6.1. DEMOGRAPHIC PROFILES AND RESIDENTIAL DEMAND DRIVERS

The key demographics shown in Table 3 illustrates how Queenstown Lakes District stands out as one of New Zealand's most distinctive housing markets.

Although average household incomes are roughly 30% above the national average, they are significantly outweighed by exceptionally high house prices, which are nearly twice the national level. This reflects the district's premium property market, influenced by strong domestic and international demand, high amenity value, limited developable land, and a large share of investment and holiday homes. As a result, despite higher incomes, home ownership and rental affordability remain major challenges for residents and workers.

TABLE 3: KEY DEMOGRAPHIC PROFILE – QUEENSTOWN LAKES VS NZ

	Queenstown Lakes District	New Zealand Overall
Average household income (Mar 2025)	\$126,000	\$96,950
Average house price (Mar 2025)	\$1,819,170	\$913,390
Dwelling occupancy status (2023)		
Occupied dwelling	69%	88%
Residents away	13%	6%
Empty dwelling	14%	5%
Dwelling under construction	3%	1%
Residence five years ago (2023)		
Same a usual residence	32%	45%
Elsewhere in NZ	54%	45%
Overseas	8%	4%
Not born five years ago	5%	6%

Source: Stats NZ, QV, Infometrics

As indicated in Table 3, only 69% of dwellings are occupied (a proportion well below the national average of 88%) while Queenstown has a much higher proportion of empty dwellings (14%) and homes where “residents are away” (13%). These trends indicate the prevalence of part-time residents, holiday homes, and homes used for visitor accommodation. Such patterns dilute the housing supply available for permanent residents and contribute directly to housing scarcity and elevated prices.

Migration patterns also distinguish Queenstown Lakes from the rest of the country. Only 32% of residents lived in the same dwelling five years earlier, compared to 45% nationally, while more than half moved from elsewhere in New Zealand. This higher mobility reflects Queenstown's large transient workforce and its attraction to migrants seeking employment or lifestyle opportunities. The elevated share of overseas movers also highlights the district's (relative) global appeal.

However, the prevalence of unoccupied or part-time dwellings, elevated house prices, and strong population turnover create acute pressure on housing affordability, worker accommodation, and essential community infrastructure. These conditions highlight the need for diversified and more affordable housing options that support resident stability, and developments that better accommodate the needs of the permanent workforce who underpin the district's economic and social wellbeing.

In January 2025, the Council's report "*The Housing Challenge in Queenstown Lakes*" identified the following factors shaping the district's residential market:

- 1) *High demand from across NZ and overseas*
- 2) *High building costs due to scale and location*
- 3) *Infrastructure deficit: debt limits restrain investment needed to enable more housing*
- 4) *Tension between protecting the character of the district and the landscape, and providing more and higher density homes*
- 5) *Holiday homes / investment properties left empty or let out short-term when not in use*
- 6) *Ease and profitability of short-term letting*

Cumulatively, these factors shape residential market trends in the district and are critical considerations when assessing the economic benefits of the proposed development, particularly its potential to better accommodate the diverse housing needs of the community.

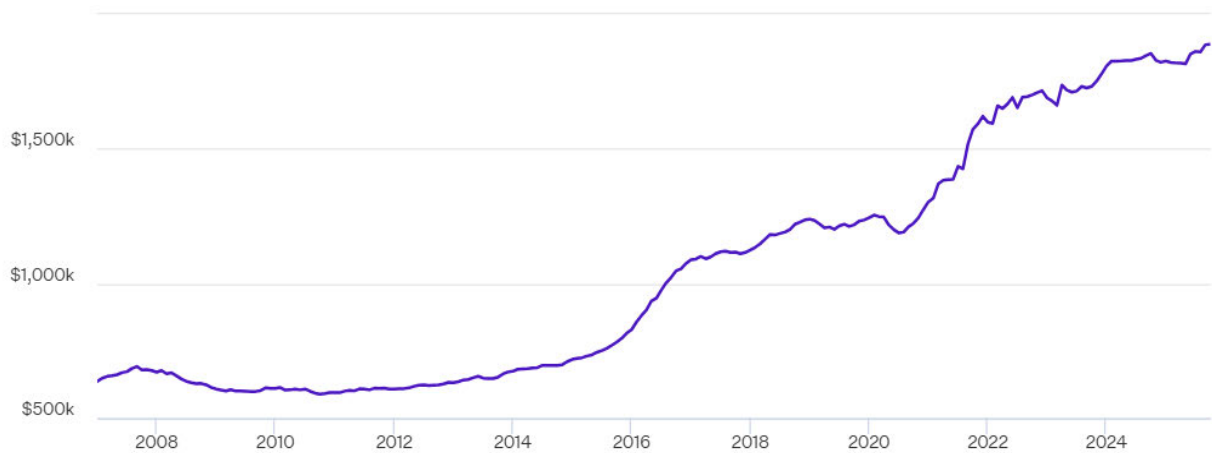
6.2. HOUSE PRICE AND AFFORDABILITY TRENDS

The following analysis provides a high-level overview of residential market trends in the Queenstown Lakes District (the relevant market for the Project), helping to contextualise the economic efficiency and benefits of the Project in delivering additional and 'more affordable' residential capacity to both the district and the wider regional housing markets.

Figure 3 shows that the average house prices in the Queenstown Lakes District rose by an average of +6.78% per year over the 20-year period from October 2005 to October 2025¹⁴. The average house price in the district is now approximately \$1.9m, a significant +141% higher than 10 years ago (late-2015). As a result, the district's house prices are about +34.7% higher when indexed against NZ's average house price, according to REINZ and Opes Partners data¹⁵.

¹⁴ Source: <https://www.opespartners.co.nz/property-markets/otago/queenstown-lakes>

¹⁵ Source: <https://www.opespartners.co.nz/over-under-valued/queenstown-lakes-district>

FIGURE 3: QUEENSTOWN LAKES AVERAGE HOUSE PRICES TREND OVER THE LAST DECADE

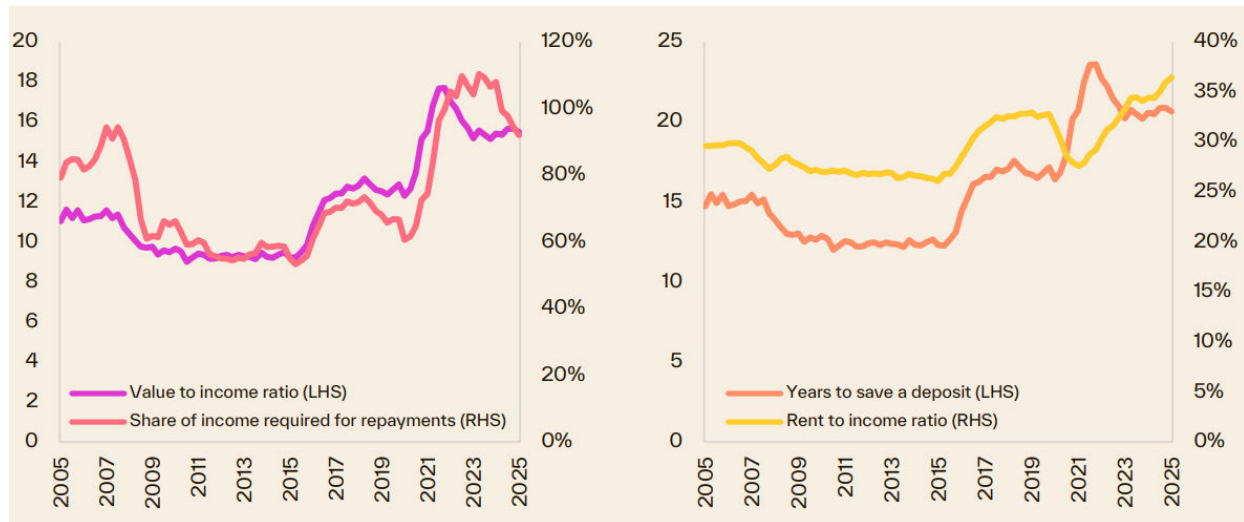
Source: Cotality, Opes Partners

In addition, Cotality's latest Housing Affordability Report 2025¹⁶ (released in August 2025) highlights the district's continuing housing affordability challenges, identifying it as one of the top districts with the most severe unaffordability issues.

The key metrics / measures provided in this report include:

- As at Q2 2025, the district's current (median house) value-to-income ratio is estimated at approximately 15.5%, representing a +3.7% increase over the past 20 years and nearly double the current national average of 7.3%.
- The proportion of income needed for mortgage repayments is around 92%, up roughly +42% from its low point of about 50% in 2016. By comparison, the current national figure is approximately 44%.
- It now takes residents around 20.6 years to save for a deposit, an increase of 7.4 years from the minimum of around 12 years recorded in 2016. For context, the national average is about 10 years, roughly half the time required in the district.
- The district's rent-to-income ratio currently sits at 36%, about 8% higher than the national average of 28%.

¹⁶ Source: <https://www.corelogic.co.nz/news-research/reports/housing-affordability-report>

FIGURE 4: HOUSE AND RENT AFFORDABILITY MEASURES FOR QUEENSTOWN LAKES DISTRICT

Source: Cotality

Although the district's housing unaffordability is not solely driven by planning or infrastructure constraints, given the additional demand from non-resident buyers, the proposed scale of additional residential land supply and capacity will play a significant role in alleviating affordability pressures. This increase in supply, including the committed supply of 180 'more affordable' dwellings within the Project, will place downward pressure on the district's housing trends. Such outcomes hold broader regional significance for the Otago residential market.

To provide context on recent residential supply within the district, Table 4 below summarises residential sales by price band, based on Cotality sales data covering the two-year period from 1 December 2023 to 20 November 2025. During this period, a total of 2,612 property transactions were recorded across the Queenstown Lakes District.

The data highlights a significant skew in the district's residential property market toward high-end housing, with approximately three-quarters of all sales occurring above \$1m. Based on reported household incomes and applying standard debt-servicing benchmarks, over 60% of households within the district would not be expected to qualify for lending sufficient to purchase within this price bracket without supplementary funding sources or a deposit exceeding 20%. This makes the goal of home ownership increasingly inaccessible for first-home buyers and the resulting impact the high house prices have on rents adversely impact lower income households (as evidenced by the increasing rent to income ratio).

This skew is also evident within the newer builds¹⁷ segment of the market. While newer dwellings account for a portion of sales below \$1 million, their overall contribution to affordable

¹⁷ Note that for the purpose of this analysis, 'Newer Builds' are defined as properties constructed in and after 2022, while properties constructed before 2022 are categorised as 'Older Homes'

supply remains limited in absolute terms. Specifically, newer builds over \$999,000 accounted for only 16% of the total market, while newer builds priced below \$749,000 accounted for just 4.5% of total sales. Even when including sales up to \$899,000, newer builds accounted for less than 10% of total sales, highlighting the scarcity of newly constructed homes at accessible price points.

TABLE 4: QUEENSTOWN LAKES RESIDENTIAL SALES BY PRICE BRAND (1 DEC 23 – 20 NOV 25)

Price Band	Total Sales (No.)	Total Sales (%)	Newer Build Sales (No.)	Newer Builds as Share of Total Sales (%)
<\$600,000	153	5.9%	67	2.6%
\$600,000 – \$749,999	103	3.9%	50	1.9%
\$750,000 – \$779,999	29	1.1%	8	0.3%
\$780,000 – \$899,999	221	8.5%	124	4.7%
\$900,000 – \$999,999	140	5.4%	23	0.9%
Subtotal <\$1m	646	24.7%	272	10.4%
>\$1m	1,966	75.3%	413	15.8%
Total	2,612	100%	685	26.2%

Source: Cotality, Property Economics

Over the past two years, only 646 residential properties in the Queenstown Lakes District were sold for less than \$1 million, accounting for just 25% of total market transactions. This demonstrates that, notwithstanding some lower-priced new-build activity, the overall volume of housing available below \$1 million remains highly constrained.

In this context, the Project's committed delivery of, ultimately (after the 10-year period), 180 new homes priced between \$599,000 and \$999,000 (i.e., 646 sales) represents a material increase in the absolute supply of more affordable / serviceable housing. While the Project is not intended to replicate or exceed the proportional share of lower-priced dwellings observed within recent new-build sales, it would make a meaningful contribution in volume terms.

Specifically, the delivery of 180 'more affordable' homes would increase the number of below-\$1m sales by nearly +28% relative to recent market volumes, an impact that is both material and strategically aligned with the district's affordability objectives.

The impact of the 10-year rental component of the more affordable housing is addressed further in section 6.5 below.

Accordingly, the Project responds directly to the structural imbalance evident in the district's housing market by expanding the supply of housing in price ranges that are currently underrepresented, particularly at a scale sufficient to influence overall affordability outcomes rather than relying on incremental delivery.

Approval of the fast-track consent would enable a developer with the capacity and intent to proceed to deliver this critical housing supply into Queenstown's housing market. Delayed delivery would also risk exposing the Project to rising construction costs and market shifts,

further undermining development feasibility and the delivery of the more affordable homes to the market.

Additionally, the Project benefits from being landowner-led and directly developed being a vertically integrated development company¹⁸, which could reduce costs, enhance delivery certainty and potentially mitigate the risks associated with speculative or market-driven delays.

This direct delivery model would ensure that the committed supply of 'more affordable' housing is brought to market efficiently, reliably, and within a shorter timeframe. The shortage of affordable homes in the district is further highlighted in the latest Queenstown Lakes Housing and Business Capacity Assessment (HBA). Section 12.2.5 notes the following:

"There are expected shortfalls in the lower dwelling value bands. These mostly occur in value bands of up to \$500,000, with shortfalls also occurring within the \$600,000 to \$700,000 dwelling value bands. The cumulative shortfall across these bands amounts to an estimated 3,120 dwellings in the short-term, increasing to a shortfall of 5,150 dwellings in the long-term."

6.3. QUEENSTOWN HOUSING CAPACITY ASSESSMENT SUFFICIENCY

Table 5 shows the key sufficiency tables from the Queenstown Housing Capacity Assessment 2025 for the Short, Medium and Long Terms.

At the district level, capacity shortfalls are projected over the short term (to 2026), particularly within in Wakatipu Ward, which has a shortfall of 1,200 dwellings.

Over the medium (to 2033) and long term, the additional infrastructure is reportedly sufficient to unlock the required development capacity. However, there remains a shortfall of detached standalone dwellings in greenfield areas. This typology is typically more land-intensive and greenfield developers seeking to meet this demand are likely to develop at significantly lower intensities than modelled.

Furthermore, the HBA makes clear that only water and wastewater infrastructure constraints have been incorporated into the capacity modelling¹⁹. This is despite transportation being identified, on the very next page, as one of the most significant constraints on urban development *"The district has significant capacity limitations within the road network infrastructure, which are likely to be incorporated within subsequent assessment updates."*

While we acknowledge the difficulty in accounting for a constraint not entirely in Council's control (as significant roads are State Highways under NZTA's ambit), we cannot understate the

¹⁸ Vertically integrated in this context refers to a developer who sources, purchases and develops the land, and then builds the homes and sells directly to the market. This integrated development structure has the potential to save on developer margins all through the development process and sale of product to the market.

¹⁹ QLDC HBA 2025, pg. 92

significance of this omission. Excluding transport capacity from the assessment is likely to materially overstate Queenstown's effective development capacity to an unknown extent.

A further concern relates to the HBA's treatment of Reasonably Expected to be Realised (RER) capacity. The methodology states that Feasible Capacity and Market Realisable Capacity are calculated independently, with RER defined as the lesser of the two. However, as the HBA does not present a standalone Feasible Capacity figure, it is not possible to determine the extent to which the Market Realisable adjustment actually constrains or alters the Feasible Capacity estimate.

Based on our understanding of the stated methodology, it is likely that all but the smallest sites that are determined feasible will also have a market realisable option. The net result is that it would appear likely the RER is very close to the Feasible Infrastructure Ready Capacity, albeit this cannot be confirmed without a reported figure.

While such an outcome is theoretically possible, it does not reflect observed market behaviour. Even if all required infrastructure, including transport, were available immediately, site-specific constraints (e.g. access to capital, landowner motivations, and delivery sequencing) would be expected to extend the realisation of this capacity, particularly when considering capacity over the Short - Medium Term.

This assumption is more problematic when considering existing urban capacity, which is heavily reliant on landowner motivations. Quite simply, an assumption all owners of feasible redevelopment sites will elect to sell to developers, or all be willing to subdivide off the back section of their site even if it were feasible to do so is an unrealistic basis for capacity modelling. While the likelihood of redevelopment increases over the Long Term, it would be unrealistic to assume full uptake of redevelopment and infill opportunities. Consequently, the stated RER for the Urban Capacity would appear to be implausibly optimistic across the Short, Medium and Long Term.

Taken together, the undersupply of land-intensive standalone housing, the failure to incorporate transportation constraints, and the unduly optimistic / unrealistic RER assumptions raise significant doubt as to whether Queenstown's housing supply will be sufficient to meet projected demand. However, even under a modelled housing sufficiency, the benefits of market competition in Queenstown's pressured housing market cannot be understated. Moreover, the current and projected capacity may not address the district's pressing need for more affordable housing in the short, medium, and long term.

Consequently, in Property Economics' view, these findings indicate that additional residential capacity delivered by a developer able to service its own infrastructure requirements is essential to mitigate the risk of continued undersupply in Queenstown's already constrained housing market. Furthermore, there is a clear need for additional, more affordable housing options to improve accessibility and affordability outcomes for local households.

Taken together, the Project represents a timely, well-targeted approach in an increasingly unaffordable housing market. By boosting the below-\$1m housing stock and enabling earlier

delivery and including a more affordable rental product, the Project has potential to play a significant role in easing affordability pressures in both Queenstown Lakes and the wider Otago Region.

In a tourism-oriented market with a high proportion of lower paid tourism and hospitality employment, this is critical to servicing the region's ongoing economic and tourism growth. It would also potentially reduce seasonal labour shortages and improve staff retention by offering more affordable, accessible housing options.

TABLE 5: RESIDENTIAL CAPACITY SUFFICIENCY OF QUEENSTOWN LAKES BY AREA (HBA 2025)

Short-Term (by 2026)

Ward	Demand (incl. Margin)			RER Capacity (Baseline Scenario)			Net Sufficiency		
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
Wanaka Ward									
Existing Urban	180	90	280	420	70	480	230	30	200
Greenfield	790	250	1,000	240	780	1,000	560	530	30
Total Wanaka Ward	980	340	1,300	650	840	1,500	320	500	180
Whakatipu Ward									
Existing Urban	200	270	470	-	-	-	190	270	470
Greenfield	690	280	970	190	50	240	500	230	730
Total Whakatipu Ward	880	550	1,400	200	50	240	690	500	1,200
Total Urban Environment									
Existing Urban	380	370	750	420	70	480	40	300	260
Greenfield	1,500	530	2,000	430	820	1,300	1,100	300	750
Total Urban Environment	1,900	890	2,800	850	890	1,700	1,000	10	1,000

Source: QLDC Growth Model, 2025.

Medium Term (by 2033)

Ward	Demand (incl. Margin)			RER Capacity (Baseline Scenario)			Net Sufficiency		
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
Wanaka Ward									
Existing Urban	570	290	850	2,100	1,100	3,200	1,500	830	2,300
Greenfield	2,500	780	3,300	1,300	1,300	2,600	1,200	540	610
Total Wanaka Ward	3,000	1,100	4,100	3,400	2,400	5,800	340	1,400	1,700
Whakatipu Ward									
Existing Urban	680	960	1,600	1,800	2,000	3,700	1,100	1,000	2,100
Greenfield	2,300	930	3,200	1,400	4,100	5,500	920	3,200	2,300
Total Whakatipu Ward	3,000	1,900	4,900	3,100	6,100	9,200	160	4,200	4,400
Total Urban Environment									
Existing Urban	1,200	1,300	2,500	3,800	3,100	6,900	2,600	1,900	4,400
Greenfield	4,800	1,700	6,500	2,700	5,400	8,100	2,100	3,700	1,600
Total Urban Environment	6,000	3,000	9,000	6,500	8,500	15,100	490	5,600	6,100

Source: QLDC Growth Model, 2025.

Long Term (by 2053)

Ward	Demand (incl. Margin)			RER Capacity (Baseline Scenario)			Net Sufficiency		
	Detached	Attached	Total	Detached	Attached	Total	Detached	Attached	Total
Wanaka Ward									
Existing Urban	1,600	840	2,500	4,100	2,700	6,800	2,400	1,900	4,300
Greenfield	7,400	2,300	9,700	4,800	1,900	6,700	2,600	430	3,100
Total Wanaka Ward	9,100	3,200	12,200	8,800	4,600	13,500	230	1,500	1,200
Whakatipu Ward									
Existing Urban	1,800	2,500	4,200	1,300	3,500	4,800	440	990	550
Greenfield	7,500	3,000	10,500	6,500	5,000	11,500	950	2,000	1,000
Total Whakatipu Ward	9,200	5,500	14,700	7,800	8,400	16,200	1,400	2,900	1,600
Total Urban Environment									
Existing Urban	3,400	3,300	6,700	5,400	6,200	11,500	2,000	2,900	4,800
Greenfield	14,900	5,300	20,200	11,300	6,900	18,200	3,600	1,500	2,100
Total Urban Environment	18,300	8,600	26,900	16,600	13,100	29,700	1,600	4,400	2,800

Source: QLDC Growth Model, 2025.

Source: HBA 2025 (Table 11-1, Table 11-3, Table 11-5)

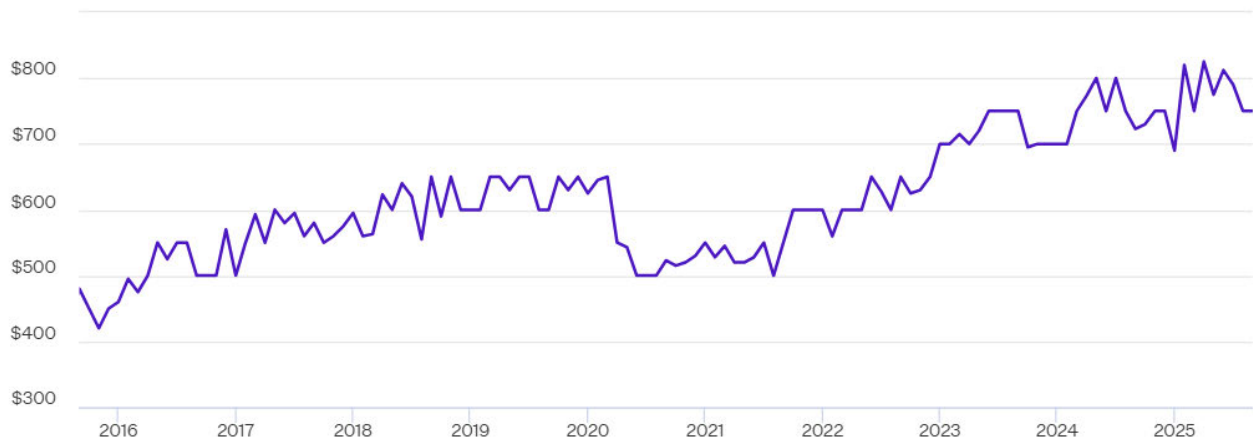
6.4. RENTAL MARKET TRENDS

The Queenstown Lakes rental market is unique within the country, characterised by sustained pressures that stem from its tourism-driven economy, limited land supply, and a highly mobile workforce. Demand is consistently elevated relative to supply, with seasonal fluctuations as workers move in and out of the district for hospitality, construction, and tourism roles. This creates a rental environment that is both high-priced and highly competitive, distinguishing Queenstown Lakes from more typical rental markets.

Median rent trends over the past decade, as shown in Figure 5, illustrate these features clearly. Between early 2016 and early 2020, median weekly rents rose steadily from around the mid-\$400s to approximately \$650, reflecting rapid population and tourism-driven growth. The sharp drop in 2020 to roughly \$500 per week aligns with the pandemic-driven collapse in visitor numbers and outbound migration of tourism workers.

However, rents stabilised and began rising again through 2021 and 2022, as the market adjusted and demand recovered. From 2023 onward, the market entered a period of accelerated rent growth, surpassing \$700 per week and reaching a peak at \$825 in mid-2025. As a result, over the last four years, the median rent has gone up around \$300 a week, equating to a significant growth of around +60%. This steep growth reflects both the rebound of the local economy and the persistent undersupply of rental housing.

FIGURE 5: QUEENSTOWN LAKES MEDIAN RENT TRENDS



Source: Cotality, Opes Partners

A recent article on Stuff.co.nz²⁰, based on more recent December 2025 data, stated average weekly rent in Queenstown reached \$891, \$200/week more expensive than anywhere else in NZ. This represents an 11.8% increase since December 2024. Over the same period, the national average weekly rent dropped 2.4% year-on-year.

²⁰ <https://www.stuff.co.nz/home-property/360921904/region-where-weekly-rent-200-more-expensive-anywhere-else-including-auckland>

The combination of constrained land, high amenity value, strong domestic and international demand, and a labour force tied closely to tourism means that rents are likely to remain elevated and volatile. These characteristics highlight the district's ongoing housing affordability challenges and reinforce the importance of developments that would expand supply, diversify housing typologies, and improve resilience to economic shocks.

In particular, increasing the supply of higher density and more affordable housing options would play a critical role in easing these pressures. Townhouses, and purpose-built rental developments (e.g. the worker and visitor accommodation and the more affordable rental dwellings) can deliver more homes within constrained urban areas, making more efficient use of scarce land resources and reducing the reliance on low-density housing typologies that are expensive to build and maintain.

For the district's large workforce, particularly those in hospitality, tourism, and service sectors, greater availability of smaller, well-located, and cost-effective homes would improve access to stable accommodation and reduce the financial burden of rent. Over time, this would help stabilise the rental market by improving overall supply responsiveness, tempering rapid rent escalation, and supporting a more resilient and sustainable local labour force.

6.5. 'MORE AFFORDABLE' RENT ANALYSIS

As part of the 'more affordable' dwellings, the rental product is envisaged as a significant component (75% or 135 dwellings) part of this offering. The purpose of this section is to outline potential approaches for defining an appropriate benchmark for assessing "market average" rent over the next 10-year period, to establish a transparent and verifiable indexation mechanism to ensure that the resulting rental settings achieve the intended 'more affordable' objective over time, i.e. an approach to ensure rental product is available to the market at a lower rental than the market average.

COTALITY MARKET RENT

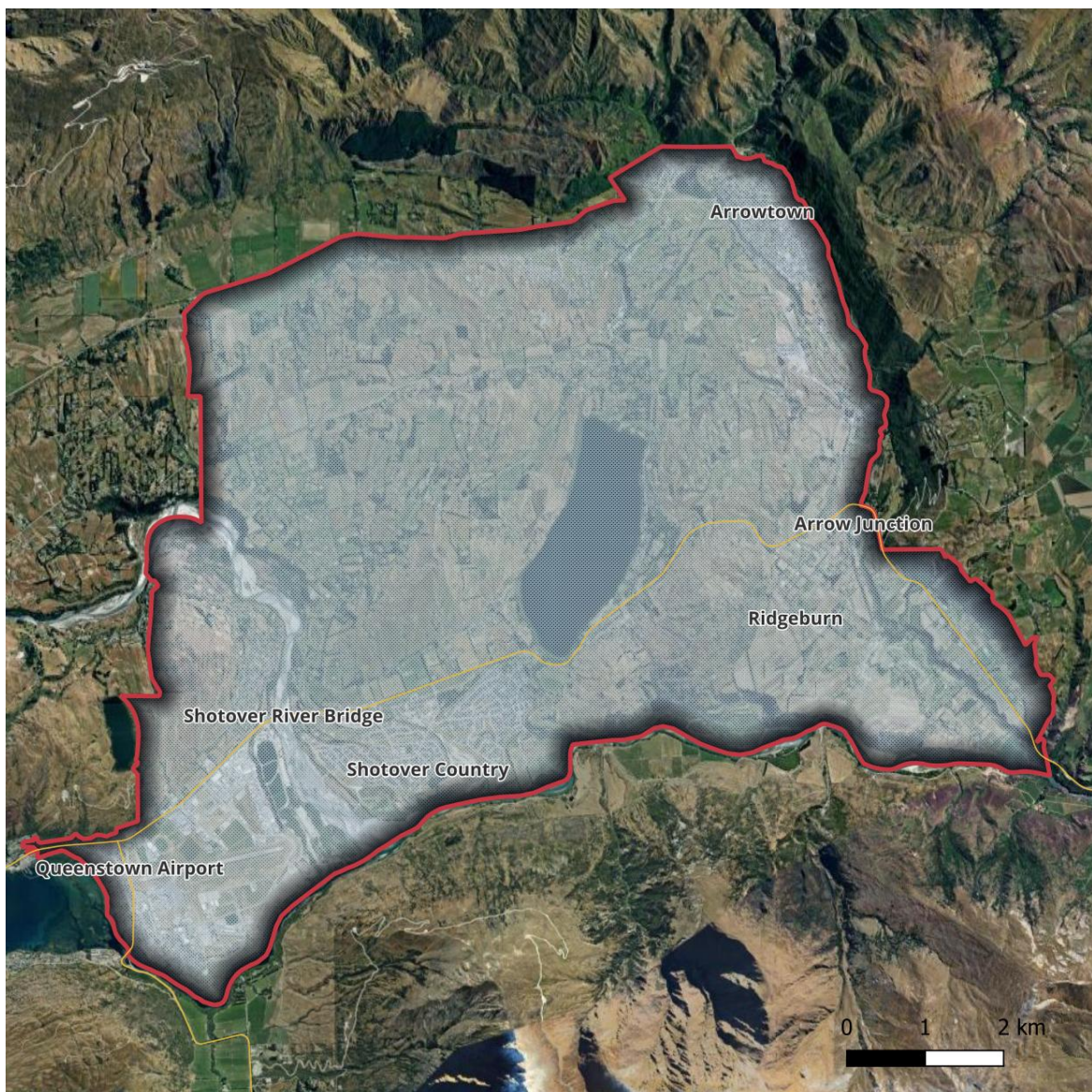
Cotality's online Property Guru platform provides listing-level data for residential properties advertised for rent over the past 12 months. This enables us to analyse advertised weekly rents alongside key property attributes, including location, bedroom count, dwelling type and floor area, and to test the statistical relationship between rental price and these characteristics.

The platform also allows for the creation of a customised spatial comparator catchment centred on the proposed Ridgeburn development. The extent of this comparator catchment is illustrated in Figure 6. The catchment is to ensure that the initial rental benchmark for Ridgeburn balances locational proximity and a sufficient rental database to reflect a competitive market rather than having to rely on broader region-wide averages that may incorporate locationally different sub-markets to establish current market benchmarks for Ridgeburn.

In defining a comparator catchment, we initially tested whether it was appropriate to treat properties south of the Shotover River (including Frankton and the area around Queenstown

Airport) separately from those to the north of the Shotover River (an initial comparator catchment tested). However, analysis of the advertised rental data indicated no statistically significant difference in weekly rents between these sub-areas, but a relatively smaller rental market when assessing north of the Shotover River. On that basis, a single integrated comparator catchment has been adopted for the purposes of establishing a representative market rental benchmark as it provided a bigger rental sample database to rely, particularly when accounting for typology breakdown.

FIGURE 6: RIDGEBURN RENTAL MARKET COMPARATOR CATCHMENT



Source: Google Maps, Property Economics

Figure 7 presents the distribution of advertised weekly rental prices within the comparator catchment, disaggregated by bedroom count. The figure illustrates both the central tendency and the dispersion of rents across the different-bedroom typologies, allowing a visual

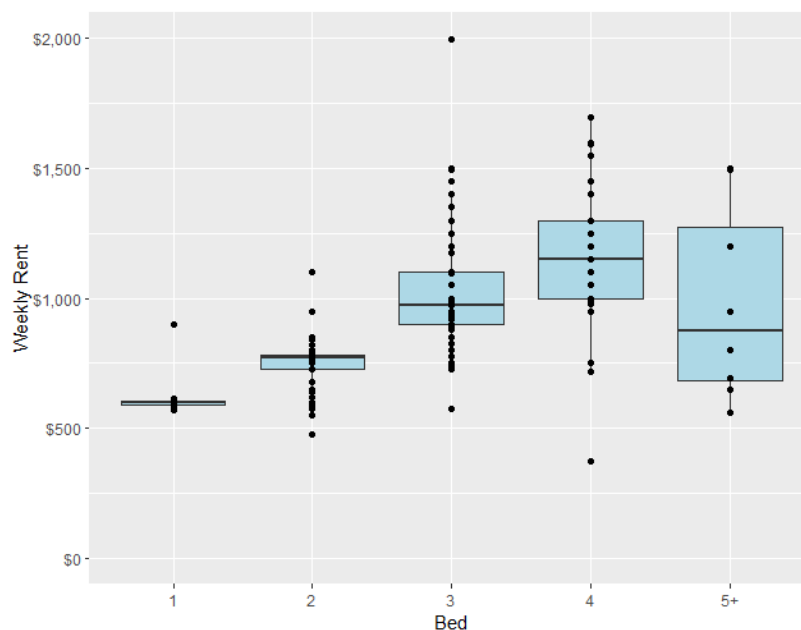
comparison of how rental levels increase with dwelling size and how variable rental rates are within each typology.

Table 6 puts actual figures to Figure 7 graphics by reporting the underlying summary statistics, including the median weekly rent and the inter-quantile range (for example, the 25th to 75th percentile band). The inter-quantile range provides a measure of the typical spread of rents within each bedroom typology, excluding extreme / outlier observations, while the median represents the middle figure.

Unfortunately, the data for the area is limited, particularly for one-bedroom and 5+ bedroom properties. This does affect our ability to make reasonable estimates of the price and highlights risks associated with using this area alone for annual adjustments. The smaller the dataset, the more potentially volatile the results. It also makes the data susceptible, rightly or wrongly to the influence of significant new rental developments. Of the two-bedroom properties, approximately half of them are new buildings that are primarily located within the Five Mile Villas in Frankton²¹ This offer of modern, tightly packed two-bedroom standalone dwellings was consistently rented for \$770- \$780 per week. This would appear equivalent. In comparison, the median price of the remaining two-bedroom homes built before 2020 is \$725.

Unfortunately, within the identified catchment, there were only a couple of three or four-bedroom new builds that were rented this year. So securing a meaningful estimate of new and older dwellings is problematic, meaning the data is less reliable with small sample sizes.

FIGURE 7: CATCHMENT'S RENTAL PRICES BY NUMBER OF BEDROOMS JAN 2025 - JAN 2026



Source: Cotality, Property Economics

²¹ [Five Mile Villas - Brand New Homes in Frankton, Queenstown](#)

TABLE 6: WEEKLY RENT WITHIN CATCHMENT JANUARY 2025 – JANUARY 2026

No. of Beds	Weekly Rent				Count
	Lower Quartile	Median	Upper Quartile		
1	\$ 588	\$ 600	\$ 604		12
2	\$ 725	\$ 770	\$ 780		51
3	\$ 900	\$ 975	\$ 1,156		66
4	\$ 1,000	\$ 1,150	\$ 1,300		33
5+	\$ 695	\$ 950	\$ 1,495		9

Source: Cotality, Property Economics

Based on the data above, if Ridgeburn were to set rents for the ‘more affordable’ product at 90% of the median rent for an equivalent typology, then a 2-bedroom property would be priced at \$693 per week based on current rental markers, a saving of \$77 per week or \$4,000 per year. Over 10-year period this would equate to a saving of \$40,000 per household.

It should be noted that, given the limited size of the dataset, the median rental price for the comparator catchment is likely to exhibit a high degree of volatility. This volatility affects the suitability of either the catchment data to be utilised as a reliable mechanism for setting annual rent adjustments. Short-term fluctuations driven by seasonality, changes in listing composition, and episodic shifts in supply, can result in year-to-year movements that do not necessarily reflect sustained changes in underlying market conditions. Indexing directly to a volatile median measure on an annual basis could therefore introduce instability into rent settings, reducing predictability for both tenants and Ridgeburn.

Notwithstanding this limitation, the series remains a practical and transparent reference point for establishing the initial rental benchmark at the time the dwellings are first delivered. For example, the agreement could specify that the affordable dwellings will be rented at a fixed percentage (e.g., x%) below the prevailing median rent for equivalent newly constructed homes within the defined catchment at the time of completion. This approach anchors the starting rent to observable market evidence and ensures that the initial discount is calibrated to contemporaneous market conditions.

Thereafter, annual rent adjustments could be linked to a broader district-level rental index or published rent series. The larger sample size provides a comparatively more stable measure of underlying market trends.

As an alternative, Table 7 below displays the median rental price over the past year for the Queenstown Lakes District. There are some notable differences in this series, with a significantly lower median price (-\$75) for 3-bedroom properties, and a smaller but not insignificant price difference for two and four-bedroom properties.

It should be noted that disaggregating the data to isolate “New Builds” has little impact on the median rent across most bedroom typologies. The principal exception is the two-bedroom segment, where the median rent for “New Builds” is \$780 per week in the district, (i.e. a similar

price to the catchment). This outcome is partly explained by the fact that the majority of new two-bedroom rentals in the district were originally located within our catchment. However, interestingly, there were equivalent “New Builds” in Arthurs Point rented for \$780 (i.e. the same price) while larger two-bedroom standalone homes in Jack’s Point were advertised for as high as \$850 per week.

TABLE 7: WEEKLY RENT MEDIAN ESTIMATES – QUEENSTOWN LAKES DISTRICT 2025

No. of Beds	Weekly Rent			
	Lower Quartile	Median	Upper Quartile	Count
1	\$ 583	\$ 593	\$ 600	34
2	\$ 700	\$ 750	\$ 780	105
3	\$ 825	\$ 900	\$ 1,028	300
4	\$ 978	\$ 1,100	\$ 1,263	155
5+	\$ 910	\$ 1,100	\$ 1,498	23

Source: Cotality, Property Economics

There were relatively few three-bedroom “New Build” properties within the catchment. At the district level, these appear to be concentrated primarily in Jack’s Point and Wānaka. By way of specific examples, looking at Jack’s Point as a comparator, it would appear that the “New-Build” dwellings advertised at approximately \$900 per week were relatively small, with floor areas of around 100 sqm while the properties advertised at \$980 per week and above were around 150sqm on average (normally including a garage). Given the “more affordable” homes proposed include a garage, the higher \$975 median estimate for the catchment is probably a more comparable figure.

Based on the research above, Table 8 shows our estimates of the equivalent product rent for the proposed dwelling typologies and the resulting ‘more affordable’ rent if set at 90% of the market.

TABLE 8: ESTIMATED MORE AFFORDABLE RENTS

Property Type	Est. Purchase Price	Estimated Equivalent Market Rent	“More Affordable” Rent (90%)	No. of Dwellings
One Bedroom with carpad	\$599,000	\$600	\$540	54
Two-bedroom home with a garage	\$899,000	\$780	\$702	46
Three-bedroom home with garage	\$999,000	\$975	\$878	12
Two-bedroom with rear yard / front patio	\$779,000	\$750	\$675	16
Dual -Key with car park	\$749,000	\$740	\$666	52

Source: Property Economics

6.6. INDEX FOR ANNUAL RENT REVIEWS

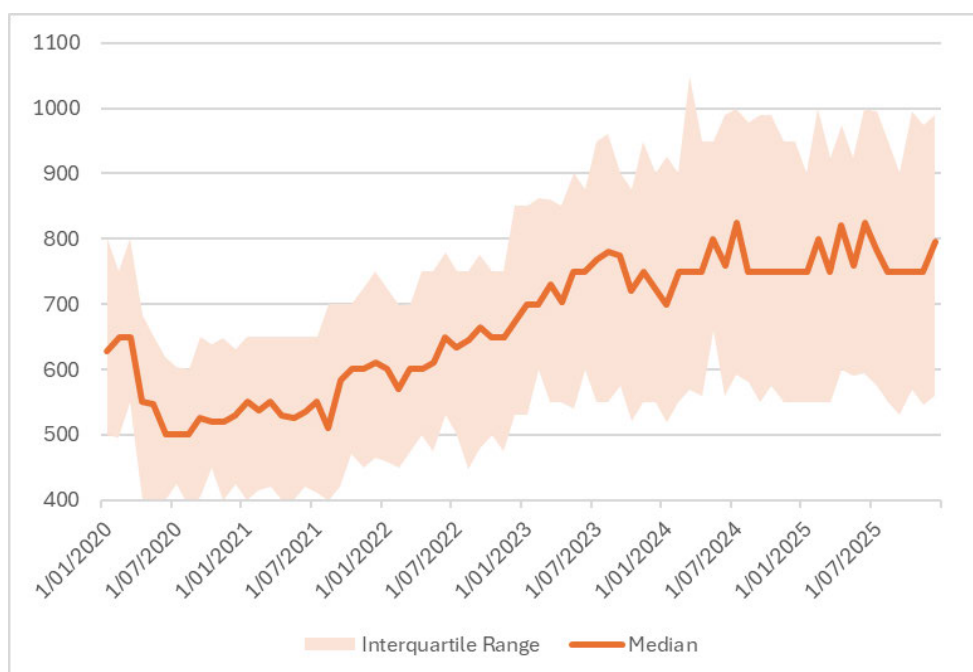
Assuming the initial rents are set based on market analysis at the time of construction, we would then need a process for conducting an annual review. The proposed approach is to adjust these proportionally based on district-level market shifts.

The ideal solution would be a statistically robust Rental Index for the district. Unfortunately, Stats NZ have paused publishing their rental price index, albeit this was only published at a regional level which would not have been applicable to the Queenstown District. In the absence of a dedicated district-level index, the Ministry of Business, Innovation and Employment's (MBIE) published median rental price series for the Queenstown Lakes District provides a practical alternative.

It should be acknowledged, however, that this approach is not without limitations. The series exhibits a degree of short-term volatility, reflecting fluctuations in the composition of properties entering the rental market, seasonal dynamics associated with Queenstown's tourism-driven economy, and changes in supply conditions. However, this is a reflection of market practicalities in Queenstown's market being a tourist / visitor dominated seasonal market. In addition, median-based measures do not control for changes in dwelling characteristics over time (e.g., shifts toward larger or newer homes), meaning that movements in the series may partly reflect compositional effects rather than pure price change.

Notwithstanding these limitations, MBIE's median rent series provides a transparent, publicly accessible, and regularly updated benchmark that can be utilised to inform annual rent indexation. The actual dollar average is not the relevant metric but the proportional movement each year.

FIGURE 8: QUEENSTOWN LAKES DISTRICT MEDIAN RENT 2020 - 2025



Source: MBIE, Property Economics

By way of illustration, the district's median weekly rent increased from approximately \$551 in 2020 to \$773 in 2025. If an affordable rental had been set at \$500 per week in 2020 and subsequently indexed in line with the proportional change in the district median, the rent in 2025 would now be approximately \$700 per week.

It should be acknowledged that this approach does not account for any divergence over time between rental growth within the Ridgeburn development and the wider Queenstown market. In practical terms, if Ridgeburn were to become an increasingly desirable location and rents within the development rose more rapidly than the district-wide average, the proposed indexation mechanism would constrain the developer's ability to increase rents proportionately. From an affordability perspective, this outcome is consistent with the objective of maintaining access to, comparatively, "more affordable" rental housing. This mechanism would provide a measure of protection for the renter in a strongly appreciating sub-market.

Conversely, if Ridgeburn were to become relatively less attractive compared with other parts of the catchment, there is a theoretical risk that the indexed "more affordable" rents could align with prevailing market rents for comparable properties. However, in a market heavily undersupplied for rental properties, and the solution to rental supply being a longer-term proposition well beyond the Ridgeburn development, the likelihood of this eventuality is considered low.

6.7. POTENTIAL DISPLACEMENT EFFECTS

As with any new residential development proposed on land that is not currently identified for urban purposes, the provision of additional greenfield housing has the potential to shift demand for development within already zoned and anticipated residential areas. This effect, commonly referred to as displacement, occurs where new supply acts as a substitute for development activity elsewhere in the same market that would have occurred in the absence of the proposed development. In other words, it is the consideration of the project's benefits against the counterfactual. This could transpire as slower development uptake of other greenfield sites and/or the reduction in development activity of existing zoned sites.

In assessing displacement effects, it is important to recognise that the relative significance is inherently project, and market, specific. It is shaped by prevailing conditions, extent of demand, supply constraints, price signals, development location and the degree of substitutability between housing options, and it is these factors we have considered in the following analysis.

Market Context and Demand Conditions

As indicated earlier, the Queenstown Lakes District is characterised by structural housing supply constraints and exceptionally high house prices that have continued to increase in contrast with stagnant and decreasing markets elsewhere in New Zealand. This is indicative of

ongoing pressure on the housing market as a result of significant unmet latent demand which this development has the potential to partly satisfy.

Furthermore, Queenstown's housing demand is unique in that holiday homes represent an unusually high proportion of dwelling demand. Local resident growth is linked to employment growth and natural increases in the local population base. However, demand for holiday homes, lifestyle purchasers and investors (including Airbnb) come from both broader domestic and international buyers. Unlike the market demand for a household's primary residence, second homes are a luxury good that exhibits higher price elasticity with demand²² and as such has a higher propensity to grow market demand.

Lastly, the additional housing supply has the potential to enable additional household formation amongst the local residents through the provision of more affordable housing opportunities (e.g. through the disaggregation of multi-family households that have shared accommodation for financial reasons). Not only are there benefits to house prices through additional housing competition, but Ridgeburn also promises to deliver more affordable homes in one of the least affordable housing markets in the country.

Consequently, additional supply within Queenstown's housing market has greater potential to stimulate additional dwelling demand that is unique to both Queenstown and the Otago Region, rather than simply redistributing existing demand across alternative locations.

Queenstown is not a market where substitutability means there has to be a choice of one development over another. Queenstown is unique with significant supply constraints and the ability for developments to grow market demand meaning the market would need multiple developments occurring.

Substitutability

Another significant factor that needs to be considered is substitutability, not only in the local market but the region. When the economic impacts are assessed at a regional level, it is necessary to consider the impact on housing delivery regionally. In most other markets in NZ, housing supply outside the main urban areas has the propensity to draw residents from one district to another (i.e. satellite towns), but may not provide any additional activity regionally.

This is not a risk for Queenstown, which has a fundamentally different housing market from other districts in the Otago Region. Queenstown has unique natural, cultural and lifestyle amenity that is not available elsewhere in the region. Furthermore, Queenstown is more isolated, limiting the practicality and therefore substitutability of alternative living locations for local workers.

²² It should be noted that a small proportion of housing in Queenstown is likely to exhibit a non-standard demand response (Velben effect) whereby higher prices reinforce, rather than dampen, demand because ownership itself confers status and signals exclusivity.

There are unique aspects of the proposed development in both its location and amenity environment, which means it is not simply a copy and paste of alternative greenfield sites elsewhere in district. This supports the projects contribution to housing choice and supports the potential to generate additional demand that would not have occurred under the counterfactual.

Benefits of Competition

To the extent that Ridgeburn results in any displacement of activity, this can only occur through competitive effects within the relevant market. This competition arising from the increased supply places downward pressure on residential house prices (generally as a result of land value pressures). This results in both real economic benefits and social benefits in the transfer of value from existing landowners to first-home buyers.

Notably, there is a market relationship between price effects and increased quantity demanded. Given Ridgeburn has a high likelihood to generate net additional demand, impacts on overall house prices are likely to be more muted (aside from the 180 more affordable homes), while the full benefits of additional housing supply and economic activity are realised.

Timing and Deliverability of Existing Zoned Capacity

In assessing the current markets ability to meet expected demand it is necessary to consider the likelihood that the activity would in fact have occurred under the counterfactual scenario.

As noted above in relation to the Housing Capacity Assessment, while Queenstown Lakes District may theoretically have sufficient zoned residential capacity, a range of factors materially constrain the extent to which this capacity can be realised. Chief among these is the uncertainty surrounding the timing and certainty of infrastructure delivery required to unlock large areas of zoned capacity, particularly in the Ladies Mile area. However, in addition to this, we must consider the potential for development to be further constrained by market feasibility, ownership fragmentation, and timing of market delivery.

Given core infrastructure for the Ridgeburn development is self-funded by the applicant, issues around infrastructure unlocking residential capacity do not apply in this instance and Ridgeburn's additional capacity can all be provided over to the short-medium term.

Relative Significance of Displacement Effects

The displacement implications of the Project are significantly different when compared to markets experiencing slow / low demand growth. In lower-growth markets with stable prices, readily substitutable locations, and no clear evidence of unmet demand, new greenfield supply has greater propensity to displace development activity rather than generate net additional outcomes.

By contrast, Queenstown's housing market exhibits:

- sustained excess demand,

- ability to increase demand with new supply
- limited effective supply,
- high levels of external and non-local demand, and
- a demonstrated inability of the existing development pipeline to meet affordability needs.

This results in a project which is expected to add housing supply, improve affordability outcomes, grow demand and reduce pressure across the broader housing market, rather than substitute for development that would otherwise have occurred.

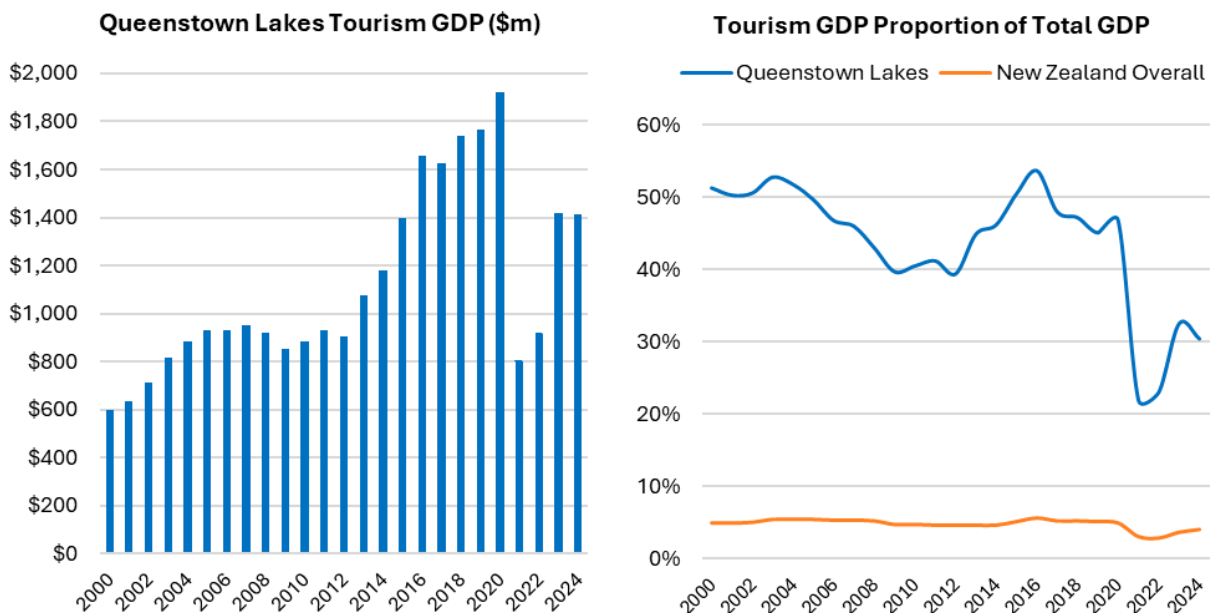
Consequently, while there is potential for a degree of displacement associated with the project, this would be insignificant when weighed against the Project's contribution to housing supply, affordability outcomes, and the significant contribution to regional economic activity

7. TOURISM ECONOMY OVERVIEW

Tourism makes a significant contribution to New Zealand's economic success and to New Zealand's wellbeing. It is the country's largest industry and leading export earner, accounting for 10.4% of total GDP and employing around 8% of the workforce, based on Infometrics' data.

Despite this importance, Infometrics' data shows that Queenstown Lakes' tourism economy has yet to recover fully to its pre-pandemic peak of approximately \$1.9b in 2020 (refer Figure 9). As at March 2024, the sector contributes around \$1.4b to the regional economy, still about 27% significantly below its historic high. This significant decline highlights the need for renewed investment and revitalisation to support the district's ongoing tourism recovery and to promote sustainable long-term growth within the sector.

FIGURE 9: QUEENSTOWN LAKES' TOURISM GDP CONTRIBUTION



Source: Infometrics

Given the above context, from an economic perspective, the proposed work / visitor accommodation facility within the development could contribute to supporting the district's post-COVID-19 economic recovery by retaining and attracting visitors and temporary workers. This would result in increased spending on local goods, services, and tourism-related activities, helping to revitalise retail, hospitality, and other sectors that were affected by the pandemic downturn.

In addition, increasing the supply of higher-density and more affordable homes in Queenstown would also contribute to supporting a sustainable tourism economy. Queenstown's tourism relies heavily on a large workforce in hospitality, accommodation, retail, and transport services, roles that are typically lower- to mid-income. Yet, Queenstown's extremely high housing costs and limited rental supply have historically constrained worker availability, creating labour

shortages that reduce service capacity and limit the ability of tourism businesses to scale up during peak periods.

Furthermore, expanding higher-density housing options helps improve the efficiency of land use within the constrained geography of Queenstown. By accommodating more residents in efficiently utilised developments, the district can support a stronger year-round residential base that sustains local services, retail, and transport networks even during off-peak tourism months. A stable permanent population makes it easier for businesses to operate consistently and reduces their exposure to seasonal volatility.

In this context, improving housing affordability has broader economic implications that directly feed into tourism recovery. When essential workers, such as chefs, hotel staff, drivers, and tradespeople, are able to find and maintain suitable accommodation, businesses can operate at full capacity, reduce operating costs associated with shortages, and invest more confidently in upgrading facilities or expanding services.

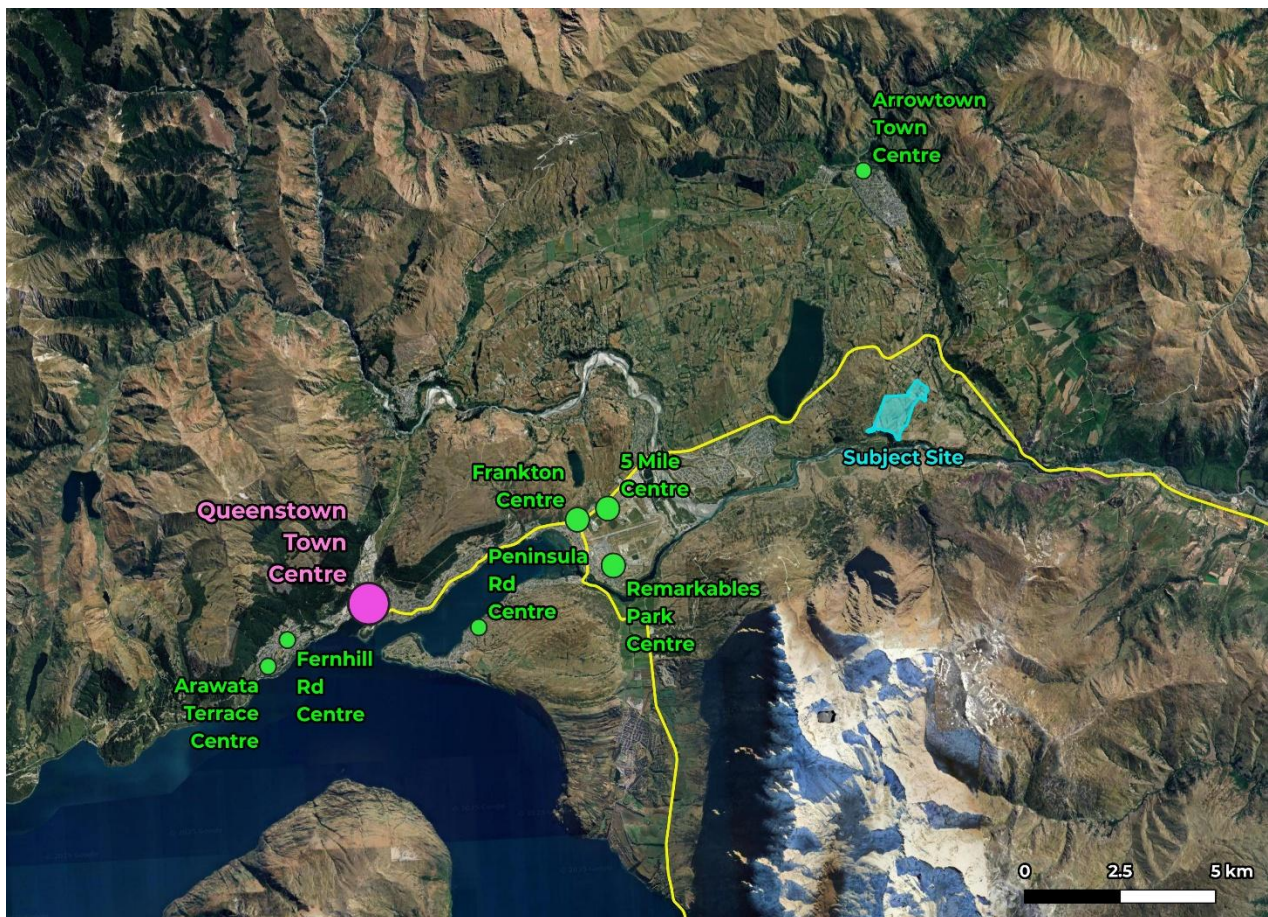
Overall, the supply of additional work / visitor accommodation capacity and higher-density and more affordable homes, as proposed by the Project, can be expected to support the functionality, competitiveness, and resilience of Queenstown's tourism sector. This helps ensure the district can fully realise its tourism-led recovery and maintain its position as the country's critical tourism asset.

8. EXISTING COMMERCIAL ENVIRONMENT

This section provides an overview of the current commercial centre network within the surrounding market and the implications of the potential retail economic effects of commercial activities within the proposed development. This analysis considers the role and function of the proposed commercial component within the existing centre hierarchy and the extent to which it may give rise to retail distribution effects on established centres.

The following figure maps the geospatial location of the surrounding commercial centres under the Proposed District Plan provisions.

FIGURE 10: SURROUNDING COMMERCIAL CENTRE NETWORK



Source: Google Maps, LINZ, Property Economics

It should firstly be noted that the 2025 Queenstown Housing and Business Capacity Assessment identified a shortfall over the Short, Medium and Long Term in Accommodation, and Retail Floorspace capacity²³. Although there is supposedly sufficient commercial capacity over the Medium Term, there is a short-term and long-term shortfall. Put simply, there is a need for additional commercial centre land to accommodate the projected demand,

²³ QLDC HBA pg. 172

notwithstanding any additional demand that is generated by this project. Putting that aside, the following section assesses the propensity (or lack thereof) for retail distribution effects based on the commercial network.

Overall, there are three main commercial centres in the Wakatipu Basin serving as the key commercial, civic, tourism and cultural hubs of the district, including the Queenstown Town Centre (**QTC**), Remarkables Park Centre, and the 5-Mile Shopping Centre.

These three centres represent the highest order of centre zoning in terms of scale and intensity and are designed to service the broader catchment's retail and commercial requirements. They accommodate a wide range of retail and commercial activities, including large-format retailing, supermarket anchors, cinema complexes, office activities, commercial / tourism services, and other entertainment and employment-generating uses.

The QTC is the largest commercial centre within the district in terms of land area (approximately 25ha) and gross floor area and continues to position itself to capture an increasing proportion of both local and district-wide demand. It is the traditional town centre of the district and is located approximately a 20-minute drive from the proposed development.

As the district's principal centre, the QTC accommodates a broad mix of higher-order retail, commercial, civic, and visitor-oriented functions and draws from the widest catchment, including a significant share of visitor expenditure. Given its scale, role, and catchment, the proposed development's commercial component has no propensity to compete with, nor influence, the function or performance of the QTC.

Of the established commercial centre network, the centre in closest proximity to the subject site is the Arrowtown Town Centre (**ATC**), which encompasses the historic commercial core of Arrowtown (approximately 1.1ha). The ATC is a nationally recognised historic streetscape and place of cultural and built heritage significance. Its economic viability is strongly influenced by its heritage character and visitor appeal, with retail and commercial activity oriented towards hospitality, specialty retail, and tourism-related expenditure, alongside a local servicing role for the Arrowtown community. ATC and its surrounding areas have no large supermarket, only a small stand-alone Four Square store not suitable for meeting the main food and grocery shopping needs of the community or visitors.

From an economic perspective, the proposed commercial component within the development would not impact the role or performance of the ATC. There is no supermarket across the north-eastern area of the Wakatipu Basin (beyond the SH6 Shotover bridge) to impact. The Frankton / 5-Mile supermarket draw the majority of their sales from the entire district and also service the large visitor market, therefore there is no meaningful propensity for the proposed supermarket, given its location, to draw expenditure away and generate significantly adverse impacts on the sales of existing supermarkets.

The balance of the proposed retail and commercial activities (3,400sqm GFA) are anticipated to function as a small-scale, local convenience centre, primarily meeting the day-to-day retail and service needs of residents within the development and its immediate surroundings.

This function is distinct from the ATC's visitor-focused and heritage-led role, and the nature of expenditure captured by the proposed development would largely relate to routine, needs-based spending that is not central to the ATC's tourism heavy economic performance.

In addition, the modest scale and localised catchment of the proposed centre, together with the physical separation between the two locations, limits any meaningful overlap in trade areas or competitive effects.

Beyond the town centres, the 5-Mile Shopping Centre and Remarkables Park Centre are the key higher-order commercial hubs relatively proximate to the subject site, accessible within an approximate 13-16-minute drive off-peak respectively. These centres function as sub-regional retail destinations, anchored by full-service supermarkets (PAK'n SAVE, Woolworths and New World respectively) and a wide range of national and large-format retailers such as Mitre 10, Bunnings, and Harvey Norman.

Their scale, tenant mix, and catchments far exceed that of the proposed development, and they serve a materially broader market area. The proposed commercial component would not replicate these functions or stores and is therefore not likely to divert significant discretionary or destination-based retail expenditure from these centres. These centres also have a significant annual visitor spend injection to elevate their economic performance and function.

The Frankton Centre is the largest Local Shopping Centre Zone (LSCZ) within the district under the Proposed District Plan. Existing activities within this centre include a diverse mix of convenience retailing (including food retail and food and beverage services) and commercial activities such as medical services, laboratories, rental services, and postal services.

The Frankton Centre services the day-to-day needs of the Frankton community and surrounding areas and benefits from its central location, state highway frontage, airport traffic and established role. Any retail distribution effects associated with the proposed centre are most likely to relate to non-consequential redistribution of some convenience expenditure that would otherwise be directed to Frankton or other higher-order centres for top-up shopping. This limited redistribution reflects improved accessibility and choice for local residents, rather than a change in overall retail demand or centre hierarchy.

Other smaller centres, including the Fernhill Road Centre and Arawata Terrace Centre, are located at greater distances from the subject site and primarily accommodate the convenience retail needs of their immediate residential catchments. Given their spatial separation and localised roles, they have no potential to be adversely affected to any consequential degree by the proposed development.

The Peninsula Road Centre in Kelvin Heights is currently used for residential purposes and contains no existing retail or commercial activities. Should it develop in accordance with its zoning, it would be expected to perform a similarly localised convenience function. The proposed development would not undermine the future role or viability of this centre.

Overall, the proposed commercial component is expected to operate within a clearly defined local convenience role that aligns with the established centre hierarchy under the Proposed

District Plan. It would serve the immediate residential catchment, reduce the need for longer trips for day-to-day retail needs, and has no propensity to undermine the vitality, viability, or function of ATC or any other established commercial centre within the Wakatipu Basin.

Aside from the Arrowtown Town Centre, which focuses on a provision for its strong tourism appeal, and a small standalone 4-Square store in Arrowtown, there is no local convenience centre offering north of Shotover Bridge. Ladies Mile has a convenience centre planned to service the future Ladies Mile community, but the timing of this centre is unknown and likely well in the future. As such, the Ridgeburn centre will generate market and transport efficiencies with high frequency day-to day retail needs able to be met locally.. By providing a local convenience centre within Ridgeburn, economic and market inefficiencies can be addressed, day-to-day retail needs can be met closer to home, and the development supports a more self-contained, accessible, and resilient local community.

Given the development period, no one centre is likely to experience a drop in retail sales from current levels due to market growth which enables the opportunity for every centre to experience sales growth. The introduction of the proposed centre would therefore, at worst, only marginally slow other centres growth trajectories, rather than cause a drop in any centre's retail sales.

9. OTHER QUALITATIVE ECONOMIC COSTS AND BENEFITS

In addition to the previously quantified economic injection, the Project would create a variety of potential (non-monetised) economic costs and benefits. The following analysis outlines the key economic costs and benefits of the proposed development within the framework of the RMA, the NPS-UD, and the FTAA Section 22(2)(iii) and (iv).

9.1. ECONOMIC BENEFITS

There are several potential economic benefits from the Project, including:

- + **Increased housing supply and residential land capacity:** The proposed development would supply the market with a significant increase in residential capacity of approximately 1,240 dwellings. This represents an increase in the overall residential capacity for the local and broader regional market and contributes to accommodating the anticipated population growth of the markets, particularly in the short to medium term. It would also provide clear direction to the market regarding both its ability to meet future demand pressures and its provision through an efficient site location and size.

For context, between 2020 and 2024, an average of approximately 2,200 new dwellings²⁴ were consented annually across the Otago Region, including around 1,270 dwellings per annum within the Queenstown Lakes District. The proposed development alone, if enabled, would therefore account for more than half of the region's average annual residential consents and is comparable in scale to Queenstown Lakes' annual average. This scale of supply within the development timeframe is highly likely to relieve house price appreciation pressures.

These high-level figures highlight the significant contribution the development would make to the district and region's residential supply. This is particularly important given the significant housing affordability challenges in Queenstown Lakes, which are discussed in further detail later in this report.

- + **Increased and diversified choice of housing location and price point:** The proposed development would also provide residents additional choices in their living environment in respect of location and potentially impact upon the overall price point resulting from supply, within the local market and the wider region.

The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase in the relative attractiveness of the area with wider markets. In addition, enabling a greater mix of housing types in more locations would also

²⁴ These figures are sourced from Stats NZ's new building consents data and include consented houses, townhouses, flats, units, retirement village units, apartments and other dwellings.

improve affordability and help match the housing stock to match the future population's needs.

- **Potential for lower housing prices and improved affordability in the region:** According to the Queenstown Lakes Spatial Plan (July 2021), the supply of affordable housing is identified as one of the most pressing issues for the district²⁵. Accelerating the proposed development has the potential to enhance housing affordability by increasing the significant supply of additional residential units / housing capacity.

This could lead to a reduction in house prices, benefiting those who do not currently own property, including existing renters who pay for housing on a weekly basis and first-time buyers, particularly young residents. This increase in supply would help create a more balanced housing market, making homeownership more attainable and easing the financial burden on renters.

- **Supporting tourism economies (worker and visitor accommodation):** Providing workers' accommodation within the development would generate economic benefit by ensuring a stable, local workforce essential to supporting local tourism-driven businesses. It would potentially reduce seasonal labour shortages, lowers commuting costs and pressures on regional transport infrastructure, and improves staff retention by offering more affordable, accessible housing options.

In addition, the inclusion of visitor accommodation would further strengthen the local tourism economy by increasing capacity to host visitors, particularly during peak seasons when accommodation constraints can limit visitor numbers and associated expenditure. Additional visitor supply can support higher tourism throughput, sustain local hospitality and service businesses, and enhance the resilience of the tourism sector by reducing reliance on a constrained accommodation stock. In this way, both worker and visitor accommodation contribute to broader economic activity, employment stability, and the efficient functioning of the local tourism market.

- **Increased economic activity and local employment:** The proposed development would generate considerable economic stimulus through direct construction activity and supporting services. This includes employment opportunities in the building industry, engineering, landscaping, materials supply, and project management sectors. The construction-led growth would extend over several years, supporting regional employment levels and contributing to GDP through multiplier effects across the economy.

In addition, the growing local population as a result of the proposed development will lead to a net increase in the number of FTE employees within the region. This influx

²⁵ The Queenstown Lakes Spatial Plan July 2021, Page 77

will serve as a boost to the local and regional economy, fostering further growth and enhancing amenities in the area.

- **Better utilisation of the existing infrastructure, facilities, services and amenities already provided in Queenstown and neighbourhood districts:** The proposed development has the potential to make more efficient use of the existing infrastructure, community services, and amenities already available in Queenstown and surrounding districts. By increasing the local population base, the development would enhance the viability and utilisation of existing schools, healthcare facilities, recreational spaces, and public transport networks.

This improved utilisation reduces marginal infrastructure costs, supports service retention, and can justify future upgrades or expansions. Additionally, a larger resident base would strengthen the customer pool for local businesses, contributing to the vitality of existing town centres and helping to sustain a diverse range of amenities and services across the region.

- **Impetus for greater levels of local and regional growth:** Growth from large-scale residential developments can often act as a catalyst that stimulates broader economic and urban development within an area. The proposed development, by enabling large-scale residential expansion, has the potential to unlock further opportunities for additional housing, commercial activities, and complementary land uses.

As the local population increases, so too does the demand for goods, services, and employment, providing significant impetus for both local and regional economic growth. Over time, this additional growth would contribute to the development of a more self-sustaining and vibrant urban community.

- **Delivering (more affordable) residential capacity with greater certainty:** Landowner-led development through a vertically integrated development company is economically more efficient than traditional developer-led models in terms of market certainty, as it could reduce transaction costs and time delays, and provides greater certainty of capacity delivery.

Without the need to purchase land at market rates, landowners face lower holding and financing costs, which could better support the committed 'more affordable' pricing. Streamlined decision-making, better alignment with local needs, and a reduced risk of project delays, particularly during market fluctuations, further enhance the reliability and speed of capacity delivery.

9.2. ECONOMIC COSTS

Some of the economic costs of the Project include:

- **Infrastructure investment and servicing requirements:** Land and associated infrastructure costs are one of the biggest cost components of residential housing development costs and tend to scale according to the size of the network.

Based on the information provided, Property Economics understands that off-site infrastructure requirements primarily involve transport infrastructure including a new SH6 / Morven Ferry Road roundabout and some road widening on Morven Ferry Road. These infrastructure requirements are estimated to cost around \$10m and is understood to be funded by the applicant rather than relying on public funding.

In terms of on-site core infrastructure requirements for the Project (incl. water supply, wastewater, stormwater, internal roads, reserves, etc,) these works will be fully funded by the developer, with no reliance on public infrastructure investment or cost to ratepayers.

This ensures that the delivery of capacity / 'more affordable' homes is not delayed by funding constraints or infrastructure sequencing issues, nor places an additional financial burden on community, supporting more timely and coordinated growth.

- **Loss of productive land and the potential primary output potential on the land:** The site is currently zoned Rural General under the Operative District Plan and comprises a mix of Rural and Wakatipu Basin Rural Amenity (WBRA) Zones under the Proposed District Plan. According to the NZLRI, the site contains a mix of Land Use Capability (LUC) Class 2 and 3 soils, which are versatile and productive soils. This means that enabling the Project would result in the potential loss of land with productive capability, along with its associated economic value and wider flow-on effects to the local and regional economy.

Importantly, a soil and resource report²⁶ undertaken by Hanmore Land Management (HLM) notes that the NZLRI is based on an LUC assessment of the whole of New Zealand. However, in practical terms, although portions of the site are technically classified as HPL due to the wording of the NPS-HPL, HLM consider much of that capacity cannot be utilised due to the permanent physical constraints of the site.

Updates to the NPS-HPL in December 2025 reduce the land area of the application subject to the NPS-HPL to only 3.2ha (refer map in Appendix 3). As identified in the HML assessment outlines permanent site constraints. As such, HLM's assessment

²⁶ Soil and Resource Report, 122 Morven Ferry Road, Arrowtown, Hanmore Land Management, April 2025

considers the HPL at the site meets the conditions for an exemption under clause 3.10 and the proposed development can be exempt from the constraints of the NPS-HPL.

- ➊ **Potential residential displacement effects:** As with any new residential development in previously undeveloped areas, the provision of greenfield land has the potential to reduce the demand for development within zoned areas (displacement). This is due to additional greenfield housing potentially acting as a substitute for vacant zoned capacity in some market conditions.

However, as evaluated earlier, the prevailing market conditions in the Queenstown Lakes District materially limit both the likelihood and significance of such outcomes. The district is characterised by sustained excess housing demand, significant affordability constraints, limited supply, and strong demand from both local and non-local households.

In this context, the proposed development is expected to grow demand and supply rather than substitute for development that would occur elsewhere. Any displacement effects are therefore expected to be non-consequential and outweighed by the Project's significant contribution to regional economic activity, within one of New Zealand's most supply-constrained housing markets.

10. SUMMARY

Considering the (non-monetised) economic costs-benefits analysis outlined above as a whole (including the quantitative economic injection into the regional economy and employment benefits), Property Economics concludes that the Project would deliver significantly greater economic benefits than costs. This conclusion is strengthened by the fact that all necessary infrastructure for the Project will be fully funded by the developer, and by the significant housing supply constraints and affordability challenges facing Queenstown Lakes.

Specifically, these regional economic benefits of the Project include:

- Total direct capital expenditure over 7-year development period (excl. land) \$997m
- Total NPV at 8% over a 7-year development period \$642m
- Total NPV at 2% over a 7-year development period \$864m
- FTEs during the peak development and operation year 1,462 FTE years
- Total FTE years over the 7-year development period 6,554 FTE years
- Total direct employment over the development period 2,888 FTE years
- Total indirect and induced employment over development period 3,666 FTE years

Therefore, our assessment supports the proposed development from an economic perspective in the context of the RMA, NPS-UD Policies and FTAA.

APPENDIX 1. EXPLANATIONS OF EIA MODELLING PROCESS

The EIA assesses the potential economic activity generated within the Otago Region specifically attributable to the Project through spending on the general civil works and residential development. This includes construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Stats NZ (based on 48 sectors), which were then assessed at a district level based on Otago regional economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each \$1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Otago catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

This capital expenditure then is assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend that is retained within the Otago Region.

Then utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a proposed period of 7 years, development beyond the first year is discounted to provide a Net Present Value (NPV).

APPENDIX 2. EXPLANATIONS OF EIA MODELLING OUTCOMES

By way of explanation of the items listed in Table 1:

- The reference to “*Development Costs*” includes costs associated with the development of the land, earthworks, etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.
- The reference to “*Construction Costs*” includes built form costs (i.e., cost of the physical built structure (the buildings).
- The Direct Expenditure line includes all expenditure on the Project, both in Queenstown Lakes and externally to the Otago Region.

The “*Level 2 Multiplier Effects*” section identifies the proportion of the direct expenditure that is experienced in the Otago Region only. This incorporates consideration of the economic multipliers described in the following section.

This EIA evaluates the total economic effects of the specific project on the Otago regional economy. Multipliers, a key component of EIA, quantify how initial changes in spending lead to larger, ripple effects throughout the Otago regional economy²⁷. These effects include direct, indirect, and induced impacts, reflecting changes in output, employment, income, and other economic variables.

Aggregating Impacts:

The following steps form the basis for the value and employment multipliers to quantify the number of FTE years generated by the project.

Step 1: Allocate total project expenditure by ANZSIC category.

Step 2: Apportion the extent of each expenditure category that is likely to be retained within the Region. This is based on business and employment composition, business size, capital formation, inflows of GDP (technically Gross Regional Product), etc. This is direct regional spend and hence smaller than the total generated.

Step 3: Utilising Stats NZ Input / Output tables generate regionally specific Level 1 multipliers (i.e. where each \$1 spent goes through the first cycle). These multipliers are specific for each of

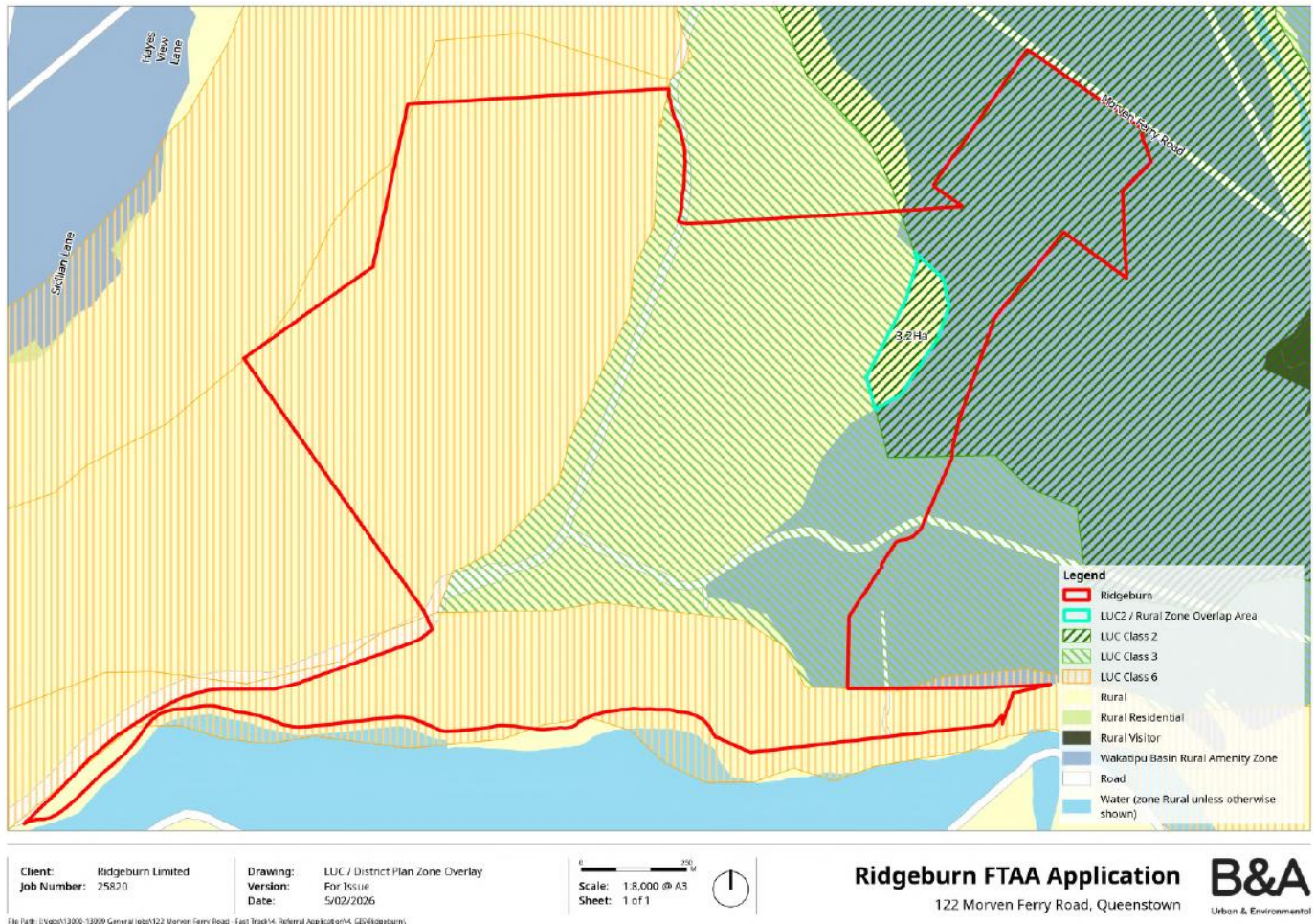
²⁷ Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry. Relevant key multiplier types include Output Multiplier: Measures the total change in economic output resulting from a change in demand for a specific industry; and Employment Multiplier: Measures the total change in employment resulting from a change in employment in a specific industry.

the 48 sectors and are proportionally combined to produce the development multiplier: earth works, fees, etc (due to these having a materially different labour to capital breakdown) and the construction multiplier- built form.

Step 4: Utilise a similar process to assess the Level 2 multipliers for indirect and induced activities.

Step 5: These three (direct, indirect and induced impacts) are then aggregated and discounted to get the NPV seen in Table 1.

APPENDIX 3. LUC / DISTRICT PLAN ZONE OVERLAY



Source: B&A