

From: [Tim Allan](#)
To: [DP Hearings](#)
Cc: [Kristy Rusher](#)
Subject: Response to questions from the Panel - Inclusionary Housing
Date: Saturday, 2 March 2024 10:43:50 AM
Attachments: [PastedGraphic-2.pdf](#)
[Arthurs Point Case study.xlsx](#)

Hi Lynley,

The entire windfall gain discussion probably is probably the result of a discontinuance between the council believing they have created rights for ~27,000 new residential lots and cannot understand why only ~4,000 new lots actually been created. The panel needs more granular information of what is in the pipeline to be so certain supply is not meeting demand and council answers to the following questions would provide a good start.

As at 31 December 2023, how many of lots;

have Resource Consent approval to sub-divide?

have Engineering Acceptance to commence civil works?

have achieved Practical Completion? (The Council might not have this information but could use a date, 1 year after the first site inspection as a proxy)

are awaiting 223 / 224 sign-off?? (ie the period between Practical Completion and final council sign-off)

how many lots have been granted 223 /224 sign-off as a measure of achieving title (This should be the ~4,000 number)

This will give the panel visibility of the pipeline of sections coming onto the market over the next 5 years.

Attached is the information requested by Ken Fletcher in respect of the Arthur Point case study. I have provided a simplified the model so it reconciles easily to the evidence of Mr Eaqub. In my summary of evidence I also corrected for the different number of consented units between the developments but this complexity are other details are not required to establish the magnitude of the error in Mr Eaqubs evidence.

I have also provided a spreadsheet so that the panel can follow up on the material missing costs and the spreadsheet can be populated to arrive at a more correct windfall gain (or loss) for the Bullendale SHA2 development

Kind Regards
Tim Allan
M 021 465 000

Arthurs Point windfall case study

Corrections

		SE evidence		Corrected
Stated Revenue / value		24,332,000		24,332,000
Stated Development Costs				
Lots	88		88	
On-site infrastructure	80,000	7,040,000	165,000	14,520,000
Development contribution	25,000	2,200,000	25,000	2,200,000
Sewerage upgrade		1,000,000		1,000,000
		<u>10,240,000</u>		<u>17,720,000</u>
Claimed windfall gain [Actually Gross Profit]		14,092,000		6,612,000
<i>further corrections</i>				
Less cost of land				<u>3,600,000</u>
				3,012,000
<i>must also deduct</i>				
Resource Consenting Costs				
QLCHT contribution				
Holding costs from land purchase to RC approval				
Fair profit and risk over project definition and Resource Consenting period				
Corrected windfall gain arising on land use change				<u>\$ 3,012,000</u>

This is validated by the fact that SHA2 has not proceeded in the 4 years since the resource consent was granted in 2020.
 Note: This case study is NOT relevant to proposed Plan Change as there is NO uplift from a planning approved land use change.

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