

**SUMMARY STATEMENT OF DAVID ADAM THOMPSON
ON BEHALF OF GDL – DATED: 8 DECEMBER 2023**

Introduction

1. My full name is Adam Jeffrey Thompson. My qualifications and experience are set out in my evidence in chief dated 20 October 2023.
2. As directed by paragraph 12.2 of Hearing Minute 1, I set out a summary of the key points of my evidence below. I have prepared a statement of evidence in chief dated 20 October 2023.

Summary of Evidence

3. Queenstown's house prices are the most expensive in New Zealand, at approximately \$1.5 million on average, and have continued to increase over the past 5 years. The high prices confirm that there is insufficient capacity to meet demand. The TPLM would provide significant additional capacity that will, in part, address the high prices and shortage. It therefore will have significant economic benefits.
4. There is strong demand for terrace housing, however very little demand for apartments in the TPLM. I do not expect the demand for apartments will increase over time in the short to medium term, as this would only occur if there were ongoing increases in house prices, which is contrary to the NPS-UD. If house prices become more affordable over time, then demand for apartments will decrease over time.
5. The TPLM provisions support lot sizes of circa 120-150m² for the HDR and MDR zones. The majority of dwellings will be terrace houses, and with a 40% site coverage, this equates to two storey dwellings of around 80-120m². These are small 2-3 bedroom dwellings, most suited to younger singles and couples and families with young children (under 8-10 years old).
6. My expectation is that the market will also seek slightly larger sites, of 150-250m², to provide larger dwellings of 140-200m², that are suitable for families with older children, which form a large part of the market.
7. I expect developers will achieve this by having a small site allocated to small apartments, e.g. 10-20 units of 30m² each, and that these apartments may

not be developed over time due to lack of market feasibility, leaving the land unutilised.

8. A specific question of the panel relates to the costs of land being unutilised, if set aside for apartments that do not eventuate, as follows.

“1.27 If lower density development occurs in the short term, with higher density in the longer term (if at all) what happens if, at a point in time, the low and medium density opportunities have been maximised, the zone is part-implemented, but there is market rejection of higher density housing and applications for inadequate density are being refused consent. When (if at all) would it become better for the part-implemented zone to ‘freeze’, even if it means failure to achieve some commercial and other non-residential outcomes due to a lack of sufficient local catchment? Further, when (if at all) would it be better to accept lesser-than-hoped-for densities if that helps provide more on-site non-residential activities such as shops to provide as much public transport support as may be achievable? Do the Plan provisions allow such trade-offs to be made, should they, and if so, how?”

9. TPLM is an ambitious intensive development area that has the potential to provide some relatively affordable housing and meet part of the housing shortage. However, it does also present some risks, most notably it could result in a high proportion of smaller dwellings that are most attractive to the rental market, which would create a transient community that makes the development area less viable. In my opinion the provisions should enable development to occur over the short-medium term, broadly in line with what works within the current market, rather than have provisions that speculate on what there may or may not be a market for in the future. There is a significant cost from land remaining undeveloped for long periods of time, most notably including less efficient infrastructure cost recovery, a drawn-out construction timeframe for a relatively small development area (which would otherwise be completed in 10-15 years) and less critical mass to support schools, retail stores, and other amenities.
10. I note covenants on sites’ consent to require apartments are recommended by Mr Brown, in response to the likely issues relating to dwelling per ha yields. I do not consider this will address the issue, rather it will incentive developers to allocate smaller apartments, e.g. 30m², to achieve these yields. This would minimise their cost and risk, given these sites are unlikely to be feasible for development over time, and their preference will be to maximise their saleable land yield in the short-medium term.
11. A maximum lot size would in my opinion achieve the benefits of density, however, would not result in some of the potential inefficiencies. It would

also provide the ability for the TPLM to respond to unforeseen market changes over time.

12. Notwithstanding my concerns around the dwelling yield per ha approach, I consider the TPLM to have significant economic benefits, relating to the provision of relatively affordable housing.

Adam Thompson

8.12.23