

-BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER OF

The Resource Management Act 1991

AND

IN THE MATTER

Private Plan Change 46 – Ballantyne Road
Industrial and Residential Extension

STATEMENT OF EVIDENCE BY ALLAN DIPPIE

18th August 2015

1. INTRODUCTION

Experience and Expertise

- 1.1 My name is Allan Dippie. I am a Director of Orchard Road Holdings Limited (ORHL).
- 1.2 I am authorized to appear on behalf of the directors of ORHL for the purpose of making a statement in support of ORHL's private plan change 46, Ballantyne Road Industrial and Residential Extension.

Scope and Structure of Evidence

- 1.3 In this statement I will address the following matters in relation to PC46:
- a) Background to ORHL and the Plan Change
 - b) Industrial Land Needs and Demands.

2. ORCHARD ROAD HOLDINGS LIMITED

- 2.1 ORHL is a residential and industrial land development company owned by myself and my brother Martin. ORHL is the company behind Wanaka's Enterprise Drive industrial area and the Triangle residential development on Cardrona Valley Road/Orchard Road.

Enterprise Drive

- 2.2 The Enterprise Drive industrial area is an area of land along Ballantyne Road to the east of the PC46 land. The Enterprise Drive industrial area was a strip of industrial zoned land for which ORHL initially obtained consent (2006) to establish a 50 unit business park with custodial units.
- 2.3 After obtaining the business park consent we found that most of the enquiries we were getting were for affordable, industrial land to accommodate traditional industrial activity. It became apparent that there was a shortage of this type of land available on the market.
- 2.4 We identified that the Enterprise Drive area was an ideal location for industrial activity given its location adjacent to an existing industrial area. In 2010/2011 ORHL obtained consent to subdivide the land as an industrial subdivision to meet the identified demand for this type of land.

- 2.5 All 10 lots created as part of that subdivision have now been sold and industries including steel fabricators and sign writers have established within the subdivision on 9 out of the 10 lots so far.

Plan Change 36

- 2.6 Having identified the need for additional industrial land and the suitability of the Enterprise Drive location to accommodate it, ORHL made submissions to Plan Change 36 (Wanaka Industrial Zoning Extension) to rezone land behind the Enterprise Drive industrial area to enable an extension of this industrial development.
- 2.7 The submission was accepted and this land was subsequently rezoned. As Ms Devlin will explain in her evidence, the Plan Change 36 hearing was the catalyst for PC46, with the Plan Change 36 Commissioners agreeing that the scheme now proposed through PC46 would be a good planning outcome.
- 2.8 The main driver of this good planning outcome was our Company's commitment to establish a roadway and open space network that separates existing and future industrial activities from future residential activities. The alternative is to be accessing future residential activities directly from industrial activities and also to not be able to manage reverse sensitivity effects as well as PC46 anticipates.

3.0 Demand

- 3.1 As I have already noted, the first stage of the Enterprise Drive industrial development has been completely sold out and we have enquiries for an extension of some of these existing activities as well as enquiries from businesses wanting to establish new activities. Given the continual demand for land at this location we applied for and have recently received Outline Development Plan approval for the Ballantyne Road Precinct, which was the land rezoned through PC36. We will now progress a subdivision for Stage 1 of the Ballantyne precinct as this will not be affected by the outcome of PC46 but will provide some much needed industrial land at this location.
- 3.2 I have no doubt that Stage 1 of the Ballantyne Precinct land will be taken up relatively quickly and we will need to move towards stage 2, which will ideally include the additional land that forms part of PC46.

- 3.3 I have read the submission that states there is no demonstrated demand for industrial or residential zoned land now or in the foreseeable future. I disagree with this submission. Through ORHL and the other company I am Director of, Willowridge Developments Limited, I have an comprehensive knowledge of the market in Wanaka for both residential and industrial land.
- 3.4 In terms of industrial land, we are confident that there is a very real need for the industrial land identified through PC46 and consider that, given the current level of demand, even the PC46 land will only be a medium term solution to affordable industrial land needs.
- 3.5 Ballantyne Road is really the only area in Wanaka that caters for industrial development. Anderson Heights is predominantly a business area; Three Parks has a Business Subzone, but no industrial zoning; and the Ponds site is specifically identified for yard based industry.
- 3.6 There is undeveloped industrial zoned land within the Connell Terrace precinct to the south of PC46, but combined with the Enterprise Drive and land proposed through PC46, this will likely only meet a medium term demand and is certainly not representative of an oversupply of industrial land.
- 3.7 I am also of the opinion that there is no such thing as an oversupply of industrial land. As long as the land can be serviced efficiently then additional industrial land will simply give industries better choice to find a site that suits their needs and a more competitive rate.
- 3.8 The availability of industrial land will also encourage new businesses to establish and expand their business within the Wanaka area of QLDC. Affordable industrial land has been in short supply in Wanaka for a significant amount of time. This has at times resulted in very expensive land prices. Over the last 10 years we have plenty of examples where businesses have chosen to establish in other locations (particularly Cromwell) over this time. This is detrimental to Wanaka's economic well-being and of course job opportunities.
- 3.9 In terms of residential development, there has been a continued demand for residential land in Wanaka since I started land development in 1993, including through the Global Financial Crisis. In recent months the interest in residential land has picked up speed and sections are selling very fast. The residential

land proposed through PC46 will bring a different product to the market than that currently available and will provide a range of lot sizes, which are affordable and in close proximity to employment land.

- 3.10 The Planners Report has recommended that affordable housing is provided through a voluntary retention mechanism. In my experience the rezoning of sufficient residential land will in itself result in a range of housing products and prices. The very act of creating a residential subdivision creates affordable housing options. Compare the situation of nobody creating any residential subdivision for example. It all comes down to good old supply and demand economics. Wanaka is often tarred with the same brush regarding affordability and is confused with the situation that exists in Queenstown, which is substantially different.
- 3.11 This is because Wanaka has a range of affordable housing options for first home buyers in Wanaka and surrounding locations, such as the subject site, Three Parks, North Lake, Albert Town, Hawea and Luggate.
- 3.12 The last two locations (Hawea and Luggate) are where our Company is particularly involved in the provision of affordable housing options and in particular the Timsfield subdivision at Hawea has been continuously providing affordable housing options (first home buyers) for several years now and this project will continue to do that for many years to come given this project is very large in scale.
- 3.13 I personally also believe that voluntary retention mechanisms, such as subsidising some residential sections or donating some residential sections to a housing trust, is very counterproductive to affordability. Particularly in situations such as Wanaka where a large amount of affordable sections are readily available and being delivered to the market.
- 3.14 This form of market retention is essentially a cross subsidisation of pricing from some residents in a subdivision whom must pay more so other residents can pay less.
- 3.15 A much more efficient form of providing affordable housing is by way of providing plenty of housing options (supply) in a very competitive market.

- 3.16 In summary this project, combined with the Hawea and Luggate affordable housing projects our Company specialises in will ensure on-going affordable options for a cross section of the community and provide and even greater choice of location.

4.0 CONCLUDING COMMENTS

- 4.1 Getting PC 46 to this stage has been a long process, during which time our existing industrial land supply has been used up. We are now progressing with the next stage of development at Enterprise Drive and are confident there is a good level of demand for this land. The additional industrial land promoted through PC46 is therefore key to ensuring sufficient supply of industrial land in Wanaka.
- 4.2 The rezoning of the residential land is also important given the demand for residential land in Wanaka. The PC46 residential land will ensure there is a wide range of residential products on the market to suit the needs of every sector of the community.
- 4.3 Importantly the urban design outcome of PC46 has been carefully considered, especially the separation of residential and industrial traffic and the very significant reserve space and cycle way/walkway promoted between the two uses. This is a much better urban outcome from what might otherwise be achieved.

A DIPPIE

18 August 2015