



Final Report: 30 April 2026

Preliminary Economic Input – Franco Farms Development, Halswell

Prepared for:
Sabys 101 Limited

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1. Introduction

1.1. Context and Purpose of Report

Sabys 101 Limited is considering options to enable further residential development on land at Sabys Road, Halswell, located on the southern edge of Christchurch City and partly within Selwyn District.

The wider landholding comprises three land parcels. One parcel, at the northern end of the site, is already zoned for residential use and holds an existing residential subdivision consent. The remaining two parcels are zoned Rural and contain land classified as Land Use Capability (**LUC**) Classes 1 and 2.

The proposal assessed in this report relates only to the two rural-zoned parcels and would enable approximately **350 additional residential lots**. Where relevant, reference is made to the wider site to describe context, land use relationships, and integration with existing and consented residential development.

Because the proposal would enable residential development on rural-zoned land containing highly productive land (**HPL**), it engages the National Policy Statement for Highly Productive Land (**NPS-HPL**). The NPS-HPL came into force in October 2022 and was amended in December 2025.¹ It seeks to protect HPL for land-based primary production and places constraints on its use for urban purposes.

Sabys 101 Limited is preparing a Fast-track referral application under the Fast-track Approvals Act 2024 (**FTAA**) to enable residential development of the subject site. This report has been prepared to support that referral application. Where residential development at the scale envisaged would require urban rezoning of rural land containing HPL, clause 3.6(1) of the NPS-HPL provides the relevant assessment framework. That clause allows Tier 1 and Tier 2 territorial authorities, including Christchurch City Council and Selwyn District Council, to allow the rezoning of HPL only if three sequential criteria are met, namely that:

1. it is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development (**NPS-UD**); and
2. there are no other reasonably practicable and feasible options to provide that capacity within the same locality and market while achieving a well-functioning urban environment; and
3. the environmental, social, cultural, and economic benefits of rezoning outweigh the long-term environmental, social, cultural, and economic costs associated with the loss of HPL for land-based primary production, taking into account both tangible and intangible values.

Accordingly, this report includes a preliminary assessment against clause 3.6 of the NPS-HPL. This is intended to inform decision-making on whether enabling development on the rural-zoned parts of

¹ Following those amendments, only LUC 1 and 2 is classified as HPL.

the site is likely to be supportable in principle, recognising that the relevance and application of clause 3.6 will ultimately depend on the approval pathway pursued.

In addition, for a project to be accepted into the FTAA process, it must meet one or more of the regional or national significance criteria set out in section 22 of the Act. In the context of residential development, the criteria most commonly relevant from an economic perspective are 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 NPS-UD).
- iv. Will deliver significant economic benefits.

To support the referral application, this report provides preliminary economic input relevant to section 22(2)(a)(iii) and section 22(2)(a)(iv) of the FTAA. This includes consideration of the scale of development capacity enabled, the extent to which the proposal responds to identified housing demand, and the nature and scale of associated economic impacts. For FTAA purposes, the loss of HPL is treated as a cost to be weighed alongside these benefits as part of an overall evaluative judgement, rather than as a standalone threshold in the manner required under the NPS-HPL.

Specifically, the report provides early assessment of:

- whether additional residential capacity is likely to be required in Christchurch City to give effect to the NPS-UD, with particular attention to greenfield capacity;
- whether the proposal would make a meaningful contribution to that capacity in its relevant market and locality;
- whether there appear to be other reasonably practicable and feasible alternatives that could provide the same capacity without the use of HPL;
- whether, at a high level, the economic benefits of the proposal are likely to outweigh the long-term economic costs associated with the loss of rural production; and
- whether, on the basis of the above matters, the proposal is likely to meet the relevant regional significance and economic benefit criteria under section 22(2)(a) of the FTAA, should that pathway be pursued.

The analysis is intentionally high-level and preliminary, prepared to support the referral application. It is not intended to replace the more detailed, multi-disciplinary economic assessment that would accompany a substantive Fast-track application should the project be referred.

1.2. Structure of this Document

The rest of this document is structured as follows:

- **Section 2** locates the subject site and describes the proposed activity.

- **Section 3** provides economic input to inform the masterplan for the subject site.
- **Section 4** assesses the proposal against clause 3.6(1)(a) of the NPS-HPL.
- **Section 5** assesses the proposal against clause 3.6(1)(b) of the NPS-HPL.
- **Section 6** assesses the proposal against clause 3.6(1)(c) of the NPS-HPL.
- **Section 7** assesses the proposal against NPS-UD Objectives 3(a) and 3(c).
- **Section 8** provides preliminary conclusions relevant to the FTAA criteria in section 22(2)(a).

2. About the Proposal

2.1. Site Location & Description

The subject site is located at 101 Sabys Road on the south-western edge of Christchurch City, as shown in the figure below. The site is zoned Rural Zone under the Christchurch District Plan, and spans approximately 35 hectares. Together with an adjoining residentially-zoned parcel,² the site forms an extension of the southern urban fringe of Halswell.

The site is bisected by Candys Road and traversed by the Halswell River. It is bounded by existing residential development to the north, existing residential development, Moffatts Flower Company, and Halswell Road (SH75) to the east, Sabys Road to the west, and rural lifestyle properties to the south.

Figure 1: Location of Subject Site



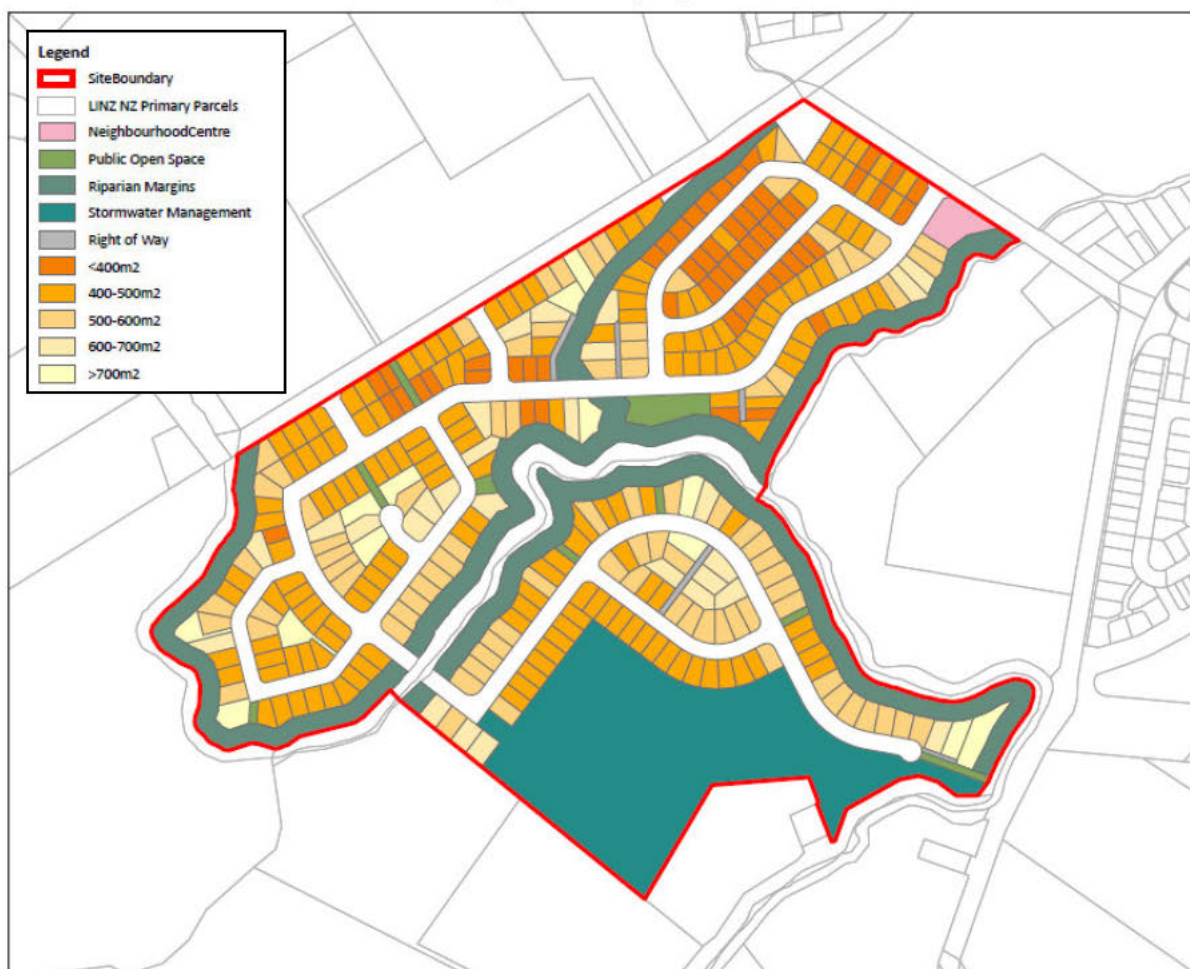
2.2. Indicative Masterplan Development

The proposal would enable the continuation of residential development across the two rural-zoned parcels, yielding approximately 350 additional dwellings, plus a small neighbourhood centre (NC). Figure 2 presents an indicative layout showing one potential development outcome for the two rural-zoned parcels. The northern parcel (not shown in Figure 2) already benefits from residential zoning

² The residentially-zoned portion of the wider landholding is not part of this referral and is excluded from the assessment.

and an existing subdivision consent, and is therefore excluded from this analysis. To be conservative, we have also excluded the NC from this assessment.

Figure 2: Concept Layout



Indicative development yield by lot size is summarised in Table 1. The lot size distribution presented reflects current master planning assumptions and has been used to inform the economic analysis in this report. The final yield, lot mix, and density distribution will be refined through detailed design and may differ from the figures shown here.

Table 1: Development Yield by Lot Size

Lot Size Range (m ²)	Count of Lots	Share of Total
< 400	56	16%
400 - 500	169	49%
500 - 600	84	24%
600 - 700	27	8%
> 700	12	3%
Total	348	100%

3. High-level Masterplan Input

This section provides evidence to help inform density assumptions, yield expectations, and housing characteristics for the proposal to support the development of a masterplan. It draws on recent housing delivery patterns, realised outcomes in comparable greenfield developments, and the characteristics of recently built dwellings within a similar market and locality.

3.1. Recent Housing Gain by Typology

Christchurch City Council's (CCC) Built Environment Reporting³ shows a clear shift at the citywide level towards multi-unit housing over the past decade. As shown in Table 2, multi-unit dwellings accounted for 58 percent of total net housing gain between 2016 and 2025, increasing from 39 percent in 2016 to 69 percent in 2025.

Table 2: Recent Net Housing Gain by Typology – Christchurch City

Year	Total Housing Gain		Share	
	Standalone	Multi-Unit	Standalone	Multi-Unit
2016	1,266	812	61%	39%
2017	1,031	698	60%	40%
2018	850	933	48%	52%
2019	970	1,077	47%	53%
2020	1,118	1,374	45%	55%
2021	1,300	1,940	40%	60%
2022	1,344	2,627	34%	66%
2023	1,013	1,896	35%	65%
2024	885	1,309	40%	60%
2025	895	1,947	31%	69%
Total	10,672	14,613	42%	58%

This trend at the aggregate level reflects the likely cumulative impact of intensification policies and infill development rather than a uniform change in housing outcomes across all localities. Citywide typology shares therefore need to be interpreted with care.

3.2. Recent Housing Gain by Development Environment

By disaggregating housing gain by environment, a clear (and persistent) spatial split between greenfield and infill outcomes is revealed, as summarised in Table 3 below.

³ Available here: <https://ccc.govt.nz/culture-and-community/statistics-and-facts>

Table 3: Recent Net Housing Gain by Typology and Development Environment – Christchurch City

Year	Greenfield Share		Ongoing Infill Share	
	Standalone	Multi-Unit	Standalone	Multi-Unit
2016	80%	20%	26%	74%
2017	86%	14%	24%	76%
2018	78%	22%	21%	79%
2019	79%	21%	20%	80%
2020	88%	12%	12%	88%
2021	83%	17%	9%	91%
2022	77%	23%	9%	91%
2023	84%	16%	8%	92%
2024	82%	18%	11%	89%
2025	83%	17%	10%	90%
Total	82%	18%	13%	87%

Over the past decade, standalone dwellings have remained the dominant outcome in greenfield locations. On average, 82 percent of greenfield housing gain has been standalone, with multi-unit dwellings accounting for only 18 percent. This pattern has been fairly consistent year to year, typically ranging between 77 and 88 percent standalone, with no sustained trend towards higher multi-unit uptake in greenfield areas.

In contrast, infill development has been overwhelmingly multi-unit in nature. Across the same period, 87 percent of infill housing gain comprised multi-unit dwellings, rising above 90 percent in several recent years, including 2025. Standalone dwellings have formed a small and declining share of infill outcomes, generally below 12 percent since 2020.

The citywide shift towards multi-unit housing discussed in the previous section is being driven almost entirely by infill development. Greenfield locations continue to meet demand primarily through standalone dwellings.

3.3. Subdivision Profiling

To inform realistic yield and density assumptions, several recently completed or ongoing peri-urban and greenfield subdivisions were profiled, as summarised in Table 4. These examples include developments in Halswell, Marshland, Shirley, and Prebbleton (Selwyn District).

Table 4: Lot Sizes and Residential Net Densities Achieved in Select Subdivisions

Subdivision	Count of Lots	Avg. Lot Size	Net Area (ha)	Net Density
Fairway Pines - Shirley	15	666	1.0	15.0
Prévailles - Prebbleton	122	660	8.0	15.2
Country Palms - Halswell	16	518	0.8	19.3
Oakbridge - Marshland	157	502	7.9	19.9
Sabys Estate - Halswell	31	492	1.5	20.3
River Stone - Halswell	137	490	6.7	20.4
Benrogan - Halswell	61	481	2.9	20.8
Quaifes Park - Halswell	122	474	5.8	21.1
Oliver Grove - Halswell	10	467	0.5	21.4
Country View - Halswell	58	457	2.7	21.9
Milns Green - Halswell	93	389	3.6	25.7
Total	822	504	41.5	19.8

Across these subdivisions:

- Average lot sizes range from approximately 390 m² to 665 m²;
- Net residential densities range from around 15 to 25 households per hectare; and
- The weighted average net density across the sample is approximately 20 households per hectare.

3.4. Recently Built Residential Profiling

To provide further context on dwelling characteristics, recently built housing was profiled using Cotality's Property Guru database. The analysis covers dwellings constructed since 2021 on sites less than 1,500 m² in Halswell, Wigram, Hornby, and Prebbleton (Selwyn District). Summary results are presented in Table 5.

Table 5: Characteristics of Recently Built Dwellings in Halswell and Surrounding Areas (Since 2021)

Summary Statistics	Halswell	Hornby	Prebbleton	Wigram	Total
Number of Dwellings	2,165	142	224	171	2,702
Avg. Dwelling GFA (m ²)	170	120	230	165	175
Avg. Section Size (m ²)	465	250	665	440	470
Avg. No. of Bedrooms	3.4	2.8	3.6	3.3	3.3
Avg. No. of Bathrooms	2.1	2.1	2.3	2.1	2.1
Avg. Floor Area Ratio	0.4	0.6	0.4	0.4	0.4
Average Property Values					
Land Value	\$410,000	\$244,000	\$472,000	\$442,000	\$409,000
Capital Value	\$888,000	\$643,000	\$1,253,000	\$861,000	\$904,000
Year Built					
2021	18%	6%	37%	32%	20%
2022	16%	16%	20%	33%	18%
2023	25%	23%	26%	9%	24%
2024	27%	23%	16%	18%	25%
2025	14%	32%	2%	8%	14%

Across the combined sample of approximately 2,700 dwellings:

- The average dwelling has around 175 m² of gross floor area;
- Average section size is approximately 470 m²;
- Dwellings typically contain 3 to 4 bedrooms and just over two bathrooms;
- Average floor area ratios are concentrated around 0.4; and
- The average capital value is approximately \$905,000, with average land values around \$410,000.

Prebbleton and Halswell exhibit larger average dwelling sizes and sections, reflecting stronger demand for family-oriented standalone housing in these locations. Hornby displays smaller dwellings and sections, consistent with its more urbanised context.

3.5. Significance of the Proposal

The evidence in this section supports the following conclusions for master planning purposes:

- Greenfield housing demand in south-west Christchurch continues to be expressed primarily through standalone dwellings;
- Net densities of around 15-25 households per hectare are achievable and consistent with recent delivery and market outcomes; and
- Average lot sizes in the order of 600-700 m² align with comparable developments and recent buyer preferences.
- The proposed yield makes a substantial contribution to greenfield housing capacity in south-west Christchurch.

These conclusions are drawn at a high-level to inform development of the masterplan. They do not reflect a detailed assessment of site-specific factors such as adjacency to non-residential land, buffering requirements, or localised amenity effects, which may influence the final layout, density distribution, and interface treatments at later stages of the planning and design process.

4. Need for Proposal – NPS-HPL 3.6(1)(a)

This section provides a preliminary assessment of the proposal against clause 3.6(1)(a) of the NPS-HPL.

4.1. Context

Clause 3.6(1)(a) of the NPS-HPL requires a Tier 1 or Tier 2 territorial authority to be satisfied that the use of HPL is required to provide sufficient development capacity to meet demand for housing or business land, in order to give effect to the NPS-UD.

Christchurch City and Selwyn District are both Tier 1 urban environments under the NPS-UD. As such, they are required to provide “at least” sufficient development capacity, “at all times”, to meet expected housing demand in the short term (1-3 years), medium term (4-10 years), and long term (11-30 years). This obligation applies across different locations within the urban environment, in both existing urban areas and new (greenfield) urban areas, and for both standalone and attached dwellings.

The NPS-HPL Implementation Guide⁴ indicates that, while the sufficiency obligation applies over a 30-year horizon, clause 3.6(1)(a) is primarily concerned with whether additional capacity is required in the short to medium term, recognising the long lead times associated with bringing new urban land to market.

In March 2023, CCC notified Plan Change 14 (**PC14**) to give effect to the NPS-UD and the Medium Density Residential Standards, including policies directing councils to enable greater residential intensification in and around centres and within walkable catchments of key urban amenities and public transport. In September 2025, the Council resolved to pursue a partial withdrawal from the remaining, undecided parts of PC14 under the bespoke process established by the Resource Management (Consenting and Other System Changes) Amendment Act 2025.

To support that decision, the Council prepared an interim Housing Capacity Assessment (**HCA**) in October 2025. The HCA evaluates housing demand and plan-enabled and feasible capacity over a 30-year period and is explicitly described as an interim update rather than a full replacement of the 2023 HCA.⁵ The October 2025 HCA is therefore the principal evidential basis relied on by the Council to conclude that sufficient feasible housing capacity exists without full implementation of PC14.

Although part of the subject site is located within Selwyn District, the analysis in this section focuses on Christchurch City as the most appropriate study area for assessing housing demand and capacity under clause 3.6(1)(a) of the NPS-HPL. This reflects the functional role of the site as part of Christchurch’s southern urban edge and its integration within the Christchurch housing and labour market. Future residents would be expected to access employment, services, and infrastructure

⁴ Ministry for the Environment. (2023). *National Policy Statement for Highly Productive Land: Guide to implementation* (p. 42).

⁵ A full update is not scheduled until 2026.

primarily within Christchurch City, and recent residential development in Halswell operates within the same market as adjoining parts of Selwyn District.

Christchurch City also represents the dominant source of housing demand and supply within the wider Greater Christchurch urban environment. Assessing sufficiency at the Christchurch City scale therefore provides a policy-relevant and conservative basis for testing whether additional residential capacity is required to give effect to the NPS-UD. This approach does not preclude consideration of Selwyn District-wide capacity at later stages but reflects the functional market within which the proposal would operate.

Given this context, the October 2025 HCA provides the appropriate starting point for assessing whether additional residential capacity is required for the purposes of clause 3.6(1)(a). The analysis that follows reviews the demand and capacity findings of that assessment and tests their implications for short- to medium-term sufficiency, with particular attention to the availability, timing, and composition of greenfield capacity.⁶

4.2. Summary of 2025 HCA

Housing Demand

The October 2025 HCA adopts Statistics New Zealand's (**Stats NZ**) high-growth household projection for Christchurch City and applies a 20 percent competitive margin. On this basis, the HCA estimates total demand for approximately 65,640 additional dwellings over the 30-year period. This includes demand for around 11,200 dwellings over the first five years and approximately 22,150 dwellings over the first ten years.

The HCA notes that recent consenting activity has been relatively strong and that, since 2018, a growing share of new dwellings within Christchurch City has been delivered within existing urban areas rather than through greenfield subdivision. Importantly, this observation relates to *where* development has occurred, rather than *what type* of dwelling is being demanded.

While the NPS-UD requires housing demand to be assessed by dwelling type, at a minimum distinguishing between standalone and attached dwellings, the HCA's demand model does not explicitly disaggregate demand on that basis. As a result, increased delivery through intensification is implicitly treated as evidence of reduced demand for greenfield housing, despite these outcomes representing different development environments and, in practice, different housing products.

We also note that the demand projections underpinning the 2025 HCA are based on population and household assumptions supplied prior to the 2023 Census release, and therefore reflect an earlier demographic baseline than the most recent official estimates.

⁶ Given the subject site's location within the south-west growth area of Christchurch, where greenfield development has historically played a significant role in accommodating housing demand.

Housing Development Capacity

Plan-enabled housing capacity is calculated by applying assumed average dwelling yields to the operative District Plan zones that provide for residential activity. This produces a gross theoretical capacity of approximately 458,000 dwellings across residential, commercial, and mixed-use zones.

From this starting point, existing dwellings are deducted to derive *additional* plan-enabled capacity. That capacity is then further constrained through feasibility testing, which assesses which of the remaining dwellings are commercially viable under current market conditions.

Overall, the HCA estimates a total feasible capacity of approximately 68,200 dwellings, comprising:

- Around 50,800 dwellings from medium-density intensification within existing residential zones;
- Approximately 7,600 dwellings from remaining greenfield areas, assessed at an average density of 15 dwellings per hectare;⁷
- Around 4,500 dwellings from high-density residential development in the Central City; and
- Approximately 5,300 dwellings from mixed-use apartment development in the Central City Zone.

The assessed feasible capacity is therefore heavily concentrated in intensification outcomes, with greenfield development accounting for only around 11 percent of total feasible capacity.

Sufficiency

The HCA concludes that Christchurch City has sufficient feasible housing capacity to meet projected demand over the short, medium, and long terms when assessed in aggregate. This conclusion is based on a comparison of the high-growth-plus-margin demand projection against the estimated feasible capacity.

However, the sufficiency assessment is undertaken at a high level and does not test sufficiency by dwelling type or by sub-market. The HCA itself characterises the results as a point-in-time assessment and notes that feasible capacity is sensitive to changes in variables such as development costs, sales prices, and land values, all of which have shifted materially since the previous assessment was completed.

The following section examines the robustness of these conclusions in more detail and considers their implications for short- to medium-term housing sufficiency and the need for additional greenfield capacity.

⁷ The greenfield capacity estimate excludes any future private plan change areas that are not yet operative. In addition, no new greenfield areas have been incorporated into the assessment since the 2018 HCA.

4.3. Critique of 2025 HCA

The October 2025 HCA provides a useful high-level snapshot of housing demand and capacity in Christchurch City. However, for the purposes of assessing clause 3.6(1)(a) of the NPS-HPL, several material weaknesses limit its reliability as evidence that sufficient development capacity exists over the short to medium term. As discussed below, these weaknesses relate to the recency of demand assumptions, the composition and durability of feasible capacity (that is, the extent to which capacity can be relied upon to remain feasible and deliverable over time under changing market conditions), the treatment of greenfield supply, and the sensitivity of feasibility to market conditions.

Use of Outdated Population and Household Projections

The demand estimates in the 2025 HCA are based on population and household projections prepared prior to the release of the final 2023 Census-based estimates. As a result, the assessment works from an earlier demographic baseline that does not reflect the most recent evidence on population growth in Christchurch.

For instance, more recent projections that rebase growth from a 2023 starting point indicate materially higher long-term dwelling demand than that assumed in the HCA. While the October 2025 HCA estimates demand of approximately 65,600 dwellings over 30 years, updated assumptions by Stats NZ point to demand closer to 74,000 dwellings over the same period, and this is before allowing for vacant dwellings, second homes, or peer-to-peer accommodation. When these additional sources of demand are considered, total long-term dwelling requirements exceed 80,000 dwellings.

While the NPS-UD sufficiency test is framed around occupied dwellings, the updated demand figures materially exceed those used in the October 2025 HCA. When compared directly with the HCA's estimated feasible dwellings, an updated 30-year demand implies a clear capacity shortfall even before accounting for vacant dwellings, second homes, or other non-occupied demand. This indicates that the HCA's conclusion of sufficiency is highly sensitive to its demand assumptions and may not hold under more recent population baselines.

Heavy Reliance on Medium-Density Intensification

The feasible capacity identified in the HCA is overwhelmingly concentrated in medium-density intensification within existing residential zones. Of the approximately 68,200 dwellings assessed as feasible, around 50,800 are attributed to intensification outcomes, while only about 7,600 dwellings are attributed to remaining greenfield areas.

This concentration creates two related issues. First, it assumes that intensification will continue to be delivered at scale and pace across the existing urban area over multiple decades. Second, it implicitly assumes that intensification can substitute for greenfield supply across all market segments, notwithstanding persistent evidence that standalone dwellings continue to dominate demand in greenfield locations.

Crucially, the HCA does not test sufficiency by dwelling type, despite the NPS-UD requirement to ensure sufficient capacity for both standalone and attached dwellings. As a result, large volumes of intensification-led capacity, which in practice are likely to be delivered as attached or multi-unit housing, are implicitly treated as substitutable for greenfield capacity that predominantly delivers

standalone dwellings. This masks the risk that Christchurch may have ample capacity for attached dwellings, but insufficient feasible capacity for standalone homes, particularly in greenfield locations.

Limited Remaining Greenfield Capacity

The HCA identifies capacity for only around 7,600 dwellings in greenfield areas across Christchurch City. Based on recent uptake rates of approximately 900 greenfield dwellings per annum, this equates to just over eight years of remaining greenfield supply at the default density of 15 dwellings per hectare used in the assessment. Even if higher greenfield densities of 20 dwellings per hectare were assumed, feasible greenfield capacity would increase by only around one-third, extending supply to approximately 11 to 12 years.

In practical terms, the HCA indicates that Christchurch is approaching the point at which existing greenfield capacity will likely be fully absorbed within the medium-long term. This is inconsistent with the requirement to maintain “at least” sufficient capacity “at all times”. Importantly, this conclusion is reached before allowing for the higher dwelling demand implied by Stats NZ’s updated population and household projections. As outlined above, those updated assumptions suggest materially higher long-term demand than that assumed in the HCA. When this higher baseline is applied, the effective duration of remaining greenfield supply will shorten further, and the scale of any medium to long-term capacity shortfall will become more pronounced.

Interim and High-Level Nature of the Assessment

The HCA is explicitly described as an interim update rather than a full replacement of the earlier assessment. As such, it adopts a relatively high-level approach to feasibility and does not clearly demonstrate how variables such as infrastructure constraints, staging, or funding risks have been incorporated into capacity estimates.

In particular, the assessment does not provide detailed evidence on the extent to which transport or Three Waters constraints may limit the timing or realisation of intensification-led capacity. In the absence of this detail, there is limited confidence that all feasible capacity identified in the HCA is deliverable within the assumed timeframes.

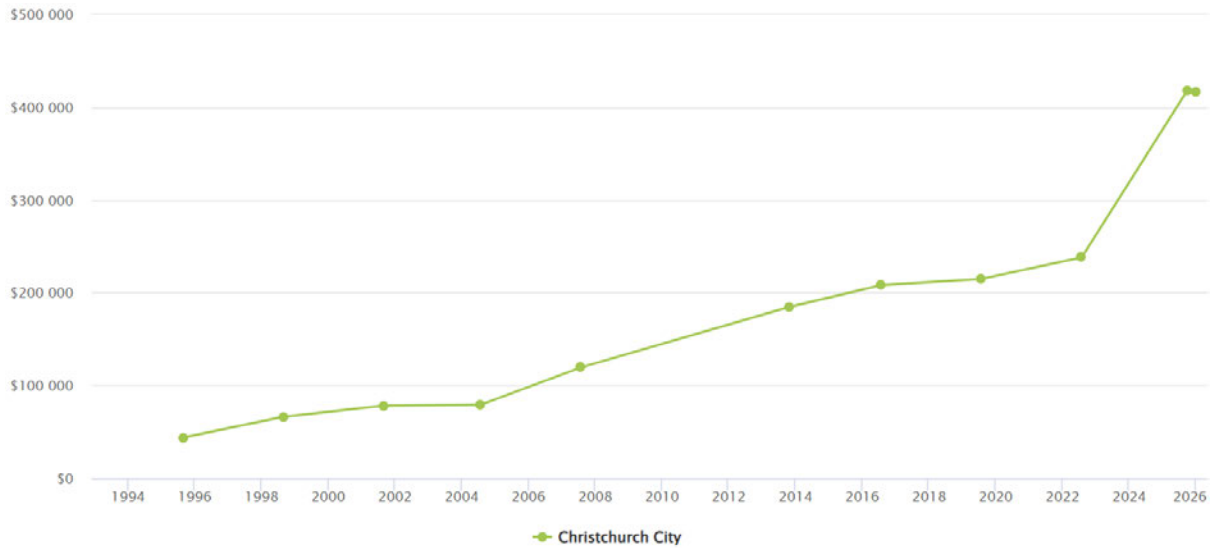
Feasibility Assumptions Misaligned with Market Conditions

The feasibility analysis underpinning the HCA is based on land values as at August 2022. Since that time, land values in Christchurch have increased materially, while house prices have remained broadly flat in nominal terms.

Monitoring data prepared for NPS-UD purposes⁸ shows median residential land values increasing from approximately \$238,000 in mid-2022 to around \$418,000 by September 2025, equating to a compound annual growth rate of 19.5 percent.

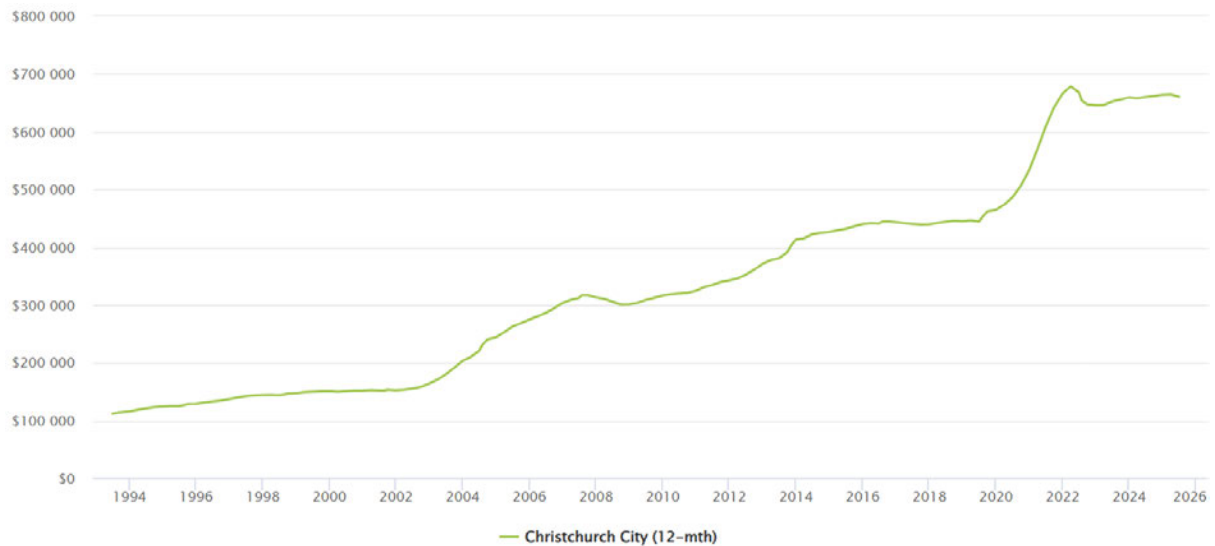
⁸ Available here: <https://huddashboards.shinyapps.io/urban-development/>

Figure 3: Christchurch City Land Value of Dwelling (**Average**)



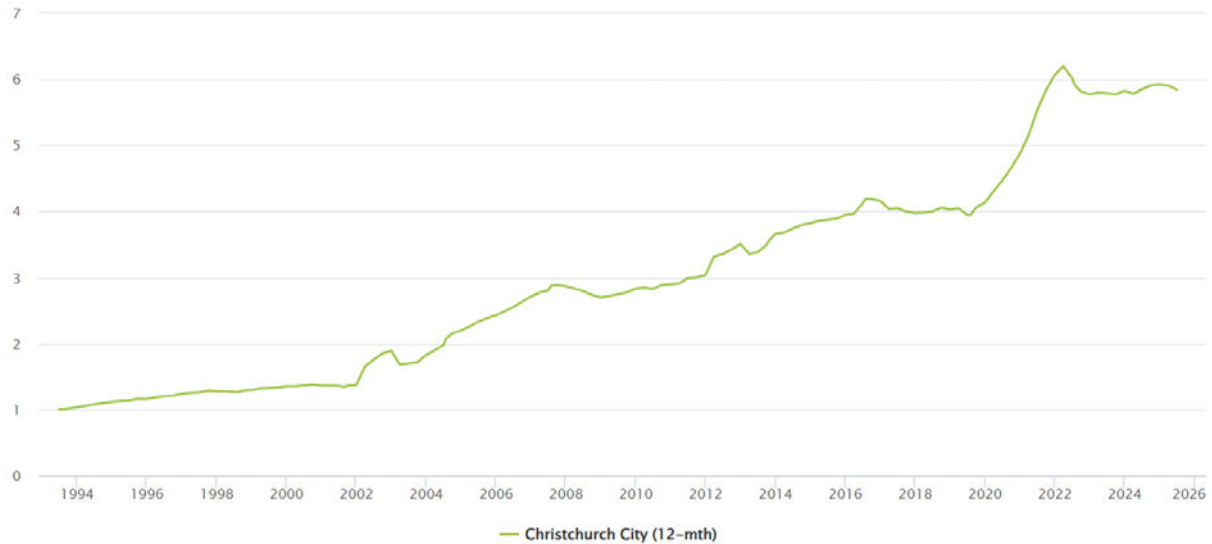
Conversely, according to the same information source, over the same period, median house prices showed little net growth, sitting lower in 2025 than they were in 2022.

Figure 4: Christchurch City 12-month rolling Dwelling Sales Prices (**Actual**)



Even when potential changes in the size and quality of homes are accounted for (by using a Fisher index), prices remain broadly flat.

Figure 5: Christchurch City 12-month rolling Dwelling Sales Price (Fisher Index)



This, in our view, raises significant concerns about the timeliness of the input values used to derive feasibility in the HCA, as this divergence will materially compress development margins. Rising land values, combined with increasing construction costs and stagnant sale prices, reduce the pool of commercially viable projects and undermine the appropriateness of feasibility assumptions used in the HCA.

The HCA itself acknowledges this issue. Paragraph 4.5 notes that feasible capacity has eroded since the previous assessment due to rising costs and limited sales price growth.⁹

Rental market indicators further reinforce concerns about underlying supply constraints. While rents have softened slightly in recent years, they remain materially higher in 2025 than in 2022, indicating that affordability pressures persist despite weaker house price growth.

This pattern is consistent with a supply response that has not kept pace with demand for family-oriented and standalone housing. It also suggests that planning frameworks which rely predominantly on intensification-led capacity in future may struggle to relieve broader housing pressure if sufficient greenfield supply is not maintained.

⁹ While the document illustrates higher capacity outcomes under a reduced profit threshold assumption, this implicitly assumes improving market conditions without fully accounting for continued land price inflation and associated downside risk.

Figure 6: Christchurch City 12-month rolling Dwelling Rents (Fisher Index)



4.4. Implications for the Proposal

The analysis in this section suggests that CCC is unlikely to be meeting its obligation under the NPS-UD to provide “at least” sufficient development capacity “at all times”, particularly over the medium term.

While the October 2025 HCA concludes that sufficient capacity exists in aggregate, that conclusion relies on assumptions that materially understate demand, and overstate the durability of intensification-led capacity. In addition, by failing to test sufficiency by dwelling type, the HCA likely masks a shortfall in capacity to accommodate standalone dwellings, which continue to dominate demand and are more likely to be delivered in greenfield locations such as south-west Christchurch than via urban intensification.

The HCA also attributes only around 7,600 dwellings to remaining greenfield capacity citywide. At recent uptake rates, this supply is likely to be exhausted within the medium term.

Taken together, these factors indicate a structural risk that Christchurch will face a shortage of feasible, market-appropriate housing capacity within the next decade. Given the long lead times associated with land rezoning, structure planning, infrastructure provision, and subdivision, additional greenfield land must be enabled well in advance of demand to maintain sufficiency and market efficiency.

The proposal will directly respond to this emerging capacity gap. It would provide additional greenfield housing capacity in a location aligned with observed market demand and existing growth patterns in the south-west of the city. In doing so, it would contribute to a more balanced and resilient housing supply pipeline.

On that basis, the proposal is likely to be required to contribute to sufficient development capacity to meet expected housing demand to give effect to the NPS-UD. Accordingly, we consider that the requirement in clause 3.6(1)(a) of the NPS-HPL can likely be demonstrated.

5. No Other Option – NPS-HPL 3.6(1)(b)

This section briefly considers the assessment of the proposal against clause 3.6(1)(b) of the NPS-HPL.

5.1. Context

Having determined the need for the proposal under the NPS-UD, the next NPS-HPL test is whether capacity could instead be provided through greater intensification of existing urban areas, rezoning land that is not highly productive, or rezoning land with a lower productive capacity.

This section provides a high-level assessment of whether there are any other reasonably practicable and feasible ways to provide the required development capacity within the same market and locality while achieving a well-functioning urban environment. It is not intended to be an exhaustive, parcel-by-parcel evaluation of all potential alternatives, nor does it replace the more detailed, multi-disciplinary analysis typically undertaken through a substantive application process.

5.2. Definition of Market and Locality

While the city's property market comprises various sub-markets, both geographically and in terms of dwelling attributes such as prices, sizes, and typologies, reliable supply and demand data do not exist at that level of granularity. Accordingly, when assessing other reasonably practicable and feasible ways of providing additional development capacity, this report considers the entire existing Christchurch City urban area as the primary market and locality, together with sites that would form a logical and legible extension of that urban area.

This approach is conservative, as it considers a wider area than strictly required under the NPS-HPL, and avoids unduly narrowing the range of potential alternatives. At the same time, it excludes options that would rely on isolated or ad hoc urban rezonings in otherwise rural locations, which would not represent a logical extension of the existing urban environment or achieve a well-functioning urban outcome.

As discussed previously, while part of the subject site is located within Selwyn District, the site functions as part of Christchurch's southern urban edge and operates within the Christchurch housing and labour market. For that reason, Christchurch City provides the most appropriate and policy-relevant starting point for defining the relevant market and locality for the purposes of clause 3.6(1)(b) of the NPS-HPL.

5.3. Interpretation of Required Capacity

The test in clause 3.6(1)(b) is whether there are reasonably practicable and feasible options for providing the *required* development capacity. That is, enough capacity to meet expected demand over the short- to medium-term, according to the requirements of the NPS-UD. In our view, the anticipated shortfall in medium-term capacity likely exceeds the total capacity of the proposal. Accordingly, we instead assess other options for providing *the same* capacity as the proposal, which contributes to resolving the larger shortfall.

5.4. Intensification

As established in Section 4, Christchurch City's current capacity planning is overwhelmingly reliant on intensification to meet future housing demand. The October 2025 HCA attributes approximately 75 percent of feasible housing capacity to medium-density intensification within existing residential zones, with only around 11 percent expected to come from remaining greenfield areas.

This heavy dependence on intensification creates significant risks for several reasons:

- **Market mismatch and substitutability:** Intensification and greenfield development serve fundamentally different market segments. As detailed earlier in this report, greenfield development in Christchurch overwhelmingly delivers standalone dwellings, while intensification conversely produces multi-unit housing. This persistent divergence reflects genuine differences in housing preferences and household needs. For example, families seeking standalone dwellings with moderate-sized sections cannot be adequately served by multi-unit outcomes in established urban areas. Treating intensification as a direct substitute for the proposed greenfield development ignores this fundamental market reality.
- **Delivery risk and feasibility constraints:** The HCA's heavy reliance on intensification carries substantial delivery risk. As outlined in Section 4.3, compressed development margins due to rising land values and stagnant house prices have materially eroded the feasibility of intensification projects. The HCA itself acknowledges this erosion. Attempting to substitute potential greenfield capacity with intensification compounds this issue, placing even greater weight on development outcomes that are increasingly marginal under current market conditions.
- **Diminishing greenfield supply:** As discussed above, Christchurch's remaining greenfield capacity is likely approaching exhaustion within the medium term. Offsetting this capacity shortfall through intensification would require an unprecedented and sustained acceleration in multi-unit delivery - precisely the outcome the city is already struggling to achieve at sufficient scale.

For these reasons, intensification cannot credibly provide the same capacity as the proposal within the relevant market and locality. While intensification will continue to play an important role in accommodating citywide housing demand, it typically delivers higher-density and attached housing forms within existing urban areas. By contrast, the proposal would enable additional greenfield capacity in a location that, based on recent delivery patterns and market evidence, is likely to accommodate a high proportion of standalone dwellings. This reflects the role such locations have historically played within Christchurch's housing market, rather than any prescriptive outcome of the proposal itself.

Regardless, to test the possibility of intensification, we conducted a high-level spatial analysis to identify parcels within Christchurch City capable of accommodating a development of comparable scale to the proposal. Using LINZ parcel data, we identified all sites equal to or greater than the rural-zoned portion of the subject site, being approximately 35 hectares, and spatially joined these parcels to the operative Christchurch District Plan zones.

The analysis identified 108 parcels of sufficient size across the city. As shown in Table 6, only one parcel is zoned for residential purposes.

Table 6: Land Parcels 35.1 ha or Larger Within the Urban Area

Zone Type	Count of Lots	Share of Lots
Rural	74	69%
Open Space	27	25%
Specific Purpose	5	5%
Residential	1	1%
Transport	1	1%
Total	108	100%

The single residential-zoned parcel identified through this analysis is located on Banks Peninsula and is zoned Large Lot Residential, with a minimum lot size of 1,500 m². Development on this land would therefore deliver a fundamentally different housing product to that enabled by the proposal.

In addition, Banks Peninsula functions as a distinct housing market and locality, characterised by dispersed settlement patterns, limited infrastructure capacity, and substantially different accessibility to employment, services, and transport networks. Development in this location would not represent a logical or legible extension of the urban area, nor would it serve the same housing market as the proposal.

When these factors are taken into account, there are effectively no appropriately zoned and located residential sites of comparable scale within the existing urban area that could provide a direct substitute for the proposal. This effectively rules out intensification of a single large site as a reasonably practicable and feasible alternative.

This leaves only one theoretical alternative: the amalgamation of numerous smaller sites.

To illustrate the impracticality of this approach, we draw on a comparable exercise previously undertaken for a 10-hectare development proposal in Palmerston North.¹⁰ In that example, replicating the proposed development would have required:

- The purchase and demolition of 147 contiguous residential properties;
- Total land value exceeding \$70 million;
- Demolition of nearly \$28 million worth of existing improvements;
- Total capital outlay exceeding \$100 million before any development could commence; and
- Successful negotiation and completion of 147 separate sale and purchase agreements.

By comparison, the present proposal's rural zoned area spans approximately 35 hectares, more than three times the scale of the Palmerston North example. Replicating this development through

¹⁰ While property values and land use mix differ, the Palmerston North example illustrates the transactional and physical barriers to large-scale urban amalgamation, which are if anything more acute in Christchurch given higher land values.

amalgamation in Christchurch would therefore require an even larger number of property acquisitions, compounded by the following factors:

- **Higher property values:** Christchurch residential properties in established urban areas carry significantly higher land and improvement values.
- **Scale of acquisition:** Assuming comparable residential densities and section sizes to the Palmerston North example, amalgamating sufficient land to accommodate the 348 dwellings enabled by the proposal would likely require the acquisition and demolition of more than 300 existing properties.
- **Coordination complexity:** Even assuming willing sellers, the simultaneous execution of several hundred separate transactions, each subject to individual negotiation, valuation, legal processes, and settlement timing, is logistically unachievable within any reasonable development timeframe.
- **Net dwelling outcome:** Because the amalgamated sites would already contain existing dwellings, achieving a net gain of approximately 350 dwellings would require constructing nearly 650 units to offset demolitions.
- **Urban design and infrastructure consequences:** Redeveloping such a large, consolidated area within the existing urban fabric would create significant adverse effects on the surrounding neighbourhoods, including prolonged construction disruption, traffic management challenges, and the wholesale transformation of established residential character.

In short, while theoretically possible in a purely abstract sense, site amalgamation at the scale required to substitute for the proposal is not a reasonably practicable or feasible option. The financial cost would be orders of magnitude higher, the transactional complexity insurmountable, and the adverse effects on the existing community substantial. By contrast, the proposal:

- Does not require the purchase or demolition of existing dwellings (beyond the two rural lifestyle properties currently situated on the subject site);
- Does not require the coordination of hundreds of separate property transactions; and
- Provides a logical and legible extension of the existing urban area with established infrastructure and employment connections.

Accordingly, intensification, whether through distributed infill or large-scale site amalgamation, cannot reasonably provide the same capacity as the proposal within the same locality and market while achieving a well-functioning urban environment.

5.5. Land with No HPL or Lower Productive Capacity

To assess whether there are other reasonably practicable and feasible land options with no HPL, or with a lower productive capacity than the subject site, noting of course that a specific analysis of the subject site land may refine the distribution and extent of productive soils on the site, we reviewed the spatial distribution of HPL across Christchurch City and its immediate peri-urban edge using

Landcare Research's LUC mapping. The map below presents the findings, with the subject site shown in red for reference.

Figure 7: Distribution of HPL around Christchurch City

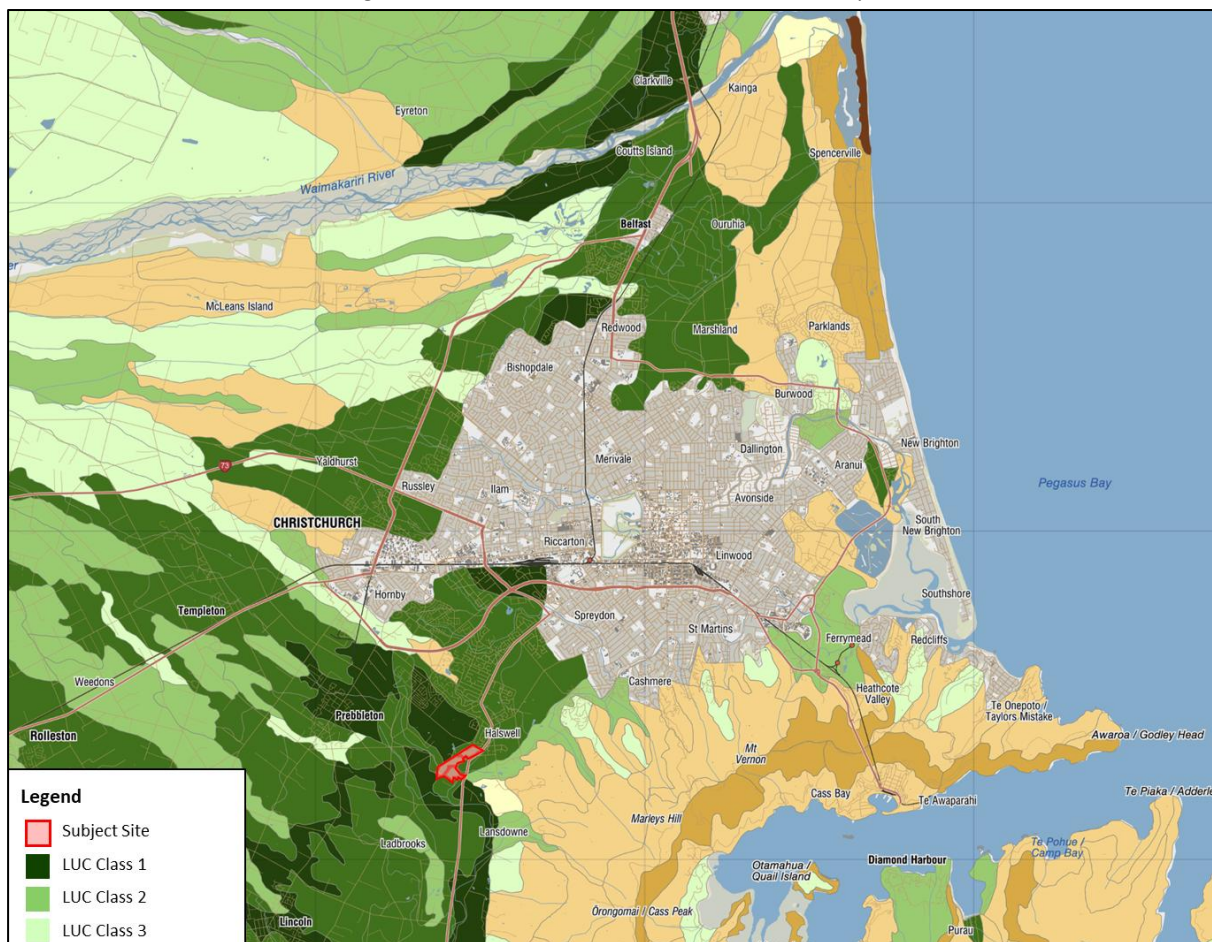


Figure 7 shows that large parts of the land immediately adjoining Christchurch's existing urban area are classified as LUC 1 or 2, particularly around the southern and northern urban edge. This suggests that many logical greenfield extensions of the existing urban area may involve land classified as HPL. However, it cannot be assumed at this stage that alternative greenfield options which entirely avoid HPL do not exist within the wider Christchurch area. Identifying, testing, and comparing such options in a sufficiently robust way would require detailed, site-specific assessment across a range of disciplines, including soil science, hydrology, infrastructure servicing, planning constraints, and market feasibility. That level of analysis is beyond the scope of this preliminary economic input and is more appropriately addressed as part of a full, multi-disciplinary assessment process.

This spatial reality has two important implications. First, if development is not enabled on the subject site, any alternative greenfield expansion that functions as a logical extension of the existing urban area may also involve land classified as HPL. Second, the presence of HPL in itself does not distinguish the subject site from other feasible greenfield locations around the city, as there are likely no materially different non-HPL alternatives in comparable locations.

The remaining question, therefore, is whether there are alternative sites with a demonstrably *lower* productive capacity than the subject site. This is defined in the NPS-HPL to mean:

“the ability of the land to support land-based primary production over the long-term, based on an assessment of:

- *physical characteristics (such as soil type, properties, and versatility); and*
- *legal constraints (such as consent notices, local authority covenants, and easements); and*
- *the size and shape of existing and proposed land parcels.”*

Undertaking a parcel-by-parcel assessment of all potential urban edge sites against these criteria is an extremely onerous task, and would require detailed site-specific soil, hydrology, legal, and land use analysis across hundreds of properties. This is well beyond the scope of this report and would, in any event, duplicate work typically undertaken through detailed plan change or substantive application processes rather than at this high-level input stage.

That said, at a strategic level, areas of lower productive capacity relative to the subject site tend to fall into two broad categories:

1. The first is land to the north-east of the city. While some of this land has lower versatility soils, much of it is constrained by flood risk, including both fluvial flooding and projected future coastal inundation associated with sea-level rise. These constraints materially limit development feasibility, infrastructure provision, and long-term resilience, and therefore reduce the practicality of such land as a substitute for the proposal.
2. The second category is land on Banks Peninsula. Although much of this land is not classified as HPL, its development potential is significantly constrained by steep and rocky terrain, limited infrastructure capacity, and distance from Christchurch’s main employment areas. Development in these locations would not represent a logical or legible extension of the existing urban area and would not serve the same housing market or locality as the proposal.

In effect, the subject site is not unique in containing HPL; rather, it reflects the broader pattern that HPL is pervasive around Christchurch’s urban edge. Accordingly, the use of land with no HPL or materially lower productive capacity is likely not a realistic alternative to the proposal for providing the required housing capacity within the same market and locality.

6. Costs & Benefits – NPS-HPL 3.6(1)(c)

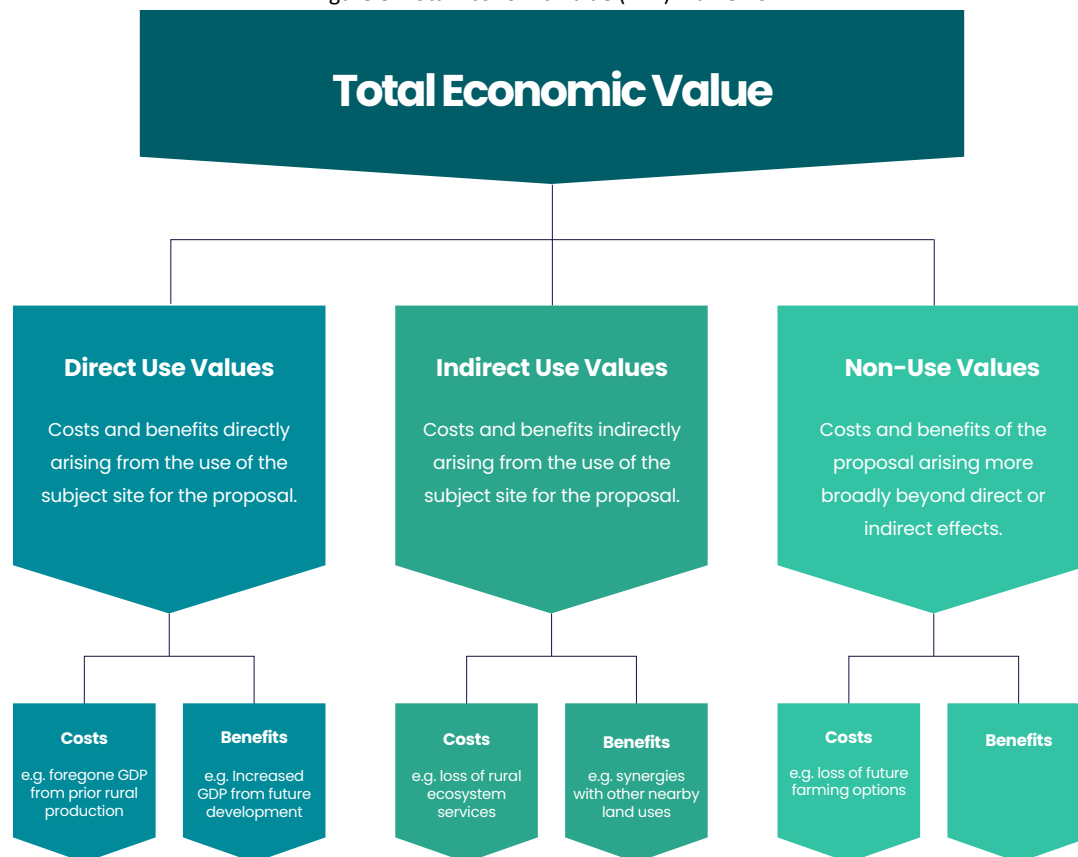
6.1. Introduction

The final task is to show that the overall benefits of the proposal outweigh costs, including all tangible and intangible effects. This is not limited to economic considerations, however, and also includes social, cultural, and environmental effects. Below, we assess the likely *economic* costs and benefits of the proposal relative to potential rural production to inform the broader analysis under this clause. First, however, we summarise the framework underpinning the analysis.

6.2. The TEV Framework

This assessment adopts the total economic value (TEV) framework¹¹, which has been widely used in environmental economics since the 1980s to help capture the full spectrum of economic effects, not just those that are readily quantifiable. While the exact structure of the TEV framework often differs from one study to the next, the figure below shows its key components.

Figure 8: Total Economic Value (TEV) Framework



In the TEV framework, economic value is divided into values arising from both the use and non-use of resources, including possible future use (known as option value).

¹¹ As outlined in *Total Economic Value of New Zealand's Land-Based Ecosystems and Their Services* (Patterson & Cole 2013), which is widely cited and appears to be the most comprehensive and up-to-date assessment of its kind. This study is therefore relied on for the estimates used here.

Use values are subdivided into those that flow directly from use, such as food production, and those that flow indirectly, such as changes in air or water quality due to agricultural practices.

Non-use values include the benefit that people receive from knowing that something exists, even if they never plan to visit it (existence), plus the benefit of preserving things for the benefit of others both now (altruism), and in future (bequest).

Patterson and Cole (2013) applies this framework to 12 land-based ecosystems to quantify the economic value that each provides. They split use values into the following four parts to reflect the delivery of different ecosystem services:

- **Provisioning services** – such as the growing of arable/horticultural crops, plus the rearing of animals for meat and/or milk production;
- **Regulation services** – which refers to the regulation of biophysical and ecological processes to support life and provide a suitable habitat for human existence;
- **Cultural services** – which includes spiritual fulfilment, aesthetics, education, scientific knowledge, and cultural wellbeing; and
- **Support services** – which support provisioning and regulating services such as nutrient cycling, soil formation, and the provision of habitat. However, these are usually excluded from the calculation of TEV because they are already included elsewhere and cause double-counting.

The table below summarises the TEV's estimated using this approach.

Table 7: TEV of Land-Based Ecosystems from Patterson and Cole (2013)

Ecosystem type	Use value				Passive value	Gross value ¹²	Net value ¹³
	Supporting value	Regulating value	Provisioning & cultural value	Total			
Standard ecosystems							
Horticulture & cropping	23	3	2,265	2,291	<i>n/a</i>	2,291	2,268
Agriculture	7,751	3,345	9,075	20,171	<i>n/a</i>	20,171	12,420
Intermediate agric-scrub	1,897	1,630	1,112	4,639	<i>n/a</i>	4,639	2,742
Scrub	609	531	5	1,144	<i>n/a</i>	1,144	535
Intermediate agric-forest	402	352	218	973	<i>n/a</i>	973	571
Forest-scrub	704	614	129	1,447	<i>n/a</i>	1,447	743
Forest	3,495	3,056	7,631	14,182	<i>n/a</i>	14,182	10,687
Wetlands	3,599	4,103	1,020	8,722	350	9,072	5,473
Estuaries	1,026	314	109	1,449	211	1,659	634
Mangroves	0	103	0	103	41	144	144
Lakes	1,735	544	4,671	6,950	885	7,836	6,101
Rivers	1,289	404	3,470	5,164	1,434	6,597	5,309
Heritage ecosystems							
National parks	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	7,164	7,164	7,164
Forest parks	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	743	743	743
Land reserves	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	1,218	1,218	1,218
Total	22,530	15,000	29,705	67,235	12,045	79,280	56,749

We now use this framework to compare the likely economic costs and benefits of the proposal to potential rural production. We begin with the TEV of the proposal.

6.3. TEV of the Proposal

Development Assumptions

Based on the location and nature of the proposal, we assume that 80 percent of national one-time impacts accrue to the Canterbury region.¹⁴ Our analysis also incorporates assumptions about the likely scale and cost of future development enabled by the proposal, limited to the two rural-zoned parcels.

To inform assumptions about dwelling size, recently completed standalone dwellings constructed over the past five years in Halswell, Wigram, Hornby, and Prebbleton (Selwyn District) were profiled using Cotality's Property Guru database.

¹² Gross value = use value + passive value

¹³ Net value = use value + passive value – supporting value

¹⁴ 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 Canterbury region.

For modelling purposes, the average dwelling size has been disaggregated into five representative standalone dwelling GFA sizes to reflect a mix of housing outcomes.¹⁵

Build costs are applied on a GFA basis using an average construction cost of \$3,100 per square metre. This rate is derived from the latest Christchurch City building consent data for the year to February 2026.

Table 8 summarises the resulting residential development assumptions and associated construction costs.

Table 8: Residential Development Assumptions

Dwellings by Lot Size Range (m ²)	# of New Dwellings	Average Size GFA m ²	Build Cost \$/m ² GFA	Total Build Cost \$m
< 400	56	130	\$3,100	\$23
400 - 500	169	170	\$3,100	\$89
500 - 600	84	190	\$3,100	\$49
600 - 700	27	220	\$3,100	\$18
> 700	12	240	\$3,100	\$9
Totals	348	n/a	n/a	\$188

Overall, total construction costs are estimated at \$188 million in today's dollars, from which we then derived:

- \$4 million for planning, designing, and consenting costs (i.e., 2% of build costs); and
- \$38 million for infrastructure and civil works costs (i.e., 20% of build costs).

Summary of Development Costs

Table 9 summarises the estimated total cost of development enabled by the proposal across the three key activities based on the assumptions set out above, which equal \$230 million in today's dollars.

Table 9: Summary of Estimated Development Costs (\$ millions)

Development Activity	\$ millions
Planning, Design, and Consent	\$4
Civil Works and Infrastructure Provision	\$38
Residential Construction	\$188
Total Development Cost	\$230

¹⁵ CCC's Built Environment Reporting indicates that approximately 15-20 percent of greenfield housing delivery in Christchurch over recent years has comprised multi-unit dwellings. For simplicity and transparency, the modelling assumes standalone dwellings only. This approach is conservative in terms of dwelling yield and construction costs and does not preclude a mix of attached or multi-unit housing outcomes being delivered on the site in practice.

Finally, we mapped these costs to sectors of the regional/national economy, then overlaid the latest economic multipliers¹⁶ to derive the one-off impacts of the proposal, as set out below.

Estimated Impacts on GDP, Jobs, and Wages

Table 10 presents the one-time impacts associated with development enabled by the proposal. All activities are assumed to occur over a four-year period.

Table 10: One-Time Economic Impacts of Development by Activity (spread over four years)

	Planning & Design	Infrastructure & Civil Works	Residential Construction	Development Totals
Annual Jobs				
Direct impacts	3	18	55	76
Indirect impacts	2	24	154	180
Total	5	42	209	256
Annual FTEs				
Direct impacts	3	18	53	74
Indirect impacts	2	22	143	167
Total	5	40	196	241
Total Wages \$m				
Direct impacts	\$2	\$7	\$16	\$25
Indirect impacts	\$1	\$8	\$49	\$58
Total	\$3	\$15	\$65	\$83
Total GDP \$m				
Direct impacts	\$2	\$10	\$25	\$37
Indirect impacts	\$2	\$14	\$85	\$101
Total	\$4	\$24	\$110	\$138

In summary, we estimate that:

- Future planning, design, and consenting will create full-time employment for five people over the four-year development period, generating total wages and salaries of \$3 million;
- Land development (including infrastructure provision and all other civil works) will create full-time work for 40 people, with \$15 million paid in wages and salaries; and
- Residential construction will provide full-time work for approximately 196 people, with \$65 million paid in wages and salaries.

¹⁶ 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, development enabled by the proposal is estimated to provide full-time work for more than 240 people for four years, generating \$83 million in wages and salaries, and boosting GDP by \$138 million.

In addition, the proposal will generate other significant and enduring economic benefits that will not be realised via rural production. These are likely to be classified as indirect use values in the TEV framework and include:

- Providing a substantial, direct boost in market supply to help meet demand;
- Contributing to the variety of district housing options/typologies to meet diverse needs and preferences; and
- Contributing to achieving critical mass to support greater local retail/service provision.

6.4. TEV of Rural Production

Direct Use Value

Next, we considered the types of rural production that might occur on the site (absent the proposal) to determine the direct use value of foregone rural production, noting that the value of production varies markedly by land use. To provide a representative range of this opportunity cost, we quantified the direct use values for three potential land uses below:¹⁷

- Hay and baleage;
- Sheep and beef farming; and
- Dairy farming.

National-level metrics of production per hectare for the first activity were extracted from a recent report by Beef + Lamb NZ (Cost of Feed),¹⁸ while region-specific data for the others were sourced from Beef + Lamb NZ,¹⁹ and the NZ DairyBase,²⁰ respectively. The table below shows the resulting estimates of rural production per hectare.

Table 11: Production Metrics per Hectare (for Subject Site)

Productive Use	Output \$	GDP \$	FTEs	Wages \$
Hay and Baleage	3,400	780	0.004	250
Sheep and Beef	3,800	870	0.005	270
Dairy ²¹	14,500	3,390	0.018	1,160
Average	7,200	1,700	0.009	560

¹⁷ While the site is currently used for rural lifestyle activities, we model dairy farming, hay and baleage, and sheep and beef farming, as these represent three of the most common and plausible alternative uses for rural land in the area.

¹⁸ Available here: <https://beeflambnz.com/sites/default/files/factsheets/pdfs/fact-sheet-260-Cost%20of%20Feed.pdf>

¹⁹ Available here: <https://beeflambnz.com/industry-data/farm-data-and-industry-production/sheep-beef-farm-survey>

²⁰ Available here: <https://connect.dairynz.co.nz/EconTracker/>

²¹ The assumed dairy output of \$14,500 per hectare is based on the latest farmgate price of \$9.50 (\$8.50 - \$9.50 range high) per kg of milk solids. Lower prices will lead to lower output per hectare, and vice versa.

For modelling purposes, we base our analysis on the two rural-zoned parcels only, which together comprise approximately 35 hectares of land. For simplicity, we assume that this land could be farmed in its entirety.²² Table 12 below shows the estimated annual rural production activity if the rural-zoned portion of the site were used exclusively for rural production.

Table 12: Estimated Annual Rural Production for Subject Site (35.1 hectares)

Productive Use	Output \$	GDP \$	FTEs	Wages \$
Hay and Baleage	119,300	27,400	0.15	8,800
Sheep and Beef	133,300	30,500	0.16	9,500
Dairy	509,200	119,000	0.61	40,700
Average	254,000	59,000	0.31	20,000

Under the highest value scenario assessed, the subject site could theoretically sustain the following annual economic activity if used solely for rural production:

- Output/revenue of \$509,200;
- GDP of \$119,000;
- Employment for 0.6 FTEs; and
- Wages and salaries of \$40,700.

These values are negligible, not even providing full-time employment for one person. By comparison, development enabled by the proposal would provide a substantial boost in employment during development of approximately 240 people for four years.

Indirect Use & Non-Use Values

Patterson and Cole (2013) provides estimates of indirect and non-use (passive) values for each of the 12 ecosystems in their study (as reproduced above). Of those 12 ecosystems, only the first two – horticulture/cropping and agriculture – are relevant here. According to the authors, the indirect and non-use values of these ecosystems are not particularly significant. This is conveyed in the two tables below.

²² In practice, not all of the land would be available or suitable for productive use due to physical, access, and infrastructure constraints, as well as non-productive areas such as setbacks, waterways, and shelter belts. The estimate therefore represents an upper-bound scenario that maximises the value of foregone rural production for comparison purposes.

Table 13: Use Value of Ecosystem Services Derived from **Agriculture** Ecosystems (\$2012 million)

Ecosystem service	Supporting value	Regulating value	Provisioning & cultural value	Provisioning & cultural excl. GDP	Gross value	Net value
Water provisioning			85	68	85	85
Food production			8,363		8,363	8,363
Raw materials			514		514	514
Recreation			57	57	57	57
Cultural			57	57	57	57
Gas regulation		200		200	200	200
Waste treatment		2,488		2,488	2,488	2,488
Biological control		657		657	657	657
Soil formation	28			28	28	0
Erosion control	7,008			7,008	7,008	0
Pollination	715			715	715	0
Total	7,751	3,345	9,076	11,278	20,172	12,421

Table 14: Use Value of Ecosystem Services Derived from **Horticulture-Cropping** Ecosystems (\$2012 million)

Ecosystem service	Supporting value	Regulating value	Provisioning & cultural value	Provisioning & cultural excl GDP	Gross value	Net value
Water provisioning			2	2	2	2
Food production			2,263		2,263	2,263
Climate regulation		3		3	3	3
Erosion control	12			12	12	
Pollination	11			11	11	
Total	23	3	2,265	28	2,291	2,268

As revealed above, provisioning services (which we have estimated just above) equal 99.8 percent of TEV for horticulture/cropping²³, and 67 percent for agriculture.²⁴ As a result, our estimates of the GDP, jobs, and incomes estimated for hay and baleage will account for virtually all (99.8%) of the TEV of that type of rural production. However, our corresponding estimates of GDP, jobs, and incomes for sheep/beef and dairy will account for only two-thirds of TEV. Thus, to derive the TEV of those scenarios, we need to scale up our estimates of food production benefits by nearly 50 percent to capture the other elements of TEV.²⁵

6.5. Comparison of Long-Term Direct Values

To complete our assessment, we compared the long-term direct use values of the proposed development to the three rural production scenarios above. To ensure that the value of foregone rural production is maximised, we model it over a 50-year period, which goes well beyond the minimum 30-year period set out in the NPS-HPL Implementation Guide.²⁶ In addition, we assume that the

²³ Calculated as 2,263 net value of food production divided by 2,268 total net value.

²⁴ Calculated as 8,363 net value of food production divided by 12,421 total net value.

²⁵ The 50% scalar equals the total net value of 12,420 for agriculture divided by the net value of food production of 8,363. This results in a scalar of 48.5% to capture the other elements of TEV over and above our estimates of food production.

²⁶ While rural production can potentially be sustained for longer, production beyond 50 years is worth very little in present value terms (~a few cents in the dollar) so is largely immaterial.

current recorded farm-gate price of \$9.50 per kg of milk solids prevails under the dairy scenario. Finally, future rural production values are converted to present value (current dollar) terms at a discount rate of 8 percent.

Table 15: Comparison of Direct Use Values over 50 years (NPV @ 8%)

Productive Use	GDP \$	FTE-Years	Wages \$
Hay and Baleage	340,000	7.3	110,000
Sheep and Beef	370,000	8.1	120,000
Dairy	1,460,000	30.7	500,000
Residential Development	138,000,000	964	83,000,000

The table above confirms that development enabled by the proposal will generate much higher GDP, employment, and wages than any of the possible rural production scenarios, even when the latter are considered over a long period, such as 50 years.

With these direct use values representing 99.8 percent of TEV for hay and baleage production, and 67 percent for sheep, beef and dairy, the inclusion of the other facets of TEV has no material impact on the comparison.

6.6. TEV Summary and Conclusion

The analysis above shows that the proposal will generate far higher impacts on GDP and employment than rural production, and that the inclusion of other TEV facets has little effect on these figures. Thus, overall, we consider the proposal to satisfy the requirements of clause 3.6(1)(c) of the NPS-HPL from an economic perspective.

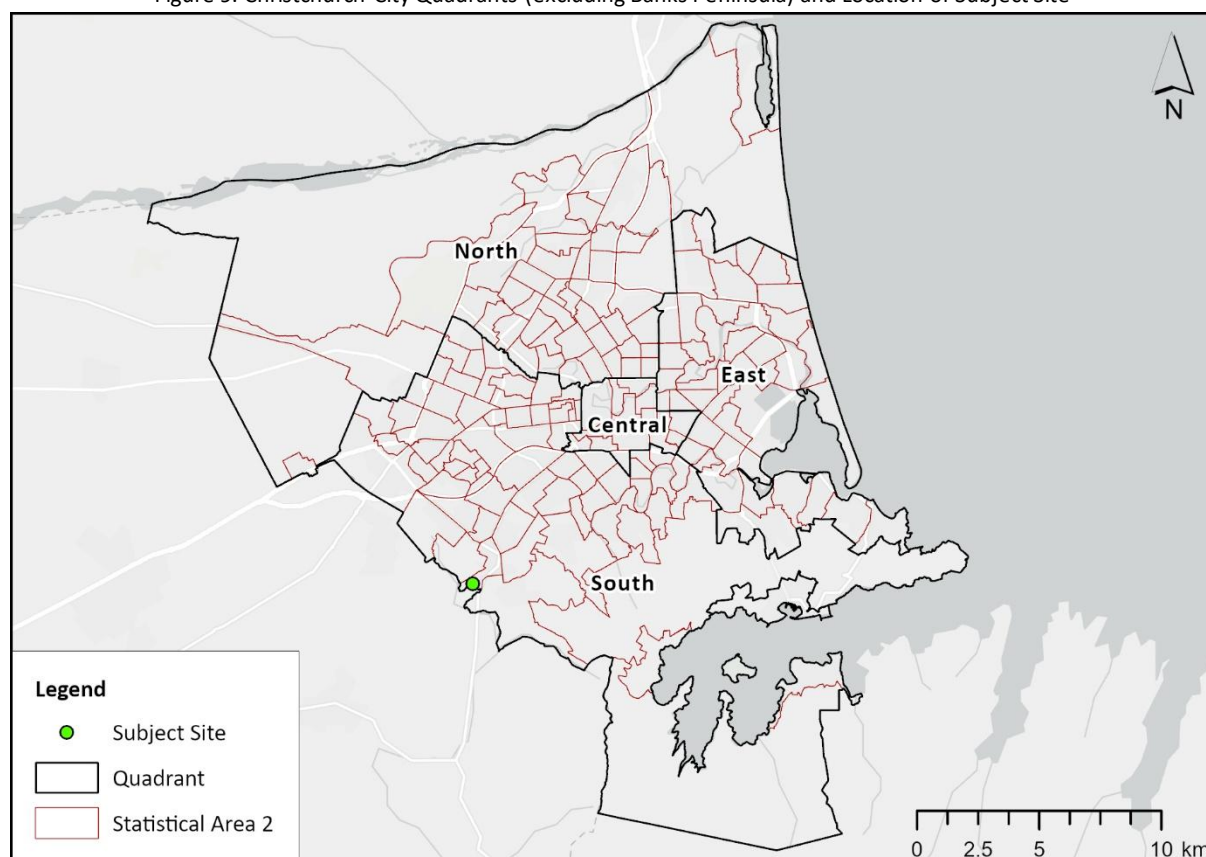
7. NPS-UD Objective 3(a) and 3(c)

Objective 3 of the NPS-UD requires that regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment where one or more specified conditions apply. This assessment focuses on Objective 3(a) and 3(c), which relate to areas that are in or near centres or other locations with many employment opportunities, and areas where demand for housing or business land is high relative to other parts of the urban environment.

7.1. Study Areas

For the purposes of this assessment, Christchurch City (excluding Banks Peninsula) is divided into four quadrants, consistent with the approach adopted in the 2018 Greater Christchurch Housing and Business Capacity Assessment. These quadrants are used to assess the relative distribution of employment, businesses, and building activity across the city. The subject site is located within the southern quadrant, specifically in the south-west, as shown in Figure 9 below.

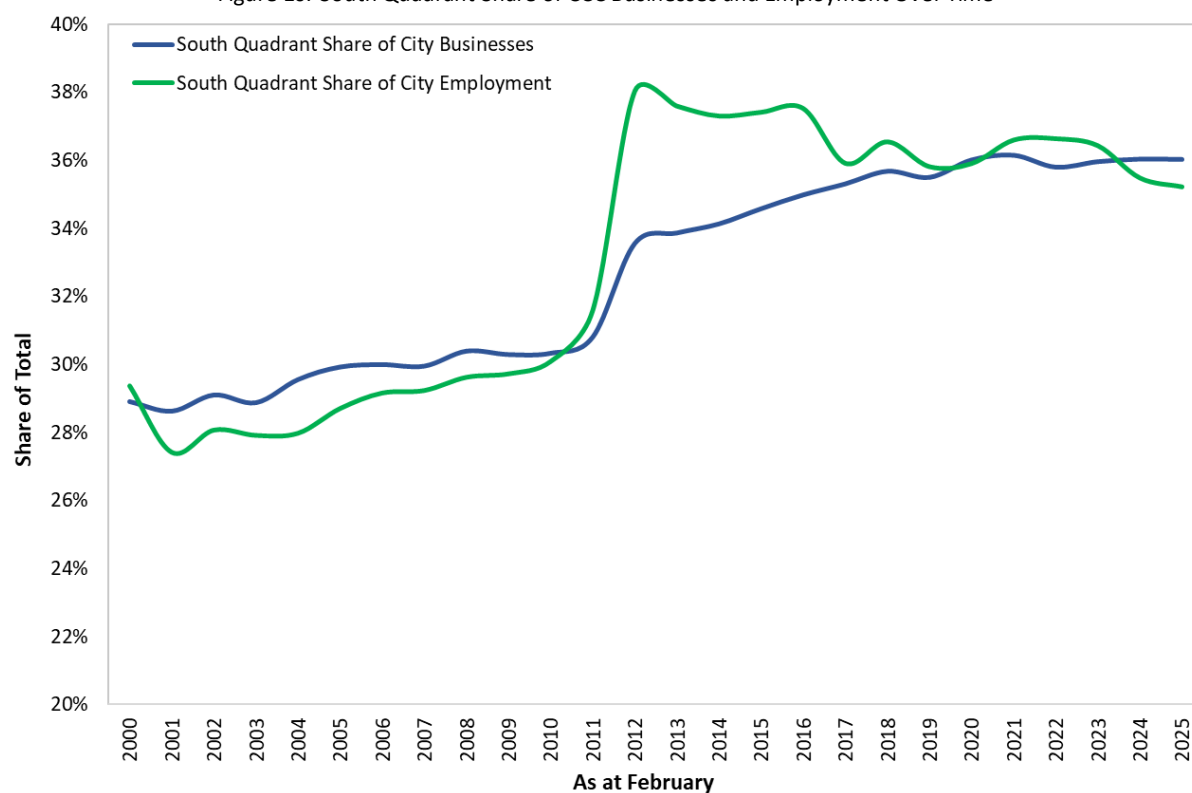
Figure 9: Christchurch City Quadrants (excluding Banks Peninsula) and Location of Subject Site



7.2. Employment Trends

Employment and business activity have increasingly concentrated in the southern quadrant of Christchurch over the past two decades. As shown in Figure 10, the southern quadrant now accounts for approximately 36 percent of all businesses and 35 percent of total city employment, representing a material increase in its share over time.

Figure 10: South Quadrant Share of CCC Businesses and Employment Over Time



This growth has been driven by strong expansion across various industries. Table 16 summarises employment change over the past two decades by broad industry sector²⁷ and quadrant.

²⁷ Employment has been aggregated into broad sector groupings consistent with those set out in the NPS-UD Evidence and Monitoring Guide. Available here: <https://environment.govt.nz/assets/Publications/Files/FINAL-NPS-UDC-Evidence-and-Monitoring-guide.pdf>

Table 16: Change in Employment by Broad Industry and City Quadrant

Commercial	Change	% Change	CAGR	2006 Share	2025 Share	Change
Central	3,023	10%	0.5%	57%	44%	-12.9%
East	2,827	64%	2.6%	8%	9%	1.2%
North	6,356	75%	3.0%	15%	19%	3.5%
South	11,088	100%	3.7%	20%	28%	8.2%
Total	23,294	42%	1.9%	100%	100%	0.0%
Industrial	Change	% Change	CAGR	2006 Share	2025 Share	Change
Central	-5,986	-29%	-1.8%	26%	17%	-9.3%
East	-181	-1%	-0.1%	18%	16%	-1.9%
North	5,070	32%	1.5%	20%	24%	4.0%
South	8,988	32%	1.5%	36%	43%	7.2%
Total	7,891	10%	0.5%	100%	100%	0.0%
Retail	Change	% Change	CAGR	2006 Share	2025 Share	Change
Central	2,752	10%	0.5%	32%	27%	-5.3%
East	2,172	15%	0.7%	17%	14%	-2.1%
North	8,908	45%	2.0%	22%	24%	2.4%
South	13,889	54%	2.3%	29%	34%	5.0%
Total	27,721	31%	1.4%	100%	100%	0.0%
Total Industry	Change	% Change	CAGR	2006 Share	2025 Share	Change
Central	-211	0%	0.0%	36%	28%	-7.6%
East	4,818	15%	0.7%	15%	14%	-1.4%
North	20,334	46%	2.0%	20%	23%	3.1%
South	33,965	52%	2.2%	29%	35%	6.0%
Total	58,906	27%	1.2%	100%	100%	0.0%

Across commercial activity, employment in the southern quadrant increased by over 11,000 jobs, doubling over the period and growing at a compound annual rate of 3.7 percent. The southern quadrant's share of city commercial employment rose from 20 percent to 28 percent, while the central city's share declined materially.

Industrial employment shows an even stronger spatial concentration. Since 2006, the southern quadrant has captured the largest absolute increase in industrial jobs, with its share rising from 36 percent to 43 percent of citywide industrial employment. In contrast, the central and eastern quadrants experienced declining or stagnant industrial employment over the same period.

Retail employment growth has followed a similar pattern. The southern quadrant now accounts for approximately one-third of Christchurch's retail employment, reflecting population growth, large-format retail development, and proximity to expanding residential areas.

Taken together, these trends indicate that the southern quadrant, and particularly the south-west of the city, has become one of Christchurch's primary employment locations. The subject site sits within

this growing employment catchment and is located close to established and expanding industrial and commercial areas, providing direct access to a wide range of employment opportunities.

7.3. Residential Building Consent Trends

Building consent data reinforces the southern quadrant's role as Christchurch's primary residential growth area. Over the past decade, approximately 38 percent of all residential building consents citywide have been issued within the southern quadrant, accounting for around 41 percent of total consented residential floor area.

Within the southern quadrant, Halswell, in particular, has been a major driver of residential activity. As shown in Table 17, between 2016 and 2025, Halswell accounted for 3,184 residential building consents, equivalent to one in every five residential consents issued across Christchurch City.

Table 17: Residential Building Consent Activity in Halswell Relative to Christchurch City

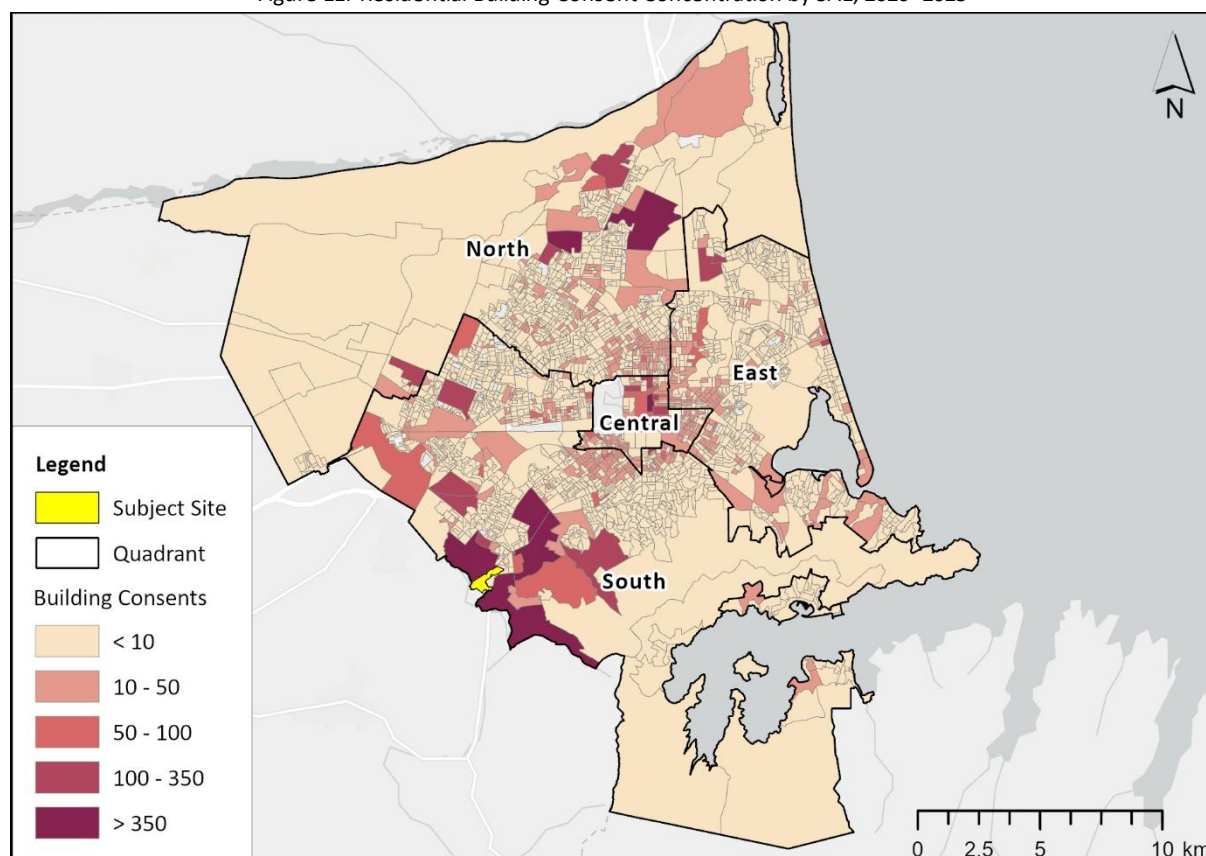
Year	Total Consents	Halswell Consents	Halswell Share
2016	2,071	260	13%
2017	1,544	164	11%
2018	1,268	140	11%
2019	1,369	214	16%
2020	1,569	384	24%
2021	1,821	480	26%
2022	1,975	484	25%
2023	1,548	457	30%
2024	1,266	322	25%
2025	1,494	279	19%
Total	15,925	3,184	20%

Halswell's share of citywide consenting increased materially over time, rising from 13 percent in 2016 to around one quarter of all consents from 2020 onwards. In 2023, Halswell alone accounted for 30 percent of all residential consents issued in the city. Even in lower-volume years, Halswell consistently captured a large share of activity and ranked first for consent volumes in eight of the ten years assessed.

This scale and persistence of activity indicates sustained demand for housing land in this location and strong developer confidence in the south-west growth area.

Spatial analysis at the SA1 level further illustrates this concentration of activity. Heat-mapping of residential consents since 2020 shows a clear clustering of development in the southern quadrant, with particularly strong intensity in the western portion of the quadrant, including Halswell and surrounding areas.

Figure 11: Residential Building Consent Concentration by SA1, 2020–2025

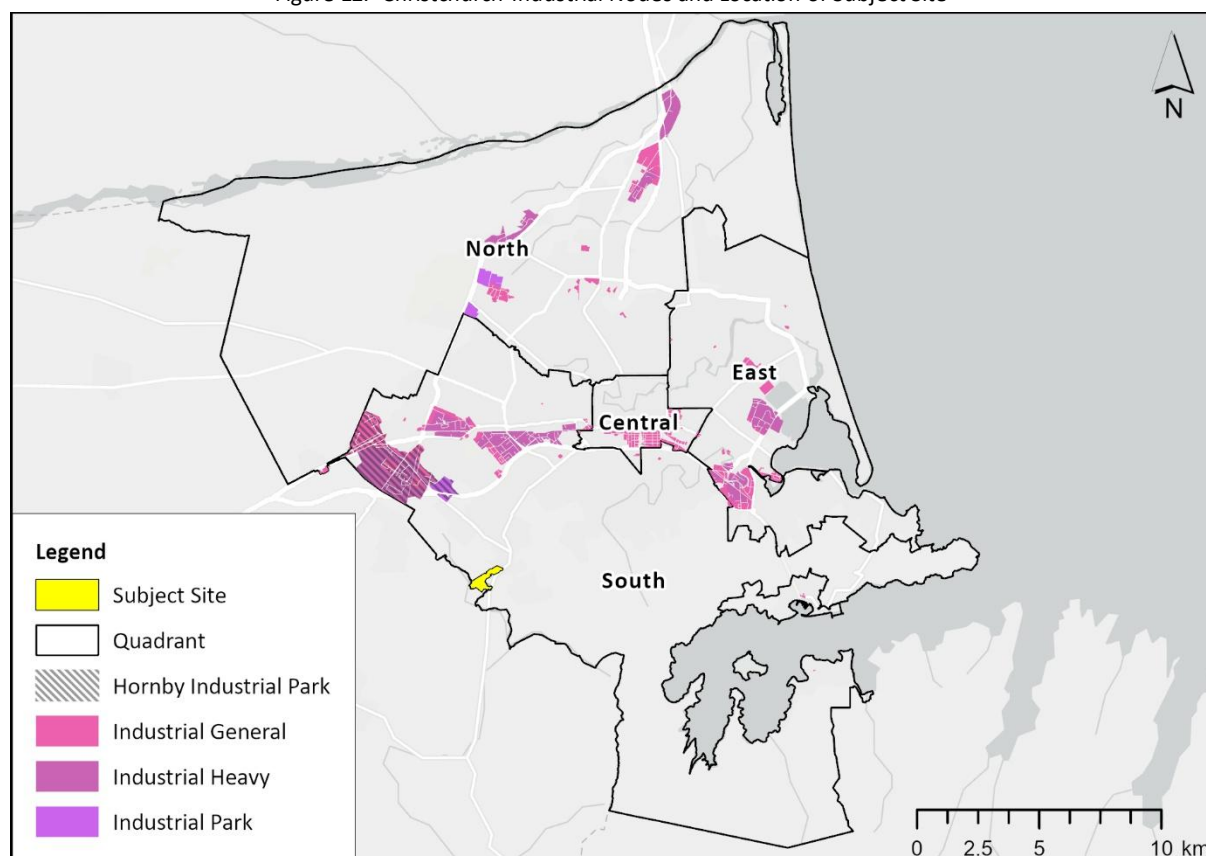


7.4. Industrial Building Consent Trends

Industrial development activity is even more concentrated in the southern quadrant. Over the past ten years, approximately 56 percent of all industrial building consents in Christchurch have been issued in the southern quadrant, accounting for more than 63 percent of total consented industrial floor area.

Much of this activity has been focused within the Hornby industrial area, widely recognised as the South Island’s premier industrial business estate. This area lies approximately four kilometres north-east of the subject site and continues to expand, with later stages titled and ready for development.

Figure 12: Christchurch Industrial Nodes and Location of Subject Site



The scale and proximity of this industrial activity reinforces the subject site's access to employment opportunities.

7.5. Implications for the Proposal

The southern quadrant, and particularly the south-west of Christchurch, has emerged as a major employment location, accounting for a growing share of citywide jobs and businesses across industrial, commercial, and retail sectors. The subject site is located within close proximity of this employment base.

At the same time, residential and industrial building consent data show that the southern quadrant has consistently experienced higher levels of development activity than other parts of the city. Halswell, in particular, has functioned as a core residential growth area, capturing a disproportionate share of citywide housing demand over an extended period.

These patterns indicate both strong access to employment opportunities and high demand for housing land relative to other areas within Christchurch. Enabling additional residential development at the subject site is therefore consistent with, and gives effect to, NPS-UD Objectives 3(a) and 3(c).

8. FTAA Assessment and Conclusion

This section draws together the preceding analysis and evaluates the proposal against the relevant criteria in section 22(2)(a) of the FTAA from an economic perspective.

8.1. Housing Supply, Housing Need, and Urban Outcomes

Sections 3, 4, and 7 of this report demonstrate that the proposal would enable a substantial increase in housing supply in south-west Christchurch. The indicative concept layout provides for approximately 350 dwellings, which represents a significant increase in development capacity.

Our analysis of the HCA's housing demand and capacity figures indicates a material risk of insufficient feasible greenfield capacity over the medium term, driven by higher-than-assumed population growth, limited remaining greenfield supply, and heavy reliance on intensification outcomes that do not align with observed market demand for standalone dwellings. Against that context, the proposal would make a meaningful contribution to maintaining sufficient development capacity. The proposed yield of 350 dwellings is equivalent to approximately five percent of the total remaining feasible greenfield housing capacity identified for Christchurch over the next 30 years, and around five months of recent citywide greenfield uptake – delivered from a single site, in a market segment (standalone dwellings in greenfield locations) that the HCA's intensification-led capacity does not directly serve.

The site's location within Christchurch's southern growth area, close to major employment nodes and established development patterns, supports a well-functioning urban environment. The evidence on employment distribution, residential consenting patterns, and recent delivery trends indicates that the proposal aligns with how the city is already growing and how housing demand is being expressed.

On that basis, the proposal is considered to meet section 22(2)(a)(iii) of the Act.

8.2. Economic Benefits

Section 6 of this report quantifies the economic impacts of development enabled by the proposal and compares them to the foregone value of continued rural production. The analysis shows that residential development would generate substantial one-time economic benefits over the development period, including employment for more than 240 full-time equivalent workers over four years, approximately \$83 million in wages, and \$138 million in GDP accruing within Canterbury.

When assessed over a long-term horizon, the economic value of development materially exceeds the value of potential rural production, even under high-value agricultural scenarios. The proposal also delivers wider economic benefits that are not captured through direct modelling, including increased housing supply, improved market responsiveness, and support for the functioning of the wider urban economy.

These impacts are of a scale that can reasonably be described as regionally significant. On that basis, the proposal is considered to meet section 22(2)(a)(iv) of the Act.

8.3. Overall Conclusion on Fast-track Suitability

Taken together, the evidence in this report indicates that the proposal would deliver significant regional benefits through both increased housing supply and material economic impacts. From an economic perspective, it likely meets the relevant criteria in section 22(2)(a)(iii) and section 22(2)(a)(iv) of the FTAA.

Accordingly, we consider that a Fast-track referral is a supportable pathway to consider for the proposal, noting that the final decision on referral rests with the Minister and will also take into account non-economic matters.

8.4. 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 18: Assessment Against Section 22(2)(a) Criteria of FTAA

Ref	Criterion	Signpost	Estimated Significance of Economic Benefits
(i)	Identified as a priority project in government plans or strategies	Not assessed	n/a
(ii)	Delivers new or supports existing regionally/nationally significant infrastructure	Not assessed	n/a
(iii)	Increases housing supply, addresses housing needs, or contributes to a well-functioning urban environment	Sections 3, 4, & 7	■■■■■
(iv)	Delivers significant economic benefits	Section 6	■■■■■
(v)	Supports primary industries, including aquaculture	Not assessed	n/a
(vi)	Supports development of natural resources, including minerals and petroleum	Not assessed	n/a
(vii)	Supports climate change mitigation (e.g., reducing greenhouse gas emissions)	Not assessed	n/a
(viii)	Supports climate change adaptation, reduces risk from natural hazards	Not assessed	n/a
(ix)	Addresses significant environmental issues	Not assessed	n/a
(x)	Consistent with local/regional planning documents and spatial strategies	Not assessed	n/a

Legend:

■■■■■ = Strong

■■■□□ = Limited

■□□□□ = Very minor

■■■■□ = Moderate

■■□□□ = Minor