

Before the Selwyn District Council

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*under:* the Resource Management Act 1991

*in the matter of:* Proposed Private Plan Changes 81 and 82 to the  
Operative District Plan: Dunns Crossing Road, Rolleston

*and:* **Rolleston Industrial Developments Limited** and  
**Brookside Road Residential Limited**  
*Applicant*

Statement of Evidence of Chris Jones (Real estate)

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Dated: 26 August 2022

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## STATEMENT OF EVIDENCE OF CHRIS JONES

### INTRODUCTION

- 1 My full name is Christopher Francis Jones.
- 2 I have 21 years' experience in real estate specifically in the Selwyn District and 13 years' experience selling down residential subdivisions South and South West of Canterbury. I have sold over 2,700 sections within this time.
- 3 I am familiar with:
  - 3.1 The plan change application by Rolleston Industrial Developments Limited to rezone approximately 28 hectares of rural land in Rolleston to Living MD (PC81); and
  - 3.2 The plan change application by Brookside Road Residential Limited to rezone approximately 110 hectares of rural land in Rolleston to Living MD and Business 1 (PC82).

together the *Proposed Plan Changes*, and Rolleston Industrial Developments Limited and Brookside Road Residential Limited together the *Applicants*.

### 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 Rolleston housing market;
  - 5.2 An overview of the demand for residential development in Rolleston; and
  - 5.3 Consideration of current residential supply in Rolleston.
- 6 In preparing my evidence I have reviewed and considered the evidence of **Mr Gary Sellars**.

## **SUMMARY OF EVIDENCE**

- 7 Residential housing in Rolleston has become highly sought after in recent years, as it has become a major hub for workers and employment. This is even more so with the rise in living costs observed in 2022.
- 8 The type of consumer interested in the residential market in Rolleston has also broadened and includes retirees, traditional young families and buyers in the 25 to 50 year age bracket.
- 9 The Rolleston residential land market in 2021 was a product of unprecedented demand and unprecedented lack of supply. Demand was the highest it had ever been, and that I had ever seen in my 21 years by a long way. This generated an artificial housing market, whereby demand far outstripped supply.
- 10 The frantic demand for residential land in Rolleston has settled slightly in 2022 and we have seen prices stabilised. This is a result of a shift in the market, but also availability of residential land which has recently been provided by rezonings in Selwyn.
- 11 Despite changes in the residential land market, I am still of the view that significant rezoning is required in Rolleston to provide stability and certainty for the years ahead. I do not consider there to be any risk or problems arising from an oversupply of residential zoned land given current demand trends. In fact, it is preferable that there is an oversupply of appropriately zoned land at all times so that the market can determine whether and when land is developed based on market demand.
- 12 I consider the Proposed Plan Changes to be a significant opportunity for the Selwyn District to stay on top of housing supply and demand moving forward.

## **DESCRIPTION OF THE ROLLESTON HOUSING MARKET**

- 13 One of the major drivers of people moving to Rolleston 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 - \$600,000. This price factor was a huge incentive, particularly 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").
- 14 People were willing to drive to Rolleston for this, with the opportunity to choose and own a brand new warm home.
- 15 The desirability of Rolleston has changed significantly in recent years as Rolleston, and Selwyn more generally, has become a major

hub for workers and employment. People are now actively moving to Rolleston in order to work in the immediate area. This is even more so with the rise in living costs observed in 2022 and the desire to work and live in the same location, cutting down on commute times and being close to child schooling while not having to deal with traffic.

- 16 Another driver in more recent years has been the modern amenities that are provided for in Rolleston. People can now do all of their shopping and run their errands exclusively in Rolleston if they wanted to – without the need (which previously existed) to travel to Christchurch City.
- 17 The market drive for moving to Rolleston 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.
- 18 More recently, the new motorway has made Rolleston even more appealing. It is now easier than ever for people working in Christchurch to commute – with the drive now reduced to approximately 20 minutes. This is equivalent to the driving times currently experienced from one side of Christchurch city to the centre. The ease of commuting has given the Rolleston residential market a big kick.
- 19 The type of consumer interested in the residential market in Rolleston has also shifted. We are more frequently seeing retirees moving to Rolleston due to the ease of living, as well as the traditional young families and individuals in the 25 – 50 year age bracket.
- 20 Further, there does not appear to be a desire of 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 outskirt locations, and more often than not this now involves looking to Selwyn and Rolleston.

#### **DEMAND FOR RESIDENTIAL LAND IN ROLLESTON**

- 21 In 2021, the Rolleston residential land market was booming and demand was the highest I had ever seen in my 21 years by a long way. This generated an artificial housing market, whereby demand far outstripped supply and section/house prices were driven up. This is clearly demonstrated by the evidence of Mr Sellars and my own experience confirms his observations.

- 22 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 Rolleston to be tiny. That thinking has completely changed, and such a section for residential development now in Rolleston is considered large. **Mr Sellars** in his evidence indicates that sections less than 1,000m<sup>2</sup> make up 83.5% 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 Rolleston is significantly lower in the current market.
- 23 From my experience, 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.
- 24 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' and the Proposed Plan Changes would provide for the type of housing the market wants in Rolleston.
- 25 The frantic demand for residential land in Rolleston has settled slightly in 2022 and we have seen prices stabilise. This is a result of a shift in the market, but also the availability of residential land which has recently been provided by rezonings in Selwyn.
- 26 The asking price of vacant sections has settled into the range of \$375,000 - \$430,000. We have also observed section sales reverting back to traditional sale methods (i.e. a fixed price). This demonstrates that vacant sections have settled into a more stable range.
- 27 There is still healthy demand for residential land in Rolleston, especially given buyers can live and work in the same location, and I have a number of developers, builders, investors and home owner clients who are committed to buying and developing in Rolleston.

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

- 28 I am of the view that current residential supply in Rolleston is practically non-existent (although is in a better state that it was at this time 2021). This is demonstrated in **Mr Sellars'** evidence where he explains that there are only 21 potential sections available for Rolleston at the moment. However, from my experience, it is still difficult to secure a section in Rolleston, most especially for builders that are looking for more than one section in the same

development. Builders are often looking for 5-10 sections in the same area and this is not possible at present.

- 29 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 in residential prices observed in 2021.
- 30 I consider that the key driver to the huge spike in value of residential land in Rolleston in 2021 was the lack of availability. This is also Mr Sellars' view where he explains that the recent price escalation at or exceeding 100% in Rolleston has resulted from extremely limited supply.
- 31 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.
- 32 As a result, greenfield land which was previously steadily available for residential development has been swallowed up. There is now simply not enough residentially zoned land to keep up with current and future demand.
- 33 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.
- 34 The stabilisation of house prices we have observed in 2022 is a result of a shift in the market, but also the availability of residential land which has recently been provided by rezonings in Selwyn. Land need only be rezoned residential in order to help stabilise prices, as it provides certainty and confidence to buyers (builders, developers and home buyers) that there will be sufficient stock in the future. The housing market now represents a more even balance between buyer and seller.
- 35 The recent rezonings have triggered a similar pattern to that which occurred after the earthquake sequence where significant greenfield land was made available. This highlights the benefits of simply having land zoned residential.

- 36 For these reasons, I consider it important that residential land continues to be made available in Selwyn in order to avoid the same artificial market as we saw in late 2021, which prices are just coming back from now.
- 37 Mr Sellars' evidence summarises the number of sections that could become available if the currently proposed plan change applications in Rolleston are approved. These have the potential to release a further ~6,415 sections to the market (including this plan change site) should they be granted.
- 38 This number of sections does not seem particularly high to me when considering that these will not all be going on the market and developed at the same time, and that it is important to enable a supply of sections capable of being released in the medium and long term.
- 39 It takes time to develop greenfield sites and, if approved, it is likely that the earliest there will be a house on the Proposed Plan Change site is well over 2 years away. Much of this land will also need to wait for adequate infrastructure to be established around it before development can occur. If rezoning is put off any longer, there will be a window of no residential purchasing in Rolleston which will lead to prices sky rocketing again.
- 40 I do not consider there to be any risks or problems arising from an oversupply of residential land given current (and previous) demand trends. In fact, it is preferable that there is an oversupply of appropriately zoned land at all times so that the market can determine whether and when land is developed based on market demand. This will also encourage competition which will assist in keeping prices at a reasonable level.
- 41 There is still healthy demand for residential land in Rolleston, especially given buyers can live and work in the same location, and I have a number of developers, builders, investors and home owner clients who are committed to buying and developing in Rolleston. While there is now some balance in supply and demand of residential land, we need to address Selwyn and Canterbury's medium-long term housing needs.

## **CONCLUSION**

- 42 The situation in 2021 demonstrated an artificial housing market whereby demand significantly surpassed supply and was causing inflated house prices. I had a number of clients desperate to buy development land in Rolleston and there was virtually nothing available.

- 43 In 2022, this has been somewhat appeased by a shift in the market and in light of recent rezonings in Selwyn. However I consider that ongoing rezoning of residential land is still required in Rolleston to ensure market supply and demand can continue to control house prices naturally. To avoid a repeat of the 2021 housing market, we must continue to provide for future capacity needs.
- 44 I consider the Proposed Plan Changes to be a significant opportunity for the Selwyn District to stay on top of housing supply and demand moving forward.

Dated: 26 August 2022

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Chris Jones