The Rafa Trust

SPECIAL HOUSING AREA

Expression of Interest

5 December 2014
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1. EXECUTIVE SUMMARY

This Expression of Interest (EOI) proposes a parcel of land for consideration by the Queenstown Lakes District Council for a Special Housing area under the Housing Accords and Special Housing Areas Act 2013.

The proposal for consideration is for a residential development of 20 dwellings on the southern side of McDonnell Rd, opposite the existing houses of 1-43 McDonnell Road, Arrowtown.

The proposed area is currently zoned Rural General, but adjoins the residential boundary of Arrowtown and faces the existing residential area of McDonnell Road.

The site receives excellent sunlight to the north with extensive mountain views in all directions. It is a short walking distance to all of Arrowtown’s amenities (shopping, parks, and school and pre-schools). Water, sewer and stormwater services are located within McDonnell Road, immediately adjacent to the site.

The proposed development contemplates a single line of detached or semi-detached town houses, replicating residential character of McDonnell Rd. It is proposed that all the houses will be medium-density, comprising an average allotment area of 374m², with houses of approximately 120m², suitable for 2-3 bedroom dwellings. This density will sit comfortably with the density of residential Arrowtown.

The development “completes” the existing McDonnell Rd community (i.e. the area bounded by the existing 50km per hour zone of McDonnell Rd) by offering a quality residential development to replace the existing stand of pine trees, and continuing in a south eastern direction along an escarpment of schist. The semi-rural, transitional nature of the area will be preserved by The Hills golf course, and consideration of a covenant on the balance title of 508 Lake Hayes Rd preventing further subdivision.

Two particular features of the proposed Special Housing Area are that it:

- Provides entry-level housing to arguably Wakatipu Basin’s most desirable residential community but which, due to tightly constrained land availability, is beyond the price of many in the District;
- Removes a significant visual blot from the neighbourhood (a 220m x 30m stand of mature pine trees) which adversely affects the views and sunlight of numerous existing houses on McDonnell Rd and Shaw St.

In recent years, the Queenstown Lakes District Council have gifted land of approximately $1.5m value to deliver ten affordable residential homes at Suffolk St in Arrowtown as part of a goal of the Community Housing Trust to establish affordable housing outside of the “established” affordable housing areas of Lake Hayes Estate and Shotover Country. This proposal could deliver twice that
number at no cost to the community, and without any material adverse impact on either the existing amenities or infrastructure of Arrowtown. The proposal meets all the criteria of the “Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines” (30 October 2014).

2. INTRODUCTION

This Expression of Interest (EOI) is submitted on behalf of the Rafa Trust. It is in response to the Queenstown Lakes District Council’s (the Council) request for Expressions of Interest to submit to Council proposals to be considered for Special Housing Areas which will assist in addressing the housing affordability issues facing the District. Those qualifying proposals will be declared Special Housing Areas under section 16 of the Housing Accords and Special Housing Areas Act 2013. Once declared Special Housing Areas, development of the Special Housing Area will be carried out via an alternative process to resource consenting for low-rise residential developments.

This EOI provides the following information:

- A indicative site layout identifying the proposed Special Housing Area;
- Contact details of the landowners / proponents of the proposal;
- An assessment against the Lead Policy criteria (including an overview assessment of infrastructure capacity);
- An outline of anticipated development yield, including the proportion of allotments / units proposed as smaller sections / dwellings to help address affordability;
- The extent to which the proposed Special Housing Area satisfies Council’s Development Expectations (Attachment B Lead Policy); and
- Statement of relevant experience in land development / provision of housing.

The following plans and drawings are attached as appendices:

- Appendix A: Indicative site plan of the allotment layout
- Appendix B: GJ Gardener Homes

2.1 LANDOWNERS/PROPONENTS CONTACT DETAILS:

The Rafa Trust
C/- Mitchell Partnerships Limited
PO Box 489
Dunedin

Ph. 03 477 7884
Email: john.kyle@mitchellpartnerships.co.nz
3. SITE SELECTION CRITERIA

The Council has embarked on a process for considering land that might be suitable for the provision of Special Housing Areas. The implementation guidelines clearly set out the criteria against which all Expressions of Interest made in the Council Lead Policy: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines will be assessed. The following provides an assessment of the development in accordance with that Policy.

3.1 LOCATION

*The proposed area shall be located within or adjacent to existing urban areas.*

**CRITERION MET:** The site is located immediately adjacent to the residential boundary of Arrowtown and on the opposite side of an existing residential development. Please refer Figures 1 and 2 below, which show the approximate location of the subject site in relation to Arrowtown. Please also refer to Appendix A which contains the Indicative Site Layout Plan for the proposed Special Housing Area.

![District Plan Map](image)

*Figure 1: District Plan Map that depicts the location of the site in relation to Arrowtown.*
3.2 ADEQUATE INFRASTRUCTURE

For Council-related services of water supply, wastewater, transport, stormwater and reserves the Council is satisfied… That infrastructure exists and has additional capacity to accommodate the likely cumulative demand from a qualifying development/s.

CRITERION MET: All services are available at the site boundary:

a) Water supply

Two Council water mains lie within McDonnell Road adjacent to the proposed site. A 200mm PVC main lies on the western edge of the road formation, and this line serves as a boost for reticulation in the newer area of south east Arrowtown.

A 150mm UPVC water main lies along the east side of McDonnell Road and services the adjoining properties and the local fire hydrants.

A check on network capacities would be appropriate (we understand that Tonkin & Taylor Ltd have the water modelling information for Arrowtown), however it is likely the 20 lots could be adequately served with potable water by a suitable ridermain linking to the appropriate main in McDonnell Rd.

Capacity reports would need to be commissioned to confirm this position should this EOI be successful.
b) **Wastewater**

There is an existing Council sewer main, 150mm UPVC, on the eastern side of McDonnell Road serving the adjacent properties. The sewer terminates at the McDonnell Road sewer pump station. A check on network and pump station capacities would be appropriate (we understand that Rationale Ltd have the sewer modelling information for Arrowtown), however it is likely the 20 lots could be adequately served by a suitable connection to the existing 150mm main.

Capacity reports would need to be commissioned to confirm this position should this EOI be successful.

c) **Stormwater**

There is an existing Council stormwater main, 375mm increasing to 450mm PVC, on the eastern side of McDonnell Road serving the adjacent properties and McDonnell Road carriageway. The stormwater network terminates to an open drain opposite the McDonnell Road sewer pump station.

A check on the capacity of this line would be appropriate, which would require a review of the catchments, pipe gradients and sizes.

While it is likely the 20 lots could be adequately served by a suitable connection to the existing network, it may also be appropriate to consider on site soakage, or a communal disposal field in the adjacent balance land might also be considered.

In summary, we believe there are a number of suitable stormwater solutions for this site.

d) **Transport**

McDonnell road is an existing road with a 50km/hr speed limit that provides access to dwellings situated along the road, to the Hills Golf Course, and connects through to Centennial Road, south of Arrowtown. The road is sealed and formed to a width of approximately 8.5m within a 20m legal corridor and comprises two traffic lanes and space for on-street parking along one side. There is one footpath formed on the side opposite the site. The road is considered to be adequate to provide access to 22 new dwellings. There appears to be adequate width within the road reserve to widen the road to provide on-street parking and/or a footpath should this be considered necessary.
3.3 DEMAND FOR A QUALIFYING DEVELOPMENT

The Council is satisfied that there is evidence that the qualifying development/s in the Special Housing Area will deliver new residential housing that supports the aims and targets of the Queenstown Lakes Housing Accord in a timely manner.

CRITERION MET: Arrowtown is acknowledged as facing arguably the most pressing affordable housing shortage due to: (a) tightly constrained (existing) urban boundaries (exacerbated by natural physical constraints); and (b) being a highly-sought after residential location which pushes up house prices.

The location of the proposed site, both in terms of its proximity to infrastructure (roading and water services,\(^1\)) and the predominantly flat terrain, will result in a site that can deliver affordable residential housing in a very timely manner.

Furthermore, the site is in single ownership and therefore the proponent is in a position to proceed with the development immediately.

3.4 DEMAND FOR RESIDENTIAL HOUSING

The Council is satisfied that there is evidence of demand for a range of housing types that could be developed within a Special Housing Area. Furthermore, the Council shall be satisfied that a variety of dwelling sizes and dwelling ownership or tenure arrangements are not ruled out by any proposed terms and conditions or covenants that would apply within the Special Housing Area.

CRITERION MET: Due to its location, character and reputation, Arrowtown is currently, and is likely to remain, a highly competitive market for home buyers for the foreseeable future. The ability of buyers, particularly first-home or low-medium income buyers, to afford a home in Arrowtown is therefore dependent on two basic considerations: allotment size and house size.

It is therefore proposed that the lots are a higher density, ranging from 250m\(^2\) to 500m\(^2\), and with an average size of 374m\(^2\), and that the houses are similarly proportioned (i.e. approximately 120m\(^2\)), with opportunities for semi-detached dwellings provided for.

The proponent does not foresee any terms or conditions that would apply at the site that would jeopardise the objective of providing affordable housing opportunities.

\(^1\) All services would be subject to final capacity confirmation should this EOI be successful.
3.5 AFFORDABILITY

In order to achieve the targets in the Housing Accord to deliver more dwellings at affordable price points, the Council will negotiate housing outcomes for each Special Housing Area on an individual basis.

Council is aware that affordability is significantly influenced by allotment area and dwelling size. Accordingly, it is proposed that dwellings and allotments will be of a size that can deliver housing in the range of approximately $408,000 - $490,000\(^2\). This price point is at the very lowest end of current housing prices in Arrowtown.

To achieve this price point, house designs that can be built in the range of $280,000.00 have been provided by GJ Gardener. These designs are attached to Appendix B of the EOI. These designs include:

- The Apollo Narrow, which is priced at $280,000 (including GST).
- The Shotover Home Series, which is priced between $208,000.00 and $224,000.00 (including GST).
- The Amrita, which is priced at $265,000 (including GST).

While the ultimate response to these criteria will depend on negotiations with the qualifying developer, consideration has been given to the matters to be covered in negotiations (as set out in section 5.2.5 of the Council Lead Policy) is provided below:

a) The type and size of dwellings to be built; it is anticipated that in most if not all Special Housing Area at least 20% of dwellings will comprise two bedroom dwellings.

CRITERION MET: At this stage in the development process it is estimated that approximately 50% of the homes will be 2 bedroom dwellings, being those dwelling on the 250m\(^2\)-375m\(^2\) sections.

b) The size of sections; land developers will be required to provide a certain proportion (typically at least 30%) of the allotments at smaller sizes ie. 250-400 square metres.

CRITERION MET: The entire site is proposed to be medium density with an average section size of 374m\(^2\).

c) The nature of any covenants (or similar restrictions) imposed on sections;

CRITERION MET: The proponent is willing to offer a covenant that would prevent any further subdivision of the balance of Section 9 Block VII Shotover SD.

d) The potential for a development to target specific housing need e.g. first home buyers, the rental market or social housing;

\(^2\) Based on an assumed per square metre build rate of $2,000/m\(^2\) and lot price of approximately $200-250k).
CRITERION MET
Arrowtown is a very desirable place to live, whether that be for those wishing to rent or buy. The area is particularly popular with families, and the development is expected to provide affordable housing options for families wishing to buy or rent in Arrowtown. The two-bedroom dwellings are anticipated to cater for first home buyers and some people with young families. Three bedroom dwellings would also cater for renters, families and groups of people, and those on median incomes with larger families wishing to buy.

It is noted that long term rental properties are often difficult to secure in Arrowtown. This proposal could also provide tenure arrangements which ensure rental properties are available to long-term tenants (i.e. on 12+ month leases).

e) The potential to spread or mix the type and size of sections and dwellings to be developed throughout the proposed special housing area.

CRITERION MET: As the site is a Greenfields site, there is opportunity to develop the site to optimise the potential number of dwellings. An indicative site layout is presented in Appendix A. However, the proponent is willing to discuss all options with the Council to ensure the sites’ full potential as a Special Housing Area is realised.

f) Other relevant matters that are identified.

CRITERION MET: No other relevant matters have been identified in terms of affordability.

3.6 PREDOMINANTLY RESIDENTIAL
A qualifying development within a Special Housing Area will have the primary purpose of supplying residential dwellings to the market.

CRITERION MET: No development other than supplying residential dwellings are proposed as part of this development.

3.7 BUILDING HEIGHT
The maximum calculated building height for a qualifying development in a special housing area will be determined as part of the declaration of that special housing area. It will be determined by the Council in discussion with the landowner/developer with reference to:

a) The characteristics of the land in the special housing area and land directly adjoining;

b) The maximum height provided for in the zone of the operative District Plan that currently applies to the land in question, and any changing and evolving direction regarding building height apparent through the development of the Proposed District Plan;

c) The maximum height provided for in the Act.
CRITERION MET: The proponent acknowledges that the Council will determine the appropriate building height for any Special Housing area on a case by case basis.

The site immediately adjoins the Rural General Zone, within which the maximum building height for residential buildings is 8m. On the opposite side of McDonnell Road the land is zoned Low Density Residential Zone and is also within the Arrowtown Scenic Protection Area. In this area, the maximum height for buildings is 5m. The opposite side of McDonnell Rd dwellings comprise a mixture of single and two storey homes.

It is considered that a development with primarily two-storey townhouse-style dwellings would maximise density and lower cost, and therefore an 8m height limit is considered to be appropriate for this site.

Consideration of the existing environment should be taken into consideration when building height for the site is considered. The proposed development will see the removal of an area of approximately 6,600m² mature pine trees standing approximately 30-40m high. The trees fully or partially obscure views to the south of the Remarkables for approximately 20-25 existing dwellings on McDonnell Rd and to some extent on Shaw St.

Furthermore, the trees have a significant adverse afternoon/evening shading impact on an area which, due to it being on the southerly side of a hill, already lacks adequate sunlight. The trees have been a long-running and very public source of tension between the McDonnell community and the previous property owner. The increased views and sunlight hours from their removal will enhance property values for existing home owners and, as such, will be very positively received.

3.8 MINIMUM NUMBER OF DWELLINGS

The minimum number of dwellings required in any special housing area to constitute a qualifying development will vary from area to area. In existing developed areas, the minimum number is likely to be set low e.g. Two dwellings. In greenfield developments the figure will be higher, but is likely to vary depending on circumstances.

CRITERION MET: The development can provide up to 20 allotments within the proposed site, please refer to the Indicative Site Layout Plan attached in Appendix A. This layout is based on allotment sizes of between 250m and 500m. Based on this site layout, the development would provide 20 dwellings, where one dwelling is provided per allotment.

It would be possible to provide two residential units per site on some lots, thereby delivering more dwellings. The development proponent is willing to discuss this possibility with the Council.
3.9 RESIDENTIAL DEVELOPMENT CRITERIA

Council’s development quality expectations are set out in Appendix B. Council will seek SHA land owners / developers to agree in principle with these requirements.

CRITERION MET: The proponents of the development acknowledge the Residential Development Quality Expectations, contained in Appendix B of the Policy and are committed to delivering good quality residences that complement the existing visual amenity of the area. The proponent therefore agrees in principle with these requirements.

An assessment of the proposal against the four facets identified under the Residential Development Quality expectations is provided below:

3.8.1 Integrating into the Community

(a) Connections: The development is located on McDonnell Road, being an existing road which services residential dwellings immediately opposite the proposed site. The site therefore has excellent existing connections with this part of Arrowtown, and is within easy walking distance, less than 1km, to the Arrowtown township.

The development will also respect existing buildings and land uses along the boundaries of the development site. The development would be wholly consistent with the residential land uses along this part of McDonnell Road. To the south west of the site land uses are rural residential, and this land is owned by the proponent. The Hills Golf Course is located further south along McDonnell Road. The presence of this Golf Course will preserve the rural-residential transitional character of the environment.

The development is wholly consistent with the existing buildings and land uses in this area.

(b) Facilities and services: Given the development site is immediately adjacent to the current urban edge of Arrowtown, it is in very close proximity to all community facilities provided in Arrowtown. These facilities include the library, shops, parks and playgrounds, the Arrowtown Primary School, preschools, swimming pool and community hall. The primary school is approximately 1km walking distance from the site.

(c) Public Transport: The site is on the existing public transport route – “Connectabus” - that connects Arrowtown to Arthurs Point, Queenstown and Frankton. The closest bus station to the site is on Buckingham Street, although it is noted that the bus route passes the intersection of Arrowtown - Lake Hayes Road and McDonnell Road.

(d) Meeting Local Housing Requirements: The development can achieve a mix of housing types and tenure to suit local requirements. The site is not currently developed and accordingly development at the site can be
tailored to provide a mix of tenure, housing type to cater specifically for housing demand in Arrowtown.

3.8.2 Creating a Place

(a) Articulation and Design: the development proponent is supportive of a scheme that provides visual interest and variation, and this can be achieved via an agreement with the Council to deliver this outcome. It is considered that this outcome can be achieved through a requirement to provide a mix of cladding materials, roof alignments and avoiding blank walls facing McDonnell Road.

(b) Working with the site and its context: The scheme takes advantage of the site’s topography, landscape features and orientation. The site is relatively flat in contour where allotments 1 through 16 are proposed (predominantly beneath the pine plantation). These sections will be relatively straight-forward to develop, and will face north-east, therefore enjoying excellent solar gain.

Allotments 17-20 traverse a rock escarpment. Building in this location would require ground works to remove the rocks, or building to avoid the escarpment, where possible in order to keep costs to a minimum. Again, the allotments enjoy excellent solar gain.

Dwellings on the site will also enjoy expansive views to the west, providing a high level of amenity for residents.

(c) Creating well defined streets and places: The development proponent supports a development where buildings are well designed and positioned to ensure the streetscape along McDonnell Road is enhanced by the development. Details setting out the development criteria can be developed via negotiations with Council should the site qualify as a Special Housing Area.

(d) Easy to find your way around: Given the relatively small scale of the development proposal whereby all dwellings would gain access from McDonnell Road and no new roads are proposed to be developed, this requirement is satisfied.

3.8.3 Street and Home

(a) Car Parking and Access: Sufficient car parking and access can be provided for the development. All parking is expected to be provided on site.

(b) Public and private spaces: Again, given the scale of the development no new public spaces would be developed as part of the proposal. The site has good access to Arrowtown’s existing amenities and excellent network of trails.

(c) Good quality homes: The development proponent is supportive of a development that provides well designed, comfortable, well insulated
homes that optimise the solar access available at the site. A commitment to this outcome can be achieved via an agreement with the Council.

3.8.4 Environmental Responsibility

(a) Reducing environmental footprint: As above, given the site is a greenfield site, any buildings developed as part of the Special Housing Area can be developed to meet the Environmental Responsibility criteria. It is considered that the site can easily achieve a layout for buildings that:

- buildings that are healthy and comfortable, where it is easy to keep warmth in and moisture out;
- maximise passive solar gain;
- are built from sustainable building materials; and
- minimise energy consumption through energy efficient devises, reducing appliance numbers and onsite energy consumption.

The development does provide for compact housing in a location immediately adjacent to the current edge of Arrowtown, and is less than 1km from Buckingham Street. As discussed earlier in this EOI, the site enjoys the excellent connections in and around Arrowtown, including roads, and numerous pedestrian and cycle routes.

4. STATEMENT OF RELEVANT EXPERIENCE IN LAND DEVELOPMENT / PROVISION OF HOUSING

If approved, it is proposed that the development would be undertaken as a joint venture with G J Gardner Homes Queenstown. The GJ Gardner franchise is an international building company with a well-established presence in the District, including developments at Jacks Point; Wanaka and Shotover Country.

5. CONCLUSION

The proponent is pleased to offer part of their land for consideration by the Council for a Special Housing Area. Arrowtown is a very desirable place to live and providing more affordable housing options in this town would be very well received by first home buyers and those seeking to rent. The site put forward is considered to be very well suited for a Special Housing Area given its proximity to Arrowtown, whereby any new dwellings will automatically become part of the community.

The development would benefit from existing Council-provided services at the boundary, meaning no extension to these services would be required.

The proponent is willing to work with Council to provide a residential development of a quality expected by Council, and to deliver this development
in a timely manner. To this end, the proponent would be pleased to meet and discuss this proposal in more detail, and answer any questions arising from this EOI.
APPENDIX A

Indicative Site Layout Plan
APPENDIX B

GJ Gardener Homes
Appolo Home
Apollo 139 Images

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Shotover Homes Series
Amrita Home