

**BEFORE THE COMMISSIONERS
AT QUEENSTOWN**

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

AND

IN THE MATTER of an application under Part 2 of
Schedule 1 of the Act

AND

IN THE MATTER of proposed Private Plan Change 44 to
the Queenstown Lakes District Plan

BETWEEN **RCL Queenstown PTY Limited**

Requestor

AND

Queenstown Lakes District Council

Territorial Authority

STATEMENT OF EVIDENCE OF DAVID WIGHTMAN

1 JULY 2015

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Table of Contents

INTRODUCTION AND OVERVIEW	1
RCL Real Estate	1
Scale	1
Expertise	1
SUMMARY OF THE PLAN CHANGE	2
Purpose of PC44.....	2
Delay	3
Urgency of development	3
Practicalities	4
Managing development	4
Ownership	4
Type of development.....	4
CONCLUSION	5

INTRODUCTION AND OVERVIEW

- 1 My name is David Wightman. I am a Director of RCL Real Estate Pty Limited (**RCL Real Estate** or **RCL**).
- 2 My background is in property development and property finance. I have been involved with the assets of the RCL Group for in excess of 9 years and became the executive director of RCL Real Estate Pty Limited in late 2013.
- 3 I hold a Bachelor of Business, majoring in accounting and sub majoring in economics and I am also a Certified Practicing Accountant.

RCL Real Estate

- 4 RCL Real Estate is a residential development company based in Melbourne, Australia. Its core business is the development of master planned residential communities and it has the expertise of taking land from an unzoned / unplanned state, through the rezoning and planning process, and onto the delivery of completed lots and in some cases built form.
- 5 RCL operates primarily within growth corridors and has interests in projects throughout metropolitan Melbourne, regional NSW, metropolitan Perth and Queenstown, New Zealand.

Scale

- 6 RCL is currently working across 14 development projects.
- 7 Last year, RCL settled approximately 450 lots and turned over approximately AUD\$65 million. Its residual lot yield across these projects is approximately 3,000 lots.

Expertise

- 8 Historically RCL's portfolio has been weighted to Australia, with the active development of a number of these projects our focus is now shifting towards New Zealand.
- 9 RCL has been actively involved in developing resort style residential communities with body corporate structures and private ownership of infrastructure as well as traditional master planned communities with government owned infrastructure. It has and is developing projects that offer a broad spectrum of product offerings, from conventional detached densities to

medium density, at a range of different price points catering for affordable first home product through to third home buyers.

- 10 RCL executives have had an interest in the Hanley Downs assets since 2007. The intention has been to always develop the land since then, however the present zoning is seen as an impediment to the most efficient use of the land.
- 11 With RCL not being based in New Zealand it has been considered important to have local expertise, so the expert consultants on the Plan Change have been selected for their local knowledge and experience.

SUMMARY OF THE PLAN CHANGE

- 12 The central goal of Plan Change 44 is to provide affordable, mid-range residential development for which there is a considerable shortage in the Wakatipu Basin. The subject land provides an opportunity which is not available elsewhere in the Basin.
- 13 We have not sought to become part of the affordable housing accord process. The RCL land has the potential to provide 1124-1829 residences, far more than the total recently proposed for consideration as affordable housing projects.
- 14 I have visited the Hanley Downs site on numerous occasions, and have also visited other recent residential developments in the area, such as Shotover Country.
- 15 I believe I have a sound understanding of how the local market operates and consider there is a critical shortage of competition in the housing market. This may be exacerbating the housing shortage in general in the Wakatipu.
- 16 Moreover, RCL is a ready developer. The development on RCL's land in the PC44 area will begin immediately once enabling zoning is in place. The intention is not merely to provide the zoning, but to provide the development.

Purpose of PC44

- 17 RCL's focus is on the everyday midrange residential land owner, rather than the luxury end of the scale.
- 18 The central focus of the housing supply proposed under PC44 is a broader cross section of housing – that is, accessible to a

wider range of buyers – than currently provided at the neighbouring Jacks Point.

- 19 RCL is aware that there is a housing shortage in the Wakatipu Basin, given the recent Queenstown Lakes Housing Accord, and the lack of support for the majority of recently proposed Special Housing Areas.
- 20 RCL's focus is on residential developments. It is not considered that there will be any other activities on the RCL land, aside from small commercial ancillary to the development, and potentially schools and other community infrastructure.
- 21 RCL has undertaken detailed costings and produced provisional development layouts for its land.
- 22 PC44 will enable an overall greater density of residential development on the valley floor section of the Hanley Downs area. It will also extend low density residential developments into some discrete parts of the Tableland slopes which surround the valley floor area.

Delay

- 23 RCL has no interest in land banking, or holding land. In fact, I feel that we have held this land for too long in this case, for reasons outside our control. We would like to proceed with the development.
- 24 The Plan Change was initiated in 2013 with an eye to developing the land as soon as possible. Unfortunately, progress at that time was hindered by commercial complexities. These complexities have now been resolved through negotiation of the ensuing 18 months.

Urgency of development

- 25 RCL is keenly aware that demand cycles will come and go, and in that regard RCL considers this to be a long term project.
- 26 It is difficult to predict when the current upswing will end, as it inevitably will, and as such it is regrettable that the land has not been able to be put on the market sooner.
- 27 It is of critical importance that PC44 is able to proceed without undue delay. My advice is that if PC44 had not been continued, and a submission seeking a similar outcome made

through the District Plan review process, it would take at least 18 months to 2 years (possibly longer) to achieve the operative zoning required. This would have the effect of seriously hindering the development, at great cost to both RCL and the Wakatipu Basin.

- 28 RCL also has some construction interests, and is willing to explore options for providing comprehensive land and housing packages to the market.

Practicalities

Managing development

- 29 Comprehensive commercial agreements have now established the management structures for the land going forward. This includes arrangements regarding access to infrastructure, and the nature of any body corporate arrangements which will apply to development on the land.
- 30 With these arrangements in place, there is no reason that development may not proceed following any approval of PC44.

Ownership

- 31 RCL owns or controls most of the urban residential portion of the PC44 land. The total land area is over 100 hectares and is generally shown on Appendix One of Mr Espie's evidence.

Type of development

- 32 I have a firm view on the type of development which will be successful on the land.
- 33 There is some potential for higher density housing, particularly as market matures, but I am realistic about the challenges developers face in a small town and I wish to have sufficient flexibility to pursue different development options.
- 34 In my opinion, a key part of the future success of Hanley Downs will be to offer well priced land with a minimum of encumbrances such as covenants, Body Corporate fees etcetera.
- 35 I also wish to make use of public infrastructure where possible. In particular, costings have been undertaken, and RCL has engaged with QLDC in regards to a new wastewater pipeline connection to Frankton. RCL is willing and able to fund such a

connection. Moreover, provided a contribution to costs, RCL is happy to make such a pipeline available to other developments in the area.

CONCLUSION

- 36 RCL's intention for PC44 is to fill a gap in the Wakatipu Basin market for a range of residential development options including entry level or lower priced housing and sections.
- 37 I believe that the plan change is necessary to make use of the land's potential as a rare and ideal location for such development.

David Wightman

1 July 2015