

**BEFORE THE HEARINGS PANEL
IN QUEENSTOWN**

IN THE MATTER of the Resource Management
Act 1991

AND

IN THE MATTER of the Inclusionary Housing Variation
to the Queenstown Lakes Proposed
District Plan

**STATEMENT OF REBUTTAL EVIDENCE OF AMY BOWBYES
ON BEHALF OF QUEENSTOWN LAKES DISTRICT COUNCIL**

INCLUSIONARY HOUSING VARIATION TO THE PROPOSED DISTRICT PLAN

13 February 2024

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1. PROFESSIONAL DETAILS

- 1.1** My full name is Amy Narlee Bowbyes, I am employed at Queenstown Lakes District Council (**the Council** or **QLDC**) as Principal Planner – Resource Management Policy. I have been in this position since October 2022, prior to which I was a Senior Policy Planner at QLDC.
- 1.2** I prepared the evidence on behalf of Queenstown Lakes District Council dated 14 November 2023 (**Evidence**) on the Inclusionary Housing Variation (**the Variation**) to the Queenstown Lakes Proposed District Plan (**PDP**). The evidence provided an overview of the Council’s strategic and operational approach to addressing housing issues, to assist the Hearing Panel’s understanding of the strategic context of the Variation.
- 1.3** I have the qualifications and experience as set out in paragraphs 1.1 – 1.2 of my Evidence.
- 1.4** Although this is a Council hearing, I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note and that I agree to comply with it. I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this evidence is within my area of expertise, except where I state that I am relying on the evidence of another person.
- 1.5** I attended the planners’ conferencing session held on 30 and 31 January 2024 and the conferencing session on Māori land/Sticky Forest on 8 February 2024.
- 1.6** This statement of rebuttal evidence addresses specific matters raised in the evidence of various submitters and witnesses in relation to the Variation. I also respond to three questions issued by the Panel for the Planners’ expert witness conferencing that were agreed via the Joint Witness Statement to be responded to in this rebuttal. I focus on matters under the following headings:
- (a) Rates
 - (b) Short-term letting
 - (c) Responses to questions 9, 10 & 16 issued by the Panel for the Planners’ expert witness conferencing.

- 1.7 Where I do not respond to a particular evidence statement, or general theme, this does not mean that I have not considered the subject matter, but that I have nothing further to add and my views remain as expressed in my Evidence.

2. ALTERNATIVES TO INCLUSIONARY HOUSING

- 2.1 Submitter evidence¹ discusses alternatives to the Variation, including by using rates to source money for affordable housing, and by limiting the use of residential units for short-term letting (defined as Residential Visitor Accommodation in the PDP).

Rates

- 2.2 Mr Yule and others point to rates as a viable option for funding affordable housing.
- 2.3 The option of using rates is discussed in the appendices to Mr Mead's s32 Report (Section 6 of Attachment 3a; and Attachment 3c). Mr Eaquib's evidence² also addresses rates at paragraphs 5.9 and 5.10. The option of using rates to fund affordable housing was considered during the preparation of the Variation.
- 2.4 The Council currently uses rates to fund a \$50k grant to the Queenstown Lakes Community Housing Trust, and significant portion of rates is used to fund infrastructure upgrades that support urban growth.
- 2.5 At paragraphs 3.13 – 3.18 of my Evidence, I explained that since 2003, affordable housing contributions have been collected and administered by the Council through Stakeholder Deeds negotiated on Private Plan Changes to the Operative District Plan, and through implementing Council's Lead Policy on Special Housing Areas. These mechanisms have resulted in affordable housing contributions generated from landuse and subdivision activity. This demonstrates that in the QLD, inclusionary housing contributions have already been successfully acquired and administered through planning processes.

¹ Notably Mr Yule and Mr Colegrave.

² Evidence of Shamubeel Eaquib, Inclusionary Housing Variation, 14 November 2023.

- 2.6** Councillors have supported pursuing inclusionary housing through the district plan as opposed to using rates, as confirmed through their formal ratification of the Homes Strategy 2021 and Joint Housing Action Plan 2023. Both these documents specifically set a strategic mandate for Inclusionary Housing to be pursued through changes to the district plan.
- 2.7** In my view the proposed approach responds to a specific resource management issue and a financial contribution is an appropriate mechanism to address the issue.
- 2.8** The strategic context of the Variation is discussed throughout my Evidence, which explains that this Variation is part of a package of work that the Council is undertaking to address housing affordability. This strategic context is important, and in my view has not been fully considered in the submitter evidence.

Short-Term Letting / Residential Visitor Accommodation (RVA)

- 2.9** In their evidence³, a number of experts discuss the impact of short-term letting on housing supply.
- 2.10** At paragraphs 4.21 – 4.25 of my Evidence I discuss the Visitor Accommodation Variation to the PDP, which introduced objectives and provisions to manage the effects of RVA. The PDP is one of only a small number of district plans that include provisions that seek to manage the effects of short-term letting.
- 2.11** In my Evidence I note that a lack of data on the extent of short-term letting in the District was a key issue discussed during the Council hearing on the Visitor Accommodation Variation. The data used for the Council’s economic case for the variation was criticised as it only related to bookings shown on the Airbnb online platform, and it couldn’t be proven that all bookings were for short-term letting as sometimes bookings are made by owners for their personal use of a home.
- 2.12** During the RVA hearing it was also contended that there was no evidence that a residential unit used for RVA would otherwise be used to house residents.

³ Notably Mr Colegrave.

Homeowners may live elsewhere and want flexible access to their home for holidays, and renting their property to tenants would limit their ability to use it.

2.13 In my view, some caution should be applied when considering any argument that managing RVA is the key method for addressing the district’s affordable housing issues. In my opinion it is one tool of many that assist with addressing issues relating to housing. As the RVA provisions have only recently been settled (albeit following a 5-year process from notification to the issuing of the Consent Order), it is appropriate for Council to monitor the provisions before considering any potential future variation.

3. RESPONSE TO QUESTIONS 9, 10 & 16 ISSUED BY THE PANEL FOR THE PLANNERS EXPERT WITNESS CONFERENCING

3.1 As directed by the Panel, expert witness conferencing was held on 30 & 31 January and resulted in a Joint Witness Statement (JWS) from the planners. As set out in the JWS the planners agreed that I would respond to questions 9, 10 & 16 in my rebuttal.

Question 9: *What action has QLDC taken/ is taking/ has proposed to address the causes of the shortage of affordable housing in QLD, including through the PDP process?*

3.2 Just as there is no single solution to addressing the complex issue of housing affordability, its lack has a range of causes. Many of the causes of the shortage of affordable housing are beyond the immediate control of local government, and my Evidence provides an overview of Council’s pro-active approach at both a strategic and operational level.

3.3 Causes of the affordable housing shortage were identified in the response to Question 2 in the JWS (planning). These are listed in the table below along with the Council role and action (if any).

Cause identified	Council role	Council Action (if any)
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1	High build costs	Beyond Council control (advocate)	Homes Strategy
2	A mismatch between average income and average house price	Limited Council control	Economic Diversification Workstream; ensuring plan-enabled capacity; infrastructure investment
3	Economy based on a greater proportion of lower paid service or tourist type jobs	Beyond Council control (advocate)	Economic Diversification Workstream
4	Desirable location/high demand	Beyond Council control	-
5	Long timeframes between a decision to rezone land and the delivery of houses to market	Beyond Council control	Homes Strategy (Outcome 2)
6	Plan provisions that do not maximize the provision of housing	Enable/improve	Proposed Intensification Variation
7	Efficiency and effectiveness of District Plan administration	Enable/improve	PDP appeals process ongoing
8	Lack of infrastructure or capacity for zoned land	Enable/improve	Spatial Plan, Growth Partnership
9	Land banking or other actions by landowners that limit the supply of new housing on land that is otherwise capable	Beyond Council control	Homes Strategy (Outcome 2) Joint Housing Action Plan
10	Inefficient and practical development challenges associated with fragmented existing allotment patterns	Enable/improve	Spatial Plan
11	The spatial opportunity for brown field development is limited in Queenstown	Beyond Council control	-
12	Land covenants and other title instruments that have the effect to limiting or precluding additional housing development or materially adding to cost	Beyond Council control (advocate)	Homes Strategy (Outcome 2) JHAP
13	The market may not support the theoretical densities available	Beyond Council control	-

Question 10: What action has QLDC taken/ is taking/ has proposed to increase residential land supply?

3.4 Housing capacity monitoring under the National Policy Statement for Urban Development Capacity and National Policy Statement for Urban Development (NPS-UD) demonstrate that QLDC is continuing to enable housing capacity. The tables below demonstrate the short, medium and long term commercially feasible dwelling capacity for urban environment over two monitoring periods, 2017 and 2021.

2017: Commercially Feasible Dwelling capacity (urban environment) includes redevelopment⁴

Short Term	Medium Term	Long Term
27,390 ⁵	33,260 ⁶	37,300 ⁷

2021: Commercially Feasible Dwelling capacity (urban environment) includes redevelopment⁸

Short Term	Medium Term	Long Term
25,443 ⁹	32,125 ¹⁰	51,373 ¹¹

3.5 These tables demonstrate that in the periods monitored QLDC is increasing residential housing capacity. The QLDC workstreams which have enabled the feasible capacities are detailed below in chronological order.

Special Housing Areas 2013 – 2018

3.6 Ten special housing areas were approved and which proceeded, resulting in at least 2122 additional approved dwellings and two aged care facilities (based on AEEs, the realised yield is likely greater).

PDP intensification 2015 - present

⁴ QLDC Housing Development Capacity Assessment 2017

⁵ Table 5.10

⁶ Table 5.12

⁷ Table 5.14

⁸ [QLDC Housing Capacity Assessment 2021](#)

⁹ Table 6.1

¹⁰ Table 6.3

¹¹ Table 6.5

- 3.7** The ongoing review of the district plan has been undertaken in stages since 2015. The approach to the plan review has been a focus towards more efficient use of urban land compared to the provisions in Operative District Plan, including more enabling bulk, location and density rules for residential units and accompanying residential flats. Appeals are now predominantly site-specific requests.

Spatial Plan (gen 1)¹²

- 3.8** The Spatial Plan sets out a vision and framework for how and where the district will grow out to 2050 and allows for capacity beyond the population projections. It focuses on consolidated growth and anticipates that main urban areas of Queenstown and Wānaka will provide for approximately 80% of both the estimated growth in dwellings up to 2050 and the Spatial Plan capacity. Preparation of an updated Spatial Plan (Future Development Strategy) is presently underway.

Te Pūtahi - Ladies Mile Variation - 2023

- 3.9** As notified, Te Pūtahi Ladies Mile Special Zone seeks to provide for future housing demand in the District by enabling approximately 2,400 new residential units at higher densities. This variation is being processed as a Streamlined Planning Process under concentrated timeframes, and a recommendation from the Independent Hearings Panel to the Minister will be sent by 3 May 2024.

Urban Intensification Variation - 2023

- 3.10** The Urban Intensification Variation was notified in September 2023 and implements policy 5 of the NPS-UD, which directs councils to enable more height and density in certain locations. It also aims to implement the wider directive of the NPS-UD, to ensure well-functioning urban environments that meet the changing needs of our diverse communities and future generations. Under even the least intensive option modelled the additional capacity which could be realised is in line with NPS-UD policy 5 requirements and is substantive¹³ across the PDP residential zones.

¹² [QLDC Spatial Plan](#)

¹³ [Intensification Plan Variation – Economic modelling](#)

Question 16: Over the period following PC24, what percentage of developments/ zoning changes in QLD included affordable housing provisions and what did these comprise? Please provide examples.

- 3.11** The plan changes and SHA consents below all have affordable housing agreements (Stakeholder Deeds) associated with development. These represent a high proportion of developer-initiated upzoning – i.e. private plan changes – in the District since 2005. Other upzoning that may have occurred has not been included.
- 3.12** The mention of affordable housing in plan provisions is limited, the most directive example is from PC 19 / Frankton Flats B (decisions version).
- 3.13** The SHA affordable housing contribution agreements were also in Stakeholder Deeds rather than in the consent conditions. At paragraph 3.17 of my Evidence, I summarise the contributions from SHAs administered by the Council and used to fund Queenstown Lakes Community Housing Trust developments.

Plan Change and Decision date and link	Name	Affordable Housing provisions?
Variation 16	Jacks Point	
PC 4 – 9 Aug 2012	North 3 Parks	See: ODP ch 15 , and Ch 12
PC 12 – 31 Jan 2007	Riverside	
PC 13 – 28 March 2008	Kirimoko	
PC 15 – 6 June 2006	Peninsula Bay	
PC 18 – July 2008	Mt Cardrona	
PC 19 – Commissioner Decision <ul style="list-style-type: none"> EC comment on the provisions. (from pg 231) 	Frankton Flats B	See: Decisions Version
PC 25 – 2 Dec 2009	Kingston	See: ODP chapter
PC 37 – 27 September 2011	Quail Rise	
PC 41 – Link - operative 27 Aug 2013	Shotover Country	See: Decisions Version
PC 46 – 18 May 2016	Ballantyne Rd	
PC 50 – 30 June 2016	Lakeview	

List of SHAs with Affordable Housing contributions
Shotover Country
Arrowtown Retirement Village
Queenstown Country Club

Onslow Road
Arthurs Point Stage 1 (Bullendale)
Business Mixed Use Zone (Gorge Road)
Arthurs Point Stage 2 (Bullendale)
Hāwea Longview (Universal Developments)
Coneburn

3.14 The maps in **Appendix 1** to this rebuttal evidence show the locations where Stakeholder Deeds apply (negotiated through private plan changes and SHAs). This illustrates the scale and location of development areas that have existing agreements requiring contributions to affordable housing. Each development area is at its own stage of development and is consequently at its own stage of fulfilling the required contributions.



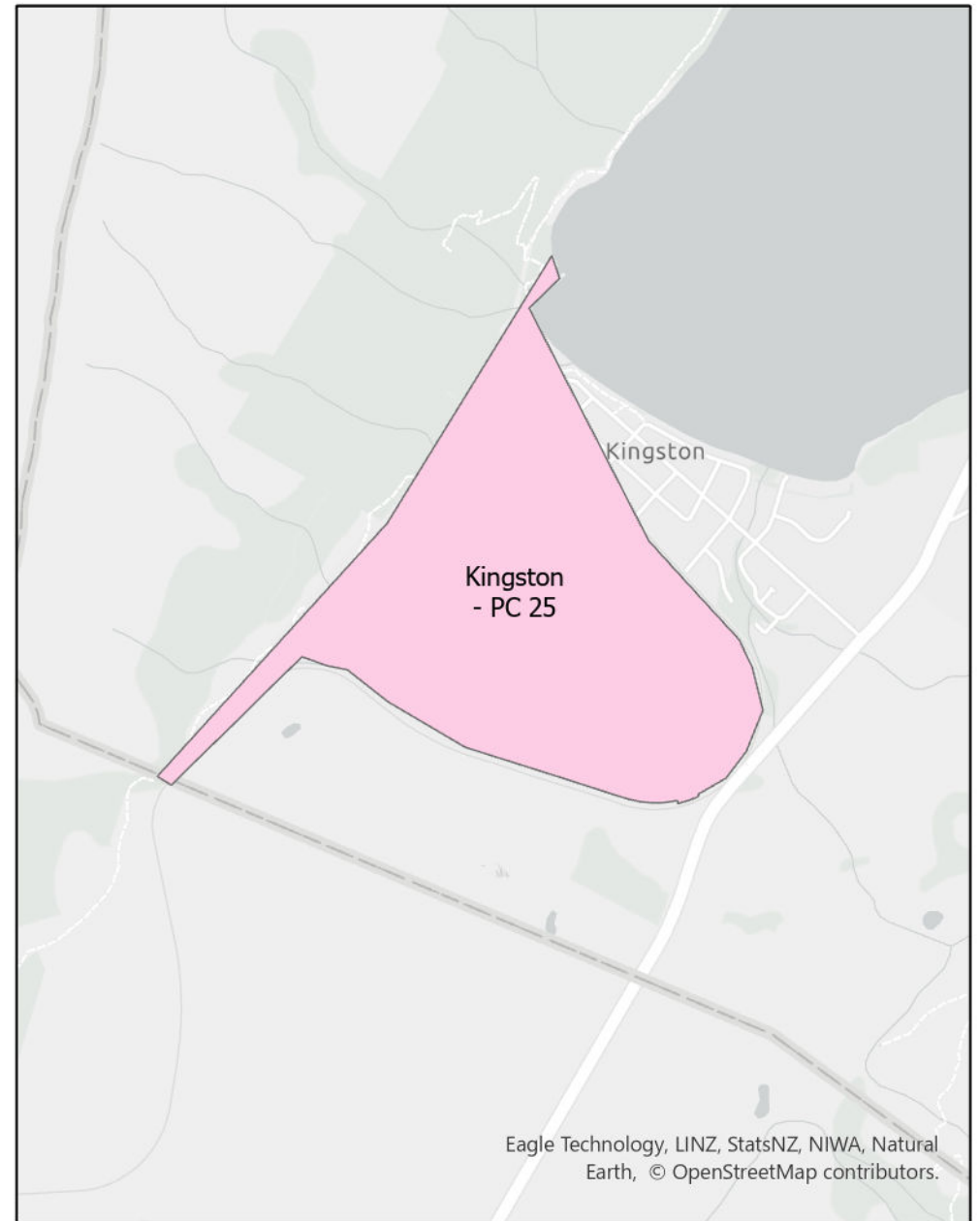
Amy Bowbyes

13 February 2024

APPENDIX 1

Maps showing the locations where Stakeholder Deeds apply

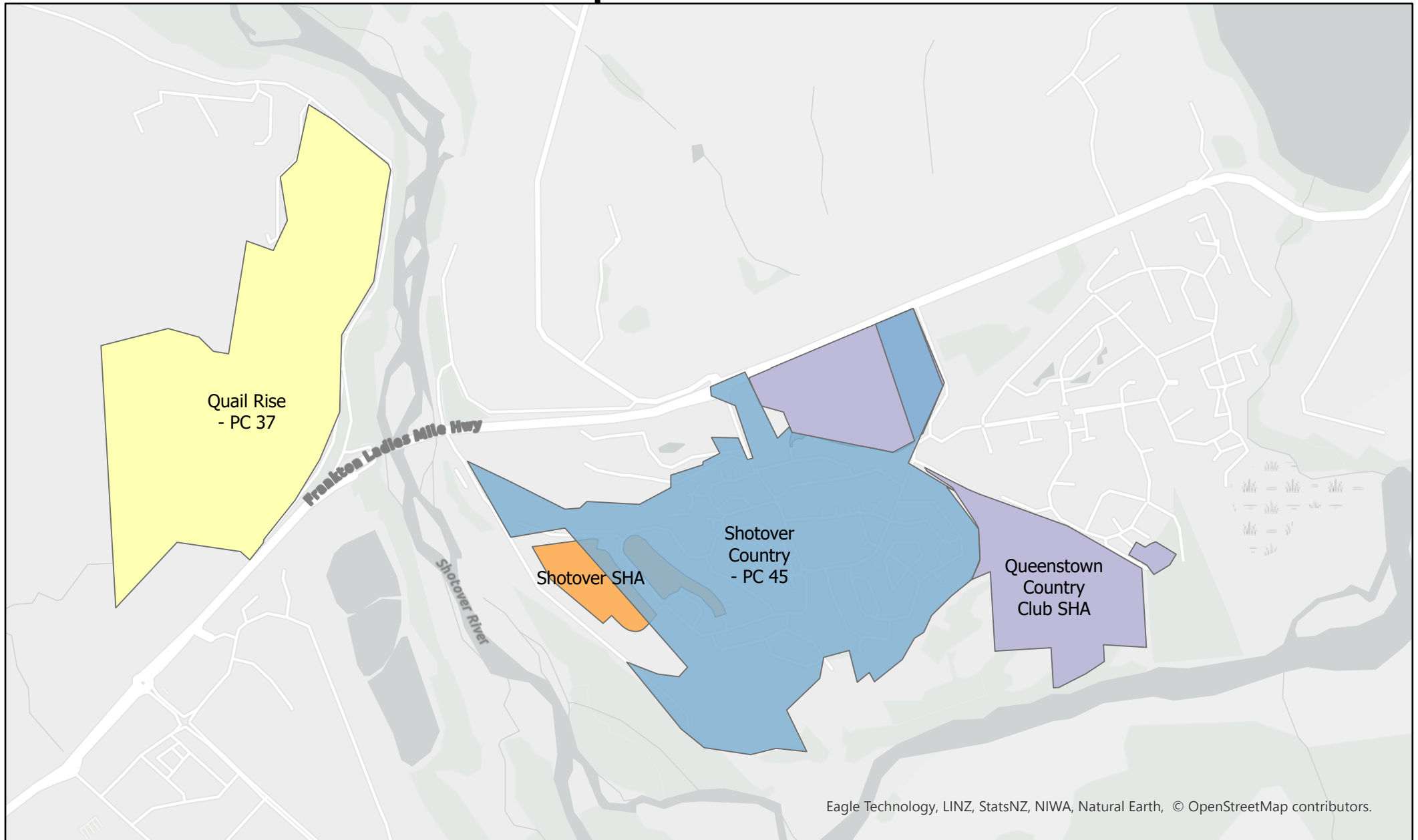
Southern Wakatipu Stakeholder Deeds



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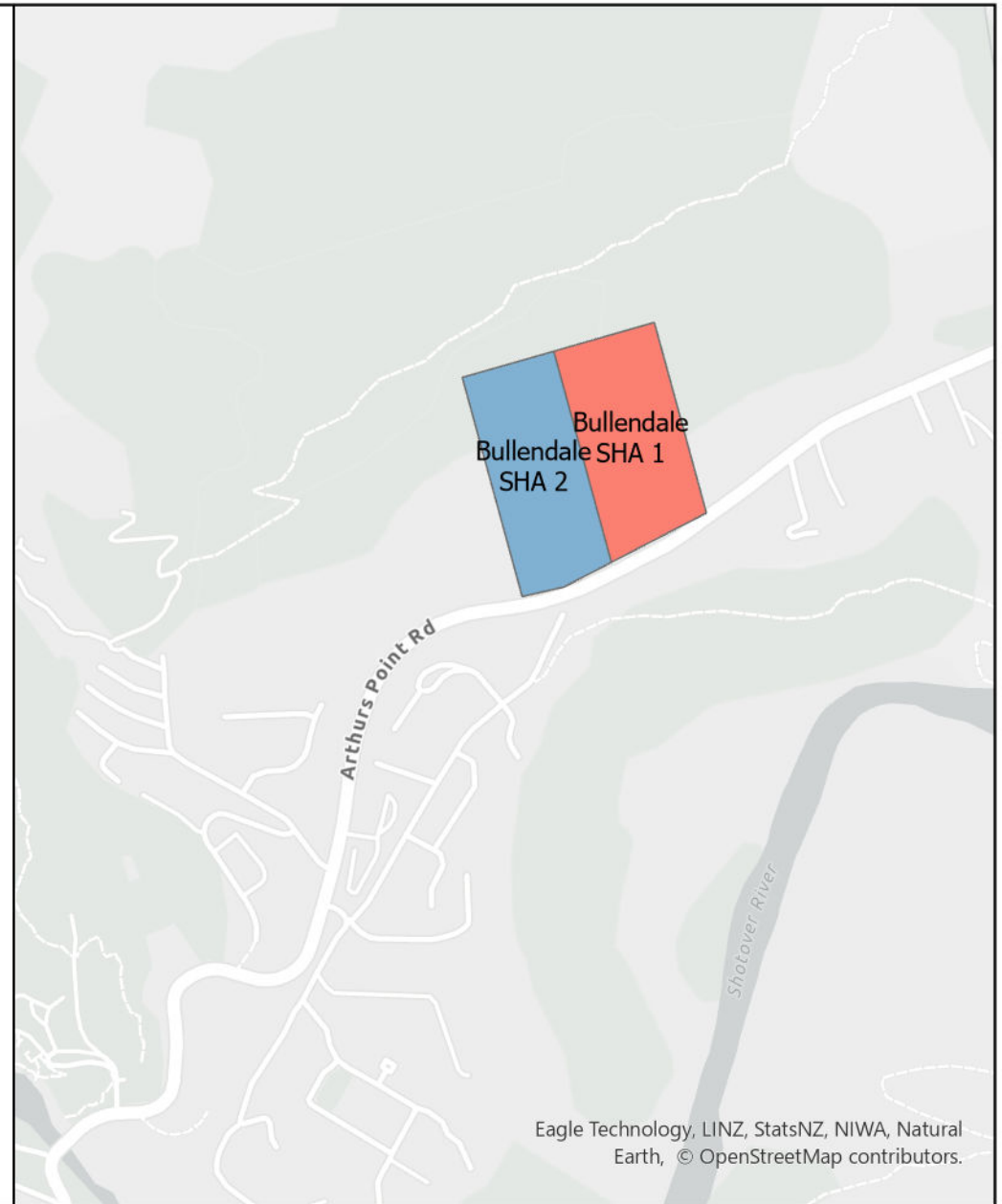
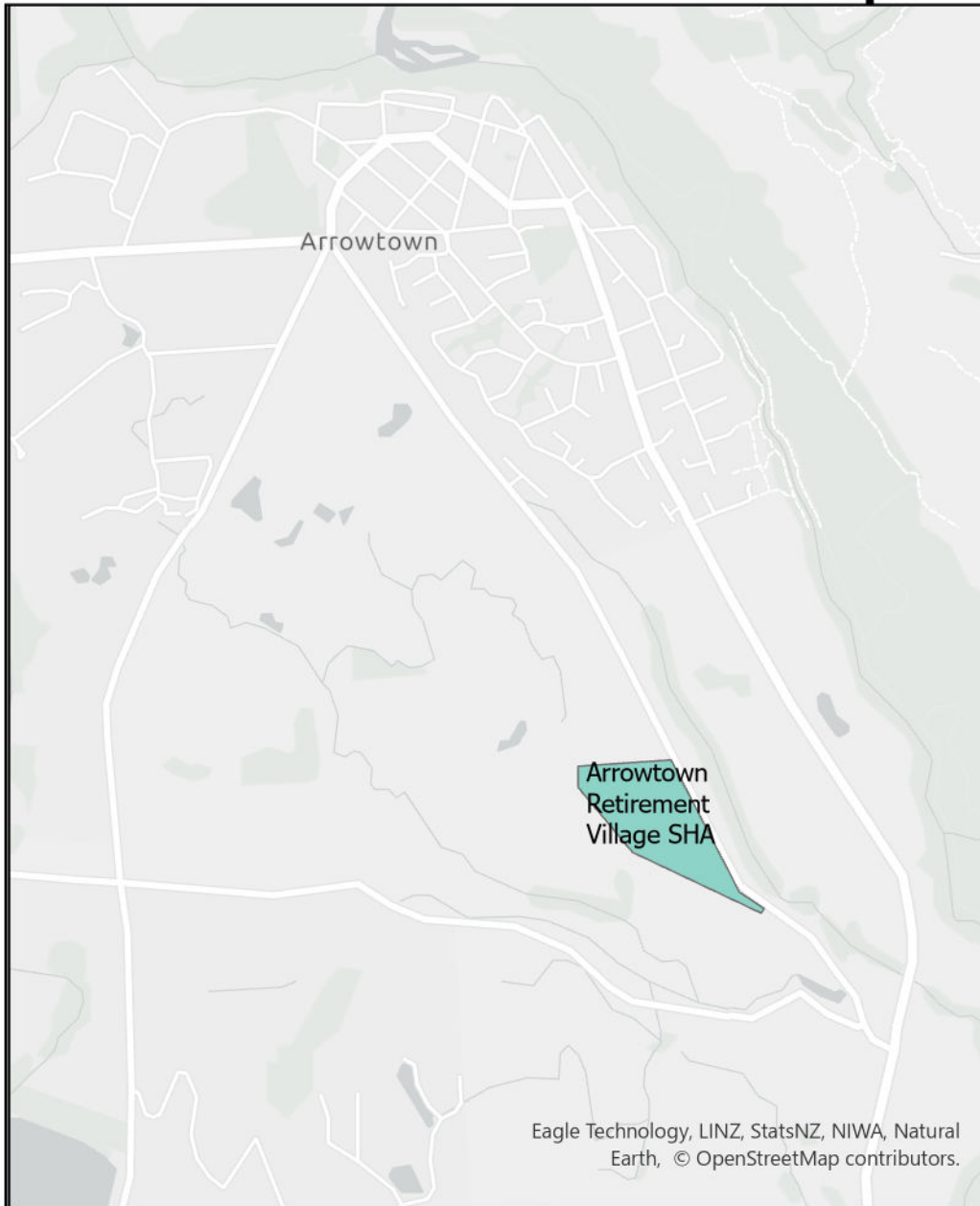
East Wakatipu Stakeholder Deeds



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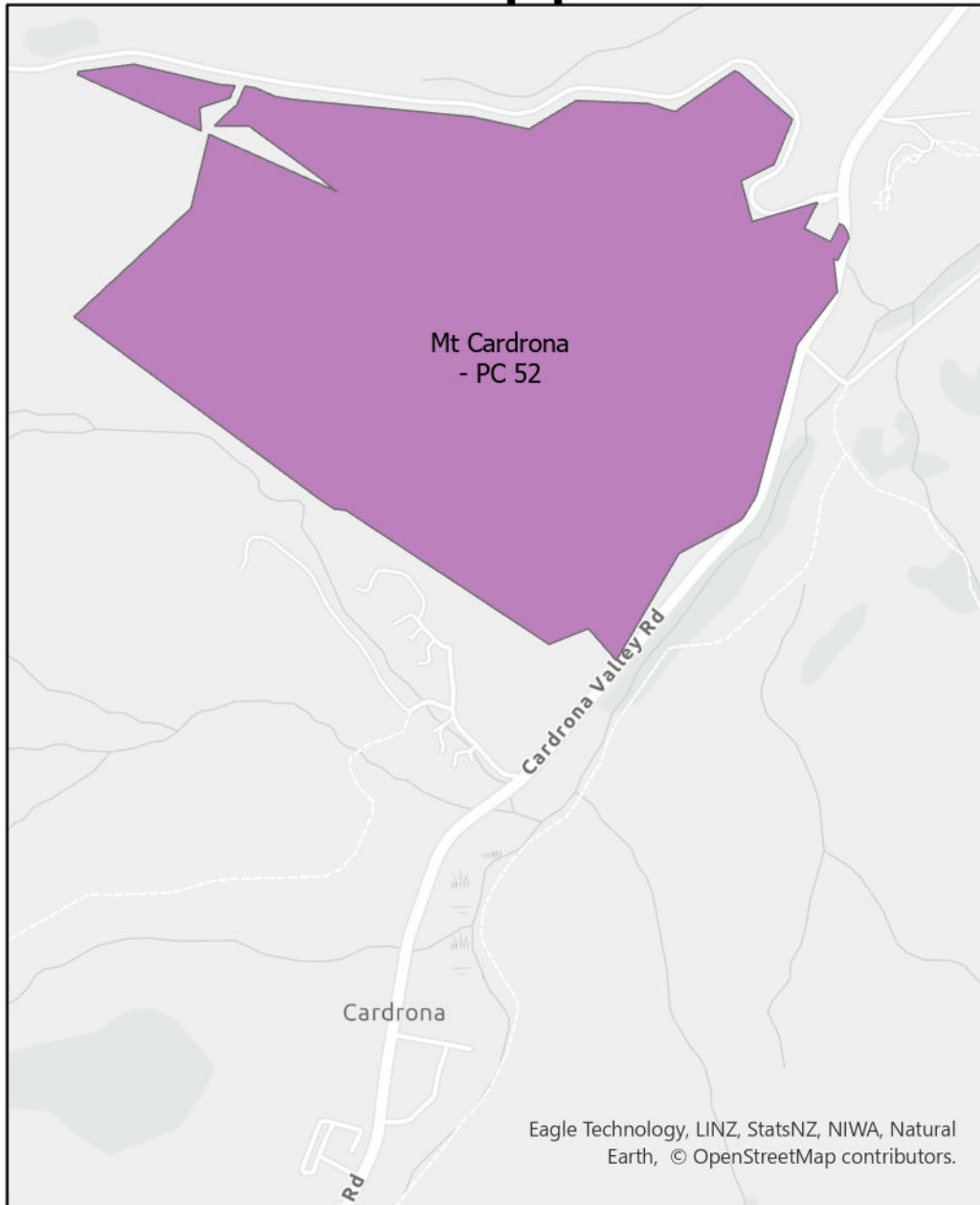
Other Wakatipu Stakeholder Deeds



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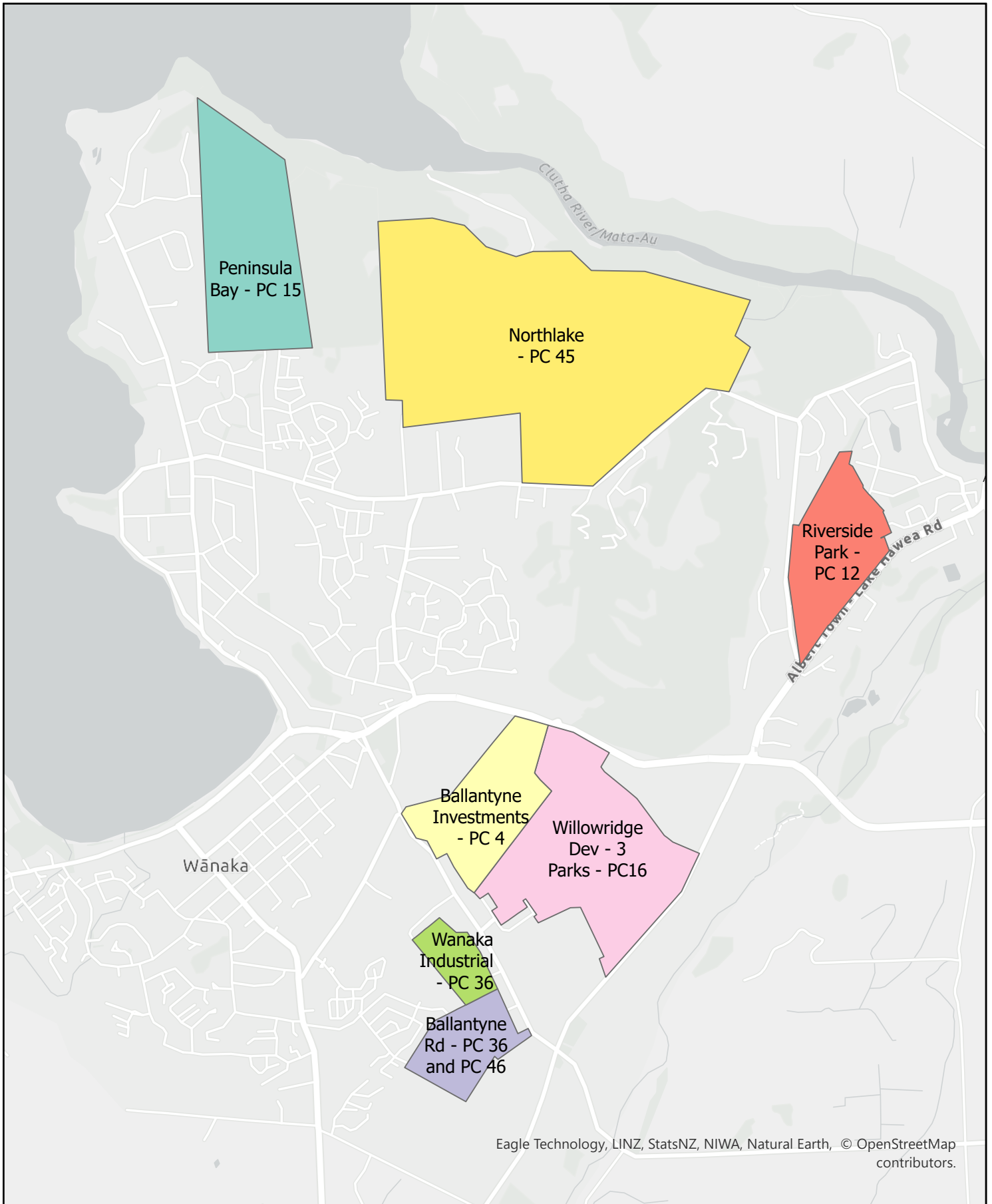
Upper Clutha Stakeholder Deeds



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Wanaka Stakeholder Deeds



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0 50 100 200 Meters

Scale:

Map Date:
25/01/2024

