

**BEFORE THE HEARINGS COMMISSIONERS
APPOINTED BY THE QUEENSTOWN LAKES DISTRICT COUNCIL**

UNDER the Resource Management Act 1991

IN THE MATTER of submissions on a Variation to a
Proposed District Plan under schedule 1
of the Act

BY **WILLOWRIDGE DEVELOPMENTS
LIMITED**

AND **UNIVERSAL DEVELOPMENTS
LIMITED**

AND **METLIFECARE LIMITED**

Submitters

STATEMENT OF EVIDENCE OF TIM WILLIAMS

Dated: 21 December 2023

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Statement of evidence of Tim Williams

Introduction

- [1] My name is Timothy Turley Williams.
- [2] I hold the Qualifications of Bachelor of Resource Studies from Lincoln University and Master of Urban Development and Design with Distinction from The University of New South Wales. I reside in Queenstown.
- [3] I have practised in the planning and urban design field in the Queenstown Lakes District since 2003. I have worked in both local government (QLDC) and private sector roles. Currently I am a director of Williams & Co, a Queenstown based planning and urban design consultancy.
- [4] I have 20 years' experience in planning, and urban design roles focused on urban development in the Queenstown Lakes District. I have been involved in a wide range of planning and design based matters throughout the district, including policy development, rezoning processes, apartment developments, urban subdivisions and SHA applications, including the following:
- (a) Special Housing Areas: Longview Hawea and Arrowtown Retirement Village.
 - (b) Queenstown Lakes Community Housing Trust (**Housing Trust**) developments including their Suffolk Street and Tewa Banks developments.
 - (c) Urban rezonings including Hawea South and Orchard Road, Wanaka including subsequent subdivision applications.
 - (d) Consenting for Retirement Villages including the Metlifcare retirement village development in Wanaka.

Code of conduct for expert witnesses

[5] I confirm I have read the Code of Conduct for expert witnesses contained in the Environment Court of New Zealand Practice Note 2023 and that I have complied with it when preparing my evidence. Other than when I state I am relying on the advice of another person, this evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

Scope of evidence

[6] I have been instructed by Willowridge Developments Limited, Universal Developments Limited and Metlifecare Limited to provide planning advice in respect of their submissions on the proposed Inclusionary Housing Variation (**IHV**) by the Queenstown Lakes District Council (**QLDC**).

[7] My evidence addresses:

- (a) the resource management issue sought to be addressed through the IHV;
- (b) the relevant higher order planning documents to which the IHV must give effect;
- (c) whether in my view the IHV addresses the issue or gives effect to the higher order planning documents;
- (d) the appropriateness of the IHV in terms of s 32 of the Resource Management Act 1991 (**Act**); and
- (e) a technical review of the proposed provisions.

[8] My evidence concludes that, as proposed, the IHV is not an appropriate method to address the issue of housing and housing affordability in the context of the National Policy Statement on Urban Development 2020 (**NPS-UD**) and when considered under s32 of the Act.

Issue

- [9] The Resource Management issue sought to be addressed through the IHV is identified as:

“The combination of multiple demands on housing resources (including proportionately high rates of residential visitor accommodation and holiday home ownership); geographic constraints on urban growth and the need to protect valued landscape resources for their intrinsic and scenic values, means that the District’s housing market cannot function efficiently. This has long term consequences for low to moderate income households needing access to affordable housing.”¹

- [10] In my view this issue is noting a high demand and constrained supply situation. As I discuss further below, QLDC’s HCA assessment might indicate there is not a shortage of zoned land nor a lack of future areas for urban expansion (via the Council’s Future Development Strategy) to provide the necessary capacity of housing within the timelines established by the NPS-UD. However, it is the translation of the zoned capacity into supply that is constrained. This constraint is not linked to any particular landscape constraint nor finite nature of the resource, at least not within the timeframes established by the NPS-UD.
- [11] In my opinion it is also important to distinguish between seeking to provide lower cost housing for ownership on the one hand, and providing rental accommodation for workers on the other hand. There may need to be different solutions to each of these issues.
- [12] In that respect the Housing Trust is a vehicle for addressing the first of those issues, ie affordable accommodation for long term permanent residents. Its eligibility criteria are directed toward home ownership with the criteria requiring an applicant to have lived in the district for 6 months and having made the Queenstown Lakes District their permanent home.² This criterion effectively excludes short term, overseas or recently arrived workers. Accordingly, this criterion means that the IHV will not address the second aspect of the problem identified in para [10] above. Accordingly, the IHV fails to address the various costs QLDC has

¹ QLDC Proposed Chapter 40, 40.1 Purpose.
² <https://www.qlcht.org.nz/programmes/eligibility-criteria/>

identified as having arisen from worker turnover and from workers not being able to find rental accommodation.

Relevant higher order planning documents

National Policy Statement on Urban Development 2020

[13] The NPS-UD is a relevant national policy for consideration of this issue and planning for well-functioning urban environments. Notably regarding this issue of affordable housing it identifies at its core that it seeks to address housing unaffordability through greater landuse flexibility³.

[14] The NPS-UD has a particular focus on supply and that ensuring adequate supply and a competitive housing market will improve affordability. Objective 2 provides this direction where it states:

Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.

[15] It also seeks to address the affordability of housing by encouraging intensification of urban areas whereby smaller housing typologies or smaller parcels of land assist to provide housing at the more affordable price points in the market. Objective 3 provides this direction:

Objective 3: Regional policy statements and district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment in which one or more of the following apply:

- (a) *the area is in or near a centre zone or other area with many employment opportunities*
- (b) *the area is well-serviced by existing or planned public transport*
- (c) *there is high demand for housing or for business land in the area, relative to other areas within the urban environment.*

³ <https://environment.govt.nz/assets/Publications/Files/Introductory-Guide-to-the-National-Policy-Statement-on-Urban-Development-2020.pdf>

- [16] In my view, *increasing supply* and ensuring a *competitive market* are the tools that the NPS-UD directs are to be adopted by Councils. This includes a policy (Policy 1 a(i)) to *meet the needs, in terms of type, price, and location, of different households*.
- [17] Mr Mead outlines a view that it is appropriate to refer to Part 2 of the Act⁴ as there is significant supply but rising land and house prices and that the NPS-UD is not 'especially directive as to what action should be taken where sufficient/reasonable housing capacity is provided'.⁵ In my opinion this misconstrues the supply issue, because QLDC's HCA is indicating a shortfall of supply in the lower in the affordable price bracket⁶. Mr Colegrave's evidence also identifies insufficient capacity in many locations through Figure 11 of his evidence.
- [18] Further, the NPS-UD provides the planning framework to address housing supply and house prices, and in this respect, I consider this policy statement does provide clear direction and a framework for action. Notably, Subpart 1 *Providing development capacity* Clause 3.7 sets out a process for addressing any shortage with options of increasing capacity and otherwise enabling development.⁷
- [19] A further process is also noted within the Amendment Act⁸ (s80I) for Councils experiencing an acute housing need. Specifically s80I provides for the preparation of an Intensification Planning Instrument, directed by the Minister, having regard to the median multiple in that district⁹ and any other information indicating an acute housing need.
- [20] In my opinion therefore the NPS-UD provides an appropriate and directive framework for addressing affordability and given it is a national policy statement prepared 'on the issue' it is not necessary to refer to Part 2 of the Act within the context of this process.

⁴ Mead s42a para 4.14

⁵ Mead s42a para 4.13

⁶ Bowbyes Evidence para 4.8

⁷ NPS-UD Clause 3.7 When there is insufficient development capacity

⁸ Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

⁹ The median house price divided by median gross annual household incomes as per s80I(4)(a) of the Amendment Act

Regional Policy Statements

- [21] There are two relevant statements:
- (a) Partially Operative Regional Policy Statement 2019 for Otago (**PORPS 19**); and
 - (b) Proposed Otago Regional Policy Statement 2021(**PRPS 21**).
- [22] The PORPS 19 Objective 4.5 *Urban Growth* and Policy 4.5.1 *Providing for urban growth and development* are considered most relevant where they seek to ensure monitoring of supply and demand of residential zoned land, ensuring there is sufficient housing capacity available and coordination of development with infrastructure.
- [23] The PRPS 21 includes several urban form and development related objectives within *UFD Urban Form and Development*. Pertinent elements include UFD-02 (1) *improving housing choice, quality and affordability* and UFD-P2- *Sufficiency of development capacity* (5) *responding to any demonstrated insufficiency in housing or business development capacity by increasing development capacity or providing more development infrastructure as required, as soon as practicable*.
- [24] These policies seek to - in the same way as the NPS-UD - ensure there is enough supply to address affordability issues. As UFD-P2 states, if there is an insufficiency, the directive is to increase development capacity and more development infrastructure to assist in addressing this shortage.

Whether the IHV addresses the resource management issue and gives effect to the higher order planning documents

Zoned land versus actual housing supply

- [25] In my view, the Council has conflated the concepts of zoned land versus actual supply of housing in the market. As noted above,¹⁰ the Council has identified that zoned land in the District is sufficient to meet demand

¹⁰ At [10].

across the various housing timeframes established within the NPS-UD¹¹. Specifically, it has identified that long term plan enabled capacity is three and half times the existing gross level of demand.¹² However, plan enabled capacity is only theoretical. Theoretical capacity does not necessarily equate to supply.

- [26] The fact that prices continue to increase is illustrative of this gap between the land being zoned and the necessary infrastructure and other elements such as the necessary resource consents required for that zoned land to translate into supply. This delay, and the challenges associated with the process of land being developed into serviced lots or housing, are where I consider the focus should be placed as this will greatly assist supply and the competitiveness of the market, as directed by the NPS-UD.

Infrastructure constraints

- [27] Infrastructure delivery is a key area where development is being constrained and delayed. Even when Council has funded and has programmes in place for delivery of infrastructure, the infrastructure critical to moving zoned land into supply is not being delivered. One example is the Project Pure wastewater pipeline extension to Hawea, funded and originally planned for completion in 2021/2022 but yet to begin. As this example shows, funding itself is not necessarily the constraint. Despite further infrastructure acceleration funding from the Government having been obtained, there does not appear any greater certainty around when the Council will deliver this infrastructure.
- [28] Another example is the roading connection associated with Frankton North to connect Quail Rise to the State Highway. In 2017 Government Housing Infrastructure Funding was awarded¹³ to assist in delivery of this infrastructure. The objective was to assist in accelerating housing supply in this area. However, the works have still not commenced.

¹¹ Bowbyes Evidence para 4.8

¹² Mead s42a para 4.13

¹³ <https://www.stuff.co.nz/business/105798035/govt-kicks-in-funding-boost-for-new-development-near-queenstown>

[29] I also observe that generally for subdivision consents it is not uncommon for potential infrastructure constraints to delay completion (adding costs and slowing the transfer from zoned land to supply) or reduce density that is otherwise anticipated¹⁴ by the zoning. In my experience this has been a more prevalent issue since urban subdivision became a restricted discretionary activity under the Proposed District Plan (compared to when it was previously a controlled activity status under the Operative Plan). The general approach I observe taken by the Council is that, as restricted discretionary activity, there is no baseline acceptance of the density indicated by the zoning, with infrastructure, servicing or roading capacity being reasons for limitations being placed on development densities (in other words, supply is delayed or a subdivision consent is likely to generate yields below what the theoretical yield should be from that zone).

[30] In my view, even though there may be a theoretical zoned capacity, this disconnect between zoned land and supply is constraining the competitiveness and ability of the market in the District to deliver housing and more affordable price points as directed by the NPS-UD. Therefore, seeking to address the delivery of infrastructure and streamlining of consent processes is a valid alternative approach towards rectifying the shortfall of available housing, and is an approach directly aligned with the NPS-UD.

Other planning measures proposed by the QLDC

[31] As the QLDC has identified,¹⁵ brownfields redevelopment will increasingly represent a larger component of growth. In my experience this has a greater opportunity to deliver housing at the lower price points.

[32] I note in this regard that the QLDC has recently notified an Urban Intensification Variation (UIV) that seeks to further encourage infill and redevelopment. This will assist to place greater focus and opportunity for housing in the lower cost brackets. The variation is identified as seeking to implement Policy 5 of NPS-UD.

¹⁴ Meet the minimum lot size for the zone.

¹⁵ Mead s42a para 3.12.

- [33] The Te Putahi Ladies Mile variation would assist in a similar manner in seeking to encourage more dense forms of housing.
- [34] In my opinion, this focus alongside additional planning provisions to encourage supply in this particular part of the market will represent a change that has not previously been encouraged to the same extent in the QLDC. It therefore represents a valid alternative way of addressing the Resource Management Issue of a shortfall of available and affordable housing.
- [35] Seeking to introduce an inclusionary housing policy through the IHV when other measures, including the policy measures directed by the NPS-UD, have not yet been implemented in my view does not properly give effect to the NPS-UD. Without having implemented these measures I do not consider the Council is justified to take the position that the 'supply' option has been exhausted and therefore the most appropriate option to achieve housing at the lower cost brackets is via a financial contribution regime as proposed.
- [36] In my view, measures have not yet been put in place to move the dial towards a position where the Council is actively encouraging supply. Currently, infrastructure constraints and Council processes are restraining supply and competitiveness. The proposed UIV changes to District Plan rules to encourage density and supply where it can deliver more affordable housing solutions will have positive impact on the availability of affordable housing, but these have not yet been implemented. As such the measures sought to be implemented by the NPS-UD to address affordable housing have not yet been realised.

Adverse impacts of the IHV

- [37] In terms of the approach proposed, the evidence of Mr Colegrave identifies that the IHV will reduce affordability, increase the cost to housing supply and reduce the number of future homes available in the district¹⁶.

¹⁶ Colegrave Evidence para 36-42.

- [38] When viewed within the planning framework of the NPS-UD in particular, this outcome, being reduced affordability, increased cost and reduced supply is contrary to the direction provided by the NPS-UD in terms of what measures are to be adopted in seeking to improve housing affordability.
- [39] With specific reference to Objective 2 of the NPS-UD, adding cost to supply of housing will have the effect of reducing competitiveness by adding another barrier to undertaking development within the District, which will disadvantage the District because the same costs do not apply elsewhere in the country.
- [40] I also note that proposed financial contribution structure risks encouraging development in locations further from the urban centres of the District given that the contribution rates are less in the Settlement and Rural zones of the District¹⁷. This would not contribute to well-functioning urban environments and is not supported by Objective 3 where the development of the Rural and Settlement zones would not align with the criteria established in sub-parts (a) – (c) of that Objective.

PRPS 21

- [41] For the same reasons as those identified with respect to the directions in the NPS-UD, the IHV does not align with or support the direction in the PRPS 21 to increase development capacity and infrastructure to address housing supply., The economic evidence of Mr Colegrave identifies that the IHV will have the opposite effect (ie it will make housing more expensive, ie unaffordable, for all but the very few who benefit from the Housing Trust). I conclude that the IHV is not supported by the policy direction of the PORPS 19 or PRPS 21.

¹⁷ IHV Plan provisions 40.6.1 b & 2 b Settlement Zone, Rural-Residential Zone, Wakatipu Basin Rural Amenity Zone, Lifestyle Precinct or Special Zone

Assessment under section 32

Assessment of objectives

[42] The IHV seeks to introduce two new objectives. The strategic objective as recommended in the s42A report states:

3.2.1.10 Affordable housing choices for low to moderate income households are provided in new ~~residential developments~~ and redeveloping residential areas so that a diverse and economically resilient community representative of all income groups is maintained into the future.

[43] The second objective is within the new Chapter 40 and is primarily an objective seeking to implement the QLDC's preferred method of taking a financial contribution for affordable housing.

[44] As discussed above, in my opinion the method, and therefore these two objectives, are not aligned with and will not give effect to the NPS-UD and will in fact discourage the very underpinning of the NPS-UD being the supply of housing and ensuring a competitive land and development market to improve housing affordability. This is further detailed in the evidence of Messrs Dippie and Hocking, both experienced developers with significant land holdings in the district, and in Ms Van Kampen's evidence in the context of Retirement Villages.

[45] Because the NPS-UD is the primary policy vehicle prepared under the Act for addressing the affordable supply of housing this inconsistency means that, in terms of s 32(1)(a), these objectives are not the most appropriate way to achieve the purpose of the Act.

Identification of other reasonably practicable options for achieving the objectives (s.32(1)(b)(i))

[46] The Council's IHV's s 32 analysis included two high level options:

- (a) greater supply of zoning capacity and volunteer agreements; or
- (b) adequate capacity and active intervention.

[47] In terms of cost associated with the *greater supply* option the analysis again appears to conflate zoned land and supply where it indicates a capacity of 3 times demand¹⁸ as illustrative of the supply option not being effective due to increasing house prices. However, as discussed above there is a disconnect between zoned land and this translating as supply in the market. This is where the NPS-UD seeks to direct the focus. In my view and experience in land development and consenting in the District, the QLDC continues to fail to address this core constraint on bringing available completed housing to the market.

[48] Another cost is identified as the limitation on continuing to re-zone more land due to the constraints related to landscape issues and funding of infrastructure.¹⁹ Again this is conflating zoned land and supply. In my opinion the option of greater supply is not about necessarily zoning more land but firstly accelerating the process and infrastructure to ensure the land that is already zoned is delivered as supply in the market. This requires District Plan provisions that assist to encourage that supply where it can most effectively contribute to affordable housing price points, namely infill and more dense forms of development.

[49] In terms of the alternative option of *adequate capacity and active intervention through the QLDC preferred method of an IH contribution*. The economic costs of this option are analysed in the evidence of Mr Colegrave and demonstrated as high. With the following summary of cost identified by Mr Colegrave²⁰:

- (a) Increasing the risk, cost, and complexity of development, which will erode financial viability, reduce likely future supply, and place even greater pressure on district house prices and rental values;
- (b) Impacting the district's ability to meet its obligations to provide "at least sufficient capacity at all times" under the NPS-UD;
- (c) Pushing some prospective first-home buyers out to other areas like Central Otago District, and/or into the rental market;

¹⁸ IHV s32 para 11.9.

¹⁹ IHV s32 para 11.11.

²⁰ Colegrave Evidence para 51

- (d) Reducing the rate of future economic activity in construction, which is the district's third largest employer. This will have knock on effects for the numerous families reliant on the incomes that construction activity provide;
- (e) Potential reputational damage for QLDC, including undermining its relationships with stakeholders in the development community;
- (f) Exposing QLDC to potential financial risk if a resulting slow-down in development activity causes an under-recovery of debt-funded growth infrastructure via lower DC revenues; and
- (g) Reducing household disposable incomes due to higher rents or higher mortgage repayments, which lowers spending on local goods and services and hence ripples throughout the economy.

[50] Costs identified include those which reduce supply and competitiveness. As discussed previously these costs are of critical importance when considering the issue that the IHV seeks to address, and when applied in the relevant planning framework, as reducing supply and competitiveness is directly contrary to the NPS-UD.

[51] The s 32 report points to 'on-the-ground' evidence to these costs not being borne out in practice²¹. However, with respect, those on the ground examples are limited to those that have taken place as part of up-zoning of land where there is a significant incentive to the development, or in the case of SHA development, opportunity arising on the land that would not otherwise arise.

[52] Mr Colegrave also identifies high transactional costs associated with the proposed rule framework. In this respect he notes concern *'about the transaction costs of proposed levies set on estimated future sales values, which requires valuation advice, and the need to revise key policy parameters over time in line with inflation. This all introduces difficulty, cost, and delay, which will further reduce the desire and motivation to develop in the first place'*²².

²¹ QLDC s32 para 11.16
²² Colgrave Evidence para 54.

[53] The IHV proposed rule framework and its implementation will also add cost and complexity to the consent process where valuations and legal administration would be required. The provisions require the applicant to bear the cost of valuations and it is also presumed, that the Council would expect the applicant to bear the additional legal costs.

[54] This administrative process will also add complexity and in my view delays to the s224(c) process which is already experienced as a particular pinch point in the process of delivering land supply to the market in a timely manner.

[55] In my opinion an option of encouraging supply, alongside the UIV and further adjustment to the plan provisions to encourage supply at the lower price point is a valid alternative 'Option 3' that is reasonably practicable and that, in terms of s 32 would, would be the most appropriate way of achieving the relevant objectives.

[56] Option 3 would be:

- (a) Implement the UIV.
- (b) Accelerate funding and focus Council resources on the delivery of infrastructure that is currently constraining and delaying supply of "ready to move in to" affordable housing.
- (c) Provide a dedicated team within Council to streamline consents for multi-unit developments and urban subdivision.
- (d) Amending the activity status of urban subdivision, Rule 27.5.7 to a controlled activity status. The matters of discretion would become the matters Council would retain control but with the removal of controls over roading and services beyond the design of these elements within the site.
- (e) Amending the activity status of multi-unit developments in the medium and high-density residential zones from restricted discretionary to controlled. Rules 8.4.10 & 9.4.5. The matters of discretion would become the matters Council would retain control over but with the removal of controls over roading and services

beyond the design of these within the site, to avoid the current issues around infrastructure constraining development. This approach would enable intensified forms of development including workers accommodation without the need to create a specific definition and rule for workers accommodation.

- (f) Amending the activity status of Retirement Villages in the Lower Density Suburban Residential, Medium Density Residential and High Density Residential from discretionary to controlled. Rules 7.4.11, 8.4.14 & 9.4.9. This would be achieved by adding retirement villages to the multi-unit rule in the medium and high density zones to make use of the same matters of control and repeat those matters for a new controlled activity status rule in the Lower Density Suburban Residential Zone. This will assist in reducing the barriers for this important form of housing supply.

[57] The benefits of this option can be summarised as follows:

- (a) It ensures the delays and constraints infrastructure is placing on delivering supply are reduced.
- (b) It reduces the uncertainty of development within the District and therefore improves competitiveness.
- (c) Incentivising the supply of high and medium density housing by giving the consent process more certainty and removing the risk of public notification.
- (d) It encourages forms of housing closer to urban centres that are denser and more affordable.
- (e) Supports the acceleration of supply across the entire District urban environment assisting to improve competitiveness.
- (f) Is well aligned with the NPS-UD.

[58] The cost of this option can be summarised as:

- (a) A controlled activity status may provide less ability for the Council to direct a particular design outcome. However, this cost can be

managed by retaining the same matters of discretion within the controlled activity status alongside the continued use of design guidelines.

- (b) If the infrastructure delivery remains delayed or a lack of resource continues to restrain the timely delivery of supply into the market infrastructure will continue to be a constraint. However the Council does have the ability in accordance with 3.6 of the NPS-UD to notify the Minister for Environment seeking greater assistance and potential resource to ensure the necessary delivery of the infrastructure.

[59] Overall, taking into account my assessment of the relevant objectives and cost and benefits when evaluated against the other options, and particularly with regard to the objectives of the NPS-UD, Option 3 is the most appropriate.

Assessment of efficiency and effectiveness of provisions (s 32(1)(b)(ii) and s.32(2)(a))

[60] The IHV proposed by Council is considered inefficient as it will discourage supply and reduce competitiveness.

[61] In terms of economic efficiency Mr Colegrave notes '*policy also reduces economic efficiency by imposing what economists call a deadweight loss (DWL) of taxation*' and that he '*expect it to aggravate the very issue that it seeks to address*'.²³ Relying on Mr Colegrave's expert opinion, I conclude that the IHV is economically inefficient.

[62] In terms of effectiveness, when reflecting on the identified Resource Management Issue the IHV does not address important components of the stated demand side elements specifically *proportionately high rates of residential visitor accommodation and holiday home ownership*²⁴.

[63] As per the evidence of Mr Colegrave these high rates are a key driver of the affordability problem²⁵. The IHV does not address this and therefore

²³ Colgrave Evidence para 41 & 50

²⁴ QLDC Proposed Chapter 40, 40.1 Purpose.

²⁵ Colegrave Evidence para 74.

is not effective in addressing the problem as stated. I also note the proposed IHV contribution would not apply to this form of activity.

[64] The IHV is also not effective in providing for the rental accommodation component of the housing affordability issue as discussed above in paragraph 12. The focus of the contribution framework is directly to provide for home ownership options whereas there is an identified need to address supply of worker/rental accommodation.

[65] In terms of the efficiency of Option 3 the s32 report concludes that this type of approach is not efficient or effective as it will not deliver affordable housing by itself²⁶. However, in my experience more dense housing options are typically more affordable and the constraints and challenges with delivering housing i.e. realising supply are currently constraining the ability to deliver affordable housing, as is the delay in infrastructure. Therefore, I consider this option the most effective and efficient.

[66] The proposed adjustments to plan provisions within Option 3, specifically controlled activity status for multi-unit development will assist in reducing the barriers to providing a range of intensive forms of housing including retirement villages, long term rental or workers accommodation.

Assessment of risk of acting or not acting s.32(2)(c)

[67] Based on the economic evidence of Mr Colegrave the IVH will reduce supply and housing affordability. This is considered the primary risk and consequence of acting in the manner proposed by Council.

[68] As discussed above in my view the fact that contributions have previously been agreed through re-zoning or SHAs is not the same as applying it to existing zoned land and is not sufficient justification for how the IHV will influence the housing market/and how this risk will be avoided. Implementing the IHV is high risk given the consequence of this is that it has the opposite effect to that intended.

²⁶ IHV s32 para 11.12

[69] In seeking to apply this contribution to those (land developers) that need to provide the supply to address the issue in my view magnifies the uncertainty and risk of this option.

[70] By comparison Option 3 has less risk in seeking to encourage and accelerate supply alongside planning provisions that encourage further supply in those areas where greater opportunity to provide affordable housing exists. There is no uncertainty around the level of information with this option as it is evident there is a gap between zoned land and this being delivered as supply that is currently constraining supply of housing to the market and increasing pricing.

Technical review of provisions

[71] I make the following points in respect to the proposed IHV provisions, if this approach is adopted:

40.6.1 3 Exemptions (d) a residential lot or residential unit located in a Zone that already contains affordable housing provisions in the district plan, or where previous agreements and affordable housing delivery with Council have satisfied objective 3.2.1.10 and 40.2.1 and their associated policies.

[72] This exemption, where it is subject to an assessment of Objectives and Policies is uncertain and open to interpretation. This is compounded by Policy 40.2.1.4 (as recommended by Mr Mead) replicating this wording. In my opinion if a contribution has already been provided that should be the basis for the exemption to apply. Alternate drafting in this respect would ensure the exemption provision is certain. My suggested amendment is as follows:

Policies

40.2.1.4 Recognise that the following forms of residential development either provide affordable housing or do not generate pressure on housing resources and should not be subject to the affordable housing contribution:

d) A residential lot or unit located in a Zone that already contains affordable housing provisions in the district plan, or is subject to where previous agreements providing for the delivery of affordable housing. ~~and affordable housing delivery with Council have satisfied objective 3.2.1.10 and 40.2.1 and their associated policies~~

40.6.1 3. Exemptions:

(d) a residential lot or residential unit located in a Zone that already contains affordable housing provisions in the district plan or is subject to where previous agreements providing for the delivery of affordable housing. ~~and affordable housing delivery with Council have satisfied objective 3.2.1.10 and 40.2.1 and their associated policies~~

Conclusion

[73] The relevant planning document when considering housing and in particular affordability is the NPS-UD.

[74] When assessing the proposed IHV it will not align with or give effect to the NPS-UD. In my opinion it has the risk of causing the opposite outcome, reducing supply and the competitiveness of the housing market.

[75] In terms of s32 the IHV is not the most appropriate option based on economic evidence and is not effective or efficient in addressing the Resource Management Issue.

[76] In my opinion an alternative option (Option 3) is the most appropriate and will directly give effect to the NPS-UD by adopting those methods as directed by the NPS-UD to translate the existing zoned capacity of the district into housing supply of different types and tenure.

Timothy Turley Williams

21 December 2023