



Queenstown Lakes District Council

*Review of District Plan Business Zones Capacity and Development of
Zoning Hierarchy*

*McDermott Miller Strategies Limited
in association with Allan Planning & Research Limited
15 November 2013*

ANNEXURES



Annex I

Household Growth

ANNEX I

HOUSEHOLD GROWTH

A I.1

ESTIMATES OF HOUSEHOLD GROWTH

Questions and answers with Stats NZ on treatment of apartments in census and household projections

During the project we corresponded with Statistics NZ on issues of how apartments are classified and how overseas visitors working in New Zealand are treated.

- We were told that apartments (which are used for both short term visitor accommodation and residential purposes in Queenstown) classified in the census are likely to have been treated inconsistently from block to block in the census. In some cases they will have been counted as private dwellings, others as non-private. On the whole the likelihood is that most were counted as non-private, even if they have working occupants. We were told the census standard (which reflects 2006 experience) classes them as non-private.
- A separate house occupied (on census night) by non-usually resident people is classified as occupied permanent private dwelling, assuming someone completed the dwelling questionnaire, and for household counts it is a visitor-only household. If usual residents are counted back to where they live, it falls out of household counts. But it is still counted in a the Census Night count of occupied dwellings.
- "Visitor-only households" is a household ie is included are included in a census-night occupied dwelling counts, but area excluded from household counts based on place of usual residence.
- Young person working in Queenstown, and is permitted to do so. work is included as part of the usually resident population count for Queenstown.
- Statistics NZ's household estimates (outside Census years) and projections are based on resident population, not Census night population, so visitor-only households are excluded in this case. In theory households projections will have some type of adjustment for census night undercount.

AI.2 EXTENT OF NON-QUEENSTOWN OWNERSHIP OF DWELLINGS

HIGH RATES OF EXTERNAL OWNERSHIP OF DWELLINGS

- We requested, and were provided, with comprehensive data from QLDC's rating and GIS systems on:
 - Address of property owners (ie ratepayers) and location of properties, including whether owner live overseas.
 - Nature of improvements on properties
 - Land and capital values of properties
 - Value of improvement put to a range of uses

- Geostatistical data on each property – relevant meshblock and area unit codes
- We have analysed this data to address the following data deficiencies:
 - In the absence of a 2011 census, there is no definitive estimate of the number of current households in the District.
 - There is not definitive data on the number of QLD dwellings that are second/holiday homes. The closest are the 2006 figures in the *Queenstown Lakes District Growth Projections report* (Rationale, March 2011, and supporting spreadsheet available for download from www.qldc.govt.nz) that on Census night 2006 there were 1,851 unoccupied dwellings in Wakatipu (22% of total dwellings) and 1,577 in Wanaka (34%) for a total of 3428 (26%). This is important in estimating resident's retail spend, i.e. the amount of retail spend that will support retailing targeting the resident, rather visitor, markets.
- The analysis depends on how apartments are classified for rating purposes ie as "dwelling" or "accommodation" (ie commercial accommodation). A caveat on this assessment is that we were informed by QLDC officials that this classification does not necessarily accurately reflect how the apartment is actually being used.

RESULTS

- This analysis indicates there are now some 14,075 dwellings in Queenstown Lakes District, up 1,145 from the 12,930 (9502 Occupied, 3,428 unoccupied) in the 2006 Census (source: Growth Projections report).
- We have been provided with residential building consents data for 2006-12 by Lakes Environmental, but it has not been able to provide us with data on how many of these have actually been built.
 There were 2369 new dwelling building consents issued over the 2006-2011 period, so on this analysis only 50% (plus those replacing existing dwellings) have been put in place.
- By this estimate, current dwellings are now 8.4% less than the projected 15,254 presented in the Growth Projections report.
- The analysis indicates some 6,119 (43%) dwellings are owned by individuals and companies located outside the District. This percentage is higher (48%) for Wanaka than for Wakatipu (41%).
- Overseas owners own 1,127 dwellings (8% of the total). This group owns 10% of Wakatipu dwellings, and 5% of Wanaka dwellings.
- Residents of other NZ districts own 4,992 dwellings, 36% of the total (31% of Wakatipu dwellings and 43% of Wanaka dwellings).

Conclusion

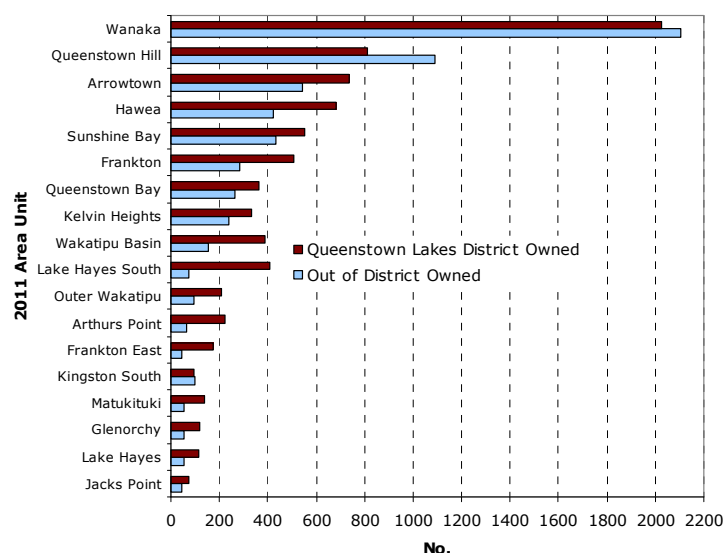
- We conclude from this analysis that:
 - Growth in dwellings in the District is tracking substantially below the 2011 Growth Projections rate.
 - Levels of second/holiday home ownership are higher than conventionally estimated. (based on the Census)
- Taken together this suggests both the current amount of residential generated retail spend and its growth rate are lower than presented by retail experts in recent Queenstown Lakes District resource managements hearings.

SPATIAL DISTRIBUTION OF THESE DWELLINGS

Figure AI.1 ranks area units (2011 definition) by distribution of locally and out-of-district owned dwellings in absolute terms, and **Figure AI.2** does this in terms of percentages

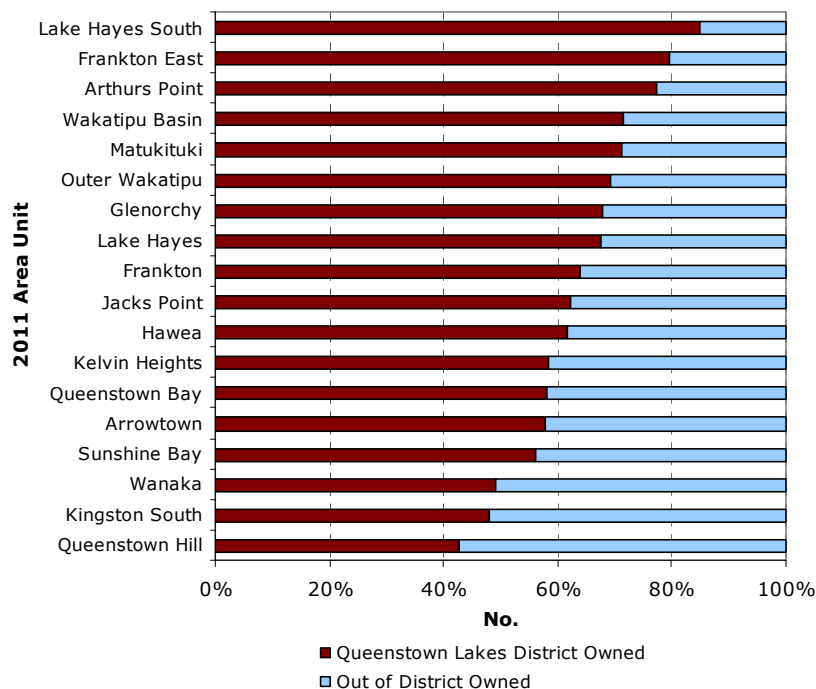
- The area unit with the highest percentage of dwellings in local ownership (85%) and lowest overseas ownership (15%), is Lake Hayes
- Frankton East (80%) and Arthur's Point (77%) also have high rates of local ownership.
- The area unit with the highest percentage of dwelling in out-of-district ownership is Queenstown Hill (57%). This also has the second to highest number in absolute terms (1,090)
- Wanaka area unit is the area unit the third to highest percentage in out of district ownership (51%). It has the largest number of dwellings in both local (2,024) and out-of-district ownership (2,103)

Figure AI.1 Ownership of Dwellings by 2011 Area Unit



Source: McDermott Miller Estimates based on Queenstown Lakes District rating database

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Figure AI.2 Ownership of Dwellings

Source: McDermott Miller Estimates based on Queenstown Lakes District rating database

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DEMAND FOR RETAIL AND OTHER SERVICES

Figure AI.3 below illustrates household growth projections in Queenstown Lakes District under a range of scenarios.

- The *Queenstown Lakes District Growth Projections* report (Rationale, March 2011) lie between the Statistics NZ “Medium” and “High” projections (not shown below); under this projection there would be 14,500 households in the District by 2021. Growth assessed at similar rates to this underlie the retail demand growth assessments used in Plan change 19 and 34 reports and evidence.
- Using the Statistics NZ “Medium” household projection there would be 14,000 households in 2021 or 3.5% below the Growth Projection report projection.
- Under the Statistics NZ “Low” household projection there would be 13,500 households in 2021 or 13% below the *Growth Projection* report projection
- By contrast, **Figure AI.3** shows a projection based on the estimate of Queenstown-owned dwellings discussed above, on the assumption that these dwellings grow at the same annual percentage rate as the Statistics NZ “medium” projection. Under this projection, there would be some 9,800 Queenstown owned dwellings in 2011 – 32% below the *2011 Growth Projections report*¹.

¹ N.B.

This projection understates permanently occupied dwellings, because an (unknown) number of apartments and detached dwellings are occupied more or less permanently by a succession of tenants who individual reside and work in Queenstown for only 6 months or so.

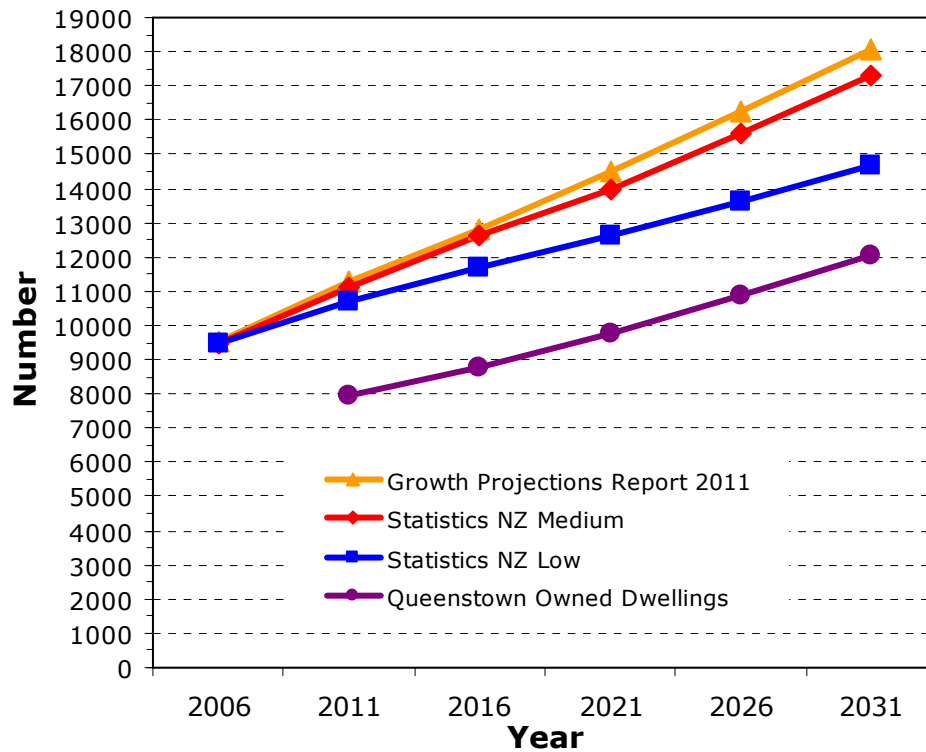
However, it also suggests the *Growth Projections* report and Statistics NZ "Medium" projections may be overstating permanently occupied dwelling (ie household) numbers.

This projection, taken together with the uncertainties in the census count of occupants of apartments, is an indication that retail household and retail spend projections underlying retail planning to date are significantly overstated.

- We suggest that when 2013 census data becomes available a Queenstown Lakes District Council commission (if necessary) a detailed custom analysis of the data to distinguish permanently occupied dwellings from those occupied temporarily by workers.

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1. This figure assumes all non-QLD-owned dwellings are unoccupied year round.
 2. Renters and other occupiers of one kind or another mean that an unknown proportion of these 5,300 dwellings are occupied for some time of the year.
 3. Question therefore is what is the realistic estimate of the overstatement of dwellings in the SNZ estimates and the 2011 Growth Projections Report?

Figure AI.3 Queenstown Lakes District Projected Households



Source: Statistics NZ Household Projections, published 13 December 2010 and downloaded September 2011.

"Average" projection in supporting spreadsheet to Queenstown Lakes District Growth Projections report (Rationale, March 2011, available for download from www.qldc.govt.nz): shown.

McDermott Miller estimates and projections based on QLDC rating database;

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Annex II

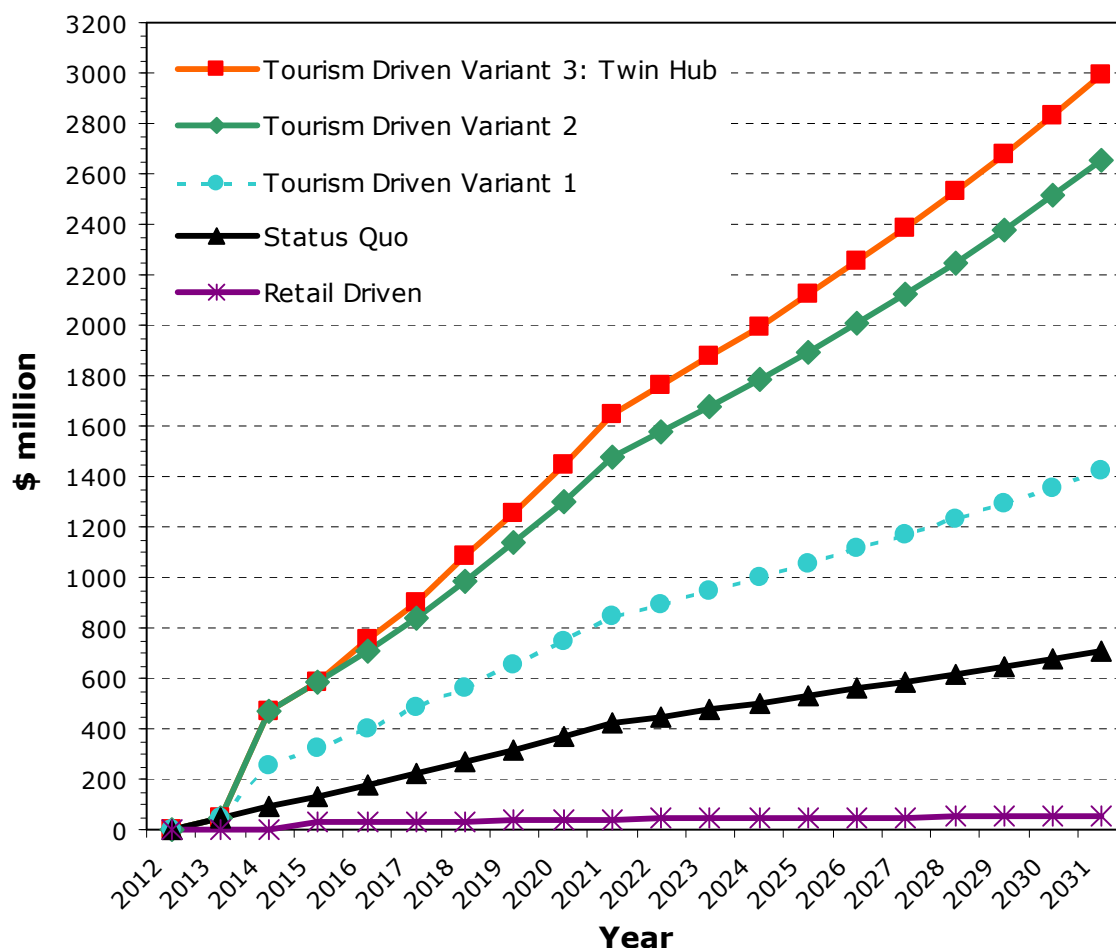
Multiplier Effects Under the Economic Growth Scenarios

ANNEX II: MULTIPLIER EFFECTS UNDER THE ECONOMIC GROWTH SCENARIOS

Output

Figure AII.1 below presents total output, including direct, indirect and induced effects increase under each of the economic growth scenarios.

Figure AII.1: Total Output (including indirect and induced effects) Increase by Economic growth Scenarios – Queenstown Lakes District



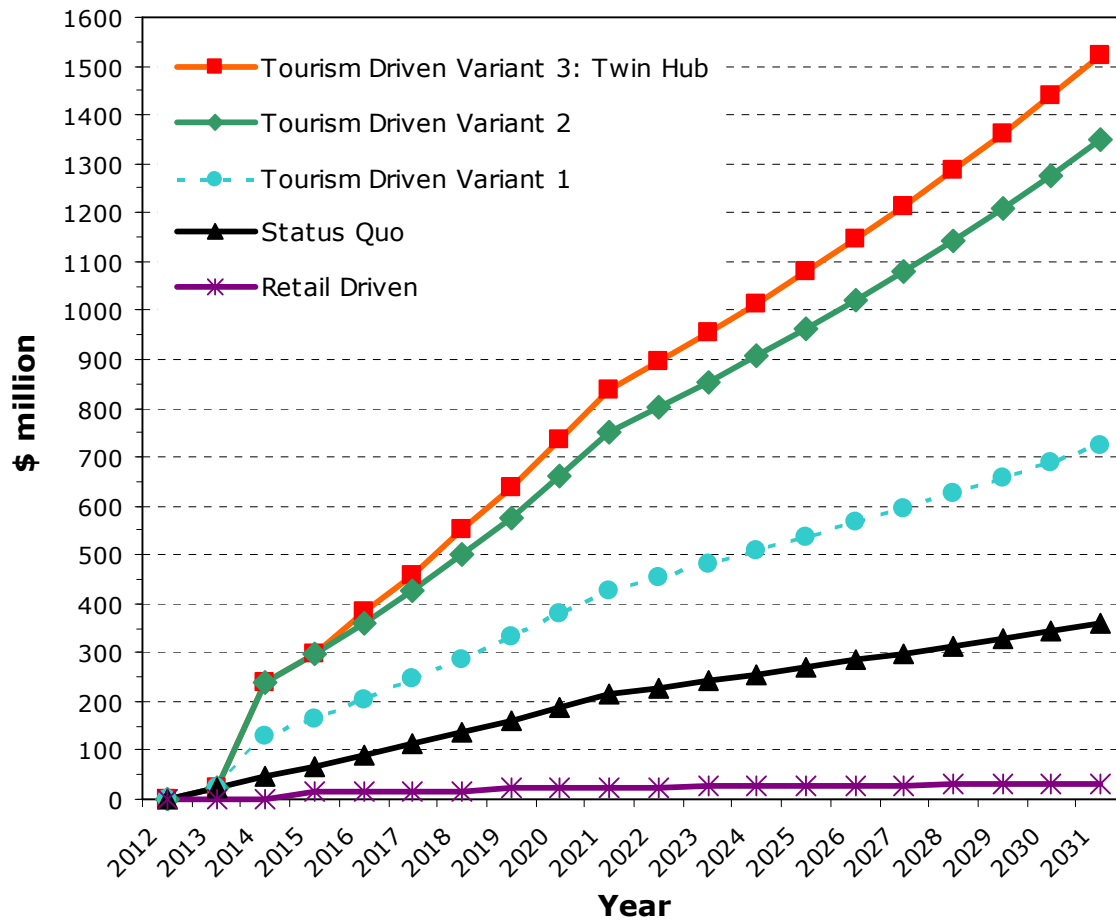
Source: McDermott Miller Estimates

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Value Added

Figure AII.2 below presents total value added (contribution to district GDP), including direct, indirect and induced effects increase under each of the economic growth scenarios.

Figure AII.2: Total Value Added Increase (including indirect and induced effects) Increase by Economic growth Scenarios



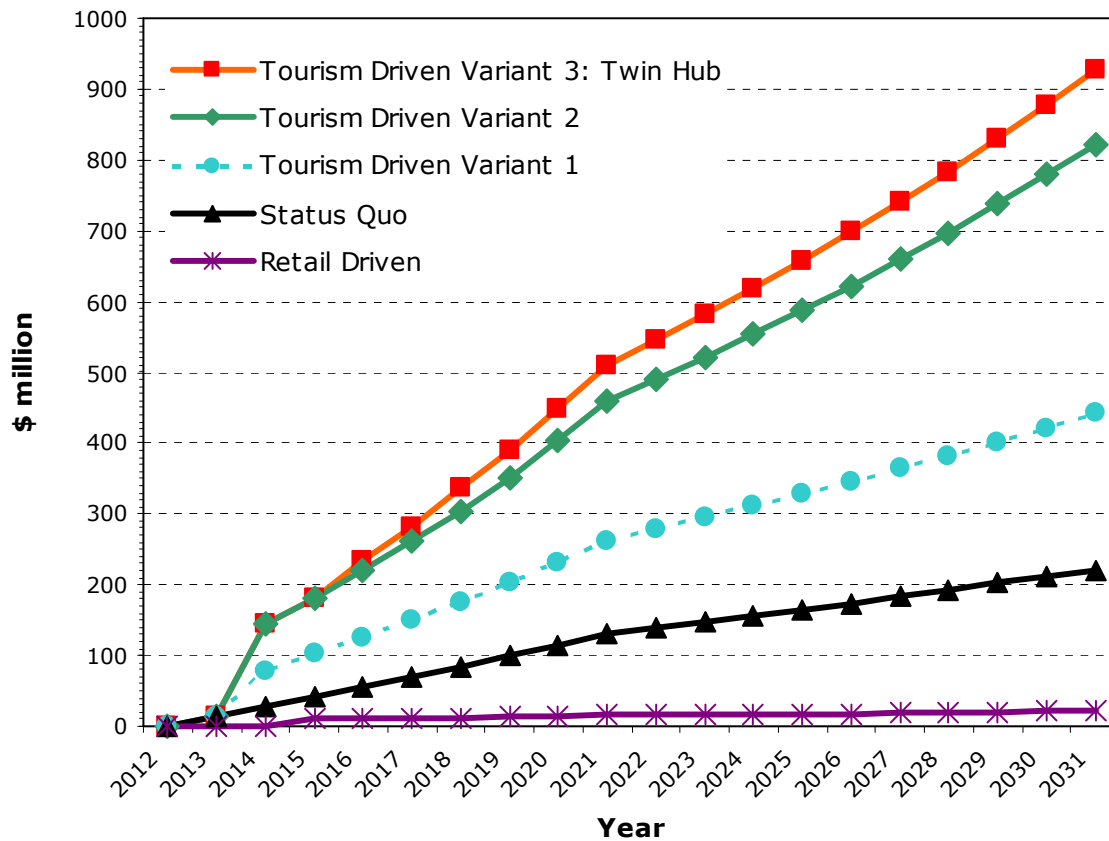
Source: McDermott Miller Estimates

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Gross Household Income

Figure AII.3 below illustrated increase in gross household income under each of the economic growth scenarios.

Figure AII.3: Gross Household Income Increase by Economic growth Scenarios



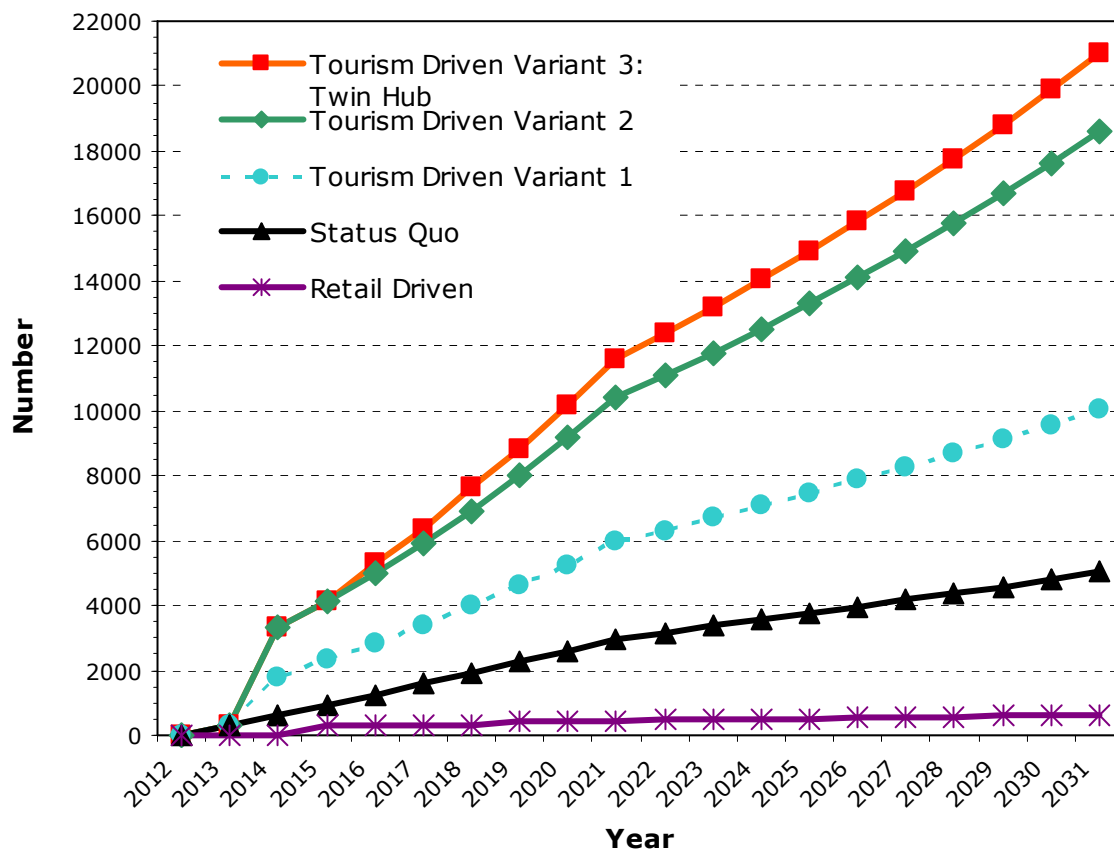
Source: McDermott Miller Estimates

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Employment

Figure AII.4 below illustrated increase in employment under each of the economic growth scenarios.

Figure AII.4: Total Employment (including indirect and induced effects) Increase by Economic growth Scenarios



Source: McDermott Miller Estimates

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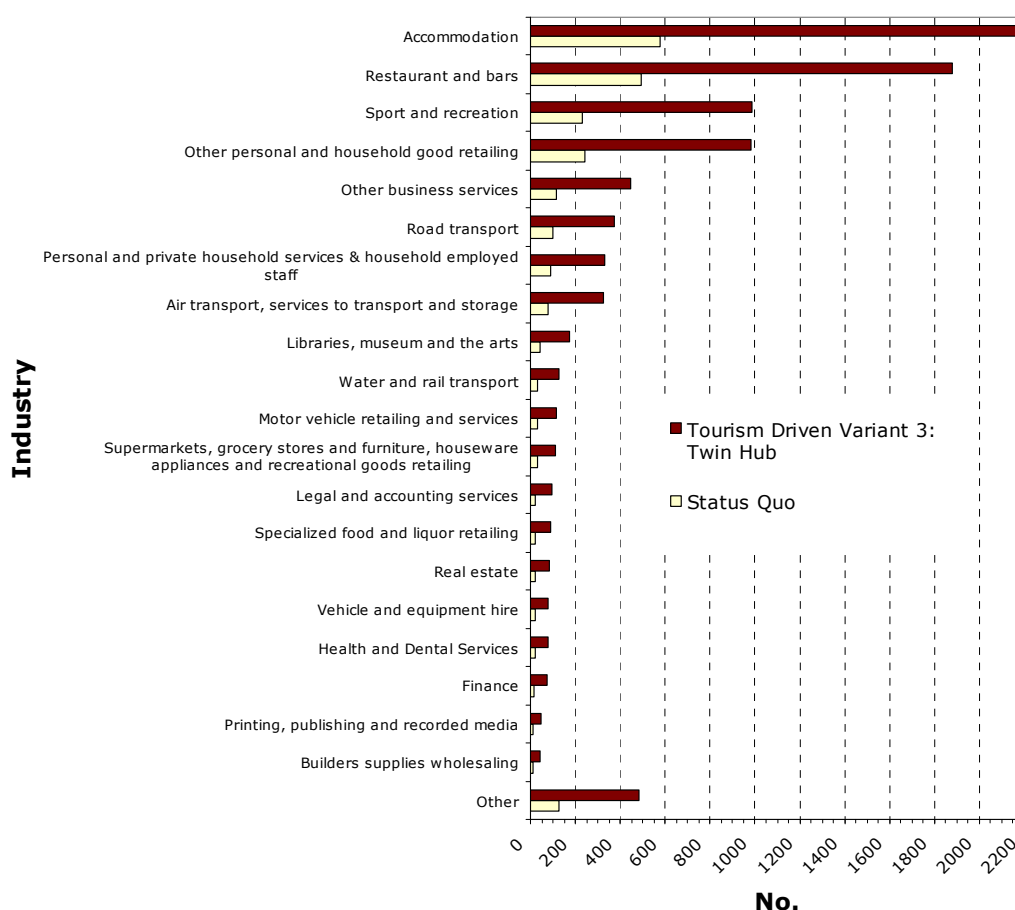


Annex III Employment Expansion Under the Economic Growth Scenarios in Wakatipu-Arrowtown and Wanaka

ANNEX III: EMPLOYMENT EXPANSION UNDER THE ECONOMIC GROWTH SCENARIOS IN WAKATIPU-ARROWTOWN AND WANAKA

Figure AIII.1 below ranks industries in descending order of employment growth in Wakatipu-Arrowtown under the Tourism Driven Variant 3: Twin Hub scenario and compares this with growth under the Status Quo scenario.

Figure AIII.1: Total Employment (including indirect and induced effects) Increase by Economic growth Scenarios and industry group in WAKATIPU AND ARROWTOWN Wards: Growth to 2021

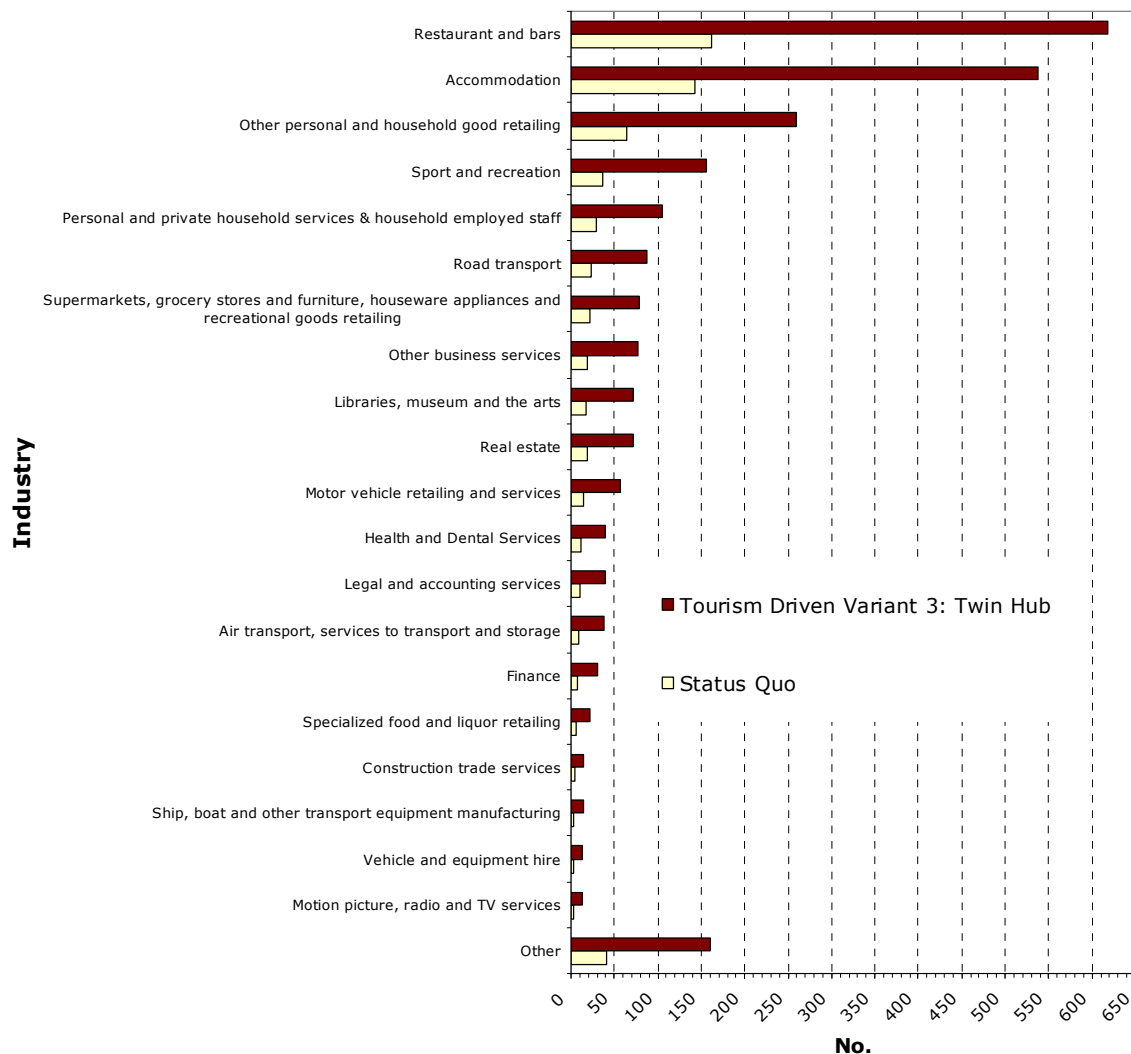


Source: McDermott Miller Estimates

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Figure AIII.2 below ranks industries in descending order of employment growth in Wanaka Ward under the Tourism Driven Variant 3: Twin Hub scenario and show growth under the Status Quo scenario for comparison.

Figure AIII.2: Total Employment (including indirect and induced effects) Increase by Economic growth Scenarios and industry group in WANAKA Ward: Growth to 2021



Source: McDermott Miller Estimates

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Annex IV Commercial/Industrial Land Requirements under the Economic Growth Scenarios

ANNEX IV

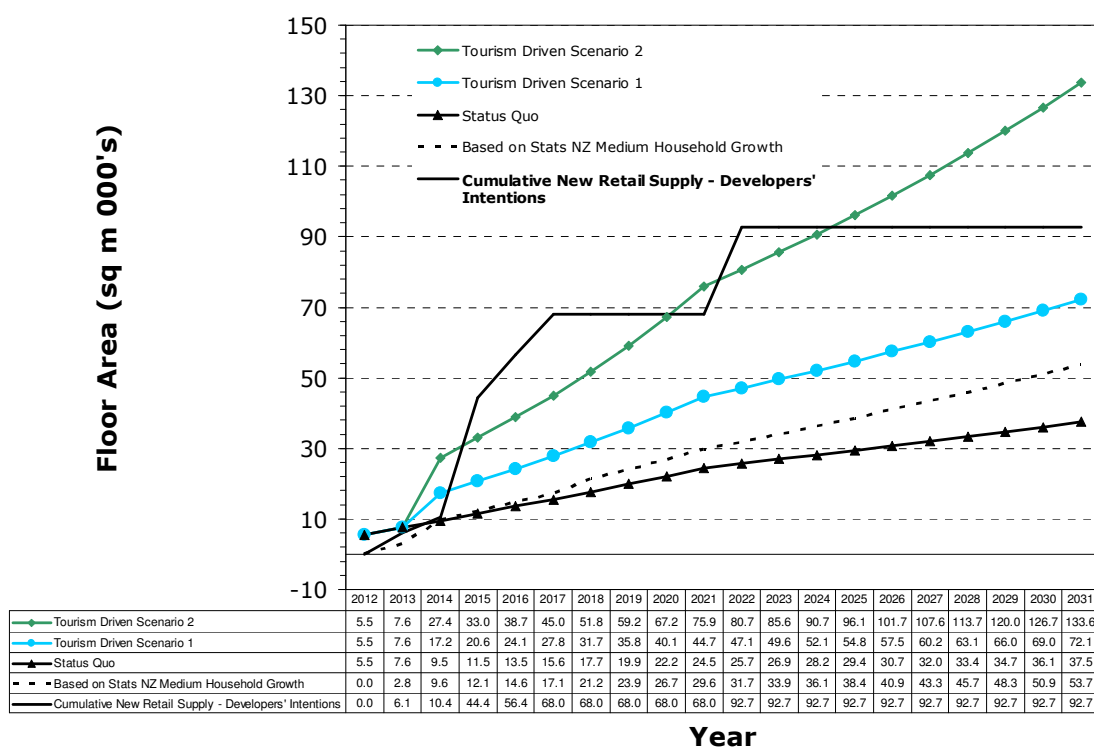
COMMERCIAL/INDUSTRIAL LAND REQUIREMENTS UNDER THE ECONOMIC GROWTH SCENARIOS

This Annex presents estimate of the future commercially zoned land required to support growth in land use/employment activities under the economic growth scenarios.

Comparison of retail floorspace supportable with developers' intentions under the economic growth scenarios

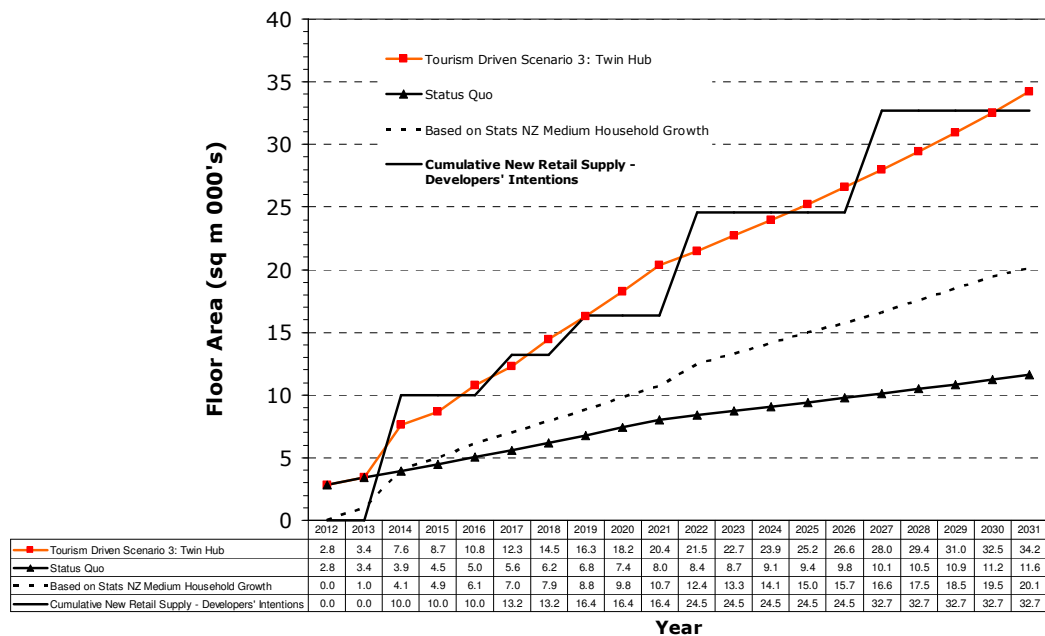
Figures AIV.1 and AIV.2 correspond to Figures 4.12 and 4.13 respectively in Section 4.6.3 of the main report, but have tables attached to show the data.

Figure AIV.1: Cumulative Demand for Retail Floorspace (incl cafes etc) under Economic Growth and Population-driven scenarios, compared with Developer's intended additions to Retail Supply: Wakatipu-Arrowtown



Source: McDermott Miller Estimates
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Figure AIV.2: Cumulative Demand for Retail Floorspace (incl cafes etc) under Economic Growth and Population-driven scenarios, compared with Developer's intended additions to Retail Supply: Wanaka



Source: McDermott Miller Estimates
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Land Use/Employment Activity Definitions

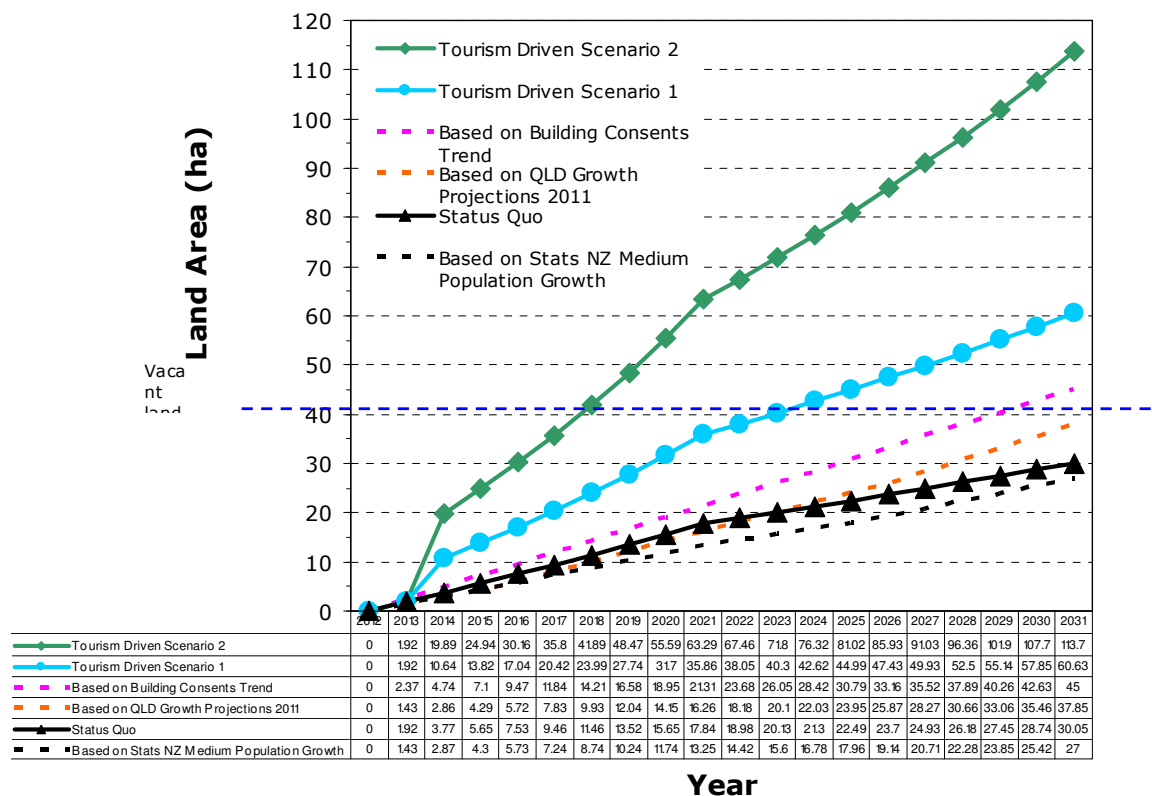
This commercial land needs sections of this report are designed to update the estimates presented in the *Commercial Land Needs – Queenstown Lakes District report (Hill Young Cooper Limited, August 2006)*. For that reason we have adopted the term “employment centres” for commercial zones as used in that report and defined them similarly, with additions), and adopted the employment activity definitions set out in Appendix 4 to that report.

- Yard-based
- Transport-related
- Manufacturing-Construction
- Wholesale
- Office
- Community

Wakatipu-Arrowtown

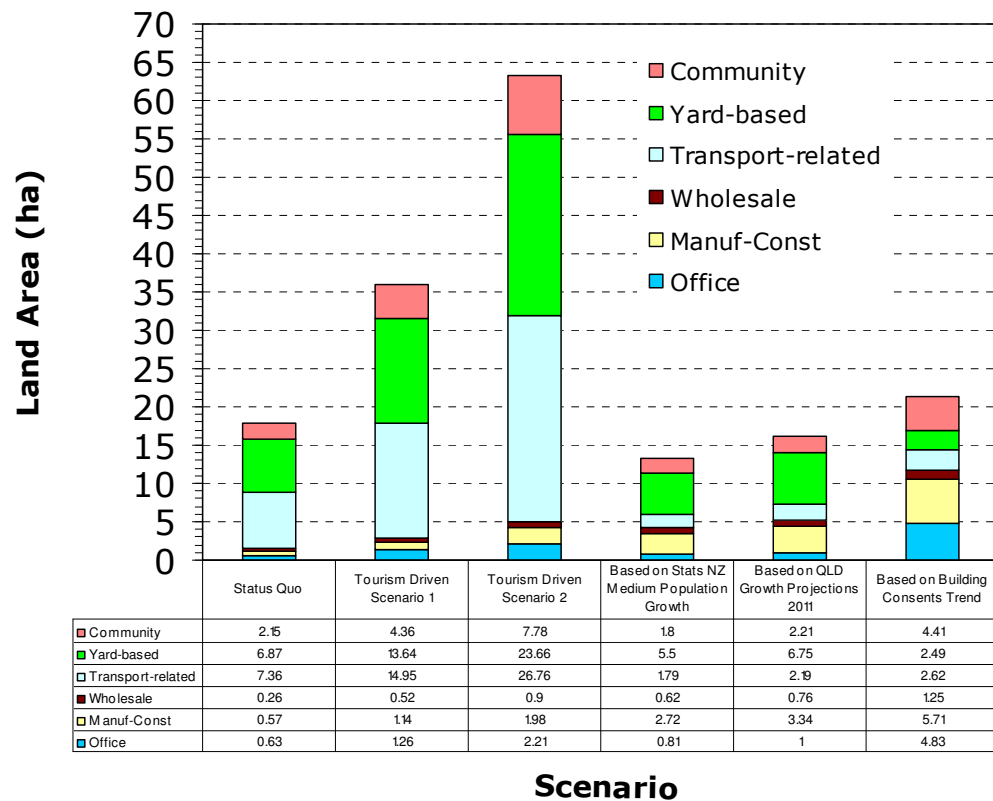
Figures AIV.3 and AIV.4 correspond to Figures 4.14 and 4.15 respectively in Section 4.7.2 of the main report, but have tables attached to show the data.

Figure AIV.3: Demand Scenarios for Vacant Commercial Land (Excluding Land Committed to Retailing): Wakatipu-Arrowtown



Source: McDermott Miller Estimates
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Figure AIV.4: Demand Scenarios for Vacant Commercial Land (Excluding Land Committed to Retailing): Wakatipu-Arrowtown, Growth to 2021

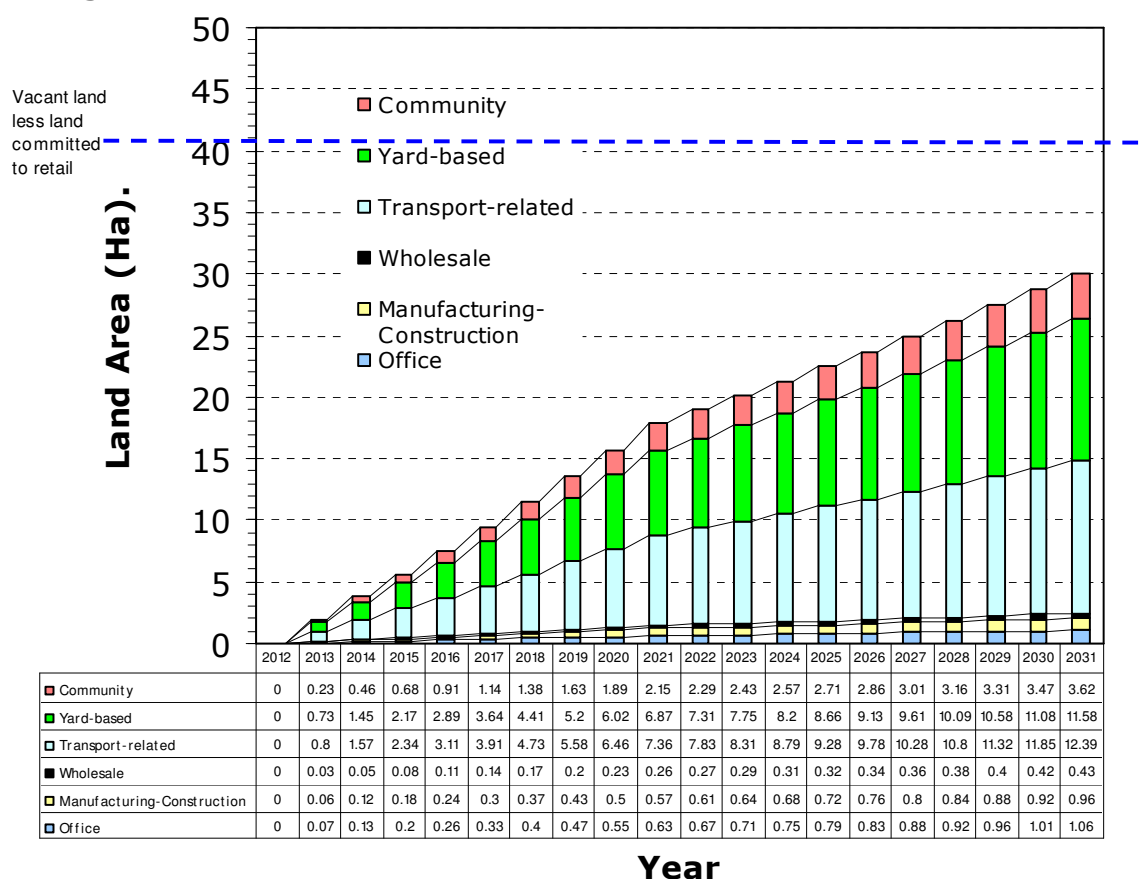


Source: McDermott Miller Estimates
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Figures AIV.5 to AIV.8 compare the land required for the land-use/employment activities in Wakatipu-Arrowtown under the economic growth scenarios with current supply of vacant land (less land committed to retail):

- Under the Status Quo scenario (**Figure AIV.5**) by 2016 some 7.53 ha will be required, by 2021 17.8 ha will be required and by 2031 some 30 ha will be required (all from 2012 base).
- Even in 2031 this is well short of the current supply of 41.1 ha (refer **Table 3.3** in **Section 3**).

Figure AIV.5: Demand for Commercial Land in WAKATIPU-ARROWTOWN: Status Quo Economic growth Scenario



Source: McDermott Miller Estimates

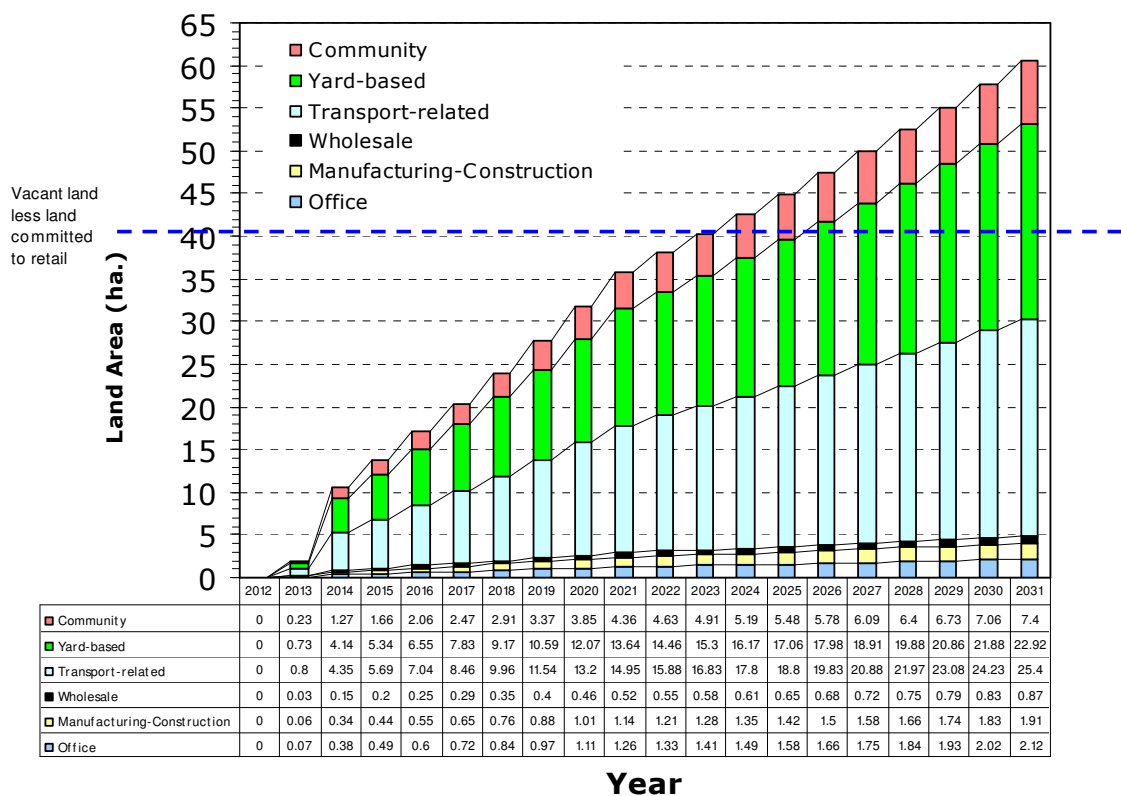
Note: Land required for accommodation is excluded, as the District Plans provides for this outside town centre, business and industrial zones.

Land required for retailing is excluded as land is committed to retailing in the District Plan and Plan Changes 34 and 19 and their associated Structure Plans. Most of this land will be taken up by the Five Mile Centre (including possible future expansion onto Area C1 of the Plan Change 19 land and proposed Remarkables Park retail developments.

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- Under the Tourism Driven Variant 1 scenario (**Figure AIV.6**) by 2016 some 17 ha will be required, by 2021 36 ha will be required and by 61 some ha will be required (all from 2012 base).
- Under this scenario further commercially zoned land would be required by 2025.

Figure AIV.6: Demand for Commercial Land in WAKATIPU-ARROWTOWN: Tourism Driven Variant 1



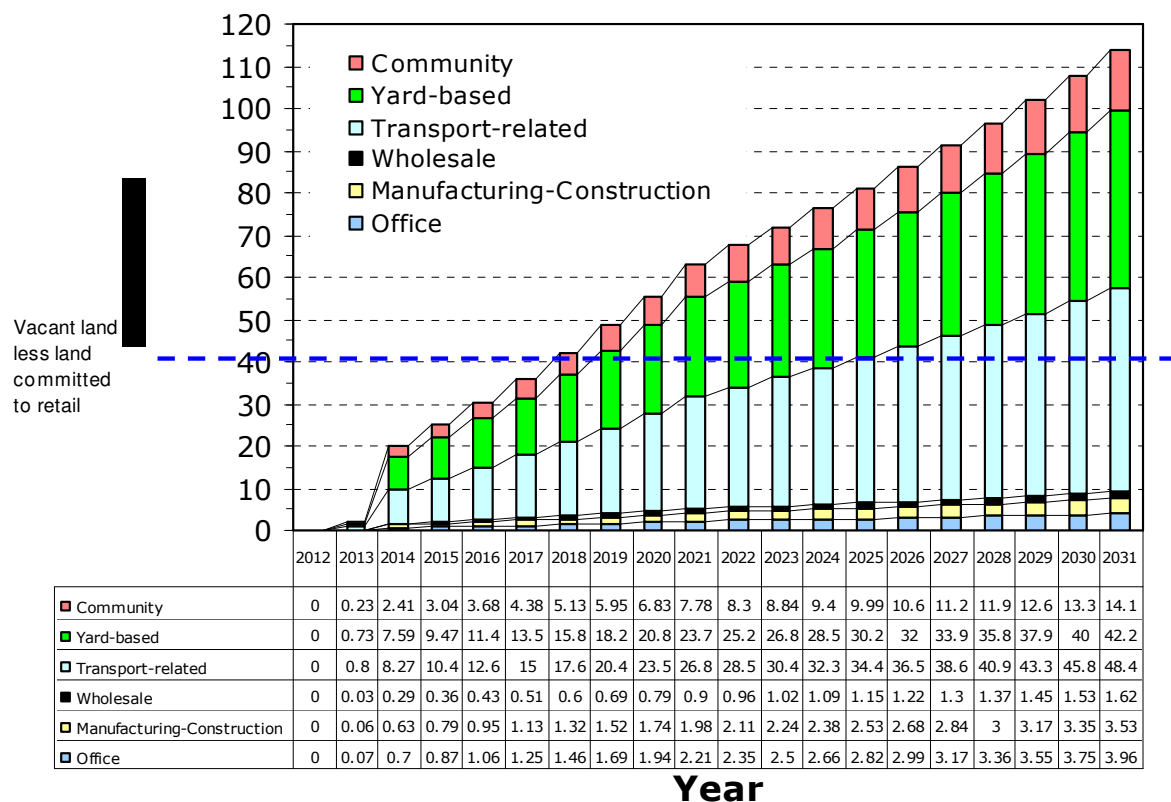
Source: McDermott Miller Estimates

Refer footnotes to **Figure AIV.5**

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- Under the Tourism Driven Variant 2 scenario (**Figure AIV.7**) by 2016 some 30 ha will be required, by 2021 63 ha will be required and by 2031 some 114 ha will be required (all from 2012 base).
- Under this scenario further commercially zoned land would be required by 2020.

Figure AIV.7: Demand for Commercial Land in WAKATIPU-ARROWTOWN: Tourism Driven Variant 2



Source: McDermott Miller Estimates

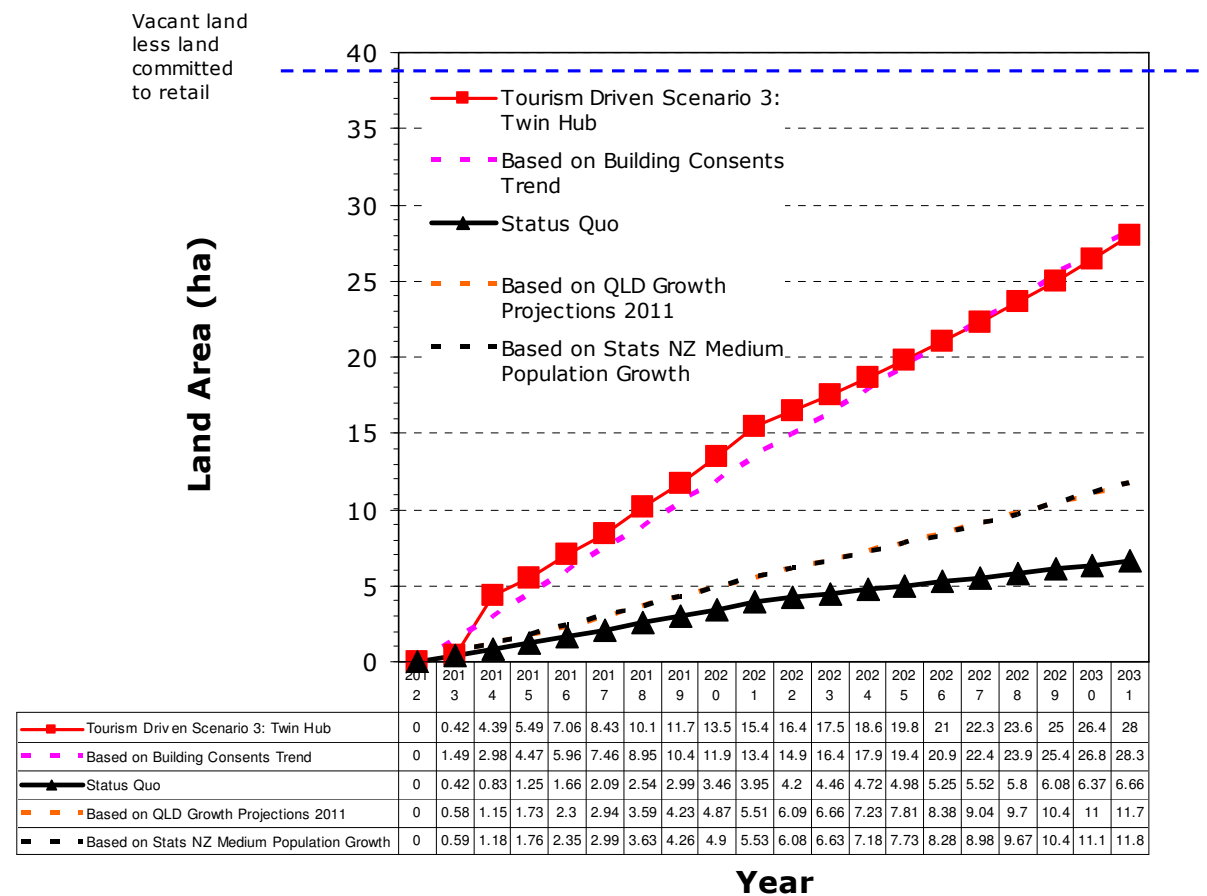
Refer footnotes to **Figure AIV.5**

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Wanaka

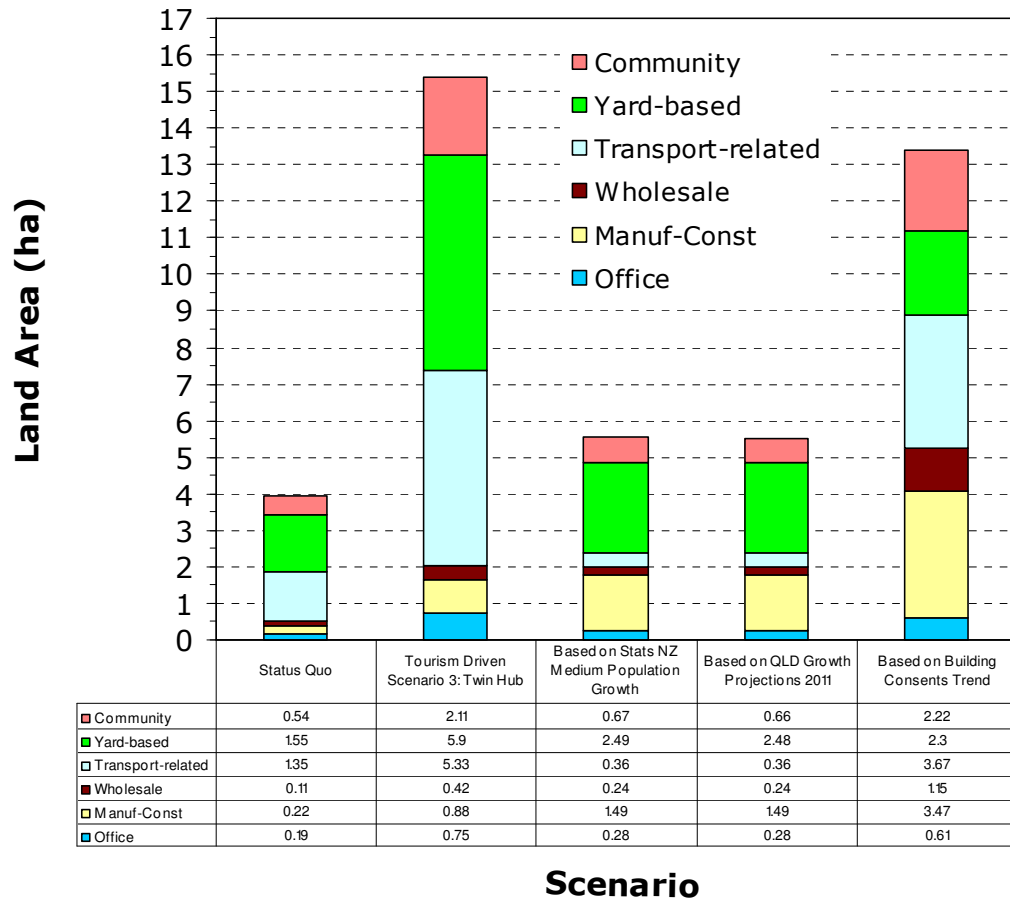
Figures AIV.9 and **AIV.10** correspond to **Figures 4.16** and **4.17** respectively in **Section 4.7.1** of the main report, but have tables attached to show the data.

Figure AIV.9: Demand Scenarios for Vacant Commercial Land (Excluding Land Committed to Retailing) - Wanaka



Source: McDermott Miller Estimates
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Figure AIV.10: Demand Scenarios for Vacant Commercial Land (Excluding Land Committed to Retailing) – Wanaka, Growth to 2021

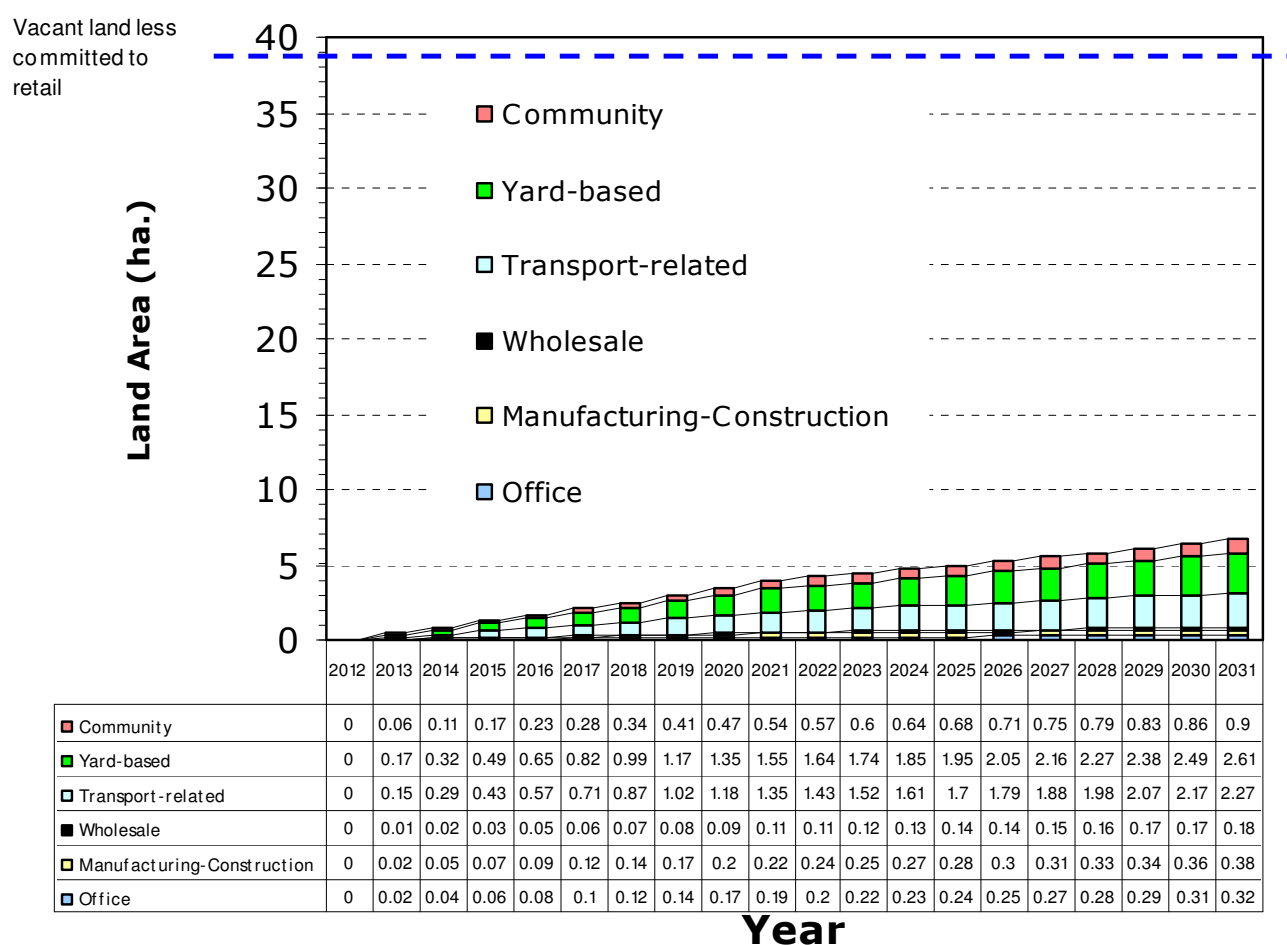


Source: McDermott Miller Estimates
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Figures AIV.11 and **AIV.12** compare the land required for the land-use/employment activities in Wanaka ward under the economic growth scenarios with current supply of vacant land (less land committed to retail)

- Under the Status Quo scenario (**Figure AIV.11**) by 2016 some 1.7 ha will be required, by 2021 3.9 ha will be required and by 2031 some 3.7 ha will be required (all from 2012 base).
- Even in 2031 this is well short of the current supply of 38.7 ha (refer **Table 3.3** in **Section 3**).

Figure AIV.11: Demand for Commercial Land in WANAKA: Status Quo Economic growth Scenario

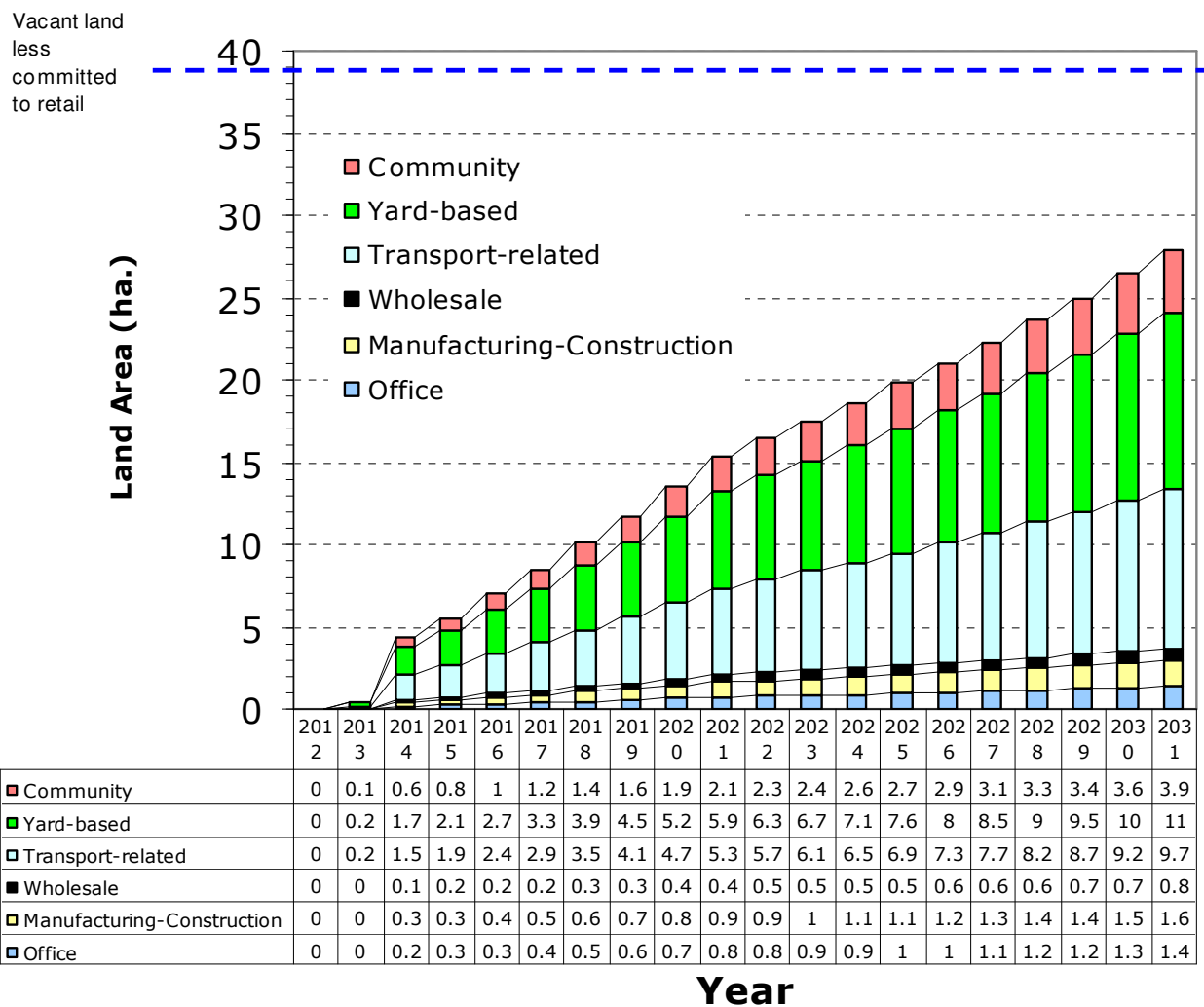


Source: McDermott Miller Estimates

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- Under the Tourism Driven Variant 3 scenario (**Figure AIV.12**) by 2016 some 6.6 ha will be required, by 2021 13.8 ha will be required and by 2031 some 25 ha will be required (all from 2012 base).
- Under this scenario further commercially zoned land would also not be required under the 2031.
- A caveat on this assessment is that if a driver of Wanaka employment growth that is a base industry unrelated to tourism vacant supply of 38.7 ha could be reached prior to the 2031 horizon.

Figure AIV.12: Demand for Commercial Land in WANAKA: Tourism Driven Variant 3



Source: McDermott Miller Estimates

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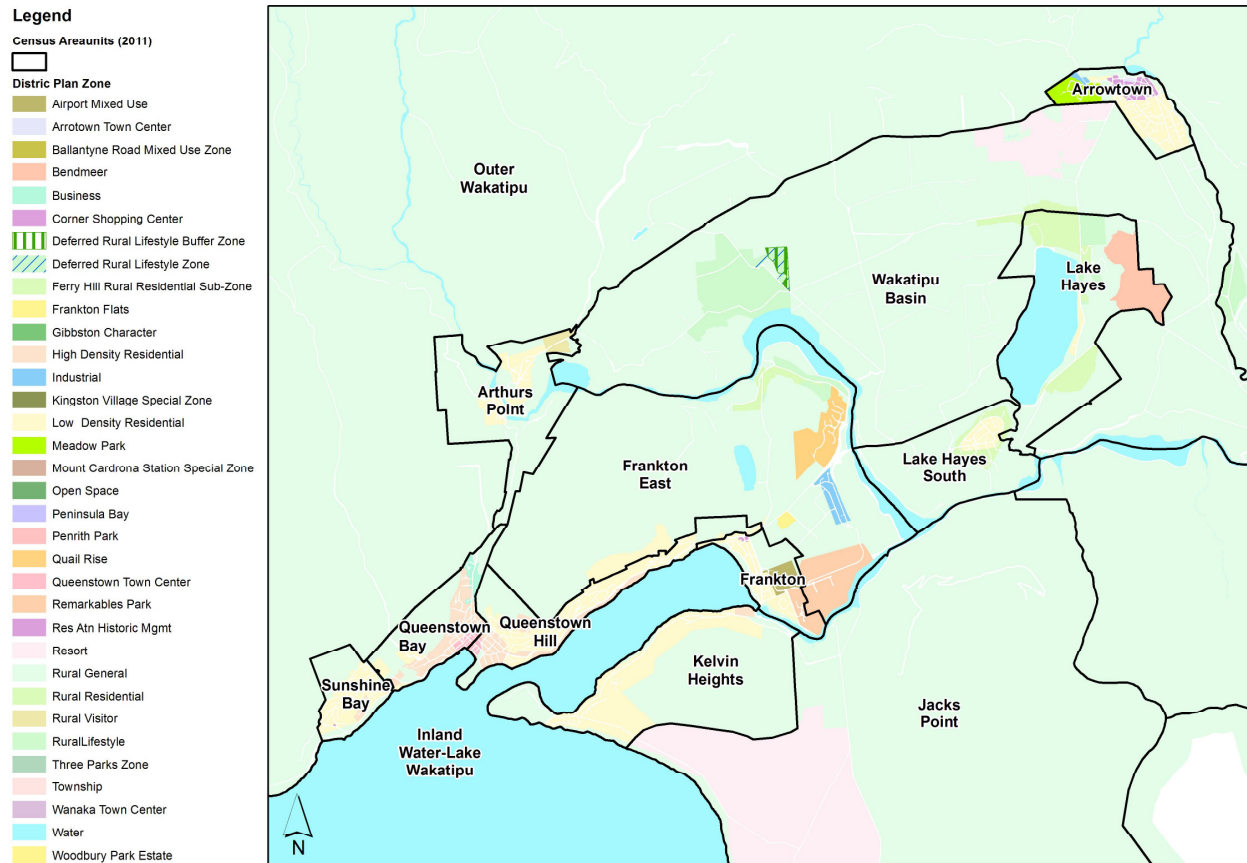


Annex V

Area Unit Maps

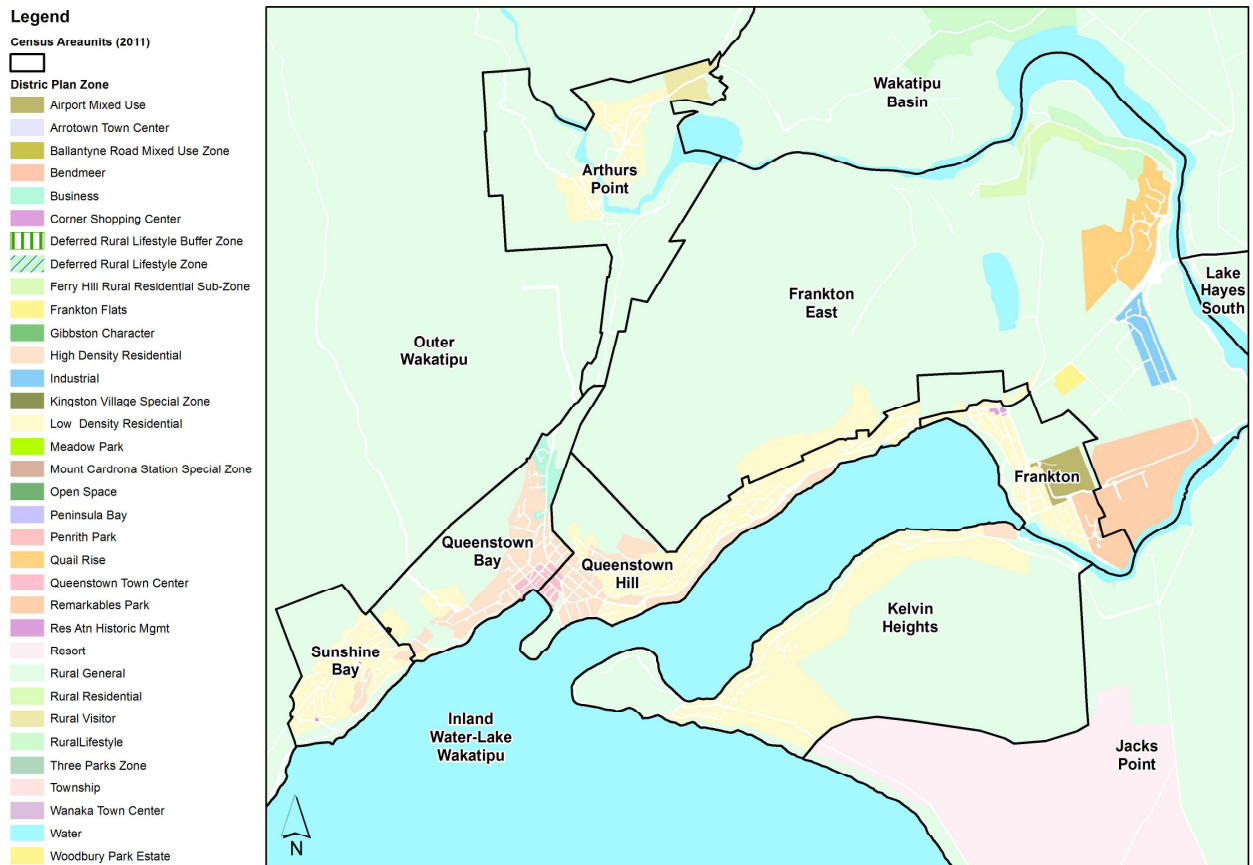
ANNEX V

AREA UNIT MAPS

Figure AV.1: Wakatipu Area Units (2011 Definition) and Queenstown Lake District Zones

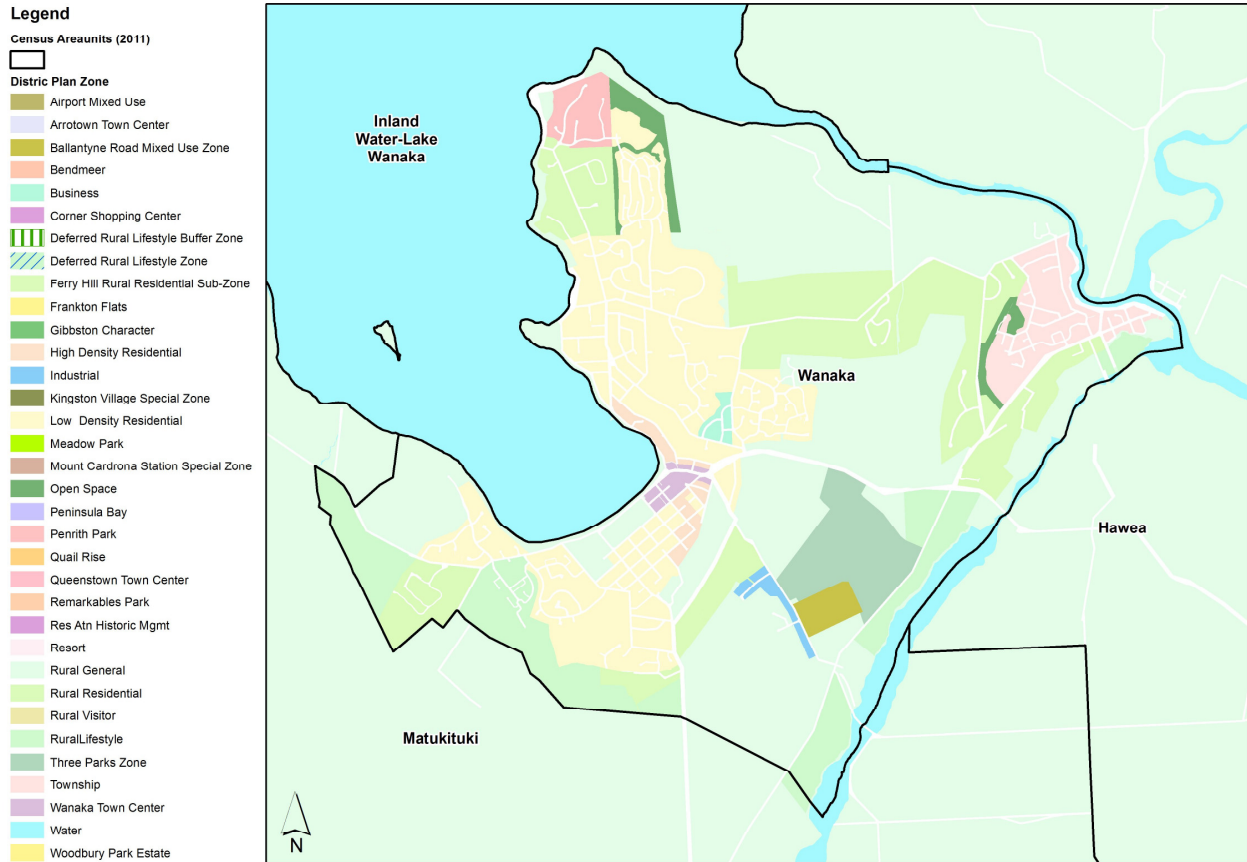
Source: Queenstown Lakes District Council

Figure AV.2: Queenstown Area Units (2011 Definition) and Queenstown Lake District Zones



Source: Queenstown Lakes District Council

Figure AV.3: Wanaka Area Units (2011 Definition) and Queenstown Lake District Zones



Source: Queenstown Lakes District Council

