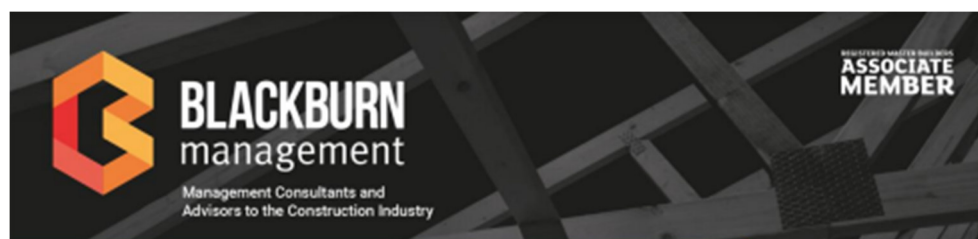


20212207

Attachment 5: Assessment of Land availability



Rob Preston
Kevler Homes
rob.preston@kevier.co.nz

Monday 12 August 2022

Dear Rob,

With regard to land availability across Selwyn District


1. My name is Mike Blackburn, I am Managing Director for Blackburn Management Limited.
2. Blackburn Management are Management Consultants and specialist advisors to the Construction Industry.
3. I am a Co-Founder of Combined Building Supplies Cooperative Limited and a Director of CBS Management Limited.
4. I have a Master of Business Administration degree from the University of Canterbury and have been consulting to the construction industry since 2013.
5. Blackburn Management produces the Canterbury Construction Report[®] monthly, which is an independent analysis of Residential Construction activity across Christchurch City, Selwyn District and Waimakariri District based on building consent data provided by each respective Council.
6. In addition, Blackburn Management tracks Subdivision development across all three Councils and has an extensive database of past and current subdivisions as well as Plan Change requests for proposed future subdivision developments.
7. Blackburn Management provides specialist consulting and analysis services to developers, property professionals and similar companies with respect to construction activity, projected population growth and residential development across the greater Christchurch area.
8. Blackburn Management is currently writing a specialist report, which looks in detail at current residential land availability in Selwyn District.
9. This report will analyse, in detail, all current residential subdivision developments in the Selwyn District, including the estimated number of sections that will be titled in 2022, 2023, 2024 and 2025.
10. As part of the research for this report, I have personally interviewed more than 90% of the Developers or Agents responsible for current subdivision development across the District and the number of estimated titled sections (as provided in Appendix A) has been provided to me directly by these Developers or Agents.
11. In addition, this Report will consider proposed Plan Change Requests to the Selwyn District Council for future residential subdivision development.
12. The purpose of this report is to consider whether there is sufficient land available across the District to meet the demand for new residential construction and population growth in the District over the next three to four years.
13. In 2018, there were 1,172 Residential Dwellings Consented by the Selwyn District Council.
14. In 2019, there were 1,252 Residential Dwellings Consented by the Selwyn District Council.

15. In 2020, there were 1,572 Residential Dwellings Consented by the Selwyn District Council.
16. In 2021, there were 1,810 Residential Dwellings Consented by the Selwyn District Council.
17. To 30 April 2022 there have been 539 Residential Dwellings Consented by the Selwyn District Council. This is a 2% decline on the 550 Dwellings Consented by the Selwyn District Council for the same four month period in 2021.
18. I predict that the residential construction sector in Canterbury is set to see a decline in the number of new dwellings consented by between 10% and 15% in 2022 as a result of a shortage of building materials, ongoing supply chain issues, increasing costs and a declining economy.
19. I predict that there will be approximately 1,600 new residential dwellings consented across the Selwyn district in 2022.
20. I predict that this decline will continue into 2023 and that there will be approximately 1,450 new residential dwellings consented for that calendar year.
21. This would be an estimated total of 3,050 new residential dwellings consented through to the end of 2023.
22. My analysis of the estimated number of titled sections across the Selwyn District (as per Appendix A) in 2022 is 2,109.
23. My analysis of the estimated number of titled sections in 2023 is 1,046 (this is subject to Hughes Developments Limited receiving Fast Track Approval for their proposed Farrington Far West subdivision of approx. 65.3 Ha, previously known as PC 70).
24. This would be an estimated total of 3,155 sections titled through to the end of 2023.
25. This would only provide for an estimated additional 105 sections more than the number of new dwellings being consented.
26. In January 2021 the median sale price of a residential section across all three Councils was approximately \$450 per m2.
27. By December 2021 the median price of a residential section across all three Councils had increased to approximately \$1,000 per m2.
28. The principal reason for this increase in price was driven by a shortage in the number of sections available relative to the demand for new residential construction.
29. I am concerned that if the Selwyn District Council does not approve a number of the currently proposed Plan Change requests for new subdivision developments and grant consent for other proposed subdivision proposals within the Rolleston Future Development Area before the Council approves the new District Plan late in 2023, that the District will effectively run out of land to build on.
30. This will have a devastating impact on the construction sector.
31. This will see the cost of land increase significantly.
32. This will have a significant negative impact on the short and medium term population growth of the District.

Yours sincerely,



Mike Blackburn
Managing Director
Blackburn Management
021 370 018
mike@blackburnmanagement.co.nz


BLACKBURN
 management

Sections Available SDC (Titles to be issued)

Sellwyn	2022	2023	2024	2025	Developer / Agent	Notes
Darfield (General)	50				Various	TBC
Leiston (General)	30				Various	TBC
Woodbury Estate	65	42	0	0	Emma King Bayleys Real Estate	Total of 107 sections. First titles est. Nov 2022
Te Whaaki	136	0	0	0	Ngai Tahu	Expect to be sold out by the end of the year
Rosemead	138	0	0	0	Fulton Hogan Land Developments	Expect to be sold out by the end of the year
Flemington	78	0	0	0	Shane Kennedy	Expect to be sold out by the end of the year
Verdeco Park	32	0	0	0	Shane Kennedy	Expect to be sold out by the end of the year
Greentead	51	69	61	41	Fletcher Living	Total of 222
Brookvale	90	130	0	0	Line Developments (Silverstream)	Total of 240 sections
Carter (PC69)	0	0	0	0	Carter Group	PC approved by Commissioner, to be considered by SDC
Preewells	66	0	0	0	Suburban Estates	Titles expected in March/7
Tricks Road (PC 72)	0	295			Combined application	Development awaiting approval by SDC
Farrington (Westwood)	841	0	0	0	Hughes Developments	All sections sold and all titles expected to be issued in 2022
Falcons Landing (South)	14	140	0	0	Your Section	Awaiting Titles to be issued
Actland Park	300	0	0	0	Avenda Group	Expect to be sold out by the end of the year
Silverstone	107	0	0	0	Julian McDonald	Awaiting Titles to be issued
Goulds Developments	111	0	0	0	Cole Aslow	Awaiting Titles to be issued
Hughes (PC 70)	0	300	300	300	Hughes Developments	Currently applying for Fast Track consent
Willfield (PC 89)	0	70	0	0	Your Section	Subject to NZTA road works. Titles expected June 2023
Willfield (PC 87)	0	0	131	0	Your Section	Titles expected June 2024
Estimated total titled lots	2,109	1,046	361	341		
Estimated numbers To be confirmed						
No titles to be issued						