

PROPOSED TE PŪTAHI LADIES MILE PLAN VARIATION
SUMMARY OF EVIDENCE OF TIMOTHY JAMES HEATH ON BEHALF OF
THE ANNA HUTCHINSON FAMILY TRUST

1. My full name is Timothy James Heath. I am a property consultant and urban demographer at Property Economics.
2. I have prepared evidence on behalf of the Anna Hutchinson Family Trust, a submitter on the Te Pūtahi Ladies Mile Variation (**Variation**), dated 20 October 2023 in relation to highlighting the appropriateness and efficiency of urbanising the AHFT land.
3. Given there is agreement among economic witnesses that the AHFT land is appropriate to urbanise¹ and has efficiency benefits², I will only address the minor matter still in dispute, as I understand which is the timing for development of the AHFT land and the potential adverse economic effects on the Commercial Precinct if developed in the short-medium term.
4. Two key findings of my economic analysis were:
 - Residential development in the Extension Area would improve urban form efficiency and have a positive impact on the functioning of the urban environment and economy, and that the Extension Area is very well located being in such close proximity and highly accessible to centres, employment hubs, schools and other essential services and amenities a community requires.
The economic benefits and efficiencies of this outcome are the same irrespective of the timing of the area's development. It is locationally driven, not timing driven.

¹ *Joint Statement of Economic Experts, dated 3 November 2023, Point 3.*

² *Joint Statement of Economic Experts, dated 3 November 2023, Point 3b.*

- That if the AHFT was not permitted to be developed, there would be economic opportunity costs foregone and that demand would be met in more distant (less efficient) locations.

5. I understand Ms Fairgray's position to be that development of the AHFT land is a long-term proposition so as to not undermine development around the Commercial Precinct and land within the Variation area closer to that precinct in general. I find this position difficult to reconcile practically and in my view could lead to unintended consequences of amplifying the housing supply problem rather than addressing it.

6. In terms of the Commercial Precinct, a dwelling being developed in the AHFT land is just as positive for the Precinct as development of a dwelling within the Variation area. The Commercial Precinct is the closest Local Centre and supermarket, so the centre would be utilised by households in the AHFT just as frequently as households in the Variation area. The economic benefits are the same.

7. What I find difficult to resolve in Ms Fairgray's position is her concern that it would be less efficient to develop AHFT land at the same time as the Variation area, and that this has adverse effects on the Commercial Precinct. It is the same local area. Ms Fairgray appears to want to micro-manage the development of the Variation area like the ripple effect from a stone being dropped in a pond. This is both impractical and unrealistic.

8. There are multiple land owners across the Variation area who have different motivations, development experience, access to capital, risk appetite, etc., all which make development from the Commercial Precinct outwards a theoretical proposition rather than realistic real world outcome. Pepper potted development of a local area is the 'norm' and is not an unusual, inefficient and adverse outcome to be managed, particularly in the Queenstown market that has struggled to deliver residential supply.

9. The idea of preventing residential development in an area all experts agree should be urbanised so the Commercial Precinct and surrounds of the

Variation area is developed first in a co-ordinated manner is illogical, at odds with the NPS-UD and would amplify the housing shortage by preventing development of efficient land.

- 10.** Overall, development of the AHFT land within the short term, and at the same time as the Variation area, would generate economic benefits that would outweigh any economic costs by a significant margin.

Tim Heath

11 December 2023