

Before the Selwyn District Council

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

Summary of Evidence of Gary Sellars (Registered valuer)

Dated: 12 September 2022

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SUMMARY OF EVIDENCE OF GARY SELLARS

- 1 My full name is Gary Russell Sellars. I am a Director of Valuation and Consultancy at Colliers Valuation. I have been in this position at Colliers for 14 years.
- 2 My experience and qualifications are set out in my statement of evidence dated 26 August 2022.
- 3 The residential property market in Greater Christchurch has experienced significant demand during the last two years which placed stress on the supply of both vacant and improved product resulting in significant price escalation. This market cycle is well publicised and resulted from a mix of low interest rates and constrained supply. Since early 2022, the market has entered a correction phase following increases in interest rates and a drop in market confidence.
- 4 The average annual volume of vacant residential sales in Rolleston has fluctuated during the last ten years rising from a low of 223 sales in 2011 immediately following the Canterbury earthquake sequence to a sub peak of 685 in 2013 and then settling to an average of at or around 485 sales per annum for the period from 2014 – 2018. Since 2018 there has been a sharp increase culminating in 1,191 sales in 2020. The average residential section sale price in Rolleston has followed a relatively regular upward trend from 2011 until 2020 and then there has been exponential growth of at or around 100% during the last 24 months.
- 5 Up until early 2022 the supply of vacant residential land had failed to keep pace with the ongoing level of demand. In the Rolleston market there is only a limited number of vacant sections available for purchase. Small releases of sections in 2021 prior to the current market correction, resulted in significant price escalation.
- 6 The land market in Rolleston in 2021 exhibited a dysfunctional market where there was virtually no supply or choice with uncompetitive market practices being adopted by vendors resulting in extreme price escalation.
- 7 Developers and real estate agents report there is now reduced enquiry, with marketability poor for all but titled lots. Off-plans section purchases are also low.

- 8 The residential section market correction is considered to be a temporary hiatus. Unless major structural changes are made to the Selwyn District land supply in the form of rezoning or intensification, I consider that the supply and demand imbalance which existed in 2021 will resurface. Predicting the duration of the current correction phase is difficult if not impossible to determine, however eventually the market will recover.
- 9 The only solution to the ongoing imbalance of supply and demand is increased supply.
- 10 One of the key attractions of Rolleston is the low density rural environment where there are very few two level residential dwellings. House buyers are attracted to Rolleston by the price advantage relative to suburban Christchurch, the larger section sizes and the low development density. I am of the opinion this situation is unlikely to change in the short to medium term. I am of the opinion that the RM Enabling Act will have limited impact on Selwyn District urban areas.

Dated: 26 August 2022

Gary Sellars