

**BEFORE THE INDEPENDENT HEARINGS PANEL
IN QUEENSTOWN**

IN THE MATTER OF the Resource Management Act 1991 ("RMA")

AND

**IN THE MATTER OF the Inclusionary Housing Variation ("Variation") to the
Queenstown Lakes Proposed District Plan ("District Plan")**

**STATEMENT OF EVIDENCE OF JULIAN BRADWELL COOK
for NORTHLAKE INVESTMENTS LIMITED
(Submitter No. 129)**

Background

1. My full name is Julian Bradwell Cook. I am a Board Director of Winton Land Limited (**Winton**) and the Director of Retirement for Winton's retirement division (**Northbrook**). I am authorised to give this evidence on behalf of Northlake Investments Limited (**NIL**) which is a subsidiary of Winton.
2. Prior to joining Winton I held senior leadership positions within Summerset Group Holdings Limited (**Summerset**) from 2010 to 2021 including the roles of Chief Financial Officer from 2010 through 2014 and subsequently Chief Executive Officer from 2014 through to 2021. Summerset is the second largest retirement village and aged care operator in New Zealand with around 6,000 residents.
3. In my role at Summerset I oversaw the company's transition to become a publicly listed company on the NZX and ASX, and to grow from \$300M market valuation to \$2.4B. I chaired or sat on the development and design control groups responsible for design of new villages being built. This included compliance with legislative and regulatory requirements and customer and staff focused design principles. Over this period Summerset opened 13 new retirement villages with another eight villages in the process of planning and development for future opening.
4. Prior to 2010, I was an Associate Director with Macquarie Group for over 12 years, gaining significant experience in the energy, industrial services, tourism and aged care sectors. I hold a Master of Applied Finance and Bachelor of Arts from Victoria University, and a Master of Science and Bachelor of Science from the University of Waikato.
5. I am also the chairman of Sky City Entertainment Group and a director of WEL Networks.
6. Winton is in the process of consenting and developing a long term, later living division of its property development business known as "Northbrook". At present Winton has five Northbrook sites under various stages of development, comprising:
 - a. Northbrook Wanaka (circa 130 units) – resource consent obtained with construction under way. Village opening scheduled for 2025.
 - b. Northbrook Wynyard in the Auckland CBD (circa 155 units) – resource consent obtained in March 2023 with construction programmed to commence in 2024.
 - c. Northbrook Arrowtown (circa 196 units) – resource consent obtained with construction likely to commence in 2024 or 2025.
 - d. Northbrook Avon Loop in Christchurch (circa 210 units) – resource consent obtained.

- e. Northbrook Launch Bay in Hobsonville, Auckland (circa 214 units) – resource consent obtained.
7. This Inclusionary Zoning Variation (**IZ Variation**) will not directly affect Winton’s commercial interests. Winton’s Northbrook Wanaka and Northbrook Arrowtown developments are already consented and therefore I understand that they will not be affected by the outcome of this hearing. Winton has no current plans to develop any more retirement villages in the Queenstown Lakes District (although that possibility will exist). Winton’s involvement in this hearing is therefore primarily a matter of principle.
8. Winton understands that the IZ Variation, if approved, will impose a tax on future development of retirement village units (excluding managed care units) for the purpose of affordable housing. A retirement village by its nature is a form of affordable housing. Regardless of the merits of the IZ Variation as a whole, Winton’s position is that a developer which is already providing affordable housing should not be subject to a further tax being levied for the purpose of affordable housing.

Provision of affordable housing

9. One of the primary objectives of a retirement village is to provide ‘retirees’ with housing of a standard and quality which is more affordable than other housing options available to retirees (for the purposes of Winton’s retirement developments, the term ‘retirees’ means persons aged 70 years and over, regardless of whether or not they are still working or are retired). That ‘affordability’ is a consequence of a number of different factors.
10. To understand those factors it is first necessary to understand what a retirement village provides. Obviously the primary component is residential accommodation. That is supported by managed care units which provide aged care services generally comprising rest home and hospital level care and often best-practice secure dementia care services. That is further supported by a wide range of what might broadly be termed as ‘amenity facilities’.
11. The amenity facilities are particularly important to the objective of providing an interesting residential environment which supports the mental health and wellbeing of the residents. By way of example, in addition to ordinary residential units and managed care units, Northbrook Wynyard will provide the following amenity facilities:
- concierge to provide assistance with day to day activities;
 - café;
 - restaurant;
 - bar;
 - private dining room;
 - wellness lounge;

- consultation rooms;
- hair salon;
- yoga studio;
- gymnasium;
- heated indoor pool;
- spa pool;
- infrared sauna;
- health spa;
- residents' lounge and bar;
- wine and whisky library;
- art studio and gallery;
- media room;
- external landscaped terraces and seating areas.

12. It is then necessary to consider the issues which retirees face when considering their living residential accommodation for the remainder of their days. While different retirees will face different issues, the range of issues they might face include:

- a. Living in an existing family home which is overcapitalised for their living requirements and provides more residential space than they actually need;
- b. The cost and effort of house and garden maintenance requirements which they may struggle with;
- c. Transport limitations (such as loss of driving licence);
- d. A lack of other residential facilities within a reasonably proximate distance;
- e. Uncertainty about availability of medical services, particularly dementia care, which may be required in the future;
- f. A fear of adverse medical events such as falling and breaking a hip, and potential difficulties in contacting emergency medical support;
- g. A lack of services to assist them in continuing to live safely in their home;
- h. A lack of neighbours of similar age and lifestyle outlook;
- i. Loneliness which is a growing issue for older people and a key indicator of depression and reduced quality of life.

13. A retirement unit in a development such as Northbrook Wynyard, as described in paragraph 11 above, is more affordable than the residential situation of retirees facing the challenges described in paragraph 12 above, for the reasons described below.
14. There is an inherent difference in value between a freehold property containing an existing residential home and the standard Licence to Occupy retirement unit in a retirement village (involving no ownership of land or buildings). The sale of the freehold property frequently enables retirees to 'downsize' and release capital to meet their future needs. This is particularly the case for retirees who are living in family homes and who do not have significant savings or alternative sources of income.
15. Ongoing property maintenance costs are reduced and create less of a day to day burden for retirees with diminishing energy and/or physical ability.
16. A wider range of residential amenities are available in a much more accessible manner and at less cost.
17. There is the certain knowledge of future availability of aged care facilities which helps to achieve 'peace of mind'.
18. Ongoing levels of support services are available to assist residents in their own homes.
19. Onsite staff provide assistance 24/7 if required.
20. A retirement village provides a residential community of people of a similar range of ages with potentially like minded interests. This provides retirees with a community level degree of support and neighbourhood.
21. The combination of 16, 17, 18, 19 and 20 above leads to an overall outcome of residential wellbeing which is difficult to value in financial terms but is a significant benefit.
22. The retirement village Licence to Occupy legal structure generally involves payment of a 'deferred management fee' when the unit is sold. That deferred payment includes a reimbursement to the developer of a proportion of the original capital cost of the development. That deferral mechanism enables the retirement unit to be marketed at a lower price than would be the case if there was no deferred management fee and if the developer therefore had to recover all capital development costs when the retirement units are initially sold.

Other benefits

23. While not directly relevant to the issue of affordable housing, I note that the development of a retirement village has the following additional benefits for the community within which it is located:

- a. The availability of a retirement village unit often enables residents to remain in their existing community. This benefits the existing community by encouraging the older generation to remain and therefore contribute to the overall wellbeing of the community.
- b. The sale of existing family homes by retirees, in order to move into a retirement village, puts those existing houses back into the marketplace.
- c. By their nature retirement villages often have more residences per unit of area than other residential developments which makes better use of land for development.
- d. Many retirement villages contain a number of smaller one and two bedrooms units. Such units are generally purposely positioned so as to be affordable.

Conclusion

24. The development of retirement villages constitutes the provision of affordable housing to the community, for the reasons detailed above. Winton's position is that, as a matter of principle, fairness and equity, a retirement village development should not be taxed for the purposes of a social benefit when the retirement village itself already provides that social benefit.

Dated 19 December 2023



Julian Bradwell Cook