

BEFORE INDEPENDENT HEARINGS COMMISSIONER AT SELWYN

IN THE MATTER OF

Clause 21 of the First Schedule of
the Resource Management Act 1991
(Plan Change 67)

IN THE MATTER OF

GW WILFIELD LIMITED
(Applicant)

**SUMMARY OF EVIDENCE OF GARY RUSSELL SELLARS ON BEHALF
OF GW WILFIELD LIMITED**

REAL ESTATE

Dated: 14 September 2021

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LAWYERS
CHRISTCHURCH
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1 SUMMARY

- 1.1 I was instructed by GW Wilfield Limited to complete research and prepare and present evidence on the residential land market in Selwyn District, in particular the West Melton market including providing information on the supply of residential sections and the impact that this may have on market choice and price.
- 1.2 My evidence addresses the current supply of residential sections in West Melton, together with Prebbleton and Rolleston which are considered to be relevant in terms of comparison, and quantifies the current imbalance of supply and demand which has resulted in significant price escalation in all three locations.
- 1.3 My research included surveying all developed and undeveloped land in West Melton, Prebbleton and Rolleston to quantify the number of vacant residential sections currently available. All development land has been surveyed and development potential quantified together with a review of all plan changes notified. Section sale data was obtained from respective developers or real estate companies involved and base sale data was obtained from Property Guru and CoreLogic.
- 1.4 West Melton is a unique township providing low density residential housing on generally large lots in a rural residential village community setting. The residential development in West Melton provides for predominantly larger lot sizes and larger residential dwelling floor areas. There are 933 titled lots in the township with 680 lots (72.9%) having an area of between 1,000 – 2,999 sqm.
- 1.5 Prebbleton is considered to be a good comparison with West Melton providing similar property typology and rural character with a mix of conventional residential section sizes and large residential sections located in a rural environment although containing almost twice the number of sections and having a higher proportion of smaller sections than West Melton. There are 1,730 titled lots in the township with 401 lots (23.5%) having an area of between 1,000 – 2,999 sqm.
- 1.6 In West Melton, sections less than 1,000 sqm make up just 11.9% of the township, whereas in Prebbleton this size range makes up 71.1%.

- 1.7 Although West Melton and Prebbleton contain a similar number of sections in the 1,000 – 1,249 sqm range, the greater proportion of these sections in West Melton contribute to a lower overall density and greater rural character.
- 1.8 Rolleston in comparison to West Melton has a higher urban density and there is a clear distinction between section sizes in the two townships. In West Melton, sections less than 1,000 sqm make up just 11.9% of the township, whereas in Rolleston this size range makes up 82.4% of the township. Contrasting this is in West Melton section sizes ranging between 1,000 – 2,999 sqm make up 72.9%, whereas in Rolleston this section size range makes up 15.2%.
- 1.9 In all three locations there are relatively few vacant sections, with most having no signage and therefore it is difficult to accurately classify their status. I have made the assumption that sections with no signage are not available for sale. In all cases the number of vacant residential sections offered for sale in the current market is negligible with a limited number offered for sale by a builder in a house and land package. The “for sale” status has been quantified with reference to TradeMe and other real estate platforms.
- 1.10 In West Melton there are two sections offered for sale, in Prebbleton no sections are offered for sale and in Rolleston three sections are currently offered for sale.
- 1.11 The recent releases of stages in a number of residential subdivisions in West Melton, Prebbleton and Rolleston produced similar results with entire stage releases selling in a matter of hours. The market has now reached a stage where various land developers interviewed stated that in the current market climate their intention was to now restrict supply to small stage releases of sections by way of deadline treaty or tender in order to maximise price. This strategy has further exacerbated the price escalation experienced to date.
- 1.12 I have quantified potential supply of residential sections by examining plan change applications in the three locations and also potential from land already zoned for residential subdivision but in piece meal ownership and also rural zoned land in the Future Urban Development Area (FUDA). The potential number of residential sections from this source was categorised into medium and long term.

- 1.13 In West Melton and Prebbleton there is no current or proposed residential subdivision development. In Prebbleton, Suburban Estates is completing construction of the final stages of Prêvelles Prebbleton with all 64 sections pre-sold. Until such time as land subject to plan change in these two townships is rezoned then there is effectively no supply.
- 1.14 The current residential section market in Greater Christchurch is characterised by price escalation with increases between 20% - 100% during the last 12 months.
- 1.15 Price escalation from recent sales evidence in Wilfield, West Melton during the last 12 months has been at or around 50% which is exceptional even in a low interest rate environment.
- 1.16 At Prebbleton recent sales evidence in March 2021 exhibited price escalation of approximately 30% over the previous nine months, however we are of the opinion the market has continued to inflate since March and the likely price escalation during the last 12 months is closer to 50%.
- 1.17 Even greater escalation is prevalent in Rolleston where price escalation during the last nine months is at or exceeding 100% movement.
- 1.18 The current land market in West Melton, Prebbleton and Rolleston exhibits a dysfunctional market where there is virtually no current supply or choice with uncompetitive market practices being adopted by vendors and extreme price escalation resulting. From a market perspective the only solution to this situation (and to accord with the aims of the (NPSUD) is immediate increased supply.

Gary Sellars

September 2021