

**BEFORE THE SELWYN DISTRICT COUNCIL
HEARINGS PANEL**

IN THE MATTER of the Resource Management
Act 1991

AND

IN THE MATTER of submission by Dunweavin
Ltd on the Proposed Selwyn District Plan and
Plan Change 76

BRIEF OF EVIDENCE OF Alexander Graham Dunlop

Date 14/10/2021

QUALIFICATIONS AND EXPERIENCE

1. My name is Alex Dunlop I have, in conjunction with my brother Norman Dunlop, and latterly extended families, been developing sections in Rolleston for the past 12 years.
2. I am currently a Director of Dunweavin 2020 Ltd.
3. Prior to this my brother and I co-owned a Company named Twyn Visions Ltd and Twyn Visions 2016 Ltd.
4. I confirm that I have prepared this evidence in accordance with the Code of Conduct for Expert Witnesses contained in Part 7 of the Environment Court Practice Note 2014. The issues addressed in this statement of evidence are within my area of expertise except where I state that I am relying on the evidence or advice of another person. The data, information, facts, and assumptions I have considered in forming my opinions are set out in the part of the evidence in which I express my opinions. I have not omitted to consider material facts known to me that might alter or detract from the opinions I have expressed.

SUMMARY STATEMENT

5. In summary
 - a) My brother Norman Dunlop and I started developing sections in Rolleston in 2009. Since this start, we have done a small development in Leeston otherwise we have concentrated our subdivisions in Rolleston.
 - b) The Rolleston real estate market started slowly and ramped up after the Earthquakes of 2010 and 2011.
 - c) The Rolleston real estate market has historically been cheaper than other satellite townships of Christchurch such as Lincoln and Prebbleton. This has encouraged first home buyers and young families to purchase in Rolleston.
 - d) The upgraded access to Rolleston via the Main South Road together with job opportunities in the industrial part of Rolleston (Izone) has made Rolleston a desirable township with quick and easy access to the South of Christchurch.

- e) During the last 12 to 18 Months the supply of **zoned** residential land has been severely restricted. Selwyn District Council has failed to zone sufficient land for residential growth. The constrained supply has meant that the supply and demand equation is out of sync.

In some instances, section prices have doubled in the last 12 Months.

The demand is so strong that between my brother's and our Company we have pre- sold all the sections in the proposed stage one of the land **pertaining to this application** (48 sections).

These sections have an estimated settlement date of February 2023.

A further 25 sections in stage 2 with an estimated settlement date of December 2023 have also been sold (the other 29 are going to the market next week)

Conclusion:

- f) The price rise of sections is primarily caused by the lack of available residential zoned land.

Statement

- 6. My brother Norman Dunlop and I started developing sections in Rolleston in 2009. Since this start, we have done a small development in Leeston otherwise we have concentrated our subdivisions in Rolleston.
- 7. Most of our subdivisions in Rolleston have been in the East Maddison's Road area.
- 8. During the past few years, we have been bringing 25 to 30 sections a year to the market.
- 9. The Rolleston real estate market started slowly and ramped up after the Earthquakes of 2010 and 2011.
- 10. We started small with or annual sales at about 12 sections per year, budgeting on selling one section per Month. These sections we sold after titles were issued.
- 11. As demand grew, we were able to sell the sections prior to title being issued.
- 12. We grew the business rapidly and increased our output to about 25 sections sold annually.

13. The Rolleston real estate market has historically been cheaper than other satellite townships of Christchurch such as Lincoln and Prebbleton. This has encouraged first home buyers and young families to purchase in Rolleston. Norman and I made a conscious decision to concentrate on setting our business at Rolleston.
14. Rolleston has good draining soils with a low-water table and is easier to develop than the heavier soils and higher water tables e.g., Lincoln and Haswell.
15. We had been concentrating on first home buyers as our market with 550m² sections selling at \$165,000 (until late 2020).
16. The upgraded access to Rolleston via the Main South Road, together with job opportunities in the industrial part of Rolleston (Izone) has made Rolleston a desirable township with quick and easy access to the South of Christchurch. The constrained supply has meant that the supply and demand equation is out of sync. In some instances, section prices have doubled in the last 12 Months. The demand is so strong that between my brother's and our Company we have pre-sold all the sections in the proposed stage one of the land **pertaining to this application** (48 sections). These sections have an estimated settlement date of February 2023. A further 25 sections in stage 2 with an estimated settlement date of December 2023 have also been sold (the other 29 are going to the market next week).
17. The upgrading of The Main South Road into a 2-lane highway has provided a quick and easy access to the South of Christchurch. There is a proposed over-bridge from Rolleston Township to the Rolleston industrial area (Izone) in the planning stage that will make getting to work at the industrial area very simple and quick.
18. Furthermore, I believe that with the increase in development of retail outlets, infrastructure such as further Pre-schools, High School and Primary Schools, sports facilities, retail outlets, food and beverage establishments and Health care facilities over the past few years have significantly enhanced the appeal of Rolleston as a desirable place to live.
19. These upgrades and increasing local jobs are fuelling the ever-increasing demand for housing in Rolleston.

Summary

20. During the last 12 to 18 Months the supply of **zoned** residential land has been severely restricted. Selwyn District Council has failed to zone sufficient land for residential growth.
21. Both our businesses have been looking to purchase land zoned residential for the past year without success. This is the reason for purchasing the land included in this application. We are very disappointed the Selwyn District Council has failed to zone further land to residential living.
22. It was obvious at least 2 years ago that there would be a shortage of land zoned to meet the growing demand. This failure has caused a steep increase in the price of sections that are coming on the market now.
23. The constrained supply has meant that the supply and demand equation is out of sync. In some instances, section prices have doubled in the last 12 Months .The demand is so strong that between Norman Dunlop's and our Company we have pre- sold all the sections in the proposed stage one of the land **pertaining to this application** (48 sections) with an estimated settlement date of February 2023 and a further 25 sections in stage 2 have been sold with an estimated settlement date of December 2023 (the other 29 are going to the market next week).
24. To demonstrate how steep the prices of sections have risen you can track it from our own sales data. At the beginning of August 2020, we sold 10 sections at 145 Brookside Road for an average of \$185,000 each.
25. On the 10th of December 2020 we sold 15 sections situated at 776 East Maddison's Road at Auction for an average of \$ 226,000.
26. In July and August of this year we have pre- sold stage 1 of the proposed subdivision at 617 East Maddison's Road (the land that this hearing pertains to) in July/August 2021 we pre- sold, (off the proposed plan) with an estimate of titles being available in February of **2023** at an average of \$248,000.
27. This September and October (2021) we intend pre-selling the second stage of this development with a likely settlement date of December **2023** and expect to average \$319,000 per section.

Conclusion:

- a) The price rise of sections is primarily caused by the lack of available residential zoned land.