

Before the Queenstown Lakes District  
Council

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In the matter of            The Resource Management Act 1991 (RMA)

And                            The Queenstown Lakes Proposed District Plan Stage 3; Stream  
18; Settlement Zone

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**Statement of evidence of Lane Hocking for Universal Developments (Hawea)  
Limited #3248**

29 May 2020

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**Submitter's solicitors:**  
Maree Baker-Galloway | Rosie Hill  
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p + 64 3 450 0700 | f + 64 3 450 0799

**anderson  
lloyd.**

## **Introduction**

- 1 My name is Lane Hocking. I live with my family permanently in Wanaka. I have been involved in property development for over 20 years. I am the sole owner, and director of both Universal Developments Hawea Ltd ('Universal') and LAC Property Trustees Ltd ('LAC'). My role at Universal is as development manager and sales manager.
- 2 Lot 1 DP 343855 (29.5040 Ha) and Lot 2 DP 343855 (34.4 Ha) owned by Universal Developments Hawea Ltd. Lot 1 DP 541414 (55.4703 Ha) is owned LAC Property Trustees Ltd. Having the same single decision-maker in both owning entities creates efficiencies with and continuity of development.
- 3 Universal's roots lie in residential development in Wellington and Dunedin in the late 1990s. The move to Queenstown Lakes District was 2001.
- 4 Universal is a well-capitalised developer, owning all current projects outright and using no leverage. The structure of ownership, management, and balance sheet mean we're a nimble developer known for bringing projects to market quickly. Recent Universal developments within this District include;
  - Dungarvon Wanaka – 25 lots including 10 house/land packages. Sections developed less than two years. Housing 1 year.
  - The Heights Wanaka – 161 lots. Purchase to completion under four years.
  - Clearview Wanaka – 116 lots. Bought 2019. 80% sold. First titles late 2020. Completion late 2021.
- 5 I consider that each of these developments are producing high quality and varied housing options to communities within this District, for which there is currently significant demand.
- 6 Universal is not a land banker. Our intentions are to deliver affordable residential and mixed use development options to the market within short timeframes, and we have a proven track record of achieving this.

## **Scope of evidence**

- 7 I have prepared evidence from an owner / developer perspective, in relation to:
  - (a) Suitability of the subject site;
  - (b) Affordability, supply, and demand;
  - (c) Commercial and Industrial Zoning;

- (d) Consideration of the impacts of Covid-19;

### **Suitability of the Subject Site**

- 8 The subject site is located on the south side of Cemetery Road. It has immediate proximity to major residential development immediately to the north meaning its continuity with the current township is extremely good. Infrastructure connections would be directly into Cemetery Road. It's unable to be farmed intensively and is widely considered extremely poor land from an agricultural perspective. The topography is overwhelmingly flat which is a major benefit in the development of affordable housing. The pending formation of the Capell Ave extension will connect into the soon to be formed roading network south of Cemetery Road. This will further strengthen the connection with existing Hawea. The cycle trail runs though the land and directly down to the Hawea Domain. This cycleway will aid the growth of sustainable sport activities at the Domain. Ultimately children will bike to their sports activities. In its entirety this location is perfectly suited to play a large part in the healthy growth of Hawea.

### **Affordability, Supply, and Demand**

#### ***Affordability***

- 9 New Zealand has a major affordability issue and unfortunately the QLDC District is a magnification of this national problem.
- 10 Our rapid population growth combined with historic and current constrained land supply means QLDC has one of New Zealand's highest median house prices – currently \$979,000 (Dec 2019, REINZ) versus New Zealand's median of \$630,000 (Dec 2019, REINZ).
- 11 Looking solely at outright house pricing ignores a more accurate and telling marker, that of affordability using mean income to house pricing. The house-price-to-income multiple (the “Median Multiple”) is a measure of housing affordability and is defined as the ratio between the median house price and median annual household income. (Agenda 21, Chapter 7 of the United Nations Framework).
- 12 The World Bank says this ratio is possibly the most important measure of affordability. It declares a multiple of 3.0 or less as representing housing affordability.
- 13 New Zealand, with a median house price of \$630,000 and house-price-to-income multiple of 6.83 is seen as one of the least affordable housing markets globally. However, the real pain is seen when we drill into this ratio for the QLDC District.
- 14 With a weighting towards service and tourism workers the median wage in the QLDC District is \$73,647. This double-whammy of lower wages combined with an

extremely high median house price create an unfathomable house-price-to-income multiple of 13.29. That is double the already elevated national figure and quadruple what the World Bank considers affordable. Without doubt this District is one of the least affordable globally.

- 15 The Mayoral Housing Affordability Taskforce Report 2017 highlights affordability as “potentially the greatest challenge our District faces”.
- 16 Nowhere in the District is immune to this issue. Tellingly, the township locations themselves, with Hawea being a good example, now have affordability problems as those participants priced out of Wanaka and Queenstown have moved their focus geographically outwards. In the last five years Hawea house prices have doubled and section prices have tripled. Median house price is now \$735k and section price over \$354k.
- 17 The lack of affordability flows through to the rental market. The District’s rental rates are now up to 43% higher than the New Zealand average. A one bed rental averages at \$441 per week; Two/Three Bed at \$750; and Four Bed \$850. (According to MBIE statistics, as at Nov 2019).
- 18 There is simply no respite anywhere in the District.

### ***Supply***

- 19 In my opinion this lack of affordability exists because the District is simply not providing enough sections to keep up with the significant population growth and holiday-maker demand. And when we narrow the reference to just affordable sections, there is almost zero supply.
- 20 Interestingly, the Council's Economist's report commissioned as part of its requirements to meet the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC) states there is enough zoning to accommodate growth until 2046.<sup>1</sup>
- 21 This is an assertion I take great issue with and is one which is clearly not supported by the severe and well-proven affordability issues evident district-wide. It’s an over-simplification to talk about zoning yet ignore actual supply that makes it to the market. Zoning is not supply of titled sections. The principle of zoning not equalling supply can be demonstrated very clearly in the example of a family owning a 6,000m<sup>2</sup> site; it may be zoned for low density residential development but it’s not being fully utilised to that potential. I label this ‘development inertia’.

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<sup>1</sup> Housing Development Capacity Assessment 2017, 27 March 2018, m.e consulting,.

- 22 Reasons for this development inertia can be one or all of the following;
- a) mum and dad are happy living in the family home in its historic state.
  - b) it's a sacrosanct holiday home that shouldn't be changed.
  - c) family members have other priorities.
  - d) no consensus on how to develop.
  - e) even if there is agreement on wanting to develop the site, the RMA, local planning rules, lack of time, and significant costs overwhelm the owners leading to the status quo prevailing.
- 23 This scenario plays out every day in New Zealand. Development inertia means zoning does not equal supply and the acute affordability problem in our district very clearly supports this premise.
- 24 Encouragingly the Mayoral Housing Affordability Taskforce Report 2017 acknowledges this very point, at page 19:
- While there appears to be sufficient zoned land, actual supply of sections is limited by a range of factors including land banking by current land owners and the time it takes to get land to the market. Unless substantially more land is provided, the cost of sections as they are slowly released onto the market is likely to continue to increase. The market is currently constrained as indicated by the unavailability of land for housing at the present time.*
- 25 Further, so does the QLDC Housing & Business Development Capacity Assessment 10 May 2018 Para 38:
- Of relevance, the development capacity assessment has highlighted a shortfall, and considerable demand growth in the lower value bands, generally under \$580,000 As has been discussed in preceding sections of this report, pricing in Hāwea is typically at the lower price points within the housing market in the District and this proposal has committed to achieving price points at or below \$650,000 via a deed of agreement with QLDC.*
- 26 Finally, the Taskforce Report encapsulates the need for a broad and large solution to the supply issue, at page 19:
- More will need to be done to make land available to go towards affordable housing if we are going to achieve the Taskforce's goal of delivering the 1,000 affordable homes over the next 10 years.*

### ***Demand***

- 27 The above effects of a lack of affordability can have significant consequences on communities. Lack of housing affordability strikes at the heart of any community. That's applicable globally and is non-contentious.
- 28 Over time it can hinder healthy growth by decreasing the number of residents who are engaged with health care, teaching, community services, policing, and others who are the lifeblood of a community.
- 29 There are innumerable stories of core community members not being able to stay in the District. They come with the intention of finding a place to live and a "surely it's not that difficult" attitude. However after several months they capitulate and move away.

### **Commercial and Industrial Zoning**

- 30 From a commercial perspective, Lake Hawea is likely one of New Zealand's most under-serviced towns. The current commercial zoning is Local Shopping Centre Zone ('LSCZ'). It's both small in total size (approximately 4,500m<sup>2</sup>) and flawed in what it can accommodate in a single tenancy.
- 31 It's location is not optimal for where the growth of Lake Hawea is now occurring. Timsfield, Sentinel Park, Domain Acres, and the SHA are all on Cemetery Rd.
- 32 The \$/m<sup>2</sup> rate of Hawea LSCZ area is likely significantly higher than what the proposed site would be.
- 33 In combination, the LSCZ's small total size, distance from where the growth in population is occurring, and the expensive \$/m<sup>2</sup> rates mean it's flawed as a reliable commercial service centre for the township.
- 34 Commercial zoning within the subject site would address each of the flaws that exist with the current commercial area. It is a very real opportunity to not only future-proof Lake Hawea from a commercial perspective but also to allow near-term development of needed services.
- 35 Some examples of activities that might be suited to the subject site, and which I have investigated further include: a church, early childhood education centre, supermarket, office space, and medical centre.
- 36 It should be noted the commissioners' comments in the SHA decision acknowledge that commercial activity in this location is logical and should be considered further through the District Plan Review process. The decision commented that:

*“it’s better to earmark land for Township Service Centre purposes at this time rather than trying to assemble a parcel of land once the land has been subdivided into smaller lots”<sup>2</sup>.*

- 37 The proposed industrial zoning also provides a significant opportunity to support the growth of the Hawea township. There is no such zoning in the area currently. The availability of industrial land is an important component of a sustainable township. The proposed location with access from Domain Road has the benefit of being close, but not prominent to, the residential area. This keeps the activities and the vehicle movements separate from the township itself. Additionally, green buffer areas are identified to mitigate any potential conflict issues between industrial and residential zoning. This master-planned approach is only workable where land is rezoned on a comprehensive basis and under the control of a single developer. In my discussions with contractors and suppliers in the Upper Clutha area the need for land capable of servicing industrial activity has been a common theme. It is also difficult to find 'greenfield' industrial zoned land which has a bearing on site development capability and cost. The need is clear. The proposed site is almost certainly the best suited in the area to meet this need.

#### **Covid-19 Implications on Housing Supply and Affordability**

- 38 As is well noted, in recent times the District has suffered from an extreme lack of affordability which has placed a great number of residents under duress. Covid-19 has created an immediate wholesale change in the number of tourists. That in turn has seen a fall in service-related employment. Consequently there has been an exodus of employees and this will likely continue into 2021.
- 39 It’s important to reflect on what a fall in the number of service workers means for the demand of quality housing. For some time now the district has had to adopt a ‘cram them in’ mentality when literally trying to accommodate the workforce. A significant percentage of workers are variously in densely populated house shares, sleepouts, and even caravans in driveways. At the extreme is the practise of ‘hot bedding’ which refers to shift workers sharing a single bed in timeslots. None of these arrangements are sustainable or desirable and have been a major taint on the health of our district.
- 40 The exodus of service workers does little to solve the major issues of supply and affordability that we face. All it does is soften some of the cramped and unpleasant living conditions that so many have been subjected to. It does not help with the supply of quality homes at affordable prices needed to put workers into their own homes.

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<sup>2</sup> SH19005 Decision, at [90].

- 41 Regardless of Covid-19 and of the state of the global and national economies, residents are entitled to expect warm, safe, and affordable housing. This district is still suffering a major shortfall; Covid-19 does not remove our housing crisis.
- 42 Further, while the effects of Covid-19 are extreme and difficult, they are temporary. The mountains, lakes, scenery, clean air, and innumerable other reasons which make this district attractive all remain. Inevitably tourists will return – domestically first and then internationally. Regardless of one’s view on the time it will take tourism to re-establish, the principle of a return is near certain. There will also be growth from other, as yet, unknown industries as inevitably happens in desirable locations.
- 43 And what happens then? We wait until then to pick up the conversation on housing? If we’re serious about supply and affordability we need to continue the focus and hard work today. Current residents deserve it and those who will inevitably arrive also deserve it. If we’re to function as an attractive, liveable, workable, and healthy district then we need to use this environment to address current issues and also to play catch up on supply and affordability. Imagine if in five years we no longer had a housing shortage. This is the opportunity to work towards that.

### **Summary**

- 44 The district has a significant and long term housing crisis. It’s now being acknowledged that zoned land does not guarantee supply of titled sections. This is caused by development inertia which is a function of the significant resources and time it takes to get land to market and lack of inclination by zoned land owners. Covid-19 does not change this dynamic. Rezoning this land will be a major step in helping address supply of land in this district. It’s an opportunity that needs to be taken as the downside of not rezoning is major - the continued lack of quality homes for our residents.

### **LANE HOCKING**

Dated this 29<sup>th</sup> day of May 2020





# COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952



  
R. W. Muir  
Registrar-General  
of Land

Search Copy

**Identifier** 180127  
**Land Registration District** Otago  
**Date Issued** 25 March 2009

## Prior References

34539

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**Estate** Fee Simple  
**Area** 29.5040 hectares more or less  
**Legal Description** Lot 1 Deposited Plan 343855  
**Proprietors**  
Universal Developments Hawea Limited

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## Interests

Saving and excepting all minerals within the meaning of the Land Act 1924 on or under the land

Subject to Section 315 Land Act 1924

Subject to a right to convey water over part marked H on DP 343855 created by Transfer 829209 - 6.5.1993 at 9:19 am

Land Covenant in Transfer 5337316.3 - 9.9.2002 at 9:00 am

8101037.5 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 25.3.2009 at 9:02 am

Appurtenant hereto is a right to convey water, pump water, convey electricity and locate a bore created by Easement Instrument 8101037.6 - 25.3.2009 at 9:02 am

The easements created by Easement Instrument 8101037.6 are subject to Section 243 (a) Resource Management Act 1991

9084530.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 31.5.2012 at 9:52 am

9126179.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - - 18.7.2012 at 12:17 pm

10502462.1 Variation of the conditions of the easement created by Easement Instrument 8101037.6 - 25.7.2016 at 4:03 pm



**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



  
R. W. Muir  
Registrar-General  
of Land

**Identifier** 909889  
**Land Registration District** Otago  
**Date Issued** 14 January 2020

**Prior References**

180129

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<b>Estate</b>	Fee Simple
<b>Area</b>	55.4703 hectares more or less
<b>Legal Description</b>	Lot 1 Deposited Plan 541414

**Registered Owners**

LAC Property Trustees Limited

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**Interests**

Saving and excepting all minerals within the meaning of the Land Act 1924 on or under the land

Subject to Section 315 Land Act 1924

Subject to a right to convey water over parts marked I, J & K on DP 541414 created by Transfer 829209 - 6.5.1993 at 9:19 am

Land Covenant in Transfer 5337316.3 - 9.9.2002 at 9:00 am

8101037.5 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 25.3.2009 at 9:02 am

Subject to a right to convey water over parts marked B, C, D and E on DP 541414 created by Easement Instrument 8101037.6 - 25.3.2009 at 9:02 am

The easements created by Easement Instrument 8101037.6 are subject to Section 243 (a) Resource Management Act 1991

8920837.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - - 21.11.2011 at 4:40 pm

9084530.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 31.5.2012 at 9:52 am

10502462.1 Variation of the conditions of the easement created by Easement Instrument 8101037.6 - 25.7.2016 at 4:03 pm

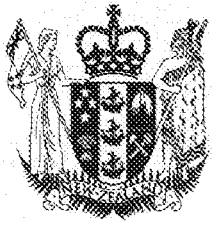
11577127.3 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 14.1.2020 at 3:42 pm

Land Covenant (in gross) in favour of Queenstown Lakes District Council created by Covenant Instrument 11577127.4 - 14.1.2020 at 3:42 pm

Appurtenant hereto is a right to convey water, pump water, convey electricity and locate a bore created by Easement Instrument 11577127.5 - 14.1.2020 at 3:42 pm

The easements created by Easement Instrument 11577127.5 are subject to Section 243 (a) Resource Management Act 1991





# COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952



R. W. Muir  
Registrar-General  
of Land

## Search Copy

**Identifier** 180128  
**Land Registration District** Otago  
**Date Issued** 25 March 2009

### Prior References

34539

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**Estate** Fee Simple  
**Area** 34.4670 hectares more or less  
**Legal Description** Lot 2 Deposited Plan 343855

### Proprietors

Universal Developments Hawea Limited

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### Interests

Saving and excepting all minerals within the meaning of the Land Act 1924 on or under the land

Subject to Section 315 Land Act 1924

Land Covenant in Transfer 5337316.3 - 9.9.2002 at 9:00 am

8101037.5 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 25.3.2009 at 9:02 am

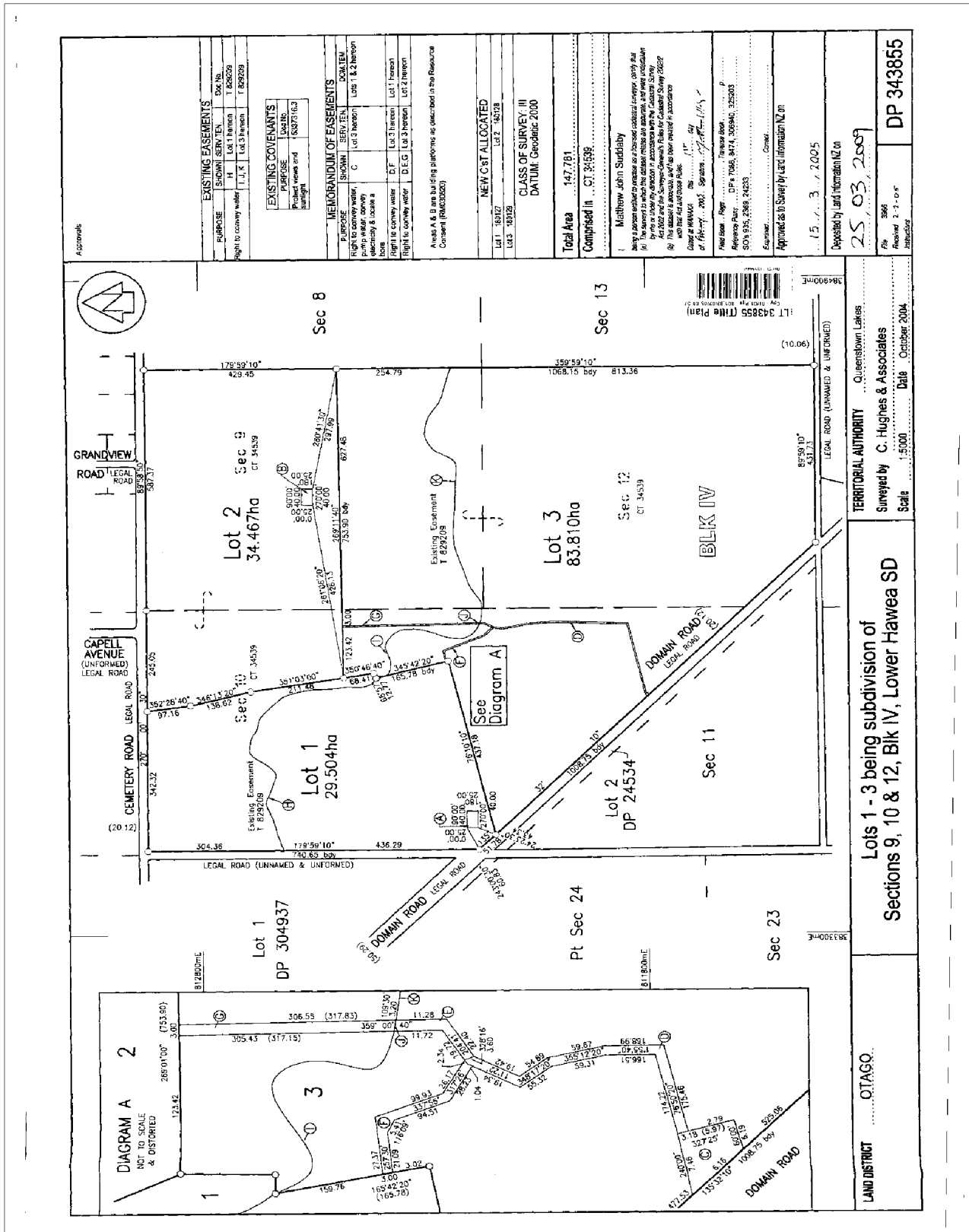
Appurtenant hereto is a right to convey water, pump water, convey electricity and locate a bore created by Easement Instrument 8101037.6 - 25.3.2009 at 9:02 am

The easements created by Easement Instrument 8101037.6 are subject to Section 243 (a) Resource Management Act 1991

9084530.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 31.5.2012 at 9:52 am

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10502462.1 Variation of the conditions of the easement created by Easement Instrument 8101037.6 - 25.7.2016 at 4:03 pm



EXISTING EASEMENTS	
PURPOSE	SHOWAL SERV TEN
Doc No.	T 826209
Right to convey water	L, J, K
	Lot 1 Easement T 826209
	Lot 2 Easement T 826209
	Lot 3 Easement T 826209

EXISTING COVENANTS	
PURPOSE	LOCALS
Prohibit noise and sunlight	18073163

MEMORANDUM OF EASEMENTS	
PURPOSE	SHOWAL SERV TEN
Doc No.	DOM 154
Right to convey water, pump, sewer, survey, electricity & gases	C
	Lot 1 Easement
	Lot 2 Easement
	Lot 3 Easement
Right to convey water	D, F
	Lot 1 Easement
	Lot 2 Easement
Right to convey water	D, E, G
	Lot 1 Easement
	Lot 2 Easement

Areas A & B are building platforms as described in the Resource Consent (MHC00026)

NEW C&T ALLOCATED	
Lot 1	180127
Lot 2	180128
Lot 3	180129

CLASS OF SURVEY: III  
 DATUM: Geoidetic 2000

Total Area: 147.781  
 Completed In: CT 343855

Mathew John Studdaby  
 Being a person entitled to exercise the powers conferred on him by the provisions of the Land Transfer Act 1952, I, the said Mathew John Studdaby, do hereby certify that the above is a true and correct copy of the original plan as submitted to me by the applicant and that the same is a true and correct copy of the original plan as submitted to me by the applicant and that the same is a true and correct copy of the original plan as submitted to me by the applicant.

Dated at HAWAIA this 15th day of March 2005. Signature: Mathew John Studdaby  
 or Attorney: [Signature]

Field Book: [Blank]  
 Reference Plan: DP 11040, 1474, 20944, 33253, 30935, 288, 24253  
 Examined: [Blank]  
 Approved as to Survey by Land Information NZ on: 15/03/2005

Deposited by Land Information NZ on: 25/03/2005

File No: 3866  
 Received 2:10 PM  
 Inspector: [Blank]

TERRITORIAL AUTHORITY: Queenstown Lakes  
 Surveyed by: C. Hughes & Associates  
 Scale: 1:500  
 Date: October 2004

Lots 1 - 3 being subdivision of Sections 9, 10 & 12, Blk IV, Lower Hawea SD

LAND DISTRICT: O.T.A.G.O.

DP 343855  
 Title Plan  
 LT 343855 Title Plan