

# PROPERTY **E**ECONOMICS



**EDWARDS ROAD ROLLESTON**

**PROPOSED PLAN CHANGE**

**ECONOMIC IMPACT OVERVIEW**

Project No: 52507

Date: May 2025

Client: Tiranga Aotearoa Group



## SCHEDULE

Code	Date	Information / Comments	Project Leader
52507.4	May 2025	Report	Tim Heath / Phil Osborne

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## 1. INTRODUCTION

Property Economics has been commissioned by Tiranga Aotearoa Group (**TAG**) to provide a high-level economic overview of the Proposed Plan Change (**PPC**), which seeks to rezone the Edwards Road site from General Rural Zone (**GRUZ**) to Medium Density Residential Zone (**MDRZ**), with a small commercial zone to accommodate a neighbourhood convenience centre, within the context of the Partially Operative Selwyn District Plan (**PODP**).

This report evaluates key economic matters, including recent trends in the residential market, the locational suitability of the PPC or subject site for accommodating urban development, and the broader economic costs and benefits associated with the PPC.

It also provides a high-level overview of the likely economic impacts of the proposed convenience centre on the existing and future commercial centre network within the Rolleston local market in the context of the Resource Management Act 1991 (**RMA**) and subsequent updates.

The findings of this assessment will provide a robust understanding of the economic rationale, benefits, and overall efficiency of enabling the PPC within the context of the PODP and the RMA.

### 1.1. KEY RESEARCH OBJECTIVES

The primary research objectives of this economic overview include:

- Provide a high-level overview of the PPC site and proposed land use activities, with reference to the current zone provisions under the PODP.
- Identify and evaluate the locational attributes of the site in the context of Policy 8 of the National Policy Statement on Urban Development (**NPS-UD**) and the Greater Christchurch Spatial Plan 2024, assessing the potential for these attributes to support greater economic and market efficiency if the PPC is implemented.

- Provide a high-level analysis of residential market dynamics across both the Rolleston area and the wider Selwyn District, including recent trends in housing prices and the residential building consents by typology.
- Undertake an economic overview of the potential retail distribution impacts of the proposed convenience centre on existing and anticipated commercial centres within the Rolleston market, including implications for the Rolleston Town Centre, within the framework of the RMA.
- Evaluate and identify the potential economic costs and benefits associated with the PPC to help evaluate the likely net economic outcomes of the proposed development for the local market and community.

## 1.2. INFORMATION AND DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Greater Christchurch Housing Development Capacity Assessment March 2023 – Greater Christchurch Partnership
- Greater Christchurch Spatial Plan 2024 – Greater Christchurch Partnership
- Land Use Capability Classification – NZLRI
- Median House Price Trends – realestate.co.nz
- Proposed Subdivision Plan – TAG
- Residential Buildings Consents Data – Stats NZ
- Selwyn Partially Operative District Plan – Selwyn District Council
- Site Map – Selwyn District Plan, Google Maps, LINZ

## 1.3. GLOSSARY OF TERMS

Below is a list of terms relevant to this economic assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This does not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
Development capacity	has the same meaning as Development capacity as defined in the National Policy Statement on Urban Development 2020.
Economic benefits	refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy. These benefits may be expressed in financial or non-financial terms. In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand
Economic costs	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.
Greenfield development	describes areas that are to be developed for residential and commercial purposes which are currently in rural use.
Highly Productive Land (HPL)	<p>references to land that, at the commencement date of the NPS-HPL:</p> <p>(a) is</p> <p>(a) zoned general rural or rural production; and</p> <p>(ii) LUC 1, 2, or 3 land; but</p> <p>(b) is not:</p> <p>(it) identified for future urban development; or</p> <p>(ii) subject to a Council initiated, or an adopted, notified plan change to rezone it from general rural or rural production to urban or rural lifestyle.</p>
Land-based primary production	means production, from agricultural, pastoral, horticultural, or forestry activities, that is reliant on the soil resource of the land.
Long term	means between 10 and 30 years.
Marginal cost	refer to the cost of producing one additional unit or service.
Medium term	means between three and 10 years.
NPS-HPL	National Policy Statement for Highly Productive Land 2022
NPS-UD	National Policy Statement – Urban Development 2020

<b>Opportunity cost</b>	also known as alternative costs, are the potential benefits that are foregone if a decision is made in favour of a particular option.
<b>Primary production</b>	the production (but not processing) of primary products including agricultural, horticultural, pastoral, aquacultural, and forestry products and includes the use of land and auxiliary buildings for these purposes.
<b>Productive capacity</b>	productive capacity, in relation to land, means the ability of the land to support land-based primary production over the long term, based on an assessment of: (a) physical characteristics (such as soil type, properties, and versatility); and (b) legal constraints (such as consent notices, local authority covenants, and easements); and (c) the size and shape of existing and proposed land parcels
<b>RMA</b>	Resource Management Act 1991 and subsequent updates
<b>Urban environment</b>	means any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that: is, or is intended to be, predominantly urban in character; and is, or is intended to be, part of a housing and labour market of at least 10,000 people
<b>Urban rezoning</b>	means changing from a general rural or rural production zone to an urban zone
<b>Wellbeing</b>	a broad concept that aims to capture the essence of a fulfilling and meaningful life, encompassing physical, mental, social, and spiritual aspects of well-being, as well as the ability to thrive and cope with life's challenges. Individuals and communities with a higher state of wellbeing are generally happier and feel more connected. The Local Government (Community Wellbeing) Amendment Act encourages local government to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.
<b>Well-functioning urban environment</b>	as defined in Policy 1 of the NPS-UD: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum: (a) have or enable a variety of homes that: (i) meet the needs, in terms of type, price, and location, of different households; and (ii) enable Māori to express their cultural traditions and norms; and (b) have or enable a variety of sites that are suitable for

	<p>different business sectors in terms of location and site size; and (c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and (d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and (e) support reductions in greenhouse gas emissions; (f) and are resilient to the likely current and future effects of climate change.</p>
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## 2. EXECUTIVE SUMMARY

This report evaluates the economic merits and potential impacts of the PPC on both the Rolleston local market and the wider Selwyn District, within the context of the PODP and the RMA.

Based on an assessment of the PPC site against key residential locational criteria, Property Economics considers the PPC represents a natural, practical and efficient extension of the Rolleston Township. This conclusion is supported by the following factors:

- The site aligns well with Rolleston's recent urban growth patterns, particularly in Faringdon;
- The site is located near existing and anticipated infrastructure, supporting efficient servicing;
- The site offers strong access to employment opportunities, established amenities, and services;
- The site is well-positioned to respond to ongoing and future residential market demand;
- The site's generally flat topography reflects its suitability for urban development;
- Development of the site requires no public funding for additional infrastructure, so no additional public burden for infrastructure above current Council commitments; and
- The site avoids the loss of highly productive land, making its urbanisation an economically efficient option for greenfield development, in the context of the NPS-HPL.

Following a high-level economic cost-benefit assessment, Property Economics considers that the primary economic benefits attributable to the PPC would include:

- Increased residential capacity / senior housing supply
- Increased and diversified choice of housing location and price point (through increased competition)
- Increased efficiency of infrastructure
- Better utilisation of the existing facilities, services and amenities already provided in Rolleston
- Potential for lower residential land prices
- Increased local employment opportunities
- Increased economic activity
- Potential to cater for greater levels of growth

- Increased diversity of buyer pool
- Improved local convenience and amenity value

In contrast, the primary economic costs associated with the PPC relate to the additional infrastructure servicing requirements needed to support the proposed development, as well as any potential effects on existing residential zones.

Property Economics understands the developer will fund the infrastructure requirements of the development. Under this scenario the anticipated economic benefits would outweigh the associated costs, resulting in a significant net positive economic outcome for the local market and wider community.

From an economic perspective, Property Economics considers the PPC to be strategically positioned as a practical and efficient extension of the Rolleston urban area, offering economic benefits and contributing to greater market efficiency for the local area and broader community.

This anticipated outcome of efficient development aligns with the direction set out in the Greater Christchurch Spatial Plan, which recognises that that *“the creation of ‘greenfield’ areas will continue to be part of how we accommodate more people so that we can provide a range of lifestyle choices that our communities’ value”*.

Based on the economic analysis outlined in this report, Property Economics considers the proposed PPC to be appropriate for urbanisation and will contribute positively to a well-functioning urban environment in the context of the RMA, the NPS-UD, and the PODP. The PPC would provide material economic benefits with no consequential economic costs (i.e. in effect increase supply and competition in the market with no material financial burden on the public or economic costs).

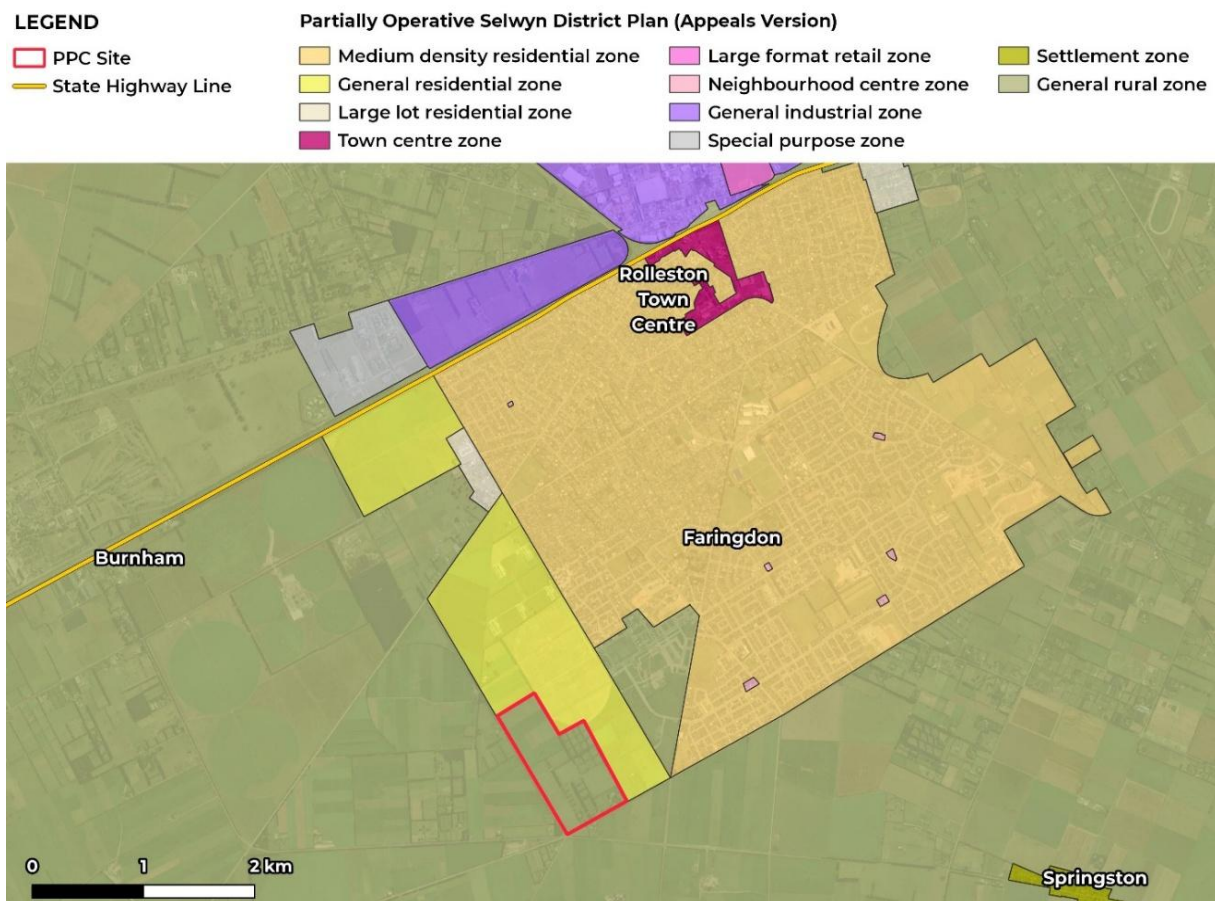
### 3. PROPOSED PLAN CHANGE OVERVIEW

The PPC seeks to rezone approximately 67.3ha of land located at the southwestern edge of the Rolleston Township from its current General Rural Zone (GRUZ) to Medium Density Residential Zone (MDRZ) with a small Neighbourhood Centre Zone (NCZ) included under the PODP.

Under the PODP, the primary purpose of the GRUZ is “to provide for primary production activities and other compatible activities”. Across the wider district, the GRUZ has large areas of highly productive land which are anticipated for primary production purposes. Whilst residential activities are part of the underlying GRUZ, they should not compromise the ability of the zone to be used for primary production.

Accordingly, to enable the proposed urban uses of the site, a plan change is necessary to the site from its current GRUZ to zone provisions more appropriate for urbanisation.

**FIGURE 1: PPC SITE IN THE CONTEXT OF THE PODP**



Source: Selwyn District Council, Google Maps, LINZ.

Note that whilst the large Arbor Green / Faringdon Oval land has a current GRUZ zoning, consents have been approved under Fast Track process for urban development.

The indicative outline development plan for the site is presented in Appendix 1 of this report. Based on the information provided, the PPC includes the following proposed land uses:

- General residential allotments: Approximately 490 dwellings ranging in size from 326sqm to 729sqm, located in the northern portion of the PPC site.
- Medium – high density residential sections: Around 1.76ha of land within the northern section of the site, intended to support more intensive housing typologies.
- Retirement village: Approximately 8ha distributed across two locations adjacent to the proposed new local road.
- Aged care facility: Roughly 1ha positioned immediately east of Edwards Road.
- Convenience centre: About 1ha situated near the intersection of Selwyn Road and Ellesmere Junction Road. It should be noted that the proposed location is indicative at this point, reflecting the preliminary stage of the land development process.
- Childcare facility: Approximately 1ha located just north of the proposed convenience centre.
- School: Around 3.5ha positioned directly south of the general residential allotments.
- Public park / reserve areas: A total of approximately 1.3ha, primarily located near the medium–high density residential sections and along the eastern boundary of the development.

The following economic analysis focuses on the residential and commercial centre components of the PPC, assessing their appropriateness and likely economic impact on the local market from an economic perspective.

## 4. RESIDENTIAL LOCATIONAL CHARACTERISTICS

Policy 8 of the NPS-UD states the following:

*“Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is:*

- *unanticipated by RMA planning documents; or*
- *out-of-sequence with planned land release”*

In this context, assessing the locational characteristics of a site proposed for urbanisation is important to understanding its potential to contribute to a ‘well-functioning’ urban environment. Urbanisation is a complex process that requires alignment between land use, infrastructure, transport, developer and market demand. While each urban use (e.g. residential, commercial, community) may have specific needs, there are a set of foundational locational characteristics that generally underpin the suitability of land for urban development.

These include factors such as proximity to employment and town centres, accessibility to transport networks, integration with existing infrastructure, access to social and community amenities, environmental constraints, capacity for staged development, and the ability to provide for diverse land use outcomes. Economically efficient urbanisation tends to occur where development can leverage existing investment, minimise infrastructure costs, respond to market demand, and deliver housing and employment opportunities in a coordinated manner.

Also pertinent to this analysis is the Greater Christchurch Spatial Plan 2024 (**Spatial Plan**), which outlines key criteria for achieving successful greenfield development on Page 66:

- (1) *Be well connected with employment, services and leisure through public and active transport networks;*
- (2) *Be integrated with existing urban areas;*
- (3) *Meet a need identified by the latest Housing and Business Development Capacity Assessment;*
- (4) *Be at the right scale, density and location to minimise impact on highly productive land and existing permitted or consented primary production activities.*

Having assessed the locational characteristics of the PPC site against the above criteria and factors, Property Economics considers that the site is appropriate and economically efficient for urban development, including the proposed residential (including aged care / senior living), convenience centre, school and childcare, etc.

The following list summarises the relevant economic considerations:

- [Alignment with Rolleston urban growth patterns](#): Faringdon is an important greenfield growth area in the district under the PODP and the Spatial Plan. The PPC site adjoins the recently approved Plan Change 73 (160ha), Plan Change 81 (28ha), and Plan Change 82 (110ha) to the northeast, southeast, and north, respectively, which are greenfield areas that now form part of the General Residential Zone and contribute to the established urban extent of Rolleston. Given this context, the PPC site represents a practical and efficient area of Rolleston for urban development and expansion.
- [Infrastructure connectivity](#): Situated directly adjacent to established and anticipated residential areas, as well as key collector roads for Rolleston, i.e., Dunns Crossing Road and Goulds Road, the PPC site efficiently connects to existing and anticipated infrastructure networks including water, wastewater, electricity, and transport systems. This supports more efficient infrastructure delivery, enhances connection across neighbouring developments, and helps to optimise the return on (existing and anticipated) public investment in urban services and transport networks. In effect, the PPC would reduce the marginal infrastructure cost of that public investment with increased and more efficient use of those public assets.
- [Access to existing amenities and services](#): The PPC site is located near Faringdon and other residential areas that already or are anticipated to facilitate schools, parks, and retail offerings. This proximity allows future residents to access essential and frequently required social and community infrastructure without the immediate need for large-scale public investment, promoting efficiency and amenity value.
- [Proximity to greater employment opportunities \(in comparison to greenfield sites near smaller townships\)](#): The PPC site is advantageously located within a short distance to multiple key employment areas in Rolleston and Lincoln, providing future residents with convenient access to a broad spectrum of local jobs. This accessibility would support a more efficient labour market, reduces commuting time and costs, and contributes to both higher economic productivity and improved quality of life.
- [Strong transport access](#): The site's proximity to key local roads, such as Selwyn Road, Ellesmere Junction Road, and Swamp Road, ensures strong district accessibility. This strategic location enables efficient travel to other parts of the district and major employment hubs in the broader area. In addition, the PPC site's integration with the existing road network supports future public transport services, efficient logistics, and streamlined service delivery relative to more distant / separate greenfield alternatives.
- [Responsive to market demand](#): Rolleston is experiencing rapid population and housing growth and therefore demand. The PPC site provides a good opportunity to deliver additional housing supply in a high-demand market, supporting housing affordability and economic resilience in the Rolleston local market and the wider Selwyn District.

- **Suitable landform:** The PPC site comprises predominantly flat, unconstrained land, free from significant natural hazards, or complex remediation requirements. These physical attributes make the site highly suitable for efficient urban development, enabling streamlined subdivision processes and reducing upfront land preparation and construction costs. As a result, development feasibility would be enhanced, and more cost-effective housing delivery becomes possible, supporting broader housing affordability objectives and market responsiveness.
- **Absence of highly productive soils:** The PPC site is located on land that does not fall within Land Use Capability (LUC) Classes 1–3, which are identified as the most versatile and productive soils for primary production. In addition, the PPC site is the only sizable greenfield location adjoining any of the district's three main townships, i.e., Rolleston, Lincoln, and Prebbleton, that does not comprise highly productive land. As such, rezoning this site for urban development would not result in any meaningful reduction in the district's overall productive land base or agricultural output potential. This minimises key opportunity cost typically associated with greenfield development, i.e., the loss of high-value or highly productive rural land.

## 5. RESIDENTIAL MARKET TRENDS

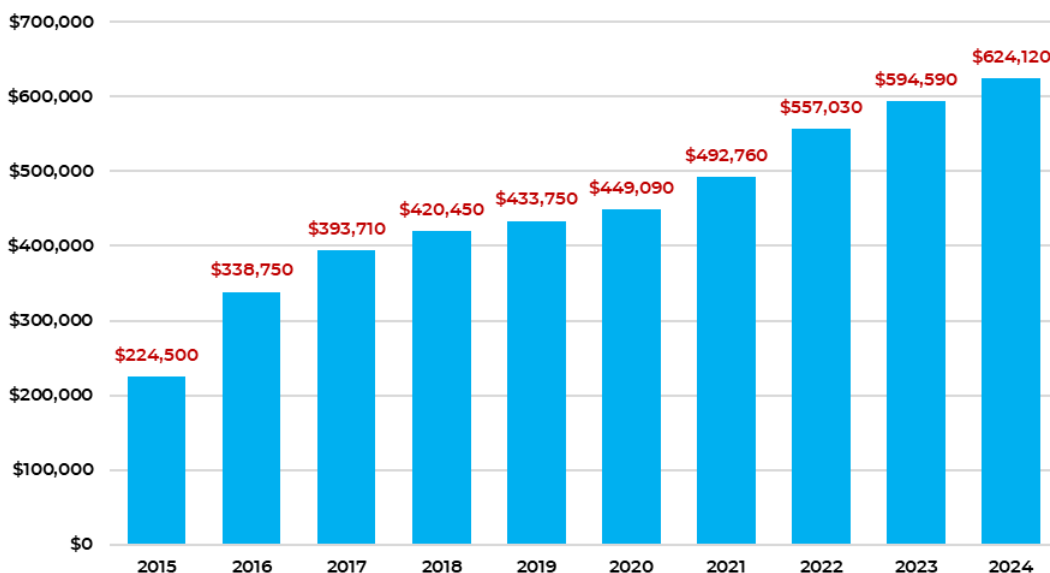
This section provides a high-level overview of recent residential market trends in Rolleston and the broader Selwyn District, helping to assess the economic and market efficiency of the PPC in terms of increasingly residential capacity and price points, and accommodating diversified housing typologies and living locations.

### 5.1. ROLLESTON MEDIAN HOUSE PRICE TREND

The figure below shows that, over the last decade, there was a consistent and significant increase in the median house sale price in Rolleston, rising from only \$224,500 in 2015 to \$624,120 in 2024. This represents an increase of nearly +178% over the last decade, indicating persistent demand pressures and potential supply constraints in the Rolleston local housing market.

This trend is unsurprising in a high-growth area like Rolleston, which is part of the Greater Christchurch urban catchment. This has made the historically more affordable housing in Rolleston attractive to first-home buyers, young families and lifestyle seekers looking for comparatively affordable housing options and larger section sizes. This has only been amplified recently by the opening of the Christchurch Southern Motorway increasing accessibility to Christchurch with reduced travel times.

**FIGURE 2: ROLLESTON ANNUAL MEDIAN SALE PRICE TREND**



Source: realestate.co.nz

From an economic perspective, this escalating price trend has several implications for greenfield residential development in Rolleston. Firstly, the elevated price baseline suggests continued demand pressure, especially for affordable and family-oriented housing. This

supports the requirement for proactive planning and zoning of additional greenfield land to accommodate growth and mitigate affordability challenges.

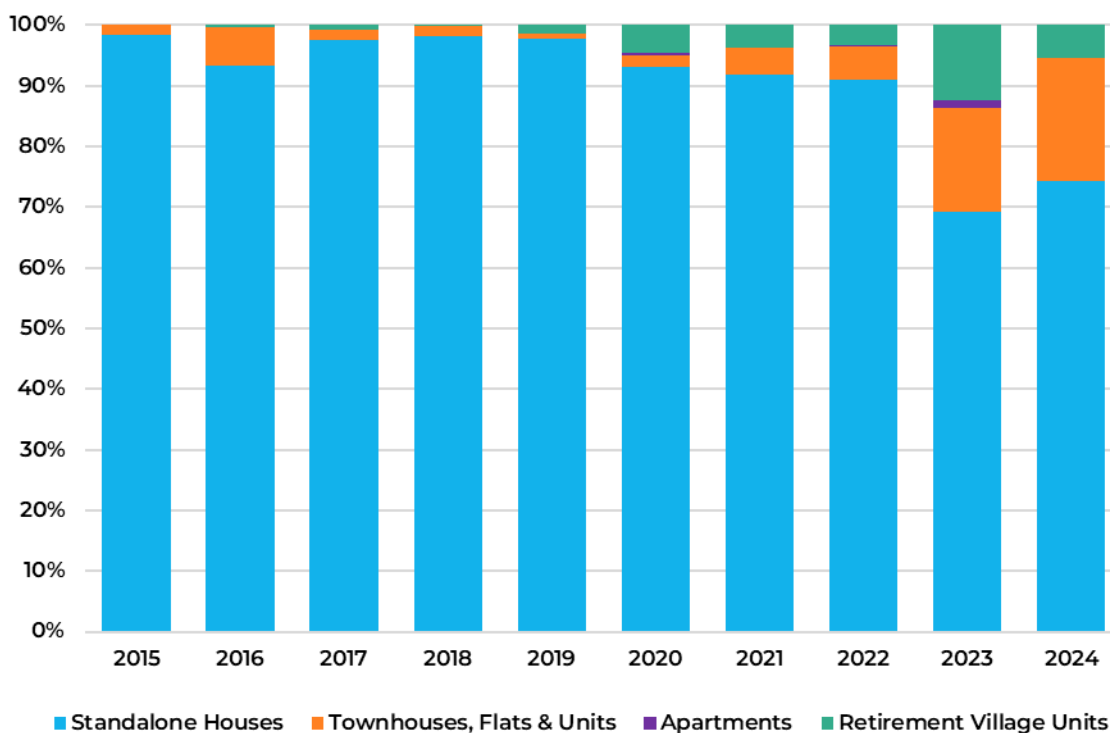
Secondly, the stabilisation of prices at higher levels indicates that Rolleston has entered a new phase of market maturity, where housing demand is likely to remain strong provided supporting infrastructure and amenity continue to expand. This reinforces the importance of ensuring that greenfield land supply remains responsive, with adequate provision for transport connections, amenities and services.

Finally, the notable growth in Rolleston's house prices indicates that increasing residential capacity in well-located, efficient areas like the PPC site would help mitigate housing affordability challenges in the local market, promoting a more competitive, efficient, and liveable urban environment.

## 5.2. DISTRICT RESIDENTIAL BUILDING CONSENTS BY TYPOLOGY

The figure below illustrates the changing composition of residential building consents by typology in the wider Selwyn District from 2015 to 2024, utilising building consents data from Stats NZ.

**FIGURE 3: SELWYN DISTRICT RESIDENTIAL BUILDING CONSENTS COMPOSITION BY TYPOLOGY**



Source: Stats NZ.

Between 2015 and 2022, standalone houses dominated the residential market, consistently accounting for over 90% of all the district's building consents. This trend reflects a strong preference for low-density, greenfield development within the district.

However, from 2023 onward, there is a noticeable shift. The proportion of standalone house consents declines sharply, while townhouses, flats, and units rose significantly to comprise around a quarter of total consents in 2023 and remain elevated in 2024. Retirement village units also see a substantial increase, and apartments appear for the first time, albeit in small numbers.

These changes suggest that the Selwyn District is beginning to diversify its housing stock, likely in response to rising house prices, land costs and development costs, shifting demographics, and urban planning policies promoting greater density / intensification. These trends will continue to incentivise more intensive residential development to maximise land use and deliver more affordable / serviceable product to the market.

Although the major urban areas of the district appear to show considerable potential for residential infill and redevelopment, particularly in light of anticipated future intensification, it is important not to ignore the economic benefits of proactively enabling additional development capacity through greenfield expansion or strategic rezoning.

Providing greater certainty in the planning framework will improve market efficiency by facilitating a broader range of housing typologies, price points, and living environments. This, in turn, helps to accommodate diverse household preferences and income levels, supports housing affordability, and reduces the risk of supply constraints that may inflate prices or displace demand to less efficient locations.

### 5.3. IMPLICATION OF THE NPS-UD POLICY 8

NPS-UD provisions establish objectives and policies for matters of national significance relevant to achieving the purpose of the RMA. All District and Regional Plans are to give effect to NPS-UD in their plans and policies to respond to changes in demand by allowing denser housing in areas where people want to live, that are well-connected to jobs, transport, and community facilities.

Policy 8 of the NPS-UD is particularly relevant to the PPC as it states:

*“Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is:*

- (a) unanticipated by RMA planning documents, or*
- (b) out of sequence with planned land release.”*

This policy directs that providing capacity is more important (subject to some provisos) than inflexibly adhering to the development sequences in planning documents.

These objectives and policies provide support for the PPC as they emphasise the importance of increasing development capacity, supporting additional competition, encouraging choice of housing types and locations, and responding to opportunities even when the sequence and

timing of development does not match the assumptions in the planning documents. The emphasis is one of erring on the side of more capacity rather than less capacity.

Based on the information provided, the proposed residential development, covering approximately 67ha, could yield circa 1,000 dwellings, including a retirement village and aged care facilities. For context, under Stats NZ's High growth scenario, the household base in Rolleston Township is projected to increase by approximately 6,500 households by 2054. As such, enabling the PPC would represent a significant contribution to the local residential market, supporting greater market and community efficiency in terms of additional locations, typologies, and price points.

This anticipated positive development outcome would give effect to the NPS-UD Policy 8, providing additional capacity buffer to enable greater market growth certainty and contributing to well-functioning urban environment.

## 6. ECONOMIC CENTRE IMPACT OVERVIEW

This section provides a high-level economic overview of the potential impact of the proposed small convenience centre within the PPC, considering the context of the PODP and the RMA. It helps determine whether the proposed convenience centre could underline the role, function, vitality, performance, or future growth prospects of Rolleston's existing and anticipated commercial centres.

It is Property Economics' understanding that the proposed centre would not form a separate development if the proposed residential development is not enabled. As part of delivering a well-functioning urban environment, this proposed centre is intended to support and complement the proposed residential development within the PPC.

### 6.1. ROLLESTON COMMERCIAL CENTRE NETWORK

Under the PODP, there are three different levels of commercial zones in the wider district that forms a distinct commercial centre hierarchy with a clear role and function for each of the centres. A visual representation of the Rolleston commercial centre network is illustrated in the figure below.

The indicative Carter Rolleston Development Area (DA) 7 centres and the two recently consented supermarket developments are identified in the figure to illustrate the ongoing growth of Rolleston's commercial environment and retail offerings.

Property Economics understands that the consented PAK'n SAVE supermarket at 2 Levi Road is part of the proposed Variation 2 to the PODP, which seeks to rezone approximately 7ha from MDRZ to Large Format Retail Zone. This rezoning would reflect the supermarket development on the northern portion of the site and enable a trade/retail supply store on the remaining land.

If approved, this variation would introduce a new commercial centre to the Rolleston market, expected to serve both the township and its surrounding rural catchment. However, as a final decision on this proposed centre is still pending, the following overview focuses on Rolleston's established, consented, and anticipated commercial centres.

**FIGURE 4: ROLLESTON COMMERCIAL CENTRE NETWORK**
**LEGEND**

- Proposed Centre    
  PPC Site    
 ● Zoned / Expected Neighbourhood Centres    
  Carter ODP DA7 Indicative Centres
- ★ Consented PAK'nSAVE (2 Levi Rd)    
 ★ Faringdon Oval Consented Woolworths



Source: Selwyn District Council, LINZ, Property Economics

There are only two centre types in Rolleston, i.e., the Town Centre and 7 x Neighbourhood Centres (either operational, zoned or consented). These identified commercial centre zoning types are as follows:

#### [Town Centre Zone \(TCZ\)](#)

The TCZ is applied to the District's main commercial centres and provides a focal point for communities. As per the PODP, the TCZ is identified as *"the primary focus for commercial activities within the District and provides a diverse range of commercial activities, along with residential, recreation, cultural and community activities and civic services"* (TCZ-O1).

The Rolleston Town Centre (RTC) stands as the central hub for commercial activities in the broader district and is designated as one of the Key Activity Centres (KACs) under the Land Use Recovery Plan (LURP). Currently, the RTC is primarily anchored by two supermarkets (Countdown Rolleston and New World Rolleston supermarkets), a department store (The Warehouse), and other nationally known retail brands such as Noel Leeming, Chemist Warehouse and Warehouse Stationary.

RTC has recently expanded to include the new Te Ara Ātea public library and park, and food and beverage precinct along Tennyson Street. These additions to the centre have added to RTC's breadth of offer, improving the centre's role, function and performance.

Given its prominent position within the wider Selwyn commercial centre network, the RTC caters to a broader district catchment and offers a comprehensive range of retail, commercial activities, professional services and community facilities. It is well-established not only to serve the surrounding suburbs but also to meet the growing needs of the broader district.

#### Neighbourhood Centre Zone (NCZ)

The NCZ encompasses small areas of commercial development that are located within a predominantly residential area. As per the PODP, the objective of the NCZ is *"to provide for small-scale commercial activities and community activities that service needs of residents in the surrounding area"* (NCZ-O1).

However, according to the PODP (NCZ-Overview), it is important that the type and scale of activity within these zones is managed so that it supports the wider activity centre network in providing for the District's commercial needs but does not detract from the broader function of the TCZ as the focal point for commercial activities and community activities.

As depicted in the preceding figure, there are currently 6 x zoned NCZs in Rolleston, excluding the consented Faringdon Oval neighbourhood centre. These include:

- (1) Stonebrook Centre: Located approximately 3.5km north of the proposed centre, this facility covers around 1,820sqm of land and currently accommodates a convenience store and a café.
- (2) Falcon Road Centre: This centre covers approximately 5,250sqm of land at the intersection of Branthwaite Drive and Falcon Road, with an estimated GFA of around 3,400sqm. It houses an early learning centre (which occupies over half of the zoned area and floorspace), a convenience store, two cafés, and a barbershop. This centre primarily serves as a convenience node catering to the immediate residential catchment.
- (3) South Point Centre: This centre covers approximately 3,400sqm of land and is located about 2.3km northwest of the proposed centre. Currently, the activities within the centre occupy an estimated GFA of around 1,500sqm, including a convenience store, a liquor store, a laundromat, and three food and beverage outlets on the ground floor, along with a dance school occupying a first-floor tenancy.

- (4) Acland Park Centre: This centre spans around 5,200sqm of land and is situated at the Broadway Parade roundabout and is currently undeveloped. As per Avanda Group<sup>1</sup>, all tenancies in this forthcoming centre have been sold out. The planned amenities include a café, childcare centre, fitness circuit, and potentially other retail offerings.
- (5) Westmoor Blvd Centre: Located around 1.4km east of the proposed centre, this centre has limited potential for future convenience retail or commercial use due to its recent residential subdivision and development. As a result, despite being designated as a NCZ under the PODP, this centre is not a relevant factor in the current centre impact analysis.
- (6) Northmoor Blvd Centre: Spanning around 6,660sqm of land, this centre currently houses a pre-school. As Property Economics understands, the Fast Track Approval for this centre also includes a healthcare facility. Since there are no other identified or anticipated plans for convenience retail or commercial services in this centre, it is not considered in this analysis.

In addition, although not zoned as a NCZ in the PODP, The Faringdon Oval development has received consent to establish a neighbourhood centre, designed to accommodate a small numbers of small-scale convenience stores and a supermarket. If developed, this centre will be the closest to the PPC site. It is intended to support and complement the residential development within Faringdon Oval, and the supermarket would service the PPC development. As previously noted, the Carter Rolleston DA7 area includes four indicative neighbourhood centres. Collectively, these centres are expected to occupy approximately 2.4ha, with the largest, around 1ha, located at the intersection of Dunns Crossing Road and Brookside Road.

These future neighbourhood centres are anticipated to be convenience-oriented, primarily serving the surrounding residential communities and meeting local day-to-day needs.

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<sup>1</sup> Sourced from [https://avanda.co.nz/?page\\_id=4092](https://avanda.co.nz/?page_id=4092)

## 6.2. CENTRE IMPACT OVERVIEW

Based on the above overview, the existing (zoned) and anticipated NCZs primarily meet the day-to-day convenience needs of their immediate residential catchments and do not function as higher-order commercial centres or serve a significant retail catchment that would compete with the proposed centre. The exception is Faringdon Oval supermarket, and given the PPC is not proposing a supermarket, the Faringdon Oval NCZ is not compromised. As such, this centre impact overview will primarily focus on the RTC.

Overall, in Property Economics' view, there is no potential the proposed centre would generate a significant economic or retail impact that would undermine the role and function of the RTC or other existing and anticipated commercial centres in Rolleston.

This conclusion is based on the following economic considerations:

- i. The RTC is a well-established commercial hub with a substantial employment base, diverse functions, strong growth, and high performance, which would not be negatively affected by the proposed centre, which is expected to serve only the surrounding residential development.
- ii. The proposed convenience centre is small scale, with a land area of about 1ha. With a likely Floor Area Ratio (**FAR**) of 45%, the centre could accommodate around 4,500sqm of GFA for convenience retail and commercial tenancies. This is not of a scale that has the propensity to undermine the RTC or develop into a significant commercial hub capable of competing with the RTC.
- iii. The proposed convenience centre's relatively distant location from major residential areas of Rolleston ensures that the RTC and other established NCZ centres remain more accessible to the surrounding community. As a result, the proposed convenience centre is unlikely to detract from the existing centres' patronage or competitiveness within their respective catchments.
- iv. Any potential economic retail impact on the RTC and the NCZs is likely to be temporary and could be adequately mitigated by future market growth, particularly through the development of surrounding residential areas (in Faringdon) and the intensification of existing ones. This anticipated future growth would lead to a larger population base and an increased demand for convenience retail and commercial services in the Rolleston local market.

## 7. ECONOMIC COSTS AND BENEFITS

The PPC would generate a range of potential economic costs and benefits to the local market and community. This section outlines the high-level economic costs and benefits of the PPC in the context of PODP and RMA. This assists in understanding the overall appropriateness and efficiency of the proposed development.

### ECONOMIC BENEFITS

- + **Increased residential capacity / senior housing supply:** The PPC would supply the market with an increase in residential capacity, including both general residential products and senior living options. This will contribute to accommodating the future growth of Rolleston, particularly in the short to medium term. This PPC also provide clear direction to the market regarding both its ability to meet future demand pressures and its provision through an efficient '*plug in*' site location and size.
- + **Increased and diversified choice of housing location and price point:** The proposed development would also offer residents additional choices in their living environment in respect of location and potentially impact upon the overall price point resulting from supply, within the Rolleston local market and the wider district. The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase in the relative attractiveness of the area with wider markets. In addition, enabling a greater mix of housing types in more locations would also improve affordability and help match the housing stock to match the future population's needs.
- + **Increased efficiency of infrastructure:** The influence of urban development on infrastructure and amenities might be two-sided. On the positive side, greater density in and close to the existing urban areas typically provides more efficient use of infrastructure. The larger number of people in an area means greater returns on the use of the local infrastructure. This has the potential to enhance the sustainability of utility services, as fixed costs are spread over a larger user base, thus reducing the per capita cost of infrastructure provision. Greater use of infrastructure assets results in a lower marginal cost of the capital investment in those community assets.
- + **Potential for lower residential land prices and improving affordability:** The development of the PPC site has the potential to enhance Rolleston house affordability by increasing the supply of residential capacity. Accelerating the proposed development has the potential to enhance housing affordability by increasing the significant supply of additional capacity.

This could lead to a reduction in house prices, benefiting those who do not currently own property, including existing renters who pay for housing on a weekly basis and first-time buyers, particularly young residents. This increase in supply would help

create a more balanced housing market, making homeownership more attainable and easing the financial burden on renters.

- + **Increased economic activity and local employment opportunities:** The proposed development would generate considerable economic stimulus through direct construction activity and supporting services. This includes employment opportunities in the building industry, engineering, landscaping, materials supply, and project management sectors. The construction-led growth would extend over several years, supporting regional employment levels and contributing to GDP through multiplier effects across the economy.

In addition, the growing local population as a result of the proposed development will lead to a net increase in the number of FTE employees within Rolleston. This influx will serve as a boost to the local and regional economy, fostering further growth and enhancing amenities in the area.

- + **Better utilisation of the existing facilities, services and amenities already provided in Rolleston:** The proposed development has the potential to make more efficient use of the existing infrastructure, community services, and amenities already available in Rolleston and surrounding areas. By increasing the local population base, the development would enhance the viability and utilisation of existing schools, healthcare facilities, recreational spaces, and public transport networks.

This improved utilisation reduces marginal infrastructure costs, supports service retention, and can justify future upgrades or expansions. Additionally, a larger resident base would strengthen the customer pool for local businesses, contributing to the vitality of existing centres and helping to sustain a diverse range of amenities and services across the district.

- + **Impetus for greater levels of local and district growth:** Growth from large-scale residential developments can often act as a catalyst that stimulates broader economic and urban development within an area. The PPC and subsequent development, by enabling large-scale residential expansion, has the potential to unlock further opportunities for additional housing, commercial activities, and complementary land uses.

As the local population increases, so too does the demand for goods, services, and employment, providing significant impetus for both local and regional economic growth. Over time, this additional growth would contribute to the development of a more self-sustaining and vibrant urban community.

- + **Improved local convenience and amenity value:** The proposed retail, commercial and community activities would enhance the amenity value of the local area by introducing

a range of goods and services closer to where people live. This would reduce the need for residents to travel long distances to access essential services, thereby improving travel efficiency and supporting more sustainable travel patterns. A higher quality, well-designed development would also create a more vibrant and attractive local environment, encouraging greater foot traffic, fostering a stronger sense of community, and contributing to the overall liveability of the neighbourhood.

## ECONOMIC COSTS

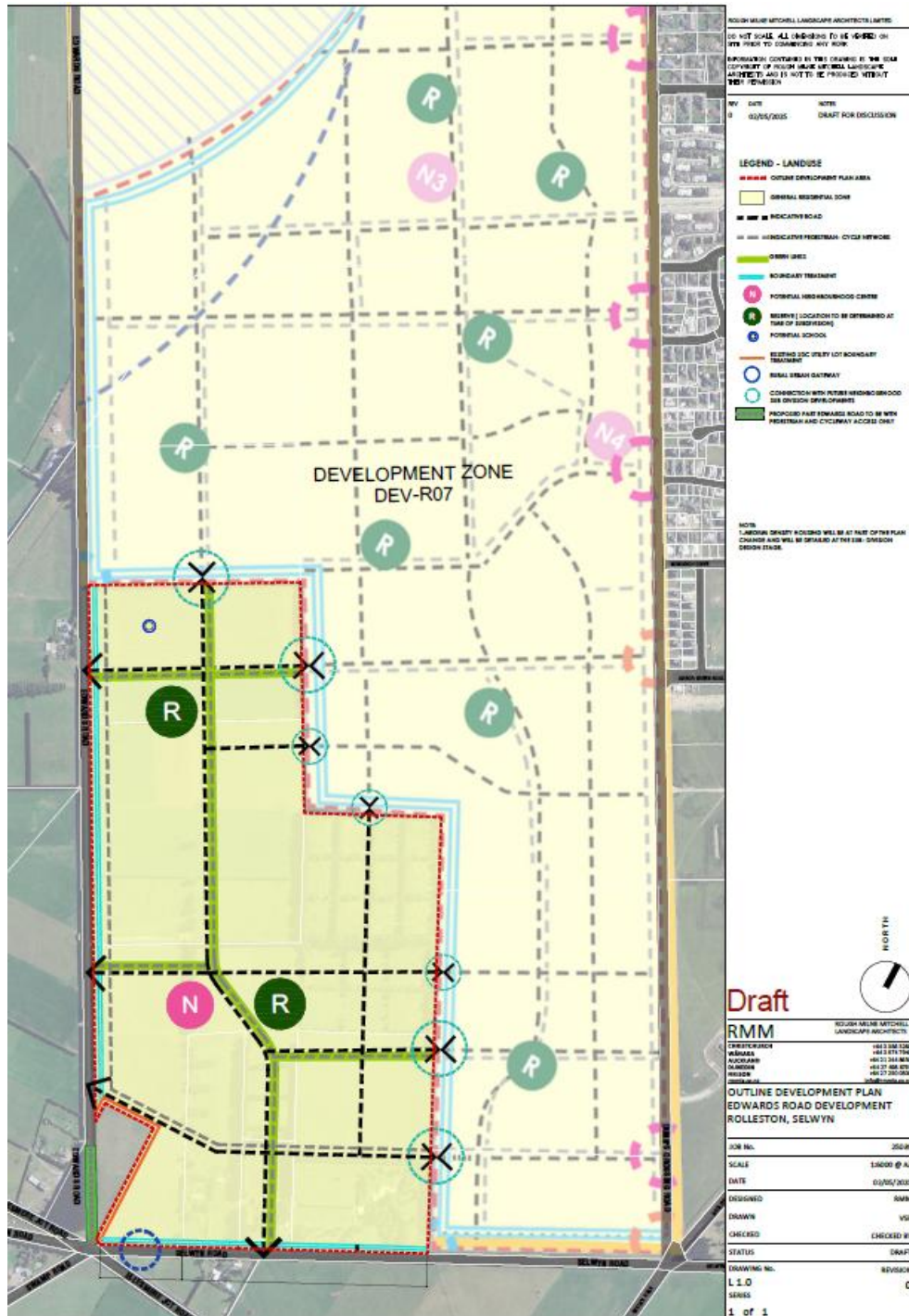
- **Loss of rural productive land:** As the PPC site is currently zoned GRUZ under the PODP, the opportunity cost of its proposed development is the foregone potential for rural production and the associated economic returns. However, as noted earlier, the site is not classified as highly productive land, being registered as LUC Class 4 (nz4s-21) under the NZLRI system. This indicates that the loss of productive land would not significantly affect the district's overall rural production capacity or economic output. Accordingly, Property Economics considers the opportunity cost of the PPC to be negligible within the context of the NPS-HPL and district productive capacity. .

## SUMMARY

Considering the economic cost benefit analysis outlined above as a whole (including the quantitative economic injection into the local and district economy and employment benefits from the PPC development), Property Economics considers that advancing the proposed development would yield significant economic benefits for the local and district economy and community. The PPC would positively contribute to the facilitation of a well-functioning urban environment within Rolleston, giving effect to the NPS-UD policies.

Overall, from an economic perspective the PPC would generate a wide range of economic benefits for few, if any, consequential economic costs on the community.

## APPENDIX 1. INDICATIVE OUTLINE DEVELOPMENT PLAN



Source: TAG