

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

IN THE MATTER of the Resource
Management Act
1991

AND

IN THE MATTER of Hearing Stream
8 – Business
Zones

**EVIDENCE OF NEIL DOUGLAS JOHNSTON REGARDING THE QUEENSTOWN TOWN
CENTRE RECOMMENDED CHAPTER**

17 November 2016

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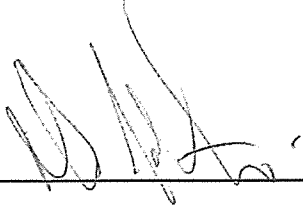
LAWYERS & NOTARY PUBLIC

MAY IT PLEASE THE PANEL:

I, NEIL DOUGLAS JOHNSTON, say as follows:

1. I am the Director and Chief Financial Officer of Trojan Holdings Limited (THL) and I am authorised to give this evidence on its behalf.
2. THL has made a further submission in respect of these proceedings (#1248) opposing the submission of NZIA Southern and Architecture + Women Southern (#238).
3. THL owns the Stratton House Building at 24 Beach Street, Queenstown.
4. THL acquired the site in 2001 when they amalgamated with Queenstown Tavern Limited, who originally acquired the site in 1986. The site originally had a tavern located on it.
5. The current building was constructed in 2000. Prior to the construction of the current building there was no pedestrian link on or through the site.
6. I submit that a formalised pedestrian link in its current location is unnecessary due to the proximity of Cow Lane, which runs parallel to the link and is located approximately 10 to 15 metres away. There is no need to effectively 'designate' another nearby pedestrian access way in such close proximity.
7. It is estimated that if the foyer pedestrian area was fully utilised as a retail space, the rental income achieved would be somewhere between \$13 million and \$20 million over a 50 year period. This is based on evidence of rental returns from adjacent ground floor properties. The rental returns from these sites indicate a yearly rental return of approximately \$252,000 for the foyer pedestrian area in its current location. Allowing for an average inflation rate of 2.5%, this would result in a return of approximately \$24,900,000 over the 50 year period. With provision for escalators and other areas taken into account, a figure of between \$13 million and \$20 million is a reasonable estimate of rent that would be lost if there was a requirement to maintain the link.
8. I submit that a rule requiring a pedestrian link will greatly diminish potential future design flexibility or other earning ability for THL in the form of rental income. By effectively designating the area as a pedestrian link the Council will be stripping THL of its development rights without having to bear any financial responsibility. The loss of opportunity for rental income will not be offset by any kind of compensation in the form of relief from potential relocation of height rules when there is no certainty of the same, and even if allowed would result in less returns than could be achieved given it would be at the 3rd or 4th level compared to what could be earned at ground level.
9. THL has provided an informal pedestrian access way as part of the development of its building, and it is unfair to impose a penalty in the form of what amounts to a designation requiring a pedestrian link on a permanent basis.

10. I trust that the panel will accept this evidence put forward to you today and reject the proposal that a formal pedestrian link be required through the Stratton House Building site.

A handwritten signature in black ink, appearing to read 'Neil Douglas Johnston', is written over a solid horizontal line.

Neil Douglas Johnston

Director and CFO of Trojan Holdings Limited