macro perspective > micro analysis

High Density Residential Subzones Project

Supply and Demand Assessment

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Prepared for:
Queenstown Lakes District Council

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LAKES DISTRICT
COUNCIL

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Executive Summary

This report is a supporting document to Plan Change 23 – Visitor accommodation and residential amenity in the high density residential (HDR) zone. The aim of the report is to assess the impact of the proposed HDR zone plan change on the supply and demand of visitor accommodation and residential units, and to predict how the land use will change over time in each neighbourhood. The analysis examines the supply and demand in this zone for the following district plan scenarios:

- Partially Operative District Plan (PODP)

- Plan Change 10

- Plan Change 23

Supply and demand data for the HDR zone currently exists in various locations and formats. The purpose of this model is to assemble the HDR data in one location, and produce an overall picture of the supply and demand for the three zoning scenarios.

Supply data was extracted from QLDC's rates database and geographic information system (GIS) for all parcels of land within the HDR zone boundary to determine the existing supply of residential and visitor accommodation units. This was supplemented with information gathered from a visitor accommodation investigation to match the number of visitor accommodation establishments to the total number of stay units (i.e. the unit of accommodation charged out to a guest).

A number of assumptions were made to calculate the future ultimate capacity in the HDR zone for each district plan scenario. The assumptions are based on the area of the site, the existing site density, the assumed future site density, the land use (residential, visitor accommodation, or other), and whether the site is ultimately redeveloped. The capacity is less in Plan Change 10 than in the PODP scenario due to lower density assumptions. However, the capacity increases in Plan Change 23, primarily due to an assumed future change in land use in the Plan Change 23 model (while the land use remains static in the Plan Change 10 model).

In those areas where the zone is proposed to be left unchanged, development is assumed to occur in response to market demand, and for the purpose of modelling a percentage split in uses has been assumed. In those areas proposed to be within the high density residential (neighbourhood) subzone, it is intended that new visitor accommodation will be restricted from occurring, hence the model assumes a very low amount of new visitor accommodation for the subzone. The following tables show the assumed future split of land use for each subzone:
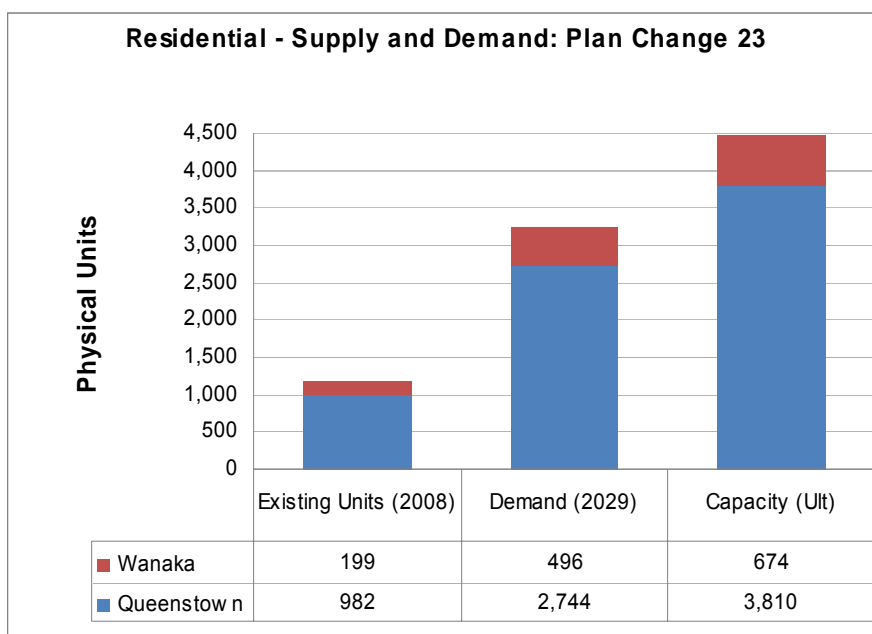
Queenstown working percentages

Subzone and site specific areas	Residential %	VA %	Other %
Lakeview (HDR Subzone – Unchanged)	45%	50%	5%
HDR Subzone (Neighbourhood)	95%	5%	0%
HDR Subzone (Unchanged)	15%	80%	5%

Wanaka working percentages

Subzone	Residential %	VA %	Other %
HDR Subzone (Neighbourhood)	95%	5%	0%
HDR Subzone (Unchanged)	30%	70%	0%

Both the existing and future demand has been derived from the most recent QLDC growth projections[1]. The growth projections have not taken into account commercial demand, and therefore this has been excluded from the analysis. It is noted that commercial activities are minimal in the HDR zone and, as such, this is considered to be insignificant.

Using these assumptions for the proposed Plan Change 23, the analysis shows that the ultimate residential capacity in both Queenstown and Wanaka will be more than the projected residential demand in 2029 (with a 28% residential surplus in Queenstown and a 26% residential surplus in Wanaka still remaining in 2029). Likewise, the ultimate visitor accommodation (VA) capacity in both Queenstown and Wanaka will be significantly more than the projected visitor accommodation demand in 2029 (with a 35% VA surplus in Queenstown and a 49% VA surplus in Wanaka still remaining in 2029).

Residential - Supply and Demand: Plan Change 23

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
Wanaka	199	496	674
Queenstown	982	2,744	3,810

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[1] Queenstown Lakes District Growth Projections, Rationale Ltd., January 2008

Visitor Accommodation - Supply and Demand: Plan Change 23

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
Wanaka	250	304	601
Queenstown	4,051	5,212	8,056

Furthermore, it is clear from the existing mix of titles that there is a good match between the areas that are currently dominated by visitor accommodation and those areas where the zoning is proposed to remain unchanged. In Queenstown, currently 75% of all titles in those unchanged areas are visitor accommodation whereas only 22% of those in the neighbourhood subzone are visitor accommodation.

As expected, those areas proposed to have the HDR (neighbourhood) subzone applied to them will become progressively more residential in nature and those that remain unchanged will continue to be developed predominantly (although not exclusively) for visitor accommodation purposes. However, overall, the change in land use predicted in both Queenstown and Wanaka is relatively minor.

The results of the model show that the proposed HDR zoning does not unduly restrict either the visitor accommodation or residential market, whilst contributing positively towards achieving a good balance of residents and visitors close to the district's two Town Centres.

1   Introduction

This report is a supporting document to Plan Change 23 – Visitor accommodation and residential amenity in the high density residential (HDR) zone. The aim of the report is to assess the impact of the proposed HDR zone plan change on the supply and demand of visitor accommodation and residential units, and to predict how the land use will change over time in each neighbourhood. The analysis examines the supply and demand in this zone for the following district plan scenarios:

- Partially Operative District Plan (PODP)

- Plan Change 10

- Plan Change 23

The key questions that the report aims to answer are:

- How the demand for visitor accommodation compares to the ultimate capacity for visitor accommodation in the HDR zone under each scenario (PODP, Plan Change 10, Plan Change 23)

- How the demand for residential units compares to the ultimate supply of residential units in the HDR zone under each scenario (PODP, Plan Change 10, Plan Change 23)

- How the land use changes between the present day and the future ultimate scenario (by subzone and by neighbourhood area)

2   Method

Supply and demand data for the HDR zone currently exists in various locations and formats. The purpose of this model is to assemble the HDR data in one location, and produce an overall picture of the supply and demand for three district plan scenarios: PODP, Plan Change 10, and proposed Plan Change 23 – being the introduction of a high density residential (neighbourhood) subzone. Furthermore, this model predicts how the land use will change in the future based on zoning assumptions.

2.1   Supply in the HDR zone

2.1.1   Existing supply

Data was extracted from QLDC's rates database and geographic information system (GIS) for all parcels of land within the HDR zone boundary. This data included: parcel ID, meshblock, neighbourhood area, amenity-based subzone (Plan Change 10), activity-based subzone (Plan Change 23), parcel land area, number of titles, number of visitor accommodation (VA) units, capital value of land, and capital value of improvements. The existing land use was obtained from QLDC's Dwelling Capacity Model and from the number of VA titles.

This data provided a summary of the existing land area for each subzone, as well as the existing number of residential titles, visitor accommodation titles, and other titles. The "other" category includes both commercial and reserve land, and any other land uses not considered to be residential or visitor accommodation. The existing land area is summarised by subzone in the following table:

Figure 1: Existing land in the HDR zone

Subzone	Queenstown (ha)	Wanaka (ha)
HDR Subzone (Neighbourhood)	59.55	13.75
HDR Subzone (Unchanged)	67.61	7.63
Outside of area	0.25	0.08
Reserve	20.12	-
Total	**147.53**	**21.46**

The subzones listed as Outside of Area and Reserve in the above table are assumed to remain unchanged in the future (e.g. areas such as reserves, schools, and cemeteries will not be developed further). For this reason, these subzones have been omitted from the supply and demand comparison tables in the results section of this document.

The following table shows the existing number of titles by land use:

Figure 2: Existing number of titles in the HDR zone

Land Use	Queenstown	Wanaka
Residential	982	199
Visitor Accommodation	1,325	108
Other	49	7
Total	**2,356**	**314**

It has been assumed that one residential title is equivalent to one physical residential unit. The same assumption cannot be made for visitor accommodation titles, since establishments such as hotels and backpackers often have multiple units per title. Therefore an investigation of visitor accommodation was undertaken to determine the total number of stay units in the HDR zone, which then allowed a correlation to be made between the number of titles and the number of stay units. A stay unit is defined as the unit of accommodation charged out to guests, e.g. a powered site, a bed in a bunk room, or a motel unit.

For each site with a visitor accommodation title, a search was conducted to determine the existing number of stay units in the HDR zone. This information was sourced from council's rates database and wastewater modelling data, as well as from specific internet sites for each establishment.

The visitor accommodation investigation gave the following results:

Figure 3: Visitor accommodation investigation results

Accommodation Type	Queenstown HDR Stay Units	Wanaka HDR Stay Units	HDR Zone Total Stay Units
Apartment	1,182	87	1,269
Hosted	62	13	75
Backpacker	436	62	498
Campground	263	0	263
Hotel	1,800	24	1,824
Motel	266	57	323
Unknown	42	7	49
Total	**4,051**	**250**	**4,301**

The survey data shows that the Queenstown HDR zone typically has 3.1 stay units / visitor accommodation title, with an average of 98 m^2 of land area per stay unit. The Wanaka HDR zone has 2.3 stay units / visitor title, with an average of 142 m^2 of land area per stay unit.

It should be noted that all types of visitor accommodation units have been included in these results, and no attempt has been made to determine which accommodation establishments are included in the Commercial Accommodation Monitor (CAM) survey. The Commercial Accommodation Monitor survey is one of the inputs for QLDC's growth projections (namely, the existing number of stay units from the CAM survey is set equal to the current demand across the district for the first year of the projections).

2.1.2   Ultimate capacity

A number of assumptions were made to calculate the future ultimate capacity in the HDR zone for each district plan scenario. The assumptions are based on the area of the site, the existing site density, the assumed future site density, the land use (residential, visitor accommodation, or other), and whether the site is ultimately redeveloped. Redevelopment is assumed to occur on a site if the capital value of land is greater than the capital value of improvements.

In the PODP and Plan Change 10 models, the existing land use is maintained in the future (ultimate) scenario. For example, if a parcel of land is currently used for residential purposes, it will remain as residential in the future. In the Plan Change 23 model, the land use can change based on the subzone of the site and whether the site is ultimately redeveloped. In this case, the future land use is driven towards the following working percentages for each subzone:

Figure 4: Queenstown working percentages

Subzone and site specific areas	Residential %	VA %	Other %
Lakeview (HDR Subzone – Unchanged)	45%	50%	5%
HDR Subzone (Neighbourhood)	95%	5%	0%
HDR Subzone (Unchanged)	15%	80%	5%

Figure 5: Wanaka working percentages

Subzone	Residential %	VA %	Other %
HDR Subzone (Neighbourhood)	95%	5%	0%
HDR Subzone (Unchanged)	30%	70%	0%

In those areas where the zone is proposed to be left unchanged, development is assumed to occur in response to market demand, but for the purpose of modelling the above split in land uses has been assumed. In those areas proposed to be within the HDR (neighbourhood) subzone, it is intended that new visitor accommodation will be restricted from occurring, hence the model assumes a very low amount of new visitor accommodation for the subzone. The following maps show the proposed activity based HDR subzones for Queenstown and Wanaka:

Figure 6: HDR subzones - Queenstown
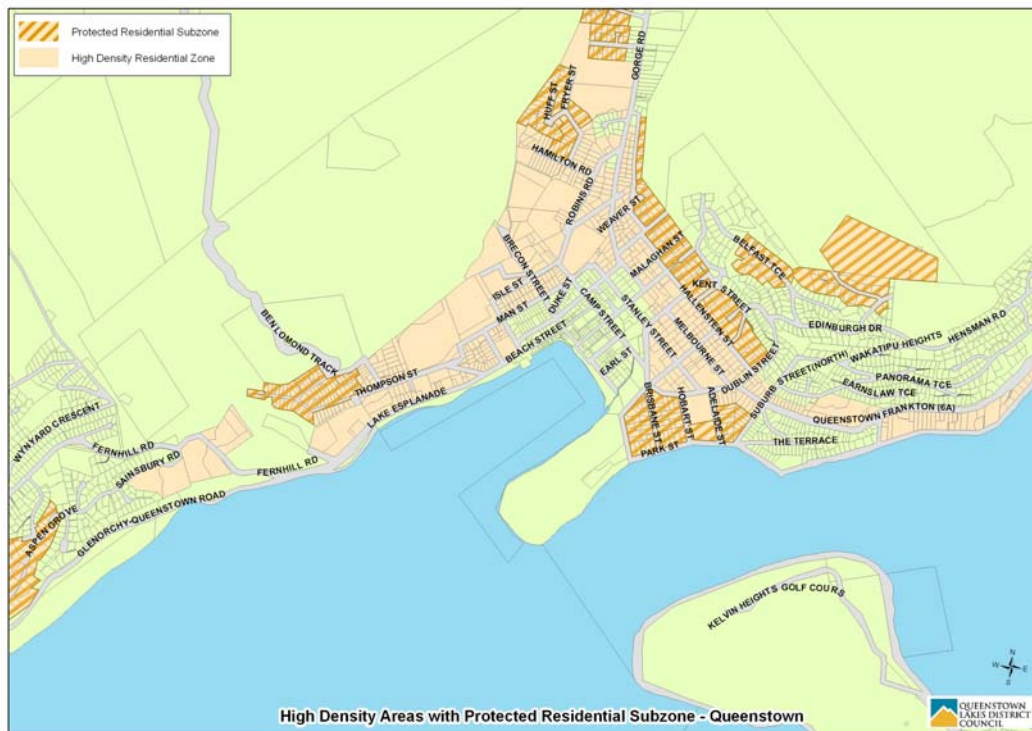
Figure 7: HDR subzones - Frankton
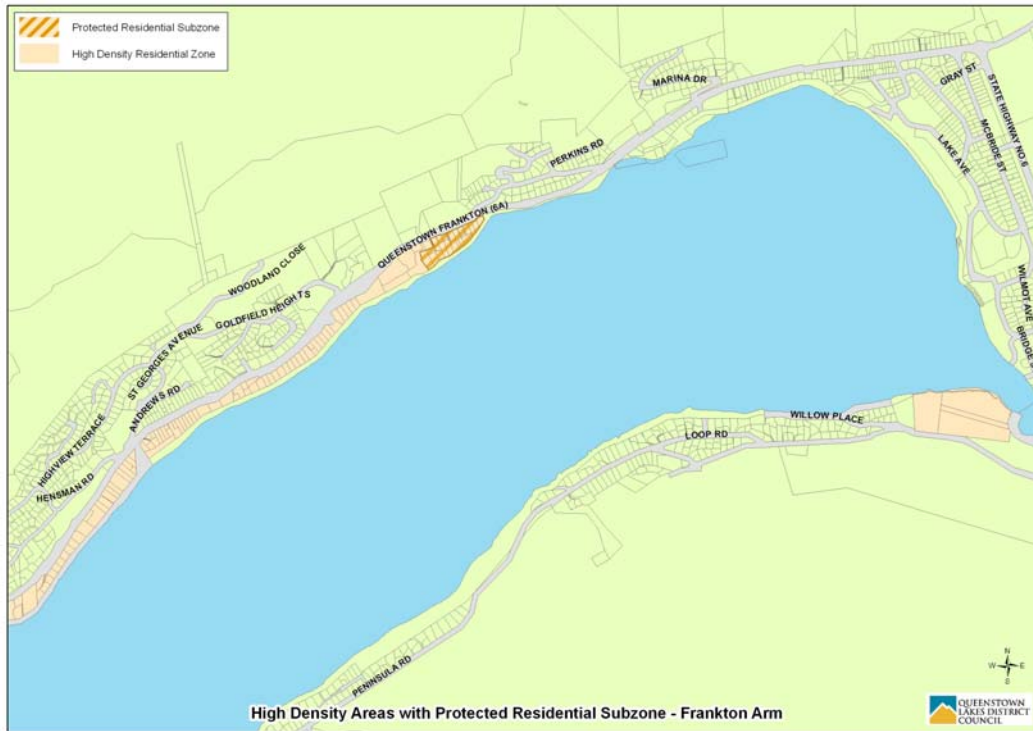
Figure 8: HDR subzones - Wanaka

The parcel of land outlined in blue below has been used for the site specific Lakeview area in Queenstown. This site is treated separately because council, as landowner, has advised that

although it is proposed that the zoning remain unchanged there will be a lower proportion of visitor accommodation on the site than would otherwise be assumed in the model.

Figure 9: Lakeview site

The specific development density assumptions made for each district plan scenario are listed in their relevant sections below (note that the density assumptions are based on land area, not gross floor area):

Figure 10: Ultimate capacity assumptions

Area	PODP		Plan Change 10						Plan Change 23					
	All Areas		Subzone A		Subzone B		Subzone C		Subzone A		Subzone B		Subzone C	
	VA	RES	VA	RES	VA	RES	VA	RES	VA	RES	VA	RES	VA	RES
Queenstown														
Optimum Density (m^2 per dwelling)	90	159	90	183	90	191	90	199	90	183	90	191	90	199
Minimum Lot Size (m^2)	200	200	230	230	240	240	250	250	230	230	240	240	250	250
Fully Developed Density (m^2 per dwelling)	450	450	450	450	450	450	450	450	450	450	450	450	450	450
Wanaka														
Optimum Density (m^2 per dwelling)	90	217	90	250	90	260	90	271	90	250	90	260	90	271
Minimum Lot Size (m^2)	200	200	230	230	240	240	250	250	230	230	240	240	250	250
Fully Developed Density (m^2 per dwelling)	450	450	450	450	450	450	450	450	450	450	450	450	450	450

In the above table, the optimum density (m^2 per dwelling) represents the density at which new units will be built on available land in the future. The minimum lot size (m^2) is the minimum lot size of existing dwellings when considering the development potential for the rest of a site.

The residual building area is [Total Lot Size – (Min Lot Size x No. of Existing Dwellings)]. In the PODP scenario, a 5,000 m^2 parcel of land in Queenstown with two existing residential dwellings would be considered to have a residual buildable area of 5,000 m^2 – (2 x 200 m^2) or 4,600 m^2.

The fully developed density (m^2 per dwelling) is the density at which a site is considered fully developed. For example, in the PODP scenario, an 800 m^2 parcel of residential land in Queenstown with two existing dwellings would have an existing site density of 400 m^2 per dwelling. As this is less than 450 m^2, this site would be considered to be fully developed and the model would assume that no additional units could be built on this site.

The assumptions made in the PODP scenario are based on QLDC's Dwelling Capacity Model, with the exception of the optimum density for visitor accommodation, which has been modelled at 90m^2 of land area per unit (the Dwelling Capacity Model assumes that VA units will be built at the same density as residential units - 159 m^2 of land area per unit). As visitor accommodation is modelled at a higher density than residential land, the capacity in this model will be greater than in council's previous predictions.

The assumptions made in the Plan Change 10 and Plan Change 23 scenarios are based on the PODP scenario, with the exception of the minimum lot size (m^2 per dwelling) for Subzones A, B, and C, which have been increased by 15%, 20%, and 25% respectively. This represents the likely lower achievable density in the HDR zone as a result of the proposed plan changes.

2.1.3   Capacity variation between district plan scenarios

The ultimate capacity for residential dwellings and visitor accommodation varies between each district plan scenario (PODP, Plan Change 10, and Plan Change 23).

PODP vs. Plan Change 10

The Plan Change 10 residential and visitor accommodation capacity are both less when compared to the PODP scenario. This is due to lower density assumptions governing the Plan Change 10 model.

Plan Change 10 vs. Plan Change 23

Although the Plan Change 10 and Plan Change 23 scenarios have the same density assumptions, the ultimate residential and visitor accommodation capacity increases noticeably in the Plan Change 23 model. The Plan Change 23 model assumes that some sites are redeveloped (based on capital improvement and land values). This means that a parcel of land considered fully developed under the Plan Change 10 scenario (density of 450 m^2 / dwelling) could be redeveloped in the Plan Change 23 scenario at its optimum density of 183, 191, or 199 m^2 / dwelling for subzones A, B, and C respectively.

However, the primary reason for the increase in capacity is because the future land use is assumed to change for Plan Change 23, while the land use remains static in the Plan Change 10 model. The following tables illustrate the effect of changing land use between Plan Change 10 and Plan Change 23 on the ultimate capacity:

Figure 11: Queenstown capacity change from PC10 to PC23 (No. of Titles by Land Use)

Land Use Change (from PC 10 to PC23)	Residential Capacity (Titles)	VA Capacity (Titles)	Other Capacity (Titles)	Comments
No Change	438	-629	120	Residential land use goes from 100% Res (PC 10) to 95% Res, 5% VA (PC23). VA land use goes from 100% VA (PC 10) to 80% VA, 15% Res, 5% Other (PC23). As such, there is an overall increase in residential capacity and decrease in VA capacity.
From Res to VA	-690	1,537	96	Land use shifts from 100% Res (PC 10) to 15% Res, 80% VA, 5% Other (PC23). Also, the land that has become VA is now developed at 90m^2 density (instead of the higher residential density). As such, there is an overall decrease in residential capacity and large increase in VA capacity.
From VA to Res	341	-606	0	Land use shifts from 100% VA (PC 10) to 95% Res, 5% VA (PC23). As such, there is an overall increase in residential capacity and decrease in VA capacity.
From Other to VA	129	689	-403	Land use shifts from 100% Other (PC 10) to 80% VA, 15% Res, 5% Other (PC23). As such, there is an overall increase in both residential and VA capacity.
From Other to Res	534	28	-526	Land use shifts from 100% Other (PC 10) to 95% Res, 5% VA (PC23). As such, there is an increase in residential capacity and slight increase in VA capacity.
From VA to Lakeview	158	-294	18	Land use shifts from 100% VA (PC 10) to 45% Res, 50% VA, 5% Other (PC23). As such, there is an increase in residential capacity and decrease in VA capacity.
TOTAL	**910**	**725**	**-695**	

Figure 12: Wanaka capacity change from PC10 to PC23 (No. of Titles by Land Use)

Land Use Change (from PC 10 to PC23)	Residential Capacity (Titles)	VA Capacity (Titles)	Other Capacity (Titles)	Comments
No Change	119	-74	0	Residential land use goes from 100% Res (PC 10) to 95% Res, 5% VA (PC23). VA land use goes from 100% VA (PC 10) to 70% VA, 30% Res (PC23). As such, there is an overall increase in residential capacity and decrease in VA capacity.
From Res to VA	-20	205	0	Land use shifts from 100% Res (PC 10) to 30% Res, 70% VA (PC23). Also, the land that has become VA is now developed at 90m^2 density (instead of the higher residential density). As such, there is an overall decrease in residential capacity and large increase in VA capacity.
From VA to Res	33	-89	0	Land use shifts from 100% VA (PC 10) to 95% Res, 5% VA (PC23). As such, there is an overall increase in residential capacity and decrease in VA capacity.
From Other to Res	9	0.5	-8	Land use shifts from 100% Other (PC 10) to 95% Res, 5% VA (PC23). As such, there is an increase in residential capacity and slight increase in VA capacity.
TOTAL	**142**	**42**	**-8**	

2.2   Demand in the HDR zone

Both the existing and future demand has been derived from the most recent QLDC growth projections. The growth projections have not taken into account commercial demand, and therefore this has been excluded from the analysis. It is noted that commercial activities are minimal in the HDR zone and, as such this is considered to be insignificant.

The residual capacity for residential and visitor accommodation units is one factor in calculating future demand. The amount of growth in each area is partly derived from the residual capacity in that area (as a percentage of the total residual capacity in the district). An area with greater spare capacity is assumed to receive a greater share of growth in a particular time period.

Therefore, since the residual capacity varies between each district plan scenario (PODP, Plan Change 10, Plan Change 23), the projected demand also varies slightly. For example, the lower residual residential capacity in the Plan Change 10 scenario translates to a lower demand for residential demand in that zone under that particular scenario.

An important aspect of the modeling work is to test whether the proposed plan change means that the HDR zone can continue to provide for its intended function. The model was used to gauge the residential and visitor accommodation supply in the HDR zone as compared to the demand in the entire district. This is shown in the following table:

Figure 13: Capacity in the HDR zone as a percentage of demand across all zones in the district

	Existing Units (2008)	PODP Capacity (Ultimate)	Plan Change 10 Capacity (Ultimate)	Plan Change 23 Capacity (Ultimate)
RESIDENTIAL				
Queenstown	7%	8%	6%	8%
Wanaka	1%	1%	1%	1%
Total	8%	9%	8%	10%
VISITOR ACCOMMODATION				
Queenstown	42%	34%	34%	37%
Wanaka	3%	3%	3%	3%
Total	45%	36%	36%	40%

The residential capacity in the HDR zone is a small portion of the total residential demand across all zones in the district (approximately 8% to 10%).   However, the visitor accommodation capacity in the HDR zone will cater for a relatively large portion of the total visitor accommodation demand across all zones in the district (approximately 36% to 45%). This is primarily due to the visitor accommodation capacity in the Queenstown HDR zone, which accounts for 34% to 42% of the visitor accommodation demand across all zones in the district. Furthermore, these results predict that Plan Change 23 will have only a minor effect on the ability of the HDR zone to cater for demand as compared to the existing zoning.

2.2.1   Residential Demand

The growth projections were calculated at a census meshblock level throughout the Queenstown Lakes District from 2006 to 2029. An exercise was undertaken to determine what portion of each meshblock fell within the HDR zone. This gave the residential demand in the HDR zone used in the high density residential subzones model.

2.2.2   Visitor Accommodation Demand

It is more difficult to determine the breakdown of visitor accommodation demand throughout the district, as the raw data in the growth projections for VA demand is known in less detail than the residential demand. Whilst the VA data used for the growth projections is accurate at a district wide level, it loses precision at a more localised level (namely, when trying to determine the existing number of VA units in the HDR zone).

In fact, the growth projections show the existing number of stay units in the HDR zone to be higher than the existing number of stay units determined in the visitor accommodation survey (refer to section 2.1.1 of this report). The data from the VA survey is deemed to be a more accurate representation of the existing amount of visitor accommodation within the HDR zone.

For this reason, the high density residential subzones model deviates slightly from the growth projections in this area and, as such, the current demand has been set equal to the current supply (from the visitor accommodation survey). Future growth in stay units has still been assumed to occur at the same rate as in the growth projections. It should be noted that visitor accommodation growth is expected to level off in part of the HDR zone (with more visitor accommodation accommodated by other areas, such as Frankton). As such, the VA growth rate for the HDR zone is lower than the district wide VA growth rate.

The residential and visitor accommodation demand is shown for each district plan scenario in the results section of this document.

3   Results

3.1   *Residential supply and demand in all HDR subzones*

Figure 14: HDR zone residential supply and demand (physical units)

Area	Existing Units (2008)	PODP Capacity (Ultimate)	PODP Demand (2029)	Plan Change 10 Capacity (Ultimate)	Plan Change 10 Demand (2029)	Plan Change 23 Capacity (Ultimate)	Plan Change 23 Demand (2029)	Plan Change 23 Surplus (2029)	Surplus % (2029)
Queenstown	982	3,429	2,730	2,900	2,711	3,810	2,744	1,066	28%
Wanaka	199	655	485	532	414	674	496	178	26%
HDR ZONE TOTAL (RESIDENTIAL)	**1,181**	**4,084**	**3,216**	**3,432**	**3,125**	**4,483**	**3,239**	**1,244**	**28%**

Based on the stated assumptions for the Plan Change 23 project scenario, the ultimate capacity for residential units in Queenstown will be 3,810 while the ultimate capacity in Wanaka will be 674. This is more than the projected demand in 2029, resulting in a 28% residential surplus in Queenstown and a 26% residential surplus in Wanaka. Council would like to have a minimum 20% surplus, which indicates that the residential capacity should not be eroded any further. On a district wide basis, the model predicts an ultimate capacity of 4,084 residential units for the PODP scenario, dropping to 3,432 residential units based on the Plan Change 10

assumptions. For the Plan Change 23 scenario, the ultimate capacity rises to 4,483 residential units (due to assumed redevelopment of land, and change in land use), resulting in a district wide surplus of 28% based on the projected demand in 2029.

Note that the demand in 2029 varies for each scenario. This is due to varying residual capacity, and is explained in more detail in section 2.2. The capacity also varies for each scenario. This is explained in detail in section 2.1.3.

3.2 Visitor accommodation supply and demand in all HDR subzones

Figure 15: HDR zone visitor accommodation supply and demand

Area	Existing Stay Units (2008)	PODP Capacity (Ultimate)	Demand (2029)	Plan Change 10 Capacity (Ultimate)	Demand (2029)	Plan Change 23 Capacity (Ultimate)	Demand (2029)	Surplus (2029)	Surplus % (2029)
Queenstown	4,051	7,385	5,212	7,332	5,212	8,056	5,212	2,845	35%
Wanaka	250	569	304	559	304	601	304	297	49%
HDR ZONE TOTAL (VA)	**4,301**	**7,954**	**5,516**	**7,891**	**5,516**	**8,658**	**5,516**	**3,142**	**36%**

Based on the stated assumptions for the Plan Change 23 project scenario, the ultimate capacity for visitor accommodation stay units in Queenstown will be 8,056 while the ultimate capacity in Wanaka will be 601. This is significantly more than the projected demand in 2029, resulting in a 35% visitor accommodation surplus in Queenstown and a 49% visitor accommodation surplus in Wanaka. These are healthy surpluses and give council confidence that it is in no way constraining the visitor accommodation property market through the proposed introduction of neighbourhood subzones.

On a district wide basis, the model predicts an ultimate capacity of 7,954 visitor accommodation stay units for the PODP scenario, dropping to 7,891 visitor accommodation stay units based on the Plan Change 10 assumptions. For the Plan Change 23 scenario, the ultimate capacity rises to 8,658 visitor accommodation stay units (due to assumed redevelopment of land, and change in land use), resulting in a district wide surplus of 36% based on the projected demand in 2029.

Note that the capacity varies for each scenario. This is explained in detail in section 2.1.3.

3.3 Queenstown existing and future mix of land use (titles)

It is interesting to understand the proportions of residential and visitor accommodation use that currently exists in the HDR zone and how this is projected to change over time, given the proposed HDR (neighbourhood) subzones. These proportions have been calculated for the HDR (neighbourhood) subzone and for the remaining HDR zone (the rules for which are unchanged) and for each of the individual neighbourhoods.

Figure 16: Queenstown existing and future mix of land use (titles) by subzone

Subzone	Existing			Future		
	Residential	VA	Other	Residential	VA	Other
HDR Subzone (Neighbourhood)	76%	22%	2%	93%	7%	0%
HDR Subzone (Unchanged)	23%	75%	2%	16%	80%	4%

It is clear from the existing mix of titles that there is a good match between the areas that are currently dominated by visitor accommodation and those areas where the zoning is proposed to remain unchanged. In Queenstown, currently 75% of all titles in those unchanged areas are visitor accommodation whereas only 22% of those in the neighbourhood subzone are visitor accommodation.

As expected, those areas proposed to have the high density residential (neighbourhood) subzone applied to them will become progressively more residential in nature and those that remain unchanged will continue to be developed predominantly (although not exclusively) for visitor accommodation purposes.

Figure 17: Queenstown existing and future mix of land use (titles) by neighbourhood

Neighbourhood		Land Area	Existing			Future		
		(ha)	Residential	VA	Other	Residential	VA	Other
QN1	Aspen Grove	5.67	92%	8%	0%	95%	5%	0%
QN2	Fernhill	6.46	0%	95%	5%	14%	81%	5%
QN3	Thompson Street	5.60	74%	26%	0%	65%	33%	2%
QN4	Lake Esplanade	6.93	4%	95%	1%	10%	86%	4%
QN5	Brecon Street	13.94	57%	33%	10%	23%	72%	5%
QN6	Hamilton Road	10.06	83%	13%	4%	74%	24%	1%
QN7	Sawmill Road	4.92	93%	2%	5%	95%	5%	0%
QN8	Gorge Road	6.43	40%	54%	6%	31%	65%	4%
QN9	Hallenstein Street	12.99	68%	30%	2%	53%	45%	3%
QN10	Queenstown Hill	13.22	72%	28%	0%	93%	7%	0%
QN11	Stanley Street	4.98	11%	87%	2%	12%	84%	3%
QN12	Park Street	8.60	57%	43%	0%	60%	38%	2%
QN13	Upper Frankton Road	3.07	1%	99%	0%	12%	85%	4%
QN14	Frankton Road (South)	7.37	19%	81%	0%	25%	72%	3%
QN15	Frankton Road (North)	10.07	40%	60%	0%	42%	55%	3%
QN16	Kawarau Falls	6.86	0%	100%	0%	15%	80%	5%

Figure 18: Queenstown existing mix of land use (titles) by neighbourhood

Queenstown HDR - Existing Mix by Neighbourhood

Figure 19: Queenstown future mix of land use (titles) by neighbourhood

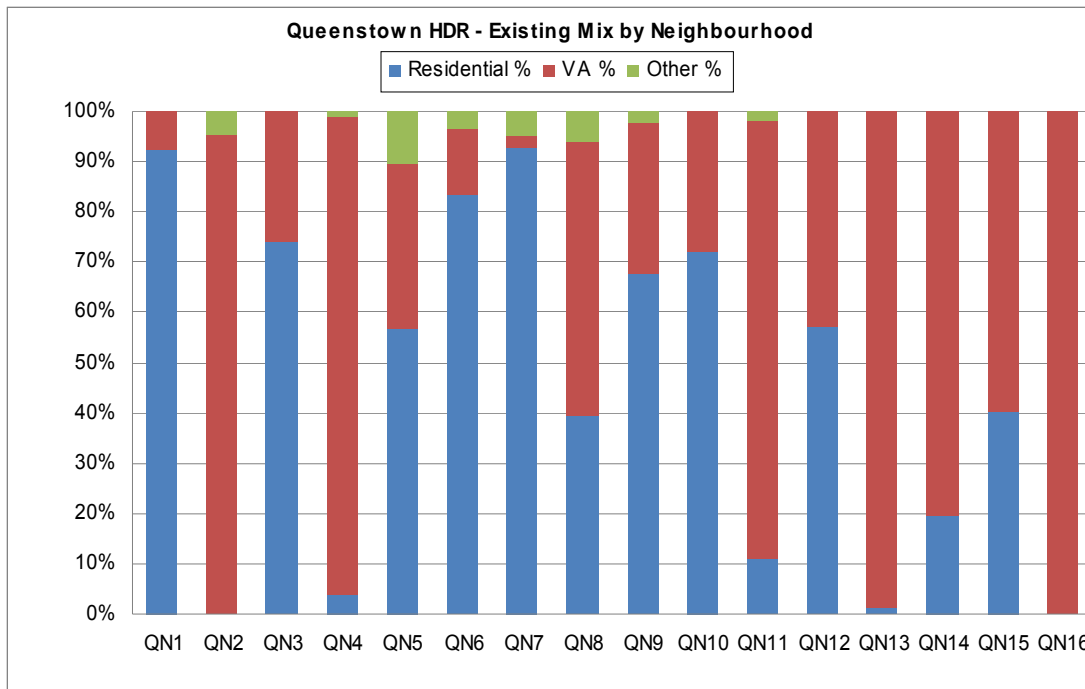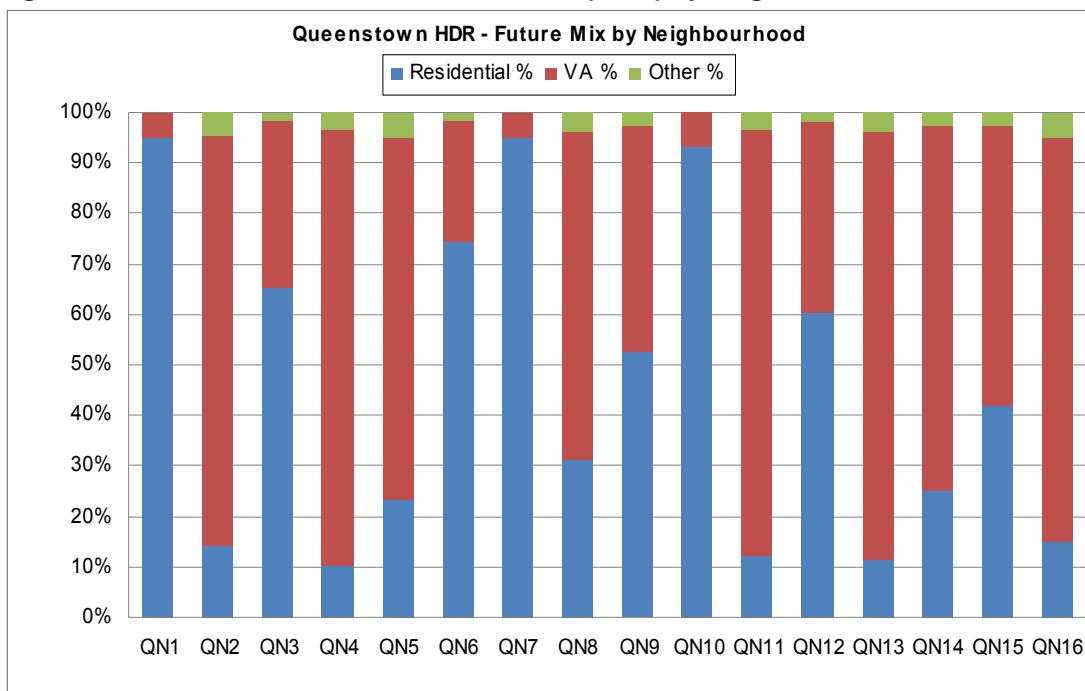**Queenstown HDR - Future Mix by Neighbourhood**

In many neighbourhoods, the change in land use predicted in Queenstown is relatively minor. However, in some neighbourhoods, the model predicts a noticeable change in land use. The most significant movements are projected to occur in neighbourhoods QN2 (Fernhill), QN5 (Brecon Street), QN9 (Hallenstein Street), QN10 (Queenstown Hill), and QN13 (Upper Frankton Road). The Fernhill neighbourhood has well established visitor accommodation currently, and as such it may not move towards 14% residential land use unless compelled to

do so through affordable housing or other requirements. The Brecon Street neighbourhood is predominantly residential at present, but is ultimately projected to be 72% VA, 23% Res, and 5% Other. This is, in part, explained by the fact that the split is based on the number of titles. The Lakeview development site is currently held in only a few titles, whereas the model predicts that this will be subdivided into a large number of titles in the future. So, whilst the neighbourhood appears in the model to undergo significant change in use in the future, it is actually less pronounced than the figures indicate.

3.4 Wanaka existing and future mix of land use (titles)

Figure 20: Wanaka existing and future mix of land use (titles) by subzone

Subzone	Existing			Future		
	Residential	VA	Other	Residential	VA	Other
HDR Subzone (Neighbourhood)	89%	7%	4%	94%	5%	1%
HDR Subzone (Unchanged)	29%	71%	0%	31%	69%	0%

It is clear from the existing mix of titles that there is a good match between the areas that are currently dominated by visitor accommodation and those areas where the zoning is proposed to remain unchanged. In Wanaka, currently 71% of all titles in those unchanged areas are visitor accommodation whereas only 7% of those in the neighbourhood subzone are visitor accommodation.

As expected, those areas proposed to have the high density residential (neighbourhood) subzone applied to them will become more residential in nature and those that remain unchanged will continue to be developed predominantly (although not exclusively) for visitor accommodation purposes. Overall, the change in land use predicted in Wanaka is very minor.

Figure 21: Wanaka existing and future mix of land use (titles) by neighbourhood

Neighbourhood		Land Area	Existing			Future		
		(ha)	Residential	VA	Other	Residential	VA	Other
WN1	Beacon Point Road	2.29	95%	5%	0%	95%	5%	0%
WN2	Lismore Street	2.77	85%	15%	0%	92%	8%	0%
WN3	Lakeside Road	3.28	15%	85%	0%	30%	70%	0%
WN4	Hedditch Street	1.50	92%	8%	0%	95%	5%	0%
WN5	Russell Street	2.00	68%	9%	23%	91%	5%	4%
WN6	Helwick Street	5.67	45%	55%	0%	39%	61%	0%
WN7	Tenby Street	3.87	94%	3%	3%	95%	5%	0%

Figure 22: Wanaka existing mix of land use (titles) by neighbourhood
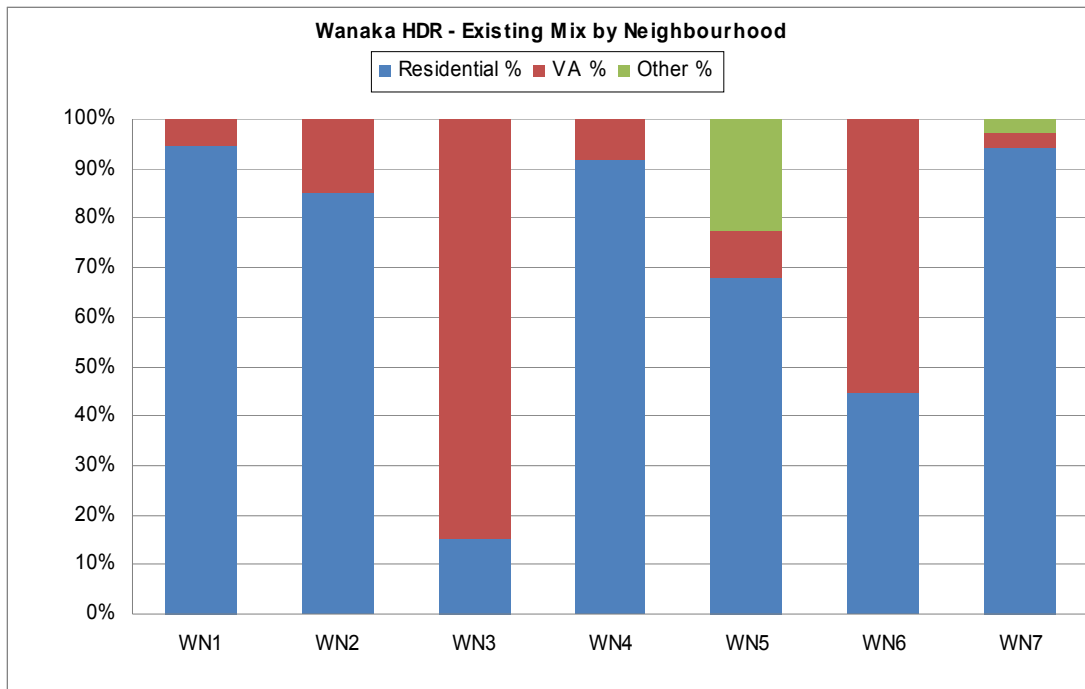

Figure 23: Wanaka future mix of land use (titles) by neighbourhood
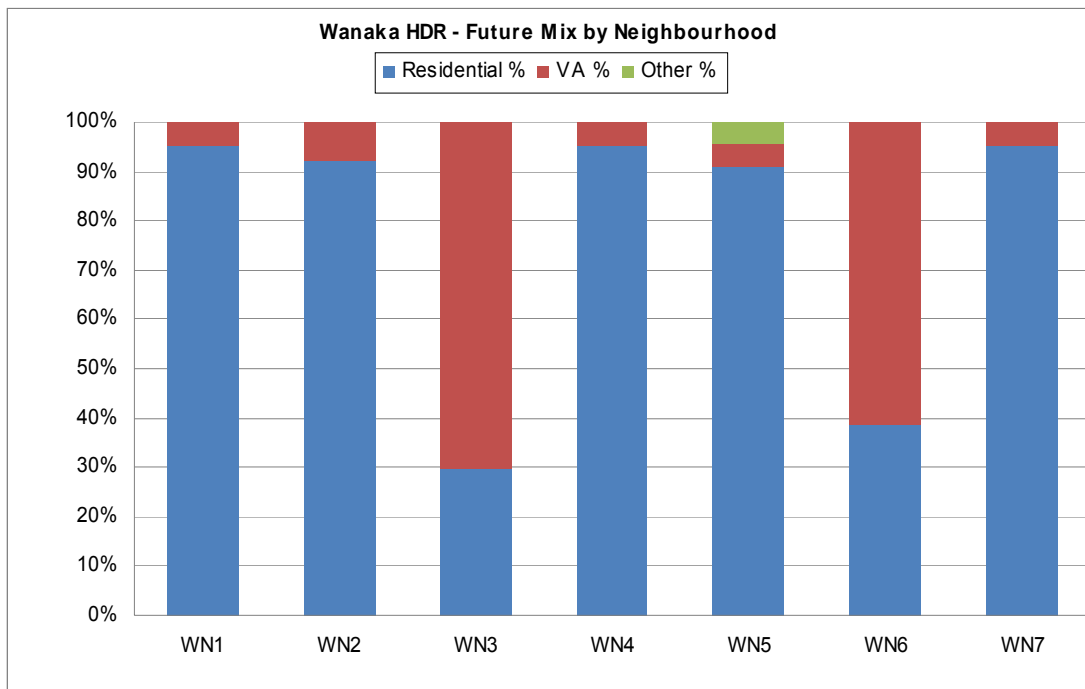
The most significant movements are projected to occur in neighbourhoods WN3 (Lakeside Road) and WN5 (Russell Street). The Lakeside Road neighbourhood moves from a 15% Res / 85% VA split to a 30% Res / 70% VA split. This increase in the proportion of residential titles is despite the zoning of the neighbourhood remaining unchanged and is simply a function of the assumptions made in terms of how the market will elect to develop the area over time. The Russell Street neighbourhood moves from a 68% Res / 9% VA / 23% Other

split to a 91% Res / 5% VA / 4% Other split. This is largely as a result of its proposed high density residential (neighbourhood) subzoning, and the level of intensification that is projected, which means that the existing commercial uses will become significantly less dominant as residential and visitor accommodation build up around it.

3.5 Existing & future mix of land use (titles) within a 10 min walk of the CBD

Figure 24: Existing and future mix of land use (titles) within a 10 min walk of the CBD

Area	Land Area	Existing		Future	
	(ha)	Residential	VA	Residential	VA
Queenstown	50.78	39%	61%	26%	74%
Wanaka	19.82	64%	36%	58%	42%

The QLDC Growth Management Strategy suggests a possible target of having an even split between residential and visitor accommodation within the high density residential zone within an 800 m radius of the Queenstown CBD. Rather than the 800 m distance, properties within the zone and within a 10 minute walk of the Town Centre was considered more appropriate, especially in Queenstown where 800 m stretches well up Queenstown Hill into areas that are not within easy walking distance of the CBD.

For properties in the Queenstown HDR zone within a 10 minute walk of the CBD, the land use split is projected to move from 39% Res / 61% VA to 26% Res / 74% VA. For properties in the Wanaka HDR zone within a 10 minute walk of the CBD, the land use split is projected to move from 64% Res / 36% VA to 58% Res / 42% VA.

Whilst the model predicts that the target will not be met in Queenstown by the proposed subzoning, it is considered that a significantly greater portion of properties will be developed for residential purposes than would be the case if no subzones were proposed.

4   Conclusion

The results of the model show that for the proposed Plan Change 23, the ultimate supply of both residential and visitor accommodation units are greater than the expected demand in 2029. There is a projected surplus of residential units of 28% in the HDR zone, and a projected surplus of 36% for visitor accommodation stay units. Based on the assumptions in this model, the effects of this plan change will not limit the ability of the development community to meet market demands, particularly in the case of the visitor accommodation market.

The residential capacity in the HDR zone is a small portion of the total residential demand across all zones in the district (approximately 8% to 10%). However, it is an important component in that it offers a housing choice that is not readily available in other zones / parts of the district at the moment.

The visitor accommodation capacity in the HDR zone represents a relatively large portion of the total visitor accommodation demand across all zones in the district (approximately 36% to 45%). This is primarily due to the visitor accommodation capacity in the Queenstown HDR zone, which accounts for 34% to 42% of the visitor accommodation demand across all zones in the district.

Furthermore, it is clear from the existing mix of titles that there is a good match between the areas that are currently dominated by visitor accommodation and those areas where the zoning is proposed to remain unchanged. In Queenstown, currently 75% of all titles in those unchanged areas are visitor accommodation whereas only 22% of those in the neighbourhood subzone are visitor accommodation.

As expected, those areas proposed to have the HDR (neighbourhood) subzone applied to them will become progressively more residential in nature and those that remain unchanged will continue to be developed predominantly (although not exclusively) for visitor accommodation purposes. However, overall, the change in land use predicted in both Queenstown and Wanaka is relatively minor

It should be noted that the key assumptions in determining the projected surplus are the expected future development densities within the zone. Assumptions based on lower development densities would correspondingly lower the expected surplus. However, capacity in the HDR zone is elastic, and market trends will ultimately drive the development density in the zone.

Appendix A

Supply, demand, and neighbourhood mix graphs

Partially operative district plan scenario – residential and visitor accommodation supply and demand plots

Residential - Supply and Demand: PODP

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
Wanaka	199	485	655
Queenstow n	982	2,730	3,429

Visitor Accommodation - Supply and Demand: PODP

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
Wanaka	250	304	569
Queenstow n	4,051	5,212	7,385
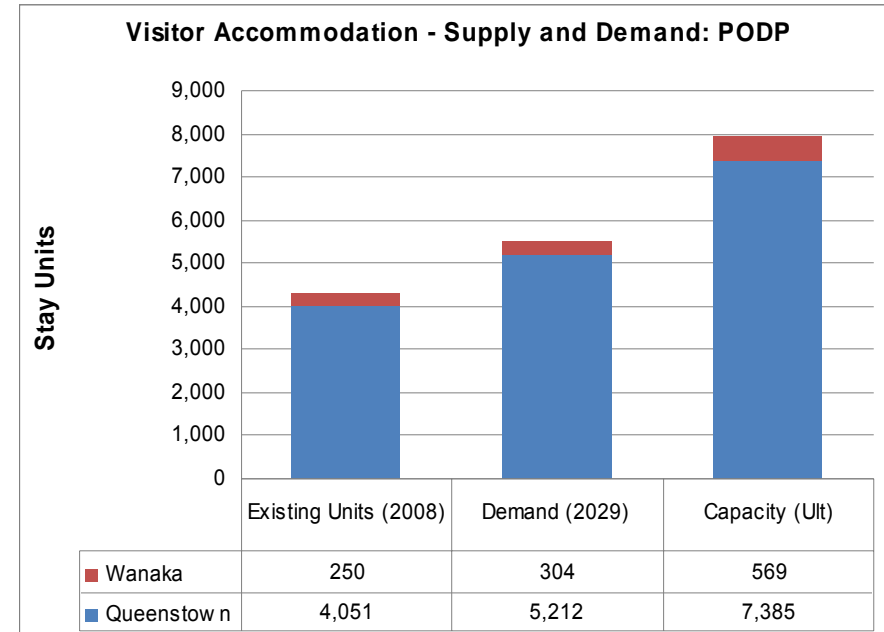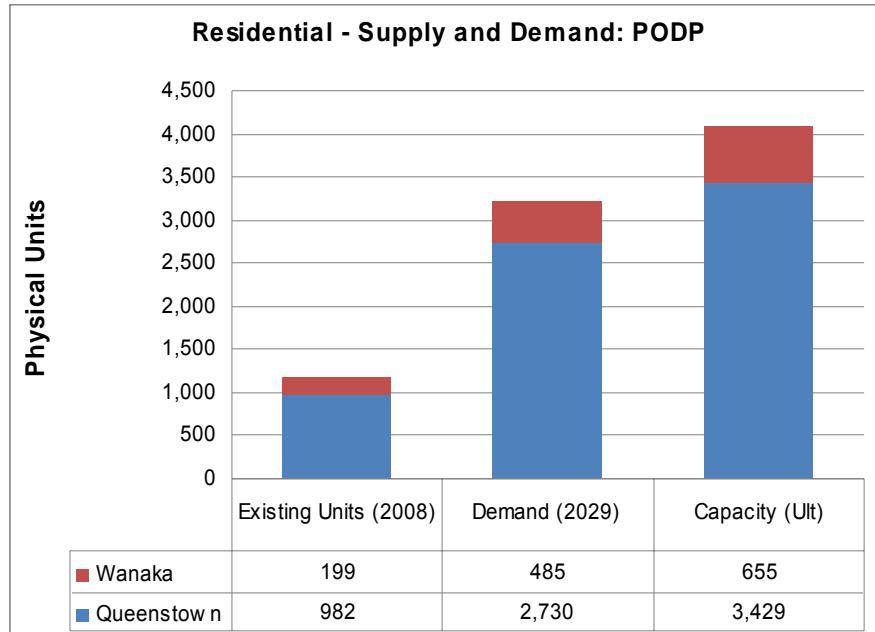
Plan Change 10 scenario – residential and visitor accommodation supply and demand plots

Residential - Supply and Demand: PC10

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
Wanaka	199	414	532
Queenstown	982	2,711	2,900

Visitor Accommodation - Supply and Demand: PC10

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
Wanaka	250	304	559
Queenstown	4,051	5,212	7,332
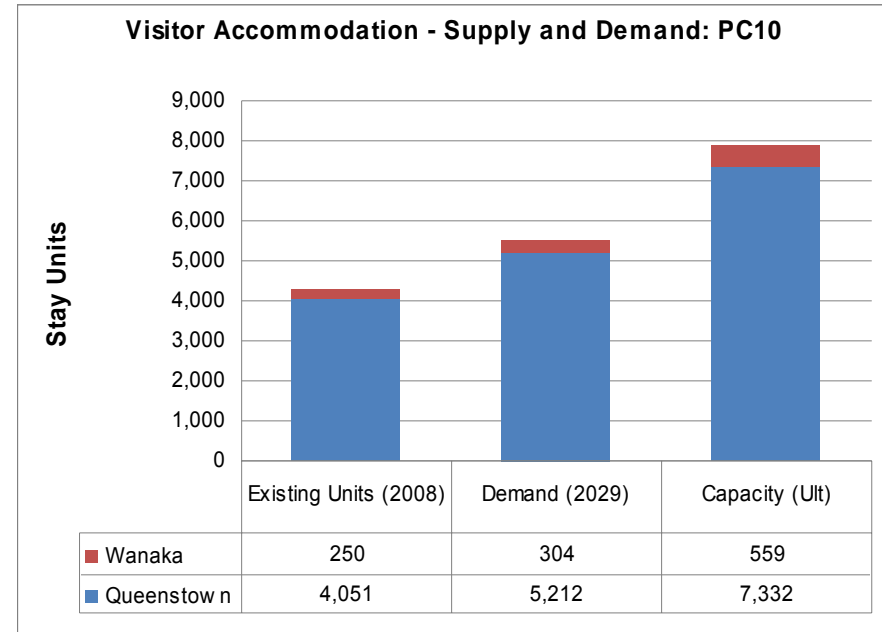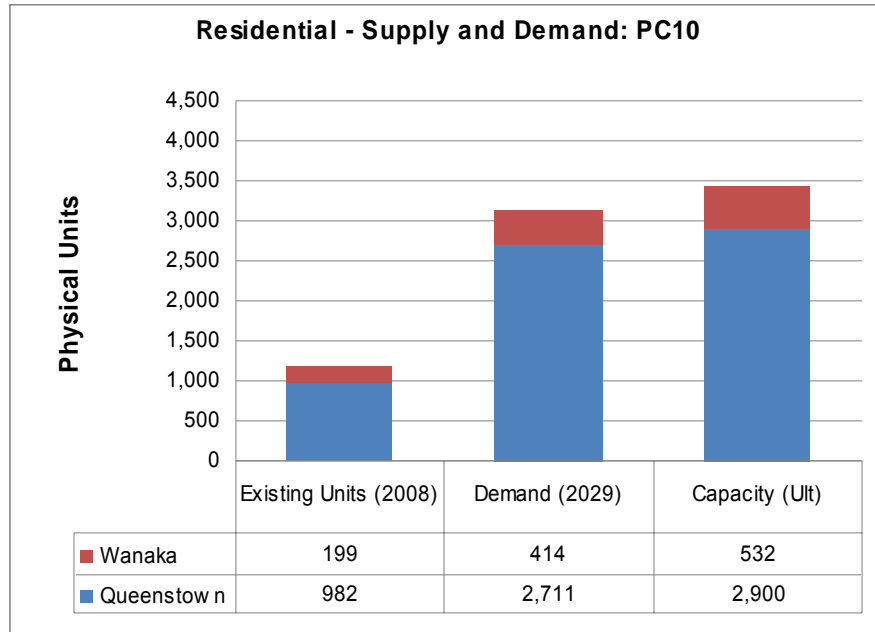
Plan Change 23 scenario – residential and visitor accommodation supply and demand plots

Residential - Supply and Demand: Plan Change 23

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
■ Wanaka	199	496	674
■ Queenstow n	982	2,744	3,810

Visitor Accommodation - Supply and Demand: Plan Change 23

	Existing Units (2008)	Demand (2029)	Capacity (Ult)
■ Wanaka	250	304	601
■ Queenstow n	4,051	5,212	8,056
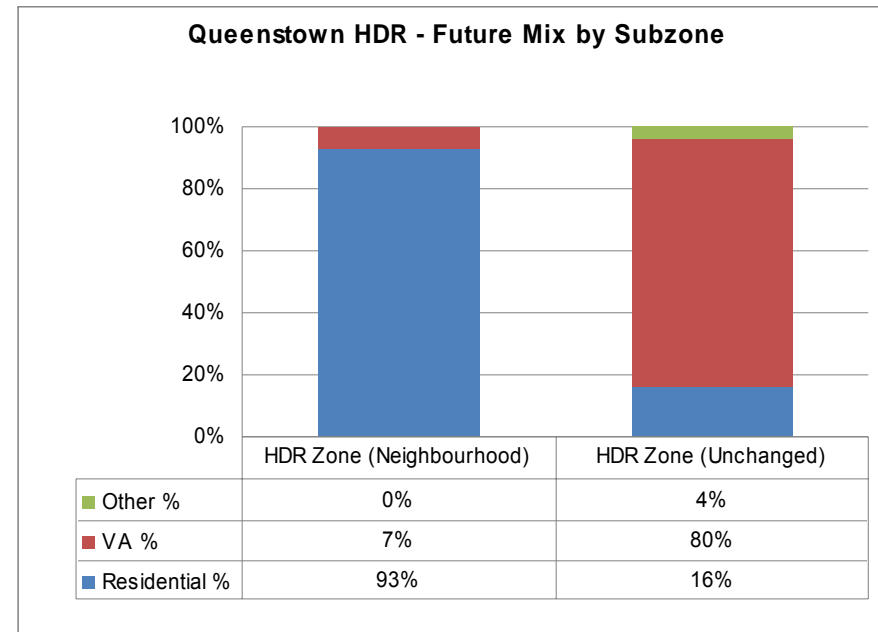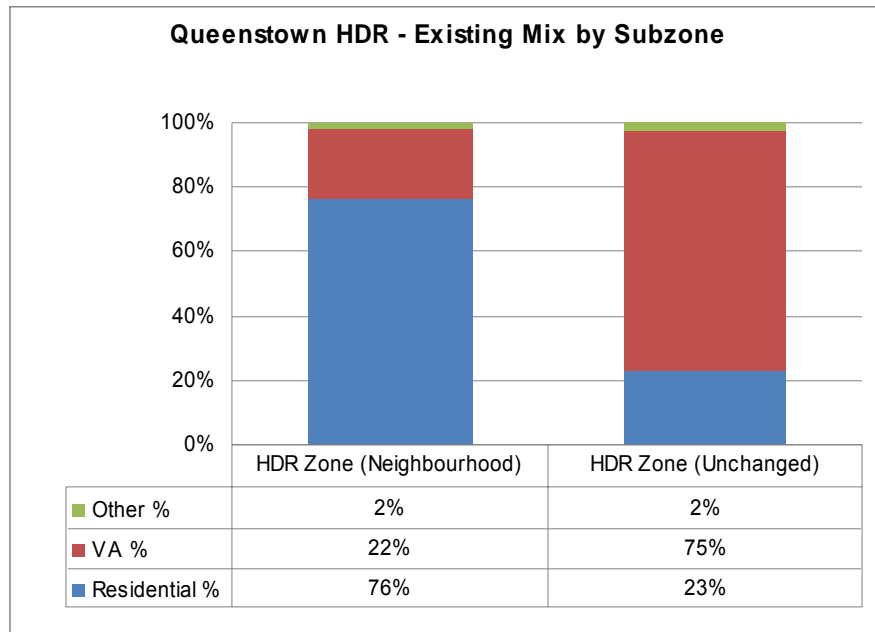
Queenstown HDR zone – existing and future mix of land use (titles) by subzone

Queenstown HDR - Existing Mix by Subzone

	HDR Zone (Neighbourhood)	HDR Zone (Unchanged)
■ Other %	2%	2%
■ VA %	22%	75%
■ Residential %	76%	23%

Queenstown HDR - Future Mix by Subzone

	HDR Zone (Neighbourhood)	HDR Zone (Unchanged)
■ Other %	0%	4%
■ VA %	7%	80%
■ Residential %	93%	16%

Wanaka HDR zone – existing and future mix of land use (titles) by subzone

Wanaka HDR - Existing Mix by Subzone
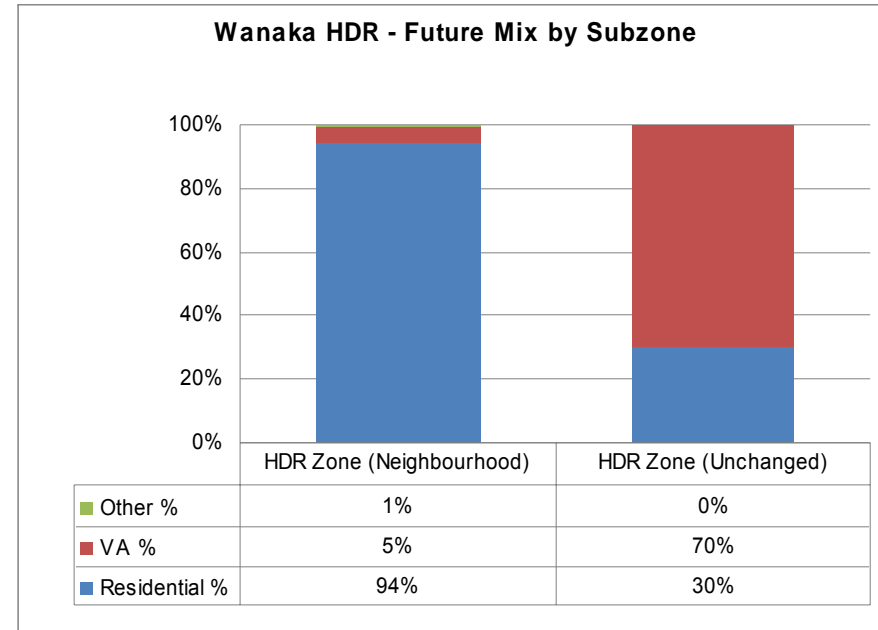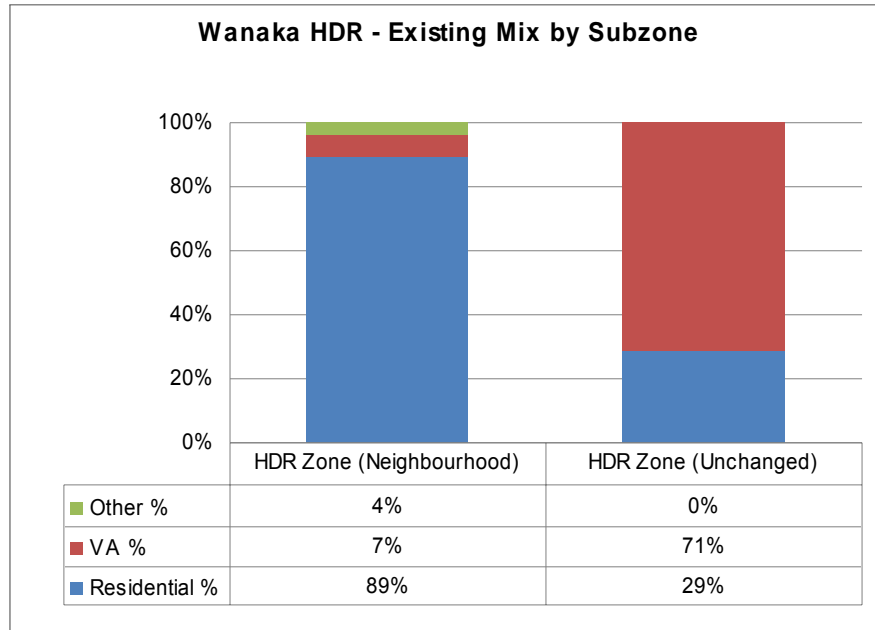
	HDR Zone (Neighbourhood)	HDR Zone (Unchanged)
Other %	4%	0%
VA %	7%	71%
Residential %	89%	29%

Wanaka HDR - Future Mix by Subzone

	HDR Zone (Neighbourhood)	HDR Zone (Unchanged)
Other %	1%	0%
VA %	5%	70%
Residential %	94%	30%

Queenstown HDR zone – existing mix of land use (titles) by neighbourhood area

Queenstown HDR - Existing Mix by Neighbourhood

	QN 1	QN 2	QN 3	QN 4	QN 5	QN 6	QN 7	QN 8	QN 9	QN 10	QN 11	QN 12	QN 13	QN 14	QN 15	QN 16
Other %	0%	5%	0%	1%	10%	4%	5%	6%	2%	0%	2%	0%	0%	0%	0%	0%
VA %	8%	95%	26%	95%	33%	13%	2%	54%	30%	28%	87%	43%	99%	81%	60%	100%
Residential %	92%	0%	74%	4%	57%	83%	93%	40%	68%	72%	11%	57%	1%	19%	40%	0%

Queenstown HDR zone – future mix of land use (titles) by neighbourhood area

Queenstown HDR - Future Mix by Neighbourhood

	QN 1	QN 2	QN 3	QN 4	QN 5	QN 6	QN 7	QN 8	QN 9	QN 10	QN 11	QN 12	QN 13	QN 14	QN 15	QN 16
■ Other %	0%	5%	2%	4%	5%	1%	0%	4%	3%	0%	3%	2%	4%	3%	3%	5%
■ VA %	5%	81%	33%	86%	72%	24%	5%	65%	45%	7%	84%	38%	85%	72%	55%	80%
■ Residential %	95%	14%	65%	10%	23%	74%	95%	31%	53%	93%	12%	60%	12%	25%	42%	15%

Wanaka HDR zone – existing mix of land use (titles) by neighbourhood area

Wanaka HDR - Existing Mix by Neighbourhood

	WN1	WN2	WN3	WN4	WN5	WN6	WN7
Other %	0%	0%	0%	0%	23%	0%	3%
VA %	5%	15%	85%	8%	9%	55%	3%
Residential %	95%	85%	15%	92%	68%	45%	94%
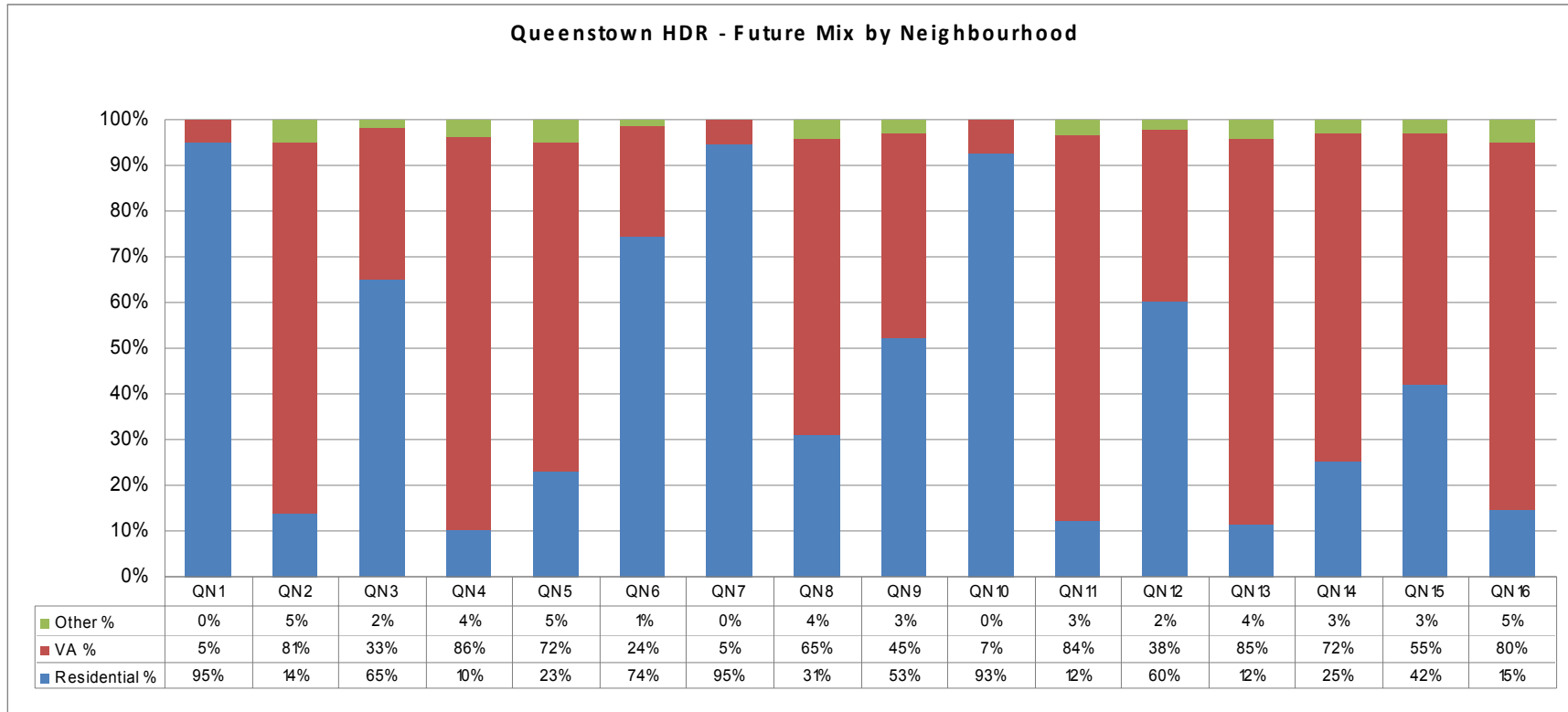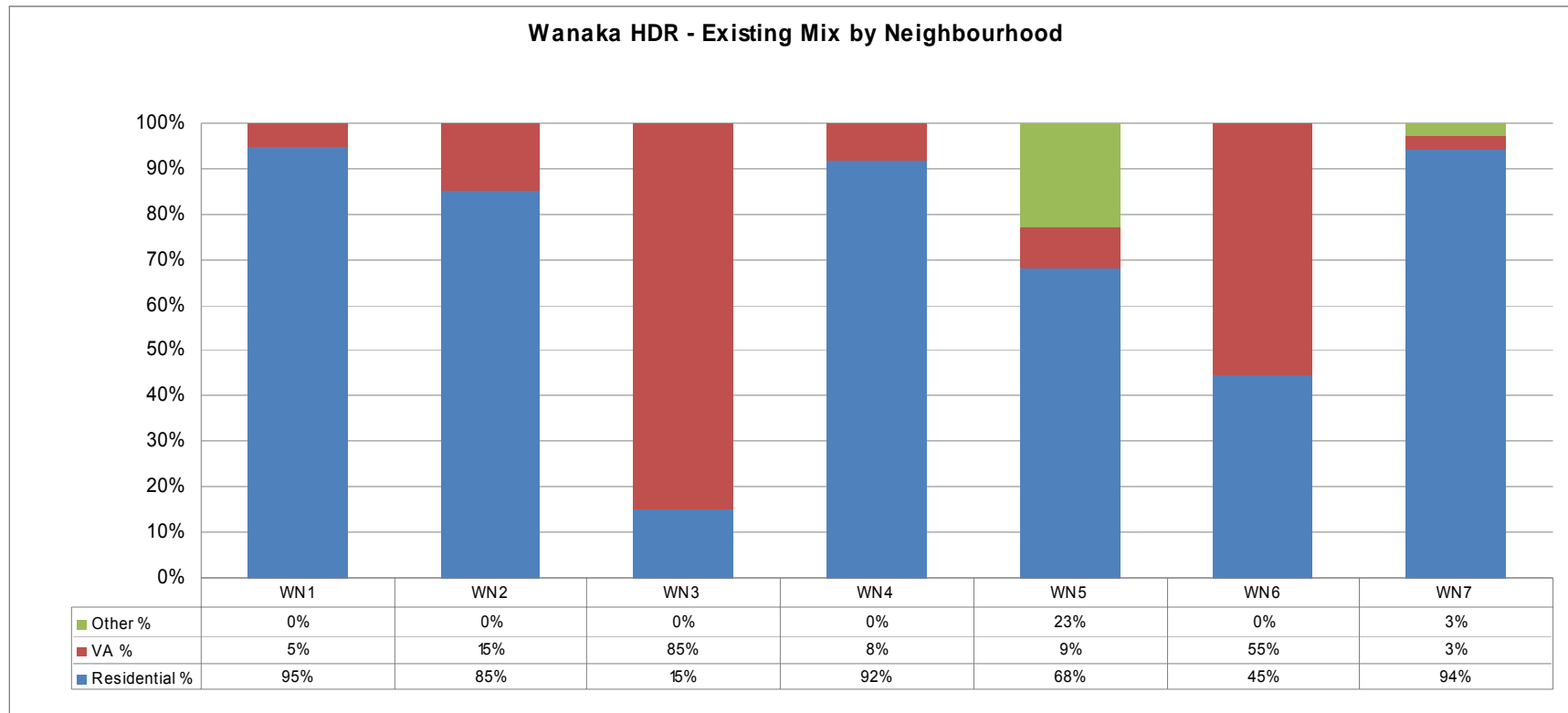
Wanaka HDR zone – future mix of land use (titles) by neighbourhood area

Wanaka HDR - Future Mix by Neighbourhood

	WN1	WN2	WN3	WN4	WN5	WN6	WN7
■ Other %	0%	0%	0%	0%	4%	0%	0%
■ VA %	5%	8%	70%	5%	5%	61%	5%
■ Residential %	95%	92%	30%	95%	91%	39%	95%