



Final Report: 14 May 2026

Economic Assessment of Proposed Cromwell Development for Fast-track Referral

Prepared for:
Rippon Holdings Limited and Rippon Investments Limited

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1. Executive Summary

Context

Rippon Holdings Limited and Rippon Investments Limited (the **applicants**) seek to enable development of a master-planned urban community on approximately 70 hectares of land on the north-western edge of Cromwell. The site was used as a commercial cherry orchard until 31 March 2026, and sits immediately adjacent to the Shannon Farm development. The proposal provides for a mix of residential, retail, and industrial development, supported by open space, blue-green networks, and local transport connections.

To expedite development, the applicants are seeking consent under the Fast-track Approvals Act 2024 (**FTAA**). To assist, this report provides a high-level assessment of the likely economic effects of the proposal, particularly its impacts on the housing and industrial markets, GDP, employment, and household incomes. It also considers a range of wider economic effects arising from the development.

Key Findings

Significant One-Time Economic Impacts

Development of the proposal will involve substantial planning, infrastructure provision, and building construction across residential and non-residential components. Assuming an eight-year development period and total development costs of approximately \$614 million, the proposal is estimated to generate the following one-time economic impacts:

- Approximately **2,528 FTE-years of employment** (equivalent to around 316 full-time workers employed each year over eight years);
- Around **\$365 million** in GDP; and
- Approximately **\$216 million** in wages and salaries.

Ongoing Economic Activity

Once fully established, the proposal's retail and industrial components will sustain ongoing employment and economic activity. At full build-out, these areas are estimated to support, on an ongoing annual basis:

- Approximately **338 full-time-equivalent positions** (employing around 405 workers in total);
- Around **\$37 million** in annual GDP; and
- Approximately **\$23 million** in annual wages and salaries.

In addition to the quantifiable one-time and ongoing economic impacts summarised above, the proposal will also generate broader economic benefits, including the following:

Significant Increase in Housing Supply

The proposal enables approximately 755 new dwellings across a range of typologies. This represents a very substantial increase in residential capacity within a high-growth market and will materially

improve housing supply responsiveness over time. Increased competition and diversity in the housing stock will help moderate affordability pressures relative to the status quo.

Support for Employment Self-Sufficiency

By enabling both housing and employment land in close proximity, the proposal supports improved alignment between where people live and work. This reduces reliance on commuting to other centres and strengthens Cromwell's local employment base.

Boost in Industrial Land Supply

The proposal provides approximately 5.19 hectares of light industrial land, broadly aligned with the scale of local industrial demand generated by future population growth. This will help ease land supply constraints, improve market responsiveness, and support business investment and expansion in Cromwell.

Critical Mass to Support Local Services

Future residents of the proposal are estimated to generate around \$56.5 million per annum in household spending at full build-out. This spending will support on-site commercial activity and contribute to the ongoing vitality of nearby centres, including Cromwell town centre and surrounding townships.

Higher and Better Use of Land

The proposal represents a shift from a single, land-extensive horticultural use to a more intensive and diverse urban use in a location immediately adjacent to existing infrastructure and services. While the existing orchard generates meaningful output per hectare, the scale of employment, GDP, and income supported is modest relative to the economic activity enabled by the proposed development. The resulting reallocation of land therefore produces a strong net economic benefit.

Investment Signal Effects

Delivery of a large, master-planned development of this scale sends a positive signal regarding Cromwell's medium- to long-term growth prospects. Such investment can reduce perceived market risk and help spur complementary private investment over time.

Accelerated Delivery via FTAA

The FTAA provides a streamlined approval pathway with reduced consenting risk and shorter statutory timeframes than conventional Resource Management Act processes. This will materially accelerate delivery of the proposal, bringing forward both construction-phase stimulus and longer-term housing and employment benefits.

Conclusion

The proposal will deliver substantial and enduring economic benefits to Cromwell and the wider region. It generates significant one-off and ongoing employment and GDP, makes a significant contribution to housing supply, supports local business and employment growth, and enables a more efficient use of land in a strategically located growth area. With minimal economic downside and accelerated delivery through the FTAA, the proposal is supported on economic grounds.

2. Introduction

2.1. Context

Rippon Holdings Limited and Rippon Investments Limited (the **applicants**) owns a large cherry orchard on the western edge of Cromwell, at the junction of State Highway 6 and Ripponvale Road, immediately adjacent to the Shannon Farm development. It occupies a prominent gateway position on the north-western approach to Cromwell and represents one of the last large, contiguous landholdings capable of supporting coordinated urban growth at scale in this location.

The applicants are seeking to transition the subject site from its existing horticultural use to a comprehensively planned urban development. The proposal provides for a mix of residential, retail, and industrial activities, open space, and blue-green networks, designed to integrate with the existing and consented urban areas at Shannon Farm and the wider Cromwell urban environment.

To expedite delivery, and to provide greater certainty around timing and outcomes, the applicants are seeking referral of the proposal under the Fast-track Approvals Act 2024 (**FTAA**). To assist, this report provides a high-level assessment of the likely economic effects of the proposal, particularly its impacts on housing, retail, and industrial markets, GDP, employment, and household incomes. It also considers a range of wider economic effects arising from the development.

2.2. Criteria for Assessing Referral Applications

The FTAA is a new, permanent Fast-track approvals regime. The purpose of the Act is to facilitate the delivery of infrastructure or development projects with significant regional or national benefits. Under section 22 of the Act, proposals may be referred to an expert panel for fast-track consenting where the Minister is satisfied that the project meets the purpose of the Act.

In considering whether to refer a project, the Minister may consider a range of factors set out in Section 22(2)(a). To assist decision makers, this report provides an assessment of the proposal against two of those criteria from an economic perspective. Specifically, it considers whether the project:

- iii. Will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020 (**NPS-UD**)).
- iv. Will deliver significant economic benefits.

2.3. Structure of this Document

The remainder of this document is structured as follows:

- **Section 3** identifies the subject site and provides indicative development yields.
- **Section 4** estimates the one-time impacts of the proposal's future development.
- **Section 5** estimates the annual impacts of non-residential activities sustained on-site.

- **Section 6** provides context on the local housing market.
- **Section 7** evaluates the likely impacts of the proposal on the local housing market.
- **Section 8** considers a range of wider economic impacts of the proposal.
- **Section 9** discusses the role of the Fast-track process in accelerating the proposal's delivery.
- **Section 10** provides a conclusion and checklist against the relevant FTAA referral criteria.

3. About the Proposal

This section identifies the subject site and provides indicative development yields.

3.1. Site Location and Description

The subject site is located on the north-western edge of Cromwell, within the Central Otago District. It sits at the junction of State Highway 6 and Ripponvale Road, approximately two kilometres from Cromwell's town centre. The site's location is denoted by the blue dot in Figure 1 below.

Figure 1: Location of Subject Site



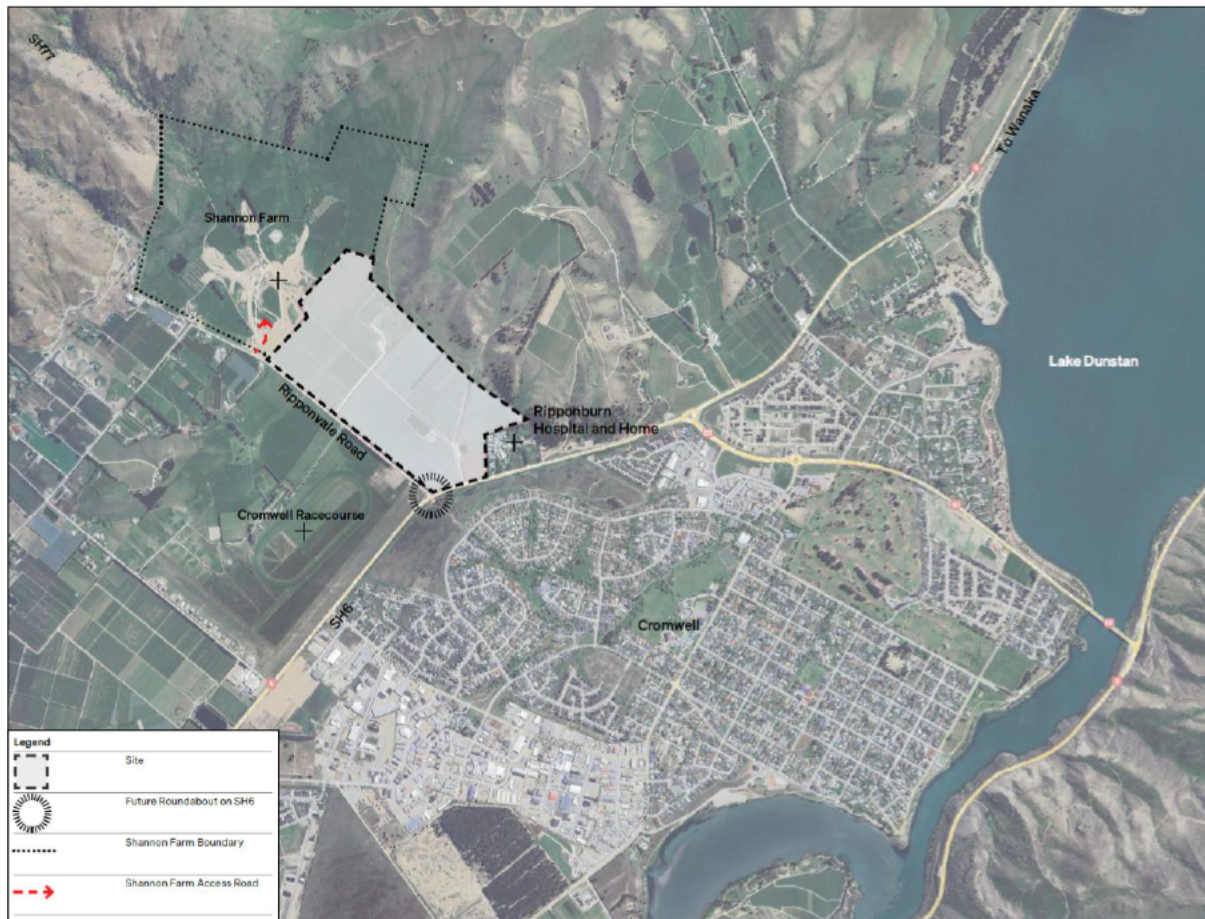
The site spans an area of approximately 70 hectares of contiguous land over three land parcels. It is predominantly zoned Rural Resource Area under the Central Otago District Plan, with the balance zoned Rural Residential. The site was formerly used as a commercial cherry orchard, with production ceasing on 31 March 2026. The subject land is generally flat to gently undulating.

3.2. Receiving Environment

The receiving environment comprises a mix of existing urban development, consented or zoned growth areas, and rural land uses. To the west, the site adjoins the Shannon Farm development, which represents a major component of Cromwell's planned growth. Currently, this development is consented to accommodate up to 160 residential lots. To the north-east, the site adjoins the Ripponburn Hospital and Home. Cromwell Racecourse is located to the south, across Ripponvale Road, while rural land and open hills extend to the north and north-west. To the east lies undeveloped Medium Density Residential zoned land which, once developed, will further increase the area's urban

character. The surrounding land uses reflect a transition from productive rural activities to urban uses, consistent with Cromwell's outward growth pattern over recent years.

Figure 2: Receiving Environment



3.3. Overview of the Proposal

The proposal seeks to enable the comprehensive development of the subject site for a mix of residential, retail, and industrial uses through a coordinated master-planned approach. It is intended to transition the land from its existing horticultural use to an urban extension of Cromwell that integrates with adjoining development and the wider urban growth pattern.

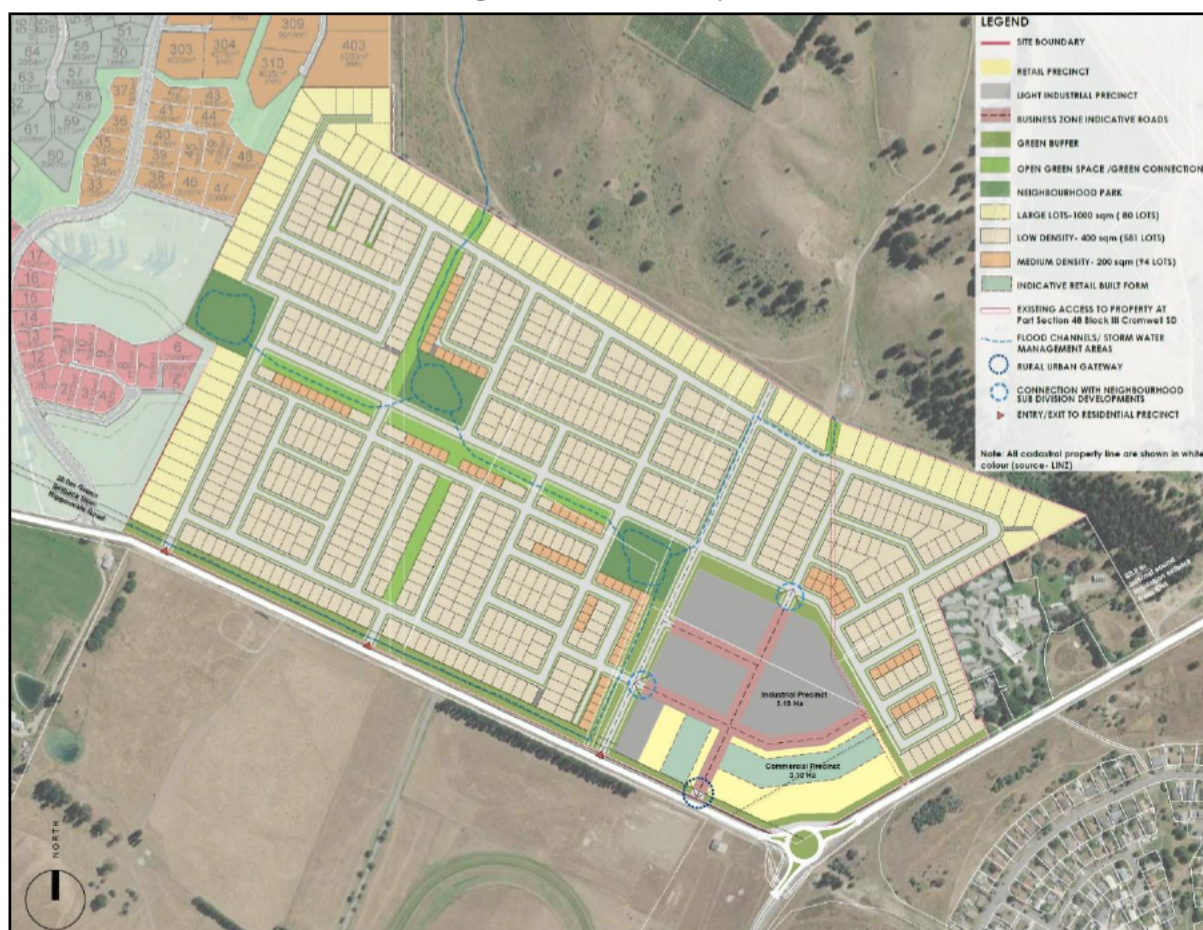
Residential development is proposed across a range of densities and lot sizes, supporting housing choice and enabling efficient use of land in a location close to existing and planned urban areas. The residential areas are supported by neighbourhood-scale open spaces and pedestrian and cycle connections designed to link internally and to surrounding development.

A retail and industrial precinct is proposed in close proximity to State Highway 6, reflecting its strategic access and visibility. This area is intended to accommodate a range of employment-generating activities and to complement existing and planned business land elsewhere in Cromwell.

Throughout the site, the proposal integrates stormwater management, landscaping, and ecological enhancement through a network of green corridors and open spaces. These elements are designed to

provide amenity and recreational opportunities, while also responding to the site's existing environmental characteristics. A masterplan is provided in Figure 3 below.

Figure 3: Indicative Masterplan



3.4. Anticipated Development Yields

While the final dwelling counts are subject to detailed design, the remainder of this assessment adopts an indicative yield of 755 dwellings, which corresponds to the masterplan above. Table 1 provides further detail. It shows that the proposal will likely support a mix of housing types, including standalone homes in a range of sizes and configurations, as well as terraces and duplexes on smaller lots within the proposed medium density areas.

Table 1: Anticipated Residential Development Yields

Residential Category	Average Lot Size (m ²)	Count of Lots	Share of Lots
Low Density Residential	400	581	77%
Medium Density Residential	200	94	12%
Large Lot Residential	1,000	80	11%
Total Residential	440	755	100%

To estimate the scale and composition of non-residential floorspace enabled by the proposal, we draw on the indicative masterplan, which identifies discrete industrial and commercial precincts within the business area, together with recent retail demand analysis prepared by Insight Economics for the proposal and evidence on development intensity in Cromwell. According to the masterplan, the

proposal provides for approximately 5.19 hectares of industrial land and 3.10 hectares of commercial land.

For the industrial precinct, we apply an indicative floor area ratio (FAR)¹ of 0.35, derived from Cotality's *Property Guru* data on comparable light industrial development in the Central Otago District. This yields an estimated 18,165 m² of industrial gross floor area (GFA).

For the commercial precinct, we draw on the retail demand analysis set out in our earlier assessment, an extract of which is provided in **Appendix A**.² Projected growth in Cromwell's retail demand indicates capacity for around 24,270 m² of additional core retail floorspace by 2048 under a medium growth scenario, rising to around 29,650 m² under a high scenario. For the purposes of this referral, we conservatively assume that approximately half of this projected demand is accommodated within the subject site, equating to around 13,675 m² of retail GFA.³ This implies an effective FAR of approximately 0.44 across the 3.10-hectare commercial precinct, which is consistent with observed development intensities for comparable retail floorspace in the district.

On this basis, the proposal is expected to enable approximately 31,840 m² of new non-residential floorspace overall, as shown in Table 2 below.

Table 2: Anticipated Non-Residential Floorspace

Non-Residential Category	Land Area (ha)	Indicative FAR	Estimated GFA (m ²)
Industrial	5.19	0.35	18,165
Retail	3.10	0.44 ⁴	13,675
Total	8.29	n/a	31,840

¹ The floor area ratio (FAR) is calculated by dividing floor area by land area. The FAR for each property was computed, and the median of these values was taken as the representative FAR.

² Insight Economics (June 2025). *Preliminary Economic Assessment of Proposed Rezoning in Cromwell*. Prepared for Rippon Investments Limited.

³ While projected growth could support materially more retail floorspace across Cromwell, our prior analysis identified limited vacant and redevelopment-ready land within the town centre, which constrains the extent to which future demand can be absorbed there. Allocating only around half of projected demand to the subject site therefore understates its potential contribution to meeting longer-term retail supply requirements.

⁴ Effective FAR implied by the demand-derived retail GFA across the 3.10 ha commercial precinct.

4. One-Time Impacts of Development

This section estimates the one-time impacts of development enabled by the proposal.

4.1. Introduction

In the previous section we showed that the proposed development could deliver approximately 755 new dwellings, plus 31,840 m² of non-residential floorspace.⁵ Constructing these buildings, preparing the land for development, providing necessary infrastructure, and obtaining all necessary consents will generate significant one-time economic impacts on GDP, employment, and wages.

4.2. Methodology

We quantified these one-time economic impacts using a technique called multiplier analysis, which traces the impacts of additional economic activity in one sector – such as construction – through its supply chain to estimate the overall impacts, including flow-on effects. These comprise two parts:⁶

- **Direct effects** – which capture all on-site and off-site activities directly related to the proposal's development, e.g., home builders and their various subcontractors and suppliers, some of which will be on-site, and some of which will be off-site.
- **Indirect effects** – which capture additional (supply-chain) impacts arising when businesses working directly on the project source goods and services from their suppliers, who in turn may need to source goods and services from their own suppliers, and so on.

These economic impacts are measured in various ways, including:

- **Contributions to GDP (or value-added)** – GDP measures the difference between a business' inputs (excluding wages and salaries) and the value of its outputs. It captures the value that a business adds to its inputs to create its own outputs, hence the term "value-added."
- **Total FTEs** – which equals the total number of full-time equivalent workers (FTE) employed.
- **Total Jobs** – which is the total number of people employed, i.e., including both part-time and full-time workers.
- **Total wages and salaries** – which equals the total amount paid in wages and salaries.

⁵ Comprised of 18,165 m² of industrial floorspace and 13,675 m² of retail floorspace.

⁶ In some applications of multiplier analysis, induced impacts are also reported. These represent the additional economic activity generated when workers employed directly or indirectly by a proposal spend their wages and salaries in the wider economy. While such spending does create some additional demand, much of it would have occurred anyway, since many workers (particularly those with specialist skills) would likely be employed elsewhere in New Zealand absent the proposal. For this reason, induced effects tend to overstate the economic benefits. Including them can also lead to implausible results, such as suggesting that every dollar of expenditure generates more than one dollar of GDP. In practice, the economy cannot expand indefinitely, as firms face limits on available labour and resources. These constraints, along with rising prices, prevent such outcomes. Accordingly, this assessment reports only direct and indirect effects.

For example, when a construction firm wins a new project, they will subcontract various parts of the build to other companies, such as glaziers, tilers, plumbers, electricians, etc. Those subcontractors, in turn, will then usually need to source additional materials and services from their suppliers, who may then need to source materials and services from their suppliers, and so on. Multiplier analysis enables the impacts of these supply chain interactions to be captured to estimate the overall impact of the new building project, including its direct and flow-on (supply chain) effects.

4.3. Limitations

While multiplier analysis is a widely used tool for estimating the wider economic effects of industry activity, it has several limitations that should be borne in mind when interpreting results:

- **Fixed relationships:** Models assume fixed input-output ratios between industries and do not capture technological change, substitution, or efficiency improvements over time.
- **No price or capacity constraints:** The framework assumes that supply can expand to meet increased demand without affecting prices, wages, or resource availability. In reality, constraints (e.g., limited skilled labour) may dampen the scale of impacts.
- **Average industry structure:** Input-output coefficients are based on national industry averages. Where a project's cost structure differs materially relative to industry norms, results may diverge from actual outcomes.
- **No feedback effects:** Broader economy-wide feedback loops (such as inflationary pressures or exchange rate effects) are not captured.

These limitations mean that multiplier analysis should be viewed as providing indicative estimates of the scale and distribution of economic impacts, rather than precise forecasts.

4.4. Development Assumptions

Based on the location and nature of the proposal, we assume that 80 percent of the direct and indirect national one-time impacts accrue to the Otago region.⁷

Our analysis incorporates various assumptions about the likely scale and cost of future development. Because reliable information was available on likely residential and non-residential yields, we used those yields as the starting point for the analysis. We first estimated residential and non-residential construction costs, then estimated planning, consenting, earthworks, and infrastructure costs as percentages of those construction costs. Planning and consenting costs were assumed to equal 2 percent of construction costs, while earthworks and infrastructure costs were assumed to equal 20 percent, based on our experience with similar developments elsewhere in New Zealand.

⁷ In some countries, regional I-O tables are commonly used to estimate subnational economic impacts. However, in New Zealand, the regions are generally too small and economically interlinked to produce reliable standalone I-O tables. Regional data is often sparse, outdated, or lacks the industry granularity required for robust modelling. Accordingly, we have used national multipliers and attributed a share of national impacts to the Otago region.

Table 3 displays our notional residential development assumptions, which include average dwelling sizes⁸ by section size and associated build costs,⁹ for the 755 new dwellings enabled. Overall, residential construction costs are estimated at \$420 million in today's dollars.

Table 3: Residential Development Assumptions

Lot Typology	Count of New Dwellings	Avg. Section Size m ²	Avg. Dwelling GFA m ²	Build Cost \$/m ² GFA	Total Build Cost \$m
Low Density Residential	581	400	130	\$3,950	\$298
Medium Density Residential	94	220	115	\$3,950	\$43
Large Lot Residential	80	1,000	250	\$3,950	\$79
Total / Average	755	440	141	\$3,950	\$420

Next, Table 4 combines our notional estimates of non-residential floorspace with associated build costs to yield estimated total construction costs of \$83 million in today's dollars.

Table 4: Indicative Non-Residential Development Assumptions¹⁰

Activity	Total GFA m ²	Build Cost \$/m ² GFA	Total Build Cost \$m
Industrial	18,165	\$1,900	\$34
Retail	13,675	\$3,550	\$49
Total	31,840	n/a	\$83

Based on the tables above, total construction costs equal \$503 million, from which we then derived:

- \$10 million for planning, designing, and consenting costs (i.e., 2% of build costs); and
- \$101 million for infrastructure and civil works costs (i.e., 20% of build costs).

4.5. Summary of Development Costs

Table 5 summarises the estimated total cost of the proposal across the four key activities based on the assumptions set out above, which equal \$614 million in today's dollars.

Table 5: Summary of Estimated Development Costs (\$ millions)

Development Activity	\$ millions
Planning, design, and consent	\$10
Civil works and infrastructure provision	\$101
Residential construction	\$420
Non-residential construction	\$83
Total Development Cost	\$614

⁸ Dwelling sizes were derived using Cotality's Property Guru data, based on Cromwell residential average GFA by section size.

⁹ Build costs were based on average values over the two years to March 2026 in the Otago Region, as reported in building consent data.

¹⁰ Excludes construction costs associated with neighbourhood amenities (e.g., community and recreational areas, and supporting infrastructure). As such, total non-residential build costs are likely to be conservative.

Finally, these costs were mapped to sectors of the national economy then overlaid with the latest economic multipliers¹¹ to derive the one-off impacts of development, as set out below.

4.6. Estimated Impacts on GDP, Jobs, and Wages

Table 6 presents the one-time impacts of development based on the methodology, inputs, and assumptions described above. All activities are assumed to occur over an eight-year period.

Table 6: One-Time Economic Impacts of Development by Activity (spread over eight years)

	Planning & Design	Infrastructure & Civil Works	Residential Construction	Non-Resi Construction	Development Totals
Annual Jobs					
Direct impacts	4	24	61	9	98
Indirect impacts	3	31	171	35	240
Total	7	55	232	44	338
Annual FTEs					
Direct impacts	3	23	58	9	93
Indirect impacts	2	29	159	33	223
Total	5	52	217	42	316
Total Wages \$m					
Direct impacts	\$3	\$18	\$35	\$7	\$63
Indirect impacts	\$2	\$21	\$108	\$22	\$153
Total	\$5	\$39	\$143	\$29	\$216
Total GDP \$m					
Direct impacts	\$5	\$26	\$55	\$12	\$98
Indirect impacts	\$3	\$37	\$187	\$40	\$267
Total	\$8	\$63	\$242	\$52	\$365

In summary, we estimate that:

- Future planning, design, and consenting will support an average of five FTEs per annum over the eight-year development period, generating total wages and salaries of \$5 million;
- Land development (including infrastructure provision and all other civil works) will create full-time work for 52 people, with \$39 million paid in wages and salaries;
- Residential construction will provide full-time work for 217 people, with \$143 million paid in wages and salaries; and
- Non-residential construction will provide full-time work for 42 people, with \$29 million paid in wages and salaries.

¹¹ Multipliers were derived by Insight Economics using Stats NZ source data, including the Annual Enterprise Survey, Linked Employer-Employee Data, Quarterly Employment Survey, and Monthly Employment Indicators.

Overall, the proposal's development is estimated to provide full-time work for approximately 316 people for eight years, generating \$216 million in wages and salaries, and boosting GDP by \$365 million.

4.7. Top 10 Industries by FTEs Employed

To better understand the likely impacts of the development enabled by the proposal, Table 7 reveals the 10 industries likely to experience the greatest employment boosts. These top ten industries account for approximately three-quarters of all full-time employment generated by the proposal's development, with the balance spread across numerous other sectors.

Table 7: Top 10 Industries by Annual FTEs Generated during Development

Industries	Annual FTEs	Shares
Residential building construction	70	22%
Construction services	67	21%
Heavy and civil engineering construction	28	9%
Scientific, architectural, and engineering services	15	5%
Public order, safety, and regulatory services	11	4%
Fabricated metal product manufacturing	11	4%
Non-residential building construction	10	3%
Wood product manufacturing	10	3%
Legal and accounting services	7	2%
Employment and other administrative services	7	2%
Top 10 Subtotal	236	75%
All Other Industries	80	25%
Total Annual FTEs (all industries)	316	100%

5. Ongoing Impacts of Future Uses

This section estimates the annual impacts of the proposal's future non-residential uses once built out.

5.1. Introduction

In addition to the one-off economic impacts of the proposal's development just estimated, the industrial and retail components will also sustain significant ongoing economic activity over time. Accordingly, this section briefly estimates those impacts in terms of annual contributions to GDP, jobs, and wages.

5.2. Methodology

We estimated the potential annual economic impacts of this future activity by:

1. Applying GFA-per-worker ratios to the previously estimated industrial and retail floorspace to derive total workers per area at full build-out.
2. Allocating these roles to their respective industries.
3. Applying the same economic multipliers from the previous section to translate future ongoing employment into corresponding measures of annual GDP and wages/salaries.

5.3. Limitations

All figures represent the total scale of economic activity that could occur onsite once fully established. It is important to note that the results presented here are **gross impacts**, some of which may have occurred elsewhere in the absence of the proposal. We have not attempted to quantify the extent of this displacement.

5.4. Inputs & Assumptions

Table 8 shows the floor areas and GFA per worker ratios¹² used in our analysis. Together, they indicate that the development's industrial and retail components could sustain employment for approximately 405 workers at full build-out.

Table 8: Non-residential Floor Areas and Workers at Full Build Out

Activity	Total GFA (m ²)	GFA (m ²) / Worker	Future Workers
Industrial	18,165	140	130
Retail	13,675	50	275
Totals	31,840	n/a	405

5.5. Annual GDP, Jobs, and Wages

Next, Table 9 summarises the annual economic impacts of future activity in terms of FTEs employed, GDP contributed, and wages generated.

¹² These ratios are consistent with standard industry benchmarks and observed employment densities for retail and light industrial activities in comparable centres.

Table 9: Estimated Annual Economic Impacts of Non-residential Areas (at full build-out)

Activity	Jobs	FTEs	GDP \$m	Wages \$m
Industrial	130	120	\$17	\$10
Retail	275	218	\$20	\$13
Totals	405	338	\$37	\$23

In summary, the development's non-residential areas could sustain the following activity at full build-out:

- Full-time employment for 338 people;
- Annual GDP of \$37 million; and
- Approximately \$23 million paid annually in wages and salaries.

5.6. Wider Ongoing Employment Impacts

Importantly, the jobs enabled by the proposal's industrial and retail areas will together sustain a diverse and stable local workforce. Beyond direct employment, these activities will help build skills, strengthen supply chains, and support ongoing regional productivity. Key benefits include:

- **Career development:** Industrial roles provide clear training and progression pathways through trade qualifications, apprenticeships, and professional development programmes.
- **Agglomeration benefits:** Clustering of industrial firms encourages knowledge exchange, shared services, and labour mobility, improving efficiency and innovation.
- **Stable, year-round employment:** Many industrial and retail operations will provide ongoing, non-seasonal employment. While not all activities will operate continuously, both sectors together contribute to a stable local workforce and support household income security.
- **Supply-chain linkages:** Local sourcing of materials, maintenance, and services creates secondary demand across the wider regional economy.
- **Local workforce opportunities:** The diverse scope of roles enabled, from entry-level retail to technical and managerial positions, supports inclusive participation in the local labour market.

Collectively, these effects will support employment diversity, local supply-chain activity, and a more resilient Cromwell economy.

6. Housing Market Context

This section provides context on the local residential land market to inform the remainder of the assessment.

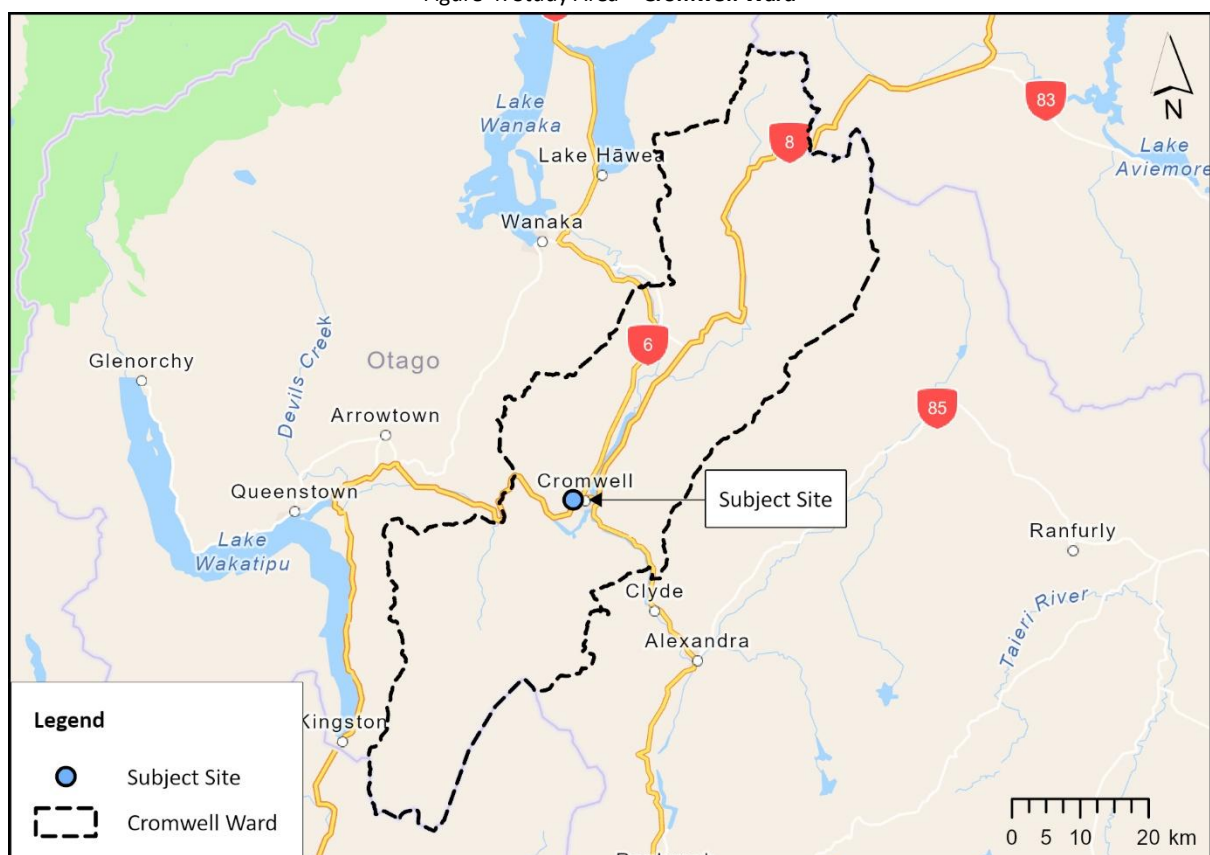
6.1. Study Area

The study area adopted for this section corresponds to the Cromwell Ward, which comprises the following three Statistical Area 2 (SA2) units:

- Cromwell East;
- Cromwell West; and
- Lindis-Nevis Valleys.

The ward covers the Cromwell township plus surrounding rural land, as illustrated by the dashed black line in the map below.

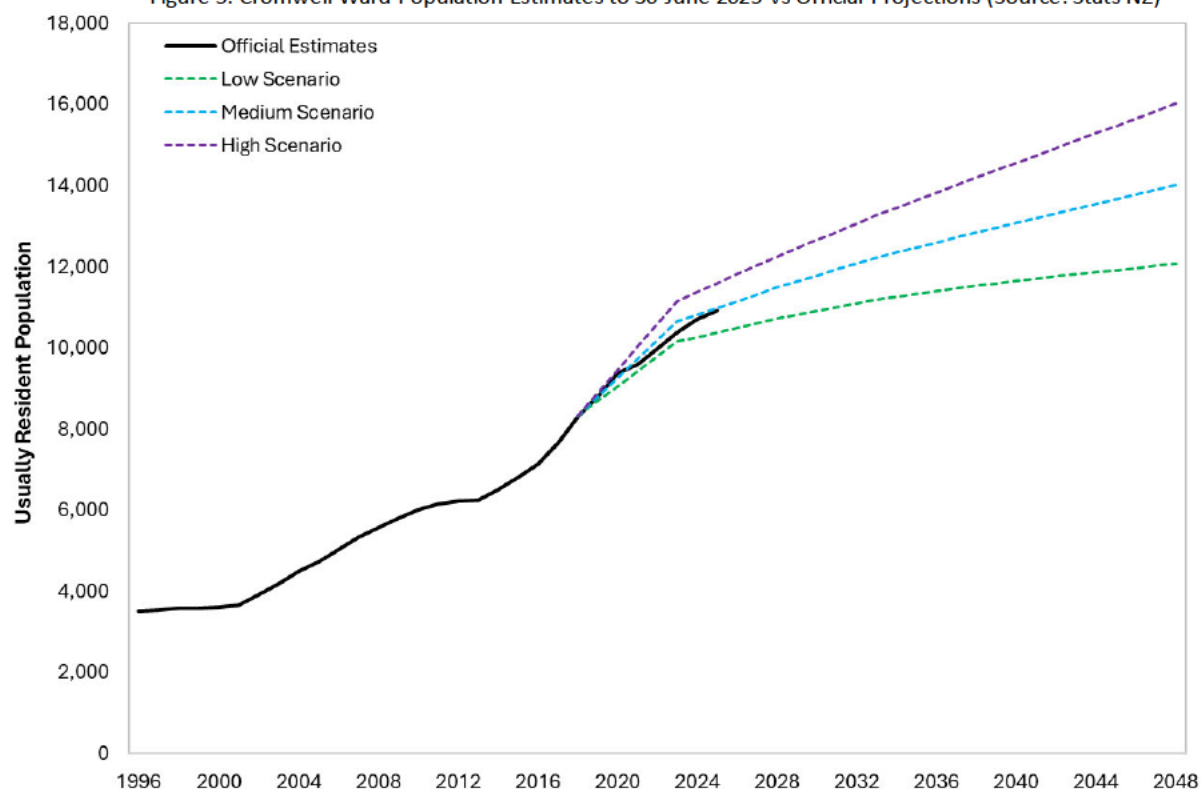
Figure 4: Study Area – Cromwell Ward



6.2. Population Growth

Cromwell's population has grown strongly over an extended period, more than tripling from 3,510 in 1996 to 10,910 in mid-2025. Figure 5 and Table 10 below provide the details, including the official estimates from 1996 to 2025, and the three official projection scenarios from 2018 to 2048.

Figure 5: Cromwell Ward Population Estimates to 30 June 2025 vs Official Projections (Source: Stats NZ)



Under the medium growth scenario, Cromwell’s population is expected to grow by 69 percent over the 30 years to 2048, and by 93 percent under the high scenario. These forecast growth rates far exceed the rest of the district, where the population is expected to grow by only 33 percent under the medium scenario. This highlights Cromwell’s role in meeting future growth needs for the district.¹³

Table 10: Cromwell Ward Official Population Projections by Growth Scenario

Year	Low	Medium	High
2018	8,310	8,310	8,310
2023	10,150	10,640	11,150
2028	10,720	11,480	12,250
2033	11,180	12,220	13,260
2038	11,530	12,850	14,200
2043	11,820	13,440	15,110
2048	12,070	14,010	16,020
30-yr change	3,760	5,700	7,710
30-yr % change	45%	69%	93%
CAGR	1.3%	1.8%	2.2%

¹³ If approved, the Santana Mines would help sustain an even higher growth trajectory than assumed here.

6.3. Demographic Summary

According to Census 2023, Cromwell's population and demography can be summarised as follows:

- **Cromwell's population is younger** than the rest of the Central Otago District (COD), with a median age of 41.7 years versus 49.7 years elsewhere.
- Despite that, **Cromwell has a higher share of people aged 65-plus** than the regional or national averages (21% vs 18% and 17%, respectively).
- Cromwell **residents are increasingly likely to be born overseas**, with that share rising from 13 percent in 2013 to 21 percent in 2023. Elsewhere in the district, only 15 percent were born overseas in 2023.
- **Locals have different work characteristics to the rest of the COD**, with only 12 percent employed in agriculture/forestry/fishing compared to 20 percent elsewhere.
- This is offset by Cromwell residents being **more likely to work in either construction or manufacturing** than the rest of the district (28% vs 18%, respectively).
- Cromwell residents have **higher personal incomes** than the rest of the COD (\$47.5k vs \$38.6k). They are also well above the regional and national averages (of \$40.7k & \$42.9k, respectively).
- This higher earning power is (naturally) **also reflected in household incomes**, with Cromwell's average in 2023 being nearly one-third higher than the rest of the district (\$103k vs \$78k).
- Cromwell residents are **less likely to live alone** than the rest of the COD (19% vs 26%), which produces a higher average household size of 2.5 people vs 2.3 elsewhere in the COD.
- **Living costs have risen quickly over the last 10 years**, with the median weekly rental value increasing from \$250 in 2013 to \$460 in 2023 (an annual average growth rate of 6.3%).
- Consequently, **weekly rental values in Cromwell are now more than 50 percent higher** than the rest of the district (\$460 vs \$300).

6.4. Housing Market Indicators

Despite a recent downturn, Cromwell's dwelling prices have now returned to near all-time highs. This is illustrated in Figure 6 below, which charts the quarterly median prices of ward dwellings using data published under the NPS-UD.¹⁴

¹⁴ Available here: <https://huddashboards.shinyapps.io/urban-development/>

Figure 6: Cromwell Ward Median Dwelling Sales Price (12-month Rolling Average)



Figure 6 shows that the median dwelling sales price increased from \$388,000 in mid-2015 to \$946,000 by mid-2025, an increase of nearly \$560,000 in 10 years. This equates to a compound annual growth rate (**CAGR**) of more than 9.3 percent, well above long-run wage and CPI growth.

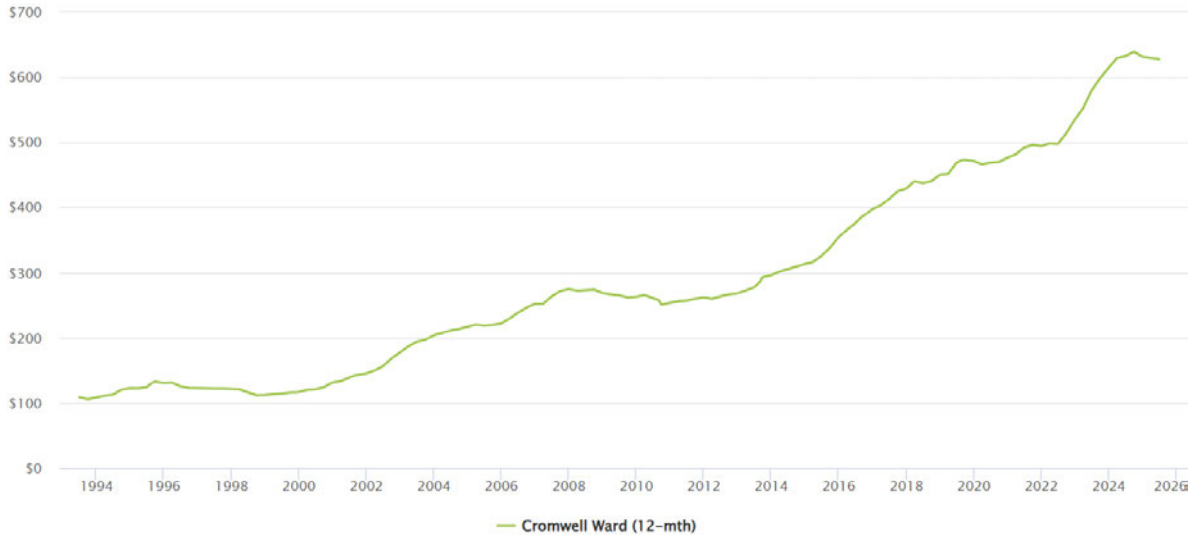
The ongoing increases in dwelling prices reflect strong underlying land value inflation, with values more than tripling in less than a decade, from approximately \$153,000 in August 2016 to \$486,500 in September 2025 (a CAGR of 13.6%). Figure 7 plots the trend over time since the mid-1990s.

Figure 7: Cromwell Ward Average Dwelling Land Value



Weekly rents have also grown steadily, increasing from approximately \$330 in mid-2015 to about \$630 by mid-2025, a CAGR of around 6.7 percent.

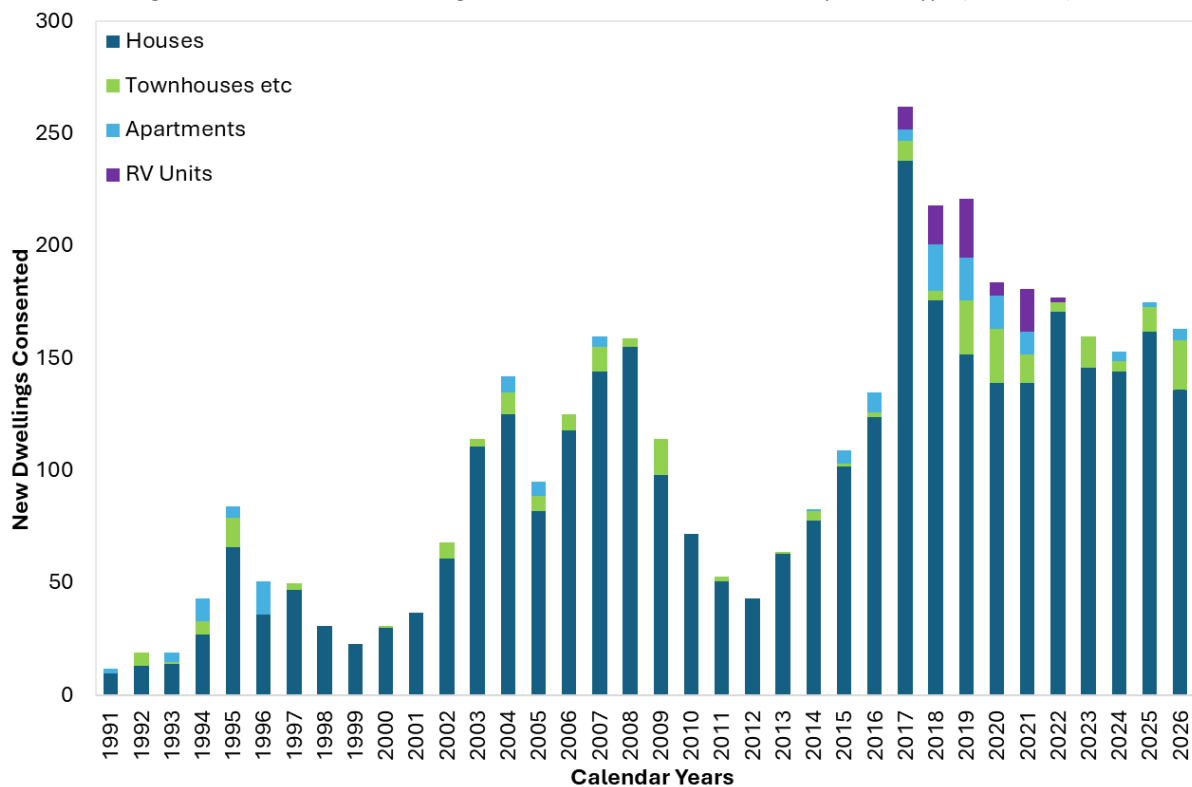
Figure 8: Cromwell Ward Average Weekly Rental Values (12-month Rolling Average)



6.5. Building Consent Trends

We also used building consent data to analyse trends in the number, types, and sizes of new dwellings consented in the Cromwell Ward since 1991. To begin, Figure 9 plots the number of new dwellings consented by calendar year and dwelling type. It reveals that consent volumes have tended to move in cycles (like the national and regional property markets). However, the number of new dwellings consented has remained high since 2016. Over the 2016 to 2026 March years, 185 new dwellings were consented annually on average, more than 150 percent higher than the average consented annually during the 25 years prior (i.e., from 1991-2015).

Figure 9: Number of New Dwellings Consented in the Cromwell Ward by Year & Type (YE: March)



The data indicates that, despite a decline in the average floorspace of new dwellings and increase in the number of smaller typologies such as apartments and townhouses, standalone homes remain the most popular typology by far, accounting for nearly 90 percent of all new dwellings consented in the ward since 1991.

7. Housing Market Impacts

This section assesses the likely impacts of the proposal on the local housing market.

7.1. Significant Boost in Housing Supply

The proposal will enable the development of approximately 755 new dwellings. This represents a material uplift in housing capacity within Cromwell and will help narrow the gap between expected housing demand and supply over time. All else being equal, increasing supply at this scale improves the responsiveness of the housing market to demand growth, which helps moderate the rate of house price growth (relative to the status quo).

This is important given ongoing affordability pressures. Cotality's most recent affordability metrics indicate that median house values in the district are around 9.2 times median household income, with servicing a standard mortgage typically requiring approximately 54 percent of gross household income.¹⁵ These ratios remain well above long-term norms, indicating that affordability pressures persist despite recent softening in headline house prices. In this context, additional dwelling supply in well-located areas plays an important role in easing longer-term housing cost pressures.

To assess the significance of this supply boost, we used data from a Tier 1 city Council in the North Island, which details the nature and scale of all residential subdivision consents granted there over the past six or seven years. The data covered 1,666 consents and enabled the creation of nearly 13,000 new residential lots.

Of those 1,666 consents:

- The median number of new lots created was only 4;
- Only the top 10 percent provided 10 lots or more;
- Only the top 3 percent provided 30 lots or more; and
- Only the top 1 percent provided 75 lots or more.

Based on this dataset, and drawing on our experience with more than 80 residential subdivisions across New Zealand over the past 20 years, we have derived the following rules of thumb for assessing the significance of development proposals:

- 15 to 30 lots represent a significant increase in capacity;
- 30 to 100 lots represent a highly significant increase; and
- More than 100 lots represent an extremely significant increase.

Against this benchmark, the circa 755 dwellings enabled by the proposal represent an extremely significant increase in residential development capacity.

¹⁵ Based on indicators reported in *Cotality – New Zealand Housing Affordability Insights* (latest edition).

7.2. Land Market Competition

In addition to directly boosting dwelling capacity, the proposal will also help to foster competition in the local land market. This is important because, as recognised through Objective 2 of the NPS-UD, competition is the cornerstone of economic efficiency. When the land market becomes more competitive, land developers have a greater incentive to bring their product to market in a more timely and cost-effective manner, thus further helping to keep local housing as affordable as possible.

Absent competition, landowners experience “market power,” which enables them to charge more for land and be slower in releasing it to the market. Both outcomes work against affordability and reduce the overall efficiency of the housing market.

7.3. Providing for a Range of Dwelling Types

The proposal will also enable a wide range of dwelling types and sizes to be constructed on the land over time, such as terraced, duplex, and detached dwellings. This diversity of end use helps the proposal give effect to Policy 1(a)(i) of the NPS-UD, which requires planning decisions to contribute to well-functioning urban environments that provide a variety of homes to meet the needs of a diverse population.

Importantly, the proposal includes sections that are considerably smaller than Cromwell’s existing housing stock, with an average section size of 440 m² compared to an average of approximately 875 m². Developments like this are critical to providing a range of smaller and more affordable dwellings to meet the rapidly evolving needs of the area.

8. Wider Economic Impacts

This section considers a range of wider economic impacts of the proposal.

8.1. Alignment with Government Growth Agenda

The *Going for Growth* agenda, launched by the New Zealand Government in early 2025, outlines a long-term strategy for lifting regional and national productivity and living standards. It is built around five interrelated pillars: developing talent; building competitive business settings; promoting trade and investment; driving innovation, science and technology; and investing in infrastructure for growth.

The proposal aligns well with several of these priorities:

- **Developing Talent:** Construction of approximately 755 residential dwellings and the non-residential components will generate employment for approximately 316 full-time equivalent workers over an eight-year development period, creating opportunities for apprentices, tradespeople, and professionals. This will help sustain and develop the skills base of the local labour force.
- **Building Competitive Business Settings:** By bringing a large supply of new dwellings and commercial floorspace to market, the proposal will foster greater competition in the land and property markets, directly supporting the efficiency objectives of the NPS-UD.
- **Promoting Trade and Investment:** The scale of the development represents a major private sector investment of approximately \$614 million, which signals confidence in the local economy and strengthens its attractiveness as a destination for further domestic and international investment.
- **Driving Innovation, Science and Technology:** The master-planned design of the development incorporates integrated transport networks, parks, and sustainable infrastructure solutions. These reflect best-practice urban design and infrastructure planning, providing a model for future growth in the region and beyond.
- **Investing in Infrastructure for Growth:** The proposal includes significant investment in essential infrastructure such as stormwater capacity and supporting roads, cycling, and pedestrian networks. These upgrades will not only service the development itself, but will also strengthen the resilience and efficiency of the wider urban system.

In these ways, the proposal is aligned with several elements of the Government's *Going for Growth* agenda, advancing regional and national objectives for productivity, competitiveness, and sustainable urban expansion.

8.2. Boost in Industrial Supply

The proposal enables the development of approximately 18,165 m² of light industrial floorspace. Given the size and location of the proposed industrial area, it is expected to predominantly accommodate "local industrial" activities, which primarily serve the residents, workers, and

businesses of smaller areas like Cromwell. These types of activities are numerous and geographically dispersed, with many small-to-medium-sized firms operating across a wide range of locations nationwide.¹⁶

The proposal provides for a range of industrial lot sizes, thereby enabling a variety of activities to establish on the site. Smaller lots are likely to be suitable for small-scale manufacturing, repair workshops, and wholesale businesses, while larger lots may suit light industrial workshops, warehouses and commercial showrooms. This, in turn, helps give effect to Policy 1(b) of the NPS-UD, which requires planning decisions to contribute to well-functioning urban environments that enable a variety of sites that are suitable for different business sectors.

To assess the appropriateness of the quantum of industrial land proposed, we drew on a recent study we undertook for a separate matter. This comprehensive, bottom-up study used a database of 22,500 industrial properties across 63 territorial authorities to estimate land requirements for local industrial activities (i.e., those likely to locate in Cromwell). The results indicate average demand of 2.24 hectares of local industrial land per 1,000 residents (see Appendix B). On that basis, the new homes enabled by the proposal could generate demand for approximately 5.07 hectares of local industrial land.¹⁷

Accordingly, the 5.19 hectares proposed is broadly consistent with anticipated demand generated by the proposal's future resident population. This, in turn, will help ease land supply constraints, support a more responsive industrial market, and improve access for businesses seeking to invest or expand in the area.

8.3. Support for the Local Economy

While the types of activities enabled by the proposal will ultimately be shaped by market demand, they will likely be broadly similar to what is currently occurring in Cromwell's existing industrial zones. For context, Table 11 below illustrates the top three activities in those areas as at May 2026.¹⁸ It shows that light manufacturing is the most prevalent activity, comprising 82 percent of non-vacant land area, followed by warehousing (6%) and service activities (4%).

Table 11: Share of Non-Vacant Zoned Land Area by Activity

Activity	Share
Light manufacturing	82%
Warehousing	6%
Service	4%

These types of activities make a disproportionately large contribution to the local economy. Because of the depth and complexity of associated supply chains, their contribution extends well beyond the direct employment and output generated onsite.

¹⁶ In contrast, "general industrial" activities primarily serve customers spanning vast geographic areas (such as entire regions or nations). They are fewer of them, and they are geographically concentrated in a limited number of places.

¹⁷ Assuming a dwelling yield of 755 and an average of 3.0 residents per household (which assumes new-build family households trend higher than the existing stock average).

¹⁸ According to Cotality's Property Guru data.

For example, consider pulp, paper, and converted paper product manufacturing. According to national input-output multipliers, every \$1 million of output in this sector directly supports 1.3 jobs, and generates \$0.3 million in GDP. However, the broader economic impact is even more significant. Through its supply chain, this same activity indirectly supports an additional 3.6 jobs, and an extra \$0.6 million in GDP. In other words, the flow-on effects are more than double the direct economic impacts of each dollar invested.

These strong multiplier effects are not limited just to paper product manufacturing, either. Similar patterns are observed across a wide range of light industrial activities. Accordingly, development enabled by the proposal offers an opportunity to significantly enhance the productivity and resilience of the broader regional economy far beyond activities sustained onsite in future.

8.4. Critical Mass & Support for Local Retail/Service Provision

As future development enabled by the proposal occurs and new residents move to the area, they will help create critical mass to support the onsite commercial provision and the ongoing health and vitality of nearby centres, particularly Cromwell town centre, with some spending also likely to flow to larger centres elsewhere in the wider region.¹⁹

To put this in context, we estimated likely future spending originating on the subject site at full build-out by applying average spending from the latest Household Economic Survey.²⁰ These estimates are deliberately conservative, as they assume no ongoing growth in annual household income over time. The results are tabulated below and reflect total annual spending by 755 new households.

Table 12: Projected Future Spending Originating On-site

Expenditure Group	Annual Spend per Household	Total Annual Spend (\$ millions)
Food	\$13,950	\$10.5
Alcoholic beverages and tobacco	\$2,200	\$1.7
Clothing and footwear	\$1,650	\$1.2
Housing and household utilities	\$17,950	\$13.6
Household contents and services	\$2,700	\$2.0
Health	\$1,800	\$1.4
Transport	\$11,250	\$8.5
Communication	\$2,000	\$1.5
Recreation and culture	\$6,700	\$5.1
Education	\$700	\$0.5
Miscellaneous goods and services	\$6,450	\$4.9
Other expenditure	\$7,500	\$5.7
Total Household Expenditure	\$74,850	\$56.5

¹⁹ While these households will already be contributing to spending elsewhere, the proposal is still expected to result in a net increase in local spending. If residents move from outside the area, they expand the local spending pool. If they relocate from within the area, their former homes are likely to be reoccupied, with new residents contributing additional local expenditure.

²⁰ For the South Island (excluding Canterbury).

Table 12 shows that future residents of the proposal will spend an estimated \$56.5 million per annum across all locations on a wide range of household goods and services, assuming they spend at a rate equal to that of the average household.

8.5. Residential and Non-Residential Land Use Synergies

In addition, the new dwellings provided by the proposal will help to support and enhance its non-residential land uses. For example, future occupants of the subject site will provide a pool of labour to help fill local jobs, while local workers will create demand for local housing. Similarly, local workers and residents will create ongoing demand for nearby retail, commercial services, and entertainment. Finally, those retailers and other services will make the area a more attractive place to live and work, which strengthens demand for residences and workspaces. Accordingly, the proposal's various elements will support and reinforce one another.

8.6. Putting Land to Higher and Better Uses

The subject site is located at the periphery of the Cromwell urban area, immediately adjacent to existing infrastructure and services. Retaining this land in its current rural zoning would forgo the opportunity to meet identified urban growth needs in a location that can support efficient service provision and reduce per-dwelling infrastructure costs.

Compared with the status quo, the proposal offers greater benefits by:

- Supporting the urban form objectives of the Cromwell 'Eye to the Future' Masterplan²¹ through contiguous urban expansion;
- Maximising the value of existing and planned infrastructure investments by increasing the number of households and businesses they serve; and
- Avoiding inefficient land use patterns that result from leap-frogging development further from the urban boundary.

The shift toward higher-density residential, commercial, and industrial activity represents a more efficient allocation of land and is consistent with the concept of highest and best use in an urban context, which is a precondition for economic efficiency to hold in the underlying land market.

8.7. Investment Signal Effects

Development enabled by the proposal will provide a signal of confidence in the region's medium- to long-term economic outlook. Large, capital-intensive developments typically require detailed due diligence, long investment horizons, and confidence in future population growth, labour availability, and infrastructure provision. As a result, their delivery can act as a market signal to other investors that underlying economic fundamentals are sufficiently robust to support further activity.

Such signalling effects are particularly relevant in sectors characterised by high upfront costs and long payback periods, where investment decisions are sensitive to perceptions of risk and uncertainty. The

²¹ Available here: <https://www.codc.govt.nz/publications/plans/5cromwell-masterplan>

establishment of a significant new development can help reduce perceived market risk by demonstrating that funding, consenting, and delivery barriers can be successfully navigated in the region.

Over time, this can help spur, accelerate, or bring forward complementary investment, including associated residential, commercial, or service-based development, as well as supporting infrastructure. While these effects are inherently indirect and not readily quantifiable, they are widely recognised in economic development literature as a secondary benefit of major private investment and contribute to broader regional economic momentum.²²

8.8. Foregone Rural Production

The principal potential economic cost of the proposal is the loss of existing rural production on the subject site, which was formerly used as a commercial cherry orchard. While horticulture typically generates higher output per hectare than lower-intensity rural activities such as pastoral grazing, in absolute terms, the level of employment, value added, and household income supported by the current orchard use is modest when compared with the scale and diversity of economic activity enabled by the proposed residential, retail, and industrial development.

The economic performance and viability of the orchard are addressed in a separate assessment by Mr Stuart Ford of The Agribusiness Group. Mr Ford concludes that the orchard has suffered substantial financial losses in recent years, ultimately resulting in its closure on 31 March 2026. The decision to cease production reflects broader industry distress, evidenced by multiple orchard closures, liquidations, and sales within the region. Overall, the data and assessment undertaken by Mr Ford demonstrate that continued cherry production is no longer financially sustainable under current and foreseeable conditions.

In this context, the proposal represents a shift from a single, land-extensive primary production activity to a more intensive urban use that supports substantially higher ongoing employment, GDP, and income generation, in addition to significant one-off construction impacts. As a result, the net economic effect of reallocating the land is expected to be strongly positive.

While the subject site includes land use capability (LUC) Class 3 land, recent amendments to the NPS-HPL provide a more flexible approach to the use of LUC 3 land for development, while retaining stronger protection for LUC 1 and 2 land. On that basis, the foregone rural production does not appear to create the same national policy constraint that would arise if the site comprised highly productive LUC 1 or 2 land.

8.9. Potential for Retail Distribution Effects

Another important consideration is the risk of retail distribution effects affecting Cromwell town centre. Such effects could arise if the proposed retail area materially diverts spending away from the town centre, whether through relocation of existing stores, reduced visitation to the centre, or

²² See, for example, Porter, M.E. (2000) *Location, Competition, and Economic Development: Local Clusters in a Global Economy*, and Turok, I. (1992) *Property-led urban regeneration: panacea or palliative?*, which discuss how large or “anchor” investments can reduce perceived risk, alter market perceptions, and catalyse follow-on private investment through “demonstration effects”.

broader changes in shopper behaviour over time. If sufficiently large, these effects could have implications for the town centre's ongoing health, vitality, and role within Cromwell's retail hierarchy.

One potential mechanism for such effects is the relocation of existing town centre retailers to the proposed retail area. In simple terms, a retailer would consider relocating only if it were expected to be commercially advantageous, which in turn would require either a reduction in operating costs, an increase in revenues, or both. We consider each of these in turn, beginning with costs.

Relocation typically involves significant one-off costs. These commonly include "make-good" obligations on the vacated premises, physical relocation of stock and fittings, fit-out costs at the new site, and updates to signage, branding, and marketing materials. There is also the opportunity cost associated with foregone or disrupted sales during the relocation period itself.

On the revenue side, any increase in turnover is likely to be modest. While a relocated store may experience a short-term uplift in sales due to the novelty of a new location, this effect generally dissipates once customer behaviour stabilises. Over the longer term, turnover is constrained by the size of the local catchment and total available spending. Sustained increases in revenue would therefore typically require a larger store footprint, which would in turn imply higher rents and fit-out costs, making the net effect on profitability uncertain.

For most existing town centre retailers, these factors suggest that the costs of relocation would outweigh the likely benefits, particularly for those with long remaining lease terms. Retailers nearing the end of their leases may have greater flexibility, but would still face substantial relocation costs. Accordingly, while a small number of relocations cannot be ruled out, we do not expect widespread relocation of existing town centre retailers to the proposed retail area.

More broadly, the absence of large-scale relocation reduces the likelihood of adverse retail distribution effects occurring through loss of anchor tenants or erosion of the town centre's critical mass. To the extent that new retail activity attracts spending that would otherwise have occurred elsewhere in the wider region, rather than displacing town centre activity, the risk to the centre's overall health and vitality is further reduced.

8.10. Infrastructure Servicing Cost, Risk, and Public Benefits

Finally, we have also considered whether the proposal might impose unwarranted costs on the wider community via the infrastructure required to service it. In our view, this risk is very low because:

- By default, growth-related infrastructure would ordinarily be the cost and responsibility of the applicants, and there is no reason to expect any different here.
- Any off-site upgrades that may be required to accommodate the development will be recoverable through development contributions, in line with the Council's policy.

Accordingly, any infrastructure-related costs or risks to council, and by extension, the wider community, are expected to be minimal.

At the same time, the proposal will deliver publicly vested infrastructure that generates wider benefits above and beyond those directly associated with enabling new homes and businesses. These include new parks and open spaces, walking and cycling links, and local roading upgrades that will be available for use by the wider community. Importantly, these amenities are only enabled because the proposal is a large-scale, master-planned community. Through piecemeal subdivision, redevelopment, or infill development, such public amenities typically do not occur, as individual projects are too small to support their delivery.

9. Project Acceleration

This section describes how the FTAA process would accelerate delivery of the proposal.

9.1. Timing of Economic Benefits

The proposal will progress considerably faster through the FTAA than would otherwise be the case. The FTAA establishes a streamlined approvals pathway with tighter statutory timeframes, coordinated decision-making, and reduced scope for delay relative to conventional RMA processes.

In contrast, obtaining consent via the standard RMA pathway would likely involve a multi-stage and potentially appeal-prone process, resulting in substantial delays. Similarly large proposals often experience extended processing timeframes due to public notification, hearings, and Environment Court appeals.

The FTAA (as strengthened by the Fast-track Approvals Amendment Act 2025) is specifically designed to accelerate nationally and regionally significant projects, reduce consenting uncertainty, and bring forward the timing of economic activity. For the proposal, this means enabling the project to commence much sooner than under a conventional consenting pathway, thereby bringing forward the one-off construction-related stimulus and any ongoing and wider economic benefits outlined in this report.

10. Conclusion and Checklist

10.1. Conclusion

The proposal enables a substantial, well-located urban expansion that supports Cromwell's housing and employment needs in a coordinated and efficient manner. It delivers a material increase in residential capacity, provides appropriately scaled industrial and retail land, and generates significant construction-phase and ongoing economic activity.

Our assessment has demonstrated that:

- The proposal makes a very substantial contribution to housing supply in a high-growth market;
- The scale of construction and ongoing activity delivers meaningful GDP, employment, and income benefits;
- The development supports efficient land use, infrastructure provision, and local economic resilience; and
- Any foregone rural production is outweighed by the magnitude and diversity of economic benefits enabled.

On this basis, we consider the proposal satisfies criteria 22(2)(a)(iii) and 22(2)(a)(iv) of the FTAA and we support it on economic grounds. Referral under the FTAA would materially accelerate delivery, thus bringing forward these benefits for the Cromwell and wider Otago economy.

10.2. FTAA Criteria Checklist

The following table provides a signpost to where each of the relevant criteria listed in Section 22(2)(a) of the FTAA are addressed in this report.

Table 13: Assessment Against Section 22(2)(a) Criteria of FTAA

Ref	Criterion	Signpost
(i)	Identified as a priority project in government plans or strategies	n/a
(ii)	Delivers new or supports existing regionally/nationally significant infrastructure	n/a
(iii)	Increases housing supply, addresses housing needs, or contributes to a well-functioning urban environment	Sections 7 & 8
(iv)	Delivers significant economic benefits	Sections 4, 5, & 8
(v)	Supports primary industries, including aquaculture	n/a
(vi)	Supports development of natural resources, including minerals and petroleum	n/a
(vii)	Supports climate change mitigation (e.g. reducing greenhouse gas emissions)	n/a
(viii)	Supports climate change adaptation, reduces risk from natural hazards	n/a
(ix)	Addresses significant environmental issues	n/a
(x)	Consistent with local/regional planning documents and spatial strategies	n/a

APPENDIX A: Current & Future Retail Demand

This section projects Cromwell's future retail demand as context for the proposal's retail elements.²³

Interpreting the Figures

Our Integrated Retail Model (IRM) estimates retail demand by store type and fine-grained spatial areas (SA2s) at 5-year intervals for Statistics New Zealand's low, medium, high population scenarios. It operates on a region-by-region basis, but more localised areas (e.g., Wards) can be assessed by simply aggregating SA2s accordingly. When this is done, like in this report which adopts the Cromwell Ward as its study area, the model's retail demand figures can be interpreted as follows:

- **Household demand** = Spending in the Otago region by households living in Cromwell;
- **Business demand** = Spending in the Otago region by businesses operating in Cromwell; and
- **Visitor Demand** = Cromwell's share of Otago regional visitor spending.

Note: these figures exclude spending by Cromwell households and businesses outside the region as they do not form part of the available market for study area retailers, which is our focus in this assessment.

Current Demand

Table 14 presents our estimates of current (2023) Ward retail demand by store and customer type.

Table 14: Current (2023) Cromwell Ward Retail Demand by Customer Type & RTS Store Type

Store Type	Households	Businesses	Visitors	Total
Core Retail Stores				
Supermarket and grocery stores	\$54.5	\$4.2	\$15.0	\$73.8
Specialised food	\$2.3	\$0.3	\$0.8	\$3.3
Liquor	\$2.5	\$0.3	\$3.4	\$6.2
Department stores	\$8.4	\$1.0	\$1.2	\$10.6
Furniture, floor coverings, housewares	\$5.5	\$0.9	\$0.4	\$6.9
Hardware, building, and garden supplies	\$18.7	\$6.5	\$1.5	\$26.7
Recreational goods	\$6.4	\$0.5	\$1.4	\$8.3
Clothing, footwear, and accessories	\$7.4	\$0.6	\$1.9	\$9.9
Electrical and electronic goods	\$3.8	\$1.0	\$0.5	\$5.3
Pharmaceutical & other store-based retailing	\$11.1	\$2.8	\$0.9	\$14.8
Food and beverage services	\$9.3	\$3.5	\$10.1	\$22.9
Core Retail Sub-total	\$129.9	\$21.5	\$37.3	\$188.7
Non-Core Retail Stores				
Motor vehicles	\$17.0	\$8.5	\$4.2	\$29.7
Fuel	\$12.2	\$5.6	\$10.7	\$28.5
Accommodation	\$4.2	\$1.8	\$11.1	\$17.1

²³ The following is an extract from Insight Economics (June 2025). *Preliminary Economic Assessment of Proposed Rezoning in Cromwell*. Prepared for Rippon Investments Limited.

Non-store and commission-based retailing	\$1.3	\$0.0	\$0.4	\$1.7
Non-Core Sub-total	\$34.7	\$15.9	\$26.3	\$76.9
All Retail Stores	\$164.6	\$37.4	\$63.6	\$265.6

As shown above, total retail demand in 2023 was estimated to be \$266 million excluding GST, \$189 million (71%) of which was core retail, and 29% of which was non-core retail.²⁴ Ward households accounted for most of this demand (62%), followed by visitors (24%) and businesses (14%).

Supermarket and grocery stores are the largest retail category, accounting for 28% of total demand, followed by motor vehicles (11%), fuel (11%), and hardware/building/garden (10%).

Core Retail GFA Supported in 2023

Table 15 translates our core retail demand estimates into the amount of floorspace supported using our in-house database of sales per square metre of GFA by territorial authority and store type.

Table 15: Cromwell Ward Core Retail GFA Supported by Demand as at February 2023

Core Retail Stores	Demand \$m	\$/m ²	GFA m ²
Supermarket and grocery stores	\$73.8	\$10,950	6,740
Specialised food (including liquor)	\$9.5	\$10,850	880
Department stores	\$10.6	\$3,750	2,840
Furniture, floor coverings, housewares	\$6.9	\$4,000	1,720
Hardware, building, & garden supplies	\$26.7	\$2,700	9,870
Recreational goods	\$8.3	\$3,700	2,260
Clothing, footwear, and accessories	\$9.9	\$4,700	2,120
Electrical and electronic goods	\$5.3	\$5,200	1,020
Pharmaceutical & other retailing	\$14.8	\$4,750	3,110
Food and beverage services	\$22.9	\$5,100	4,500
Core Retail Total	\$188.7	\$5,380	35,060

According to our calculations, Ward retail demand in 2023 could support 35,060 m² of core retail floorspace. Hardware, building and garden retailing account for 28% of this, followed by supermarkets and grocery stores (19%), then food and beverage services (13%).

Projected Growth (Medium Scenario)

Next, Table 16 projects retail demand 5-yearly from 2023 to 2048 by store type. It assumes that:

- Population growth follows the Stats NZ medium scenario;
- Household inflation-adjusted spending increases by 1% per annum; and
- Business and visitor spending grow pro-rata to maintain their 2023 shares by store type.

²⁴ To avoid potential confusion, we note that Stats NZ classifies accommodation and non-store and commission-based retailing as core retail store types in the Retail Trade Survey.

Under this scenario, core retail demand is projected to increase by \$130 million (from \$189m to \$319m), with non-core retail growing by \$53 million (from \$77m to \$130m).

Table 16: Cromwell Ward Retail Demand Projections – **MEDIUM** Scenario (\$ millions)

Store Type	2023	2048	Change
Core Retail Stores			
Supermarket and grocery stores	\$74	\$125	\$51
Specialised food	\$3	\$6	\$2
Liquor	\$6	\$10	\$4
Department stores	\$11	\$18	\$7
Furniture, floor coverings, housewares	\$7	\$12	\$5
Hardware, building, and garden supplies	\$27	\$45	\$19
Recreational goods	\$8	\$14	\$6
Clothing, footwear, and accessories	\$10	\$17	\$7
Electrical and electronic goods	\$5	\$9	\$4
Pharmaceutical & other store-based retailing	\$15	\$25	\$10
Food and beverage services	\$23	\$39	\$16
Core Retail Sub-total	\$189	\$319	\$130
Non-Core Retail Stores			
Motor vehicles	\$30	\$50	\$21
Fuel	\$29	\$48	\$20
Accommodation	\$17	\$29	\$12
Non-store and commission-based retailing	\$2	\$3	\$1
Non-Core Sub-total	\$77	\$130	\$53
All Retail Stores	\$266	\$449	\$184

Table 17 translates these projections into the quantity of retail floorspace supportable over time. In short, the additional \$130 million of core retail spending above translates to demand for an additional 24,270 m² of GFA from 2023 to 2048.

Table 17: GFA Supported by Projected Demand – **MEDIUM** Scenario (m²)

Core Retail Stores	2023	2048	Change
Supermarket and grocery stores	6,740	11,380	4,640
Specialised food (including liquor)	880	1,480	600
Department stores	2,840	4,800	1,960
Furniture, floor coverings, housewares	1,720	2,910	1,190
Hardware, building, and garden supplies	9,870	16,740	6,870
Recreational goods	2,260	3,820	1,560
Clothing, footwear, and accessories	2,120	3,590	1,470
Electrical and electronic goods	1,020	1,730	710
Pharmaceutical & other store-based retailing	3,110	5,290	2,180
Food and beverage services	4,500	7,590	3,090
Core Retail Sub-total	35,060	59,330	24,270

Projected Growth (High Scenario)

Table 18 shows our corresponding high scenario projections, which make the same assumptions as the medium scenario, except that population growth follows the high projection, not the medium. In this scenario, core retail demand is projected to increase by \$159m (from \$189m to \$348m), with non-core retail growing by \$65 million (from \$77m to \$142m).

Table 18: Cromwell Ward Retail Demand Projections - **HIGH** Scenario (\$ millions)

Store Type	2023	2048	Change
Core Retail Stores			
Supermarket and grocery stores	\$74	\$136	\$62
Specialised food	\$3	\$6	\$3
Liquor	\$6	\$11	\$5
Department stores	\$11	\$20	\$9
Furniture, floor coverings, housewares	\$7	\$13	\$6
Hardware, building, and garden supplies	\$27	\$49	\$23
Recreational goods	\$8	\$15	\$7
Clothing, footwear, and accessories	\$10	\$18	\$8
Electrical and electronic goods	\$5	\$10	\$4
Pharmaceutical & other store-based retailing	\$15	\$27	\$13
Food and beverage services	\$23	\$42	\$19
Core Retail Sub-total	\$189	\$348	\$159
Non-Core Retail Stores			
Motor vehicles	\$30	\$55	\$25
Fuel	\$29	\$53	\$24
Accommodation	\$17	\$31	\$14
Non-store and commission-based retailing	\$2	\$3	\$1
Non-Core Sub-total	\$77	\$142	\$65
All Retail Stores	\$266	\$490	\$224

Finally, the table below translates these projections into GFA, where the additional \$159 million of core retail spending translates to demand for an additional 29,650 m² between 2023 and 2048.

Table 19: GFA Supported by Projected Demand – **HIGH** Scenario (m²)

Core Retail Stores	2023	2048	Change
Supermarket and grocery stores	6,740	12,420	5,680
Specialised food (including liquor)	880	1,610	730
Department stores	2,840	5,240	2,400
Furniture, floor coverings, housewares	1,720	3,180	1,460
Hardware, building, and garden supplies	9,870	18,250	8,380
Recreational goods	2,260	4,160	1,900
Clothing, footwear, and accessories	2,120	3,920	1,800
Electrical and electronic goods	1,020	1,890	870
Pharmaceutical & other store-based retailing	3,110	5,760	2,650
Food and beverage services	4,500	8,280	3,780
Core Retail Sub-total	35,060	64,710	29,650

Summary

Cromwell's retail demand is expected to grow strongly well into the foreseeable future due to strong and sustained population growth along with corresponding increases in business and visitor numbers. Under the Stats NZ medium population scenario, there will be demand for an additional 24,000 m² of core retail GFA by 2048, climbing to a 29,650 m² increase over that period under the high scenario. This retail demand growth provides headroom for steady ongoing increases in local retail supply.

APPENDIX B: Local Industrial Demand Study

Table 20 below is an extract from our recent study into local industrial land requirements. It shows our estimates of local industrial demand per 1,000 residents by activity group.

Table 20: Estimated Local Industrial Demand per 1,000 Population

Group	3-Digit ANZSIC Industry	Ha per 1,000 pop
Light Manufacturing	C117 Bakery Product Manufacturing	0.08
	C149 Other Wood Product Manufacturing	0.06
	C161 Printing	0.02
	C222 Structural Metal Product Manufacturing	0.05
	C251 Furniture Manufacturing	0.06
	C259 Other Manufacturing	0.03
Construction	E322 Building Structure Services	0.05
	E323 Building Installation Services	0.16
	E324 Building Completion Services	0.14
	E329 Other Construction Services	0.08
Wholesale Trade	F331 Agricultural Product Wholesaling	0.02
	F332 Mineral, Metal & Chemical Wholesaling	0.02
	F333 Timber & Hardware Goods Wholesaling	0.03
	F341 Specialised Industrial Machinery/Equipment Wholesaling	0.03
	F349 Other Machinery & Equipment Wholesaling	0.06
	F350 Motor Vehicle & Motor Vehicle Parts Wholesaling	0.03
	F360 Grocery, Liquor & Tobacco Product Wholesaling	0.05
	F371 Textile, Clothing & Footwear Wholesaling	0.02
	F373 Furniture, Floor Coverings & Other Goods Wholesaling	0.08
	F380 Commission-Based Wholesaling	0.03
Auto Sales	G391 Motor Vehicle Retailing	0.05
	G392 Motor Vehicle Parts Retailing	0.01
Hardware Retail	G423 Hardware, Building & Garden Supplies Retailing	0.08
Postal & Courier	I461 Road Freight Transport	0.35
	I510 Postal & Courier Pick-up & Delivery Services	0.25
Warehousing & Logistics	I530 Warehousing & Storage Services	0.03
Rental & Hiring	L661 Motor Vehicle & Transport Equipment Rental & Hiring	0.06
	L663 Other Goods & Equipment Rental & Hiring	0.10
Domestic Repairs	S941 Automotive Repair & Maintenance	0.17
	S942 Machinery & Equipment Repair & Maintenance	0.04
Totals		2.24