

**BEFORE THE INDEPENDENT HEARING PANEL APPOINTED BY THE
QUEENSTOWN LAKES DISTRICT COUNCIL**

UNDER the Resource Management Act 1991 (RMA)
IN THE MATTER of the Te Pūtahi Ladies Mile Plan Variation in accordance
with section 80B and 80C, and Part 5 of Schedule 1 of the
Resource Management Act 1991.

**JOINT STATEMENT OF ECONOMIC EXPERTS IN RELATION TO TE
PŪTAHI LADIES MILE PLAN VARIATION**

DATED 2 NOVEMBER 2023

Introduction

- 1 This joint witness statement (**JWS**) records the outcome of conferencing of economic expert witnesses in relation to the Te Pūtahi Ladies Mile Plan Variation (**TPLM Variation**).
- 2 The expert witness conferencing was held on Tuesday 31st October 2023, at Queenstown Lakes District Council Shotover Street office. Paula Costello facilitated the conferencing in person.
- 3 Attendees at the conference were:
 - (a) Natalie Hampson.
 - (b) Susan Fairgray.
 - (c) Philip Osborne.
 - (d) Tim Heath
 - (e) Adam Thompson.
 - (f) Tamba Carleton.

Code of Conduct

- 4 This JWS is prepared in accordance with sections 9.4 to 9.6 of the Environment Court Practice Note 2023.
- 5 We confirm that we have read and are familiar with the Environment Court Practice Note 2023 and agree to abide by it.

Key information sources relied on

- 6 The following material has been reviewed by and/or relied upon by all attendees when coming to our opinions:
 - (a) The TPLM Variation (and associated documents);
 - (b) The evidence of Susan Fairgray, dated 29 September 2023;
 - (c) The evidence of Natalie Hampson, dated 29 September 2023;
 - (d) The evidence of Philip Osborne, dated 20 October 2023;
 - (e) The evidence of Tim Health, dated 20 October 2023;
 - (f) The evidence of Adam Thompson dated 20 October 2023;
 - (g) The evidence of Tamba Carleton dated 20 October 2023;

- (h) The relevant parts of the Section 42A Report as it touches on economic issues (**s42A Report**);
 - (i) The QLDC PDP definitions of RVA and Visitor Accommodation
- 7 The key facts and assumptions we have agreed on when coming to our opinions are as follows:
- (a) 'Medium density' refers to built form including terraces, duplex, low rise walk up apartments being comprised of 2-3 storeys, while 'high density' relates to apartments with 4+ storeys

Purpose and scope of conferencing

- 8 The purpose of conferencing was to identify, discuss, and highlight points of agreement and disagreement in relation to economics relevant to the TPLM Variation, and identify any technical drafting changes to the proposed District Plan provisions (and the reasons for those changes).
- 9 **Attachment A** records the agreed issues, areas of disagreement and the reasons, along with any reservations.

Dated: **2 November 2023**



Natalie Hampson



Susan Fairgray



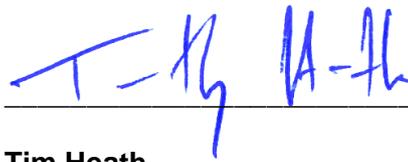
Tamba Carleton



Philip Osborne



Adam Thompson



Tim Heath

ATTACHMENT A – EXPERT CONFERENCING ON ECONOMICS

Participants: Natalie Hampson (NH), Susan Fairgray (SF), Philip Osborne (PO), Tim Heath (TH), Adam Thompson (AT), Tamba Carleton (TC)

Issue	Agreed Position	Disagreements or reservations, with reasons
<p>1. Queenstown housing market generally, including:</p>	<p>The experts agree that;</p> <p>Greater diversity (price, type & location) of housing stock in Queenstown is needed</p> <p>As a general principle, like other places in New Zealand, Queenstown will benefit from having competition in the housing market</p> <p>The housing market is growing fast</p> <p>The Southern Corridor and Eastern Corridor have been identified for future growth which are logical locations for growth</p> <p>Historically, restricted supply and expectation of land value increases in the Queenstown Lakes District has resulted in land trading or section trading, which has dampened the supply of dwellings to the market</p> <p>General agreement that the Medium Density typologies (terrace, duplex and low rise walk up) are currently</p>	<p>Adam Thompson – is of the view that:</p> <p>a. having additional greenfield developers competing in the market will lead to greater housing supply; and</p> <p>b. that insufficient competition between greenfield developers is the reason that housing prices have continued to increase despite the the HBA concluding there is sufficient capacity; and</p> <p>c. A higher proportion of future housing will only be apartments if house prices continue to increase and remain unaffordable.</p> <p>Susan Fairgray, Phillip Osborne, Tim Heath, Natalie Hampson & Tamba Carleton - disagree with Adam Thompson in respect of the above,</p>

	<p>feasible and reasonably expected to be realised within the short term</p> <p>That there is a strong market for stand-alone / terrace houses. Currently a small proportion of the market is for high rise and low rise (walk up 2/3 storeys) apartments</p> <p>All experts except Adam Thompson agree that a higher proportion of the future housing stock will be apartments in the future.</p>	<p>as there are other factors (e.g. increase in market size, and changed relativities within the market) which can also increase apartment feasibility.</p> <p>Tim Heath – does not consider a current snapshot of feasibility is relevant to the merits of the variation given the significant shifts in the underlying feasibility metrics currently playing out in the market</p>
<p>2. Appropriateness of TPLM Variation area for residential development generally:</p>	<p>The experts agree that:</p> <p>The variation provides for a good economic outcome in terms of the Queenstown housing market as it provides for additional housing supply and choice in an efficient location</p> <p>It is what is <i>realisable</i> that is important when discussing the merits of the provisions of the variation, and what is realisable will change over time</p> <p>Low rise apartments, terraces and duplexes are likely to be realised in the short term. Providing development opportunity for these kind of typologies in this location now is appropriate.</p>	<p>Adam Thompson - is of the view that</p> <ul style="list-style-type: none"> a. A higher proportion of future housing will only be apartments if house prices continue to increase and remain unaffordable. This is because apartments are significantly more expensive per sqm than other types of housing; and b. that the demand for low rise apartments is only small in the short term

<p>a. For Higher density residential development (including apartments)</p>	<p>The experts agree that:</p> <p>There is a limited current commercial market for higher density (4+ storeys) in this location</p> <p>Other parts of the market (e.g. Kainga Ora, retirement villages) may be able to realise higher density development in a shorter time period (sooner than the commercial market)</p>	<p>Tamba Carleton – believes that TP LM is not market attractive for 4+ storey apartment development now or in the future as it is remote from the required level of amenity.</p> <p>Susan Fairgray / Natalie Hampson – view on high density residential development is that while there is limited commercial potential for these dwellings in the current market, in this location, this may increase in the long term.</p>
<p>3. Residential Visitor Accommodation</p>	<p>All experts except Adam Thompson:</p> <p>Support higher density typologies in the HDR being able to contain residential visitor accommodation (RVA as defined in the PDP) given that it increases development feasibility</p> <p>Consider that, if minimum density standards are required for HDR, RVA is a potential method by which to increase the realisation of higher density apartments.</p> <p>Consider that RVA could be enabled within the apartment typologies in the HDR precinct by a consenting pathway, on the same basis as the PDP HDR zone, with externalities to be managed through planning provisions</p>	<p>Adam Thompson – does not agree and considers that RVA may undermine the commercial feasibility and demand due to negative externalities such as noise and a more transient community, and that RVA should be focused on the commercial centres.</p>

	<p>All experts agree that:</p> <p>Commercial <i>Visitor Accommodation</i> is best suited to the Commercial Precinct</p>	
<p>4. Whether TPLM Variation area is required for dwelling capacity in Queenstown</p>	<p>Experts agree that the TPLM Variation area is a component of a wider roll out of dwelling capacity in the short to medium term</p> <p>Not necessarily agreement on 'required'</p>	<p>Adam Thompson- is of the view that the TPLM variation area is required for sufficient development capacity in Queenstown due to the ongoing increase in house prices confirming insufficient capacity.</p>
<p>3. Anna Hutchison Trust Submission and proposed western "Extension Area" to the TPLM Variation area, including:</p>	<p>Experts who had considered this proposed western 'Extension Area' are of the view that:</p> <p>The land is suitable for urbanisation</p> <p>There would be a significant opportunity cost if the land was developed under current zoning (WBRLP)</p> <p>Experts consider that it does fall within the primary catchment area of the Commercial Precinct</p>	<p>Adam Thompson – has not considered this Extension Area, but supports additional residential zoned land as part of the variation to address the District's housing shortage</p> <p>Susan Fairgray – in light of discussions would like to take some time to consider the issue of appropriate density for this Extension Area</p> <p>Natalie Hampson – considers that it may be necessary to consider Medium Density on this site, based on the same approach undertaken in the Intensification Plan Change (accessibility assessment)</p>

<p>a. Effect of Extension Area on notified TPLM Variation precincts</p>	<p>Tim Heath – Considers that the extension area will add economic support and benefits to the Commercial Precinct through additional demand which represents an efficient outcome and would add to/increase residential demand in the TP-LM area.</p> <p>Natalie Hampson – can support the above position of Tim Heath, particularly in the long term</p> <p>All experts agree that the extension area is not critical for the viability of the Commercial Precinct</p>	<p>Susan Fairgray & Natalie Hampson - Consider that any development in this area will provide demand for the Commercial Precinct, but may affect the level of intensification around the centre, in the short to medium term, which may be less efficient than if intensification were to occur in parts of the catchment closer to the Commercial Precinct in that period</p>
<p>a. Effect of Extension Area on achieving NPS-UD objectives and policies</p>	<p>Experts who had considered this proposed western 'Extension Area' are of the view that:</p> <p>The extension area if included, extends the spatial extent of the TPLM Variation area, there is merit in including a neighbourhood centre (i.e. a few shops), on the basis of amenity & services, located at the western end of the TPLM Variation as notified</p>	<p>Adam Thompson – has not considered this Extension Area but supports additional residential zoned land as part of the variation to address the District's housing shortage</p>
<p>b. Effect of Extension Area on land use efficiencies</p>	<p>Experts who had considered this proposed western 'Extension Area' are of the view that:</p> <p>The extension has efficiency benefits</p> <p>The area is efficiently located with regard to the employment hub at Frankton</p>	<p>Adam Thompson – has not considered this Extension Area but supports additional residential zoned land as part of the variation to address the District's housing shortage</p>

<p>4. Appropriateness of minimum dwelling densities in Medium and High Density Residential precincts.</p>	<p>The experts (except Adam Thompson, and as noted in the adjacent column), agree that:</p> <p>There are benefits in providing the opportunity to provide for High Density within the HDR precinct as part of the dwelling mix</p> <p>The high density housing is a long term proposition, not currently realisable, and is more likely to be realisable in the long term.</p> <p>Agree that the minima provides for flexibility for a range of dwelling types within the HDR</p> <p>That the current minima could lead to some economic costs, for example, it may result in a lower average density and lower yield, dispersed pockets of taller buildings and potentially lots remaining vacant due to high density apartment development not becoming realisable.</p> <p>That the development pattern in the HDR could be similar across 80-90% of the land area under the QLDC proposed density minima of 60 du/ha gross versus an alternative density minima of 60du/ha net (40-45 du/ha gross)</p>	<p>Tamba Carleton does not agree that commercial market led high density will be realisable and as a result considers that the density minima is too high.</p> <p>Susan Fairgray - does not withdraw support for the minima, however considers that there may also be other appropriate methods that provide for / achieve high density dwellings within the overall dwelling mix</p> <p>Tim Heath & Phillip Osborne record that they have not considered this matter of (gross / net comparison). Adam Thompson disagrees as there is no certainty around the lot sizes that will be achieved across the 80-90% of the land area.</p>
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	<p>Experts consider that it is important to ensure the medium density development within the HDR is not hindered in the short to medium term by the requirement to achieve the minima</p>	<p>Adam Thompson – does not agree as considers that there are costs with regard to land remaining unutilised for extended periods of time</p> <p>In general Adam Thompson does not support the dwelling density minima and maxima approach and considers that-</p> <ul style="list-style-type: none">a. high density housing will not be realisable unless house prices increaseb. the current minima can be circumvented (i.e. a developer could mostly subdivide larger lots and one small apartment building to achieve the minima yield however not intend to actually build the apartment building)c. Minima & maxima, and use of gross du/ha does not account for individual site constraints (suitable land for development varies site to site) and may ultimately result in poor outcomes <p>Adam Thompson - does not support minima in either HDR or MDR zones, rather supports a maximum lot size of circa 250m² for the MDR and 200m² for the HDR.</p>
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<p>5. Alternative to minimum dwelling densities, in particular imposing minimum and maximum lot size within Medium and High Density Residential precincts</p>	<p>Suggested alternatives as follows:</p> <p>Adam Thompson – supports maximum lot sizes (circa 250m² for the MDR and 200m² for the HDR) as an alternative as this enables developers to do the maximum density at any point in time that is possible in the market, ensure competition leads to a range of dwelling types and prices, and ensure the area is developed quickly.</p> <p>Susan Fairgrey- potentially identifying sites that are nominated to contain high density (e.g. certain number of storeys)</p> <p>Tamba Carleton – supports a lower minima in the HDR</p>	<p>Susan Fairgray & Phillip Osborne - do not agree with this approach suggested by Adam Thompson, as consider it is likely to result in a development pattern that is less likely to deliver a range and mix of dwelling types</p>
<p>6. Flints Park Stage 1</p> <p>Proposed additional 0.6ha Commercial Residential Water tanks</p>	<p>Experts (except Adam Thompson) consider that:</p> <p>That 0.6ha, within its relevant proximity to the central area of the Variation and adjacent to the Glenpanel Precinct in of itself would not have any material impact on the objectives of the variation as a whole</p> <p>There is insufficient knowledge of the proposal and economic costs and benefits to provide meaningful discussion</p>	<p>Adam Thompson – has reviewed the proposal and understands that the extension enables water infrastructure to be supplied over the short term and this has significant economic benefits for the wider variation area</p>

	Not able to make conclusions in terms of economic costs/benefits of proposed land use within the ONF	
Retail Economics		
7. Maryhill Submission Proposed commercial up to-300m2 permitted within HDR	The experts; Do not support permitted or discretionary activity for 100-300m2 commercial activity within HDR	Tim Heath – also has concerns with the permitted standard for 100m2 commercial across the entire HDR in terms of effect on the Commercial Precinct Tamba Carleton- has not considered this matter
8. Doolytle & Son Ltd Submission	The experts; Do not support the proposal as promoted by the submission for reasons including that: <ul style="list-style-type: none"> - The site is too close to existing and proposed centres - Competes with the proposed Commercial Precinct - Unsupported by demand evidence 	Adam Thompson – has not considered this matter Tamba Carleton – has not considered this matter
9. Role of TPLM Zone Commercial Precinct within primary and secondary catchments	The experts agree that; The Commercial Precinct will function as a local centre that will provide for day to day needs and some	

	additional employment opportunities in the Eastern Corridor	
10. Anna Hutchinson Trust Submission and proposed western “Extension Area” to the TPLM Variation area, including:		
a. Effect of Extension Area on notified TPLM Zone Commercial Precinct	<p>The experts agree that;</p> <p>The extension area if included, extends the spatial extent of the Variation area, on this basis there is merit in including a neighbourhood centre (i.e. a few shops), providing amenity & services, located at the western end of the TPLM Variation as notified</p>	Adam Thompson – has not considered this matter
11. Visitor accommodation provisions in Commercial Precinct	The expert support the position as per the s42A recommendation	Adam Thompson – has not considered this matter
12. Provision for Service Stations	<p>The experts:</p> <p>Support the position as per the s42A recommendation</p>	Adam Thompson – has not considered this matter

	<p>Agree that a consent pathway for Service Stations is supported, given the potential for this to contribute to self sufficiency & day to day needs</p>	
<p>13. Maryhill submission</p> <p>Storage Precinct (5000m2) Sub Area E</p>	<p>The experts agree that:</p> <p>A storage facility helps meet day to day needs and supports High Density living</p> <p>The cost to dwelling yield is considered marginal given the scale of displacement of dwelling capacity from HDR</p> <p>Considered to be minor benefits and costs</p> <p>By allowing both uses within the proposed overlay, the commercial market will decide, which is appropriate</p>	<p>Adam Thompson – has not considered this matter</p>