

**IN THE MATTER** of the Resource Management Act 1991 (**RMA**)

**AND**

**IN THE MATTER** of a proposed public plan change to the  
Queenstown Lakes District Plan – Inclusionary  
Housing

**JOINT WITNESS STATEMENT OF PLANNING EXPERTS**

<b>Expert conferencing held on</b>	30 and 31 January 2024
<b>Venue</b>	30/01/2024 - Council Chambers, 10 Gorge Rd / online 31/01/2024 – QRC Boardroom / online
<b>Independent facilitator</b>	Ian Munro
<b>Note taker</b>	Shelley Dawson

**1. Attendance**

1.1. The list of participants is included in the schedule at the end of this Statement.

**2. Basis of attendance and Environment Court Practice Note 2023**

2.1. All participants agree to the following:

- a) The Environment Court Practice Note 2023 provides relevant guidance and protocols for the expert conferencing session;
- b) They will comply with the relevant provisions of the Environment Court Practice Note 2023;
- c) They will make themselves available to appear before the Hearings Commissioners;
- d) This statement is to be filed with the Hearings Commissioners and posted on the Council’s website.

At the commencement of the conferencing the DRAFT Economics JWS was shared with the planners assembled.

**3. Matters considered at conferencing – agenda and outcomes**

3.1. Having considered the Panel’s questions each other’s evidence and the discussion that occurred around the Panel’s questions, the planners agree that the critical point of difference relates to the proposed methods rather than the intent of the variation or the

housing problem it seeks to address. Due to time constraints and once having addressed the panels questions the planners were not able to engage on the detail of that key point of disagreement but reiterated that at this time none of the planners have changed the views expressed in their evidence.

### 3.2. Specific Questions asked by the Hearings Panel

1. What drives demand for housing in QLD (e.g. is this full-time residents, holiday homeowners (owner occupied), short-term rental investment purposes, investment for capital gain etc)?

*The experts agreed that all of the matters listed in the question are relevant. (Refer Infometrics data <https://ecoprofile.infometrics.co.nz/queenstown-lakes%2Bdistrict/Population/Growth>)*

*Additional matters discussed but where the planners were not certain had been covered in Infometrics are:*

*Government requirements of working holiday visas etc (AB)*

*Second homes distinct from holiday homes or permanent occupiers (DM)*

*Specific desirable attributes of the QLD (landscape, recreation, international airport etc) that make it more desirable than other centres of similar scale*

*The planners were not able to go so far as to be able to rank or prioritise all factors but are agreed that short term rental is a particularly important and relevant problem in terms of this district.*

*The planners also wished to make the observation that limitations in data (including in terms of the use of dwellings) have consequentially limited the ability to answer the question in more detail.*

2. In planning terms, what are the underlying causes that have created the housing affordability issues within QLD?

*The planners agree that QLD has had a cyclic development market and well-established affordability issues. The following list was discussed and agreed by the planners but is not intended to be an exhaustive list.*

*At a high level there is a mismatch between average income and average house price (in terms of purchase price or rent) exacerbated by both higher build costs in the district compared to some others and an economy based on a greater proportion of lower paid service or tourist type jobs to some others.*

*The specific desirable attributes of QLD discussed in answer 1. are contributing not just to higher demand and higher prices for housing but large numbers of people able to pay those large prices.*

*Historically long timeframes between a decision to rezone land and the delivery of houses to market*

*Plan provisions that do not maximize the provision of housing. AB agrees on the basis that the Council has notified a specific housing intensification variation*

*Concerns with the efficiency and effectiveness of District Plan administration. AB DM CF don't have an opinion on this matter*

*Lack of infrastructure or capacity for zoned land*

*Land banking or other actions by landowners that limit the supply of new housing on land that is otherwise capable*

*Exceptionally high demand for housing (e.g. residential units being used for residential visitor accommodation rather than residential use). For example though not fully accepted by all planners, an example was raised from the Economics evidence of FC (paragraph 25) of 23% of residential units being used for Residential Visitor Accommodation.*

*The inefficient and practical development challenges associated with fragmented existing allotment patterns (in Queenstown it is common for quite large lots to be associated with quite new houses)*

*The spatial opportunity for brown field development is limited in Queenstown*

*Land covenants and other title instruments that have the effect to limiting or precluding additional housing development or materially adding to cost*

*All else being equal, the market may just not support the theoretical densities available*

3. What role has the provision of visitor accommodation (as now defined in the PDP) contributed to this, in the short, medium and long (over the past 30 years) term?

*The planners are aware the PDP defines 'Visitor Accommodation' and 'Residential Visitor Accommodation' as separate activities. As noted earlier the detail and accuracy of data on how these buildings are being used is quite limited.*

*It is agreed both Visitor Accommodation and Residential Visitor Accommodation have contributed to the current housing affordability problems in QLD but the planners have been unable to quantify the specific contribution made. For example the planners have no knowledge in a scenario of existing Visitor Accommodation and Residential Visitor Accommodation not having happened whether or not an affordable housing outcome may have happened in its place.*

4. In planning terms, what are the benefits of having inclusive communities in QLD which provide for all socioeconomic groups in QLD to meet their cultural, social and economic wellbeing?

*The planners note there is no definition of inclusive communities in the PDP or any relevant planning document. The planners have interpreted the question as asking, 'What are the benefits of having housing supply for all socio-economic groups in QLD?'. The planners are uncertain and did not fully agree if this means looking at the district as a whole even if that means some individual settlements may not equitably provide housing choices or if every individual settlement is expected to provide all relevant housing choices. The planners are however agreed that this matter speaks to the heart of the variation and should be made clear in the final provisions.*

*Note to the Panel – as part of the discussion the planners identified an uncertainty whether once new allotments were transferred to it, the QLCHT would be free to independently sell that land (so as to put an affordable house in another location) or whether it would be obligated to build affordable housing in perpetuity on that land.*

*The planners agree that benefits include:*

- *lower wage workers are an important part of the economy and they need accommodation*
- *there are social benefits from reducing transience/improving stability for families and communities including reduced stress associated with uncertain accommodation availability*
- *supports or broadens the ability to age in place which the planners agree brings social benefits such as maintaining social connections*
- *Reducing the need for and associated costs of commuting or transport cost especially for lower income families*

5. What are the social impacts (including on social cohesion) in the short, medium and long term (intergenerational, 25 years plus) of not providing for affordable housing?

*This would be the opposite of the answers provided in question 4.*

6. Does the provision of affordable housing fall within s.5 of the RMA, with reference to the Act's purpose of enabling people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety?

*The planners noted that within the variation, housing affordability in one sense refers to choice and supply and in another sense has a very specific meaning tied to a specific plan method (i.e. a financial contribution). The planners have offered an answer to both of these.*

*Affordable Housing (General) – the planners all agree this does fall within section 5 of the RMA*

*Affordable Housing (tied to the proposed financial contribution and associated methods) – DM and AB consider that this does fall within section 5 of the RMA, noting also the need to separately still satisfy section 32. TW BG DT and HH consider the variation and its methods go too far and fall outside of section 5 of the RMA. CF does not consider that in its current state and with its supporting information the variation has demonstrated alignment with section 5 but does not rule out the principle that with appropriate justification it could be.*

7. Does the provision of affordable housing fall within Objective 1 of the NPS-UD, which refers to well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future?

*The answer to question 6. applies*

8. Does the provision of affordable housing fall within Policy 1 of Part 2.2 of the NPS-UD, in particular its reference to well-functioning urban environments and the matters outlined in 2.2(a) – (f) of Policy 1?

*The answer to question 6. applies*

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?

*The experts refer to and agree with the actions listed in the evidence of AB at Sections 1-4. In addition and after discussion the planners also agreed that numerous plan changes went some way to addressing affordability causes. It is agreed that through rebuttal evidence AB will identify those public and private plan changes Council believes are in this category. Note this also relates to question 16.*

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

*The answer to question 9. applies*

11. Is land enabled for urbanisation in QLD rapidly urbanised to the extent enabled?

*In some cases yes, in other cases no. In general the planners refer back to the answers at question 2. The planners also observe where there was a fixed time horizon such as the special housing areas this tended to correlate with rapid development. Conversely urbanisation has tended to be most slow where there are infrastructure deficiencies (e.g. Frankton North) or other development complexities.*

12. Does QLD have a shortage of housing or just of affordable housing?

*The planners accept the finding of the economists in their JWS*

**The conferencing adjourned at 5.32pm on 30 January 2024 and reconvened at 8.30am 31 January 2024 with all participants**

13. Are developers/ builders not creating affordable homes, or do subsequent market effects make those that they create unaffordable?

*Anecdotally and based on the collective experience of the planners with development, there are examples of developers who have provided affordable housing, some with a retainment mechanism, some without, but there is no data to answer this in more detail.*

*Notwithstanding this the observations of the planners include the following that may aid the Panel:*

*The planners note that land prices are typically very high in QLD and that influences affordability from the outset for all housing types.*

*Historically a lot of residential development in QLD has been greenfield-led and in many cases by land subdividers unrelated to bringing actual houses to market. The consequences of this being vacant fee simple subdivision historically required larger lots than has often proven acceptable when accompanied by a house design (AB notes that in the case of the existing urban environment this is intended to be addressed by Council in the Urban Intensification Variation currently notified).*

*There are examples of affordability being addressed at subdivision such as Shotover Country. Most of these examples were however via developer type agreements and the planners note that the plan policy resulting from PC24 formalising a process for Council and developers to discuss affordability has been helpful.*

*The planners also note that quantifying the stock of affordable housing in 2024 may understate the true picture because developments such as the Bridesdale SHA did provide what was affordable at the time of sale but due to price escalation today would not be considered affordable houses. Taking into account the above comments the planners agree that there are external factors that influence or have influenced affordable housing such as increased building costs, fluctuating interest rates, material supply constraints, labour costs and labour shortages. TW and CF also note that particularly post-covid the developers they work with regularly report challenging market conditions as it relates to realising high density building outcomes especially more than 2 storeys. HH and BG agree with TW and CF but consider the issue applies to all housing types.*

*The planners also note that part of the observed behaviour in the Queenstown residential property market (like others) is likely to be influenced by government policy to not tax capital gains realised on property investment.*

14. Do physical characteristics make new builds unaffordable in QLD or is it the ownership/ institutional arrangements?

*The planners refer to question 1. and 2. where several relevant characteristics are identified. The planners do agree that across the district and historically land available for development has often been constrained.*

*TW's view is that potentially notwithstanding the issue and costs of network infrastructure, physical characteristics are not as constraining as ownership/institutional arrangements. For example TW identified the Arrowtown Urban Growth Boundary and Hāwea Urban Growth Boundary (AB noted that this particular issue at Hāwea has been resolved by way of Consent Order).*

*BG DT CF and HH while having comfort with TW's view, consider that physical characteristics are generally as equally constraining as ownership/institutional arrangements.*




*CF considers that QLD physical characteristics have resulted in a network of settlements with a unique urban form and amenity but that are constrained and difficult to service. This will have had a negative impact on affordability.*

15. What role does design quality (achieving quality urban design outcomes) contribute (or not) to housing affordability?  
*The planners discussed what they consider to be many dimensions to this question including:*
- 1. TW BG AB DT and CF consider that adding design requirements will tend to add to total cost and decrease affordability.*
  - 2. All agree that good quality affordable houses may facilitate greater community acceptance.*
  - 3. While generally agreeing with point 1. DM AB CF DT and HH consider it is about finding a balance of achieving a sustainable living environment (including affordable living) without allowing "quality design" to become an unnecessary barrier to affordability.*
  - 4. TW agrees with point 3 on the premise that a relevant plan framework clearly sets out what is reasonable and appropriate in terms of design requirements and cost.*
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  
*The planners have agreed that AB will include this in her rebuttal and provide a list. In discussion of the issue the planners also note that it may not be fully possible to answer all aspects of this question depending on the data available.*

#### 4. PARTICIPANTS TO JOINT WITNESS STATEMENT


4.1. The participants to this Joint Witness Statement, as listed below, confirm that:

- a) They agree that the outcome(s) of the expert conferencing are as recorded in this statement; and
- b) They agree to the introduction of the attached information – Refer to section 3 above; and
- c) They have read the Environment Court’s Practice Note 2023 and agree to comply with it; and
- d) The matters addressed in this statement are within their area of expertise; and

Expert’s name and expertise	Party	Expert’s confirmation (refer para 4.1)
David Mead (DM)	Queenstown Lakes District Council	
Amy Bowbyes (AB)	Queenstown Lakes District Council	
Chris Ferguson (CF)	Residential Development Consortium C/- Russell McVeagh, Anderson Lloyd and Brookfields lawyers:  Darby Planning Limited Partnership  Glenpanel Developments Ltd  Maryhill Ltd  Station at Waitiri  Silverlight Studios  Gibbston Highway Ltd  Macfarlane Investments Ltd	



Queenstown Lakes District – Inclusionary Housing JWS

	Remarkables Park Ltd Winton Land Ltd	
Hannah Hoogeveen (HH)	Ladies Mile Property Syndicate Ltd Queenstown Central Limited	
Daniel Thorne (DT)	Fulton Hogan Land Development Ltd	
Brett Giddens (BG)	Trojan Helmet Ltd Boxer Hill Trust Gibbston Valley Station	
Tim Williams (TW)	Willowridge Developments Ltd Universal Developments Ltd Metlifecare Ltd	