

Queenstown-Lakes District Housing Accord Monitoring Report

Year 2 of the Accord
(24 October 2015 – 23 October 2016)

Based on:

- Building consent and new section data for the period from 24 October 2015 to 23 October 2016

Executive Summary

The Queenstown-Lakes District Housing Accord (**the Accord**) was signed on 23 October 2014. The Accord is a tool used to facilitate residential development in the Wakatipu Basin. The intention of the Accord is to increase land and housing supply and to improve housing affordability in the Queenstown-Lakes district by facilitating development of quality housing that meets the needs of the growing population.

For Year 2 of the Accord, the adjusted number of new sections and dwellings consented was **760**. As with Year 1, this is substantially higher than the five-year historical average of approximately 275 sections and dwellings consented per year. The surge in activity may be attributed to several factors including a boom in development and construction activity following the global financial crisis, increasing visitor accommodation numbers and the rate of population growth within the Wakatipu Basin.

The only Special Housing Area that has contributed to the Year 2 targets is the approved Bridesdale resource consent application (SH150001) of approximately 134 sections. Other developments that have been consented in Year 2 are Stage 1 of the Hanley Downs Farm development and Shotover Country, which have a combined total of approximately 249 new sections.

Queenstown-Lakes District Housing Accord

The Accord sets targets for the consenting of new sections and dwellings in the Wakatipu Basin area of the Queenstown-Lakes District over three years. The Housing Accord targets were amended by the Minister and Mayor in October 2016 to increase the Year 2 and 3 targets from 450 and 500, to 650 and 750 respectively. The Minister and the Mayor are currently negotiating a new Accord which will set new targets that relate to the entire Queenstown-Lakes District for Years 3 to 6 of the Accord.

This monitoring report provides building consents granted for new dwellings and subdivision consents issued for new residential lots created for Years 1 and 2 (24 October 2014 to 23 October 2016) since the Housing Accord was signed.

Total number of dwellings and sections consented in the Wakatipu Basin			
	Year 1 24 October 2014 – 23 October 2015	Year 2 24 October 2015 – 23 October 2016	Year 3 24 October 2016 – 23 October 2017
Targets	350	450 650	500 750
Actual	557	760	

The data shows that the Council is significantly ahead of its targets set by the Housing Accord and is processing a very high number of building and resource consents.

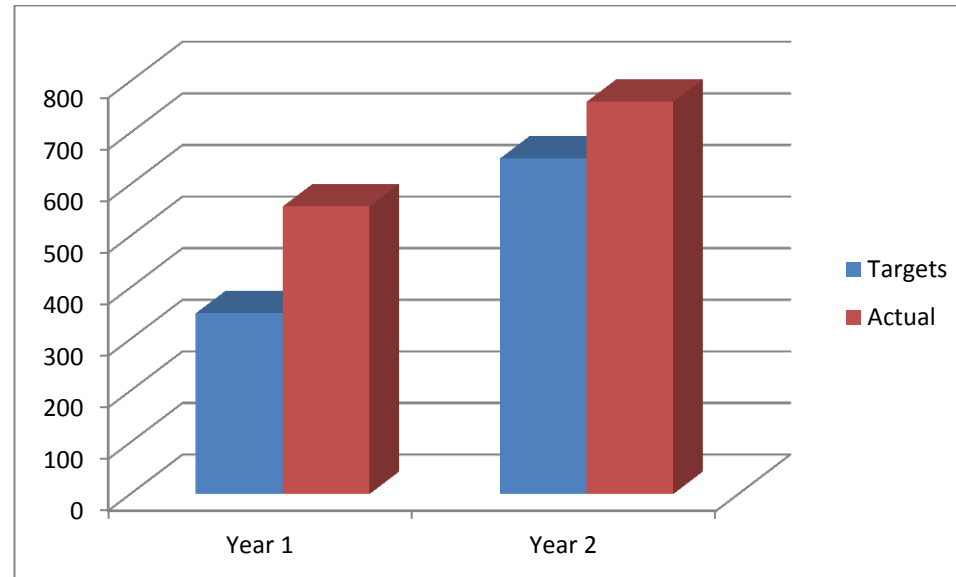


Figure 1 - Total number of dwellings and sections consented in the Wakatipu Basin Year 1 & 2 of the Accord

Consenting Numbers

- At the end of the second year of the Queenstown-Lakes District Housing Accord, Council has met its target of 650 new sections and dwellings with an **adjusted total of 760** across the Wakatipu Basin. This total comprises approximately **484 new dwellings** approved via building consent and **545 new sections** approved by resource consent (these do not add to 760 as the double ups (i.e. new section and new dwelling) have been removed). These figures are above the targets set in the Accord.
- These results can be attributed to the increased number of both resource consents and buildings consents, with numbers increasing by approximately 22 per cent from 2015.
- In addition, Stage 1 of the Hanley Downs Farm development (located near Jacks Point) approved the development of 109 sections. It is noted the remaining stages are currently on hold pending the outcome of the Environment Court appeal. Residential development in the Shotover Country Special Zone contributed 140 additional sections.
- Subdivision consent rates have been averaging **46 sections per month**.
- Building consent rates have been averaging **40 dwellings per month**.

Special Housing Areas

Resource consents have been approved for the following special housing areas:

- Bridesdale Farm resource consent was approved on 21 March 2016. This approved 136 residential allotments and 1 commercial allotment. The developer has commenced works and titles are expected to be released in early 2017. This resource consent contributed significantly to the consenting numbers in the first six months of Year 2.
- The New Ground Capital resource consent within the Business Mixed Use Zone (Gorge Road) SHA was approved on 28 October 2016. This approved 143 x 1 bedroom worker accommodation units with associated earthworks, landscaping and access. This resource consent has not contributed to the Year 2 targets as it was land use consent only. Unfortunately, the developer has been unable to secure funding for this development and it is no longer moving forward in its approved location. The developer is investigating alternative sites in the Wakatipu Basin. The site and base plans have been picked up by a subsequent developer who is currently in discussions with the Council.

Housing Accord Implementation

Proposed District Plan (PDP)

On the 26th August 2015 the Council notified the PDP. The PDP seeks to increase residential densities in Residential Zoned land including the introduction of a Medium Density Zone, Large Lot Residential Zone and the Business Mixed Use zone. It also seeks to allow a much larger number of landowners to potentially develop their properties.

The PDP provides capacity for some 3,000 to 5,000 additional dwellings in its urban zones throughout the entire Queenstown Lakes district over and above the existing capacity of approximately 17,000 currently enabled by the Operative District Plan (ODP).

Dwelling Capacity Model (DCM)

The DCM was first created by the Council in the early 2000's and has been the subject of a number of reviews. This DCM estimates the capacity for the provision of residential units under the Operative District Plan (ODP). The DCM was further reviewed in 2014 and 2015 prior to notification of the PDP, as it was found that the DCM was overstating the realistic capacity. The release of the National Policy Statement for Urban Development Capacity the DCM has prompted the commencement of a further review of the DCM. The boom in development over the more recent years will also be included in the DCM.

The ODP DCM identifies that the approximate total residential capacity under the ODP for the Wakatipu Basin is between 17,000 and 18,000 dwellings. However, the constraints of the existing ODP DCM are acknowledged, being the age of the dwelling number data and that more recent ODP plan changes, such as Northlake are not included. The DCM is being updated as part of the Proposed District Plan.

Queenstown Lakes Community Housing Trust (QLCHT)

The establishment of the QLCHT was initiated by the Council in 2007 when it was recognised that the affordability of dwellings was a growing problem for the district. The QLCHT is now an independent entity.

The QLCHT has completed 44 residential units at Shotover Country. 33 of the units are shared ownership and 11 are for social housing. The shared ownership programme helps people buy their first home in the district in partnership with the QLCHT. The QLCHT have commenced building 11 units in Riverside, Wanaka.

Conclusion

This monitoring report for Year 2 of the Queenstown-Lakes District Housing Accord shows that residential development in the district continues to grow. The Council is seeking to increase the supply of housing and land through the PDP and the HASHAA. The DCM shows that there is already significant capacity within existing zoned land for residential development and the PDP seeks to increase this further through intensification. However, the release of zoned land to the market is not meeting the high levels of demand.

As at 23 October 2016, two qualifying developments have been granted resource consent contributing approximately 134 sections to the Year 2 targets. A further four qualifying developments are expected to contribute to targets for years 3 through 6. The Council is also entering into pre-application discussions with land owners/developers about other potential SHA locations and new proposed developments within the Business Mixed Use Zone (Gorge Road) SHA.

These SHAs could deliver a yield of approximately 885 residential units or sections (excluding the New Ground Capital resource consent that falls in the Business Mixed Use (Gorge Road) SHA), plus a 182 bed aged care facility, thus contributing significantly to the Council's commitments under the Accord.

Queenstown-Lakes District Housing Accord Monitoring Report

**First 6 months of Accord Year 3
(24 October 2016 – 30 April 2017)**

Based on:

- Building consent and new section data for the 6 month period from 24 October 2016 to 30 April 2017

Executive Summary

The Queenstown-Lakes District Housing Accord (**the Accord**) was signed on 23 October 2014. The Accord is a tool used to facilitate residential development in the Wakatipu Basin. The intention of the Accord is to increase land and housing supply and to improve housing affordability in the Queenstown-Lakes district by facilitating development of quality housing that meets the needs of the growing population.

For the first 6 months of Year 3 of the Accord, the adjusted number of new sections and dwellings consented was **317, which is 42% of the Year 3 target of 750**. As with Years 1 and 2, this is substantially higher than the five-year historical average of approximately 275 sections and dwellings consented per year.

A number of Special Housing Areas have been approved within Year 3 of the Accord. These include the New Ground Capital Consent (SH160147), Arrowtown Retirement Village (SH160141), Arthurs Point (SH160143), Onslow Road (SH160140) and Queenstown Country Club (SH160140). These approved resource consents will contribute approximately 600 new dwellings (excluding the dwellings approved as part of SH160143). At this stage the only resource consents that have contributed to the first half of the Year 3 targets is the 66 sections approved as part of the Arthurs Point, Onslow Road and Queenstown Country Club SHAs.

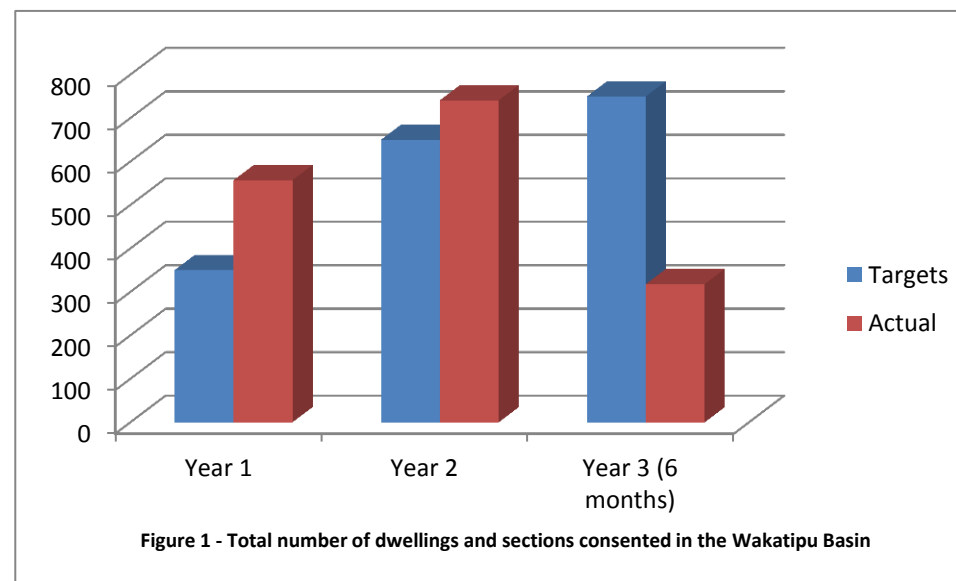
Queenstown-Lakes District Housing Accord

The Accord sets targets for the consenting of new sections and dwellings in the Wakatipu Basin area of the Queenstown-Lakes District over three years. The Housing Accord targets were amended by the Minister and Mayor in October 2016 to increase the Year 2 and 3 targets from 450 and 500, to 650 and 750 respectively. The Minister and Mayor are currently negotiating a new Accord which will set new targets that relate to the entire Queenstown Lakes District for Years 3 to 6 of the Accord.

This monitoring report provides building consents granted for new dwellings and subdivision consents issued for new residential lots created for Years 1 and 2 (24 October 2014 to 23 October 2016) since the Housing Accord was signed.

Total number of dwellings and sections consented in the Wakatipu Basin			
	Year 1 24 October 2014 – 23 October 2015	Year 2 24 October 2015 – 23 October 2016	Year 3 24 October 2016 – 23 October 2017
Targets	350	450 650	500 750
Actual	557	760	317 (at 30 April 2017)

The data shows that the Council is tracking well against the Accord targets and the 317 is 42% of the Year 3 Target of 750, although this is slightly lower than the 399 achieved at the same time last year.



Consenting Numbers

- Halfway through the second year (as at 30 April 2017) of the Queenstown-Lakes District Housing Accord, Council is tracking well towards the Year 3 targets as **153 new dwellings** have been consented and **255 new sections** approved by resource consent for an **adjusted total of 317** across the Wakatipu Basin. This is approximately 42% of the Year 3 targets.
- Approximately 60% of the building consents issued were already accounted for as a new section approved in Year 1 and 2 of the Accord.
- Subdivision consent rates have been averaging **43 sections per month**.
- Building consent rates have been averaging **26 dwellings per month**. This time last year building consents issued for the Wakatipu Basin were approximately 40 dwellings per month. A review of the data shows that the Council is still processing a very high number of building consents, however these involve new builds outside of the Wakatipu Basin and for other types of activities, such as commercial buildings.

Special Housing Areas

Resource consents have been approved for the following special housing areas:

- New Ground Capital resource consent was approved on the 28 October 2016. This approved 143 x 1 bedroom worker accommodation units with associated earthworks, landscaping and access. This resource consent has not contributed to the Year 2 targets as it was land use consent only. This site falls within the Business Mixed Use Zone (Gorge Road) SHA. Unfortunately, the developer has been unable to secure funding for this development and it is no longer moving forward in its approved location. The developer is investigating alternative sites in the Wakatipu Basin. The site and base plans have been picked up by a subsequent developer who is currently in discussions with the Council.
- Arrowtown Retirement Village resource consent was approved on the 14 November 2016. This approved land use consent to construct and operate a retirement village, which is broken down into the following: 120 villas, 75 apartments, 100 aged bed care facility, Community Centre and associated facilities and amenity. This resource consent has not contributed to the Year 2 targets as it was land use consent only. It is likely that this will contribute to the Year 3 to 6 targets of the Accord.

- Arthurs Point resource consent was approved on the 23 December 2016. This approved land use consent for 88 residential units and subdivision consent for 30 fee simple lots and the two lots that will be eventually subdivided into unit title allotments. This will contribute to Year 3 of the Accord, with the subsequent subdivisions (if these proceed) likely to contribute to Years 3 to 5 of the Accord.
- Queenstown Country Club and Onslow Road approved 4 April 2017 – 332 residential units (including 82 bed care facility: offering rest home, hospital and dementia care; commercial node: ancillary services including a doctor, dentist, pharmacy and child care; club house: offering a café, theatre, gymnasium, health spa, bowling green and croquet lawn; 12 unit housing development and 2 vacant lots. The Onslow Road portion involves the development of 21 residential allotments. This qualifying development is likely to count towards the second half of Year 3 and Years 4 to 6 of the Accord.

Council officials have entered into pre-application discussions with a number of different landowners/developers regarding the establishment of further SHAs. Council is proposing to re-establish and extend the Business Mixed Use (Gorge Road) SHA due to a number of discussions held with land owners and developers. The Council is currently seeking public comment / feedback on the proposal. A determination on whether or not to recommend it to the Minister as an SHA will be made at the Full Council meeting on 25 May 2017.

Conclusion

This monitoring report for Year 3 of the Queenstown-Lakes District Housing Accord shows that residential development in the Wakatipu Basin continues to grow. The Council is seeking to increase the supply of housing and land through the Proposed District Plan and the HASHAA. However, the release of zoned land to the market is not meeting the high levels of demand.

Five qualifying developments have been granted resource consent in first half of Year 3 of the Accord. The Council is also entering into pre-application discussions with land owners/developers about other potential SHA locations and new proposed developments within the Business Mixed Use Zone (Gorge Road) SHA.

The approved qualifying developments only contribute 66 new sections to first half of Year 3 of the Accord. This is because the approved SHAs include the development of apartments and retirement villages, which do not involve the submission of building consents at this point in time. These are likely to contribute to the second half of Year 3 and Years 4 to 6 of the Accord.