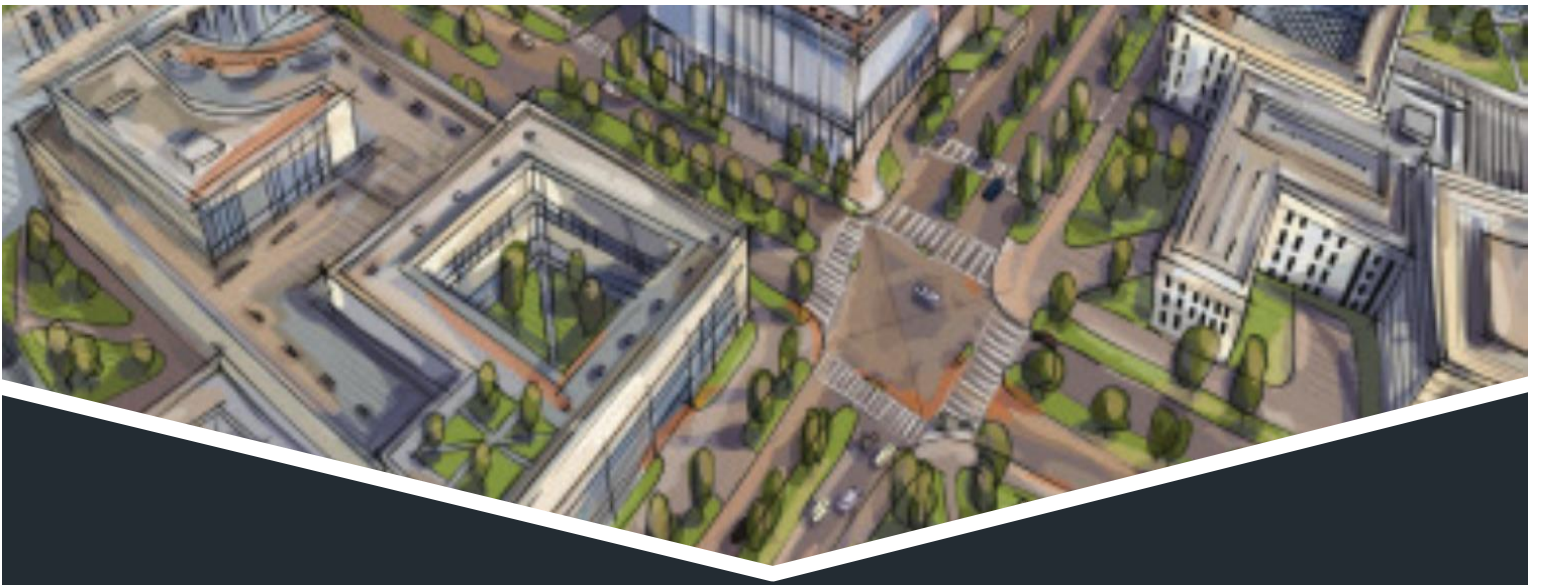




SPECIAL HOUSING AREA: EXPRESSION OF INTEREST

Bright Sky Special Housing Area
Wanaka

BRIGHT SKY LAND LIMITED

November 2017



EXECUTIVE SUMMARY

Bright Sky Land Limited submits this Expression of Interest (EOI) for its land in Wanaka, for consideration as a Special Housing Area (SHA).

The EOI comprises a master-planned residential development scheme of 281 dwellings. The scheme comprises a mix of housing types and section sizes, and is based on an approach of 'Affordability by Design'.

'Affordability by Design' hinges on a number of design and locational attributes:

- Compact section sizes;
- Compact, but well designed, houses;
- Houses that, as far as possible, utilise passive solar heating approaches to minimise winter heating bills;
- Location near centres and places of employment, in order to reduce travel-related expenses.

The proposed SHA has been designed to fit well within its context and connect well to adjoining land and wider Wanaka. It is consistent with Council's Implementation Policy on Special Housing Areas, and the statutory considerations under the Housing Accords and Special Housing Areas Act 2013.

Of particular note, the SHA will:

- Provide significant additional housing supply to Wanaka in a timely manner;
- Provide significant diversity of housing options to the Wanaka market, where diversity at present is quite limited;
- Provide new housing that is priced at a 'market affordable' price point, through the use of small section sizes and compact and efficient housing designs;
- Contribute to affordable housing in Wanaka;
- Be underpinned by a comprehensively designed, cohesive master plan based on best practice urban design principles;
- Be adequately serviced by infrastructure.
- All homes will be constructed on sections less than 400 square metres, offering only completed house-land packages. This ensures affordable price points are met and effectively takes out speculative buyers.

Bright Sky Land Limited commit to the 10% Community Housing contribution as specified in Council's Implementation Policy on Special Housing Areas.

1. THE BRIGHT SKY PROPOSAL

1.1 The Bright Sky Land Limited Team

The directors of Bright Sky Land Limited ('Bright Sky') bring significant commercial and development experience to the project. All directors live in Wanaka and have longstanding connections to it, and are strongly committed to its future.

Summaries of the Directors' experience are outlined below:

Grant Bisset

Grant has lived in Wanaka since 1992, and has been involved in the aviation and tourism industries since then. Grant has also been involved in some property and project management projects during that period.

Grant is concerned about the future of Wanaka and sees sound long term planning and development as critical to its success.

John Gilks MNZM

John's professional background is as a practising chartered accountant. He has been a professional director since 1993, having held circa 20 directorships. He is Chairman of Queenstown Airport Corporation Ltd.

John is a past president of the Otago Chamber of Commerce, the Otago Branch of the Institute of Chartered Accountants and the Institute of Directors. He is a Fellow of the College of the Institute of Chartered Accountants and a Distinguished Fellow of the Institute of Directors.

In 2009 he was appointed a member of the New Zealand Order of Merit (MNZM) for services to business and the community and in 2010 received the Dunedin City Business Personality of the Year award.

Paul Miller

Paul Miller moved to Wanaka in 1976 after purchasing the basis of what later became Wanaka Lake Services, a commercial launch, boat hire and trout fishing operation which he ran for 20 years. It was after the sale of this successful business that Paul entered into the Real Estate Industry.

He has become one of Wanaka's longest serving, most experienced and most successful real estate salespeople. He is renowned for his attention to detail, local knowledge, professionalism and ability to take the sales process to another level. He is also a Harcourts Accredited Property Auctioneer.

Paul has been involved with and chaired the Wanaka Theatre Group, Swimming Club, Swimming Pool Committee, the Promotion Association and served on the Community Council.

Paul is the Managing Director of The Upper Clutha Messenger (est 1978), Print it Wanaka and Sign Depot.

David Reid

David formed iconic building company David Reid Homes 25 years ago and after expanding through New Zealand moved to Wanaka on a full time basis in the early 2000's.

After 3 years in Wanaka, David with his family moved to Australia to launch David Reid Homes offshore.

After successfully establishing David Reid Homes in Australia David and family moved back to their home town of Christchurch in 2010 - a few months later the earthquakes struck. After doing as much as they could helping rebuild the city after the earthquakes of 2010/11, David and his wife Sue moved back to Wanaka in December 2015.

Now with Wanaka a permanent and full time base, David and Sue have embarked on the next stage of their lives, developing land and beautiful homes in Alpine Estate, Wanaka.

The Bright Sky Development Proposal - Approach

Bright Sky have assembled a team of professional industry experts to advance a masterplan scheme for the land.

Mark Tutty and David Reid have project managed the development of the concept, with their approach underpinned by their decades of experience in the development and house building sectors. The project has been strongly underpinned by Paul Miller's expert understanding of both the Wanaka community, and its real estate market.

A preliminary design workshop was held in Wanaka in August 2017, involving the following team members in addition to Mark, David and Paul:

- Tim Allan: Project and Development Management
- Matthew Paetz: Auckland Planning Manager, The Property Group Limited
- Blair Paterson: Director, CoLab Architecture
- Tobin Smith: Director, CoLab Architecture
- Bruce Weir: Principal Urban Planner, The Property Group Limited

Preliminary masterplan concept options were developed following the meeting. The concept options were robustly tested, not just in terms of urban design qualities, but also in terms of buildability and development cost and feasibility.

A workshop between members of the design team and Senior Queenstown Lakes District Council planning staff was held in mid-September.

Preliminary discussions between Bright Sky and the Queenstown Lakes Community Housing Trust have occurred.

Bright Sky undertook an online survey via Survey Monkey, to assist in the progression of their housing development concept. 45 people from Wanaka participated in the survey.

Some of the key findings were:

- A large proportion of respondents saw smaller sections, smaller houses, and innovative construction techniques as central to delivering more affordable housing. These were considered superior to other options, such as more remote location and cheaper building materials.
- A high level of interest was shown in medium density housing typologies to deliver affordability.
- 17 of 45 respondents saw a desperate need for the delivery of housing in Wanaka for less than \$575K.

1.2 The Bright Sky SHA site

The proposed SHA comprises an area of land within the 22 hectare site legally described as Lot 1 DP 477622. This land is owned by Peter Duncan Gordan and HGW Trustee's Limited. Bright Sky Land Limited have submitted a subdivision consent application to subdivide off the parcel of land subject to this Expression of Interest. An unconditional Sales and Purchase Agreement is in place, and Title is anticipated by mid-March 2018.

The current title for the site is attached as **Appendix 1**. Summary of the enclosed registered documents are as follows:

Registered document reference	Summary
Consent Notice 5143982.11	Conditions of 2-lot subdivision in relation to building platforms, water suppl, wastewater and right of way.
Land Covenant 6007392.6	To conserve and enhance character, quality and amenity value of Lots.
6029971.1 Variation of Land Covenant	Variation to remove clause from above (reference/application to allotment).
Consent Notice 7043114.1	Restriction on industrial activity on Lot 2.
Consent Notice 8060605.2	Subdivision condition in relation to provision of stormwater disposal, access, water supply.

Registered document reference	Summary
8282267.2 Variation of Consent Notice	Variation (deletion) of conditions as they relate to Lot 3.
Consent Notice 8282267.10	Conditions of 3-lot subdivision in relation to provision of stormwater disposal, access, water supply.
9321758.1 Variation of Consent Notice	Variation to condition in relation to access/manoeuvring.
Land Covenant 10347910.5	Open space and landscape covenant

In terms of the proposed SHA, it will comprise the development site proper and also include an area of land providing for a public roading corridor that will link the development site with Cardrona Valley Road and Gordon Road. The proposed SHA showing the development site and the roading corridor is shown in the plans attached as **Appendix 2**.

Over the length of the site, there is only a mild-moderate slope, however in the central portion of the site a bank rises up towards the north relatively steeply.

The site is currently vacant, and grassed. It has legal access from Frederick Street. The land use on Frederick Street is predominantly light industrial in nature.

The land adjoining to the north of the Bright Sky Land has a legal description of Lot 2 DP 477622. It is zoned Industrial B, and is currently vacant, and has legal frontage to Gordon Road and Connell Terrace.

The Alpine Estate land to the south of the site has a legal description of Lot 2 DP 498936, and comprises 11.8863 hectares. Like The Bright Sky land, it is currently vacant and grassed, and has only a gentle slope. A resource consent application for 93 residential lots was lodged with Council in early 2017, however for various reasons its processing is on hold.

The site is zoned Rural General under the Operative District Plan. Under the Proposed District Plan, the majority of the site is zoned Low Density Residential (as shown below, with the 'mushroom' colour). However, a small portion of the south eastern corner of the site has a Rural zoning (grey coloured area). It is not clear why this the case, although a mapping error is suspected. Further clarification on this matter is required.

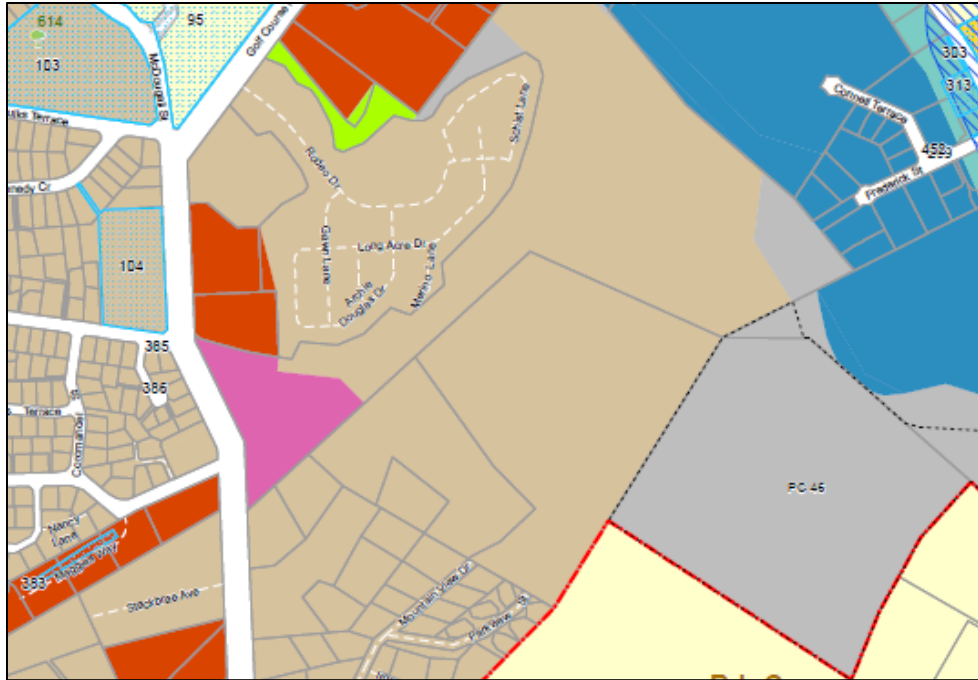


Figure 1: Proposed District Plan Map Extract

1.3 Proposed Urban Design Approach

The preparation of the SHA has been undertaken without constraint, including the remit to change the Alpine Estate design (currently in the process of resource consent application, but ‘on hold’) if required. No such change has been deemed necessary with the more spacious nature of the proposed Alpine Estate development providing a good transition to the neighbouring residential areas to the west, and road connections in appropriate locations.

Consequently, design efforts have focused on the BSLL land. All images below are reproduced at A3 size in **Appendix 2**.

Provisional framework planning exercises focused on splitting the new entry road from Cardrona Valley Road in the west equally towards Ballantyne Road via Gordon Road in the north, and a lower connection in Alan Dippie’s land to the south.



Image 1: Provisional Framework Plan illustrating core structure and focus areas.

While this framework has remained largely intact, there was increasing emphasis towards Gordon Road due to the connectivity advantages outlined previously.

The desire to create a more intensive “village” neighbourhood necessitates a finer urban grain –smaller blocks with more, but smaller, roads. In addition, there was a desire to utilise the existing contours as much as possible. These elements have resulted in some unique building typologies that utilize the embankment face and in doing so require very short lot depth (circa 20m – lot size 120m²+). Other compact building typologies have facilitated a fine-grained, yet highly legible development pattern.

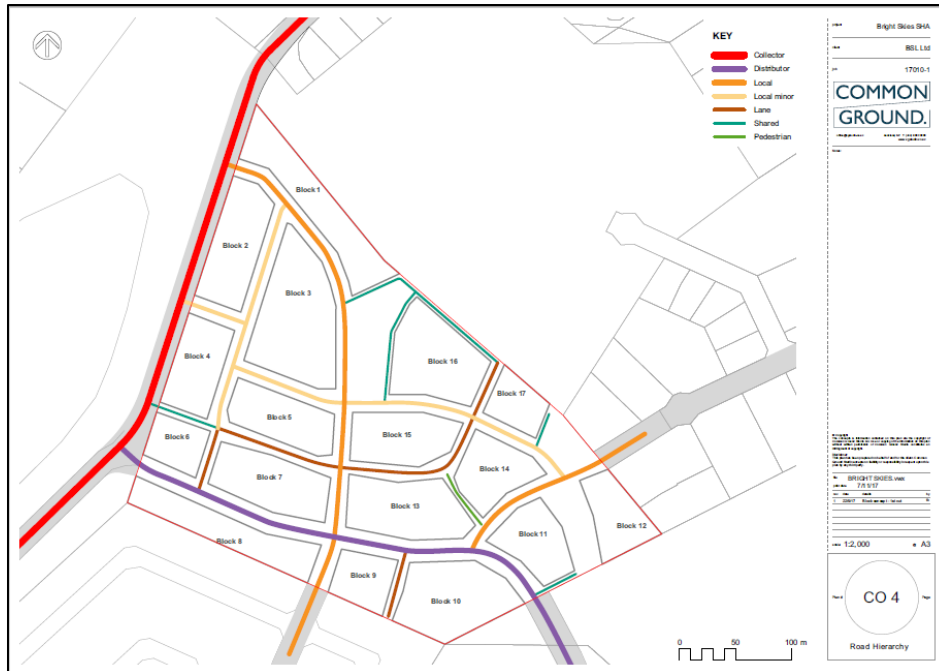


Image 2: Roading hierarchy and block pattern.

This patterns ensures that:

- There is a heavy focus towards walking as the first movement mode of choice;
- That the internal environment promotes a low-speed vehicle pedestrian-centric environment, and;
- The main roads can operate effectively by 'de-cluttering' them from entranceways as much as possible.

This helps achieve a safe low-impact (noise, conflicts) environment conducive to higher density living.

By integrating the designated landscape bund/buffer on the northern boundary within the development concept, and adopting the small, low-speed road approach, the design team have been able to deliver a generous, well-sited and aspected 3,000m² proposed neighbourhood park, which has been designed to be consistent with the Council's Parks and Open Space Strategy 2017. The park and bund combination connect to the site boundaries west (Gordon Road) and east (Dippie land) providing the ability for Council to work with other land owners and developers to deliver a wider connected recreational link for the town.



Image 3: Block sizes and open space areas

As the plan above illustrates, this approach and development pattern is surprisingly efficient even compared to traditional suburbia – and particularly given the yield it can support (illustrated below).

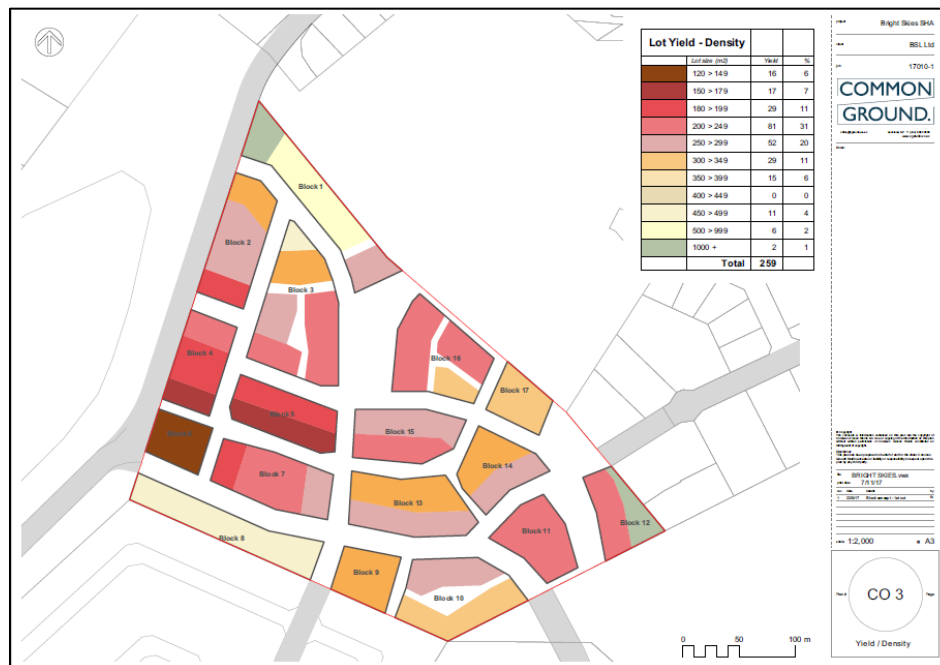


Image 4: Density distribution and yield

The distribution of density outlined above is underpinned by:

- A thorough understanding of specific site conditions (slope, aspect, location, outlook, access requirements);
- Appraisal of amenity proximity and frontage;
- The objective of achieving a high level of inherently affordable dwellings, and in turn;
- Appropriate building typology options to maximize the above.

The estimated yield of 281 dwellings is considered a deliverable outcome using standard construction methodologies. It is anticipated the vast majority of dwellings will be freehold title – a key consideration for delivering an affordable housing solution.

Summary of Responses to Urban Design Principles

Context

In close proximity to the town centre and other developing urban centres. The development will be designed to reinforce the character of the area.

Permeability

The design is permeable and provides a safe and inclusive pedestrian environment.

There will be a range of street types that slow traffic and encourage walking preference.

Concentration

Sufficient concentration to activate the public realm, create community and develop identity (a sense of place).

Connectivity

The site is within walking distance to the Town Centre and Three Parks.

It can be connected to all infrastructure with little difficulty.

Regeneration & Restoration

Development uses slope to support more-intensive residential options as a core. A landscaped street and lane network supports a hierarchy of spaces and use of density in appropriate locations.

The use of High Performance Housing reduces demands on network systems and infrastructure.

Vitality

Critical mass and variety of housing types will encourage diversity among residents. The nature of

the development will encourage people from outside to walk to and around the neighbourhood.

Adaptability

The design is safe, adaptable and resilient in the face of change – including energy efficient housing. The built form can be adapted to new uses over time with ease.

Identity

There is a sense of place and identity created through the landscape setting, the compactness of the 'village core', the design and layout of the public realm, landscape of space and a distinctive New Zealand architecture.

Quality Public Realm

The public realm is made up of public spaces and routes that are attractive, safe and inclusive that effectively function for all in society, including the disabled and elderly.

The proposal integrates to wider networks.

1.4 Proposed Architectural Approach

CoLab Architecture's overall approach to the master plan is to create a development that is inclusive, not exclusive. The design of the dwellings encourages both social and physical connection through permeability and pedestrian focus with outward facing dwellings responding to the road layouts and the provision of public amenity.

The variation of scale and specification of the typologies is aimed at appealing to a wide range of potential occupants. The proposed dwelling forms and selected materiality have been directly influenced by the region and are a contemporary play on the Wanaka vernacular. Pitched roof forms, open expanses of glazing and natural plastered walls reflect that of the region, while additional materials such as natural timber wall claddings will help soften the overall character of the development and complement the natural nature of the surrounding landscape.

The dwellings themselves have been located and scaled in a response to the proposed topography of the site and integrates the development in to the surrounding community of Wanaka. Roads, pedestrian links and open spaces have been carefully considered to ensure key access points and viewing lines are retained.

The architecture consists of 8 different dwelling typologies ranging from one bedroom apartment type typologies of approximately 50m² through to compact family homes of approximately 220m². The strength of these typologies is in the modular approach that are taken for the designs, which not only makes for efficient construction methodologies, but also

creates flexible planning models that are interactive and responsive to market feedback.

In response to the orientation of the site, each dwelling typology has been planned to maximise their ability to draw natural light down into the internal spaces. All living spaces [with the exception of the apartment typologies] are located on grade to allow access to exterior private courtyards. Transparency is introduced to both the public and private faces of each typology, which not only allows for natural light but also achieves positive interaction and passive surveillance over vehicle and pedestrian movement through the site.

The dwellings have contemporary lines based around traditional forms, which are designed to reflect the architectural ethos of the development. The modular nature helps create an efficient structural module that can be constructed using standard building techniques. The roof forms of the terrace and duplex typologies have been aligned, shifted and stepped to help articulate the facades and announce individuality, while at the same time simply shed water to the external walls and minimise the requirements for internal gutters.

Conceptual architectural images are contained within **Appendix 3**.

2. STATUTORY AND COUNCIL POLICY CONSIDERATIONS FOR THE ASSESSMENT OF POTENTIAL SPECIAL HOUSING AREAS

2.1 Housing Accords and Special Housing Areas Act

In terms of establishing Special Housing Areas (as distinguished from assessing Qualifying Development applications within established SHA's) the key statutory matters are set out in Section 16(3) of HASHAA:

The Minister must not recommend the making of an Order in Council under this section unless the Minister is satisfied that—

- (a) adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- (b) there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- (c) there will be demand for residential housing in the proposed special housing area.*

While the matters relate to the Minister of Housing's decision making functions, it follows that Council must be satisfied as to these matters in order to recommend a SHA to the Minister.

With regard to the question of 'adequate infrastructure', the land is zoned Low Density Residential under the Proposed Queenstown Lakes District Plan, which indicates that the land will become part of Wanaka's urban area and serviced by infrastructure accordingly.

Watershed Consultants and Beca have prepared infrastructure capacity assessments, which are attached as **Appendix 4**, along with correspondence from Council's Assets section. Water supply to the Bright Sky SHA can be supplied via a 150mm pipe from Gordon Road through the main development road to Frederick Street, with a secondary 100mm connection.

Traffic Engineers Bartlett Consulting have prepared a traffic engineering assessment, which is attached as **Appendix 5**. Bartlett Consulting conclude:

The modelling undertaken shows that the existing intersections will be able to accommodate the additional traffic as a result of the proposed residential development with only minor change in the operational efficiency. The modelling demonstrates that the existing road infrastructure can accommodate the proposed SHA.

With regard to the matters of demand, sales data over the past two years shows strong ongoing demand for housing in Wanaka. Information provided by the Community Housing Trust shows that there is a significant waiting list of residents seeking to purchase dwellings at more affordable price points than are being provided at present by the market.

Section 15 of HASHAA sets out the criteria that may be prescribed for 'Qualifying Developments' in SHAs. The criteria include maximum building heights, maximum number of storeys, and minimum number of dwellings. With regard to these matters, the following criteria are proposed:

Maximum Building Height: 11m

Maximum Number of Storeys: 3

Minimum Number of Dwellings: 3

Section 14 of HASHAA sets out the meaning of 'Qualifying Developments'. Central to this meaning is that Qualifying Developments must be 'predominantly residential'. At this stage, Bright Sky anticipates that an early childcare centre will establish within the site. This will be confirmed at the time the Qualifying development application under the SHA is made. However, in advance of this process, it is considered that incorporating the early childcare centre within the overall development will be consistent with the requirement for the development to be 'predominantly residential', for the following reasons.

Section 14(2) of HASHAA states that a development is 'predominantly residential' if:

(a) the primary purpose of the development is to supply dwellings; and

(b) any non-residential activities provided for are ancillary to quality residential development (such as recreational, mixed use, retail, or town centre land uses).

The incorporation of an early childcare centre within the overall development is secondary to the primary purpose of the development, which is focussed on residential development, ie. supplying dwellings. Early childcare centres are strongly linked to residential areas, often locating within them or adjacent to them. While they are a business, they are a community focussed one, serving the needs of a resident community.

An early childcare centre locating within the development helps to enhance the overall cost of living affordability of the wider residential development, as it ensures residents can walk, or only drive a very short distance, between their homes and the centre.

2.2 Queenstown Lakes District Council's 'Housing Accords and Special Housing Areas Act 2013 Implementation Policy' (24 November 2016)

Council's Implementation Policy sets out 8 Objectives that frame Council's overall approach to the Housing Accord and Special Housing Areas. The objectives are outlined below and commented on.

1. Recommendation of special housing areas facilitates an increase in land for housing supply.

Comment:

The Bright Sky SHA facilitates an increase in land for housing supply. Under the Operative Queenstown Lakes District Plan, the land is zoned Rural, which does not readily contemplate or provide for housing

supply of any significance.

While the majority of the land (apart from a small area of land in the south-eastern corner of the site zoned Rural) has a proposed zoning of Low Density Residential under the Proposed Queenstown Lakes District Plan, decisions have not been made and released on the Proposed Plan. Council is currently anticipating that decisions will be released in the first quarter of 2018.

While this is not far into the future, the schedule could change, and furthermore there is the potential for an appeal of provisions (if not the zoning) to the Environment Court to further delay the housing development potential of the land.

In addition, the Low Density Zoning of the land under the Proposed District Plan does not anticipate a housing supply yield as high as that proposed in the proposed Bright Sky SHA.

2. Special housing areas are established in appropriate locations, where there is evidence of demand for residential housing.

The Bright Sky SHA is considered to be in an appropriate location. While the land is zoned Rural under the Operative District Plan, the majority of the site has a zoning of Low Density Residential under the Proposed District Plan, and is located within the Wanaka Urban Growth Boundary.

Furthermore, the land has excellent access to the evolving master-planned community of Three Parks, with its commercial and employment potential, and it is also a short distance to the Wanaka Town Centre (15 minutes' walk).

There is currently evidence of strong demand for housing in Wanaka, and a relatively strong supply response. However, significant levels of housing supply are currently only being provided by a very small number of developers¹, and the housing market would benefit from greater competition.

In addition, much of the supply response is pitched at the mid to high segments of the market, and very little housing is being delivered to the market at affordable (in a relativistic sense) price points. Our analysis of the residential property market for the period March – September 2017 demonstrates the following key statistics:

Lowest price - \$560,500

Highest price – \$3,887,500

Proportion of sales in affordable price bracket (\$560,500 - \$660,000) 8/81 properties = 9.88%

Median sale price - \$890,000

Average house price - \$1,095,928

¹ A recent Officer's report 'Inclusion of Wanaka in the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (Lead Policy)' to the Full Council meeting of 28 September 2017 stated that 44% of the dwelling capacity in Wanaka is contained within the Three Parks and Northlake subdivisions.

It should be emphasised that in Wanaka a significant proportion of demand for housing is for second ('holiday') homes. One of the implications of this is that a greater supply of housing is required than would ordinarily be the case in most urban property markets.

3. The establishment of special housing areas accords with the Council's overall strategic direction for urban development in the District.

The establishment of the Bright Sky SHA accords with the Council's overall strategic direction for urban development in the District. The site sits within the Wanaka Urban Growth Boundaries shown in the Proposed Queenstown Lakes District Plan, and is consistent with the expectations for urban growth and form espoused in the Strategic Direction and Urban Development chapters of the Proposed Plan.

It should be noted that Wanaka's Urban Growth Boundaries have been earmarked for a long period of time. To be more specific, the Urban Growth Boundaries in the Proposed District Plan align with those shown in the Wanaka Structure Plan from 2007.

Therefore, the proposed Bright Sky SHA sits on a site that has long been anticipated for urban development.

4. Adequate infrastructure exists or is likely to exist to service qualifying developments in special housing areas.

Given that the site is zoned Low Density Residential in the Proposed District Plan, there is an expectation that the land will be serviced with urban infrastructure.

As outlined above, infrastructure and transport reports indicate that adequate infrastructure exists or is likely to exist to service a qualifying development in the proposed SHA.

5. Qualifying developments within special housing areas take a proactive approach to improving housing affordability issues by providing an appropriate mix of housing options including housing for owner occupiers, first home buyers, accommodation for workers, and facilitating the provision of community housing.

The Bright Sky team have made a concerted, proactive effort to provide for 'Affordability by Design'.

To be more specific, the masterplan provides for a wide mix of section and house sizes. This includes provision of a significant number of sections in the 100-200 square metre range, and the majority in the 200-300 square metre range.

Bright Sky have consulted with the Queenstown Lakes Community Housing Trust. Under Council's current approach to Special Housing Areas, Council facilitates more formal discussions around what form any community housing contribution should take.

6. There is community feedback as part of the establishment of proposed special housing areas.

Council will manage a process of community feedback following submission of this Expression of Interest.

7. The development of special housing areas will achieve high quality urban design outcomes.

The Bright Sky vision is underpinned by urban design. Urban Designer Bruce Weir (The Property Group) in association with the wider design and project team, has advanced an urban design structure for the site, which seeks to enhance community wellbeing through a design that:

- Fosters strong connectivity within the development and with other adjacent developments and wider Wanaka;
- Provides for a permeable transport network;
- Provides for diversity and housing choice by providing a wide range of section and dwelling sizes.
- Utilises green spaces and lanes to provide good amenity for residents.

8. Development of housing in special housing areas occurs as quickly as practicable.

The Bright Sky development is planned to be delivered promptly. A development programme is attached as **Appendix 6**. It shows project completion by March 2022.

Council Criteria for Assessing Special Housing Area Proposals

Section 3 of the Council's Lead Policy sets out the criteria that council will use to assess SHA proposals, in addition to the statutory considerations.

The criteria are addressed under the headings below:

1. Location

This criterion relates to Council's categorization of land in the District, into 3 categories:

a. Category 1 includes areas that are considered suitable for establishment as special housing areas. These areas have been identified or zoned in the Proposed District Plan for residential development or intensification and/or are located within the proposed urban growth boundary. Category 1 areas are listed in Attachment A.

b. Category 2 includes areas that may be suitable for establishment as special housing areas, subject to further assessment against this policy. This category can only be updated following resolution by full Council, which includes the addition and removal of areas from this category. The Council will not accept proposals or EOIs from landowners or developers to include areas on this schedule. Category 2 areas are listed in Attachment A.

c. Category 3 includes areas that are not considered suitable for establishment as special housing areas. Category 3 areas are listed in Attachment A.

At the Full Council meeting on 28 September 2017, Council resolved to include, within Category 2, the following zoned areas within the Wanaka Urban Growth Boundary of the Proposed District Plan:

- Low Density Residential Zone;
- Medium Density Residential Zone;
- High Density Residential Zone;
- Large Lot Residential; and
- Business Mixed Use Zone.

As the majority of the proposed Bright Sky SHA is zoned Low Density Residential under the Proposed District Plan, it can be considered by Council to be established as a SHA. As noted above, a very small area of the site in the south-eastern corner is zoned Rural. This appears to be a mapping error. Council have advised this can be addressed via an alteration to the Lead Policy.

2. Strategic Direction

The Lead Policy criterion states:

The Council will consider proposed special housing areas in light of its overall strategic direction for development in the District. This includes ensuring that urban development occurs in a logical manner:

- *to promote a compact, well designed and integrated urban form;*
- *to manage the cost of Council infrastructure; and*
- *to protect the District's rural landscapes from sporadic and sprawling development.*

This includes establishing special housing areas within existing urban areas, or proposed urban areas in the Proposed District Plan, including those that are anticipated to fall within urban growth boundaries.

The Bright Sky SHA is consistent with this criterion. It is located on land that was signalled as far back as 2007 (in the Wanaka Structure Plan) to form part of Wanaka's urban area, and this historic planning which involved comprehensive community consultation has been reinforced by the Proposed District Plan, where the land is contained within Wanaka's Urban Growth Boundary.

The proposal is assessed against the Strategic Direction (Chapter 3) objectives and policies of the Proposed District Plan, and as outlined below, considered to be consistent with these.

1. *Develop a prosperous, resilient and equitable economy.*

Affordable housing is central to the development of a prosperous, resilient and equitable economy. The proposal will contribute to the provision of affordable housing which will help achieve these economic outcomes.

2. *The strategic and integrated management of urban growth.*

The proposed development is located within the Wanaka Urban Growth Boundary, and is located within walking and cycling distance of centres. Development within the Urban Growth Boundary is consistent with Council's goals of integrated urban growth management, where infrastructure funding and provision is readily planned for – as opposed to historical development outcomes in the district where new zones and developments have tended to occur on an ad hoc basis.

3. *A quality built environment taking into account the character of individual communities.*

The master plan for the proposal development of the site ensures sound urban design principles will underpin the development. It has been advanced with regard to development plans for neighbouring sites, to ensure context and connectivity are taken into account.

Architectural concepts illustrate a modern approach, but one rooted in the building form and materials of the District.

4. *The protection of our natural environment and ecosystems.*

The site is not located on or adjacent to any sensitive natural environments. Accordingly, there are no adverse effects on the natural environment or on any known notable ecosystems.

One of the aims of progressing development within defined urban growth boundaries is to avoid potential development occurring in, or close to, sensitive natural environments.

5. *Our distinctive landscapes are protected from inappropriate development.*

The landscape within which the site sits is an unexceptional rural one, which is rapidly urbanising. As per above in terms of the natural environment, one of the aims of Urban Growth Boundaries is to focus development in areas that are not distinctive or outstanding landscapes.

6. *Enable a safe and healthy community that is strong, diverse and inclusive for all people.*

The variety of unit typology provides for and accommodates a diverse community. The development intends to provide a variety of site and unit sizes, and varying unit/dwelling height, which creates an individual yet cohesive residential environment. The incorporation of affordable

housing as part of the development also achieves this. Strong consideration and analysis of onsite amenity (i.e. providing parks, open spaces) of the development and private spaces of the units ensures a safe and enjoyable environment for residents.

Overall, the proposal is consistent with these objectives and policies and therefore achieves the strategic direction of the Proposed District Plan.

3. Infrastructure

This matter has been addressed under the relevant objective above.

4. Affordability

The Lead Policy criterion states:

Housing affordability is a key issue for the Queenstown Lakes District. The Council is committed to ensuring that as development takes place across the District, the provision of affordable housing is incorporated as part of each development. The Council is particularly interested in ensuring that affordability is retained overtime. The Council expects landowners and developers to identify appropriate mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The Council considers that an appropriate mix of housing is necessary in the district, including housing for owner-occupiers, first home buyers, and accommodation for workers. Examples of mechanisms to achieve affordability may include:

- a range of appropriately sized sections (including smaller sized sections of 240-400m²);*
- a mixture of housing typologies and sizes is also desirable;*
- the nature of any covenants (or similar restrictions) imposed on sections;*
- methods to reduce property speculation of vacant sections; and*
- methods to retain affordability in the medium to long term. Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.*

The advancement of the Bright Sky SHA proposal has placed these matters at the centre of design considerations.

The proposal focuses on an 'Affordability by Design' approach. Central to this is the provision of a large proportion of small sites (150-300 square metres).

In addition, Colab Architects have developed housing plans which are aesthetically pleasing, efficient and compact, and cost effective with regard to construction methodology.

A further important factor for overall lifestyle affordability is the locational characteristics of the land. The site is very close to the commercial core that is establishing as part of the Three Parks masterplanned development, and not much further is the established Wanaka Town Centre. Estimates of travel times are set out below:

To Three Parks commercial core:

- By walking: 10 minutes
- By cycling: 3 minutes
- By driving: 2 minutes

To Wanaka Town Centre:

- By walking: 15-20 minutes
- By cycling: 5-7 minutes
- By driving: 3-4 minutes

These factors mean that residents within the community should, on average, have low transport costs which assists with overall cost of living affordability.

In addition, the provision of a number of attached and semi detached dwellings will assist with minimising winter heating costs, by enhancing the thermal performance of the dwellings.

Property speculation of vacant sections will be avoided as the whole development will be delivered by the developer, as opposed to a model whereby single or multiple vacant sections are sold to individual parties.

5. Affordable housing

As outlined above, Bright Sky have taken a strong 'Affordability by Design' approach to the proposed masterplanning of the development scheme.

Bright Sky confirms that it will satisfy the affordable housing requirements of the Lead Policy. The precise details of any agreement will be worked through carefully with Council and the Community Housing Trust.

6. Community feedback

The Council will seek community feedback on all proposed special housing areas. This will include the Council seeking advice from the New Zealand Transport Agency, Ministry of Education, Otago Regional

Council, Local Iwi and any other parties considered to be relevant to the consideration of a special housing area.

7. Quality and design outcomes

The Council will expect all qualifying developments in special housing areas to achieve high quality urban design outcomes. The Council's development quality expectations are set out in Attachment C.

The Bright Sky SHA proposal is considered to meet and even exceed the Council's design expectations. The urban design rationale for the proposal has been outlined above under Section 1.3.

8. Timely development

The Council wishes to see evidence that the special housing area proponent is motivated to obtain resource consent before the repeal of HASHAA and to implement the resource consent in a timely manner, such that the development assists in addressing the District's housing supply and affordability issues.

Assuming the SHA is established, Bright Sky is strongly motivated to obtain resource consent before the repeal of HASHAA. This is for Bright Sky's own commercial reasons, but also reflects the fact that obtaining a SHA represents a 'Use it or Lose it' scenario of development rights, as the density and therefore yield of development contemplated in the SHA is significantly higher than that contemplated by the site's Low Density zoning under the Proposed District Plan.

A development programme is attached as **Appendix 6** which outlines the planned approach to delivering houses on the ground.

3. DISTRICT PLAN CONSIDERATIONS AND ENVIRONMENTAL EFFECTS

While District Plan considerations are a specific statutory consideration when Council assesses Qualifying Development applications, HASHAA does not specifically outline them as considerations when considering SHA status for a given piece of land.

Nevertheless, despite the lack of explicit reference to such matters in the statute, many councils do give some consideration to District Plan matters when considering proposals to establish SHAs. Given this, we provide an assessment of these matters.

The operative zoning of the site is 'General Rural' under the Operative District Plan. This zoning does not contemplate residential development at the intensity proposed in this Expression of Interest.

Under the Proposed District Plan, the site is proposed to be rezoned to Low Density Residential. No submissions in opposition to a residential zoning for the site were received. Therefore, it is effectively a given that the site's zoning will change to Low Density Residential, although some of the rules of the zone that may have been challenged through the submission and hearing process may change.

While the proposed SHA will realise a density of development higher than that anticipated by the Low Density Residential zoning of the site, the difference in density is not large, but rather moderate. To be more specific, the Proposed District Plan enables a density of one dwelling per 300 square metres of site area, while the proposed SHA development reaches a density of approximately one dwelling per 250 square metres. While the SHA proposal is clearly denser than the development anticipated by the Low Density Residential zoning, on a 'Density Spectrum' the difference is minor (ie. The District Plan enables a Low-Medium density of development, while the proposal could be considered to amount to a Medium Density scheme).

The proposal comprises some double and triple storey townhouse typologies. The latter will generally occur at the foot of the embankment of the site, which will limit any visual impacts of the buildings as the ground level will be partly built into the toe of the embankment. In addition, the location of the denser, three storey townhouses is well removed from any common boundaries. Any visual or dominance impacts will be nil to minimal.

Another relevant District Plan matter is the potential for 'reverse sensitivity' effects between the proposed residential development and land uses either existing or anticipated on the 'Industrial B' zoned land to the north of the site.

Such potential effects are considered to be minor in nature. Buildings in the Industrial B zone need to be set back at least 15m from the common boundary shared with a residential zoned property. Furthermore noise standards apply in the Industrial B zone which will limit effects on the proposed residential development.

The longest shared boundary between the development site and adjoining Industrial B zoned land is the boundary shared with Lot 2 DP 477622. A bund has been constructed along the common boundary of that site, which would offer some visual and noise mitigation for any development that eventually occurs on that (presently vacant) site.

In terms of the sites at the end of Frederick Street, the proposed SHA positions a residents storage facility (on Block 12) close to this common boundary, which will ensure a less sensitive edge to the development.

Overall, it is considered that any reverse sensitivity effects can be avoided or mitigated.

The proposal will require a significant surface area and volume of earthworks, however noting that the volumes will be limited given the proposal is predicated on working with the topography, as opposed to a major recontouring of the site. Effects associated with the development can be managed so as to be no more than minor. Details of construction management will be addressed at Qualifying Development application stage.

High level infrastructure and traffic assessments are provided with this EOI to demonstrate that there are no fundamental infrastructure constraints. Engineering design and detailed assessments will be provided at Qualifying Development stage.

4. CONCLUSION

Bright Sky appreciates Queenstown Lakes District Council's consideration of this EOI.

The proposal is considered to satisfy the requirements of Council's Implementation Policy on Special Housing Areas and the statutory requirements of the HASHAA legislation.

We consider that the proposed SHA will contribute significantly to the social, economic and environmental wellbeing of the Wanaka community, and readily deliver urgently needed affordable housing to the community.