

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

Under the Resource Management Act 1991

In the matter of: the Inclusionary Zoning Variation to the Proposed Queenstown
Lakes District Plan

**and Trojan Helmet Ltd, Boxer Hill Trust (Submitters 181) and
Gibbston Valley Station Ltd (Submitter 168)**

Summary of Planning Evidence of Brett James Giddens

6 March 2024

SUMMARY OF PLANNING EVIDENCE

1. I have been engaged by Trojan Helmet Ltd, Boxer Hill Trust and Gibbston Valley Station Ltd (**the Submitters**) to provide planning evidence with respect to the Inclusionary Zoning Variation to the PDP (**Variation**). I participated in the planning conferencing, and I have also observed the Council's verbal case and presentation to the Panel.
2. The issues raised by the Submitters are relatively confined and primarily relate to the effect of the Variation on non-urban land (i.e. land outside the UGB). My evidence transverses this relationship, as well as evaluating the Variation under the statutory framework of the RMA.
3. Pertinent facts common to the Submitters include:
 - (a) All of their land is located outside an UGB;
 - (b) None of their land is located within an urban or residential zone under the PDP;
 - (c) None are serviced by Council public infrastructure (such as water and sewer);
 - (d) None of the Rural zonings (Gibbston Character, Rural, Wakatipu Amenity) directly enable residential activity; and
 - (e) Notably, the Resort zonings include provisions for accommodation for workers.
4. My view is that the Variation should specifically exclude land that is not located within an UGB, including resorts.

What does the Variation capture?

5. Residential activity and housing are directed in the PDP to be enabled in urban residential zones.¹ Urban residential zones generally facilitate housing as a permitted activity. If it was accepted that housing is the driver of the problem that the Variation needs to address (which it is how it is currently framed), urban zones would logically be the most appropriate locations to focus on.
6. The Variation appears, on the face of it, to attempt to exclude a number of zones and activities through proposed Rule 40.6.1. On the flipside, the proposed objectives and policies in Chapter 3 (Strategic Direction) are broad and cover "residential areas" and subdivision and development that "involves a residential component". They would be applied to discretionary or non-complying

¹ **SP3.3.14** - Apply Urban Growth Boundaries (UGBs) around the urban areas in the Wakatipu Basin (including Queenstown, Frankton, Jack's Point and Arrowtown), Wānaka and where required around other settlements.

SP3.3.15 - Apply provisions that enable urban development within the UGBs and avoid urban development outside of the UGBs.

SP3.3.16 - Locate urban development of the settlements where no UGB is provided within the land zoned for that purpose.

activity consents and be applied across all zones affecting any activity that has a residential component.

7. With this in mind, I query whether this is intentional given Mr Mead's evaluation of excluded zones in his section 32 report (such as the Rural Lifestyle Zone as its "main purpose is landscape protection"). Table 9 of the section 32 report "lists the range of zones that [he considers] provide for residential activities in the district and [he] assesses whether they should be subject to an affordable housing levy". This evaluation, and the Council's evaluation at large, does not examine the Rural, Gibbston Character, Wakatipu Basin Rural Amenity, Rural Visitor, and Gibbston Valley Resort Zones² (among others).
8. In my view, there is a disjoint between the rule and the strategic objectives and policies which, in effect, could mean that the exemptions in Chapter 40 have little utility in a consenting process for a discretionary or non-complying activity which engages with Chapter 3.

Resort Zones

9. Turning to the PDP provisions for resorts, I note:
 - (a) By definition, a "resort"³ is not "urban development"⁴;
 - (b) Resorts are not located within an "Urban Growth Boundary"⁵;
 - (c) Resorts provide for their own infrastructure as part of being "an integrated and planned development" (and also because they are not located in an infrastructure catchment);
 - (d) A resort must principally provide for visitor accommodation and overall development must be focused on onsite visitor activities; and
 - (e) Both the Gibbston Valley and Hills Resort Zones specifically provide for accommodation for workers, which is a unique aspect of the zones respective to other zones in the district.

² Paragraph 11.41 and Table 9 of Section 32 Report

³ **Resort** means an integrated and planned development involving low average density of residential development (as a proportion of the developed area) principally providing temporary visitor accommodation and forming part of an overall development focused on onsite visitor activities. [Page 2-31 of PDP]

⁴ **Urban Development** means development which is not of a rural character and is differentiated from rural development by its scale, intensity, visual character and the dominance of built structures. Urban development may also be characterised by a reliance on reticulated services such as water supply, wastewater and stormwater and by its cumulative generation of traffic. For the avoidance of doubt, a resort development in an otherwise rural area does not constitute urban development, nor does the provision of regionally significant infrastructure within rural areas.

⁵ **Urban Growth Boundary** means a boundary shown on the District Plan web mapping application which provides for and contains existing and future urban development within an urban area.

10. None of these matters have been examined in the evidence for the Council against how they contribute (or not) to housing affordability in the district.
11. Mr Mead acknowledges that workers accommodation "provides affordable rental for short term stays and seasonal workers"⁶, however he disregarded workers accommodation as an exclusion on the basis "the lack of a certain definition [in the PDP] and potential for change in use to permanent accommodation over time".
12. Mr Mead responds to my EIC at [5.2] of his rebuttal. In his verbal responses to the Panel, he stated his view that resorts are "urban-like" and therefore should be treated the same as urban development. Fundamentally what Mr Mead is describing is what development *looks* like⁷. No planning support is provided for his view. The Council evidence does not respond to the fact that both resort zones I refer to provide for accommodation for workers, which effectively addresses any demand arising from activities in the zone.
13. The Council evidence has not shown how these zones (and other zones outside of an UGB) contribute to the issue that the Variation is seeking to address and why a financial contribution of any quantum is required in resource management terms. At 11.40 of the section 32 report, Mr Mead states:

"A lesser contribution from other forms of residential development (such as residential development in resort zones) is appropriate as these developments also influence house prices and supply of affordable dwellings." [Emphasis added]
14. I have not found any Council evidence on this. There has been no analysis undertaken of what residential development has been built or consented outside of the UGBs and how any of that development has contributed to housing unaffordability. These zones are not zones for the typical residential dwelling, they are typically lifestyle locations located some distance from local centres and places of business, residential dwellings in resorts often operate under a management structure and have ownership in common land and facilities, for example.
15. Mr Mead acknowledges in his section 32 report that "building houses does not, of itself, add to affordability issues".⁸ This is how I see the establishment of residential houses in rural lifestyle locations and resorts; they are not adding to the issue.

Residential Visitor Accommodation

16. I do not consider that the Council has examined this issue adequately and failing to do so leaves a significant question mark over the effectiveness of the Variation. The evidence is consistent

⁶ Paragraph 11.44 of Section 32 Report

⁷ Bearing in mind that The Hills and Gibbston Valley Station resorts are yet to be developed.

⁸ Paragraph 11.36 of Section 32 Report

amongst the experts that RVA strongly influences the problem that the Variation is seeking to address. Indeed, the proposed zone purpose at 40.1⁹ recognises the issue. In simple terms, a house used for RVA is reducing housing stock, particularly for residential rental accommodation.

17. I also do not agree that sourcing information on RVA is complex as has been advised to the Panel. I would like to point out that:

- (a) The majority of the zones in the PDP enable RVA as a permitted activity with a cap on a number of days per annum use. For an activity to be permitted, the house must first be registered with the Council;
- (b) Where the RVA use exceeds the permitted cap on days per annum usage, then a resource consent is required. The conditions that the Council impose include reporting and monitoring requirements, and require that occupancy numbers are provided to the Council annually;
- (c) With both permitted and consented RVA activity, the Council increases the rates of the property.

18. It should be a simple exercise for firstly the Council to pull up the number of dwellings in the district that have been rated for mixed use or RVA. It should be an equally simple exercise for the Council to collate the permitted and consented RVA properties and draw conclusions as to quantum of the displacement of residential accommodation from this information.

19. In my opinion, not addressing this adds to the lack of effectiveness in the Variation addressing affordable housing in the district. It is an extremely important piece of the puzzle that is missing.

Alternatives

20. I consider there is a place for a planning approach to affordable housing that includes an off set to the costs (such as enabling additional height, density of development or a streamlined consenting process). Facilitating funds to a housing trust could be achieved via a targeted rate rather than through the PDP.

21. A targeted rate could be equitably applied to all landowners in the district. Businesses generate a demand for workers which in turn creates a demand for housing. This was recognised in PC24 but the Variation excludes these activities¹⁰. Again, this could be addressed via a targeted rate. The rate (like all other rates under standard ADLS commercial lease agreements) would in part or full

⁹ "The combination of multiple demands on housing resources (including proportionately high rates of residential visitor accommodation and holiday home ownership)..."

¹⁰ Paragraph of 11.38 of Section 32 Report

be passed on as an OPEX charge from the landlord, meaning that landowners and businesses are more equitably covered under the rating approach.

22. For the Panel's interest, I have included reference to an article¹¹ that overviews how the Christchurch City Council recently in 2022 used a rating approach to address untidy and vacant sites in the Central City. The rating increase was relatively significant.

"Land worth \$2.15 million would normally pay about \$11,796 towards the general rate. Under the new scheme, it would jump to about \$27,803."

Plan Provisions

23. Annexure D to my EIC outlined my suggested changes to the provisions to address the issues relating to resorts and other land outside an UGB. The changes are limited but would in my opinion better focus the Variation in a planning context.

Overall Conclusions

24. So overall, I do not have any doubt that the key issue the Variation is seeking to address, the need for affordable housing, is a real and profound issue. My EIC however finds that Variation does not stack up on its planning merit.
25. The Variation often conflates affordable home ownership and affordable rental accommodation under the same umbrella. Fundamentally, it fails to address key drivers of housing unaffordability and this leaves a number of "elephants in the room" (as noted in the planning witness statement).
26. In my opinion the Variation will be ineffectual in addressing the issue it is aiming to resolve. The low hanging fruit in my view is a rating solution.

Brett Giddens

¹¹ <https://www.stuff.co.nz/the-press/news/129026006/rates-hike-on-the-way-for-owners-of-untidy-and-vacant-central-christchurch-land>