

# PROPERTY **E**CONOMICS



**WAITIRI GIBBSTON VALLEY**

**FAST TRACK APPLICATION**

**ECONOMIC IMPACT ASSESSMENT**

Client: Oaks Living Limited

Project No: 52610

Date: May 2026



# SCHEDULE

| Code    | Date     | Information / Comments | Project Leader           |
|---------|----------|------------------------|--------------------------|
| 52610.5 | May 2026 | Report                 | Phil Osborne / Tim Heath |

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## CONTACT DETAILS

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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 by Oaks Living Limited to enable the development of a range of land uses across five sites close to State Highway 6 in Gibbston Valley, Queenstown (the **Project**). The Project seeks approval under the Fast-track Approvals Act 2024 ("FTAA").

### The Project Overview

The proposed development includes:

- approximately 1,118 residential lots (across a range of typologies from more affordable high density residential dwellings to large luxury lifestyle properties).
- a resort precinct.
- lodge and 18-hole golf course.
- commercial village precinct.
- Clubhouse / community hub.
- school.
- solar farm.
- cultural uses.

### Considerations under the Fast-track Approvals Act

This economic impact assessment ("EIA") addresses the economic injection, employment, and scale of economic impacts / benefits of the Project. The provisions of the FTAA that are directly relevant to this report are:

- 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.*"

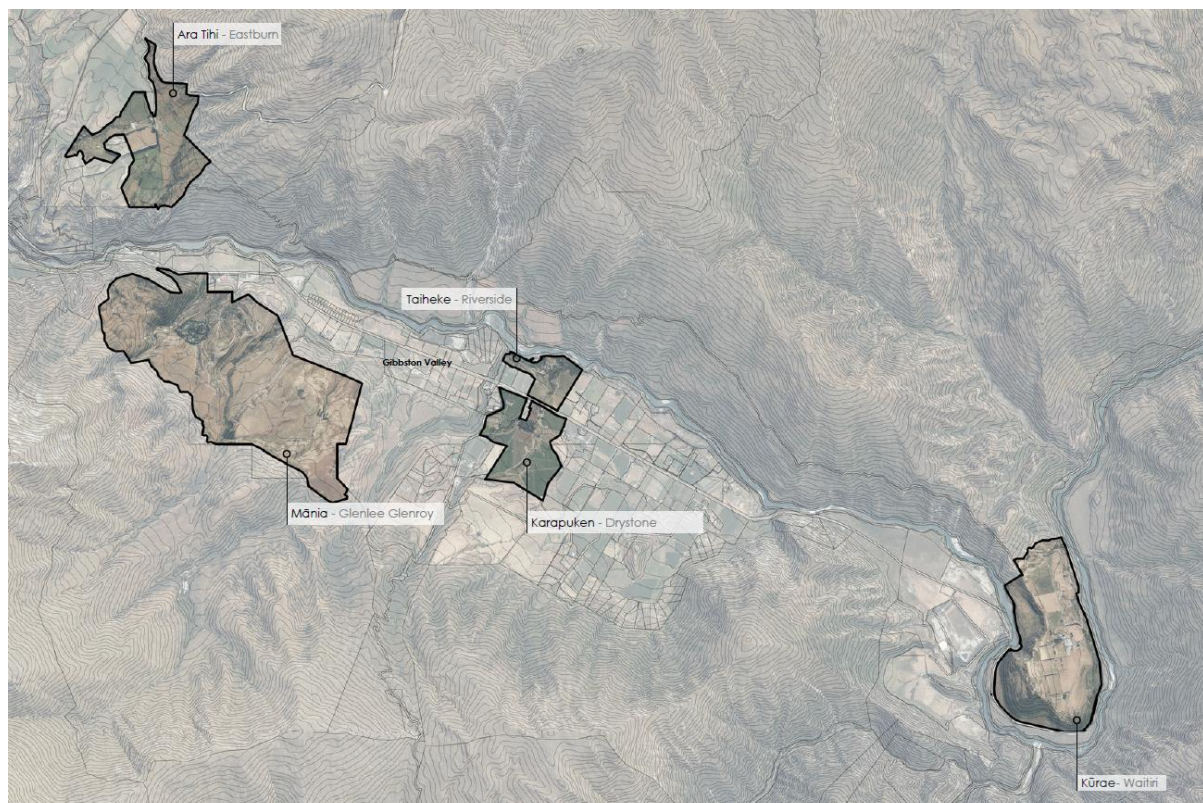
- Section 13 which outlines the information requirements for a referral application.
- Section 22 which outlines the criteria for assessing a referral application.
- Schedule 5 Clause 2 which outlines information about the proposed resource consent application required in a referral application.

In short, the FTAA seeks to facilitate infrastructure and development proposals where the proposed development results in significant regional or national benefits. In assessing whether a project has such benefits, the following matters (of particular relevance to the current Project) may be considered:

- Whether the project will deliver enable the continued functioning of existing regionally or nationally significant infrastructure.
- Whether the project will contribute to a well-functioning urban environment (as per Policy 1 of National Policy Statement on Urban Development 2020 ("NPS-UD")).
- Whether the project will deliver significant economic benefits.

Figure 1 following provides an outline of the sites that form the proposed development.

**FIGURE 1: PROPOSED DEVELOPMENT SITES IN GIBBSTON VALLEY**



Source: Patch Landscape

## 2. EXECUTIVE SUMMARY

The Project seeks to construct a range of residential, commercial and community facilities in and around Gibbston Valley, Queenstown.

The total quantitative economic impact on business activity (value added GDP) within the Otago Region as a result of the Project are summarised in the following table.

### Snapshot of Key Economic Benefits:

| <b>Estimated Quantitative Economic Impacts on Otago Regional Economy:</b>                  |                         |
|--------------------------------------------------------------------------------------------|-------------------------|
| Total direct capital expenditure over 11-year development period <sup>1</sup> (excl. land) | <b>\$2.17b</b>          |
| Total NPV <sup>2</sup> contribution to GDP at 8% over a 11-year development period         | <b>\$1.11b</b>          |
| Total NPV contribution to GDP at 2% <sup>3</sup> over a 11-year development period         | <b>\$1.38b</b>          |
| FTEs <sup>4</sup> during the peak development year                                         | <b>1,772 FTE years</b>  |
| Total FTE years over the 11-year development period                                        | <b>10,870 FTE years</b> |
| Total direct employment over the development period                                        | <b>5,138 FTE years</b>  |
| Total indirect and induced employment over development period                              | <b>5,732 FTE years</b>  |

In addition to these quantified economic impacts outlined above, the Project would also deliver a range of other (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
- Increased economic activity through increased construction and contributions to local employment, both during the development period and ongoing.
- Impetus for greater levels of local and regional growth

<sup>1</sup> Note the 11-year development period includes allocation to pre-construction activities such as planning, design work, procurement and contracting rather than actual construction.

<sup>2</sup> Net Present Value

<sup>3</sup> Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development

<sup>4</sup> 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.

- Improved convenience and amenity values at a localised level to minimise additional trip generation
- Providing increase employment opportunities for local residents within the local community
- Delivering residential capacity with greater certainty
- Supporting tourism economy and growth

In light of this EIA, Property Economics considers that enabling the proposed development would deliver regionally significant economic benefits for the economy and for the community. Overall, our assessment supports the Project from an economic perspective in the context of the FTAA and the Resource Management Act 1991 (“**RMA**”).

### 3. DATA SOURCES AND GLOSSARY

#### 3.1. STATEMENT OF EXPERIENCE

**Philp Osborne** is an economic consultant for the company 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 undertaken numerous Economic Impact Assessments for fast-track applications (under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA).

**Tim Heath** is the 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 bridges planning ideology and commercial realities to ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and am 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 – Oaks Living Limited
- Development Site Plans – Patch
- Queenstown Lakes Tourism GDP – Infometrics
- Rental Price Trends – Cotality & Opes Partners
- Average Weekly Rent Article (December 2025) – Stuff

### 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                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ANZSIC</b> | 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. |
| <b>CAPEX</b>  | capital expenditure                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Direct economic impacts</b>   | derived from the actual spending / expenses incurred through the construction of the anticipated development                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Economic benefits</b>         | <p>refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy.</p> <p>These benefits may be expressed in financial or non-financial terms.</p> <p>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.</p> |
| <b>Economic costs</b>            | 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.                                                                                                                                                                                                                                                                                |
| <b>Employment multipliers</b>    | the level of indirect and induced employment activity generated through the expenditure on and off site.                                                                                                                                                                                                                                                                                                                                                                        |
| <b>FTE years</b>                 | 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                                                                                                                                                                                                                |
| <b>Indirect economic impacts</b> | the increased spending brought about by those firms / households and their employees / occupants, who supply the development                                                                                                                                                                                                                                                                                                                                                    |
| <b>Induced economic impacts</b>  | measured in terms of the additional income that will be spent in the area due to increased business activity.                                                                                                                                                                                                                                                                                                                                                                   |
| <b>GDP</b>                       | gross domestic product                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Net Present Value (NPV)</b>   | the present value of future cash inflows and / or cash outflows after accounting for the time value of money.                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Transaction costs</b>         | 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 important in the assessment of a project under the FTAA where a key assessment criterion is the relative 'scale' within the associated region. 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 retention<sup>5</sup> of economic activity within this area.
- 2) The economic impacts are those resulting from the Project over an 11-year development 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*"<sup>6</sup>.

In addition to the regional benefits quantified in the following assessment, the Project is likely to have economic impacts that extend beyond the specific benefits to the region.

Additionally, there are likely to be other, non-economic effects that may result in further economic impacts, such as changes in traffic patterns, noise levels, amenity, or community wellbeing. These potential additional economic impacts are excluded from this analysis to avoid double counting of effects. Other non-economic effects, for example positive environmental or social impacts, have not been addressed in this report but we understand are otherwise addressed in the referral application material.

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<sup>5</sup> 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.

<sup>6</sup> Pass, Christopher and Lowes, Bryan, 1993, *Collins Dictionary of Economics* (2nd edition), Harper Collins, Page 148

## 5. TOTAL ECONOMIC ACTIVITY

This section assesses the potential economic activity generated within the Otago Region specifically attributable to the Project through spending on the general demolition, construction, design, infrastructure and development works. It anticipates development across a 11-year period.

### 5.1. TOTAL OTAGO ECONOMIC ACTIVITY

Table 1 following outlines the resulting impacts on the Otago regional economy as a result of the Project.

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

|                                                               | 2026           | 2027           | 2028           | 2029          | 2030           | 2031           | 2032          | 2033          | 2034          | 2035          | 2036         | Total            |
|---------------------------------------------------------------|----------------|----------------|----------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|--------------|------------------|
| <b>Direct Expenditure (\$m)</b>                               |                |                |                |               |                |                |               |               |               |               |              |                  |
| Land                                                          |                |                |                |               |                |                |               |               |               |               |              |                  |
| Earthworks / Civil Works                                      | \$9.4          | \$18.8         | \$46.9         | \$46.9        | \$37.5         | \$28.1         |               |               |               |               |              | \$187.5          |
| Civil Consultants                                             | \$1.7          | \$2.2          | \$3.0          | \$1.7         |                |                |               |               |               |               |              | \$8.7            |
| Demolition                                                    | \$3.4          | \$4.1          |                |               |                |                |               |               |               |               |              | \$7.5            |
| Levies                                                        |                |                | \$8.7          | \$2.9         | \$17.3         | \$2.9          | \$8.7         | \$5.8         | \$5.8         | \$2.9         | \$2.9        | \$57.7           |
| Total Development Costs (excl. land)                          | \$14.5         | \$25.0         | \$58.6         | \$51.5        | \$54.8         | \$31.0         | \$8.7         | \$5.8         | \$5.8         | \$2.9         | \$2.9        | \$261.3          |
| Construction                                                  | \$146.9        | \$279.1        | \$269.9        | \$133.0       | \$312.0        | \$219.0        | \$200.2       | \$187.8       | \$92.9        | \$69.9        | \$0.0        | \$1,910.6        |
| Total Construction and Development Costs (excl. Land)         | \$161.4        | \$304.1        | \$328.4        | \$184.4       | \$366.8        | \$250.0        | \$208.8       | \$193.6       | \$98.7        | \$72.8        | \$2.9        | \$2,171.9        |
| <b>Level 2 Multiplier Impacts</b>                             |                |                |                |               |                |                |               |               |               |               |              |                  |
| <b>Total Otago Regional GDP NPV (48 sector multipliers)**</b> | <b>\$111.5</b> | <b>\$193.5</b> | <b>\$189.6</b> | <b>\$96.5</b> | <b>\$180.0</b> | <b>\$113.3</b> | <b>\$88.1</b> | <b>\$75.3</b> | <b>\$35.2</b> | <b>\$23.9</b> | <b>\$0.8</b> | <b>\$1,107.7</b> |
| <b>Employment (FTE Years)</b>                                 |                |                |                |               |                |                |               |               |               |               |              |                  |
| Development Employment                                        | 91             | 154            | 334            | 298           | 276            | 169            | 26            | 17            | 16            | 7             | 7            |                  |
| Construction Employment                                       | 698            | 1,306          | 1,244          | 604           | 1,395          | 924            | 868           | 802           | 391           | 290           | 0            |                  |
| Other Employment                                              | 114            | 186            | 116            | 93            | 102            | 78             | 62            | 39            | 14            | 149           | 1            |                  |
| <b>Regional Total Employment (FTE years)</b>                  | <b>903</b>     | <b>1,646</b>   | <b>1,694</b>   | <b>995</b>    | <b>1,772</b>   | <b>1,171</b>   | <b>957</b>    | <b>858</b>    | <b>421</b>    | <b>446</b>    | <b>8</b>     | <b>10,870</b>    |

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 (refer Appendix 2)

Two key values are represented in Table 1. The first is the Economic Activity generated in the Otago Region. The Project will generate a direct expenditure of approximately \$2.17 billion which represents the total cost of the development (excluding land). The Project will result in approximately \$1.1 billion of total value added (GDP) for the Otago Region over the life of the 11-year development timeframe.

This capital expenditure then is assessed through the process indicated in Appendix 1 which includes calculating the amount of direct spend that is retained within the Otago Region. An explanation of how the outputs in Table 1 were calculated is provided in Appendix 2.

The second aspect is the generation of employment. The Project will also contribute an estimated 1,772<sup>7</sup> jobs during the peak construction year within the Otago Region, with a total estimated number of approximately 10,870 FTE years over the development timeframe.

## 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 New Zealand based on 2023 data. However, employment data has been updated as per the Statistics New Zealand Business Demography Statistics<sup>8</sup> (2025).
4. 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.
5. For the purposes of this report an 8% discount rate has been applied, consistent with the default rate for commercial proposals set by the Treasury<sup>9</sup>. Additionally, a 2% discount rate has been applied as a sensitivity test, also directed by Treasury.
6. Labour movements are based on average retention rates rather than specific company locations.

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<sup>7</sup> NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

<sup>8</sup> Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

<sup>9</sup> <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>.

7. 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.

This EIA estimates the total additional gross economic output<sup>10</sup> (value added GDP) 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.

Additionally, 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 activities 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 (CAPEX<sup>11</sup>) 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

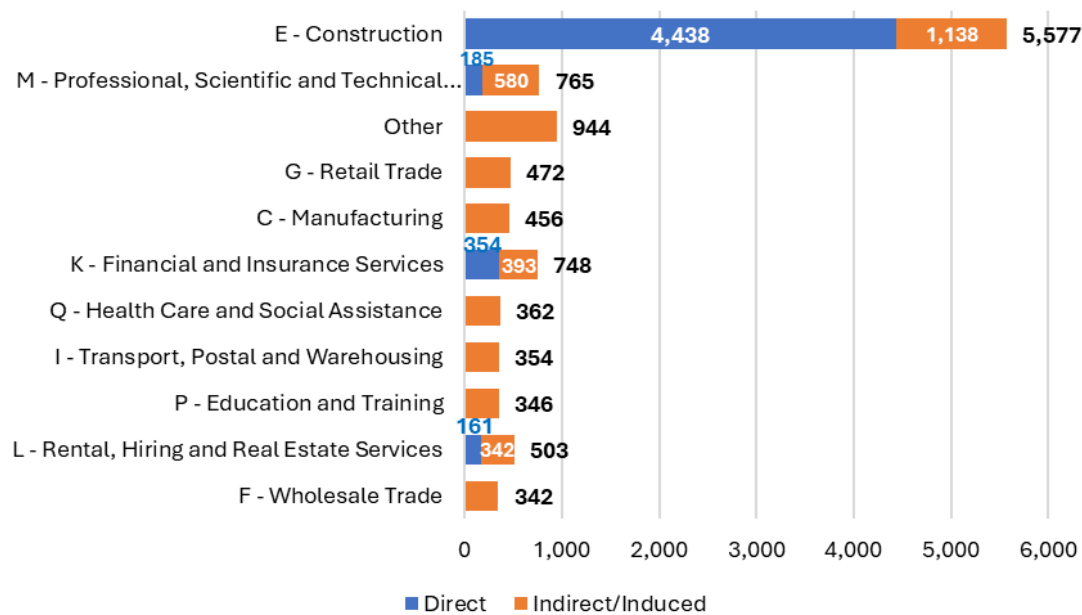
The following figure disaggregates employment generated by sector and Direct and Indirect (including Induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure illustrates the sectors associated with direct employment are estimated to generate approximately 5,138 FTE years with the remaining around 5,732 FTE years resulting from indirect and induced activity.

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<sup>10</sup> For example, this has not taken into account the short-term loss of operational employment currently on site

<sup>11</sup> CAPEX – Capital Expenditure

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

Source: Property Economics

To provide context, the Otago Region has approximately 12,310 people employed in the construction sector in 2025, of which around 4,070 (about one-third) are based in the Queenstown Lakes District.

In addition, according to Infometrics<sup>12</sup>, the region's unemployment rate is currently around 3%, representing approximately 4,260 unemployed people. Against this backdrop, the proposed development can be expected to make a significant contribution to reducing unemployment in both the district and the wider region, including by better utilising currently underemployed labour.

<sup>12</sup> Source: <https://regions.infometrics.co.nz/otago-region/employment/unemployment?compare=new-zealand>

#### 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%<sup>13</sup>. 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 is estimated to generate approximately \$1.38 billion in total business activity (value added GDP) across the Otago Region over the full development timeframe.

**TABLE 2: PROJECT SENSITIVITY ANALYSIS (2% NPV)**

| Discount Rate | Total Otago Regional GDP NPV (\$m) |         |         |         |         |         |         |         |        |        |       |           |
|---------------|------------------------------------|---------|---------|---------|---------|---------|---------|---------|--------|--------|-------|-----------|
|               | 2026                               | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034   | 2035   | 2036  | Total     |
| 2%            | \$111.5                            | \$206.2 | \$215.2 | \$116.7 | \$231.8 | \$155.4 | \$128.7 | \$117.1 | \$58.3 | \$42.2 | \$1.4 | \$1,384.5 |

Source: Property Economics

<sup>13</sup> 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<br>Lakes<br>District | New Zealand<br>Overall |
|--------------------------------------------|---------------------------------|------------------------|
| <b>Average household income (Mar 2025)</b> | \$126,000                       | \$96,950               |
| <b>Average house price (Mar 2025)</b>      | \$1,819,170                     | \$913,390              |
| <b>Dwelling occupancy status (2023)</b>    |                                 |                        |
| Occupied dwelling                          | 69%                             | 88%                    |
| Residents away                             | 13%                             | 6%                     |
| Empty dwelling                             | 14%                             | 5%                     |
| Dwelling under construction                | 3%                              | 1%                     |
| <b>Residence five years ago (2023)</b>     |                                 |                        |
| 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 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.

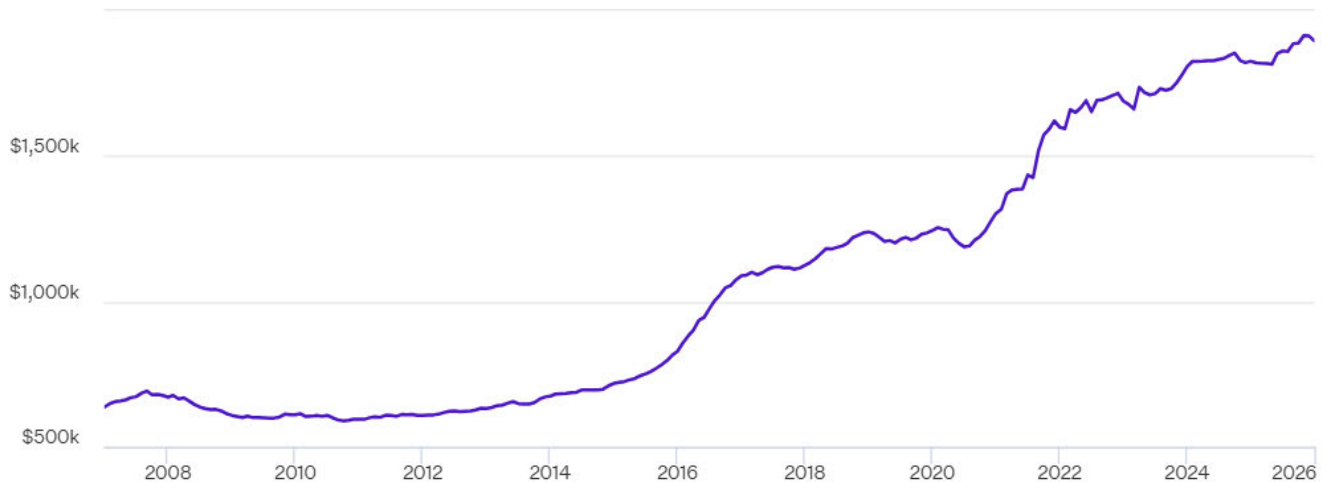
## 6.2. HOUSE PRICE AND AFFORDABILITY TRENDS

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 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 +6.38% per year from February 2006 to February 2026<sup>14</sup>. The average house price in the district is now approximately \$1.9m, a significant +129% higher than 10 years ago (early 2016). As a result, the district's house prices are about +36.5% higher when indexed against NZ's average house price, according to REINZ and Opes Partners data<sup>15</sup>.

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

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

**FIGURE 3: QUEENSTOWN LAKES AVERAGE HOUSE PRICES TREND**

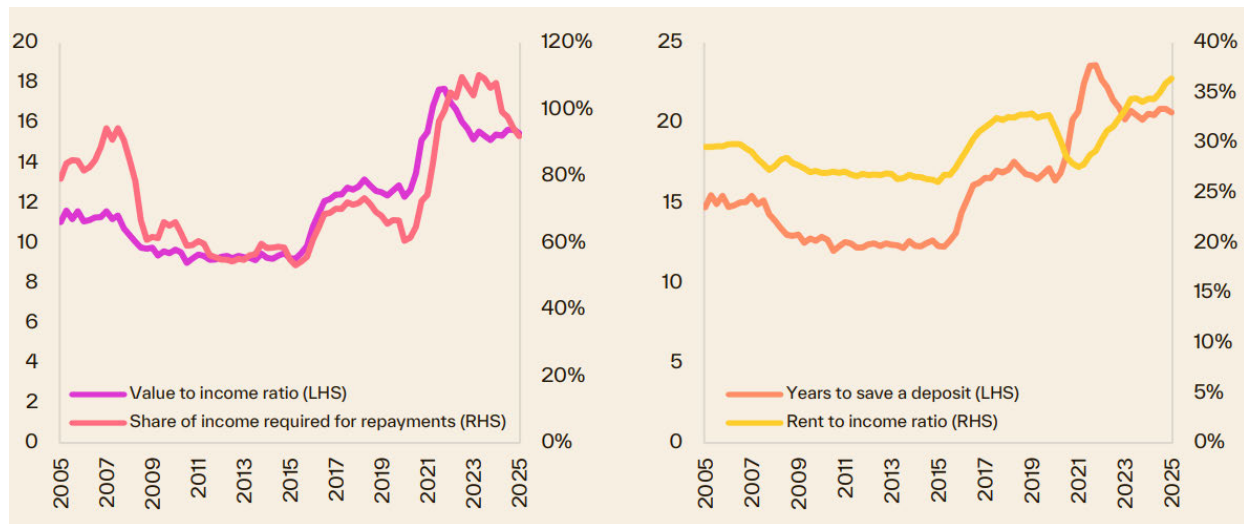
Source: Cotality, Opes Partners

In addition, Cotality's latest Housing Affordability Report 2025<sup>16</sup> (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%.

<sup>16</sup> 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

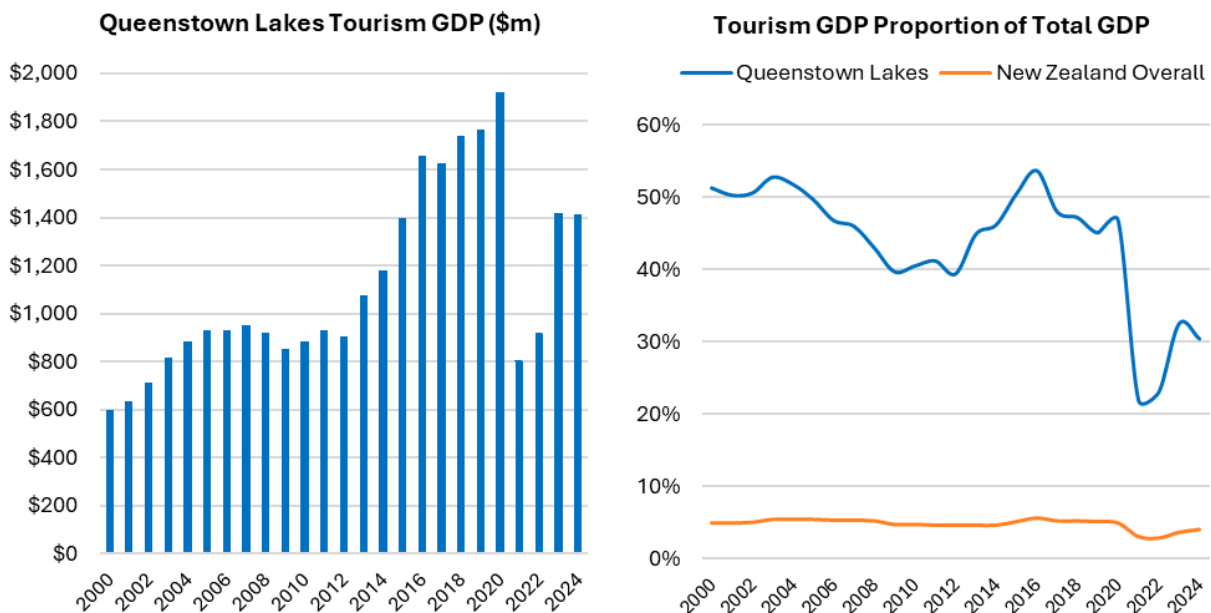
Although the district's housing unaffordability is not solely driven by planning or infrastructure constraints, given the additional demand from non-resident buyers, the proposed scale of additional residential land supply and capacity will play a significant role in alleviating affordability pressures.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

## 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 6). 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 5: QUEENSTOWN LAKES' TOURISM GDP CONTRIBUTION**



Source: Infometrics

Given the above context, from an economic perspective, the proposed golf course, resort precinct and lodge 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, increased residential supply 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 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 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. OTHER QUALITATIVE ECONOMIC BENEFITS

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

- + **Increased housing supply and residential land capacity:** The proposed development would supply the market with a significant increase in residential capacity of approximately 1,118 lots. 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 2025, an average of approximately 2,300 new dwellings<sup>17</sup> were consented annually across the Otago Region, including around 1,350 dwellings per annum on average within the Queenstown Lakes District. The proposed development alone, if enabled, would therefore account for around a 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.

- + **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 improve affordability and help match the housing stock to future population needs.

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<sup>17</sup> 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.

- **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 district<sup>18</sup>. 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 purchasers.

- **Supporting tourism economies:** The proposed golf course and resort precinct within the development has the potential to attract more tourists to the region. Tourists typically engage in broader tourism-related activities, such as dining out, shopping, and visiting local attractions. The potential to increase tourism spend has positive economic ripple effects across the district and region, supporting local businesses, boosting hospitality, accommodation and retail sectors, and creating new employment opportunities.

- **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 an increase in the number of FTE employees within the region. This influx will serve as a boost to the local and regional economy, fostering further growth and enhancing amenities in the area.

- **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

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<sup>18</sup> The Queenstown Lakes Spatial Plan July 2021, Page 77

growth. Over time, this additional growth would contribute to the development of a more self-sustaining and vibrant urban community.

- **Increased amenity:** Large residential developers are able to provide high amenity, master planned environments with purpose built, and targeted amenity values such as parks and community facilities. This is particularly true for large tourism resorts as they can provide dedicated facilities and amenities. These come purpose built with highly specialised improvements to appeal to their clientele and benefit that community.

We have not endeavoured to undertake a full economic cost / benefit analysis, given that this is a referral application. A more detailed analysis will be undertaken at the substantive application stage following referral to the Panel.

Considering the (non-monetised) economic benefits analysis outlined above as a whole (including the quantitative economic injection into the regional economy and employment benefits), Property Economics considers that advancing the Project would contribute significantly to the economic benefits for the regional economy and community

## 9. SUMMARY

Considering the economic analysis presented in this report as a whole (including the quantitative economic injection into the regional economy and employment), Property Economics concludes that the Project would deliver significant economic benefits.

Specifically, these regional economic benefits of the Project include:

- Total direct capital expenditure over 11-year development period (excl. land) \$2.17b
- Total NPV at 8% over a 11-year development period \$1.11b
- Total NPV at 2% over a 11-year development period \$1.38b
- FTEs during the peak development and operation year 1,772 FTE years
- Total FTE years over the 11-year development period 10,870 FTE years
- Total direct employment over the development period 5,138 FTE years
- Total indirect and induced employment over development period 5,732 FTE years

Overall, our assessment supports the Project from an economic perspective and considers that the Project will meet the purpose of the 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 11 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 economy<sup>19</sup>. 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

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<sup>19</sup> 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.