**BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL**

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

**AND**

**IN THE MATTER** of the Queenstown Lakes District Proposed District Plan

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# EVIDENCE OF WARWICK PETER GOLDSMITH FOR ARCADIAN TRIANGLE LIMITED (SUBMISSION #497/836/1255)

**21 April 2016**

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## 1. Introduction

1.1 My full name is Warwick Peter Goldsmith. I am a director of the Submitter Arcadian Triangle Limited ("**Arcadian**") and am authorised by that company to give this evidence on its behalf.

1.2 I have the qualification of LLB (Hons). I have lived and worked as a lawyer in the Queenstown Lakes District for over 30 years and I have specialised in the resource management area of law for over 25 years. During that period I was a partner of the law firm Anderson Lloyd for over 20 years. I am currently a consultant with Anderson Lloyd. My current legal practice consists primarily of resource management and property development related law. During my working life I have primarily provided advice in relation to projects in the Queenstown Lakes District, although recently I have provided advice in relation to a number of projects in Auckland.

1.3 From 1989 – 1995 I was an elected Councillor on the Queenstown Lakes District Council. From 1992 – 1995 I was Chairman of the QLDC Planning Committee which was responsible for preparation and notification of the first RMA District Plan in October 1995. I have extensive experience in resource consent and plan change hearings, primarily at Council and Environment Court level. I have managed the consenting strategies for a wide range of projects in the Queenstown Lakes District, including the creation of the Lake Hayes Estate, Jacks Point, Shotover Country and Northlake (in Wanaka) zones, and numerous individual applications for consent for subdivision and development in the Rural General ("**RG**") zone under the Operative District Plan ("**ODP**").

1.4 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 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.

1.5 This evidence is limited to Chapter 22 provisions relating to the Rural Lifestyle ("**RL**") zone. I do not intend to provide any opinion evidence. The evidence addresses factual and planning matters raised in Arcadian's submission lodged to the Proposed District Plan ("**PDP**").

1.6 I have personally been involved, as director and/or investor, in a number of property developments in the Queenstown area and in Auckland. Those projects include the following of particular relevance to this hearing:

(a) I was a director of, and (through a family legal entity) a 50% shareholder in, Hawthorn Estate Limited which consented a 32 lot rural living development at the southern end of the area known as 'The Triangle' bordered by Lower Shotover Road, Domain Road and Speargrass Flat Road in the Wakatipu Basin. The consenting of that development involved legal proceedings which resulted in the *Hawthorn Estate* Environment Court, High Court and Court of Appeal decisions which are frequently cited in Environment Court cases relating to subdivision and development of land. Plan A in Schedule 1 to this evidence ("**Plan A**") contains a copy of the Hawthorn Estate 32 Lot Consent Scheme Plan of Subdivision;

(b) I was a director of, and (through a family legal entity) a 50% shareholder in, Paradise Rural Estate Limited which consented and/or developed a number of subdivisions resulting in the creation of 19 rural lifestyle lots at the northern end of the Triangle.

1.7 Following the final confirmation of the Hawthorn Estate 32 lot subdivision consent by the Court of Appeal in 2006, Arcadian ended up owning the northern half of the Hawthorn Estate land, containing Lots 1 - 16 as shown on Plan A. Arcadian has sold the land containing Lots 5 – 16. Arcadian still owns the north-eastern approx. 4ha area of land containing proposed Lots 1 – 4 and 37 shown on Plan A (along with Lot 40 which contains the northern part of the public walkway which runs through Hawthorn Estate).

1.8 If the Panel wishes to carry out a site visit in order to assist its consideration of any matters raised through this hearing, the Panel is welcome to go on site onto the Arcadian land (including driving onto the land). The vehicle entry to proposed Lot 2 is in the northeast corner of Hawthorn Estate as shown on Plan A (the entry point is off Lower Shotover Road at the location of a Queenstown Trails Trust identification post). The entry points to proposed Lots 1, 3 and 4 are off a sealed vehicle access located on Lot 37 on Plan A. There is an existing formed public trail which runs from the northeast corner of Hawthorn Estate along the northern boundary and then through the centre of Hawthorn

Estate exiting onto Domain Road at a point where there is a sealed public carpark.

1.9 Arcadian does not seek to enable any subdivision beyond what has already been consented for its land as shown on Plan A. The purpose of this evidence is in part to provide the Panel with a practical, real world perspective on some issues informed by personal experience with consenting and carrying out developments, and in part to demonstrate the extent to which the s42A Report for this hearing fails to take into account those practical and real world considerations.

## 2. Residential Density

2.1 Chapter 22 of the PDP retains the existing ODP 'minimum 1ha/average 2ha' residential density in the Rural Lifestyle ("**RL**") zone. The PDP proposes to rezone the Triangle (and adjoining land) from RG to RL. Arcadian supports the rezoning, seeks the removal of the 2ha density requirement, and (when Chapter 27 Subdivision is dealt with) will seek to replace the minimum 1ha requirement with a minimum average 1ha requirement.

2.2 Arcadian challenges the 2ha density requirement on one narrow ground and one broader ground. The narrow ground relates to the Triangle and is based upon the existing subdivision pattern within the Triangle shown on Plan B in Schedule 2 to this evidence ("**Plan B**") which is an aerial photograph with an overlay showing current LINZ boundaries (most of which are title boundaries). Much of the Triangle has already been subdivided to a density closer to 1ha than a density of 2ha. This is demonstrated in Plan C in Schedule 3 to this evidence ("**Plan C**") on which is recorded the individual lot sizes of the existing rural living lots within the Triangle. Given that rezoning is going to occur, I query the logic of applying a density which is obviously incorrect from the outset.

**Note**: The four red asterisks on Plan C identify four approx. 4ha lots (including one owned by Arcadian) in respect of which consent has been granted to subdivide each lot into four approx. 1ha lots but the consent has not yet been implemented.

2.3 Arcadian's broader challenge to the 2ha average requirement is based upon the economic and social benefits which would arise from potentially doubling the density within the RL zone (which is effectively what would be achieved by removing the 2ha average) compared against the alleged disbenefits of that density as identified in the

Council's evidence. To assist assessment of that issue I first identify the obvious economic and social benefits.

2.4 The Hawthorn Estate rural lifestyle lots are each part of a large development. They are good quality rural living lots, located on flat land, with 360 degree views. However rural living lots on the flat Wakatipu Basin floor do not tend to attract the same premium values as lots on the higher slopes, such as slopes on the east side of and above Lower Shotover Road. The current market value of a Hawthorn Estate lot (based upon the last three or four sales) is $750,000.

2.5 I live in a house on a rural living lot in the Wakatipu Basin. That house has an attached residential flat and a separate two car garage. Total floor area is between 370-380m². The house was built over 20 years ago. In the context of houses now being built on rural living lots in the Wakatipu Basin, it is relatively modest in size and quality. To build that house (with residential flat and garage) today would cost over $1 million (probably quite a bit over).

2.6 The economic benefits arising from each new rural living lot in the Wakatipu Basin therefore include an increase in land value for the subdividing owner of at least around $750,000 (and higher in many cases) and construction and landscaping costs of over $1 million (significantly higher in many cases) which comprises expenditure through the economy which creates jobs. Additional jobs are created for people such as cleaners, landscaping gardeners, and the like who help maintain rural living properties, both for residents (like myself) and for absentee owners.

2.7 Social benefits are enjoyed directly by residents who live in these houses and by their friends, family and other visitors who come to visit them in their houses. Indirect social benefits are enjoyed as a consequence of the many jobs created which enable other people to live in the Queenstown Lakes District.

2.8 The rationale for rezoning the Triangle (and adjacent land) to RL is well demonstrated by Plan B. The Triangle and its adjacent land already demonstrates a confirmed RL character in terms of the general lot size and density of existing and consented dwellings. This RL zoning was proposed by the Council in the notified PDP and is supported by the evidence for the Council in the s42A Report.

2.9 When considering the appropriateness of the 2ha average requirement, consideration of the history of that requirement may be relevant. When the first RMA District Plan was notified in 1995, all proposed rural living areas were Rural Residential ("**RR**") with a 4,000m² average. The rationale at the time was to ensure that land zoned for rural living purposes was developed and used in an efficient manner.

2.10 There were different reactions (through public submission) to that proposed 4,000m² regime. Residents of some areas generally supported it (such as the residents in the north Lake Hayes area). However there was an adverse reaction from residents in the Dalefield area who lived within an historic 10 acre (4ha) zone. Those residents supported having the ability to subdivide a 4ha title once, but they did not want a planning regime which allowed subdivision of an existing 4ha title into 10 lots.

2.11 The consequence of the debate about the issues described in the preceding two paragraphs was the current ODP Rural Living Chapter 8 which provides for RR zoning (4,000m² minimum) and RL zoning (minimum 1ha/average 2ha regime). There is however no differentiation between the ODP rural living objectives and policies which lead to those two quite different rural living densities. The reality is that the RL minimum 1ha/average 2ha regime was a decision made in reaction to submissions lodged by a particular group of submitters. There was no clear justification in planning evidence leading to a conclusion that average 2ha density is an appropriate use of the land resource.

2.12 In this evidence I do not address the difference between a minimum 1ha subdivision rule and an average 1ha subdivision rule because that is a subdivision issue which will be dealt with under Chapter 27. This evidence focuses on the concept of an RL planning regime based upon 1ha density (whether achieved through a minimum 1ha rule or an average 1ha rule). The practical consequences of a 1ha regime are demonstrated on Plan A which shows the range of lot sizes within Hawthorn Estate. Hawthorn Estate contains 32 rural living lots subdivided from a title which originally contained 33 hectares. The average lot size is therefore about 1ha, although the range is from 0.62ha up to 1.45ha.

2.13 The *Hawthorn* average 1ha lot size was not determined by any planning regime because the location of Hawthorn Estate within the RG zone meant that the fully discretionary regime applied so application could

have been made for any range of lot sizes. However the 1ha average density was not the consequence of a random choice. It was the consequence of a careful consideration of rural living amenity factors and market factors. The end result of a market and design driven process was the 1ha average lot size which is effectively halfway between the RR 4,000m² minimum lot size and the RL 2ha density lot size.

2.14 The key factor which determined that range of lot sizes, from the point of view of Hawthorn Estate Limited as the developer, was that it provides sufficient land area to enable a rural living lot owner to create privacy without adversely affecting views, while not containing excess land thereby creating long term maintenance issues. There is room for a decent sized house within the identified residential building platform, plus a reasonable amount of outdoor space for outdoor living and landscaping (which might include a water feature) and the lot boundaries are sufficiently far away from the house to enable boundary planting and/or mounding to create privacy between houses.

2.15 The 2ha average requirement has two distinct disadvantages, one from the developer's point of view and the other from the point of view of many prospective house owners:

(a) From the developer's point of view it cuts the potential residential density in half. That is an inefficient use of land which leads to a significant loss in land value. It also increases 'per lot' costs because servicing costs (which do not reduce by half if the number of lots is reduced by half) are spread across a lesser number of lots.

(b) From the future houseowner's point of view, it results in an extra 1ha (about 2½ acres) of land which does not add much amenity value but which has to be looked after. Such excess land is usually planted in grass, which then leads to significant additional mowing requirements or possibly the need to keep a few sheep just to keep the grass down.

2.16 In my experience as a developer, an area of land around the 1ha mark is more than enough land for most purchasers looking for a rural living lifestyle.

**Note**: I personally live on a 3,300m² rural living property. Privacy is not an issue because our property is surrounded by RG land.

However I would not want to have to mow much more grass than I have to mow at present. If our lot were any larger, any excess would probably be landscaped in some manner to avoid having increased mowing requirements or sheep.

2.17 At paragraph 10.3 of her Landscape Statement of Evidence dated 6 April 2016, Marion Read states:

> "*10.3 It is my general observation that 2ha enables the keeping of animals and other productive land uses which are characteristic of the broader rural landscape which cannot be sustained on smaller lots. Such an area ensures a sense of spaciousness and the maintenance of some other aspects of rural amenities such as quietness.*"

2.18 In response to the above statement, I comment:

(a) I query how many people seeking a rural living lifestyle want to keep animals or carry out other productive land uses. Marion Read produces no data. I also note that there is quite a wide range of larger rural living lots, previously consented in the RG zone, located in the Wakatipu Basin, and there is usually a selection of such larger lots on the market at any one time. I would be surprised if that selection does not cater for the wish list of whatever percentage of rural living purchasers want to keep animals or carry out farming activities.

(b) It is unclear from Marion Read's paragraph 10.3 whether the "*sense of spaciousness*" she refers to is from an internal point of view or an external point of view. The wording of the paragraph suggests the former. I acknowledge that a larger lot will create a slightly greater feeling of spaciousness within the lot boundaries. However in my experience, a "*sense of spaciousness*" is primarily created by views and outlook. Views and outlook depend upon topography and location, and are not much assisted by having a 2ha lot rather than a 1ha lot. In any event, an internal sense of spaciousness is a matter relevant only to the individual lot owner and should not be a District Plan concern.

(c) If that "*sense of spaciousness*" refers to an external viewpoint (as Mr Barr possible assumes – it is not clear[1]) then I query the significance of that factor. I note the evidence is not supported by any photographs or other illustration of how a 2ha average lot size rather than a 1ha average lot size contributes to a sense of spaciousness. I query whether, if this issue were examined from specific viewpoints, there would be a perceptible difference between a 1ha subdivision and a 2ha subdivision – or at least a difference significant enough to offset the significant benefits which result from 1ha subdivision compared to 2ha subdivision.

(d) A 2ha lot size rather than a 1ha lot size does not assist much with quietness. On a still day, sound carries. The critical issues in relation to quietness are house orientation and boundary treatment.

2.19 Demand for lots within Hawthorn Estate has never been a problem. That demand continues, and appears to be intensifying at the current time (judging from recent approaches to Arcadian enquiring about whether any lots are for sale).

2.20 I note that Marion Read acknowledges in paragraph 10.5 that 1ha density would be appropriate in the Hawthorn Triangle, reflecting the existing subdivision pattern demonstrated in both Plan A and Plan C. Craig Barr does not accept Marion Read's recommendation on this point. His reason for rejecting that recommendation reads:[2]

> "*… I do not consider it worthwhile to replicate this development right by way of provisions in Chapter 22 because this area has reached a development capacity …*"

2.21 In response to Craig Barr's statement above, I comment:

(a) His conclusion that this area has reached a development capacity is not supported by Marion Read's landscape evidence and is not supported by any other assessment or analysis.

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1 At para 8.5, page 11 of Craig Barr's s42A Report dated 06 April 2016, Mr Barr states:
*"I refer to and rely on Dr Read in section 10 of her evidence that also states that the 2ha is the minimum size that ensures a sense of spaciousness and the maintenance of other aspects of rural amenity".*

2 Craig Barr's s42A Report, paragraph 8.6

(b) If you take one property within the Triangle as an example (and there are others) I refer to the most southerly lot within the Triangle shown on Plan B, at the junction of Lower Shotover Road and Domain Road. That lot contains 4.999 hectares, and it contained one existing house until that house burnt down recently. A 1ha average would enable subdivision of that lot into at least four lots and, almost certainly, five lots (because 4.999ha is so close to 5ha). A 2ha average subdivision would allow a maximum of two lots. That difference constitutes a significant loss of economic and social benefits, looking at the developer and potential purchasers in combination. Mr Barr's evidence provides no justification which would support that loss of economic and social benefits.

2.22 I query why the same 1 ha density should not be applied to the other 'greenfield' RL areas. One advantage of creating a 'greenfield' zone is that it enables a different subdivision pattern to be established from the outset, which is quite a different proposition from densifying an existing RL zone. I have no doubt that, over time, the market will absorb whatever number of RL lots are created, and houses will be built on those RL lots. The economic and social benefits which would arise from enabling that density within those 'greenfield' areas, which are not assessed at all in the s42A Report, are certain. I query whether the alleged disbenefits of that density of subdivision, as identified in the Council's evidence, outweighs those significant benefits.

2.23 The PDP rezones significant areas of land from RG to RL, to the extent that the rezoned 'greenfields' areas in combination (within the Wakatipu Basin) will significantly exceed the area of ODP RL land. I do not have the area calculations necessary to calculate the extent of certain benefits which would arise from rezoning those 'greenfields' areas to a 1ha density rather than a 2ha density, but they will be very considerable.

2.24 There is one potential unintended consequence of removal of the 2ha average requirement. That consequence could arise within an existing ODP RL zone where lots have been subdivided and houses have been built based upon the current 2ha average rule, particularly in the Dalefield area where there are a number of existing fairly long thin RL lots (as can be seen on Planning Map 29). Removing the 2ha average from such existing ODP RL zones could result in somebody ending up with a new house on a neighbouring lot, quite close to their existing house, without any right of submission.

2.25 That possible adverse consequence could easily be addressed by an additional proviso triggering restricted discretionary activity consent for any proposed house or RBP located within 65m of any existing residential unit or RBP on an adjoining property.[3]

## 3. 500m² House Size Limitation Rule

3.1 I acknowledge that the change to permitted activity status for a house smaller than 500m² on a RL site, subject to specified external appearance standards, is a step in the right direction because it removes the need for a lot of unnecessary controlled activity consent applications and is therefore cost efficient. However I query the 500m² 'trigger' and (together and separately) I query the activity status, for the following reasons which I will address separately:

(a) No problem has been identified which needs addressing.

(b) Marion Read's factual analysis is incorrect.

(c) No reasonable planning rationale has been provided for that limitation.

(d) That limitation will have a perverse consequence.

(e) That limitation will have unanticipated consequences for existing consents.

*No problem has been identified which needs addressing*

3.2 Most existing RBPs are 1,000m² in area. The ODP provides for controlled activity status for a house within an RBP with no discretion as to height or bulk. That rule regime has now been in place for over 20 years. Numerous houses have been built in accordance with that rule. Neither the Council's s42 analysis, nor the Council evidence prepared for this hearing, has identified a single example of a problem which needs to be addressed. In her paragraph 5.9, Marion Read hypothesizes a building of 1000m² footprint with a flat roof and a volume of 8,000m³. I am not aware of any house of that nature having been built in the RL zone, and none has been identified. I therefore query whether the mischief which this limitation is intended to address is hypothetical rather than real.

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[3] Refer separate evidence of Stephen Skelton at paragraph 2.11 for expert landscape support for that 65m distance

*Marion Read's factual analysis is incorrect*

3.3 In her paragraph 5.12 Marion Read states:

> "*5.12 …. It is the case that the intention under the PDP to allow for buildings of up to 500m² in area and 8m in height as a permitted activity is a very significant liberalisation, particularly as a dwelling of this volume would become part of the permitted baseline to be used in consideration of future building platforms.*"

3.4 In response to the above statement I comment:

(a) The first part of this sentence is factually incorrect. An RL landowner currently has a right (controlled activity which cannot be refused) to build a 1,000m² house up to 8m in height. The reduction to 500m² as a permitted activity, with any excess having restricted discretionary activity status (which could be refused), reduces that 'right' by half. That is the opposite of a liberalisation. The only benefit to that landowner is (possibly) avoiding the cost of a controlled activity land use consent which would (with 100% certainty) be granted. That saves an existing, completely unnecessary cost, but does not constitute a liberalisation.

(b) The statement about the 'permitted baseline' is irrelevant, because the permitted baseline has no relevance to any consent application for subdivision or development in the RL zone, and would have no relevance for any subdivision or consent application in the rural zone where the planning regime is very different.

*No reasonable planning rationale has been provided for that limitation*

3.5 The proposed PDP regime would allow a 500m² house up to 8m in height as a permitted activity (subject to standards). That 500m² house can be built anywhere within the 1,000m² RBP. I find it difficult to envisage how any assessment of a larger house against the specified restricted discretionary activity criteria could result in a conclusion that there is such a significant difference (from what is permitted) in terms of effects that consent for a larger house should be declined.

3.6 In his paragraph 12.15[4] Craig Barr rejects the submission by Arcadian Triangle Limited on this point in reliance upon a generic reference to

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[4] Craig Barr's s42A Report, paragraph 12.15 on page 27

sections 7(c) and (f). However he provides no detailed analysis of how rejection of Arcadian's submission on this point will achieve those very high level RMA provisions.

*That limitation will have a perverse consequence*

3.7 Most houses built in the RL (or rural) zones are largely single storey and generally have pitched rooves. People tend to build lower and bigger (in area) houses rather than smaller and higher houses. Assuming external colours are appropriately managed (which is the case under both the ODP and the PDP) it is height more than anything else which leads to noticeable visibility. The 500m² is not an overly large footprint for the kind of house likely to be built on a rural living lot worth in excess of $750,000 if it is all single storey, taking into account what is often a large garage and a potential residential flat. The proposed 500m² limitation effectively encourages taller houses with a smaller footprint rather than lower houses with a larger footprint. That is a perverse outcome.

*That limitation will have unanticipated consequences for existing consents*

3.8 A particular problem arises in the 'greenfield' RL areas where consents have previously been granted, such as the Hawthorn Estate Limited consent. That consent includes subdivision conditions (enforced through Consent Notice restrictions) which require houses to be built to a maximum height of 7m and with their main roofs at a minimum pitch of 35 degrees. The objectives of those limitations were to reduce visual impact of houses when viewed from outside Hawthorn Estate and to maintain privacy between houses within Hawthorn Estate (by avoiding second storey windows looking down into neighbouring properties). Those limitations effectively remove about half the normal permissible building volume within a RBP in the RL zone (ie: half of Marion Read's theoretical 8,000m³ volume).

3.9 The PDP's proposed 500m² limitation then removes half what is left of the permissible building volume by limiting the single storey house to 500m² (without requiring a resource consent which may be refused). That would have two consequences:

(a) It would significantly undermine the basis upon which the Hawthorn Estate consent was granted and the Consent Notice limitations were imposed;

(b) It would adversely affect the existing rights of landowners who have purchased a lot on the basis of the consent granted and the ODP controlled activity planning regime.

3.10 While I query whether there is any need for a consent trigger in relation to this issue, I note that there are (at least) two other potential ways of addressing this issue which could be a compromise outcome on this issue in terms of addressing the Council's concerns and Arcadian's concerns.

3.11 One option would be a standard which limits the 8m height limit to a maximum 500m² ground floor area within the RBP and imposes a 6.5m height limit within the remaining 500m². That would address Marion Read's theoretical concern about a 1,000m²/8m high dwelling by allowing the landowner up to a 8m for half the RBP and up to 6.5m for the other half of the RBP (all subject to the specified external appearance standards).

3.12 Another option would be to change the status of a dwelling exceeding 500m² to controlled rather than restricted discretionary and include a roof pitch control as a matter of discretion. That would avoid removing any existing 'right' while again addressing Marion Read's concern about the hypothetical 1,000m²/8m house.

## 4. Two Residential Units Within One RBP

4.1 The issue of accommodation for elderly parents, nearby or with their children, is an ongoing issue for many families and is an issue likely to increase in significance as life expectancies increase. There is an opportunity to proactively anticipate that inevitable development and plan accordingly. The District Plan can help, and not just by providing for retirement villages for example.

4.2 One additional method would be to enable the building of a second residential unit, in association with a primary residential unit, with the second residential unit intended or available for occupation by elderly relatives. A 1,000m² RBP can accommodate a single large house. It can equally accommodate two smaller dwellings which would enable this potential outcome. Likewise a rural living lot of a size in the order of 1ha has sufficient outdoor living area to easily accommodate two smaller residential units.

4.3 Both the ODP regime and the PDP regime (for the RL zone) enable a residential flat in association with a residential unit. This proposal is therefore a fairly minor variation because all it effectively does is allow an additional laundry and kitchen, thereby changing a residential flat into a separate residential unit.

4.4 The three critical components of this proposal (to avoid abuse) would be:

(a) Both residential units must be located within the same RBP;

(b) Further subdivision must be prevented (which could be achieved by a volunteered *Augier* condition);

(c) The second residential unit should be in replacement for any potential residential flat, and in addition should not be entitled to have its own residential flat (the intent being to achieve residential unit accommodation for two households, not for three or four).

4.5 Mr Barr expresses two concerns about this proposal. The first is that enabling the two residential units to be constructed within 1 RBP would increase the density of the RL zone in such a way as to affect the rural character of the zone[5]. That comment takes no account of the fact that the proposal is to enable two residential units within a single approved RBP which has a maximum size limitation of 1,000m² and which can already contain one residential unit plus one residential flat which together could total 1,000m². Putting an additional kitchen and bathroom into the residential flat will not create any perceptible difference. Two smaller residential units within one RBP will not be perceived much differently, when viewed from a distance, than a single large residential unit within that RBP.

4.6 Mr Barr's second concern is that this proposal could create an ill-conceived perception that it is anticipated that a subdivision is contemplated.[6] That concern can be addressed by an appropriately worded policy and rule which makes it crystal clear that subdivision will not be allowed – to the extent that the rule could provide for such subdivision as a prohibited activity.

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5 Craig Barr's s42A Report, paragraph 8.8 on page 12

6 Craig Barr's s42A Report, paragraph 8.9 on page 12

## 5. Visitor Accommodation

5.1 The RL zone provides for visitor accommodation within a visitor accommodation subzone as a controlled activity. Visitor accommodation outside a visitor accommodation subzone is a discretionary activity. The latter effectively catches use of a residential unit for visitor accommodation (defined in the PDP as the use of land or buildings for short-term, fee paying, living accommodation with a length of stay for any visitor/guest of less than 3 months). Arcadian opposes that consequence.

5.2 Arcadian's submission requested amendment of the relevant plan provisions to enable year round visitor accommodation activities in the RL zone as a permitted activity. On reflection, that requested relief is too broad as it was not intended to enable activities such as motels or lodges. The intention of the submission was to enable the use of a residential unit for visitor accommodation purposes. This evidence should be read on that basis.

5.3 Mr Barr's assessment of this issue is based upon the wording of Arcadian's submission which related to visitor accommodation generally. Therefore his assessment does not address the narrower relief which Arcadian now seeks. His recommended change of activity status for VA (from non-complying to discretionary) is a step in the right direction, and that status seems reasonable for pure VA type activities. However his assessment does not address the narrower issue of use of a residential unit for VA activities where the outcome in terms of effects is very similar (if not identical) to use of that residential unit for residential purposes.

5.4 Mr Barr recommends a policy[7] discouraging VA activities which would diminish the amenity, rural living quality and character of both the RL and RR zones. Arcadian's submission on this point could be enabled by a consequential amendment to that recommended policy along the following lines (additional words underlined):

> "*Discourage commercial and non-residential activities, including restaurants, visitor accommodation and industrial activities, that would diminish amenity, rural living quality and character <u>while enabling the use of a residential unit in the Rural Lifestyle zone for visitor accommodation purposes</u>.*"

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[7] Craig Barr's s42A Report, paragraph 9.6 on page 20

5.5 The building of a residential unit on a RL lot involves a significant investment in accommodation infrastructure. The efficient use of such infrastructure could be encouraged rather than be discouraged.

5.6 It is a generally accepted fact (based on Council data I understand) that about one-third of residential units built in the Queenstown Lakes District are 'second homes' and are often vacant for much of the year. That is a waste of a resource in a district where there is pressure for more visitor accommodation. Air B&B type arrangements are a growing trend. The kind of residential unit which gets built on a RL lot is likely to provide desirable accommodation for a visitor to Queenstown. I query why the District Plan should discourage the use of RL residential units for visitor accommodation purposes.

5.7 Occupation of a residential unit, whether by residents or visitors, gives rise to very similar effects. On this issue the size of a 1ha RL lot is advantageous because of the privacy that sized lot enables. I query why there should be any consent requirement to enable the use of an RL residential unit for visitor accommodation.

**Note**: The rationale described above in relation to the RL zone is equally applicable to the Rural zone. I acknowledge that is beyond the scope of Arcadian's submission. However Queenstown Park Limited (Submitter 806) supports a less restricted activity status for visitor accommodation in the Rural zone[8].

Dated 21 April 2016

Warwick Goldsmith
Director of Arcadian Triangle Limited

8 Craig Barr's s42A Report, Chapter 21, paragraph 20.19 on page 103

## SCHEDULE 1

## Hawthorn Estate 32 Lot Consent Scheme Plan of Subdivision

## SCHEDULE 2

**Aerial Photograph showing 'The Triangle' bordered in blue and individual lot boundaries identified in black**

## SCHEDULE 3

### Plan of 'The Triangle' showing individual lot sizes