

Wanaka Land Demands

Review of Wanaka Structure Plan

May 2007

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1 INTRODUCTION

This background report has been prepared to inform the review of the Wanaka Structure Plan. Its purpose is to assess the land requirements for the Wanaka area over the next 20 years, taking into account the likely mix, staging and timing of development.

In doing this, the report has taken into account the following previous studies:

- The Wanaka 2020 workshops
- 2002 Growth Options study
- The 2004 Wanaka Structure Plan, and supporting information
- 2006 Commercial Land Needs analysis
- 2007 Growth Management Strategy.

1.1 SUMMARY

The analysis has identified the following land demands between 2006 and 2026, based on the preferred direction (Option 3 as outlined in Section 4.4 below):

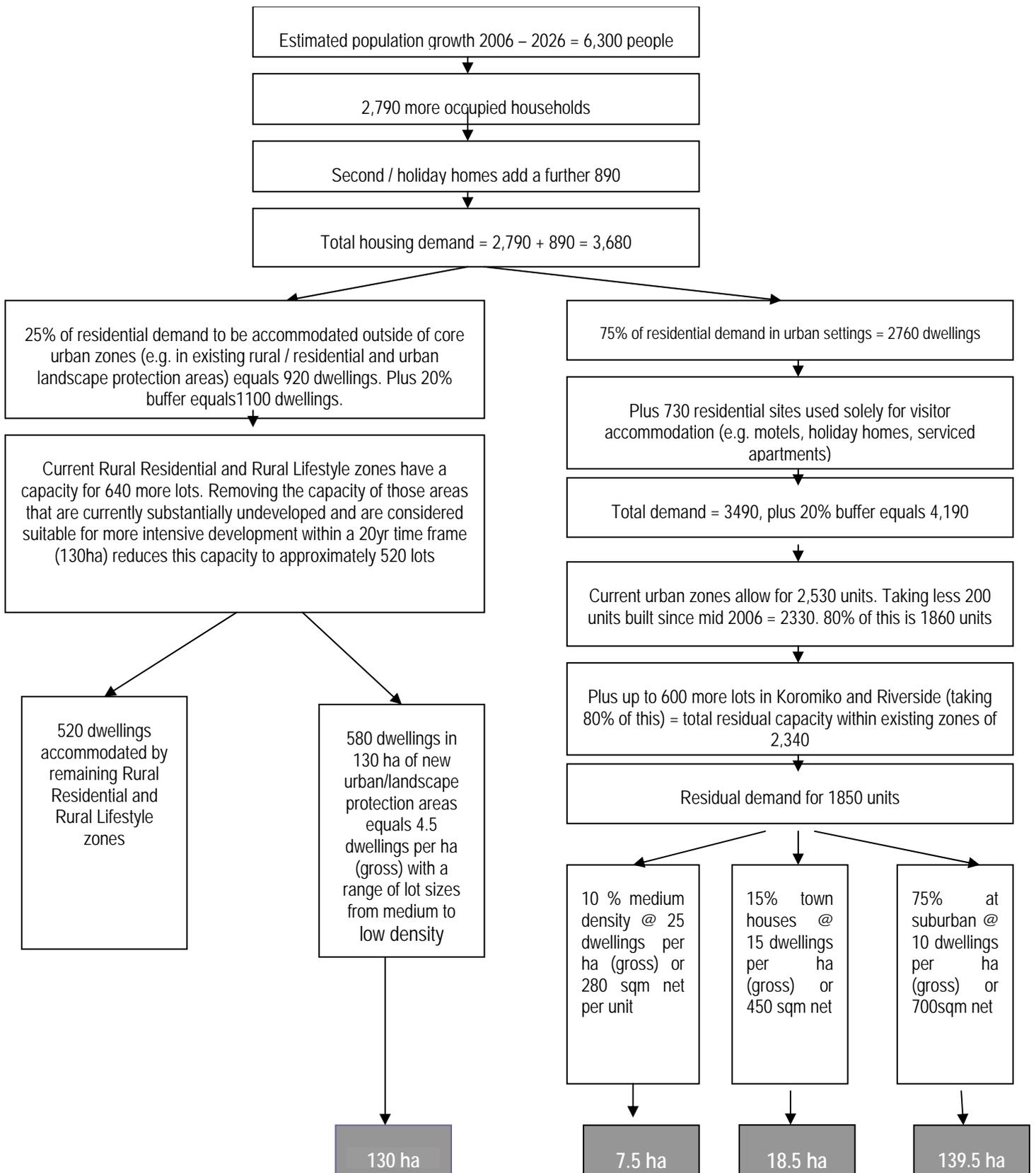
Figure 1 Summary of estimated land demands 2006 to 2026

Activity	Area gross (ha)
Conventional suburban (lower density) housing	139
Town houses	18
Medium density housing	7.5
Town centre land	13

Activity	Area gross (ha)
Deferred town centre land	5
Neighbourhood centres	2
Mixed business area	10
Yard-based business area	10
Primary school	3
Playing fields / larger open space	12
(Visitor Accommodation VA) sub zones	20
Urban / landscape protection areas	130
Total	369

The flow diagram on the following page sets out the main steps used to determine the land areas required for housing (conventional, town house, medium density, urban landscape protection and rural-residential).

Estimated residential land demands – Preferred Option for Future Growth



2 FUTURE GROWTH PRESSURES

2.1.1 Permanent population

The 2006 census count places the permanent resident population of the Wanaka Area Unit at 5,100 people. The Wanaka Area Unit covers an area that is similar to the Structure Plan study area. See Appendix One for a map of the Wanaka Area Unit.

Statistics NZ's 'high growth' projections (2005 series) ¹ indicates a permanent resident population for the Wanaka Area Unit of around 11,300 by 2026, an increase of 6,200 people over the 2006 census figures. Effectively this is more than a doubling of the town's size.

A permanent population of 11,500 is likely to be housed in almost 5,000 dwellings. Making an allowance for holiday/ second homes suggests a total housing stock of 7,150 dwelling units by 2026. This is an increase of 3,700 dwelling units over 2006. Table 1 sets out the relevant calculations. The 2006 data comes from the 2006 census.

Table 1 Projected number of dwellings: Wanaka Area Unit

Element	2001	2006	Est 2011	Est 2016	Est 2021	Est 2026
Permanent residents	3450	5069	6784	8658	10037	11356
Permanent residents per dwelling	2.30	2.35	2.4	2.4	2.35	2.3
Estimated occupied dwellings	1499	2157	2827	3607	4271	4937
Assumed ratio of unoccupied to occupied dwellings	0.75	0.62	0.60	0.55	0.50	0.45

¹ Stats NZ 2005 projections are based on 2001 census data and will be updated at some point in the future.

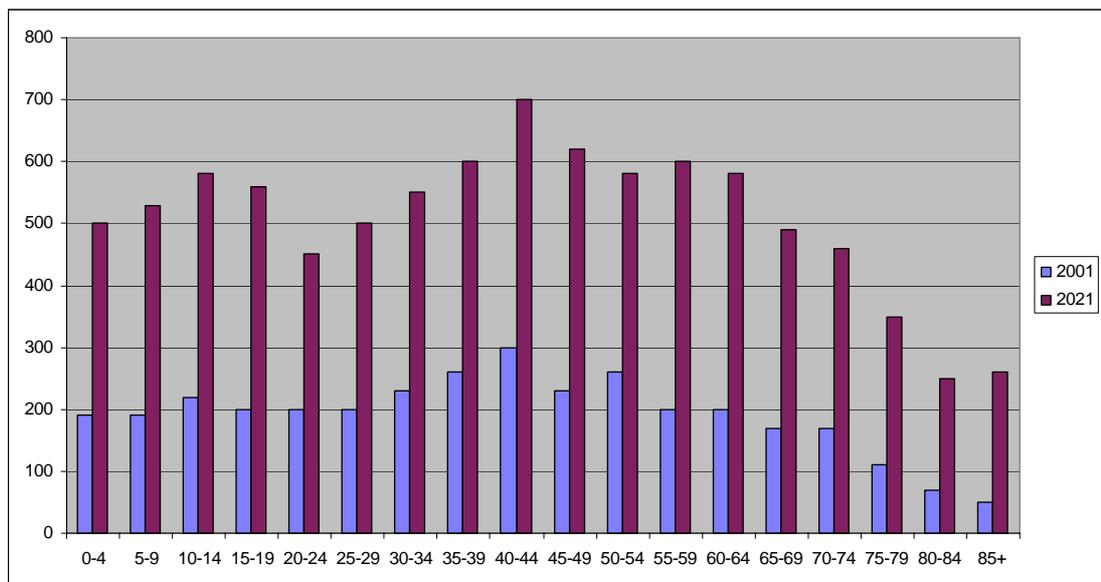
Element	2001	2006	Est 2011	Est 2016	Est 2021	Est 2026
Estimated unoccupied dwellings	1119	1335	1696	1984	2136	2222
Total dwellings	2660	3480	4522	5592	6407	7159

Source: Hill Young Cooper Ltd

In Table 1, it can be seen that it is assumed that after a period of increasing household size up to 2016, average household size will begin to decline somewhat as the population ages. It is also assumed that the ratio of unoccupied to occupied houses will continue to decline out to 2026.

In terms of the range and type of housing that may be demanded, as well as the demand for other services and activities that will be generated by this population growth, age specific projections prepared by Stats NZ for the Wanaka Area Unit (based on 2001 data) provide a picture of future changes. These projections (which are also based on a high growth rate) suggest an increase in all age groups, with a particular emphasis being the growth in the number of teenagers and the number of 40 to 60 year olds. There is also an increase in the number of older adults (over 65 year olds), and it is likely that as the range of services develop in the town and transport links improve, coupled with the general aging of the NZ population, Wanaka will become a desirable retirement destination.

Figure 2: Projected change in population structure 2001 to 2021



Source: Statistics New Zealand

In terms of demand for services, the above projections suggest the likely growth of:

- retail services, particularly services providing for a wider range of domestic goods and services (e.g. clothing / footwear, appliances, household goods)
- educational facilities, particularly an additional primary school and additional child care / kindergarten / play school facilities
- health and medical (GPs, plus some form of medical centre - such as an accident and medical centre)
- community-related facilities (meeting spaces, arts / culture, religious)
- government-related services
- recreation and sport.

The projected increase in the "retirement" sector is also likely to help push up demand for smaller housing units close to the shops, and over time, access to public transport.

2.1.2 Visitor numbers

Visitors will also make demands on land supply in terms of visitor accommodation units, as well as their demand for retail and service-related activities. Projections prepared as part of the Visitor Accommodation and Residential Amenity Issues and Options paper² suggest a demand for around a further 1,800 commercial visitor accommodation units, out to 2026. These are units such as hotels, motels, "lettable" apartments and other purpose built residential units. In addition to this demand, is the on-going use of holiday / second homes for visitor accommodation purposes, caravan / camper van sites and home stays and bed and breakfast operations.

The 1,800 commercial accommodation units may locate in residential areas, or in business areas. For the purposes of this report, it is assumed that 40% of these units (730) will seek an (urban) residential environment, while the other 60% will be in larger complexes and

²Sourced from:
<http://www.qldc.govt.nz/Portal.asp?contentid=1560&nextscreenid=201.102.103.101&categoryid=1475&screenid=201.102.101.101&sessionx=22E6A202-2BCA-41D6-AD1E-5A19A73C1E64>

developments close to or within town centre areas, or will need to be located in appropriate VA sub zones that are in close to proximity to transport links and activity hubs.

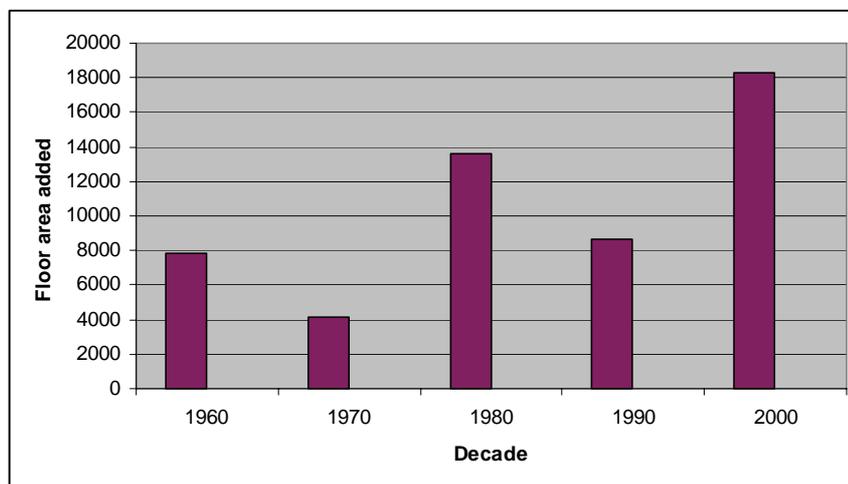
For the Rural Residential and Rural Lifestyle zones, it is assumed that visitor units will consist mostly of bed and breakfasts and home stay operations, plus the renting of primary residences from time-to-time.

2.1.3 Employment

Data on employment trends and projections have been sourced from Council's Commercial Land Needs Study (2006). Employment is expected to grow in-line with population growth, with projections suggesting a working population of around 6,500 employees (full time and part time) by 2026. Around 60% of these workers are likely to be involved in workplaces located in town centres and business areas.

A key issue for the Structure Plan review is the appropriate size of the proposed new retail centre. Over the past four decades, the existing town centre has seen a cyclical growth pattern. During the decade 1990 to 2000, around 18,000 m² of floorspace has been added, or close to 2,000m² per annum, taking total floor space to 55,000m². These figures include all types of land use in the centre (retail, commercial, office and visitor accommodation).

Figure 3: Floor space (m²) added by decade – Wanaka town centre



Source: Quotable value NZ

It has been estimated that there is 16,000 to 18,000 m² of retail floor space in the centre, meaning that for every 1m² of retail floorspace, there is around 2m² of other forms of floorspace.

With a developable land area of just over 8ha, the 55,000m² of floor space translates into a floor to area ratio of 0.68. There is some capacity for additional growth within the existing town centre. Assuming a floor to area ratio of 0.75 (which would equate to a 2 storey level of development, with some surface car parking between buildings) takes total floor space in the centre to 67,500m² or perhaps 22,500m² of retail floorspace.

The Anderson Heights business area and Ballantyne Road industrial area comprise a total of 21ha of land, of which about 6ha is vacant, based on Queenstown Lakes District Council figures. There is some retail floor space in the Anderson Heights business area, estimated at around 5,000m² (gfa).

Future retail demands will be driven by the increased number of permanent residents, increased visitors, as well as increased local retail spend as more services are provided locally. Currently, it can be assumed that there is a significant leakage of retail spend out of the area, especially for clothing, footwear and household goods and services. Also relevant to future retail land demands is the mix between smaller, main street-type shops and larger format stores (big box). Presently there is a predominance of main street-type stores in the town centre, but it can be anticipated that the proportion of larger format stores will increase over time, further increasing commercial floor space demands.

3 FUTURE LAND DEMANDS

3.1 Residential land

Residential demands out to 2026 will need to be accommodated by a mix of existing zonings, as well as new (greenfields) areas.

Council's housing capacity model indicates a realistic capacity within existing zoned areas for a total of 6,640 dwellings, based on 2006 figures. See the table on the next page. This capacity provides for an additional 3,176 dwellings, over and above the current number of dwellings. Of this total, 2,500 are provided for within the urban zonings (that is, within the Wanaka high and low density residential areas).

Table 2: Estimated capacity of existing zones (2006 update of model)

Area (refer to maps)	Zoning	Hectares	Existing Dwellings	Dwellings per Ha	Approved Not Yet Built	Res. Dwelling Capacity	Total Dwelling Capacity	Dwellings per Ha
Wanaka Town Centre	Town Centre	11	59	5	0	3	62	6
Wanaka High Density	High Density	22	229	11	34	443	706	33
North Wanaka	Low Density Residential	229	1,449	6	37	709	2,195	10
South Wanaka	Low Density Residential	169	938	6	13	770	1,721	10
Albert Town	Township	55	297	5	3	127	427	8
Penrith Park	Special Zone	33	44	1	4	82	130	4
Peninsula Bay	Special Zone	75	1	0	0	399	400	5
Wanaka	Rural Residential	470	258	1	22	568	848	2
Wanaka	Rural Lifestyle	384	66	0	10	74	150	0
Total		1,448	3,341	35	123	3,176	6,640	77

Source: Queenstown Lakes District Council

The above figures are considered to be a conservative and realistic estimation of capacity in that they make an allowance for the average densities of development achieved by recent developments, not the theoretical density allowed for by the relevant District Plan zone. The assumptions made in the model in regards to subdivision and infill capacity are as follows:

- The model assumes that if a Low Density residential lot is 1,350m² or less, then the 450m² minimum lot size allowed for by the Comprehensive Residential Development provisions will be taken advantage of. If the lot is larger it is assumed that the owner will simply subdivide the land at 700m² and forgo the additional density. This assumption has been based on the fact that there are very few comprehensive developments of greater than 3 dwellings in the Low Density Residential Zone and has been tested through consultation with development and building industry representatives.
- In regards to infill capacity, the feasibility of infill occurring within the low density residential zones in Wanaka is assumed to be 32% for North Wanaka and 62% for South Wanaka. A large amount of time was spent by the Council calibrating the model against the reality of what is being developed in these areas and the low level of infill feasibility is largely attributable to the fact that relatively new houses are often situated in the middle of sites and therefore redevelopment or infill in the short to medium term is considered unrealistic.

3.1.1 Capacity of Existing Urban Zones in Next 20 years

The capacity of existing urban zones (all residential zones excluding Rural Residential and Rural Lifestyle zones) is taken from the Council's capacity model to be 2,530 units. Since mid 2006 (when the above figures were compiled), it is likely that a further 200 units are likely to have been consented to, reducing capacity to 2,330 units.

For the purposes of determining capacity for the next 20 years, it would be appropriate to assume that 80% of the above capacity will come onto the market (that is, be developed), and that 20% will be retained by landowners for long-term potential. This takes available "urban" capacity to 1,860 units.

Additional opportunities to be provided in the near future by Plan Changes (which are not included in the above figures) include the notified Kirimoko Block Plan Change which will add capacity for a further 350 units and the Riverside Stage 6 Plan Change will add capacity for a further 250 lots. If it is assumed that 80% of this land is released for development over the next 20 years, this will provide an additional 480 lots.

This means that available urban capacity is estimated to be in the order of 2,340 units.

3.1.2 Capacity of Existing Rural Residential/Lifestyle Zones

Within the existing Rural Residential and Rural Lifestyle Zones the dwelling capacity model indicates that there is residential capacity for approximately 640 rural residential and rural lifestyle lots. It is assumed that all of this capacity is available.

3.2 FUTURE DEVELOPMENT PROFILE

In terms of future demand profile, it is apparent that there is currently a high demand for mid to lower density, conventional residential development. This is reflected in the above zoning patterns, as well as in recent building permit trends.

Current District Plan zonings provide for the following break down of existing and planned development opportunities. Up to 25% of total capacity is available through rural / residential and rural lifestyle zonings.

Table 3 Current mix of development opportunities

Housing typology	Density gross (units per ha)	Estimated (2006) # of typology	current units in	District Plan capacity	Share current	Share District Plan
Medium	>15		288	769	8.6%	11.4%
Conventional	8 to 15		2,684	4343	80.3%	63.0%
Low (rural-residential)	< 8		369	1528	11.0%	25.6%
Total			3,341	6,640	100.0%	100.0%

Building permit data for the period 2001 to 2006 indicates a trend that is broadly in line with the above figures. See Table 4. Medium density developments (apartments, units and flats) make up about 20% of total demand. Some of these units will be directed at the Visitor Accommodation market.

Table 4 Building consents issued for Wanaka Area Unit

Type of dwelling	Year to March 2002	2003	2004	2005	2006	Total 2002 to 2006
House - not attached to others	173	156	255	146	107	837
Unit/ flat/ townhouse/ studio - attached and unattached horizontally	24	47	15	31	12	129
Apartment block - attached vertically	17	2	8	4	14	45
% intensive formats (town houses, apartments etc)	19.2%	23.9%	8.3%	19.3%	19.5%	17.2%

4 FUTURE DEVELOPMENT SCENARIOS – OPTIONS CONSIDERED

Three options have been considered as to how to accommodate future growth needs in Wanaka. These are:

- Option 1: Retain current development patterns, with a mix of continued infill of existing zones as anticipated by the Capacity Model and new greenfields growth for urban and rural / residential development for the residual demand.
- Option 2: Accommodate all required development within existing zones (no additional zoning) through up zoning selected areas.
- Option 3: Mixed approach: consolidate some new urban development in existing rural residential and rural lifestyle zones (where appropriate) and continued infill of existing zones and new urban zones.

These options are discussed below.

4.1 Option 1: Retain current development patterns

Option 1 assumes that the current development patterns will be retained, while allowing for increased land use efficiency in new urban zones by providing for and promoting the provision of a higher proportion of medium density development.

Taking current development trends into account, the following discussion breaks down total residential demand into:

- Urban:
 - Conventional (houses on 600 to 800m² lots)
 - Town house (houses on smaller lots, around 450m²)
 - Medium density (such as terraced housing).

- Rural / residential (houses on 5000m² or greater)
- Visitor Accommodation sub zones.

Urban

Urban residential housing demands are assumed to be 75% of total housing demands to 2026. On this basis, there is a need to accommodate a further 3, 490 units between 2001 and 2026 in residential areas. This includes residential development, and visitor units that will not be accommodated in business areas and appropriate VA sub zones. Providing for a 20% buffer expands demand to 4,190 units. See Table 5.

Table 5: Anticipated urban demand

Type of development	Number of units
Total residential demand 2006 to 2026	3679
75% of that demand	2759
VA in residential areas	730
Total demand	3489
20% buffer	4187

The 20% buffer provides an allowance for faster growth than anticipated by the above projections. It also helps to ensure that land supply runs ahead of demand, helping to create a more efficient land market, within the constraints of growth management outcomes relating to using land that is made available in a way that enables long term economic and social well being. While a larger buffer (such as 30%) could be used, an over supply of land presents as many problems as an under supply. An over supply will reduce the incentive for developments to promote more, compact, mixed forms of development, and reduces the ability to provide needed infrastructure in an integrated manner.

With regard to determining what an appropriate buffer is, it is noted:

- A conservative estimate of the capacity of existing zoning has been used, with actual capacity likely to be greater than that used in this estimate;
- There is likely to be a general trend towards smaller section sizes as land costs rise and the demographics of the area change, meaning it is likely that more homes will be accommodated on the greenfields land allocated than estimated in this report;
- Land supply will need to be monitored, and a 20% or 30% buffer will not, by itself, ensure that actions are put in place to ensure that demand and supply of land are balanced. In particular, the important action will be to ensure that there is at least 7 to 10 years supply of development opportunities available to the market place, as this is the time that is involved in the processes associated with the conversion of rural land to urban land (and the redevelopment of urban land to higher densities). In other words, a more appropriate strategy than providing for a larger buffer on top of existing demand is to closely monitor land supply and demand, and to review land development strategies on a 5 yearly basis to ensure at least 10 years supply exists.

Current supply within existing urban zonings, as estimated above, is 2,340 units, resulting in demand for 1,850 residential and VA units that cannot be accommodated by existing urban zonings.

The following break down in housing opportunities is suggested in terms of meeting this demand. This profile largely follows current demand profiles, with a slight weighting towards more intensive housing formats.

Table 6: Future urban housing demands Option 1

Type of housing	Dwellings / ha (gross)	% of demand	Number	Area ha (gross)
Medium	25	10%	185	7
Town house	15	15%	278	19
Conventional	10	75%	1388	139
Total		100%	1850	165

4.1.1 Rural residential

For the period of 2006 to 2026, if current development patterns are to be retained, it is assumed that 25% of total residential demand of 3,670 will be for Rural Residential or Rural Lifestyle development. This translates into a demand for 920 rural residential and/or rural lifestyle units, which increases to 1,100 if a 20% buffer is applied.

Current supply is in the order of 640 rural / residential lots, leaving an unmet demand of 465 units. At an average density of 1 unit per 5,000 m², this equals the need to provide for a further 232 ha of rural / residential land if current development patterns were to be generally retained.

4.1.2 VA sub zones

For Visitor Accommodation units that will not be distributed through residentially zoned areas, the above demands indicate the need to accommodate 1,100 units (60% of 1,800 units). It is assumed that 60% of these will need to be in VA sub zones within residential environments, with the other 40% being located in business areas. 660 units at 35 units per ha indicates the need for 18 to 20ha of land specifically for comprehensive VA developments.

4.1.3 Total land requirement for Option 1

Based on the above figures, the Council would be required to zone an additional (approximately) 415ha of land for urban and rural residential/lifestyle zonings in order to meet residential and Visitor Accommodation demand while allowing for the provision of a 20% buffer of zoned land to 2026.

Table 7: Estimated urban residential land demands, Option 1

Type of housing	Area (ha)
Conventional	139
Town house	19
Medium density'	7
Rural / residential	231
VA	19
Total	415

4.2 Option 2: Accommodate all required development within existing zones (no additional zoning).

This option proposes that no additional land is zoned for urban or rural / residential use, and that all additional required residential and visitor accommodation units are accommodated within existing zones, partly through upzoning of part of the existing urban area.

According to the Council's dwelling capacity model the total capacity of existing residential zones (urban plus Rural Residential and Rural Lifestyle zones) in Wanaka is 6,640 units at an overall average density of approximately 4.6 dwellings per hectare.

As for Option 1, this analysis has established that between 2006 and 2026 there is a total demand for approximately 4,400 new units in all zones (this covers residential and visitor accommodation development). Allowing for the provision of a 20% buffer, this increases to 5,280 units.

Within existing urban zones there is currently additional capacity for approximately 2,500 units. If it is assumed that an additional 200 units have been built since 2006 and that 80% of residual supply will be released within a 20 year time frame, this reduces residual capacity of urban zones to approximately 1,850 units. This increases to 2,330 if the capacity of additional zoning proposed for the Kirimoko Block and the capacity of the Riverside Stage 6 area is included (assuming that 80% of the total capacity of these areas is released within a 20 year timeframe).

In addition to this, existing Rural Residential and Rural Lifestyle zones are estimated to have a residual capacity of approximately 640 units, taking total capacity to 2,970 and leaving a supply shortfall of approximately 2,350 units within existing zones to meet demand by 2026.

In order to provide for all of this demand within existing zones it would be necessary to increase total average density of all residential zones within Wanaka from approximately 4.6 dwellings per hectare to approximately 5.8 dwellings per hectare.

This could be achieved by increasing the density of the north and south Wanaka low density residential zones as well as through "upzoning" appropriate areas that are currently zoned Rural Residential and/or Rural Lifestyle.

However, increasing residential densities within the existing low density residential zones to meet all residential demand by 2026 is considered problematic given that most development has been recent, with a predominance of relatively new houses, often situated in the middle of sites and, as such, significant redevelopment in the short to medium term is considered unrealistic.

In regards to Rural Residential and Rural Lifestyle zones, there are opportunities for intensification within largely undeveloped areas that are suitably located. Approximately 80ha of land zoned Rural Lifestyle and approximately 50 hectares of land zoned Rural Residential have been identified through the structure plan review process as being potentially suitable for more intensive development, within the landscape sensitivities and values present. Given this, it has been assumed that an average maximum density of 5 dwellings per hectare could be achieved in these areas, providing additional capacity for an additional approximate 650 units, well short of the 2,400 units required to meet demand and provide an adequate supply buffer to 2026.

4.3 Option 3: Mixed approach – continued infill, some upzoning of rural residential and rural lifestyle land and some new urban greenfields areas

This option proposes that in order to provide for the more efficient use of land within the wider Wanaka area, the Structure Plan should provide for some development in new urban zones, while promoting consolidation of new dwellings into existing rural residential zones through upzoning where this is considered achievable and appropriate. Under this option the Council will not provide for any additional Rural Residential or Rural Lifestyle zoning.

This means that all of the residual demand for dwellings to 2026 will need to be accommodated within existing urban zones; new urban zones; existing rural residential zones (with some of these areas being identified for more intensive development) and additional Visitor Accommodation subzones.

4.3.1 Rural residential

This option assumes that demand for rural residential and rural lifestyle land is the same as that identified under Option 1; that is 1,100 units (this includes the 20% buffer).

However the option assumes that Council will not zone any additional land for rural residential/lifestyle development and that some existing areas zoned for rural residential/lifestyle development will be identified for more intensive development (where appropriate).

The dwelling capacity model identifies capacity for an additional 640 units within existing Rural Residential and Rural Lifestyle zones. However analysis of existing Rural Residential and Rural Lifestyle zones has identified that there is approximately 80ha of land zoned Rural Lifestyle and approximately 50 hectares of land zoned Rural Residential that is considered to be potentially suitable for more intensive development.

Taking into account the 130 ha of land suitable for more intensive use, the capacity of the remaining Rural Residential/Lifestyle areas has been reduced by 120 lots to 520 lots. This leaves 580 houses to be accommodated on the 130 ha of land suitable for more intensive use, or a density of approximately 5 dwellings per hectare. Development of the proposed urban/landscape protection areas at an average density of 5 dwellings per hectare is considered realistic based on densities achieved in other areas of Wanaka with landscape sensitivities such as Peninsula Bay and the Kirimoko Block and allows for development in appropriate locations with the protection of areas identified as having landscape sensitivities. Final densities of the proposed urban landscape protection areas will need to be determined as part of the Plan Change process, and are likely to be determined through a detailed site-based design requirement within that Plan Change.

The urban landscape protection zone approach provides for a hybrid development type. Clusters of urban sized sections are provided in a rural /landscaped setting. This type of development should help meet demand for people seeking a more rural setting, but not wishing to take on the upkeep of a larger (e.g. more than 5000m²) sections. As a result demand for rural residential living can be met in a way that consumes less land than conventional rural / residential living based on large lot development.

4.3.2 Urban demand

As with Scenario 1, it has been assumed that 75% of remaining residential demand plus the 40% of VA units to be accommodated in residential areas will be met through conventional, medium and town house-style development. This is equal to 4,190 units, taking into account a 20% buffer.

Taking into account existing capacity, the required land areas are the same for Option 1.

4.3.3 VA sub zones

As for Option 1, for Visitor Accommodation units that will not be distributed through residential zonings, the above demands indicate the need to accommodate 1,100 units (60% of 1,800 units). It is assumed that 60% of these will need to be in VA sub zones, with the other 40% close or adjacent to the town centres. 660 units at 35 units per ha indicates the need for 18 to 20ha of land specifically for comprehensive VA developments.

4.3.4 Total land requirement for Option 3

Based on the above figures the structure plan would need to identify 183 ha of land for new urban zonings, and 130ha of existing rural residential and rural lifestyle land that could be identified for more intensive use, but within landscape constraints.

4.4 PREFERRED OPTION – OPTION 3

Scenario 3 is the preferred direction. This is because of its more efficient use of land within the Wanaka long term urban growth boundary (twin rivers). The table 8 below compares land needs under Options 1 and 2.

Table 8 Comparison of land demands under Options 1 and 2

Type of housing	Option 1	Option 3
New zonings		
Medium	7	7
Town house	19	18
Conventional	139	139
VA	19	19
Rural / res	231	0
Total	414	183
Existing and changed zoning		
Urban	584	584

Type of housing	Option 1	Option 3
Rural / residential	854	724
Urban landscape	0	130
Total	1,852	1,621

Under Scenario 3, the total development footprint for all types of residential development can be reduced by 231 hectares, compared to Option 1. This is through the conversion of part of the existing Rural Residential and Rural Lifestyle zone into an urban landscape protection area. At a density of 4 to 5 lots per 1ha, clusters of suburban style housing can be offered in a landscaped setting. This provides the convenience of smaller sections with the benefits of a rural outlook.

5 BUSINESS LAND

In terms of future business land, the 2006 Commercial Land Needs Study predicted the need for an additional 30ha of land. This was to be made up of additional 10ha of town centre land, 10ha of mixed business land and 10ha of land for yard-based activities.

There is a need to identify this additional land and bring it onto the land market within the next 3 to 5 years. This is to avoid business land prices rising to a point where they start to make normal business and industrial development an uneconomic prospect. In particular, there is already considerable pressure for retail development to locate in the Anderson Heights business area, as well as in the Ballantyne Road industrial area. Some certainty around the proposed "Three Parks" retail centre is required so that retail demand pressures can be managed in a way that supports longer term growth management outcomes.

The additional mixed business land will provide opportunities for smaller scale workplaces and retail trade type operations, particularly those related to the construction industry. The yard-based area will offer opportunities for activities requiring larger sites, such as transport and freight distribution, car sale and rental yards and construction related yard activities. It can also act as a land bank for more intensive business uses in the future.

As with residential land, there will be a need for the council to monitor development trends and to assess the rate of uptake of the business areas to be provided. Longer term there will be a need for additional business land. Some additional business land can be accommodated in the lower Ballantyne Road area. Other options include new business areas at Luggate and / or the airport.

5.1 Scale and staging of retail development

A particular issue to be addressed is the size and staging of the proposed new retail centre. Previous work, including the Wanaka 2020 vision, 2004 structure plan and the Commercial Land Needs Study identified the need for a new retail centre. The Commercial Land Needs Study also identified the need to stage the development of this centre so that its growth would be complementary to the existing town centre, rather than undermine it. That study proposed a nominal area of 10ha for the new town centre. That estimate needs to be updated.

As noted above, it is expected that retail demands will grow faster than the population in general, driven by visitor spending, as well as more of the total retail spend being captured

within the area. It can be expected that resident and visitor retail demand will grow from 20,000m² to over 50,000m² by 2026. This figure has been based on a number of studies completed by developers which have looked at the future composition of the population and retail spending patterns. The Commercial Land Needs Study forecast a total of 1,400 people employed in the retail and food/café sector by 2026 in town centre locations. Currently 690 people are employed, occupying 16,000 to 18,000 m² of space, or around 1 worker per 25m² of space. However this current pattern of supply has no large format stores which typically have much larger ratios of workers to floor area. In 2026, at an average of 1 employee per 35m², the forecast employment level equals 49,000m² of retail area. An allowance for some buffer space takes total estimated demand to 55,000m². Estimates prepared by the landowner involved in the Three Parks centre suggest a similar level of retail demand.

In addition to this retail demand generated by residents and visitors, is the trade related or business-to-business demand, especially that related to the residential construction sector. This demand is discussed below.

Issues to be determined relate to:

- The size of the new Three Parks retail centre (in terms of land area required)
- Its staging so that it does not undermine the existing town centre.

As mentioned, previous work has suggested the need for around 10ha of additional commercial (town centre) land. This estimate was based on a high-level analysis of future needs, and more recent work undertaken for this report suggests that a larger area is needed.

It is assumed that the existing town centre will remain within its current zoning. While options exist for the centre to expand (such as on the southern side of Brown Street), it is considered that the current compact, walkable scale of the centre should be retained. Within the current footprint, the centre could easily add a further 4,000 m² of retail floorspace to a total of 20,500m², or a 24% expansion.

The retail floorspace present as Anderson Heights is likely to remain, even if some activities shift to the new Three Parks centre, while it is also prudent to allow for a couple of small neighbourhood centres to emerge over the next 20 years. On this basis, out of a total of 55,000m² demand, Three Parks needs to accommodate 29,000 m² of retail floorspace. The following table sets out the proposed allocation of future resident and visitor-related retail demands across the three main retail areas in Wanaka.

Figure 4: Proposed resident and visitor retail floorspace growth (m²)

Year	Wanaka Town Centre	Anderson Heights	Other	Three Parks	Total
2006	16,500	4,500			21,000
2016	18,500	4,500	500	12,000	35,500
2026	20,500	4,500	1,000	29,000	55,000

30,000m² of resident and visitor-related retail floor area at Three Parks is likely to require 8.5 ha of developable land, at a floor area to land area ratio of 0.35. The 0.35 floor area to land area ratio recognises that an urban layout to part of the centre is needed (that is buildings and activities are clustered along a new shopping street - the main street - with parking behind or underneath buildings). The actual intensity of development (including upper floor office and visitor accommodation development) in the "main street" part of the centre needs to be in the order of at least 0.5, but in peripheral areas, the intensity may fall to 0.25.

For the new town centre (proposed Three Parks), an initial stage of 12,000m² of retail floor space up to the period of 2016 would allow for the centre to be established and achieve some critical mass, but not to an extent that it is likely to draw trade away from the existing centre. Other activities – such as office, visitor accommodation – would be additional to this. Appropriate District Plan provisions should secure this staging.

In relation to business-to-business demands, the Commercial Land Needs Study anticipated that this trade related retail demand will continue to be met by developments at Anderson Heights, the expanded Ballantyne Road area and by the proposed yard-based area (but to a much more limited extent).

The Commercial Land Needs Study assumed that employment in the wholesale and retail related categories in these non-town centre locations will increase by around 300 employees between 2006 to 2026.

Table 9 Estimated growth in non-town centre-based retail jobs

	2006	2026	Increase
Estimated total employees in Anderson Heights and Ballantyne Road involved in retail and wholesale trade activities	127	425	298

At an average floor area of 50m² per worker, this translates into 15,000m² of additional floor space.

Other projections provided by the Three Parks development suggest an on-going demand for 20,000 m² of business-to-business retail demand between 2006 and 2026. The demand is on-going, in that it is related to the construction sector. This leaves an unmet demand of around 5,000m² of trade related retail.

Table 10 sets out the estimated land demands for retail activities in the Three Parks town centre.

Table 10 Land demands – Three Parks Centre

Type of Retail	Floor area (m2)	(Floor Area Ratio AR)	Land Area (m2)
Resident and visitor	30,000	0.35	85,714
Trade / business	5,000	0.25	20,000
Total net zoned area			100,600
Gross Area @1.25 net (ha)			13.2

For the longer term, post 2026, the new town centre should be designed so that it can grow to meet foreseeable demands, once the proposed zones introduced through the structure plan are developed. To this end, it would be appropriate to identify a further 5ha as future town centre, but to defer the operation of this zoning. That is, making the additional zoned area

operative would require a Plan Change. A suitable trigger point for this deferred zoning could be when the centre reaches an FAR of 0.35.

6 INFRASTRUCTURE

To support a population of 11,000 people by 2026, plus many more visitors, additional infrastructure is required.

The settlement is well placed in terms of planning for additional water and wastewater facilities, while stormwater issues can be addressed within each development stage. The focus is therefore on community (social), employment and transport infrastructure, and ensuring that as the town develops, required infrastructure can be provided in an orderly and integrated manner.

The table below provides a summary of required additional infrastructure identified through the structure plan process. The list is not exhaustive.

In particular open space needs have not been considered in detail. At a nominal 4 ha per 1000 people, the additional 6,200 people anticipated between 2006 and 2026 will require 26ha of additional open space. If 50% of this figure is assumed to be local open space meet within proposed residential areas, then there is around 12.5 ha which needs to be provided in larger open space areas.

Table 11: Required infrastructure

Type of infrastructure	Detail
Community	<ul style="list-style-type: none"> • Additional playing fields • Indoor recreation centre • Possible aquatic centre • Expanded arts centre • Additional primary school • Pre school / day care • Medical (GP and A&M type centre) • Local reserves • Local neighbourhood centres (dairy, café, bakery etc) x2

Type infrastructure	of	Detail
Employment related	–	<ul style="list-style-type: none"> • Additional town centre, mixed business and yard-based areas • New VA sub zones
Transport		<ul style="list-style-type: none"> • East / west distributor, i.e. road parallel to Riverbank and Golf course Roads • Bus route / services linking key destinations (town centres, schools, employment areas, VA sub zones) • Ped / walking routes

7 PROJECTED LAND DEMANDS

Total land demands for the next 20 years can therefore be summarised as follows:

Table 12 Projected land demands

Activity	Area gross (ha)
Conventional suburban low density housing	139
Town house	18
Medium density housing	7
Town centre	13
Deferred town centre	5
Neighbourhood centres	2
Mixed business	10
Yard-based business	10
Primary school	3
Playing fields / larger open space	12
VA sub zones	20
Urban landscape protection (rezone from rural residential and rural lifestyle)	130
Total	369

The above figures are gross figures, and therefore local reserve needs and roading needs will be accommodated within the relevant residential and business areas.

8 PROPOSED LAND SUPPLY STRATEGY

Within the long term growth boundaries (formed by the two rivers) identified in the Wanaka 2020 exercise, there is over 1,800 ha of land. This includes land that has high open space values and/or is protected by reserve status. Land that could possibly be developed for urban uses is more in the order of 1,100ha. This represents, at current rates of growth, over 50 years of supply (not taking into account existing zonings), if the land was developed at an average of 10 dwellings per ha.

Obviously if the land was developed at a lower density (which is possible, given current development trends), then the time within which the land would be consumed would be reduced, and there is the potential that within the foreseeable future (20 to 30 years) the land stock within the long term growth boundaries will be exhausted and there will be pressure to “jump” the river and/or to significantly expand other centres in the wider Wanaka / Hawea area.

The challenge for the structure plan is to carefully manage the supply of land to ensure land is used effectively, and needed community and employment-related infrastructure is provided in an integrated way, while ensuring that some choice is offered to the market place.

To this end, the 2004 Structure Plan adopted an inner and outer growth boundary. Within the inner growth boundary, four sub areas were identified. The structure plan documentation noted the need to progressively prepare plan changes for these sub areas.

There is a large area of land within the 2004 inner growth boundary, and it appears that the 2004 structure plan anticipated that the relevant areas would be developed as demand grew, within the overall framework of the structure plan. However there appears to be little analysis of land demands to 2026, and whether the inner growth boundary releases too much land, sending incorrect signals to the market place about the nature, mix and location of growth.

It is further noted that in the “Peninsula Bay” decision (which was made in 2005) the Environment Court concluded that the proposal to rezone an area from rural general to urban towards the north-east of the Wanaka township would not achieve the thrust of settled objectives and policies of the District Plan relating to promoting urban consolidation and compact urban form.

Consequently, this review of the 2004 structure plan has considered the land generally within the inner growth boundary in more detail. In considering what land should be made available

to provide for the above demands for the 2006 to 2026 period, the following principles are proposed to help select land:

- Provide for housing and business choice, within the land demand parameters outlined above
- Enable a degree of competition within the land market (e.g. development opportunities not cornered by one land owner)
- Support the provision of needed community infrastructure (e.g. new school site, playing fields)
- Provide land for business activities (yard-based as well as mixed business)
- Develop required transport infrastructure (especially long term bus route, and new east / west route)
- Support development of town centre and desired neighbourhood centres, ensuring that the new town centre develops as part of a mixed use neighbourhood, not a stand alone, isolated, single use commercial development
- Promote effective use of existing urban land, as well as the land to be released.

In considering how to stage the release of land for urban development, the structure plan review has considered the following options:

1. Immediate release, with no staging programme. That is development timing would be dependent upon economics of development, land owner intentions, and could occur in any location within the long term growth boundary.
2. A release of land sufficient to meet the next 20 years growth (in the order of 360ha of land) with this release around the whole edge of the settlement (that is expansion "on all fronts"), similar to the inner growth boundary of the 2004 structure plan, but involving a smaller footprint.

3. A concentration on one particular sector (that is either to the west, south or east) of the current settlement.

Analysis of these options against the above criteria favours a pattern of release that concentrates the next 20 years of growth in the southern sector. This is generally the land to the south of the golf course, in and around the Ballantyne Road area, roughly between the State Highway and Orchard Road.

Development in this sector offers opportunities to co-ordinate, in an integrated way, the following outcomes:

- The staged development of the new town centre as a mixed use area, with the new shopping area merging into new Visitor Accommodation and residential development precincts that will be adjacent to it.
- The progressive development of a new East/West roading route parallel to Riverbank and Golf Course Roads, aiding circulation through and around the settlement.
- This new East/West route can form the basis of a future circular bus route, linking important activity nodes including the existing schools, town centre and employment areas
- The identification of a possible new primary school site in a location that will well serve the future settlement pattern.

An emphasis on development to either the East or West does not provide as many community benefits, while a general release of land on all fronts has the great risk that the settlement will develop into a fragmented pattern of land uses, exacerbating transport problems and leading to the ineffective use of the land resource available.

Within this overall picture, Option 3 also involves the identification of some existing Rural Residential and Rural Lifestyle land as a new hybrid urban / landscape protection zone.

Appendix One

Figure 5 Wanaka Area Unit as defined by Statistics New Zealand

