

26 June 2018

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ATTENTION: JESSICA TUILAEPÄ

Dear Madam

RE: DRAFT BUSINESS LAND SUPPLY AND DEMAND IN LEESTON AND DARFIELD

This report has been prepared by Simon Newberry, William Grant and Anna Radovonich.

Simon Eric John Newberry, B Com (VPM), FFINZ, FNZIV, Registered Public Valuer, William Lewis Gerard Grant, B Com (VPM), GradCert BusSust, Registered Valuer, and Anna Radovonich, BLPM, work as valuers and property advisors in the Canterbury Province.

We refer to your instructions to provide consultancy advice in relation to the Business Land Supply and Demand in Leeston and Darfield.

DOCUMENTATION

We have been provided with the following documents:

- Malvern Area Plans Assessment – Draft – dated July 2015 – m.e Spatial
- Ellesmere Area Plans Assessment – Draft – dated July 2015 – m.e Spatial
- Malvern Area Plan – adopted September 2016 – Selwyn District Council
- Ellesmere Area Plan – adopted September 2016 – Selwyn District Council
- Property Economics – dated November 2017
- Selwyn – Review of Demographics (Part A) February 2017 – Natalie Jackson Demographics
- Selwyn – Review of Demographics (Part B) March 2017 – Natalie Jackson Demographics
- Selwyn District Growth Model 2017 – Technical Report March 2018 – working draft – m.e Consulting

In addition to the above, we have used and relied on the following sources of information:

- FordBaker Valuation Limited database and internal sources
- Valbiz
- Google Maps (www.google.co.nz/maps)
- Google Earth (<https://www.google.com/earth>)
- Results from the 'Business Land Supply in Leeston and Darfield' survey conducted by the Selwyn District Council
- Education Counts (<http://www.educationcounts.govt.nz/data-services/directories/list-of-nz-schools>)
- Stats NZ (www.stats.govt.nz)
- Selwyn District Plan (<http://eplan.selwyn.govt.nz>)
- Valbiz
- Population City (<http://population.city/new-zealand/>)

INSTRUCTION/PROJECT SCOPE

Our Deliverables and Outputs, instructed by the Selwyn District Council, are as follows:

1. The consultant shall familiarise themselves with the findings of the new Selwyn Growth Model in respect of business land requirements for Leeston and Darfield.
2. The consultant shall undertake a further assessment of the business land requirements in Leeston and Darfield having regard to localised factors that may be influencing supply and demand. This is effectively "ground-truthing" the Growth Model at a local level and the assessment should include consideration of:
 - Local market conditions that are influencing the uptake of existing zoned land;
 - Landowner/business owner aspirations; and
 - The ability of existing zoned land and the existing building stock to meet business needs (i.e. location of land, vacancy rate, shape and viability of land parcels, age and general condition of buildings).
3. The consultant shall prepare a report on the assessment process, clearly identifying any assumptions that have been made, recording the outcomes of engagement with business and business zoned land owners and the findings of the assessment. The report shall provide recommendations on the need for additional zoned land and the type of zoning that may be required to accommodate future business activity.

EXTENT OF INVESTIGATIONS

- Visual Inspection of B1 and B2 zoned land in Leeston and Darfield on 17 April 2018
- Reviewed Documentation
- Sales Evidence from 2010 to the current date
- Reviewed Selwyn District Council website and District Plan
- Business zoned land availability
- Selwyn District Council Survey Results
- Interaction with business owner

OBSERVATIONS

- Business land development is driven by demand, not supply
- Rural service towns such as Leeston and Darfield require several basic services and amenities. The most important of which (in no particular order) are:
 - Supermarket
 - Motor Vehicle Mechanic
 - Primary School
 - Hardware Store
 - Rural Supply Store(s) – i.e. Farmlands, PGG Wrightson, RD1
 - Medical Centre
 - Veterinary Practice
 - Recreation Grounds and Facilities
- The proximity of a rural service township to the nearest large township and/or State Highway impact on the demand for businesses and business expansion
- Demographics such as age impact demand and service need requirements

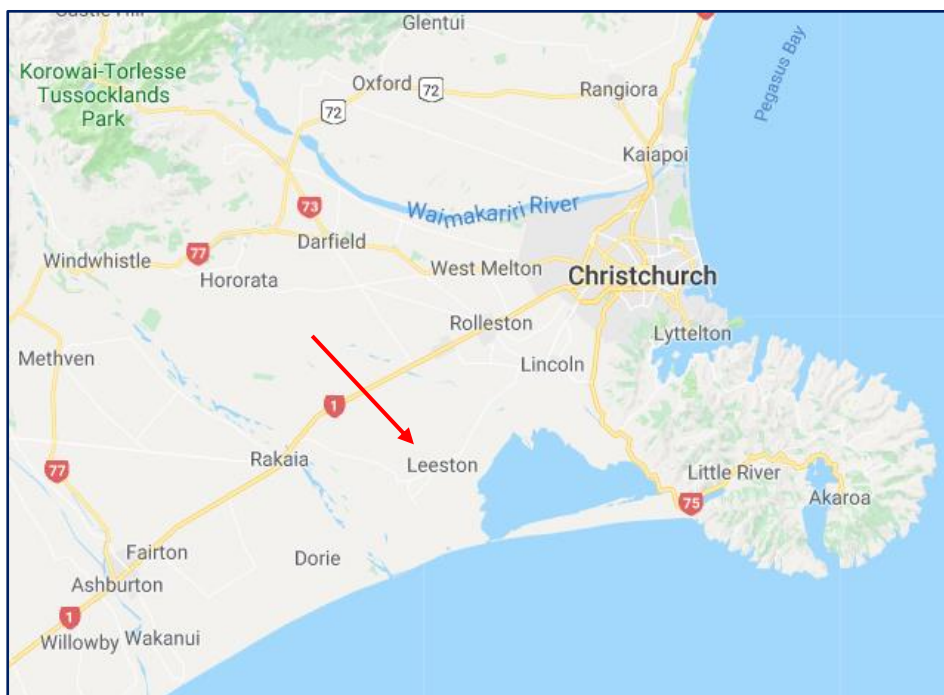
LOCATION - LEESTON

Leeston township is located on the Canterbury Plains near Lake Ellesmere and the Rakaia River. Accordingly, it is within the rural area of Ellesmere and is the main service township. Leeston is situated approximately 46 kilometres by road southwest of Christchurch's central city, 26 kilometres by road southwest of Rolleston, 22 kilometres by road southwest of Lincoln, and 55 kilometres northeast of Ashburton.

Leeston is the largest employment area in Ellesmere and employs nearly a quarter of the Ellesmere township-based workforce. Half of the township-based retail and commercial employment for the Ellesmere area is within Leeston, with the township also containing 28% of the total number of employees in the urban based industrial sector. 730 people are employed in Leeston and the population as at 2015 was 2,275 people. The population is projected to grow to 3,402 people by 2031 representing a 49% increase (Source: *Ellesmere Area Plan*).

According to the Ellesmere Area Plan, there are currently 17 hectares of Business 1 zoned land in Leeston, most of which is contained within the town centre. This Business 1 zoned land is made up of approximately 70 sections. There are 19.3 hectares of Business 2 zoned land in the Ellesmere area, 10.6 hectares of which is in Leeston. This 10.6 hectares is made up of approximately 24 sections and is effectively located to the southeast side of Station Street (Source: *Ellesmere Area Plan*).

The location of Leeston is indicated on the following map:



Source: www.google.co.nz/maps

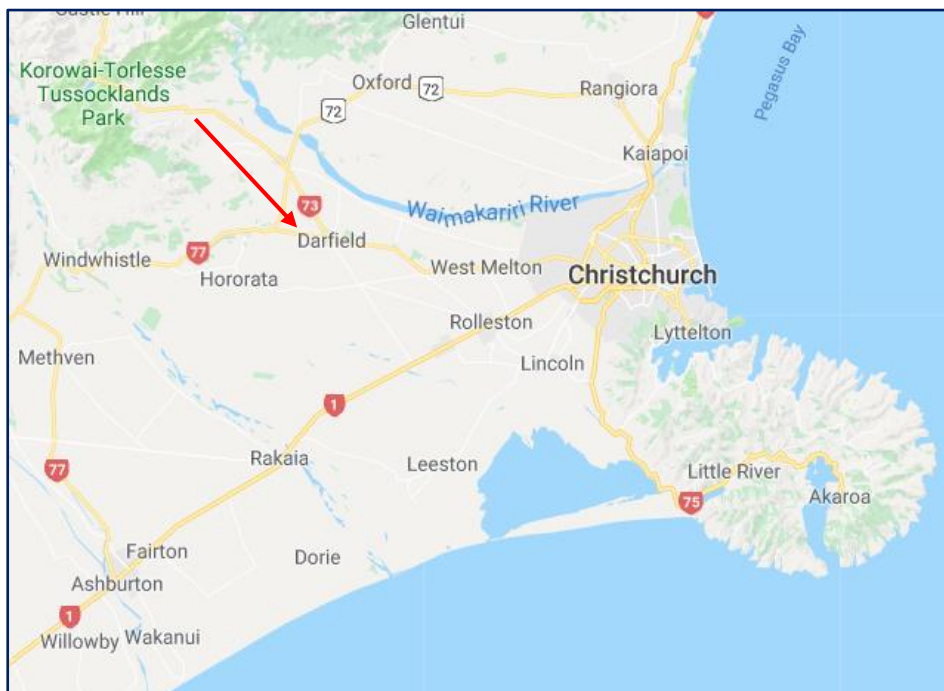
LOCATION – DARFIELD

Darfield township is located approximately 40 kilometres by road west of Christchurch on State Highway 73, being some 27 kilometres by road northwest of Rolleston. Darfield is the main settlement and service town in the Malvern Area.

Darfield is the largest township employment area in Malvern, it is also the largest retail and commercial centre, representing 41% of Malvern Township based employment in that sector. Darfield also has the most industrial based employment, representing 60% of all Malvern areas township based industrial employment. The 2015 population of Darfield was 2,909 people, with this population projected to grow to 4,141 people by 2031. This represents the largest estimated population growth in the Malvern area (Source: *Malvern Area Plan*).

According to the Malvern Area Plan, there are currently 18.8 hectares of Business 1 zoned land in Darfield which is located in a single block along both sides of State Highway 73 through the town. There are three separate Business 2 zoned areas in Darfield, totalling 59.3 hectares that accommodate industrial based activities.

The location of Darfield is indicated on the following map:

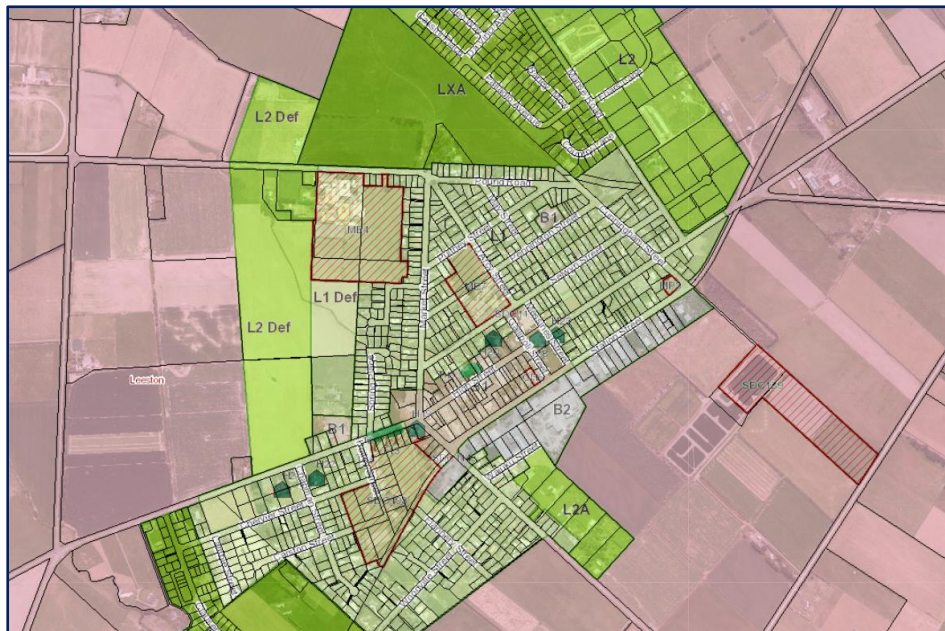


Source: www.google.co.nz/maps

CURRENT LAND ZONING AND INTENSITY OF DEVELOPMENT

Below are maps which indicate current land zoning in Leeston and Darfield. The aerial photographs show the intensity of development and available land for future development.

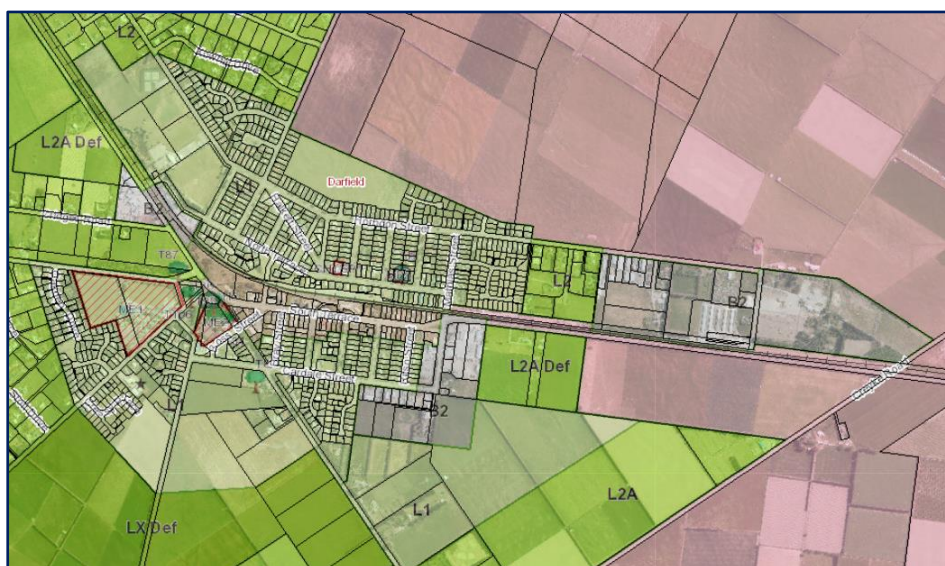
LEESTON:



Source: eplan.selwyn.govt.nz

Leeston appears to have less available vacant commercially zoned land compared with Darfield, however expectations are that there will be less of a requirement for commercial growth given its size, location, and proximity to alternative towns such as Rolleston, Lincoln, Christchurch and Ashburton.

DARFIELD:



Source: eplan.selwyn.govt.nz

It appears that there are still significant areas of undeveloped land in Darfield suitable for commercial development in Business 2 but only limited supply in the Business 1 zoned area.

TOWNSHIP SERVICE NEEDS

Township service/amenity requirements vary depending on several factors including:

- Population
- Populous demographics
- Wider area use (type and scale of agricultural enterprise)
- Proximity to larger towns and cities
- Relationship to State Highway; what does that State Highway service

Service townships generally require/provide at a minimum the following:

- Motor mechanic
- Hardware Store
- Rural Supply Stores
- Supermarket
- Primary School
- Medical Centre
- Veterinary Clinic
- Recreation Grounds and Facilities

Larger service townships, or townships which are positioned on well-used State Highways often provide more comprehensive services in addition to the above basic services.

These services typically include but are not limited to:

- Strip Retail – i.e. Butchery, Bakery, Pharmacy, Bank or ATM, Post Shop, Takeaways etc.
- Cafés, Pubs, Restaurants, Tea rooms, Taverns etc.
- High School
- Accommodation – i.e. Backpackers, Bed and Breakfasts, Motels
- Dairy(s)
- District Council Service Centres and Public Libraries

Below are summary tables of similar sized South Island townships indicating their populations, proximity to larger towns/city's, the current services and amenities that they provide, and other factors. For these tables, to ensure consistency, we have used population statistics from the 2013 Census held by StatsNZ.

RENWICK – MARLBOROUGH

Population (2013 Census):	2,118
Median Age (2013 Census):	38.4 years
Proximity to Nearest Major Town/City:	Blenheim is 12 kilometres away, a 15-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Station ➤ SuperValue supermarket ➤ Tractors, mechanics, car restorations ➤ Accommodation – Backpackers, B&B, motels ➤ Strip retail – Post shop, pharmacy, hairdresser, retail ➤ Pubs ➤ Dairy, takeaways ➤ Tea rooms, cafes ➤ Butcher ➤ Medical Centre ➤ Renwick School – Years 1 - 8 (545 Roll) ➤ Giesen Sports & Events Centre ➤ Renwick Transport Limited
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 6 travels through Renwick linking Blenheim and Nelson, with State Highway 63 linking Renwick from SH6 to St Arnaud and Kawatiri-Murchison Highway (SH6).

MAPUA – TASMAN

Population (2013 Census):	2,013
Median Age (2013 Census):	48.3 years
Proximity to Nearest Major Town/City:	Richmond is 19 kilometres away, an 18-minute drive, while Motueka is 20 kilometres away, a 16-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Station ➤ Four Square Supermarket ➤ Mechanics ➤ Accommodation – Camping, B&B, motels ➤ Village Mall – Bakery, boutique retail, pharmacy, hair dresser ➤ Strip retail and restaurants on the Wharf – Homeware, hat shop, galleries, fish and chips, Harcourts, restaurants, cafes ➤ Pubs ➤ Smokehouse ➤ Medical Centre, Dentist, Podiatrist, Physio ➤ Mapua School – Years 1 - 8 (274 Roll) ➤ Community Centre
Other Comments:	<ul style="list-style-type: none"> ➤ Popular tourist town located between the Abel Tasman and Nelson. The turnoff to Mapua is off the Coastal Highway (State Highway 60 linking Nelson to Takaka).

WAKEFIELD – TASMAN

Population (2013 Census):	2,106
Median Age (2013 Census):	38.3 years
Proximity to Nearest Major Town/City:	Richmond is 14 kilometres away, a 15-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Stations (2) ➤ Four Square Supermarket ➤ Mechanics, yards ➤ Accommodation – Backpackers, B&B, motels, ➤ Strip and standalone retail – Pharmacy, hair dresser, retail ➤ Pubs, Tearooms, cafes ➤ Takeaways, bakery, dairy ➤ Medical centre, vets ➤ Wakefield Primary (NZ's Oldest School) – Years 1 - 6 (245 Roll) ➤ Rest home ➤ Reserve, Bowling Club ➤ Library, toy library
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 6 travels through Wakefield (linking Nelson to the West Coast and providing an inland route to Canterbury).

AMBERLEY – CANTERBURY

Population (2013 Census):	1,575
Median Age (2013 Census):	50.6 years
Proximity to Nearest Major Town/City:	Rangiora is 30 kilometres away, a 24-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Stations (3) ➤ Countdown and Four Square Supermarkets ➤ Mechanics, tractor and farm servicing shops ➤ Accommodation – Camping grounds, B&B, motels ➤ Commercial development – Pharmacy, liquor store, food outlets ➤ Significant retail along main street – Post shops, banks, retail ➤ Pubs, tearooms, cafes, restaurants ➤ Takeaways, dairy, bakery ➤ Medical centre, dentist, physio, vets ➤ Amberly School – Years 1 - 8 (209 Roll) ➤ Rest homes ➤ Hurunui District Council and library ➤ Farmlands, PGG Wrightson ➤ Gym, Domain
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 1 travels through Amberley.

WAIMATE – CANTERBURY

Population (2013 Census):	2,778
Median Age (2013 Census):	55.6 years
Proximity to Nearest Major Town/City:	Timaru is 44 kilometres away, a 33-minute drive and Oamaru is 47 kilometres away, a 38-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Stations (2) ➤ Supermarket – New World ➤ Mechanics ➤ Accommodation – B&B and motels ➤ Strip retail along the main street – Post shop, banks, hardware stores, retail, lawyers ➤ Pubs, cafes, restaurants ➤ Takeaways, dairy ➤ Medical centres, Bay Audiology hearing clinic, vets ➤ Waimate High School – Years 7 - 13 (267 Roll) ➤ Waimate Main School – Years 1 - 6 (68 Roll) ➤ Waimate Centennial School – Years 1 - 6 (144 Roll) ➤ St Patrick's School – Years 1 - 8 (40 Roll) ➤ Rest home ➤ Waimate District Council ➤ Farmlands, RD1 ➤ Race course, Gym, Events Centre
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 1 travels through the Waimate region whilst State Highway 82 travels through the Waimate town centre.

GERALDINE – CANTERBURY

Population (2013 Census):	2,301
Median Age (2013 Census):	50.2 years
Proximity to Nearest Major Town/City:	Temuka is 18 kilometres away, a 16-minute drive, while Timaru is 36 kilometres away, a 35-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Station ➤ Supermarket – Fresh Choice ➤ Mechanics and restoration services ➤ Accommodation – Holiday Park, B&B, motels ➤ Strip retail along the main street – Banks, hardware shops, post shop, pharmacy, retail ➤ Pubs, cafes, restaurants ➤ Takeaways, dairy, bakery ➤ Medical Centres, vets ➤ Geraldine Primary School – Years 1 - 6 (289 Roll) ➤ Geraldine High School – Years 7 - 13 (563 Roll) ➤ Rest homes /Retirement Villages ➤ PGG Wrightson ➤ Movie Theatre, Museum ➤ Recreational Reserve, Swimming Facilities, Gym
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 79 travels through Geraldine (linking Canterbury to the Mackenzie Country and Central Otago).

MILTON – OTAGO

Population (2013 Census):	1,926
Median Age (2013 Census):	41.7 years
Proximity to Nearest Major Town/City:	Balclutha is 25 kilometres away, a 21-minute drive, and Dunedin is 54 kilometres away, a 40-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Stations (3) ➤ Supermarkets – Four Square and Super Value ➤ Mechanics and tractor servicing shops ➤ Accommodation – Backpackers, B&B, motels ➤ Strip retail along the main street – Post shop, banks, pharmacy, farming/hunting/fishing suppliers, hardware stores, retail ➤ Pubs ➤ Cafes, restaurants ➤ Takeaways, dairy ➤ Medical Centre, vet ➤ Tokomairiro High School – Years 7 - 13 (267 Roll) ➤ Milton Primary School – Years 1 - 6 (175 Roll) ➤ St Mary's School – Years 1 - 6 (75 Roll) ➤ Rest home ➤ PGG Wrightson ➤ Museum ➤ Millstream Lumber ➤ Golf Club, Bowling Club, Country Club
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 1 travels through Milton while State Highway 8 connects to the townships in South Otago (Alexandra and Cromwell) and continues through the Mackenzie District to Timaru.

TEMUKA – SOUTH CANTERBURY

Population (2013 Census):	4,047
Median Age (2013 Census):	45.9 years
Proximity to Nearest Major Town/City:	Timaru is 18 kilometres away, a 20 minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Cloverleaf Orchard & Nursery ➤ Churches ➤ New World Supermarket ➤ Strip retail ➤ Petrol Stations & Mechanic Workshops ➤ Temuka RSA Club ➤ Temuka Transport ➤ NZ Post & Kiwibank ➤ Temuka Co-op Saleyards ➤ Various takeaways, cafes and restaurants ➤ Library, Service & Information Centre ➤ Vet, Medical Centre & Pharmacy ➤ Budge Buses & Shuttles ➤ Visy Industrial Packaging ➤ Temuka Seed ➤ Prattley Industries ➤ NZAgBiz ➤ Milfos Innovative Dairy Solutions ➤ RD1 ➤ Arowhenua Maori Primary School (51 Roll) ➤ Preschool ➤ Primary School (233 Roll) ➤ Opihi College – Years 7 – 13 (289 Roll) ➤ Central South Island Fish & Game ➤ Recreation Reserve ➤ Wallingford Rest Home ➤ Various motels and accommodation providers ➤ New Zealand Insulators ➤ Cattery & Kennels ➤ Temuka Driving School
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 1 travels through Temuka but bypasses the commercial town centre, as does the railway line

LINCOLN – CANTERBURY

Population (2013 Census):	3,924
Median Age (2013 Census):	33.1 years
Proximity to Nearest Major Town/City:	Christchurch central is 22 kilometres away, a 30 minute drive, and Rolleston is 11 kilometres away, a 13 minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Two taverns, cafes and takeaway shops ➤ Selwyn service centre and library ➤ New World Supermarket ➤ Medical Centre, Vet and Pharmacy ➤ Strip Retail ➤ Banks and post shop including Kiwibank ➤ University ➤ Preschools ➤ Primary School (Roll 603) ➤ High School – Year 9-13 (Roll 1581) ➤ AgResearch (Lincoln Research Centre) ➤ Plant & Food Research ➤ Landcare Research ➤ Motel ➤ Petrol Station and Mechanic Workshops ➤ Lincoln Events Centre ➤ Sports Fields ➤ Churches
Other Comments:	<ul style="list-style-type: none"> ➤ Second largest town in Selwyn District within easy commuting distance of Christchurch and Rolleston

CURRENT LEESTON SERVICES

Leeston is the main service township in the Ellesmere area. The rural area is predominantly agriculture based.

Population (2013 Census):	1,506
Median Age (2013 Census):	41.2 years
Population 2015 (Selwyn District Council – 2016 Ellesmere Area Plan):	2,275
Projected Population 2031 (Selwyn District Council – 2016 Ellesmere 2031- Ellesmere Area Plan):	3,402
Proximity to Nearest Major Town/City:	Rolleston is 24 kilometres away, a 22-minute drive and Lincoln is 22 kilometres away, a 19-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Station ➤ Supermarket – Fresh Choice ➤ Mechanics and tractor servicing shops ➤ Accommodation – B&B, motels ➤ Strip retail along the main street – Post shop, banks, pharmacy, homeware stores, hardware stores, hair dresser, electrical shop, liquor shop, retail ➤ Pubs ➤ Cafes, restaurants, bakery ➤ Takeaways, dairy ➤ Medical centre, community hospital, physio, vet ➤ Ellesmere College – Years 7 - 13 (581 Roll) ➤ Leeston Consolidated School – Years 1 - 6 (332 Roll) ➤ Respite Care in Ellesmere Community Hospital ➤ PGG Wrightson, Farmlands, RD1 ➤ Ellesmere Transport ➤ Bowling Club, Football Club ➤ Library and Service Centre
Other Comments:	<ul style="list-style-type: none"> ➤ Leeston is positioned off the main State Highways

CURRENT DARFIELD SERVICES

Darfield is the main service township in the Malvern area. The rural area is predominantly agriculture based.

Population (2013 Census):	1,935
Median Age (2013 Census):	43.3 years
Population (Selwyn District Council – 2016 Malvern Area Plan):	2,909
Projected Population 2031 (Selwyn District Council – 2016 Malvern 2031 – Malvern Area Plan):	4,141
Proximity to Nearest Major Town/City:	Rolleston is 27 kilometres away, a 21-minute drive
Current Services and Amenities:	<ul style="list-style-type: none"> ➤ Petrol Stations (2) ➤ Supermarket – Four Square ➤ Mechanics and tractor servicing shops ➤ Accommodation – Hostel, B&B, motels ➤ Strip retail along the main road – Post shop, banks, hair dresser, ski shop, homeware shop, liquor store, retail ➤ Pubs ➤ Cafes, restaurants, bakery ➤ Takeaways, dairy ➤ Medical centre, hospital, physio, dentist, vet ➤ Darfield High School – Years 7 - 13 (850 Roll) ➤ Darfield Primary School – Years 1 - 6 (203 Roll) ➤ Rest home ➤ Farmlands, PGG Wrightson ➤ Lawyers ➤ Domain, Recreation and Community Centre ➤ Gym, Bowling Club ➤ Library and Service Centre
Other Comments:	<ul style="list-style-type: none"> ➤ State Highway 73 (West Coast Road) travels through Darfield and State Highway 77 links Darfield to Methven and concluding at Ashburton.

The services and amenities provided to each of the comparable townships listed above are relatively similar to those provided in Leeston and Darfield. Population, demographics and proximity to adjacent major towns and/or State Highways impact directly on the demand for services in these smaller townships.

Typically, commercial development is driven by investment returns and therefore rental rates and rates of return are critical and saleability, yields and demand levels are improved in the major townships. Investors require a level of confidence, which is afforded to them in large centres, that their property is readily able to be leased or sold.

POPULATION DEMOGRAPHICS

The reports provided to us by the Selwyn District Council indicate a range of estimates for both the current and future projected population within the Leeston and Darfield Townships. These are outlined below:

LEESTON:

Ellesmere Area Plans Assessment – Draft and as predicted by the Selwyn District Council's in-house Population Projections

- 2016 Population: 2,250
- 2031 Population: 3,250 (44.4% Increase)

Ellesmere Area Plan and as predicted by the Selwyn Growth Model

- 2015 Population: 2,275
- 2031 Population: 3,402 (49.5% Increase)

Selwyn – Review of Demographics (Part B) and as predicted by Statistics New Zealand Area Units

- 2016 Population: 1,810
- 2043 Population: 1,910 (5.5% Increase)

DARFIELD:

Malvern Area Plans Assessment – Draft and as predicted by the Selwyn District Council's in-house Population Projections

- 2016 Population: 2,960
- 2031 Population: 3,960 (33.8% Increase)

Malvern Area Plan and as predicted by the Selwyn Growth Model

- 2015 Population: 2,909
- 2031 Population: 4,141 (42.35% Increase)

Selwyn – Review of Demographics (Part B) and as predicted by Statistics New Zealand Area Units

- 2016 Population: 2,140
- 2043 Population: 2,180 (1.9% Increase)

These projections indicate a vast range of population predictions. The 'Selwyn – Review of Demographics (Part B)' report suggests the discrepancy is likely due to the Statistics NZ Area Unit Projections not yet taking into account the increased migration New Zealand has experienced over the past three years. The report also identifies that Darfield is already experiencing a zero-natural increase and this will likely become a natural decrease around 2033.

AGE DEMOGRAPHICS

The 'Selwyn – Review of Demographics (Part B)' report looks specifically at the age structure of Leeston and Darfield. The two townships comprise the two "oldest" areas in the Selwyn District with substantially older age structures than average. In 2016, Leeston and Darfield had 17.7% and 21.0% of residents aged 65+ years respectively. This is significantly greater than the overall Selwyn District which had 11.40% of people within this age group. Since 1996 Leeston has had a 2.1% increase in residents aged 65+ years and Darfield, a 19.3% increase, and this trend is expected to continue. An aging population would suggest that further development of Retirement Villages should be considered and whilst not necessarily requiring business zoned land, they ultimately are a commercial activity.

SURVEY RESULTS

Selwyn District Council (SDC) undertook the 'Leeston and Darfield Business Project/Survey' between 2 May 2018 to 13 May 2018. SDC targeted 108 business landowners in Leeston and Darfield, 65 via letter and 43 via email. There were 40 visits to the webpage and nine participants engaged in the survey, a response rate of 8.33%.

Of the nine respondents, six were for Leeston and three were for Darfield.

One of the six Leeston respondents appears to own residential land. It is unclear to us as to why this person was included in the initial survey. With the removal of this respondent, the total targeted landowners in the survey reduces to 107, with the responses reducing to eight, being a rate of 7.47%. We can also remove the St David's Church (Leeston) response from the survey as they are very unlikely to explore business expansion. This reduces the targeted landowners to 106 and the responses to seven, being a rate of 6.60%.

Due to the low response rates, we consider the survey to be relatively inconclusive. The Selwyn District Council has cited 'surveygizmo' which states that the average response rate to surveys distributed to external audiences is 10-15%.

The council has also cited 'SurveyAnyplace' which outlines the importance of response rates in surveys. This source states that '*a low response rate can give rise to sampling bias if the nonresponse is unequal among the participants regarding the outcome*'. SurveyAnyplace then states that recent studies have shown that surveys with lower response rates (near 20%) had more accurate measurements compared to surveys with higher response rates (near 60 or 70%). The main issue with low response rates, however, is that the missing data is random. Generally speaking, higher response rates are preferred.

We now outline the survey results and responses for each township.

LEESTON:

72-74, 76-78, 80 High Street, and 25 Station Street

This response is from a longstanding property owner (>10 years).

Question 7: This survey is for landowners with vacant or partially vacant land. However, do you have any general comments to make about business land supply and demand in Darfield and/or Leeston?

'There is continuing demand for sites already zoned B1 in High Street, Leeston and in particular a lack of parking. No B1 sites in High Street currently used for residential purposes are available to relieve parking issues or settle potential business expansion. Extreme roadside congestion in the High St is common from Super Liquor (#68) to approx. #100. Prime targets for additional parking would be the residences adjacent to Clausens Sadderley building, and between the butcher and the café on the NW side of the street. An urgent review of Leeston's business zoning, layout, and parking requirements, with provisions covering changes of use to existing buildings and properties and potential associated parking facilities, is well overdue and has been requested in the past. This needs to take place in conjunction with "local knowledge" and not be imposed in generic form.'

This response indicates two key issues. That the respondent believes there is a lack of vacant land sites on High Street suitable for retail development, and that there is, at times, a lack of available parking in a certain area. Again, we refer to our previous comments about business development being driven by demand, not supply. We believe that when demand for business expansion is sufficient, that the residential properties which are zoned B1 will, over time, be converted/redeveloped for commercial use. The parking issues that this respondent has alluded to fall outside of our scope of works. However, we suggest that any carpark should be positioned fronting Station Street with a laneway to High Street, rather than on High Street to prevent fragmentation.

61 High Street

This response is from a longstanding landowner (>10 years).

Question 7: This survey is for landowners with vacant or partially vacant land. However, do you have any general comments to make about business land supply and demand in Darfield and/or Leeston?

'Please do not allow any more Liquor supply business in Leeston as it impacts our property with noise, rubbish, trespass. We have had problem with flooding and when the gutters are cleared the do not clear out the drains which are blocked so I don't think current contract is being done correctly'.

This response is unrelated to business zoned land supply or demand.

Church next to Butcher, High Street

This survey response relates to St David's Church. All land is being used and the property has been owned for a long period of time (>10 years). There are no comments within this response which relate to business land supply or demand.

DARFIELD:1B Cardale Street

According to aerial images, this parcel of land is mostly vacant.

Question 10: What are your plans for your land over the next 10 years?

'We would like to subdivide to utilise for businesses. We investigated the option of building a rest home/dementia care facility as it appears the area needs one but the cost was prohibitive.'

This response indicates that demand for a rest home/dementia care facility is not yet at a point where development is feasible. This does not suggest that there is a shortage of business zoned land in Darfield nor does analysis suggest when the right time to develop a care facility should commence. However, the future demographic predictions would suggest it should be contemplated in the short term.

Cardale Street

The survey respondent has indicated that this parcel of land is fully vacant. As we do not have a specific property address, we cannot confirm this with aerial imagery.

Question 27: Do you have any general comments to make about business land supply and demand in Darfield and/or Leeston?

'Seems to be enough business zoned land in Darfield. We are waiting for population to grow and then demand.'

This response indicates that the land owner may consider development in the future once demand has increased.

SUMMARY:

We have reviewed and considered the responses to the survey. Due to the low response rate, the data gathered is limited and may not show an accurate representation of the townships.

Selwyn District Council Intentions for Their Land Supply

In addition to the public survey responses, we have undergone discussions with the Selwyn District Council and summarised below is a list of business zoned land currently in Council ownership within Darfield and Leeston. Included with each property is an indication of the current and forecasted future use.

Address	Current Use	Future Use
Darfield Depot/SICON Offices/Darfield Library Land	Depot, Offices and Library	Brownfield Development Site – Options are being investigated
Westview Park in Darfield	Developed as Community Park	Some land was sold for adjoining supermarket with the balance retained for the park. No plans to change use.
South Terrace (North Side – 2 Parcels)	Rest Area, Toilets and Jail	No plans to change use
27-29 South Terrace (South Side)	Tussock Square amenity park	No plans to change use
Carrodus Land in Leeston (Leeston-Lake Road)	Purchased as an extension to Leeston Park	No plans to change use
Part of Leeston Park on High Street	Skate Park	No plans to change use
Leeston Library/Medical Centre/Service Centre Land	Library/Medical Centre/Service Centre Land	No plans to change use
Anderson Square (Gallipoli/Messines Street)	Reserve	No plans to change use

ENGAGEMENT WITH BUSINESSES AND BUSINESS ZONED LAND OWNERS

As per our instructions in the Scope of Works, the engagement with landowners and business owners was to be led by the Technical Contact. Additionally, Councillor Pat McEvedy recommended to Benjamin Rhodes that we should contact Paul Johnston of Johnston Civil. No other contacts were suggested.

Paul Johnston is the Managing Director of Johnston Civil, a rural engineering firm based outside of Leeston which employs over 50 people. We called Mr Johnston and he advised us that some 3-4 years ago, he, on behalf of Johnston Civil, investigated the purchase and development of a parcel of land on the corner of Volckman Road and Station Street at the north-eastern periphery of Leeston. He stated that there was little available industrial land in Leeston for a development of the scale he required, that the site he was interested in was not zoned for his proposed development, and that the site was low lying and may have had issues with drainage, potentially requiring significant fill prior to any construction being undertaken. We have not independently verified this information.

Mr Johnston stated that he investigated applying for consent from the Selwyn District Council to develop approximately 15 industrial sites along the road frontage. He advised that he had discussed the matter with Councillor McEvedy of the Selwyn District Council who questioned him as to who would occupy the 15 proposed industrial sites.

Johnston Civil is currently based south of Leeston, however given the nature of the business, most of the work is conducted off site. Mr Johnston indicated that he was considering moving or expanding the business to either Rolleston (presumably Izone) or Hornby. He also mentioned how critical the dairy industry was to the commercial area in Leeston, given the vast majority of the surrounding rural land is used in this regard.

RECENT LAND SALES AND AVAILABLE LAND

FordBaker Valuation have identified the following available land and recent land sales within Leeston and Darfield:

Business 1 Zoned Land:

LEESTON				
Land Sales				Land value rate
97 High Street	Oct-12	\$38,000	172 m ²	\$221 /m ²
Available Land				
97 High Street			172 m ²	
Total			172 m²	
Business 1 zoned land currently used for residential purposes				
61 High Street			2,003 m ²	
65 High Street			1,816 m ²	
82 High Street			675 m ²	
83 High Street			640 m ²	
85 High Street			455 m ²	
100 High Street			1,011 m ²	
9 Station Street			1,011 m ²	
19 Station Street			1,012 m ²	
21 Station Street			1,012 m ²	
23 Station Street			1,011 m ²	
25 Station Street			1,011 m ²	
27 Station Street			1,012 m ²	
29 Station Street			1,012 m ²	
Total			13,681 m²	
DARFIELD				
Land Sales	Sale date	Sale price	Area	Land value rate
1 Clinton Street	Mar-10	\$150,000	1,012 m ²	\$148 /m ²
2 Ross Street	Mar-10	\$130,000	1,012 m ²	\$128 /m ²
23 South Terrace	Aug-11	\$300,000	1,146 m ²	\$262 /m ²
1 McMillan Street	Jan-12	\$1,279,930	7,529 m ²	\$170 /m ²
Available Land				
23 South Terrace			1,146 m ²	
30 South Terrace			1,497 m ²	
2 Ross Street			1,012 m ²	
1 Clinton Street			1,012 m ²	
2 Clinton Street			1,012 m ²	
4 Clinton Street			1,012 m ²	
1 McMillan Street	(Supermarket Purchase)		7,529 m ²	
Total			14,220 m²	

Business 2 Zoned Land:

LEESTON				
Land Sales		nil		
Available Land				
16 Station Street		1,750	m ²	
24 Station Street		2,411	m ²	
38 Station Street		8,011	m ²	
Total		12,172	m ²	
DARFIELD				
Land Sales	Sale date	Sale price	Area	Land value rate
67 Horndon Street	Nov-17	\$775,000	37,565 m ²	\$21 /m ²
Creyke Road	Aug-17	\$1,000,000	13,330 m ²	\$75 /m ²
Available Land				
Cardale St (part Ascot Park Ltd site)		35,526	m ²	
1B Cardale Street		19,524	m ²	
1C Cardale Street		12,031	m ²	
3-5 Cardale Street		2,031	m ²	
4 Mathias Street		10,959	m ²	
Creyke Road		13,330	m ²	
31 Horndon Street		5,108	m ²	
51 Horndon Street		15,160	m ²	
67 Horndon Street		37,565	m ²	
75 Horndon Street		25,283	m ²	
77 Horndon Street		20,000	m ²	
Total		196,517	m ²	

RECENT IMPROVED BUSINESS ZONED SALES

FordBaker Valuation have identified the following recent improved Business 1 zoned sales within Leeston and Darfield:

Leeston - Improved Business 1 Zoned Sales					
Address	Sale Date	Sale Price	Land Area	Floor Area	Use
89 HIGH STREET	Jan-17	\$300,000	1298 m ²	130 m ²	Commercial
65 HIGH STREET	Dec-16	\$590,000	1816 m ²	310 m ²	Residential
102 HIGH STREET	Oct-15	\$741,000	2023 m ²	400 m ²	Commercial
90 HIGH STREET	Aug-15	\$170,000	505 m ²	110 m ²	Commercial
88 HIGH STREET	Jun-15	\$159,000	505 m ²	240 m ²	Commercial
23 STATION STREET	Mar-15	\$380,000	1012 m ²	130 m ²	Residential
68 HIGH STREET	Nov-14	\$325,000	1012 m ²	460 m ²	Commercial
100 HIGH STREET	Jun-14	\$205,000	1011 m ²	100 m ²	Commercial
21 STATION STREET	Apr-14	\$315,000	1012 m ²	120 m ²	Residential
85 HIGH STREET	Jun-13	\$300,000	455 m ²	140 m ²	Residential
65 HIGH STREET	Jun-13	\$595,000	1816 m ²	310 m ²	Residential
80 HIGH STREET	Mar-13	\$420,000	1006 m ²	510 m ²	Commercial
100 HIGH STREET	Nov-12	\$180,000	1011 m ²	110 m ²	Commercial
25 STATION STREET	Jul-12	\$195,000	1012 m ²	110 m ²	Residential
3 MARKET STREET	Jul-12	\$460,000	7393 m ²	100 m ²	Commercial
108 HIGH STREET	Apr-11	\$285,000	2111 m ²	1150 m ²	Commercial
89 HIGH STREET	Jan-11	\$200,000	1298 m ²	130 m ²	Commercial
27 STATION STREET	Dec-10	\$180,000	1012 m ²	100 m ²	Residential
23 STATION STREET	Feb-10	\$245,000	1012 m ²	130 m ²	Residential

Darfield - Improved Business 1 Zoned Sales					
Address	Sale Date	Sale Price	Land Area	Floor Area	Use
51 SOUTH TERRACE	Mar-18	\$660,000	986 m ²	200 m ²	Commercial
16 SOUTH TERRACE	Dec-16	\$710,420	1012 m ²	230 m ²	Commercial
3 CLINTON STREET	Jul-15	\$375,000	1012 m ²	110 m ²	Residential
33 SOUTH TERRACE	Mar-15	\$950,000	3393 m ²	990 m ²	Commercial
3 BRAY STREET	Oct-14	\$380,000	1012 m ²	140 m ²	Residential
13 SOUTH TERRACE	Aug-14	\$450,000	3035 m ²	340 m ²	Commercial
1 BRAY STREET	Jul-14	\$340,000	1012 m ²	110 m ²	Residential
41 43 SOUTH TERRACE	Jul-14	\$1,150,000	3031 m ²	490 m ²	Commercial
2 MCMILLAN STREET	Jun-14	\$328,000	1348 m ²	380 m ²	Commercial
2 THORNTON STREET	Aug-13	\$374,000	857 m ²	140 m ²	Residential
7 SOUTH TERRACE	Dec-11	\$300,000	1012 m ²	140 m ²	Residential
4 BRAY STREET	Jul-11	\$210,000	1401 m ²	180 m ²	Commercial
3 BRAY STREET	Sep-10	\$200,000	1012 m ²	140 m ²	Residential
16 SOUTH TERRACE	Jun-10	\$630,000	2024 m ²	280 m ²	Commercial
9 SOUTH TERRACE	Apr-10	\$320,000	1012 m ²	130 m ²	Residential
26 SOUTH TERRACE	Mar-10	\$400,000	2139 m ²	140 m ²	Residential
51 SOUTH TERRACE	Mar-10	\$412,500	986 m ²	200 m ²	Commercial

Many of the above sales are still used for residential purposes and appear to have transacted on that basis. We have not 'ground truthed' these sales to confirm that they comprise residential properties and have relied on aerial imagery to make this assumption.

This is a further indication that demand for retail/commercial space in both Leeston and Darfield remains relatively low.

SWOT ANALYSIS ON FUTURE DEVELOPMENT/EXPANSION – LEESTON

Strengths:

- Affordability of business zoned land
- Services a relatively wide area of rural land

Weaknesses:

- Rolleston and Lincoln are close by, with Ashburton also within proximity, all being alternatives for business development
- Cost to develop is likely higher compared with alternative towns such as Rolleston
- Rural area is unlikely to become significantly more intensive in terms of agriculture productivity, therefore little need to intensify/expand the existing essential services within Leeston township
- Away from State Highway i.e.; only services local communities

Opportunities:

- To encourage sustainable and efficient development within the current urban zoned land
- Capitalise on localised needs, and demand (dairying, arable etc).

Threats:

- Businesses operators opting to relocate or establish themselves in larger and more appropriately developed townships such as Rolleston, Ashburton, or Christchurch
- Expansion of the township outside the existing urban zoning

SWOT ANALYSIS ON FUTURE DEVELOPMENT/EXPANSION - DARFIELD

Strengths:

- Affordability of business zoned land
- Services a relatively wide area of rural land with few alternatives to the north, south and west
- Located on State Highways 73 and 77
- Good through traffic including tourist and recreational travellers

Weaknesses:

- Rolleston is nearby
- Cost to develop is likely higher compared with alternative towns such as Rolleston
- Lack of sewer infrastructure
- Rural area is unlikely to become significantly more intensive in terms of agriculture productivity, therefore little need to intensify/expand the existing essential services within Darfield township

Opportunities:

- To encourage sustainable and efficient development
- Significant area of available industrial land currently exists
- Capitalise on localised needs and demand

Threats:

- Businesses operators opting to relocate or establish themselves in larger townships such as Rolleston, Ashburton, or Christchurch

ALTERNATIVES FOR BUSINESSES

While the townships of Leeston and Darfield are considered "Key Activity Centres" and "Rural Service Towns", there are nearby alternatives for businesses. Aside from Christchurch, Rolleston is the key alternative township, with Ashburton being an additional alternative to Leeston, although to a lesser degree.

ROLLESTON

Rolleston is the largest town in the Selwyn District and is located approximately 26 kilometres by road from Leeston and 27 kilometres by road from Darfield. State Highway 1 travels through Rolleston and it is located some 25 kilometres from Christchurch's central city.

According to the Selwyn District Council, Rolleston's estimated population for 2018/2019 is 17,348 people and expected to increase to 27,927 by 2031. Rolleston acts as a commercial centre for the District and provides a full-service role to surrounding areas. Facilities and services within Rolleston include the head office/Council Chambers for the Selwyn District Council, two supermarkets (New World and Countdown), The Warehouse, the Selwyn Aquatic Centre, an array of food retail and dining options, gyms, medical centres, shopping amenities, service stations and the Industrial Hubs as outlined below. Rolleston also contains five Primary Schools, one Specialist School and one High School. Rolleston College is the High School, it opened for year nine students in 2017 and currently has a roll of 433 students with the projected roll to increase to 1,800 year nine to 13 students by 2023.

Rolleston boasts two significant industrial business parks, the Izone Business Park and the undeveloped Industrial IPort Business Park. Many businesses have opted to locate themselves within Rolleston due to its strategic location, availability of land, and affordable development costs.

The Izone Business Park currently has approximately 34.9 hectares of available business zoned land, while the IPort Business Park has approximately 4.1 hectares. Additional land is yet to be developed.

Key businesses located within Izone Business Park and IPort Business Park include:

- PGG Wrightson Seeds
- Global Bus Ventures
- Westland Milk Products
- Drummond and Etheridge
- CRONZ
- Pegasus Engineering
- Asmuss Engineering
- The Warehouse
- Inkwise
- Hilton Haulage
- Farmlands Nutrition
- Lanocorp
- Concision Panelised Technology
- Firth
- Lyttelton Port Company
- Move Logistics

Benefits of businesses being located in either of the Rolleston Business Parks include:

- Purpose built, modern industrial subdivisions offering a range of section sizes
- Well located within very close proximity to State Highway 1
- Ease of access
- Critical Mass
- Christchurch Southern Motorway scheduled for completion in 2020. Once operational, this will improve access to Lyttelton Port and Christchurch city
- No development contributions
- Good subsoil conditions
- Large allotments of land available to suit potential business expansion
- Proximity to Christchurch International Airport
- Railway line travels through Rolleston
- Full range of services and amenities available within Rolleston

ASHBURTON

Ashburton provides the third largest urban area in the Canterbury Region following Christchurch and Timaru. Ashburton is the heart of the Ashburton District and is located approximately 55 kilometres by road from Leeston and some 72 kilometres from Darfield. State Highway 1 bisects the town centre and it is located approximately 89 kilometres from Christchurch's central city.

The Ashburton Township comprises a population of 19,600 people (Source: <http://population.city/new-zealand/ashburton/>). Ashburton has an established commercial centre and provides a full-service role to surrounding areas. Facilities and services within Ashburton include three supermarkets (New World, Countdown and a Four Square), The Warehouse and various hardware stores, a wide range of recreational facilities, an array of food retail and dining options, gyms, medical centres, a hospital, extensive shopping amenities, service stations, the Ashburton District Council and the Industrial Hub as outlined below. Ashburton also contains six Primary Schools, an Intermediate School, a Composite School and a High School. Ashburton Christian School is the composite school taking students from years one to 13. It currently has a roll of 113 students. Ashburton College currently has a roll of 1,180 students catering for students in years nine to 13.

Ashburton features one fully serviced, 80 hectare, commercial and industrial business park, the Ashburton Business Estate. This business park is located at the north-eastern periphery of the Ashburton town boundary and attracts businesses due to its strategic location, accessibility and proximity to State Highway 1, availability and affordability of land, and flexible ownership options.

The Ashburton Business Estate has approximately 10.5 hectares of available business zoned land, with future stages yet to be released to the market.

Key businesses located within Ashburton Business Estate include:

- EA Networks
- Canterbury Long Run Roofing
- Midlands Apiaries
- McIntosh Group
- Mainland Coachwork Limited
- Kaipak Limited
- NZ Dairy Collaborative

Benefits of businesses being located in the Ashburton Business Estate include:

- Positioned alongside State Highway 1
- Ease of access with two intersections connecting to State Highway 1
- Emissions controls (noise, odour, dust and smoke), on-site storage and screening, and infrastructure and energy efficiencies to allow future proofing against rising environmental costs
- Varying sized allotments of land available including larger sites to suit potential business expansion
- Flexible ownership options including ownership or lease back
- Low water and rates costs
- Full range of services and amenities available within Ashburton

DEMAND PREDICTIONS FROM SELWYN DISTRICT COUNCIL REPORTS

The report titled 'Property Economics', dated November 2017, identifies the role of both Leeston and Darfield within the wider Selwyn District. It notes that Leeston and Darfield have a range of retail and commercial services however play a secondary role to the Lincoln and Rolleston Town Centre activity centres. The focus of Leeston and Darfield is to be rural centric, providing for large rural areas and small townships interspersed within the surrounding areas.

LEESTON:

Ellesmere Area Plans Assessment – Draft

This report identifies the impacts of Christchurch and Rolleston on Leeston. Given the close proximity of these two centres, Leeston has not fully developed its commercial and retail sectors to provide a full service role. A large proportion of resident spending occurs within Christchurch and subsequently the role of Ellesmere's retail and services has recently declined.

Ellesmere Area Plan

The Plan examines and estimates the likely population growth, together with the anticipated projected retail, commercial and industrial premises necessary to service Leeston through to 2031. In regard to Business 1 zoned land, currently existing is 12.6 hectares within Leeston (Source: *Ellesmere Area Plans Assessment*), comprising approximately 70 sections. A shortfall of 8,000m² has been identified. It has however been identified as manageable with this growth potentially catered for within existing Business 1 zoned land holdings and premises as some of this Business 1 zoned land is used for residential purposes while other retail sites are undercapitalised.

Business 2 land comprises 10.6 hectares within Leeston separated into 24 sections averaging 4,060m². This report identifies a number of vacant or underutilised lots which could accommodate the additional 2.8 hectares of Business 2 zoned land required. We refute that this volume of land would be available as much of the underutilised land would be occupied by Ellesmere Transport Co Limited and Leeston Seeds Limited which by their inherent nature do not require intensive development.

Issues currently exist relating to storm water and flooding vulnerability. Regarding expansion it has been noted that growth to the east should be precluded to avoid any adverse reverse sensitivity effects on the Leeston Wastewater Treatment Plant and Leeston Gun Club. Growth the north-west should also be excluded to avoid any further storm water discharges entering Leeston Creek. Furthermore, there are areas of potentially contaminated land in this direction.

This report identifies similar findings to the *Ellesmere Area Plans Assessment – Draft* in that a small amount of Business 1 and Business 2 zoned land may be required. Additional land would provide more flexibility for development but it does not appear necessary in the short to medium term. Growth of Business 2 zoned land could be positioned to the south-eastern side of the Business 2 zoning on Selwyn District Council's Beethams Road farm.

DARFIELD:**Malvern Area Plans Assessment – Draft**

This report identifies the impacts of Christchurch and Rolleston on Darfield. Given the close proximity of these two centres, Darfield has not fully developed commercial and retail sectors to provide a full-service role. A large proportion of resident spending occurs within Christchurch with only a minority of spend from each of the Malvern's towns are directed to Darfield.

Malvern Area Plan

The Plan examines and estimates the likely population growth, together with the anticipated projected retail, commercial and industrial premises required to service Darfield through to 2031. In regard to Business 1 zoned land, currently existing is 18.8 hectares. A shortfall of 3.2 hectares has been identified, although some of this could be supported in existing businesses, leaving a shortfall of less than 2 hectares. It is unlikely this land will be utilised until the 2020's.

Business 2 zoned land is spread across three different areas within Darfield and comprises 59.3 hectares. This report identifies nearly 23 hectares of available industrial land including vacant and underutilised lots. This land will sufficiently cater for the predicted 10 hectares of Business 2 zoned land required by 2031.

This report identifies similar findings to the *Malvern Area Plans Assessment - Draft – dated July 2015* in that a small amount of Business 1 zoned land may be required before 2031. There is in fact an excess of Business 2 zoned land.

CONCLUSIONS

The townships of Leeston and Darfield currently supply the essential services which are required to facilitate the surrounding rural area, as well as the residents within each town. Although the populations of both Leeston and Darfield are projected to increase to year 2031, the rural area surrounding these towns is unlikely to further intensify their agricultural productivity. Therefore, we would not expect the essential services usually associated with townships of this size to require expansion to the level that would necessitate increases to the existing supply of commercial and industrial land.

In both Leeston and Darfield there is available land zoned for retail, commercial and industrial use which is suitable for development. There are also a number of sites which are not used to their full potential, with future redevelopment likely to occur when and if demand makes these potential ventures feasible. Some sites comprise vacant buildings or houses that are used for residential purposes.

We have analysed towns with comparable current and projected characteristics to Leeston and Darfield from within the South Island. We compiled a list of the services that these towns provide and considered their proximity to the nearest major towns where there are more comprehensive commercial, retail and industrial facilities. As expected, there tends to be more retail and hospitality services in towns which are on State Highways. By looking at a range of towns which have similar or potentially similar characteristics, we can confirm that the townships of Darfield and Leeston currently provide the necessary key services.

The survey results from the "Leeston and Darfield Business Project/Survey" conducted by the Selwyn District Council were inconclusive due to the low numbers of responses. The general consensus amongst survey participants is that demand is not yet at a point where the return from development is feasible and our conversation with Mr Johnston of Johnston Civil reinforced this.

FordBaker Valuation have searched for land sales, land available for development, and improved commercially zoned sales. Our findings conclude that there is limited vacant Business 1 zoned land readily available in Leeston and Darfield, however many of the Business 1 zoned properties are not currently being utilised for Business 1 type activities.

Our research of improved Business 1 zoned sales revealed that since the beginning of 2010 there have been 19 transactions in Leeston and 17 transactions in Darfield. This indicates that Business 1 zoned properties are frequently available to the market, however we note that many of these sales comprise residential properties which presently remains their highest and best use.

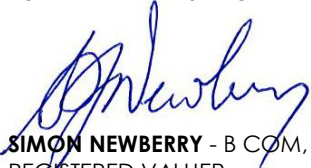
Business 2 zoned land comprises industrial land and whilst Darfield has approximately 19.7 hectares available for development, it is somewhat more limited in Leeston where there is approximately 1.2 hectares. It would be difficult for sites in Leeston or Darfield to compete on an even footing with Rolleston. The major difference would be land cost (together with servicing costs in Darfield) however build costs will be relatively comparable. The availability of labour/staff at Rolleston is more plentiful and is likely to improve with continued expansion and with the completion of the Southern Motorway. Industrial development in Leeston and Darfield will likely remain limited to those enterprises servicing the surrounding rural community. This is supported by our analysis of townships with larger populations, for example industrial land available for development in Washdyke (Timaru) has reduced the demand and need for further industrial development in neighbouring Temuka.

The essential service needs of Darfield and Leeston are currently being met without the need for further rezoning. Nearby major towns of Rolleston, Ashburton and Christchurch have significant tracts of available business zoned land and therefore provide for a more diverse range of development options. These alternatives generally have significant locational and synergetic advantages compared with Leeston and Darfield; clearly the scale remains at the main centres. We are of the opinion that there is no requirement for any additional business zoned land, either retail, commercial or industrial, to be made available at either centre now or by year 2031 based on the current population, population projections, and our analysis of the services provided in comparable townships.

We trust this report is satisfactory for your purposes, however should you wish to discuss it or require any further information, please do not hesitate to contact the writer.

Yours faithfully

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