

**BEFORE THE HEARINGS PANEL
FOR THE QUEENSTOWN LAKES PROPOSED DISTRICT PLAN**

IN THE MATTER of the Resource Management
Act 1991

AND

IN THE MATTER of Hearing Stream 13 –
Queenstown Mapping
Annotations and Rezoning
Requests

**STATEMENT OF EVIDENCE OF PHILIP OSBORNE
ON BEHALF OF QUEENSTOWN LAKE DISTRICT COUNCIL**

COMMERCIAL OFFICE AND INDUSTRIAL LAND

24 May 2017

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Appendix 1 - Tables And Figures Referred To In Evidence

1. INTRODUCTION

- 1.1 My name is Philip Mark Osborne. I am an Economic Consultant for the company Property Economics Ltd, based in Auckland. My qualifications include – Bachelor of Arts (History/Economics), Masters in Commerce, a Masters in Planning Practice, and have provisionally completed my doctoral thesis in developmental economics.
- 1.2 For the past thirteen years I have been an economic property consultant for Property Economics. Previous to this I have been a business analyst to several large firms both here and in Europe. I also taught economics at both the secondary and tertiary level.
- 1.3 I have recently advised, and currently advise, central government organisations such as the Ministry for the Environment and the Ministry for Business Innovation and Employment as well as local authorities including Christchurch City, Napier City, Auckland Council, Wellington City and Wellington Regional Councils, Waikato Regional Council, and Far North Councils in relation to forward planning and resource valuation issues. I also provide consultancy services to a number of large private sector clients in regard to a wide range of property issues, including economic impact assessments, forecasting market growth, determining future land demand for the residential and business sectors, and economic cost-benefit analysis.
- 1.1 I have been engaged by the Queenstown Lakes District Council (**QLDC** or **Council**) to provide evidence in relation to the expected business land demand for Industrial and Commercial Office activity within the District for both the Wakatipu and Wanaka Wards.
- 1.2 Although this is a Council hearing, I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014 and that I agree to comply with it. I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this

evidence is within my area of expertise, except where I state that I am relying on the evidence of another person.

2. SCOPE

2.1 My evidence relates to the business market within the Queenstown Lake District (**District**) and the economic drivers that contribute to accommodating these businesses. Specifically, my evidence will outline the current business environment facing Queenstown as well as projecting future levels of business activity. Finally, my evidence will assess the likely demand for commercial office and industrial land and reconcile this with the current level of supply under the Proposed District Plan (**PDP**).

2.2 Included in **Appendix 1** are a number of Tables and Figures, that are referred to throughout this evidence.

3. EXECUTIVE SUMMARY

3.1 Overall, projections suggest that both the Wakatipu and Wanaka Wards have sufficient commercial land zoned to meet expected demand to 2048. In terms of Industrial land, the current land zoned in the Wakatipu and Wanaka is expected to meet market needs to 2030, but not through to 2048 demand requirements.

3.2 The District has seen substantial employment growth over the past 16 years with total employment rising 150%. Commercial Office and Industrial employment have risen, collectively approximately 200% across this period.

3.3 Both the Wakatipu and Wanaka Wards have seen substantial rates of growth in industrial employment with Wakatipu typically accommodating less land and floorspace extensive businesses, while the Wanaka Ward has accommodated industrial businesses that typically require greater levels of both land and floorspace per employee. This is, in part, due to the size of each market with the Wakatipu land supply proportionately more constrained thereby attracting businesses that exhibit higher land productivities.

- 3.4** Demand projections based on 2nd level ANZSIC categories suggest that the District's commercial and industrial growth will double over the next 30 years.
- 3.5** It is expected that by 2048 business growth within the industrial sector will require 92ha to accommodate growth, with approximately 66ha in Wakatipu and 26ha in Wanaka. Commercial Office will require some 35ha of land (at grade) to accommodate the expected growth within these sectors with 24ha within the Wakatipu Ward and 11ha in Wanaka. This demand is likely to take a form that will facilitate multi-storey development. Based on the current level of built-form in Queenstown and trended changes the potential height would suggest an average of two storeys across the District essentially halving the commercial office land requirement to 18ha.
- 3.6** Based on Council GIS data the District currently has 52ha of vacant industrial land and a total of 70ha of vacant commercial land. It is important to note that the utilisation of this vacant capacity does not consider the potential redevelopment of the existing built stock and therefore potentially underestimates capacity at this time. Additionally, the commercial land capacity is not limited to demand from commercial office but services other activities such as retail and commercial services, outlined in the evidence of Mr Timothy Heath.

4. QUEENSTOWN SPATIAL BUSINESS MARKET

- 4.1** The Queenstown business market has experienced significant changes over the past 10 years. Both the Global Financial Crisis (**GFC**) and increasing growth pressures have resulted in clear cyclical change and current pressure in the demand for business land.
- 4.2** While these specific events have impacted upon the operations and profitability of many businesses (across New Zealand and within the District), businesses within the District have also faced significant pressure on locational options from other activities that have sought to locate on lower priced land (i.e. commercial locating in industrial areas).

4.3 This evidence addresses the market for commercial office and industrial activity. The activities assessed are those that would typically locate on either commercial or industrial zoned land and exclude significant sectors such as agriculture, schools and community facilities. Many of these excluded activities either locate in alternate zones or are specifically zoned based on the servicing needs of the residential population. Additionally, commercial office relates to activities that would typically locate within an office buildings and are less likely to compete with retail premises (as are commercial services outlined in the evidence of Mr Heath).

4.4 **Table 1** outlines the employment¹ composition and changes that have occurred across the District in the last 16 years. At a high level this illustrates the following:

- (a) while total employment in Queenstown has increased by 150% over this period, both the commercial (office) and industrial sectors have increased by approximately 200%;
- (b) construction has experienced the biggest growth rate of over 300% accounting for over 50% of all industrial employment growth;
- (c) the largest commercial growth has been experienced in Professional and Support Services accounting for 50% of these sectors total growth;
- (d) when considering the commercial growth rate both experienced and expected, the most influential locational attribute for the growth sectors is amenity;
- (e) the GFC had differing temporal impacts on these two sectors with industrial recovering (in terms of employment) by 2013 and commercial activity being impacted by only 12 months; and
- (f) the proportion of employment that is not specifically related to servicing the local population² has increased for 37% to 45%.

1 Based on Employment Count (EC) at 2nd level ANZSIC (Australia New Zealand Standard Industrial Classification) as defined by Statistics NZ.

2 For example; Healthcare and Education.

- 4.5** This growth has put significant pressure on existing land supply and has resulted in relative increases in land prices and rental rates with industrial land prices exceeding \$1,000sqm in some locations.
- 4.6** This level of pressure has resulted in conflict between land use activities with higher valued commercial activity (with 40% of the Districts' commercial office consents occurring in industrial zones over the past 5 years) competing within industrial zones, thereby artificially forcing the price of industrial land up and, in places, rendering it unaffordable for industrial uses.
- 4.7** **Tables 2 and 3** break this employment activity down by ward between Wanaka and Wakatipu. The Wakatipu Ward accommodates, nominally, the majority of the industrial and commercial activity within the District with over 80% of all employment in these sectors in 2000 falling to 76% by 2014.
- 4.8** As a proportion of the district's population, Wakatipu accommodates nearly twice as many ECs within these sectors, with Wanaka housing less than 17% relative to its population, and Wakatipu over 29%. Similar to the proportions above, the Wanaka Ward has an increasing proportion of the District's employment with the area slowly moving from a dormitory suburb to one with a greater employment base.
- 4.9** This proportional change is most evident in the commercial office sector with Wanaka achieving over 25% of the last 15 years' growth with only 14% of the base employment. While much of this growth was experienced pre-2008 the area continues to grow, at least, in line with the District.
- 4.10** **Figures 1 to 4** show the current distribution of industrial and commercial employment activity in both the Wakatipu and Wanaka Wards. There is a clear concentration of both sector activities in and around the centres with commercial activity, specifically, focused around the Wanaka and Queenstown Town Centres.
- 4.11** **Figures 5 to 8** illustrate the changes that have occurred in terms of employment growth, by sector, over the last 15 years in both areas.

4.12 Market changes indicated through these figures include:

- (a) the majority of industrial growth within Wakatipu has been focused in the eastern area of Frankton with over 70% of industrial growth occurring here;
- (b) while the Wanaka area saw substantial proportional growth to 2008, the net growth rate over the past 8 years has declined. This is illustrated by growth that is sporadically distributed throughout the area with marginal local nominal growth;
- (c) commercial growth in Wakatipu has been distributed primarily in the Queenstown Town Centre and in the eastern areas of Frankton. Given that the distribution of this employment is based on meshblocks³ the aggregation of the growth in the Queenstown Centre is significantly greater than that of Frankton. However, these two areas make up over 80% of the net commercial office employment growth over the past 15 years; and
- (d) any significant commercial office growth in Wanaka has been almost exclusively contained within the Town Centre with minimal movement elsewhere in the ward.

4.13 With strong population growth in both wards over the next 30 years employment and business growth is expected to continue strongly with threefold impacts from increased population, increased labour force participation rates, and increased tourism. The result is continued demand for business land throughout the District. The current distribution of demand would suggest that both commercial and industrial activity remains concentrated within centres with Queenstown Town Centre, Frankton and Wanaka Town Centre experiencing the majority of business growth.

4.14 **Table 4** outlines industrial building consents within the Wakatipu and Wanaka Wards over the last 16 years. This illustrates the growth experienced in Wanaka over the past 15 years with nearly 40% of industrial floorspace consented within this area. It indicates that the industrial activity in Wakatipu is likely to be more land intensive with

higher value activities. This is in part a reaction to the level of competition from commercial activity locating in industrial zones and the corresponding increase in land price levels.

- 4.15** **Table 5** outlines commercial office consents over the last 16 years and indicates that Wanaka has experienced only 13% of the total commercial office floorspace consented in the District. This is while experiencing over 25% of commercial employment growth. Interestingly 26% of consents were filed for Wanaka indicating that the area accommodates a higher number of smaller offices and also a greater proportion of businesses operating from residential addresses. Wakatipu has seen the vast majority of the commercial building consents over this period with a greater level of new commercial buildings driven, in part, by the need for higher degrees of amenity that are now required by the market.
- 4.16** The identification of building consents does not necessarily translate to zoned land demand. The level of commercial activity and the take up of commercial land is related to the level of competition expressed by commercial activities within industrial zones. This issue is not constrained to the Queenstown market, however substantial commercial growth rates have led to increasing pressures on industrial land. This pressure is illustrated through 40% of commercial consents locating in industrial zones over the past 5 years. The pressure, subsequently, placed on industrial land prices reduces the competitiveness of the Queenstown industrial market, reducing efficiencies and limiting growth in the District.
- 4.17** The overall variance between areas is significant with the average new industrial employee in Wanaka absorbing over 100sqm of floorspace (compared to 54sqm in Wakatipu) and for commercial absorbing only 15sqm (compared to 28sqm in Wakatipu).
- 4.18** **Table 6** outlines the current zoned and vacant commercial land. It is important to note that this land is zoned for commercial activities that operate beyond that of commercial office and include activities such as retail and commercial service⁴. This shows vacant land capacity

4 Outlined in the retail evidence of Mr Heath.

of over 70ha within the District with 25ha in Wanaka and 47ha in the Wakatipu Ward.

4.19 **Table 7** highlights the zoned industrial land within the two wards that comprise the District. This shows a total of 125ha of industrially zoned land with 51.5ha of this currently vacant or underutilised. Currently there is 30ha within the Wakatipu Ward and 20ha within the Wanaka Ward.

5. DEMAND FOR COMMERCIAL AND INDUSTRIAL LAND

5.1 It is important to note that, in general, the market will supply space for the highest level of business ECs over a given period (i.e. the market will have to have accommodated a greater proportion of some sectors prior to the GFC). This would imply that the market may still retain some degree of redevelopment potential as well as the identified vacancies. This potential capacity has not been considered in the balance of supply and demand.

5.2 The industrial market in Queenstown has shown several signs of tight supply and continuation of demand growth. Industrial rents have continued to climb with ranges from \$140/sqm through to \$275plus/sqm. While pressure continues throughout the market, there is a specific pressure on higher profile showroom space with land prices moving to the \$600 to \$1,000/sqm range in some high value areas.

5.3 Pressure continues in the industrial land market from non-industrial activities increasing land and rental values and driving some sectors of the industrial market to more isolated locations.

5.4 The commercial market has also seen significant growth with greater pressure on central Queenstown locations driving rents above \$400/sqm. This pressure has filter down to the more dispersed Frankton area with rents in this area rising above \$350/sqm. This demand is also starting to translate to demand in Wanaka, as a growing population base and less expensive location options improve the attractiveness for smaller commercial businesses.

- 5.5** There is no doubt that the current economic environment in the District is in a state of rapid change, and growth in residential population and tourism has seen a significant shift from a service based economy to one which has a greater degree of production and local goods provision. While Construction still dominates the growing economy, office based business activities have grown at a greater rate than population as the critical mass created by the rising economy sustains a more diverse economic base. Consideration of these factors and their influence on demand must be accounted for when projecting potential employment growth by sector for the District.
- 5.6** Using the population forecasts outlined below as well as historical business demographic trends, and the changing demographic profile of Wakatipu and Wanaka Wards, industrial and commercial employment for Queenstown has been projected out to 2048 factoring in changing labour force participation rates over the period. These projections have been based on the 2006 ANZSIC classifications based on Statistics NZ categories.
- 5.7** The population forecast outlined in **Table 8** highlight some of the significant growth trends expected in the Queenstown resident population to 2048. These projections also indicate a greater growth rate experienced by the Wanaka Ward than Wakatipu. While the Wakatipu area continues to accommodate the majority of the District's population the share locating in Wanaka of both population and employment is proportionately growing.
- 5.8** **Table 9** illustrates the forecasted commercial and industrial employment growth for the Queenstown District under a trended population scenario. This is indicative of both the economic drive of the residential population and the projected increase in tourism activity.
- 5.9** It shows growth in both industrial and commercial employment is expected to double within the 30 year period, with commercial activity increasing at a faster rate (than industrial) as the market matures and provides commercial services to a more extensive market.

- 5.10** **Table 10** summarises the level of business activity expected to be accommodated within the Wakatipu Ward by 2048. While this area is expected to achieve the largest nominal growth levels in the District its proportion of growth is diminishing. Currently Wakatipu holds 80% of business employment, this proportion is expected to fall to below 73% overall by 2048 with commercial activity falling proportionately further.
- 5.11** This results in the employment growth for Wanaka outlined in **Table 11** showing proportional growth from 20% to 28% of the District's activity. Overall Wanaka is expected to see substantial growth of over 130% in business employment and corresponding levels of GDP.
- 5.12** In translating these employment growth figures into the business land required to accommodate them it is important to understand that the relationship between employment and land requirements by sector is not static.
- 5.13** As sectors develop over time the ratios involved can change in either direction with Warehousing requiring more floorspace and land per employee as vertical space is increased and building efficiencies change. Likewise, the amount of office space per 'professional Service' employee has fallen over the past 10 years from an average of 23sqm to 17sqm.
- 5.14** It is also important to note that falls in land demand in one sector are not necessarily reconciled with rises in similar sectors. For example falls in demand for Manufacturing are not completely balanced by rises in Construction as the land attributes and built form are not necessarily transferable, while the fall itself may not result in the closure of a business but a simple downsizing that retains the current premises.
- 5.15** **Table 12** summarises the land requirements for industrial and commercial activity within the District to 2048. This shows that by 2048 (including efficiency gains) these sectors will require a further

127ha of business land (with all office 'at grade'). This is made up of 11ha of latent demand for industrial activity and a further 81ha required to 2048 and 35ha of commercial land. Given the current propensity for multi-storey office development in Queenstown and the potential for future change it is expected that the office component of this demand could be efficiently accommodated on approximately 18ha of commercially zoned land.

- 5.16** It is important to note that these projections do not factor in changes in industrial land prices resulting from changes in the level of potential over or under supply in Queenstown and price changes in surrounding areas. These factors can influence where businesses decide to locate, however given the unpredictability of land values, for the purpose of this statement it has been assumed that relative prices between Queenstown and surrounding areas remain constant over the forecast period. Based on these factors it is expected that Queenstown Lakes District will accommodate an additional 10,000 industrial and commercial ECs by 2048 requiring an additional 110ha of business zoned land.
- 5.17** Based on these projections to 2048 Wakatipu would require 70ha of industrial land and Wanaka 22ha. When considering the estimate latent demand for industrial land that exists in the market it is expected that by 2048 business growth within the industrial sector will require 92ha to accommodate growth, with approximately 66ha in Wakatipu and 26ha in Wanaka. In terms of commercial zonings (if the 2 storey threshold average is achieved) Wakatipu would require 12 ha of commercial land and Wanaka 6ha.
- 5.18** It is an important economic consideration to assess the potential level of future demand and supply of business land under the PDP. It is essential to consider this balance due not only to the obvious potential costs to growth of undersupplying business land for development but also because of the significant potential impacts of oversupplying land. These impacts have the potential to take the form of land, infrastructure and production inefficiencies as well as adversely impacting upon the land market itself.

5.19 While these risks are pertinent for both forms of business land they are especially relevant for industrial land with potential impacts including:

- (a) disjointed industrial development;
- (b) high marginal development and servicing costs;
- (c) underutilised infrastructure;
- (d) failure to capture agglomeration benefits;
- (e) inappropriate land prices;
- (f) reduction in the level of productive land;
- (g) investment uncertainty through low relative demand and price fluctuations;
- (h) reduced redevelopment (reduction in redevelopment of existing floorspace to new uses);
- (i) attraction of transitory business (price driven industry that is likely to prioritise land price for a small period of time);
- (j) low amenity through decreased densities;
- (k) duplication of infrastructure; and
- (l) low economies of scale for infrastructure leading to poor quality.

5.20 These impacts are exacerbated when there is an undersupply of appropriate commercial land. A consideration in the Queenstown market is the potential for non-industrial activities to locate on industrial land due to lower relative prices and accessibility. While this may be considered a 'higher and better' use the effects on the economy are to drive out productive businesses that are unable to relocate within the District, reducing overall economic well-being.

5.21 **Table 13** outlines the balance in relation to the Queenstown market based on the level of existing zoned activity and the identified levels of vacant industrial and commercial land.

5.22 This table shows that there is sufficient capacity within the existing zoned commercial areas in both Wakatipu and Wanaka to meet future demand to 2048. It is important to note however that, as outlined earlier there are several other activities that compete for this

zone, including retail and commercial services. The total quantum of demand has been considered in Mr Heath's evidence at this hearing.

5.23 In terms of industrial activity there has been a latent demand that has existed in the District of approximately 11ha. This demand is the result of inappropriate quantum's and locations for industrial land and has resulted in land prices that are disproportionate to the market.

5.24 Given the current supply of industrial land of 52 ha's it is expected that supply will be exhausted by 2030 in Wakatipu and 2040 in Wanaka. This does not necessarily mean that the result will be no industrial land, but that to maintain an efficient and flexible industrial market this level of land must be available to the market. In terms of long term business decisions regarding growth and location, business rely on sufficient land supply to meet longer term needs. It is expected therefore that to provide a 'buffer' the Queenstown market will require the rezoning of 50ha of land by 2048 to meet land supply requirements for an efficient market.

5.25 Overall, business land projections would suggest that both the Wakatipu and Wanaka Wards have sufficient commercial land zoned to meet expected demand to 2048.

5.26 In terms of Industrial land, neither Wakatipu nor Wanaka have sufficient land to meet 2048 demand requirements. However, the current land zoned is expected to meet the market needs to 2030.



Philip Osborne

24 May 2017

APPENDIX 1
TABLES AND FIGURES REFERRED TO IN EVIDENCE

TABLE 1: QUEENSTOWN DISTRICT EMPLOYMENT CHANGES

	2000	2006	2008	2014	2015	2016
A Agriculture, Forestry and Fishing	390	590	430	430	510	530
B Mining	21	25	3	12	18	15
C Manufacturing	260	420	440	520	570	630
D Electricity, Gas, Water and Waste Services	25	55	75	35	65	85
E Construction	550	1,700	1,850	1,750	1,900	2,200
F Wholesale Trade	130	180	210	340	330	410
G Retail Trade	1,200	2,050	2,200	2,300	2,450	2,750
H Accommodation and Food Services	3,150	4,250	4,400	5,500	6,000	6,500
I Transport, Postal and Warehousing	440	720	640	840	880	1,050
J Information Media and Telecommunications	130	230	200	230	250	260
K Financial and Insurance Services	120	230	310	290	300	290
L Rental, Hiring and Real Estate Services	180	440	490	630	640	670
M Professional, Scientific and Technical Services	240	690	810	910	960	1,100
N Administrative and Support Services	480	1,150	1,100	1,100	1,350	1,450
O Public Administration and Safety	120	170	280	410	400	440
P Education and Training	300	450	500	760	850	890
Q Health Care and Social Assistance	220	330	370	530	560	620
R Arts and Recreation Services	670	950	840	1,200	1,350	1,450
S Other Services	240	350	370	520	540	570
Industrial Employment	1,429	3,098	3,206	3,505	3,752	4,370
Commercial (Office) Employment	1,932	3,825	4,046	4,675	5,145	5,550
Total Sectors	3,361	6,923	7,251	8,180	8,897	9,920
Total Employment	8,900	14,900	15,500	18,300	19,900	21,900

TABLE 2: WAKATIPU EMPLOYMENT CHANGES

	2000	2006	2007	2008	2014	2016
Industrial Employment	1,155	2,227	2,268	2,278	2,761	3,443
Commercial (Office) Employment	1,646	2,935	3,144	3,110	3,666	4,352
Total Sectors	2,801	5,161	5,412	5,389	6,427	7,795

TABLE 3: WANAKA EMPLOYMENT CHANGES

	2000	2006	2007	2008	2014	2016
Industrial Employment	274	871	884	928	743	927
Commercial (Office) Employment	286	890	862	935	1,009	1,198
Total Sectors	560	1,761	1,745	1,863	1,753	2,125

TABLE 4: QUEENSTOWN INDUSTRIAL BUILDING CONSENTS

Floorarea (sqm)	Wakatipu	Wanaka	Total
2000	3,809	575	4,384
2001	4,408	3,254	7,662
2002	4,914	4,989	9,903
2003	7,009	4,876	11,885
2004	4,613	3,381	7,994
2005	27,865	6,018	33,883
2006	3,805	4,418	8,223
2007	9,659	7,008	16,667
2008	3,261	5,537	8,798
2009	425	2,254	2,679
2010	2,698	942	3,640
2011	1,484	3,379	4,863
2012	1,374	1,561	2,935
2013	1,459	0	1,459
2014	942	2,859	3,801
2015	4,536	593	5,129
2016	2,015	902	2,917
Total	84,276	52,546	136,822

Source: Property Economics, Statistics NZ

TABLE 5: QUEENSTOWN COMMERCIAL OFFICE CONSENTS

Floorarea (sqm)	Wakatipu	Wanaka	Total
2000	927	522	1,449
2001	1,667	2,135	3,802
2002	4,017	977	4,994
2003	3,870	403	4,273
2004	6,866	274	7,140
2005	6,273	300	6,573
2006	6,560	99	6,659
2007	4,338	2,337	6,675
2008	15,147	133	15,280
2009	624	0	624
2010	222	105	327
2011	43	74	117
2012	1,445	719	2,164
2013	725	676	1,401
2014	339	0	339
2015	3,256	586	3,842
2016	2,899	68	2,967
	59,218	9,408	68,626

Source: Property Economics, Statistics NZ

TABLE 6: QUEENSTOWN COMMERCIAL LAND USE AND VACANCY (2017)

Zone Name	Wakatipu Ward			Wanaka Ward			Queenstown Lakes District		
	Occupied	Vacant	Total	Occupied	Vacant	Total	Occupied	Vacant	Total
QTC - Queenstown Centre	14.8	0.9	15.7				14.8	0.9	15.7
PC-50	0.5	13.6	14.1				0.5	13.6	14.1
Business Mixed Use Zone	12.8		12.8	6.0	2.3	8.3	18.8	2.3	21.1
WTC - Wanaka Town Centre				10.8	0.1	10.9	10.8	0.1	10.9
ATC - Arrowtown Town Centre	1.3		1.3				1.3		1.3
LSC - Fernhill		0.1	0.1					0.1	0.1
LSC - Sunshine Bay		0.2	0.2					0.2	0.2
LSC - Frankton		2.9	2.9					2.9	2.9
LSC - Hansen Rd		1.8	1.8					1.8	1.8
LSC - Cardrona Valley Rd					2.7	2.7		2.7	2.7
LSC - Albert Town				1.2		1.2			
LSC - Lake Hawea				0.5	0.3	0.8			
Glenorchy Township	1.0	1.0	2.0				1.0	1.0	2.0
Luggate Township				1.0	0.3	1.3	1.0	0.3	1.3
Subtotal	30.4	20.5	50.9	19.4	5.8	25.2	48.1	26.0	74.1
Special Zones	Occupied	Vacant	Total	Occupied	Vacant	Total	Occupied	Vacant	Total
Frankton Flats	5.0	7.4	12.4				5.0	7.4	12.4
Remarkables Park	10.1	12.6	22.7				10.1	12.6	22.7
Three Parks					15.0	15.0		15.0	15.0
Jacks Point Zone (Jacks Point Village)	0.6	1.5	2.1				0.6	1.5	2.1
Jacks Point Zone (Homestead Bay Village)		2.1	2.1					2.1	2.1
Millbrook Resort Zone	0.5	0.5	1.0					0.5	0.5
Kingston Village		2.0	2.0					2.0	2.0
Mt Cardrona					2.7	2.7		2.7	2.7
Shotover Country		0.3	0.3					0.3	0.3
Northlake					1.6	1.6		1.6	1.6
Subtotal	16.2	26.4	42.6		19.3	19.3	15.7	45.7	61.4
Total	46.5	46.9	93.5	19.4	25.1	44.5	63.8	71.7	135.5

Source: QLDC

TABLE 7: QUEENSTOWN INDUSTRIAL LAND USE AND VACANCY (2017)

Wakatipu	BUS	INDA	INDB	Special Zone	Total
Occupied	13.2	20.1		21.1	54.5
Vacant	1.4	0.8		28.5	30.7
Gorge Road Total	14.6	21.0		49.6	85.2

Wanaka	BUS	INDA	INDB	Special Zone	Total
Occupied	7.8	8.8	3.1		19.8
Vacant	0.5	2.0	18.3		20.7
Wanaka Total	8.3	10.8	21.4		40.5

Total	BUS	INDA	INDB	Special Zone	Total
Occupied	21.1	29.0	3.1	21.1	74.3
Vacant	1.9	2.8	18.3	28.5	51.5
Total	23.0	31.8	21.4	49.6	125.8

Source: QLDC, Property Economics

TABLE 8: QUEENSTOWN POPULATION PROJECTIONS (2048)

Population	2018	2028	2038	2048	Net Growth # (2018 - 2048)	Net Growth % (2018 - 2048)
Wakatipu Ward	25,557	32,627	38,330	43,846	18,289	72%
Wanaka Ward	12,491	16,650	19,736	22,509	10,018	80%
Queenstown Lakes District	38,048	49,277	58,066	66,355	28,307	74%

Occupied Dwellings	2018	2028	2038	2048	Net Growth # (2018 - 2048)	Net Growth % (2018 - 2048)
Wakatipu Ward	9,825	12,575	14,903	17,250	7,424	76%
Wanaka Ward	5,181	6,949	8,289	9,517	4,336	84%
Queenstown Lakes District	15,006	19,524	23,192	26,767	11,760	78%

TABLE 9: QUEENSTOWN SECTOR EMPLOYMENT PROJECTIONS (2048)

	2000	2008	2014	2015	2016	2028	2038	2048
A Agriculture, Forestry and Fishing	39	43	43	51	53	74	84	92
B Mining	2	0	1	2	2	2	3	3
C Manufacturing	260	440	520	570	630	881	1,042	1,176
D Electricity, Gas, Water and Waste Services	8	23	11	20	26	36	40	42
E Construction	550	1,850	1,750	1,900	2,200	3,078	3,632	4,049
F Wholesale Trade	130	210	340	330	410	574	778	949
G Retail Trade	0	0	0	0	0	0	0	0
H Accommodation and Food Services	473	660	825	900	975	1,424	1,745	2,211
I Transport, Postal and Warehousing	440	640	840	880	1,050	1,469	1,761	2,125
J Information Media and Telecommunications	130	200	230	250	260	364	394	442
K Financial and Insurance Services	120	310	290	300	290	427	525	652
L Rental, Hiring and Real Estate Services	180	490	630	640	670	950	1,154	1,393
M Professional, Scientific and Technical Services	240	810	910	960	1,100	1,583	1,876	2,211
N Administrative and Support Services	480	1,100	1,100	1,350	1,450	2,057	2,345	2,708
O Public Administration and Safety	42	98	144	140	154	229	272	343
P Education and Training	45	75	114	128	134	206	263	376
Q Health Care and Social Assistance	55	93	133	140	155	229	319	442
R Arts and Recreation Services	168	210	300	338	363	538	647	774
S Other Services	0	0	0	0	0	0	0	0
Industrial Employment	1,429	3,206	3,505	3,752	4,370	6,113	7,339	8,437
Commercial (Office) Employment	1,932	4,046	4,675	5,145	5,550	8,008	9,539	11,551
Total Sectors	3,361	7,251	8,180	8,897	9,920	14,121	16,878	19,988
Total Employment	8,900	15,500	18,300	19,900	21,900			

Source: Property Economics

TABLE 10: WAKATIPU BUSINESS EMPLOYMENT PROJECTIONS (2048)

	2000	2006	2007	2008	2014	2016	2028	2048
Industrial Employment	1,155	2,227	2,268	2,278	2,761	3,443	4,768	6,482
Commercial (Office) Employment	1,646	2,935	3,144	3,110	3,666	4,352	6,156	8,628
Total Sectors	2,801	5,161	5,412	5,389	6,427	7,795	10,924	15,110

Source: Property Economics

TABLE 11: WANAKA BUSINESS EMPLOYMENT PROJECTIONS (2048)

	2000	2006	2007	2008	2014	2016	2028	2048
Industrial Employment	274	871	884	928	743	927	1,345	1,955
Commercial (Office) Employment	286	890	862	935	1,009	1,198	1,853	2,923
Total Sectors	560	1,761	1,745	1,863	1,753	2,125	3,198	4,877

Source: Property Economics

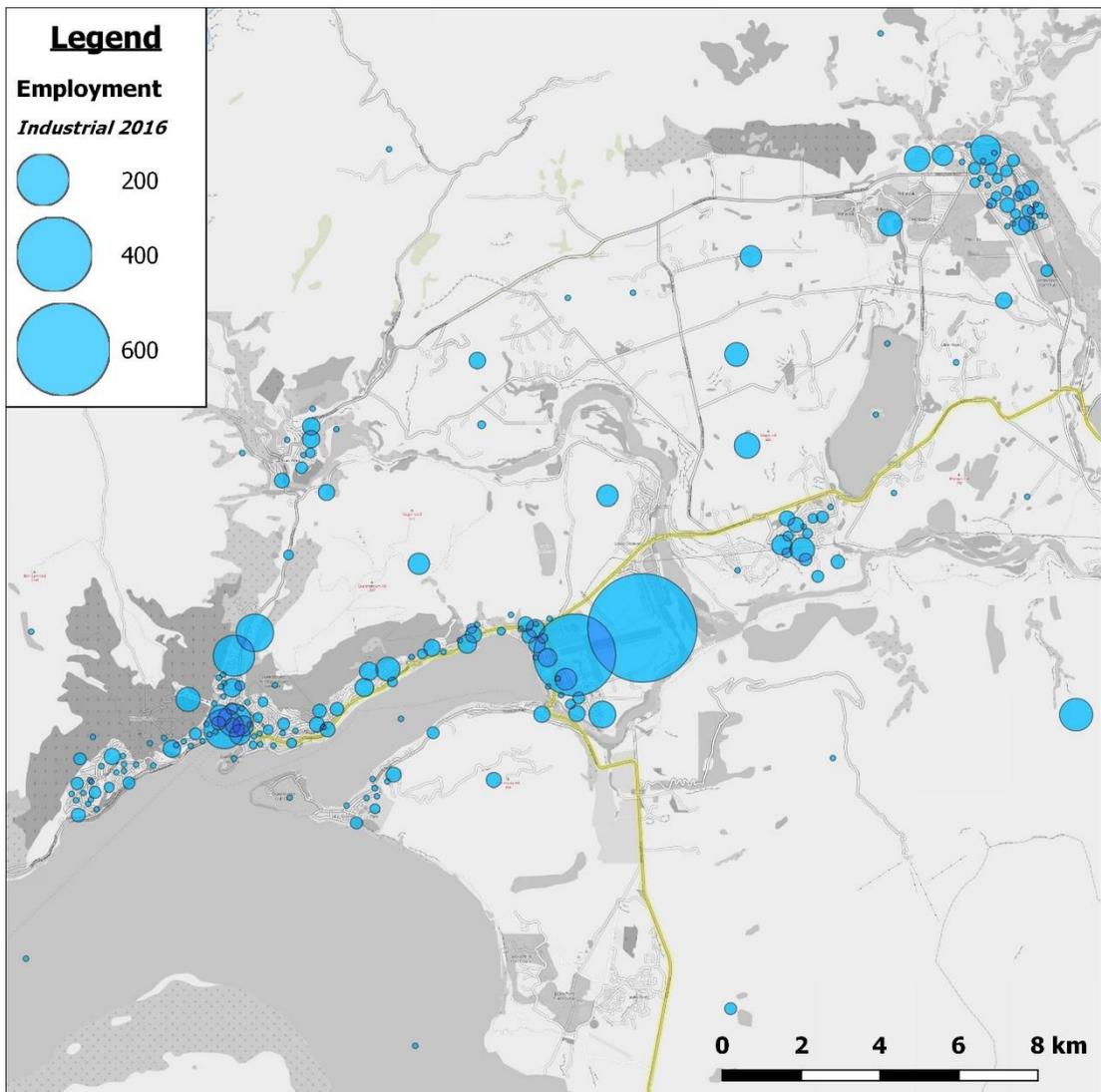
TABLE 7: QUEENSTOWN LAKE DISTRICT BUSINESS LAND PROJECTIONS (HA 2048)

	2028	2038	2048
<i>Wakatipu Industrial Land Demand</i>	23	43	59
<i>Wanaka Industrial Land Demand</i>	11	15	22
<i>Latent Industrial Land Demand</i>	11	11	11
Total Industrial Land Demand	45	69	92
<i>Wakatipu Commercial Land Demand</i>	9	15	24
<i>Wanaka Commercial Land Demand</i>	5	8	11
Total Commercial Land Demand	14	23	35
Total Commercial Land Demand (2 Storey)	7	12	18

TABLE 13: QUEENSTOWN LAKE DISTRICT BUSINESS LAND DEMAND AND SUPPLY BALANCE (HA 2048)

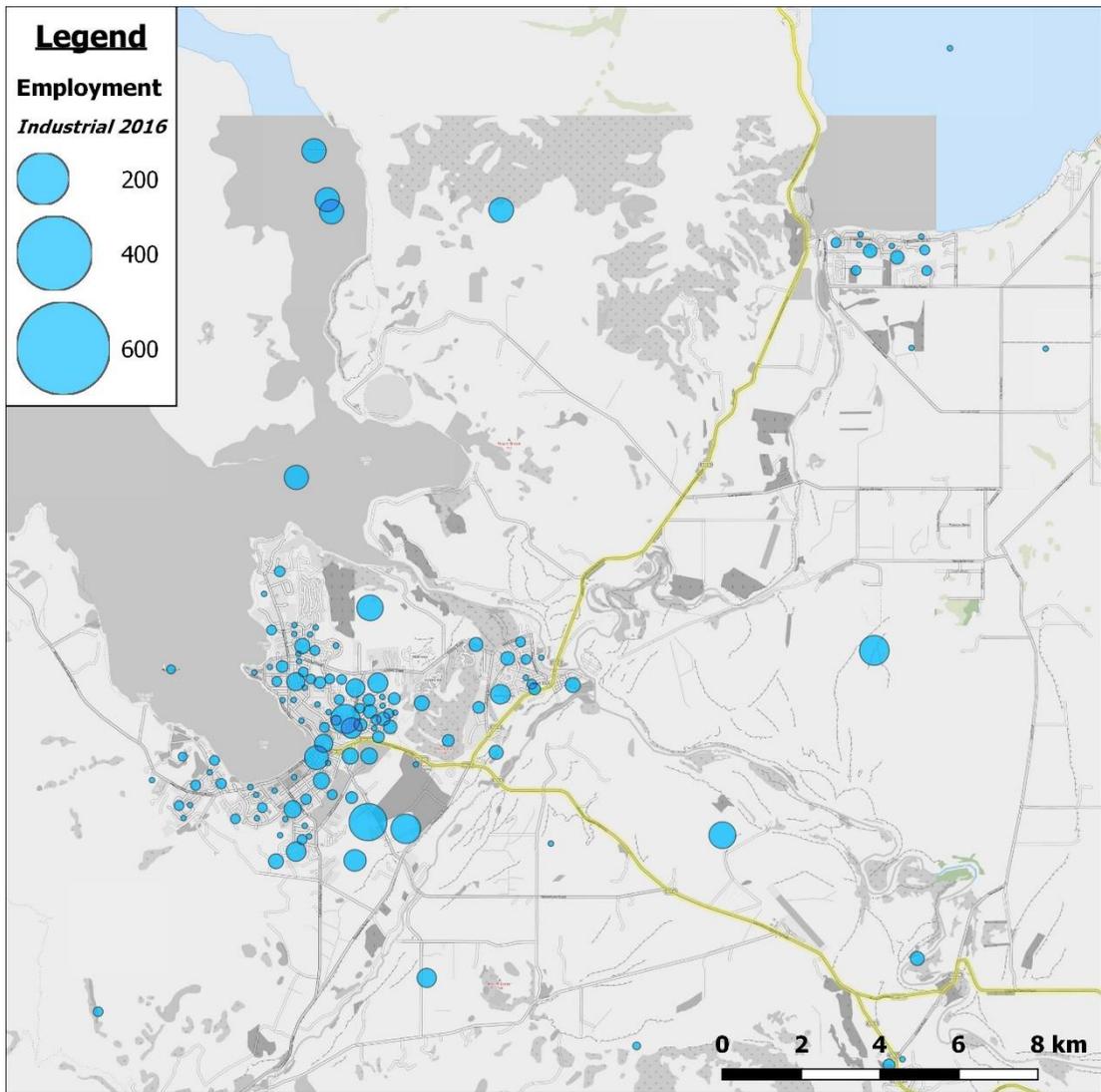
	2028	Demand 2038	2048	Supply	Sufficiency Timeframe
<i>Wakatipu Industrial Land Demand</i>	23	43	59	31	2030
<i>Wanaka Industrial Land Demand</i>	11	15	22	21	2040
<i>Latent Industrial Land Demand</i>	11	11	11		
Total Industrial Land Demand	45	69	92	52	
<i>Wakatipu Commercial Office Land Demand</i>	9	15	24	47	2048
<i>Wanaka Commercial Office Land Demand</i>	5	8	11	25	2048
Total Commercial Office Land Demand	14	23	35	72	2048
Total Commercial Office Land Demand (2 Storey)	7	12	18		

FIGURE 1: 2016 WAKATIPU INDUSTRIAL EMPLOYMENT DISTRIBUTION



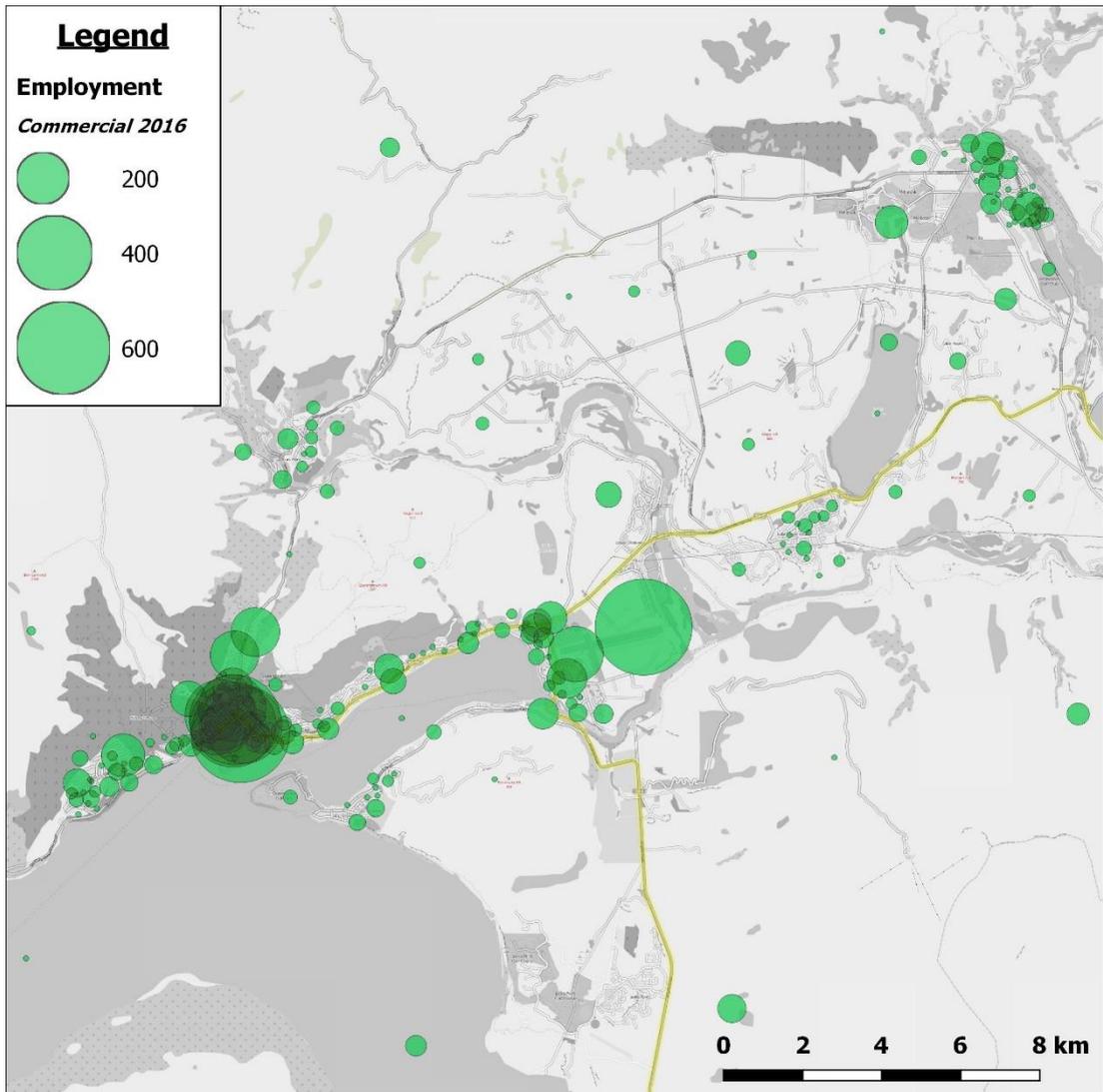
Source: Property Economics, Statistics NZ

FIGURE 2: 2016 WANAKA INDUSTRIAL EMPLOYMENT DISTRIBUTION



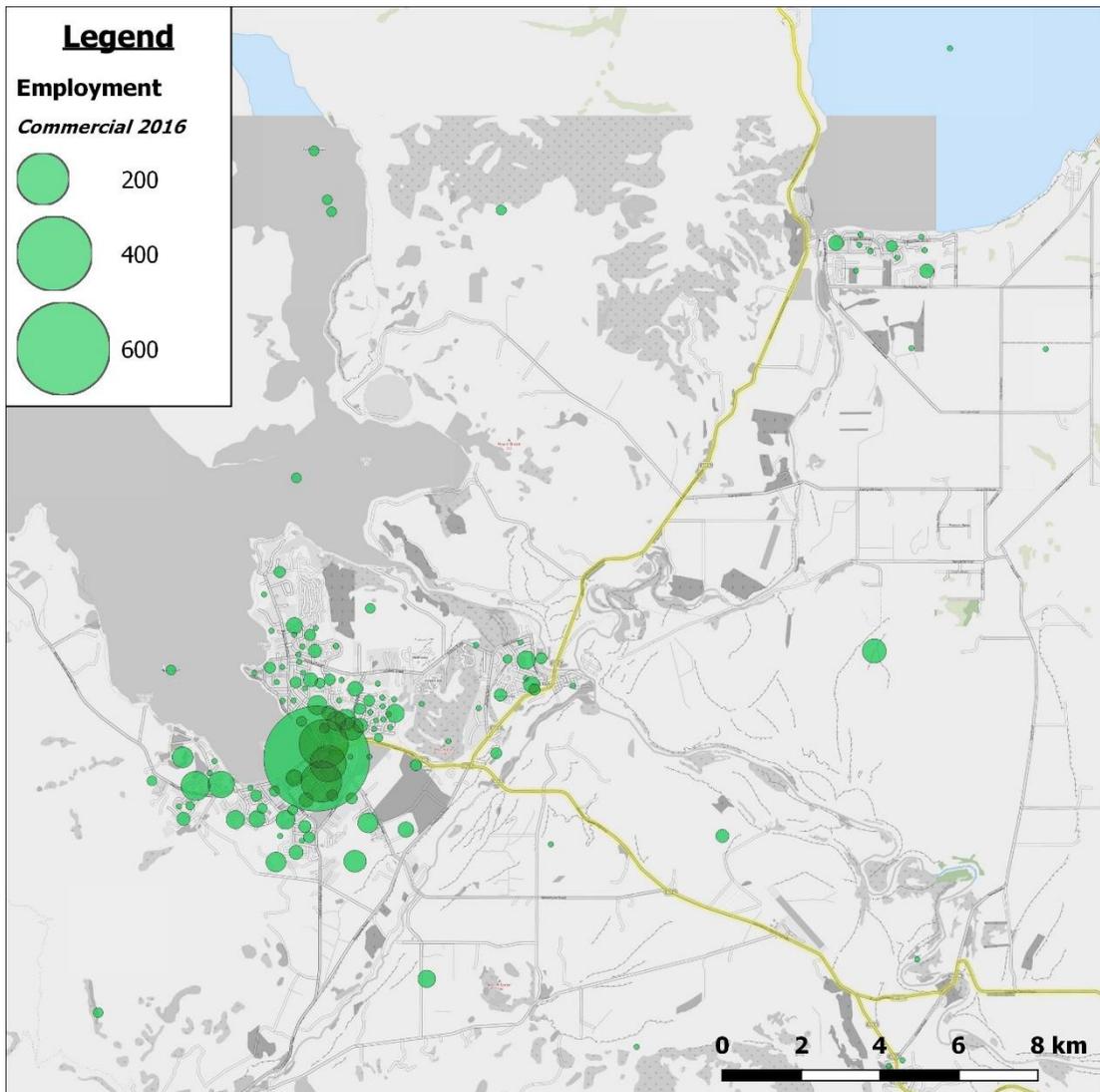
Source: Property Economics, Statistics NZ

FIGURE 3: 2016 WAKATIPU COMMERCIAL EMPLOYMENT DISTRIBUTION



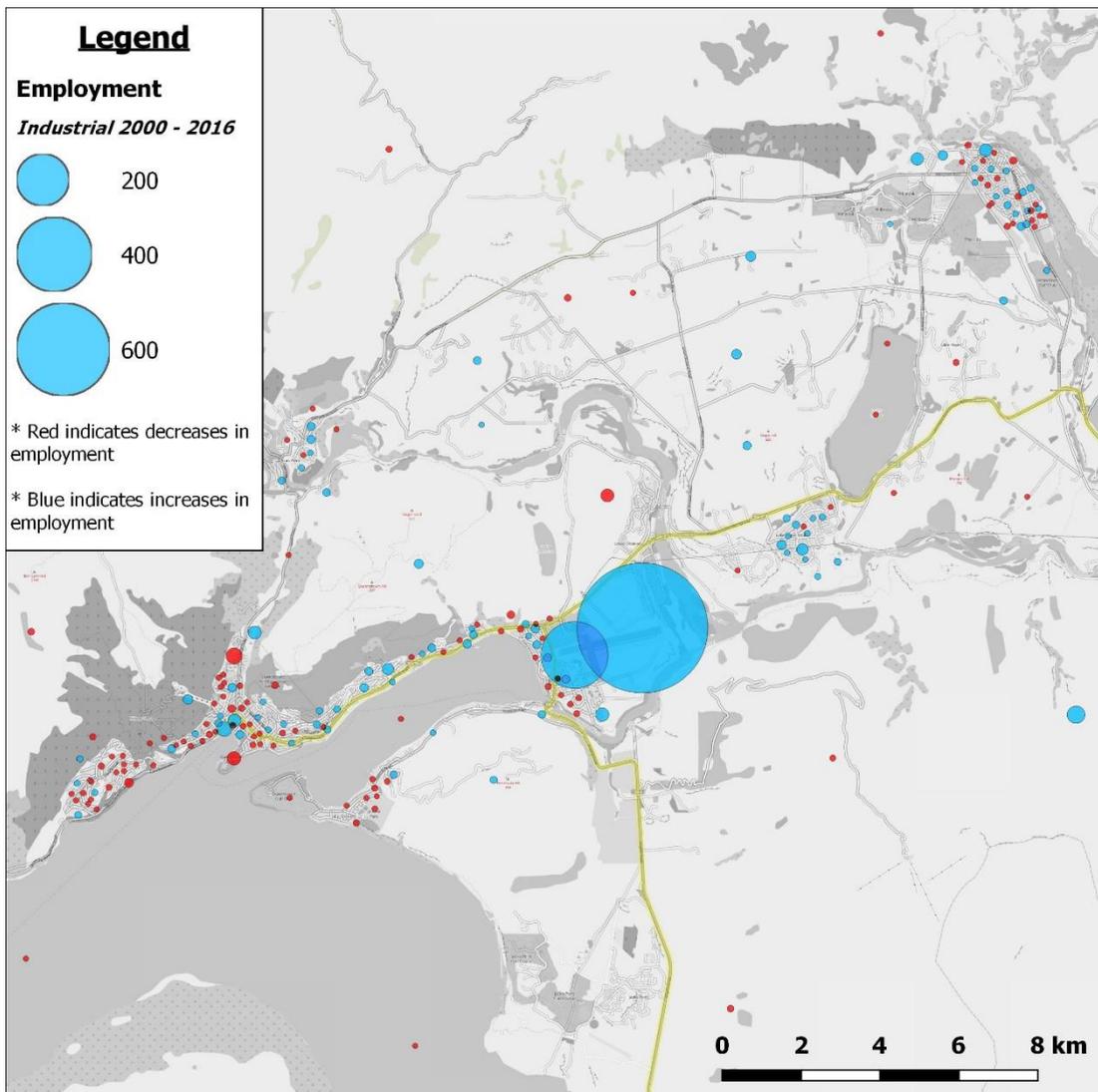
Source: Property Economics, Statistics NZ

FIGURE 4: 2016 WANAKA COMMERCIAL EMPLOYMENT DISTRIBUTION



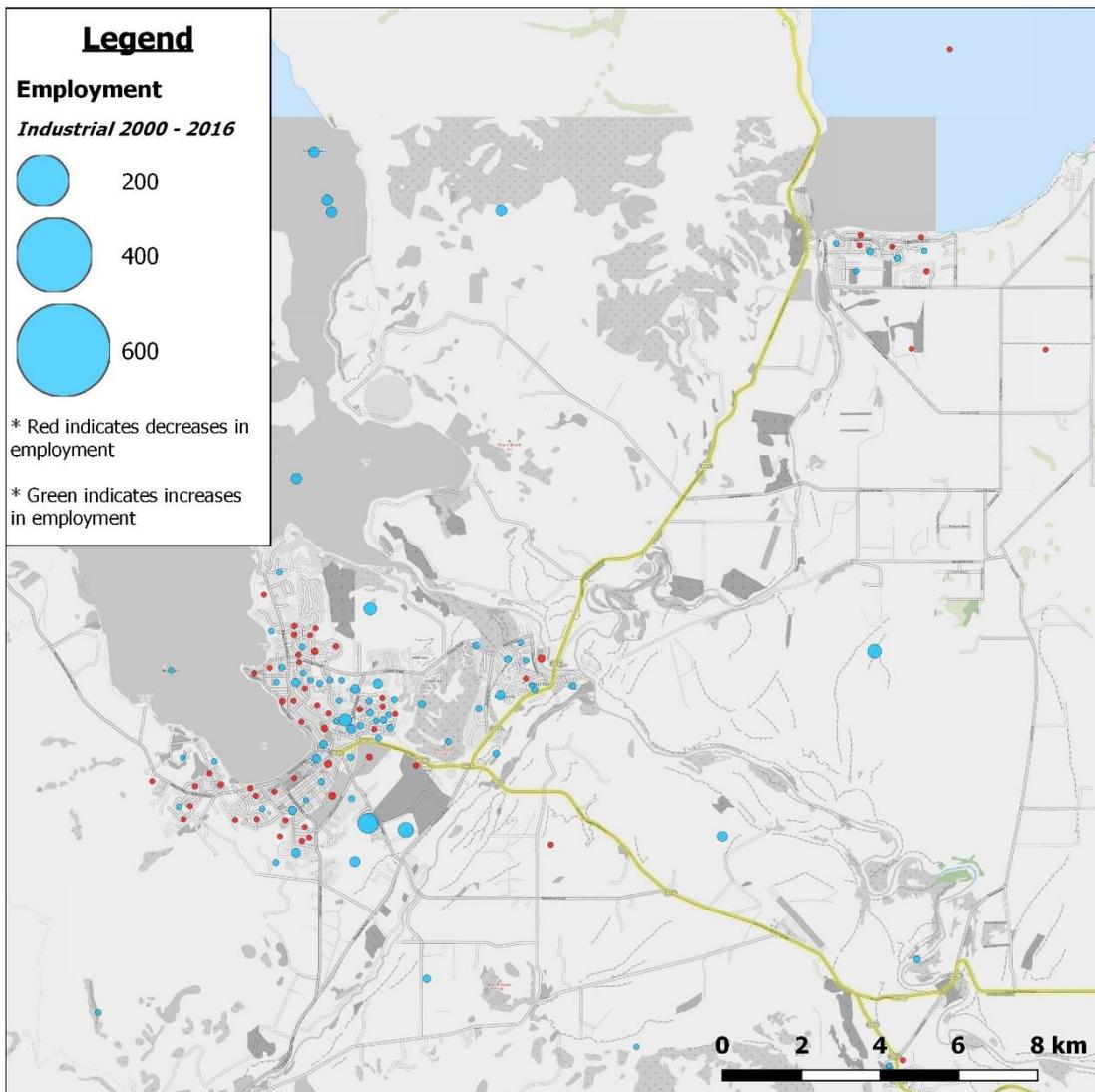
Source: Property Economics, Statistics NZ

FIGURE 5: 2016 WAKATIPU INDUSTRIAL EMPLOYMENT CHANGE (2000 – 2016)



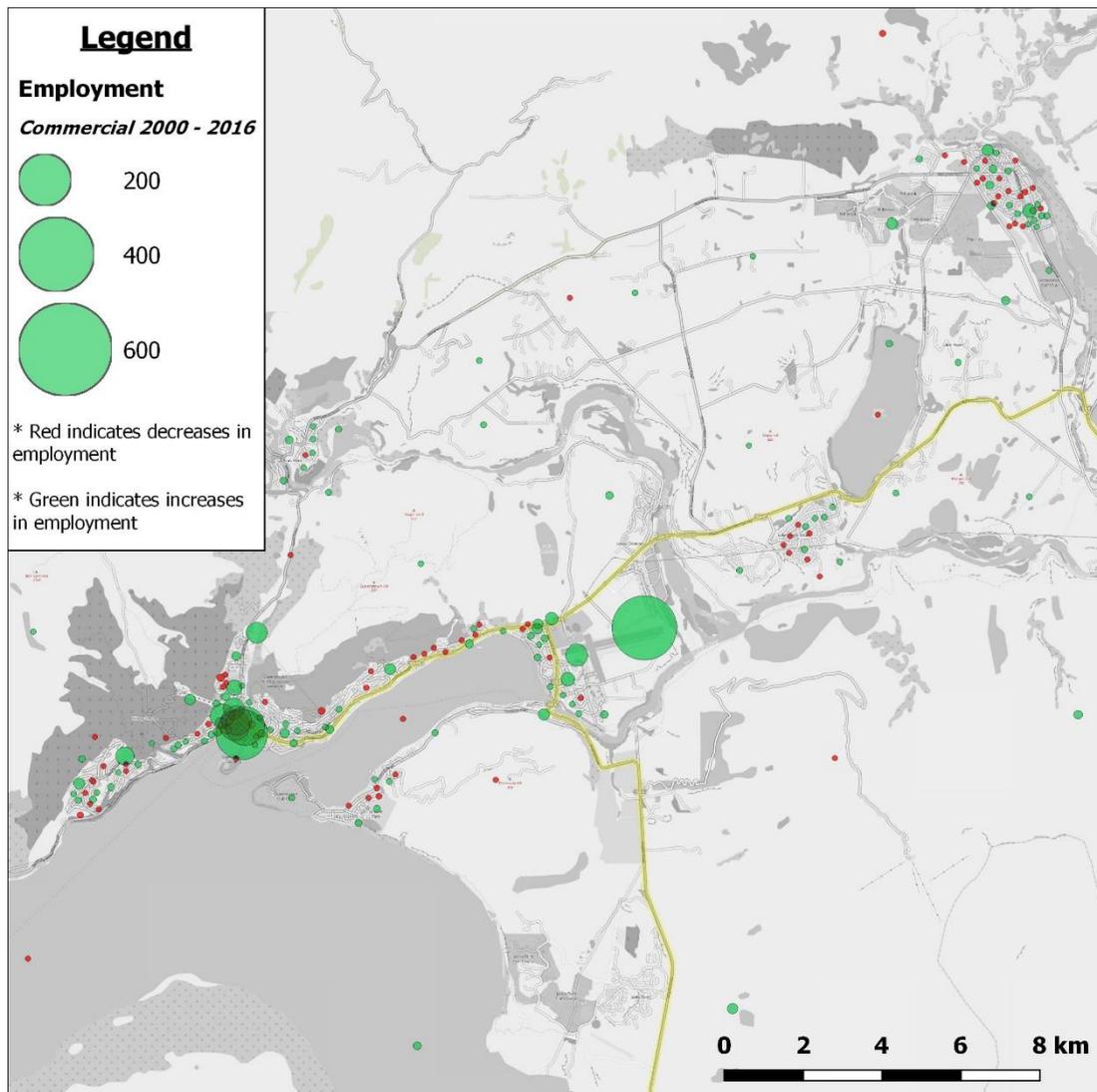
Source: Property Economics, Statistics NZ

FIGURE 6: 2016 WANAKA INDUSTRIAL EMPLOYMENT CHANGE (2000 – 2016)



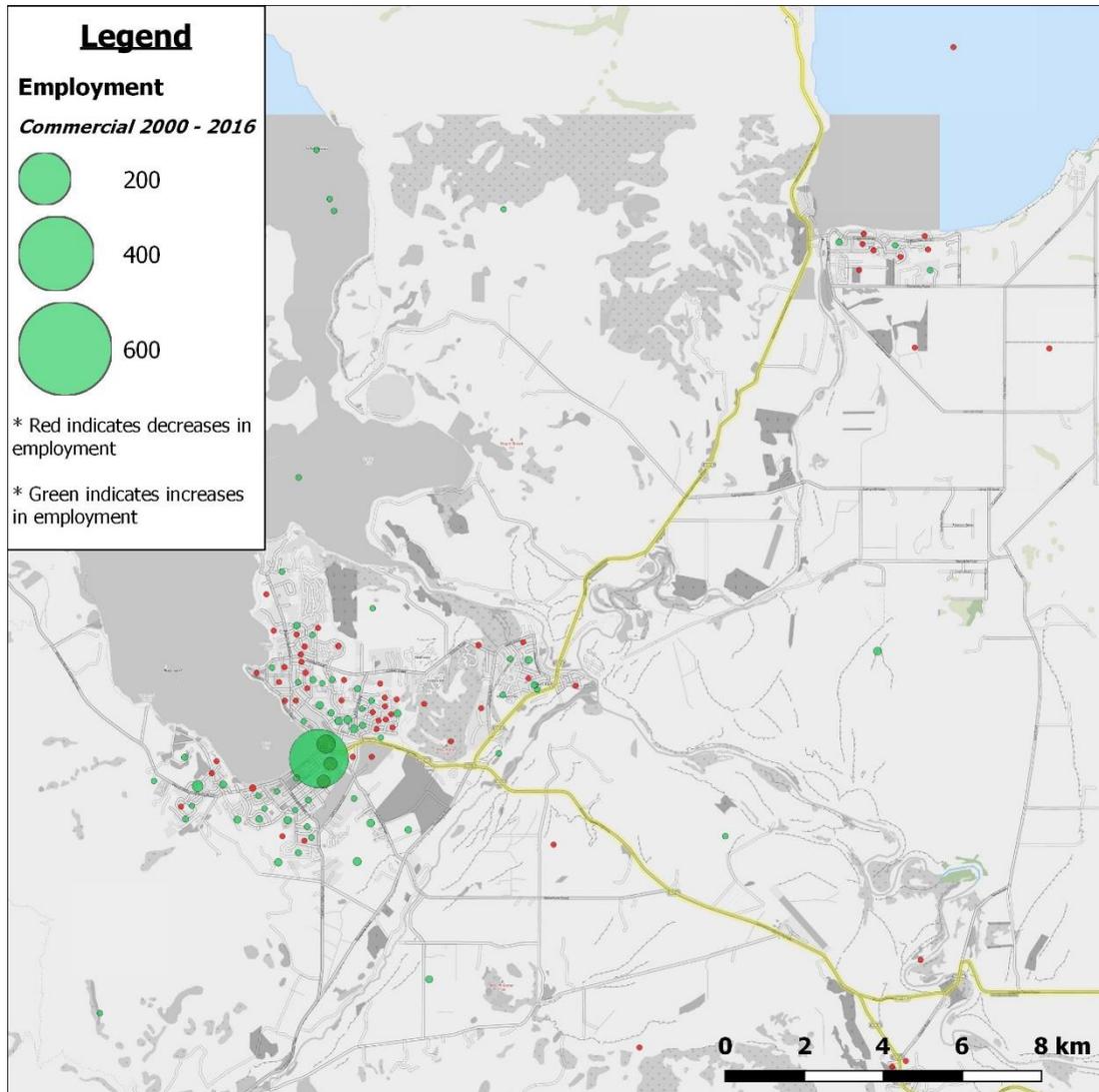
Source: Property Economics, Statistics NZ

FIGURE 7: 2016 WAKATIPU COMMERCIAL EMPLOYMENT CHANGE (2000 – 2016)



Source: Property Economics, Statistics NZ

FIGURE 8: 2016 WANAKA COMMERCIAL EMPLOYMENT CHANGE (2000 – 2016)



Source: Property Economics, Statistics NZ