

# MEMORANDUM

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| <b>To:</b>   | Fast-Track Approvals Expert Panel  |
| <b>From:</b> | Shamubeel Eaqub, Chief Economist, Simplicity Research Hub  |
| <b>Date:</b> | 8 April 2026   |
| <b>Re:</b>   | <b>Economic Evidence in Support of Simplicity Living Te Pūtahi/Ladies Mile Build-to-Rent Development, Queenstown</b> |

## 1. Executive Summary

This memo evaluates the economic impacts associated with Simplicity Living's - Te Pūtahi Ladies Mile, build-to-rent development in Queenstown (Project). The Project will deliver approximately 1,064 permanent rental apartments, predominantly one- and two-bedroom homes, adding 4.7 years' worth of rental supply<sup>1</sup>. Simplicity Living is seeking the Project be referred under the Fast-track Approvals Act 2024 (FTAA).

The construction phase alone generates \$1,006 million in total economic activity across New Zealand over 2025-2030, peaking at 860 FTEs nationally in 2029. Of this, approximately 75% of economic activity and employment is retained within the Queenstown-Lakes District (QLD), worth over 4% of the local economy and over 2% of local jobs. These are regionally significant for a single project. Upon completion, the Project creates 40-50 permanent management and maintenance positions.

Beyond construction, the Project delivers significant ongoing regional benefits that, whilst difficult to fully monetise, are clearly identified in the evidence. It adds approximately 1,064 permanently retained rental homes to a market where rental stock grows by just 228 addition rentals per year; it targets one and two bedroom apartments, the typology in shortest supply according to Queenstown Lakes District Council's (QLDC) Housing and Business Development Capacity Assessment; and it provides tenure security in a district where 24% annual worker turnover (1.5x what we would expect given industry composition) results in costs to local employers (through recruitment, training, disruption and productivity costs) and local community (uneven demographic and social mix).

These ongoing housing supply, tenure, and labour market benefits are presented qualitatively; my high-level estimate of these social and economic benefits, using the Treasury's excel based CBAX model is \$381m on a net present value (NPV) basis. The construction phase benefits are quantified using our in-house multi-regional input-output model.

In my assessment, the Project meets the purpose of the Fast-track Approvals Act 2024, and advancing it will contribute significantly to the economic benefits for the regional economy and housing supply in the Queenstown community.

<sup>1</sup> The number of tenancy bonds for whole homes (excluding rooms etc) has increased by 228 homes pa over the decade to 2025.

## 2. Project Description

Simplicity Living proposes a build-to-rent development at Te Pūtahi/Ladies Mile, Lower Shotover, Queenstown comprising approximately 1,064 rental apartments in a mix of three-level walkup apartments and five to seven level apartment buildings. The current masterplan includes neighbourhood retail, public open space to be vested to QLDC, two parking garages (618 carparks, 88 motorbike parks, 872 bicycle parks), shared cycling and walking paths, and retention of the existing barn for community use.

Total development cost is approximately **\$570 million** (\$61.5 million land, \$431 million construction, \$39 million statutory and development contributions, and contingency). The project has a four-year construction timeline (2026-2030) with an estimated total local spend of **\$472 million** flowing through the construction sector. We have used this as the shock in our modelling, rather than the total project cost.

Simplicity Living is a build-to-rent operator, not a speculative developer. These units will remain in the long-term rental pool permanently. They will not be sold to absentee owners, converted to short-term rentals, or left empty as holiday homes. The 150-year design life concrete and masonry construction means this is permanent housing infrastructure.

The Project includes infrastructure works covering the East-West Collector Road (Road C1), Lower Shotover Road access upgrade, a new signalised intersection on SH6, and three waters connections. Simplicity Living is working collaboratively with QLDC and NZTA Waka Kotahi on infrastructure delivery and cost-sharing, with the expectation that developer-funded delivery will be both earlier and more cost-effective than the Council's long-term budget provision. The infrastructure investment will also unlock capacity for future housing development in the upstream Ladies Mile area. Forty per cent of the site is dedicated to landscaping, exceeding zoning requirements, providing character amenity and facilitating aquifer recharging.

## 3. Significant Regional and National Benefits of the Project

This is an economic impact assessment in terms of the FTAA, looking at the effect of the local capital injection and associated economic and employment effects for the regional and national economies. The assessment I have done is an input-output analysis, which does not consider any activity that may be displaced. Rather, it looks at the economic impact of the Project itself (further detailed in the caveat below).

Provisions of the FTAA that are directly relevant to this assessment include section 3 which states that "the purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits" and section 22. Section 22 sets out criteria for assessing whether a project would have significant regional or national benefits for the purposes of considering a referral application including:

- Whether the Project "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)"; and
- Whether the Project "will deliver significant economic benefits".

The supply of 4.7 years' worth of rental stock to the district, especially at the 1- and 2-bedrooms which are undersupplied meets the first test. The economic analysis shows the Project is also regionally significant in GDP and employment terms.

This report sets out the benefits of the Project under two headings: quantified construction-phase impacts, and qualitative ongoing effects. As I show below, the Project meets the significance criteria. But first I define the region for the economic benefit test as the Queenstown Lakes District.

## Defining the region as Queenstown Lakes District

I view the Queenstown Lakes District as the most relevant 'region' for the regional significance tests under the FTAA. In my view, given the scale of growth and development in Queenstown a Project which is considered "significant" in the context of Queenstown will meet the significant regional benefit threshold in the FTAA. Further, the FTAA decision making framework relates to the planning and infrastructure provisions, which would be a district council matter; and the economic and social effects of the Project would be largely contained within this geography.

The locality of the planning and infrastructure decisions is known to be in the Queenstown Lakes District. We have already worked extensively with QLDC to coordinate on planning, consenting and infrastructure discussions.

The economic and social effects will be contained in this area, because the 2023 Census data shows this is the geography where most people work and live: 98.6% of employed residents who live in the district also work within the district (24,705 out of 25,062). Outward commuting is negligible, just 357 people travel to work outside the district, almost all to Central Otago. Inward commuting is similarly small: 711 people commute into the district, 93% from Central Otago (predominantly Cromwell).

The district's functional labour market is quite self-contained, meaning the overwhelming majority of economic activity is generated and consumed within the district boundary. As I have said above, given the scale of economic activity within the district, any project which is considered significant in this context will clearly meet the significant regional benefit threshold in the FTAA.

This has two implications for this application.

First, the direct economic benefits of the construction activity will be largely felt within the district, with some spillover towards Central Otago and further south.

Second, the longer-term benefits of increased rental housing will benefit the local community, where most people live and work. This will also have economic benefits, because it allows the local labour market to function better. It will give options to workers who previous could not afford to live locally or easily commute from further afield (the geography, the distances, and the absence of public transport options are constraints for the district). I view housing located close to where the jobs are as a high impact intervention for the local economy.

In my view, these four factors, the planning decisions, the infrastructure decisions, the locality of construction economic effects, and the locality of the longer term economic and social effects of long term rentals mainly relate- and accrue- to the Queenstown Lakes District. In my view, this area is therefore the correct region for assessing this Project.

### 3.1 Construction Phase Economic Impact

The construction-phase impacts have been modelled using a TA-level Multi-Regional Input-Output Model covering 66 territorial authorities and 109 industries, with Type II closure incorporating household feedback effects. The model produces direct, indirect (supply chain), and induced (household consumption) effects. I present effects for both the local area of QLD and New Zealand, to enable understanding of the economic impact at regional and national levels. The shock is the local expenditure in Queenstown (excluding land purchase).

The economic multiplier<sup>2</sup> of 2.13 means every dollar of direct construction spending generates \$2.13 in total economic activity through supply chain and household consumption effects. Post-construction, the Project creates 40-50 permanent FTEs in property management and maintenance.

Table 1 shows the local spending in the first row, followed by the direct, indirect and induced effects on GDP nationally, in QLD (locally in the region) and the rest of New Zealand. QLD's GDP in 2024 was \$4,473m<sup>3</sup>. Meaning this Project is equivalent to over 4%pa to the regional economy during the construction period (2027-2030). In total, the Project will contribute \$753m to QLD's economy (cumulatively until 2030). A 4% economic contribution from any single project or business is economically significant. For context, the entire Transport, Postal and Warehousing sector in Queenstown Lakes District accounts for 4% of the regional economy.

**Table 1: GDP Impact (\$m)**

|                          | 2025 | 2026 | 2027  | 2028  | 2029  | 2030  | Total        |
|--------------------------|------|------|-------|-------|-------|-------|--------------|
| <b>Total local spend</b> | 0.1  | 5.6  | 90.1  | 123.9 | 133.4 | 118.8 | <b>471.9</b> |
| <b>NZ Total</b>          | 0.2  | 12.1 | 192.1 | 263.7 | 284.4 | 253.7 | <b>1,006</b> |
| of which QLD             | 0.1  | 8.7  | 143.9 | 198.4 | 213.4 | 188.7 | <b>753</b>   |
| of which rest of NZ      | 0.1  | 3.3  | 48.2  | 65.4  | 71.0  | 64.9  | <b>253</b>   |
| <i>Multiplier</i>        | 2.06 | 2.14 | 2.13  | 2.13  | 2.13  | 2.14  |              |

Source: TA-level Multi-Regional Input-Output Model (66 TAs × 109 industries). Type II closure with household feedback.

Table 2 is complementary, showing the effect on jobs. QLD had 25,062 jobs in the 2023 Census (more recent data shows similar levels). The Project will be equivalent to an average of 563 jobs on average during the construction period (2027-2030), or over 2% of all jobs in the district. This is a regionally significant project in employment terms too.

For context, this is larger than the average big firm in NZ (426 employees on average for firms with over 100 employees). Locally, if it were a standalone industry, it would be 18<sup>th</sup> largest industry, similar to the rural servicing sector (Agriculture, Forestry and Fishing Support Services) and larger than the Property Operators and Real Estate Services Sector.

I consider both the GDP and employment effects to be economically significant at a regional level.

**Table 2: Employment Impact (FTEs)**

|                 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Total        |
|-----------------|------|------|------|------|------|------|--------------|
| <b>NZ Total</b> | 1    | 36   | 582  | 805  | 860  | 752  | <b>3,036</b> |
| Direct          | 1    | 14   | 232  | 324  | 343  | 291  | 1,205        |
| Indirect        | 0    | 13   | 224  | 311  | 334  | 292  | 1,174        |

<sup>2</sup> **Multiplier caveats:** Input-output multipliers are a standard tool for estimating the economic footprint of construction activity but, as with all I/O-based analysis, they are likely to overstate real flow-on effects relative to computable general equilibrium (CGE) models. They do not account for resource displacement or capacity constraints in tight labour markets. This is nevertheless the standard approach applied in most FTAA applications to date to understand the breadth of potential economic impact.

<sup>3</sup> MBIE Modelled TA GDP, available at: <https://www.mbie.govt.nz/business-and-employment/economic-growth/regional-economic-development/modelled-territorial-authority-gross-domestic-product>

|                    |      |     |     |     |     |     |              |
|--------------------|------|-----|-----|-----|-----|-----|--------------|
| Induced            | 0    | 9   | 126 | 170 | 184 | 169 | 658          |
| <b>QLD</b>         | 1    | 26  | 437 | 608 | 647 | 558 | <b>2,277</b> |
| <b>QLD % of NZ</b> | 100% | 72% | 75% | 76% | 75% | 74% | 75%          |

FTEs = full-time equivalent positions supported during each year of construction. Direct = industries directly receiving spend. Indirect = supply chain. Induced = household consumption effects.

### 3.3 Ongoing Economic and Social Benefits

The following ongoing benefits are presented qualitatively.

I have not yet done a detailed CBA of the social and economic benefits, which can be undertaken at the substantive application stage. However, high level analysis using Treasury's past housing assessments using their spreadsheet based CBAX tool suggests a benefit of \$381m (NPV basis), and a pessimistic scenario of \$191m. Substantial in my view.

**Housing supply.** Queenstown's rental stock has grown by 228 homes (excluding bonds for rooms) per year over the decade to 2025. Even though housing supply is strong in QLD relative to the size of the local population, it does not lift the rental stock proportionately. The new supply tends to go to owner-occupiers, holiday homes and short-term rentals (accounting for nearly half of all new housing supply growth in the last three years).

This Project adds 1,064 permanent rental homes in a single development, accounting for 4.7 years of rental supply. We believe this will be the largest addition to the district's rental stock in its history.

**Dwelling typology.** Between the 2013 and 2023 censuses, the district added 6,500 dwellings, but two-thirds were three and four bedroom homes. Only 1,800 were one or two bedroom. QLDC's 2025 Housing and Business Development Capacity Assessment confirms three-quarters of projected household growth will be in smaller one-to-two person households. This Project delivers 451 one-bedroom and 535 two-bedroom apartments, directly targeting the typology in shortest supply.

**Affordability.** The district's median rent-to-wage ratio sits at 55%, fifteen percentage points higher than the national average. Median weekly rents in 2025 are \$550 for a one-bedroom and \$800 for a two-bedroom, having increased 77% since 2015. The house price-to-wage ratio of 20 is double the national figure of 10. QLDC's HBA documents a cumulative shortfall of 3,120 dwellings below \$700,000 in 2026, rising to 5,150 by 2053. As a build-to-rent operator, Simplicity Living sets rents to maintain high occupancy and low turnover. In Auckland, Simplicity Living's one- and three-bedroom rents are below local area medians, and two-bedroom rents are comparable.

**Tenure security.** On census night 2023, 28% of Queenstown houses were empty. There are approximately 4,200 active short-term rental listings as of February 2026, an increase of 1,100 from February 2023. The housing market produces holiday accommodation because that is what the economics reward. Build-to-rent provides permanent tenure security; these homes cannot convert to holiday homes, Airbnb, or absentee ownership. My work for the QLDC on Community Housing found a universal "weight lifted" effect from tenure security, with residents reporting improved health, increased community engagement, and school completion.

**Labour market stability.** Worker turnover in Queenstown Lakes runs at 22% per year, compared to 16% at national rates adjusted for industry mix (QLD has more jobs in industries like hospitality, that are high turnover). Higher turnover costs businesses through recruitment, retraining, lost productivity, and institutional knowledge loss. There is a documented "seniority ceiling" effect: housing costs drive mid-career professionals out of the district, hollowing out the experienced workforce. Stable, affordable rental housing directly

addresses workforce retention failures. District employment is projected to grow from approximately 37,000 to 60,500 by 2053; these workers need homes they can afford.

**Social housing pressure.** Only 93 social rental dwellings exist district-wide (0.4% of stock versus 3.8% nationally). The Queenstown Lakes Community Housing Trust (QLCHT) waiting list has crossed 1,480 households. Private build-to-rent supply directly reduces pressure on the social housing system, and offers alternatives to renters.

## 5. The Counterfactual

Without this Project:

- Rental stock continues to grow at just 228 units per year against demand projected to nearly double over 30 years. The QLDC HBA projects non-owner households growing from 7,230 to 14,460 by 2053, with only approximately one-third of this demand met by projected supply.
- The cost of excess worker turnover compounds. The seniority ceiling continues to push mid-career professionals out of the district.
- The QLCHT waiting list grows beyond 1,480 households. More families live in overcrowded conditions, cars, tents, and hostels.
- The standard consenting pathway would likely produce development with higher site coverage, reduced landscaping, and poorer stormwater and amenity outcomes than the comprehensive masterplan enabled by the FTAA process.
- The opportunity to introduce a more productive building method, delivering above-average housing quality at below-market cost, is foregone. Simplicity Living's construction model delivers more homes for lower capital cost than conventional approaches.

Every year of undersupply compounds the problem. The marginal cost of delay is real. This Project addresses that compounding failure at a scale that matters.

## 6. Methodology Note

Construction-phase impacts are modelled using a TA-level Multi-Regional Input-Output Model covering 66 territorial authorities and 109 industries, with Type II closure incorporating household feedback effects. The model disaggregates spending across three IO industry categories: residential building construction, scientific and architectural services, and heavy and civil engineering construction. Spending is phased according to the Project plan based on the Project's cashflow model.

## 7. Conclusion

The simplicity living project comfortably meets the FTAA tests for regional economic significance during the construction period and will contribute meaningfully to increasing the supply of much needed rental housing, with attendant economic and social benefits to the local economy.

In my assessment, the Project meets the purpose of the Fast-track Approvals Act 2024. It delivers significant economic benefits of a scale and quality that justify expedited consideration.

**Shamubeel Equb**

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8 April 2026