Attachment A

QUEENSTOWN LAKES DISTRICT COUNCIL

Business Development Capacity Assessment 2017

Queenstown Lakes District

15 March 2018 – draft final

m.e consulting

Business Development Capacity Assessment 2017

Queenstown Lakes District

Prepared for

Queenstown Lakes District Council

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Executive Summary

Urban economies accommodate the vast majority of population and business activity and capture the majority of growth. Providing for that growth in an efficient manner is vital for the national economy. To this end central government has released the National Policy Statement – Urban Development Capacity (NPS-UDC) that requires high growth Councils (in the first instance) to assess their growth futures and the commercially feasible capacity enabled under their District Plans to ensure that future growth can be provided for.

Local authorities have an important role to play in the operation of their economy, primarily through planning for growth. Ensuring that there are sufficient opportunities for development means that businesses and households can be accommodated in appropriate locations without undue constraint. The NPS-UDC contains a number of objectives and policies that aim to achieve that outcome. This report helps fulfil Objective Group B; Evidence and monitoring to support planning decisions. Under Policy B1, Councils are required to, "*on at least a three-yearly basis, carry out a housing and business development capacity assessment that;*

a) ……
b) *Estimates the demand for the different types and locations of business land and floor area for business, and the supply of development capacity to meet that demand, in the short, medium and long terms, and*
c) *Assess the interaction between housing and business activities, and their impacts on each other."*

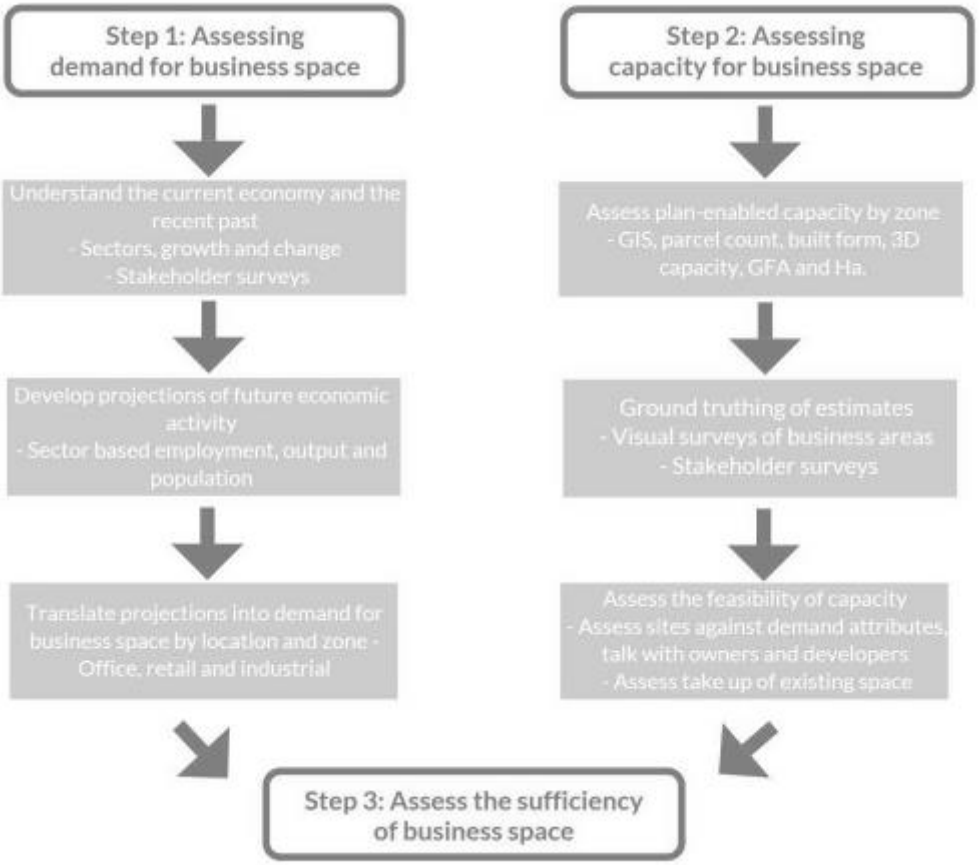
The business development capacity assessment (BDCA) needs to contain information on; the current economy and likely future economic growth by sector, the amount of capacity enabled under the current planning provisions plus any other strategic planning documents by type and location, an assessment of the feasibility or developability of that capacity and finally an assessment of the sufficiency of capacity to meet the foreseeable demands arising in the urban area in the short, medium and long-terms. This is summarised in Figure 0.1 below.

Queenstown Lakes District (QLD) has been identified as a high growth Council. As a result, all the objectives and policies of the NPS-UDC apply to the QLDC. This report is QLDCs first assessment under the NPS-UDC of urban business land and floorspace demand in the short, medium and long-term and current business zone capacity provided for in their proposed and operative district plans.

The QLD Urban Environment

The NPS-UDC defines two concepts, "urban environment "and "urban area" which are different in meaning and application. The NPS-UDC applies to any "urban environment" that is expected to experience growth. The objectives and policies are structured around "urban environments", and therefore the need to assess demand and provide sufficient development capacity (under Policies A1 to A4) applies to land within that urban environment.

Figure 0.1 - Business Development Capacity Approach Overview



The urban environment of QLD has been defined for the purpose of this BDCA. In the Wanaka Ward, it encompasses the area within the Wanaka urban growth boundary (UGB), as well as the Hawea and Luggate townships, and the Rural Industrial sub-zone in Luggate. In the south of the district (referred to here as the Wakatipu Ward, which combines both the Queenstown and Arrowtown Wards), the urban environment includes the area within the Queenstown and Arrowtown urban growth boundaries plus the small area of Low Density Residential zone adjacent to Lake Hayes. These urban growth boundaries are discussed further in the Proposed District Plan.

The rest of the district – the rural environment – therefore captures the rural zone, Wakatipu Basin, Gibbston Valley, Cardrona, Hawea Flat and the more remote townships of Makarora, Glenorchy and Kingston. Several of the District's special zones sit within the rural environment as does the Wanaka Airport. Within the rural environment there are some development areas that are urban in nature and it can be assumed that in future, those areas may be included in the defined urban environment.

The QLD Economy

QLD is a four-season resort town economy with characteristics broadly similar to comparable places around the world: outstanding natural environment, remote location, high degree of business concentration in tourism activities and allied services, high living costs and a population that comprises a large proportion

of visitors on any given day. The QLD economy is very concentrated in and reliant on relatively few industries, more so than any other district in New Zealand. These are industries that are servicing visitors and the growing population. Construction, accommodation and food services represent a significant share of the District's gross domestic product (GDP).

QLD has experienced very strong economic (GDP) growth over the last decade (over double the New Zealand average), with population and visitor growth providing the main stimulus. Visitor and lifestyle-related industries (accommodation, food services, rental services and recreation services) and property and service industries (construction and construction services, general professional services, health services, real estate) have grown strongly. GDP per capita has not grown as fast. Employment has grown very strongly but estimated labour productivity in the District is well below the national level and median earnings from salaries and wages are relatively low, reflective of lower value and seasonal employment in accommodation and hospitality services. Median income from all sources is, however, relatively high, likely reflecting that there are many people (likely wealthy) residing in the district and receiving investment and income from outside the District.

This District has several sources of current and potential economic advantage, that are unique in New Zealand. Key strengths include it natural amenity, visitor economy and entrepreneurial culture. It also faces a number of challenges to improving its economic performance. Some of these are shared with other small districts in New Zealand. Others are specific to the District and reflect its resort town characteristics. Key challenges include its small sized market and distance from other urban centres, an economy that is not very diverse and concentrated on the visitor economy, housing affordability and high costs of living, and the pressures placed on resident households to cover the costs of infrastructure that serves both residents and the visitor population.

Queenstown functions as the central business district of the district and is the primary focus of visitor accommodation, hospitality and many tourism services. For a long time, Frankton Flats role was focussed on the Airport, Glenda Drive industrial/mixed-business area and recreational facilities. Significant growth in recent years has seen two large retail centres develop (Remarkables Park and Five Mile), which play a complementary role to Queenstown Town Centre by focussing primarily on resident household demand. Growth in this area is continuing, and further retail, commercial and industrial development is underway alongside planned residential development.

Arrowtown is a key tourist destination and this has shaped the mix of retail and hospitality activities in the town centre. There is however a sizeable resident community in the Arrowtown locality. A significant share of their needs is met in Frankton and Queenstown Town Centre, which are located within a relatively easy commute.

In the north of the district, Wanaka is the largest centre and it plays a key service role for surrounding smaller townships. Wanaka is also a key tourist destination, and this sustains a vibrant town centre. The Three Parks Special Zone is in the early stages of development, and this is expected to help cater for the strong growth in resident demand, and the growth in commercial and service activity that flows from that.

Employment Growth Projections

In 2016, the district comprised of almost 7,460 business and just over 25,750 workers (as measured in the Statistics New Zealand (SNZ) Business Directory). The three largest sectors in terms of business counts are

Rental, Hiring and Real Estate, Construction and Professional, Scientific, Technical, Administrative and Support Services. The Accommodation and Food Services, Professional, Scientific, Technical, Administrative and Support Services, and Construction sectors are the three largest when measured in terms of workers.

Employment projections by 48 economic sectors have been produced for QLD (and each Ward) using the Economic Futures Model[1]. The core employment projection relied upon in this BDCA is based on Council's own medium-high projections of population and average day visitors (supplied by Rationale Limited), as well as other economic data. It is referred to as the QDLC Recommended growth projection. Other higher and lower employment projections have also been considered.

Under the Recommended employment projections, little growth is anticipated in the primary sector – this remains only a small component of the QLD economy in the long-term. Industrial sectors have the fastest growth rate (72% compared to an average of 55% for all sectors) and employment in this category is expected to increase by a further 4,220 workers. Retail sectors (which includes Accommodation and Food Services for the purpose of this summary) remain the largest share of business employment and are projected to grow by 62% above 2016 employment counts (growth of 6,060 workers by 2046). Last, commercial sectors have a combined long-term growth rate of 38% by 2046 (an increase of 3,570 workers).

These employment growth projections relate to the total QLD. This growth will drive demand for land and floorspace in a range of locations – both urban and rural, and in a range of zones. In 2016, approximately 88% of all employment in QLD was located within the urban environment (an estimated 22,760 workers) and 12% of district employment (2,990 workers) was located in the rural environment (as defined for the purpose of this BDCA). For the purpose of this first BDCA, it is assumed that the urban share of total district employment will remain constant over the long-term (to 2046). In future updates of this assessment, this assumption will be examined more closely. The sectors that are more concentrated in the urban environment (in 2016) include (but are not limited to):

- Construction (88% urban)
- Retail (92% urban)
- Wholesale (90% urban)
- Accommodation and Food Services (90% urban)
- Personal and Other Services (93% urban), and
- Most Manufacturing sectors

These patterns reflect the concentration of households (and therefore workforce), commercial centres and business zones (and their inter-relationships) within urban areas.

[1] A proprietary model of Market Economics Limited.

Employment Growth in Business Enabled Urban Zones

The primary focus of this first BDCA is to model future demand for land and floor space within the district's business enabled zones in the urban environment. Within the urban environment, the zones that enable business activities include:

- Queenstown, Wanaka and Arrowtown Town Centres (PDP);
- Town Centre Sub-zone (applies to Queenstown only) (PDP);
- Town Centre Transition Zones (applies to Arrowtown and Wanaka) (PDP);
- Business Mixed Use Zones (PDP);
- Local Shopping Centres (PDP);
- Business (ODP);
- Industrial A and B (ODP);
- Rural Industrial Sub-zone (applies in Luggate only) (PDP);
- Albert Town, Hawea and Luggate Townships (ODP);
- Commercial Precinct Overlay (applies in Luggate only) (ODP);
- Rural Visitor (applies to Arthurs Point only), (ODP);
- Visitor Accommodation Sub-zones (Stage 2 - PDP);
- Queenstown Airport Mixed Use (PDP)[2];
- Plan Change 50 (Queenstown) (ODP); and
- Specific structure plan precincts[3] within Special Zones Jacks Point, Remarkables Park, Frankton Flats (also referred to as Frankton Flats A[4] in this report), Frankton Flats B, Northlake, Shotover Country, Three Parks and Ballantyne Road Mixed Use Zone. (ODP)

In 2016, approximately 72% of all QLD urban environment employment was located within the core business enabled zones (an estimated 16,290 workers) and 28% (6,470 workers) were located in the non-business (residential and other) zones. For the purpose of this first BDCA, it is assumed that the business zone share of total urban employment will remain constant over the long-term (to 2046). In future updates of this assessment, this assumption of location preferences will also be examined more closely. The sectors

[2] The Wanaka Airport falls outside of the urban environment. A proposed chapter that included both the Queenstown and Wanaka Airports were created in the right of reply for the PDP hearings.

[3] Precincts within Special Zones that have been excluded for the purpose of the BCDA include those focussed on residential, landscape, open space, screening, protection and reserve activities and specified no-build areas.

[4] Known locally as Five Mile.

that are more concentrated in the business enabled zones in 2016 (relative to the total urban environment) include:

- Printing (100% business zones)
- Local Government Administration (100% business zones)
- Finance (96% business zones)
- Retail (92% business zones)
- Wholesale Trade (87% business zones)
- Central Government and Public Safety (93% business zones).

Business Land and Floorspace Demand

M.E has taken projected employment growth anticipated to occur or be directed to urban business enabled zones in QLD and translated it into additional demand for land and floorspace in the short, medium and long-term, as required by the NPS-UDC. The translation considers the different land use and building typologies required to put employment growth in each sector 'on the ground'. Employment is translated into likely floorspace and land use requirements using average floorspace per worker and land area per worker ratios.

These averages are derived from current data relating to employment and land use/space types. Given the similarity of activities carried out by employees across a range of sectors, there are a smaller number of space types than there are activity types or economic sectors. For the purposes of the NPS-UDC, all space and land types have been condensed into 3 broad categories – retail, commercial and industrial (which includes light industrial activities).

The results indicate that the greatest demand for land in the short, medium and long-term across the business enabled zones, is for commercial land (predominantly visitor accommodation) and industrial warehouse, factory and yard space. The land extensive nature of industrial demand puts it on par with commercial land demand despite lower projected employment growth.

This result does not apply evenly across QLD urban business zones. Figure 0.2 shows land demand projections within Wanaka Ward's business zones under the Recommended growth projection. It is estimated that 4.6 ha of business land is required to accommodate employment growth between 2016 and 2019. A further 6.8 ha is required to accommodate growth in the medium term and a further 10.5 ha is required to meet long-term growth. Cumulative demand for business land over the long-term is estimated at 22.0 ha. In the Wanaka ward, demand is greatest for commercial land capacity - it accounts for a 46% share of total Wanaka ward land demand over the long-term (with industrial land demand making up a 38% share).

In contrast, demand in the Wakatipu Ward business zones is slightly greater for industrial land capacity in the long-term – it accounts for a 43% share of total Wakatipu ward land demand (with commercial land demand making up 42%) (Figure 0.3). The modelling shows that land demand within Wakatipu Ward's business zones under the Recommended growth projection are estimated at 15.5 ha to accommodate employment growth between 2016 and 2019. A further 21.7 ha is required to accommodate growth in the

medium term and a further 36.4 ha is required to meet long-term growth. Cumulative demand for business land over the long-term is estimated at 73.7 ha.

Figure 0.2 - Wanaka Ward Land Demand in Business Enabled Zones by Land Use (Ha)

Category	Land Use / Building Type	Land Demand (Ha)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	0.1	0.1	0.1	0.3
	Office---Retail	0.0	0.0	0.1	0.1
	Accommodation	1.3	1.7	1.9	4.8
	Yard---Commercial	0.5	0.7	1.3	2.5
	Other Built---Commercial	0.3	0.5	0.9	1.8
	Education	0.1	0.1	0.2	0.4
	Outdoor---Commercial	0.0	0.0	0.0	0.0
Industrial	Warehouse	0.6	1.0	1.8	3.4
	Factory	0.3	0.5	0.9	1.8
	Yard---Industrial	0.4	0.6	1.2	2.2
	Other Built---Industrial	0.1	0.2	0.6	0.9
Retail	Shops---Commercial	0.3	0.5	0.8	1.6
	Shops---Food and Beverage	0.6	0.7	0.8	2.1
TOTAL		4.6	6.8	10.5	22.0

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Figure 0.3 - Wakatipu Ward Land Demand in Business Enabled Zones by Land Use (Ha)

Category	Land Use / Building Type	Land Demand (Ha)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	0.3	0.4	0.6	1.2
	Office---Retail	0.1	0.1	0.2	0.4
	Accommodation	3.8	4.7	7.5	16.0
	Yard---Commercial	1.2	1.7	3.2	6.1
	Other Built---Commercial	1.1	1.7	3.0	5.8
	Education	0.3	0.4	0.6	1.3
	Outdoor---Commercial	0.0	0.0	0.1	0.1
Industrial	Warehouse	2.6	4.0	6.8	13.4
	Factory	1.6	2.1	3.1	6.9
	Yard---Industrial	1.5	2.4	4.3	8.2
	Other Built---Industrial	0.5	0.9	2.0	3.5
Retail	Shops---Commercial	0.8	1.2	1.9	4.0
	Shops---Food and Beverage	1.6	2.0	3.2	6.8
TOTAL		15.5	21.7	36.4	73.7

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

In the Wanaka Ward, the combined commercial and industrial sectors make up 83% of the total urban business land demand over the long-term. Similarly, in the Wakatipu Ward, these sectors make up 85% of the total urban business land demand. However, the business land demand across all sectors in the Wanaka ward makes up only 23% of the district-wide land demand; with the Wakatipu remaining the dominant commercial area with 77% of the district wide land demand – reflecting its larger economic and population base.

The modelling also generates estimates of future floorspace demand in urban business enabled zones, measured in square meters of gross floor area (sqm GFA). The results indicate that the greatest floorspace demand in the short, medium and long-term across the District business enable zones, is for commercial space (predominantly visitor accommodation), followed by industrial space (predominantly warehouse) and then retail space (predominantly food and beverage).

This result holds true across both wards of the district, but the difference between total commercial floorspace demand and industrial floorspace demand in Wakatipu is only small while in Wanaka it is more pronounced.

In the Wanaka Ward business zones (Figure 0.4), an estimated 22,800sqm GFA of business space is required to accommodate employment growth in the short-term. A further 33,500sqm GFA is required in the medium-term and a further 51,000sqm GFA is required in the long-term. This is a total cumulative demand of just over 100,000sqm of business floorspace by 2046. The combined commercial and industrial sectors make up 81% of this total urban business floorspace demand (Recommended growth projection).

Figure 0.4 - Wanaka Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

Category	Land Use / Building Type	GFA Demand (sqm)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	500	700	1,000	2,200
	Office---Retail	100	200	400	700
	Accommodation	6,500	8,300	9,300	24,100
	Yard---Commercial	2,200	3,300	5,800	11,300
	Other Built---Commercial	1,700	2,600	4,600	8,900
	Education	300	400	600	1,300
	Outdoor---Commercial	-	-	100	100
Industrial	Warehouse	3,000	4,900	8,500	16,400
	Factory	1,700	2,900	4,800	9,400
	Yard---Industrial	1,300	2,400	4,500	8,200
	Other Built---Industrial	600	1,200	2,800	4,600
Retail	Shops---Commercial	1,800	2,700	4,200	8,700
	Shops---Food and Beverage	3,100	3,900	4,400	11,400
TOTAL		22,800	33,500	51,000	107,300

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Wakatipu Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

Category	Land Use / Building Type	GFA Demand (sqm)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	2,000	2,600	3,700	8,300
	Office---Retail	400	600	1,200	2,200
	Accommodation	19,200	23,500	37,400	80,100
	Yard---Commercial	5,100	7,700	14,300	27,100
	Other Built---Commercial	5,600	8,400	15,000	29,000
	Education	1,100	1,500	2,100	4,700
	Outdoor---Commercial	100	100	200	400
Industrial	Warehouse	12,500	19,100	32,500	64,100
	Factory	8,500	11,100	16,200	35,800
	Yard---Industrial	5,800	9,200	16,300	31,300
	Other Built---Industrial	2,700	4,700	9,900	17,300
Retail	Shops---Commercial	4,500	6,400	10,500	21,400
	Shops---Food and Beverage	9,000	11,100	17,600	37,700
TOTAL		76,500	106,000	176,900	359,400

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Similarly, in the Wakatipu Ward (Figure 0.5), these sectors make up 84% of the total urban business floorspace demand. The modelling shows that floorspace demand within Wakatipu Ward's business zones under the QLDC Recommended growth projection are estimated at 76,500sqm GFA to accommodate employment growth between 2016 and 2019. A further 106,000sqm GFA is required to accommodate growth in the medium-term and just under 177,000sqm of additional GFA is required to meet long-term growth. Cumulative demand for business floorspace over the long-term is estimated at approximately 360,000sqm GFA.

Discussion of Business Land and Floorspace Demand

The estimates of future urban business land and floorspace demand are based on a number of averages and assumptions which may have a compounding effect on final outputs. Replacing these averages and/or assumptions with local level data will increase the accuracy of the BDCA over time (and in future updates). In the meantime, the approach is considered consistent with NPS-UDC guidelines.

The demands for additional business land area should be considered in terms of developable zone area and not gross zone area as the ratios applied relate to site coverage and exclude public land (roads and landscape/reserve areas).

The measure of additional land is considered more relevant for future planning for industrial growth as industrial activities are more land extensive and not easily accommodated in mixed-use buildings. As such, the analysis suggests a requirement for 3.9 ha of additional industrial activity in the Wanaka Ward by 2026 and 8.3 ha by 2046.

In the Wakatipu Ward, the analysis suggests a requirement for 15.8 ha of additional industrial activity by 2026 and 32.0 ha by 2046 in the urban environment. This includes demand within the Air Transport

Services sector which is likely to require a location within the Airport Mixed Use Zone. Excluding likely airport demand, medium-term demand for additional industrial activity would equate to an estimated 13.9 ha and total long-term demand would equate to an estimated 28.9 ha.

The measure of additional land is also likely to be more relevant for future planning for retail growth as retail activities are generally limited to the ground floor. However, the measure of additional floorspace is perhaps more relevant for future planning for commercial growth (particularly commercial office and accommodation) as commercial activities are more easily located above ground and in conjunction with retail activities

Total Business Land and Floorspace Capacity

The NPS-UDC requires that vacant land and floorspace capacity (to cater for growth in business activities identified above) is identified. Vacant land parcels[5] in urban business enabled zones were identified using a combination of existing built floor area metrics and improvement values, derived from the Council's rating database. These vacant land parcels were then extensively ground-truthed by Council to ensure an accurate stock-take of remaining vacant business capacity.

A number of assumptions were applied to classify parcels as vacant. For example, un-formed carparks were treated as vacant, while formed (sealed) carparks were not. Sites currently undergoing construction were treated as vacant (but it is recognised that they will not be in the short-term - as soon as they are occupied by businesses). Both the old Wakatipu High School site and the Lakeview precinct of the Plan Change 50 area were identified as vacant despite existing buildings, given the considerable redevelopment potential of these two unique sites.

The total current area of vacant business land was 410 ha across QLD. However, some vacant parcels in greenfield areas (within selected structure plans) had few or no roads identified meaning that the vacant parcel area over-estimates the likely developable area (once the land is fully subdivided). In order to bring all vacant parcels to a consistent net developable area, QLDC and M.E agreed on percentage shares that took account of (and removed) the area required to accommodate likely final road and open space areas.

Table 0.1 shows the final estimates of developable vacant land capacity in QLD by ward and zone, having applied these percentage shares to applicable parcels. In total, the district's urban business zones have remaining (developable) capacity for 252.5 ha of business development. A significant 182.2 ha (72%) is contained within Special Zones, particularly Remarkables Park (75.8 ha or 30% of the district total), Frankton Flats B (36.2 ha or 14% of the total) and Three Parks (33 ha or 13% of the total).

The non-Special Zones account for 70.3 ha of vacant business land capacity (28% of the district total). The largest share of this (13.8 ha) falls within the Visitor Accommodation Sub Zone of the Low Density Residential Zone (particularly in Fernhill which makes up 6.5 ha). The next largest area of vacant capacity is the Rural Visitor zone in Arthurs Point (12.5 ha vacant) and the Queenstown Airport Mixed Use Zone (10.6 ha estimated to be vacant).

Overall, 71% (180.5 ha) of total vacant business capacity is located within the Wakatipu Ward and the balance (29% or 72.0 ha) is in the Wanaka Ward. Generally, the Town Centre Zones have very little vacant

[5] Not to be confused with unoccupied (vacant) premises.

capacity, although Plan Change 50 has created an estimated 3.9ha of vacant business land attributable to the Queenstown Town Centre zone. Vacant capacity in the Local Shopping Centres is spread between Hawea, Albert Town, Wanaka (Cardrona Valley Road) and Frankton. Vacant Industrial B land is only available in the Wanaka Ward.

Table 0.1 - QLD Total Vacant Business Land Capacity by Ward and Zone, 2017 (ha)

Zone	Area of Vacant Land Parcels (ha) *			Estimated Developable Vacant Area (ha) **		
	Wakatipu Ward ***	Wanaka Ward	**Total**	Wakatipu Ward ***	Wanaka Ward	**Total**
Airport Mixed Use Zone	10.6	-	**10.6**	10.6	-	**10.6**
Arrowtown Residential Historic Management Zone	-	-	**-**	-	-	**-**
Business (Operative)	0.4	-	**0.4**	0.4	-	**0.4**
Business Mixed Use	4.2	0.5	**4.7**	4.2	0.5	**4.7**
High Density Residential	-	-	**-**	-	-	**-**
High Density Residential (Operative)	-	-	**-**	-	-	**-**
Industrial A (Operative)	1.2	1.7	**2.9**	1.2	1.7	**2.9**
Industrial B (Operative)	-	13.2	**13.2**	-	12.5	**12.5**
Large Lot Residential	-	-	**-**	-	-	**-**
Local Shopping Centre	1.9	3.6	**5.5**	1.9	3.6	**5.5**
Low Density Residential	12.2	1.6	**13.8**	12.2	1.6	**13.8**
Medium Density Residential	-	0.1	**0.1**	-	0.1	**0.1**
Rural Visitor	12.5	-	**12.5**	12.5	-	**12.5**
Rural	-	-	**-**	-	-	**-**
Town Centre Arrowtown	-	-	**-**	-	-	**-**
Town Centre Queenstown	5.3	-	**5.3**	5.3	-	**5.3**
Town Centre Wanaka	-	0.9	**0.9**	-	0.9	**0.9**
Township (Operative)	-	1.0	**1.0**	-	1.0	**1.0**
Sub-Total Non-Special Zones	48.2	22.7	**70.9**	48.2	22.1	**70.3**
Special Zone - Arrowtown South	-	-	**-**	-	-	**-**
Special Zone - Ballantyne Road Mixed Use	-	19.9	**19.9**	-	14.9	**14.9**
Special Zone - Northlake	-	13.1	**13.1**	-	2.1	**2.1**
Special Zone - Frankton Flats A	0.3	-	**0.3**	0.3	-	**0.3**
Special Zone - Frankton Flats B	41.1	-	**41.1**	36.2	-	**36.2**
Special Zone - Meadow Park	-	-	**-**	-	-	**-**
Special Zone - Penrith Park	-	-	**-**	-	-	**-**
Special Zone - Quail Rise	-	-	**-**	-	-	**-**
Special Zone - Remarkables Park	97.7	-	**97.7**	75.8	-	**75.8**
Special Zone - Shotover Country	0.2	-	**0.2**	0.2	-	**0.2**
Special Zone - Three Parks	-	33.0	**33.0**	-	33.0	**33.0**
Special Zone - Jacks Point	134.3	-	**134.3**	19.9	-	**19.9**
Sub-Total Special Zones	273.6	65.9	**339.5**	132.3	49.9	**182.2**
Total Urban Business Enabled Zones	321.8	88.6	**410.4**	180.5	72.0	**252.5**

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
** Contains a mixture of net, partial and gross parcel areas depending on the degree to which roads had been identified and excluded.*
*** Estimates applied to convert partial and gross parcel area to net developable area where applicable.*
**** Wakatipu Ward includes Arrowtown Ward.*

The NPS-UDC requires that vacant business capacity also be expressed in floorspace terms. To calculate the building envelope on each vacant business site, Council provided data from the district plan on permitted or controlled site coverages and building heights. These two parameters were applied to the developable vacant site area to estimate the ground floor GFA and the number of storeys (upper floor GFA[6]) enabled by the plan. A number of exceptions applied and were taken account of in the modelling. The share of capacity that was anticipated to be occupied by residential apartments in the business enabled zones was estimated and subtracted from the floorspace capacity calculations to avoid double counting capacity captured in the Housing Development Capacity Assessment (HDCA).

The final estimates of maximum building floorspace on developable vacant land in QLD by ward and zone, having applied the relevant development parameters and residential exclusions are;

- A maximum of 3,166,300sqm GFA of business development.
- A significant 1,863,400sqm GFA (59%) is contained within Special Zones, particularly Remarkables Park (22% of the district total) and Frankton Flats B (15% of the total).
- The non-Special Zones account for 1,302,900sqm GFA of vacant business floorspace (41% of the district total).
- The majority of non-special zone capacity falls within the Queenstown Airport Mixed Use Zone (396,600sqm GFA theoretically enabled, 13% of the total), Rural Visitor Zone in Arthurs Point (9%) and the Queenstown Town Centre (5%).
- Overall, 78% of total vacant business floorspace capacity is located within the Wakatipu Ward and the balance (22%) is in the Wanaka Ward.

Capacity by Category and Building Typology

Using the same land uses / building typologies identified to place business demand 'on the ground', a matrix that aligns these space types with the planning zones that facilitate the space types has been developed by M.E and Council. This concordance matrix has been developed based on the activity status tables within the District Plans. Activities that have a designation of Permitted, Controlled, or Restricted Discretionary have been assumed to provide capacity for those activities within a given zone.

A loose coupling exists between the described activities (within the District Plans) and the defined land use / building typologies as the definitions of activity in the Operative and Proposed Plan are often more general or have slightly different meanings. Some exceptions were applied for practical reasons in the modelling.

At a parcel level, the vacant developable land area identified and calculated ground floor and upper floor GFA capacity is attributed to each land use / building typology that is positively identified in the matrix according to the zone or structure plan precinct it is located within. Vacant ground floor business space is attributed to enabled building typologies in the same manner as vacant land area. However, an additional

[6] An average of 3m was applied to calculate storeys from building height provisions unless otherwise specified. Upper floor GFA was calculated as ground floor area multiplied by the number of above ground storeys.

step was included in the model before vacant upper floorspace is attributed to relevant space types, as follows:

- M.E has assumed that there is no potential for retailing[7] to locate above ground floor (i.e. they are constrained to ground floor capacity only). This is to reflect their strong location preference for ground floor premises (with the exception of malls, which are less common in QLD than in many other cities). M.E is aware that in Queenstown Town Centre, there are examples of restaurants operating in second floor premises, however, to be conservative, this is not assumed to apply for remaining vacant capacity.
- M.E has also assumed that sites enabled for Warehouses, Factories, Yards – Commercial, Yards – Industrial and Other Build – Industrial are constrained to ground floor development (i.e. have no upper floorspace capacity). Generally, warehouses and factories are single use buildings and are unlikely to have other land use activities developing above them (i.e. they are the single occupant of the site).
- Yards also, by nature, do not have floorspace 'above them'.
- These assumptions take a conservative approach to estimating Industrial capacity.

The results (discussed below) are vacant land and GFA area by enabled space types – an output compatible with the demand modelling outputs.

Importantly, because there are many cases where multiple uses are allowed on one piece of land, vacant land and floorspace capacities are not additive. The allocation of land/GFA to commercial land uses may mean that the land cannot be used for opposing/different land use types. For example, allocating land for the development of an office block would remove the land as a potential warehousing site, and vice versa. Therefore, the vacant land and GFA capacity in the following sections should not simply be summed (and totals are not shown accordingly across the space types). They represent 'maximum potential' capacity for each land-use or category.

Table 0.2 shows that in the Wanaka Ward, there is a maximum potential for 56.4 ha of Commercial land use, 37.8 ha of Industrial land use and 35.2 ha of Retail land use. More than a third (44%) of potential Commercial capacity and 77% of potential Retail capacity in the ward falls within the Three Parks Special Zone.

In the Wakatipu Ward, there is a maximum potential for 151.2 ha of Commercial land use, 43.6 ha of Industrial land use and 43.5 ha of Retail land use. A significant portion of the potential Industrial capacity (62%) falls within the Frankton Flats B Special Zone and the Queenstown Airport Mixed Use zone (24%). The majority of Wakatipu ward Retail capacity is within Franktown Flats B (27%) and Remarkables Park (31%) zones. Remarkables Park also potentially provides for 50% of the ward's vacant Commercial capacity.

[7] In this assessment includes the categories; Office – Retail (Real Estate Agencies and Optometrists), Shops – Commercial and Shops – Food and Beverage

Table 0.2 – Vacant Business Land Capacity by Category, Zone and Ward (ha)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	10.6	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	0.4	0.4	-
Business Mixed Use	0.5	0.5	0.5	4.2	4.2	4.2
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	1.7	1.7	-	1.2	1.2	-
Industrial B (Operative)	12.5	12.5	0.2	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	3.6	-	3.6	1.9	-	1.9
Low Density Residential	1.6	-	-	12.2	-	-
Medium Density Residential	0.1	-	0.1	-	-	-
Rural Visitor	-	-	-	12.5	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	5.3	-	5.3
Town Centre Wanaka	0.9	-	0.9	-	-	-
Township (Operative)	1.0	-	0.5	-	-	-
Sub-Total Non-Special Zones	22.1	14.7	5.9	37.6	16.4	11.4
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	7.5	14.9	-	-	-	-
Special Zone - Northlake	2.1	-	2.1	-	-	-
Special Zone - Frankton Flats A	-	-	-	0.3	-	0.3
Special Zone - Frankton Flats B	-	-	-	24.3	27.2	11.9
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	75.8	-	13.5
Special Zone - Shotover Country	-	-	-	0.2	-	0.2
Special Zone - Three Parks	24.8	8.2	27.2	-	-	-
Special Zone - Jacks Point	-	-	-	13.0	-	6.2
Sub-Total Special Zones	34.4	23.1	29.3	113.5	27.2	32.1
Total Urban Business Enabled Zones	56.4	37.8	35.2	151.2	43.6	43.5

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
Wakatipu Ward includes Arrowtown Ward.

Table 0.3 shows that in the Wanaka Ward, there is a maximum potential for 553,400sqm GFA of additional Commercial floorspace, 147,600sqm GFA of Industrial floorspace and 107,600sqm GFA of Retail floorspace. More than half (59%)[8] of potential Retail capacity falls within the Three Parks Special Zone.

In the Wakatipu Ward, there is a maximum potential for 1,730,000sqm GFA of additional Commercial floorspace, 253,700sqm GFA of Industrial floorspace and 241,600sqm GFA of Retail floorspace. Just under

[8] This includes the potential retail capacity across the entire zone, noting that caps have been used in the model for the Commercial Core and Deferred Commercial Core of the Three Parks Special Zone

a third (32%) of the Retail capacity is within Remarkables Park, and 25% of this capacity is in Frankton Flats (B).

Table 0.3 – Vacant Business Floorspace Capacity by Category, Zone and Ward (GFA)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	79,300	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	5,500	2,700	-
Business Mixed Use	11,400	3,600	3,600	76,000	31,700	31,700
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	25,600	12,800	-	18,200	9,000	-
Industrial B (Operative)	99,300	49,900	500	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	50,100	-	27,300	28,000	-	14,000
Low Density Residential	13,100	-	-	97,400	-	-
Medium Density Residential	800	-	500	-	-	-
Rural Visitor	-	-	-	279,200	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	165,900	-	20,400
Town Centre Wanaka	20,400	-	7,600	-	-	-
Township (Operative)	15,400	-	4,000	-	-	-
Sub-Total Non-Special Zones	236,100	66,300	43,500	670,200	122,700	66,100
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	63,600	54,300	-	-	-	-
Special Zone - Northlake	26,900	-	1,000	-	-	-
Special Zone - Frankton Flats A	-	-	-	2,400	-	800
Special Zone - Frankton Flats B	-	-	-	166,000	131,000	60,400
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	704,400	-	76,700
Special Zone - Shotover Country	-	-	-	1,100	-	1,100
Special Zone - Three Parks	226,800	27,000	63,100	-	-	-
Special Zone - Jacks Point	-	-	-	185,900	-	36,500
Sub-Total Special Zones	317,300	81,300	64,100	1,059,800	131,000	175,500
Total Urban Business Enabled Zones	553,400	147,600	107,600	1,730,000	253,700	241,600

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
Wakatipu Ward includes Arrowtown Ward.

Discussion of Business Land and Floorspace Capacity

Redevelopment Capacity

There will be some capacity available through the redevelopment process that is not captured in the results above (as they relate only to vacant land capacity). Redevelopment occurs when a piece of already occupied land is purchased and additional development occurs to either change its usage, or to increase the amount of use that is made of it currently.

One way to estimate the amount of additional capacity potentially available in an area is to look at the average level of development intensity (number of storeys or floor area ratios) achieved across the entire area, then look at the level of intensity on sites that are significantly lower than the average. These may be sites that have redevelopment potential to bring them closer to the revealed development intensity of the balance of the area.

This can be done across commercial centres and industrial areas. However, there are issues with redevelopment capacity that arise when the type and nature of business land use is not taken into consideration. For example, it may be that through an analysis of an industrial area, a number of seemingly under-utilised sites are identified that may represent capacity. However, they may exist as important parts of the production process either as turning bays for trucks or as storage areas for completed or partially completed goods.

In this study a conservative stance has been adopted and it has been assumed that the only capacity that is truly available is **vacant capacity**. This is an area that could be investigated further by QLDC if they wished to understand the depth of true capacity within the district's business zones. A good example of this is the proposed Business Mixed Use Zone along Gorge Road, Queenstown whereby a mix of business and residential uses are anticipated in the PDP. There is currently not a lot of vacant capacity but lots of potential for redevelopment. The proposed PDP rules are more enabling with substantial increases in height promoted.

As a general guide, if the existing business zones prove to have provided for sufficient capacity by simply providing for vacant capacity, then redevelopment capacity is not required. Also, the amount of redevelopment capacity that is taken up over the short, medium and long-term will obviously have an effect on the take-up of vacant capacity. It is recommended that Council monitor this.

Business Capacity in Special Housing Areas

The approved SHAs in the Wakatipu Basin offer limited business capacity in addition to that calculated above. It is however net additional to M.E's estimates.

Business Capacity in the Rural Environment

There are business enabled zones outside the defined urban environment. Vacant capacity has not been modelled or identified in those zones. It is assumed that any vacant capacity in those locations will be utilised for demand attributed to the rural environment.

Alternative Vacant Capacity Outcomes – Removing the Overlap

The approach adopted by M.E to demonstrate vacant land (and GFA) capacity for future business development in QLD reflects the flexibility of some district plan zones to enable a range of potential land uses. Hence the overlap of capacity. The approach does not assume a development outcome on any particular vacant parcel as this is unknown. However, it is possible to develop a potential "scenario" of development that reflects potential market pressures, including maximising investment returns in particular parts of the district.

A single, alternate scenario has been developed that removes the overlap of capacity in those zones where flexibility is enabled between Retail, Commercial and/or Industrial activity. The scenario is **indicative only** – monitoring of vacant land uptake will indicate how relevant this scenario may or may not be.

The scenario is based on a series of allocation rules which apply to all vacant parcels in each zone (and do not allow for different parcels to develop according a different mix of activities. This is a limitation of this scenario). The assumptions take account of current development patterns and also the feasibility (attractiveness) of different zones for different types of activity (discussed further below).

Table 0.4 presents the results of the alternate scenario for vacant land area capacity by ward and zone. Under these allocation assumptions, in the Wanaka Ward, there would be capacity for 42.9 ha of Commercial land use, 28.8 ha of Industrial land use and 34.9 ha of Retail land use (all mutually exclusive). Commercial and Retail capacity is dominated by the Three Parks Special Zone (70% and 78% respectively).

Table 0.4 – Alternate Scenario Vacant Business Land Capacity by Category (ha)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	10.6	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	0.4	-	-
Business Mixed Use	0.5	-	0.5	4.2	-	4.2
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	-	1.7	-	1.2	-	-
Industrial B (Operative)	0.2	12.3	-	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	3.3	-	3.6	1.9	-	1.9
Low Density Residential	1.6	-	-	12.2	-	-
Medium Density Residential	0.1	-	-	-	-	-
Rural Visitor	-	-	-	12.5	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	5.3	-	5.3
Town Centre Wanaka	0.9	-	0.9	-	-	-
Township (Operative)	1.0	-	0.5	-	-	-
Sub-Total Non-Special Zones	7.7	14.0	5.6	37.6	10.6	11.4
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	3.0	11.9	-	-	-	-
Special Zone - Northlake	2.1	-	2.1	-	-	-
Special Zone - Frankton Flats A	-	-	-	0.3	-	0.3
Special Zone - Frankton Flats B	-	-	-	18.7	17.5	6.5
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	75.8	-	13.5
Special Zone - Shotover Country	-	-	-	-	-	0.2
Special Zone - Three Parks	30.1	2.9	27.2	-	-	-
Special Zone - Jacks Point	-	-	-	19.7	-	6.2
Sub-Total Special Zones	35.2	14.8	29.3	114.4	17.5	26.6
Total Urban Business Enabled Zones	42.9	28.8	34.9	152.1	28.1	38.1

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
Wakatipu Ward includes Arrowtown Ward.

In the Wakatipu Ward, there would be potential capacity for 152.1 ha of Commercial land use, 28.1 ha of Industrial land use and 38.1 ha of Retail land use. Excluding the potential Industrial capacity within the Airport Mixed Use zone, this would leave 17.5 ha of industrial capacity in Frankton Flats B. The single largest volume of Retail capacity is within Remarkables Park (35%).

Table 0.5 shows that under these allocation assumptions, in the Wanaka Ward, there would potentially be 342,400sqm GFA of additional Commercial floorspace capacity, 110,900sqm GFA of Industrial floorspace capacity and 106,600sqm GFA of Retail floorspace capacity. In the Wakatipu Ward, there would be potential capacity for 1,550,600sqm GFA of additional Commercial floorspace, 156,100sqm GFA of Industrial floorspace (inclusive of the Airport) and 234,000sqm GFA of additional Retail floorspace.

Table 0.5 – Alternate Scenario Vacant Business Floorspace Capacity by Category (GFA)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	79,300	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	5,500	-	-
Business Mixed Use	7,900	-	3,600	44,400	-	31,700
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	-	12,800	-	18,200	-	-
Industrial B (Operative)	500	49,400	-	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	22,800	-	27,300	14,000	-	14,000
Low Density Residential	13,100	-	-	97,400	-	-
Medium Density Residential	800	-	-	-	-	-
Rural Visitor	-	-	-	279,200	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	145,500	-	20,400
Town Centre Wanaka	12,900	-	7,600	-	-	-
Township (Operative)	11,300	-	4,000	-	-	-
Sub-Total Non-Special Zones	69,300	62,200	42,500	604,200	79,300	66,100
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	28,300	40,100	-	-	-	-
Special Zone - Northlake	25,900	-	1,000	-	-	-
Special Zone - Frankton Flats A	-	-	-	1,600	-	800
Special Zone - Frankton Flats B	-	-	-	147,200	76,800	52,800
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	627,700	-	76,700
Special Zone - Shotover Country	-	-	-	-	-	1,100
Special Zone - Three Parks	218,900	8,600	63,100	-	-	-
Special Zone - Jacks Point	-	-	-	169,900	-	36,500
Sub-Total Special Zones	273,100	48,700	64,100	946,400	76,800	167,900
Total Urban Business Enabled Zones	342,400	110,900	106,600	1,550,600	156,100	234,000

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Development Feasibility and Infrastructure

The approach described above focuses on establishing plan-enabled capacity. That is, the amount of theoretical capacity that arises by way of the Proposed and Operative District Plan zoning and other provisions. This volume of capacity may not translate to actual business properties available to accommodate growth unless it is "feasible" to develop.

The NPS-UDC defines "feasible" as follows:

> *Feasible means that development is commercially viable, taking into account the current likely costs, revenue and yield of developing; and feasibility has a corresponding meaning.*

Feasible means commercially viable for a developer to develop given current costs, revenues and yield. A cost and revenue-based approach for residential development is relatively simple, in that the numbers of development options for a residential developer are usually relatively small – as are the ownership options. This means development feasibility can usually be determined with a simple residual value type development model. This type of model starts with the anticipated final sale price and deducts all the costs associated with development – including a developer's margin. The difference then between the final sale price and all of the developer's costs is the amount the developer can pay for the land and remain viable. If the land is priced higher than that, then the development is not feasible and won't be developed – regardless of the zoning.

For business land, the situation is more complex. The type and nature of business development is far more varied than residential – retail and commercial clients have a wide range of development types that might be suitable for a piece of land, each with different build costs, ownership types and developer margins. Industrial land may be developed in a bespoke manner by a particular manufacturer that may wish a purpose-built plant and plan to operate it for as long as the business is viable. This type of developer may be able to amortise costs across a very long timeframe, so is motivated very differently from a developer looking to build more generic tilt slab industrial units for rapid sale.

Because of these complexities a residual land value type model is not appropriate for business land assessments. Multi-Criteria Analysis (MCA) provides a way for Councils to frame the development opportunities within their district by scoring them against a set of agreed criteria. Each criterion plays a large of small role in the development and locational decision, so is given a large or small share of the total area score.

Each broad area (which is based on Statistics New Zealand boundaries) is then scored against the criteria and the rating is added up to provide an overall score (and ranking). The scoring is a snap-shot in time and in future updates, the relative scores for each area may change as areas become more or less attractive. Comparisons can be made between where the plan enabled capacity resides and the total MCA score for those areas, highlighting any mismatches between plan enabled capacity and the areas that are most desirable to be developed. If capacity is provided in the areas that score highly in the MCA, Council can be confident that development will proceed. However, if capacity is clustered in areas that score poorly on the MCA process, they may find businesses do not develop that land, and pressure will be brought to bear on other land. This may lead to unintended consequences.

An MCA has been built for QLD to inform the BDCA. It defines the district into broad locations. A separate model has been built for Commercial Visitor Accommodation, Industrial and Retail development. The latter is also broadly applicable to Commercial Office development as they are often compatible on the same site. Criteria have been defined for each and local stakeholder feedback contributed to the agreed set of criteria and their weighting. The scoring of each location against the criteria was carried out jointly by QLDC and M.E. The following graphs compare maximum potential plan enabled capacity against the results of the MCA – the ranking of locations – for each land use. M.E notes that the MCA is not able to take account of market specialisation (i.e. operators looking for specific locations for reasons outside those identified in the MCA, including price, or who have different priorities (weightings) than those applied). Some operators may also limit their options to just the Wakatipu Ward or just the Wanaka Ward – in such cases the relative ranking of locations within these catchments still applies.

Figure 0.5 – MCA Results by QLD Area and Commercial Visitor Accommodation Capacity

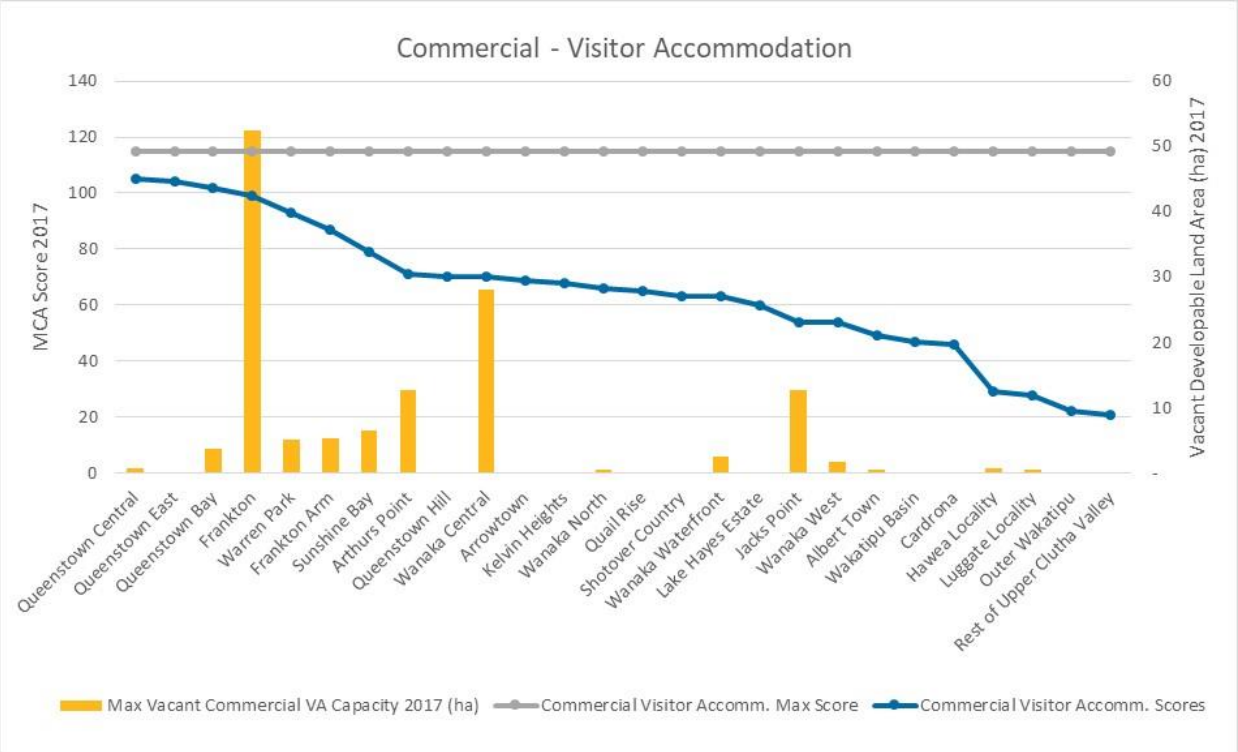


Figure 0.5 shows that the majority of vacant capacity for commercial visitor accommodation sits within the Frankton area, which ranks highly in terms of its location attributes (4th). A large portion of capacity is in Wanaka Central (which includes Three Parks) which is less desirable relative to some other areas where there is some vacant capacity, although is ranked equal with Arthurs Point and is the highest ranked location within the Wanaka Ward. This suggests that hotel developers (for example) might be more likely to seek vacant capacity in Queenstown, Frankton, Warren Park, Frankton Arm or Sunshine Bay before choosing Wanaka Central, all else being equal. Uptake of vacant capacity Jack's Point may also be a longer-term prospect based on this approach.

Industrial Capacity Feasibility

Figure 0.6 – MCA Results by QLD Area and Industrial Capacity

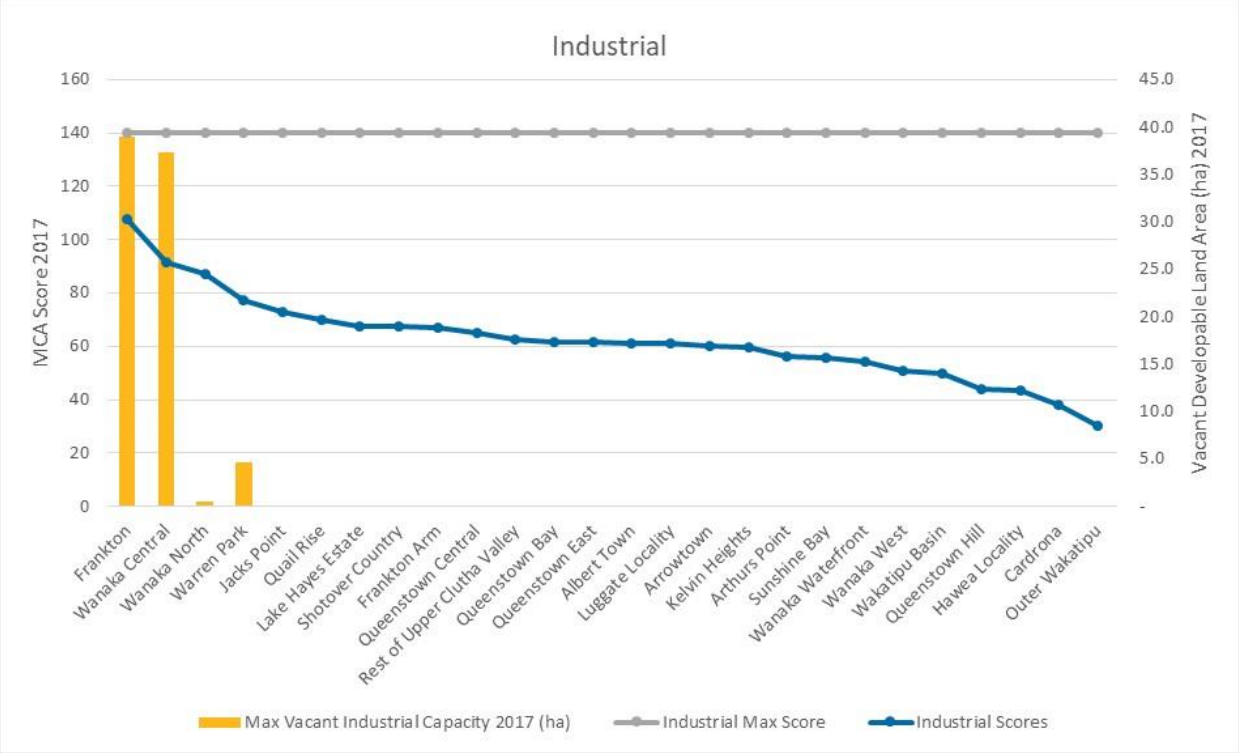
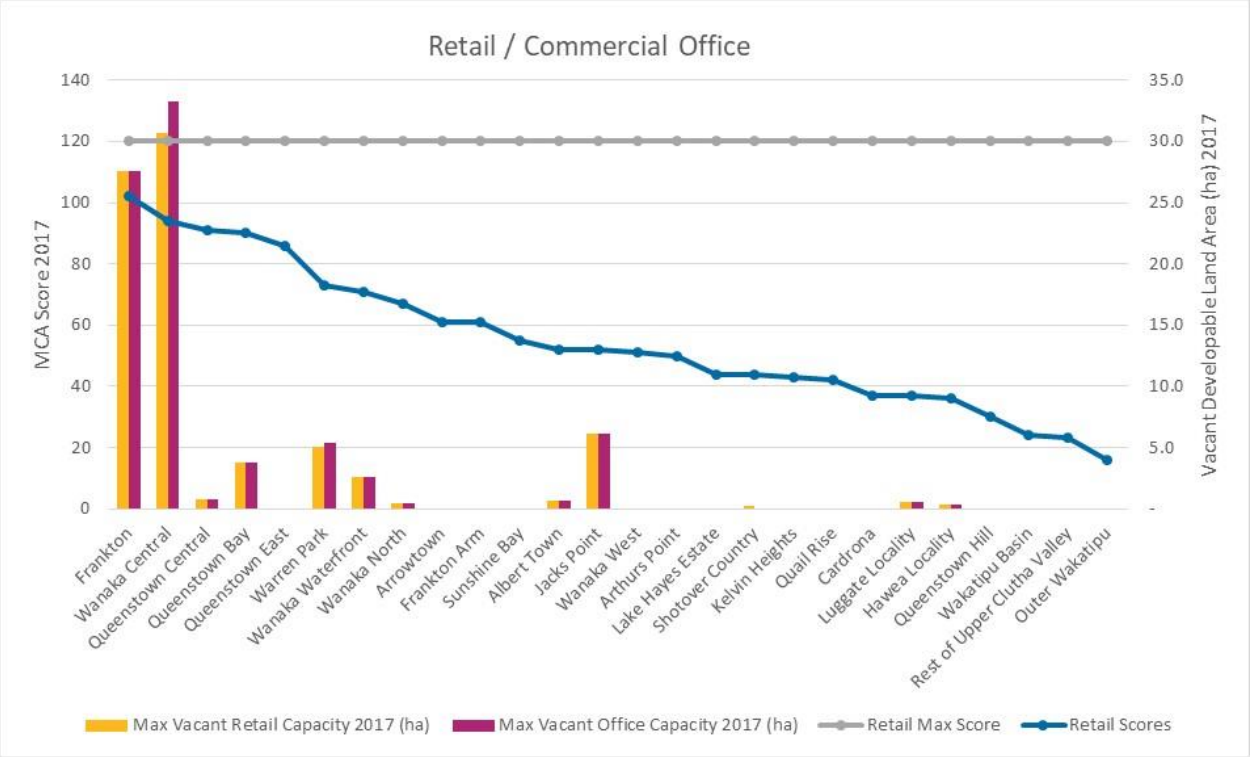


Figure 0.6 shows that a significant amount of potential vacant Industrial capacity is located in the most desirable location for industrial development – Frankton. This includes the airport and Frankton Flats B. This is followed by capacity in Wanaka Central (areas around Ballantyne Road), the second most desirable location. This suggests a high level of certainty that this capacity will be developed (although the rate of take up is not able to be determined from this part of the analysis and will depend on the rate of demand growth). It also indicates that potential for redevelopment of existing sites elsewhere (other existing industrial zones) to provide industrial capacity is unlikely given the abundance of vacant capacity in more optimal locations.

Retail and Commercial Office Capacity Feasibility

The MCA analysis shows that a significant amount of potential vacant Retail or Commercial Office capacity is also located in the most desirable locations for retail and office development – Frankton and Wanaka Central. This includes Frankton Flats A and B, Remarkables Park, Frankton Local Shopping Centre, Wanaka Town Centre and Three Parks. This suggests a high level of certainty that this capacity will be developed (although the rate of take-up will be driven by demand).

Figure 0.7 – MCA Results by QLD Area and Retail and Commercial Office Capacity



The next largest area of vacant capacity is in Jacks Point (the two village precincts), the 12th equal most desirable location. All else being equal, demand is likely to focus on remaining capacity in Queenstown Central, then Queenstown Bay and then Warren Park (all areas than span Plan Change 50) in advance of Jacks Point (Figure 0.7). But even development of Retail and Commercial Office space in the Plan Change 50 area might be delayed while growth is focussed on Frankton and Three Parks in the first instance.

Infrastructure and Feasibility

Development infrastructure (or network infrastructure) capacity is a key factor in determining if development capacity is feasible under the NPS-UDC.

"Development infrastructure" as defined in the NPS-UDC refers to the water supply, wastewater, storm water, and land transport networks (as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities) that are 'critical' for urban development; and "other infrastructure" refers to other 'softer' or non-critical infrastructure such as open space, social infrastructure, telecommunications and energy. Local authorities are required to ensure (under Policy A1) that the development capacity identified in this report is, or can be, serviced by "development infrastructure". However, the "other infrastructure" necessary to support urban growth is also important for the creation of effective and efficient urban environments, and together supports the achievement of social, economic, and cultural wellbeing.

Infrastructure service levels for water and waste water are included as criteria for both Commercial Visitor Accommodation and Industrial development in the MCA structure. The feasibility of roading infrastructure is captured indirectly through criteria addressing traffic congestion and accessibility to major roads.

The high growth rates that QLD is experiencing require massive commitments to new development infrastructure and upgrading and the consolidation of existing infrastructure. New or upgraded infrastructure can take a long time to plan and fund and implement. Intensification of existing urban areas has implications for the capacity, functioning and maintenance of existing networks; whereas areas of new greenfield growth require careful planning to ensure that infrastructure can be provided in an efficient manner and with regard to impacts on already planned infrastructure and long-term opportunities.

Infrastructure networks and growth need to be planned in an integrated manner to realise a range of long term benefits over a wider area than the development site. Integration of urban development and infrastructure is central to the objectives of the NPS-UDC, and importantly, is a requisite for the development capacity identified in this assessment under Policy A1.

Policy PA1 provides some scope for managing the risks associated with the oversupply of capacity by only requiring infrastructure to be in place in the short term, to have funding identified in the medium term and to be included in the Infrastructure Strategy in the long-term.

QLDC planning and Infrastructure departments have worked closely together and are satisfied that all proposed zoned land can be serviced in the short, medium and long-term. Relevant considerations include:

- Throughout the PDP stage 1 hearings process it has been confirmed that the water supply and wastewater network can accommodate the additional growth proposed through the notified PDP. More specifically, the effect of wastewater and water demand from the increased densities in the PDP has been assessed against the Council's wastewater modelling capacity for both current day and future growth, 2025 and 2055. This assessment included consideration to the currently available capacity to cater for the expected level of intensification, as well as any upgrades that may become necessary over time.

- The key areas identified for business growth are all within the Queenstown and Wanaka 'urban environment', UGB, and the water supply and wastewater scheme boundaries; and are therefore serviced, or planned to be serviced, with development infrastructure in the context of Policy A1.

- A number of key business growth are within 'Special Zones' of the District Plan, including Remarkables Park, Frankton Flats, Ballantyne Road Industrial and Three Parks. These special zones have defined capacities and associated parameters for the provision of servicing and transport infrastructure. Private infrastructure within these zones, such as internal road networks, provision of reserves and open space (if deemed necessary) and service connections are the responsibility of the developers. In terms of the Jacks Point Special Zone this is serviced by a combination of QLDC services and private schemes.

- The Queenstown and Wanaka Town Centres are currently projected to have capacity for growth in the water supply, storm water and wastewater networks. Both wastewater networks have a diminishing level of redundancy in some critical assets and a programme of capital projects to improve the level of service in terms of redundancy is planned within the first five years of the proposed LTP.

- Council have imposed an area specific development contributions to developments in Frankton Flats and Remarkables Park to fund the provision of stormwater. Frankton Flats area currently has marginal capacity in the water supply. A project to develop a new water source adjoining the Shotover River is underway and is planned to be supplying water to this growth area in 2019.

- South and East Wanaka have sufficient water supply and wastewater capacity in place for the current zoning and growth rate. It is expected that this will be further improved by the implementation of Master Plan projects that will come out of the Wanaka Masterplan process.

- Council are proposing significant investment in water quality projects throughout the 2018-2028 LTP in addition to localised water supply capacity issues identified. These water quality projects also require significant network reconfiguration and in some cases these capacity and quality projects are inter-related.

- A number of servicing constraints exist within the Albert Town, Luggate and Hawea Township zones. Funding for all three locations has been allocated in the proposed 2018-2028 Long Term Plan and the work will take place in the next few years. As such, these issues should not be significant enough to delay development to the zoned capacity.

- In general, the QLDC is satisfied that other infrastructure required to support urban development is likely to be available.

Sufficiency of Plan Enabled Capacity

The results of the demand and capacity assessments are brought together to provide a quantitative comparison between them to determine the sufficiency of capacity provided for in the QLD urban business zones. The NPS-UDC Policy A1 requires local authorities to ensure that "*at any one time there is sufficient development capacity*". That means that the land is zoned and feasible for the next 10 years and has been identified in the various plans and strategic documents over the next 30 years.

The results below aggregate demand and plan enabled capacity according to Commercial, Industrial and Retail categories. Wanaka and Wakatipu Ward results are shown side-by-side as well as the total across all urban business enabled zones. Each category is examined individually and according to the Council's Recommended growth projection.

When interpreting the results below, it is important to remember that there is considerable overlap in plan enabled land use in some business zones throughout the urban environment (refer section 5.3). This means that the capacity figures are necessarily reported as maximums. They are not additive and utilisation of capacity for one use will reduce the available capacity for other uses. The results are presented with demand estimates increased by a margin of 20% in the short and medium terms and by 15% in the long-term to meet the requirements of Policy C1, which states;

> *"To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least;*

- *20% in the short and medium terms, and*
- *15% in the long term."*

Commercial Business Land and Floorspace Sufficiency

Figures 0.8 and 0.9 compare cumulative demand for commercial business land anticipated within urban business enabled zones with maximum potential vacant commercial land capacity. The analysis shows that the District Plan provides sufficient capacity for all commercial land uses in the short, medium and long-term, including with a margin on top of demand, in both the Wanaka and Wakatipu Ward business zones. This is based on the Recommended growth projection (but equally applies under a higher growth outlook).

Whilst acknowledging that a portion of the 'maximum potential' capacity (green line) could alternatively be utilised for Retail or Industrial activities, the surpluses are significant. The yellow line shows the alternate capacity scenario, where the overlap with other potential land-uses has been removed. In terms of commercial floorspace demand and capacity (not graphed below but discussed within the report), the same sufficiency is evident (and significant) over all time periods.

Figure 0.8 – Commercial Land Demand and Capacity – Wanaka Ward Business Zones

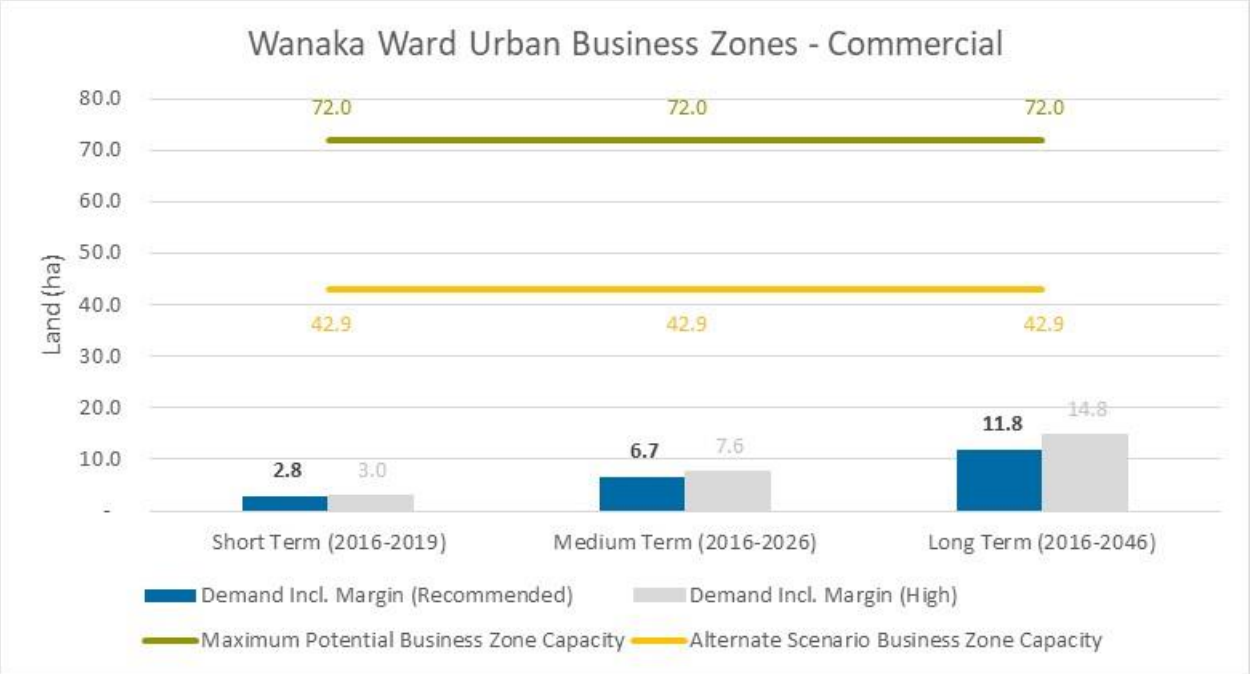
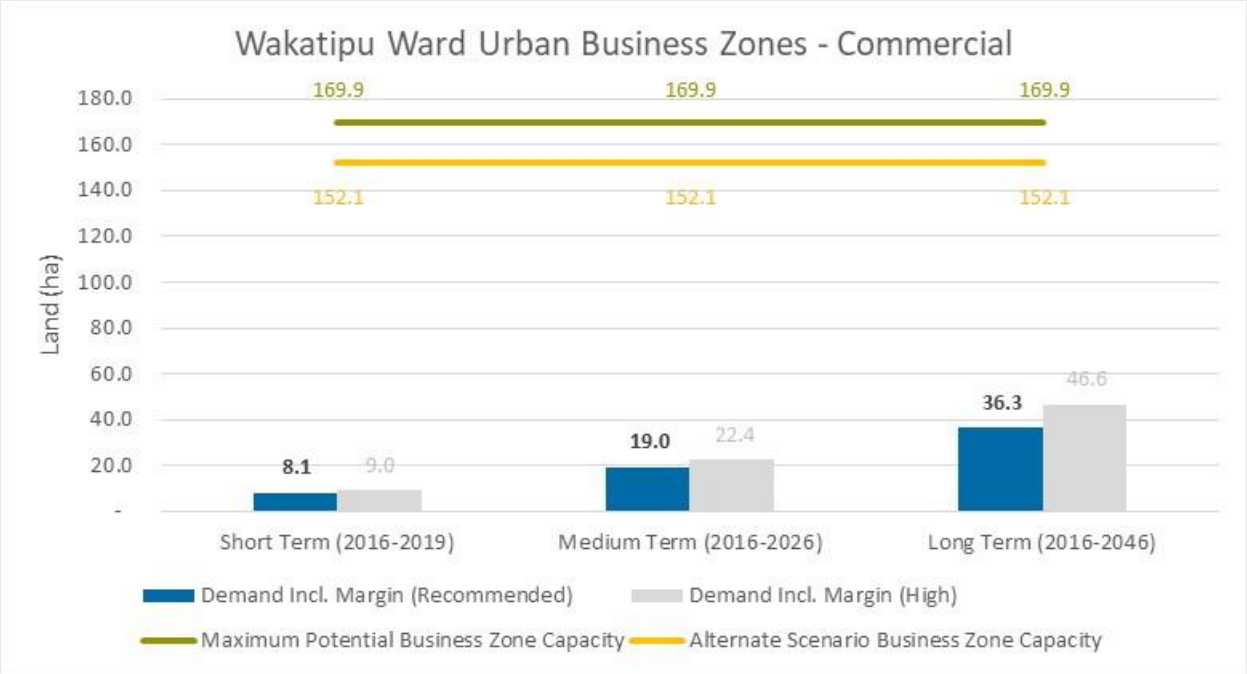


Figure 0.9 – Commercial Land Demand and Capacity – Wakatipu Ward Business Zones



Retail Business Land and Floorspace Sufficiency

Figures 0.10 and 0.11 compare cumulative demand for retail business land anticipated within urban business enabled zones with vacant retail land developed to its maximum potential capacity and the alternate capacity scenario. The analysis shows that the District Plan provides sufficient capacity for all retail land uses in the short, medium and long-term, including with a margin on top of demand, in both Wards. This is based on the QLDC Recommended growth projection (but equally applies under a higher growth outlook).

The surpluses are significant, particularly in the Wanaka Ward due largely to the yet to be developed Three Parks area. This includes an area that is located in the Deferred Commercial Core that provides for an area that can be rezoned for commercial development in the future, once the rest of the Three Parks Special Zone has been largely developed.

Retail land use offers higher returns on development and so will often take precedent over industrial and commercial land use on the ground floor. This is reflected in the allocation assumptions made for the alternate capacity scenario, hence a very similar outcome to maximum plan enabled capacity, particularly in the Wanaka business zones. In terms of retail floorspace demand and capacity (not shown here), the same sufficiency is evident over all time periods and the same level of certainty in these results applies.

Figure 0.10 – Retail Land Demand and Capacity – Wanaka Ward Business Zones

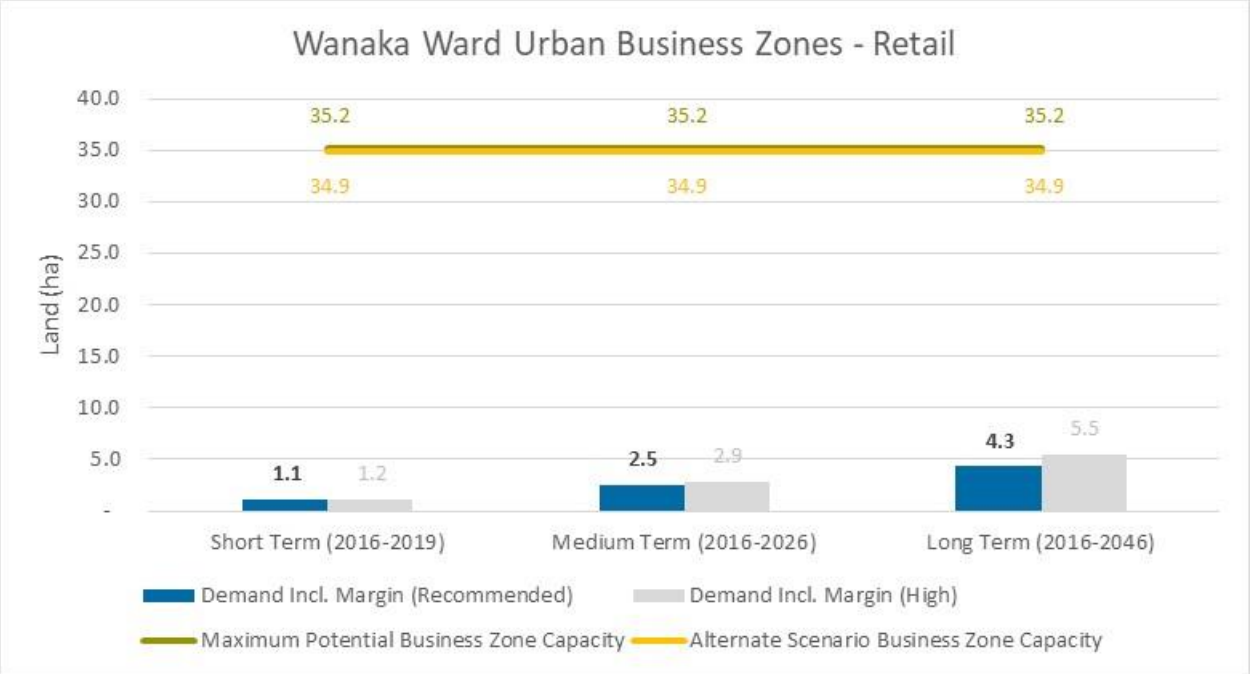
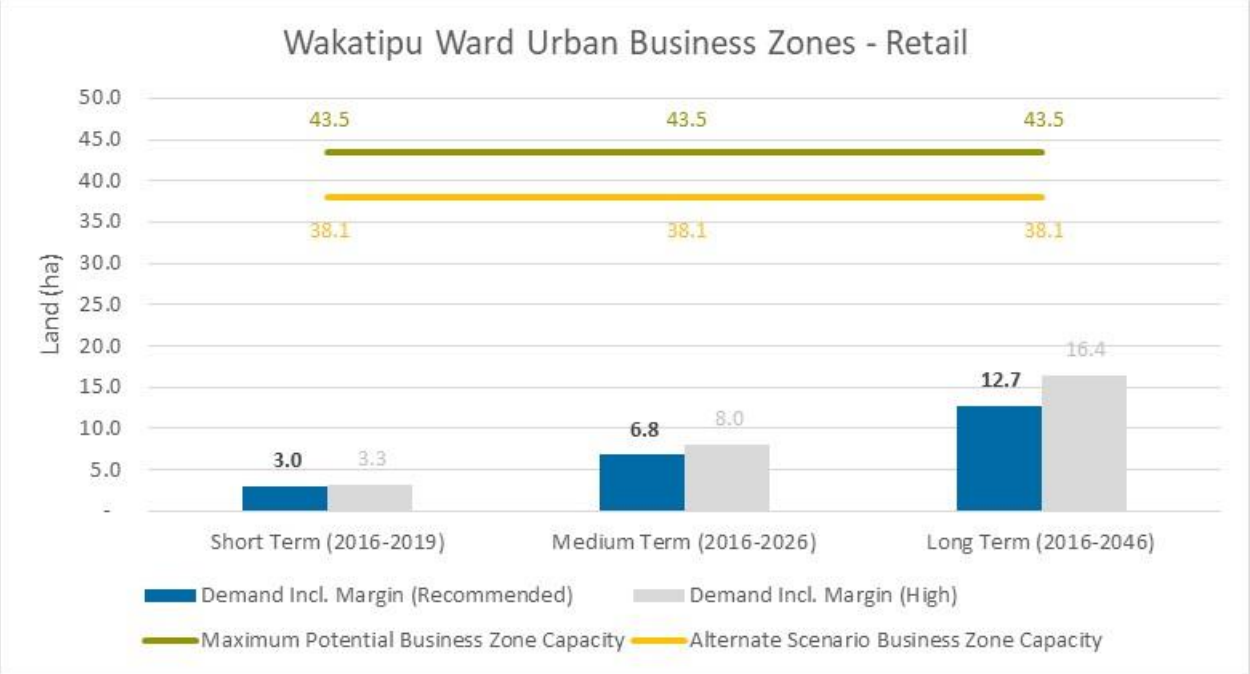


Figure 0.11 – Retail Land Demand and Capacity – Wakatipu Ward Business Zones

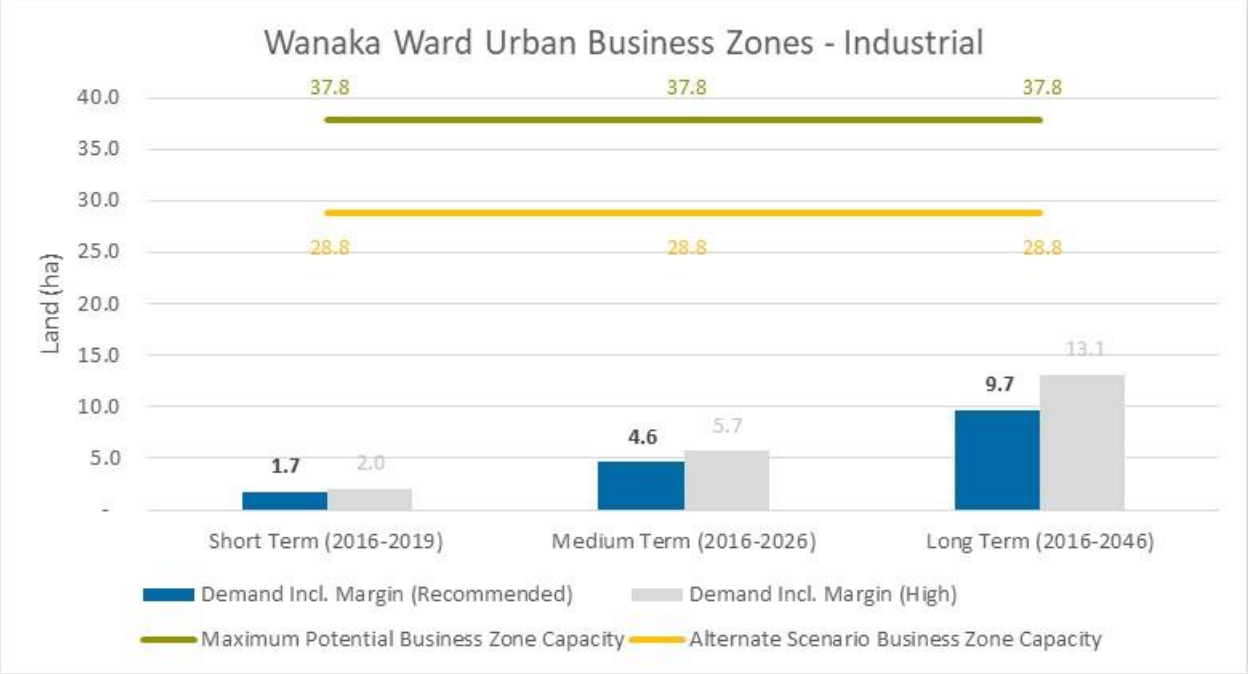


Industrial Business Land and Floorspace Sufficiency

Figures 0.12 and 0.13 compare cumulative demand for industrial business land anticipated within urban business enabled zones with vacant industrial land developed to its maximum potential capacity and the alternate capacity scenario. A third comparison is provided which is the alternate capacity scenario excluding the capacity provided in the Queenstown Airport Mixed Use Zone (and the associated exclusion of Air Transport Services demand from the Wakatipu Ward).

The analysis shows that the District Plan provides sufficient plan enabled capacity for all industrial land uses in the short and medium-term, including with a margin on top of demand, under the Recommended growth projection (and also under a higher growth outlook) in both the Wanaka and Wakatipu Wards.

Figure 0.12 – Industrial Land Demand and Capacity – Wanaka Ward Business Zones

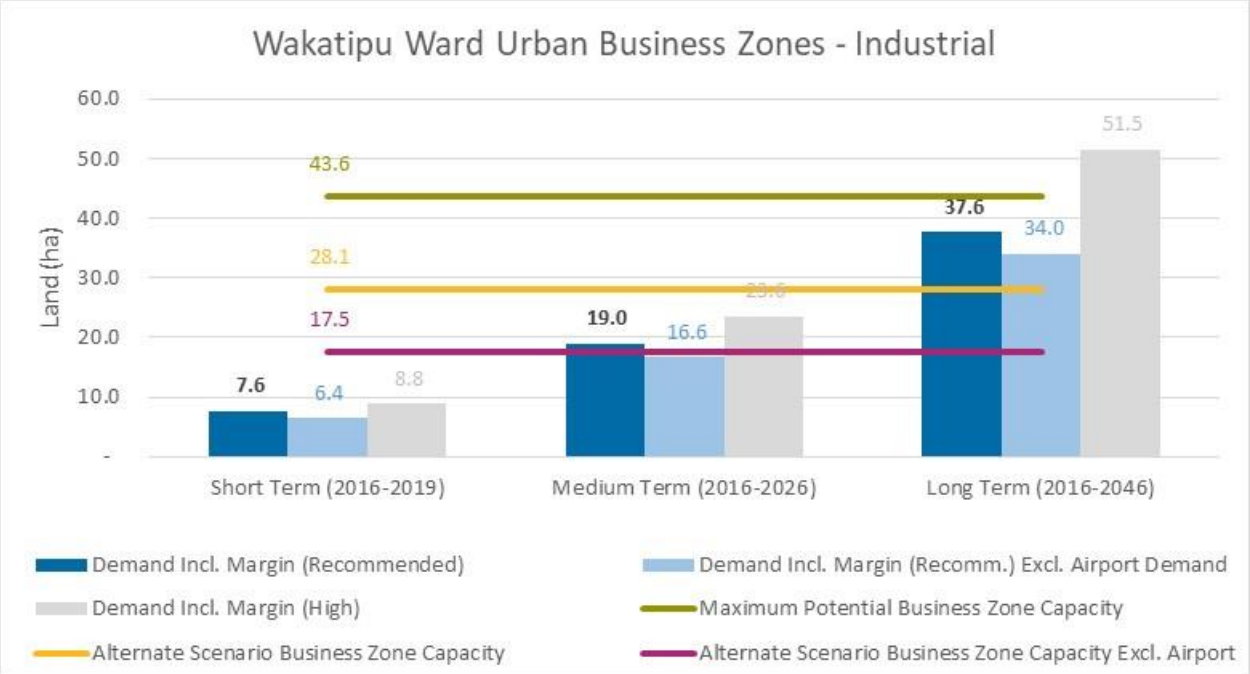


It is important to acknowledge that that a portion of industrial capacity could alternatively be utilised for commercial or retail activities, more so in the Wakatipu Ward due to flexibility in some Frankton Flats B precincts, but in both wards due to the flexibility provided in the Business Mixed Use zone for light industrial/service activities (noting that warehousing and storage and lock-up facilities (including vehicle storage) are considered to be a Restricted Discretionary Activity in this zone.

While Frankton is a desirable place for industrial development (due to good access to key transport routes and large flat sites), it is also desirable (highly feasible) as a retail or commercial development area (due to its proximity to the market, profile, parking and public transport access (among other attributes – see the MCA discussion and appendices). Hence the potential for industrial capacity (green line) is likely to be overstated due to a large amount of this capacity being located in prime locations for commercial/retail use. This is reflected in the significant decrease in industrial capacity in the alternate capacity scenario (yellow line).

In the long-term, the District Plans provide sufficient capacity to cater for projected industrial land demand (and allowing for a margin on top of demand), but only if developed to its maximum potential – which is highly unlikely. M.E note that this outcome applies to the Recommended growth projection but would not apply under a higher growth outlook. Under the alternate capacity scenario, there is a long-term shortfall of industrial capacity (37.6 ha of demand relative to 28.1 ha of capacity by 2046).

Figure 0.13 – Industrial Land Demand and Capacity – Wakatipu Ward Business Zones



The situation is more concerning when demand and capacity for the Queenstown Airport Mixed Use Zone is excluded (light blue bars for demand and pink line for capacity). When evaluated in this way, the alternate capacity scenario indicates that there is almost a shortfall of (non-airport) industrial capacity in the medium-term. A shortfall would be expected very shortly after 2026 given the rate of demand growth.

Across the total district, there would be sufficient industrial capacity in the long-term under the QLDC Recommended growth projection and alternate capacity scenario. In the long-term, the surplus in the Wanaka Ward would not offset the shortfall in the Wakatipu Ward during that period.

Care is however needed when considering the ability of demand in one ward to be serviced by capacity in the other ward in any time period and the district level outcomes. QLD differs to many other high growth areas because the Queenstown and Wanaka urban areas are geographically separate and operate in distinct industrial catchments because of the distance and topography between the two main towns. Heavy vehicles are unable to use the Crown Range Road and need to access Wanaka via Cromwell, which is an approximately 75 minute car drive. In this regard, Cromwell is likely to be more feasible location for industrial activities that need to service both QLD wards and may become more relevant if a shortage occurs at this timeframe. For this reason, the district level outcomes should not be relied upon and are reported for completeness only. It is important in QLD that sufficient industrial land is provided in both wards.

Conclusions and Future Updates

The up-shot of this analysis of sufficiency is that the District Plan provides a significant surplus of capacity for projected growth in demand for both retail and commercial sectors for the next 30 years. There is also reasonably strong alignment between results of the MCA framework and plan enabled capacity, indicating that Council has zoned land that is appropriately located and is likely to meet developer requirements.

The Wanaka Ward is well served with industrial capacity for the foreseeable future, thanks to new zones created in the Ballantyne Road area, including the presence of the Industrial B zone. The objective of this zone is to provide a mix of business, industrial, service and trade related activities and avoid residential, office (non-ancillary) and most retails uses.

Conservatively, the Wakatipu Ward could have 28.1 ha of vacant industrial capacity (based on the alternate scenario discussed above). This is out of a potential maximum capacity of 43.6 ha if none is taken up by retail or commercial activity (which seems unlikely). This capacity (28.1 ha) does include significant vacant capacity in the Queenstown Airport Mixed Use zone (an estimated 10.6 ha). Excluding that, the remaining 17.5 ha (a more conservative estimate) is all that is left to cater for industrial land demand in the Wakatipu Ward (excluding Air Transport Services) of around 34.0 ha over the long term.

Under the alternate capacity scenario, this industrial land is located entirely within Frankton Flats B Precincts D (10.7 estimated developable ha) and E1 (6.8 estimated developable ha). This will not be sufficient beyond 2026 (the medium term) according to the Council's Recommended growth projection.

In light of the pressures facing business zones enabling industrial land use, Council will need to be vigilant in monitoring the up-take of vacant sites, particularly in the Frankton Flats. Monitoring will allow QLDC to regularly update the stock-take of vacant business sites in light of current construction and approved building consents. It will also inform what land uses are being developed on sites potentially available for industrial activities.

In terms of the Future Development Strategy and future development responses, M.E recommend that attention be given to the provision of additional industrial zoned land in the Wakatipu Ward to meet medium-long term demand (or medium-term demand to take a more conservative approach).

1 Introduction and Approach

The National Policy Statement on Urban Capacity[9] (NPS-UDC) came into effect on 1 December 2016 and requires local authorities to ensure there is enough[10] housing and business land to meet expected demands over a 30-year period.

Under the Resource Management Act 1991 (RMA) and regional policy statements, regional plans and district plans must give effect to the objectives and policies of the NPS-UDC. This means that the results of this assessment will inform targets for housing and business land to be included in the District Plan, and any zoning and provisions required to achieve them.

Queenstown Lakes District (QLD) is identified as a "high growth urban area"[11] under the NPS-UDC and is subject to the full suite of provisions of the NPS-UDC. Queenstown Lakes District Council (QLDC) must complete a comprehensive assessment of demand and capacity in the district plan for both housing and business activities at least every three years, starting from 31 December 2017.

This report, prepared by Market Economics Limited (M.E) in collaboration with QLDC, delivers the first Business Development Capacity Assessment (BDCA). A separate Housing Development Capacity Assessment (HDCA) has also been undertaken and is detailed in a separate report[12]. This report briefly touches on the interaction between the two markets.

This BDCA provides detailed analysis of the QLD business market, including drivers and influences on demand and supply, and the sufficiency of capacity provided within the district plan. As a simple summary, the approach taken in the assessment, and detailed in this report, is:

- **Demand Assessment (Section 4):** an assessment of demand for business land and floor space over the short-term 2016-2019, medium-term 2019-2026 and long-term 2026-2046.
- **Capacity Assessment (Section 5):** an assessment of vacant land and plan enabled (zoned) capacity for business land and floor space over the short-term, medium-term and long-term.
- **Feasibility assessment (Section 6):** the portion of business land capacity which is "feasible"
- **Sufficiency assessment (Section 7):** the results of the demand and capacity assessments are brought together to determine the sufficiency of capacity provided for in the QLD urban business zones.

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9 http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/National_Policy_Statement_on_Urban_Development_Capacity_2016-final.pdf

10 Housing and business land capacity must be "sufficient" and "feasible" in accordance with the NPS-UDC

11 "High-growth urban area" is defined in the NPS-UDC. Queenstown is defined as a high growth urban area due to having a combined resident population and visitor population of over 30,000 people, and the resident population is projected to grow by more than 10% between 2013 to 2023.

12 Housing Development Capacity Assessment 2017 – Queenstown Lakes District, xxx 2018.

These results will be a key part of Council's evidence base to inform future planning and infrastructure decisions, in particular the development of a 'Future Development Strategy'[13] (FDS) which is also required under the NPS-UDC by December 2018. The results will also inform the setting of targets in the District Plan, and the Proposed Regional Policy Statement for Otago, to ensure that sufficient business capacity is provided in the medium (to 2026) and long-term (to 2046).

This BDCA focuses on the development *capacity* of the Queenstown and Wanaka urban environments[14] which have each been defined and discussed further in section 1.2. Areas outside the urban environment have been included in the *demand* assessment, which includes the District as a whole, but these areas have not been modelled specifically in terms of land requirements and sufficiency of capacity. Business demand for space, in particular from tourism related activities arises outside of the urban environment yet plays a very important role to the local economy. It is acknowledged that the responsive planning policies of the NPS-UDC can be applied outside the boundaries of the urban environment, however this is the second phase of the NPS-UDC implementation that follows from the results of this assessment and will be considered in the FDS.

QLDC also recognise that there is anecdotal evidence that drivers of demand in Queenstown and Wanaka also affect the business and housing markets in other smaller nearby centres, particularly Cromwell, and in areas that are located outside the QLD urban environment. This assessment briefly discusses the interrelationship of the Queenstown and Wanaka markets to Cromwell and the rural environment. QLDC acknowledge that more collaboration will be required with the Central Otago District Council (CODC), in particular investigating the demand and supply of business land that services both Queenstown and Wanaka; and to what extent demand for space at particular price point's that cannot be met locally transfers to Cromwell. CODC is currently not defined as a medium or high growth urban area, and although the NPS-UDC still applies to the district, CODC is not currently required to prepare a BDCA or HDCA. Therefore, the CODC has limited quantitative data that could be utilised for QLD's current assessment.

The NPS-UDC seeks to achieve better integration across local and regional markets through collaboration across administrative boundaries. QLDC has been working alongside the Otago Regional Council (ORC) in the development of this assessment and has involved them in all workshops.

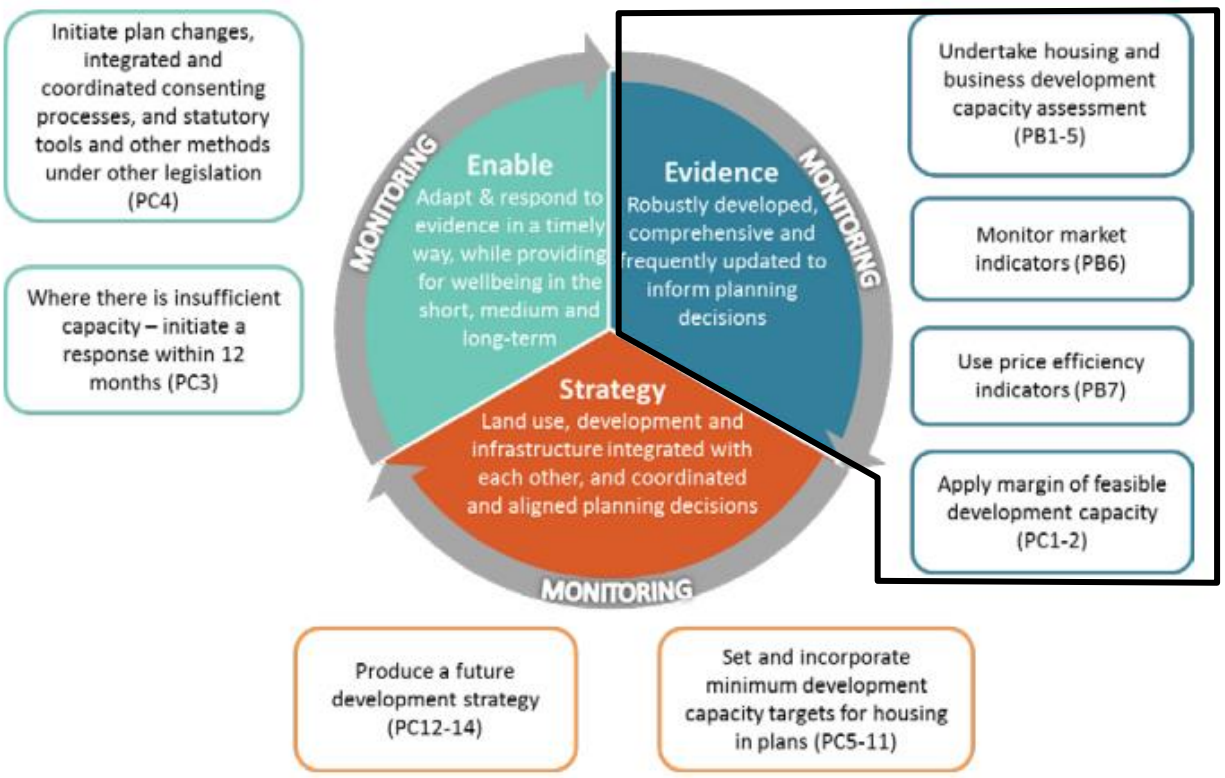
1.1 Purpose of the NPS-UDC

The NPS-UDC requires local authorities to ensure that there is sufficient housing and business land to meet expected demand over the short (3 years), medium (10 years) and long-term (30 years). To do so, it establishes a comprehensive staged assessment process to ensure local authorities gain a fine-grained understanding of the economic influences on capacity and demand to better plan for growth. Figure 1.1 illustrates the various stages and deliverables of the NPS-UDC. The BDCA and HDCA fall within the Evidence portion of the NPS-UDC.

[13] The Future Development Strategy is detailed in Policy C12 to C14 of the NPS-UDC and is required to demonstrate that there will be sufficient, feasible development capacity in the medium and long term and set out how the minimum targets under policies C5 and C9 will be met.

[14] 'Urban Environment' is defined in the NPS-UDC and discussed later in this report

Figure 1.1 – Summary of NPS-UDC Polices, Stages and Deliverables[15]



The NPS-UDC identifies that urban environments are areas where population and economic activities are in close proximity, and that they are often growing at significantly higher rates than in rural or provincial settings. This dynamism leads to unique and challenging conditions that require particular policy responses to manage effects and ensure that growth is managed in a manner that is both efficient and ensures that communities continue to be able to provide for their social, cultural, environmental and economic wellbeing.

To effectively plan for and manage population and economic growth in the urban environment, it is important to understand the key influences on growth. Local authorities can make well informed decisions if they have access to consistent and robust estimates of growth. Understanding key drivers or constraints on growth and the land use implications of change will assist authorities when assessing the effects of alternative policy options. In addition, greater understanding of the timeframe in which business land capacity is either developing, or is required over time, can better enable forward infrastructure planning and financing and will also help inform decisions on resource consent applications. To achieve this the NPS-UDC requires regular monitoring of a range of market indicators.

In the context of business land, decision making based on greater understanding of factors affecting growth will also improve efforts to promote thriving town centres, efficient transport and infrastructure planning, and to foster the sustainable growth of the district. This information will also provide greater understanding

[15]Source:http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/FINAL-NPS-DC%20Evidence%20and%20Monitoring%20guide.pdf

of industries that may change over time and enable the management of possible negative effects of business activities, such as reverse sensitivity or high vacancy rates.

A key outcome of the NPS-UDC is the integration of land use and infrastructure planning. This recognises that development is dependent on the availability of infrastructure, so decisions about infrastructure must be made with reference to decisions made as to the shape, form and scale of the urban area. There are obvious benefits with this, particularly in terms of efficiencies, more predictable outcomes and cost savings to the wider community from ensuring consistency between all of these processes. Accordingly, the NPS-UDC requires (under Policy A1) that development capacity considered in these assessments is either serviced with development infrastructure[16] or identified in a Long Term Plan (LTP) or Strategy. Local authorities must also be satisfied that 'other infrastructure' (such as parks, schools and community services) required to support urban development and place making is likely to be available. Development and other infrastructure are discussed in sections 6.1.2 and 6.1.3.

The Local Government Act (LGA) provides the framework and requirements for the operation and strategic planning of local governments. This includes the requirement for local governments to operate in democratic and cost-effective ways and to provide good quality local infrastructure, both now and in the future.

Under the LGA, local governments are required to prepare LTP, Annual Plans (AP) and 30 year Infrastructure Strategy. The LTP sets the strategic direction and budget for future development of infrastructure, services and assets, and also for the replacement and upgrade of existing infrastructure. The PDP sets the zoning in the QLD, but is limited by infrastructure constraints, which are programmed in the 30-year Infrastructure Strategy and LTP under the LGA. The 30-year Infrastructure Strategy relies on the capacities stipulated in the PDP to better understand the servicing needs of the community. Thus highlighting the strong links that are required between planning and infrastructure to ensure the strategic and integrated management of urban growth.

1.2 Objectives and Policies

As a 'high growth' urban area, QLD is subject to the full suite of objectives and policies under the NPS-UDC. The objectives (detailed in Appendix 1) and policies are structured into four key themes, summarised below:

- *Outcomes for planning decisions* – these provisions establish the requirement to ensure sufficient housing and business capacity to meet demand, provide for choices, and urban environments that develop and change over time.
- *Evidence and monitoring to support planning decisions* - these provisions specify the reporting requirements, the need to monitor market indicators, and consider influences on capacity such as rate of take-up and feasibility.

[16] 'Development infrastructure' and 'other infrastructure' are defined in the NPS-UDC

- *Responsive planning* – requires a response to be initiated if the evidence base suggests there is insufficient development capacity, establishes the requirement for Councils to prepare a FDS and the setting of 'minimum targets' in regional and district plans.
- *Coordinated planning evidence and decision-making* – encourages collaboration between authorities that share jurisdiction over an urban area, and between regional and local councils.

1.3 The Business Development Capacity Assessment (BDCA)

The NPS-UDC specifies the overall requirement for the BDCA, together with a range of requirements in the Policies[17]. Each Policy assessment needs a sound analytical/technical base and good supporting information, and most need quantification to demonstrate compliance. There are many inter-linkages and inter-dependencies among the policies, which make it important to understand the NPS-UDC both holistically, and as to the specific requirements for each Policy. The individual policies cannot be satisfied if treated in isolation.

Figure 1.2 sets out the overall policy structure of the NPC-UDC and shows the relationship of each policy to the overall requirement to produce Business (and Housing) Development Capacity Assessments (Policy B1). A key feature of the flow chart is that while there are significant cross-flows between Policies (these are not shown in the figure to maintain some clarity), the main focus of all Policies from Policy A1 to C3 is on the capacity assessments.

Subsequent to the completion of the BDCA (and HDCA), Policies C4 to C11 are oriented to setting and achieving Minimum Targets for growth and capacity, and these essentially provide a statutory mechanism to require that the necessary quantum of capacity is provided to meet the estimated demand. Policies C12, C13a-c, and C14 are geared toward the third of the major reporting documents, the FDS. The remaining policies D1 through D4 are to ensure co-ordination among councils and between councils and infrastructure providers.

Within this wide suite of policies, the major part of the technical analysis and monitoring is set out in Policies A1 through C3, which contribute most directly to the BDCA (and HDCA). These are addressed throughout this report.

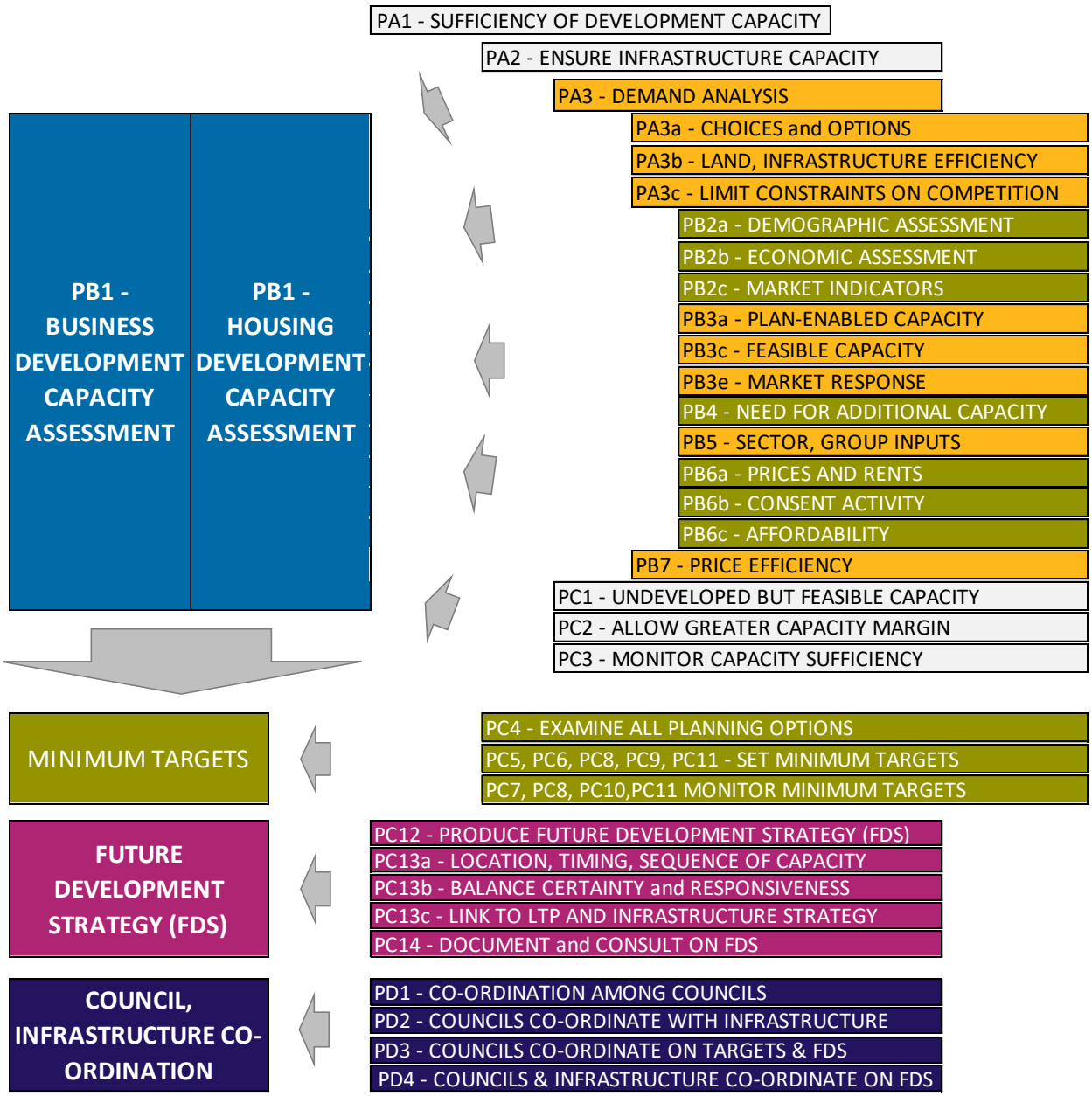
The two (housing and business) assessments will help local authorities to quantify in broad terms how much development capacity is, or should be, provided in resource management plans and supported with development infrastructure, to enable the supply of business (and housing) space that meets demand. Policy B3 requires that this assessment include how much capacity is "feasible" to develop in the current market and expected to be taken up over time. In addition, to account for a portion of feasible development capacity that may not be developed, the calculation of the required total feasible capacity to meet demand needs to include margins over and above the projected demand, to inform Policies C1 and C2.

The assessments should also include information about the interactions between housing and business activities, such as how these drive demand for each other in particular locations or industries; and whether

[17] http://www.mfe.govt.nz/publications/towns-and-cities/national-policy-statement-urban-development-capacity-guide-evidence

the location of activities provides for accessibility and the efficient use of land and infrastructure. Double counting of capacity is to be avoided.

Figure 1.2 – Relationship of NPS-UDC Policies with Capacity Assessments



1.4 Approach Overview

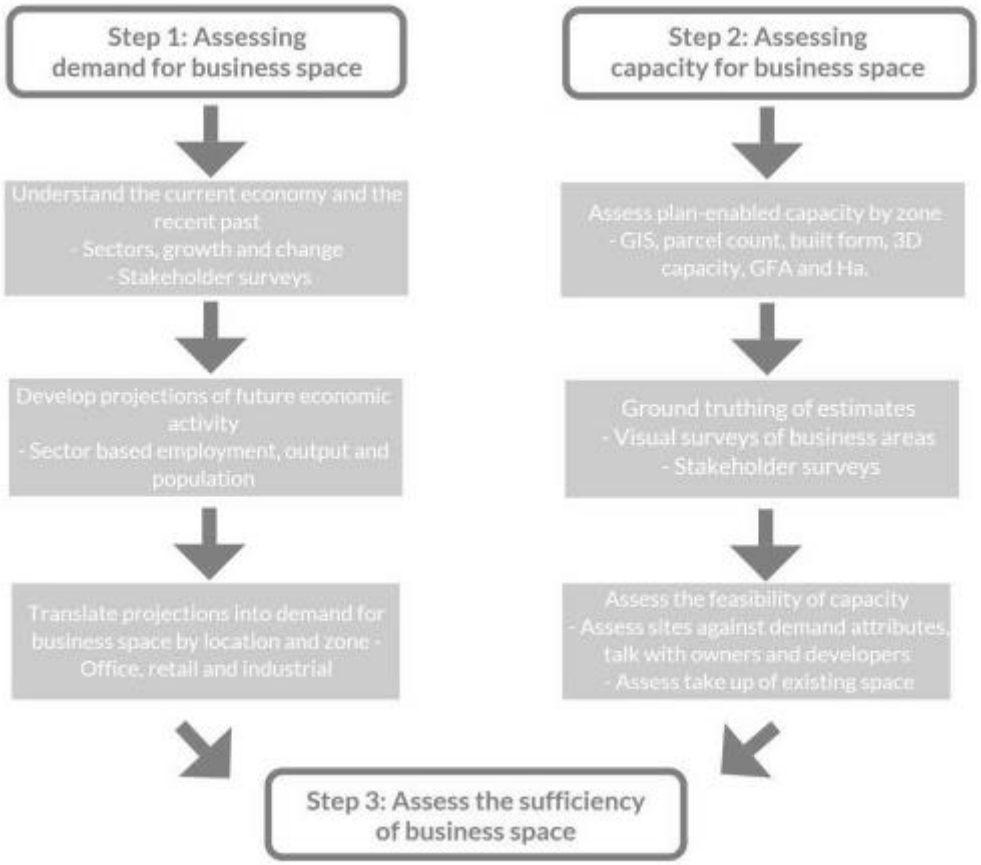
Based on the requirements set out in the NPS-UDC policies, this report focuses on projected economic and population growth and how it translates into business land and space requirements within the QLD urban environment. Economic growth is a key driver of development markets and is important to understand in terms of absolute scale, composition and timing. With this information, QLDC can make more informed decisions that:

- provide sufficient capacity and choices for all business uses, in appropriate locations, and an efficient allocation of capacity between them;
- support thriving town centres, efficient transport, and management of the negative effects of business activities and reverse sensitivity;
- enable constant spatial change to support economic growth and change, particularly, a greater understanding of how the role and function of the district's centres may change over time;
- understand the influences of business growth on associated demands and locations for visitor accommodation, housing and social and development infrastructure.

These outcomes would contribute to effective and efficient urban environments that enable people and communities and future generations to provide for their social, economic, cultural and environmental well-being. This information also supports informed investment and funding decisions.

The BDCA has three main stages or components of analysis for both demand and supply. The broad approach is presented in Figure 1.3. The following sections contain a narrative that addresses each stage in detail.

Figure 1.3 – Business Development Capacity Approach Overview



1.5 Data Sources

This assessment draws on data supplied by QLDC including a 30 June 2017 extract of parcel boundaries and the rating database. This approach is consistent with Statistics New Zealand (SNZ) methodology where a 30 June resident population estimate is derived using the census usually resident population count and aligns with QLDC's financial year. Files were also provided in GIS format of relevant District Plan zones, sub-zones, overlays and designations, along with associated planning rules and site standards for development.

Time series data from the Statistics New Zealand (SNZ) Business Directory has also been utilised, as well as some of M.E's proprietary datasets relating to the distribution of economic activity across land use or building typology and average employment to land/GFA ratios. These are discussed further in sections 4.1 and 4.3.

1.5.1 Population and Visitor Projections

Population and visitor projections are important for the assessment of business demand and are used as a basis to estimate the likely demand for various employment sectors required to service each.

In August 2016 QLDC contracted Rationale Limited to produce population and visitor growth projections for the next 40 years (to 2058) to use in its 10 Year LTP, 30 Year Infrastructure Strategy and other strategic planning work. For consistency, this assessment utilises the results of these projections and are referred to as QDLC Recommended growth projections.

Rationale ultilise a revised growth projection derived from the published SNZ projections[18], and have recommended a 'medium-high' growth scenario for planning purposes as being a reasonable projection of the likely rate of future growth which is not too conservative, nor too ambitious. This 'Recommended Scenario' is slightly below the latest SNZ 'high population growth' scenario (Appendix 2). The results are presented in Table 1.1 below.

Table 1.1 - Queenstown Lakes District Council Recommended Population and Visitor Projections

	Actuals			Projections								
	2001	2006	2013	2018	2023	2028	2033	2038	2043	2048	2053	2058
Usually Resident Population												
Wanaka Ward	4,850	7,350	9,500	12,491	15,007	16,650	18,236	19,736	21,085	22,509	23,933	25,357
Wakatipu Ward	12,990	16,770	20,230	25,557	29,651	32,627	35,551	38,330	41,082	43,846	46,610	49,374
District	17,840	24,120	29,730	38,048	44,658	49,277	53,787	58,066	62,167	66,355	70,543	74,731
Average Day Visitors												
Wanaka Ward	4,333	5,391	5,746	7,945	9,443	10,129	10,656	11,105	11,482	11,809	12,094	12,325
Wakatipu Ward	10,358	12,258	12,236	16,915	19,760	21,360	22,942	24,444	25,876	27,229	28,506	29,729
District	14,691	17,649	17,982	24,861	29,203	31,488	33,598	35,549	37,358	39,037	40,600	42,055
Peak Day Visitors												
Wanaka Ward	16,584	21,966	27,389	34,448	40,010	42,988	45,714	48,155	50,250	52,428	54,576	56,712
Wakatipu Ward	26,254	31,065	36,491	44,854	52,031	56,759	61,327	65,650	69,849	73,946	77,964	81,946
District	42,838	53,031	63,879	79,301	92,041	99,747	107,041	113,805	120,099	126,374	132,540	138,658

Source: Rationale Limited, QLDC (reproduced by M.E). Recommendd Growth Scenario. Wakatipu Ward incorporates Arrowtown Ward.

These population projections have been developed and enhanced by Rationale on behalf of the QLDC over the past 13 years and are a result of a detailed process, factoring in significant data inputs and trends that

[18] QLDC projections are based on SNZ sub-national projections released in December 2016 (2013 base to 2043). M.E note that the SNZ population projections relied on in this report (i.e. SNZ Medium and High) are more recent (December 2017)

take account of the QLD's unique and ever-changing growth drivers. These projections are utilised QLDC wide[19].

The QLDC Recommended population projections show a district-wide usually resident population growth rate of 2.6% per annum to 2028 (representing a projected increase of 11,230 people from a base of 38,050 in 2018 to reach 49,280). By 2048, the population is projected to reach 66,360. By 2058, the district population will have almost doubled. The projections are anticipating that the Wanaka Ward will grow at a slightly higher annual average rate; 2.9% per annum increase to 2028, compared to the 2.5% increase across the Wakatipu Ward.

Tourism is critical to the economic success of QLD. The ratio of annual visitors to residents is currently 34 visitors to one resident, whereas the ratio in Auckland is one to one, and Christchurch is three to one. Visitor growth projections indicate that average day visitors across the district are projected to increase by 57% by 2048. This is an average increase of approximately 470 visitors per annum. As with projected population growth, average day visitors are expected to grow a slightly faster rate in the Wanaka Ward; 2.5% per annum compared to 2.4% per annum in the Wakatipu Ward over the next ten years.

The QLDC projections highlight that QLD faces unique challenges in providing for a sizeable visitor population that often (on peak days) exceeds the local resident population. In a business context, it also indicates the business and employment sectors that are likely to face even stronger demand in future years. In particular, the need for additional accommodation capacity, both commercial and residential forms, and tourism and recreation services to serve increasing visitor numbers. It also potentially highlights complexities in providing for business capacity (and supporting infrastructure) which may serve average day visitors, but not meet the demands experienced on a peak day (which can be more than double average day visitors).

The QLDC projections have a 2013 base year and provide projections in five-year increments as shown in Table 1.1 above. The base year for this assessment is 2016, and the reason for this is discussed in Section 1.7 (Terminology). Therefore, for the purpose of the BDCA, M.E has interpolated a 2016 figure from the QLDC projections to align with the adopted base year of the analysis (i.e. between 2013 and 2018). Similarly, a 2046 end year has been interpolated for the long-term horizon (between 2043 and 2048). For a more detailed analysis of past, present and future population, households and visitors, refer Rationale's report[20] and the QLD HDCA report.

1.5.2 Economic Futures Model – Economic Projections

The Economic Futures Model (EFM) has been developed by M.E for QLDC to generate estimates of future economic activity across the District[21] for the purposes of the BDCA. The EFM generates estimates of output, employment and value added (synonymous with GDP) at the 48 sector level across the entire

[19] Due to long term nature of growth projections and the broad range of influencing factors there is some uncertainty with the findings. For this reason, the QLDC updates these annually and the projections consider multiple scenarios to ensure the QLDC is adapting to any change.

[20] http://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan/Hearings-Page/Hearing-Stream-13/Section-42A-Reports-and-Council-Expert-Evidence/Dwelling-Capacity-Evidence-received-19-June-2017/QLDC-13-Queenstown-Mapping-Walter-Clarke-Evidence-Dwelling-Capacity-29408194-v-1.pdf

[21] Queenstown Lakes District Economic Futures Model – Technical Report, 3 October 2017. Market Economics Limited.

district, at the ward level and also provides estimates for the rest of Otago Region and the Rest of New Zealand.

The EFM generates estimates of future economic activity based on projections of population and households at the local, regional and national level and estimates of growth in export performance of all sectors of the economy, average levels of gross fixed capital formation by sector and the manner in which structural change in the population impacts of purchasing behaviour. Appendix 3 provides a more detail description of these growth drivers.

The EFM is a multi-regional model in the sense that cross border flows of economic activity are accounted for. This can have significant effects on rural economies – especially those surrounding large metropolitan centres. In addition, the centres themselves respond to growth and change occurring in the rural areas. Such transactions are often not accounted for in economic models that treat a region or a district in isolation.

In order to develop a scenario of future growth and change in QLD, M.E have worked with QLDC to set appropriate growth drivers in the model. As discussed above, in August 2016 QLDC commissioned Rationale to generate projections of both population and tourism flows into the future (referred to as QLDC projections). M.E have utilised QLDC 'Recommended' projections in the EFM to generate a scenario of future growth[22]. Economic projections generated by the EFM are discussed further section 3.3.

1.6 Stakeholder Engagement

The NPS-UDC requires local authorities to seek and use the input of particular local groups with relevant expertise. This helps develop a high-quality evidence base. QLDC coordinated a stakeholder workshop to inform the feasibility aspect of the BDCA. This workshop, facilitated by M.E, was well attended by a mix of Wanaka and Wakatipu stakeholders from a range of sectors (land owners/developers, real estate and economic development agencies). Appendix 4 contains a copy of the workshop agenda and attendee list. Outcomes of the workshop are discussed further in section 6.1.

1.7 Terminology and Definitions

There are some key terms used in this report. Definitions are provided below:

- Base year: the base year of this assessment is 2016. This is driven by the availability of demand side data, namely the SNZ Business Directory and the EFM (and underlying data). It is acknowledged that capacity estimates are based on a 2017 snap-shot. Back-casting capacity to 2016 was not considered appropriate due to the difficulty in validating this through site visits/ground truthing. The slight difference in time periods, considered preferable to using a projected base year for demand, will persist in future updates of the BDCA also.

[22] M.E have also sourced Rationale projections for the other TAs in Otago Region as inputs to population and tourism growth in the Rest of Otago Region in the EFM.

- Short-term: up to three years (2016 to 2019, measured from the base year)
- Medium-term: 3-10 years (2019 to 2026), measured from the base year)
- Long-term: 10-30 years (2026 to 2046, measured from the base year).
- Economic growth: Employment or GDP growth over time.
- Urban environment: as defined in the NPS-UDC, "*means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries*". The QLD urban environment adopted for the purpose of this assessment is outlined in Section 2.
- Business Land: land that is zoned for business uses in urban environments. Also referred to business enabled zones. Determined by the policies, rules and activity tables for each zone in the District Plan. These zones may therefore include a portion of residential zones, if the zone provisions allow for a degree of business use (such as the Medium Density Residential Transition Area Overlay, and residential Visitor Accommodation Overlays).
- Business Demand: The demand businesses place on the land or commercial property market for space. This is initially defined in terms of additional employment or turnover, translated into appropriately zoned land and ultimately gross floor area (GFA).
- Feasible: As defined in the NPS-UDC. Development that is commercially viable to a developer, considering the current likely costs, revenues and yield of developing. Feasibility has a corresponding meaning. Note that feasibility assumes that the land is enabled for development by the plan and is, or is planned to be, supported by public infrastructure.
- Industrial: Land use or activity that is industrial in nature. Can include heavy or light industrial activity. This land use is generally associated with manufacturing, processing, packing, or associated storage of goods. As well as service industries like panel beaters and mechanics, wholesaling, logistics and distribution, warehousing, storage and lock up facilities, utilities, air services etc. Activities may be carried out predominantly within buildings or in open yards, or a combination of both. Typically, industrial activities are the sole occupants of a site (i.e. are not combined with other types of activities on upper floors).[23]
- Commercial: Land use or activity that is commercial in nature. Can include office based and other commercial activity. This land use is generally associated with business and household services, commercial recreation activities/attractions, commercial visitor accommodation, education[24] (pre-school, primary, secondary and tertiary), vehicle and other hire, vehicle sales yards, community services (police, fire, health), local government etc. Activities may be carried out predominantly within buildings or in outdoor areas or formed yards, or a combination of each. Typically, commercial activities (particularly office based) are shared occupants of a site

[23] For the purpose of this reporting an industrial activity is considered to be both an Industrial and Service Activity as defined by the PDP.

[24] Education is considered Commercial for the purposes of the NPS-UDC. This differs from the PDP where it is classified as a Community Activity.

(i.e. are often combined with other commercial activities or co-located with retail activities). Commercial office-based activity is commonly found above ground floor.

- Retail: Land use or activity that is retail trade in nature and occurs in shop spaces open to the public. This land use is generally associated with the sale of food, apparel, accessories, hardware, plants, flowers, sporting goods, stationery, books, homewares, furniture, appliances, second hand goods, fuel, cafes, restaurants, takeaways and bars. Typically, retail activities are shared occupants of a site (i.e. are often combined with other commercial activities) and are centre-based. Retail activity is generally found on the ground floor to maximise street frontage/window displays and customer access. Automotive retail such as vehicle showrooms, vehicle parts and fuel have similar locational attributes as industrial activities and warehousing and locate accordingly.
- Take-up: Is the actual development and consumption of business land over time. This includes the establishment of a business on a parcel of land and often involves building works.

Other terms used throughout this report draw on commonly used zoning terminology. A list of acronyms used throughout this report is contained at the end of the document.

1.8 Report Outline

Section 2 describes the geographic context of QLD and defines the urban environment which sets the scope of detailed modelling of demand and capacity. The district is then discussed in terms of broad localities and the business zones are identified (both urban and rural).

Section 3 of the report provides an overview of the QLD economy in terms of key strengths, weaknesses and sectors. Analysis is provided on the current (2016) economy by sector as well as past trends and further economic projections.

Section 4 works through the modelling steps applied to estimate business land and floorspace demand. This is followed by section 5 which works through the modelling steps applied to estimate vacant business land and floorspace capacity.

Section 6 reports on the multi criteria analysis used to assess development feasibility and section 7 presents the results of land and floorspace sufficiency. It also includes a discussion section, reviews market indicators and discusses future monitoring requirements. Section 8 reflects on key issues and learnings for future updates. A series of appendices are included which contain more detailed data and information described throughout the report.

An Evaluation Index is included at the end of the document. This provided a checklist to M.E and Council and may assist with MBIE's evaluation. It identifies the report sections that relate to each evaluation criteria.

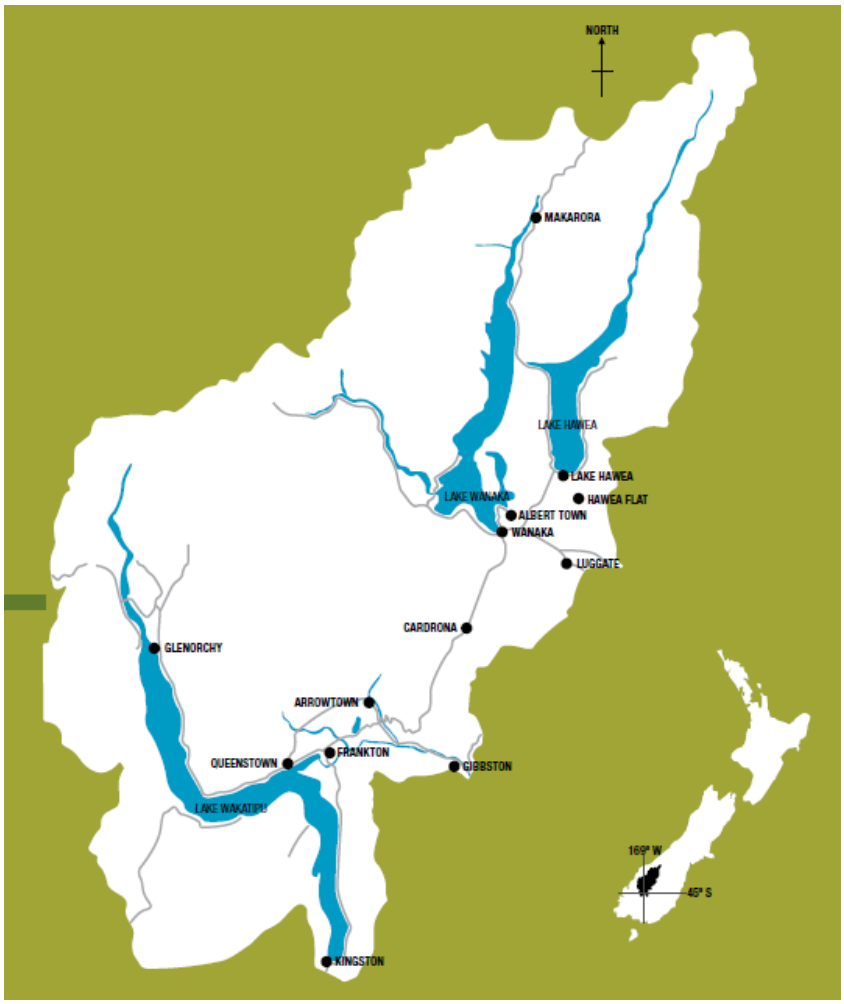
2 Study Area

This section discusses the approach taken to define the QLD urban environment and identifies the business zones within the urban environment and in the rest of the district. It provides a description of key locations of business zones (with zoning maps included).

2.1 Geographic context

The QLD has a land area of approximately 8,722km^2 not counting the main inland lakes (Lake Hawea, Lake Wanaka and Lake Wakatipu). The total area including lakes is roughly 9,375km^2. Approximately 97% of this area is considered to be located within an Outstanding Natural Landscape (ONL) or an Outstanding Natural Feature (ONF) - the protection of which is a matter of national importance under the RMA (Figure 2.1).

Figure 2.1 – Queenstown Lakes District Settlement Pattern



Queenstown is the largest centre in Central Otago and second behind Dunedin within the Otago region. The two key urban environments of the district are Queenstown and Wanaka. Wanaka is situated

approximately 50km north of Queenstown, but is connected to Queenstown via a 1 hour drive via the Crown Range Road or an 1 ½ hour drive via Cromwell.

Other smaller townships in the District include Arrowtown, Kingston, Glenorchy, Hawea, Cardrona, Makarora and Luggate. Business land in each of these areas is small scale and primarily caters for local residents and tourism activities.

Cromwell is located approximately 60km east of Queenstown, and a 30-45min commute to either Queenstown or Wanaka. At this distance Cromwell may present a convenient alternative for some businesses, being located centrally to the two centres, less constrained by mountainous terrain, and having comparatively cheaper land and rental prices. There is anecdotal evidence to suggest that Cromwell is currently experiencing the spill over of demand from Queenstown and Wanaka. However, further work and collaboration is required to take place with the Central Otago District Council (CODC), Otago Regional Council (ORC) and New Zealand Transport Agency (NZTA).

2.2 Urban Environments and the NPS-UDC

2.2.1 Context

The NPS-UDC defines two concepts; "urban environment" and "urban area" which are different in meaning and application. The NPS-UDC applies to any "urban environment" that is expected to experience growth. The objectives and policies are structured around "urban environments", and therefore the need to assess demand and provide sufficient development capacity (under Policy A1 to A4) applies to land within that urban environment.

A local authority must have part, or all, of either a medium or high-growth "urban area" (as defined under the NPS-UDC) within their district/region, before Policies B1 to B7 (*evidence and monitoring*), C1 to C4 (*responsive planning*), and D1 to D4 (*Coordinated planning evidence and decision-making*) apply; and a high-growth area in their district/region before Policies C5 to C14 (*minimum targets and future development strategy*) apply.

Once triggered as being a high or medium-growth "urban area" within a district, the application of these policies is not restricted to the boundaries of the urban area itself, and therefore can apply district-wide. This reflects for example, the scenario in which new greenfield land may be identified as a future growth area in order to provide additional development capacity outside the boundaries of the current "urban environment".

The QLD is considered a 'high growth urban area' under the NPS-UDC. The NPS-UDC therefore applies to the district as a whole.

2.2.2 Key Urban Environments in Queenstown Lakes District

"Urban environment" is defined in the NPS-UDC as:

> *"means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries".*

The geographic scope of the detailed modelling and analysis of business demand and capacity in QLD, identified in this report, is limited to the defined urban environment[25].

In Council's view, there are two 'urban environments' in the QLD that are made up of the following sub-areas:

- Queenstown Urban Environment: Sunshine Bay, Queenstown Bay, Queenstown Hill, Frankton, Frankton East, Arthurs Point, Kelvin Heights, Lake Hayes South, Arrowtown and Jacks Point (includes Jacks Point, Hanley Downs and Homestead Bay); and
- Wanaka Urban Environment: Wanaka, Albert Town, Luggate and Hāwea.

In the Wakatipu Basin the pattern of urban settlement is dominated by large mountains, lakes and rivers with significant landscape values, making it complex to apply the NPS-UDC. Although not a 'concentrated settlement' in the phrase's ordinary dictionary meaning, the urban environment of Queenstown is grouped around and interrupted by these natural features. Council considers that the most practical approach to the anomaly presented by how Queenstown has developed in its particular physical geography and landscape, is to treat the collection of areas that together function as a single urban environment as a 'concentrated settlement' for the purposes of the NPS-UDC definition of 'urban environment'. This includes Arrowtown given its location within the Wakatipu Basin and that practically it functions as part of this same Queenstown 'urban environment'. This urban environment falls within the extent of the Queenstown-Wakatipu and Arrowtown Wards (SNZ), which are collectively referred to as the Wakatipu Ward for this report.

To a lesser extent compared to Queenstown, the pattern of urban settlement in the Upper Clutha Basin is also dominated by large mountains, lakes and rivers, again making the application of the NPS-UDC to the local geography, difficult. The urban area at the southern extent of Lake Hāwea and in Luggate function as part of Wanaka, and in the Council's view form part of the Wanaka urban environment. However, Makarora does not function as part of Wanaka and is excluded. Kingston and Glenorchy are similarly distant from the Queenstown urban environment and are excluded on the same basis.

The above approach helps define the urban environment for the purpose of the BDCA (and HDCA) (Figure 2.2). The first principal for defining the urban environment was the land within the notified UGB defined in the Proposed District Plan (PDP). Zones outside these boundaries were then included on the basis of their economic and social relationships with the UGB areas; whether they contained urban-like densities; their proximity to existing urban areas; or levels of existing or planned servicing. These zones include the non-rural zones in Hawea (but excluding Hawea Flat), Luggate (including a small area located in the Rural Industrial Sub Zone) and also the Low Density Residential (LDR) zone adjacent to Lake Hayes.

Other areas that are outside of the 'urban environment' do not contribute to the *modelled* demand and capacity of this assessment, but are reported on at a high-level in section 2.4, include the following:

- Rural (including Wakatipu Basin Rural Amenity Zone and Gibbston Character Zone) (PDP);
- Rural Living zones (Rural Lifestyle and Rural Residential Zones) (PDP);

[25] Capacity outside of the urban environment has not been modelled in any detail but is discussed at a high level.

- Rural Visitor Zones (Cardrona, Arcadia, Blanket Bay, Walter Peak, Cecil Peak and Windermere) (ODP);
- Kingston and Glenorchy Township Zones (ODP);
- Millbrook, Waterfall Park, Kingston Village and Mount Cardrona Special Zones (ODP);
- Commercial capacities within the approved Special Housing Areas (SHAs): Bridesdale, Queenstown Country Club and Arrowtown Retirement Village.

These are discussed further in sections 2.4 and 2.5. Council acknowledge that although not technically falling within the definition of "urban environment" these areas have a zoning which is anticipated to result in development of an urban nature. QLDC also acknowledge that some of these areas in the future may form part of the urban environment.

2.3 Business Areas in the QLD Urban Environment

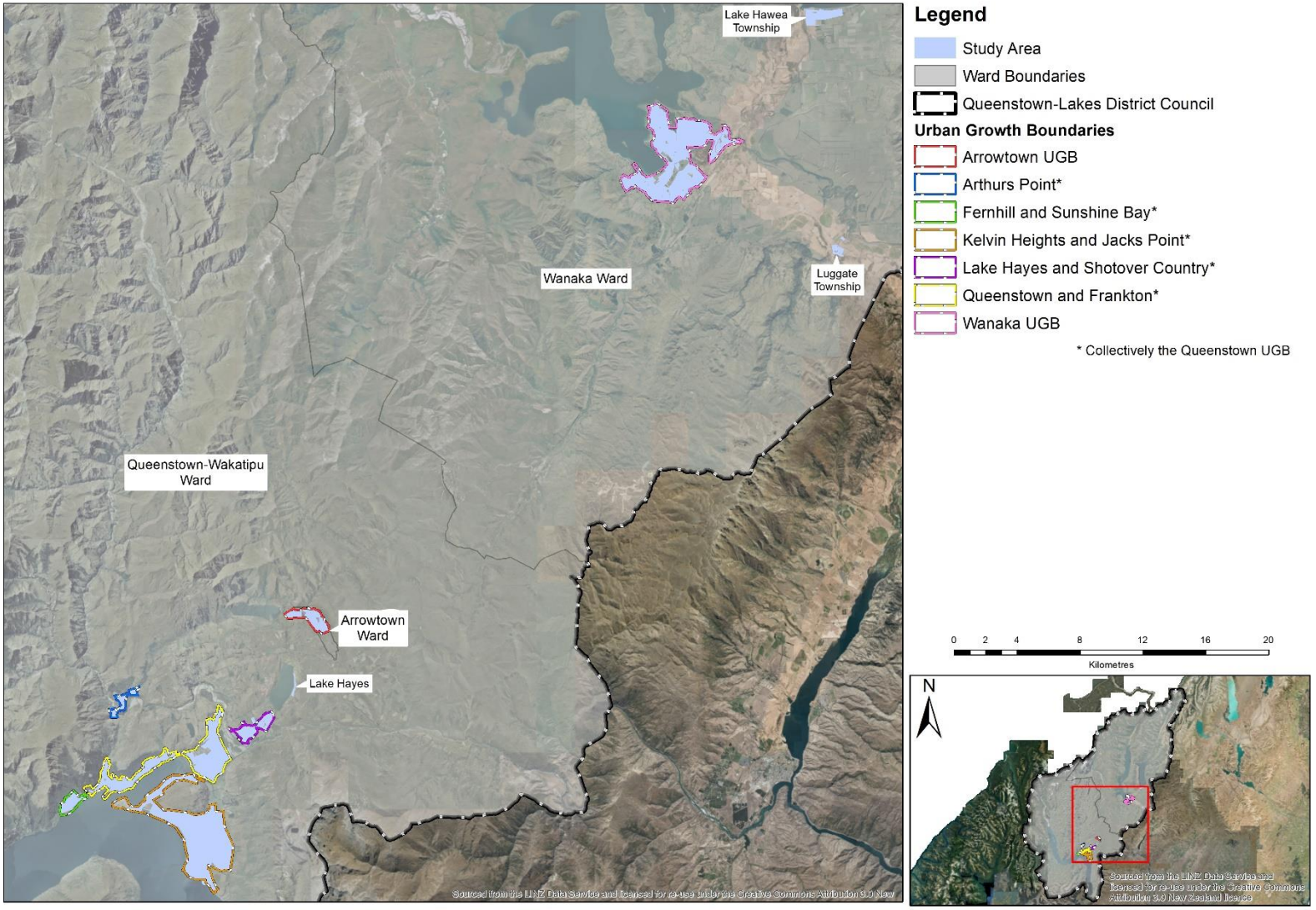
2.3.1 Regional Policy Statement for Otago and Proposed Regional Policy Statement

The Operative Regional Policy Statement 1998 (ORPS) focuses on the impact of developments on natural resources, promoting sustainable land use and minimising the effects of development on water and land. The promotion of sustainable management of the built environment and infrastructure, as well as avoiding or mitigating against adverse effects on the natural and physical resources is incorporated into Objectives 9.4.1, 9.4.2 and 9.4.3; as well as Policies 9.5.1 to 9.5.5. Whilst, Objectives 11.4.1 and 11.4.2 seek to manage risks from natural hazards identifying and then avoiding or mitigating the risks.

By comparison the Proposed Regional Policy Statement for Otago 2015 (PRPS) has a more directive approach regarding integrating urban development and infrastructure, and managing residential, commercial and industrial growth in line with the requirements of the NPS-UDC. The provisions of the PRPS identify a direction in ensuring that plans provide for sufficient urban land capacity and provides good urban design. The PRPS also seeks to avoid development beyond urban growth boundaries (Policy 4.5.2 of the Decision Version of the PRPS). The PRPS decision was released in October 2016 and is currently under appeal. Accordingly, limited weight can be provided to the Decisions Version of the PRPS.

What makes the Otago region unique from other regions throughout the country is the main centres are geographically dispersed. As a result, the management of urban growth has historically been reserved to the respective local authority, due to the limited amount of historical cross boundary issues. Therefore, the provisions of both the PDP and ODP (where relevant) form the basis of strategic urban growth and this assessment.

Figure 2.2 – QLD NPS-UDC Urban Environment Study Area



2.3.2 Application of Zones Under the Operative and Proposed District Plans

The review of the Operative District Plan (ODP) is proceeding via a staged review process. Stage 1 of the PDP was publicly notified on 26 August 2015, and hearings were held from March 2016 to September 2017[26]. Decisions on Stage 1 are anticipated in the first quarter of 2018.

The PDP review preceded the NPS-UDC, and this has resulted in some misalignment and inaccuracy in the current assessment. The BDCA capacity assessment has been based on a combination of the notified PDP zoning and provisions; and the ODP provisions for zones which have not yet been reviewed. Stage 1 included the higher order strategic provisions of the plan and included most of the district's residential and town centre zones. These stage 1 chapters were based on the premise of promoting a compact urban form, based around urban growth boundaries and enabling increased intensification within the district's existing urban zones. New zones were created - the Medium Density Residential, Large Lot Residential and the BMU zones, with the latter providing for a mix of business and residential activity. Additionally, stage 1 included a significant 'mapping' component, and analysed significant numbers of rezoning requests throughout the district.

The new or amended provisions of stage 1 had the effect of increasing plan enabled capacity and are therefore relevant to this BDCA. It is noted that a number of changes to chapter provisions were supported by council officers in evidence to hearings which may change capacities. However, due to the uncertainty over the outcome of final decisions, this assessment uses the *notified* PDP zones and provisions only and cannot consider any capacity which may be added as a result of revised chapters or rezoning submissions. These will be captured in future updates of the BDCA and any differences reported on.

Stage 2 of the PDP was publicly notified on 23 November 2017, and hearings are anticipated to take place June to September 2018. Decisions on stage 2 are targeted to be released in the first quarter of 2019.

Stage 2 included the chapters on Transport, Earthworks, Signs, Visitor Accommodation, Wakatipu Basin Land-use and Open Space and Recreation. The new or amended provisions of stage 2 that are applicable to this assessment promote a generally more restrictive approach to residential forms of short-term visitor accommodation within the Low and Medium Residential Zones, the Arrowtown Residential Historic Management Zone and the Large Lot Residential Zone. A less restrictive approach is proposed for the High Density Residential Zone and within Visitor Accommodation Sub-Zones. It is noted that the less restrictive provision in the High Density Residential Zone has not been incorporated into this assessment due to timings of Stage 2 of the PDP. This will need to be monitored and taken into consideration when interpreting the results and future iterations of both the capacity reports.

In terms of car parking, the proposed Transport Chapter promotes a reduction of onsite parking in most of the High and Medium Density Residential and Business Mix Use Zones, and greater flexibility surrounding public transport and their associated facilities. The BDCA only accounts for the provisions of stage 2 as they relate to commercial forms of visitor accommodation within the notified VA subzones. Residential forms of visitor accommodation are discussed in the HDCA.

[26] Ski Area Sub Zones, Upper Clutha Area and the Queenstown Area (excluding the Wakatipu Basin)

All other land is subject to the ODP provisions. This includes zones that have not yet been reviewed and notified (i.e. Township Zones, Rural Visitor Zones and Special Zones (excluding Jacks Point), land that has been withdrawn from the District Plan review (i.e. the land subject to Plan Changes 19 – Frankton Flats B, 34 – Remarkables Park, 41 – Shotover Country, 45 – Northlake, 46 - Ballantyne Road Mixed Use, 50 - Queenstown Town Centre extension, 51 – Peninsula Bay North and 52 – Mount Cardrona Station). These zones are subject to the ODP at this point in time, and therefore the HDCA has been based on the plan enabled capacity of the ODP provisions. Some of these zones are scheduled to be reviewed in 2019 and will be informed by the results of this assessment. In particular, the Community and Affordable Housing Chapter will be considered as part of Stage 3 of the PDP review.

Business Enabled Zones

Historically, the Queenstown and Wanaka Town Centres have been the primary hubs of the District. They have been the dominant commercial centres, but have also fulfilled important civic, administrative and entertainment functions. These centres contain a strong concentration of tourism-orientated shops and services. Over the past 15 years new commercial centres have arisen and developed, such as Remarkables Park and Glenda Drive/Frankton Flats/Five Mile in Frankton. In the near future, Three Parks in Wanaka will start to have an important role in the Wanaka economy.

The business areas in the district that have been considered in this BDCA include the following zones of both the PDP (Stage 1 and 2, as notified) and ODP (where not reviewed in stage 1 or 2, as discussed above)[27]. They are collectively referred to as "business enabled zones" whereby 'business' includes retail, commercial (including commercial visitor accommodation premises (as opposed to dwelling-based visitor accommodation which is captured in the HDCA), community and education) and industrial activities:

- Queenstown, Wanaka and Arrowtown Town Centres (PDP);
- Town Centre Sub-zone (applies to Queenstown only) (PDP);
- Town Centre Transition Zones (applies to Arrowtown and Wanaka) (PDP);
- Business Mixed Use Zones (PDP);
- Local Shopping Centres (PDP);
- Business (ODP);
- Industrial A and B (ODP);
- Rural Industrial Sub-zone (applies in Luggate only) (PDP);
- Albert Town, Hawea and Luggate Townships (ODP);

[27] Urban environment zones excluded for the purpose of the BDCA include low, medium and high density residential zones, High Density Sub-zones A and B, Large Lot Residential (including Wanaka A and B), Arrowtown Residential Historic Management Zone, Special Zones Quail Rise, Penrith Park, Meadow Park, Arrowtown South and other Special Zone areas excluding precincts listed. It is acknowledged that some business activities are enabled in these zones (such as visitor accommodation or child care centres/education) – this is discussed in terms of 'other capacity not modelled'.

- Commercial Precinct Overlay (applies in Luggate only) (ODP);
- Rural Visitor (applies to Arthurs Point only), (ODP);
- Visitor Accommodation Sub-zones (Stage 2 - PDP);
- Queenstown Airport Mixed Use (PDP)[28];
- Plan Change 50 (Queenstown) (ODP); and
- Specific structure plan precincts[29] within Special Zones Jacks Point (PDP), Remarkables Park, Frankton Flats (also referred to as Frankton Flats A[30] in this report), Frankton Flats B, Northlake, Shotover Country, Three Parks and Ballantyne Road Mixed Use Zone. (ODP)

While the High Density Residential Zone enables commercial visitor accommodation, demand and capacity in this zone has been excluded for the purpose of this BDCA. The local context and extent of these zones within the specified areas are discussed in detail below. In total, these zones cover approximately 748 ha (excluding most roads) out of a total urban environment zone area of approximately 4,463 ha (excluding open space, reserves and most roads). Business enabled land area makes up approximately 17% of the urban environment and approximately 0.5% of the total district.

2.3.3 Queenstown and Surrounds

There are a number of business areas within the Queenstown and surrounding locality. They can be broadly grouped into Queenstown Town Centre and surrounds; Frankton, Remarkables Park and the Queenstown Airport; Five Mile, Frankton Flats and Glenda Drive; Shotover Country and Lake Hayes, Jacks Point (including Hanley Downs and Homestead Bay); and Arthurs Point. Each of these are broadly described below and are shown in Figure 2.3 with more detailed maps provided in Appendix 5.

Queenstown Town Centre and Surrounds

The Queenstown Town Centre is the historical core of commercial and retail activities within the Wakatipu Basin. Much of the CBD area is contained within the Queenstown Town Centre Zone and Sub-zone. High Density Residential zoned land boarders the town centre to the north, east and west. This area affords residents and visitors with a focus for community life, visitor accommodation, retail, entertainment, business and administrative services, and offers the greatest variety of activities. Recent high levels of economic growth and exponential increases in visitor arrivals to the district make the Queenstown Town Centre a dynamic and vibrant location. A strong feature of the Queenstown Town Centre is the concentration of tourism-oriented shops and services. These include cafes and restaurants, specialist retailing (souvenirs, galleries, specialist clothing), and booking and transport operations for visitor attractions.

[28] The Wanaka Airport falls outside of the urban environment. A proposed chapter that included both the Queenstown and Wanaka Airports were created in the right of reply for the PDP hearings.

[29] Precincts within Special Zones that have been excluded for the purpose of the BCDA include those focussed on residential, landscape, open space, screening, protection and reserve activities and specified no-build areas.

[30] Known locally as Five Mile.

Traditionally, the bulk of Queenstown's visitor accommodation was located within short, walkable distances from the town centre, with only a small number of residential units.

Plan Change 50 significantly expanded the area covered by the Queenstown Town Centre Zone. Approximately 12.4 ha of land previously zoned High Density Residential located to the immediate north of the previous zone boundary was considered as part of Plan Change 50[31] and is now added to the Queenstown Town Centre Zone. This land may potentially provide for a mix of residential, visitor accommodation and tourism facilities, including a possible convention centre and hot pools complex.

Within walking distance from the Queenstown Town Centre is a proposed BMU Zone, which is an area earmarked in the PDP for urban regeneration through accommodating a mix of high density residential and business activities. The PDP encourages a mix of uses within this zone but requires retail/commercial spaces to be on the ground floor fronting Gorge Road. The Wakatipu High School was also located within this zone but has relocated to its new premises at Remarkables Park, leaving a large parcel with significant redevelopment potential.

There are two Local Shopping Centre Zones located at Fernhill and Sunshine Bay which enable small scale commercial business activities in discrete pockets of land that are accessible to the surrounding residential areas. Existing businesses include dairies, restaurants and a fish and chip shop. A number of Visitor Accommodation Sub-Zones exist in Fernhill, Sunshine Bay and Queenstown Hill.

Frankton, Remarkables Park and Queenstown Airport

Frankton, Remarkables Park and Queenstown Airport are located approximately 7 km to the east of the Queenstown Town Centre. It is an area of significant land use diversity, containing commercial, retail and residential uses as well as the District's international airport, all within close proximity to each other.

The Frankton area is located on the easternmost shore of the Frankton Arm of Lake Wakatipu to the west of Kawarau Road. It is predominantly zoned Low Density Residential and contains a large number of dwellings. A number of designated parks and reserves area also present in the area. A small area zoned Local Shopping Centre with the purpose of serving surrounding residents with fast food outlets, local convenience stores and offices[32] is sited on both sides of the intersection of Frankton Road, the Frankton – Ladies Mile Highway and Kawarau Road. This particular road juncture is a major arterial route which has seen substantial road improvements in recent months.

The Remarkables Park Special Zone aims to provide a comprehensively managed and integrated high-density development containing opportunities for a range of supporting and complementary activities. These include open space, residential, conference facilities, visitor accommodation, transport, health, educational, recreational and commercial facilities[33]. Retail and commercial outlets within the zone range from smaller scale niche operators to big box type retailing. The zone is subject to a structure plan which identifies activity areas. It is noted that a part of the Remarkables Park Special Zone near the Queenstown Airport, (referred to as 'Lot 6') is the subject of a legal dispute between Remarkables Park and the

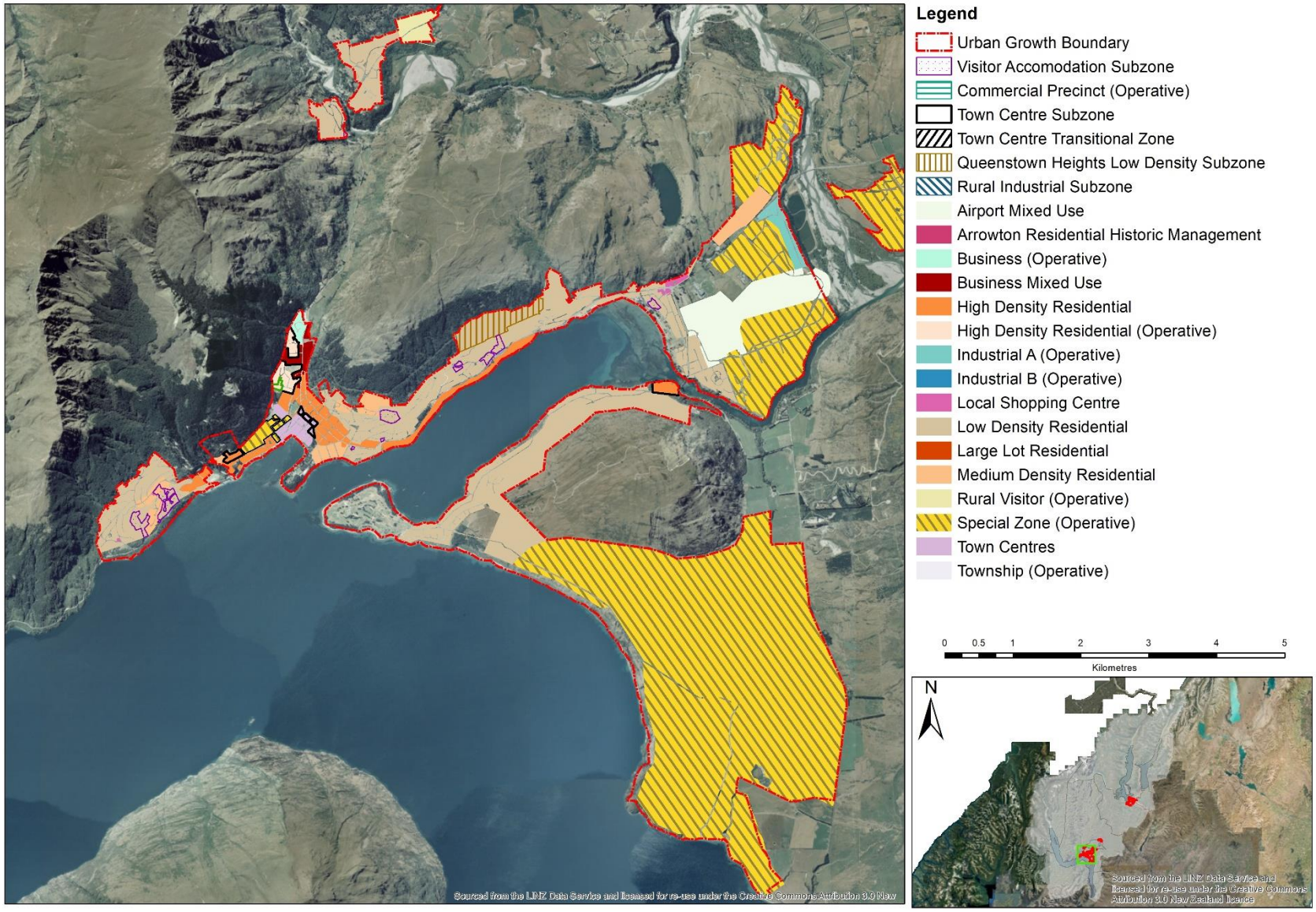
[31] Decision No. [2016] NZEnvC99

[32] Chapter 10, Town Centres, Queenstown Lakes District Council Operative District Plan 2016

[33] Chapter 12, Remarkables Park Zone Rules, Queenstown Lakes District Council Operative District Plan 2012

Queenstown Airport. For the purpose of this assessment, the Remarkables Park zoning of Lot 6 has been utilised within the BDCA. This may need to be updated in future assessments.

Figure 2.3 – Land Use Zones in Queenstown and Surrounds



The Queenstown Airport is designated under the District Plan (designation ref 2) and is proposed to be located within the proposed Queenstown Airport Mixed Use Zone of the PDP. Tourism growth within the District has been both significant and sustained. This is reflected in the total number of passenger movements (which includes an arrival and departure) through Queenstown Airport which increased by 8% in 2014, 14% in 2015 and 18% in 2016 equating to approximately 900,000 visitor arrivals in one year[34]. A 'Master Plan Options' summary document was released by the airport in 2017 which indicates that the trend is anticipated to continue with predictions[35] of 3.2 million visitor movements through Queenstown's airport annually by 2025, and up to 7.1 million by 2045[36]. The Master Plan also presents options to reconfigure the airport terminal and associated commercial facilities to accommodate predicted levels of growth and manage associated traffic and parking effects. Future growth of the airport will have a significant flow on effect to housing and business demand.

The Frankton Marina is located west of Frankton and contains a mix of commercial, industrial and recreational uses. It is currently being redeveloped as a marina. It is currently zoned Low Density Residential in both the PDP and ODP.

Five Mile, Frankton Flats and Glenda Drive

Five Mile and Frankton Flats are located approximately 7.8 km to the east of the Queenstown Town Centre. This wider area is highly accessible due to its proximity to the Frankton – Ladies Mile Highway and the recent construction of Hawthorne Drive, being a main diversion corridor for vehicle traffic moving between the Arrowtown/Lake Hayes/Shotover Country areas to Frankton and Jacks Point, and vice versa.

Hawthorne Drive has also enabled greater through movement between Five Mile/Frankton Flats to Remarkables Park and Frankton commercial areas; and significantly improved the accessibility of the surrounding road network through the reduction in traffic congestion along Kawarau Road. Together this wider 'Frankton' area is the first major commercial centre for visitors arriving by road and air, and for the majority of the district's permanent residents living in Arrowtown, Frankton, Jacks Point, Shotover Country and Lake Hayes.

The Five Mile and Frankton Flats areas fall within the Frankton Flats and Frankton Flat B Special Zones under the ODP. The purpose of the Frankton Flats Zones is to enable development of a new shopping centre, which also incorporates opportunities for retailing, office, educational, visitor and residential accommodation and leisure activities[37]. The Frankton Flats B Zone has the potential to accommodate a broad range of activities including residential, education, industrial, commercial, and retail. High density residential apartments 3-4 storeys in height (the Remarkables Residences) are currently under construction within this area and will integrate with the commercial area. A number of vacant sites remain within this

[34] Queenstown Airport Corporation Master Plan Options summary document (2017)

[35] This report relies on the total visitor counts projected by QLDC. The growth projections included in the Airports Master Plan relate only to those that arrive and depart by air which is one sector of the visitor market and increased levels of domestic travel. Realising the Airport's projections is contingent of significant redevelopment options. More information is likely in future when the preferred options are refined. These will be reported in future iterations of this report.

[36] http://www.queenstownairport.co.nz/assets/masterplan/Queenstown-Airport-Master-Plan-Options.pdf.

[37] Chapter 12, Frankton Flats Rules, Queenstown Lakes District Plan 2009

zone at the time of writing this report although significant construction works can be observed across the wider area.

Glenda Drive is accessed off Frankton-Ladies Mile Highway and has road linkages with the wider Five Mile/Frankton Flats Special Zones. Much of Glenda Drive is located within the Industrial A Zone under the Operative District Plan. The purpose of the Industrial Zone is to provide for the continued viability of industrial activities and the services they provide for the social and economic wellbeing of the community. The Glenda Drive Industrial A Zone contains a number of established industrial, service and commercial activities, including auto-mechanics and panel beaters, as well as a number of commercial/retail activities and some residential.

A review of these areas highlights there has been a significant amount of bulk retail and commercial development within the Frankton Flats and Glenda Drive commercial areas. A significant portion of the Frankton Flats (E1) zone is occupied by Mitre 10 Mega and Pak'n Save stores, which combined occupy approximately 3.8 ha of land that was zoned for industrial purposes. Rental car companies have also located in these areas and trade retail, such as Bunnings Warehouse is also competing for these spaces.

In summary, this area contains a range of light manufacturing and workshop-based services and building supplies and builders' yards. Much of the manufacturing activity comprises joinery, engineering, and assembly operations, particularly activities supporting the strong building sector in the region. Builders' and contractors' yards are important, while Frankton Flats also dominates distribution – transport, storage, and warehousing

Shotover Country and Lake Hayes Estate

Much of the land located within the Shotover Country Special Zone and Lake Hayes Estate is zoned for residential purposes. However, there is some limited provision for retail and commercial activities within these locations.

The purpose of the Shotover Country Special Zone is to establish a comprehensively designed and integrated residential living environment that provides opportunities for predominantly low density living accommodation with a smaller mixture of medium density living, community and educational activities. Area 3 of the overarching Shotover Country Special Zone structure plan provides land for education and community purposes only. There is a small node of approximately 2.27ha (net) that provides for small scale commercial activities to service the local community. While 'Area 3' has been developed and accommodates Shotover Primary and a child care centre; the commercial node is vacant and undeveloped.

Lake Hayes Estate is predominately comprised of residentially zoned land. An area of land located at the core of Lake Hayes Estate is currently used for commercial/retail activities however, the underlying zoning in this locality is Low Density Residential thereby limiting any larger scale non-residential activities.

Jacks Point (including Hanley Downs and Homestead Bay)

The Jacks Point Special Zone is located approximately 15.8 km from the Queenstown Town Centre. The purpose of the Jacks Point Zone is to provide for residential and visitor accommodation in a high quality sustainable environment comprising of two villages, a variety of recreation opportunities and community benefits, including access to public open space and amenities. The structure plan for this zone sets out a number of activity areas. Commercial and retail activities are limited to those 'village' and 'lodge' areas

identified within the Jacks Point structure plan (with a small amount of retail activity allowed within some residential precincts) and these are currently only partially developed.

Arthurs Point

Arthurs Point is a village located approximately 5.5 km from the Queenstown Town Centre. It is predominantly zoned Low Density Residential and bounded by Rural zoned land. A small area of commercial/office/retail activity is currently situated on the lower banks of the Shotover River adjoining the Edith Cavell Bridge.

An area of land in the northeast of Arthurs Point village is zoned Rural Visitor. The purpose of the Rural Visitor Zone is to complement the existing range of visitor accommodation opportunities in the District and provide for increased opportunity for people to experience the rural character, heritage and amenity of the rural area. The zone provides for a range of accommodation, entertainment, cultural and recreational activities. This part of Arthurs Point currently contains a range of visitor accommodation providers and associated commercial/retail activities such as cafes and restaurants.

2.3.4 Arrowtown and Surrounds

Arrowtown is located approximately 20.5 km from the Queenstown Town Centre. It contains small scale retailing, with the centre of town being dominated by hospitality alongside a small number of retail shops that are predominantly orientated towards tourists (including souvenir and art shops and specialist clothing stores). It's Town Centre zoned area is located across a small stretch of Buckingham Street, which comprises the historic civic centre that emerged in the early 1860s following the Arrow gold rush.

The town centre is bounded by residentially zoned land to the south, east and west, while the Bush Creek and its associated reserve land, boarders the town to the north. The proposed Arrowtown Town Centre Zone rules in this location make provision for a wide range of activities necessary to retain Arrowtown's role as a major visitor attraction and boutique scale centre capable of servicing those day to day needs of the resident population. The Arrowtown Town Centre does not currently contain any vacant retail or commercially zoned land but does contain approximately 1 ha of occupied retail and commercially zoned land with office development located behind the main street. There is also a small site zoned Local Shopping Centre (containing the Four Square grocery store) which serves the convenience retail needs of surrounding residential land. Some existing commercial visitor accommodation businesses are captured in the Arrowtown Visitor Accommodation Sub-zones. A small industrial zoned area lies to the west of Arrowtown and contains a mix of light industrial and yard activities.

Meadow Park Special Zone is a mixed-use zone located on the corner of Manse and Malaghan Roads, to west of the Arrowtown Town Centre and south of the existing industrial zone land. The dominant land use to date within this zone has been residential activity. The Arrowtown South Special Zone applies to 30 hectares of land that adjoins the established southern residential area of Arrowtown. This zone seeks to provide for limited residential and rural living expansion of Arrowtown. Both of these zones are within the urban environment (or partially) but excluded from the business capacity modelling due to their predominant residential land uses.

2.3.5 Wanaka and Surrounds

There are a number of business areas within the Wanaka and surrounding locality. They can be broadly grouped into Wanaka Town Centre and surrounds and Luggate, Hawea and Albert Town Townships. Each of these are broadly described below and are shown in Figures 2.5 to 2.7.

Wanaka Town Centre and Surrounds

The Wanaka Town Centre is the principle focus of commercial and retail activities within the Wanaka Ward. It is sited on the south-eastern most shore of Lake Wanaka and is zoned Wanaka Town Centre under the PDP. A mix of zones bound the town centre, including high and low density residential land, as well as Open Space and Recreation zoned land that is also designated for reserve purposes. The zone makes provision for a wide range of activities necessary to retain the importance of Wanaka's role as the dominant service centre for the wider Wanaka Ward[38] (Figure 2.5).

The town centre is supported by the Three Parks Special Zone, the Ballantyne Road Mixed Use Zone, the Industrial A and B Zones, which are both located to the south east of the town centre. The business precincts in Three Parks are currently under development and will be utilised for a range of business activities including retail, commercial, tourism, trade, service, light industry and distribution. While the Industrial A and B zones and the Ballantyne Road Mixed Use Zone provide for a range of business, industrial, service and trade-related activities.

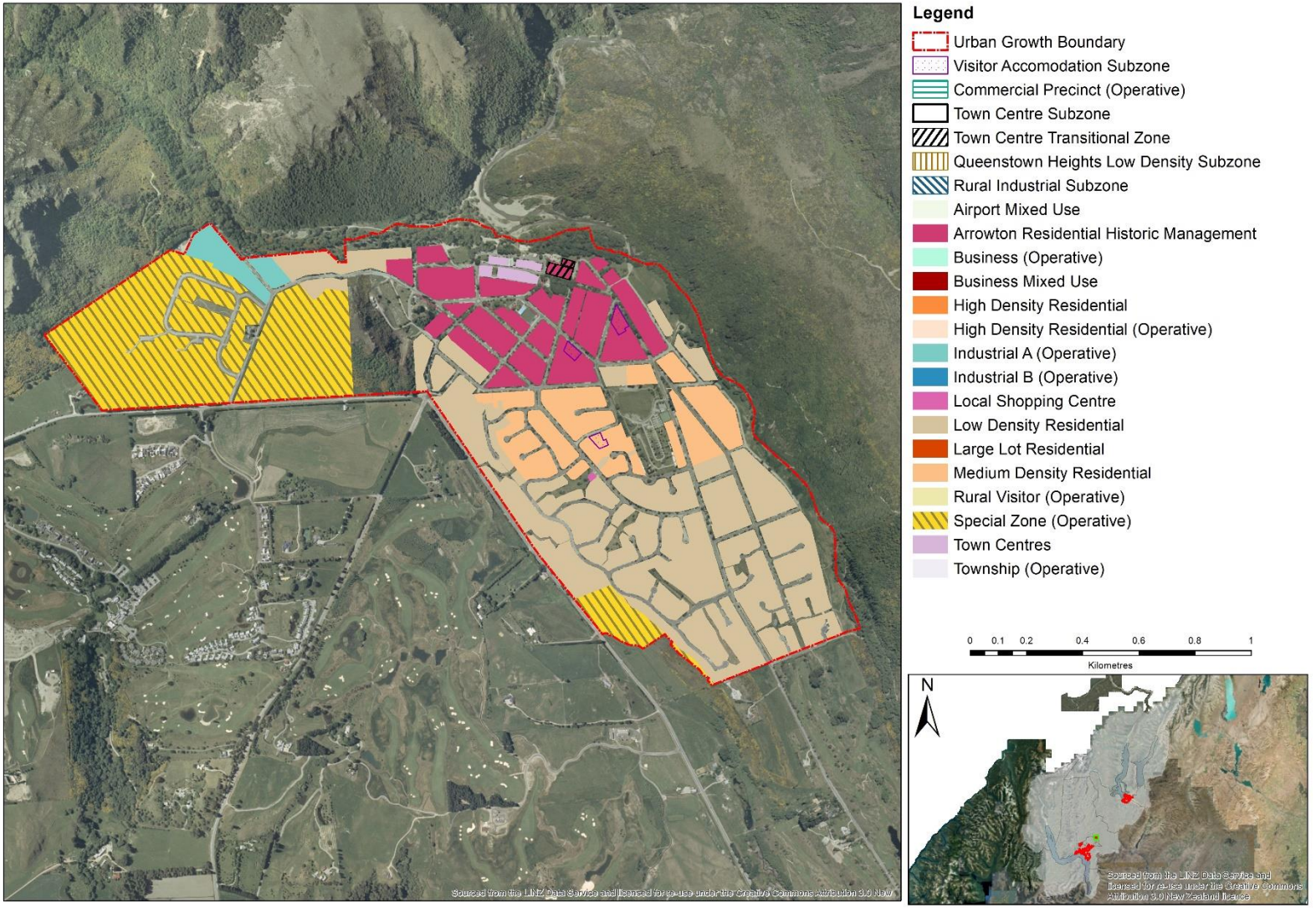
The proposed BMU Zone in Anderson Heights is also within walking distance from the Wanaka Town Centre. This is an area that currently accommodates office, retail and light industrial uses but has been earmarked in the PDP for urban regeneration by enabling higher intensity and compatible land uses, whilst enabling services that complement, enable and support the Wanaka Town Centre. There is limited existing vacant capacity in this zone.

There are two proposed Local Shopping Centre Zones located along Cardrona Valley Road (new proposed area) and Albert Town which enable small scale commercial business activities in discrete pockets of land that are accessible to the surrounding residential areas. Existing businesses in the Albert Town Local Shopping Centre include a café and restaurant. A number of Visitor Accommodation Sub-Zones exist throughout Wanaka and are mainly situated over existing hotels/motels.

The Northlake Special Zone is located between Wanaka and Albert Town, with its primary intention of enabling approximately 1,500 residential homes. The zone includes a small commercial and community facilities node that is located alongside Northlake Drive (the main street of the development). A private plan change request has been received by Council that proposes to increase the size of Activity Area D1 where retirement villages and commercial activities are provided for and facilitate a supermarket, while retaining the 200m^2 cap for other commercial and retail activities. The proposed plan change has not been taken into consideration as part of this assessment, as it had only just been received by QLDC at the time of analysis.

[38] Chapter 10, Town Centres, Queenstown Lakes District Plan 2016

Figure 2.4 – Land Use Zones in Arrowtown and Surrounds



Luggate, Hawea and Albert Town Townships

The purpose of the Township Zone is to enable the continued function of Townships as rural service centres. Different activities occur within these zones and it is not unusual to find commercial or industrial activities, such as transport yards, hotels and small businesses to be interspersed with housing. Historically commercial and visitor accommodation precincts were an accepted method in the ODP of promoting and providing for commercial (including visitor accommodation) activities within these areas. Commercial and visitor accommodation activities are controlled activities within each of the precincts, incentivising commercial based activities within these precincts, rather than in the residential areas where such activities would otherwise be discretionary. This method will be reviewed in Stage 3 of the PDP process.

Albert Town (including Riverside Stage 6) is located to the east of Wanaka, where State Highway 6 crosses the Clutha River. Due to its proximity to the Wanaka Town Centre and established residential development it is considered to form part of the Wanaka urban environment. It is located within Wanaka UGB, Figure 2.5 below. It is predominantly a residential settlement with a small area zoned Local Shopping Centre, which has some vacant capacity. A café/restaurant/bar and small shop currently service the existing community.

Hawea is located approximately 17.1 km from the Wanaka Town Centre (Figure 2.6). It is positioned on the southern shore of Lake Hawea. Much of Hawea is located within the Township Zone under the District Plan. However, a large area of Rural Residential zoned land is sited immediately to the south of the primary Township Zone (excluded from the scope of the urban environment). Hawea contains 0.3 ha of vacant retail and commercially zoned land (Local Shopping Centre Zone) and some vacant capacity within the Visitor Accommodation Sub-zone.

Luggate is located approximately 14.4 km from the Wanaka Town Centre (Figure 2.7). Much of Luggate is located within the Township Zone under the District Plan. However, a large area of Rural Residential zoned land is sited immediately to the north and east of the primary Township Zone (outside the defined urban environment). Luggate contains approximately 0.5 ha of vacant retail and commercially zoned land within the Commercial Precinct Overlay area. A small area (2.63 ha) of Rural Industrial zoned land lies to the north of the township. This area of land is currently occupied but under-utilised.

Figure 2.5 – Land Use Zones in Wanaka and Surrounds

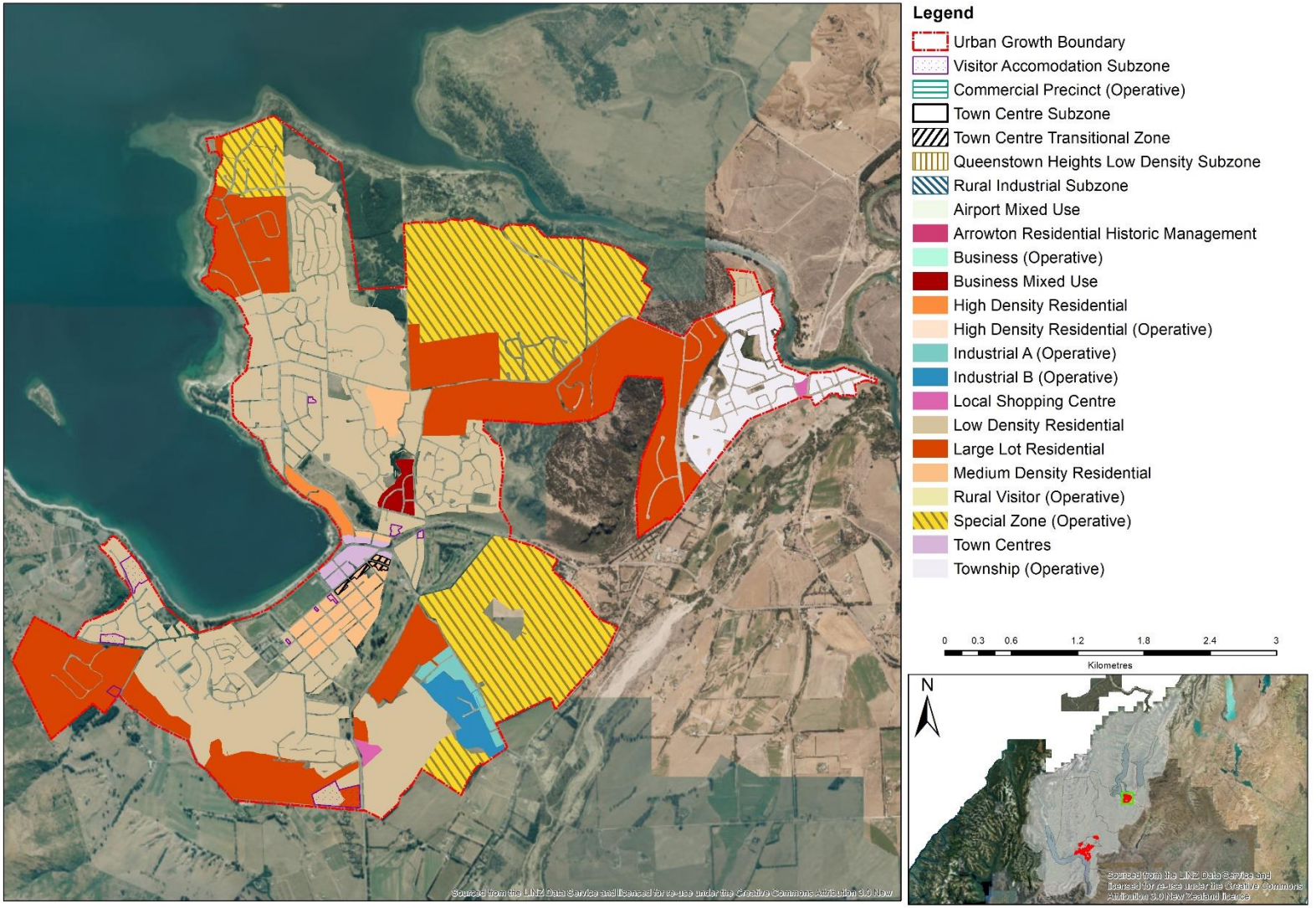


Figure 2.6 – Land Use Zones in Hawea

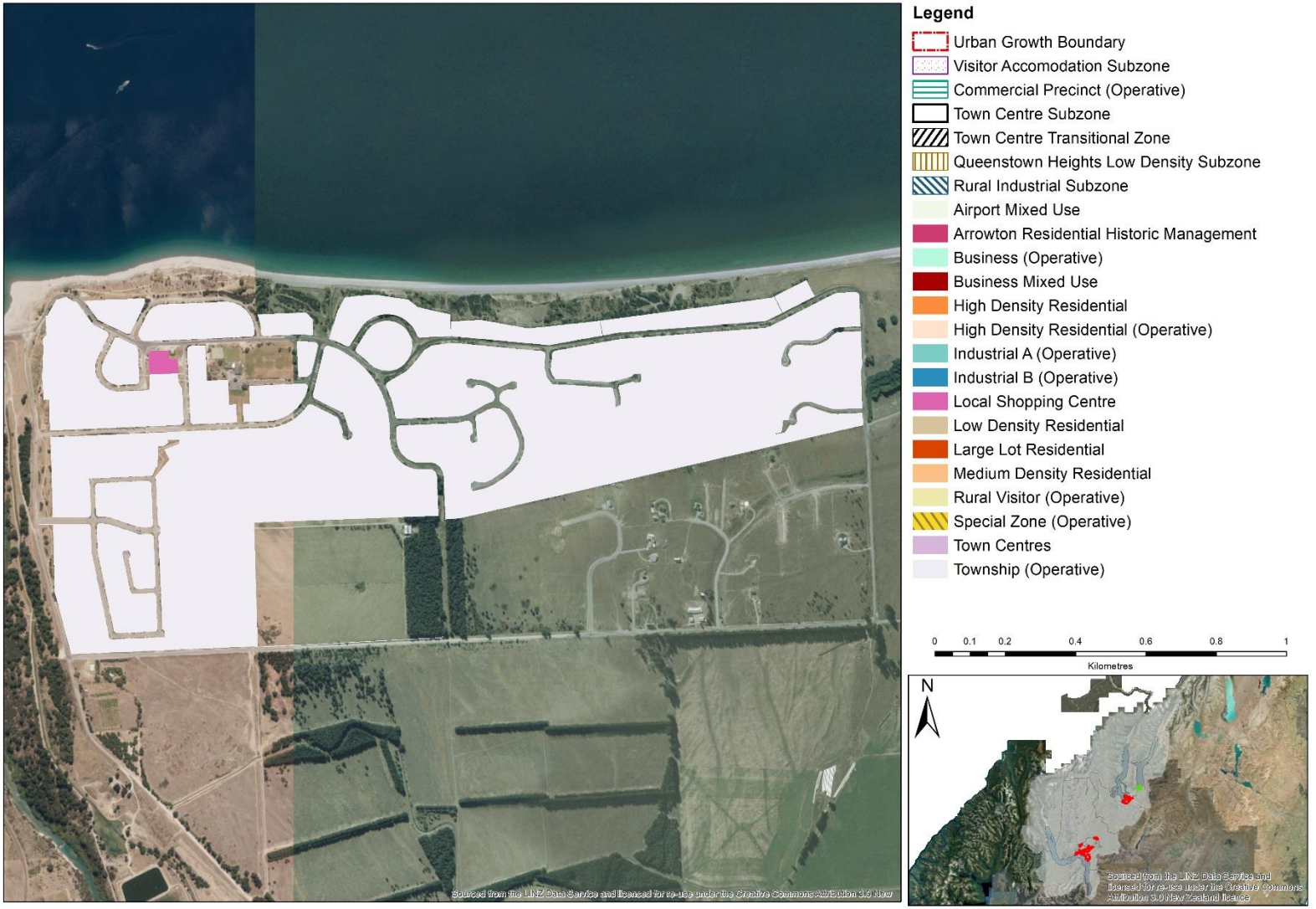
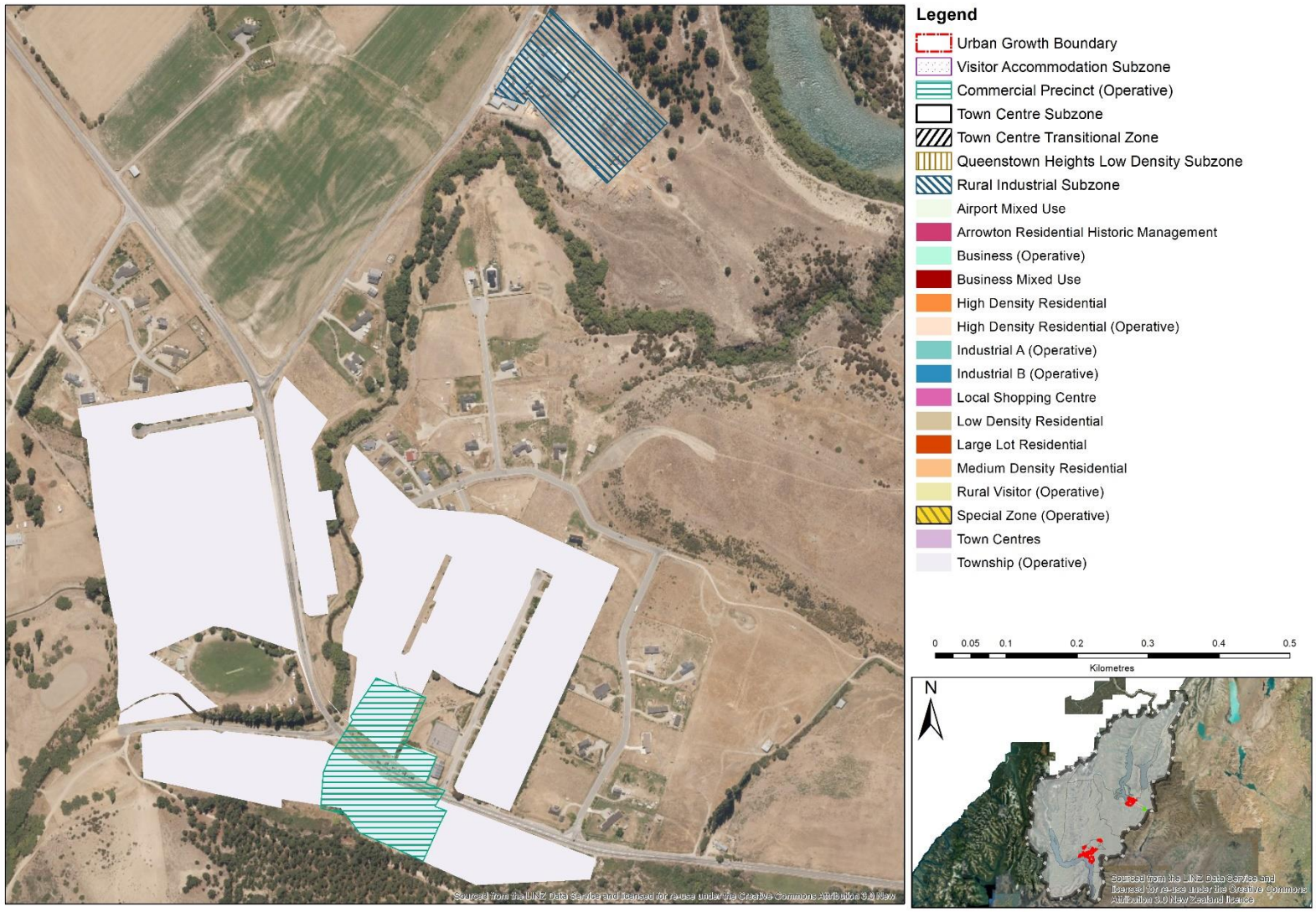


Figure 2.7 – Land Use Zones in Luggate



2.4 Business Areas in the Rural Environment

The business capacity outside of the urban environment is complex. These areas have not been modelled for feasibility[39] but have been modelled through the Council's development capacity investigations for the PDP.

The rural environment is made up of rural and rural living and small townships. These areas play an important role in the local economy as they play a complementary role to the Queenstown and Wanaka Town Centres, support local communities and are areas where a high proportion of tourist activities are located. They are therefore relevant to discuss in the context of this assessment and are summarised below:

Rural Zone and Wakatipu Basin Rural Amenity Zone

The purpose of the Rural zone is to enable farming activities while protecting, maintaining and enhancing landscape values, nature conservation values, the soil and water resource and rural amenity. The purpose of the Wakatipu Basin Rural Amenity Zone is to protect, maintain and enhance the particular character and amenity of the rural landscape which distinguishes the Wakatipu Basin from other parts of the QLD that are zoned Rural. In the Wakatipu Basin Lifestyle Precinct controls on location, nature, visual effects of buildings are used to provide flexible and design led response to the landscape character as well as managing the effects on landscape character and visual amenity values.

A wide range of productive activities occur in these zones. The majority of the District's distinctive landscapes comprising open spaces, lakes and rivers with high visual quality and cultural value are located in the Rural Zone, there also exists the desire for rural living, recreation, commercial (including commercial recreation) and tourism activities.

The Ski Area Sub Zone (SASZ) is a sub zone of the Rural Zone and includes Treble Cone, Cardrona, Waiorau, Coronet Peak and the Remarkables ski fields. A broad range of commercial and recreation activities are provided for within the SASZ and are very important to the local economy. The Mount Cardrona Special Zone (discussed below) is situated at the base of the Cardrona SASZ within the Cardrona Valley and includes a large extent of zoned but undeveloped residential and commercial land.

Wanaka Airport is located approximately 10km from the Wanaka Town Centre. The Queenstown Airport Corporation lease the airport from the QLDC and investigated it as part of their masterplan process as being an alternative or dual airport in the future. The Wanaka Airport was originally zoned Rural in the PDP (but with specific provisions), but through the hearings process has been incorporated into a proposed Airport Zone, with the potential for limited commercial activities. Core aviation activities carried out include; aircraft, helicopters and aviation. Other activities include veteran, vintage and classic aircraft operations, aviation museum, aero recreation, terminal building, cafeteria, hangars, fuel storage and offices.

[39] The Council's MCA framework does cover these locations, but the MCA results reported in this BDCA do not include the plan enabled capacity outside of urban business zones. This will be captured in future updates.

Gibbston Character Zone

The purpose of the Gibbston Character Zone is to provide primarily for viticulture and commercial activities with an affiliation to viticulture. The zone is recognised as having a distinctive character and sense of place. It incorporates terraced areas above the Kawarau River. The microclimate within this area and availability of water have enabled development for viticulture to the extent that this is an acclaimed wine producing area. Visitor accommodation is scattered throughout the area and there is also a local tavern and several wineries. The zone is also connected to Queenstown via the cycle trails and wine tasting throughout the zone is a popular tourist activity.

Rural Residential and Rural Lifestyle Zones

The Rural Residential and Rural Lifestyle Zones provide residential living opportunities on the periphery of urban areas within specific locations amidst the Rural Zone. In both areas a minimum allotment size is necessary to maintain the character and qualities anticipated and, where applicable, a buffer edge between urban areas, or the open space, rural and natural landscape values of the surrounding Rural Zone.

Millbrook and Waterfall Park Special Zones

Millbrook is located approximately 18.8 km from the Queenstown Town Centre. The area is contained within the Resort Zone. It provides a visitor resort over an area of approximately 200 ha which offers recreational, commercial, residential and visitor activities. The general amenity of the zone is one of higher density development enclaves within the context of an open rural countryside and well landscaped grounds. Golf courses and a range of other outdoor and indoor sporting and recreational activities are provided for as well as hotel and residential accommodation, together with associated support facilities and services. Waterfall Park is located to the south of the Millbrook and promotes a similar resort style development, but at a reduced density. This zone is largely undeveloped.

Kingston

The settlement of Kingston is the southern entry point to the District. The community is made up of both permanent and holiday residents. The settlement pattern is dominated by the lakeshore and the separation of the town from the highway. Kingston's character is further enhanced by narrow roads, low height buildings and surrounding vegetation. Existing commercial activities are limited in this zone and include a camping ground, retail shops and a tavern.

Due to geographic constraints, Kingston is effectively the next area available for development south of the existing Queenstown Urban Area development fronts, Hanley Downs and Jack's Point. Approximately 88 hectares of land has been rezoned to the Kingston Special Zone and remains largely undeveloped. This zone provides for predominantly residential zoning, but also includes provision for visitor accommodation, an area of employment and education and recreation. To enable the plan enabled level of residential and business development, three waters infrastructure and roading is required, without this development it is unlikely to proceed in the short to medium term.

Glenorchy & Kinloch

Glenorchy is situated at the northern end of Lake Wakatipu between the mouth of the Rees River and the mouth of Buckler Burn, and services both tourism and farming activities. The layout of the town is a

reflection of the early subdivision pattern and is characterised by wide streets, few footpaths and large rectangular sections. Glenorchy is an important base for visitor activity.

Kinloch is situated at the northern end of Lake Wakatipu, on its western shore.

Makarora

Makarora is the District's northern most community and consists of three separate townships. It is an important local base for visitor activity. While development is anticipated in these areas, the zones are subject to natural hazards and it is anticipated that development will recognise and manage the risks of natural hazards at the time of subdivision or the identification of building platforms.

Rural Visitor Zones

The Rural Visitor Zone is a diverse zone that is located at Cardrona Village (near Mount Cardrona Station), Windermere (next to the Wanaka airport), Cecil Peak, Walter Peak, Blanket Bay and Arcadia Station near Paradise. It is noted that the Arthurs Point Rural Visitor Zone has been included within the urban environment.

Most of these areas (with the exception of Arthurs Point) have had little development, even though the zone is very enabling. A broad review of these areas indicates that the majority of the development in these zones (where they have been developed) has been visitor accommodation and small scale commercial activities (such as dairies and taverns) with a very small portion of residential activity.

Cardrona and Mount Cardrona Station Special Zone

The Mount Cardrona Station Special Zone is located to the north of the Cardrona Township and covers approximately 130 hectares of land. The purpose of this zone is to create a village that accommodates permanent residents, visitor accommodation, seasonal & migrant workers, with supporting commercial, community and educational activities. Recent changes to this plan change have promoted a golf course, a more centrally located 'village square', and to provide gondola access to the Cardrona Ski Area. This area remains undeveloped. Evidence submitted as part of the hearings process for Plan Change 52 indicates that there are plans to diversify the tourism offering in this location, including a possible new Gondola linking from the special zone to the Cardrona Ski Field and golf course. This area may therefore play an increasing role in the tourism offering in future and has a large area of plan enabled residential capacity.

2.4.1 Infrastructure in the Rural Environment

The land contained in the Rural, Rural Lifestyle, Rural Residential Zones and the Wakatipu Basin are outside the Councils scheme boundaries and are not anticipated to connect to the Council network but be privately serviced onsite at the developer's cost.

The lack of Council servicing or limited of servicing in areas such as Kingston, Glenorchy, Kinloch, Gibbston, Makarora and Cardrona restricts the overall 'feasible' business capacity outside of the urban environment because the NPS-UDC requires capacity to be serviced, or planned to be serviced. For example, in Glenorchy there is an existing Council water supply scheme, which is being placed under considerable pressure from increased levels of development and the aging infrastructure. A hydraulic model is currently being developed to confirm if any network constraints exist. In terms of wastewater there is no Council

scheme and following initial community consultation plans to service Glenorchy this has been pushed out beyond the proposed 10 year LTP (2018 – 2028) to be notified early 2018.

Therefore, as these areas are outside of the 'urban environment' and are not currently planned to be serviced in the LTP; they cannot be counted as feasible capacity in this assessment.

Housing Infrastructure Fund (HIF)

The Housing Infrastructure Fund was established by the Government in 2017 to assist high growth councils to advance infrastructure projects important to increasing housing supply. The Council was successful in three growth areas applied for (Kingston, Quail Rise south and the Ladies Mile) and based on an indicative business case, has provisionally been allocated up to $50 million dollars as part of the HIF.

For Kingston, the proposed new infrastructure will include new water supply and wastewater treatment plants along with the reticulation network infrastructure for three waters and a connection to the state highway. As discussed above, the infrastructure requirements and investments represent a major obstacle to realising the scale of plan enabled development capacity of both the Kingston Township and Kingston Village Special Zone; and for this reason, Kingston is not currently identified as part of the Queenstown urban environment.

The Quail Rise south area potentially includes the provision of roading, water, wastewater and stormwater. It is the only area that falls within the Queenstown urban environment. This area was subject to rezoning proposals through stage 1 of the PDP, from the notified Medium Density Zone, to High Density, and BMU zones. Subject to the commissioner's recommendations, this land may therefore accommodate a portion of plan enabled business capacity. It is noted that no major infrastructure issues were raised in the PDP hearings, as it was considered efficient to connect this land to nearby reticulated networks. However, it is considered the HIF will contribute to the construction of services and bringing forward this development and connections with adjoining areas.

The area referred to as 'Ladies Mile' area is a large corridor of flat land fronting SH6 located between the Shotover Bridge and Lake Hayes, and north of the Shotover Country and Lake Hayes residential areas. The land is currently zoned as Rural however has been included in Category 2 of the Council's Housing Accords and Special Housing Areas Act 2013 Implementation Policy, meaning it has been identified as a site that may be suitable for the establishment of SHAs. The proposed new infrastructure will include three waters and a new roundabout.

Overall, the infrastructure delivered through the HIF will provide for approximately 3,200 homes and some form of business capacity. All of these areas are the subject of detailed business cases and an update will be provided in the next BCDA.

2.5 Special Housing Areas

In total eight special housing areas (SHAs) have been approved within the Wakatipu Basin (Figure 2.8). This includes establishing a new SHA over the proposed Business Mixed Use (Gorge Road) Zone of the PDP. The majority of SHAs have been approved outside of the urban environment, which have been serviced at the developers cost (with the exception of the Business Mixed Use (Gorge Road SHA)).

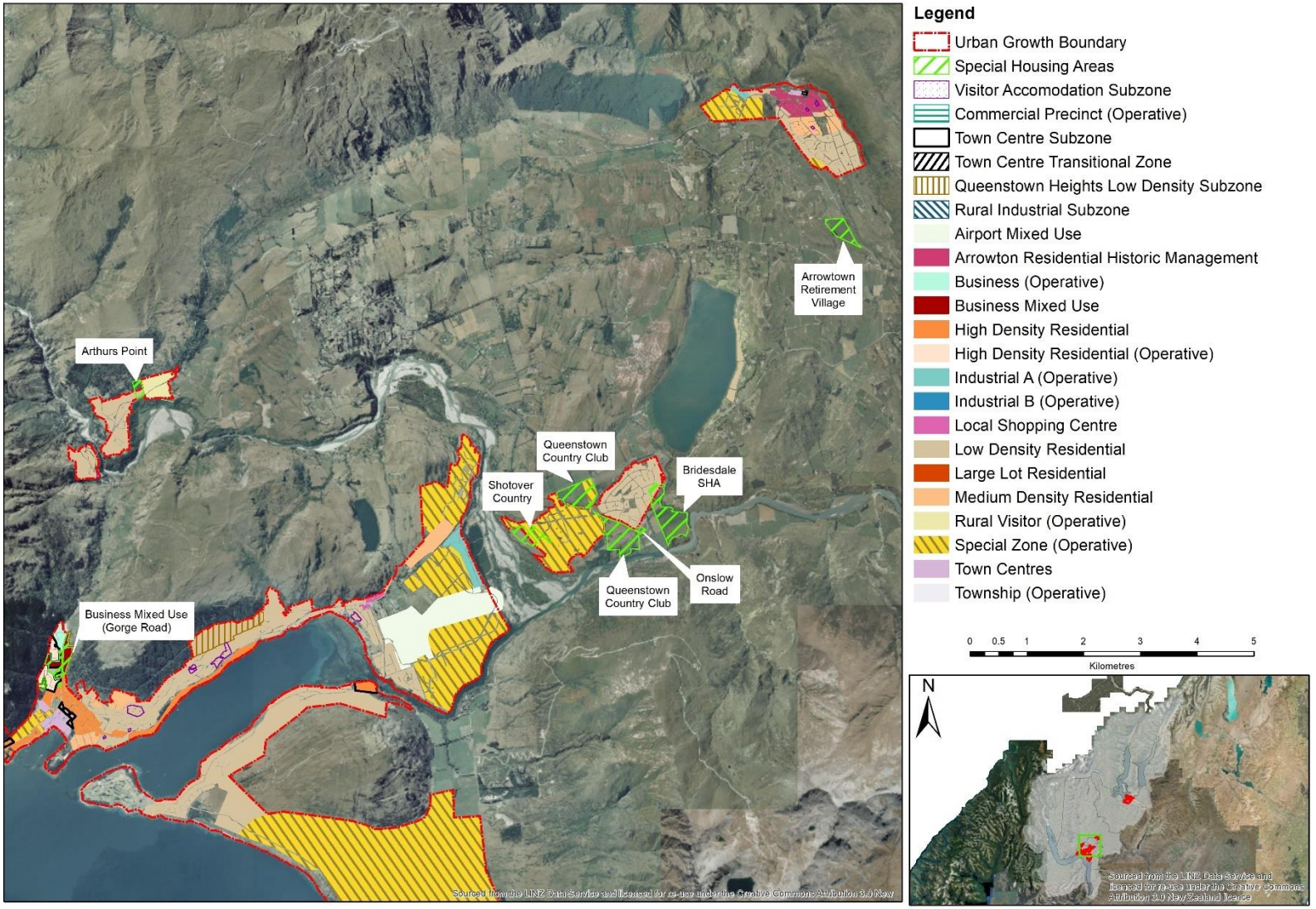
SHAs have the potential to make only a small contribution to business capacity in the Wakatipu Basin as any development approved under the Housing Accords and Special Housing Areas Act 2013 (HASHAA) needs to be 'predominantly residential'. The primary purpose of any development within a SHA is to supply dwellings and any non-residential activities provided for are ancillary to the quality residential development (such as recreational, mixed use, retail, or town centre land uses). The business uses that have been approved are summarised in Table 2.1 below.

Table 2.1 – Business Capacity in Approved QLD Special Housing Areas

SHA	Commercial Breakdown
Bridesdale	Café - Ground floor area is approx. 134m2 RM160066 approved the use of the café and additional buildings as a function centre RM170862 approved the construction of two new buildings comprising of nine units for visitor accommodation and the use of McBride Cottage as a café.
Arrowtown Retirement Village	Community Centre (hub, reception, gym, pool and other amenities for residents) all ancillary commercial activities to a retirement village
Queenstown Country Club	Total commercial GFA approx.: 5475m2 (consisting 3,600m2 public GFA + 1, 875m2 private GFA (clubhouse)). Broken down into the following: North block Commercial: 3,100m2 South block Commercial (boat shed café): 500m2 North Block clubhouse (private): 1,875m2 Activities consented include: medical centre, child care centre, gym/pool, retail, café, boatshed café/restaurant, clubhouse (residents only), hospital, aged care and dementia care, and recreational activtiies such as a small movie theatre and lawn bowling facility.

Of particular relevance to the consideration of the acceptability of a site as an SHA is section 16(3)(a) of HASHAA, which that states the Minister must not recommend the making of an Order in Council establishing a SHA unless the Minister is satisfied that adequate infrastructure to service qualifying developments in the proposed SHA either exists or is likely to exist. For those SHAs that have been located outside the urban environment (on portions of land zoned Rural, Rural Residential and Rural Lifestyle) or have promoted densities above those anticipated in the ODP and PDP the provision of adequate infrastructure is at the developers cost. QLDC has entered into agreements with the developers to ensure that these are constructed to Council standards, and in some instances have entered into developer agreements to rectify known servicing issues in the local area or inbuilt more capacity to enable future growth.

Figure 2.8 – Map of QLD Approved Special Housing Areas



3 The District Economy

This section provides an overview of the QLD economy in terms of its drivers, strengths and challenges. This is followed by a discussion of the current (2016 base year) economy, recent growth (2000-2016) and projected future growth (2016-2046), including growth anticipated in the urban business zones in the short, medium and long-term.

3.1 Overview of the QLD Economy

This section provides an overview of the QLD economy, summarised from the QLDC Economic Development Strategy 2015[40]. As discussed in Section 1, 2016 has been applied as the base year of this assessment and this is the reason for reference back to 2015. The context remains relevant to future economic predictions, discussed further below.

Overall, QLD is a four-season resort town economy with characteristics broadly similar to comparable places around the world: outstanding natural environment, remote location, high degree of business concentration in tourism activities and allied services, high living costs and a population that comprises a large proportion of visitors on any given day. The QLD economy is very concentrated in and reliant on relatively few industries, more so than any other district in New Zealand. These are industries that are servicing visitors and the growing population. Construction, accommodation and food services represent an estimated 43% of the District's GDP[40].

QLD has experienced very strong economic (GDP) growth over the last decade (over double the New Zealand average), with population and visitor growth providing the main stimulus. Visitor and lifestyle-related industries (accommodation, food services, rental services and recreation services) and property and service industries (construction and construction services, general professional services, health services, real estate) have grown strongly. GDP per capita has not grown as fast. Employment has grown very strongly but estimated labour productivity in the District is well below the national level and median earnings from salaries and wages are relatively low, reflective of lower value and seasonal employment in accommodation and hospitality services. Median income from all sources is, however, relatively high, likely reflecting that there are many people (likely wealthy) residing in the district and receiving investment and income from outside the District.

This District has several sources of current and potential economic advantage, that are unique in New Zealand. Key strengths include:

Natural Amenities

The environment is revered nationally and internationally and is considered by residents as the area's single biggest asset. Key features include the three major lakes; mountain areas including the Remarkables, Coronet Peak, Snow Farm, Treble Cone and Cardrona; the Kawarau, Shotover

[40] http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Strategies-and-Publications/Queenstown-Lakes-Economic-Development-Strategy-Consultation-Document.pdf

and Clutha rivers; and Mount Aspiring National Park. The District is also a gateway to Fiordland National Park. These natural amenities underpin tourism industries and enable a raft of recreation activities, such as skiing, jet-boating, rafting, tramping and nature walks, cruises, fishing and golf, to name a few. The outstanding scenery makes the District a highly sought-after location as a place to live and visit.

The Visitor Economy

Tourism underpins the District's economy, based on the outstanding natural amenities, and supports a range of industries including accommodation and food services, arts and recreation services, retail trade and rental services. Queenstown Lakes is a premier visitor location and accounted for 9.4 percent of national visitor expenditure in 2013/14 (year ended March). The District is a global destination, with a high proportion of international visitors. The District has achieved enviable long-term growth in measures of visitor attraction. Visitor nights have grown at rates well above national levels over the last decade and the District has a high average length of visitor stays.

Entrepreneurial Culture

The District is well known for its history of innovative tourism developments, with the likes of bungy jumping, jet-boating, river surfing and tandem paragliding pioneered on a commercial basis in Queenstown Lakes. The District has a high proportion of working age people who derive personal income from self-employment or business at 28 percent, compared to the New Zealand average of 16 percent. The District also has a higher than average business entry rate (proportion of new businesses to existing businesses), higher than several cities in New Zealand, suggesting that a relatively high level of business opportunities are available and taken up.

The District faces a number of challenges to improving its economic performance. Some of these are shared with other small districts in New Zealand. Several others are specific to the District and reflect its resort town characteristics. Key challenges include:

Size and Location

The District is distant from markets for goods and services and other urban centres. Distance increases transport and trade costs. When combined with the small local market, local businesses can struggle to achieve the same economies of scale as those in the same industries in larger markets, which constrains their productivity performance (and hence constrains profitability and incomes). This means that having high quality connections, via air, road and telecommunications infrastructure, is vitally important for the District.

Concentration of Industry

While the visitor economy is a strength, its dominance means that the District is one of the least diversified economies in New Zealand. Industrial diversity allows for a greater variety of interactions between businesses of different types and can result in more radical innovation. A lack of diversity can also make the local economy vulnerable to shocks that impact on key sectors.

Housing Affordability and Cost of Living

The District has relatively high house prices. This is due to a combination of population growth and the second home market that have pushed up demand; and higher building costs (due to location related higher transport cost for materials, as well as high demand for a limited supply of local construction labour) and higher land costs[41]. Although the median household income is high, the high median house price means the District rates as having some of the least affordable housing in the country. Affordability is a particular problem for those working in labour intensive tourism and related industries, as these industries have relatively low productivity and low earnings and are reflected in the districts low median salaries. Other living costs are also comparatively high due to location related transport costs for goods and a lack of business competition due to the small population size.

Pressure on Infrastructure

Although the local population is forecast to grow relatively strongly, visitor numbers are forecast to grow strongly too and the proportion of residents to visitors may decline over time. Hence parts of the rating base will continue to get stretched to cover infrastructure costs for the combined resident and visitor population.

3.2 The Current Economy (2016 base year)

This section provides a detailed 2016 snap-shot of the QLD economy from an employment and business count perspective from the SNZ Business Directory 2016. The economy has been summarised according to 48 economic sectors. These sectors are an aggregation of more detailed industrial classifications (ANZSICs).

3.2.1 Sector Level – Total District

Table 3.1 and Appendix 6 summarise employment (measured in terms of an employee count modified to include estimated working proprietors (MEC)) and business counts (geographic units).

In total the district has approximately 7,460 businesses employing approximately 25,754 workers. It is important to note that the Business Directory counts only businesses and their staff registered to a QLD address and does not include those workers who carry out their job in the district but are usually based at a company located outside the district. Similarly, some workers of QLD businesses may carry out their job beyond the district. This means that on any particular day, there may be a greater or lesser workforce present in the district than shown in the data. The Business Directory is also a snap shot as at February each year. This falls within the peak summer season (from a tourism perspective) but will not capture short term staff employed during other times in the year, such as for the winter season, or grape picking period for example – when seasonal workers are common in both Queenstown and Wanaka. These limitations need to be taken in mind.

[41] Refer to the QLD Housing Development Capacity Assessment, xx 2018 for further detail on this issue.

Table 3.1: QLD Employment and Businesses 2016 by Ward

48 Sector Description	Employment (MECs)			Businesses (Gus)		
	Wanaka Ward	Wakatipu Ward	District	Wanaka Ward	Wakatipu Ward	District
Horticulture and fruit growing	67	121	**188**	33	39	**73**
Sheep, beef cattle and grain farming	158	90	**248**	76	43	**119**
Dairy cattle farming	44	5	**49**	5	3	**8**
Poultry, deer and other livestock farming	68	21	**89**	25	27	**51**
Forestry and logging	3	3	**6**	10	11	**21**
Fishing and aquaculture	10	9	**20**	6	5	**11**
Agriculture, forestry and fishing support services	54	74	**129**	25	30	**55**
Mining, quarrying, exploration and other mining support services	8	9	**17**	5	9	**14**
Oil and gas extraction	-	-	**-**	-	-	**-**
Meat and meat product manufacturing	-	-	**1**	-	1	**1**
Dairy product manufacturing	14	1	**15**	2	3	**5**
Other food manufacturing	66	138	**204**	15	17	**32**
Beverage and tobacco product manufacturing	15	55	**70**	12	21	**33**
Textile, leather, clothing and footwear manufacturing	11	13	**24**	5	7	**13**
Wood product manufacturing	20	27	**47**	4	6	**10**
Pulp, paper and converted paper product manufacturing	-	-	**-**	-	-	**-**
Printing	-	38	**38**	-	8	**8**
Petroleum and coal product manufacturing	-	-	**-**	-	-	**-**
Chemical, polymer and rubber product manufacturing	20	0	**20**	5	1	**6**
Non-metallic mineral product manufacturing	17	32	**49**	4	8	**12**
Primary metal and metal product manufacturing	8	3	**11**	3	3	**6**
Fabricated metal product manufacturing	26	42	**68**	10	6	**16**
Transport equipment manufacturing	51	26	**77**	8	6	**14**
Machinery and equipment manufacturing	20	64	**84**	9	21	**29**
Furniture and other manufacturing	9	40	**50**	7	20	**27**
Electricity generation and supply	0	-	**0**	2	-	**2**
Gas supply	-	-	**-**	2	-	**2**
Water, sewerage, drainage and waste services	64	25	**89**	9	12	**21**
Construction	999	2,303	**3,302**	456	725	**1,182**
Wholesale trade	136	334	**470**	56	79	**135**
Retail Trade	800	2,125	**2,925**	132	340	**472**
Accommodation and food services	1,410	5,427	**6,837**	168	448	**616**
Road transport	55	280	**335**	15	99	**114**
Other transport, postal, courier, transport support and warehousing services.	57	536	**592**	33	74	**107**
Air and space transport	17	288	**305**	9	16	**25**
Information media and telecommunications	108	282	**390**	29	90	**120**
Finance	55	186	**241**	152	365	**517**
Insurance and superannuation funds	-	0	**0**	-	4	**4**
Auxiliary finance and insurance services	15	85	**99**	14	44	**57**
Rental, hiring and real estate services	313	806	**1,120**	464	1,294	**1,758**
Owner Occupied Dwellings	-	-	**-**	-	-	**-**
Professional, scientific, technical, administrative and support services	736	2,591	**3,327**	303	696	**999**
Central government administration, defence and public safety	16	243	**258**	6	30	**36**
Local government administration	13	176	**190**	2	2	**3**
Education and training	325	600	**925**	29	53	**82**
Health care and social assistance	231	518	**749**	65	108	**172**
Arts and recreation services	275	1,260	**1,535**	78	178	**256**
Personal and other services	132	430	**562**	72	145	**216**
Total	6,445	19,308	**25,754**	2,364	5,094	**7,458**

Source: SNZ Business Directory, M.E.

The major share of employment and businesses is based in the Wakatipu Ward (75% and 68% respectively). In the Wakatipu area there are approximately 5,090 businesses employing 19,308 workers. The largest sector in terms of numbers of businesses is the Rental, Hiring and Real Estate Services with 25% of the ward total (1,290 businesses). However, this sector employs just 4% of the ward's workforce. This is because many of the businesses are likely to be single holiday homes or groups of holiday homes set up as individual

businesses for rental purposes. These businesses do not employ people hence the mismatch. Included in this sector are; passenger vehicle rental, equipment hire, scaffolding services, residential and non-residential property operators and real estate agents.

The second largest count of businesses is the construction sector; 14% of the ward total (725 businesses) construction also accounts for 12% of ward workers (2,300). This is followed by the Professional, Scientific, Technical, Administrative and Support Services sector with just under 14% of ward businesses (700) and 13% of the workers (2,590).

Accommodation and Food services sector dominates in terms of employment in the Wakatipu ward, but accounts for a more modest share of businesses. Almost a third of all employment (28% or 5,430) yet only 9% of businesses. The retail sector makes up a further 11% of ward employment (2,125) and 7% of businesses.

The Wanaka Ward accounts for the balance of economic activity – 32% of district businesses and 25% of district workers. The same three sectors dominate Wanaka ward business counts. Rental, Hiring and Real Estate businesses account for 20% of the ward total (and 5% of ward workers). Construction ranks second with 19% of businesses (460) and 15% of employment (1,000). The Professional and Administrative Support sector makes up 13% of businesses (300) and 11% of local employment (740). Accommodation and Food Services and the Retail sector are also dominant in employment terms with a 22% and 12% share of the ward total respectively.

The Wakatipu Ward is a significantly larger economy than Wanaka Ward. In total Wakatipu Ward is 3 times larger in employment terms than Wanaka (Table 3.2). The difference is greater in the Transport sector (8.5 times) the Recreational and Personal Services sector (4.15 times) the Hospitality and Trade sectors (3.36 times) and Business Services (3.22 times).

Only in the Primary sector and Utilities sector does Wanaka Ward employ more people. In a relative since there is more concentration on Industry and Construction in Wanaka than Wakatipu, that is the ratios are lower than the overall (1.73 and 2.31 respectively compared with 3.0 overall).

Table 3.2: 2016 Employment Comparison Wanaka and Wakatipu Wards, (MECs)

Broad Sector	Wanaka Ward	Wakatipu Ward	Wakatipu / Wanaka
Primary	412	333	0.81
Industry	277	480	1.73
Utilities	64	25	0.39
Construction	999	2,303	2.31
Hospitality and Trade	2,346	7,886	3.36
Transport	129	1,103	8.55
Business Services	1,227	3,950	3.22
Government, Education and Health	584	1,537	2.63
Arts Recreation and Personal Services	407	1,690	4.15
TOTAL	6,445	19,307	3.00

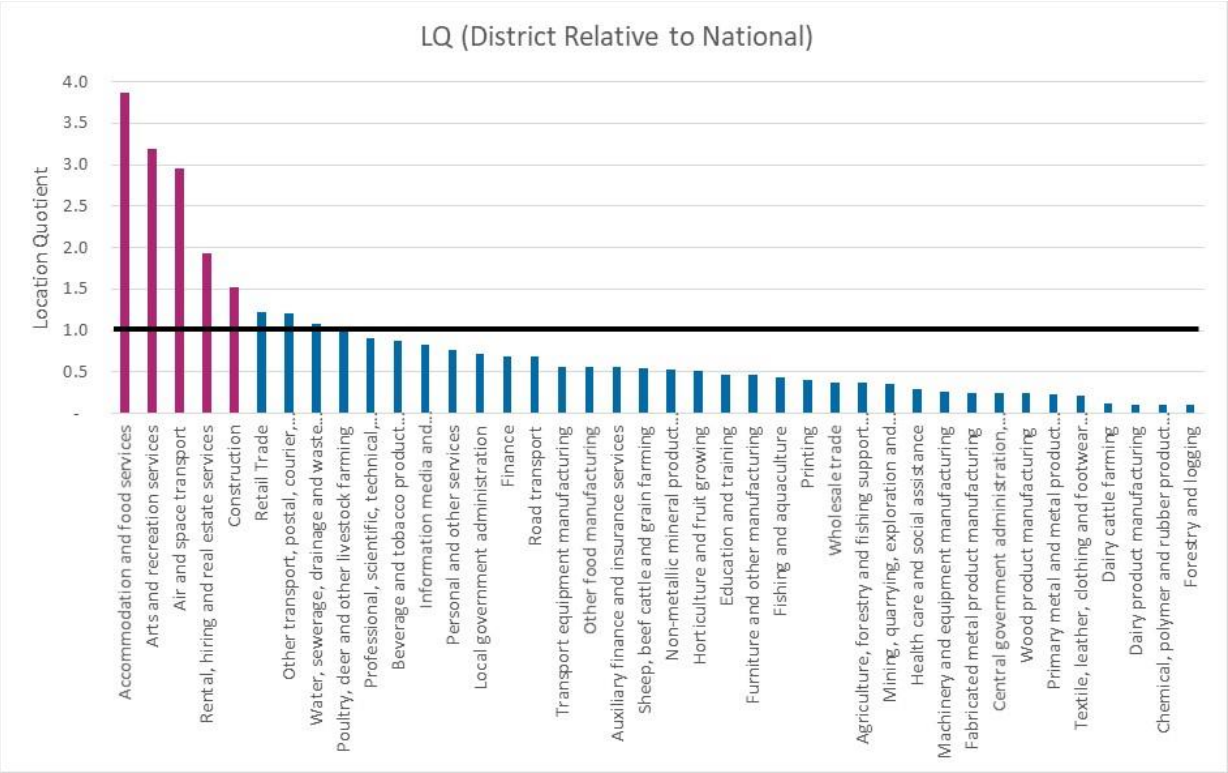
3.2.2 Key Economic Sectors

As identified above, the QLD economy is dominated by a few key sectors, being: Accommodation and food services, Retail, Business and Professional Services, Construction and Recreational, Personal and Arts Services. These are patterns that are entirely consistent with Queenstown's role as New Zealand's premier tourist destination (Accommodation and Retail) and its rapid household growth (Construction).

Expressing employment shares for each sector within the district and comparing those shares with employment shares for the country overall provides insights into relative concentrations of activity which in turn point to comparative advantages or competitive advantages held by the district. These are termed Location Quotients (LQs).

When QLD's employment shares are expressed as location quotients relative to the share of national employment in 2016, five key sectors emerge as important to QLD (Figure 3.1), as shown in the figure below. Not surprisingly, these are the sectors most highly engaged in the tourism markets. Accommodation and food services, Arts and Recreational services, and transport are all high employment number sectors while rentals and real estate agents captured the high numbers of holiday homes within the District. Finally, the rapid growth of QLD is reflected in the high relative concentration of construction sector employment.

Figure 3.1 – Location Quotient of QLD Employment 2016 by Sector



Retail, Other Transport, Postal and Courier Services, Water and Sewerage, Deer and Other Livestock Farming and Professional Services account for a similar share of employment as the national average. Mostly this reflects their more direct links to population numbers (except other livestock farming). QLD

residents shop, require water services and professional services at the same rate as the rest of New Zealand.

The balance of sectors account for a lower share. These are goods and services that need to be brought into the district to meet household and business needs (Figure 3.1).

3.2.3 Spatial Distribution of Employment (2016)

Using an approximate concordance[42] of 2013 meshblocks with the defined urban environment area (Figure 2.2), 2016 employment activity in each economic sector has been split between an urban and rural environment location (Table 3.3). Approximately 88% of all employment (MECs) in 2016 in QLD are located within the urban environment (an estimated 22,760 MECs) and 12% of district employment (2,990 MECs) is located in the rural environment (as defined for the purpose of this BDCA).

Sectors where the urban share is highest include (but are not limited to):

- Construction (88%)
- Retail (92%)
- Wholesale (90%)
- Accommodation and Food Services (90%)
- Personal and Other Services (93%), and
- Most Manufacturing sectors

These patterns reflect the concentration of households (and therefore workforce), commercial centres and business zones (and their inter-relationships) within urban areas.

Sectors where the urban share is relatively lower include (but are not limited to):

- Arts and Recreation Services (73%)
- Transport Equipment Manufacturing (64%)
- Machinery and Equipment Manufacturing (65%)
- Chemical/Polymer Manufacturing (11% - although only a small sized sector overall)
- Beverage Manufacturing (23% - although this includes wine production linked to vineyards), and
- Most of the Primary Sectors, which are generally rural as expected.

[42] Meshblock boundaries do not always match zone boundaries. As such, M.E included all meshblocks that had all or some of their area within the urban environment boundary. This (unavoidably) includes some rural based activity within the urban environment totals.

Table 3.3 – 2016 QLD Employment by Urban and Rural Environment

48 Sector Description	Total District MECs	Urban Env. MECs	Rural Env. MECs	Urban Env. Share of District	Rural Env. Share of District
Horticulture and fruit growing	188	54	134	29%	71%
Sheep, beef cattle and grain farming	248	22	226	9%	91%
Dairy cattle farming	49	6	42	13%	87%
Poultry, deer and other livestock farming	89	30	59	34%	66%
Forestry and logging	6	4	2	64%	36%
Fishing and aquaculture	20	12	8	58%	42%
Agriculture, forestry and fishing support services	129	60	69	47%	53%
Mining, quarrying, exploration and other mining support services	17	16	1	94%	6%
Oil and gas extraction	-	-	-	0%	0%
Meat and meat product manufacturing	1	-	1	0%	0%
Dairy product manufacturing	15	1	14	6%	94%
Other food manufacturing	204	203	0	100%	0%
Beverage and tobacco product manufacturing	70	16	54	23%	77%
Textile, leather, clothing and footwear manufacturing	24	21	3	87%	13%
Wood product manufacturing	47	47	0	99%	1%
Pulp, paper and converted paper product manufacturing	-	-	-	0%	0%
Printing	38	38	-	100%	0%
Petroleum and coal product manufacturing	-	-	-	0%	0%
Chemical, polymer and rubber product manufacturing	20	2	18	11%	89%
Non-metallic mineral product manufacturing	49	49	-	100%	0%
Primary metal and metal product manufacturing	11	11	-	100%	0%
Fabricated metal product manufacturing	68	67	0	99%	1%
Transport equipment manufacturing	77	49	28	64%	36%
Machinery and equipment manufacturing	84	55	29	65%	35%
Furniture and other manufacturing	50	47	2	95%	5%
Electricity generation and supply	0	-	0	0%	100%
Gas supply	-	-	-	0%	0%
Water, sewerage, drainage and waste services	89	88	1	99%	1%
Construction	3,302	2,772	529	84%	16%
Wholesale trade	470	423	47	90%	10%
Retail Trade	2,925	2,868	57	98%	2%
Accommodation and food services	6,837	6,187	650	90%	10%
Road transport	335	323	12	96%	4%
Other transport, postal, courier, transport support and warehousing services.	592	545	47	92%	8%
Air and space transport	305	298	8	98%	2%
Information media and telecommunications	390	363	27	93%	7%
Finance	241	235	6	98%	2%
Insurance and superannuation funds	0	0	-	100%	0%
Auxiliary finance and insurance services	99	96	3	97%	3%
Rental, hiring and real estate services	1,120	1,034	85	92%	8%
Owner Occupied Dwellings	-	-	-	0%	0%
Professional, scientific, technical, administrative and support services	3,327	3,041	286	91%	9%
Central government administration, defence and public safety	258	256	2	99%	1%
Local government administration	190	190	-	100%	0%
Education and training	925	851	74	92%	8%
Health care and social assistance	749	720	29	96%	4%
Arts and recreation services	1,535	1,123	412	73%	27%
Personal and other services	562	524	38	93%	7%
Total	25,754	22,760	2,994	88%	12%

Source: SNZ Business Directory 2016, M.E. Urban Environment and Core Business Enabled Zones defined by 2013 Meshblock.

Meshblock boundaries capture an area greater than the zone boundaries.

With the exception of the primary sector (and related) employment in the rural area, these relatively lower shares reflect the activity sustained in the small townships excluded from the defined urban environment; and commercial operations like the ski fields and the small number of ad-hoc industrial sites (including water treatment and other utilities). These activities have less reliance on urban areas for business locations. Businesses either run from or registered to the home, located in rural residential and rural general dwellings will also account for a share of rural employment activity.

Table 3.4 examines the share of urban employment that falls within the defined business enabled zones (section 2.3.2) as opposed to the balance of urban environment zones (which includes mainly residential and open space areas). Again, an approximate concordance[43] of 2013 meshblocks with the defined business enabled zones within the urban environment area was used.

Approximately 72% of all QLD urban environment employment (MECs) in 2016 is located within the core business enabled zones (an estimated 16,290 MECs) and 28% (6,470 MECs) are located in the non-business (residential and other) zones (as defined for the purpose of this BDCA).

Sectors where the business enabled zone share is highest (i.e. businesses locating in business zones) include (but are not limited to):

- Printing (100%)
- Local Government Administration (100%)
- Finance (96%)
- Retail (92%)
- Wholesale Trade (87%)
- Central Government and Public Safety (93%).

Sectors where the business enabled zone share (i.e. businesses locating in business zones) is relatively lower, reflecting a portion of these activities locating in non-business zones include (but are not limited to):

- Professional, Scientific, Technical, Administration and Support Services (72%)
- Healthcare and Social Assistance (71%)
- Rental, Hiring, Real Estate Services (69%)
- Road Transport (67%)
- Accommodation and Food Services (69%)
- Construction (48%)
- Transport Equipment Manufacturing (36%)

[43] M.E included all meshblocks that had all or some of their area within the business enabled urban zone boundaries. This (unavoidably) includes some non-business zone based activity within the business zone totals.

Table 3.4 – 2016 QLD Urban Environment Employment by Business and Non-Business Zones

48 Sector Description	Urban Env. MECs	Approx. Core Business Zone MECs	Approx. Non-Business Zone MECs	Approx. Core Business Zone Share of Urban	Approx. Non-Business Zone Share of Urban	Approx. Core Business Zone Share of District*
Horticulture and fruit growing	54	19	35	35%	65%	10%
Sheep, beef cattle and grain farming	22	10	13	44%	56%	4%
Dairy cattle farming	6	1	5	21%	79%	3%
Poultry, deer and other livestock farming	30	28	2	93%	7%	31%
Forestry and logging	4	2	1	65%	35%	42%
Fishing and aquaculture	12	9	3	74%	26%	43%
Agriculture, forestry and fishing support services	60	26	34	44%	56%	20%
Mining, quarrying, exploration and other mining support services	16	8	8	51%	49%	48%
Oil and gas extraction	-	-	-	0%	0%	0%
Meat and meat product manufacturing	-	-	-	0%	0%	0%
Dairy product manufacturing	1	-	1	0%	100%	0%
Other food manufacturing	203	177	27	87%	13%	87%
Beverage and tobacco product manufacturing	16	14	2	89%	11%	20%
Textile, leather, clothing and footwear manufacturing	21	15	6	73%	27%	63%
Wood product manufacturing	47	39	8	83%	17%	82%
Pulp, paper and converted paper product manufacturing	-	-	-	0%	0%	0%
Printing	38	38	-	100%	0%	100%
Petroleum and coal product manufacturing	-	-	-	0%	0%	0%
Chemical, polymer and rubber product manufacturing	2	2	0	87%	13%	10%
Non-metallic mineral product manufacturing	49	41	8	83%	17%	83%
Primary metal and metal product manufacturing	11	7	3	68%	32%	68%
Fabricated metal product manufacturing	67	48	20	71%	29%	70%
Transport equipment manufacturing	49	18	32	36%	64%	23%
Machinery and equipment manufacturing	55	43	11	79%	21%	51%
Furniture and other manufacturing	47	35	12	74%	26%	70%
Electricity generation and supply	-	-	-	0%	0%	0%
Gas supply	-	-	-	0%	0%	0%
Water, sewerage, drainage and waste services	88	21	67	24%	76%	23%
Construction	2,772	1,334	1,439	48%	52%	40%
Wholesale trade	423	369	55	87%	13%	78%
Retail Trade	2,868	2,639	229	92%	8%	90%
Accommodation and food services	6,187	4,268	1,918	69%	31%	62%
Road transport	323	215	108	67%	33%	64%
Other transport, postal, courier, transport support and warehousing services.	545	431	114	79%	21%	73%
Air and space transport	298	274	24	92%	8%	90%
Information media and telecommunications	363	286	77	79%	21%	73%
Finance	235	227	8	96%	4%	94%
Insurance and superannuation funds	0	0	-	100%	0%	100%
Auxiliary finance and insurance services	96	74	23	77%	23%	74%
Rental, hiring and real estate services	1,034	673	361	65%	35%	60%
Owner Occupied Dwellings	-	-	-	0%	0%	0%
Professional, scientific, technical, administrative and support services	3,041	2,178	863	72%	28%	65%
Central government administration, defence and public safety	256	239	17	93%	7%	92%
Local government administration	190	190	-	100%	0%	100%
Education and training	851	525	326	62%	38%	57%
Health care and social assistance	720	514	206	71%	29%	69%
Arts and recreation services	1,123	859	263	77%	23%	56%
Personal and other services	524	393	131	75%	25%	70%
Total	22,760	16,292	6,468	72%	28%	63%

*Source: SNZ Business Directory 2016, M.E. Urban Environment and Core Business Enabled Zones ، * Shares applied to total District EFM employment projections, held constant.*
Meshblock boundaries capture an area greater than the zone boundaries.

These lower shares can generally be explained and do not necessarily represent a planning framework that is ineffective in containing economic activities within business enabled zones – some dispersal of activity is to be expected. For example:

1. Many small-scale trade service businesses in the Construction Sector and courier drivers/truck drivers in the Road Transport Sector are self-employed individuals who register their business to their home address.

2. Many self-employed consultants or professional service providers like architects and accountants also work from home.

3. Small on-line businesses can easily be operated from a residential address.

4. Doctors surgeries and dentists are commonly located in residential zones (often re-purposing residential dwellings).

5. Community services such as child care centres and schools are also commonly enabled in residential zones.

6. Each real estate agent is a separate registered business (often to their home address) even if they operate out of centre-based agency.

7. Visitor Accommodation is enabled in some residential zones (and falls outside of the PDP Visitor Accommodation Sub-zones). For example, visitor accommodation is provided for as a Restricted Discretionary Activity within the High Density Residential Zones of the PDP).

8. The PDP also enables home based businesses that meet prescribed rules, and these are rated accordingly.

What is not known is the degree to which a perceived or actual shortage of capacity (including suitably sized and/or priced premises) may have led to the current patterns of economic activity in non-business zones in some sectors. Or, whether the development of more office space, for example, including shared office facilities like 'The Cell' in Wanaka and 'The Hangar' in Queenstown, would result in more home-based businesses moving into the business zones over time. Such patterns may also result due to the spatial distribution of customers, such as child care centres or doctors and dentists being located near to the residential areas they service, or with convenient access and parking for customers who now struggle to find parking in the Queenstown Town Centre.

There is however a known historical pattern of retail/commercial development on land that is primarily zoned for industrial purposes. This includes, for example, the Mitre 10 Mega and Pak'n'Save in the Frankton Flats Special Zone locating within an activity area intended for industrial use; as well as the establishment of small scale retail/office activities along Glenda Drive, and within the Low Density Residential Zone at Frankton. A 'Bunnings' retail store is also proposed within the Frankton Flats industrial area and was considered at a hearing in January 2018.

This pattern of commercial creep was acknowledged by Councils economic experts[44] during the mapping hearings on Stage 1 of the PDP. It was noted that the significant growth experienced in the District has pushed up rental prices for commercial and industrial land and resulted in competition between businesses seeking to locate on the relatively 'cheaper' industrial land. In the past 5 years, 40% of the Districts'

[44] http://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan/Hearings-Page/Hearing-Stream-13/Section-42A-Reports-and-Council-Expert-Evidence/Council-Evidence/QLDC-13-Queenstown-Philip-Osborne-Evidence-29310928-v-1.pdf

commercial office consents have occurred in industrial zones, resulting in artificial increases to the price of industrial land and, in some places, rental prices increasing to levels which are unaffordable for industrial uses.

Such trends can be monitored over time, including in monitoring reports and future updates of the BDCA, to gain further understanding of the spatial location of demand, as required by the definition of "demand" and PB1 of the NPS-UDC.

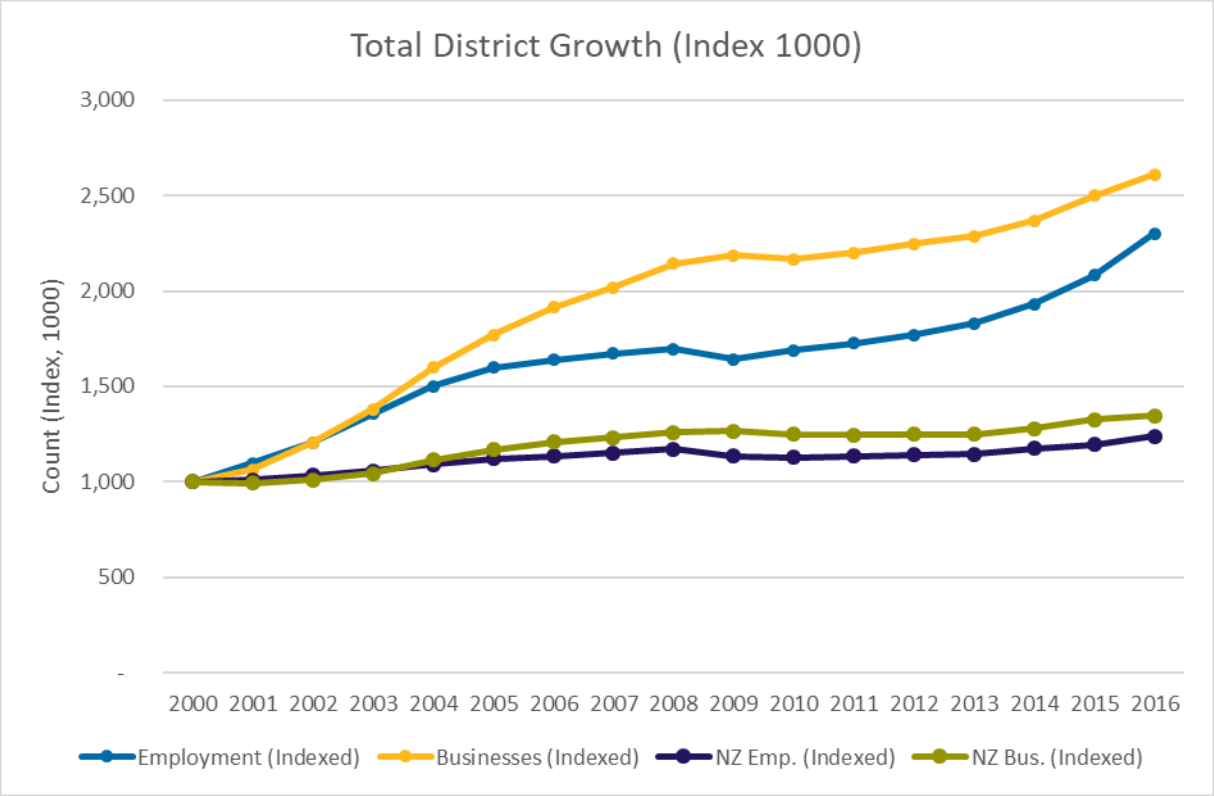
3.3 Historical Changes in the Economy

This section looks briefly at past trends that have led to QLD's current (2016 base year) economy. Historical data on employment and business counts is presented for the period 2000 to 2016.

3.3.1 Total District Activity

According to the SNZ Business Directory total employment (MEC's) in the district grew from 11,200 to 25,750 between 2000 and 2016. This is total growth of 14,550 jobs (130%) or an average annual increase of 910 MECs/year. Over that period, the count of businesses grew from 2,860 to 7,460. This represents total growth of 4,600 business (161%) or an annual average increase of 290 businesses/year.

Figure 3.2 – Indexed Employment and Business Growth 2000-2016 – Total District vs NZ



As shown in Figure 3.2, QLD growth in both employment and number of businesses terms has greatly exceeded the national growth rates over the past 16 years (2000 – 2016). Differences in growth rate

evened out immediately following the GFC (2008 – 2011) with both the national and district employment falling in number. In recent times QLD growth has accelerated away from the national average (indexed).

Average business size across the district (all sectors) was close to 4.0 MECs/business during the years 2000-2003. This then decreased steadily down to 2.9 MECs/business by 2009 when it stabilised at about 3.1 MECs/business through to 2013. The period from 2013-2016 has seen business size increase again (to reach 3.5 MECs/business to-date). Figure 3.2 shows the relative growth rates of both businesses and employment (indexed to the 2000 base year). The period where businesses were growing more rapidly than employment (i.e. growth of smaller businesses) from 2003 to 2009 is evident. This is followed by a period of very little growth (even decline) as the effects of the Global Financial Crisis (GFC) play out across the district.

Growth began to re-emerge from around 2013 onwards. Interesting to note that the upturn in employment growth occurred ahead of the upturn in number of businesses. Growth in business numbers began to pull ahead of employment growth in the early 2000s, up until the GFC in 2008. However, this was driven by an increase in the number of Rental, Hiring and Real Estate businesses (primarily secondary houses set up as businesses). People from across New Zealand and around the world purchased secondary dwellings in QLD and set them up as rental businesses to take advantage of the mostly tax free capital gains accruing during this period of high house price growth. Set up as businesses allowed investors to offset tax against losses incurred from these 'businesses'. Overall grow in this sector made up more than 30% of total business number growth from 2001 – 2008. In total this sector made up only 18% of the total number of businesses in 2000, while it makes up 24% today.

In more recent times business numbers have grown at a slower rate than employment.

Historical counts of population and visitors[45] can be contrasted with business and employment growth for the period 2001 to 2013. During these years:

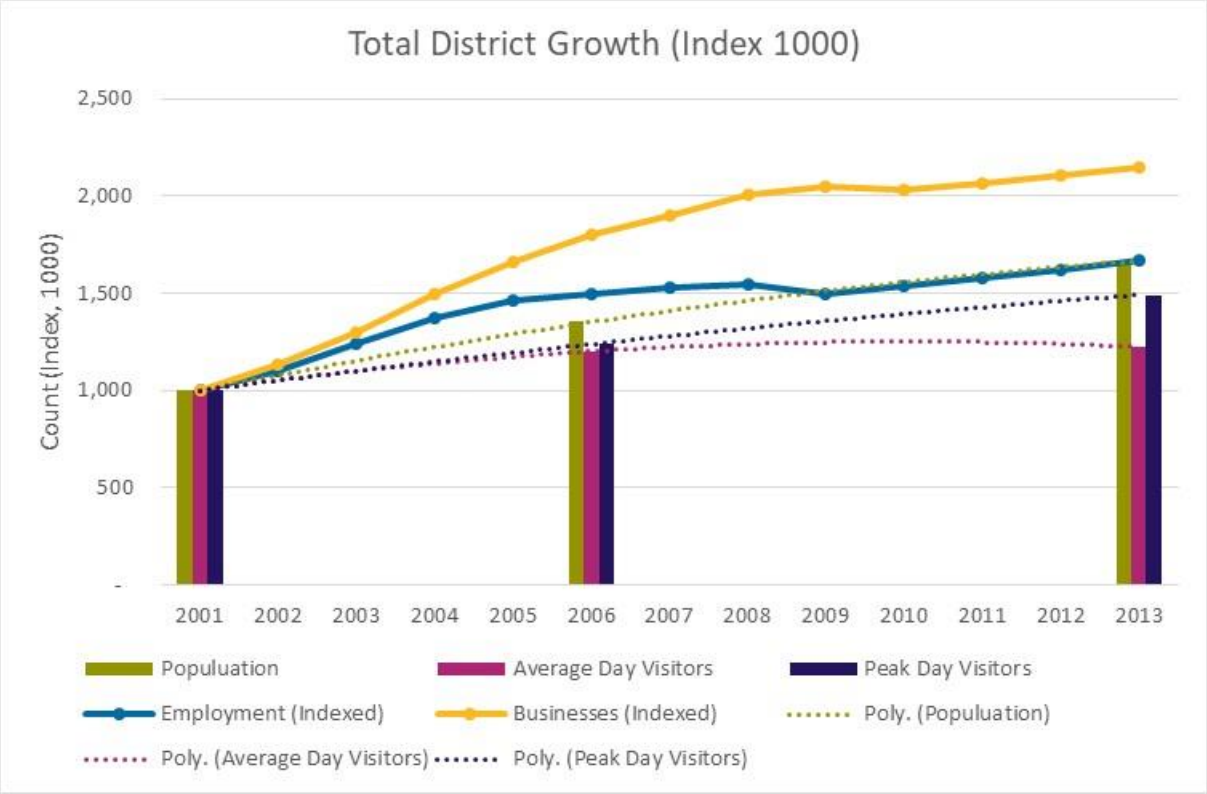
- the usually resident population increased by 11,890 (an annual average increase of 990 and total growth of 67%),
- average day visitors increased by 3,290 (an annual average increase of 270 and total growth of 22%), and
- peak day visitors increased by 21,040 (an annual average increase of 1,750 and total growth of 49%) between 2001 and 2013.

Figure 3.33 provides an index of growth for all five variables between 2001 and 2013. It shows that between 2001 and 2008, employment and businesses were growing at a faster rate than both population and tourism – a time of real expansion in the business sector. Between 2009 and 2013, the rate of growth in businesses, employment, population and peak-day visitor counts has been aligned. Overall, this analysis suggests that in the recent past, economic growth in QLD has been in response to meeting the demands of the residents and peak season(s) tourism activity, and less about the average day tourism – which showed

[45] Refer Table 1.1.

little change between 2006 and 2013, most likely influenced to a greater extent by the global financial crisis[46].

Figure 3.3 - Indexed Growth Indicators 2001-2013 – Total District



3.3.2 Sector Level – by Ward

Table 3.5 and Appendix 7 show change in employment and business counts in the Wakatipu Ward between 2000 and 2016. According to the SNZ Business Directory total employment (MECs) in the ward grew from 8,840 to 19,310 between 2000 and 2016. This is total growth of 10,471 jobs (118%) or an average annual increase of 655 MECs/year. Over that period, the count of businesses grew from 2,070 to 5,090. This represents total growth of 3,025 business (146%) or an annual average increase of 190 businesses/year.

Overall, the Wakatipu Ward accounted for 72% of employment growth in the District since 2000 and 66% of business growth in the District. This shows that the demand for additional business land and floorspace has been largely focussed on Wakatipu Ward. Sectors which have shown strong growth since 2000 (in real and/or percentage terms) in the Wakatipu Ward include:

- Other Food Manufacturing: growth of 100 MECs or 268%. The growth of this sector has largely occurred since 2009, with little or no change prior. This growth is small in absolute terms and is probably made up of niche food product manufacturing for the tourism sector. Locationally, probably a mix of industrial and commercial space.

[46] Table 1.1 shows a return to steady growth for average day visitor counts from 2018 into the long-term.

- Construction: growth of 1,620 MECs or 236%. Growth was strongest between 2000 and 2005, followed by a very slow growth period (just 7%) from 2005 to 2009 and strong growth again between 2009 to 2016. This level of growth is significant in absolute terms. A large portion of this growth occurs in residential areas (approximately 50%). The balance would have occurred across a mix of areas including industrial land and potentially some in commercial space.

Table 3.5: Wakatipu Ward Employment Change (MECs), 2000 - 2016

48 Sector Description	Growth in Employment (MECs)				Growth (%)			
	2000-2005	2005-2009	2009-2016	**2000-2016**	2000-2005	2005-2009	2009-2016	**2000-2016**
Horticulture and fruit growing	-12	-73	70	**-14**	-8%	-59%	136%	**-11%**
Sheep, beef cattle and grain farming	-31	-28	1	**-58**	-21%	-24%	2%	**-39%**
Dairy cattle farming	1	-0	4	**5**	0%	-25%	739%	**0%**
Poultry, deer and other livestock farming	7	1	-13	**-5**	27%	3%	-37%	**-18%**
Forestry and logging	-2	0	1	**-1**	-43%	14%	21%	**-21%**
Fishing and aquaculture	-2	1	9	**8**	-100%	0%	949%	**397%**
Agriculture, forestry and fishing support services	142	-81	6	**67**	1969%	-54%	9%	**932%**
Mining, quarrying, exploration and other mining support services	-5	-17	6	**-16**	-21%	-85%	211%	**-64%**
Oil and gas extraction	-	-	-	**-**	0%	0%	0%	**0%**
Meat and meat product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Dairy product manufacturing	12	-12	1	**1**	0%	-100%	0%	**0%**
Other food manufacturing	-1	15	86	**100**	-2%	40%	168%	**268%**
Beverage and tobacco product manufacturing	31	2	-67	**-34**	34%	2%	-55%	**-38%**
Textile, leather, clothing and footwear manufacturing	6	-13	1	**-6**	28%	-52%	12%	**-31%**
Wood product manufacturing	17	-23	4	**-1**	61%	-50%	19%	**-5%**
Pulp, paper and converted paper product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Printing	11	19	-13	**17**	49%	59%	-25%	**78%**
Petroleum and coal product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Chemical, polymer and rubber product manufacturing	4	-3	-1	**0**	0%	-67%	-72%	**0%**
Non-metallic mineral product manufacturing	9	0	8	**18**	64%	2%	34%	**124%**
Primary metal and metal product manufacturing	-	7	-4	**3**	0%	0%	-58%	**0%**
Fabricated metal product manufacturing	22	-	15	**38**	544%	0%	58%	**916%**
Transport equipment manufacturing	10	-15	8	**4**	47%	-46%	49%	**18%**
Machinery and equipment manufacturing	3	3	36	**42**	11%	13%	127%	**186%**
Furniture and other manufacturing	-4	-8	17	**5**	-11%	-25%	70%	**13%**
Electricity generation and supply	-	3	-3	**-**	0%	0%	-100%	**0%**
Gas supply	-	-	-	**-**	0%	0%	0%	**0%**
Water, sewerage, drainage and waste services	18	-9	-11	**-3**	63%	-20%	-30%	**-10%**
Construction	863	101	654	**1,618**	126%	7%	40%	**236%**
Wholesale trade	42	44	120	**206**	33%	26%	56%	**161%**
Retail Trade	612	14	514	**1,139**	62%	1%	32%	**116%**
Accommodation and food services	735	-206	1,948	**2,478**	25%	-6%	56%	**84%**
Road transport	52	-29	104	**126**	34%	-14%	59%	**83%**
Other transport, postal, courier, transport support and warehousing services.	161	-8	178	**330**	78%	-2%	50%	**161%**
Air and space transport	11	8	155	**173**	9%	6%	116%	**150%**
Information media and telecommunications	70	-85	73	**57**	31%	-29%	35%	**26%**
Finance	44	49	11	**104**	54%	39%	6%	**127%**
Insurance and superannuation funds	-3	3	-6	**-6**	-52%	97%	-97%	**-97%**
Auxiliary finance and insurance services	17	24	18	**58**	62%	55%	26%	**217%**
Rental, hiring and real estate services	256	-46	222	**431**	68%	-7%	38%	**115%**
Owner Occupied Dwellings	-	-	-	**-**	0%	0%	0%	**0%**
Professional, scientific, technical, administrative and support services	855	91	791	**1,737**	100%	5%	44%	**203%**
Central government administration, defence and public safety	14	36	115	**164**	18%	39%	90%	**210%**
Local government administration	8	117	28	**153**	33%	372%	19%	**644%**
Education and training	106	73	203	**383**	49%	23%	51%	**176%**
Health care and social assistance	104	29	198	**331**	56%	10%	62%	**177%**
Arts and recreation services	246	112	286	**644**	40%	13%	29%	**104%**
Personal and other services	42	-1	135	**175**	16%	0%	46%	**69%**
Total	4,468	95	5,907	**10,471**	51%	1%	44%	**118%**

Source: SNZ Business Directory, M.E.

- Retail: growth of 1,140 MECs or 116%. The growth pattern over time is similar to construction but with almost no growth (1%) between 2005 to 2009 as the effects of the GFC impacted on

the District. This sector will have increased demand for commercial centre land. Both Remarkables Park and more recently Five Mile retail centres have developed in this time period. In addition, large retail employers (Pak n'Save and Mitre 10 Mega in particular) have sought industrial zoned land to locate on due to its low cost. Therefore, a portion of retail demand growth puts pressure of industrial land capacity.

- Accommodation and Food Services: growth of 2,480 MECs or 84%. Growth has been concentrated in the period since 2009 (the sector contracted in employment terms between 2005 and 2009 during the GFC). This recent growth will have put pressure on commercial land in or near to Queenstown in particular. Visitor accommodation on Frankton Road has expanded since 2000.

- Professional Services: growth of 1,740 MECs or 203%. The growth pattern for this sector is similar to the above, with strong growth up to the GFC, then a period of contraction, followed by strong recent growth (2013 – 2016). Typically, this sector locates in commercial space thereby putting pressure on commercial office areas.

Table 3.6 and Appendix 7 show change in employment and business counts in the Wanaka Ward between 2000 and 2016. According to the Business Directory total employment (MECs) in the ward grew from 2,360 to 6,445 between 2000 and 2016. This is total growth of 4,080 jobs (173%) – faster than the district average, yet only accounted for 28% of the total district growth. Over that period, the count of businesses grew from 790 to 2,360. This represents total growth of 1,580 business (200%) – of these some 344 were rentals, hiring or real estate (which are likely to be high numbers of holiday home businesses as evidenced by the 0.58 employees for every new business in this sector).

Overall, the Wanaka Ward accounted for 28% of employment growth in the District since 2000 and 34% of business growth in the District. Sectors which have shown strong growth since 2000 (in real and/or percentage terms) in the Wanaka ward include:

- Water, Sewerage, Drainage and Waste Services: growth of just 55 MECs but a 657% increase, with associated demand for industrial/yard land. This sector showed rapid growth between 2005 and 2009 (when many other sectors slowed or declined due to the GFC) and growth has continued into the 2009 to 2016 period.

- Construction: growth of 780 MECs or 357%. Growth was strongest between 2000 and 2005, followed by a very slow growth period (just 5%) from 2005 to 2009 and moderate growth again since 2009.

- Wholesale Trade: growth of 100 MECs or 283%. Growth was negligible between 2005 and 2009, otherwise has been steady. Typically, this growth would have put pressure on warehouse space (industrial) and commercial office space.

- Retail Trade: growth of 450 MECs or 126%. While growth was well down between 2005 and 2009, it performed relatively better than the retail sector in Wakatipu (5% growth compared to 1% across the GFC). Growth here drives demand for commercial centre land and also with the rise of big box LFR retailers, pressure is brought to bear on industrial land.

- Accommodation and Food Services: growth of 830 MECs or 142%. Growth has been concentrated in the period since 2009. While Wakatipu saw a decrease in employment between 2005 and 2009 in this sector, Wanaka experienced a 22% increase.

- Professional Services: growth of 610 MECs or 485%. The pattern is similar to the Construction sector over time. Typically, this sector would have been putting pressure on commercial office space in Wanaka as well as home-based business.

Table 3.6: Wanaka Ward Employment Recent Change (MECs), 2000 - 2016

48 Sector Description	Growth in Employment (MECs)				Growth (%)			
	2000-2005	2005-2009	2009-2016	**2000-2016**	2000-2005	2005-2009	2009-2016	**2000-2016**
Horticulture and fruit growing	3	-4	38	**37**	10%	-13%	131%	**121%**
Sheep, beef cattle and grain farming	5	-6	-35	**-36**	2%	-3%	-18%	**-19%**
Dairy cattle farming	-0	-0	43	**42**	-33%	-25%	7180%	**3540%**
Poultry, deer and other livestock farming	-7	11	23	**26**	-17%	32%	50%	**64%**
Forestry and logging	0	-2	1	**-1**	3%	-58%	74%	**-25%**
Fishing and aquaculture	4	-0	6	**10**	683%	-4%	132%	**1638%**
Agriculture, forestry and fishing support services	39	-36	16	**19**	110%	-49%	42%	**53%**
Mining, quarrying, exploration and other mining support services	2	4	0	**7**	220%	131%	5%	**675%**
Oil and gas extraction	-	-	-	**-**	0%	0%	0%	**0%**
Meat and meat product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Dairy product manufacturing	-	-	14	**14**	0%	0%	0%	**0%**
Other food manufacturing	13	4	37	**54**	106%	17%	125%	**440%**
Beverage and tobacco product manufacturing	-2	-3	14	**9**	-32%	-76%	1401%	**150%**
Textile, leather, clothing and footwear manufacturing	4	-0	5	**9**	391%	-6%	106%	**855%**
Wood product manufacturing	-6	-8	0	**-14**	-18%	-28%	2%	**-40%**
Pulp, paper and converted paper product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Printing	-4	3	-3	**-4**	-100%	0%	-100%	**-100%**
Petroleum and coal product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Chemical, polymer and rubber product manufacturing	-	3	7	**10**	0%	31%	55%	**102%**
Non-metallic mineral product manufacturing	6	2	4	**12**	106%	21%	32%	**228%**
Primary metal and metal product manufacturing	1	3	0	**4**	25%	83%	5%	**138%**
Fabricated metal product manufacturing	-11	7	14	**10**	-66%	132%	111%	**64%**
Transport equipment manufacturing	-7	31	14	**38**	-51%	457%	38%	**275%**
Machinery and equipment manufacturing	17	-11	1	**6**	125%	-37%	5%	**47%**
Furniture and other manufacturing	5	-4	3	**4**	84%	-41%	49%	**62%**
Electricity generation and supply	-3	-	0	**-3**	-100%	0%	0%	**-93%**
Gas supply	-	-	-	**-**	0%	0%	0%	**0%**
Water, sewerage, drainage and waste services	3	28	25	**55**	37%	239%	63%	**657%**
Construction	552	38	189	**780**	252%	5%	23%	**357%**
Wholesale trade	49	9	43	**100**	137%	10%	47%	**283%**
Retail Trade	271	34	141	**447**	77%	5%	21%	**126%**
Accommodation and food services	253	182	393	**828**	44%	22%	39%	**142%**
Road transport	55	2	-35	**22**	165%	3%	-39%	**67%**
Other transport, postal, courier, transport support and warehousing services.	43	-19	7	**31**	167%	-27%	15%	**123%**
Air and space transport	5	7	-4	**7**	56%	43%	-21%	**76%**
Information media and telecommunications	44	8	46	**98**	432%	16%	74%	**971%**
Finance	12	61	-37	**36**	65%	202%	-40%	**198%**
Insurance and superannuation funds	-	-	-	**-**	0%	0%	0%	**0%**
Auxiliary finance and insurance services	9	4	1	**13**	650%	34%	5%	**961%**
Rental, hiring and real estate services	210	-48	39	**201**	187%	-15%	14%	**180%**
Owner Occupied Dwellings	-	-	-	**-**	0%	0%	0%	**0%**
Professional, scientific, technical, administrative and support services	385	-11	236	**610**	306%	-2%	47%	**485%**
Central government administration, defence and public safety	16	14	-26	**4**	129%	52%	-62%	**33%**
Local government administration	-3	15	-5	**7**	-50%	500%	-27%	**119%**
Education and training	49	74	100	**223**	48%	49%	44%	**219%**
Health care and social assistance	61	13	55	**130**	61%	8%	32%	**129%**
Arts and recreation services	88	-19	88	**157**	75%	-9%	47%	**133%**
Personal and other services	86	-17	7	**76**	153%	-12%	6%	**137%**
Total	2,246	369	1,467	**4,082**	95%	8%	29%	**173%**

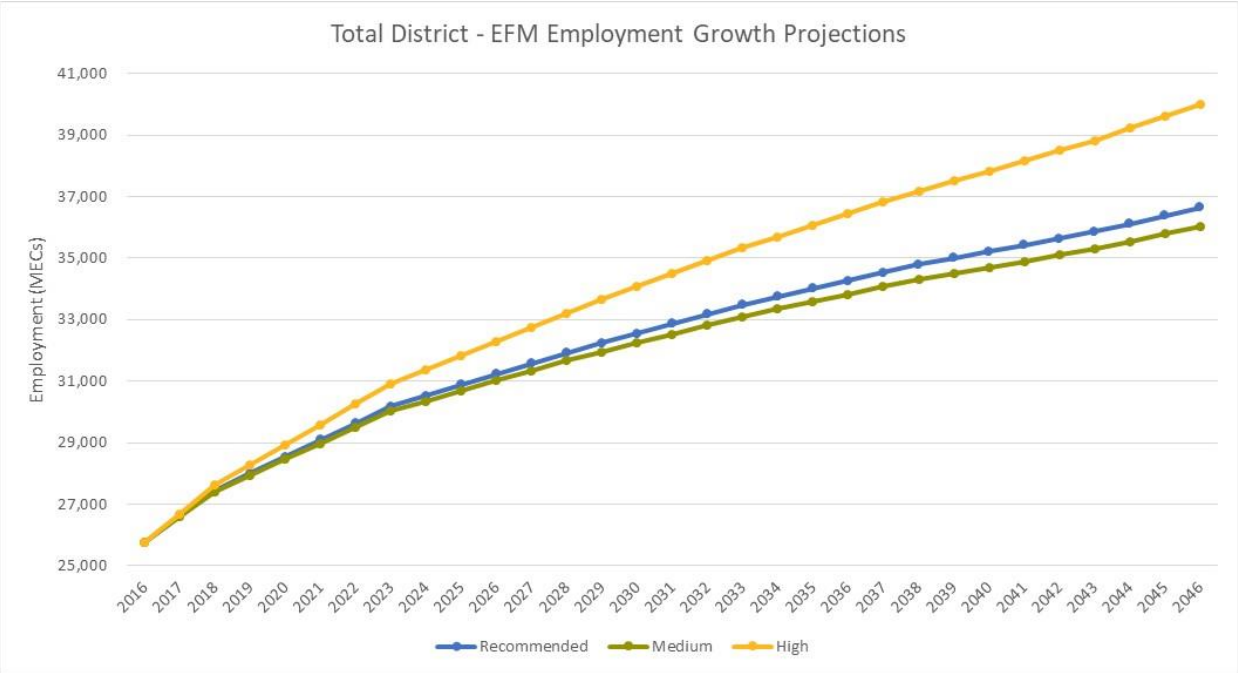
Source: SNZ Business Directory, M.E.

3.4 Future Economic Growth

This section presents the results of the economic growth projections from the EFM from the base year (2016) to 2048. The EFM provides a sound base to understand at the broad level required by the NPS-UDC, how the QLD economy will grow in response to the broad drivers (population, export performance and productivity change). Given that the BDCA will be repeated at a minimum of every 3 years, the medium and long-term figures will be constantly reassessed as part of the demand assessment. It is important to note that the EFM will produce accurate detailed projections of short-term changes and provide a robust guide to how the medium to long-term changes are likely to manifest without the levels of accuracy of the short-term.

Important also is the link between the HDCA and the BDCA. The same population and household projections drive both sets of models. This ensures consistency across the reports and ensures Council are fully informed of the effects of alternative growth futures. Core results are driven by QLDC preferred growth projections for population and tourism growth) and Medium growth for other inputs/drivers. This scenario is referred to as the 'Recommended' projection. To put this scenario in context, Figure 3.4 compares employment projections with a Medium and High growth series also modelled in QLDC's EFM. These projections (detailed at the sector and ward level) form the basis of modelling business land and floor space demand.

Figure 3.4 – QLD Employment Projections by Scenario 2016-2046



3.4.1 Total District Growth by Ward

Economic activity in QLD is expected to grow strongly over the long-term (Figure 3.4 and Table 3.7), continuing the post global financial crisis growth trend discussed above. Table 3.7 provides a summary of projected growth for gross output, value added and employment (MECs). In all three indicators, growth in

the Wanaka Ward occurs at a slightly faster rate than in the Wakatipu Ward, and the district overall, as it has done in the recent past. In real terms however, Wakatipu is, and continues to be, the larger of the two economies.

The growth rates projected in QLD are significantly higher than in the rest of Otago Region and the rest of New Zealand – earning its place as one of the 'high growth districts' under the NPS-UDC. By 2048, total gross output (business turnover) is projected to increase by $2,730 million (a 70% increase).

The real economic growth is calculated from changes in value added. Value added is broadly synonymous with Gross Domestic Product (GDP) and captures the value created by activity stimulated within the district. As the name suggests, it is a measure of the value added by businesses within the District. Value added captures wages and salaries, operating surplus, taxes paid to central government and subsidies.

Table 3.7: QLD, Otago Region and the Rest of NZ Economic Projections, 2016 – 2048

Gross Output ($million2016)										
Region/Ward	Output 2016	Output 2018	Output 2023	Output 2028	Output 2033	Output 2038	Output 2043	Output 2048	Total Growth 2016-48 (n)	Total Growth 2016-48 (%)
Wakatipu	$ 2,864	$ 3,085	$ 3,481	$ 3,786	$ 4,083	$ 4,362	$ 4,626	$ 4,870	$ 2,006	70%
Wanaka	$ 1,013	$ 1,087	$ 1,232	$ 1,345	$ 1,452	$ 1,554	$ 1,650	$ 1,738	$ 725	72%
Total QLD	$ 3,878	$ 4,172	$ 4,713	$ 5,131	$ 5,536	$ 5,916	$ 6,276	$ 6,608	$ 2,730	70%
Total Rest of Otago Regio	$ 17,365	$ 18,072	$ 19,638	$ 21,012	$ 22,332	$ 23,552	$ 24,716	$ 25,672	$ 8,306	48%
Rest of New Zealand	$ 465,443	$ 486,143	$ 532,622	$ 576,135	$ 618,020	$ 657,055	$ 694,981	$ 727,372	$ 261,929	56%
Value Added ($million2016)										
Region/Ward	Value Added 2016	Value Added 2018	Value Added 2023	Value Added 2028	Value Added 2033	Value Added 2038	Value Added 2043	Value Added 2048	Total Growth 2016-48 (n)	Total Growth 2016-48 (%)
Wakatipu	$ 1,338	$ 1,441	$ 1,624	$ 1,763	$ 1,897	$ 2,023	$ 2,141	$ 2,251	$ 913	68%
Wanaka	$ 461	$ 496	$ 563	$ 613	$ 661	$ 705	$ 747	$ 786	$ 325	70%
Total QLD	$ 1,799	$ 1,937	$ 2,187	$ 2,375	$ 2,558	$ 2,729	$ 2,888	$ 3,037	$ 1,238	69%
Total Rest of Otago Regio	$ 7,854	$ 8,154	$ 8,793	$ 9,340	$ 9,859	$ 10,331	$ 10,771	$ 11,138	$ 3,284	42%
Rest of New Zealand	$ 216,911	$ 226,285	$ 246,724	$ 265,631	$ 283,699	$ 300,369	$ 316,385	$ 330,231	$ 113,320	52%
Employee Count (Modified to Include Working Proprietors)										
Region/Ward	MECs 2016	MECs 2018	MECs 2023	MECs 2028	MECs 2033	MECs 2038	MECs 2043	MECs 2048	Total Growth 2016-48 (n)	Total Growth 2016-48 (%)
Wakatipu	19,300	20,580	22,570	23,870	25,030	25,990	26,790	27,770	8,470	44%
Wanaka	6,460	6,880	7,600	8,060	8,460	8,800	9,070	9,400	2,940	46%
Total QLD	25,750	27,460	30,180	31,920	33,480	34,790	35,860	37,170	11,420	44%
Total Rest of Otago Regio	117,150	120,070	125,450	129,240	132,490	134,880	136,510	139,070	21,920	19%
Rest of New Zealand	2,247,560	2,313,590	2,442,180	2,550,660	2,644,840	2,718,910	2,778,870	2,858,590	611,030	27%

Source: QLD EFM (2018). Rationale Recommended Population and Average Day Visitor Growth with Medium Other Scenario.

Growth in value added mirrors growth in gross output, with QLD growing by approximately 69% by 2048 (an increase of $1,238 million). This growth sees employment in the district grow from approximately 25,750 MECs in 2016 to nearly 37,200 MECs by 2048 (an additional 11,420 workers; with approximately 8,470 in the Wakatipu ward and 2,940 in the Wanaka ward[47]). This equates to total growth of 44% - lower than gross output and value added due to increases in productivity over time. The growth is distributed relatively evenly across the two wards, with the current distribution of employment (75% in Wakatipu and

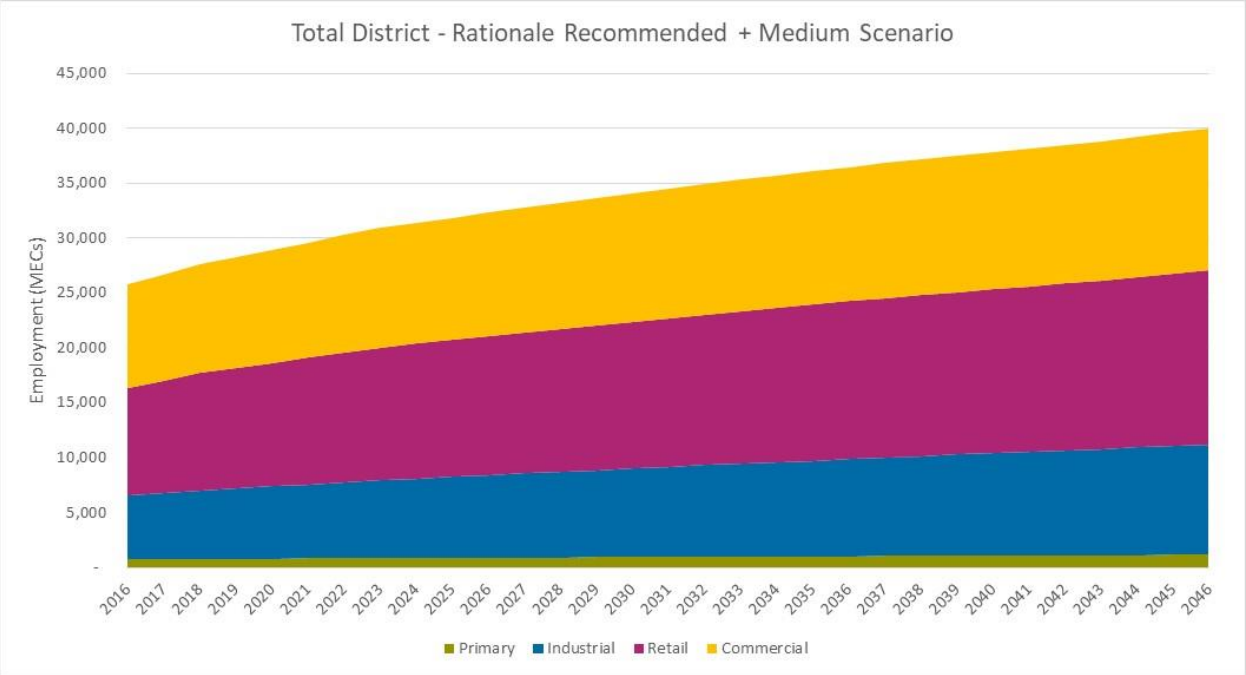
[47] Figures have been rounded.

25% in Wanaka Ward), changing very little over the next 30 years (and assuming growth is not constrained by capacity; or capacity is increased substantially more in one ward over the other).

3.4.2 District Growth by Broad Sector

Figure 3.5 summarises projected employment growth in QLD by the broad primary, industrial, retail and commercial sectors to 2046[48] (based on groupings of the 48 economic sectors). Little growth is projected in the primary sector – this remains only a small component of the QLD economy in the long-term. Industrial sectors have the fastest growth rate (72% compared to an average of 55% for all sectors) and employment in this category is expected to increase by a further 4,220 MECs. Retail sectors (which includes Accommodation and Food Services for the purpose of this summary) remain the largest share of business employment and are projected to grow by 62% above 2016 employment counts (growth of 6,060 MECs by 2046). Last, commercial sectors have a combined long-term growth rate of 38% by 2046 (an increase of 3,570 MECs).

Figure 3.5 – QLD Employment Projections (Recommended) by Broad Category 2016-2046



3.4.3 Employment Growth in Business Enabled Urban Zones

The employment growth projections above relate to the total QLD. This growth will drive demand for land and floorspace in a range of locations – both urban and rural, and in a range of zones.

The aim of this BDCA is to understand future demand for land and floor space within the district's business enabled zones in the urban environment. Section 3.1.3 discussed the current (2016) shares of employment

[48] Note, projections have been interpolated from the EFM outputs to show annual employment counts. Only growth to 2046 is shown to align with the 2016 base year and long-term (30 year outlook) adopted for the purpose of this BDCA (and therefore differs from Table 3.6 which had a 2048 outlook).

by sector that have located in those zones (Table 3.4). It showed that overall, 63% of all employment in the district falls within operative and proposed business zones.

These sector shares (Table 3.3) have been applied to the QLDC Recommended employment projections for the total district to focus the demand analysis (discussed in section 4) on the relevant areas within the District Plan[49]. This approach assumes that those shares (location preferences) hold constant over the long-term (to 2046). In future updates of the BDCA, further analysis (and monitoring) can be used to test the validity of this assumption (and identify alternatives such as an increasing share of activity in some sectors seeking a business zone premises).

Figure 3.6 summarises the final results for employment projected in urban business enabled zones within QLD in the short, medium and long-term.

Figure 3.6 – Total Projected Employment in Urban Business Enabled Zones 2016-2046

[49] It would not be appropriate to assume all district employment growth would be directed at business enabled zones. This would grossly overstate demand for business land and floor space.

4 Business Land and Floorspace Demand

This section takes projected employment growth anticipated to occur or be directed to urban business enabled zones in QLD (section 2.3.3) and translates it into additional demand for land and floorspace in the short, medium and long-term. The translation considers the different land use and building typologies required to put employment growth 'on the ground'.

4.1 Sector – Land Use / Building Typology Relationships

The NPS requires an assessment of the different types of business land and floor areas required to meet demand.

Given the similarity of activities carried out by employees across a range of sectors there are a smaller number of land use or building typologies than there are activity types. For example, commercial office space may be occupied by a wide range of businesses and organisations across a number of sectors. For the purposes of the NPS-UDC, all land use and building typologies have been condensed into three broad categories – Industrial, Commercial and Retail. However, to provide a degree of flexibility, employment has initially been distributed by 6 digit ANZSIC sectors across 15 different land use or building typologies.

By outlining the information in a matrix format (for ease of use, this has been aggregated to 48 sectors x 15 land use/building typologies), a single sector is allowed to split its activity between different land uses and building typologies. This is important as it is unlikely that all employment in any one industry occupies the exact same space type. A simple example is a large industrial business with a large industrial footprint, but also a warehouse area and a head office in commercial office space.

By utilising a matrix structure, employment growth is translated much more realistically to the type of land or building typology it generates. The matrix applied for this BDCA has been developed by M.E based on national averages. In future updates, a QLD specific matrix could be developed. This would establish a more accurate relationship between local business activity and development/land use patterns. A copy of the current matrix, showing the distribution of sector employment by land use or building typology is included in Appendix 8.

4.1.1 Exclusion

The framework also captures rural activity in the form of farms – this forms a separate Rural category. This category has been excluded as it is not relevant in an urban development capacity assessment. However, any employment growth that would normally be associated with farms has been allocated to farms – and excluded from the amount Council needs to zone space for in the urban environment.

4.2 Employment by Land Use / Building Typology

The result of distributing 48 sector employment projections for the urban business enabled zones by the land use / building typology matrix is summarised in Table 4.1. Results are broken down by Ward and total district and show, for example, that across all business enabled zones, employment in commercial office space is projected to increase by 120 MECs in the short-term (2019), 290 MECs in the medium-term (2026) and 520 MECs in the long-term (2046). The largest increases in demand, in both Wanaka and the Wakatipu Ward will be for accommodation, shops and food and beverage premises.

Table 4.1 – Urban Business Zone Employment Projections by Land Use/Building Typology

Category	Land Use / Building Type	Count				Growth (n)			Growth (%)		
		MECs 2016	MECs 2019	MECs 2026	MECs 2046	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Wanaka Ward											
Commercial	Office---Commercial	370	390	430	480	30	60	110	8%	16%	30%
	Office---Retail	50	60	70	80	10	10	30	18%	18%	55%
	Accommodation	530	590	680	770	70	150	240	13%	28%	45%
	Yard---Commercial	270	300	340	410	30	70	130	11%	25%	47%
	Other Built---Commercial	360	390	430	510	30	70	150	8%	20%	42%
	Education	50	50	60	70	10	10	20	21%	21%	42%
	Outdoor---Commercial	10	10	10	10	-	-	10	0%	0%	122%
Industrial	Warehouse	270	290	320	370	20	50	100	7%	19%	37%
	Factory	200	210	230	270	10	30	70	5%	15%	35%
	Yard---Industrial	190	210	230	280	10	40	80	5%	21%	41%
	Other Built---Industrial	120	130	150	200	10	30	80	8%	25%	66%
Retail	Shops---Commercial	780	850	940	1,100	70	170	320	9%	22%	41%
	Shops---Food and Beverage	530	590	680	770	70	150	240	13%	28%	45%
Total		3,730	4,070	4,560	5,300	340	840	1,580	9%	23%	42%
Wakatipu Ward											
Commercial	Office---Commercial	1,410	1,510	1,640	1,830	100	230	410	7%	16%	29%
	Office---Retail	160	170	190	240	10	40	80	6%	25%	51%
	Accommodation	1,610	1,800	2,030	2,410	190	430	800	12%	27%	50%
	Yard---Commercial	700	760	860	1,020	60	150	320	9%	21%	46%
	Other Built---Commercial	1,250	1,340	1,480	1,730	90	230	480	7%	18%	39%
	Education	240	260	280	320	20	40	80	8%	17%	34%
	Outdoor---Commercial	30	30	40	50	-	10	20	0%	32%	65%
Industrial	Warehouse	1,090	1,160	1,280	1,470	80	190	380	7%	17%	35%
	Factory	750	810	900	1,010	60	140	260	8%	19%	35%
	Yard---Industrial	780	840	930	1,090	60	150	310	8%	19%	40%
	Other Built---Industrial	510	550	630	800	50	120	290	10%	24%	57%
Retail	Shops---Commercial	2,190	2,360	2,590	2,980	170	400	790	8%	18%	36%
	Shops---Food and Beverage	1,610	1,800	2,030	2,410	190	430	800	12%	27%	50%
Total		12,320	13,390	14,880	17,350	1,070	2,560	5,030	9%	21%	41%
Total QLD											
Commercial	Office---Commercial	1,780	1,900	2,070	2,300	120	290	520	7%	16%	29%
	Office---Retail	210	230	260	320	20	50	110	9%	24%	52%
	Accommodation	2,130	2,390	2,710	3,180	260	580	1,040	12%	27%	49%
	Yard---Commercial	980	1,060	1,200	1,430	90	220	450	9%	22%	46%
	Other Built---Commercial	1,600	1,720	1,910	2,240	120	310	630	7%	19%	39%
	Education	290	310	340	390	20	60	100	7%	21%	35%
	Outdoor---Commercial	40	40	50	60	-	10	30	0%	26%	77%
Industrial	Warehouse	1,360	1,450	1,590	1,840	90	240	480	7%	18%	35%
	Factory	950	1,030	1,130	1,280	70	170	330	7%	18%	35%
	Yard---Industrial	970	1,040	1,160	1,370	70	190	390	7%	20%	40%
	Other Built---Industrial	630	680	780	990	60	150	360	10%	24%	57%
Retail	Shops---Commercial	2,970	3,200	3,540	4,080	230	570	1,110	8%	19%	37%
	Shops---Food and Beverage	2,130	2,390	2,710	3,180	260	580	1,040	12%	27%	49%
Total		16,050	17,460	19,440	22,650	1,420	3,400	6,610	9%	21%	41%

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Wakatipu Ward includes both Queenstown and Arrowtown Wards, figures rounded to nearest 10. Excludes any employment attributed to rural land use.

4.3 Employment GFA and Land Conversions

Some businesses will require more land area than others, and this has obvious implications for development capacity. For example, industrial activities are likely to require more land area than retail shops. To assess land area and floorspace requirements for business activity, employment is translated into likely building space and land use using the following average ratios (Table 4.2). These ratios are derived from current data relating to employment and land use/space types, although further work is needed to develop local (QLD) ratios – this can be captured in future updates of this BDCA.

Diversity of space and land needs on a business by business basis result in wide variations between the maximums and minimums in this table. For the most part averages have been used for the modelling (refer 'in use' column). These ratios suggest, for example, that 20sqm of commercial office building floorspace (measured in GFA) is required for every worker, or conversely, 30sqm of land (developable not gross). For every MEC in the accommodation sector, 100sqm of GFA is required and 200sqm of land is needed. The ratios are assumed to apply equally over the whole district and are assumed to hold constant over time.

Table 4.2 – Employment to Building / Land Use GFA and Land Conversions

	Floorspace per Person Employed (sqm)			Land per Person Employed (sqm)		
	Min	Max	In Use	Min	Max	In Use
Office---Commercial	13	100	20	13	100	30
Office---Retail	20	100	27	20	100	45
Shops---Commercial	10	100	27	10	100	50
Shops---Food and Beverage	15	100	47	15	200	85
Accommodation	15	200	100	15	400	200
Ware house	100	200	167	100	600	350
Factory	80	200	138	80	500	265
Yard---Commercial	50	150	85	100	350	190
Yard---Industrial	50	150	100	100	350	265
Other Built---Commercial	20	120	60	20	500	120
Other Built---Industrial	20	120	60	20	500	120
Education	30	100	60	50	500	167
Outdoor---Commercial	10	100	20	10	1000	50
Outdoor---Industrial	10	100	20	10	1000	50

Source: M.E (based on data developed/analysed for Auckland)

Persons employed based on modified employee count (MEC) 2016, M.E.

4.4 Future Demand for Urban Business Land – by District and Ward

Applying Table 4.2 (land per person employed ratios) to the employment projections in Table 4.1 generates estimates of future demand for land in urban business enabled zones by land use. This is summarised in Table 4.3 and Figure 4.1.

Across the total district, and under the employment growth scenario based on the QLDC Recommended projections, there is demand for 20 ha of additional business zone land (across all sectors) in the short-

term, demand for a further 29 ha in the medium-term and demand for a further 47 ha in the long-term. This is a cumulative long-term requirement of 96 ha.

The short-term demand for retail land (shops) is 3 ha, mostly for food and beverage outlets. In the medium-term there is demand for 4 ha of retail land and in the long-term, there is demand for 7 ha. This is a cumulative long-term requirement of 14 ha. The short-term demand for commercial land is approximately 9 ha, with half of that being for accommodation activities (e.g. hotels/motels)[50]. In the medium-term there is demand for 12 ha and in the long-term there is demand for 20 ha. This is a cumulative long-term requirement of 41 ha (Table 4.3 and Figure 4.1).

The short-term demand for industrial land across the district is 8 ha (by 2019). In the medium-term there is demand for 12 ha and in the long-term there is demand for 21 ha. This is a cumulative long-term requirement for industrial land is 40 ha – with 17 ha of that for warehouse space and 10 ha for yard space. Despite lower employment growth projections, industrial activities show a similar long-term land area demand to the commercial sector due to the higher land area required per employee, as demonstrated in Table 4.2.

Overall, the results indicate the greatest land area demand in the short, medium and long-term is for commercial visitor accommodation; and industrial warehouse, factory and yard space.

Table 4.3 – QLD Land Demand in Business Enabled Zones by Land Use (Ha)

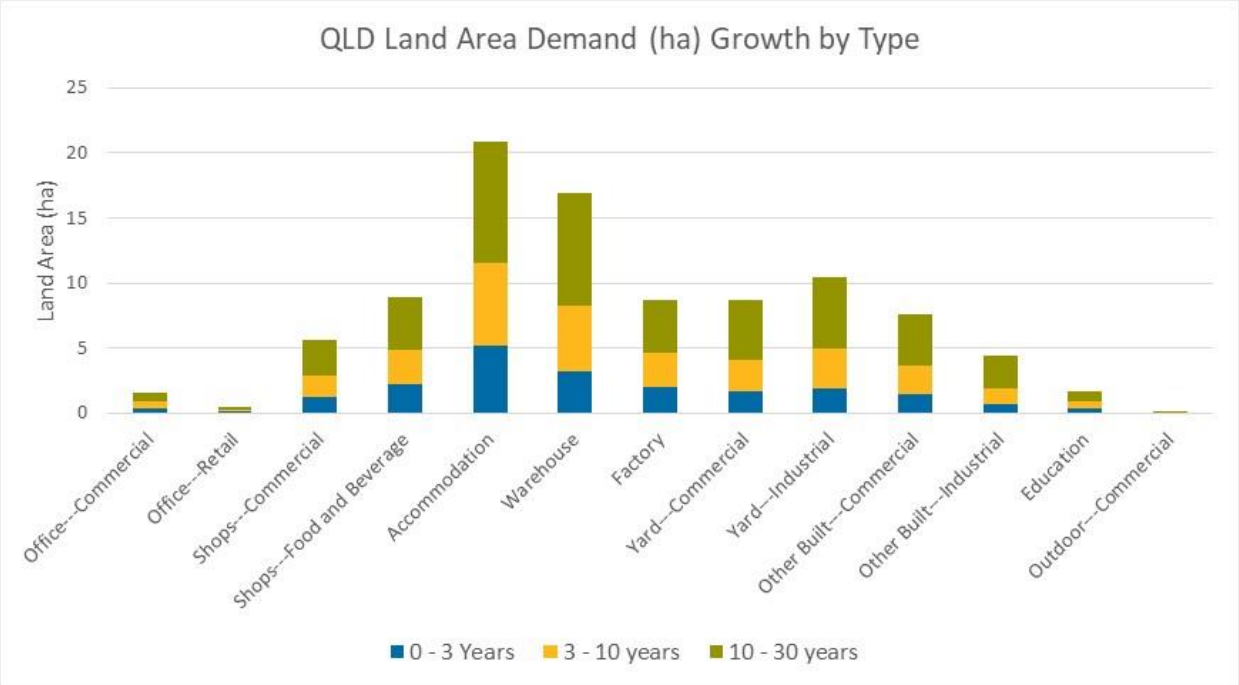
Category	Land Use / Building Type	Land Demand (Ha)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	0.4	0.5	0.7	1.6
	Office---Retail	0.1	0.1	0.3	0.5
	Accommodation	5.1	6.4	9.3	20.9
	Yard---Commercial	1.7	2.5	4.5	8.6
	Other Built---Commercial	1.4	2.2	3.9	7.6
	Education	0.4	0.5	0.8	1.7
	Outdoor---Commercial	0.0	0.0	0.1	0.1
Industrial	Warehouse	3.2	5.0	8.6	16.9
	Factory	1.9	2.7	4.0	8.7
	Yard---Industrial	1.9	3.0	5.5	10.4
	Other Built---Industrial	0.7	1.2	2.5	4.4
Retail	Shops---Commercial	1.2	1.7	2.7	5.6
	Shops---Food and Beverage	2.2	2.7	4.0	8.9
TOTAL		20.2	28.6	46.9	95.7

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

[50] Noting that a portion of Commercial Visitor Accommodation could establish in the High Density Residential Zone. The take up of this will need to be monitored.

Figure 4.1 - QLD Land Demand in Business Enabled Zones by Land Use (Ha)



In the Wanaka Ward, and under the QLDC Recommended growth scenario, there is projected demand for nearly 5 ha of additional business zone land (across all sectors) in the short-term, a further 7 ha in the medium-term, and a further 11 ha in the long-term (Table 4.4). This is a cumulative long-term requirement of 22 ha comprising 22% of all district land demand in urban business enabled zones.

The short-term demand for retail land (shops) in the Wanaka business zones is just under 1 ha, mostly for food and beverage outlets. In the medium-term there is demand for just over 1 ha of retail land and in the long-term, there is demand for just under 2 ha. This is a cumulative long-term requirement of nearly 4 ha. The short-term demand for commercial land is just over 2 ha, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for just over 3 ha and in the long-term there is demand for between 4 and 5 ha. This is a cumulative long-term requirement of 10 ha (Table 4.4). This represents 46% of the total long-term land demand in Wanaka ward business zones.

The short-term demand for industrial land across the Wanaka Ward business zones is just over 1 ha (by 2019). In the medium-term there is demand for just over 2 ha and in the long-term there is demand for between 4 and 5 ha. This is a cumulative long-term requirement for industrial land of 8 ha – with over 3 ha of that for warehouse space. Industrial land demand represents 38% of the total long-term business land demand in the Wanaka Ward (Table 4.4).

Table 4.4 – Wanaka Ward Land Demand in Business Enabled Zones by Land Use (Ha)

Category	Land Use / Building Type	Land Demand (Ha)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	0.1	0.1	0.1	0.3
	Office---Retail	0.0	0.0	0.1	0.1
	Accommodation	1.3	1.7	1.9	4.8
	Yard---Commercial	0.5	0.7	1.3	2.5
	Other Built---Commercial	0.3	0.5	0.9	1.8
	Education	0.1	0.1	0.2	0.4
	Outdoor---Commercial	0.0	0.0	0.0	0.0
Industrial	Warehouse	0.6	1.0	1.8	3.4
	Factory	0.3	0.5	0.9	1.8
	Yard---Industrial	0.4	0.6	1.2	2.2
	Other Built---Industrial	0.1	0.2	0.6	0.9
Retail	Shops---Commercial	0.3	0.5	0.8	1.6
	Shops---Food and Beverage	0.6	0.7	0.8	2.1
TOTAL		4.6	6.8	10.5	22.0

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

In the Wakatipu Ward, and under the QLDC Recommended growth scenario, there is projected demand for nearly 16 ha of additional business zone land (across all sectors) in the short-term, a further 22 ha in the medium-term, a further 36 ha in the long-term. This is a cumulative long-term requirement of 74 ha – comprising 77% of all district land demand in urban business enabled zones.

The short-term demand for retail land (shops) in the Wakatipu business zones is between 2 and 3 ha, mostly for food and beverage outlets. In the medium-term there is demand for just over 3 ha of retail land and in the long-term, there is demand for just over 5 ha. This is a cumulative long-term requirement of just under 11 ha. The short-term demand for commercial land is nearly 7 ha, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for just over 9 ha and in the long-term there is demand for approximately just over 15 ha. This is a cumulative long-term requirement of approximately 31 ha (Table 4.5). This represents 42% of the total long-term land demand in Wakatipu ward business zones.

The short-term demand for industrial land across the Wakatipu Ward business zones is just over 6 ha (by 2019). In the medium-term there is demand for between 9 and 10 ha and in the long-term there is demand for just over 16 ha. This is a cumulative long-term requirement for industrial land of 32 ha – with over 13 ha of that for warehouse space and over 8 ha for yard space. Industrial land demand represents 43% of the total long-term business land demand in the Wakatipu Ward (Table 4.5). This industrial demand includes demand for land associated with the Queenstown Airport (Air Transport Services which comprises a mixture of warehouse, factory, yard and other industrial space types)[51]. Airport related demand in the

[51] The same does not apply to the Wanaka Airport as it is located outside the urban environment and so its demand is associated with demand in the rural environment (rest of district). It is however possible that the Wanaka Airport may play an increasing role for airport related industrial demand in the future, and that the Queenstown Airport is currently analysing a range of growth

Wakatipu Ward equates to 1.0 ha of industrial land in the short-term, a further 1.0 ha in the medium-term and a further 1.2 ha in the long-term. This is a total long-term demand of 3.2 ha[52].

Table 4.5 – Wakatipu Ward Land Demand in Business Enabled Zones by Land Use (Ha)

Category	Land Use / Building Type	Land Demand (Ha)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	0.3	0.4	0.6	1.2
	Office---Retail	0.1	0.1	0.2	0.4
	Accommodation	3.8	4.7	7.5	16.0
	Yard---Commercial	1.2	1.7	3.2	6.1
	Other Built---Commercial	1.1	1.7	3.0	5.8
	Education	0.3	0.4	0.6	1.3
	Outdoor---Commercial	0.0	0.0	0.1	0.1
Industrial	Warehouse	2.6	4.0	6.8	13.4
	Factory	1.6	2.1	3.1	6.9
	Yard---Industrial	1.5	2.4	4.3	8.2
	Other Built---Industrial	0.5	0.9	2.0	3.5
Retail	Shops---Commercial	0.8	1.2	1.9	4.0
	Shops---Food and Beverage	1.6	2.0	3.2	6.8
TOTAL		15.5	21.7	36.4	73.7

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

4.4.1 Summary

The results indicate that the greatest land area demand in the short, medium and long-term across the District's business enabled zones, is for commercial land (predominantly visitor accommodation) and industrial warehouse, factory and yard space. The land extensive nature of industrial demand puts it on par with commercial land demand despite lower projected employment growth (Section 4.3).

This result does not apply evenly across QLD urban business zones. In the Wanaka ward, demand is greatest for commercial land capacity – it accounts for a 46% share of total Wanaka ward land demand over the long-term (with industrial land demand making up a 38% share). In contrast, demand in the Wakatipu ward is slightly greater for industrial land capacity in the long-term – it accounts for a 43% share of total Wakatipu ward land demand (with commercial land demand making up 42%).

In the Wanaka ward, the combined commercial and industrial sectors make up 83% of the total urban business land demand. Similarly, in the Wakatipu ward, these sectors make up 85% of the total urban business land demand. However, the business land demand across all sectors in the Wanaka ward makes up only 23% of the district wide land demand; with the Wakatipu remaining the dominant commercial area

options through the recently released 30 Year Master Plan. This will be an aspect to be monitored over time and accounted for in future BDCA's if necessary.

[52] This is based on business as usual growth – it is associated with average day visitor growth projected by QLDC and other wider economic drivers.

with 77% of the district wide land demand – reflecting its larger economic and population base. Future Demand for Urban Business Floorspace – by District and Ward

The NPS-UDC requires an assessment of the different types of business land and floor areas (sqm) required to meet demand. Applying Table 4.2 (GFA per person employed ratios) to the employment projections in Table 4.6 generates estimates of future demand for built space (sqm) in urban business enabled zones by building typology.

Table 4.6 – QLD GFA Demand in Business Enabled Zones by Building Typology (sqm)

Category	Land Use / Building Type	GFA Demand (sqm)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	2,500	3,300	4,700	10,500
	Office---Retail	500	800	1,600	2,900
	Accommodation	25,700	31,800	46,700	104,200
	Yard---Commercial	7,300	11,000	20,100	38,400
	Other Built---Commercial	7,300	11,000	19,600	37,900
	Education	1,400	1,900	2,700	6,000
	Outdoor---Commercial	100	100	300	500
Industrial	Warehouse	15,500	24,000	41,000	80,500
	Factory	10,200	14,000	21,000	45,200
	Yard---Industrial	7,100	11,600	20,800	39,500
	Other Built---Industrial	3,300	5,900	12,700	21,900
Retail	Shops---Commercial	6,300	9,100	14,700	30,100
	Shops---Food and Beverage	12,100	15,000	22,000	49,100
TOTAL		99,300	139,500	227,900	466,700

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Across the total district, and under the employment growth scenario based on the QLDC Recommended projections, there is demand for 99,300sqm GFA of additional business zone space (across all sectors) in the short-term, demand for a further 139,500sqm GFA in the medium-term and demand for a further 227,900sqm GFA in the long-term. This is a cumulative long-term requirement of 466,700sqm GFA.

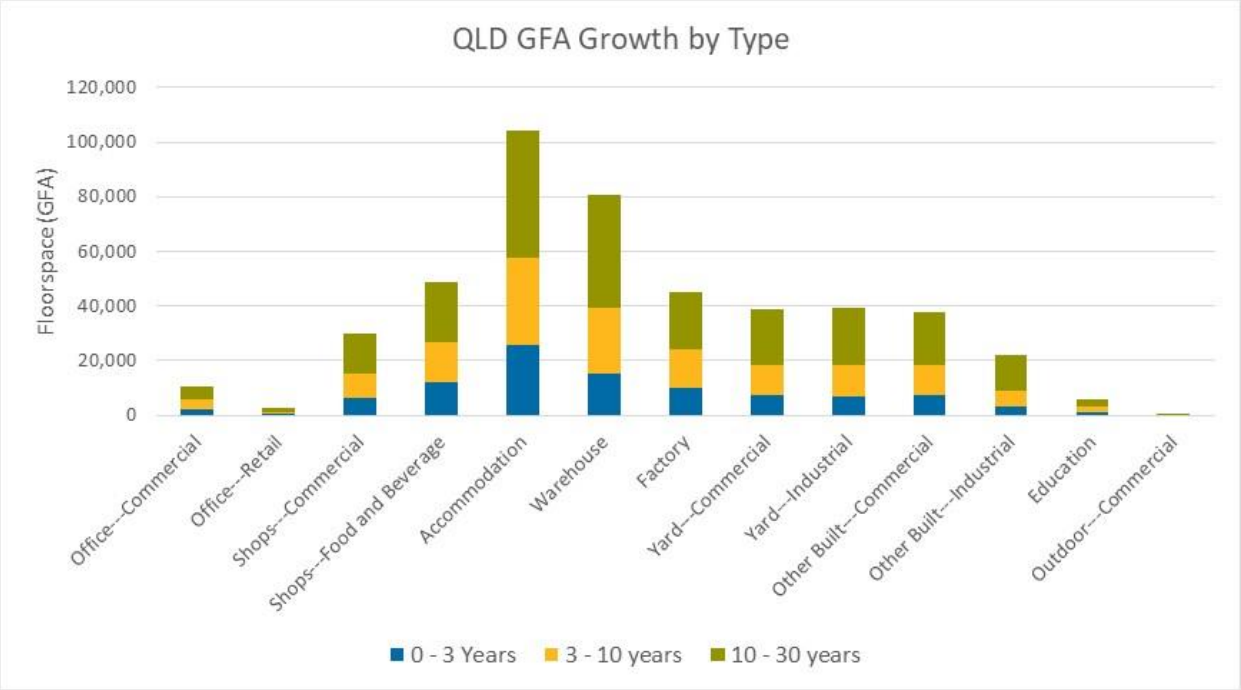
The short-term demand for retail space (shops) is 18,400sqm GFA, mostly for food and beverage outlets. In the medium-term there is demand for 24,100sqm GFA of retail space and in the long-term, there is demand for 36,700sqm GFA. This is a cumulative long-term requirement of 79,200sqm GFA. The short-term demand for commercial space is approximately 44,800sqm GFA, with just over half of that being for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for 59,900sqm GFA and in the long-term there is demand for 95,700sqm GFA. This is a cumulative long-term requirement of 200,400sqm GFA (Table 4.6 and Figure 4.2).

The short-term demand for urban industrial space across the district is 36,100sqm GFA (by 2019). In the medium-term there is demand for 55,500sqm GFA and in the long-term there is demand for 95,500sqm GFA. This is a cumulative long-term requirement for industrial floorspace of 187,100sqm GFA – with 80,500sqm GFA of that for warehouse space and 45,200sqm GFA for factory (i.e. production) space. While commercial and industrial land demand was similar in quantum over the long-term, demand for

commercial floorspace exceeds industrial floorspace demand, due to the smaller role built space plays in many industrial properties, particularly yards.

Overall, the results shown in Figure 4.2 indicate the greatest floorspace demand in the short, medium and long-term is for commercial visitor accommodation, followed by industrial warehouses and food and beverage premises.

Figure 4.2 - QLD GFA Demand in Business Enabled Zones by Building Typology (sqm)



In the Wanaka Ward, and under the QLDC Recommended growth scenario, there is projected demand for an estimated 22,800sqm GFA of additional business zone space (across all sectors) in the short-term, a further 33,500sqm GFA in the medium-term, and a further 51,000sqm GFA in the long-term (Table 4.7). This is a cumulative long-term requirement of 107,300sqm GFA comprising 23% of all district floorspace demand in urban business zones.

The short-term demand for total retail space in the Wanaka business zones is just under 5,000sqm GFA, mostly for food and beverage outlets. In the medium-term there is demand for 6,600sqm GFA of retail space and in the long-term, there is demand for 8,600sqm GFA. This is a cumulative long-term requirement of nearly 20,100sqm GFA[53]. The short-term demand for commercial floorspace is 11,300sqm GFA, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for an estimated 15,500sqm GFA and in the long-term there is demand for 21,800sqm GFA. This

[53] Note, throughout this section, demand and supply as at 2016 is assumed to be in balance and any current under- or over-supply of business land/floorspace is not represented in the reported figures. This is relevant in Wanaka for example, where there is evidence of a shortage of retail floorspace in some retail store types.

is a cumulative long-term requirement of nearly 49,000sqm GFA (Table 4.7). This represents 45% of the total long-term floorspace demand in Wanaka ward business zones.

The short-term demand for industrial space across the Wanaka Ward business zones is estimated at 6,600sqm GFA (by 2019). In the medium-term there is demand for 11,400sqm GFA and in the long-term there is demand for 20,600sqm GFA. This is a cumulative long-term requirement for industrial floorspace of 38,600sqm GFA – with over 16,000sqm GFA of that for warehouse space. Industrial land demand represents 36% of the total long-term business floorspace demand in the Wanaka Ward (Table 4.7).

Table 4.7 – Wanaka Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

Category	Land Use / Building Type	GFA Demand (sqm)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	500	700	1,000	2,200
	Office---Retail	100	200	400	700
	Accommodation	6,500	8,300	9,300	24,100
	Yard---Commercial	2,200	3,300	5,800	11,300
	Other Built---Commercial	1,700	2,600	4,600	8,900
	Education	300	400	600	1,300
	Outdoor---Commercial	-	-	100	100
Industrial	Warehouse	3,000	4,900	8,500	16,400
	Factory	1,700	2,900	4,800	9,400
	Yard---Industrial	1,300	2,400	4,500	8,200
	Other Built---Industrial	600	1,200	2,800	4,600
Retail	Shops---Commercial	1,800	2,700	4,200	8,700
	Shops---Food and Beverage	3,100	3,900	4,400	11,400
TOTAL		22,800	33,500	51,000	107,300

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.
Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

In the Wakatipu Ward, and under the QLDC Recommended growth scenario, there is projected demand for nearly 77,000sqm GFA of additional business zone floorspace (across all sectors) in the short-term, a further 106,000sqm GFA in the medium-term, a further 176,900sqm GFA in the long-term. This is a cumulative long-term requirement of 359,400sqm GFA – comprising 77% of all district floorspace demand in urban business enabled zones.

The short-term demand for retail floorspace (shops) in the Wakatipu business zones is approximately 13,500sqm GFA, mostly for food and beverage outlets. In the medium-term there is demand for 17,500sqm GFA of retail space and in the long-term, there is demand for 28,100sqm GFA. This is a cumulative long-term requirement of just under 60,000sqm GFA. The short-term demand for commercial floorspace is estimated at 33,500sqm GFA, with more than half of that for accommodation activities (e.g. hotels/motels). In the medium-term there is demand for 44,400sqm GFA and in the long-term there is demand for approximately 74,000sqm GFA. This is a cumulative long-term requirement of approximately 151,800sqm GFA of floorspace (Table 4.8). This represents 42% of the total long-term floorspace demand in Wakatipu ward business zones.

The short-term demand for industrial floorspace across the Wakatipu Ward business zones is estimated at 29,500sqm GFA (by 2019). In the medium-term there is demand for 44,100sqm GFA and in the long-term there is demand for nearly 75,000sqm GFA. This is a cumulative long-term requirement for industrial floorspace of 148,500sqm GFA – with over 64,000sqm GFA of that for warehouse space and nearly 36,000sqm GFA for factory space. Industrial floorspace demand represents 41% of the total long-term business space demand in the Wakatipu Ward (Table 4.8). Again, this industrial demand includes demand for floorspace associated with the Queenstown Airport (Air Transport Services which comprises a mixture of warehouse, factory, yard and other industrial space types).

Table 4.8 – Wakatipu Ward GFA Demand in Business Enabled Zones by Building Typology (sqm)

Category	Land Use / Building Type	GFA Demand (sqm)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Office---Commercial	2,000	2,600	3,700	8,300
	Office---Retail	400	600	1,200	2,200
	Accommodation	19,200	23,500	37,400	80,100
	Yard---Commercial	5,100	7,700	14,300	27,100
	Other Built---Commercial	5,600	8,400	15,000	29,000
	Education	1,100	1,500	2,100	4,700
	Outdoor---Commercial	100	100	200	400
Industrial	Warehouse	12,500	19,100	32,500	64,100
	Factory	8,500	11,100	16,200	35,800
	Yard---Industrial	5,800	9,200	16,300	31,300
	Other Built---Industrial	2,700	4,700	9,900	17,300
Retail	Shops---Commercial	4,500	6,400	10,500	21,400
	Shops---Food and Beverage	9,000	11,100	17,600	37,700
TOTAL		76,500	106,000	176,900	359,400

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Summary

The results indicate that the greatest floorspace demand in the short, medium and long-term across the District business enabled zones, is for commercial space (predominantly visitor accommodation), followed by industrial space (predominantly warehouse) and then retail space (predominantly food and beverage).

This result holds true across both wards of the district, but the difference between total commercial floorspace demand and industrial floorspace demand in Wakatipu is only small, while in Wanaka it is more pronounced.

In the Wanaka ward, the combined commercial and industrial sectors make up 81% of the total urban business floorspace demand. Similarly, in the Wakatipu ward, these sectors make up 84% of the total urban business floorspace demand. However, the business land demand across all sectors in the Wanaka ward makes up only 23% of the district wide floorspace demand; with the Wakatipu remaining the dominant commercial area with 77% of the district wide land demand – reflecting its larger economic and population base.

4.5 Alternative Growth Projections

This BDCA has focussed on the EFM growth projection that is based on QLDC Recommended outlook to tie in with Council's other growth modelling. This section considers a range of future growth, above and below the QLDC projection to cater for any future uncertainty. Later in the report, these alternate growth projections also help test the sensitivity of final sufficiency conclusions to employment growth assumptions.

Tables 4.9 and 4.10 illustrate the effect of lower and higher employment growth projections on land and floorspace demand for total district urban business zones. They compare the QLDC Recommended growth projection in the EFM (discussed above) with EFM Medium and High projections which are based on SNZ inputs and growth projections. The differences between the Medium and Recommended are small, due to the similarity of the employment projections. While QLDC population projections are closer to the SNZ High than the SNZ Medium, when combined with the Recommended average day visitor counts, these are only two of the inputs to the EFM. The balance of inputs to the EFM that form the QLDC 'Recommended 'employment projections are associated with a medium outlook.

The high growth projections show a material difference in final land and GFA demand. Should future economic growth equate to the High projections then this indicates a need for 126 ha of additional urban business land or 614,800sqm GFA of urban business floorspace in total over the long-term. This is an increase of 30 ha or 148,100sqm GFA over and above the QLDC Recommended outlook (a 32% increase).

Table 4.9 – QLD Land Demand in Business Enabled Zones by Land Use (Ha) by Projection

Category	Growth Projection	Land Demand (Ha)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Medium	8.8	11.6	17.9	38.3
	Recommended	9.1	12.3	19.6	41.0
	High	10.1	15.0	27.4	52.4
Industrial	Medium	7.6	11.5	19.5	38.6
	Recommended	7.7	11.9	20.6	40.3
	High	9.0	15.4	30.7	55.1
Retail	Medium	3.3	4.2	6.2	13.6
	Recommended	3.4	4.4	6.7	14.4
	High	3.7	5.4	9.6	18.6
Total	Medium	19.6	27.3	43.6	90.5
	Recommended	20.2	28.6	46.9	95.7
	High	22.8	35.7	67.6	126.1

Source: QLD EFM 2018, M.E

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

Table 4.10 – QLD GFA Demand in Business Enabled Zones by Building Typology (sqm) by Projection

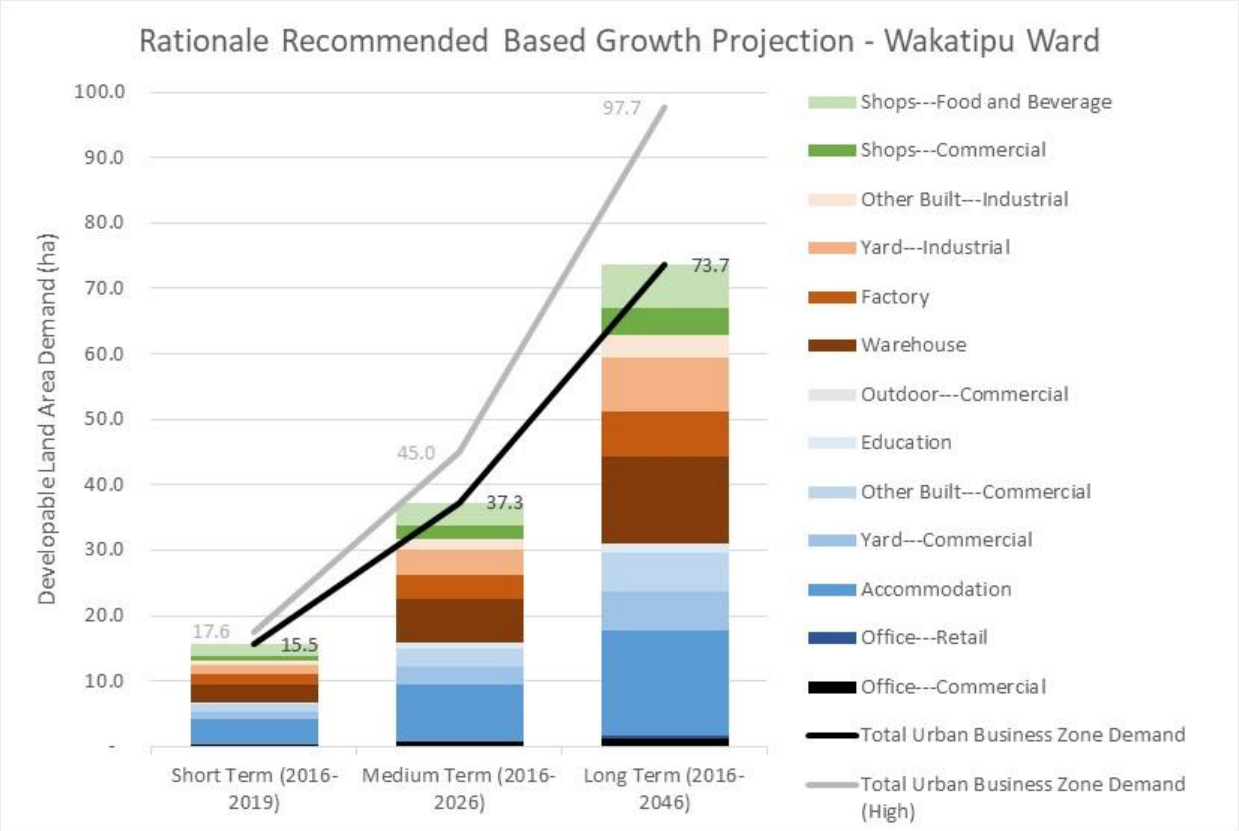
Category	Land Use / Building Type	GFA Demand (sqm)			
		Short Term (2016-2019)	Medium Term (2020-2026)	Long Term (2027-2046)	Total (2016-2046)
Commercial	Medium	43,500	57,200	87,800	188,500
	Recommended	44,800	59,900	95,700	200,400
	High	49,500	73,400	134,700	257,600
Industrial	Medium	35,300	53,300	90,300	178,900
	Recommended	36,100	55,500	95,500	187,100
	High	41,900	71,400	141,900	255,200
Retail	Medium	18,000	23,000	33,700	74,700
	Recommended	18,400	24,100	36,700	79,200
	High	20,300	29,400	52,300	102,000
Total	Medium	96,800	133,500	211,800	442,100
	Recommended	99,300	139,500	227,900	466,700
	High	111,700	174,200	328,900	614,800

Source: QLD EFM 2018, M.E. Figures rounded to nearest 100.

Projected demand within core business enabled zones in defined urban environment only (defined by meshblock 2013)

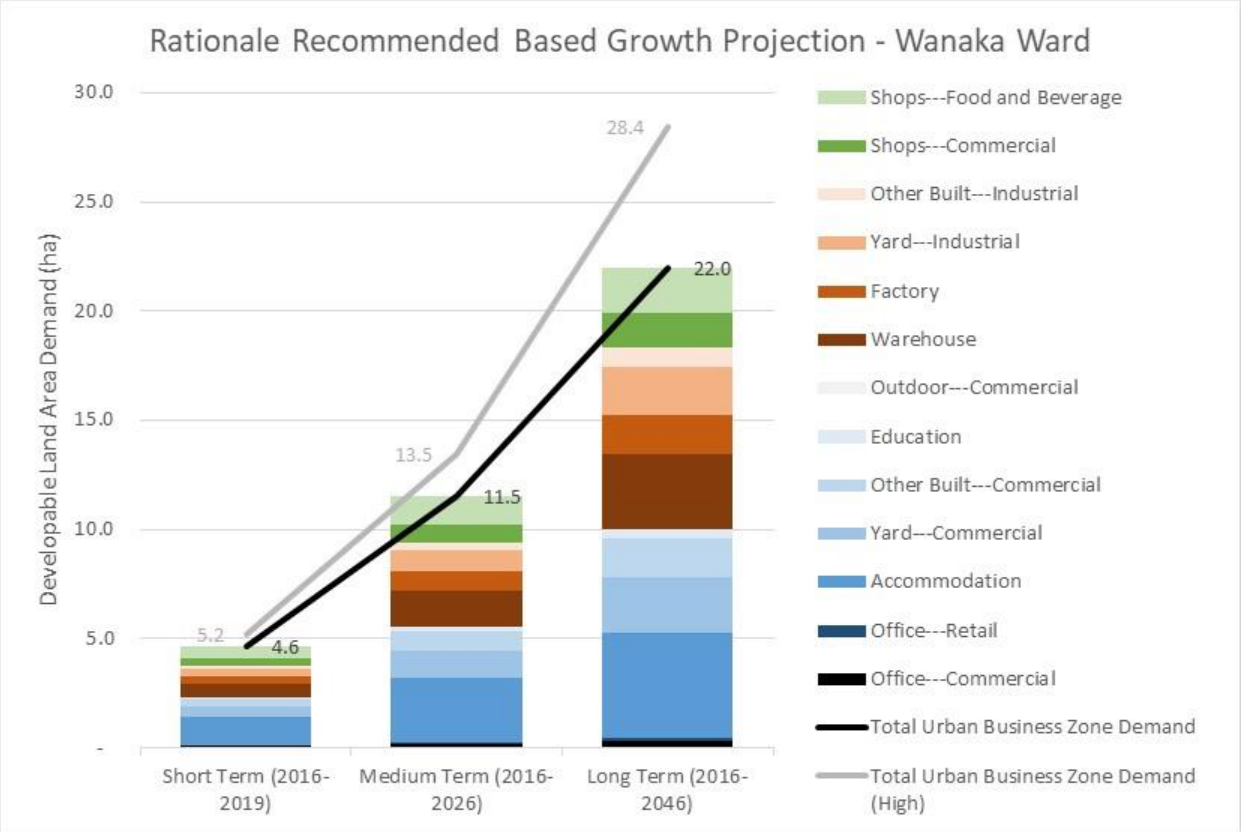
4.6 General Discussion / Implications

Figure 4.3 – Demand for Urban Business Enabled Zones by Land Use – Wakatipu Ward



Figures 4.3 and 4.4 summarise land demand in urban business enabled zones in the Wakatipu and Wanaka Wards by land use for the QLDC Recommended based growth projection, and with the High growth projection (total) included. The relative significance of demand for commercial visitor accommodation, warehouses and industrial yards is clear in the short, medium and long-term.

Figure 4.4 – Demand for Urban Business Enabled Zones by Land Use – Wanaka Ward



The estimates of future urban business land and floorspace demand are based on a number of averages and assumptions which may have a compounding effect on final outputs. Replacing these averages and/or assumptions with local level data will increase the accuracy of the BDCA over time (and in future updates). In the meantime, the approach is considered consistent with NPS-UDC guidelines.

The demands for additional business land area should be considered in terms of developable zone area and not gross zone area as the ratios applied relate to site coverage and exclude public land (roads and landscape/reserve areas).

The measure of additional land is considered more relevant for future planning for industrial growth as industrial activities are more land extensive and not easily accommodated in mixed-use buildings. As such, the analysis suggests a requirement for 3.9 ha of additional industrial activity in the Wanaka Ward by 2026 and 8.3 ha by 2046 (excluding any margin on top of demand).

In the Wakatipu Ward, the analysis suggests a requirement for 15.8 ha of additional industrial activity by 2026 and 32.0 ha by 2046 in the urban environment. As mentioned, this includes demand within the Air Transport Services sector which is likely to require a location within the Airport Mixed Use Zone or potentially Lot 6 in the Remarkables Park Special Zone (noting this is subject to an appeal). Excluding likely

airport demand, medium-term demand for additional industrial activity would equate to an estimated 13.9 ha and total long-term demand would equate to an estimated 28.9 ha (excluding a margin).

The measure of additional land is also likely to be more relevant for future planning for retail growth as retail activities are generally limited to the ground floor. However, the measure of additional floorspace is perhaps more relevant for future planning for commercial growth (particularly commercial office and accommodation) as commercial activities are more easily located above ground and in conjunction with retail activities

5 Business Land and Floorspace Capacity

Business land and floorspace capacity in each zone has been identified for Queenstown and Wanaka by applying the zone provisions in the District Plans to vacant parcels identified in the rating database and other parcel level land files (plan enabled capacity). This analysis does not consider the amount or timing of land that will actually be developed (take-up of vacant capacity will be tracked through monitoring) and makes no call as to the developability of the capacity identified. That aspect is discussed by way of a multi-criteria analysis in Section 6.

5.1 Vacant Land Identified

Vacant land parcels[54] were identified using a combination of existing built floor area metrics and improvement values, derived from the Council's rating database. All parcels that had no improvement value or that had a building floor area of 50sqm GFA or less were identified. Only the parcels within the business enabled zones in the urban environment were considered. These parcels were mapped for each land use zone (or precinct in the case of structure plan areas).

5.1.1 Ground Truthing

The maps of potentially vacant land parcels were supplied to Council. Council then used these maps to physically inspect each business zone area, validating if parcels were indeed vacant or not[55]. Care was taken to also identify any vacant sites that did not get identified through the desktop process[56]. Given that the database of vacant sites becomes the baseline for future monitoring, considerable care was taken to ensure the results were robust. The mapping and ground truthing was an iterative process – in total four rounds of ground truthing were completed to achieve final results.

5.1.2 Assumptions

It is important that the approach of classifying sites as vacant and not vacant is consistently applied in future monitoring. Key assumptions applied in the ground truthing process were:

- If the site contained an operational yard, this was not considered vacant (and is a legitimate and important industrial land use).
- If the site contained a formed (sealed) car park, this was not considered vacant.

[54] Not to be confused with unoccupied (vacant) premises.

[55] Not all parcels could be linked through a common code back to the rating database. This was particularly the case where parcels were located in more than one zone and were split by M.E and ascribed a new unique parcel id code. In such cases, improvement value and floor area were set to zero, triggering a potential vacant site in the first instance.

[56] In some cases, there were errors in the data or large parcels might return an improvement value or building footprint, but independent parts of the parcel may have been vacant.

- If the site contained an unformed car park, this was considered vacant on the premise that the use of the site for vehicle parking was likely to be a temporary and opportunistic use in agreement with the owner.
- If the site contained an allotment of vacant land and this was clearly delineated (i.e. by a fence) from the actively used/developed portion of the site, then it was considered vacant, and the vacant share of the total land parcel was estimated and applied.
- If the building had a building consent issued and construction had not started, the site was considered vacant.
- If the site contained a building under construction, it was considered vacant. The reason for this is that until the building is complete and occupied by one or more businesses, it has not absorbed any employment growth (demand). The same applies for a recently completed building being advertised for tenants. Only once occupied is a site considered not vacant.
- While redevelopment capacity is not captured in the BDCA, in limited cases, a site was included as vacant if it has considerable and imminent redevelopment potential. This applied only to the old Wakatipu High School site and the Lakeview precinct of Plan Change 50 (currently containing the campground adjacent to Queenstown Town Centre). Within the Lakeview precinct, the Lynch block was not included as vacant for business use on the basis that it is Council owned and potentially ear-marked for housing development. This has been reported in the HDCA.
- If the site was located in a visitor accommodation subzone it was assumed that it would be developed for commercial visitor accommodation purposes. A review of the Visitor Accommodation Sub Zones showed that the majority of development in this area was commercial visitor accommodation. This will need to be monitored in future BDCA.
- All areas located within the proposed Open Space Zone or designated as open space or reserve within plan changes were removed from capacity.

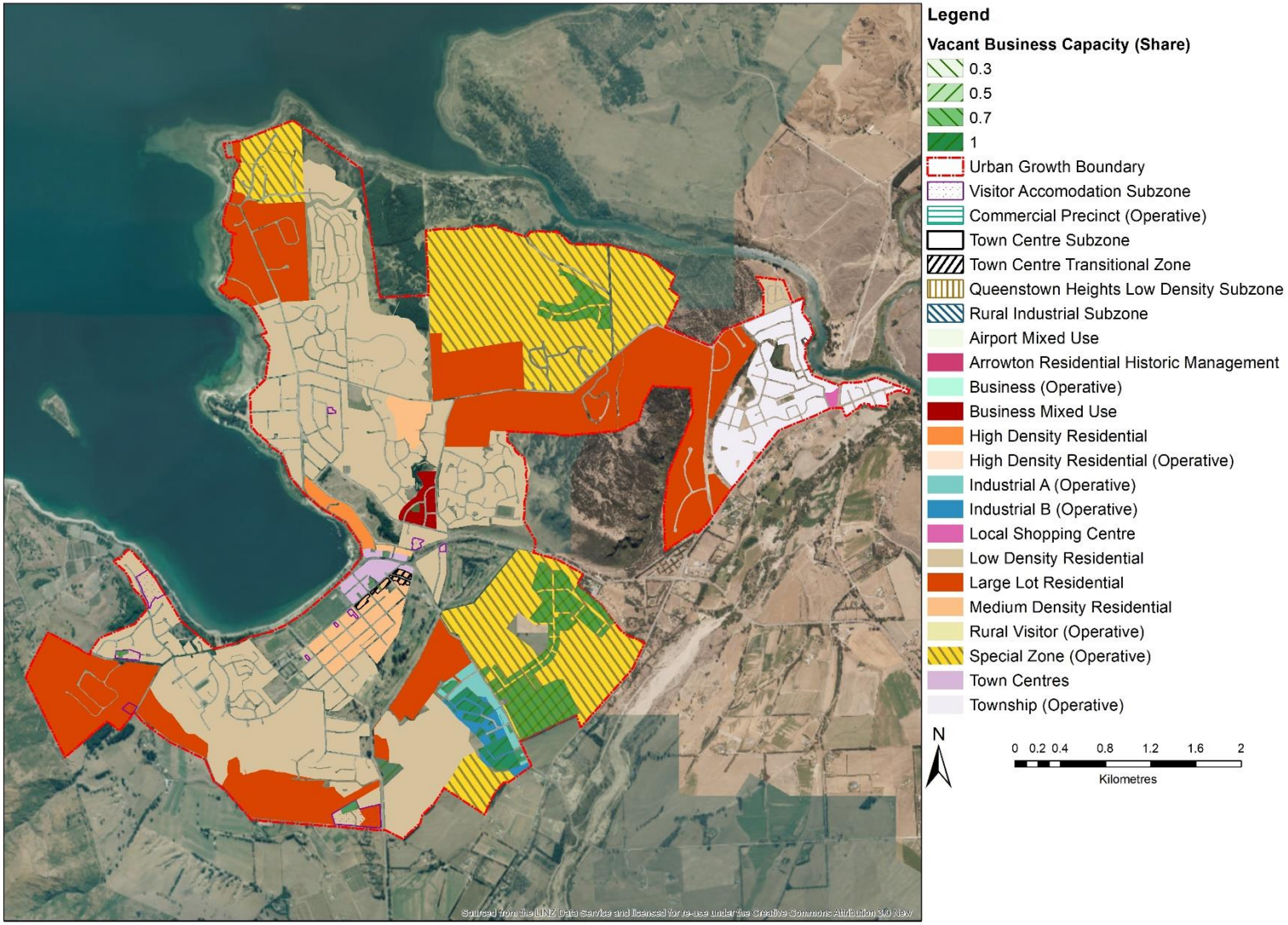
Figure 5.1 maps the final vacant land (identified by the share of the parcel considered vacant) in Wanaka UGB as at (year ending 2017). Appendix 9 contains maps for the remaining business enabled zones in QLD.

5.1.3 Vacant Land 2017 by Zone and Location

The total area of parcels confirmed as vacant business capacity was 410 ha across QLD (Table 5.1). However, some parcels in greenfield areas (within selected structure plans) had no or only some roads identified meaning that the vacant parcel area over-estimates the likely developable area (once the land is fully subdivided). In order to bring all vacant parcels to a consistent net developable area, QLDC and M.E agreed on some percentage shares that took account of (and removed) the area required to accommodate likely final road and open space areas. These assumptions were:

- Sites generally considered gross land area: 75% developable.
- Sites generally considered partially developable (i.e. excluded feeder roads): 90% developable.

Figure 5.1 – Map of Vacant Business Land in Wanaka Urban Growth Boundary 2017



- Sites with an underlying residential zone and considered gross: 68% developable.

In the case of Jack's Point Special Zone and Northlake Special Zone, specific areas have been identified to accommodate retail and commercial activity within larger precincts. To be consistent with those figures, specific ratios were calculated to ensure that the model returned the appropriate land area and not the total precinct area:

- Sites within the Jack's Point Homestead Bay Village precinct (gross): 11% developable to achieve a target area of 2.12ha for business use.
- Sites within the Jack's Point Village precinct (gross): 34% developable to achieve a target area of 2.1ha for business use.
- Sites within the Jack's Point Hanley Downs Residential A-E precinct (gross): 0.2% developable to achieve only the area likely to accommodate the maximum 500sqm GFA of retail and commercial floorspace enabled within this extensive residential zone. Assumed a 30% site coverage for the 500sqm footprint.
- Sites within the Northlake Special Zone Activity Area D precinct: 16% developable to achieve a target area of 2.07ha for business use in the village centre.

Table 5.1 shows the final estimates of developable vacant land capacity in QLD by ward and zone, having applied these percentage shares to applicable parcels. In total, the district's urban business zones have remaining capacity for 252.5 ha of business development. A significant 182.2 ha (72%) is contained within Special Zones, particularly Remarkables Park (75.8 ha or 30% of the district total), Frankton Flats B (36.2 ha or 14% of the total) and Three Parks (33 ha or 13% of the total).

The non-Special Zones account for 70.3 ha of vacant business land capacity (28% of the district total). The largest share of this (13.8 ha) falls within the Visitor Accommodation Sub Zone of the Low Density Residential Zone (particularly in Fernhill which makes up 6.5 ha). The next largest area of vacant capacity is the Rural Visitor zone in Arthurs Point (12.5 ha vacant) and the Queenstown Airport Mixed Use Zone (10.6 ha estimated to be vacant).

Overall, 71% (180.5 ha) of total vacant business capacity is located within the Wakatipu Ward and the balance (29% or 72.0 ha) is in the Wanaka Ward. Generally, the Town Centre Zones have very little vacant capacity, although Plan Change 50 has created an estimated 3.9ha of vacant business land attributable to the Queenstown Town Centre zone. Vacant capacity in the Local Shopping Centres is spread between Hawea, Albert Town, Wanaka (Cardrona Valley Road) and Frankton. Vacant Industrial B land is only available in the Wanaka Ward.

Table 5.1 - QLD Total Vacant Business Land Capacity by Ward and Zone, 2017 (ha)

Zone	Area of Vacant Land Parcels (ha) *			Estimated Developable Vacant Area (ha) **		
	Wakatipu Ward ***	Wanaka Ward	**Total**	Wakatipu Ward ***	Wanaka Ward	**Total**
Airport Mixed Use Zone	10.6	-	**10.6**	10.6	-	**10.6**
Arrowtown Residential Historic Management Zone	-	-	**-**	-	-	**-**
Business (Operative)	0.4	-	**0.4**	0.4	-	**0.4**
Business Mixed Use	4.2	0.5	**4.7**	4.2	0.5	**4.7**
High Density Residential	-	-	**-**	-	-	**-**
High Density Residential (Operative)	-	-	**-**	-	-	**-**
Industrial A (Operative)	1.2	1.7	**2.9**	1.2	1.7	**2.9**
Industrial B (Operative)	-	13.2	**13.2**	-	12.5	**12.5**
Large Lot Residential	-	-	**-**	-	-	**-**
Local Shopping Centre	1.9	3.6	**5.5**	1.9	3.6	**5.5**
Low Density Residential	12.2	1.6	**13.8**	12.2	1.6	**13.8**
Medium Density Residential	-	0.1	**0.1**	-	0.1	**0.1**
Rural Visitor	12.5	-	**12.5**	12.5	-	**12.5**
Rural	-	-	**-**	-	-	**-**
Town Centre Arrowtown	-	-	**-**	-	-	**-**
Town Centre Queenstown	5.3	-	**5.3**	5.3	-	**5.3**
Town Centre Wanaka	-	0.9	**0.9**	-	0.9	**0.9**
Township (Operative)	-	1.0	**1.0**	-	1.0	**1.0**
Sub-Total Non-Special Zones	48.2	22.7	**70.9**	48.2	22.1	**70.3**
Special Zone - Arrowtown South	-	-	**-**	-	-	**-**
Special Zone - Ballantyne Road Mixed Use	-	19.9	**19.9**	-	14.9	**14.9**
Special Zone - Northlake	-	13.1	**13.1**	-	2.1	**2.1**
Special Zone - Frankton Flats A	0.3	-	**0.3**	0.3	-	**0.3**
Special Zone - Frankton Flats B	41.1	-	**41.1**	36.2	-	**36.2**
Special Zone - Meadow Park	-	-	**-**	-	-	**-**
Special Zone - Penrith Park	-	-	**-**	-	-	**-**
Special Zone - Quail Rise	-	-	**-**	-	-	**-**
Special Zone - Remarkables Park	97.7	-	**97.7**	75.8	-	**75.8**
Special Zone - Shotover Country	0.2	-	**0.2**	0.2	-	**0.2**
Special Zone - Three Parks	-	33.0	**33.0**	-	33.0	**33.0**
Special Zone - Jacks Point	134.3	-	**134.3**	19.9	-	**19.9**
Sub-Total Special Zones	273.6	65.9	**339.5**	132.3	49.9	**182.2**
Total Urban Business Enabled Zones	321.8	88.6	**410.4**	180.5	72.0	**252.5**

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
** Contains a mixture of net, partial and gross parcel areas depending on the degree to which roads had been identified and excluded.*
*** Estimates applied to convert partial and gross parcel area to net developable area where applicable.*
**** Wakatipu Ward includes Arrowtown Ward.*

5.2 Estimating Plan Enabled Building GFA

The NPS-UDC requires that vacant business capacity also be expressed in floorspace terms. To calculate the building envelope on each vacant business site, Council provided data from the district plan on permitted or controlled site coverages and building heights. These two parameters were applied to the developable

vacant site area to estimate the ground floor GFA and the number of storeys (upper floor GFA[57]) enabled by the plan. A number of exceptions applied and were taken account of in the modelling:

- In some zones or structure plan precincts, no site coverage is provided in the plan (these areas commonly rely on car parking requirements to manage site coverage). In these cases, QLDC and M.E assigned a proxy site coverage that would allow the model to calculate an approximate ground floor footprint.
- In some zones a maximum number of storeys was stipulated. In such instances, the specific number was adopted rather than the implied storeys calculated from maximum building height.
- In some zones varied heights and storeys are stipulated throughout the zone. In these instances, an average height across the entire zone was applied. It is noted that PC 50 land area was separated into the different height precinct areas.
- In the Jack's Point Hanley Downs Residential A-E precinct, a maximum of 550sqm GFA of retail and commercial floorspace was adopted. VA was excluded from this total. A site coverage does not apply.
- In the Northlake Special Zone – Precinct D, there is a retail cap of 1,000sqm GFA. This applies to retail capacity only and the site coverage less retail floorspace is used to calculate other business capacity in the precinct.
- In the Three Parks Commercial Core and Deferred Commercial Core precincts, a retail cap of 10,000sqm applies to the Commercial Core. A further 10,000sqm was applied to the Deferred Commercial Core, noting that this is unlikely to be developed in the short to medium-term (a total of 20,000sqm of retail). This figure was used for modelling purposes and will need to be updated as resource consents area approved and the development progresses. This is an indicative total only and may underestimate the long-term development yield. The operative rules allow for the first 10,000sqm and further retail capacity requires a resource consent subject to effects on the Wanaka Town Centre. An estimated site coverage (less the indicative retail floorspace) is used to calculate other business capacity in these precincts.
- In the Plan Change 50 Lakeview precinct, a retail and commercial cap of 6,500sqm applies. The specified site coverage (less the retail floorspace) is used to calculate other business capacity in the precinct.
- The Special Zones added a significant level of complexity to the modelling. Structure Plans were relied on if at the time modelling began in mid-2017 works had not commenced on the sites. Approved resource consents were taken into consideration (for example; Northlake, part of Remarkables Park, part of Three Parks, Industrial A and B Zones in Wanaka) and where possible approved roads were able to be removed at a later date. This will need to be updated in future BDCAs.

[57] An average of 3m was applied to calculate storeys from building height provisions. Upper floor GFA was calculated as ground floor area multiplied by the number of above ground storeys.

5.2.1 Cross over with Housing Capacity

Many of the district's business enabled zones also allow residential activity as a permitted or controlled activity. Generally, this is limited to above ground floors, with some exceptions (i.e. Frankton Flats B – Precinct C2). Council and M.E have agreed on estimates (Appendix 10) for the share of total enabled building envelopes in business zones that are likely to be taken up by residential apartments[58]. This was necessary to avoid over estimating business capacity. The model reduced the number of stores available for business capacity by subtracting the estimated residential floor take-up.

The same estimates were used to ensure that residential capacity in the HDCA was not over stated in business zones (i.e., the share of total enabled building envelopes that was likely to be occupied by business activity (including visitor accommodation) was removed. Through this process, double counting of capacity between the BDCA and HDCA is avoided.

5.2.2 Vacant Land GFA by Zone and Location

Table 5.2 shows the final estimates of maximum building floorspace on developable vacant land in QLD by ward and zone, having applied the relevant development parameters. In total, the district's urban business zones have remaining capacity for a maximum of 3,166,300sqm GFA of business development. A significant 1,863,400sqm GFA (59%) is contained within Special Zones, particularly Remarkables Park (22% of the district total) and Frankton Flats B (15% of the total).

The non-Special Zones account for 1,302,900sqm GFA of vacant business floorspace (41% of the district total). This is a greater share compared to just vacant land area due to the high building heights enabled in the Town Centre Zones in particular. The majority of this floorspace capacity falls within the Queenstown Airport Mixed Use Zone (396,600sqm GFA theoretically enabled, 13% of the total), Rural Visitor Zone in Arthurs Point (9%) and the Queenstown Town Centre (5%).

Overall, 78% of total vacant business floorspace capacity is located within the Wakatipu Ward and the balance (22%) is in the Wanaka Ward.

5.3 Allocating Vacant Land/GFA to Land Use/Building Typologies

Using the same land uses / building typologies identified to place business demand 'on the ground' (section 4.1), a matrix that aligns these space types with the planning zones that facilitate the space types has been developed by M.E and Council. This concordance matrix has been developed based on the activity status tables within the District Plan. Activities that have a designation of Permitted, Controlled, or Restricted Discretionary have been assumed to provide capacity for those activities within a given zone.

[58] An analysis of existing residential shares of floorspace in business zones was carried out. These were adjusted to reflect anticipated outcomes under the PDP provisions (whereby changes were made to some zones to encourage more residential development in business zones).

Table 5.2 – QLD Total Vacant Business Capacity (GFA) by Ward and Zone, 2017

Zone	Estimated Plan Enabled Building Envelope (sqm GFA)		
	Wakatipu Ward ***	Wanaka Ward	**Total**
Airport Mixed Use Zone	396,600	-	**396,600**
Arrowtown Residential Historic Management Zone	-	-	**-**
Business (Operative)	5,500	-	**5,500**
Business Mixed Use	76,000	11,400	**87,400**
High Density Residential	-	-	**-**
High Density Residential (Operative)	-	-	**-**
Industrial A (Operative)	18,200	25,600	**43,800**
Industrial B (Operative)	-	99,300	**99,300**
Large Lot Residential	-	-	**-**
Local Shopping Centre	28,000	50,100	**78,100**
Low Density Residential	97,400	13,100	**110,500**
Medium Density Residential	-	800	**800**
Rural Visitor	279,200	-	**279,200**
Rural	-	-	**-**
Town Centre Arrowtown	-	-	**-**
Town Centre Queenstown	165,900	-	**165,900**
Town Centre Wanaka	-	20,400	**20,400**
Township (Operative)	-	15,400	**15,400**
Sub-Total Non-Special Zones	1,066,800	236,100	**1,302,900**
Special Zone - Arrowtown South	-	-	**-**
Special Zone - Ballantyne Road Mixed Use	-	131,100	**131,100**
Special Zone - Northlake	-	26,900	**26,900**
Special Zone - Frankton Flats A	2,400	-	**2,400**
Special Zone - Frankton Flats B	481,100	-	**481,100**
Special Zone - Meadow Park	-	-	**-**
Special Zone - Penrith Park	-	-	**-**
Special Zone - Quail Rise	-	-	**-**
Special Zone - Remarkables Park	704,400	-	**704,400**
Special Zone - Shotover Country	3,400	-	**3,400**
Special Zone - Three Parks	-	307,700	**307,700**
Special Zone - Jacks Point	206,400	-	**206,400**
Sub-Total Special Zones	1,397,700	465,700	**1,863,400**
Total Urban Business Enabled Zones	2,464,500	701,800	**3,166,300**

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones. Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

**** Wakatipu Ward includes Arrowtown Ward.*

A loose coupling exists between the described activities (within the District Plans) and the defined land use / building typologies as the definitions of activity in the Plan are often more general or have slightly different meanings. Some examples include:

- Commercial Activity (PDP[59]): Means the use of land and buildings for the display, offering, provision, sale or hire of goods, equipment or services, and includes shops, postal services, markets, showrooms, restaurants, takeaway food bars, professional, commercial and administrative offices, service stations, motor vehicle sales, the sale of liquor and associated parking areas. Excludes recreational, community and service activities, home occupations, visitor accommodation, registered holiday homes and registered homestays.

This is broader than what is considered commercial in M.E's modelling, as commercial excludes retail shops and food and beverage (these are categorised as Retail).

- Commercial Recreation Activities (PDP): Means the commercial guiding, training, instructing, transportation or provision of recreation facilities to clients for recreational purposes including the use of any building or land associated with the activity, excluding ski area activities.

This broadly aligns with the Other Built or Outdoor Commercial typologies.

- Community Activity (PDP): Means the use of land and buildings for the primary purpose of health, welfare, care, safety, education, culture and/or spiritual well-being. Excludes recreational activities. A community activity includes schools, hospitals, doctor's surgeries and other health professionals, churches, halls, libraries, community centres, police stations, fire stations, courthouses, probation and detention centres, government and local government offices,

In the land use/building typologies these community activities fall within a mix of Commercial Office and Other Built Commercial.

- Industrial Activity (PDP): Means the use of land and buildings for the primary purpose of manufacturing, fabricating, processing, packing, or associated storage of goods.

Industrial activities fall within a mix of Warehouse, Factory, Industrial Yard and Other Built Industrial.

- Outdoor Storage (PDP): Means land used for the purpose of storing vehicles, equipment, machinery, natural and processed products and wastes, outside a fully enclosed building for periods in excess of 4 weeks in any one year.

This could cover both Commercial or Industrial Yard typologies.

- Service Activity (PDP): Means the use of land and buildings for the primary purpose of the transport, storage, maintenance or repair of goods.

This potentially applies to the Warehouse, Commercial Yard, or Industrial Yard typology.

Other examples include:

[59] Based on definitions of notified PDP 2015

- Convenience retail is a definition applicable to some zones, but the Retail Shops typology does not distinguish convenience from other retail provision. Nor does it distinguish small or large format retail.

- In some cases, the Plan refers directly to food and beverage outlets – this relates directly to the Shops – Food and Beverage typology, as does Visitor Accommodation to the Accommodation typology.

- Where specified, office activities in the plan relate directly to Commercial Office.

Due to these differences (and overlaps) a pragmatic approach was needed to code zones to each of the land use / building typologies, keeping in mind the way in which the information is used within the model (i.e. the end-point). Some exceptions that have been made in the model include:

- In the Queenstown Airport Mixed Use Zone, shops have been excluded from capacity even though these are enabled in the zone. This is because the district plan rules allow, primarily, for retail and food and beverage outlets to be developed in the airport terminal. The remaining vacant land capacity identified in this zone is not anticipated to be used for terminal type activities[60] and so it is unlikely that shops will develop on that land. Had the model included 'shops' in the code-frame, then this would have the effect of assigning a portion of all retail demand to the airport, as opposed to retail associated with airport terminal activity. This would have been inappropriate.

- Showrooms are a controlled activity in several of the precincts in the Ballantyne Road Mixed Use Special Zone but retail *per se* is not anticipated. For the purpose of the model, showrooms have been coded as 'Warehouse' space, as this reflects the physical form of many trade-based showrooms (for example) and avoids the model attributing general retail demand to this zone.

- In the Jacks Point – Residential (HD) A-E precinct, commercial visitor accommodation and community activities are anticipated, but such capacity has been excluded from the model to avoid undue complication and allow the model rules to focus on the capacity calculations for retail and office floorspace only.

- In Three Parks, the Low Density Residential precinct is included as a business enabled zone purely to give recognition to the capacity for a proposed primary school. As such, only education land uses have been included in the model for this precinct (which applies only to the area within the zone available for the school site).

- In the Business (Operative) zone, commercial visitor accommodation is allowed for in the planning rules but has been excluded in the capacity model (and is considered less likely relative to other competing land uses in this zone).

Appendix 11 contains a copy of the final matrix. A '1' denotes that a particular land use is enabled in the zone and '0' means that it is not enabled. While zones like the Visitor Accommodation Sub-Zones have

[60] Terminal development is a feature of some of the options in the Airport Masterplan, so this assumption will need to be reviewed in future updates.

been coded just to Accommodation land uses, other zones are coded to multiple enabled land uses, including across Retail, Commercial and Industrial categories.

At a parcel level, the vacant developable land area identified and calculated ground floor and upper floor GFA capacity is attributed to each land use / building typology that is coded '1' according to the zone or precinct it is located within. The results (described in the following sections) are vacant land and GFA area by enabled space types – an output compatible with the demand modelling outputs.

Importantly, because there are many cases where multiple uses are allowed on one piece of land, vacant land and floorspace capacities are not additive. The allocation of land/GFA to commercial land uses may mean that the land cannot be used for opposing/different land use types. For example, allocating land for the development of an office block would remove the land as a potential warehousing site, and vice versa. Therefore, the vacant land and GFA capacity in the following sections should not simply be summed (and totals are not shown accordingly across the space types).

5.3.1 Vacant Land 2017 by Category and Land Use

Table 5.3 contains the vacant land capacity outputs from M.E's model, summarised by Commercial, Industrial and Retail land uses. Appendix 12 provides a more detailed breakdown by the 15 land use / building typologies. The assessment shows the maximum potential capacity – regardless of use and the amount available to each of the three broad categories. As discussed above, out of necessity, zone provisions in the Plan are often broad, meaning that most parcels identified as vacant are able to meet a relatively wide range of needs. This means that capacity may not be exclusively sheeted back to one space type/category or another.

At the category level, only the Queenstown Airport Mixed Use Zone is exclusively enabled for Industrial land uses, although this is due to the approach taken in the model for the particular vacant land parcels identified in the zone.[61] The Visitor Accommodation Sub-Zones, Arthurs Point Rural Visitor Zone and the three vacant lodge precincts in the Jacks Point Special Zone are exclusively available for Commercial land uses (Visitor Accommodation only, again based on model assumptions). Several of the Remarkables Park Zone precincts enable just commercial activities and the Jacks Point Education precinct enables just commercial activities (education only).

Zones where there is considerable overlap in potential activity include the BMU Zone in both Wanaka and Gorge Road, and the Frankton Flats (B) E2 precinct. These zones enable Commercial, Retail and Industrial land uses[62] on vacant land capacity. Most business enabled zones with vacant capacity provide for either Commercial and Industrial activities, or Commercial and Retail activities.

Table 5.3 shows that in the Wanaka Ward, there is a maximum potential for 56.4 ha of Commercial land use, 37.8 ha of Industrial land use and 35.2 ha of Retail land use. More than a third (44%) of potential

[61] While the Queenstown Airport Mixed Use Zone enables shops and commercial activities (such as those seen in the terminal) they have been excluded from enabled activities for the purpose of this BDCA.

[62] Noting that the type of industrial/service activities anticipated in the BMU Zone are limited to warehousing and storage and lock up facilities (including vehicle storage). Similarly, trade suppliers are also considered to be a Restricted Discretionary Activity in this zone.

Commercial capacity and 77% of potential Retail capacity in the ward falls within the Three Parks Special Zone.

In the Wakatipu Ward, there is a maximum potential for 151.2 ha of Commercial land use, 43.6 ha of Industrial land use and 43.5 ha of Retail land use. A significant portion of the potential Industrial capacity (62%) falls within the Frankton Flats B Special Zone and the Queenstown Airport Mixed Use zone (24%). The majority of Wakatipu ward Retail capacity is within Franktown Flats B (27%) and Remarkables Park (31%) zones. Remarkables Park also potentially provides for 50% of the ward's vacant Commercial capacity.

Table 5.3 – Vacant Business Land Capacity by Category, Zone and Ward (ha)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	10.6	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	0.4	0.4	-
Business Mixed Use	0.5	0.5	0.5	4.2	4.2	4.2
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	1.7	1.7	-	1.2	1.2	-
Industrial B (Operative)	12.5	12.5	0.2	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	3.6	-	3.6	1.9	-	1.9
Low Density Residential	1.6	-	-	12.2	-	-
Medium Density Residential	0.1	-	0.1	-	-	-
Rural Visitor	-	-	-	12.5	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	5.3	-	5.3
Town Centre Wanaka	0.9	-	0.9	-	-	-
Township (Operative)	1.0	-	0.5	-	-	-
Sub-Total Non-Special Zones	22.1	14.7	5.9	37.6	16.4	11.4
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	7.5	14.9	-	-	-	-
Special Zone - Northlake	2.1	-	2.1	-	-	-
Special Zone - Frankton Flats A	-	-	-	0.3	-	0.3
Special Zone - Frankton Flats B	-	-	-	24.3	27.2	11.9
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	75.8	-	13.5
Special Zone - Shotover Country	-	-	-	0.2	-	0.2
Special Zone - Three Parks	24.8	8.2	27.2	-	-	-
Special Zone - Jacks Point	-	-	-	13.0	-	6.2
Sub-Total Special Zones	34.4	23.1	29.3	113.5	27.2	32.1
Total Urban Business Enabled Zones	56.4	37.8	35.2	151.2	43.6	43.5

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

5.3.2 GFA Capacity 2017 by Category and Building Typology

Table 5.4 contains the vacant (plan enabled) floorspace capacity outputs from M.E's model, summarised by Commercial, Industrial and Retail land uses. Appendix 13 provides a more detailed breakdown by the 15 land use / building typologies. Again, the assessment shows the maximum potential capacity – regardless of use and the amount available to each of the three broad categories. There is spatial overlap in some zones and the capacity is not additive. Development of one type reduces the capacity for other types.

Vacant ground floor business space is attributed to enabled building typologies in the same manner as vacant land area. However, an additional step is included in the model before vacant upper floorspace is attributed to relevant space types.

- M.E has assumed that there is no potential for Office – Retail (which includes Real Estate Agencies and Optometrists), Shops – Commercial and Shops – Food and Beverage to locate above ground floor (i.e. they are constrained to ground floor capacity only). This is to reflect their strong location preference for ground floor premises (with the exception of malls, which are less common in QLD than in many other cities). M.E is aware that in Queenstown Town Centre, there are examples of restaurants operating in second floor premises, however, to be conservative, this is not assumed to apply for remaining vacant capacity.
- M.E has also assumed that sites enabled for Warehouses, Factories, Yards – Commercial, Yards – Industrial and Other Build – Industrial are constrained to ground floor development (i.e. have no upper floorspace capacity). The reason for this is different from shops. Generally, warehouses and factories are taller, single use buildings and are unlikely to have other land use activities developing above them (i.e. they are the single occupant of the site).
- Yards also, by nature, do not have floorspace 'above them'.
- These assumptions take a conservative approach to estimating Industrial capacity.

The effect of these assumptions is evident in Table 5.4 where within a zone, the maximum potential GFA may differ between categories, even when the maximum potential land area did not differ (see for example the BMU Zone where Industrial and Retail activities are limited to ground floor capacity and Commercial activities are enabled on ground and upper floor capacities).

Table 5.4 shows that in the Wanaka Ward, there is a maximum potential for 553,400sqm GFA of additional Commercial floorspace, 147,600sqm GFA of Industrial floorspace and 107,600sqm GFA of Retail floorspace. More than half 59%) of potential Retail capacity falls within the Three Parks Special Zone. In the Wakatipu Ward, there is a maximum potential for 1,730,000sqm GFA of additional Commercial floorspace, 253,700sqm GFA of Industrial floorspace and 241,600sqm GFA of Retail floorspace. Just under a third (32%) of the Retail capacity is within Remarkables Park, and 25% of this capacity is in Frankton Flats (B).

Table 5.4 – Vacant Business Floorspace Capacity by Category, Zone and Ward (GFA)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	79,300	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	5,500	2,700	-
Business Mixed Use	11,400	3,600	3,600	76,000	31,700	31,700
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	25,600	12,800	-	18,200	9,000	-
Industrial B (Operative)	99,300	49,900	500	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	50,100	-	27,300	28,000	-	14,000
Low Density Residential	13,100	-	-	97,400	-	-
Medium Density Residential	800	-	500	-	-	-
Rural Visitor	-	-	-	279,200	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	165,900	-	20,400
Town Centre Wanaka	20,400	-	7,600	-	-	-
Township (Operative)	15,400	-	4,000	-	-	-
Sub-Total Non-Special Zones	236,100	66,300	43,500	670,200	122,700	66,100
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	63,600	54,300	-	-	-	-
Special Zone - Northlake	26,900	-	1,000	-	-	-
Special Zone - Frankton Flats A	-	-	-	2,400	-	800
Special Zone - Frankton Flats B	-	-	-	166,000	131,000	60,400
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	704,400	-	76,700
Special Zone - Shotover Country	-	-	-	1,100	-	1,100
Special Zone - Three Parks	226,800	27,000	63,100	-	-	-
Special Zone - Jacks Point	-	-	-	185,900	-	36,500
Sub-Total Special Zones	317,300	81,300	64,100	1,059,800	131,000	175,500
Total Urban Business Enabled Zones	553,400	147,600	107,600	1,730,000	253,700	241,600

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
Wakatipu Ward includes Arrowtown Ward.

5.4 Discussion

5.4.1 Redevelopment Capacity

There will be some capacity available through the redevelopment process. Redevelopment occurs when a piece of already occupied land is purchased and additional development occurs to either change its usage, or to increase the amount of use that is made of it currently.

One way to estimate the amount of additional capacity potentially available in an area is to look at the average level of development intensity (number of storeys or floor area ratios) achieved across the entire

area, then look at the level of intensity on sites that are significantly lower than the average. These may be sites that have redevelopment potential to bring them closer to the revealed development intensity of the balance of the area.

This can be done across commercial centres and industrial areas. However, there are issues with redevelopment capacity that arise when the type and nature of business land use is not taken into consideration. For example, it may be that through an analysis of an industrial area, a number of seemingly under-utilised sites are identified that may represent capacity. However, they may exist as important parts of the production process either as turning bays for trucks or as storage areas for completed or partially completed goods.

In this study a conservative stance has been adopted and it has been assumed that the only capacity that is truly available is **vacant capacity**. This is an area that could be investigated further by QLDC if they wished to understand the depth of true capacity within the district's business zones.

As a general guide, if the existing business zones prove to have provided for sufficient capacity by simply providing for vacant capacity, then redevelopment capacity is not required. Also, the amount of redevelopment capacity that is taken up over the short, medium and long-term will obviously have an effect on the take up of vacant capacity. It is recommended that Council monitor this.

5.4.2 Business Capacity in Special Housing Areas

As discussed in section 2.5, the SHAs in the Wakatipu Basin offer limited business capacity in addition to that calculated above. It is however net additional to M.E's estimates.

5.4.3 Business Capacity in the Rural Environment

As discussed in section 2.4, there are business enabled zones outside the defined urban environment. Vacant capacity has not been modelled or identified in those zones. It is assumed that any vacant capacity in those locations will be utilised for demand attributed to the rural environment.

5.4.4 Alternative Vacant Capacity Outcomes – Removing the Overlap

The approach adopted by M.E to demonstrate vacant land (and GFA) capacity for future business development in QLD reflects the flexibility of some district plan zones to enable a range of potential land uses. Hence the overlap of capacity. The approach does not assume a development outcome on any particular vacant parcel as this is unknown. However, it is possible to develop a potential "scenario" of development that reflects potential market pressures, including maximising investment returns in particular parts of the district.

M.E has developed a single, alternate scenario that removes the overlap of capacity in those zones where flexibility is enabled between Retail, Commercial and/or Industrial activity. The scenario is **indicative only** – monitoring of vacant land uptake will indicate how relevant this scenario may or may not be.

The scenario is based on a series of allocation rules (Appendix 14) which apply to all vacant parcel in each zone (and do not allow for different parcels to develop according a different mix of activities. This is a limitation of this scenario).

Table 5.5 presents the results of the alternate scenario for vacant land area capacity by ward and zone. Under these allocation assumptions, in the Wanaka Ward, there would be capacity for 42.9 ha of Commercial land use, 28.8 ha of Industrial land use and 34.9 ha of Retail land use (all mutually exclusive). Commercial and Retail capacity is dominated by the Three Parks Special Zone (70% and 78% respectively).

In the Wakatipu Ward, there would be potential capacity for 152.1 ha of Commercial land use, 28.1 ha of Industrial land use and 38.1 ha of Retail land use. Excluding the potential Industrial capacity within the Airport Mixed Use zone, this would leave 17.5 ha of industrial capacity in Frankton Flats B. The single largest volume of Retail capacity is within Remarkables Park (35%).

Table 5.5 – Alternate Scenario Vacant Business Land Capacity by Category (ha)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	10.6	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	0.4	-	-
Business Mixed Use	0.5	-	0.5	4.2	-	4.2
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	-	1.7	-	1.2	-	-
Industrial B (Operative)	0.2	12.3	-	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	3.3	-	3.6	1.9	-	1.9
Low Density Residential	1.6	-	-	12.2	-	-
Medium Density Residential	0.1	-	-	-	-	-
Rural Visitor	-	-	-	12.5	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	5.3	-	5.3
Town Centre Wanaka	0.9	-	0.9	-	-	-
Township (Operative)	1.0	-	0.5	-	-	-
Sub-Total Non-Special Zones	7.7	14.0	5.6	37.6	10.6	11.4
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	3.0	11.9	-	-	-	-
Special Zone - Northlake	2.1	-	2.1	-	-	-
Special Zone - Frankton Flats A	-	-	-	0.3	-	0.3
Special Zone - Frankton Flats B	-	-	-	18.7	17.5	6.5
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	75.8	-	13.5
Special Zone - Shotover Country	-	-	-	-	-	0.2
Special Zone - Three Parks	30.1	2.9	27.2	-	-	-
Special Zone - Jacks Point	-	-	-	19.7	-	6.2
Sub-Total Special Zones	35.2	14.8	29.3	114.4	17.5	26.6
Total Urban Business Enabled Zones	42.9	28.8	34.9	152.1	28.1	38.1

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.
Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.
Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).
Wakatipu Ward includes Arrowtown Ward.

Table 5.6 shows that under these allocation assumptions, in the Wanaka Ward, there would potentially be 342,400sqm GFA of additional Commercial floorspace capacity, 110,900sqm GFA of Industrial floorspace capacity and 106,600sqm GFA of Retail floorspace capacity. In the Wakatipu Ward, there would be potential capacity for 1,550,600sqm GFA of additional Commercial floorspace, 156,100sqm GFA of Industrial floorspace (inclusive of the Airport) and 234,000sqm GFA of additional Retail floorspace.

Table 5.6 – Alternate Scenario Vacant Business Floorspace Capacity by Category (GFA)

Zone	Wanaka Ward Commercial	Wanaka Ward Industrial	Wanaka Ward Retail	Wakatipu Ward Commercial	Wakatipu Ward Industrial	Wakatipu Ward Retail
Airport Mixed Use Zone	-	-	-	-	79,300	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-
Business (Operative)	-	-	-	5,500	-	-
Business Mixed Use	7,900	-	3,600	44,400	-	31,700
High Density Residential	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-
Industrial A (Operative)	-	12,800	-	18,200	-	-
Industrial B (Operative)	500	49,400	-	-	-	-
Large Lot Residential	-	-	-	-	-	-
Local Shopping Centre	22,800	-	27,300	14,000	-	14,000
Low Density Residential	13,100	-	-	97,400	-	-
Medium Density Residential	800	-	-	-	-	-
Rural Visitor	-	-	-	279,200	-	-
Rural	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	145,500	-	20,400
Town Centre Wanaka	12,900	-	7,600	-	-	-
Township (Operative)	11,300	-	4,000	-	-	-
Sub-Total Non-Special Zones	69,300	62,200	42,500	604,200	79,300	66,100
Special Zone - Arrowtown South	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	28,300	40,100	-	-	-	-
Special Zone - Northlake	25,900	-	1,000	-	-	-
Special Zone - Frankton Flats A	-	-	-	1,600	-	800
Special Zone - Frankton Flats B	-	-	-	147,200	76,800	52,800
Special Zone - Meadow Park	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	627,700	-	76,700
Special Zone - Shotover Country	-	-	-	-	-	1,100
Special Zone - Three Parks	218,900	8,600	63,100	-	-	-
Special Zone - Jacks Point	-	-	-	169,900	-	36,500
Sub-Total Special Zones	273,100	48,700	64,100	946,400	76,800	167,900
Total Urban Business Enabled Zones	342,400	110,900	106,600	1,550,600	156,100	234,000

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

6 Development Feasibility

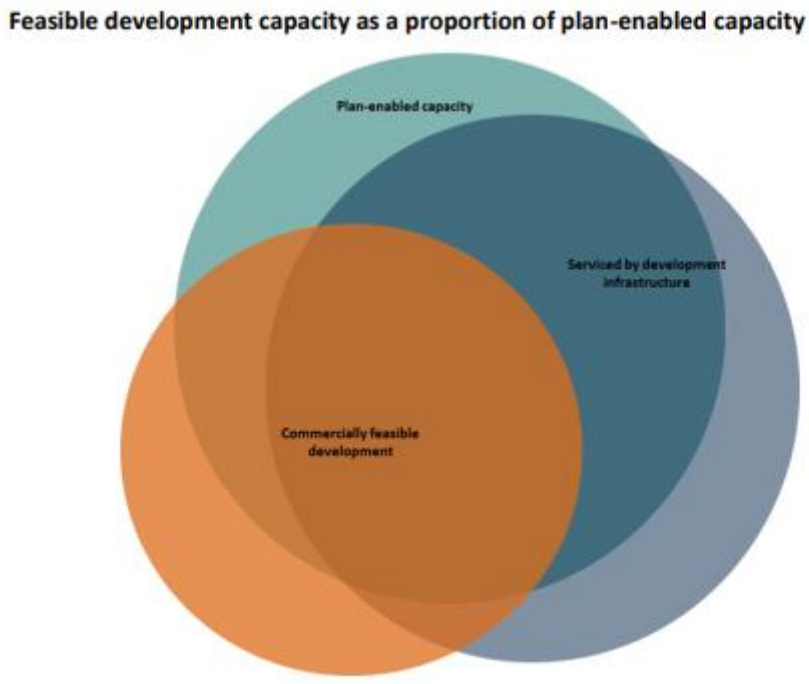
The approach described in the previous section focused on plan-enabled capacity. That is, the amount of theoretical capacity for business activity that arises by way of zoning and other provisions. This volume of plan-enabled capacity may not translate to actual 'on the ground' business activity unless it is "feasible" or, commercially viable to develop. This section therefore reviews the portion of plan enabled capacity in QLD that is "feasible", as required by PA1 of the NPS-UDC.

The NPS-UDC defines "feasible" as follows:

> *Feasible means that development is commercially viable, taking into account the current likely costs, revenue and yield of developing; and feasibility has a corresponding meaning.*

The intent of this definition is that local authorities assess whether development capacity is feasible to a developer. The definition refers to the costs and revenue that would be faced by a developer, to develop capacity that is enabled by a plan and supported by development infrastructure. Figure 6.1 represents the relationship between plan enabled, serviced and feasible capacity[63].

Figure 6.1 – Plan Enabled, Serviced and Commercially Feasible Development Relationship



[63] http://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/introductory-guide-on-the-nps-udc-nov-2016.pdf

This cost and revenue-based approach for residential development is relatively simple, in that the numbers of development options for a residential developer are usually relatively small – as are the ownership options. This means development feasibility can usually be determined with a simple residual value type development model. This type of model starts with the anticipated final sale price and deducts all the costs associated with development – including a developer's margin. The difference then between the final sale price and all of the developer's costs is the amount the developer can pay for the land and remain viable. If the land is priced higher than that, then the development is not feasible and won't be developed – regardless of the zoning.

For business land, the situation is more complex. The type and nature of business development is far more varied than residential – retail and commercial clients have a wide range of development types that might be suitable for a piece of land, each with different build costs, ownership types and developer margins. Industrial land may be developed in a bespoke manner by a particular manufacturer that may wish a purpose-built plant and plan to operate it for as long as the business is viable. This type of developer may be able to amortise costs across a very long timeframe, so is motivated very differently from a developer looking to build more generic tilt slab industrial units for rapid sale.

Because of these complexities a residual land value type model is not appropriate for business land assessments. Multi-Criteria Analysis (MCA) provides a way for Councils to frame the development opportunities within their district by scoring them against a set of agreed criteria. Each criterion plays a large of small role in the development and locational decision, so is given a large or small share of the total area score.

Each broad area is then scored against the criteria and the rating is added up to provide an overall score (and ranking). The scoring is a snap-shot in time and in future updates, the relative scores for each area may change as areas become more or less attractive. Comparisons can be made between where the plan enabled capacity resides and the total MCA score for those areas, highlighting any mismatches between plan enabled capacity and the areas that are most desirable to be developed. If capacity is provided in the areas that score highly in the MCA, Council can be confident that development will proceed. However, if capacity is clustered in areas that score poorly on the MCA process, they may find businesses do not develop that land, and pressure will be brought to bear on other land. This may lead to unintended consequences.

6.1 QLD Multi Criteria Analysis

The MCA approach has been used because it allows QLDC and other stakeholders to identify the key metrics that are important in the selection and development process for business land. The following table presents the criteria and weighting established from past studies M.E have carried out across industrial and commercial areas in other locations and subsequently agreed/modified through the local stakeholder workshop.

An MCA has been set up for Industrial, Retail and Commercial Visitor Accommodation development potential. The latter is due to the significance of the accommodation sector in the QLD economy and high level of demand for this land use. Commercial - Office activity in QLD is generally co-located with retail activity (often above ground floor). As such, the development and location decision making process for office space is expected to largely mirror that for retail space, and the same MCA can be used for both.

There are other land uses such as Commercial – Outdoor or Commercial - Other that are not addressed by these three MCAs and would have their own set of criteria and weighting[64]. Future updates of the BDCA could broaden the scope of the MCA to include these activities.

6.1.1 Criteria and Weighting

Table 6.1 summarises the criteria and weighting assigned to each MCA. There is a mixture of unique and shared criterion. Access to public transport and proximity to labour for example are common to all development activities. Proximity to the airport is important for the Accommodation and Industrial sector, but for different reasons. Parking availability is a key criterion for retail investment as well as road frontage.

Table 6.1 – Matrix of QLD MCA Criteria and Weighting

Criteria	Weighting		
	Commercial Visitor Accommodation	Industrial	Retail
Proximity to Queenstown Airport	20	10	-
Proximity to Queenstown CBD - returns	20	-	-
Proximity to other tourist activities - pick up and drop off spots	10	-	-
Potential for co-location or clustering with associated businesses or is contiguous with existing commercial/retail zoned land	10	-	-
Services - Waters Infrastructure	10	15	-
Proximity to labour	10	10	10
Height constraints - higher is better, capacity can be built up high reducing land requirements/ costs	10	-	-
Proximity to future development and attractions	10	-	-
Exposure / profile / visibility	5	5	5
Existing or proposed public transport	5	10	5
Access to complementary / supporting business services (Accommodation Sector Suppliers)	5	-	-
Access to major Road / transport routes; good transport access, especially road/motorway. Freight/heavy vehicle focussed.	-	20	-
Flat land, large land parcel, contiguous sites	-	20	-
Area has potential for co-location or clustering with associated business activities or is contiguous with existing business land zoned for industrial activities	-	20	-
Single land ownership and potential for large sites	-	5	-
Ability to buffer adverse effects from residential and sensitive activities, distance from sensitive land uses	-	15	-
Low level of traffic congestion in vacinity	-	5	5
Access to complementary / supporting business services (Industrial sector suppliers)	-	5	-
Located on main arterials (direct access for customer base)	-	-	10
Proximity to market - households within 5km	-	-	10
Proximity to market - households within 5km - 10km	-	-	5
Flat site - road frontage	-	-	20
Co-location or clustering with associated business activities - Retail Centres	-	-	15
Parking availability	-	-	15
Proximity to market - tourist accommodation within 1km	-	-	15
Access to complementary / supporting business services (Retail sector suppliers)	-	-	5
Maximum Score	**115**	**140**	**120**

Source: M.E, QLDC

Appendix 15 contains copies of the score assigned to each location and criterion. The scores are based on local insight and consideration of the total extent of each location – they reflect a current snap shot. The

[64] An MCA for primary, secondary and tertiary schooling would require input from the Ministry of Education to understand their core location requirements.

locations themselves relate to a combination of 2018 SNZ boundaries (refer Appendix 16 for maps) although the 'Frankton' area has been split into Frankton, Frankton Flats and Remarkables Park for the purpose of the MCA.

Some criteria require the scoring to think beyond what is present in the location now (or what is zoned or enabled) and consider its future or alternative potential, while others require an evaluation of current conditions and development. The key focus of the scoring was the relativities between the locations. There is some subjectivity involved in the scoring and this is a risk for consistency in future updates. Care was taken to involve Council in the approach to scoring to reach an agreed position (and involve relevant staff within Council where appropriate expertise was required).

6.2 Development Infrastructure

This section provides further detail on infrastructure needed to enable urban development. Development infrastructure (or network infrastructure) capacity is a key factor in determining if development capacity is feasible under the NPS-UDC.

"Development infrastructure" as defined in the NPS-UDC refers to the water supply, wastewater, storm water, and land transport networks (as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities) that are 'critical' for urban development; and "other infrastructure" refers to other 'softer' or non-critical infrastructure such as open space, social infrastructure, telecommunications and energy. Local authorities are required to ensure (under Policy A1) that the development capacity identified in this report is, or can be, serviced by "development infrastructure". However, the "other infrastructure" necessary to support urban growth is also important for the creation of effective and efficient urban environments, and together supports the achievement of social, economic, and cultural wellbeing.

Infrastructure service levels for water and waste water are included as criteria for both Commercial Visitor Accommodation and Industrial development in the MCA structure. The feasibility of roading infrastructure is captured indirectly through criteria addressing traffic congestion and accessibility to major roads.

The high growth rates that QLD is experiencing require massive commitments to new development infrastructure and upgrading and the consolidation of existing infrastructure. New or upgraded infrastructure can take a long time to plan and fund and implement. Intensification of existing urban areas has implications for the capacity, functioning and maintenance of existing networks; whereas areas of new greenfield growth require careful planning to ensure that infrastructure can be provided in an efficient manner and with regard to impacts on already planned infrastructure and long-term opportunities.

Infrastructure networks and growth need to be planned in an integrated manner to realise a range of long term benefits over a wider area than the development site. Integration of urban development and infrastructure is central to the objectives of the NPS-UDC, and importantly, is a requisite for the development capacity identified in this assessment under Policy A1.

Policy PA1 provides some scope for managing the risks associated with the oversupply of capacity by only requiring infrastructure to be in place in the short term, to have funding identified in the medium term and to be included in the Infrastructure Strategy in the long-term. QLDC planning and Infrastructure

departments have worked closely together and are satisfied that all proposed zoned land can be serviced in the short, medium and long-term. This is further discussed below:

Servicing the PDP

As discussed in section 2.3, the BCDA has been based on the PDP notified zonings and provisions. The development of the PDP, including the approach to zoning and the re-development opportunities within those zones, has been based on a strategy of achieving a compact and integrated urban form. UGB's have been applied to Queenstown, Wanaka and Arrowtown as a tool for promoting consolidation of urban development capacity and enabling increased intensification within the districts existing urban zones.

The development of the PDP zoning approach involved assessing the ability of QLDC reticulated networks to cater for the level of growth and intensification anticipated by the PDP. There are scheme boundaries for the water and wastewater networks, which define the limit of the schemes at present. These scheme boundaries are aligned with the defined UGBs of the PDP and are designed to service all the properties within, or partially within, the boundary lines, taking into account the zonings defined in the District Plan. The scheme boundaries define the geographic limit of council's planning and financing of reticulated development infrastructure. Therefore, there is a strong link between the PDP and Councils financial and infrastructure planning frameworks under the Long-Term Plan, Annual Plan, 30 year Infrastructure Strategy, and also the subsequent setting of the Development Contributions Policy in each financial year.

Throughout the PDP stage 1 hearings process it has been confirmed that the water supply and wastewater network can accommodate the additional growth proposed through the notified PDP. More specifically, the effect of wastewater and water demand from the increased densities in the PDP has been assessed against the Council's wastewater modelling capacity for both current day and future growth, 2025 and 2055[65]. This assessment included consideration to the currently available capacity to cater for the expected level of intensification, as well as any upgrades that may become necessary over time.

The strategic approach of the PDP is based on demand management and more enabling of public transport and its associated facilities, promoting choice in modes of transportation and integrated transport management. The PDP also seeks to enable mixed use and increased levels of development within areas that are deemed appropriate, the proposed Transport Chapter reduces parking requirements in areas that are deemed to be appropriate (i.e. areas that are within walking distance to town centres or services) and increasing the density of land use in the urban environment (this has included new zones such as the Medium Density Residential and the BMU Zones).

Servicing key growth areas

Key growth areas identified in this assessment as having a significant portion of the available business capacity are as follows:

- Queenstown Town Centre (including PC50);
- Wanaka Town Centre;

[65] This modelling will be updated with the dwelling capacity scenarios contained in the HDCA in the near future.

- Frankton Flats & 'Five Mile';
- Remarkables Park;
- Queenstown Airport Zone
- South and east Wanaka (including PC46 Ballantyne Road Mixed Use and PC16 Three Parks); and
- Gorge Road Business Mixed Use Zone

These areas are all within the Queenstown and Wanaka 'urban environment', UGB, and the water supply and wastewater scheme boundaries; and are therefore serviced, or planned to be serviced, with development infrastructure in the context of Policy A1. A number of these areas are within 'Special Zones' of the District Plan, including Remarkables Park, Frankton Flats, Ballantyne Road Industrial and Three Parks. These special zones have defined capacities and associated parameters for the provision of servicing and transport infrastructure. Private infrastructure within these zones, such as internal road networks, provision of reserves and open space (if deemed necessary) and service connections are the responsibility of the developers. In terms of the Jacks Point Special Zone this is serviced by a combination of QLDC services and private schemes.

The Queenstown and Wanaka Town Centres are currently projected to have capacity for growth in the water supply, storm water and wastewater networks. Both wastewater networks have a diminishing level of redundancy in some critical assets and a programme of capital projects to improve the level of service in terms of redundancy is planned within the first five years of the proposed LTP.

Area specific development contributions are imposed on developments in the Frankton Flats and Remarkables Park area to fund the provision of stormwater. The Frankton Flats area currently has marginal capacity in the water supply. A project to develop a new water source adjoining the Shotover River is underway and is planned to be supplying water to this growth area in 2019.

South and East Wanaka have sufficient water supply and wastewater capacity in place for the current zoning and growth rate. It is expected that this will be further improved by the implementation of Master Plan projects that will come out of the Wanaka Masterplan process.

Council are proposing significant investment in water quality projects throughout the 2018-2028 LTP in addition to localised water supply capacity issues that are discussed in this document. These water quality projects also require significant network reconfiguration and in some cases these capacity and quality projects are inter-related.

A number of servicing constraints exist within the Township zones. These are discussed in detail below:

Albert Town

Albert Town is amalgamated with the Wanaka Water Supply and wastewater services. The Council is currently undertaking a detailed investigation of its water supply over the peak demand period as current modelling is indicating some shortfall of firefighting supply for commercial zoned areas. This shortfall is thought to be due to faulty flow metering and demand prediction in this area. Testing is under way and

results will be understood in the near future. It is expected that this issue should not be significant enough to delay development to the zoned capacity.

Minor issues with both the wastewater and stormwater are known to exist that will be formally investigated and remodelled during 2018. A recent wastewater network reconfiguration and drive to improve subdivision and building practices to protect the wastewater network, are hoped to have improved the situation.

Luggate

A new long-term proposal is planned to future proof provision of safe drinking water for Luggate and the neighbouring Wanaka airport supply scheme. Several options are being considered with the preferred solution involving the connecting up of these two separate schemes. The plans for water supply include:

- A new bore pump station to be constructed to service both Luggate and Wanaka Airport. Raw water from this source will be treated through UV disinfection and chlorine dosing to ensure full compliance with DWSNZ. Field tests are currently being undertaken to identify a suitable aquifer yielding site for the new production bores;
- A new reservoir to be located at Wanaka Airport whilst the original reservoirs in Luggate will also be retained;
- A new 4km pipeline to be constructed between Wanaka airport and Luggate; and
- The existing bore pump station to be decommissioned.[66]

The current water supply network only services the Luggate Holdings subdivision, and the water treatment plant remains in private ownership. The treatment plant has limited capacity. A Memorandum of Understanding with the developer is being drawn up in regards to vesting the treatment plant and also developing a long term solution. The preferred option at this point is to pump to Project Pure as is done in Hawea.

The water and waste water schemes are programmed for the first three years of the 2018 LTP. Detailed design is already underway for the Luggate – Project Pure WWTP pumping system that will serve to convey wastewater from Luggate and allow the existing treatment plant to be decommissioned. Construction is planned to commence in the 2018/19 financial year.

The new water supply scheme is planned for construction over two years from 2019/20 – 2020/21.

Hawea

A new Hawea bore pump station and treatment plant was installed and commissioned in 2015 that supplies Hawea with safe drinking water. The Council continues to invest further in this supply scheme in order to meet its strategic objectives relating to public drinking water supplies.

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[66] QLDC 2015-2045 Infrastructure Strategy

The Hawea wastewater plant currently does not have capacity to adequately treat effluent. The proposed solution is to construct a sewer pump station and pipeline to convey sewage from Hawea to the QLDC Project Pure wastewater treatment plant located adjacent to Wanaka airport. The pipeline would be approximately 12km in length and routed via Hawea flat before crossing the Clutha River and discharging into the existing Project Pure Waste Water Treatment Plant. This is forecast to take place by 2021. Planning works for this project are already underway.

Long Term Plan, Annual Plan and 30-year Infrastructure Strategy

The LTP 2015-2025, and Annual Plan 2016/2017, already cover major upgrades and renewals to cater for increased densities. Council is also currently preparing the Annual Plan for 2017/2018 and at the beginning of March 2018 will be going out for public consultation. At the same time, Council will be consulting on the 10 Year LTP (2018-2028) and the review of the 30-year Infrastructure Strategy (2015-2045). Future iterations of the BDCA will have better alignment with these processes.

Depending on the locations and scale of growth over a given period it is anticipated that upgrades to reticulated networks may become necessary over the life of the PDP. The cyclical LTP and Annual Plan processes enables the reprioritising of works as necessary to meet demands. If any additional upgrades are necessary, it is likely these will be addressed through the upcoming LTP Review and updated Infrastructure Strategy. As decisions on Stage 1 of the PDP are now anticipated in the 2nd quarter of 2018, this process may not allow additional capacity, not considered in this assessment (such as decisions on rezoning submissions) to be brought into the LTP process via submissions.

Transport

QLDC owns and operates transportation corridors (and associated support infrastructure, i.e. streetlights, signage etc.) to provide the community with safe and efficient access to their homes, schools, places of work, recreational areas and public services. These corridors also support the national, regional and local economy by enabling the efficient movement of goods and services and tourism.

QLDC is in a state of transition in how it operates its transportation network. This has been led by Local Government reforms, adoption, implementation and embedding of the One Network Road Classification as well as ensuring the continual upskilling of in-house resources to ensure capability, capacity and continuity. QLDC is moving from a legacy business model of 'operating transport infrastructure assets' to a proactive, evidence/ risk based, and outcome focused 'integrated transportation solution'[67].

Key transport related issues facing the district are increasing road congestion, reduced liveability, roads that do not cater well for all modes of travel, land use patterns and parking requirements that affect the affordability of housing and enable the dispersal of activities. The transport system has not been able to keep up with the exponential growth and only limited improvements have taken place since 2006[68]. Cars remain the dominant transport mode throughout the region. Installation of roads and connection to existing roads are undertaken at the expense of the developer, primarily at the subdivision stage.

[67] Source: Land Transport Activity Management Plan 2017

[68] Source: Queenstown Integrated Transport Programme Business Case

QLDC is highly dependent on NZTA funding assistance for roads and the servicing and maintenance of state highways. The NZTA funds approximately 50% of all transport projects (with the exception of parking) and their support is critical to enabling the transport network growth needed to support growth.

The Council has also partnered with NZTA and ORC to offer a flat fare of $2 for all bus transport. Monitoring of bus services has seen a doubling of its use since the introduction of the reduced fares.

Town Centre Projects

QLDC is leading a multi-disciplinary team to identify and address the challenges facing the Queenstown Town Centre via a masterplan, which is a significant body of work for 2019. Access to the Queenstown Town Centre is a major challenge with significant congestion on the arterial routes, very low use of public transport, inefficient parking and an ad hoc approach to passenger transport contributing to a very constrained and dysfunctional transport network. QLDC is undertaking a wide programme of projects that all form part of the Masterplan programme for the Queenstown Town Centre. This programme will bring together the following work programmes:

- Masterplan (spatial framework including public realm);
- Town Centre Arterial Routes;
- Public and Passenger Transport;
- Parking; and
- Community and Civic Facilities.

A large element of these projects is to recognise that transport is about the movement of people and freight, and the associated behavioural issues, such as mode choice. It is less about hard infrastructure and accommodating ever increasing levels of vehicles, as with historic approaches. Optimising growth areas for a variety of uses, requires more liveable residential subdivisions, working and community spaces that are served by integrated networks, whilst anticipating improvements in technology. These are central to the objectives of the NPS-UDC. It is noted that a similar project is proposed for Wanaka.

Of particular note is that the proposed arterial route improvements will play a crucial role in improving the town centre access while supporting integrated initiatives (such as the $2 bus fare) around parking reform, public realm upgrades and public and passenger transport. Access to and from the Queenstown Town Centre is heavily reliant on the state highway networks being the primary access in and out of the town.

The Transport Strategy Queenstown Town Centre has identified a gap around freight and delivery networks which are crucial to business growth and development in many cases. QT town centre in particular, has significant issues as high rental rates cause multiple delivery requirements throughout the day in the CBD, due to minimised storage facilities. This affects congestion, travel time reliability and sometimes safety. Similarly, the existing industrial area at Glenda Drive is bursting at the seams in terms of transport issues and the need for additional spaces is spilling onto the public road. These are all matters that inform the BDCA.

The FDS (required by December 2018) will provide a vital next step in the integration between planning for future capacity, and the timing and sequencing of associated development and other infrastructure. This process will provide the opportunity to consider any implications of the PDP Stage 1 decisions as well as the outcomes of the LTP process, to achieve better ongoing alignment between land use planning and

future infrastructure plans and strategies. This includes further integration with the Ministry of Education, Ministry of Health and the NZTA.

6.3 Other Infrastructure

Policy A2 of the NPS-UDC requires that local authorities, "shall satisfy themselves that other infrastructure required to support urban development are likely to be available". This is discussed in more detail in the HDCA. Key aspects of other infrastructure that are relevant to business land uses include land transport, telecommunications and energy. While land transport is somewhat covered in terms of roading access, public transport and congestion criteria in the current MCA structure, energy and telecommunications have not been explicitly included. In terms of telecommunications and energy infrastructure suppliers were provided the opportunity to raise any capacity issues as part of Stage 1 and Stage 2 of the PDP review. No capacity issues have been raised.

The QLDC acknowledge work with the NZTA (including obtaining a better understanding of the interaction with Cromwell), the Ministry of Health and the Ministry for the Environment is ongoing, and the results of both these assessments will assist these agencies in their future planning. It is anticipated that future iterations of both the BDCA and HDCA will provide further integration with these agencies.

In general, the QLDC is satisfied that other infrastructure required to support urban development is likely to be available.

6.4 MCA Results

The top-ranking locations for Commercial Visitor Accommodation are Queenstown Central, Queenstown East and Queenstown Bay (areas already with a high concentration of hotels and back packers). However, Remarkables Park, Frankton Flats and Frankton (collectively 'Frankton') also rank high (Appendix 15).

The top-ranking locations for Industrial development are Frankton Flats and Remarkables Park, this is followed by Frankton, Wanaka Central (which includes the town centre but also Ballantyne Road and Three Parks area) and Wanaka North. The top-ranking locations for retail development are Frankton Flats and Remarkables Park. Wanaka Central and three areas in central Queenstown also rank highly against the criteria.

The following graphs compare the desirability/suitability of areas across the district (based on their total MCA score, in descending order) against the maximum potential vacant land capacity in those same areas. For the purpose of these graphs, 'Frankton' is based on an average MCA score across Frankton, Frankton Flats and Remarkables Park.

Overall, the significant majority of plan enabled capacity provided in QLD is considered highly feasible to develop. Some areas are more feasible than others for a particular land use, and some areas are more feasible for one land use than they are for another.

6.4.1 Commercial Visitor Accommodation Capacity

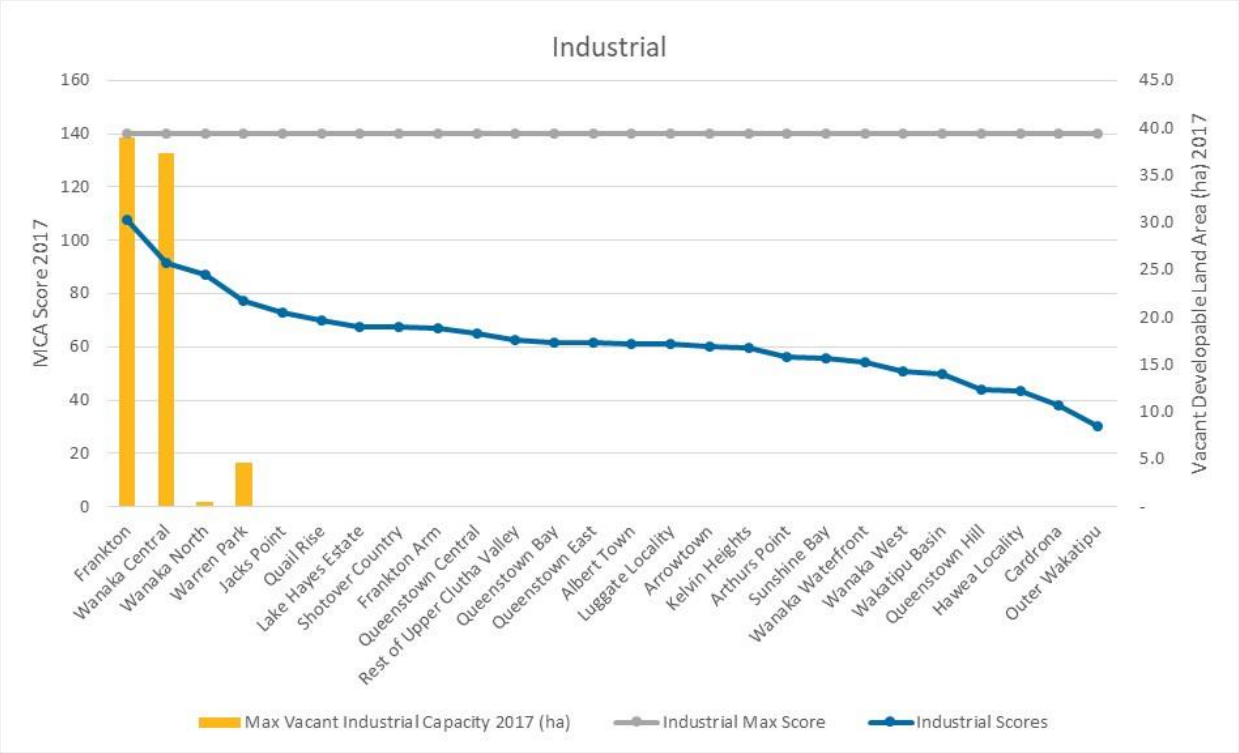
Figure 6.2 – MCA Results by QLD Area and Commercial Visitor Accommodation Capacity

The results show that the majority of vacant capacity for commercial visitor accommodation sits within the Frankton area, which ranks highly in terms of its location attributes (4th). A large portion of capacity is in Wanaka Central (which includes Three Parks) which is less desirable relative to some other areas where there is some vacant capacity, although is ranked equal with Arthurs Point. This suggests that hotel developers (for example) might be more likely to seek vacant capacity in Queenstown, Frankton, Warren Park, Frankton Arm or Sunshine Bay before choosing Wanaka Central, all else being equal. Uptake of vacant capacity Jack's Point may also be a longer-term prospect based on this approach (Figure 6.2).

M.E note that these conclusions (and those below) do not factor in market specialisation (i.e. operators looking for specific locations for reasons outside those identified in the MCA, including price, or who have different priorities (weightings) than those applied). Some operators may also limit their options to just the Wakatipu Ward or just the Wanaka Ward – in such cases the relative ranking of locations within these catchments still applies.

6.4.2 Industrial Capacity

Figure 6.3 – MCA Results by QLD Area and Industrial Capacity



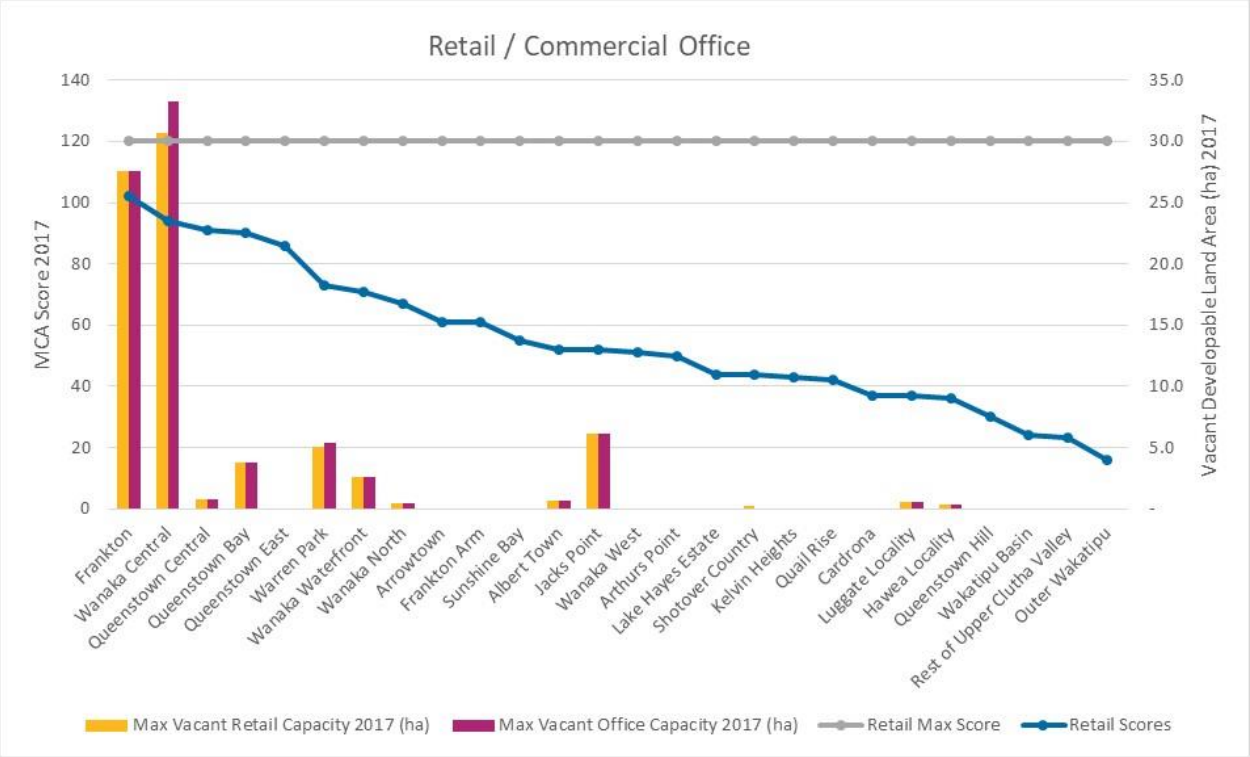
The MCA analysis shows that a significant amount of potential vacant Industrial capacity is located in the most desirable location for industrial development – Frankton. This includes the airport and Frankton Flats B. This is followed by capacity in Wanaka Central (areas around Ballantyne Road), the second most desirable location. This suggests a high level of certainty that this capacity will be developed (although the rate of take up is not able to be determined from this part of the analysis and will depend on the rate of demand growth). It also indicates that potential for redevelopment of existing sites elsewhere (other existing industrial zones) to provide industrial capacity is unlikely given the abundance of vacant capacity in more optimal locations (Figure 6.3).

6.4.3 Retail and Commercial Office Capacity

The MCA analysis shows that a significant amount of potential vacant Retail or Commercial Office capacity is also located in the most desirable locations for retail and office development – Frankton and Wanaka Central. This includes Frankton Flats A and B, Remarkables Park, Frankton Local Shopping Centre, Wanaka Town Centre and Three Parks. This suggests a high level of certainty that this capacity will be developed (although the rate of take-up will be driven by demand).

The next largest area of vacant capacity is in Jacks Point (the two village precincts), the 12th equal most desirable location. All else being equal, demand is likely to focus on remaining capacity in Queenstown Central, then Queenstown Bay and then Warren Park (all areas than span Plan Change 50) in advance of Jacks Point (Figure 6.4). But even development of Retail and Commercial Office space in the Plan Change 50 area might be delayed while growth is focussed on Frankton and Three Parks in the first instance.

Figure 6.4 – MCA Results by QLD Area and Retail and Commercial Office Capacity



7 Sufficiency of Capacity

In this section the results of the demand and capacity assessments are brought together to provide a quantitative comparison between them to determine the sufficiency of capacity provided for in the QLD urban business zones. The NPS-UDC Policy A1 requires local authorities to ensure that "*at any one time there is sufficient development capacity*". That means that the land is zoned and feasible for the next 10 years and has been identified in the various plans and strategic documents over the next 30 years.

In this section results are presented in two forms. First, plan enabled capacity (which is all considered to be feasible) is set against demand estimates in the short, medium and long-term to present a picture of sufficiency. Second, demand estimates have been increased by a margin[69] of 20% in the short and medium terms and by 15% in the long-term to meet the requirements of Policy C1, which states;

> *"To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least;*
>
> - *20% in the short and medium terms, and*
> - *15% in the long term."*

When interpreting the results reported below, it is important to remember that there is considerable overlap in enabled land use in some business zones throughout the urban environment (refer section 5.3). This means that the capacity figures are necessarily reported as maximums. They are not additive and utilisation of capacity for one use will reduce the available capacity for other uses.

7.1 Wakatipu Ward Results by Space Type

Table 7.1 compares cumulative demand for business land anticipated within the Wakatipu Ward's urban business enabled zones with maximum potential vacant land capacity. Detail is provided at the land use level and for the QLDC Recommended based growth projection. The analysis shows that the District Plan provisions applied in this assessment provide sufficient plan enabled and feasible capacity for all Retail, Commercial and Industrial uses in the short, medium and long-term, including when a margin over and above estimated demand is included.

The exception to that is demand for Outdoor – Commercial[70]. The analysis shows insufficient capacity for Outdoor - Commercial in the short, medium and long-term. However, no urban business zones were coded to Outdoor - Commercial land use based on interpretation of permitted, controlled and restricted discretionary activities set out in the plan with this analysis. As such, no vacant land parcels have been

[69] For this first BDCA, QLDC have adopted the margins recommended in the NPS guidance. This will be reviewed in future updates.
[70] Outdoor Commercial comprises a large share of the footprint of mining and quarry businesses, a moderate share of the footprint of agricultural service activities and a small share of the footprint of public safety/defence activities,

assigned potential for Outdoor - Commercial land use, hence a shortfall in all time periods. The shortfall is however negligible and should be given little weight in M.E's view.

Table 7.1 – Wakatipu Ward Plan Enabled Business Land Capacity Sufficiency by Land Use (Ha)

Category	Land Use / Building Type	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin								
Commercial	Office---Commercial	0.3	0.7	1.2	43.7	Sufficient	Sufficient	Sufficient
	Office---Retail	0.1	0.2	0.4	43.7	Sufficient	Sufficient	Sufficient
	Accommodation	3.8	8.5	16.0	99.3	Sufficient	Sufficient	Sufficient
	Yard---Commercial	1.2	2.9	6.1	90.1	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	1.1	2.8	5.8	99.4	Sufficient	Sufficient	Sufficient
	Education	0.3	0.7	1.3	67.4	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	0.0	0.0	0.1	-	Insufficient	Insufficient	Insufficient
Industrial	Warehouse	2.6	6.6	13.4	43.6	Sufficient	Sufficient	Sufficient
	Factory	1.6	3.8	6.9	36.5	Sufficient	Sufficient	Sufficient
	Yard---Industrial	1.5	3.9	8.2	30.1	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	0.5	1.5	3.5	16.4	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	0.8	2.0	4.0	43.5	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	1.6	3.6	6.8	40.6	Sufficient	Sufficient	Sufficient
Total		15.5	37.3	73.7				
With Margin								
Commercial	Office---Commercial	0.3	0.8	1.5	43.7	Sufficient	Sufficient	Sufficient
	Office---Retail	0.1	0.2	0.4	43.7	Sufficient	Sufficient	Sufficient
	Accommodation	4.6	10.2	18.9	99.3	Sufficient	Sufficient	Sufficient
	Yard---Commercial	1.4	3.5	7.2	90.1	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	1.3	3.4	6.8	99.4	Sufficient	Sufficient	Sufficient
	Education	0.4	0.8	1.5	67.4	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	0.0	0.0	0.1	-	Insufficient	Insufficient	Insufficient
Industrial	Warehouse	3.2	8.0	15.8	43.6	Sufficient	Sufficient	Sufficient
	Factory	1.9	4.5	8.1	36.5	Sufficient	Sufficient	Sufficient
	Yard---Industrial	1.8	4.7	9.7	30.1	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	0.7	1.8	4.0	16.4	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	1.0	2.4	4.6	43.5	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	2.0	4.4	8.0	40.6	Sufficient	Sufficient	Sufficient
Total		18.7	44.7	86.6				

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

Table 7.2 compares cumulative demand for business floorspace anticipated within the Wakatipu Ward's urban business enabled zones assuming vacant land is developed to its maximum potential capacity. Cumulative floorspace demand data is provided for different building typologies using the QLDC Recommended based employment growth projection. The analysis shows that the District Plan provides sufficient floorspace capacity for all business uses in the short, medium and long-term, including with a margin on demand. The same exception applies with regard to Outdoor – Commercial.

Table 7.2 – Wakatipu Ward Plan Enabled Business Floorspace Sufficiency by Typology (GFA)

Category	Land Use / Building Type	Cumulative GFA Demand (sqm)			Total Vacant Business Zone GFA 2017 (sqm) *	Sufficiency		
		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin								
Commercial	Office---Commercial	2,000	4,600	8,300	558,200	Sufficient	Sufficient	Sufficient
	Office---Retail	400	1,000	2,200	244,400	Sufficient	Sufficient	Sufficient
	Accommodation	19,200	42,700	80,100	1,238,000	Sufficient	Sufficient	Sufficient
	Yard---Commercial	5,100	12,800	27,100	406,800	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	5,600	14,000	29,000	1,139,800	Sufficient	Sufficient	Sufficient
	Education	1,100	2,600	4,700	893,700	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	100	200	400	-	Insufficient	Insufficient	Insufficient
Industrial	Warehouse	12,500	31,600	64,100	253,800	Sufficient	Sufficient	Sufficient
	Factory	8,500	19,600	35,800	202,000	Sufficient	Sufficient	Sufficient
	Yard---Industrial	5,800	15,000	31,300	154,300	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	2,700	7,400	17,300	122,800	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	4,500	10,900	21,400	241,700	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	9,000	20,100	37,700	221,500	Sufficient	Sufficient	Sufficient
Total		76,500	182,500	359,400				
With Margin								
Commercial	Office---Commercial	2,400	5,500	9,800	558,200	Sufficient	Sufficient	Sufficient
	Office---Retail	500	1,200	2,600	244,400	Sufficient	Sufficient	Sufficient
	Accommodation	23,000	51,200	94,200	1,238,000	Sufficient	Sufficient	Sufficient
	Yard---Commercial	6,100	15,300	31,700	406,800	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	6,700	16,800	34,100	1,139,800	Sufficient	Sufficient	Sufficient
	Education	1,300	3,100	5,500	893,700	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	100	200	400	-	Insufficient	Insufficient	Insufficient
Industrial	Warehouse	15,000	37,900	75,300	253,800	Sufficient	Sufficient	Sufficient
	Factory	10,200	23,500	42,100	202,000	Sufficient	Sufficient	Sufficient
	Yard---Industrial	7,000	18,000	36,700	154,300	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	3,200	8,800	20,200	122,800	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	5,400	13,100	25,200	241,700	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	10,800	24,100	44,300	221,500	Sufficient	Sufficient	Sufficient
Total		91,800	219,100	422,600				

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

7.2 Wanaka Ward Results by Space Type

Table 7.3 compares cumulative demand for business land anticipated within the Wanaka Ward's urban business enabled zones with maximum potential vacant land capacity. Detail is provided at the land use level and for the QLDC Recommended based employment growth projection. The analysis shows that the District Plan provides sufficient capacity for all for all business land uses in the short, medium and long-term, including with a margin on demand.

The exception to that is demand for Outdoor – Commercial. As discussed above, no urban business zones were coded to this land use based on interpretation of permitted, controlled and restricted discretionary activities set out in the plan. As such, no vacant land parcels have been assigned potential for Outdoor - Commercial land use, hence a shortfall in all time periods. The shortfall is however negligible and should be given little weight in M.E's view.

Even if the Retail and Commercial capacity of the Deferred Commercial Core precinct in Three Parks was not available until the long term, the modelling indicates sufficient capacity to cater for short and medium-term demand growth.

Table 7.3 – Wanaka Ward Plan Enabled Business Land Capacity Sufficiency by Land Use (Ha)

Category	Land Use / Building Type	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin								
Commercial	Office---Commercial	0.1	0.2	0.3	37.7	Sufficient	Sufficient	Sufficient
	Office---Retail	0.0	0.1	0.1	30.3	Sufficient	Sufficient	Sufficient
	Accommodation	1.3	3.0	4.8	34.7	Sufficient	Sufficient	Sufficient
	Yard---Commercial	0.5	1.2	2.5	30.4	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	0.3	0.9	1.8	28.6	Sufficient	Sufficient	Sufficient
	Education	0.1	0.2	0.4	16.0	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	0.0	0.0	0.0	-	Insufficient	Insufficient	Insufficient
Industrial	Warehouse	0.6	1.6	3.4	37.8	Sufficient	Sufficient	Sufficient
	Factory	0.3	0.9	1.8	29.9	Sufficient	Sufficient	Sufficient
	Yard---Industrial	0.4	1.0	2.2	30.4	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	0.1	0.4	0.9	22.9	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	0.3	0.8	1.6	28.0	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	0.6	1.3	2.1	35.2	Sufficient	Sufficient	Sufficient
Total		4.6	11.5	22.0				
With Margin								
Commercial	Office---Commercial	0.1	0.2	0.4	37.7	Sufficient	Sufficient	Sufficient
	Office---Retail	0.1	0.4	1.2	30.3	Sufficient	Sufficient	Sufficient
	Accommodation	1.6	3.6	5.7	34.7	Sufficient	Sufficient	Sufficient
	Yard---Commercial	0.6	1.5	3.0	30.4	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	0.4	1.0	2.1	28.6	Sufficient	Sufficient	Sufficient
	Education	0.1	0.3	0.5	16.0	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	0.0	0.0	0.0	-	Insufficient	Insufficient	Insufficient
Industrial	Warehouse	0.7	2.0	4.0	37.8	Sufficient	Sufficient	Sufficient
	Factory	0.4	1.1	2.1	29.9	Sufficient	Sufficient	Sufficient
	Yard---Industrial	0.4	1.2	2.5	30.4	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	0.1	0.4	1.1	22.9	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	0.4	1.0	1.9	28.0	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	0.7	1.5	2.4	35.2	Sufficient	Sufficient	Sufficient
Total		5.7	14.1	26.9				

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

Projected demand and current capacity within core business enabled zones in defined urban environment only.

** Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

Table 7.4 shows the same results when examined in terms of floorspace demand and maximum potential enabled capacity by building typology. In terms of the Outdoor – Commercial shortfall, this is limited to the long-term only due to the rounding of results.

Table 7.4 – Wanaka Ward Plan Enabled Business Floorspace Sufficiency by Typology (GFA)

Category	Land Use / Building Type	Cumulative GFA Demand (sqm)			Total Vacant Business Zone GFA 2017 (sqm) *	Sufficiency		
		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin								
Commercial	Office---Commercial	500	1,200	2,200	402,100	Sufficient	Sufficient	Sufficient
	Office---Retail	100	300	700	95,200	Sufficient	Sufficient	Sufficient
	Accommodation	6,500	14,800	24,100	364,900	Sufficient	Sufficient	Sufficient
	Yard---Commercial	2,200	5,500	11,300	115,800	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	1,700	4,300	8,900	273,900	Sufficient	Sufficient	Sufficient
	Education	300	700	1,300	196,100	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	-	-	100	-	Sufficient	Sufficient	Insufficient
Industrial	Warehouse	3,000	7,900	16,400	147,600	Sufficient	Sufficient	Sufficient
	Factory	1,700	4,600	9,400	112,200	Sufficient	Sufficient	Sufficient
	Yard---Industrial	1,300	3,700	8,200	115,800	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	600	1,800	4,600	93,300	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	1,800	4,500	8,700	95,200	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	3,100	7,000	11,400	107,600	Sufficient	Sufficient	Sufficient
Total		22,800	56,300	107,300				
With Margin								
Commercial	Office---Commercial	600	1,400	2,600	402,100	Sufficient	Sufficient	Sufficient
	Office---Retail	100	300	700	95,200	Sufficient	Sufficient	Sufficient
	Accommodation	7,800	17,800	28,500	364,900	Sufficient	Sufficient	Sufficient
	Yard---Commercial	2,600	6,600	13,300	115,800	Sufficient	Sufficient	Sufficient
	Other Built---Commercial	2,000	5,100	10,400	273,900	Sufficient	Sufficient	Sufficient
	Education	400	900	1,600	196,100	Sufficient	Sufficient	Sufficient
	Outdoor---Commercial	-	-	100	-	Sufficient	Sufficient	Insufficient
Industrial	Warehouse	3,600	9,500	19,300	147,600	Sufficient	Sufficient	Sufficient
	Factory	2,000	5,500	11,000	112,200	Sufficient	Sufficient	Sufficient
	Yard---Industrial	1,600	4,500	9,700	115,800	Sufficient	Sufficient	Sufficient
	Other Built---Industrial	700	2,100	5,300	93,300	Sufficient	Sufficient	Sufficient
Retail	Shops---Commercial	2,200	5,400	10,200	95,200	Sufficient	Sufficient	Sufficient
	Shops---Food and Beverage	3,700	8,400	13,500	107,600	Sufficient	Sufficient	Sufficient
Total		27,400	67,600	126,300				

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

Projected demand and current capacity within core business enabled zones in defined urban environment only.

** Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

7.3 Total QLD Urban Business Zone Results

The following sections aggregate results according to Commercial, Industrial and Retail categories. Wanaka and Wakatipu Ward results are shown side-by-side as well as the total across all urban business enabled zones. Each category is examined individually, without and with the margin on demand. Results are for the Recommended growth projection unless specified.

7.3.1 Commercial Sufficiency

Table 7.5 compares cumulative demand for commercial business land anticipated within urban business enabled zones with maximum potential vacant commercial land capacity. The analysis shows that the District Plan provides sufficient capacity for all commercial land uses in the short, medium and long-term, including with a margin on top of demand. Whilst acknowledging that a portion of this capacity could alternatively be utilised for Retail or Industrial activities, the surpluses are significant.

Table 7.5 – Commercial Plan Enabled Business Land Capacity Sufficiency by Ward (Ha)

Ward	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin							
Wakatipu	6.8	15.8	30.9	169.9	Sufficient	Sufficient	Sufficient
Wanaka	2.3	5.5	10.0	72.0	Sufficient	Sufficient	Sufficient
Total	9.1	21.4	41.0	241.9			
With Margin							
Wakatipu	8.1	19.0	36.3	169.9	Sufficient	Sufficient	Sufficient
Wanaka	2.8	6.7	11.8	72.0	Sufficient	Sufficient	Sufficient
Total	10.9	25.6	48.2	241.9			

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

In terms of commercial floorspace demand and capacity, the same sufficiency is evident (and significant) over all time periods (Table 7.6).

Table 7.6 – Commercial Plan Enabled Business Floorspace Capacity Sufficiency by Ward (GFA)

Ward	Cumulative GFA Demand (sqm)			Total Vacant Business Zone GFA 2017 (sqm) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin							
Wakatipu	33,500	77,900	151,800	1,861,300	Sufficient	Sufficient	Sufficient
Wanaka	11,300	26,800	48,600	656,800	Sufficient	Sufficient	Sufficient
Total	44,800	104,700	200,400	2,518,100			
With Margin							
Wakatipu	40,200	93,500	178,500	1,861,300	Sufficient	Sufficient	Sufficient
Wanaka	13,600	32,200	57,300	656,800	Sufficient	Sufficient	Sufficient
Total	53,800	125,700	235,800	2,518,100			

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

7.3.2 Industrial Sufficiency

Table 7.7 compares cumulative demand for industrial business land anticipated within urban business enabled zones with vacant industrial land developed to its maximum potential capacity. The analysis shows that the District Plan provides sufficient capacity for all industrial land uses in the short, medium and long-term, including with a margin on top of demand. It is important to acknowledge that

1. this demand and capacity includes demand associated with the Queenstown Airport in the Wakatipu Ward; and

2. that a portion of industrial capacity could alternatively be utilised for Commercial or Retail activities, more so in the Wakatipu Ward due to flexibility in some Frankton Flats B precincts, but in both wards due to the flexibility provided in the BMU zone for light industrial/service activities (noting that warehousing and storage and lock-up facilities (including vehicle storage)

are considered to be a Restricted Discretionary Activity in this zone. While Frankton is a desirable place for industrial development (due to good access to key transport routes and large flat sites), it is also desirable (highly feasible) as a retail or commercial development area (due to its proximity to the market, profile, parking and public transport access (among other attributes - full detail is provided in the MCA discussion). Hence the potential for industrial capacity is likely to be overstated due to a large amount of this capacity being located in prime locations for commercial/retail use.

The implications of these two factors are discussed further below (alternate scenario results).

Table 7.7 – Industrial Plan Enabled Business Land Capacity Sufficiency by Ward (Ha)

Ward	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin							
Wakatipu	6.3	15.8	32.0	43.6	Sufficient	Sufficient	Sufficient
Wanaka	1.4	3.9	8.3	37.8	Sufficient	Sufficient	Sufficient
Total	7.7	19.7	40.3	81.3			
With Margin							
Wakatipu	7.6	19.0	37.6	43.6	Sufficient	Sufficient	Sufficient
Wanaka	1.7	4.6	9.7	37.8	Sufficient	Sufficient	Sufficient
Total	9.3	23.6	47.4	81.3			

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

In terms of industrial floorspace demand and capacity, the same sufficiency is evident over all time periods, but the same caveats also apply (Table 7.8).

Table 7.8 – Industrial Plan Enabled Business Floorspace Capacity Sufficiency by Ward (GFA)

Ward	Cumulative GFA Demand (sqm)			Total Vacant Business Zone GFA 2017 (sqm) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin							
Wakatipu	29,500	73,600	148,500	253,800	Sufficient	Sufficient	Sufficient
Wanaka	6,600	18,000	38,600	147,600	Sufficient	Sufficient	Sufficient
Total	36,100	91,600	187,100	401,400			
With Margin							
Wakatipu	35,400	88,400	174,600	253,800	Sufficient	Sufficient	Sufficient
Wanaka	7,900	21,600	45,300	147,600	Sufficient	Sufficient	Sufficient
Total	43,300	110,000	219,900	401,400			

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

7.3.3 Retail Sufficiency

Table 7.9 compares cumulative demand for retail business land anticipated within urban business enabled zones with vacant retail land developed to its maximum potential capacity. The analysis shows that the District Plan provides sufficient capacity for all retail land uses in the short, medium and long-term, including with a margin on top of demand. The surpluses are significant, particularly in the Wanaka Ward due largely to the yet to be developed Three Parks area. This includes an area that is located in the Deferred Commercial Core that provides for an area that can be rezoned for commercial development in the future, once the rest of the Three Parks Special Zone has been largely developed.

The same concerns raised for industrial sufficiency are less applicable here. Retail land use offers higher returns on development and so will often take precedent over industrial and commercial land use on the ground floor. As such, there is less chance that this capacity would be reduced by competing land uses.

Table 7.9 – Retail Plan Enabled Business Land Capacity Sufficiency by Ward (Ha)

Ward	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin							
Wakatipu	2.5	5.7	10.8	43.5	Sufficient	Sufficient	Sufficient
Wanaka	0.9	2.1	3.7	35.2	Sufficient	Sufficient	Sufficient
Total	3.4	7.7	14.4	78.6			
With Margin							
Wakatipu	3.0	6.8	12.7	43.5	Sufficient	Sufficient	Sufficient
Wanaka	1.1	2.5	4.3	35.2	Sufficient	Sufficient	Sufficient
Total	4.0	9.3	17.0	78.6			

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

In terms of retail floorspace demand and capacity, the same sufficiency is evident over all time periods and the same level of certainty in these results applies (Table 7.10).

Table 7.10 - Retail Plan Enabled Business Floorspace Capacity Sufficiency by Ward (GFA)

Ward	Cumulative GFA Demand (sqm)			Total Vacant Business Zone GFA 2017 (sqm) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Without Margin							
Wakatipu	13,500	31,000	59,100	241,700	Sufficient	Sufficient	Sufficient
Wanaka	4,900	11,500	20,100	107,600	Sufficient	Sufficient	Sufficient
Total	18,400	42,500	79,200	349,300			
With Margin							
Wakatipu	16,200	37,200	69,500	241,700	Sufficient	Sufficient	Sufficient
Wanaka	5,900	13,800	23,700	107,600	Sufficient	Sufficient	Sufficient
Total	22,100	51,000	93,200	349,300			

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E. Figures rounded to nearest 100.

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

7.3.4 Alternative Scenario – No Overlap

In section 5.4.4 an alternate "scenario" of development that reflects potential market pressures, including maximising investment returns in parts of the district, was discussed and the resulting vacant capacity by zone and ward reported. This single alternate scenario removes the overlap of capacity in those zones where flexibility is enabled between Retail, Commercial and/or Industrial activity. The scenario is **indicative only** and based on a series of allocation rules outlined in Appendix 14.

This section of the report utilises that alternate capacity scenario and compares it with demand to provide a more tangible perspective on sufficiency.

Table 7.11 first provides the original demand and capacity results (already discussed above) for the QLDC Recommended based growth projection, but in a combined format, and only for the 'with margin' demand. It shows that the District Plan provides sufficient capacity for all categories and time periods, albeit that certainty of those outcomes is hindered by overlaps in vacant land capacity.

Table 7.11 – Plan Enabled Business Land Sufficiency by Category and Ward (Ha) – With Margin

Category by Ward	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Commercial							
Wakatipu	8.1	19.0	36.3	169.9	Sufficient	Sufficient	Sufficient
Wanaka	2.8	6.7	11.8	72.0	Sufficient	Sufficient	Sufficient
TOTAL	**10.9**	**25.6**	**48.2**	**241.9**	Sufficient	Sufficient	Sufficient
Retail							
Wakatipu	3.0	6.8	12.7	43.5	Sufficient	Sufficient	Sufficient
Wanaka	1.1	2.5	4.3	35.2	Sufficient	Sufficient	Sufficient
TOTAL	**4.0**	**9.3**	**17.0**	**78.6**	Sufficient	Sufficient	Sufficient
Industrial							
Wakatipu	7.6	19.0	37.6	43.6	Sufficient	Sufficient	Sufficient
Wanaka	1.7	4.6	9.7	37.8	Sufficient	Sufficient	Sufficient
TOTAL	**9.3**	**23.6**	**47.4**	**81.3**	Sufficient	Sufficient	Sufficient

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Maximum capacity assuming no uptake by other enabled land uses. Will overstate capacity where other land uses take precedent.*

Table 7.12 replaces the original vacant capacity with the alternate scenario (section 5.4.4). This shows that capacity is reduced when land use overlaps are removed by the allocation assumptions applied across flexible zones.

The reductions in vacant capacity are most strongly felt in the Industrial category, and especially in the Wakatipu Ward where zone flexibility is greatest. Total vacant industrial capacity reduces from 81.3 ha (maximum potential) to just 56.9 ha across the urban environment (70% of the maximum). In the Wakatipu Ward, vacant industrial capacity reduces from 43.6 ha (maximum potential) to just 28.1 ha (64% of the ward maximum). In the Wanaka Ward, it drops from 37.8 ha to 28.8 ha (76% of the ward maximum).

Commercial vacant capacity drops from 241.9 ha (maximum potential) to 194.9 ha across the urban environment (81% of the maximum). This is largely due to excluding retail capacity on the ground floor where applicable. The decrease in Wanaka is more significant – reducing from 72.0 ha to 42.9 ha (60% of

the ward maximum). In Wakatipu, the nature of the overlaps means that the reduction is more moderate (89% of the potential ward maximum).

As discussed previously, Retail has been given precedence, so reduces the least in the alternate scenarios (93% of maximum potential overall, and 99% of maximum potential in the Wanaka Ward).

Based on these alternate capacities, Table 7.12 still shows that the District Plan provides sufficient retail and commercial land capacity in the short, medium and long-term, and insufficient Industrial capacity in the long-term. Industrial capacity is likely to have been exhausted between the medium and long-term period, i.e. around 2036). This triggers a planning response under the NPS-UDC and will need to be addressed as part of the FDS.

Table 7.12 – Plan Enabled Business Land Sufficiency by Category (Ha) – Alternate Scenario

Category by Ward	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Commercial							
Wakatipu	8.1	19.0	36.3	152.1	Sufficient	Sufficient	Sufficient
Wanaka	2.8	6.7	11.8	42.9	Sufficient	Sufficient	Sufficient
TOTAL	**10.9**	**25.6**	**48.2**	**194.9**	Sufficient	Sufficient	Sufficient
Retail							
Wakatipu	3.0	6.8	12.7	38.1	Sufficient	Sufficient	Sufficient
Wanaka	1.1	2.5	4.3	34.9	Sufficient	Sufficient	Sufficient
TOTAL	**4.0**	**9.3**	**17.0**	**72.9**	Sufficient	Sufficient	Sufficient
Industrial							
Wakatipu	7.6	19.0	37.6	28.1	Sufficient	Sufficient	Insufficient
Wanaka	1.7	4.6	9.7	28.8	Sufficient	Sufficient	Sufficient
TOTAL	**9.3**	**23.6**	**47.4**	**56.9**	Sufficient	Sufficient	Sufficient

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Overlap in capacity has been removed, refer to the scenario assumptions in appendices.*

M.E has tested these results under a higher growth projection than Council's Recommended growth outlook. Under the High economic growth projection of this scenario, there would also be a shortfall of industrial capacity in the Wakatipu Ward between the medium and long-term (demand of 51.5 ha including a margin in 2046 compared to 28.1 ha of industrial capacity), but the capacity would be exhausted much closer to the medium-term.

Across the total district, there would also be sufficient industrial capacity in the short and medium-term but insufficient capacity in the long-term under the High growth scenario. In the long term, the surplus in the Wanaka Ward would not offset the shortfall in the Wakatipu Ward during that period. Care is however needed when considering the district level outcomes and the ability of demand in one ward to be serviced by capacity in the other ward in any time period. QLD differs to many other high growth areas because the Queenstown and Wanaka urban areas are geographically separate and operate in distinct industrial catchments because of the distance and topography between the two main towns. Heavy vehicles are unable to use the Crown Range Road and need to access Wanaka via Cromwell, which is an approximately 75 minute car drive. In this regard, Cromwell is likely to be more feasible location for industrial activities that need to service both QLD wards and may become more relevant if a shortage occurs at this timeframe.

For this reason, the district level outcomes should not be relied upon and are reported for completeness only. It is important in QLD that sufficient industrial land is provided in both areas.

Excluding Airport Demand and Capacity in the Alternate Scenario

Section 4.6 discussed briefly the share of demand associated with the Air Transport Services sector in the Wakatipu Ward that would be likely to seek capacity in the Queenstown Airport Mixed Use Zone[71]. Given that the Queenstown Airport is an economically significant and critical piece of infrastructure in the district, and the nature of airport expansion is complex and has unique constraints not faced by other sectors, M.E considers it relevant to also test sufficiency results with Queenstown Airport demand and capacity excluded from the alternate scenario.

Table 7.13 excludes the vacant industrial capacity identified in the Queenstown Airport Mixed Use zone. This reduces the vacant industrial capacity in the Wakatipu Ward to just 17.5 ha, and 46.3 ha in the urban environment overall. It also excludes demand from the Air Transport Services sector in the Wakatipu Ward, which was predominantly attributed to industrial land uses but also a very small portion of commercial land uses[72].

Table 7.13 – Plan Enabled Business Land Sufficiency by Category (Ha) – Alternate Excl. Airport

Category by Ward	Cumulative Land Demand (Ha)			Total Vacant Business Zone Land 2017 (ha) *	Sufficiency		
	Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)		Short Term (2016-2019)	Medium Term (2016-2026)	Long Term (2016-2046)
Commercial							
Wakatipu	8.1	19.0	36.3	152.1	Sufficient	Sufficient	Sufficient
Wanaka	2.8	6.7	11.8	42.9	Sufficient	Sufficient	Sufficient
TOTAL	**10.9**	**25.6**	**48.1**	**194.9**	Sufficient	Sufficient	Sufficient
Retail							
Wakatipu	3.0	6.8	12.7	38.1	Sufficient	Sufficient	Sufficient
Wanaka	1.1	2.5	4.3	34.9	Sufficient	Sufficient	Sufficient
TOTAL	**4.0**	**9.3**	**17.0**	**72.9**	Sufficient	Sufficient	Sufficient
Industrial							
Wakatipu	6.4	16.6	34.0	17.5	Sufficient	Sufficient	Insufficient
Wanaka	1.7	4.6	9.7	28.8	Sufficient	Sufficient	Sufficient
TOTAL	**8.1**	**21.3**	**43.7**	**46.3**	Sufficient	Sufficient	Sufficient

Source: QLD EFM 2018 (Rationale Recommended Population and Tourism, Medium Other), M.E

*Projected demand and current capacity within core business enabled zones in defined urban environment only. Wakatipu Ward includes both Queenstown and Arrowtown Wards. * Overlap in capacity has been removed, refer to the scenario assumptions in appendices. Queenstown Airport demand & capacity excluded.*

When the airport activity is excluded, the results in Table 7.13 show that the District Plan does not provide sufficient capacity for growth in industrial land use in the Wakatipu Ward in the long-term. The shortfall occurs just after 2026 (in the medium to long-term period, around 2027). By 2026, the surplus is estimated

[71] At the time of writing this BDCA, the future of the land known as 'Lot 6' in the Remarkables Park Zone was unknown (potentially subject to further appeals) and has been treated as commercial capacity as zoned in the Operative District Plan. The alternative is that this land becomes available for airport use.

[72] The differences in Wakatipu Commercial demand are negligible.

at just 0.85 ha and by 2046 the shortfall would be a significant -16.5 ha (with a margin on top of demand included).

Under the High economic growth projection of this scenario, there would be a shortfall of industrial capacity in the Wakatipu Ward between the short and medium-term (demand of 20.8 ha including a margin compared to 17.5 ha of industrial capacity in 2026). Across the urban environment, sufficient industrial capacity is provided in the short and medium term, but in the medium to long-term there would be a shortfall of capacity (demand of 59.5 ha including a margin compared to 46.3 ha of industrial capacity in 2046).

These results are relevant to consider for the FDS, as council will need to consider the likelihood of either or both of these scenarios occurring, and whether a planning response should be initiated in accordance with the NPS-UDC requirements. The realisation of industrial activity can have significant lead in times requiring zoning to be in place same time before development is realised on the ground.

7.4 Discussion

The up-shot of this analysis of sufficiency is that the District Plan provides a significant surplus of capacity for projected growth in demand for both retail and commercial sectors for the next 30 years. There is also reasonably strong alignment between results of the MCA framework and plan enabled capacity, indicating that Council has zoned land that is appropriately located and is likely to meet developer requirements (i.e. is feasible to develop).

The Wanaka Ward is also well served with industrial capacity for the foreseeable future, thanks to new zones created in the Ballantyne Road area, including the presence of the Industrial B zone. This objective of this zone is to provide a mix of business, industrial, service and trade related activities and avoid residential, office (non-ancillary) and most retails uses.

Conservatively, the Wakatipu Ward could have 28.1 ha of vacant industrial capacity (based on the alternate scenario discussed above). This is out of a potential maximum capacity of 43.6 ha if none is taken up by retail or commercial activity (which seems unlikely). This capacity (28.1 ha) does however include significant vacant capacity in the Queenstown Airport Mixed Use zone. Excluding that, the remaining 17.5 ha (a more conservative estimate) is all that is left to cater for industrial land demand in the Wakatipu Ward (excluding Air Transport Services).

This is located entirely within Frankton Flats B Precincts D (10.68 estimated developable ha) and E1 (6.81 estimated developable ha) in M.E's alternate scenario. This will not be sufficient beyond 2026 (the medium term) according to the Council's Recommended growth projection (see monitoring and recommendations sections below).

7.5 Market and Price Efficiency Indicators

NPS-UDC Policies B2c and B3e require local authorities to include information from market and price efficiency indicators in their BDCA (and HDCA). This section discusses these local indicators and how they can be interpreted alongside the results of the demand and capacity modelling.

7.5.1 Market Indicators

Under the National Policy Statement, Policy B6, Councils are required to monitor a range of indicators on a quarterly basis, including:

1. Prices and Rents for business land by location and type. Changes in these prices and rents over time are to be monitored.

2. Number of resource consents and building consents granted for urban development relative to the growth in population

The first such report prepared by QLDC is for the June 2017 quarter and establishes baselines from which future trends will be benchmarked. QLDC have also prepared a September 2017 report. At the time of writing, both these quarterly reports are in draft state, so the figures contained within may change. The figures are replicated here under that caveat.

Within this report, a summary of both the June 2017 and September 2017 data is provided to be read alongside capacity, growth and sufficiency. Council's Monitoring report presents business indicators over time, in some detail. That work is not repeated here, so if more detail is needed the reader is directed back to the Monitoring reports. In this report key Business Indicators are summarised and conclusions drawn from them assessed.

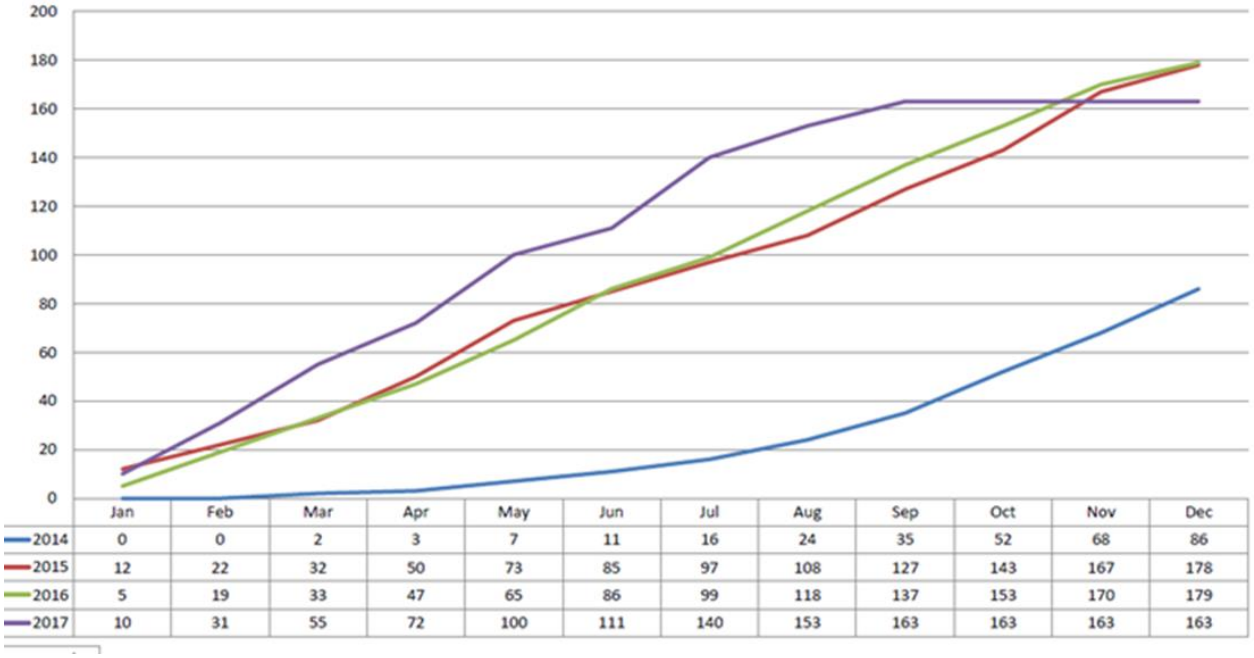
Commercial Building Consents

Currently QLDC are not recording prices and rents for business land or space by location. They are monitoring commercial building consents and aligning that with employment growth. Commercial building consents are recorded in terms of number (in total and their value).

The Draft June 2017 report recorded a strong increase in consents issued over the previous year. By June 2017 the numbers were running at 40% ahead of both 2015 and 2016. In addition, the total value of these consents was over 100% higher than 2016. Average value of consents was up from $637,500 to over $917,800.

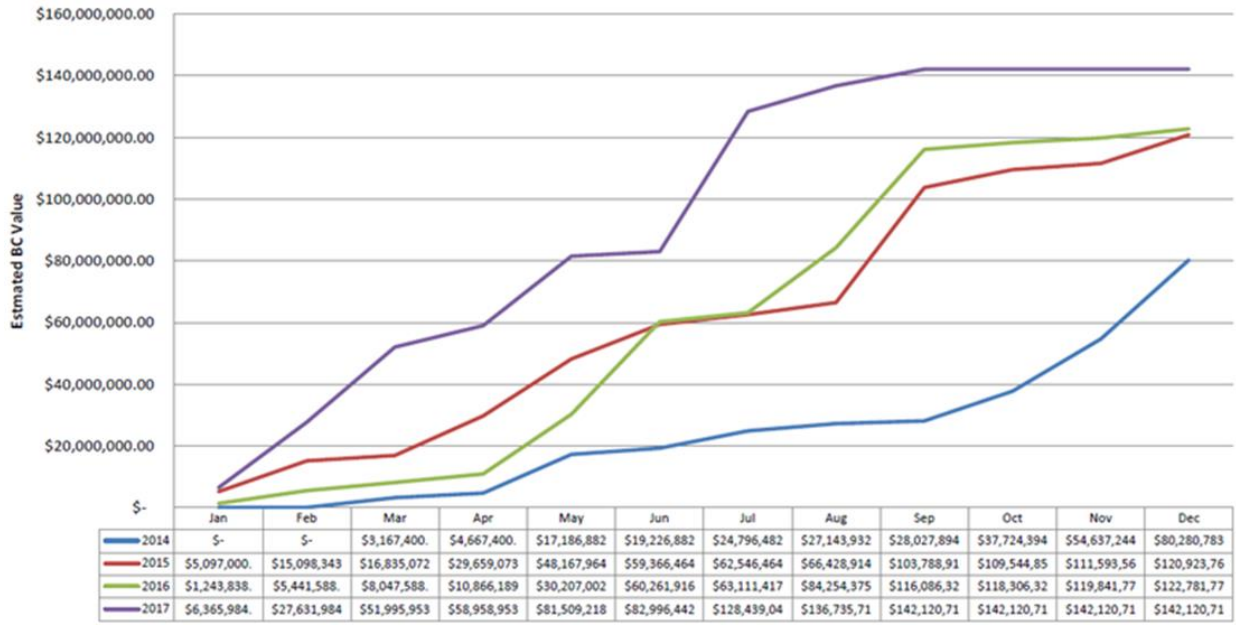
By September the numbers had flattened out a little, with the number of consents being 19% ahead of September 2016, total values being 22% ahead and average value per consent being only3% higher than in September 2016. This implies that the growth rates in the latter half of 2016 exceed those in the latter half of 2017 (Figure 7.1 and Figure 7.2).

Figure 7.1: Cumulative Commercial Building Consents Issued 2014 – 2017, QLD



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	0	0	2	3	7	11	16	24	35	52	68	86
2015	12	22	32	50	73	85	97	108	127	143	167	178
2016	5	19	33	47	65	86	99	118	137	153	170	179
2017	10	31	55	72	100	111	140	153	163	163	163	163

Figure 7.2: Cumulative Total Commercial Building Consent Values, 2014 – 2017, QLD



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	$-	$-	$3,167,400.	$4,667,400.	$17,186,882	$19,226,882	$24,796,482	$27,143,932	$28,027,894	$37,724,394	$54,637,244	$80,280,783
2015	$5,097,000.	$15,098,343	$16,835,072	$29,659,073	$48,167,964	$59,366,464	$62,546,464	$66,428,914	$103,788,91	$109,544,85	$111,593,56	$120,923,76
2016	$1,243,838.	$5,441,588.	$8,047,588.	$10,866,189	$30,207,002	$60,261,916	$63,111,417	$84,254,375	$116,086,32	$118,306,32	$119,841,77	$122,781,77
2017	$6,365,984.	$27,631,984	$51,995,953	$58,958,953	$81,509,218	$82,996,442	$128,439,04	$136,735,71	$142,120,71	$142,120,71	$142,120,71	$142,120,71

Conclusions

The conclusions drawn in the June report are broadly consistent with the wider findings in this report. Growth in consent numbers may not directly lead to additional business land demand, and the rate of business land consumption may differ significantly from the number and value of consents issued.

However, the monitoring reports do highlight the rapid growth in demand for commercial space albeit possibly tapering off over the past year. The report correctly identifies the construction sector as contributing to the most employment growth, however it should be noted that this doesn't necessarily lead to increased demand for industrial land. The Construction sector is characterized by owner operators. They are mostly located at residential addresses as discussed previously in this report. Council need to be wary about zoning too much land simply in response to construction employment growth.

7.5.2 Price Efficiency Indicators

The NPS-UDC requires that Councils use information provided by indicators of price efficiency in their land and development market to assist in assessing the sufficiency of development capacity provided by district plans, and regional policy statements. The indicators are one measure of the markets response to planning decisions as they highlight price differentials between zones as an indication of when additional capacity may be needed. The underlying theory being that if there are market price differences across planning zone boundaries, it may be an indication that the market is inefficiently allocating land between uses – constrained by the zoning rules.

To assist councils MBIE have developed and published information on price efficiency indicators on a dashboard on the MBIE website[73]. The requirement to use price efficiency indicators responds to the New Zealand Productivity Commission recommendation that local authorities use price signals such as the rural-urban land price differential in their planning decisions.

There is one Price Efficiency indicator currently available on the MBIE dashboard that relates to business markets; the Industrial Zone Differentials (that relate to land price). This indicator is described below, then discussed in terms of what it means with respect to the operation of the business market in Queenstown.

7.5.3 Industrial Zone Differentials

The industrial land zone differentials have been calculated to compare the value of residential, commercial and rural land on either side of the boundary of Queenstown's "four largest Industrial zones" as defined by MBIE. Figure 7.3 shows the extent of these zones. It is important to point out that

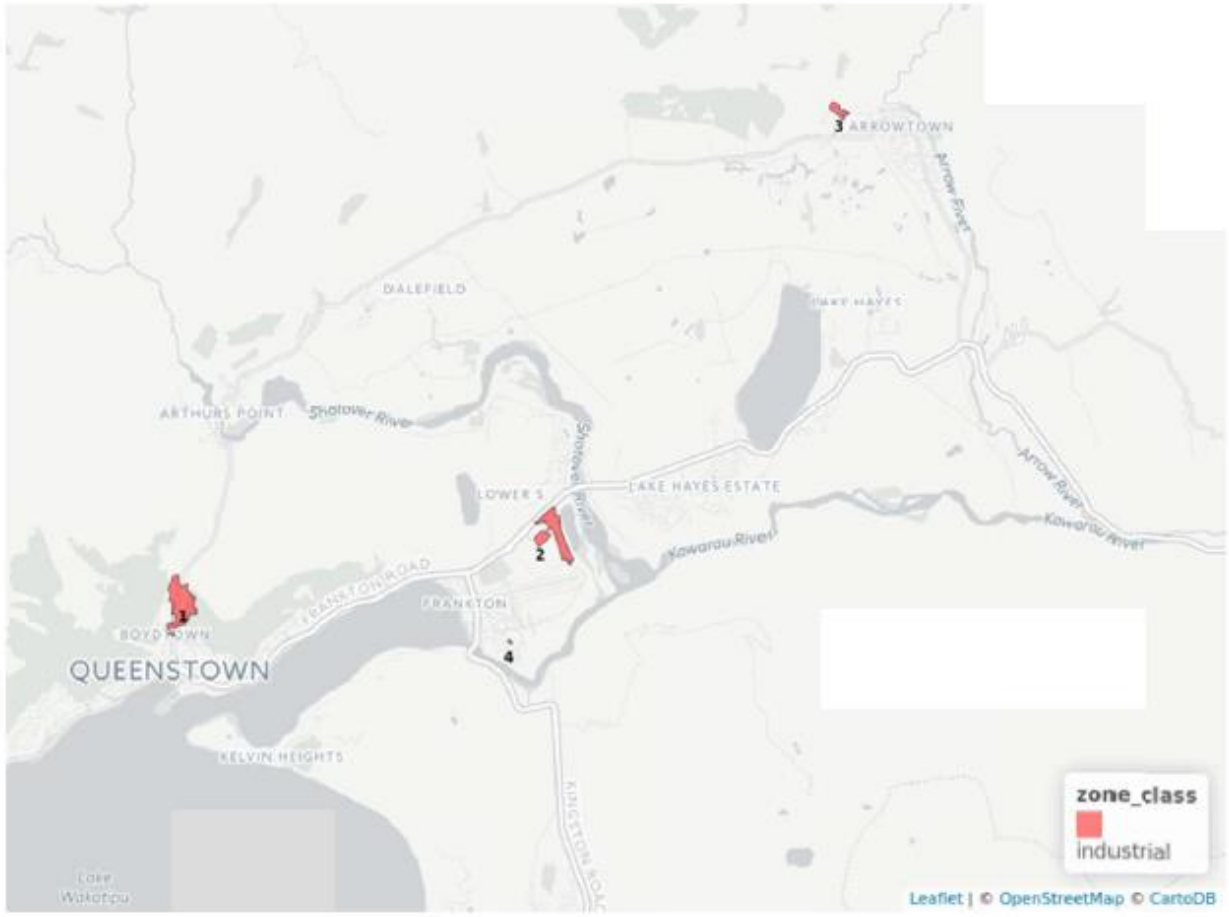
- Area #1 (although difficult to see in any detail) appears to comprise an area much greater than the BMU and Business (Operative) zones and quite likely includes areas of residential zoning particularly to the east.
- Area #2 includes the Glenda Drive Industrial A (Operative) zone and appears to include a portion of Precincts E2 and E1 in the Frankton Flats B Special zone but does not cover Precinct D which is the main (pure) industrial area.
- Area #3 appears to contain the Industrial A (Operative) zone in Arrowtown.

[73] https://mbienz.shinyapps.io/urban-development-capacity/

- Area #4 however, appears to contain a very small area of the Remarkable Parks Special Zone – specifically an area in the shopping centre. Area #4 therefore has no relationship to industrial land in Queenstown.
- Large areas of land that enable industrial activity have been excluded for the indicator.
- Importantly, none of the industrial zones in Wanaka or Luggate have been included.

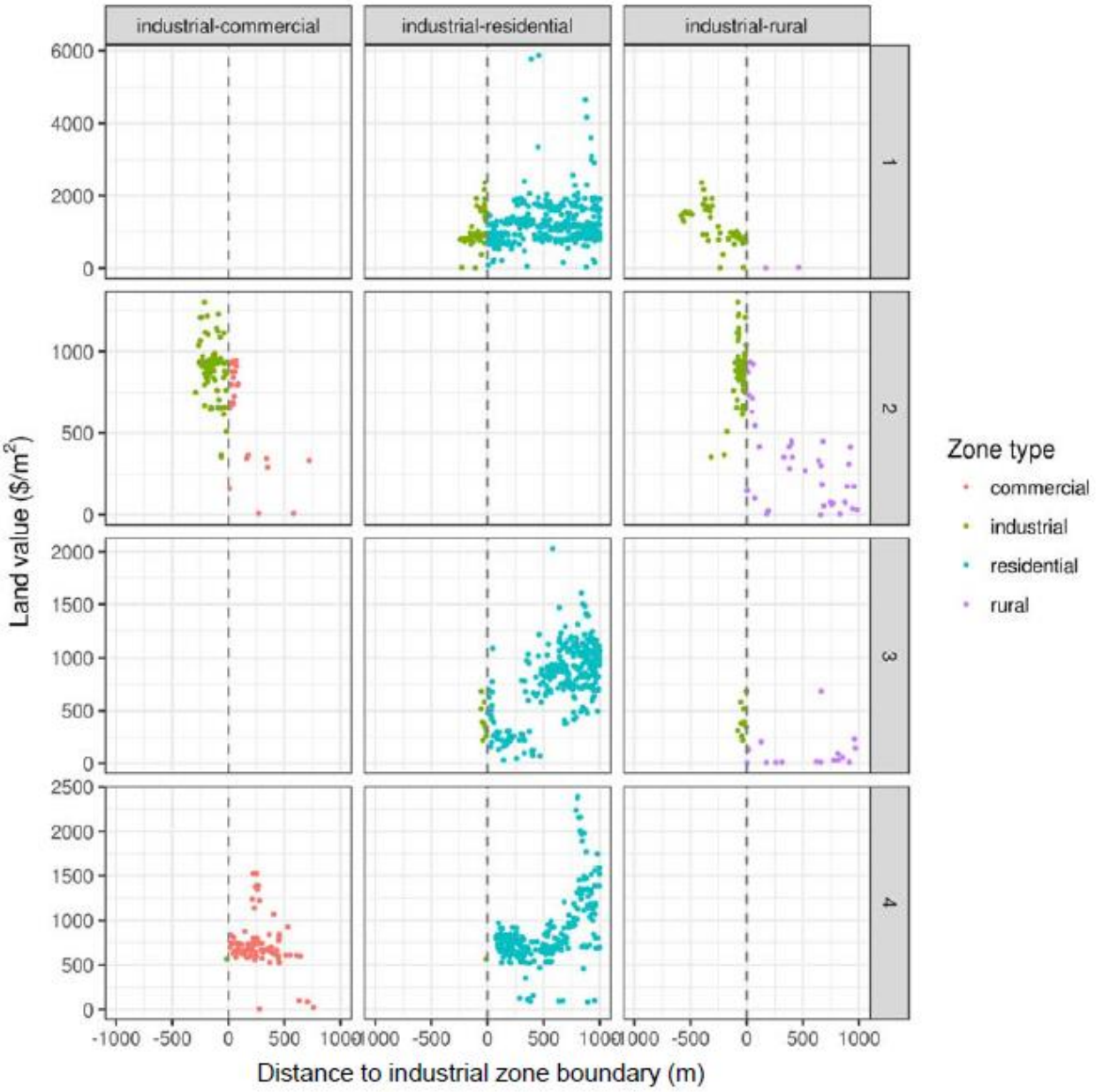
Any results discussed below therefore relate only to an approximation of industrial land in the Wakatipu Ward. This limits its usefulness to QLDC, who must make decisions across the entire district.

Figure 7.3 – Estimated Location of Largest Industrial Zones – MBIE



The results of the cross-boundary land valuations are presented in Figure 7.4 and Figure 7.5. In Figure 7.44, land values are plotted by distance from the boundary between the 4 identified industrial areas and the surrounding zones – by type. The indicator then focuses on differences within 250m of the boundaries between zones.

Figure 7.4 – Distribution of Land Values on Either Side of Boundary – 4 Largest Industrial Zones



What becomes clear from this is that the industrial land values are in most cases the same or very similar to the values of other land types across the boundaries. The notable exception being rural land – which is unsurprising given what can be achieved on industrial land versus rural land in the Wakatipu basin, especially given the Outstanding Natural Landscape classification of much of this area.

Figure 7.5 summarises all properties within 250m of the boundaries to provide an indication of where issues might lie. It also highlights where the results are statistically significant or not. The small numbers associated with Area 4 mean any results there are not significant (this is just as well as Area 4 is not an industrial zone). Results across the industrial rural boundary for Area 1 and industrial residential boundary for area 3 are also not statistically significant so can be ignored.

Figure 7.5 – Summary Differentials for Largest Industrial Zones (250m Distance from Boundary)

Zone ID	Adjacent non-industrial zone	Number of industrial parcels	Average industrial land value ($/m2)	Number of non-ind parcels	Average non-ind land value ($/m2)	Difference in land value ($/m2)	Ratio of land values	Statistically significant at 5% level?
1	residential	60	$ 842	115	$ 687	$ 154	1.225	TRUE
	rural	34	$ 551	1	$ 2	$ 549	271.891	FALSE
2	commercial	86	$ 684	32	$ 525	$ 159	1.303	TRUE
	rural	89	$ 741	13	$ 42	$ 699	17.45	TRUE
3	residential	10	$ 328	38	$ 128	$ 201	2.575	FALSE
	rural	10	$ 328	5	$ 18	$ 310	17.995	TRUE
4	commercial	1	$ 563	57	$ 758	-$ 195	0.743	FALSE
	residential	1	$ 563	71	$ 716	-$ 152	0.787	FALSE

This leaves 4 boundaries that indicate that in all cases additional industrial land may be required, as the price differentials are strongly in favour of industrial land use. This does not mean QLDC must rezone land around these particular sites for industrial purposes, as there are other areas in the immediate vicinity that enable industrial land use that are not covered by the indicator work.

M.E recommend that the areas are defined accurately in this indicator to reflect industrial land areas in QLDC, including Wanaka; data be collected across all these areas; and this indicator be monitored over time. Any conclusions drawn from this data must be tempered with information on demand and capacity discussed in section 7.3 above.

7.6 Monitoring

ME recommend that the Councils carry out a range of monitoring of business land development, uptake and redevelopment to help with future updates and planning responses:

- While most areas appear to be well served by plan enabled capacity and that this capacity appears to be well chosen in terms of MCA results (is feasible), the key area of concern is industrial capacity in the Wakatipu Ward. Council should be particularly vigilant in terms of monitoring uptake and usage of industrial land as it is particularly sensitive to being used for other purposes and there is flexibility provided in some zone provisions. There is a significant level of activity taking place within the Frankton Flats B zone. A significant number of building consents have been approved and many buildings have commenced construction but had not been completed at the time of ground truthing – so are still treated as vacant capacity in this report. Monitoring of these properties is expected to confirm that many of these vacant land parcels will have been taken-up (occupied) in early to mid-2018, with others taken-up late 2018. This means that even an annual update of the modelling will show materially different results for industrial capacity than reported here.
- It is also noted that some of the business/industrial sites are currently used for informal bus parking, such as the vacant sites in Gorge Road and Frankton Flats. The current use and the status of the building need to be taken into consideration when reviewing the remaining vacant capacity. As above, the uptake of these vacancies should be monitored as part of the quarterly reviews.

- It will also be helpful to monitor the take-up of all vacant business land and the uses of this land to understand the rate, space type and GFA of that development. It would be helpful for this to be monitored quarterly so that it is clear the number of sites that are being taken up;
- Council will need to monitor the development of retail and commercial floorspace where GFA maximums apply (i.e. in Plan Change 50 Lakeview Precinct) as these are a direct input to the capacity modelling.
- Council is advised to monitor trends in business and employment activity occurring in non-business zones in the urban environment, and any shifts in the split between business and non-business, and urban and rural activity.
- Council also need to monitor growth areas that are currently outside of the urban environment including Kingston (potentially subject to HIF funding), Ladies Mile (a potential area of a new SHA) and Cardrona (significant capacity within the Mount Cardrona Special Zone).

7.7 Recommendations

In terms of the 2018 FDS and future development responses, M.E recommend that attention be given to the provision of additional industrial zoned land in the Wakatipu Ward to meet medium-long term demand (or medium-term demand to take a more conservative approach). The Industrial MCA framework can be used as a guide to evaluating different Wakatipu location options.

8 Reflection and Future Updates

The NPS-UDC requires high growth Councils to carry out this assessment every three years. This means that it is important that the 2017/18 study forms an appropriate baseline from which future change can be measured. The important point from the assessment is that the QLDC has ensured that there is sufficient business land capacity to cater for anticipated growth in the short to medium term. The shortfall in industrial land shortly after the medium-term will impact on land use decisions in these zones.

The most important thing Council can do to ensure they remain in touch with growth and change, is to constantly monitor business land development. By consistently updating datasets on development and occupancy, Council will be well placed to address development and broader economic trends as they begin to emerge.

8.1 Overview of BDCA Process

The process followed in this report is based strongly on that outlined in the Guidance on Evidence and Monitoring, published by MfE and MBIE, updated November 2017. The overall purpose and intent of the work is to provide QLDC with more information, such that they are able to make better informed decisions about business land.

The assessment process breaks down into two workstreams; a Demand Assessment based on the EFM employment projections, and a Capacity Assessment based on existing vacant supply. The capacity is estimated based on Council data including spatial data and property ratings data. Assumptions and results of the capacity assessment have been extensively 'ground truthed' by Council to ensure they truly reflect current conditions. In future, monitoring will take the place of ground truthing as a base dataset has now been established. Demand and capacity are brought together at the end to draw conclusions about sufficiency of the District Plan to provide for capacity.

In addition, the development community has been consulted to provide inputs into an assessment framework covering the potential of different pieces of land to be developed. It is acknowledged that those same stakeholders have not had an opportunity to provide feedback on the final MCA which incorporated their feedback at the draft stage. The MCA picks up on locational and physical characteristics of the district's development opportunities and provides a weighting in terms of how important each aspect is to the development decision making. Each broad area is then assessed against this framework to produce an overall development score.

By aligning the MCA scores with the sufficiency results it becomes clear whether the district plan is providing capacity in appropriate locations on appropriate land. In future, the MCA can be used as a tool to help evaluate proposals for new business zoning.

It is the combination of volume of land and how appropriate (feasible) it is that provides the final measure of sufficiency.

8.2 Key Issues Faced

QLDC and M.E staff worked effectively together through-out the project. QLDC always responded in a timely manner to any requests for data, input or feedback/review. As a result of the recent and ongoing PDP review process, they had many datasets in a readily available and useable format. There were however a few technical issues faced by M.E in preparing this report, all of which were overcome.

3. The key issue faced in preparing this assessment of business land sufficiency has been the state of the base data sets. Significant time was needed to align the core datasets – ratings database, planning zone shapefiles, structure plan information, parcel data and other sets of spatial data. While the overall process is a relatively simple one, issues with the capacity information have dominated the time required to deliver this report.

    a. Council supplied mapping files for core underlying zones, sub-zones, transition zones, overlays and designations as separate layers. M.E required parcels to be tagged to one geographic layer according to their location. As such, the many layers needed to be 'unioned' in GIS before it could be used. This is however a relatively simple process (but one that needed several iterations as errors or changes were addressed).

    b. Timings of the PDP: While initially the zoning files were to capture the Stage 1 PDP zones, the Stage 2 PDP zones (i.e. Visitor Accommodation Sub-Zones) were also notified before the completion of the work and M.E were expected to include them. Changes to the spatial framework of the modelling required the model development steps to be repeated and the integrity of the model to be re-established each time.

    c. The parcel file supplied by Council contained a large number of duplicate or overlapping parcels that M.E were not made aware of. This was not evident initially when mapped but caused issues when parcel areas were aggregated by zone or vacant parcels were tagged and their areas summed. Additional time was needed to develop a method that removed the duplicates to leave a single layer of contiguous parcels and repeat the model build process.

    d. Large areas of the urban environment fall within Structure Plans. These structure plans were not available in GIS format like the rest of the District Plan zones. They came in a number of formats including CAD files and PDFs (images within the District Plan). This required time for M.E to digitise the structure plans into a GIS format so that all areas could be assessed in a consistent way. Some CAD files were found to have overlapping polygons which caused issues later in the modelling process. This was rectified. Considerable time was spent digitising the Jack's Point/Hanley Downs/Homestead Bay structure plan provided. This later had to be repeated with a newer/different version of the structure plan. Not all structure plans captured the business zones that needed to be modelled. Additional work was required to further split some precincts using images of subdivision plans (this applied in Three Parks, Northlake, the Industrial B precincts and in Shotover Country).

    e. As a general observation, the QLD has a large number of Special Zones (with detailed structure plans). This increased the work significantly compared to districts that have

a more consistently applied set of planning zones. Whether or not a Structure Plan or approved Outline Plan was used for modelling depended on the level of development that had commenced at the initial stages of the model construction. For example, in Three Parks and Frankton Flats Special Zones, known approved roads were removed from the modelling area, but the Structure Plans were relied on for capacity purposes and the approved resource consent decisions were used to determine the size and position of the school. It is noted that Council is currently considering an Outline Development Plan that increases the overall retail capacity in the Commercial Core at Three Parks. In terms of Northlake, approved resource consent decisions were taken into consideration when reviewing the overall non-residential uses. However, the retail portion of the zone was made simpler with a cap on the overall floor space available in this zone. In terms of Remarkables Park, a combination of the Structure Plan and approved resource consent plans were utilised. In areas that were undeveloped the structure plan was relied on, and any known roads were removed. On the sites where development had commenced but had not completed the approved resource consent plans were utilised. The structure plan was relied on in Jacks Point and Shotover Country, but with the restrictions specified in the plan.

f. As some zone, sub-zone, overlay and structure plan precinct boundaries did not always follow parcel boundaries, M.E adopted a GIS approach to split property parcels into their different parts so that the planning rules could be applied more accurately to the right land areas (which were recalculated); a process akin to artificial subdivision. This generates a lot of geographic "slivers". This was exacerbated where GIS files supplied by Council that appeared to be parcel based, were not in fact 'snapped' the parcel boundaries. This also created unintended zone-sub-zone combinations that needed to be ignored for the purpose of reporting, but still included in order to generate accurate aggregate zone areas.

g. There are two down-sides of the GIS approach to split parcels by the spatial framework. First it creates a parcel layer that no longer matches the one that Council uses (see also c above in this regard). This may create some additional challenges for future integration of the modelling with Council's systems. Second is that it creates duplicate parcel ids. The parcel ids are needed to link the parcel level data to the property level (rating) database. However, unique parcel ids are also needed so that individual vacant parcels could by tagged by their correct zone location. The use of unique ids meant that some rating data could no longer be 'matched'.

4. Other more general issues have been discussed throughout the report such as the coupling of the district plan activity tables with M.E's land use/building typologies, the flexibility offered in many zones meaning that capacity could only be reported robustly as potential maximums (with overlap with other land uses) and the slight time different between the base year of demand and the date of vacant capacity calculation. These don't require further discussion. One additional minor issue was that the proposed PDP provisions enable new activities or a greater quantum of activity in some cases than has been able to develop to date. This meant that assumptions were sometimes required in the absence of any past trend data (such as the

share of residential floorspace likely in some business zones where this activity had not been enabled, or enabled as easily, as it is now).

8.2.1 QLDC Long Term Plan, Annual Plan and Infrastructure Strategy

At a higher level, a relevant issue faced by Council in this BDCA process is the disjoint between NPS-UDC reporting dates and other reporting programmes.

The NPS-UDC requires the integration between land use and infrastructure planning, recognising that urban development is dependent upon infrastructure. Policy A1 specifies that development capacity provided in plans must either be serviced (in the short-term), identified in a LTP (medium-term), or identified in a relevant Infrastructure Strategy (long-term).

Under the Local Government Act (LGA), local authorities are required to prepare LTP every three years, and an annual plan every year. The LTP (and the annual plan) strategically manages the growth in the district, including location and timing of the growth. The LTP sets out an agreement between the Council and the community as to the sequencing, method and timing of infrastructure and servicing and how this will be funded. Alongside the LTP, an 'Infrastructure Strategy' is also required to be prepared by Council under the LGA for a 30 year period.

Council is currently preparing the Annual Plan for 2017/2018 and at the end of March 2018 will be going out for consultation. At the same time, Council will be consulting on the 10 Year Plan (2018-2028) in February 2018 and the review of the 30 year Infrastructure Strategy (2015-2045). Due to the significant lead in time of these projects which have substantially commenced at the date of this report, these LGA plans are not able to take account of the results of the BDCA and HDCA and will need to be picked up in subsequent additions. It is acknowledged that this is an issue for all high growth Councils undertaking these assessments.

Additionally, the FDS (to be prepared in 2018), is required to demonstrate feasible development capacity in the medium (2026) and long-terms (2046). The capacity considered by the FDS will therefore be limited to the current versions of the LTP and Infrastructure Strategy, and could not, for example, identify strategies to provide capacity in new locations which are not planned in either the 2018 LTP or Infrastructure Strategy.

8.3 Key Learnings

The development of the BDCA has been a learning process for both M.E and Council. The result is a workable (and relatively straightforward) modelling process and structure that can now be updated as required. The updates will not be automatic but require the systematic completion of several steps – starting with GIS outputs and integrating those into the establish excel modelling framework. Much of the work that has gone into developing a working model (including building the EFM, extracting planning rules and activities by zone from the District Plan and setting up the MCA frameworks) will not need to be repeated. Rather, will require only relatively minor adjustments in future to keep them up to date. M.E expects the next update of the model could focus on changes in the zoning layers (as decisions come out on submissions to stage 1 hearings for example).

On aspect that M.E would change in future updates would be to create a single capacity model. At present, two models were set up with the same structure – one for the non-structure plan zones and another for the structure plan areas. The results were then brought together. This evolved because the structure plans needed to be established in GIS as a separate exercise as were not part of the zoning files supplied by Council. It would be relatively simple to overcome this if the structure plan GIS layer and other zoning GIS layer were joined into a single contiguous zoning/precinct file. Some work would be needed to snap the boundaries of the structure plans to the surrounding zones. Having a single model will make updates even faster.

8.4 Gaps and Potential Improvements

In completing this first BDCA, both M.E and Council have identified some technical areas where Council's data capture, storage, access and reporting/communication could be further refined to facilitate monitoring and future assessment updates. These will be discussed further, separate from this report.

Throughout this report, a few areas for potential further work have been identified. These would improve the accuracy of the report findings in future updates. In summary these were:

- A detailed analysis of current business land use and floorspace (GFA). This should be reconciled at the property level with employment at the 48 sector as a minimum. Land use and GFA could be coded to the 15 typologies used in this report (or a set customised for QLD). This work would allow for the following enhancements:
- Local level ratios of land/GFA per employee (MEC) by typology.
- Local level matrix of employment by sector to land use/building typology.
- A more accurate understanding of employment and business activity by zone.
- Examination of the assumption of a constant percentage share of employment activity by rural, urban and urban business zones over time. A review of past trends would be useful to see how this has been changing in recent years (and in what sectors). Any relevant Council strategies could also be brought to bear on the issue.
- Development of additional MCA frameworks to cover other land uses.

Other areas that may also warrant further discussion include:

- Developing an understanding of current supply constraints and whether there is any latent demand for business space of specific types or in specific locations. This is relevant as the BDCA considers only future growth (from the base year) and compares this with current vacant capacity, assuming therefore, that supply is equal to demand in the base year.
- Running a new projection in the EFM may also be warranted that combines the QLDC Recommended population and visitor count projections with medium-high averages for other economic inputs rather than just medium data for those other economic inputs. The reason being is that the weighted outcome of the Recommended employment projections is very close to the pure medium employment projections, even though the intent of the QLDC

projections was to settle on a position between the medium and high SNZ growth series. A projection running off peak visitor counts rather than average day visitor counts would also be worth developing for sensitivity testing purposes.

- Consideration should also be given to establishing localised 'margins' on top of demand. This BDCA has adopted the margins recommended by MBIE in the guidance document. However, ongoing monitoring (and more targeted analysis of past trends of land release and current market conditions) will help inform if those national margins area appropriate or not for QLD.

8.4.1 Cooperation with CODC and ORC

The NPS-UDC (Policy D1a) strongly encourages local authorities that share jurisdiction over a SNZ urban area to work together on a joint HDCA and BDCA. QLDC does not share any statistically defined urban areas with a neighbouring council but does have shared jurisdiction with ORC.

Cromwell, in neighbouring Central Otago District (COD) has a close economic relationship with both the Queenstown and Wanaka urban environments. It is between a 30 minute and 1 hour drive from Luggate, Wanaka, Arrowtown and Queenstown. It serves an important role as a service centre for an extensive farming and stone fruit growing area, and a transport logistics hub located centrally between Wanaka, Queenstown and Alexandra and the Lindis and Haast passes.

In a 2016 report[74] by Urban Economics for Property Council New Zealand it was noted that Central Otago has 466,900m^2 of Commercial Building Floorspace. The floorspace includes Office, Retail, Hotel and Leisure, Other Commercial and Industrial Land. In Central Otago the Industrial type makes up the largest type of Commercial building floorspace with 265,400m^2 of Industrial land, followed by Retail with 83,300m^2, Other Commercial at 55,800m^2, Hotel and Leisure at 44,000m^2 and finally Office with 18,400m^2.

CODC Council Plan Change 11 added to this with the decision in July 2017 which rezoned 5.8015 ha from Rural Resource Area to Industrial Resource Area in Cromwell. COD Council Plan Change 12, if approved, will also rezone a large amount of land that will contribute to Commercial and residential capacity in Cromwell. The proposed plan change sought to rezone 7.63 ha low density residential (Residential Resource Area (3)), 8.32ha rezoned to medium density residential (Residential Resource Area (11)), 2.78ha to high density residential (Residential Resource Area) and 2.47ha rezoned for mixed use, visitor accommodation and commercial supporting vineyard/cellar door (Business Resource Area (2)).

There is anecdotal evidence that suggests Cromwell is meeting some of Queenstown and Wanaka's business property demands although the extent of this is currently uncertain. QV notes that "Cromwell is now recognised as a "Central Hub" due to its close proximity to surrounding towns such as Queenstown, Wanaka, and Alexandra making it an appealing location for both owner occupiers and investors"[75]. Due to

[74] https://www.propertynz.co.nz/sites/default/files/uploaded-content/newsletter-content/economic_significance_web.pdf

[75] https://www.qv.co.nz/property-insights-blog/central-otago-rating-revaluation-shows-a-jump-in-property-values-in-the-district-s-main-centres/251

its central location (and industrial land capacity), Cromwell has attracted a number of manufacturing and service businesses (such as those in the construction sector) that supply customers throughout COD and QLD.

CODC has a growing tourism sector and Cromwell in particular attracts tourists travelling to/from Queenstown and Wanaka, including day trip visitors staying in those centres. Cromwell and neighbouring Bannockburn have a strong focus on wine tourism activity, complementing the activity in QLD's Gibbston Valley. These business and tourism relationships are expected to strengthen in future as the Queenstown-Wanaka-Cromwell conurbation continues to grow.

There is also a flow of commuter traffic between Cromwell, Wanaka and Queenstown. The 2013 Census looked at where people live and work on different scales. In 2013 there was 423 people who lived in the COD and worked in QLD and 267 people who lived in QLD and worked in COD. When organised by Census Area Unit (CAU) Cromwell had 1,197 people who lived in the Cromwell CAU and worked in Cromwell CAU, there was then 198 people who lived in the Cromwell CAU working in the CAU's within QLD. The total amount of people who live in Cromwell and work was 2,526 people, this means that 7.8% of people who work, do so in QLD.

There is anecdotal evidence to suggest that the number of people who live in Cromwell and work in QLD is increasing and residential developers are starting to respond to that market. There is also a potential that development capacity in CODC may be 'easier' to bring to market than in Queenstown and Wanaka. More research is needed in this area and better information on how these patterns have changed or grown will be available after the 2018 census.

Discussions with NZTA, ORC and CODC highlight that more detailed investigation into business, tourist and workforce movements between the two districts is required. This would be a good opportunity to work together to produce a joint body of work between all the organisations. It is noted that CODC is currently not defined as a medium or high growth urban area, and although the NPS-UDC still applies to the district, the council is not currently required to prepare a BDCA or HDCA. Therefore, the Council has limited quantitative data that could be utilised for QLD's current assessment.

QLDC recognise that in future updates of the BDCA and HDCA, a joint assessment with CODC would support alignment of decision-making between the local authorities, toward efficient use of land and infrastructure funding. Discussions with the ORC, NZTA and CODC have highlighted this is an area where joint assessment is required. In the meantime, the economic projections underpinning this BDCA take account of the supply and demand relationships between QLD and the Rest of Otago Region, so captures existing patterns with respect to Cromwell, Wanaka and Queenstown.

Appendix 1 – NPS-UDC Objectives

Objectives

The following objectives apply to all decision-makers when making planning decisions that affect an urban environment.

Objective Group A – Outcomes for planning decisions

OA1: Effective and efficient urban environments that enable people and communities and future generations to provide for their social, economic, cultural and environmental wellbeing.

OA2: Urban environments that have sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.

OA3: Urban environments that, over time, develop and change in response to the changing needs of people and communities and future generations.

Objective Group B – Evidence and monitoring to support planning decisions

OB1: A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.

Objective Group C – Responsive planning

OC1: Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long-term.

OC2: Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.

Objective Group D – Coordinated planning evidence and decision-making

OD1: Urban environments where land use, development, development infrastructure and other infrastructure are integrated with each other.

OD2: Coordinated and aligned planning decisions within and across local authority boundaries.

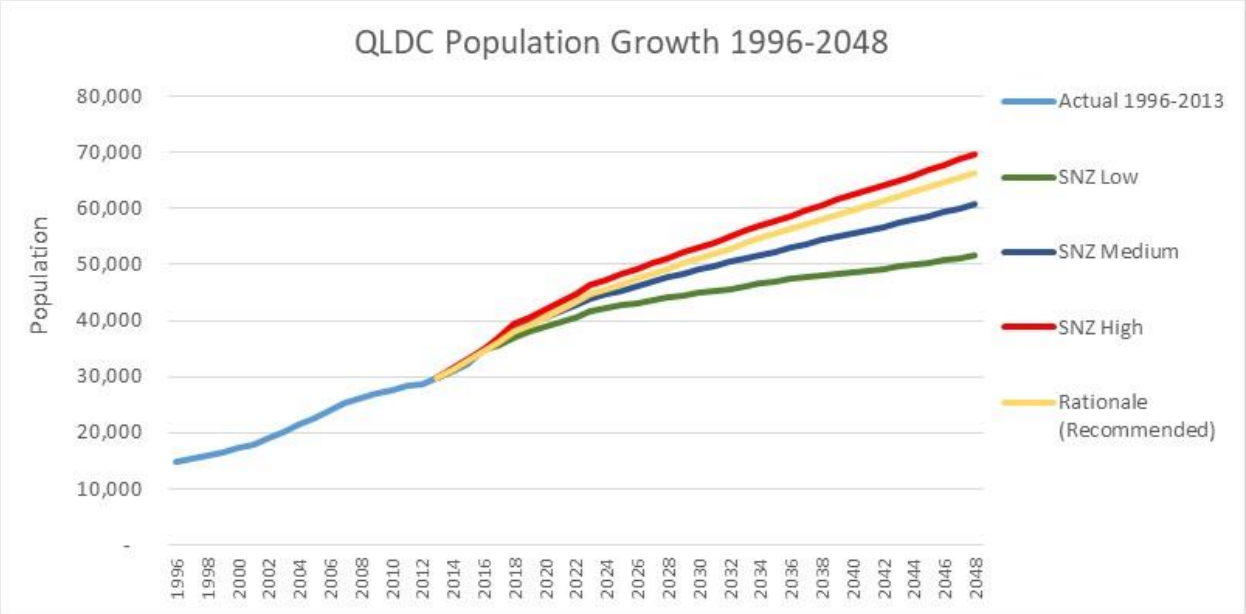
Appendix 2 – Comparison of Projections

Usually Resident Population Projections – Comparison

The following table compares the latest (2017) SNZ population projections for QLD with the QLDC Recommended growth projection utilised by Council. It shows that the QLDC Recommended projection sits between the SNZ Medium and High projection – but weighted slightly toward the High over the period to 2046.

Year	SNZ Low	SNZ Medium	SNZ High	Rationale (2016)
1996		14,800		
2006		24,100		
2013		29,700		
2016	34,700	34,700	34,700	34,440
2026	43,200	46,100	49,200	47,400
2036	47,400	52,900	58,700	56,340
2046	50,800	59,300	67,700	64,690
2016-26	8,500	11,400	14,500	12,960
2016-46	16,100	24,600	33,000	30,250
2016-26 %	24%	33%	42%	38%
2016-46 %	46%	71%	95%	88%

Source: Statistics NZ 2017, Rationale/QLDC

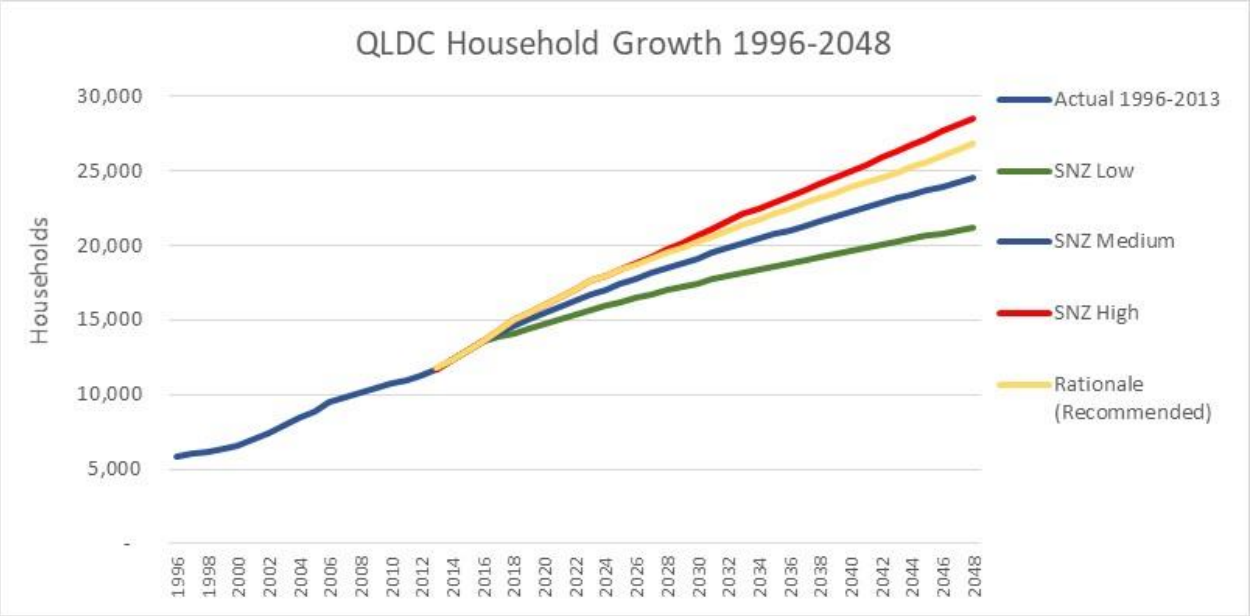


Usually Resident Household Projections – Comparison

The following table compares the latest (2017) SNZ household projections for QLD with the QLDC Recommended growth projection adopted by Council. It shows that the QLDC Recommended projection sits between the SNZ Medium and High projection in the long term (2046) but sits very close to the SNZ High projection in the medium term (to 2026).

Year	SNZ Low	SNZ Medium	SNZ High	Rationale (2016)
1996		5,800		
2006		9,500		
2013		11,700		
2016	13,600	13,600	13,600	13,620
2026	16,470	17,760	18,830	18,710
2036	18,800	21,030	23,280	22,460
2046	20,830	23,970	27,630	26,020
2016-26	2,900	4,200	5,200	5,090
2016-46	7,200	10,400	14,000	12,400
2016-26 %	21%	31%	38%	37%
2016-46 %	53%	76%	103%	91%

Source: Statistics NZ 2017, Rationale/QLDC



Appendix 3 – EFM Drivers of Growth

The economic projections of the EFM are driven by a set of "Business as Usual" commodity and service parameters, translated into demands. However, the key drivers of future demand are based on projections of population growth and tourism flows provided by QLDC. In the Input-Output framework (the basis of the Multi-Regional Input-Output Table (MRIO)) these demands are termed 'final demands'.

Within the model final demands are made up of five categories: household consumption, international exports, inter-regional exports, gross fixed capital formation (GFKF), and changes in inventory. The process for deriving future BAU estimates for each category is as follows:

a) Household Consumption: The household consumption final demand is made up of four sub-consumption categories, 'Households', 'Private non-profit institutions servings households', 'Central Government' and 'Local Government'. Future estimates of demand in each sub-category is primarily driven by changes in future population. The Model uses QLDC recommended projections covering all of QLD. It is assumed that each person within the region consumes a constant mix of goods and services. Thus, any population growth for the area will result in a proportional increase in the amount of goods and services consumed within each sub-category.

   In addition, the model includes the implications of changing demographic structure on household consumption. For all sub-categories, future demands by each cohort are adjusted by a cohort-specific consumption scalar. These scalars define the ratio of spending by an average person across all cohorts, to the spending of an average person within the subject cohort.

   The resulting value for a particular year provides an estimate of the growth in total household consumption from the base year.

b) International Exports: are overseas demand of goods and services produced by an area and are exogenous inputs to the model. The growth projections used include BAU projections of international exports and future projections for each industry are generated by applying long-run average growth rates to the base year international export values as obtained from the MRIO. The exception to this is for sectors that are driven primarily by tourism flows. For these, growth projections of tourism nights developed utilised by QLDC have been used in place of the long run averages for the export performance of the Accommodation, retail, transport, recreational activity and personal services sectors.

   The growth rates were generated using a number of different statistical methods. Selection of the time series techniques applied depended on the availability of the data and underlying production structure of the industry output being analysed. For example, long-run growth rates for agricultural industries were estimated based on long-run projections of physical stocks and land availability constraints. Conversely, industries with less physical constraints, such as services, were estimated based on long-run national export trends. The data utilised in these time series analyses were derived from SNZ's Overseas Trade Exports – Trade, Merchandise: Monthly Estimates of all Harmonised System Items 1989–2014.

c) Inter-regional Exports: are demands of good and services produced within a study area by areas outside the study area, but within New Zealand. In other words, trades between QLD areas and the rest of New Zealand affects demand for the production activities in each area.

d) Gross Fixed Capital Formation (GFKF): Future increases in investment demand are represented as a change in GFKF and is an exogenous input into the model. The future GFKF projections for each industry is generated by applying long-run average growth rates to the base year GFKF values as obtained from the MRIO. The growth rates were determined by econometric time-series analysis. The data utilised in the time-series analysis of GFKF are derived from SNZ's National Accounts gross fixed capital formation by industry time series.

e) Changes in Inventory: these are an endogenous variable within the model, where future projections are the weighted average of future values of other final demand categories. Within the national accounts framework, the changes in inventory is an accounting balancing item and records changes in financial inventory stocks. Note: for many industries changes in inventory are very small compared with international exports, inter-regional exports, and GFKF.

Appendix 4 – Stakeholder Workshop Agenda

QLDC NPS Urban Development Capacity Project

Agenda – Workshop 3 (Business Engagement)

Details:

Date	Location	Time
13th Nov. 2017	QLDC Gorge Road Offices – Council Chambers	11:00am – 1pm

Attendees:

Name + Organisation	Name + Organisation
Natalie Hampson – M.E (Project Manager)	Tim Williams – Remarkables Park
Greg Akehurst – M.E (Presenter)	Brian Fitzpatrick – Remarkables Park
Tony Avery - QLDC	Peter Harris - QLDC
Anita Vanstone – QLDC	Nathan Stocker – Otago Regional Council
Richard Pope – QLDC	Ann Lockhart – Queenstown Chamber of Commerce
Ian Bayliss - QLDC	Brett Ellison – Ngai Tahu Properties
Rachel Tregidga – Queenstown Airport	Scott McCulloch – Ngai Tahu Properties
Lindsay Williams – Savanna Commercial Limited	Cameron Reed – Ray White
Johnny Stevenson – Coronet Properties	Jason Watkins – Business Development Manager, CUBE
Alastair Wood – Colliers International	Graham Wilkinson – Generus Living Group
Bridget Legnavsky – Cardona Alpine Resort	

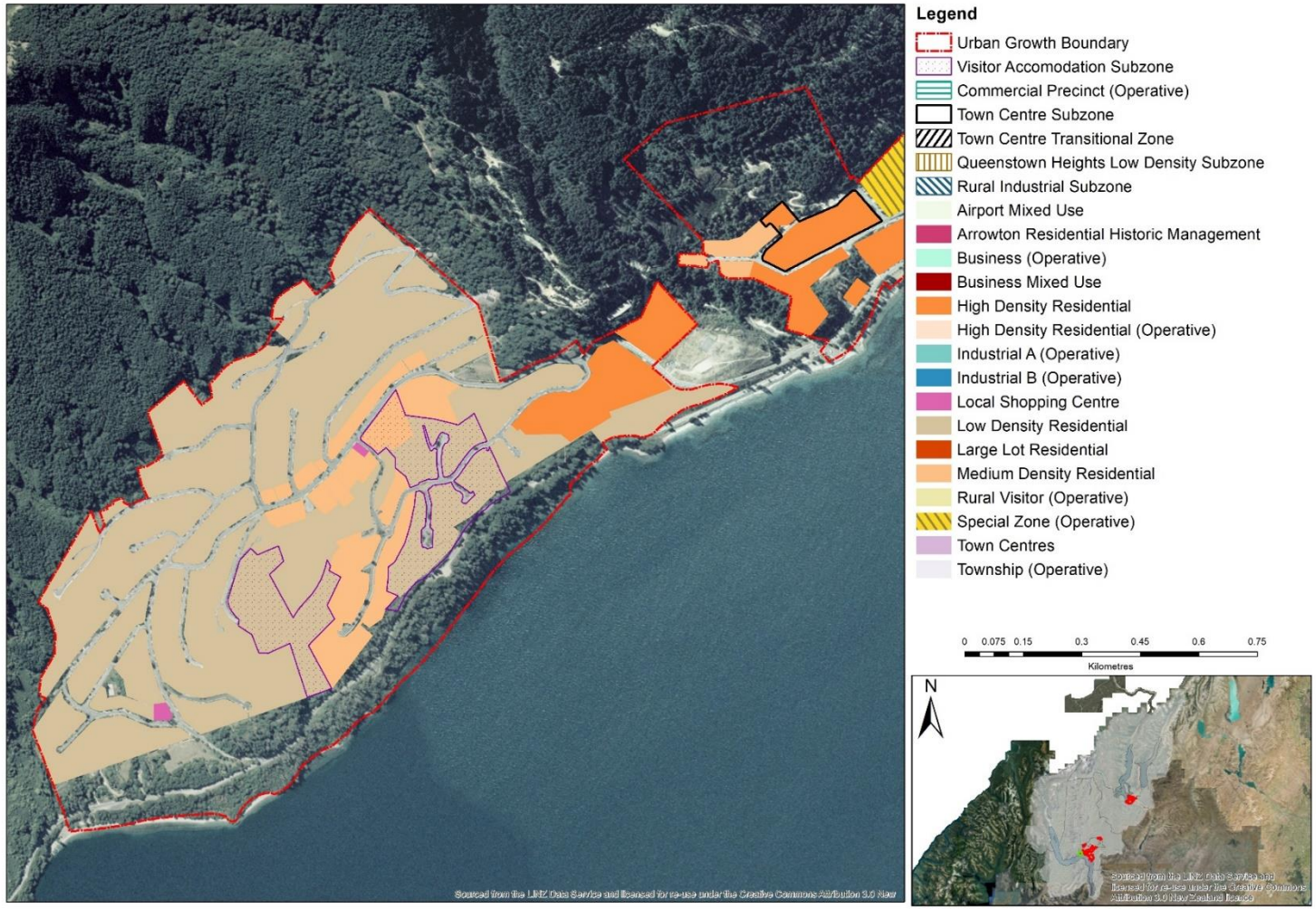
Agenda Items:

Time	Focus	Lead
11:00am	Introductions	Anita
11:10am	Overview of M.E's approach to meet the NPS-UDC Business Capacity Assessment Requirements Objectives of workshop	Greg
11:25am	Discussion of potential commercial development sites/capacity – preliminary findings. • Guided discussion on each key area to identify consensus view or issues/constraints.	Greg Stakeholders
11:55am	Overview of Multi Criteria Analysis Framework. • Guided discussion on location and site requirements.	Greg Stakeholders

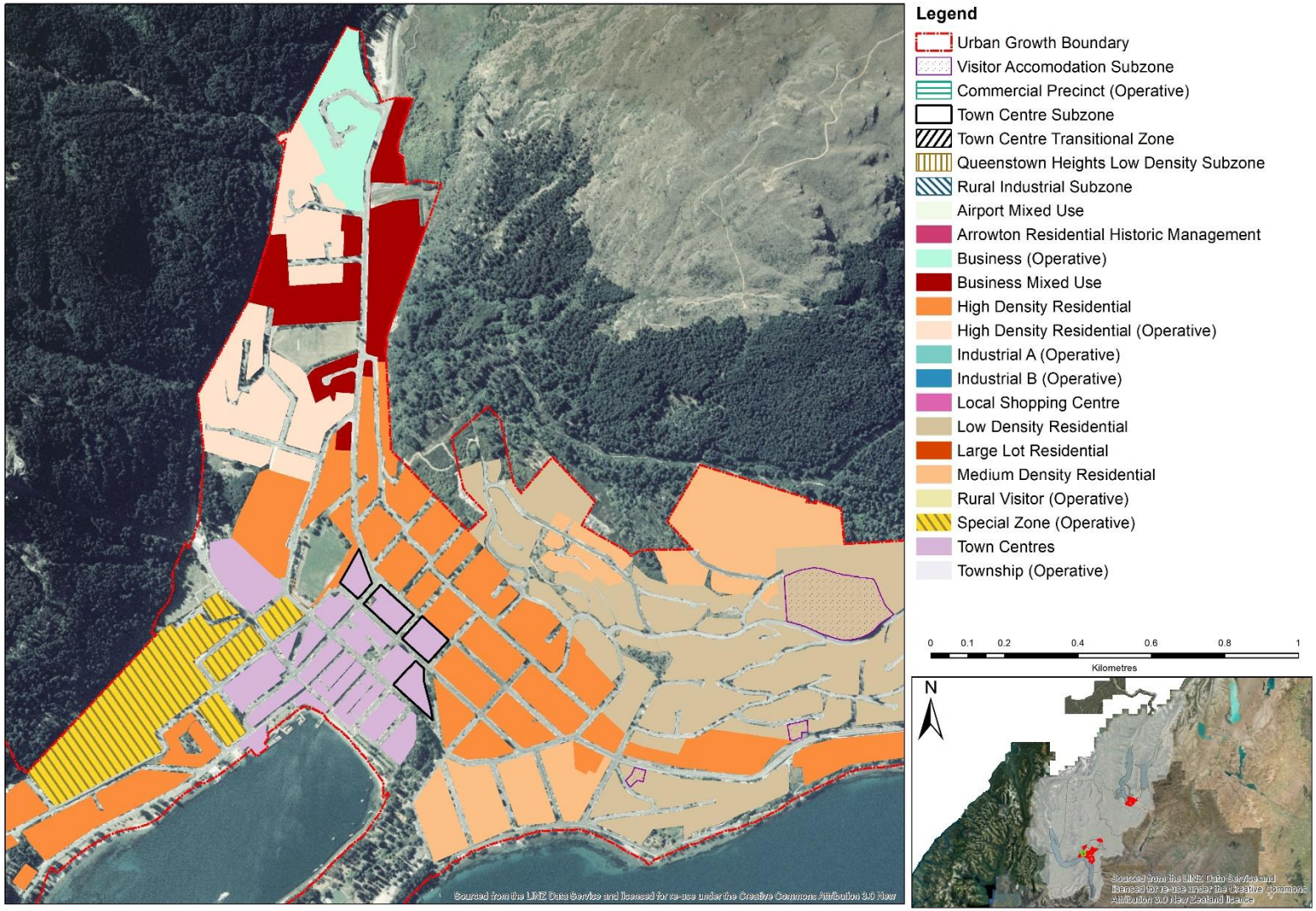
	• Guided discussion on weighting given to different location/planning characteristics.	Stakeholders
12:40pm	Overview of ranking process/purpose • Guided discussion to rank the uptake of potential development sites (and best use to apply in the model).	Greg Stakeholders
1:00pm	Next steps, close.	Greg/Natalie/Anita

Appendix 4 – Land Use Maps Queenstown & Surrounds

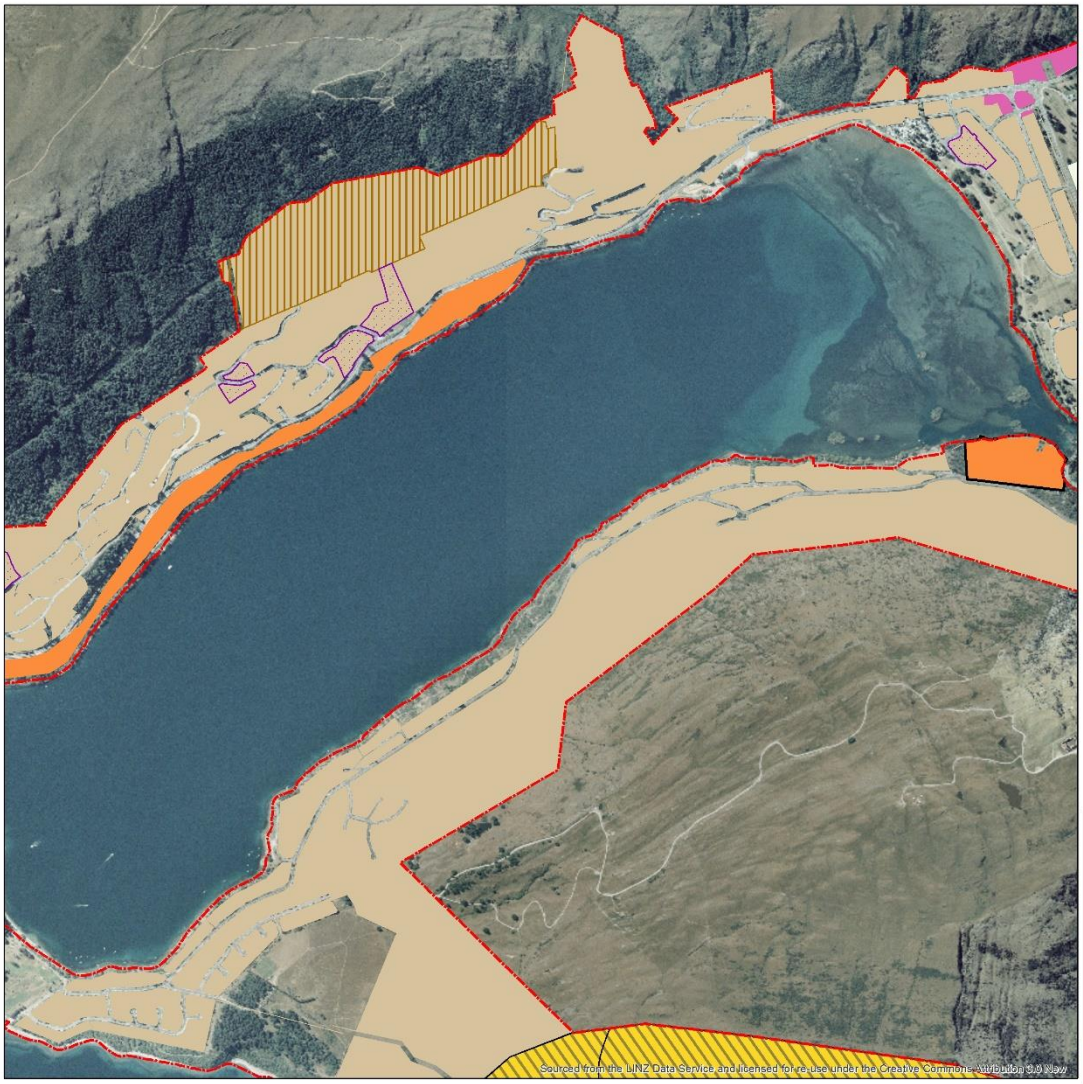
Queenstown West



Queenstown Central



Queenstown East

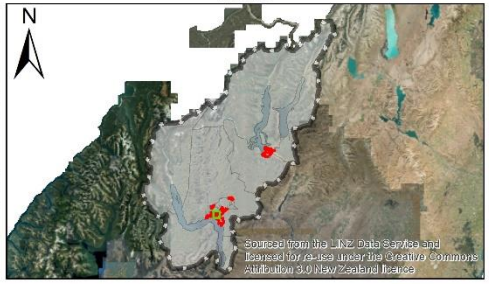


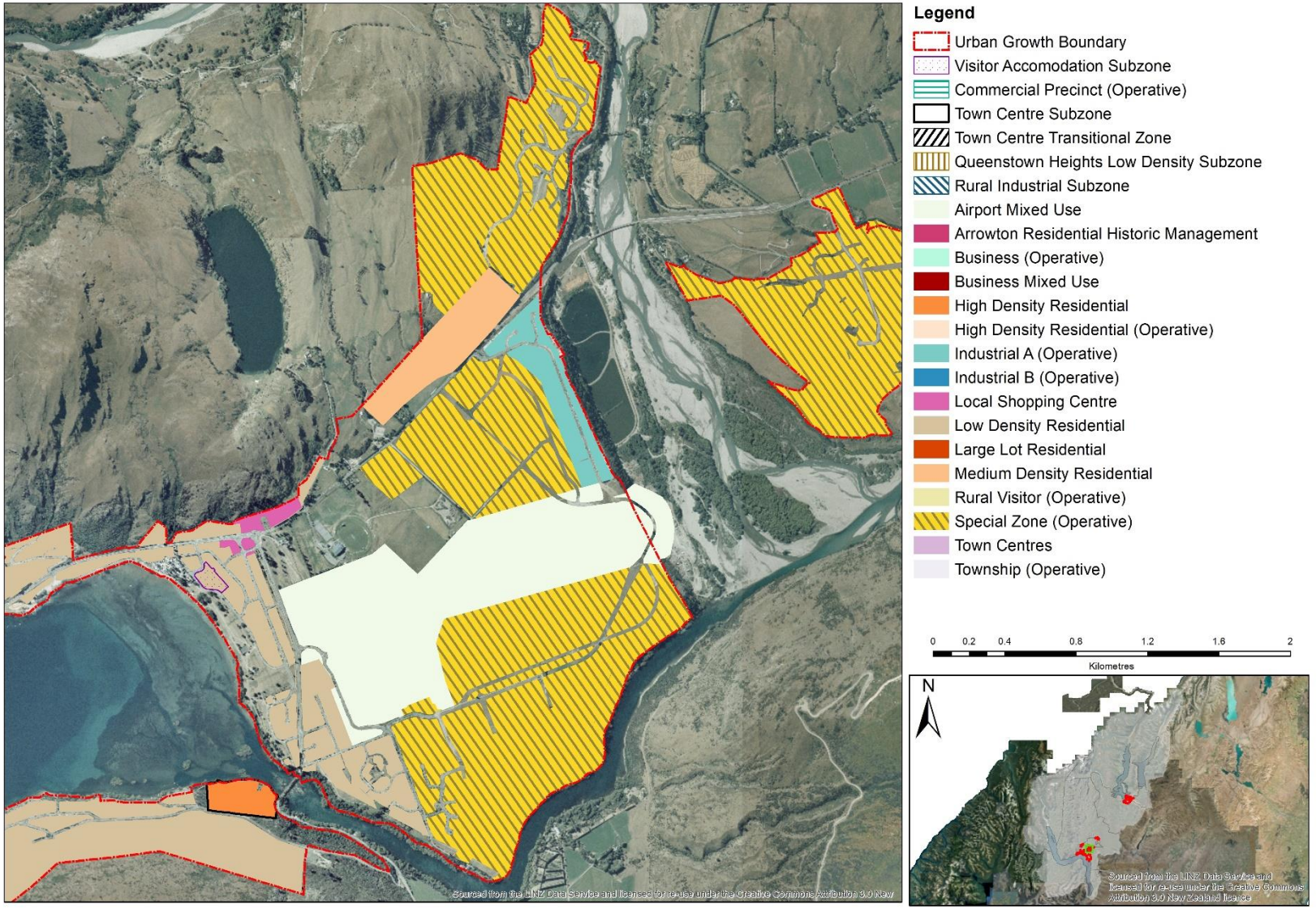
Legend

- Urban Growth Boundary
- Visitor Accommodation Subzone
- Commercial Precinct (Operative)
- Town Centre Subzone
- Town Centre Transitional Zone
- Queenstown Heights Low Density Subzone
- Rural Industrial Subzone
- Airport Mixed Use
- Arrowton Residential Historic Management
- Business (Operative)
- Business Mixed Use
- High Density Residential
- High Density Residential (Operative)
- Industrial A (Operative)
- Industrial B (Operative)
- Local Shopping Centre
- Low Density Residential
- Large Lot Residential
- Medium Density Residential
- Rural Visitor (Operative)
- Special Zone (Operative)
- Town Centres
- Township (Operative)

0 0.15 0.3 0.6 0.9 1.2 1.5

Kilometres




Legend
Urban Growth Boundary
Visitor Accomodation Subzone
Commercial Precinct (Operative)
Town Centre Subzone
Town Centre Transitional Zone
Queenstown Heights Low Density Subzone
Rural Industrial Subzone
Airport Mixed Use
Arrowton Residential Historic Management
Business (Operative)
Business Mixed Use
High Density Residential
High Density Residential (Operative)
Industrial A (Operative)
Industrial B (Operative)
Local Shopping Centre
Low Density Residential
Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
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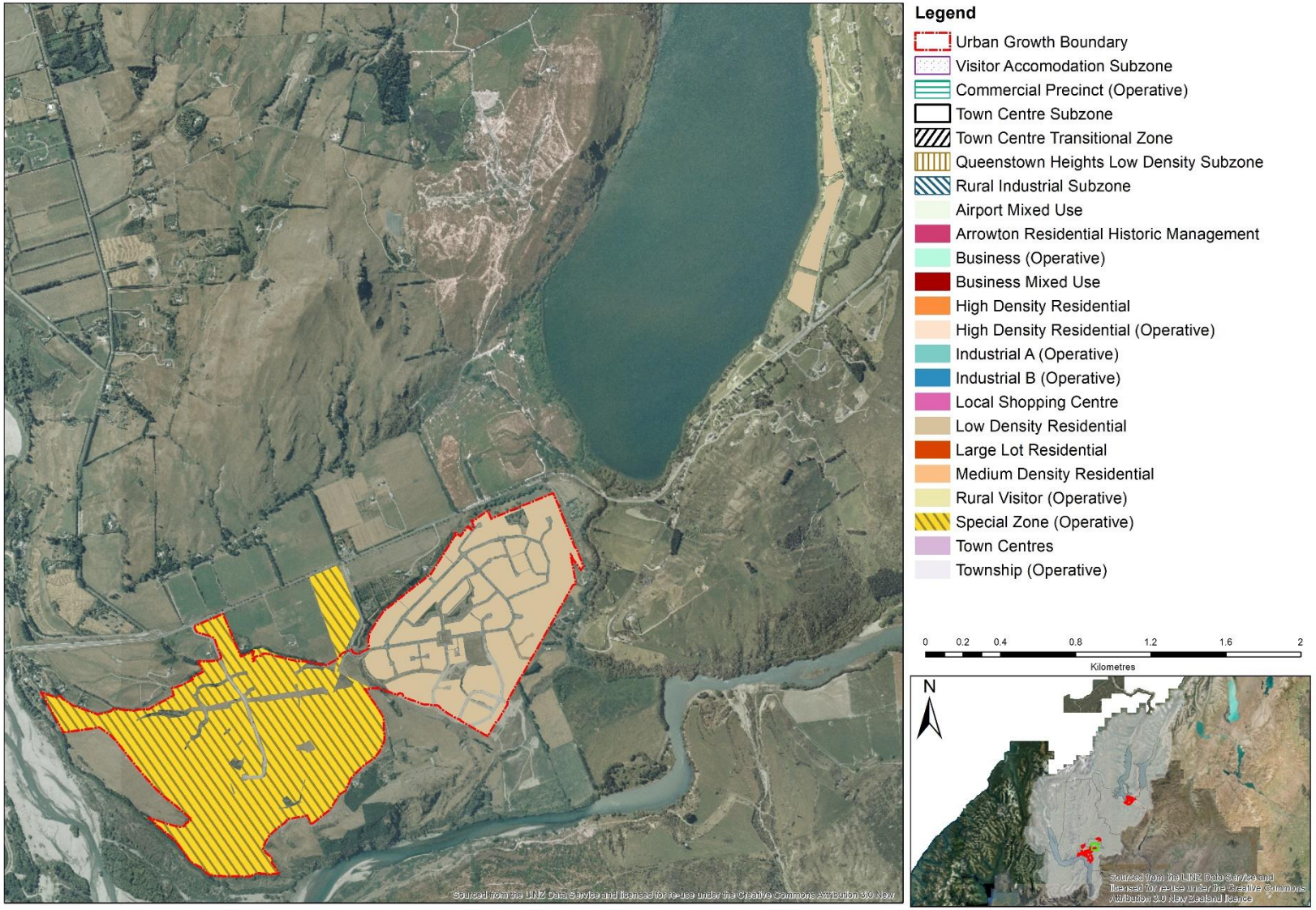
Legend
Urban Growth Boundary
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Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
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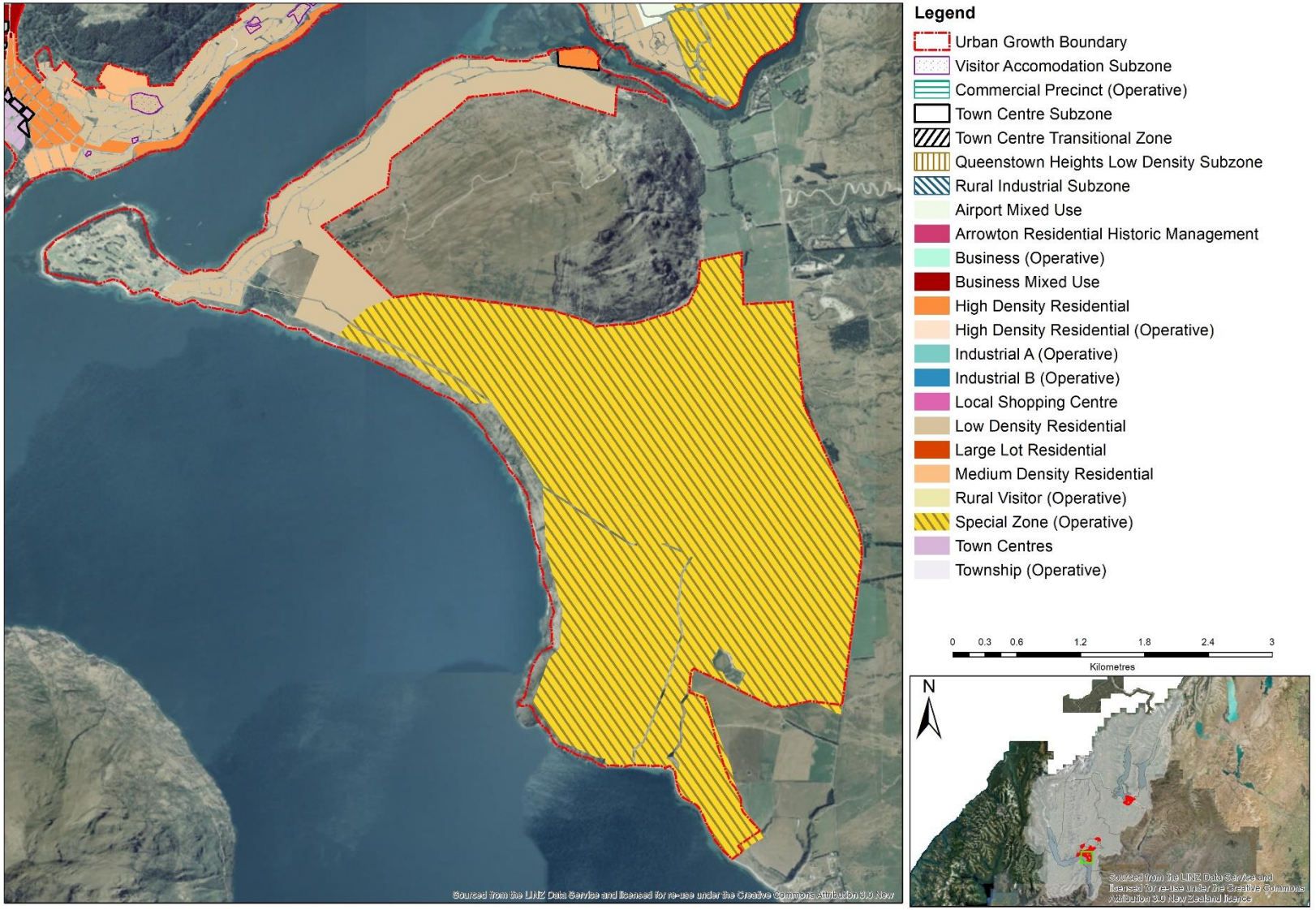
Legend
Urban Growth Boundary
Visitor Accomodation Subzone
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Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
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Kilometres
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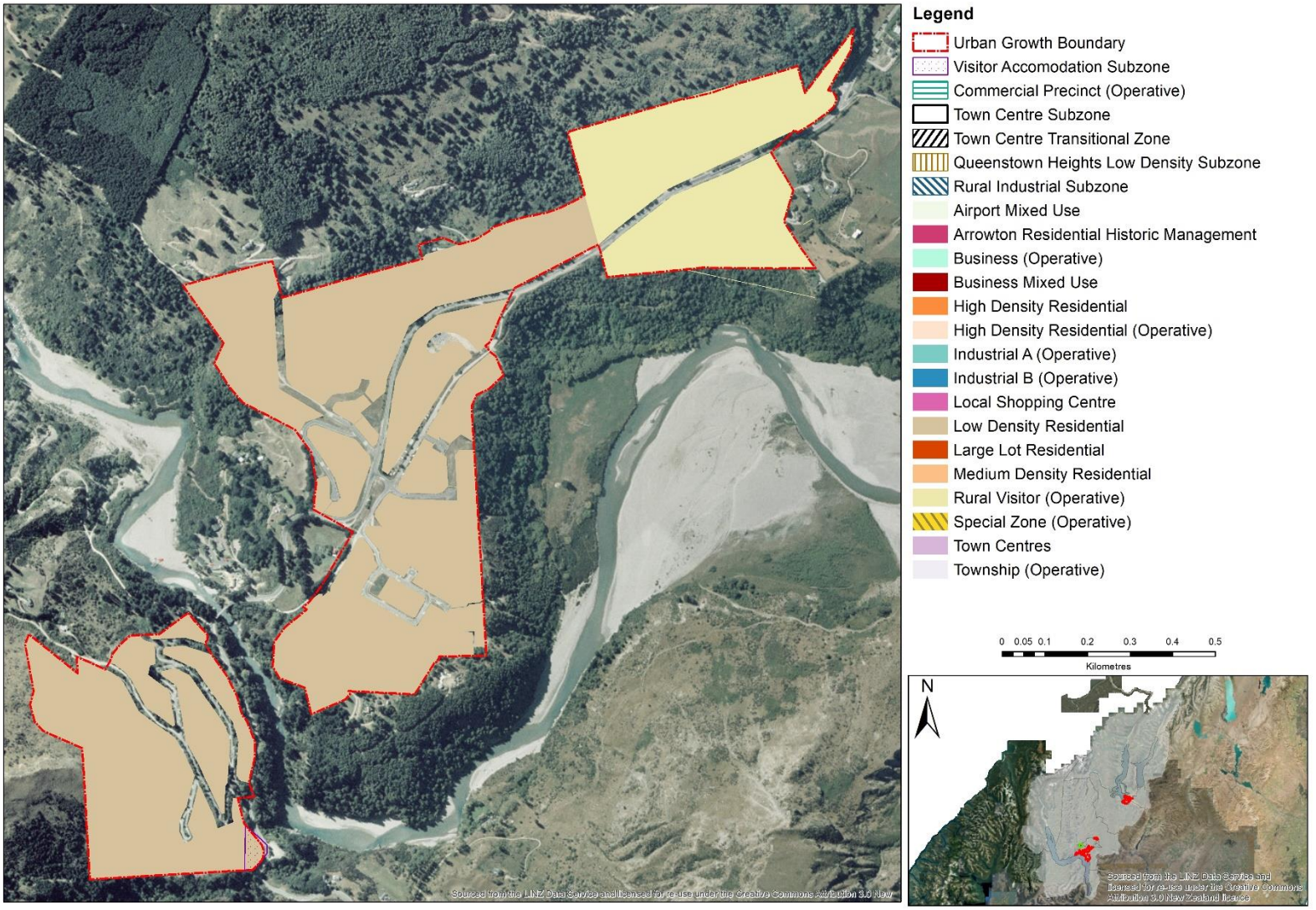
Legend
Urban Growth Boundary
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Industrial B (Operative)
Local Shopping Centre
Low Density Residential
Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
0 0.05 0.1 0.2 0.3 0.4 0.5
Kilometres
N
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Appendix 6 – 2016 Economic Summary

Structure of economy by 48 Sector and Ward

48 Sector Description	Employment (MECs)			Businesses (Gus)		
	Wanaka Ward	Wakatipu Ward	District	Wanaka Ward	Wakatipu Ward	District
Horticulture and fruit growing	1%	1%	**1%**	1%	1%	**1%**
Sheep, beef cattle and grain farming	2%	0%	**1%**	3%	1%	**2%**
Dairy cattle farming	1%	0%	**0%**	0%	0%	**0%**
Poultry, deer and other livestock farming	1%	0%	**0%**	1%	1%	**1%**
Forestry and logging	0%	0%	**0%**	0%	0%	**0%**
Fishing and aquaculture	0%	0%	**0%**	0%	0%	**0%**
Agriculture, forestry and fishing support services	1%	0%	**0%**	1%	1%	**1%**
Mining, quarrying, exploration and other mining support services	0%	0%	**0%**	0%	0%	**0%**
Oil and gas extraction	0%	0%	**0%**	0%	0%	**0%**
Meat and meat product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Dairy product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Other food manufacturing	1%	1%	**1%**	1%	0%	**0%**
Beverage and tobacco product manufacturing	0%	0%	**0%**	1%	0%	**0%**
Textile, leather, clothing and footwear manufacturing	0%	0%	**0%**	0%	0%	**0%**
Wood product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Pulp, paper and converted paper product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Printing	0%	0%	**0%**	0%	0%	**0%**
Petroleum and coal product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Chemical, polymer and rubber product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Non-metallic mineral product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Primary metal and metal product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Fabricated metal product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Transport equipment manufacturing	1%	0%	**0%**	0%	0%	**0%**
Machinery and equipment manufacturing	0%	0%	**0%**	0%	0%	**0%**
Furniture and other manufacturing	0%	0%	**0%**	0%	0%	**0%**
Electricity generation and supply	0%	0%	**0%**	0%	0%	**0%**
Gas supply	0%	0%	**0%**	0%	0%	**0%**
Water, sewerage, drainage and waste services	1%	0%	**0%**	0%	0%	**0%**
Construction	15%	12%	**13%**	19%	14%	**16%**
Wholesale trade	2%	2%	**2%**	2%	2%	**2%**
Retail Trade	12%	11%	**11%**	6%	7%	**6%**
Accommodation and food services	22%	28%	**27%**	7%	9%	**8%**
Road transport	1%	1%	**1%**	1%	2%	**2%**
Other transport, postal, courier, transport support and warehousing services.	1%	3%	**2%**	1%	1%	**1%**
Air and space transport	0%	1%	**1%**	0%	0%	**0%**
Information media and telecommunications	2%	1%	**2%**	1%	2%	**2%**
Finance	1%	1%	**1%**	6%	7%	**7%**
Insurance and superannuation funds	0%	0%	**0%**	0%	0%	**0%**
Auxiliary finance and insurance services	0%	0%	**0%**	1%	1%	**1%**
Rental, hiring and real estate services	5%	4%	**4%**	20%	25%	**24%**
Owner Occupied Dwellings	0%	0%	**0%**	0%	0%	**0%**
Professional, scientific, technical, administrative and support services	11%	13%	**13%**	13%	14%	**13%**
Central government administration, defence and public safety	0%	1%	**1%**	0%	1%	**0%**
Local government administration	0%	1%	**1%**	0%	0%	**0%**
Education and training	5%	3%	**4%**	1%	1%	**1%**
Health care and social assistance	4%	3%	**3%**	3%	2%	**2%**
Arts and recreation services	4%	7%	**6%**	3%	3%	**3%**
Personal and other services	2%	2%	**2%**	3%	3%	**3%**
Total	100%	100%	**100%**	100%	100%	**100%**

Source: SNZ Business Directory, M.E.

Share of district economy by 48 Sector and Ward

48 Sector Description	Employment (MECs)			Businesses (Gus)		
	Wanaka Ward	Wakatipu Ward	District	Wanaka Ward	Wakatipu Ward	District
Horticulture and fruit growing	36%	64%	**100%**	46%	54%	**100%**
Sheep, beef cattle and grain farming	64%	36%	**100%**	64%	36%	**100%**
Dairy cattle farming	90%	10%	**100%**	66%	34%	**100%**
Poultry, deer and other livestock farming	76%	24%	**100%**	48%	52%	**100%**
Forestry and logging	49%	51%	**100%**	49%	51%	**100%**
Fishing and aquaculture	52%	48%	**100%**	57%	43%	**100%**
Agriculture, forestry and fishing support services	42%	58%	**100%**	46%	54%	**100%**
Mining, quarrying, exploration and other mining support services	45%	55%	**100%**	37%	63%	**100%**
Oil and gas extraction	0%	0%	**0%**	0%	0%	**0%**
Meat and meat product manufacturing	0%	0%	**100%**	0%	100%	**100%**
Dairy product manufacturing	95%	5%	**100%**	37%	63%	**100%**
Other food manufacturing	32%	68%	**100%**	46%	54%	**100%**
Beverage and tobacco product manufacturing	21%	79%	**100%**	37%	63%	**100%**
Textile, leather, clothing and footwear manufacturing	44%	56%	**100%**	42%	58%	**100%**
Wood product manufacturing	43%	57%	**100%**	37%	63%	**100%**
Pulp, paper and converted paper product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Printing	0%	100%	**100%**	0%	100%	**100%**
Petroleum and coal product manufacturing	0%	0%	**0%**	0%	0%	**0%**
Chemical, polymer and rubber product manufacturing	98%	2%	**100%**	78%	22%	**100%**
Non-metallic mineral product manufacturing	35%	65%	**100%**	31%	69%	**100%**
Primary metal and metal product manufacturing	73%	27%	**100%**	55%	45%	**100%**
Fabricated metal product manufacturing	38%	62%	**100%**	60%	40%	**100%**
Transport equipment manufacturing	67%	33%	**100%**	55%	45%	**100%**
Machinery and equipment manufacturing	24%	76%	**100%**	29%	71%	**100%**
Furniture and other manufacturing	19%	81%	**100%**	26%	74%	**100%**
Electricity generation and supply	100%	0%	**100%**	100%	0%	**100%**
Gas supply	0%	0%	**0%**	100%	0%	**100%**
Water, sewerage, drainage and waste services	72%	28%	**100%**	42%	58%	**100%**
Construction	30%	70%	**100%**	39%	61%	**100%**
Wholesale trade	29%	71%	**100%**	42%	58%	**100%**
Retail Trade	27%	73%	**100%**	28%	72%	**100%**
Accommodation and food services	21%	79%	**100%**	27%	73%	**100%**
Road transport	17%	83%	**100%**	13%	87%	**100%**
Other transport, postal, courier, transport support and warehousing services.	10%	90%	**100%**	31%	69%	**100%**
Air and space transport	6%	94%	**100%**	37%	63%	**100%**
Information media and telecommunications	28%	72%	**100%**	25%	75%	**100%**
Finance	23%	77%	**100%**	29%	71%	**100%**
Insurance and superannuation funds	0%	100%	**100%**	0%	100%	**100%**
Auxiliary finance and insurance services	15%	85%	**100%**	24%	76%	**100%**
Rental, hiring and real estate services	28%	72%	**100%**	26%	74%	**100%**
Owner Occupied Dwellings	0%	0%	**0%**	0%	0%	**0%**
Professional, scientific, technical, administrative and support services	22%	78%	**100%**	30%	70%	**100%**
Central government administration, defence and public safety	6%	94%	**100%**	16%	84%	**100%**
Local government administration	7%	93%	**100%**	45%	55%	**100%**
Education and training	35%	65%	**100%**	35%	65%	**100%**
Health care and social assistance	31%	69%	**100%**	38%	62%	**100%**
Arts and recreation services	18%	82%	**100%**	30%	70%	**100%**
Personal and other services	24%	76%	**100%**	33%	67%	**100%**
Total	25%	75%	**100%**	32%	68%	**100%**

Source: SNZ Business Directory, M.E.

Appendix 7 – Business Count Change 2000-2016

Wakatipu Ward

48 Sector Description	Growth in Businesses (GUs)				Growth (%)			
	2000-2005	2005-2009	2009-2016	**2000-2016**	2000-2005	2005-2009	2009-2016	**2000-2016**
Horticulture and fruit growing	14	-13	1	**2**	38%	-25%	4%	**6%**
Sheep, beef cattle and grain farming	-17	-13	-3	**-33**	-22%	-22%	-7%	**-43%**
Dairy cattle farming	1	-	2	**3**	0%	0%	180%	**0%**
Poultry, deer and other livestock farming	9	-2	-1	**6**	43%	-7%	-5%	**27%**
Forestry and logging	-2	5	-1	**2**	-22%	71%	-10%	**20%**
Fishing and aquaculture	-2	2	3	**3**	-100%	0%	145%	**145%**
Agriculture, forestry and fishing support services	13	1	8	**22**	163%	5%	35%	**270%**
Mining, quarrying, exploration and other mining support services	1	1	1	**3**	17%	14%	10%	**47%**
Oil and gas extraction	-	-	-	**-**	0%	0%	0%	**0%**
Meat and meat product manufacturing	-	-	1	**1**	0%	0%	0%	**0%**
Dairy product manufacturing	1	-1	3	**3**	0%	-100%	0%	**0%**
Other food manufacturing	7	-3	8	**12**	140%	-25%	91%	**244%**
Beverage and tobacco product manufacturing	3	6	6	**15**	50%	67%	37%	**242%**
Textile, leather, clothing and footwear manufacturing	3	-4	-1	**-2**	33%	-33%	-8%	**-18%**
Wood product manufacturing	1	-2	-2	**-3**	11%	-20%	-21%	**-30%**
Pulp, paper and converted paper product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Printing	-	5	-2	**3**	0%	100%	-21%	**58%**
Petroleum and coal product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Chemical, polymer and rubber product manufacturing	2	-	-1	**1**	0%	0%	-35%	**0%**
Non-metallic mineral product manufacturing	5	1	-1	**5**	167%	13%	-12%	**163%**
Primary metal and metal product manufacturing	-	2	1	**3**	0%	0%	40%	**0%**
Fabricated metal product manufacturing	7	1	-3	**5**	700%	13%	-29%	**540%**
Transport equipment manufacturing	3	-1	-4	**-2**	38%	-9%	-37%	**-21%**
Machinery and equipment manufacturing	2	1	9	**12**	22%	9%	73%	**130%**
Furniture and other manufacturing	4	-4	9	**9**	36%	-27%	80%	**80%**
Electricity generation and supply	1	-	-1	**-**	0%	0%	-100%	**0%**
Gas supply	-	-	-	**-**	0%	0%	0%	**0%**
Water, sewerage, drainage and waste services	3	3	-1	**5**	43%	30%	-7%	**73%**
Construction	295	146	48	**489**	125%	27%	7%	**207%**
Wholesale trade	31	6	12	**49**	103%	10%	18%	**164%**
Retail Trade	64	27	64	**155**	35%	11%	23%	**84%**
Accommodation and food services	77	40	92	**209**	32%	13%	26%	**87%**
Road transport	20	-2	32	**50**	41%	-3%	48%	**102%**
Other transport, postal, courier, transport support and warehousing services.	13	5	13	**31**	30%	9%	21%	**71%**
Air and space transport	2	-	-2	**0**	13%	0%	-12%	**-1%**
Information media and telecommunications	36	-1	6	**41**	73%	-1%	8%	**84%**
Finance	97	94	141	**332**	294%	72%	63%	**1005%**
Insurance and superannuation funds	-3	-	3	**0**	-75%	0%	270%	**-8%**
Auxiliary finance and insurance services	9	13	7	**29**	60%	54%	18%	**191%**
Rental, hiring and real estate services	405	288	197	**890**	100%	36%	18%	**220%**
Owner Occupied Dwellings	-	-	-	**-**	0%	0%	0%	**0%**
Professional, scientific, technical, administrative and support services	221	100	117	**438**	86%	21%	20%	**170%**
Central government administration, defence and public safety	5	9	4	**18**	42%	53%	17%	**153%**
Local government administration	-2	1	-1	**-2**	-50%	50%	-40%	**-55%**
Education and training	12	10	6	**28**	48%	27%	13%	**113%**
Health care and social assistance	30	-7	33	**56**	58%	-9%	43%	**107%**
Arts and recreation services	48	10	19	**77**	48%	7%	12%	**76%**
Personal and other services	25	9	29	**63**	30%	8%	25%	**76%**
Total	1,444	733	848	**3,025**	70%	21%	20%	**146%**

Source: SNZ Business Directory, M.E.

Wanaka Ward

48 Sector Description	Growth in Businesses (GUs)				Growth (%)			
	2000-2005	2005-2009	2009-2016	**2000-2016**	2000-2005	2005-2009	2009-2016	**2000-2016**
Horticulture and fruit growing	1	3	9	**13**	5%	14%	39%	**67%**
Sheep, beef cattle and grain farming	-	-2	-2	**-4**	0%	-3%	-2%	**-4%**
Dairy cattle farming	-	-	4	**4**	0%	0%	440%	**440%**
Poultry, deer and other livestock farming	2	-3	2	**1**	8%	-12%	7%	**2%**
Forestry and logging	4	-2	0	**2**	50%	-17%	4%	**30%**
Fishing and aquaculture	1	4	0	**5**	100%	200%	7%	**540%**
Agriculture, forestry and fishing support services	8	3	2	**13**	67%	15%	10%	**111%**
Mining, quarrying, exploration and other mining support services	-2	4	0	**2**	-67%	400%	4%	**73%**
Oil and gas extraction	-	-	-	**-**	0%	0%	0%	**0%**
Meat and meat product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Dairy product manufacturing	-	-	2	**2**	0%	0%	0%	**0%**
Other food manufacturing	2	-2	11	**11**	50%	-33%	270%	**270%**
Beverage and tobacco product manufacturing	2	-	9	**11**	200%	0%	303%	**1110%**
Textile, leather, clothing and footwear manufacturing	2	-	2	**4**	200%	0%	77%	**430%**
Wood product manufacturing	-2	-3	-4	**-9**	-15%	-27%	-54%	**-72%**
Pulp, paper and converted paper product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Printing	-1	1	-1	**-1**	-100%	0%	-100%	**-100%**
Petroleum and coal product manufacturing	-	-	-	**-**	0%	0%	0%	**0%**
Chemical, polymer and rubber product manufacturing	-	1	2	**3**	0%	50%	53%	**130%**
Non-metallic mineral product manufacturing	1	1	-1	**1**	33%	25%	-28%	**20%**
Primary metal and metal product manufacturing	-	1	1	**2**	0%	100%	70%	**240%**
Fabricated metal product manufacturing	-1	2	5	**6**	-25%	67%	90%	**138%**
Transport equipment manufacturing	-1	7	-1	**5**	-33%	350%	-16%	**153%**
Machinery and equipment manufacturing	4	-3	3	**4**	80%	-33%	43%	**72%**
Furniture and other manufacturing	6	-1	-1	**4**	200%	-11%	-11%	**137%**
Electricity generation and supply	-	-	1	**1**	0%	0%	70%	**70%**
Gas supply	-	-	2	**2**	0%	0%	0%	**0%**
Water, sewerage, drainage and waste services	-	-	5	**5**	0%	0%	115%	**115%**
Construction	211	112	17	**340**	182%	34%	4%	**293%**
Wholesale trade	18	11	8	**37**	95%	30%	17%	**196%**
Retail Trade	32	23	24	**79**	60%	27%	23%	**150%**
Accommodation and food services	37	21	26	**84**	44%	17%	18%	**100%**
Road transport	10	1	0	**11**	250%	7%	1%	**278%**
Other transport, postal, courier, transport support and warehousing services.	11	-3	15	**23**	110%	-14%	86%	**234%**
Air and space transport	-1	3	-1	**1**	-13%	43%	-6%	**18%**
Information media and telecommunications	8	6	10	**24**	160%	46%	55%	**488%**
Finance	40	61	44	**145**	571%	130%	41%	**2077%**
Insurance and superannuation funds	-	-	-1	**-1**	0%	0%	-100%	**-100%**
Auxiliary finance and insurance services	5	3	3	**11**	167%	38%	23%	**350%**
Rental, hiring and real estate services	202	92	50	**344**	168%	29%	12%	**287%**
Owner Occupied Dwellings	-	-	-	**-**	0%	0%	0%	**0%**
Professional, scientific, technical, administrative and support services	111	59	77	**247**	198%	35%	34%	**442%**
Central government administration, defence and public safety	-	4	-2	**2**	0%	100%	-28%	**45%**
Local government administration	-	1	-1	**1**	0%	100%	-25%	**50%**
Education and training	6	10	3	**19**	60%	63%	11%	**189%**
Health care and social assistance	9	22	11	**42**	39%	69%	20%	**182%**
Arts and recreation services	14	11	12	**37**	34%	20%	18%	**90%**
Personal and other services	16	9	19	**44**	57%	20%	35%	**156%**
Total	755	457	365	**1,577**	96%	30%	18%	**200%**

Source: SNZ Business Directory, M.E.

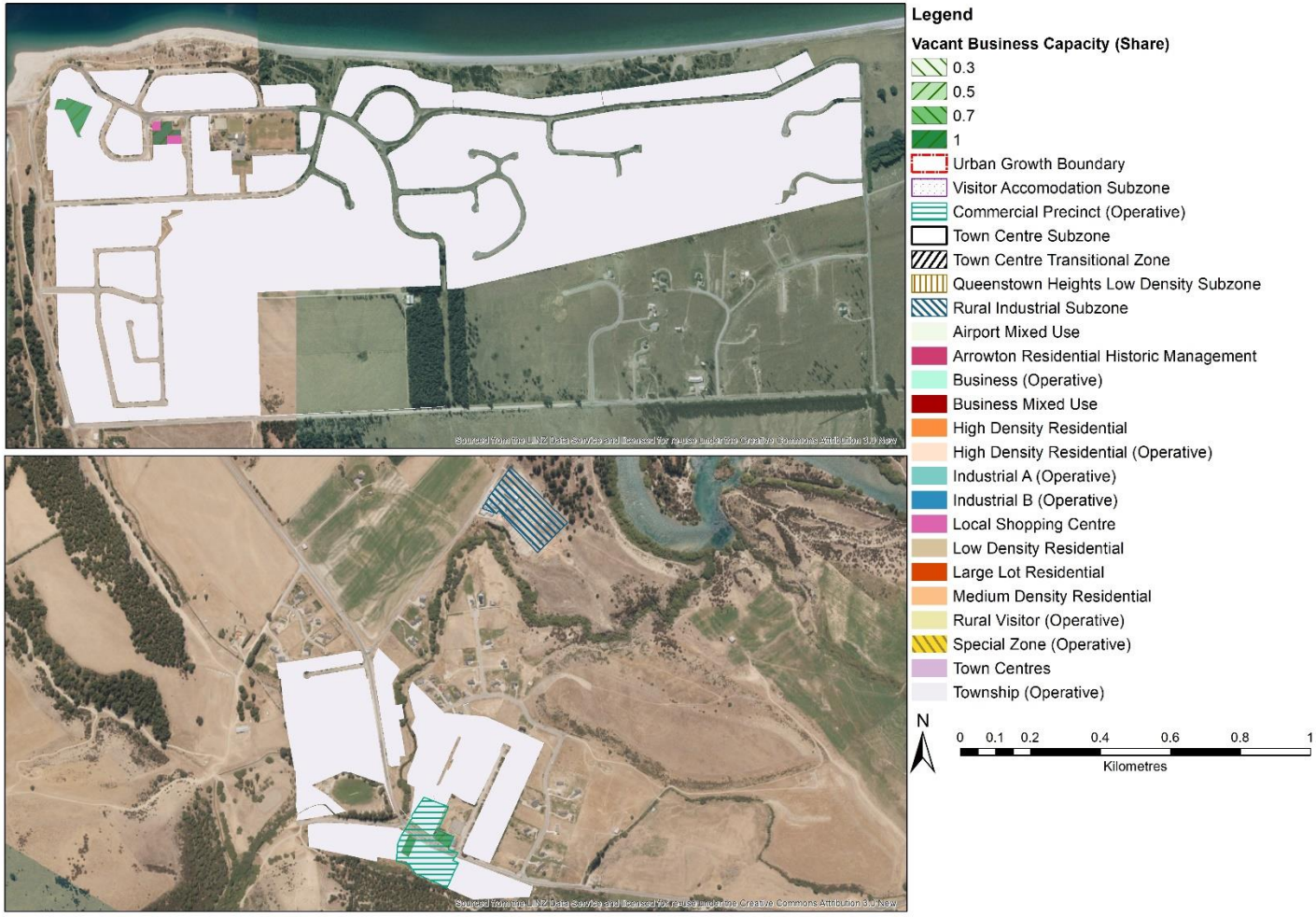
Appendix 8 – Sector to Land Use Relationships

48 Sector Description	Office---Commercial	Office---Retail	Shops---Commercial	Shops---Food and Beverage	Accommodation	Warehouse	Factory	Yard---Commercial	Yard---Industrial	Other.Built---Commercial	Other.Built---Industrial	Education	Outdoor---Commercial	Outdoor---Industrial	Outdoor---Rural	Total
Horticulture and fruit growing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	90%	100%
Sheep, beef cattle and grain farming	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	90%	100%
Dairy cattle farming	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	90%	100%
Poultry, deer and other livestock farming	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	90%	100%
Forestry and logging	0%	0%	0%	0%	0%	0%	9%	0%	17%	0%	0%	0%	0%	0%	74%	100%
Fishing and aquaculture	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%	47%	0%	0%	0%	35%	100%
Agriculture, forestry and fishing support services	20%	0%	0%	0%	0%	20%	20%	0%	0%	0%	0%	0%	40%	0%	0%	100%
Mining, quarrying, exploration and other mining support services	0%	0%	0%	0%	0%	0%	10%	0%	20%	0%	0%	0%	70%	0%	0%	100%
Oil and gas extraction	0%	0%	0%	0%	0%	0%	10%	0%	20%	0%	0%	0%	70%	0%	0%	100%
Meat and meat product manufacturing	2%	0%	0%	0%	0%	23%	75%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Dairy product manufacturing	2%	0%	0%	0%	0%	11%	88%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Other food manufacturing	2%	0%	0%	0%	0%	17%	69%	0%	12%	0%	0%	0%	0%	0%	0%	100%
Beverage and tobacco product manufacturing	2%	0%	0%	0%	0%	23%	75%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Textile, leather, clothing and footwear manufacturing	2%	0%	0%	0%	0%	12%	83%	0%	2%	0%	0%	0%	0%	0%	0%	100%
Wood product manufacturing	2%	0%	0%	0%	0%	11%	60%	0%	28%	0%	0%	0%	0%	0%	0%	100%
Pulp, paper and converted paper product manufacturing	2%	0%	0%	0%	0%	20%	63%	0%	16%	0%	0%	0%	0%	0%	0%	100%
Printing	2%	0%	0%	0%	0%	21%	78%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Petroleum and coal product manufacturing	2%	0%	0%	0%	0%	11%	20%	0%	68%	0%	0%	0%	0%	0%	0%	100%
Chemical, polymer and rubber product manufacturing	2%	0%	0%	0%	0%	20%	63%	0%	16%	0%	0%	0%	0%	0%	0%	100%
Non-metallic mineral product manufacturing	2%	0%	0%	0%	0%	11%	50%	0%	38%	0%	0%	0%	0%	0%	0%	100%
Primary metal and metal product manufacturing	2%	0%	0%	0%	0%	6%	60%	0%	33%	0%	0%	0%	0%	0%	0%	100%
Fabricated metal product manufacturing	2%	0%	0%	0%	0%	38%	40%	0%	20%	0%	0%	0%	0%	0%	0%	100%
Transport equipment manufacturing	2%	0%	0%	0%	0%	11%	68%	0%	20%	0%	0%	0%	0%	0%	0%	100%
Machinery and equipment manufacturing	2%	0%	0%	0%	0%	11%	68%	0%	20%	0%	0%	0%	0%	0%	0%	100%
Furniture and other manufacturing	2%	0%	0%	0%	0%	11%	68%	0%	20%	0%	0%	0%	0%	0%	0%	100%
Electricity generation and supply	9%	0%	0%	0%	0%	14%	0%	0%	18%	0%	58%	0%	0%	0%	0%	100%
Gas supply	0%	0%	0%	0%	0%	15%	0%	0%	20%	0%	65%	0%	0%	0%	0%	100%
Water, sewerage, drainage and waste services	2%	0%	0%	0%	0%	15%	0%	0%	27%	0%	56%	0%	0%	0%	0%	100%
Construction	2%	0%	0%	0%	0%	15%	6%	0%	16%	31%	31%	0%	0%	0%	0%	100%
Wholesale trade	5%	0%	0%	0%	0%	95%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Retail Trade	0%	0%	66%	0%	0%	0%	0%	34%	0%	0%	0%	0%	0%	0%	0%	100%
Accommodation and food services	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Road transport	3%	0%	0%	0%	0%	10%	10%	0%	78%	0%	0%	0%	0%	0%	0%	100%
Other transport, postal, courier, transport support and warehousing services.	5%	0%	0%	0%	0%	21%	10%	0%	24%	0%	40%	0%	0%	0%	0%	100%
Air and space transport	10%	0%	0%	0%	0%	10%	60%	0%	10%	0%	10%	0%	0%	0%	0%	100%
Information media and telecommunications	59%	0%	0%	0%	0%	23%	18%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Finance	98%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	100%
Insurance and superannuation funds	98%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	100%
Auxiliary finance and insurance services	98%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	100%
Rental, hiring and real estate services	14%	15%	6%	0%	0%	12%	0%	12%	10%	3%	0%	0%	0%	0%	27%	100%
Owner Occupied Dwellings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Professional, scientific, technical, administrative and support services	22%	0%	27%	0%	0%	15%	10%	0%	13%	13%	0%	0%	0%	0%	0%	100%
Central government administration, defence and public safety	16%	0%	0%	0%	0%	10%	0%	0%	10%	56%	0%	0%	10%	0%	0%	100%
Local government administration	50%	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%	0%	0%	100%
Education and training	27%	0%	19%	0%	0%	0%	0%	0%	0%	0%	0%	54%	0%	0%	0%	100%
Health care and social assistance	17%	21%	21%	0%	0%	0%	0%	0%	0%	40%	0%	0%	0%	0%	0%	100%
Arts and recreation services	25%	0%	29%	0%	0%	3%	3%	0%	0%	40%	0%	0%	0%	0%	0%	100%
Personal and other services	11%	0%	39%	0%	0%	14%	10%	0%	0%	26%	0%	0%	0%	0%	0%	100%

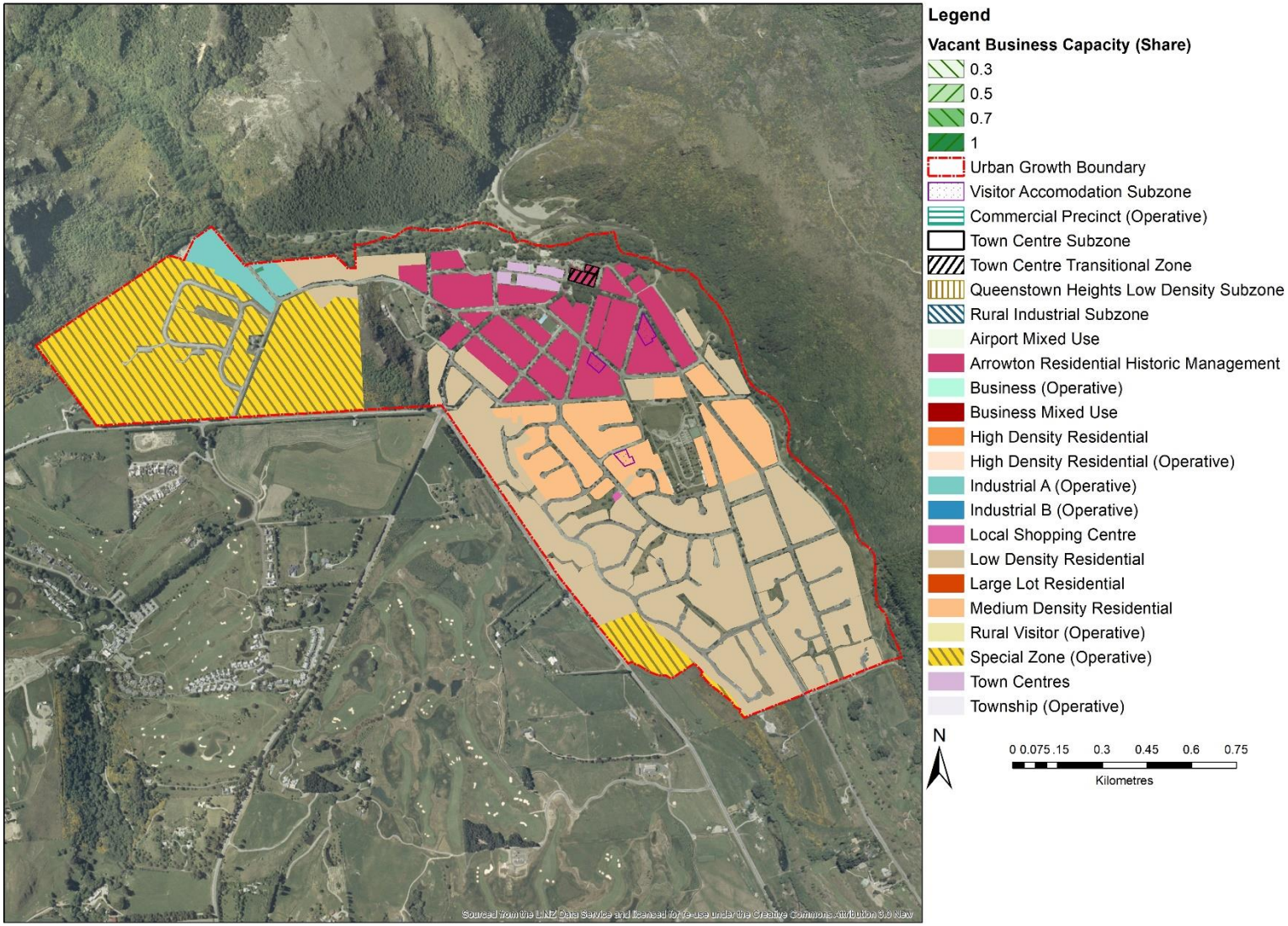
Source: M.E., based on national averages

Appendix 9 – Vacant Business Land Maps

Hawea and Luggate



Arrowtown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Vacant Business Capacity (Share)
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0.7
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Urban Growth Boundary
Visitor Accomodation Subzone
Commercial Precinct (Operative)
Town Centre Subzone
Town Centre Transitional Zone
Queenstown Heights Low Density Subzone
Rural Industrial Subzone
Airport Mixed Use
Arrowton Residential Historic Management
Business (Operative)
Business Mixed Use
High Density Residential
High Density Residential (Operative)
Industrial A (Operative)
Industrial B (Operative)
Local Shopping Centre
Low Density Residential
Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
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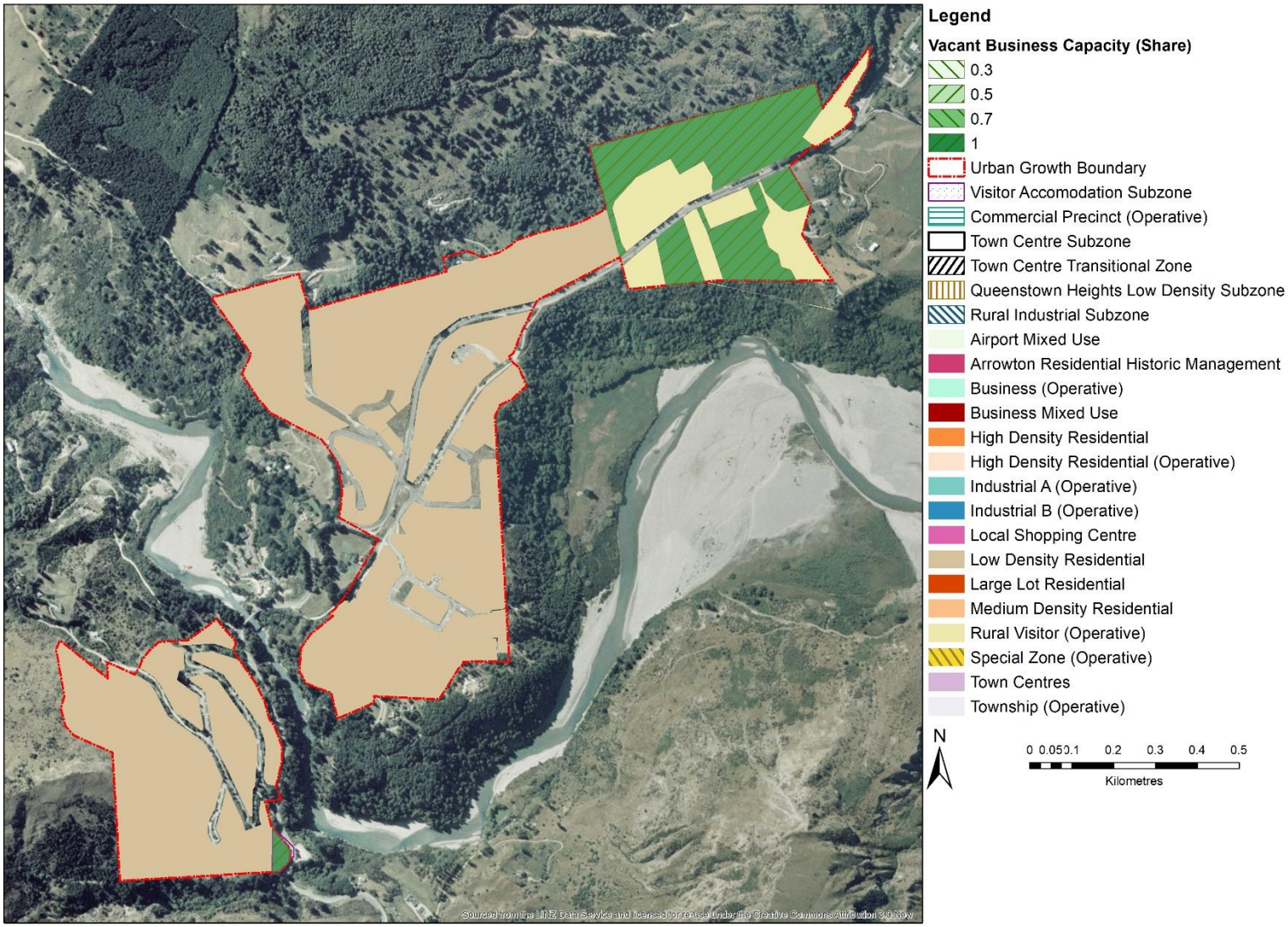
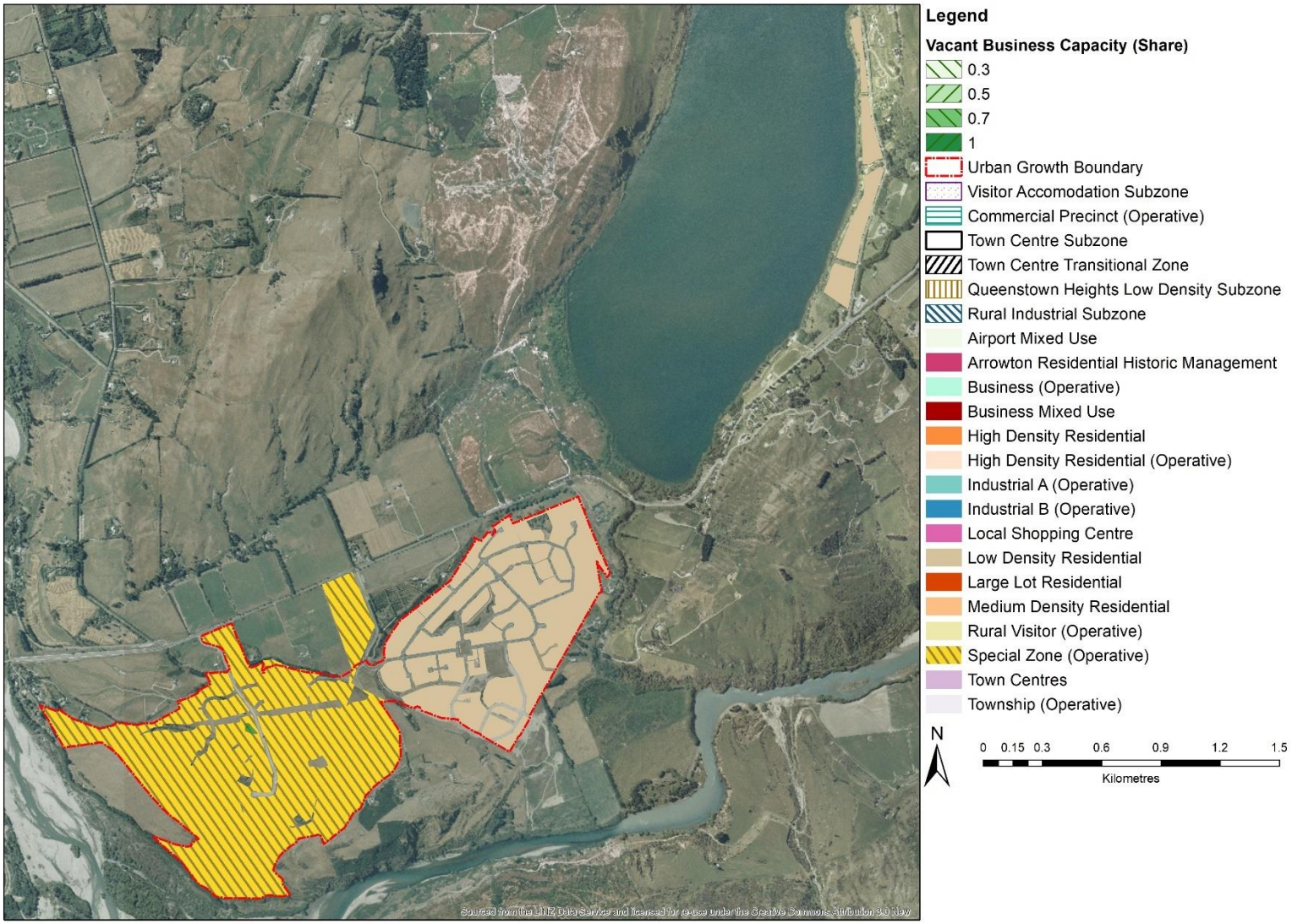
Arthurs Point




Legend
Vacant Business Capacity (Share)
0.3
0.5
0.7
1
Urban Growth Boundary
Visitor Accomodation Subzone
Commercial Precinct (Operative)
Town Centre Subzone
Town Centre Transitional Zone
Queenstown Heights Low Density Subzone
Rural Industrial Subzone
Airport Mixed Use
Arrowton Residential Historic Management
Business (Operative)
Business Mixed Use
High Density Residential
High Density Residential (Operative)
Industrial A (Operative)
Industrial B (Operative)
Local Shopping Centre
Low Density Residential
Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
N
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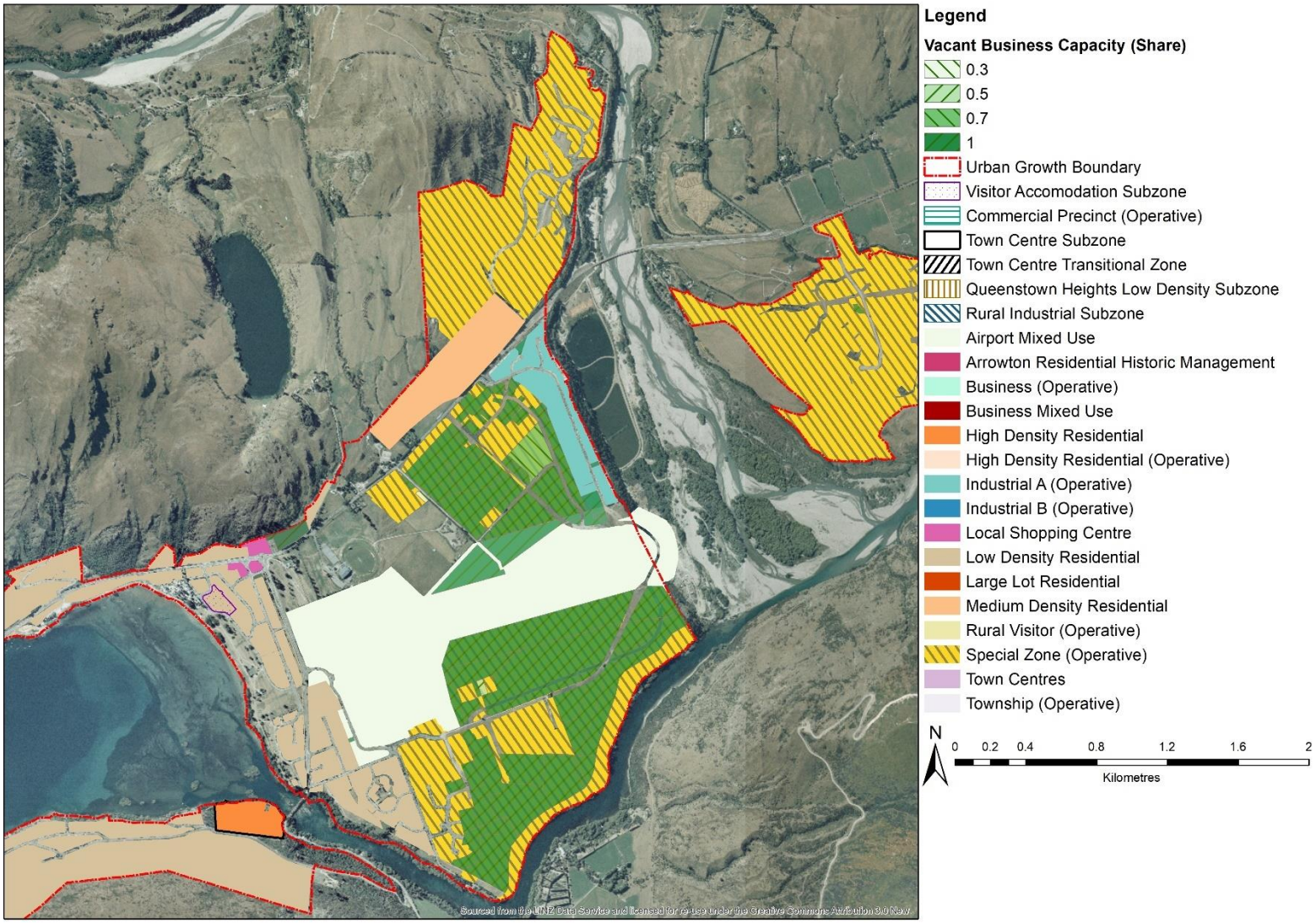
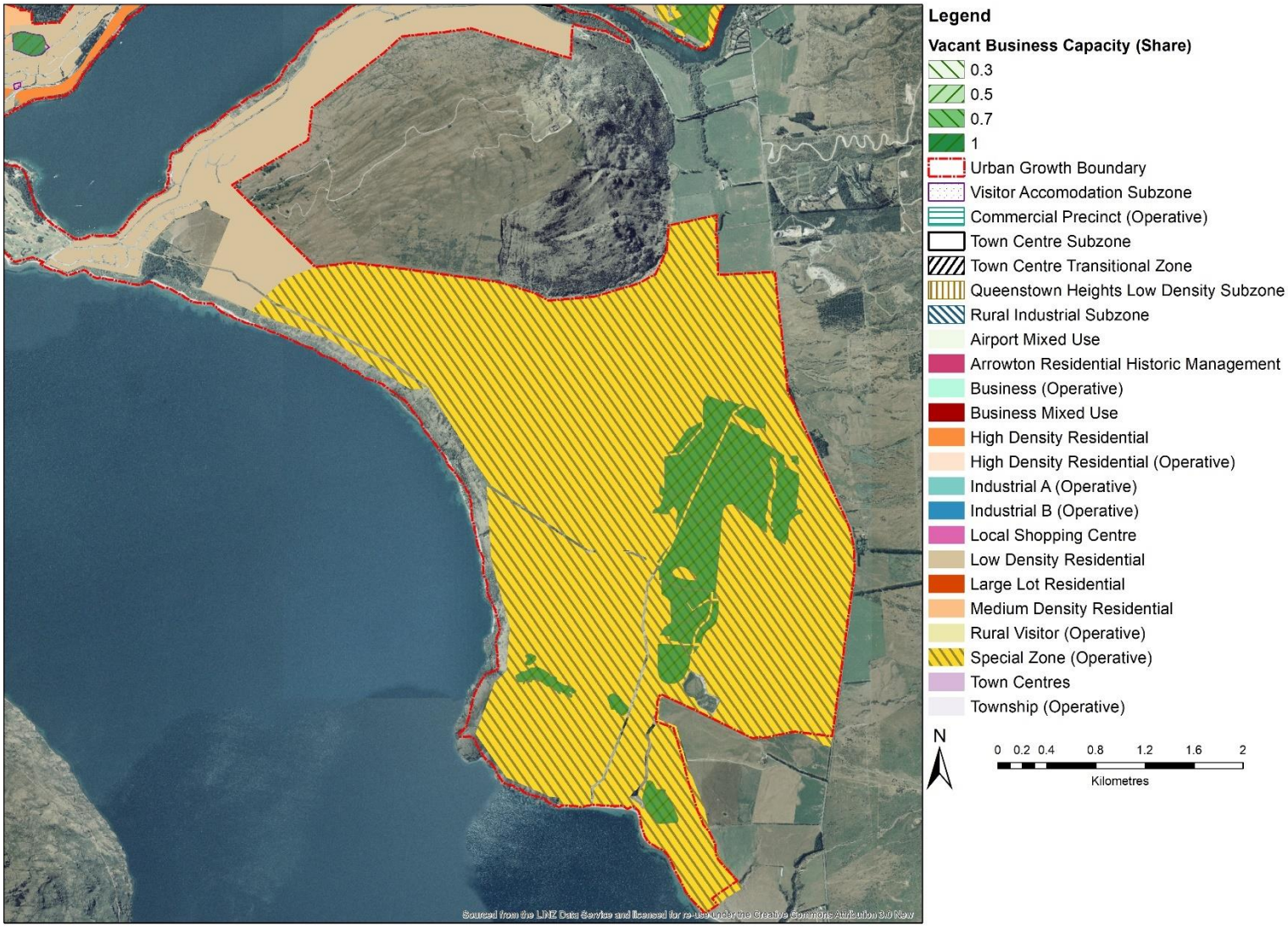
Kilometres
Sourced from the LINZ Data Service and licensed for re-use under the Creative Commons Attribution 3.0 New


Legend
Vacant Business Capacity (Share)
0.3
0.5
0.7
1
Urban Growth Boundary
Visitor Accomodation Subzone
Commercial Precinct (Operative)
Town Centre Subzone
Town Centre Transitional Zone
Queenstown Heights Low Density Subzone
Rural Industrial Subzone
Airport Mixed Use
Arrowton Residential Historic Management
Business (Operative)
Business Mixed Use
High Density Residential
High Density Residential (Operative)
Industrial A (Operative)
Industrial B (Operative)
Local Shopping Centre
Low Density Residential
Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
N
0 0.2 0.4 0.8 1.2 1.6 2
Kilometres
Sourced from the LINZ Data Service and licensed for re-use under the Creative Commons Attribution 3.0 New


Legend
Vacant Business Capacity (Share)
0.3
0.5
0.7
1
Urban Growth Boundary
Visitor Accomodation Subzone
Commercial Precinct (Operative)
Town Centre Subzone
Town Centre Transitional Zone
Queenstown Heights Low Density Subzone
Rural Industrial Subzone
Airport Mixed Use
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Industrial A (Operative)
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Low Density Residential
Large Lot Residential
Medium Density Residential
Rural Visitor (Operative)
Special Zone (Operative)
Town Centres
Township (Operative)
N
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Kilometres
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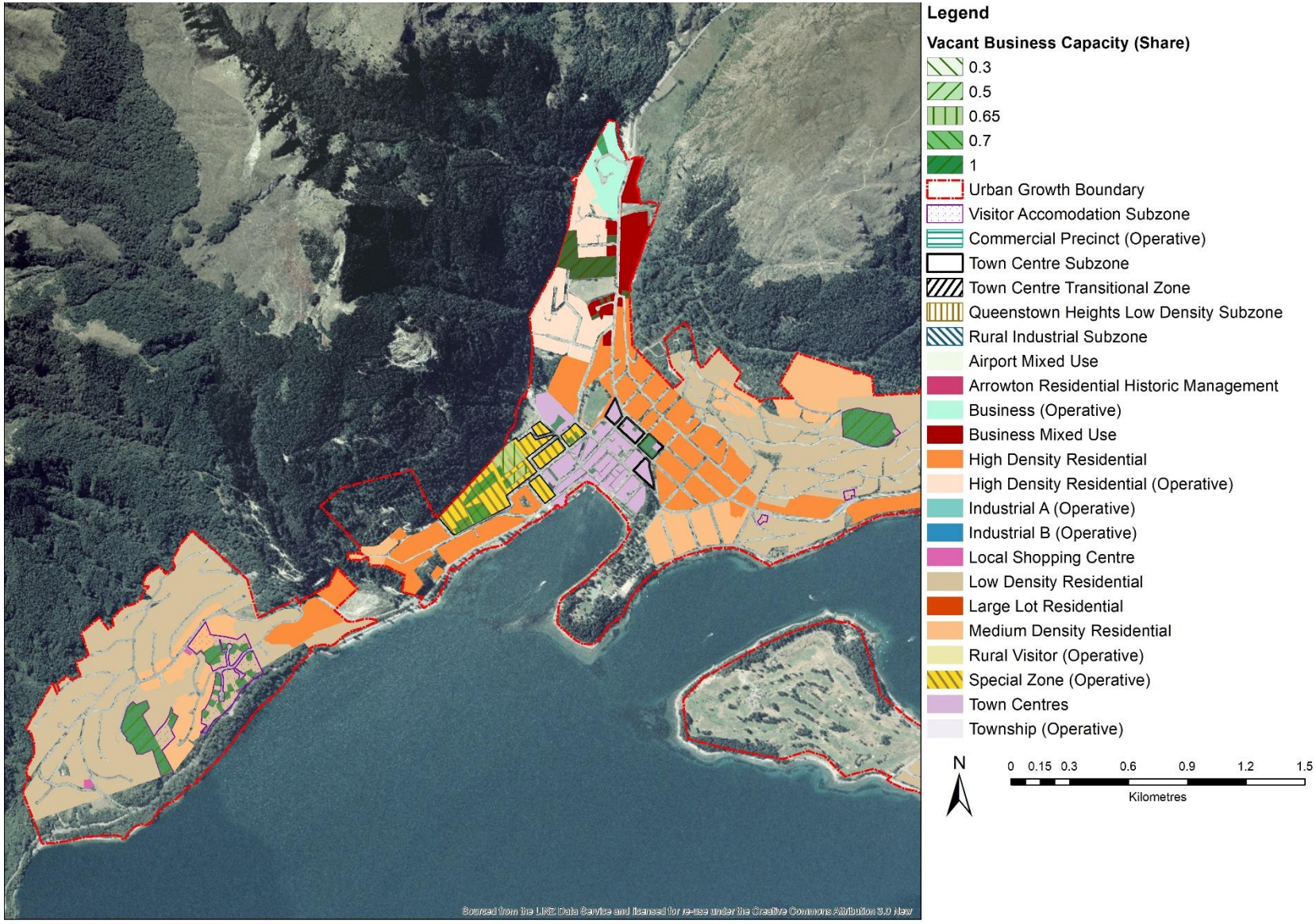
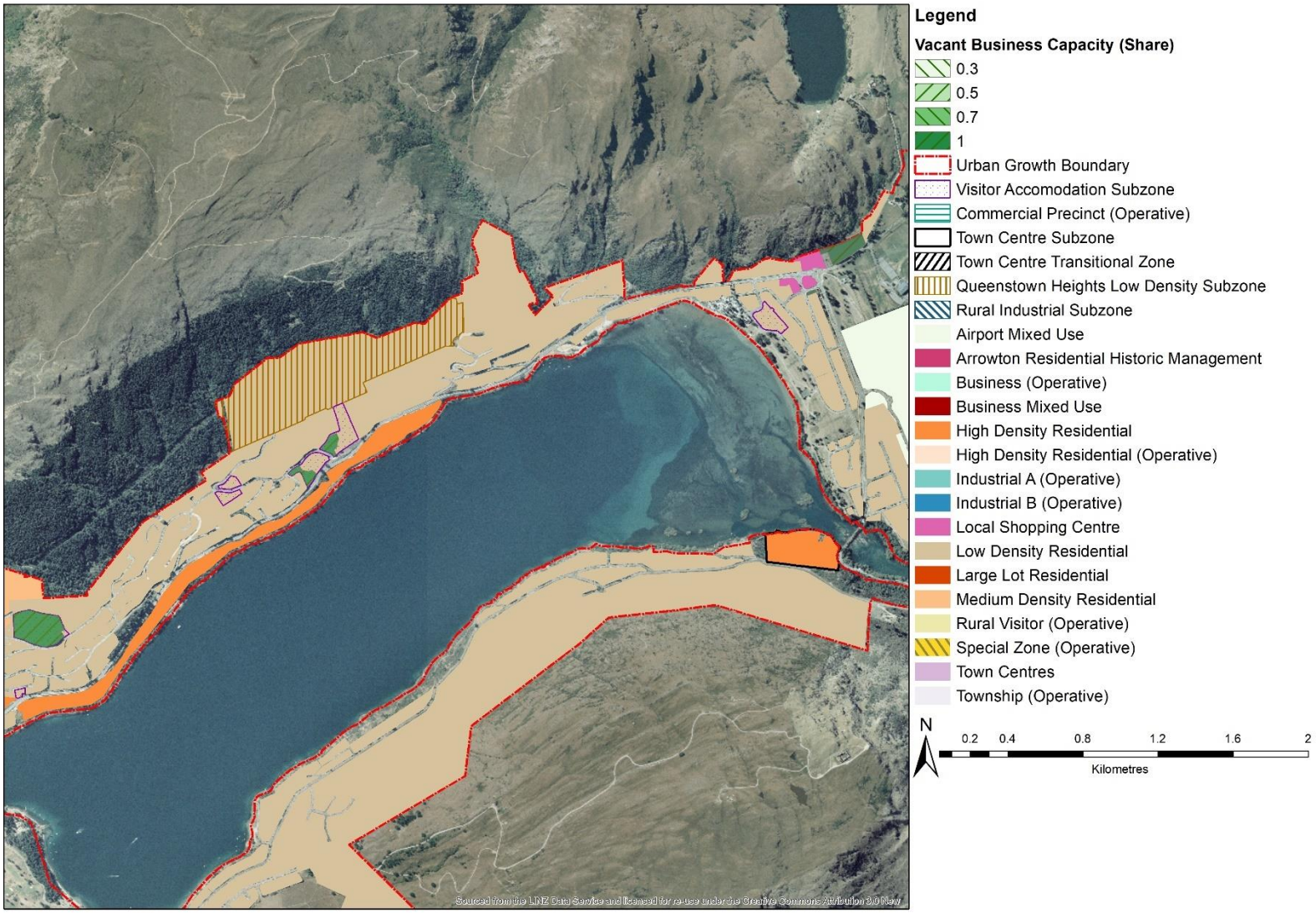
Queenstown Central and West



Queenstown East



Appendix 10 – Residential Take-up Estimates

Zones	Spatial Framework Area	Share of existing floorspace as residential	Storeys allowed in zone	Share of future new capacity (excl. existing stock) as residential	Implied storeys taken up by residential
Local Shopping Centre	Wanaka	0%	2	33%	0.67
Local Shopping Centre	Albert Town	0%	2	25%	0.50
Local Shopping Centre	Arrowtown	0%	2	0%	0.00
Local Shopping Centre-Frankton	Frankton	7%	3	33%	1.00
Local Shopping Centre	Hawea Locality	29%	2	50%	1.00
Local Shopping Centre	Sunshine Bay	36%	2	50%	1.00
Business Mixed Use	Wanaka North	1%	4	20%	0.80
Business Mixed Use	Warren Park	6%	4	40%	1.60
Town Centre Queenstown	Queenstown Central	2%	4	10%	0.40
Town Centre Queenstown	Warren Park	0%	4	10%	0.40
Rural Visitor	Arthurs Point	10%	4	20%	0.80
Rural Visitor	Cadrona	21%	4	50%	2.00
Town Centre Wanaka	Wanaka Central	4%	3	10%	0.30
Town Centre Wanaka	Wanaka Waterfront	5%	3	10%	0.30
Town Centre Arrowtown	Arrowtown		2	0%	0
Medium Density Residential-Town Centre Transitional Zone	Wanaka Central		2	10%	0.2
Town Centre Queenstown-Town Centre Sub-Zone	Queenstown Central		4	10%	0.4
Town Centre Queenstown-Town Centre Sub-Zone	Warren Park		4	10%	0.4
Arrowtown Residential Historic Management Zone-Town Centre Transitional Zone	Arrowtown		1	0%	0
Township (Operative)-Commercial Precinct Overlay	Luggate Locality		2	0%	0
Structure Plan Precincts	**Spatial Framework Area**	**Share of existing floorspace as residential**	**Storeys allowed in zone**	**Share of future new capacity (excl. existing stock) as residential**	**Implied storeys taken up by residential**
Frankton Flats B---C1	Frankton		3	0%	0
Frankton Flats B---C2	Frankton		3	93%	2.8
Jacks Point Special Zone---Residential (HD) A-E	Jacks Point		1	0%	0
Jacks Point Special Zone---Village (HB)	Jacks Point		2	25%	0.5
Jacks Point Special Zone---Village (JP)	Jacks Point		3	33%	1
PC45---D	Wanaka Waterfront		3	33%	1
PC50---PC50	Queenstown Central		2	0%	0
PC50---PC50 - Isle Street East Sub-zone	Warren Park		4	13%	0.5
PC50---PC50 - Isle Street West Sub-zone	Warren Park		4	13%	0.5
PC50---PC50 - Lake View Sub-zone - 12m Height Zone	Queenstown Bay		4	13%	0.5
PC50---PC50 - Lake View Sub-zone - 12m Height Zone	Warren Park		4	13%	0.5
PC50---PC50 - Lake View Sub-zone - 15.5m Height Zone	Queenstown Bay		5	20%	1
PC50---PC50 - Lake View Sub-zone - 15.5m Height Zone	Warren Park		5	10%	0.5
PC50---PC50 - Lake View Sub-zone - 19m Height Zone	Queenstown Bay		6	17%	1
PC50---PC50 - Lake View Sub-zone - 22.5m Height Zone	Queenstown Bay		7	29%	2
PC50---PC50 - Lake View Sub-zone - 26m Height Zone	Queenstown Bay		8	25%	2
Remarkables Park Activity Area---3	Frankton		5	60%	3
Remarkables Park Activity Area---4	Frankton		4	75%	3
Remarkables Park Activity Area---5	Frankton		4	50%	2
Remarkables Park Activity Area---6	Frankton		4	50%	2
Remarkables Park Activity Area---7	Frankton		5	60%	3
Shotover Country---2a - Commercial	Shotover Country		3	0%	0
Three Parks---Commercial Core	Wanaka Central		3	0%	0
Three Parks---Def	Wanaka Central		3	0%	0
Three Parks---Med Density Res/Mixed Use	Wanaka Central		3	33%	1
Three Parks---Tourism & Commercial	Wanaka Central		3	0%	0

Source: QLDC and M.E

Appendix 11 – Zone : Land Use Matrix

Non-Structure Plan Zones

Zone Full Subzone Combo	Residential (excluding ancilary)	Office-Commercial	Office-Retail	Shop-Commercial	Shop-Food and Beverage	Accommodation	Ware house	Factory	Yard-Commercial	Yard-Industrial	Other Built-Commercial	Other Built-Industrial	Education	Outdoor-Commercial	Outdoor-Industrial	Outdoor-Rural
Airport Mixed Use Zone	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0
Town Centre Arrowtown	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
Business (Operative)	0	1	1	0	0	0	1	1	1	1	1	1	1	0	0	0
Local Shopping Centre-Frankton	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Local Shopping Centre	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Industrial A (Operative)	0	0	0	0	0	0	1	1	1	1	1	1	0	0	0	0
Low Density Residential-ARTHURS POINT VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Low Density Residential-FERNHILL VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Low Density Residential-FRANKTON ROAD VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Low Density Residential-FRANKTON VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Low Density Residential-QUEENSTOWN VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Low Density Residential-WANAKA VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Large Lot Residential-WANAKA VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Business Mixed Use	1	1	1	1	1	1	1	0	1	1	1	1	1	0	0	0
Medium Density Residential-ARROWTOWN VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Medium Density Residential-FERNHILL VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Medium Density Residential-Town Centre Transitional Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
Town Centre Queenstown	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
Town Centre Queenstown-Town Centre Sub-Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
Arrowtown Residential Historic Management Zone-ARROWTOWN VISITOR ACCOM	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Arrowtown Residential Historic Management Zone-Town Centre Transitional Zone	1	1	1	0	1	1	0	0	0	0	1	0	1	0	0	0
Rural-Rural Industrial Sub-Zone	0	0	0	0	0	0	1	1	0	1	0	1	0	0	0	0
Rural Visitor	1	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0
Township (Operative)-HAWEA VISITOR ACCOMMODATION SUBZONE	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Township (Operative)-Commercial Precinct Overlay	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Town Centre Wanaka	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0

Source: QLDC, M.E

Structure Plan Precincts

SP Zone Combo	Residential (excluding Ancillary)	Office-Commercial	Office-Retail	Shop-Commercial	Shop-Food Services	Accommodation	Ware house	Factory	Yard-Commercial	Yard-Industrial	Other Built-Commercial	Other Built-Industrial	Education	Outdoor-Commercial	Outdoor-Industrial	Outdoor-Rural
Ballantyne Road---B	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Ballantyne Road---C	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0
Ballantyne Road---D	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Ballantyne Road---E	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Frankton Flats A---B	0	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Frankton Flats A---C	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Frankton Flats A---D	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Frankton Flats B---C1	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Frankton Flats B---C2	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Frankton Flats B---D	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0
Frankton Flats B---E1	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0
Frankton Flats B---E2	0	1	1	1	0	0	1	0	0	0	0	0	1	0	0	0
Jacks Point Special Zone---Education	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Jacks Point Special Zone---Lodge 1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Jacks Point Special Zone---Lodge 2	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Jacks Point Special Zone---Lodge 3	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Jacks Point Special Zone---Residential (HD) A-E	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Jacks Point Special Zone---Village (HB)	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Jacks Point Special Zone---Village (JP)	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
PC45---D	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
PC50---PC50	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Isle Street East Sub-zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Isle Street West Sub-zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Lake View Sub-zone - 12m Height Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Lake View Sub-zone - 15.5m Height Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Lake View Sub-zone - 19m Height Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Lake View Sub-zone - 22.5m Height Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
PC50---PC50 - Lake View Sub-zone - 26m Height Zone	1	1	1	1	1	1	0	0	0	0	1	0	1	0	0	0
Remarkables Park Activity Area---3	1	1	1	1	1	1	0	0	1	0	1	0	1	0	0	0
Remarkables Park Activity Area---4	1	0	0	0	0	1	0	0	1	0	1	0	1	0	0	0
Remarkables Park Activity Area---5	1	1	1	1	1	1	0	0	1	0	1	0	1	0	0	0
Remarkables Park Activity Area---5 - No Res/VA/Community Ac	0	1	1	1	1	0	0	0	1	0	1	0	0	0	0	0
Remarkables Park Activity Area---6	1	0	0	0	0	1	0	0	0	0	1	0	1	0	0	0
Remarkables Park Activity Area---7	1	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0
Remarkables Park Activity Area---8	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0
Remarkables Park Activity Area---8 - No Res/VA/Community Ac	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0
Remarkables Park Activity Area---Lot 6	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0
Shotover Country---2a - Commercial	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Shotover Country---3 - Education & Community	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Three Parks---Business	0	0	0	0	0	0	1	1	1	1	1	1	0	0	0	0
Three Parks---Business/Mixed Use	0	1	1	0	1	0	1	1	1	1	1	1	0	0	0	0
Three Parks---Commercial Core	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Three Parks---Def	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Three Parks---Low Density Res	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Three Parks---Med Density Res/Mixed Use	1	1	1	1	1	1	0	0	0	0	0	0	1	0	0	0
Three Parks---Tourism & Commercial	1	0	0	0	1	1	0	0	0	0	1	0	1	0	0	0
Wanaka Industrial---Ballantyne Road Precinct Industrial B	0	0	0	0	0	0	1	1	1	1	1	1	0	0	0	0
Wanaka Industrial---Connell Terrace Precinct A	0	0	0	1	1	0	1	1	1	1	1	1	0	0	0	0
Wanaka Industrial---Connell Terrace Precinct Developable Area	0	0	0	0	0	0	1	1	1	1	1	1	0	0	0	0
Wanaka Industrial---Industrial B Zone	0	0	0	0	0	0	1	1	1	1	1	1	0	0	0	0

Source: QLDC, M.E

Appendix 12 – Vacant Land Capacity by Land Use (ha)

Wanaka Ward Urban Business Enabled Zones

Zone	Wanaka Ward Office-Commercial	Wanaka Ward Office-Retail	Wanaka Ward Shop-Commercial	Wanaka Ward Shop-Food and Beverage	Wanaka Ward Accommodation	Wanaka Ward Ware house	Wanaka Ward Factory	Wanaka Ward Yard-Commercial	Wanaka Ward Yard-Industrial	Wanaka Ward Other Built-Commercial	Wanaka Ward Other Built-Industrial	Wanaka Ward Education	Wanaka Ward Outdoor-Commercial	Wanaka Ward Outdoor-Industrial	Wanaka Ward Outdoor-Rural
Airport Mixed Use Zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	0.5	0.5	0.5	0.5	0.5	0.5	-	0.5	0.5	0.5	0.5	0.5	-	-	-
High Density Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial A (Operative)	-	-	-	-	-	1.7	1.7	1.7	1.7	1.7	1.7	-	-	-	-
Industrial B (Operative)	-	-	0.2	0.2	-	12.5	12.5	12.5	12.5	12.5	12.5	-	-	-	-
Large Lot Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	3.6	3.6	3.6	3.6	3.6	-	-	-	-	-	-	3.6	-	-	-
Low Density Residential	-	-	-	-	1.6	-	-	-	-	-	-	-	-	-	-
Medium Density Residential	0.1	0.1	0.1	0.1	0.1	-	-	-	-	0.1	-	0.1	-	-	-
Rural Visitor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Wanaka	0.9	0.9	0.9	0.9	0.9	-	-	-	-	0.9	-	0.9	-	-	-
Township (Operative)	0.5	0.5	0.5	0.5	1.0	-	-	-	-	-	-	0.5	-	-	-
Sub-Total Non-Special Zones	5.7	5.7	5.9	5.9	7.8	14.7	14.2	14.7	14.7	15.8	14.7	5.7	-	-	-
Special Zone - Arrowtown South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	7.4	-	-	-	-	14.9	7.5	7.5	7.5	-	-	-	-	-	-
Special Zone - Northlake	2.1	2.1	2.1	2.1	2.1	-	-	-	-	-	-	2.1	-	-	-
Special Zone - Frankton Flats A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Frankton Flats B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Meadow Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Shotover Country	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Three Parks	22.5	22.5	20.1	27.2	24.8	8.2	8.2	8.2	8.2	12.9	8.2	8.3	-	-	-
Special Zone - Jacks Point	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Special Zones	32.0	24.6	22.1	29.3	26.9	23.1	15.7	15.7	15.7	12.9	8.2	10.4	-	-	-
Total Urban Business Enabled Zones	37.7	30.3	28.0	35.2	34.7	37.8	29.9	30.4	30.4	28.6	22.9	16.0	-	-	-

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward Urban Business Enabled Zones

Zone	Wakatipu Ward Office-Commercial	Wakatipu Ward Office-Retail	Wakatipu Ward Shop-Commercial	Wakatipu Ward Shop-Food and Beverage	Wakatipu Ward Accommodation	Wakatipu Ward Ware house	Wakatipu Ward Factory	Wakatipu Ward Yard-Commercial	Wakatipu Ward Yard-Industrial	Wakatipu Ward Other Built-Commercial	Wakatipu Ward Other Built-Industrial	Wakatipu Ward Education	Wakatipu Ward Outdoor-Commercial	Wakatipu Ward Outdoor-Industrial	Wakatipu Ward Outdoor-Rural
Airport Mixed Use Zone	-	-	-	-	-	10.6	10.6	-	-	-	10.6	-	-	-	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business (Operative)	0.4	0.4	-	-	-	0.4	0.4	0.4	0.4	0.4	0.4	0.4	-	-	-
Business Mixed Use	4.2	4.2	4.2	4.2	4.2	4.2	-	4.2	4.2	4.2	4.2	4.2	-	-	-
High Density Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial A (Operative)	-	-	-	-	-	1.2	1.2	1.2	1.2	1.2	1.2	-	-	-	-
Industrial B (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	1.9	1.9	1.9	1.9	1.9	-	-	-	-	-	-	1.9	-	-	-
Low Density Residential	-	-	-	-	12.2	-	-	-	-	-	-	-	-	-	-
Medium Density Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Visitor	-	-	-	-	12.5	-	-	-	-	12.5	-	-	-	-	-
Rural	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Queenstown	5.3	5.3	5.3	5.3	5.3	-	-	-	-	5.3	-	5.3	-	-	-
Town Centre Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Township (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Non-Special Zones	11.8	11.8	11.4	11.4	36.1	16.4	12.2	5.8	5.8	23.6	16.4	11.8	-	-	-
Special Zone - Arrowtown South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Northlake	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Frankton Flats A	0.3	0.3	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	-
Special Zone - Frankton Flats B	11.9	11.9	11.9	9.0	9.0	27.2	24.3	24.3	24.3	-	-	11.9	-	-	-
Special Zone - Meadow Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Remarkables Park	13.5	13.5	13.5	13.5	41.2	-	-	60.0	-	75.8	-	30.6	-	-	-
Special Zone - Shotover Country	-	0.2	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Three Parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Jacks Point	6.2	6.2	6.2	6.2	12.6	-	-	-	-	-	-	13.0	-	-	-
Sub-Total Special Zones	31.9	32.1	32.1	29.2	63.2	27.2	24.3	84.3	24.3	75.8	-	55.6	-	-	-
Total Urban Business Enabled Zones	43.7	43.8	43.5	40.6	99.3	43.6	36.5	90.1	30.1	99.4	16.4	67.4	-	-	-

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Appendix 13 – Vacant Floorspace Capacity by Space Type (GFA)

Wanaka Ward Urban Business Enabled Zones

Zone	Wanaka Ward Office-Commercial	Wanaka Ward Office-Retail	Wanaka Ward Shop-Commercial	Wanaka Ward Shop-Food and Beverage	Wanaka Ward Accommodation	Wanaka Ward Ware house	Wanaka Ward Factory	Wanaka Ward Yard-Commercial	Wanaka Ward Yard-Industrial	Wanaka Ward Other Built-Commercial	Wanaka Ward Other Built-Industrial	Wanaka Ward Education	Wanaka Ward Outdoor-Commercial	Wanaka Ward Outdoor-Industrial	Wanaka Ward Outdoor-Rural
Airport Mixed Use Zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	11,400	3,600	3,600	3,600	11,400	3,600	-	3,600	3,600	11,400	3,600	11,400	-	-	-
High Density Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial A (Operative)	-	-	-	-	-	12,800	12,800	12,800	12,800	25,600	12,800	-	-	-	-
Industrial B (Operative)	-	-	500	500	-	49,900	49,900	49,900	49,900	99,300	49,900	-	-	-	-
Large Lot Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	50,100	27,300	27,300	27,300	50,100	-	-	-	-	-	-	50,100	-	-	-
Low Density Residential	-	-	-	-	13,100	-	-	-	-	-	-	-	-	-	-
Medium Density Residential	800	500	500	500	800	-	-	-	-	800	-	800	-	-	-
Rural Visitor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Queenstown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Wanaka	20,400	7,600	7,600	7,600	20,400	-	-	-	-	20,400	-	20,400	-	-	-
Township (Operative)	8,100	4,000	4,000	4,000	15,400	-	-	-	-	-	-	8,100	-	-	-
Sub-Total Non-Special Zones	90,800	43,000	43,500	43,500	111,200	66,300	62,700	66,300	66,300	157,500	66,300	90,800	-	-	-
Special Zone - Arrowtown South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	63,600	-	-	-	-	54,300	22,500	22,500	22,500	-	-	-	-	-	-
Special Zone - Northlake	26,900	1,000	1,000	1,000	26,900	-	-	-	-	-	-	26,900	-	-	-
Special Zone - Frankton Flats A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Frankton Flats B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Meadow Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Remarkables Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Shotover Country	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Three Parks	220,800	51,300	41,500	63,100	226,800	27,000	27,000	27,000	27,000	116,300	27,000	78,400	-	-	-
Special Zone - Jacks Point	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Special Zones	311,300	52,300	42,500	64,100	253,700	81,300	49,500	49,500	49,500	116,300	27,000	105,300	-	-	-
Total Urban Business Enabled Zones	402,100	95,300	86,000	107,600	364,900	147,600	112,200	115,800	115,800	273,800	93,300	196,100	-	-	-

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward Urban Business Enabled Zones

Zone	Wakatipu Ward Office-Commercial	Wakatipu Ward Office-Retail	Wakatipu Ward Shop-Commercial	Wakatipu Ward Shop-Food and Beverage	Wakatipu Ward Accommodation	Wakatipu Ward Ware house	Wakatipu Ward Factory	Wakatipu Ward Yard-Commercial	Wakatipu Ward Yard-Industrial	Wakatipu Ward Other Built-Commercial	Wakatipu Ward Other Built-Industrial	Wakatipu Ward Education	Wakatipu Ward Outdoor-Commercial	Wakatipu Ward Outdoor-Industrial	Wakatipu Ward Outdoor-Rural
Airport Mixed Use Zone	-	-	-	-	-	79,300	79,300	-	-	-	79,300	-	-	-	-
Arrowtown Residential Historic Management Zone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business (Operative)	5,500	2,700	-	-	-	2,700	2,700	2,700	2,700	5,500	2,700	5,500	-	-	-
Business Mixed Use	76,000	31,700	31,700	31,700	76,000	31,700	-	31,700	31,700	76,000	31,700	76,000	-	-	-
High Density Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial A (Operative)	-	-	-	-	-	9,000	9,000	9,000	9,000	18,200	9,000	-	-	-	-
Industrial B (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	28,000	14,000	14,000	14,000	28,000	-	-	-	-	-	-	28,000	-	-	-
Low Density Residential	-	-	-	-	97,400	-	-	-	-	-	-	-	-	-	-
Medium Density Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Visitor	-	-	-	-	279,200	-	-	-	-	279,200	-	-	-	-	-
Rural	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Queenstown	56,500	20,400	20,400	20,400	165,900	-	-	-	-	56,500	-	165,900	-	-	-
Town Centre Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Township (Operative)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Non-Special Zones	166,000	68,800	66,100	66,100	646,500	122,700	91,000	43,400	43,400	435,400	122,700	275,400	-	-	-
Special Zone - Arrowtown South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Ballantyne Road Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Northlake	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Frankton Flats A	2,400	800	800	800	2,400	-	-	-	-	-	-	-	-	-	-
Special Zone - Frankton Flats B	166,000	60,400	60,400	40,200	105,400	131,000	110,800	110,800	110,800	-	-	166,000	-	-	-
Special Zone - Meadow Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Penrith Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Quail Rise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Remarkables Park	153,500	76,700	76,700	76,700	393,900	-	-	252,400	-	704,400	-	266,400	-	-	-
Special Zone - Shotover Country	-	1,100	1,100	1,100	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Three Parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Zone - Jacks Point	70,400	36,500	36,500	36,500	89,800	-	-	-	-	-	-	185,900	-	-	-
Sub-Total Special Zones	392,300	175,500	175,500	155,300	591,500	131,000	110,800	363,200	110,800	704,400	-	618,300	-	-	-
Total Urban Business Enabled Zones	558,300	244,300	241,600	221,400	1,238,000	253,700	201,800	406,600	154,200	1,139,800	122,700	893,700	-	-	-

Source: M.E QLD Business Capacity Model 2017. Visitor Accommodation Sub-Zones included in underlying residential zones.

Vacant business land in special zones associated with business enabled precincts only. Rural Zone relates only to Luggate Rural Industrial Sub-Zone.

Rural Visitor relates only to Arthurs Point (other Rural Visitor Zones are outside the defined urban environment).

Wakatipu Ward includes Arrowtown Ward.

Appendix 14 – Alternative Capacity Scenario Assumptions

- In the Business (Operative) and Industrial A (Operative) zones in Arrowtown and Glenda Drive, capacity is allocated wholly to commercial activity and not industrial activity.
- In the Industrial A (Operative) Zone in Wanaka, capacity is allocated wholly to industrial activity and not commercial activity.
- In the BMU Zone, capacity is allocated wholly to commercial and retail activity and not industrial activity. This is on the basis that only very limited industrial activities can take place in this zone. Retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Albert Town, Wanaka and Frankton Local Shopping Centre Zones, the Queenstown and Wanaka Town Centre Zones, and the Commercial Overlay Zone in Luggage, retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Hawea Local Shopping Centre Zone, capacity is allocated wholly to retail activity and not commercial activity.
- In the Wanaka Town Centre Transition Zone, capacity is allocated wholly to commercial activity and not retail activity.
- In the Ballantyne Road Mixed Use Special Zone precincts B and E, capacity is allocated wholly to commercial activity.
- In the Ballantyne Road Mixed Use Special Zone precincts C and D[76], Industrial B Ballantyne Road Precinct, Connell Terrace Precinct and Wanaka Industrial Precinct, capacity is allocated wholly to industrial activity and not commercial activity.
- In the Frankton Flats A and Frankton Flats B C1 Precinct, retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Frankton Flats B C2 Precinct, capacity is allocated wholly to commercial activity and not retail activity. This is because only convenience retail is permitted in this precinct.
- In the Frankton Flats B D Precinct, capacity is allocated wholly to industrial activity and not commercial activity.
- In the Frankton Flats B E1 Precinct and Three Parks Business Precinct, 50% of capacity is allocated to industrial activity and 50% to commercial activity. With respect to the E1 Precinct,

[76] Noting that showrooms have been coded as 'Warehouse' for the purpose of this assessment, refer to Section 5.3.

commercial relates only to commercial – yards, which corresponds to the rental car servicing/parking activities enabled in the plan and which is treated as commercial land use for the purpose of this BDCA.

- In the Frankton Flats B E2 Precinct and Three Parks Business/Mixed Use Precinct, capacity is allocated wholly to commercial and retail activity and not industrial activity. Retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).
- In the Jack's Point Residential A-E Precinct and Shotover Country Commercial Precinct, capacity is allocated wholly to retail activity and not commercial activity.
- In the Jack's Point Village Precincts, Northland D Precinct, PC 50 Precincts, Remarkables Park 3 and 5 Precincts and Three Parks Commercial Core, Deferred Commercial Core, Medium Density Residential Mixed Use and Tourism Precincts, retail takes precedent for ground floor capacity and commercial activity occupies the balance of ground floor capacity (if applicable) and upper floor capacity (if applicable).

Appendix 15 – MCA Scores and Ranks

Commercial Visitor Accommodation

	Range	1 to 20	1 to 20	1 to 10	1 to 10	1 to 10	1 to 10	1 to 10	1 to 10	1 to 5	1 to 5	1 to 5	
	Maximum score	20	20	10	10	10	10	10	10	5	5	5	
MCA Framework Final	TOTAL	Proximity to Queenstown Airport - transport to and from hotels	Proximity to Queenstown CBD - returns	Proximity to other tourist activities - pick up and drop off spots	Potential for co-location or clustering with associated businesses or is contiguous with existing commercial/retail zoned land	Services - Waters Infrastructure	Proximity to labour	Height constraints - higher is better, capacity can be built up high reducing land requirements/ costs	Proximity to future development and attractions	Exposure / profile / visibility	Existing or proposed public transport	Access to complementary / supporting business services (Accommodation Sector Suppliers)	Rank
Queenstown Central	105	14	20	10	10	10	10	8	10	5	4	4	1
Queenstown East	104	15	19	10	10	10	10	8	10	4	4	4	2
Queenstown Bay	102	13	19	10	10	10	10	8	10	4	4	4	3
Remarkables Park	100	20	14	8	10	7	10	9	10	4	4	4	4
Frankton Flats	99	20	15	7	10	7	10	7	9	5	5	4	5
Frankton	98	20	15	8	9	7	10	6	9	5	5	4	6
Warren Park	93	13	18	9	9	10	8	6	9	3	3	5	7
Frankton Arm	87	17	17	8	6	7	8	4	9	3	4	4	8
Sunshine Bay	79	11	17	8	6	10	8	4	7	2	3	3	9
Arthurs Point	71	12	15	7	6	8	3	8	5	2	3	2	10
Queenstown Hill	70	14	16	7	2	10	7	4	6	2	1	1	11
Wanaka Central	70	6	7	9	9	7	9	6	9	3	1	4	11
Arrowtown	69	12	11	6	6	8	5	4	7	4	3	3	13
Kelvin Heights	68	15	12	5	4	10	5	4	6	2	3	2	14
Wanaka North	66	6	7	6	7	10	9	6	7	3	1	4	15
Quail Rise	65	16	14	4	2	10	3	4	6	1	3	2	16
Shotover Country	63	15	13	3	2	10	3	7	4	1	3	2	17
Wanaka Waterfront	63	6	7	7	8	8	9	6	5	2	1	4	17
Lake Hayes Estate	60	15	13	3	2	10	3	4	4	1	3	2	19
Lake Hayes	59	13	12	3	2	10	4	4	4	2	2	3	20
Jacks Point	54	12	9	3	5	8	3	2	5	2	3	2	21
Wanaka West	54	6	6	6	7	6	8	4	5	2	1	3	21
Albert Town	49	6	7	4	4	8	6	4	5	2	1	2	23
Wakatipu Basin	47	13	12	3	2	5	1	4	4	1	1	1	24
Cardrona	46	7	8	5	4	5	1	4	7	3	1	1	25
Hawea Locality	29	2	2	4	2	7	2	4	2	2	1	1	26
Luggate Locality	28	3	4	1	1	7	1	4	2	3	1	1	27
Kingston	22	2	2	1	1	6	1	4	2	1	1	1	28
Outer Wakatipu	22	5	1	1	1	5	1	4	1	1	1	1	28
Rest of Upper Clutha Valley	21	2	3	1	1	5	1	4	1	1	1	1	30

Source: M.E, QLDC

Industrial

	Range	1 to 20	1 to 10	1 to 20	1 to 15	1 to 20	1 to 5	1 to 10	1 to 15	1 to 5	1 to 5	1 to 10	1 to 5	
	Maximum score	20	10	20	15	20	5	10	15	5	5	10	5	
MCA Framework Final	TOTAL	Access to major Road / transport routes; good transport access, especially road/motorway. Freight/heavy vehicle focussed.	Proximity to Queenstown Airport	Flat land, large land parcel, contiguous sites	Services - Waters Infrastructure	Area has potential for co-location or clustering with associated business activities or is contiguous with existing business land zoned for industrial activities	Single land ownership and potential for large sites	Proximity to labour	Ability to buffer adverse effects from residential and sensitive activities, distance from sensitive land uses	Low level of traffic congestion in vacinity	Exposure / profile / visibility	Existing or proposed public transport	Access to complementary / supporting business services (Industrial sector suppliers)	Rank (based on Total)
Frankton Flats	115.5	17	10	18	10.5	15	4	10	10	2	5	10	4	1
Remarkables Park	113.5	16	10	18	10.5	15	5	10	10	3	4	8	4	2
Frankton	94.5	16	10	9	10.5	10	1	10	8	1	5	10	4	3
Wanaka Central	91.5	10	3	17	10.5	15	4	9	11	3	3	2	4	4
Wanaka North	87	10	3	11	15	15	3	9	8	4	3	2	4	5
Warren Park	77.5	8	6.5	2	15	10	1	8	10	3	3	6	5	6
Jacks Point	73	11	6	12	12	4	4	3	6	5	2	6	2	7
Quail Rise	70	12	8	7	15	4	1	3	6	5	1	6	2	8
Lake Hayes	68.5	10	6.5	7	15	4	1	4	7	5	2	4	3	9
Lake Hayes Estate	67.5	10	7.5	7	15	4	1	3	6	5	1	6	2	10
Shotover Country	67.5	10	7.5	7	15	4	1	3	6	5	1	6	2	10
Frankton Arm	67	10	8.5	1	10.5	8	1	8	4	1	3	8	4	12
Queenstown Central	65	6	7	1	15	5	1	10	2	1	5	8	4	13
Rest of Upper Clutha Valley	62.5	11	1	15	7.5	2	1	1	15	5	1	2	1	14
Queenstown East	61.5	6	7.5	1	15	2	1	10	2	1	4	8	4	15
Queenstown Bay	61.5	6	6.5	2	15	2	1	10	2	1	4	8	4	15
Albert Town	61	12	3	8	12	6	1	6	3	4	2	2	2	17
Luggate Locality	61	13	1.5	6	10.5	5	1	1	12	5	3	2	1	17
Arrowtown	60	8	6	2	12	7	1	5	4	2	4	6	3	19
Kelvin Heights	59.5	10	7.5	3	15	2	2	5	2	3	2	6	2	20
Arthurs Point	56	6	6	1	12	3	1	3	9	5	2	6	2	21
Sunshine Bay	55.5	6	5.5	1	15	2	1	8	3	3	2	6	3	22
Wanaka Waterfront	54	8	3	2	12	5	1	9	2	4	2	2	4	23
Wanaka West	51	8	3	2	9	4	1	8	4	5	2	2	3	24
Wakatipu Basin	50	8	6.5	6	7.5	5	1	1	6	5	1	2	1	25
Kingston	45	10	1	5	9	1	1	1	8	5	1	2	1	26
Queenstown Hill	44	1	7	1	15	1	1	7	3	3	2	2	1	27
Hawea Locality	43.5	6	1	2	10.5	3	1	2	8	5	2	2	1	28
Cardrona	38	5	3.5	1	7.5	2	2	1	6	4	3	2	1	29
Outer Wakatipu	30	2	2.5	3	7.5	1	2	1	2	5	1	2	1	30

Source: M.E, QLDC

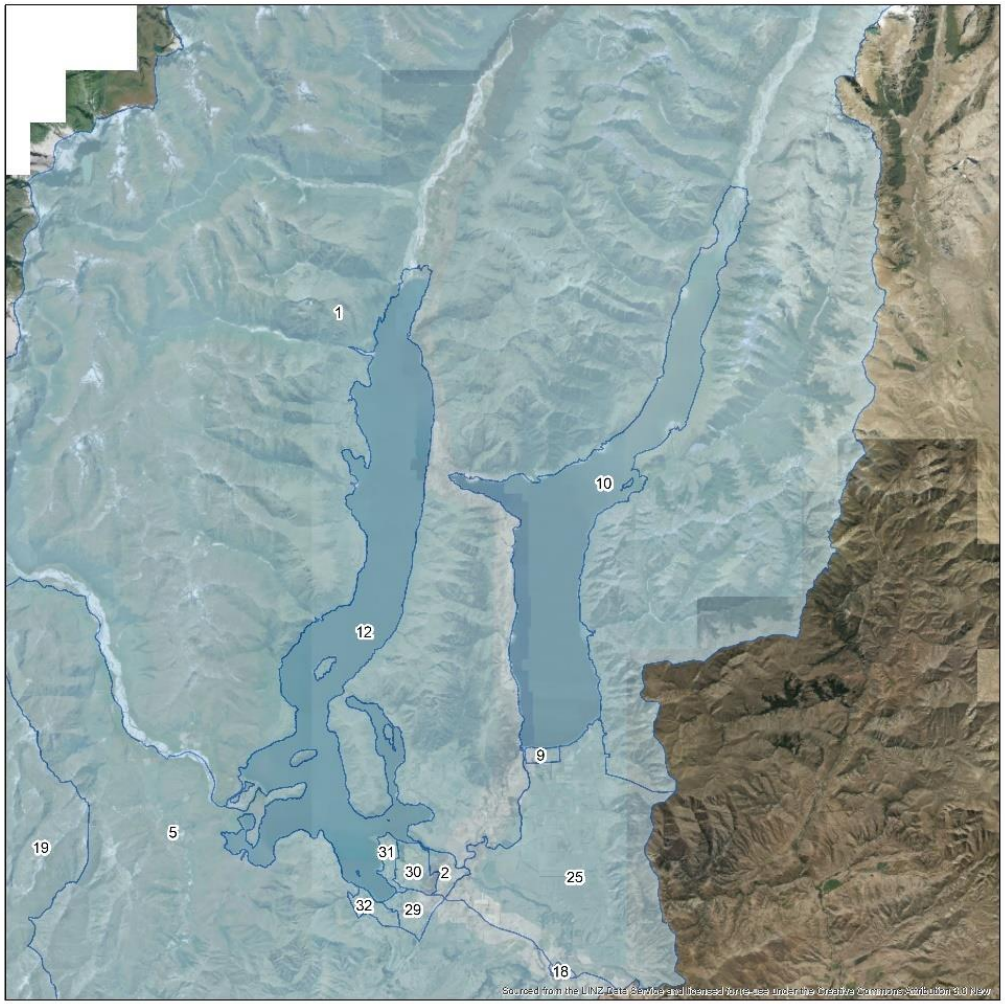
Retail (and applicable to Commercial Office)

	Range	1 to 10	1 to 10	1 to 5	1 to 20	1 to 15	1 to 15	1 to 10	1 to 15	1 to 5	1 to 5	1 to 5	1 to 5	
	Maximum score	10	10	5	20	15	15	10	15	5	5	5	5	
MCA Framework Final	TOTAL	Located on main arterials (direct access for customer base)	Proximity to market - households within 5km	Proximity to market - households within 5km - 10km	Flat site - road frontage	Co-location or clustering with associated business activities - Retail Centres	Parking availability	Proximity to labour	Proximity to market - tourist accommodation within 1km	Low level of traffic congestion in vacinity	Exposure / profile / visibility	Existing or proposed public transport	Access to complementary / supporting business services (Retail sector suppliers)	Rank (based on Total)
Frankton Flats	108	10	10	5	20	12	15	10	10	2	5	5	4	1
Remarkables Park	107.5	10	9.5	5	20	12	15	10	11	3	4	4	4	2
Wanaka Central	94	8	9	3	18	12	10	9	13	3	4	1	4	3
Frankton	91	10	10	5	18	8	4	10	11	1	5	5	4	4
Queenstown Central	91	3	10	4	10	15	10	10	15	1	5	4	4	4
Queenstown Bay	90	3	10	4	10	15	10	10	15	1	4	4	4	6
Queenstown East	86	3	10	4	10	15	6	10	15	1	4	4	4	7
Warren Park	73	5	8	4	10	6	6	8	12	3	3	3	5	8
Wanaka Waterfront	71	5	8	3	10	8	4	9	13	4	2	1	4	9
Wanaka North	67	6	9	3	10	5	6	9	7	4	3	1	4	10
Frankton Arm	61	8	7	5	5	3	1	8	12	1	3	4	4	11
Arrowtown	61	4	4	2	8	10	6	5	10	2	4	3	3	11
Sunshine Bay	55	3	9	4	6	3	2	8	9	3	2	3	3	13
Albert Town	52	9	7	3	12	1	3	6	2	4	2	1	2	14
Jacks Point	52	5	2	3	13	5	4	3	5	5	2	3	2	14
Wanaka West	51	4	7	3	6	1	1	8	10	5	2	1	3	16
Arthurs Point	50	7	4	4	8	2	2	3	8	5	2	3	2	17
Lake Hayes Estate	44	5	6	4	10	2	2	3	1	5	1	3	2	18
Shotover Country	44	5	6	4	10	2	2	3	1	5	1	3	2	18
Kelvin Heights	43	5	4	4	5	1	1	5	8	3	2	3	2	20
Quail Rise	42	5	8	5	6	2	1	3	1	5	1	3	2	21
Luggate Locality	37	9	1	2	10	1	2	1	1	5	3	1	1	22
Cardrona	37	7	1	1	10	1	4	1	3	4	3	1	1	22
Lake Hayes	36	7	5	3	2	1	1	4	1	5	2	2	3	24
Hawea Locality	36	6	2	1	10	2	2	2	2	5	2	1	1	24
Queenstown Hill	30	1	5	4	1	1	1	7	3	3	2	1	1	26
Kingston	29	5	1	1	10	1	1	1	1	5	1	1	1	27
Wakatipu Basin	24	6	1	3	1	1	1	1	2	5	1	1	1	28
Rest of Upper Clutha Valley	23	6	1	1	3	1	1	1	1	5	1	1	1	29
Outer Wakatipu	16	1	1	1	1	1	1	1	1	5	1	1	1	30

Source: M.E, QLDC

Appendix 16 – MCA Areas

Spatial Framework – North QLD



1 - Ahuriri (Queenstown-Lakes District)

2 - Albert Town

5 - Cadrona

9 - Hawea Locality

10 - Inland water-Lake Hawea

12 - Inland water-Lake Wanaka

18 - Luggate Locality

19 - Outer Wakatipu

25 - Rest of Upper Clutha Valley

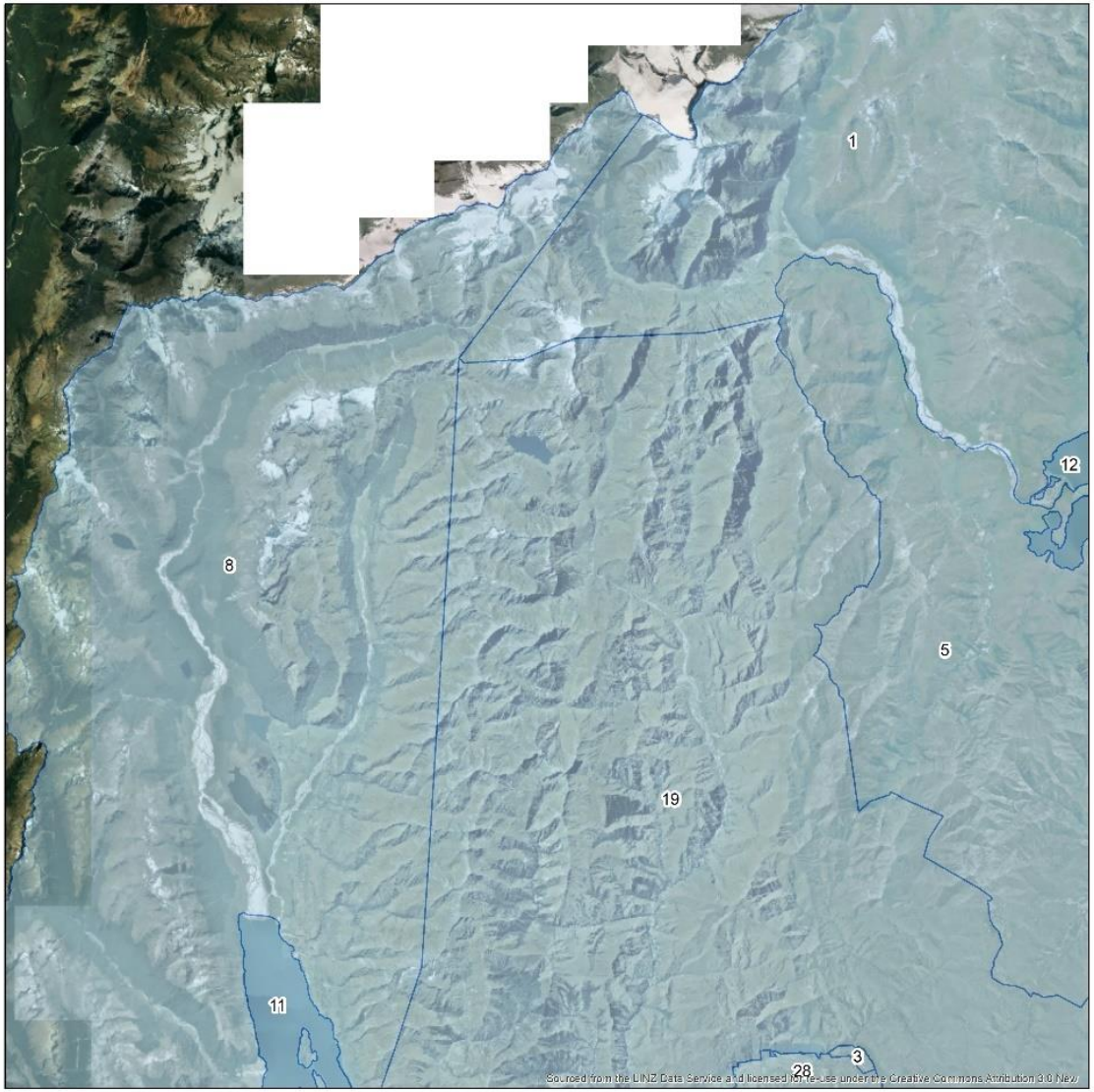
29 - Wanaka Central

30 - Wanaka North

31 - Wanaka Waterfront

32 - Wanaka West

Spatial Framework - North West QLD



1 - Ahuriri (Queenstown-Lakes District)

3 - Arrowtown

5 - Cadrona

8 - Glenorchy

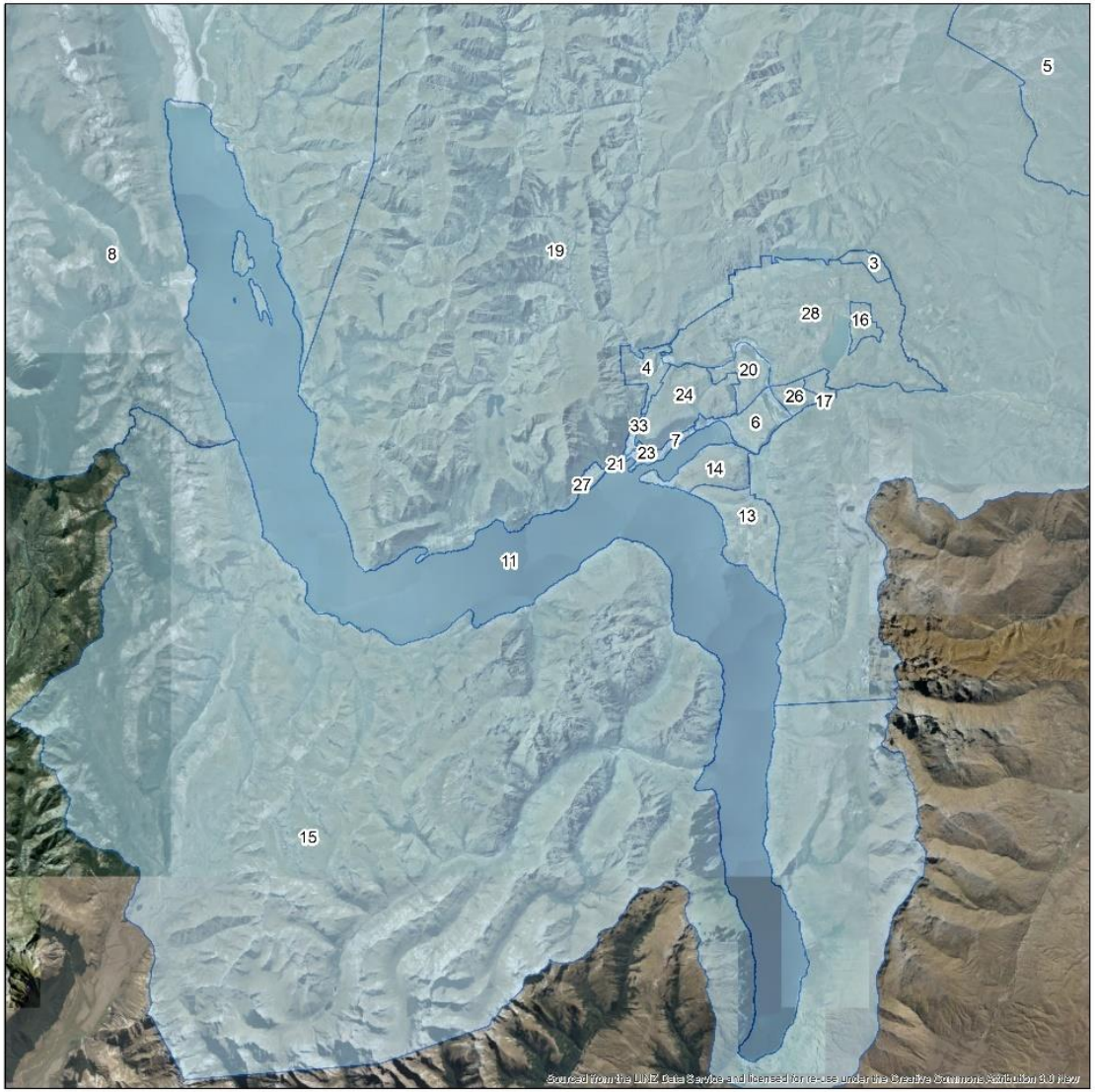
11 - Inland water-Lake Wakatipu

12 - Inland water-Lake Wanaka

19 - Outer Wakatipu

28 - Wakatipu Basin

Spatial Framework – South QLD



3 - Arrowtown
4 - Arthurs Point
5 - Cadrona
6 - Frankton
7 - Frankton Arm
8 - Glenorchy
11 - Inland water-Lake Wakatipu
13 - Jacks Point
14 - Kelvin Heights
15 - Kingston
16 - Lake Hayes
17 - Lake Hayes Estate
19 - Outer Wakatipu
20 - Quail Rise
21 - Queenstown Bay
22 - Queenstown Central
23 - Queenstown East
24 - Queenstown Hill
26 - Shotover Country
27 - Sunshine Bay
28 - Wakatipu Basin
33 - Warren Park

Evaluation Criteria Index

The following table identifies the section(s) of this BDCA that are relevant to each of the criteria identified in the MBIE Evaluation Sheet (DRAFT, November 2017). It is included as a check list for M.E and Council and to assist with MBIE's evaluation.

Content	
The assessment produces an estimate of demand for business space in the short, medium and long term.	
Does the assessment provide a rigorous narrative on the key sectors, trends and possible future changes in the local economy? *Does this cover broad sectoral composition, employment densities, spatial characteristics and emerging trends and the sectors that are expected to drive future land/space demands?*	Section 3
Does the assessment analyse different business demands for different locations, property types, sizes and tenure?	Section 4
Does the assessment contain future medium and long term projections of demand (especially for industrial land) by discussing the key drivers to business demand space?	Section 3.4 Section 4.6 Section 7.3.4 Section 1.5.1 Section 1.5.2 Appendix 3 Section 3.1 Section 3.3.1 Section 3.4
The assessment produces an estimate of capacity for business space	
Does the assessment reasonably identify all business development capacity enabled by relevant proposed and operative RPSs, regional plans and district plans (including a stocktake of vacant land by zone and type and redevelopment potential), and is the assessment clear about what enabled capacity is also supported by development infrastructure?	Section 5 Appendix 9 Section 6.2 Section 6.3
Have these assessments been qualitatively assessed or ground-truthed*? For example have they been tested and supplemented by visual inspections or surveys of business occupiers?*	Section 5.1.1
Does the assessment consider the feasibility of capacity, particularly for industrial land? *E.g. has a multicriteria analysis been used?*	Section 6

Are the methods and assumptions used in this assessment clear?	Section 6 Appendix 15
Is there a rigorous conclusion on whether development capacity for business is sufficient now and in the short, medium and long terms? *Is there a quantitative comparison between the demand and capacity assessments?* *Is sufficiency measured by zone type, geographical area and in the short, medium and long terms?* *Are there more detailed sufficiency measures for the short and medium terms?* *Are the industrial zone land price differentials used to inform a conclusion about whether zoning matches demand of different activities for particular locations?*	Section 7 Section 7 Section 7 Section 7 Section 7.5
Does the assessment analyse the contributing factors to any shortfall in sufficiency*? I.e. how do different factors (enablement in plans, development infrastructure or feasibility) contribute to a shortfall in sufficiency?*	Section 7.4
The assessment considers interactions between housing and business activities and their impact on each other	
Does the assessment consider the interactions between business and housing capacity? *Does the assessment ensure that capacity is not double counted or under- or over-estimated?* *Does it consider the positive and negative spatial interactions between housing and business capacity, and impacts on accessibility and transport?* *Does it analyse barriers and opportunities for development and change?*	Section 5.2.1 Section 6 Section 6
The assessment explicitly uses market and price efficiency indicators	
Are results from the quarterly monitoring of market indicators reflected in the assessment and are they consistent with the final assessments of housing and business land sufficiency?	Section 7.5
Does the assessment include consideration of price efficiency indicators as a package and an analysis of what these suggest about the sufficiency of supply and location of development capacity?	Section 7.5
Communication	
Clarity *Is the capacity assessment easy to read and understand?* *Does it use appropriate headings, plain English, exec summary and visuals or spatial information where appropriate?*	Yes Yes

Is it of a readable length?	It is a necessary length to cover the material required.
Narrative *Does the assessment provide a clear narrative about the urban markets for housing and business space and their interaction with land use planning?* *Is the analysis of the indicators clearly grounded in the local context?* *Is it an appropriate level of detail for the local authority in question?*	Section 2.2 Section 2.3 Section 4.1 Section 7.5 Yes
Usefulness to decision-makers *Will the assessment inform targets, plan changes and future development strategies (where relevant), and long-term plans?* *Does it draw clear conclusions on the 'so what' and next steps (possibly through a recommendations section)?* *Does it link the HBA to other key responsive planning requirements under the NPS-UDC?* *Does it contain the key information necessary for further decisions?* *Are key risks and timing issues highlighted?*	Yes Section 7.6 Section 8 N/A Yes Section 8.2
Process	
Agreement between the relevant councils on the geographic area of focus for the assessment *Is this clearly delineated, and does it have some logical basis e.g. the functional market, coordination arrangements, the application of planning decisions?*	Section 8.4
Local expertise sought and used *Is there evidence that the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities, and the providers of development infrastructure and other infrastructure has been sought and used?*	Section 1.6 Section 6.1 Appendix 4
Transparency *Are the methodology and assumptions clear, even when work has been procured?* *If there is a disclosure statement, does this detail key gaps, strengths and weaknesses?* *Are options for filling these gaps explored?* *Has consideration been given to releasing the report to the public?*	Yes Section 8.4 Section 8.4 When finalised.

Acronyms

The following acronyms can be found in this report:

- ANZSIC – Australia New Zealand Standard Industrial Classification
- BDCA – Business Development Capacity Assessment
- BMU – Business Mixed Use
- COD – Central Otago District
- CODC – Central Otago District Council
- EFM – Economic Futures Model
- FDS – Further Development Strategy
- GDP – Gross Domestic Product
- GFA – Gross Floor Area
- GFC – Global Financial Crisis
- GU – Geographic Unit (Business)
- HA – Hectare
- HDCA – Housing Development Capacity Assessment
- LDR – Low Density Residential
- LTP – Long Term Plan
- MCA – Multi Criteria Analysis
- MDR – Medium Density Residential
- M.E – Market Economics Limited
- MEC – Modified Employee Count
- NPS-UDC – National Policy Statement – Urban Development Capacity
- NZTA – New Zealand Transport Agency
- ODP – Operative District Plan
- ORC – Otago Regional Council
- PDP – Proposed District Plan
- QLD – Queenstown Lakes District

- QLDC – Queenstown Lakes District Council
- RMA – Resource Management Act 1991
- SHA – Special Housing Area
- SNZ – Statistics New Zealand
- SQM – Square meters
- UGB – Urban Growth Boundary
- VA – Visitor Accommodation