Attachment D

Queenstown Lakes District

Proposed District Plan

Section 32 Evaluation Report

For:

Implementing Policy 5 of the National Policy Statement on Urban Development

Urban Intensification Variation

Report dated: 16 May 2023

EXECUTIVE SUMMARY

This variation is proposed in order to meet the Queenstown Lakes District Council's (QLDC) obligations as a Tier 2 local authority under Policy 5 of the National Policy Statement on Urban Development (NPS-UD).

Policy 5, states:

> ***Policy 5****: Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of:*
>
> *a) The level of accessibility by existing or planned active or public transport to a range of commercial activities or community services; or*
> *b) Relative demand for housing and business use in that location*

In order to inform the approach taken by this proposed variation, QLDC has undertaken modelling of: the level of accessibility of land within the District's existing urban environments by existing or planned active or public transport to a range of commercial and community activities has been modelled, and the relative demand for housing and business use in those locations. The modelling has identified areas, primarily around core commercial centres and transport corridors, that are appropriate for intensification in terms of the direction in Policy 5, clauses (a) and/or (b).

The District Plan zoning and related provisions of the urban areas subject to the modelling have been reviewed to identify whether they meet the requirements of Policy 5, and to ensure that the zoning and provisions will enable development that contributes to a 'well-functioning urban environment'.[1] This review has included an urban design assessment of the existing zoning and provisions, as well as consideration of the findings of monitoring undertaken by QLDC. Constraints upon the intensification of land have also been taken into account, such as historic heritage, natural hazards, and airport operations.

The proposed variation includes changes to the zoning around identified commercial areas and transport corridors across the District, and changes to various Proposed District Plan (PDP) provisions. The proposed changes are detailed in Appendix 1A – 1L.

The proposed variation seeks to satisfy Policy 5, and in turn promote a compact urban form and enable the development of a diverse range of housing typologies. This is achieved through review of existing densities and building heights to provide for greater housing choice. Allowing for increased densities will encourage the development of smaller and attached housing typologies,[2] which typically have a smaller land area and provide greater housing affordability. Provisions are also included to recognise the benefits of intensification, to ensure adequate amenity values within intensification areas, that development can be serviced and to mitigate any potential increase in stormwater runoff.

[1] Defined by Policy 1 of the NPS-UD

[2] Referring to horizontally and vertically attached housing typologies.

This proposed variation does not amend the Urban Growth Boundaries (UGBs), as it is instead focussed on intensification of existing urban areas.

While the proposed variation has been developed to satisfy Policy 5, the proposed provisions also give effect to the other relevant objectives and policies of the NPS-UD and the Otago Regional Policy Statement (ORPS). The proposed provisions also align with the Queenstown Lakes Spatial Plan 2021 which promotes compact urban form and increased densities in appropriate locations (Strategy 1).

1. INTRODUCTION

QLDC as a Tier 2 local authority is required to implement the NPS-UD and this proposed variation gives effect to Policy 5 and the wider directive of the NPS-UD to ensure a well-functioning urban environments that responds to the diverse and changing needs of people, communities, and future generations.

The NPS-UD requires territorial authorities to enable development in particular urban environments (including areas with many employment opportunities, that are well serviced by public transport or where there is high demand for housing or for business land in the area, relative to other areas within the urban environment). The NPS-UD is of particular relevance in the Queenstown Lakes District as the District is experiencing considerable growth pressure as well as a high demand for housing and a shortfall of housing in lower price bands.

The 2021 Housing Development Capacity Assessment (HDCA)[3] identified that the Queenstown Lakes Operative District Plan (ODP), Proposed District Plan (PDP) and the Queenstown Lakes Spatial Plan[4] (Spatial Plan) has sufficient capacity to accommodate housing growth across the urban environment and that this is more than sufficient to meet the projected demand in all locations of the District in the short, medium[5] and long[6] term as required by the NPS-UD. Of the supply identified in the HDCA, an estimated 67% of the additional capacity was assessed as being commercially feasible to develop in the medium term, and 80% would be commercially feasible by 2050.

There are however existing transportation and three waters infrastructure constraints that affect the feasible capacity of the District. Taking these into account, as well as what is reasonably expected to be realised (RER), there is an existing feasible and realisable capacity of just over 8,500 additional dwellings in the medium term and 19,200 additional dwellings in the long term. Notwithstanding these constraints, the short, medium- and long-term capacity is still sufficient to meet demand[7] (only just with regard to long term – see figure 1).

Although the existing feasible and realisable capacity meets the requirements of the NPS-UD, the 2021 HDCA report identified a shortfall of housing in price bands below $500,000 and that, over time, house price growth is expected to be faster than growth in real incomes in the District, and housing affordability

[3] Undertaken on behalf of Otago Regional Council and QLDC

[4]. The Spatial Plan is the Council's official strategy that shows indicative urban expansion areas where growth will be accommodated in the long term.

[5] nearly 48,000 additional dwellings in the medium term (66,670 dwellings including existing houses)

[6] nearly 65,000 additional dwellings in the long term (or 83,260 dwellings including existing houses)

[7] As required by the NPS-UD

is projected to decline[8]. The demand for attached housing typologies[9] is also projected to increase over time[10].

Consequently, there is a need to review the District Plan to ensure that smaller unit sizes and attached housing typologies are provided for in appropriate locations.

The scope of the proposed variation is limited to existing urban areas, which meet the requirements of Policy 5 in terms of accessibility and/or relative demand. This aligns with the Spatial Plan which seeks to provide for growth and intensification predominantly within existing urban areas through promotion of a compact urban form.

A compact urban form can contribute to a well-functioning urban environment that reduces the demand for greenfield development and its adverse effects upon sensitive environments, landscape values and productive land supply as well as the inefficient expansion of infrastructure. Further, a compact urban form reduces reliance on private vehicle use; maximises the use and viability of public transport, walking and cycling; and improves the efficient operation of public utilities which will reduce energy demand and minimise greenhouse gas emissions.

2. SECTION 32 – OUTLINE OF REQUIREMENTS

Under section 32 of the Resource Management Act (RMA), the Council is required to undertake an evaluation of the proposed changes prior to notification. This report provides that analysis of whether the amendments implement the NPS-UD, and Policy 5 in particular. This report should be read in tandem with the proposed amendments to the PDP planning provisions and maps (**Appendix 1A-1L)**.

Under section 32(1), the evaluation must:

a) Examine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the RMA; and
b) Examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by:
    i. Identifying other reasonable practicable options for achieving the objectives;
    ii. assessing the efficiency and effectiveness of the provisions in achieving the objectives; and
    iii. summarising the reasons for deciding on the provisions; and
c) Contain a level of detail that corresponds to the scale and significance of the environmental, economic, social and cultural effects that are anticipated from the implementation of the proposal.

[8] The upward pressure on prices however is not attributed to planning and infrastructure rather a range of other local and national factors not impacted or influenced by the District Plan.

[9] Referring to horizontally and vertically attached housing typologies.

[10] 22% of the additional long term demand under the Higher Market Shift scenario as detailed in the Market Economics Queenstown Lakes District Intensification Economic Assessment dated 16 May 2023

Under section 32(2), the evaluation must also:

a) Identify and assess benefits and costs, and if practicable, quantify those; and
b) Assess the risk of acting or not acting, if there is uncertain or insufficient information about the subject matter of the provisions.

Under Section 32(6), the examination of the 'objectives' means:

a. For a proposal that contains or states objectives, those objectives;
b. For all other proposals, the purpose of the proposal.

The full text of Section 32 is stated in paragraph 1.7 of Appendix 2A.

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

The broad objective of the plan variation is assessed in terms of its appropriateness to achieve the purpose of the RMA below.

To achieve this broad objective, changes to the zone extend as well as to the provisions are considered. These changes can generally be categorised into 3 broader aims or objectives as follow:

- To enable heights and densities in accordance with policy 5 and to recognise the benefits of intensification.
- To ensure adequate amenity values within intensification areas.
- To ensure that development can be serviced and to mitigate any potential increase in stormwater runoff.

Proposed changes to the zoning and provisions on their own aims to achieve one or more of the above three aims/objectives, but collectively aims to achieve the broader objective.

A more detailed evaluation of the proposed changes to the PDP objectives (Section 32(1)(a) and a consideration of the effectiveness and efficiency of the provisions in achieving the objectives (Section 32 (1)(b) is also included in Section 13 and 14 of the report.

3. NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT 2020 (NPS-UD)

The NPS-UD identifies Queenstown-Lakes District Council as a Tier 2 local authority, and Queenstown is listed as a Tier 2 urban environment. As a Tier 2 local authority, the Council is obliged to give effect to all of the objectives in the NPS-UD, along with selected policies. This includes:

Objectives

- Objective 1, which seeks to achieve well-functioning urban environments that enable all people and communities to provide for their social, economic and cultural wellbeing and for their health and safety, now and into the future.

- Objective 2 seeks that planning decisions improve housing affordability by supporting competitive land and development markets.

- Objective 3 aims to enable more people to live, work and play in urban environments where the area is in or near a centre zone or other area with many employment opportunities, the area is well-serviced by existing or planned public transport and there is high demand for housing or for business land in the area, relative to other areas within the urban environment.

- Objective 4 acknowledges that New Zealand's urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations.

- Objective 5 seeks to ensure that planning decisions relating to urban environments, and future development strategy's, take into account the principles of Te Tiriti o Waitangi.

- Objective 6 states that local authority decisions that affect urban environments are to be integrated with infrastructure planning and funding decisions, are strategic over the medium and long term and are responsive in relation to proposals that would supply significant development capacity.

- Objective 7 seeks that local authorities have robust and frequently updated information about their urban environments and use it to inform planning decisions.

- Objective 8 seeks that New Zealand's urban environments support reduction in greenhouse gas emissions and are resilient to the current and future effects of climate change.

Policies

Policy 1 – Well Functioning Urban Environments

Policy 1 requires that planning decisions contribute to well-functioning urban environments. This is defined as:

> *(a) have or enable a variety of homes that:*
>
> *(i) meet the needs, in terms of type, price, and location, of different households; and*
>
> *(ii) enable Māori to express their cultural traditions and norms; and*
>
> *(b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and*
>
> *(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*
>
> *(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and*
>
> *(e) support reductions in greenhouse gas emissions; and*
>
> *(f) are resilient to the likely current and future effects of climate change.*

Policy 2 – Providing at Least Sufficient Development Capacity

Tier 2 authorities are required to provide at least sufficient development capacity to meet expected demand for housing and for business land over the short, medium and long term. Expected demand for development capacity is required to be assessed at regular intervals through the preparation of Housing and Business Capacity Assessments (HBCA). The Council has commissioned Market Economics (ME) to undertake these assessments. The findings of the most recent Housing Capacity Assessment (HCA) 2021 is outlined below.

Policy 5 - Intensification

Policy 5 directs Tier 2 local authorities to enable heights and density of urban form in a manner that commensurate with the greater of : the level of accessibility to a range of commercial activities and community services, by way of existing or planned active or public transport; or relative demand for housing and business use in that location..

Enabling greater heights and density could involve a number of methods, but as discussed in section 11 of this report the options considered involve changes to the plan, through zoning changes, and amendments to plan provisions to provide for additional intensification in certain areas.

Policy 6 – Change May Occur

Policy 6 states that planned urban built form anticipated by those RMA planning documents that give effect to the NPS-UD may involve significant changes to an area, which may detract from existing amenity values appreciated by some people, but improve amenity values of others, communities and future generations. This includes by providing increased and varied housing densities and types, which are not, of themselves, an adverse effect. In effect, this policy acknowledges that in making planning decisions about urban environments, it is realistic to expect that the *existing* amenity values of urban areas may change to give effect to the NPS-UD.

Policy 6 also requires that particular regard should be given to the benefits of urban development that are consistent with well-functioning urban environments, the contribution that will be made toward meeting the NPS-UD development capacity requirements and the likely current and future effects of climate change.

Policy 9 – Treaty Principles

Policy 9 states that, in taking into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) in relation to urban environments, local authorities must satisfy certain requirements. These requirements apply to all plan changes and variations, including when implementing Policy 5.

Ongoing consultation has been undertaken with Aukaha and Te Ao Marama during the preparation of this plan variation and the areas of particular interest to the iwi authorities are infrastructure capacity.

The plan variation will assist with implementing the Queenstown Lakes Spatial Plan 2021, which was developed in partnership with iwi authorities.

4. RESOURCE MANAGEMENT (ENABLING HOUSING SUPPLY AND OTHER MATTERS) AMENDMENT ACT (Amendment Act)

The Amendment Act was enacted in December 2021 and required all Tier 1 territorial authorities[11] to incorporate a new set of standards, called the Medium Density Residential Standards (MDRS) into every relevant residential zone in their District Plans.

As a Tier 2 council, the requirements of the Amendment Act do not apply to the QLDC. Regardless, in preparing this plan variation, Council officers have considered whether adoption of the MDRS, or aspects of the MDRS, may be an appropriate option for achieving the implementation of the NPS-UD. The potential application of the MDRS across the existing Lower Density Suburban Residential (LDSR) and Medium Density Residential zones in the PDP is an option that has been considered by the Council in this section 32 report.

In summary, the MDRS permits residential development where certain standards are complied with, being:

Number of residential units per site	3 maximum
Building height	Maximum of 11m + 1m for pitched roof
Height in relation to boundary	4m + 60 degrees
Setbacks	Front yard: 1.5m minimum
	Side yard: 1m minimum
	Rear yard: 1m minimum[12]
Building coverage	Maximum 50% of net site area
Outdoor living space (per unit)	Ground floor: 20m², 3m dimension
	Above ground floor: 8m², 1.8m dimension
Outlook space (per unit)	Principal living room: 4m deep, 4m wide
	Other rooms: 1m deep, 1m wide
Windows to street	20% minimum glazing
Landscaped area	Minimum 20% of the site with grass or plants

5. CURRENT STATE, ISSUES AND DESIRED OUTCOMES

5.1 CURRENT STATE

This section provides a summary of the existing planning framework and background context for the proposed variation.

11 Auckland, Hamilton, Tauranga, Wellington and Christchurch
12 Excluding corner sites

5.1.1 Otago Regional Policy Statement

The Partially Operative Otago Regional Policy Statement 2019 (RPS) includes objectives which are of relevance to urban development. These are all detailed in Appendix 2A-2B. Objective 4.5 is however of the most direct relevance to the proposal. This objective state:

> *Urban growth and development is well designed, occurs in a strategic and coordinated way, and integrates effectively with adjoining urban and rural environments.*

Objective 4.5 is implemented through policies 4.5.1-6, with Policy 4.5.1 being the most relevant to the proposal. Policy 4.5.1: states:

> *Provide for urban growth and development in a strategic and co-ordinated way, including by:*
>
> *a) ensuring future urban growth areas are in accordance with any future development strategy for that district.*
>
> *b) monitoring supply and demand of residential, commercial and industrial zoned land;*
>
> *c) ensuring that there is sufficient housing and business land development capacity available in Otago;*
>
> *d) setting minimum targets for sufficient, feasible capacity for housing in high growth urban areas in Schedule 6*
>
> *e) Coordinating the development and the extension of urban areas with infrastructure development programmes, to provide infrastructure in an efficient and effective way.*
>
> *f) Having particular regard to:*
>
> *i. Providing for rural production activities by minimising adverse effects on significant soils and activities which sustain food production;*
> *ii. Minimising competing demands for natural resources;*
> *iii. Maintaining high and outstanding natural character in the coastal environment; outstanding natural features, landscapes, and seascapes; and areas of significant indigenous vegetation and significant habitats of indigenous fauna;*
> *iv. Maintaining important cultural or historic heritage values;*
> *v. Avoiding land with significant risk from natural hazards;*
>
> *g) Ensuring efficient use of land;*
>
> *h) Restricting urban growth and development to areas that avoid reverse sensitivity effects unless those effects can be adequately managed;*
>
> *i) Requiring the use of low or no emission heating systems where ambient air quality is:*
>
> *i. Below standards for human health; or*
> *ii. Vulnerable to degradation given the local climatic and geographical context;*

j) Consolidating existing coastal settlements and coastal urban areas where this will contribute to avoiding or mitigating sprawling or sporadic patterns of settlement and urban growth.

Policy 4.5.2 of the RPS correlates well with Objective 6 of the NPS-UD in that it seeks the local authority decisions on urban development are integrated with infrastructure planning and funding decisions. Policy 4.5.2 states:

Achieve the strategic integration of infrastructure with land use, by undertaking all of the following:

a) Recognising and providing for the functional needs of infrastructure;

b) Locating and designing infrastructure to take into account all of the following:
- *i. Actual and reasonably foreseeable land use change;*
- *ii. The current population and projected demographic changes;*
- *iii. Actual and reasonably foreseeable change in supply of, and demand for, infrastructure services;*
- *iv. Natural and physical resource constraints;*
- *v. Effects on the values of natural and physical resources;*
- *vi. Co-dependence with other infrastructure;*
- *vii. The effects of climate change on the long-term viability of that infrastructure;*
- *viii. Natural hazard risk.*

c) Coordinating the design and development of infrastructure with land use change in growth and redevelopment planning.

Policy 4.5.3 is also of relevance in that it requires urban development to be designed with regard to a number of matters:

Design new urban development with regard to:

a) A resilient, safe and healthy community;
b) A built form that relates well to its surrounding environment;
c) Reducing risk from natural hazards;
d) Good access and connectivity within and between communities;
e) A sense of cohesion and recognition of community values;
f) Recognition and celebration of physical and cultural identity, and the historic heritage values of a place;
g) Areas where people can live, work and play;
h) A diverse range of housing, commercial, industrial and service activities;
i) A diverse range of social and cultural opportunities

While the District Plan must give effect to the RPS, it is noted that the RPS is currently subject to a further review and that the District Plan shall also have regard to the Proposed Regional Policy Statement 2021 (Proposed RPS).

The Proposed RPS has been notified and hearings are yet to commence. The relevant Proposed RPS objectives and policies are detailed in Appendix 2B. However, of most direct relevance to this proposal are Objectives UFD-01 to UFD- 03 and UFD-05. These objectives are implemented through policies UFD-P1 – P10, with Policy UFD-P3 (Urban Intensification) being the most relevant to the proposal. Policy UFD-P3: states:

Within urban areas intensification is enabled where it:

(1) contributes to establishing or maintaining the qualities of a well-functioning urban environment,
(2) is well-served by existing or planned development infrastructure and additional infrastructure,
(3) meets the greater of demonstrated demand for housing and/or business use or the level of accessibility provided for by existing or planned active transport or public transport,
(4) addresses an identified shortfall for housing or business space, in accordance with UFD–P2,
(5) addresses issues of concern to iwi and hapū, including those identified in any relevant iwi planning documents, and
(6) manages adverse effects on values or resources identified by this RPS that require specific management or protection.

While the relevant direction is the same as the Partially Operative RPS, The Proposed RPS gives effect to the NPS-UD and consequently has a specific emphasis on well-functioning urban environments and urban intensification.

5.1.2 Queenstown Lakes Spatial Plan 2021

The Spatial Plan is a document that has been adopted by Council[13] and was formulated by the Whairoa Grow Well Partnership[14]. The Spatial Plan provides a long-term vision for how and where the communities within the District can grow well and develop to ensure social, cultural, environmental and economic prosperity out to 2050. The vision seeks to ensure that future growth happens in the right place and is supported by the right infrastructure. As the Council's high-level strategic document, the Spatial Plan aims to be a guide for the Strategic Planning and help inform investment planning, the Infrastructure Strategy, Ten-Year Plans as well as future variations to the District Plan.
While not a Future Development Strategy in terms of the NPS-UD, the Spatial Plan was prepared taking into account the requirements of the NPS-UD, and considered residential population projections[15], and projected visitor numbers to the District.

Managing growth, pressure on the environment, availability of affordable housing and transportation options were all matters identified as challenges and opportunities through the Spatial Plan. In terms of managing growth, it was identified that growth has been occurring incrementally and has not always been

13 On 29 June 2021.
14 A partnership of QLDC, Aukaha, Te Ao Marama and the New Zealand Government
15 From the 2021 Housing Development Capacity Assessment

considered from a longer-term strategic perspective. Because of this, the pace of growth and dispersed settlements has been challenging in terms of infrastructure planning and provision. Furthermore, meeting the cost of infrastructure is placing pressure on the District's rating base. The affordability of housing was also seen as a challenge, particularly as the housing market in the District has different characteristics to many other areas in New Zealand, as a result of tourism and a low average household income in proportion to house prices and rental cost.

The Spatial Plan adopted a consolidated approach to urban growth. This means that most of the change needed to accommodate additional development capacity, jobs and visitors expected over the 30-year period of the Spatial Plan is to occur within and around the existing urban areas in Queenstown and Wānaka. This form of urban growth builds upon locations that are already urbanised and sets a clear direction to limit urban sprawl into greenfield areas. It identifies six priority development areas[16] as appropriate locations where growth should be consolidated.

Spatial Plan outcomes

The Spatial Plan promotes a consolidated and mixed-use approach to accommodating future growth in the District which aims to achieve a compact urban form through enabling higher density development and a greater mix of uses within and around the existing urban areas. New housing typologies will need to increasingly move towards a medium and higher density form, such as townhouses, terraced housing and apartments. This will increase density, but also increase the variety of housing choices available, including more affordable options.

The Spatial Plan also identifies the need for more flexible zoning that provides for greater height and density of residential development in a wider range of locations.

The Spatial Plan outcomes will mean that more people will live in attached housing and apartments, and therefore public open spaces will become increasingly important for residents for a wider range of activities. Ensuring access to open space is critical to make this an attractive housing option for more of the community.

Provision of more affordable housing options is an issue identified in the Spatial Plan that needs further work, investment and partnerships and that whilst changes to the planning system will assist, further interventions are anticipated to likely be needed.

Concentration of growth in existing urban areas will mean more people live within areas where there is existing public transport and active transport is an easy and attractive option and future investment is concentrated on upgrades and improvements. The same is of relevance in terms of servicing.

This proposal is considered to implement the Priority Initiative 1 of the Spatial Plan which states:

[16] Town Centre to Frankton Corridor, Five Mile Urban Corridor, Ladies Mile, Southern Transit Corridor, Southern Wānaka, Wānaka Town Centre to Three Parks Corridor

Priority Initiative 1: Review Zoning and other levers to enable higher densities and more flexible use of land within the existing and new urban areas in appropriate locations identified by the spatial plan.

Also, of relevance is Strategy 13 of the Spatial Plan which seeks to enhance and protect the Blue-Green Network. The Blue-Green Network is the collection of parks, open spaces, streets and accessible waterways within the District that deliver educational, recreational, ecological, cultural, landscape and health benefits.

Priority Initiative 15 of the Spatial Plan seeks that open space network plans are prepared to deliver the Blue-Green network, and this is something that QLDC are working towards.

5.1.3 District Plan Review

The District Plan review is being undertaken in stages. The District Plan has been split into two volumes, Volume A and Volume B.

Volume A consists of the PDP chapters notified during the District Plan review and all the land that is identified in the 'PDP Stage 1, 2, 3 Decisions' layer of the District Plan web mapping application. Stage 1 was publicly notified on 26 August 2015, Stage 2 on 2 November 2017 and Stage 3 on 19 September 2019. There have also been a number of plan changes and variations subsequently notified, these include Landscape Schedules, Inclusionary Housing, the zoning of land within an area of Arthurs Point and a variation to the Coneburn Industrial Zone.

The balance of the land (covering 2% of the District) forms Volume B of the District Plan and is currently regulated by the Operative District Plan (ODP). The ODP includes the zones that have not yet been reviewed and notified. These will be brought into the PDP at a later stage of the District Plan Review.

With the PDP now covering 98% of the District's land area, the zoning and provisions in the PDP are of central relevance to this proposed variation.

5.1.4 PDP provisions

The PDP includes objectives and policies which are of relevance to the proposed variation. These are all detailed in Appendix 2A, of which the following provisions are considered to be of the most direct relevance to the proposed variation:

PDP Chapter 3: Strategic Directions lists two strategic issues that focus on growth:

Strategic Issue 2: Growth pressure impacts on the functioning and sustainability of urban areas, and risks detracting from rural landscapes, particularly its outstanding natural features and outstanding natural landscapes.

Strategic Issue 3: High growth rates can challenge the qualities that people value in their communities.

The key objectives and policies of the strategic chapters of the PDP are set out within Appendix 2A. Of particular relevance to these issues, and the proposals made by this plan variation, is Strategic Objective 3.2.2 and its associated policy, listed below.

SO 3.2.2	**Urban Growth is managed in a strategic and integrated manner**
Policy 3.2.2.1	Urban development occurs in a logical manner so as to: a. promote a compact, well designed and integrated urban form; b. build on historical urban settlement patterns; c. achieve a built environment that provides desirable, healthy and safe places to live, work and play; d. minimise the natural hazard risk, taking into account the predicted effects of climate change; e. protect the District's rural landscapes from sporadic and sprawling urban development; f. ensure a mix of housing opportunities including access to housing that is more affordable for residents to live in; g. contain a high quality network of open spaces and community facilities; and h. be integrated with existing, and proposed infrastructure and appropriately manage effects on that infrastructure.

Consequently, the direction to achieve compact, well-designed and integrated urban forms for the District is signalled through the PDP, and this aligns with the provisions of the NPS-UD.

The proposed changes to the zoning of land and changes to the PDP provisions will be assessed against the strategic objectives and policies later in this report.

The three main residential zones within the PDP, are the High, Medium and Lower Density Suburban Residential Zones, with the Lower Density Suburban Residential Zone (LDSRZ) being the largest urban zone in the District.

The purpose of these zones is as follows:

- The **High Density Suburban Residential Zone (HDRZ)** provides for efficient use of land within close proximity to town centres and Arthurs Point that is easily accessible by public transport,

cycle and walkways. In conjunction with the Medium Density Residential Zone, the zone plays a key planning role in minimising urban sprawl and consolidating growth in existing urban areas. There are no density controls for multi-unit development in this zone[17] and maximum permitted building heights range between 7 – 12m depending upon location and whether a site is sloping or flat.

- The **Medium Density Residential Zone (MDRZ)** has the purpose of providing land for residential development at greater density than the Lower Density Suburban Residential Zone. In conjunction with the High Density Residential Zone and Lower Density Suburban Residential Zone, this zone will play a key role in minimising urban sprawl and increasing housing supply. The zone will primarily accommodate residential land uses but may also support limited non-residential activities where these enhance residential amenity or support an adjoining Town Centre, and do not impact on the primary role of the zone to provide housing supply. Subdivision and development within this zone is required to have a minimum net area of 250m² or else a non-complying subdivision or restricted discretionary land use consent is required. Predominantly two storey development is permitted (7-8m) with a non-complying resource consent required to build above this height.

- The **Lower Density Suburban Residential Zone (LDSRZ)** is the largest residential zone in the District and occurs within the urban growth boundaries (with the exception of a small area of LDSRZ adjoining the Luggate Settlement) and includes land that has already been developed - as well as greenfield areas that will continue to be developed over time. The zone provides for both traditional and modern suburban densities and housing forms. Generally, all subdivision and development in this zone requires a minimum net site area of 300m² - 450m² or else it is a non-complying activity. Building heights are generally restricted to two storeys and a non-complying activity resource consent is currently required to breach prescribed building heights.

Part 3 (Urban Environment) and 6 (Special Zones) of the PDP also include the following zones that are primarily residential:

- Arrowtown Residential Historic Management Zone
- Large Lot Residential Zone
- Jacks Point Zone
- Settlement Zone

In all of these PDP residential zones, a residential flat in addition to the primary residential unit on the property is a permitted activity[18]. This is defined as follows and it provides additional self-contained residential accommodation that can be occupied independently of the primary residential unit on the property. Consequently, in terms of residential occupation on a site, density can be doubled where a residential flat is provided. The occupation of the residential flat is not limited to only family and can be rented independently for residential accommodation.

17 Minimum vacant lot size is 450m²

18 Unless on-site wastewater treatment is required in the Settlement Zone, then a restricted discretionary activity resource consent is required.

Residential Flat

Means a residential activity that comprises a self-contained flat that is ancillary to a residential unit and meets all of the following criteria:

a. the total floor area does not exceed;

i. 150m² in the Rural Zone, the Rural Lifestyle Zone, the Wakatipu Basin Rural Amenity Zone and the Hills Resort Zone;

ii. 70m² in any other zone;

not including in either case the floor area of any garage or carport;

b. contains no more than one kitchen facility;
c. is limited to one residential flat per residential unit; and
d. is situated on the same site and held in the same ownership as the residential unit.
Note:

A proposal that fails to meet any of the above criteria will be considered as a residential unit.

Commercial, as well as residential development, is provided for in the following PDP zones:

- Queenstown Town Centre
- Wānaka Town Centre
- Arrowtown Town Centre
- Business Mixed Use Zone
- Local Shopping Centre Zone
- Coneburn Industrial Zone[19]
- Three Parks Commercial
- Three Parks Business

Incorporated by reference in the PDP are also various design guidelines that provide assessment criteria relating to urban design. These include the:

- Arrowtown Design Guide 2016[20]
- Business Mixed Use Design Guide 2021
- Kawarau Heights Design Guidelines 2020
- Queenstown Town Centre Special Character Area Guidelines 2015
- Residential Design Guide 2021[21]
- Subdivision Design Guidelines 2015

19 Residential activities are excluded, except for a residential flat for Custodial purposes.
20 Applying to the Arrowtown Residential Historic Management Zone, Lower Density Suburban Residential Zone, Medium Density Residential Zone and Arrowtown Town Centre zone within the Arrowtown Urban Growth Boundary
21 Applying to the Lower Density Suburban Residential Zone, Medium Density Residential Zone and High Density Residential Zone of the PDP

- Wānaka Town Centre Character Guideline 2011

Many of the above design guidelines include principles relating to environmental sustainability and the use of low-impact stormwater design. The Business Mixed Use Design Guide and Residential Design Guide both encourage design that minimises water consumption and stormwater run-off, incorporating low-impact urban design solutions such as use of water tanks to collect stormwater, opening of waterways, use of living roofs, permeable paving and landscaping areas, rain gardens and swales.

The Subdivision Design Guidelines also encourage integration of water bodies and stormwater management areas with open spaces and management of stormwater within the catchment.

ODP

There are a number of smaller urban 'special zones' within the ODP as well as an area of land known as Lakeview (PC50) that is zoned Queenstown Town Centre (ODP). These are yet to be reviewed through the District Plan review.

These zones include numerous bespoke provisions which are intended to provide specific outcomes in terms of character or to manage effects upon surrounding or adjacent sensitive environments. Consequently, these zones need to be reviewed holistically and they have not been included within the review undertaken in response to the NPS-UD. However, Policy 5 will be a matter of consideration for the review of these ODP zones in the future, when they are brought into the PDP.

5.1.5 Ministry for the Environment Monitoring

A report[22] prepared by Beca for the Ministry for the Environment (MfE) in August 2018 included a review of the key urban zoning provisions within 'high growth' Council District Plans. This review included Queenstown Lakes, due to it being identified as a high growth council.

This report includes an assessment of the objectives and policies, activity status and performance standards (density, height, recession planes, private open space, outlook space / privacy and daylight standards/controls as well as parking[23] and subdivision provisions) relating to the PDP Lower Density Suburban Residential, Medium Density Residential, High Density Residential and Town Centre zones.

Some key themes outlined in the report that are of relevance are as follows:

- There is a tension evident between seeking to achieve greater housing intensification and seeking to achieve consistency with section 7(c) of the RMA that seeks to maintain and enhance amenity values, particularly where developments or intensification may be opposed by communities wishing to maintain the existing amenity values of a particular area.

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

23 Minimum car parking requirements have since been removed from the ODP and PDP under the requirements of the NPS-UD

- The barriers to facilitating development appear to be from the emphasis Councils put on the "present state" and built form of amenity, rather than any future environment that would result in an area, and the social and physical infrastructure parts of amenity.

- The implementation of plan rules may not align with the enabling growth objectives and policies that exist due to the number and inflexible application of rules, the consenting process of requiring neighbour's approval if rules are breached without detailed analysis, and the priority given to maintaining the existing characteristics of a neighbourhood as this is construed to be 'amenity' in the absence of any clear picture of a desired future amenity for higher growth.

The report makes a number of general observations and recommendations, but also specific recommendations in relation to each relevant District Plan[24].

Since the Beca monitoring has been undertaken, many of the PDP provisions have changed through the decision-making process, including resolution of appeals through the Environment Court.

The recommendations made in the MfE monitoring report that are of relevance to the implementation of Policy 5 of the NPS-UD have been taken into account in the formulation of the proposal.

5.1.6 Resource Consent s35 Monitoring[25]

Quantitative and qualitative monitoring of resource consenting data across the urban zones of the PDP and select ODP zones was undertaken in 2022 under s35 of the RMA to inform the review of the zoning and provisions in accordance with the NPS-UD. The following considerations were the key focus:

- Whether the current District Plan rules reflect how people are using and developing the zones.

- Whether the consents being granted for development reflect the outcomes anticipated for the zones.

- Whether the activity status of activities and standards are unduly restricting intensification in each of the zones.

- Whether the consents being granted identify a pattern of standards being breached within zones that allow for intensification and whether these standards are restricting developments taking place.

Trends from the data were correlated with feedback that has been received from Council planners and regular agents of resource consent applications within the District.

[24] These are detailed in Appendix 2B.
25 Monitoring Report 2022 – to be published.

The monitoring identified that there are a number of provisions within the ODP and PDP that require review and consideration to implement Policy 5 of the NPS-UD, primarily relating to the alignment of the built form standards for the zone with the zone purpose, objectives and policies. For example, it was identified through the monitoring that the development of apartments in the MDRZ is identified in the zone purpose as an outcome sought for the zone, however the District Plan provisions require a minimum net area of 250m² per apartment.

The monitoring data and feedback also identified the need to review a number of the built form standards in the zones, particularly in relation to density, building heights, coverage and setbacks as well as subdivision requirements.

The findings of the monitoring report have been considered in the development of the proposed variation with a view to enable a more efficient and effective approach to development to achieve the purpose of the relevant zones, and objectives of the PDP.

5.1.7 Housing Capacity Monitoring

The NPS-UD was gazetted on 20 August 2020 and this replaced the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC 2016). Stages 1-3 of the District Plan review have been undertaken in line with the NPS-UDC 2016.

Although Stage 1 of the District Plan review (which contained the majority of the urban zones) was notified in 2015 prior to the gazettal of the NPS-UDC 2016, a subsequent review of the provisions was undertaken[26] and it was confirmed that the provisions aligned with the requirements of the NPS-UDC 2016. Furthermore, the Council's Dwelling Capacity Model was updated in 2014 and 2015 and this identified that there is sufficient feasible and realisable capacity across the District to provide for housing development in the short, medium and long term as required by the NPS-UDC 2016[27].

Under both the NPS-UDC 2016 and the NPS-UD, the Council is required to undertake monitoring, and report on housing demand and supply patterns, including identification of recent trends and future projections of demand over the short, medium and long term (2020 – 2050). A difference between the NPS-UDC 2016 and the NPS-UD is that the NPS-UD now requires "at least" sufficient capacity to be provided over the short, medium and long term.

Reports in relation to housing capacity were completed for the District in 2018[28] and 2021[29]. The 2018 assessment was undertaken under the NPS-UDC 2016; however, the 2021 report was under the NPS-UD.

26 In 2017 as part of the QLDC evidence to the QLDC's Independent Hearing Panel relating to the submissions seeking changes in zoning in the Upper Clutha and Queenstown
27 QLDC Supplementary Statement of Evidence of Kim Banks dated 19 June 2017 and QLDC Revised Supplementary Statement of Evidence of Craig Barr dated 2 May 2017.
28 Housing Development Capacity Assessment 2017 dated 8 November 2018 and prepared by Market Economics.
29 Housing Development Capacity Assessment 2021 dated 15 September 2021 prepared by Market Economics.

The 2021 HDCA found that the ODP, PDP and Spatial Plan (including Future Urban Areas[30]) enable significant plan enabled[31]dwelling capacity to accommodate housing growth across the urban environment – nearly 48,000 additional dwellings in the medium term (66,670 dwellings including existing houses), increasing to nearly 65,000 additional dwellings in the long term (or 83,260 dwellings including existing houses). Of these, an estimated 67% of this additional capacity were assessed as being commercially feasible to develop in the medium term, and 80% would be commercially feasible by 2050. This is more than sufficient capacity to meet projected demand in all locations.

The largest proportion of feasible capacity occurs within the LDSR. This reflects the large spatial extent of the zone[32].

Some constraints in relation to feasible capacity were identified however, which relate to the capacity of the existing State Highway bridges and other three waters infrastructure. Based upon these constraints the feasible and reasonable expected to be realised capacity is lower with a capacity of just over 8,500 additional dwellings being identified as feasible, serviced and expected to be realised in the medium term with 19,200 additional dwellings in the long term (37,900 total dwellings including existing houses). As shown in figure 1 below, based upon these numbers, the short, medium and long term capacity is sufficient to meet demand (only just with regard to long term).

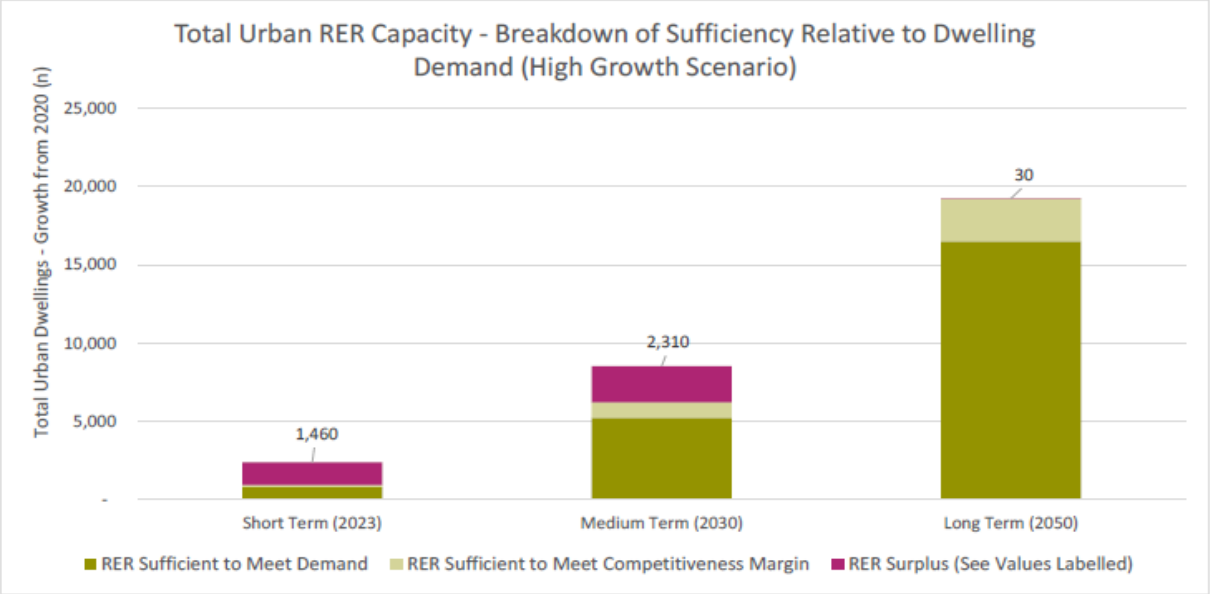

Figure 1. Summary of Sufficiency of Existing Urban Dwelling Capacity (All Types) in Queenstown Lakes District.

30 A limited area of land is identified in the Spatial Plan as Future Urban Areas to change from rural to urban over the next 30 years. The Spatial Plan states that urbanization of these areas will be phased with the delivery of infrastructure.

31 In accordance with section 3.4 of the NPS-UD

32 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics

In terms of demand, Market Economics[33] have identified an increase in demand for an additional 20,000 dwellings across the District's urban areas over the long term (2021-2051)[34]. If delivered by the market, the long term demand would double the existing urban area dwelling base to a total of 39,700 dwellings by 2051.

Detached dwellings are estimated to currently account for 83% of the existing dwelling base, 14% are low to medium density attached dwellings and 3% as higher density[35]. However, demand is projected to gradually change over time with around two-thirds of the long term demand being for detached dwellings, nearly one-third demand for attached dwellings and around 5% for higher density attached apartments[36]. Overall, the share of demand for attached dwellings is projected to gradually increase through time to account for nearly half (46%) of the long-term net additional dwelling demand[37].

The 2020 HDCA identified a shortfall of housing in price bands below $500,000 and over time house price growth is expected to be faster than growth in real incomes in the District and housing affordability is projected to decline. The upward pressure on prices however is not attributed to planning and infrastructure rather a range of other local and national factors not impacted or influenced by the District Plan.

Overall, the 2020 HDCA identified that the Council's planning (including through the District Plan/Proposed District Plan and Spatial Plan) satisfies the requirements of the NPS-UD to provide at least sufficient development capacity to meet expected demand for urban housing in the short, medium and long term till 2050 based upon a high growth scenario.

In addition to the 2018 and 2020 assessments, Quarterly Monitoring Reports have been prepared by QLDC since 2017. These provide an overview of the Queenstown Lakes housing and business capacity.

With regard to housing, the December 2022 Quarterly Report[38] which provides the latest detailed overview of key trends and indicators in the Queenstown Lakes District found the following key changes that have occurred between September 2022 and December 2022:

- Median house prices for the district decreased by almost -0.51% ($6,667) to $1,313,333.
- The number of dwellings sold has decreased by 44 dwellings when compared with September 2022 to 128.
- Housing stock has increased to 18,589, a 6% increase since 2018
- Average weekly rents increased by $7/week to $590. Rents are highest in the Arrowtown ward.
- The transition from renting to home ownership has decreased (smaller gap between renting and buying) but still remains extremely high overall (identifying that renting to home ownership continues to remain a struggle for residents).

33 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics
34 This includes the 15-20% margins required by the NPS-UD
35 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics
36 ibid
37 ibid
38 National Policy Statement - Urban Development 2020 (NPS-UD) (qldc.govt.nz)

- Mortgage serviceability continues to worsen and is now at its least affordable since 2012.
- Rental affordability is also worsening, continuing to trend down from its most affordable point in 2020 (a result of Covid19 and closed borders)
- 934 building consents for dwelling consents were issued (December quarter). Higher when compared with the previous year.
- Greenfield development continues to account for the majority of new residential development (80%), predominantly within the Whakatipu. Infill and redevelopment account for 16% of all new residential sections or units created.
- The Southern Corridor (Jacks Point area) accounted for 46% of approved development, totalling 377 residential sections, followed by Cardrona at 12% (97 lots).
- Consent growth has reduced significantly when compared to 2020, this drop in consent applications, is likely due to the residual effects of Covid-19 and the continually raising of the official cash rate to offset inflation all of which are predicted to put New Zealand into recession in 2023.

Affordability is therefore a current issue both for homeowners and renters. House prices are impacted by strong household growth, demand from international and domestic buyers and increasing visitor numbers. Market Economics (ME)[39] have also identified that a high share (56-58%) of the District's current and projected future urban household base is in 1-2 person households and that activity in the District's apartment market is currently small but is becoming more established in central areas of high amenity. They identify that growth in the market is likely to occur over the medium to long term and part of this demand will be driven by non-resident demand.

5.1.8 Short Term Visitor Accommodation

The housing reports acknowledge that short term visitor accommodation, namely Residential Visitor Accommodation under the PDP, have seen sharp growth within the LDSRZ. This is demonstrated by an increase of around 85% in Airbnb listings in the LDSRZ between October 2016 – February 2018. Furthermore, the density of listings was highest in the High Density Residential zone with one listing for every 2,028m², followed by the Queenstown Town Centre where there was one listing per 4,641m². The 2020 HDCA outlines a concern with this in that the High Density Residential and Queenstown Town Centre Zones are projected to be delivering attached housing within the lower to medium price bands, however a lot of this housing stock appears to be ending up on the short term letting market. The numbers in the 2020 HDCA also show this with consent numbers being ahead of household growth which indicates that some of the dwellings consented are built as holiday homes and others are used for short term letting.

39 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics

5.1.9 Te Pūtahi Ladies Mile Master Plan and Variation

The Council adopted the Te Pūtahi Ladies Mile Master Plan and resolved to notify the proposed variation to the PDP on 30 June 2022. The Minister for the Environment has directed that the plan change follows the streamlined planning process. This proposed variation to the PDP was notified in April 2023 with a decision anticipated in May 2024.

If approved in its proposed form, the proposed variation will allow for the construction of between 2,013 - 2,438 additional residential units,[40] in addition to those included in the above housing capacity reports.

5.1.10 Inclusionary Housing

In October 2022 QLDC notified a proposed variation to the PDP to enable "inclusionary housing". The intention of the plan change is to require a financial contribution from residential subdivision and developments in specified PDP zones. The financial contribution will be used to fund retained affordable housing that would be developed by the Queenstown Lakes Community Housing Trust or another registered Community Housing Provider approved by QLDC. This form of housing would assist low to moderate income residents into affordable housing.

The submission period on the plan change has closed with a hearing scheduled for 2023.

This plan variation is intended to assist with addressing the housing affordability issues that have been identified within the District. It is not considered to have implications for this plan variation (NPS-UD), however the land or financial contribution rules that it introduces will apply to the residential development proposed to be enabled within the UGB (as well as in Settlement Zone, Rural Residential Zone, Wakatipu Basin Rural Amenity Zone and Lifestyle Precinct or any Special Zone) through this plan variation.

If the outcome of the Inclusionary housing plan variation is as it is proposed, the inclusionary housing provisions will apply to many of the PDP zones covered by this proposed variation, and landowners developing or subdividing their land will need to provide the required contribution.

5.1.11 Private Covenants

At the time of subdivision, it is commonplace in the District for private covenants to be registered on titles for new lots, by developers. This is often to prescribe requirements so that a particular character of development or uniformity occurs within the subdivision when the lots are developed by the different landowners. This is common particularly for residential subdivisions but has also occurred on some commercial and industrial subdivisions.

40 QLDC Council report dated 30 June 2022

Frequently included in the residential covenants in the District is a restriction on the number of residential units that can be constructed on a lot. Private covenants restricting further subdivision are also common. Other private covenants also impose conditions such as restricting building height, building coverage, applying recession planes and setbacks and design requirements such as the need to use specific building materials and the like.

Frequently, these covenants are above and beyond what the current District Plan allows or requires and occurs across zones and within different subdivisions. For example, the majority of the lots within Lake Hayes Estate have a private covenant stating that the lots cannot be further subdivided, however under the PDP provisions that apply to the LDSRZ, many of the lots are capable of being subdivided.

These private covenants are often registered such that all of the other lot owners within the subdivision are a party to the covenant, which can mean that there are hundreds of parties to a covenant. Consequently, the covenants are difficult to amend or remove.

The Council does not have any ability to prevent the registration of private covenants on titles and cannot require their amendment or removal. These are identified as being an additional impediment to intensification but are outside of the Council's ability to resolve. Private covenants therefore have an effect upon housing and business capacity within the District.

5.1.12 Council's Long Term Plan and Infrastructure

One of the key challenges to providing additional housing capacity and intensification is the ability to put in place sufficient infrastructure to service growth. Council has committed funding through its current Long Term Plan (LTP), referred to as the Ten Year Plan (2021 – 2031), to renew and upgrade its assets to meet current demand and future growth expectations. Strategic planning is the backbone of Investment planning and the Long Term Plan is directed by the Council's 30-year Infrastructure Strategy and the Spatial Plan. The Long Term Plan is reviewed and updated every 3 years to ensure it remains fit for purpose.

Intensification will over time place additional demand on the three waters infrastructure which has not been accounted for in the current Long Term Plan, and this will mean that planned upgrades may need to occur sooner than anticipated or infrastructure will reach capacity sooner than expected. For water and wastewater, the upgrades are not only the pipe network but also capacity of wastewater treatment plants, water tanks, water reservoirs and the like.

While the LTP shows that significant funding for infrastructure is available, Council operates in a financially constrained environment and there is a need to balance strategic priorities, core infrastructure service needs and regulatory requirements. The cost of any necessary future upgrades as part of allowing for intensification will need to be forecast and planned for in QLDC's budgets and future LTP's. This will be paid for by development through development contributions as the developments come on line. If a specific upgrade is required for an individual development, then this would need to be paid for directly by the developer.

Intensification results in different effects upon the stormwater network to water and wastewater, in that it does not necessarily result in a significant impact in stormwater runoff (as a result of building up and not out). Development is required to attenuate stormwater to maintain flows to pre-development rates as well as accounting for additional runoff expected to be generated due to climate change. Provided that this can be achieved, intensification will have a negligible effect on the capacity of existing stormwater infrastructure. However, stormwater is discussed further under Section 6.2 (constraints to intensification) of this report.

5.1.13 Iwi Management Plans

Under section 74(2A) of the RMA a territorial authority, when changing a district plan, must take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority. There are two relevant iwi management plans in the district:

Kāi Tahu ki Otago Natural Resource Management Plan 2005

Te Tangi a Tauira – The Cry of the People

These are addressed in Appendix 2B.

5.1.14 Conclusion

The District Plan review, which commenced in 2015, has already provided additional plan-enabled housing and business capacity as required by the earlier NPS-UDC 2016. The Council's HDCA shows that there is sufficient plan enabled[41] capacity zoned within the District Plan (ODP and PDP) and identified in the Spatial Plan for the short, medium and long term. However, Policy 5 of the NPS-UD now directs that District Plans enable heights and density of urban form commensurate with the greater of the level of accessibility or relative demand.

This proposed variation gives effect to Policy 5 and the wider policy directive of the NPS-UD and has been developed taking into account the abovementioned background context and planning framework. The proposed variation aims to also give effect to and be consistent with these higher order documents, while taking into account the local context and findings of the monitoring undertaken on behalf of MfE and by QLDC.

Changes to zoning close to some commercial centres and along frequent transport routes are proposed, along with changes to planning provisions relating predominantly to density and building heights, or to recognise the benefits of intensification or help mitigate associated effects, are proposed.

[41] In accordance with section 3.4 of the NPS-UD

5.2 ISSUES

The following table outlines the issues that the NPS-UD aims to address as well as the related issues that are specific to the Queenstown Lakes District.

Key issues	Summary
The Queenstown Lakes District is not delivering well-functioning urban environments.	Well-functioning urban environments[42] are defined in Policy 1 of the NPS-UD. The HDCA has identified that demand for attached housing will increase over time and at present, monitoring has identified that although these types of typologies are identified as being anticipated within the urban zones, there are existing provisions that are providing a barrier to the development of attached housing. Providing a diversity of housing typologies will meet the needs of different households and allow aging in place. The HDCA has also identified a shortfall in housing in lower, more affordable price brackets. Encouragement of smaller housing typologies, such as attached housing is aimed at providing additional affordability in housing supply. Low density development around commercial centres and along transport routes does not provide enough population density (critical mass) to provide economic support to the centres and reduces their vibrancy. It also does not promote investment in public and active transport improvements contributing to mode shift and reductions in greenhouse gas emissions associated with reduced private vehicle travel. Promotion of intensification around commercial centres and along transport routes provides economic benefits to the commercial centres as well as increased demand and therefore investment for public and active transport which encourages mode shift. Reliance upon predominantly greenfield subdivision in provision of additional housing stock leaves the District in a weaker position in relation to the competitive operation of land and development

[42] (a) have or enable a variety of homes that:
(i) meet the needs, in terms of type, price, and location, of different households; and
(ii) enable Māori to express their cultural traditions and norms; and
(b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and
(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and
(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and
(e) support reductions in greenhouse gas emissions; and
(f) are resilient to the likely current and future effects of climate change.

	markets. Provision of additional feasible capacity within existing urban areas will improve competition and development markets.
Housing in the Queenstown Lakes District is unaffordable	A median multiple of 5.1 and above is classified as "severely unaffordable", the least affordable rating given by *Demographia International Housing Affordability.* In June 2022 the median house price to median average earnings (the median multiple) for the Queenstown Lakes District was a ratio of 14:1.[43] Increasing the supply of affordable dwellings requires specific effort and initiatives to make development of such dwellings feasible. Encouraging and enabling initiatives that increase the uptake of enabled and serviced capacity in a more affordable price range will continue to be important to help ensure a comprehensive and balanced future housing stock.[44] Increasing the supply of dwellings can also take into account the housing stock that is being utilised for the short term accommodation market. Diversity of housing typology is related to this. The Housing Development Capacity Assessment 2021 identified an increase in diversity of housing typology in the District, primarily related to the increase in attached dwellings (residential flats) although there were minor shortfalls in both detached housing and attached housing in the long term across the District with the Wakatipu Ward having a shortfall of detached housing and surplus of attached housing with the opposite occurring in the Wānaka Ward. Specifically, the Housing Development Capacity Assessment 2021 states that in the Wānaka Ward, the shortfall of reasonably expected attached housing capacity is as a result of the zoning structure and mix of greenfield vs existing urban area development opportunities. Applying NPS-UD Policy 5 provides considerable scope for intensification of housing land, allowing for additional capacity and with it, housing stock diversification.
Increased traffic generation and lack of transport choice is placing pressure on the transport system.	Parts of the existing roading network and transport system in the Wakatipu has not been able to keep up with growth in businesses, residents and visitors, which has led to traffic delays at peak times. Furthermore, there is a lack of public transport choice in the Upper Clutha.

43 https://ecoprofile.infometrics.co.nz/queenstown-lakes%2Bdistrict/StandardOfLiving/Housing_Affordability
44 Housing Development Capacity Assessment 2021 p 213

	The dispersed, low density settlement pattern across the District means many people are reliant on private vehicles to access jobs, education and facilities. The transport network is constrained geographically, with numerous parts of Queenstown Lakes served by one route, many of which are vulnerable to closure (e.g. due to weather) and roads are generally the only viable means of transport. Intensification in appropriate locations means people can live close to where they work, shop or recreate or go to school. This can provide additional travel options and reduce private vehicle trips. Businesses can also access more potential workers, customers and other businesses.[45] The zoning of urban land has been reviewed as part of the proposal against its accessibility rating, which has been modelled to take into account accessibility to public transport and other amenities, with intensification proposed in areas that perform well.
There are existing transport constraints within the District	The HDCA takes into account the three waters and land transport infrastructure networks including existing constraints. The infrastructure assessment identified land transport as the dominant network constraint within the urban area. In particular, there are four bridges that are identified as limiting growth across the urban area[46]: • The Albert Town bridge limits growth within the Lake Hawea and Outer Wānaka areas. • The Arthurs Point bridge limits growth within the Arthurs Point area (north of the bridge) and half of the Arrowtown area. • The Shotover Bridge limits growth in half of the Arrowtown area as well as the eastern urban areas of Queenstown (Eastern Corridor and Outer Wakatipu) • The Kawarau Bridge limits growth in urban areas of the district south of Frankton including Kelvin Heights, the Southern Corridor and Outer Wakatipu. The central areas of Queenstown and Wānaka form the main places where growth is not limited by transport network constraints as well as some of the outer minor settlements such as Luggate, Cardrona, Frankton and Quail Rise.

45 Way to Go: Mode shift plan May 2022 p10
46 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics

5.3 INTENDED OUTCOMES

The key objective of the NPS-UD is to achieve well-functioning urban environments (as defined in Policy 1 of the NPS-UD).

> ***Policy 1:*** *Planning decisions contribute to* ***well-functioning urban environments****, which are urban environments that, as a minimum:*
>
> *(a) have or enable a variety of homes that:*
>
> *(b) meet the needs, in terms of type, price, and location, of different households; and*
>
> *(c) enable Māori to express their cultural traditions and norms; and*
>
> *(d) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and*
>
> *(e) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*
>
> *(f) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and*
>
> *(g)support reductions in greenhouse gas emissions;*
>
> *(h)and are resilient to the likely current and future effects of climate change.*

Policy 5, and other NPS-UD policies, directs a greater enablement of intensification, with a view to help achieve the Policy 1 outcomes.[47] Enabling more people to live in locations with good access to work places, education, and amenities is considered to assist in achieving Policy 1. This form of development (ie. intensification) will mean that residents will avoid congestion and long commute times and create more attractive working and commercial environments.

Intensification in appropriate locations can also provide for more successful strategic infrastructure delivery, as it provides for better integrated planning and funding decision-making, in order to achieve greater efficiencies. From an accessibility perspective, improved integration can also facilitate greater transport modal shift.

Increased housing choice can also be facilitated by ensuring attached housing typologies are enabled through the built form standards. This can cater for a range of different households due to changing demographics and allow people to 'age in place'. Furthermore, lower to medium density attached dwellings are able to provide viable alternatives for households that would otherwise seek a standalone dwelling through having a similar dwelling size and characteristics to standalone dwellings but on smaller

47 Ministry for the Environment (2020) Understanding and implementing intensification provisions of the NPSUD, page 8.

average site areas[48] but with improved accessibility to public and active transport, commercial centres or other amenities.

Increased housing choice and diversity can also play a part in housing affordability, however for the Queenstown Lakes District this is acknowledged as only being part of a solution given that there are other factors which affect house prices and affordability within the District.

6. DEVELOPMENT OF THE PROPOSAL

6.1 METHODOLOGY

All of the objectives and policies of the NPS-UD have been considered when developing this proposed variation. Within the District's Urban Environments, both the District Plan zoning extent, and the provisions have been reviewed to determine whether they could better achieve and implement Policy 5 of the NPS-UD in particular. To help inform the review, the following work has been completed:

6.1.1 Accessibility and Demand Analysis

Barker & Associates on behalf of QLDC have undertaken an Accessibility and Demand Analysis to inform the implementation of Policy 5 of the NPS-UD. Their methodology is detailed in Appendix 3.

In summary, the methodology included a review of the accessibility of the land within the Urban Growth Boundaries (UGBs), as well as zones outside the UGB that are intended to be urban in character being rural urban settlements of Glenorchy, Kingston, Cardrona and Luggate[49].

The accessibility analysis takes into account accessibility via active travel or public transport and walkable catchments around destinations such as employment nodes, commercial centres, education, open space, food and retail locations and healthcare. Based on this, determination of an area's 'level of accessibility' is informed by how many destinations can be accessed within a given timeframe.

Analysis of 'relative demand' was also undertaken in accordance with Policy 5(b) of the NPS-UD. Guidance from the Ministry for the Environment[50] sets out the locations where demand can often be considered high:

a) areas with high land prices relative to others;
b) locations close to open space and recreation opportunities;
c) areas within, or close to, centres;

48 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics

49 Part of Luggate is zoned LDSRZ

50 Ministry for the Environment (2020) Understanding and implementing intensification provisions of the NPSUD

d) areas with good transport opportunities – including frequent public transport, multi-mode transport opportunities (eg, public transport, walking and cycling) and freight;
e) areas close to key services including, schools, hospitals and supermarkets;
f) areas close to a range of business activities; and
g) locations with good views, outlook and amenity, including areas with water views or green space outlooks.

Many of the above matters have been captured by the assessment of accessibility but further analysis included looking at land values and a land value to capital value ratio as well as taking into account proximity of locations to open space and recreation opportunities, areas in or close to centres, areas with good transport options, areas close to services, areas close to business activities and locations with good views, outlook and amenity.

Two recommended options for rezoning resulted from the Accessibility and Demand Analysis and these are shown as attachments to Appendix 3 (Page 31-38) . The two recommended options were as follows:

- where the commercial nodes are strengthened through the upzoning of the land surrounding the nodes, or
- where the commercial nodes as well as a corridor (with frequent public transport) are strengthened through the upzoning of land surrounding the nodes and corridor.

These options are recommended in parallel with the recommended changes in provisions to enable more height and densities as outlined below.

In addition to the Accessibility and Demand Analysis undertaken by Barker & Associates, Market Economics (M.E) modelled the two proposed options (along with others) and identified the commercially feasible capacity (based on 2022 values) for each of the options being considered[51]. The methodology for this review is detailed in Section 2.2 of the M.E report in Appendix 5.

Although the zoning extent of all urban areas has been reviewed, there are many areas where the zoning of land is not proposed to be changed as rezoning is not needed to commensurate with the locations' level of accessibility and relative demand as required by Policy 5 of the NPS-UD.

It is acknowledged over time that additional areas will become more accessible or will have higher relative demand than that which has currently been modelled due to introduction or increased public or active transport networks or development of amenities in new locations or expanded amenities in existing locations. These changes to accessibility and demand will be addressed in future plan changes, variations or District Plan reviews with the scope of this plan change only relating to existing accessibility and relative demand.

[51] This formed part of modelling four broader S32 options which included zoning changes as well as changes to the provisions.

6.1.2 Review of Proposed District Plan Provisions

Policy 5 requires the Council to enable heights and densities that are commensurate with the greater of accessibility or relative demand. The proposed changes in the extent of different zones are informed by the accessibility and demand analysis summarised above. The recommendations in relation to the zoning have been considered in parallel with the height and densities that should be enabled by the different zones. The approach taken in the variation is furthermore considered to reflect the objectives of the Proposed District Plan which already seek to enable and encourage medium and high density residential development in accessible locations (refer to objectives 8.2.1 and 9.2.1).

Policy 5 does not stand in isolation and is to be read together with the other objectives and policies in the NPS-UD, particularly, the policies that provide direction for achieving a well-functioning urban environment. The proposed provisions therefore aim to not just enable intensification, but to also ensure adequate amenity values within intensification areas, that development can be serviced and to mitigate any potential increase in stormwater runoff.

Taking into account the above, changes are proposed to the standards and provisions relating to the following PDP zones:

- Lower Density Suburban Residential Zone
- Medium Density Residential Zone
- High Density Residential Zone
- Queenstown Town Centre
- Wānaka Town Centre
- Business Mixed Use Zone
- Local Shopping Centre Zone

Changes to the standards and provisions changes are also informed by the heights and densities already enabled within the zones and constraints to intensification such as hazards, heritage features, airport noise boundaries, reverse sensitivity effects and landscape values. Based on these considerations, a review of the provisions of the following PDP Urban Environment zones are not considered to be warranted in order to give effect to the NPS-UD and Policy 5 specifically. These zones include:

- Arrowtown Town Centre
- Arrowtown Residential Historic Management Zone
- Jacks Point Zone (Special Zone)
- Large Lot Residential Zone
- Settlements Zone
- General Industrial and Services Zone
- Coneburn Industrial Zone (Special Zone)
- Three Parks Business
- Three Parks Commercial

It is also noted that the last five listed zones were included in Stage 3 of the District Plan review and the provisions have not been treated as operative for a sufficient length of time to allow for effective monitoring.

The review of the District Plan provisions incorporated an urban design review undertaken by Barker & Associates (Appendix 4). The urban design review was focussed on building heights and density provisions, provisions to help mitigate associated effects, as well as any other provisions which may create consenting impediments to achieving the outcome sought by the relevant zones.

The review of the District Plan provisions has also taken into account the findings of the monitoring that has been undertaken to date including the work completed by Beca on behalf of the Ministry for the Environment[52] and the s35 monitoring that has been undertaken that includes a range of quantitative and qualitative assessments.

Various constraints to intensification have also been considered and exclusions or partial exclusions to intensification have been applied where specific areas are not considered to be suitable for intensification. These are detailed below in Section 5.2. These constraints have been included in the assessment of the options considered below and within the M.E modelling.

6.1.3 Options Considered

Taking into account the two rezoning options provided by the Accessibility and Demand analysis, seven options were considered in the formulation of the proposed variation. These are detailed within Appendix 6 and summarised below.

Option 1	Change zoning around commercial nodes and make the associated provisions more enabling
Option 2	Change zoning around commercial nodes and corridors and make the associated provisions more enabling
Option 3	Option 1 + changes to the standards in the Lower Density Suburban Residential Zone (LDSRZ) relating to building heights, average site area, and minimum lot area (subdivision chapter)
Option 4	Option 2 + changes to the standards in the LDSRZ relating to building heights, average site area, and minimum lot area (subdivision chapter)
Option 5	Option 2 + apply the Government's Medium Density Residential Standards to the land zoned LDRZ and MDRZ
Option 6	Option 2 + apply a modified approach to the Medium Density Residential Standards to the land zoned LDSRZ and MDRZ
Option 7	Status quo

6.1.4 Capacity Modelling

Options 1 - 6 have been modelled by M.E (Appendix 5) and compared to the baseline of Option 7. The methodology for this review is detailed in the M.E report.

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

The modelling identifies and compares the plan enabled capacity that results from the proposed options as well as the commercially feasible capacity and the existing infrastructure limitations on capacity.

The commercially feasible capacity modelled by M.E shows the potential range of development options if they were available to the market. The commercially feasible capacity shows the range of opportunities available, with only a portion of these being likely to be taken up in line with the level of demand in the District. M.E also assessed the commercially feasible capacity against the projected demand.

6.1.5 Further changes following the modelling

Further changes to the to the recommended rezoning and proposed provisions have been incorporated following the modelling and as a resulted of the recommendations within the M.E report (Appendix 5). These Include:

- Removing the existing density rule[53] for the proposed MDR zoning within Chapter 8.
- Instead of downzoning the existing HDR in Wānaka, Three Parks and Arthurs Point to MDR, the HDR zoning has been kept with bespoke height rules applied (excluding at Arthurs Point) and apply the new HDR recession plane rules.
- Instead of downzoning the MDR areas north of Wānaka to LDSR, the MDR zoning has been kept and the new MDR height (11m +1m) and recession plane provisions have been applied. This is a height increase from 7m to 11m (+ 1m for roof form) to be the same as other MDR areas proposed in Wānaka.
- Instead of downzoning the existing MDR area at the top of Queenstown Hill and Arthurs Point, the MDR zoning has been kept, subject to bespoke height rules restricting permitted building height to 8m[54] and the proposed MDR recession planes.

While some of these changes respond to the M.E report recommendations, the modelling was not updated to take these changes into account. However, M.E have provided details on the potential capacity increases as a result of the removal of the MDR density rule in Chapter 8 and these have been included in the assessment of Options 1 and 2.

Other than the positive benefits of allowing more HDR near the Wānaka Town Centre (WTC) and the density increases as a result of the removal of the MDR density restriction in Chapter 8, it is not anticipated that there would be substantial changes to the results of the modelling and the conclusions reached within the M.E report as a result of the abovementioned changes. These changes are consistent across Options 1 – 6 above, except for not applying the bespoke height restrictions to MDR zoned land under Options 5 and 6.

[53] 1 unit per 250m² net site area

[54] This is the same height as applies to the sites under the existing MDR zoning

These changes have been incorporated and taken into account in Section 6.2 (constraints), Section 7 (proposal) and Section 8 (evaluation) of the report below.

6.2 EXCLUSIONS OR PARTIAL EXCLUSIONS TO INTENSIFICATION

The NPS-UD acknowledges that not all urban areas are suitable for intensification due to there being specific features that need to be protected or characteristics and constraints that need to be taken into account.

In the NPS-UD, the term 'qualifying matter' is defined in Clause 3.32 to describe aspects which Tier 1 local authorities may utilise to apply modified building height or densities in specific locations or areas. These include the matters of national importance listed in Section 6 of the RMA, as well as other matters such as nationally significant infrastructure, natural hazards, public open space, heritage, and consistency with iwi participation legislation.

Qualifying matters apply specifically to Tier 1 authorities and they therefore do not directly apply to the Queenstown Lakes District being a Tier 2 local authority.

However, the assessment of the areas identified by the Accessibility and Demand Analysis as being suitable for rezoning and the proposed changes to the provisions in some areas has identified a number of constraints that need to be taken into account. In identifying possible constraints, the Council has considered the NPS-UD provisions that relate to qualifying matters as those matters have been identified in a higher order document as potentially being appropriate constraints to the enablement of development.

Where a constraint exists, this does not necessarily mean intensification should not be enabled, rather, the NPS-UD (and the RMA) expects local authorities to carry out a comprehensive analysis, and seek to enable increased (commensurate) heights and densities while managing constraints appropriately.

The process for evaluating "qualifying matters" is detailed in clause 3.33 of the NPS-UD. In summary, this includes the following:

1 Demonstrate why it is considered that the area be subject to a qualifying matter;
2 Assess the impact that limiting development capacity, height, density or any other relevant matter will have on the provision of development capacity; and
3 Assess the costs and broader impacts of imposing the limits.

Council has generally adopted the same approach when assessing constraints as part of this proposal and has applied a number of exclusions or partial exclusions which are detailed below.

6.2.1 Gorge Road ODP High Density Residential Zone

Whilst the Accessibility and Demand Analysis identified the Gorge Road area as having a high accessibility score, particularly in proximity to the Queenstown town centre, and the relative demand analysis

identified the area as having high demand, the Council is currently working to understand the nature, scale and risk of the natural hazards (alluvial fan debris flow risk, flooding and rock fall) present within and adjacent to the Gorge Road ODP High Density Residential Zone.

These areas (known as Brewery Creek and Reavers Lane) have not yet been included in the District Plan review as detailed investigations and community consultation in relation to risk tolerance is been undertaken and a preferred response package is being developed. This is being undertaken within the context of section 6(h) of the RMA, matters of national importance - the management of significant risks from natural hazards.

Once the outcomes of the above workstreams is known, the zoning of the areas and their related planning provisions will be considered, and the area incorporated into the District Plan review. This review will be required to take into account the requirements of the NPS-UD, given that Queenstown Lakes is a Tier 2 local authority, but currently due to the further work required, the natural hazard risk in this area means that intensification is considered to be inappropriate.

It is noted that the majority of the area is zoned High Density Residential under the ODP in which there is no maximum density specified in the ODP.

6.2.2 Location-Specific Building Height Standards

It is proposed to retain a number of existing specific location-based bespoke building heights under the proposal as opposed to applying the proposed increased building heights for the applicable zones. These areas are:

- LDSRZ in Kawarau Heights (Structure plan 27.13.15 and existing rule 7.5.1.3)
- MDRZ in Arthurs Point on the knoll (existing specific area identified on the District Plan maps existing rule 8.5.1.2/proposed rule 8.5.1.1 b)
- MDRZ in Arthurs Point – wider area (proposed specific areas identified on the District Plan maps and proposed rule 8.5.1.1 a)
- MDRZ at Queenstown Hill (a proposed specific area identified on the District Plan maps and proposed rule 8.5.1.2)
- HDRZ area along the south side of Frankton Road (specific area identified on the District Plan maps)
- HDRZ area to the west of the Kawarau Falls Bridge
- HDRZ in Wānaka and Three Parks
- HDRZ in Frankton North

The Kawarau Heights height restrictions are shown on the Structure plan at 27.13.15 of the Subdivision chapter of the PDP as well as a bespoke height rule within the LDSR chapter. It is a legacy height restriction from a recently resolved appeal[55] on stage 2 of the District Plan review. The limit on building heights is in

[55] Consent order (ENV-2019-CHC-29)

order to protect the Outstanding Natural Landscape (ONL) Values of the adjoining ONL and the Kawarau River Outstanding Natural Feature (ONF) as well as the wider ONL as viewed from public places. The area is located on a prominent landform as viewed from public places and the height restrictions, along with other controls, are needed to mitigate adverse effects on the wider and adjoining ONL and ONF. It is noted that the protection of ONF/L's from inappropriate subdivision, use and development is a matter of national importance under Section 6(b) of the RMA Given the recent litigation relating to this land area and the potential effects upon the surrounding ONL/Fs it is proposed that the existing height limit under the PDP be maintained. Given the small area of land that this bespoke height rule applies to, the effect upon plan enabled capacity and feasible capacity as a result of the retention of the height rule is anticipated to be insignificant.

There is a small pocket of MDRZ zoned land in Arthurs Point where PDP Standard 8.5.1.2 applies. This standard has resulted from a recently resolved appeal relating to the PDP[56] and it limits building height within the area identified on the District Plan maps to a maximum of 465masl. This bespoke height limit is proposed to be retained. The land area relates to a small knoll which is currently covered in conifers and any development on this knoll will be viewed in conjunction with the surrounding ONL given its elevation. Given the recent litigation relating to this land area and the potential effects upon the surrounding ONLs, a section 6 (b) matter, it is proposed that the existing height limit under the PDP be maintained. It is also noted that the Arthurs Point area did not perform well in the accessibility and demand analysis as detailed in the Barkers and Associates assessment in Appendix 3 and a height increase on this basis is also not warranted to give effect to the NPS-UD.

The remaining MDRZ zoned land in Arthurs Point is proposed to retain the existing enabled height limit of 8m and to apply the new proposed MDRZ recession plane rules that now applies to both flat and sloping sites. This land is directly adjacent to the ONL (and boundary of the UGB) and on the lower terraces it adjoins the Shotover River ONF. The MDR zoning of the land is the result of decision on Stage 3 of the District Plan review and a number of recently resolved appeals[57]. Given Section 6(b) of the RMA, it is considered that the maintenance of the existing permitted building heights along the ONL and ONF boundaries in this location will manage this potential effect. It is also noted that the Arthurs Point area did not perform well in the accessibility and demand analysis and a height increase on this basis is also not warranted to give effect to the NPS-UD.

Similarly, one area of MDRZ land at the top of Queenstown Hill is also proposed to have the existing 8m permitted building height retained and the new proposed MDR recession plane rules (that now apply to both flat and sloping sites), applied. Given the location of the land adjoining the ONL, section 6 (b) of the RMA and its performance in the accessibility and demand analysis, this is justified for the same reasons as above. Given the small area of land that this bespoke height rule applies to, the effect upon plan enabled capacity and feasible capacity as a result of the retention of the height rule is anticipated to be insignificant.

[56] Consent Order – ENV2018-CHC-076, ENV-2021-CHC-040

[57] Ibid and Consent Order – ENV2021- CHC-23

The zoning of the land to the south side of Frankton Road is proposed to be maintained as HDRZ and the existing height standard (9.5.1.3) that applies relates to a stretch of the road where the topography is lower than the level of Frankton Road is proposed to continue to apply. The standard requires that the highest point of any building shall not exceed the height of the nearest point of the road carriageway centreline. This standard is included in the District Plan to allow for public views to be maintained from the road to the surrounding ONLs including Lake Wakatipu, the Remarkables and Cecil Peak. Frankton Road is part of the State Highway network (SH6A) and is the main entrance point into Queenstown and therefore views from this route are of importance.

Given the sloping nature of the land on the southern side of Frankton Road, the retention of the maximum height control is not anticipated to have a significant effect upon the density of development that could be undertaken on the properties to which the standard applies. The public benefit of retention of the views along the road is however considered to be an important amenity for Queenstown.

The land to the north side of Peninsula Road in Kelvin Heights across Kawarau Village is zoned HDRZ and has a bespoke height standard (9.5.1.2) that sets a maximum building height of 10m and requires that no building is to protrude above a horizontal line commencing 7m above any given point at the required boundary setback at the southern zone boundary (the Peninsula Road boundary). The land is adjacent to the Lake Whakatipu ONL and part of the Kawarau River ONF, is partly covered by a Wāhi Tūpuna overlay and has a heritage building as well as number of protected trees around what is now Rees Homestead Park. These are matters of national importance under section 6b, e, and f of the RMA. The intention of this bespoke height rule is to manage the dominance effect of buildings in this location and on the above-mentioned features as well as to mitigate the potential dominance effects of buildings upon the Peninsula Road streetscape. This existing height restriction is proposed to be maintained for these reasons, but also due to the area's performance in the accessibility and demand analysis. Given the small area of land that this bespoke height rule applies to, the effect upon plan enabled capacity and feasible capacity as a result of the retention of the height rule is anticipated to be insignificant.

The HDRZ in Wānaka along Lakeside Road has an existing 7m or 8m permitted building height (depending if the site is flat or sloping) and a maximum building height limit of 10m. The land adjoins the Lake Wānaka ONL and associated Wāhi Tūpuna overlay. The existing rules aim to mitigate the potential dominance effects of buildings on these, but also accounts for Wānaka's distinctive urban character. The HDRZ area of Wānaka performed well in the accessibility and demand analysis, but not as well as Queenstown and Frankton. The same building height as the Queenstown HDRZ zones in this location is therefore not justified, but an increase in building height to 12m (similar to the new proposed MDR) is proposed, along with the proposed HDRZ recession plane rules that now apply to both flat and sloping sites. It is considered that the combination of these rules would still be adequate to mitigate potential dominance effects whilst giving effect to Policy 5 of the NPS-UD through allowing for intensification commensurate to the outcomes of the accessibility and demand analysis.

The HDRZ in Three Parks Wānaka has an existing 7m or 8m permitted building height (depending if the site is flat or sloping) and a maximum building height limit of 12m. It aims to provide for a distinctive urban character at the entranceway to Wānaka through taller buildings and landscaped areas adjacent to State Highway. The area is only partly developed and as with the other HDRZ land in Wānaka, it does not perform as well as Queenstown and Frankton in the accessibility and demand analysis. The same building heights as in the Queenstown HDRZ zones are therefore not justified in this location. However, it is noted

that the area is steadily growing into a larger commercial area and infrastructure services has recently been installed. It is proposed to maintain the 12m maximum building height (similar to the new proposed MDR (and in line with the other HDRZ land in Wānaka), along with applying the proposed HDRZ recession plane rules. It is considered that the combination of these rules would still be adequate to mitigate any potential effects. The maintenance of the existing height limit will still allow for high density residential development to be developed at a level supported by the demand and accessibility analysis.

The HDRZ in Frankton North has a an existing 12m permitted building height (Restricted Discretionary if breached) and a maximum building height limit of 20m (Non-Complying if breached). It also has a structure plan and a recession plane of 45 degrees from 3 metres above ground level along the northern boundary where it adjoins the Rural Zone, Open Space Zone and Quail Rise Special Zone. Along part of this boundary where it adjoins the Rural Zone there is a ONL line as this adjoining land is an ONL. An associated Wāhi Tūpuna overlay also applies. These are matters of national importance under section 6b and e of the RMA. The intention of these bespoke rules is to achieve a balance between allowing for HDR development while manage the dominance effect of buildings. It is acknowledged that while the land is not yet developed, once developed it will perform well in terms of accessibility and relative demand. It is proposed to relax the 12m permitted building height to align with the rest of the zone (16.5m), but to maintain the existing recession plane and the NC status of the 20m maximum building height rule. It is considered that this will give effect to the NPS-UD, while acknowledging the above-mentioned constraints to intensification in this location. Given the small area of land that this applies to, the effect upon plan enabled capacity and feasible capacity as a result of the retention of the height rule is anticipated to be insignificant.

6.2.3 Arrowtown Historic Heritage

The accessibility analysis identified central Arrowtown, encompassing the PDP Arrowtown Town Centre Zone and PDP Arrowtown Residential Historic Management Zone as having a high level of accessibility and relative demand for housing and business land.

As can be seen in the PDP mapping, the Arrowtown Town Centre and Arrowtown Residential Historic Management Zone have a significant number of historic heritage features/buildings, a heritage protection order, protected and character trees. Proportionally, this number is much greater than elsewhere in the District. A Historic Heritage Precinct also covers the Arrowtown Town Centre and part of the Arrowtown Residential Historic Management Zone along Buckingham Street. This area is referred to as the 'Old Town'[58] and was the first residential area developed to support the establishment of Arrowtown as an early mining town. The Arrowtown Design Guidelines 2016 identify that although change has occurred within the 'Old Town', the historic fabric is sufficiently intact that the essence of early Arrowtown heritage remains. The 'Old Town' area is outlined in the Design Guidelines as providing contact for Arrowtown's town centre. For these reasons, and section 6(f) of the RMA, no changes to the Arrowtown Town Centre Zone or the Arrowtown Residential Historic Management Zone are proposed.

58 Arrowtown Design Guidelines 2016

Whilst the area was identified has having a high level of accessibility and relative demand, the costs of intensification in terms of historic heritage and character are considered to outweigh the benefits of providing for intensification in the Arrowtown Town Centre and Arrowtown Residential Historic Management Zones. These are small zones and therefore excluding the zones from intensification will not result in a significant effect upon plan enabled capacity. Furthermore, the proposed changes to the LDSR and MDR zones apply to areas in Arrowtown and will still allow for increased plan enabled capacity within the Arrowtown township.

6.2.4 Queenstown Town Centre Historic Heritage

There are a number of historic heritage features/buildings within the Queenstown Town Centre as well as three Historic Heritage Precincts which are centred along Ballarat Street and includes Queenstown Mall and one on Marine Parade, which also includes a heritage protection order. Height of development within the Precinct is restricted and generally allows for an additional level of development adjacent to the identified heritage buildings. Retention of this low-rise characteristic is proposed and therefore the Queenstown Town Centre Historic Heritage Precincts are proposed as an exclusion to intensification given that historic heritage is a matter of national importance under Section 6(f) of the RMA.

The urban design advice has also recommended that the same heights that apply to the Queenstown Town Centre Heritage Precinct also be extended to the block bounded by Church Street, Camp Street, Earl Street and Marine Parade due to the number of historic features/buildings that are located within that street block. This is also recommended as an exclusion to the level of intensification that applies to the remainder of the Queenstown Town Centre zone.

Given the small area of land that this area relates to, the effect upon plan enabled capacity and feasible capacity as a result of the proposed retention of the existing height rule is anticipated to be insignificant.

6.2.5 Land within the Air Noise Boundary and Outer Control Boundary of the Queenstown Airport

No change is proposed to the permitted density within the Air Noise Boundary of the Queenstown Airport however changes are proposed within the Outer Control Boundary (OCB).

The following options were considered to give effect to Policy 5 of the NPS-UD within the OCB:

1. **Status Quo** – no changes to the zoning within the OCB or the related rules and standards.

2. **Provision changes only** - no changes to the zoning of land within the OCB but changes to the provisions [excluding changes to existing densities of Activities Sensitive to Aircraft Noise enabled (ASAN)] in line with the remainder of the zones[59].
3. **Change to zoning and provisions** - changes to zoning (rezone LSCZ to BMUZ and LDSRZ to MDRZ[60]) and changes to provisions in line with the remainder of the zones as detailed in Appendix 7 and 8, including removing density restrictions (Rule 16.4.16) for Activities Sensitive to Aircraft Noise in the BMUZ within the OCB.

Note: all 3 options include maintaining sound insulation and mechanical ventilation requirements for land within the OCB.

M.E have considered these options and has provided high level comment on the economic implications of each option as detailed in appendix 7. The above three options have been assessed below.

The option of removing the sound insulation and mechanical ventilation requirements was not considered given the health and safety and social effects that can occur as a result of airport noise upon Activities Sensitive to Aircraft Noise[61].

Option 1 – Status Quo	
Costs	• The current cost of acoustic insulation and mechanical ventilation is high. • The economic benefits of creating a critical mass around commercial centres[62] and public infrastructure is not enhanced. This will also not enhance the viability of the high frequency public transport infrastructure[63] in these locations.
Benefits	• The Queenstown Airport is defined in the PDP as 'Regionally Significant Infrastructure' and in the NPS-UD as 'Nationally Significant Infrastructure' and the status quo provides for limited intensification within the OCB thereby providing a lesser risk of reverse sensitivity effects than the other options and ensuring the protection of the continued operation of the infrastructure. • The existing zoning and provisions allow for people to redevelop their properties and undertake limited infill development subject to installation of sound insulation and mechanical ventilation.
Efficiency	• This option results in a less efficient use of the land resource than the other options being considered.

59 Permitted density in the LDSRZ would remain 1/450m² and minimum lot area of 600 m^2 (subdivision chapter) with both having a NC activity status to exceed this. The no maximum density standard and 10m height limit for the LCSZ to be increased to 14m (except for the bespoke rules at 16,18,18B and 20 McBride Street and 1 Hansen Road) and the BMU zone within the OCB will still precludes any Activities Sensitive to Aircraft Noise.

60 Airport rezoning option 3 as shown in Appendix 8

61 Defined in PDP Chapter 2

62 ME explains that the commercial area zoned LSC at Frankton is currently relying on through traffic as oppose to a critical mass surrounding it and they note that there is significant plan enabled capacity for residential and VA use surrounding the commercial areas within Frankton Flats and Remarkables Park to from a critical mass.

63 It is noted that the Public Transport Hub at Frankton serves does not just serve as a public transport stop, but also a Transport interchange. It is therefore not solely relying on a critical mass surrounding it to make it viable.

	• The option favours prioritising efficiency of airport operations (by limiting reverse sensitivity effects that could arise by increasing the number of sensitive receptors) above increasing intensification in a location that is highly accessible.
Effectiveness	• The existing zoning and provisions are effective and clear in their intent and requirement. • The status quo aligns with Policy 3.2.2.1 that requires urban development occur in a logical manner so as to appropriately manage effects on infrastructure (airport) and Objective 4.2.2A which seeks a compact, integrated and well designed urban form within the UGBs that is managed to ensure that the Queenstown Airport is not significantly compromised by the adverse effects of incompatible activities.
Risk of acting or not acting	• The risk of acting is increasing the population within the OCB that may raise reverse sensitivity effects in relation to the operation of the airport which is identified as regionally and nationally significant infrastructure. • The risk of not acting is that additional intensification in a location that scored highly in the Accessibility and Demand Analysis and which is outlined as a future Metropolitan Centre in the Queenstown Lakes Spatial Plan is not provided for.
Ranking	• **Ranked 2**
Option 2 – Provisions changes only	
Costs	• The current cost of acoustic insulation and mechanical ventilation is high for developers. • This option would result in the potential for additional affected persons[64] opposing future proposals to intensify operations at the Queenstown Airport which will add additional risk and expense to that process for the Airport (but less so than Option 3 given less capacity is being enabled). • This option could also increase the level of reverse sensitivity effects that occur in as a result of noise associated with the Queenstown Airport and State Highway 6 and 6a notwithstanding the requirements for acoustic insulation and mechanical ventilation (but less so than Option 3 given less capacity is being enabled). • This option can result in adverse health and social effects for the additional people that will reside within the OCB as a result of aircraft noise. Although the sound insulation and mechanical ventilation requirements will be maintained, there can still be health effects

[64] Potentially enabled by increasing height (LDSRZ and LSCZ) and relaxing recession plane rules, but no changes to the Status que rules restricting Activities Sensitive to Aircraft Noise.

	from living in a noisy environment (but less so than Option 3 given less capacity is being enabled). • The economic benefits of creating a critical mass around commercial centres and public infrastructure is not fully realised by this option as it will only result in a small increase to the plan enabled capacity due to only relaxing the bulk and location standards. • Residential amenity is lower within the OCB and outdoor living is affected. • Development of flat land within Frankton is more economically viable that development of many other areas of Queenstown that has sloping land or geotechnical constraints.
Benefits	• The proposed changes to the LDSRZ provisions will allow for an additional 1m in permitted building height on sloping sites compared to the status quo. This will provide additional design flexibility but no additional yield. • The proposed changes to the LSCZ provisions would be to increase the permitted height from 10m to 14m and relax the recession plane requirements where a site adjoins a residential zone. This may provide for an increase in an additional level of development capacity and therefore provide additional intensification as well as design flexibility. This would result in intensification in an area that is highly accessible. • The proposed changes to the BMU provisions would be to relax the recession plane requirements where a site adjoins a residential zone, which will provide for a marginal increase in development capacity (excluding for ASAN) as well as design flexibility.
Efficiency	• This option results in a more efficient use of the land resource than Option 1 in a location that has high relative demand for housing and business land and within locations that are identified as being highly accessible. • The option slightly shifts the balance towards increasing intensification (without significantly increasing the number of sensitive receptors and associated reverse sensitivity effects that could arise) as oppose to just prioritising maintaining efficiency of airport operations.
Effectiveness	• The proposed change to the LDSRZ provisions for sites within the OCB is not anticipated to significantly effect density of development or numbers of people accommodated within the OCB. • The proposed changes to the LSCZ provisions will likely result in a small increase in intensification within the OCB. • This option is considered to still align with Policy 3.2.2.1 that requires urban development occur in a logical manner so as to appropriately manage effects on infrastructure (airport).

	• It is also considered to be consistent with Objective 4.2.2A which seeks a compact, integrated and well designed urban form within the UGBs that is managed to ensure that the Queenstown Airport is not significantly compromised by the adverse effects of incompatible activities. The small increase in capacity that this option produces is not considered to be significant and as the acoustic insulation and mechanical ventilation requirements will still be in place for Activities Sensitive to Aircraft Noise (ASAN) the potential reverse sensitivity effects will be managed.
Risk of acting or not acting	• The risk of acting is increasing the population within the OCB that may raise reverse sensitivity effects in relation to the operation of the airport. • The risk of not acting is that additional intensification in a location that scored highly in the Accessibility and Demand Analysis and which is outlined as a future Metropolitan Centre in the Queenstown Lakes Spatial Plan is not provided for.
Ranking	**Ranked 1**
Option 3 – Changes to zoning and provisions	
Costs	• This option can result in additional affected persons opposing proposals to intensify operations within the Queenstown Airport which will add additional risk and expense to that process. • This option could also increase the level of reverse sensitivity effects that occur in as a result of noise associated with the Queenstown Airport and State Highway 6 and 6a notwithstanding the requirements for acoustic insulation and mechanical ventilation. • The cost of acoustic insulation and mechanical ventilation is high. • This option can result in adverse health and social effects for the additional people that will reside within the OCB as a result of aircraft noise. Although the sound insulation and mechanical ventilation requirements will be maintained, there can still be health effects from living in a noisy environment. • Residential amenity is lower within the OCB and outdoor living is affected. • • There is a litigation cost to the community of removing various PDP provisions that are currently restricting or limiting the amount of activities that are sensitive to aircraft noise to establish within the OCB.
Benefits	• Intensification of the land within Frankton would be in an area that has high accessibility and relative demand, as shown in the Barker & Associates modelling in Appendix 3. • The majority of land within Frankton is flat and does not have known geotechnical constraints and therefore is easier to develop compared to many of the sloping sites in Queenstown.

	• Intensification of the land for residential purposes will support the diversification of commercial and community services that are offered within the BMUZ.
	• Intensification of development will provide additional critical mass to support upgrades in public and active transport infrastructure which can support a mode shift away from use of private vehicles and therefore reduce greenhouse gas emissions.
	  • Intensification of development around the Frankton bus hub will help provide a critical mass to encourage greater frequency of services and improve economic viability.
	  • There are economic benefits associated with creating a critical mass around commercial centres.

Efficiency	• This option would be the most efficient use of the land resource out of the three options being considered. • The intensification of land would be occurring in areas without the road transport and three waters infrastructure constraints outlined in the M.E report. • This option favours intensification above prioritising maintaining efficiency of airport operations.
Effectiveness	• Intensification of land within the Frankton area will help implement the Queenstown Lakes Spatial Plan in promoting Frankton as a Metropolitan Centre and would provide for intensification in an area identified as being accessible and in demand in line with Policy 5 of the NPS-UD. • The proposal will promote the compact urban form sought by Chapter 4 and limit the need for outward expansion of urban areas. • This option would require changes to the objectives and policies within the MDRZ and BMUZ chapters to ensure that they align with the higher order policies in Chapters 3 and 4 relating to regionally significant infrastructure. Additional changes to Chapter 3 may also be necessary.

Risk of acting or not acting	• Not acting is considered to have a risk of the Council failing to meet its obligations under the NPS-UD, however the other zoning and provisions changes included in the proposed variation do provide for a significant increase to the status quo in terms of feasible capacity.
	• The risk of acting is to place additional pressure upon the operations of Queenstown Airport which is identified as regionally and nationally significant infrastructure.
	• There is a risk that acting would be inconsistent with the District Plan's strategic direction (chapter 3 and 4) which seeks to:
	  ▪ recognise that the Queenstown Airport makes an important contribution to the prosperity and resilience of the District;
	  ▪ protect the Queenstown Airport from reverse sensitivity effects;

	▪ provide for Queenstown Airport's efficient operation; and ▪ ensure that Queenstown Airport is not significantly compromised by the adverse effects of incompatible activities.
Ranking	**Ranked 3**

Overall, the best ranked option that achieves an appropriate balance between intensification within the OCB while not significantly compromising the safety and efficiency of the airport operations is option 2. This option could have a marginal increase in the amount of activities sensitive to Airport Noise that could establish within the OCB, due to relaxing the recession planes that adjoin the residential zoned land within the LSCZ and the BMUZ, but it is not anticipated to compromise airport operations.

It is also noted the marginal increase enabled by the provision has not been modelled as part of the broader Options 1 - 6 by M.E (Appendix 5), as the model applies a blanket restriction on residential intensification within the OCB. Consequently, it is not anticipated that there will be any change to the broader modelling and recommendations as outlined within the ME report.

6.2.6 Wānaka Town Centre

The urban design recommendations of Barker & Associates (Appendix 4) were in support of increasing the permitted building heights in the Wānaka Town Centre (WTC) *up to* 20m either across the town centre or for most of the town centre except for maintaining the existing height within Precinct 1. This is compared to the existing permitted height of 8m to eave line and 10m to ridge line outside of the Height Precincts[65] and between 10-12m to the eave line and 12-14m to the ridge in Height Precincts 1 and 2[66]. The options considered in relation to the WTC building heights include:

1. Status quo – no changes/intensification
2. 20m permitted building height with 6m setback for upper levels above 12m across the entire WTC zone.
3. 16.5m permitted building height with 4m setback for upper levels above 12m across the entire WTC zone.
4. 16.5m permitted building height with 4m setback for upper levels above 12m across WTC zone with the status quo applying to Height Precinct 1[67].

These options have been assessed below.

Option 1 – Status quo	
Costs	• The economic benefits of creating a critical mass within commercial centres is not realised.

65 Rule 13.5.8
66 Rule 13.5.9
67 Height Precinct 1 applies to the properties fronting Ardmore Street between Bullock Creek and Dungarvon Street and the WTC zoned properties fronting Dungarvon Street

	• Lack of critical mass within the town centre will also make public transport infrastructure and active travel upgrades less viable. • Other greenfield locations such as Three Parks are more attractive to develop for commercial and mixed use development which may entice businesses out of the WTC. This can adversely affect the economic viability of the WTC.
Benefits	• The retention of the status quo will maintain the existing character of the WTC which is enjoyed by tourists and residents. • There is likely to be less residential development within the WTC under the current rules which results in less conflict with noise generated within the centre, including from the Lower Ardmore Entertainment Precinct.
Efficiency	• This will result in the least efficient use of the WTC land resource compared to the other three options.
Effectiveness	• There has only been one recent development within the WTC (The Precinct) which implies that the existing WTC built form provisions are not providing enough incentive for redevelopment even though M.E has identified that the largest areas of existing feasible capacity are in the WTC and Queenstown Town Centre. • With the height changes proposed to the other zones, such as the BMUZ, the hierarchy of centres is not maintained if the existing height limits remain for the WTC i.e WTC is the focus for commercial development and has the highest height limits.
Risk of acting or not acting	• Given the high share of plan enabled capacity for the Upper Clutha lies within the WTC zone, development within the zone is heavily relied upon to meet the projected long term demand for residential and commercial capacity. If this does not eventuate, increased heights and/or densities in other zones would be required, or further greenfield subdivision or intensive attached style housing in the Wānaka MDRZ. • Not acting is considered to have a risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 4**
Option 1 –20m building height with 6m setback for upper floors above 12m across the WTC zone	
Costs	• The existing 'low rise' character of the WTC may be adversely affected by the uptake of development to the 20m height limit which may adversely affect the enjoyment and attraction of the WTC for both tourists and residents.
Benefits	• The economic benefits of creating a critical mass within commercial centres is realised so to support economic activity and diversification of commercial and community activities and services. This will also make public transport infrastructure and active travel upgrades more viable.

	• The proposed changes will encourage residential apartment development within the WTC at above ground floor levels which will provide for additional housing choice in Wānaka and go some way to addressing the long-term projected net increase in demand for an additional 1,500 apartment dwellings in Wānaka as modelled by ME[68]. • Within the Upper Clutha area, the WTC has the highest level of accessibility and demand as detailed in the assessment by Barkers and Associates. • New development as viewed from the street would retain the predominant "low scale" 3 to 4 storey character of the WTC. • The 6m setback of the upper floor levels above 12m will retain a degree of sunlight. It will also effectively "hide" two additional storeys and provide opportunities for upper level balconies and communal outdoor spaces.
Efficiency	• This will result in the most efficient use of the WTC land resource compared to the other three options.
Effectiveness	• The proposed changes will be effective in providing additional commercially feasible plan enabled capacity in the WTC to assist in meeting the projected long term demand for apartment housing. • The proposal may result in a surplus in commercial floor space which may adversely affect the viability of the Three Parks zoning or Wānaka BMUZ.
Risk of acting or not acting	• Not acting is considered to have a risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 3**
Option 3 – 16.5m building height with 4m step back upper floors above 12m across the WTC zone	
Costs	• The existing 'low rise' character of the WTC may be adversely affected by the uptake of development to the 16.5m height limit which may adversely affect the enjoyment and attraction of the WTC for both tourists and residents, but less so than Option 2.
Benefits	• The economic benefits of creating a critical mass within commercial centres is realised (less than Option 2) so to support economic activity and diversification of commercial and community activities and services. This will also make public transport infrastructure and active travel upgrades more viable. • The proposed changes will encourage residential apartment development within the WTC at above ground floor levels which will provide for additional housing choice in Wānaka and go some way to

[68] Changes to Dwelling Typology Structure of Demand: Higher Market Shift Scenario – page 12

	addressing the long-term projected net increase in demand for an additional 1,500 apartment dwellings in Wānaka as modelled by ME. • Within the Upper Clutha area, the WTC has the highest level of accessibility and demand as detailed in the assessment by Barkers and Associates. • New development as viewed from the street would retain the predominant "low scale" 3 to 4 storey character of the WTC. • The 4m setback of the upper floor levels along with the lower heights will retain a degree of sunlight to footpaths and will provide a pedestrian scale to the streetscape. This setback will still allow for provision of balconies at upper floor levels which will increase passive surveillance.
Efficiency	• This option will result in an increase in the efficient use of the WTC land resource but less than Option 2.
Effectiveness	• The proposed changes will be effective in providing additional commercially feasible plan enabled capacity in the WTC to assist in meeting the projected long term demand for apartment housing. • The proposal may result in a surplus in commercial floor space which may adversely affect the viability of the Three Parks zoning or the Wānaka BMUZ (less than Option 2).
Risk of acting or not acting	• Not acting is considered to have a risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 2**
Option 4 – 16.5m building height with 4m setback for upper floors above 12m across the WTC zone with Status Quo in Height Precinct 1	
Costs	• The existing 'low rise' character of the WTC may be adversely affected by the uptake of development to the 16.5m height limit which may adversely affect the enjoyment and attraction of the WTC for both tourists and residents, but less so than Options 2 and 3.
Benefits	• The economic benefits of creating a critical mass within commercial centres is realised (less than Options 2 and 3) so to support economic activity and diversification of commercial and community activities and services. This will also make public transport infrastructure and active travel upgrades more viable. • The proposal provides a balance between providing additional capacity and avoiding or mitigating adverse effects upon the character and amenity of the WTC and surrounding public spaces. • The proposed changes will encourage residential apartment development within the WTC at above ground floor levels which will provide for additional housing choice in Wānaka and go some way to addressing the long-term projected net increase in demand for an additional 1,500 apartment dwellings in Wānaka as modelled by M.E.

	• Within the Upper Clutha, the WTC has the highest level of accessibility and demand as detailed in the assessment by Barker and Associates. • New development as viewed from the street would retain the predominant "low scale" 3 to 4 storey character of the WTC and would provide a lesser building height and potential dominance and character effects for land adjacent to the lakefront and the eastern end of Pembroke Park which are both popular and heavily used public spaces. • The stepped height approach with lower heights in Precinct 1 will provide more opportunities for development to utilise the northern sunlight aspect and views towards the lake and mountains over Precinct 1. • The 4m setback of the upper floor levels along with the lower heights will retain a degree of sunlight to footpaths and will provide a pedestrian scale to the streetscape. This setback will still allow for provision of balconies at upper floor levels which will increase passive surveillance.
Efficiency	• This option will result in an increase in the efficient use of the WTC land resource but less than Options 2 and 3. • This option provides for a more efficient use of the northern sunlight aspect and views towards the lake and mountains over Precinct 1 as it applies to commercially feasible development.
Effectiveness	• The proposed changes will be effective in providing additional commercially feasible plan enabled capacity in the WTC to assist in meeting the projected long term demand for apartment housing. • The proposal may result in a surplus in commercial floor space which may adversely affect the viability of the Three Parks zoning or the Wānaka BMUZ (less than Options 2 and 3).
Risk of acting or not acting	• Not acting is considered to have a risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 1**

Option 4 which applies a 16.5m building height with 4m setback of the upper floors above 12m and maintenance of the status quo height limit for Height Precinct 1 in the WTC zone is preferred as it will provide a balance between intensification and maintenance of existing character and amenity, particularly from the adjoining public spaces, including the Lake Wānaka ONL.

Barker & Associates proposed an amendment to policy 13.2.1.2 with reference to residential amenity within the Town Centre. This proposed amendment was not adopted as the purpose of the existing policy is to recognise and seek to provide direction regarding potential reverse sensitivity effects resulting from residential activities locating in the town centre. Management of this effect remains appropriate.

6.2.7 Stormwater runoff and Climate change

As the planet warms, intense rainfall and flash flooding is predicted to significantly increase. Intensification of the urban environment could increase the amount of impervious surfaces that could increase the demand upon Council's existing hard stormwater infrastructure. Soft or "sponge" infrastructure helps to absorbs and attenuate water, however during intense rainfall events, the ground becomes saturated quicker as it does have enough time to absorb and attenuate stormwater. This causes stormwater to flow onto hard infrastructure and when this becomes overloaded it causes flash flooding. Low impact stormwater designs and having more previous surfaces available to absorb and attenuate stormwater would therefore become more important to help mitigate the effects of intense rainfall events.

While intensifying existing urban environments are necessary to support the reduction in greenhouse gas emissions in accordance with Objective 8a of the NPS-UD, urban environments also need to be resilient to the current and future effects of climate change (Objective 8b), including a significant increase in intense rainfall events. To be considered a well-functioning urban environment in accordance with Policy 1 (e-f) of the NPS-UD, at a minimum, planning decisions needs to contribute towards achieving both objectives.

Overall, building coverage will increase in existing urban areas compared to current levels if development becomes more feasible through provisions that enable intensification. More impervious surfaces will inevitably reduce the ground's ability to soak up rainwater and reduce the land's ability to mitigate the effects of intense rainfall events and the urban environment's resilience to the current and future effects of climate change. This is a constraint to intensification.

As part of the review of the existing PDP provisions, Barker & Associates considered the existing building coverage and landscaped permeable surface coverage standards and found that they do not unduly restrict the development typologies anticipated within the respective zones. No changes to the standards relating to building coverage or landscaped permeable area are therefore proposed through the plan variation. Intensification is still enabled however through the proposed changes in height and density provisions in the zones. In other words, through building up.

Despite retaining the existing building coverage and landscaped permeable surface standards, as outlined above, the overall building coverage and impervious surfaces are still anticipated to increase in the urban environment compared to the status quo, as development occurs. Resource consent applications may also be lodged to potentially breach these standards. Once covered, it is hard to reverse or to mitigate the associated cumulative adverse effects of the loss in the ground's ability to absorb and attenuate stormwater.

It is therefore crucial to ensure that all proposals for intensification, or proposals for breaching associated standards includes measures to help mitigate the cumulative effects of the increase in impervious surfaces and stormwater runoff, including consideration of climate change. To help address this constraint to intensification and the associated cumulative adverse effects, the proposal includes matters of discretion and policy direction that requires incorporation and assessment of low impact stormwater designs.

6.2.8 Wānaka Aquifer and Landslide area

In Wānaka, a large part of the existing WTC, HDRZ and MDRZ around the WTC is on a pre-existing schist debris landslide and the artesian zone of the Wānaka Aquifer. Natural Hazards are covered by Chapter 28 of the PDP, but there are also Natural Hazard specific assessment matters (25.8.9) in the Earthworks chapter of the PDP and matters of discretion for buildings in the WTC (13.4.4), HDRZ (9.4.5) and MDRZ (8.4.10).

Building coverage and earthworks rules are not proposed to change (except as discussed below) for these areas and it is not anticipated that increasing heights in these areas would change the existing hazard consideration that is to be had for any development in these areas. These hazards and mitigation measures are to be considered when earthworks are proposed and when considering foundation designs for buildings (under the Building code/Act). Within the MDRZ a matter of discretion is also now proposed to include stormwater related effects (including flooding and water nuisance) when considering applications for building coverage breaches. This will specifically be relevant for proposals to breach building coverage in the MDRZ land over the artesian zone of the Wānaka Aquifer, where there are associated springs and flooding along Bullock Creek.

The loading on the likely needed engineered designed foundations could increase due to increase in the height of buildings, but a higher development yield could also make the cost of the foundations more feasible. While, the presence of these hazards does present a constraint on intensification (and potentially the feasibility of intensification), the changes proposed do not change the status quo and the need to consider these hazards at a site level when development is proposed. The only difference is that height increase could make development more feasible on some sites or in cases where parts of the sites can't be developed, an increase in the height and relaxation of the recession plane rules will allow for better utilisation of the remaining parts of the sites.

There is, however, one area around McDougall Street where the zoning is proposed to change from LDSR to MDR that is within the artesian zone of the Wānaka Aquifer. The zone change means that more residential units per site could be developed, however the change in permitted building coverage is only from 40% (LDSRZ) to 45% (MDR). The proposed zoning change would not change any of the earthwork rules applicable to these sites. The above explained benefits associated with increasing the height limits are also relevant for these sites. In light of this, it is considered that the benefits of the proposed zone change outweigh the costs and it is considered that the hazards would still be considered on a site level when intensification (rule 8.4.10), earthworks, or building coverage (8.5.4) breaches are proposed.

6.2.9 Setbacks from the State Highway

Existing provisions generally support a road boundary setback of between 2 and 4.5m for urban areas, depending on the zone. This provides space between the road and building on the site for landscaping that can support streetscape character and amenity and sometimes on-site car parking. Within the MDR and HDR zones, a setback of 4.5m applies to the boundaries of State Highways. This setback was included to address potential reverse sensitivity effects from State Highway traffic noise. As this potential effect remains and the benefit that it can provide to the streetscape character and amenity, it is considered appropriate to retain the setback as a development standard.

7. COMMUNITY AND STAKEHOLDER ENGAGEMENT

As this intensification plan variation is a direct result of implementing a national direction, limited community consultation has occurred.

Workshops with Queenstown Lakes District Councillors have been held in relation to the requirements of the NPS-UD and the proposed variation and additional written feedback from some Councillors has also been received in relation to the draft provisions since the last workshop. Where possible, this feedback has been taken into account in the development of the proposed variation.

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

Consultation has been undertaken with the Otago Regional Council (ORC) in the preparation of the proposed variation. This included review of a draft Section 32 document and provisions. Written feedback was received which has been incorporated into the proposal. Additional consultation has also been undertaken with the ORC specifically in relation to natural hazards specifically and this has been taken into account in the development of the proposed variation.

Informal consultation has been undertaken with representatives of the Queenstown Airport Corporation in relation to changes to densities and built form within the Outer Control Boundary of the Queenstown Airport. This feedback has been taken into account in the development of the proposed variation.

A survey of the regular planning consultants, developers, and RMA lawyers of the Queenstown Lakes area, who are regularly involved with resource consent applications was undertaken in August 2022. It requested feedback as to the specific PDP and ODP provisions that are seen as barriers to achieving intensification and suggestions as to how to improve these. Internal QLDC consenting staff were also sent the survey. Only eight responses were received to the survey however there was some consistency across many of the responses received and many of the responses correlated with the urban design recommendations made by Barker & Associates in Appendix 4. The survey responses are outlined in the Section 35 Monitoring Report which will be published prior to notification of this variation.

8. CONSULTATION WITH IWI AUTHORITIES

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

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

Consultation has been undertaken with both Aukaha and Te Ao Marama in the development of the proposed variation. A copy of the draft Section 32 and supporting information as well as proposed

provisions was provided to both iwi authorities for comment. Written feedback was received from Te Ao Marama with Aukaha confirming that their feedback was the same as Te Ao Marama.

The noted issues of interest to mana whenua in this instance are climate change and the provision of infrastructure for wai (water), stormwater and wastewater disposal. In terms of the proposed provisions, Iwi sought that infrastructure capacity is included as a matter of discretion for the development of buildings in the LDSRZ and MDRZ. This has been included within the LDSR, MDRZ and HDRZ for intensification as 'capacity of existing or planned infrastructure/servicing' so to allow a broader consideration of the serving of developments than just 'existing capacity'. A matter of discretion is also included for low impact stormwater design in the same chapters which aim to address the effects of climate change.

9. PROPOSAL

9.1 Zoning

The proposal includes changes to the zoning of land of some existing urban areas that have been recommended as a result of the modelling of limbs (a) and/or (b) of NPS-UD Policy 5.

The proposed zoning is shown in Appendix 1A and involves:

- Changes to the zoning of some areas currently zoned LDSRZ to MDRZ,
- Changes to the zoning of some areas currently zoned LDSRZ to HDRZ,
- Changes to the zoning of some areas currently zoned MDRZ to HDRZ,
- Where site specific rules are proposed or amended the area that they relate to are identified on the proposed zone maps.

9.2 Changes to Planning Provisions

The proposal includes changes to the existing provisions within the PDP to implement the requirements of the NPS-UD. The proposed changes are detailed in Appendix1B – 1K but are summarised below, along with the individual sub-objectives of each change that collectively aims to achieve the broader main objective of the proposed variation.

The three sub-objectives of the proposed changes are categorised as follow:

1. To enable heights and densities in accordance with Policy 5 and to recognise the benefits of intensification.
2. To ensure adequate amenity values within intensification areas.
3. To ensure that development can be serviced and to mitigate any potential increase in stormwater runoff.

These sub-objectives are referenced in the below summary tables.

PDP Chapter 2 – Definitions

Two new definitions are proposed to support the other proposed changes:

Aim:	***Provision proposed:***
2	Inclusion of a new definition of 'habitable room'.
2	Inclusion of a new definition for 'outlook space'.

PDP Chapter 4 – Urban Development

The changes proposed to Chapter 4 are limited to:

Aim:	**Provision proposed:**
N.A	Minor change to the purpose of the chapter as high-growth urban areas are no longer defined in the new NPS-UD and it now requires that local authorities provide at least sufficient development capacity.
N.A	Change to NPS-UD reference.

PDP Chapter 7 - Lower Density Suburban Residential Zone

The proposed changes to the LDSRZ include:

Aim:	***Provision proposed:***
1	Changes to the zone purpose statement.
1	Delete policy 7.2.3.2 – height restriction
3	Amend policy 7.2.6.2 – allow for consideration of infrastructure upgrades
1	Amendments to Section 7.3.2 relating to interpretation and application of rules and standards, specifically section 7.3.2.4 – to enable average densities.
1	Include a new permitted activity (7.4.4) – one residential unit on an existing site that is less than 450m^2.

1	Maintenance of the existing maximum densities however propose to amend the 300m² minimum area to relate to 'average area' rather than 'net area'.
1	Amendments to matters of discretion relating to the construction of residential units where the density of development exceeds 450m² net area but not 300m² average area.
1	Change to permitted building height limits to have the same 8m limit for sloping and flat sites across the zone with maintenance of one area where specific height limits apply.
1	Removal of the Lake Avenue Height Restriction Area (7.5.2.2).
1 & 2	Application of recession planes to development on all (flat and sloping) sites and amendment to the exemptions and change of activity status of a breach of the standard from non-complying to restricted discretionary, with inclusion of matters of discretion.
N.A	Transfer the Wānaka Substation Building Restriction Area from the LDSRZ to the MDRZ.
N.A	Reference update to Rule 7.6.1.1 to reflect change in rule numbering.
N.A	Reference updates to update document reference only.

PDP Chapter 8 – Medium Density Residential Zone

The proposed changes to the MDRZ include:

Aim	***Provision proposed:***
1	Changes to the zone purpose statement – to enable more typologies in increase heights.
1	Amendment to Objective 8.2.3 – to clarify that the character will be continually changing.
1	Amendment to Objective 8.2.5 – to consider mode shift benefits on roading infrastructure.
1	Amend policy 8.2.1.4 – to account for increased heights and low-rise apartments.
1&2	Delete policy 8.2.3.1 and 8.2.3.2 and replace with 2 new policies – to account for provision changes and direct assessments.
1	Add new policy 8.2.5.2 and update numbering – mode shift.
1	Amend policy 8.2.5.2, now policy 8.2.5.3 – to enable consideration of future upgrades.
1	Amendment to Section 8.3.2 relating to interpretation and application of rules and standards, specifically deletion of 8.3.2.5. – to account for density rule changes.

2	Add matter of discretion for residential units: Amenity values for occupants.
1	Amend matter of discretion for residential units: include providing a range of unit sizes and typologies.
2	Amend matter of discretion for residential units: Amenity values of neighbouring sites
3	Add matters of discretion for residential units: Infrastructure and stormwater
2	Add matter of discretion for residential units: waste and recycling storage space
1	Use of a uniform maximum building height of 11m + 1m for a pitched roofs across the zone but retention of the site specific height control relating to Arthurs Point and new site specific heights of areas adjoining the ONL in Arthurs Point and Queenstown Hill.
2	Changes to matters of discretion for building coverage – amenity, delete views and add privacy
3	Changes to matters of discretion for building coverage - stormwater
1	Removal of the minimum net site area for density of development (the existing minimum lot area remains in Chapter 27 for creation of vacant lots).
1 & 2	Application of the recession plane requirement across both sloping and flat sites, updating exceptions and relaxation of recession plane heights and angles.
2	Introduction of minimum outdoor living space requirements with a restricted discretionary activity status.
2	Introduction of minimum outlook space requirements with a restricted discretionary activity status.
2	Change to waste and recycling area for developments of three units or less.
N.A	Transfer of the Wānaka Substation Building Restriction Area from the LDSRZ to the MDRZ and delete advice note.
N.A	Reference updates to the updated document reference only.

PDP Chapter 9 - High Density Residential Zone

The proposed changes to the HDRZ include:

Aim	***Provision proposed:***
1	One change to the zone purpose – to enable apartments, not just low-rise apartments

2 & 3	Update and amendment of policy 9.2.2.1
1 & 2	Update policy 9.2.3.1 and delete policy 9.2.3.2
1	Update policy 9.2.6.3 and 9.2.6.5
1 & 2	Add matters of discretion for residential units to help assess proposals for intensification and ensure adequate amenity and delete consequential duplications
1	Amend matters of discretion to delete reference to sunlight access
1	Amend matter of discretion for residential units: include providing a range of unit sizes and typologies.
3	Add matters of discretion for residential units: Infrastructure and stormwater
2	Add matter of discretion for residential units: waste and recycling storage space
1	Increase building heights and change the matters of discretion for exceedances of the restricted discretionary building height.
1	Removal of the differentiation in permitted maximum building height between sloping and flat sites.
1 & 2	Application of the recession plane requirement across both sloping and flat sites and relaxation of recession plane heights and angles. Changes to exclusions.
1	Reduction of the minimum internal boundary setback requirement to 1.5m.
2	New building height setback requirement for buildings exceeding 10m in height for upper floors to be setback an additional 2m.
2	Introduction of minimum outlook space requirements with restricted discretionary activity status.
N.A	Amendment to rule 9.6.1.2 to include public notification exemption for building height setback at upper floors breaches.
N.A	Reference updates to updated document reference only.

PDP Chapter 12 - Queenstown Town Centre Zone

The proposed changes to the QTC zone include:

Aim	***Provision proposed:***

N.A	Change to the zone purpose to update a document reference only.
2	Update policy 12.2.2.3 – to clarify all listed matters are to be considered including amendments
N.A	Delete policy 12.2.2.4 – as no longer relevant as don't have discretionary building heights
2	Update policy 12.2.3.3 - ensuring appropriate level of amenity for occupants
1	Add new policy 12.2.3.7 – ensure continued flexibility of use
2	Update policy 12.2.4.2 – to ensure waste storage/loading does not compromise pedestrian experience
2	Inclusion of the adequate provision and screening of loading and servicing areas, including waste and recycling storage and collection space as a matter of discretion for buildings.
2	Introduction of a building height setback requirement in Precinct 2 for upper floor of buildings above 8m in height to be setback an additional 4m.
2	Introduction of a building height setback requirement in Precinct 3 and 4 for upper floor of buildings above 12m in height to be setback an additional 6m.
1	Change and simplification to the maximum permitted building height requirements for buildings in the Queenstown Town Centre zone as shown in figure 1 below.
1	Removal of bespoke height and recession lines rules as well as the viewshaft height requirements within existing Height Precinct 7.
2	Retention of the height rule that applies to wharf or jetties.
1	Inclusion of a minimum ground floor height standard of 4m at ground level with a restricted discretionary activity status.
2	Addition of a sunlight admission standard for QTC zoned properties that adjoin residential zones with a restricted discretionary activity status.
2	Introduction of minimum outlook space requirements with a restricted discretionary activity status.
1	Amendment to rule 12.6.3.1 to remove public notification for discretionary building height breaches in Height Precinct 1 and 1A and include exemption for setback and sunlight access breaches.
N.A	Reference updates to updated document reference only.
1&2	Update figure 2: Queenstown Town Centre Height precinct map:

Figure 1: Extract from the B&A District Plan Urban Design Review report dated 15 May 2023

PDP Chapter 13 - Wānaka Town Centre Zone

The proposed changes to the WTC zone include:

Aim	***Provision proposed:***
2	Update objective 13.2.2 –include Urban Design
1	Delete objective 13.2.3 – as now covered under 13.2.2
2	Amend policy 13.2.1.2 – to include amenity matters for occupants
1	Add new policy 13.2.1.4 – to ensure flexibility of uses
1	Amend and update policy 13.2.2.3 – to reflect changes in standards
1	Delete policy 13.2.3.1 – to reflex changes in standards

1&2	Amend policy 13.2.3.2, now policy 13.2.3.5 – to reflex changes in standards
2	Add new policy 13.2.5.5 – ensure provisions for loading and service areas, etc.
1,2 &3	Changes, delete and add new matters of discretion for buildings.
1	Increasing the maximum permitted height limit to 16.5m outside of Height Precinct 1.
2	Inclusion of a building setback at upper floor levels of 4m where buildings exceed 12m in height outside of Precinct 1 and of 3m above 10m in Height Precinct 1.
1	Relaxation of the sunlight admission standard for WTC zoned properties that adjoin residential zones.
2	Introduction of a waste and Recycling Storage Space rule with a restricted discretionary activity status.
2	Introduction of minimum outlook space requirements for residential units with restricted discretionary activity to breach.
1	Inclusion of a minimum floor height standard of 4m for ground floor levels with a restricted discretionary activity status.
1&2	Addition of rule 13.6.2.3 to exclude public notification for restricted discretionary breaches of the new waste and recycling storage space standard.
N.A	Reference updates to updated document reference only.

PDP Chapter 15 – Local Shopping Centre Zone

The proposed changes to the LSCZ are as follows:

Aim	***Provision proposed:***
2	Amend matter of discretion for residential units to ensure adequate amenity – add outlook space
2	Inclusion of the adequate provision and screening of loading and servicing areas, including waste and recycling storage and collection space as a matter of discretion for buildings.
1	Increase the maximum permitted building heights within the Fernhill and Kelvin Heights LCSZ zone to 14m and the remainder of the LCSZ to 10m.
1 & 2	Amendment to the Setbacks and Sunlight Access control standards.

PDP Chapter 16 - Business Mixed Use Zone

The proposed changes to the BMUZ are as follows:

Aim	***Provision proposed:***
1	One change to the zone purpose – to reflect that increase heigh is not just enabled in Queenstown.
1&3	Amendment to objective 16.2.2 – include infrastructure, stormwater and mode shift
1	Add new policy 16.2.2.1 – mode shift
3	Add new policy 16.2.2.2 - stormwater
1	Amendment to policy 16.2.2.9 and 16.2.4.2 – to reflect new height provisions
2	Amend matter of discretion for residential units to include outlook space
2	Inclusion of the adequate provision and screening of loading and servicing areas, including waste and recycling storage and collection space as a matter of discretion for buildings.
3	Add matter of discretion for residential units: low impact stormwater design
1	Increase of the maximum building height to 16.5m in Wānaka and at Frankton Marina with the maximum building heights at Queenstown and Frankton North being retained at 20m.
1	Increase of the permitted building height to 16.5m in Queenstown and Frankton North and retaining the 12m permitted building height in Frankton Marina.
1&2	Change to the setbacks and sunlight admission standard where BMUZ properties adjoin residential zones.
1	Update of rule 16.6.2.2 to reflect the new building heights and 16.6.3.1 to remove “separated by a road”
N.A	Reference updates to updated document reference only.

PDP Chapter 27 – Subdivision and Development

The proposed changes to Chapter 27 include:

Aim	***Provision proposed:***
1	Update policy 27.2.1.4 and 27.2.3.2 to account for a greater diversity in housing typologies.

1	Update policy 27.2.3.2 to consider the future character intended for the zones.
1	Increase to minimum net site area for HDRZ from 450m² to 600m² and for LDSRZ from 450m² to 300m².
1	Change to the minimum dimensions for lots in the LDSRZ to 12m x 15m, MDRZ to 10m x 12m, and HDRZ to 20 x 20.
1	Allowance for a reduction in the minimum net site area and minimum dimensions for subdivision in the LDRZ where a concurrent land use and subdivision application is lodged – Standard 27.7.32.1
1	Update to standard 27.7.31 to apply to all residential development as appose to infill development only.

These proposed changes will result in a total plan enabled capacity of 80,000 additional residential units (34% increase to the existing plan enabled baseline capacity of 59,500) and a total commercially feasible capacity of 52,100 additional residential units. Compared to the existing situation this is an increase of an additional 20,500 plan enabled residential units and an additional 20,200 commercially feasible residential units on top of the existing dwelling stock. The percentage of plan enabled capacity that is commercially feasible will also increase by approximately 11%[69].

The proposal will provide for a greater diversity in housing typology through removing existing barriers within the existing Proposed District Plan provisions that discourage attached[70] housing typologies (i.e height increases, net site area and removal of density in the MDRZ) with the aim of providing for increased housing choice that will cater for changing demographics. The proposal will also allow for terrace and attached housing that is typically smaller, and which is considered to contribute to improving housing affordability.

A compact urban form is being promoted through the proposal with intensification being centred around existing commercial areas and along a frequent public transport corridor. Intensification will enable more people to live in or near commercial nodes, which will strengthen and support these commercial areas, and help improve their productivity through providing critical mass.

The proposal provides for greater enablement of intensification within existing urban areas which do not have an identified significant transportation constraint and will therefore not exacerbate transport issues. Intensification around commercial nodes and key accessibility corridors also makes high frequency passenger transport and investment in active transport upgrades more viable due to increased patronage.

[69] From 54% (31900/59500*100 = 53.6%) to 65% (52,100/80,000*100 = 65.1%).

[70] Referring to horizontally and vertically attached housing typologies.

These can reduce traffic generation as a result of private vehicle trips which can reduce greenhouse gas emissions[71], reduce traffic congestion and improve public health.

The areas where intensification is proposed aligns with the Council's strategic direction within the Spatial Plan, enables enough capacity to meet demand, and does not raise concerns when comparing capacity enabled and demand with the district's infrastructure limits[72]. The intensification provided for in the proposed variation will increase demand upon Council's existing reticulated water and wastewater networks and upon the existing stormwater networks. The Council manages this via providing for upgrades through the LTP process with funding through development contributions. Given higher density is enabled infrastructure investment and upgrades per capita are considered to be more viable and feasible in the long term.

Matters of discretion are also added to ensure development consider the capacity of existing and planned infrastructure as well as low impact stormwater designs to account for the effects of climate change. This will ensure that developments can be serviced, but also in order to be responsive to proposals that provide significant development capacity through allowing developers to provide infrastructure (or upgrades) themselves where there is not yet capacity. This is considered to align with Objectives 6 and 8 of the NPS-UD.

Overall, the proposal is considered to align with the objectives and policies of the NPS-UD, in particular Policy 5, in a manner that will achieve a well-functioning urban environment.

9.3 Amendment to Design Guidelines

Amendments are proposed to the existing Design Guidelines that are incorporated by reference in the PDP. Changes are proposed to align the design guides with the proposed changes to provisions for the respective zones. Only updates in relation to planning provisions that are amended through the variation are included. A detailed list of changes to be made to the design guides can be found in Appendix 1K and a track-changed version with updated pictures and drawings will be included upon notification.

10. SCALE AND SIGNIFICANCE

The level of detailed analysis undertaken for the evaluation of the proposed objectives and provisions has been determined by an assessment of the scale and significance of the implementation of the proposed provisions. In making this assessment, regard has been had to whether the proposal:

- Results in a significant variance from the existing PDP zones.
- Has effects on matters of national importance.
- Adversely affects those with specific interests.

[71] As promoted through Objective 8(a) and Policy 1(e) of the NPS-UD

[72] M.E report section 6.4

- Involves effects that have been considered implicitly or explicitly by higher order documents.
- Imposes increased costs or restrictions on individuals, communities or businesses.

In this case, the scale and significance of the proposal are considered to be of **medium** significance. As determined by reference to the Council's Significance and Engagement Policy because it is of high importance to the district, however the variation has been well signalled by the NPS-UD and is an extension of existing policy in the Proposed District Plan, and the QLDC Spatial Plan 2021. Also, while the proposal results in changes to the planning framework for many of the existing urban zones, it is in response to the directives of the NPS-UD and is not considered to be inconsistent with the objectives and policies of the zones where greater intensification is proposed. The proposed variation will also assist with implementing the current higher order objectives and policies, with no changes being proposed to Chapter 3 – Strategic Direction and no substantial changes[73] to Chapter 4 – Urban Development.

The level of detail in this evaluation report corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.

11. EVALUATION OF THE PROPOSAL

11.1 Objective of the Proposal

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

To achieve this broad objective, changes to the zone extent as well as to the provisions are proposed.

The sub-objectives of the proposed changes can generally be categorised into three categories:

1. To enable heights and densities in accordance with Policy 5 and to recognise the benefits of intensification.
2. To ensure adequate amenity values within intensification areas.
3. To ensure that development can be serviced and to mitigate any potential increase in stormwater runoff.

While the below evaluation considers options to give effect to the main objective of the variation, each option includes variations of changes to the zoning and provisions that on their own aims to achieve one or more of the above three sub-objectives, but collectively aims to achieve the broader main objective.

A more detailed evaluation of the proposed changes to objectives (Section 32(1)(a) and the effectiveness and efficiency of the provisions in achieving the objectives (Section 32 (1)(b) is also undertaken in Section 13 and 14 of the report.

[73] Changes only relate to amending the reference to the former NPS-UDC to the current NPS-UD

11.2 Options to give effect to the Objective

There are various options to give effect to the above objective of the proposal.

Six options have been considered in the development of the proposal in addition to the status quo (referred to as Baseline in the M.E reporting). These are detailed in Appendix 6 and are summarised below:

Option 1	Change zoning around commercial nodes and make the associated provisions more enabling
Option 2	Change zoning around commercial nodes and corridors and make the associated provisions more enabling
Option 3	Option 1 + changes to the standards in the Lower Density Suburban Residential Zone (LDSRZ) relating to building heights, average site area, and minimum lot area (subdivision chapter)
Option 4	Option 2 + changes to the standards in the LDSRZ relating to building heights, average site area, and minimum lot area (subdivision chapter)
Option 5	Option 2 + apply the Government's Medium Density Residential Standards (MDRS) to all land zoned LDRZ and MDRZ
Option 6	Option 2 + apply the proposed MDRZ built form standards to all land zoned LDSRZ and MDRZ
Option 7	Status quo

Aside for the Status Quo (Option 7), all of the other options incorporate the proposed changes to the rules and standards within the LDSRZ, MDRZ, HDRZ, QTC, WTC, LSCZ, BMUZ and Subdivision chapters, as well as the proposed changes to density within those zones except for the proposed building height and subdivision changes for the LDSRZ. Options 3 and 4 also incorporate the proposed building height changes to the LDSRZ chapter and related changes to the Subdivision chapter.

M.E's modelling has however identified that the proposed changes to the LDSRZ in Options 3 and 4 do not alter the feasible and commercial feasible capacity (and rather provide additional flexibility in design). Consequently, the M.E modelling of Options 3 and 4 is the same as the outputs for Options 1 and 2 respectively.

The proposed changes to the densities and standards have their basis in the recommendations made within the B&A Urban Design Considerations Report (Appendix 4) and the recommended zoning options from the B&A Method Statement (Appendix 3). These are compared to the status quo in the assessment below. It should be highlighted that the assessment below considers these broader 7 options, but that the final proposed provisions includes finer grain changes to implement further refinements and recommendations from the M.E Economic Assessment.

It should also be highlighted that the zoning options shown within the Airport Outer Control Boundary (OCB) in Appendix 3 and 6 has not yet considered the Airport Noise Constraint in line with the chosen option in section 9 above. However, the modelling done in the M.E Economic Assessment applies a blanket restriction on further ASAN's within the OCB, so that the resulting numbers of plan enabled and commercial feasible capacity and recommendations are in line with the recommended option 2 (5.2.5 above) for intensification in the OCB, which only allows a small amount of additional residential units.

The below assessment incorporates and adopts the assessment included within the B&A Method Statement (Appendix 3), Urban Design Considerations Report (Appendix 4) and the M.E Economic Assessment (Appendix 5).

Option 1 - Change zoning around nodes and make the associated provisions more enabling	
Costs	• This option will require a plan variation to be undertaken at cost to the QLDC and all stakeholders who choose to be involved. • There are costs associated with providing infrastructure upgrades to cater for increased density and development, however the need for these upgrades are able to be more readily identified and can be more efficiently provided for through the centralization of the intensification. • Perceived loss of amenity values associated with existing low density urban environments that may be intensified eg loss of views.
Benefits	• More efficient use of scarce urban zoned land. • The change will reduce the complexity and cost of requiring resource consents for developments that seek to develop to provide greater intensification of development than the status quo. • More development contributions can be levied from developments with increased density. This will contribute towards the cost of upgrading infrastructure, services and amenities. • The estimated commercially feasible capacity increases by 49% from the baseline. Under this option, there is an estimated feasible capacity of 47,400 dwellings on top of the existing dwelling stock. This capacity occurs within the existing urban areas[74]. • Enabling a greater diversity of housing typology[75] provides increased housing choice and housing that can cater for changing demographics. This includes allowing for people to age in place by changing household types in the same area as they transition through life-stages rather than having to move around a district or region based on the limited availability of different house types in any given location. • As a result of the proposed changes to the built form standards this option would enable increased densities and housing supply within urban areas without having to go through a resource consent process in relation to increased building height or density which are currently frequently contested by other interested parties. • This option provides for a range of densities which will assist in achieving a compact urban form while also providing for housing choice. • A mix of densities contributes to creating a well-functioning urban environment.

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75 The largest increases in feasible capacity have occurred within the terraced housing typology according to the Market Economics 16 May 2023 report

	• Enabling higher densities around commercial nodes and centres will provide more people with good accessibility to housing, jobs, community services, amenities and open space. • Promoting an urban hierarchy through strengthening commercial nodes such as being promoted through Options 1 - 4 increases the productivity of parts of the business sector and provides a location for activity to co-locate and serve wider urban catchments. It provides the critical mass to generate an expansive catchment area that supports an increased range and depth of commercial activity within the node. A more diversified commercial offering increases commercial amenity for households across the district[76]. • Options 1 to 4 enables the highest shares of feasible capacity within areas with no existing transportation constraint. Almost all of the additional capacity enabled under these options (compared to the Status Quo) occurs within the areas with no bridge constraint. This amounts to 90% to 99% of the additional commercially feasible capacity identified by the economic modelling[77]. • Passenger (public) transport will become more viable in terms of reduced subsidies and more frequent services through increased patronage. • Concentrating development in specific areas with good access to active modes and public transport will reduce carbon emissions from private vehicles over time and help slow down climate change. • Public health benefits by enabling more people to live closer to employment and amenities making walking and cycling more viable modes of transport for everyday living. • Reduced costs to individuals in running motor vehicles due to people being able to walk, cycle and access public transport more readily. • This option provides for additional housing supply which may contribute to the reduction in the cost of housing[78]. Compared to the Status Quo, this option will generate an economic benefit to households through increasing the range of different housing options available across different locations[79]. • The proposed provisions enabling smaller sites are likely to result in changes to the cost structures of dwelling construction and delivery due to the provision of smaller sites and smaller dwellings. The ability to form smaller site sizes increases the potential dwelling yield of

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78 Objective 2 of the NPS-UD in relation to supporting competitive land and development markets

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	sites. This is likely to increase the feasibility of redevelopment and development, particularly in higher value locations and is likely to have a positive effect on housing affordability (at the District level), relative to the development patterns of new dwellings that would otherwise occur under Status Quo (Option 7)[80]. • Additional development standards are proposed such as outlook space and outdoor living area requirements which will provide better on-site amenity for residents of those developments and better urban design outcomes. • There will be infrastructure efficiencies in utilising existing infrastructure rather than extending new and less efficient infrastructure to greenfield developments. • This option will make efficient use of the existing land within the UGB and allow for assessment and prioritisation for infrastructure upgrades. • The proposed change to the recession plane requirements in the District Plan for multiple zones so that they apply to sloping sites as well as flat sites removes the additional height restriction on flat sites (compared to sloping sites) which are easier to develop and the significantly different effects envelope being enabled on flat and sloping sites (which sometimes might be side-by-side). • The proposed changes to the recession plane angles provide for additional building height whilst taking into account the District's solar location and a reasonable level of sunlight access to adjoining sites. • The proposed amended building heights provide a graduation of height and scale of development with the most intensive development being located in areas of high accessibility and relative demand as required by Policy 5 of the NPS-UD and reduces as the distance from these locations increases. • The proposed setback requirement for the upper floors in the Town Centres will hide or reduce the prominence of additional height and retain the pedestrian scale of development to 3 – 4 storeys and provides opportunities for balconies and open spaces. This will also allow suitable level of sunlight access to these areas and footpaths. • The bespoke height provisions within the Queenstown Town Centre acknowledge the location of historic heritage (s6 matter) within the centre as well as sunlight access to important public amenity spaces such as Earnslaw Park, Marine Parade and the Village Green.

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	• Excluding intensification within Arrowtown Town Centre and Arrowtown Historic Management Zone acknowledge the location of historic heritage (s6 matter). • The proposed changes to the waste and recycling storage space requirements take into account the waste and recycling demands and arrangements that usually occur within attached and semi-attached housing typologies as well as in commercial areas. The proposed provisions are considered to provide an appropriate balance to ensure there is flexibility as to how these services are provided while still ensuring appropriate management. • Maintenance of existing maximum building height limits or limiting height increase where sites adjoin ONL's in Kawarau Heights, Arthurs Point and Queenstown Hill MDRZ as well as along Frankton road, Kawarau Falls area and Wānaka HDRZ will ensure that the landscape values of the ONL are protected (s6 matter).
Efficiency	• Reduce the time and cost of development by not requiring resource consents for additional building height and densities. • Efficient use of land in brownfield areas for housing by maximising development potential compared to the status quo. • Efficient use of existing infrastructure compared to expansion of infrastructure into greenfield areas. Also identifying specific areas for intensification allows for the planning and prioritisation of infrastructure upgrades such as three waters. • Identifying specific areas for high density development enables efficient planning and investment for transportation infrastructure to support mode shift. Transport investment will be able to leverage off benefits associated with a high concentration of population in one area. • The modelled capacity within Options 1 to 4 generally has higher levels of concentration into the areas of greatest infrastructure capacity[81]. • The proposed changes to the activity status relating to a number of standards from Discretionary to Restricted Discretionary relate to those standards where the potential effects of a breach are known. This will provide for a more efficient resource consent process as the matters that Council will have discretion over are known giving Applicant's more clarity and certainty and will result in a more efficient consenting process. • The proposed changes in relation to density will provide more flexibility in design and support development of attached housing typologies compared to the status quo where each residential unit is

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	currently required to have its own allocated site area that comply with the prescribed density to comply. • Bespoke height restrictions for small areas under the PDP have been retained by the proposal as exclusions to intensification. These height provisions have been imposed in the District Plan as a result of previous contested appeal processes. The areas that these relate to is limited and do not have a significant effect upon application of the NPS-UD. • The removal of the PDP view shafts C and D within the Queenstown Town Centre Zone will provide greater flexibility in the design of that property and the location of any necessary breaks in the building for urban design reasons. • The proposed minimum ground floor heights for the Queenstown Town Centre and Wānaka Town Centre will provide flexibility for a range of uses within the building in the future. • Rationalisation of building heights within the District Plan will provide a more efficient application of the District Plan and flexibility in design. The proposed heights also take into account the housing typologies that are anticipated in each zone ensuring that they enable good levels of internal amenity.
Effectiveness	• By ensuring the urban zones enable a range of housing choice at a range of densities, the District Plan will be more effective in achieving its requirements to provide for a well-functioning urban environment and an efficient use of land. • Strengthening the edges of the commercial centres correlates with the findings of the Barker & Associates demand and accessibility analysis[82] showing that there is relative demand for additional housing in those locations and that they are highly accessible locations. • The economic modelling has compared capacity with demand and this shows that there are no significant shortfalls in capacity projected to occur within either the short or medium-term. In the long-term, the projected shortfalls[83] are substantially reduced compared to the Status Quo (Option 7)[84]. • The proposal will be implementing the Queenstown Lakes Spatial Plan. • Rationalisation of building heights within the District Plan will provide a more efficient application of the District Plan.

82 B&A Method Statement – Accessibility and Demand Analysis – NPS-UD dated 16 May 2023

83 The Spatial Plan (or anticipated FDS) may add further substantial capacity to QLD in the long-term within the growth areas (within Wānaka/Hawea, the Southern Corridor and the Eastern Corridor as a result of indicative greenfield expansion areas identified. If provided, this may reduce the potential shortfalls within these parts of the district.

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Risk of acting or not acting	• Not acting is considered to have a high risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 4** This option is ranked 4 out of 7 for the following reasons: - The option provides additional commercially feasible capacity which will allow for intensification to cater for demand over the short, medium and long term but does not significantly exceed the projected demand or could have negative urban form implications as options 5 and 6 does. - This option does not intensify transport corridors and therefore leads to less viability of public transport operations. - This option does not provide for additional flexibility in the LDSRZ through increased building heights and average density so to enable attached housing typologies.
Option 2 - Change zoning around nodes and corridors and make the associated provisions more enabling *This option adopts the above assessment of Option 1 in addition to the following:*	
Costs	• There are costs associated with providing additional infrastructure upgrades to cater for increased density and development in corridors in addition to around nodes, however these are easily able to be identified.
Benefits	• Enabling higher densities around transport corridors (in addition to nodes) will allow more people to have good accessibility to housing, jobs, community services, amenities and open space. • The estimated commercially feasible capacity increases further under Option 2 (compared to Option 1 and the Status Quo), resulting in an additional 52,100 dwellings on top of the existing dwelling stock. This equates to a 63% increase from the estimated baseline feasible capacity[85]. • The largest additional increases (from Option 1) are modelled to occur within the Queenstown Town Centre reporting area. These predominantly occur as vertically attached apartments within the HDRZ[86]concentrated along the bottom of Frankton road. • Under this option there is a significant increase in the commercially feasible capacity for attached, terraced and apartment construction compared to Option 7, particularly on brownfields land which will provide further housing choice and may aid affordability. • Intensification around transport corridors will encourage mode shift and use of public transport and possibly reduce greenhouse gas emissions which will aid in the District's climate change response.

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Efficiency	• A more efficient use of land in brownfield areas for housing by maximising development potential than Options 1 and 7. • Identifying specific areas for high density development enables efficient planning for transportation infrastructure to support mode shift. Transport investment will be able to leverage off benefits associated with a high concentration of population in one area and along the transport routes. • Locations for infrastructure upgrades can be readily identified in this option as opposed to Operations 5 and 6.
Effectiveness	• By ensuring the urban zones enable a range of housing choice at a range of densities, the District Plan will be more effective in achieving its requirements to provide for a well-functioning urban environment and an efficient use of land. • Demand scenarios show that there are no significant shortfalls in capacity projected to occur within either the short or medium-term under this option. The indicated shortfalls in capacity within the Wakatipu Ward's eastern urban areas under the Status Quo are also reduced with the additional capacity provided under this option. Furthermore, there is a reduction in the long-term attached/terraced housing capacity shortfalls compared to the Status Quo suggest that these typologies have a greater relative feasibility under this option[87]. • This option is likely to enable greater choice and development options for the market through increasing the options for more intensive development within the central areas and the additional development potential along corridors is less likely to reduce the intensification within and around centres as it is appropriately scaled and located[88] compared to Options 5 and 6.
Risk of acting or not acting	• Not acting is considered to have a high risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 2** This option is ranked 2 out of 7 for the following reasons: - The option provides additional commercially feasible capacity which will allow for intensification to cater for demand over the short, medium and long term but does not significantly exceed the projected demand or could have negative urban form implications as options 5 and 6 does.

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	- This option does not provide for additional flexibility in the LDSRZ through increased building heights and average density so to enable attached housing typologies.
Option 3 - Option 1 + changes to the LDSRZ heights, average site area, and minimum lot area. *This option adopts the above assessment of Option 1 in addition to the following:*	
Costs	• Perceived loss of character and amenity values associated with existing low density suburban urban environments that will be easier to intensify due to relaxing of the standards.
Benefits	• The use of average site area as opposed to net site area and the increase to the building heights for sloping sites and infill development will reduce the need for resource consents and associated cost of residential intensification in the LDSRZ. • Although the commercially feasible capacity under this option is the same as Option 1, this option will provide more design flexibility for developments on sloping sites in the LDSRZ through the proposed 1m height increase. • Although not anticipated to increase the commercially feasible capacity, the change to using an average site area for lots or densities less than one residential unit per 450m² net area in the LDSRZ will enable the development of attached unit typologies compared to the status quo. • With commercial feasible capacity not altering under this option compared to Option 1, identification of timing and location of infrastructure upgrades is the same as Option 1.
Efficiency	• This option would result in a more efficient use of land for enabling more housing in urban areas compared to Options 1, 2 and 7 whilst still providing low density residential areas for housing choice. • The modelled capacity within Options 1 to 4 generally has higher levels of concentration in the areas of greatest infrastructure capacity[89]. • The proposed changes in the LDSRZ in relation to height, minimum lot area and applying average site areas rather than net site areas will provide more flexibility in design and support development of attached housing typologies compared to the status quo where each residential unit is currently required to have its own allocated site area to comply.
Effectiveness	• By ensuring the urban zones enables a range of housing choice at a range of densities, the District Plan will be more effective in achieving its requirements to provide for a well-functioning urban environment and an efficient use of land.
Risk of acting or not acting	• Not acting is considered to have a high risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 3**

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	This option is ranked 3 out of 7 for the following reason: - This option has the same costs and benefits of Option 1 above but with additional flexibility in the LDRZ to promote additional housing typologies.
Option 4 - Option 2 + changes to the LDSRZ heights, average site area, and minimum lot area (subdivision chapter). *This option adopts the above assessment of Option 2 in addition to the following:*	
Costs	• Perceived loss of character and amenity values associated with existing low density suburban urban environments that will be easier to intensify due to relaxing of the standards.
Benefits	• The use of average site area as opposed to net site area and the increase to the building heights for sloping sites and infill development will reduce the need for resource consents and associated cost of residential intensification in the LDSRZ. • Although the commercially feasible capacity under this option is the same as Option 2, this option will provide more design flexibility for developments on sloping sites in the LDSRZ through the proposed 1m height increase. • Although not anticipated to increase the commercially feasible capacity, the change to using an average site area for lots or densities less than one residential unit per 450m² net area in the LDSRZ will enable the development of attached unit typologies compared to the status quo. • With commercial feasible capacity not altering under this option compared to Option 2, identification of timing and location of infrastructure upgrades is the same as Option 2.
Efficiency	• This option would result in the most efficient use of land for enabling more housing in existing urban areas with the exception of Options 5 and 6. However this option also still provides for low density residential areas which promotes housing choice. • The modelled capacity within Options 1 to 4 generally has higher levels of concentration in the areas of greatest infrastructure capacity[90]. • The proposed changes in the LDSRZ in relation to height, minimum lot area and applying average site areas rather than net site areas will provide more flexibility in design and support development of attached housing typologies compared to the status quo where each residential unit is currently required to have its own allocated site area to comply.

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	• This option also provides for additional intensification around transport corridors thereby making public transport more viable and efficient.
Effectiveness	• By ensuring the urban zones enable a range of housing choice at a range of densities, the District Plan will be more effective in achieving its requirements to provide for a well-functioning urban environment and an efficient use of land.
Risk of acting or not acting	• Not acting is considered to have a high risk of the Council failing to meet its obligations under the NPS-UD.
Ranking	**Ranked 1** This option is ranked 1 out of 7 for the following reasons: - This option has the same costs and benefits of Option 2, including an increase to the commercially feasible capacity around commercial nodes and transport corridors, but also with additional flexibility in the LDRZ to promote additional housing typologies.
Option 5 - Option 2 + apply the Government's Medium Density Residential Standards to all land zoned LDRZ and MDRZ *This option adopts the above assessment of Option 2 in addition to the following:*	
Costs	• Potential loss of character and amenity values associated with existing low density suburban urban environments. • This option can result in difficulties in forward planning and funding for infrastructure upgrades and investment as intensification can be dispersed across the entire urban area compared to the Status Quo (Option 7) and Options 1 - 4. • Enabling this scale of intensification across the general suburban area is not likely to substantially translate into growth in centralised areas or of attached housing typologies. It will instead be more likely to disperse the levels of intensification that occur across the residential area, with less concentration of medium to higher density residential development within the core areas of accessibility around nodes and corridors[91]. This will have negative urban form implications and will not provide for a well-functioning urban environment. • There may not be sufficient infrastructure capacity in some locations to cater for developments that are permitted under the MDRS. This will place an undue burden upon ratepayers to fund upgrades. • While Options 5 & 6 enable similar or higher levels of total capacity (compared to Options 1 – 4 and the Status Quo) within the central areas, they also encourage a greater level of development within the less central suburban areas with the modelled transport infrastructure constraints. This means that the share of additional

91 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics -section 5.5

	capacity from these options (compared to the Status Quo) that occurs in these outer areas is greater than under the other proposed options. Under these options, 25% to 29% respectively, of the additional plan enabled and commercially feasible capacity occurs in the outer areas constrained by transport infrastructure[92]. This can lead to the generation of more traffic movements through these constrained locations resulting in greater trip times which can adversely affect social and economic well-being and lead to adverse environmental effects. • This approach results in less control and assessment in terms of the suitability of urban design outcomes for developments than the other options which may impact upon the District's attractiveness to visitors and therefore tourism demand. • The recession plane requirement in the MDRS does not take into account the specific solar characteristics of the District. • Low density residential areas often provide a graduation between adjacent rural / rural living / large lot zoning and development (as well as often ONF/Ls) and the more intensive town centres or higher density areas. The application of the MDRS across the LDRZ and MDRZ will mean that this graduation is lost and may result in adverse effects upon rural character or landscape values.
Benefits	• Under Option 5, there is an estimated total commercially feasible capacity for an additional 124,300 dwellings compared to the existing dwelling stock. This is a very large increase (+92,400 dwellings) from the existing baseline, with a feasible capacity of around four times the size of the potentially commercially feasible development opportunity under the existing provisions (Option 7). The large increases in feasible capacity occur across the general suburban area where the LDSR Zone instead becomes the MDR Zone. This has a large effect on feasibility due to the large increase in yields enabled on these sites under this change in zone[93]. • This option would be beneficial to achieving the intended outcomes for mode shift and climate change as a result of greater intensification. However, this benefit would not be realised for a long period of time as the intensification under this option is likely to be piecemeal and scattered so that the necessary demand for public transport services or active travel upgrades is not achieved for some time.

92 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics – section 6.4.5

93 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics – section 5.5

	• This option would enable more houses and enable greater intensification with less constraints and controls and without the need of resource consent process which will reduce the cost to both Council and applicants. • Compared to the Status Quo, this option will generate an economic benefit to households through increasing the range of different housing options available across a wide variety of locations[94]. The proposed provisions enabling smaller sites are likely to result in changes to the cost structures of dwelling construction and delivery due to the provision of smaller sites and smaller dwellings. The ability to form smaller site sizes increases the potential dwelling yield of sites. This is likely to increase the feasibility of redevelopment and development, particularly in higher value locations and is likely to have a positive effect on housing affordability (at the District level), relative to the development patterns of new dwellings that would otherwise occur under Status Quo (Option 7)[95].
Efficiency	• This option would result in the most efficient use of land for enabling more housing over residential land. However, it will not manage the effects on the matters in relation to the exclusions identified in Section 6.2 above, including matters of national importance. • Growth in peripheral locations will encourage a greater dispersal of commercial activity into a greater number of smaller less central locations therefore undermining the viability and productivity of the commercial centres[96]. • Growth in peripheral locations will also result in less efficient infrastructure services. • This option would allow full implementation of the MDRS and the NPS-UD without any modifications to the requirements. This will be readily familiar to people outside of the District and therefore more efficient than bespoke provisions.
Effectiveness	• This option does not achieve the purpose of the RMA, in particular s6 and s7 without the need for additional bespoke exclusions to the MDRS. • This option does not achieve the objective for a well-functioning urban environment as required under the NPS-UD in terms of providing for social, economic, and cultural wellbeing for the reasons outlined above. • There are no significant projected shortfalls in estimated feasible capacity compared to demand as a result of this option across any

94 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics -section 5.5
95 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics
96 ibid

	time period when assessing total capacity. There is however a large amount of additional capacity feasible across the general suburban area under this option. This indicates that this option is likely to result in a lower concentration of development within the centralised areas of highest accessibility and relative demand and therefore is beyond that required by Policy 5 of the NPS-UD and is unlikely to provide for a well-functioning urban environment as intended under the NPS-UD[97]. This option also results in large surpluses in the eastern and southern parts of Queenstown's main urban area, along with Arrowtown. Under this scenario, long-term shortfalls[98] in detached dwelling capacity emerge within the Kelvin Heights/Southern corridor area. Despite this shortfall, there is likely to be plenty of feasible development options to cater for projected demand[99].
Risk of acting or not acting	• There is a high risk of acting resulting in unacceptable environmental, social and cultural costs, as well as Council failing to fulfil its duties under the RMA.
Ranking	**Ranked 7** This option is ranked 7 out of 7 for the following reasons: - The option provides a significant level of additional commercially feasible capacity which will far exceed projected demand over the short, medium and long term and result in significant difficulties in planning and funding of infrastructure upgrades and sequencing. - This option will allow for significant intensification outside of areas that have been identified as being accessible and of relative demand and therefore it exceeds the ambit of Policy 5 of the NPS-UD which is the purpose of this proposed variation.
Option 6 - Option 2 + apply a modified approach to the Medium Density Residential Standards to the land zoned LDSRZ and MDRZ *This option adopts the above assessment of Option 2 in addition to the following:*	
Costs	• Potential loss of character and amenity values associated with existing low density suburban urban environments. • This option can result in difficulties in forward planning and funding for infrastructure upgrades and investment as intensification can

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98 The Spatial Plan (or anticipated FDS) may add further substantial capacity to QLD in the long-term within the growth areas (within Wānaka/Hawea, the Southern Corridor and the Eastern Corridor as a result of indicative greenfield expansion areas identified. If provided, this may reduce the potential shortfalls within these parts of the district

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	occur across the entire urban area compared to the Status Quo (Option 7) and Options 1 - 4[100]. • Similar to Option 5, this option enables similar or higher levels of total capacity (compared to Options 1 – 4 and the Status Quo) within the central areas and encourages a greater level of development within the less central suburban areas with the modelled transport infrastructure constraints. This means that the share of additional capacity from these options (compared to the Status Quo) that occurs in these outer areas is greater than under the other proposed options. Under this option, 27% of the additional plan enabled and commercially feasible capacity occurs in the outer areas constrained by transport infrastructure[101]. This can lead to the generation of more traffic movements through these constrained locations resulting in greater trip times which can adversely affect social and economic well-being and lead to adverse environmental effects. • This option is likely to result in development patterns that are more dispersed growth patterns compared to Options 1 – 4 and the Status Quo with less concentration of medium to higher density residential development within the core areas of accessibility around nodes and corridors[102]. This will not provide for a well-functioning urban environment. • Low density residential areas often provide a graduation between adjacent rural / rural living / large lot zoning and development (as well as often ONF/Ls) and the more intensive town centres or higher density areas. The application of the MDRS across the LDRZ and MDRZ will mean that this graduation is lost and may result in adverse effects upon rural character or landscape values. • This option would result in a reduction in the need for resource consents and the costs associated with these for both Council's and Applicants.
Benefits	• Option 6 results in an estimated feasible development capacity for an additional 72,300 dwellings from the existing dwelling baseline. This equates to a 127% increase in feasible capacity from the existing baseline. Similar to Option 5, the increased feasible development capacity enabled under this option occurs within the LDSR zone[103]. • This option would be beneficial to achieving the intended outcomes for mode shift and climate change as a result of greater intensification. However, this benefit would occur over a long period of time as the intensification under this option is likely to be

100 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics
101 ibid
102 ibid
103 ibid

	piecemeal and scattered so that the necessary demand for public transport services or active travel upgrades is not achieved for some time. • This option would enable more houses and enable greater intensification with less constraints and controls and without the need of resource consent process (but less so than Option 5), which will reduce the cost to both Council and applicants. • Compared to the Status Quo, this option will generate an economic benefit to households through increasing the range of different housing options available across different locations[104]. The proposed provisions enabling smaller sites are likely to result in changes to the cost structures of dwelling construction and delivery due to the provision of smaller sites and smaller dwellings. The ability to form smaller site sizes increases the potential dwelling yield of sites. This is likely to increase the feasibility of redevelopment and development, particularly in higher value locations and is likely to have a positive effect on housing affordability (at the District level), relative to the development patterns of new dwellings that would otherwise occur under Status Quo (Option 7)[105].
Efficiency	• This option would result in a significant increase in the efficient use of land for enabling more housing over residential land (but less than Option 5). • This option can result in inefficiencies as islands of medium density development surrounded by low density development can occur such that infrastructure upgrades are necessary; however they are not supported by the necessary demand to justify/prioritise the upgrades. • The development potential across the urban areas of the District will not provide for the necessary critical mass to increase public transport frequency in all areas that could be developed for medium density development. This will result in less mode shift and no reduction in the use of private vehicles and therefore increased traffic generation on the road network which is already under pressure in some areas. • Growth in peripheral locations will encourage a greater dispersal of commercial activity into a greater number of smaller less central locations therefore undermining the viability and productivity of the commercial centres[106].

104 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics
105 ibid
106 ibid

Effectiveness	• It does not achieve the objective for a well-functioning urban environment as required under the NPS-UD in terms of providing for social, economic, and cultural wellbeing. • Option 6 results in a similar level of effectiveness to Option 5 in providing for intensification capacity so to meet projected demand. The largest difference occurs in the long-term in the eastern parts of the Wakatipu Ward urban area where there is a projected shortfall in attached/terraced housing. However, it is likely that some of this shortfall could be met through development in other parts of the market beyond that of the areas of highest margin[107]. • As with Option 5, this option is likely to result in a lower concentration of development within the centralised areas of highest amenity and with insufficient spatial concentration around core nodes and therefore is unlikely to provide for a well-functioning urban environment as intended under the NPS-UD[108].
Risk of active or not acting	• There is a high risk of acting resulting in unacceptable environmental, social and cultural costs, as well as Council failing to fulfil its duties under the RMA.
Ranking	**Ranked 6** This option is ranked 6 out of 7 for the following reasons: - The option provides additional commercially feasible capacity which will far exceed projected demand over the short, medium and long term and result in difficulties in planning and funding of infrastructure upgrades and sequencing. - This option will allow for significant intensification outside of areas that have been identified as being accessible and of high relative demand and therefore it exceeds the ambit of Policy 5 of the NPS-UD which is the purpose of this proposed variation.
Option 7 – Status Quo	
Costs	• Although there is no projected capacity issue across the entire District in the short or medium[109] term, a long-term capacity shortfall is identified when compared to demand in the eastern areas of the Wakatipu Ward and in small township areas[110]. This can have an adverse effect upon availability to housing and housing affordability. • Contested resource consent applications if higher densities or building heights than that provided by the PDP provisions are sought.

107 ibid
108 ibid
109 Although at the spatial level there are some projected shortfalls in attached dwelling capacity within the eastern urban parts (Eastern Corridor, Frankton and Quail Rise area) of the Wakatipu Ward and within the Wānaka/Hawea urban area
110 Queenstown Lakes District Intensification Economic Assessment: Intensification plan variation dated 16 May 2023 prepared by Market Economics – section 6

	• Potential to impact climate change response by increasing CO^2 emissions from use of private vehicles accessing housing in outlying areas. • Not enabling more people to live in highly accessible areas and areas with relative high demand will mean less people will be able to benefit from the associate amenity of being able to live in these desirable locations. • The current provisions do not cater well for changes in demographics towards smaller household units or the predicted increase in demand for attached housing and apartments. The costs of this include people having to move into new areas of the District, or out of the District where their housing needs cannot be met in their current area. This can result in economic, social and personal financial costs. • The retention of the existing provisions may result in an inefficient use of land in that low density developments will be developed in areas of the District that have been identified as accessible and in relative high demand. •
Benefits	• No plan variation is required and therefore there will be savings for Council and other interested parties. • This option retains the current levels of amenity associated with a low density character of the town centres and residential areas. • This option allows for some housing choice based on the existing PDP provisions.
Efficiency	• The retention of the current planning provisions will likely require developments to undertake a resource consent process to achieve higher densities and could deter developers of developing attached housing typologies, which could also lead to an inefficient use of land. •
Effectiveness	• Retention of the status quo does not achieve the requirements of the NPS-UD, policy 5 and might not enable a well-functioning urban environment in the long term. • According to M.E, the existing zoning and related planning provisions in the ODP and PDP provide for a commercially feasible capacity (at 2022 prices) of 31,800 residential units, based upon 22,100 units as infill or on brownfields and 9,700 units on greenfield (zoned for growth). It is noted that through the review of the urban chapters of the PDP that dwelling capacity has already been increased and the short, medium and long term population projections are provided for. • The existing zoning and provisions do and will continue to achieve the objectives and policies of the PDP.

Risk of acting or not acting	• The risk of acting (keeping the status quo) is considered to have a high risk of not achieving the requirements of the NPS-UD, policy 5 specifically. • There is also a risk of acting (keeping the status quo) that a range of housing typologies that is needed to enable a well-functioning urban environment (NPS-UD- policy 1) is not sufficiently provided for to meet the needs of different households. • There is also a risk of acting (keeping the status quo) that identified shortfalls in feasible capacity when compared to demand in some locations and for certain typologies may lead to future requests for greenfield expansion which can result in a loss of productive soils.
Ranking	**Ranked 5** This option is ranked as 5 out of 7 for the following reasons: - The existing District Plan zoning and provisions already cater for the protected demand over the short, medium and long term as required by the NPS-UD, albeit there are shortfalls in some areas and in some housing typologies. The review of the remaining ODP zones could look at address the small shortfalls. - This option may result in there being a need for additional greenfield growth in the future if capacities of existing zones are not realised. This would lead to issues relating to landscape effects, use of productive land supply, expansion of infrastructure networks and associated inefficiencies etc.

In considering the options available to meet the objective of the proposal, Option 4 is most appropriate because it will provide for intensification in locations of high accessibility and relative demand so to support a well-functioning urban environment and will remove the need for greenfield growth.

The proposed changes to the provisions will provide for the development of a diverse range of housing typologies across the urban area including smaller housing forms which will hopefully aid affordability.

This option will make efficient use of the existing land within the UGB and allow for assessment and prioritisation for infrastructure upgrades.

Option 4 will provide intensification in urban areas around commercial nodes and transport corridors so to support existing public transport services and to over time make the increased frequency of services or new services in Wānaka more viable and support mode shift.

Option 4 therefore forms the Proposal which includes the changes made following the modelling described in Section 6.1.5 and the exclusions or partial exclusions identified in Section 6.2.

12.Analysis of proposal (OPTION 4) against existing District Plan objectives

The below assessment incorporates and adopts the assessment included within the Barker & Associates Method Statement (Appendix 3), Urban Design Report (Appendix 4), the M.E Economic Assessment (Appendix 5) and the M.E Economic Assessment Outer Control Boundary (Appendix 7).

Objective of the proposal: The objective of the proposal is to give effect to the NPS-UD as required by s55 of the RMA. This objective is being achieved through giving effect to policy 5 to enable intensification in suitable locations within the urban environments, but also to the wider directive of the NPS, to ensure a well-functioning urban environment that meet the changing needs of our diverse communities. The intent of the proposal (Option 4) is to intensify within and around the existing nodes and along transportation corridor/s, and to undertake changes to the rules and standards of zones in urban areas to better align the development enabled within each zone with the direction of the NPS-UD and to be consistent with the zone purposes.		
Alternative		
Status quo (Option 7): The existing zoning and provisions in the PDP.		
Alternative: Five alternative options to the proposal (Option 4) have also been considered. These are detailed below: Option 1 Change zoning around commercial nodes and make the associated provisions more enabling Option 2 Change zoning around commercial nodes and corridors and make the associated provisions more enabling Option 3 Option 1 + changes to the standards in the Lower Density Suburban Residential Zone (LDSRZ) relating to building heights, average site area, and minimum lot area (subdivision chapter) Option 5 Option 2 + apply the Government's Medium Density Residential Standards (MDRS) to all land zoned LDRZ and MDRZ Option 6 Option 2 + apply the proposed MDRZ built form standards to all land zoned LDSRZ and MDRZ		
Assessment against the Strategic Chapters of the PDP		
Applicable provision	**Consistent?**	**Comment**
3. Strategic Direction		
Strategic Objective 3.2.1 *The development of a prosperous, resilient and equitable economy in the District.*	Yes	The intensification of residential development in and around centres as well as the intensification of the centres themselves will promote further commercial activity within those centres which will contribute towards the District's economy. Intensifying around nodes and transport corridors will also contribute towards mode shift with increased public transport services and active travel being more viable to commute between home, work and social activities and less time being spent on commuting by residents. The increased ability for the market to deliver a wider range of dwellings is likely to have a positive effect on housing affordability compared to the development patterns of new dwellings that would otherwise occur under the existing provisions[111].
Strategic Objective 3.2.1.2 *The Queenstown and Wānaka town centres are the hubs of New Zealand's premier alpine visitor resorts and the District's economy.*	Yes	Intensification of development within and around the Queenstown and Wānaka town centres will further promote these centres as the hubs of the resorts and the economy. This also aligns with the demand and accessibility analysis undertaken by B&A.
Strategic Objective 3.2.1.9 *Infrastructure in the District that is operated, maintained, developed and upgraded efficiently and effectively to*	Yes	Intensification of existing areas in suitable locations aligns with the longer-term strategic planning of the Council that informs its investment planning. It will also allow for efficient use of existing infrastructure compared to expansion of infrastructure into greenfield areas and create a larger density for development contributions and property rates to fund maintenance and upgrades of existing infrastructure. Also identifying specific areas for intensification allows for the planning and prioritisation of infrastructure upgrades.

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meet community needs and to maintain the quality of the environment.		No changes to the density of development of Activities Sensitive to Aircraft Noise (ASAN) within the Air Noise Boundary and no significant changes are proposed to these within the Outer Control Boundary of Queenstown Airport, which will ensure the continued safe and efficient operation of this Nationally Significant Infrastructure.
Strategic Objective 3.2.2 *Urban growth is managed in a strategic and integrated manner.*	Yes	Intensification of land within the existing UGBs and in particular, within and around commercial nodes and transport corridors is considered to be managing growth in a strategic and integrated manner so to support consolidated growth as sought by the Spatial Plan. These locations are already central areas that are the focus for work and play and providing additional intensification will make efficient use of the existing physical and social infrastructure and open spaces. According to the M.E modelling, the proposal will provide a commercially feasible capacity (at 2022 prices) for an additional 52,100 residential units, a 63% increase to the status quo, the majority of this being infill or brownfield development. The proposal is therefore considered to be promoting a compact and integrated urban form. Focusing intensification within existing urban areas will reduce the need for urban sprawl into rural areas and use of land with highly productive soils and adverse effects upon the District's highly valued landscapes, including the Outstanding Natural Landscapes and Features. Intensification will also lead to increased population in areas so to make increased and improved public transport services and active travel network investment more feasible and contribute towards a mode shift and lesser greenhouse gas emissions from private vehicle use. Exclusions have been utilised where there is a known natural hazard risk and existing matters of discretion in the District Plan when intensification is proposed allows consideration of any unknown natural hazards on a site-by-site basis under the resource consent process. The M.E modelling has identified that the proposal provides for a mix of housing typologies as well as providing for an increase in the commercial feasible capacity relating to attached, terrace and apartment housing compared to the status quo. This type of housing is generally more affordable (due to its smaller size and/or land size) and therefore is anticipated to go some way to providing greater housing affordability in the District. The proposal involves intensification of existing urban areas and therefore additional development will be able to be integrated with existing and proposed infrastructure. It is acknowledged that this will require upgrades in some areas and that the prioritisation and costs of these can be addressed through the Long Term Plan (LTP) process as well as additional funding through development contributions. Notwithstanding, as identified by the modelling undertaken by M.E almost all of the additional capacity enabled under the proposal occurs within the areas with no transportation constraint. Furthermore, funding for some of the required transport upgrades such as the Queenstown town centre arterials and the SH6 and SH6A upgrades are already secured and underway. Strategic Policy 3.2.2.1(d) aligns with Policy 6(e) of the NPS-UD which requires that the Council takes into account the likely current and future effects of climate change when it makes planning decisions that affect urban environments. Stormwater management and disposal is a key factor for the District with regard to both the current and future effects of climate change and this is affected by matters such as increased building coverage and decreased permeable area. The existing PDP provisions relating to building coverage and permeable surface area have been reviewed within the lens of both Policy 5 which directs intensification of urban areas and Policy 6(e) that requires that climate change be taken into account and no changes are proposed to the existing standards. Although no changes are proposed to the PDP building coverage and landscape permeable area, it is acknowledged that the proposed changes to building heights and density may encourage landowners to redevelop or subdivide their property which will result in increases in impermeable surfaces. To help address this constraint to intensification and to help address associated cumulative adverse effects, the proposal includes matters of discretion and policy direction for intensification relating to consideration of the capacity of existing or planned infrastructure/servicing and low impact stormwater design and stormwater effects.
Strategic Objective 3.2.2.1 *Urban development occurs in a logical manner so as to:* *a. promote a compact, well designed and integrated urban form;* *b. build on historical urban settlement patterns;* *c. achieve a built environment that provides desirable, healthy and safe places to live, work and play;* *d. minimise the natural hazard risk, taking into account the predicted effects of climate change;* *e. protect the District's rural landscapes from sporadic and sprawling urban development;* *f. ensure a mix of housing opportunities including access to housing that is more affordable for residents to live in;* *g. contain a high quality network of open spaces and community facilities; and* *h. be integrated with existing, and proposed infrastructure and appropriately manage effects on that infrastructure.*	Yes	
Strategic Objective 3.2.3 *A quality built environment taking into account the character of individual communities.*	Yes	The proposed changes to the built form standards have been informed by the recommendations made by the Barker & Associates urban design review and the S35 Monitoring report with the objective of promoting a well-functioning urban environment. Whilst some of the built form standards have been relaxed under the proposal, it will still enable a quality built environment that takes into account the character of individual communities while also having considered Policy 6 the NPS-UD.

Strategic Objective 3.2.3.1 *The District's important historic heritage values are protected by ensuring development is sympathetic to those values.*	Yes	The character of individual communities and ensuring a quality built environment is also maintained through the various area-specific design guidelines that are referred to in the PDP. These are assessed when resource consent is required. Historic heritage values associated with the Queenstown Town Centre, Arrowtown Town Centre, Arrowtown Historic Residential Management Zone and within the HDRZ area to the west of the Kawarau Falls Bridge has been considered as constraints to intensification under Section 6.2 of the report and intensification has therefore been excluded or partially excluded in these areas. Effects upon historic heritage are also managed by the existing Chapter 26 of the PDP.
Strategic Objective 3.2.3.2 *Built form integrates well with its surrounding urban environment.*	Yes	The proposed changes to the planning provisions in the PDP have been informed by an urban design assessment from Barker & Associates and as detailed in Policy 6(b) of the NPS-UD, the planned built form under the proposal may involve some significant changes that may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities and future generations, including by providing increased housing choice. The integration of built form within the surrounding environment will also be promoted through the various existing area-specific design guidelines that are referred to in the PDP. These are assessed when resource consent is required.
Strategic Objective 3.2.4.1 *Development and land uses that sustain or enhance the life-supporting capacity of air, water, soil and ecosystems, and maintain indigenous biodiversity.*	Yes	The intensification of existing urban and brownfield areas will reduce the pressure on greenfield land having to be developed for urban development and will retain the productivity of rural land and soils. The existing urban areas that are being proposed for intensification do not contain significant natural areas or significant areas of indigenous biodiversity. Notwithstanding, the existing design guidelines that apply to development within the residential and business zones promote the use of native planting and low impact stormwater solutions. Stormwater upgrades are likely within the older parts of the District to address the changes in the design standards as well as the effects of climate change. Notwithstanding, the additional demand on the stormwater network from further intensification is somewhat limited given the building coverage and impermeable area standards are not altering under the proposal.
4. Urban Development		
Objective 4.2.1 *Urban Growth Boundaries are used as a tool to manage the growth of urban areas within district and defendable edges.*	Yes	The proposal is consistent with this objective and Policy 4.2.1.4 in that it requires that UGBs encompass at a minimum, sufficient feasible development capacity and urban opportunities. As shown in the M.E report in Appendix 5, the development capacity (including commercially feasible capacity) and urban opportunities are being increased within the UGBs by the proposal. The feasible capacity as a result of the proposal will exceed the short, medium and long term projections for dwelling capacity as assessed under the NPS-UD. Policy 4.2.1.4 also seeks to ensure the ongoing availability of a competitive land supply for urban development, a compact and efficient urban form avoiding sporadic urban development in rural areas. Through intensification of existing urban land, development opportunities occur in a range of locations and across many different landholdings, making land development more competitive. The intensification of commercial nodes and transport corridors (as areas of high amenity and accessibility) provides a compact and efficient urban form.
Objective 4.2.2A *A compact and integrated, and well designed urban form within the Urban Growth Boundaries that:* *(i) is coordinated with the efficient provision, use and operation of infrastructure and services; and* *(ii) is managed to ensure that the Queenstown Airport is not significantly compromised by the adverse effects of incompatible activities.*		Intensification of land within the existing UGBs and in particular, around commercial nodes and transport corridors is promoting a compact urban form that is integrated. Nodes are most often the location of social infrastructure and services and amenities such as libraries, community services, community parks and the like. Intensification around these areas creates a critical mass that not only makes access to this infrastructure and services easier but also makes their provision more efficient. The same applies to public transport services, intensification along network corridors and nodes supports existing services and over time will make public transport more feasible and can contribute positively towards mode shift and therefore lessen greenhouse gas emissions from private vehicle use. This also applies to the use of active travel methods as they can become more accessible and appealing through intensification and upgrades and improvements more feasible. Intensification of existing urban areas which are serviced allows for new infill or brownfield development to be integrated with existing infrastructure networks (three waters and transport). This will require upgrades in some areas and that the prioritisation and costs of these can be addressed through the LTP process as well as additional funding through development contributions. This is preferential compared to expansion of urban areas into currently unserviced rural areas which required new infrastructure that is less efficient and therefore more costly on a per capita basis.

		No changes to the density of development of ASANs within the Air Noise Boundary or Outer Control Boundary of the Queenstown Airport are proposed. Within the LSCZ, changes to the recession planes are proposed, but as outlined within M. E's memo (attachment X) it is not excpected to add much capacity for ASANs. This will ensure that the Airport is not significantly compromised by the adverse effects of incompatible activities.
Objective 4.2.2B *Urban development within Urban Growth Boundaries that maintains and enhances the environment and rural amenity and protects Outstanding Natural Landscapes and Outstanding Natural Features, and areas supporting significant indigenous flora and fauna.*	Yes	The proposal concentrates on intensification within the existing UGBs so to maintain and enhance the surrounding rural land including the landscape character and visual amenity as well as the soil resource and ecology. Connectivity and integration within existing urban areas, including public transport, roading, active travel, open spaces and three waters infrastructure will need to be planned for by the Council as intensification occurs to maintain and enhance their provision to cater for an increased population. This is able to be done via the LTP process with developers also providing development contributions as part of the resource consent or subdivision process. Enabling intensification will provide for a greater mix of housing densities and forms (and possibly affordability associated with smaller housing typologies) within a compact urban environment which will enhance the environment for the community. The proposed amendments to the District Plan provisions are also considered to be consistent with Policy 4.2.2.8 which identifies that the minimum site size, density, building coverage and other controls can have a disproportionate adverse effect on housing affordability. Many of these controls are proposed to be relaxed so to enable additional development and to promote the development of additional, smaller housing typologies such as terrace, attached and apartment housing. These typologies typically have a smaller footprint than detached houses and therefore are often more affordable.

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

Section 32(1)(a) requires an examination of the extent to which proposed objectives are the most appropriate way to achieve the purpose of the Act. There is no formal requirement to consider a range of objectives. The test of 'most appropriate' pertains to the appropriateness of the objective, rather than inferring any meaning of superiority. Having said that, considering a range of objectives helps to identify relative benefits.

The following table lists a number of criteria[112] that can be used to help identify whether an objective is 'appropriate'.

Criterion	**Relevant section of RMA**
Directed to addressing a resource management issue	Does the objective relate to or clearly link to the issue?
Focused on achieving the purpose of the Act	Does it address a Part 2 matter?
Assists a council to carry out its statutory functions	Falls within Section 31 functions?
Within scope of higher-level documents	Section 72 – give effect to national policy statements, regional policy statements?
Is the objective clear in its intent?	Does it set an outcome (or end state) to be achieved? Is the objective ambiguous or uncertain?

As identified in Appendix 1B-1K, the proposal includes changes to five existing District Plan objectives. These are assessed below:

The below assessment incorporates and adopts the assessment included within the Barker & Associates Method Statement (Appendix 3), Urban Design Report (Appendix 4), the M.E Economic Assessment (Appendix 5) and the M.E Economic Assessment Outer Control Boundary (Appendix 7).

[112] As set out in Ministry for the Environment guide-to-section-32-of-resource-manangemnt-amendment-act-1991

Proposed Changes	Preferred objective	Status quo	Alternative
Medium Density Residential Zone Change to Objective 8.2.3 to improve the sentence construction.	The proposed change to the objective improves the sentence construction and emphasises that the changing future character intended for the zone needs to be taken into account.	The status quo drafting acknowledges the changed future character intended within the zone, however it is not clear that the character of the zone is anticipated to change over time, with the implication being that this may have an effect on amenity on neighbouring properties.	The objectives could be made more specific so to reference the anticipated character intended within the zone. This would however be difficult to adequately accomplish due to the varied locations of the medium density zoning and their individual characteristics.
Change to Objective 8.2.5 to include reference to the roading network specifically as part of infrastructure networks.	The NPS-UD directs Intensification which can help facilitate mode shift and reduce the impact on the roading network. The proposed change to the objective and associated policies, highlights this benefit and encourage model shift.	The wording of the existing objectives is broad and does not specifically acknowledge that intensification could help minimise effects on roading if more people are encouraged to use public and active transport.	Write separate objectives and policies to achieve the same, however this will not be efficient and result in unnecessary duplications.
Assessment criteria:			
Addresses a relevant resource management issue	Relates to the provision of housing for the projected population (s5) as well as maintenance and enhancement of amenity values (s7(c)) and the quality of the environment (s7(f)).	Relates to the provision of housing for the projected population (s5) as well as maintenance and enhancement of amenity values (s7(c)) and the quality of the environment (s7(f)).	Relates to the provision of housing for the projected population (s5) as well as maintenance and enhancement of amenity values (s7(c)) and the quality of the environment (s7(f)).
Focused on achieving the purpose of the Act	Relates to the use and management of resources (Urban land) (s7b) and particularly the efficient use of energy (S7(ba)) and reducing the effects of climate change (s7(i)).	Relates to the use and management of resources (Urban land) (s7b)	Relates to the use and management of resources (Urban land) (s7(b)) and particularly the efficient use of energy (S7(ba)) and reducing the effects of climate change (s7(i)).
Assists the Council to undertake its functions under s31	Assists in the establishment, implementation and review of objectives, policies and methods to ensure that there is sufficient development capacity in response of housing land to meet the expected demands of the District (s31(aa)).	Would assist in achieving s31, but less efficient that the preferred amended objective..	Would assist in achieving s31.
Gives effect to higher order documents	Aligns with the NPS-UD No concerns raised by iwi in relation to the proposal.	Does not align with the NPS-UD	Would align with the NPS-UD
Is the objective clear in its intent	Yes, the application of the objectives will guide decision making on resource consent applications as to what the anticipated outcomes are for development within the MDRZ and on how a reduction of parking provision can help facilitate model shift and reduce impacts on the roading network.	Will not be as effective at providing decision making guidance as the proposal.	Will not be as effective at providing decision making guidance as the proposal.

Proposed Changes	Preferred objective	Status quo	Alternative
Wānaka Town Centre Zone Amendment to Objective 13.2.2 to specify that high quality urban design outcomes are sought.	Due to the high accessibility and relative demand rating of the Wānaka Town Centre, it is proposed to increase the permitted height for buildings to allow for additional intensification. The qualifiers for allowing additional height	The wording of the current objective identifies that there are opportunities for intensification in the Wānaka Town Centre, however there are no qualifiers to this intensification and therefore development may not	A more prescriptive requirement such as reference to the required step-back could be included in the objective however this is considered to be overly prescriptive and future design of buildings can be

Delete Objective 13.2.3 that seeks a low scale-built form that maintains a human scale	in the WTC is to ensure high quality design outcomes are provided for including the step back of the upper floors as detailed in the proposed amendments to Policy 13.2.2.3. This will retain appropriate levels of amenity and human scale built form as viewed from the street level to ensure that intensification provides a suitable level of amenity as directed by Policy 6(b) of the NPS-UD and the higher order chapters of the PDP referenced above. The intent of Objective 13.2.3 is then achieved under 13.2.2 and the objective is no longer needed	provide for a well-functioning urban environment as sought by the NPS-UD. Objective 13.2.3 seeks for a low scale built from which is contrary to the intensification direction of the NPS-UD.	adequately guided by the supporting policies and methods as well as the Wānaka Town Centre Design Guidelines.
Assessment criteria:			
Addresses a relevant resource management issue Focused on achieving the purpose of the act	Relates to the efficient use and development of natural and physical resources (s7(b)) as well as maintenance and enhancement of amenity values (s7(c)).	Relates to the efficient use and development of natural and physical resources (s7(b)) as well as maintenance and enhancement of amenity values (s7(c)).	Relates to the efficient use and development of natural and physical resources (s7(b)) as well as maintenance and enhancement of amenity values (s7(c)).
Assists the Council to undertake its functions under s31	Assists in the establishment, implementation and review of objectives, policies and methods to ensure that there is sufficient development capacity in response of housing and business land to meet the expected demands of the District (s31(aa)).	Yes, but not as well as the proposal.	In part, it may necessitate the need for other changes to zoning and/or related provisions elsewhere in Wānaka to cater for the projected demand.
Gives effect to higher order documents	Gives effect to the NPS-UD No concerns raised by iwi in relation to the proposal.	Does not give effect to the NPS-UD	Gives effect to the NPS-UD
Is the objective clear in its intent	The proposed change to the objective will support the other proposed changes relating to building height within the Wānaka Town Centre. This will guide decision making relating to resource consents for the town centre.	Yes, this objective guide development within the Wānaka Town Centre.	Yes, this alternative would guide decision making in outlining what the anticipated built form and character is for the Wānaka Town Centre.

Proposed Changes	**Preferred objective**	**Status quo**	**Alternative**
Business Mixed Use Zone Change to Objective 16.2.2 to include reference to the impacts on infrastructure and the roading network.	The NPS-UD directs Intensification which can help facilitate mode shift and reduce the impact on the roading network. The proposed change to the objective and associated policies, highlights this benefit and encourage model shift. The NPS-UD also directs consideration of the effects of climate change and the objective now specifically considers effects on infrastructure networks with the policy requiring consideration of low impact approaches to stormwater management.	The wording of the existing objectives does not specifically acknowledge that intensification could help minimise effects on roading if more people are encouraged to use public and active transport. It also does not consider the effects on infrastructure networks and likely effects of climate change.	Write separate objectives and policies to achieve the same, however this will not be efficient and result in unnecessary duplications.
Assessment criteria:			

Addresses a relevant resource management issue. Focused on achieving the purpose of the act	Relates to the maintenance and enhancement of amenity values (s7(c)) and the quality of the environment (s7(f)). Relates to the use and management of resources (Urban land) (s7b) and particularly the efficient use of energy (S7(ba)) and reducing the effects of climate change (s7(i)).	Relates to the maintenance and enhancement of amenity values (s7(c)) and the quality of the environment (s7(f)). Relates to the use and management of resources (Urban land) (s7b)	Relates to the maintenance and enhancement of amenity values (s7(c)) and the quality of the environment (s7(f)). Relates to the use and management of resources (Urban land) (s7(b)) and particularly the efficient use of energy (S7(ba)) and reducing the effects of climate change (s7(i)).
Assists the Council to undertake its functions under s31	Assists in the establishment, implementation and review of objectives, policies and methods to ensure that there is sufficient development capacity in response of housing land to meet the expected demands of the District (s31(aa)).	Yes, but not as well as the proposal.	Would assist in achieving s31
Gives effect to higher order documents	Aligns with the NPS-UD No concerns raised by iwi in relation to the proposal	Does not align with the NPS-UD	Would align with the NPS-UD
Is the objective clear in its intent	The application of the objective will guide decision making on resource consent applications to consider impacts on the infrastructure and roading network.	The status quo does not specifically consider the positive impact of intensification on the roading network or the impacts on other infrastructure.	Will not be as effective at providing decision making guidance as the proposal. Detailed methods are best provided for in policies.

On the basis of the above evaluation, the proposed amended objectives are considered to be the most appropriate way to achieve the purpose of the Act in accordance with Section 32(1)(a).

14. EFFECTIVENESS AND EFFICIENCY OF PROVISIONS IN ACHIEVING THE OBJECTIVES

This section is to be read in conjunction with the assessment in Section 11 above which assesses the proposed plan variation against the overall objective of the proposal.

This section further assesses the efficiency and effectiveness of the proposed changes to the plan provisions in achieving the three sub-objectives of the proposal, including consideration of other reasonably practicable options. The three sub-objectives are as follows:

1. To enable heights and densities in accordance with Policy 5 and to recognise the benefits of intensification.
2. To ensure adequate amenity values within intensification areas.
3. To ensure that development can be serviced and to mitigate any potential increase in stormwater runoff.

The proposed changes to the plan provisions have been categorised against the sub-objectives in Section 9.2 above. The proposed provisions are detailed in full in Appendix 1B- 1K.

AIMS/OBJECTIVES	PROVISIONS	OTHER REASONABLY PRACTICAL OPTIONS FOR ACHIEVING THE SUB-OBJECTIVES	EFFECTIVENESS AND EFFICIENCY OF PROVISIONS IN ACHIEVING THE SUB-OBJECTIVES	REASONS FOR DECIDING ON THE PROVISIONS
1. To enable heights and densities in accordance with Policy 5 and recognise the benefits of intensification.	• Promotion of housing typologies consistent with the zone intent in policies. • Increased heights in all zones with the exception of the exclusion areas. • Relax recession planes in all zones. • Apply average densities rather than minimum density requirements in the LDSR zone. • Removal of the minimum density requirement for residential units in MDRZ. • Removal of the Lake Avenue Height Restriction Area. • Inclusion of minimum ground floor height standards. • Inclusion of the benefit of intensification for mode shift in provisions. • Increase minimum net site area for subdivision in HDRZ. • Reduce minimum net site area for subdivision in LDSRZ. • Change to minimum dimensions for lots in the LDSRZ, MDRZ and HDRZ for subdivision.	• Increase the extent of the zones – this option is not favoured due to increasing inefficiency of infrastructure, reducing potential for mode shift, increasing greenhouse gas emissions, effects upon landscape values, ecological values and productive soils. • Increase building height limits but retain recession plane standards (or vice versa) – these standards work in partnership and therefore amending one without the other may result in intensification not being realised as anticipated, or resource consent being required. • Do not apply density controls and rely only upon built form and location standards in LDSRZ – the LDSRZ is the largest zone in the District and no density control will have negative urban form implications and make infrastructure planning and investment for intensification more difficult and upgrades more costly. • Retain the density requirement for the MDRZ and/or increase its size – this would reduce the flexibility in design of developments compared to the proposal and have negative urban form implications. • Retention of the Lake Avenue Height Restriction – this area performed well in the accessibility and relative demand analysis and retention of views for some members of the community has to be weighed up against the benefits to the wider community of intensification and promotion of a well-functioning urban environment. • Maintain existing minimum net site areas and dimensions for subdivision – these do not align with current urban design recommendations. Larger sites in the HDRZ allow for the effective development of	The proposed provisions are considered to be the most effective way of achieving the sub-objective as they enable heights and densities that reflect the urban design recommendations so to promote the provision of a well-functioning urban environment, whilst still also meeting the other sub-objectives through providing a suitable level of amenity for occupants of development sites and adjoining properties. The proposal will enable a urban form that is more efficient than the alternative options including in terms of infrastructure provision and promoting mode shift to reduce greenhouse gas emissions.	The proposed provisions (in conjunction with the proposed rezoning) will enable heights and densities in locations commensurate with the greater of the level of accessibility or relative demand as required by Policy 5 of the NPS-UD. They are considered to be the best way of contributing to a well-functioning urban environment as detailed in Policy 1 of the NPS-UD including the benefits of providing a range of housing typologies and sizes, enabling a variety of locations and enough capacity for commercial activities, having good accessibility, supporting competitive markets and a reduction in greenhouse gas emissions.

			higher density. Smaller lot sizes in the LDSRZ will provide for infill development and increased housing affordability and allow for varied housing typologies within the zone.		
2.	**To ensure adequate amenity values within intensification areas**	New standards: • Outdoor living space • Outlook space • Setback at upper floors • Apply recession planes to flat and sloping sites across all zones. • Apply building height setback requirements for upper floor levels. Changes to: • Waste and recycling area requirements. • Matters of discretion relating to building coverage • Matters of discretion relating to amenity values of occupants • Provision of loading and servicing areas in the LCSZ.	• Rely on design guides and design focused matters of discretion to cover the requirements of the new standards and proposed changes – these options are less prescriptive and therefore less directive as to what is sought in terms of acceptable levels of on-site amenity for occupants of developments and on adjoining sites and public places. The existing District Plan provisions were focused mainly on amenity effects upon adjoining properties and not upon on-site amenity and is not suitable in light of the intensification now proposed. The proposed changes address this. • As detailed in the Barker & Associates urban design assessment in Appendix 4, the application of recession planes to only flat sites result in a significantly different effects envelope between sloping and flat sites. With the proposed increases to building heights, use of recession planes to ensure a suitably level of access to sunlight on all sites is more important.	The proposed changes are significantly more efficient and effective in ensuring amenity for future residents of developments and for people in public places than the existing design guides and matters of discretion. Incorporating and updating the standards that relate to amenity will be more prescriptive and therefore result in developers being more aware of what is expected rather than having to address it through a resource consent process. This will result in a more efficient resource consent process and aims to be more effective in achieving a well-functioning urban environment.	The proposed changes are based upon recommendations made by an urban design review of the provisions and they reflect the building heights and densities proposed to achieve sub-objective 1 above. They will also ensure that a suitable level of on-site amenity is achieved by developments as well as for adjoining properties and public spaces. Overall, the proposed provisions are considered to be the best way of achieving sub-objective 2.
3.	**To ensure that development can be serviced and to mitigate any potential increase in stormwater runoff.**	• Allow for consideration of infrastructure capacity, including upgrades. • Enable consideration of stormwater effect and use of low impact stormwater design for developments.	• Do not include consideration of infrastructure capacity and upgrades – this may result in resource consent having to be granted for a development where there is no infrastructure capacity, which may result in the development not being able to proceed or for unplanned upgrades having to be undertaken creating additional expense and delays. It will also not allow developments to consider future upgrades or upgrades proposed as part of Resource consent applications. • Do not include stormwater considerations – this will not enable the potential effects of stormwater to be adequately considered at the resource consent stage which will not address the commutive effects of intensification and this may increase flooding in some areas (particularly as a result of climate change).	It is more efficient and effective to identify and address infrastructure capacities and stormwater effects at the resource consent stage to ensure that effects can be avoided or mitigated and upgrades to infrastructure identified and addressed as early as possible.	The proposed provisions are considered to be the best way of achieving sub-objective 3 as well as Objectives 6 and 8 of the NPS-UD.

15.MOST APPROPRIATE OPTION

Overall, Option 4 is considered to be the most effective and efficient way of satisfying the requirements of Policy 5 of the NPS-UD. It will also assist with promoting a well-functioning urban environment, while taking into account exclusion and partial exclusion areas (such as natural hazards, historic heritage, airport noise restrictions, reverse sensitivity, infrastructure constraints and the landscape values of Outstanding Natural Features and Landscapes) and implementing the Queenstown Lakes Spatial Plan.

The proposal will provide for greater intensification in areas with an assessed higher level of accessibility or relative demand, being areas located around commercial nodes and along a frequent public transport corridor. Providing for intensification in these areas will have social, economic, cultural and environmental benefits, and promote diversification of housing typologies, including smaller housing types that are typically more affordable. Intensification in these areas creates critical population mass that can support the viability of commercial centres and community facilities, and integrated delivery and funding of public and active transport infrastructure, by assisting in mode shift towards public transport and active travel (which has associated environmental and public health benefits).

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

16.CONCLUSION

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

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

- It promotes and enables a compact urban form that has efficiencies for infrastructure delivery.

- It will promote a well-functioning urban environment through the proposed changes to the District Plan that were informed by monitoring (by MfE and QLDC), and the Barker & Associates urban design review of the existing District Plan provisions, including those that are adversely affecting intensification in areas of high accessibility and relative demand.

- There are significant benefits to the proposal including social, economic, cultural and environmental benefits associated with the urban form enabled by option 4 as detailed in Section 11 above.

- The proposal will provide commercially feasible capacity in the District Plan for an additional 52,100 dwellings, representing a 63% increase in feasible capacity from the existing baseline. This is through intensification of existing urban areas.

- The proposal will strengthen and provide more capacity within commercial areas in line with their respective roles within the district as acknowledged within the PDP.

- The proposal implements Priority Initiative 1 of the Queenstown Lakes Spatial Plan which directed a review of zoning and other levers to enable higher densities and more flexible use of land within the existing and new urban areas in appropriate locations identified in the Spatial Plan.

APPENDIX 1- PROPOSAL

Design guide changes proposed:

Added text underlined, deleted text ~~struct through~~ and picture changes *described in Italic Text*.

1. Residential Design Guide

- **Page 1: Update date and version**
- **Page 2: Delete page 2**
- **Page 4: Update date and version**
- **Page 5:**
    - Text changes:
        - STEP 4 SEEK ADVICE / CONSULT COUNCIL
        - The earlier you talk to council, the more time you can save and reduce the risk of abortive work being undertaken. The design guide is based on creating positive design outcomes, which may in some cases infringe rules but do not result in adverse effects.
        - ~~There is also the opportunity to present your proposal before the Urban Design Panel. While a non-statutory review group, the panel consists of skilled and experienced practitioners who can offer and often add value to your proposal.~~
        - Consulting does not avoid the RMA process but it can lead to a much smoother path and greater certainty of the outcome.
- **Page 6 – HDR:**
    - Text changes:
        - …… Developments are likely to be multistorey terrace or apartment style dwellings with no restrictions on density. These buildings should be designed to a high standard and reflect the character intended for the zone, but also have regard of the character of the surrounding area in terms of form, materials, colour, setbacks and landscaping.
        - Developments in a high-density residential zone are likely to be up to five ~~3~~ storeys ~~and possibly four in some locations~~ depending on their design. Small commercial offices or retail may be included. Dwelling typologies are likely to be either terrace or ~~low-rise~~ apartment buildings.
    - *Pictures changes:*
        - *Update the apartment blocks picture to show a higher "mid-rise" apartment building of up to five storeys and update the text references accordingly.*

- **Page 7 – HDR:**
    - Text changes:
        - 02 - **Building height and ~~roof~~built form** - Look for opportunities where additional height can be provided without adversely affecting neighbouring properties or views. Higher ceiling stud on the ground floor can allow future flexibility of use. Greater building height is supported when designed to achieve an exemplary standard of quality and environmental sustainability, superior design outcomes in terms of amenity values, and a greater diversity in unit sizes. Building height setback at upper floors are required along all boundaries to help manage visual dominance, residential amenity and privacy effects.
        - 03 - **Sunlight and recession planes** Recession planes are required on boundaries with neighbouring sites but not along road frontages or where the site adjoins a Town Centre Zone, Business Mixed use zone, or a park or reserves. A more restricted recession plane applies to southern boundaries to allow more sunlight access on neighbouring sites. ~~Internal recession planes are not required.~~
        - 06 **Outlook space and Outdoor living space** Provide outlook space to principal living rooms and habitable rooms and ~~C~~consider providing each unit with access to an outdoor living space, whether at ground or a balcony, ideally directly from internal living areas.
        - 10 –……..or west facing living areas. ~~Extra height requires exemplary environmental sustainability.~~
    - *Picture changes:*
        - *Update drawing to reflect new permitted heights (16.5m) and maximum heights (12m in Wanaka and 20m in Frankton North), typologies (including mid-rise/5 storey apartments) and listed design elements refences on it. Also consider adding new: Building setback at upper floors rule, outlook space rule and stricter southern boundary recession plane.*
- **Page 8 – MDR:**
    - Text changes:
        - ~~▪~~ Medium Density Residential Zones are located within the urban growth boundaries as identified on the District Plan, generally near key town centres, local shopping areas or along public transport routes. ~~or areas of population growth.~~
        - The zone will enable a greater supply of diverse housing options and does not prescribe minimum density controls. ~~Lot sizes within this zone are typically between 250m^2 and 450m^2.~~ The range of ~~main~~ housing typologies anticipated are terraces, semi-detached (duplex) and detached

houses, to low rise-apartments. These buildings should be designed to a high quality and reflect the character intended for the zone, but also have regard of the character of the surrounding area in terms of form, materials, colour, setbacks and landscaping.

- Developments in a medium-density residential zone are likely to be up to three ~~1-2~~ storeys ~~and possibly three in some locations subject to~~ depending on their design. Small commercial offices or retail may be included, particularly in the Wanaka Town Centre town centre overlay where they integrate with and support the role of the Town Centre. Dwellings are likely to be either terrace, duplex, ~~or~~ detached buildings or low-rise apartments.

- *Pictures changes:*

  - *Update the pictures to show the anticipated buildings listed above. In general, higher density up to low-rise apartment buildings (Could use some of the picture currently under HDR on page 6 and move some of these to the new LDSR on page 10).*

- **Page 9 – MDR:**

  - Text changes:

    - 02 - **Building height and roof form** Look for opportunities where additional height can be provided where it would achieve superior design outcomes in terms of amenity values, and a greater diversity in unit sizes, without adversely affecting neighbouring properties or views.

    - 03 – **Sunlight and recession planes** Recession planes are required on boundaries with neighbouring sites, but~~of a flat site, but are only applicable to accessory buildings on sloping sites. Recession planes~~ do not apply along road frontages or ~~reserves within town centres~~ where the site adjoins a Town Centre Zone, Business Mixed Use zone, Local Shopping Centre Zone, or a park or reserves. A more restricted recession plane applies to southern boundaries to allow more sunlight access on neighbouring sites.

    - 06 **Outlook space and Outdoor living space** Provide outlook space to principal living rooms and habitable rooms. ~~Consider providing~~ eEach unit should also have ~~with~~ access to an outdoor living space, whether at ground level or a balcony, ideally directly from internal living areas any may be provided as a communal space. ~~at the same level as the principal living area.~~

  - *Picture changes:*

    - *Update drawing to reflect new heights/3 stories (11m + 1m for pitched roof forms only), typologies (including low-rise apartments) and listed design elements refences on it. Also consider adding new: Recession plane*

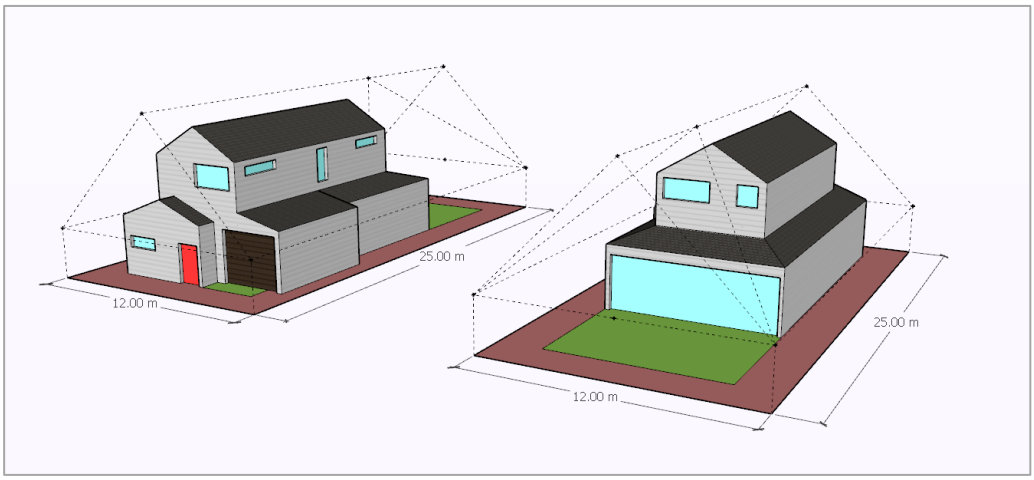
and outlook space rule. The drawing or a variation of it on page 7 (current HDR) might be suitable.

- **Page 10 – LDSR:**
    - Text changes:
        - The Lower Density Suburban Residential Zone is the largest ~~most common~~ residential zone in the District providing for residential development within the urban growth boundaries.
        - Lot sizes within this zone are typically between 450 and 1000m^2 with ~~the main building type being standalone housing~~ both traditional and modern suburban densities and housing forms enabled. Houses should be designed to a high quality and be compatible with ~~reflect~~ the character of the surrounding area and zone in terms of form, materials, colour, setbacks and landscaping.
        - There is provision to allow sites down to an average of 300m^2 in area and larger comprehensively designed developments as for the construction of non-subdividable residential flats
        - Well-designed lower density developments and a mix of compatible suburban densities can contribute positively to urban settlements if the Design Principles are followed. With larger sites, there is greater flexibility for design and site layout without adversely compromising urban design principles. However, the Design Principles and Elements outlined above and following are still relevant, and contribute to creating a higher amenity, more connected community.
        - Developments in a lower density suburban residential zone are likely to be 1-2 storeys. Larger sites enable comprehensively designed attached dwellings, but most dwellings are likely to be detached buildings with attached garages or carports. Some sites will include accessory buildings and subject to controls, may include a second residential flat up to 70m^2 in size.
    - *Pictures changes:*
        - *Consider update the pictures to show some attached typologies (could use some of the picture currently under MDR on page 8 but keep some of these to show the mix densities allowed).*

- **Page 11 – LDSR:**
    - Text changes:
        - 03 – **Sunlight and recession planes** Recession planes are required on boundaries ~~of a flat site, but are only applicable to accessory buildings on sloping sites.~~ with neighbouring sites but not along road frontages or where the site adjoins a Town Centre Zone, Business Mixed Use zone,

Local Shopping Centre Zone, or a park or reserves. A more restricted recession plane applies to southern boundaries to allow more sunlight access on neighbouring sites.

- *Pictures changes:*
  - *Note no recession plan on road boundary. A 300m^2 lot with the new recession planes is shown below. Also include a drawing similar to that currently shown on page 9 to show attached residential developments. Note recession planes are also shown on page 16 so does not necessarily need to be emphasised here.*



- **Page 12 – 01 - HOUSING DIVERSITY AND ADAPTABILITY**
  - *Picture changes:*
    - *Update to include mid-rise and Low-rise apartments in the HDR and MDR zone.*
- **Page 13 – 02 – WELL-DEFINED ENTRANCES AND DETAILING TO IMPROVE LEGIBILITY**
  - Text changes:
    - Blank walls do not create visual interest or allow natural surveillance over public or shared spaces. Access to the front ~~floor~~ door is clearly defined and visible from the street.
- **Page 14 - DESIGN ELEMENT CHECKLIST**
  - Text changes:
    - ~~RELEVANT DISTRIC PLAN POLICIES 9.2.2.1 (a) (b) (c), 9.2.5.1, 9.2.5.2,8.2.3.2 7.2.1.2, 7.2.1.3, 7.2.3.2, 7.2.4.2, 7.2.3.1 (c)~~

- **Page 15 - 03 -BUILDING DOMINANCE AND SUNLIGHT ACCESS**

    - Text changes:

        - TO ALLOW FOR FLEXIBILITY IN BUILDING HEIGHT AND MASSING WHERE POSITIVE DESIGNS AND VISUAL INTEREST CAN BE CREATED WITHOUT RESULTING IN ANY ADVERSE EFFECTS DUE TO VISUAL DOMINANCE.

        - The height and massing of a building plays an important role in the overall appearance and function of a street or neighbourhood. Maintaining consistency between building heights or massing contributes to the character and overall feel of a street while variation in form, in particular roof form, can provide the variation necessary to create an interesting street scene.

        - Each zone has standards for the maximum height a building can be, with the HDR Zone allowing for taller buildings than the MDR Zone and the MDR Zone in turn taller buildings than the LDR Zone~~s~~. The HDR Zone also has height setback at upper level rules that applies. ~~Within those standards there may be different height allowances for buildings on flat sites and buildings on sloping sites due to the importance of maintaining views for residents on sloping sites.~~ If any additional height is desired that does not meet standards, the following key design aspects need to be considered to maintain the ~~suburban~~ intended intensity and character of the zone:

            - Building design
            - Roof form
            - Building dominance
            - Sunlight access to neighbouring properties and public spaces (including roads)
            - Privacy for occupants and neighbours
            - Effects on public views

            These design aspects should always be considered when designing a building.

    - *Picture changes:*

        - *Add a picture to show building heigh setback at upper floors rule.*

- **Page 16**

    - Text changes:

        - TO AVOID ADVERSE EFFECTS ~~OF SHADING~~ ON THE AMENITY OF ADJOINING PROPERTIES.

        - Recession planes are a control to ensure neighbouring properties are not adversely affected ~~in terms of sunlight and/or privacy~~ by a development while allowing for development and intensification to occur in residential areas. There may be a degree of change which occurs from existing conditions but ~~at a level where change is considered to be acceptable. T~~there are several

methods which can be implemented to minimise adverse effects ~~on shading~~ including modulating the building form, setting buildings back from the boundary, or avoiding long, linear walls.

- ~~Where the existing ground profile under the building footprint exceeds 6o, no recession planes apply to the site but the maximum building height is reduced to 7m above the existing ground profile.~~

Note: Either deleted these completely or update as follow:

- HIGH DENSITY ~~(FLAT)~~ Recession planes for the High Density Residential Zone are up to ~~2.5~~8 m then ~~45~~60° on all boundaries other that the ~~northern~~ southern boundary where a ~~5~~45° recession plane applies ~~(flat sites only)~~.

- MEDIUM ~~/ LOW~~ DENSITY ~~(FLAT)~~ Recession planes for the ~~Low and~~ Medium Density Residential Zones are up to ~~2.5~~4m then ~~4~~35° on the ~~western and eastern~~ southern boundaries~~, 55° on the northern boundary~~ and ~~35~~60° on ~~the southern~~ all other boundar~~y~~ies ~~(flat sites only)~~.

- LOWER DENSITY Recession planes for the Lower Density Suburban Residential Zone are up to 2.5m then 45° on the western and eastern boundaries, 55° on the northern boundary and 35° on the southern boundary.

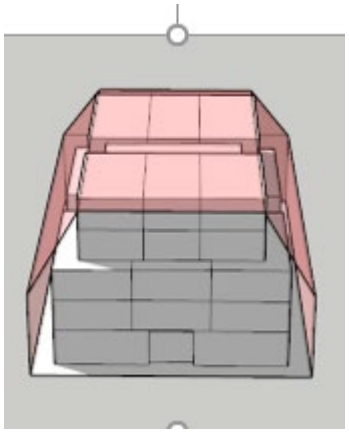
- ~~ALL RESIDENTIAL ZONES (SLOPING SITES) There are no recession planes on sloping sites (except for accessory buildings). Sites are defined as sloping where the ground slope exceeds 6o across the extremities of any building elevation.~~ Recession planes do not apply to site boundaries adjoining a Town Centre Zone, Business Mixed Use Zone, Local Shopping Centre Zone, fronting the road, or a park or reserve.

- DESIGN CHECKLIST

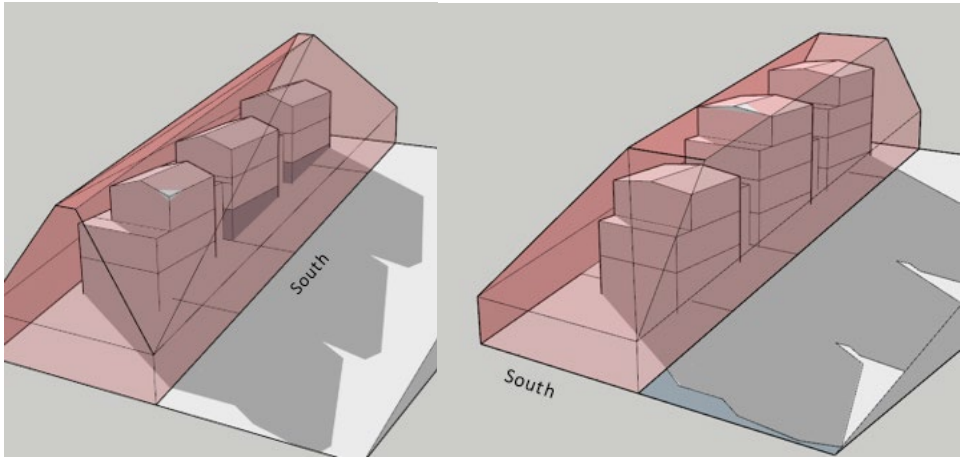
  - ~~RELEVANT DISTRICT PLAN POLICES 9.2.2.1(a) (b) (c), 9.2.2.2.2, 9.2.2.1 (d), 9.2.6.2 8.2.3.1, 8.2.3.2, 8.2.6.1, 8.2.6.2, 8.2.6.3 7.2.1.2, 7.2.1.3, 7.2.3.3, 7.2.3.1(a) (b) (c), 7.2.4.1(a) (b)~~

- *Picture changes:*

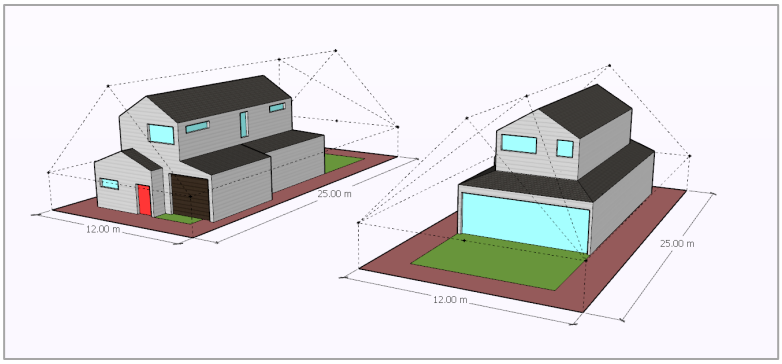
- *Remove drawings and replace with similar drawings that reflects these new rules (no recession plane on road boundaries!):*



HDR



LDSR:



- **Page 18 – DESIGN ELEMENT CHECKLIST**
    - Text changes:

~~RELEVANT DISTRICT PLAN POLICES 9.2.2.1 (b) (d), 9.2.6.1, 9.2.6.2 7.2.1.4, 7.2.3.3, 8.2.21~~

- **Page 19 - 05 – PROVIDING OUTDOOR LIVING SPACE FOR RESIDENTS' AMENITY**
    - Text changes:
        - While the District Plan does not specify a minimum outdoor living space area requirement for all of the zones, the site coverage rules mean all residential ~~dwelling~~ units in the LDSR and MDR will have access to private or communal outdoor space. Ideally this should be directly accessible from the indoor living areas.
        - For ~~LSDR~~LDSR developments, infill developments should carefully consider how outdoor living space can best be placed. Where communal outdoor spaces are proposed, carefully consider is needed to ensure it is accessible and located and designed so that it desirable to use.
    - *Picture changes:*
        - *Add a photo of a communal outdoor space*
- **Page 20 – Design Element Checklist**
    - Text changes:
        - F Where on-site communal outdoor spaces are provided, they are ideally located in a accessible location and designed so that they are desirable to use.
- **Page 22 – Design element checklist**
    - Text changes:
        - ~~RELEVANT DISTRICT PLAN POLICES 9.2.1.2, 9.2.6.1, 9.2.6.2, 9.2.6.3, 9.2.6.5, 8.2.1.1, 8.2.1.2, 8.2.1.3, 8.2.2.3, 8.2.5.1, 8.2.5.3, 8.2.8.7 7.2.6.1, 7.2.6.3~~
- **Page 23 – 07 – How to integrate waste and service areas so as not to affect amenity**
    - Text changes:
        - ~~RELEVANT DISTRICT PLAN POLICES 9.2.3.2 8.2.3.2~~
- **Page 24 – 08 – Creating private and safe environments**
    - Text changes:
        - Windows are oriented to the street and public open spaces rather than toward adjacent properties to provide increased natural surveillance over the ~~street~~ public realm and to maintain privacy between dwellings.
        - **C -** Privacy and safety can be achieved with a mix of permeable (see-through) and solid fencing. Fencing along boundaries with streets and public spaces

such as reserves are recommended to be permeable and/or of low height to promote passive surveillance.

- Placing higher kitchen windows on the frontage so that occupants are often looking out over the street or reserve (not shown).

~~- RELEVANT DISTRICT PLAN POLICES 9.2.3.2, 9.2.3.3, 9.2.3.1 8.2.3.1, 8.2.3.2, 8.2.2.2 7.2.1.3, 7.2.3.1(b)~~

- **Page 25 – 09 – Site coverage and low impact design solutions to reduce infrastructure demands**
  - Text changes:
    - TO PROVIDE SUFFICIENT SPACE FOR OUTDOOR LIVING, WASTE AND STORAGE AREAS, ~~AND~~ ON-SITE VEHICLE MANOEUVRING ~~WHILE LIMITING~~ AND STORMWATER MANAGEMENT ~~RUNOFF PEAKS~~
    - Maximum site coverage and landscape permeable area standards ~~limits~~ ensure sufficient space is provided for different functional requirements of a development. ~~Often there is a tendency for buildings to be limited to a single storey which can have a detrimental effect on the amenity or character of a development.~~ Higher site coverage is permitted in higher density developments to allow for larger buildings, but there is still an expectation that ~~other~~ amenities, ~~and~~ manoeuvring, landscaping and stormwater management can be provided on site.
    - In terms of stormwater runoff, ~~it is possible for~~ low impact design solutions are required to be incorporated on-site to minimise runoff and peak flows with a view to achieving stormwater neutrality or at least a reduction. All of the systems are cost effective if incorporated during the design phase (as opposed to being retrofitted) but require maintenance to ensure their effectiveness is retained. By implementing systems such as these they can reduce peak stormwater discharges reducing the impact on Council owned stormwater infrastructure, subject to on-site solutions being well-designed and maintained. The need for effective stormwater management is becoming more significant with climate change.
    - ~~HDR,MDR,LDSR Site Coverage Permeable Surface (minimum) 70% 20% 45% 25% 40% 30%~~

- **Page 26 – Design element Checklist**
  - Text changes:

~~- HDR,MDR,LDSR RELEVANT DISTRICT PLAN POLICES 9.2.6.4 8.2.2.4, 8.2.5.2, 8.2.8.17.2.6.2~~

- **Page 27 – 10 – Building materials and environmental sustainability**
    - Text changes:
        - ~~RELEVANT DISTRICT PLAN POLICES HDR MDR LDSR 9.2.2.2, 9.2.6.4 8.2.5.2 7.2.4.1c, 7.2.6.2~~
- **Page 28 – 11 – Landscape materials and planting**
    - Text changes:
        - ~~RELEVANT DISTRICT PLAN POLICES HDR MDR LDSR 9.2.2.1(d), 9.2.6.4 8.2.2.5, .2.8.3, 8.2.4.1. (c) 7.2.3.1 (a) (b) , 7.2.3.3, 7.2.4.1(c)~~

2. Business Mixed Use design guidelines

- **Page 1:** Update date and version
- **Page 2:** Delete page 2
- **Page 4 –** update version reference.
- **Page 5 - HOW TO USE THE GUIDE**
    - Text changes:
        - **– Step 5 –** For further clarification or advice~~, and~~ seek guidance from Council through the pre-application process before applying for a resource consent. It may be helpful to prepare a design statement to support your development proposal ~~or seek advice through the Urban Design Panel process which a Council officer can assist with~~.
- **Page 6 -BMU**
    - Text changes:
        - Four to ~~five~~ six storey buildings are expected in the Queenstown BMU (note this is in the Queenstown Town Centre)
        - One of the most important design aspects is ensuring developments relate well to their context and the street. Queenstown and Frankton North BMU developments may be 4-6 storeys ~~but have the potential to be six storeys~~ and Wānaka and Frankton Marina BMU developments may be 3-5 storeys. Consideration of the effects of height and bulk, modulation of facades and variation in material use is important to ensure that developments do not dominate their neighbours especially if close to residential uses.

- **Page 7 – BMU**
    - Text changes:
        - One of the most important aspects is ensuring developments relate well to their context and the street. ~~Wanaka BMU developments may typically be 2 storeys but have the potential to be 3 storeys~~. Modulation of facades, variation in material use and consideration of height and bulk form is important to ensure that developments do not dominate neighbouring properties especially if close to residential uses.

        - ~~RELEVANT DISTRICT PLAN POLICES 16.2.1.1, 16.2.1.2, 16.2.1.9 16.2.2.1, 16.2.2.3~~

- **Page 9 – Design Elements**
    - Text changes:
        - **12 Landscape materials and planting**
          Encourage landscape planting to soften blank walls, hard surface areas and provide additional amenity. Use changes in materials to create high amenity, human scale spaces. Combine planting with low impact approaches to stormwater management.

- **Page 10- 01 – Create a positive street edge and a sense of place**
    - Text changes:

        - ~~PLAN POLICIES~~
            - ~~BMU 16.2.1.1, 16.2.1.2, 16.2.1.4, 16.2.2.1, 16.2.2.5~~

- **Page 11 – Design element checklist**
    - Text changes:
        - Design~~ed~~ for safe and secure entrances by avoiding the creation of blind spots and hiding spots. Establish a direct physical and visual connection to entrances between the street and the buildings' entrance.
    - Picture changes:
        - No changes needed

- **Page 12 – Building façade treatment**
    - Text changes:

        - ~~RELEVANT DISTRICT PLAN POLICIES BMU 16.2.1.9, 16.2.2.1, 16.2.2.5,16.2.2.6~~

- **Page 14 – 03 – building height and roof form**
    - Text changes:
        - Differing heights are allowed within the BMU zone and have been based on shading, sunlight and overall relationship to the wider urban and landscape context desired within the zone. Buildings that appear similar in mass and scale help to maintain a coherent visual image and character to a site. ~~Discretionary heights policy only applies to Gorge Road and Frankton Marina (Sugar Lane) in Queenstown.~~

        - ~~RELEVANT DISTRICT PLAN POLICIES BMZ 16.2.1.2, 16.2.2.1, 16.2.2.5, 16.2.2.7~~

- **Page 15 – 04 - Signage**
    - Text changes:

        - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.1.7, 16.2.2.1, 31.2.1.1, 31.2.1.2, 31.2.1.5, 31.2.1.7, 31.2.1.8, 31.2.1.9, 31.2.1.12, 31.2.2.2, 31.2.2.5, 31.2.3.1, 31.2.3.2, 31.2.3.3, 31.2.3.4, 31.2.3.5,~~

- **Page 16 – 05 – Open space provision and boundary interfaces**
    - Text changes:

        - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.2.3, 16.2.2.5, 16.2.2.9, 16.2.2.4~~

- **Page 18 – 06 – Accessibility**
    - Text changes:

        - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.1.2, 16.2.1.9, 16.2.2.4, 16.2.2.9~~

- **Page 20 – 07 – Parking Areas**
    - Text changes:

        - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.1.1, 16.2.1.2, 16.2.2.1, 16.2.2.3, 16.2.2.8 29.2.1, 29.2.2.1, 29.2.2.3, 29.2.2.4, 29.2.2.9, 29.2.4.9~~

- **Page 22 – 08 – Waste and Service Areas**
    - Text changes:

        - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.1.8, 16.2.2.3, 16.2.2.~~

- **Page 23 – 09 – Private and Safe Environments**

  - Text changes:
    - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.1.9, 16.2.2.1~~

- **Page 24 – 10 – Building Materials and Lighting**

  - Text changes:

    - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.1.7,16.2.1.9, 16.2.2.1~~

- **Page 25 – 11 – Environmental Sustainability**

  - Text changes:

    - …Buildings should be designed to minimize water consumption and stormwater run-off. ~~incorporating~~ Low Impact stormwater/Urban Design solutions are required to be incorporated on-site taking into account anticipated increases to runoff as a result of climate change. ~~and adopting~~ Water-sensitive design principles are adopted where possible. Landscapes should be low maintenance, designed to optimise water infiltration and support plant growth.

    - ~~RELEVANT DISTRICTPLAN POLICIES 16.2.3.1~~

- **Page 26 – 12 – Landscape materials and planting**

  - Text changes:

    - ~~RELEVANT DISTRICT PLAN POLICIES 16.2.2.2, 16.2.2.3, 16.2.2.9~~

3. QUEENSTOWN TOWN CENTRE SPECIAL CHARACTER AREA - Design Guidelines

- **Page 1** – update date
- **Page 3** – update zoning map to the PDP zoning map

- **Page 3 – Purpose of the Guidelines**

  - Text changes:

    - The purpose of the Guidelines is to articulate the character attributes of the Special Character Area of the Queenstown Town Centre and provide guidance to the community, landowners, developers, professionals (such as architects and planners) and Council decision makers and its Urban Design Panel (if applicable) on how development should capture and be sympathetic to these character attributes. Whether it is a major urban design project or a small scale modification, all

development, in the Special Character Area of the Town Centre is required to be consistent with the Guidelines.

- The Guidelines also provide clear assistance in interpreting the Queenstown Town Centre objectives, policies and rules of the ~~Proposed~~ Queenstown Lakes District Plan that relate to the Special Character Area.

- **Page 5 – The Planning Context**

  - Text changes:

    - The Queenstown Town Centre Zone ~~(Chapter 12 of the District Plan)~~ provides the zone provisions for the town centre and contains numerous listed heritage buildings, historic precincts, and a Special Character Area. ~~Planning maps 35 and 36 show the boundaries of the Town Centre Zone and specific areas within that.~~

    - The Queenstown Town Centre Zone (Chapter 12 of the District Plan) provides the zone provisions for the town centre and contains numerous listed heritage buildings, historic precincts, and a Special Character Area. ~~Planning maps 35 and 36 show the boundaries of the Town Centre Zone and specific areas within that.~~

    - The District Plan objectives and policies promote the protection of the town centre's unique qualities; in particular:

      - The town centre is for both residents and visitors and is the District's principle mixed use centre where retail, commercial, administrative, entertainment, cultural and tourism activity is enabled.
      - High quality urban design is anticipated which contributes to the character, heritage values and sense of place.
      - Night time activities are enabled whilst a reasonable level of residential amenity is maintained.
      - A compact town centre that is safe and easily accessible for residents and visitors.
      - The Queenstown Bay interface is managed and development of an exciting and vibrant waterfront is encouraged.
      - ~~The relationship of the town to the lake and to the wider landscape beyond~~
      - ~~The small and intimate scale of the built environment within the Special Character Area, and the diversity in building types and styles throughout the town centre;~~
      - ~~The historic heritage values, human scale, and sense of place that derives from the original settlement pattern, particularly within the Special Character Area, and the presence of numerous historic buildings;~~
      - ~~The high level of pedestrian amenity, which to a large extent results from the town's compact size, the pedestrian links, the fine grain street network and the quality open space areas.~~

  - All buildings in the Town Centre require resource consent with consistency with these design guidelines being a matter of discretion. ~~The District Plan provides Council with the discretion to consider and influence the design of developments in the Town Centre Zone in order to ensure high quality outcomes are achieved. Where~~

~~improvements to a proposed design are deemed necessary, this is usually achieved through Council working collaboratively with the applicants and their experts to determine mutually agreeable design solutions.~~

~~Notably, when determining the appropriateness of a proposed development, the policies and rules of the District Plan require the Council to consider whether the proposal is consistent with these Guidelines. As these Guidelines are specifically referenced in the Proposed District Plan and have been through the appropriate RMA process, they have legal weight and are an integral part of assessing any resource consent for a building or development in the Special Character Area.~~

- ……It is noted that these Guidelines are just one of a suite of statutory and non statutory documents prepared by the Queenstown Lakes District Council in recent years which, together, help to guide development in the Town Centre. Other related documents, which may provide useful direction to those preparing, processing and deciding on resource consents include:

  ~~Queenstown Town Centre Strategy (2009)~~
  Queenstown Town Centre Masterplan 2017
  Queenstown Lakes Spatial Plan 2021
  Queenstown Lakes District Plan – District Wide Chapters
  Learning to Live with Flooding: A Flood Risk Management Strategy for the Communities of Lakes Wakatipu and Wanaka (QLDC, 2006).
  ~~Tomorrow's Queenstown (Queenstown Lakes District Council, 2002)~~
  Queenstown Lakes Long Term ~~Council Community~~ Plan
  QLDC Land Development and Subdivision Code of Practice
  Tree Policy
  Southern Lights Policy
  Vision Beyond 2050

- **Page 23 – 3A - Human Scale – Diagrams**

  - Text changes:

    - Illustrations above show hypothetical examples of human scale – bulk and height, but is also relevant for higher buildings with the upper floors setback from the parapet.

- **Page 24 – Human Scale – Built examples**

  - Text changes:

    - Reducing the apparent height by means of recessing the top storey, particularly in those areas where ~~a recession plane is required~~ a height setbacks at upper floors is required, and expressing each level clearly in terms of human proportions, and…

  - *Picture changes:*

    - *Include more examples of higher buildings in line with proposed Height precinct 2, 3 and 4*

4. Wanaka Town Centre Character Guideline

- **Page 2 – Who should use this guideline.**
    - Text changes:
        - This character guideline has been prepared to serve the entire Wanaka community. It will assist developers, design professionals, people with an interest in development in the town centre, and the Council. ~~This guideline is advisory and non-statutory.~~ This guideline is incorporated by reference into the Queenstown Lakes District Plan.
        - As with the town centre, this guideline is anticipated to evolve. ~~This is to be achieved by means of a five yearly review process.~~

- **Page 2 and 3 – How it relates to the District Plan**
    - Text changes:
        - Most developments within the town centre will need to obtain a resource consent under the District Plan. This guideline will help interpret the objectives, policies, rules and standard ~~assessment matters~~ of the District Plan in relation to the Wanaka Town Centre.
        - ~~The District Plan identifies 'principal values' that contribute to the character of the Wanaka Town Centre, and 'issues in respect of its future management' as:~~
        - ~~The general proportions of public open spaces • The low scale of developments • The views to Lake Wanaka and the surrounding mountains from within the town centre, the relationship of commercial activities and surrounding residential, open space and recreational activities • The clear definition of the edge of the town centre • The variety of land use activities established within the town centre • The consolidation, maintenance and enhancement of the existing business area • The retention and enhancement of the visual image and lakeshore amenity • The sustainable use of the existing buildings and infrastructure • Retention of the existing scale, form and intensity of the built form • Ease of access and circulation for vehicles and pedestrians~~
        - ~~However, the District Plan provides little guidance on the translation of those values into buildings, streets and other open spaces.~~ This guideline ~~therefore~~ sets out to enable all those involved in the design process to better understand the community's expectations for the evolving character of the town centre, and how a development can best contribute toward this.
        - This guideline also recognises, and should be read in conjunction with, the Council's publications:
            - Queenstown Lakes Proposed District Plan – District Wide Chapters
            - ~~•~~ Queenstown Lakes Spatial Plan 2021
            - Wanaka Town Centre Strategy 2009

- Learning to Live with Flooding; A Flood risk management strategy for the communities of Lakes Wakatipu and Wanaka
- ~~Infrastructure Code~~
- QLDC Land Development and Subdivision Code of Practice
- ~~Signs Control Bylaw~~
- Tree Policy
- Southern Lights Policy
- Queenstown Lakes Long Term Plan
- Vision Beyond 2050

- **Page 3:**
  - Text changes:
    - ~~**The role of the Urban Design Panel**~~
    - ~~The Wanaka Urban Design Panel undertakes design reviews on behalf of Council for significant public and private development proposals in Wanaka, with particular emphasis on the town centre. The Urban Design Panel will consider how development proposals in the town centre have taken account of this guideline. The panel offers greatest potential benefit when proposals are at the concept stage, prior to lodgement for resource consent. As with the guideline, the panel's role is advisory and non-statutory, however support from the panel can be influential in the outcome of the resource consent process.~~

- **Page 8 – Building design**
  - Text changes:
    - Preserve important views from the site and public views that might be impacted on by the development

- **Page 9 – Site Coverage**
  - Text changes:
    - Site coverage ~~over the 80% permitted threshold in the District Plan is likely to be viewed favourably where the site and context and built form guidelines have been effectively applied.~~ should take into account the relationship with the adjoining buildings and streetscape, the need to maintain and/or enhance pedestrian flows and linkages, the location of outdoor dining or outdoor living areas and the provision of loading and servicing areas.

- **Page 12 – Active Edge**
  - Text changes:
    - Make use of features such as balconies, projections, upper floor setbacks and recesses to break up the mass of the building (2)

- **Page 14 – Building scale, volume and height**
    - Text changes:
        - The maximum building volume that reads as a single built form should not exceed 12~~8~~m (excluding recessed upper floors) x 9m x 15m (height x width x depth)~~, or approximately 1,200m3~~ (2).
    - *Picture change:*
        - *Update picture 2 to show example of recessed upper stories.*
- **Page 15 – Building scale, volume and height**
    - Text changes:
        - Building heights should not generally exceed ~~8m~~ 10m at the street frontage for District Plan Height Precinct 1 and 12m at the street frontage for other areas of the Wanaka Town Centre, where they should read as a maximum of two to three storeys in height - roofs pitched above this height may be used if not visible from the street
        - Any ~~third level~~ additional height should be a secondary volume set back a minimum of 3m from the building frontage within Height Precinct 1 (3) and a minimum of 4m from the building frontage for all other areas of the Wanaka Town Centre. ~~and should not appear to be higher than 10m when viewed from the street~~ (3~~4~~)
        - Larger developments should appear as two or more distinct adjoining buildings that work in harmony (3&4), using techniques such as:
    - *Picture changes:*
        - ***Diagram 3 to be amended to reflect new standards –*** *need one for Height Precinct 1 and another for the remainder of the WTC. Bottom diagram 4 can be deleted.*
- **Page 18 – Passive solar design and building performance**
    - Text changes:
        - ~~•~~ Design ground floors with a minimum ~~3.5m~~ 4m floor-to-ceiling height, ~~with 4m recommended in dedicated retail spaces~~ to provide flexibility of use.
- **Page 19 – Signage and Lighting on the façade**
    - Text changes:
        - For requirements on the size and location of signs as well as other regulations on signage, refer to ~~Section 18~~ Chapter 31 of the District Plan ~~as well as to the Signs Bylaw of the Council~~
- **Page 26 –Additional Guidelines For Apartments & Visitor Accommodation**

- Text changes:
  - ~~For Helwick and Ardmore Street,~~ Apartments and visitor accommodation should only occur above ground floor level with the exception of lobbies and stairwells.
  - ~~For other town centre streets, apartment or visitor accommodation units at ground level should have a front setback of between 1.5m and 3.0m, and have their floor level at least 0.8 metres above footpath level to ensure both outlook and privacy~~
  - ~~Fences, hedges, or walls along front boundaries should not exceed 1.2m, however this can be measured from the front patio or deck level on the inside of the fence, hedge or wall~~

- **Page 35 – Desired Outcomes - Brownston Street**
  - Text changes:
    - Ease pedestrian crossing at key locations to enable strong walking links between the town centre and adjoining ~~high and low~~ medium density residential zone~~s~~

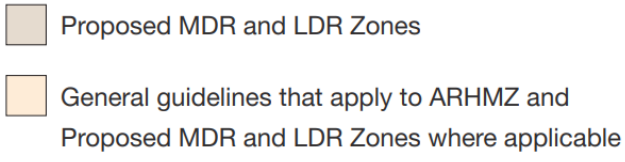
5. Arrowtown design guidelines (not town centre)

Part 1

- **Page 16 – District Plan map –** to be updated

Part 2

- **Page 91 – Old town and new town residential areas guidelines**
  - Text changes:
    - ~~Proposed~~ Medium Density Residential Zone (~~proposed~~ MDR Zone)
    - Lower Density Suburban Residential Zone (LDRZ)
  - *Picture change:*
    - *Change the zone references in this section also (remove "proposed" and change to LDSRZ):*



- Text changes:

  - This is particularly the case for the ~~proposed~~ MDRZ ~~where this~~ adjoins the ARHMZ.

  - Importantly, under the Proposed District Plan, ~~all development comprising two or more residential dwellings per site in the LDRZ and the proposed MDRZ require resource consent with the~~ Councils discretion in relation to the construction of residential units is restricted to ~~being limited~~, amongst other matters, to the extent to which the development responds positively to Arrowtown's character, utilising the Arrowtown Design Guidelines. As a consequence, the Arrowtown Design Guidelines are fundamental to promoting positive design outcomes for development requiring resource consent within these zones.

- **Page 92 – Conserve Heritage Character**

  - Text changes:

    - It is essential that developments within the ARHMZ respect and conserve this heritage character. However, it is also important to ensure that elements of this character are seen in new developments in both the ~~proposed~~ MDR and ~~LDR~~ LDSR zones, so that they also contribute towards the unique character of Arrowtown

- **Page 95**

  - Text changes:

    - Development in the ~~proposed~~ MDR and ~~LDR~~ LDSR zones that trigger the need for resource consent (or where this can be undertaken without the need for a resource consent), and other areas adjoining the ARHMZ should consider how they can incorporate these elements within their designs to ensure that they better reflect the character of Arrowtown. All development should seek to ensure that they have positive effects on the character of the ARHMZ and Arrowtown in general. It is essential that this is done when sites adjoin the ARHMZ to ensure that they do not have a negative impact on these elements.

    - By selecting elements that contribute to the heritage character of the ARHMZ and incorporating them into the ~~proposed~~ MDR and ~~LDR~~ LDSR zones visual linkage and cohesion can be achieved between the New Town and Arrowtown's core. The Arrowtown identity can be extended throughout the Zones.

- **Page 96**

  - Text changes:

    - **Include some of the heritage character elements from the ARHMZ into the ~~LDR~~ LDSRZ & ~~proposed~~ MDR**

    - Where possible take steps to incorporate elements which contribute to the character of the ARHMZ into developments within the ~~proposed~~ MDR and ~~LDR~~ LDSR zones

- **Page 97 – Settlement patter: street layout, lot size and pattern**

  - Text changes:

    - The original predominant 1/4-acre (1012m2) lot was rectangular. Subdivision of many of these lots has occurred. Within the ARHMZ the remaining 1/4-acre lots are important to the historic character of the area. However, it is recognised that in the ~~proposed~~ MDRZ there is likely to be the further subdivision of existing lots. This should be done in a way which respects the prevailing character of the area.

    - For instance, whilst not often seen as good urban design practice, in the Arrowtown environment in the ~~proposed~~ MDR and ~~LDR~~ LDSR zones where they adjoin or are adjacent to the ARHMZ it may be best to consider subdividing the front and rear of a lot from each other, rather than dividing a lot lengthways. That way a single house will still front the street rather than two closely spaced houses which would appear more dominant than the norm.

- **Page 98**

  - Text changes:

    - Subdivision within the ~~LDR~~ LDSR and ~~proposed~~ MDR Zones which adjoins the ARHMZ should respond to the historic grid street layout of ARHMZ

    - ~~In situations where subdivision is a discretionary activity (as provided for under the Proposed District Plan), such as the proposed MDRZ, the~~ The subdivision layout pattern visible from the street should reflect the rectangular historic layout and utilize building coverage and site planning, i.e. the location of buildings, vegetation and open space visible from the street should reflect the ARHMZ and conserve the other historic characteristics of the area. This outcome is essential where the ~~proposed~~ MDR and ~~LDR~~ LDSR zones adjoin or are adjacent to the ARHMZ.

    - In situations where lots are being amalgamated within the ~~proposed~~ MDRZ and ~~LDRZ~~ LDSRZ consideration should be given to how future development will maintain the historic character of the ARHMZ.

    - GUIDELINES: REDEVELOPMENT, UPGRADE AND NEW SUBDIVISION WITHIN THE ~~LDR~~ LDSRZ & ~~PROPOSED~~ MDR ZONES

    - Strengthen the links to the character of the ARHMZ and Old Town in any new development or area of re-development within the ~~LDR~~ LDSRZ & ~~proposed~~ MDR Zones.

- **Page 101**

  - Text changes:

    - Where the ~~proposed~~ MDRZ immediately adjoins the ARHMZ, developments should respect the historic layout typical of lots within the ARHMZ.

- The site layout in terms of buildings and spaces should appear from the street to reflect historic layouts, consistent with those found within the adjoining ARHMZ. Subdivision of lots within the ~~proposed~~ MDRZ should be subdivided so that the front and rear of a lot are subdivided from each other, rather than dividing a lot lengthways. Subdivision within the ~~proposed~~ MDRZ should seek to ensure that a single house will still front the street rather than two closely spaced houses which would appear more dominant than the norm. This is characterised in Figures MDRZ-Figure 1, MDRZ-Figure 2 and MDRZ-Figure 3 on page 102

- Carefully consider the extent to which any infringement to the ~~density and~~ bulk and location requirements for the ~~proposed~~ MDRZ will compromise the historic character of the ARHMZ

- **Page 102**

  - Text changes:

    - (Figures 1, 2 and 3 have been designed utilising the Proposed District Plan bulk and location standards, and therefore accurately reflect the potential built form that could be generated within the ~~proposed~~ MDRZ)

  - *Picture changes:*

    - *update diagrams to take into account the new height limit for MDRZ – 11m + 1m for pitched roof*

- **Page 103**

  - Text changes:

    - Within the ~~LDR~~ LDSR zone, new development/redevelopment should aim for a more spacious appearance with reduced domination by buildings.

- **Page 107**

  - Text changes:

    - 24.6 Scale is absolutely critical to successful new construction. The scale of new construction within the ARHMZ must reflect that of traditional cottages and sheds. Within the ~~proposed~~ MDR and ~~LDR~~ LDSR zones there is greater scope to move away from this, but careful attention must be given to the proposed buildings to ensure that they do not become out of scale with the general character of Arrowtown.

- **Page 117 – New Construction in the ~~LDR~~ LDSRZ & ~~Proposed~~ MDR Zones**

  - Text changes:

    - Within the ~~LDR~~ LDSR and ~~proposed~~ MDR zones, applying the bulk and location rules alone could lead to large and two to three storey buildings, which are more dominant than is characteristic of Arrowtown and which do not in any way resemble the small

cottages of the ARHMZ. Combined with this there could be considerable variety in style resulting in little recognisable Arrowtown character.

- The analysis of existing traditional buildings has identified the key traditional building types and the characteristics of these. Whilst it is not expected that buildings within the ~~LDR~~ LDSR and ~~proposed~~ MDR zones slavishly adhere to these building forms, to the detail set out below, it remains very important that new buildings within these zones are highly influenced by the traditional building types. The sheer size, however, of some houses sometimes becomes an unmanageable problem. The apparent bulk of buildings within these zones can be reduced by designing the building as a number of individual elements. In an additive approach, the size of the individual elements needs to be small enough to be at human scale, however the size does not necessarily have to duplicate the diminutive scale of an Arrowtown cottage.

- It is important that the form of each element is simple and that the form is clearly evident in the final building composition. Single storeyed forms are far more compatible with the old Arrowtown identity and their use is encouraged, particularly abutting neighbours and the street. However it is recognised that this may not be possible within the ~~proposed~~ MDR zone where smaller sites are allowable.

- The typical Old Town cottage is an arrangement of small, simple elements. This additive approach to a buildings composition fits better with the Arrowtown character than a single roof covering a large floor plan (as identified in MDRZ & LDSRZ-Figures 5 and 6).

- **Page 120**
  - *Picture change:*
    - *Add additional diagram of a three storey design in accordance with the proposed MDRZ heights*

- **Page 121**
  - Text changes:
    - GUIDELINES: ~~PROPOSED~~ MDR AND ~~LDR~~ LDSRZ ZONES, NEW CONSTRUCTION TO INTEGRATE WITH OLD ARROWTOWN'S IDENTITY
    - 4.8.2.1 Design new construction so that it shares key features with the characteristic dwellings of Arrowtown's old residential area (for the MDRZ refer MDRZ & LDSRZ-Figures 1, 2 and 3 as well as MDRZ & LDSRZ-Figure 6).
    - Within the LDSRZ limit the size (scale) of each element. A maximum volume of 250m3 is suggested although a lesser volume is preferable.
    - Within the ~~proposed~~ MDRZ the maximum building coverage shall be no more than 45 percent
    - Within the LDSRZ avoid building houses of floor areas in excess of 300m2 .

- **Page 122 – Spaciousness and Simplicity**

  - Text changes:

    - It is important that development within the ~~proposed~~ MDR and LDSR zones create a similar sense of spaciousness and apparent low density
    - New developments within the ~~proposed~~ MDR and LDSR zones should reflect the sense of spaciousness and simplicity seen within the ARHMZ.

- **Page 123 – The Streetscape**

  - Text changes:

    - Opportunities during upgrade and redevelopment within the ~~proposed~~ MDR and LDSR zones should be both sought and utilised to incorporate characteristics of ARHMZ. How this can be done is outlined in the following guidelines. Implementation of these recommendations for the street is of primary importance to Arrowtown's character. A landscape plan for the ~~proposed~~ MDRZ and LDSRZ street network aimed at integrating them with the ARHMZ would enable proactive, timely and appropriate works.

    - Within some parts of the ~~proposed~~ MDR and LDSR zones private plantings have spread onto the road reserve replacing the grass verge, however, the Arrowtown identity is of a simpler street with street trees and grass only. As a consequence, private planting on road reserve should be avoided.

- **Page 126**

  - Text changes:

    - Within the MDR and LDSR zones treatment of the street should reflect the proposed ARHMZ

- **Page 127 – Street Lights and Exterior Lighting**

  - Text changes:

    - Within the ~~proposed~~ MDR and LDSR zones higher lighting can be used but only where shown to be essential.

- **Page 128**

  - Text changes:

    - GENERAL GUIDELINES THAT APPLY TO THE ARHMZ, LDSRZ AND ~~PROPOSED~~ MDRZ

    - The following Guidelines apply to the ARHMZ, LDSRZ and ~~proposed~~ MDRZ and each guideline should be applied depending upon the site specific characteristics.

- **Page 129 - VIEWS/VISTAS**

- Text changes:

  - Identify all views and view corridors across ~~private and~~ public land and seek to retain these views (with key view corridors identified within the respective neighbourhood plans set out in Section 2)

- **Page 130 – Parking, driveways and garages**

  - Text changes:

    - Driveways and parking areas are very dominant in the LDSR zone. The surface used has accentuated this, as does the extent of parking areas visible from the street

    - Locate garaging towards the rear of residential lots within the ARHMZ or set back further than the front of the house for buildings with a street frontage in the ~~proposed~~ MDR zone and in all cases in the LDSR zone.

- **Page 131 – Existing vegetation**

  - Text changes:

    - Trees, hedges and other vegetation are distinguishing features of the ARHMZ and also an important contributor to the character of the ~~proposed~~ MDR and LDSR zones. Vegetation that is identified to be of key significance is shown on the Neighbourhood Plans included as Section 2. It should not be assumed, however, that plantings that are not shown are without value. Many other plantings contribute to heritage values as the elements, which contribute to the character of the area

- **Page 132 – Guidelines: Existing Vegetation**

  - Text changes:

    - Consider how all the existing vegetation (not only vegetation of stature) contributes to the overall historic character of the ARHMZ and the ~~proposed~~ MDR and LDSR zones. The rambling shrubs as well as the trees can be very important to heritage values.

    - Within the ~~proposed~~ MDR and LDSR zones, as a second choice, plant species that are appropriate to your neighbourhood

    - Using only tree species already found in the ARHMZ within that areas will help to conserve its character. Using these species within the ~~proposed~~ MDR and LDSR zones will help to create cohesion between them and the character of Arrowtown. Within these Zones, plant these species first and in greatest numbers.

- **Page 133**

  - Text changes:

    - There are also species that reflect the character of the era of the development of different subdivisions within the ~~proposed~~ MDR and LDSR zones. These can be planted as secondary

species. To identify a secondary species look around your area and note a type of tree that is planted in many gardens and appears as a 'theme' within the neighbourhood

- Trees are the most important structural plant element in Arrowtown. The structure trees are the large trees in the private gardens, the avenue, streets and the public reserves which dominate ARHMZ and are of a height well above the buildings. It is important to develop and maintain this 'canopy' in the ~~proposed~~ MDR and LDSR zones. The comparatively large scale of many of the buildings, including the more common two storey height of buildings these zones makes this very important. One structure tree per section would make an enormous difference along with trees in the streets and reserves

- **Page 137 – Hedges, fences, walls and gates**

  - Text changes:

  - Hedges as 'fences' and 'walls' are soft and simple in appearance and decrease the dominance of buildings and other structures. Hedges hive cohesion to the street and are very important to retaining the historic character. They are characteristic of Old Arrowtown and remarkably absent from the new residential areas. However, introducing hedges into developments is one of the simplest and most effective ways to reinforce Arrowtown's identity and are an important way to integrate the ~~proposed~~ MDR and LDSR zones with Old Arrowtown.

  - There are many different styles and types of fences and walls in the ~~proposed~~ MDR and LDSR zones. The adoption of styles more akin to the proposed ARHMZ will help create cohesion throughout the town, although a wider range of styles and materials can be accommodated

- **Page 140 - RESERVES AND PARKWAYS**

  - Text changes:

  - The public reserves (including road reserves) have the potential to significantly assist with linking the ARHMZ and MDR and LDSR zones through a comprehensive approach to plantings and landscape treatment.

  - A landscape development/management plan is required for the Public Reserve network to provide cohesion between the ARHMZ and ~~proposed~~ MDR and LDSR zones with public consultation as part of the process.

- **Page 141 – Openings**

  - Text changes:

  - The approach to the placement and proportions of windows and doors within the ARHMZ should be based on the traditions of the zone. This advice should also be considered for new buildings in the ~~proposed~~ MDR and LDSR zones

- **Page 142 – Construction and Materials**

  - Text changes:

- Within the ARHMZ new buildings should be designed so that each primary element is independent structurally and in terms of construction. Buildings within the ~~proposed~~ MDR and LDSR zones should also have the appearance that this is the case, especially where these zones immediately adjoin or adjacent to the ARHMZ

- **Page 144 – Colour**

  - Text changes:

    - Within the ARHMZ paint colours should be selected from Resene or Aalto Heritage Colour Charts or colours closely compatible with these. Colours brighter in hue to those in the charts should be avoided. Similar paint colours should be applied to buildings within the ~~proposed~~ MDR and LDSR Zones and especially where these zones are adjacent to or adjoin the ARHMZ.

- **Page 147 – Approved lists**

  - Text changes:

    - The guidelines discuss planting and appropriate species for each Character Area i.e. the Town Centre, Arrowtown Residential Historic Management Zone ('ARHMZ'), and the New Town (encompassing the ~~proposed~~ Medium Density Residential and Lower Density Suburban Residential Zones) and should be read in conjunction with these lists

- **Page 148 – The plant lists include**

  - Text changes:

    - 'NT' for New Town (encompassing the ~~proposed~~ Medium Density Residential and Lower Density Suburban Residential Zones).

- **Page 162 – Rejuvenation**

  - Text changes:

    - A number of hedge species suitable to the Town Centre, Arrowtown Residential Historic Management Zone and New Town (encompassing the ~~proposed~~ Medi~~m~~um Density Residential and Lower Density Suburban Residential Zones) are outlined below

    - 'NT' for New Town (encompassing the ~~proposed~~ Medi~~m~~um Density Residential and Lower Density Suburban Residential Zones).

- **Pages 166 and 169**

  - Text changes:

    - 'NT' for New Town (encompassing the ~~proposed~~ Medi~~m~~um Density Residential and Lower Density Suburban Residential Zones).

- **Page 172 – Paving Material**

- Text changes:

  - Simple, basic materials were used for paving surfaces in early Arrowtown and these are important contributors to the Arrowtown character. Below are some examples of surfaces appropriate to the Town Centre, Arrowtown Residential Historic Management Zone and New Town (encompassing the ~~proposed~~ Medi~~m~~um Density Residential and Lower Density Suburban Residential Zones)

  - 'NT' for New Town (encompassing the ~~proposed~~ Medi~~m~~um Density Residential and Lower Density Suburban Residential Zones).

- **Page 181 & 182**– New Town (LDSRZ and ~~Proposed~~ MDRZ) Development Checklist

  - Text changes:

    1 All significant public views ~~in and out of the site~~ will not be compromised

    3 ~~If the proposal is adjacent to the MDRZ or LDRZ;~~

      - The proposal will protect and enhance the historic character of Precinct C.
      - The proposal will ~~protect the sun and views of neighbours~~ provide for access to sunlight.

APPENDIX 2A - STATUTORY CONTEXT

1. Resource Management Act 1991

1.1. The Resource Management Act 1991 ("RMA" or "the Act"), requires an integrated planning approach and direction to promote the sustainable management of natural and physical resources. Section 5 of the Act sets out the purpose and principles of the Act. Section 5 is given further elaboration in, sections 6, 7 and 8 of Part 2 of the Act. Sections 6, 7 and 8 supplement the core purpose of sustainable management by stating the particular obligations of those administering the RMA in relation to the various matters identified:

5 Purpose

(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.

(2) In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—

(a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and

(b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.

1.2. Section 6 of the RMA sets out a number of matters of national importance that are to be recognised and provided for. The following section 6 matters are relevant:

(a) the preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development:

(b) the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:

(c) the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna:

(d) the maintenance and enhancement of public access to and along the coastal marine area, lakes, and rivers:

(e) the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga:

(f) the protection of historic heritage from inappropriate subdivision, use, and development:

(g) the protection of protected customary rights:

(h) the management of significant risks from natural hazards.

1.3. Section 7 lists "other matters" that Council shall have particular regard to and those most relevant to this proposal include the following:

(a) kaitiakitanga:
(aa) the ethic of stewardship:
(b) the efficient use and development of natural and physical resources:
(ba) the efficiency of the end use of energy:
(c) the maintenance and enhancement of amenity values:
(d) intrinsic values of ecosystems:
(e) [Repealed]
(f) maintenance and enhancement of the quality of the environment:
(g) any finite characteristics of natural and physical resources:
(h) the protection of the habitat of trout and salmon:
(i) the effects of climate change:
(j) the benefits to be derived from the use and development of renewable energy.

1.4. Section 8 requires that Council take into account the principles of the Te Tiriti o Waitangi or Treaty of Waitangi ("the treaty"). The principles as they relate to resource management derive from the treaty itself and from resource management case law and practice. They can be summarised as follows:

a) The active protection of the **Partnership** between the two parties;
b) The **Protection** of resources of importance to tangata whenua from adverse effects;
c) The active **Participation** by tangata whenua in resource management decision making;
d) The obligation to reasonably, honourably and in good faith towards each other, ; and
e) The obligation to make informed decisions on matters that affect the interests of Māori.

1.5. Consultation has been undertaken with iwi authorities as outlined in Section 3.2 in the main body of this report.

1.6. Section 31 of the RMA states (underlined for emphasis):

31 Functions of territorial authorities under this Act

(1) Every territorial authority shall have the following functions for the purpose of giving effect to this Act in its district:

(a) the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district:

(aa) the establishment, implementation, and review of objectives, policies, and methods to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district:

(b) the control of any actual or potential effects of the use, development, or protection of land, including for the purpose of—

(i) the avoidance or mitigation of natural hazards; and

(ii) [Repealed]

(iia) the prevention or mitigation of any adverse effects of the development, subdivision, or use of contaminated land:

(iii) the maintenance of indigenous biological diversity:

(c) [Repealed]

(d) the control of the emission of noise and the mitigation of the effects of noise:

(e) the control of any actual or potential effects of activities in relation to the surface of water in rivers and lakes:

(f) any other functions specified in this Act.

(2) The methods used to carry out any functions under subsection (1) may include the control of subdivision

1.7. Section 32 of the RMA states:

(1) An evaluation report required under this Act must—

(a) examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and

(b) examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by—

(i) identifying other reasonably practicable options for achieving the objectives; and

(ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives; and

(iii) summarising the reasons for deciding on the provisions; and

(c) contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.

(2) An assessment under subsection (1)(b)(ii) must—

(a) identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—

(i) economic growth that are anticipated to be provided or reduced; and

(ii) employment that are anticipated to be provided or reduced; and

(b) if practicable, quantify the benefits and costs referred to in paragraph (a); and

(c) assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.

(3) If the proposal (an **amending proposal***) will amend a standard, statement, national planning standard, regulation, plan, or change that is already proposed or that already exists (an* **existing proposal***), the examination under subsection (1)(b) must relate to—*

(a) the provisions and objectives of the amending proposal; and

(b) the objectives of the existing proposal to the extent that those objectives—

(i) are relevant to the objectives of the amending proposal; and

(ii) would remain if the amending proposal were to take effect.

(4) If the proposal will impose a greater or lesser prohibition or restriction on an activity to which a national environmental standard applies than the existing prohibitions or restrictions in that standard, the evaluation report must examine whether the prohibition or restriction is justified in the circumstances of each region or district in which the prohibition or restriction would have effect.

(4A) If the proposal is a proposed policy statement, plan, or change prepared in accordance with any of the processes provided for in Schedule 1, the evaluation report must—

(a) summarise all advice concerning the proposal received from iwi authorities under the relevant provisions of Schedule 1; and

(b) summarise the response to the advice, including any provisions of the proposal that are intended to give effect to the advice.

(5) The person who must have particular regard to the evaluation report must make the report available for public inspection—

(a) as soon as practicable after the proposal is made (in the case of a standard, regulation, national policy statement, or New Zealand coastal policy statement); or

(b) at the same time as the proposal is notified.

(6) In this section,—

***objectives** means,—*

(a) for a proposal that contains or states objectives, those objectives:

(b) for all other proposals, the purpose of the proposal

***proposal** means a proposed standard, statement, national planning standard, regulation, plan, or change for which an evaluation report must be prepared under this Act*
***provisions** means,—*
(a) for a proposed plan or change, the policies, rules, or other methods that implement, or give effect to, the objectives of the proposed plan or change:
(b) for all other proposals, the policies or provisions of the proposal that implement, or give effect to, the objectives of the proposal.

1.8. The proposed provisions help to achieve the integrated management of natural and physical resources by enabling development density to a level that corresponds with the level of accessibility by existing or planned active of public transport to a range of commercial activities and community services, and the relative demand for housing and business use in that location, for current and future generations, so that people and communities can provide for their social, economic and cultural well-being.

1.9. Having regard to these provisions, the approach through this review is to provide a balanced framework in the District Plan to manage these resources appropriately. Furthermore, no less important is the need to ensure the provisions are presented in a manner that is clearly interpreted to facilitate effective and efficient District Plan administration.

2. Local Government Act 2002

1.10. Section 14 of the Local Government Act 2002 is also of relevance in terms of policy development and decision making: (underlined for emphasis)

(a) a local authority should—

(i) conduct its business in an open, transparent, and democratically accountable manner; and

(ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner:

(b) a local authority should make itself aware of, and should have regard to, the views of all of its communities; and

(c) when making a decision, a local authority should take account of—

(i) the diversity of the community, and the community's interests, within its district or region; and

(ii) the interests of future as well as current communities; and

(iii) the likely impact of any decision on the interests referred to in section 10:

(d) a local authority should provide opportunities for Māori to contribute to its decision-making processes:

(e) a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes; and

(f) a local authority should undertake any commercial transactions in accordance with sound business practices; and

(fa) a local authority should periodically—

(i) assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and

(ii) satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity; and

(g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and

(h) in taking a sustainable development approach, a local authority should take into account—

(i) the social, economic, and cultural interests of people and communities; and

(ii) the need to maintain and enhance the quality of the environment; and

(iii) the reasonably foreseeable needs of future generations.

1.11. As per Part 2 of the RMA, the provisions emphasise a strong intergenerational approach, considering not only current environments, communities and residents but also those of the future. They demand a future focussed policy approach, balanced with considering current needs and interests. Like the RMA, the provisions also emphasise the need to take into account social, economic and cultural matters in addition to environmental ones.

1.12. Intensification of existing urban environments is an effective method to cater for the needs of current and future communities, and meet the directives set in the NPS-UD.

3. National Planning Standards

1.13. In April 2019 the Government released a set of National Planning Standards (**planning standards**) that require all regional policy statements, regional plans and district plans to have a nationally consistent structure and format. The planning standards also prescribe certain definitions, noise and vibration metrics, and requirements for electronic functionality and accessibility. The planning standards have been introduced to improve the efficiency and effectiveness of the planning system, rather than seeking to alter the outcomes of policy statements or plans.

1.14. The National Planning Standards have not been incorporated with the terminology of zoning and provisions proposed as part of this variation. These will be incorporated though a review at a later date, which will ensure plan wide consistency of terminology.

4. National Policy Statement on Urban Development

1.15. The Council is a tier 2 authority under the NPS-UD. The relevant provisions are set out in the table below:

National Policy Statement on Urban Development: Provisions
Objective 1: New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.
Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.
Objective 3: Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply: (a) the area is in or near a centre zone or other area with many employment opportunities (b) the area is well-serviced by existing or planned public transport (c) there is high demand for housing or for business land in the area, relative to other areas within the urban environment.
Objective 4: New Zealand's urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations.
Objective 5: Planning decisions relating to urban environments, and FDSs, take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).
Objective 6: Local authority decisions on urban development that affect urban environments are: (a) integrated with infrastructure planning and funding decisions; (b) and strategic over the medium term and long term; and (c) responsive, particularly in relation to proposals that would supply significant development capacity
Objective 7: Local authorities have robust and frequently updated information about their urban environments and use it to inform planning decisions.
Objective 8: New Zealand's urban environments: (a) support reductions in greenhouse gas emissions; and (b) are resilient to the current and future effects of climate change.

National Policy Statement on Urban Development: Provisions
Policy 1: Planning decisions contribute to **well-functioning urban environments**, which are urban environments that, as a minimum: *(a)* have or enable a variety of homes that: *(b)* meet the needs, in terms of type, price, and location, of different households; and *(c)* enable Māori to express their cultural traditions and norms; and *(d)* have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and *(e)* have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and *(f)* support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and *(g)*support reductions in greenhouse gas emissions; *(h)*and are resilient to the likely current and future effects of climate change.
Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.
Policy 5: Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of: (a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; (b) or relative demand for housing and business use in that location
Policy 6: When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters: (a) the planned urban built form anticipated by those RMA planning documents that have given effect to this National Policy Statement (b) that the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes:

National Policy Statement on Urban Development: Provisions
(i) may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and (ii) are not, of themselves, an adverse effect (c) the benefits of urban development that are consistent with well-functioning urban environments (as described in Policy 1) (d) any relevant contribution that will be made to meeting the requirements of this National Policy Statement to provide or realise development capacity (e) the likely current and future effects of climate change.
Policy 7: Tier 1 and 2 local authorities set housing bottom lines for the short-medium term and the long term in their regional policy statements and district plans.
Policy 8: Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is: (a) unanticipated by RMA planning documents; or (b) out-of-sequence with planned land release.
Policy 9: Local authorities, in taking account of the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) in relation to urban environments, must: (a) involve hapū and iwi in the preparation of RMA planning documents and any FDSs by undertaking effective consultation that is early, meaningful and, as far as practicable, in accordance with tikanga Māori; and (b) when preparing RMA planning documents and FDSs, take into account the values and aspirations of hapū and iwi for urban development; and (c) provide opportunities in appropriate circumstances for Māori involvement in decision-making on resource consents, designations, heritage orders, and water conservation orders, including in relation to sites of significance to Māori and issues of cultural significance; and (d) operate in a way that is consistent with iwi participation legislation.
Policy 10: Tier 1, 2, and 3 local authorities:

National Policy Statement on Urban Development: Provisions
(a) that share jurisdiction over urban environments work together when implementing this National Policy Statement; and (b) engage with providers of development infrastructure and additional infrastructure to achieve integrated land use and infrastructure planning; and (c) engage with the development sector to identify significant opportunities for urban development.
3.32 Qualifying Matters (1) In this National Policy Statement, **qualifying matter** means any of the following: a) a matter of national importance that decision-makers are required to recognise and provide for under section 6 of the Act b) a matter required in order to give effect to any other National Policy Statement c) any matter required for the purpose of ensuring the safe or efficient operation of nationally significant infrastructure d) open space provided for public use, but only in relation to the land that is open space e) an area subject to a designation or heritage order, but only in relation to the land that is subject to the designation or heritage order f) a matter necessary to implement, or ensure consistency with, iwi participation legislation g) the requirement to provide sufficient business land suitable for low density uses to meet expected demand under this National Policy Statement h) any other matter that makes high density development as directed by Policy 3 inappropriate in an area, but only if the requirements of clause 3.33(3) are met.
3.33 Requirements if qualifying matter applies (1) This clause applies if a territorial authority is amending its district plan and intends to rely on Policy 4 to justify a modification to the direction in Policy 3 in relation to a specific area. (2) The evaluation report prepared under section 32 of the Act in relation to the proposed amendment must a) demonstrate why the territorial authority considers that: (i) the area is subject to a qualifying matter; and (ii) the qualifying matter is incompatible with the level of development directed by Policy 3 for that area; and b) assess the impact that limiting development capacity, building height or density (as relevant) will have on the provision of development capacity; and c) assess the costs and broader impacts of imposing those limits.

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(3) A matter is not a qualifying matter under clause 3.32(1)(h) in relation to an area unless the evaluation report also: (a) identifies the specific characteristic that makes the level of development directed by Policy 3 inappropriate in the area, and justifies why that is inappropriate in light of the national significance of urban development and the objectives of this National Policy Statement; and (b) includes a site-specific analysis that: (i) identifies the site to which the matter relates; and (ii) evaluates the specific characteristics on a site-specific basis to determine the spatial extent where intensification needs to be compatible with the specific matter; and (iii) evaluates an appropriate range of options to achieve the greatest heights and densities directed by Policy 3, while managing the specific characteristics.

Well-functioning urban environments *(Objective 1)*

1.16. The proposal is consistent with meeting Objective 1 of the NPS-UD as it provides the following:

(a) A positive contribution to additional residential capacity in locations within the existing urban environment that are accessible by active and public transport, thereby reducing the need for residents to travel from more peripheral development and reducing car-reliance;

(b) Providing for a diversity of housing sizes and typologies to provide for increased affordability via development of smaller lots and unit types as well as for differing accommodation needs of residents eg aging in place;

(c) A positive contribution towards limiting possible adverse effects on the competitive operation of land and development markets, by providing for the opportunity for additional urban residential capacity to the market; and

(d) A positive contribution to limiting greenhouse gas emissions, through the provision of increased residential densities near commercial centres which provide services and employment, and for public and active modes of transportation, to reduce the need for vehicle trips elsewhere within the Wakatipu Basin.

Housing affordability *(Objective 2)*

1.17. Objective 2 requires planning decisions to improve housing affordability. There are no policies that directly relate to housing affordability, although the theme of the NPS-UD is to encourage affordability through the provision of the intensification of existing urban environments and encouragement of greater competitiveness in the market.

1.18. The proposal is consistent with the NPS-UD in that it supports housing affordability through supply as the primary means, but also through enabling and encouraging smaller unit types and attached housing typologies.

1.19. The HDCA 2021[113] modelling indicates that housing demand is likely to change as follows:

(a) Increases in the number of older households, with those in the 60+ and above categories more than doubling over the medium to long term. Younger age groups (including children) start to make up only a relatively small proportion of the future population;

(b) Increases in one person and couple householders, with one person and couple households accounting for around three-quarters of the total household growth in the medium term, and in the long term; and

(c) Lower and lower-middle income households are expected to account for a greater share of future housing demand (20% currently increasing to 25% long term).

1.20. The HDCA finds that there is sufficient development capacity (just) to meet projected long-term demand (inclusive of a margin). While housing numbers are increasing, housing affordability has been steadily decreasing, with the average median house price in the District increasing from $873,469 in June 2017 to $1,018,250 in March 2021. This is a significant issue for the District, as analysis shows that currently over 83% of our first-home buyer households and 37% of renters are spending more than 30% of their income on housing costs.

1.21. The HDCA finds that there is a current shortfall of housing in price bands below $500,000 (-2,350 affordable dwellings in 2020 for first home buyers, with the majority of these households in rental accommodation). These housing affordability shortfalls are set to worsen if there are no interventions by 2050 to help first home buyers get into the housing market. There could be a shortfall of 6,960 affordable dwellings affecting dwelling value bands all the way up to $1.19m.

1.22. The HDCA recommendations include that further supply of land are unlikely in and of themselves to increase the rate of supply of housing by the development sector in the lower value bands and that specific effort and initiatives will be important to ensure a more affordable price range for dwellings. Initiatives may include inclusionary zoning, investment by Kāinga Ora, and other measures to reduce building costs, complexity and time delays.

1.23. The proposed Inclusionary Housing plan change has been notified with hearings set to be held during 2023.

113 Housing Development and Capacity Assessment 2021 p2

Amenity values of urban environments *(Objective 4)*

1.24. Objective 4, implemented by Policy 6, recognises that amenity values in urban environments develop and change over time and are not in and of themselves an adverse effect. This Objective is directly relevant to the proposal, which will result in increased density in locations which have previously been developed at comparatively a lower intensity.

1.25. Every individual's definition of a quality urban environment and amenity will differ, but there are some common desires for improved public transportation systems, more plants and green buildings, more community parks and events, waste reduction facilities and regulations, and intensification.[114]

1.26. While a change in amenity values will necessarily be experienced as the intensity of development changes over time, the provisions enable significant amenity through the provision of open spaces, high quality design of sites and buildings (including the use of controls on heights and setbacks).

5. Other National Legislation or Policy Statements

1.27. When preparing district plans, local authorities must give effect to any National Policy Statement (NPS) and National Environmental Standard (NES).

1.28. The following NPSs are relevant

(a) NPS and NES for Freshwater Management

The updated NPS and NES recognises the fundamental importance of water and recognises that protecting the health of freshwater protected the health and well-being of the wider environment (Te Mana o te Wai).

The proposed variation is considered to be consistent with the objectives of the NPS and NES through providing for intensification of existing urban areas so to limit the outward spread of urban development. Furthermore, no changes to the existing building coverage or permeable landscaped area standards are proposed and additional policy and matters of discretion are proposed relating to disposal of stormwater.

(b) NPS for Highly Productive Land

This NPS was gazetted in September 2022 and seeks to protect highly productive land for use in land-based primary production, now and for future generations. This NPS

114 NPS UD S23 p12

requires highly productive land to be mapped and identified in regional policy statements and district plans. It also requires that the urban rezoning of highly productive land be restricted, subdivision of highly productive land be avoided and highly productive land be protected from inappropriate use and development.

The proposed variation is consistent with the requirements of this NPS as it does not propose any outward expansion of urban zoned land, rather it seeks to create a more compact urban form through intensification of existing urban areas.

1.29. Work is currently underway on a proposed National Policy Statement for Indigenous Biodiversity.

1.30. The following NESs are also relevant:

(a) NES for Air Quality
(b) NES for Sources of Drinking Water
(c) NES for Telecommunication Facilities
(d) NES for Electricity Transmission Activities
(e) NES for Assessing and Managing Contaminants in Soil to Protect Human Health
(f) NES for Plantation Forestry
(g) NES for Freshwater

APPENDIX 2B - PLANNING CONTEXT

1. Iwi Management Plans

1.31. When preparing or changing a district plan, Section 74(2A)(a) of the Resource Management Act ("the Act" or "RMA") states that Councils must take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district.

1.32. The following iwi management plans are relevant:

The Cry of the People, Te Tangi a Tauira: Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008	
Provision	**Discussion**
3.1 Huringa Ahua o Te Rangi Climate Change Issues	
Activities within Murihiku are contributing to the cumulative effects of greenhouse gas emission. Increased population and urban development contribute to increased levels of vehicle emissions. Effective solutions to address greenhouse emissions need to be managed at all levels.	This suite of provisions generally has a broader application than the District Plan, but this **intensification project** takes these into account through the proposed provisions which: (a) Seek to reduce private vehicle trips through limiting onsite carparking and encouraging public and active transport modes; and (b) Encourage sustainability initiatives in building and site design.
Ngā Kaupapa – Policy	
2. Actively engage and work with Te Rūnanga o Ngāi Tahu by contributing local rūnanga principles and views toward the formation of tribal policy in respect to climate change. 5. Ensure that sustainable management and climate change policy does not lead to adverse environmental effects on indigenous species and ecosystems. Policy should support the continuation of activities and encourage the restoration and sustainable management of indigenous ecosystems. 9. Support sustainable energy systems (for houses, water and transport) to meet social and cultural needs while minimising environmental impacts.	Again, this suite of provisions has a broad application. They are addressed as follows: (a) Rūnaka engagement has occurred throughout the preparation of the proposed variation and feedback from runaka on the provisions has been incorporated; (b) Specifically, consideration of infrastructure capacity has been incorporated where possible into the policies and matters of discretion under the term 'servicing' and also with reference to low impact stormwater systems.
3.5.13 Water Quality Policy	
5. Avoid the use of water as a receiving environment for the direct, or point source,	Urban development will can be serviced by the existing reticulated water and wastewater

discharge of contaminants. Generally, all discharge must first be to land.	networks, therefore there will be no discharge to land or direct discharge to water as a result. Necessary upgrades to allow for developments will be included in the LTP process or undertaken by developers.
6. Avoid impacts on water as a result of inappropriate discharge to land activities	

***Kāi Tahu ki Otago* Natural Resource Management Plan 2005**	
Provision	**Discussion**
5.3.3 Wai Māori General Objectives	
iii. There is no discharge of human waste directly to water.	Urban development will can be serviced by the existing reticulated water and wastewater networks, therefore there will be no discharge to land or direct discharge to water as a result. Necessary upgrades to allow for developments will be included in the LTP process or undertaken by developers.
iv. Contaminants being discharged directly or indirectly to water are reduced.	
10.2.3 Wai Māori Policies in the Clutha/Mata-au Catchment Land use	
9. To encourage the adoption of sound environmental practices, adopted where land use intensification occurs.	The proposed variation represents sustainable land use as it provides for efficient urban development in a location where it can be adequately serviced, and the effects of urban development managed. In doing so, it will protect other land within the catchment.
10. To promote sustainable land use in the Clutha/Mata-au Catchment.	
12. To require reticulated community sewerage schemes that have the capacity to accommodate future population growth.	

2. Regional Policy Statements

1.33. Section 75 of the Act requires that a district plan prepared by a territorial authority must "give effect to" any operative Regional Policy Statement. Section 74 requires that a territorial authority, when preparing or changing a district play, "shall have regard to" a proposed regional policy statement.

1.34. The Partially Operative Otago Regional Policy Statement 2019 (**PORPS 19**) and the Proposed Regional Policy Statement 2021 (**PRPS 21**) are the relevant regional policy statements that the Proposed District Plan must either have regard to or give effect to.

1.35. The objectives and policies from the PORPS 19 in the table below are relevant.

Partially Operative Regional Policy Statement 2019	
Reference	**Detail**
Chapter 1 – Resource management in Otago is integrated	
Objective 1.1	**Otago's resources are used sustainably to promote economic, social, and cultural wellbeing for its people and communities**
Policy 1.1.1	**Economic wellbeing** Provide for the economic wellbeing of Otago's people and communities by enabling the resilient and sustainable use and development of natural and physical resources.
Policy 1.1.2	**Social and cultural wellbeing and health and safety** Provide for the social and cultural wellbeing and health and safety of Otago's people and communities when undertaking the subdivision, use, development and protection of natural and physical resources by all of the following: a) Recognising and providing for Kāi Tahu values; b) Taking into account the values of other cultures; c) Taking into account the diverse needs of Otago's people and communities; d) Avoiding significant adverse effects of activities on human health; e) Promoting community resilience and the need to secure resources for the reasonable needs for human wellbeing; Promoting good quality and accessible infrastructure and public services.
Objective 1.2	**Recognise and provide for the integrated management of natural and physical resources to support the wellbeing of people and communities in Otago**
Policy 1.2.1	**Integrated resource management** Achieve integrated management of Otago's natural and physical resources, by all of the following: a) Coordinating the management of interconnected natural and physical resources; b) Taking into account the impacts of management of one natural or physical resource on the values of another, or on the environment; c) Recognising that the value and function of a natural or physical resource may extend beyond the immediate, or directly adjacent, area of interest; d) Ensuring that resource management approaches across administrative boundaries are consistent and complementary; e) Ensuring that effects of activities on the whole of a natural or physical resource are considered when that resource is managed as subunits. f) Managing adverse effects of activities to give effect to the objectives and policies of the Regional Policy Statement. g) Promoting healthy ecosystems and ecosystem services; Promoting methods that reduce or negate the risk of exceeding sustainable resource limits.
Chapter 3 – Otago has high quality natural resources and ecosystems	
Objective 3.1	**The values (including intrinsic values) of ecosystems and natural resources are recognised and maintained, or enhanced where degraded.**

Policy 3.1.11	Recognise the values of natural features, landscapes and seascapes are derived from the biophysical, sensory and associative attributes in Schedule 3.
Objective 3.2	**Otago's significant and highly-valued natural resources are identified and protected, or enhanced when degraded**
Policy 3.2.6	**Managing highly valued natural features, landscape and seascapes** Maintain or enhance highly valued natural features, landscapes and seascapes by all of the following: a) Avoiding significant adverse effects on those values that contribute to the high value of the natural feature, landscape or seascape; b) Avoiding, remedying or mitigating other adverse effects; c) Encouraging enhancement of those values that contribute to the high value of the natural feature, landscape or seascape.
Policy 3.2.14	**Managing outstanding freshwater bodies** Protect outstanding freshwater bodies by all of the following: a) Maintaining the values that contribute to the water body being outstanding; b) Avoiding, remedying or mitigating other adverse effects on the water body; c) Controlling the adverse effects of pest species, preventing their introduction and reducing their spread; d) Encouraging enhancement of those values that contribute to the water body being outstanding.
Chapter 4 – Communities in Otago are resilient, safe and healthy	
Objective 4.1	**Risks that natural hazards pose to Otago's communities are minimised.**
Policy 4.1.5	**Natural hazard risk** Manage natural hazard risk to people, property and communities, with particular regard to all of the following: a) The risk posed, considering the likelihood and consequences of natural hazard events; b) The implications of residual risk; c) The community's tolerance of that risk, now and in the future, including the community's ability and willingness to prepare for and adapt to that risk, and respond to an event; d) Sensitivity of activities to risk; e) The need to encourage system resilience; f) The social costs of recovery.
Policy 4.1.10	**Mitigating natural hazards** Give preference to risk management approaches that reduce the need for hard protection structures or similar engineering interventions, and provide for hard protection structures only when all of the following apply: a) Those measures are essential to reduce risk to a level the community is able to tolerate; b) There are no reasonable alternatives that result in reducing the risk exposure; c) It would not result in an increase in risk to people and communities, including displacement of risk off-site;

	d) The adverse effects can be adequately managed; e) The mitigation is viable in the reasonably foreseeable long term.
Objective 4.2	**Otago's communities are prepared for and able to adapt to the effects of climate change**
Policy 4.2.2	**Climate Change** Ensure Otago's people and communities are able to mitigate and adapt to the effects of climate change, over no less than 100 years, by all of the following: a) Taking into account the effects of climate change, including by using the best relevant climate change data; b) Applying a precautionary approach when assessing and managing the effects of climate change where there is scientific uncertainty and potentially significant or irreversible effects; c) Encouraging activities that assist to reduce or mitigate the effects of climate change. d) Encouraging system resilience.
Objective 4.5	**Urban growth and development is well designed, occurs in a strategic and coordinated way, and integrates effectively with adjoining urban and rural environments**
Policy 4.5.1	**Providing for urban growth and development** Provide for urban growth and development in a strategic and co-ordinated way, including by: a) Ensuring future urban growth areas are in accordance with any future development strategy for that district. b) Monitoring supply and demand of residential, commercial and industrial zoned land; c) Ensuring that there is sufficient housing and business land development capacity available in Otago; d) Setting minimum targets for sufficient, feasible capacity for housing in high growth urban areas in Schedule 6 e) Coordinating the development and the extension of urban areas with infrastructure development programmes, to provide infrastructure in an efficient and effective way. f) Having particular regard to: i. Providing for rural production activities by minimising adverse effects on significant soils and activities which sustain food production; ii. Minimising competing demands for natural resources; iii. Maintaining high and outstanding natural character in the coastal environment; outstanding natural features, landscapes, and seascapes; and areas of significant indigenous vegetation and significant habitats of indigenous fauna; iv. Maintaining important cultural or historic heritage values; v. Avoiding land with significant risk from natural hazards; g) Ensuring efficient use of land; h) Restricting urban growth and development to areas that avoid reverse sensitivity effects unless those effects can be adequately managed;

	i) Requiring the use of low or no emission heating systems where ambient air quality is: i. Below standards for human health; or ii. Vulnerable to degradation given the local climatic and geographical context; Consolidating existing coastal settlements and coastal urban areas where this will contribute to avoiding or mitigating sprawling or sporadic patterns of settlement and urban growth.
Policy 4.5.2	**Integrating infrastructure with land use** Achieve the strategic integration of infrastructure with land use, by undertaking all of the following: a) Recognising and providing for the functional needs of infrastructure; b) Locating and designing infrastructure to take into account all of the following: i. Actual and reasonably foreseeable land use change; ii. The current population and projected demographic changes; iii. Actual and reasonably foreseeable change in supply of, and demand for, infrastructure services; iv. Natural and physical resource constraints; v. Effects on the values of natural and physical resources; vi. Co-dependence with other infrastructure; vii. The effects of climate change on the long-term viability of that infrastructure; viii. Natural hazard risk. Coordinating the design and development of infrastructure with land use change in growth and redevelopment planning.
Policy 4.5.3	**Urban design** Design new urban development with regard to: a) A resilient, safe and healthy community; b) A built form that relates well to its surrounding environment; c) Reducing risk from natural hazards; d) Good access and connectivity within and between communities; e) A sense of cohesion and recognition of community values; f) Recognition and celebration of physical and cultural identity, and the historic heritage values of a place;] g) Areas where people can live, work and play; h) A diverse range of housing, commercial, industrial and service activities; A diverse range of social and cultural opportunities
Policy 4.5.4	**Low impact design** Encourage the use of low impact design techniques in subdivision and development to reduce demand on stormwater, water and wastewater infrastructure and reduce potential adverse environmental effects.
Policy 4.5.5	**Warmer buildings** Encourage the design of subdivision and development to reduce the adverse effects of the region's colder climate, and higher demand and costs for energy, including maximising passive solar gain.

Policy 4.5.6	**Designing for public access** Design and maintain public spaces, including streets and open spaces, to meet the reasonable access and mobility needs of all sectors.
Objective 5.2	**Historic heritage resources are recognised and contribute to the region's character and sense of identity.**
Policy 5.2.3	Protect and enhance places and areas of historic heritage, by all of the following: a) Recognising that some places or areas are known or may contain archaeological sites, wāhi b) tapu or wāhi taoka which could be of significant historic or cultural value; c) Applying these provisions immediately upon discovery of such previously unidentified d) archaeological sites or areas, wāhi tapu or wāhi taoka; e) Avoiding adverse effects on those values that contribute to the area or place being of regional f) or national significance; g) Minimising significant adverse effects on other values of areas and places of historic heritage; h) Remedying when adverse effects on other values cannot be avoided; i) Mitigating when adverse effects on other values cannot be avoided or remedied; j) Encouraging the integration of historic heritage values into new activities; k) Enabling adaptive reuse or upgrade of historic heritage places and areas where historic heritage values can be maintained.

1.36. This proposal responds to these matters by providing for economic and social wellbeing of people by:

(a) enabling the use of the land resources for more intensified urban living in a way that potential adverse effects can be adequately managed,

(b) it can contribute to the housing needs in a typology/price range for which there is a shortage, and it can contribute through economic growth and diversification of the economy through the construction and ongoing use of the land for urban purposes,

(c) maintaining existing standards with regard to floor levels in areas identified as being subject to flood risk and maintaining the existing matters of discretion allowing for consideration of natural hazards in the development of sites.

1.37. The NPS-UD is a higher order document than a Regional Policy Statement, and Regional Policy Statements also need to implement the intensification provisions, not just District Plans, as outlined in Policy 5 of the NPS-UD.[115]

115 National Policy Statement on Urban Development, p.11

1.38. The following Issues from Part 2: Integrated Management of the PRPS 21[116] are relevant:

Proposed Regional Policy Statement 2021	
Reference	**Detail**
Part 2 – Integrated Management	
Objective IM-O1	**Long term vision** The management of natural and physical resources in Otago, by and for the people of Otago, including Kāi Tahu, and as expressed in all resource management plans and decision making, achieves healthy, resilient, and safeguarded natural systems, and the ecosystem services they offer, and supports the well-being of present and future generations, mō tātou, ā, mō kā uri ā muri ake nei.
Objective IM-O2	**Ki uta ki tai** Natural and physical resource management and decision making in Otago embraces ki uta ki tai, recognising that the environment is an interconnected system, which depends on its connections to flourish, and must be considered as an interdependent whole.
Objective IM-O3	**Environmentally sustainable impact** Otago's communities carry out their activities in a way that preserves environmental integrity, form, function, and resilience, so that the life-supporting capacities of air, water, soil, ecosystems, and indigenous biodiversity endure for future generations.
Objective IM-O4	**Climate change** Otago's communities, including Kāi Tahu, understand what climate change means for their future, and climate change responses in the region, including adaptation and mitigation actions, are aligned with national level climate change responses and are recognised as integral to achieving the outcomes sought by this RPS.
Policy IM-P2	**Decision priorities** Unless expressly stated otherwise, all decision making under this RPS shall: 1) firstly, secure the long-term life-supporting capacity and mauri of the natural environment, 2) secondly, promote the health needs of people, 3) thirdly, safeguard the ability of people and communities to provide for their social, economic,and cultural well-being, now and in the future.
Policy IM-P3	**Providing for *mana whenua* cultural values in achieving integrated management** Recognise and provide for Kāi Tahu's relationship with natural resources by: 1) enabling *mana whenua* to exercise rakatirataka and *kaitiakitaka*, 2) facilitating active participation of *mana whenua* in resource management

[116] Proposed Otago Regional Policy Statement 2021 (dated May 2021) was published after the NPS-UD and therefore is implementing the NPS-UD

	decision making, 3) incorporating mātauraka Māori in decision making, and ensuring resource management provides for the connections of Kāi Tahu to *wāhi tūpuna*, *water* and *water bodies*, the coastal environment, mahika kai and habitats of taoka species.
Policy IM-P4	**Setting a strategic approach to ecosystem health** Healthy ecosystems and ecosystem services are achieved through a planning framework that: 1) protects their *intrinsic values*, 2) takes a long-term strategic approach that recognises changing *environments*, 3) recognises and provides for ecosystem complexity and interconnections, and anticipates, or responds swiftly to, changes in activities, pressures, and trends.
Policy IM-P5	**Managing environmental interconnections** Coordinate the management of interconnected *natural and physical resources* by recognising and providing for: 1) situations where the value and function of a *natural or physical resource* extends beyond theimmediate, or directly adjacent, area of interest, 2) the effects of activities on a *natural or physical resource* as a whole when that resource ismanaged as sub-units, and the impacts of management of one *natural or physical resource* on the values of another, or on the *environment*.
Policy IM-P6	**Acting on best available information** Avoid unreasonable delays in decision-making processes by using the best information available at thetime, including but not limited to mātauraka Māori, local knowledge, and reliable partial data.
Policy IM-P8	***Climate change* impacts** Recognise and provide for *climate change* processes and *risks* by identifying *climate change* impacts in Otago, including impacts from a te ao Māori perspective, assessing how the impacts are likely to change over time and anticipating those changes in resource management processes and decisions.
Policy IM-P9	**Community response to *climate change* impacts** By 2030 Otago's communities have established responses for adapting to the impacts of *climate change*, are adjusting their lifestyles to follow them, and are reducing their *greenhouse gas* emissionsto achieve net-zero carbon emissions by 2050.
Policy IM-P10	***Climate change* adaptation and mitigation** Identify and implement *climate change* adaptation and mitigation methods for Otago that: 1) minimise the effects of *climate change* processes or *risks* to existing activities,

	2) prioritise avoiding the establishment of new activities in areas subject to *risk* from the *effects* of *climate change*, unless those activities reduce, or are resilient to, those *risks*, and 3) provide Otago's communities, including Kāi Tahu, with the best chance to thrive, even under the most extreme *climate change* scenarios.
Policy IM-P11	**Enhancing environmental *resilience* to *effects* of *climate change*** Enhance environmental resilience to the adverse *effects of climate change* by facilitating activities that reduce human impacts on the *environment.*
Policy IM-P13	**Managing cumulative *effects*** Otago's environmental integrity, form, function, and *resilience*, and opportunities for future generations, are protected by recognising and specifically managing the cumulative effects of activities on natural and physical resources in plans and explicitly accounting for these effects in other resource management decisions.
LF–FW – Fresh water	
Objective LF-FW-08	**Fresh water** In Otago's water bodies and their catchments: 1) the health of the wai supports the health of the people and thriving mahika kai, 2) water flow is continuous throughout the whole system, 3) the interconnection of fresh water (including groundwater) and coastal waters is recognised, 4) native fish can migrate easily and as naturally as possible and taoka species and their habitats are protected, and 5) the significant and outstanding values of Otago's outstanding water bodies are identified and protected.
Objective LF-FW-09	**Natural wetlands** Otago's natural wetlands are protected or restored so that: 1) mahika kai and other mana whenua values are sustained and enhanced now and for future generations, 2) there is no decrease in the range and diversity of indigenous ecosystem types and habitats in natural wetlands, 3) there is no reduction in their ecosystem health, hydrological functioning, amenity values, extent or water quality, and if degraded they are improved, and 4) (4) their flood attenuation capacity is maintained.
Objective LF-FW-010	**Natural character** The natural character of wetlands, lakes and rivers and their margins is preserved and protected from inappropriate subdivision, use and development.
Policy	**Protecting outstanding water bodies** The significant and outstanding values of outstanding water bodies are: 1) identified in the relevant regional and district plans, and

LF–FW–P12	2) protected by avoiding adverse effects on those values
Policy LF–FW–P15	**Stormwater and wastewater discharges** Minimise the adverse effects of direct and indirect discharges of stormwater and wastewater to fresh water by: 1) except as required by LF–VM–O2 and LF–VM–O4, preferring discharges of wastewater to land over discharges to water, unless adverse effects associated with a discharge to land are greater than a discharge to water, and 2) requiring: (a) all sewage, industrial or trade waste to be discharged into a reticulated wastewater system, where one is available, (b) all stormwater to be discharged into a reticulated system, where one is available, (c) implementation of methods to progressively reduce the frequency and volume of wet weather overflows and minimise the likelihood of dry weather overflows occurring for reticulated stormwater and wastewater systems, (d) on-site wastewater systems to be designed and operated in accordance with best practice standards, (e) stormwater and wastewater discharges to meet any applicable water quality standards set for FMUs and/or rohe, and (f) the use of water sensitive urban design techniques to avoid or mitigate the potential adverse effects of contaminants on receiving water bodies from the subdivision, use or development of land, wherever practicable, and 3) promoting the reticulation of stormwater and wastewater in urban areas
UFD – Urban Form and Development	
Objective UFD-O1	**Form and function of urban areas** The form and functioning of Otago's urban areas: 1) reflects the diverse and changing needs and preferences of Otago's people and communities, now and in the future, and 2) maintains or enhances the significant values and features identified in this RPS, and the character and resources of each urban area.
Objective UFD-O2	**Development of urban areas** The development and change of Otago's urban areas: 1) improves housing choice, quality, and affordability, 2) allows business and other non-residential activities to meet the needs of communities in appropriate locations, 3) respects and wherever possible enhances the area's history, setting, and natural and built environment, 4) delivers good urban design outcomes, and improves liveability,

	5) improves connectivity within urban areas, particularly by active transport and public transport, 6) minimises conflict between incompatible activities, 7) manages the exposure of risk from natural hazards in accordance with the HAZ–NH – Natural hazards section of this RPS, 8) results in sustainable and efficient use of water, energy, land, and infrastructure, 9) achieves integration of land use with existing and planned development infrastructure and additional infrastructure and facilitates the safe and efficient ongoing use of regionally significant infrastructure, 10) achieves consolidated, well designed and located, and sustainable development in and around existing urban areas as the primary focus for accommodating the region's urban growth and change, and 11) is guided by the input and involvement of mana whenua.
Objective UFD-O3	**Strategic planning** Strategic planning is undertaken in advance of significant development, expansion or redevelopment of urban areas to ensure that 1) there is sufficient development capacity supported by integrated infrastructure provision for Otago's housing and business needs in the short, medium and long term, 2) development is located, designed and delivered in a way and at a rate that recognises and provides for locationally relevant regionally significant features and values identified by this RPS, and 3) the involvement of mana whenua is facilitated, and their values and aspirations are provided for.
Objective UFD-O5	**Urban development and climate change** The impacts of climate change are responded to in the development and change of Otago's urban areas so that: 1) the contributions of current communities and future generations to climate change impacts are reduced, 2) community resilience increases, 3) adaptation to the effects of climate change is facilitated, 4) energy use is minimised, and energy efficiency improves, and 5) establishment and use of small and community-scale distributed electricity generation is enabled.
Policy UFD-P1	**Strategic planning** Strategic planning processes, undertaken at an appropriate scale and detail, precede urban growth and development and: 1) ensure integration of land use and infrastructure, including how, where and when necessary development infrastructure and additional infrastructure will be provided, and by whom,

	2) demonstrate at least sufficient development capacity supported by integrated infrastructure provision for Otago's housing and business needs in the short, medium and long term, 3) maximise current and future opportunities for increasing resilience, and facilitating adaptation to changing demand, needs, preferences and climate change, 4) minimise risks from and improve resilience to natural hazards, including those exacerbated by climate change, while not increasing risk for other development, 5) indicate how connectivity will be improved and connections will be provided within urban areas, 6) provide opportunities for iwi, hapū and whānau involvement in planning processes, including in decision making, to ensure provision is made for their needs and aspirations, and cultural practices and values, 7) facilitate involvement of the current community and respond to the reasonably foreseeable needs of future communities, and 8) identify, maintain and where possible, enhance important features and values identified by this RPS.
Policy UFD-P2	**Sufficiency of development capacity** Sufficient urban area housing and business development capacity in urban areas, including any required competitiveness margin, is provided in the short, medium and long term by: 1) undertaking strategic planning in accordance with UFD–P1 2) identifying areas for urban intensification in accordance with UFD–P3, 3) identifying areas for urban expansion in accordance with UFD–P4, 4) providing for commercial and industrial activities in accordance with UFD–P5 and UFD–P6 5) responding to any demonstrated insufficiency in housing or business development capacity by increasing development capacity or providing more development infrastructure as required, as soon as practicable, and 6) requiring Tier 2 urban environments to meet, at least, the relevant housing bottom lines in APP10.
Policy UFD-P3	**Urban intensification** Within urban areas intensification is enabled where it: 1) contributes to establishing or maintaining the qualities of a well-functioning urban environment, 2) is well-served by existing or planned development infrastructure and additional infrastructure, 3) meets the greater of demonstrated demand for housing and/or business use or the level of accessibility provided for by existing or planned active transport or public transport,

	4) addresses an identified shortfall for housing or business space, in accordance with UFD–P2, 5) addresses issues of concern to iwi and hapū, including those identified in any relevant iwi planning documents, and 6) manages adverse effects on values or resources identified by this RPS that require specific management or protection.
Policy UFD-P9	**Iwi, hapū and whānau** Facilitate the development of Native Reserves and Te Ture Whenua Māori land, for papakāika, kāika, nohoaka, and marae, where existing or planned development infrastructure of sufficient capacity is or can be provided (including allowance for self-servicing systems).
Policy UFD-10	**Criteria for significant development capacity** 'Significant development capacity' is provided for where a proposed plan change affecting an urban environment meets all of the following criteria: 1) the location, design and layout of the proposal will positively contribute to achieving a well- functioning urban environment, 2) the proposal is well-connected to the existing or planned urban area, particularly if it is located along existing or planned transport corridors, 3) required development infrastructure can be provided effectively and efficiently for the proposal, and without material impact on planned development infrastructure provision to, or reduction in development infrastructure capacity available for, other feasible, likely to be realised developments, in the short-medium term, 4) the proposal makes a significant contribution to meeting a need identified in a Housing and Business Development Capacity Assessment, or a shortage identified in monitoring for: (a) housing of a particular price range or typology, particularly more affordable housing, (b) business space or land of a particular size or locational type, or (c) community or educational facilities, and 5) when considering the significance of the proposal's contribution to a matter in (4), this means that the proposal's contribution: (a) is of high yield relative to either the forecast demand or the identified shortfall, (b) will be realised in a timely (i.e. rapid) manner, (c) is likely to be taken up, and (d) will facilitate a net increase in district-wide up-take in the short to medium term.

3. Proposed District Plan

1.39. The following objectives and policies (or parts thereof) of the PDP (Part 2 Strategic) are relevant to urban development and this plan variation should take into account and give effect to these provisions:

Strategic Direction Chapter 3		
Reference	**Detail**	**Subject to Appeal?**
SO 3.2.1	**The development of a prosperous, resilient and equitable economy in the District.**	
Policy 3.2.1.2	The Queenstown and Wānaka town centres are the hubs of New Zealand's premier alpine visitor resorts and the District's economy.	
Policy 3.2.1.3	The Frankton urban area (including the Remarkables Park mixed use centre) functions primarily as a major commercial and industrial service centre, and provides community facilities, for the people of the Wakatipu Basin.	
Policy 3.2.1.4	The key function of the commercial core of Three Parks is focused on large format retail development.	
Policy 3.2.1.9	Infrastructure in the District that is operated, maintained, developed and upgraded efficiently and effectively to meet community needs and to maintain the quality of the environment.	Active Appeal ENV-2018-CHC-093
SO 3.2.2	**Urban Growth is managed in a strategic and integrated manner**	
Policy 3.2.2.1	Urban development occurs in a logical manner so as to: a. promote a compact, well designed and integrated urban form; b. build on historical urban settlement patterns; c. achieve a built environment that provides desirable, healthy and safe places to live, work and play; d. minimise the natural hazard risk, taking into account the predicted effects of climate change; e. protect the District's rural landscapes from sporadic and sprawling urban development; f. ensure a mix of housing opportunities including access to housing that is more affordable for residents to live in; g. contain a high quality network of open spaces and community facilities; and	

	h. be integrated with existing, and proposed infrastructure and appropriately manage effects on that infrastructure.	
SO 3.2.3	**A quality built environment taking into account the character of individual communities.**	
Policy 3.2.3.1	The District's important historic heritage values are protected by ensuring development sympathetic to those values.	
Policy 3.2.3.2	Built form integrates well with its surrounding environment	
SO 3.2.4	**The distinctive natural environments and ecosystems of the District are protected**	
Policy 3.2.4.1	Development and land uses that sustain or enhance the life-supporting capacity of air, water, soil and ecosystems, and maintain indigenous biodiversity	
Policy 3.2.4.3	The natural character of the beds and margins of the District's lakes, rivers and wetlands is preserved, or enhanced where possible, and protected from inappropriate subdivision, use and development.	
Policy 3.2.4.4	The water quality and functions of the District's lakes, rivers and wetlands are maintained or enhanced.	
Policy 3.2.4.5	Public access to the natural environment is maintained or enhanced.	
Policy 3.2.4.6	The values of significant indigenous vegetation and significant habitats of indigenous fauna are protected	
SO 3.2.5	The retention of the District's distinctive landscapes.	Active Appeal seeking deletion Queenstown Park Limited ENV-2018-CHC-127
3.2.5.1	The District's Outstanding Natural Features and Outstanding Natural Landscapes and their landscape values and related landscape capacity are identified.	
Policy 3.2.5.3	In locations other than in the Rural Zone, the landscape values of Outstanding Natural Features and Outstanding Natural Landscapes are protected from inappropriate subdivision, use and development.	
SO 3.2.6	The District's residents and communities are able to provide for their social, cultural and economic wellbeing and their health and safety.	
Policy 3.2.6.1	The accessibility needs of the District's residents and communities to places, services and facilities are met	

Policy 3.2.6.3	The contribution that community social, recreational and cultural facilities and activities make to identity and sense of place for residents of the District is recognised and provided for through appropriate location and sound design	
Strategic Policy 3.3.3	Provide a planning framework for the Queenstown and Wānaka town centres that enables quality development and enhancement of the centres as the key commercial, civic and cultural hubs of the District, building on their existing functions and strengths.	
Strategic Policy 3.3.15	Apply provisions that enable urban development within the UGBs and avoid urban development outside of the UGBs.	
Strategic Policy 3.3.17	Identify heritage items and ensure they are protected from inappropriate development	
Strategic Policy 3.3.19	Protect SNAs and encourage enhanced indigenous biodiversity outcomes	
Strategic Policy 3.3.20	Manage subdivision and / or development that may have adverse effects on the natural character and nature conservation values of the District's lakes, rivers, wetlands and their beds and margins so that their life-supporting capacity is safeguarded; and natural character is maintained or enhanced as far as practicable.	
Strategic Policy 3.3.31	Avoid adverse effects on the landscape values of the District's Outstanding Natural Features and Outstanding Natural Landscapes from residential subdivision, use and development where there is little capacity to absorb change	

1.40. The Strategic Directions seek to enable development while protecting the valued natural and physical resources of the District. The changes proposed are required to give effect to these obligations.

Urban Development Chapter 4:		
Reference	Detail	Subject to appeal
SO 4.2.1	Objective - Urban Growth Boundaries used as a tool to manage the growth of urban areas within distinct and defendable urban edges.	
Policy 4.2.1.2	Focus urban development primarily on land within and adjacent to the existing larger urban areas and to a lesser extent, within and adjacent to smaller urban towns and rural settlements.	

Policy 4.2.1.3	Ensure that urban development is contained within the defined Urban Growth Boundaries, and that aside from urban development within existing towns and rural settlements, urban development is avoided outside of those boundaries.	
Policy 4.2.1.4	Ensure Urban Growth Boundaries encompass, at a minimum, sufficient feasible development capacity and urban opportunities consistent with: a. The anticipated medium term demand for housing and business land within the District assuming a mix of housing densities and form; b. ensuring the ongoing availability of a competitive land supply for urban purposes; c. the constraints on development of the land such as its topography, its ecological, heritage, cultural or landscape significance; or the risk of natural hazards limiting the ability of the land to accommodate growth; d. the need to make provision for the location and efficient operation of infrastructure, commercial and industrial uses, and a range of community activities and facilities; e. a compact and efficient urban form; f. avoiding sporadic urban development in rural areas; g. minimising the loss of the productive potential and soil resource of rural land; and h. a future development strategy for the District that is prepared in accordance with the National Policy Statement on Urban Development Capacity.	
SO 4.2.2A	Objective - A compact and integrated, and well designed urban form within the Urban Growth Boundaries that: (i) is coordinated with the efficient provision, use and operation of infrastructure and services; and (ii) is managed to ensure that the Queenstown Airport is not significantly compromised by the adverse effects of incompatible activities.	
Policy 4.2.2.2	Allocate land within Urban Growth Boundaries into zones which are reflective of the appropriate land use having regard to: a. its topography; b. its ecological, heritage, cultural or landscape significance if any; c. any risk of natural hazards, taking into account the effects of climate change; d. connectivity and integration with existing urban development; e. convenient linkages with public transport; f. the need to provide a mix of housing densities and forms within a compact and integrated urban environment; g. the level of existing and future amenity that is sought (including consideration of any identified special character areas);	

	h. the need to make provision for the location and efficient operation of infrastructure and utilities, including regionally significant infrastructure; i. the need to provide open spaces and community facilities that are located and designed to be safe, desirable and accessible; j. the function and role of the town centres and other commercial and industrial areas as provided for in Chapter 3 Strategic Objectives 3.2.1.2 - 3.2.1.5 and associated policies; and k. the need to locate emergency services at strategic location.	
Policy 4.2.2.3	Enable an increased density of well-designed residential development in close proximity to town centres, public transport routes, community and education facilities, while ensuring development is consistent with any structure plan for the area and responds to the character of its site, the street, open space and surrounding area.	
Policy 4.2.2.4	Encourage urban development that enhances connections to public recreation facilities, reserves, open space and active transport networks.	
Policy 4.2.2.5	Require larger scale development to be comprehensively designed with an integrated and sustainable approach to infrastructure, buildings, street, trail and open space design.	

1.41. The Urban Development objectives and policies encourage consolidation of urban growth within the urban growth boundaries and existing settlements. This proposal is a continuation of these Urban Development strategic objectives and policies.

1.42. The following housing bottom lines were inserted into Chapter 4 of the PDP in response to the requirements of the NPS-UD. The identified housing bottom lines were identified through the Housing Development Capacity Assessment 2021 and they represent the amount of feasible and reasonably expected to be realised capacity that is sufficient to meet the expected housing demand within the urban environment, along with a competitiveness margin[117].

117 20% for the short-medium term and 15% for the long term

• *Housing Bottom Lines for Queenstown Lakes urban environment*			
Ward	*Short-medium term (2020 – 2030)*	*Long term (2031- 2050)*	*30 Year Total (2020 – 2050 additional)*
Wakatipu	*3750*	*7830*	*11,580*
Wānaka	*2470*	*5150*	*7,620*
Total	***6220***	***12,980***	***19,200***

Tangata Whenua Chapter 5:		
Objective or provision	**Detail**	**Subject to Appeal?**
SO 5.3.1	**Consultation with tangata whenua occurs through the implementation of the Queenstown Lakes District Plan Policy**	
Policy 5.3.1.1	Ensure that Ngāi Tahu Papatipu Rūnanga are engaged in resource management decision making and implementation on matters that affect Ngāi Tahu values, rights and interests, in accordance with the principles of the Treaty of Waitangi.	
Policy 5.3.1.3	When making resource management decisions, ensure that functions and powers are exercised in a manner that takes into account iwi management plans.	
SO 5.3.5	**Wāhi tūpuna and all their components are appropriately managed and protected**	
Policy 5.3.5.5	Avoid where practicable, adverse effects on the relationship between Ngāi Tahu and the wāhi tūpuna.	

1.43. The Tangata Whenua objectives and policies have been taken into account when developing this proposal, and consultation with iwi has been outlined in Section 3.2 in the main body of this report.

Landscapes and Rural Character Chapter 6:		
Objective or provision	**Detail**	**Subject to appeal?**
6.3.3	Avoid where practicable, adverse effects on the relationship between Ngāi Tahu and the wāhi tūpuna.	

Policy 6.3.3.1	Recognise that subdivision and development is inappropriate on Outstanding Natural Features or in Outstanding Natural Landscapes unless: a. landscape values are protected; and b. in the case of any subdivision or development, all buildings and other structures and all changes to landform or other physical changes to the appearance of land will be reasonably difficult to see from beyond the boundary of the site in question.	

1.44. The proposal gives effect to Sections 6(b) and 7(c) of the Act and the Landscape Chapter 6 by managing the actual and potential adverse effects of intensification where these could affect the District's landscape values.

4. Other Council Documents Considered

1.45. The following Council documents and projects have informed this Section 32 evaluation.

(a) Monitoring reports
(b) 2021-2031 Long Term Plan Volume 1
(c) 2021-2031 Long Term Plan Volume 2
(d) Growth Projections to 2051
(e) Economic Development Strategy
(f) Parks and Open Space Strategy
(g) Reserve Management Plans
(h) Design Guidelines
(i) Practice Notes
(j) QLDC Infometrics
(k) Housing and Business Capacity Assessment 2017
(l) Housing Capacity Assessment 2020
(m) Homes Strategy 2021
(n) Planning for Affordable Housing Consultation 2021
(o) Queenstown Lakes Climate and Biodiversity Plan 2022-2025
(p) Transport Strategies
(q) Queenstown Lakes Spatial Plan Whaiora 2021
(r) Draft Queenstown Lakes Joint Housing Action Plan 2023

Otago Southland Regional Land Transport Plans 2021-2031[118]

118 RLTP Draft - layout template (orc.govt.nz)

1.46. The Otago and Southland Regional Transport Committees in collaboration with territorial authorities and Waka Kotahi prepare Land Transport Plans every six years. The objective is to ensure the plan reflects the community's desired future for their transport network, the aspirations of the Road Controlling Authorities and that it meets changing needs.

The region's road network, made up of state highways, sealed and unsealed local roads, provides the most extensive means of access across the Otago and Southland regions. Although the network generally provides reliable travel times for people and freight, there are a few exceptions where sections of the urban system are nearing capacity. The Plan states that these are primarily in the urban growth areas of Dunedin and Queenstown during the morning and afternoon peak periods[119].

1.47. Travel in Queenstown and Wānaka is predominately by private car, with private car trips making up 84% of trips on SH6A between Queenstown town centre and Frankton. Sections of the road network are reaching capacity, and the impact of disjointed land use and transport planning is apparent. The quality of life for residents is beginning to worsen, with communities increasingly complaining of unreliable travel times[120].

1.48. To understand transport challenges, a 'Way to Go' partnership between QLDC, Otago Regional Council and Waka Kotahi has undertaken a number of studies and investigations. Most recently this has included the Queenstown Integrated Transport Programme Business Case (Waka Kotahi, June 2017), which identified rapid growth and car dominance as the two fundamental transport problems, resulting in efficiency, amenity, safety and resilience issues. Queenstown was allocated $50 million from the Crown Infrastructure Partners fund towards Stage 1 of the town centre arterials and $35 million towards the streetscape component of a Queenstown town centre transformation. Queenstown was allocated a further $90 million funding from New Zealand Upgrade Programme for SH6A corridor improvements, Ladies Mile corridor improvements and SH6 Grant Road to Kawarau Falls Bridge improvements. This investment injection will go some way to addressing transport infrastructure gaps.

Otago Regional Public Transport Plan 2021 - 2031[121]

1.49. The Regional Public Transport Plan outlines the current public transport position in the Otago region (including in the Wakatipu Basin) as well as the strategic direction and objectives for public transport in the region, and the programme of projects to achieve the objectives.

1.50. The Plan states that travel in Queenstown is predominately by private car, with private car trips making up 84% of trips on SH6A between Queenstown town centre and Frankton. Sections of the road network are reaching capacity, and the impact of disjointed land use and transport planning is apparent and it is identified that the quality of life for residents and the visitor experience is beginning to worsen.

119 Page 29 of the Otago Southland Regional Transport Plans
120 Page 36 of the Otago Southland Regional Transport Plans
121 orc_rtp_document_final-july-2021_online.pdf

1.51. Urban bus networks currently operate in Queenstown. The services operating in Queenstown have experienced an increase in patronage since a network review simplified routes, improved timetables and brought services together at centralised bus hubs. The introduction of flat fares (to a $2.00 flat fare) also contributed to increased patronage.

1.52. Wānaka is also undergoing rapid change. Currently there is no public transport in the Upper Clutha and active travel networks are underdeveloped. Limited transport and route choices increase congestion and severance.

1.53. The NPS-UD defines public transport as*: Any existing or planned service for the carriage of passengers (other than an aeroplane) that is available to the public, generally by means of:*

(a) A vehicle designed or adapted to carry more than 12 persons (including the driver); or

(b) A rail vehicle; or

(c) A ferry

1.54. The Queenstown bus services, as described above, fall within this definition of public transport and have been factored in the proposed intensification provisions for within the serviced area of the Whakatipu.

1.55. The Plan states that there is a proposed public transport trial for Wānaka township and its surrounds[122], however the service type and frequency are yet to be defined. At this stage, public transport in Wānaka is still aspirational, and funding commitments have not been confirmed.

Mode Shift Plan[123]

1.56. The Way to Go partners – QLDC, the Otago Regional Council and Waka Kotahi released a Better Ways to Go – mode shift plan in May 2022. This identifies that if the projected population increases outlined in the Spatial Plan are not managed effectively, the implications of this level of growth on the transport network include high traffic volumes leading to increasing travel delays and unreliable travel times, safety issues, declining amenity, environmental and economic impacts. Increasingly, the number of cars on the transport network are outstripping capacity, with investment unable to keep up with the growth.

1.57. The mode shift plan identifies three key action areas:

1. Shaping urban form
2. Improving infrastructure
3. Influencing people's travel choices

1.58. The implementation of Policy 5 of the NPS-UD is of relevance to the shaping of the urban form and this also ties into the outcomes sought by the Spatial Plan in concentrating development

122 Page 75
123 item-2a-attachment-1-mode-shift-plan.pdf (qldc.govt.nz)

within existing urban centres which will make the viability of transport initiatives and the investment in infrastructure more achievable compared to outward sprawl.

1.59. The benefits of promoting modal shift toward alternative travel options include lowering of emissions and response to climate change, health and safety, inclusive access and network efficiency.

New Zealand Urban Design Protocol[124]

1.60. Urban design seeks to ensure that the design of buildings, places, spaces and networks that make up our towns and cities, work for all of us, both now and in the future.

1.61. The New Zealand Urban Design Protocol is referenced within the QLDC's Subdivision and Land Development Code of Practice as well as in the ODP and in a number of the area specific design guidelines that are referred to in the ODP and PDP.

1.62. The Urban Design Protocol identifies seven essential design qualities that together create quality urban design (The 7 C's):

- Context: seeing buildings, places and spaces as part of whole towns and cities
- Character: reflecting and enhancing the distinctive character, heritage and identity of our urban environment
- Choice: ensuring diversity and choice for people
- Connections: enhancing how different networks link together for people
- Creativity: encouraging innovative and imaginative solutions
- Custodianship: ensuring design is environmentally sustainable, safe and healthy
- Custodianship also encourages the use of Crime Prevention through Environmental Design (CPTED) principles to improve community safety. This should promote qualities like territorial definition, natural surveillance and active ground level uses and other techniques to reduce opportunities for crime.
- Collaboration: communicating and sharing knowledge across sectors, professions and with communities

1.63. Of particular relevance to the District's residential zones, the Urban Design Protocol recognises that:

- quality urban design is an essential component of successful towns and cities
- urban design needs to be an integral part of all urban decision-making
- urban design applies at all scales, from small towns to large cities
- urban design has a significant influence on people and how they live their lives

1.64. Quality urban design values and protects the cultural identity and heritage of our towns and cities and provides for creativity. It reinforces New Zealand's distinctive identity. Quality urban

124 New Zealand Urban Design Protocol | Ministry for the Environment

design also adds social, environmental and cultural benefits by creating well connected, inclusive and accessible places, and by delivering the mix of houses, uses and facilities that we need. It can enhance safety, reduce crime and fear of crime and enhance energy efficiency. Quality urban design can provide us with more and better opportunities for physical activity, resulting in improved physical and social wellbeing.

1.65. The proposal has been informed by an urban design review of the existing PDP provisions that relate to density of residential development undertaken by Barker & Associates (Appendix 4). This assessment is based upon the principles in the New Zealand Urban Design Protocol.

5. Ministry for the Environment Monitoring Recommendations

The report[125] prepared for the Ministry for the Environment (MfE) by Beca in August 2018 made a number of recommendations in relation to the PDP provisions. These are detailed as follows:

Density

In terms of promotion of greater densities, the report authors recognise that the permitted activity status for residential flats in additional to a residential unit within the PDP enables greater densities. In the Lower Density Suburban Residential Zone, this essentially enables a density of 1:150m² where the matters of discretion and built form standards are complied with.

One area for suggested review as outlined in the report is the bulk and location standards. The report identifies that they still provide constraints, notwithstanding, the greater intensification enabled through the PDP in some zones. An example cited is the 40% maximum coverage in the Lower Density Suburban Residential Zone, which in combination with the other bulk and location controls, limits the potential for greater intensification or encouragement of the replacement of a five bedroom existing house with five, one bedroom units.

A key enabling provision that the report recommends being further investigated is that of Comprehensive Residential Developments. This is where there is a relaxation of the development controls or density requirements to enable more houses on the site to be consents than would otherwise be the case based on the theory that when designed together on a large site, houses can be designed and positioned so that a better on-site amenity is achieved than if the houses where designed on individual vacant sites. The suggested options to increase the uptake of these developments as outlined in the report are as follows:

- Reduce the number of controls that must be complied with to those key neighbouring amenity controls eg, recession planes, setbacks and site coverage.
- Reduce the qualifying site size for the rule so that it only needs two adjoining standard sites to be amalgamated to utilise the rule.
- Increase the benefits of using the rule eg, increase the reduction in site size per unit to a greater than 30% increase.

The report also assessed whether the approach in the Auckland Unitary Plan (AUP) of removing density controls across the majority of the Plan, instead relying upon the bulk and location standards to manage matters of residential amenity and character. The analysis was based upon the number of new dwellings consented in the 10 months since the Auckland Unitary Plan was made partially operative (from August 2017 to May 2018) when the following growth was identified:

- 90% of all growth in new dwellings was in brownfield areas where greater intensity has been allowed by the AUP.

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

- The total brownfields share of new dwellings consented in the 10 months was an increase from 62% to 69%, completely reversing the trend of brownfields accounting for a declining share of building consents over the previous four years.
- More intensive multi-unit (terraces and apartments) were about 53% of new dwellings consented (with roughly equal split between apartments and terraces), while houses are only 47% across all of Auckland.
- In the urban area around 66% of new dwellings were multi-units, which is what the AUP aimed to deliver.

The MfE report states that the above findings in relation to the AUP indicate people are increasingly preferring to build in brownfield areas even though land there costs much more, as people want to live near amenities such as public transport, swimming pools, good schools, infrastructure services and coffee shops.

Recession Planes

Restrictive controls discourage small scale vertical redevelopment and development. Relaxation of recession planes could facilitate a greater level of development on a site so to provide additional units to be established. The MfE report in relation to the PDP states that the recession planes in the Medium and High Density Residential Zones could effectively reduce a greater yield on site notwithstanding the zones' intention to facilitate higher density development.

Private Outdoor Living

The MfE report states that on-site outdoor living space provision is about balancing the need to provide for appropriate on-site residential amenity whilst also ensuring efficient use of land for residential growth and intensification. Not providing or enabling flexibility and optionality in how outdoor living spaces can be provided has the potential to limit developable footprint and therefore the developable capacity.

With regard to the PDP, the MfE report identifies that the PDP moved away from dedicated minimum open space per residential unit and states that although this could be seen as an enabling move, the end result is that open space is provided on the site through the application of the maximum site coverage and minimum permeable surface requirements anyway.

Setbacks

The report raised questions about the continued use of the side yard requirement and recommends that they be investigated in order to allow for the design of connected dwellings and the use of these small strips of land without neighbours approval.

Overlay Areas

A recommendation of the MfE report is to review the extent and need for overlay areas that reduce or constrain capacity. It however notes that in the PDP these primarily relate to the Town Centre and there are few constraining development in residential zones.

Notification Provisions

The report identified that the PDP already includes an enabling element in the Medium Density Residential Zone and High Density Residential Zone, and to a lesser extent the Lower Density Suburban Residential Zone, for multiple units on a site to be processed as a Restricted Discretionary activity subject to density requirements, which could be processed on a non-notified basis providing compliance with performance standards are met.

APPENDIX 3 - ACCESSIBILITY AND DEMAND ANALYSIS - METHOD STATEMENT

Memorandum

Urban & Environmental

To: Elias Matthee – Queenstown Lakes District Council

From: Jack Earl & Cam Wallace – Barker & Associates Limited

Date: 16 May 2023

Re: Method Statement – Accessibility & Demand Analysis – NPSUD Policy 5

1.0 Introduction

Barker & Associates ("**B&A**") have been commissioned by Queenstown Lakes District Council ("**QLDC**") to undertake an Accessibility & Demand Analysis to assist QLDC in meeting its requirements as a Tier 2 local authority under Policy 5 of the National Policy Statement on Urban Development ("**NPSUD**").

This document outlines the methodology used to undertake this analysis and provides a high-level summary of findings and recommendations for further work to assist QLDC in meeting the broader requirements of the NPSUD.

2.0 Memo Structure

The methodology utilised for the analysis is primarily based on the guidance as set out in the Ministry for the Environment guidance document "*Understanding and Implementing the Intensification Provisions for the National Policy Statement on Urban Development*", published September 2020. Where B&A has access to additional information or more refined tools of analysis, these measures have been incorporated into the methodology.

The methodology is set out in four parts, being:

(1) Policy Context;

(2) Accessibility analysis;

(3) Demand analysis;

(4) Findings and next steps

The results of the analyses have been displayed in a map format using GIS software (ArcGIS) to enable visual interpretation of the data, comparison of areas, identification of areas for refinement and ground-truthing.

3.0 Policy Context

3.1 National Policy Statement on Urban Development

The NPSUD replaced the National Policy Statement on Urban Development Capacity 2016 ("**NPSUDC**") and came into force on 20 August 2020. The NPSUD provides national direction under the Resource Management Act ("**RMA**") and intends to improve the responsiveness and competitiveness of land and development markets. It requires local authorities to open-up more development capacity, so more homes can be built in response to demand.

Relevant objectives of the NPSUD which are useful in informing a methodology for undertaking an accessibility and demand analysis include:

> ***Objective 1:*** *New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.*
>
> ***Objective 3:*** *Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply:*
>
> > *(a) the area is in or near a centre zone or other area with many employment opportunities.*
>
> ***Objective 4:*** *New Zealand's urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations.*
>
> ***Objective 6****: Local authority decisions on urban development that affect urban environments are:*
>
> > *(a) integrated with infrastructure planning and funding decisions* (insofar as this relates to transport)
>
> ***Objective 8:*** *New Zealand's urban environments: support reductions in greenhouse gas emissions; and are resilient to the current and future effects of climate change.*

Relevant policies of the NPSUD which are useful in informing a methodology for undertaking an accessibility and demand analysis include:

> ***Policy 1:*** *Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:*
>
> > *(a) have or enable a variety of homes that:*
> >
> > > *(i) meet the needs, in terms of type, price, and location, of different households*
> >
> > *(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport*
>
> ***Policy 5:*** *Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of:*
>
> > *(a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or*
> >
> > *(b) relative demand for housing and business use in that location.*

Policy 5 must apply to the entire urban area.

4.0 Study Area

The study area for this work is based on the boundaries of the QLDC's urban environment area as shown in Figure 1 overleaf and includes land within the Urban Growth Boundaries (UGB) as well as zone outside the UGB that are or is intended to be urban in character. This area also includes aggregations of a number of smaller statistical areas (SA1, SA2 and meshblocks). These statistical boundaries are generally well aligned with the zoned urban areas of the QLDC area (e.g. residential, industrial) and allows for easy interpretation of census data relevant to any assessment of accessibility or demand.

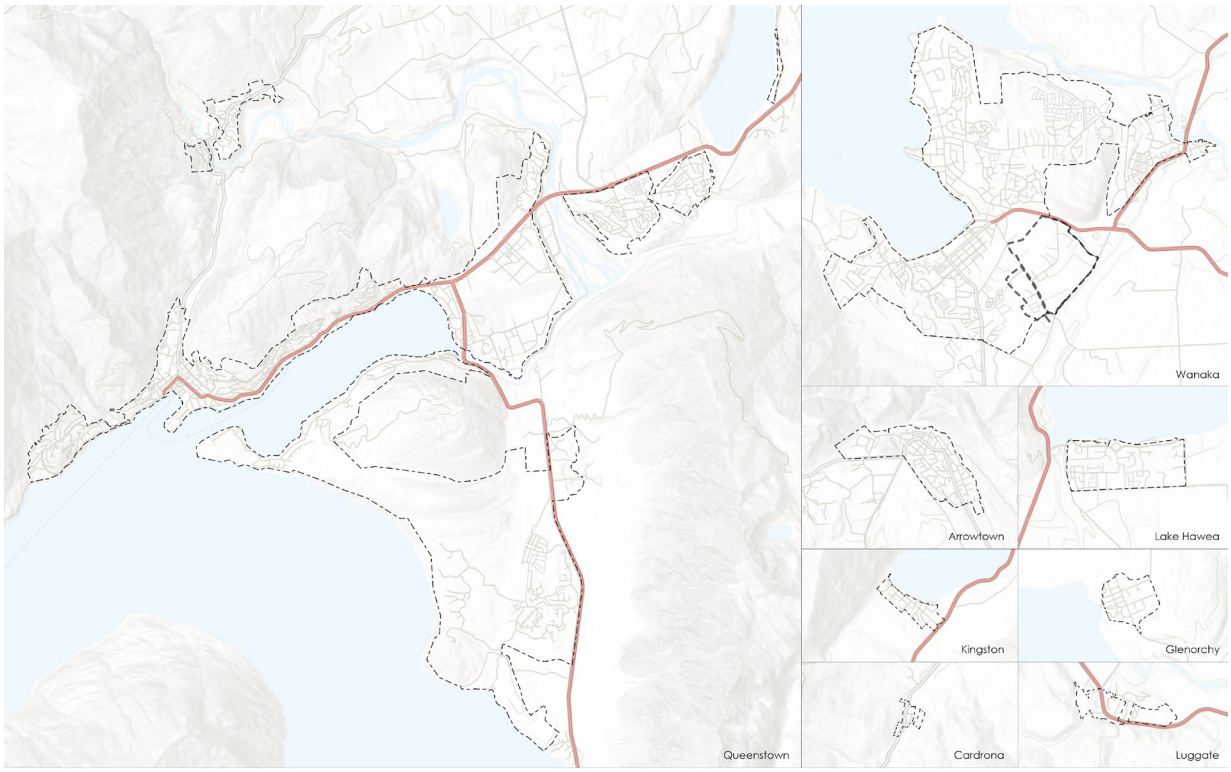


Figure 1 - QLDC Urban Environment Area

The study area includes some areas that are zoned for development but are currently undeveloped or in the process of redevelopment (e.g. Jack's Point or Three Parks). In these instances, there is often a limited or even no established street network which can be used to understand the potential access to different amenities and employment opportunities. Where this occurs, the level of accessibility will be inferred based on how other areas immediately adjacent to these perform along with other relevant contextual information (e.g. a new cycle or street connection identified within a structure plan).

5.0 Accessibility Analysis

In order to demonstrate compliance with Policy 5(a) of the NPSUD, it is necessary to determine the 'level of accessibility' for any given area across the entire QLDC urban environment area. A high-level desktop review of approaches was undertaken to help inform this analysis.

Although reference to some form of accessibility analysis to help inform the plan development process under the RMA is new, accessibility analysis (or accessibility planning) is a well-established concept in both New Zealand and overseas for a range of similar purposes. Waka Kotahi defines 'accessibility planning' as:[1]

[1] Chapman & Weir (2008) *NZ Transport Agency Research Report 363 'Accessibility Planning Methods'*

> "*a structured process for the assessment of, and planning for, accessibility. It uses quantitative and qualitative data and employs tools such as geographical information systems to systematically assess a range of accessibility related information, including origins, the location and delivery of key activities and the transport links to and from them, and assist in the development of a set of accessibility indicators*."

Well-established overseas examples of accessibility analysis include Transport for London's ("TfL"), Public Transport Access Level ("PTAL") and Access to Opportunities and Services ("ATOS") measures. PTAL rates a selected place based on how close it is to public transport and how frequent services are in the area, while ATOS attempts to indicate how easy it is to access essential key services and employment locations, using public transport or by foot. Both measures provide a simple ranking system based on overlapping walking and public transport catchment analysis to enable an understanding of relative levels of accessibility across the Greater London area. Example outputs of this type of analysis are provided below.

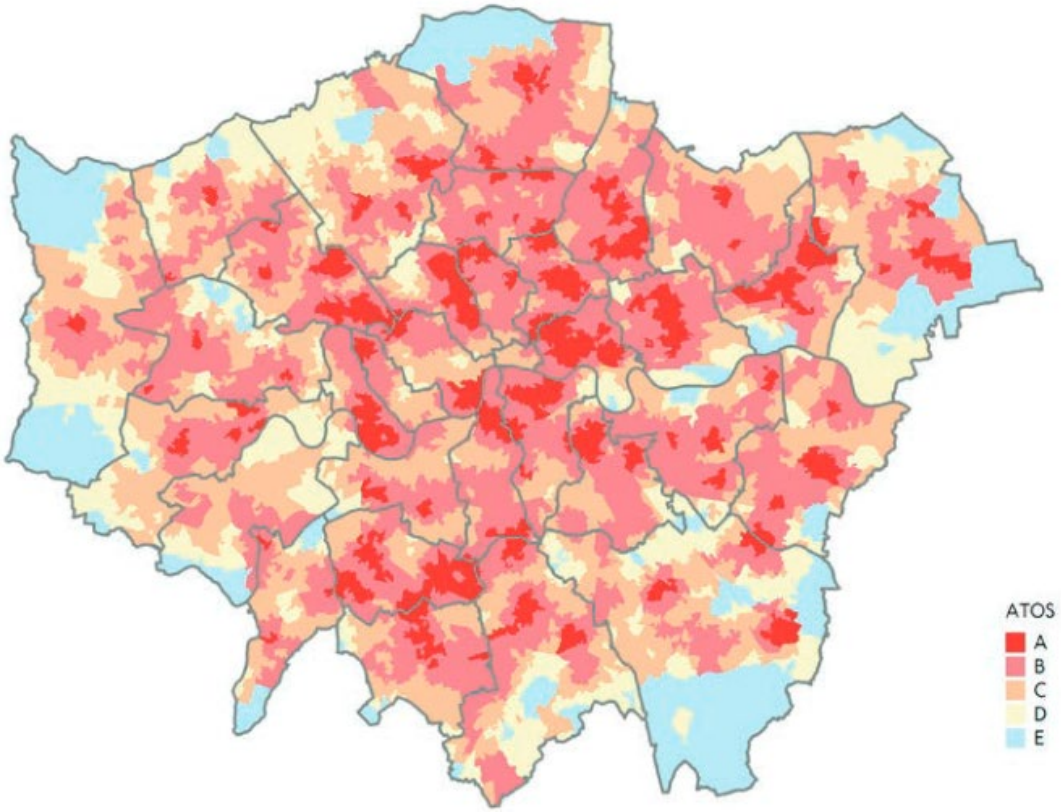


Figure 2 – ATOS scores for secondary school access in London, U.K.

Based on an assessment of approaches to accessibility analysis, accessibility can most easily be defined as your ability to go places so that you can do things. The assessment of this is strongly driven by data (e.g. census, GIS) and is based on two key components:

(1) the transport network serving any urban area (the how we travel); and

(2) the spatial distribution and location of activities or destinations (the why we travel).

Based on this, determination of an area's 'level of accessibility' needs to be informed by how many destinations can be accessed within a given time frame.

5.1 Transport Network

The first step in measuring accessibility involves defining the transport network that contributes to accessibility. The general focus of the policy framework of the NPSUD is on travel via active or public transport which for QLDC's area includes the bus network, cycle network and walking network.

It is important to note that this policy framework does not explicitly exclude accessibility via private motor vehicles. However, NPSUD objectives and policies also seek to support a reduction in greenhouse gas emissions, and as such a detailed consideration of accessibility via private vehicle is not considered necessary or appropriate.

In terms of the other elements of the active and public transport network, it is considered that the walking network should form the primary driver for an accessibility analysis for the QLDC urban areas. Cycling and public transport (and access to these networks) therefore forms a sub-set of a wider accessibility analysis. This is considered appropriate as:

- Public transport services are currently only available in Queenstown and Arrowtown. More frequent services (at least every 15 minutes) are limited to routes between Frankton and central Queenstown. Queenstown also features an hourly ferry service between Queenstown Bay and Frankton.
- The compact nature of the main urban areas of Queenstown, Arrowtown and Wānaka means good and services are all easily accessible within relatively short timeframes via either cycle or public transport. This means an overemphasis on cycling or public transport within the analysis would not provide a meaningful difference to understand accessibility from one area to the next.
- For cyclists, assuming an average travel time of 15km/hr (which is at the slower end of typical cyclist speeds) the entirety of the Queenstown, Arrowtown and Wānaka areas could be traversed within a 45-minute journey time. In reality, journey times are likely to be shorter for the majority of cycling trips with the various centers and most major local destinations within a 30-minute cycle from anywhere in the study area.[2]
- Where the cycling network is assessed, its consideration within any analysis should be limited to any existing or planned separated cycleways and shared paths that form part of an integrated network that connect key centres and destinations. For this accessibility assessment, this has been limited to a consideration of the Frankton Track from Queenstown Town Centre through to Glenda Drive and the Kawerau Bridge. This route provides access to two of the major employment nodes in the district (Queenstown town centre and Frankton) and is understood to be an important commuter link that currently attracts almost 500 weekday users. However, a relatively low weighting should be applied to this route which is largely unlit and therefore not suitable for many trip types during winter months.
- On-road facilities (e.g. a painted lane on a busy road) or more broadly the road network provides a limited degree of access for the general population by cycling due to perceived and real safety issues. It is noted, particularly in Queenstown, many potential cycling journeys would be required on the State Highway network which in many instances is categorised by high vehicle speeds as well as

[2] It is also assumed that the increased uptake of electric cycles is likely to further reduce potential journey times for this mode.

intersections/bridges with no dedicated provision for cycling movement. Such environments have been identified as major barriers to greater uptake of cycling by a wide range of users.[3] As such, whilst destinations may be in theory cyclable within relatively short journey times, this option is likely only to be taken up by a very small percentage of the population and would be considered inconsistent with Policy 1I of the NPSUD which requires consideration of accessibility for all people by way of active or public transport.

- For public transport, the Otago Regional bus network comprises 5 different routes between the Queenstown Town Centre and outlying neighborhoods including Arrowtown, Kelvin Heights, Remarkables Shops, Jacks Point and Lake Hayes Estate. These routes run with varying frequencies of either 15-minute, 30-minute or 60-minute intervals. Access via public transport is considered to be relatively constant across the Queenstown urban area with the only difference being shorter journey times for those that live/ work closer to Queenstown town centre.
- Where use of public transport is considered as part of understanding an areas accessibility, there needs to be an acknowledgment that its use requires multiple trip legs – i.e. you must walk to a bus stop, then travel on a bus, then walk from your bus stop to your destination. In addition, depending on route frequency you also need to account for some waiting as users typically factor in arriving early so as to avoid missing a service. This all contributes to increased journey times. As such, a more limited catchment to access public transport services than adopted for other destinations is considered appropriate.

5.1.1 Walking Catchments

Walking catchments (also referred to as pedestrian catchments) represent the distance that people can walk over a given time period. Although walking catchments are only specifically referred to under Policy 3 which applies to Tier 1 urban areas, the use of walking catchments as a key metric in understanding the level of accessibility for any given area has been utilised for this work. Whilst accessibility via public transport (buses) and cycling is also relevant, the relatively constrained extent of the QLDC urban areas means that reliance on these modes and the distance one can travel in a short period of time means they are unlikely to provide a detailed understanding of levels of accessibility for specific areas or neighborhoods relative to one another.

Accordingly, there is a need to establish the walking catchments that should apply for an accessibility analysis of the QLDC urban areas. NPSUD Guidance[4] notes that not all places are equal and different locations with different characteristics may often have different-sized walkable catchments. A general approach adopting 5 or 10-minute walking time catchments (approximately equivalent to a 400m / 800m walking distance at an average walking speed of 5kmph[5]) as a starting point is consistent with standard national and international practice. However, consideration also needs to be given how far people walk and what types of destinations they are walking to for higher values amenities (e.g. a Town Centre). As Policy 1I of the NPSUD also requires consideration of accessibility for all people by way of active or public transport. In our opinion, this means that an accessibility analysis under the NPSUD needs to take into consideration those that may be less able (e.g. young children or the elderly). For this reason, walking catchments used should be reflective of an average person and shouldn't be based solely off the abilities of a fully fit and healthy young adult.

[3] Auckland Transport. (2016). *Evaluating Quality of Service for Auckland Cycle Facilities,* page 5.

[4] MfE. (2020). *Understanding and implementing intensification provisions of the NPSUD.*

[5] Based on the 85th percentile walking speed of 1.3m/s. Waka Kotahi. (2009). *Pedestrian planning and design guide,* Section 3.4.

The New Zealand Household Travel Survey 2015-2018 identifies 12min (equivalent to around 1km) is the average trip leg for pedestrians. A trip leg is a single leg of a journey between two stops, with no stops or changes in travel mode. While the New Zealand Household Travel Survey does not currently record distances for walking trips (only times), based on a walking speed of 12 minutes per kilometre (5kmph), it demonstrates that 70% of our walking trips are for distances of under 1km, while 30% are likely to involve longer distances. However, this research also indicates that journeys undertaken solely on foot tend to be longer in duration, with 34% lasting for more than 12 minutes compared to only 15% of walking trips undertaken as part of 'multi-mode' journeys. Further walk-only trips are more likely to occur for education, social/leisure or shopping purposes, and less likely to occur for work purposes.[6] There is some supporting evidence of these observations. For example, New Zealand research has shown that the likelihood for walking to school drops off significantly over 1.3km.[7]

Based on the above, the approach to undertaking an accessibility analysis for the QLDC urban areas will be based on a bespoke catchment analysis of key destinations and activities. An Auckland specific example of this approach based on research undertaken by Auckland Transport is shown in Figure 3 below. A summary of the destinations identified for QLDC's area and applicable catchments considered in set out Section 5.2 overleaf.

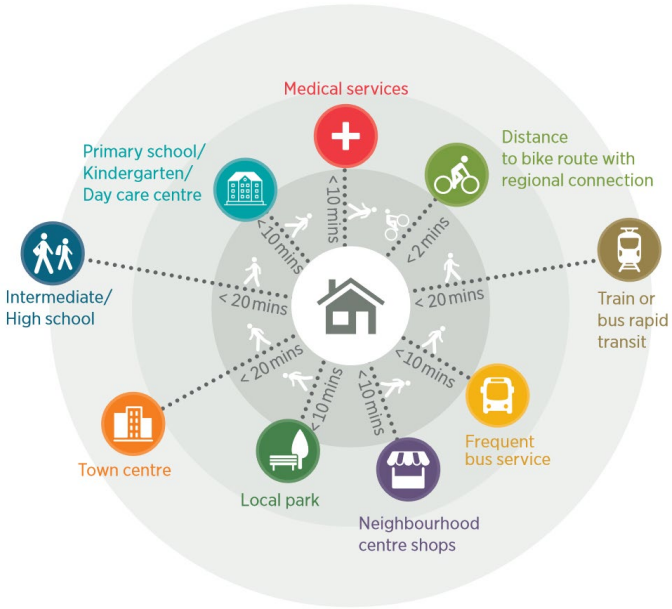


Figure 3 – Acceptable Walking Times to Destinations (Auckland Transport)

5.2 Destinations

The NPSD policy framework and guidance provides an outline of the destinations which need to be considered when seeking to establish a 'level of accessibility'. This includes jobs, commercial services, community services, natural spaces, and open spaces.

[6] https://www.nzta.govt.nz/resources/nz-pedestrian-profile/5/

[7] Ikeda et al., (2018) *Built environment associates of active school travel in New Zealand children and youth: A systematic meta-analysis using individual participant data*

NPSUD guidance states that commercial activities include those that serve the needs of the community (e.g. shops) and provide people with employment. Community services include health care, education (including universities and tertiary training institutes), cultural activities (e.g. churches) and land or venues for sport and recreation. A 'range' of services, as required by NPSUD Policy 5(a) should be thought of as a variety of commercial and community services that serve the needs of the catchment when implementing this policy. For example, a doctor and/or pharmacy, school and/or kindergarten and a café and shops would be considered as providing a range of services.

An initial long-list of destinations that should be included in an accessibility analysis was identified and discussed with QLDC staff. Data for these destinations was obtained from a variety of sources and is set out within Attachment 1 of this memo. Following this, a review of destinations was undertaken by both B&A and QLDC staff to determine the appropriateness and validity of this information.

Based on this review of destinations and workshop with staff, the destinations, along with their prioritisation/ weighting and catchment extents were derived to form the basis of the accessibility analysis. Key destinations such as large supermarkets, town centres, schools and frequent public transport stops were assigned higher weightings in acknowledgment of their importance in for day-to-day living for a wide section of the community.

For identified destinations, up to four separate catchments are identified at 5-minute intervals. Higher weightings have been applied to certain catchments to reflect that all those who live closest to the destination have higher accessibility benefits due to their superior proximity to the destination. Where multiple catchments for the same destination are applied, areas closest to the destinations will invariably fall within all catchments that apply and receive a higher weighted score as demonstrated in Figure 4 (i.e. an area 4-minutes' walk from a primary school falls within the 5-minute, 10-minute and 15-minute catchments which would apply). The weightings are then used to derive an overall accessibility score by combining the total value of all catchments covering any given area. A summary of destinations, their associated catchments and weighting in the analysis is set out in Table 1 overleaf.

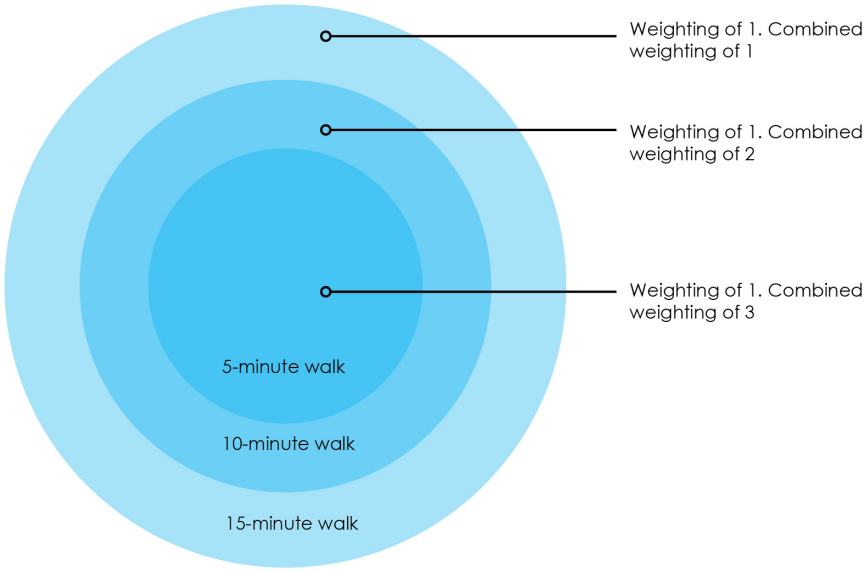


Table 1 – Destination Catchment and Weighting

Destination	5-minute Catchment weighting	10-minute Catchment weighting	15-minute Catchment weighting	20-minute Catchment weighting
Queenstown Town Centre	2	2	1	1
Wānaka Town Centre	2	1	1	-
Arrowtown Town Centre	2	1	-	-
Local Shopping Centres	1	-	-	-
Bayview Ferry Stop	2	-	-	-
15-minute Bus Stop	5	-	-	-
30-minute Bus Stop	3	-	-	-
60-minute Bus stop / Marina and Hilton Ferry stops	1	-	-	-
Primary School	3	1	1	-
Secondary School^	-	2	2	-
Large Supermarket	2	2	-	-
Major Open Space*	2	1	1	-
Medical Centre	1	1	-	-
Public Hospital^	-	2	1	-
Tertiary Education^	-	2	1	-
Shopping Malls^	-	2	-	-
Small Supermarkets	1	1	-	-
Community Facilities	1	1	-	-
Early Childhood Education	1	1	-	-
Pharmacy	1	1	-	-
Religious Facilities	1	-	-	-
Open Space / Reserve	2	-	-	-

* Major sport parks to include and give greater weighting to Queenstown Recreational Reserve, Queenstown Gardens, Queenstown Events Centre (and fields) Millbrook Park, Pembroke Park, Wānaka Recreation Centre, Three Parks Sports fields.

^ These facilities serve a broader regional/ sub-regional function, are limited in number and are generally of more importance to discreet sections of the community. As a result, their minimum walking catchments have been expanded from 5-minutes to 10-minutes to reflect their wider benefits to an understanding of accessibility.

5.3 Barriers to Walkability

In establishing walking catchments, it is necessary to consider contextual factors that may impact on the distance one can walk. Factors which can impact on how far people are willing to walk include: the quality of the street environment and surrounding built environment; appropriate provision of infrastructure (e.g. street lighting, footpath widths, safe crossing points); traffic volumes, general perceptions of safety and topography.

5.3.1 Slope Analysis

A slope analysis was undertaken to understand whether local topographic conditions could form a notable barrier to how easily (or how far) people can walk within a given period of time. Using contour data sourced from QLDC's online GIS platform (Geyser View), a slope analysis was generated. This analysis divides the slope of land up into five categories based on the average gradient in percentage terms:

- 0% - 10%;
- 10% - 20%;
- 20% - 30%;
- 30% - 40%; and,
- 40% <.

The five categories were derived from a literature review on the effect of slope gradient on walking speeds. One important finding from a study carried out in New Zealand, illustrated that the speed of walking increased when walking uphill to a gradient of 6-degrees (or 10%), before decreasing in speed significantly[8]. It was also found that once a gradient exceeds 10%, that walking speeds will reduce by 15%[9].

For the GIS-based accessibility analysis, the five categories listed above were assigned scaled cost barriers to represent the possible walking speed given a change in gradient. For the 0% - 10% category, only areas that were 10% in gradient were used, and no areas above 40% within the road reserve were found with the exception of steep battered slopes. The represented barriers were informed by Tobler's hiking function which is used by ESRI ArcGIS network service tools. The following barriers were given:

- 10% gradient = 10% decrease in walking speed;
- 10% - 20% gradient = 30% decrease in walking speed;
- 20% - 30% gradient = 46% decrease in walking speed; and,
- 30 – 40% = 60% decrease in walking speed.

Figure 6 shows the output of analysis. Polygon barriers were derived from the slope analysis carried out for the QLDC urban areas. Our analysis illustrated that while a majority of steeper slopes are identified around the Queenstown area, these slopes were typically short in duration because of the town's compact urban form and the urban areas proximity to state highway 6A. The effect of the slopes steeper gradients in decreasing the potential distance a user might walk was ultimately, in our opinion low.

[8] Finnis, K. K. & Walton, D. (2008). *Field observations of factors influencing walking speeds.*

[9] Munroe, I. (2009). *The problem of catchment in Centres-Based Residential Growth Planning.*

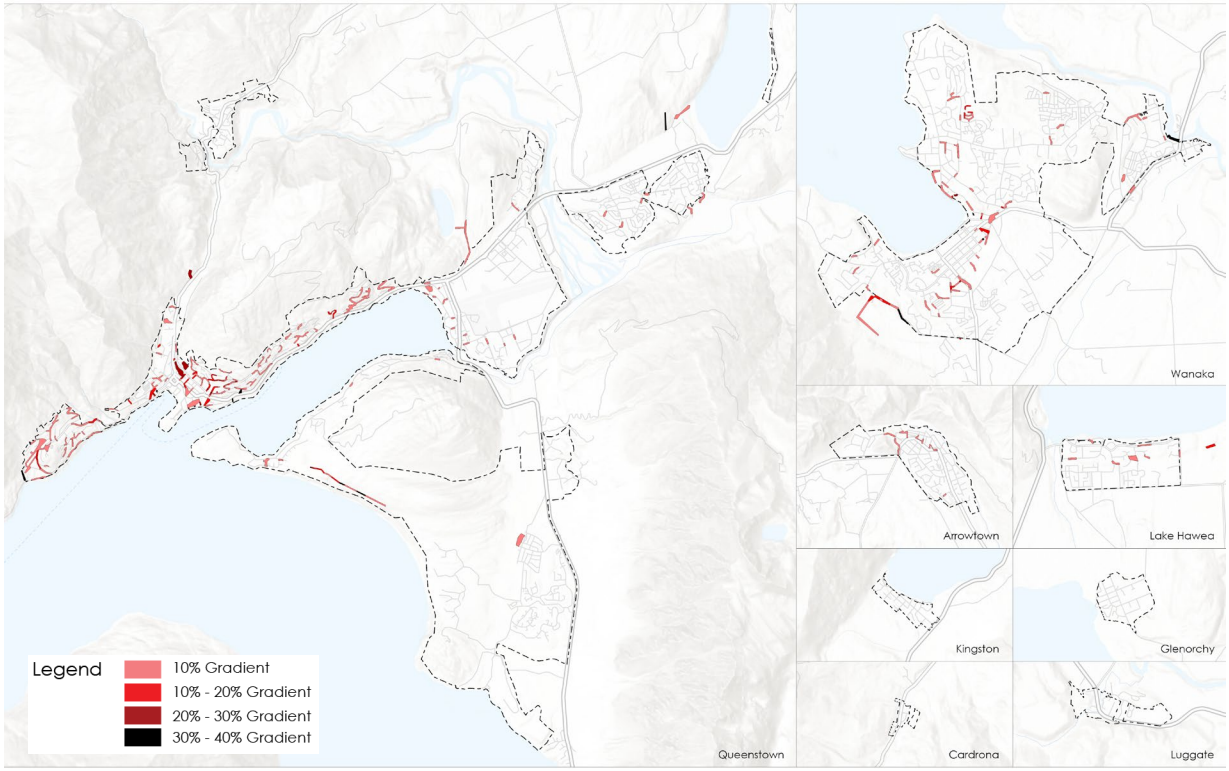


Figure 4 – Scaled Cost Barriers – Slope Analysis

5.4 Catchment Analysis

Section 5.4 provides a brief analysis and discussion of the various destination types identified in Table 1.

5.4.1 Commercial Centres

During a desktop review of each of the main centres (Queenstown Town Centre, Wānaka Town Centre, Arrowtown Town Centre and Local Shopping Centres) it was considered that the Queenstown Town Centre served a greater role and function than the other centres, followed by Wānaka, then Arrowtown. As such, four sets of catchments covering the Queenstown Town Centre, Wānaka Town Centre, Arrowtown Town Centre and Local Shopping Centres were developed from the edge of the proposed centre zones' extents. Catchments for these proposed centres are shown in Figure 5 below.

Although development is yet to commence, the Plan Change 50 area (the extension of the Queenstown Town Centre), was included in the general extents of the Town Centre analysis. It has been assumed that this area will likely include some additional commercial and retail spaces as well as employment opportunities based around the future residential and visitor accommodation population. Major civic activities and commercial office space have been assumed to remain concentrated within the existing town centre core. In addition, several zoned, but as yet undeveloped, Local Shopping Centres (e.g. Kelvin Heights) have been included in the assessment. It has been assumed that these areas may support some smaller scale commercial and retail opportunities over the life of the District Plan which will contribute to an areas overall level of accessibility. The likelihood of these being available will, in part, be driven by the uptake of intensification opportunities increasing the potential residential catchment of these areas.

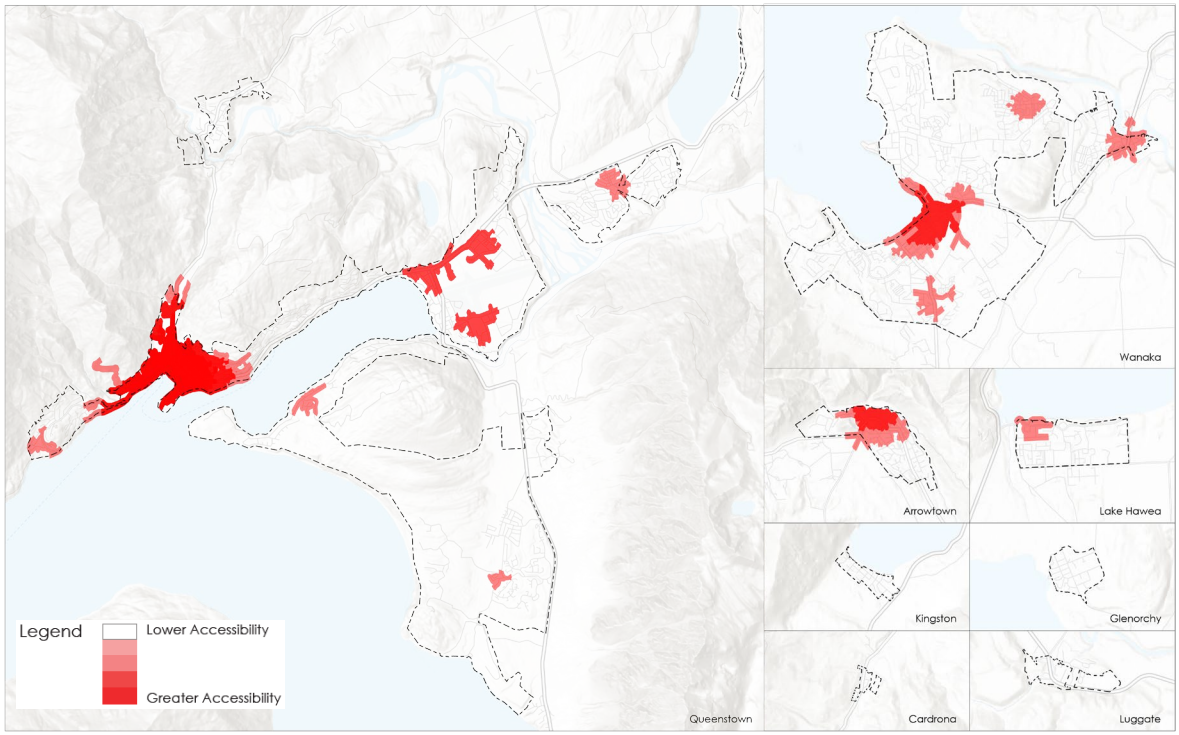


Figure 5 – Centres Catchment Assessment

Catchments derived from a 5-minute, 10-minute, 15-minute and 20-minute walking time from the Queenstown Town Centre zone were identified. A larger catchment was considered appropriate from the Queenstown Town Centre due to the concentration, scale and range of commercial and community activities available. This is reflective of its function as a service centre for a wider rural hinterland, and as an internationally renowned destination. Catchments of a 5-minute, 10-minute and a 15-minute walking time were applied to the Wānaka Town Centre, while a 5-minute and 10-minute walking time catchment was applied to the Arrowtown Town Centre to reflect the reduced scale and diversity of commercial and community activities available within these centres. Frankton, Five-mile and Remarkables Park had 5-miunte walking time catchments identified and have been distinguished from other centres with a greater weighting from other smaller centres in recognition of their emerging importance within the wider centre's hierarchy across Queenstown. It is noted that the catchments for these centres are restricted by the presence of the Airport, industrial blocks and the Queenstown Events Centre which all limit connectivity to an extent. Other local shopping centres / neighbourhood centres where also identified (equivalent to a 5-minute walk). This was given a low weighting but acknowledges that these areas can perform an important role for local communities in providing smaller scale convenience retail (e.g. dairy) within a closer proximity from other larger centres within the urban area. When combined with other services and facilities these can have some contribution towards an area's overall level of accessibility.

5.4.2 Employment Nodes

Major employment nodes within the urban area were identified based on data from the 2018 Census. Figure 6 identifies total employment counts per meshblock whilst Figure 9 identifies the highest possible proportion of jobs available within a 30-minute walk broken down into percentiles.

The catchments for this matter differ from all others in that they are derived based on the distance from the centroid of individual meshblocks to the next. This is because the data available for employment locations have been derived from the 2013 Census with meshblocks forming the smallest statistical area for which this data is collected. A 30-minute catchment is used in recognition of the limitations of this dataset where employment destinations and trip origins can be distributed across any given meshblock. Due to the nature of this data a lower weighting was applied so as to not distort the overall outputs. It is also acknowledged that catchments for the main town centres will also be representative of many employment opportunities.

Unsurprisingly, Queenstown Town Centre, Wānaka Town Centre and Frankton [10] feature as major employment nodes. A concentration of employment opportunities is also observable around the fringes of the urban area in places like Jack's Point and Northlake. This is likely to be reflective of employment opportunities available within the construction industry and related to the ongoing urbanisation of these areas.

Because the difference in functions between the Queenstown/ Frankton/ Arrowtown area, the data was separated out into the aforementioned groups to reflect a more geographically constrained labour market in terms of potential walkability. Census data for the remaining areas including Wānaka, Lake Hāwea and Cardrona was also grouped. This it to give a greater understanding of access to employment opportunities within the Wānaka ward given its distance from Queenstown.

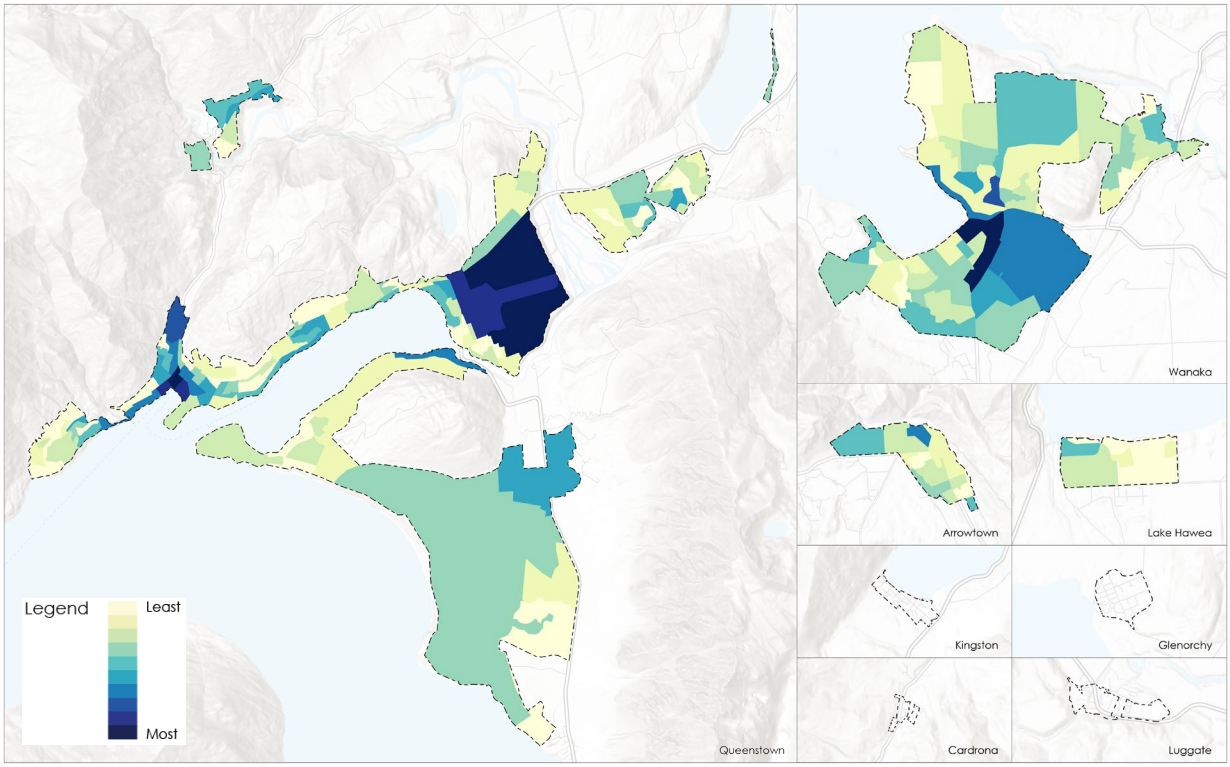


Figure 6 – Employment Opportunities by Meshblock

[10] Frankton is characterised by much larger meshblocks in terms of area so appears more significant at the scale shown in Figure 8.

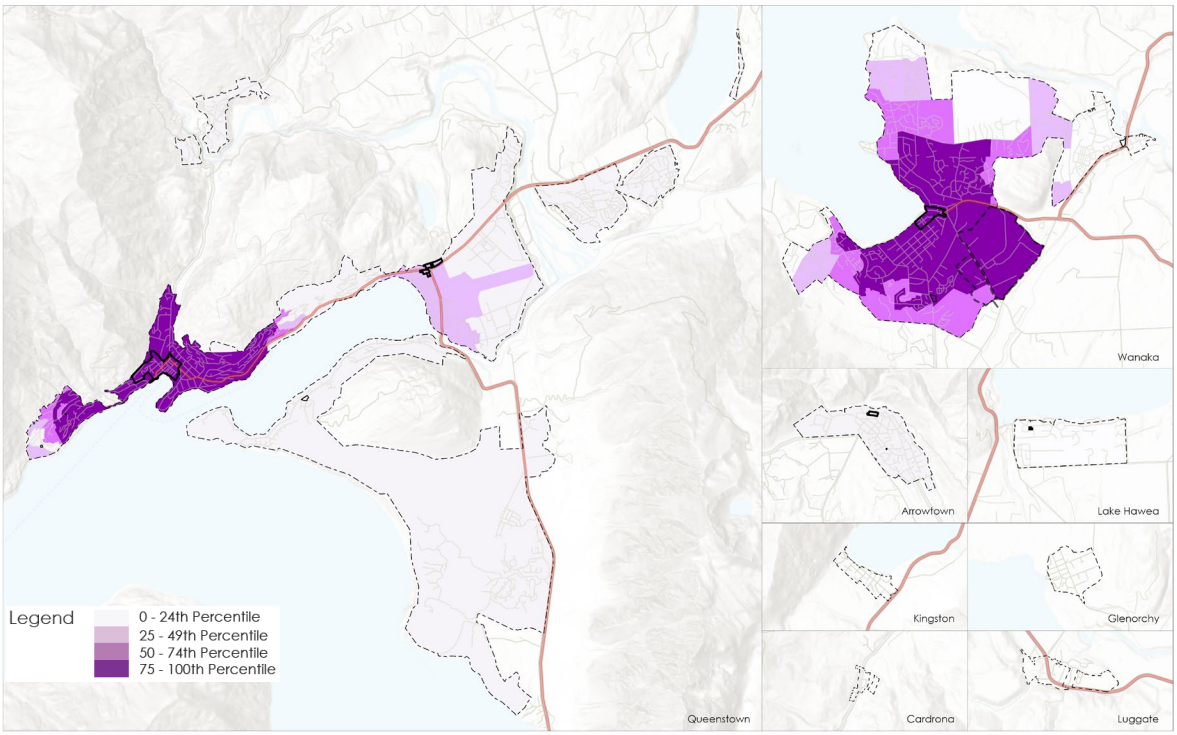


Figure 7 – Access to 75% of Employment Opportunities via a 30-minute Walk

5.4.3 Education Opportunities

Catchments for primary, secondary, tertiary and early childhood education facilities were generated. Proximity to both primary and secondary schools was given a greater weighting in the overall assessment. Figure 10 shows the outputs of the catchment assessment for educational facilities. Catchments of 5-minute, 10-minute and 15-minute walking times were generated for primary schools with the greatest weighting applying to the 5-minute catchment. Both secondary schools and tertiary education facilities had catchments for 10-minute and 15-minute walking times generated with higher weighting applying at these increased distances in recognition that these facilities typically serve young adults who are, on average, more mobile and typically spend a greater portion of their overall travel time walking. In addition, early childhood education facilities were captured using a catchment for both a 5-minute and 10-minute walking time. A lower overall weighting was applied to these facilities in recognition that they are smaller in scale and their location is more flexible and easier to change over time.

It is notable that the 14 locations of educational facilities, and in particular primary and secondary schools, are typically located close to existing centres and spread throughout QLDCs urban area.

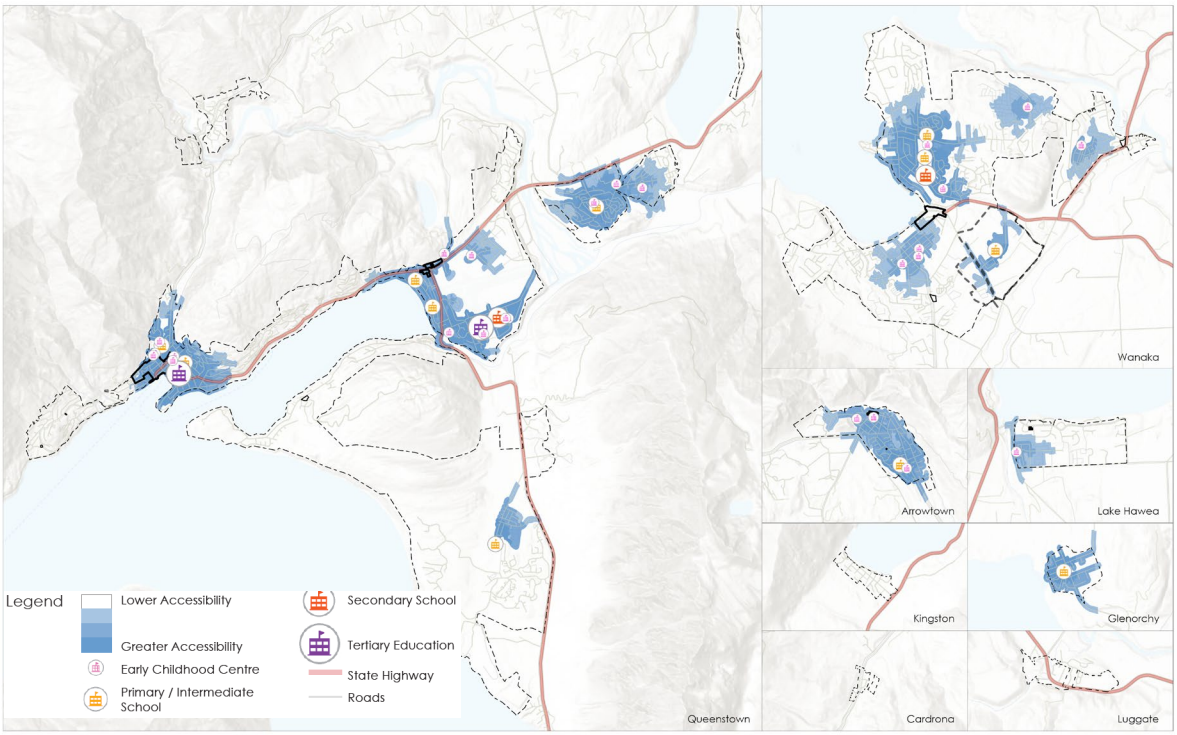


Figure 8 – Education Catchment Assessment

5.4.4 Open Space Opportunities

A range of open spaces were identified as being relevant for understanding accessibility. These were broken down into three different categories for ease of assessment – Sportsfields, playgrounds and general open space/ reserves (e.g. esplanade reserve). A minimum size of 300m^2 was also placed on any general open space included within the assessment as a proxy for usability. Although classified as open spaces, golf courses, and the International Stadium were all excluded from consideration due to their private/ semi-private function and/ or activities which are usually associated with fee paying visitors.

All open spaces selected for inclusion in the analysis were then peer reviewed by QLDC staff. This resulted in a number of exclusions and inclusions which took into account the nature and function of these open spaces (e.g. open spaces which functioned as drainage reserves and had no recreational/ leisure functions for residents were excluded). A 400m offset from the edge of the QLDC urban environment area was carried out to understand what natural reserves and other open spaces might have been missed. The open spaces and their entrance points were included. Each remaining open space was then reviewed and assessed by using Google Street View and a further assessment criterion including on-site amenities, useable space and form, access, quality of the space and topography.

Major open spaces were identified as being regionally significant spaces. These spaces included the Queenstown Recreational Reserve, Queenstown Gardens, Queenstown Events Centre (and fields) Millbrook Park, Pembroke Park, Wānaka Recreation Centre, Three Parks Sports Fields.

A 5-minute walking time to all open spaces identified was applied and a 5-minute, 10-minute and 15-minute walking time was captured to the major open spaces. This is reflective of the nature of these facilities which can, by their size, accommodate a greater number of different uses including organised sport and recreation and thereby creating a high level of value/ amenity for potential users. In terms of outputs, all areas are generally well served by open spaces and playgrounds.

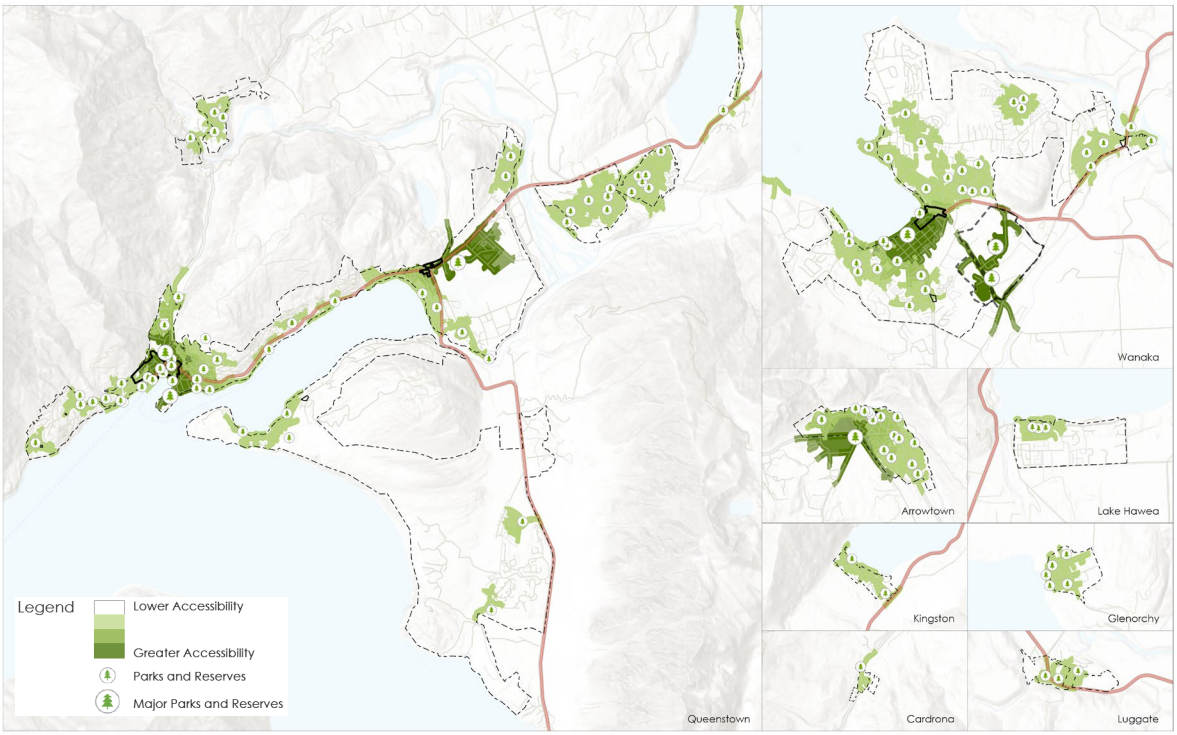


Figure 9 – Public Open Space Catchment Assessment

5.4.5 Food Retail

Two categories of food retail were identified as being relevant for this accessibility analysis – supermarkets and superettes. The supermarket category focusses on the larger, full-service supermarket facilities such as New World and Countdowns. Superettes are related to more compact supermarket offerings such as a Four Square. A 5-minute walking time catchment have been mapped for superettes while a 5-minute and 10-minute walking time catchment have been identified for supermarkets.

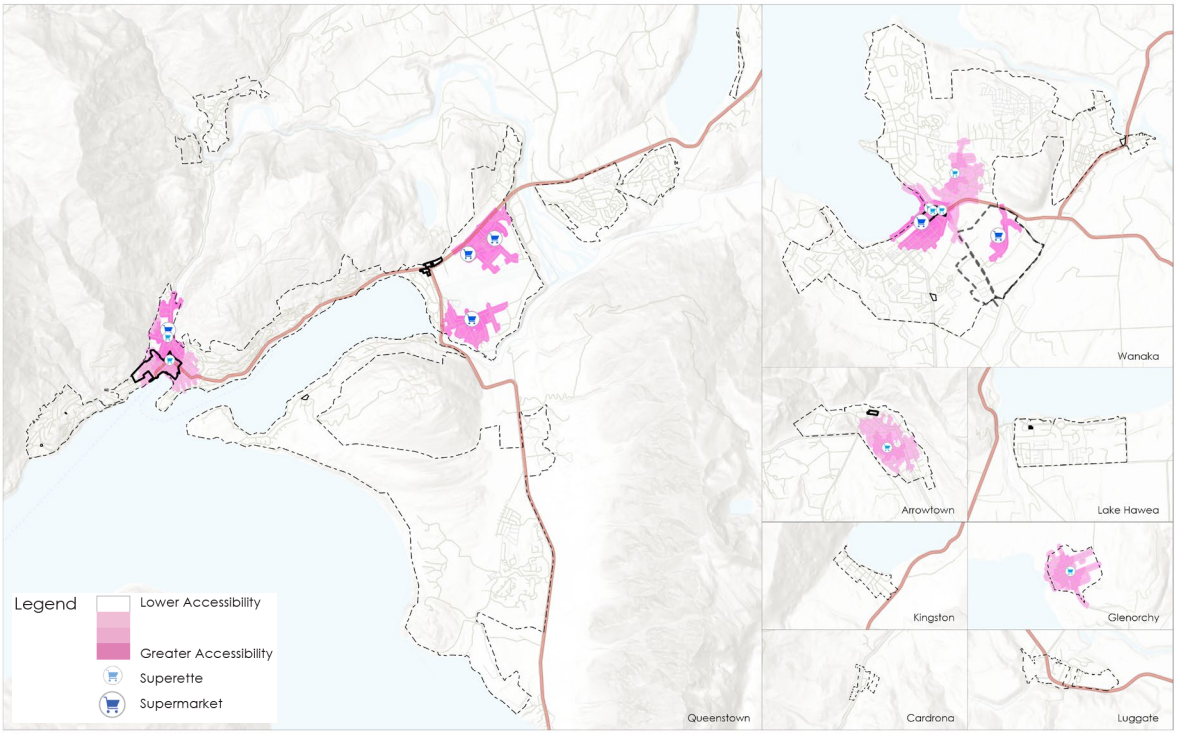


Figure 10 – Food Retail Catchment Assessment

5.4.6 Healthcare

Medical centres were identified as being of particular importance as they typically incorporate a range of different healthcare providers (e.g. GP, pharmacy, physiotherapist, radiology) in a centralised location. This makes them particularly convenient for a wide cross-section of the community (although they are considered especially important for New Zealand's aging population). 5-minute and 10-minute walking time catchments from these facilities have been identified. It is noted that medical centres can be found in each of Queenstown, Wānaka and Frankton although there is a clear concentration outside of the Wānaka Town Centre. Hospitals and pharmacies (where not part of a medical centre) were also identified and assessed as part of this work. A 15-minute walking time catchment was included for a public hospital in acknowledgment of the wider range of medical services provided.

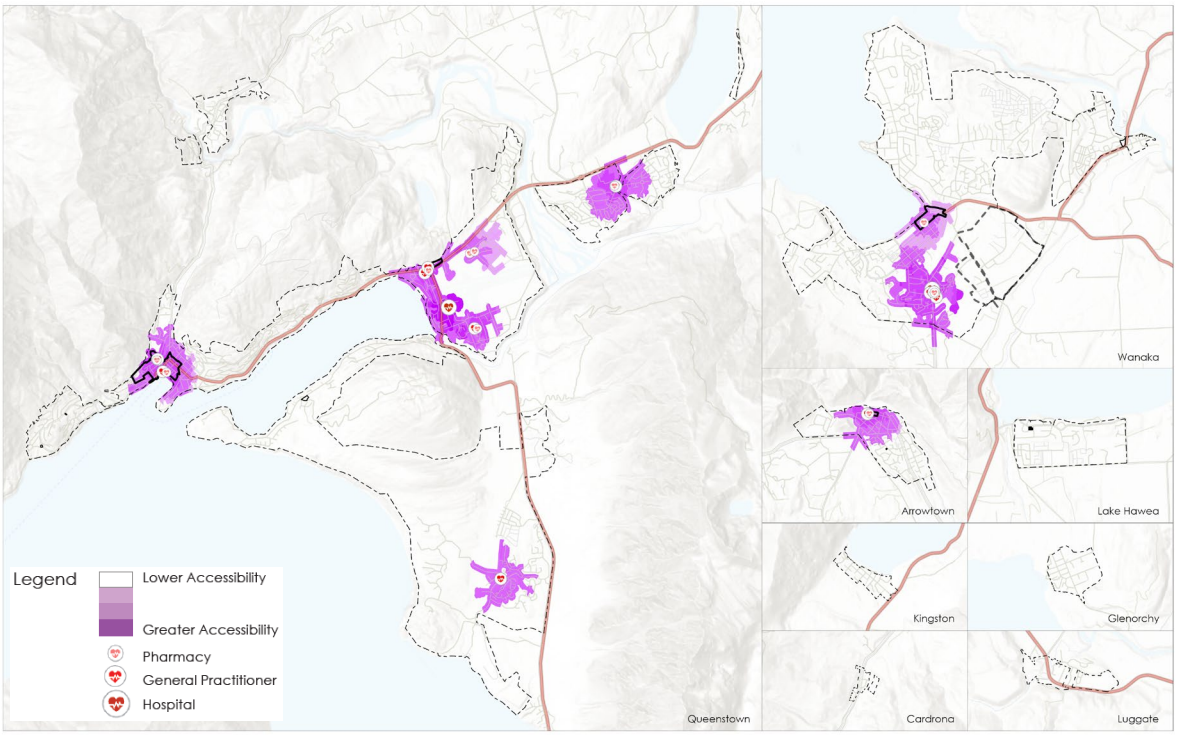


Figure 11 – Medical Centre Catchment Assessment

5.4.7 Transport Opportunities

As set out in Section 5.1 of this memo, public transport has been incorporated as part of a broader assessment focused on walking catchments to and from particular destinations. In terms of public transport, existing bus routes and bus stops were identified along with the limited ferry service between Queenstown Bay and Frankton. It is notable that Wanaka has no public transport service. A 5-minute walking time catchment from bus stops and ferry piers was identified. These more restrained catchment extents are reflective of the fact that use of buses requires a multi-modal journey with additional onward travel and waiting times once a bus stop or pier has been reached. A greater weighting has been applied to those bus stops which have access to more frequent services to reflect their increased utility for passengers. Public transport with 60-minute frequencies is considered to be of limited benefit to the broader population base due to reduced flexibility and risks associated with missed or cancelled services (i.e. you have to wait a further hour for the next one). A slightly greater weighting was applied to the Kelvin Heights ferry service in recognition that this presents a competitive journey time with private vehicles (albeit at low frequency). The more frequent bus routes are concentrated between Queenstown town centre and Frankton with some capital works planned along this corridor to improve journey times and reliability. This is reflected in greater public transport accessibility identified along this corridor, although it is noted that topographical constraints combined with the existing block structure along either side of Frankton Road severely limits walkable catchment extents in places.

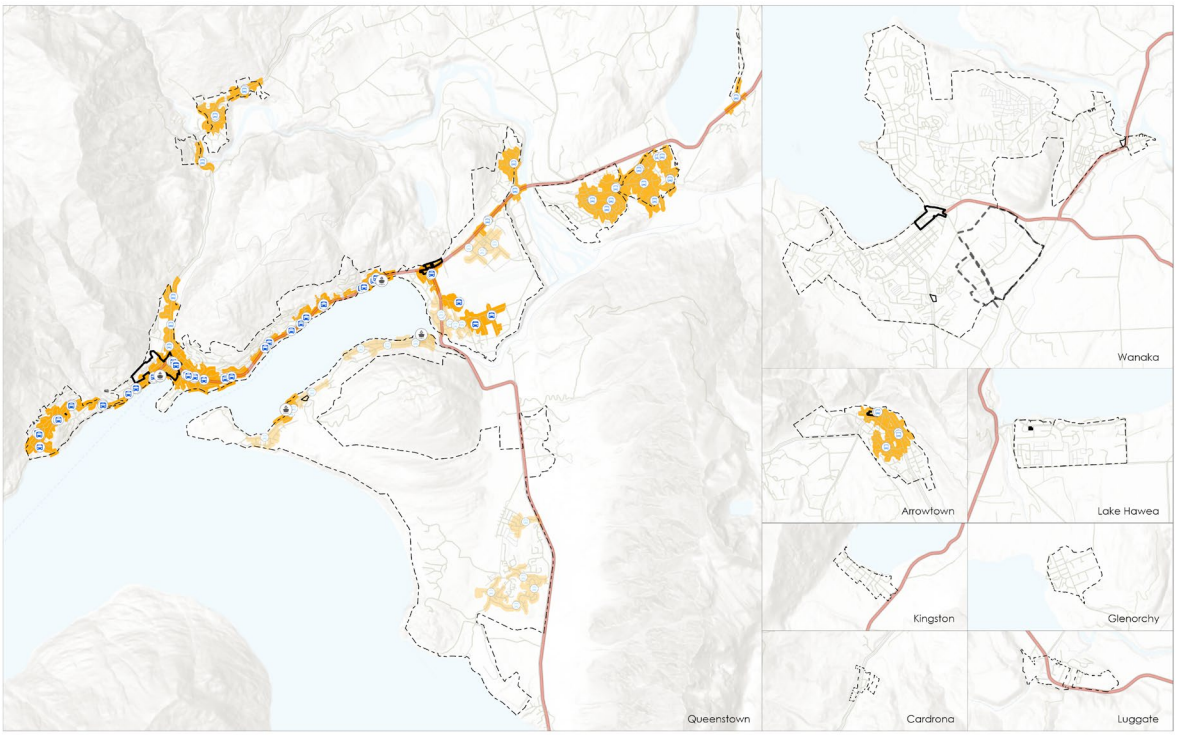


Figure 12 - Transport Opportunities Catchment Assessment

6.0 Demand Analysis

Policy 5(b) of the NPS-UD requires a consideration of the relative demand of a location to help inform appropriate building heights and density. Guidance prepared by MfE's to support the implementation of the NPS-UD recommends using land values (relative to other areas across an urban environment) and a land value-to-capital value ratio as indicators of demand.[11] In addition, a number of other factors identified by the MfE Guidance includes:

- locations close to open space and recreation opportunities
- areas within, or close to, centres
- areas with good transport opportunities
- areas close to key services including, schools, hospitals and supermarkets
- areas close to a range of business activities
- locations with good views, outlook and amenity, including areas with water views or green space outlooks.

The first five matters identified above are captured by the methodology for undertaking the accessibility analysis in Section 5.0 above. The final matter is subjective (as different people place different values on the particular outlooks and views). Further, due to the unique locational context of the urban environments across the Queenstown-Lakes District with an abundance of landscapes being identified as containing significant or outstanding values it is not possible to provide a measure for a specific urban area which is relative to another urban area within the district.

6.1 Quantitative Measures

6.1.1 Land Prices

Based on the discussion above, land prices are considered to be a strong indicator of where, without budget constraints, people would prefer to be. That does not mean that no one wants to live in areas with lower land values people often have links to neighbourhoods that may lack the location or amenity that make some areas more expensive (i.e. this is not to say there isn't 'demand' to live in areas without high land prices). Overall, the best indication of what area people value most on average and in aggregate is land prices there.[12]

Two things make land valuable. One is its **proximity** to amenities that people value (location). The second is *what you can do with the land*. Land prices were calculated for all rateable land parcels[13] on a square metre

[11] Understanding and implementing intensification provisions for the National Policy Statement on Urban Development, September 2020, pg. 38.

[12] Auckland Economic Quarterly, May 2021, accessed 14 June 2022, from https://www.aucklandcouncil.govt.nz/about-auckland-council/business-in-auckland/Pages/economic-advice.aspx

[13] Rateable parcels with a '0' or 'NULL' land value, those used for activities such as reserves, or parcels with a duplicate "Assessment Number" where removed from the data. Parcels which formed part of a wider unit title subdivision where land values were apportioned equally amongst various titles were merged to derive a total land

basis, and based on the most recent property valuation data made available by RLC, as per the equation below:

$$\text{Land Value} \div \text{Parcel area } (m^2) = \text{Land Price per } m^2$$

Once land prices for all qualifying parcels were calculated, they were ranked from highest to lowest. However, understanding land prices for individual parcels alone is not particularly useful when trying to understand relative demand for the purposes of an exercise which is likely to inform a zoning exercise (i.e. it would not be appropriate or practical to apply specific heights and densities to individual parcels based on their own land price). In order to understand the "relative demand" of a particular area in comparison to other areas at a spatial level, it was necessary to aggregate individual parcels into percentile groups to spatially identify areas where increased heights and/ or density may be appropriate. To understand this, the top 70th, 80th and 90th percentiles of parcels based on their land values on a square metre basis were identified. This was undertaken to try and identify any patterns at a broader block/ neighbourhood scale in-line with future zoning outputs consistent with good urban design practice under the Resource Management Act 1991.

The cut-off values for the percentiles considered were:

- 70-80th Percentile – Land values between $1,344 and $1,641 per square metre;
- 80-90th Percentile – Land values between $1,641 and $2,260 per square metre; and
- 90-100th Percentile – Land above $2,260 per square metre.

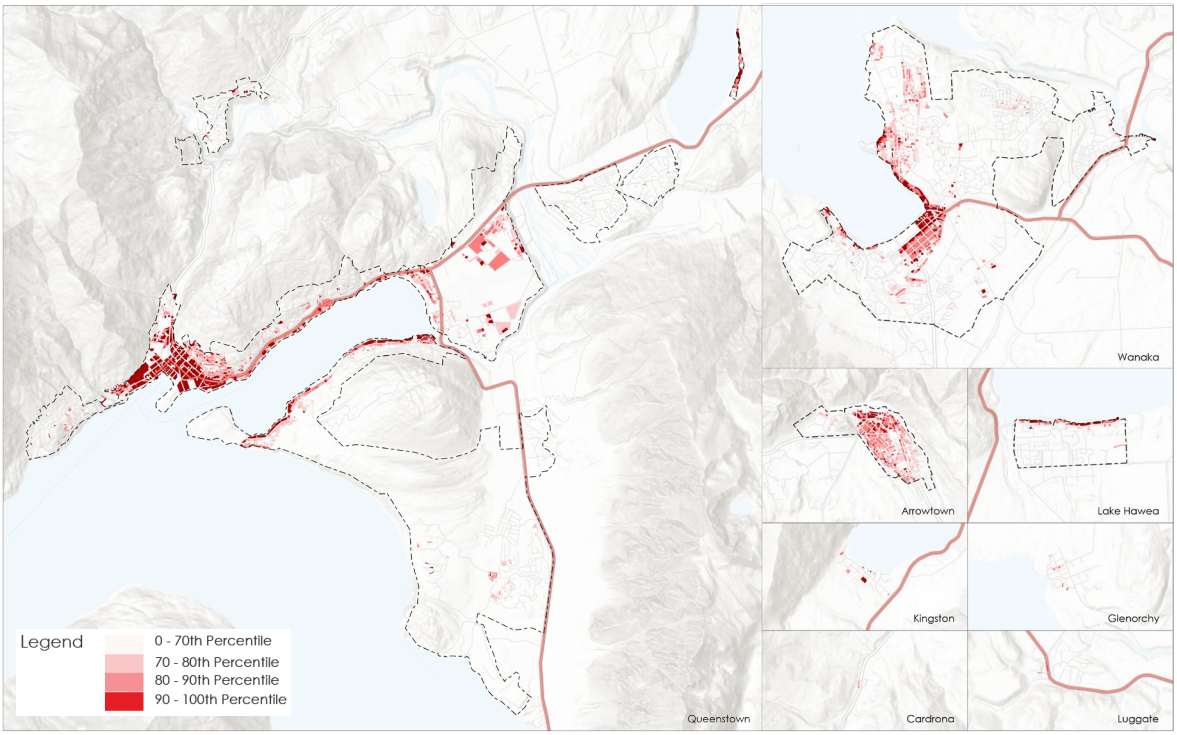


Figure 13 - Average Land Value ($ per m2) by Meshblock

value for the site. Similarly, sites which incorporated multiple titles/ ratings valuations (e.g. central city sites where a single building spans multiple parcels) were also merged to enable calculation of land values on a square metre basis.

6.1.2 Relative Demand

To help determine 'relative demand', high land prices and proximity to amenities were considered together using a bivariate analysis. This enabled an understanding of the spatial relationship between the proximity and price components for any given piece of land across the urban environment. This helps to establish where both proximity attributes and land values are closely aligned and is shown in Figure 14.

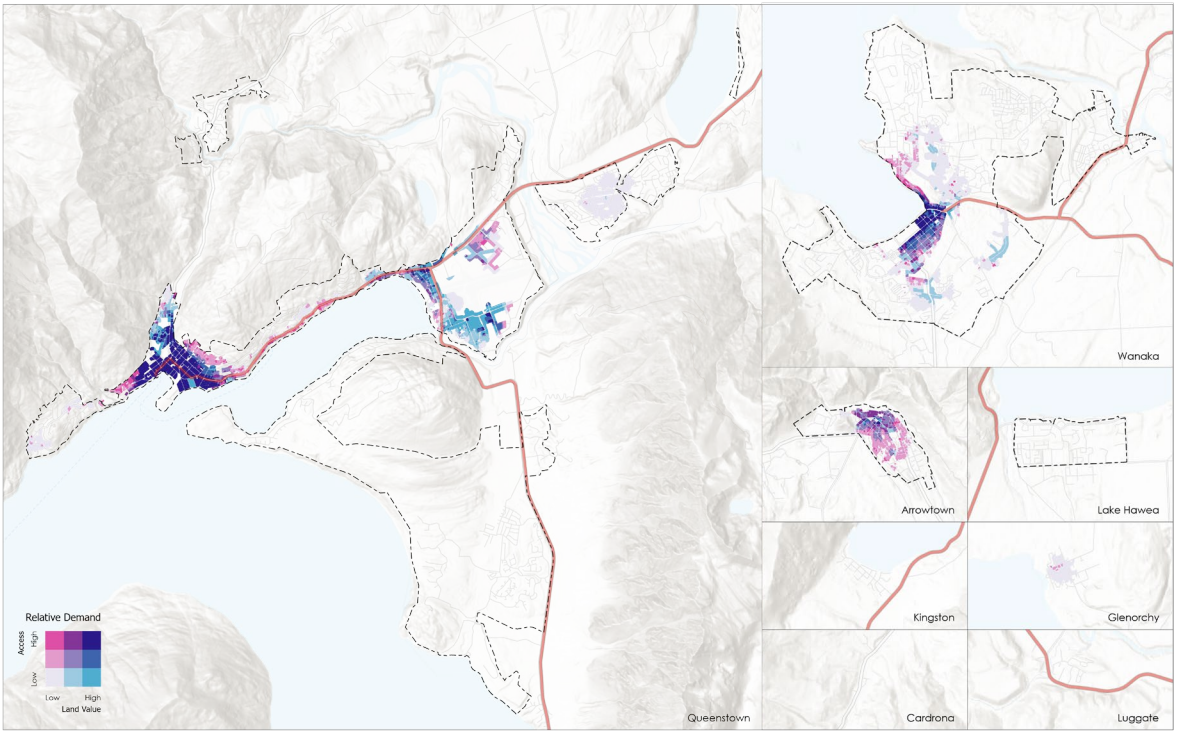


Figure 14 - Relative Demand Bivariate Analysis

6.1.3 Land Value-to-Capital Value

Land value-to-capital value ratios have also been assessed as these can indicate that land is in a location of high demand and the existing land-use is under capitalised. This is likely to mean it could be more feasible to redevelop for greater levels of intensification. The ratio was calculated for all rateable land parcels based on the most recent property valuation data made available by RLC, as per the equation below:

Land Value ÷ Capital Value = Land value-to-capital value ratio

Generally speaking, the closer this ratio is to 1.0, the more feasible redevelopment will be. Existing vacant and greenfield sites can generally be expected to have a ratio of 1.0 (or very close to it) as they typically do not contain any capital improvements. This does not necessarily indicate a high-level of demand, just that barriers to development (at any density) are not impacted by the value of any capital improvements that currently exist on site.

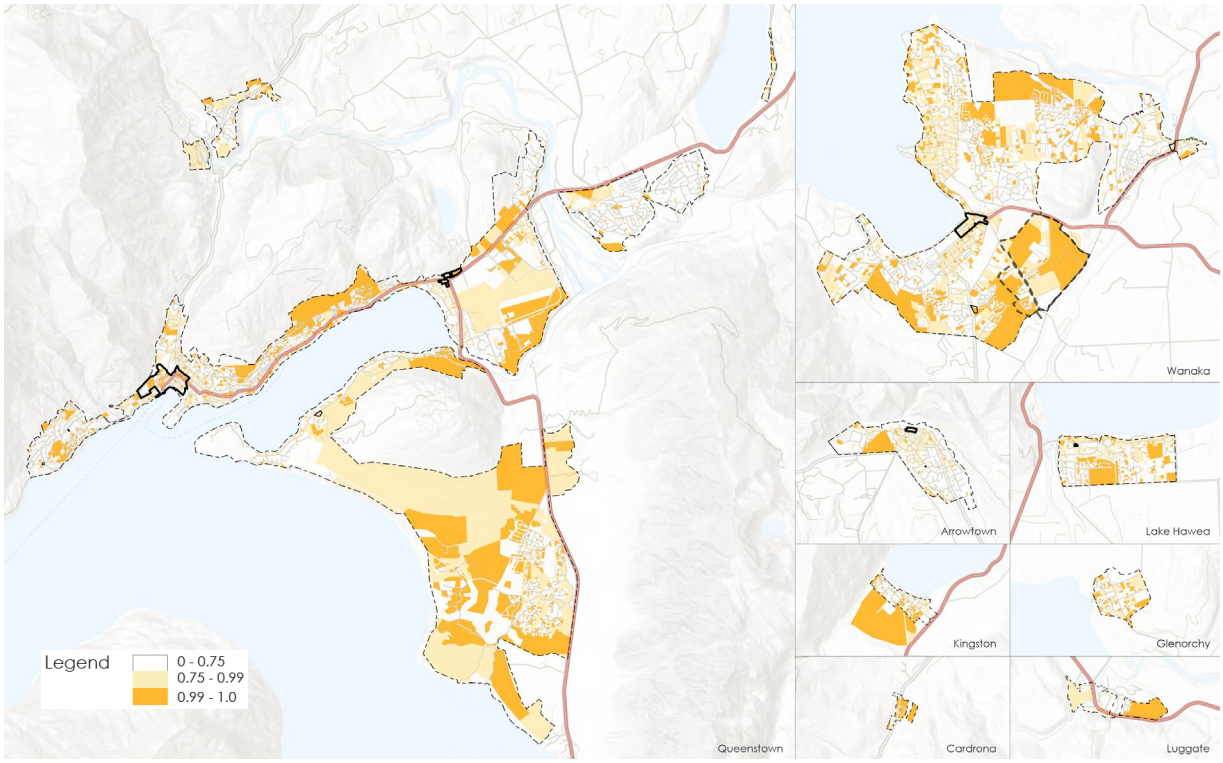


Figure 15 - Average LV2CV Ratio

6.1.4 Caveats

It is important to note that the assessment of land prices/ values has been undertaken at a fixed point in time. In reality, these are dynamic figures which fluctuate depending on local market conditions including how enabling the District Plan framework is for development. In this regard, any measures that remove barriers to development (e.g. increased building heights) will likely increase land prices/ values and improve feasibility for redevelopment.

6.1.5 Resource and Building Consent Data

MfE's guidance on implementing Policy 5 of the NPS-UD identifies that resource consent and building consent data could highlight areas where there may be high demand.[14] Resource and building consent data over the past 10-years was provided and reviewed. A review of the data indicated that consent applications where generally in-line with district plan requirements with minor infringements to development standards and were fairly evenly distributed across the urban area. Further, the types of development where consent was sought was generally in-line with the intended outcomes of the underlying zone (e.g. infill subdivision for one or two additional dwellings). As such, it is considered that this data is not directly applicable to inform rezoning (within the Queenstown Lakes context.

6.1.6 Observations

Generally, land prices in the main urban areas across QLDC exhibit a common pattern here land prices are the highest in the centre, gradually reducing as one moves further away. The highest value land (above the 90th Percentile) is clearly identifiable in and immediately around Queenstown and Wānaka town centres,

[14] Understanding and implementing intensification provisions for the National Policy Statement on Urban Development, September 2020, pg. 38.

within Arrowtown Town Centre as well as along Frankton Road. This is not surprising as the location, combined with the existing controls allow for much higher levels of development relative to other areas across the district. Frankton and the Shotover Park Industrial Area also display a concentration of parcels with higher relative land values. Some higher land values, relative to other urban areas are also observed around Remarkables Park although there is no clear pattern of consolidation of parcels relative to other areas.

Where there are limitations on what you can do with the land (e.g. density and height controls), but high land prices are still evident, this provides a strong indication that there is a high demand for that land relative to other areas. This pattern was most evident around the lakefront properties in Kelvin Heights, Lake Hayes, Lake Hāwea and some parts of Wānaka (around Lakeside and Beacon Point Road) where there is notable concentration of parcels above the 80th percentile in land prices relative to other urban areas across the district.

In terms of the Bivariate Analysis, Queenstown town centre and its immediate surrounds and Wānaka town centre clearly perform the strongest. Frankton is also notable in its presence and generally performs well relative to other areas. This aligns with QLDC's aspirations for this area to function as a 'Metropolitan Centre' within their Spatial Plan.

Land value-to-capital value ratios were also assessed. There is not a specific point at which the Land value-to-capital value holds a particular meaning. However, the upper quartile (i.e. above a ratio of 0.75:1) does provide a useful proxy for areas where intensification may be more feasible to deliver. However, it is also important to note that any changes to development standards applicable to these areas (e.g. relaxation of density controls) would likely improve the land value-to-capital value ratio and increase the feasibility of redevelopment / intensification. The analysis generally shows a concentration of parcels with ratios above 0.75:1 in areas with high land prices indicating the potential for increased intensification opportunities to be taken up by the market.

6.1.7 Relationship with the Housing Development Capacity Assessment 2021

The Queenstown Lakes District Housing Development Capacity Assessment 2021 (HBA) was prepared in accordance with the NPS-UD. Section 2.5 and 2.66 of the HBA sets out broad housing demand by the total number of new dwellings required and also broken down by household type, tenure and broad location across the District based on a detailed socio-economic information and Stats NZ projections. The locations identified break the urban environment down into 15 separate areas within the Wakatipu and Wānaka ward.

For the Wakatipu Ward this includes:

- Arrowtown;
- Arthurs Point;
- Eastern Corridor;
- Frankton;
- Kelvin Heights;
- Outer Wakatipu;
- Quail Rise;
- Queenstown Town Centre;

- Southern Township – Wakatipu; and
- Southern Corridor.

For the Wānaka Ward this includes:

- Cardrona;
- Lake Hawea;
- Luggate;
- Outer Wānaka; and
- Wānaka Town Centre.

The areas identified above cover broad locations, sometimes entire townships, encompassing a number of different existing zones. The requirements of Policy 5 require a comparison to be made between both accessibility and demand. As such, the data presented within the HBA does is not sufficiently granular to enable this comparison to be made. Further, it highlights total dwellings numbers required within these areas, rather than where these dwellings could be located.

7.0 Summary & Findings

7.1 Accessibility

Figure 16 presents the summary findings of the accessibility analysis set out in Section 5 of this memo. The findings show the results of catchment overlayed with one another and weightings applied according to the priority of the destination and the proximity of the catchment. Under this analysis, the main drivers of accessibility include the proximity to: the Town Centres; the majority of employment opportunities; primary and secondary schools; large supermarkets; medical centres and major open spaces. A summary of key drivers of accessibility within areas across QLDC is provided overleaf.

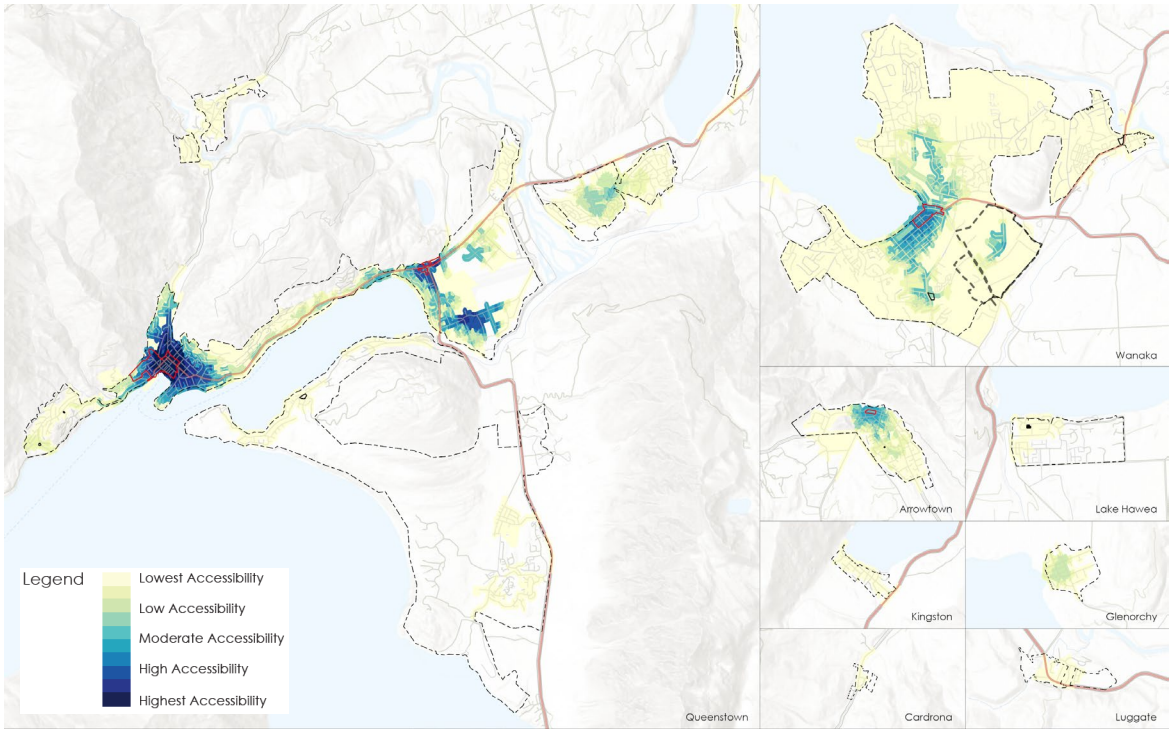


Figure 16 - Total Accessibility (Weighted)

7.1.1 Accessibility

Queenstown – As expected, Queenstown Town Centre performed as the highest level of accessibility across the QLDC area. The extent of this high level of accessibility aligns to the Proposed District Plan (PDP) High Density and Town Centre zoning, with the exception of land to the south and west of the centre along Brisbane Street, Hobart Street, Adel Street and around the Dublin Street intersection with Hallenstein Street. The Plan Change 50 proposed roads were not included in the analysis, it is anticipated that this area will be Town Centre zone and will support access to a variety of goods and services. Given this, the area at the western ends of Thompson Street and Lomond Crescent should also be considered an area of higher accessibility. Development potential across much of the Town Centre and its immediate surrounds is restricted to around four-storeys maximum. Based on the results of the accessibility (and demand) analysis, increased heights and density of development should be enabled with a primary focus around the Stanley Street and Shotover Road corridors.

Frankton – Frankton performed as the second most accessible area with three distinctive nodes including around the Frankton Local Shopping Centre, Remarkables Park Town Centre and Queenstown Central Shopping Centre. It should be noted that given the date and limitations of the access to employment data and the recent urban development in the area, the area may now provide for a greater level of employment opportunities than the analysis currently presents. This should be considered when determining the extent of up-zoning in this area. An initial thought is that it might lift the level of accessibility by one point along Douglas Street and Kawarau Road.

Arrowtown – Arrowtown performed as a moderately accessible area primarily in relation to its access to commercial and community services. The extent of the moderately accessible area matches the Arrowtown Town Centre PDP zoning. In comparison with the most accessible areas identified (e.g. Queenstown town centre), Arrowtown does not have good access to a large range of employment opportunities within a 45-minute journey time via walking, cycling or public transport. As such, no additional up-zoning over and above the existing medium density provisions for Arrowtown is considered warranted based on the results of this analysis.

Wānaka – Wānaka Town Centre performed as an area of high accessibility. The extent of this area extends along Brownston Street adjacent to the centre and westward, and north along Lakeside Drive. The high accessibility is derived from access to multiple food retailers, quality open space and access to employment.

Three Parks – Three parks is a node of moderate-to-high levels of accessibility within Wānaka. This area is currently in the early stages of development which will contribute much higher levels of employment, open space, education facilities, food retailers and goods and services within this Centre. For the purposes of this analysis, only the facilities and road networks that are current were integrated into the assessment. As such, it is considered likely that the level of accessibility of this area will only increase with time with the currently vacant Low Density Residential Zone situated between Three Parks and Wānaka Town Centre being ideally located to leverage off commercial, community and employment opportunities available within both of these locations. As this area is currently undeveloped, it is ideally suited to realise the full benefits of a comprehensively planned medium density development.

Gorge Road – The majority of the Gorge Road corridor performs well with a high to moderate level of accessibility identified. This is largely influenced by its proximity to Queenstown Town Centre and the direct nature of Gorge Road itself.

Frankton Road – Frankton Road benefits from its position along the main transport corridor linking Queenstown Town Centre and Frankton. However, accessibility along this corridor generally rates from

moderate to low. In large part, this is due to topographical constraints which limit connections to Frankton Road from surrounding residential land and the concentration of commercial and community activities within Queenstown town centre and Frankton. Some continued intensification along this corridor remains appropriate noting its will be served by the most frequent bus route(s) within the District.

Lake Hayes Estate/ Shotover Country – This area performs between moderate to low in terms of its accessibility. The moderate rating is concentred around the small centre based around Eleventh, Twelfth and Thirteenth avenues. Open spaces and Shotover Primary also contribute to the area's accessibility. However, overall access to a wider range of commercial and community services is limited and there is no useful or efficient access (via active modes) to major employment areas. Accessibility is likely to improve significantly if delivery of the Te Putahi – Ladies Mile Masterplan eventuates. This Masterplan includes more frequent public transport, additional schools, a new town centre and further open space opportunities. As there remains a level of uncertainty of when this will occur, the density of development around the Lake Hayes Estate and Shotover Country would be more appropriately considered as part of future plan changes applying to the area north of Ladies Mile.

Arthurs Point – Accessibility at Arthurs Point is at the very low end of the accessibility spectrum. There are limited amenities available in this location or easily accessible via active modes and public transport. It is noted that the District Plan already provides for some higher density development in this location.

Quail Rise – Quail Rise has been identified as generally have low accessibility with its results largely influenced by the proximity to some open spaces as well as a low-frequency bus service and some employment opportunities in Frankton. However, State Highway 6 clearly acts as a major barrier limiting its overall accessibility.

Jack's Point/ Hanley's Farm – Accessibility across Jack's Point and Hanley's Farm has been identified as low. This is expected due to the fact that development in this area is still occurring although it is likely to remain isolated from a higher density of these opportunities over the longer term. There are a limited number of commercial and community amenities currently available that provides a local level of convenience for residents. The circuitous roading layout of Jack's Point is likely to limit accessibility in this area long term.

Fernhill/ Sunshine Bay – Accessibility in this area generally rates from moderate to low. In large part, this is due to topographical constraints which limit connections to the Glenorchy-Queenstown Road from surrounding residential land. Commercial and community activities, along with employment opportunities are concentrated within Queenstown town centre and Frankton some 2-4km north-east of this area.

Kelvin Heights – Kelvin Heights performs poorly within the accessibility analysis with key amenities limited to open spaces and infrequent public transport services. A future local shopping centre zone has been provided for in close proximity to the Bayview Pier. Due to topographical constraints, accessibility in this location is likely to remain constrained in the longer term.

7.2 Demand

Areas which perform well under the various demand measures identified are generally well aligned with those which have performed best under the accessibility analysis. This is shown overleaf in Figure 17.

Generally, there is alignment of the higher levels of accessibility and demand. This analysis identifies three primary demand nodes within the District – Queenstown Town Centre, Wānaka Town Centre and Frankton Local Shopping Centre which all benefit from a concentration of land with a high relative value and proximity to a wide range of amenities.

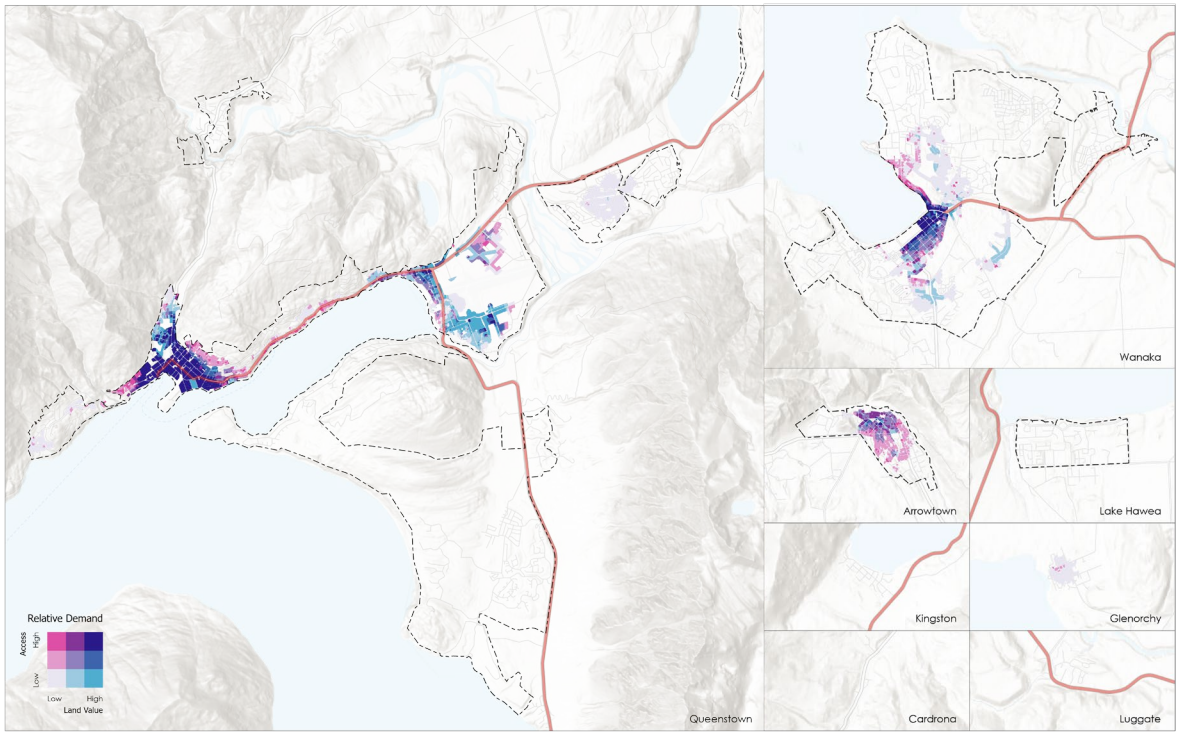


Figure 17 - Relative Demand Bivariate Analysis

7.3 Spatial Implications

The Proposed District Plans zones including centres, medium and high residential density's, generally align with the areas identified as being highly accessible and where there is shown to be a demand for housing.

The accessibility and demand analysis indicates that the spatial extent of areas where more intensive residential activities can occur could be expanded in accordance with the requirements of the NPSUD. In particular, higher levels of intensification in Queenstown around the edges of the town centre (including parts of the PC50 area), Frankton and around the edges of the Wānaka Town Centre are likely to be suitable. Some provision for increased densities around the Three Parks area is also recommended noting that accessibility is likely to improve in this area as build out continues.

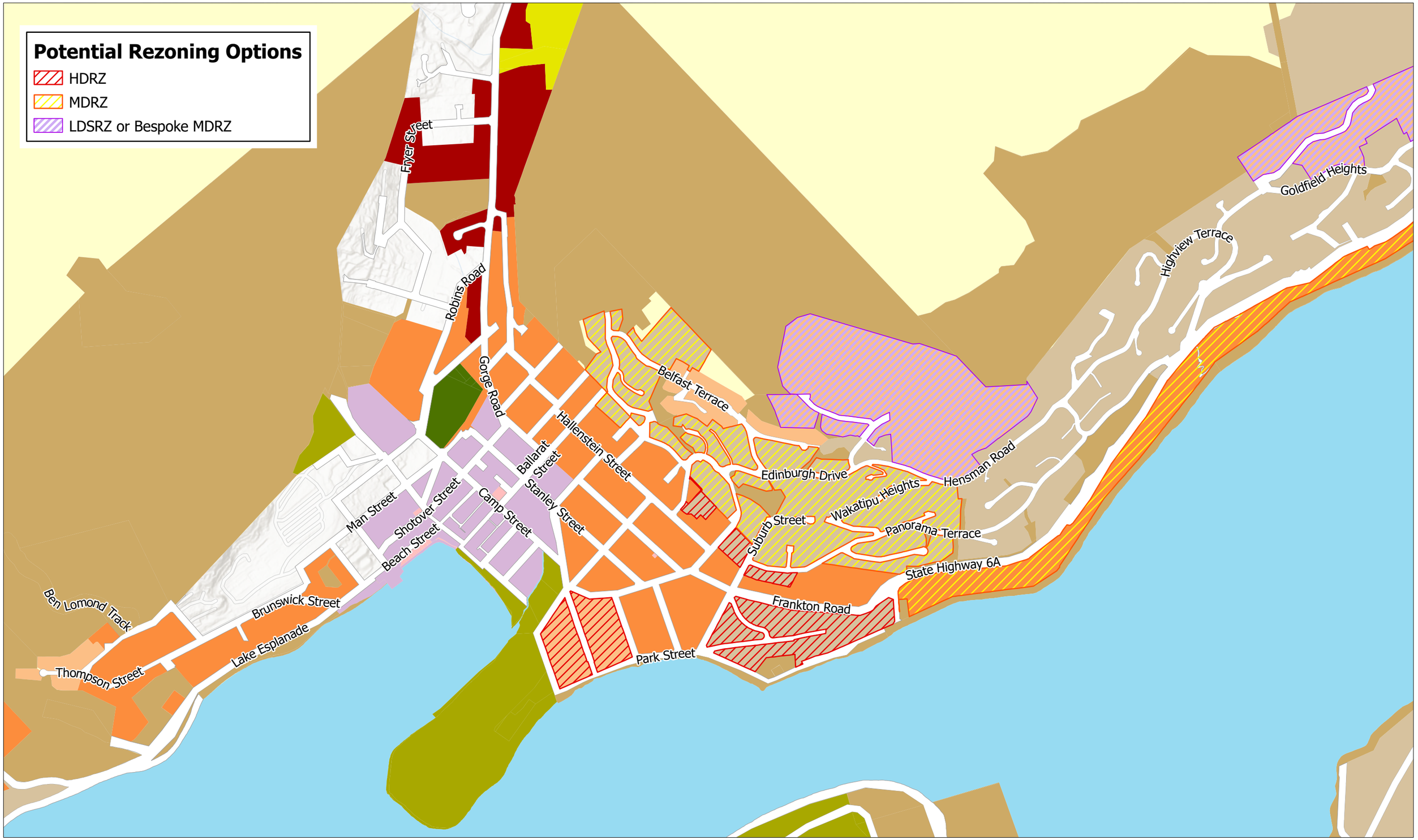
An example of what this may mean across QLDC is provided in Appendix 1 and Appendix 2 of this memo. These provide two potential spatial configurations for different zoning options that are interrelated with potential amendments to the existing rule framework set out in the various residential and business zonings within the PDP.[15] This provides for high density residential activities (via high density residential and mixed-use zones) in and around the Queenstown and Wānaka Town Centres. More moderate levels of intensification via a Medium Density Residential zone and some High Density Residential are then proposed as one transitions away from the main centres as well as around the more accessible nodes of Frankton. In addition to the spatial extent of any zonings, consideration will also need to be given to the supporting rules framework (i.e. they cannot be viewed independently from one another). Changes to the rules framework

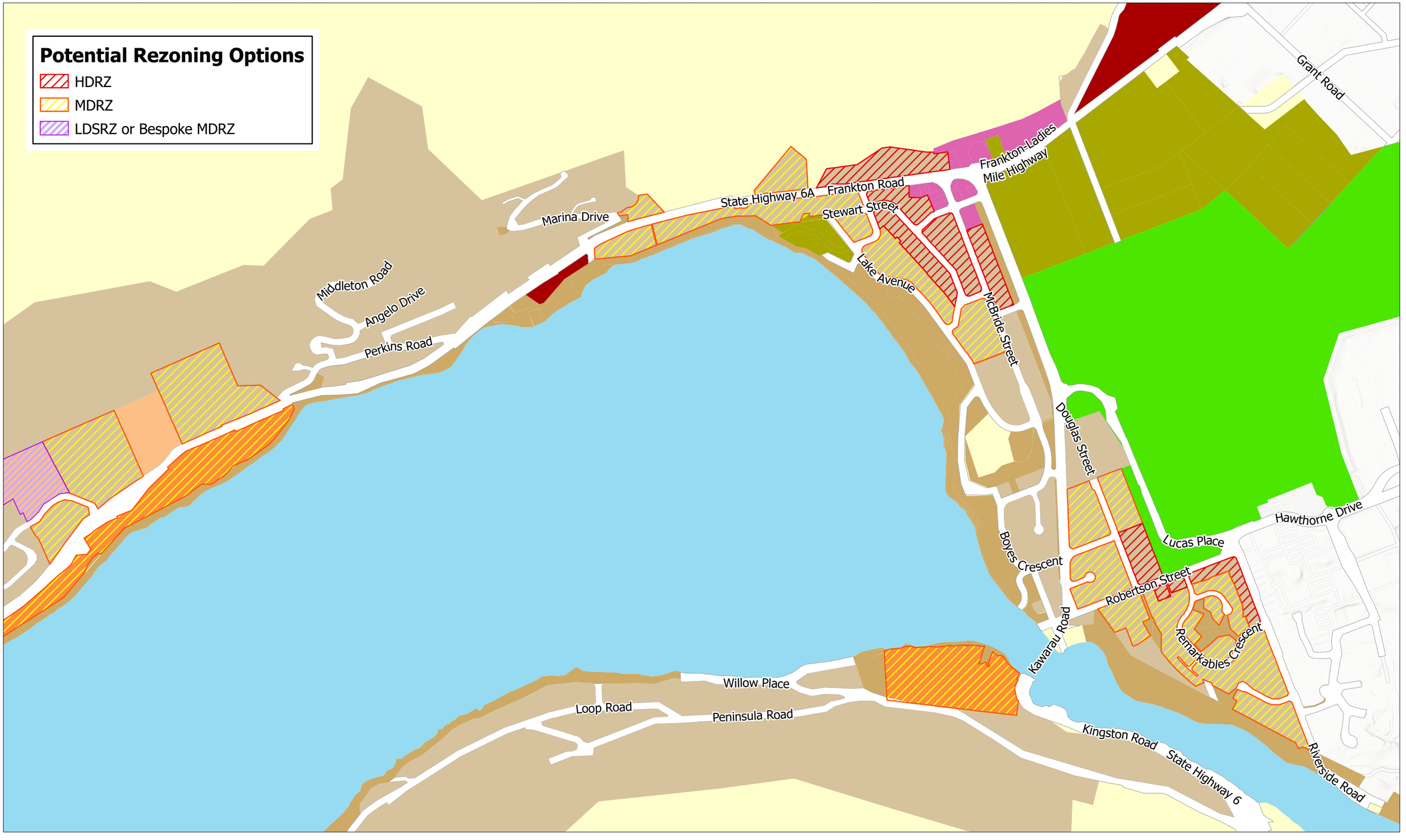
[15] The recommended zoning options contained in Appendix 1 and 2 do not take into account development constraints ("Qualifying matters"). As such, there will likely be a need to consider the impacts of other relevant matters (e.g. natural hazards) when determining a preferred spatial arrangement of zoning.

(including "Qualifying Matters") may also influence the final spatial extent of different business and residential zones.

Other areas such as Five Mile and Remarkables Park, which are controlled by Special Zones under the Operative District Plan generally feature very enabling planning provisions in relation to heights and densities and further changes to these are not considered necessary. The exception to this is Activity Area 1 of Remarkables Park which is set aside for Low Density Residential Uses. Most of this area is contiguous with an area of high to very high accessibility and, longer term, would be a suitable location for more intensive residential uses noting its proximity to a range of commercial and community amenities, as well as employment opportunities.

Appendix 1 – Potential Rezoning Option 1


Potential Rezoning Options
HDRZ
MDRZ
LDSRZ or Bespoke MDRZ
Fryer Street
Robins Road
Gorge Road
Belfast Terrace
Hallenstein Street
Ballarat Street
Stanley Street
Camp Street
Man Street
Shotover Street
Beach Street
Edinburgh Drive
Suburb Street
Wakatipu Heights
Panorama Terrace
Hensman Road
Highview Terrace
Goldfield Heights
State Highway 6A
Frankton Road
Park Street
Brunswick Street
Lake Esplanade
Ben Lomond Track
Thompson Street



Note: The impact of the Airport Noise Contours have not been considered in the above recommendations.

Potential Rezoning Options

- MDRZ
- LDSRZ

Ruby Island Road
Beacon Point Road
Hunter Crescent
Rata Street
Clearview Street
Kirimoko Crescent
Road
Makomako
Peak View Ridge
Northlake Drive
Obelisk Street
Mount Nicholas Avenue
Northburn Road
Mount Linton Avenue
Outlet Road
Joe Brown Drive
Pounamu Avenue
Radiata Drive
Gunn Road
Kanuka Rise
Hidden Hills Drive
High Field Ridge
Aubrey Road
Manuka Crescent
Matai Road
Totara Terrace
Farrant Drive
Mount Iron Drive
Quinnat Street
Sherwin Avenue
Kingfisher Crescent
Old Racecourse Road
Albert Town-Lake Hawea Road
Lismore Street
Lakeside Road
Kings Drive
Anderson Road
Rob Roy Lane
Plantation Road
Hedditch Street
Wanaka-Luggate Highway
Ardmore Street
MacPherson Street
Sir Cliff Skeggs Drive
State Highway 84
State Highway 6
Brownston Street
Helwick Street
Upton Street
Roche Street
Dungarvon Street
Tenby Street
Warren Street
McDougall Street
Stone Street
Golf Course Road
Ballantyne Road
Sir Tim Wallis Drive
Riverbank Road
Bills Way
Sargood Drive
Wanaka-Mount Aspiring Road
Oak Lane
Elderberry Crescent
Heaton Park Drive
Old Station Avenue
Kelliher Drive
Stonebrook Drive
Willowridge
Meadowstone Drive
Sapphire Spring Rise
Studholme Road
West Meadows Drive
Valley Road
Cardrona
Rodeo Drive
Avalon Station Drive
Doug Ledgerwood Drive

Appendix 2 – Potential Rezoning Option 2

Potential Rezoning Options

- HDRZ
- MDRZ
- LDSRZ or Bespoke MDRZ

Fryer Street
Robins Road
Gorge Road
Belfast Terrace
Hallenstein Street
Ballarat Street
Stanley Street
Camp Street
Man Street
Shotover Street
Beach Street
Edinburgh Drive
Hensman Road
Wakatipu Heights
Suburb Street
Panorama Terrace
Highview Terrace
Goldfield Heights
State Highway 6A
Frankton Road
Park Street
Ben Lomond Track
Brunswick Street
Lake Esplanade
Thompson Street

Note: The impact of the Airport Noise Contours have not been considered in the above recommendations.

Potential Rezoning Options

- MDRZ
- LDSRZ

Ruby Island Road
Beacon Point Road
Hunter Crescent
Rata Street
Clearview Street
Kirimoko Crescent
Road
Makomako
Peak View Ridge
Northlake Drive
Obelisk Street
Mount Nicholas Avenue
Northburn Road
Mount Linton Avenue
Outlet Road
Joe Brown Drive
Pounamu Avenue
Radiata Drive
Gunn Road
Kanuka Rise
Hidden Hills Drive
High Field Ridge
Aubrey Road
Manuka Crescent
Matai Road
Totara Terrace
Farrant Drive
Mount Iron Drive
Quinnat Street
Sherwin Avenue
Kingfisher Crescent
Old Racecourse Road
Albert Town-Lake Hawea Road
Lismore Street
Lakeside Road
Kings Drive
Anderson Road
Rob Roy Lane
Plantation Road
Hedditch Street
Wanaka-Luggate Highway
Ardmore Street
MacPherson Street
Sir Cliff Skeggs Drive
State Highway 84
State Highway 6
Brownston Street
Helwick Street
Upton Street
Roche Street
Dungarvon Street
Tenby Street
Warren Street
McDougall Street
Stone Street
Golf Course Road
Ballantyne Road
Sir Tim Wallis Drive
Riverbank Road
Bills Way
Sargood Drive
Wanaka-Mount Aspiring Road
Oak Lane
Elderberry Crescent
Heaton Park Drive
Old Station Avenue
Kelliher Drive
Stonebrook Drive
Willowridge
Meadowstone Drive
Sapphire Spring Rise
Studholme Road
West Meadows Drive
Valley Road
Cardrona
Rodeo Drive
Avalon Station Drive
Doug Ledgerwood Drive

APPENDIX 4 - URBAN DESIGN REPORT

Appendix 4: Urban Design Report

District Plan Urban Design Review

NPS-UD Implementation

Queenstown Lakes District

15 May 2023

B&A
Urban & Environmental

Prepared for:
Queenstown Lakes District Council

B&A Urban & Environmental

B&A Reference:

19289

Status:

Final

Date:

15 May 2023

Prepared by:

Cam Wallace

Partner (Urban Design), Barker & Associates Limited

Contents

1.0 Introduction

1.1 Purpose

The purpose of this memo is to provide a high-level urban design review of the Queenstown Proposed District Plan (**PDP**) in light of changes to national direction introduced by the National Policy Statement on Urban Development 2020 (**NPS-UD**). This includes identifying provisions of the PDP which may already be consistent with the enabling intent of the NPS-UD or alternatively identifying potential barriers and conflicts which may need to be amended to align with the built form outcomes now anticipated.

This review is intended to help scope out and inform an "intensification plan change" and supporting Section 32 analysis. This includes recommendations around new design related objectives, policies or development standards with reference to comparable approaches to enabling intensification under the NPS-UD from around New Zealand.

1.2 Scope

The scope of this review is focused on residential and commercial zones (excluding industrial) within the Queenstown Lakes urban environment under the PDP. In addition, there are a number of special zones under the Operative District Plan which have not been altered through the PDP process. These areas were considered as part of an Accessibility and Demand Analysis undertaken by B&A in mid-2022. Where these special zones may have performed well in terms of their accessibility or relative demand, this review has not yet made recommendations for changes as I understand the ODP zones will be comprehensively reviewed at a later stage.

It is important this this report is read in conjunction with the Method Statement and supporting map series of the Accessibility and Demand Analysis dated August 2022. This report includes recommendations for amendments to the spatial extent of various zones within the PDP. The spatial extent of any zoning along with its associated package of objectives, policies and standards needs to be delivered together to align with the national direction set out within the NPS-UD. As will be set out throughout this report, simply amending existing zone boundaries is unlikely to give effect to the requirements of the NPS-UD or be well aligned with good urban design practice.

1.3 Reference Material

In carrying out this review, the following documents have been considered:

- Relevant PDP Zone Chapters;
- S42A Reports – Chapters 7 (Low Density Residential), 8 (Medium Density Residential), 9 (High Density Residential), 10 (Arrowtown Residential Historic Management Zone), 12 (Queenstown Town Centre), 13 (Wānaka Town Centre), 14 (Arrowtown Town Centre), 15 (Local Shopping Centres), and 16 (Business Mixed Use);
- Residential Zone Design Guide 2021;
- Queenstown Town Centre Special Character Area Design Guidelines 2015;
- Queenstown Town Centre Masterplan;
- Frankton Masterplan;

- Te Pūtahi Ladies Mile Masterplan (notified version);
- Business Mixed Use Zone Design Guide 2021;
- Wānaka Town Centre Character Guideline 2011;
- Arrowtown Design Guidelines 2016;
- Business Chapters – Urban Design Evidence, prepared by Timothy Church (2016);
- Residential Chapters - Urban Design Evidence, prepared by Garth Falconer (2016);
- Report 11 – Stream 8 – Chapters 12, 13, 14, 15, 16 and 17 – Report and Recommendations of Independent Commissioners;
- Plan Change 50 Environment Court Decision (Part 1 and Part 2);
- Queenstown Lakes Spatial Plan 2021; and
- Heart of Wānaka – Draft Town Plan.[1]

2.0 Policy Context

2.1 Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

The Amendment Act 2021 is designed to improve housing supply in New Zealand's largest cities by speeding up implementation of the NPS-UD and increasing provision of medium density housing through the creation of the Medium Density Residential Standards (**MDRS**). Specified territorial authorities are required to ensure every relevant residential zone incorporates the MDRS as well as include the objectives and policies set out in clause 6 of Schedule 3A.

Specified territorial authorities include Auckland, Hamilton (incl. Waipa & Waikato), Wellington (incl. Lower Hutt, Upper Hutt, Porirua and Kapiti Coast), Tauranga (incl. Western Bay of Plenty), Christchurch (incl. Selwyn & Waimakariri) and Rotorua. Queenstown Lakes is not a specified territorial authority.

2.2 National Policy Statement on Urban Development

The NPS-UD requires councils to plan well for growth and ensure a well-functioning urban environment for all people, communities and future generations. There are a number of objectives and policies within the NPS-UD that are of particular relevance when considering the spatial distribution of more intensive housing, including (emphasis added):

> ***Objective 1:*** *New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.*
>
> ***Objective 3:*** *Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply:*
>
> *(a) the area is in or near a centre zone or other area with many employment opportunities.*

[1] A community-led document, not developed or endorsed by QLDC.

Objective 4: *New Zealand's urban environments, including their amenity values, develop and change over time in response to the diverse and changing needs of people, communities, and future generations.*

Objective 6*: Local authority decisions on urban development that affect urban environments are:*

(a) integrated with infrastructure planning and funding decisions (insofar as this relates to transport)

Objective 8: *New Zealand's urban environments: support reductions in greenhouse gas emissions; and are resilient to the current and future effects of climate change.*

Policy 1: *Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:*

(a) have or enable a variety of homes that:

(i) meet the needs, in terms of type, price, and location, of different households

(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport

Policy 5: *Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of:*

(a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or

(b) relative demand for housing and business use in that location.

Policy 6: *When making planning decisions that affect urban environments, decision-makers have particular regard to the following matters:*

(a) the planned urban built form anticipated by those RMA planning documents that have given effect to this National Policy Statement

(b) that the planned urban built form in those RMA planning documents may involve significant changes to an area, and those changes:

(i) may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and

(i) are not, of themselves, an adverse effect

(c) the benefits of urban development that are consistent with well-functioning urban environments (as described in Policy 1)

(d) any relevant contribution that will be made to meeting the requirements of this National Policy Statement to provide or realise development capacity

(e) the likely current and future effects of climate change.

2.2.1 Amenity Values

Section (7)(c) and (f) of the RMA requires that all persons exercising functions and powers under the Act have particular regard to the maintenance and enhancement of amenity values and the quality of the [built] environment. Urban design is often closely aligned with concepts of urban amenity and matters traditionally developed to respond to sections 7(c) and (f) of the RMA.

It is anticipated that giving effect to the NPS-UD will result in change to the existing built form of urban environments. Objective 4 and Policy 6 of the NPS-UD recognises that while changes to existing built form may detract from amenity values appreciated by some people, they may also improve amenity values appreciated by other people, communities and future generations. These changes to urban built form are not, of themselves, an adverse effect. This change does not mean that amenity values are downplayed or can be ignored, but rather the concept of "amenity values" is expected to evolve and be replaced or upgraded with new matters which can be grouped together in a wider bundle of matters which define the concept of amenity.

Any changes to the District Plan need to ensure that values associated with existing built form and character can be managed in a manner that gives effect to the NPS-UD. While this means greater heights and densities of urban built form will be required in accordance with Policy 5 of the NPS-UD, new rules and amendments to a range of other inter-related standards can be used to ensure new building typologies and development achieve an appropriate level of amenity within their local context. This is in accordance with the consideration of the outcomes to be achieved for a 'well-functioning urban environment' (Policy 1) in a Queenstown Lakes context, and provides opportunity for new development to contribute positively to amenity values as the built environment changes over time.

2.2.2 Commensurate building heights and densities

Although only applicable to Tier 2 and 3 authorities, Policy 5 of the NPS-UD should be considered in light of the directions also provided for under Policies 3(c) and (d) for Tier 1 urban environments, the MDRS and National Planning Standards. These provide context for the stronger push by Central Government towards a greater centres-based approach to intensification set out within the NPS-UD. These have also established a nationally consistent continuum from which to consider building heights and densities as they relate to both medium density and high density residential development (for example, "medium density" refers to development up to three-storeys in height). Queenstown Lakes does not feature existing or planned rapid transit, city centre zones or metropolitan centre zones. However, the Queenstown Lakes Spatial Plan (**Spatial Plan**) includes aspirations for the development of metropolitan centres in Queenstown Town Centre and Frankton (refer to Section 2.5 below). The implication of Policies 3(c) and (d) is that areas with high levels of accessibility (which is influenced, in part, by the range of commercial and community services available in any given area) in and around larger centres within Tier 2 urban environments could be commensurate with higher order centres in Tier 1 urban environments and should consider provision of up to six storey buildings (or probably higher in places like Queenstown Town Centre and Frankton noting the Spatial Plan aspirations), with other areas close to smaller centres considering a level of development similar to that provided for by the MDRS.

To help understand potential design responses an analysis of approaches to heights, densities and development standards across New Zealand is provided in Appendix 1 of this report.

2.2.3 Summary

Read as a whole, the NPS-UD, insofar as it relates to urban design matters is seeking:

- A greater variety of housing typologies (including dwelling sizes and cost). This in and of itself is a positive amenity effect which should be enabled;
- Increased densities of residential development in areas of good accessibility and demand noting that proximity to services is itself an important amenity and can better support reduction in greenhouse gas emissions through decreased need to travel via private vehicle;

- The urban built form needs to change to address issues around affordability, demand and climate change.

2.3 Proposed Otago Regional Policy Statement 2021

The Proposed Otago Regional Policy Statement 2021 (**PRPS**) was notified in June 2021 and sets the direction for future management of Otago's natural and physical resources. The PRPS was developed, in part, to give effect to the relevant objectives and policies of NPS-UD. Objectives and policies of particular relevance to this report include:

> ***UFD-O2 – Development of Urban Areas***
>
> *The development and change of Otago's urban areas:*
>
> *(1) improves housing choice, quality, and affordability,*
>
> *(4) delivers good urban design outcomes, and improves liveability,*
>
> *(8) results in sustainable and efficient use of water, energy, land, and infrastructure,*
>
> *(10) achieves consolidated, well designed and located, and sustainable development in and around existing urban areas as the primary focus for accommodating the region's urban growth and change,*
>
> ***UFD–P3 – Urban intensification***
>
> *Within urban areas intensification is enabled where it:*
>
> *(1) contributes to establishing or maintaining the qualities of a well-functioning urban environment,*
>
> *(2) is well-served by existing or planned development infrastructure and additional infrastructure,*

2.4 Proposed District Plan

The District Plan review commenced in 2015. The subsequent Proposed District Plan (**PDP**) set out to provide a clear strategic direction for the urban growth across the district as well as additional scope for intensification. Chapter 4 of the PDP sets out the strategic direction for urban development, with the majority of the policy framework appearing to have been developed/ confirmed prior to the development of the NPS-UD. Key objectives and policies relating to intensification and housing development include:

> ***4.2.2A Objective -*** *A compact, integrated and well designed urban form within the Urban Growth Boundaries that: (i) is coordinated with the efficient provision, use and operation of infrastructure and services; …*
>
> *4.2.2.2 Allocate land within Urban Growth Boundaries into zones which are reflective of the appropriate land use having regard to:*
>
> *(a) its topography;*
>
> *(b) its ecological, heritage, cultural or landscape significance if any;*
>
> *(c) any risk of natural hazards, taking into account the effects of climate change;*
>
> *(d) connectivity and integration with existing urban development;*
>
> *(e) convenient linkages with public transport;*
>
> *(f) the need to provide a mix of housing densities and forms within a compact and integrated urban environment;*

(g) the level of existing and future amenity that is sought (including consideration of any identified special character areas); …

4.2.2.3 Enable an increased density of well-designed residential development in close proximity to town centres, public transport routes, community and education facilities, while ensuring development is consistent with any structure plan for the area and responds to the character of its site, the street, open space and surrounding area.

2.5 Queenstown Lakes Spatial Plan

The Spatial Plan is a vision and framework for how and where the communities of the wider Wakatipu and Upper Clutha can "*Grow Well"* and develop to ensure our social, cultural, environmental and economic prosperity through to 2050 and was adopted in 2021. The NPS-UD came into effect during preparation of the Spatial Plan. As such, the Spatial Plan is not a Future Development Strategy but has been prepared to be consistent with the direction of the NPS-UD to provide sufficient development capacity and achieve well-functioning urban environments.

The Spatial Plan adopts a "consolidated approach to growth" which aims to increase the variety and affordability of housing. This will require enabling more high and medium density housing in appropriate locations within both Queenstown and Wānaka. The typologies and their indicative spatial application are set out on Page 54 and include in Figure 1 below for reference. It also shows the Spatial Plan's aspirations for both Queenstown Town Centre and Frankton to become Metropolitan Centres and for a frequent public transport network to be established in the Wakatipu. A key enabler to support the emergence of metropolitan centres as well as support for the viability of a frequent public transport network will be greater levels of intensification in these areas. Figure 1 provides a useful baseline for considering commensurate heights and densities within the Queenstown Lakes urban environment and has already been subject to extensive public consultation and a hearings process under the Local Government Act 2002.

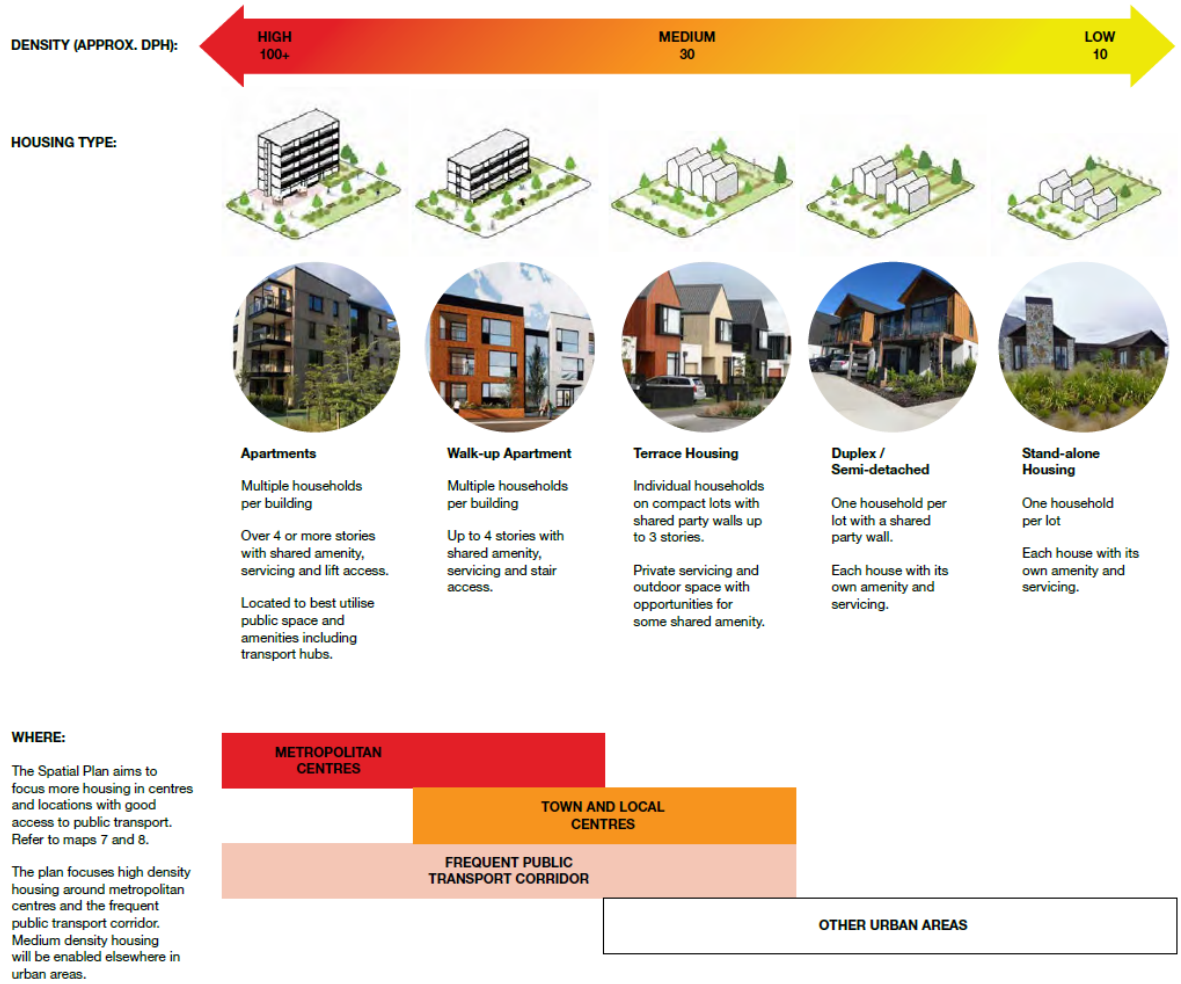


Figure 1 - Housing Choice approach within the Queenstown Spatial Plan

2.6 Summary

There is a clear national, regional and local policy framework to promote and enable residential intensification of existing urban areas with a particular focus on locating intensification in areas which would better support the use of active modes of transport, reduce private vehicle use and contribute to more vibrant, well-functioning centres.

This is consistent with good urban design practice, which considers the optimal spatial arrangement of land uses relative to each other that results in the most efficient use of land. From an urban design perspective there are a number of benefits associated with intensification of residential activities in and around centres, including:

- more efficient use of scarce urban / residential zoned land;
- infrastructure efficiencies, for example a reduced need to extend reticulated water or transport networks;
- passenger transport becomes more viable in terms of reduced subsidies and more frequent services through increased patronage;

- public health benefits in terms of facilitating travel mode changes to active modes by enabling more people to live near key amenities and destinations, making walking or cycling viable modes of transport for everyday living;
- associated environmental (reduce carbon and particulate emissions) and economic benefits (reduced vehicle running costs) stemming from reduced reliance on cars and fewer car trips per household;
- increased housing choice to cater for a range of different households due to changing demographics;
- related to the above, opportunities for people to 'age in place' by changing household types as they transition through life-stages rather than having to move around a district or region based on the limited availability of different house types in any given location; and
- stronger local economies and business viability associated with increased population densities within particular market catchment areas.

3.0 Lower Density Suburban Residential Zone

3.1 Review

The Lower Density Suburban Residential Zone (LDSRZ) is currently the most expansive residential zone across the District. The overall intent of the objectives, policies and standards of the LDSRZ seek to maintain predominantly single-level, large detached homes on large sites. There is some limited potential for infill development with sites as small as 300m^2 requiring consent as a restricted discretionary activity, with anything smaller becoming a non-complying activity. The rule framework does not enable or support site amalgamation or seek to maximise opportunities for redevelopment on large or vacant sites within the zone.

In this regard, there is little ability to provide for a variety in housing typologies, sizes or prices in what comprises a large portion of the existing urban environment. Whilst noting that the LDSRZ seeks to enable a lower intensity form of development, from an urban design perspective and considering national policy direction, the objectives, policies and standards raises several issues including:

- It reduces housing choice over a large portion of the existing urban environment. This reduces the zone's ability to cater for a range of different households;
- Related to the above, it prevents opportunities for people to 'age in place' by changing household types as they transition through life-stages and increases the potential of having to move around a town, district or region based on the limited availability of different house types in any given location; and
- It's a less efficient use of scarce urban / residential zoned land (in terms of housing yield) and increases pressure for further greenfield expansion in areas less well suited to urbanisation.

Based on the accessibility and demand analysis undertaken, the issues above could be predominantly addressed by reconsidering the spatial extent of the LDSRZ as recommended in the *Method Statement – Accessibility & Demand Analysis – NPSUD Policy 5*, dated August 2022.

3.2 Density

A default density of one dwelling per 450m^2 with the ability to deliver densities of one residential unit per 300m^2 via a restricted discretionary activity consent is considered a reasonable approach towards density and

allows for the potential for some detached infill development to occur throughout the zone.[2] I note that a site size of 300m^2 is fairly consistent with more intensive greenfield detached development that are currently or have recently been developed in many places across New Zealand, including Queenstown Lakes. However, in combination with the development standards and a non-complying activity status for development denser than 1 dwelling per 300m^2, the LDSRZ restricts opportunities for meaningful variety in housing typology in situations where it may be appropriate and/or result in positive design outcomes (e.g. increased passive surveillance over streets or public open spaces, more efficient use of urban land, or increased housing choice to allow people to age in place). The retention of some form of density controls in the LDSRZ could be complimented through provisions which provide some more opportunity/ flexibility for infill-type development (e.g. a minor dwelling, or small secondary unit). Options to achieve this, in addition to a reduction in the overall extent of the LDSRZ, could include:

- The re-introduction of a Comprehensive Development Activity (as per the former ODP) on sites with a minimum area of approximately 1,500m^2; or
- Amendment of the requirement for development to achieve a net density to 300m^2 to an average density of 300m^2 under Rule 7.4.8. This would provide an opportunity to enable some smaller-scale subdivision around existing buildings or for a more comprehensive redevelopment, albeit at the same overall density.

There would be urban design benefits of both approaches, including potential for greater housing variety and more affordable housing (through reductions in the land area price component of new builds). Development under either option could be provided for as a restricted discretionary activity and subject to a design assessment to ensure appropriate design outcomes are satisfied. Either option would provide opportunities to deliver more efficient forms of intensification on sites of a scale where potential adverse effects can be more adequately internalised.

3.3 Subdivision

Comprehensive development or an amendment to the average density rule would need to be supported by an amendment to the relevant subdivision controls covering the LDSRZ. Rule 27.7.31 should be broadened (or a new rule developed) to specifically exempt the type of development discussed above from the minimum allotment size and dimension rules provided the subdivision is in accordance with an approved land use consent for that development and/or a concurrent land use – subdivision application.[3] I also would not consider it necessary to tie any exemption to the existence of an established residential unit as Rule 27.7.31 requires.

With regard to minimum site sizes for vacant lots, the adoption of a minimum site size of 300m^2 in line with the density provisions would be appropriate and can comfortably accommodate typical detached residential typologies with a high level of amenity (refer to Figure 2). I also consider that there is scope to amend the minimum dimension of sites within the LDSRZ from 15m x 15m as it currently stands to 12m x 15m. A 12m width can still comfortably accommodate a typical detached dwelling and required side-yards but provides some additional design flexibility in terms of lot design and can also support a more efficient block structure that enables more dwellings to have direct access onto a road corridor.

[2] Subject to expansion of more intensive residential zones in areas where the LDSRZ performs well within the accessibility and demand assessment.

[3] Although outside my area of expertise, I am aware that approval of subdivision consent/ s223 is often an important milestone that must be met before financing for construction is released from a lender. Tying subdivision with the physical development may therefore act as a barrier to redevelopment.

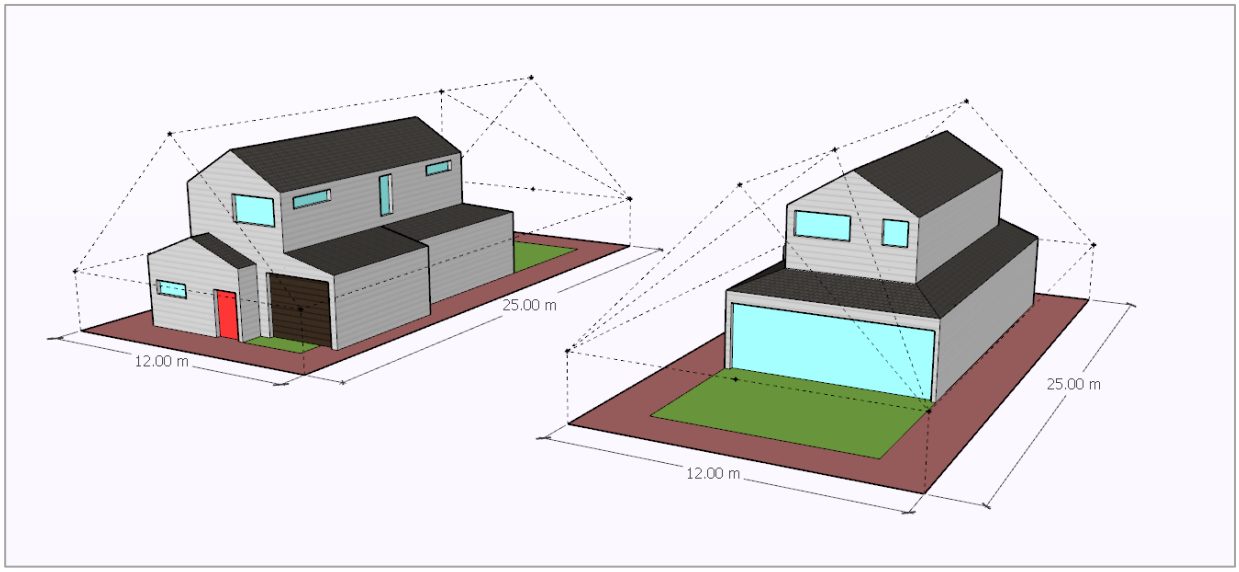


Figure 2 – Example of a 180m², two-storey dwelling on flat, 300m² lot complying with all LDSRZ standards

3.4 Building Heights

The LDSRZ contains a number of varying height restrictions depending on the location and area of the site. Interestingly, it features maximum building height limits of 5.5m, 6.5m, 7m and 8m which are generally intended to provide for two-storey development.

Heights limits of 5.5m applying to sites under 900m^2 are poorly aligned with building code requirements and make the delivery of a second storey challenging without either delivering lower internal amenity via reduced ceiling heights or increasing development costs by necessitating an increase in earthworks to conform to the 5.5m height limit. These restrictions which limit height can have the effect of limiting on-site amenity appear to be in place to maintain a form of "residential amenity" for neighbouring residents.

As a general principle, height limits should be set to enable good levels of internal amenity for residents whilst acknowledging likely building typologies. At a minimum, a floor-to-floor height of 3m should be used as the basis for setting building heights, this allows for around a 2.7m floor-to-ceiling height. Increased ceiling heights are generally beneficial in areas with lower/ limited sunlight angles as this provides for increased ability for sunlight penetration within a building floorplate. In addition to consideration of floor-to-floor heights, allowance should also be given to the provision of sloping roof forms. A 20-degree gabled roof pitch would give rise to 2m of building height over a floor plate 10m wide. Based on this, the 8m height limit which currently applies to flat sites in Queenstown would be an appropriate height to apply across the LDSRZ.[4] An increase to 8m would still ensure a two-storey suburban environment is maintained but would have the benefit of better enabling comprehensive developments.

3.5 Recession Planes

Rule 7.5.7 sets out a series of recession planes based on orientation of various boundaries, with more enabling provisions related to the northern boundary vs the southern boundary with exemptions applying to road, park or town centre boundaries. Based on the reduced spatial extent of the zone I have recommend and the anticipated built form outcomes I am of the opinion that retention of these controls remains appropriate.

[4] This would also require a consequential change to Policy 7.2.3.2 and Rule 27.7.32.1(b).

The provisions also exempt buildings on sloping sites (excluding accessory buildings) from the recession plane controls. I discuss the potential impact/ issues this has in relation to the Medium Density and High Density residential zones in Section 4.1 and 5.1 below. The impact of the existing recession planes on sloping sites (noting the intended built form outcomes of the zone of one-to-two storey detached dwellings) is not readily apparent. There may be potential issues on smaller sites (ca. 450m^2) on south facing slopes at angles comparable to the 35^0 recession plane looking to construct large two-storey dwellings, but such instances are likely to be very rare. Consistent with my recommendations for other residential zones, the PDP would benefit from simplification by removal of different recession plane standards between flat and sloping sites in the LDSRZ. In addition to the above change, consideration should be given to amending the activity status for any infringement to Restricted Discretionary as the potential effects of any infringements are well understood (e.g. shading, visual dominance, privacy). This would allow for a design assessment of infringements where slope is a key contextual factor impacting on building design but not give rise to any overly onerous and uncertain consenting pathway created by a non-complying activity status.

3.6 Other Standards

There are a number of other existing standards which are not considered would unduly restrict development of more suburban typologies within the LDSRZ.[5] This includes standards relating to maximum building length above ground floor, building coverage, building setbacks, building separation, waste space and landscaped permeable area standards.

3.7 Hāwea

As with other smaller towns across the District, Hāwea scored relatively poorly in terms of its accessibility. There are a number of open space opportunities as well as a small commercial centre and community centre but the majority of its needs are serviced from Wānaka. The majority of the existing township falls within the LDSRZ. It is relatively isolated location from the larger population and employment centres (approximately 10km from Wānaka), and there is not considered to be any strong justification in urban design terms to enable widespread intensification on levels comparable to Wānaka or Queenstown. Some more minimal opportunities for intensification/ infill would be still enabled through recommended changes to building height and changes to associated subdivision rules (e.g. through amended provisions recommended in Section 3.3) which would support combined land-use / subdivision applications.

3.8 Luggate

In an accessibility sense, there are limited amenities available within Luggate for residents and the area performed relatively poorly in the accessibility analysis. It is understood that the eastern area of Luggate was rezoned through the PDP process enabling a higher level of intensification/ development than previously enabled via application of the LDSRZ. Based on its locational attribute's retention of the LDSRZ remains appropriate (noting that development has already commenced in this area). There are not considered to be any strong justifications in urban design terms to enable widespread intensification.

[5] Subject to inclusion of rules addressing comprehensive developments and potential rezoning in areas of higher accessibility to more intensive residential zones.

4.0 Medium Density Residential Zone

4.1 Review

The National Planning Standards define a Medium Density Residential Zone (**MDRZ**) as "areas used predominantly for residential activities with moderate concentration and bulk of buildings, such as detached, semi-detached and terraced housing, low-rise apartments, and other compatible activities."

The objectives, policies and standards of the PDP MDR zone are generally not well aligned with enabling typical medium density style development or the definition of a MDRZ under the National Planning Standards. This includes a requirement to "maintain amenity values" and the use of restrictive height, density and sunlight access standards.

It is also noted that there is a difference in approach to sunlight access standards between sloping and flat sites. The effect of this is to make development more restrictive on flat sites which have a benefit of being easier/ cheaper to develop. This results in a significantly different effects envelope being enabled on flat sites than on sloping sites even where these sites may adjoin one another. In this regard, the MDRZ seems to acknowledge that a reduction in existing amenity values is considered appropriate if it is required to enable development anticipated by the zone provisions (refer to Figure 3 below which demonstrates an approximate 90% increase in shading enabled by the varied sunlight admission rules). The underlying rationale for this difference based on the S42A report, appears to have been driven by the proposed MDRZ controls being quite restrictive in the first place. Testing indicates that a consistent approach to flat and sloping sites in terms of recession planes/ height-in-relation-to-boundary (**HIRB**) controls could be adopted with a general relaxation in height and HIRB across both the MDRZ and High-Density Residential Zone.

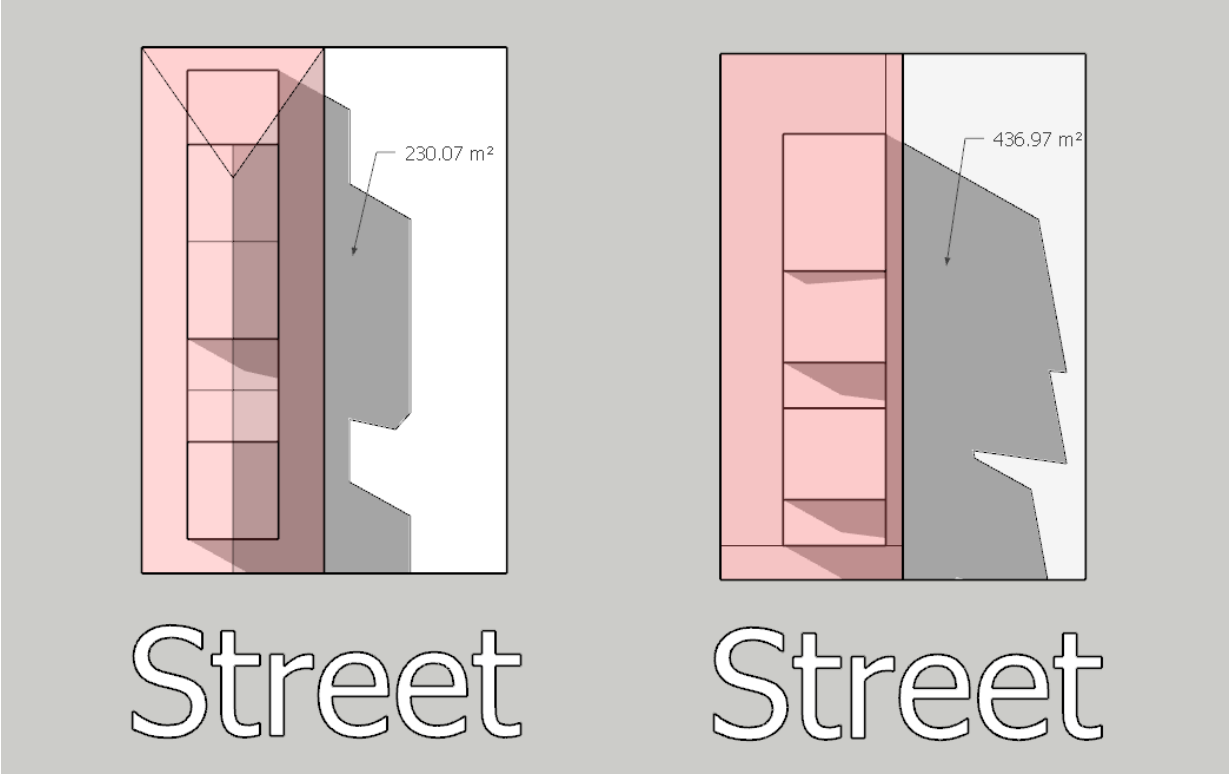


Figure 3 - Example difference in shading effects between flat (left) and sloping (right) sites under the PDP. Model shot is taken at 3pm on 21 September with the models shown fully compliant with all standards.

Overall, it is considered that the current provisions are more aligned with limiting meaningful opportunities for intensification rather than focus on enabling small scale infill development. Similar conclusions were reached by Mr Falconer in his Urban Design Evidence on the residential topic during the hearings on the PDP. Overall, the provisions of the MDRZ as currently contained within the PDP are considered to be misaligned with national policy direction (including national planning standards) or what is considered to be good urban design practice.

4.1.1 Medium Density Residential Standards

The MDRS have been purposefully designed to enable typologies commonly understood as "Medium Density" development and appear to be consistent with the zone description for the MDRZ as set out in the National Planning Standards. The RMA requires tier 1 local authorities to incorporate the MDRS into "relevant residential zones". As Queenstown Lakes is a tier 2 local authority, the MDRS are not required to be applied.

Whilst Queenstown Lakes is not required to apply the MDRS, they provide a useful benchmark for informing an understanding for what "commensurate" heights and densities may apply to the MDRZ. The MDRS include seven core standards that assist to enable the types of development included within the zone description for the MDRZ within the National Planning Standards. These standards are intended to enable landowners to build up to three houses of up to three storeys on their site as of right on most sites with greater density enabled as a restricted discretionary activity. The MDRS are summarised as follows:

- Density: 1-3 dwellings per site – permitted and 4 or more dwellings – restricted discretionary.
- Height: 11m (with provision for up to additional 1m to enable pitched roof forms).
- Height in Relation to Boundary: 4m + 60 degrees (does not apply to common walls).
- Maximum Building Coverage: 50% of the net site area
- Minimum landscaping: A residential unit at ground floor level must have a landscaped area of a minimum of 20% of a developed site. May be located on any part of the development site, and does not need to be associated with each residential unit.
- Front yard: 1.5m Yards (Side and Rear)/ 1m (excluded on corner sites)
- Dwellings Fronting the Street: Any residential unit facing the street must have a minimum of 20% of the street-facing façade in glazing. This can be in the form of windows or doors.
- Outdoor Living Space - Residential Unit at ground floor: Must have outdoor living space:
    - Minimum 20m² area:
    - where located at ground level has no dimension less than 3m and where provided in the form of a balcony, patio, or roof terrace, is at least 8 square metres and has a minimum dimension of 1.8 metres.
    - May be grouped cumulatively in 1 communally accessible location or located directly adjacent to the unit.
- Outdoor Living Space Residential Unit above ground floor: Must have outdoor living space:
    - Minimum 8m² area with a minimum dimension of 1.8m.
    - May be grouped cumulatively in 1 communally accessible location or located directly adjacent to the unit.

- Outlook Space: Principal living room outlook 4m depth x 4m width. All other habitable rooms – outlook 1m depth x 1m width.

This represents a different approach to zoning/ controls that has been typically undertaken across New Zealand where more intensive typologies such as walk-up apartments are required to conform with controls designed primarily to enable detached, low-density residential typologies. From an urban design perspective, there are clear benefits to adopting a consistent approach to the development standards covering medium density development. The principal benefit includes national consistency to improve development efficiencies and potentially attract developers from outside of region who would be familiar with these rules from Tier 1 jurisdictions. This will provide greater certainty for the wider development community and an ability to deliver modular or standardised terraced and apartment typologies over a wider area. In this regard, there would be no clear justification or benefit in design terms in requiring bespoke terraced housing or apartment designs[6] in Queenstown as compared with other urban areas across New Zealand.

It is noted that the MDRS are primarily focussed on developments of 3 or less dwellings. On typical sites with stand-alone dwellings across the District[7], a feasible development that complies with all permitted standards would generally be able to exceed the minimum requirements set by the MDRS (e.g. more generous private open spaces, outlook areas and setbacks could be accommodated). As such, these are unlikely to give rise to adverse outcomes in terms of on-site or off-site amenity. However, with increased density on any given site there is an increase in design complexity where a range of competing interests around access, privacy, and amenity need to be considered for future occupants and to a lesser extent for surrounding properties. A review of the MDRS has highlighted some potential urban design issues which would require further refinement to the provisions to help deliver a high quality, attractive urban environment. As a Tier 2 local authority, QLDC has the opportunity to utilise aspects of the MDRS to better enable intensification whilst at the same time amending the provisions to better take into account local circumstances and views of the community.

4.2 Density

The existing maximum density standards (1 per 250m^2 net site area) of the MDRZ are not aligned with typical terraced housing site sizes seen across New Zealand which typically range from 100-180m^2 in area. They also actively prevent the development of apartment typologies which enable significant efficiencies in site areas by vertically stacking units. This standard also creates a mandate dictating larger sites and less affordable dwellings that may not be responsive to the needs of different households (e.g. a single, retired person looking to downsize). From a design perspective, density limits also have limited value in that they enable large homes which could theoretically have a high occupancy but prevent a number of smaller dwellings which have a comparable occupancy. For example, a four-bedroom home may have five occupants whilst three studio-apartments which occupy the same building envelope may only have four occupants but are nevertheless more tightly controlled through the planning provisions.

In light of the above, it is recommended that density restrictions are removed in their entirety from the MDRZ with permitted development of up to three-dwellings enabled consistent with the approach taken in the MDRS. Instead, the MDRZ should manage density through a design assessment process to ensure appropriate built form and amenity outcomes can be achieved with the existing matters of discretion under Rule 8.5.5 providing an appropriate basis for this assessment. Bulk and location standards (e.g. building coverage) will act as a practical constraint on realisable density albeit focused on built form outcomes.

[7] Excluding recently developed areas such as North Lake.

Design assessment applied through a resource consent process (which is already a standard process in many zones within the PDP) inherently allows for diversity, innovation and choice in building design. This is important in enabling a greater variety of housing typologies and improving choice for existing and future residents. This is achieved by identifying the types of built-form outcomes required (as is already identified within the Residential Zone Design Guide), rather than prescribing restrictive density standards. The use of a design assessment process also allows for solutions which can respond to the unique conditions of every site and situation in a more comprehensive way than density standards alone.

If Council is minded to retain density controls within the MDRZ, it is recommended that density standards are reduced to at least an average of 1 per 150m^2. This would provide a degree of certainty as to an anticipated development quantum but maintain a degree of design flexibility to deliver a range of site sizes and typologies to contribute towards housing choice and variety. Contemporary medium density developments which have been comprehensively master-planned have delivered quality detached housing on as little as 150m^2, whilst terraced housing typologies are delivered on sites as small as 100m^2. Land requirements decrease even further with attached vertical typologies.

4.2.1 Subdivision

The above would also require amendments to related standards within Chapter 27 – Subdivision and Development.

It is recommended that the minimum vacant lot subdivision standard of 250m^2 be retained[8]. Rule 27.7.29 could be amended to a minimum lot dimension of 10m x 12m which is more consistent with typical site dimensions seen in more intensive detached residential subdivisions across New Zealand. These dimensions would be sufficient to accommodate a typical stand-alone dwelling could be delivered on a smaller section than this. However, this generally relies on a perfectly flat site. As the standard needs to apply to residential areas more broadly it will capture sites which feature topographical constraints or geometric constraints from an irregularly shaped parent lot. Adopting a smaller minimum lot dimensions therefore creates a risk that only a very specific building design can be accommodated which would not be consistent with seeking to enable a variety of building typologies. To address this, here needs to be sufficient flexibility in the minimum vacant lot standards to enable the development of a new dwelling with undue risk of infringing development standards and creating a notification risk which can act as a barrier to development and good urban design outcomes.

An alternative approach to address the above would be to retain the 250m^2 site area combined with the requirement to incorporate an 8x15m building platform free from constraints and required setbacks. This would provide a degree of flexibility for future dwelling design that can be adapted to different site contexts.

It is also recommended that any minimum lot size and/ or associated dimensions standards should not apply to subdivision that is in accordance with existing or concurrently approved land use consents, or for any lots around existing buildings and development. This would help facilitate comprehensive developments and still provide opportunities to deliver more variety in typologies/ site sizes whilst conforming to a density standard.

[8] As discussed in Section 4.2, more intensive typologies can easily be accommodated on site sizes of less than 250m^2. However, vacant lots do not benefit from concurrent land use/ subdivision applications so potential built form outcomes and associated quality/ amenity effects cannot be considered at the time of subdivision.

4.3 Bulk & Scale

4.3.1 Height

It is recommended to amend the permitted building heights within the MDRZ (flat and sloping sites) to align with the provisions of the MDRS (11m +1m). This better facilitates the delivery of housing intensification and the types of typologies and built form outcomes of typical medium density development in New Zealand which includes up to 3-storey walk-up apartments and narrow-lot terraced houses.

4.3.2 Sunlight Admission

In addition to an increase in height limits, the sunlight admission standards would benefit from amendments and simplification so as to not undermine any benefit from relaxing the height standard. Firstly, there is no need to create any difference between flat or sloping sites provided the standard itself is sufficiently enabling of the built form outcomes anticipated. It is recommended that these differences should be removed in their entirety. Testing indicates that both an increased height limit and more enabling sunlight admission controls on a flat site would result in less shading than existing height/ sunlight admission standards on a sloping site as per the PDP rules (refer to Figure 4 below).

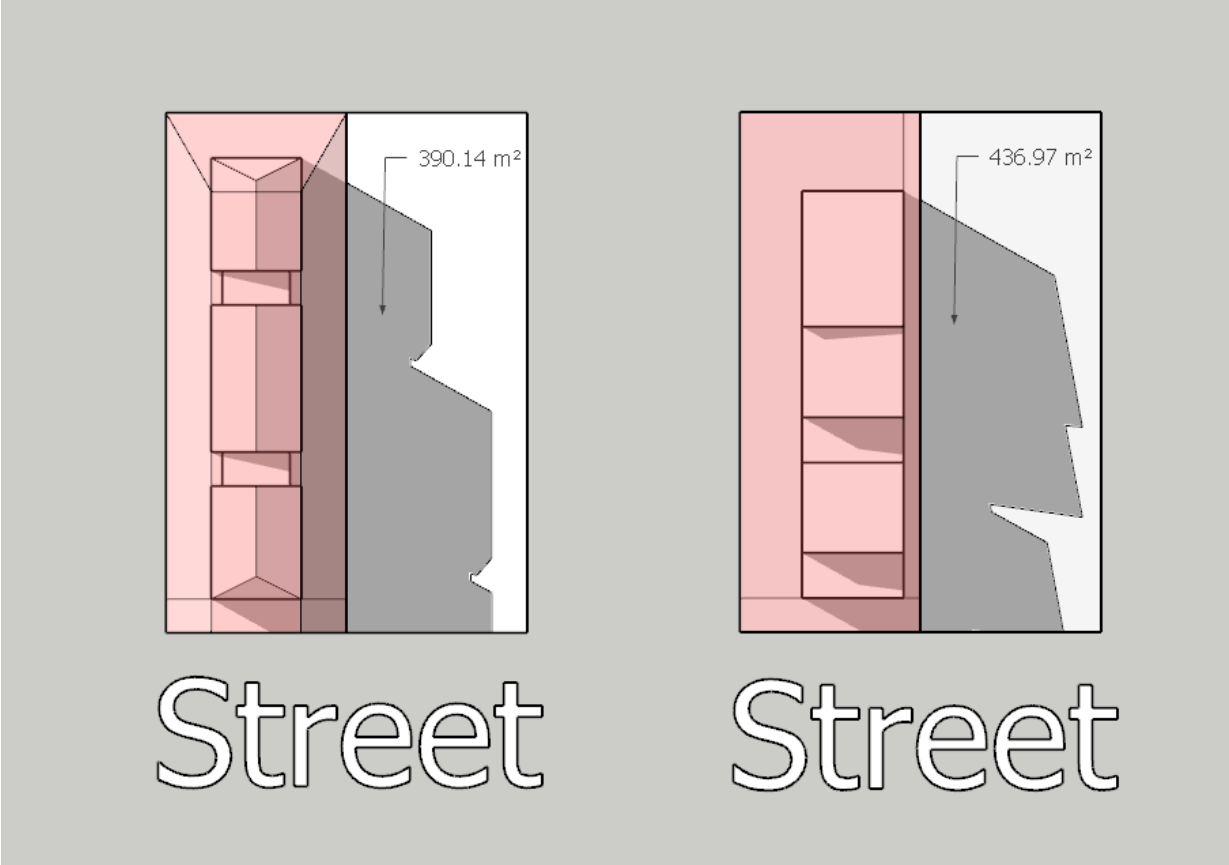


Figure 4 - Option 1 amendments on the flat site (left) vs existing standards on a sloping site (right). Model shot is taken at 3pm on 21 September with the models shown fully compliant with all standards.

In terms of the sunlight admission standard, this report has considered two alternative options which I consider are more preferable in urban design terms:

- The first option would be to adopt the 4m+60^0 standard the MDRS but retain a 35^0 sunlight admission plane from the southern boundary of any site. Exemptions to this control would apply at the boundary with roads, public open space, and business zones as well as for minor infringements relating to roof

eaves or gables. This is consistent with existing PDP provisions. The lower sunlight admission plane proposed for the southern boundary partly acknowledges Queenstown's geographic location further south than the Tier 1 authorities to which this control automatically applies (and hence lower altitude of sun during winter months) and predominantly mountainous or hilly topography (which itself generates significant additional shading in some locations) without fundamentally undermining the ability to deliver medium density typologies. Modelling indicates (refer to Figure 5 and Figure 6 overleaf) that typical medium density typologies could still be enabled on sloping sites with a more restrictive recession plane depending on its orientation.

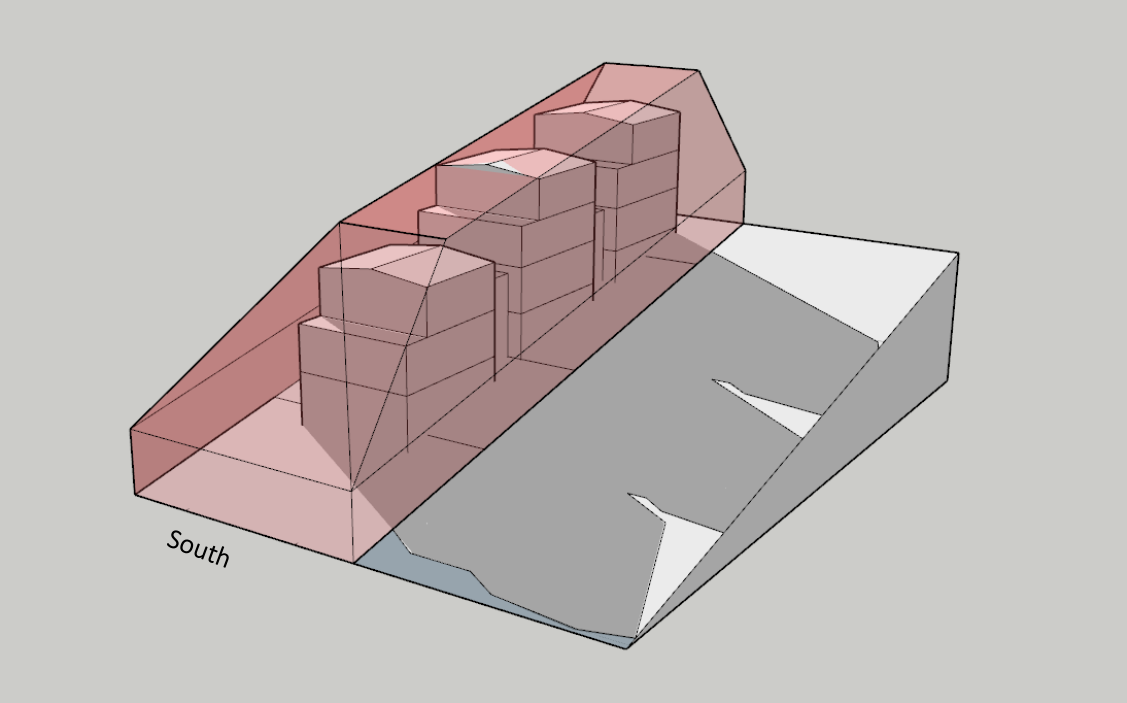


Figure 5 - Application of a 35^0 recession plane on the rear boundary a sloping site with an increased height limit to 11m. Model shot is taken at 3pm on 21 September with the models shown fully compliant with all standards.

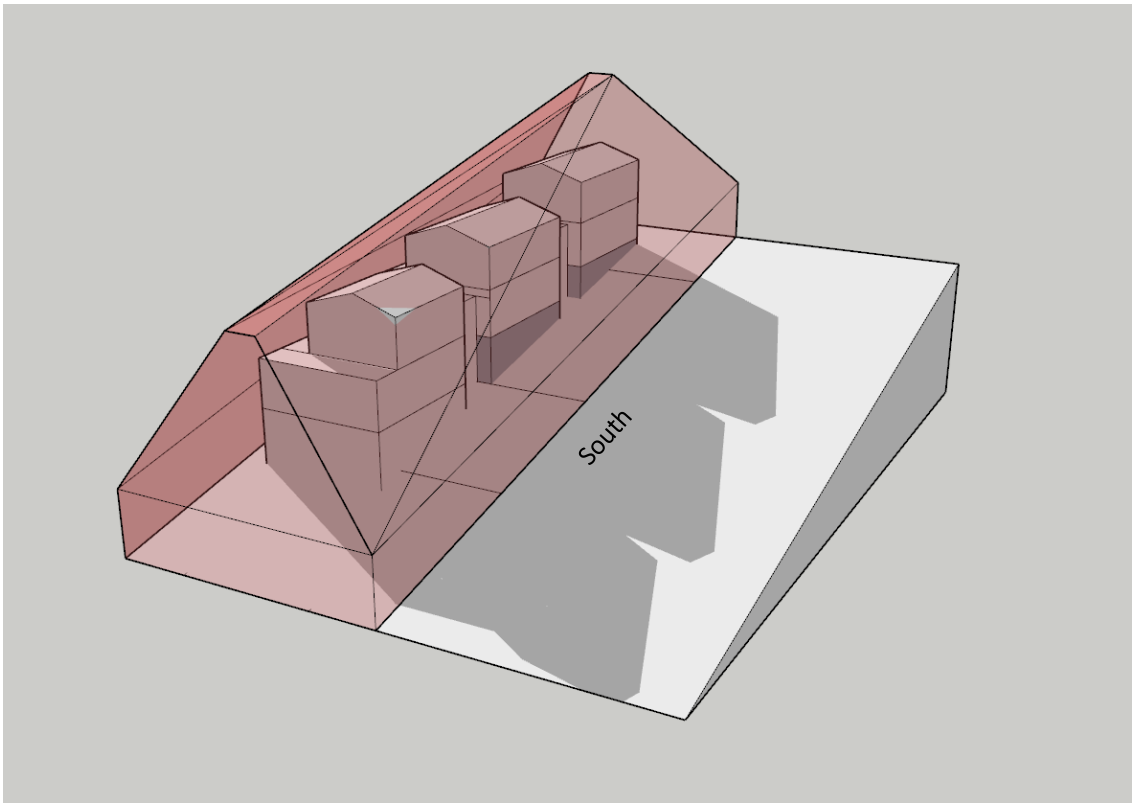


Figure 6 - Application of a 35^0 recession plane on the side boundary of a sloping site with an increased height limit to 11m. Model shot is taken at 3pm on 21 September with the models shown fully compliant with all standards.

- The second option would be to adopt the approach taken in the Auckland Unitary Plan which provides for an alternative control for the front portion of the site, with more restrictive controls at the rear. This option would apply the $4m+60^0$ standard from the MDRS at front 20m of site with a $3m+45^0$ standard applying across the balance of the site. As with Option 1, exemptions to this control would apply at the boundary with roads, public open space, and business zones as well as for minor infringements relating to roof eaves or gables. This has a benefit of encouraging a greater level of building bulk to positioned at the front of a site where effects can largely be confined to the road corridor. It is intended to facilitate development at the frontage, provide better light and outlook for street-facing terraces, and avoid overlooking and dominance at side boundaries. A comparison between both options is provided in Figure 7 below.

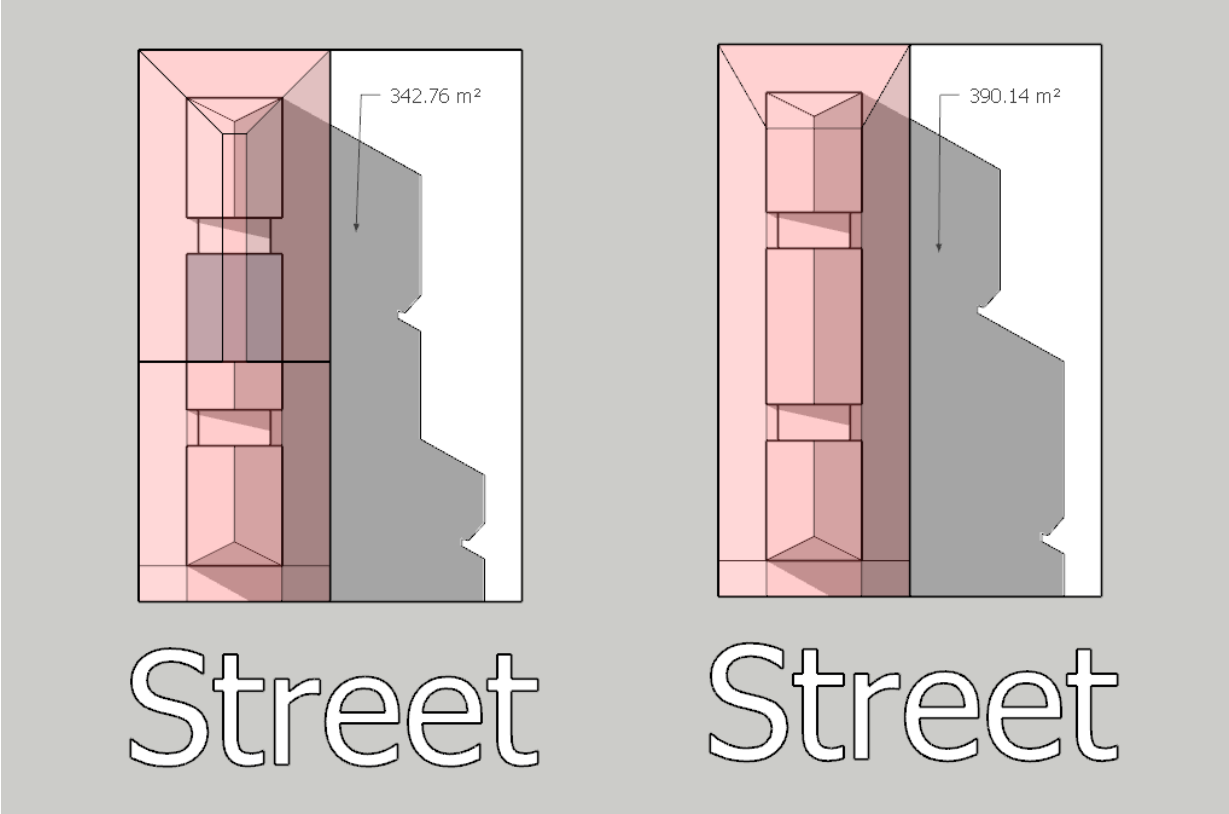


Figure 7 - Shading difference between Option 1 (right) and Option 2 (left). Model shot is taken at 3pm on 21 September with the models shown fully compliant with all standards.

4.4 Building Setbacks

Existing provisions support a road boundary setback of 3m minimum. This provides opportunities for landscaping that can support streetscape character and amenity. It would be a rational design response to maximise landscaping in this space to help meet the requirements of Rule 8.5.7. Although a narrower setback could support reasonable levels of landscaping, a 3m setback also provides further opportunities to establish larger horizontal spreading specimen trees[9] fronting the road corridor. However, there is no associated landscaped rule to support this. It is recommended that this rule be strengthened by requiring a minimum level of landscaping in this setback. A common approach is to require at least 50% of a front yard to be landscaped with a mixture of groundcover, grasses and trees.

An additional setback of 4.5m applies to the boundaries of State Highways. As it relates to urban design, there is no justification for a greater setback from the boundary of a State Highway noting that these function as typical urban arterials at the interface of the MDRZ. Accordingly, it is recommended to remove a specific standard for setbacks from State Highways.

4.5 Outdoor Living & Outlook Space Standards

The MDRZ does not currently feature any minimum outdoor living space or outlook space standards. Based on the existing building coverage and maximum density standards such controls are unlikely to be required. However, a consequential amendment to the MDRZ in light of the recommended removal of density controls

[9] As opposed to columnar or fastigiate species that are more suitable to narrower landscaping strips adjacent to buildings.

would be to adopt the outdoor living space and outlook space standards of the MDRS. This would be beneficial in providing for an appropriate level of onsite amenity for more intensive residential uses.

4.6 Other Standards

There are a number of existing standards which are not considered to unduly restrict development of medium density typologies and help to promote positive design outcomes. This includes standards relating to maximum building length above ground floor, building coverage, garage door standards, building setbacks (excluding some road boundary setbacks), waste space and landscaped area standards.

4.6.1 Building Length

New Zealand's predominant cadastral pattern is typically characterised by sites which are longer than they are wide. This pattern can be clearly seen across the District. Longer sites in combination with narrower widths tends to generate buildings which extend a long way back from street frontages to maximise yield. This is reinforced by other development standards such as building setbacks and sunlight admission recession planes which consistently apply over the length of a site. The increased height proposed and removal of density restrictions within the MDRZ has the potential to encourage a "wall" of development running perpendicular to the street. With higher buildings and the removal of density controls, this can result in a visually dominant built form that can affect the outlook of neighbouring sites; directs outlook over adjoining sites impacting on privacy and the amenity of existing residents reducing a person's enjoyment of that space; and can create a feeling of being closed in or contained.

Whilst people living in an urban environment can reasonably expect to see others – both in neighbouring dwellings/ private open spaces and in public places – this is generally in a more transient, incidental situation (i.e. someone walking past). The revised MDRZ (combined with the predominant cadastral pattern) could promote a situation where dwellings are designed to permanently orientate over neighbouring sites. The impact of this increases with height (above ground level) in combination with the overall density of development. These issues are potentially further exacerbated in the event neighbouring sites are developed under similar circumstances.

There are a number of urban design benefits that a building length standard provides and adverse effects that it could manage. These include:

- Limits the potential for adverse visual dominance impacts resulting from the 'wall' effect that long, low and uninterrupted building elevations perpendicular to the street can have on adjoining sites;
- Potentially encourages a greater proportion of dwellings to maximise their outlook over the street and internally towards the rear, rather than over neighbouring properties to the side;
- Allows for daylight and/ or sunlight penetration into new buildings at each end enhancing internal amenity for future residents;
- Allows for improved daylight and/ or sunlight penetration through to adjoining sites;
- Could provide for opportunities to retain views through to surrounding outstanding natural landscape features and support a higher-level of on-site amenity;
- Encourages more meaningful/ functional areas of open space (private or communal) that can cater for increased on-site amenity.

4.6.2 Building Coverage

The existing MDRZ provisions allow for a total site coverage of 45%. This is generally consistent with, albeit slightly lower than, the 50% enabled by the MDRS. I support the retention of the 45% building coverage control which has to be viewed in three-dimensions with reference to permitted building height. When combined, these controls establish a building envelope/ volume. A building coverage control of 45% can help to ensure that there is a greater degree of "openness" on any given site and this helps to provide opportunities for daylight and sunlight access through and around sites depending on the configuration of built form. The benefit of this is that it provides opportunities for more substantial areas of landscaping to support on-site amenity and also better supports opportunities to retain views around building to surrounding outstanding natural landscape features which is a defining characteristic of the urban environment across the District. In turn, this could help support a higher-level of on-site amenity.

4.7 Queenstown Hill

There remain some larger sites, on the upper slopes of Queenstown Hill that are currently located within the MDRZ (refer to Figure 8). Due to the nature of the underlying topography and resultant street/ block structure, these pockets of land are relatively isolated from the Town Centre and Frankton Road (albeit proximate "as the crow flies"). As with Arthur's Point, a consistent approach to density and zoning would be to consider adoption of the LDSRZ in this location. However, the eastern site accessed via Windsor Place represents one of the few remaining undeveloped and zoned parcels of land near Queenstown. As such, there is the potential to support a comprehensively designed scheme that can deliver higher yields of new dwellings than if the LDSRZ was to apply. As such, retention of the MDRZ is still considered appropriate in this locations. However, in light of this relatively poorer performance of these areas in terms of their accessibility, consideration could be given to adopting a lower height limit (e.g. maintenance of existing height limits). This would limit the total (permitted) plan enabled yield obtainable on these sites by restricting development to between two and three stories depending on the extent of earthworks proposed for any given development. This would ensure an efficient use of the land could still be attained whilst a design review as part of the resource consent process could help to ensure a quality-built form in what is a visually prominent area within the wider Wakatipu Basin.

4.8 Lake Hayes Estate

An existing area of recently developed residential land within the Lake Hayes Estate centred around Red Cottage Drive currently falls within the MDRZ and was developed as a Special Housing Area. This area has been developed at a more intensive suburban scale, with one-to-two storey detached dwellings, which is more consistent with the overall built form outcomes of LDSRZ. The accessibility analysis identifies this area as performing relatively poorly, especially compared with areas west of the Shotover River. Consideration could be given to a change to the adjacent LDSRZ in this area to ensure a spatially consistent application of different residential zones/ densities. However, as this area has been recently developed retention of the existing MDRZ (with modification) or application of the LDSRZ is likely to represent a largely academic exercise.

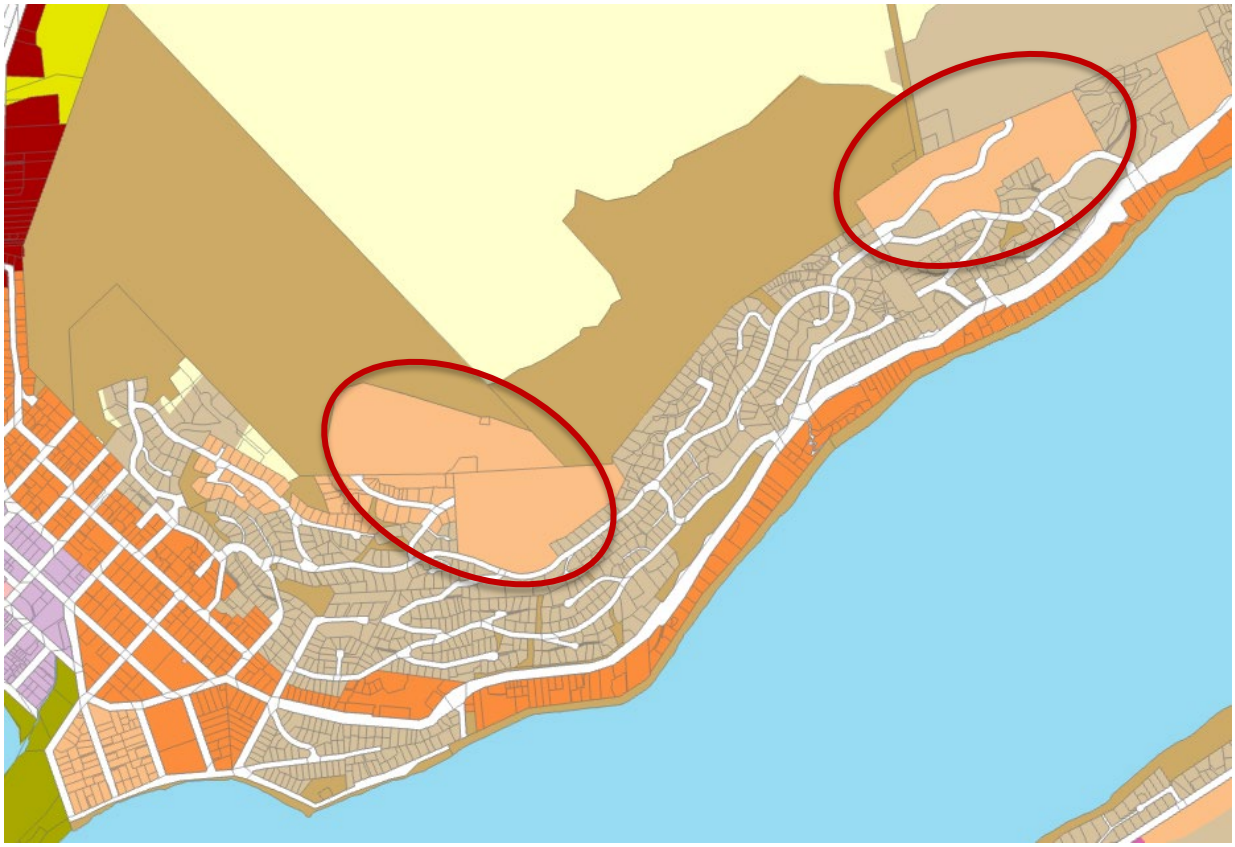


Figure 8 - Potential areas to consider for rezoning to LDSRZ or applying bespoke height controls to reflect reduced accessibility (circled red).

4.9 Arthur's Point

Small pockets of MDRZ are currently provided for in Arthur's Point and are associated with tourism/ visitor accommodation uses. If you were to take a consistent approach to accessibility across Queenstown Lakes it could be appropriate to consider applying the LDSRZ in this location. However, the use of the MDRZ has been applied to address the unique contextual situation of Arthur's Point in terms of its function within the wider tourism industry of Queenstown Lakes. As such, there are no concerns in urban design terms with retaining the MDRZ in this location. In light of the area's poorer accessibility, retention of the existing height limits under the PDP in a similar manner discussed in Section 4.7 above could still be utilised.

4.10 Wānaka

Two existing pockets of recently developed residential areas north of Wānaka Town Centre and near Mt Aspiring College currently fall within the MDRZ (refer to Figure 9). These areas have been developed at a more suburban scale, single-storey and detached dwellings, which is more consistent with the LDSRZ. The accessibility analysis identifies these areas as performing relatively poorly, especially compared with areas immediately around the Town Centre. Consideration could be given to a change to the adjacent LDSRZ in these areas to ensure a spatially consistent application of different residential zones/ densities. However, as these areas have been recently developed retention of the existing MDRZ (with modification) or application of the LDSRZ is likely to represent a largely academic exercise.

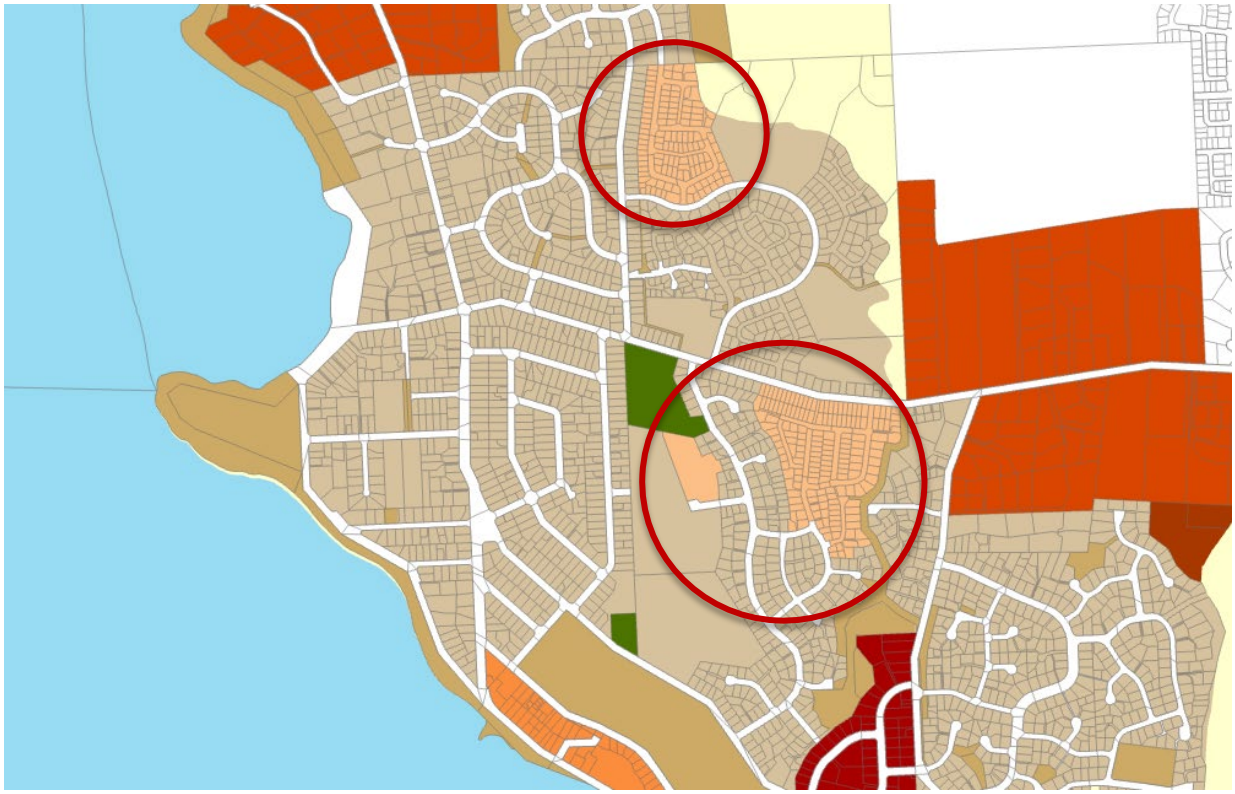


Figure 9 - Potential areas to consider for rezoning to LDSRZ (circled red).

4.11 Objectives & Policies

In addition to the above recommendations, changes would likely be required to the policy framework of the MDRZ. Of particular relevance to urban design matters, I consider the following changes would be beneficial to support an amended suite of built form standards within the MDRZ:

- Amend objective 8.2.1 and policies 8.2.1.1 and 8.2.1.3 to refer to enabling/ locating medium density development in areas with good[10] accessibility and/ or demand.
- Amend Policy 8.2.1.4 to enable "apartment" housing. Policy 1 of the MDRS provides a similar alternative.
- Amend objective 8.2.3 and policies 8.2.3.1 and 8.2.3.2 to remove reference to "maintenance of amenity values". The focus should instead be on design outcomes you could be seeking to enable on neighbouring sites (e.g. "provide opportunities for sunlight …")

[10] The comparable objectives/ policies for a High Density Residential Zone would refer to "high" accessibility or demand to help establish a clear hierarchy.

5.0 High Density Residential Zone

5.1 Review

The National Planning Standards define a High Density Residential Zone (HDRZ) as "areas used predominantly for residential activities with high concentration and bulk of buildings, such as apartments, and other compatible activities." This provides a clear contrast with the MDRZ with an expectation of mid-rise to high-rise typologies being enabled.

The objectives and policies are generally well aligned with enabling denser types of development. However, on balance, the standards are still quite restrictive and are not considered enabling of the higher densities envisioned by the zone framework or national policy direction. The exception to this is on sloping sites where the lack of any recession plane allows for significantly more development than on flat sites which are themselves subject to recession planes which are more closely aligned with low-density suburban areas of New Zealand. The effect of this is to make development more restrictive on flat sites which have a benefit of being easier/ cheaper to develop. This results in a significantly different effects envelope being enabled on sites adjacent to a site identified as sloping. In this regard, there seems to be an acknowledgment that a reduction in existing amenity values is considered appropriate if it is required to enable development anticipated by the zone provisions. The varied height controls for Wānaka also limit the potential for high density housing and are more aligned with medium density or even smaller scale suburban housing with a height limit of two-storeys.

The S42A report for the HDRZ, indicates that this differentiation was largely driven by the proposed controls being quite restrictive in the first place. In addition, the activity status for infringements also adds to the restrictiveness of the standards. Further, in my experience, development standards are often (mistakenly) interpreted as "bottom lines" which must be complied with, with any infringements generating adverse effects that must be addressed rather than as triggers for further or more detailed assessment. For these reasons, it is not uncommon for applicants to seek to conform with key development standards controlling bulk and location which means that these could be acting as a barrier to supporting intensification for all but the most well-resourced applicant.

5.2 Bulk & Scale

5.2.1 Height

Existing permitted heights in the HDRZ are generally limited to 12m which is comparable to the height limit of the MDRS (11m +1m). There are some exceptions to this with up to 15m and 20m enabled in some locations and subject to a more onerous resource consent status.

Generally speaking, the cost of construction greater than three storeys in New Zealand increases significantly due to structural engineering, circulation and fire standards. This also creates challenges with securing and servicing funding to enable more intensive development to occur.[11] These factors, combined with higher levels of accessibility in and around Queenstown Town Centre in particular mean that a higher permitted building height would be appropriate to assist in recouping the additional costs associated with more intensive building typologies. To help address the above issues, an increase in building height up to 16.5m is considered appropriate in the local context – enabling building up to five storeys in height. This will provide a transition in

[11] Alternative housing models such as build-to-rent or community housing, as well as emerging construction technologies like light-weight structural timber may improve the feasibility of more intensive housing developments.

scale between the increased heights proposed in commercial zones (refer to Section 6.0 of this report) with the MDRZ and also provide an incentive for the development community over and above the MDRZ to support greater levels of intensification in areas with high levels of accessibility to a range of commercial and community amenities.

In determining an appropriate height in metres equivalent to a five-storey residential building, a 16.5m height limit is proposed. As with the MDRZ, it is not considered necessary for any distinction between flat and sloping sites is warranted provided the package of standards is appropriately enabling. This would enable five storeys with a floor-to-floor height of 3.1m (this would enable an internal floor-to-ceiling height of approximately 2.7m) and totalling 15.5m.[12] An additional allowance of 1m has also been included to accommodate sloping roof forms.[13]

5.2.2 Sunlight Admission

Compliance with the MDRS sunlight admission standard or that of the PDP is unlikely to deliver the expected higher intensity residential development anticipated in the HDRZ. The existing provisions (2.5m + 45^0) as applied to flat sites are typical with controls seen in low density residential zones across New Zealand and are designed to enable predominantly single storey, detached typologies. Without significant infringements, they also promote a "wedding cake" built form response which can be both inefficient and visually unattractive. In order to achieve a development of the size and scale generally anticipated for the HDRZ, there is a need for a more enabling sunlight admission standard that works in concert with increased permitted height limits. Consistent with my recommendations for the MDRZ, it is not considered necessary for any difference between flat or sloping sites is required provided the standard itself is sufficiently enabling of the built form outcomes anticipated and that these should be removed in their entirety.

Apartment buildings (and to a lesser degree terraced housing development) typically require a large, flat floor plate at each level so that multiple units at each level share a stair landing and potentially a lift lobby. Taking into account typical 1-bedroom apartment unit sizes of $45m^2$, it would not be unreasonable to assume a floor plate of at least $260m^2$ (roughly 12m wide by 22m deep). If sunlight admission angles are set too restrictively it can limit the viability of achievable floorplates at upper levels, effectively acting as a *de facto* height limit across the entire site.

As such, it is recommended that the sunlight admission angles are amended to 8m+60^0 from all boundaries excluding road boundaries[14] and southern site boundary across the entire HDRZ. As with the MDRZ, exemptions to these controls should apply along the boundary with roads, public open space and business zones. Minor exemptions should also apply to roof eaves and gables. An 8m+45^0 standard could be sought along the southern boundary of a site consistent with the approach recommended within the MDRZ. These should apply to both flat and sloping sites. This would enable buildings up to 11.5m in height to be built without infringing the recession plane (assuming compliance with the 2m building setback). The full 16.5m building height would be achievable within 4.9m[15] of a side boundary and will help ensure viable floorplates (7m wide) can be delivered on sites as narrow as 17m.

[12] 3m is generally regarded as the absolute minimum required to ensure sufficient internal floor-to-ceiling heights. Apartment schemes typically feature floor-to-floor heights of 3.1-3.2m while higher end developments can include floor-to-floor heights of up to 3.4m.

[13] Flat roofs still require a pitch of 3% - across a 12m wide building this equates to additional roof height of 0.75m.

[14] No sunlight admission angle should apply from the road boundary consistent with the MDRS.

[15] This would increase to 8.5m along the southern boundary with the application of a 45^0 recession plane.

The proposed sunlight admission recession plane is still modest compared with other approaches to other HDRZ's in New Zealand.[16] As building heights are increased above the three to four storeys currently enabled, a potential risk of the space between buildings being excessively enclosed might emerge. The proposed recession plane in combination with a proposed outlook standard allow some sunlight into these spaces between buildings. The impact of the proposed increased height limit and amendments to the sunlight admission control is shown in Figure 10 below. This demonstrates that there is minimal additional theoretical shading that would be generated throughout the majority of the day during the spring equinox. It should be noted that the below provides a representative scenario for the year (displaying shading during the spring equinox[17]) as existing buildings, fencing and vegetation as well as shading from surround mountains will all have various impacts in a real-world situation.

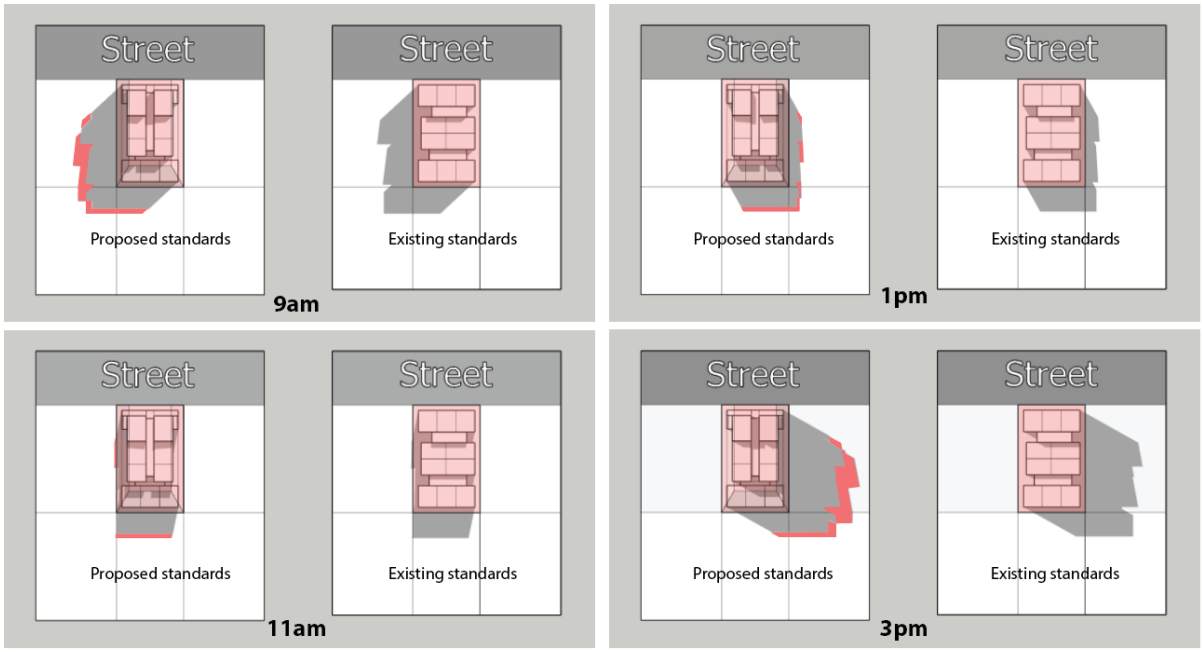


Figure 10 - Shading difference between proposed HDRZ standard and existing HDRZ standards on a sloping site (red indicates additional shading). Model date of 21 September.

An alternative approach to the sunlight admission recession plane would be to adopt the same standard as the MDRZ (4m+60^0) and just rely on the increased height and building coverage as a key differentiator between the MDRZ and HDRZ. This would have the practical effect of limiting development up to the 16.5m height limit to sites of at least 22m in width. A large portion of parcels within the existing and recommended HDRZ (where infill development has not previously occurred) feature lot widths of between 15m and 21m. A more restrictive sunlight admission angle in line with the MDRS would therefore place a high reliance on site amalgamation to achieve anticipated built form outcomes and realise the intensification benefits sought by the HDRZ. As such, a more enabling 8m+60^0 standard is considered more appropriate.

[16] For example, Auckland Council has proposed a recession plane of 19m+60^0 to apply in their THAB Zone as part of Plan Change 78.

[17] The equinox is considered an appropriate time to consider potential effects noting it falls half-way between the best case (summer solstice) and worst case (winter solstice) scenarios and is therefore more representative of potential effects that could be experienced over the majority of the year.

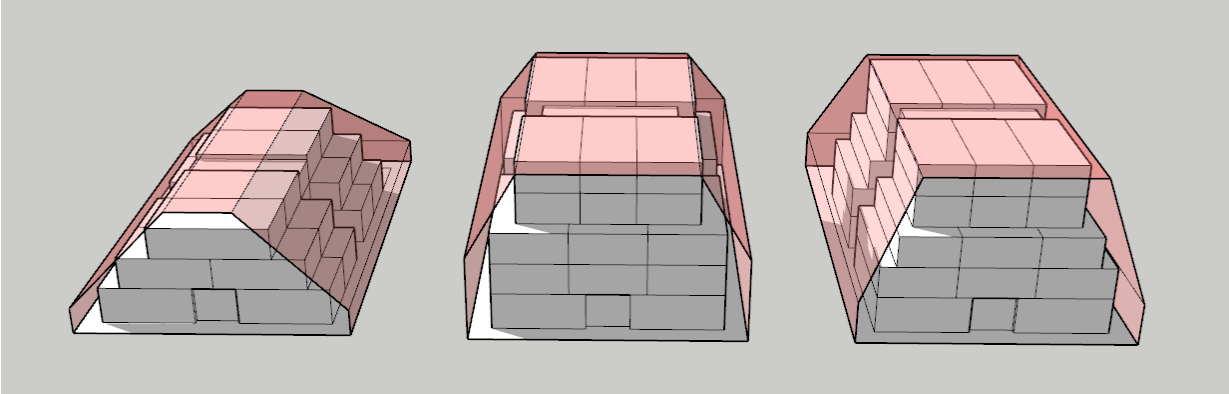


Figure 11 - Potential building envelopes for building height and sunlight admission controls for existing HDRZ (left), recommended option (middle), and alternative option (right).

5.3 Bespoke Provisions

There are a number of bespoke height provisions relating to parts of the HDRZ in areas like Kawarau Falls Bridge, below State Highway 6 (SH6) in Frankton and Frankton North. More onerous standards limiting height within the HDRZ to between 7 and 8m also apply in Wānaka.

5.3.1 Kawarau Falls

The retention of building height restrictions within the HDRZ for sites below SH6 and adjacent to Kawarau Falls Bridge remains appropriate under the policy direction of the NPS-UD and taking into account the results of the accessibility and demand analysis. This area clearly does not perform as well as other areas closer to Queenstown and Wānaka town centres and it is understood that the vistas from SH6/ Frankton Road south towards Lake Wakatipu, Kelvin Heights and Cecil Peak are valued by the local community. It is recommended that this area is incorporated into a revised MDRZ and note that this would still provide for a similar/ slightly increase in development potential for these areas. This would also have the benefit of a more coherent zoning strategy/ planning approach consistent with the outcomes of the accessibility and demand analysis and national policy direction. An alternative option would be to adopt the status quo approach and retain the HDRZ whilst applying bespoke height controls noting that the key driver for development in this area may be related to the needs of visitor accommodation rather than purely aligned with the accessibility requirements of the NPS-UD.

5.3.2 Wānaka

With regards to the HDRZ in Wānaka, with modifications proposed to the MDRZ there is a potential that development in the existing HDRZ would be less enabling. Based on the location of the HDRZ near the town centre and in Three Parks, there would ideally be amendments to ensure the heights and density of development in these areas is commensurate with their location within the wider urban structure. As such, heights in these areas should be increased to levels no less than that proposed for the MDRZ. Given the location of the HDRZ in Wānaka, and its overall role as a smaller order centre within the District with lower levels of accessibility when compared with Queenstown (albeit still better than many other parts of the urban environment), it could also be beneficial to treat the HDRZ distinct from that elsewhere in the District. This would help reinforce Queenstown as the primary urban centre across the District whilst still enabling greater levels of intensification in and around Wānaka.

5.3.3 Arthurs Point

The application of the HDRZ in Arthurs Point appears to be provided to support the development of visitor/ tourist accommodation rather than typical residential uses. As such, there are no fundamental concerns in urban design terms with retaining the HDRZ in this location given this context. However, it is noted that the accessibility analysis identified that Arthurs Point performed relatively poorly in terms of accessibility within the wider urban environment. This is not surprising as there are limited local amenities and a single, infrequent bus service providing links between Queenstown and Arrowtown. As such, retaining the focus on visitor accommodation in this area of HDRZ is an important distinction that should be retained.

5.3.4 Frankton North

In terms of height standards relating to Frankton North area, a restricted-discretionary consent can be sought for heights up to 20m whereas up to 12m is a permitted activity. Development over 20m triggers a non-complying activity status where a discretionary status is applied elsewhere. At a minimum, it is recommended to increase the 12m height standard to 16.5m for consistency across the HDRZ.

I note that this is currently a greenfield environment. As such, buildings over 20m are unlikely to generate comparable level of effects on neighbouring sites (as these do not yet exist) and there is therefore an opportunity to signal a slightly more enabling consenting pathway for height infringements in this location. Many of the issues which may be relevant when considering intensification such as impacts on existing residents therefore do not currently apply. As such, it is recommended that removing the non-complying component for development which infringes the 20m height limit would be appropriate so as to not foreclose on a more efficient use of this land and provide greater design flexibility in this area as this may result in better overall design outcomes. As set out in section 5.2.2, apartment typologies often rely on larger floorplates which reduces some ability to accommodate slope changes in an efficient building design. It is highly likely that there may be situations where minor infringements are appropriate or necessary to accommodate anticipated building forms.

5.4 Building Setbacks

Existing provisions support a road boundary setback of 2m minimum. This provides opportunities for landscaping that can support streetscape character and amenity. An additional setback of 4.5m applies to the boundaries of State Highways. In urban design terms, there is no justification for a greater setback from the boundary of a State Highway noting that these function as typical urban arterials at the interface of the HDRZ.

I recommend removing a specific standard for setbacks from State Highways and reducing the setback from road boundaries from 2m to 1.5m (consistent with the MDRS). This helps to provide a subtle variation in the residential zone framework (as opposed to the 3m required in the MDRZ) and expressly acknowledges a more "urban" character and expectation for development within the HDRZ and will help provide a transition in building form into commercial zones assisting with legibility of urban areas.

5.4.1 Building Setback at Upper Floors

An additional control which could be considered to address values identified by the community and potential concerns over enabling a greater density/ height of development could be through the introduction of a "building setback at upper floors" control. A simple control would be to apply a 2m setback above 10m/ 3-storeys from the corresponding yard setback (i.e. a building at upper levels would not require a further setback if already built 2m or beyond from the yard setback such as shown in Figure 12 overleaf). This standard would work in concert with the recommended recession planes (i.e. it would not impose additional standards on top of recession planes applying from side/ rear boundaries).

The purpose of this would be to provide for some additional daylight/ sunlight opportunities onto the street and neighbouring sites and to help to reduce the visual impact of the additional height enabled noting that the HDRZ also contains a high building coverage allowance which differentiates it from many other high density residential zones in New Zealand. This would keep the bulkiest part of the building at a lower scaled 3-storeys. Similar provisions existing in the Auckland Unitary Plan and apply to development within business and mixed-use zones which enabled much higher levels of building coverage and defined setbacks are a common architectural approach to reduce the perceived size of a development. A comparable example already undertaken in Queenstown is the Ramada development on Stanley Street which employed an upper storey setback above the fourth storey.

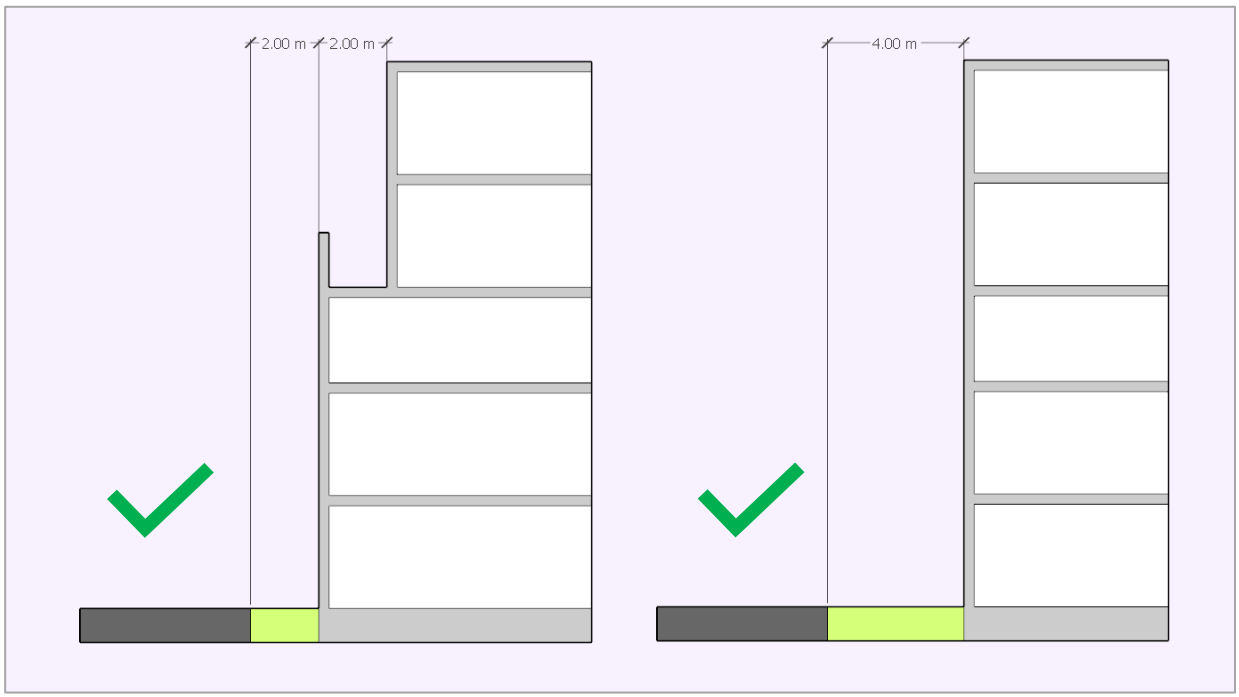


Figure 12 – Differing application of potential upper-storey setback within the HDRZ. The building on the right can utilise a greater front yard setback in lieu of the upper-storey setback.

5.5 Waste and Recycling Storage Space

The PDP currently requires a minimum waste and recycling storage area of 2m^2 for each residential dwelling within the HDRZ. Waste and recycling are an important consideration for any higher density development, however there are a range of ways this can be accommodated such as individual bins for units to larger communal bins collected via a private company. Communal options would also likely deliver much more space efficient options in an apartment building. As such, it would be more appropriate for a specific standard around waste storage to be removed. Instead, this would be better addressed as part on overall design assessment of a development. This could be done through matters of discretion or assessment criteria. An example criterion could be worded as:

> *"the extent to which the necessary waste collection and recycling facilities are provided in locations conveniently accessible for occupants."*

This potentially removes an additional matter of consent which is not well aligned with the practical realities of more intensive housing development.

5.6 Outdoor Living & Outlook Space Standards

The HDRZ does not currently feature any minimum outdoor living space or outlook space standards. However, a consequential amendment to the HDRZ in light of the recommended increase in height and relaxation of sunlight admission standards would be to adopt the outlook space standards of the MDRS. This would be beneficial in providing for an appropriate level of onsite amenity for more intensive residential uses and ensuring some degree of separation for dwelling not orientated towards the street or other public open spaces.

With regard to outdoor living space standards, in recognition of the zone being located in areas with high levels of accessibility it is considered that retention of no minimum outdoor living space standard is appropriate. In the majority of instances, sites within the HDRZ have proximate access to public open spaces which can help fulfil this role. It is also noted that this provides increased flexibility in terms of housing typologies provided and further differentiates the HDRZ from the MDRZ.

5.6.1 Other Standards

There are a number of other existing standards which are not considered unduly restrict development of high density typologies and help to promote positive design outcomes. This includes standards relating to maximum building length above ground floor[18], building coverage, garage door standards, building setbacks (side and rear boundaries) and landscaped area standards.

5.6.2 Subdivision

The above would also require amendments to related standards within Chapter 27 – Subdivision and Development.

As with recommendations for the MDRZ, subdivision standards around minimum sizes and dimensions should not apply to subdivision that is in accordance with existing or concurrently approved land use consents. In these instances, the adequacy of site sizes and dimensions can be considered in the context of a proposed building and could otherwise give rise to unnecessary consent triggers which serve no practical benefit from a design perspective.

In terms of minimum site areas, the PDP currently requires a 450m^2 site area combined with dimensions of at least 15m x 15m. This provides a degree of flexibility for future dwelling design. However, consideration should be given to increasing the minimum lot dimensions for vacant lot subdivision within the HDRZ. This is an approach that has been adopted in the Auckland Unitary Plan[19] and seeks to avoid an issue where vacant lot subdivision could foreclose on future intensification opportunities that could be achieved through more intensive building typologies such as apartments. An increase to 20m x 20m and a minimum site area of 600m^2 could better support enabled building forms within a revised HDRZ in the event of a vacant lot subdivision.

Adopting smaller minimum dimensions could create a constrained building platform therefore creating a risk that only a very specific building design can be accommodated that does not maximise potential of the zone. As such, there needs to be sufficient flexibility in the minimum vacant lot standards to enable the development of a new dwelling with undue risk of infringing development standards and creating a notification risk which can act as a barrier to development and good urban design outcomes.

[18] Refer to rationale in Section 4.6.1.
[19] Rule E38.8.1.1(2).

5.7 Consequential Changes

Increased building heights and density of development recommended within the HDRZ would give rise to a number of consequential amendments to various HDRZ provisions. These include:

(a) Matter of discretion 9.4.5(b) should be amended to remove reference to "sunlight" as this matter should be limited to assessing potential infringements to building height or recession planes – rather than buildings generally enabled/ planned for;

(b) An additional matter of discretion addressing on-site amenity for future residents to better enable consideration of the functionality of units/ orientation/ outlook etc. 8.7(c)(i)-(iv) of the Draft Te Putahi Ladies Mile Planning Provisions provides a good basis for this and could also replace 9.4.5(d) and 9.4.5(e);

(c) The Residential Design Guide should be amended to remove any reference to specific provisions/ standards (e.g. building height), and instead focused on good design principles only.

5.8 Objectives & Policies

In addition to the above recommendations, changes would likely be required to the policy framework of the HDRZ. Of particular relevance to urban design matters, I consider the following changes would be beneficial to support an amended suite of built form standards:

(a) Amend objective 9.2.1 to refer to areas of "high accessibility" and "demand. E.g: High density housing development occurs in urban areas close to town centres with high accessibility, to provide greater housing diversity and respond to expected population growth and demand for housing.

(b) Amend objective 9.2.3 and policies 9.2.3.1 and 9.2.3.2 to remove reference to "maintenance of amenity values" which has the potential to actively hinder the types of built form outcomes anticipated within a high density residential area. The focus should instead be on design outcomes you could be seeking to enable on neighbouring sites (e.g. "provide opportunities for sunlight …")

6.0 Queenstown Town Centre Zone

6.1 Review

The PDP provisions manage urban design issues through a highly complex mix of development standards and assessment matters as well as special carve-outs for individual sites which had their genesis within the Operative District Plan. These are comprehensive but it is considered that they require amendment to reflect the new policy focus of the NPS-UD (as it relates to design and built-form) on the quality and functionality of the future built environment as well as the amenity benefits of enabling people to live in areas of high accessibility, rather than the maintenance of the existing lower scale character of the town centre.

Existing provisions are based on a fine-grained approach around streets, public open spaces and the scale of existing development (regardless of age). With a particular focus on sunlight during the middle of the day around mid-winter. Whilst sunlight (and the amenity that can be derived from it) remains relevant, the approach is considered very restrictive and sets the maximum level of development based on periods with the minimum amount of potential sunlight across all areas of public open space and streets. In addition, high-level shading analysis indicates that existing topographical features around the town centre already cast extensive shadows across the town centre throughout various periods of the day (especially during winter).

6.2 Bulk & Scale

6.2.1 Heritage Precinct

There are a number of scheduled historic heritage items within Queenstown Town Centre. The majority of these are concentrated within a Historic Heritage Precinct which is centred along Ballarat Street. A wider area between Camp Street and the lakefront forms part of a "Special Character Area".

From an urban design perspective, the utilisation of Historic Heritage as a qualifying matter that can limit the height and density of development within Queenstown Town Centre is appropriate in urban design terms. I also support the retention of controls on sites in the immediate proximity of these listed buildings so as to avoid a situation where new development is of a scale that dominates or detracts from those historic heritage values. I note that the existing provisions generally provide opportunities for the potential of an additional storey of development adjacent to heritage buildings. This would remain be an appropriate design response to the context and recognised heritage characteristics of specified building and heritage "core" of the Town Centre.

As such, I believe there is value in retaining the low-rise characteristic of the Historic Heritage Area. From an urban form perspective, I believe this should also cover the block bounded by Church, Earl and Camp Streets which also contains a number of scheduled heritage items.

Based on the above, I would recommend:

- Maintaining a maximum building height of 8m in the existing block bounded by Beach Street and Rees Street to protect heritage values as well as support appropriate levels of sunlight access to Earnslaw Park and the lakefront area.
- Maintaining the maximum building heights for sites within the Historic Heritage area (including sites fronting Ballarat Street north of Camp Street) and the block bounded by Church Street/ Earl Street.

6.2.2 Special Character Area Precinct

The Special Character Area captures a broad part of the Town Centre around the periphery of and including the historic core (as discussed in section 6.2.1 above). The PDP requires development in the Special Character Area to be consistent with the design outcomes sought by the Queenstown Town Centre Design Guidelines 2015.

The existing characteristics of the Special Character Area are a diverse collection of architectural styles and ages of buildings combined with a relatively low density of 2-3 storeys. There are some pockets of increased density provided with buildings up to 4-storeys although this appears to be achieved through low floor-floor heights. This is not dissimilar from many other town centres throughout Regional New Zealand. As the main purpose of the NPS-UD and PRPS is to enable greater density in urban environments, the existing nature of low-density commercial development within the Special Character Area[20] does not justify preventing a higher density of development in the future by constraining building heights.

Accessibility mapping has, unsurprisingly, identified that Queenstown Town Centre performs very well compared to all other urban areas in terms of access to a range of commercial and community services. From an urban design perspective, the existing nature of urban development should not undermine the benefits of

[20] Excluding the historic core discussed in Section 6.2.1.

further intensification in and around Queenstown Town Centre. As such, I do not believe there are any "special character" grounds that would justify blanket restrictions in building height.

6.2.3 Viewshafts

Height Precinct 7 features two view shafts (C and D) which limit height. The purpose of these, as set out in Tim Church's urban design evidence are to provide visual connections from Man Street towards the town centre and vice-versa towards Ben Lomond. In addition, they are intended to visually break up future development in what is a large parcel/ block which sits in a visually prominent spot at a higher elevation than the remainder of the town centre. I have been unable to ascertain the rationale for the specific location/ orientation of these view shafts, rather they appear to offer a generic visual connection to surrounding landscapes rather than specific landmarks (built or natural).

From an urban design perspective, the desire to break down larger buildings to avoid a potentially visually dominant "wall" type development is supported. However, this outcome can be better accomplished via a standard design review (resource consent/ urban design panel). In terms of providing visual connections, Height Precinct 7 is approximately 166m in length, with extended viewshafts already enabled along both Hay Street and Brecon Street corridors at either end of the block. These are, naturally, aligned with the key physical connections that provide access through to the remainder of the town centre. In contrast, Viewshafts D and C do not appear to assist legibility/ wayfinding (both physically and visually) in any meaningful way. The scale of existing development on Shotover Street and Beach Street also means that they would have limited benefit when looking back toward Ben Lomond. As such, it is considered that these have limited value from an urban design perspective when weighed up with the potential lost development opportunities through a more constrained design response in an area of high accessibility.

6.2.4 Recommendations

An analysis of accessibility and demand highlights that Queenstown Town Centre has the highest levels of accessibility across the District. The area also performs well in terms of relative demand. As such, an increase over and above existing levels of development is considered warranted.

In determining what appropriate heights/ densities would be for the area we have reviewed recent consent decisions in the surrounding environment, the Spatial Plan as well as the suite of documents prepared as part of PC50. These generally seek to enable development over and above the maximum 14m generally signalled for much of the Town Centre with PC50 enabling heights of up to 24m. As such, this provides a reliable basis for what the development community could expect to deliver. Applied more broadly than PC50, a height limit of 24m would also clearly signal Queenstown Town Centre as the "highest order" centre across the District whilst remaining firmly in a "mid-rise" / human-scaled height range.

Height limits of up to 6-storeys/24m[21] should be concentrated in blocks adjacent to Stanley and Shotover Streets away from the historic core and key public open space. Building heights should then transition down from this in surrounding blocks to recognise a slight reduction in accessibility, provide an appropriate interface with the historic core of the town centre and surrounding residential uses, and retain an appropriate level of sunlight in key open spaces of the Village Green, Earnslaw Park, Marine Parade and the grounds of St Peter's Anglican Church. Transitional heights of up to 5-storeys/ 20m are recommended adjacent to the historic core and southwards along Beach/ Shotover Streets. These height limits are shown in Figure 14 overleaf. The

[21] Floor heights within a commercial zone have been based on a floor-to-floor height of 4m as opposed to 3.1m in residential zones. A greater floor height is generally required for commercial uses as they typically have increased service requirements over residential uses. In this context, a mixed-use development with upper levels in residential uses could achieve approximately 7-toreys within the 24m height limit

approach to height would help maintain an "amphitheatre" type configuration of development in and around the Town Centre with height increases as one moves away from Marine Parade, in turn working with the topography as it rises towards Queenstown Hill and Ben Lamond helping to reflect, in principle, existing patterns of development.

In addition to the height limits, it is recommended to remove the various recession planes which apply above street level and to instead include a specified building setback of 6m. This could apply above 12m in building height across much of the Town Centre Zone and 8m around the Historic Core (where a 4m setback would apply). This approach has a number of benefits including:

- New development as viewed from the street would retain the predominant "low-scale" 3 to 4 storey character as viewed from its immediate surrounding which is prevalent across the town centre;
- A set-back of 6m as viewed from the street could effectively "hide" around 2 additional storeys of development enabled from the increased heights. An existing example of where this can be observed is the Mountaineer development at the corner of Beach and Rees Street or in Figure ;
- It provides opportunities for upper-level balconies/ communal open spaces that could benefit from access to increased levels of sunlight from their elevated position; and
- Where applicable, maintains a degree of sunlight access to key open spaces and often works in addition to building setbacks created from street corridors.

Such an approach can be seen in the centre zones of the Auckland Unitary Plan.[22] The stated purpose of this rule is to:

- *provide adequate daylight access to streets;*
- *manage visual dominance effects on streets;*
- *manage visual dominance, residential amenity and privacy effects on residential zones; and*
- *mitigate adverse wind effects*.

[22] See for example Town Centre Zone - Rule H10.6.3 Building Setbacks at Upper Floors

Figure 13 - Example of the application of upper-floor setbacks making upper-floors of a commercial building "disappear" at street level

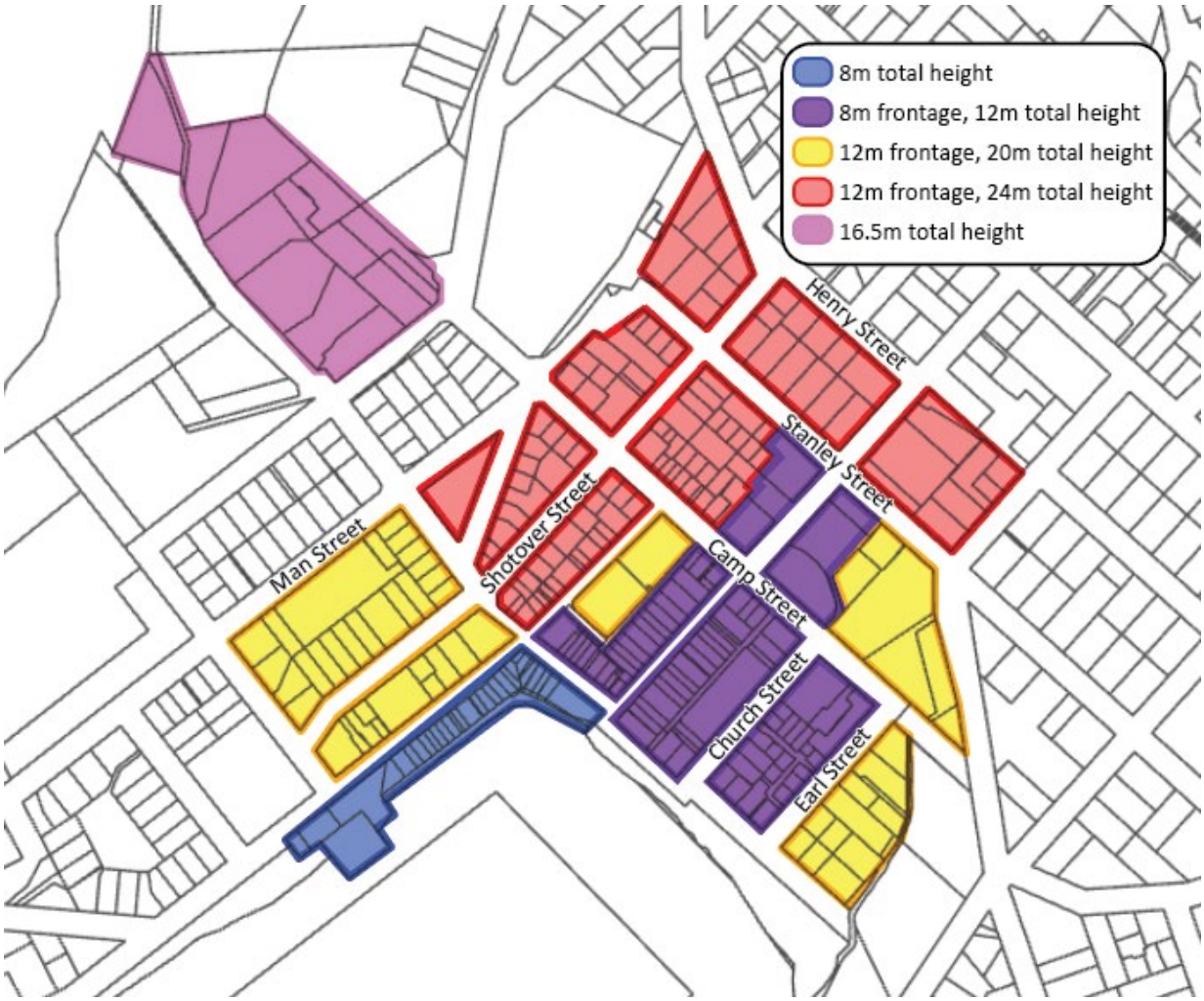


Figure 14 - Recommended Building Height Strategy

An increase in building height will invariably result in additional shading – this fact was acknowledged in the commissioner's report as part of the hearings on Chapter 12 of the PDP. To understand the implications of this a digital 3D model of the town centre was constructed. A still of this is shown in Figure 15 overleaf. It should be noted that any such model generally represents a "worst case" scenario which is unlikely to completely eventuate. In that sense, a shading model helps to demonstrate where shadows could fall, rather than where they will fall. There are a range of reasons why this is unlikely to eventuate in its entirety, including:

- Developers may not choose to maximise development potential on a given site;
- Landowners may not choose to develop at all;
- New buildings would, ideally, be subject to some form of design review process which is likely to encourage an appropriately articulate/ modulated building form that responds to its context as well as internal function; and
- Additional rules such as outlook controls could apply and result in greater physical separation between buildings than the model has assumed.

The 3d model has demonstrated that direct sunlight is still obtainable over parts of key public open spaces during winter months. However, it is notable that shading from existing buildings as well as Queenstown Hill

and Ben Lamond already has a significant impact throughout the day. However, during site visits it was noted that the presence of shadows did not deter use of these areas and areas like Marine Parade, Earnslaw Park and the Village Green retained good levels of activity during night hours. This demonstrates that there are a range of factors (outside of direct sunlight) that are important in making a space successful.

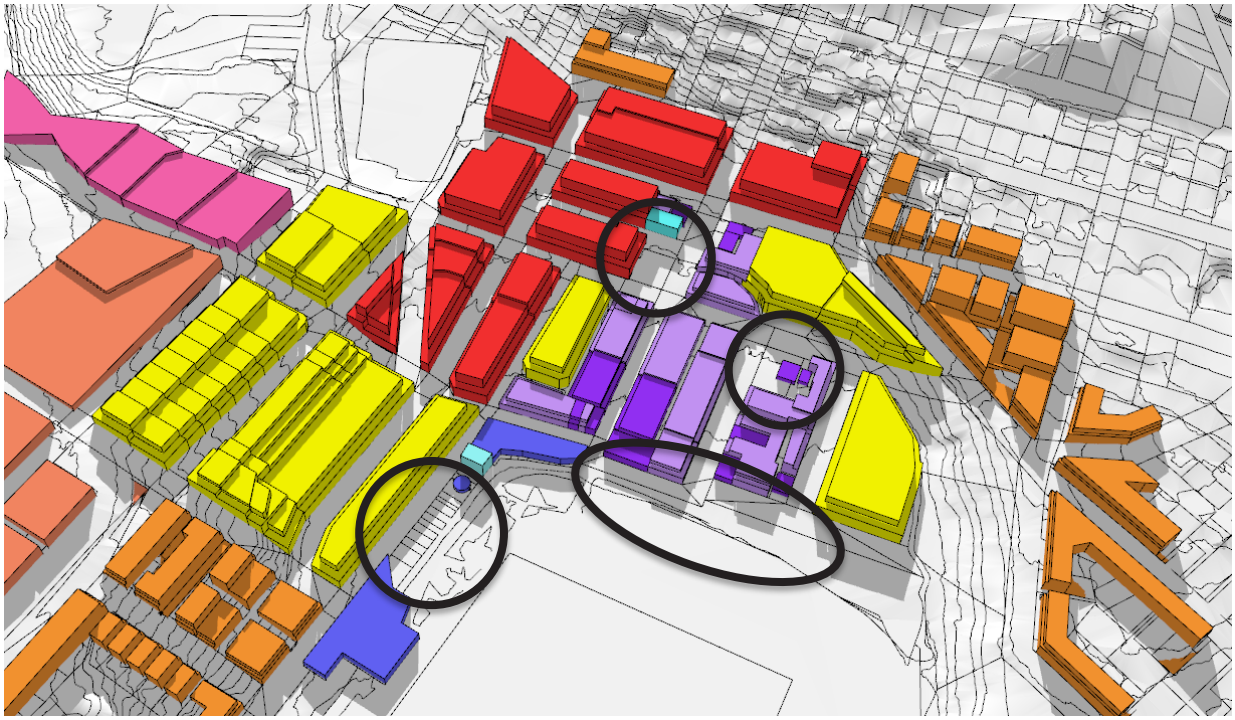


Figure 15 – Theoretical worst case (full development) sunlight access to town centre open spaces example. Model date of 21 July @ 10.30am demonstrates that the four main open spaces (Village Green, Earnslaw Park, St Peters Church and Marine Parade) within the town centre would still receive direct sunlight at certain times during winter months with recommended height increases. Note: adjacent HDRZ and PC50 areas have been shown for context.

6.3 Town Centre Transition Sub-Zone

The Town Centre Transition Sub-Zone (TSZ) applies to four blocks immediately surrounding the QTC. The TSZ features a limited number of bespoke provisions relating to design and activities. These require high quality comprehensive developments within the Town Centre Transition Sub-Zone which provides primarily for pedestrian links and lanes, open spaces, outdoor dining, and well-planned storage and loading/ servicing areas within the development.

Land ownership within the TSZ appears highly fragmented and generally does not pass-through entire blocks. This sets up a potential situation where the applicable development standards (75% building coverage) and matters of discretion seek to promote outcomes which may not be deliverable. Similarly, matters of discretion related to building coverage seek to cover a number of factors not related to building coverage including activities which may or may not even form part of an application (e.g. references to outdoor dining).

In light of the above, the urban design merits of the standards relating to the TSZ as they relate to building coverage, pedestrian links and outdoor dining may be limited. Whilst it is acknowledged that pedestrian links and outdoor dining can both create positive urban design outcomes, they remain context specific and there are situations where they may not achieve the intended outcomes (e.g. a new pedestrian link which doesn't respond to any obvious desire lines and has limited footfall potential). The areas that the TSZ are already on relatively small urban blocks and there is benefit in concentrating higher footfall on key streets to better support retail viability – this is to say too much permeability can also be a negative urban design outcome. It

is considered that the outcomes sought can be achieved by other more appropriate means such as reference to design guidelines as part of an overall design assessment or by providing development bonuses. It is noted that Auckland City Centre's planning framework has historically incorporated density bonuses for the provision of pedestrian lanes and other amenities such as public artwork.

In light of the NPS-UD's more enabling intent, the existing approach of seeking to limit development capacity to potentially provide some desirable qualities, could be reconsidered to enable further development if an expansion to the application of design guidelines or inclusion of development bonuses are provided. In the absence of these changes, retention of the status quo controls has the potential to provide some limited benefits in urban design terms.

6.4 Other Standards

6.4.1 Minimum Ground Floor Heights

In addition to the recommended increases in potential height across QTC and removal of the TSZ, the zone provisions could benefit from inclusion of an additional standard requiring a minimum ground floor height of 4.0m. There would be two benefits to such a standard:

1. It ensures flexibility for a range of commercial uses can be maintained for the building noting that the fit-out of commercial, office or retail uses will result in a range of floor-to-ceiling heights whilst accommodating increased servicing requirements (as opposed to residential uses); and
2. Avoids a situation where the ground floor height is reduced to accommodate an extra level of residential development built to Building Code minimum, undermining Point 1 above.

6.4.2 Sunlight Admission

To support a change in the permitted height limits, I would also consider it necessary to amend the applicable sunlight access control to align with the sunlight access controls for any adjoining residential zones for consistency. In this instance, I would consider an 8m + 60^0 sunlight admission recession plane appropriate to enable anticipated building forms within the QTC whilst supporting an appropriate transition in building scale/ amenity at this interface where adjoining the MDRZ or HDRZ (depending on final zone extents). No sunlight admission standards should apply to the interface with other commercial zones or road boundaries.

6.4.3 Outlook

In addition to general increase in height within the QTC, I consider that inclusion of an outlook standard (consistent with the approach of the MDRS, Frankton Flats B and notified Te Pūtahi Planning standards) would be beneficial.

This standard would require a minimum 6m x 4m outlook space from the primary indoor living room from a residential unit and 1m x 1m from bedrooms. This outlook space must be accommodated within the parent site (but can extend over streets/ open spaces).

I consider that this would have several benefits in that it:

- Provides potential for the creation of building separation at upper levels between sites should a residential development be proposed;
- Will help support on-site amenity for future residents (in terms of access to daylight and views to the surrounding landscape);

- Increase opportunities for daylight/ sunlight penetration into surrounding streets and open spaces; and
- Provides potential opportunities for views around buildings and over sites to the surrounding landscape.

A policy approach adapted from the AUP to support this type of rule and provide guidance for assessment of any infringement is identified below:

> *(X) Require residential accommodation to be designed to meet the day to day needs of residents by:*
>
> *(a) providing privacy and outlook; and*
>
> *(b) providing access to daylight and providing the amenities necessary for those residents.*

6.5 Objectives, policies and matters of discretion

Increased building heights and density of development and the general approach to intensification recommended within the QTTC and surrounds would give rise to a number of consequential amendments to various QTTC provisions. These include:

a. Amend Policy 12.2.2.3 (c) to remove reference to "footpaths".
b. Including an additional policy and matter of discretion addressing on-site amenity for future residents to provide clear policy direction for the inclusion of outlook standards.8.7(b)(c)(i) from the notified Te Pūtahi planning provisions provides a useful basis for this (noting that any reference to sunlight should be replaced with daylight).
c. Amend the Queenstown Town Centre Design Guidelines to remove any reference to specific development standards.

7.0 Wānaka Town Centre Zone

7.1 Review

There are several references within the Wānaka Town Centre Zone (WTC) zone provisions referencing a desire to retain the existing character and amenity (in its broadest sense) of Wānaka town centre. It is understood that the local community generally values the low density of development in Wānaka Town Centre. However, the characteristic of an existing low density of development within the context of national policy direction which seeks to enable greater density in urban environments, particularly in centres, does not justify preventing higher density in the future. In addition to proximate access to a wide range of services, Wānaka Town Centre also benefits from significant natural amenity with north facing views over the Lake. This makes it particularly well suited for more intensive forms of commercial and residential development. The Town Centre performs well in terms of relative demand with the land values in this area likely to make intensive development more feasible (and realisable).

7.2 Bulk & Scale

7.2.1 Height

As a general comment, an analysis of accessibility and demand highlights that WTC has higher levels of accessibility than the majority of the urban areas across the district behind only Queenstown Town Centre and Frankton/ Remarkables Park. The area also performs well in terms of relative demand. As such, an increase

over and above existing levels of development is considered warranted – especially in light of recommendations to amend the bulk and density standards of the adjacent MDRZ.

In determining what appropriate heights/ densities would be for the area we have considered other existing height limits which exist for centres within both the Operative and Proposed District Plans as well as recommendations covering Queenstown Town Centre, the Local Shopping Centre Zone at Frankton and High Density Residential. Based on these factors, a height limit of up to 20m could be considered commensurate with the level of accessibility/ demand as well as the Town Centre's role as the primary centre serving the Upper Clutha area. This would generally enable development up to 5 or 6-storeys depending on the nature of activities a development is intended to accommodate.

Consistent with the recommended approach to increased heights recommended in Queenstown Town Centre, there is also potential to consider a stepped response to building heights based on Wānaka's unique landscape context with lower building heights enabled adjacent to the lakefront, rising as one moves away. This approach could utilise existing building heights of 12/14m for sites fronting the lakeside stretch of Ardmore Street and Dungarvon Street, rising to up to 20m behind in other areas of the town centre. This would result in a slight reduction in development potential within the town centre. However, there would be some urban design benefits from such an approach, including:

- Lower building heights adjacent to the lake would help preserve northern views over Lake Wānaka for other sites which seek to maximise more enabling building heights. This has the ability to enhance amenity (and potentially feasibility) of development in other parts of the town centre;
- Buildings fronting Ardmore Street could act as a screen to higher buildings throughout the town centre when viewed from the lakefront/ Outstanding Natural Landscape (ONL), helping to maintain the "human scale" of the Town Centre.
- Lower buildings fronting Ardmore Street would support a transition in building scale from the natural lake through to the centre consistent with the approach recommended by the 'urban transect' concept.

Related to the above, I consider that a lower height limit within Wānaka Town centre as opposed to Queenstown Town Centre and other commercial centres around Frankton is an appropriate response to the contextual differences in the role and function of the Wānaka and Queenstown urban areas. Higher height limits in Queenstown will aid with overall legibility of urban environments across Queenstown Lakes and help to reinforce the greater commercial, employment and social opportunities that are available to existing and future residents in Queenstown. Regardless of the adopted height, height intervals should be stepped based on the ability to accommodate a full floor of development. In other words, increased height limits of, for example, 1m would be performative rather than delivering any tangible benefit in realising increased development capacity.

7.2.2 Building Setback at Upper Floors

In addition to an increase in the height limit to up to 20m, it is recommended to include a specified building setback of 6m from the road boundary above 12m building height consistent with the approach to Queenstown Town Centre. 3D modelling indicates that if all sites are developed to their maximum envelope, sunlight can be retained in the morning on the southern portion of east/west footpaths around the town centre across most of winter consistent with the existing approach in the zone. As previously highlighted, this approach has a number of benefits including:

- New development as viewed from the street would retain the predominant "low-scale" 3 to 4 storey character which is prevalent across the town centre;
- A set-back of 6m as viewed from the street could effectively "hide" around 2 additional storeys of development enabled from the increased heights and is consistent with the design approach seeking to apply to the 4th storey in the existing P1 height overlay;[23]
- It provides opportunities for upper-level balconies/ communal open spaces that could benefit from access to sunlight from their elevated position; and
- Where applicable, maintains a degree of sunlight access during winter months, noting also that not all sites will likely be redeveloped to the intensity enabled meaning some existing lower heights across the town centre will remain providing further opportunities for sunlight penetration to surrounding streets and open spaces.

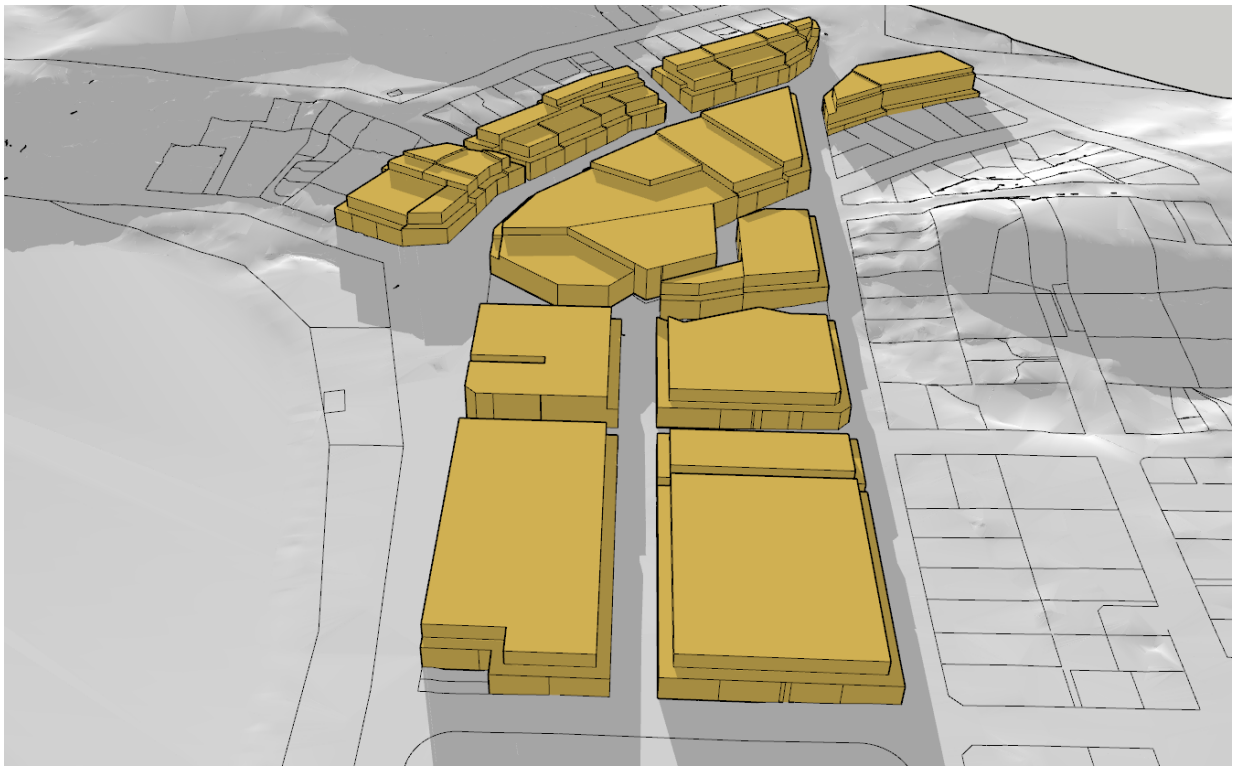


Figure 16 - Wānaka Bulk and Scale (at 20m height) showing shading at 9am on 21 June. Sunlight can be maintained to the footpath even with all sites fully built out to recommended controls.

In addition to a general increase in permitted height limits, the inclusion of a minimum ground floor height as recommended for QTC and other commercial zones (refer to Section 6.2.4 and 6.5.1) would be beneficial.

7.2.3 Sunlight Admission

To support a change in the permitted height limits, I would also consider it necessary to amend the applicable sunlight access control to align with the sunlight access controls for any adjoining residential zones for consistency. In this instance, I would consider a 8m + 60^0 sunlight admission recession plane appropriate to enable anticipated building forms within the WTC whilst supporting an appropriate transition in building scale/ amenity at this interface where adjoining the MDRZ or HDRZ (depending on final zone extents).

[23] If a lower maximum height limit is adopted it would be recommended to reduce the length of the setback to no more than 4m due to the reduced extent of building height above 12m.

7.2.4 Outlook

In addition to general increase in height within the WTC, I consider that inclusion of an outlook standard (consistent with the approach of the MDRS, Frankton Flats B and notified Te Pūtahi planning standards) would be beneficial.

This standard would require a minimum 6m x 4m outlook space from the primary indoor living room from a residential unit and 1m x 1m from bedrooms. This outlook space must be accommodated within the parent site (but can extend over streets/ open spaces).

I consider that this would have several benefits in that it:

- Provides potential for the creation of building separation at upper levels between sites should a residential development be proposed;
- Will help support on-site amenity for future residents (in terms of access to daylight and views to the surrounding landscape);
- Increase opportunities for daylight/ sunlight penetration into surround streets and open spaces; and
- Provides potential opportunities for views around building and over sites to the surrounding landscape.

7.3 Objectives, policies and matters of discretion

Increased building heights and density of development and the general approach to intensification recommended within the WTC would give rise to a number of consequential amendments to various WTC Zone provisions which I believe would be beneficial in assisting with the review of new development. These include:

a. Amend Policy 13.2.1.2 to remove reference to a "lower level of residential amenity" – this should be more specific (e.g. aural amenity) noting that living within a centre zone can provide for a high-level of amenity for residents (e.g. proximity to services) to help alignment with Policy 6 of the NPS-UD.
b. Amend Objective 13.2.3 and Policy 13.2.3.1 to remove references to low-rise/ two to three storey development.
c. Including an additional policy and matter of discretion addressing on-site amenity for future residents to provide clear policy direction for the inclusion of outlook standards.8.7(b)(c)(i) from the notified Te Pūtahi planning provisions provides a useful basis for this (noting that any reference to sunlight should be replaced with daylight).

7.4 Wānaka Design Guidelines

There would be consequential changes required to the Wānaka Design Guidelines which refers to specific standards and general low-scale nature of existing development. The general principles to design and development such as breaking down building forms, responding to a human scale of development remain appropriate and should be retained, however the design guidelines should be more future focussed and enable buildings within the town centre to continue to evolve and change.

8.0 Arrowtown

8.1 Arrowtown Residential Historic Management Zone

The Arrowtown Residential Historic Management Zone (**ARHMZ**) covers the older part of the residential settlement of Arrowtown. The PDP notes that the area has a distinctive character and atmosphere which has evolved from the development pattern set at the time of early gold mining in the District. The ARHMZ seeks to retain the early subdivision pattern and streetscape, and ensure future development is of a scale and design sympathetic to the present character. Aerial photography and the Arrowtown Design Guidelines indicates that a large portion of development in the ARHMZ has occurred post 1960, however the zone does contain a notable concentration of scheduled trees and listed heritage buildings whilst a portion is also included within a Historic Heritage precinct. Listed buildings are typically single-storey miner's cottages which are modest in overall scale and generally positioned within relatively large sites. This indicates that the existing design framework of the ARHMZ combines elements of both Historic Heritage (s6(f)) and character (s7(f)).

Key design related controls of the ARHMZ include:

- A 5m height limit;
- A density limit of one dwelling per 650m^2;
- A building coverage of 30%;
- Side and rear setbacks of 3m;
- Front yard setbacks of a minimum of 6m; and
- An ancillary "residential flat" no greater than 70m^2.

The concentration of heritage buildings (and character trees) is a distinctive component of the ARHMZ from many other typical "character" areas (including the "New Town" area of Arrowtown) that can be seen in both the district and nationally. The nature of existing urban development in the area combined with a concentration of listed heritage buildings justifies a different contextual response in urban design terms. More intensive development in terms of height, bulk and scale would be unsympathetic to the heritage buildings and could undermine their value. As such, considerate is considered that the existing provisions are generally appropriate in urban design terms with the exception of the density limit of one dwelling per 650m^2.

With regards to density controls, there would be merit in enabling duplex style[24] development.[25] . In this instance, additional density can be accommodated in a built-form outcome that it identical to what the existing provisions enable as these units would need to be provided within a single building subject to the same height, building coverage and setback rules. To accommodate this within a standard site (generally over 1,000m^2) of the ARHMZ, a density control of 1 dwelling per 500m^2 would suffice however this would only apply to a duplex configuration of the portioning of an existing building to avoid an issue of a separate dwelling being developed in the rear yard of an existing property and undermining the "openness" of the existing area. A change of this nature would also require a consequential change to rules around "residential flats" and limit these to one per site, rather than tied to an individual dwelling.[26] An approach in line with the above has been sought by

[24] Two dwellings sharing a common wall to one side.
[25] Such development would be comparable in scale and density to the existing provisions relating to "residential flats" which are permitted within the ARHMZ subject to compliance with relevant standards.
[26] A consequential change to subdivision rules, excluding compliance with standards if an approved or concurrent land-use consent application is sought may also be required to support this.

Auckland Council via their Plan Change 78 which enables "the conversion of a principal dwelling as at September 2013 into a maximum of two dwellings" as a permitted activity.[27]

For completeness, I note that a distinct characteristic of the ARHMZ is the mature vegetation in the area, including street trees. Street trees would not be impacted by more intensive residential development (with retention of the site coverage standard) and many trees on private land are already protected through a Character Trees schedule within the PDP. These trees, where present, would form an obvious constraint to the ability to deliver more intensive building typologies.

8.2 Arrowtown Medium Density Residential Zone

In addition to the matters discussed with regards to the MDRZ in Section 4.0, the PDP includes bespoke provisions covering the nature and style of medium density development within Arrowtown. Objective 8.2.4 requires medium density development to occur in a manner compatible with the town's character.

The extent of MDRZ zoning in Arrowtown is limited to the area identified as the "New Town" within the Arrowtown Design Guidelines 2016. A notable feature of the existing character in the New Town neighbourhoods is the generally low-density and scale of development, along with a development pattern consistent with post-war development. This is characterised by a more curvilinear street and block pattern with cul-de-sacs. Architectural styles are consistent with progressive periods of development and the urban form of the New Town is comparable to many other urban areas in the District and New Zealand constructed since World War II. While some people may have the view that the existing patterns of development in the New Town area of Arrowtown may have value for functional or aesthetic reasons, it is difficult to suggest that these are particularly unique to Arrowtown or of the District more broadly. This type of development is likely to be reflective of development trends and feasibility of the time rather than a specific desire to retain the character of Arrowtown.

While a key characteristic Arrowtown is the relatively low density and 1-2 storey buildings, the main purpose of the NPS-UD and PRPS and is to enable greater density in urban environments, and the existing presence of low-density residential development does not justify preventing a higher density of development in the future. Accessibility mapping has identified that areas of Arrowtown perform relatively well against other urban areas in terms of access to a range of commercial and community services. From an urban design perspective, the existing nature of urban development should not undermine the benefits of intensification within the MDRZ in Arrowtown. As such, I do not believe there are any urban design grounds for Arrowtown specific restrictions related to development within an MDRZ. I also note that other specific characteristics of the New Town areas of Arrowtown would not be impacted by the type of development that would be enabled by the MDRZ. These characteristics include topography (such as the urban areas position within a wider landscape defined by surrounding river valleys and mountain ranges), presence of public open spaces, and the pattern and design of the road network.

8.3 Arrowtown Town Centre

Arrowtown Town Centre is confined to two blocks of land bounded by Ramshaw Lane, Wiltshire Street, Arrow Lane and Berkshire Street. The Town Centre zone also sits entirely within the Arrowtown Town Centre Heritage Precinct. The Statement of Significance within the PDP notes that "it contains heritage buildings / structures that are of high aesthetic and architectural significance within the District and wider region as authentic examples or representation of a goldfields' town dating from the 1860s and 1870s."

[27] Table D18.4.1 (AC1).

The PDP places a number of restrictions on demolition, modification or redevelopment of scheduled heritage buildings and places. For non-scheduled sites, design related controls from Chapter 14 apply. Key controls include:

- Restricted Discretionary consent for all new buildings and residential activities;
- Building coverage of 90%;
- A 7m height limit; and
- A 3m set-back from rear boundaries.

The built form and urban design of Arrowtown town centre is uniquely distinct from other town centres both within the district and region, as well as nationally. The majority of buildings are 1-2 storeys in height and generally fall with the topography giving the appearance of a predominantly single storey centre. The existing building heights, scale and pattern of development contributes to a very specific historic architectural quality which could be undermined through the provision of increased building heights in this location. I note that the existing provisions already enable building heights of 7m/ 2-storeys and may, depending on topography provide opportunities for a concealed/ semi-sunken third storey. This generally provides opportunities for the potential for an additional storey of development adjacent to heritage buildings which is an appropriate design response to the context and recognised heritage characteristics of Arrowtown Town Centre. Excluding height, other built form related provisions within the zone do not create any theoretical limits on density.

9.0 Other Business Zones

9.1 Business Mixed Use Zone

The BMUZ is primarily applied to fringe areas north of Queenstown Town Centre, Frankton Marina, north of Frankton Road, north of Wānaka Town Centre and Three Parks. The accessibility analysis indicates that these areas feature between high and moderate levels of accessibility.

Building heights of 12m are already enabled within the BMUZ (as a permitted activity). Additional building height of up to 15m (Frankton Marina) and 20m Queenstown and Frankton North can be sought as a restricted discretionary activity. Building heights above these can be sought as a Non-complying activity.

In addition, a generous building coverage of 75% is also provided for. There are no specific standards which I can identify that would further restrict the height and density of development with the exception of some sunlight and setback provisions. Retention of the 3m building setback adjacent to a residential zone and 4.5m from the property boundary adjacent to Horne Creek are appropriate – especially when considered with my recommendations on height below.

9.1.1 Height

The general distribution and variation in heights across the BMUZ is well aligned with the results of the accessibility analysis. However, they would benefit from consequential changes based on recommended increases to the town centre zones and HDRZ with Wānaka and Frankton Marina increasing to 16.5m with 20m retained for the remaining BMUZ areas. As assessment of new buildings is already required under Rule 16.4.4, the tiered approach to activity status for building height could be removed with an increase of permitted heights to be equivalent of the existing non-complying activity for infringements to the maximum heights. A design assessment of the building would still be required via a restricted discretionary activity

consent under Rule 16.4.4. These recommended changes to permitted heights would also require a consequential change to the Business Mixed Use Design Guidelines.[28]

9.1.2 Sunlight Admission

To support a change in the permitted height limits, I would also consider it necessary to amend the applicable sunlight access control to align with the sunlight access controls for any adjoining residential zones for consistency. In this instance, I would consider the following appropriate to enable anticipated building forms within the BMUZ whilst supporting an appropriate transition in building scale/ amenity at this interface:

- Where adjoining the MDRZ or HDRZ: 8m + 60^0
- Where adjoining the LDSRZ: 4m + 60^0

I do not consider it necessary or appropriate in urban design terms to include sunlight access controls for sites adjoining other commercial zones or from a road/ open space boundary.

9.1.3 Outlook

In addition to general increase in height within the BMUZ (and consistent with my recommendations in section 6.4.3), I consider that inclusion of an outlook standard for residential activities (consistent with the approach of the MDRS, Frankton Flats B and draft Te Putahi Planning standards) would be beneficial. I note that "outlook" can already be considered as a matter of discretion under Rule 16.5.8.

9.2 Local Shopping Centre Zone

The Local Shopping Centre Zone (LSCZ) is located throughout the urban environment of the District with two-to-three storey development typically provided for. With the exception of the LSCZ located at Frankton, Local Shopping Centres are, relatively speaking, not located in areas of higher accessibility within the district. As such, it is not considered necessary to modify the existing standards as they relate to the LSCZ to any significant degree. The two exceptions to this would be:

- a need to consider consequential changes to provisions covering height and Sunlight Access to align with any changes to zone provisions of adjacent zones; and
- Provisions related to the LSCZ at Frankton.

9.2.1 Consequential Changes

With regard to consequential changes, increased heights and a more relaxed Sunlight Access control should be sought if an LSCZ lies adjacent to a proposed MDRZ or LDSRZ (assuming increased heights as recommended in this report are sought).

An approach could be to remove a specific height control for the zone and instead adopt a rule limiting height "to no more than 2m above the maximum permitted heights in the immediately adjoining residential zone". The slight increase in height will provide opportunities to reinforce the LSCZ's centre function through urban form. Similarly, where the LSCZ adjoins a residential zone, the least restrictive sunlight access/ recession plane of that zone could apply. For example, if an LCSZ sits adjacent to a revised MDRZ the applicable Sunlight Access control would by 4m + 60^0 from the boundary.

[28] Page 7 – reference is currently made to 2-3 storey development in the Wānaka Business Mixed Use zone.

9.2.2 Frankton

Frankton is identified as having a high degree of accessibility and benefits from its proximity to more frequent public transport services, schools, significant open spaces as well as relative proximity to the two major employment nodes in Queenstown. In addition, the Queenstown Spatial Plan identifies the Frankton area as having a "Metropolitan Centre" role in the future whilst the Frankton Masterplan also noted opportunities for transit orientated and mixed-use development.

Changes to the Frankton LSCZ could be via bespoke provisions (consistent with the current approach in the PDP) or the application of a different zone framework noting previous Council strategies have highlighted mixed-use and metropolitan centre functions for the area. However, I note that this may require more detailed consideration of the economic effects/ function of this centre and may be more appropriate as part of a future full plan review. Regardless of this, I consider that Frankton's identified role in Council strategies as well as its performance within the accessibility analysis clearly identifies it fulfilling a more important centre role than other LSCZs. As such, my preference would be for the application of a Town Centre Zoning with some BMUZ around its periphery to enable a market led expansion of commercial uses in the future and further support any residential intensification. A secondary option could be the application of the BMUZ with some additional frontage controls preventing ground floor residential uses in certain locations[29] as is currently applied to the Gorge Road BMUZ.

The existing PDP rules that relate to the LSCZ in Frankton place additional restrictions on the scale of commercial activities within this zone. I understand these are to address potential traffic concerns on the adjacent State Highway network. I make no comment on the suitability of these restrictions and note that my recommended changes would predominantly be focused on enabling greater housing intensification opportunities within and around the Frankton Centre.

With regard to enabling greater opportunities for residential intensification in the Frankton Centre, there would also be benefit in including some additional amenity related standards for residential uses to ensure a minimum standard of residential amenity is provided or sufficiently considered through a resource consent process.

Based on the above, my specific recommendations[30] include:

a. Rezone the Frankton LSCZ to a TCZ (or alternatively the BMUZ with bespoke retail controls);

b. Increase permitted height limits in Frankton centre to 20m;

c. Amendments to the Sunlight Access controls (Rule 15.5.2) to allow for development up to 8m + 60^0 adjoining any HDRZ or MDRZ. No sunlight access restrictions should apply to sites adjacent to any BMUZ or along road/ open space boundaries.

d. Retain a 3m setback adjacent to a residential zone or open space zone.

e. Add a new standard requiring a minimum 6m x 4m outlook space from the primary indoor living room. The outlook space must be accommodated within the parent site (but can extend over streets/ open spaces). This is needed to address increased bulk along the side and rear boundaries

[29] Ground floor residential restrictions would most logically apply to frontages with State Highway 6 and 6A and McBride Street (north of Gray Street).

[30] I note that Frankton is subject to restrictions relating to aircraft noise and that this may be considered a "qualifying matter" justifying. The existence of the aircraft noise contour is outside my area of expertise and its potential impacts on realising greater levels of intensification, has not been considered in my recommendations.

as a result of relaxed height/ HIRB standards. This will provide a degree of separation between taller residential buildings and adjacent residential sites to address potential privacy concerns.

f. Include an additional matter of discretion addressing on-site amenity for future residents under Rule 15.4.3 to better enable consideration of unit size/ orientation etc. in light of the intensification opportunities provided from increased building height in Frankton.

g. Inclusion of reference to waste and recycling space storage spaces within the matters of discretion to enable consideration on a site-by-site basis depending on the preferred method of collection.

9.3 Three Parks Business

The Three Parks Business Zone (TPBZ) effectively functions as a light industrial zone. In terms of built form outcomes, the zone limits development to 10m/ 3-storeys in height and also includes provisions for fairly generous setbacks. Buildings not intended for use for Industrial and Service activities have a further limitation through the application of a 34 degree sunlight admission plane.

The standards generally seem appropriate based on the nature of activities provided for as well as a method for managing potential interface issues with sensitive land uses such as residential activities. However, it is not clear (in design terms) why buildings not intended for "Industrial and Service activities" have additional controls imposed on them that could restrict building height. The implication appears to be that buildings used as, for example, "showrooms" give rise to greater/ different adverse visual effects than those used for an industrial activity.

In addition, as a general matter of principle, the use of both height limits in units of measurement and number of storeys is considered problematic. This introduces an unnecessary level of design specification unrelated to potential adverse effects. It is also not clear how issues such as the adoption of mezzanine floors would be characterised in such a situation. Reliance on a unit of measurement is preferable and ensure consistency in understanding potential built form outcomes across the Plan.

9.4 Three Parks Commercial

The Three Parks Commercial Zone (TPCZ) is intended to support the development of Large Format Retail activities. All new buildings require resource consent as a restricted discretionary activity while height is limited to 15m/ 3-storeys subject to sunlight admission planes from residential boundaries. This generally appears appropriate for the intended activities sought to locate within this zone.

As per the comments in Section 9.3, reference to both building height as a unit of measurement and number of storeys should be replaced with just a unit of measurement.

9.5 Industrial Zones

The purpose of the General Industrial and Service Zone (GISZ) is to provide for the establishment, operation and long-term viability of Industrial and Service activities. The GISZ seeks to ensure a range of site sizes are available, including for those Industrial and Service activities which require larger buildings and more space for the purpose of outdoor storage. Buildings required resource consent as a restricted discretionary activity and are limited to 10m in height near Frankton and 7m in Wānaka or where adjacent to a residential zone. Recession planes and building setbacks are also applicable where the site is adjacent to or adjoining a residential zone.

Typically, the nature and design of industrial buildings is understandably utilitarian and functional in nature so controls on the size and extent of buildings is important in managing potential interface issues with residential uses and should be retained.

It is noted that the overall height limits do, on face value, appear low and limit flexibility for the types of industrial uses that could locate in these areas. There are an increasing number of precedents of some industrial developments relating to storage and distribution as well as manufacturing seeking to develop buildings upwards of 20m. As the NPS-UD also applies to business zone land it may be beneficial to understand if the height limits create a potential barrier to the development of certain types of industrial activities. Regardless of the above, any increase in permitted building heights would still need to be subject to recession planes and building setbacks at the interface with residential activities. It would also be beneficial to consider additional landscaping requirements within building setbacks to act as a further visual buffer from industrial development should any increases in heights be proposed.

In addition to the GISZ, the Coneburn Industrial Zone enables industrial development in the vicinity of Jacks Point. Permitted building heights are governed by a complex set of height controls based on corresponding ground levels that have been developed in response to this area's proximity to the Remarkables ONL. There is no reason, in urban design terms, to amend existing controls relating to the height or density of development in this location.

10.0 Other PDP Zones

10.1 Jacks Point

The Jacks Point Zone (JPZ) extends from around 3.5km to 8km south of the Kawaru Falls bridge. The majority of the JPZ provides for single storey development with some increased development opportunities provided to support development of a school at two small commercial centres ("villages"). The JPZ has been identified as having a low level of accessibility compared with other areas of the urban environment although this is likely to be partly reflective of the limited non-residential development which has been progressed to date. Longer-term, it still remains some distance from major employment nodes and community services so accessibility is unlikely to substantially change. Accordingly, I do not consider that there are any strong urban design grounds or requirements to align with the NPS-UD which would require reconsideration of the planning standards of this zone.

10.2 Large Lot Residential Zone

The Large Lot Residential Zone (**LLRZ**) is currently applied to areas at the periphery of Wānaka and Hāwea. These areas all perform poorly in terms of their accessibility relative to other areas. As such, I do not consider any strong merits in urban design terms to reconsidering these areas. Rather, these areas do have some benefits in facilitating a greater range of typologies and densities in these locations consistent with the outcomes sought by the NPS-UD.

Appendix 1 – Comparison of approaches to intensification provisions within a Medium Density Zone

MDR Standards	PDP	Rotorua (PC9)	Tauranga (PC33)	Auckland (MHU)	Auckland (PC78)	Kapiti Coast (PC2)	Hamilton (PC12)
Density	1 per 250m^2	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings
Height	Varies between 7m – 8m	11m (+1m)	11m (+1m)	11m (+1m)	11m (+1m)	11m (+1m)	Varies between 11m and 15m
Daylight Admission	2.5m + 55^0 (N), 45^0 (E/W), 35^0 (S), none on sloping sites	4m +60^0 (excl. road)	4m +60^0 (excl. road)	3.6m +73.3^0 (then 45^0 above 6.9m)	4m +60^0 (excl. road)	4m +60^0 (excl. road)	4m setback above 11m for first 20m, then 4m +60^0 (excl. roads)
Coverage	45% building, 75% impervious	50% building, 70% impervious	50% building, 70% impervious	45% building, 60% impervious	50% building, 70% impervious	50% building, 80% impervious	50%-60% building, 70% impervious
Yards	3m front, 1.5m others, 4.5m garage & State Highways.	1.5m front, 1m others	1.5m front, 1m others	2.5m front, 1m others	1.5m front, 1m others	1.5m front, 1m others	1.5m front, 1m others, 5m garage. Option for 0m on one-side.
Outdoor Space	n/a	20m^2 ground, 8m^2 first floor +	20m^2 ground, 8m^2 first floor +	20m^2 ground, 8m^2 first floor +	20m^2 ground, 8m^2 first floor +, extra communal space for 20+ units	20m^2 ground, 8m^2 first floor +	20m^2 ground, 8m^2 first floor +, 5m^2 service area
Outlook	n/a	4mx4m living room, 1mx1m bedrooms	4mx4m living room, 1mx1m bedrooms	6mx4m living room, 3m x 3m main bedroom, 1mx1m other habitable rooms	6mx4m living room, 3m x 3m main bedroom, 1mx1m other habitable rooms	4mx4m living room, 1mx1m bedrooms	4mx4m living room, 1mx1m bedrooms
Building Length	24m above ground floor	22m above ground floor	n/a	n/a	n/a	n/a	15m parallel to side and rear boundaries before a 1.8m deep step-in
Dwelling Size	n/a	35m^2 studio, 45m^2 1-bed+	35m^2 studio, 45m^2 1-bed+	30m^2 studio, 45m^2 1-bed+	30m^2 studio, 45m^2 1-bed+	n/a	n/a

Appendix 1 – Comparison of approaches to intensification provisions within a High Density Zone

HDR Standards	PDP	Rotorua (PC9)	Tauranga (PC33)	Auckland (THAB)	Auckland (PC78)	Kapiti Coast (PC2)	Hamilton (PC12)
Density	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a – RD for all new residential activities	n/a – RD consent for 4+ dwellings	n/a – RD consent for 4+ dwellings	n/a for apartments, 1 per 100m^2 for terraces
Height	Varies between 7m – 15m	19.5m	Varies between 12 - 20m	Varies between 16m – 22.5m	Varies between 16m – 22.5m	20m	21m (+1m)
Daylight Admission	2.5m + 45^0 (E,W,S), 55^0 (N), none on sloping sites	12m +60^0 (first 23.5m) then 4m +60^0	4m + 60^0 (excl. road)	8m + 60^0 (first 20m) then 8m + 2m + 60^0	19m + 60^0 (first 20m), then 8m + 60^0	4m +60^0 (excl. road)	4m +60^0 (excl. roads, open spaces and commercial zones)
Coverage	70-75% building, 80% impervious	50% building, 80% impervious	50% building, 80% impervious	50% building, 70% impervious	50% building, 70% impervious	50% building, 80% impervious	60% building, 80% impervious
Yards	2m (all), 4.5m garage & State Highways.	1.5m front, 1m others	1.5m front, 1m others	1.5m front, 1m others	1.5m front, 1m others	1.5m front, 1m others	1m front, 1m others, Option for 0m on one-side.
Outdoor Space	n/a	20m^2 ground, 6m^2 first floor +	20m^2 ground, 6m^2 first floor +	20m^2 ground, 5m-8m^2 first floor +	20m^2 ground, 8m^2 first floor +, extra communal space for 20+ units	20m^2 ground, 8m^2 first floor +	20m^2 ground, 8m^2 first floor +, 5m^2 service area
Outlook	n/a	4mx4m living room, 1mx1m bedrooms	4mx4m living room, 1mx1m bedrooms	6mx4m living room, 3m x 3m main bedroom, 1mx1m other habitable rooms	6mx4m living room, 3m x 3m main bedroom, 1mx1m other habitable rooms (4+ dwellings)	4mx4m living room, 1mx1m bedrooms	4mx4m living room, 1mx1m bedrooms
Building Length	30m above ground floor	22m above ground floor	n/a	n/a	n/a	n/a	15m parallel to side and rear boundaries before a 1.8m deep step-in, 4m setback above 11m
Dwelling Size	n/a	35m^2 studio, 45m^2 1-bed+	35m^2 studio, 45m^2 1-bed+	30m^2 studio, 45m^2 1-bed+	30m^2 studio, 45m^2 1-bed+	n/a	n/a

Appendix 1 – Comparison of approaches to intensification provisions within a Centre Zone

Centre Standards	PDP (QTC)	Rotorua (PC9)	Tauranga (City Centre)	Auckland (TCZ)	Kapiti Coast (PC2)	Hamilton (B3Z PC12)
Density	n/a – RD for new buildings	n/a – RD for new buildings	n/a	n/a – RD for new buildings	n/a – RD for new buildings	2:1 Floor Area Ratio
Height	Varies between 4m – 15m. PC50 includes up to 26m.	Varies between 24m – 32m	Varies between 16m - 48.7m	Varies between 13m – 48.5m (majority 18m-27m)	21m	20m
Outdoor Space	n/a – building coverage of 75% in transition zone	$6m^2$ or $0m^2$ if larger units provided	$10m^2$	n/a	$8m^2$ with no dimension less than 1.8m	$8m^2$ with no dimension less than 1.5m
Outlook	n/a	4mx4m living room, 1mx1m bedrooms	4mx4m living room, 3m x 3m main bedroom, 1mx1m other habitable rooms	6mx4m living room, 3m x 3m other habitable rooms	4mx4m living room, 1mx1m bedrooms	4mx4m living room, 1mx1m bedrooms
Building Length	n/a	n/a	n/a	Max tower dimension of 55m, set back 6m from boundary	n/a	n/a
Dwelling Size	n/a	$35m^2$ studio, $45m^2$ 1-bed+	$35m^2$ studio, $45m^2$ 1-bed, $60m^2$ 2-bed+	$30m^2$ studio, $45m^2$ 1-bed+	n/a	n/a
Frontages	Some max frontage heights of 6.5m – 8.5m + varying recession planes	3-stories built to front boundary on pedestrian focused street	n/a	6m setback above 18m adjacent to Residential or 27m adjacent to business	n/a	n/a

APPENDIX 5 - ECONOMIC MODELLING AND REPORT

Appendix 5 - Economic Modelling Report

Queenstown Lakes District Intensification Economic Assessment

Intensification Plan Variation

16 May 2023 – Final

m.e consulting

Queenstown Lakes District Intensification Economic Assessment

Intensification Plan Variation

Prepared for

Queenstown Lakes District Council

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1 Introduction

Market Economics (M.E) have been commissioned by Queenstown Lakes District Council (QLDC) to undertake an economic assessment of residential demand and capacity and other relevant urban form considerations to inform the development of provisions for an intensification plan variation. The economic assessment is used to inform the planning assessment, which develops the spatial and provision options for intensification, as well as informing the section 32 report for the plan variation.

The intensification plan variation is being undertaken as QLDC (a tier 2 territorial authority) is required to provide sufficient district plan capacity in key areas of accessibility within the urban environment. Policy 5 of the National Policy Statement on Urban Development (NPS-UD[1]) requires that "*tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of: (a) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or (b) relative demand for housing and business use in that location*".

QLDC have developed a series of spatial and planning provision options (Options 1 to 6) for intensification around key nodes and/or corridors of accessibility across the urban environment. M.E have conducted analysis of the total market size and projected growth for higher density development in each location and assessed the capacity of provisions within each location under the proposed options. Together these assess the adequacy of the options in meeting the NPS-UD Policy 5 requirements.

The assessment builds off (but has evolved to some degree from) the existing base of capacity and demand modelling undertaken by M.E for QLDC's NPS-UD Housing and Business Capacity and Demand Assessment (HBA) in 2021[2]. The HBA relied on a combination of operative district plan (ODP) zoning and notified stage 3 proposed district plan (PDP) zoning in the short-medium term. Further demand modelling has been undertaken to model a revised market shift toward medium to higher density dwellings with the allowance for this type of proposed intensification capacity. An updated capacity assessment has modelled zoning provisions as they apply today, as well as the capacity for higher density development through applying the proposed higher density provisions in the short-medium term in key accessibility areas and intensification provisions across the residential (and commercial) areas of the urban environment.

1.1 Report Structure

The assessment contained within this report is structured as follows:

- Section 2 estimates the current and projected future market size for medium to higher density dwellings. Demand by dwelling typology is estimated by location across Queenstown Lakes District's (QLD's) urban environment. This will inform the potential demand for residential development by dwelling type in key areas of accessibility.

[1] Ministry for the Environment, 2020. *National Policy Statement on Urban Development 2020,* July 2020.

[2] The HBA 2021 covered housing only.

- Section 3 provides an overview of the key modelling changes and extensions undertaken since the 2021 HBA to appropriately model the changes in enabled residential development patterns, update the local market conditions and incorporate updated planning information.
- Section 4 models the capacity for residential dwellings enabled by the planning provisions under Options 1, 2, 5 and 6. Capacity is modelled by dwelling typology and location across QLD's urban environment.
- Section 5 models the estimated commercial feasibility of capacity for residential dwellings enabled by the planning provisions under Options 1, 2, 5 and 6. Capacity is modelled by dwelling typology and location across QLD's urban environment.
- Sections 2, 4 and 5 are brought together in Section 6, which compares the residential demand with the plan enabled and commercially feasible capacity under each of the options. This assesses the adequacy of each option in allowing for higher density development in key areas of accessibility[3].
- Section 7 provides a brief discussion of on the high-level economic costs and benefits of the intensification options relative to the do-nothing scenario, with commentary on the effectiveness and efficiency of different intensification options relative to the updated HBA baseline.
- Concluding remarks are in Section 8.
- Appendices 1 to 4 provide further detail to support the text in the main body of the report.
- Two further appendices are included in the report (Appendices 5 and 6). These contain copies of memos that M.E prepared early in the project and prior to the development of the intensification options. Appendix 5 contains a cluster analysis of capacity underpinning the HBA 2021. Appendix 6 provides a sensitivity analysis of the M.E commercial feasibility model.

[3] Although we note, this assessment does not meet the requirements of an HBA which requires demand to be compared with infrastructure ready and reasonably expected to be realised capacity.

2 Residential Dwelling Demand

This section estimates the size of the market demand for residential dwellings by type and location in QLD's urban environment. In particular, it assesses the potential scale of dwelling demand for higher density dwellings that will be further enabled through the proposed residential intensification options.

2.1 Introduction

To meet the NPS-UD Policy 2 and 5 requirements, QLDC seeks to understand the likely level of demand for residential development in key locations to assess the adequacy (sufficiency) of the proposed provisions in catering for that demand in those intensification locations and across the remainder of the general suburban area. It is also important to understand the likely market size to assess the appropriateness of the spatial extent of provisions. The combination of the level of market demand and location and extent of the provisions will affect the likely future urban form outcomes. The adequacy of provisions and potential urban form effects will be considered in subsequent stages of analysis that draw together the market demand and capacity assessments.

2.2 Approach

The market demand assessment builds off the detailed demand assessment undertaken by M.E for the HBA 2021 along with updated dwelling projections[4] from QLDC. It uses the existing modelling capability[5] to generate a baseline demand projection for dwellings by type across the main urban areas of the district. This is based off existing patterns of dwelling development by location with a degree of future dwelling type preference shift across different household types consistent with that applied within the HBA.

This assessment then undertakes further analysis to model the effects on dwelling demand if a larger market shift were to occur through time. This may occur through the further planning provision for intensification and the household trade-offs between dwelling type, location, size and price.

The demand assessment ultimately estimates the likely future demand for different types of dwelling typologies that correspond to different types of location across the urban environment. The analysis considers both the total dwelling demand base as well as the net increase in demand (i.e. growth in each time period). It provides a picture of the total market size, as well as the net increase from growth within the market.

Demand has been estimated for the following dwelling typologies:

- Higher density attached dwellings – these range from higher density terraced housing up to vertically attached apartments.

[4] Queenstown Lakes District Council, 2022. *QLDC Demand Projections,* May 2022.

[5] This is the M.E 2021 Queenstown Housing Demand and Affordability Model.

- Other attached dwellings – these range from lower density attached dwellings, such as duplex pairs and one-level attached units, up to terraced housing.
- Detached dwellings – these range from larger standalone houses on full sites, up to smaller standalone houses on much smaller sites that could potentially occur under higher density provisions.

Importantly, the assessment recognises that there is likely to be a level of overlap between different types of dwelling demand. Demand for one type of dwelling could potentially be met through dwelling supply in a different market segment. Households typically make trade-offs between price, size and location, which often results in demand substitution between different dwelling typologies. Furthermore, underlying demand preferences may not correspond to final dwelling choices based on consumer constraints such as household budget or travel efficiency. For instance, a household may have an underlying preference for a standalone dwelling on a full site. However, they may instead choose to occupy a similar sized attached dwelling on a smaller site in a more accessible location.

Further details on the approach used to model demand by dwelling type, including preference shifts and market substitution are contained in Appendix 1.

2.3 Residential Demand by Dwelling Typology and Location

This section contains the modelled results from the residential market demand analysis in relation to each of the dwelling categories described above and in Appendix 1. It presents results for the baseline updated demand projections and higher market substitution scenarios. These refer to the level of market substitution that are estimated to occur within the share of the market to which the substitution is applied. The updated baseline projections contain the same gradual preference shift to that of the HBA 2021, while the higher substitution scenario contains a higher level of market substitution across dwelling types.

Under the higher substitution scenario, 30% of the detached dwelling demand is estimated to be met through attached dwellings (almost all within the lower density attached dwellings), and 42% of the lower density attached dwelling demand is estimated to be met within higher density attached dwellings (apartments and higher density terraced housing).

In the first instance, the modelled results for the projected demand for the intensification provisions at the total urban area level are presented. These are then compared to the structure of demand projected for the HBA 2021. Lastly, the modelled results are then disaggregated spatially by geographic catchment area.

2.3.1 Total Urban Area Level Modelled Results

The modelled projected demand by dwelling typology is shown in Table 2-1 (baseline updated projections scenario) and Table 2-2 (higher market substitution scenario). The upper part of the tables shows the total projected demand by dwelling typology in the current base (2021) and short (2024), medium (2031) and long-term (2051). The lower section of each table shows the net increase of demand across each of these periods. The right-hand side of the tables show the structure of demand by dwelling typology within each year as well as the structure of the net changes in dwelling demand.

Table 2-1: Projected Queenstown Lakes District Urban Demand by Dwelling Typology: Baseline Demand Scenario

Updated Baseline Projections Scenario								
	DWELLING TYPOLOGY							
	Detached	Duplex/Terrace	Apartments	TOTAL	Detached	Duplex/ Terrace	Apartments	TOTAL
YEAR	Projected Demand				Share of Demand			
2021	16,300	2,800	600	**19,700**	83%	14%	3%	**100%**
2024	18,700	3,000	700	**22,300**	84%	13%	3%	**100%**
2031	21,200	4,700	1,000	**27,000**	79%	17%	4%	**100%**
2051	27,000	10,500	2,200	**39,700**	68%	26%	5%	**100%**
	Net Change				Share of Net Change			
2021-2024	2,400	100	100	**2,600**	93%	5%	3%	**100%**
2021-2031	5,000	1,900	400	**7,300**	69%	26%	6%	**100%**
2021-2051	10,800	7,600	1,600	**20,000**	54%	38%	8%	**100%**
2024-2031	2,600	1,700	400	**4,700**	55%	37%	8%	**100%**
2031-2051	5,800	5,800	1,200	**12,700**	46%	45%	9%	**100%**

Source: M.E Residential Intensification Analysis, 2022 and M.E Queenstown Residential Demand and Affordability Model, 2021.

Table 2-2: Projected Queenstown Lakes District Urban Demand by Dwelling Typology: Baseline Demand Scenario

Higher Market Substitution Scenario								
	DWELLING TYPOLOGY							
	Detached	Duplex/Terrace	Apartments	TOTAL	Detached	Duplex/ Terrace	Apartments	TOTAL
YEAR	Projected Demand				Share of Demand			
2021	16,300	2,800	600	**19,700**	83%	14%	3%	**100%**
2024	18,500	3,100	700	**22,300**	83%	14%	3%	**100%**
2031	20,500	5,000	1,500	**27,000**	76%	18%	6%	**100%**
2051	24,300	10,400	4,900	**39,700**	61%	26%	12%	**100%**
	Net Change				Share of Net Change			
2021-2024	2,200	300	100	**2,600**	85%	11%	4%	**100%**
2021-2031	4,200	2,100	900	**7,300**	58%	29%	13%	**100%**
2021-2051	8,100	7,600	4,300	**20,000**	41%	38%	22%	**100%**
2024-2031	2,000	1,900	800	**4,700**	43%	40%	17%	**100%**
2031-2051	3,900	5,400	3,400	**12,700**	30%	43%	27%	**100%**

Source: M.E Residential Intensification Analysis, 2022 and M.E Queenstown Residential Demand and Affordability Model, 2021.

The tables show that there is a projected net increase in demand for an additional 20,000 dwellings across the district's urban environment over the long-term (2021-2051). This is based on the QLDC updated projection series and, in in accordance with the NPS-UD requirements, includes the 15%-20% margins on net increases in future demand. When margins are excluded, there is a net increase for an additional 17,100 urban dwellings.

If delivered by the market, the long-term demand would double the existing urban area dwelling base, to reach a total 39,700 dwellings by 2051 (or 36,800 dwellings excluding the margin). The updated projections show that resident households account for most of the existing dwelling base and projected net increase

in demand. The share of future dwelling demand from other categories (primarily tourism demand), is projected to be lower than its share of the existing base, but to increase gradually through time.

Detached dwellings are estimated to currently account for over four-fifths (83%) of the existing dwelling base, with 14% as low to medium density attached dwellings and 3% as higher density attached dwellings. This reflects much of the patterns of urban expansion across the district which are heavily dominated by detached dwellings.

The tables show that the typology structure of dwelling demand is projected to gradually change through time. Under the updated baseline projection scenario, this structure is projected to shift to a structure of around two-thirds (68%) of long-term demand for detached dwellings and nearly one-third for attached dwellings. Around 5% of the long-term total demand is projected for higher density attached apartment dwellings. This is projected to result in a total long-term (2051) demand for 2,200 apartments (and 12,600 attached dwellings overall).

In the short-term, most of the net additional demand is for detached dwellings under this scenario. Around 93% of the short-term net growth is in detached dwellings. This reflects the current greenfield growth patterns of standalone dwellings. It takes into account the location of market growth, where a sizeable share of the growth occurs in locations of greenfield urban expansion which is dominated by standalone dwellings.

The share of demand for attached dwellings is projected to gradually increase through time, to account for nearly half (46%) of the long-term net additional dwelling demand. Attached dwellings are projected to account for over half (54%) of the net increase in dwelling demand occurring within the long-term (2031-2051). Within this, the share of attached dwelling demand for higher density attached dwellings (apartments) is projected to increase through time. Apartments are projected to account for 8% of the long-term net increase in demand, and around 5% of the total dwelling stock.

Under the updated baseline projection scenario, there is a projected demand for a net additional 10,800 detached dwellings. There is also demand for an additional 9,200 attached dwellings, of which it is estimated that 1,600 dwellings are for higher density dwellings. The timing of demand growth differs by dwelling type, with higher shares of demand for attached dwellings occurring in the long-term than detached dwellings. The share of attached dwellings as higher density dwellings is projected to increase through time.

The higher market substitution scenario contains the same level and timing of total projected dwelling demand growth as the baseline scenario. The spatial distribution of growth is also the same at the catchment level as a function of the input projections. However, the spatial distribution of demand growth within the catchment areas may differ in response to differences in the geographic patterns of supply of each dwelling typology within the catchment areas.

Under the higher substitution scenario there is a greater shift toward medium to higher density attached dwellings through time. Over half (59%) of the net additional long-term growth (2021-2051) is projected to occur in attached dwellings, with 22% as higher density attached dwellings (apartments). This results in a total long-term demand for 15,300 attached dwellings – a projected net increase of around 11,900 additional dwellings to the estimated existing base of 3,400 attached dwellings.

The higher substitution scenario has a projected net increase for an additional 4,300 apartment dwellings over the long-term. Combined with the existing base, this would create a total market size of 4,900 apartment dwellings.

The share of growth into attached dwellings is also projected to increase through time under the higher substitution scenario. In the long-term (2031-2051), 70% of the projected demand growth is estimated to occur in attached dwellings; and over a quarter (27%) in higher density attached dwellings. The total long-term demand (2021-2051) for detached dwellings is estimated to be lower than the baseline scenario with a projected net additional 8,100 detached dwellings.

Under each scenario, it is likely that a share of the net additional demand for dwellings will be met through redevelopment. This means that the total dwellings constructed are likely to need to be greater than the projected net increases to take account of the existing dwellings that are removed during the redevelopment process. This will also contribute to the changes in the structure of dwelling demand where sites that are redeveloped are more likely to contain lower density detached dwellings, with redevelopment occurring as attached dwellings.

The overall level of density at which dwellings are developed within each typology is also likely to gradually increase through time. In the short to medium-term, there is more likely to be an increase in the lower to medium density attached dwellings. These mainly include horizontally-attached dwellings. They are generally 1 to 2 storeys, with a smaller number of 3-level walk-ups. Examples include one-level attached units, townhouse/duplex pairs and terraced housing. Demand for these dwellings is likely to typically occur across much for the general suburban areas, but with a greater relative concentration within the walkable catchments of higher accessibility/amenity areas as households make trade-offs between location, dwelling type and price.

In many cases, lower to medium density attached dwellings are able to provide viable alternatives for households that would otherwise seek a standalone dwelling. Lower density forms of attached dwellings, such as townhouses, offer many of the same dwelling size and attribute characteristics of standalone dwellings, and in similar locations, albeit on a smaller average site area.

There may also be a level of market substitution to other attached dwellings within this category as households' trade-off price and location. A high share (56%-58%) of the district's current and projected future urban household base is in 1-2 person households, generally placing demand on smaller dwelling size requirements. This may mean that duplex dwellings and terraced housing within higher amenity areas may form an attractive option for these households.

Activity in QLD's apartment market is currently small, but is becoming more established in central areas of higher amenity. Growth in the market is more likely to occur over the medium to long-term as developers gain more confidence in this form of development. Part of this demand is also likely to be driven by non-resident demand with apartments forming attractive accommodation options in central, high-amenity locations.

The modelled projected demand for apartments predominantly occurs through substitution of demand from other attached dwellings, with smaller shares occurring as base demand growth from the existing patterns in the projected household structure, and substitution from detached dwellings. The demand for apartment dwellings is likely to be focussed around the nodes of higher accessibility, particularly within the

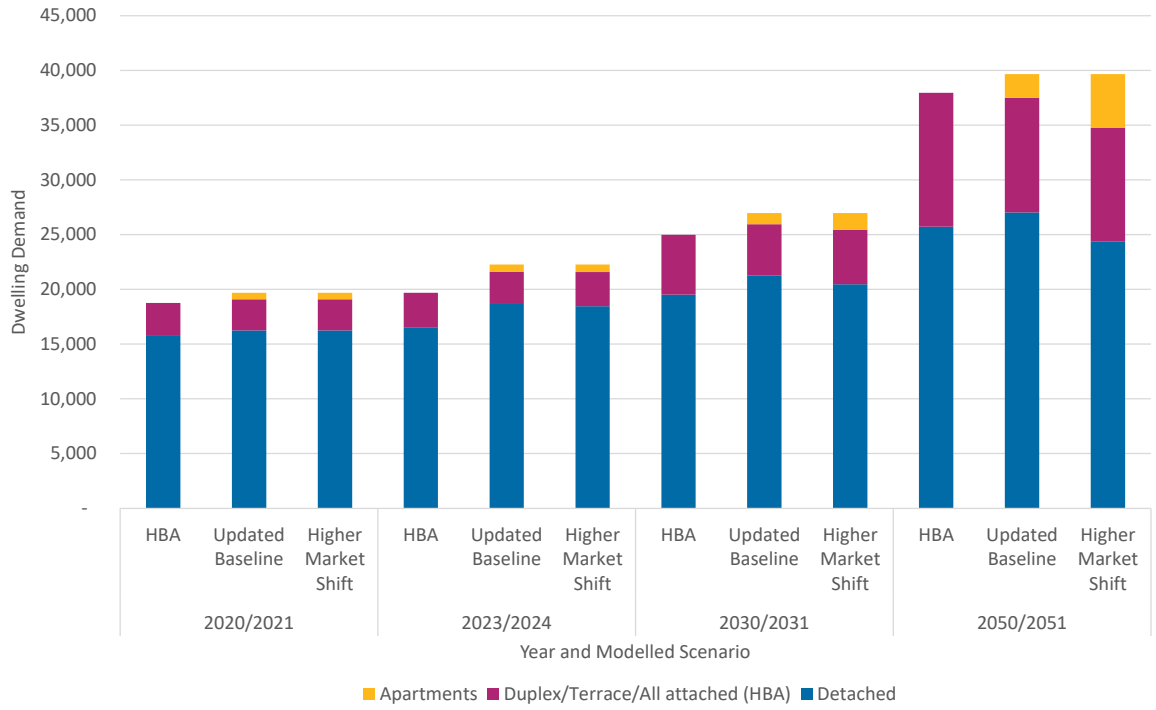
Queenstown town centre and surrounding area, based on patterns observed across most other urban economies. The demand may not all be met through vertically attached apartments. A share is also likely to be met through higher density (horizontally attached) terraced housing, up to three storeys. This is likely to be the case in locations such as Wanaka where the market is less well established for higher density, vertically-attached dwellings.

In other urban economies this type of higher density horizontally attached development has typically occurred in nodes and areas of higher accessibility.

Comparison to Base Scenario and HBA 2021

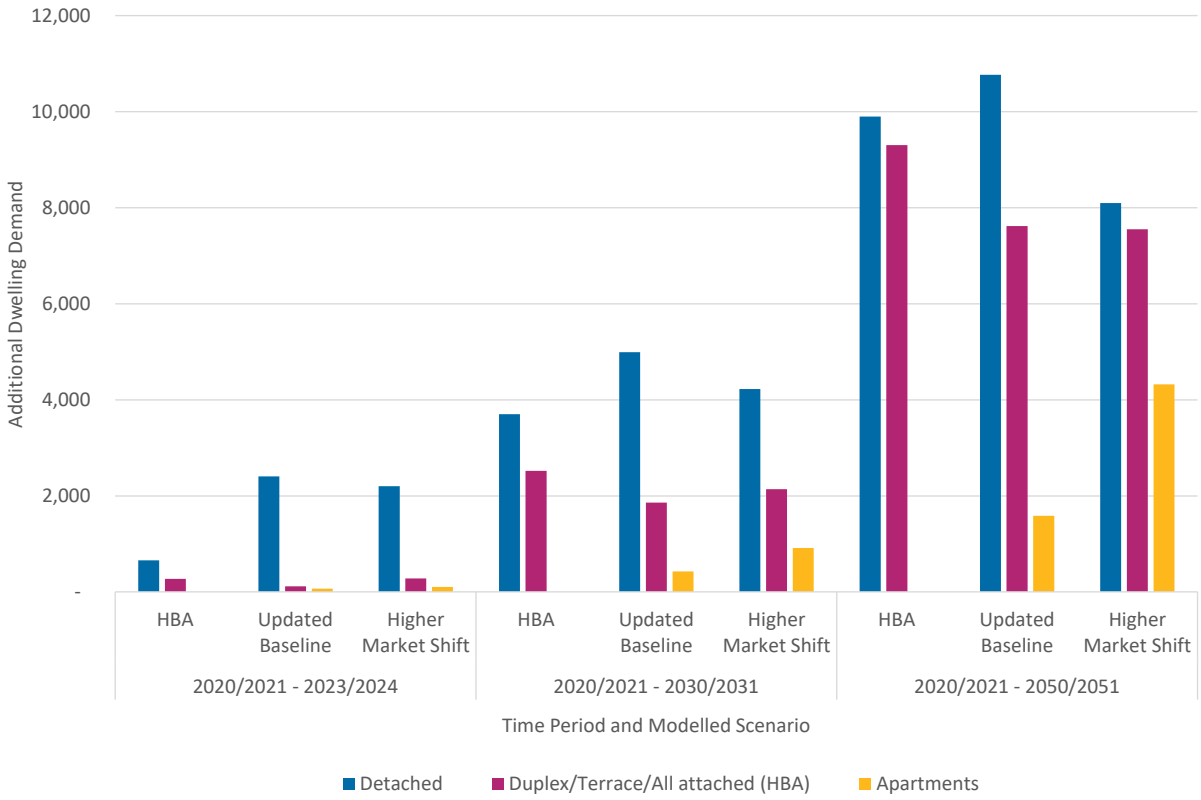
The total projected demand by dwelling type under each of the modelled scenarios is shown in Figure 2-1, and the net increase by typology within each time period, within Figure 2-2. These figures highlight the difference in the structure of demand by typology between each of the scenarios. The attached dwelling demand in the HBA scenario includes all attached dwellings (i.e. duplex, terraced housing, apartments, etc), and should be compared to the sum of the yellow and maroon sections of the other modelled scenarios where they have been further disaggregated. It is important to consider both the structure of demand growth (net changes) as well as the resulting effect on the distribution of demand across the total dwelling stock. The typology structure of new supply through time is likely to differ to that of the existing dwelling stock, driving more gradual overall changes in the total dwelling estate through time.

Figure 2-1: Projected Total Dwelling Demand by Typology and Modelled Scenario



Source: M.E Residential Intensification Analysis, 2022 and M.E QLD Residential Demand and Affordability Model, 2021.

Figure 2-2: Projected Net Change in Dwelling Demand by Typology and Modelled Scenario



Source: M.E Residential Intensification Analysis, 2022 and M.E QLD Residential Demand and Affordability Model, 2021.

The overall level of demand within the Updated Baseline and Higher Market Shift scenarios is equal, where both scenarios use the same total projection series (QLDC updated dwelling demand projections). The differences between the scenarios occur in relation to the distribution of demand by dwelling typology. The total demand under the HBA is lower due to a combination of the use of the previous projection series (current at the time of the HBA 2021) and a slight difference from the HBA reporting from one year prior to the updated modelling within each time period (e.g. 2020 vs. 2021).

All three scenarios show a gradual change in the structure of demand through time with an increase in the share of demand for attached dwellings. As discussed, this occurs as a function of changes in the underlying demographic structure of households together with modelled preference shifts. There is also some locational influence on the differences in the level of preference shift between the HBA and Updated Baseline scenarios where growth in the latter is more focused in lower density areas in the short to medium-term.

In the base year (2021), it is estimated that over four-fifths (83%-84%) of the dwelling demand is for detached dwellings. Over the short-term, both modelled scenarios using the updated projection series estimate that the large majority of additional demand (85% to 93%) will continue to be for detached dwellings and occur at a higher share than the existing share of detached dwellings within the current estate. This is largely due to the geographic distribution of growth in the short-term concentrated into areas of greenfield expansion, which are dominated by detached dwellings. In contrast, the HBA projection series estimates that the share of additional dwelling demand occurring as detached dwellings decreases

in the short-term (relative to the current base), where 71% of the additional demand is for detached dwellings.

The projected patterns of growth are similar during the medium-term between the HBA and Higher Market Shift scenarios. Under these scenarios, 41%-42% of the additional dwelling demand over this time period (2020/21 – 2030/31) is projected to occur as attached dwellings. This results in a projected shift in the total dwelling estate (current plus projected future demand) to have between one-fifth and one-quarter (22%-24%) of demand in attached dwellings (compared to 16%-17% of the current estate).

Smaller changes in growth patterns are projected to occur in the medium-term under the Updated Baseline scenario. Nearly one-third (31%) of additional demand is projected to occur as attached dwellings, increasing the total demand share of attached dwellings to 21%. The medium-term attached dwelling growth pattern demand differs between the Updated Baseline and Higher Market Shift scenarios. A higher share of this demand occurs as higher density attached dwellings (higher density terraced housing and apartments) in the Higher Market Shift scenario.

The Higher Market Shift scenario differs further to the other modelled scenarios during the long-term. Over this period (2021-2051), less than half (41%) of the additional dwelling demand, under this scenario, occurs as detached dwellings. This results in an estimated 61% of long-term demand for detached dwellings. In comparison, over half (52%-54%) of the long-term demand in the other modelled scenarios is for detached dwellings, resulting in over two-thirds (68%) of the total long-term demand (current base plus projected future demand) for detached dwellings.

The nature of long-term demand for attached dwellings differs between the Updated Baseline and Higher Market Shift modelled scenarios. A higher share of the latter is projected to occur as higher density terraced housing and apartment dwellings. These are projected to account for over one-fifth (22%) of the additional long-term demand under the Higher Market Shift scenario. In comparison, these account for 8% of the Updated Baseline additional long-term demand, with attached dwellings more generally focussed on lower to medium-density development such as duplex pairs, town houses, units and terraced houses.

The projected future patterns of demand are partly reflected in recent building consents. Although recent greenfield development has focused on detached dwellings, increasing shares of consents are for attached dwellings. Around half (46%-50%) of the recent dwelling consents have been for attached dwellings within the district, which is in line with the share of future additional dwelling demand where 46% to 59% is projected to occur as attached dwellings. The share is higher, at around three-quarters (69%-78%) within the core urban areas of Queenstown (Eastern/Frankton/Quail, Queenstown/Arthurs Point, and Kelvin Heights/Southern Corridor.

The share of actual recent consents as apartment dwellings is lower than the projected future demand estimated under the Higher Market Shift scenario at the district level. However, within the core central areas of Queenstown, the share of consents as apartments is substantially higher. The Higher Market Shift scenario projected future share of demand as apartments is consistent with the patterns of new dwelling consents in New Zealand's larger urban economies (e.g. Auckland, Wellington and Hamilton).

2.3.2 Spatial Distribution of Demand

This section shows the modelled dwelling demand disaggregated spatially across the seven catchment areas of urban dwelling demand described in Appendix 1, Table 0-1. Table 2-3 and Table 2-4 show the total dwelling demand by typology in each time period across the seven catchments under the Updated Baseline and Higher Market Substitution scenarios respectively. The net changes in dwelling demand from the base year across each typology and location are shown in Table 2-5 and Table 2-6 for each scenario.

Over half (61%) of the district's urban dwelling demand currently occurs within the urban areas of the Wakatipu Ward. Within the ward, it is concentrated into the main urban areas of Queenstown Central/Arthurs Point, the urban areas stretching eastward up through Frankton, Quail Rise and the Eastern Corridor (which combined, account for 42% of the district's current urban dwelling demand). A further 9% of the district's current urban demand base occurs within Kelvin Heights/Southern Corridor.

Around 39% of the current dwelling demand is located within the Wanaka Ward. Almost all of this occurs within the main urban area of Wanaka and the smaller urban settlement of Lake Hawea.

The structure of the current urban dwelling demand base differs by location across the district's urban areas. Higher shares of the dwelling demand in the central areas of Queenstown are in attached dwellings than in other locations, although detached dwellings still account for over three-quarters of the demand in this location. The Queenstown/Arthurs Point catchment area contains nearly one-third of the district's current demand for urban attached dwellings. This pattern of demand differs to the other main urban areas of the Wakatipu Ward. These areas have higher shares of detached dwellings than the district overall.

Over the long-term, there is a net increase in total dwelling demand projected for all of the district's urban catchment areas. The Southern Corridor area has the fastest projected urban growth over all three time-periods, containing one of the largest shares of projected total dwelling demand growth over the long-term according to council projections. The share of total demand in the Kelvin Heights/Southern Corridor catchment is projected to double, with the area projected to contain nearly one-fifth of the district's urban dwelling demand in the long-term. Based on current planning provision, much of this growth is likely to occur through urban greenfield expansion within the Southern Corridor area.

Faster demand growth is also projected to occur within the main eastern urban areas of the Wakatipu Ward. The share of demand in the Eastern/Frankton/Quail catchment is projected to increase from 18% to 20% in the long-term. Together with the Kelvin Heights/Southern Corridor catchment, these areas are projected to contain half (49%) of the district's long-term urban dwelling demand growth.

There is also a large projected total dwelling demand growth within the Wanaka/Lake Hawea catchment area. This is the district's largest projected net change in total dwelling demand (+7,100 dwellings over the long-term). It is projected to occur at a slower rate than Wakatipu Ward southern and eastern main urban areas, with a rate similar to that of the district's urban areas overall.

Dwelling demand within the central Queenstown/Arthurs Point catchment area is projected to grow at a slower rate than other urban areas of the district. It is projected to account for only 9% of long-term dwelling demand growth (+1,900 dwellings), despite containing around one-quarter of the district's current urban dwelling demand base. The share of urban demand within this area is consequently projected to decrease from 24% (in 2021) to 16% in the long-term.

There are projected changes to the dwelling typology structure of demand by location through time. Under both scenarios, there is a shift toward more attached dwellings, which occurs to a greater extent within the Higher Market Shift scenario as discussed above.

Changes to Dwelling Typology Structure of Demand: Updated Baseline Scenario

Under the Updated Baseline scenario, the Queenstown/Arthurs Point catchment is projected to continue to move toward a structure with higher shares of attached dwellings relative to other parts of the district. Over three-quarters of the projected long-term growth is in attached dwellings within this catchment.

The Kelvin Heights/Southern Corridor catchment area is still dominated by detached dwelling demand under the Updated Baseline Scenario. There are higher projected shares (67%) of long-term growth in detached dwellings than in other locations. There is some gradual shift toward attached dwellings in this catchment, albeit at a slower rate than other urban areas within the district.

The Wanaka/Hawea catchment is also projected to gradually shift toward a greater share of attached dwellings, but at a slightly slower rate than the district overall. Under this scenario, it ends up with 29% of long-term total demand for attached dwellings, compared to 32% for the district's urban areas overall.

The remainder of the district's urban catchment areas are projected to gradually shift toward a higher share of attached dwellings at a similar rate to the district overall under this scenario.

Changes to Dwelling Typology Structure of Demand: Higher Market Shift Scenario

There is an increased shift toward more attached dwelling demand under the Higher Market Shift Scenario. Over half (57%) of the long-term projected apartment dwelling growth is projected to occur across the main urban areas of Wakatipu Ward. These include the Queenstown/Arthurs Point, Eastern/Frankton/ Quail Rise, and Kelvin Heights/Southern Corridor catchments. Apartment demand within these locations is likely to occur broadly across this wider combined urban area with a level of flexibility for the market to meet the demand across a range of locations and typologies within this area. The nature of apartments are likely to differ across this area, ranging from higher density, vertically-attached apartments within central areas, to medium-density intensive terraced housing/3-level walk-up apartments across the areas more broadly. Within this, almost all of the Queenstown/Arthurs Point urban area long-term dwelling growth is projected to occur as attached dwellings.

The Wanaka/Lake Hawea catchment also has higher proportions of attached dwelling demand under this scenario. With a long-term projected net increase of 1,500 apartment dwellings (and total demand for 1,700 apartment dwellings), it has a large share of the district's long-term urban apartment dwelling demand.

The nature of apartment dwelling demand and patterns of supply are likely to differ between locations. Demand for apartment dwellings ranges from horizontally attached 2 to 3-level walk-up apartments in the form of more intensive terraced housing, up to higher density vertically-attached apartment buildings. Demand in more central locations, such as Queenstown central, is more likely to be met within the higher end of the apartment density spectrum, while patterns of demand in outer urban areas and Wanaka are more likely to contain a higher share of medium-density apartments.

Table 2-3: Modelled Total Demand by Dwelling Typology and Catchment: Updated Baseline Projections Scenario

Updated Baseline Projections Scenario								
	DWELLING TYPOLOGY							
	Detached	Duplex/ Terrace	Apartments	TOTAL	Detached	Duplex/ Terrace	Apartments	TOTAL
Catchment	**Projected Demand**				**Share of Demand Type**			
	2021				**2021**			
Arrowtown	1,200	200	40	**1,500**	8%	7%	7%	**7%**
Eastern/Frankton/Quail	2,900	500	100	**3,500**	18%	18%	18%	**18%**
Queenstown/Arthurs	3,600	900	200	**4,700**	22%	31%	31%	**24%**
Kelvin Heights/Southern Corridor	1,600	200	40	**1,900**	10%	7%	7%	**9%**
Wakatipu Small Township/Other	400	50	10	**400**	2%	2%	2%	**2%**
Wanaka/Hawea	6,300	1,000	200	**7,400**	38%	35%	35%	**38%**
Wanaka Small Township/Other	300	20	-	**300**	2%	1%	1%	**1%**
Total Urban Environment	**16,300**	**2,800**	**600**	**19,700**	**100%**	**100%**	**100%**	**100%**
	2024				**2024**			
Arrowtown	1,300	200	40	**1,500**	7%	6%	6%	**7%**
Eastern/Frankton/Quail	3,500	500	100	**4,100**	19%	18%	18%	**18%**
Queenstown/Arthurs	3,900	800	200	**4,900**	21%	28%	28%	**22%**
Kelvin Heights/Southern Corridor	2,200	300	60	**2,500**	12%	9%	9%	**11%**
Wakatipu Small Township/Other	400	70	10	**500**	2%	2%	2%	**2%**
Wanaka/Hawea	7,100	1,000	200	**8,400**	38%	35%	35%	**38%**
Wanaka Small Township/Other	300	20	10	**300**	2%	1%	1%	**2%**
Total Urban Environment	**18,700**	**3,000**	**700**	**22,300**	**100%**	**100%**	**100%**	**100%**
	2031				**2031**			
Arrowtown	1,200	300	60	**1,500**	6%	6%	6%	**6%**
Eastern/Frankton/Quail	4,000	900	200	**5,200**	19%	20%	20%	**19%**
Queenstown/Arthurs	3,900	1,200	300	**5,300**	18%	26%	26%	**20%**
Kelvin Heights/Southern Corridor	3,300	400	90	**3,800**	16%	8%	8%	**14%**
Wakatipu Small Township/Other	500	100	30	**700**	2%	3%	3%	**2%**
Wanaka/Hawea	8,000	1,700	400	**10,000**	38%	36%	36%	**37%**
Wanaka Small Township/Other	400	70	10	**500**	2%	1%	1%	**2%**
Total Urban Environment	**21,200**	**4,700**	**1,000**	**27,000**	**100%**	**100%**	**100%**	**100%**
	2051				**2051**			
Arrowtown	1,100	400	80	**1,500**	4%	4%	4%	**4%**
Eastern/Frankton/Quail	5,400	2,100	400	**8,000**	20%	20%	20%	**20%**
Queenstown/Arthurs	4,000	2,100	400	**6,500**	15%	20%	20%	**16%**
Kelvin Heights/Southern Corridor	5,200	1,700	300	**7,200**	19%	16%	16%	**18%**
Wakatipu Small Township/Other	700	300	70	**1,100**	3%	3%	3%	**3%**
Wanaka/Hawea	10,100	3,600	800	**14,500**	37%	35%	35%	**37%**
Wanaka Small Township/Other	600	200	40	**800**	2%	2%	2%	**2%**
Total Urban Environment	**27,000**	**10,500**	**2,200**	**39,700**	**100%**	**100%**	**100%**	**100%**

Source: M.E Residential Intensification Analysis, 2022 and M.E QLD Residential Demand and Affordability Model, 2021.

Table 2-4: Modelled Total Demand by Dwelling Typology and Catchment: Higher Market Shift Scenario

Higher Market Shift Scenario								
	DWELLING TYPOLOGY							
	Detached	Duplex/ Terrace	Apartments	TOTAL	Detached	Duplex/ Terrace	Apartments	TOTAL
Catchment	Projected Demand				Share of Demand Type			
	2021				2021			
Arrowtown	1,200	200	40	**1,500**	8%	7%	7%	**7%**
Eastern/Frankton/Quail	3,000	500	100	**3,500**	18%	18%	18%	**18%**
Queenstown/Arthurs	3,600	900	200	**4,700**	22%	31%	31%	**24%**
Kelvin Heights/Southern Corridor	1,600	200	40	**1,900**	10%	7%	7%	**9%**
Wakatipu Small Township/Other	400	50	10	**400**	2%	2%	2%	**2%**
Wanaka/Hawea	6,300	1,000	200	**7,400**	38%	35%	35%	**38%**
Wanaka Small Township/Other	300	20	-	**300**	2%	1%	1%	**1%**
Total Urban Environment	**16,400**	**2,800**	**600**	**19,700**	**100%**	**100%**	**100%**	**100%**
	2024				2024			
Arrowtown	1,300	200	40	**1,500**	7%	6%	6%	**7%**
Eastern/Frankton/Quail	3,400	600	100	**4,100**	19%	18%	18%	**18%**
Queenstown/Arthurs	3,900	900	200	**4,900**	21%	27%	27%	**22%**
Kelvin Heights/Southern Corridor	2,200	300	70	**2,500**	12%	10%	10%	**11%**
Wakatipu Small Township/Other	400	70	20	**500**	2%	2%	2%	**2%**
Wanaka/Hawea	7,000	1,100	200	**8,400**	38%	35%	35%	**38%**
Wanaka Small Township/Other	300	30	10	**300**	2%	1%	1%	**2%**
Total Urban Environment	**18,400**	**3,100**	**700**	**22,300**	**100%**	**100%**	**100%**	**100%**
	2031				2031			
Arrowtown	1,200	200	80	**1,500**	6%	5%	5%	**6%**
Eastern/Frankton/Quail	3,800	1,000	300	**5,200**	19%	20%	20%	**19%**
Queenstown/Arthurs	3,800	1,200	400	**5,400**	19%	24%	24%	**20%**
Kelvin Heights/Southern Corridor	3,100	500	200	**3,800**	15%	11%	11%	**14%**
Wakatipu Small Township/Other	500	100	40	**700**	2%	3%	3%	**2%**
Wanaka/Hawea	7,600	1,800	500	**10,000**	38%	36%	36%	**37%**
Wanaka Small Township/Other	400	80	20	**500**	2%	2%	2%	**2%**
Total Urban Environment	**20,300**	**5,000**	**1,500**	**27,000**	**100%**	**100%**	**100%**	**100%**
	2051				2051			
Arrowtown	1,000	300	200	**1,500**	4%	3%	3%	**4%**
Eastern/Frankton/Quail	4,800	2,200	1,000	**8,000**	20%	21%	21%	**20%**
Queenstown/Arthurs	3,800	1,800	900	**6,600**	16%	18%	18%	**17%**
Kelvin Heights/Southern Corridor	4,400	1,900	900	**7,200**	18%	18%	18%	**18%**
Wakatipu Small Township/Other	600	300	200	**1,100**	3%	3%	3%	**3%**
Wanaka/Hawea	9,000	3,700	1,700	**14,500**	37%	35%	35%	**37%**
Wanaka Small Township/Other	500	200	100	**800**	2%	2%	2%	**2%**
Total Urban Environment	**24,100**	**10,400**	**4,900**	**39,700**	**100%**	**100%**	**100%**	**100%**

Source: M.E Residential Intensification Analysis, 2022 and M.E QLD Residential Demand and Affordability Model, 2021.

Table 2-5: Projected Net Change in Demand by Typology and Catchment: Updated Baseline Projection Scenario

Updated Baseline Projections Scenario								
	DWELLING TYPOLOGY							
	Detached	Duplex/ Terrace	Apartments	TOTAL	Detached	Duplex/ Terrace	Apartments	TOTAL
Catchment	**Projected Demand**				**Share of Demand Type**			
	2021-2024				**2021**			
Arrowtown	30	-20	0	**10**	1%	-16%	-2%	**0%**
Eastern/Frankton/Quail	500	30	10	**600**	22%	27%	21%	**22%**
Queenstown/Arthurs	300	-50	0	**200**	12%	-45%	1%	**9%**
Kelvin Heights/Southern Corridor	600	70	20	**700**	25%	58%	27%	**27%**
Wakatipu Small Township/Other	70	20	0	**90**	3%	14%	7%	**3%**
Wanaka/Hawea	800	60	30	**900**	34%	55%	43%	**36%**
Wanaka Small Township/Other	70	10	0	**70**	3%	6%	3%	**3%**
Total Urban Environment	**2,400**	**100**	**70**	**2,600**	**100%**	**100%**	**100%**	**100%**
	2021-2031				**2024**			
Arrowtown	-60	70	20	**20**	-1%	4%	4%	**0%**
Eastern/Frankton/Quail	1,100	400	100	**1,600**	22%	24%	23%	**22%**
Queenstown/Arthurs	200	300	80	**700**	5%	18%	19%	**9%**
Kelvin Heights/Southern Corridor	1,700	200	40	**2,000**	35%	10%	10%	**27%**
Wakatipu Small Township/Other	100	80	20	**200**	3%	4%	4%	**3%**
Wanaka/Hawea	1,700	700	200	**2,600**	34%	38%	38%	**35%**
Wanaka Small Township/Other	100	50	10	**200**	3%	3%	3%	**3%**
Total Urban Environment	**5,000**	**1,900**	**400**	**7,300**	**100%**	**100%**	**100%**	**100%**
	2021-2051				**2031**			
Arrowtown	-200	200	40	**60**	-2%	3%	3%	**0%**
Eastern/Frankton/Quail	2,500	1,600	300	**4,400**	23%	21%	21%	**22%**
Queenstown/Arthurs	400	1,200	200	**1,900**	4%	16%	16%	**9%**
Kelvin Heights/Southern Corridor	3,600	1,500	300	**5,300**	33%	19%	19%	**27%**
Wakatipu Small Township/Other	300	300	60	**700**	3%	4%	4%	**3%**
Wanaka/Hawea	3,900	2,700	600	**7,100**	36%	35%	35%	**35%**
Wanaka Small Township/Other	300	200	40	**600**	3%	2%	2%	**3%**
Total Urban Environment	**10,800**	**7,600**	**1,600**	**20,000**	**100%**	**100%**	**100%**	**100%**

Source: M.E Residential Intensification Analysis, 2022 and M.E QLD Residential Demand and Affordability Model, 2021.

Table 2-6: Projected Net Change in Demand by Typology and Catchment: Higher Market Shift Scenario

Higher Market Shift Scenario								
	DWELLING TYPOLOGY							
	Detached	Duplex/ Terrace	Apartments	TOTAL	Detached	Duplex/ Terrace	Apartments	TOTAL
Catchment	**Projected Demand**				**Share of Demand Type**			
	2021-2024				**2021**			
Arrowtown	10	-10	0	**10**	0%	-5%	0%	**0%**
Eastern/Frankton/Quail	500	70	20	**600**	22%	24%	21%	**22%**
Queenstown/Arthurs	200	-30	10	**200**	10%	-10%	6%	**9%**
Kelvin Heights/Southern Corridor	500	100	30	**700**	27%	37%	25%	**27%**
Wakatipu Small Township/Other	60	20	10	**90**	3%	7%	5%	**3%**
Wanaka/Hawea	700	100	40	**900**	34%	43%	40%	**35%**
Wanaka Small Township/Other	60	10	0	**70**	3%	4%	3%	**3%**
Total Urban Environment	**2,000**	**300**	**100**	**2,600**	**100%**	**100%**	**100%**	**100%**
	2021-2031				**2024**			
Arrowtown	-80	50	30	**20**	-2%	2%	4%	**0%**
Eastern/Frankton/Quail	900	500	200	**1,600**	22%	23%	22%	**22%**
Queenstown/Arthurs	100	300	200	**700**	3%	14%	19%	**9%**
Kelvin Heights/Southern Corridor	1,500	300	100	**1,900**	37%	16%	13%	**27%**
Wakatipu Small Township/Other	100	90	30	**200**	3%	4%	3%	**3%**
Wanaka/Hawea	1,300	800	300	**2,600**	34%	38%	37%	**35%**
Wanaka Small Township/Other	100	60	20	**200**	3%	3%	2%	**3%**
Total Urban Environment	**3,900**	**2,100**	**900**	**7,300**	**100%**	**100%**	**100%**	**100%**
	2021-2051				**2031**			
Arrowtown	-200	100	100	**60**	-3%	2%	3%	**0%**
Eastern/Frankton/Quail	1,800	1,600	900	**4,400**	23%	22%	21%	**22%**
Queenstown/Arthurs	100	1,000	700	**1,900**	2%	13%	16%	**9%**
Kelvin Heights/Southern Corridor	2,700	1,700	800	**5,300**	36%	22%	20%	**27%**
Wakatipu Small Township/Other	200	300	100	**700**	3%	4%	3%	**3%**
Wanaka/Hawea	2,700	2,700	1,500	**7,100**	35%	35%	35%	**35%**
Wanaka Small Township/Other	300	200	100	**600**	3%	3%	2%	**3%**
Total Urban Environment	**7,700**	**7,600**	**4,300**	**20,000**	**100%**	**100%**	**100%**	**100%**

Source: M.E Residential Intensification Analysis, 2022 and M.E QLD Residential Demand and Affordability Model, 2021.

3 Residential Capacity Modelling Approach

M.E have modelled the residential dwelling capacity enabled by the proposed intensification options within QLD. The assessment firstly calculates the total capacity enabled under the proposed zoning extents and planning provisions (plan enabled capacity) and then estimates the plan enabled dwelling construction options that are likely to represent feasible development options for commercial developers (commercially feasible capacity). The modelling extends upon that undertaken for the HBA 2021 to reflect the changes in the nature and location of enabled dwellings as well as changes within the local market. This section provides an overview of the further modelling approach development since the HBA 2021.

3.1 Introduction and Structure

QLDCs proposed intensification options increase the level of development that is provided for within the district's urban areas. In many locations, the provisions enable a substantial increase in the level of development relative to the existing enabled baseline level of development. This occurs through both an increase in the yields enabled within each parcel as well as the physical extent of the development which can occur. In some areas, this reflects a substantially different level and type of development to that of historical development patterns.

This section firstly (Section 3.2) outlines the modelled planning options (Options 1 to 6) that were provided to M.E for evaluation.[6] These form the basis for the comparison of changes in capacity to that of the existing baseline provisions. The next part (Section 3.3) then outlines the main modelled *extensions* and *changes* that have been undertaken from the HBA 2021 to ensure that the shift in potential dwelling development patterns is appropriately captured (as well as any other changes in assumptions that were considered appropriate). The HBA 2021 contains the technical documentation for the base capacity modelling approach and is not repeated here. The final part of this section explains the structure of the outputs, with Appendix 2 setting out the key changes since the HBA 2021 modelling. The results of the capacity modelling are then contained within the following report sections (4 and 5).

3.2 Modelled Intensification Options

There are 6 different modelled options of intensification that have been developed by QLDC and Barker & Associates (B&A). These broadly include different stages of intensification of nodes, corridors and the general suburban area. The total residential dwelling capacity is calculated under each of the proposed options as well as the estimated increase in capacity from the existing baseline planning provisions.

[6] Any changes or modifications to these original options will not be captured in this report and may warrant further evaluation using the models developed for this report.

The planning provisions that define the modelled options occur through a combination of changes to the base zoning and spatial extent of zones as well as changes to the provisions within the zones. The zoning information has been supplied as GIS shapefiles by QLDC. The PDP Decisions Version zones forms the base layer, with further GIS files identifying any changes to the zones or their spatial extent from this base layer. The proposed provisions have been supplied by QLDC in the document of Section 32 Draft Options[7].

The modelled scenarios are set out below:

- **Baseline Capacity:** The baseline capacity is the existing baseline from which changes in capacity from the proposed provisions are measured. It uses the PDP Decisions Versions zoning (as supplied by QLDC) and applies the existing planning provisions within these zoned areas.
- **Option 1 (Change zoning around commercial nodes and make the associated provisions more enabling):** This option generally strengthens key nodes within the district's urban areas by increasing the densities enabled within commercial zones and upzoning the residential areas surrounding the key nodes within the district. It also increases the density provisions within the High Density Residential (HDR), Medium Density Residential (MDR) and Arrowtown Residential Historic Management (ARHM) zones from the baseline provisions. It is noted that there is some downzoning of the existing HDR Zone within Wanaka. This option does not include provision for Comprehensive Residential Developments (CRDs) within the Lower Density Suburban Residential (LDSR) zone.
- **Option 2 (Change zoning around commercial nodes and corridors and make the associated provisions more enabling):** This option generally strengthens the key nodes and corridors within the district's urban areas. This is also achieved through increasing the densities enabled within the commercial zones and upzoning the residential areas surrounding both key nodes and corridors within the district. It also increases the density provisions within the HDR, MDR and ARHM zones from the baseline provisions. As above, this option also removes the provision for CRDs within the LDSR zone.
- **Option 3 (Option 1 + changes to the standards in the LDSR Zone relating to building heights, average site area, and minimum lot area (subdivision chapter)):** This option generally strengthens nodes within the district's urban areas, as well as applies some intensification within the general suburban areas (LDSR Zone). It uses the same planning inputs as Option 1, with the exception of the LDSR Zone. The intensification applied within this zone occurs through the increased building height allowances on sites.
- **Option 4 (Option 2 + changes to the standards in the LDSR Zone relating to building heights, average site area, and minimum lot area (subdivision chapter)):** This option generally strengthens nodes and corridors within the district's urban areas, as well as applies some intensification within the general suburban areas (LDSR Zone). It uses the same planning inputs as Option 2, with the exception of the LDSR Zone. The intensification applied within this zone occurs through the increased building height allowances on sites.

[7] The M.E modelling applies the provisions contained within the Draft Options document, supplied 2 December 2022 (draft 4), although one later amendment to maximum building heights in the Wanaka Town Centre was able to be captured in time for modelling for this report.

- **Option 5 (Option 2 + apply the Government's Medium Density Residential Standards to the land zoned LDR and MDR):** This option generally increases the densities enabled within nodes within the district's urban areas as well as across the general suburban areas. Intensification within the nodes occurs in the same way as Options 1 and 3. Intensification within the general suburban areas occurs through changing the LDSR Zone to MDR Zone. It then applies the central government Medium Density Residential Standards (MDRS) for tier-1 councils to the MDR Zone.
- **Option 6 (Option 2 + apply a modified approach to the Medium Density Residential Standards to the land zoned LDSR and MDR):** This option generally increases the densities enabled within nodes within the district's urban areas as well as across the general suburban areas. Intensification within the nodes occurs in the same way as Options 1 and 3. Intensification within the general suburban areas occurs through changing the LDSR Zone to MDR Zone. It then applies the QLDC proposed provisions within the MDR Zone. The key difference to the MDRS is that the QLDC MDR provisions include a maximum density control of 150m^2 per dwelling.

Reporting of Options 3 and 4

We have examined the changed LDSR zone provisions within Options 3 and 4 but find that these do not affect modelled capacity. These relate to the increased height allowances and change in consenting requirements to develop at the land use consent pathway density (i.e., density of 1 in 300m^2).

We note that increased height allowances within the zone will increase the flexibility for developers, but consider that this is unlikely to affect the number of dwellings that could be constructed on each site as dwellings can already be constructed within the existing height allowances at these densities. The land area required per dwelling instead forms the key factor in determining the number of dwellings able to be constructed, which is not altered by the additional height allowance at these densities.

In addition, we note that Options 3 and 4 remove the requirement for a land use consent to develop at densities up to one dwelling per 300m^2 of land area. As agreed with QLDC, this density is already reflected within the baseline modelling assumptions for the LDSR Zone within Options 1 and 2. As such, while this change in requirements may increase the ease of the development pathway, it does not affect M.E's modelled capacity.

As a result, the modelled capacity under Options 3 and 4 is the same as that modelled under Options 1 and 2 respectively. Consequently, we do not report on capacity for Options 3 and 4 in remaining report sections.

The following section outlines the main modelling extensions and changes that have been applied within the current modelling of the proposed intensification provisions. It also includes the key modelling assumptions.

3.3 Structure of Capacity Outputs

3.3.1 Output Capacity Measure

The modelled capacity is expressed as the net additional dwellings that can be accommodated within each zone and location across the district's urban areas. These are potential net additional dwellings to the existing dwelling stock.

3.3.2 Types of Capacity

The modelling first calculates the net additional dwellings theoretically enabled under the planning provisions ("plan enabled capacity"). It then estimates which outputs of the plan enabled capacity would represent potentially commercially feasible development options for a commercial developer ("commercially feasible capacity").

The commercially feasible capacity shows the potential range of development options that may represent feasible options if they were available to the market. It is important not to confuse the commercially feasible results with growth (i.e. difference between capacity vs. growth). They show the range of opportunity available, with a portion of these likely to be taken up that is more in line with the level of demand within the district.

The model operates at the parcel level, calculating the different potential dwelling yields across a range of development options. Both plan enabled and commercially feasible capacity are calculated at the parcel level, meaning that both assessments reflect the individual parcel attributes and individually test each option. The results are then aggregated up to the reporting areas.

3.3.3 Spatial Structure of Outputs and Development Pathways

The modelling calculates the capacity across both the existing urban areas and greenfield areas of future urban expansion. The existing urban areas are those areas that are already urbanised that fall within the spatial extent of the existing urban edge. Greenfield areas are areas zoned for future urban expansion that are not yet urbanised.

The analysis excludes the capacity on greenfield area Special Zones as these have always been reported separately by QLDC for the HBAs based on developer information and structure plans.

There are two modelled development pathways within the existing urban area – both of which are modelled and reported:

- Infill capacity refers to the number of additional dwellings that can be constructed within the existing urban area without the removal or demolition of any existing dwellings. It typically involves the construction of additional dwellings on the vacant areas of parcels (e.g. constructing an additional dwelling in a large back or front yard area of an already developed property parcel).
- Redevelopment capacity refers to the number of additional dwellings that can be constructed within the existing urban area through the redevelopment of sites. It involves the demolition or removal of existing dwellings on a site and the subsequent construction of a greater number of dwellings on the same site.[8]

3.3.4 Modelled Dwelling Typologies

A range of dwelling typologies have been modelled on each parcel within each of the above development pathways. Different typology categories are also included within the modelling undertaken for the HBA

[8] Replacing a small standalone dwelling with a larger new standalone dwelling does not result in a net increase in dwellings on the parcel.

2021 but have been applied in different locations and zones. They have also been substantially recalibrated to reflect the changes in the nature of dwellings with the intensification provisions.

The following lists the dwelling typologies modelled and describes any difference in their application, within each zone, to the HBA 2021. It also describes the nature of the dwellings constructed within each category, as this may differ substantially to the characteristics of each typology under lower density provisions:

- Detached dwellings: These range from smaller two-storey detached dwellings on smaller sites (at a minimum, around 200m^2) up to larger single level detached dwellings on general suburban scale sites.
- Attached dwellings: These include a range of different dwelling typologies. They range from single level attached units up to higher density, horizontally-attached terraced houses. Dwellings within the higher density range can include two to three-level walk up terraced houses/apartments.
- Terraced housing: These are higher density horizontally attached dwellings and are included as a separate dwelling typology to reflect either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone. They are generally higher density horizontally attached dwellings that are two to three-level walk up terraced houses/apartments. In some zones, the modelling applies higher density assumptions to these dwellings than the attached dwellings category.
- Vertical apartments: These include vertically attached apartment dwellings in buildings that are up to the maximum height enabled within the zone. These dwellings are modelled within the commercial zones that allow for residential uses and within the HDR Zone.

The capacity results also include maximums (across the four modelled typologies) of each of infill and redevelopment capacity within the existing urban area. A maximum combination total is also included within the greenfield areas of the existing urban area.[9] Here, the model returns the greatest yield for each parcel out of the infill and redevelopment capacity options. Under the plan enabled capacity, the maximum redevelopment option will almost always represent the greatest yield. However, under the commercially feasible capacity often only a subset of the development options will be feasible (e.g. infill detached dwellings). This means that the model selects the highest yield from this subset (i.e. feasible dwellings), often resulting in smaller feasible maximums on a parcel than plan enabled maximums.

Each of the modelling dwelling typologies have different site size requirements. They also have different relationships between dwelling size and land area, where smaller sites can generally be developed more efficiently with attached dwellings (than detached dwellings).

3.3.5 Key Changes to HBA 2021 Modelling

Further detail is provided in Appendix 2 on the key changes that have occurred since the QLD HBA 2021 capacity modelling. This is important context for comparing the baseline capacity adopted in this report, with previously reporting residential capacity.

[9] But excluding the Special Zones.

4 Plan Enabled Residential Dwelling Capacity

This section contains our assessment of the residential dwelling capacity enabled by QLDC's proposed planning provisions (focussing on Options 1-2 and 5-6) across the existing and planned future urban environment (excluding Special Zones). It calculates the capacity for additional residential development enabled by the proposed provisions. These do not take into account the commercial feasibility of constructing the capacity (which is instead is addressed in Section 5) or the infrastructure constraints to development.

4.1 Introduction

The following sub-sections contain the results of plan enabled capacity under each of the modelled options.[10] As set out in Section 3, the calculations are undertaken at a parcel level and then aggregated to the same reporting areas used within the HBA 2021 and, separately, by zone.

The capacity results are net additional dwellings where the existing dwellings have been removed from the calculated gross yields on each parcel. The tables within the following sub-sections show the net additional dwellings in accordance with the capacity structure outlined in Section 3.

The first portion of the table shows the modelled capacity within each typology for infill development, including a maximum yield across the four typologies[11]. The middle section contains the redevelopment capacity across the four dwelling options, including maximums for redevelopment as well as redevelopment and infill options combined. The remainder of the table shows the greenfield capacity (non-Special Zones) in this structure.

Importantly, the columns within the table are not additive. The maximum columns show the maximum yield combinations within each development pathway (infill, redevelopment or greenfield), as well as the final column containing the total across the greenfield and existing urban areas.

The section firstly reports the plan enabled capacity within each modelled option individually. The capacity enabled is then summarised across the options in the final sub-section.

[10] But excluding options 3 and 4, which for the purpose of M.E's modelling, produce the same results as options 1 and 2.

[11] The maximum yield has been calculated at the parcel level and then aggregated to each location within the table. This means that the maximums within the commercially feasible tables will in most cases not align with the largest column value by typology. This is because some parcels may have feasible development options across higher density dwelling options, while others may only have feasible capacity for lower yield options. Therefore, the aggregation of feasible yields at the parcel level is a combination of some development within higher density typologies, and others at lower density typologies.

4.2 Plan Enabled Residential Capacity: Baseline

The plan enabled capacity under the baseline scenario is shown by location in Table 4-1 and by zone in Table 4-2.

In total, there is an existing baseline capacity for an additional 59,500 dwellings within Queenstown's current and planned future urban areas. This excludes further capacity occurring within the greenfield special zone area. This additional capacity amounts to around three times the size of the existing dwelling base, meaning that the urban area could theoretically accommodate over four times the size of the existing dwelling base if it were completely redeveloped to the highest intensity.

Around three-quarters of the modelled capacity occurs within the existing urban area (43,800 dwellings), although this share is lower if the Special Zones greenfield capacity is included. The Queenstown Town Centre reporting area (as distinct from the zone[12]) accounts for nearly half of the existing urban capacity, with the next largest share occurring within the Wanaka Town Centre reporting area (28%).

The structure of enabled capacity within these two largest locations differs substantially. It is dominated by apartments within Queenstown Town Centre, with a larger focus on lower to medium-density typologies (detached and attached) within Wanaka Town Centre reporting area.

The location and nature of greenfield area capacity differs to that of the existing urban area. The largest areas of plan enabled capacity include Quail Rise, Wanaka Town Centre, Kelvin Heights and Queenstown Town Centre reporting areas. With the exception of Quail Rise and Queenstown Town Centre areas, capacity in these locations is more focussed on lower to medium density development. This reflects the zone structure and existing development patterns of these locations.

Capacity under the baseline scenario is concentrated into the LDSR and HDR zones. Together these zones account for nearly three-quarters of the plan enabled capacity.

The LDSR zone accounts for a larger proportion of the capacity within the existing urban area and greenfield areas and is dominated by detached or attached dwellings. In contrast, the HDR zone capacity is concentrated in the existing urban area, with a greater focus on apartment dwellings.

[12] Maps are provided in the HBA 2021 that show reporting area boundaries.

Table 4-1: Plan Enabled Capacity by Location in QLD Urban Area: Baseline Scenario

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Reporting Area	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	200	200	20	-	200	1,000	1,000	300	-	1,000	1,000	100	100	-	-	100	1,100
Arthurs Point	400	500	200	700	1,000	1,100	1,200	400	1,400	2,300	2,300	600	600	200	-	600	2,900
Eastern Corridor	400	400	20	-	400	1,400	1,400	30	-	1,400	1,400	400	300	50	-	400	1,800
Frankton	200	200	-	60	200	900	900	-	200	1,000	1,000	100	100	-	-	100	1,100
Kelvin Heights	400	500	200	400	700	1,200	1,300	300	600	1,600	1,600	2,500	2,500	80	50	2,600	4,100
Outer Wakatipu	-	-	-	-	-	30	50	50	200	200	200	10	-	-	-	10	200
Quail Rise	20	20	-	-	20	30	30	-	-	30	30	400	700	700	4,600	4,700	4,700
Queenstown Town Centre	1,900	2,200	1,300	5,100	6,400	4,400	5,300	3,500	19,000	21,600	21,600	1,200	1,200	500	1,000	2,000	23,600
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wakatipu Ward Sub-Total	3,500	3,900	1,700	6,300	8,900	10,300	11,200	4,500	21,400	29,400	29,400	5,400	5,500	1,600	5,600	10,600	40,000
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	600	600	-	20	600	1,800	1,800	-	40	1,800	1,800	1,300	1,200	-	-	1,300	3,100
Luggate	100	90	-	-	100	200	90	-	-	200	200	400	400	-	-	400	600
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,700	3,300	500	600	4,100	11,000	10,300	1,400	1,600	12,400	12,400	3,200	3,000	200	80	3,300	15,600
Wanaka Ward Sub-Total	4,400	4,000	500	600	4,900	13,000	12,200	1,400	1,600	14,400	14,400	5,000	4,600	200	80	5,100	19,500
Total Urban Environment	**7,900**	**7,900**	**2,200**	**6,900**	**13,800**	**23,300**	**23,300**	**6,000**	**23,000**	**43,800**	**43,800**	**10,400**	**10,100**	**1,800**	**5,700**	**15,700**	**59,500**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 4-2: Plan Enabled Capacity by Zone in QLD Urban Area: Baseline Scenario

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Zone	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	1,000	1,500	1,500	5,200	5,200	2,200	3,500	3,500	15,300	15,300	15,300	400	700	700	2,800	2,800	18,100
HDR Subzone A	-	-	-	10	10	40	40	40	300	300	300	-	-	-	-	-	300
HDR Subzone B	60	60	60	400	400	300	300	300	2,400	2,400	2,400	70	70	70	400	400	2,800
Medium Density Residential	700	700	700	-	700	1,900	1,900	1,900	-	1,900	1,900	1,000	1,000	1,000	-	1,000	2,800
Medium Density Residential-Arrowtown	20	20	20	-	20	300	300	300	-	300	300	-	-	-	-	-	300
Lower Density Suburban Residential	5,700	5,700	-	-	5,700	17,400	17,400	-	-	17,400	17,400	8,300	8,300	-	-	8,300	25,700
Arrowtown Residential Historic Management	10	10	-	-	10	30	30	-	-	30	30	-	-	-	-	-	30
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	200	200	-	-	-	1,500	1,500	1,500	-	-	-	-	-	1,500
Wanaka Town Centre	-	-	-	10	10	-	-	-	200	200	200	-	-	-	-	-	200
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	70	70	-	-	-	200	200	200	-	-	-	100	100	300
Business Mixed Use	-	-	-	1,000	1,000	-	-	-	3,200	3,200	3,200	-	-	-	2,400	2,400	5,600
TOTAL	**7,900**	**7,900**	**2,200**	**6,900**	**13,800**	**23,300**	**23,300**	**6,000**	**23,000**	**43,800**	**43,800**	**10,400**	**10,100**	**1,800**	**5,700**	**15,700**	**59,500**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

4.3 Plan Enabled Residential Capacity: Option 1

The plan enabled capacity under proposed Option 1 is shown by location in Table 4-3 and by zone in Table 4-4. This modelled option intensifies the enabled capacity within nodes within the existing urban area.

The proposed provisions increase the plan enabled capacity by 14% from that modelled under the existing baseline provisions to reach a total capacity for an additional 37,700 dwellings. The largest net increases occur within the existing urban area, where capacity is increased by around 18%. There is little change within the greenfield areas.

The largest increases in capacity occur within the medium density typologies of attached and terraced housing, with some increase also occurring within the vertically-attached apartments as well as detached dwellings. The increase in detached dwelling capacity is likely to occur through growth in the number of smaller detached dwellings within the upzoned areas, which differs substantially to the past lower density patterns of detached dwelling development across parts of the suburban area. The largest increases as medium to higher density development reflect the more intensive provisions of the residential upzoned areas than their existing baseline zone.

The largest areas of capacity increase (from the baseline scenario) occur within the Queenstown Town Centre and Wanaka Town Centre reporting areas. The increase in the nodes within these areas increases their share of capacity within the district's urban environment to account for just over two-thirds of the plan enabled capacity. The MDR Zone has the largest increase in capacity from the baseline scenario, accounting for around three-quarters of the capacity increase. The next largest increases occur within the Wanaka Town Centre reporting area, and HDR zones, although part of the HDR increase is offset by an area of downzoning to MDR Zone (with a proposed density of 1 in 150m^2) within Wanaka under this Option.

The share of total capacity within the higher intensity zones (HDR and MDR) increases under this scenario, with corresponding decreases in the share of capacity within the LDSR Zone.

Table 4-3: Plan Enabled Capacity by Location in QLD Urban Area: Option 1

Reporting Area	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	200	200	30	-	200	1,100	1,500	700	10	1,500	1,500	100	100	-	-	100	1,600
Arthurs Point	400	500	200	-	500	1,100	1,200	300	20	1,200	1,200	600	600	-	-	600	1,800
Eastern Corridor	400	400	30	-	400	1,400	1,400	50	-	1,400	1,400	400	300	50	-	400	1,800
Frankton	200	200	100	200	400	1,000	1,200	500	500	1,700	1,700	100	100	10	-	100	1,900
Kelvin Heights	400	500	200	-	500	1,200	1,300	300	-	1,300	1,300	2,500	2,500	100	100	2,600	3,900
Outer Wakatipu	-	-	-	-	-	40	50	50	-	50	50	10	-	-	-	10	60
Quail Rise	20	20	-	-	20	30	30	-	-	30	30	500	700	900	5,200	5,300	5,300
Queenstown Town Centre	2,100	2,600	2,200	4,800	6,700	5,100	7,100	7,300	21,800	26,100	26,200	1,200	1,200	400	1,200	2,200	28,400
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,700	4,400	2,700	5,000	8,700	11,300	13,700	9,100	22,400	33,600	33,600	5,500	5,600	1,500	6,500	11,500	45,100
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	600	600	-	40	600	1,800	1,800	-	80	1,900	1,900	1,300	1,200	-	-	1,300	3,100
Luggate	100	90	-	-	100	200	90	-	-	200	200	400	400	-	-	400	600
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,900	3,800	1,200	700	4,900	12,100	12,500	4,000	2,000	15,300	15,300	3,200	3,000	50	200	3,300	18,600
	4,700	4,500	1,200	700	5,700	14,100	14,400	4,000	2,000	17,400	17,400	5,000	4,600	50	200	5,100	22,500
	8,400	**8,900**	**3,900**	**5,800**	**14,500**	**25,400**	**28,100**	**13,200**	**24,400**	**50,900**	**51,000**	**10,500**	**10,100**	**1,600**	**6,600**	**16,600**	**67,700**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 4-4: Plan Enabled Capacity by Zone in QLD Urban Area: Option 1

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Zone	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	400	600	900	3,500	3,500	1,400	2,300	3,700	15,100	15,100	15,200	500	700	1,000	3,500	3,500	18,600
HDR Subzone A	-	-	10	20	20	40	70	100	400	400	400	-	-	-	-	-	400
HDR Subzone B	60	90	100	500	500	300	400	800	3,100	3,100	3,100	70	100	100	500	500	3,600
Medium Density Residential	2,000	2,800	2,800	-	2,800	5,800	8,600	8,600	-	8,600	8,600	500	500	500	-	500	9,100
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	5,400	5,400	-	-	5,400	16,700	16,700	-	-	16,700	16,700	8,800	8,800	-	-	8,800	25,500
Arrowtown Residential Historic Management	10	20	-	-	20	30	70	-	-	70	70	-	-	-	-	-	80
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	100	100	-	-	-	1,000	1,000	1,000	-	-	-	-	-	1,000
Wanaka Town Centre	-	-	-	200	200	-	-	-	500	500	600	-	-	-	-	-	600
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	100	100	-	-	-	300	300	300	-	-	-	300	300	500
Business Mixed Use	-	-	-	1,300	1,300	-	-	-	4,000	4,000	4,000	-	-	-	2,400	2,400	6,400
TOTAL	**8,400**	**8,900**	**3,900**	**5,800**	**14,500**	**25,400**	**28,100**	**13,200**	**24,400**	**50,900**	**51,000**	**10,500**	**10,100**	**1,600**	**6,600**	**16,600**	**67,700**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

4.4 Plan Enabled Residential Capacity: Option 2

The plan enabled capacity under proposed Option 2 is shown by location in Table 4-5 and by zone in Table 4-6. This option intensifies development options within both nodes and corridors.

The intensification of corridors (in addition to nodes) under Option 2 increases the plan enabled capacity by a further 5,700 dwellings, to reach a total plan enabled capacity of 73,400 additional dwellings. This equates to a 23% increase to the existing baseline capacity (+13,900 dwellings).

The further increases in capacity under Option 2 all occur within the Wakatipu Ward. They occur mainly in the Queenstown Town Centre reporting area, followed by Kelvin Heights and Frankton reporting areas. This further centralises capacity across the district where Queenstown Town Centre reporting area further increases its share of capacity to 44% (compared to 40% under the existing baseline).

Almost all of the further increase in capacity within this option (from Option 1) occurs within the HDR Zone, with a smaller share within the MDR Zone. Most of this occurs where corridor areas were downzoned from HDR to MDR under Option 1 (to increase the relativities of nodes), but then upzoned again to HDR under Option 2. This has occurred around the Frankton Arm and Kelvin Heights. In Wanaka, capacity within the central node area around the township and inner suburban area has been upzoned through an expanded application of the MDR Zone, with most areas previously having a LDSR Zone. The HDR Zone areas within Wanaka have been downzoned to MDR Zone under this modelled option.

Table 4-5: Plan Enabled Capacity by Location in QLD Urban Area: Option 2

Reporting Area	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	200	200	30	-	200	1,100	1,500	700	10	1,500	1,500	100	100	-	-	100	1,600
Arthurs Point	400	500	200	-	500	1,100	1,200	300	20	1,200	1,200	600	600	-	-	600	1,800
Eastern Corridor	400	400	30	-	400	1,400	1,400	50	-	1,400	1,400	400	300	50	-	400	1,800
Frankton	200	300	300	200	500	1,200	1,700	1,100	500	2,200	2,200	200	200	100	-	200	2,300
Kelvin Heights	400	500	300	1,100	1,400	1,200	1,300	400	1,400	2,400	2,400	2,500	2,500	100	100	2,600	5,000
Outer Wakatipu	-	-	-	-	-	40	50	50	-	50	50	10	-	-	-	10	60
Quail Rise	20	20	-	-	20	30	30	-	-	30	30	500	700	900	5,200	5,300	5,300
Queenstown Town Centre	2,200	2,800	2,600	6,600	8,400	5,200	7,400	8,200	26,300	30,300	30,300	1,200	1,200	400	1,200	2,200	32,600
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,800	4,700	3,400	7,900	11,300	11,600	14,500	10,900	28,300	39,300	39,300	5,600	5,600	1,700	6,500	11,500	50,900
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	600	600	-	40	600	1,800	1,800	-	80	1,900	1,900	1,300	1,200	-	-	1,300	3,100
Luggate	100	90	-	-	100	200	90	-	-	200	200	400	400	-	-	400	600
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,900	3,800	1,200	700	4,900	12,100	12,500	4,000	2,000	15,300	15,300	3,200	3,000	50	200	3,300	18,600
	4,700	4,500	1,200	700	5,700	14,100	14,400	4,000	2,000	17,400	17,400	5,000	4,600	50	200	5,100	22,500
	8,500	**9,200**	**4,600**	**8,700**	**17,000**	**25,700**	**28,900**	**14,900**	**30,300**	**56,700**	**56,700**	**10,600**	**10,200**	**1,700**	**6,600**	**16,700**	**73,400**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 4-6: Plan Enabled Capacity by Zone in QLD Urban Area: Option 2

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Zone	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	800	1,200	1,800	6,400	6,400	2,000	3,200	5,200	21,000	21,000	21,000	500	700	1,000	3,500	3,500	24,500
HDR Subzone A	-	-	10	20	20	40	70	100	400	400	400	-	-	-	-	-	400
HDR Subzone B	60	90	100	500	500	300	400	800	3,100	3,100	3,100	70	100	100	500	500	3,600
Medium Density Residential	2,000	2,700	2,700	-	2,700	5,900	8,800	8,800	-	8,800	8,800	600	600	600	-	600	9,400
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	5,200	5,200	-	-	5,200	16,300	16,300	-	-	16,300	16,300	8,700	8,700	-	-	8,700	25,000
Arrowtown Residential Historic Management	10	20	-	-	20	30	70	-	-	70	70	-	-	-	-	-	80
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	100	100	-	-	-	1,000	1,000	1,000	-	-	-	-	-	1,000
Wanaka Town Centre	-	-	-	200	200	-	-	-	500	500	600	-	-	-	-	-	600
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	100	100	-	-	-	300	300	300	-	-	-	300	300	500
Business Mixed Use	-	-	-	1,300	1,300	-	-	-	4,000	4,000	4,000	-	-	-	2,400	2,400	6,400
TOTAL	**8,500**	**9,200**	**4,600**	**8,700**	**17,000**	**25,700**	**28,900**	**14,900**	**30,300**	**56,700**	**56,700**	**10,600**	**10,200**	**1,700**	**6,600**	**16,700**	**73,400**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

4.5 Plan Enabled Residential Capacity: Option 5

The plan enabled capacity under proposed Option 5 is shown by location in Table 4-7 and by zone in Table 4-8. This option intensifies nodes and also enables intensification to occur across the extent of the residential suburban area. The intensification occurs through the conversion of the LDSR Zone to the MDR Zone together with the application of the central government MDRS to the MDR Zone.

This modelled option has the largest plan enabled capacity of all the modelled scenarios. It enables an additional 149,400 dwellings to the existing dwelling stock. If the existing urban area were redeveloped to the maximum densities enabled within this option, then it could accommodate over seven times the size of the existing dwelling base.

The capacity enabled under this option is over twice that enabled under the existing baseline (+151%). It enables an additional 89,900 dwellings.

Option 5 enables a pattern of development that is a lot more dispersed than the existing baseline, which result in more dispersed growth patterns than under planning provisions that have a greater relative focus on intensification within central areas. The relative dispersal occurs both at the broader and more localised spatial scales.

At the broader scale, it provides for much greater capacity in less central areas of the district, in addition to the intensification within central areas. It consequently reduces the share of capacity within the central reporting area of Queenstown Town Centre to 26%. This is a substantive relative reduction from its share of baseline capacity (40%) and the levels of increased concentration under Options 1 and 3 (42% and 44% respectively).

This option does increase the share of capacity within the Wanaka Town Centre reporting area to 37%, compared to the baseline scenario of 26%. This covers the areas of Wanaka township and Albert Town, therefore increasing the share of activity within this northern node of the district.

At the localised spatial scale, this option reduces the relative level of concentration into nodes within different parts of the district. While it includes the same provisions for intensification within the nodes, it also enables substantial intensification across the extent of the general suburban area in the form of medium density development. The effect is to remove a large share of the enabled density gradient between central nodes and their surrounding suburban areas.

Under Option 5, the difference in enabled density within nodes (from the surrounding area) is instead restricted to only the commercial zones themselves and any area of surrounding HDR Zone, if present. There is a large increase in capacity within the MDR Zone under Option 5 from both the existing baseline and Option 1 (where only nodes are intensified). The substantive size of the net increase is reflective of a combination of the increased scale across which the zone is applied as well as the significant differences in densities enabled between the MDR and LDSR zones.

Table 4-7: Plan Enabled Capacity by Location in QLD Urban Area: Option 5

Reporting Area	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	300	400	600	-	600	2,000	3,300	5,500	10	5,600	5,600	100	100	300	-	300	5,900
Arthurs Point	600	800	1,300	-	1,300	1,900	2,700	4,300	20	4,300	4,300	800	800	1,700	-	1,700	5,900
Eastern Corridor	600	800	1,200	-	1,200	2,500	3,700	5,900	-	5,900	5,900	500	400	800	-	900	6,900
Frankton	200	300	500	200	700	1,500	2,200	3,600	500	4,100	4,100	200	200	300	-	300	4,500
Kelvin Heights	600	800	1,200	-	1,200	2,200	3,200	5,200	-	5,200	5,200	3,800	3,800	7,500	100	7,600	12,800
Outer Wakatipu	-	-	-	-	-	40	50	80	-	80	80	10	-	-	-	10	80
Quail Rise	20	30	50	-	50	50	60	100	-	100	100	500	700	1,100	5,200	5,400	5,500
Queenstown Town Centre	2,700	3,700	5,600	4,800	9,300	6,700	10,400	17,500	21,800	34,800	34,900	1,600	1,700	3,200	1,200	4,100	39,000
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5,000	6,900	10,400	5,000	14,400	17,100	25,600	42,200	22,400	60,300	60,400	7,700	7,700	14,900	6,500	20,500	80,900
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	1,000	1,300	2,000	40	2,100	3,200	4,500	7,300	80	7,400	7,400	1,900	1,800	3,600	-	3,700	11,000
Luggate	200	200	300	-	400	200	200	300	-	400	400	600	600	1,200	-	1,200	1,700
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	5,600	7,000	10,600	700	11,700	19,600	26,800	43,600	2,000	46,400	46,400	4,600	4,500	8,900	200	9,200	55,700
	6,800	8,600	13,000	700	14,200	23,100	31,500	51,200	2,000	54,200	54,300	7,300	6,900	13,700	200	14,300	68,500
	11,800	**15,500**	**23,400**	**5,800**	**28,600**	**40,200**	**57,100**	**93,400**	**24,400**	**114,500**	**114,600**	**15,000**	**14,600**	**28,600**	**6,600**	**34,800**	**149,400**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 4-8: Plan Enabled Capacity by Zone in QLD Urban Area: Option 5

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Zone	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	400	600	900	3,500	3,500	1,400	2,300	3,700	15,100	15,100	15,200	500	700	1,000	3,500	3,500	18,600
HDR Subzone A	-	-	10	20	20	40	70	100	400	400	400	-	-	-	-	-	400
HDR Subzone B	60	90	100	500	500	300	400	800	3,100	3,100	3,100	70	100	100	500	500	3,600
Medium Density Residential	10,800	14,800	22,300	-	22,300	37,300	54,300	88,800	-	88,800	88,800	13,700	13,800	27,500	-	27,500	116,300
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Residential Historic Management	10	20	-	-	20	30	70	-	-	70	70	-	-	-	-	-	80
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	100	100	-	-	-	1,000	1,000	1,000	-	-	-	-	-	1,000
Wanaka Town Centre	-	-	-	200	200	-	-	-	500	500	600	-	-	-	-	-	600
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	100	100	-	-	-	300	300	300	-	-	-	300	300	500
Business Mixed Use	-	-	-	1,300	1,300	-	-	-	4,000	4,000	4,000	-	-	-	2,400	2,400	6,400
TOTAL	**11,800**	**15,500**	**23,400**	**5,800**	**28,600**	**40,200**	**57,100**	**93,400**	**24,400**	**114,500**	**114,600**	**15,000**	**14,600**	**28,600**	**6,600**	**34,800**	**149,400**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

The capacity increase within the MDR Zone within Option 5 is substantially larger than that under Option 6 where the LDSR Zone is also converted to MDR Zone (discussed below). The difference occurs as a result of the differences between the MDR Zone densities proposed within QLDC provisions and those adopted from the MDRS.

The QLDC provisions (applied to the MDR Zone in Option 6) include a maximum density control of 150m^2 per dwelling, meaning that a site of 450m^2 is required to accommodate three dwellings. In contrast, the MDRS enables up to three dwellings on each site, which would apply to the MDR Zone lot formation size of 250m^2 within the plan enabled capacity. Within the modelling, a smaller minimum required land area assumption of 100m^2 per dwelling[13] has therefore been applied to terraced housing to model the level of development when the MDRS provisions are applied.

4.6 Plan Enabled Residential Capacity: Option 6

The plan enabled capacity under proposed Option 6 is shown by location in Table 4-9 and by zone in Table 4-10. This option intensifies nodes and also enables intensification to occur across the extent of the residential suburban area. The intensification occurs through the conversion of the LDSR Zone to the MDR Zone. The key difference to Option 5 is that the QLDC provisions within the MDR are applied instead of the MDRS. These include a maximum density control of 150m^2 per dwelling as noted above.

In Option 6, there is a large increase in plan enabled capacity from the existing baseline, but at a significantly lower level than within Option 5. There is a plan enabled capacity for an additional 101,300 dwellings, which represents a 70% increase in capacity from the existing baseline.

Despite the lower capacity within this option (in comparison to Option 5), the level of take-up would be likely to have less difference between the two options. This is because both options enable a similar form of medium density development in the same locations.

Similar to Option 5, this option also results in a lower level of concentration of capacity within key nodes with less distinction between the nodes and their surrounding residential areas.

Similar to Option 5, the increases in capacity within Option 6 also all occur within the MDR.

[13] The MDRS provisions applied to the MDR Zone lot size of 250m^2 could result in a maximum density of 3 dwellings per 250m^2, equating to an average density of 83m^2 per dwelling. However, this has been limited to 100m^2 per dwelling within the modelling to remain conservative based on analysis of land area requirements of more intensive terraced housing developments in other locations.

Table 4-9: Plan Enabled Capacity by Location in QLD Urban Area: Option 6

Reporting Area	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	300	400	400	-	400	2,000	3,300	3,200	10	3,300	3,300	100	100	100	-	100	3,400
Arthurs Point	600	800	800	-	800	1,900	2,700	2,700	20	2,700	2,700	800	800	800	-	800	3,500
Eastern Corridor	600	800	800	-	800	2,500	3,700	3,700	-	3,700	3,700	500	400	400	-	500	4,200
Frankton	200	300	300	200	500	1,500	2,200	2,200	500	2,800	2,800	200	200	200	-	200	2,900
Kelvin Heights	600	800	800	-	800	2,200	3,200	3,200	-	3,200	3,200	3,800	3,800	3,800	100	3,900	7,100
Outer Wakatipu	-	-	-	-	-	40	50	50	-	50	50	10	-	-	-	10	60
Quail Rise	20	30	30	-	30	50	60	60	-	60	60	500	700	900	5,200	5,300	5,400
Queenstown Town Centre	2,600	3,700	4,000	4,800	7,800	6,700	10,400	12,200	21,900	29,600	29,600	1,600	1,700	1,700	1,200	2,700	32,300
Small Township - Wakatipu	-	-	-	-	-	200	-	-	-	200	200	100	-	-	-	100	400
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5,000	6,900	7,200	5,000	11,200	17,100	25,600	27,300	22,500	45,500	45,600	7,700	7,700	8,000	6,500	13,700	59,200
Cardrona	50	-	-	-	50	60	-	-	-	60	60	100	-	-	-	100	200
Lake Hawea	1,000	1,300	1,300	40	1,400	3,200	4,500	4,500	80	4,600	4,600	1,900	1,800	1,800	-	1,900	6,500
Luggate	200	200	200	-	200	200	200	200	-	300	300	600	600	600	-	600	900
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	5,600	7,000	7,000	700	8,100	19,600	26,800	26,800	2,000	29,600	29,700	4,600	4,500	4,500	200	4,800	34,500
	6,800	8,500	8,500	700	9,800	23,100	31,500	31,500	2,000	34,500	34,600	7,300	6,900	6,900	200	7,400	42,000
	11,800	**15,400**	**15,700**	**5,800**	**21,000**	**40,200**	**57,100**	**58,800**	**24,500**	**80,000**	**80,200**	**15,000**	**14,600**	**14,900**	**6,700**	**21,100**	**101,300**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 4-10: Plan Enabled Capacity by Zone in QLD Urban Area: Option 6

Zone	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	400	600	900	3,500	3,500	1,400	2,300	3,700	15,100	15,100	15,200	500	700	1,000	3,500	3,500	18,600
HDR Subzone A	-	-	10	20	20	40	70	100	400	400	400	-	-	-	-	-	400
HDR Subzone B	60	90	100	500	500	300	400	800	3,200	3,200	3,200	70	100	100	500	500	3,700
Medium Density Residential	10,700	14,700	14,700	-	14,700	37,300	54,300	54,300	-	54,300	54,300	13,700	13,800	13,800	-	13,800	68,100
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Residential Historic Management	10	20	-	-	20	30	70	-	-	70	70	-	-	-	-	-	80
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	100	100	-	-	-	1,000	1,000	1,000	-	-	-	-	-	1,000
Wanaka Town Centre	-	-	-	200	200	-	-	-	500	500	600	-	-	-	-	-	600
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	100	100	-	-	-	300	300	300	-	-	-	300	300	500
Business Mixed Use	-	-	-	1,300	1,300	-	-	-	4,000	4,000	4,000	-	-	-	2,400	2,400	6,400
TOTAL	**11,800**	**15,400**	**15,700**	**5,800**	**21,000**	**40,200**	**57,100**	**58,800**	**24,500**	**80,000**	**80,200**	**15,000**	**14,600**	**14,900**	**6,700**	**21,100**	**101,300**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

4.7 Summary of Plan Enabled Capacity by Modelled Option

The plan enabled capacity is summarised across the different modelled options in Table 4-11 and Figure 4-1. These provide a comparison of the overall capacity enabled within each modelled option.

Table 4-11 shows the total plan enabled capacity within each typology and development option (upper portion of table). The middle and lower portions of the table then show the net and percentage difference in plan enabled capacity under each modelled option from the existing baseline capacity.

There is a modelled baseline plan enabled capacity for a net additional 59,500 dwellings to the existing dwelling stock. This excludes further capacity which is enabled within the Special Zone areas (which is still significant in certain Special Zones). A large share of capacity occurs within the LDSR Zone. This reflects the current spatial extent of this zone. Vertically-attached apartments also account for a large portion of this capacity, with the largest shares occurring within the HDR Zone.

The modelling shows that there are sizeable increases to the baseline capacity enabled through the proposed intensification provisions. In most cases, these occur incrementally through the progression of intensification provisions within each modelled option.

The intensification of nodes (Option 1) increases the plan enabled capacity by 14% - a net increase of 8,100 dwellings – to reach a plan enabled capacity of 67,700 additional dwellings. Most of the capacity increases occur within the existing urban area under this option, which corresponds to the location of the intensification of nodes.

Enabling greater capacity within both the nodes and corridors (Option 2) increases the plan enabled capacity by 23% from the baseline. This equates to a net increase of 13,900 dwellings, to reach a total plan enabled capacity of a net additional 73,400 dwellings. Most of the capacity increases occur within the existing urban area under this option, which corresponds to the location of the intensification of nodes and corridors. The largest proportional increases in capacity occur within the medium density terraced housing typologies within this option. Most of the change occurs as a result of changes in the spatial extent of the MDR and HDR.

If the per dwelling density control of 150m^2 per dwelling were relaxed within the MDR Zone areas (in addition to the proposed intensification provisions), then the enabled capacity within Options 1 and 2 would increase further to 73,900 and 80,000 respectively. Relaxing this control would increase the baseline capacity by around 24% to 34% (compared to around 14% to 23% with the density restriction applied).[14] This would increase the capacity for more intensive terraced housing development within the central areas of nodes and corridors.

The plan enabled capacity increases significantly under Options 5 and 6. These modelled options increase the baseline capacity by 151% and 70% respectively, resulting in a total plan enabled capacity for 149,400 and 101,300 additional dwellings. The large capacity increases under these options occur due to a combination of the relativities in densities between the MDR and LDSR zones together with the extent across which this is applied.

[14] Copies of these alternative results are included in Appendix 3.

Table 4-11: Plan Enabled Capacity by Modelled Scenario in QLD Urban Area and Change from Existing Baseline Capacity

Modelled Scenario	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
	Net Additional Dwelling Capacity																
Baseline	7,900	7,900	2,200	6,900	13,800	23,300	23,300	6,000	23,000	43,800	43,800	10,400	10,100	1,800	5,700	15,700	59,500
Option 1	8,400	8,900	3,900	5,800	14,500	25,400	28,100	13,200	24,400	50,900	51,000	10,500	10,100	1,600	6,600	16,600	67,700
Option 2	8,500	9,200	4,600	8,700	17,000	25,700	28,900	14,900	30,300	56,700	56,700	10,600	10,200	1,700	6,600	16,700	73,400
Option 5	11,800	15,500	23,400	5,800	28,600	40,200	57,100	93,400	24,400	114,500	114,600	15,000	14,600	28,600	6,600	34,800	149,400
Option 6	11,800	15,400	15,700	5,800	21,000	40,200	57,100	58,800	24,500	80,000	80,200	15,000	14,600	14,900	6,700	21,100	101,300
	Net Change in Dwelling Capacity from Baseline Capacity																
Option 1	500	1,000	1,700	-1,100	700	2,200	4,800	7,200	1,400	7,200	7,200	90	30	-200	900	900	8,100
Option 2	600	1,300	2,400	1,800	3,300	2,500	5,600	9,000	7,300	12,900	12,900	100	60	-70	900	1,000	13,900
Option 5	3,900	7,600	21,200	-1,100	14,800	17,000	33,800	87,400	1,400	70,700	70,800	4,500	4,500	26,800	900	19,100	89,900
Option 6	3,800	7,500	13,500	-1,100	7,200	17,000	33,800	52,900	1,500	36,300	36,300	4,500	4,500	13,100	900	5,400	41,700
	Percentage Change in Dwelling Capacity from Baseline Capacity																
Option 1	6%	13%	75%	-17%	5%	9%	20%	121%	6%	16%	16%	1%	0%	-10%	16%	6%	14%
Option 2	8%	16%	107%	26%	24%	11%	24%	150%	31%	29%	29%	1%	1%	-4%	16%	6%	23%
Option 5	49%	97%	955%	-17%	108%	73%	145%	1468%	6%	162%	162%	44%	44%	1520%	16%	122%	151%
Option 6	48%	95%	609%	-16%	52%	73%	145%	888%	6%	83%	83%	44%	44%	742%	16%	34%	70%

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

Notes:

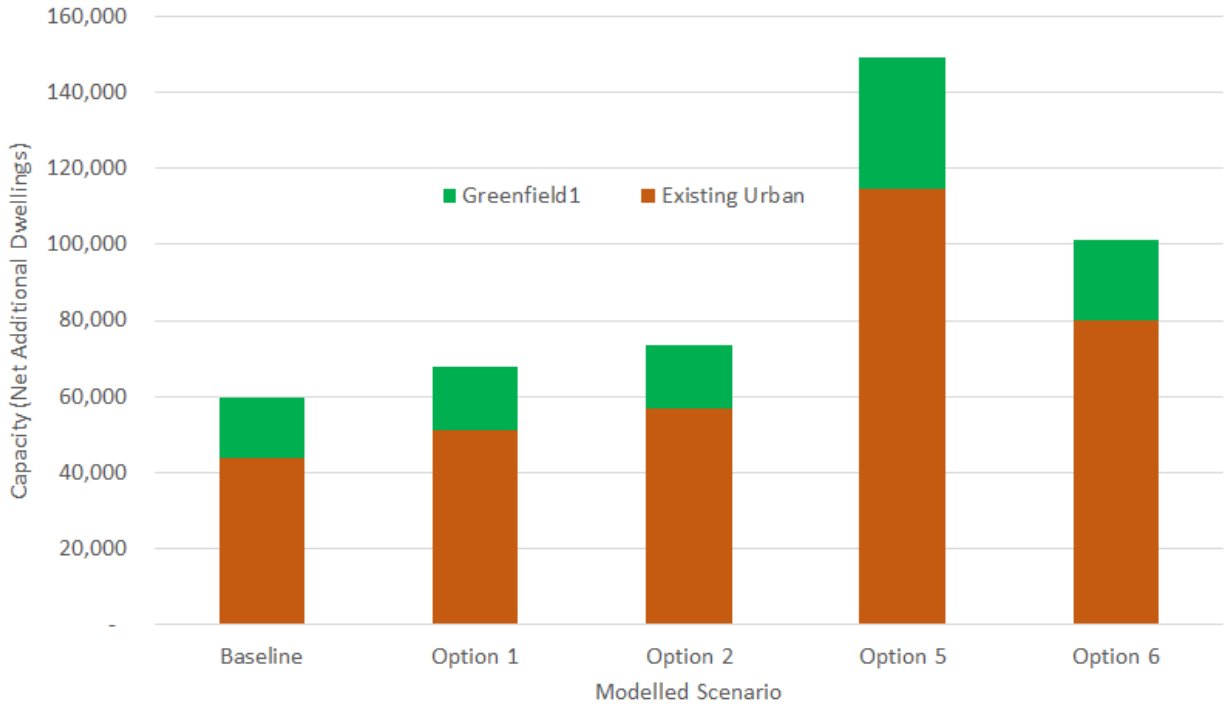
[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

The difference in capacity enabled between Options 5 and 6 relates to the relaxation of the proposed 150m^2 per dwelling density control within the MDR Zone. The difference is substantive in net terms due to the spatial extent across which it is applied.

Options 5 and 6 would enable a large-scale dispersal of development capacity across much of QLD's outer suburban area. It would be much less concentrated into areas of higher amenity and accessibility and would generate less differentiation in urban form. The degree to which this may disperse intensification and lower potential concentration around key nodes is dependent upon the relative market size for this density.

Figure 4-1: Plan Enabled Capacity by Modelled Scenario in QLD Urban Area (Excluding Special Zones)



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

1 Greenfield Capacity does not include dwellings within Special Zones.

5 Commercially Feasible Residential Dwelling Capacity

This section contains our assessment of the plan enabled residential dwelling capacity that is estimated to be commercially feasible across the existing and planned future urban environment (excluding Special Zones). It calculates the feasibility of the modelled plan enabled capacity to identify which areas of capacity are likely to represent feasible development options for a commercial developer.

5.1 Introduction

Understanding the types and location of plan-enabled capacity that is likely to represent feasible development options for commercial developers is an important stage in understanding the implications of these policies and proposed provisions. It indicates the types of dwellings and locations are more likely to be taken up as dwelling capacity delivered by the market through time.

Only a portion of the capacity enabled by the provisions is likely to represent commercially feasible options for developers. Over time, a greater range of development options and densities are likely become feasible in different locations with market growth.

Importantly, commercially feasible capacity should not be confused with growth or the level of development able to be sustained or delivered by the market. It is instead a measure of the potentially feasible capacity development options, some of which is likely to get taken up by the market with growth. Refer to the QLDC HBA 2021 for a more detailed description of the measure of commercially feasible capacity.

The following sub-sections contain the results of commercially feasible capacity under each of the modelled options.[15] As set out in Section 3, the calculations are undertaken at a parcel level and then aggregated to the reporting areas used within the HBA 2021 and, separately, by zone.

The capacity results are net additional dwellings where the existing dwellings have been removed from the calculated gross yields on each parcel. The tables within the following sub-sections show the net additional dwellings in accordance with the capacity structure outlined in Section 3. The outputs within this section follow the same structure as those within the plan enabled capacity (Section 4).

The section firstly reports the commercially feasible capacity within each modelled scenario individually. The capacity enabled is then summarised across the scenarios in the final sub-section.

[15] But excluding options 3 and 4 (see previous comments).

5.2 Commercially Feasible Capacity: Baseline

The commercially feasible capacity under the baseline scenario is shown by location in Table 5-1 and by zone in Table 5-2.

A high share (just over half, 54%) of the baseline plan enabled capacity is estimated to currently represent commercially feasible options for commercial developers. There is an estimated feasible capacity of around 31,900 dwellings. Importantly, this indicates the potentially feasible development opportunity for commercial developers and not the scale of additional development able to be currently sustained or delivered by the market. A portion of this feasible capacity is likely to be delivered by the market, which is likely to be closer to the level of projected demand within the urban area.

Under the current provisions, the highest levels of feasibility occur within the lower to medium density dwelling typologies. These include detached dwellings, up to more intensive horizontally-attached (terraced) housing. Lower shares of the higher density, vertically-attached apartment capacity is estimated to be currently feasible. However, this market is growing within QLD and is likely to become more established through time.

The largest areas of feasible capacity include the Wanaka Town Centre and Queenstown Town Centre reporting areas. While Queenstown Town Centre has a large net feasible capacity, its share of plan enabled capacity that is estimated to represent feasible development options for developers is lower than the urban area overall. This is because a high proportion of its plan enabled capacity occurs as vertically-attached apartments, where this typology generally has lower levels of feasibility.

The largest proportion of feasible capacity occurs within the LDSR. This reflects the large spatial extent of the zone. There are also higher levels of feasibility within this zone where 79% of plan enabled capacity is estimated to be feasible. This reflects the well-established development patterns across the district within this zone.

A higher share (86%) of the plan enabled capacity within the MDRZ is feasible. This accounts for a smaller proportion of total feasible capacity due to the more limited extent of the zone.

The second largest share of feasible capacity occurs within the HDRZ. However, the share of plan enabled capacity within this zone that is estimated to be feasible is lower where a high share occurs within the vertically-attached apartment typology with currently lower rates of feasibility.

Table 5-1: Commercially Feasible Capacity by Location in QLD Urban Area: Baseline Scenario

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Reporting Area	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	100	100	-	-	100	400	300	50	-	400	400	100	100	-	-	100	500
Arthurs Point	400	500	200	-	500	700	700	300	-	800	800	600	300	200	-	600	1,400
Eastern Corridor	300	300	-	-	300	700	400	-	-	700	800	300	30	-	-	300	1,000
Frankton	100	100	-	-	100	600	600	-	-	600	700	80	50	-	-	80	800
Kelvin Heights	400	400	200	400	700	600	700	300	600	1,000	1,100	2,500	2,500	80	-	2,500	3,600
Outer Wakatipu	-	-	-	-	-	30	50	50	-	50	50	-	-	-	-	-	50
Quail Rise	20	-	-	-	20	30	-	-	-	30	30	-	-	-	-	-	30
Queenstown Town Centre	1,800	2,000	1,300	2,400	4,000	2,800	3,400	2,400	4,400	7,300	8,200	1,200	1,100	500	400	1,500	9,700
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,200	3,500	1,700	2,900	5,700	6,000	6,200	3,100	5,000	10,900	12,000	4,700	4,100	700	400	5,100	17,100
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	500	500	-	-	500	1,500	1,300	-	-	1,500	1,600	1,200	1,100	-	-	1,200	2,700
Luggate	100	40	-	-	100	90	40	-	-	90	100	400	-	-	-	400	500
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,400	3,000	500	300	3,600	7,800	6,400	1,200	600	8,300	8,500	3,100	2,800	200	-	3,100	11,600
	4,000	3,500	500	300	4,100	9,500	7,700	1,200	600	9,900	10,200	4,600	4,000	200	-	4,600	14,800
	7,200	**6,900**	**2,200**	**3,200**	**9,900**	**15,500**	**13,900**	**4,300**	**5,600**	**20,800**	**22,200**	**9,300**	**8,100**	**900**	**400**	**9,700**	**31,900**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 5-2: Commercially Feasible Capacity by Zone in QLD Urban Area: Baseline Scenario

	INFILL					REDEVELOPMENT						GREENFIELD[2]					Greenfield
Zone	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Max and Infill or Redevelopment
High Density Residential	1,000	1,500	1,500	2,800	3,400	1,500	2,600	2,600	4,300	5,700	6,400	70	100	100	-	100	6,500
HDR Subzone A	-	-	-	-	-	20	20	20	20	40	40	-	-	-	-	-	40
HDR Subzone B	60	60	60	300	300	200	200	200	900	1,000	1,100	70	70	70	400	400	1,500
Medium Density Residential	700	700	700	-	700	1,500	1,400	1,500	-	1,500	1,600	800	800	800	-	800	2,400
Medium Density Residential-Arrowtown	10	-	-	-	10	100	50	50	-	100	100	-	-	-	-	-	100
Lower Density Suburban Residential	5,200	4,800	-	-	5,200	11,700	9,600	-	-	11,700	12,100	8,200	7,100	-	-	8,200	20,400
Arrowtown Residential Historic Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	80	80	-	-	-	300	300	300	-	-	-	-	-	300
Wanaka Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**7,200**	**6,900**	**2,200**	**3,200**	**9,900**	**15,500**	**13,900**	**4,300**	**5,600**	**20,800**	**22,200**	**9,300**	**8,100**	**900**	**400**	**9,700**	**31,900**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

5.3 Commercially Feasible Capacity: Option 1

The commercially feasible capacity under proposed Option 1 is shown by location in Table 5-3 and by zone in Table 5-4. This option enables intensification within nodes.

The estimated feasible capacity increases by 28% from the baseline with the intensification of nodes under Option 1. Under this option, there is an estimated feasible capacity of an additional 40,700 dwellings from the existing dwelling stock.

Most of this capacity occurs within the existing urban areas. These areas also have the largest modelled increase from the baseline capacity as they contain the areas (nodes) of intensification within Option 1.

The level of feasibility also increases relative to plan enabled capacity where the share of feasible plan enabled capacity increases to 60% (compared to 54% under the baseline). This occurs through a combination of an increase in the potential yields on parcels that are feasible as well as an increase in the number of parcels that are estimated to contain feasible development options.

The largest increases in feasible capacity, from the baseline, occur within the Queenstown Town Centre and Wanaka Town Centre reporting areas, which correspond to the location of the intensification of nodes. The share of capacity as feasible within Queenstown Town Centre increases under this scenario.

The largest increases in feasible capacity have occurred within the terraced housing typology. This corresponds to the types of capacity enabled within the HDR and MDR zones, which form the main types of intensification.

Table 5-3: Commercially Feasible Capacity by Location in QLD Urban Area: Option 1

	INFILL					REDEVELOPMENT						GREENFIELD[2]					Greenfield Max and Infill or Redevelopment
Reporting Area	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
Arrowtown	200	200	20	-	200	500	700	500	-	800	800	100	100	-	-	100	900
Arthurs Point	400	500	200	-	500	700	700	200	-	800	800	500	200	-	-	500	1,400
Eastern Corridor	300	300	-	-	300	700	400	-	-	700	800	300	30	-	-	300	1,000
Frankton	200	200	100	-	200	700	800	300	-	900	900	80	60	10	-	80	1,000
Kelvin Heights	400	400	200	-	400	700	700	300	-	700	800	2,500	2,500	100	-	2,500	3,300
Outer Wakatipu	-	-	-	-	-	40	50	50	-	50	50	-	-	-	-	-	50
Quail Rise	20	-	-	-	20	30	-	-	-	30	30	70	-	500	-	500	600
Queenstown Town Centre	2,000	2,500	2,200	3,700	5,600	3,400	5,000	5,800	6,300	12,000	14,000	1,200	1,200	400	500	1,700	15,600
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,500	4,000	2,700	3,700	7,200	6,800	8,300	7,100	6,300	15,900	18,100	4,700	4,100	1,000	500	5,700	23,800
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	500	500	-	-	500	1,500	1,300	-	-	1,500	1,600	1,200	1,100	-	-	1,200	2,700
Luggate	100	40	-	-	100	90	40	-	-	90	100	400	-	-	-	400	500
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,600	3,500	1,200	40	4,000	9,100	8,800	3,700	40	10,300	10,600	3,000	2,800	50	-	3,000	13,600
	4,200	4,000	1,200	40	4,600	10,800	10,200	3,700	40	11,900	12,300	4,600	3,900	50	-	4,600	16,900
	7,700	**8,000**	**3,800**	**3,700**	**11,800**	**17,600**	**18,500**	**10,900**	**6,400**	**27,800**	**30,400**	**9,400**	**8,000**	**1,000**	**500**	**10,300**	**40,700**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 5-4: Commercially Feasible Capacity by Zone in QLD Urban Area: Option 1

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Zone	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	400	600	900	3,100	3,200	700	1,400	2,800	3,800	5,800	7,500	70	100	600	-	600	8,100
HDR Subzone A	-	-	10	20	20	20	50	100	30	100	100	-	-	-	-	-	100
HDR Subzone B	60	90	100	500	500	200	300	600	1,900	2,100	2,300	70	100	100	500	500	2,800
Medium Density Residential	2,000	2,800	2,800	-	2,800	4,800	7,300	7,300	-	7,300	7,500	400	300	300	-	400	7,900
Medium Density Residential-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Res	4,900	4,500	-	-	4,900	11,400	9,400	-	-	11,400	11,800	8,700	7,500	-	-	8,700	20,500
Arrowtown Residential Histo	-	10	-	-	10	-	10	-	-	10	20	-	-	-	-	-	20
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	100	100	-	-	-	600	600	600	-	-	-	-	-	600
Wanaka Town Centre	-	-	-	40	40	-	-	-	40	40	80	-	-	-	-	-	80
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**7,700**	**8,000**	**3,800**	**3,700**	**11,800**	**17,600**	**18,500**	**10,900**	**6,400**	**27,800**	**30,400**	**9,400**	**8,000**	**1,000**	**500**	**10,300**	**40,700**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

5.4 Commercially Feasible Capacity: Option 2

The commercially feasible capacity under proposed option 2 is shown by location in Table 5-5 and by zone in Table 5-6. This option enables intensification within nodes and corridors.

The estimated feasible capacity increases further under Option 2, with the addition of corridor intensification, to reach a total of around 45,000 additional dwellings from the existing dwelling base. This equates to a 41% increase from the estimated baseline feasible capacity.

The largest additional increases (from Option 1) are modelled to occur within the Queenstown Town Centre reporting area. These predominantly occur as vertically-attached apartments within the HDRZ.

The relative levels of feasibility (i.e. share of plan enabled capacity estimated to be feasible) are similar under Option 2 to Option 1. This suggests that the pattern of intensification into nodes and corridors is similar to the typology structure of intensification into nodes enabled under Option 1.

Table 5-5: Commercially Feasible Capacity by Location in QLD Urban Area: Option 2

	INFILL					REDEVELOPMENT						GREENFIELD[2]					
Reporting Area	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
Arrowtown	200	200	20	-	200	500	700	500	-	800	800	100	100	-	-	100	900
Arthurs Point	400	500	200	-	500	700	700	200	-	800	800	500	200	-	-	500	1,400
Eastern Corridor	300	300	-	-	300	700	400	-	-	700	800	300	30	-	-	300	1,000
Frankton	200	300	200	-	300	900	1,000	500	-	1,100	1,200	100	100	100	-	100	1,300
Kelvin Heights	400	400	300	200	700	600	700	400	100	1,000	1,000	2,500	2,500	100	-	2,500	3,600
Outer Wakatipu	-	-	-	-	-	40	50	50	-	50	50	-	-	-	-	-	50
Quail Rise	20	-	-	-	20	30	-	-	-	30	30	70	-	500	-	500	600
Queenstown Town Centre	2,100	2,700	2,600	5,500	7,200	3,500	5,300	6,700	10,100	15,600	17,600	1,200	1,200	400	500	1,700	19,300
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,600	4,300	3,400	5,700	9,200	7,100	8,800	8,400	10,200	20,000	22,300	4,800	4,200	1,100	500	5,800	28,100
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	500	500	-	-	500	1,500	1,300	-	-	1,500	1,600	1,200	1,100	-	-	1,200	2,700
Luggate	100	40	-	-	100	90	40	-	-	90	100	400	-	-	-	400	500
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	3,600	3,500	1,200	40	4,000	9,100	8,800	3,700	40	10,300	10,600	3,000	2,800	50	-	3,000	13,600
	4,200	4,000	1,200	40	4,600	10,800	10,200	3,700	40	11,900	12,300	4,600	3,900	50	-	4,600	16,900
	7,800	**8,300**	**4,500**	**5,700**	**13,700**	**17,800**	**19,000**	**12,100**	**10,300**	**31,900**	**34,500**	**9,400**	**8,100**	**1,100**	**500**	**10,400**	**45,000**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 5-6: Commercially Feasible Capacity by Zone in QLD Urban Area: Option 2

Zone	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	800	1,200	1,800	5,100	5,400	1,300	2,300	4,300	7,700	10,300	12,100	70	100	600	-	600	12,700
HDR Subzone A	-	-	10	20	20	20	50	100	30	100	100	-	-	-	-	-	100
HDR Subzone B	60	90	100	500	500	200	300	600	1,900	2,100	2,300	70	100	100	500	500	2,800
Medium Density Residential	1,900	2,600	2,600	-	2,600	4,700	7,100	7,100	-	7,200	7,300	500	400	400	-	500	7,800
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	4,700	4,400	-	-	4,700	11,200	9,300	-	-	11,200	11,500	8,700	7,500	-	-	8,700	20,200
Arrowtown Residential Historic Management	-	10	-	-	10	-	10	-	-	10	20	-	-	-	-	-	20
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	100	100	-	-	-	600	600	600	-	-	-	-	-	600
Wanaka Town Centre	-	-	-	40	40	-	-	-	40	40	80	-	-	-	-	-	80
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**7,800**	**8,300**	**4,500**	**5,700**	**13,700**	**17,800**	**19,000**	**12,100**	**10,300**	**31,900**	**34,500**	**9,400**	**8,100**	**1,100**	**500**	**10,400**	**45,000**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

5.5 Commercially Feasible Capacity: Option 5

The commercially feasible capacity under proposed option 5 is shown by location in Table 5-7 and by zone in Table 5-8. This option intensifies nodes and also enables intensification to occur across the extent of the residential suburban area. The intensification occurs through the conversion of the LDSR Zone to the MDR Zone together with the application of the central government MDRS to the MDR Zone.

There are estimated to be large increases in the feasible capacity under Option 5. Under this option, there is an estimated total feasible capacity for an additional 124,300 dwellings from the existing dwellings. This is a large increase (+92,400 dwellings) from the existing baseline, with a feasible capacity of around four times the size of the potentially feasible development opportunity under the existing provisions.

The large increases in feasible capacity occur across the general suburban area where the LDSR Zone instead becomes the MDR Zone. This has a large effect on feasibility due to the large increase in yields enabled on these sites under this change in zone. This increase is largest under this scenario with the removal of the 150m^2 per dwelling density control, meaning that more intensive terraced housing is modelled.

Increases in potential yields on sites has a large relative effect on feasible capacity as well as the feasibility of sites. Part of the increase occurs through the increase in yields on already feasible sites, while the increased yield also increases the share of parcels that may represent potentially feasible options for developers. This is seen where there is a greater increase in the feasible capacity than the plan enabled capacity relative to the baseline.

Option 5 shows a pattern of feasible development opportunity that is a lot more dispersed than the existing baseline. If enabled, this is likely to result in more dispersed growth patterns than under planning provisions that have a greater relative focus on intensification within central areas. The relative dispersal occurs both at the broader and more localised spatial scales.

Enabling this larger intensification across the general suburban area is not likely to substantially translate into growth of this more intensive terraced housing dwelling market. It will instead be more likely to disperse the levels of intensification that occur across the general residential area, with less concentration of medium to higher density residential development within the core areas of accessibility around nodes and corridors.

Table 5-7: Commercially Feasible Capacity by Location in QLD Urban Area: Option 5

Reporting Area	INFILL					REDEVELOPMENT						GREENFIELD[2]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
Arrowtown	300	400	600	-	600	1,400	2,300	5,300	-	5,300	5,300	100	100	300	-	300	5,600
Arthurs Point	600	800	1,300	-	1,300	1,300	1,800	4,000	-	4,000	4,000	800	800	1,700	-	1,700	5,600
Eastern Corridor	600	700	1,200	-	1,200	1,500	1,800	4,600	-	4,600	4,600	400	90	800	-	800	5,400
Frankton	200	300	500	-	500	1,200	1,600	3,000	-	3,000	3,000	200	200	300	-	300	3,300
Kelvin Heights	600	800	1,200	-	1,200	1,600	2,500	4,900	-	4,900	4,900	3,800	3,800	7,500	-	7,500	12,400
Outer Wakatipu	-	-	-	-	-	40	50	80	-	80	80	-	-	-	-	-	80
Quail Rise	20	30	50	-	50	40	60	90	-	90	90	70	-	700	-	700	800
Queenstown Town Centre	2,600	3,700	5,600	3,700	8,200	4,600	7,600	15,500	6,300	20,600	22,500	1,600	1,700	3,200	500	3,600	26,100
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,900	6,800	10,300	3,700	13,100	11,600	17,500	37,400	6,300	42,500	44,500	6,900	6,600	14,400	500	14,800	59,300
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	1,000	1,300	2,000	-	2,000	3,200	4,400	7,300	-	7,300	7,300	1,800	1,800	3,600	-	3,600	10,900
Luggate	200	200	300	-	300	200	200	300	-	300	300	600	600	1,200	-	1,200	1,600
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	5,500	6,900	10,600	40	11,000	17,900	24,200	42,800	40	43,300	43,500	4,500	4,500	8,900	-	9,000	52,500
	6,600	8,400	13,000	40	13,300	21,300	28,700	50,400	40	50,900	51,100	6,900	6,800	13,700	-	13,800	64,900
	11,500	**15,200**	**23,300**	**3,700**	**26,400**	**32,900**	**46,300**	**87,800**	**6,400**	**93,400**	**95,600**	**13,900**	**13,500**	**28,200**	**500**	**28,600**	**124,300**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 5-8: Commercially Feasible Capacity by Zone in QLD Urban Area: Option 5

Zone	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	400	600	900	3,100	3,200	700	1,400	2,800	3,800	5,800	7,500	70	100	600	-	600	8,100
HDR Subzone A	-	-	10	20	20	20	50	100	30	100	100	-	-	-	-	-	100
HDR Subzone B	60	90	100	500	500	200	300	600	1,900	2,100	2,300	70	100	100	500	500	2,800
Medium Density Residential	10,600	14,500	22,300	-	22,300	31,600	44,500	84,200	-	84,300	84,500	13,600	13,300	27,400	-	27,400	111,900
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Residential Historic Management	-	10	-	-	10	-	10	-	-	10	20	-	-	-	-	-	20
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	100	100	-	-	-	600	600	600	-	-	-	-	-	600
Wanaka Town Centre	-	-	-	40	40	-	-	-	40	40	80	-	-	-	-	-	80
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**11,500**	**15,200**	**23,300**	**3,700**	**26,400**	**32,900**	**46,300**	**87,800**	**6,400**	**93,400**	**95,600**	**13,900**	**13,500**	**28,200**	**500**	**28,600**	**124,300**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

5.6 Commercially Feasible Capacity: Option 6

The commercially feasible capacity under proposed option 6 is shown by location in Table 5-9 and by zone in Table 5-10. This option intensifies nodes and also enables intensification to occur across the extent of the residential suburban area. The intensification occurs through the conversion of the LDSR Zone to the MDR Zone. The key difference to Option 5 is that the QLDC provisions within the MDR are applied instead of the MDRS. These include a maximum density control of 150m^2 per dwelling.

Option 6 also has a large modelled increase in feasible development capacity from the existing baseline. There is a total estimated feasible development capacity for an additional 72,600 dwellings from the existing dwelling base. This equates to a 128% increase in feasible capacity from the existing baseline.

Similar to Option 5, the increased feasible development capacity enabled under this option (in comparison to only intensification of nodes under Option 1 and smaller suburban intensification under Option 3) occurs within the general suburban area. This occurs through the increased yields on these parcels through the greater densities within the MDR Zone.

This option is also likely to result in development patterns that are more dispersed growth patterns than under planning provisions that have a greater relative focus on intensification within central areas. The relative dispersal occurs both at the broader and more localised spatial scales.

The main difference to Option 5 is the application of the maximum density control of 150m^2 per dwelling within the MDR Zone. This difference in density still enables the development of terraced housing, albeit at a lower intensity. There is some effect on feasibility where a lower proportion of the general suburban parcels are estimated to be feasible development options (than under Option 5), but the spatial extent of their patterns across the zone area similar.

Table 5-9: Commercially Feasible Capacity by Location in QLD Urban Area: Option 6

Reporting Area	INFILL					REDEVELOPMENT						GREENFIELD[2]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
Arrowtown	300	400	400	-	400	1,400	2,300	2,300	-	2,400	2,400	100	100	100	-	100	2,600
Arthurs Point	600	800	800	-	800	1,300	1,800	1,800	-	1,800	1,900	800	800	800	-	800	2,700
Eastern Corridor	600	700	700	-	800	1,500	1,800	1,800	-	2,000	2,100	400	90	90	-	400	2,500
Frankton	200	300	300	-	300	1,200	1,600	1,600	-	1,700	1,700	200	200	200	-	200	1,900
Kelvin Heights	600	800	800	-	800	1,600	2,500	2,500	-	2,500	2,500	3,800	3,800	3,800	-	3,800	6,200
Outer Wakatipu	-	-	-	-	-	40	50	50	-	50	50	-	-	-	-	-	50
Quail Rise	20	30	30	-	30	40	60	60	-	60	60	70	-	500	-	500	600
Queenstown Town Centre	2,600	3,600	4,000	3,600	6,600	4,600	7,600	9,300	6,500	14,600	16,600	1,600	1,700	1,700	500	2,100	18,700
Small Township - Wakatipu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Southern Corridor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,900	6,700	7,100	3,600	9,800	11,600	17,500	19,400	6,500	25,100	27,300	6,900	6,600	7,200	500	7,900	35,200
Cardrona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lake Hawea	1,000	1,300	1,300	-	1,300	3,200	4,400	4,400	-	4,400	4,400	1,800	1,800	1,800	-	1,800	6,300
Luggate	200	200	200	-	200	200	200	200	-	200	200	600	600	600	-	600	800
Outer Wanaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wanaka Town Centre	5,400	6,900	6,900	40	7,300	17,900	24,200	24,200	40	25,500	25,800	4,500	4,500	4,500	-	4,500	30,300
	6,500	8,400	8,400	40	8,800	21,300	28,700	28,800	40	30,100	30,400	6,900	6,800	6,800	-	6,900	37,400
	11,400	**15,100**	**15,500**	**3,700**	**18,600**	**32,900**	**46,300**	**48,100**	**6,500**	**55,200**	**57,700**	**13,900**	**13,500**	**14,000**	**500**	**14,900**	**72,600**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

Table 5-10: Commercially Feasible Capacity by Zone in QLD Urban Area: Option 6

Zone	INFILL					REDEVELOPMENT						GREENFIELD[2]					
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	Greenfield Max and Infill or Redevelopment
High Density Residential	400	600	900	3,100	3,200	700	1,400	2,800	3,800	5,800	7,500	70	100	600	-	600	8,100
HDR Subzone A	-	-	10	-	10	20	50	100	30	100	100	-	-	-	-	-	100
HDR Subzone B	60	90	100	500	500	200	300	600	2,100	2,200	2,400	70	100	100	500	500	2,900
Medium Density Residential	10,600	14,400	14,400	-	14,500	31,600	44,500	44,600	-	46,000	46,500	13,600	13,300	13,300	-	13,600	60,100
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtown Residential Historic Management	-	10	-	-	10	-	10	-	-	10	20	-	-	-	-	-	20
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	100	100	-	-	-	600	600	600	-	-	-	-	-	600
Wanaka Town Centre	-	-	-	40	40	-	-	-	40	40	80	-	-	-	-	-	80
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**11,400**	**15,100**	**15,500**	**3,700**	**18,600**	**32,900**	**46,300**	**48,100**	**6,500**	**55,200**	**57,700**	**13,900**	**13,500**	**14,000**	**500**	**14,900**	**72,600**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

5.7 Summary of Commercially Feasible Capacity by Modelled Scenario

The commercially feasible capacity is summarised across the different modelled options in Table 5-11 and Figure 5-1. These provide a comparison of the overall capacity enabled within each modelled option.

Table 5-11 shows the total proportion of plan enabled capacity that is estimated to represent potentially commercially feasible development opportunities within each typology and development option (upper portion of table). The middle and lower portions of the table then show the net and percentage difference in commercially feasible capacity under each modelled option from the existing baseline capacity.

It is estimated that around half of the baseline plan enabled capacity currently represents potentially feasible development options if it were available to the market. Under the current provisions there is an estimated total feasible capacity of 31,900 dwellings.

Higher shares of greenfield capacity are estimated to be currently feasible, with a focus on detached dwellings. This excludes further capacity which is enabled within the greenfield Special Zone areas. Attached and terraced housing options form a greater proportion of the feasible capacity within the existing urban area.

Similar to plan enabled capacity, there is also a significant increase in the amount of feasible capacity as a result of the nodes/nodes and corridors options from the baseline capacity (Options 1 and 2). Overall, capacity increases by between 8,800 additional dwellings to 13,100 additional dwellings respectively in comparison to that already enabled within the existing baseline. This equates to a 28% to 41% increase from the existing baseline under Options 1 and 2. Within this, the intensification of Nodes increases feasible capacity to 40,700 dwellings. The intensification of both Nodes and Corridors increases feasible capacity to 45,000 dwellings.

Some of the increase in feasible capacity, under Options 1 and 2, occurs as a direct result of the increase in the number of dwellings enabled on each site within the plan enabled capacity. I.e. sites already feasible continue to be feasible, but with a higher enabled yield. Some of the increase also occurs as a result of the relative increase in the feasibility of having higher yields – i.e. a greater proportion of sites become feasible to develop, or sites become feasible to develop across a greater range of typologies through enabling higher yields.

Under these options (1 and 2), the share of plan enabled capacity that is estimated to be commercially feasible increases from around half (54%) under the baseline scenario to around 60% to 61% with the intensification of nodes and corridors.

The estimated commercially feasible capacity increases significantly under Options 5 and 6. These modelled options increase the baseline capacity by 290% to 128% respectively, resulting in a total feasible capacity for 124,300 and 72,600 additional dwellings respectively. The large capacity increases under these scenarios occur due to a combination of the relativities in densities between the MDR and LDSR zones together with the extent across which this is applied.

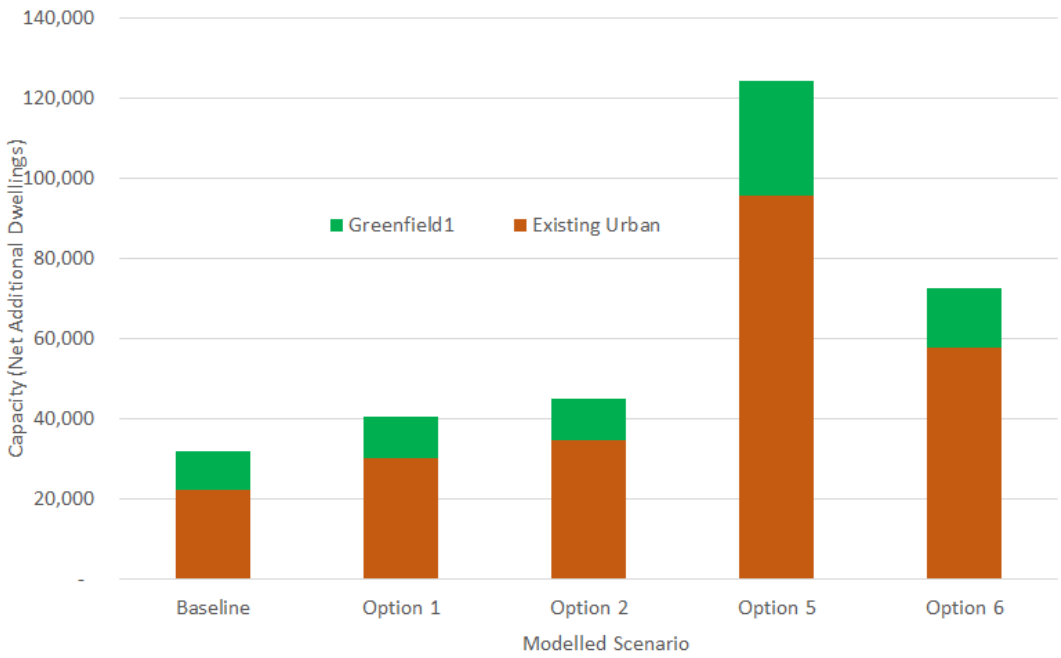
Options 5 and 6 would enable a large-scale dispersal of development capacity across much of QLD's outer suburban area. As discussed above, it would be much less concentrated into areas of higher amenity and accessibility and would generate less differentiation in urban form.

The degree to which this may disperse intensification and lower potential concentration around key nodes is dependent upon the relative market size for this density. Enabling this larger intensification across the general suburban area is not likely to substantially translate into growth of this more intensive terraced housing dwelling market. It will instead be more likely to disperse the levels of intensification that occur across the general residential area, with less concentration of medium to higher density residential development within the core areas of accessibility around nodes and corridors.

The difference in capacity enabled between Options 5 and 6 relates to the relaxation of the proposed 150m^2 per dwelling density control within the MDRZ. The difference is substantive in net terms due to the spatial extent across which it is applied.

If the MDRZ density control were also relaxed under Options 1 and 2, then it would increase the estimated feasible capacity to 47,400 dwellings (nodes) and 52,100 dwellings (nodes and corridors). This would increase the commercially feasible capacity by 49% to 63% from the existing baseline, compared to around 28% to 41% with the density restriction applied.[16] In contrast to Option 5, relaxing the MDRZ density control under these options would be likely to instead direct and encourage relatively more intensification to occur in nodes and corridors.

Figure 5-1: Commercially Feasible Capacity by Modelled Scenario in QLD Urban Area



[1] Greenfield Capacity does not include dwellings within

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

[16] Refer Appendix 3 for copies of these alternative result tables.

Table 5-11: Commercially Feasible Capacity by Modelled Scenario in QLD Urban Area and Change from Existing Baseline Capacity

Modelled Scenario	INFILL					REDEVELOPMENT						GREENFIELD[2]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
	Net Additional Dwelling Capacity																
Baseline	7,200	6,900	2,200	3,200	9,900	15,500	13,900	4,300	5,600	20,800	22,200	9,300	8,100	900	400	9,700	31,900
Option 1	7,700	8,000	3,800	3,700	11,800	17,600	18,500	10,900	6,400	27,800	30,400	9,400	8,000	1,000	500	10,300	40,700
Option 2	7,800	8,300	4,500	5,700	13,700	17,800	19,000	12,100	10,300	31,900	34,500	9,400	8,100	1,100	500	10,400	45,000
Option 5	11,500	15,200	23,300	3,700	26,400	32,900	46,300	87,800	6,400	93,400	95,600	13,900	13,500	28,200	500	28,600	124,300
Option 6	11,400	15,100	15,500	3,700	18,600	32,900	46,300	48,100	6,500	55,200	57,700	13,900	13,500	14,000	500	14,900	72,600
	Net Change in Dwelling Capacity from Baseline Capacity																
Option 1	500	1,100	1,700	500	1,900	2,100	4,600	6,600	800	7,000	8,200	40	- 40	100	100	600	8,800
Option 2	600	1,400	2,300	2,600	3,900	2,400	5,100	7,800	4,700	11,100	12,400	100	60	200	100	700	13,100
Option 5	4,300	8,300	21,100	500	16,500	17,500	32,400	83,500	800	72,600	73,400	4,600	5,400	27,200	100	18,900	92,400
Option 6	4,200	8,200	13,300	500	8,700	17,500	32,400	43,800	900	34,400	35,500	4,600	5,400	13,100	100	5,200	40,700
	Percentage Change in Dwelling Capacity from Baseline Capacity																
Option 1	7%	16%	77%	17%	19%	14%	33%	154%	14%	34%	37%	0%	0%	12%	25%	7%	28%
Option 2	9%	20%	108%	81%	39%	15%	37%	183%	85%	53%	56%	1%	1%	23%	25%	7%	41%
Option 5	59%	119%	973%	17%	167%	113%	233%	1952%	14%	349%	331%	49%	67%	2904%	25%	195%	290%
Option 6	59%	118%	611%	16%	88%	113%	233%	1025%	17%	165%	160%	49%	67%	1395%	28%	53%	128%

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

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

6 Comparison of Capacity with Demand

Analysis within this section forms an important part of assessing the adequacy of the proposed options for the intensification plan variation in meeting demand within QLD's urban environment. It compares the projected demand for different dwelling typologies from Section 2 with the capacity to accommodate additional dwellings within QLDC's existing urban area, modelled in Sections 4 and 5.

6.1 Introduction and Approach

QLDC's proposed intensification plan variation is intended to provide for sufficient capacity within the urban environment to meet demand within the existing urban area with a geographic structure that encourages sustainable and efficient urban form. It aims to provide for a range of different dwelling options and in locations of high accessibility and amenity.

The analysis compares the feasible capacity with the level of demand and considers the share of plan enabled and commercially feasible capacity that would be required to be taken up to meet projected demand.

The first stage of this section compares the feasible development capacity with the projected demand across each typology and location. This stage also has consideration for the total capacity enabled under the plan. It is important to understand the level of opportunity provided by the Plan beyond the share which is estimated to be commercially feasible as non-planning factors form a substantial component of the effect on feasibility.

It is important to note that this stage of the assessment does not consider the implications of any infrastructure constraints. This is important to show the effects of the zoned provision and feasibility without being masked by the effects of infrastructure. The infrastructure constraints are then considered subsequently in Section 6.4.

The second stage then considers more closely the adequacy of provision for higher density residential development in key areas of accessibility. It compares the redevelopment capacity for vertically-attached apartment dwellings in these locations with the projected demand for this higher density development.

It is important to compare the capacity for higher density development with level of market demand to understand the effect of potential take-up on achieving the urban form intensification objectives. The spatial extent of the provisions (i.e., a direct determinant of capacity) combined with the size of the market demand will influence the degree to which higher density growth is concentrated into core areas of accessibility.

We consider that the appropriate spatial extent of higher density provisions is likely to differ between urban economies. Key commercial centres within larger urban economies are more likely to be able to support higher density development across greater spatial extents from the core of the accessible area. Higher density development within wider walkable catchments in these larger urban economies is more likely to function together with the core node of the accessible area. This would result in nodes of activities that

effectively function together to produce a sustainable urban form with observable concentrations of density supporting the viability of the commercial node (discussed further in Section 7).

In contrast, there is likely to be lower demand for higher density development in smaller urban economies or areas where the market for higher density development is unlikely to become well-established. If the same spatial extent of higher density provisions suited to larger economies were applied in a smaller economy, they would be likely to cover areas that extend, on a relative basis, to cover significant shares of the general suburban areas. In smaller urban economies, it is considerably less likely that development further away from the central node of the accessible area would function together with the commercial centre. This is due to a combination of the overall level of demand for higher density development as well as the more localised effects of these centres.

Moreover, if higher density residential provisions are applied across more extensive areas, then it increases the possibility for opportunistic development to occur in locations that do not function together with the core node of accessibility. Any take-up of these developments is likely to represent a significant share of the total demand for higher density development, thus reducing the likelihood of the development occurring in more appropriate locations that function together with and support the viability of commercial activity/amenity in accessible nodes, producing a more sustainable urban form. It is therefore important to consider the spatial extent of the proposed provisions together with their location.

6.2 Capacity and Demand by Type and Location

The tables in the following sub-sections compare the modelled capacity and demand for different types of dwellings in each location for each of the modelled options (i.e., Options 1, 2, 5 and 6). They provide an overview of the balances between capacity and demand across the existing and future urban environment.

6.2.1 Structure of Table Outputs

There are two tables provided for each of the modelled options to show the comparisons under the different patterns of projected demand (refer to Section 2). The first tables for each option contain a future demand scenario that reflects the existing baseline patterns of demand. The second tables contain the higher market substitution scenario where patterns of demand gradually shift toward higher densities through time. The demand projections (from Section 2) are contained within the first columns of each table. These are provided by dwelling typology and location.

The projected feasible capacity is contained within the second set of columns within each table. The capacity totals by typology presented in the first four columns of this section differ to those in Section 5[17] as each parcel has been allocated to a singular development pathway based on the highest profit margin (at the exclusion of other options)[18]. This creates a conservative comparison because the total capacity is larger if each parcel were instead developed to the highest yield (which is considered in the final columns

[17] While the totals differ, the outputs are consistent with those in sections 4 and 5 as they are extracted from within the same set of parcel-level modelled outputs.

[18] For example, it may be feasible to develop a parcel as either two detached houses, or 4 attached dwellings. If the detached dwellings have a higher percentage profit margin, this scenario has then allocated the development outcome to this typology, producing the lower yield option.

of the table). This section also contains a total – "TOTAL (Max Yield)" – which is the total maximum feasible yield[19] and aligns with the totals presented in Section 5.

The capacity within the table also includes that occurring within Special Zones (excluded from the modelling in sections 4 and 5. This has been obtained directly from that provided by QLDC during the 2021 HBA. It includes only the portion of capacity that is projected to be feasible within the short-term, to remain consistent with the current market comparison within the modelled capacity. This amounts to around 45% of the projected total long-term feasible capacity within the Special Zones.

The third set of columns then show the difference between the feasible capacity and the projected demand from the first sections of the tables. This is a direct subtraction of the demand from the capacity. A positive value shows that there is greater feasible capacity within a typology than demand, while a negative value may indicate a shortfall.

It is important to note that the comparisons contained within the tables are further conservative in that they contain only current market estimates of feasible capacity. Within a growing urban economy, feasible capacity generally increases through time where a greater range of locations and development options become feasible with market growth.

The final section of the table has been included to show the further potential feasible development capacity within each typology if development patterns instead occurred in line with the maximum potential feasible yield. These have been expressed as the difference between the highest profit allocation to the yield (second section of the table) and the maximum feasible yield within each typology. This is important to consider because not all developed parcels are likely to occur as the development option with the greatest profit margin. Only a share of the market demand is likely to fall within the highest margin development options. There is likely to be capacity delivered across a range of other still feasible options if they align with market demand and the developer is still able to make a sufficient profit.

The final section of the table indicates the potential for these development patterns to occur within other feasible areas of the market. For instance, if there are substantive patterns of shortfalls indicated in one typology (where capacity is allocated to the highest margin option), but there are corresponding large surpluses in capacity within another typology, then the additional total potential feasible capacity indicates the degree to which there is potential to instead develop in other feasible options that align with the indicated shortfalls.

The following sub-sections contain the assessments for each of the modelled options.

6.2.2 Capacity vs. Demand: Baseline Scenario

The comparison between capacity and demand under the existing baseline modelled scenario for the baseline demand scenario is shown in Table 6-1. It shows that there are no significant shortfalls in capacity projected to occur within the short-term.

[19] This is where the feasible capacity within each parcel has been allocated to the feasible option that produces the greatest yield. For example, a parcel could have two feasible detached dwellings (margin of 30%) or four feasible attached dwellings (margin of 25%), and have an infeasible plan-enabled option for 10 vertically-attached dwelling (margin of 12%). Within this total, the model would allocate the capacity to the attached yield of four.

In the medium-term, there are no projected shortfalls in capacity by location at the total level. Although, there are some projected shortfalls in attached dwelling capacity within the eastern urban parts (Eastern Corridor, Frankton and Quail Rise area) of the Wakatipu Ward and within the Wanaka/Hawea urban area. However, both areas have surpluses in feasible capacity in detached dwellings and apartments as well as large amounts of additional feasible capacity within attached/terraced housing (final section of the table).

Together these factors indicate that there is likely to be potential for the market to develop some capacity at the highest margins, with some capacity instead developed in other areas corresponding with the scale of market demand. There is likely to be greater potential for this to occur within Wanaka/Hawea given the larger sizes of the surpluses and additional feasible capacity. While this could potentially occur within the eastern areas, it does require higher rates of uptake of the feasible capacity.

In the long-term, there are areas that are indicated to have a projected shortfall in capacity. At the total level, these include the eastern urban areas of the Wakatipu Ward and the small township areas. While there is a significant shortfall indicated within the eastern area, it is notable that there is a significant amount of additional feasible capacity (approximately an additional 2,700 dwellings) within this area in the long-term within the Spatial Plan long-term growth areas (not included in the modelling).

There are also shortfalls indicated to occur across all areas for the attached/terraced housing typology. However, the final section of the table indicates that there is significant scope to develop parcels in this typology rather than detached dwellings (where there is an indicated surplus).

The comparison between capacity and demand under a high substitution demand scenario in relation to the existing baseline provisions is shown in Table 6-2.

The patterns of projected shortfalls are exacerbated in the medium and long-term under this demand scenario. The projected shortfalls become larger in the attached/terraced housing typology and also occur within the vertically-attached apartment typology.

Similar to the baseline demand scenario, it is likely that some of these shortfalls can be resolved through the market delivery of capacity in areas of the market that are less profitable, albeit still estimated to be commercially feasible.

A significant share of the vertically-attached dwelling shortfalls may resolve through time as market growth increases the share of this typology that is estimated to be feasible. Currently, only around one-fifth of the plan-enabled capacity within this typology is estimated to be commercially feasible. There is a large amount of additional plan-enabled apartment capacity, a share of which is likely to become feasible in response to market growth.

Table 6-1: Comparison of Capacity and Projected Demand (Low Substitution Demand Scenario): Baseline Scenario

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,700	200	40	**2,000**	**2,000**	500	20	-	**500**	**500**	40	400	-	**40**
Eastern/Frankton/Quail	3,500	500	100	**4,100**	4,700	500	1,800	**7,000**	**7,000**	1,200	- 30	1,600	**2,800**	**2,900**	500	2,000	-	**80**
Queenstown/Arthurs	3,900	800	200	**4,900**	8,400	1,800	1,600	**11,900**	**16,400**	4,600	1,000	1,400	**7,000**	**11,500**	800	5,200	5,100	**4,500**
Kelvin Heights/Southern Corridor	2,200	300	60	**2,500**	6,300	500	400	**7,200**	**7,400**	4,100	200	300	**4,700**	**4,900**	100	3,200	300	**200**
Wakatipu Small Township/Other	400	70	10	**500**	700	200	10	**900**	**900**	300	100	-	**400**	**400**	-	50	-	**20**
Wanaka/Hawea	7,100	1,000	200	**8,400**	19,700	1,300	1,000	**22,000**	**23,200**	12,600	200	800	**13,600**	**14,800**	1,100	12,000	500	**1,300**
Wanaka Small Township/Other	300	20	10	**300**	1,000	80	-	**1,100**	**1,100**	700	60	-	**800**	**800**	-	300	-	**-**
Total Urban Environment	**18,700**	**3,000**	**700**	**22,300**	**42,600**	**4,600**	**4,800**	**52,000**	**58,100**	**23,900**	**1,600**	**4,200**	**29,700**	**35,800**	**2,500**	**23,200**	**5,900**	**6,100**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	300	60	**1,500**	1,700	200	40	**2,000**	**2,000**	500	- 70	- 20	**500**	**500**	40	400	-	**40**
Eastern/Frankton/Quail	4,000	900	200	**5,200**	4,700	500	1,800	**7,000**	**7,000**	700	- 400	1,600	**1,800**	**1,900**	500	2,000	-	**80**
Queenstown/Arthurs	3,900	1,200	300	**5,300**	8,400	1,800	1,600	**11,900**	**16,400**	4,600	600	1,400	**6,500**	**11,100**	800	5,200	5,100	**4,500**
Kelvin Heights/Southern Corridor	3,300	400	90	**3,800**	6,300	500	400	**7,200**	**7,400**	3,000	100	300	**3,400**	**3,600**	100	3,200	300	**200**
Wakatipu Small Township/Other	500	100	30	**700**	700	200	10	**900**	**900**	200	50	- 20	**200**	**200**	-	50	-	**20**
Wanaka/Hawea	8,000	1,700	400	**10,000**	19,700	1,300	1,000	**22,000**	**23,200**	11,700	- 400	600	**11,900**	**13,200**	1,100	12,000	500	**1,300**
Wanaka Small Township/Other	400	70	10	**500**	1,000	80	-	**1,100**	**1,100**	600	20	- 10	**600**	**600**	-	300	-	**-**
Total Urban Environment	**21,200**	**4,700**	**1,000**	**27,000**	**42,600**	**4,600**	**4,800**	**52,000**	**58,100**	**21,300**	**- 100**	**3,800**	**25,000**	**31,100**	**2,500**	**23,200**	**5,900**	**6,100**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,100	400	80	**1,500**	1,700	200	40	**2,000**	**2,000**	700	- 200	- 40	**400**	**500**	40	400	-	**40**
Eastern/Frankton/Quail	5,400	2,100	400	**8,000**	4,700	500	1,800	**7,000**	**7,000**	- 700	- 1,600	1,300	**- 1,000**	**- 900**	500	2,000	-	**80**
Queenstown/Arthurs	4,000	2,100	400	**6,500**	8,400	1,800	1,600	**11,900**	**16,400**	4,400	- 300	1,200	**5,300**	**9,900**	800	5,200	5,100	**4,500**
Kelvin Heights/Southern Corridor	5,200	1,700	300	**7,200**	6,300	500	400	**7,200**	**7,400**	1,200	- 1,200	20	**30**	**300**	100	3,200	300	**200**
Wakatipu Small Township/Other	700	300	70	**1,100**	700	200	10	**900**	**900**	10	- 200	- 60	**- 200**	**- 200**	-	50	-	**20**
Wanaka/Hawea	10,100	3,600	800	**14,500**	19,700	1,300	1,000	**22,000**	**23,200**	9,600	- 2,400	200	**7,400**	**8,700**	1,100	12,000	500	**1,300**
Wanaka Small Township/Other	600	200	40	**800**	1,000	80	-	**1,100**	**1,100**	400	- 100	- 40	**300**	**300**	-	300	-	**-**
Total Urban Environment	**27,000**	**10,500**	**2,200**	**39,700**	**42,600**	**4,600**	**4,800**	**52,000**	**58,100**	**15,600**	**- 5,900**	**2,600**	**12,300**	**18,400**	**2,500**	**23,200**	**5,900**	**6,100**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

Table 6-2: Comparison of Capacity and Projected Long-Term Demand (High Substitution Demand Scenario): Baseline Scenario

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,700	200	40	**2,000**	**2,000**	500	10	-	**500**	**500**	40	400	-	**40**
Eastern/Frankton/Quail	3,400	600	100	**4,100**	4,700	500	1,800	**7,000**	**7,000**	1,300	- 60	1,600	**2,800**	**2,900**	500	2,000	-	**80**
Queenstown/Arthurs	3,900	900	200	**4,900**	8,400	1,800	1,600	**11,900**	**16,400**	4,600	1,000	1,400	**7,000**	**11,500**	800	5,200	5,100	**4,500**
Kelvin Heights/Southern Corridor	2,200	300	70	**2,500**	6,300	500	400	**7,200**	**7,400**	4,200	200	300	**4,700**	**4,900**	100	3,200	300	**200**
Wakatipu Small Township/Other	400	70	20	**500**	700	200	10	**900**	**900**	300	100	- 10	**400**	**400**	-	50	-	**20**
Wanaka/Hawea	7,000	1,100	200	**8,400**	19,700	1,300	1,000	**22,000**	**23,200**	12,700	200	800	**13,600**	**14,800**	1,100	12,000	500	**1,300**
Wanaka Small Township/Other	300	30	10	**300**	1,000	80	-	**1,100**	**1,100**	700	60	-	**800**	**800**	-	300	-	**-**
Total Urban Environment	**18,400**	**3,100**	**700**	**22,300**	**42,600**	**4,600**	**4,800**	**52,000**	**58,100**	**24,200**	**1,400**	**4,100**	**29,700**	**35,800**	**2,500**	**23,200**	**5,900**	**6,100**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	200	80	**1,500**	1,700	200	40	**2,000**	**2,000**	600	- 50	- 30	**500**	**500**	40	400	-	**40**
Eastern/Frankton/Quail	3,800	1,000	300	**5,200**	4,700	500	1,800	**7,000**	**7,000**	900	- 500	1,500	**1,800**	**1,900**	500	2,000	-	**80**
Queenstown/Arthurs	3,800	1,200	400	**5,400**	8,400	1,800	1,600	**11,900**	**16,400**	4,700	600	1,300	**6,500**	**11,000**	800	5,200	5,100	**4,500**
Kelvin Heights/Southern Corridor	3,100	500	200	**3,800**	6,300	500	400	**7,200**	**7,400**	3,300	- 20	200	**3,400**	**3,700**	100	3,200	300	**200**
Wakatipu Small Township/Other	500	100	40	**700**	700	200	10	**900**	**900**	200	40	- 30	**200**	**200**	-	50	-	**20**
Wanaka/Hawea	7,600	1,800	500	**10,000**	19,700	1,300	1,000	**22,000**	**23,200**	12,000	- 500	500	**11,900**	**13,200**	1,100	12,000	500	**1,300**
Wanaka Small Township/Other	400	80	20	**500**	1,000	80	-	**1,100**	**1,100**	700	10	- 20	**600**	**600**	-	300	-	**-**
Total Urban Environment	**20,300**	**5,000**	**1,500**	**27,000**	**42,600**	**4,600**	**4,800**	**52,000**	**58,100**	**22,300**	**- 400**	**3,300**	**25,000**	**31,100**	**2,500**	**23,200**	**5,900**	**6,100**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,000	300	200	**1,500**	1,700	200	40	**2,000**	**2,000**	700	- 100	- 100	**400**	**500**	40	400	-	**40**
Eastern/Frankton/Quail	4,800	2,200	1,000	**8,000**	4,700	500	1,800	**7,000**	**7,000**	- 70	- 1,600	800	**- 1,000**	**- 900**	500	2,000	-	**80**
Queenstown/Arthurs	3,800	1,800	900	**6,600**	8,400	1,800	1,600	**11,900**	**16,400**	4,700	- 40	800	**5,300**	**9,800**	800	5,200	5,100	**4,500**
Kelvin Heights/Southern Corridor	4,400	1,900	900	**7,200**	6,300	500	400	**7,200**	**7,400**	2,000	- 1,400	- 500	**40**	**300**	100	3,200	300	**200**
Wakatipu Small Township/Other	600	300	200	**1,100**	700	200	10	**900**	**900**	90	- 100	- 100	**- 200**	**- 200**	-	50	-	**20**
Wanaka/Hawea	9,000	3,700	1,700	**14,500**	19,700	1,300	1,000	**22,000**	**23,200**	10,600	- 2,400	- 700	**7,400**	**8,700**	1,100	12,000	500	**1,300**
Wanaka Small Township/Other	500	200	100	**800**	1,000	80	-	**1,100**	**1,100**	500	- 100	- 100	**300**	**300**	-	300	-	**-**
Total Urban Environment	**24,100**	**10,400**	**4,900**	**39,700**	**42,600**	**4,600**	**4,800**	**52,000**	**58,100**	**18,500**	**- 5,800**	**- 90**	**12,300**	**18,400**	**2,500**	**23,200**	**5,900**	**6,100**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

6.2.3 Capacity vs. Demand: Option 1

The comparison between capacity and demand under Option 1 for the baseline demand scenario is shown in Table 6-3. It shows that there are no significant shortfalls in capacity projected to occur within either the short or medium-term.

In the long-term, the projected shortfalls are substantially reduced (from the baseline capacity scenario) with the additional capacity enabled through the intensification of nodes under Option 1. The eastern urban areas of the Wakatipu Ward and the Kelvin Heights/Southern Corridor areas are indicated as the areas most likely to experience a shortfall based on the proposed provisions. However, as noted above, it is notable that these areas have significant amounts of feasible capacity within the Spatial Plan long-term growth areas.

Similar to the existing baseline, there are general indicated shortfalls across the attached/terraced housing typology. However, these are likely to be able to be addressed through development in occurring feasibly in these areas of the market, albeit at a lower margin than detached dwellings.

The comparison between capacity and demand under a high substitution demand scenario in relation to the Option 1 provisions is shown in Table 6-4. This shows similar patterns of potential shortfalls, which are exacerbated by the higher share of growth assumed to occur in more intensive dwellings.

Similar to the baseline provisions scenario, it is likely that much of these shortfalls may be met through market growth in higher density dwellings through time, or development in other parts of the feasible development opportunity.

Table 6-3 : Comparison of Capacity and Projected Demand (Low Substitution Demand Scenario): Option 1

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,700	600	40	**2,300**	**2,400**	400	400	-	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	3,500	500	100	**4,100**	4,800	1,000	1,800	**7,600**	**7,800**	1,400	500	1,600	**3,500**	**3,700**	600	2,000	-	**200**
Queenstown/Arthurs	3,900	800	200	**4,900**	7,900	5,600	2,000	**15,500**	**22,300**	4,000	4,800	1,800	**10,600**	**17,400**	1,800	4,800	8,500	**6,800**
Kelvin Heights/Southern Corridor	2,200	300	60	**2,500**	6,400	600	100	**7,100**	**7,200**	4,200	300	60	**4,600**	**4,600**	70	3,200	-	**60**
Wakatipu Small Township/Other	400	70	10	**500**	700	200	10	**900**	**900**	300	100	-	**400**	**400**	-	50	-	**10**
Wanaka/Hawea	7,100	1,000	200	**8,400**	20,500	1,800	1,000	**23,300**	**25,300**	13,400	800	700	**15,000**	**16,900**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	300	20	10	**300**	1,000	80	-	**1,100**	**1,100**	700	60	-	**800**	**800**	-	300	-	**-**
Total Urban Environment	**18,700**	**3,000**	**700**	**22,300**	**43,100**	**9,800**	**4,900**	**57,900**	**66,900**	**24,400**	**6,900**	**4,300**	**35,600**	**44,600**	**4,200**	**24,600**	**8,500**	**9,000**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	300	60	**1,500**	1,700	600	40	**2,300**	**2,400**	500	300	- 20	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	4,000	900	200	**5,200**	4,800	1,000	1,800	**7,600**	**7,800**	800	60	1,600	**2,500**	**2,600**	600	2,000	-	**200**
Queenstown/Arthurs	3,900	1,200	300	**5,300**	7,900	5,600	2,000	**15,500**	**22,300**	4,100	4,400	1,700	**10,200**	**16,900**	1,800	4,800	8,500	**6,800**
Kelvin Heights/Southern Corridor	3,300	400	90	**3,800**	6,400	600	100	**7,100**	**7,200**	3,100	200	40	**3,300**	**3,400**	70	3,200	-	**60**
Wakatipu Small Township/Other	500	100	30	**700**	700	200	10	**900**	**900**	200	50	- 20	**200**	**200**	-	50	-	**10**
Wanaka/Hawea	8,000	1,700	400	**10,000**	20,500	1,800	1,000	**23,300**	**25,300**	12,500	100	600	**13,300**	**15,200**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	400	70	10	**500**	1,000	80	-	**1,100**	**1,100**	600	20	- 10	**600**	**600**	-	300	-	**-**
Total Urban Environment	**21,200**	**4,700**	**1,000**	**27,000**	**43,100**	**9,800**	**4,900**	**57,900**	**66,900**	**21,900**	**5,100**	**3,900**	**30,900**	**39,900**	**4,200**	**24,600**	**8,500**	**9,000**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,100	400	80	**1,500**	1,700	600	40	**2,300**	**2,400**	600	200	- 40	**800**	**800**	200	500	-	**80**
Eastern/Frankton/Quail	5,400	2,100	400	**8,000**	4,800	1,000	1,800	**7,600**	**7,800**	- 500	- 1,100	1,300	- **400**	- **200**	600	2,000	-	**200**
Queenstown/Arthurs	4,000	2,100	400	**6,500**	7,900	5,600	2,000	**15,500**	**22,300**	3,900	3,500	1,500	**9,000**	**15,700**	1,800	4,800	8,500	**6,800**
Kelvin Heights/Southern Corridor	5,200	1,700	300	**7,200**	6,400	600	100	**7,100**	**7,200**	1,200	- 1,100	- 200	- **70**	- **10**	70	3,200	-	**60**
Wakatipu Small Township/Other	700	300	70	**1,100**	700	200	10	**900**	**900**	20	- 200	- 60	- **200**	- **200**	-	50	-	**10**
Wanaka/Hawea	10,100	3,600	800	**14,500**	20,500	1,800	1,000	**23,300**	**25,300**	10,400	- 1,800	200	**8,800**	**10,800**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	600	200	40	**800**	1,000	80	-	**1,100**	**1,100**	400	- 100	- 40	**300**	**300**	-	300	-	**-**
Total Urban Environment	**27,000**	**10,500**	**2,200**	**39,700**	**43,100**	**9,800**	**4,900**	**57,900**	**66,900**	**16,100**	**- 600**	**2,700**	**18,200**	**27,200**	**4,200**	**24,600**	**8,500**	**9,000**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

Table 6-4 : Comparison of Capacity and Projected Long-Term Demand (High Substitution Demand Scenario): Option 1

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,700	600	40	**2,300**	**2,400**	500	400	-	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	3,400	600	100	**4,100**	4,800	1,000	1,800	**7,600**	**7,800**	1,400	400	1,600	**3,500**	**3,700**	600	2,000	-	**200**
Queenstown/Arthurs	3,900	900	200	**4,900**	7,900	5,600	2,000	**15,500**	**22,300**	4,100	4,800	1,800	**10,600**	**17,400**	1,800	4,800	8,500	**6,800**
Kelvin Heights/Southern Corridor	2,200	300	70	**2,500**	6,400	600	100	**7,100**	**7,200**	4,200	300	60	**4,600**	**4,600**	70	3,200	-	**60**
Wakatipu Small Township/Other	400	70	20	**500**	700	200	10	**900**	**900**	300	100	- 10	**400**	**400**	-	50	-	**10**
Wanaka/Hawea	7,000	1,100	200	**8,400**	20,500	1,800	1,000	**23,300**	**25,300**	13,500	700	700	**15,000**	**16,900**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	300	30	10	**300**	1,000	80	-	**1,100**	**1,100**	700	60	-	**800**	**800**	-	300	-	**-**
Total Urban Environment	**18,400**	**3,100**	**700**	**22,300**	**43,100**	**9,800**	**4,900**	**57,900**	**66,900**	**24,700**	**6,700**	**4,200**	**35,600**	**44,600**	**4,200**	**24,600**	**8,500**	**9,000**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	200	80	**1,500**	1,700	600	40	**2,300**	**2,400**	500	300	- 30	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	3,800	1,000	300	**5,200**	4,800	1,000	1,800	**7,600**	**7,800**	1,000	-	1,500	**2,500**	**2,600**	600	2,000	-	**200**
Queenstown/Arthurs	3,800	1,200	400	**5,400**	7,900	5,600	2,000	**15,500**	**22,300**	4,100	4,400	1,600	**10,200**	**16,900**	1,800	4,800	8,500	**6,800**
Kelvin Heights/Southern Corridor	3,100	500	200	**3,800**	6,400	600	100	**7,100**	**7,200**	3,300	50	- 40	**3,300**	**3,400**	70	3,200	-	**60**
Wakatipu Small Township/Other	500	100	40	**700**	700	200	10	**900**	**900**	200	40	- 30	**200**	**200**	-	50	-	**10**
Wanaka/Hawea	7,600	1,800	500	**10,000**	20,500	1,800	1,000	**23,300**	**25,300**	12,900	40	400	**13,300**	**15,200**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	400	80	20	**500**	1,000	80	-	**1,100**	**1,100**	700	10	- 20	**600**	**600**	-	300	-	**-**
Total Urban Environment	**20,300**	**5,000**	**1,500**	**27,000**	**43,100**	**9,800**	**4,900**	**57,900**	**66,900**	**22,800**	**4,900**	**3,400**	**30,900**	**39,900**	**4,200**	**24,600**	**8,500**	**9,000**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,000	300	200	**1,500**	1,700	600	40	**2,300**	**2,400**	700	200	- 100	**800**	**800**	200	500	-	**80**
Eastern/Frankton/Quail	4,800	2,200	1,000	**8,000**	4,800	1,000	1,800	**7,600**	**7,800**	90	- 1,100	800	- **400**	- **200**	600	2,000	-	**200**
Queenstown/Arthurs	3,800	1,800	900	**6,600**	7,900	5,600	2,000	**15,500**	**22,300**	4,100	3,800	1,100	**9,000**	**15,700**	1,800	4,800	8,500	**6,800**
Kelvin Heights/Southern Corridor	4,400	1,900	900	**7,200**	6,400	600	100	**7,100**	**7,200**	2,000	- 1,300	- 800	- **70**	-	70	3,200	-	**60**
Wakatipu Small Township/Other	600	300	200	**1,100**	700	200	10	**900**	**900**	100	- 100	- 100	- **200**	- **200**	-	50	-	**10**
Wanaka/Hawea	9,000	3,700	1,700	**14,500**	20,500	1,800	1,000	**23,300**	**25,300**	11,500	- 1,800	- 700	**8,800**	**10,800**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	500	200	100	**800**	1,000	80	-	**1,100**	**1,100**	500	- 100	- 100	**300**	**300**	-	300	-	**-**
Total Urban Environment	**24,100**	**10,400**	**4,900**	**39,700**	**43,100**	**9,800**	**4,900**	**57,900**	**66,900**	**19,000**	- **500**	- **10**	**18,200**	**27,200**	**4,200**	**24,600**	**8,500**	**9,000**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

6.2.4 Capacity vs. Demand: Option 2

The comparison between capacity and demand under Option 2 for the baseline demand scenario is shown in Table 6-5 and for the higher demand substitution scenario in Table 6-6.

Both demand scenarios show that there are no significant shortfalls in capacity projected to occur within either the short or medium-term under Option 2. The indicated shortfalls in capacity within the Wakatipu Ward's eastern urban areas are also reduced with the additional capacity provided under this option.

The reduction in long-term attached/terraced housing capacity shortfalls suggest that these typologies have a greater relative feasibility under this option. This is likely to occur through the intensification within centralised areas of higher amenity where higher intensity development (with greater yields per parcel) is likely to exceed the feasibility of development at lower densities.

Table 6-5: Comparison of Capacity and Projected Demand (Low Substitution Demand Scenario): Option 2

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,700	600	40	**2,300**	**2,400**	400	400	-	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	3,500	500	100	**4,100**	5,100	1,000	1,800	**7,800**	**8,100**	1,600	500	1,600	**3,700**	**4,000**	600	2,300	-	**300**
Queenstown/Arthurs	3,900	800	200	**4,900**	7,800	6,300	2,300	**16,400**	**25,900**	3,900	5,500	2,100	**11,500**	**21,000**	2,100	4,900	12,200	**9,600**
Kelvin Heights/Southern Corridor	2,200	300	60	**2,500**	6,200	900	100	**7,200**	**7,400**	4,000	600	60	**4,700**	**4,900**	200	3,000	200	**200**
Wakatipu Small Township/Other	400	70	10	**500**	700	200	10	**900**	**900**	300	100	-	**400**	**400**	-	50	-	**10**
Wanaka/Hawea	7,100	1,000	200	**8,400**	20,500	1,800	1,000	**23,300**	**25,300**	13,400	800	700	**15,000**	**16,900**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	300	20	10	**300**	1,000	80	-	**1,100**	**1,100**	700	60	-	**800**	**800**	-	300	-	**-**
Total Urban Environment	**18,700**	**3,000**	**700**	**22,300**	**43,000**	**10,900**	**5,200**	**59,100**	**71,200**	**24,400**	**7,900**	**4,500**	**36,800**	**48,900**	**4,500**	**24,800**	**12,400**	**12,100**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	300	60	**1,500**	1,700	600	40	**2,300**	**2,400**	500	300	- 20	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	4,000	900	200	**5,200**	5,100	1,000	1,800	**7,800**	**8,100**	1,100	70	1,600	**2,700**	**3,000**	600	2,300	-	**300**
Queenstown/Arthurs	3,900	1,200	300	**5,300**	7,800	6,300	2,300	**16,400**	**25,900**	3,900	5,100	2,000	**11,000**	**20,600**	2,100	4,900	12,200	**9,600**
Kelvin Heights/Southern Corridor	3,300	400	90	**3,800**	6,200	900	100	**7,200**	**7,400**	2,900	500	40	**3,400**	**3,600**	200	3,000	200	**200**
Wakatipu Small Township/Other	500	100	30	**700**	700	200	10	**900**	**900**	200	50	- 20	**200**	**200**	-	50	-	**10**
Wanaka/Hawea	8,000	1,700	400	**10,000**	20,500	1,800	1,000	**23,300**	**25,300**	12,500	100	600	**13,300**	**15,200**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	400	70	10	**500**	1,000	80	-	**1,100**	**1,100**	600	20	- 10	**600**	**600**	-	300	-	**-**
Total Urban Environment	**21,200**	**4,700**	**1,000**	**27,000**	**43,000**	**10,900**	**5,200**	**59,100**	**71,200**	**21,800**	**6,100**	**4,200**	**32,100**	**44,200**	**4,500**	**24,800**	**12,400**	**12,100**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,100	400	80	**1,500**	1,700	600	40	**2,300**	**2,400**	600	200	- 40	**800**	**800**	200	500	-	**80**
Eastern/Frankton/Quail	5,400	2,100	400	**8,000**	5,100	1,000	1,800	**7,800**	**8,100**	- 300	- 1,100	1,300	- **100**	**100**	600	2,300	-	**300**
Queenstown/Arthurs	4,000	2,100	400	**6,500**	7,800	6,300	2,300	**16,400**	**25,900**	3,800	4,300	1,800	**9,800**	**19,400**	2,100	4,900	12,200	**9,600**
Kelvin Heights/Southern Corridor	5,200	1,700	300	**7,200**	6,200	900	100	**7,200**	**7,400**	1,100	- 800	- 200	**60**	**300**	200	3,000	200	**200**
Wakatipu Small Township/Other	700	300	70	**1,100**	700	200	10	**900**	**900**	20	- 200	- 60	- **200**	- **200**	-	50	-	**10**
Wanaka/Hawea	10,100	3,600	800	**14,500**	20,500	1,800	1,000	**23,300**	**25,300**	10,400	- 1,800	200	**8,800**	**10,800**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	600	200	40	**800**	1,000	80	-	**1,100**	**1,100**	400	- 100	- 40	**300**	**300**	-	300	-	**-**
Total Urban Environment	**27,000**	**10,500**	**2,200**	**39,700**	**43,000**	**10,900**	**5,200**	**59,100**	**71,200**	**16,000**	**400**	**3,000**	**19,400**	**31,500**	**4,500**	**24,800**	**12,400**	**12,100**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

Table 6-6: Comparison of Capacity and Projected Long-Term Demand (High Substitution Demand Scenario): Option 2

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,700	600	40	**2,300**	**2,400**	500	400	-	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	3,400	600	100	**4,100**	5,100	1,000	1,800	**7,800**	**8,100**	1,600	400	1,600	**3,700**	**4,000**	600	2,300	-	**300**
Queenstown/Arthurs	3,900	900	200	**4,900**	7,800	6,300	2,300	**16,400**	**25,900**	3,900	5,500	2,100	**11,500**	**21,000**	2,100	4,900	12,200	**9,600**
Kelvin Heights/Southern Corridor	2,200	300	70	**2,500**	6,200	900	100	**7,200**	**7,400**	4,100	600	60	**4,700**	**4,900**	200	3,000	200	**200**
Wakatipu Small Township/Other	400	70	20	**500**	700	200	10	**900**	**900**	300	100	- 10	**400**	**400**	-	50	-	**10**
Wanaka/Hawea	7,000	1,100	200	**8,400**	20,500	1,800	1,000	**23,300**	**25,300**	13,500	700	700	**15,000**	**16,900**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	300	30	10	**300**	1,000	80	-	**1,100**	**1,100**	700	60	-	**800**	**800**	-	300	-	**-**
Total Urban Environment	**18,400**	**3,100**	**700**	**22,300**	**43,000**	**10,900**	**5,200**	**59,100**	**71,200**	**24,600**	**7,700**	**4,500**	**36,800**	**48,900**	**4,500**	**24,800**	**12,400**	**12,100**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	200	80	**1,500**	1,700	600	40	**2,300**	**2,400**	500	300	- 30	**800**	**900**	200	500	-	**80**
Eastern/Frankton/Quail	3,800	1,000	300	**5,200**	5,100	1,000	1,800	**7,800**	**8,100**	1,200	10	1,500	**2,700**	**3,000**	600	2,300	-	**300**
Queenstown/Arthurs	3,800	1,200	400	**5,400**	7,800	6,300	2,300	**16,400**	**25,900**	4,000	5,200	1,900	**11,000**	**20,600**	2,100	4,900	12,200	**9,600**
Kelvin Heights/Southern Corridor	3,100	500	200	**3,800**	6,200	900	100	**7,200**	**7,400**	3,200	300	- 40	**3,400**	**3,600**	200	3,000	200	**200**
Wakatipu Small Township/Other	500	100	40	**700**	700	200	10	**900**	**900**	200	40	- 30	**200**	**200**	-	50	-	**10**
Wanaka/Hawea	7,600	1,800	500	**10,000**	20,500	1,800	1,000	**23,300**	**25,300**	12,900	40	400	**13,300**	**15,200**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	400	80	20	**500**	1,000	80	-	**1,100**	**1,100**	700	10	- 20	**600**	**600**	-	300	-	**-**
Total Urban Environment	**20,300**	**5,000**	**1,500**	**27,000**	**43,000**	**10,900**	**5,200**	**59,100**	**71,200**	**22,700**	**5,900**	**3,700**	**32,100**	**44,200**	**4,500**	**24,800**	**12,400**	**12,100**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,000	300	200	**1,500**	1,700	600	40	**2,300**	**2,400**	700	200	- 100	**800**	**800**	200	500	-	**80**
Eastern/Frankton/Quail	4,800	2,200	1,000	**8,000**	5,100	1,000	1,800	**7,800**	**8,100**	300	- 1,100	800	- **100**	**100**	600	2,300	-	**300**
Queenstown/Arthurs	3,800	1,800	900	**6,600**	7,800	6,300	2,300	**16,400**	**25,900**	4,000	4,500	1,400	**9,800**	**19,400**	2,100	4,900	12,200	**9,600**
Kelvin Heights/Southern Corridor	4,400	1,900	900	**7,200**	6,200	900	100	**7,200**	**7,400**	1,900	- 1,000	- 800	**60**	**300**	200	3,000	200	**200**
Wakatipu Small Township/Other	600	300	200	**1,100**	700	200	10	**900**	**900**	100	- 100	- 100	- **200**	- **200**	-	50	-	**10**
Wanaka/Hawea	9,000	3,700	1,700	**14,500**	20,500	1,800	1,000	**23,300**	**25,300**	11,500	- 1,800	- 700	**8,800**	**10,800**	1,500	13,800	-	**1,900**
Wanaka Small Township/Other	500	200	100	**800**	1,000	80	-	**1,100**	**1,100**	500	- 100	- 100	**300**	**300**	-	300	-	**-**
Total Urban Environment	**24,100**	**10,400**	**4,900**	**39,700**	**43,000**	**10,900**	**5,200**	**59,100**	**71,200**	**19,000**	**500**	**300**	**19,400**	**31,500**	**4,500**	**24,800**	**12,400**	**12,100**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

6.2.5 Capacity vs. Demand: Option 5

The comparison between capacity and demand under Option 5 for the baseline demand scenario is shown in Table 6-7 and for the higher demand substitution scenario in Table 6-8.

There are no significant projected shortfalls in estimated feasible capacity within this scenario across any time period when assessing total capacity. There is a large amount of additional capacity feasible through medium density development across the general suburban area under Option 5. This results in very large surpluses in capacity within the districts central urban areas of Wanaka and Queenstown where the feasible development opportunity exceeds long-term demand multiple times. There are also large surpluses in the eastern and southern parts of Queenstown's main urban area, along with Arrowtown.

Under this scenario, long-term shortfalls in detached dwelling capacity emerge within the Kelvin Heights/Southern corridor area. This is due to the concentration of the highest margin development options into the attached/terraced housing typology as a result of the higher yields across the general suburban areas. Despite this shortfall, the final section of the tables suggests that there is likely to be plenty of feasible development options within the detached dwelling typology that occur at lower, albeit still feasible, margins.

The large increase in medium density development options across the general suburban area has meant that there are very minor areas of shortfall within this typology when development is allocated to the highest margin option. It is important to note however, that there is also unlikely to be shortfalls in this typology under other scenarios due to the large amount of feasible capacity outside of the highest profit areas of the market.

Table 6-7: Comparison of Capacity and Projected Demand (Low Substitution Demand Scenario): Option 5

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,300	5,600	40	**6,900**	**7,100**	- 10	5,500	-	**5,400**	**5,600**	1,500	200	-	**200**
Eastern/Frankton/Quail	3,500	500	100	**4,100**	5,400	4,600	1,800	**11,700**	**14,800**	1,900	4,100	1,600	**7,600**	**10,600**	1,500	5,800	-	**3,000**
Queenstown/Arthurs	3,900	800	200	**4,900**	5,700	19,800	2,000	**27,500**	**37,000**	1,800	19,000	1,800	**22,600**	**32,100**	6,600	5,700	8,500	**9,500**
Kelvin Heights/Southern Corridor	2,200	300	60	**2,500**	3,300	12,700	100	**16,100**	**16,300**	1,100	12,400	60	**13,500**	**13,700**	5,300	300	-	**200**
Wakatipu Small Township/Other	400	70	10	**500**	700	200	10	**900**	**900**	300	100	-	**400**	**400**	-	80	-	**40**
Wanaka/Hawea	7,100	1,000	200	**8,400**	16,000	41,600	1,000	**58,600**	**72,300**	8,900	40,500	700	**50,200**	**63,900**	18,500	22,300	-	**13,700**
Wanaka Small Township/Other	300	20	10	**300**	1,300	80	-	**1,400**	**2,200**	1,000	60	-	**1,000**	**1,800**	-	1,600	-	**800**
Total Urban Environment	**18,700**	**3,000**	**700**	**22,300**	**33,700**	**84,500**	**4,900**	**123,100**	**150,500**	**15,000**	**81,600**	**4,300**	**100,900**	**128,200**	**33,500**	**35,800**	**8,500**	**27,300**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	300	60	**1,500**	1,300	5,600	40	**6,900**	**7,100**	80	5,400	- 20	**5,400**	**5,600**	1,500	200	-	**200**
Eastern/Frankton/Quail	4,000	900	200	**5,200**	5,400	4,600	1,800	**11,700**	**14,800**	1,400	3,700	1,600	**6,600**	**9,600**	1,500	5,800	-	**3,000**
Queenstown/Arthurs	3,900	1,200	300	**5,300**	5,700	19,800	2,000	**27,500**	**37,000**	1,900	18,600	1,700	**22,200**	**31,600**	6,600	5,700	8,500	**9,500**
Kelvin Heights/Southern Corridor	3,300	400	90	**3,800**	3,300	12,700	100	**16,100**	**16,300**	- 30	12,300	40	**12,300**	**12,500**	5,300	300	-	**200**
Wakatipu Small Township/Other	500	100	30	**700**	700	200	10	**900**	**900**	200	50	- 20	**200**	**300**	-	80	-	**40**
Wanaka/Hawea	8,000	1,700	400	**10,000**	16,000	41,600	1,000	**58,600**	**72,300**	8,100	39,900	600	**48,600**	**62,200**	18,500	22,300	-	**13,700**
Wanaka Small Township/Other	400	70	10	**500**	1,300	80	-	**1,400**	**2,200**	900	20	- 10	**900**	**1,700**	-	1,600	-	**800**
Total Urban Environment	**21,200**	**4,700**	**1,000**	**27,000**	**33,700**	**84,500**	**4,900**	**123,100**	**150,500**	**12,400**	**79,800**	**3,900**	**96,200**	**123,500**	**33,500**	**35,800**	**8,500**	**27,300**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,100	400	80	**1,500**	1,300	5,600	40	**6,900**	**7,100**	200	5,200	- 40	**5,400**	**5,500**	1,500	200	-	**200**
Eastern/Frankton/Quail	5,400	2,100	400	**8,000**	5,400	4,600	1,800	**11,700**	**14,800**	- 30	2,500	1,300	**3,800**	**6,800**	1,500	5,800	-	**3,000**
Queenstown/Arthurs	4,000	2,100	400	**6,500**	5,700	19,800	2,000	**27,500**	**37,000**	1,700	17,700	1,500	**21,000**	**30,400**	6,600	5,700	8,500	**9,500**
Kelvin Heights/Southern Corridor	5,200	1,700	300	**7,200**	3,300	12,700	100	**16,100**	**16,300**	- 1,900	11,000	- 200	**8,900**	**9,100**	5,300	300	-	**200**
Wakatipu Small Township/Other	700	300	70	**1,100**	700	200	10	**900**	**900**	20	- 200	- 60	- **200**	- **200**	-	80	-	**40**
Wanaka/Hawea	10,100	3,600	800	**14,500**	16,000	41,600	1,000	**58,600**	**72,300**	5,900	37,900	200	**44,100**	**57,800**	18,500	22,300	-	**13,700**
Wanaka Small Township/Other	600	200	40	**800**	1,300	80	-	**1,400**	**2,200**	700	- 100	- 40	**600**	**1,300**	-	1,600	-	**800**
Total Urban Environment	**27,000**	**10,500**	**2,200**	**39,700**	**33,700**	**84,500**	**4,900**	**123,100**	**150,500**	**6,700**	**74,100**	**2,700**	**83,500**	**110,800**	**33,500**	**35,800**	**8,500**	**27,300**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

Table 6-8: Comparison of Capacity and Projected Long-Term Demand (High Substitution Demand Scenario): Option 5

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	1,300	5,600	40	**6,900**	**7,100**	-	5,400	-	**5,400**	**5,600**	1,500	200	-	**200**
Eastern/Frankton/Quail	3,400	600	100	**4,100**	5,400	4,600	1,800	**11,700**	**14,800**	2,000	4,000	1,600	**7,600**	**10,600**	1,500	5,800	-	**3,000**
Queenstown/Arthurs	3,900	900	200	**4,900**	5,700	19,800	2,000	**27,500**	**37,000**	1,900	18,900	1,800	**22,600**	**32,100**	6,600	5,700	8,500	**9,500**
Kelvin Heights/Southern Corridor	2,200	300	70	**2,500**	3,300	12,700	100	**16,100**	**16,300**	1,100	12,300	60	**13,500**	**13,800**	5,300	300	-	**200**
Wakatipu Small Township/Other	400	70	20	**500**	700	200	10	**900**	**900**	300	100	- 10	**400**	**400**	-	80	-	**40**
Wanaka/Hawea	7,000	1,100	200	**8,400**	16,000	41,600	1,000	**58,600**	**72,300**	9,000	40,500	700	**50,200**	**63,900**	18,500	22,300	-	**13,700**
Wanaka Small Township/Other	300	30	10	**300**	1,300	80	-	**1,400**	**2,200**	1,000	60	-	**1,000**	**1,800**	-	1,600	-	**800**
Total Urban Environment	**18,400**	**3,100**	**700**	**22,300**	**33,700**	**84,500**	**4,900**	**123,100**	**150,500**	**15,300**	**81,400**	**4,200**	**100,900**	**128,200**	**33,500**	**35,800**	**8,500**	**27,300**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	200	80	**1,500**	1,300	5,600	40	**6,900**	**7,100**	90	5,400	- 30	**5,400**	**5,600**	1,500	200	-	**200**
Eastern/Frankton/Quail	3,800	1,000	300	**5,200**	5,400	4,600	1,800	**11,700**	**14,800**	1,500	3,600	1,500	**6,600**	**9,600**	1,500	5,800	-	**3,000**
Queenstown/Arthurs	3,800	1,200	400	**5,400**	5,700	19,800	2,000	**27,500**	**37,000**	2,000	18,600	1,600	**22,200**	**31,600**	6,600	5,700	8,500	**9,500**
Kelvin Heights/Southern Corridor	3,100	500	200	**3,800**	3,300	12,700	100	**16,100**	**16,300**	200	12,100	- 40	**12,300**	**12,500**	5,300	300	-	**200**
Wakatipu Small Township/Other	500	100	40	**700**	700	200	10	**900**	**900**	200	40	- 30	**200**	**300**	-	80	-	**40**
Wanaka/Hawea	7,600	1,800	500	**10,000**	16,000	41,600	1,000	**58,600**	**72,300**	8,400	39,800	400	**48,600**	**62,200**	18,500	22,300	-	**13,700**
Wanaka Small Township/Other	400	80	20	**500**	1,300	80	-	**1,400**	**2,200**	900	10	- 20	**900**	**1,700**	-	1,600	-	**800**
Total Urban Environment	**20,300**	**5,000**	**1,500**	**27,000**	**33,700**	**84,500**	**4,900**	**123,100**	**150,500**	**13,400**	**79,600**	**3,400**	**96,200**	**123,500**	**33,500**	**35,800**	**8,500**	**27,300**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,000	300	200	**1,500**	1,300	5,600	40	**6,900**	**7,100**	200	5,300	- 100	**5,400**	**5,500**	1,500	200	-	**200**
Eastern/Frankton/Quail	4,800	2,200	1,000	**8,000**	5,400	4,600	1,800	**11,700**	**14,800**	600	2,500	800	**3,800**	**6,800**	1,500	5,800	-	**3,000**
Queenstown/Arthurs	3,800	1,800	900	**6,600**	5,700	19,800	2,000	**27,500**	**37,000**	1,900	17,900	1,100	**21,000**	**30,400**	6,600	5,700	8,500	**9,500**
Kelvin Heights/Southern Corridor	4,400	1,900	900	**7,200**	3,300	12,700	100	**16,100**	**16,300**	- 1,100	10,800	- 800	**8,900**	**9,100**	5,300	300	-	**200**
Wakatipu Small Township/Other	600	300	200	**1,100**	700	200	10	**900**	**900**	100	- 100	- 100	- **200**	- **200**	-	80	-	**40**
Wanaka/Hawea	9,000	3,700	1,700	**14,500**	16,000	41,600	1,000	**58,600**	**72,300**	7,000	37,900	- 700	**44,100**	**57,800**	18,500	22,300	-	**13,700**
Wanaka Small Township/Other	500	200	100	**800**	1,300	80	-	**1,400**	**2,200**	800	- 100	- 100	**600**	**1,300**	-	1,600	-	**800**
Total Urban Environment	**24,100**	**10,400**	**4,900**	**39,700**	**33,700**	**84,500**	**4,900**	**123,100**	**150,500**	**9,600**	**74,200**	- **10**	**83,500**	**110,800**	**33,500**	**35,800**	**8,500**	**27,300**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

6.2.6 Capacity vs. Demand: Option 6

The comparison between capacity and demand under Option 6 for the baseline demand scenario is shown in Table 6-9 and for the higher demand substitution scenario in Table 6-10.

There are similar patterns in capacity vs. demand in Option 6 to those in Option 5. The largest difference occurs in the long-term in the eastern parts of the Wakatipu Ward urban area where there is a projected shortfall in attached/terraced housing. However, it is likely that some of this shortfall could be met through development in other parts of the market beyond that of the areas of highest margin. This may be limited as the surplus in detached dwellings within this typology is lower than the attached/terraced shortfall. As noted above, there is significant additional feasible capacity in this location within the Spatial Plan long-term growth areas.

Table 6-9: Comparison of Capacity and Projected Demand (Low Substitution Demand Scenario): Option 6

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	2,000	1,600	40	**3,700**	**4,000**	800	1,400	-	**2,200**	**2,500**	700	1,100	-	**300**
Eastern/Frankton/Quail	3,500	500	100	**4,100**	6,200	1,100	1,800	**9,100**	**10,200**	2,800	500	1,600	**4,900**	**6,000**	700	4,400	-	**1,100**
Queenstown/Arthurs	3,900	800	200	**4,900**	9,900	6,500	2,000	**18,400**	**26,700**	6,000	5,700	1,800	**13,500**	**21,800**	2,400	8,500	8,700	**8,300**
Kelvin Heights/Southern Corridor	2,200	300	60	**2,500**	7,900	1,700	100	**9,700**	**10,100**	5,700	1,400	60	**7,200**	**7,600**	700	5,000	-	**400**
Wakatipu Small Township/Other	400	70	10	**500**	700	200	10	**900**	**900**	300	100	-	**400**	**400**	-	50	-	**10**
Wanaka/Hawea	7,100	1,000	200	**8,400**	30,600	5,100	1,000	**36,700**	**45,400**	23,600	4,000	700	**28,300**	**37,100**	3,900	31,200	-	**8,700**
Wanaka Small Township/Other	300	20	10	**300**	1,300	80	-	**1,400**	**1,400**	1,000	60	-	**1,000**	**1,100**	-	800	-	**50**
Total Urban Environment	**18,700**	**3,000**	**700**	**22,300**	**58,700**	**16,300**	**4,900**	**79,900**	**98,800**	**40,000**	**13,300**	**4,300**	**57,600**	**76,500**	**8,400**	**51,100**	**8,700**	**18,900**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	300	60	**1,500**	2,000	1,600	40	**3,700**	**4,000**	900	1,400	- 20	**2,200**	**2,500**	700	1,100	-	**300**
Eastern/Frankton/Quail	4,000	900	200	**5,200**	6,200	1,100	1,800	**9,100**	**10,200**	2,200	100	1,600	**3,900**	**5,000**	700	4,400	-	**1,100**
Queenstown/Arthurs	3,900	1,200	300	**5,300**	9,900	6,500	2,000	**18,400**	**26,700**	6,000	5,300	1,700	**13,100**	**21,400**	2,400	8,500	8,700	**8,300**
Kelvin Heights/Southern Corridor	3,300	400	90	**3,800**	7,900	1,700	100	**9,700**	**10,100**	4,600	1,300	40	**5,900**	**6,300**	700	5,000	-	**400**
Wakatipu Small Township/Other	500	100	30	**700**	700	200	10	**900**	**900**	200	50	- 20	**200**	**200**	-	50	-	**10**
Wanaka/Hawea	8,000	1,700	400	**10,000**	30,600	5,100	1,000	**36,700**	**45,400**	22,700	3,400	600	**26,700**	**35,400**	3,900	31,200	-	**8,700**
Wanaka Small Township/Other	400	70	10	**500**	1,300	80	-	**1,400**	**1,400**	900	20	- 10	**900**	**1,000**	-	800	-	**50**
Total Urban Environment	**21,200**	**4,700**	**1,000**	**27,000**	**58,700**	**16,300**	**4,900**	**79,900**	**98,800**	**37,400**	**11,600**	**3,900**	**52,900**	**71,800**	**8,400**	**51,100**	**8,700**	**18,900**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,100	400	80	**1,500**	2,000	1,600	40	**3,700**	**4,000**	1,000	1,200	- 40	**2,200**	**2,500**	700	1,100	-	**300**
Eastern/Frankton/Quail	5,400	2,100	400	**8,000**	6,200	1,100	1,800	**9,100**	**10,200**	800	- 1,100	1,300	**1,100**	**2,200**	700	4,400	-	**1,100**
Queenstown/Arthurs	4,000	2,100	400	**6,500**	9,900	6,500	2,000	**18,400**	**26,700**	5,900	4,500	1,500	**11,900**	**20,200**	2,400	8,500	8,700	**8,300**
Kelvin Heights/Southern Corridor	5,200	1,700	300	**7,200**	7,900	1,700	100	**9,700**	**10,100**	2,700	30	- 200	**2,500**	**2,900**	700	5,000	-	**400**
Wakatipu Small Township/Other	700	300	70	**1,100**	700	200	10	**900**	**900**	20	- 200	- 60	- **200**	- **200**	-	50	-	**10**
Wanaka/Hawea	10,100	3,600	800	**14,500**	30,600	5,100	1,000	**36,700**	**45,400**	20,500	1,400	200	**22,200**	**30,900**	3,900	31,200	-	**8,700**
Wanaka Small Township/Other	600	200	40	**800**	1,300	80	-	**1,400**	**1,400**	700	- 100	- 40	**600**	**600**	-	800	-	**50**
Total Urban Environment	**27,000**	**10,500**	**2,200**	**39,700**	**58,700**	**16,300**	**4,900**	**79,900**	**98,800**	**31,700**	**5,800**	**2,700**	**40,200**	**59,100**	**8,400**	**51,100**	**8,700**	**18,900**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

Table 6-10: Comparison of Capacity and Projected Long-Term Demand (High Substitution Demand Scenario): Option 6

	Projected Demand				Capacity (Max Profit Allocation)[1]					Capacity less Demand					Additional Potential Development[2]			
	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	Detached	Attached/Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL	TOTAL (Max Yield)	Detached	Attached/ Terrace[3]	Apartments[4]	TOTAL
Catchment																		
	Short-Term: 2024				**Short-Term: 2024**					**Short-Term: 2024**					**Short-Term: 2024**			
Arrowtown	1,300	200	40	**1,500**	2,000	1,600	40	**3,700**	**4,000**	800	1,400	-	**2,200**	**2,500**	700	1,100	-	**300**
Eastern/Frankton/Quail	3,400	600	100	**4,100**	6,200	1,100	1,800	**9,100**	**10,200**	2,800	500	1,600	**4,900**	**6,000**	700	4,400	-	**1,100**
Queenstown/Arthurs	3,900	900	200	**4,900**	9,900	6,500	2,000	**18,400**	**26,700**	6,000	5,700	1,800	**13,500**	**21,800**	2,400	8,500	8,700	**8,300**
Kelvin Heights/Southern Corridor	2,200	300	70	**2,500**	7,900	1,700	100	**9,700**	**10,100**	5,700	1,400	60	**7,200**	**7,600**	700	5,000	-	**400**
Wakatipu Small Township/Other	400	70	20	**500**	700	200	10	**900**	**900**	300	100	- 10	**400**	**400**	-	50	-	**10**
Wanaka/Hawea	7,000	1,100	200	**8,400**	30,600	5,100	1,000	**36,700**	**45,400**	23,600	4,000	700	**28,300**	**37,100**	3,900	31,200	-	**8,700**
Wanaka Small Township/Other	300	30	10	**300**	1,300	80	-	**1,400**	**1,400**	1,000	60	-	**1,000**	**1,100**	-	800	-	**50**
Total Urban Environment	**18,400**	**3,100**	**700**	**22,300**	**58,700**	**16,300**	**4,900**	**79,900**	**98,800**	**40,300**	**13,200**	**4,200**	**57,600**	**76,500**	**8,400**	**51,100**	**8,700**	**18,900**
	Medium-Term: 2031				**Medium-Term: 2031**					**Medium-Term: 2031**					**Medium-Term: 2031**			
Arrowtown	1,200	200	80	**1,500**	2,000	1,600	40	**3,700**	**4,000**	900	1,400	- 30	**2,200**	**2,500**	700	1,100	-	**300**
Eastern/Frankton/Quail	3,800	1,000	300	**5,200**	6,200	1,100	1,800	**9,100**	**10,200**	2,400	70	1,500	**3,900**	**5,000**	700	4,400	-	**1,100**
Queenstown/Arthurs	3,800	1,200	400	**5,400**	9,900	6,500	2,000	**18,400**	**26,700**	6,100	5,400	1,600	**13,100**	**21,400**	2,400	8,500	8,700	**8,300**
Kelvin Heights/Southern Corridor	3,100	500	200	**3,800**	7,900	1,700	100	**9,700**	**10,100**	4,800	1,200	- 40	**5,900**	**6,300**	700	5,000	-	**400**
Wakatipu Small Township/Other	500	100	40	**700**	700	200	10	**900**	**900**	200	40	- 30	**200**	**200**	-	50	-	**10**
Wanaka/Hawea	7,600	1,800	500	**10,000**	30,600	5,100	1,000	**36,700**	**45,400**	23,000	3,300	400	**26,700**	**35,400**	3,900	31,200	-	**8,700**
Wanaka Small Township/Other	400	80	20	**500**	1,300	80	-	**1,400**	**1,400**	900	10	- 20	**900**	**1,000**	-	800	-	**50**
Total Urban Environment	**20,300**	**5,000**	**1,500**	**27,000**	**58,700**	**16,300**	**4,900**	**79,900**	**98,800**	**38,400**	**11,300**	**3,400**	**52,900**	**71,800**	**8,400**	**51,100**	**8,700**	**18,900**
	Long-Term: 2051				**Long-Term: 2051**					**Long-Term: 2051**					**Long-Term: 2051**			
Arrowtown	1,000	300	200	**1,500**	2,000	1,600	40	**3,700**	**4,000**	1,000	1,300	- 100	**2,200**	**2,500**	700	1,100	-	**300**
Eastern/Frankton/Quail	4,800	2,200	1,000	**8,000**	6,200	1,100	1,800	**9,100**	**10,200**	1,500	- 1,100	800	**1,100**	**2,200**	700	4,400	-	**1,100**
Queenstown/Arthurs	3,800	1,800	900	**6,600**	9,900	6,500	2,000	**18,400**	**26,700**	6,100	4,700	1,100	**11,900**	**20,200**	2,400	8,500	8,700	**8,300**
Kelvin Heights/Southern Corridor	4,400	1,900	900	**7,200**	7,900	1,700	100	**9,700**	**10,100**	3,500	- 200	- 800	**2,500**	**3,000**	700	5,000	-	**400**
Wakatipu Small Township/Other	600	300	200	**1,100**	700	200	10	**900**	**900**	100	- 100	- 100	- **200**	- **200**	-	50	-	**10**
Wanaka/Hawea	9,000	3,700	1,700	**14,500**	30,600	5,100	1,000	**36,700**	**45,400**	21,600	1,400	- 700	**22,200**	**30,900**	3,900	31,200	-	**8,700**
Wanaka Small Township/Other	500	200	100	**800**	1,300	80	-	**1,400**	**1,400**	800	- 100	- 100	**600**	**600**	-	800	-	**50**
Total Urban Environment	**24,100**	**10,400**	**4,900**	**39,700**	**58,700**	**16,300**	**4,900**	**79,900**	**98,800**	**34,600**	**5,900**	**-**	**40,200**	**59,100**	**8,400**	**51,100**	**8,700**	**18,900**

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

Notes:

[1] These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

[2] These outputs show the difference between the highest profit margin allocation to the typology and the total potential capacity enabled under the typology. The typology outputs are not additive, with the 'Total' column providing the maximum potential additional capacity.

[3] This is a combination of the 'Attached' and 'Terraced Housing' typologies.

[4] These include vertically-attached apartments. Horizontally-attached apartments are included under the 'Attached/Terrace' typology.

6.2.7 Capacity vs. Demand: Summary of Modelled Scenarios

The difference between total feasible capacity and total demand for each location is summarised across the modelled scenarios in Table 6-11. This table contains only the demand and capacity balances for total capacity, which align directly with those in sections 6.2.2 to 6.2.6.

The balances within the upper portion of the table use the total capacity where capacity is allocated to the feasible typology of greatest margin (profit). The lower portion of the table applies the totals based on the highest yield feasible development option.

There are no significant patterns of shortfalls in the short or medium-term under any of the modelled scenarios. In the long-term, there are some areas of shortfall that may occur if the market is concentrated towards delivering capacity within the areas of highest margin.

Most of the modelled scenarios (Baseline provisions and Options 1 and 2) indicate that shortfalls in attached/terraced housing may occur within the long-term if capacity is concentrated into areas of highest margins. However, there is likely to be potential for the market to develop some capacity at the highest margins, with some capacity instead developed in other areas corresponding with the scale of market demand. The modelling indicates that there is substantial additional feasible capacity within this typology if it were constructed rather than within detached dwellings. Consequently, many of the potential shortfalls in attached dwellings are less likely to occur under most modelled scenarios.

The large amount of additional capacity within Options 5 and 6 generate very large surpluses in the district's central urban areas (when measured relative to feasible capacity). This is due to the additional medium density capacity enabled across the extent of the general suburban area. Within these options, there are low required uptake rates to meet demand. This indicates that these options are likely to result in a lower concentration of development within the centralised areas of highest amenity and with sufficient spatial concentration around core nodes. This is an important implication as it is less likely to result in an urban form that supports the intensification required for supporting the viability and vitality of centres as intended under the NPS-UD.

There are some locations within the Wakatipu Ward urban area that the modelling indicates are more likely to experience a long-term shortfall in capacity. These are the eastern areas, followed by the southern areas within some modelled scenarios. This can be seen in the small size of the surpluses, meaning that high rates of uptake are likely to be required to meet demand. It is important to note however, that this is based on commercially feasible capacity within the current market, where additional capacity is likely to become feasible through time[20].

[20] Modelling commercially feasible capacity in the short, medium and long-term using current ($2021) prices is consistent with the approach taken in the HBA 2021.

Table 6-11: Summary of Long-Term Capacity vs. Demand by Modelled Scenario

Catchment	Baseline	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
	Long-Term: Capacity less Demand						
	Total of Highest Profit Allocation[1]						
Arrowtown	400	800	800	800	800	5,400	2,200
Eastern/Frankton/Quail	-1,000	-400	-100	-300	-100	3,800	1,100
Queenstown/Arthurs	5,300	9,000	9,800	9,000	9,900	21,000	11,900
Kelvin Heights/Southern Corridor	40	-70	60	20	200	8,900	2,500
Wakatipu Small Township/Other	-200	-200	-200	-200	-200	-200	-200
Wanaka/Hawea	7,400	8,800	8,800	9,100	9,100	44,100	22,200
Wanaka Small Township/Other	300	300	300	300	300	600	600
Total Urban Environment	12,300	18,200	19,400	18,700	19,900	83,500	40,200
	Total of Highest Potential Yield[2]						
Arrowtown	500	800	800	900	900	5,500	2,500
Eastern/Frankton/Quail	-900	-200	100	300	600	6,800	2,200
Queenstown/Arthurs	9,800	15,700	19,400	16,400	20,000	30,400	20,200
Kelvin Heights/Southern Corridor	300	-	300	100	400	9,100	3,000
Wakatipu Small Township/Other	-200	-200	-200	-200	-200	-200	-200
Wanaka/Hawea	8,700	10,800	10,800	12,800	12,800	57,800	30,900
Wanaka Small Township/Other	300	300	300	300	300	1,300	600
Total Urban Environment	18,400	27,200	31,500	30,600	34,800	110,800	59,100

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

Notes:

1 These outputs reflect a parcel level allocation of capacity to the typology with the greatest estimated profit margin.

2 These outputs reflec a parcel level allocation of capacity to the feasible typology with the highest yield.

It is important to consider the required levels of intensification within the existing urban environment to meet the projected long-term demand. Lower shares of capacity are typically taken up within existing urban areas than in greenfield areas, due to lower rates at which these options become available to the market. It is therefore important to understand the extent to which intensification within these areas is relied on to meet long-term growth.

Figure 6-1 and Figure 6-2 provide an estimate of the share of plan enabled and commercially feasible capacity within the existing urban area that would be required to meet long-term demand with different shares of growth occurring within the greenfield areas[21]. Each graph shows a range of required take-up of modelled capacity in each existing urban location.

The figures show that very low shares of the existing urban capacity would be required to meet demand within the central urban area of Queenstown/Arthurs Point and within Arrowtown under all modelled options. This reflects the large, enabled intensification options within the central Queenstown urban area. It suggests that the enabled development opportunity is large relative to demand and will provide a large amount of opportunity within which the market is able to respond.

The figures also suggest that the reliance on existing urban area intensification is reasonable over the long-term within Wanaka. The proposed intensification options would rely on up to 25% of plan enabled capacity

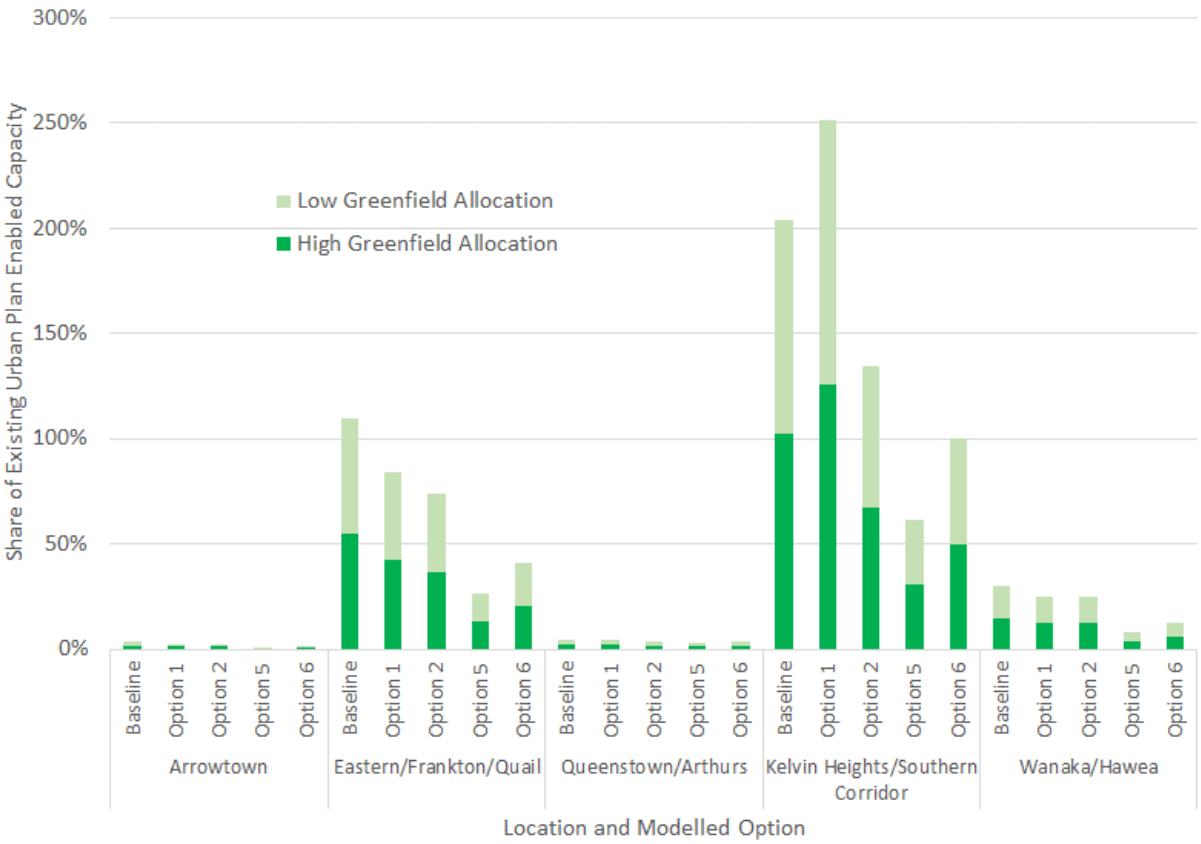
[21] The 'Low Greenfield Allocation' scenario assumes that up to 30% of demand growth would be met within the greenfield areas and the 'High Greenfield Allocation' scenario assumes that up to 70% of demand growth would be met within the greenfield areas. The balance of demand growth is then allocated to the existing urban area.

to be taken up within Wanaka over the long-term, compared to 30% under the existing baseline provisions. The share of commercially feasible capacity take-up under the proposed options is higher (at up to 35%), however this includes the capacity which is estimated to currently be feasible and does not include additional development opportunities which are likely to become feasible through time with market growth.

It is important to note that the above required shares within the existing urban areas include the long-term margin on demand (approximately 17%). This creates a conservative assessment where the actual required shares are likely to be lower.

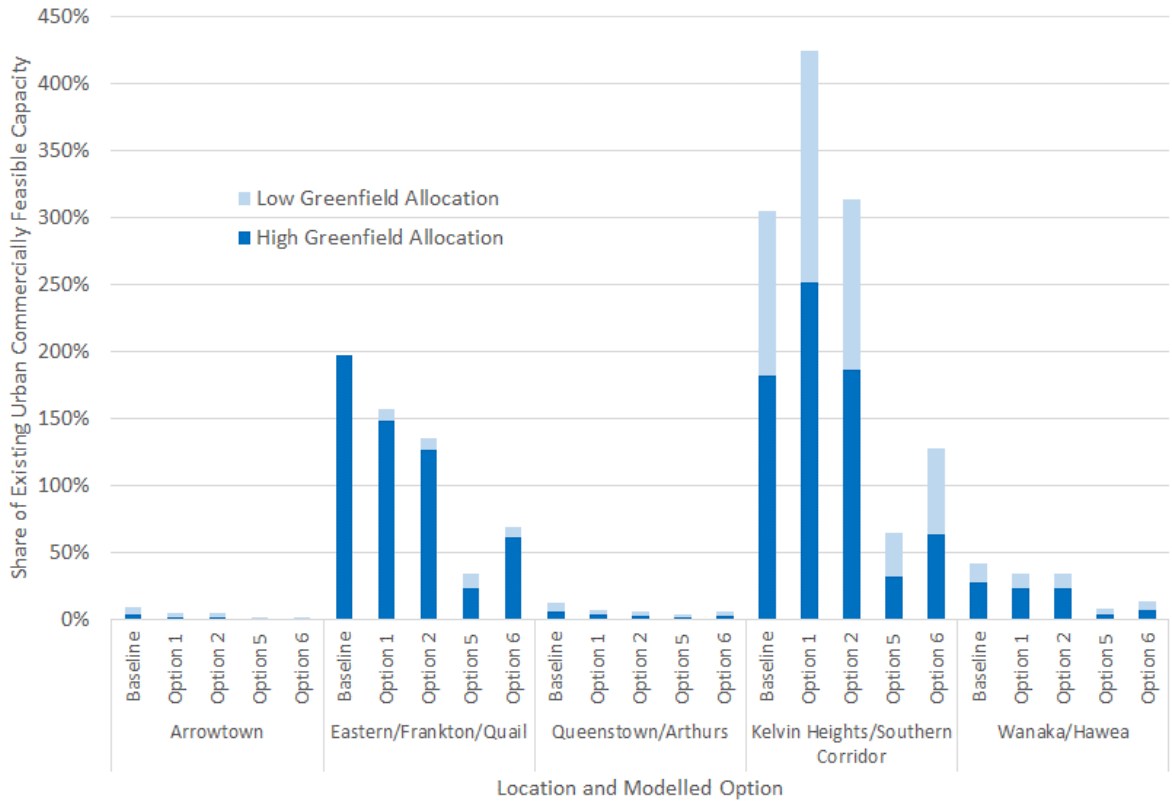
In contrast, the figures show that high levels of intensification are required within the outer suburban areas of Wakatipu Ward (Eastern/Frankton/Quail and Kelvin Heights/Southern Corridor) to meet projected long-term demand growth. The required shares are lower under Options 5 and 6 due to the additional capacity enabled in these locations within the proposed options.

Figure 6-1: Share of Existing Urban Plan Enabled Required to Meet Projected Long-Term Demand



Source: M.E QLDC Residential Intensification Model, 2023.

Figure 6-2: Share of Existing Urban Commercially Feasible Capacity Required to Meet Projected Long-Term Demand



Source: M.E QLDC Residential Intensification Model, 2023.

The Spatial Plan (or anticipated FDS) may add further substantial capacity to QLD in the long-term within the growth areas. Under the HBA 2021, there was an estimated long-term feasible capacity within Wanaka/Hawea of 7,800 dwellings, Southern Corridor (5,600 dwellings) and the Eastern Corridor (2,700 dwellings) as a result of indicative greenfield expansion areas identified. If provided, this may reduce the potential shortfalls within these parts of the district.

Importantly, the district overall has significantly larger feasible capacity than demand in the long-term. The analysis indicates that the main areas of constraint are likely to occur within the outer suburban areas of Queenstown, while there are large surpluses within the central Queenstown urban area. Addressing these potential areas of constraint at the localised level is a consideration, while there is the potential for intensification within the more central parts of the district.

6.3 Comparison of Capacity and Demand: Higher Density Residential Development

This section contains further examination of the level of provision for higher density residential development with the projected market size for this type of development. Higher density residential development refers to vertically-attached apartment dwellings. Within QLD, these are provided for within

the main town centres (Queenstown and Wanaka), other commercial zones (Local Shopping Centre and Business Mixed Use) and the HDR Zone.

Understanding the level of take up in this typology to meet demand is important in gauging the appropriateness of the provision for capacity. It initially determines whether there is sufficient opportunity provided relative to the projected market size for higher density development within key locations. Importantly, it also indicates the types of growth patterns relative to demand that are likely to be encouraged by the scale and spatial extent of the development capacity provided.

Higher density residential development is an important part of the residential supply within growing urban economies. It is important to appropriately locate this type of development within central areas of higher amenity and accessibility. Concentration of higher density growth within main nodes is important for increasing and supporting the vitality and viability of centres in the manner anticipated by the NPS-UD.

Conversely, if the provision for this type of capacity is too large, then the potential intensification may be spread too widely to generate the benefits of intensification around centres that would be more likely occur if it were concentrated around centres. Higher density development may also occur opportunistically in more distant locations that do not function together with the centre if the zoning extent is too broad. The density gradients around centres and the distance across which they function together with higher density development differs between urban economies of different sizes.

The following subsections show the share of capacity required to meet higher density demand within the urban area of each ward under each of the proposed options. The required uptake for both the commercially feasible and plan enabled capacity is calculated. It is important to also understand the level of uptake across the plan enabled capacity as the market is not yet well established in some locations, meaning that the potential future development patterns are unlikely to be reflected in the current market calculations of feasibility.

The assessment has been undertaken across each ward separately. It is appropriate to assess the adequacy of provision at this spatial scale as there is likely to be substitutability within these markets, and to a considerably lesser extent between the wards given the geographical separation.

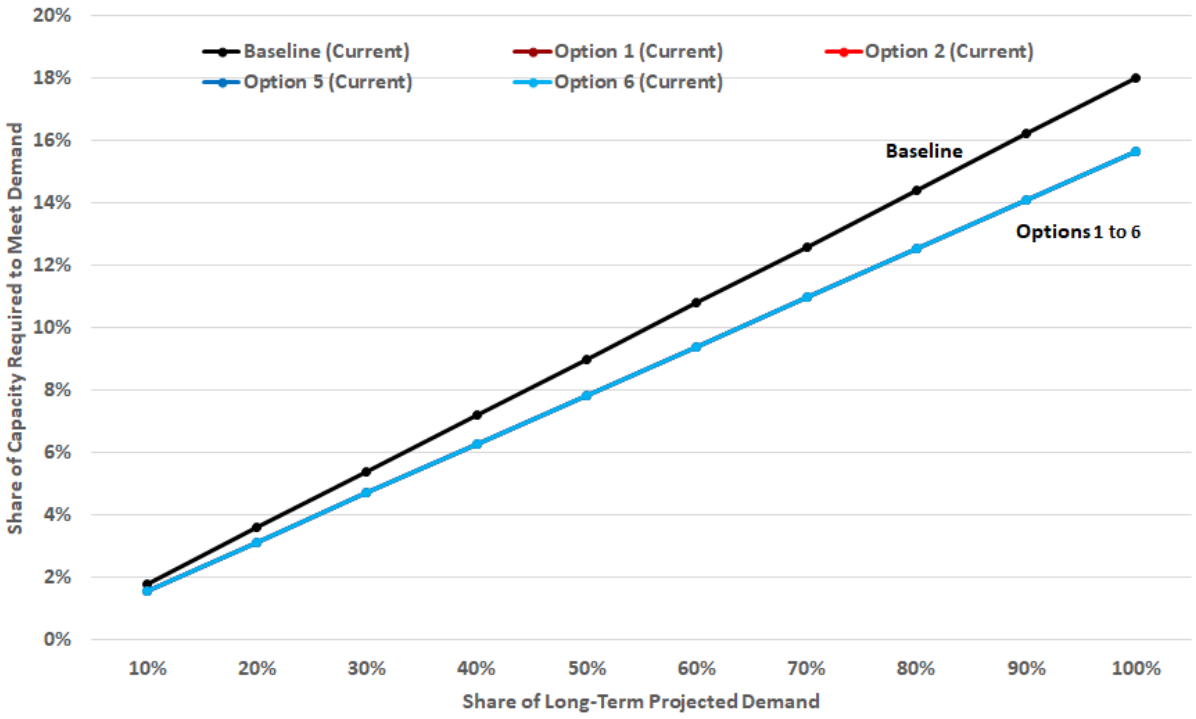
The vertical (y) axis on each graph in the following sub-sections shows the share of capacity uptake which is required to meet the projected long-term (2051) demand. The capacity is the maximum potential yield for vertically-attached dwellings achieved within either infill or redevelopment pathways, together with the greenfield provision (incl. Special Zones).

6.3.1 Wanaka Ward Higher Density Capacity and Demand

The share of plan enabled capacity required to be taken up to meet projected long-term demand under the baseline and high demand substitution scenarios are shown in Figure 6-3 and Figure 6-4.

Under the baseline demand scenario, it is estimated that 18% of the higher density capacity needs to be taken up to meet demand over the next 30 years under the current provisions. The overall increase in plan enabled capacity under Options 1 to 6 mean that the share needed to be taken up decreases to 16% across the same period.

Figure 6-3: Share of Modelled Plan Enabled Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wanaka Ward (Baseline Demand Substitution Scenario)



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

Figure 6-4 shows that if there were a higher shift in demand to increased density dwellings, then the share of capacity required to meet demand increases. Under the baseline planning provisions scenario, nearly half (49%) of plan enabled capacity is required to meet demand, while 43% is required under Options 1 to 6.

These are reasonably high shares of plan enabled capacity required to meet demand. This is particularly the case within Options 1 to 6 where the provision for higher density development around the town centre node is limited to within the Wanaka Town Centre (WTC) Zone with no HDR Zone on the residential parcels adjacent to the WTC (with the HDR Zone re-zoned to MDR).

The assessment also includes provision for higher density development within the BMU zoned areas within the Three Parks area[22] and around Reece Crescent.[23] These areas contain plan enabled capacity for vertically-attached apartments but indicate that these areas are not yet likely to contain feasible development opportunities within the current market (but are likely to become feasible through time).

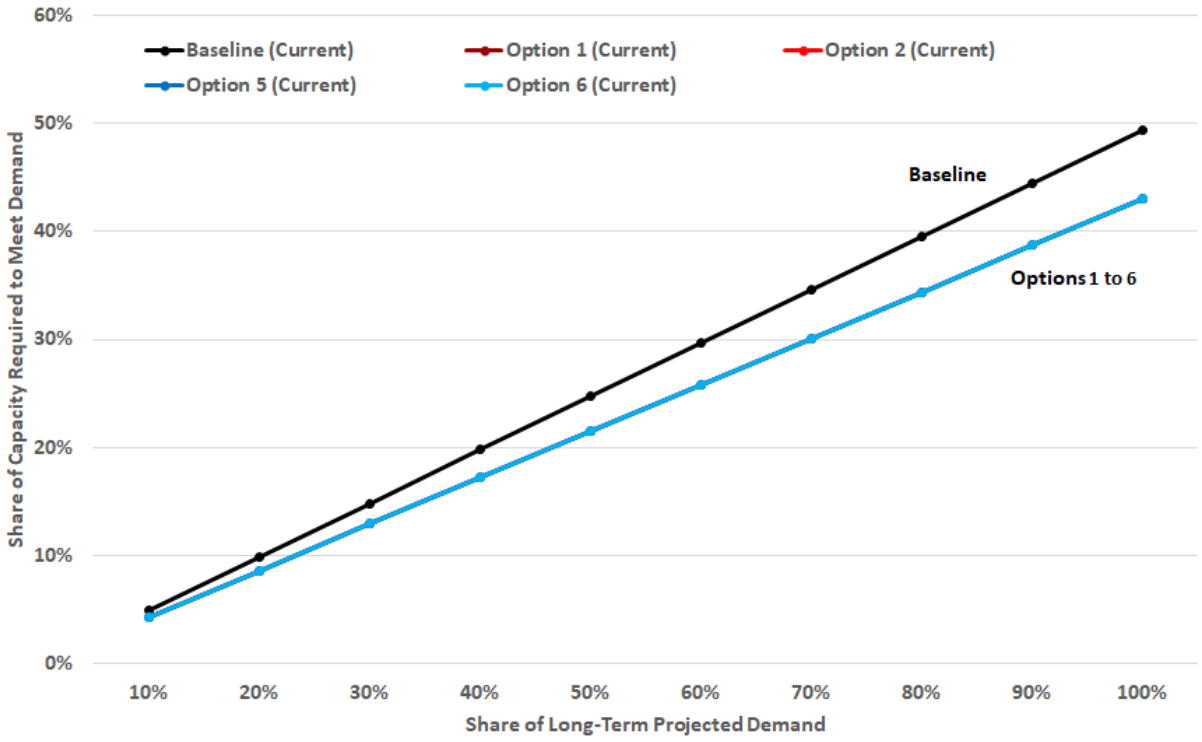
This provision would require a reasonably high level of redevelopment of the existing town centre and BMU zoned areas if all demand were met within this location and would need to occur within the context of other competing non-residential land uses. This is further considered below in relation to the commercially feasible capacity.

[22] Capacity information for this area has been obtained from the data provided by QLDC to inform the 2021 HBA. We understand this data has been obtained from developers and subdivision plans.

[23] Also identified as the Anderson Road area elsewhere in this report.

The three locations for vertically-attached apartment provision (described above) within the Wanaka urban area all contribute to meeting demand at the total Wanaka level. However, there are key differences between the locations of these areas that are likely to contribute to important differences in urban form within Wanaka. Specifically, these relate to the degree to which growth in each location supports the development of specific nodes (i.e., Town Centre vs. BMUZ (Reece Crescent) vs. Three Parks) within Wanaka. Higher density residential development within and immediately surrounding the town centre is more likely to support the viability and vitality of the town centre. In contrast, growth within the Three Parks and Reece Crescent areas is more likely to support the establishment of commercial nodes within those locations with a reduced effect on the WTC Zone. This is discussed further in Section 7.

Figure 6-4: Share of Modelled Plan Enabled Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wanaka Ward (High Demand Substitution Scenario)

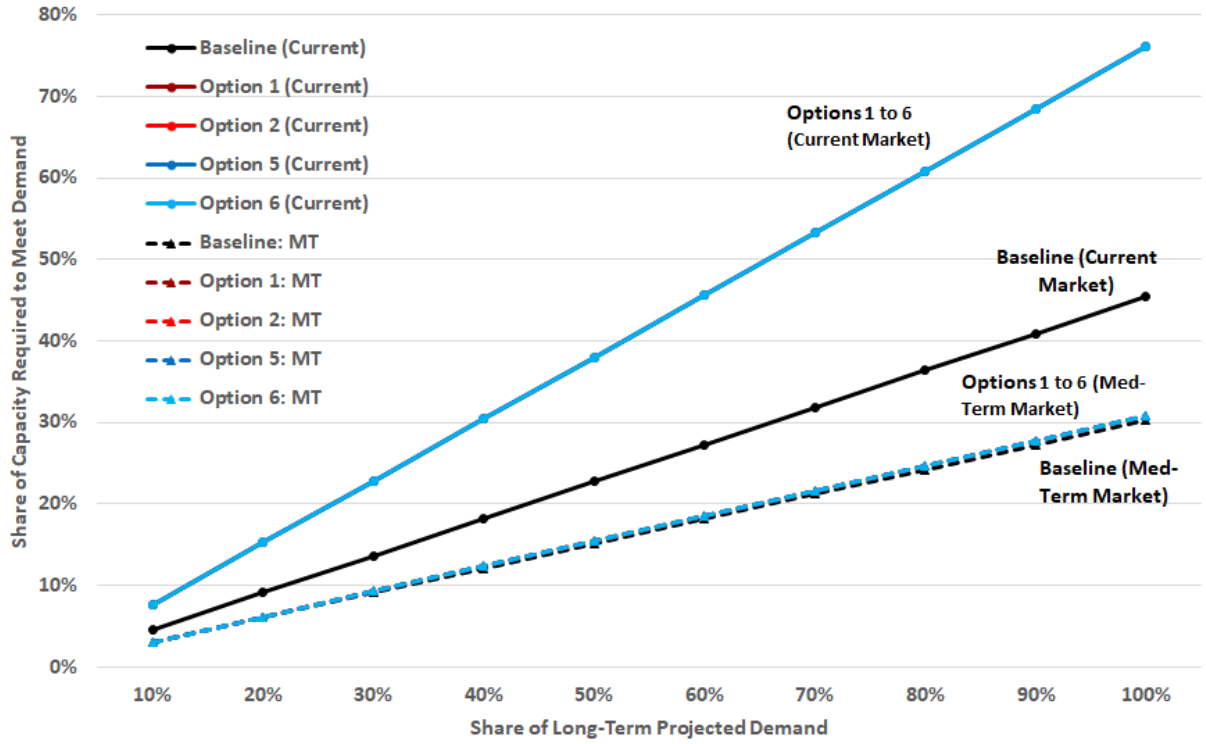


Source: M.E QLDC Residential Intensification Model, 2022/2023.

The share of commercially feasible capacity required to meet high density demand within Wanaka is shown in Figure 6-5 and Figure 6-6 under the baseline demand and high substitution demand scenarios respectively. In addition to the modelled current market feasible capacity (from Section 5), the graphs contain the projected feasible capacity across the medium-term (2032) (within the dashed lines for each modelled scenario). This is important because the higher density market is likely to become more established, and commercially feasible with market growth through time, and exceed the capacity estimated to be feasible within the current market.

Under the baseline demand scenario (Figure 6-5), between 45% and 76% of the currently commercially feasible capacity would be required to meet long-term demand. Allowing for market growth, this would decrease to between 30% and 31% of feasible capacity in the medium-term.

Figure 6-5: Share of Modelled Commercially Feasible Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wanaka Ward (Baseline Demand Substitution Scenario)



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

Under the higher market substitution scenario (Figure 6-6), long-term demand would exceed the currently feasible capacity. Allowing for market growth over the medium-term, over half (83% to 84%) of the feasible capacity would be required to meet demand.

The modelling indicates that a high rate of both plan enabled and feasible development capacity would be required to meet long-term demand if there were demand substitution for higher density dwellings through time. The level of redevelopment required within the WTC Zone is high within the context of the zone, with the feasibility of redeveloping existing land uses reflected in the projected feasible capacity.

The required level of redevelopment to accommodate projected residential demand is sizeable and would reflect only a sub-set of the total redevelopment that would be likely to need to occur. This is because:

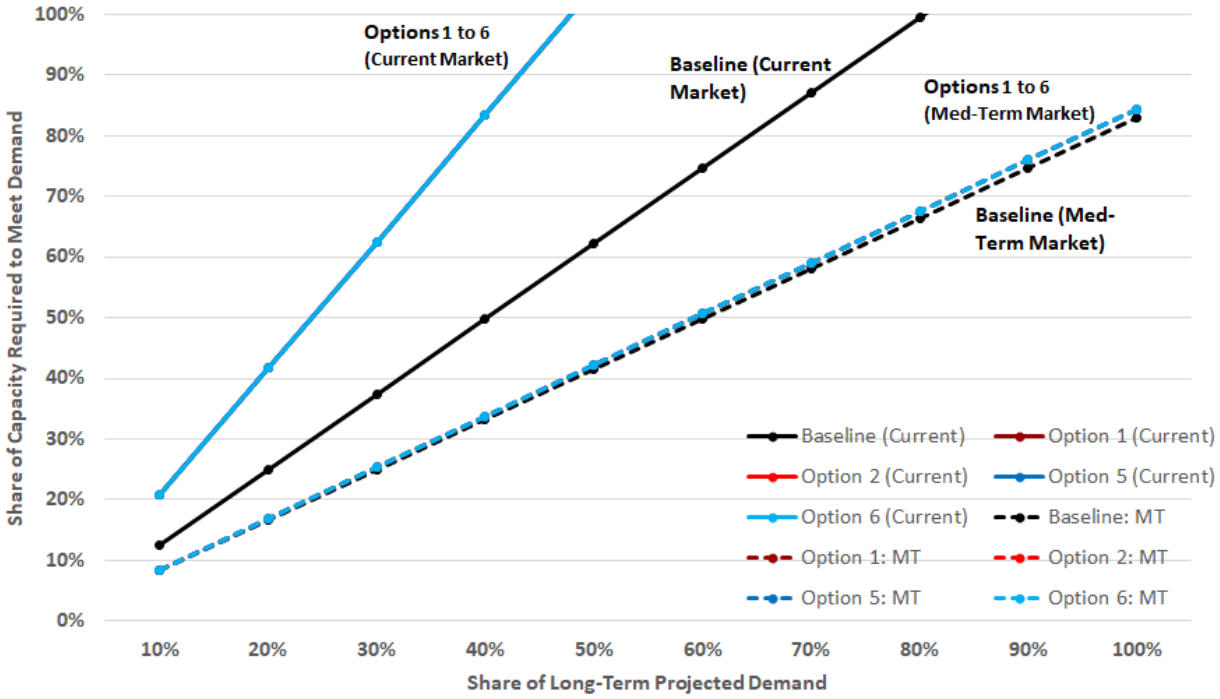
i. Redevelopment is also likely to need to occur to accommodate other non-residential land uses.
ii. A share of sites are likely to be developed at lower heights than the total 4 storey maximum provision proposed in the WTC Zone. Development of some sites at fewer storeys would directly increase the total share of sites required for redevelopment.

Together these factors mean that a significantly larger share of WTC parcels and BMU Zone areas would need to be redeveloped over the long-term than 43% of the plan enabled capacity (see Figure 6-4 above).

While these factors suggest that the proposed provisions may limit higher density development within Wanaka in the long-term, it is important to consider the timing and alternative provision in other zones within this location. The modelling suggests that any constraint is more likely to occur within the long-term.

It is likely that a share of higher density demand could also be met through intensive terraced housing. There is a level of substitutability of demand across different typologies, with apartment demand likely to also be able to be met at this density. Under Options 1 to 6, this is provided for in the areas surrounding the town centre through the MDR Zone.

Figure 6-6: Share of Modelled Commercially Feasible Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wanaka Ward (High Demand Substitution Scenario)



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

6.3.2 Wakatipu Ward Higher Density Capacity and Demand

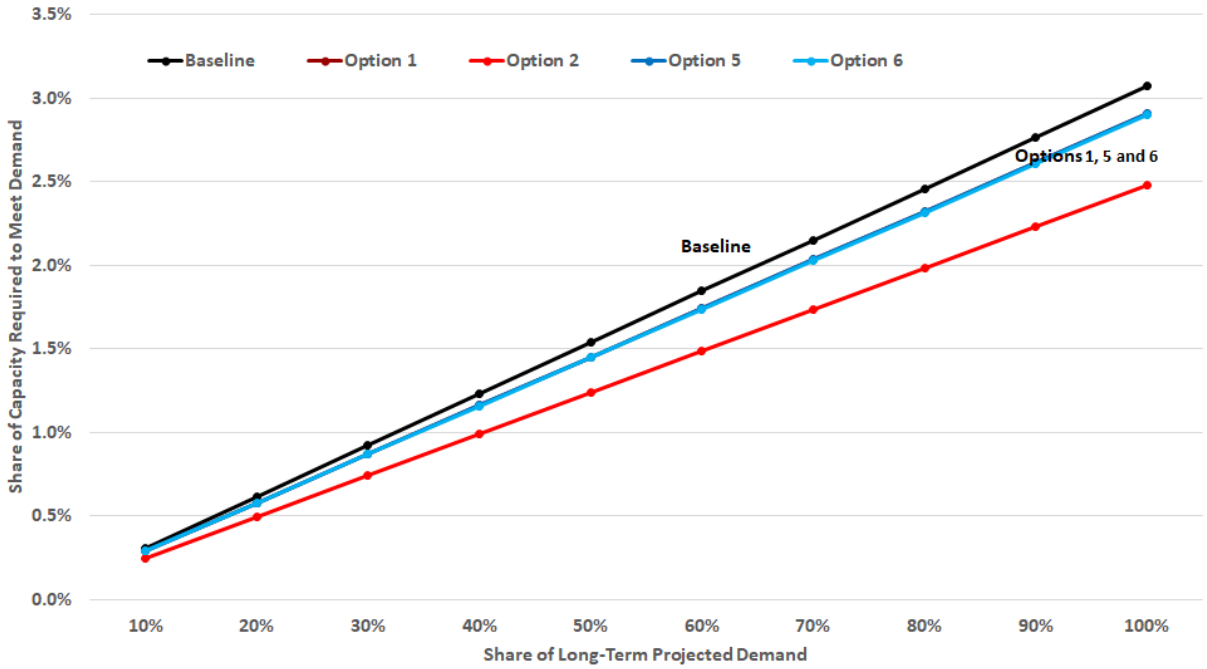
The share of plan enabled capacity required to be taken up to meet projected long-term demand under the baseline and high demand substitution scenarios are shown in Figure 6-7 and Figure 6-8.

There is substantially larger capacity for higher density development within the Wakatipu Ward with the greater provision for this type of development within the most central parts of the district's urban areas. Capacity for higher density development is spread across both the commercial zones (Queenstown Town Centre (QTC) Zone, BMU Zone and LSC Zone) and HDR Zone. As a result, there are lower shares of required uptake within this capacity to meet future projected demand.

Under the baseline demand scenario, it is estimated that 3.1% of the higher density capacity needs to be taken up to meet demand over the next 30 years under the current provisions. The overall increase in plan

enabled capacity under Options 1 to 6 mean that the share needed to be taken up decreases to between 2.5% and 2.9% across the same period.

Figure 6-7: Share of Modelled Plan Enabled Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wakatipu Ward (Baseline Demand Substitution Scenario)



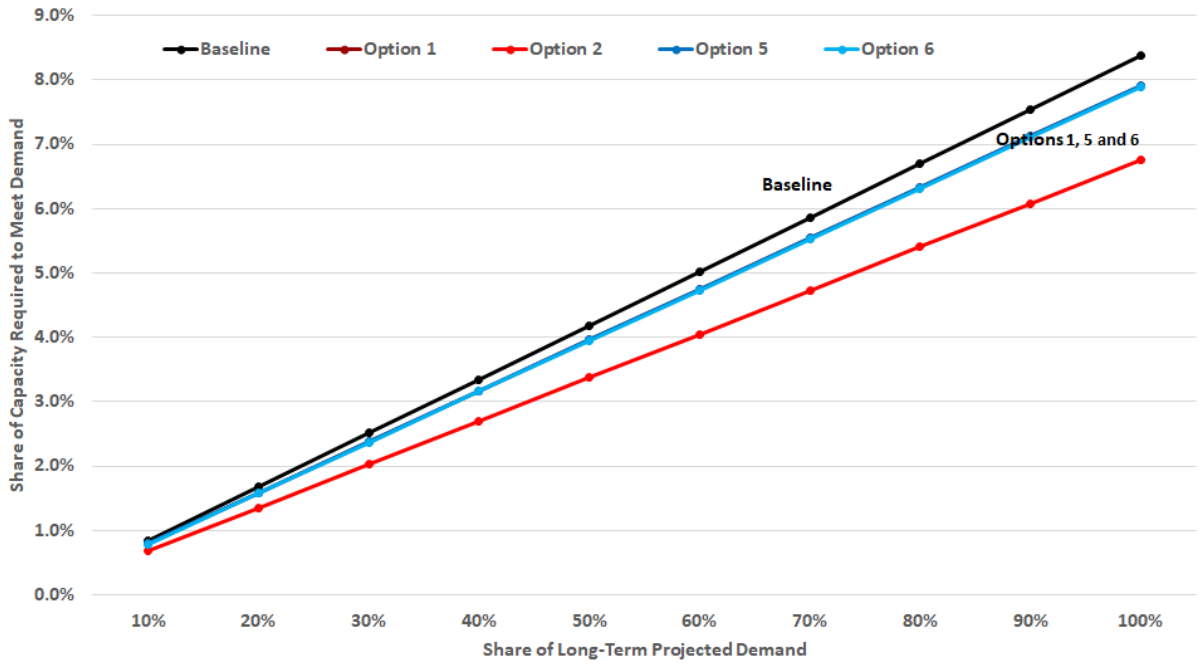
Source: M.E QLDC Residential Intensification Model, 2022/2023.

Figure 6-8 shows that if there were a higher shift in demand to increased density dwellings, then the share of capacity required to meet demand increases. Under the baseline planning provisions scenario, around 8.4% of plan enabled capacity is required to meet demand, while 6.8% to 7.9% is required under Options 1 to 6.

The share of capacity required to meet demand is much lower within the Wakatipu Ward than within Wanaka. However, there are important differences in the provision which relate to the contribution of higher density development within the development patterns of the zones generally.

A large share of the higher density capacity within the Wakatipu Ward occurs within the HDR Zone. Higher density development within this zone is likely to form part of an intensification continuum that also includes other types of residential development such as intensive terraced housing. As such, a low percentage uptake within this zone will not result in scattered residential development in isolation. The placement of this zone around the edges of the central area, and in areas of high natural amenity mean that higher density development within these areas is likely to function together with the main nodes over the long-term.

Figure 6-8: Share of Modelled Plan Enabled Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wakatipu Ward (High Demand Substitution Scenario)



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

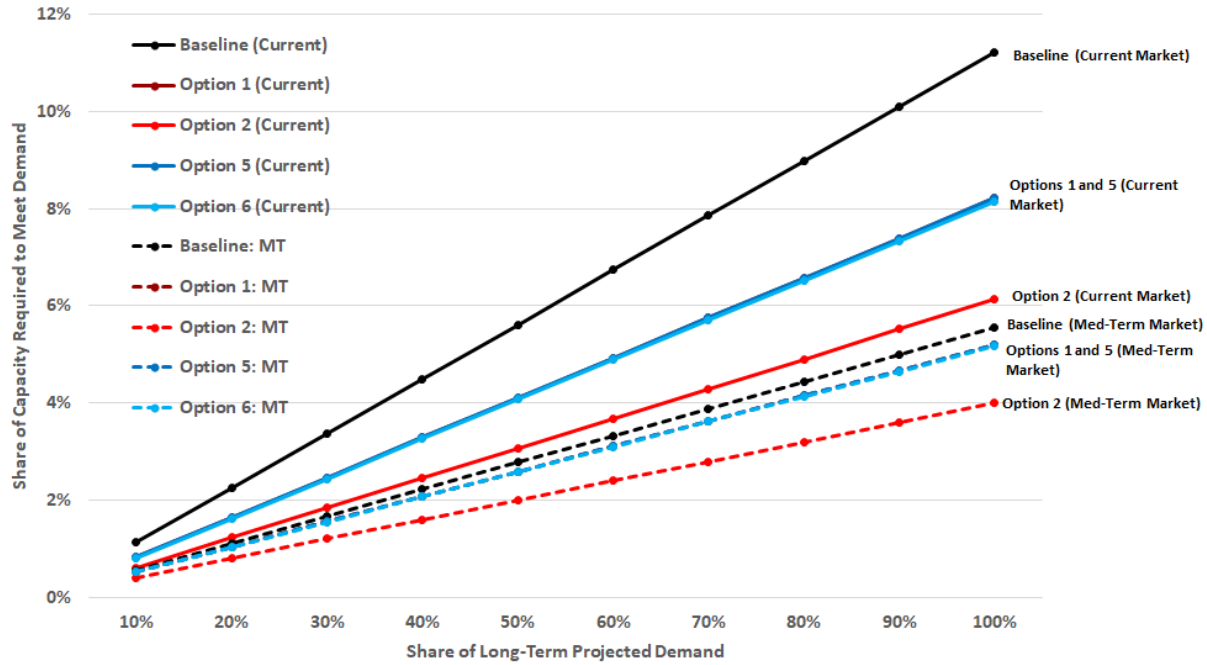
The share of commercially feasible capacity required to meet high density demand within the Wakatipu Ward is shown in Figure 6-9 and Figure 6-10 under the baseline demand and high substitution demand scenarios respectively. In addition to the modelled current market feasible capacity (from Section 5), the graphs contain the projected feasible capacity across the medium-term (2032) (within the dashed lines for each modelled scenario). This is important because the higher density market is likely to become more established, and commercially feasible with market growth through time, and exceed the capacity estimated to be feasible within the current market.

Under the baseline demand scenario (Figure 6-9), between 6% and 11% of the currently commercially feasible capacity would be required to meet long-term demand. Allowing for market growth, this would decrease to between 4% to 6% of feasible capacity in the medium-term.

Under the higher market substitution scenario (Figure 6-10), the share of feasible capacity required to meet long-term demand is greater. Within the current market, nearly one-third (31%) of capacity feasible under the existing provisions is required to meet long-term demand, and around one-fifth (17% to 22%) under the proposed provisions. Allowing for market growth over the medium-term, around 11% to 15% of the feasible capacity would be required to meet demand.

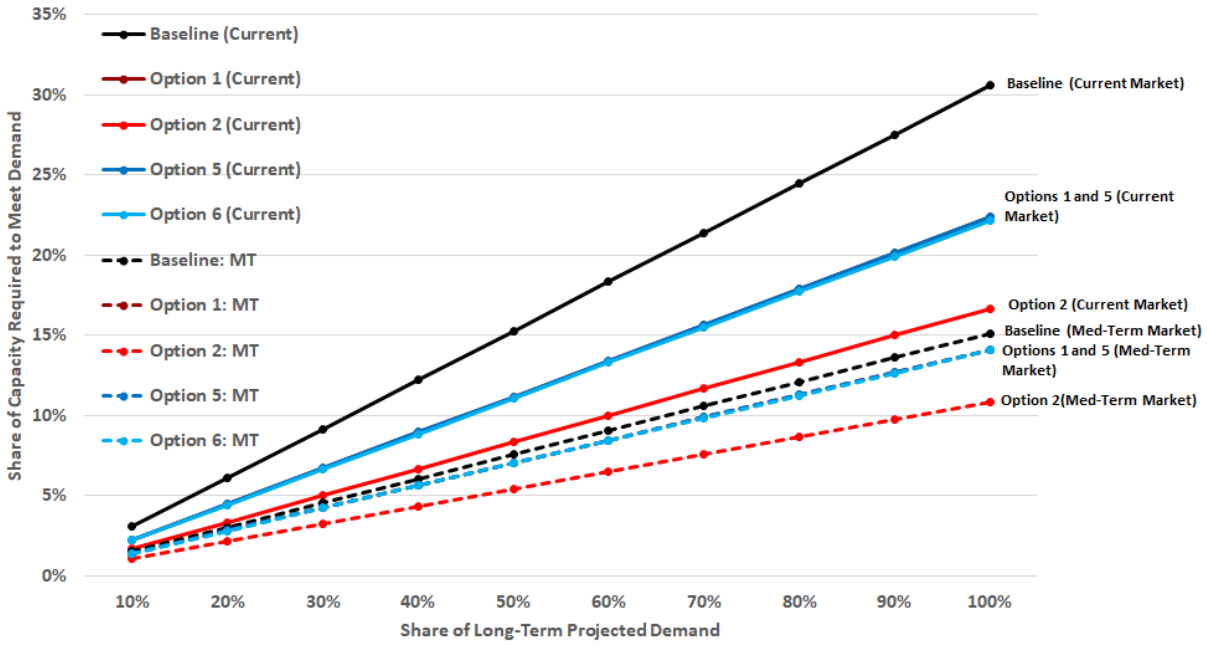
Together with other types of intensification (e.g. terraced housing) within the HDR Zone, the uptake required would allow a reasonable level of intensification to occur around the central parts of the Wakatipu Ward's urban areas. The location and extent of the proposed HDR Zone, together with the provision within commercial zones, provides sufficient scope for the residential market to intensify in these central areas within the Wakatipu Ward.

Figure 6-9: Share of Modelled Commercially Feasible Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wakatipu Ward (Baseline Demand Substitution Scenario)



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

Figure 6-10: Share of Modelled Commercially Feasible Vertically-Attached Apartment Capacity Take-Up Required to Meet Projected Long-Term High Density Demand: Wakatipu Ward (High Demand Substitution Scenario)



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

6.4 Comparison of Capacity and Demand with Infrastructure Limits

It is important to understand how the patterns of demand and growth enabled through each of the proposed options relate to development infrastructure provision within the district's urban environment. This section compares both the demand and capacity by location with the location of capacity within the district's infrastructure networks.

6.4.1 Geographic Patterns of Main Infrastructure Constraints

The assessment within this section uses information on infrastructure constraints from the HBA 2021 (refer Section 7.1 of the main HBA 2021 Report) as this is the most recently available analysis. The additional dwelling capacity within each of the HBA reporting areas was calculated during the HBA in relation to the three waters and land transport infrastructure networks. The analysis identified the net additional dwellings that could be supported within each catchment as a function of the minimum dwellings across any network.

Capacity and demand have been assessed in relation to the levels of infrastructure capacity in all of the main infrastructure networks. These include the three waters (aggregated together and supplied to M.E) as well as transport infrastructure limits. The assessment has analysed the infrastructure limits within each area and then identified which network forms the greatest constraint within each location.

The infrastructure assessment in the HBA 2021 identified land transport as the dominant network constraint within the urban area. In summary, there are four bridges that limit growth across the urban area (based on peak hour service level). The bridges below limit growth in the following ways:

- The Albert Town bridge limits growth within the Lake Hawea and Outer Wanaka reporting areas.
- The Arthurs Point bridge limits growth within the Arthurs Point reporting area (north of the bridge) and half of the Arrowtown reporting area.
- The Shotover bridge limits growth in half of Arrowtown as well as the eastern urban areas of Queenstown (Eastern Corridor and Outer Wakatipu reporting areas).
- The Kawerau bridge limits growth in urban areas of the district south of Frankton. These include the Kelvin Heights, Southern Corridor and Outer Wakatipu reporting areas.

The central areas of Queenstown and Wanaka form the main places where growth is not limited by transport network constraints, as well as some of the outer minor urban settlements within each ward. These include the WTC, Luggate, Cardrona, QTC, Frankton, Quail Rise and Small Township – Wakatipu reporting areas. Growth in these locations will be likely to represent more sustainable patterns of urban form in relation to the district's wider network structure.

Although the transport network forms the dominant constraint, the assessment also examines separately the effects of the three waters infrastructure networks. This assessment provides a basis to understand how three waters infrastructure capacity constraints may impact available capacity if transport constraints were removed.

The following sub-sections firstly compare the patterns of projected future demand (from Section 2) with the patterns of infrastructure capacity, then the patterns of plan enabled and commercially feasible capacity with infrastructure. We examine three waters infrastructure capacity separately first, followed by three waters and land transport infrastructure capacity in combination.

6.4.2 Comparison of Projected Demand with Three Waters Only Infrastructure Capacity

The HBA 2021 provides a summary of existing and planned three waters infrastructure in the district's urban environment based on the three waters programme for the 2021/31 Long Term Plan and the 30-year infrastructure strategy.[24] It also describes the three waters infrastructure ready dwelling capacity that was collated by the Council for the HBA 2021 modelling (including assumptions and data limitations).[25] For brevity, that detail is not repeated here, but a summary of the resulting dwelling capacity anticipated to be serviced by three wates infrastructure is copied below:

> *Across the district, existing three waters capacity currently services 20,025 dwelling units in the urban environment (2020 estimate), which is slightly (4%) greater than estimated current urban dwellings in the Council's model (inclusive of Millbrook Special Zone) in that year. The existing buffer of serviced capacity plus planned investments are anticipated to increase the number of urban dwelling units able to be serviced by three waters infrastructure to just over 35,700 (growth of 186%) over the long term. In the Wānaka Ward, serviced dwelling capacity in the long term increases by 10,380 additional urban dwelling units (growth of 130% above existing dwellings[26]) and in the Wakatipu Ward, serviced urban dwellings more than doubles by 2050 (growth of 25,360 above existing dwellings or a 225% increase). The single area of greatest growth (investment) in three waters serviced dwellings is the Southern Corridor which would provide for an additional 10,740 dwellings by 2050.*

This section compares the patterns of projected future demand from Section 2 with the patterns of additional three waters infrastructure capacity estimated within the QLD HBA 2021. The infrastructure catchment areas have been aggregated to the demand projection locations within this section.

The patterns of three waters infrastructure capacity are compared with the projected demand by location in Figure 6-11. The graph indicates that there is likely to be a three waters infrastructure constraint in the short-term within parts of the district's urban areas that have the largest projected short-term demand growth. In the following locations, the projected demand exceeds the modelled infrastructure capacity:

- the outer urban areas of Wakatipu Ward beyond the central urban area (i.e., Eastern/ Frankton/Quail Rise and Kelvin Heights/Southern Corridor demand catchments);
- the main urban areas of Wanaka; and
- the main urban areas of Hawea.

[24] Section 7.1.1 of the HBA 2021 Main Report, including a summary of key infrastructure projects planned in the short, medium and long term in Section 1.1.9.

[25] Section 7.2.1 of the HBA 2021 Main Report.

[26] As estimated in the Three Waters Model, HBA 2021.

In particular, the modelled infrastructure capacity shows that within the Eastern Corridor and Quail Rise there is very limited three-waters infrastructure capacity which creates an infrastructure constraint in the short-term.

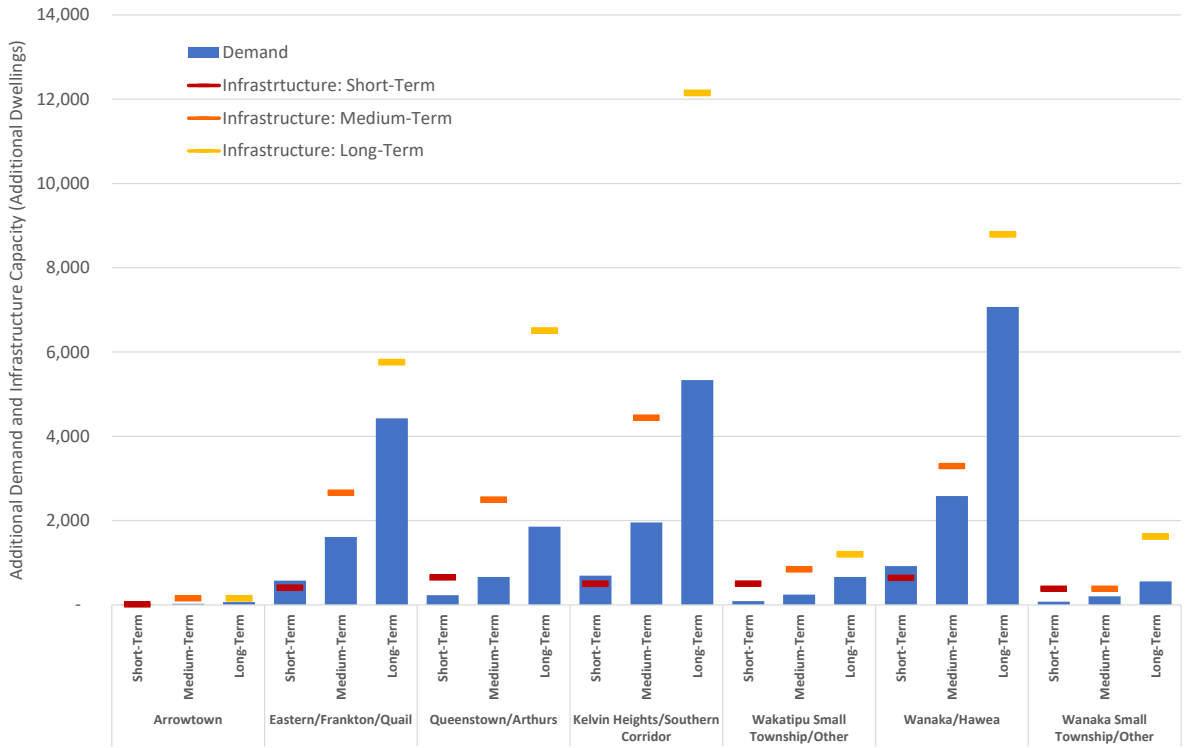
The modelling indicates that the short-term three waters infrastructure capacity is likely to exceed demand in all other locations.

In the medium to long-term, there are no indicated three waters infrastructure constraints. During these time-periods, the modelled three waters infrastructure capacity exceeds the projected demand. In most locations, the capacity exceeds demand by a sizeable margin. This suggests that there is an ability to accommodate a reasonable shift in the location of growth. For example, the modelling indicates that there is potential capacity to support a higher share of medium to long-term growth occurring within the more central areas of the Wakatipu Ward. This is relevant within the context of proposed intensification provisions that encourage a greater centralisation of growth.

We note that Council does have flexibility when it comes to how infrastructure delivery is prioritised, meaning that three waters funding could yet be reprioritised (or additional funding added) through the Annual Plan and Ten-Year Plan processes if more advanced strategic planning determines better ways to meet the needs of the local population.

The relationship between three waters infrastructure capacity and modelled dwelling capacity is assessed in Section 6.4.4.

Figure 6-11: Comparison of Projected Dwelling Demand with Additional Three Waters Infrastructure Capacity

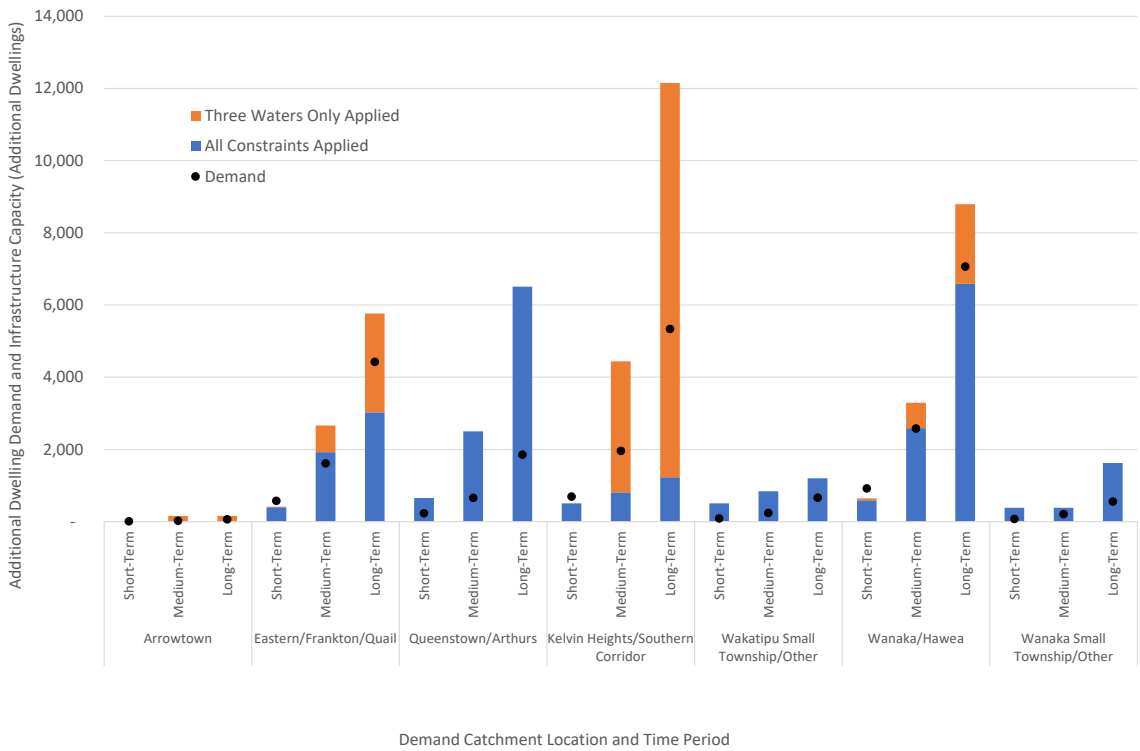


The additional infrastructure capacity enabled within each location by the removal of transport infrastructure network constraints and the relationship to demand is shown in Figure 6-12. The blue portions of the bars show the capacity within each location and time period when all (three waters and transport) infrastructure constraints are applied. The orange portions of the bars show the additional infrastructure capacity within each location if transport infrastructure constraints are not applied. Demand within each time period and location is shown by the black dots.

The graph shows that the removal of transport infrastructure constraints would have the largest effect on medium to long-term infrastructure capacity within the Kelvin Heights/Southern Corridor area. The Kawerau Bridge forms a significant constraint to growth across these areas (based on HBA 2021 assumptions). The removal of this constraint results in sizeable increases in infrastructure capacity to exceed medium and long-term demand by a sizeable margin. With transport infrastructure constraints applied, infrastructure capacity would instead be likely to constrain growth in this location as it would be substantially lower than demand across all time periods.

The removal of transport infrastructure constraints also increases the infrastructure capacity within the Eastern/Frankton/Quail and Wanaka/Hawea demand areas in the medium to long-term. Increasing the capacity within these locations also results in the long-term infrastructure capacity exceeding demand, meaning that growth in these locations would be less likely to be constrained by infrastructure. If transport infrastructure constraints are applied, then they are likely to constrain long-term growth.

Figure 6-12: Infrastructure Capacity by Infrastructure Network Constraint



6.4.3 Comparison of Projected Demand with Combined Infrastructure Capacity

This section compares the patterns of projected future demand from Section 2 with the patterns of additional infrastructure capacity estimated within the QLD HBA 2021 – being three waters and land transport constraints combined.

The infrastructure catchment areas have been aggregated to the demand projection locations within this section. However, it is important to note that in some locations these include both areas within and outside the transport infrastructure constraints. This applies to:

- The Eastern Corridor/Frankton/Quail Rise demand area, where the Eastern area is constrained by the Shotover Bridge, while this constraint does not apply to Frankton/Quail.
- The Wanaka/Hawea demand area where Hawea is constrained by the Albert Town bridge, while this constraint does not apply to Wanaka.

The patterns of combined infrastructure capacity are compared with the projected demand by location in Figure 6-13. The graph indicates that there are some significant areas of demand that are likely to be constrained by the combination of three waters and land transport infrastructure capacity. These mainly include the southern and eastern parts of the Wakatipu urban area, which are constrained by the Kawerau and Shotover bridges. The constraint within the latter may be larger than indicated by Figure 6-13 depending upon the distribution of demand between the Eastern Corridor and Frankton/Quail Rise areas. Constraints in the southern part of the urban area are indicated to occur from the short-term onwards – again driven by land transport (bridge) infrastructure constraints.

There may also be a constraint within Lake Hawea due to the Albert Town bridge, which is less visible through the combined demand across the Wanaka/Lake Hawea area.

Figure 6-13: Comparison of Projected Dwelling Demand with Additional Three Waters and Land Transport Infrastructure Capacity

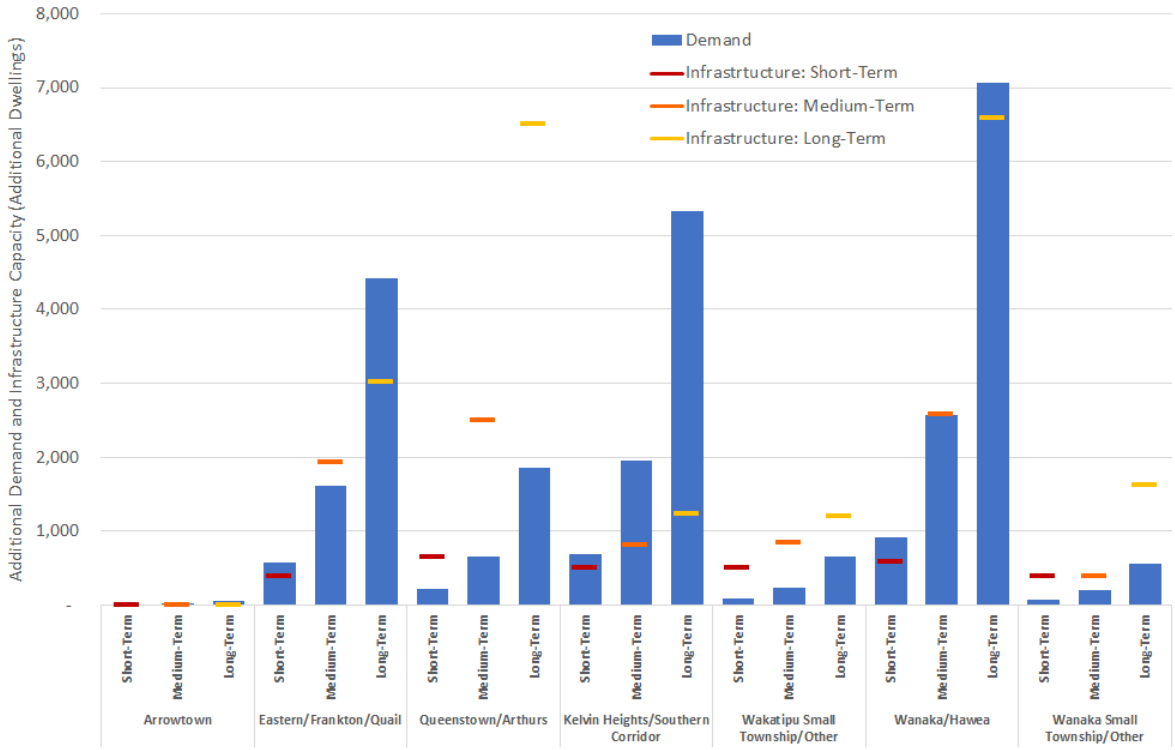


Figure 6-13 conversely shows that there is a large surplus of infrastructure capacity within the central part of Queenstown's urban area, which increases into the long-term. The level of capacity within this location is much greater than the underlying projected demand, which is largely due to the absence of a transport infrastructure constraint in this location and sufficient three waters infrastructure.

6.4.4 Comparison of Modelled Capacity with Three Waters Only Infrastructure Capacity

The patterns of three waters only infrastructure capacity are compared with the plan enabled and commercially feasible capacity modelled within each of the proposed options in Figure 6-14 and Figure 6-15.

The first graph shows the urban areas of the district grouped by the demand catchment locations. Within each area, it shows the total plan enabled and commercially feasible capacity under each modelled option together with the three waters infrastructure capacity for the short, medium and long-terms. The infrastructure capacity directly corresponds to that displayed in each demand location within Section 6.4.2.

The plan enabled, commercially feasible and three waters only infrastructure additional dwelling capacity have been aggregated by these locations. The capacity includes the total maximum yield combination across the existing urban and greenfield areas combined (including Special Zones). These are the maximum plan enabled and feasible totals across the dwelling typologies combined.

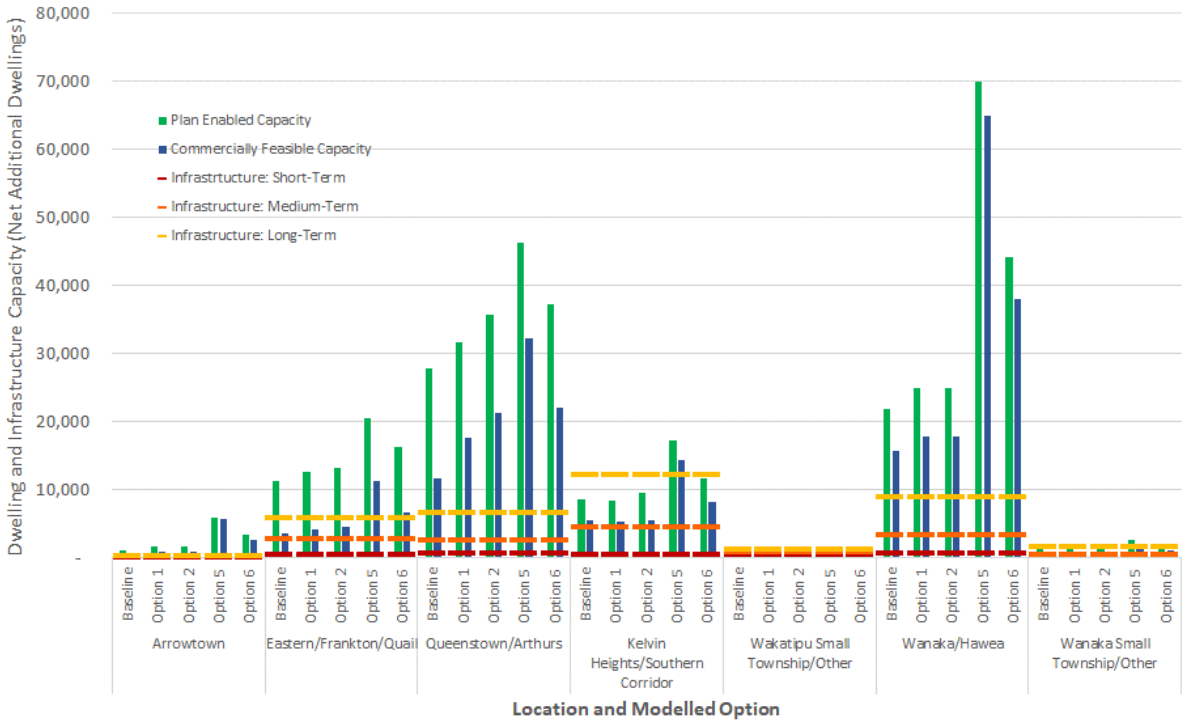
The assessment shows that the three waters infrastructure capacity broadly corresponds to the parts of the district with the largest urban capacity for additional dwellings. In these locations, the level of plan enabled dwelling capacity is generally substantially above the level of long-term three waters infrastructure capacity. The exception is Kelvin Heights/Southern Corridor where the infrastructure capacity exceeds the dwelling capacity in all modelled options, other than Option 5.

Figure 6-14 also shows that in some locations, the commercially feasible capacity exceeds the infrastructure capacity. This occurs within the central urban areas – demand catchments, Queenstown/Arthurs and Wanaka/Hawea.

Despite the differences in dwelling and infrastructure capacity, this by itself does not suggest that infrastructure is likely to constrain growth within the urban area in the long-term. This is because only a portion of either plan enabled or commercially feasible capacity is likely to get developed by the market. The enabled and feasible capacity are instead an indication of opportunities potentially available to the market, a share of which will be likely to get developed. It is more important to instead consider the alignment of the *pattern* of this plan enabled and feasible capacity with the pattern of three waters infrastructure capacity. The level of demand within these locations is well below the level of capacity and it is unlikely that any shift in demand in response to the additional capacity would be of a sufficient scale to exceed the long-term three waters capacity (refer to Section 6.4.2).

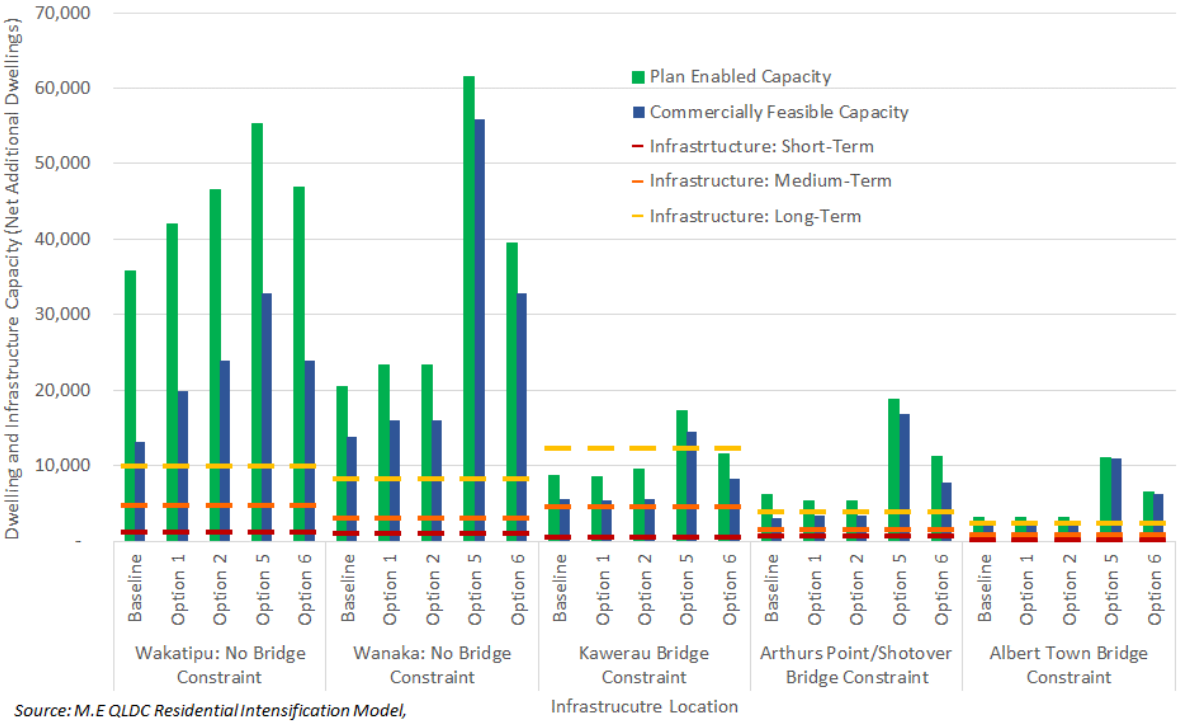
However, it is important to distinguish between dwelling capacity and the actual level of take-up of capacity, which is likely to be much closer to the level of demand. The dwelling capacity identifies the opportunity that may be available to the market, of which a portion is likely to be taken up. It is therefore important to consider the infrastructure capacity together with both demand and dwelling capacity.

Figure 6-14: Comparison of Plan Enabled and Commercially Feasible Capacity by Modelled Scenario with Three Waters Only Infrastructure Capacity: Demand Catchment Areas



Source: M.E QLDC Residential Intensification Model, 2022/2023, M.E 2021 QLDC HBA.

Figure 6-15: Comparison of Plan Enabled and Commercially Feasible Capacity by Modelled Scenario with Three Waters Only Infrastructure Capacity: Transport Catchment Areas



Source: M.E QLDC Residential Intensification Model, 2022/2023, M.E 2021 QLDC HBA.

The assessment shows that all of the modelled options have a reasonably high level of alignment between the distribution of three waters infrastructure and dwelling capacity. Between 94% and 96% of the plan enabled and feasible capacity occurs in locations that contain 92% of the long-term three waters infrastructure capacity. This shows that the main spatial effect of infrastructure limitations is related to the transport network capacity. The remainder of this section therefore assesses the dwelling and infrastructure capacity in relation to the geography of constraints within the transport infrastructure network. This approach consequently shows the capacity in these locations in relation to the constraint that would otherwise occur within the three waters network.

6.4.5 Comparison of Modelled Capacity with Combined Infrastructure Capacity

The patterns of combined three waters and land transport infrastructure capacity are compared with the plan enabled and commercially feasible capacity modelled within each of the proposed options in Figure 6-16.

The urban areas of the district have been grouped by location in relation to the main transport infrastructure constraints described above in Section 6.4.1. The first two locations are the central areas of Wakatipu and Wanaka wards (and minor urban settlements) that are not constrained by the bridges. The remaining three areas show the outer urban areas that are constrained by each of the bridges as described above.

The plan enabled, commercially feasible and combined infrastructure additional dwelling capacity have been aggregated by these locations. The capacity includes the total maximum yield combination across the existing urban and greenfield areas combined (including Special Zones). These are the maximum plan enabled and feasible totals across the dwelling typologies combined.

Figure 6-16 shows that both the plan enabled and commercially feasible capacity exceeds the combined infrastructure capacity across all locations. As above, this by itself does not suggest that infrastructure is likely to constrain growth within the urban area because only a portion of either plan enabled or commercially feasible capacity is likely to get developed by the market. The enabled and feasible capacity are instead an indication of opportunities potentially available to the market, a share of which will be likely to get developed. It is more important to instead consider the alignment of the *pattern* of this plan enabled and feasible capacity with the pattern of combined infrastructure capacity.

Figure 6-16 shows that the highest proportions of the modelled plan enabled and feasible dwelling capacity occurs within the district's urban areas that are not constrained by the bridge capacity. However, the degree to which the enabled capacity is concentrated into these areas differs by modelled scenario.

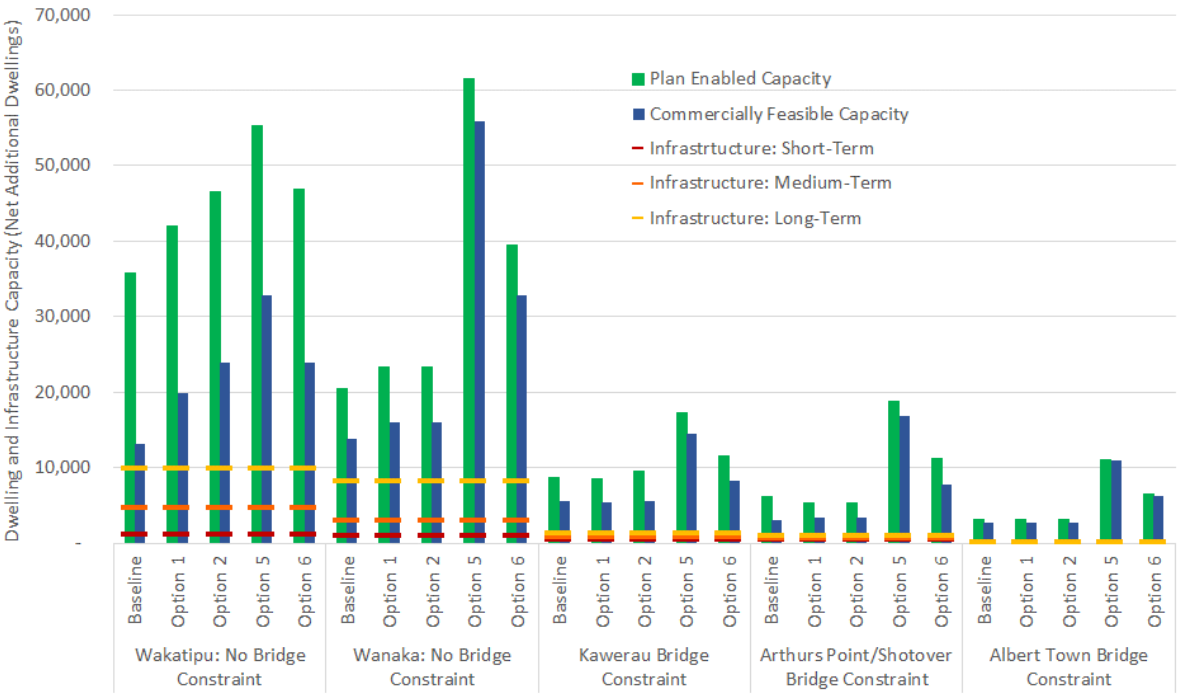
The modelled capacity within Options 1 and 2 generally has higher levels of concentration into the areas of greatest combined infrastructure capacity. This corresponds to the location of both the existing zoned areas for increased density as well as the patterns of additional capacity enabled through the intensification of nodes and corridors under these scenarios.

Again, the level of concentration of capacity into these areas within Options 5 and 6 is lower. Increased shares of capacity under these scenarios are contained within the outer parts of the district's urban areas that face land transport infrastructure constraints. This is due to the increased provision of capacity within

the general suburban areas (currently LDSR Zone), which form the main residential zoned provision within these outer areas.

The existing baseline level of capacity concentration into the less constrained areas is between that of Options 1 and 2, and Options 5 and 6.

Figure 6-16: Comparison of Plan Enabled and Commercially Feasible Capacity by Modelled Scenario with Combined Infrastructure Capacity



Source: M.E QLDC Residential Intensification Model, 2022/2023, M.E 2021 QLDC HBA.

The distribution of plan enabled and commercially feasible capacity within each of the combined infrastructure locations by each modelled scenario is shown in Table 6-12 (plan enabled capacity) and Table 6-13 (commercially feasible capacity). Each table analyses the distribution of both the total capacity modelled within each scenario, and then the additional capacity that each scenario enables relative to the existing baseline provisions. The latter is important because it indicates whether the changes to the patterns of capacity are likely align to a greater or lesser extent than the existing baseline with the infrastructure capacity.

Table 6-12 and Table 6-13 are structured as follows:

- The top portion of each tables shows the total net additional capacity within each option for the maximum dwelling yield combination across both existing urban and greenfield areas (incl. Special Zones) by infrastructure location.
- The upper middle portion calculates the share of capacity by infrastructure location within each scenario.

- The lower middle portion of the tables show the net additional capacity within Options 1 to 6 relative to the existing baseline by infrastructure location.
- The lower portion of the table calculates the share of the net additional enabled capacity by infrastructure location within each scenario.

The tables show that Options 1 and 2 have the highest shares of total plan enabled and feasible capacity occurring within areas with no bridge constraint. Approximately 80% of plan enabled capacity and 76% to 77% of commercially feasible capacity within these options occurs within these areas. Almost all of the additional capacity enabled under these options (from the existing baseline) occurs within the areas with no bridge constraint. This amounts to 97% to 99% of plan enabled capacity and 90% to 97% of the additional commercially feasible capacity. These patterns suggest that the intensification of nodes and corridors is likely to encourage growth into these areas relative to the existing baseline.

Options 5 and 6 have lower shares of enabled capacity within the areas without transport infrastructure constraints. Around three-quarters (71% to 75%) of total plan enabled capacity and between two-thirds and three-quarters (68% to 72%) of total feasible capacity within these options occurs within these areas.

While Options 5 and 6 enable similar or higher levels of total capacity within the central areas in comparison to other modelled scenarios, they also encourage a greater level of development within the less central suburban areas which have modelled transport infrastructure constraints. This means that the share of additional capacity from these options (relative to the existing baseline) that occurs in these outer areas is greater than under the other proposed options. Under these options, 25% to 29% of the additional plan enabled and commercially feasible capacity occurs in the outer areas constrained by transport infrastructure. In comparison, only 1% of the additional plan enabled capacity and 1% to 3% of the additional feasible capacity within Options 1 and 2 occurs within these outer infrastructure-constrained locations.

Table 6-12: Distribution of Plan Enabled Capacity by Combined Infrastructure Location within each Modelled Scenario

Infrastructure Location	Modelled Scenario				
	Baseline	Option 1	Option 2	Option 5	Option 6
	Plan Enabled Capacity				
Wakatipu: No Bridge Constraint	35,800	42,000	46,600	55,300	46,900
Wanaka: No Bridge Constraint	20,400	23,400	23,400	61,500	39,500
Total No Bridge Constraint	***56,200***	***65,300***	***69,900***	***116,800***	***86,500***
Kawerau Bridge Constraint	8,700	8,400	9,500	17,300	11,600
Arthurs Point/Shotover Bridge Constraint	6,100	5,300	5,300	18,800	11,300
Albert Town Bridge Constraint	3,100	3,100	3,100	11,000	6,500
Total with Bridge Constraint	***17,800***	***16,800***	***18,000***	***47,200***	***29,300***
	Share of Plan Enabled Capacity				
Wakatipu: No Bridge Constraint	48%	51%	53%	34%	41%
Wanaka: No Bridge Constraint	28%	28%	27%	37%	34%
Total No Bridge Constraint	***76%***	***79%***	***80%***	***71%***	***75%***
Kawerau Bridge Constraint	12%	10%	11%	11%	10%
Arthurs Point/Shotover Bridge Constraint	8%	6%	6%	11%	10%
Albert Town Bridge Constraint	4%	4%	4%	7%	6%
Total with Bridge Constraint	***24%***	***21%***	***20%***	***29%***	***25%***
	Additional Plan Enabled Capacity from Baseline				
Wakatipu: No Bridge Constraint		6,100	10,700	19,500	11,100
Wanaka: No Bridge Constraint		3,000	3,000	41,100	19,200
Total No Bridge Constraint		***9,100***	***13,700***	***60,500***	***30,300***
Kawerau Bridge Constraint		-200	900	8,700	2,900
Arthurs Point/Shotover Bridge Constraint		-800	-800	12,800	5,200
Albert Town Bridge Constraint		50	50	8,000	3,400
Total with Bridge Constraint		***-1,000***	***200***	***29,400***	***11,500***
	Share of Additional Plan Enabled Capacity from Baseline				
Wakatipu: No Bridge Constraint		75%	77%	22%	27%
Wanaka: No Bridge Constraint		37%	22%	46%	46%
Total No Bridge Constraint		***112%***	***99%***	***67%***	***72%***
Kawerau Bridge Constraint		-3%	6%	10%	7%
Arthurs Point/Shotover Bridge Constraint		-10%	-6%	14%	12%
Albert Town Bridge Constraint		1%	0%	9%	8%
Total with Bridge Constraint		***-12%***	***1%***	***33%***	***28%***

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

Table 6-13: Distribution of Commercially Feasible Capacity by Combined Infrastructure Location within each Modelled Scenario

Infrastructure Location	Modelled Scenario				
	Baseline	Option 1	Option 2	Option 5	Option 6
	Commercially Feasible Capacity				
Wakatipu: No Bridge Constraint	13,200	19,800	23,800	32,900	23,900
Wanaka: No Bridge Constraint	13,900	15,900	15,900	55,800	32,900
Total No Bridge Constraint	***27,000***	***35,800***	***39,800***	***88,700***	***56,800***
Kawerau Bridge Constraint	5,600	5,300	5,600	14,400	8,300
Arthurs Point/Shotover Bridge Constraint	3,000	3,400	3,400	16,800	7,800
Albert Town Bridge Constraint	2,700	2,700	2,700	10,900	6,300
Total with Bridge Constraint	***11,400***	***11,500***	***11,700***	***42,100***	***22,400***
	Share of Commercially Feasible Capacity				
Wakatipu: No Bridge Constraint	34%	42%	46%	25%	30%
Wanaka: No Bridge Constraint	36%	34%	31%	43%	42%
Total No Bridge Constraint	***70%***	***76%***	***77%***	***68%***	***72%***
Kawerau Bridge Constraint	15%	11%	11%	11%	10%
Arthurs Point/Shotover Bridge Constraint	8%	7%	7%	13%	10%
Albert Town Bridge Constraint	7%	6%	5%	8%	8%
Total with Bridge Constraint	***30%***	***24%***	***23%***	***32%***	***28%***
	Additional Commercially Feasible Capacity from Baseline				
Wakatipu: No Bridge Constraint		6,700	10,700	19,700	10,700
Wanaka: No Bridge Constraint		2,100	2,100	42,000	19,000
Total No Bridge Constraint		***8,700***	***12,700***	***61,700***	***29,700***
Kawerau Bridge Constraint		-300	-10	8,800	2,700
Arthurs Point/Shotover Bridge Constraint		400	400	13,700	4,800
Albert Town Bridge Constraint		0	0	8,100	3,500
Total with Bridge Constraint		***80***	***300***	***30,700***	***11,000***
	Share of Additional Commercially Feasible Capacity from Baseline				
Wakatipu: No Bridge Constraint		76%	82%	21%	26%
Wanaka: No Bridge Constraint		23%	16%	45%	47%
Total No Bridge Constraint		***99%***	***97%***	***67%***	***73%***
Kawerau Bridge Constraint		-3%	0%	10%	7%
Arthurs Point/Shotover Bridge Constraint		4%	3%	15%	12%
Albert Town Bridge Constraint		0%	0%	9%	9%
Total with Bridge Constraint		***1%***	***3%***	***33%***	***27%***

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

7 Costs and Benefits

This section provides a brief overview of the anticipated economic costs and benefits of the intensification options as a whole, relative to the baseline dwelling capacity.[27] It also considers costs and benefits from the perspective of business demand and capacity in commercial zones.

7.1 Costs and Benefits of the Intensification Plan Variation (Housing)

The proposed provisions are likely to generate changes through time to the nature and distribution of residential growth in QLD's urban area. Changes to growth patterns are likely to incrementally and cumulatively impact the city's urban form, becoming more significant through time. The nature of urban form has important impacts on the efficiency of spatial interactions across and within the city.

These factors give rise to a range of costs and benefits that are likely to flow from changes to the underlying planning structure. Part of the effect relates generally to the implementation of provisions for intensification and is observable in aggregate at the city level; while part relates to the location and spatial extent of the provisions and how they are applied within the urban environment. It is also important to evaluate the scale of the proposed provisions in relation to the likely market size for residential dwellings as the combination of these factors will affect the take-up of residential development and the urban form patterns that emerge.

7.1.1 City Level Aggregate Effects of Intensification Provisions

The implementation of intensification provisions is likely to generate an economic benefit to households through increasing the range of different housing options available across different locations.

The proposed provisions extend the range of dwellings enabled in some locations. This occurs across significant parts of the LDSR Zone under Options 1 and 2 (where upzoned to MDR Zone) and also across the entire suburban area under Options 5 and 6.

At the city level, the types of dwellings enabled range from smaller detached dwellings or townhouses, up to higher density horizontally attached terraced housing, and vertically-attached dwellings in central areas. In some areas, where not previously provided, this may further enable the substitution of demand across different dwelling typologies[28].

[27] At the time of drafting, M.E had not been asked to focus on a single preferred option.

[28] For example, the provision of smaller detached dwellings on smaller sites, or larger attached townhouse dwellings on smaller sites (where the construction of attached dwellings increases the size of the dwelling that can be constructed on a site) are lower to medium-density housing options that are likely to be able to meet a share of the demand that is currently met through standalone dwellings on larger sites. There is likely to be greater potential market substitution across these dwelling categories than between standalone dwellings on larger sites and higher density vertically attached apartments.

The provisions enabling smaller sites are likely to result in changes to the cost structures of dwelling construction and delivery due to changes in the nature of dwellings constructed. Generally, the provision of smaller sites is likely to result in more ability for the market to deliver smaller dwellings that are more appropriately scaled to the site size. The ability to form smaller site sizes increases the potential dwelling yield of sites. This is likely to increase the feasibility of redevelopment and development, particularly in higher value locations.

Notwithstanding the effects on urban form (covered below), the increased ability for the market to deliver a wider range of dwellings is likely to have a positive effect on housing affordability, at the city level, relative to the development patterns of new dwellings that would otherwise occur under the existing provisions.

It is important to note that there are significant areas within QLD's urban environment where medium to higher density dwellings are already enabled within the existing planning provisions. The effect of the proposed options is to expand the extent of this provision and enable intensification to occur in a greater range of locations. This has an effect on the aggregate city-level potential dwelling profile.

There are critical economic effects on urban form that relate to the *location* of these expanded provisions. These will differ across the options and are discussed within the sub-sections below.

7.1.2 Effects from the Location of Provisions

The *location* and *extent* of intensification provisions are important and affect the costs and benefits that may arise from changes to development patterns across the urban area. Part of the effects occur to private households involved in the transaction of individual dwellings, while the resulting development patterns have wider effects observed at the community and the city levels. The location of intensification provisions and the spatial extent across which they are applied determine the level of optimisation of effects of intensification and need to be considered together.

There are different spatial scales at which the location of provisions are important for QLD. They are distinct and generate different types of economic effects for the district. They relate to:

i. The overall macro spatial structure of the district's urban area – i.e. how the nodes are distributed across the urban environment and their positioning within the city's hierarchical urban economic structure. This is especially critical for infrastructure considerations within the district.
ii. The localised patterns of intensification around centres *within* different parts of the district – i.e. within each area, the extent to which growth is concentrated within and around centres.

Each of these aspects of location are discussed below.

Spatial Economic Structure of the District

The urban economic structure of the district relates to the higher-level distribution of nodes and areas of growth across the district, and their spatial inter-relationships. It affects the spatial operation and efficiency of interactions that occur across the city. Differences in this distribution also generate different patterns of demand for interactions across the urban area.

The distribution of the hierarchy of nodes and corridors together with other growth locations has important effects on the efficient functioning of the urban area. The relationship to the infrastructure networks are core among these for the district.

Based on the approach adopted in the HBA 2021, the district faces significant land transport infrastructure constraints. Growth in broad areas across the district are limited by capacity constraints at key bridges that serve large parts of the district's outer urban areas. The alignment of future development patterns with the central areas not constrained by these bridges is a critical determinant of the ability for households to interact with core nodes of amenity within the urban area. The assessment has found that Options 1 and 2 are likely to encourage the concentration of growth into central parts of the district. This is likely to result in an efficient pattern of growth across the district's urban economic structure as it aligns with infrastructure capacity and supports the development of central nodes.

The level of centralisation of growth into one or several core nodes affects the degree to which a core hub of activity can establish within the district. Establishing a main node within an urban hierarchy is important for providing a core commercial centre for businesses. Appropriate concentration of commercial activity into central business areas enables agglomeration economies to develop and increases the productivity of parts of the business sector.

A centralised node(s) also provides a location for activity to co-locate that serves wider urban catchments. It provides the critical mass to generate an expansive catchment area that supports an increased range and depth of commercial activity within the node. A more diversified commercial offering increases commercial amenity for households across the district.

The residential patterns of growth across the urban area affect the development of this urban economic structure. The location of growth patterns can reinforce and support the structure to different extents. Importantly, this occurs at both the broader spatial scale, as well as at a more localised level, such as the level of intensification around centres within an area (which is discussed in the following sub-section).

At a broader level, the distribution of growth into central vs. more peripheral locations affects the level of development of the general spatial structure. A higher share of growth within inner urban and inner suburban areas (such as under Options 1 and 2) is more likely to support the development of core nodes within the district. Growth in peripheral locations (facilitated by Options 5 and 6) will instead encourage a greater dispersal of commercial activity into a greater number of smaller, less central locations.

The level of centralisation of residential growth at this spatial scale differs across the proposed options. The options will support the establishment of main nodes within the urban structure to different degrees.

Localised Concentration around Centres and Core Nodes

The application of intensification provisions within key areas of accessibility is likely to have positive effects on urban form through supporting a centres-based structure and growth in more efficient centralised locations. This generates a range of benefits that accrue to both individual households and the wider community. Concentration of development into these areas increases the amenity received by households through greater accessibility. It also supports the viability of centres through the concentration of demand in local surrounding areas, thereby increasing the level of amenity provided by the centre to the community

within its catchment area (discussed further below). This is important as centres play an important social role and function in addition to the amenity offered by their commercial activities.

Increased centres' function and the concentration of growth around these key nodes has benefits through increasing the sustainability of urban form. This occurs through several mechanisms. These include a greater share of alternative mode trips (e.g. walking/cycling to the centre), increased travel efficiency at the city scale through the concentration of commercial and social activities within centres relative to a more dispersed distribution, and the increased viability of public transport options where transport hubs are supported by centres.

Further economic benefits that accrue to the public sector are also achieved through the implementation of growth patterns that support intensification within centres. Increased nodes of activity allow for the more efficient delivery of transport and social infrastructure through their concentration into centres. A concentration of residential demand within close proximity to these centres enables investment in this infrastructure to more efficiently serve a greater demand.

7.1.3 Effects from the Spatial Extent of Provisions

It is important to consider the spatial extent of any intensification provisions as this is likely to affect the type of urban form outcomes that are achieved, and the costs and benefits that flow from these development patterns.

The spatial extent of the provisions determines whether there is likely to be sufficient differentiation of development intensities across the urban area. The benefits of intensification rely on a level of concentration of growth around key nodes of accessibility and sufficient differentiation of these patterns within the urban area.

The application of specific surrounding catchment areas has different relative effects within different sized urban economies. Application of intensification areas across a constant distance across all urban economies will generally cover considerably larger shares of the total residential area in smaller urban economies. Depending upon the nature (dwelling scale, etc) of provisions, high relative coverage of urban areas may reduce the level of differentiation across the urban area[29]. This may reduce the degree to which growth is concentrated around key nodes of accessibility, potentially reducing the benefits associated with intensification into these areas set out in the previous sub-section.

The spatial extent of provisions that apply to the highest density development (e.g. vertically attached apartments) is also important to appropriately encourage growth that functions together with the centre and encourage development patterns that are appropriate for the surrounding urban environment. If the spatial extent of higher density development provisions are too large, then this may result in higher density developments occurring opportunistically within parts of the urban area that are less likely to function together with the centre. Moreover, these developments could potentially absorb a high share of the total higher density market demand. This may therefore reduce the likelihood of this development occurring elsewhere in locations that are more likely to function together with the centre and achieve the intensified urban form concentrated around centres.

[29] The share of urban area covered by a constant catchment distance tends to be inversely related to city size.

The concentration of growth into the core parts of accessible areas enables more efficient infrastructure provision. This occurs through the higher density of demand[30] as well as the timing and sequencing of growth. If intensification provisions are too widespread, then this reduces the ability to achieve infrastructure efficiencies and may increase infrastructure costs through the requirement to supply increased infrastructure across larger areas due to the possibility of intensification.

7.1.4 Effects from the Scale of Market Demand

The overall scale of market demand is likely to affect the appropriateness of the scale of intensification provisions by location. The level of market demand for different types of dwelling densities will affect the degree to which concentration of development within key areas of accessibility are achieved and the nature of that intensification.

Smaller urban economies typically have lower demand for the higher density dwelling typologies, such as vertically-attached apartments. This market is becoming increasingly established within certain parts of the district, with higher levels of development within the central areas of the Wakatipu Ward.

Lower demand in other less central parts of the district means that core nodes of accessibility are less able to sustain intensification of higher density dwellings than areas where there is greater market demand. A smaller market size increases the propensity for any higher density vertical development outside of the centre zone or not directly adjacent to the centre to form a standalone development that is less consistent with the surrounding urban environment.

In contrast, larger urban economies with higher demand are able to sustain higher density development across greater distances that function together with the centre and are consistent with the density gradient within the catchment area. Higher density vertical development was typically more consistently sustained across larger walkable catchment areas within higher value areas in larger urban economies.

In smaller urban economies, intensification patterns around centres are instead more likely to be characterised by medium density attached dwellings, such as those provided for within the MDR or HDR zones.

7.1.5 Summary

The capacity modelling has shown that all of the proposed options are likely to increase the level of potential development options at the city-scale relative to the existing baseline provisions. The intensification provisions will increase the range of dwelling types and sizes across a greater number of locations. They will provide greater flexibility to the market to develop sites more efficiently (at an individual level), as well as increase their feasibility through enabling higher yield.

However, the modelling indicates that the proposed options are likely to have significantly different effects on urban form. They encourage different types of development patterns across the district's urban areas, which gradually and incrementally through time contribute to the district's urban form. In aggregate, the

[30] Infrastructure costs are generally lower if demand is more spatially concentrated than the higher costs from more expansive networks required to serve more dispersed patterns of growth.

development patterns encouraged by some of the options may result in a less efficient urban form despite benefits occurring at the individual site level.

There are differences between the options at both the broader spatial economic structural scale as well as the more localised scale in relation to the level of growth which is concentrated into centres within areas. These will influence the economic effects, as set out above, generated by the growth patterns of the different options.

The largest differences are observed between Options 5 and 6 in comparison to Options 1 and 2. The first two options (Options 1 and 2) encourage the concentration of growth into the central parts of the district's urban areas. This occurs where the upzoning around nodes and corridors is applied to areas that are located within the central parts of the district, closest to the main central nodes of Queenstown and Wanaka town centres, as well as the suburban areas that are most accessible to these locations.

In contrast, Options 5 and 6 encourage more widespread patterns of growth that have a lower relative concentration of growth into the district's central urban areas. These options have large increases in enabled density across the extent of the suburban area. This is likely to encourage more widespread growth across the district as parcels are developed opportunistically and consequently lower levels of relative concentration into more central locations.

More widespread patterns of growth and lower relative concentrations into central parts of the district's urban areas are likely to generate adverse effects in relation to the constraints faced by transport infrastructure. Growth in peripheral locations does not optimise the alignment with the infrastructure capacity and is likely to adversely affect the ease of interaction across the city within the context of infrastructure constraints.

A greater dispersal in the balance of growth patterns between central and peripheral locations may also result in lower levels of development of the main urban nodes than may be achieved through a higher concentration of development within central areas. This may result in lower benefits associated with reinforcing the role and function of these largest centres.

Options 5 and 6 are also likely to reduce the level of concentration of growth around centres within each location. These options remove a large share of the differentiation in zoning between general suburban areas and locations immediately surrounding centres. This reduces the incentive to concentrate development around centres by way of higher enablement within these areas. It also disperses the market for more intensive development across the urban area, therefore diluting the level of growth around the centres.

Lower levels of growth around centres, mean that Options 5 and 6 are less likely to achieve the economic benefits associated with concentrating growth around centres. These are set out in the previous sub-sections and relate to supporting the viability and vitality of centres and generating a more sustainable pattern of urban form. This is also discussed further below.

There are also differences within the Wakatipu Ward between Options 1 and 2. Option 1 has a greater focus on nodes, while Option 2 spreads the intensification across both nodes and corridors.

At a broad spatial scale, both of these options encourage growth to occur within the central parts of the district's urban areas that align with the patterns of infrastructure provision. This is likely to encourage a

more efficient spatial structure through supporting the development of the main urban nodes within the district. The intensification provisions are also likely to be appropriately scaled to the local economic context to encourage patterns of growth and intensification that support the viability and vitality of the district's centres.

Option 2 is likely to enable greater choice and development options for the market through increasing the options for more intensive development within this central area. The additional development potential along corridors is less likely to reduce the intensification within and around centres as it is appropriately scaled and located. The presence of the HDR Zone also creates differentiation in potential densities surrounding the core centre areas.

7.2 Costs and Benefits of the Intensification Plan Variation (Business)

When evaluating the intensification options relative to each other and relative to the status quo (Baseline), Council needs to consider the potential for competing land uses in and around commercial centres and employment areas. That is, business and residential demand and how they interact. Here we consider the implications (costs and benefits) of the proposed intensification Options 1 and 2 from the perspective of business demand and capacity. We do not specifically address Options 5 and 6 here as they introduce residential capacity extensively throughout suburban areas in addition to intensification of nodes and/or corridors (and are likely to reduce the level of concentration of growth around centres, as discussed above).

In a general sense, Options 1 and 2 leave the spatial extent of commercial zones the same,[31] but intensify the residential capacity near or adjoining some existing commercial zones (with MDR or HDR zoning). Those commercial zones (nodes) that are close to new (or more) higher density residential intensification in the plan variation are the:

- WTC Zone
- QTC Zone
- BMU Zone (Reece Crescent)
- combined commercial zones in Three Parks
- Frankton LSC Zone (which adjoins the BMU Zone (Frankton North))
- Remarkables Park Shopping Centre, and
- BMU Zone (Frankton Marina)

7.2.1 Benefits to centres/commercial nodes from surrounding intensification

When centres are supported by a dense catchment of residential dwellings in their primary trade area, the suitability (feasibility) of those centres to support development can increase. Suitability of different

[31] With some exceptions in the QTC Zone (Isle Street sub-zone included) and Albert Town LSC Zone (commercial zoning reduced to reflect the area now available for commercial activity due to residential visitor accommodation development within the extent of the LSC Zone).

locations to successfully attract and support development of retail/commercial and/or commercial visitor accommodation activity was assessed in the Business Development Capacity Assessment 2017 (BDCA 2017) using a Multi Criteria Analysis (MCA).[32] The criteria considered important (in the local context) for encouraging development for each land use fall into two categories: characteristics that apply outside of the commercial zoning (but nearby) and characteristics that apply within the commercial zoning.

The Plan variation has a key influence on the characteristics of catchments around commercial zoning. M.E considers that the proposed intensification Options 1 and 2 will make a positive change to development suitability in the targeted centres/commercial nodes. Specifically, key criteria relevant to retail/commercial development include proximity to labour, exposure/profile, proximity to market and proximity to tourist accommodation. Increasing the density of residential development in land adjoining or near each of the commercial zones improves the potential for each of these criteria.[33] Proximity to labour is also a key criterion for commercial visitor accommodation development and encouraging more households to live in close proximity to centres provides a large, highly accessible labour force.

Intensifying residential capacity around commercial centres therefore creates a number of positive economic and social benefits for those centres and the businesses located in them. For example:

- The potential[34] for additional households within their walkable catchment increases demand for goods and services directed to those centres (without a necessarily corresponding increase in vehicle movements within the centre).
- Increased demand translates to increased foot traffic and vibrancy/vitality (enhanced social amenity).
- It increases the productivity of existing businesses and sustains net additional floorspace which will both reduce vacancies (where applicable)[35] and stimulate development of vacant sites (where applicable).

As business performance rises as a result of increased market demand around commercial centres, so does land and rental values for owners in those centres. Potential for increased returns facilitates capital investment in existing buildings (i.e. refurbishments and upgrades). This in turn improves the visual amenity of centres/commercial areas.

It also increases the commercial feasibility of redeveloping existing buildings that are underutilising the development potential of their sites (i.e. relative to plan enabled maximums). Redevelopment may allow the centres to sustain more business floorspace than the existing built environment (i.e. provide for new or larger businesses) which can increase the functional amenity of those centres. That is, a greater range of goods and services can be offered within the centre as a result of redevelopment. Alternatively, redevelopment may provide net additional capacity for new/more vertically-attached apartments on upper

[32] Suitability for industrial development was also assessed but is not discussed further here given the nature of the commercial zones that are the focus of the intensification options.

[33] Commercial Visitor Accommodation is a Restricted Discretionary Activity in the HDR Zone.

[34] The number of actual additional households will be driven by demand by dwelling type and location.

[35] Vacant tenancies in commercial zones have not been a significant issue in the district to date.

floors (discussed throughout this report), which in turn further adds to the demand, vibrancy and vitality of the centre.[36]

M.E considers that intensifying residential land use around the QTC and WTC will further support their role at the top of the centre hierarchy. Both town centres have some opportunities for infill development (vacant sites) and redevelopment. Options 1 and 2 enhance the likelihood of those opportunities being realised (compared with the status quo), while also improving social and functional amenity outcomes in the centres. This is particularly important given that both centres are subject to competition associated with retail development in Five Mile and Three Parks respectively. Intensification around the town centre zones helps with their resilience to supply changes across the centre network.

The proposed intensification around the BMU Zone (Reece Crescent) will support this business area, with some flow-on benefits for the WTC Zone which is still within walking distance. This BMU Zone has limited vacant land but considerable redevelopment potential. Options 1 and 2 enhance the likelihood of those opportunities being realised (compared with the status quo). It may also have the effect of changing the mix of businesses expected to locate in the zone in future to a minor degree. That is, it may take on more convenience retail and service activity, including hospitality, than might otherwise have been the case. The ability to serve a pseudo local centre/convenience role[37] for nearby resident households is enabled by the zone provisions[38] so no constraints are anticipated in terms of the BMU Zone being able to adjust to the opportunities provided by the residential intensification. Any such predicted changes in the future business mix are not expected to have material adverse effects on the WTC Zone as higher-order retail and service needs of those additional households supported in the proposed MDR Zone areas will still be directed to a combination of the WTC Zone and Three Parks in keeping with current shopping patterns.

Three Parks is an emerging town centre, that includes opportunities for large format retail. It also contains a large area of BMU Zone and a bespoke industrial, service and trade area (Three Parks Business Zone). Three Parks includes key community facilities (sporting and a school) and is adjacent to the General Industrial and Service Zone in Wanaka. Increasing the area of MDR Zone in close proximity to all of these commercial zones is considered an efficient use of the residential land resource. As with other intensification areas, it will increase the dwelling yield in this greenfield area in a typology that is considered feasible, and once developed will add to the vibrancy and vitality of the Three Parks BMU Zone and Commercial Zone. Residential upzoning also increases the size of the potential labour pool that is highly accessible to all of the commercial and industrial zones in this locality (with associated travel efficiencies).

The area around the Frankton LSC Zone has been proposed as a key node of residential intensification in Options 1 and 2, with upzoning for both HDR and MDR Zone. As discussed above, this is likely to significantly increase demand for convenience retail and service activity within the LSC Zone, and potentially could attract more core (weekly/comparison) retail[39] and office-based businesses than might otherwise be expected (or sustained in that location) under Baseline residential zoning.

The existing centre contains a mix of older development (largely on the south side of Frankton Road) and newer development (on the north side of the roundabout). The southern portions of the LSC Zone include

[36] See assumptions applied in the capacity model for mixed use zones in Appendix 4.

[37] In addition to a mixed business/employment role for the wider Upper Clutha catchment.

[38] I.e. through permitted, controlled and restricted discretionary conditions.

[39] Noting rule 15.4.7 applies.

vacant land and significant redevelopment potential. The proposed HDR and MDR Zone are likely to substantially increase the feasibility (suitability) of that infill development and redevelopment occurring in the future compared with the status quo.

The PDP also created new greenfield capacity east of the cemetery (Hansen Road) as part of the LSC Zone. The proposed residential intensification would provide relatively more investment certainty for the development of that site (with new businesses likely to be more sustainable through increased primary catchment household demand (in addition to pass-by traffic demand expected)). This is beneficial given that the site has a number of additional controls which constrain its development capacity relative to other land in the LSC Zone.[40]

If LSC zoning was to be retained in Frankton, M.E recommends that the rationale for some of those controls on the Hansen Road site, such as site coverage and retail/office caps, be re-visited to ensure that they are still appropriate in the context of the elevated role attributed to the centre by the proposed residential intensification.[41] We discuss the proposed change in zoning from LSC Zone to BMU Zone in Frankton further below.

The **Remarkables Park Special Zone** is a large employment area with considerable further development potential. The shopping centre is large and established on the western edge of the special zone. The special zone provides significant capacity for high density housing, with this all located to the east of the shopping centre. Plan variation options 1 and 2 include provision for more HDR Zone on the western side of the special zone, continuing down Robertson Street and up a portion of Douglas Street. They also provide MDR Zone immediately south of the shopping centre (within the special zone) and further to the west of Riverside Road and north of Robertson Road.

From an urban form perspective, this places the Remarkables Park shopping centre more in the middle of a node of higher density housing, rather than to the side of it. It improves accessibility on all sides of the shopping centre. This is considered to have positive economic and social effects on the shopping centre by increasing demand in the local catchment and generating more vibrancy and vitality in the centre than under the status quo. The Airport Zone and Lakes District Hospital (as employment nodes) are also likely to benefit from a larger potential workforce within easy reach of both employment areas. However, M.E has not considered the potential for increased reverse sensitivity risks for the Airport from intensifying housing within the Outer Control Boundary.

Last, we consider the anticipated positive effects of the proposed intensification near to the **BMU Zone (Frankton Marina)**. The BMUZ (Frankton Marina) may also experience increased demand as a result of intensification proposed east of the zone (Option 1), or east and north (Option 2). This is a relatively small business zone, with a mix of service activities and businesses associated with the marina. M.E does not anticipate that the changes in proposed residential zoning will be such that it stimulates material redevelopment of the BMU Zone,[42] but rather the local businesses may still experience some increased

[40] E.g. only 50% site coverage compared to 75% elsewhere in the zone (rule 15.5.1).

[41] It would be important to go back to the original assessment of the proposed zone extension.

[42] The topography of the land north of Frankton Road is estimated to limit the walkability of the area. If households are more inclined to use their vehicles, then more commercial areas become accessible which will spread any increased demand from this intensification area across a range of commercial zones, and not necessarily the BMU Zone (Frankton Marina) even though it is the closest.

productivity from a larger local customer base. M.E also considers it likely that the proposed intensification could have minor benefits for the commercial businesses located in the adjacent Marina (particularly food and beverage activities).

7.2.2 Benefits of proposed intensification provisions within Commercial Zones

The proposed intensification provisions also include **increases in maximum building height** in commercial zones. This includes increases in QTC Zone, parts of the WTC Zone, all LSC Zones, the BMU Zones in Wanaka and Three Parks and a minor adjustment in the BMU Zone (Frankton Marina). In most cases the Plan variation provides opportunity for one additional floor, or in some cases two additional floors. The additional 1.5m of height proposed in the BMU Zone (Frankton Marina) it not expected to change the number of floors that can be development but may help provide flexibility in building design, and it simplifies the PDP by using two height limits across BMU Zone locations (i.e., 16.5m and 20m).

M.E considers these maximum building height increases an appropriate and important response in conjunction with the proposed residential intensification of Options 1 and 2 for several reasons:

a) As discussed above, where surrounding catchments are intensified this creates more demand likely to be directed to those centres/mixed business areas (as the closest and therefore most convenient centre to access). Generating more demand and not increasing the capacity of the centres at the same time may lead to future supply constraints. Increasing the maximum building heights *potentially* creates additional business floorspace capacity that can allow the centres to expand (upwards) to respond to that demand growth.

   Care is needed though as increasing building heights will not have the benefit of increasing business floorspace capacity in all cases. Retail capacity is primarily limited to the ground floor, and in some cases, can be feasible on the first floor. Increasing building heights therefore rarely benefits retail capacity. Office and other commercial activities (including tourist accommodation) are feasible on ground and upper floors. Only in large centres would several floors of office space be sustained in a district such as QLD. The QLD economy is characterised by small to medium sized office-based businesses who would typically seek offices on a single floor (or only part of a single floor). Therefore, tenanting a multi-storey commercial office building is likely to require attracting several/many businesses which is more complex and can introduce a range of additional issues. Adding an additional floor (or two) may be utilised for additional office/commercial floorspace, or, based on assumptions modelled elsewhere in this report, may simply provide opportunities to include (or include more) residential apartments in mixed-use buildings. Appendix 4 provides a summary of the assumptions applied for this report (i.e., estimates of how different commercial zones will respond to changes in maximum building height with regard to floors used for business activity). We discuss this further with regard to potential costs of the plan variation below.

b) Increasing the maximum building height of centres/commercial nodes helps maintain the relativities of built form when residential heights adjacent to centres/nodes also increase. That is, is helps preserve a distance decay of building heights as you move from the centre (peak) to the centre fringe and through to the LDSR Zone.

c) Increasing the maximum building height can increase the feasibility of development/ redevelopment, especially when land values are high. As discussed in the HBA 2021, increasing building heights does add costs as construction methods change from 1-2 storeys to low rise and mid-rise typologies. However, above a certain number of floors, the cost increase is marginal and the feasibility increases. In the MCA carried out for the HBA 2021, centres that offer higher building heights were a key criterion for feasible hotel development. The proposed height increases would support this outcome in parts of the WTC and QTC Zones.

   Analysis in Section 5 of this report concludes that while the feasibility of vertically-attached apartments in commercial zones (i.e., mixed use buildings) is often relatively less feasible than low and medium density residential development, increasing the yield of apartments (through proposed changes in maximum building heights) increases feasibility compared to the Baseline planning provisions. Feasibility of mixed-use buildings (vertically-attached apartments) is also expected to increase over time in the district as demand grows and preferences change.

Another change proposed in the intensification options is to rezone the LSC Zone in Frankton to BMU Zone. A shift to BMU Zone (Frankton North) would have the effect of increasing the maximum building height from a current 10m (i.e., three storeys) to 20m (i.e. five storeys).[43] As discussed above, the LSC Zone in Frankton contains some vacant land (including but not limited to the Hansen Road site), and redevelopment potential focused south of Frankton Road. This is where the change to BMU Zone would likely be manifest in the medium-term.

Based solely on the height increase associated with the rezoning, BMU Zone would likely make any infill development and redevelopment in the existing centre area more feasible compared with the status quo LSC Zone. M.E is uncertain whether the rezoning would remove the constraints on the Hansen Road site or not. We have assumed for the purpose of this report that it might. This too would increase the feasibility of developing that site.

Activity changes associated with the change from LSC Zone to BMU Zone are less significant. They include more leniency on retail and office tenancy sizes as well as some comparison retail store types and visitor accommodation. Some service activities change from prohibited to non-complying. Daycare facilities become more stringently controlled (restricted discretionary rather than permitted activities). Overall, M.E considers that under BMU Zone, any new development or redevelopment could deliver a somewhat more diverse mix of activities compared to the status quo LSC Zone, and this may increase the functional amenity of the centre overall in the long-term.

It is relevant that there is already an extensive area of BMU Zone (Frankton North) adjacent to the LSC Zone and rezoning the LSC Zone will extend the area of BMU Zone development capacity. However, because much of the LSC Zone land is already developed, with some relatively new and intensive, M.E anticipates that the development around the Frankton Road roundabout will continue to have a different character to the rest of the BMU Zone (once it develops). We consider that it is likely that it will continue to function

[43] It has been assumed that in the absence of the rezoning to BMU Zone that the Frankton LSC Zone may also have a building height increase to 14m (indicatively up to 4 storeys).

more like a centre over the long-term than a mixed business area. The intensification proposed around the existing centre would further encourage that due to the opportunities to service the convenience retail and service needs of that immediate dense residential catchment (which will influence the activity mix likely to be supplied).

Overall, M.E considers that the change to BMU Zone in this location is likely to create a number of net additional benefits in terms of supporting further development in the centre, without compromising the ability of the locality to serve (retain) a centre role for the catchment community.

7.2.3 Costs of proposed intensification provisions

Does the residential intensification constrain the ability of the centres to expand horizontally in the future?

While Options 1 and 2 allow commercial zones to expand upwards (which may or may not effectively increase business floorspace capacity), some of the proposed residential intensification provisions potentially reduce the opportunity for selected commercial zones to expand outwards in the future (should that prove necessary to meet demand) compared to the status quo. This risk applies only to Three Parks, the BMU Zone (Reece Crescent) and the LSC Zone (Frankton) in our view.[44] In each instance, the provisions in Options 1 and 2 propose to upzone LDSR Zone on a commercial zone boundary to MDR or HDR Zone.

Expanding commercial zones into low density housing areas is never an easy proposition, but conceptually, it is easier than if the adjoining land is developed to medium or high density housing. As such, there is a potential opportunity cost to expand these three commercial areas in the future (i.e., a decrease in the relative ease of future expansion).

M.E has considered the business capacity sufficiency results from the Interim BDCA Update 2020 to test the significance of these potential opportunity costs.[45] While the BDCA did not consider the sufficiency of any particular centre or commercial zone location in isolation, the modelling indicated that there was (in aggregate) sufficient commercial and retail land enabled by the ODP, PDP and Spatial Plan to meet at least long-term demand for such land in the urban environment.[46] The surpluses of capacity were substantial for these land use categories. On that basis, M.E considers that the existing and planned zoning framework as a whole (including but not limited to the centre network) in the urban environment is adequately scaled to cater for projected long-term growth of retail and other commercial floorspace in urban areas.[47] Any potential opportunity costs for expanding Three Parks commercial zones, the BMU Zone (Reece Crescent) and the LSC Zone (Frankton) in the future is therefore estimated to be very minor.

[44] Upzoning (from LDSR Zone) around the QTC and WTC Zones is not on the commercial zone boundary (but expands the extent of higher density housing surrounding those centres). It is also estimated that greater potential lies in expanding the Remarkables Park Shopping Centre eastward (if needed in future) rather than westward or southward, and so the proposed upzoning of residential land does not cause any opportunity costs for that commercial centre in our view. The BMU Zone (Frankton Marina) is already constrained by Frankton Road and the marina.

[45] An updated BDCA is expected by mid-2023 as part of the updated HBA.

[46] Based on the more conservative Alternative Capacity scenario and calculated at the ward level.

[47] Any proposed expansions of commercial zoning in the future can still be considered on their merits.

7.2.4 Summary of Costs and Benefits for Commercial Zones

Options 1 and 2 maintain and further support the existing commercial zoning framework and have taken an integrated approach to providing opportunities for residential intensification around key commercial zones and, at the same time, providing opportunities for commercial centres to expand upwards to help manage future demand growth. Overall, M.E considers that these proposed intensification options and provisions – as they apply in and around commercial zones, will generate a number of social and economic benefits for commercial zones and no material economic and social costs.

It is noted that some intensification is proposed within the Queenstown Airport Outer Control Boundary (including but not limited to the LSC Zone in Frankton). The conclusions reached here (from the perspective of business demand and capacity) do not specifically account for any potential issues associated with the presence of the airport, and this is an area that may warrant further assessment.

7.3 Alternative Recommendations or Recommendations for Further Consideration?

There are two main aspects that we consider may warrant further consideration by QLDC. These include:

i. Further high density residential development provision surrounding WTC Zone.
ii. A removal of the proposed 150m^2 per unit density control in appropriate locations within the MDR Zone.

These aspects are discussed further below.

Higher Density Provision within Wanaka

The analysis has indicated that there may be constraints to higher density development within the WTC area in the long-term. The proposed provisions largely constrain high density development to occurring within the commercial town centre area (where proposed increases in maximum building height are only modest in the plan variation and business activities are estimated to compete strongly for capacity in new/redeveloped buildings), with some provision separately within the Three Parks area and BMU Zone area around Reece Crescent. This may result in a high level of redevelopment required within the town centre and BMU Zone (Reece Crescent) areas to meet the projected long-term demand if demand shifted toward more intensive forms of dwellings through time.

Based on this assessment, it may be appropriate to provide limited further opportunity for higher density development in residential areas immediately surrounding the WTC Zone area. This needs to be appropriately scaled and applied across a limited extent to ensure that higher density development within this location is likely to function together with and support the town centre.

While we note the provision for further higher density residential development within the BMU Zone areas is likely to contribute to meeting demand at the Wanaka total level, we consider that there are important differences in their contribution to growth at the localised level *within* Wanaka. Capacity within the BMU Zone areas is likely to support the viability and vitality of the WTC as a node to a lesser extent than higher density capacity within residential areas immediately adjacent to the WTC Zone. We therefore consider

that provision for higher density residential development within these town-centre-adjacent areas may provide appropriate opportunity for intensification to support the future role and function of the WTC.

Removal of Medium Density Residential Zone Density Control in Appropriate Locations

The feasibility modelling suggests that the removal of the 150m^2 per dwelling density control within the MDR Zone is likely to increase feasibility within this zone. We consider that the removal of this control in appropriate areas may warrant further consideration.

Increases in the feasibility of development within the MDR Zone may increase the level of concentration encouraged to occur around centres. If this density control is removed in Options 1 and 2, then this is likely to increase intensification around centres given the proposed location of the MDR Zone under these options.

We consider that it would be detrimental to remove this density control under Option 6 where the MDR Zone is applied across the entire suburban area (and note it is already removed within Option 5). This would increase the dispersal of more intensive growth, reducing the share occurring around centres as already discussed.

8 Concluding Remarks

QLDC has an important role in managing future urban growth across the district. It is important that adequate opportunity is provided for growth across a range of dwelling types in appropriate locations that encourage efficient patterns of urban form. The options proposed by QLDC are likely to generate different patterns of growth and corresponding economic effects.

A core factor for the district is to encourage patterns of growth that generate sustainable and efficient urban form. This occurs within the context of the district's spatial economic structure of nodes, corridors and other growth locations. Within this structure, there are key challenges and opportunities. These include infrastructure constraints, limiting growth within peripheral locations. There are also opportunities to support an efficient pattern of nodes (including centres) and growth areas across the district.

It is critical that an appropriate pattern of growth is achieved at both the broader level to support an efficient hierarchy and concentration within central areas of the district, as well as at the local level to support the intensification in and around centres. Positive urban form outcomes rely on achieving the appropriate distributions of growth at both of these spatial scales.

Planning plays an important role in establishing the parameters for this to occur. It encourages and enables different patterns of growth, providing opportunities for the market to deliver capacity. It is important that planning provides adequate opportunities for growth in appropriate locations.

QLD has existing baseline planning provisions that enable growth at different densities in a range of locations. There is some provision already for medium to higher density development within central areas, with lower density opportunities in suburban locations.

The intensification options proposed by QLDC predominantly add to the existing provisions by increasing development opportunities at different densities in a range of locations. There are important differences between the proposed options, meaning they are likely to encourage different patterns of growth.

This assessment has modelled the residential capacity enabled by the different proposed options and estimated which areas of this are likely to be feasible for commercial developers. It has then assessed these outputs in relation to the projected demand across different parts of the market as well as the alignment with infrastructure constraints and capacity across the district.

The analysis provides firstly an indication of the adequacy of the provisions to accommodate urban growth within the district. It also, crucially, examines how the growth patterns encouraged under each option are likely to contribute to urban form across the district. This is critical for understanding the potential economic effects of the proposed options.

The assessment has found that Options 1 and 2 are likely to encourage the concentration of growth into central parts of the district. This is likely to result in an efficient pattern of growth across the district's urban economic structure as it aligns with infrastructure capacity and supports the development of central nodes.

These Options (1 and 2) are also likely to encourage growth patterns that contribute positively to urban form at the localised level. This occurs through enabling intensification around centres and core areas of accessibility.

The level of opportunity provided by further enablement along corridors is also likely to support this centralised structure through an appropriate spatial extent and location of the proposed upzoning.

In contrast, Options 5 and 6 are less likely to encourage efficient patterns of growth across the district. These Options are likely to disperse growth into more peripheral locations, with correspondingly reduced shares within central areas. This does not align well with the patterns of infrastructure capacity and constraints within the district. A lower level of intensification into centres is also present at the local level under these Options.

The assessment has indicated a couple of areas for further potential consideration. Firstly, further long-term provision for higher density residential development across an appropriately scaled residential area surrounding the WTC. Secondly, the potential removal of the MDR Zone density control (150m^2 per dwelling) within appropriate locations under Options 1 and 2.

Appendix 1 – Demand Modelling Approach

This appendix provides further detail to the discussion contained in Section 2.1. The key stages of our demand modelling approach are set out in the sub-sections below.

Estimation of Baseline Market Demand

The *HBA M.E Queenstown Housing Demand and Affordability Model* converts the structure of underlying residential growth drivers into demand for different types of dwellings by location. These were presented for detached and attached dwellings by reporting area in the HBA 2021, largely as a function of the current and projected household demographic structure in each location.

The updated QLDC projections include a re-estimation of the existing base year household and dwelling structure. The Model has been recalibrated to reflect this updated base structure.

The first stage of the analysis provides a more detailed disaggregation of the structure of demand. It uses the modelling capability to produce estimates of baseline demand by the dwelling typologies outlined above. Specifically, it disaggregates attached dwellings into demand for higher density attached dwellings (e.g. apartments and higher density terraced housing) that are likely to occur in more central areas and key nodes of accessibility, and other attached housing (e.g. duplex pairs, terraced housing and single story attached units) that are likely to occur more broadly across the general suburban area.

Estimation of Future Market Demand from Household Structure

The next stage of modelling estimates the dwelling demand growth within each of the above typologies based on the projected changes in the structure of the household base through time and gradual changes in household preferences towards attached dwellings. Together these factors generate a baseline position of demand consistent with the patterns of dwellings by location within the HBA.

The model firstly captures any changes to the structure of demand that result from changes to the structure of the household base. The dwelling demand profile differs by household type, meaning that changes to the overall distribution of household types through time generate changes in the resulting patterns of dwelling demand. The model then applies a gradual rate of change to dwelling preferences toward attached dwellings. This reflects the observed trade-offs made by households within the existing market structure of dwelling supply gradually through time.

The *HBA M.E Queenstown Housing Demand and Affordability Model* was used to generate these baseline market demand structure through time across the updated QLDC dwelling projection series. The resulting baseline pattern of dwelling demand by type and location differs to the HBA 2021 as a result of the updated projections. Differences occur as a result of the overall total level of growth as well as the location of growth that occur directly from the projections. Locational differences in growth patterns also generate differences in the overall dwelling demand typology structure as a result of the differences in dwelling type patterns between areas.

The resulting projected demand by dwelling type and location forms the lower range estimate of demand preference shifts toward attached dwellings through time.

Analysis of Market Demand Substitution

This stage of the assessment analyses other market studies to gauge the levels of market demand substitution that may occur. M.E have undertaken a range of housing market assessments[48] in other urban economies across New Zealand that estimate how the patterns of housing demand differ between unconstrained household choices and then constrained choices[49] where households reveal the trade-offs they would make across different typologies and locations within budgetary constraints and market price points. They show the distribution of demand by dwelling typology within each of the unconstrained and constrained choice scenarios.

The relevant underlying data have been analysed from these studies to estimate the level of demand shift that occurs from one dwelling typology to another when choices are constrained. For example, it shows the share of detached dwelling demand that is likely to instead be met in attached dwellings within the existing market. These relative shifts have been analysed across different market sizes and market contexts. Patterns of dwelling consents by type and location have also been assessed within the building consent data to guide the modelled range.

A scenario of market substitution has been produced to apply to the QLD market taking into accounts its comparability to the markets used within the studies. This is then applied to the baseline demand structures in the previous stage of assessment to produce an upper range estimate of the market preference shift through time.

Application of Market Demand Substitution to the Queenstown Market

This assessment stage applies the estimated patterns of demand substitution to the QLD market to estimate how the future patterns of demand by dwelling typology that may be realised within the market. These have been estimated within the previous stage from the *Housing We'd Choose* studies that show the shift in dwelling type choices households make when they are constrained by budget.

Patterns of demand substitution are applied incrementally within QLD's urban area to reflect the rates of market churn through time of existing households and growth in new households. In doing this, the analysis only applies the demand substitution to households that are moving within the market, rather than the total household base.

In the short-term, the patterns of demand have been applied to 1% of the existing 2021 dwelling demand base, and just over one-fifth of the net demand increase. In the medium-term, these have been applied to 3% of the 2024 base and half of the net increase. In the long-term, these have been applied to 8% of the 2031 demand base and 80% of the net change in dwelling demand. The percentages take into account the average length of time households remain in a dwelling, the share of the market that may face constrained choices and the level of divergence required from the shift in established dwelling patterns within the market.

[48] These are the Housing We'd Choose studies, which have been undertaken by M.E in a range of urban economies across New Zealand. These follow a methodology established and tested by the Grattan Institute in Australia.

[49] Put simply, this compares the patterns of household preferences by dwelling type with the actual dwelling type choices that they are likely to make within the realities of the urban dwelling market.

Market substitution factors have been applied to minor shares of the existing household base to reflect a small level of household change through market churn[50], as well as only a share of the growth in the market base. Substitution conversions have not been applied to the whole share of the base that is likely to represent market churn, or the whole net increase in demand, as it reflects patterns of demand that respond to a combination of the existing dwelling demand supply structure and the potential future estate patterns of dwelling demand. The share of the market where substitution it applied increases gradually through time to reflect gradual increases in the relative proportion of the potential future estate through time.

Spatial Distribution of Dwelling Demand

The final stage of the demand assessment estimates the spatial distribution of dwelling demand by typology across different parts of QLD's urban environment.

The patterns of demand substitution have been calculated at the HBA 2021 reporting area scale (15 areas), then aggregated up into seven broader catchment areas. This has occurred through applying the rates of market substitution (outlined above) at the catchment level.

The catchment areas are summarised in relation to the HBA 2021 reporting areas and QLDC projections areas in Table 0-1. The final catchment areas reflect the broad spatial market areas within the QLD urban area.

It is important that demand is not spatially disaggregated further beyond this level, particularly within a smaller urban economy such as QLD. Within this lies an important distinction between the origin of demand and the location within which demand is met. Demand typically arises at a city or sub-city level where households are formed from demographic change within the existing base and the movement of households to the city generally. This demand is then met within a range of different locations within the urban area where households make location decisions across a number of different locations and types of locations within the market. The eventual location where demand is met is dependent upon the market supply and availability of choices within the market.

It is important that the assessment is able to compare the level of market demand arising at the city or sub-city level with a range of different options where demand can be met within these areas. A key focus is how the type of location corresponds with the level of market demand, taking into account the likely development patterns within these locations.

The output of this stage of analysis is the market demand by each of the dwelling typologies within each of the seven catchment areas. This is then compared in subsequent sections of the overall analysis to the level of capacity by type of location to accommodate this demand within each catchment to assess the adequacy of the proposed provisions.

[50] Generally, the average length of time a dwelling is occupied is around 7 years. This would result in a market churn of around 50% across 10 years, and 90% across 30 years.

Table 0-1: Alignment between Demand Catchment Areas, HBA Reporting Areas and Projection Areas

Demand Catchment Area	HBA Reporting Area	Projection Area
Arrowtown	Arrowtown	Arrowtown
Eastern/Frankton/Quail	Eastern Corridor	Ladies Mile
		Lake Hayes
		Lake Hayes Estate
		Shotover Country
	Frankton	Frankton
	Quail Rise	Quail Rise
Queenstown/Arthurs	Arthurs Point	Arthurs Point
	Queenstown Town Centre	Frankton Arm
		Queenstown Central
		Queenstown East
		Queenstown Hill
		Sunshine Bay-Fernhill
		Warren Park
Kelvin Heights/Southern Corridor	Kelvin Heights	Kelvin Heights
	Southern Corridor	Jacks Point
Wakatipu Small Township/Other	Outer Wakatipu	Glenorchy Other
		Millbrook
		Outer Wakatipu Other
		Wakatipu Basin Other
	Small Township - Wakatipu	Gibbston Valley
		Glenorchy Township
		Kingston
Wanaka/Hawea	Lake Hawea	Lake Hawea
	Wanaka Town Centre	Albert Town
		Wanaka Central
		Wanaka North
		Wanaka Waterfront
		Wanaka West
Wanaka Small Township/Other	Cardrona	Cardrona
	Luggate	Luggate
	Outer Wanaka	Hawea Flat
		Outer Wanaka
		Upper Clutha Valley Other

Appendix 2 – Changes in Capacity Modelling Since the HBA 2021

This sub-section summarises the key changes that have occurred since the QLD HBA 2021 capacity modelling. It should be read in conjunction with Section 3.

Changes to Base Zone Inputs

The modelling undertaken for the intensification plan variation uses an updated zoning file supplied by QLDC. The baseline zoning provisions apply the PDP Decisions Version zones. Our assessment of the updated zoning file identifies some zoning changes since the input zoning file used within the HBA 2021, as well as changes to the zoned extent of some parcels. Hence, the baseline capacity for this report is more current than the HBA 2021, and not directly comparable.

Updated Development Typologies

A process has been undertaken within the Model to reflect the more intensive patterns of development that are enabled by the intensification provisions in some locations. The model uses this process to estimate the size and composition of dwellings within each parcel.

The model firstly estimates the physical features of each potential dwelling on the formed parcels. It estimates the floorspace size and number of storeys of each dwelling, with the three different dwelling types (not additive) tested for each site. Significant re-calibration has been undertaken within the Model to reflect the development patterns enabled by the intensification provisions. This component of the HBA 2021 model is replaced with a new component that reflects the step-change in the nature of development under the intensification provisions. This is important because the relationships of dwelling size and type relative to site sizes are likely to be substantially different under the intensification provisions. This has implications for construction costs.

The model runs off a series of floor area ratio (FAR) curves that estimate the dwelling size that can be constructed on each site. These are established through assessing the dwelling sizes recently developed in higher density locations in other areas. They are also cross-checked against the three-dimensional parameters of the intensification provisions. This part of the model also estimates the number of storeys of each dwelling.

The outputs of this component of the model are the number of dwellings on each site, their floorspace size and storeys. This is calculated for each dwelling typology option (standalone dwellings vs. attached vs. terraced dwellings vs. apartments). These are not additive, but a maximum yield is identified for each parcel (as set out in Section 3.3.4) where the model selects the highest individual yield that can be constructed. These outputs form the inputs to the next stage of the model where the cost is calculated to construct each potential dwelling.

Construction Costs and Prices

In addition to the base level cost increases in construction since the HBA 2021, further cost increases have been applied within the model to reflect a shift in the average number of storeys per dwelling where per metre rates increase with the number of storeys. These have been applied at an individual level to reflect the estimated number of storeys of each dwelling. As such, there is a substantial per m^2 cost increase within the model from the HBA 2021 arising from a combination of base level shifts and changes in the nature of dwellings.

Sales Prices

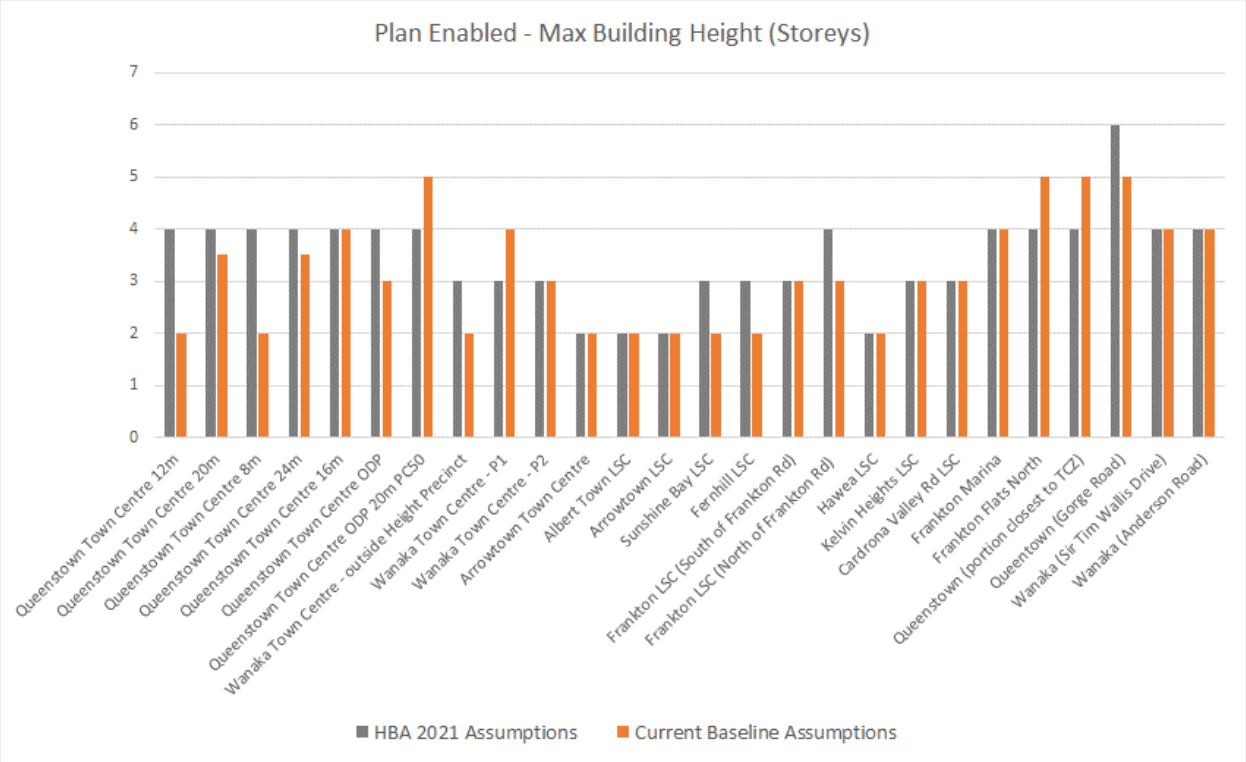
This component of the model has been updated significantly in some areas from the HBA 2021. Updates relate to the sales prices for higher density dwellings as well as the underlying spatial structure affecting prices.

Changes to Zone Provisions

There have been some changes in zone provisions to those applied within the HBA 2021. These have been agreed with QLDC prior to modelling. Key among these are:

- Application of (only) a $300m^2$ minimum site formation size within the LDSR Zone.
- Removal of a $115m^2$ per dwelling density limitation within the HDR Zone and allowing vertical apartment development to be controlled through height and three-dimensional provisions.
- Changes to the heights and assumed residential storey allocations within commercial zones that provide for vertically-attached residential development. This began with a refreshed approach to plan enabled maximum storeys in each commercial zone. The HBA 2021 assumptions around numbers of storeys was a legacy of the NPS-UDC assessment (HBA 2018) which did not require a reasonable expected to be realised capacity to be calculated. However, in agreement with Council at that time, we applied what was considered reasonably expected to be realised building heights rather than rely purely on plan enabled heights. This assumption was retained for consistency in the HBA 2021. However, for this Plan variation modelling, where changes in building heights are a key focus of planning options, we have reverted to a pure plan enabled approach to ensure that the model is sensitive to those changes. The changes made to baseline maximum building storeys since the HBA 2021 was published are summarised below. These changes in turn prompted a change to the number of floors estimated to be allocated to residential activity (on average) in each zone.[51]

[51] We have not shown those changes here for brevity, but the current assumptions can be derived from Appendix 4.



Technical Scope

The capacity modelling within Sections 4 and 5 does not include the capacity contained within Special Zones/Structure Plan areas. These were instead previously supplied separately by QLDC based on more certain developer plan/structure plan, etc yields.

Special Zone areas capacity is included within the final comparison of capacity with demand in Section 6, carrying over the results from the HBA 2021.

Initial Trigonometric Approach

The first key stage involves undertaking a trigonometric assessment of different parcel sizes to test the consistency of the proposed planning provisions within the HDR zone and the appropriateness of modelling parameters[52]. In summary, this approach determined the binding planning constraints for modelling plan-enabled capacity for apartments on parcels within the proposed HDR zone.

The next stage of the analysis builds off existing modelling capability developed for the HBA 2021[53]. In 2021, M.E developed a detailed parcel-level model for the HBA that calculated plan-enabled and commercially feasible residential capacity (measured in terms of net additional dwellings) on each property parcel. This model calculates capacity for lower to medium and higher density development across QLD's residential

[52] This process identified the total amount of floorspace that could occur within the three-dimensional building envelope determined by the height to boundary requirements for a range of different parcel sizes. For each potential storey, it determined whether the site cover or height to boundary requirements formed the applicable modelling parameter. The total floorspace was then divided into potential apartments, with the outdoor living space requirements being tested on the balance of the site.

[53] Application of the existing modelling capability ensures consistency with the HBA analysis in relation to the areas modelled and exclusions/constraints identified across the urban environment.

zones (as applicable) as well as higher density, vertically-attached apartments in the commercial zones though a sub-component within the model.

The following are the key changes and updates that were applied to the HBA 2021 model for this assessment:

- Parcel level input files were updated to reflect the proposed zoning within the four options mapped above.
- The vertical development sub-component within the model was expanded to include vertically-attached apartment buildings within the HDR zone.
- The provisions within the proposed commercial zones were mapped to the existing modelling assumptions within commercial zones based on their spatial alignment.
- Additional stages were included within the general suburban residential component of the model to first form residential lots based on the base zone subdivision requirements, then develop up to three dwellings on each lot as applicable to the options.
- The model was expanded to enable additional dwelling typologies to occur within each zone to reflect the higher density development patterns enabled under the provisions.

Modelling parameters were then developed to reflect minimum land areas required to accommodate the different dwelling typologies within each site. These assumptions were verified by QLDC.

Appendix 3 – Relaxing MDR Zone Minimum Lot Sizes (Options 1 & 2)

Plan Enabled Capacity – Option 1

Zone	INFILL					REDEVELOPMENT						GREENFIELD[3]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
High Density Residential	400	600	900	3,500	3,500	1,400	2,300	3,700	15,100	15,100	15,200	500	700	1,000	3,500	3,500	18,600
HDR Subzone A	-	-	10	20	20	40	70	100	400	400	400	-	-	-	-	-	400
HDR Subzone B	60	90	100	500	500	300	400	800	3,100	3,100	3,100	70	100	100	500	500	3,600
Medium Density Residential	2,100	2,900	4,300	-	4,300	5,800	8,600	14,400	-	14,400	14,400	500	500	1,000	-	1,000	15,300
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	5,400	5,400	-	-	5,400	16,700	16,700	-	-	16,700	16,700	8,800	8,800	-	-	8,800	25,500
Arrowtown Residential Historic Management	10	20	-	-	20	30	70	-	-	70	70	-	-	-	-	-	80
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	100	100	-	-	-	1,000	1,000	1,000	-	-	-	-	-	1,000
Wanaka Town Centre	-	-	-	200	200	-	-	-	500	500	600	-	-	-	-	-	600
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	100	100	-	-	-	300	300	300	-	-	-	300	300	500
Business Mixed Use	-	-	-	1,300	1,300	-	-	-	4,000	4,000	4,000	-	-	-	2,400	2,400	6,400
TOTAL	**8,400**	**9,000**	**5,400**	**5,800**	**16,000**	**25,400**	**28,100**	**18,900**	**24,400**	**56,700**	**56,800**	**10,500**	**10,100**	**2,100**	**6,600**	**17,100**	**73,900**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

[2] Dwellings enabled under a Comprehensive Development Plan (CDP).

[3] Greenfield capacity does not include dwellings within Special Zones, which are reported separately largely based on structure planning or other developer information.

Plan Enabled Capacity – Option 2

Zone	INFILL					REDEVELOPMENT						GREENFIELD[3]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
High Density Residential	800	1,200	1,800	6,400	6,400	2,000	3,200	5,200	21,000	21,000	21,000	500	700	1,000	3,500	3,500	24,500
HDR Subzone A	-	-	10	20	20	40	70	100	400	400	400	-	-	-	-	-	400
HDR Subzone B	60	90	100	500	500	300	400	800	3,100	3,100	3,100	70	100	100	500	500	3,600
Medium Density Residential	2,000	2,700	4,100	-	4,100	5,900	8,800	14,900	-	14,900	14,900	600	600	1,200	-	1,200	16,000
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	5,200	5,200	-	-	5,200	16,300	16,300	-	-	16,300	16,300	8,700	8,700	-	-	8,700	25,000
Arrowtown Residential Historic Management	10	20	-	-	20	30	70	-	-	70	70	-	-	-	-	-	80
Settlements	70	-	-	-	70	400	-	-	-	400	400	300	-	-	-	300	700
Large Lot Residential A	400	-	-	-	400	800	-	-	-	800	800	400	-	-	-	400	1,100
Large Lot Residential B	40	-	-	-	40	60	-	-	-	60	60	-	-	-	-	-	60
Queenstown Town Centre	-	-	-	100	100	-	-	-	1,000	1,000	1,000	-	-	-	-	-	1,000
Wanaka Town Centre	-	-	-	200	200	-	-	-	500	500	600	-	-	-	-	-	600
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	100	100	-	-	-	300	300	300	-	-	-	300	300	500
Business Mixed Use	-	-	-	1,300	1,300	-	-	-	4,000	4,000	4,000	-	-	-	2,400	2,400	6,400
TOTAL	**8,600**	**9,200**	**6,000**	**8,700**	**18,500**	**25,700**	**28,900**	**20,900**	**30,300**	**62,700**	**62,800**	**10,600**	**10,200**	**2,300**	**6,600**	**17,200**	**80,000**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

[2] Dwellings enabled under a Comprehensive Development Plan (CDP).

[3] Greenfield capacity does not include dwellings within Special Zones, which are reported separately largely based on structure planning or other developer information.

Commercially Feasible Capacity – Option 1

Zone	INFILL					REDEVELOPMENT					Max Infill or Redevelopment	GREENFIELD[3]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment		Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
High Density Residential	400	600	900	3,100	3,200	700	1,400	2,800	3,800	5,800	7,500	70	100	600	-	600	8,100
HDR Subzone A	-	-	10	20	20	20	50	100	30	100	100	-	-	-	-	-	100
HDR Subzone B	60	90	100	500	500	200	300	600	1,900	2,100	2,300	70	100	100	500	500	2,800
Medium Density Residential	2,000	2,800	4,300	-	4,300	4,800	7,300	13,600	-	13,600	13,700	400	300	900	-	900	14,600
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	4,900	4,500	-	-	4,900	11,400	9,400	-	-	11,400	11,800	8,700	7,500	-	-	8,700	20,500
Arrowtown Residential Historic Management	-	10	-	-	10	-	10	-	-	10	20	-	-	-	-	-	20
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	100	100	-	-	-	600	600	600	-	-	-	-	-	600
Wanaka Town Centre	-	-	-	40	40	-	-	-	40	40	80	-	-	-	-	-	80
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**7,700**	**8,100**	**5,400**	**3,700**	**13,300**	**17,600**	**18,500**	**17,100**	**6,400**	**34,100**	**36,500**	**9,400**	**8,000**	**1,600**	**500**	**10,900**	**47,400**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

[2] Dwellings enabled under a Comprehensive Development Plan (CDP).

[3] Greenfield capacity does not include dwellings within Special Zones, which are reported separately largely based on structure planning or other developer information.

Commercially Feasible Capacity – Option 2

Zone	INFILL					REDEVELOPMENT						GREENFIELD[3]					Greenfield Max and Infill or Redevelopment
	Detached	Attached[1]	Terraced	Vertical Apartments	Max Infill	Detached	Attached[1]	Terraced	Vertical Apartments	Max Redevelopment	Max Infill or Redevelopment	Detached	Attached[1]	Terraced	Vertical Apartments	Max Greenfield	
High Density Residential	800	1,200	1,800	5,100	5,400	1,300	2,300	4,300	7,700	10,300	12,100	70	100	600	-	600	12,700
HDR Subzone A	-	-	10	20	20	20	50	100	30	100	100	-	-	-	-	-	100
HDR Subzone B	60	90	100	500	500	200	300	600	1,900	2,100	2,300	70	100	100	500	500	2,800
Medium Density Residential	1,900	2,600	4,100	-	4,100	4,700	7,100	13,800	-	13,800	13,800	500	400	1,100	-	1,100	14,900
Medium Density Residential-Arrowtown	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Density Suburban Residential	4,700	4,400	-	-	4,700	11,200	9,300	-	-	11,200	11,500	8,700	7,500	-	-	8,700	20,200
Arrowtown Residential Historic Management	-	10	-	-	10	-	10	-	-	10	20	-	-	-	-	-	20
Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Lot Residential A	300	-	-	-	300	500	-	-	-	500	500	100	-	-	-	100	600
Large Lot Residential B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queenstown Town Centre	-	-	-	100	100	-	-	-	600	600	600	-	-	-	-	-	600
Wanaka Town Centre	-	-	-	40	40	-	-	-	40	40	80	-	-	-	-	-	80
Arrowtown Town Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Shopping Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Mixed Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**7,800**	**8,300**	**6,000**	**5,700**	**15,200**	**17,800**	**19,000**	**18,800**	**10,300**	**38,500**	**41,000**	**9,400**	**8,100**	**1,800**	**500**	**11,000**	**52,100**

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

Notes:

[1] Dwellings within this category are horizontally attached and occur at low to medium densities, dependant upon the zone. They range from single-level pairs of attached units up to terraced housing. Terraced housing has also been provided as a category to demonstrate either the upper end of the horizontally-attached typologies, or more intensive terraced housing if enabled under the zone.

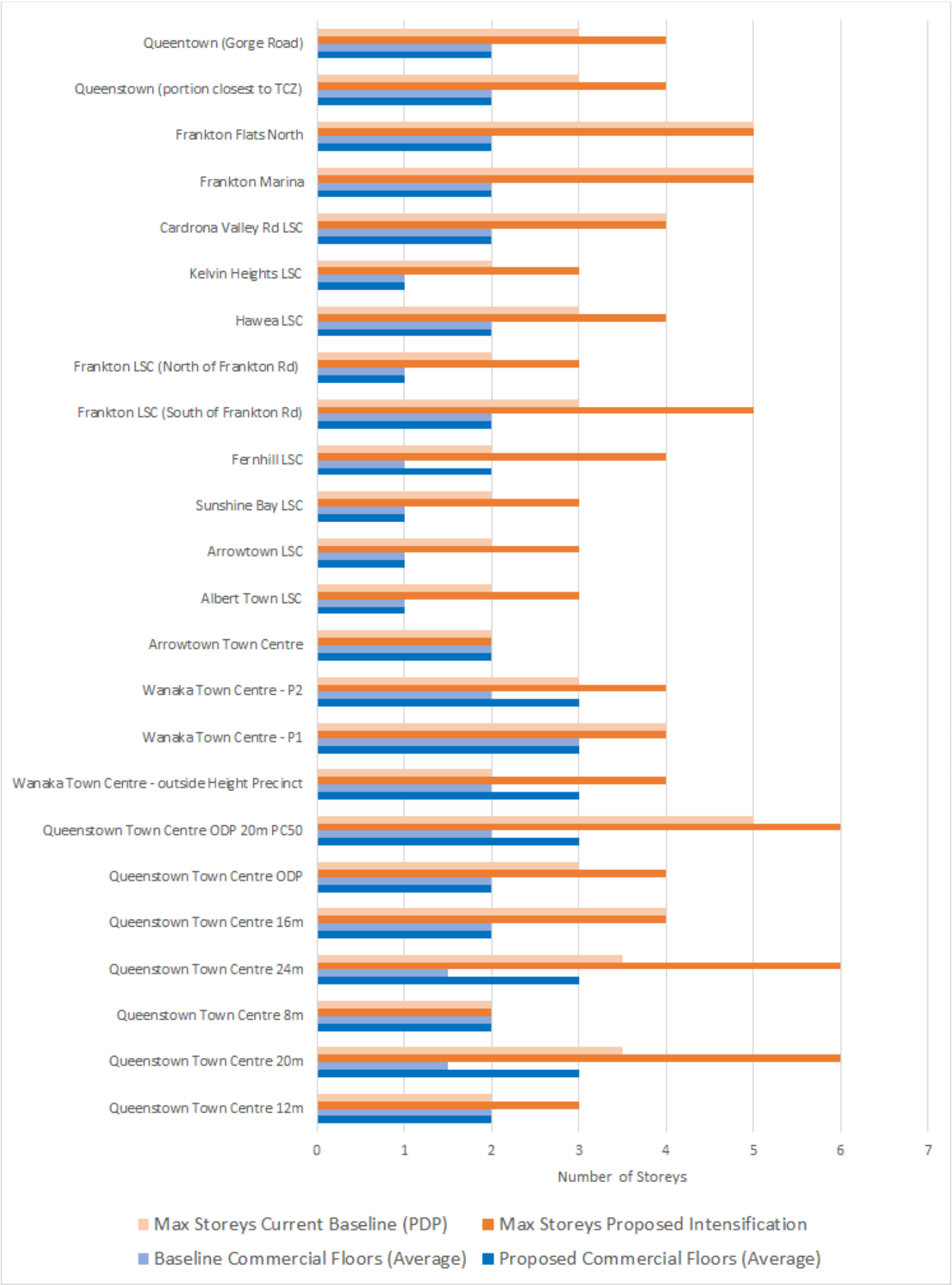
lings enabled under a Comprehensive Development Plan (CDP).

nfield capacity does not include dwellings within Special Zones, which are reported separately largely based on structure planning or other developer information.

Appendix 4 – Business Take-up Assumptions in Commercial Zones

The following table provides a summary of maximum number of plan enabled storeys applied in the capacity modelling under the Baseline (PDP) scenario and proposed Plan variation options for commercial and mixed-use zones in the district. This is based on conversion of maximum building heights (meters) to number of storeys (inclusive of the ground floor). In addition, it shows the assumptions adopted on how many of the plan enabled storeys would, on average, be taken up by business activities (which includes commercial visitor accommodation). By default, the remaining storeys are assumed to be taken up by residential activity (i.e., vertically-attached apartments).

We note (**), that in the Frankton LSC Zone, the change in height reflects a change to BMU Zone in the plan variation. All assumptions have been agreed in consultation with Council. While not shown in the table, in any one zone, the maximum number of storeys may be lower than shown depending on the size of the parcel being modelled in the zone once recession planes/set-backs, height in relation to boundary geometries are applied. The numbers in the table therefore represent the upper limit that can be applied. Refer Appendix 2 for any changes in the maximum plan enabled storeys adopted in the Baseline (PDP) scenario for this report relative to equivalent assumptions applied in the earlier HBA 2021 for those same zones.


Queentown (Gorge Road)
Queenstown (portion closest to TCZ)
Frankton Flats North
Frankton Marina
Cardrona Valley Rd LSC
Kelvin Heights LSC
Hawea LSC
Frankton LSC (North of Frankton Rd)
Frankton LSC (South of Frankton Rd)
Fernhill LSC
Sunshine Bay LSC
Arrowtown LSC
Albert Town LSC
Arrowtown Town Centre
Wanaka Town Centre - P2
Wanaka Town Centre - P1
Wanaka Town Centre - outside Height Precinct
Queenstown Town Centre ODP 20m PC50
Queenstown Town Centre ODP
Queenstown Town Centre 16m
Queenstown Town Centre 24m
Queenstown Town Centre 8m
Queenstown Town Centre 20m
Queenstown Town Centre 12m
0
1
2
3
4
5
6
7
Number of Storeys
Max Storeys Current Baseline (PDP)
Max Storeys Proposed Intensification
Baseline Commercial Floors (Average)
Proposed Commercial Floors (Average)

Appendix 5 – Existing Capacity Cluster Analysis

Memo

To: Elias Matthee, Senior Policy Planner, Queenstown Lakes District Council

From: Euan Forsyth, GIS Analyst, Natalie Hampson, Director

Date: 21 June 2022

Re: Stage 1 – Concentrations of Existing Infill and Redevelopment Capacity

1. Introduction

The purpose of this memo is to demonstrate parcel-level dwelling capacity (outside of special zones) as assessed in the HBA 2021. This is followed by an analysis of how that parcel-level capacity translates into statistically significant clusters of dwelling capacity in existing urban areas. This memo covers (where not covered in the HBA report) the approach, assumptions, limitations and findings of the capacity and cluster analysis, with results shown in map form. It is understood that this information may be used to help inform the development of options for further intensification of the existing urban area, to give effect to Policy 5 of the NPS-UD.

2. Mapping of Existing HBA Capacity

This section drills down into the detail of M.E's QLD Capacity Model to pull out results of infill and redevelopment capacity at a parcel-level. Mapping this existing Excel-based data shows where capacity (excluding estimated capacity in special zones) is concentrated on the ground (noting that final capacity had not previously been mapped at the parcel-level and was only reported by broad location in the HBA 2021 and by zone and location for internal Council use).

Prior to this memo, M.E has supplied all the relevant HBA parcel-level capacity data to Council in the form of GIS shape files. In the full data set provided, infill capacity shows the number of additional dwellings that can be added on existing lots under operative and PDP zoning without removal of existing dwellings. Redevelopment capacity shows the number of net additional dwellings that can be added on existing lots (with no change in lot boundaries) if developed to the plan maximums. Note, this is not the total dwellings that could be on each parcel, just the net increase over and above the existing dwelling count on that parcel.

The layers provided in the shape files can be set up to display combinations of the following for either Plan Enabled capacity or Commercially Feasible capacity over the short, medium or long term:

- Infill standalone
- Infill duplex
- Infill apartments
- Infill Max

- Redevelopment standalone
- Redevelopment duplex
- Redevelopment apartments
- Redevelopment max
- Infill and Redevelopment max
- Greenfield standalone
- Greenfield duplex
- Greenfield apartments
- Greenfield Max

It was recommended to Council, and adopted for the purpose of this memo, that the count of additional dwellings on each parcel be displayed using a colour ramp approach with meaningful thresholds (e.g. 1, 2, 3-5, 5-10, 10-20, 20+ additional dwellings). This creates a 'heat map' style output where concentrations of parcels with infill and/or redevelopment capacity can be identified. Contrasting the maps for Plan Enabled capacity and Commercially Feasible capacity in each location provides further insight on locations where development is most likely to be realised under current planning provisions (because it would be commercially profitable to pursue).

The benefit of this analysis is that it identifies the overlap between where capacity is currently, and where up-zoning might be considered. This provides an early indication of the potential net increase in capacity associated with future intensification options. I.e. if there is still considerable capacity outside of the prospective up-zoning (accessible) areas then the greater the net increase in overall capacity generated by the Intensification Plan variation will be. Conversely, if a lot of the existing capacity falls within the areas of proposed intensification, then the net increase in overall capacity under the Intensification Plan variation will be relatively less as it will 'replace' capacity that was reported in the HBA under current zoning.

Understanding where infill and redevelopment capacity currently exists (under current zoning) also helps inform the development of intensification options, particularly changes that may be more effective in delivering more supply because they include multiple sites with infill or redevelopment potential already. This may contribute to some 'easy wins' or signal 'early adopters'. Or alternatively, it helps guide where intensification is not needed as current zoning is already anticipated to deliver feasible supply increases.

Relevant Considerations, Assumptions and Limitations of Parcel-Level Capacity Results

The methodology, data and assumptions used to develop the parcel-level capacity estimates have been explained in detail in the Council's HBA 2021 report (including Technical Report). Further detail on estimating infill capacity was also set out in the HBA 2017 published in 2018. It is not the intention to repeat that here. However, there are some important considerations associated with making the parcel-level capacity data available.

1. The data was a snap-shot of capacity as at 2020 and based on parcel boundaries at the end of 2017. Dwellings built between 2017 and 2020 were taken into consideration by excluding any infill or redevelopment capacity on those lots, even if the 2020 lot boundaries are not shown.

2. Changes in capacity in the short, medium and long term took account of zone changes (including indicative long-term zoning in identified greenfield growth areas), but these were applied to the situation on the ground as at June 2020.

3. Given that we are now mid-way through 2022, there has been dwelling growth (and further subdivision) that is likely to have taken up some[54] of the capacity identified in 2020. In other words, some of the capacity shown in the data is no-longer available (it has been 'consumed'). It may or may not have been consumed in a manner estimated by the capacity analysis. Understanding that up-take of 2020 capacity is a matter for council monitoring and is outside of the scope of this memo.

4. The key risk of revealing parcel-level data is that findings for individual parcels can be easily disputed (including by the property owner). It is therefore recommended that this data be used for internal Council/plan variation purposes only. The estimates of capacity on any single parcel are the result of a number of assumptions applied through desk-top modelling. There may be some anomalies where parcels should have been excluded from the capacity analysis (the list of spatial constraints was not exhaustive). The parcel-level results have not been ground-truthed. The modelling lends itself best to aggregated results where the margins of error can be averaged out. This is how the data was used in the HBA. M.E highly recommend that with any parcel-level mapping of the capacity results, that users focus on the broad patterns, and do not scrutinise individual parcels too closely.

[54] There may have been some net additional dwelling growth occurring on lots not identified by M.E as providing infill or redevelopment capacity in 2020.

Results – Parcel Level Heat Maps

While Council can generate its own maps from the parcel-level capacity data supplied, the following is a series of maps focussed on the following parameters (which are a key focus of the HBA results and discussion):

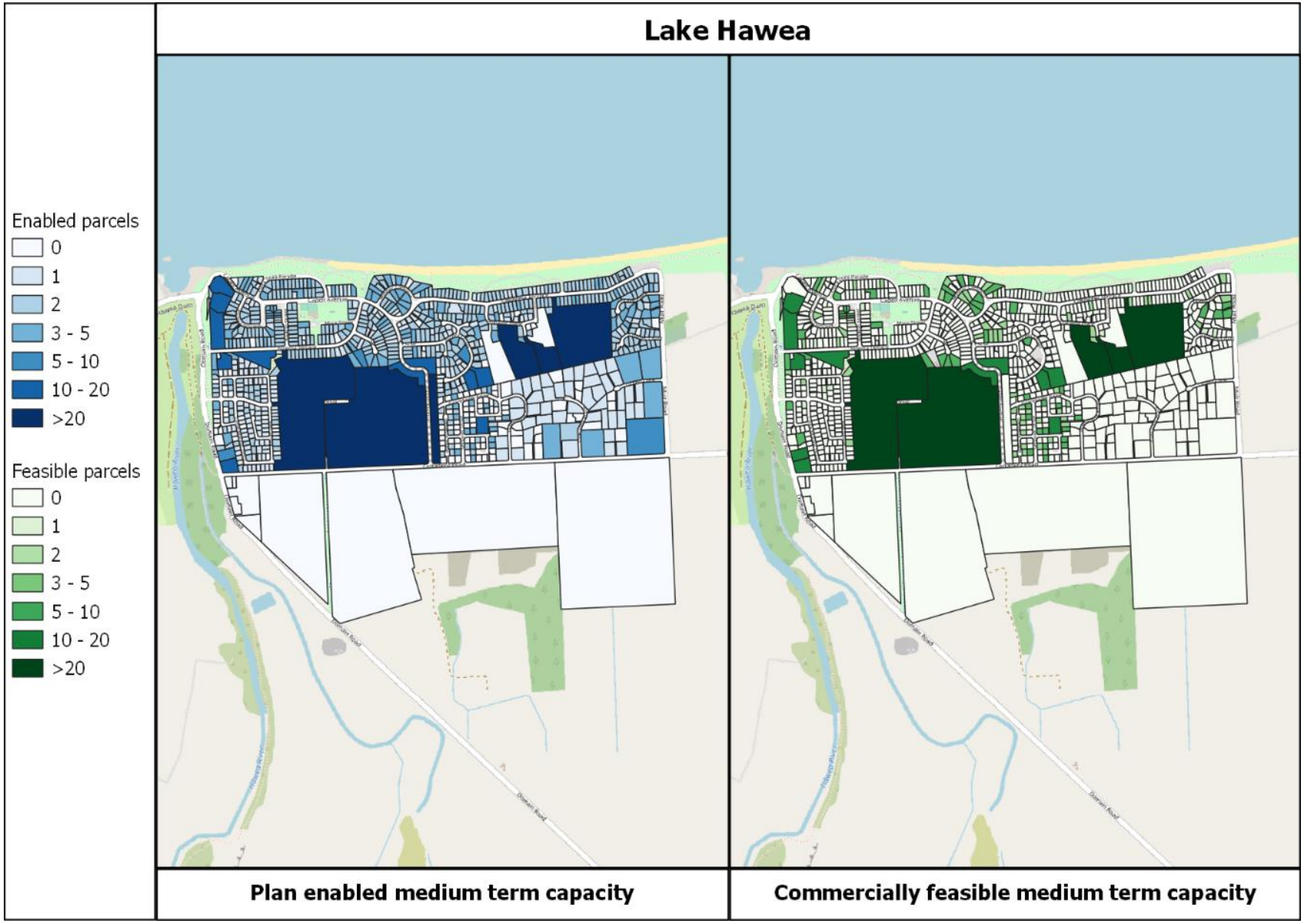
- Medium term (2020 base)
- Maximum greenfield capacity (excluding greenfield in special zones), plus
- Maximum of infill or redevelopment capacity.

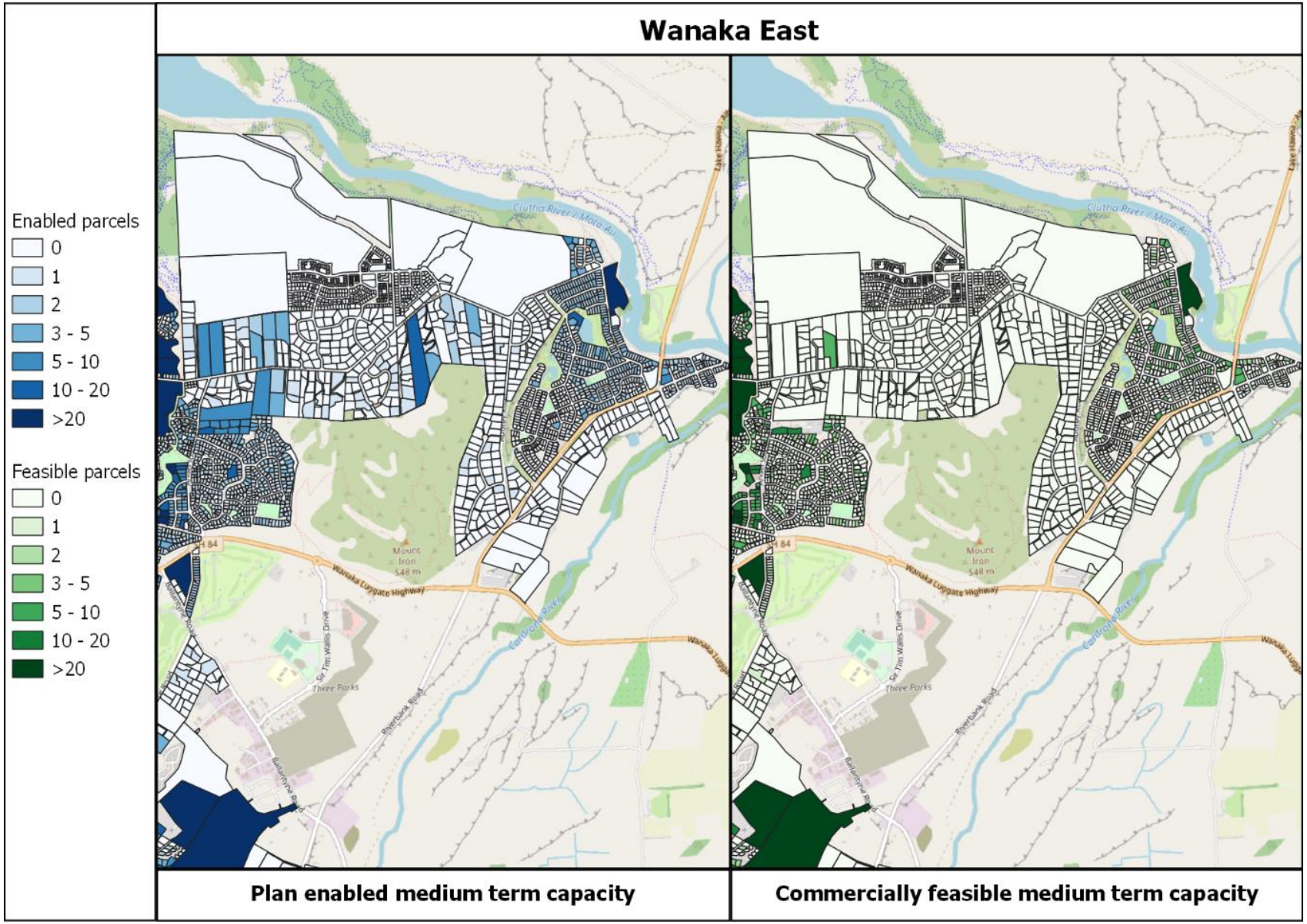
These parameters apply to mutually exclusive parcels, and so can be shown simultaneously and added together to give/show total capacity. The maps below show Plan Enabled capacity on the left and Commercial Feasible capacity on the right for each map extent. In the medium term (i.e. 2030), commercial feasibility is based on 2020 costs and prices and is therefore likely to be conservative (assuming that prices continue rise faster than costs). The maps show that not all Plan Enabled housing development is commercially feasible to develop under the modelling assumptions. Importantly though, not all infill development is motivated by commercial feasibility considerations (i.e. yielding a 20% profit). It may still be feasible (at a lower margin) for the property owner to build and then subdivide, or subdivide and sell. Such opportunities are captured in the Plan Enabled maps but the development outcomes may not be shown in the Commercially Feasible maps.

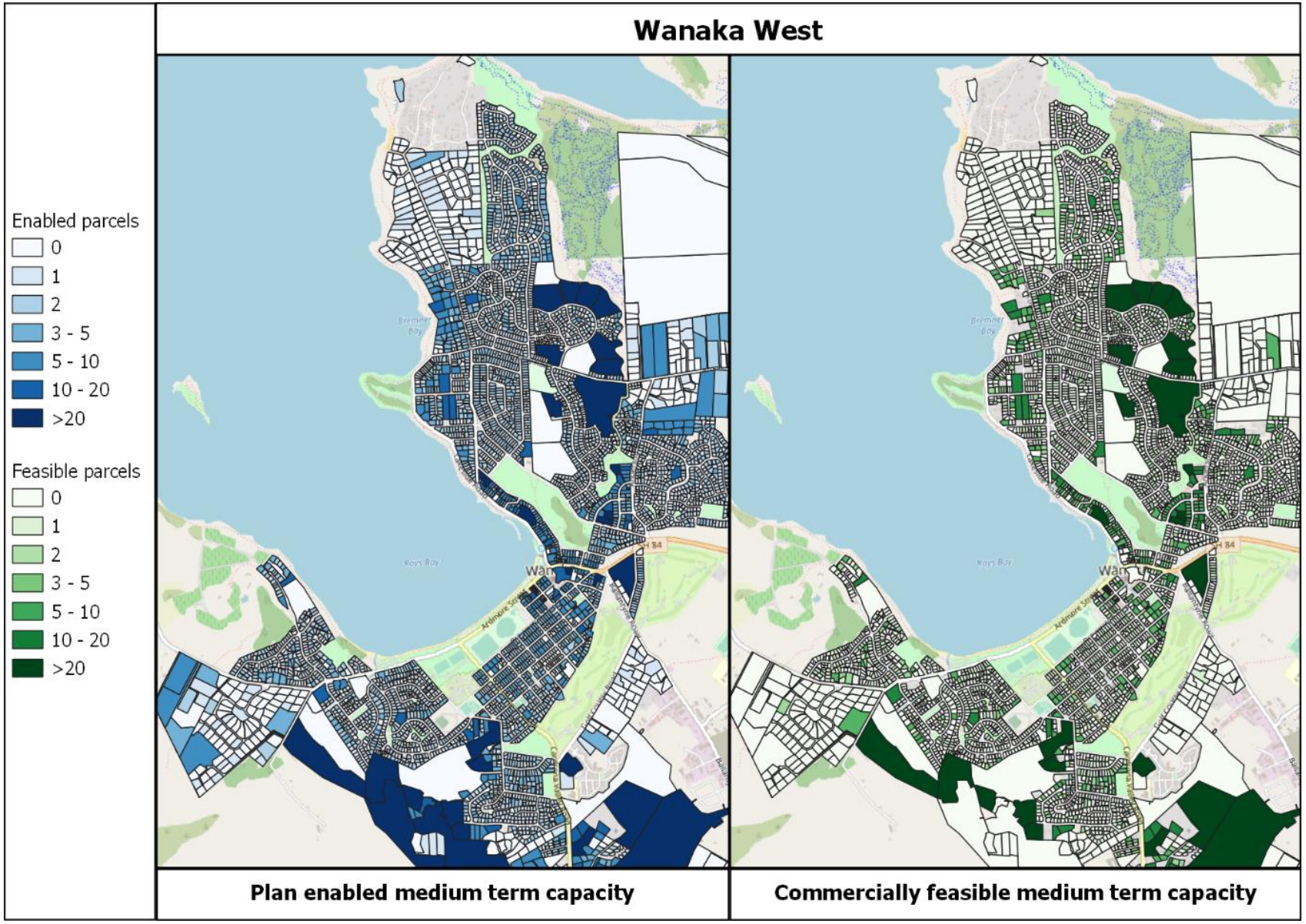
Without going into specific details of where medium term dwelling capacity occurs 'on-the ground' in the following maps (the HBA report provides commentary on capacity by location), some key observations can be made:

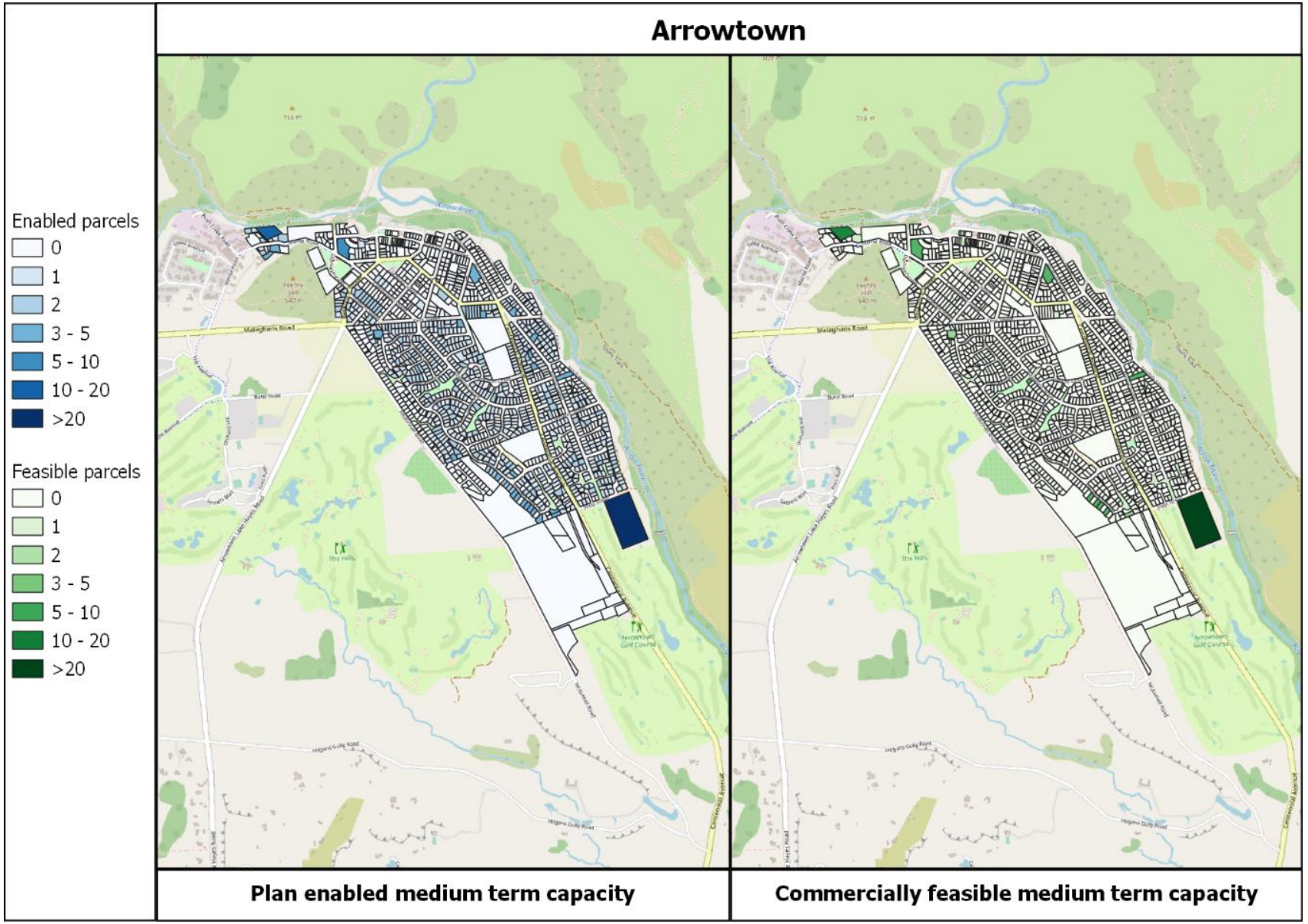
- where there is quite widespread Plan Enabled capacity across existing residential areas, the maps reveal that either the land developer chose not to subdivide to the minimum plan densities at the time, or, the PDP has subsequently increased the plan enabled density – creating new opportunities for intensification. The latter is evident in Hawea and old Albert Town for example, where the PDP zoning reduced the minimum lot size.
- Large greenfield land parcels are generally always commercially feasible to develop.
- Large lot residential zone areas rarely meet the commercially feasible test due to the high land cost relative to one standalone dwelling yield (but are still likely to be taken up by individuals looking to live on such properties).
- High density zone areas consistently show extensive plan enabled and commercially feasible capacity as at 2020 (and according to medium term zoning provisions). This is because recent developments have often not developed to the plan maximums or there are still a large number of older sites that have yet to undergo any form of redevelopment at a higher intensity.
- Business Mixed Use zone areas that were previously Business Zones under the operative plan consistently show plan enabled and commercially feasible capacity as at 2020 (and according to medium term zoning provisions). This is because the rezoning enabled residential development (to several storeys) in what was otherwise relatively low-intensity commercial and service development. As such, nearly all sites qualify for more intensive redevelopment and the multi-storey yields contribute to feasibility.

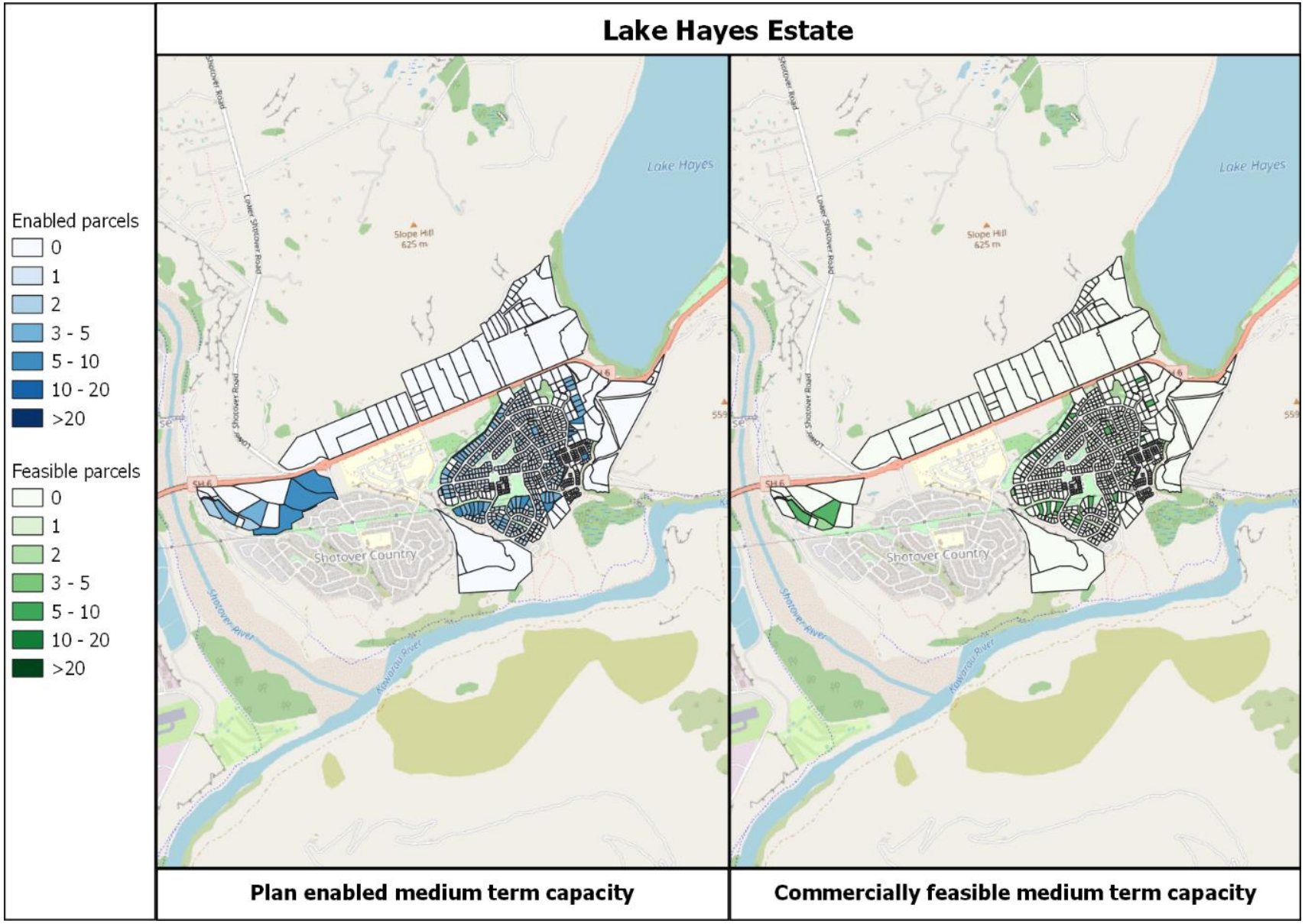
- In the same way that the recent PDP zone changes (up-zoning) have created net additional dwelling capacity in existing urban areas, the upcoming Intensification Plan variation will have the same effect.

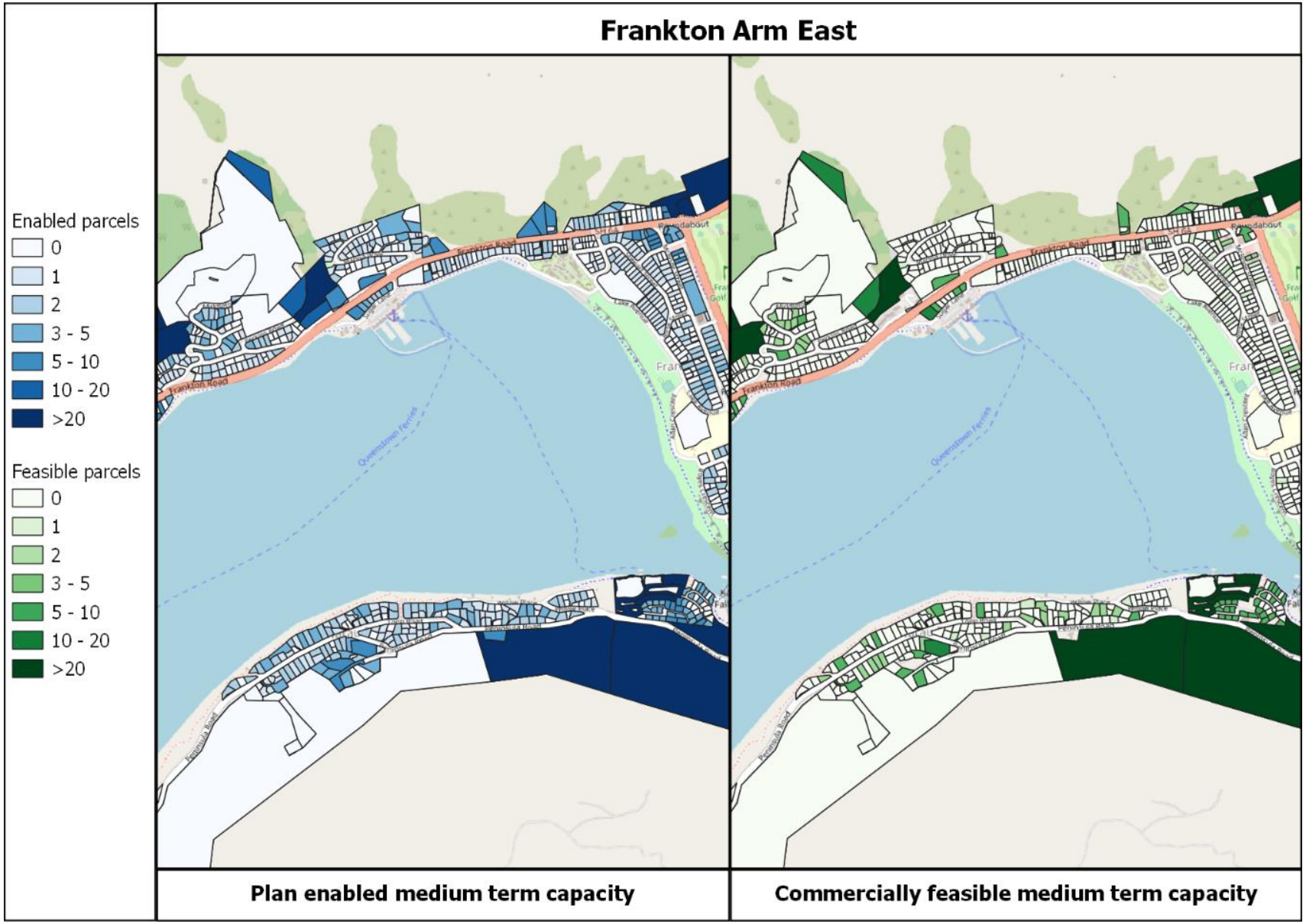

Lake Hawea
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity


Wanaka East
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Clutha River / Mata-Au
Mount Iron 548 m
Wanaka Luggate Highway
Cardrona River
Sir Tim Wallis Drive
Three Parks
Riverbank Road
Ballantyne Road
Plan enabled medium term capacity
Commercially feasible medium term capacity


Wanaka West
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity


Arrowtown
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity


Lake Hayes Estate
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Lake Hayes
Slope Hill
625 m
Lower Shotover Road
Shotover Country
Shotover River
Kawarau River
Plan enabled medium term capacity
Commercially feasible medium term capacity


Frankton Arm East
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
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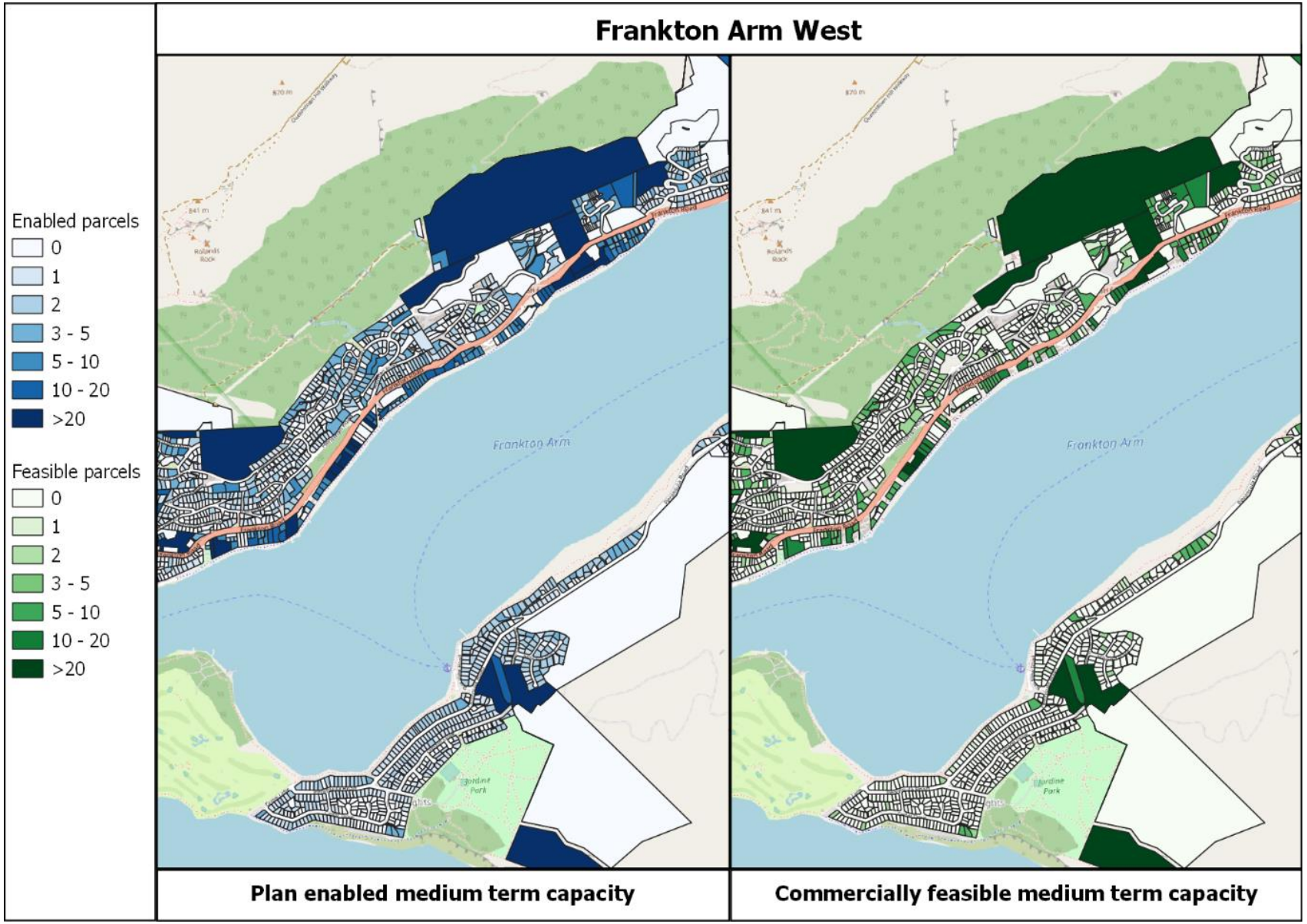
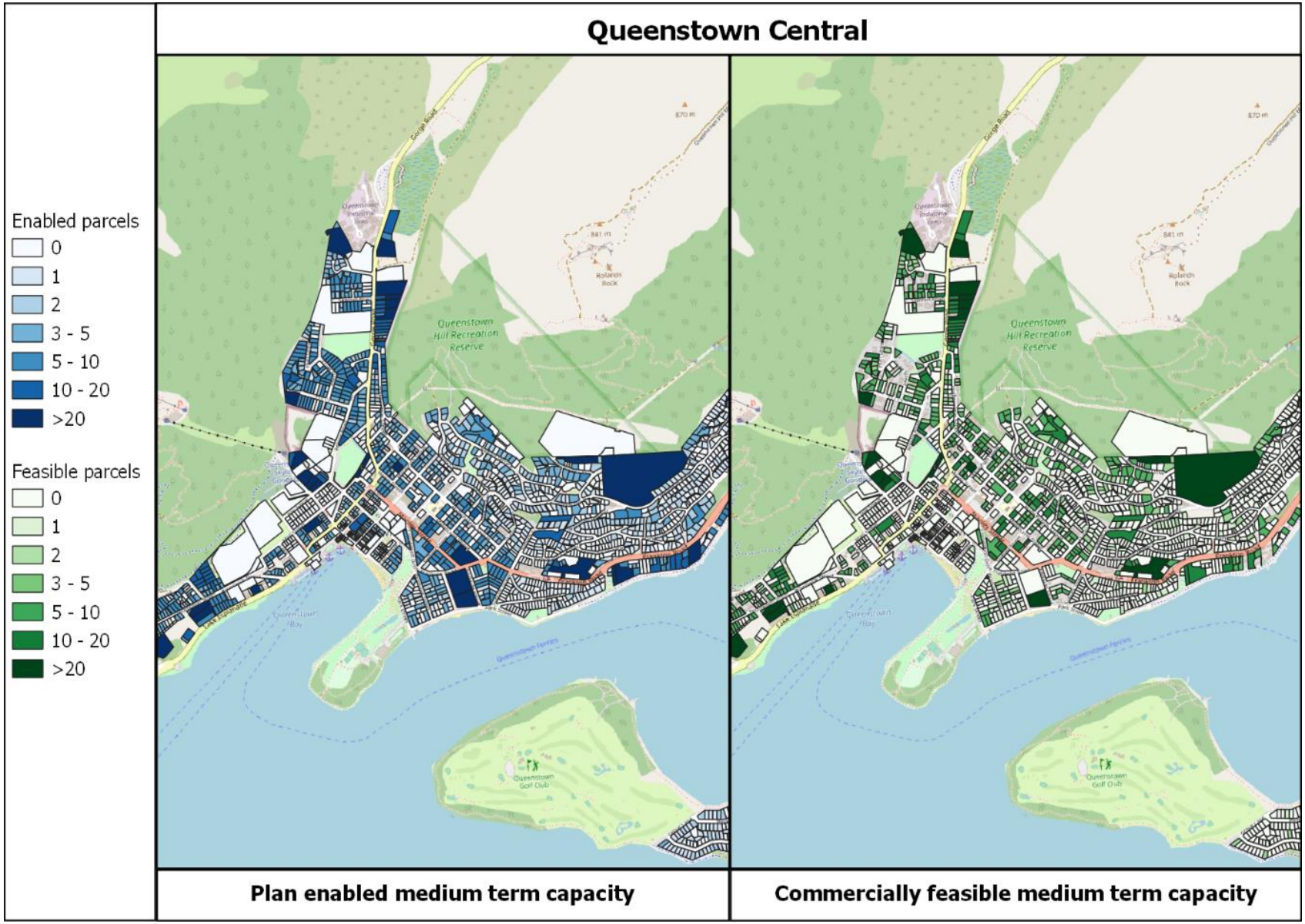
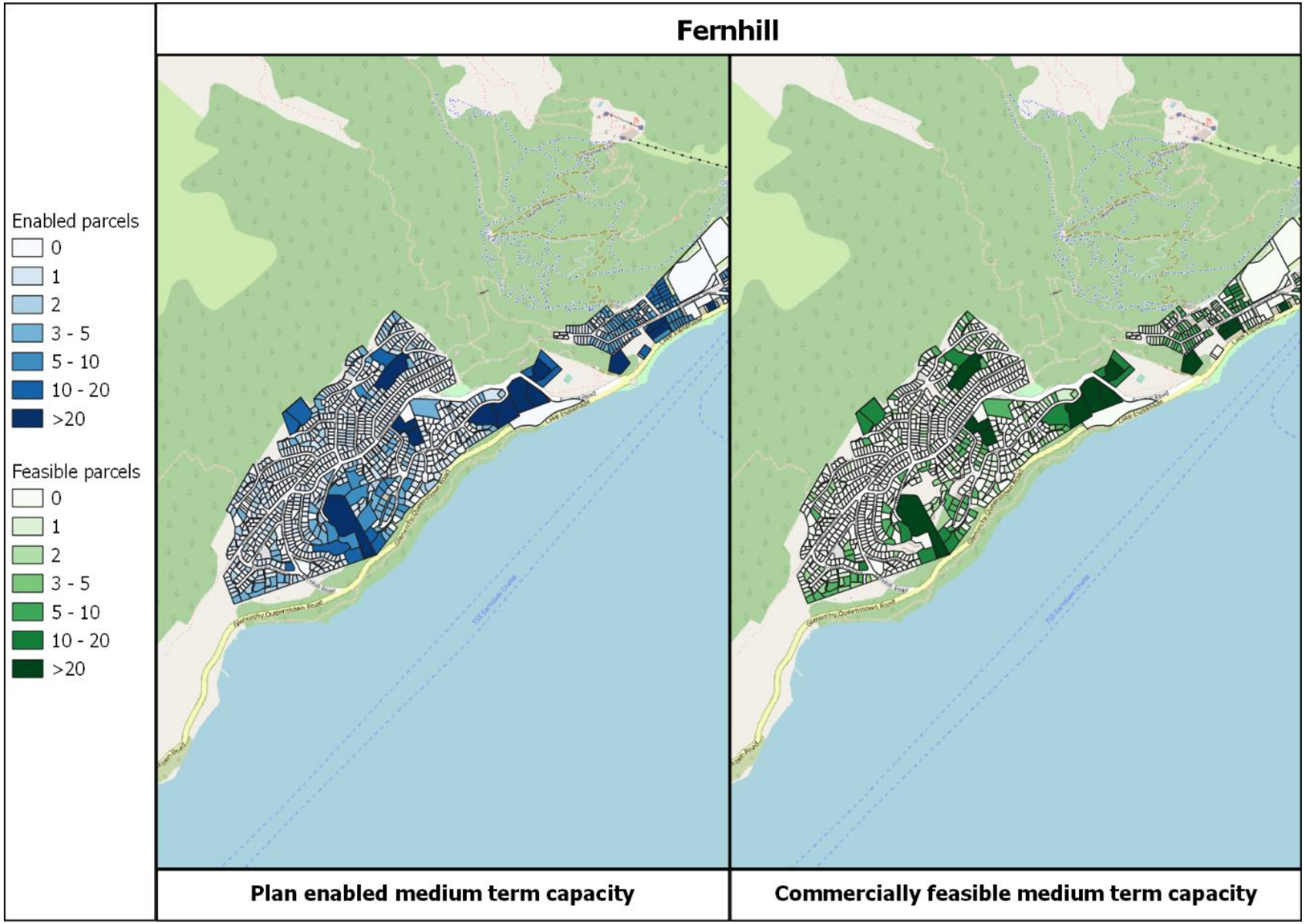
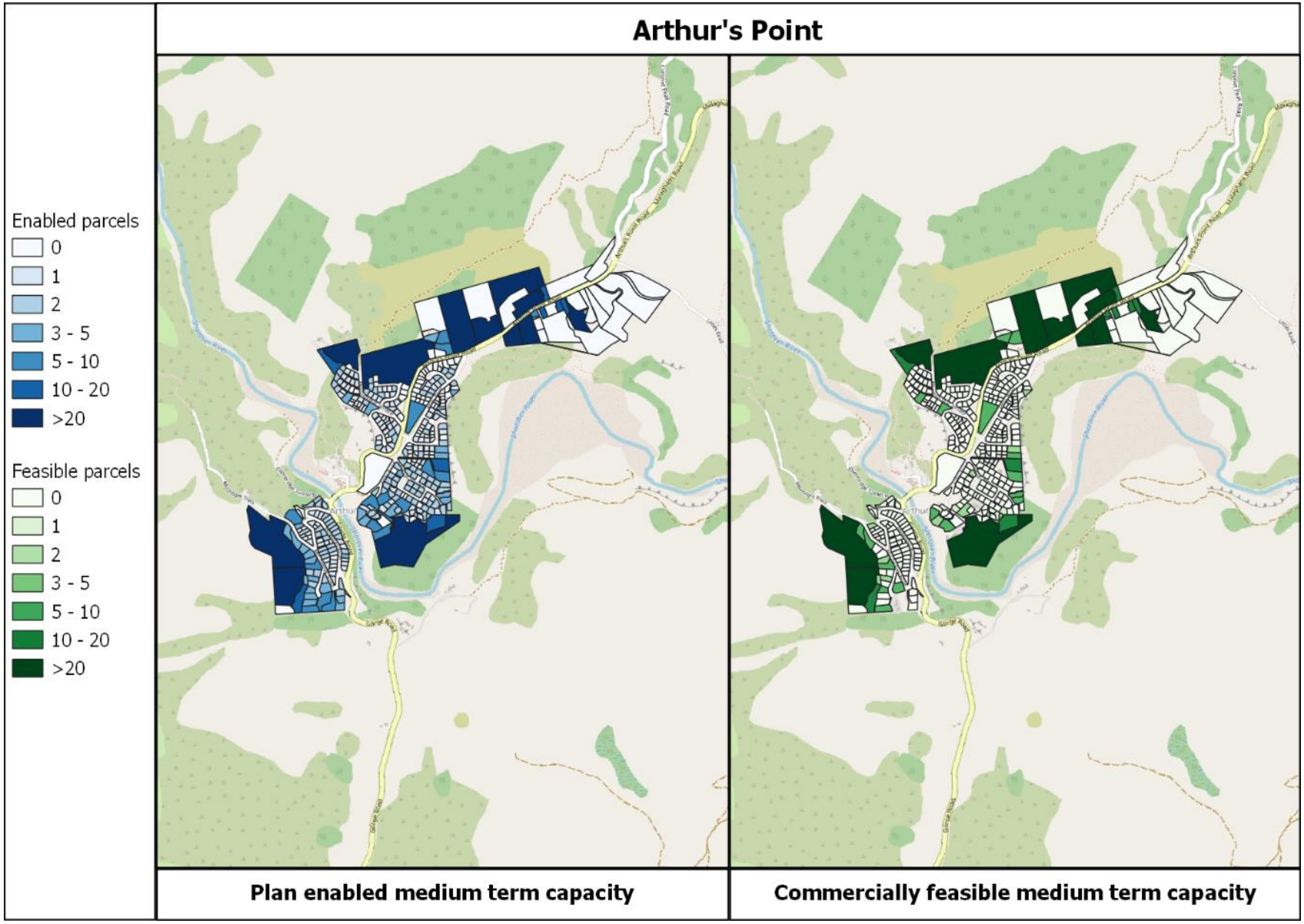
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity


Frankton Arm West
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Frankton Arm
Frankton Arm
Plan enabled medium term capacity
Commercially feasible medium term capacity


Queenstown Central
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity


Fernhill
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity


Arthur's Point
Enabled parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Feasible parcels
0
1
2
3 - 5
5 - 10
10 - 20
>20
Plan enabled medium term capacity
Commercially feasible medium term capacity

One thing that the parcel-level mapping of Plan Enabled and Commercially Feasible capacity does not do, is identify statistically significant clusters of existing capacity. This can be estimated visually from the maps but grouping of parcel-level capacity into clusters that are significant in the context of all urban capacity requires additional analysis.

3. Statistically Significant Clusters of Capacity

As discussed above, we can go a step further with the parcel-level capacity results to carry out an analysis of statistically significant clusters of capacity. This spatial statistical analysis is carried out in the R statistical computing language and removes the 'noise' from the capacity maps (the ad-hoc and dispersed parcels with additional capacity) to focus just on aggregated (more extensive) areas with significant combined capacity potential.

Approach, Assumptions, Limitations

We carry out this analysis of statistically significant clusters of capacity using the concept of spatial auto-correlation. Spatial auto-correlation is a term encapsulating the fundamental geographic idea that spatial data from near locations are more likely to be similar than data from distant locations. More specifically, spatial auto-correlation measures provide an objective basis for deciding whether or not there truly is a spatial pattern and, if so, the structure of that pattern. In other words, is the empirical pattern significantly different from a completely random spatial pattern? If so, where, and how far, does it deviate most from a randomised pattern?

Such comparisons to a completely random spatial pattern are important because spatial auto-correlation methods are designed to reject the null hypothesis. In spatial statistics, the null hypothesis is that of complete spatial randomness; or that there is no spatial pattern. If we can reject the null hypothesis of no spatial patterning, then the alternative must be that there are spatial structures, or clustering, within the data.

Estimations of whether or not a true spatial pattern exists is where global spatial auto-correlation is employed. In this context, 'global' means 'across the entire dataset'. A global spatial auto-correlation metric provides a high level yes/no answer as to whether there are spatial patterns within the data, as well as an indication of the overall level of clustering. It will not, however, provide any indication of the variation within the spatial structure.

To find this variation, and identify the actual clusters themselves, we use local spatial auto-correlation. Where the global case looks for patterns across a dataset, the local case looks for patterns within a dataset. Local auto-correlation focuses on deviations from the global trend, searching for areas that exhibit significant clustering of high or low values from the global mean. To summarise:

- Global spatial auto-correlation: Is this data geographically clustered? To what degree?
- Local spatial auto-correlation: Where are the clusters of high and low variation?

While we speak of 'areas that exhibit significant clustering of high or low values', it is more accurate to say that we are looking at areas that exhibit significant clustering of high or low values and whose neighbours also exhibit such patterns. We want to consider the values of the neighbours because we are looking for spatially concentrated clusters of capacity, not individual cells with large values that may, or may not, happen to be near to, or even next to, each other. The focus is finding the more

extensive, contiguous areas of housing capacity (clusters) as opposed to isolated pockets of high capacity (which may still be significant in their own right).

The parcel-level boundaries of the capacity data in the HBA vary in size and shape. While there are areas that are more uniform, this is often interspersed with larger parcels, roads, parks etc. Topography and zone type can also influence the shape of land-parcels. To ensure that the uneven granularity of land parcels, roads, etc do not distort the analysis of statistically significant clusters of capacity, the existing urban area (excluding special zones) has been converted into a grid of uniform 100m x 100m 'cells' (Figure 1).

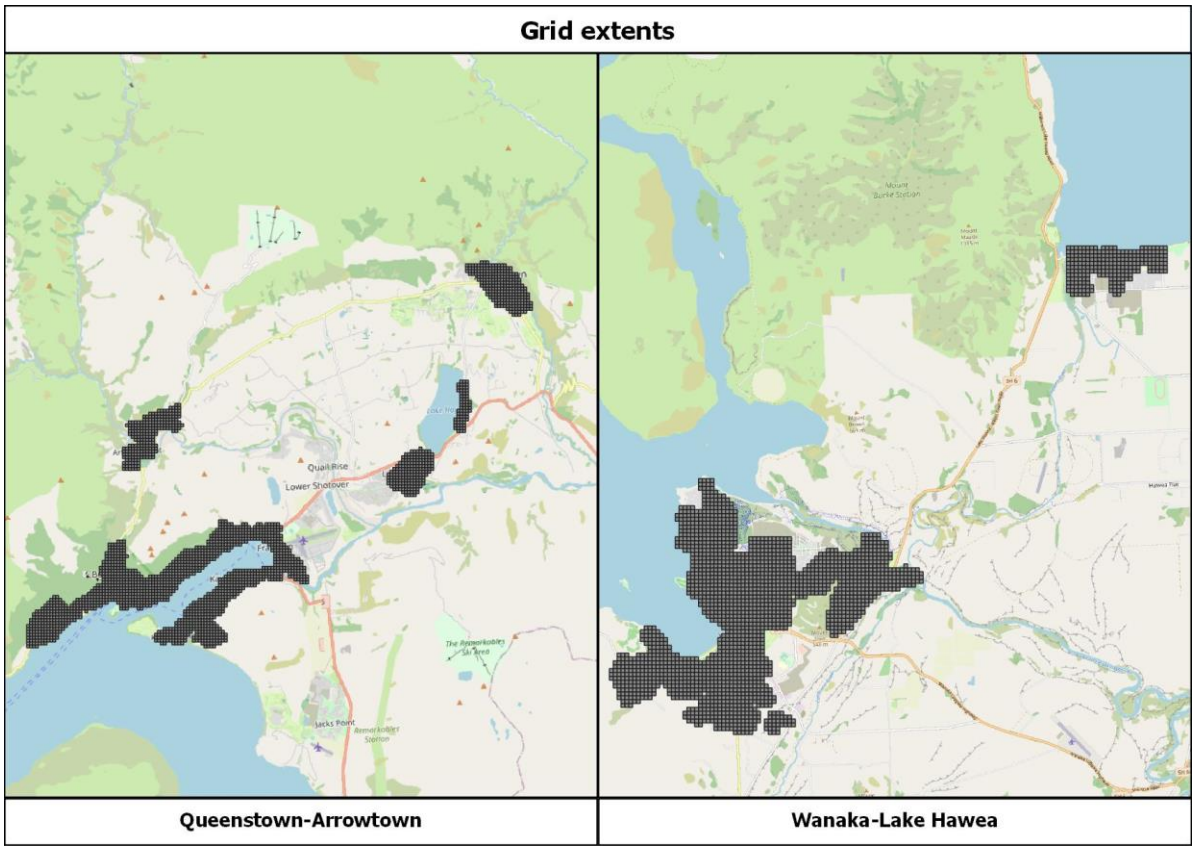


Figure 1: Extent of defined grid area for the purpose of cluster analysis (cells = 100sqm)

Parcels, and their respective dwelling capacity, are assigned to cells based on their centroid. M.E has made the decision to exclude large greenfield land parcels from the grid area as this complicates which cell the capacity can be assigned to. In most cases, greenfield parcels can be considered as significant areas of capacity given their scale and yield, as so should be considered separately, but in addition to, the clusters of capacity in existing residential areas. This analysis also excludes small settlements that are within the urban environment (Luggate, Glenorchy, Kingston and Cardrona) on the assumption that they are not a key focus of the intensification plan variation.

Considering the values of neighbours is a key part of any spatial auto-correlation measure. Consequently, it is first required that we formally delineate the spatial structure of the data, for which there are two requirements:

1. A measure of how similar or different the locations are.
2. A measure of how geographically related the locations are.

The former is the numeric variable(s) we are interested in (specifically, plan enabled or feasible dwelling capacity per cell, in this case). The latter requires formal definitions of neighbourhoods. Such definitions are necessary because the concept of spatial auto-correlation revolves around what places are considered to be '*near*' one another. Once we know what data are nearer, and more relevant, and what data are further away, and less relevant, then we can begin producing spatially aware statistics. In this assessment the spatial structure is defined based on the contiguity of the cells in the defined grid area.

Contiguity, or adjacency, based measures are used with polygon data (such as the generated grid cells) and use the boundaries of the polygons to define neighbours. There are two potential methods available to use: Rook and Queen case methods. The difference between these two is that, in the Rook case, neighbours are defined based on cells that share at least one boundary edge, while Queen case contiguity defines neighbours based on a shared boundary edge or corner. Figure 2, below, visualises this difference. Queen case contiguity is the *de facto*, and more permissive, approach and the one utilised in this assessment.

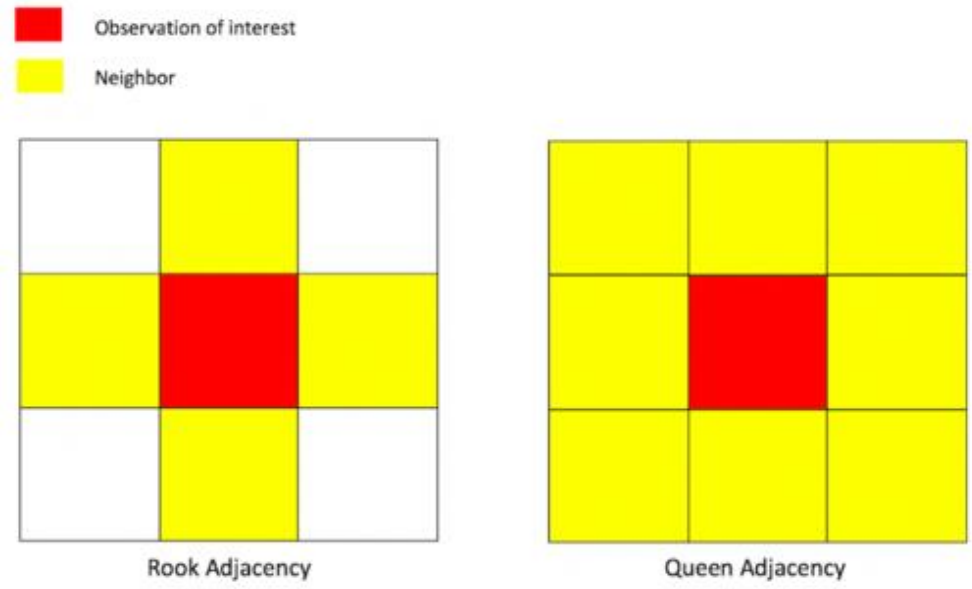


Figure 2: Rook and Queen case adjacency neighbour definitions

Once the conceptual definition of a neighbourhood of cells is established, the nature of the relationship is formalised via a spatial weight matrix. As with the neighbour definition, there are many ways to define a spatial weight matrix. The method used here is the commonly used neighbour-standardised method, which is simply calculated as 1/n, where n is the number of neighbours (being 8 cells as per the Queen case adjacency method). Thus, for most cells in the grid, this will be 1/8 = 0.125.

Cells at the periphery of the grid (i.e. on the urban edge or edge of the residential enabled zones) will naturally have fewer neighbours. These weights are used to calculate the weighted mean capacity of each cell's neighbours. These weighted means are used in the spatial auto-correlation assessments to measure whether the neighbouring cells also have a significantly greater than expected level of capacity, relative to all other values in the dataset. In a grid this is a simple calculation with almost all values being weighted by 0.125. Such that, for instance, a neighbouring cell B with a capacity value of

3 will contribute 0.375 (3*0.125) to the overall weighted neighbourhood capacity value of cell A. The other seven cells neighbouring cell A will have their own capacity values weighted by 0.125 and the total of all eight neighbours summed and recorded as the weighted mean capacity of cell A. The process then repeats for cell B through to n.

As previously outlined, spatial auto-correlation methods are designed to reject the null hypothesis. Naturally this means we need to formulate the null hypothesis of complete spatial randomness to test the empirical pattern against. This is achieved through Monte Carlo simulations. These are simulations which generate hundreds of alternative, completely randomised, spatial patterns of the capacity data, while keeping the geography (the grid cells, in our case) constant. In other words, they randomly reshuffle the capacity values across the cells. With sufficient randomisation/reshuffling (999 for global spatial auto-correlation and ~4 million times for local spatial autocorrelation[55]), we can compare the observed plan enabled and feasible capacity patterns to these random distributions and derive a p-value describing the probability that our observed pattern is the results of pure chance. A p-value threshold of 0.05 was used for local spatial auto-correlation analysis as this is a standard threshold for significance. Setting this threshold means there is a <5% chance that the observed pattern is the result of a purely random distribution and a basis with which to reject the null hypothesis and assert that the identified grid cells are statistically significant deviations from the many, many randomised alternatives.

For the sake of brevity, some final methodological notes and clarifications are considered. First, local spatial auto-correlation considers the capacity values within the cell itself and the average capacity values of its neighbours. To qualify as an identified cell, both these values must be statistically significant. This is why there may be some instances whereby a cell has a relatively large amount of housing capacity but is not identified as significant, as the mean values of its neighbours would not also have a significantly large amount of capacity. It therefore does not meet the test of being an extensive area (cluster) of capacity (of greater than 100m in diameter).

Following on from the above, the overall distribution of the data is important. Particularly the distance from the minimum value to the mean. If the data is strongly right skewed (or positive skewed), and the mean not far from zero, then we run the risk that any value >0 is significant because many non-zero values will be greater than the mean. As a result of these considerations, these identified clusters broadly identify the core of the cluster and do not define the exact shape of it.

Third, aggregating the parcels to a grid will induce bias through what is termed the modifiable areal unit problem. This is the term given to issues that arise from aggregating spatial data from one scale to another (for e.g., parcel-level results to assessment grid cells). In the context of this assessment, the primary issue lays with the size and placement of the grid itself. As noted above, we utilised a 100 x 100m grid and aggregated the parcel level results by their centroid location. However, a different sized grid – either smaller or larger – may produce different results as the data would be aggregated differently. The placement of the grid itself will also impact the results, regardless of what size the

[55] The exact value is 4,290,705 simulations for local spatial auto-correlation. This is because the neighbours of each cell are randomised 999 times. So, with 4,295 cells in our defined grid, we get 4,295 * 999 = 4,290,705 total simulations. Such a large number of simulations is required to confidently calculate the localised p-value for each cell.

cells are. Our grid was generated from the bounding box of all input parcels, so alternative generation methods might alter the placement of the cells, and thus, the aggregation of the results.[56]

Finally, alternative clustering methods exist that work in both pure 'data space' (meaning they do not explicitly consider geographic space), such as k-means clustering, as well as in 'geographic space' (meaning that do explicitly consider geographic space). Pure data space methods are not guaranteed to produce cohesive spatial clusters, as that is not their purpose. While the geographic space methods will produce cohesive clusters, they require *a-priori* specification of the number of clusters to find (this also applies to k-mean clustering). A strength of spatial auto-correlation metrics is that they require no such specification and allow patterns to emerge from the data itself, within the constraints of the previously discussed parameters.

This analysis uses statistical and spatial relationships to identify clusters using the defined grid layout. The resulting clusters are categorised as either statistically significant or not-significant bearers of capacity in the context of the total urban area. This is important as the clusters are not significant in the context of specific urban growth boundaries (i.e. within Wanaka) or significant in the context of the Upper Clutha (say), they are significant relative to total urban residential capacity included in the HBA capacity modelling (although excluding special zone capacity, some large greenfield land parcels and excluded settlements).

We begin by reporting the summary statistics for the medium-term Plan Enabled and Commercially Feasible capacity[57] below (Table 1) and visualised via the histograms in Figures 3 – 4[58]. From the summary statistics we can see that both variables have a small interquartile range. The Feasible capacity in particular has an interquartile range of one, with the mean residing outside of the range. These skewed distributions are reflected in the two histograms, with both our capacity datasets are right skewed, but the Feasible capacity values are particularly skewed. In both cases there are large numbers of cells with no capacity.

Table 1: Gridded dwelling capacity summary statistics – medium-term (2020 base year)

Variable	Min	Max	25th percentile	75th percentile	Mean	Zero capacity cells
Enabled capacity	0	291	0	8	5.33	2,310
Feasible capacity	0	291	0	1	2.51	3,097

[56] While we have not tested other grid placements or grid sizes for this assessment, consideration went into the appropriateness of a 100 x 100m grid cell relative to typical parcel dimensions and the size of street blocks etc.

[57] As per the parcel-level analysis mapped earlier in this memo, the capacity variable that the cluster analysis is based on is 'maximum of infill or development capacity' plus 'maximum greenfield capacity' (where included).

[58] The x-axis has been limited to 100 in both instances to provide a better visualisation of the distribution. In total there are seven parcels with both plan enabled and feasible capacity >100, ranging from 104 to 291.

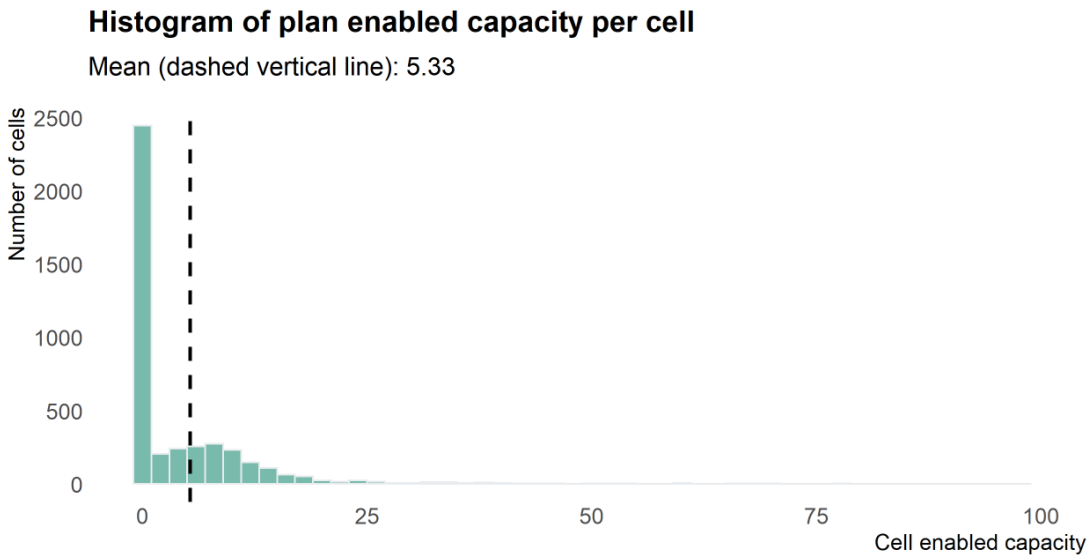


Figure 3: Histogram of gridded Plan Enabled dwelling capacity - medium-term (2020 base year)

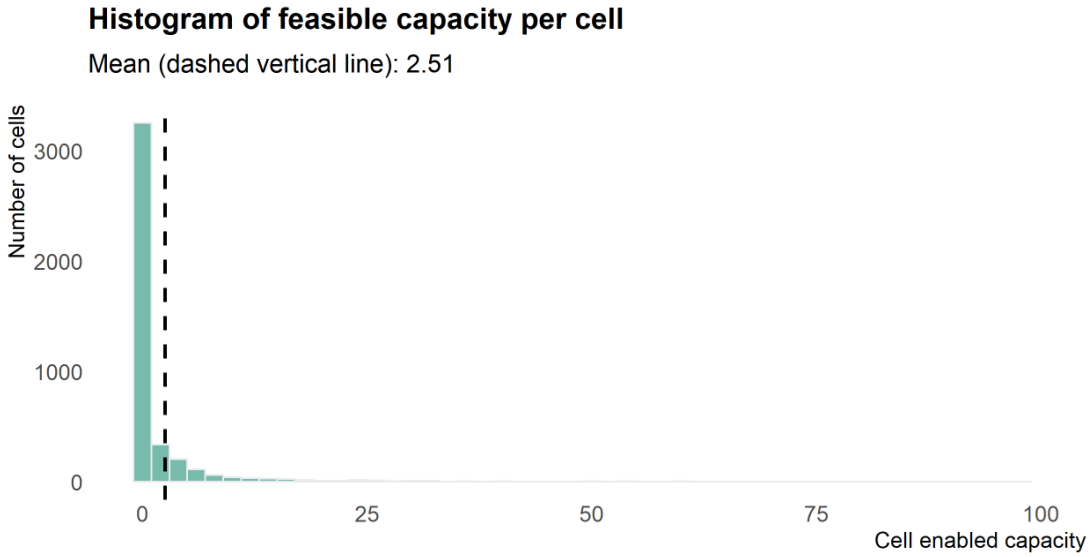


Figure 4: Histogram of gridded Commercially Feasible dwelling capacity - medium-term (2020 base year)

From the global spatial auto-correlation results, we find that the Plan Enabled capacity has a statistic value of 0.286 and the Feasible capacity a value of 0.217. Both with p-values <0.001. This indicates that the Plan Enabled capacity exhibits moderate-to-strong clustering across the entire dataset, while the Feasible capacity values exhibiting a moderate clustering. Both capacity results, then, demonstrate some overall degree of clustering, with the plan enabled capacity being more clustered than the feasible capacity. This is evident in our parcel-level maps, where Commercially Feasible capacity is confined to relatively few parcels (and therefore cells) compared to Plan Enabled capacity.

Proceeding to the local spatial auto-correlation results, 219 cells are classified as having significantly greater than expected Plan Enabled capacity, and 160 cells significantly greater than expected Feasible

capacity. These cells are highlighted in the two scatterplots below (Figures 5 and 6). These scatterplots present the classifications within the 'data space'. Visualised within the data space, these scatterplots clearly demonstrate the underlying logic of the spatial auto-correlation metrics; namely that it considers both the capacity values of the cell itself and the weighted mean value of its neighbours. Therefore, while one cell in the data has a Plan Enabled and Feasible capacity of 291[59], it's eight neighbouring cells have a total Plan Enabled capacity of three and a total Feasible capacity of one. Thus, while it has a huge capacity itself, its neighbours low weighted mean capacity of 0.375 (Plan Enabled) prevents it from being identified as a cluster cell because it is not significantly greater than the overall Plan Enabled weighted neighbour mean of 5.524.

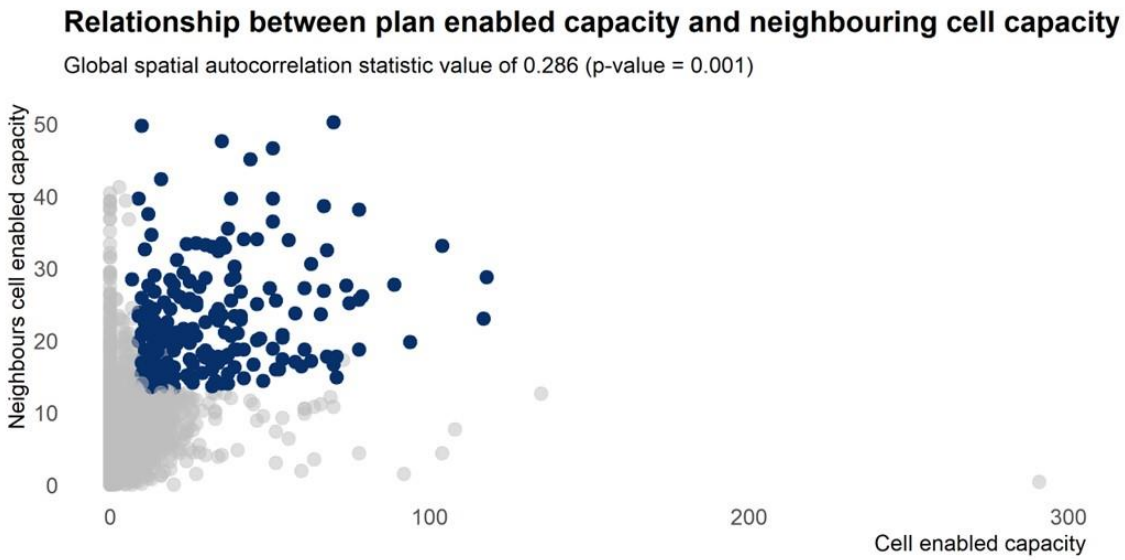


Figure 5: Plan Enabled dwelling capacity local spatial auto-correlation scatterplot - medium-term (2020 base year)

[59] This cell captures 'The Heights' development on Aubrey Road (recalling that the capacity – quantified at the time with input from Council - was an estimate as at June 2020). That capacity is now extensively taken up.

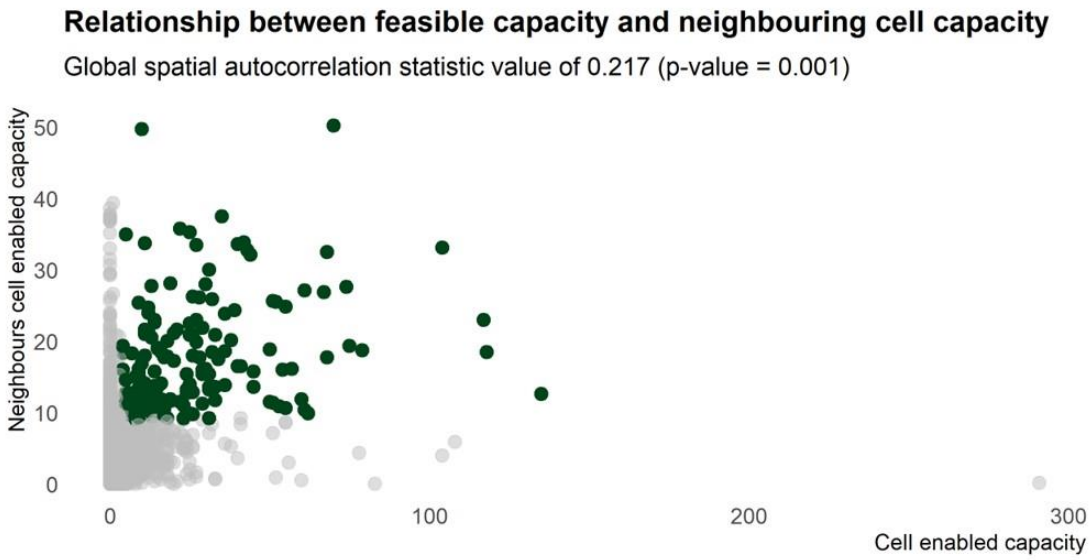


Figure 6: Feasible dwelling capacity local spatial auto-correlation scatterplot - medium-term (2020 base year)

Similarly, there are many cells that have neighbours with large amounts of capacity (both Plan Enabled and Feasible) but have no capacity themselves. It is worth reiterating that the distribution of the data impacts the classifications. In a different dataset, with many larger values, the cell with a value of 291 surrounded almost entirely by zeroes would be classified as an outlier. However, the distribution of the capacity values is such that having so many zeroes and small mean capacity values (5.33 and 2.513, as per Table 1, above) precludes the identification of outliers to a statistically significant degree.

Results – Statistically Significant Clusters of Dwelling Capacity

The geographic extents of these highlighted cells are mapped out in Figures 7 – 12, below. Recall, the highlighted cells are the core of the clusters and they only qualify if their neighbouring cells also meet the significance test. Hence, the actual extent of the cluster would include a buffer of approximately 100m around the mapped cells.

At a high level, significant amounts of Plan Enabled capacity exist in Queenstown, Wanaka, Arthurs Point and Lake Hawea. In terms of Commercially Feasible capacity, however, the clusters are found solely in Queenstown (Figures 6-9), Wanaka (Figure 11), and Arthurs Point (Figure 12).

Summary statistics for the two sets of local spatial auto-correlation results are found in Tables 2 and 3, below. Overall, all of the Queenstown clusters account for 84% of the total Plan Enabled dwelling capacity included in the analysis and 80% of the total Feasible capacity. The Wanaka clusters host 12% of the total Plan Enabled capacity and Feasible capacity, and the Arthurs Point clusters account for 4% of the Plan Enabled capacity and 8% of Feasible capacity included in the analysis.

Starting in Queenstown, the main (feasible) cluster of Queenstown Central (Figure 6) extends across 79 cells encompassing the central urban area from the south of the Industrial Place business/industrial area in the north down to the Frankton Arm inlet. In terms of the local spatial auto-correlation statistic (Table 3, below), this cluster is the second most strongly clustered locale across the existing residential area (and excluding special zones etc), second only to Arthur's Point and just ahead of the nearby Lake

Esplanade cluster. This cluster is characterised by an expansive amount of moderate-to-high Feasible capacity (mean of 28.823) across a large area (79 cells). This equates to a total potential of 2,277 additional Feasible dwellings in total. This is, by far, the largest total value of any cluster.

Down the road from the Queenstown Central cluster is the nearby Lake Esplanade cluster. Feasible capacity in this cluster is focused on infill between Lake Esplanade and Thompson Street. Taken together, there is a total potential for 3,164 Plan Enabled dwellings (or 67% of total clustered Plan Enabled capacity) and 2,754 potential Feasible dwellings (or 63% of total clustered Feasible capacity) located within this central part of Queenstown.

The smaller Queenstown clusters are located at Kawarau Falls (Figure 8), Fernhill (Figure 9), and along Frankton Road (Figures 7-8). At Kawarau Falls, the cluster is centred upon the Kawarau Falls Bridge development (High Density Residential Zone). The large interquartile range (47) and small number of cells (10) suggests that much of the Feasible capacity in this cluster is focused on a small number of cells. This is confirmed via a manual inspection of the results indicating that four cells account for 248 of the cluster's 321 potentially Feasible dwellings as estimated at 2020 (or 77%).

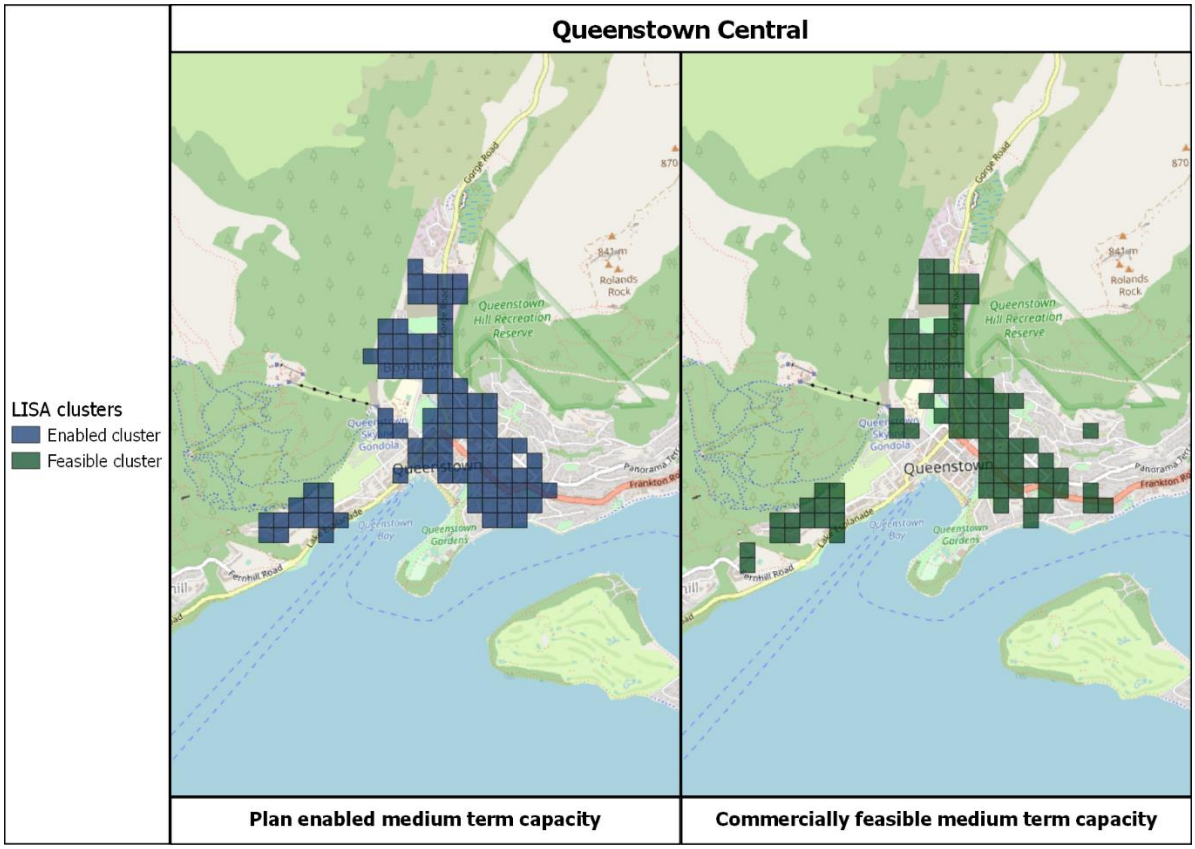


Figure 6: Cluster map of Queenstown Central and Lake Esplanade clusters

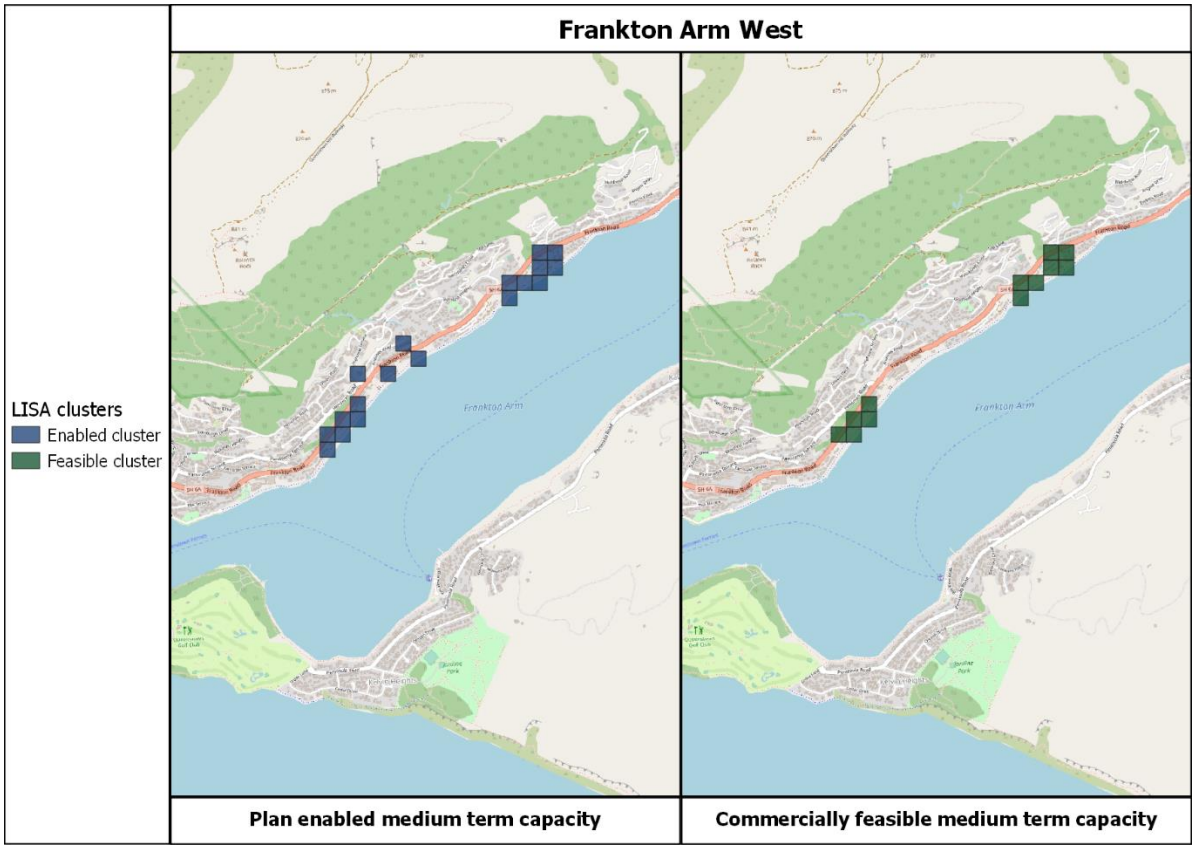


Figure 7: Cluster map of Frankton Road West and Central clusters

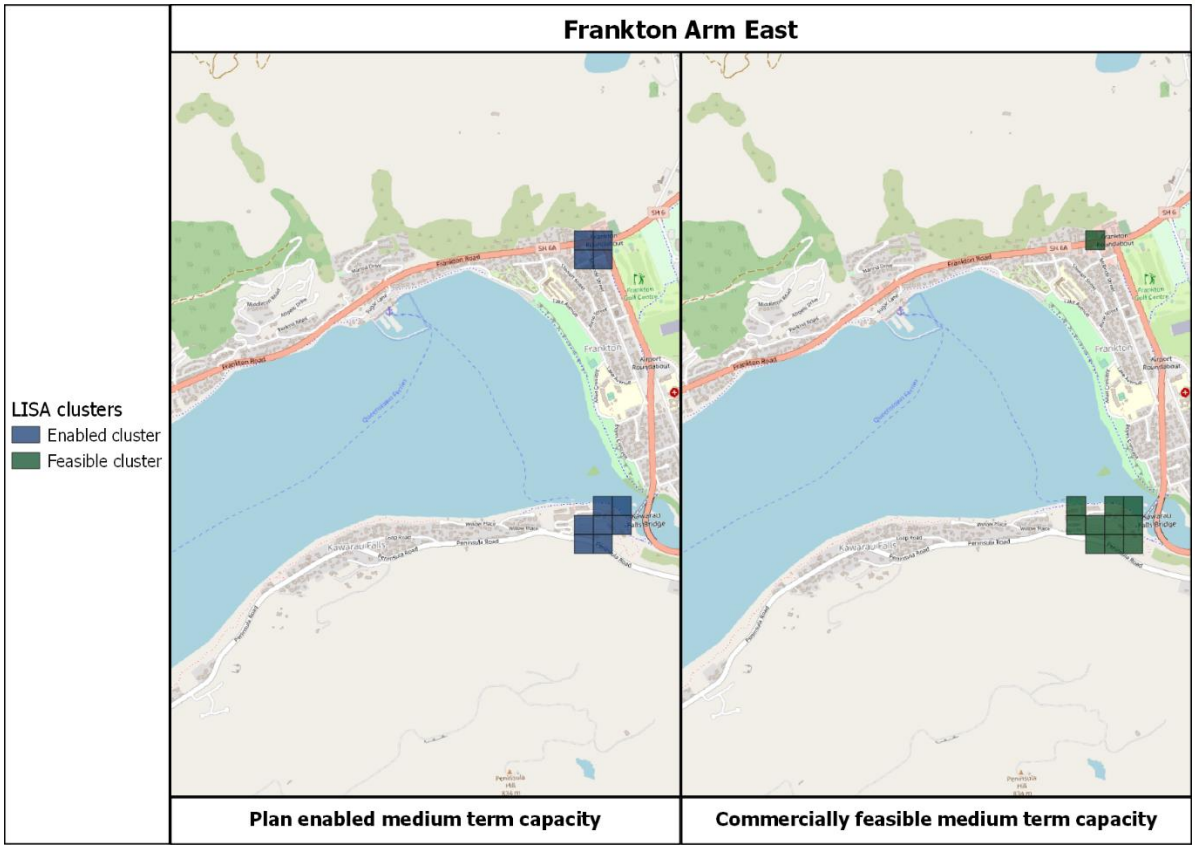


Figure 8: Cluster map of Frankton Road East and Kawarau Falls cluster

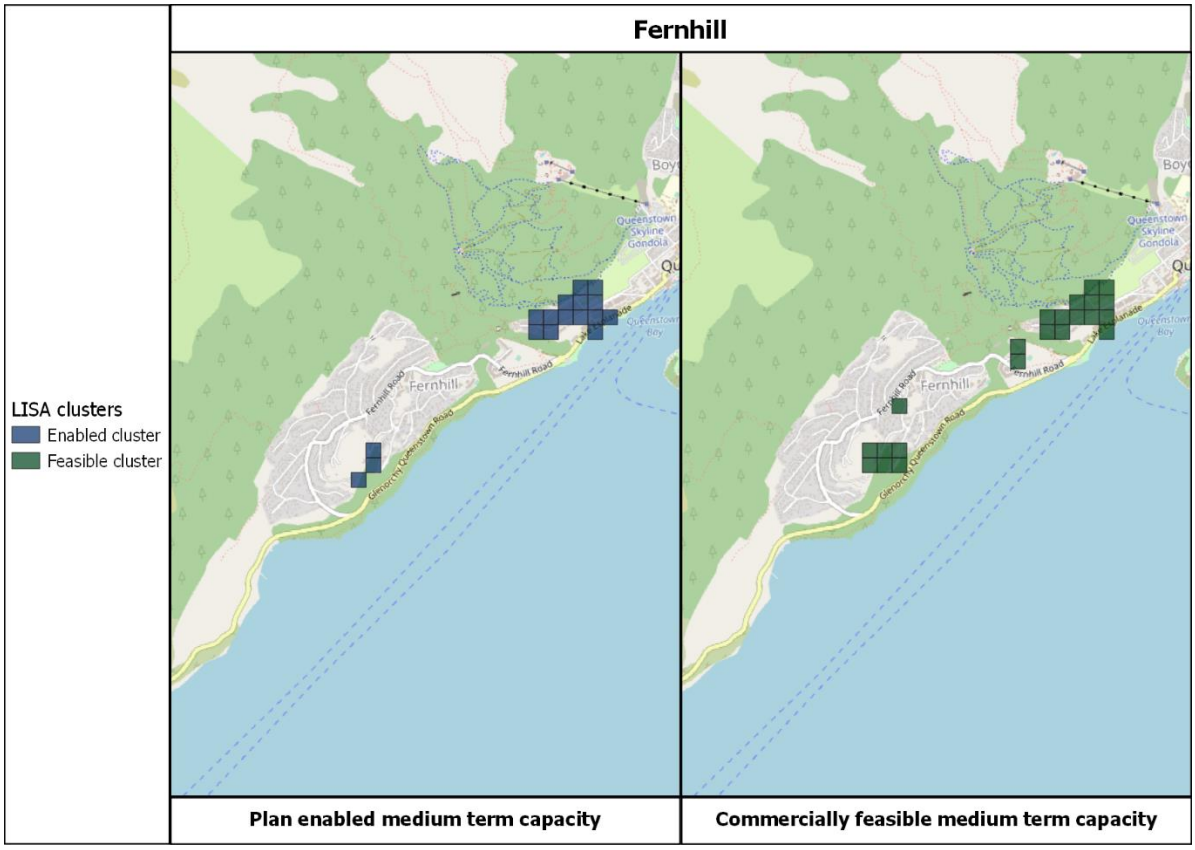


Figure 9: Cluster map of Fernhill (and Lake Esplanade)

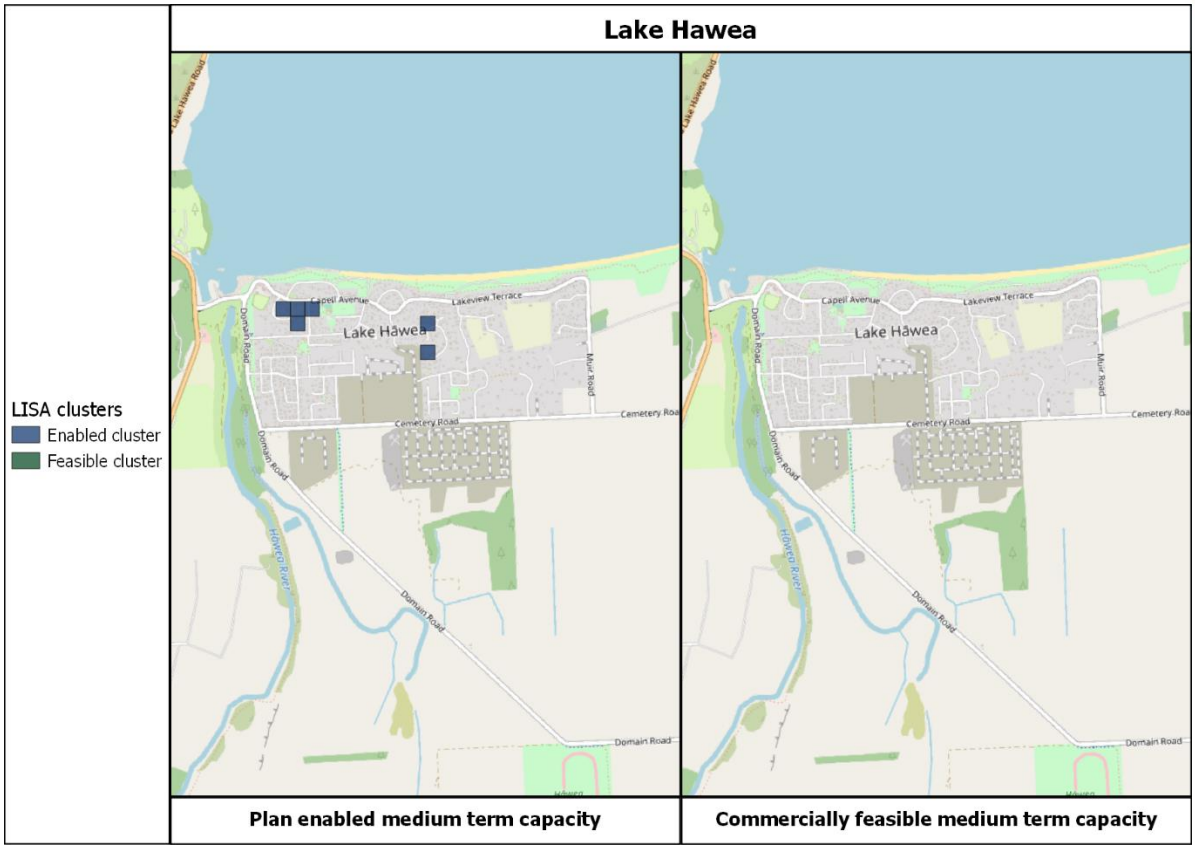


Figure 10: Cluster map of Hawea

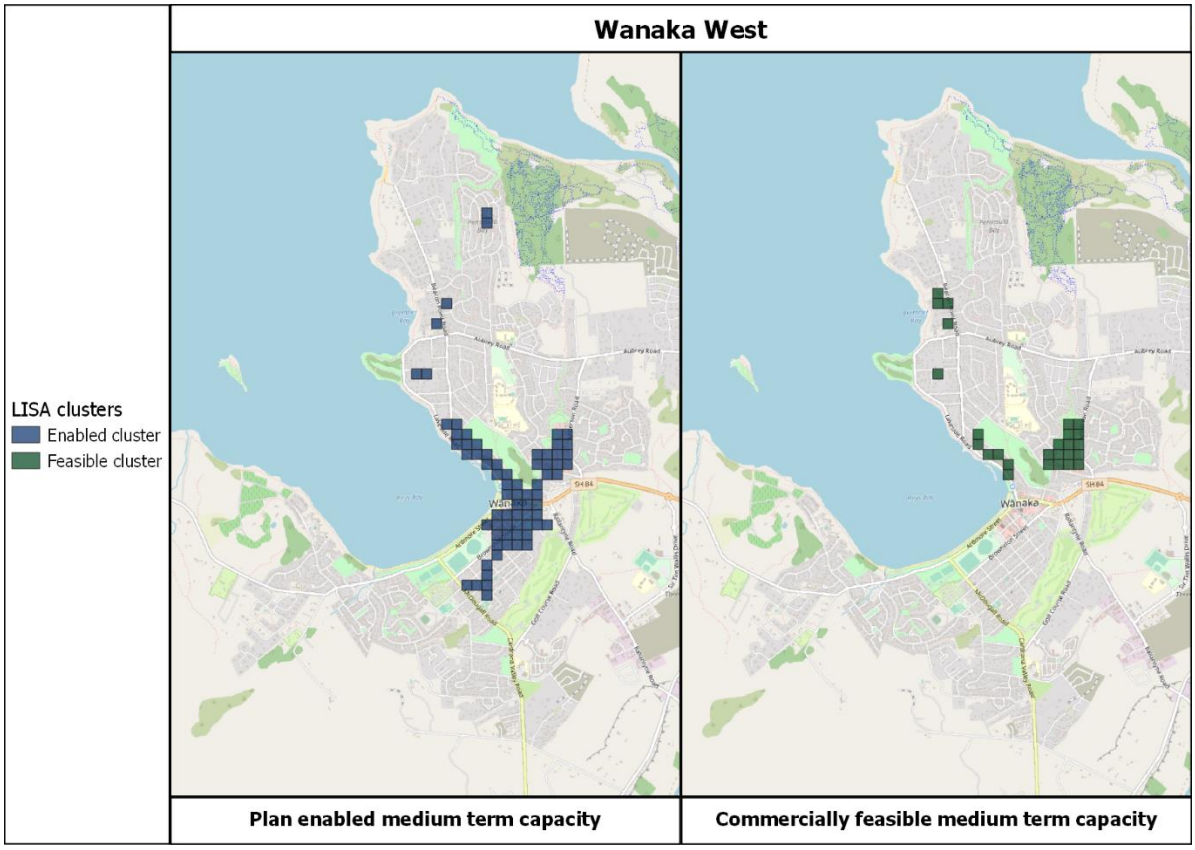


Figure 11: Cluster map of Wanaka

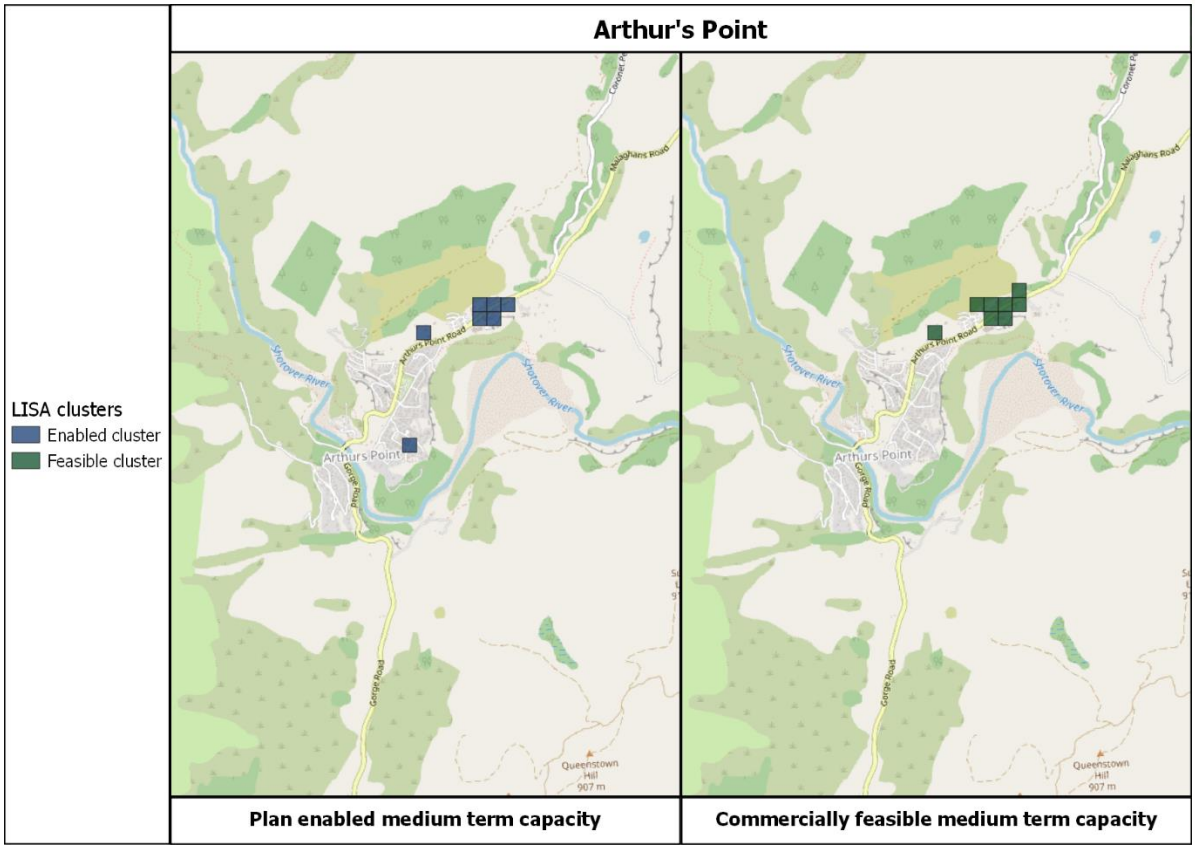


Figure 12: Cluster map of Arthurs Point

Frankton Road hosts three significant clusters – west, central, and east – along the Frankton Arm. As per Table 3, the western cluster is the most intensive vis-à-vis degree of clustering (3.253) and mean Feasible capacity (29.400), though it is the central cluster with the greatest overall Feasible capacity (186). Finally, the small Fernhill cluster capacity resides on the slopes of Fernhill (and includes land zoned Visitor Accommodation sub-zone), overlooking the Glenorchy-Queenstown Road.

Meanwhile, in Wanaka (Figure 11), the major cluster is centred on the recently up-zoned mixed-business area at Anderson Road. At 17 cells in size, this cluster is the second largest across the existing urban area, in terms of geographic extent. Across Lismore Park from the Anderson Road cluster is the Lakeside Road cluster stretching some ~600m along the shore of Lake Wanaka (and zoned High Density). With a small interquartile range of 15-17 Feasible dwellings per cell, this cluster is hallmarked by a consistent, compact, structure[60]. Taken together with the nearby Anderson Road cluster, these two clusters total 463 potentially Feasible dwellings (or 89% of all Wanaka's Feasible capacity), indicating that a significant amount of Wanaka's Feasible capacity is concentrated just north of the town centre. Two smaller clusters are also identified at Eely Point Road and Bremner Bay, offering potentially an additional 56 Feasible dwellings.

At Arthurs Point (Figure 12), the cluster of Feasible dwelling capacity is located in the towns northern gateway, along Arthurs Point Road. While small (8 cells), this cluster is dense with a mean feasible capacity of 42.625 leading to a total capacity of 341 feasible dwellings within this small area (zoned High Density). This compactness is represented in the mean local spatial auto-correlation value of

[60] Some of this capacity has since been taken up by the Marina Terrace apartment complex.

7.617, making it the most intensely clustered locale of Feasible capacity across the district[61]. There is a single cell of significant Plan Enabled capacity at the south-western part of the town at Mathias Terrace, yielding 14 Plan Enabled dwellings. This cell, however, yields no feasible dwellings so is naturally not identified as a significant cluster of Feasible capacity.

Note that the total Feasible capacity for the Arthurs Point cluster (341) is far greater than the Plan Enabled capacity (192). This is because the cluster is not the exact same shape. The difference in shape is due to the distributions of the data between the two variables being different. The additional cell added to the right of the main cluster of five Plan Enabled cells contains a Feasible capacity of 135 dwellings. It is worth remembering that these clusters broadly identify the core of the cluster and do not define the exact shape of it.

[61] We note that some of this capacity may have been taken up by recent developments in Arthur's Point which occurred after the baseline of June 2020 for the capacity analysis.

Table 2: Summary statistics of Plan Enabled clusters of dwelling capacity (medium-term, 2020 base year)

Cluster	Locale	Mean local autocorrelation	Min capacity	Max capacity	Mean capacity	25th percentile	75th percentile	Total capacity	Cells
Lake Esplanade	Queenstown	6.397	7	118	42.692	16	58	555	13
Queenstown central	Queenstown	5.507	9	117	37.812	20	51	2609	69
Frankton Road – west	Queenstown	5.424	12	78	47.600	40	58	238	5
Frankton Road – central	Queenstown	4.777	9	94	43.571	18	66	305	7
Arthurs Point	Arthurs Point	3.913	14	74	32.000	20	32	192	6
Kawarau Falls	Queenstown	3.851	10	68	34.286	12	59	240	7
Lakeside Road	Wanaka	3.436	14	41	31.667	31	37	190	6
Frankton Road – east	Queenstown	2.142	24	24	24.000	24	24	24	1
Anderson Road	Wanaka	1.895	10	60	23.643	15	28	331	14
Eely Point Road	Wanaka	1.394	25	25	25.000	25	25	25	1
Fernhill	Queenstown	0.635	12	16	14.000	13	15	28	2
Bremner Bay	Wanaka	0.454	12	12	12.000	12	12	12	1

Table 3: Summary statistics of Commercially Feasible clusters of dwelling capacity (medium-term, 2020 base year)

Cluster	Locale	Mean local autocorrelation	Min capacity	Max capacity	Mean capacity	25th percentile	75th percentile	Total capacity	Cells
Arthurs Point	Arthurs Point	7.617	14	135	42.625	17	44	341	8
Queenstown central	Queenstown	5.889	4	117	28.823	11	37	2277	79
Lake Esplanade	Queenstown	5.873	7	118	31.800	13	44	477	15
Kawarau Falls	Queenstown	5.746	4	68	32.100	12	59	321	10
Frankton Road - west	Queenstown	3.253	5	50	29.400	26	36	147	5
Anderson Road	Wanaka	2.787	5	60	21.824	14	29	371	17
Frankton Road - central	Queenstown	2.481	5	62	26.571	11	37	186	7
Eely Point Road	Wanaka	1.564	23	23	23.000	23	23	23	1
Lakeside Road	Wanaka	1.150	8	19	15.333	15	17	92	6
Fernhill	Queenstown	0.967	5	24	12.857	9	15	90	7
Bremner Bay	Wanaka	0.510	7	9	8.250	8	9	33	4
Frankton Road - east	Queenstown	0.405	6	6	6.000	6	6	6	1

4. Final Comments

This analysis has been carried out as a potential input to the development of intensification options to meet Policy 5 of the NPSUD in QLD. Once those options are developed, the next stage of work by M.E will be to re-model (off the same 2020 base and at a parcel level) Plan Enabled capacity and Commercially Feasible capacity under the proposed provisions and zoning extents for intensification.

The modelling of the intensification options will produce new distributions of capacity (including potentially new significant clusters of capacity) in areas that have proposed zone changes. Where zones/areas are not impacted by the intensification options, the parcel-level capacity in the above maps holds true although the significance of existing clusters may change when measured in the context of new capacity enabled by the intensification options.

Future updates of the HBA will provide a fresh snap-shot of dwelling capacity in the short, medium and long term that will supersede the results in this memo and incorporate the final outcomes of the intensification plan variation (once operative).

Appendix 6 – Commercial Feasibility Sensitivity Testing

Memo

To: Elias Matthee, Senior Policy Planner, Queenstown Lakes District Council

From: Susan Fairgray-McLean, Associate Director

Date: 8 June 2022

Re: Testing Impacts of Planning Parameter Adjustments on Commercial Feasibility of Capacity

5. Introduction

Queenstown Lakes District Council (QLDC) is currently undertaking assessment to understand the effects of a proposed plan variation to intensify certain residential areas (including potentially commercial areas than enable housing) within the urban environment. The plan variation seeks to meet the National Policy Statement on Urban Development (NPS-UD) Policy 5 requirements by providing for greater density within key areas of accessibility. These are typically around centres, main transport routes and other areas of high amenity.

As part of this process, M.E have been commissioned to conduct further assessment on the capacity enabled by potential changes to planning provisions. This includes changes to both the plan enabled capacity as well as the share of this capacity which is estimated to be commercially feasible. Economic modelling undertaken by M.E to inform the plan variation will build off earlier modelling capability developed by M.E for the 2021 QLD NPS-UD Housing and Business Assessment (HBA).

Prior to the development of the intensification options to be tested by M.E, an initial stage of assessment seeks to understand how changes to planning parameters – in a general sense - may affect the feasibility of potential dwelling capacity. Increasing the feasibility of capacity within core areas of accessibility is likely to contribute to positive urban form outcomes sought through the intensification plan variation.

This memo contains our findings from the first stage[62] of the assessment. This stage involves further testing of parameters within the HBA feasibility model, together with drawing upon our analyses of residential intensification modelling across other urban economies in response to the NPS-UD (Policies 3 and 5) and Medium Density Residential Standards (MDRS) within the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021[63].

The first part (Section 6) of this memo briefly sets out an urban capacity type framework. This provides a useful spatial economic structure for the development of provisions affecting feasibility of capacity. The next part (Section 7) then provides a description of the existing HBA modelling capability and identifies how this has been applied to test the effects of planning provision changes on feasibility, with the outputs of the testing contained in Section 8. This section summarises the direction and nature of effects on feasibility,

[62] Stage 1 is to understand the effect of planning provisions on feasibility and how changes are likely to enable or encourage development in core nodes to support the urban form objectives.

[63] For clarity, M.E understands that QLDC is not adopting the MDRS. However, recent modelling of the feasibility of MDRS in different economies provides useful context for intensification planning generally.

drawing upon the key relationships within the model. The next stage of the memo (Section 9) outlines further how the relationship between planning provisions and feasibility is affected through the implementation of urban intensification provisions. This section draws upon M.E's more recent MDRS and NPS-UD urban intensification modelling. Conclusions are contained in Section 10.

6. Urban Capacity Spatial Structure Framework

This assessment delineates residential development into three types, which correspond to the nature of their location and development patterns. These are generally reflected in the zoning structure of urban economies, thus providing a useful framework for considering how changes in parameters may influence feasibility.

It is helpful to make this distinction for two reasons. Firstly, in some cases, there are differences in the response to feasibility between these areas from planning provisions. Part of this is a function of the correlation with different types of zoned provision. Secondly, the spatial distribution of changes to provisions in relation to this structure influences the types of effects on urban form.

The broad types of residential development areas considered here include:

- Areas of higher density residential development in key centres/nodes of accessibility. These are generally areas in and around centres, where zoning provides for higher density, including vertical apartment, development. Within QLDC, this generally relates to the centre zones (Town Centres and other commercial centres), Business Mixed Use and some areas of the High Density Residential Zone.
  Key planning factors affecting feasibility within these areas typically relate to height and site cover provisions. In QLD, there are also parameters of minimum land area per dwelling units in some higher density zones that affect feasibility.
- Balance of general residential suburban area outside of commercial centres and key nodes within the existing urban area. This covers most of the suburban area within the existing urban edge and usually includes development patterns of standalone dwellings up to higher density attached dwellings. Within QLDC, this generally relates to the Low, Medium and High (some areas) Density Residential, Township and Settlement Zones.
  Key planning factors affecting feasibility within these areas typically relate to minimum site size requirements (per dwelling unit) and any differences in density for different typologies. The relaxation of height in relation to boundary (HIRB) and required setbacks with attached dwellings are also typically relevant parameters.
- Areas of residential urban greenfield expansion. Greenfield areas are outside the main focus of this assessment.

7. M.E QLD HBA Modelling Capability and Application in Testing Effects on Feasibility of Changing Planning Provisions

This section provides a brief overview of the existing M.E QLD HBA modelling capability and how this has been able to be applied to test the effect of changes in planning provisions on feasibility. It is not intended

to be a detailed technical documentation of the feasibility model, which is available within the QLD HBA[64]. This section identifies the core parameters within the model which drive feasibility and provide scope for further testing of changes in parameters. Importantly, it also outlines the market structure/conditions which the model is calibrated around and therefore sets out the limitations and appropriateness of how it can be applied to test changes (and informs the considerations needed to understand the likely effects of the provisions).

Existing HBA Modelling Capability

M.E have undertaken detailed residential capacity modelling for QLDC in 2017 and 2021 for the NPS-UDC/NPS-UD HBAs[65]. This involved the development of models that calculated total capacity enabled by the Plan and then estimated whether this is likely to be commercially feasible for a developer to construct[66].

The model operates at a parcel level where it applies the relevant planning parameters to determine the number of additional/total dwellings that can theoretically be constructed on each parcel under the Plan. The commercial feasibility component of the model then estimates the likely size and nature of the dwellings that would be likely to be constructed on each parcel (within the permitted development envelope of the parcel and local market conditions and development patterns) if the capacity were taken up. The model then calculates the feasibility of each potential dwelling option based on the estimated costs of construction[67] and likely sales prices (based on the dwelling size, type and location). Dwellings where the modelled sales price is likely to exceed the estimated costs by a sufficient margin are estimated to represent commercially feasible development options and form part of the commercially feasible capacity.

The main parameters[68] that influence feasibility within the model include:

- Minimum site size requirements (per dwelling unit and in total).
- Building height allowances.
- Levels of permitted site coverage.

Limitations

The above factors can be adjusted within the model to test the effect of planning provision changes on the feasibility of capacity. However, it is important to understand the limitations of this approach and consider the findings together with subsequent analyses undertaken by M.E in constructing urban intensification models to inform the effects of the MDRS and NPS-UD (policies 3 and 5).

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[64] M.E, 2021. *Housing Development Capacity Assessment: Queenstown Lakes District,* prepared for Queenstown Lakes District Council and Otago Regional Council, 15 September 2021.

[65] The 2021 model is used here to test feasibility.

[66] The model identifies whether each plan enabled dwelling would be likely to represent a feasible development option for a developer. It does not identify the total number of dwellings that would be feasible to construct in aggregate within the market size.

[67] These include land, site preparation costs, build costs, utilities connections, development contributions and other ancillary costs associated with the construction and sale of the dwelling.

[68] Other parcel level planning provisions may also affect feasibility through the flexibility of on-site design. Initial testing during the model development determined that, from a capacity modelling perspective, most of these factors were superseded by the parameters listed above, or were not able to be modelled without detailed individual site specific surveying.

The HBA feasibility model is calibrated to reflect the development patterns within the 2020 market and are based on the existing (and proposed) planning provisions. An important part of the feasibility modelling involves estimating the dwelling size and type likely to be constructed on different site sizes across different locations.

If new planning provisions were introduced that enabled substantial changes to the type and size of dwellings that could be constructed, or large changes to density, then this would result in a shift to the types of dwelling stock enabled. These would not be reflected within the current model calibrations as they would not form part of the potential or likely market response.

The application of MDRS provisions is a core example where a higher level of development would be enabled on most sites. This would change the model relationships between site and dwelling size/type and generate a shift in the types of dwellings constructed. In many areas where the MDRS are being proposed, this would quite substantially change the potential yield of parcels and would result in larger dwellings able to be constructed on smaller sites through a combination of smaller site size requirements and greater levels of development on each site. The types of dwellings scaled to each parcel would shift in response, generally resulting in significantly larger floorspace to land area ratios and a much greater proportion of multi-level (horizontally-attached) dwellings. In addition to changes in the cost structure of different components (i.e. land, dwellings, ancillary, etc), this would change the required cost rate inputs to construct different types of dwellings[69].

Appropriate Application of HBA for Sensitivity Testing

Given the above, it is important that parameters in the existing commercial feasibility model are only adjusted within ranges that corresponded with or close to the range of model calibration. The QLD HBA model is calibrated to reflect the types of development that would be expected to occur with the types of capacity enabled by the Plan, with some areas restricted further to reflect local market conditions[70]. This means that the modelling is able to test changes to provisions that would deliver the same type of dwellings at a different density, but without significant shifts in the nature of dwellings being delivered. For example, the modelling is able to test changes in minimum site size requirements that would produce relative similar types of dwellings, albeit at a different density. The modelled ranges within the sensitivity testing are specified within the following section.

Further sensitivity testing can be conducted using the model to show the effect of changes in costs and prices together with adjusted planning provisions. Economic changes in the wider residential and construction markets may have affected the feasibility of existing development patterns, therefore having corresponding effects on the level of feasibility change observed from changes to planning parameters.

Further changes to feasibility are likely to occur with additional shifts in planning provisions beyond those appropriate to test within the existing model calibration. These include changes such as the introduction of MDRS-type provisions that enable a higher level of development and potential yield on each parcel. The

[69] For example, Low Density Residential Zones or Settlement Zones, currently have minimum site size requirements of 450m^2 (excluding the land use consent development pathway) and 600m^2, respectively. In many areas, the market responds by delivering single-level standalone dwellings. In contrast, the market would be likely to deliver multi-level dwellings on much smaller site sizes, which have significant differences in build cost per m^2 rates.

[70] In this way, the HBA modelling remained conservative as feasible capacity would otherwise be over-stated in some areas where development patterns have historically occurred at densities substantially lower than that enabled by the Plan.

market (and therefore, feasibility) would be likely to respond to these changes through shifts in the relationships between dwelling type, size and site size. These are beyond the scope of development pattern structures contained within the model, but are investigated in subsequent sections (Section 9) in relation to M.E's recent intensification model development undertaken for the MDRS/NPS-UD (policies 3 and 5) in other territorial authorities.

8. Sensitivity Testing Outputs from the HBA Feasibility Model

Modelled Scenarios

Sensitivity testing has been undertaken using the existing HBA model to understand the effect of changes in planning provisions on the feasibility of capacity (and within the constraints outlined above). Changes were made to the key planning parameters within the model, together with costs and prices. Sensitivity testing of these factors provides a partial picture of how feasibility may be affected by planning provisions.

Two indicative scenarios where planning parameters were adjusted were tested to model changes to feasible capacity. The first (Scenario 1) makes indicative adjustments to the minimum site size requirements[71] and vertical building height limits (in zones where apartments are provided for) at a city-wide scale (as set out below), without any adjustment for selected local areas. Scenario 1 tests a wider range of parameters (than Scenario 2), where smaller minimum site sizes, and greater height allowances, are enabled. Under this scenario, height limits have been increased indicatively to 6 storeys across all areas, with the exception of the Business Mixed Use area in Gorge Road, where an indicative allowance of 8 storeys has been applied.

The second indicative modelled scenario (Scenario 2) applies city-wide changes to minimum site size areas and vertical height allowances (in zones where apartments are provided for), but also retains some of the local areas' adjustment for certain areas[72]. The city-wide changes to minimum site areas and height limits are smaller than under Scenario 1 to test a range of outcomes. Under this scenario, height limits have indicatively been increased by an additional storey across each area, from that which has been applied under the HBA modelling (as informed by QLDC assumptions).

The indicative minimum site sizes in the modelled scenarios are set out in the table below, along with the existing planning parameters modelled through the 2021 HBA. In each scenario, the minimum site area under the land use consent development pathway has been applied.

[71] Further investigation within the model found that site sizes were the main parameter affecting plan enabled capacity, and consequently commercially feasible capacity.

[72] The HBA modelling used a localised scenario to apply larger site sizes in areas where development patterns are well below densities enabled under the Plan. This ensured modelling remained conservative and that capacity was not over-stated.

Table 0-1: M.E Residential Indicative Minimum Site Area (per Dwelling) Modelled Scenarios (For Sensitivity Testing Purposes Only)

ZONE	Minimum Site Area Requirements (m2)		
	Baseline (HBA)	Scenario 1	Scenario 2
High Density Residential	115	90	100
Medium Density Residential	250	200	200
Low Density Residential	300	250	250
Settlements	800	600	600
Township	800	600	600
Arrowtown Residential Historic	650	600	600
Queenstown Town Centre	115	90	100
Wanaka Town Centre	115	90	100
Local Shopping Centre	115	100	100
Local Neighbourhood Centre	115	100	100
Business Mixed Use	200	150	175

Source: QLDC ODP/PDP and M.E QLDC Feasibility Model Sensitivity Testing Parameters, 2022.

The indicative building heights in the modelled scenarios within the zones (excluding High Density Residential Zone[73]) providing for vertically-stacked apartment developments are shown in the table below. The number of indicative modelled storeys for each scenario is shown, together with that in the HBA baseline modelled scenarios. These are the total building heights where residential development is a subset within the total building.

[73] The High Density Residential Zone capacity is determined through the minimum site per dwelling parameters.

Table 0-2: M.E Indicative Vertical Building Height in Modelled Scenarios (For Sensitivity Testing Purposes Only)

ZONE	Model Areas	Total Storeys Modelled		
		Baseline (HBA)	Scenario 1	Scenario 2
Business Mixed Use	W-Mixed Use Remarks, UC-Northlake	2	6	3
Business Mixed Use	W- Arthurs Point, UC-Cardrona (MU), W-Fernhill, W-Frankton Terrace junction, UC - Luggate (MU), W-Jacks Point, UC-Wanaka South (MU), UC-Hawea (MU)	3	6	4
Business Mixed Use	UC-Wanaka Town Centre (MU), UC - Wanaka North (MU), W-Frankton Road (Marina), W-Frankton Flats North & South (2), W-Queenstown Town Centre, W-Frankton Road (near Town Centre), W-Frankton Road (Sherwood), W-Frankton Road (Oaks Club), UC-Three Parks (west), W-Ladies Mile (MU)	4	6	5
Business Mixed Use	W-Gorge Road	6	8	7
Local Neighbourhood Centres	W-Arowtown, W-Lakes Hayes Estate & Shotover Country, UC- Albert Town, UC-Cardrona (LNCs), UC-Hawea (LNCs), UC-Luggate, UC-Wanaka North (including Northlake and near the Lake)	2	6	3
Local Neighbourhood Centres	W - Arthurs Point (LNCs), W-Frankton Terrace, W-Frankton Road, W - Remarks Park, UC-Wanaka Town Centre (LNCs), W-Fernhill/Sunshine Bay, W-Kelvin Heights, UC-Wanaka South (LNCs)	3	6	4
Local Neighbourhood Centres	W - Queenstown Town Centre, W-ladies Mile (LNCs)	4	6	5
Town Centre	W - Queenstown Town Centre	4	6	5
Town Centre	UC-Wanaka Town Centre (LNCs)	3	6	4

Source: QLDC Assumptions from HBA and M.E QLDC Feasibility Model Sensitivity Testing Parameters, 2022.

The feasibility of capacity under each indicative scenario has been tested through time (from the 2020 modelled base year, to the end of the modelled medium-term in 2030) through applying changes in costs and prices. Three scenarios of indicative costs and prices have been tested to understand how feasibility under each set of parameters may be affected by changes in costs and prices. Importantly, this provides a partial picture of how feasibility is likely to change as the model responds to changes in density through planning parameters. It is calibrated to building patterns corresponding to the current market and (current and proposed) planning provisions. Therefore, it does not capture any increases in feasibility which may occur through market adjustments in the relationship between dwelling development patterns and site sizes with changes in planning provisions or market conditions.

The three tested changes in indicative costs and prices, applied to each of the modelled scenarios, are:

- Annual growth of 1% in costs and 1.5% in dwelling and land sales prices.
- Annual growth of 3% in costs and 2% in dwelling and land sales prices.
- Annual growth of 5% in costs and 2% in dwelling and land sales prices.

The first modelled combination gradually increases feasibility through time, while the second and third combinations decrease feasibility through time. These scenarios have been modelled to test the effect of recent increases in construction costs on the feasibility of current development patterns within the capacity provided for under the Plan.

The indicative modelled scenarios have been applied to plan enabled residential capacity within the existing urban area of QLD (excluding Special Zones and other Structure Plan areas).

Key Findings

The two indicative modelled scenarios increase the commercially feasible capacity across nearly all zones and locations. Part of this increase occurs through an overall increase in the amount of plan enabled capacity (through an increase in yields), and part through an increase in the feasibility of sites developed at different densities as tested through the modelled scenarios.

The modelled plan enabled capacity within the existing urban area by zone[74] is shown in Table 0-3 below. The modelled scenarios increase the plan enabled capacity by between 68% and 89%. The increases are larger under Scenario 1 due to the higher density of the indicative modelled provisions.

The largest net increases occur within the general residential suburban area across the Low and High Density Residential zones. The largest increase, within the Low Density Residential Zone, is due to the spatial extent of the zone. Larger proportional increases occur within the shared residential and commercial zones through the modelled additional height allowances on vertically-attached apartment developments.

Table 0-3: Existing Urban Area Modelled Plan Enabled Capacity (Net Additional Dwellings) by Indicative Scenario

	Plan Enabled Capacity			Net Change from Baseline HBA		% Change from Baseline HBA	
ZONE	Baseline (HBA)	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2
High Density Residential	5,200	9,900	7,900	4,700	2,700	91%	51%
Medium Density Residential	1,900	2,500	2,500	700	700	36%	36%
Low Density Residential	12,500	21,300	21,300	8,900	8,900	71%	71%
Township	300	600	600	300	300	74%	74%
Arrowtown Residential Historic	20	30	30	-	-	14%	14%
Queenstown Town Centre	600	2,200	1,400	1,600	700	257%	122%
Wanaka Town Centre	500	2,300	1,300	1,700	800	311%	143%
Local Shopping/Neighbourhood Centre	200	700	500	400	200	194%	104%
Business Mixed Use	1,000	2,600	1,900	1,600	900	155%	85%
TOTAL	**22,300**	**42,200**	**37,500**	**19,900**	**15,100**	**89%**	**68%**

The estimated commercially feasible capacity under each of the modelled scenarios is shown in Table 0-4. This table provides the modelled feasible capacity as applied to the 2020 base year of the model. The base year has been applied to identify changes in feasibility from the baseline modelled capacity.

The feasible capacity nearly triples under Scenario 1. While part of this effect is due to an increase in the plan enabled capacity overall, the feasibility of capacity increases with higher density development provisions. This is seen in the increase in share of plan enabled capacity that is estimated to be commercially feasible.

The estimated feasible capacity also increases under Scenario 2, albeit to a lesser extent. A sizeable share of this effect is likely to be associated with increases in the plan enabled capacity where the share of plan enabled capacity as feasible remains broadly in line, increasing from 53% to 57%.

[74] Capacity within the Large Lot Residential zones have not been included within the modelling.

Table 0-4: Existing Urban Area Estimated Commercially Feasible Capacity (Net Additional Dwellings, 2020 base year) by Modelled Scenario

ZONE	Commercially Feasible Capacity			Net Change from Baseline HBA		% Change from Baseline HBA		Share of Plan Enabled Capacity as Feasible		
	Baseline (HBA)	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Baseline (HBA)	Scenario 1	Scenario 2
High Density Residential	3,800	8,800	6,000	5,100	2,300	135%	61%	72%	89%	77%
Medium Density Residential	900	2,100	1,600	1,200	700	126%	74%	51%	84%	64%
Low Density Residential	5,700	16,700	10,000	11,000	4,400	195%	77%	45%	78%	47%
Township	10	100	100	100	100	2267%	2267%	2%	23%	23%
Arrowtown Residential Historic	10	10	10	-	-	38%	38%	36%	44%	44%
Queenstown Town Centre	200	1,300	800	1,100	600	533%	281%	33%	58%	56%
Wanaka Town Centre	100	2,100	300	2,000	200	1818%	208%	20%	93%	25%
Local Shopping/Neighbourhood Centre	200	600	400	500	300	319%	185%	66%	95%	93%
Business Mixed Use	1,000	2,600	1,800	1,600	800	163%	86%	95%	99%	96%
TOTAL	**11,800**	**34,400**	**21,200**	**22,600**	**9,400**	**191%**	**79%**	**53%**	**82%**	**57%**

Higher Density Development Areas

The nature of the modelled provisions' effects on the feasibility of capacity differs between the higher density areas and the general suburban areas. Within the higher density areas, there are larger percentage increases in feasible capacity between the HBA baseline and the modelled scenarios than within other zones. These include the mixed residential/commercial zones (i.e. Town Centre, Shopping/Neighbourhood Centres and Business Mixed Use).

Increases in the modelled height allowances increase the feasibility of capacity through both an increase in the parcel yield as well as a reduction in the average construction cost per dwelling. Yield increases result in a reduction in the land cost per dwelling. It is assumed that increases in storeys are unlikely to reduce estimated per dwelling sales prices if dwellings are already configured as vertically-attached dwellings. The market size for this dwelling typology is an important determinant of the ability to construct buildings at higher densities.

Average per dwelling construction costs vary by building height. An increase in costs per dwelling typically occurs between lower rise buildings (up to 2-3 storeys) and taller buildings where dwellings are typically vertically-attached. Dwelling construction costs are generally lower within low-rise buildings as dwellings are typically horizontally-attached 2-3 level walk-ups, do not require the additional expense of lifts, or have lower sub-structure construction costs.

Construction costs generally increase once buildings reach three or more storeys with a vertically-attached dwelling configuration. This occurs due to the additional costs associated with constructing a building sufficiently strong to support higher levels and the additional building code requirements for this form of development (e.g. lifts).

Within medium to higher rise developments (3+ storeys with vertically-attached dwellings), an increase in the modelled feasibility occurs where buildings are developed to a greater number of storeys as the average cost per dwelling decreases. The average per m^2 construction cost (and therefore average dwelling cost) decreases as the increased cost associated with constructing stronger buildings is spread across a greater amount of floorspace/dwellings[75].

[75] While there is some increase in the cost of building strengthening as buildings increase in height (beyond the initial piling, etc requirements for a vertically-attached tenancy/dwelling building), the cost typically increases at a slower rate than the rate of floorspace increase with additional levels, therefore resulting in a decrease in the average construction cost per m^2.

Overall, there is generally a sizeable increase in building construction costs per dwelling when density increases from 2-3 level horizontally-attached walk-up dwellings to vertically stacked apartment dwellings. Once this has occurred, the rate per dwelling decreases with additional storeys, generally resulting in highest construction costs for 3-4 level vertically-attached dwellings and lower construction costs for dwellings in higher buildings.

Table 0-2 shows that a large proportion of the apartment dwelling capacity within the initial HBA modelling was in buildings of 3-4 storeys, generally falling within the higher dwelling construction cost rates. The indicative modelled scenarios increase the storeys, reducing construction cost rates, therefore increasing feasibility. The greatest increases occur under Scenario 1 due to the higher modelled storeys having a lower cost rate.

The modelling has also found that the land area per dwelling requirements[76] (currently 115m^2 per dwelling) within the High Density Residential Zone are likely to limit dwellings constructed to around 3 to 4 levels. As outlined above, this corresponds with the higher rates of construction costs. It is likely that feasibility would increase across this zone if this control were reduced together with increases in the height allowances. However, it is important to consider that much of the increase in feasible capacity would be associated with an increase in plan enabled capacity as HBA modelling has estimated that high shares of the capacity (72%) may already represent feasible development options. It is therefore important to consider the appropriateness of providing for additional capacity within this zone and the locations where it occurs.

The above modelling reflects the changes in feasibility associated with height and does not take into account the application of other planning provisions (such as landscaping and viewshaft provisions) that guide the appropriateness of building height.

Balance of General Residential Suburban Area

The modelling has found that the estimated feasible capacity also increases within the general residential suburban area under Scenarios 1 and 2. Similarly, a share of this increase occurs through an increase in the plan enabled capacity, while a share occurs through increased feasibility with developing sites at a higher density. The larger increases in capacity occur under Scenario 1 where minimum site areas are applied on a citywide basis, while local area densities are still applied, albeit to a lesser extent, under Scenario 2.

The largest net increase in feasible capacity occurs within the Low Density Residential Zone, which corresponds to the large spatial extent of the zone. This increases the potential yield on many parcels, and also increases the number of parcels that can be developed as infill capacity. Increases in yield on each site can increase the feasibility of capacity to a larger extent than as a direct proportionality through a decrease in average land costs per dwelling. This is because the total sales price of all dwellings across the parcel, in aggregate, increases at a faster rate as a large proportion of dwelling value is associated simply with the existence of a dwelling (and then increases with dwelling/land size[77]).

The indictive increase in feasible capacity within the Low Density Residential Zone is smaller under Scenario 2 due to the application of lower densities within selected areas. It is important to understand this range because any actual development patterns may occur at lower densities than those enabled by the Plan. A

[76] It is noted that the ODP and PDP also contains building shade requirements that would also limit development within this zone to around 3 to 4 levels (and lower in some areas). These fall outside the scope of the feasibility model.

[77] That is, the gradient of the relationship between dwelling sales price and size is less than 1.

range of dwellings at different densities are likely to be constructed based on the size of each market segment.

There are also modelled increases in the feasible capacity within the Medium Density Residential Zone areas under Scenarios 1 and 2. A large share of the increase occurs through the attached dwelling typology as sites are able to be developed more efficiently (i.e. the construction of larger floorspace dwellings on smaller sites than detached dwellings) through this typology. The plan enabled capacity is also smaller for detached dwellings due to the application of assumptions around the minimum site sizes required to feasibly construct standalone dwellings. The overall increase in feasible capacity within this zone is smaller than the Low Density Residential Zone due to the smaller spatial extent of the zone.

The modelling found increases in the feasibility of capacity within the Township Zone. Although, the total net increases are small due to the limited area across which this zone is applied. Feasibility constraints within this zone were initially identified within the HBA with the existing large site size requirement per dwelling (800m2 per dwelling). The modelling has reduced this indicatively to 600m^2 (to appropriately remain within the calibration of the model), resulting in some increase in feasibility while maintaining the lower density character of these areas.

Impact of Changes in Costs and Prices on Modelled Feasible Capacity

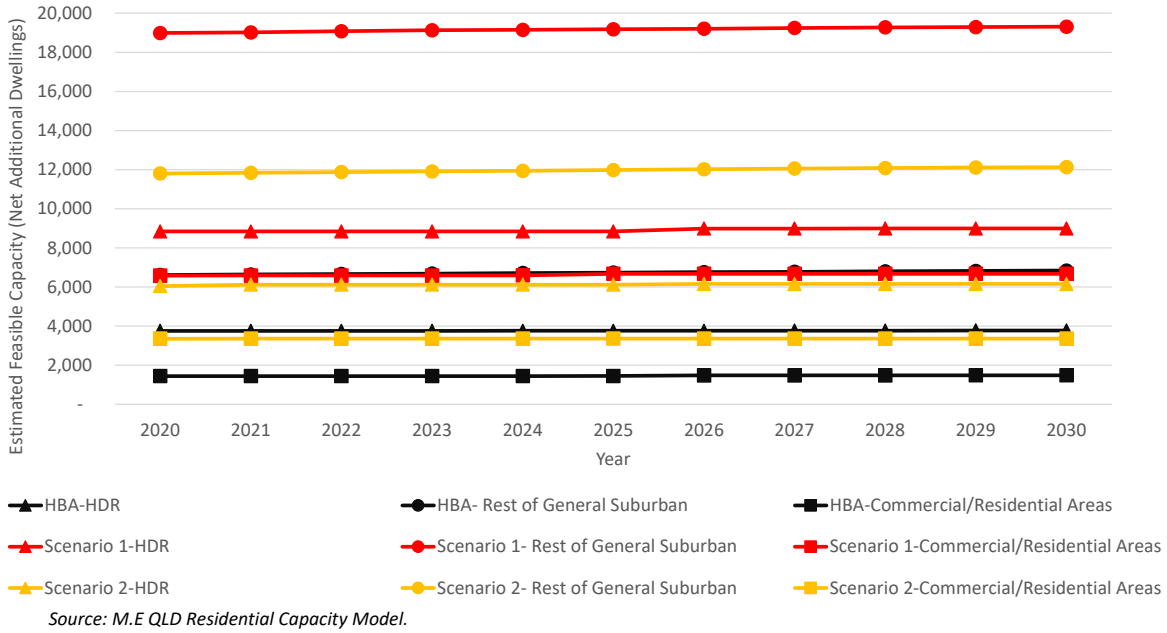
The impact of changes in indicative costs and prices on feasibility was modelled as further sensitivity tests. Changes were modelled for the existing HBA feasible capacity to understand the effects on the feasibility of existing development patterns within the current provisions. The effects of cost and price changes were also modelled for Scenarios 1 and 2.

While construction cost rates are determined by factors beyond planning provisions, it is important to understand how they affect feasibility. For instance, it is useful to understand whether current development patterns remain feasible with recent increases in construction costs that have occurred since the HBA baseline modelling.

At a high level, feasibility generally increases when dwelling sales prices increase at a greater rate than construction costs, and decreases when the reverse holds true. The following graphs show the modelled effect on feasible capacity under each situation. Figure 0-1 models the feasible capacity where prices increase slightly faster than costs, while Figure 0-2 models capacity where costs increase at a faster rate. As outlined above, it is important to note that this only provides a partial picture as it is based on model calibrations to the existing development patterns. Changes in costs and prices may result in changes to development intensities on each site (within the enabled planning provisions) to adjust to cost/price changes to maintain feasibility.

Figure 0-1 shows small increases in feasibility through time with a gradual increase in costs, exceeded slightly by the increase in prices. The increases are small, and are relatively similar in proportion across the three modelled scenarios. A relatively high share of the plan enabled capacity in some categories is estimated to potentially represent feasible options in the base year, meaning that there is limited scope for further increases.

Figure 0-1: Modelled Commercially Feasible Capacity by Zone Type and Scenario: Annual Prices +1.5% and Annual Costs +1% (For Sensitivity Testing Purposes Only)

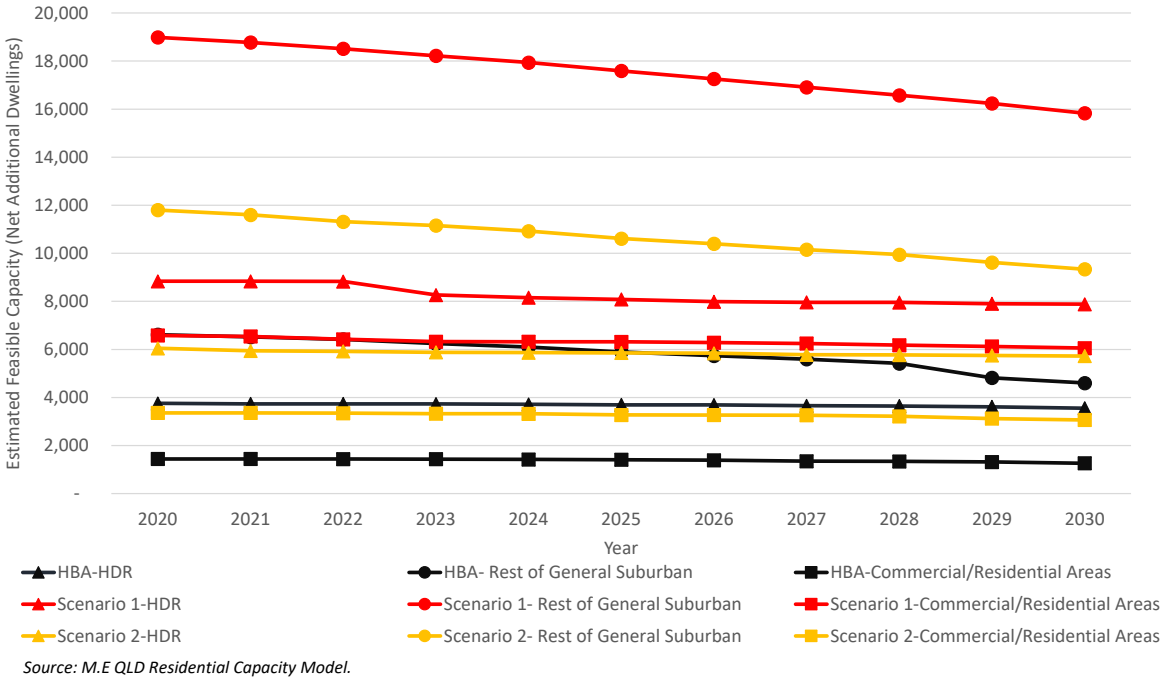


Source: M.E QLD Residential Capacity Model.

Figure 0-2 shows decreases in modelled feasible capacity through time where indicative costs increase at a faster rate than growth in indicative dwelling sales prices. The largest decreases occur within the rest of the general suburban area (beyond the High Density Residential Zone), both in terms of net and percentage decreases. Part of this effect is likely to occur through the current development densities becoming less feasible through time (and therefore, potentially over-stated) where the market is instead likely to show a level of adjustment through time with increases in the intensity of site use.

Other areas of higher density capacity have smaller modelled decreases in feasible capacity than the general suburban area. While the decreases are proportionately smaller, there may be larger decreases in the margins within these types of capacity. This may suggest that capacity remains feasible, but at a lower profit margin.

Figure 0-2: Modelled Commercially Feasible Capacity by Zone Type and Scenario: Annual Prices +2% and Annual Costs +5% (For Sensitivity Testing Purposes Only)



Source: M.E QLD Residential Capacity Model.

The above results indicate the changes in feasibility as a result of changes in planning provisions where the same nature of development patterns remain. The following section provides commentary on the types of changes in feasibility that may occur through the implementation of intensification provisions that provide for a shift in development patterns.

9. Effects on Feasibility from Application of Intensification Provisions

M.E have recently developed modelling capability in other territorial authorities to calculate the impact of intensification planning provisions on residential development capacity. The modelling estimates the effects of the MDRS and NPS-UD Policy 3 and 5 requirements, which provide for much greater levels of development across urban areas.

NPS-UD Policies 3 and 5 require the provision for higher density vertical development (vertically-attached apartments) in key nodes of accessibility (centres and other high amenity areas). The above sensitivity testing has been able to reflect much of this type of development through modelling increased height allowances within areas where it is already provided for.

The MDRS provisions enable a much greater level of development across all residential urban zones. This occurs through a combination of increased yields on parcels (up to 3 dwellings per site) together with an expansion of the permitted three-dimensional building envelope[78]. The provisions often enable a shift in development patterns from those enabled under existing ODPs and PDPs. If similar provisions were applied within QLD, these would be likely to enable a much greater level of development within the Medium

[78] This is formed through the combination of height allowances (up to three storeys), setbacks and height in relation to boundary rules.

Density Residential, Low Density Residential and Township zones, and smaller potential increases within the High Density Residential Zone.

The effects on feasibility of these sorts of provisions are not likely to be captured by the current modelling. This is because they enabled much greater intensity of use on each site, thus shifting the relationship between dwelling and site sizes. The higher intensity development generally increases feasibility as smaller site sizes are required per dwelling. Beyond the smaller site sizes, the dwellings able to be constructed are larger (within the greater building envelope) and therefore able to achieve higher sales prices and meet a wider portion of the market demand.

The greater building envelope tends to alter the relativity of feasibility across different dwelling typologies to cause an increase in the relative feasibility of attached dwellings. This is because it is relatively more efficient to develop sites as attached dwellings as site sizes decrease.

Increased yields from these provisions generally increase the feasibility of redevelopment capacity options. Existing dwelling costs are spread across a greater number of constructed dwellings. The increase in total sales from the increased dwelling yield also generally exceeds the increase in sales price achieved from a smaller number of larger dwellings with the same combined floorspace. This is because a sizeable portion of the value of a dwelling occurs through its existence.

The relative feasibility of redevelopment options is also increased through the potential for higher yields on each parcel. This occurs through the efficiency increases through development of multiple dwellings, including through scale economies in construction costs.

It is noted that the increased potential yields on parcels is likely to increase the parcel land prices over the medium-term. The scale of this effect on each development type is unclear, however, it is likely to increase the relative attractiveness of redevelopment options as the cost increases are spread across a greater number of dwellings.

10.Conclusions

The sensitivity testing within the QLD HBA residential capacity model has identified increases in feasible capacity across most of the urban area with indicative increases in the density of provisions. A large share of the increase in feasible capacity is likely to be associated with the increases in plan enabled capacity that occur with increased density allowances. Increases in feasible capacity (net additional dwellings) also occur through increases in the feasibility of development at these higher densities as seen through the increases in the share of plan enabled capacity estimated to represent potential commercially feasible development options.

The modelled increases in capacity are widespread across the urban area. Modelled feasible capacity increased across all zones and locations. Part of this is likely to be due to the existing relatively high rates of feasibility within the current market in QLD. Increases in feasible capacity were shown within the general residential zones as well as the higher density areas of vertical development.

The effect of increased density on feasibility may be understated, within the general suburban residential areas, in the sensitivity testing through the existing HBA model. This is because the testing is limited to testing ranges of development that are similar to the development patterns already within the model as a function of existing ODP and PDP provisions. These are also limited to the calibrations between dwelling

and site size arising from these provisions with no allowance for market adjustment of this relationship to increase feasibility.

We consider it is important to appropriately spatially apply any intensification provisions within the urban area to achieve urban form objectives. The spatial extent of the provisions in relation to the market size is likely to affect the ability to achieve intensification within appropriate locations that support the development and viability of core nodes within the urban environment.

APPENDIX 6 - DETAILED OPTIONS FOR CAPACITY MODELLING

RECOMMENDATIONS:

- **Zone extend** - **scenario 1**: Zone extend is as per the recommended mapping changes (option 1).
- **Zone extend – scenario 2:** Zone extend is as per the recommended mapping changes (option 2)– this includes more MDR along accessibility "corridors".
- **Zone extend – scenario 3:** Zone extend is as per the recommended mapping changes (option 1) in method statement document – but include MDR over all other MDR/LDSR zones as option 3

- **Urban Design/planning – recommendation 1:** Increase heights and HIRB provisions in the Town Centres (excluding Arrowtown TC), BMU, LSC, and HDR zones only & densities in the ARHM – in line with recommendation 3.
- **Urban Design/planning – recommendation 2:** Increase heights, densities (in some zones) and HIRB provisions in the Town Centres (excluding Arrowtown TC), BMU, LSC, ARHM, HDR and MDR only – in line with recommendation 3.
- **Urban Design/planning – recommendation 3 (FULL)**: Increase heights and HIRB provisions in the Town Centres (excluding Arrowtown TC), BMU, LSC and increase heights and densities in all the Urban Residential Zones (HDR, MDR, LDSR, ARHM) (potentially the last 4 listed as well).

SECTION 32 OPTIONS:

EXCLUDING LDSR INTENSIFICATION OPTIONS:

NODES

Option 1: Strengthen nodes and make their provisions more enabling but keep LDSR as is.

- Update provisions in all relevant chapters to clarify the infill/intensification intent and to be more enabling and less preserving status quo.
- **Zone extend** change to **scenario 1:**
  - Keep Town centre and business zone extends the same
  - Change LSCZ in Frankton to BMU
  - Extend/up Zone to HDR & MDR around QT and Frankton
  - Up zone HDR in Wanaka and Three Parks to amended MDR
  - Up zone HDR in Arthurs Point to amended MDR
  - **Downzone** MDR in Arthurs Pont, Top of QT hill, near Frankton Marina, and North Wanaka to LDSR (Downzone because the LDSR zone will stay as is)
  - Up zone/increase MDR zone extend around accessible nodes.
- **Provisions:** Increase height and density– **UD recommendations 2**:
  - Increase heights and HIRB provisions in the Town Centres (Excluding Arrowtown TC), LSC and BMU zone
  - Increase heights and densities in the ARHM, MDR and HDR
  - Keep the LDSRZ heights and densities as is but make them clearer around infill/intensification rules.

NODES & CORRIDORS

Option 2: Strengthen nodes & corridors and make their provisions more enabling but keep LDSR as is.

- Update provisions in all relevant chapters to clarify the infill/intensification intent and to be more enabling and less preserving status quo.
- **Zone extend** change to **scenario 2:**
  - Keep Town centre and business zone extends the same
  - Change LSCZ in Frankton to BMU
  - Extend/up Zone to HDR & MDR around QT and Frankton
  - Up zone HDR in Wanaka and Three Parks to amended MDR
  - Up zone HDR in Arthurs Point to amended MDR
  - **Downzone** MDR in Arthurs Pont, Top of QT hill, near Frankton Marina, and North Wanaka to LDSR (Downzone because the LDSR zone will stay as is)
  - Up zone/increase MDR zone extend around accessible nodes **and corridors.**
- **Provisions:** Increase height and density– **UD recommendations 2**:
  - Increase heights and HIRB provisions in the Town Centres (Excluding Arrowtown TC), LSC and BMU zone
  - Increase heights and densities in the ARHM, MDR and HDR
  - Keep the LDSRZ heights and densities as is but make them clearer around infill/intensification rules**.**

INCLUDING LDSR INTENSIFICATION OPTIONS:

NODES

Option 3: Strengthen nodes and make their provisions more enabling + LDSR intensification

- Update provisions in all relevant chapters to clarify the infill/intensification intent and to be more enabling and less preserving status quo.
- **Zone extend** change to **scenario 1**:
  - Keep Town centre and business zone extends the same
  - Change LSCZ in Frankton to BMU
  - Extend/up Zone to the HDR & MDR around QT and Frankton.
  - Up zone HDR in Wanaka and Three Parks to amended MDR
  - Up zone HDR in Arthurs Point to amended MDR
  - **Up zone** MDR in Arthurs Pont, Top of QT hill, near Frankton Marina, and North Wanaka to LDSR (Up zone because the LDSR zone will now intensify as well)
  - Up zone/increase MDR zone extend around accessible nodes.
- **Provisions:** Increase height and density in all zones – **UD recommendations 3**:
  - Increase heights and HIRB provisions in the Town Centres (Excluding Arrowtown TC), LSC and BMU zone
  - Increase heights and densities in all the Urban Residential Zones

NODES & CORRIDORS

Option 4: Strengthen nodes & corridors and make their provisions more enabling + LDSR intensification

- Update provisions in all relevant chapters to clarify the infill/intensification intent and to be more enabling and less preserving status quo.
- **Zone extend** change to **scenario 2:**
  - Keep Town centre and business zone extends the same
  - Change LSCZ in Frankton to BMU
  - Extend/up Zone to HDR & MDR around QT and Frankton.
  - Up zone HDR in Wanaka and Three Parks to amended MDR
  - Up zone HDR in Arthurs Point to amended MDR
  - **Up zone** MDR in Arthurs Pont, Top of QT hill, near Frankton Marina, and North Wanaka to LDSR (Up zone because the LDSR zone will now intensify as well)
  - Up zone/increase MDR zone extend around accessible nodes **and corridors**.
- **Provisions:** Increase height and density in all zones – **UD recommendations 3**:
  - Increase heights and HIRB provisions in the Town Centres (Excluding Arrowtown TC), LSC and BMU zone
  - Increase heights and densities in all the Urban Residential Zones

INCLUDING MDRS (RMA) or MDR (RECOMMENDED)

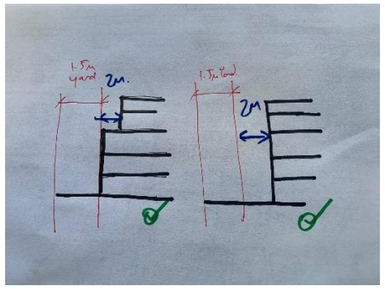
Option 5: Strengthen nodes and make their provisions more enabling + MDRS (RMA)

- Update provisions in all the relevant chapters to clarify the infill/intensification intent and to be more enabling and less preserving status quo
- **Zone extend** change to **scenario 3:**
  - Keep Town centre and business zone extend the same
  - Change LSCZ in Frankton to BMU
  - Extend/up Zone to HDR around QT and Frankton.
  - Up zone HDR in Wanaka and Three Parks to MDR (RMA)
  - Up zone HDR in Arthurs Point to amended MDR (RMA)
  - Zone all existing LDSR and MDR to MDR (RMA)
- **Provisions:** Increase height and density– **UD recommendations 1:**
  - Increase heights and HIRB provisions in the Town Centres (Excluding Arrowtown TC), LSC, BMU, and HDR zone. Increase densities in the ARHM zone.
  - Adopt MDR (RMA) provisions.

Option 6: Strengthen nodes and make their provisions more enabling + MDRS (Recommended- UD recommendation 3)

- Update provisions in all the relevant chapters to clarify the infill/intensification intent and to be more enabling and less preserving status quo
- **Zone extend** change to **scenario 3:**
  - Keep Town centre and business zone extend the same
  - Change LSCZ in Frankton to BMU
  - Extend/up zone to HDR around QT and Frankton.
  - Up zone HDR in Wanaka and Three Parks to MDR (Recommended)
  - Up zone HDR in Arthurs Point to amended MDR (Recommended)
  - Zone all existing LDSR and MDR to MDR (Recommended)
- **Provisions:** Increase height and density– **UD recommendations 1:**
  - Increase heights and HIRB provisions in the Town Centres (Excluding Arrowtown TC), LSC, BMU, and HDR zone. Increase densities in the ARHM zone.
  - Adopt MDR (Urban Design Recommended) provisions.

RECOMMENDED PROVISIONS – RECOMMENDATION 3 (FULL)				
	Low Density Residential	**Medium Density Residential**	**High Density Residential**	**Arrowtown RHMZ**
Density	• 1 in 300m^2 average density across any development site;	• 1 in 150m^2 average density across any development site.	• No minimum density/ controlled by other bulk and location standards	• 650m2 as existing, but could write a bespoke rule to allow: o enabling duplex style (two dwellings sharing a common wall) developments or the partitioning of existing dwellings into two-units through a rule similar to the CRD rule in the LDSR, with a density of **1 in 500m^2.** o This will include the possibility to convert a **residential flat** into a second unit, provided it complies with the **1 in 500m^2** density.
Minimum lot area	• 300m^2 (Exception rules 27.7.30 - 31 remains - Does not apply where land use and subdivision are submitted concurrently) • Within the Queenstown Airport Air Noise Boundary and Outer Control Boundary: 600m^2	• Keep existing 250m^2 (Exception rules 27.7.30 - 31 remains - Does not apply where land use and subdivision are submitted concurrently)	• Make 600m^2 (Exception rules 27.7.30 - 31 remains - Does not apply where land use and subdivision are submitted concurrently) & at Frankton North: No minimum	• Keep existing 800m^2 , but bring in exception if land use of 1 in 500m^2 approved.
Minimum lot dimensions	• Amend to: 12m x 15m	• Amend to: 10m x 12m	• Keep existing: 20m x 20m	• Keep existing: 15m x 15m
Heigh	• 8m on both flat and sloping sites • Keep bespoke heights in Kawarau Heights and Lake Avenue Height Restriction Area (mediated outcomes/landscape protection). • Insert bespoke rules from Arthurs point rezoning recommendation.	• 12m (11m +1m) on both flat and sloping sites (includes provision for up to additional 1m to enable pitched roof forms). • **If option 1:** Up zone land below SH6 Frankton road from HDR to amended MDR – transfer bespoke height rule/no buildings above road level. • Transfer 10m/7m bespoke height rule from HRD chapter – applies to Kawarau Falls Bridge area.	• 16.5m on both flat and sloping sites • **Frankton North:** o up to 16.5m is permitted o 16.5m – 20m is RD o Above 20m is NC or D • **If option 2:** Keep land below SH6 Frankton road HDR - keep bespoke height rule/no buildings above road level. • Remove Kawarau Falls Bridge bespoke rules	• Keep as is
Recession planes	• Keep existing recession planes but apply them to both flat and sloping sites.	• Recession plane for flat and sloping sites: o None at road boundary o Southern boundary: 4m+35° o All other boundaries: 4m+60° • Include exemption for gables.	• Recession plane for flat and sloping sites: o None at road boundary o Southern boundary: 8m+ 45^0 o All other boundaries 8m+60^0 • Include exemption for gables	• Keep as is

		• Recession planes do not apply to site boundaries adjoining a town centre zone, fronting the road, or a park or reserve.	• Recession planes do not apply to site boundaries adjoining a town centre zone, <u>Business or Commercial Zone</u>, fronting the road, or a park or reserve.	
Boundary Setbacks	• Keep as is	• Keep as is for modelling (can resolve State highway setback later)	• Change from 2m to <u>1.5m</u> (keep 4.5 and 0 for Frankton North) for modelling (can resolve State highway setback later)	• Keep as is
Building setback at upper floors	• N.A	• N.A	• 2m setback above 10m/ 3-storeys from the corresponding yard setback. Example:  • Potential exemption for Frankton North	• N.A
Outdoor living	• N.A	• Outdoor Living Space - Residential Unit at ground floor: Must have outdoor living space: ○ Minimum 20m² area: ○ where located at ground level has no dimension less than 3m and where provided in the form of a balcony, patio, or roof terrace, is at least 8 square metres and has a minimum dimension of 1.8 metres. ○ May be grouped cumulatively in 1 communally accessible location or located directly adjacent to the unit. • Outdoor Living Space Residential Unit above ground floor: Must have outdoor living space: ○ Minimum 8m² area with a minimum dimension of 1.8m. ○ May be grouped cumulatively in 1 communally accessible location or located directly adjacent to the unit.	• N.A	• N.A
Outlook space	• N.A	• Outlook Space: Principal living room outlook 4m depth x 4m width. All other habitable rooms – outlook 1m depth x 1m width.	• Outlook Space: Principal living room outlook 4m depth x 4m width. All other habitable rooms – outlook 1m depth x 1m width.	• N.A

Building coverage	• Keep as is	• Keep as is	• Keep as is	• Keep as is
Permeable Surface coverage	• Keep as is	• Keep as is	• Keep as is	• N.A
Building length	• Keep as is	• Keep as is	• Keep as is	• N.A
Bespoke rules	• Keep existing bespoke rules as is	• Keep existing bespoke rules as is	• Keep bespoke provisions if not rezoned:	• N.A
Consequential zone changes	• **Arthurs Point** - Up zone existing MDR to amended LDSR (Keep VA subzone& bespoke height restrictions) • **Queenstown hill** – Up zone existing MDR to amended LDSR (Keep VA subzones) • **Wanaka North -** Up zone existing MDR to amended LDSR (Keep VA subzones)	• **Arthurs Point** - Up zone existing HDR to amended MDR (keep VA the same & keep bespoke height controls and transfer rule 9.4.1 to MDR chapter) • **Wanaka** – Up zone existing HDR in Wanaka and Three Parks to amended MDR • **Option 1 - QT** - Up zone existing HDR on Frankton road and at Kawarau Falls to amended MDR. – consider also keeping bespoke provisions • **Option 2** -**QT** - Up zone existing HDR at Kawarau Falls to amended MDR. – consider also keeping bespoke provisions	• Same as MDR to the left	• N.A
	Queenstown Town Centre	**Wanaka Town Centre**	**Business Mixed Use**	**Local Shopping Centre .**
Density	• N.A	• N.A	• N.A	• N.A
Minimum lot area	• N.A	• N.A	• Keep existing 200m^2	• N.A
Minimum lot dimensions	• N.A	• N.A	• N.A	• N.A
Heigh	**As per Figure 1 -Maximum height limit of:** ○ 8m in Height Precinct 1. ○ 12m in Height Precinct 2. ○ 20m in Height Precinct 3. ○ 24m in Height Precinct 4. ○ 16m in Height Precinct 5. **Building height setback at upper floors** ○ Within Precinct 2, a 4m minimum building setback from all road boundaries shall apply to the area of any building that exceeds a height of 8m from the ground level.	• **A height limit of <u>up to 16.5m</u>** • **Building height setback at upper floors** ○ A 4m minimum building setback from all street boundaries and boundaries that adjoin a park or reserve shall apply to the area of buildings that exceed a height of 12m from the ground level.	• Maximum building height shall be: ○ Queenstown - 20m ○ Wānaka – ~~12~~ **<u>16.5m</u>** ○ Frankton Marina – ~~15~~ **<u>16.5m</u>** ○ Frankton North – 20m ○ Any fourth storey (excluding basements) and above shall be set back a minimum of 3m from the building frontage. • Activity status changed from NC to RD so that the above heights are permitted, but RD if breached.	• Maximum building height shall be: ○ 14m - in Fernhill & Kelvin heights ○ 10m - in Sunshine bay, Arrowtown, Wanaka (Cardrona Valley Road), Albert Town and Hawea

	○ Within Precincts 3 and 4, a 6m minimum building setback from all road boundaries shall apply to the area of any building that exceeds a height of 12m from the ground level. *For the purpose of this rule, refer to the Height Precinct Map (Figure 2 at the end of this Chapter).*			
Recession planes	• Where the site adjoins a residential zone, a Recession plane for flat and sloping sites applies: ○ 8m + 60^0	• Where the site adjoins a residential zone, a Recession plane for flat and sloping sites applies: ○ 8m + 60^0	• Where the site adjoins a residential zone, the following Recession plane for flat and sloping sites applies: ○ Where adjoining the MDRZ or HDRZ: 8m + 60^0 ○ Where adjoining the LDSRZ: 4m + 60^0 • No recession plane applies where sites adjoin other commercial zones or from a road/ open space boundary. • Keep rest of the bespoke rules here.	Recession plane for flat and sloping sites: ○ At Fernhill & Kelvin heights: ▪ None at road boundary/open space/other commercial zones. ▪ All other boundaries: 4m+60° ○ At Sunshine bay, Arrowtown, Wanaka (Cardrona Valley Road), Albert Town and Hawea : ▪ None at road boundary/ open space/ other commercial zones. ▪ All other boundaries: 2.5m and 55 degrees. Emptions: a. gable end roofs may penetrate the building recession plane by no more than one third of the gable height;
Minimum Ground Floor Heights	• Minimum ground floor/level height of 4.0m	• Minimum ground floor/level height of 4.0m	• N.A	• N.A
Boundary Setbacks	• N.A	• N.A	• Keep as is	• Keep as is (3m where it adjoins a Residential zone, • Settlement Zone or public open space)
Building setback at upper floors	• N.A – see recession plane setback rule above	• N.A – see recession plane setback rule above	• N.A	• N.A
Outdoor living	• N.A	• N.A	• N.A	• N.A
Outlook space	• **Outlook Space**: Principal indoor living room outlook 6m depth x 4m width. All other habitable bedrooms – outlook 1m depth x 1m width. This outlook space must be accommodated within the parent site (but can extend over streets/ open spaces).	• **Outlook Space**: Principal indoor living room outlook 6m depth x 4m width. All other habitable bedrooms – outlook 1m depth x 1m width. This outlook space must be accommodated within the parent site (but can extend over streets/ open spaces).	• N.A	• N.A
Building coverage	• N.A	• N.A	• Keep as is	• Keep as is

Permeable Surface coverage	• N.A	• N.A	• N.A	• N.A
Building length	• N.A	• N.A	• N.A	• N.A
Bespoke rules	• N.A	• N.A	• Keep bespoke rules	• Keep bespoke rules
Consequential zone changes	• N.A	• N.A	• Rezone LSC at Frankton to BMU	• Rezone LSC at Frankton to BMU

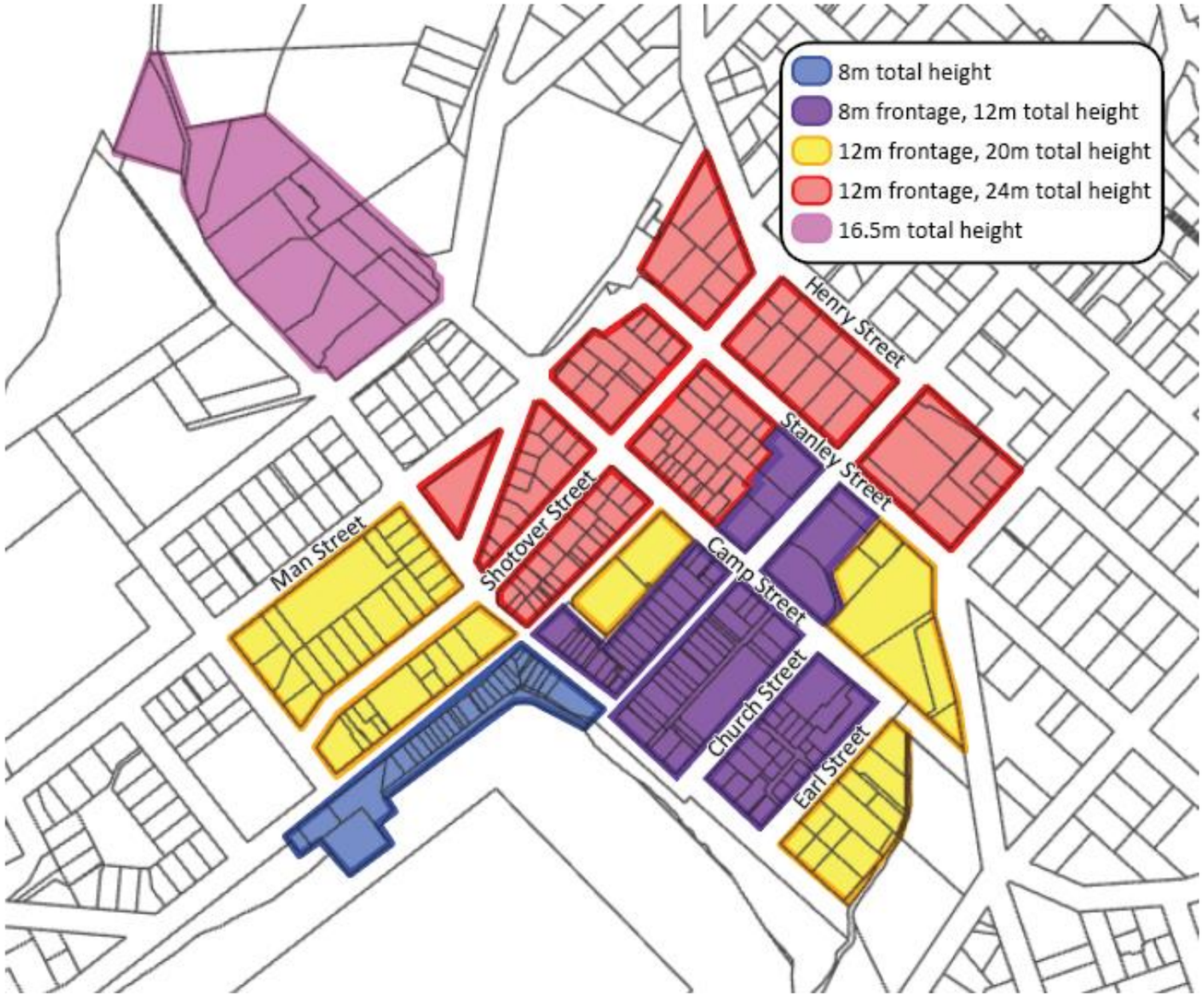
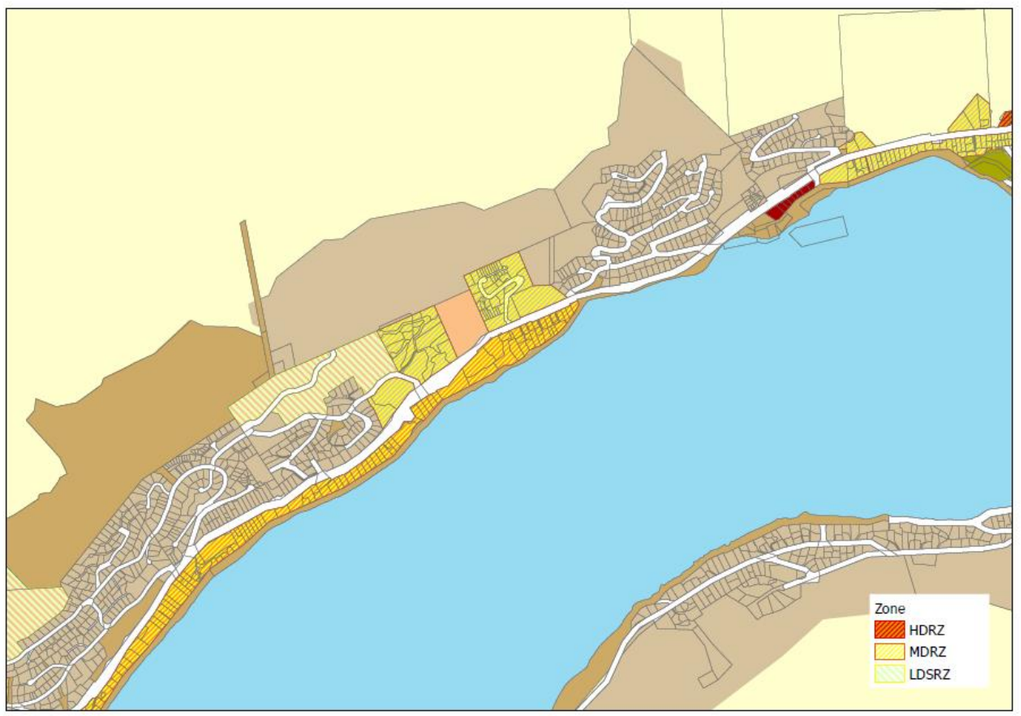
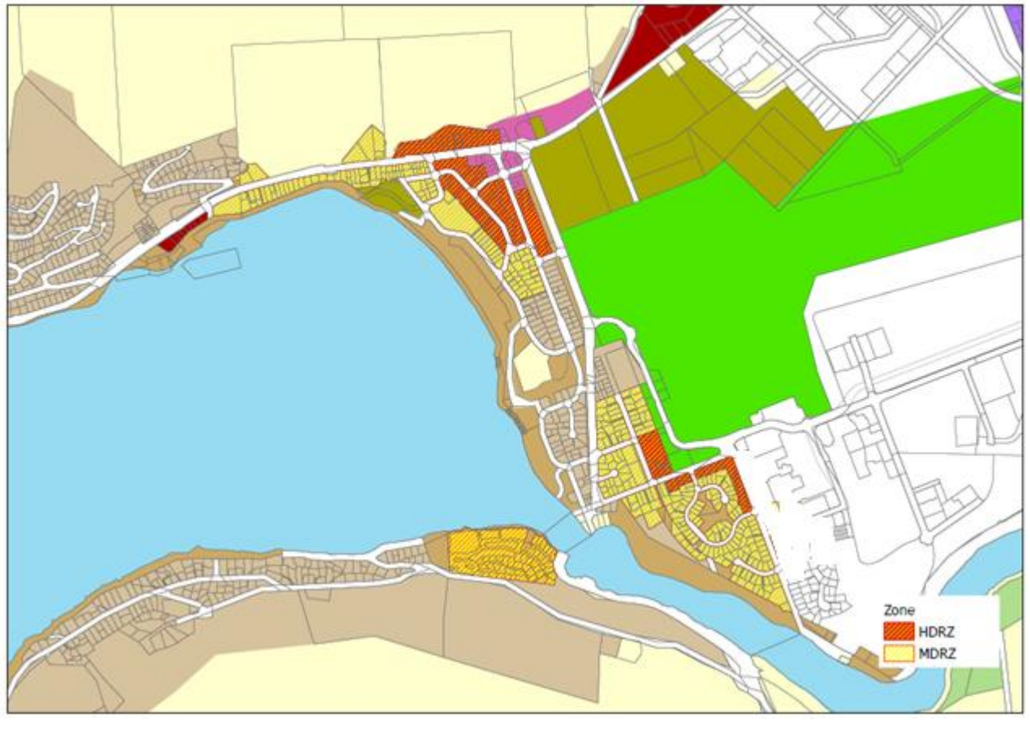
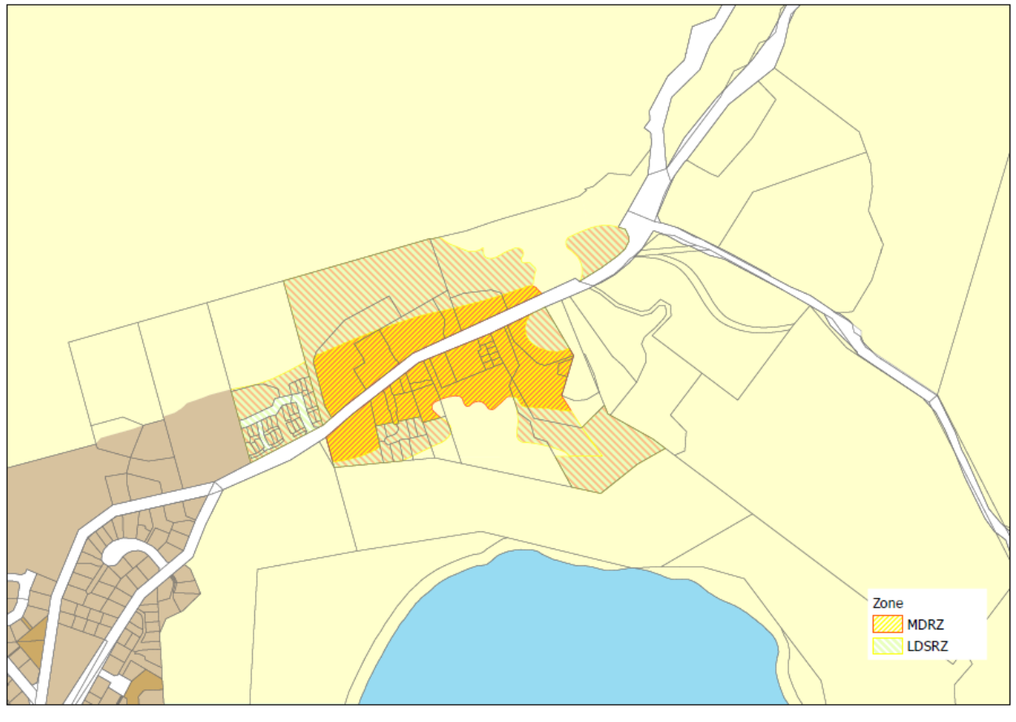


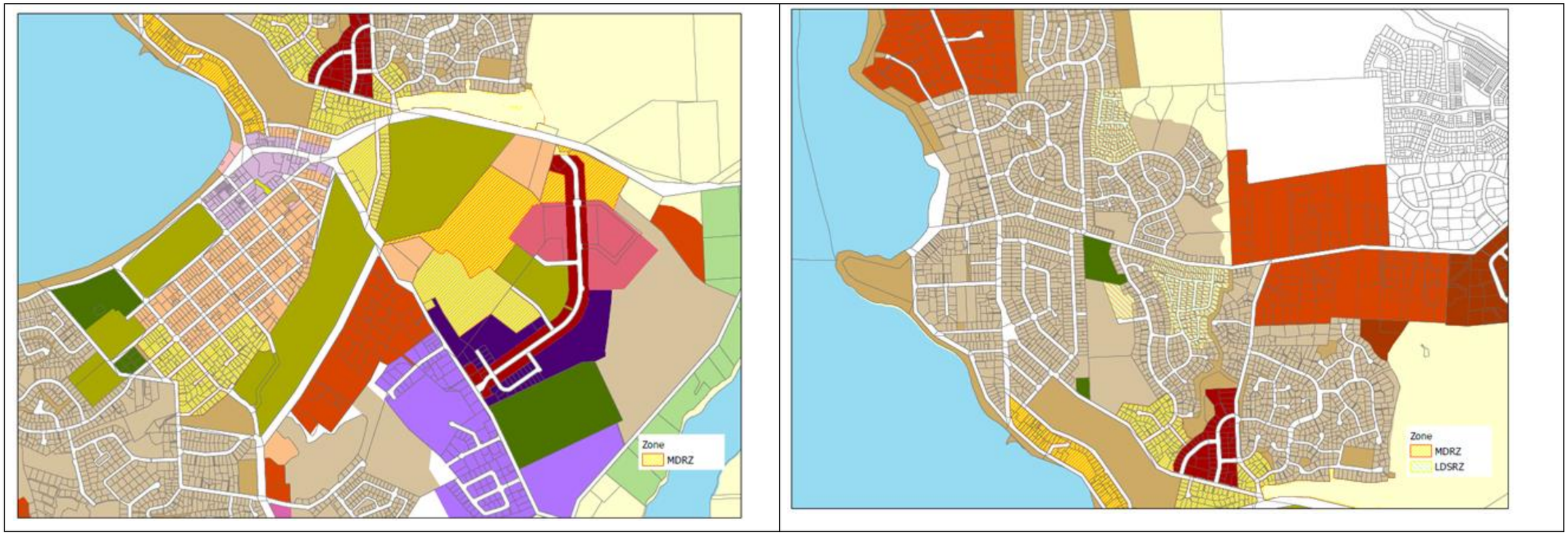
Figure 1: Queenstown Town Centre: Recommended building height strategy.

Zone extend - scenario 1 (Option1):

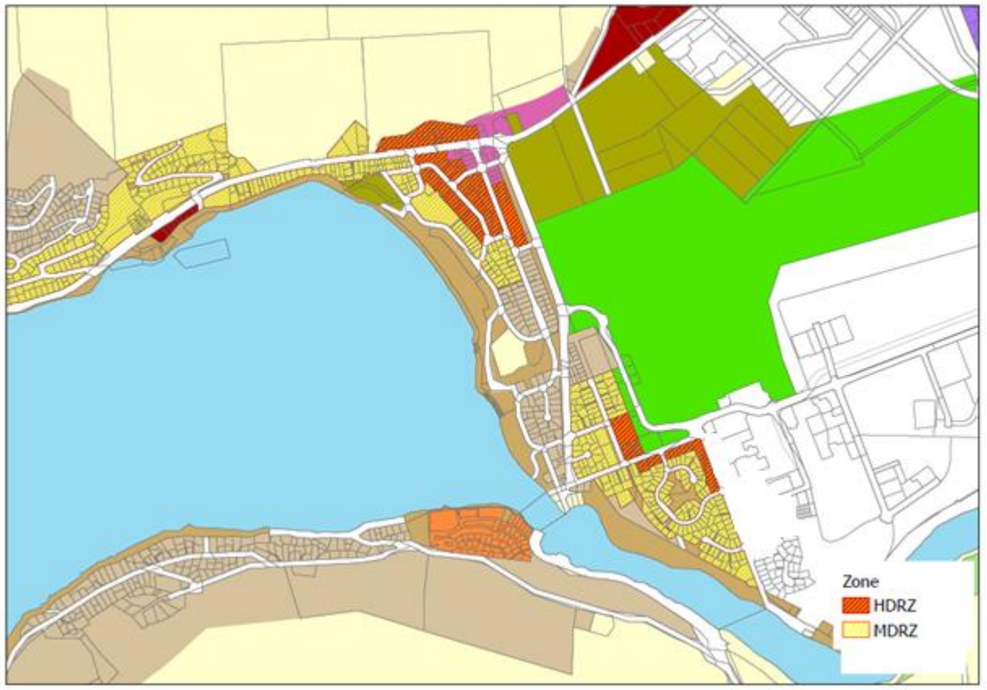


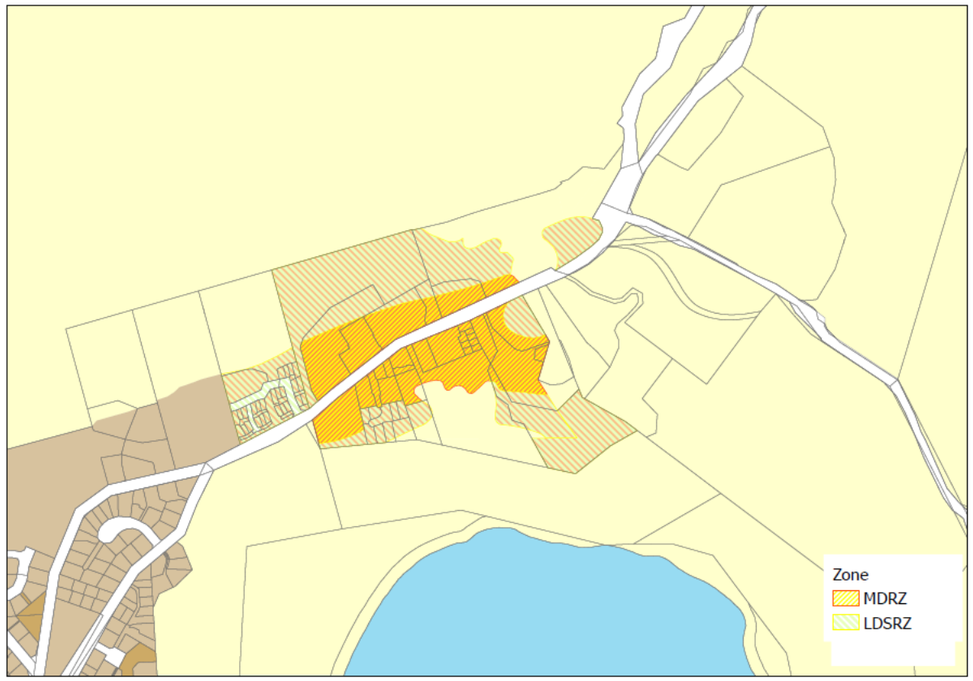


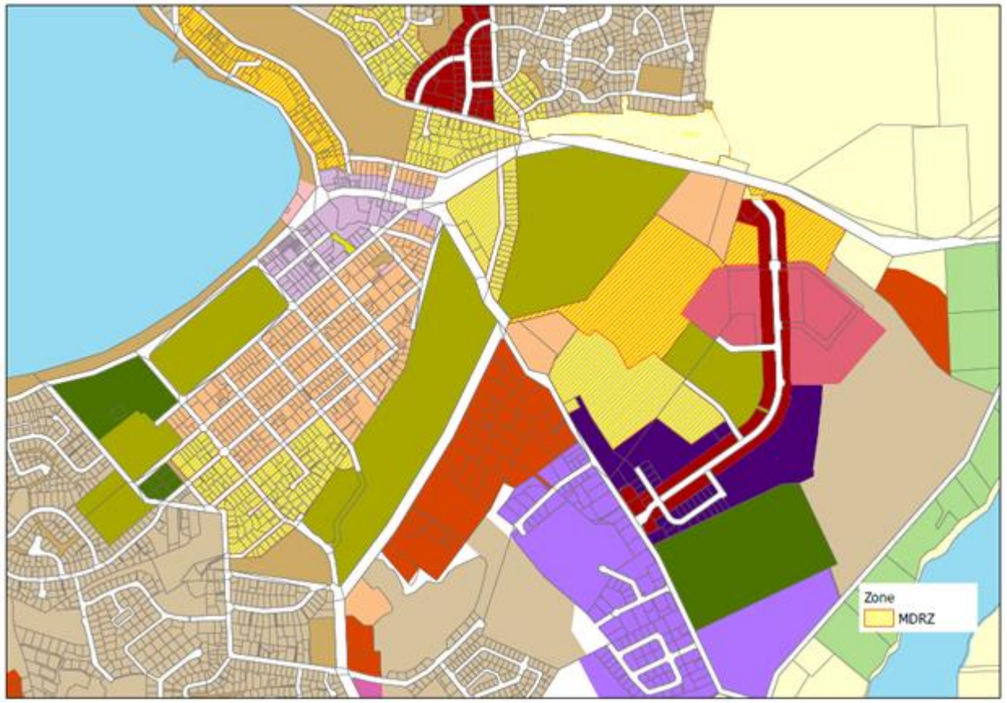


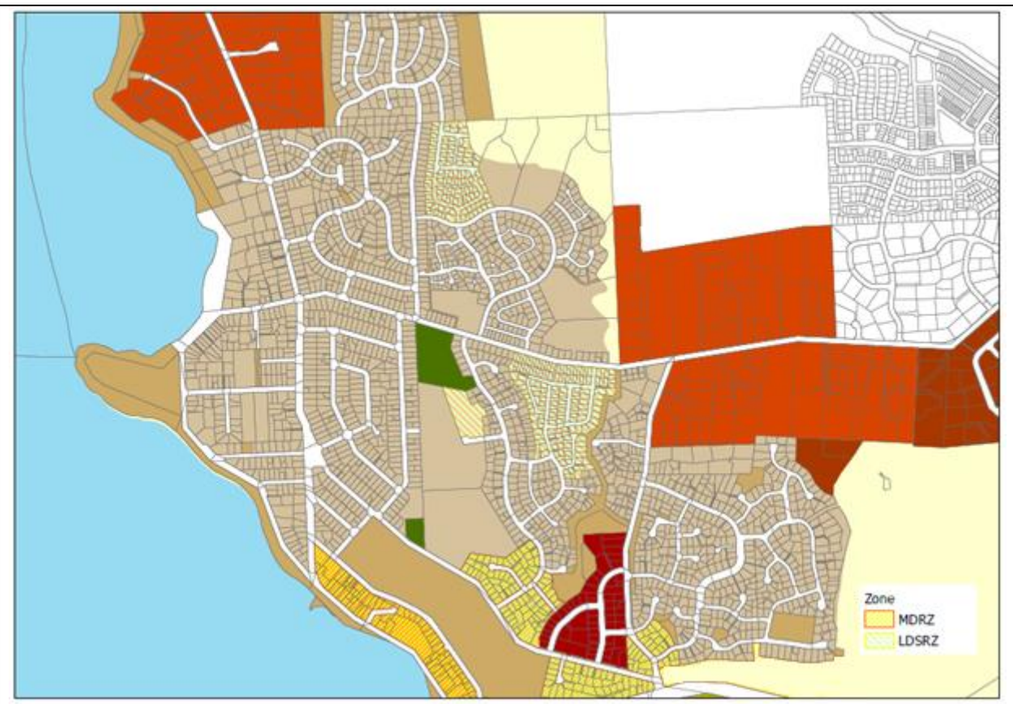


Zone extend - scenario 2 (Option 2):


Zone
HDRZ
MDRZ


Zone
MDRZ
LDSRZ


Zone
MDRZ


Zone
MDRZ
LDSRZ

APPENDIX 7 - ECONOMIC MEMO ON INTENSIFICATION OPTIONS WITHIN THE AIRPORT OUTER CONTROL BOUNDARY (OCB)

Memo

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

From: Natalie Hampson (Director) and Susan Fairgray (Associate Director)

Date: 16 May 2023

Re: Intensification Options with the Airport Outer Control Boundary (OCB)

Introduction

The purpose of this memo is to provide brief commentary on the economic implications of 3 options for intensification in the Airport OCB. Specifically, to comment on implications for the existing commercial zones and how they function with the wider area. We understand that this will assist with preparation of the s32 report on the Airport OCB and determination of the preferred option.

For clarity, this memo is not based on any specific modelling of the different options in the OCB in terms of residential dwelling capacity (although this is an option for further work). The existing Dwelling Capacity Model, that has informed M.E's main plan change report, is not currently suited to modelling changes in zoning or zone provisions in the OCB. This is because the capacity model retains an overarching constraint on further development in some parcels in the OCB informed by the HBA 2021 process.

Specifically, for the HBA 2021 (and HBA 2018 that preceded it), Council took a conservative approach to exclude any additional capacity in the OCB (even where plan enabled). In order to model the three options proposed for the scope of this memo, M.E would need to make changes to the Dwelling Capacity Model to include the land parcels within the OCB as having development potential. Once changed, the model could assess dwelling capacity on those parcels in the same way as it does for other parcels (albeit that prescribed controls on certain parcels would still apply where applicable to those options). Importantly, the Dwelling Capacity Model does not include the special zones, which form part of the residential capacity of the OCB. Any changes to the Model would still not change this limitation.

Based on the current Dwelling Capacity Model, there are an estimated 581 dwelling units in PDP zones in the OCB (as at June 2021), mainly in the LDSR Zone. The BMU Zone in the OCB is currently greenfield. The LSC Zone includes a mix of older and newer development, and a large greenfield site adjacent to Hansen Road (in addition to a few smaller vacant sites).

OCB Intensification Options

The following sets out the three options supplied to M.E as the basis of our commentary.

Option 1 – Status Quo / Baseline

- Density
    - No change to LDSR Zone (600m2 minimum lot size, with opportunity for 450m2 minimum lot via land use consent pathway).
    - LSC Zone - 16, 18, 18B and 20 McBride Street – restricted up to 10 residential units in total – and 1 Hansen Road – 50% building coverage, 50 residential units total including flats.
    - BMU Zone - Rule 16.4.19 precludes any activities sensitive to aircraft noise.
- Standards:
    - LDSR Zone – *we note that the Dwelling Capacity Model is not sensitive to building height and recession plane rules in this zone for plan enabled and commercially feasible capacity (i.e., they are not a binding constraint), so these rules are not set out here.*
    - LSC Zone building height 10m and recession plane 3m + 35 degrees adjoining a residential zone.
    - BMU Zone building height 20m and recession plan 3m + 45 degrees northern boundary and 35 degrees other boundaries when adjoining/opposite residential zone.
    - Sound insulation and mechanical ventilation requirements for land within the OCB.[1]

Option 2 – Provision Changes Only (bold identifies material change)

- Density - No change in rules and restrictions for LDSR, LSC and BMU Zones (as per Option 1)
- Standards:
    - LDSR Zone – *not applicable, see note above.*
    - LSC Zone - no change in building height (10m) and **recession plane 2.5m + 55 degrees adjoining a residential zone** (**more permissive**).
    - BMU Zone - no change building height (20m) and **recession plan 4m + 60 degrees when adjoining/opposite residential zone** (**more permissive**).
    - No change - Sound insulation and mechanical ventilation

Option 3 – Changes to MDR and BMU Zones and Provisions (bold identifies material change)

- Density:
    - LDSR Zone – no change to zone provisions (but reduced area of LDSR Zone)

[1] Relevant for commercial feasibility as has cost implications for construction.

- MDR Zone – (up zoned from LDSR around original LSC Zone) no airport related density controls (removed) so apply density as per MDR Zone elsewhere.
- BMU Zone – (up zoned from LSC Zone). Remove constraint on activities sensitive to aircraft noise.

- Standards:
  - LDSR Zone – *not applicable, see note above.*
  - MDR Zone – *we note that the Dwelling Capacity Model is not sensitive to building height and recession plane rules in this zone for plan enabled and commercially feasible capacity (i.e., they are not a binding constraint), so these rules are not set out here.*
  - BMU Zone – building height 16.5m[2] (RDA) to 20m (NC) and recession plane 8m + 60 degrees on new MDR Zone boundary.
  - No change - Sound insulation and mechanical ventilation

Commentary

Council have posed a number of questions for M.E to consider and comment on. The following section sets out our synthesis of those questions. Note, while Council is interested in implications for public transport and transport infrastructure, this is not within M.E's area of expertise.

Does Option 2 or 3 increase/deliver commercially feasibility residential development?

The intent of some of the changes in provisions in Options 2 and 3 is to 'increase commercial feasibility of residential development in the OCB'. If they do not assist in delivering commercially feasible capacity (and we assume the life of the plan is the relevant time frame), then the merit of the changes is reduced.

M.E considers that there is likely to be some increase in the feasibility of residential capacity under the proposed Options 2 and 3. The largest changes are likely to occur in Option 3, correlating with the greater level of changes to the provisions under this option (in comparison to Option 2 which are quite modest changes). This is discussed further below.

Effects of changes on feasibility outside the commercial zones (limited to Option 3):

Upzoning residential areas to MDR Zone increases the potential yield on parcels, which will increase the feasibility of residential infill or redevelopment outcomes in the Frankton LSC node compared with the status quo. Further modelling, taking into account the full range of costs associated with redevelopment (including the value of existing dwelling stock), would need to be undertaken to estimate the resulting change in feasible capacity.

[2] This is a change in building height relative to the LSC Zone, but is no change from the existing Frankton North BMU Zone.

Effects of changes on feasibility inside the commercial zones (Options 2 and 3):

Density changes (Option 3) - providing an ability to include residential units in the BMU Zone within the OCB increases the plan enabled capacity within this part of the zone. There are also likely to be some net changes in plan enabled capacity in the upzoned LSC Zone area where there were some prescribed maximum yields which we assume are removed with the zone change. Increasing plan enabled capacity generally increases the amount of commercially feasible capacity, however, the issue is whether vertically-attached apartments in the extended BMU Zone in the OCB (under the proposed height and recession plane rules of Option 3) are feasible in the medium-term.

Recession plane changes (Options 2 and increasing in Option 3) - the proposed changes to recession planes within the commercial zones are likely to increase the feasibility of residential development within the area, although to a lesser extent than the proposed upzoning of LDSR to MDR. The main effect of the proposed changes is to increase the potential floorspace on a portion of parcels located at the edge of the zone adjoining residential zones (noting through changes in recession planes, but not an increase in height), and therefore residential dwelling yield, of any constructed buildings.

Effects of changes on feasibility outside the commercial zones relative to inside the commercial zones (Options 2 & 3):

While the dwelling yield is a key factor in relation to feasibility (and Options 2 and 3 make a positive change in this regard), the level of market demand is likely to be a dominating factor in the short to medium-term. The modelling indicates that apartment demand in this location is not yet likely to be feasible, but will become feasible through time.

Upzoning an area to MDR Zone (Option 3) is likely to generate the largest effect on feasible capacity within the medium-term in comparison to other proposed options that increase the potential floorspace of buildings within the commercial zone (as a result of proposed relaxation of recession planes or up-zoning). The enabled dwelling typologies within the MDR Zone (e.g. terraced housing) have a lower construction cost than those within the commercial zones (e.g. vertically-attached apartments), and a more established level of market demand, meaning that in combination they are likely to become feasible development options ahead of the proposed changes within the commercial zones.

It is noted that the application of Option 3 proposals in combination (i.e. changes outside and inside the commercial zones) will have a further indirect effect on the feasibility of residential development within the commercial zones. This is likely to gradually occur over the medium to long-term through intensification around the centre increasing the viability and vitality of the centre. This will, in turn, increase the amenity provided at this location, thereby increasing the potential demand for apartments within the centre. In other words, feasible capacity is most effectively increased when nodes are intensified through changes in the surrounding residential zone at the same time as changes within the node's core (commercial zone).

Overall, from a feasibility perspective, both the modest changes of Option 2 and the more substantial changes in Option 3 can (theoretically) have a positive effect on increasing residential dwellings in the node, but intensification opportunities within the commercial zones may take time to have an effect. Upzoning LDSR Zone to MDR Zone would have the greatest effect on feasible capacity in the medium-term (i.e. is the change with the most certainty around feasibility increases).

How does the Frankton LSC function in relation to commercial zones in the wider Frankton Flats?

There are two commercial nodes currently established in Frankton Flats North – the LSC Zone and the Five Mile large format retail centre and adjacent Queenstown Central (which function as one contiguous shopping area containing a mix of LFR and speciality retail).

The LSC is not a typical convenience centre, but still serves a convenience role. Given that it is a centre on a key arterial route(s) and transport intersection, the Frankton LSC, unlike many of the LSC Zones, will be sustained substantially by pass-by traffic (customers), with its primary catchment of nearby households (and visitors staying in residential/commercial visitor accommodation) potentially playing the smaller role in its overall revenue.

This unique role (relative to other LSC Zones) is why the centre has attracted retail store types and other activities that would not normally be sustained in a LSC zone – for example, national chain stores like McDonalds and Burger King, two petrol stations, a bank, and some of the professional service office activity. Such businesses seek high-profile, highly accessible locations. The Frankton LSC delivers on those criteria.

The Five Mile/Queenstown Central centre is a higher order shopping centre and a shopping 'destination'. It does not have a strong 'convenience role' (except for the nearby workforce), particularly as it has only a small pocket of residential land use (albeit high density) within its immediate catchment at present and therefore, the centre is very car based in terms of access.[3]

Currently, these two commercial nodes in Frankton North are relatively close together, but still operate and will be perceived separately. Because Five Mile/Queenstown Central is a car-based destination, many shoppers approaching from the south-west are likely to consider Frankton LSC as an accessible 'stop' on that same shopping trip should there be a store not represented in the larger centre. Shoppers approaching the larger centre from the north-east may also consider Frankton LSC as only a marginal additional distance to travel on the same trip if there was something provided in that smaller centre they also needed. As such, the Frankton LSC is likely to experience some spill-over benefits from visitation to the larger centre (via multi-stop shopping trips).

While the commercial areas in the larger centre are mostly developed, any further growth in the shopping centre will mean that the Frankton LSC is also likely to experience some growth in custom

[3] Public transport options are also available.

(i.e. benefit from the overall busyness of Frankton North). This also applies to growth in employment areas within Frankton Flats Special Zone B which will increase the number of customers passing by the Frankton LSC on their way to/from work.

That said, the Frankton LSC is not dependent on the Five Mile/Queenstown Centre for its viability. It was established well before any other retail was developed in Frankton North and is successful in its own right because of its high-profile location at a major intersection of arterial roads. It is however fortunate that it has a range of drivers of demand which will help ensure that it continues to develop/redevelop.

In the future, when the BMU Zone in Frankton North is fully developed, all the commercial zones in Frankton North will be contiguous and form one large commercial area with a number of precincts. The LSC will be one of those precincts. Collectively all the commercial precincts/zones will create a destination with strong 'gravitational pull' (i.e. they will likely draw from the same broad Wakatipu catchment and be the largest contiguous commercial area in the district by area and employment).

Are Options 2 or 3 needed to reap the economic benefits of creating a critical mass around the Frankston LSC?

Firstly, it is important to acknowledge that the Frankton LSC is an established local centre and is therefore already delivering benefits to its nearby residential community and economic benefits to the wider Queenstown economy.

From the perspective of the centre, M.E does not consider that intensifying the residential area (node) surrounding the Frankton LSC Zone is necessary to support the functional and social amenity delivered by the centre, or its viability. It will continue to trade and evolve irrespective of changes in its walkable catchment. The Frankton LSC is expected to have an extensive secondary trade catchment, which may cover much of the Queenstown urban area. *Any* growth in households in its secondary catchment will therefore potentially support the centre, so long as those households drive past the Frankton LSC (as this increases the opportunity for pass-by customers). As above, Frankton LSC's future growth and potential is also linked to the wider development of the Frankton North area, particularly the commercial zones.

That said, further intensification of housing in its walkable catchment would deliver a number of additional benefits for the centre compared with the status quo. These have been discussed broadly in M.E's main economic report for the Plan Change. For convenience, we copy out the main points from that report here:

- When centres are supported by a dense catchment of residential dwellings in their primary trade area, the suitability (feasibility) of those centres to support development can increase.
- Residential intensification increases the quantum of customers/labour in close proximity to businesses in centres.

- The potential for additional households within their walkable catchment increases demand for goods and services directed to those centres (without a necessarily corresponding increase in vehicle movements within the centre). Nodal intensification around the Frankton LSC is likely to increase demand for convenience retail and service activity within the LSC Zone, and potentially could attract more core (weekly/comparison) retail[4] and office-based businesses than might otherwise be expected (or sustained in that location) under Status Quo residential zoning.
- Increased demand translates to increased foot traffic and vibrancy/vitality (enhanced social amenity).
- It increases the productivity of existing businesses and sustains net additional floorspace which will both reduce the number and duration of vacancies (if applicable)[5] and stimulate development of vacant sites (where applicable). Residential intensification around the Frankton LSC would provide relatively more investment certainty for the development of the Hansen Road site (with new businesses likely to be more sustainable through increased primary catchment household demand (in addition to pass-by traffic demand expected)).
- Better performing commercial areas can command higher rents. Increased returns to property owners facilitate capital investment in existing buildings (i.e. refurbishments and upgrades).
- Increased demand also increases the commercial feasibility of redeveloping existing buildings that are underutilising the development potential of their sites, which can increase the functional amenity of those centres.

With regard to the proposed rezoning of LSC Zone to BMU Zone (Option 3), the main report identified the following benefits:

- The LSC Zone in Frankton contains some vacant land (including but not limited to the Hansen Road site), and redevelopment potential focused south of Frankton Road. This is where the change to BMU Zone would likely be manifest in the medium-term.
- Based solely on the height increase associated with the rezoning, BMU Zone would likely make any infill development and redevelopment in the existing centre area more feasible compared with the status quo LSC Zone.
- Activity changes associated with the change from LSC Zone to BMU Zone are less significant. Overall, M.E considers that under BMU Zone, any new development or redevelopment could deliver a somewhat more diverse mix of activities compared to the status quo LSC Zone, and this may increase the functional amenity of the centre overall in the long-term.
- It is relevant that there is already an extensive area of BMU Zone (Frankton North) adjacent to the LSC Zone and rezoning the LSC Zone will extend the area of BMU Zone development capacity. However, because much of the LSC Zone land is already developed, with some

[4] Noting rule 15.4.7 applies currently in the PDP.
[5] This is not typically an issue in QLD.

relatively new and intensive, M.E anticipates that the development around the Frankton Road roundabout (precinct) will continue to have a different character to the rest of the BMU Zone (once it develops). We consider that it is likely that it will continue to function more like a centre over the long-term than a mixed business area. Residential intensification around the existing centre would further encourage that due to the opportunities to service the convenience retail and service needs of that immediate dense residential catchment (which will influence the activity mix likely to be supplied).

- Overall, M.E considers that the change to BMU Zone in this location is likely to create a number of net additional benefits in terms of supporting further development in the centre, without compromising the ability of the locality to serve (retain) a centre role for the catchment community.

What the main report does not discuss is that the intensification around the Frankton LSC is not critical for the centre. Rather, the benefits above are consequential to including the residential intensification (with or without the BMU Zone change).

Should it be decided not to intensify the residential node around the Frankton LSC (or provide only modest changes), M.E considers that the "centre" will be fine and will continue to deliver economic benefits. The status quo option already allows up to 50 residential units in the Hansen Road LSC Zone site. A portion of the BMU Zone (Frankton North) is outside the OCB and therefore can include residential apartments. The entire BMU Zone (Frankton North) is flanked by MDR Zone or HDR Zone. The Frankton Flats B Special Zone we assume has additional capacity for residential apartments outside the OCB (i.e., similar to that already developed south of Tewa Street). The whole node between the Frankton LSC Zone (roundabout) and Glenda Drive north of the Airport runway (i.e., Frankton Flats North) is enabled for a significantly larger population/household count under the PDP (Status Quo) than we see today. Therefore, many of the benefits described above may be experienced by the Frankton LSC in any case over time (although less strongly as some of the plan enabled dwelling growth across Frankton North is not specifically concentrated around the LSC).

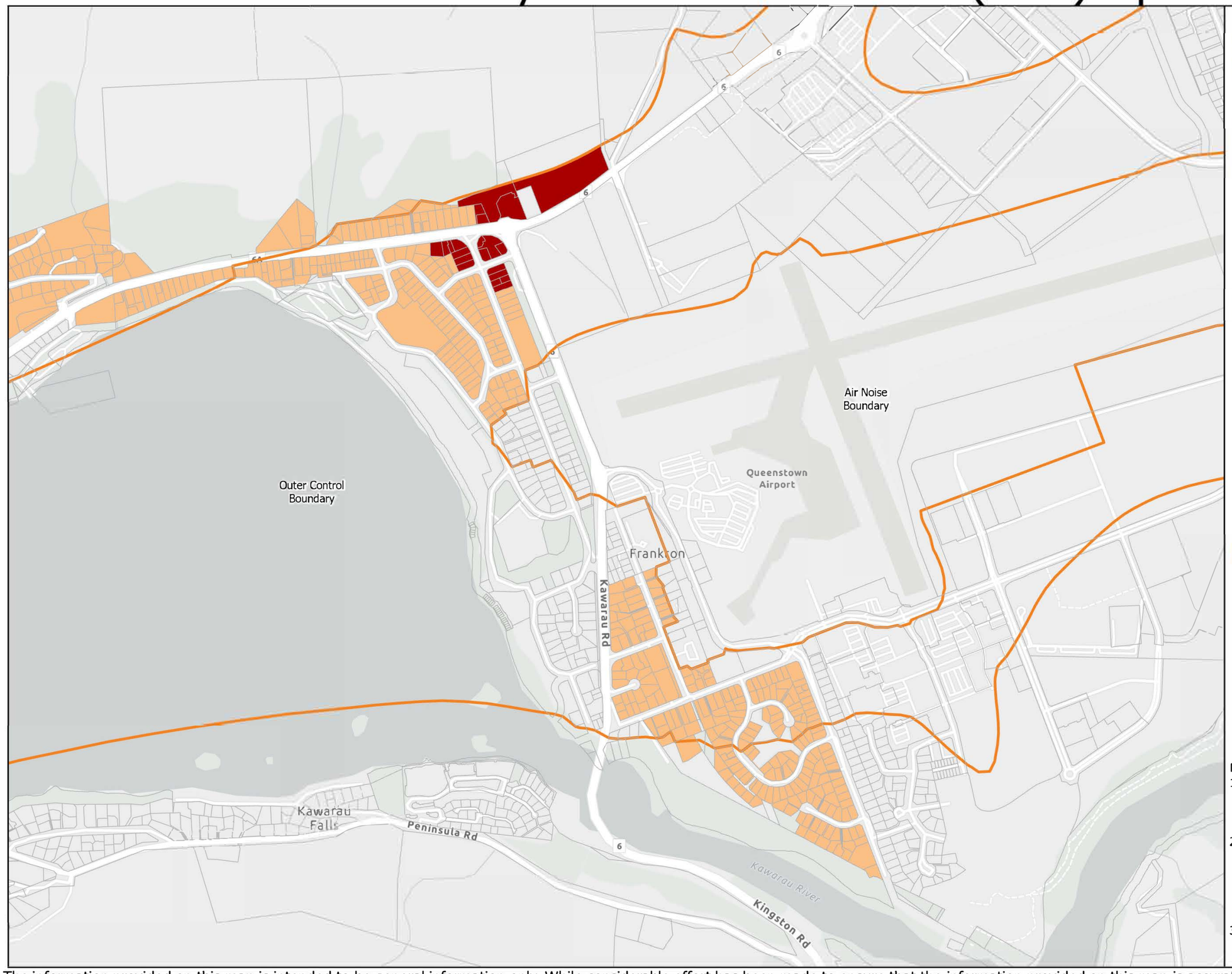
The other perspective for considering the economic benefits of creating a critical mass around commercial centres is from the household or community perspective. That is, the benefit of having more households living in areas of high accessibility and amenity (the efficiency of spatial interactions across and within the city as well as for infrastructure).[6] M.E's main report also discusses these benefits, and they are not repeated here. There is essentially a linear relationship between the relative number of households living in nodes and along corridors and the benefits achieved from that when measured at a total urban area scale - the greater the share of households living in accessible areas, the greater the benefits. Option 3 would therefore deliver more benefits (from the community and urban form efficiency perspective) than Option 2 or the Status Quo.

[6] Although there are costs of intensification also.

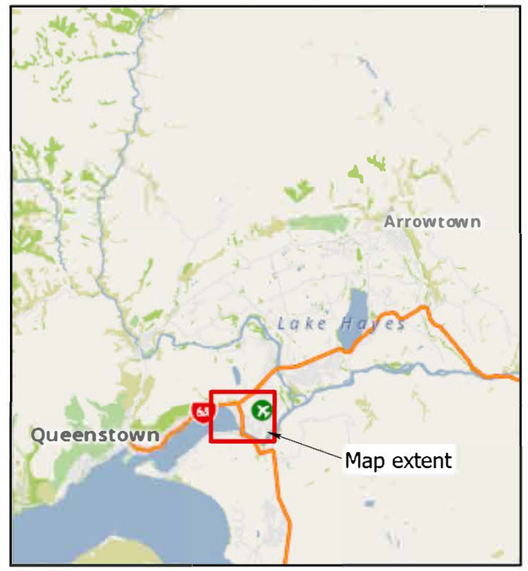
A choice not to intensify specifically around the Frankton LSC is an opportunity cost from that perspective, but one that needs to be weighed up against the significant economic benefits of ensuring that the Queenstown Airport (regionally significant infrastructure) can operate efficiently in the future. A choice not to intensify around this particular node (within the OCB) also needs to put into perspective of the economic benefits being delivered across the whole plan change (which are substantial if realised) and the knowledge that the centre itself is not dependent on more households in its immediate primary catchment in order to perform its function in the centre network.

APPENDIX 8 - OPTION 3 FOR INTENSIFICATION WITHIN THE QUEENSTOWN AIRPORT OUTER CONTROL BOUNDARY (OCB)

NPS-UD Policy 5 - Air Noise Control (OCB) Option 3



Key Map



Legend

- Public Parcels and Property
- Business Mixed Use Zone (BMUZ)
- Medium Density Residential Zone (MDRZ)
- Air Noise Control Boundaries

Note:

1. The maps presented herein exclusively illustrate proposed changes to zoning and new or amended specific controls.
2. The absence of colour delineation within the maps signifies the absence of rezoning, the absence of new specific controls, and the absence of any mapping amendments resulting from cross-referencing to existing specific controls within those respective areas.
3. Text changes to the Proposed District Plan provisions are not shown in these maps.

QUEENSTOWN LAKES DISTRICT COUNCIL

0 0.35 0.7 1.4 Kilometers

Map Date: 19/05/2023

N