

Before the Selwyn District Council

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*under:* the Resource Management Act 1991

*in the matter of:* Proposed Private Plan Change 69 to the Operative  
District Plan: Lincoln South

*and:* **Rolleston Industrial Developments Limited**  
*Applicant*

Statement of Evidence of Chris Jones (Real estate)

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Dated: 4 November 2021

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## STATEMENT OF EVIDENCE OF CHRIS JONES

### INTRODUCTION

- 1 My full name is Christopher Francis Jones.
- 2 I have 20 years' experience in real estate specifically in the Selwyn District and 12 years' experience selling down residential subdivisions South and South West of Canterbury. I have sold over 2,500 sections within this time.
- 3 I am familiar with the plan change application (PC69) by Rolleston Industrial Developments Limited (the *Applicant*) to rezone approximately 190 hectares of land on Springs Road, Lincoln to enable approximately 2,000 residential sites and three small commercial zones.

### CODE OF CONDUCT

- 4 Although this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 7 of the Environment Court Practice Note 2014. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

### SCOPE OF EVIDENCE

- 5 My evidence will deal with the following:
  - 5.1 A description of the Lincoln housing market;
  - 5.2 An overview of the demand for residential development in Lincoln; and
  - 5.3 Consideration of current residential supply in Lincoln.
- 6 In preparing my evidence I have reviewed and considered the evidence of **Mr Gary Sellars** on behalf of the Applicant. I agree with the evidence of **Mr Sellars** and his review of the market is consistent with my recent experience in Lincoln.

### DESCRIPTION OF THE LINCOLN HOUSING MARKET

- 7 Lincoln is considered the closest rural village to Christchurch.

- 8 The type of consumer interested in the residential market in Lincoln is quite different to other parts of Selwyn such as Rolleston. While in Rolleston we tend to see many more first home buyers, Lincoln has traditionally been within a slightly higher price bracket. As such, the prevalence of first home buyers is not as great, with Lincoln being preferred by second home buyers (i.e. people who have sold their first home and are looking for a bigger section, often to raise a family on) and also retiring buyers in their 60s and 70s.
- 9 One of the major drivers of people moving to Lincoln has always been value. Traditionally, this value was being able to own a home on a freehold title with some backyard for a price range of \$500,000 - \$700,000. This price factor was a huge incentive, particularly when compared to what the same price could get you in Christchurch (which were often much smaller with little to no outdoor area and which were considered "old and cold").
- 10 People were willing to drive to Lincoln for this, with the opportunity to choose and own a brand new warm home that is affordable and on a decent sized section (400-1000m<sup>2</sup>).
- 11 The desirability of Lincoln has changed significantly in recent years as Lincoln, and Selwyn more generally, has become a major hub for workers and employment. People are now actively moving to Lincoln in order to work in the immediate area.
- 12 People are also attracted to the modern amenities that Lincoln offers. People can now do all of their shopping and run their errands exclusively in Lincoln if they wanted to – without the need (which previously existed) to travel to Christchurch City.
- 13 Buyers also find desirable the rural atmosphere of Lincoln, and in particular its closeness to the Port Hills, golf courses and other outdoor activities.
- 14 The market drive for moving to Lincoln has therefore, in my opinion, changed from low cost to lifestyle and convenience. Everything is in one place – amenities, employment, and recreation, often all within reasonable walking distances.
- 15 Lincoln is also considered to be much more accessible from Christchurch than other towns in the Selwyn District, with a commute to and from the centre of Christchurch of about 15-20 minutes. This is equivalent to the driving times currently experienced from one side of Christchurch city to the centre.
- 16 Further, there does not appear to be a desire or ability in Christchurch City to provide for stand-alone homes on reasonably sized sections at an affordable price – with the focus being on high residential density and apartment living. Purchasers who want an

affordable property with a backyard will now need to go to outskirts locations, and more often than not this now involves looking to Selwyn and Lincoln.

### **DEMAND FOR RESIDENTIAL LAND IN LINCOLN**

- 17 The Lincoln residential land market is booming. Demand is the highest it has ever been and that I have ever seen in my 20 years by a long way. This is quite simply evidenced by recent section and house prices.
- 18 The average vacant section sale price in Rolleston has increased in excess of 100% in the last 12 months. This is evidenced by **Mr Sellars** at [31] where he demonstrates that comparable sections in Lincoln that would have sold for around \$238,334 in 2020 are now selling for \$520,000 based on current sale prices. My own experience has confirmed these observations.
- 19 Section size is a highly relevant factor to demand. Some 8 to 10 years ago, I would say that most buyers would have considered an 800m<sup>2</sup> section in Lincoln to be tiny. That thinking has completely changed, and such a section for residential development now in Lincoln is considered large. At [11] of his evidence, **Mr Sellars'** indicates that sections less than 1,000m<sup>2</sup> make up 84.5% of the township. I would note that these statistics don't include all of the "off plans" sales where title is still a long way off. The "norm" site is now circa 500m<sup>2</sup>. The pool of buyers for larger residential sites in Lincoln is significantly lower in the current market.
- 20 From my experience, the bulk of buyers are now looking more and more for residential sites of around 400 to 500m<sup>2</sup>. This is in part due to the significant amenity improvements such as shopping, recreation, parks, schools, and the like all within a close distance that mean a large section is not a necessity. Our experience is that the smaller sites always sell first, particularly given the increase in prices recently.
- 21 The feedback myself and my team are receiving is that when developers are putting sections on the market, the smallest ones always go first. People are chasing value and 'ease of living'.

### **CONSIDERATION OF CURRENT RESIDENTIAL SUPPLY IN LINCOLN**

- 22 I am of the view that current residential supply in Lincoln is practically non-existent. This is demonstrated in **Mr Sellars'** evidence at [52] where he explains that, currently, there are only 379 potential sections available in Lincoln in the short term and 462 potential sections (excluding this plan change) in the medium term. I note most of these are not on the market at this stage. However,

from my experience, it is practically impossible at this point in time to get a section in Lincoln and this is what is driving the prices to significantly increase.

- 23 After the earthquakes, there was a huge amount of greenfield residentially zoned land. This meant that price and supply of residential land remained steady. While there was always going to be an average increase in prices over time, as is the nature of the housing market, this cannot be attributed to the drastic rise we are currently seeing in residential prices in Lincoln.
- 24 I consider that the key driver to this huge spike in the value of residential land in Lincoln recently is the lack of availability. This is also **Mr Sellars'** view at [54] that this unprecedented price escalation is due to demand outstripping supply.
- 25 Since the Covid-19 epidemic and associated lockdowns, people have been returning to New Zealand, and Canterbury, from all over the world, and other parts of the country. I frequently sell residential sites in Greater Christchurch, and particularly Selwyn, to Aucklanders. Many purchasers from Auckland have simply been priced out of the Auckland land market and are looking for an affordable location to move.
- 26 As such, post-lockdowns the greenfield zoned land, which was previously steadily available for residential development, has already been swallowed up. There is now simply not enough residentially zoned land to keep up with current and future demand.
- 27 By way of example, **Mr Sellars** explains at [54] of his evidence that developers are now selling their stock in the space of hours prior to commencing development. Most residential sections we are selling for our clients at present are via deadline sale with multiple offers on each lot. For example, I am aware of a recent subdivision in Lincoln that have received over 170 offers for 24 sections. The prices of these sections have gone from around \$300,000 in some cases to mid \$500,000.
- 28 While the high demand for residential sections is evident throughout Greater Christchurch, the market in Lincoln is particularly frantic, and has resulted in demand significantly outstripping supply.
- 29 From my experience, people are far more likely to pay increased residential prices where there is a lack of available zoned land. Where there is zoned land, even if a developer chooses to hold onto it and not develop, people are less likely to purchase sections and houses at inflated prices.
- 30 In my view, if this significant shortage of residentially zoned land is not addressed soon, it is only a matter of time before the average

house and land package in Lincoln will be around one million dollars. This will occur soon (I consider within a year or two) if supply is not controlled and released. This is exactly what occurred in Halswell, where land and house packages are now around \$900,000 and above for 175 – 200 square metre house on a 400 – 500 square metre section of land. The effect of a similar increase in Lincoln will be to prevent a wide range of would-be home owners from being able to enter the housing market.

- 31 In my opinion, land need only be zoned (and not developed) in order help stabilise prices within the area. Where significant parcels of land is zoned, builders, developers, and home buyers do not feel as great a pressure to purchase properties at any price. It gives certainty and confidence to those parties that a good supply of residential land will become available and as such there is less of a 'land grab' and less competition for one particular site – which will help control price increases.
- 32 It is likely that the earliest there will be a house on the plan change site is still 2 years away as it does take some time to develop greenfield sites. Therefore, if the rezoning of sites is put off any longer, there will be a window of no residential purchasing in Lincoln which will lead to existing prices sky rocketing higher than they already are.
- 33 I do not consider there to be any risks or problems arising from an oversupply of residential zoned land given current demand trends and in fact I agree with the evidence of **Mr Sellars** at [61] that it is preferable that there is an oversupply of appropriately zoned land at all times so that the market can determine when and if it is developed into sections dependent on demand.
- 34 I am of the view that this would help appease the spike in housing prices we have seen recently. The advantage of having more land zoned in this way is that people are confident that the supply is there, reducing panic purchases and inflated prices in the market.
- 35 This issue of demand and lack of supply is not unique to Lincoln and is happening elsewhere in Selwyn and Greater Christchurch in a similar manner (in particular Rolleston and Halswell).
- 36 As it gets harder and harder to find space to develop in other parts of Canterbury, people will naturally continue to increase demand in places like Lincoln which offer opportunities for young families, retirees, and people wanting standalone dwellings with some yard and proximity to amenities and modern infrastructure.
- 37 It is my view that Canterbury has been undervalued for some time now. If residential development is not provided for in Lincoln, it will simply put the pressure on other places in the District.

## **CONCLUSION**

- 38 I consider there is an acute residential land shortage currently in Lincoln. Demand is significantly surpassing supply and this is leading to inflated prices for vacant sections exceeding 100% from the year before, and to a similar (albeit slightly lesser extent) for existing housing.
- 39 I have a number of developers, builders, investors, and home owner clients who are wanting to buy development land in Lincoln.
- 40 I am of the view that significant rezoning of residential land is required in Lincoln in order to stabilise these prices and correct the supply issue. I consider this plan change to be a significant opportunity for the Selwyn District to start to address and fix these housing shortage issues for the District.

Dated: 4 November 2021

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Chris Jones