



SPECIAL HOUSING AREA: EXPRESSION OF INTEREST

Laurel Hills
Ladies Mile, Queenstown



December 2018 (Updated 15 January 2019)

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EXECUTIVE SUMMARY

Laurel Hills Limited (“LHL”) submits this Expression of Interest (EOI) for its land in Ladies Mile, for consideration as a Special Housing Area (SHA).

The EOI comprises a master-planned residential development scheme of at least 156 dwellings. The scheme comprises a mix of housing types and section sizes and is based on an approach of affordability-by design. This notion 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 LHL SHA has been designed to fit within its context and connect well to adjoining land and wider Ladies Mile Special Housing Area. 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.

As discussed further below and in the Appending documents, the the Laurel Hill Special Housing Area (SHA) consists of the following components¹:

- Development of at least 156 residential lots allowing for the construction of a mix of residential dwelling typologies. The dwellings are restricted to 5.5m in height above the existing (original) ground level. The size of the lots ranges from 110m² - 834m² with an density of 17.8 households/Ha;
- The creation of a local street network with access from Stalker Road, immediately to the north of the existing entrance to Maxs Way. Streets range in width from 6m lanes to 15m local streets. Two small pocket parks less than 100m² in area are included in the street network providing informal gathering/seating spaces
- The creation of a neighbourhood reserve approximately 4,000m² in area located centrally within the development. The exact components of the reserve is subject to approval by QLDC but will contain a 30x30m flat area which is available for passive play;
- A landscape bund running parallel to SH6 to provide a visual screen between the SHA and the state highway;
- A shared path, 2.5m - 3.0m wide which will eventually link the development to the Twin Rivers Trail. The trail runs through the centre of the development, down Layton Lane to run parallel to Maxs Way and to connect to Stalker Road;

¹ Extracted from Landscape Assessment – Appendix 3.

- Landscape planting of the existing escarpment running parallel to Maxs Way and planting of the landscape bund running parallel to SH6.

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

1. THE LAUREL HILLS PROPOSAL

1.1 Laurel Hills Limited Team

The Directors of Laurel Hills Limited ('LHL') bring significant residential development experience to the project. Summaries of the Directors' experience are outlined below:

Tim Allan

Tim Allan is involved in several property developments and is a Director of David Reid Homes (NZ) Limited which has a family of 20 residential building construction companies throughout New Zealand. He is proud to be acting as Project Director for Laurel Hills Limited.

For 12 years up until 2016, Tim was a Director of Southern Hemisphere Proving Grounds Limited, a specialised product testing company that continues to make a significant contribution to the Queenstown Lakes District. During that time historical environmental compliance issues on the Pisa range were rectified and more sustainable practices were implemented. Over the years the Proving Grounds has supported many community activities on the Pisa range including maintaining access to the Pisa conservation estate and sponsored numerous events in and around Wanaka.

Working for Housing New Zealand he developed the renewal strategy, consenting and business cases for significant social housing assets in Auckland, Hamilton and Wellington totalling over 650 new homes. The Upper Greys Avenue, Auckland development comprising approximately 280 homes was publicly announced recently.

Tim led the recovery of Christchurch's replacement social housing portfolio following the 2011 earthquakes. This cumulated in the planning, design and construction of 850 new homes over a 4 year period.

Tim has expertise in resource and building consents, construction, irrigation and tunnelling that was acquired via a track record in sustainable development and he has led substantial infrastructure and renewable energy projects.

Wayne Foley

Wayne Foley has been a Queenstown resident for over 25 years. He is the owner of Trinity Projects and Construction, and award-winning builders constructing in the \$2m - \$12m residential market. Wayne is a successful local developer having completed subdivisions (Northridge, Bendemeer Estate, Porpoise Bay) and villa developments including award winning Commonage development, Queenstown Hill. He was also the Development Manager for the restoration of Eichardts Hotel.

Wayne's contributions to the community over the years include, ex BOT Wakatipu High School, Sponsor and President Wakatipu Rowing Club, Member Urban Design Council, Chairman NZ Historic Places Trust – local branch, only local member of 4 person advisory panel for review and strategy for the delivery of RMA services to the community (replacing Civicorp with inhouse model).

Fraser Mackenzie

Fraser Mackenzie has been in the building industry for over 20 years. He has lived in Queenstown for 12

years and has been the owner and director of David Reid Homes Queenstown for 8 years. Fraser is a builder by trade and his focus is high end energy efficient homes that are beautifully crafted. To date Fraser's team have built over 80 homes in the Queenstown region.

He is also a Director in Maxraft who provide thermally broken insulated slab systems for homes keeping them warmer and drier while allowing movement in an earthquake. He believes, a home should work for you.

Fraser's philosophy as a company is, giving back to the community, and they sponsor the Jacks Point Trail Run & the Kingston Family Day. He also donates to many charities including Cure Kids, Breast Cancer Awareness, Victim Support and the Cancer Society. *Our clients and community mean the world to us.*

The Laurel Hills Development Proposal - Approach

Laurel Hills Limited ("LHL") have assembled a team of professional industry experts to advance a masterplan scheme for the land.

Tim Allan, Wayne Foley and Fraser Mackenzie 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 their expert understanding of the Queenstown community, site and development conditions and the local real estate market.

A workshop between members of the design team and Blair Devlin, of Vivian+Espie on behalf of Queenstown Lakes District Council was held in October 2018 and subsequent communication with Council Parks on 6 November 2018.

The project team includes the following team members in addition to Tim, Wayne, and Fraser:

- Bruce Weir: Principal Urban Planner, The Property Group Limited
- Chris Hansen: Engineer, Clark Fortune McDonald & Associates
- David Compton-Moen: Landscape Architecture
- Natasha Rivai: Senior Planner, The Property Group Limited

Preliminary dialogues with Council staff informed the development concept options, which were subsequently tested and refined in a collaborative and transparent manner. This process not only sought to optimised urban design qualities, but also the feasibility of buildability and ramification on final market cost.

Preliminary discussions between LHL and the Queenstown Lakes Community Housing Trust have also been part of this process.

1.2 The Laurel Hills SHA site

The proposed Laurel Hills SHA comprises a total area of land of 9.38 hectare site legally described as Lot 1 DP 431492 and Lot 2 DP 325561. This land is owned by Laurel Hills Limited which was formally known as Ladies Mile Property Limited.

The current titles for the sites are attached as [Appendix 1](#). Summary of the enclosed registered documents are as follows:

Registered Document Reference	Summary
Lot 1 DP 431492	
Gazette Notice 474208	Limited Access Road – SH6
Land Covenant 834400.3	Water supply scheme installed, comprising a bore, pump, storage tank, and network (pipes lines and easements)
Land Covenant 838259.3	As above (Deed of Covenant – Water Supply Scheme)
Land Covenant 850246.4	As above (Deed of Covenant – Water Supply Scheme)
Land Covenant 850246.7	As above (Deed of Covenant – Water Supply Scheme)
Land Covenant 5226852.1	Restrictive Covenant to Queenstown Airport Corporation Limited
Consent Notice 5820735.2	Subdivision conditions in relation to disposal of effluent, building platform, water storage for fire fighting purposes.
Land Covenant 5907860.3	Building control restrictions, specifically, restriction of building height to 5.5m above ground level (at 2004). Applicable to site.
Encumbrance 6500292.3	Restriction on sale/transfer of ownership of land at the time (2005)
Encumbrance 8481955.4	Exclusion of identified wetland areas from development, effluent disposal, building platform, water storage for fire fighting purposes.
Consent Notice 8481955.2	Continuation of Covenants and Conditions (2010)
Lot 2 DP 325561	
Same as above; and	
Encumbrance 5907860.5	Restriction on raising any opposition to ongoing development to subdivide, develop or use of subject land.

The proposed development site of the SHA is shown in the Scheme Plan attached as [Appendix 2](#).

The site is currently vacant with the exception of a dwelling located on Lot 1 DP 431492, accessed off Max's Way. It is proposed that the dwelling is retained, at least in the interim. Over the length of the site, there

is a moderate slope downwards to the south from Ladies Mile Highway.

The surrounding land west, south and east of the site is residential in character, with the south eastern part being zoned Shotover Country Special Zone.

The site is zoned Rural General under both the Operative and Proposed Queenstown Lakes District Plans (refer to **Figure 1**).

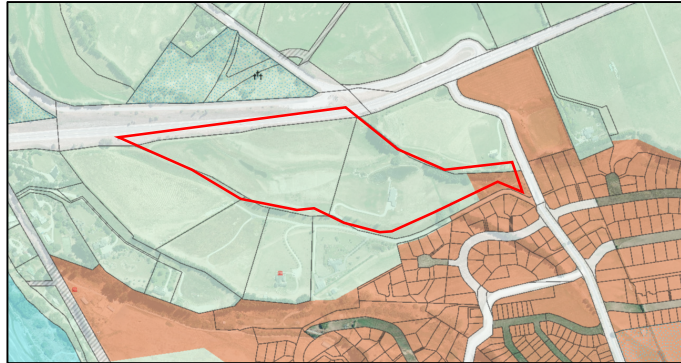


Figure 1: Proposed District Plan Zone Map Extract

Following acceptance of the EOI and subsequent resource consent process, it would be expected that through the current District Plan Review process, that the site will be rezoned to an appropriate residential zone which aligns with adjacent properties (i.e. Shotover Country Special Zone).

Of particular relevance is the Council adopted Indicative Ladies Mile Master Plan below (**Figure 2**) shows the site as being included within Category 2 of the Council's Lead Policy for Special Housing Areas and forming part of a larger integrated development area catering for up to 3,000 dwellings.

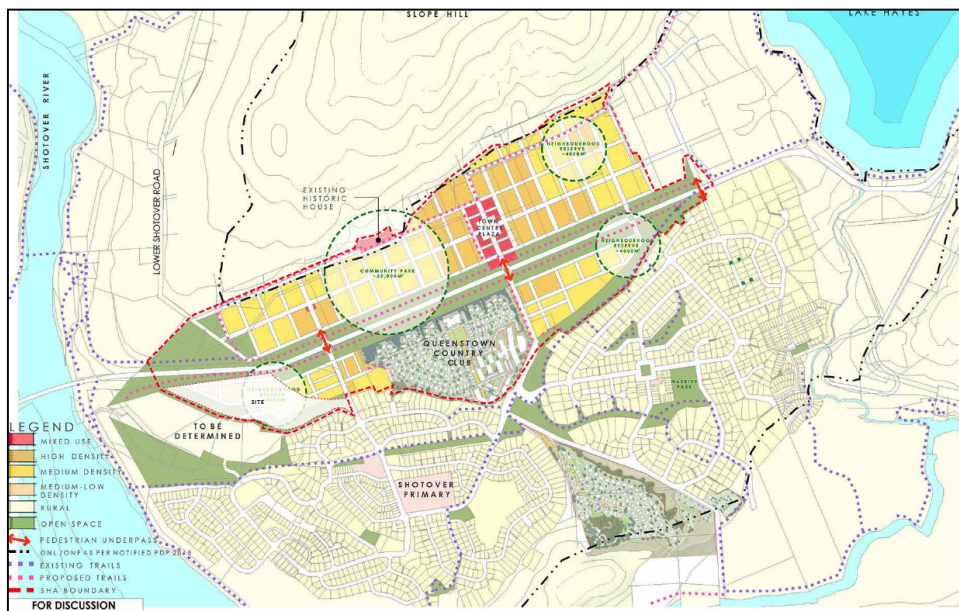


Figure 2: Indicative Ladies Mile Master Plan

In fulfilling the intent of the above Master Plan, the following Special Housing Areas have been successfully established (via resource consent), as shown in **Figure 3**:

- Shotover Country (May 2017)
- Queenstown Country Club and Onslow Road (April 2017)
- Bridesdale (March 2016)

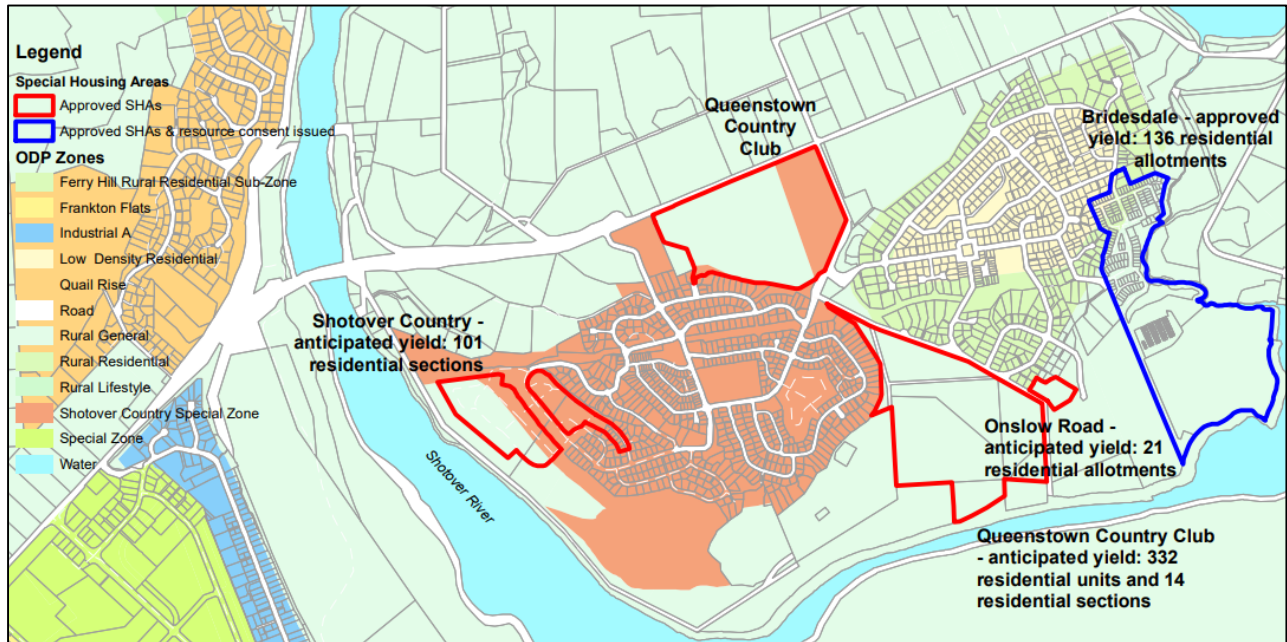


Figure 3: Approved/Established Special Housing Areas

1.3 Urban Design Approach

The preparation of the Laurel Hills SHA concept has been undertaken in an open and transparent manner from the earliest stages. An objective sought by all parties was a development that is integrated with surrounding neighbourhoods, but also had its sense of place. The Laurel Hills concept provides a positive transition to the neighbouring residential areas to the south east with road connections in appropriate locations and a legible network of pedestrian and cycle paths. It establishes affordability-by design both through the ability to deliver compact housing options, and by reducing reliance on the private motor vehicle. This will help establish a distinct neighbourhood character and identity, and in doing so, create a sense of community.

A variety of entry options to the site were explored as part of early framework planning exercises, however it was quickly established that the primary road entry would be from Stalker Road. While future connections further up Stalker Road or down to the property below to the west would be possible (and desirable), neither land owner is ready for development at this time, and hence the concept could only future-proof these in time. The roading and block layout successively incorporates these requirements while providing a robust and legible framework to support successful development within the site.

The primary structuring element is the open space framework. This is formed by a landscaped buffer along the entire SH6 edge, along with a lineal park space that links from this, down to a Neighbourhood reserve to the south. These spaces feel more generous than a plan view belies as they are bordered by roads and open to distant views. This high level of amenity provided supports the increased residential density sought.

(Subsequent **Figures** below are reproduced at A3 size in Appendix 9.)



Figure 4: Proposed Scheme Plan

A number of specific site constraints and built-form requirements to respond to, have informed the development of the Scheme Plan above (in **Figure 4**). Buildings have been set back from the edge of the southern embankment and are generally single level – necessitating larger sites. Where the site naturally terraces or has an embankment edge, a proven typology approach featuring (largely) internalised retaining was adopted and was critical to achieving yield and quality urban design objectives. These two principle-driven typologies are supported by a range of compact 2-level dwellings which have been utilised where earthworks design could facilitate 2-level dwellings within the 5.5m building height encumbrance.

Collectively, the open space and typologies have informed the block pattern and roading layout by requiring ‘wider and shorter’ lots. The simple hierarchy of road types that incorporates lanes, resulted in a simple ‘Y-shaped’ primary 15m road pattern with future linkages to the west and east protected (refer to **Figure 5**). Below this is a hierarchy of lanes which reflect the length of run, proximity to amenity and the intended character of the neighbourhood within which it sits. Collectively it facilitates a fine-grained, yet highly legible development pattern.

While the traffic report explains the technical aspects of the critical part of this road network, the Urban Design Report and the Landscape and Visual Impact Assessment outlines how the network has been set up to ensure:

- Easy wayfinding and route legibility;
- Natural delineation of spaces to reduce the need for signage and other streetscape 'clutter';
- Intrinsic vehicle speed control – using visual markers and other design techniques.



Figure 5: Road Hierarchy

As illustrated in **Figure 6**, the walkway and cycle path connections within the open space network also play an pivotal role with the network of smaller, lower-speed road types in supporting modal shift objectives. These routes provide quick, convenient and safe routes for all residents to local amenities. These will become increasingly important as the wider area develops and intensifies.



Figure 6: Pedestrian and Cyclepaths

By integrating the designated landscape bund/buffer on the northern boundary (maintaining a building setback of 30m from the SH), over 1.2ha of open space has been created to deliver a generous (over 4,000m²), well-sited and aspected Neighbourhood Reserve which has been designed to be consistent with the Council's Parks and Open Space Strategy 2017. The park and non-vehicular connections are instrumental in enabling connected recreational network for both the evolving Ladies Mile area and the wider town.

The landscaped bund as illustrated in Figure 7 below, runs along the SH boundary to soften and screen views into the site, maintaining a natural visual landscape. At the same time, the bund offers privacy screening from the public realm and reduce road traffic noise for the proposed dwellings within the development.

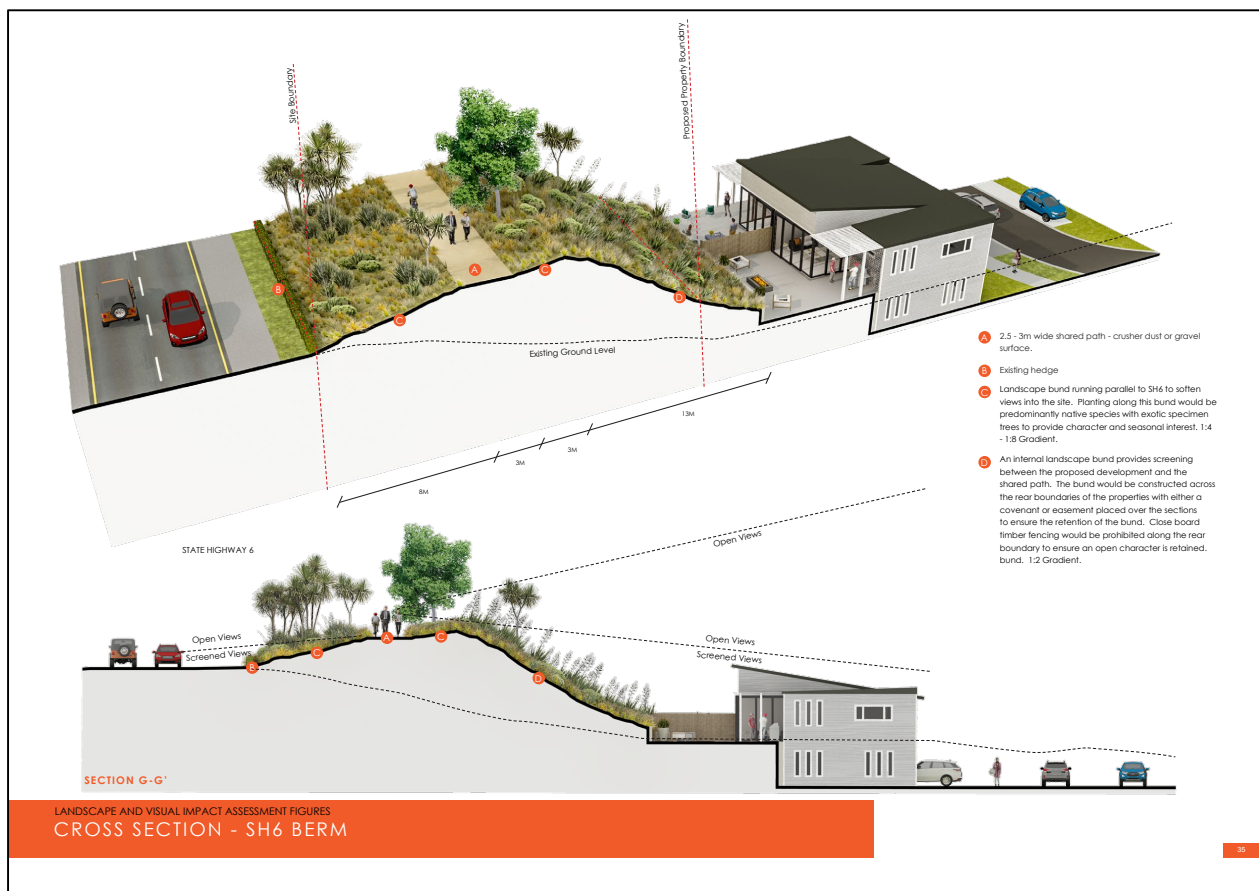


Figure 7: Landscaped Bund

Laurel Hills delivers at least 156 dwellings over approximately 8.9ha, equating to a gross² development density of 17.8 dph (dwellings per hectare). There is a relatively even spread of density across the development although, there has been a focus on providing more intensity in close proximity to the buffer and lineal park amenity corridor. This density also extends down the main road towards the Stalker Road intersection, as these houses are close to both the bus stop and school.

² Gross development density includes all roads and open space in the land area.



Figure 8: Development Density

Overall, the Laurel Hills concept delivers a development framework that quickly and efficiently removes vehicles from the streets, enabling more intensive low-scale built-form responses and creating pedestrian friendly environments. These are central components of ‘affordability-by design’.

Summary of Responses to Urban Design Principles³

Design Principle	Responses
Context	<p>The site is an integral part of the Ladies Mile SHA and is immediately adjacent the existing Shotover Country neighbourhood, providing it immediate access to existing amenity and the ability to integrate easily with developing amenity.</p> <p>The development preserves key landscape attributes to reinforce the character of the area.</p>
Connectivity	<p>The site is within walking distance to a regular bus route to Queenstown Town Centre in one direction, and Arrowtown associated amenities in the other. It can be connected to all infrastructure with little difficulty.</p> <p>The site integrates to existing pedestrian and cycle networks providing residents with multiple mode and route choices.</p>

³ Extracted from the Urban Design Assessment – Appendix 4

Permeability	The design is permeable and provides a safe and inclusive pedestrian environment. Both vehicle and pedestrian routes can be extended through neighbouring properties when development on these sites occur.
Concentration	There are sufficient households to create community and a sense of place. The more intensive built forms are generally located on the upper part of the site close to the buffer landscape pathways network and amenities of the lineal park.
Regeneration and Restoration	<p>Development along the southern boundary and embankment is lower density and buildings are setback from the edge. Where sites incorporate steeper banks these are larger, left untouched to allow for appropriate revegetation planting.</p> <p>Within the site area, the landscaped street network radiates out from the lineal park to all edges enabling low-impact design. The use of compact high-performance housing reduces demands on network systems and infrastructure.</p>
Vitality	Critical mass and variety of housing types will encourage diversity among residents. The nature of the development and the amenity provision within it will encourage people from outside to walk to it.
Adaptability	<p>The design is safe, adaptable and resilient in the face of change – including energy efficient housing. It has alternative modes of transport available which supports a diverse community. It enables other amenity development in the future.</p> <p>The proposal provides a robust framework to support developed design of both public realm and architecture</p>
Identity	<p>There is an intent to establish a distinct identity by respecting both the land form and heritage of the area. This will be reinforced through appropriate building designs and materiality.</p> <p>There is a sense of place and identity created through the landscape setting, the design and layout of the public realm and distinctive New Zealand architecture.</p>
Quality Public Realm	<p>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.</p> <p>The proposal integrates the state highway buffer zone as a functioning part of the public realm.</p>

1.4 Architectural Approach

The overall Architectural approach seeks to create a development that is inclusive by providing a broad range of house types to match age, ability and circumstance – the key elements of creating community. 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.

At this stage, the proposal has focussed on shaping the right brief for quality, cost-effective architectural design responses. Dwellings have been located and scaled in a response to the proposed topography of the site and to ensure key access points and viewing lines are retained to the open space features or external vistas. Each dwelling typology has been planned to maximise solar access into living spaces and ensure outdoor courts can be located immediately adjacent at-grade.

Another key driver is to ensure a positive interaction and passive surveillance over vehicle and pedestrian movement around the site. This is enabled where possible by 2-level frontages, and/or generally with the ability to have porches, veranda's, balconies or decks.

The architecture consists of 5 basic typologies ranging from compact 'apartment-alternative' types with tight footplates (circa 50m²) through to larger family homes of approximately 220m² – with all optimising site efficiency. These typologies have been selected and defined based on minimising site works, flexibility and adaptability of design, efficiency of construction methodologies and the ability to personalise. The variation of scale and nature of the typologies will not only appeal to a wide range of potential occupants, but also help ensure varied and interesting streetscapes.

Proposed dwelling forms and materiality have been directly influenced by the region and have contemporary lines based around the traditional Queenstown vernacular. Pitched roof forms are varied and stepped to help articulate the facades and announce individuality, while at the same time minimise the requirements for internal gutters. The high proportion of detached dwellings throughout the development is reflective of this approach.

Modern glazing elements and feature walls will be off-set with natural claddings such as timber and stone, both to soften the overall character of the development but also allow seamless integration with landscaping of sites – and by extension, with surrounding public realm. This will help deliver a cohesive architectural and landscape vision.

To provide certainty of design outcome, LHL intends to develop the residential development with the following approaches:

- a. sections with template design purchasers may use on certain lots,
- b. as house and land packages,
- c. as bare sections where people can design their own homes.

Given the range of lot sizes, variation in aspect and positioning relative to amenity, all approaches will be utilised in the development. While there will be a concerted effort to standardise solutions and offer turn-key house and land packages, a relatively high number of larger lots (greater than 400m²) enables customised house design.

Conceptual architectural images are contained within [Appendix 8](#).

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.

Infrastructure

With regard to the question of 'adequate infrastructure', Engineers Clark Fortune McDonald & Associates (CFMA), 3 Waters Preliminary Assessment (refer to [Appendix 4](#)) assesses the capacity for the proposed development of 156 units to be serviced by existing public reticulation. The current QLDC infrastructure services Lake Hayes Estate, Shotover Country and the Queenstown Country Club developments.

The capacity assessment for the existing reticulated waste water system has been undertaken by CFMA and detailed in their Report. It is concluded that a new gravity sewer reticulation needs to be constructed internally to service the proposed development, which will connect to the existing network in Stalker Road.

There are a number of stormwater management solutions for the proposed development to manage pre-development runoff through use of grass swales, kerbs, pipework and detention areas.

Water supply to the Laurel Hills SHA can be supplied via a 150mm pipe from Stalker Road. There is adequate water pressure for firefighting purposes, however a pressure booster pump station is required to achieve minimum domestic pressure. The Arrow Irrigation network will be used to provide irrigation to establish streetscape, reserves and open spaces.

Power, telecommunication and gas utilities underground are available and/or can be made available.

Traffic and Transportation

Traffic Engineers Bartlett Consulting have prepared a traffic engineering assessment of the proposed development, which is attached as [Appendix 5](#). The proposed Laurel Hills SHA forms part of the NZTA approved initial development of 1,100 residential dwellings within the Ladies Mile Master Plan. The

proposed development can provide an appropriate access intersection from Stalker Road and comply with current traffic guidance, which would minimise any potential effects on the operation and safety of the local road network. The roading layout proposed support alternative transport modes i.e. bus stops, walking and cycling; And the internal roading layout provides opportunities for future connections through adjoining properties. Transportation assessment beyond the subject sites have been undertaken by WSP Opus for the Council and is relied on.

Further, part of QLDC's Housing Infrastructure Fund report (dated 12 July 2018), details the requirement to provide the following water and transportation infrastructure in a staged manner to support the residential development of 1,100 lots within parts of the Ladies Mile Masterplan area, which includes the proposed SHA site (pages 8-9, Housing Infrastructure Fund). The following table shows the staged infrastructure improvements intended as housing develops, which specifically provides improvements to the external roading environment and will mitigate any potential traffic effects of residential development.

Sequence		Action / Intervention	Trigger	Control Mechanism	Funding
1	Prior to first lots	Construct access Roundabout at Howards Drive	DA for Development	DA	HIF
2	Prior to first lots	Construct Bus Stops and Underpass on SH	DA for Development	DA	HIF
3	Prior to first lots	Improve PT Level of Service - Target 20%	DA for Development	MOU	ORC
4	By end of 450th lot	Construct Park & Ride East of Ladies Mile	Design @150. Construct @300.	MOU	NZTA
5	Park & Ride	Complete Improve PT Level of Service - Target 25%	Park & Ride Complete	MOU	ORC
6	By end of 750th lot	Construct Bus Priority Lane (Park & Ride to Shotover Bridge)	Design @450. Construct @600.	MOU	QLDC / NZTA
7	Priority Lane	Complete Improve PT Level of Service - Target 27%	Priority Lane Complete	MOU	ORC
8	By end of 900th lot	Implement Diversion Improvements	Design @750. Construct @825.	MOU	QLDC / NZTA
9	By end of 1,100th lot	Improve PT Level of Service - Target 29%	900 Lots	MOU	ORC
10	Prior to 1,101st lot	Future PT Infrastructure / Modal Shift	900 Lots	MOU	QLDC / NZTA / ORC

Figure 9: Extract from QLDC, **Housing Infrastructure Fund**, Detailed Business Case – Ladies Mile, 12 July 2018

With regard to the matters of demand ((b) and (c) above), sales data over the past two years shows strong ongoing demand for housing in Queenstown. 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: 30

Notwithstanding this criterion, in this instance, because of 5.5m height covenant across the site, future dwellings will be limited to 1-2 storeys.

Section 14 of HASHAA sets out the meaning of ‘Qualifying Developments’. Central to this meaning is that Qualifying Developments must be ‘predominantly residential’. The proposed development will be entirely residential and will be consistent with this requirement.

2.2 Queenstown Lakes District Council’s ‘Housing Accords and Special Housing Areas Act 2013 Implementation Policy’ (28 June 2018)

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 individually. The following is based on the site forming part of the Council endorsed Ladies Mile Special Housing Area.

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

The Laurel Hills SHA facilitates an increase in land for housing supply. Under both the Operative and Proposed Queenstown Lakes District Plan, the land is zoned General Rural, which does not readily contemplate or provide for housing supply of any significance.

This however does not reflect the Council endorsed Ladies Mile Special Housing Area and Master Plan that contemplates a medium to medium-low density residential density for the sites.

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

While the land is zoned General Rural under both the Operative and Proposed District Plans, the Laurel Hills SHA is considered to be in an appropriate location (in terms of surrounding land use activities and access) and forms part of the Council endorsed Ladies Mile Special Housing Area and Master Plan, intended for medium density residential development.

Furthermore, the land has excellent access to the evolving master-planned community of Ladies Mile, with its commercial and employment potential, and it is also a short distance to the Frankton Town Centre (30-minute walk, 10 minute cycle – to Pak n Save Queenstown).

There has been sustained demand for housing in Queenstown since 2013 with commensurate increases in prices making it now one of the most expensive residential markets in New Zealand.

In terms of general growth, the Queenstown Lakes District has experienced **6.2%** growth in residential values over the last year (November 2017-November 2018, QV property statistics). This is contrasted with other recent high growth areas of Auckland – 0.2% decline, Tauranga city – 3.9% growth, Whangarei – 12% growth, Hamilton – 4.0% growth. Growth in residential property values within the Queenstown Lakes District appears to remain strong and according to property affordability measures appears to remain unaffordable.

- The average sale price for residential properties sold in Queenstown within the last 6 months is **\$1,114,128**. This is \$518,128 over the upper threshold of the affordable price threshold (set at between \$560,000 and \$660,000).
- The average sale price in the last 6 months for residential properties sold in the Lake Hayes area is **\$1,414,570**. This is \$754,570 over the upper threshold of the affordable price threshold of \$660,000.
- Of those properties analysed, **none** of the properties sold in the Lake Hayes area within the last 6 months were under the upper threshold of the affordable price threshold of \$660,000. By contrast, 30% of properties sold in Queenstown in the last 6 months sold for at or under the upper threshold of the affordable price threshold \$660,000.
- 31% of properties sold in the last 6 months in Queenstown were sold for over \$1m. In Lake Hayes, 43% of properties sold in the last 6 months were sold for over \$1m.

Recent reports⁴ have highlighted that the average asking price last month fell to \$857,011 - down almost 19 percent on October's average of \$1,057,019. However, this has been assessed as being the result of the foreign buyer (ban) policy which has impacted the high end (\$15m+) segment, and the average sale value accordingly.

While significant levels of housing is starting to be supplied, this is currently only being provided by a relatively small number of developers, and this constraint is a contributing factor to the high prices.

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.

It should be emphasised that in Queenstown 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.

Laurel Hills will be providing at least 156 new dwellings in a high-growth area. Of these, 10% will be provided to the Queenstown Lakes Community Housing Trust to help address affordability issues. In addition, the concept provides for a significant number of compact lots which are capable of being delivered at competitive sale values.

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

As outlined above, the total SHA covers approximately 136 hectares and integrates with adjacent development in Shotover Country and Lake Hayes Estate development. It occupies one of the few undeveloped flat areas remaining in Queenstown which can also be connected to major infrastructure relatively easily.

⁴ realestate.co.nz, 3 December 2018 (see <https://www.newshub.co.nz/home/money/2018/12/prices-plummet-in-queenstown-after-foreign-buyer-ban-introduced.html>)

The establishment of the Laurel Hills SHA accords with the Council's overall strategic direction for urban development in the District. The development is consistent with the expectations for urban growth and form espoused in the Strategic Direction chapter of the Proposed Plan.

Overall, the proposed Laurel Hills SHA is consistent with and generally aligns with the Council adopted Ladies Mile Master Plan and consistent with the residential growth in the immediate area. The proposed 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.*

The 3 Waters Preliminary Assessment by CFMA demonstrates that adequate infrastructure exists within the public network, and/or minor provision/addition can be made to existing network to service the proposed residential development for 156 dwellings.

Adequate access and roading layout is proposed to support the development and seamlessly integrate with the local roading network.

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 Laurel Hills team have made a concerted and proactive effort to provide a high quality residential development that integrates with the established surrounding residential environment and achieves the intent of affordability-by design.

To be more specific, the proposed Scheme Plan provides for a wide mix of section and dwelling sizes, but a significant number of sections are within a 200m² - 350m² range which will help ensure compact, cost effective building forms. Even where larger lots are provided, often a high proportion is undevelopable due to slope.

Laurel Hills have consulted with the Queenstown Lakes Community Housing Trust. It has committed to providing 10% of the land area to the Trust and will be work through the specific area and form of housing in the Development Deed with them.

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.*

Laurel Hill's vision is underpinned by urban design. As outlined above, 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 adjacent developments and wider Frankton/Queenstown area;
- Provides for a future proofed and integrated 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 quality amenity for residents.

The proposal meets all of the Council urban design objectives and will be a positive contributor to the local urban landscape and economy.

More detail can be found in the Urban Design Report in [Appendix 4](#).

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

The Laurel Hills development is planned to be delivered promptly and anticipates completion of the development by December 2024 (within 5 years).

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 following is based on the site forming part of the Council endorsed Ladies Mile Special Housing Area.

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. 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.

The land encompassing the proposed Laurel Hills SHA is shown on the Indicative Ladies Mile Master Plan that is included within Category 2. An assessment against the key design principles of connectivity, Variation in built form and dwelling type, flexibility of use, and legibility is provided in the Urban Design Report.

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 proposed Laurel Hills SHA is consistent with this criterion. Whilst currently zoned General Rural, the sites are located on land that is signalled through the Ladies Mile Master Plan for urban residential development.

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.

The delivery of housing as proposed in accordance with the Ladies Mile Master Plan is central to the development of a prosperous, resilient and equitable economy. Furthermore, the proposal will contribute to the provision of affordable housing which will help achieve a vibrant and diverse community.

2. The strategic and integrated management of urban growth.

The proposed development is located within comfortable walking and cycling distance of Frankton and Ladies Mile centres and located immediately adjacent to a major transport corridor incorporating bus and cycle routes. The proposed SHA is consistent with Council's goals of integrated urban growth management, where infrastructure funding and provision is readily planned for and available.

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

The Scheme Plan for the proposed development of the SHA 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.

Architecture will adopt a modern response but clearly rooted in the built form and materiality 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.

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 in accordance with the intended urban development under the Ladies Mile Master Plan. Specifically, the development is set back from embankment edges, provides a visual buffer to Ladies Mile and ensure view shafts from the southern rural residential properties are not compromised/ are maintained.

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

The variety of dwelling typology provides for and accommodates a diverse community. The development intends to provide a variety of site and dwelling sizes, 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 dwelling 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

The Council must be satisfied that either:

a. Adequate infrastructure exists to service qualifying development in the area; or

b. Infrastructure can and will be provided and funded by the landowner or developer at no cost to, and without unforeseen or adverse financial or environmental costs on the Council or other relevant infrastructure providers.

The proposal has been assessed by civil and traffic engineers as outlined above and it is confirmed that adequate infrastructure exists or can be proposed to service the proposed SHA for 156 dwellings.

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 Laurel Hills SHA proposal has placed these matters at the centre of design considerations.

Affordability is fundamentally informed by the ability to reduce living costs. The Scheme Plan layout provides for high level of pedestrian and cycle connectivity, providing easy access to public transport and in doing so reducing the need (therefore costs) associated with a private motor vehicle.

As a result, the proposal delivers on an affordability-by design approach, with a large proportion of small sites (200m² - 350m²) and compact dwellings. Additionally, it provides 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. Both the Queenstown and Arrowtown Town Centres are 10km in opposite direction from Max's Way being on average a 12-minute drive. Queenstown International Airport is 5.6km or a 9-minute drive from the subject site. Closer to the site:

To (Proposed) Ladies Mile commercial core:

- By walking: 20 minutes
- By cycling: 10 minutes
- By driving: 2 minutes

To Frankton Town Centre (Pak n Save Queenstown):

- By walking: 30 minutes
- By cycling: 15 minutes
- By driving: 3 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 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 minimised as much of the development will be delivered by the developer and marketed to owner occupiers. Furthermore, lot sales will have robust development controls that will facilitate timely completion of the entire sub-division.

5. Affordable housing contribution

The Council considers at least 10% of the residential component of the development by developed market value or by area (depending on the nature of the development) is identified for affordable housing, and Laurel Hills Limited have committed to delivering suitable land to the Community Housing Trust. In addition, LHL have adopted a strong affordability by design approach which underpin built form outcomes and the proposed master development scheme.

LHL confirms that it will satisfy the affordable housing requirements of the Lead Policy. The precise details of any agreement will be worked through carefully in the Development Deed 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.

The Laurel Hill directors have contacted all the adjoining landowners and engaged with them on the proposed development to the level they have felt comfortable with. The outcomes of this consultation has informed the design of the development and many of the mitigation measures proposed.

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 Laurel Hills SHA proposal is considered to exceed Council's design expectations. The urban design rationale for the proposal has been outlined above under Section 1.3 Urban Design Approach, above.

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 early in 2019, Laurel Hills Limited is strongly motivated to obtain resource consent before the repeal of HASHAA. This is for LHL'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 Rural General zone under both the Operative and Proposed District Plans.

The LHL team comprises of professional and experienced land developers specifically in the residential sector, which provides confidence to QLDC in the delivery of the development.

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 zoning of the site is 'General Rural' under the Operative and Proposed Queenstown Lakes District Plans. This zoning does not contemplate residential development at the intensity proposed in this Expression of Interest. However, the proposed residential development is anticipated by and consistent with the Council adopted Ladies Mile Master Plan which provides for a significant uplift of urban development in the immediate area. This Master Plan has been incrementally delivered on by the residential developments of Shotover Country and Queenstown Country Club SHAs.

The proposal comprises a range of lots size and dwelling typologies. Given the further height restriction constraints across the sites (max. building height of 5.5m), dwellings are limited to a maximum of 2 storeys. Where possible the slope/topography of the site is used to assist in integrating the development with the natural land fall. Any potential visual or dominance impacts from surrounding residential viewshafts have been specifically considered in the development of the layout and considered to be nil to minimal.

High level infrastructure ([Appendix 5](#)) and traffic assessments ([Appendix 6](#)) are provided with this EOI to demonstrate that there are no fundamental infrastructure constraints to the proposed development. Engineering design and detailed assessments will be provided at Qualifying Development stage.

The topography of the site has meant that early geotechnical investigation has been undertaken by GeoSolve (refer to [Appendix 7](#)), which has determined that the land is suitable for development. There are no instability or land contamination issues that could hinder the proposed development. The proposal will require surface area and volume of earthworks, however the proposal is anticipated to work with the topography, as opposed to a major recontouring of the site. Volumes to be moved on site will be reused in the creation of bunds onsite acting as visual buffers (i.e. from Ladies Mile Highway). 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.

Overall, the proposed development is contemplated by the Council adopted Ladies Mile Master Plan and is generally consistent with the residential outcomes anticipated. The development meets the overall Strategic Direction objectives and policies of the Proposed District Plan for urban development, in enabling and providing a range of housing in an appropriate location that encourages affordability.

4. CONCLUSION

Laurel Hills Limited 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 Queenstown community, and readily deliver urgently needed affordable housing to the community.