

**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 12
– Upper Clutha
Mapping Annotations
and Rezoning Requests

**REPLY OF PHILIP MARK OSBORNE
ON BEHALF OF QUEENSTOWN LAKES DISTRICT COUNCIL**

DWELLING CAPACITY

10 July 2017

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1. INTRODUCTION

- 1.1** My name is Philip Mark Osborne. I prepared a statement of evidence in chief and rebuttal on residential capacity, for the Upper Clutha Hearing Stream 12. My qualifications and experience are listed in my evidence in chief dated 17 March 2017.
- 1.2** The purpose of this reply evidence is to respond to the summary statement and responses to Panel questions of Natalie Hampson, who appeared for Mike Beresford (149).

2. NATALIE HAMPSON FOR MIKE BERESFORD (149)

- 2.1** In her summary statement to the Panel, Ms Hampson raises several issues with my response to her rebuttal evidence regarding, primarily, my application of an appropriate 'buffer' to feasible residential development capacity, and exclusions in my summary statement.
- 2.2** In paragraph 7 of her summary statement Ms Hampson makes reference to the Rationale projections utilised in my evidence in regard to the estimated residential demand to 2048. She identifies that I have not responded to the issues she has raised with these projections. While I have utilised the Rationale projections I have not been privy to their development. I am aware that evidence has been provided by Mr Walter Clarke in the Queenstown hearing stream 13 that address this concern.
- 2.3** It would appear the primary concern raised by Ms Hampson regarding my evidence and the development of the dwelling capacity model (**DCM**) relates to the utilisation of the realisable capacity percentage of 50%. While I have included additional explanation in my evidence for the Queenstown Hearing Stream 13, I now address some of Ms Hampson's comments in relation to this hearing.
- 2.4** The principal section of Ms Hampson's summary statement relating to this 'realisable' proportion is paragraphs 14 to 16. Paragraph 15 outlines the proportion the model has adopted for the modelled capacity as 50%, which results in a buffer of approximately 32% (or

realisable capacity of 68%). As outlined in my Upper Clutha summary statement this is 100% more than the long-term buffer of 15% directed in the National Policy Statement for Urban Development Capacity (**NPS UDC**).

- 2.5** Paragraph 16 of Ms Hampson's statement raises concerns regarding the appropriateness of the 50% margin utilised by the modelled component of feasible capacity. Ms Hampson rightly assumes that a change in the composition of modelled and non-modelled feasible capacity would change the overall realisable proportion, and this would be a relevant issue if the composition was unknown. However, the realisable capacity percentage applied was undertaken with a known composition and as such the resulting 32% was the target of the realisable capacity. The resulting 50% rate applied was the simple product of rounding given the indefinite nature of realisation. Had the composition been different the final proportion utilised would have been affected.
- 2.6** In my summary of evidence presented in this hearing illustrated (as acknowledged in paragraph 13 of Ms Hampson's summary statement) that it was prudent to be conservative with regard to the discount rate applied to this District's environment, thus the DCM applied 32% over a long-term period rather than the 15% directed by the NPS.
- 2.7** As identified in my summary statement this approach was utilised simply to illustrate the average impact, rather than applied specifically to developments that already indicated higher realisation rates than the market average.
- 2.8** Ms Hampson extends her concerns regarding this 'rate' to the Wakatipu Ward where she indicates a 20% buffer would result from this approach. Ms Hampson wrongly assumes that different assumptions would be utilised for the Wakatipu Ward. Again, this 22% was not an unexpected result as the 50% was, once again, the result of looking at a rate for the entire Ward and then applying it to the modelled capacity. The resulting 22% buffer is explained in my supplementary evidence for the Queenstown Hearing Stream 13,

which indicates that the buffer is considered more than sufficient in this environment. In fact that application of the directed 15% under the NPS would result in an additional 1,400 dwellings that are realisable (i.e. it increases realisable capacity).

2.9 The approach utilised in developing the realised capacity under the DCM follows a conservative approach for both the Wanaka and Wakatipu Wards and results in a realisable capacity that is several thousand dwellings less than would result from the application of the NPS buffer. The 50% rate applied is the result of an understanding of the proportional composition of both modelled and non-modelled capacity and illustrates the average propensity to develop when applied across all feasible capacity.

2.10 As such no concerns raised by Ms Hampson with regard to this proportion are in my view valid.



Philip Mark Osborne

10 July 2017