Before the Independent Hearings Panel
At Central Otago District Council

Under the	Resource Management Act 1991 (**RMA** or **Act**)
In the matter of	an application for subdivision and land use consent to establish another 44 residential allotments in the rural resource area at 112 & 144 Ripponvale Road, Cromwell (RC250155)
And	**New Zealand Cherry Corp (Leyser) LP**
	Applicant

Evidence of Fraser Colegrave – Economics

23 July 2026

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Introduction

1 My full name is Fraser James Colegrave.

2 I am an economic consultant and the managing director of Insight Economics, a boutique consultancy that I founded in 2013. Prior to that, I was the founding director of another economic consultancy, Covec Limited, for 12 years.

3 I hold a Bachelor of Commerce (first-class honours) in economics from the University of Auckland, where I was awarded many prizes and scholarships for academic excellence.

4 I have 28 years' commercial experience, the last 25 of which I have worked as an economic consultant. During that time, I have successfully completed more than 600 projects across a wide range of sectors and have helped gain planning approval for numerous projects and developments worth more than $30 billion.

5 My main areas of expertise are property development, land-use, market supply and demand, and local infrastructure funding. I have undertaken extensive work in these areas for dozens of New Zealand's largest public and private sector organisations.

6 Current and recent clients include Argosy Property, Calder Stewart, Fletcher Building, Fulton Hogan, Harvey Norman, Infinity Group, Kāinga Ora, Kiwi Property, Mike Greer Homes, Millbrook, Ngāi Tahu Property, Sanderson, Skyline, Templeton Group, Tramco, Universal Homes, and Woolworths NZ.

7 Over the last 15 years, I have helped gain consent for major greenfield and brownfield developments yielding 50,000 new homes, and thousands of hectares of additional business land.

8 Currently, I am involved in several other private plan changes and Fast-track applications in the Otago sub-region, so I have a good understanding of the local economic environment from both a housing and business land perspective.

9 More generally, I have presented expert economic evidence at more than 120 hearings before Councils, Boards of Inquiry, Independent Hearing Panels, the Land Valuation Tribunal, the Environmental Protection Agency, the Environment Court, the Family Court and the High Court.

10 I have prepared this brief of evidence in relation to an application by the Applicant to the Central Otago District Council (**CODC** or **Council**) for subdivision consent and land use consent (RC250155, **Application**) to establish an additional 44 residential allotments in the Rural Resource Area (5) (**RRA(5)**) at 112 & 144 Ripponvale Road, Cromwell (**Site**).[1]

[1] Legal Description(s): Section 54 Block III Cromwell Survey District, Section 26, 100 Block III Cromwell Survey District, Section 27-28, 96, 99, 102 Block III Cromwell Survey District, Lot 2 Deposited Plan 330709 and Section 4, 11, 98, 101, 103 Block III Cromwell Survey District and Part Section 5, 25 Block III Cromwell Survey District and Part Run 1201R.

Code of conduct

11 Although this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in Part 9 of the Environment Court Practice Note 2023. I have complied with it in preparing my evidence. I confirm that the issues addressed in this statement of evidence are within my area of expertise, except where relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

Scope of evidence

12 My evidence will address the following:

(a) the proposal and its economic context;

(b) Cromwell's recent growth and its status as an urban environment;

(c) the local market for rural residential living and the demand that this proposal helps to meet;

(d) the economic benefits of the proposal, including its effects on land-use efficiency, infrastructure efficiency, and competition and choice;

(e) the economic matters raised in the section 42A report; and

(f) my overall conclusions.

Executive summary

13 I have been asked to assess the economic merits of the proposal to enable an additional 44 residential lots within the existing, master-planned Shannon Farm development at Ripponvale, on the western edge of Cromwell. These proposed lots are over and above the 160 already consented for the site, lifting its total yield to 204.

14 Cromwell is one of the fastest-growing parts of the South Island, with the Ward's resident population growing by 4.7% annually since 2013, and its employment growing by 4.9%. Consents granted for new dwellings have averaged 190 over the past 10 years, nearly double the rate of previous decades.

15 This growth is driven by local employment, particularly in horticulture and construction, reinforced by spill-over from Queenstown, and by continued lifestyle and retirement migration. The Council's own projections have the Cromwell Ward growing from about 9,840 residents in 2021 to around 14,200 by 2034 and over 20,500 by 2054. On these numbers, Cromwell already forms part of a housing and labour market of more than 10,000 people.

16 There is also clear demand for the type and size of product that the proposal will deliver. Of the 1,020 large-lot residential and lifestyle properties currently in Cromwell and its surrounds (between 1,000 m^2 and 10 hectares), nearly half have only 1,000 - 3,000 m^2 of land. Demand for larger sites is therefore concentrated heavily towards the lower end of the spectrum, which is exactly the market segment that the proposal is targeting. The rapid take-up of the first stages of Shannon Farm also directly confirms strong market demand for this type of housing in this location.

17 In my view, the proposal delivers real economic benefits. It puts land to a higher and better use within an area already anticipated for this form of development, it makes efficient use of infrastructure that has already been planned and consented, and it adds competition and choice to a segment of the market that is thinly served. Moreover, because the proposal's lots are still much larger than those being delivered elsewhere in Cromwell, it complements those developments, rather than competing with them.

18 The reporting officer gave the Applicant's demand case limited weight because it was not supported by updated, Application-specific economic evidence. This brief seeks to fill that gap in conjunction with the evidence of **Mr Paul Croft**. It shows in any case that the proposal will deliver positive economic effects without imposing any material economic costs.

19 Accordingly, I support the Application on economic grounds.

The proposal in economic terms

20 The Applicant seeks consent to create an additional 44 residential lots within the existing Shannon Farm development on the western edge of Cromwell. Shannon Farm sits on land that was rezoned in 2022 through Plan Change 14, which created a bespoke rural resource area for the development. The site is currently supported by a structure plan and corresponding subdivision consent anticipating 160 residential lots.

21 The proposal yields the extra lots by refining three of its rural lifestyle areas (RLA 3, 4 and 6), along with a related change to the conditions of the existing consent (RC220396). The Application increases the total number of lots by about 27.5%, and that net gain is the focus of this evidence.

22 The 44 additional lots range from about 1,770 m^2 to 6,895 m^2, with average sizes by RLA of roughly 2,400 to 3,400 m^2. These sizes are smaller than the current minimum lot sizes for these stages (4,000 m^2 in RLA 3 and 8,000 m^2 in RLA 4, with RLA 6 otherwise held as a single lot), but they align closely with where recent market demand falls. In economic terms the proposal is best understood as right-sizing the product to match proven demand within a site that is already master-planned and serviced.

Cromwell's growth story

23 Cromwell is one of the fastest-growing places in the South Island and has led the district's growth for many years. For example, its resident population has grown by 4.7% annually since 2013, nearly three times faster than growth across the rest of the district; and its employment has grown by 4.9% annually, 11 times faster than for the rest of the district.

24 Much of this growth story is employment-led. Cromwell overtook the Vincent Ward as the district's largest source of jobs in 2021, having had only half as many two decades earlier. Horticulture has been a particular driver, with agricultural employment also growing rapidly in recent years. Construction, retail and manufacturing round out a broad and deepening local economy, with around 6,800 jobs now located in the Cromwell Ward.

25 Housing numbers tell a similar story. The Cromwell Ward has consented about 3,830 new dwellings since 1991. Over the past 10 years, an average of 190 new dwellings were consented annually, nearly double the rate of the 2000s and around five times the rate of the 1990s. Annual new dwelling consents have consolidated at 150 to 175 over the past few years despite acute downturns nationally, indicating that local housing demand is highly durable, not a passing phase.

26 The Council's 2022 growth projections also expect this to continue. Under the medium projection, the Cromwell Ward grows from about 9,840 residents in 2021 to around 14,200 by 2034 and over 20,500 by 2054. Dwelling numbers are projected to rise by around 2,100 between 2021 and 2034 and by around 5,100 in total by 2054. The underlying drivers of that projected growth are expected to persist and include (amongst other things) Cromwell's high local amenity, employment opportunities, housing affordability relative to Queenstown, and continued lifestyle and retirement migration.

27 Finally, Stats NZ's latest official projections, released in late 2025, indicate strong population growth across both the Cromwell SA3, which spans the urban core, and the wider Ward. Under the medium scenario, the population is expected to grow by just over 2% per annum over 30 years in the urban core and by just over 1.8% for the ward more broadly. Table 1 provides the details.

28 In short, Cromwell's growth is strong and sustained, and it is underpinned by a diverse and expanding local economy. As a result, there is a need for a steady and varied supply of new housing to accommodate a growing workforce, families and retires to keep pace and ensure that the area can reach its full potential.

Table 1: Cromwell Population Projections (Stats NZ 2023-base projections)

Cromwell **SA3** (urban core)	Low	Medium	High
2023	7,060	7,060	7,060
2028	7,940	8,190	8,690
2033	8,820	9,310	10,300
2038	9,620	10,350	11,870
2043	10,330	11,280	13,370
2048	10,960	12,170	14,760
2053	11,500	12,960	16,140
30-yr change	**4,440**	**5,900**	**9,080**
CAGR	1.64%	2.05%	2.79%
Cromwell **Ward**	Low	Medium	High
2023	10,370	10,370	10,370
2028	11,440	11,790	12,520
2033	12,460	13,180	14,600
2038	13,400	14,470	16,640
2043	14,240	15,640	18,600
2048	14,980	16,760	20,460
2053	15,630	17,790	22,290
30-yr change	**5,260**	**7,420**	**11,920**
CAGR	1.38%	1.82%	2.58%

Cromwell as an "urban environment"

29 The National Policy Statement on Urban Development 2020 (**NPS-UD**) applies to urban environments. The NPS-UD defines an 'urban environment' as:

> any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that:
>
> (i) is, or is intended to be, <u>predominantly</u> urban in character; and
>
> (ii) is, or is intended to be, part of a housing and labour market of at least 10,000 people.

30 Appendix 1 of the NPS-UD identifies Tier 1 and Tier 2 urban environments across New Zealand. These urban environments are generally not limited to land that is only zoned urban. In my experience, they commonly include parks, reserves, rural land, open space, and other undeveloped areas within their boundaries. Urban environments are instead often defined by their functional relationship for providing for a housing and labour market of at least 10,000 people, rather than a fragmented approach which would occur if a Council was required to look at the character or zoning of every parcel of land.

31 The question of whether an area falls within an "urban environment" is ultimately a matter of planning opinion and legal interpretation. However, in terms of (ii) I consider Cromwell is either currently part of or is intended to become part of a housing or labour market of at least 10,000 people. The Cromwell Ward had around 9,840 residents in 2021 and, on the Council's medium projection, passed 10,000 by 2024. The urban core of the Ward, made up of the Cromwell East and Cromwell West statistical areas, is projected to grow from around 7,060 residents in 2023 to around 10,350 by 2038 on the medium projection, and to over 10,000 sooner on the high projection.

32 Importantly, the definition spans the size of the combined housing and labour market, not just the resident population alone. According to Stats NZ data, the Ward had 10,900 usual residents and 6,780 workers in 2025, with 2023 Census data further indicating that about one in six Ward jobs is filled by someone living outside the Ward. This suggests that the size of the combined housing and labour market in 2025 was more than 12,000 people.

33 The corresponding figure for the two statistical areas that comprise urban Cromwell was 8,500 people in 2025, but is set to exceed 10,000 within the next five years under the Stats NZ medium population projection.[2] Much of the inward worker flow to the Cromwell urban area comes from the rest of the Ward's mainly rural areas, which wrap around the town and include Ripponvale.

34 Accordingly, I consider that Cromwell is, or is soon expected to be, part of a housing and labour market of at least 10,000 people. The NPS-UD is therefore relevant context for assessing the proposal. Further, since Cromwell is neither a Tier 1 nor Tier 2 urban environment (as identified in NPS-UD Appendix 1), it is instead Tier 3.

35 The Application aligns with the enabling intent of the NPS-UD. The proposal will increase development capacity, support competition in the housing and land market, and provide additional housing choice in Cromwell. Those outcomes are consistent with objectives and policies of the NPS-UD to achieve well-functioning urban environments that enable a variety of homes that meet the needs, in terms of type, price and location, of different households.

36 I am aware that the reporting officer considers that the NPS-UD does not apply because the proposal is ostensibly for a rural lifestyle development, rather than one more urban in nature.

37 While I have considered alignment with the NPS-UD, the economic merits of the proposal do not depend on Cromwell being classified as an urban environment under the NPS-UD.

[2] Under the High scenario, it will reach that figure sooner, and vice versa under the Low scenario.

The local market for rural residential living

38 To examine market demand for the type of housing enabled by the proposal, I analysed *PropertyGuru* data for all existing properties in Cromwell, Bannockburn and Lowburn as at 17 July 2026. I focused on residential and lifestyle properties with land of 1,000 m² to 10 hectares. This deliberately screens out smaller sections that make up much of Cromwell's housing, leaving the larger-lot and rural-residential segment that this proposal is targeting.

39 The final sample contained 1,020 properties, including both developed and vacant sites. Despite the sample spanning a large range of land sizes, nearly half of the properties (49%) had only 1,000 to 3,000 m² of land (see Figure 1 below). This reflects the fact that, within the market for larger residential sections, demand is highly concentrated at the smaller end of the range. This helps explain the economic rationale for the proposal.

40 In my view, and from a market perspective, the clearest evidence of demand comes from Shannon Farm itself. Of the first 49 lots marketed there, 44 have sold quickly, with around a dozen evidently going to building companies intending to construct show homes.[3] I understand that take-up has been strongest at around 1,500 to 1,600 m², and roughly half the lots sold have averaged close to 1,750 m². That is a direct market signal that the minimum lot sizes set through Plan Change 14 were larger than buyers want now, and that there is genuine demand for the segment served by the proposal.

41 This market feedback is corroborated by the evidence of **Mr Croft** and by the attached letter from **Barrett Homes**. **Mr Croft's** evidence records that 45 of the 49 Stage 1 sections have sold unconditionally, that six of the 63 sections recently released through a soft launch sold within a couple of weeks, and that eleven building companies have committed to establishing show homes at Shannon Farm, which is expected to be one of the largest show home villages in the wider South Lakes area.

42 Similarly, Barrett Homes, which builds around 150 homes a year nationally and more homes in Central Otago than any other builder, confirms that demand for rural residential sections in Cromwell continues to exceed the supply of available land, that suitable sites over 1,500 m² are very hard to find, and that there is a real need for sections of around 1,500 to 3,000 m². In its view, the allotments proposed here strike an appropriate balance between providing generous living environments and making efficient use of land, and align well with current market preferences. These independent market observations directly reinforce my own analysis of demand.

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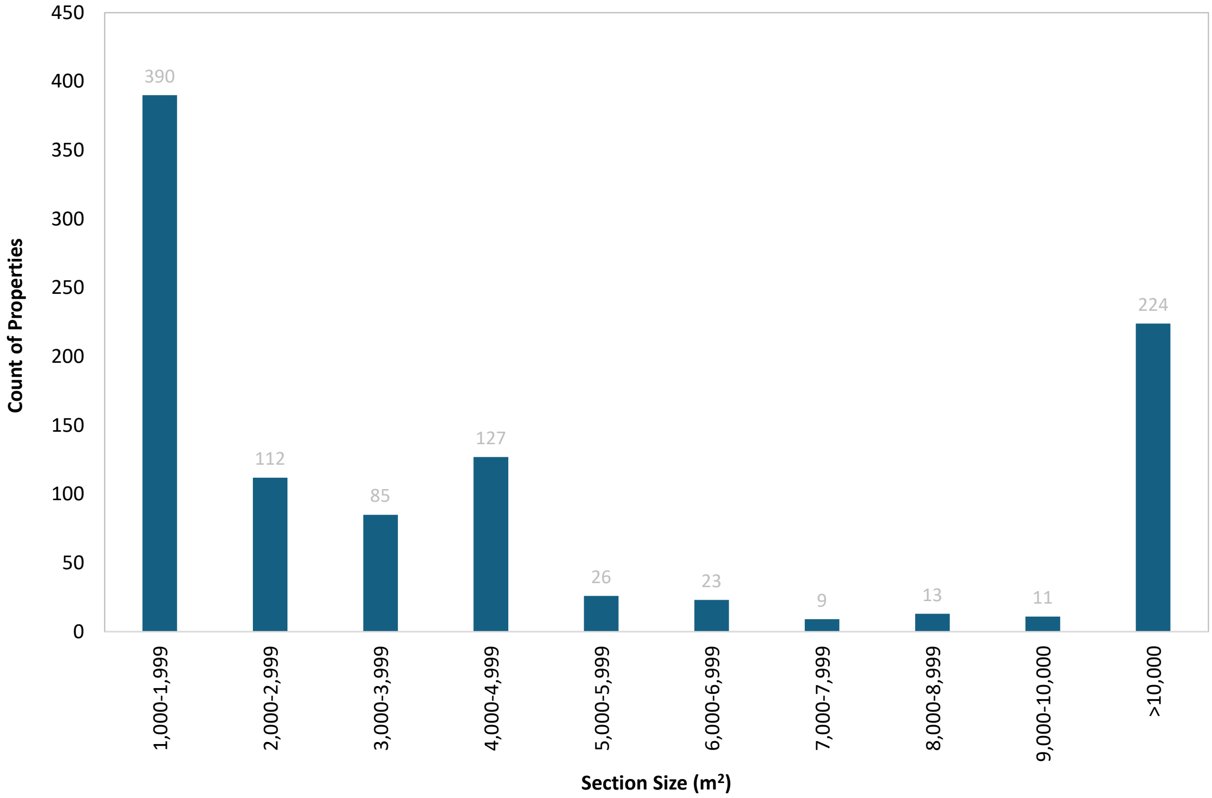
[3] This commitment by building companies is itself a strong signal of demand, given the significant costs involved in constructing show homes purely for marketing purposes.

Figure 1: Section Sizes for Existing Residential/Lifestyle Properties between 1,000 m² and 10 hectares



Economic benefits of the proposal

Land-use efficiency

43 The proposal puts scarce land to a higher and better use. The Site is a former farm and orchard holding with limited water available for commercial horticulture beyond the adjoining cherry extension, so its opportunity cost in productive terms is low. Reallocating it to residential use, within an area already identified and zoned for that form of development, moves the land closer to its highest and best use, which is a precondition for economic efficiency in the underlying land market. The proposal represents only a modest refinement of an already-anticipated use, not a wholesale change in kind.

44 The reporting officer accepts that effects on productive land are no more than minor, and I agree. In economic terms, the loss of productive potential is immaterial.

Infrastructure efficiency

45 The additional lots sit within a development that has already been master-planned, consented and designed for reticulated servicing. Delivering more homes within that footprint spreads the cost of trunk infrastructure across more households, which lowers the cost per household and makes fuller use of assets that are already committed. The Council's Three Waters staff have confirmed that the additional 44 lots would not materially affect servicing capacity. Meeting this demand here, rather than through scattered

subdivision elsewhere, also reduces the call on new public infrastructure and the financial risk that this carries for the Council.

Competition and choice

46 Competition is the cornerstone of economic efficiency. Adding supply of a sought-after product strengthens competition among landowners and developers, which gives them a greater incentive to bring sections to market promptly and at reasonable cost. Where supply is tightly constrained, landowners gain a degree of market power that lets them charge more and release land more slowly, both of which work against affordability. By adding genuine choice at the smaller-lot end of the rural-residential market, the proposal helps that market stay responsive and competitive.

47 Importantly, the proposal does not come at the expense of other developments nearby. Those developments are delivering smaller urban sections aimed at a different part of the market, whereas the lots proposed here serve buyers seeking a larger, semi-rural setting. The two are complements rather than substitutes, so enabling this proposal broadens the overall range of housing on offer around Cromwell without drawing demand away from other projects.

Consolidation rather than ad hoc subdivision

48 There is very little rural-residential supply around Cromwell beyond occasional ad hoc subdivision, and on-site wastewater constraints limit how much of that can occur. Left unmet, demand of this kind tends to express itself as scattered subdivision across the rural fringe, or is lost from the district altogether as households look elsewhere. Concentrating a credible quantity of supply within an existing, serviced, master-planned development is the more efficient outcome. It consolidates growth, avoids fragmentation of the surrounding rural land, and keeps new households close to Cromwell's shops, services and jobs.

Response to matters raised in the section 42A report

49 My evidence is directed at the economic matters in the section 42A report. I do not address landscape, visual or character effects, including those relating to RLA 6, which are outside my expertise and are covered by others.

50 The reporting officer accepted that the Applicant's information indicates demand for rural lifestyle allotments within Shannon Farm, but gave it limited weight in the absence of updated expert economic or housing evidence prepared specifically for this Application. This brief provides that evidence in conjunction with the evidence of **Mr Croft** and the attached letter from **Barrett Homes**. The analysis above is current, specific to this Application, and quantified. On the strength of that analysis, the demand the proposal responds to is real and present, and in my opinion the positive economic effects should carry commensurate weight in the overall assessment.

51 The officer was also concerned that granting the proposal could weaken the integrity of the Plan Change 14 framework by revisiting its yield and density controls. I approach that question as an economist rather than a planner. The minimum lot sizes in the affected stages were settled several years ago and have been overtaken by demand that has concentrated at smaller lot sizes than anticipated. The proposal adjusts the product mix within the same master-planned site to match that demand. The increment is modest, 44 lots over the 160 already consented, an increase of about 27.5% within a development that is already committed. The economic case for doing so rests on the specific circumstances of an area that is already zoned, serviced, and consented for this form of development, so it does not create open-ended pressure for intensification elsewhere.

52 The officer accepted that servicing, productive land, reverse sensitivity and related matters are no more than minor. I agree, and from an economic perspective, I see no material economic costs of such sorts to weigh against or defray the benefits that I have described.

Conclusion

53 Cromwell is experiencing strong and sustained growth, led by employment, and (arguably) already forms part of a housing and labour market above the 10,000-person threshold that defines an urban environment.

54 There is clear and current demand for rural-residential living around Cromwell, concentrated at the smaller-lot end of the market. The proposal helps meet that demand, and the strong take-up of the early Shannon Farm stages confirms the appetite is real.

55 The proposal delivers genuine economic benefits. It puts land to a higher and better use, makes efficient use of infrastructure that is already planned and consented, and adds competition and choice to a segment that is otherwise poorly served, all without undermining the other developments underway around Cromwell.

56 The updated, Application-specific economic evidence that the reporting officer identified as missing is now before the Panel, and it supports the Application.

57 For these reasons, I support the Application on economic grounds.

Dated this 23rd day of July 2026

Fraser James Colegrave