7.4 Land use and existing development

Consideration of land use and existing development illustrates how the current HDR zone is functioning and particularly what activities are dominant, helping to identify what areas still retain residential coherence or where this may be significantly compromised. Current land use and existing development is taken as a snapshot in time (2007) and the maps will no longer be entirely accurate as land use changes over time. Maps listed in the research documents on page 61 identify the land use, existing development, and developement potetial in the HDR zone.

To better understand these aspects, the following information was mapped and considered:

- Existing land use was mapped by identifying commercial (not visitor accommodation) sites from council's rates database; and existing or consented visitor accommodation activities (may not be constructed). Where sites were not identified as one of these they were assumed to be residential. Where a unit within a multi-unit development is identified as visitor accommodation the entire site is deemed to be visitor accommodation although this may not always be the case.
- Current vacant sections were sourced from the Rates database, which do not always coincide with the sites that look vacant on the aerial maps, as some of these may have development proposed but not yet constructed.
- Existing built character was determined by identifying large and small scale multi-unit developments (broken into 2 – 5 units and greater than 5 units). This illustrates where intensification is occurring. Heritage buildings were also identified as part of the existing built character.
- Areas of change and stability were identified by considering multi-parcel ownership, buildings built since 1990, and the ratio of 'improved value' to 'land value' to determine redevelopment potential of a site.
- Owner occupiers were identified through the rates database to identify where the address for rates is the same as the property, and as such the owner lives on the site. It should be noted that some visitor accommodation sites are also identified as owner occupied. It is noted that subsequent analysis (using cenus data) has been done to determine owners / occupiers (refer Social Impact Assessment report).

To ensure sufficient future development opportunities for either residential or visitor accommodation within an area, the presence of sites with redevelopment potential (including vacant or multi-site ownership) is important. Although there may be few or no vacant sites available within a neighbourhood there may be multiple sites in one ownership, existing development may be older and of lower value and as such there may be plenty of opportunity for redevelopment of sites to provide for more intensive activities (being either residential or visitor accommodation).

Where visitor accommodation is clustered or where large scale visitor accommodation sites and complexes dominate the neighbourhood residential coherence is generally compromised. However, where neighbourhoods are dominated by residential activities and a high proportion of owner occupiers, with few and smaller scale visitor accommodation activities there is more likely to be a stable residential community and domestic built form which together contribute to residential coherence.

7.4.1 Queenstown

Queenstown has a number of areas where residential coherence is likely to be compromised by the scale and intensity of existing visitor accommodation activities, particularly around the edge of the commercial centre where there are large sites and clusters of visitor accommodation.

Other areas contain few visitor accommodation activities with residential activities being more dominant, with visitor accommodation on individual small isolated sites within the neighbourhood indicating they are likely to be of a domestic scale.

7.4.2 Wanaka

Visitor accommodation within Wanaka is not clustered to the same extent as Queenstown, with some areas containing visitor accommodation of a smaller scale most likely homestays and small boutique hotels.

Wanaka has not experienced the growth in visitor accommodation that Queenstown has, with the visitor accommodation market largely associated with holiday homes. However, it is anticipated that pressure for more intensive visitor accommodation developments near the town centre will develop and this is an important consideration in the proposed new HDR (Neighbourhod) subzone.

7.5 Capacity Analysis

Having proposed a HDR (neighbourhood) subzone, it is necessary to determine whether the ultimate capacity (i.e. the supply of zoned land and redevelopment potential) as amended through the subzoning would meet the future demand for dwellings and visitor accommodation.

An assessment of capacity was undertaken by Rationale entitled 'HDR Zone - Supply and Demand in June 2008, which outlines the key assumptions, data sources, methodology, and conclusions in detail.

The aim of the report is to:

- Assess the impact of the proposed HDR (neighbourhood) subzones plan change on the supply and demand of visitor accommodation and residential units; and
- Predict how the mix of land use activities will change over time in the zone as a whole and within each neighbourhood.

Critically, the council wants to be confident that the proposed HDR (Neighbhourhood) subzone will not unduly restrict either the visitor accommodation or residential market and that it would contribute positively to trying to achieve a good balance of residents and visitors close to the district's two town centres.

7.5.1 Methodology

1. The number of existing dwellings and existing visitor 'stay units' was determined from existing data.
2. The future ultimate capacity was then calculated for the HDR zone as a whole and, at a more micro level, for each individual neighbourhood, and within the subzone and those areas outside of the subzone.
3. The demand for future dwellings and visitor stay units was then calculated based on the council's revised growth projections (January 2008).
4. The existing supply, ultimate capacity (including existing and future supply) and demand as at 2029, and the various surpluses were then calculated.
5. The existing and projected land use mix was then calculated for the various neighbourhoods and also for those areas within a 10 minute walk of the edge of the Queenstown and Wanaka town centres.

For comparison, the supply and demand of the zone was calculated for 3 scenarios over time in order to see how capacity changes under a) the PODP pre Plan Change 10; b) the provisions as amended by Plan Change 10; and c) under the proposed subzoning approach. The following conclusions relate solely to the proposed HDR (Neighbourhood) subzone scenario.

7.5.2 Conclusions

Supply and demand under the Proposed HDR subzones model

Existing supply and ultimate capacity of residential and visitor accommodation activities is illustrated in Tables 7 and 8 below. The projected future demand has been modeled to identify what surplus if any will remain in 2029.

Table 7: HDR zone – Residential supply and demand (physical units)

Area	Existing Units (2008)	Capacity (Ultimate)	Demand (2029)	Surplus (2029)	Surplus % (2029)
Queenstown	982	3,810	2,744	1,066	28%
Wanaka	199	674	496	178	26%
HDR Zone Total (RESIDENTIAL)	1,181	4,483	3,239	1,244	28%

Source: Rationale

The model predicts that 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. It is generally accepted good practice to maintain a 20% surplus in capacity at any time, indicating that care is needed to ensure that the supply of residential land in the HDR zone is not further eroded in the future. These figures also support the council considering options for targeted intensification (through height, for example), specifically for residential units in the future, in order to increase the residential capacity and improve the balance between residential and visitor accommodation activities within the HDR zone.

Table 8 : HDR zone – visitor accommodation supply and demand (stay units)

Area	Existing Units (2008)	Capacity (Ultimate)	Demand (2029)	Surplus (2029)	Surplus % (2029)
Queenstown	4,051	8,056	5,212	2,845	35%
Wanaka	250	601	304	297	49%
HDR ZONE TOTAL (VA)	4,301	8,658	5,516	3,142	36%

Source: Rationale

The model predicts that 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 the council confidence that it is in no way constraining the visitor accommodation property market through the proposed introduction of the HDR (Neighbourhood) subzones.

The existing and projected future mix of activities in the Queenstown and Wanaka HDR zones

It is interesting to understand the proportions of residential and visitor accommodation use that currently exist in the High Density Residential zone and how this is projected to change over time, given the proposed HDR (neighbourhood) subzones. These proportions have been calculated for the High Density Residential (neighbourhood) subzone and for the remaining High Density Residential zone (the rules for which are unchanged) and for each of the individual neighbourhoods (Tables 9 and 10 below).

Table 9 : Queenstown HDR – Existing and Total Future total mix of titles

Subzone (and site specific exceptions)	Residential %	Total Future Res %	Existing VA %	Total Future VA %	Existing Other %	Total Future Other %
HDR (neighbourhood subzone)	76%	93%	22%	7%	2%	0%
HDR (unchanged)	23%	16%	75%	80%	2%	4%

Source: Rationale

Table 10 : Wanaka HDR – Existing and Future total mix of titles

Subzone (and site specific exceptions)	Residential %	Total Future Res %	Existing VA %	Total Future VA %	Existing Other %	Total Future Other %
HDR (neighbourhood subzone)	89%	94%	7%	5%	4%	1%
HDR (unchanged)	29%	30%	71%	70%	0%	0%

Source: Rationale

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. For example, in Queenstown currently 75% of all titles in the HDR zone where it is not proposed to apply the subzone are visitor accommodation whereas only 22% are visitor accommodation where the neighbourhood subzone is applied.

As one would expect, those areas where the HDR (neighbourhood) subzone is proposed 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. The changes in uses predicted in both Queenstown and Wanaka are relatively minor. These figures plus those which have been done at a neighbourhood level indicate that the degree of change in the mix of uses that would result from introducing the neighbourhood subzone is relatively minor.

7.6 Social Impact Assessment

It is important to consider the social impact of applying the proposed HDR (Neighbourhood) subzone, or rather the impact of not applying the subzone more widely. In those areas of the HDR zone where it is not proposed to apply the subzone the residents may be affected by visitor accommodation growth and reduced residential coherence, displacing existing communities.

To ascertain the potential impacts on the HDR zone communities a report was prepared by Rationale entitled "High Density Residential Subzones – Social Impact Assessment." The aim of this report was to analyse the HDR zone as a whole and each neighbourhood within the zone, looking at current and historic demographic trends and then to assess the social impact of the projected land use under the subzone approach.

The key matters that the report aims to address are:

- The profile of the people in the neighbourhood today and in the past.
- The stability of the neighbourhoods.
- The key changes that have occurred in each neighbourhood.
- How the current occupants will cope with the projected change in landuse (and, to a degree, character) in the various neighbourhoods.

Data collected from Statistics NZ at meshblock level was used to ascertain an indicative profile of each neighbourhood based on the usually resident population and the trends that have occurred since 1996 to determine stability. This data was considered as part of the detailed neighbourhood assessments provided in Part B, providing indicators of stability such as stable or increasing owner occupation; occupied dwellings; and usually residential population.

In addition to indicating stability, the social impact assessment considers the likely changes anticipated in the future as a result of redevelopment within the neighbourhoods (as determined by the capacity analysis) under the subzone approach. This analysis helps to determine what level of community displacement may occur, acknowledging that good quality residential development will be required in order to minimise any potential impacts on future residents.