

**Queenstown Lakes District
Proposed District Plan
Section 32 Evaluation Report addendum to the Urban
Intensification Variation**

For:

Lake Hāwea South Intensification

Report dated: 19 July 2023

Contents

1. INTRODUCTION	2
2. DEVELOPMENT OF PROPOSAL	2
2.1. METHODOLOGY	2
2.2. EXCLUSIONS OR PARTIAL EXCLUSIONS TO INTENSIFICATION	6
2.3. COMMUNITY AND STAKEHOLDER ENGAGEMENT	7
2.4. CONSULTATION WITH IWI AUTHORITIES	7
3. PROPOSAL.....	8
4. EVALUATION OF THE PROPOSAL	10
4.1. Objective of the proposal.....	10
4.2. Options to give effect to the Objective	10
4.3. Effectiveness, efficiency, benefits, cost, risk	11
5. ANALYSIS OF PROPOSAL (OPTION 3) AGAINST EXISTING DISTRICT PLAN OBJECTIVES.....	21
6. EVALUATION OF PROPOSED CHANGES TO OBJECTIVES (SECTION 32(1)(A))	21
7. EFFECTIVENESS AND EFFICIENCY OF PROVISIONS IN ACHIEVING THE OBJECTIVES	21
8. MOST APPROPRIATE OPTION	22
9. CONCLUSION	22

1. INTRODUCTION

The purpose of this report is to consider intensification options for the Lake Hāwea South land. This is an addendum to the main section 32 Report for the Urban Intensification Variation (the Variation), and it adopts the broader section 32 assessment and only covers the necessary matters to bring this land into the plan variation.

By way of background, after the section 32 assessment for the plan variation was completed the Environment Court issued a consent order [2023] NZEnvC 110 which resolved an appeal on the Proposed District Plan (PDP) relating to the zoning of land at Lake Hāwea South. The Consent Order amends the zoning to a number of urban zones including the Low Density Suburban Residential (LDSR) zone, the Medium Density Residential (MDR) zone, the Local Shopping Centre (LSC) zone and the Informal Recreation zone. The Consent Order also includes a structure plan and associated changes to the subdivision chapter as well as bespoke rules, requiring road upgrades, limiting density in a small area (Area B on the structure plan) of the LDSR zone as well as individual and combined floor area space restrictions for retail activities within the LSC zone.

Given the change to urban zoning, the Lake Hāwea South land now falls within the Urban Environment for the purposes of the National Policy on Urban Development (NPS-UD). This means the Council is required to consider whether the heights and densities enabled are commensurate with the land's level of accessibility and relative demand (Policy 5), and how the provisions contribute towards enabling a range of housing typologies to contribute to a well-functioning urban environment (Policy 1).

This report therefore considers options to give effect to the NPS-UD (in particular including policy 5) in relation to the Lake Hāwea South land. The options considered are specific to the Lake Hāwea South land, and this report considers any changes needed to the operative provisions (ie the provisions resulting from the Consent Order) to implement the different options. It does not re-evaluate the broader proposed changes to the District Plan chapters that are assessed within the context of the wider changes proposed outlined within the main section 32 assessment for this variation.

Lake Hāwea South is identified in the Queenstown Lakes Spatial Plan 2021¹ as a location for 'future urban' development. The Consent Order has now resulted in this strategic intent being implemented through the Proposed District Plan, and this proposal presents an opportunity to consider the efficient use of Lake Hāwea South for urban development.

2. DEVELOPMENT OF PROPOSAL

2.1. METHODOLOGY

In line with the notified Urban Intensification Variation all of the objectives and policies of the NPS-UD have been considered when considering the proposed variation for the Lake Hāwea South

¹ https://www.qldc.govt.nz/media/imck1zqq/qldc_the-spatial-plan_a4-booklet_jul21-final-web-for-desktop.pdf

land. Both the District Plan zoning extent, and the provisions have been reviewed to determine whether they are considered to give effect to the NPS-UD. To help inform the review, the following work has been completed:

a) Accessibility and Demand Analysis

Barker & Associates (B&A) on behalf of QLDC have updated the Accessibility and Demand Analysis that informs the implementation of Policy 5 of the NPS-UD to include the Lake Hāwea South land. The principal Accessibility and Demand Analysis report has not been updated, but their findings and recommendation as it relates to the Lake Hāwea South land are detailed in Appendix B.

B&A has considered the existing zoning and zone extent (as updated by the Consent Order) and the impact it has on the level of accessibility and relative demand. It is acknowledged that to be consistent with the approach taken in the principal Accessibility & Demand Analysis, only existing accessibility and relative demand should be considered. However, B&A has also looked at potential accessibility given the greenfield nature of the land, the recent release of the Consent Order and the need to align the now-operative provisions that apply to the Lake Hāwea South land with Policy 1. This did not change any of their recommendations.

B&A do not consider that any alteration to the zoning confirmed by the Consent Order is needed for the zoning to meet the requirements of Policy 5 of the NPS-UD. As with their main report, this recommendation is in parallel with the recommended changes to zone provisions to enable more height and densities as outlined below.

It is noted, that over time, as the public or active transport networks expand, or amenities develop (in line with what is enabled by the existing zoning/structure plan) the area will become more accessible and relative demand will increase.

b) Review of PDP Provisions – The Variation and the Lake Hāwea South land

The review of the District Plan provisions incorporated an urban design review undertaken by B&A on behalf of QLDC. B&A has now also considered the land and associated zoning at Lake Hāwea South and their recommendations are detailed in Appendix B.

It should be highlighted that while the variation mainly aims to implement Policy 5 of the NPS-UD, Policy 5 does not stand in isolation and is to be read together with the other objectives and policies in the NPS-UD. Policy 1 is considered to be of particular relevance, it provides direction for achieving a well-functioning urban environment (as highlighted in section 5.3 of the Section 32 report – Intended outcome). It is also necessary to implement the direction set by the higher order PDP provisions (specifically Policy 3.2.2.1) and aim to address the issues outlined in section 5.2 of the main Section 32 report for the Variation.

The review of the PDP provisions as it relates to the Lake Hāwea South land has also taken into account the findings of the s35 Monitoring Report² which compiles data relating to the effectiveness and efficiency of the PDP zones that now apply to the Lake Hāwea South land, and the work completed by Beca on behalf of the Ministry for the Environment³.

² <https://www.qldc.govt.nz/media/anlijvkw/monitoring-report-national-policy-statement-urban-development.pdf>

³ Enabling Growth – Urban Zones Research: Key Observations, Findings and Recommendations prepared by Beca dated 10 August 2018

c) Options Considered

Three options were considered for the Lake Hāwea South land.

Option 1 is the status quo (i.e. the zoning enabled by the Consent Order) and would fit under broader option 7 (status quo) of the broader Urban Intensification variation options considered in the main section 32 report. Options 2 and 3 fit under either option 3 or 4 of the broader Urban Intensification Variation options considered in the main section 32 report, but with each option having different variations of bespoke rules.

The following three options are considered for the Lake Hāwea South land:

Option 1:	Retain the current provisions for Lake Hāwea South. This would require having a bespoke suite of provisions for the LDSR, MDR, LSC zones that only apply to the Lake Hāwea South land.
Option 2:	Apply the amendments to the provisions for the LDSR, MDR, LSC zones proposed by the Variation, but: <ul style="list-style-type: none">• Add bespoke building height rules in the MDR zone to limit height to 8m;• Add bespoke building height rules in the LSC zone to limit height to 10m and retain the current retail floor area restrictions at Lake Hāwea South; and• Retain the bespoke density/minimum lot size of 1 in 800m² in Area B of the Lake Hāwea South Structure Plan (LDSR zone)
Option 3:	Apply the amendments to the provisions for the LDSR, MDR, LSC zones proposed by the Variation, but: <ul style="list-style-type: none">• Add bespoke building height rules in the LSC zone to limit height to 12m and retain the current retail floor area restrictions at Lake Hāwea South; and• Retain the bespoke density of 1 in 800m² in Area B of the Lake Hāwea South Structure Plan (LDSR zone)

d) Capacity Modelling

M.E has modelled and compared the broader Urban Intensification options for the Queenstown Lakes district, this work was undertaken in support of the section 32 report for the variation. M.E has now considered the Lake Hāwea South land, specifically option 3 and option 1 (status quo) above. The report is provided as Appendix A.

The modelling identifies and compares the plan enabled residential capacity that results from the proposed options as well as the commercially feasible residential capacity and the implications for the existing infrastructure capacity and network constraints.

The commercially feasible capacity modelled shows the potential range of development options if they are available to the market. The modelling shows the range of opportunities available, with only a portion of these being likely to be taken up in line with the level of demand in the district.

M.E has also updated the assessment of residential demand versus capacity to include the Lake Hāwea South land.

Lastly, M.E considers if there are any changes to the economic costs, benefits and conclusions to the main report should the land be intensified and provides comments on the LSC zone at Lake Hāwea South.

e) Infrastructure Considerations

Background

The Lake Hāwea township was up-zoned from Settlement zone to LDSR zone through stage 3 of the District Plan review. This has increased the baseline plan enabled additional capacity to 3100 for the existing township based on a land use density of 1 per 300m². The Special Housing Area (SHA) added 480 residential units and the Consent Order has subsequently added another 2040 residential units to the plan enabled capacity (based on a greenfield lot density of 1 per 450m²) or 2673 (based on a land use density of 1 per 300m² in the LDSR zone), of which 1621 is considered commercially feasible or 2254 (if based on a land use density of 1 per 300m² in the LDSR zone).

In total the current plan enabled capacity in Hāwea is 5620 additional residential units, of which 4801 (2700 Hāwea + 1621 Lake Hāwea South + 480 SHA) is considered commercially feasible. This commercially feasible number increases to 5434 if the developer chooses to develop the greenfield (consent order land) to the land use density enabled. This is capacity and does not include the existing established houses in Hāwea.

While much of the zoning is LDSR and already allows for a land use density of 1 residential unit per 300m², this density is more likely to be achieved within the existing urban areas (brownfield land with larger lots) as opposed to greenfield subdivisions (Consent Order land) which, under the baseline scenario, is more likely to develop to a density of 1 per 450m² (as per the current minimum lot size within the LDSR zone).

However, a density of 1 residential unit per 300m² could more easily be achieved under intensification options 2 or 3, as for both of those options the proposed minimum lot size aligns with a permitted density of 1 residential unit per 300m². If option 3 above is adopted for the intensification variation, the medium-term plan enabled capacity for Lake Hāwea South (excluding the SHA) would increase from 2040 to 3667 and the commercial feasible capacity would increase from 1621 to 2894.

That would bring the total plan enabled medium-term capacity in Hāwea to 7300 and the commercially feasible capacity to 6100. This increase is largely attributed to the capacity in the MDR zone and minimum lot size in the LDSR zone.

Three Waters – Water supply and Wastewater

The maximum modelled capacities (option 3) have been modelled by the Council's infrastructure team to determine if it can be serviced by existing or planned three water infrastructure upgrades. Richard Powel, the Council's infrastructure engineer has provided an assessment of the ability to service the maximum capacity at Lake Hāwea, which includes the existing Hāwea town (if intensified) as well as the Lake Hāwea South land (i.e. the land that is subject to the Consent Order). Council's infrastructure team have advised that the capacity is serviceable albeit additional funding would likely be needed, and this would have to be included in future

infrastructure planning. As the potential development land is serviceable, it does not represent an absolute infrastructure constraint that could be considered a constraint to intensification (detailed in section 2.2 of this report).

It is also noted that existing policies within the subdivision and development chapter will encourage development to occur in line with the availability of servicing infrastructure.

Roading

In relation to transport infrastructure, the current provisions within the PDP subdivision chapter that require the upgrading of the Domain/Cemetery Road intersection to a roundabout when subdivision within the Lake Hāwea South Structure Plan results in 990 lots for residential of commercial activity (Rule 27.7.28.3). A roundabout at the dam control structure road, Capell Ave/Domain Road intersection is also proposed by the Council and the Council did not consider it a fundamental impediment to the rezoning of the Lake Hāwea South land. It is also noted that the main route connecting Hāwea to Wānaka is via State Highway 6, which is relied upon by a growing number of commuters that crosses the Clutha River via a one-way bridge near Albert Town.

Despite upgrading the intersections to roundabouts, depending on the demand and rate of development/uptake, it is likely that intensification (if realised) would over time place strain on the roading network with increased congestion, especially where commuter traffic crosses the one lane bridge near Albert Town. This is in line with what is expected for the wider Urban Environment across the district. However, as explained in the main M.E. report, most of the intensification proposed are within urban areas across the district inside of the four (4) bridge constraints. The exception is in Arrowtown and Arthurs Point, where these communities must cross one-way bridges to access the commercial centres but also have access to Public transport. This proposal aligns with the approach taken for Arrowtown in the Variation, whereby no changes to zoning are proposed, only the amendments to the provisions for the current zones.

Lake Hāwea residents currently do not have access to public transport and are fully reliant on the use of private vehicles (although a public shuttle trial is currently underway) and largely rely on the services and facilities in Wānaka. Increasing capacity (both residential and business) through intensification could therefore increase the critical mass that could make a public transport link between Hāwea and Wānaka viable, this combined with the establishment of other activities (community facilities and commercial activities in the new LSC zone at Lake Hāwea South) at Hāwea may reduce the reliance on Wānaka and the associated commuting trips needed.

In terms of the upgrades to the State Highway and the one-way bridges, it is noted that this is controlled by New Zealand Transport Agency (NZTA) who generally upgrade their infrastructure when the need arises (when there is significant pressure). It is therefore assumed that NZTA will consider the need to upgrade the one-way bridge at Albert Town once a business case is established.

2.2. EXCLUSIONS OR PARTIAL EXCLUSIONS TO INTENSIFICATION

Section 6.2 of the main section 32 report explains that the NPS-UD acknowledges that not all urban areas are suitable for intensification due to there being specific features that need to be protected or characteristics and constraints that need to be taken into account. In this case, while

Hāwea does not perform well in terms of the accessibility and demand analysis the LDSR provisions in the Variation do provide for intensification up to 1 residential unit per 300m².

a) Existing Location-Specific density rule for Areas B in the structure plan

The provisions confirmed by the Consent Order includes bespoke provisions for Area B of the Lake Hāwea South Structure plan. Those provisions limit both the land use density and minimum lot size to 1 residential unit per 800m² in Area B. In most cases this rule would not be considered suitable in light of the intensification direction, however for the following reasons it is considered appropriate for this density to be retained.

By way of background, the Area B land was originally zoned in the PDP as Rural Residential Zone and the sites have already been subdivided to a density of 4000m². The Consent Order subsequently up zoned the land to LDSR but applied the bespoke rule.

Paragraph 8.1(a) of the Joint Witness Statement (appendix 9E) developed to assist the Environment Court notes that the planners/urban designers agree that more intensive infill otherwise enabled under the LDSR provisions to 300m² are not likely to be able to be readily achieved and result in optimal outcomes based on the existing established pattern of subdivision. B&A generally agrees with this assessment.

The existing road layout in Area B of the Lake Hāwea South Structure Plan therefore presents a constraint to intensification and a partial exclusion to intensification, keeping the 1 per 800m² density provisions, is therefore proposed to be maintained.

2.3. COMMUNITY AND STAKEHOLDER ENGAGEMENT

The provisions set out in the Consent Order for the Lake Hāwea South land were agreed through Court-assisted mediation. Given that the mediation was part of a Court process, only the parties to the appeals were involved in that process. The developers of Lake Hāwea South (Streat Developments and Universal Developments), the Hāwea Community Association and the Council were the parties involved with the mediation.

A workshop with Councillors has been held in relation to including the Lake Hāwea South land in the Urban Intensification Variation. Where possible, feedback from elected members has been taken into account in the development of the proposed variation.

Periodic updates on progress have been provided at Spatial Plan Integration Group meetings, which include representatives from central government, the Otago Regional Council (ORC), and Iwi Authorities. This proposal aims to align with and implement the Spatial Plan and feedback from the meetings that has been taken into account in the development of the proposed variation.

2.4. CONSULTATION WITH IWI AUTHORITIES

Clause 3(1)(d) of Schedule 1 of the RMA requires local authorities to consult with iwi authorities during the preparation of a proposed variation.

Clause 4A requires the Council to provide a copy of a draft proposed variation to iwi authorities consulted, prior to notification, and have particular regard to any advice received.

Consultation has been undertaken with both Aukaha and Te Ao Marama in regard to including the Lake Hāwea South land in the proposed variation.

The noted issues of interest to mana whenua in this instance are the ability to service the intensification, specifically in regard to three waters infrastructure.

3. PROPOSAL

Proposed changes to the Variation planning provisions for Lake Hāwea South

This analysis considers the proposed inclusion of the land at Lake Hāwea South into the Urban Intensification variation.

In summary, it is proposed that the three urban zones applied to the land (as a consequence of the recent Consent Order (i.e. LDSR, MDR, LSC) be amended so that they align with the changes to the PDP provisions proposed in the Urban Intensification Variation (outlined within section 9.2 of the main section 32 report). In other words, it is intended that the Urban Intensification variation extend over the Hāwea South land, by modifying the provisions applied to the relevant land. The only exception to this is the following bespoke provisions that are proposed to apply to the Consent Order land:

- Keep retail floor area restrictions for the Lake Hāwea South land in the LSC; and
- Keep bespoke density of 1 per 800m² in Area B of the structure Plan (LDSR); and
- Limit building height to 12m in the LSC zone.

The changes proposed to the provisions of the zones (LDSR, MDR, LSC) which is now proposed to also include the Lake Hāwea South land are summarised in section 9.2 (page 56) of the section 32 evaluation report. The proposed changes to these provisions (specific to Lake Hāwea South) are outlined below shown with **bold underlined** text:

PDP Chapter 15 – Local Shopping Centre Zone

The proposed changes to the LSC zone are as follows:

<i>Description of proposed amendments:</i>
Increase the maximum permitted building heights within the Fernhill and Kelvin Heights LSC zone to 14m; <u>within the Lake Hāwea South LSC zone to 12m;</u> and the remainder of the LSC zone to 10m.

Application of the Variation planning provisions to Lake Hāwea South

The detailed changes proposed to the Variation provisions are included in Appendix 1B – 1K of the main section 32 evaluation report for the Variation.

The inclusion of Lake Hāwea South within the urban environment has increased the total baseline urban plan enabled capacity (excluding ODP Special Zones) by 4% from 59,500 to 62,100, and the total baseline urban commercially feasible capacity by approximately 6.6% from 31,900 to 34,000. The Hāwea South intensification proposal will increase the medium-term plan enabled capacity for Hāwea South (excluding the SHA) from 2040 to 3667 residential units and the commercially feasible capacity from 1621 to 2894 residential units.

The proposed variation/ intensification of the District's total urban environment (excluding ODP special zones) will result in a medium-term total plan enabled capacity of 84,200 additional residential units (35.6% increase to the existing plan enabled baseline capacity of 62,100) and a total commercially feasible capacity of 55,400 (63% increase to the existing commercially feasible baseline capacity of 34,000) additional residential units.

The main section 32 evaluation report explains in section 9 (proposal) that compared to the existing situation the Variation is proposing to increase the medium-term capacity with an additional 20,500 plan enabled residential units and an additional 20,200 commercially feasible residential units on top of the existing dwelling stock. With the inclusion of the Hāwea South land, and its proposed intensification, this number would increase by approximately 7.8% to a plan enabled capacity of an additional 22,100 residential units and by 16.3% to a commercially feasible capacity of an additional 23,500 residential units on top of the existing dwelling stock.

The relatively larger increase in the overall commercially feasible capacity compared to the overall change in plan enabled capacity is due to a large percentage of the Lake Hāwea South greenfield land being considered commercially feasible to develop (Table 4 of the M.E. report in Appendix A) compared to infill development in the rest of the urban environment.

The proposal would provide for a greater diversity in housing typology in Lake Hāwea South through removing existing barriers within the existing PDP provisions that discourage attached⁴ housing typologies (i.e. height increases, net site area and removal of density in the MDR zone) with the aim of providing for increased housing choice that will cater for changing demographics. The proposal will also allow for terrace and attached housing that is typically smaller, and which is considered to contribute to improving housing affordability. The proposed approach is the same as has been applied to the Hāwea Township in the Variation (ie the enhanced LDSR and LSC provisions would also apply to those zones located within the existing developed parts of Hāwea).

Intensification will enable more people to live in or near the new LSC zone and potential future school in Lake Hāwea South. This will strengthen and support this future commercial area and provide critical mass for a future school and a public transport link to Wānaka.

The proposal aligns with the Council's strategic direction within the Spatial Plan, enables enough capacity to meet demand, and does not raise concerns when comparing capacity enabled and demand with the district's infrastructure limits. As with the rest of the Urban Intensification variation, upgrades and investment would be required in the long term to ensure development

⁴ Referring to horizontally and vertically attached housing typologies.

can be serviced, public transport links will need to be established/improved and strain on the roading network would need to be addressed if, where and as needed.

Overall, the proposal is considered to align with the objectives and policies of the NPS-UD, and it is considered that development will achieve a well-functioning urban environment.

4. EVALUATION OF THE PROPOSAL

4.1. Objective of the proposal

The identified objective of the proposal is outlined within section 11.1 of the main section 32 evaluation report. In summary the objective is:

The identified objective of the proposal is to give effect to the NPS-UD as required by s55 of the RMA. This objective is being achieved through giving effect to Policy 5 to enable intensification in suitable locations within the urban environments, but also to the wider directive of the NPS, to ensure a well-functioning urban environment that meet the changing needs of our diverse communities.

The objective is the same for the Lake Hāwea South land.

4.2. Options to give effect to the Objective

There are various options to give effect to the above objective of the proposal. Two options have been considered in the development of the proposal in addition to the status quo. These are summarised below:

Option 1:	Retain the current provisions for Lake Hāwea South. This would require having a bespoke suite of provisions for the LDSR, MDR and LSC zones that only apply to the Lake Hāwea South land.
Option 2:	<p>Apply the amendments to the provisions for the LDSR, MDR, LSC zones proposed by the Variation, but:</p> <ul style="list-style-type: none"> • Add bespoke building height rules in the MDR zone to limit height to 8m; • Add bespoke building height rules in the LSC zone to limit height to 10m and retain the current retail floor area restrictions at Lake Hāwea South; and • Retain the bespoke density/minimum lot size of 1 in 800m² in Area B of the Lake Hāwea South Structure Plan (LDSR zone)
Option 3:	<p>Apply the amendments to the provisions for the LDSR, MDR, LSC zones proposed by the Variation, but:</p> <ul style="list-style-type: none"> • Add bespoke building height rules in the LSC zone to limit height to 12m and retain the current retail floor area restrictions at Lake Hāwea South; and • Retain the bespoke density of 1 in 800m² in Area B of the Lake Hāwea South Structure Plan (LDSR zone)

Options 2 and 3 align with options 3 and 4 of the main section 32 evaluation report, although they include some minor variations between them. The broader evaluation under section 11.2 of the main section 32 report is therefore relied upon here and both option 2 and 3 above fits under the broader proposal (option 4) outlined within the main report.

M.E has modelled the baseline (status quo) option 1 and option 3 to understand the implications for plan enabled capacity and commercially feasible capacity. They also advise on how the capacity aligns with projected demand and modelled infrastructure constraints.

As with the section 32 evaluation report for the Variation, the proposed changes to the densities and standards have their basis in the recommendations made by B&A. B&A has provided an additional memo to supplement their main Urban Design Considerations Report and Method Statement to cover the Lake Hāwea South land (Appendix B) .

The below assessment incorporates and adopts the assessment included within the B&A memo (Appendix B) and the M.E Economic Memo (Appendix A).

4.3. Effectiveness, efficiency, benefits, cost, risk

The following table considers the options to achieve the objective. In doing so, it considers the costs and benefits of the proposed options and whether they are effective and efficient at achieving the objectives.

Option 1:	Retain the current provisions for Lake Hāwea South. This would require having a bespoke suite of provisions for the LDSR, MDR, LSC zones that only apply to the Lake Hāwea South land.
Cost (Status quo)	<ul style="list-style-type: none"> Although there is no significant shortfall in the overall projected capacity across the entire district in the short or medium term when compared to demand, there is an existing long-term capacity shortfall in the attached/terrace and apartment housing typologies both within the Low Substitution Demand Scenario⁵ and the High Substitution Demand⁶ Scenario. A long-term shortfall remains in these housing typologies when compared to demand⁷ in some areas with a large share being in the Wānaka/Hāwea reporting area. This can have an adverse effect upon availability of housing and housing affordability. Contested resource consent applications if higher densities or building heights than that provided by the PDP provisions are sought.

⁵ Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics – section 6 (Table 6.1)

⁶ Ibid – Section 6 (Table 6.2)

⁷ Ibid – Section 6 (Table 6.5 and 6.6)

	<ul style="list-style-type: none"> • Potential to have strain on the roading network, especially the one way bridge, and impact climate change response by increasing CO₂ emissions from use of private vehicles accessing housing in outlying areas if critical population mass is not achieved to support a public transport connection to Wānaka and more commercial and community facilities in Hāwea. • The current provisions that apply to Lake Hāwea South do not cater well for changes in demographics towards smaller household units or the predicted increase in demand for attached housing and apartments. The costs of this include people having to move into new areas of the district, or out of the district where their housing needs cannot be met in their current area. This can result in economic, social and personal financial costs. • The retention of the existing provisions may result in an inefficient use of land.
Benefit	<ul style="list-style-type: none"> • This option will allow for low density development of the Lake Hāwea South land that will have a level of amenity associated with the current zoning that is valued by some people. • This option allows for some housing choice based on the existing PDP provisions. • This option will allow for the development of commercial activities in the LSC zone, without compromising the viability of the Wānaka and Three Parks commercial areas.
Efficiency	<ul style="list-style-type: none"> • The retention of the current planning provisions will likely require developments to undertake a resource consent process to achieve higher densities and could deter developers from developing attached housing typologies, which could also lead to an inefficient use of land. • If the infrastructure that is to be installed in the near future does not cater for intensification now, further upgrades could be required in the future which would not be an efficient use of the capital investment.
Effectiveness	<ul style="list-style-type: none"> • Retention of the status quo might not enable a well-functioning urban environment in the long term. • The existing zoning and provisions do and will continue to achieve the objectives and policies of the PDP.

	<ul style="list-style-type: none"> It is noted that, through the previous review of the urban chapters of the PDP, dwelling capacity has already been increased and the short, medium and long term population projections are provided for.
Risk of acting or not acting	<ul style="list-style-type: none"> There is a risk of not acting (keeping the status quo) that a range of housing typologies that is needed to enable a well-functioning urban environment (NPS-UD- policy 1) is not sufficiently provided for to meet the needs of different households in Wānaka/Hāwea. There is also a risk of not acting (keeping the status quo) that identified shortfalls in feasible capacity when compared to demand in some locations and for certain typologies may lead to future requests for greenfield expansion which can result in a loss of productive soils, especially near Hāwea which is adjoined by Highly Productive Land. There is no resource management reason to have a different framework for the development on urban land in the Lake Hāwea South area as opposed to any other urban area in the district (including the existing Hāwea Township).
Rank	<p>Ranked 3</p> <p>This option is ranked as 3 out of 3 for the following reasons:</p> <ul style="list-style-type: none"> The existing District Plan zoning and provisions already cater for the projected demand over the short, medium and long term as required by the NPS-UD, albeit there are shortfalls in Wānaka/Hāwea in some housing typologies that is not addressed by this option. This option may result in there being a need for additional greenfield growth in the future if capacities of existing zones are not realised. This would lead to issues relating to landscape effects, use of productive land supply, expansion of infrastructure networks and associated inefficiencies etc. There is no resource management reason to have a different framework for the development on urban land in the Hāwea south area as opposed to any other urban area in the district.
Option 2:	<p>Apply the amendments to the provisions for the LDSR, MDR and LSC zones proposed by the Variation, but:</p> <ul style="list-style-type: none"> Add bespoke building height rules in the MDR zone to limit height to 8m;

	<ul style="list-style-type: none"> • Add bespoke building height rules in the LSC zone to limit height to 10m and retain the current retail floor area restrictions at Lake Hāwea South; and • Retain the bespoke density/minimum lot size of 1 in 800m² in Area B of the Lake Hāwea South Structure Plan (LDSR zone)
Cost	<ul style="list-style-type: none"> • There are costs associated with providing infrastructure upgrades to cater for increased density and development, however if the need for the upgrades are identified prior to subdivision (as is the case for most of Lake Hāwea South) then it can be more efficiently provided for. • Perceived loss of character and amenity values associated with existing lower density zonings (LDSR and MDR) that will be easier to intensify due to relaxing of the standards e.g. loss of views. • The bespoke building height rules in the MDR and LSC zones will limit the establishment of vertically attached apartments that could contribute to the long-term shortfall in the apartments in the Wānaka/Hāwea catchment⁸. • Providing more capacity in Lake Hāwea will mean that more people will be located away from the urban centre of Wānaka. While there are no public transport options or commercial activities in Lake Hāwea, this will place strain on the roading system as people rely on commuting via the one-way bridge on the State Highway near Albert Town. It could also impact climate change response by increasing CO₂ emissions. This will however ease when critical population mass is achieved to make public transport viable, if the bridge gets upgraded and if and when more commercial services and community facilities (like the school) establish in Lake Hāwea.
Benefit	<ul style="list-style-type: none"> • More efficient use of scarce urban zoned land. • The change will reduce the complexity and cost of requiring resource consents for developments that seek to develop to provide greater intensification of development than the status quo. • More development contributions can be levied from developments with increased density. This will contribute towards the cost of upgrading infrastructure, services and amenities.

⁸ Ibid – Section 6 (Table 6.2)

	<ul style="list-style-type: none"> • The estimated commercially feasible capacity of residential units increases on top of the existing dwelling stock. • Enabling a greater diversity of housing typology provides increased housing choice and housing that can cater for changing demographics in Hāwea. This includes allowing for people to age in place by changing household types in the same area as they transition through life-stages rather than having to move around a district or region based on the limited availability of different house types in any given location. • As a result of the proposed changes to the built form standards this option would enable increased densities and housing supply within urban areas without having to go through a resource consent process in relation to increased building height or density which are currently frequently contested by other interested parties. • This option provides for a range of densities which will assist in achieving a compact urban form while also providing for housing choice. • A mix of densities contributes to creating a well-functioning urban environment. • Enabling higher densities around the LSC commercial node will provide more people with good accessibility to jobs, services, and amenities. • Passenger (public) transport will become more viable in terms of reduced subsidies and more frequent services through increased patronage. This will then have a reduced cost to individuals in running motor vehicles due to people being able to access public transport. • This option provides for additional housing supply which may contribute to the reduction in the cost of housing⁹. Compared to the status quo, this option will generate an economic benefit to households through increasing the range of different housing options available across different locations¹⁰. • The proposed provisions enabling smaller sites are likely to result in changes to the cost structures of dwelling construction and delivery due to the provision of smaller sites and smaller dwellings. The ability to form smaller site sizes increases the potential dwelling yield of sites. This is
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⁹ Objective 2 of the NPS-UD in relation to supporting competitive land and development markets

¹⁰ Ibid

	<p>likely to increase the feasibility development and is likely to have a positive effect on housing affordability (at the district level), relative to the development patterns of new dwellings that would otherwise occur under the status quo (option 1)¹¹.</p> <ul style="list-style-type: none">• Additional development standards are proposed such as outlook space and outdoor living area requirements which will provide better on-site amenity for residents of those developments and better urban design outcomes.• There will be infrastructure efficiencies in utilising infrastructure that is already planned for rather than extending new and less efficient infrastructure to greenfield developments.• The proposed change to the recession plane requirements in the District Plan for multiple zones so that they apply to sloping sites as well as flat sites removes the additional height restriction on flat sites (compared to sloping sites) which are easier to develop, and the significantly different effects envelope being enabled on flat and sloping sites (which sometimes might be side-by-side).• The proposed changes to the recession plane angles provide for additional building height whilst taking into account the district's solar location and a reasonable level of sunlight access to adjoining sites.• The proposed changes to the waste and recycling storage space requirements take into account the waste and recycling demands and arrangements that usually occur within attached and semi attached housing typologies. The proposed provisions are considered to provide an appropriate balance to ensure there is flexibility as to how these services are provided while still ensuring appropriate management.• This option will provide more residential capacity that would increase the population size which could provide the critical mass that will make a public transport link to Wānaka feasible.• This option will allow for the development of commercial activities in the LSC zone, without compromising the viability of the Wānaka and Three Parks commercial areas.
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¹¹ Ibid

	<ul style="list-style-type: none"> • This option recognizes the existing roading layout in Area B of the Lake Hāwea South structure plan and that densities of 1 per 300m² are not likely to be able to be readily achieved and result in optimal outcomes.
Efficiency	<ul style="list-style-type: none"> • Reduce the time and cost of development by not requiring resource consents for additional building height and densities. • Efficient use of greenfield land zoned for development for housing by maximizing development potential compared to the status quo. • Efficient use of existing and planned infrastructure compared to expansion of infrastructure into greenfield areas. • The proposed changes to the activity status relating to recession planes in the LDSR zone from Non-complying to Restricted Discretionary relate to a standard where the potential effects of a breach are known. This will provide for a more efficient resource consent process as the matters that Council will have discretion over are known giving Applicants more clarity and certainty and will result in a more efficient consenting process. • The proposed changes in relation to density will provide more flexibility in design and support development of attached housing typologies compared to the status quo where each residential unit is currently required to have its own allocated site area that complies with the prescribed density to comply. • The bespoke height restrictions for the MDR and LSC zones in Lake Hāwea South under this option are small areas in the context of the overall urban area and it does not have a significant effect upon application of the NPS-UD.
Effectiveness	<ul style="list-style-type: none"> • By ensuring the urban zones in Lake Hāwea South enables a range of housing choice at a range of densities, the District Plan will be more effective in achieving its requirements to provide for a well-functioning urban environment and an efficient use of land. • Intensifying around the new LSC zone will enable a critical population mass that will make commercial activities, community facilities and a public transport link to Wānaka more effective and viable.

	<ul style="list-style-type: none"> • The economic modelling has compared capacity with demand, and this option addresses the long-term shortfall in capacity of the attached/terrace housing typologies both within the Low Substitution Demand Scenario¹² and the High Substitution Demand¹³ Scenario in the Wānaka/Hāwea reporting area. This can help improve the availability of housing and housing affordability. • The proposal will be implementing the Queenstown Lakes Spatial Plan. • Rationalisation of building heights within the District Plan will provide a more efficient application of the District Plan.
Risk of acting or not acting	<ul style="list-style-type: none"> • Not acting is considered to have a high risk of the Council failing to meet its obligations under the NPS-UD.
Rank	<p>Ranked 2</p> <p>This option is ranked 2 out of 3 for the following reasons:</p> <ul style="list-style-type: none"> • The option provides additional commercially feasible capacity which will allow for intensification to cater for demand over the short, medium and long term. • This option enables a critical population mass to support commercial activities and a potential future public transport connection while not compromising the commercial areas in Wānaka and Three Parks. • This option provides for additional flexibility in the LDSR zone through increased building heights, average density and smaller minimum lot sizes so to enable attached housing typologies. • This option also allows for additional flexibility in the MDR zone through removing density restrictions and increase building height in the LSC zone so to enable more attached housing typologies. • This option mostly addresses the long-term capacity shortfall in the attached/terrace and apartment housing typologies both within the Low Substitution Demand Scenario and the High Substitution Demand Scenario in the Wānaka/Hāwea reporting area.

¹² Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics – section 6 (Table 6.1)

¹³ Ibid – Section 6 (Table 6.2)

Option 3	<p>Apply the amendments to the provisions for the LDSR, MDR, LSC zones proposed by the Variation, but:</p> <ul style="list-style-type: none"> • Add bespoke building height rules in the LSC zone to limit height to 12m and retain the current retail floor area restrictions at Lake Hāwea South; and • Retain the bespoke density of 1 in 800m² in Area B of the Lake Hāwea South Structure Plan (LDSR zone)
<p><i>This option adopts the above assessment of option 2 in addition to the following:</i></p>	
Cost	<ul style="list-style-type: none"> • Perceived loss of character and amenity values associated with the increase in building heights enabled in the MDR zone and LSC zone (example views concerns and outlook).
Benefit	<ul style="list-style-type: none"> • Relaxing the building height rules in the MDR and LSC zones will enable more vertically attached apartments to establish in the long term which would also contribute to the long-term shortfall in apartments in the Wānaka/Hāwea catchment¹⁴. • This option provides for a greater range/mix of densities in Lake Hāwea which will assist in achieving a compact urban form while also providing for housing choice, which will contribute to creating a well-functioning urban environment.
Efficiency	<ul style="list-style-type: none"> • This option would result in the most efficient use of land and infrastructure in existing zoned urban areas and enable a larger range of housing options which could contribute to the availability of housing and improve housing affordability. • There is no resource management reason to have a different framework for the development on urban land in the Hāwea south area as opposed to any other urban area in the district.
Effectiveness	<ul style="list-style-type: none"> • By ensuring the urban zones enable a range of housing choice at a range of densities, the District Plan will be more effective in achieving its requirements to provide for a well-functioning urban environment and an efficient use of land.

¹⁴ M.E Economic Memo (Appendix A) - Tables 9 & 10

	<ul style="list-style-type: none"> • This option is likely to enable greater choice and development options for the market through increasing the options for more intensive development. • The economic modelling has compared capacity with demand, and this option best addresses the long-term shortfall in capacity of the attached/terrace housing typologies and apartment typologies both within the Low Substitution Demand Scenario and the High Substitution Demand Scenario in the Wānaka/Hāwea reporting area. • Rationalisation of building heights will provide a more efficient application of the District Plan and flexibility in design. The proposed heights also take into account the housing typologies that are anticipated in each zone ensuring that they enable good levels of internal amenity.
Risk of acting or not acting	<ul style="list-style-type: none"> • Not acting is considered to have a high risk of the Council failing to meet its obligations under the NPS-UD. As a Tier 2 Authority, the Council is required to implement Policy 5 of the NPS-UD.
Rank	<p>Ranked 1</p> <p>This option is ranked 1 out of 3 for the reasons outlined under option 2 above, including the following additional reasons:</p> <ul style="list-style-type: none"> • This option best addresses the long-term capacity shortfall in the attached /terrace and apartment housing typologies both within the Low Substitution Demand Scenario and the High Substitution Demand Scenario in the Wānaka/Hāwea reporting area¹⁵. • Allows for well-designed neighbourhoods (in a greenfield context) to be created and planned for.

In considering the options available to achieve the objective of the proposal, option 3 is considered to be the most appropriate because it will further enable the development of a diverse range of housing typologies at Lake Hāwea South. The proposal is consistent with the changes proposed in the Variation for LDSR and LSC land within the Lake Hāwea Township, including smaller housing forms which will aid affordability. Option 3 will also make efficient use

¹⁵ Ibid - Table 9 and 10

of the existing land and allow for the efficiencies in providing infrastructure in this greenfield area that can cater for plan enable capacities, without having to rely on future upgrades.

Overall, option 3 is considered to be the most effective and efficient option, minimises the costs and maximises the benefits and is anticipated to support a well-functioning urban environment. Option 3 therefore forms the proposal for the land at Hāwea South.

5. ANALYSIS OF RECOMMENDED PROPOSAL (OPTION 3) AGAINST EXISTING DISTRICT PLAN OBJECTIVES

Since the proposal (option 3) fits under the broader option 4 (proposal) covered under the main section 32 evaluation report, the analysis of the proposal against the existing district plan objectives adopts the assessment undertaken in section 12 on page 86 of the main section 32 report. No changes are proposed to the assessment to include option 3 for the Hāwea South land under the broader proposal for the Urban Intensification variation.

6. EVALUATION OF PROPOSED CHANGES TO OBJECTIVES (SECTION 32(1)(A))

Section 32(1)(a) of the RMA requires an examination of the extent to which proposed objectives are the most appropriate way to achieve the purpose of the Act. Since the proposal (option 3) does not propose any new objectives or amendments to the objectives, no further assessment considered necessary. This proposal fits under the broader option 4 (proposal) and adopts the evaluation undertaken in section 13 on page 89 of the main report.

7. EFFECTIVENESS AND EFFICIENCY OF PROVISIONS IN ACHIEVING THE OBJECTIVES

In section 14 of the main section 32 evaluation report the provisions are further assessed for their efficiency and effectiveness in achieving the sub-objectives of the proposal, including consideration of other reasonably practicable options. This is done in conjunction with the principal assessment which assesses the proposed plan variation against the overall objective of the proposal.

The inclusion of a new height rule for the LSC zone at Lake Hāwea South should also now be covered:

<i>Provision proposed:</i>	<i>Non-compliance status</i>
15.1.1 Building Height [...]	

<p><u>b. For the Local Shopping Centre Zone located at Lake Hāwea South the maximum building height shall be 12m; [...]</u></p>	<p>NC</p>
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This provision aims to achieve sub-objective 1 outlined the Variation s32 Report:

- 1. To enable heights and densities in accordance with Policy 5 and recognise the benefits of intensification.**

It is considered that the assessment of this new provision is adequately covered under the evaluation undertaken in section 14 on page 92 -94 of the Variation s32 Report. It is therefore adopted with no amendment needed.

8. MOST APPROPRIATE OPTION

Overall, option 3 is considered to be the most effective and efficient way of implementing Policy 5 of the NPS-UD as it relates to the Lake Hāwea South land. It will assist with promoting a well-functioning urban environment, and alignment with the Queenstown Lakes Spatial Plan 2021.

The proposal will provide for greater intensification which will have social, economic, cultural and environmental benefits, and promote diversification of housing typologies, including smaller housing types that are typically more affordable.

Intensification of the Hāwea South land will help to create critical population mass that can support the viability of a future commercial area (in the LSC zone area), community facilities, and potentially public transport infrastructure.

The proposal will also add to the development capacity available within the district to cater for demand in the short, medium and long term, as required by the NPS-UD.

As a large proportion of the development on the Lake Hāwea South land would be greenfields development, this proposal provides an opportunity to limit the need for future retrofitting of infrastructure capacity to accommodate infill development.

9. CONCLUSION

This evaluation has been undertaken in accordance with section 32 of the RMA in order to identify the need, benefits and costs and the appropriateness of the proposal having regard to its effectiveness and efficiency relative to other means in achieving the purpose of the RMA as well as the requirements of the NPS-UD that apply to the Queenstown Lakes District. The evaluation demonstrates that this proposal is the most appropriate option as:

- It provides for an increased degree of intensification in urban areas at Hāwea South that is generally commensurate with the greater of the level of accessibility and/or relative demand, as directed by Policy 5 of the NPSUD.

- It promotes and enables a compact urban form that has efficiencies for infrastructure delivery.
- It will promote a well-functioning urban environment through the proposed changes to the District Plan that were informed by monitoring (by MfE and QLDC), and the B&A urban design review of the existing District Plan provisions.
- There are significant benefits to the proposal including social, economic, cultural and environmental benefits associated with the urban form enabled as detailed in Section 4 above.
- Including the Hāwea South land within the Urban Intensification Variation will provide commercially feasible capacity in the District Plan for an additional 55,400 residential units, representing a 63% increase in feasible capacity from the existing baseline. This is through intensification of existing zoned urban areas.
- The proposal aligns with Priority Initiative 1 of the Queenstown Lakes Spatial Plan which sought a review of zoning and other levers to enable higher densities and more flexible use of land within the existing and new urban areas in appropriate locations identified in the Spatial Plan.

APPENDIX B

Market Economics - Lake Hāwea South Addendum Memo

Memo

To: Elias Matthee and Amy Bowbyes, Queenstown Lakes District Council

From: Natalie Hampson (Director) and Susan Fairgray (Associate Director), Market Economics

Date: 10th July 2023

Re: **Incorporating Lake Hawea South in Baseline Scenario and Preferred Intensification Option**

Introduction

The purpose of this memo is to provide an update of key aspects and findings of M.E's Economic Assessment for the Intensification Variation, to incorporate 'new' urban land in Lake Hawea South. As a result of a recent Consent Order that settled an appeal to extend the Urban Growth Boundary at Lake Hawea and rezone rural and rural residential land to urban zones, Lake Hawea South needed to be included in the baseline dwelling capacity (i.e., PDP zoning), and also considered in the context of the preferred option for the Intensification Variation (giving effect to Policy 5 of the NPS-UD). This memo therefore quantifies the additions to capacity in M.E's existing capacity model, and discusses implications for a comparison of capacity against housing demand and relative to previously assessed infrastructure constraints.

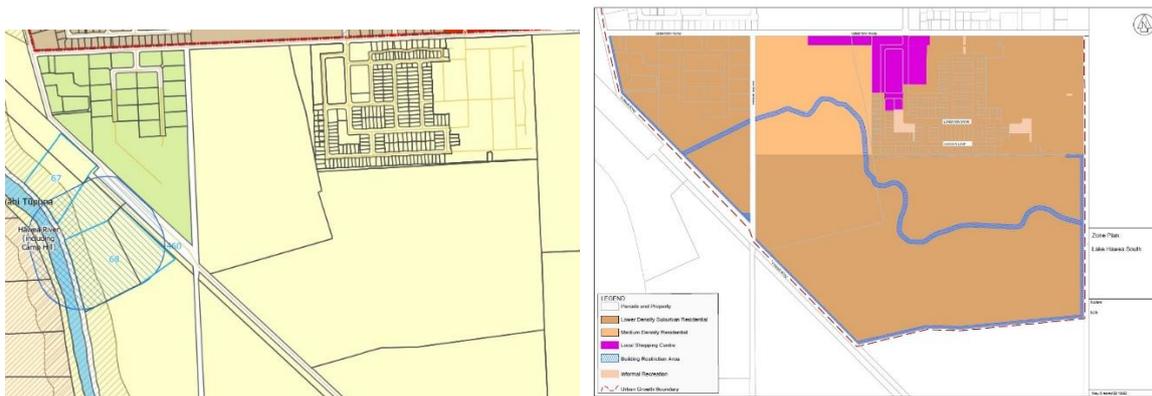
The Consent Order included upzoning of a new Local Shopping Centre Zone (LSCZ) in Lake Hawea South. M.E provided advice to Queenstown Lakes District Council (QLDC) during the mediation on the appeals by Universal/the landowner on the proposed changes to the LSCZ (zone extent and bespoke provisions). M.E has been asked to comment on whether the application of the intensification provisions alters that advice and whether the bespoke provisions for the Lake Hawea South LSCZ remain appropriate.

Approach to updating the residential capacity model

Figure 1 shows the extent of land referred to as Lake Hawea South as previously zoned in the District Plan (and including at the time of preparing M.E's Economic Report for the Intensification Variation), and the new (operative) zoning approved by a Consent Order dated 29th May 2023. As this land did not contain urban zones, it was excluded from urban capacity modelling carried out for QLDC by M.E in relation to the NPS-UD. Specifically, it was excluded from urban capacity in the short and medium term. However for the HBA 2021, a portion of the land (excluding the Special Housing Area (SHA)) was indicatively included in long term capacity as it was identified as an Indicative Greenfield Expansion

Area in the Spatial Plan¹. The capacity indicatively included in the long term was not however based on parcel level analysis, hence to formally include Lake Hawea South in M.E’s capacity models to allow for parcel level capacity estimates in the short and medium term, additional land parcels were required to be tagged to zones and then inserted into the model’s spatial framework, formatting part of the Lake Hawea reporting area.

Figure 1 – Original (Left) and New Operative Zoning (Right) – Lake Hawea South



Development of Lake Hawea South must be guided by a Structure Plan now included in the District Plan. That structure plan is shown in Figure 2.

¹ At the time of preparing the HBA 2021, M.E was referencing the Draft Spatial Plan.

Figure 2 – Lake Hawea South Structure Plan



Key features of the structure plan (which provides more detail than the underlying zoning) that are relevant for M.E’s capacity modelling are ‘Area B’ which includes a bespoke Lower Density Suburban Residential Zone (LDSRZ) density rule of 800sqm per dwelling, the requirement to provide a Market Square in the LSCZ which will reduce developable land area for buildings, the provision of a sports field of around 2ha (which is over and above the more typical provision of reserves throughout the residential zones), and the identification of a future school site which must be protected as a school site for 7 years, but available for residential development after 7 years if not taken up by the Ministry of Education (i.e. in the medium term).

M.E developed a composite parcel layer that allowed us to tag land to each of the zones, and the relevant structure plan features, so that specific density provisions could be applied in the model to different areas within LHS as needed, including applying capacity in different time frames (short versus medium term capacity). This required some splitting of existing land parcels. The final detailed parcel level dataset is summarised in Figure 3.

Figure 3 – M.E’s Composite Parcel Level Spatial Framework for LHS Capacity Modelling



Table 1 summarises the baseline zone/sub-zone provisions applied in the model (showing just the zones/sub-zones that enable housing). With the exception of ‘LDSR - Area B’, the naming conventions in column 2 are M.E’s own (and match those shown in Figure 3). Key assumptions for quantifying baseline dwelling capacity, agreed by Council, include:

- Area B and the remaining LDSR area that was previously Rural Residential Zone are treated as infill capacity only. There are, by M.E estimates, around 14 existing dwellings across these two sub-zones, with many of these relatively new. To be conservative, we have not assumed that any existing dwellings would be removed in order to redevelop those sites to the maximum density that is plan enabled. Rather, we have estimated the residual land available on each parcel for further (infill) subdivision once the existing house is assigned an indicative section that is no less than the current minimum lot size.
- LDSR Area B has an 800sqm minimum lot size as per the bespoke rule for LHS.
- As discussed above, the Medium Density Residential Zone (MDRZ) School Site is treated as greenfield capacity but not until the medium term.
- The LDSR Greenfield land is assumed to be subdivided and sold according to a 450sqm minimum lot size, and not the land use consent pathway that would allow for 300sqm lots. To be conservative, a minimum lot size of 450sqm is also applied to the LDSR Ex Rural Residential land (outside of Area B).

- The SHA is not modelled at the parcel level and a maximum dwelling yield of 480 dwellings (advised by Council) is assumed to be plan enabled and commercially feasible in the short and medium term. This is on the basis that this land is approximately 50% subdivided (with titles) and construction of dwellings has been occurring at a rapid rate. Development of the remaining land is considered (by M.E) to continue in a similar fashion until complete.²

Table 1 – Assumptions for Baseline Minimum Lot Sizes/Densities for Zones/Sub-Zones Enabling Housing

Baseline Zoning	Baseline Detailed (M.E)	Include for Residential Capacity	Development Type *	Possible Typologies Modelled *	Minimum Lot Size Baseline PEC (sqm)
LDSR	LDSR Area B	Y	Infill	detached/attached	800
LDSR	LDSR Ex Rural Res Subdivided	Y	Infill	detached/attached	450
LDSR	LDSR Greenfield	Y	Greenfield	detached/attached	450
LDSR	LDSR SHA	Y - Fixed Quantum Standalone (480)	Infill	detached/attached	NA
LSCZ	LSCZ Lake Hawea South	Y - See LSCZ Assumptions	Residential Floors x Average apartment size	Vertically Attached Apartments	NA
MDR	MDR Greenfield	Y	Greenfield	detached	250
				attached	250
				terraced	250
MDR	MDR School Site	Y - Medium and Long Term Only	Greenfield	detached	250
				attached	250
				terraced	250

- The LSCZ has, in operative zoning, a building height of 7m (two storeys) and site coverage of 75%. Consistent with the way in which other LSCZ's with a 7m building height have been modelled in the baseline scenario, M.E assigns (on average) one of those two storeys to residential apartments (at an average size of 80sqm per apartment) for the purpose of calculating plan enabled capacity.³

While the building restriction areas shown in the Structure Plan for LHS are excluded from developable land area for housing in the model, the reserves shown in the Structure Plan in the LDSRZ and MDRZ are captured as part of the gross land area in the model. This is on the basis that the capacity model deducts 30% of gross land area in greenfield development areas for roads and reserves – hence they are removed in that process. This does not apply to the sportsfield, which is excluded from the developable parcel area (as it sits outside the typical 30% deduction).

² While this assumption does not give a clear indication of remaining capacity for dwellings in the SHA as at today, the base year of the capacity model is 2021 (as per the HBA 2021 report) and therefore the full capacity of the SHA is expected to be representative of (or closer to) available capacity at that time. It is also important for all existing and future dwellings in the SHA to be counted for the purpose of infrastructure analysis.

³ In reality, LSCZ's rarely develop to 75% site coverage and while plan enabled, the inclusion of large numbers of upper floor apartments is not considered likely in the LHS LSCZ. See commercially feasible capacity results further below that also shows that apartments are not estimated to be feasible in the LHS LSCZ in the short-medium term (under current market conditions).

The above assumptions are used to estimate the baseline (operative) plan enabled and commercially feasible capacity for LHS. We also ran the following scenarios to model capacity for the preferred Intensification Variation option:

1. Reduction of the minimum lot size for the LDSRZ to 300sqm (although one scenario where the bespoke rule of 800sqm minimum lot size in Area B is retained, and one scenario where it is removed by the Variation).⁴
2. Density rules for the MDRZ are removed/relaxed (with development controlled by bulk and location rules instead).⁵
3. Building height in the LHS LSCZ increased from 7m to 12m (i.e., from 2 storeys to 3 storeys). M.E assumes that the number of floors potentially taken up by apartments (on average) increases from 1 to 2 floors (i.e., the upper two floors are apartments, and the bottom floor is retail/commercial).

Capacity results for Lake Hawea South (LHS)

The results of the capacity modelling for LHS under current (new) zoning (including structure plan requirements and bespoke rules) are shown in Table 2 for the short term, and Table 3 for the medium term. The only difference in these tables is that the capacity of the school site (135 dwellings) is excluded from the short term, and included in the medium term.

The capacity modelling shows that LHS has an estimated medium term plan enabled capacity of approximately 2,520 residential dwellings, of which approximately 2,100 residential dwellings (83%) are estimated to be commercially feasible to develop (under current costs and prices) (Table 3). Most or all of the plan enabled capacity is considered commercially feasible in the LDSRZ and MDRZ. It is the apartments in the LSCZ that are not estimated to be feasible at present.⁶

Table 2 – Baseline Dwelling Capacity Plan Enabled and Commercially Feasible in LHS – Short Term

Zone	Sub-Zone *	INFILL				Max Infill	REDEVELOPMENT				Max Redevelopment	Max Infill or Redevelopment	GREENFIELD ³				Greenfield Max and Infill or Redevelopment		
		Detached	Attached	Terraced	Vertical Apartments		Detached	Attached	Terraced	Vertical Apartments			Detached	Attached	Terraced	Vertical Apartments		Max Greenfield	
Medium Density Residential		-	-	-	-	-	-	-	-	-	-	-	319	319	319	-	319	319	
Lower Density Suburban Residential	Area B	77	77	-	-	77	77	77	-	-	77	77	-	-	-	-	-	77	77
Lower Density Suburban Residential	Ex Rural Res Subdivid	62	62	-	-	62	62	62	-	-	62	62	-	-	-	-	-	62	62
Lower Density Suburban Residential	LHS Greenfield	-	-	-	-	-	-	-	-	-	-	-	1,097	1,097	-	-	1,097	1,097	1,097
Lower Density Suburban Residential	SHA	-	-	-	-	-	-	-	-	-	-	-	480	-	-	-	480	480	480
Local Shopping Centre		-	-	-	-	-	-	-	349	349	349	349	-	-	-	-	-	349	349
Total Lake Hawea South		139	139	-	-	139	139	139	-	349	488	488	1,896	1,416	319	-	1,896	2,384	2,384

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

* For M.E Model Reference Only

Plan Enabled Capacity - Short Term (Excluding School Site)

⁴ The variation also increases the building height in the LDSRZ from 7m to 8m but this is not a constraining factor in M.E's capacity model.

⁵ The variation also increases the building height in the MDRZ from 7m to 11+1m but this is not a constraining factor in M.E's capacity model.

⁶ This result does not mean that some apartments in the LSCZ could not be built and sold in the medium-term as there may be market factors that are unable to be captured in the feasibility model that still make such development profitable.

Zone	Sub-Zone *	INFILL				REDEVELOPMENT					Max Infill or Redevelopment	GREENFIELD ²				Greenfield Max and Infill or Redevelopment	
		Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced	Vertical Apartments		Max Redevelopment	Detached	Attached ₁	Terraced		Vertical Apartments
Medium Density Residential		-	-	-	-	-	-	-	-	-	-	319	319	319	-	319	319
Lower Density Suburban Residential	Area B	10	-	-	-	10	10	-	-	-	10	-	-	-	-	-	10
Lower Density Suburban Residential	Ex Rural Res Subdivided	60	60	-	-	60	60	60	-	-	60	-	-	-	-	-	60
Lower Density Suburban Residential	LHS Greenfield	-	-	-	-	-	-	-	-	-	-	1,097	1,095	-	-	1,097	1,097
Lower Density Suburban Residential	SHA	-	-	-	-	-	-	-	-	-	-	480	-	-	-	480	480
Local Shopping Centre		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Lake Hawea South		70	60	-	-	70	70	60	-	-	70	1,896	1,414	319	-	1,896	1,966

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023. * For M.E Model Reference Only

Commercially Feasible Capacity - Short Term (Excluding School Site)

Notes:

¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category

² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Table 3 – Baseline Dwelling Capacity Plan Enabled and Commercially Feasible in LHS – Medium Term

Zone	Sub-Zone *	INFILL				REDEVELOPMENT					Max Infill or Redevelopment	GREENFIELD ²				Greenfield Max and Infill or Redevelopment	
		Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced	Vertical Apartments		Max Redevelopment	Detached	Attached ₁	Terraced		Vertical Apartments
Medium Density Residential		-	-	-	-	-	-	-	-	-	-	454	454	454	-	454	454
Lower Density Suburban Residential	Area B	77	77	-	-	77	77	77	-	-	77	77	-	-	-	-	77
Lower Density Suburban Residential	Ex Rural Res Subdivided	62	62	-	-	62	62	62	-	-	62	62	-	-	-	-	62
Lower Density Suburban Residential	LHS Greenfield	-	-	-	-	-	-	-	-	-	-	1,097	1,097	-	-	1,097	1,097
Lower Density Suburban Residential	SHA	-	-	-	-	-	-	-	-	-	-	480	-	-	-	480	480
Local Shopping Centre		-	-	-	-	-	-	-	-	349	349	-	-	-	-	-	349
Total Lake Hawea South		139	139	-	-	139	139	139	-	349	488	2,031	1,551	454	-	2,031	2,519

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023. * For M.E Model Reference Only

Plan Enabled Capacity - Medium Term (Including School Site)

Notes:

¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to

² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Zone	Sub-Zone *	INFILL				REDEVELOPMENT					Max Infill or Redevelopment	GREENFIELD ²				Greenfield Max and Infill or Redevelopment	
		Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced	Vertical Apartments		Max Redevelopment	Detached	Attached ₁	Terraced		Vertical Apartments
Medium Density Residential		-	-	-	-	-	-	-	-	-	-	454	454	454	-	454	454
Lower Density Suburban Residential	Area B	10	-	-	-	10	10	-	-	-	10	-	-	-	-	-	10
Lower Density Suburban Residential	Ex Rural Res Subdivided	60	60	-	-	60	60	60	-	-	60	-	-	-	-	-	60
Lower Density Suburban Residential	LHS Greenfield	-	-	-	-	-	-	-	-	-	-	1,097	1,095	-	-	1,097	1,097
Lower Density Suburban Residential	SHA	-	-	-	-	-	-	-	-	-	-	480	-	-	-	480	480
Local Shopping Centre		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Lake Hawea South		70	60	-	-	70	70	60	-	-	70	2,031	1,549	454	-	2,031	2,101

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023. * For M.E Model Reference Only

Commercially Feasible Capacity - Medium Term (Including School Site)

Notes:

¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to

² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

If the baseline zoning in LHS is further modified by inclusion in the Intensification Variation (preferred option), and the bespoke density in Area B is retained at 800sqm minimum lot size, then plan enabled capacity in the medium term (i.e., including in the school site) is estimated to increase by around 1,630 residential dwellings above the baseline capacity to reach total plan enabled capacity of approximately 4,150 residential dwellings.⁷ Feasible capacity in the medium term would increase by approximately 1,270 dwellings above the baseline zoning to reach total feasible capacity of around 3,370 dwellings in LHS.

⁷ While not shown, if the bespoke rule for Area B was removed as part of the Intensification Variation, the medium term plan enabled capacity would increase by approximately 1,780 dwellings above baseline capacity (to reach approximately 4,300 plan enabled dwellings). This is due to an estimated 153 additional lots estimated to be achieved via infill on those parcels if the minimum lot size was dropped from 800sqm to 300sqm.

Table 4 – Intensification Option Retaining Area B Bespoke Density - Dwelling Capacity Plan Enabled and Commercially Feasible in LHS – Medium Term

Zone	Sub-Zone *	INFILL				REDEVELOPMENT				Max Redevelopment	Max Infill or Redevelopment	GREENFIELD ²				Greenfield Max and Infill or Redevelopment	
		Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced			Vertical Apartments	Detached	Attached ₁	Terraced		Vertical Apartments
Medium Density Residential	Area B	-	-	-	-	-	-	-	-	-	-	570	570	1,140	-	1,140	1,140
Lower Density Suburban Residential	Area B	77	77	-	-	77	77	-	-	77	77	-	-	-	-	-	77
Lower Density Suburban Residential	Ex Rural Res Subdivided	98	98	-	-	98	98	-	-	98	98	-	-	-	-	-	98
Lower Density Suburban Residential	LHS Greenfield	-	-	-	-	-	-	-	-	-	-	1,649	1,649	-	-	1,649	1,649
Lower Density Suburban Residential	SHA	-	-	-	-	-	-	-	-	-	-	480	-	-	-	480	480
Local Shopping Centre		-	-	-	-	-	-	-	703	703	703	-	-	-	-	-	703
Total Lake Hawea South		175	175	-	-	175	175	-	703	878	878	2,699	2,219	1,140	-	3,269	4,147

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023. * For M.E Model Reference Only Plan Enabled Capacity (Intensification Variation - Area B Bespoke Density Retained) - Medium Term (Including School Site)

Notes:
¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to
² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Zone	Sub-Zone *	INFILL				REDEVELOPMENT				Max Redevelopment	Max Infill or Redevelopment	GREENFIELD ²				Greenfield Max and Infill or Redevelopment	
		Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced			Vertical Apartments	Detached	Attached ₁	Terraced		Vertical Apartments
Medium Density Residential	Area B	-	-	-	-	-	-	-	-	-	-	570	570	1,140	-	1,140	1,140
Lower Density Suburban Residential	Area B	10	-	-	-	10	-	-	-	10	10	-	-	-	-	-	10
Lower Density Suburban Residential	Ex Rural Res Subdivided	96	96	-	-	96	96	-	-	96	96	-	-	-	-	-	96
Lower Density Suburban Residential	LHS Greenfield	-	-	-	-	-	-	-	-	-	-	1,648	1,648	-	-	1,648	1,648
Lower Density Suburban Residential	SHA	-	-	-	-	-	-	-	-	-	-	480	-	-	-	480	480
Local Shopping Centre		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Lake Hawea South		106	96	-	-	106	96	-	-	106	106	2,698	2,218	1,140	-	3,268	3,374

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023. * For M.E Model Reference Only Commercially Feasible Capacity (Intensification Variation - Area B Bespoke Density Retained) - Medium Term (Including School Site)

Notes:
¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to
² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Updated total urban (excluding Special Zone) capacity results including LHS

M.E’s existing economic assessment for the Intensification Variation reports plan enabled and commercially feasible capacity for the entire urban area (exclusive of capacity in Special Zones) in the Medium Term. The tables included in that report show results by reporting area and by zone. In this section, we show how the tables for the entire urban area (exclusive of Special Zones) by reporting area are updated to include the additional capacity in LHS – which is added to the Lake Hawea reporting area.⁸ Please note, for the purpose of the report, most results in tables are rounded to the nearest 100.

Table 5 below is plan enabled capacity for the current/baseline zoning (i.e., without the Variation) and supersedes Table 4-1 in the main report. Total capacity in the Lake Hawea reporting area increases from 3,100 (rounded) to 5,600 (rounded) – an increase of 2,500 (rounded) or around 80% attributable to LHS. Total urban capacity (excluding Special Zones) increases by 4% with the inclusion of LHS plan enabled capacity in the medium term.

⁸ For brevity, we do not include updated urban capacity tables by zone.

Table 5 – Updated Baseline Plan Enabled Dwelling Capacity by Reporting Area – Including LHS (Medium Term)

Reporting Area	INFILL				Max Infill	REDEVELOPMENT				Max Redevelopment	Max Infill or Redevelopment	GREENFIELD ²				Max Greenfield	Greenfield Max and Infill or Redevelopment
	Detached	Attached ¹	Terraced	Vertical Apartments		Detached	Attached ¹	Terraced	Vertical Apartments			Detached	Attached ¹	Terraced	Vertical Apartments		
Arrowtown	200	200	20	-	200	1,000	1,000	300	-	1,000	1,000	100	100	-	-	100	1,100
Arthurs Point	400	500	200	700	1,000	1,100	1,200	400	1,400	2,300	2,300	600	600	200	-	600	2,900
Eastern Corridor	400	400	20	-	400	1,400	1,400	30	-	1,400	1,400	400	300	50	-	400	1,800
Frankton	200	200	-	60	200	900	900	-	200	1,000	1,000	100	100	-	-	100	1,100
Kelvin Heights	400	500	200	400	700	1,200	1,300	300	600	1,600	1,600	2,500	2,500	80	50	2,600	4,100
Outer Wakatipu	-	-	-	-	-	30	50	50	200	200	200	10	-	-	-	10	200
Quail Rise	20	20	-	-	20	30	30	-	-	30	30	400	700	700	4,600	4,700	
Queenstown Town Centre	1,900	2,200	1,300	5,100	6,400	4,400	5,300	3,500	19,000	21,600	21,600	1,200	1,200	500	1,000	2,000	23,600
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wakatipu Ward	3,500	3,900	1,700	6,300	8,900	10,300	11,200	4,500	21,400	29,400	29,400	5,400	5,500	1,600	5,600	10,600	40,000
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	700	700	-	20	800	1,900	1,900	-	400	2,300	2,300	3,300	2,700	500	-	3,300	5,600
Luggate	100	90	-	-	100	200	90	-	-	200	200	400	400	-	-	400	600
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,700	3,300	500	600	4,100	11,000	10,300	1,400	1,600	12,400	12,400	3,200	3,000	200	80	3,300	15,600
Wanaka Ward	4,600	4,100	500	600	5,100	13,100	12,300	1,400	2,000	14,900	14,900	7,000	6,100	700	80	7,100	22,000
Total Urban Environment	8,100	8,000	2,200	6,900	13,900	23,400	23,500	6,000	23,400	44,300	44,300	12,500	11,700	2,200	5,700	17,700	62,100

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

Notes:

- ¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been
- ² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Table 6 below is commercially feasible capacity for the current/baseline zoning (i.e., without the Variation) and supersedes Table 5-1 in the main report. Total feasible capacity in the Lake Hawea reporting area increases from 2,700 (rounded) to 4,800 (rounded) – an increase of 2,100 (rounded) or around 78% attributable to LHS. Total urban feasible capacity (excluding Special Zones) increases by 7% with the inclusion of LHS plan enabled capacity in the medium term.

Table 6 – Updated Baseline Commercially Feasible Dwelling Capacity by Reporting Area – Including LHS (Medium Term)

Reporting Area	INFILL				Max Infill	REDEVELOPMENT				Max Redevelopment	Max Infill or Redevelopment	GREENFIELD ²				Max Greenfield	Greenfield Max and Infill or Redevelopment
	Detached	Attached ¹	Terraced	Vertical Apartments		Detached	Attached ¹	Terraced	Vertical Apartments			Detached	Attached ¹	Terraced	Vertical Apartments		
Arrowtown	100	100	-	-	100	400	300	50	-	400	400	100	100	-	-	100	500
Arthurs Point	400	500	200	-	500	700	700	300	-	800	800	600	300	200	-	600	1,400
Eastern Corridor	300	300	-	-	300	700	400	-	-	700	800	300	30	-	-	300	1,000
Frankton	100	100	-	-	100	600	600	-	-	600	700	80	50	-	-	80	800
Kelvin Heights	400	400	200	400	700	600	700	300	600	1,000	1,100	2,500	2,500	80	-	2,500	3,600
Outer Wakatipu	-	-	-	-	-	30	50	50	-	50	50	-	-	-	-	-	50
Quail Rise	20	-	-	-	20	30	-	-	-	30	30	-	-	-	-	-	30
Queenstown Town Centre	1,800	2,000	1,300	2,400	4,000	2,800	3,400	2,400	4,400	7,300	8,200	1,200	1,100	500	400	1,500	9,700
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wakatipu Ward	3,200	3,500	1,700	2,900	5,700	6,000	6,200	3,100	5,000	10,900	12,000	4,700	4,100	700	400	5,100	17,100
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	600	500	-	-	600	1,600	1,400	-	-	1,600	1,600	3,200	2,700	500	-	3,200	4,800
Luggate	100	40	-	-	100	90	40	-	-	90	100	400	-	-	-	400	500
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,400	3,000	500	300	3,600	7,800	6,400	1,200	600	8,300	8,500	3,100	2,800	200	-	3,100	11,600
Wanaka Ward	4,100	3,600	500	300	4,200	9,500	7,800	1,200	600	10,000	10,200	6,700	5,500	700	-	6,700	16,900
Total Urban Environment	7,300	7,000	2,200	3,200	10,000	15,500	14,000	4,300	5,600	20,900	22,300	11,300	9,600	1,400	400	11,700	34,000

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

Notes:

- ¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been
- ² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Table 7 below is plan enabled capacity for the preferred Intensification Option (i.e., changes to baseline zoning provisions – this equates to Option 2 in M.E’s economic report, but with MDR densities relaxed) and relates to the table shown in Appendix 3 (page 130) in the main report.⁹ Total capacity

⁹ Note, the main report, Appendix 3, showed tables by zone rather than reporting area, so are not directly comparable with Table 7 shown here (although they are comparable at the total urban level).

in the Lake Hawea reporting area increases from 3,100 (rounded) to 7,300 (rounded) in the medium term – an increase of 4,200 (rounded) or around 135% attributable to LHS. Total urban capacity (excluding Special Zones) increases by 5% with the inclusion of LHS plan enabled capacity in the medium term.

Table 7 – Updated Preferred Intensification Option - Plan Enabled Dwelling Capacity by Reporting Area – Including LHS (Medium Term)

Reporting Area	INFILL					REDEVELOPMENT					Max Infill or Redevelopment	GREENFIELD ²					Greenfield Max and Infill or Redevelopment
	Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced	Vertical Apartments	Max Redevelopment		Detached	Attached ₁	Terraced	Vertical Apartments	Max Greenfield	
Arrowtown	200	200	50	-	200	1,100	1,500	1,200	10	2,000	2,000	100	100	-	-	100	2,100
Arthurs Point	400	500	300	-	600	1,100	1,200	500	20	1,400	1,400	600	600	-	-	600	2,000
Eastern Corridor	400	400	60	-	400	1,400	1,400	100	-	1,500	1,500	400	300	90	-	400	1,900
Frankton	200	300	400	200	600	1,200	1,700	1,900	500	3,000	3,000	200	200	200	-	300	3,200
Kelvin Heights	400	500	300	1,100	1,400	1,200	1,300	400	1,400	2,400	2,400	2,500	2,500	200	100	2,700	5,100
Outer Wakatipu	-	-	-	-	-	40	50	80	-	80	80	10	-	-	-	10	80
Quail Rise	20	20	-	-	20	30	30	-	-	30	30	500	700	1,100	5,200	5,400	5,500
Queenstown Town Centre	2,200	2,800	3,200	6,600	8,900	5,200	7,400	10,000	26,300	32,100	32,100	1,200	1,200	600	1,200	2,400	34,500
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wakatipu Ward	3,900	4,700	4,200	7,900	12,100	11,600	14,500	14,300	28,300	42,700	42,800	5,600	5,600	2,200	6,500	12,100	54,800
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	800	800	-	40	800	1,900	1,900	-	800	2,700	2,700	4,000	3,400	1,100	-	4,500	7,300
Luggate	100	90	-	-	100	200	90	-	-	200	200	400	400	-	-	400	600
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,900	3,800	1,800	700	5,500	12,100	12,500	6,600	2,000	17,900	17,900	3,200	3,000	90	200	3,400	21,300
Wanaka Ward	4,900	4,700	1,800	700	6,500	14,300	14,600	6,600	2,700	20,900	20,900	7,700	6,800	1,200	200	8,500	29,400
Total Urban Environment	8,700	9,400	6,000	8,700	18,600	25,900	29,100	20,900	31,000	63,600	63,600	13,300	12,400	3,400	6,600	20,500	84,200

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

Notes:

¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been

² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.

Table 8 below is the updated commercially feasible capacity for the preferred Intensification Option. There is not an equivalent table in M.E’s report (because at the time of drafting, relaxing the MDRZ densities was not part of the core Option 2 modelled (but was a recommendation by M.E that was subsequently adopted for the preferred option). Total feasible capacity in the Lake Hawea reporting area increases from 2,700 (rounded) to 6,100 (rounded) in the medium term – an increase of 3,400 (rounded) or around 126% attributable to LHS. Total urban capacity (excluding Special Zones) increases by 6% with the inclusion of LHS feasible capacity in the medium term.

Table 8 – Updated Preferred Intensification Option – Commercially Feasible Dwelling Capacity by Reporting Area – Including LHS (Medium Term)

Reporting Area	INFILL					REDEVELOPMENT					Max Infill or Redevelopment	GREENFIELD ²					Greenfield Max and Infill or Redevelopment
	Detached	Attached ₁	Terraced	Vertical Apartments	Max Infill	Detached	Attached ₁	Terraced	Vertical Apartments	Max Redevelopment		Detached	Attached ₁	Terraced	Vertical Apartments	Max Greenfield	
Arrowtown	200	200	50	-	200	500	700	1,200	-	1,500	1,500	100	100	-	-	100	1,600
Arthurs Point	400	500	300	-	600	700	700	500	-	1,100	1,100	500	200	-	-	500	1,700
Eastern Corridor	300	300	30	-	400	700	400	50	-	800	800	300	30	20	-	300	1,100
Frankton	200	300	300	-	400	900	1,000	1,400	-	1,900	1,900	100	100	200	-	300	2,100
Kelvin Heights	400	400	300	200	700	600	700	400	100	1,000	1,000	2,500	2,500	200	-	2,600	3,700
Outer Wakatipu	-	-	-	-	-	40	50	80	-	80	80	-	-	-	-	-	80
Quail Rise	20	20	-	-	20	30	-	-	-	30	30	70	-	700	-	700	700
Queenstown Town Centre	2,100	2,700	3,200	5,500	7,800	3,500	5,300	8,700	10,100	17,600	19,600	1,200	1,200	600	500	1,800	21,400
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wakatipu Ward	3,600	4,300	4,200	5,700	10,000	7,100	8,800	12,300	10,200	23,800	26,100	4,800	4,200	1,700	500	6,300	32,400
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	600	600	-	-	600	1,600	1,400	-	-	1,600	1,700	3,900	3,400	1,100	-	4,400	6,100
Luggate	100	40	-	-	100	90	40	-	-	90	100	400	-	-	-	400	500
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,600	3,500	1,800	40	4,600	9,100	8,800	6,500	40	13,000	13,300	3,000	2,800	90	-	3,100	16,400
Wanaka Ward	4,300	4,100	1,800	40	5,300	10,900	10,300	6,500	40	14,800	15,100	7,300	6,200	1,200	-	7,900	23,000
Total Urban Environment	7,900	8,400	6,000	5,700	15,300	18,000	19,100	18,800	10,300	38,600	41,200	12,100	10,300	3,000	500	14,300	55,400

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

Notes:

¹ Dwellings within this category are horizontally attached and occur at low to medium densities, dependent on the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been

² Greenfield capacity does not include dwellings within Special Zones, which are reported separately, largely based on structure planning or other developer information. Special Zone capacity is net additional.



Updated assessment of residential demand versus capacity including LHS

Tables 9 and 10 below provide an updated comparison of capacity and demand with the inclusion of the LHS feasible capacity. The tables apply the same technical approach as the tables contained in Section 6.2 in the main report, presenting a comparison across the short, medium and long-term. Table 9 provides a comparison under a low demand substitution scenario where patterns of demand by dwelling typology are closer to past patterns of development. Table 10 instead assumes a higher market shift in demand toward more intensive dwelling typologies (e.g. attached/terrace and apartments) in response to changes in market conditions and the introduction of the intensification planning provisions.

The capacity scenario modelled in Tables 9 and 10 is based on Option 2 modelled in the main report, but with the relaxation of minimum site sizes within the MDRZ. The intensification provisions are applied to the LHS area while retaining the bespoke 800m² lot size rule in Area B. Capacity in the MDRZ school site is included within the medium and long-term results, but excluded from the short-term.

In line with the main report, the tables show that there are no significant shortfalls projected within any of the reporting areas in the short and medium-term. There are minor shortfalls in apartments within some areas, but the modelling indicates that there are sizeable surpluses in attached/terraced housing within these same areas meaning that it is likely this demand is able to be met at this density.

Tables 9 and 10 show that some of the long-term projected shortfalls in attached/terraced dwellings are resolved or smaller than modelled under Option 2 in the main report. Outside of Wanaka/Hawea, this is due to the relaxation of the MDRZ minimum lot size provision (not modelled in the capacity demand comparison within the main report) where significant capacity is added at this density.

Within Wanaka/Hawea, the previous projected long-term attached/terrace capacity deficit is replaced by sizeable surpluses under both demand scenarios. This occurs as a result of the MDRZ and additional LDSR areas within LHS where there are a mixture of attached dwelling options provided. The smaller site sizes applied to the LDSRZ enable the delivery of less intensive attached dwellings in this area, which contributes to the projected surplus.

Table 9 – Comparison of Capacity and Projected Demand (Low Substitution Demand Scenario)

Catchment	Projected Demand				Capacity (Max Profit Allocation) ¹					Capacity less Demand					Additional Potential Development ²			
	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL	TOTAL (Max Yield)	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL	TOTAL (Max Yield)	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL
	Short-Term: 2024				Short-Term: 2024					Short-Term: 2024					Short-Term: 2024			
Arrowtown	1,300	200	40	1,500	1,600	1,400	40	3,100	3,100	400	1,200	-	1,600	1,600	300	400	-	50
Eastern/Frankton/Quail	3,500	500	100	4,100	4,700	2,200	1,800	8,700	9,200	1,300	1,700	1,600	4,600	5,100	900	2,300	-	500
Queenstown/Arthurs	3,900	800	200	4,900	7,000	9,300	2,300	18,500	28,300	3,100	8,400	2,100	13,600	23,400	2,900	4,300	12,200	9,800
Kelvin Heights/Southern Corridor	2,200	300	60	2,500	6,100	1,100	100	7,300	7,500	3,900	800	60	4,800	5,000	300	2,900	200	200
Wakatipu Small Township/Other	400	70	10	500	700	200	10	900	900	300	100	-	400	400	-	80	-	40
Wanaka/Hawea	7,100	1,000	200	8,400	21,400	5,500	1,000	27,900	30,600	14,300	4,500	700	19,500	22,200	2,800	15,400	-	2,700
Wanaka Small Township/Other	300	20	10	300	1,000	80	-	1,100	1,100	700	60	-	800	800	-	300	-	-
Total Urban Environment	18,700	3,000	700	22,300	42,600	19,800	5,200	67,600	80,800	24,000	16,800	4,500	45,300	58,500	7,100	25,700	12,400	13,200
	Medium-Term: 2031				Medium-Term: 2031					Medium-Term: 2031					Medium-Term: 2031			
Arrowtown	1,200	300	60	1,500	1,600	1,400	40	3,100	3,100	400	1,100	- 20	1,600	1,600	300	400	-	50
Eastern/Frankton/Quail	4,000	900	200	5,200	4,700	2,200	1,800	8,700	9,200	700	1,300	1,600	3,600	4,000	900	2,300	-	500
Queenstown/Arthurs	3,900	1,200	300	5,300	7,000	9,300	2,300	18,500	28,300	3,200	8,000	2,000	13,200	23,000	2,900	4,300	12,200	9,800
Kelvin Heights/Southern Corridor	3,300	400	90	3,800	6,100	1,100	100	7,300	7,500	2,800	700	40	3,500	3,700	300	2,900	200	200
Wakatipu Small Township/Other	500	100	30	700	700	200	10	900	900	200	50	- 20	200	300	-	80	-	40
Wanaka/Hawea	8,000	1,700	400	10,000	21,600	5,500	1,000	28,100	30,900	13,600	3,800	600	18,100	20,900	2,800	15,700	-	2,900
Wanaka Small Township/Other	400	70	10	500	1,000	80	-	1,100	1,100	600	20	- 10	600	600	-	300	-	-
Total Urban Environment	21,200	4,700	1,000	27,000	42,800	19,800	5,200	67,800	81,200	21,600	15,100	4,200	40,800	54,200	7,100	26,000	12,400	13,400
	Long-Term: 2051				Long-Term: 2051					Long-Term: 2051					Long-Term: 2051			
Arrowtown	1,100	400	80	1,500	1,600	1,400	40	3,100	3,100	600	1,000	- 40	1,500	1,600	300	400	-	50
Eastern/Frankton/Quail	5,400	2,100	400	8,000	4,700	2,200	1,800	8,700	9,200	- 700	100	1,300	800	1,200	900	2,300	-	500
Queenstown/Arthurs	4,000	2,100	400	6,500	7,000	9,300	2,300	18,500	28,300	3,000	7,200	1,800	12,000	21,800	2,900	4,300	12,200	9,800
Kelvin Heights/Southern Corridor	5,200	1,700	300	7,200	6,100	1,100	100	7,300	7,500	1,000	- 600	- 200	200	400	300	2,900	200	200
Wakatipu Small Township/Other	700	300	70	1,100	700	200	10	900	900	20	- 200	- 60	- 200	- 400	-	80	-	40
Wanaka/Hawea	10,100	3,600	800	14,500	21,600	5,500	1,000	28,100	30,900	11,400	1,900	200	13,600	16,400	2,800	15,700	-	2,900
Wanaka Small Township/Other	600	200	40	800	1,000	80	-	1,100	1,100	400	- 100	- 40	300	300	-	300	-	-
Total Urban Environment	27,000	10,500	2,200	39,700	42,800	19,800	5,200	67,800	81,200	15,800	9,300	3,000	28,100	41,500	7,100	26,000	12,400	13,400

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

- Notes:
- ¹ These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.
 - ² These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.
 - ³ This is a combination of the 'Attached' and 'Terraced Housing' typologies.
 - ⁴ These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

Table 10 – Comparison of Capacity and Projected Demand (High Substitution Demand Scenario)

Catchment	Projected Demand				Capacity (Max Profit Allocation) ¹					Capacity less Demand					Additional Potential Development ²			
	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL	TOTAL (Max Yield)	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL	TOTAL (Max Yield)	Detached	Attached /Terrace ³	Apartment ⁴	TOTAL
	Short-Term: 2024				Short-Term: 2024					Short-Term: 2024					Short-Term: 2024			
Arrowtown	1,300	200	40	1,500	1,600	1,400	40	3,100	3,100	400	1,200	-	1,600	1,600	300	400	-	50
Eastern/Frankton/Quail	3,400	600	100	4,100	4,700	2,200	1,800	8,700	9,200	1,300	1,700	1,600	4,600	5,100	900	2,300	-	500
Queenstown/Arthurs	3,900	900	200	4,900	7,000	9,300	2,300	18,500	28,300	3,200	8,400	2,100	13,600	23,400	2,900	4,300	12,200	9,800
Kelvin Heights/Southern Corridor	2,200	300	70	2,500	6,100	1,100	100	7,300	7,500	4,000	800	60	4,800	5,000	300	2,900	200	200
Wakatipu Small Township/Other	400	70	20	500	700	200	10	900	900	300	100	- 10	400	400	-	80	-	40
Wanaka/Hawea	7,000	1,100	200	8,400	21,400	5,500	1,000	27,900	30,600	14,400	4,400	700	19,500	22,200	2,800	15,400	-	2,700
Wanaka Small Township/Other	300	30	10	300	1,000	80	-	1,100	1,100	700	60	-	800	800	-	300	-	-
Total Urban Environment	18,400	3,100	700	22,300	42,600	19,800	5,200	67,600	80,800	24,200	16,700	4,500	45,300	58,600	7,100	25,700	12,400	13,200
	Medium-Term: 2031				Medium-Term: 2031					Medium-Term: 2031					Medium-Term: 2031			
Arrowtown	1,200	200	80	1,500	1,600	1,400	40	3,100	3,100	500	1,100	- 30	1,600	1,600	300	400	-	50
Eastern/Frankton/Quail	3,800	1,000	300	5,200	4,700	2,200	1,800	8,700	9,200	900	1,200	1,500	3,600	4,000	900	2,300	-	500
Queenstown/Arthurs	3,800	1,200	400	5,400	7,000	9,300	2,300	18,500	28,300	3,300	8,100	1,900	13,200	23,000	2,900	4,300	12,200	9,800
Kelvin Heights/Southern Corridor	3,100	500	200	3,800	6,100	1,100	100	7,300	7,500	3,100	500	- 40	3,600	3,800	300	2,900	200	200
Wakatipu Small Township/Other	500	100	40	700	700	200	10	900	900	200	40	- 30	200	300	-	80	-	40
Wanaka/Hawea	7,600	1,800	500	10,000	21,600	5,500	1,000	28,100	30,900	13,900	3,800	400	18,100	20,900	2,800	15,700	-	2,900
Wanaka Small Township/Other	400	80	20	500	1,000	80	-	1,100	1,100	700	10	- 20	600	600	-	300	-	-
Total Urban Environment	20,300	5,000	1,500	27,000	42,800	19,800	5,200	67,800	81,200	22,500	14,800	3,700	40,800	54,200	7,100	26,000	12,400	13,400
	Long-Term: 2051				Long-Term: 2051					Long-Term: 2051					Long-Term: 2051			
Arrowtown	1,000	300	200	1,500	1,600	1,400	40	3,100	3,100	600	1,100	- 100	1,500	1,600	300	400	-	50
Eastern/Frankton/Quail	4,800	2,200	1,000	8,000	4,700	2,200	1,800	8,700	9,200	- 20	90	800	800	1,200	900	2,300	-	500
Queenstown/Arthurs	3,800	1,800	900	6,600	7,000	9,300	2,300	18,500	28,300	3,200	7,400	1,400	12,000	21,800	2,900	4,300	12,200	9,800
Kelvin Heights/Southern Corridor	4,400	1,900	900	7,200	6,100	1,100	100	7,300	7,500	1,800	- 800	- 800	200	400	300	2,900	200	200
Wakatipu Small Township/Other	600	300	200	1,100	700	200	10	900	900	100	- 100	- 100	- 200	- 200	-	80	-	40
Wanaka/Hawea	9,000	3,700	1,700	14,500	21,600	5,500	1,000	28,100	30,900	12,500	1,900	- 700	13,600	16,400	2,800	15,700	-	2,900
Wanaka Small Township/Other	500	200	100	800	1,000	80	-	1,100	1,100	500	- 100	- 100	300	300	-	300	-	-
Total Urban Environment	24,100	10,400	4,900	39,700	42,800	19,800	5,200	67,800	81,200	18,700	9,400	300	28,100	41,500	7,100	26,000	12,400	13,400

Source: M.E QLDC Residential Intensification Capacity Model, 2022/2023.

- Notes:
- ¹ These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.
 - ² These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.
 - ³ This is a combination of the 'Attached' and 'Terraced Housing' typologies.
 - ⁴ These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.



Updated assessment of three waters and roading infrastructure including LHS

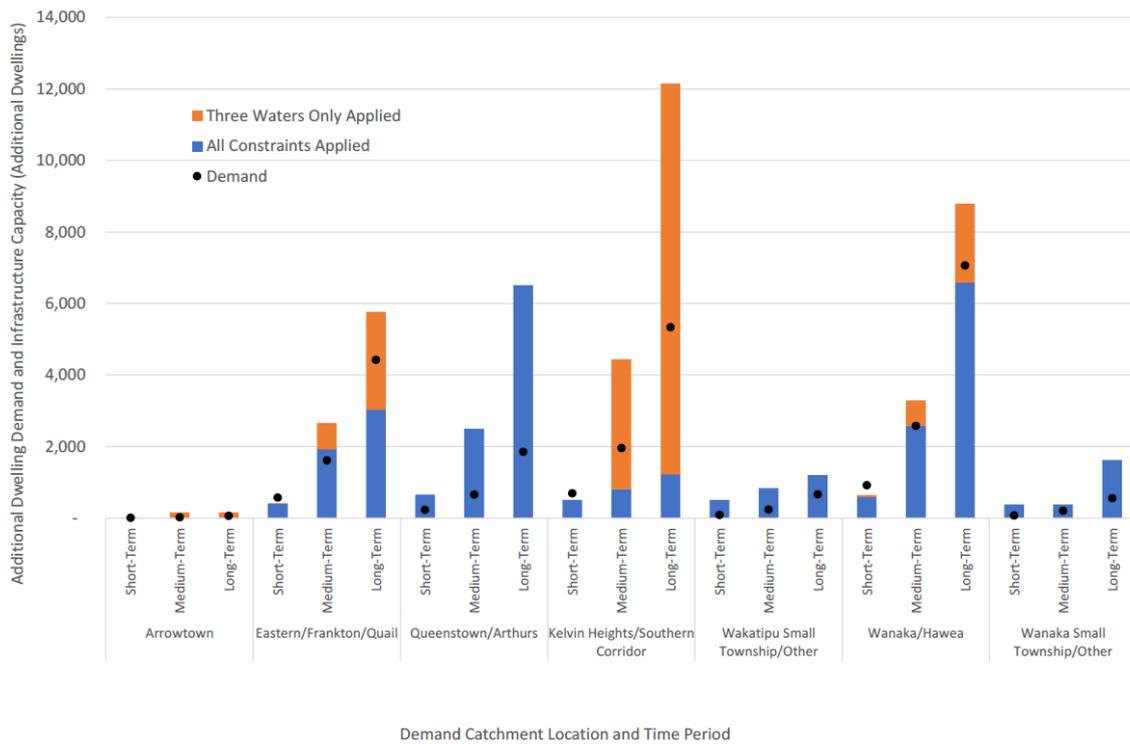
The main report has assessed the projected demand and modelled capacity in relation to the infrastructure constraints by location across the district's urban areas. This includes an assessment in relation to the application of three waters and roading infrastructure combined, as well as three waters infrastructure in isolation.

Figure 4, below, is from the main report. It summarises the assessment of projected demand in each location in relation to the infrastructure network capacity over the short, medium and long-term. It shows that the demand in Wanaka/Hawea is already likely to exceed the roading network infrastructure capacity (blue portions of the bars) in all three time periods. Consequently, any additional growth in this location is likely to increase this projected constraint. Importantly, this includes any redistribution of growth within the Wanaka/Hawea reporting area that results in a greater proportion of growth occurring within Hawea that would alternatively occur within Wanaka (which is not constrained by the transport infrastructure).

It is important to note however that a large proportion of any growth redistribution is already likely to occur with the urbanisation of the LHS land area, which forms part of the plan enabled baseline. Any effect in relation to the transport infrastructure capacity is therefore limited to the differences in density of urban uses in this area with the application of the intensification provisions.

In the medium and long-term, Figure 4 suggests that there may be surplus capacity within the three waters infrastructure networks. The comparisons suggests that the three waters infrastructure network capacity across the Wanaka/Hawea reporting area (based on the QLDC-supplied 2021 HBA infrastructure capacity information) exceeds the projected demand by around 700 dwellings in the medium-term, and by 1,700 dwellings in the long-term.

Figure 4 – Infrastructure Capacity by Infrastructure Network Constraint



It is important to note that our assessment is based off the most recently available infrastructure capacity information supplied to M.E by QLDC as part of the 2021 HBA assessment. We understand that QLDC are currently undertaking further infrastructure modelling that will provide updated information in relation to the Hawea area. This is not yet available at the time of this assessment.

Changes to economic costs, benefits and conclusions for the Intensification Variation?

We consider that there may be some economic costs and benefits associated with the application of intensification provisions to the LHS area.

It is important firstly to define the scale of the comparison to distinguish between changes (that give rise to costs/benefits) that are associated with urbanisation of this area under the plan enabled baseline vs. those that occur through the application of intensification provisions to the plan enabled baseline level of urbanisation. A share of the effect of urban land use in this location is already likely to occur as part of the plan enabled baseline. The assessment of any costs and benefits are therefore appropriately limited to considering the difference in intensity and nature of urban land use with the application of the intensification provisions.

In our view, the application of intensification provisions within this location are likely to produce a more efficient pattern of urbanisation of land in this location than that enabled under the plan enabled baseline. This occurs in two main ways. Firstly, the provisions would enable greater intensification to occur around the planned commercial centre within the MDRZ. The main report outlines the economic benefits of intensification through supporting the viability and vitality of centres.



In our view, patterns of urbanisation that support the economic role of the centre in this location are likely to result in economic benefits for the surrounding Hawea area. This occurs through the greater range of amenity able to be provided by the centre to the local catchment area that it serves. We note that this balance of this effect is dependent upon the appropriateness of floorspace limits within the centre as discussed in the subsequent section.

Secondly, the provisions would enable more efficient development of the surrounding LDSR Zone. As outlined in the main report, it would enable the formation of smaller site sizes that are appropriately scaled to suburban areas beyond the medium-density areas surrounding centres. The intensification provisions would provide more flexibility for the market to scale land and dwelling sizes to patterns of demand. The economic benefits of aligning suburban scale dwellings to patterns of demand are outlined in the main report.

It is also important to examine the spatial extent of any costs and benefits and the geographic scale at which they apply. We consider that the economic effects are likely to be limited to the Wanaka/Hawea reporting area. The findings outlined in the main report applying to the district overall do not change. In addition to the localised effects within Hawea, we consider that the proposal may result in economic effects arising from a limited redistribution of growth within the Wanaka/Hawea reporting area.

It is likely that a significant proportion of any additional capacity delivered in this location (as a result of the intensification provisions) will be redirected growth from within the Wanaka/Hawea reporting area. Any difference in the number of dwellings is unlikely to result in a significant net increase in growth at the Wanaka/Hawea or district scales. A net increase in growth at these scales is instead more likely to occur where there are significant constraints to total growth across the wider urban area or district, which are not indicated by the assessment.

In our view, there is significant projected long-term demand across the Wanaka/Hawea reporting area. It is unlikely that additional growth in this location will undermine urban development and intensification within the proximate Wanaka urban area, with Wanaka likely to continue to form the main urban node.

As above, we note that a redistribution of growth within the Wanaka/Hawea area may result in a reduced alignment with the transport infrastructure capacity.

[Commentary on the Local Shopping Centre Zone in Lake Hawea South](#)

Are the provisions for the LSCZ still appropriate under the preferred Intensification Option?

The zone extent and provisions for the LSCZ are now operative. Key details for the LSCZ are as follows:

- Total developable (net) area excluding roads and the market square of an estimated 37,772sqm (3.77ha)¹⁰.
- One individual retail activity (anchor) can be up to 600sqm GFA (bespoke).
- Total retail GFA shall not exceed 4,000sqm GFA (bespoke). In the Joint Witness Statement for the appeal by Universal (paragraph 8.1(b), the purpose of the retail cap (and single tenancy exemption above) is to ensure the function, viability and pre-eminence of the Wanaka Town Centre and Three Parks retail zones are sustained.
- Other retail activities can be no greater than 300sqm and individual office activities shall be no greater than 200sqm GFA (standard rules).
- Development in the LSCZ is to proceed along Longview Drive in the first instance (followed by Cemetery Road)
- A market square (2,500sqm) is to be provided within LSCZ (in the location shown on Structure Plan)
- At 75% site coverage enabled for the LSCZ, this could deliver approximately 28,290sqm GFA on the ground floor. A further 28,290sqm GFA would be enabled on the upper floor (while we assume that this could be taken up by apartments, they are not currently estimated to be feasible as apartments, so could conceivably be a mix of retail/commercial/other).
- A more realistic site coverage may be 50% or as low as 30%. At a 30% ground floor area ratio, this equates to nearly 11,320sqm of ground floor activity, with 4,000sqm of retail accounting for 35% of that. Once personal and household services are added (on the assumption that such services make up about half of the retail space), then retail and service activity combined (i.e., shops) could take up around 53% of the ground floor.

The Intensification Variation does not propose to change the size of the LSCZ extent (in keeping with the approach taken elsewhere). This is considered appropriate, as the zoned area is already at the large end of the scale for the LSCZ. For example, the other LSCZ in Lake Hawea is just 4,557sqm of net zone area (12% of the size of the LHS LSCZ).

The key question then is whether the bespoke rule for a 4,000sqm GFA retail cap should be retained if the Intensification Variation increases the commercially feasible capacity of LHS by an additional 1,270 dwellings, and the commercially feasible capacity of Lake Hawea generally by an additional 3,400 dwellings.

We believe that retaining the 4,000sqm permitted activity standard for retail floorspace is still appropriate in the context of retaining the same sized zone area. The 4,000sqm retail cap not only helps avoid more than minor retail distributional effects on the Wanaka Town Centre and Three Parks

¹⁰ Including the market square the land zone area excluding roads is estimated at 4.02ha.



commercial centre, but helps ensure that the LHS LSCZ delivers a mix of activities (anticipated by the zone) and is not dominated by retail activity – that is, it forces a more mixed use outcome and a more diverse role than just shopping. From what we understand, this is in keeping with the outcomes sought by the Hawea Community Association – i.e., they wanted the LSCZ in LHS to be somewhere where community facilities can co-locate.

The implication of retaining the bespoke rules for the LHS LSCZ is that if additional dwellings arise because of the Intensification Variation, then the productivity (performance) of the centre improves. Businesses will do better and the centre will be more vibrant. Because the Intensification Variation lifts dwelling capacity more or less across the urban area of the district, maintaining the bespoke provisions in LHS helps retain the relativities across the centre network with respect to ground floor development capacity. We consider this to be important.

Advice to exclude GISZ in LHS

It was M.E’s advice during the mediation of the LHS appeal to exclude any General Industrial and Service Zone (GISZ) in the structure plan area. GISZ does not form part of the urban zoning for LHS approved by the Consent Order. Any provision of GISZ in LHS is outside the scope of the Intensification Variation, but we cover this here for completeness only.

There is no change to M.E’s advice to Council regarding the GISZ. The rationale for excluding a GISZ was not sensitive to the eventual density of housing in the appeal area, but rather the efficiency of concentrating demand for GISZ land within Wanaka (i.e., consolidation rather than dispersal – noting that dispersal would be contemplated in the long-term and would warrant a strategic/spatial planning approach). Our advice remains unchanged even with LHS included in the Intensification Variation.

Any changes to section 7.2 of the M.E Economic Report?

The themes broadly discussed in section 7.2 of our Economic Report for the Variation also apply to the LSCZ in LHS. We have no cause to amend anything in section 7.2 as a result of including LHS in the scope of the Variation. We maintain our conclusions in that report section that the proposed intensification options and provisions – as they apply in and around commercial zones, will generate a number of social and economic benefits for commercial zones and no material economic and social costs.

Closing comments

M.E has completed further analysis on LHS so that it can be considered as part of our existing economic assessment (including residential capacity assessment). Extending the scope of the urban area to include LHS has created some minor changes to our total urban baseline and preferred Intensification option results, but it has not materially changed any of the conclusions reached on the economic costs and benefits of the Variation. As such, this memo should be read alongside M.E’s report dated 16th May 2023.

APPENDIX A

B&A - Lake Hāwea South Addendum Memo

To: Elias Matthee – Queenstown Lakes District Council
From: Cam Wallace – Barker & Associates Limited
Date: 20 July 2023
Re: Lake Hāwea Addendum - Method Statement – Accessibility & Demand Analysis – NPSUD Policy 5

1.0 Background

Barker & Associates (“**B&A**”) was previously commissioned by Queenstown Lakes District Council (“**QLDC**”) to undertake an Accessibility & Demand Analysis to assist QLDC in meeting its requirements as a Tier 2 local authority under Policy 5 of the National Policy Statement on Urban Development (“**NPSUD**”). The outputs of this analysis are contained in *Method Statement – Accessibility & Demand Analysis – NPSUD Policy 5*, dated 16 May 2023.

As part of this work, B&A also undertook an urban design review of the existing provisions of urban zones within the Queenstown Lakes Proposed District Plan (“**PDP**”). As a result of this work a number of recommended amendments to better enable intensification opportunities within various zones including the Lower Density Suburban Residential Zone (“**LDSRZ**”), Medium Density Residential Zone (“**MDRZ**”) and Local Shopping Centre Zone (“**LSCZ**”). These recommendations are set out within the *District Plan Urban Design Review*, dated 15 May 2023.

Subsequent to the completion of these reports, the Environment Court released a Consent Order [2023] NZEnvC 110) on 29 May 2023 allowing the appeals of Universal Development Hawea Limited and Domain Acres Limited to relocate the urban growth boundary and rezone land in Hāwea South, south of Cemetery Road a combination of LDSRZ, MDRZ and LSCZ (refer to Figure 1) (“**the Hāwea South site**”).



Figure 1 – Amended Zoning Context (area to be considered bounded by the black dashed line)

1.1 Purpose

The purpose of this memo is to re-examine the conclusions with respect to zone extents and zone provisions related to the rezoned land in Hāwea South to assist in the development of an intensification plan change for QLDC to ensure a consistent approach to application of the NPS-UD is undertaken across the Queenstown Lakes urban environment.

1.2 Methodology

The methodology utilised for this analysis is the same as that set out within the *Method Statement – Accessibility & Demand Analysis – NPSUD Policy 5*, dated 16 May 2023. However, in light of the fact that majority of the Hāwea South area is currently undeveloped, and services do not exist, assumptions have been made around the type and location of amenities (e.g. a school) that could develop in line with the Consent Order. This differs from analysis undertaken for areas like Jack’s Point which was identified as having relatively poor accessibility in part as amenities were still emerging or not yet developed.

For the analysis of Lake Hāwea, the following assumptions around destinations have been made to understand the *potential* accessibility of the Hāwea South area should development occur in line with the Structure Plan:

- A new LSCZ is located on the southern side of Cemetery Road.
- Within the LSCZ, provision has been made for a small supermarket/ community superette. Rules 15.5.10 and 15.5.A within the Consent Order note that one individual retail activity may exceed 300m² gross floor area but shall not exceed 600m² gross floor area. This is consistent with the size of small supermarkets currently being developed across New Zealand.
- A 2Ha sports and recreation reserve will be centrally located within the LDSRZ; and
- A future primary school will be located south of Cemetery Road, and west of the LSCZ;

The location of these destinations is shown in Figure 2 below. In addition, a further sensitivity test was undertaken making provision for an hourly bus service which loops through the town via Capell Avenue, Cemetery Road and Domain Road.

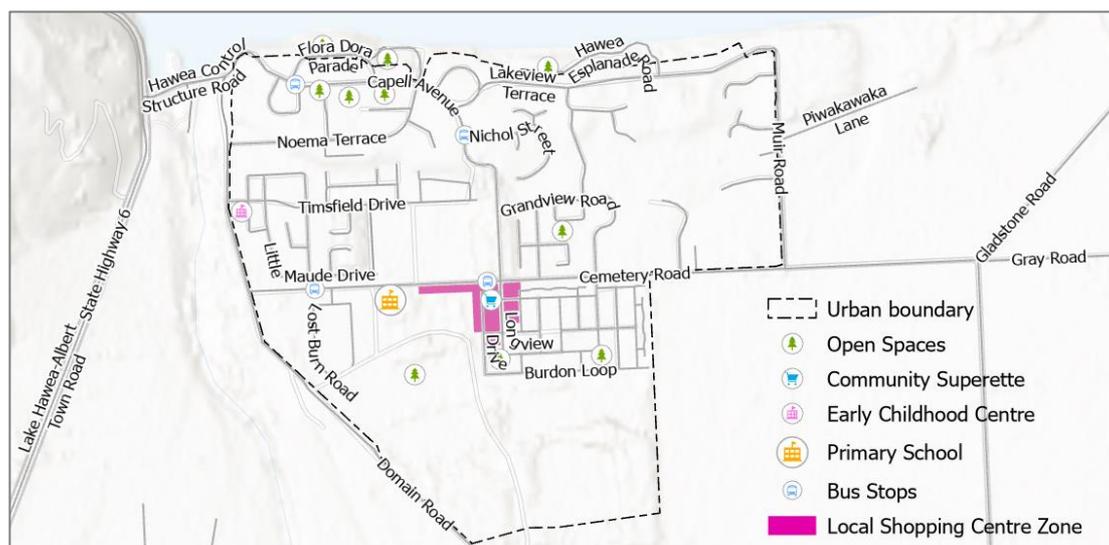


Figure 2 – Destinations considered (and assumed) in re-evaluation of accessibility in Lake Hāwea

Catchments and weightings as set out on Page 9 of the 16 May Memo were subsequently calculated. As the facilities that were incorporated into this analysis do not yet exist, no site visit or “ground truthing” was undertaken to fully understand the outputs of this analysis. As such, the outputs provide an indication of Hāwea’s accessibility should development proceed in line with the Consent Order.

2.0 Summary & Findings

2.1 Accessibility

Figure 3 presents the summary findings of the accessibility analysis for Lake Hāwea included within the 16 May memo. Section 3.7 of the Urban Design Review noted:

“As with other smaller towns across the District, Hāwea scored relatively poorly in terms of its accessibility. There are a number of open space opportunities as well as a small commercial centre and community centre but the majority of its needs are serviced from Wānaka. The majority of the existing township falls within the LDSRZ. It is relatively isolated location from the larger population and employment centres (approximately 10km from Wānaka), and there is not considered to be any strong justification in urban design terms to enable widespread intensification on levels comparable to Wānaka or Queenstown.”

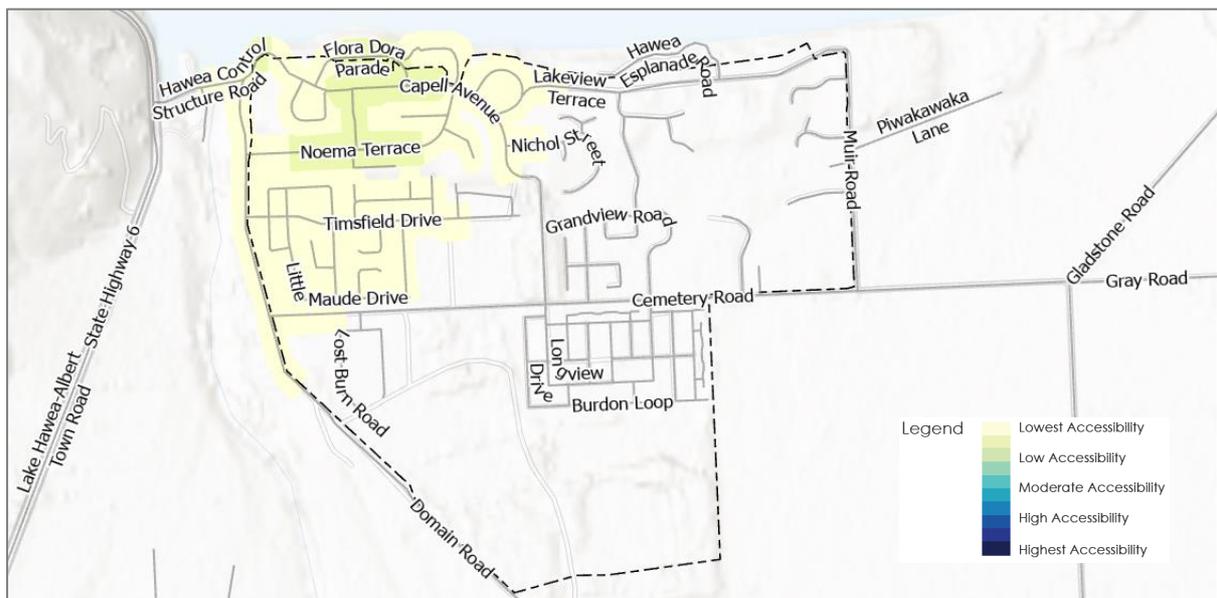


Figure 3 - Total Accessibility (Weighted) – May 16 Memo

Figure 4 and Figure 5 overleaf present the amended accessibility analysis assuming the Hāwea South site is developed in accordance with the new zoning pattern and associated subdivision pattern enabled by the Consent Order. The additional amenities provided within the area will generally provide benefits to accessibility across Hāwea with clear improvements from “no accessibility” to low-to-moderate levels of accessibility focussed around the new LSCZ. This is in line with what one would expect should these amenities be constructed. Accessibility could be further enhanced through the development of additional amenities such as medical facilities, more frequent public transport and increased employment opportunities available with build out of the LSCZ. However, whilst accessibility could be expected to improve, the Hāwea South site performs notably worse than the majority of areas identified for inclusion in the amended MDRZ across the wider Queenstown Lakes urban environment. This is because there is a lack

of proximity to a main centre with a greater variety of cultural and commercial amenities as well as employment opportunities (e.g. Wānaka Town Centre), this lack of proximity limits its potential improvement in accessibility over the long-term.

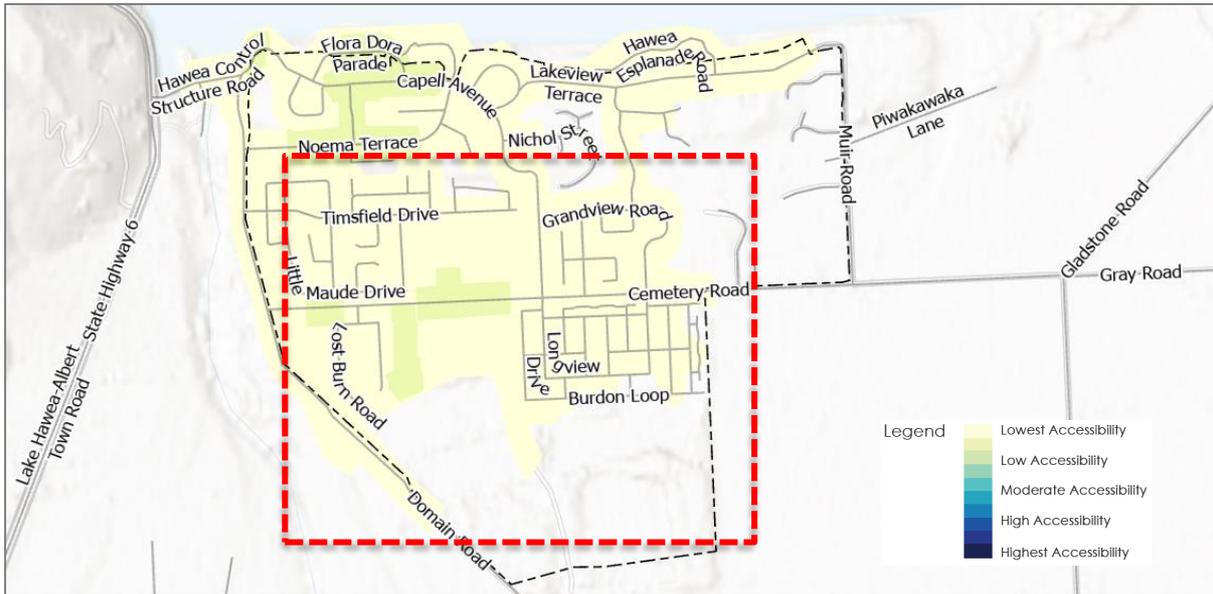


Figure 4 – Revised Total Accessibility (Weighted) – July 2023

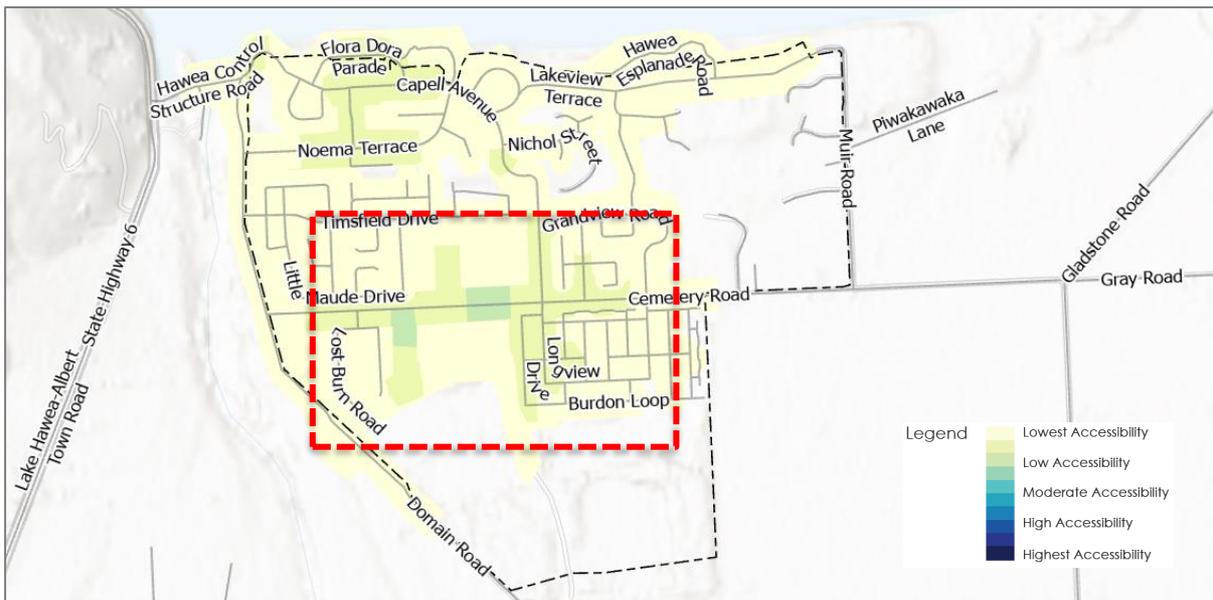


Figure 5 – Revised Total Accessibility (Weighted) Public Transport Sensitivity Test – July 2023

2.2 Medium Density Residential Zone

The *District Plan Urban Design Review* recommended a number of amendments to the MDRZ, including the removal of density controls and height increases which aren't reflective of the application of the MDRZ to the Hāwea South site (as provided for in the Consent Order).

Consistent with recommendations made around the revised MDRZ as it would apply to various isolated pockets across the District (e.g. Section 4.9 Arthur's Point & 4.10 Wānaka North), I do not consider that application of the more intensive MDRZ is required to satisfy Policy 5 of the NPS-UD. However, I am of the opinion that the more intensive development that could be enabled through a revised MDRZ within the Hāwea South site could be considered more appropriate at the Hāwea South site than elsewhere in Hāwea due to the potential proximity to a future school (identified on the structure plan confirmed by the Consent Order) and the LSCZ. The large, vacant landholdings provide an opportunity for a well-considered comprehensive development while the increased population that could result may also have benefits in better supporting development of the LSCZ.

2.3 Local Centre Shopping Centre Zone

The new LSCZ borders a combination of MDRZ, LDSRZ and public road. As part of the wider urban design review of the District Plan it was recommended that the permitted height of the LSCZ was increased above adjacent zones. In this instance we have proposed permitted heights of 11m (+1m) in the MDRZ and 8m in the LDSRZ.

I recommend adopting a 12m height limit for the LSCZ as the majority of the zone borders public roads which will provide a transition in scale and assist with buffering potential adverse effects from adjacent properties. This would enable a three-storey development (ground floor retail with apartments at upper floors). I note that a 3m building setback would apply in line with proposed rule 15.5.2.2 which I continue to support. Where the LSCZ adjoins a residential zone I would recommend that the sunlight access planes of that zone apply (e.g. 2.5m + 55° for the LDSRZ). This would ensure a transition in height/ scale for lower density sites immediately adjoining the LSCZ and would result in setbacks of at least 6.65m for the upper floor built to the full 12m height envelope.

2.4 Lower Density Suburban Residential Zone

I previously made recommendations around a number of minor changes to the bulk and density standards for the LDSRZ across Queenstown Lakes, including at Lake Hāwea. I don't not believe there are any reasons on urban design grounds, why these recommendations should not apply to the Hāwea south area, noting that it is currently a greenfield environment (where urbanisation is signalled) that is less sensitive to the effects of new buildings.

2.4.1 Subdivision in Area B

The consent order places additional rules limiting sites within Area B on the Structure Plan to 800m². Paragraph 8.1(a) of the Joint Witness Statement developed to assist the Environment Court notes that this rule reflects that these sites have already been subdivided to a density of 4000m² under the PDP Rural Residential Zone provisions and more intensive infill otherwise enabled under the LDSR zone provisions to 300m² are not likely to be able to be readily achieved or result in optimal outcomes based on the existing established pattern of subdivision. I generally concur with this assessment although note that relatively

efficient and appropriate development and subdivision could still occur for those lots with dual road frontages as identified in Figure 6 below. I consider that lot dimensions for sites of around 450m² could be delivered in an efficient manner in the future. However, depending on the extent and nature of existing development on any given lot may this may be a largely academic exercise.

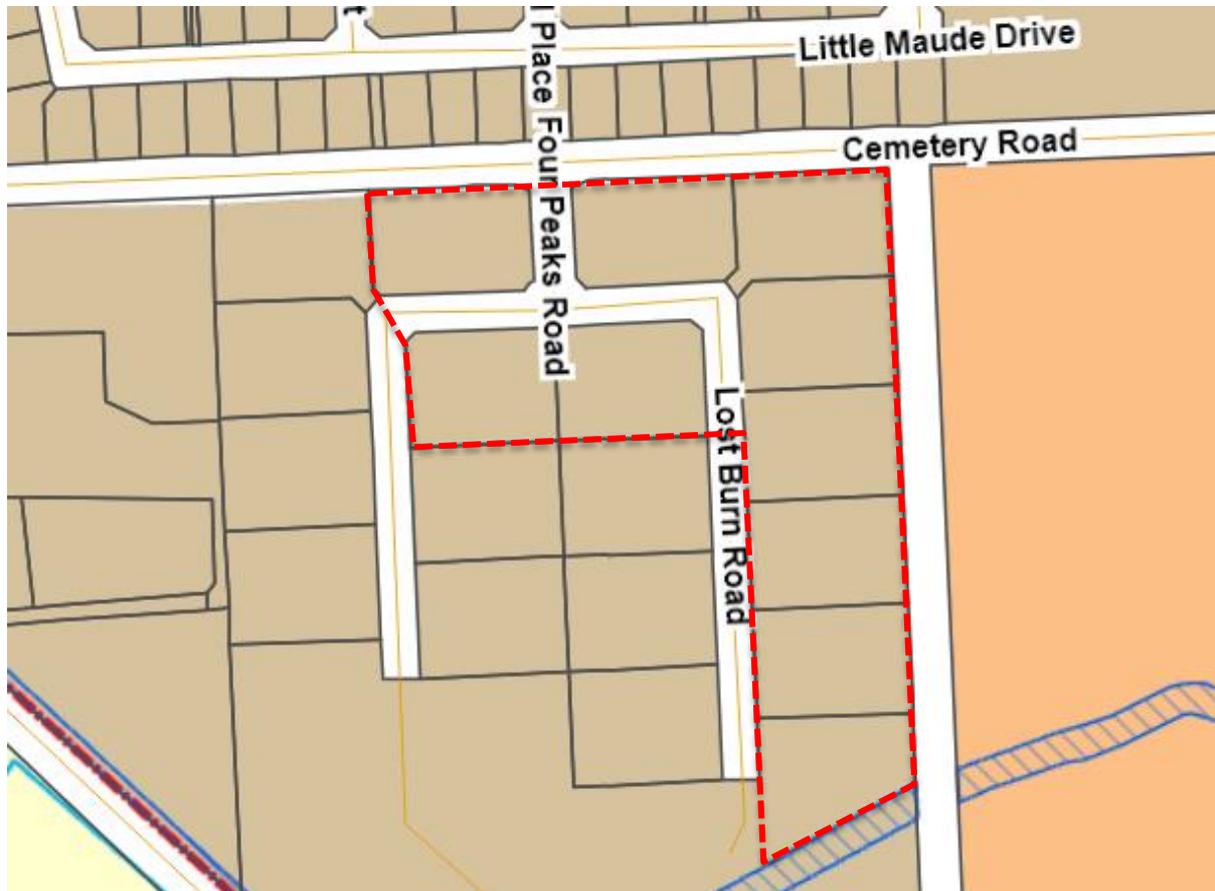


Figure 6 – Lots suitable for a denser subdivision pattern than 800m² within Area B (red outline)