Before the Expert Panel appointed under the Fast-track Approvals Act 2024

Under	the Fast-track Approvals Act 2024
And	
In the Matter of	an application for approvals by Mt Iron Junction Limited to develop 250 medium to high density residential dwellings, a childcare centre, a retail building, a café, reserve areas and recreation amenities

Statement of Evidence of **Natalie Dianne Hampson** on behalf of **Mt Iron Junction Limited** in response to comments made under Section 53

Economics

Dated: 26 June 2026

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[redacted]

lane neave.

INTRODUCTION

1. My name is Natalie Dianne Hampson. I am an economic consultant, residing at Wānaka in the Queenstown Lakes District (**QLD**).

2. I am the Director of Savvy Consulting Limited. I hold a Master of Science degree in Geography from the University of Auckland (first class honours). I am an associate member of the New Zealand Planning Institute and a member (and regional committee member) of the Resource Management Law Association.

3. I have worked in the field of economics for 25 years for commercial and public sector clients, with a particular (although not exclusive) focus on economic assessment within the framework of the Resource Management Act 1991 (**RMA**). Since 2001 I have specialised in studies relating to land use analysis, assessment of demand and markets, the form and function of urban economies and growth, policy analysis, and evaluation of economic outcomes and effects, including costs and benefits. This work has been nationwide.

4. I have considerable experience carrying out economic assessments within the QLD over the last 20 plus years. My project work includes economic reports, peer reviews and expert evidence in relation to resource consents, plan changes and variations, district plan reviews, structure planning, covenant amendments, and housing and business demand and capacity assessments required under the National Policy Statement on Urban Development 2020.

5. I have also provided economic evidence in relation to applications in the QLD for approval under the Fast-track Covid-19 Recovery Act[1] and the Fast-track Approvals Act 2024 (**FTA**) (with the latter work being ongoing).[2] My work in the district has been for a range of private sector clients as well as for the Queenstown Lakes District Council (**QLDC**).

6. Overall, I have a sound knowledge of the QLD economy, economic growth pressures and development patterns. My work experience in the rest of New Zealand has a similar scope and depth as the work described above. I am very familiar with the purpose and decision framework of the FTA (having been involved with nine other FTA applications to date (excluding this one) and being a member of the Expert Panel appointed for the Taranaki VTM application).

[1] The Silverlight Studios application.
[2] I have recently acted for invited commenters on the Ayrburn Screen Hub FTAA application and am currently acting for CODC for the Remarkables Ski Field and Doolans Expansion FTAA application.

7. This statement is given as part of Mt Iron Junction Limited's (**Applicant**) response to comments on the Mt Iron Junction Housing Scheme (**Project**) made under Section 53 of the FTA. This statement responds to specific comments raised by:

   (a) Otago Regional Council (**ORC**);

   (b) Minister for Economic Growth;

   (c) Minister for Infrastructure;

   (d) Minister for the South Island;

   (e) Wayne Malcom Casey and Euan Stewart Simpson as trustees of the Casey Family Trust [redacted]

   (f) Luke Paul Smeets and Vida Joyce Mercedes Laird ([redacted] and

   (g) Christopher Mark Morgan, Jane Charlotte Morgan and Paul Alexander Johnston ([redacted]

8. My original findings are provided in full in the Housing and Economic Assessment report (**EA Report)** I have prepared (dated December 2025) which is included within the substantive application as Appendix G.

9. I also attach to this statement a memorandum I have prepared in response to the Expert Panel's Minute 2 – query 6B at **Appendix A**. This addresses the matter of the recent decisions on the Urban Intensification Variation (**UIV**) and expands on social benefits of the Project. Where relevant, I have referred to this memorandum to assist with my responses to Section 53 comments.

10. I have prepared this statement in the limited time available for the Applicant to respond to comments under the FTA. If the Expert Panel requires elaboration on any of the matters raised in this statement, I am available to provide further information on request.

11. Although this is not an Environment Court proceeding my confirmation of compliance with the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2023 is included in Appendix Seven (Expert Confirmation of Compliance with Code of Conduct) of the Legal Overview submitted as part of the substantive application and further Code of Conduct Table confirming my qualifications and experience provided to the Expert Panel on 26 June 2026.

SPECIFIC RESPONSE TO COMMENTS

Local Authorities

Otago Regional Council

12. ORC considers that the Project is likely to result in regionally significant benefits, including significant economic and social benefits. Its conclusion is based on the Project's contribution to housing (particularly smaller dwelling sizes) within a timeframe of identified housing constraints, as well as regional scale economic benefits associated with construction-phase employment and value-added impacts.

13. ORC recognises that Project benefits primarily occur from the residential development itself, rather than the activities to which regional consents apply. While it has not sought a peer review of my EA Report, it has agreed with the positive economic effects that were assessed. This included positive effects relating to housing capacity/diversity, Queenstown Lakes Community Housing Trust (**QLCHT**) contribution, rental supply, supporting a well-functioning urban environment and ongoing employment opportunities in on-site commercial/childcare activities.

Crown Ministers

Minister for Economic Development

14. The Minister for Economic Development provides overall support for the Project in terms of delivering regional economic benefits that meet the purpose of the FTA. The Minister reiterates the key findings of the EA Report. This includes the indicative economic impacts arising from the construction of the Project and the longer term economic benefits associated with housing supply in a high-growth urban area, as well as improved labour market functioning. While the latter is not elaborated on, this is assumed to relate to a combination of Project opportunities which include the proximity of medium density housing to key places of employment in Wānaka (spatial efficiency), sustaining construction sector employment in the short term (employment impacts), and providing relatively more affordable housing and increased rental housing to support and retain low-income components of the local labour market.

Minister for Infrastructure

15. The Minister for Infrastructure considers that the Project will deliver positive outcomes for New Zealand and aligns with the Government's economic growth and infrastructure priorities. He supports the approval of the Project on that basis.

Minister for the South Island and Associate Minister for Transport

16. The Minister for the South Island and Associate Minister for Transport considers that the Project will make a positive contribution to the Otago Region and that the contribution to housing and projected economic benefits (which includes consideration of the indicative economic impacts of construction set out in the EA Report), align with the priorities of his South Island portfolio. He goes on to say that he considers the Project will deliver regionally significant housing development that will drive *"economic growth and productivity and help satisfy some of the demand for accommodation around Wānaka".* He supports the approval of the Project on that basis.

Owners and Occupiers of Adjacent Land

Wayne Malcom Casey and Euan Stewart Simpson as trustees of the Casey Family Trust [redacted]

17. Mr Casey raises two matters which I would like to respond to.

The optimal location and further need for more "high density" housing

18. While I consider that the Project delivers medium density housing rather than high density housing per se, Mr Casey questions whether this type of higher density housing is best left to being nearer the town centre rather than creating more urban sprawl into rural zones.

19. In my EA Report,[3] I set out the location of medium and high density housing opportunities in the Proposed District Plan (**PDP**), and notified version of the UIV (as applied at the time of drafting). Attached to this evidence as **Appendix A** is a memorandum that responds to the Expert Panel's Minute 2 (question 6B) which also considers the recent outcomes of the decisions on the UIV.

20. The PDP includes both medium and high density residential zones that are adjoining the Wānaka Town Centre Zone and the Three Parks Commercial Zone. In addition, medium density housing is enabled around the southern end of the Business Mixed Use Zone (**BMUZ**) at Anderson Heights, along one side of McPherson Street, adjoining Wānaka Primary School, in Scurr Heights, in the Clearview subdivision area and to the west of the Longview development in Lake Hawea. While subject to appeal, a more intensive medium density housing zone has been applied south of Ballantyne Road (i.e. west of Riverbank Road and north of Orchard Road).

[3] Section 3.2.2.

Furthermore, the PDP provides for apartments within commercial centres and in the BMUZ in a range of locations.

21. The district plan therefore *“enables”* more people to live in places with good accessibility to employment areas, retail and service outlets, schools and recreational facilities and therefore supports a well-functioning urban environment. However, as discussed in my EA Report, and in the attached memorandum, not all of this plan enabled capacity for higher density housing in the Wānaka-Upper Clutha Ward (**Wānaka Ward**) is likely to deliver higher density housing for the current and future community.

22. Much of the zoned opportunity is in already developed residential areas which, given Wānaka’s already very high residential housing prices, tends to drive any intensified redevelopment into *“premium”* attached housing supply. Even when located on greenfield land, there are clear examples of housing supply being delivered at lower densities than plan enabled or continuing to focus on standalone dwelling types. Such developments result in higher cost housing that will not help meet the housing needs of those wanting smaller, compact dwellings, at lower relative prices.

23. Mr Casey questions the need for another high density residential development in light of three specified development opportunities. Of those, The Links is discussed further in the attached memorandum. While zoned high density, the development will supply mainly standalone housing and only a small number of duplex town houses. No apartments are consented as suggested by Mr Casey. While prices of dwellings in The Links are certainly lower than in new greenfield low density areas, it will make only a minor contribution to demand for relatively lower-cost attached housing.

24. Mr Casey then refers to the *“Reece apartments”.* I take this as referring to the Reece Quarters development in the BMUZ in Anderson Heights. This is being marketed at Wānaka’s first *“premium townhouse community”.* While delivering 26 attached dwellings, a resource consent was approved amending the development to enable 365 day residential visitor accommodation in all units.[4] This makes it highly likely that all dwellings will be purchased for residential visitor accommodation and will neither support attached housing supply for resident households (to buy or rent).

25. Last, Mr Casey refers to *“2,500 medium and high density houses”* in Longview in Lake Hawea. Based on this quantum of dwellings, I take Mr Casey to be referring to the total of zoned land on the southern side of Cemetery Road (broadly matching the growth area identified in the Spatial Plan 2021.[5] This land is zoned a mix of

[4] RM250871, 10 November 2025.
[5] “Longview” is the area that matches the original Special Housing Area.

Suburban Residential Zone (expected to deliver standalone, low density housing) and Medium Density Residential Zone (**MDRZ**). No High Density Residential Zone is included. As discussed above, the area of MDRZ in this location is greenfield and does therefore offer a strong opportunity for attached housing development, particularly as it adjoins a Local Shopping Centre Zone which improves its amenity values. However, this future housing opportunity has poor accessibility to Wānaka's employment areas (and other amenities) *relative* to medium and high density residential greenfield zones in the Wānaka urban area, or the Project Site[6] for that matter. It provides plan enabled capacity to help meet expected attached housing demand within Lake Hawea and therefore should not be relied on as a substitute for providing for attached housing demand expected to arise within the Wānaka urban area.

26. Overall, sufficiency of zoned land that provides for attached housing in the short and medium term in the Wānaka urban area is uncertain. I consider that there is a real and probable risk in relying on already zoned medium and high density housing to adequately meet expected needs for attached housing in the Wānaka urban area in the near future and help improve housing and rental affordability issues facing the wider Wānaka Ward.

27. As a consented development, the Project's housing supply is certain in terms of the typology of attached housing that will be delivered, the amount of social housing that will be delivered, and the timing of when it will be delivered (i.e., expected to be constructed and occupied over a 5 year period). I maintain that it is needed in addition to plan enabled capacity now in the PDP for reasons set out in my EA Report and attached memorandum, and that it will make a significant contribution to addressing current housing issues in Wānaka in the short and medium term.

28. On the contrary, Mr Casey's suggestion that the site be developed as rural lifestyle, rural residential or large lot residential housing will provide for only a small number of additional dwellings that will be large, very high value, standalone homes that are unlikely to provide any long-term rental opportunities[7] and that will certainly not result in any affordable social housing. Such housing, while a valid component of housing demand, will only serve to exacerbate Wānaka's current housing issues and would be more efficient on less central sites.

[6] The area legally described as Lot 2 and Lot 6 DP 605028 and Lot 3 DP 359869, at the addresses of 237 Wānaka - Luggate Highway, 1 Junction Road, 10 and 21 Mountain Road and 37 Albert Town - Lake Hāwea Road, Wānaka.

[7] Except perhaps if the landowners include minor dwellings that they are willing to rent out, rather than use of friends and/or family members or short-term visitor accommodation.

Do we require more retail and commercial activity?

29. Mr Casey questions whether Wānaka needs any more retail and commercial activity given that the Wānaka Town Centre, Three Parks, Anderson Road, Ballantyne Road, and Albert Town Village (Local Shopping Centre Zone) are all within 3.5km of the Project Site.

30. While addressing *"housing needs"* is a relevant criterion under Section 22 of the FTA*, "need"* is not a relevant test under the RMA. Rather, it is the effects of a proposed activity that are relevant. However, in economic assessment, understanding need or demand does help to inform the efficient use of scarce resources – in this case; those non-residential sites within the Project Site proposed for retail and childcare activities, relative to some other potential use of that land (e.g. additional housing or open space).

31. As Mr Casey points out, the Project Site is well located relative to higher-order shopping areas of the Wānaka Town Centre, Three Parks Centre, Sir Tim Wallis Drive BMUZ through to Ballantyne Road, and the BMUZ in Anderson Heights.

32. I note that the nearest Local Shopping Centre Zone in Albert Town is fully developed and may struggle to efficiently provide for substantial growth in its trade catchment over the medium and long term. This is due to a large share of its zoned land being approved and developed for ground-floor visitor accommodation and residential visitor accommodation. This consented activity removed significant ground-floor retail capacity in the zone, leaving no potential for ground-floor retail and service floorspace or business growth. While limited in its ability to efficiently provide for any substantial growth in demand in the future, it currently contains a small but functional mix of convenience retail and service activity.

33. Households (and visitors) generate demand for convenience retail activity, and families with young children generate demand for childcare services. The Project is not immune to those normal household demands. Future residents of the Project Site will rely on all of those existing retail and service areas identified by Mr Casey to meet their needs, consistent with existing shopping patterns of households in the Wānaka Ward.

34. However, childcare or preschool capacity in the Wānaka Ward is under constant strain as a result of strong population growth. In a news article written in October 2025, one Wānaka preschool manager stated that *"I would probably have 100 one-year olds on my wait list".*[8] The two closest childcare centres to the Project Site (Mountainside Educare and Riverside Educare in Albert Town) currently have

[8] https://www.odt.co.nz/regions/wanaka/facelift-expansion-preschool.

waitlists for under two-year olds, and limited spaces for over two-year olds. As set out in the EA Report,[9] providing a new childcare centre as part of the Project will benefit not just the families in the Project Site, but families in the wider Wānaka area who may be on (or facing the prospect of) waiting lists. I consider that the proposed childcare centre caters for a clear existing and future *"need"* and that the Project Site is an efficient residential area in which to provide such additional capacity.

35. The already consented service station in the development will provide for a component of convenience grocery demand for Project Site residents. However, this is unlikely to supply fresh produce and will have only a limited range of goods (heavily oriented towards bread, milk and snacks). As Mr Casey points out, residents could travel to other existing commercial areas to meet additional convenience retail needs (i.e., other grocery and café demand), but I consider the benefits of including these two retail activities on the Project Site to cater for on-site demand, far outweigh any economic costs (and is therefore efficient).

36. As discussed in Section 4.1 of the EA Report, on-site grocery and café provision will not only reduce vehicle trips on the road network for a component of convenience retail shopping but also increase the functional and social amenity of the Project Site for residents and the nearby community.

37. While I have not sought to quantify demand in dollar or floorspace terms, I consider all three proposed commercial activities in the Project to be appropriate in their nature and scale to help meet local childcare and convenience retail household needs. I provided a high level assessment of the potential for adverse retail distributional effects on existing commercial centres in the EA Report[10] and based on my experience, found that such effects will not generate any adverse distributional effects on the existing centre network.

38. I note that QLDC agreed in its comments that the ancillary childcare and limited commercial activities are positive measures of the Project, providing services that will benefit both residents and the wider Wānaka/Albert Town community (paragraph 2.2).

Luke Paul Smeets and Vida Joyce Mercedes Laird [redacted]

39. The owners of [redacted] raise concerns that the Project will devalue their property to a *"tremendous"* extent. They attribute the perceived loss of value to a loss of privacy, loss of morning sun and loss of rural character (page 2). While the environmental and amenity effects of the Project on neighbouring properties are

[9] Section 4.1.
[10] Section 5.2.

addressed by other experts, a reduction in property value (including re-sale value) is a one-off private opportunity cost to current owners (relative to the status quo) and not an economic cost on the wider community – as relevant under the RMA.

40. On page three, the commenters state that the Project offers *"no identifiable new benefits to the Wānaka community that aren't already being met elsewhere."* They also consider that 250 houses would be better built elsewhere. They state that *"affordable housing and subdivisions exist within areas of Wānaka such as Northlake (Kiwibuild and Queenstown Housing Trust properties), Orchard Park subdivision, as well as down the Road in Lake Hawea e.g. the Longview Subdivision, and more recently and closer to Wānaka, The Links"* subdivision. They also point to the greenfield land in Three Parks.

41. I have addressed these matters extensively in my attached memorandum and in response to Mr Casey's comments above and so do not repeat that evidence here. An important point here is that relying on other landowners who have zoned opportunity for medium or high density housing to supply 250 dwellings will be highly unlikely to achieve the equivalent housing supply benefits as anticipated from the Project. This is because:

   (a) the Project's location, it's current zoning, and the duration of current ownership are all contributing factors in the commercial feasibility of the proposed development and the prices able to be offered to the market;

   (b) the Applicant is committed to supplying attached housing to meet a specific housing need that many other greenfield landowners are still (based on recent trends) bypassing in favour of larger standalone homes that can achieve higher price points;

   (c) the Applicant is committed to contributing 5% of the residential development capacity to the QLCHT, enabling around 13 non-market dwellings to be added to its portfolio in a relatively central location;

   (d) the Applicant is prepared to limit residential visitor accommodation to only 20% of the dwelling supply, foregoing a producer surplus on those dwellings to help maximise opportunities for resident households and renters to access the housing supplied (i.e. a consumer surplus); and

   (e) if approved under the FTA, the development will be shovel-ready ensuring that it delivers attached housing supply in the short term when the need is greatest but choice in the housing market for a comparable product is at its lowest.

42. In short, while the housing demand for 250 new dwellings may well be met through alternative developments in the Wānaka Ward in the counterfactual scenario (if the Project is not approved), not all housing supply is equal in terms of meeting housing needs with respect to dwelling type, size, location, and price.

43. To the extent that the commenter points to already built *"affordable housing"* such as the Kiwibuild homes in Northlake or existing dwellings owned by the QLCHT, these occupied dwellings do not provide for the significant latent demand in affordable housing in the Wānaka Ward (or the QLCHT waitlist), nor will they provide for projected strong growth of lower income households and renting households. The shortfall of affordable housing in the district is well documented and something that needs to be urgently addressed through housing development today and over the long term.

44. Also on page 3, the commenters identify the two childcare centres within 1.5km of the Project Site in Albert Town, and identify that a new childcare centre is being constructed in Three Parks on Grace Wright Drive (adjacent to the primary school), concluding that the community does not need a childcare centre by the roundabout and Mt Iron. This comment does not consider whether those existing childcare centres are currently at capacity or how they will provide for further housing growth in their local catchments. Three Parks is zoned for significant high density housing capacity and employment growth and it is a logical location to provide for one (and likely more) new childcare centres over time as it develops. This does not undermine the benefits of providing for one in the Project Site, as discussed above in response to Mr Casey's comments.

Christopher Mark Morgan, Jane Charlotte Morgan and Paul Alexander Johnston [redacted]

45. In paragraphs 56-62, these commenters identify that the EA Report (and the Housing and Business Capacity Assessment 2025) was based on the notified UIV and that due to the significant additional enablement of zoned land able to provide attached housing akin to that proposed by the Project in the adopted recommendations of the UIV, that the economic benefits of the Project's housing supply are overstated.

46. This issue aligns with the query raised by the Expert Panel in Minute 2 – 6B. I refer to the memorandum attached to this evidence on this issue and do not repeat that evidence here. In summary however, based on that further assessment of the implications of the UIV decisions (and appeal relief) on plan enabled attached housing capacity, and recent consents issued in areas upzoned to medium and high housing densities, I consider that rather than being diminished, the economic and social benefits of Project are even more significant in the context of short-medium term housing demand and supply in the Wānaka urban area.

Natalie Dianne Hampson

26 June 2026

Appendix A

Memorandum in response to Minute 2

Memorandum

To: Duncan White, Patersons
Cc: Josh Leckie, Lane Neave
From: Natalie Hampson, Savvy Consulting Limited
Date: 18 June 2026
Subject: Response to Overview Conference & Site Visit Query 6b

Introduction

This memorandum has been prepared in response to Minute 2 from the Mt Iron Junction expert panel dated 21 May 2026. The following query has been raised based on the panel's observations during the Overview Conference and Site Visit:

> *[6b] In terms of the any potential regional benefits the Panel were encouraged by the Applicant's discussion of providing housing at an affordable price point within this part of the District. However, it appears to us on the surface that these benefits were not conveyed, with any other social benefits within their economic assessment. With this, the Panel observed that the economic assessment had not taken into consideration the Council's (Queenstown Lakes) recent determination on its intensification provisions and wondered, while under appeal, whether these issues would influence their economic assessment;*

Below I respond to the potential implications of the decision on the Intensification Variation, followed by high-level assessment of the Project's social benefits. I then reconsider my reported conclusions on the regional significance of the Project's benefits. This memorandum builds on my Economic Assessment report dated December 2025 and in preparing it, I have adhered to the code of practice for expert witnesses.

Decision Version of the Intensification Variation

At the time of finalising my Economic Assessment report, I provided a detailed summation of the HDCA 2021 which was based on operative zoning preceding the Intensification

Variation,[1] including commentary on the main opportunities for greenfield and redevelopment medium and high density housing supply based on that zoning.[2] Section 3.3 of the Economic Assessment report discussed the notified Urban Intensification Variation (UIV) which was also the basis of the updated HDCA 2025 capacity assessment discussed in Section 3.4.2 for the medium and long term. In Section 3.4.3, I commented that:

> *"Despite the opportunities created by the notified UIV, there is a strong likelihood (under more realistic alternative demand scenarios) that there could be shortfalls of attached housing capacity in greenfield areas in the medium term, becoming increasingly significant in the long term."*

Section 3.4.4 of the Economic Assessment report then considered where the Council officers had landed in their section 42A assessment on the UIV prior to the panel's deliberation. The officers supported some additional greenfield MDRZ areas and some upzoning from MDRZ to HDRZ in Three Parks. I speculated that these supported changes to the notified provisions (if approved) may support sufficient greenfield housing capacity in the medium term and help mitigate the projected long term shortfall but noting that decisions may be subject to appeals which makes any assumptions uncertain.

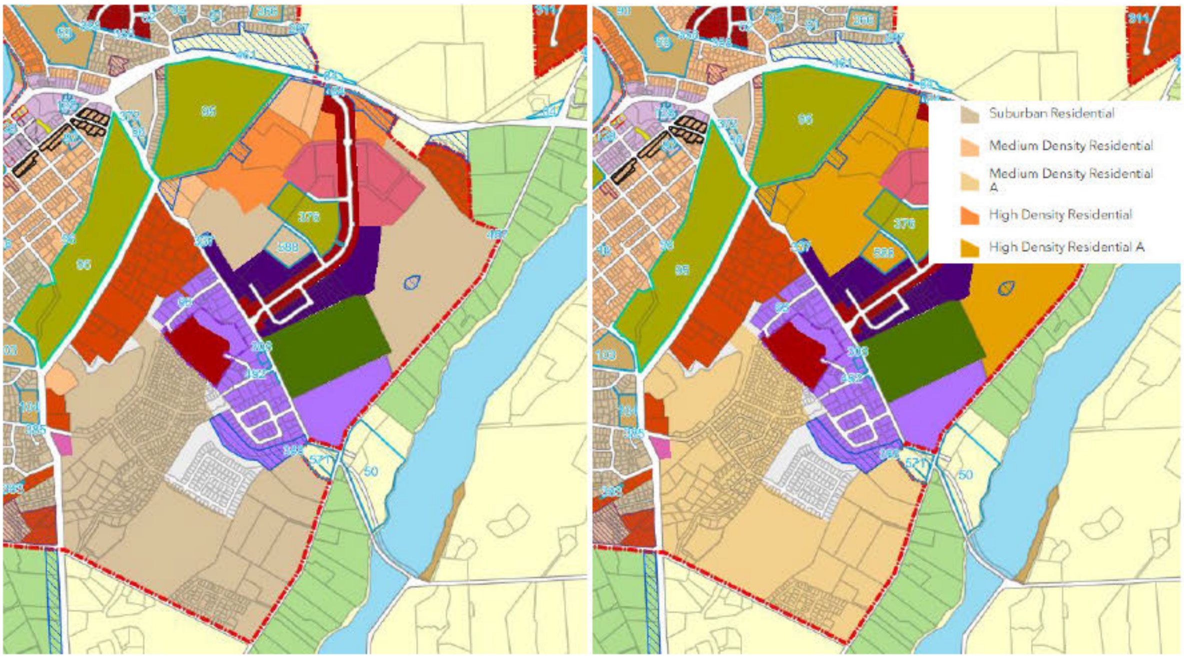
The Independent Hearings Panel's recommendations on the UIV were accepted by Council on the 5th February 2026. There have been some substantial changes between the notified, section 42A and adopted zoning and provisions. For example, Figure 1 below compares operative zoning (on the left) with adopted UIV zoning (on the right) – focussing on greenfield land within Wānaka at Three Parks and south of Ballantyne Road. Figure 1 does not show the change from the notified zoning for the UIV. The notified UIV zoning for Three Parks is shown in Figure 3.16 of the Economic Assessment report. For the area south of Ballantyne Road, the operative zoning shown in Figure 1 was unchanged in the notified UIV.

The main changes in these key greenfield areas are that all greenfield residential land in Three Parks is upzoned from a mix of LDRZ, MDRZ and HDRZ to HDRAZ which is a higher building height than the HDRZ down by Lake Wānaka. All the LDRZ land south of Ballantyne Road was upzoned to a MDRAZ (with greater height provisions that distinguish it from the MDRZ elsewhere in the Wānaka Ward, including where expanded in extent along the lakefront next to the Town Centre Zone). While there have been a range of changes to

[1] Section 3.1.
[2] Section 3.2.2.

provisions that may encourage more attached housing opportunity in the Suburban Residential Zone (which replaced the LDSRZ), and mixed use zones/commercial zones, and some amendments to Lake Hawea South, the greatest opportunity for material (i.e. large scale) growth of attached housing is greenfield medium and high density zoned land, hence I do not consider those other UIV changes here.

Figure 1 – Operative Zoning pre-UIV and Adopted UIV Zoning – Three Parks & South of Ballantyne Road



At face value, the upzoning at Three Parks would substantially increase attached housing capacity over and above the operative and notified UIV capacity that was modelled for the HDCA2025. The decision version capacity exceeds even the recommended further upzoning supported by the council's section 42A team. Similarly, the upzoning of extensive residential land south of Ballantyne Road would provide significant additional opportunity for attached housing that was not contemplated in the HDCA 2025.

However, a total of 19 appeals have been lodged on the UIV decision, of which several apply within the Wānaka Ward. Selected appeal relief within the Wānaka Ward includes (but is not limited to):

- Building height in MDRZ in Wānaka to remain 7m rather than 8m adopted. This applies mainly down by the lake front, which is a redevelopment opportunity for attached housing and not a key focus of capacity in the context of assessment the effects of the Project.[3]

- Building height in the Local Shopping Centre Zone in Lake Hawea be 14m rather than 10m adopted. This would enable additional apartment capacity but the scale of this particular zone is small, so will not have a material impact on increasing apartment capacity at a ward level.[4]
- Removal of the minimum lot size for the HDRAZ in Three Parks rather than 600m2 adopted. Without detailed scenario modelling, the effect of this relief on final plan enabled capacity is unknown.
- Minimum lot sizes in the HDRZ outside of Three Parks to be 450m2 rather than 600m2 adopted but noting a residential density of three dwelling units is unchanged by the UIV. The explanation for this relief indicates that it will not materially impact plan enabled capacity.
- Retain LDSRZ at Orchard Road (illustrated further below) rather than MDRAZ as the landowner states that there was no scope to upzone and upzoning was not supported by original accessibility analysis. This relief would, if accepted, remove substantial attached housing capacity on greenfield land sought by the Panel's recommendations.
- Removal of Building Restriction Area (BRA) and change to HDRZ on land in the western corner of Three Parks (including adjacent land) rather than retention of the BRA and rezoning to HDRAZ which had a higher building limit. While the BRA removal would increase housing capacity on this site relative to the status quo the land area in questions is relatively small. The appellant seeks a lower building height on this and adjacent land which is less capacity than enabled by the UIV recommendations, but potentially more than the notified UIV where it was proposed MDRZ.

The combined effect of this relief on plan enabled attached housing capacity (particularly on greenfield land) is uncertain and would need to be carefully modelled to understand the quantum of changes relative to the notified capacity that informed capacity modelling

[3] The redevelopment nature of this attached housing capacity means that existing properties must first be purchased by developers, which is driving up development costs and resulting in higher value attached housing (mainly terrace houses) where this is the chosen housing typology.

[4] Two appeals related to this relief.

(and therefore sufficiency) in the HDCA 2025. Such an analysis, including an analysis of the decisions version capacity exclusive of appeals, is beyond the scope of my assessment.[5]

As alluded to in the Economic Assessment report though, there is a difference between plan enabled capacity for attached housing in medium and high density zones and reasonably expected supply of attached housing. The appeal against upzoning of greenfield land on Orchard Road (being land on the south side of Ballantyne Road) is an example of lower densities commonly being supplied by developers in the Wānaka Ward - further exacerbating the slower uptake of attached housing development despite signals of changing housing preferences and clear affordability issues for first home buyers and renters.

Since completing my Economic Assessment report, some further detail of large greenfield developments otherwise enabled to deliver attached housing densities (under operative or UIV zoning) have come to light.

Figure 2 below identifies two greenfield parcels in Three Parks. Site A was zoned MDRZ prior to the UIV and has been upzoned to HDRAZ in the UIV. This has recently been consented for 257 2-4 bedrooms dwellings, ranging from 84m2 to 196m2 on lots averaging 200m2.[6] Of those, 30 (12%) are attached (duplex) units (at 84m2 each) and the rest are standalone dwellings. This yield was described in the consent application as only slightly more than the 244 units that could have been developed under the MDRZ prior to the UIV. While the HDRAZ is stated as enabling a higher density, the development is proposed to proceed as medium density (albeit largely standalone housing), foregoing the opportunity for high density housing.

The dwellings are already being marketed and while the initial price point is expected to be lower than standalone dwellings in a low density residential zone (where section sizes are larger), the development has opted for standalone dwellings rather than attached typologies which, all else being equal, could have been relatively more affordable. By way of example, their 30 attached dwellings are priced "from $699,00" but all the other standalone villas are priced upwards of "$899,000".[7]

[5] That said, I understand that Council have the ability to change the zoning and planning provisions in their capacity model underpinning the HDCA 2025, and as such, may have already examined the implication of those adopted changes and the relief sought in a directly comparable format.
[6] The development is branded The Links.
[7] https://www.realestate.co.nz/42990270/residential/sale/the-links-Wānaka

Figure 2 – Two greenfield sites in Three Parks developing below high density

Site B in Figure 2 is a retirement village (Wānaka Peaks by Metlifecare).[8] This development (stage 1 already completed) is for 95 two and three bedroom villas and 30 single bed care units. While some villas are duplex, they are all single storey and the development yield is well below its operative HDRZ or recently upzoned HDRAZ. Prices start from $1.4 million with premium villas marketed from $2.8 million each.

Figure 3 highlights the greenfield land south of Ballantyne Road that was upzoned from LDSRZ in the operative plan to MDRAZ under the UIV decision. I note, the already subdivided and largely built sections[9] were also upzoned but offer no feasible redevelopment potential in the medium term given how new the dwellings are,[10] and the efficiency in which new dwellings have used the lots.[11] Furthermore, the large development in the centre has covenants on the titles preventing any further intensification (a copy of that covenant is

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[8] https://www.metlifecare.co.nz/our-retirement-villages/south-island/Wānaka-peaks.

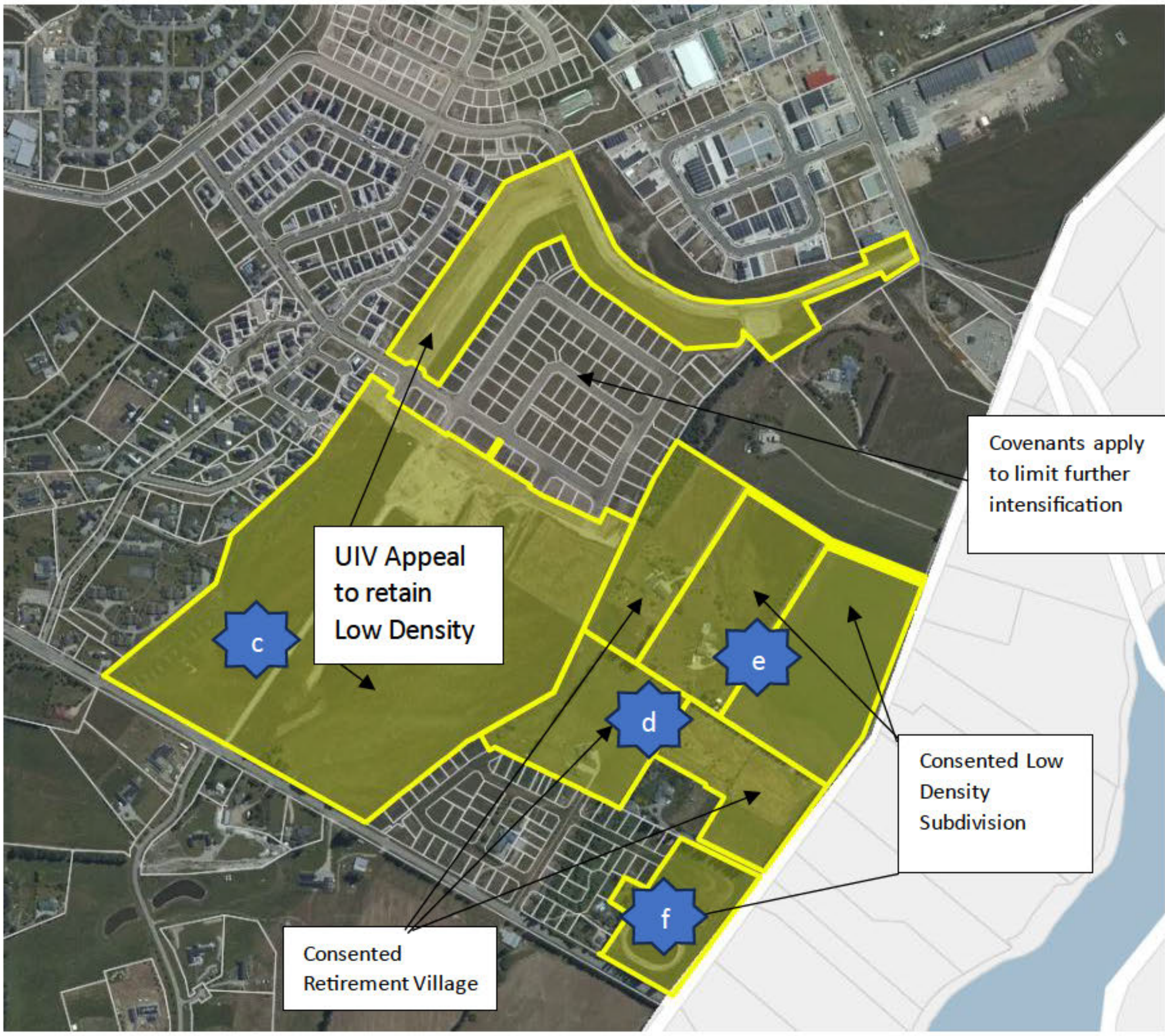
[9] The aerial photos in are not current.

[10] I.e., the they would likely be too expensive to buy, pull down and redevelop to medium density and still be profitable.

[11] I.e. they are unlikely to offer infill potential.

attached to this memorandum). As such, the upzoning will have no impact on the future delivery of low density attached housing on already development areas.

Figure 3 – Upzoned Medium Density A land South of Ballantyne Road



For the greenfield land, the largest parcel (shown as C) is appealing the UIV zoning (discussed above) and even if unsuccessful in their appeal, have indicated a strong preference to deliver low density housing in this location (being the same landowner as the covenanted subdivision). The properties labelled E[12] and F[13] have both pursued subdivision consents recently (including some subsequent to the UIV recommendations being adopted) for low density, standalone dwelling development. The 'L' shaped property labelled D is a

[12] Sargood Developments Limited have resource consent/engineering approval in February 2026 for a 104 lot subdivision (to support standalone dwellings on sections 497m2 to approximately 770m2).
[13] Lamerik Partners Limited

consented retirement village.[14] While relatively denser than surrounding consented developments, it is proposed to contain 165 villas (primarily standalone, with limited duplex dwellings) and a care home facility.

While not guaranteed, development on all of these sites appears to be underway in some form, suggesting that they are not intending to reconsider a medium density (up to three storey) development instead, now that the zoning has changed.

I maintain caution that plan enabled medium and high density housing in the Wānaka Ward will, even with the latest UIV zoning, always translate into supply of large scale attached housing development on greenfield land, such that would start to materially increase supply of relatively more affordable housing in the short-medium term. The Three Parks HDRAZ land owned and currently retained by Willowridge (the original land developer) is the best possible opportunity for large scale attached housing growth due to its very high accessibility to employment and other amenities, but has not, as far as I am aware, progressed any residential subdivision consents with Council. This means that there is no signal yet of the density Willowridge[15] may be considering and how close this might be to plan enabled capacity (to the extent practicable).[16] The absence of any lodged consents on that greenfield area does however show that that land may not be ready to contribute to housing supply in the short term[17] – so any assistance it might make to diversifying housing supply into more attached and affordable typologies – will likely occur in the medium and long term.[18]

Overall, I consider the housing supply proposed by the Mt Iron Junction Housing Scheme – which *is* attached housing spanning terraced and low-rise apartment typologies at relatively lower expected price points - is relatively unique in the current Wānaka Ward housing market. In the absence of wider take-up of these typologies at this time (i.e. in the short term) on greenfield land in the Wanaka Ward, and particularly in locations accessible to the Wanaka Town Centre or Three Parks – even when zoned and anticipated by the District Plan – the benefits of the Project's housing supply (discussed in the Economic Assessment report) are increasingly significant for the wider economy. There is currently low certainty that the UIV changes will materially undermine that conclusion.

14 Arivda Group.
15 Or future landowners if lots are sold to other developers.
16 The UIV now includes a matter of discretion in the HDRAZ requiring proposal achieve the highest practicable density that the local market can support at the time of the application.
17 I.e. next 3 years.
18 I.e. 4-30 years time.

Displacement/Transfer Effects

Related to the impact of the UIV zoning decisions on the significance of the Project's economic benefits is the issue of displacement or transfer effects. In the context of housing projects – in markets where there is sufficient (surplus) zoned housing capacity and strong levels of housing choice and competition in the same housing market – proposed new projects effectively just respond to underlying demand and reallocate where that demand is met on the ground within a particular time period.[19] In such circumstances, it is assumed that housing demand would have been met in other locations in the same/similar area, and at a similar rate (in the counterfactual) and therefore the gross economic benefits of the project are not net additional to the economy.

The converse of this issue is that when projects are proposing housing supply in a market and time period where there is insufficient capacity or latent demand, housing demand is being constrained either in total (if there is no ability for substitution (trade-offs) between preferred housing types, locations or prices), or partially constrained (where households are making trade-offs and accepting other housing options for which there is plenty of supply).[20] In such circumstances, it may not be the case that housing demand (or a particular type of housing demand) would have been met in other locations in the same/similar area in the counterfactual. When this occurs, the gross economic benefits remain applicable as there is no displacement that would reduce (in net terms) those benefits.

In the EA report, I took the following approach:

- There has been a long established shortfall of affordable housing and available long-term rentals in the Wānaka Ward and wider district despite sufficient plan enabled capacity for total housing in the District Plan.
- There is unmet demand (and growing future demand) for more small scale, low maintenance, more affordable housing accessible to Wānaka's employment areas, shopping areas, schools and recreation facilities.

[19] As all housing projects/residential subdivisions are finite, displacement or transfer effects are temporary in nature. Once the capacity of a new housing area is exhausted, the assumption is that 100% of housing demand will revert back to the counterfactual growth pattern (to the extent that that capacity remains and there are not other changes in capacity or supply).

[20] These trade-offs might include staying in the family home for longer (supressed household formation), renting instead of buying, living further away, or incurring more debt just to secure a (more expensive) house.

- Under the latest HDCA, including alternative demand scenarios and despite accounting for the capacity of the notified UIV from the medium term onwards, there is likely to be shortfall of total[21] attached housing capacity in the Wānaka urban area in the short term; a potential shortfall of greenfield attached housing in the medium term in the Wānaka urban area; and a potential shortfall of total attached housing capacity in the long term in the Wānaka urban area.
- The recent decisions on the UIV are not expected to change that outcome in the short term but the further upzoning of Three Parks land not currently consented for residential development in the HDRAZ would be expected to support greater supply of attached housing in the medium and long term. Whether this is sufficient to address expected demand for attached housing in the medium and long term in the Wānaka urban area, given that the level of uptake of medium and high density housing on other greenfield land enabled for medium and high density housing seems increasingly unlikely, remains uncertain.
- All of the above factors indicate that the Project is unlikely, in practice, to be displacing attached housing development in lower price brackets from other locations within the Wānaka urban area (or wider ward) during its proposed development period (i.e. the next 5 years).
- In terms of construction/resource displacement, I identify the significant pipeline of development (particularly residential construction) that is required to maintain the district's very large construction sector (businesses and workforce). I consider that the Wānaka Ward construction sector will be able to accommodate this project without material displacement of labour and other development activity).[22]
- However, to be conservative, I acknowledged[23] that the indicative value added and employment impacts associated with construction of the Project may not be net additional as a result of transferring demand – but consider that the impacts were still significant in gross terms.
- All other economic benefits were couched in gross terms, but still within the context of the existing and expected housing market.

The issue of displacement/transfer effects has been a focus of several recent FTAA decisions. While not comprehensive, the following summarises some of the existing approaches adopted by expert panels under the Act:

[21] Total includes greenfield and existing urban zoned areas.

[22] That is, the employment impact modelled, particularly the direct employment is likely to be mix of sustaining existing jobs and potential creation of some new construction jobs.

[23] Page 64 of the Economic Assessment report.

1. Sunfield: The panel for this project expressly requested that the economic assessment provide further assessment to account for potential displacement of employment and housing from other live-zoned locations in Auckland as these disbenefits had not been acknowledged. Based on the evidence, the panel determined that the stated benefits of the Project were likely overstated once displacement disbenefits were accounted for but still met the threshold of regionally significant. In making that determination (which approved the project), the panel placed greatest weight on the gross supply of housing which would address housing needs and contribute to well-functioning urban environment in conjunction with providing retail, employment and open space elements.
2. Ayrburn Screen Hub: this commercial project involved the development of a film studio and adjacent accommodation which would function as a hotel while also securing (prioritising) a portion of accommodation capacity for users of the film studio. The evidence considered both the displacement effect of construction workers in relation to construction benefits and the transfer of film production demand expected to be met in the counterfactual scenario (i.e. in the absence of the project) in relation to operational economic benefits. Having considered the potential for displacement/transfer effects, in their decision the panel determined that net additional construction employment would still be substantial and any transfer effects on the operation of the film studio would not be material to the project's significant regional benefits.
3. Ashbourne Decision: In this decision the panel considered that the Project was meeting a housing need that was already expected to be supplied in existing zoned areas. Having established that displacement or transfer effects were likely, they accepted independent legal advice that displacement should only be accounted for when assessing the extent of economic benefits if that displacement is determined to be an economic disbenefit to the region. In the context of that Project, parts of the proposed housing development would result in the loss of highly productive land (a disbenefit) and so the economic benefits of those parts of the residential development were considered a transfer effect and not net additional. The remainder of the housing proposed (and the proposed solar farm) were considered to provide significant regional benefits and these aspects of the project were approved.[24]

[24] The Draft Decision on The Point Mission Bay adopted the same 'disbenefit' lens for determining the relevance of displacement effects as set out in the Ashbourne decision.

Each of these decisions highlight the importance of understanding the relevant market context of a project to determine both the likelihood of displacement effects and the relevance of them. Acknowledging the potential for displacement/transfer effects is a matter of best practice economic assessment in my view as it demonstrates an understanding of the relevant housing market from a capacity, demand and supply perspective. However, I agree that the Ashbourne disbenefit approach for evaluating displacement under the FTAA is a pragmatic approach given that housing supply, supporting a well-functioning urban environment and meeting housing needs are recognised as meeting the purpose of the Act.

In light of these recent decisions, the Economic Assessment report and this memorandum have clearly demonstrated the 'housing need' that the Project responds to and have expressly considered the potential for displacement or transfer of housing demand and construction sector labour/effort by considering:

- The projected quantum of demand for attached housing in the Wānaka urban area and wider ward;
- the scale and location of existing zoned land that enables housing that could theoretically be comparable to the Project's housing offering (namely, compact attached housing including a combination of affordable dwelling,[25] long-term rentals and lower price bracket market housing),
- the nature and timing of housing supply likely on that zoned land relative to demand and the Project's proposed housing supply, and
- the scale and capacity of the construction sector in the Wānaka Ward and the significant pipeline of consented dwellings that are needed each and every year just to sustain that sector at current levels.

Based on my assessment, I consider that the Project uniquely matches housing supply with demand that has not been adequately met in the Wānaka urban area to date, nor likely to be met in the short term. As such, it will result in minimal displacement in the short term (next three years) and only minor potential displacement in the medium term (but expected to be limited to just years 4 and 5 of the Project after which, if fully occupied, there will no displacement effect for the remainder of the medium term). Importantly, I do not consider there to be any economic disbenefits from that displacement.

[25] Via the Housing Trust.

Under the Ashbourne decision approach, this means that the economic (and social) benefits of the Project's housing supply (and construction), as stated in the Economic Assessment report, are not overstated.

Social Benefits of the Project

As stated above, the Panel's minute at 6B observed that the relative affordability benefits of the Project were not conveyed with any other social benefits within the Economic Assessment report. In response, this section of the memorandum begins with a summary of the social benefits expected to be delivered by the Project that were touched on in the Economic Assessment report with supporting expanded discussion.:[26]

- By restricting the potential for residential visitor accommodation in 80% of dwellings and donating 5% of the dwelling capacity to the Queenstown Lakes Community Housing Trust, the Project is not 'profit maximising' for the applicant. This development approach generates a transfer of producer surplus (potential profit) into consumer surplus (i.e. expected cost savings for dwelling buyers and tenants relative to the prevailing market price for comparable housing by type and/or location). This private price advantage translates into household wellbeing outcomes by increasing a household's ability to meet basic needs and unexpected costs (through increased disposable income) and participate in community life.
- Increased supply of attached / medium-density housing helps improve housing availability, affordability and security in the Wānaka Ward, especially for lower-income households, first home buyers, renters, and retired households. This links to reducing housing stress and improving access to suitable housing that matches socio-economic needs.
- Increased supply of affordable housing is likely to help local businesses retain staff. This in turn reduces churn in the resident population which supports a more stable workforce. Improving the permanence of households living in Wānaka supports stronger continuity within schools and for service providers and community groups.
- The site's proximity to employment areas, schools, recreation facilities, open space, shops and services means greater access for resident households at a lower social cost (particularly shorter travel time and reduced transport stress relative to locations like Hawea which has attracted many lower-income households in recent years).

[26] It is noted that there is a degree of overlap between social and economic benefits and across social benefits that are discussed.

- The proposed café, grocery store, and daycare on site are described as improving convenience for site and nearby residents, increasing social amenity by providing places for residents and visitors to gather. These amenities will help strengthen a sense of community on the site and nearby and help to reduce social isolation, especially for single person households or older households living in the development.
- The gift of land to Queenstown Lakes Community Housing Trust would enable 13 affordable dwellings to benefit low-income and vulnerable working and retired households. Provision of affordable housing allows vulnerable households to live/stay in the Wānaka Ward which strengthens social cohesion and community wellbeing.
- The Project will support household incomes for those involved in its construction as well as generate a number of new long-term jobs on the site. Work can contribute to social wellbeing where it is safe, adequately paid and reasonably secure. It can provide purpose, routine, skill development, social connection, and a sense of contribution.

While the purpose of the Economic Assessment report was to focus on economic benefits and costs, there are additional social benefits likely to be delivered by the Project that have not been directly touched on already, and that are identified briefly below:

- Provision of lower entry cost and smaller housing may enable more young people/young families to rent/buy in Wānaka (rather than leave the district to live in more affordable locations). This could support marginal shifts in the demography of households in Wānaka – reducing exclusion of lower-income households and supporting greater household diversity in the community.
- Without a steady stream of donations of land in residential subdivisions by developers, the ability of the Queenstown Lakes Community Housing Trust to exist will be compromised. The Project supports the ongoing viability of the Trust which provides important social services to the total district beyond this Project.
- The combined features of the Project provide strong social benefits for children who may live in the development including safe access to open space, play areas and adjoining recreation land.
- The additional capacity of the daycare centre in Wānaka will enable more children to benefit from early childhood education given anecdotal evidence of latent

demand and large waiting lists across all existing day cares where this sector has not kept pace with population growth.

- By providing a walkable living environment within the site and by adjoining local walking/cycling trails, including Mt Iron, the Project supports opportunities for healthy and active lifestyles and active travel modes.
- While considered a more pressing issue in Queenstown, by increasing the supply of rental properties available in Wānaka the Project may help reduce the incidence of overcrowding in 'flatting' households and the social and health issues associated with such living environments.
- By delivering small, lower cost attached housing in a market where this has not been sufficiently supplied to date, the Project may provide options for residents to leave unstable housing situations (i.e. where people have stayed 'in situ' due to a lack of options to move out/leave).

While the supply of housing in developments that support well-functioning urban environments can generally be expected to deliver a range of economic and social benefits, residential developments that pro-actively and specifically target particular housing needs, including housing needs not being delivered by the wider market, tend to generate far stronger social benefits. I consider the Project to be one such development.

Conclusions on Significant Regional Benefits

In the Economic Assessment report, I considered that the Mount Iron Housing Scheme could be supported from an economic perspective. It would deliver significant gross economic benefits to the Wānaka Ward, wider district and Otago Region with no material economic costs or disbenefits. The additional assessment addressed in this memorandum further strengthens those conclusions. Specifically:

- The decisions version on the UIV is subject to a range of appeals that, if successful, will reduce some of the attached housing opportunity intended by the independent hearings panel. Other aspects of that decision, particularly in parts of Three Parks not already subject to consented developments, may further increase attached housing opportunity, but this is unlikely to help meet demand in the short term.
- While the Project could in theory compete with other zoned land that enables medium density attached housing, based on expected supply trends in the short term, realistically the potential for transfer effects or displacement of attached housing development of a similar type, location and price point is limited.

- Should any minor displacement occur during the Project's expected development timeframe, no disbenefits are expected to arise from that displacement as the Project does not preclude growth or competition from occurring in other development areas, and the Project overall supports a well-functioning urban environment.
- In addition to economic benefits, the Project will deliver a range of social benefits which I consider significant at the local and district level.

Attachment: Covenant Instrument Granted to Orchard Road Holdings Limited (Alpine Meadows)

View Instrument Details

Instrument No	13147116.12
Status	Registered
Lodged By	Karamaena, Rebecca Mary
Date & Time Lodged	26 Feb 2025 10:32
Instrument Type	Land Covenant under s116(1)(a) or (b) Land Transfer Act 2017

Affected Records of Title	Land District
1204440	Otago
1204441	Otago
1204442	Otago
1204443	Otago
1204444	Otago
1204445	Otago
1204446	Otago
1204447	Otago
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Affected Records of Title	Land District
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1204519	Otago

Affected Records of Title	Land District
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1204521	Otago
1204522	Otago
1204523	Otago
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1204526	Otago
1204527	Otago
1204528	Otago
1204529	Otago
1204530	Otago
1204531	Otago
1204532	Otago

Annexure Schedule Contains 5 Pages

Covenantor Certifications

I certify that I have the authority to act for the Covenantor and that the party has the legal capacity to authorise me to lodge this instrument ☑

I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☑

I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☑

I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☑

Signature

Signed by Rebecca Mary Karamaena as Covenantor Representative on 26/02/2025 10:12 AM

Covenantee Certifications

I certify that I have the authority to act for the Covenantee and that the party has the legal capacity to authorise me to lodge this instrument ☑

I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☑

I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☑

I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☑

Signature

Signed by Rebecca Mary Karamaena as Covenantee Representative on 26/02/2025 10:13 AM

***** End of Report *****

Form 26

Covenant Instrument to note land covenant

(Section 116(1)(a) & (b) Land Transfer Act 2017)

Covenantor

ORCHARD ROAD HOLDINGS LIMITED

Covenantee

ORCHARD ROAD HOLDINGS LIMITED

Grant of Covenant

The Covenantor, being the registered owner of the burdened land(s) set out in Schedule A, **grants to the Covenantee** (and, if so stated, in gross) the covenant(s) set out in Schedule A, with the rights and powers or provisions set out in the Annexure Schedule(s).

Schedule A *Continue in additional Annexure Schedule, if required*

Purpose of covenant	Shown (plan reference)	Burdened Land (Record of Title)	Benefited Land (Record of Title) or in gross
Land covenants	All of the land contained within the Burdened Land	Lot 31 DP 608359, RT 1204440 – Lot 43 DP 608359, RT 1204452 Lot 59 DP 608359, RT 1204453 – Lot 131 DP 608359, RT 1204525 Lot 133 DP 608359, RT 1204526 – Lot 138 DP 608359, RT 1204531	Lot 31 DP 608359, RT 1204440 – Lot 43 DP 608359, RT 1204452 Lot 59 DP 608359, RT 1204453 – Lot 131 DP 608359, RT 1204525 Lot 133 DP 608359, RT 1204526 – Lot 138 DP 608359, RT 1204531 Lot 903 & Lot 904, DP 608359, RT 1204532
Fencing covenant	All of the land contained within the Burdened Land		

Form L

Annexure Schedule 1 **Page 2 of 5**

Insert instrument type

Covenant

Covenant rights and powers (including terms, covenants and conditions)

Delete phrases in [ ] and insert memorandum number as required.
Continue in additional Annexure Schedule if required.

The provisions applying to the specified covenants are those set out in:

~~[Memorandum number , registered under section 209 of the Land Transfer Act 2017].~~

Annexure Schedules 1 and 2.

Annexure Schedule 1

1 It is the Covenantor's intention that all of the Burdened Land described in Schedule A (the "Lot" or "Lots") shall be subject to a general scheme applicable to and for the benefit of the Covenantee as set out in this Instrument.

OPERATIVE PROVISIONS

2. DEFINITIONS AND INTERPRETATIONS

2.1 Definitions: In this Instrument, including this schedule 1 and schedule 2, the following words shall have the following meanings:

a Building means any structure on the Burdened Land, excepting boundary fencing.

b District Plan means the Queenstown Lakes District Council District Plan.

c Dwelling means a residential dwelling house.

d Lot means any and all of the Burdened Land described in Schedule A.

e ORHL means Orchard Road Holdings Limited and any associated entity or any person or entity to whom it delegates its rights and responsibilities under this Instrument.

2.2 Interpretation: In this Instrument, unless the context otherwise requires:

a words denoting the singular shall include the plural and vice versa;

b one gender shall include other genders;

c words denoting persons shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state, agency of a state, municipal authority, government or any statutory body in each case whether or not having separate legal identity;

d any covenant or agreement on the part of two or more persons shall bind those persons jointly and separately;

e reference to any statute, regulation, ordinance or bylaw shall be deemed to extend to all statutes, regulations, ordinances or bylaws amending, consolidating or replacing the same;

f where consent or approval is required pursuant to any provision of this Instrument, such consent or approval shall be required for each separate occasion notwithstanding any prior consent or approval obtained for the like purpose on any prior occasion;

g reference to the Covenantor and the Covenantee includes their respective executors or administrators and successors in title;

h reference to Lots includes each and every one of them;

Annexure Schedule 1

Insert instrument type

Covenant

3. NATURE AND EXTENT OF OBLIGATIONS

3.1 This Covenant Instrument (including the provisions in Annexure Schedule 2) shall be binding on all transferees, tenants, lessees, mortgagees, chargeholders and their respective successors in title and assigns of any estate or interest in the Burdened Land. Where this Covenant Instrument binds or benefits more than one party, it shall bind or benefit each party jointly and severally.

3.2 Where the Covenantor is a company this Covenant Instrument shall bind a receiver, liquidator, statutory manager or statutory receiver. Where the Covenantor is a natural person this Covenant Instrument shall bind the Official Assignee acting in the bankruptcy of the Covenantor. In either case this Covenant Instrument binds a mortgagee in possession.

3.3 If at any time any part or provision of this Covenant Instrument is or becomes invalid, void, illegal or unenforceable in any respect whatsoever, then:

a that part or provision shall be severed from this Covenant Instrument;

b such invalidity or severing shall not in any way affect or impair the validity, legality and enforceability of any other part or provision of this Covenant Instrument; and

c the parties shall enter into appropriate substitute instrument(s) to give full and proper effect to the agreements and understandings in this Covenant Instrument.

3.4 The Covenantor shall not be liable for breaches of the obligations under this Covenant which occur in respect of any land after it has transferred its fee simple interest in such Lots.

3.5 If the Covenantor is in breach of its obligations set out in this Instrument, the Covenantee shall have the right (but not an obligation) to do whatever may be reasonably required to remedy such failure on the part of the Covenantor, and the costs incurred by the Covenantee in remedying the default shall be refunded by the Covenantor to the Covenantee on demand.

4. NOTICES

4.1 Any notice required to be given in terms of this Covenant Instrument shall be sufficiently given if made in writing and served as provided in section 353(1) of the Property Law Act 2007 and shall be sufficiently given if actually received by the party to whom it is addressed or that party's solicitor.

5. DISPUTE RESOLUTION

5.1 Any dispute which arises between the Covenantor and the Covenantee in any way relating to this Covenant Instrument may be resolved by referring the dispute to an agreed third party for decision or by arbitration by a single arbitrator under the provisions of the Arbitration Act 1996.

5.2 Nothing in clause 5.1 limits or excludes the Covenantee applying to the Court for interlocutory and/or injunctive relief or a declaration.

6. VESTING

6.1 The Covenantee (including its successors in title) consents to the deposit of any survey plan by the Covenantor or any successors in title which has the effect of vesting or dedicating any of the Burdened Land as road or reserve.

6.2 The Covenantee acknowledges and agrees that the Covenants shall cease to apply and shall automatically surrender in respect of the land to be vested or dedicated as road or reserve with effect on and from the date of deposit of the relevant survey plan.

6.3 The Covenantee covenants that this clause shall be deemed to be the written consent of the Covenantee to the deposit of any survey plan for the purposes of section 224(b)(i) of the Resource Management Act 1991.

Annexure Schedule 2 **Page 4 of 5**

Insert instrument type

Covenant

Annexure Schedule 2

THE COVENANTOR AGREES:

1. No Relocatables

1.1. No new or second hand relocated/transportable or prefabricated Buildings shall be placed on the Lot. The Buildings erected upon the within Lot shall be built upon the land provided always that prefabricated but previously unassembled Buildings shall for the purposes of this covenant be deemed to be built upon the within Lot provided they are assembled on the Lot.

2. General Height Restrictions:

2.1. All Buildings on Lots 116 – 125 DP 608359 inclusive shall be single storey and shall not exceed 5.5 metres in height above the existing ground level at the centre of the Lot at the issue of title for the Lot or the height specified in any relevant consent notice registered on the record of title to the Lot, whichever is the lower. For the purposes of this clause the centre of the Lot is defined at the point at which a diagonal line drawn across the Lot from each front corner boundary peg to each rear boundary corner peg meet. Chimneys may project through the maximum building restriction height by up to 0.6 metres provided that the chimney size above the maximum building height restriction measures no more than 1.2 metres in any horizontal direction.

2.2. All Buildings on Lots 31 – 43 DP 608359 inclusive and Lots 59 – 115 DP 608359 inclusive and Lots 126 - 137 DP 608359 inclusive, shall be single story and not exceed 5.5 meters in height from the existing ground level at the centre of the Lot at the issue of title for the Lot. For the purposes of this clause the centre of the Lot is defined at the point at which a diagonal line drawn across the Lot from each front corner boundary peg to each rear boundary corner peg meet. Chimneys may project through the maximum building restriction height by up to 0.6 metres provided that the chimney size above the maximum building height restriction measures no more than 1.2 metres in any horizontal direction.

3. Maximum Height of Plantings

3.1. Trees, shrubs and other plants shall not exceed a maximum height of 5.5 metres. For the purposes of this clause Height" is to be measured from the original ground level of the Lot as the issue of title for that Lot.

4. Fencing

4.1. Where any Lot shares a boundary with any public roads, public walkways and/or public reserve, any fencing/screening and hedging on those boundaries shall not exceed 1.2 metres in height above natural ground level at the issue of title for the Lot and shall be no less than 50% visually permeable.

5. Maintenance of Lot

5.1. Until construction of a Dwelling and landscaping is completed, the Lot must be maintained in a neat and tidy condition and grass and other ground cover must not exceed a height of 150 mm.

6. No Further Subdivision

6.1. There shall be no further subdivision of Lots 31 – 43, DP 608359 inclusive and Lots 59 – 131 DP 608359 inclusive and Lots 134 DP 608359 – 138 DP 608359 inclusive.

Form L

Annexure Schedule 2 **Page 5 of 5**

Insert instrument type

Covenant

7. Fencing Covenant

7.1 The Covenantor shall be bound by a Fencing Covenant within the meaning of section 2 of the Fencing Act 1978 in that ORHL shall not be liable to contribute to the cost of or assist in the erection or maintenance of any boundary or dividing fence on any Lot or on any other land owned or occupied owned by ORHL that adjoins any Lot.

7.2 Clause 7.1 is intended for the benefit of ORHL only and shall not enure for the benefit of any other person or persons.