

**BEFORE CENTRAL OTAGO DISTRICT COUNCIL**

**IN THE MATTER** of the Resource Management Act  
1991 and Private Plan Change 12

**REQUESTOR** **Wooing Tree Holdings Limited**

---

**STATEMENT OF EVIDENCE OF NATALIE DIANNE HAMPSON**

**ECONOMIC**

**DATED 1 NOVEMBER 2017**

---

## **INTRODUCTION**

### **Qualifications and Experience**

1. My full name is Natalie Dianne Hampson. I am an associate director at Market Economics Limited (“M.E”) and hold a MSc degree in Geography from Auckland University. I have 16 years’ economic consulting and project experience, working for commercial and public-sector clients. I specialise in assessments of demand and markets, the form and function of urban economies and growth, policy analysis, retail and centre analysis, demographic analysis, economic impact assessment and the evaluation of economic outcomes and effects, including costs and benefits.
2. I have applied these specialties in studies throughout New Zealand, across most sectors of the economy, including the retail and service, tourism, housing, aquaculture, education, events, arts and culture, local government and marine industry sectors.

### **Specific Involvement with Residential Growth and Urban Form Issues**

3. I have spent many years analysing and reporting on issues related to residential and tourism growth and implications for urban form and efficiency. Experience relevant to this evidence includes:
  - a) I am currently project managing the delivery of Queenstown Lakes District Council’s requirements under the National Policy Statement – Urban Development Capacity (“NPS - UDC” or “NPS”). Specifically, the Housing and Business Development Capacity Assessments required by December 2017. M.E is contracted by all high growth districts in New Zealand to deliver one or both of these assessments and I am peripherally involved in the projects for all other jurisdictions.
  - b) I have presented evidence in a number of districts looking at projected growth in households and retail and service spend to assess the viability, demand and distributional effects of additional commercial centre zoned land, including in Auckland (Unitary Plan hearings), Palmerston North, Wellington, Gisborne, Christchurch and Whangarei.
  - c) I have completed a range of assessments looking at urban form and growth issues in the Wakatipu catchment. In 2017 I prepared evidence on a submission to the QLDC Proposed District Plan on historic, current and projected dwelling growth trends and compared this demand to zoned dwelling capacity in the Wanaka Ward.

- d) I have developed customised growth projections of the Auckland region for the Ministry of Education and developed a model to project roll growth in individual schools to help inform the planning and provision of additional classroom capacity and new schools. This work involved working with developers in special housing areas to understand the nature and timing of dwelling growth.
- e) I have carried out a number of assessments looking at demand growth for retirement living and the changing dwelling needs of an ageing population.
- f) In the past, I have assisted in the development of regional tourism forecasts for the Ministry of Tourism. I have played a key role in leading research that utilised electronic transaction data to track tourist spending as they travelled throughout New Zealand (Economic Impacts of the Rugby World Cup 2011 – project manager).
- g) I have been a resident of Wanaka for nearly 3 years. I am familiar with the wider Cromwell area. I have visited the Cromwell town centre and historic precinct on a number of occasions and specifically for my evidence preparation.

#### **Expert Witness Code of Conduct**

- 4. I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014 and that I agree to comply with it. I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this evidence is within my area of expertise, except where I state that I am relying on the evidence of another person.

#### **Purpose and Scope of Evidence**

- 5. The purpose of my evidence is firstly to provide an independent analysis of the residential land and housing market in the Cromwell area in order to assess the anticipated social and economic costs and benefits of the proposed residential capacity in Plan Change (“PC”) 12. Second, my evidence assesses the anticipated social and economic costs and benefits of the proposed Business Resource Area (“BRA”) (2).
- 6. Specifically, my evidence examines the proposed residential zonings with regard to:
  - a) The objectives and policies of the NPS – UDC.

- b) The current relationship between types of households and the types of dwellings occupied in Central Otago District as a basis for projecting the types of dwellings required to meet future community demand.
  - c) Estimates of future total dwelling demand in Central Otago and in Cromwell and surrounds.
  - d) Current capacity for dwelling growth in urban Cromwell.
7. Specifically, my evidence examines the proposed business zoning with regard to:
- a) The role of the Cromwell town centre in providing social and functional amenity to the resident community, including relevant objectives and policies and non-statutory documents that support and protect that role.
  - b) The role of the Historic Precinct (“Old Cromwell”) in meeting the tourism demand in Cromwell and its relationship with the town centre.
  - c) The types of retail store types and activities that are commonly associated with tourism demand and the degree to which the proposed business zone will result in the dispersal of core retail and service activity.
  - d) The anticipated retail and service floorspace demand arising from future households within PC 12.
8. To address these matters I have examined:
- a) The current (2016) and projected household and dwelling structure of Central Otago District and Cromwell and surrounds;
  - b) Recent residential sector supply trends and housing market indicators in Cromwell and surrounds;
  - c) Council’s latest growth projections for Cromwell and surrounds and the total District;
  - d) Operative zoning and known residential developments/proposals;
  - e) The estimated dwelling capacity of PC 12.
  - f) The amended provisions of the business zone.
  - g) The current nature and location of business activity in the Cromwell urban area.
  - h) Current and projected average household retail spend per annum in the wider Cromwell catchment (sourced from M.E’s Retail Demand Model 2016).

- i) The evidence of Mr Vivian, Mr Carr, Ms Skidmore and Ms Coughlin.

### **Key findings**

9. I have based my evidence on analysis of dwelling demand, dwelling growth capacity, business and employment patterns, household spend and tourism growth in the Cromwell and surrounding catchment.
10. Based on that analysis, I consider that the proposed residential zoning better enhances economic and social wellbeing than the status quo or suggested alternatives. It maximises the efficient use of the land while giving effect to the objectives of the District Plan.
11. I also consider that the proposed business zone, as amended following submissions and further submissions, avoids or mitigates adverse effects on the Cromwell town centre and contributes positively to the economic and social wellbeing of the Cromwell community.

### **PROPOSED RESIDENTIAL CAPACITY**

12. This section of my evidence assesses the appropriateness of the proposed residential capacity provided by PC 12. The provisions rezone land from Residential Resource Area ("RRA") (6) to a combination of RRA, RRA (3) and RRA (11), with some additional rules, within the Wooing Tree Overlay Area to enable more intensive residential development.
13. There are two key economic issues: First, whether the plan change responds to a demonstrated need for additional residential capacity in Cromwell, including lot sizes/dwelling typologies that reflect the anticipated demand of current and future households. Second, whether the plan change provides a suitable location for that growth. Both aspects determine the likely effectiveness and efficiency of the plan change to achieve the objectives of the RRA as well as objective 6.3.1 (Needs of People and Communities).
14. The National Policy Statement – Urban Development Capacity ("NPS-UDC", or "NPS") came into effect in December 2016. It provides a current and relevant framework for approaching urban growth (and associated decision making) under the Resource Management Act 1991 ("RMA"). To support productive and well-functioning urban areas, it is important that district plans provide adequate opportunities to develop land for business and housing to meet community needs.

15. While Central Otago District is not a high or medium urban growth district as defined under the NPS, the policy directs all local authorities to provide sufficient development capacity for housing and business growth demand. As such, the demand assessment described below is framed in NPS terms and draws on aspects of a methodology (demand model) developed by M.E for the purpose of the NPS and which is currently being applied for Auckland, Hamilton, Queenstown Lakes District and other high growth councils across New Zealand.
16. My approach examines projected dwelling demand in Central Otago District, and in turn Cromwell and its surrounds. The current supply of dwellings in Cromwell is then evaluated alongside enabled growth potential. These two elements provide the context against which the residential capacity enabled by PC 12 can be assessed.

### **Housing Demand under the NPS**

17. Housing demand is defined here in terms of the housing requirements of the resident and visitor populations of a city, district or region. The main dimensions of housing demand are the number of dwellings required at each point in time into the future, and the nature of those dwelling requirements in terms of dwelling type and dwelling value. Dwelling demand directly affects demand for residential land, just as residential land supply and planning provisions in combination affect development capacity. The adequacy or sufficiency of dwelling capacity can be broadly defined at the highest level in terms of the numbers of dwellings able to be supplied, but also in terms of their type, value and location.
18. The requirement to consider housing demand in some detail is set out clearly in NPS Policies, most notably:

*PA3: When making planning decisions that affect the way and the rate at which development capacity is provided, decision-makers shall provide for the social, economic, cultural and environmental wellbeing of people and communities and future generations, whilst having particular regard to:*

*(a) Providing for choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses;*

### **Current Housing Demand – Resident Population**

19. The first core task is to establish the current patterns of housing demand in Central Otago District. My analysis covers the situation as at the 2013 Census, and estimated for 2016, to identify the patterns of dwelling ownership and occupancy

by each household type within the community, including the household type to dwelling type relationships.

20. Understanding how household types are currently distributed across the Central Otago dwelling estate is a core requirement of the NPS, with current patterns of demand being the base indicator of future demand – by dwelling type – from the future population<sup>1</sup>. For brevity, I have provided further description of my approach to defining household types, dwelling types and the role of dwelling tenure and occupancy in the underlying modelling in Appendix A.
21. The outputs from this first task are estimates of the dwelling types in which households of each type resided, as at the 2013 Census. These estimates are generated at the district level, by summing the Census Area Unit (“CAU”) figures.
22. At the CAU level the number of dwellings will not be the same as the number of usually resident households in most instances. This is because some dwellings counted at Census time may be unoccupied, or occupied by visitors (i.e. holiday homes).
23. For that reason, the analysis of the household type-dwelling type relationships is based on the number of usually resident households. These households are in effect distributed across dwelling-types, which means that the demand for dwellings is equated with occupancy by the number of households. I.e. for any given number of households of any type, there will be demand for  $x$  separate dwellings and  $y$  attached dwellings, and further disaggregated into value bands.
24. Figure 1 and Table 1 show the overall pattern for Central Otago District, as at 2013.

---

<sup>1</sup> For the purpose of this evidence, dwelling value band analysis is excluded but is otherwise a requirement of a comprehensive NPS assessment.

Figure 1 – Central Otago Dwelling Occupancy by Household Type 2013

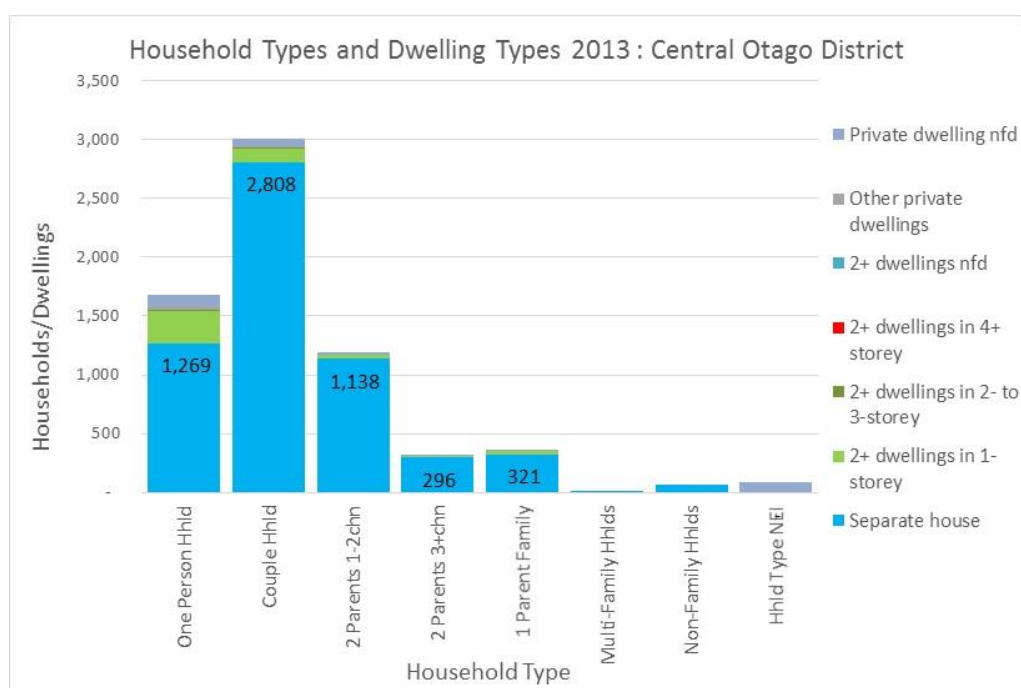


Table 1 – Central Otago Dwelling Occupancy by Household Type 2013

Dwelling Type	Household Type								Total Hhlds 2013
	One Person Hhld	Couple Hhld	2 Parents 1-2chn	2 Parents 3+chn	1 Parent Family	Multi-Family Hhlds	Non-Family Hhlds	Hhld Type NEI *	
<b>COUNT OF HOUSEHOLDS/DWELLINGS</b>									
Separate house	1,269	2,808	1,138	296	321	12	68	-	5,912
2+ dwellings in 1-storey	276	115	34	8	26	-	-	-	459
2+ dwellings in 2- to 3-storey	10	7	-	-	-	-	-	-	17
2+ dwellings in 4+ storey	-	-	-	-	-	-	-	-	-
2+ dwellings nfd	-	-	-	-	-	-	-	-	-
Other private dwellings	26	12	-	-	2	-	-	-	40
Private dwelling nfd **	96	64	17	4	9	-	-	90	280
<b>Total Private Dwellings</b>	<b>1,677</b>	<b>3,006</b>	<b>1,189</b>	<b>308</b>	<b>358</b>	<b>12</b>	<b>68</b>	<b>90</b>	<b>6,708</b>
<b>STRUCTURE % BY HOUSEHOLD TYPE</b>									
Separate house	75.7%	93.4%	95.7%	96.1%	89.7%	100.0%	100.0%	0.0%	88.1%
2+ dwellings in 1-storey	16.5%	3.8%	2.9%	2.6%	7.3%	0.0%	0.0%	0.0%	6.8%
2+ dwellings in 2- to 3-storey	0.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
2+ dwellings in 4+ storey	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2+ dwellings nfd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other private dwellings	1.6%	0.4%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.6%
Private dwelling nfd	5.7%	2.1%	1.4%	1.3%	2.5%	0.0%	0.0%	100.0%	4.2%
<b>Total Private Dwellings</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>OVERALL % STRUCTURE</b>									
Separate house	18.9%	41.9%	17.0%	4.4%	4.8%	0.2%	1.0%	0.0%	88.1%
2+ dwellings in 1-storey	4.1%	1.7%	0.5%	0.1%	0.4%	0.0%	0.0%	0.0%	6.8%
2+ dwellings in 2- to 3-storey	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
2+ dwellings in 4+ storey	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2+ dwellings nfd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other private dwellings	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Private dwelling nfd	1.4%	1.0%	0.3%	0.1%	0.1%	0.0%	0.0%	1.3%	4.2%
<b>Total Private Dwellings</b>	<b>25.0%</b>	<b>44.8%</b>	<b>17.7%</b>	<b>4.6%</b>	<b>5.3%</b>	<b>0.2%</b>	<b>1.0%</b>	<b>1.3%</b>	<b>100.0%</b>

Source: Statistics NZ Census 2013 \* Not Elsewhere Included, \*\* Not Further Defined



25. The 2013 Census data provides detail for 6,708 households<sup>2</sup>. The key parameters of 2013 housing demand are:

- a) Couples with no children at home are the dominant district household type (44.8%), with single person households making up 25.0% of the total and families with children making up (27.7%). Non-family households (flatting situations) account for just 1.0% and 1.3% of households are undefined.
- b) A number of dwelling types are not present in the Central Otago market in 2013. There are no dwellings in 4 storey buildings for example and relatively few dwellings in 2-3 storey buildings.
- c) Separate houses (which may be one or more storeys) are the dominant dwelling type (88.1%), with town houses, terrace houses and apartments accounting for 7.7% (some 4.2% are undefined).
- d) The shares occupying separate houses varies with 2-parent families in the 96% range, while single parent families have 89.7% (and 7.8% in attached dwellings), couples have 93.4% (and 4.5% in attached dwellings), and single person households 75.7% (and 18.6% in attached dwellings).

26. Appendix B shows how dwelling occupancy varies with household income. The key features are:

- a) The greatest number of households (20.9%) are in the lowest income quintile (less than \$30,000 per annum), followed by households in the second lowest income quintile (19.7% in the \$30-50,000 per annum band). The highest income band (\$100,000 or more per annum) relates to 15.1% of households in the District.
- b) The share of households living in separate (standalone) dwellings increases with household income and correspondingly, the share living in attached dwellings decreases with greater income. In other words, there is a converse relationship between income and dwelling density.
- c) In the lowest income band, 76.6% of households live in separate houses and 18.9% live in attached dwellings. In the highest income band, 96.7% of households live in separate houses and 2.2% live in attached dwellings.

---

<sup>2</sup> This compares to 7,413 households identified on Census night and an estimated 7,870 resident private households as at June 2013. The household-type – dwelling-type analysis (based on the sample of 6,708 households forms a profile subsequently applied to household projections with a 2016 base year.

27. Appendix C shows how dwelling occupancy varies with household age<sup>3</sup>. The key features are:
- a) The largest group of households in 2013 was in the 50-64 year age group (32.3%), followed by similar counts in the 40-49 year age group (18.1%) and 65-74 year age group (17.7%). Households aged 39 years or younger make up 18.8% of households and those households aged 75+ account for a 13.0% share.
  - b) Separate (standalone) dwelling occupancy peaks when households are aged 30-39 years (with attached dwelling occupancy at its lowest).
  - c) Attached dwelling occupancy is relatively high in the youngest household group (8.0%) then declines through middle age households before increasing again. It peaks in the oldest household age group (the 75+ age households have 16.3% in attached dwellings). In other words, there is a non-linear relationship between life stage (age) and dwelling density.
28. The next section addresses future household projections for Central Otago District and how that growth might be expected to translate into future demand for dwellings. It assumes no constraints to dwelling demand as the objective is to determine what sort of housing supply the District needs to deliver in order to accommodate the preferences of a changing demographic/market. The analysis addresses dwelling demand for resident households (whether renting or owner occupiers) only. It excludes demand for holiday homes which need to be considered separately.

#### **Household Growth Futures**

29. This assessment of future resident housing demand is based on the latest Statistics New Zealand ("SNZ") (February 2017) population projection series. SNZ have not yet produced updated household projections, and for current purposes total household numbers have been estimated by using mean household size figures from the previous SNZ series (2015). I have selected the High growth projection as this is most likely to avoid under-estimating future growth.
30. Table 2 shows the projected resident household numbers in Central Otago District by household type<sup>4</sup>. This indicates growth of 2,210 households between 2016 and 2028 (around 184 per year in the medium term), and growth of an estimated

---

<sup>3</sup> Based on the age of the household reference person. Appendix A.

<sup>4</sup> The M.E model projections also contain detail on household age and income in combination with household type (210 household groups).

4,120 households by 2043 (long term average growth of 153 per year). It also indicates that 'one person' and 'couple' households will account for a growing share of the household structure – growing by 70% and 57% respectively compared to an overall average growth of 49%. Combined they increase from a 66% share of total households to a 71% share by 2043. It is structural changes like this that mean that the mix of dwellings types (and densities) available in the District's future dwelling estate will need to differ from the mix currently available.

Table 2 – Central Otago Projected Households by Type 2016-2043 – High

Household Type	2016	2018	2023	2028	2033	2038	2043	2016-28	2016-33	2016-43
<b>COUNT OF HOUSEHOLDS</b>										
One Person	2,030	2,170	2,480	2,770	3,030	3,250	3,450	740	1,000	1,420
Couple	3,540	3,790	4,260	4,650	4,990	5,270	5,550	1,110	1,450	2,010
2 Parents 1-2chn	1,560	1,620	1,680	1,730	1,790	1,840	1,900	170	230	340
2 Parents 3+chn	460	470	490	490	500	520	550	30	40	90
1 Parent Family	550	580	600	620	650	660	680	70	100	130
Multi-Family Hhlds	60	70	70	80	80	80	90	20	20	30
Non-Family Hhlds	290	310	320	360	370	380	390	70	80	100
TOTAL	8,490	9,010	9,900	10,700	11,410	12,000	12,610	2,210	2,920	4,120
<b>STRUCTURE % BY YEAR</b>										
One Person	24%	24%	25%	26%	27%	27%	27%	33%	34%	34%
Couple	42%	42%	43%	43%	44%	44%	44%	50%	50%	49%
2 Parents 1-2chn	18%	18%	17%	16%	16%	15%	15%	8%	8%	8%
2 Parents 3+chn	5%	5%	5%	5%	4%	4%	4%	1%	1%	2%
1 Parent Family	6%	6%	6%	6%	6%	6%	5%	3%	3%	3%
Multi-Family Hhlds	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Non-Family Hhlds	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Statistics NZ, M.E

### Future Resident Dwelling Demand

31. The 2013 analysis of household and dwelling structures and household projections summarised above (but analysed in detail in M.E's model) drive the projections of future dwellings by type and tenure in Central Otago District<sup>5</sup>. The model generates a number of potential scenarios in terms of detached and attached dwelling preferences. If the demand/preference shift is activated, the projection factors down the detached dwellings and factors up the attached dwellings (+/- balanced so projected households remain unaltered).
32. In the **Status Quo Scenario**, the 2013 relationships between each household type and the dwellings occupied are assumed to carry through pro rata. That is, there

<sup>5</sup> It should be noted that the number of private occupied dwellings differs from the number of estimated households in 2016. This is not unusual but the reasons may differ by TA. In some instances it can reflect a latent demand for dwellings (i.e. a current undersupply relative to the number of households). In some cases, dwellings may include a separate flat meaning that a residential property supports more than one household (while not necessarily being classified as a multi-family household in the Census). Another potential cause is households living in non-private households. I have not examined the likely cause(s) that may apply in Central Otago District and have assumed, for the purpose of this evidence, that there is not an undersupply. The key focus is on the projected dwellings, with the household projections an input to that result.

is no projected shift in dwelling type preferences. In this option, the only changes in demand come about from demographic change. Table 3 and Figure 2 show the results.

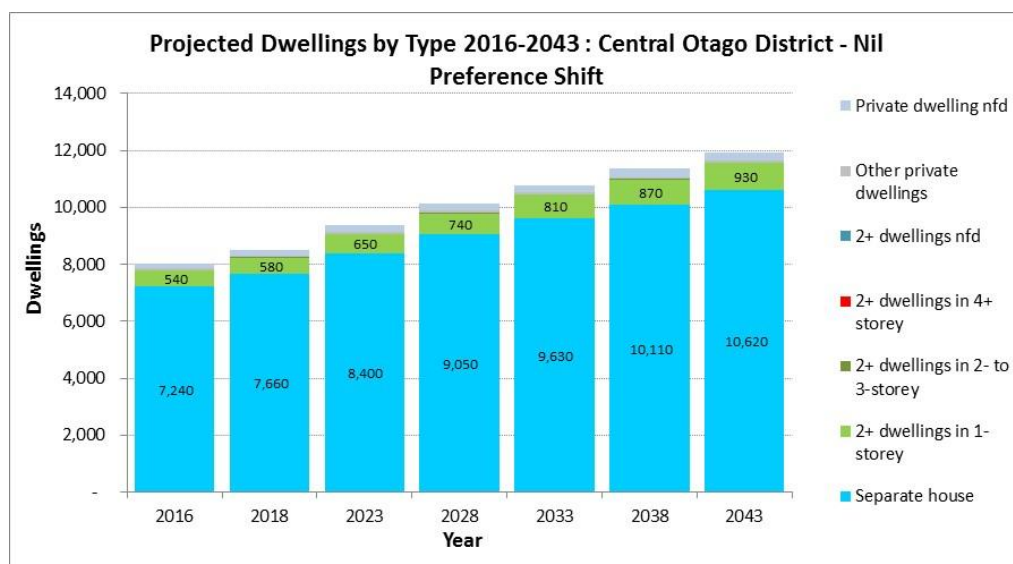
*Table 3 – COD Projected Dwellings by Type 2016-2043 – High – Status Quo Preferences*

Dwelling Type	2016	2018	2023	2028	2033	2038	2043	2016-28	2016-33	2016-43
<b>COUNT OF DWELLINGS</b>										
Separate house	7,240	7,660	8,400	9,050	9,630	10,110	10,620	1,810	2,390	3,380
2+ dwellings in 1-storey	540	580	650	740	810	870	930	200	270	390
2+ dwellings in 2- to 3-storey	20	20	20	30	30	30	30	10	10	10
2+ dwellings in 4+ storey	-	-	-	-	-	-	-	-	-	-
2+ dwellings nfd	-	-	-	-	-	-	-	-	-	-
Other private dwellings	50	50	60	60	60	60	70	10	10	20
Private dwelling nfd **	190	200	230	250	260	280	290	60	70	100
<b>TOTAL</b>	<b>8,040</b>	<b>8,510</b>	<b>9,360</b>	<b>10,130</b>	<b>10,790</b>	<b>11,350</b>	<b>11,940</b>	<b>2,090</b>	<b>2,750</b>	<b>3,900</b>
<b>STRUCTURE % BY YEAR</b>										
Separate house	90%	90%	90%	89%	89%	89%	89%	87%	87%	87%
2+ dwellings in 1-storey	7%	7%	7%	7%	8%	8%	8%	10%	10%	10%
2+ dwellings in 2- to 3-storey	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2+ dwellings in 4+ storey	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2+ dwellings nfd	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other private dwellings	1%	1%	1%	1%	1%	1%	1%	0%	0%	1%
Private dwelling nfd **	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics NZ, M.E \*\* Not Further Defined

Scenario: Nil Shift/Status Quo Preferences, High 2017 Growth Future

*Figure 2 – COD Projected Dwellings by Type 2016-2043 – High – Status Quo Preferences*



33. The key findings from the Status Quo Scenario are:

- Total District demand for 2,090 additional dwellings in the medium term to meet resident demand (by 2028). This is an overall increase of 26%.
- Total District demand for 3,900 additional dwellings by 2043. This is an overall increase of 49%.
- Separate, standalone homes will continue to dominate market demand – making up 89% of total dwelling demand by 2043 compared to 90% in 2016.

A further 1,810 standalone dwellings will be required by 2028. This increases to 3,380 by 2043.

- d) Above average growth in demand for attached dwellings, particularly attached single storey dwellings which increase by 72% by 2043 (a nominal increase of 200 dwellings by 2028 and 390 by 2043). Total attached dwelling growth is 220 in the medium term and 420 in the long term driven by changes in household demography and the 2013 relationship between household and dwelling types.

34. Appendix D presents district-wide dwelling projections for the **Medium Preference Shift Scenario**. This scenario reflects a moderate shift from current Central Otago dwelling preferences (2013) towards the national average dwelling preferences (on the assumption that TAs move closer to national average patterns as they grow in size). The national average is heavily weighted towards the large metropolitan urban areas which sustain higher density housing options – hence a greater propensity to occupy attached dwellings. The model has the option of a medium, high or very high shift towards the national average preferences.

35. I have selected the medium shift scenario for this report to be conservative. This approach takes into account the historic development of the dwelling estate in the District, which to-date has not faced any significant land supply constraints and has in turn allowed standalone dwellings to dominate supply and urban areas to spread. However, the scenario also takes into account that urban sprawl leads to reduced urban form efficiencies and a housing supply that fails to offer a variety of residential densities (including dwelling types) and puts greater pressure on housing affordability, particularly for low income households and first home buyers. Changing levels of housing affordability are a key driver of changing preferences towards smaller residential sections and attached dwellings – this is becoming increasingly evident in many high growth areas throughout New Zealand.

36. The key findings from the Medium Preference Shift Scenario are:

- a) Same or similar overall demand for dwellings as the Status Quo Scenario (i.e. the household demand does not change, just the mix of dwelling types).
- b) Separate, standalone homes will continue to dominate market demand – but will reduce in share from 90% of demand in 2016 to 83% by 2043. A further 1,540 standalone dwellings will be required by 2028. This increases to 2,730 by 2043.

- c) Strong percentage growth in demand for attached dwellings, particularly attached single storey dwellings which increase by 163% by 2043 over 2016 demand levels (a nominal increase of 390 dwellings by 2028 and 880 by 2043). Total attached dwelling growth is 420 in the medium term and 960 in the long term driven by changes in household demography combined with a moderate shift away from the 2013 relationship between household and dwelling types.

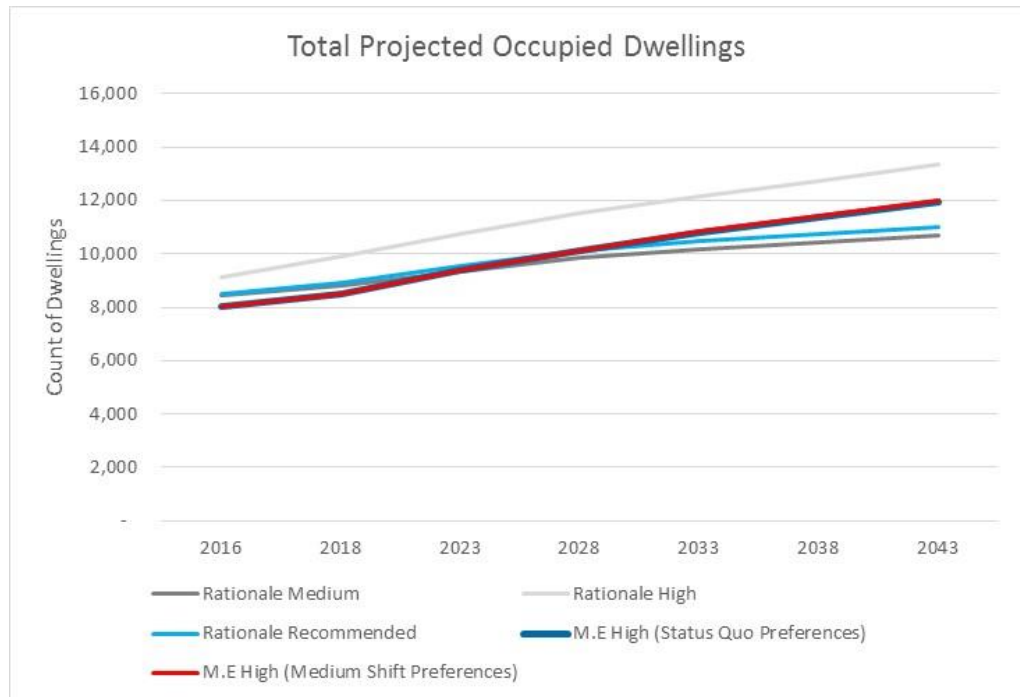
#### **Future Housing Demand in Cromwell**

37. The above analysis is for the total Central Otago District. However, in order to assess PC 12, it is relevant to place Cromwell's growth future in the context of district growth.
38. To do this, I have relied upon Central Otago District Council's ("CODC") own growth projections, produced by Rationale Limited (2016)<sup>6</sup>. My dwelling projections described above (at the combined dwelling type level) are broadly consistent with the Rationale projections of occupied dwellings for the total District (Figure 3). The projections I have generated start from a slightly lower base in 2016 and grow at a slightly faster rate to end up at the same point as Rationale's Recommended Scenario in the medium term (2028). They then continue to grow at a similar rate to end up higher than the Rationale Recommended Scenario in the long term (but lower than the Rationale High scenario).

---

<sup>6</sup> CODC Growth Projections 2018 to 2018 Resident Population, Visitors, Dwellings, Rating Units. Rationale Limited, August 2016.

Figure 3 – Comparison with Council Dwelling Projections (Total Occupied) 2016-2043



39. On that basis of broad similarities, I have relied on the sub-district Rationale growth projections to distribute, pro rata, projected dwelling demand by type to Cromwell and surrounds in each year, using the Rationale Recommended Scenario. Cromwell and surrounds is defined in accordance with Rationale’s definitions of Cromwell (the SNZ CAU) and Outer Cromwell (a portion of the Dunstan CAU) combined<sup>7</sup>.

40. The Rationale projections of occupied dwellings state that:

*“The majority of the dwelling growth is projected to occur in the Cromwell and Vincent Community Board areas. A small amount of dwelling growth is projected in the Teviot Valley and Maniototo Community Board areas.” (page 2)*

41. This approach maintains my total dwelling growth for the District but applies the Cromwell share of District dwellings contained in Rationale’s Recommended projections. While this is a simplistic approach that does not account for slight differences between Cromwell’s household demography and that of the rest of the District (refer Appendix F), it is considered an adequate approach for the purpose of this evidence.

<sup>7</sup> Refer Appendix E for a copy of the Rationale Report map showing this extent.

42. Table 4 summarises the Rationale occupied dwelling projections. They indicate that Cromwell and surrounds accounts for 32% of the District’s occupied dwellings in 2016, increasing to a 36% share in 2043 (due to a faster growth rate occurring in and around Cromwell).

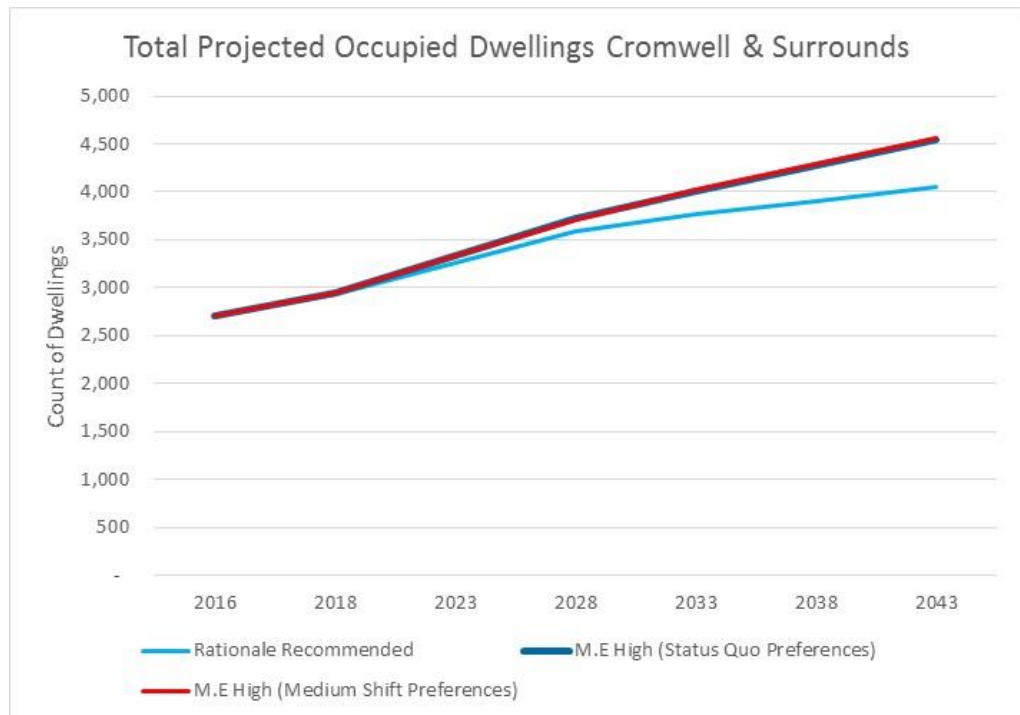
*Table 4 – Cromwell Relative to Total District Occupied Dwelling Growth, Rationale*

	2016	2018	2023	2028	2033	2038	2043	Growth 2016-43	Growth 2016-43
Cromwell	2,016	2,182	2,401	2,612	2,703	2,769	2,835	819	41%
Outer Cromwell	687	749	862	970	1,061	1,139	1,217	530	77%
Combined Cromwell and Surrounds	2,703	2,931	3,263	3,582	3,764	3,908	4,052	1,349	50%
Rest of District	5,812	5,994	6,287	6,548	6,724	6,838	6,943	1,131	19%
District	8,515	8,925	9,550	10,130	10,488	10,746	10,995	2,480	29%
Combined Cromwell and Surrounds as Share of District	32%	33%	34%	35%	36%	36%	37%	54%	

Source: CODC, Rationale 2017

43. These percentage shares have been applied to my two scenarios of resident dwelling projections (by type). I have then rebased my two projection scenarios to match the 2016 estimate derived from Rationale’s report (2,700 occupied dwellings). The resulting total occupied dwelling growth projection for Cromwell and surrounds is summarised in Figure 4. My projections remain similar to Rationale’s in the medium term, but again show a higher growth outcome than the Rationale Recommended Scenario in the long term (i.e. no slow-down in growth).

*Figure 4 – Comparison of Dwelling Projections (Total Occupied) Cromwell & Surrounds*





44. My final implied growth in dwellings by type for Cromwell and surrounds is summarised in Table 5. Estimated unoccupied dwellings (i.e. holiday homes) have been added based on data from Council's projections (Rationale Ltd) which shows that in Cromwell and surrounds, unoccupied dwellings equate to 26% of occupied dwellings (and 20-21% of total dwellings). This is projected to hold constant over the long term.

*Table 5 – Implied Resident Dwelling Growth by Type in Cromwell & Surrounds 2016-2043*

Dwelling Type	Scenario: Nil Shift/Status Quo Preferences, High 2017 Growth Future			Scenario: Medium Shift in Attached Preferences, High 2017 Growth Future		
	2016-28	2016-33	2016-43	2016-28	2016-33	2016-43
<b>COUNT OF DWELLING GROWTH</b>						
Separate house	900	1,160	1,610	800	1,010	1,370
2+ dwellings in 1-storey	90	120	170	160	220	350
2+ dwellings in 2- to 3-storey	-	-	-	-	-	10
2+ dwellings in 4+ storey	-	-	-	-	-	-
2+ dwellings nfd	-	-	-	-	-	-
Other private dwellings	-	-	10	-	10	20
Private dwelling nfd **	30	30	50	50	80	110
<b>TOTAL OCCUPIED</b>	<b>1,020</b>	<b>1,310</b>	<b>1,840</b>	<b>1,010</b>	<b>1,320</b>	<b>1,860</b>
Estimated Unoccupied Growth (26%)*	270	340	480	260	340	480
<b>TOTAL DWELLINGS</b>	<b>1,290</b>	<b>1,650</b>	<b>2,320</b>	<b>1,270</b>	<b>1,660</b>	<b>2,340</b>

Source: Statistics NZ, M.E \* Rationale, 2017 \*\* Not Further Defined Figures rounded to nearest 10

45. Under the **Status Quo Preferences scenario**, Cromwell and surrounds has estimated resident demand for 900 additional separate (standalone) dwellings and 90 additional attached dwellings in the medium term (by 2028), plus an additional 30 unspecified dwellings which may fall into one or other typologies, or a mixture of both. In the long term (to 2043), additional resident demand equates to an estimated 1,610 separate dwellings and 180 attached dwellings (and a further 50 unspecified).

46. Under the **Medium Shift in Preferences scenario**, Cromwell and surrounds has estimated resident demand for 800 additional separate dwellings and 160 additional attached dwellings in the medium term (by 2028), plus an additional 50 unspecified dwellings. In the long term, additional resident demand equates to an estimated 1,370 separate dwellings and 380 attached dwellings (and a further 110 unspecified).

47. Including unoccupied dwelling demand, which may be expected to have a similar household type profile to resident demand, total dwelling growth in Cromwell and

surrounds is estimated at approximately 1,280 additional dwellings by 2028 and 2,330 additional dwellings by 2043<sup>8</sup>.

48. Under either scenario, the analysis indicates demand for approximately 108 additional dwellings per annum in Cromwell and surrounds over the medium term (2016-2028) to meet resident household and visitor demand and approximately 86 additional dwellings per annum over the long term (2016-2043).
49. This growth outlook means that suitable land in Cromwell needs to be identified, zoned and serviced – at appropriate times and at appropriate scales - to ensure that projected dwelling demand can be met without undue constraint.

#### **Current Residential Supply in Cromwell**

50. The Cromwell urban area (Residential Resource Area) is nearly all subdivided into residential lots with relatively few vacant sections remaining in established areas. In keeping with the District overall (Table 1), the housing estate in Cromwell has delivered very few attached dwellings.
51. Appendix G contains graphs/tables summarising trends in Cromwell’s housing market over time. Some key features include:
  - a) Across the district overall, growth of 2,040 standalone urban dwellings and 610 lifestyle block dwellings (rural residential) between 1996 and 2015 compared to growth of just 10 purpose built flats and 170 apartments.
  - b) A steady increase in dwellings in the Cromwell CAU but a faster rate of dwelling growth in the rest of the Cromwell Ward meaning an increasing share of households living outside the main urban area (albeit small relative to the urban share).
  - c) Across the district overall, lifestyle block properties have a higher average value and apartments (attached housing) a lower average value relative to standalone urban dwellings. This demonstrates that attached dwellings provide a more affordable housing option than many standalone homes and that there is a positive relationship between section size and value.
  - d) A steep increase in residential land values in Cromwell since 2014.
  - e) Steeply rising dwelling values in Cromwell, particularly since 2013.
  - f) Steeply rising rental costs in Cromwell, particularly since 2013.

---

<sup>8</sup> Midpoints selected between scenario results.

52. To avoid exacerbating these trends even further, or ideally slowing the rate of increase, it is important that adequate capacity for residential growth in the Cromwell urban area is zoned to increase competition between land owners and to provide the market with confidence that sections are not in short supply (which increases prices and speculative behaviour). Furthermore, developments that enable attached dwellings or higher density (smaller section size) standalone dwellings will also help provide a greater choice of housing options in Cromwell, including more affordable housing options.

#### **Residential Growth Capacity**

53. Dwelling growth in Cromwell will include uptake of remaining vacant residential sections and infill development on existing residential lots where rules allow. I have not quantified potential infill or vacant capacity, but my observations of the existing residential areas suggest that it will address only a small share of projected short term dwelling demand in the Cromwell and surrounds catchment.

54. I have carried out a high-level assessment of known or potential larger scale residential growth areas within the Cromwell urban area (Appendix H). This assessment is based on information readily available or my own estimates. Further, it does not include all development opportunities (particularly blocks with smaller potential lot yields) and so is considered a conservative estimate of future dwelling capacity.

55. I have identified seven main areas of residential growth.

- a) One is already being developed (Golden View Lifestyle Village) and provides 94 small standalone dwellings for the District's (and Cromwell's) growing retirement market.
- b) Gair Avenue is now being marketed for presales and provides 78 sections associated with a recent consent, with some sections enabling attached dwellings. This development is a joint venture between the Cromwell Community Board and a private developer. I estimate that the total site could yield approximately 240 dwellings over time if fully subdivided.
- c) The Top 10 Holiday Park has lodged a consent for a 173 lot subdivision of the total site.

- d) Another private plan change (River Terrace) has been presented to the Community Board and formal lodgement is expected shortly<sup>9</sup>. That plan change would enable (if approved) capacity for an indicative 830 dwellings (including 120 in a retirement village)<sup>10</sup>.
- e) Highland Park has recently gone public on a proposed master planned golf resort in the forest site adjacent to the race track. The proposal includes capacity for 100 residential lots.
- f) Combined, all five known, proposed or actual development sites would provide growth of nearly 1,440 dwellings in urban Cromwell.

56. The two remaining opportunities are zoned land that is either vacant (Waenga Drive) or currently developed to a low intensity (the Chalets site). While I am not aware of any proposals to develop these sites (or constraints as to why they may not be developed), they appear to represent feasible capacity and so have been included.

57. In total, I estimate that the Cromwell urban area could have capacity (subject to approvals) for between 1,710 and 1,840 additional residential dwellings within enabled or proposed growth areas (excluding capacity not quantified)<sup>11</sup>.

#### **Sufficiency of Capacity to Meet Demand**

58. The sufficiency of future housing capacity needs to be examined in terms of the needs of total future population and households in relation to the total future dwelling estate. This approach, which is required by the NPS, does however rely on detailed capacity modelling which is beyond the scope of this evidence. While simply comparing the estimated net increase in dwelling capacity to the net increase in dwelling demand has a number of limitations (because over time there is steady movement (churn) within the dwelling estate, as households re-locate, moving between dwellings, and/or up or along dwelling value bands, and/or between locations), it is considered practical for the purpose of this assessment.

59. Figure 5 contrasts projected demand for total additional dwellings in Cromwell and surrounds with my estimates of potential growth capacity in the urban area

---

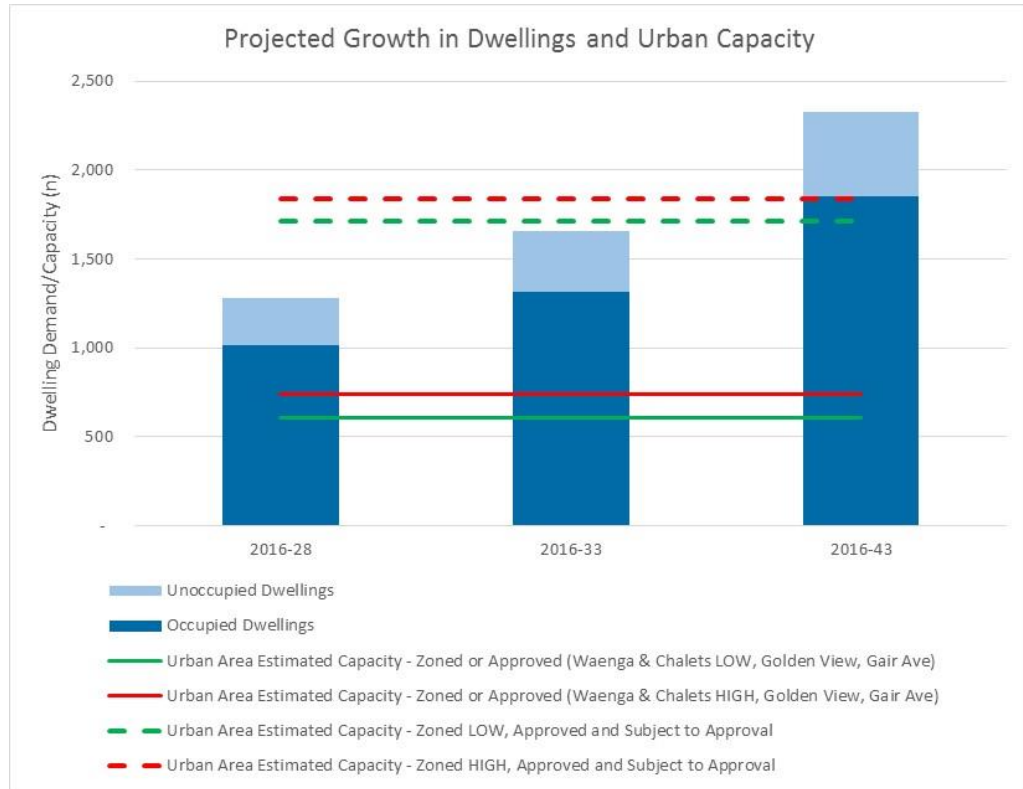
<sup>9</sup> I have been commissioned to provide an economic assessment of the pending plan change for the Section 32 report.

<sup>10</sup> The ultimate yield of the plan change will depend on the market. Selected sites can accommodate attached housing. The yield of 830 is a realistic outcome according to the developer (and the yield upon which my evaluation of that plan change will also be based).

<sup>11</sup> I.e. additional capacity associated with infill, vacant residential and other small-scale subdivisions.

based on current zoning and existing proposals (some of which are subject to approval).

Figure 5 – Comparison of Dwelling Demand Growth and Estimated Capacity Growth<sup>12</sup>



60. It is important to clarify that dwelling growth in Figure 5 includes demand across Cromwell and its surrounds and so not all growth can be expected to be directed to the urban area – which is the basis of the capacity estimate. Furthermore, the capacity estimate will be slightly conservative as not all growth potential has been identified. Notwithstanding this, the analysis shows that even if all known development site yields are approved, the urban area of Cromwell is unlikely to provide adequate feasible capacity to meet demand in the long term (to 2043). **In the long term, a shortfall of urban capacity is anticipated - in the order of 180-310** allowing for some demand to be met outside the urban area<sup>13</sup> and additional zoned capacity not identified<sup>14</sup>. If *any* of the proposed developments described above were not approved (noting that the Highland Park capacity is only a

<sup>12</sup> Occupied and unoccupied dwelling demand figures take an average of both scenarios modelled in Table 5.

<sup>13</sup> I have allowed for an indicative 10% of growth to occur outside the Cromwell CAU.

<sup>14</sup> Modelled shortfall is 490-620. I have factored this down for the reasons described.

proposed concept at this point and not an actual application) then this shortfall would be correspondingly worse<sup>15</sup> (and realised sooner)<sup>16</sup>.

### **Costs and Benefits of Proposed Residential Zoning**

61. This analysis makes the benefits of the residential zoning in proposed PC 12 a relatively straightforward task. In my view, the PC enables feasible development capacity in Cromwell (in the order of 210 dwellings<sup>17</sup>) for which there is a demonstrated long-term need (and potentially a medium-term need depending on the outcome of other current proposals). The plan change helps to address (but will not completely resolve on its own) a projected long-term shortfall in residential zone capacity.
62. In my view, Cromwell's urban growth should be focussed (in the medium-long term) on land east and south of the State Highway 6. This creates a naturally defined catchment bounded by the Kawarau Gorge entrance, Kawarau River, Lake Dunstan and the Highway. The proposed PC 12 residential zones fall inside the existing urban extent of Cromwell – with existing residential development already on two sides of the site. It is also only a short distance from the Cromwell town centre and surrounding community facilities. It therefore offers excellent accessibility (including by foot or bike) to shopping and work opportunities as well as the lake. These location attributes will make the site highly attractive to the market in my view. Overall, I consider the PC is an appropriate location for more intensive residential growth in Cromwell. I note this view is shared by Ms Skidmore in her evidence.
63. Anticipated economic and social benefits of the residential zones created by the PC are summarised as follows:
- a) It creates additional capacity for residential dwellings (over and above the current zone capacity) that will more effectively help meet projected demand by both residents and holiday home owners in the Cromwell urban area. The more intensive zoning helps to address a projected shortfall in residential

---

<sup>15</sup> Based only on the zoned capacity estimates (solid lines in Figure 5), I estimate the shortfall would be in the order of 1,280-1,410 dwellings allowing for some demand to be met outside the urban area and additional zoned capacity not identified.

<sup>16</sup> Note, this analysis has not allowed for a 20% (medium term) and 15% (long term) buffer of capacity above demand as required by the NPS, although I have utilised a growth projection that is higher than the Council's own Recommended scenario in the long term. Factoring a buffer in would further compound the issue of inadequate residential zone capacity in the long term.

<sup>17</sup> Based on maximum allotments across the three residential zones. It is acknowledged that provision for multi-unit development may result in more units than allotments in the RRA.

zone capacity and therefore helps the Council meet the requirements of the NPS – UDC.

- b) The additional supply may help to reduce rising house prices which is a particular benefit to first home buyers and those on lower incomes.
- c) The inclusion of areas with higher residential densities help create a more compact urban form than would otherwise be achieved under the operative zoning and is an efficient use of the land resource. Benefits of a more compact urban form include (but are not limited to) greater social connectivity, increased safety, more efficient use of infrastructure, increased public transport efficiency and reduced travel distances. The operative zoning (RRA (6)) would accommodate limited residential growth and contribute to greater future sprawl of the urban area.
- d) The proposed range of densities provides greater options to the market and helps to diversify Cromwell's residential supply. Furthermore, high density residential lots translate to lower price sections and subsequently lower housing costs. The plan change therefore provides opportunities for more affordable housing which the operative zones would not. This is consistent with the policies of the NPS – UDC to provide capacity at different price points. This is especially relevant given the high shares of single and couple households and households on lower incomes in Cromwell and the district overall.
- e) The provisions enable development of standalone and attached dwellings (as a controlled activity in the RRA). The plan change therefore contributes towards demand for both dwelling types. The operative zones would not help meet demand for attached dwellings.
- f) It reduces competition in the residential market by spreading greenfield capacity amongst more land owners. This reduces opportunities for landowners to control the rate of development.
- g) The additional residential capacity generates net additional rates revenue.
- h) Residential zoning provides opportunities for employment and economic growth during the construction phase. These benefits are significantly higher than those delivered under the operative zoning.
- i) Residential zoning facilitates opportunities for wider economic growth by increasing the number of resident and visiting households in Cromwell. This includes an increased labour force and a greater number of potential business

owners as well as a larger customer base utilising the town centre and other service providers in the industrial area. Again, these benefits are significantly higher than those delivered under the operative zoning.

- j) The proposed zoning maintains the existing economic activities of the site (wine tasting/restaurant). It is my understanding that the loss of vines from the site will be offset by production elsewhere and therefore business operation on the site will not be impacted by the residential development.

64. Anticipated economic and social costs of the residential zones created by the PC are summarised as follows:

- a) Loss of capacity (48 lots) for low density (4,000sqm minimum) residential dwelling growth (RRA (6)).
- b) More intensive residential land use places additional pressure (and costs) on existing infrastructure (including 'other' infrastructure such as schools) within Cromwell.
- c) The proposed densities will generate greater traffic on the surrounding road network. This is not anticipated to have any material impacts on the wider community as outlined in Mr Carr's evidence.
- d) Increasing residential capacity in the short term may help slow the rise in Cromwell's land values (and therefore house prices). This may reduce capital gain for existing property owners/investors in the short-medium term.

65. Overall, I consider that the anticipated economic and social benefits of the proposed residential zones (although not all quantified or monetised) are likely to outweigh the anticipated economic and social costs arising from the increase in dwelling density. On that basis, the proposed zoning is considered a more efficient use of the land. The proposed provisions will effectively achieve the objectives of the District Plan.

#### **Certainty and Sufficiency of Information**

66. My evidence has relied on a detailed analysis that included a number of estimates and assumptions. There is always uncertainty when dealing with projections and markets which are influenced by local, national and international (economic) forces. However, there is good information available to help understand demand, supply and capacity in the Cromwell area. I consider my methods of analysis to be appropriate for the purpose of this evaluation and are consistent with the NPS UDC guidance document.



**Response to Section 42 Report**

67. The Section 42 report also broadly supports the provision of higher density housing on the site, subject to further consideration of a few matters. Specifically, it states *“In our view Plan Change 12, which provides for a denser pattern of subdivision and development, will make more efficient use of this land resource which is strategically located with respect to commercial and community facilities at Cromwell”* page 6.
68. With regard to the evaluation of alternatives, I concur that applying a single existing zone (i.e. RRA (11)) to the site will be less effective in meeting the needs of the current and future community. There is evidence that a range of dwelling types and prices are required to meet future demand.

**Response to Opposing Submissions**

69. For those submissions wanting the RRA (6) density to remain (Submissions 1 and 18), I have concluded that this would be a less efficient outcome. Similarly, submissions requesting a higher minimum site sizes (Submissions 4, 11, 17, 23, 25 and 30) do not take into account the benefits of providing for a range of lot (and therefore dwelling) sizes (for which there is growing demand) and the benefits of a more compact urban form.
70. At the time of writing this evidence, I have not seen any information from those submitters suggesting a loss of value for neighbouring properties (Submissions 1, 5, 11, 20 and 23) that would lead me to believe that this was a likely outcome. In my view, those properties will continue to be attractive to the market and will continue to hold their value relative to the wider market. Loss of ‘appeal’ is not an economic effect, particularly if investments can be recouped through sale. The stated loss of visual amenity for a small number of neighbouring properties does not outweigh the significant benefits of the proposed zoning.
71. I believe that submitters concerned about a precedent effect for increased subdivision applications in the RRA (6) (Submissions 1, 5 and 11) do not take account of the resource management processes in place that would assess those subdivisions and zone changes on their individual merits. Furthermore, given the anticipated long-term shortfall in dwelling capacity, increased infill in certain locations may be an efficient outcome.
72. With regard to Submission 18 (and to some extent 28), it is not accurate to say that there is not a shortfall of supply. Council must ensure that there is sufficient capacity identified in the District Plan to cater for projected long-term growth

under the NPS. Based on my analysis, there is a long term shortfall in the urban area and this needs to be addressed.

73. Overall, there are no issues raised in submissions that would make me reconsider my conclusions.

## PROPOSED BUSINESS ZONE

### Intent of Proposed Business Zone and Notified Provisions

74. PC 12 proposes a new Business Resource Area (“BRA”) (2) to the District Plan within the Wooing Tree Overlay Area. The Application/Section 32 Report (dated 13<sup>th</sup> March 2017) refers to the zone as:
- a) “provision for some small business use that supports the vineyard and tourism activities”,
  - b) “providing for small scale business activities that support the Cellar Door. Visitor accommodation is enabled and this will also support the continued operation of the Wooing Tree as a wedding venue”,
  - c) “contributes to the growth and vibrancy of Cromwell”
  - d) “The Business Resource Area (2) area of the Wooing Tree Sub-Zone is a new greenfield commercial area aimed at promoting tourism, community and traveller accommodation facilities and activities. Being a greenfield area, it is appropriate to control the nature, scale and look of buildings in this area to ensure the sustainability of high quality development which will appeal to visitors and the wider community.”
75. The PC (as notified) introduces a new policy to reflect this intent: *“Policy (8.2.8) - To provide for the development of high quality travellers accommodation and associated “vineyard village” themed retail and commercial activity in a manner that complements other business areas at Cromwell”*. It introduces a new site standard limiting shops in the BRA (2) to a maximum of 200sqm GFA, and a new rule limiting traveller accommodation to 6,000sqm GFA, shops to 4,000sqm GFA, and other activity to 2,000sqm GFA, and with no more than 8,000sqm GFA on the ground floor. These provisions are stated as controlling “the nature and scale of activities that can locate within the Wooing Tree site, such that they will provide **boutique, tourism related activities** ... and avoid significant adverse effects” (page 48, emphasis added).

### **Key Economic Issues**

76. My concern with the notified business zone provisions is that they are not adequate to give effect to proposed Policy 8.2.8 or other objectives and policies in the District Plan. Specifically, whether the stated maximum of 4,000sqm of shops (and potentially 2,000sqm of other) combined with the stated maximum of 200sqm per shop will (in reality) create a 'high quality, boutique style business area' that is tourist oriented and avoids significant adverse effects on the Cromwell town centre.
77. In my view, the District Plan is very permissive on the types of activities that can locate in business zones. Further, there are no limitations in the provisions for the BRA (2) that will ensure that likely tenants are targeted at tourists, complementary to a wine tasting operation, will be high quality, and won't compete directly with retail and service provision currently offered in the town centre. On its own, I do not think that the provisions are strong enough to deliver the intended outcome.
78. In the absence of greater control, there is a real risk that existing Cromwell retail and service providers may seek to relocate, leaving greater vacancies in the town centre (in the short-medium term), or new retailers will establish that draw customers away from the Mall. This would have potentially significant implications for the social and functional amenity delivered by the town centre.
79. To that extent, I consider that the concerns raised in many submissions and the Section 42 report are valid.

### **Revised Provisions**

80. I was commissioned by Wooing Tree Holdings Limited after submissions closed on PC 12. Wooing Tree sought my advice on the issues raised by submissions, particularly those concerning the effect of the BRA (2) area on the Cromwell town centre. I have provided a number of recommendations to the Requestors that I believe:
- a) realign the enabled development in the BRA (2) with the Requestor's original vision to develop a tourist destination (combined with wedding/conference type venue), and
  - b) better manage adverse effects on the town centre (especially the Mall).
81. In short, those recommendations included a reduction in the amount of shop floorspace permitted in the zone, combined with prescription of the sorts of activities and store types that are permitted and non-complying within the shop

and 'other' floorspace. These recommendations have now been incorporated in an amended version of the PC and detail is provided in the evidence of Mr Vivian.

82. I have therefore based my assessment on the amended provisions and not the notified PC. The relevant aspects of the BRA (2) zone that I have had regard to include:

- a) Shop floorspace of up to 3,000sqm GFA, with a maximum individual shop size of 200sqm GFA. This could indicatively allow (over time) 15-30 shops<sup>18</sup> (or a net increase of 14-29 in addition to the cellar door).
- b) The list of permitted and non-complying store types.
- c) Other floorspace of up to 1,000sqm GFA – this has been reduced from 2,000sqm GFA in the notified PC.
- d) The list of permitted and non-complying other activities.
- e) Traveller accommodation of up to 6,000sqm GFA.
- f) Total floorspace of 10,000sqm GFA.

83. The following sections of my evidence examine Cromwell's tourism market to set the proposal of a new tourist village in context and discuss/assess the traveller accommodation, other floorspace and shop floorspace in turn.

#### **Cromwell's Visitor Market – Economic Perspective**

84. At a national level, tourism is a key component of our economy and it continues to grow year on year. A recent update of the tourism industry's 'Tourism 2025'<sup>19</sup> strategy highlights a number of insights which guide how regional tourism operators such as Central Otago Tourism can implement growth at a local level:

- a) The short to medium outlook for tourism remains highly positive. This is a period of opportunity for the industry to capitalise on growth.
- b) A need to prepare for continued growth of the Chinese market. These are high value tourist (big spenders).
- c) Areas of current industry emphasis include: a focus on increasing capacity in the shoulder season to create stable year-round activities and jobs; and better regional dispersal of visitors to relieve pressure on places with high visitor loads (i.e. Queenstown) by developing and promoting compelling

---

<sup>18</sup> I have outlined some scenarios of shop counts in Appendix I.

<sup>19</sup> Tourism 2025 – 2 Years On (Tourism Industry Aotearoa)

propositions for travelling to a region (i.e Central Otago), developing the quality of regional destinations, developing connectivity to regions and ensuring an excellent visitor experience.

- d) Current priorities for the tourism industry include (under the umbrella of ‘productivity’): fostering the development of new and innovative tourism products and destinations.

85. While Central Otago is a destination in its own right, significant opportunities exist to capitalise on the large tourism market in Queenstown while also enhancing existing tourism strengths. Table 6 summarises the Council’s visitor growth projections for Cromwell and surrounds. It shows that under the Recommended growth scenario that visitors to the Cromwell area could increase by 426 on an average day and 1,005 on a peak day by 2028. Long term growth (by 2048) would see visitors increase above 2018 estimates by 830 on an average day and 1,912 on a peak day. Should tourism growth occur at a faster rate, then projected growth will be higher again. Day visitors account for approximately a third of total projected growth.

*Table 6 – Council Visitor Projections 2018-2048 for Cromwell and Surrounds (Rationale)*

Projection		2018	2023	2028	2033	2038	2043	2048	Growth 2018-28	Growth 2018-48
<b>DAY VISITORS</b>										
Average Day	Medium	681	783	831	871	905	933	956	150	275
	Recommended	681	783	831	871	905	933	956	150	275
	High	695	818	887	951	1,011	1,066	1,119	191	424
Peak Day	Medium	1,361	1,567	1,661	1,742	1,809	1,865	1,911	300	550
	Recommended	1,361	1,567	1,661	1,742	1,809	1,865	1,911	300	550
	High	1,391	1,636	1,773	1,901	2,021	2,133	2,238	383	847
<b>OVERNIGHT VISITORS</b>										
Average Day	Medium	971	1,140	1,224	1,299	1,376	1,442	1,502	253	532
	Recommended	979	1,160	1,255	1,331	1,408	1,474	1,534	276	555
	High	990	1,189	1,306	1,419	1,538	1,651	1,762	315	771
Peak Day	Medium	3,205	3,622	3,848	4,039	4,213	4,364	4,502	643	1,297
	Recommended	3,232	3,679	3,937	4,129	4,304	4,456	4,594	705	1,362
	High	3,281	3,801	4,141	4,463	4,768	5,055	5,335	860	2,054
<b>TOTAL VISITORS</b>										
Average Day	Medium	1,651	1,924	2,054	2,170	2,281	2,375	2,458	403	806
	Recommended	1,660	1,943	2,086	2,202	2,312	2,407	2,489	426	830
	High	1,686	2,007	2,192	2,370	2,548	2,717	2,881	506	1,195
Peak Day	Medium	4,567	5,189	5,510	5,780	6,023	6,230	6,413	943	1,846
	Recommended	4,594	5,246	5,599	5,871	6,113	6,322	6,506	1,005	1,912
	High	4,672	5,437	5,914	6,365	6,789	7,188	7,573	1,242	2,902

Source: Rationale Ltd, 2016. Cromwell & Surrounds defined as the Cromwell Census Area Unit and Outer Cromwell.

86. This growth will support increased productivity and opportunities for expansion for those businesses currently serving the needs of tourists in the Cromwell area. However, there are likely to be limits to the capacity of many of those businesses. Projected growth in visitors will need to be met by adding new businesses to the market.

87. There is significant evidence that shows that the greater number of attractions/destinations there are in an area, the greater capacity it has to accommodate growth in visitors without compromising visitor experience and service quality. It also means that visitors stay in an area for longer (i.e. they have more to do). When they stay longer, they spend more.
88. I have read the evidence of Glenys Coughlin and agree that a tourist village at Wooing Tree aligns with the strategic direction of Central Otago Tourism. From an economic perspective, the concept expands an existing tourist business (The Wooing Tree Cellar Door) into a more comprehensive, year-round tourist destination by grouping complementary tourist-focussed businesses together. It expands the number of unique places in Cromwell that tourists can visit and spend time (and money) – offering a point of difference from the Heritage Precinct. It caters for both day and overnight visitors. Importantly, it increases the capacity of Cromwell to meet to the needs of projected growth in visitor numbers (as well as the capacity to host weddings and other functions).
89. In short, I consider that the concept of a new tourist focussed village (not unlike a small version of Arrowtown in terms of function and amenity) will strengthen Cromwell’s position in the tourism market and help meet growing visitor demand.

#### **Assessment of Traveller Accommodation**

90. It is my understanding that enabling traveller accommodation within the Wooing Tree Overlay Area is not contentious in terms of submissions received and the Section 42 report.
91. The Council’s growth projections show that within the Cromwell CAU, the number of visitors staying in commercial accommodation is expected to increase from 243 in 2018 to 336 in 2048 on an average day. On a peak day (i.e. the highest day within the peak tourism season), visitors staying in commercial accommodation will increase from 1,643 in 2018 to 2,274 in 2048. Again, these estimates are based on the Recommended growth scenario (which in this case equates to the medium growth outlook). Should tourism growth occur at a faster rate, then projected growth will be higher again. These growth projections translate into projected demand for an additional 9 (or potentially 14) accommodation properties within the Cromwell CAU (Table 7).

Table 7 – Commercial Accommodation Projections for Cromwell 2018-2048

Projection		2018	2023	2028	2033	2038	2043	2048	Growth 2018-48
Average Day	Medium	243	279	295	309	320	329	336	93
	Recommended	243	279	295	309	320	329	336	93
	High	248	291	315	337	357	376	394	146
Peak Day	Medium	1,643	1,886	1,996	2,087	2,163	2,225	2,274	632
	Recommended	1,643	1,886	1,996	2,087	2,163	2,225	2,274	632
	High	1,678	1,969	2,130	2,279	2,416	2,544	2,664	985
Accommodation Unit	Medium	23	27	28	30	31	32	32	9
	Recommended	23	27	28	30	31	32	32	9
	High	24	28	30	32	34	36	38	14

Source: Rationale Ltd, 2016. Cromwell defined as the Cromwell Census Area Unit.

92. The provision for additional traveller accommodation in the Wooing Tree site (whether this translates to one or more operators) therefore helps to support projected demand. The location is consistent with existing motels, hotels and backpackers in Cromwell – with many located within a short distance of the town centre. Guests staying in accommodation at Wooing Tree will benefit from the amenity provided from the tourist village in which they are staying. They will also be within easy walking distance of the lake and the town centre (which provides an alternative shopping destination with a wider range of store types).

#### Assessment of Potential Other Floorspace Activity

93. It is my understanding that enabling ‘other’ floorspace that is neither shops nor traveller accommodation within the Wooing Tree Overlay Area is not contentious in terms of submissions received and the Section 42 report.

94. The amended rules permit activities such as<sup>20</sup> a multi-purpose function centre, a catering company, event organiser, photography business, car rental, sightseeing transport operator, taxi service, museum, tourist information centre and activities such as mini golf, hot pools, a museum or other small-scale amusement activity. Very large-scale activities will be precluded by the maximum total area permitted (1,000sqm GFA).

95. Many of the permitted activities have been selected to complement each other, such as those that may work together to service weddings, conferences or other functions. Other permitted activities and services have been selected to provide attractions for tourists (and also local residents) or facilitate tourism activity/movement around Cromwell generally. It is likely that only a selection of permitted activities could be accommodated within the 1,000sqm GFA limit.

<sup>20</sup> Consideration given the primary activities associated with permitted ANZSICs. <http://www.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/industrial-classification.aspx>

96. More importantly, office based activities providing business or household services (such as accountants, architects, insurance, finance and real estate) are non-complying, as are community and civic services (libraries, Plunket, Council offices, police stations etc), medical services (doctors, dentist, physios etc) and vehicle services. In my view, these rules will be effective in consolidating professional business, community, medical, civic, and vehicle activity in existing business areas within Cromwell. This means that the BRA (2) zone will not impact on the role of existing commercial areas to deliver these important functions to local residents<sup>21</sup>.
97. I have considered the potential for permitted 'other' activities to overlap with those offered in either the Cromwell town centre or Heritage Precinct. Based on my understanding, there are no businesses currently operating in the Heritage Precinct that would be permitted in the other floorspace of the BRA (2). With regard to the town centre, two overlapping activities are most relevant.
98. First, the town centre currently accommodates the Cromwell and Districts Museum. It is located near the centre of the Mall. Permitting museums in the BRA (2) – which in my view is appropriate for a tourist focussed destination - may either result in no additional museums (assuming development area was available a new museum operator may not exist in the market or be attracted to the site); development of a second museum (in my view a second museum would seek to establish a niche that complements rather than competes with the focus of the existing museum given that artefacts are in limited supply and not easily sourced or duplicated); or, relocation of the existing museum. Only the later would result in a vacancy in the town centre.
99. Based on my observations, the town centre primarily serves the needs of the residents and, with the exception of the i-Site, does not have a strong tourism role. I would expect a museum in the BRA (2) to have greater tourist exposure and attract more foot traffic relative to a Mall location. In my view, the economic and heritage benefits of enabling a museum in the BRA (2) outweigh the potential loss of the museum from the Mall (including the extent to which the museum attracted visitors into the Mall who subsequently purchased goods from Mall businesses).
100. Second, the town centre is home to the Cromwell i-site (information centre). I-sites provide valuable services to tourists (and tourist operators) in tourist

---

<sup>21</sup> The wider town area (refer Appendix J footnote for list of meshblocks) contains 47 such businesses in 2016 that will be protected (as far as non-complying activity status applies) from the BRA (2) zone.



destinations. A tourism information centre is permitted (under the list of primary activities associated with permitted ANZSIC codes) in the BRA (2). The description is however not limited to an i-site per se, but could conceivably relate to any premises providing information on (or promoting) local attractions. An overlap in scope is however likely.

101. Permitting tourist information centres in the BRA (2) – which in my view is appropriate for a tourist focussed destination - may either result in no additional visitor centre (assuming development area was available a new operator may not exist in the market or be attracted to the site); development of a second independent visitor centre (likely to be small in scale); or, relocation of the existing i-site. Only the later would result in a vacancy in the town centre as direct competition would be unlikely to result in closure of the i-site on account of its national network status (and recognition in the market), its prominent position visible from the state highway and its established funding arrangements.

102. *Should* the i-Site desire an alternate location in the BRA (2), for whatever reason, this would likely have no net effect on local tourism attractions/businesses, but would result in reduced visitor foot traffic (vitality) in the town centre and loss of sales for some retail and service businesses in the town centre. But only to the extent that general town centre vitality and sales were directly linked with a visit to the i-site and those same visitors did not continue to patronise the town centre while in Cromwell. I do not have any data that would allow me to quantify this potential (but low probability) impact.

#### **Assessment of Potential Shop Floorspace**

103. The permitted shop floorspace in the notified PC raised a number of valid concerns from submitters (and in the Section 42 report). However, the amended provisions create a substantially different development outcome.

104. The greatest issue with the notified PC was the likely risk that, despite the intent of Policy 8.2.8, that the BRA (2) would attract a range of core retail and service activities that serve the **resident household market**. That is, butchers, shoe shops, appliance retailers, book stores, post offices, dry cleaners, chemists, takeaways, cafes, homewares, clothing stores and more. This would effectively create a new shopping centre (potentially up to 40 stores) within a short distance of the existing centre that would directly compete with the functional amenity (range and depth of goods and services on offer) provided by the town centre.

105. The probability of shop closures in the town centre as a result of direct trade competition (loss of resident household sales) or relocation (due the attractiveness of the new centre) would be high based on my experience.
106. The amended provisions now prevent this from happening to a significant extent and all store types identified as non-complying in the BRA (2) will continue to consolidate in existing business zones. This maintains a significant component of the town centre's role. It equates to an estimated 16 businesses located in the wider town centre that will be protected<sup>22</sup> from similar store types<sup>23</sup> being able to operate in the BRA (2) (Appendix J).
107. Permitted shop types in the BRA (2) fall into two categories with regard to their potential impact on existing centres: partial and direct competition. Partial competition may occur due to limitations (rule) on the products "primarily" able to be sold, or, limitations on the specific primary activities of those ANZSICs. I comment on each below:
- a) Sports shops will be limited to bike, snow or water sports related products and services in the BRA (2). While such stores will also serve the resident market, they have a tourist appeal (linked to bike, snow and lake tourism). The limitation helps avoid comprehensive sports goods stores which serve a wider range of goods. The town centre has 1 sports shops (Stirling Sports). The specialist bike shop recently closed.
  - b) Fruit and vegetable shops will be limited to those that primarily have a local/regional product focus. Given Cromwell's stone fruit industry, I anticipate that a local fruit shop might fall within this category. According to the SNZ business directory, there are 2 fruit and vegetable retailers in the wider town centre – these may suffer some direct trade competition in terms of tourist sales, but sales to resident households would be less impacted.
  - c) Shops selling alcohol in the BRA (2) will also be focussed primarily on local/regional product or have a tourist focus (such as Cellar Doors). There is one liquor retailer in the town centre but this has a comprehensive range of beer, wine and spirits and therefore offers considerable convenience for local

---

<sup>22</sup> In so far as they have a non-complying status.

<sup>23</sup> It is possible that permitted store types may sell some products that compete directly. Such products could not be their primary business activity else they would have the same ANZSIC. This level of overlap cannot be quantified as it will depend on the future tenants of the BRA (2) and their secondary product mix.

residents. It is my understanding that another general liquor store (Henry's) is about to open soon).

- d) Clothing stores in the BRA (2) will be limited to those with primarily a local/regional product or tourist focus. There are lots of examples of these types of stores throughout Otago region. They tend to be specialist clothing stores (such as a merino focus). The SNZ data indicates that there are two clothing stores in the Cromwell town centre. In my view the clothing stores in the Mall are more general fashion shops which will limit the effect of competition.
- e) The BRA (2) will also allow art galleries, craft shops, souvenir shops, and shops selling things made in-store. Both the town centre and the Heritage Precinct have 1 store each that falls within this group (a wool/craft shop and gallery respectively).
- f) Appendix J lists the other shop types permitted in the BRA (2) that require a tourist focus. While I am aware that an artisan jeweller is located in the Heritage Precinct, and this does not show up in the data<sup>24</sup>, my analysis suggests no direct competition within existing businesses in the town centre.

108. Direct competition may occur with 8 store types permitted in the BRA (2) that have no 'tourism' limitations per se (Appendix J). Such limitations would have been impractical or unnecessary. In my view, these stores will serve both tourists and Cromwell residents. I comment on each below:

- a) The BRA (2) permits cafes, restaurants, takeaways and pub/bars. It is appropriate for tourist villages to have a hospitality function. The town centre has (according the Business Directory) 9 businesses in this group and the wider Heritage precinct has 4 (although just 2 in the Heritage Precinct proper).
- b) Grocery stores and specialist food retailers (i.e. chocolate, cheese, deli meats etc.) are both permitted. There is one grocery store in the town centre at present according to the data (and excluding the New World supermarket).
- c) Florists and Hair and Beauty businesses are permitted. Both, *if* attracted to the centre, would provide good synergies with a function/wedding venue. Beauty salons are also commonly associated with hotel developments so complements the traveller accommodation. I understand that there is a

---

<sup>24</sup> A possible explanation for this is that the Business Directory picks up GST registered businesses or businesses with a turnover of greater than \$30,000. Also, the BD relates to businesses present in February 2016.

florist currently in the Mall (although not shown in the 2016 dataset). There are also 2 hair/beauty businesses in the town centre.

- d) Last, a photographic/camera shop is also permitted. In my view, these are appropriate in tourist destinations. There is one existing store of this type in the town centre.

### **Urban Form Implications**

109. The above sections focus strongly on the potential for trade competition between the BRA (2) and the town centre in particular. Trade competition is, of course, not a relevant concern under the RMA. However, it is the starting point for determining the potential scale of wider impacts on a centre's functional and social amenity. These must be considered for the centre as a whole.

110. I have discussed the potential for trade competition arising from individual permitted shop and other activities. Of key relevance is the cumulative effect of all permitted activities on Cromwell town centre. Care is needed as there is no certainty as to which stores/activities might eventually locate in the Wooing Tree tourist village should it proceed (or how many). Nor is there certainty on the timing of when they will appear and what the town centre might comprise of at that time. Overall, my view is that the amended provisions will potentially result in no more than minor and short-term effects on the functional and social amenity of the town centre and that the social and economic wellbeing of the Cromwell community will not be adversely affected as a result of the proposed BRA (2). Key reasons for this conclusion are:

- a) The tourist focus of most businesses in the Wooing Tree village will not meet the day to day shopping needs of local residents. For the most part, resident households are expected to continue to patronise the town centre.
- b) The town centre serves a number of roles including supply of personal, household, business, civic, community and medical services. These roles will not be impacted by the new tourist village.
- c) The anchor tenants of the town centre will not be impacted by the new centre. Town centre businesses will continue to be the most convenient for cross shopping activity associated with visits to the supermarket(s) and hardware store.
- d) For the significant majority of households in urban Cromwell, the town centre will be the closest centre.

- e) Hospitality (food and beverage) is only part of the town centre's role and any potential impacts on this sector translate to a smaller impact on total centre sales.
- f) The dwelling capacity enabled within the Wooing Tree site will generate retail demand of an estimated \$4.32 million (assuming full occupancy by 2028). A very small portion of this is expected to help sustain retail activity in the BRA (2) and a larger portion will be directed at businesses within the town centre – thus helping to offset any effects on the town centre arising from the tourist village (Appendix K, sourced from M.E's Retail Demand Model).
- g) The total projected growth in households in Cromwell and surrounds between 2016 and 2028 will generate retail demand of an estimated \$63.37 million over and above current household demand. Growth to 2038 will generate an estimated \$94.76 million. A large portion of this spend growth will be directed at businesses within the town centre – sustaining sales growth, new floorspace and investment. Such growth is expected to more than offset any any effects on the town centre arising from the tourist village (Appendix L).
- h) Projected growth in visitors and visitor spend will help sustain the new tourist village floorspace.
- i) The proposed village will have less visibility to the main State Highways than the Town Centre and so the town centre can expect to continue to capture the major share of pass by tourist traffic.

#### **Costs and Benefits of Proposed Business Zoning**

111. Anticipated economic and social benefits of the business zone created by the PC are summarised as follows:

- a) It creates additional capacity for tourist based accommodation, activity and retail that will help meet projected demand by day and overnight visitors. This is particularly relevant given that the Top 10 Holiday Park is converting to residential development and the Chalets accommodation would be a feasible proposition for residential redevelopment at some time.
- b) It creates a new tourist destination within Cromwell that complements the Heritage Precinct and other existing activities/attractions. This will strengthen Cromwell's role in the tourism market with net flow-on effects for the wider Cromwell economy.

- c) It potentially creates an enhanced venue for (larger) weddings and functions (combined with on-site accommodation) with flow-on effects for the wider economy.
- d) It avoids significant adverse effects on the role and amenity of the Cromwell town centre.
- e) The proximity of the zone to the town centre means that visitors to the zone can easily access the town centre on the same trip (and vice versa).
- f) It creates employment and business opportunities within the Cromwell area, which contributes to both social and economic wellbeing. This includes opportunities for local producers/artisans to more easily access the visitor market and opportunities to promote local/regional products.
- g) The aggregation of tourist businesses/activities in one place generates agglomeration benefits (greater efficiencies, shared resources, shared knowledge and expertise, shared marketing costs and more).
- h) It potentially provides activities/amenities/services that will contribute to the social wellbeing of local residents.
- i) It reduces the distance to access some convenience retail (i.e. grocery store, takeaway) and food and beverage retail for those households living in and around the Wooing Tree Site.
- j) The business zoning provides opportunities for employment and economic growth during the construction phase. These benefits are estimated to be higher than those delivered under the operative zoning.
- k) The additional business capacity generates net additional (commercial) rates revenue.
- l) The proposed zoning maintains the existing economic activities of the site (wine tasting/restaurant).

112. Anticipated economic and social costs of the business zone created by the PC are summarised as follows:

- a) Loss of capacity for low density (4,000sqm minimum) residential dwelling growth (RRA (6)).
- b) Commercial land use places additional pressure (and costs) on existing infrastructure within Cromwell.

- c) The proposed businesses will generate greater traffic on the surrounding road network than the operative zoning. This is not anticipated to have any material impacts on the wider community as outlined in Mr Carr's evidence.
- d) Dispersal of retail activity beyond existing patterns, although only limited dispersal of core retail and service activity serving the household market.
- e) Potential for some trade competition effects on selected businesses in the Cromwell town centre and Heritage Precinct. Such effects are anticipated to be offset by projected growth in both residents and visitors such that any impacts on the wider social and functional amenity of those centres will be no more than minor and short term.

113. Overall, I consider that the anticipated economic and social benefits of the proposed business zone (although not all quantified or monetised) are likely to outweigh the anticipated economic and social costs. On that basis, the proposed zoning is considered an efficient use of the land. The proposed provisions will effectively achieve the policies and objectives of the BRA (2) zone and wider District Plan.

#### **Certainty and Sufficiency of Information**

114. My evidence has relied on a combination of quantitative and qualitative analysis to assess the potential effects of the amended BRA (2) provisions. That analysis has relied upon some estimates and assumptions. My conclusions are based on that information and my experience with similar types of proposals. I have not carried out a fully quantified distributional effects model as this was considered unnecessary when weighed up against the anticipated scale of effects under the amended provisions.

#### **Response to Section 42 Report**

115. The Section 42 report reached the conclusion that the business zone should be removed from the PC and replaced with residential zoning. This was largely due to the anticipated dispersal of already fragmented retail activity in Cromwell, which would lead to significant adverse effects on the environment.

116. The amended business zone provisions (which ensure that the zone develops as a visitor destination and not a core retail and service centre) avoid or mitigate the potential effects of the business zone on existing centres and the Cromwell community. On that basis, the concerns of Mr Whitney are largely dealt with. In my view the benefits of the zone are likely to outweigh the costs and the amended zone provisions should be included.

117. The Section 42 report also states reservations about the “necessity” of the BRA (2) zone to enable the continued operation of the Wooing Tree Cellar Door, including its ability to continue to operate as a wedding venue. I agree that the proposed activities (as amended) anticipated in the BRA (2) zone are not required to ensure the continued *operation or viability* of the Cellar Door. Rather, they ‘complement’ the tourist experience already offered by the Cellar Door and provide opportunities to expand services and events, such as weddings. In my view, the purpose of the business zone should be described in that context.
118. The report also suggests that the traveller accommodation could be provided in the residential zoning. On the basis that BRA (2) (as amended) should be included in the PC (and not deleted), I consider that there are a number of benefits in including the traveller accommodation with the shop and other floorspace as an integrated precinct and it should remain part of the business zone.

#### **Response to Opposing Submissions**

119. A number of submissions raised concerns with the impact of additional retail businesses on the Mall/town centre (Submissions 1, 2, 3, 5, 11, 18, 20, 23, 33, 34, 37 and 40). I consider that the amended provisions, which include a reduction in permitted shop area to 3,000sqm GFA (down from 4,000sqm as notified) ensure that the core role of the town centre is not adversely affected by the BRA (2) zone. Any potential adverse effects on the town centre will be offset over time by projected growth in visitor and household demand.
120. Submitter 12 is concerned that the town centre will be spilt across the main highway. Given the different role of the tourist village, I disagree with this stated outcome. Further, they suggest negative impacts of the PC on Cromwell’s tourism prospects (see also Submitter 18). On the contrary, I believe the proposed business zone will strengthen tourism activity and Cromwell’s economy.
121. Submitter 18 states that the PC is not in the best interests of Cromwell. Based on my assessment of the amended PC, I conclude that that the benefits to Cromwell’s social and economic wellbeing are likely to outweigh any social and economic costs.
122. Submitter 21 suggests that the site should be used for a replacement town centre. This is outside the scope of what has been proposed. Nonetheless, I consider that this would not be an efficient use of current resources and investment.



**CONCLUSION**

123. Based on the information available and my own analysis:

- a) I consider the proposed residential zoning to be an efficient use of the land that supports the strategic and urban development objectives of the operative District Plan.
- b) I consider that the amended provisions of the business zone will contribute to social and economic wellbeing of the Cromwell community and support the strategic and urban development objectives of the operative District Plan.

**Natalie Hampson**

1 November 2017.

## APPENDIX A – HOUSEHOLD AND DWELLING TYPE APPROACH

### Household Types

124. The NPS requires assessment of housing demand by different types of household within a community, including demographics (household structure, size and age) which are important drivers of housing needs, and household incomes, which are an important driver of ability to pay. Dwelling affordability is a key matter in the NPS (PB 6c).
125. Households may be defined on a number of dimensions, and the more standard ones are household type (such as single persons, couples or 2-parent families), household size or the number of members, the age of the householders, and their income level. These dimensions directly influence housing preferences and affordability.
126. A standard household typology used by M.E has been applied, based on Census information. The typology broadly conforms with SNZ household types, although it offers more detail on matters directly relevant to housing affordability<sup>25</sup>. The segmentation used here is based first on household type:
- a) Single person
  - b) Couple
  - c) 2-parent family with 1-2 children
  - d) 2-parent family with 3+ children
  - e) 1-parent family
  - f) Multi-family
  - g) Non-family.
127. Households are further differentiated by household age. This is the age of the “reference person” (as identified for Census purposes), and is a strong indicator of a household’s stage in the life-cycle. It is important because housing needs and future expectations vary during the life-cycle. For this analysis, six age bands are used – from young adults of 15-29 years, 30-39 years, 40-49 years, 50-64 years, 65-74 years, through to older households in the 75 years and over age band.

---

<sup>25</sup> This typology has been applied over many years to effectively differentiate household needs – both for dwellings and a range of consumer goods and services – according to both requirements and ability to pay (driven by income levels).

128. The third key point of differentiation is household income level. This is based on 2013 Census bands which broadly correspond with household income quintiles, though do not correspond exactly. The five bands used in the 2013 Census are less than \$30,000 per year (pre-tax); \$30,000 to 50,000; \$50,000 to 70,000; \$70,000 to 100,000; and more than \$100,000.
129. These combinations provide the option to define up to 210 household groups – 7 types x 6 age bands x 5 income bands – although this level of disaggregation is typically applied only at national level, or for large regional or TA populations. For most analyses, detail by household type and income, or by household type and age, is easily sufficient to identify the most important patterns of demand.
130. The mix of household types varies by location. For this analysis, a dataset from the 2013 Census has been applied, which counts the numbers of households of each type x age x income category. This is available at the census unit (CAU) level.

#### **Dwelling Types**

131. There is a substantial amount of information available from the 2013 Census to identify dwelling types. A customized dataset at the TA level has been used which identifies dwelling numbers by type and location within Central Otago, to show dwellings as being a separate house or one of 2 or more dwellings in a building (attached dwellings). Dwelling type categories are:
- a) Separate house (77.0% nationally);
  - b) (one of) 2 or more dwellings in a 1-storey building (9.6%)
  - c) 2 or more dwellings in a 2- to 3-storey building (5.8%)
  - d) 2 or more dwellings in a 4+ storey building (1.4%)
  - e) 2 or more dwellings not further defined (0.03%)
  - f) Other private dwellings (0.4%)
  - g) Private dwellings not further defined (5.8%)
132. Simple cross-tabulation of household types with these dwelling types for Central Otago District offers a base analysis of the relationship of households and dwellings. However, for the NPS a more detailed assessment is necessary, especially to understand how the household-type to dwelling-type relationships vary according to household age and income.

#### **Dwelling Tenure**

133. It is also important to understand the importance of dwelling tenure, within those patterns of dwelling occupancy. This analysis is part of the assessment, based on the customised dataset from SNZ. The basic Census output is detail of owned dwellings and rented dwellings, each by dwelling type, and the distribution of households (by type) across this dwelling estate. While this is factored into the underlying model, results by tenure are excluded for the purpose of this evidence.

#### **Dwelling Occupancy**

134. Dwelling occupancy is used here as a key indicator of demand. This is because the Census describes the households which occupy a dwelling, and their tenure as owners or renters, but it does not identify the owners of dwellings which are occupied by renters<sup>26</sup>.

135. Accordingly, the household which occupied a dwelling as at Census 2013 is taken here as the best indicator of that household's demand for that dwelling. This is on the basis that the Census 2013 snapshot is a sound indicator of the dwellings sought by those owner occupiers, and the type of dwelling sought by those renting a dwelling.

---

<sup>26</sup> Including those who may not be paying rent, as family members or others.

## APPENDIX B – 2013 DWELLING TYPE BY HOUSEHOLD INCOME

## Central Otago Dwelling Occupancy by Household Income 2013

Dwelling Type	Household Income Band						Total
	Income < \$30K	Income \$30-50K	Income \$50-70K	Income \$70-100K	Income \$100K +	Income Not Stated	
<b>COUNT OF HOUSEHOLDS/DWELLINGS</b>							
Separate house	1,074	1,194	1,006	1,102	981	555	5,912
2+ dwellings in 1-storey	232	85	49	30	22	41	459
2+ dwellings in 2- to 3-storey	9	3	2	2	-	1	17
2+ dwellings in 4+ storey	-	-	-	-	-	-	-
2+ dwellings nfd	-	-	-	-	-	-	-
Other private dwellings	24	7	3	4	-	2	40
Private dwelling nfd **	63	33	26	17	11	130	280
<b>Total Private Dwellings</b>	<b>1,402</b>	<b>1,322</b>	<b>1,086</b>	<b>1,155</b>	<b>1,014</b>	<b>729</b>	<b>6,708</b>
<b>STRUCTURE % BY INCOME BAND</b>							
Separate house	76.6%	90.3%	92.6%	95.4%	96.7%	76.1%	88.1%
2+ dwellings in 1-storey	16.5%	6.4%	4.5%	2.6%	2.2%	5.6%	6.8%
2+ dwellings in 2- to 3-storey	0.6%	0.2%	0.2%	0.2%	0.0%	0.1%	0.3%
2+ dwellings in 4+ storey	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2+ dwellings nfd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other private dwellings	1.7%	0.5%	0.3%	0.3%	0.0%	0.3%	0.6%
Private dwelling nfd **	4.5%	2.5%	2.4%	1.5%	1.1%	17.8%	4.2%
<b>Total Private Dwellings</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>OVERALL % STRUCTURE</b>							
Separate house	16.0%	17.8%	15.0%	16.4%	14.6%	8.3%	88.1%
2+ dwellings in 1-storey	3.5%	1.3%	0.7%	0.4%	0.3%	0.6%	6.8%
2+ dwellings in 2- to 3-storey	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
2+ dwellings in 4+ storey	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2+ dwellings nfd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other private dwellings	0.4%	0.1%	0.0%	0.1%	0.0%	0.0%	0.6%
Private dwelling nfd **	0.9%	0.5%	0.4%	0.3%	0.2%	1.9%	4.2%
<b>Total Private Dwellings</b>	<b>20.9%</b>	<b>19.7%</b>	<b>16.2%</b>	<b>17.2%</b>	<b>15.1%</b>	<b>10.9%</b>	<b>100.0%</b>

Source: Statistics NZ Census 2013 \*\* Not Further Defined

## APPENDIX C – 2013 DWELLING TYPE BY HOUSEHOLD AGE

## Central Otago Dwelling Occupancy by Household Age 2013

Dwelling Type	Age of Household Reference Person						Total
	15-29	30-39	40-49	50-64	65-74	75+	
<b>COUNT OF HOUSEHOLDS/DWELLINGS</b>							
Separate house	402	737	1,108	1,942	1,042	681	5,912
2+ dwellings in 1-storey	33	34	58	110	91	133	459
2+ dwellings in 2- to 3-storey	1	-	-	8	4	4	17
2+ dwellings in 4+ storey	-	-	-	-	-	-	-
2+ dwellings nfd	-	-	-	-	-	-	-
Other private dwellings	3	2	4	20	6	5	40
Private dwelling nfd **	22	30	43	90	47	48	280
Total Private Dwellings	461	803	1,213	2,170	1,190	871	6,708
<b>STRUCTURE % BY AGE BRACKET</b>							
Separate house	87.2%	91.8%	91.3%	89.5%	87.6%	78.2%	88.1%
2+ dwellings in 1-storey	7.2%	4.2%	4.8%	5.1%	7.6%	15.3%	6.8%
2+ dwellings in 2- to 3-storey	0.2%	0.0%	0.0%	0.4%	0.3%	0.5%	0.3%
2+ dwellings in 4+ storey	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2+ dwellings nfd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other private dwellings	0.7%	0.2%	0.3%	0.9%	0.5%	0.6%	0.6%
Private dwelling nfd **	4.8%	3.7%	3.5%	4.1%	3.9%	5.5%	4.2%
Total Private Dwellings	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>OVERALL % STRUCTURE</b>							
Separate house	6.0%	11.0%	16.5%	29.0%	15.5%	10.2%	88.1%
2+ dwellings in 1-storey	0.5%	0.5%	0.9%	1.6%	1.4%	2.0%	6.8%
2+ dwellings in 2- to 3-storey	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%
2+ dwellings in 4+ storey	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2+ dwellings nfd	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other private dwellings	0.0%	0.0%	0.1%	0.3%	0.1%	0.1%	0.6%
Private dwelling nfd **	0.3%	0.4%	0.6%	1.3%	0.7%	0.7%	4.2%
Total Private Dwellings	6.9%	12.0%	18.1%	32.3%	17.7%	13.0%	100.0%

Source: Statistics NZ Census 2013 \*\* Not Further Defined

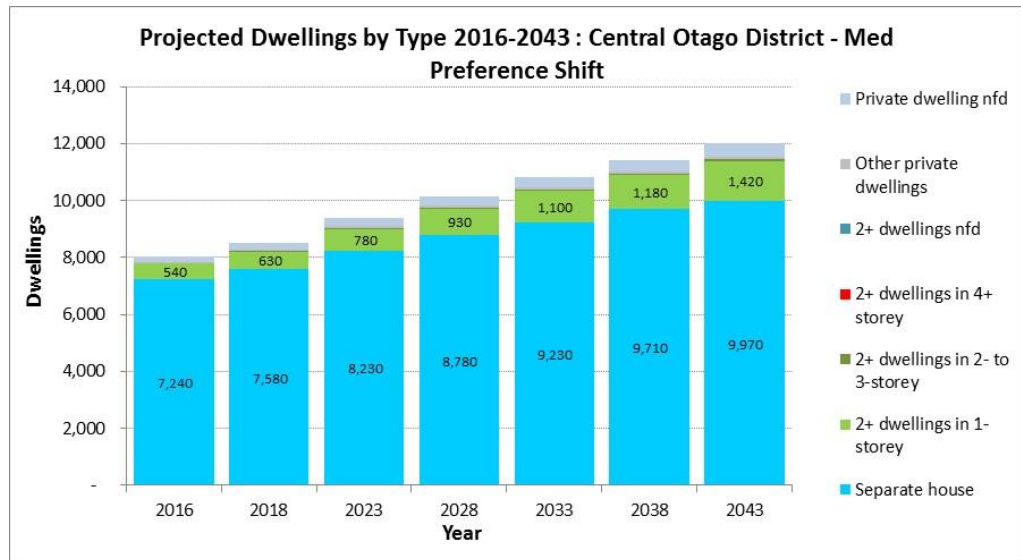
**APPENDIX D – HIGH DWELLING PROJECTIONS UNDER MEDIUM PREFERENCE SHIFT SCENARIO**

*COD Projected Dwellings by Type 2016-2043 – High – Medium Preference Shift*

Dwelling Type	2016	2018	2023	2028	2033	2038	2043	2016-28	2016-33	2016-43
<b>COUNT OF DWELLINGS</b>										
Separate house	7,240	7,580	8,230	8,780	9,230	9,710	9,970	1,540	1,990	2,730
2+ dwellings in 1-storey	540	630	780	930	1,100	1,180	1,420	390	560	880
2+ dwellings in 2- to 3-storey	20	20	30	30	40	40	50	10	20	30
2+ dwellings in 4+ storey	-	-	-	-	-	-	-	-	-	-
2+ dwellings nfd	-	-	-	-	-	-	-	-	-	-
Other private dwellings	50	50	70	70	80	90	100	20	30	50
Private dwelling nfd	190	230	270	320	380	400	470	130	190	280
<b>TOTAL</b>	<b>8,040</b>	<b>8,510</b>	<b>9,380</b>	<b>10,130</b>	<b>10,830</b>	<b>11,420</b>	<b>12,010</b>	<b>2,090</b>	<b>2,790</b>	<b>3,970</b>
<b>STRUCTURE % BY YEAR</b>										
Separate house	90%	89%	88%	87%	85%	85%	83%	74%	71%	69%
2+ dwellings in 1-storey	7%	7%	8%	9%	10%	10%	12%	19%	20%	22%
2+ dwellings in 2- to 3-storey	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%
2+ dwellings in 4+ storey	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2+ dwellings nfd	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other private dwellings	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Private dwelling nfd	2%	3%	3%	3%	4%	4%	4%	6%	7%	7%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics NZ, M.E \*\* Not Further Defined

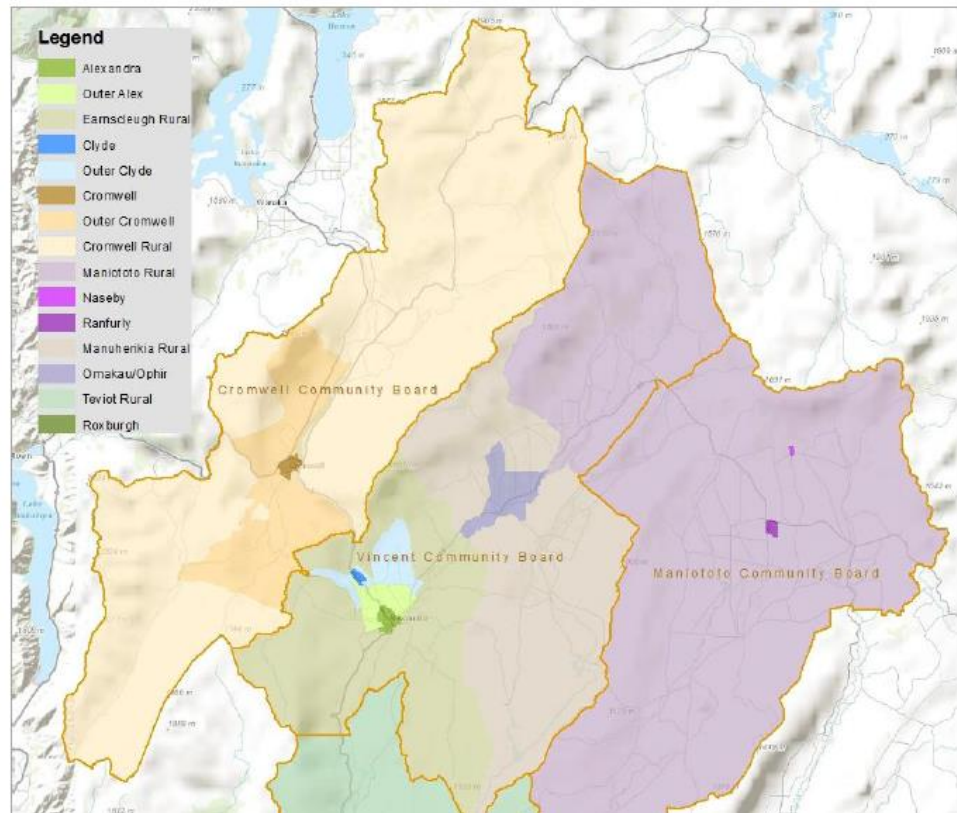
Scenario: Medium Shift in Attached Preferences, High 2017 Growth Future



## APPENDIX E – CATCHMENT OF CROMWELL AND SURROUNDS FOR DWELLING PROJECTIONS ANALYSIS (RATIONALE)



### Appendix A – District, Community Board and Area Map





## APPENDIX F – CROMWELL AND CENTRAL OTAGO DISTRICT HOUSEHOLD STRUCTURE COMPARISON

*Summary comparison of Cromwell household structure relative to the total District household structure.*

Household Type	2016					2043 (SNZ 2017 High)				
	Cromwell CAU (n)	Central Otago District (n)	Cromwell CAU (%)	Central Otago District (%)	Cromwell Relative to District Structure	Cromwell CAU (n)	Central Otago District (n)	Cromwell CAU (%)	Central Otago District (%)	Cromwell Relative to District Structure
<b>Household Type</b>										
One Person	413	2,034	21%	24%	0.89	772	3,447	26%	27%	0.94
Couple	719	3,540	37%	42%	0.89	1,219	5,549	40%	44%	0.92
2 Parents 1-2chn	431	1,556	22%	18%	1.22	541	1,904	18%	15%	1.19
2 Parents 3+chn	88	456	5%	5%	0.85	109	547	4%	4%	0.83
1 Parent Family	164	554	8%	7%	1.30	218	679	7%	5%	1.34
Multi-Family Hhlds	17	62	1%	1%	1.20	24	88	1%	1%	1.13
Non-Family Hhlds	102	292	5%	3%	1.53	132	385	4%	3%	1.43
<b>Total Households</b>	<b>1,934</b>	<b>8,494</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>	<b>3,015</b>	<b>12,599</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>
<b>Household Age</b>										
15-29	365	1,276	19%	15%	1.26	459	1,539	15%	12%	1.25
30-39	315	1,060	16%	12%	1.30	400	1,377	13%	11%	1.21
40-49	321	1,326	17%	16%	1.06	354	1,470	12%	12%	1.01
50-64	471	2,405	24%	28%	0.86	688	2,815	23%	22%	1.02
65-74	286	1,461	15%	17%	0.86	478	2,222	16%	18%	0.90
75+	176	966	9%	11%	0.80	636	3,176	21%	25%	0.84
<b>Total Households</b>	<b>1,934</b>	<b>8,494</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>	<b>3,015</b>	<b>12,599</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>
<b>Household Income</b>										
Income < \$30K	392	1,866	20%	22%	0.92	756	3,261	25%	26%	0.97
Income \$30-50K	390	1,881	20%	22%	0.91	686	3,126	23%	25%	0.92
Income \$50-70K	387	1,581	20%	19%	1.07	558	2,211	19%	18%	1.05
Income \$70-100K	464	1,655	24%	19%	1.23	622	2,113	21%	17%	1.23
Income \$100K +	300	1,511	16%	18%	0.87	393	1,888	13%	15%	0.87
<b>Total Households</b>	<b>1,934</b>	<b>8,494</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>	<b>3,015</b>	<b>12,599</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>

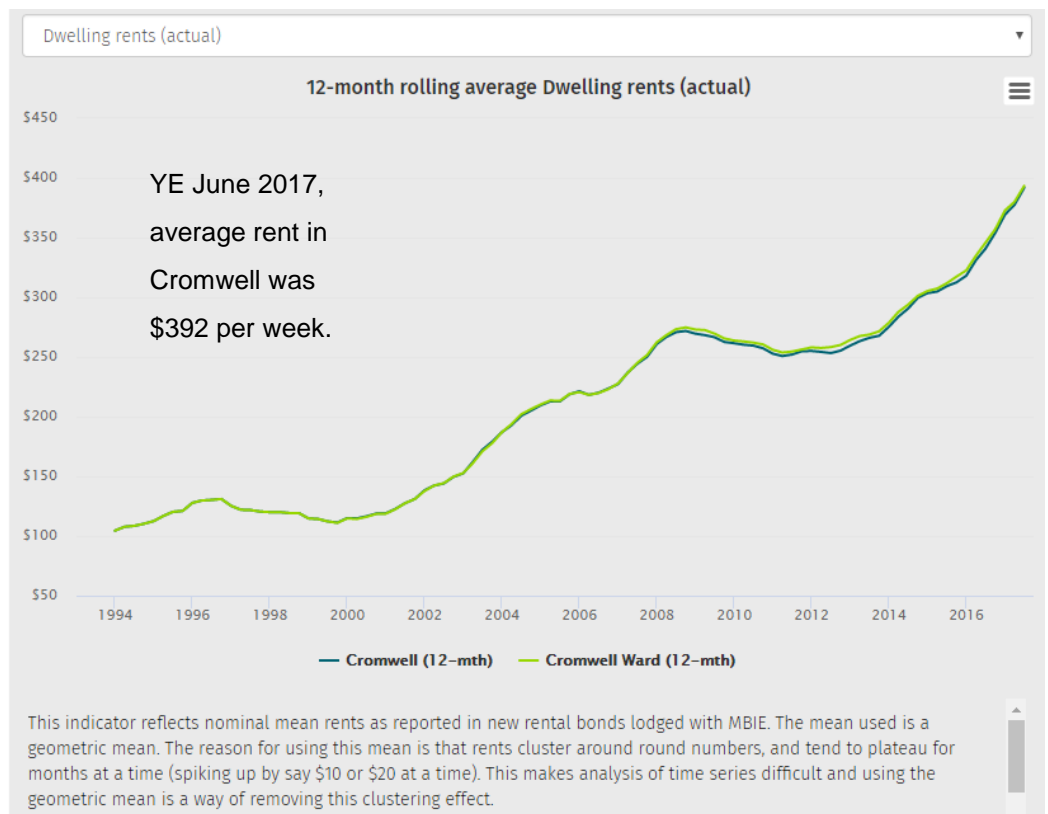
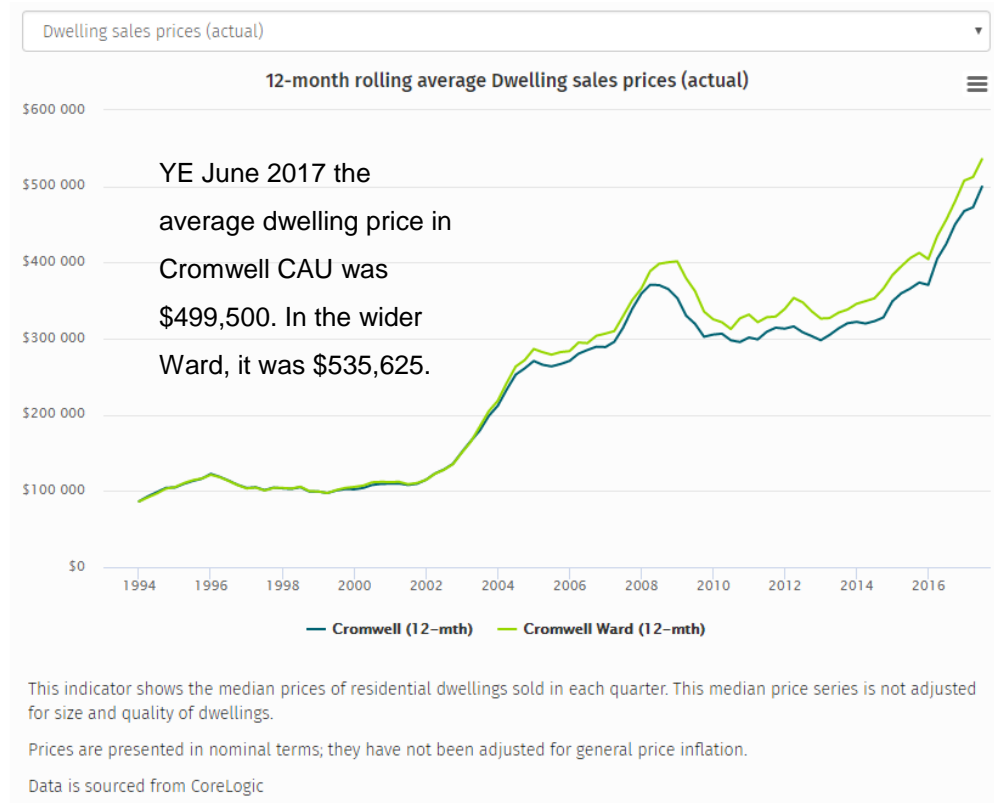
Source: Statistics NZ Census 2013, Market Economics

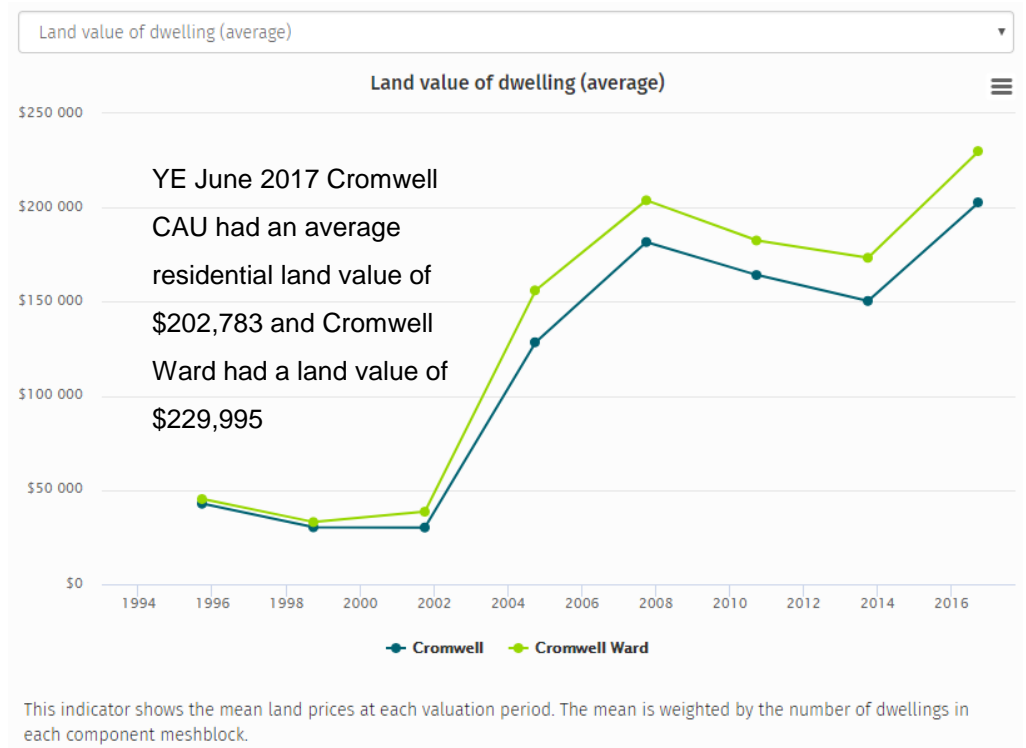
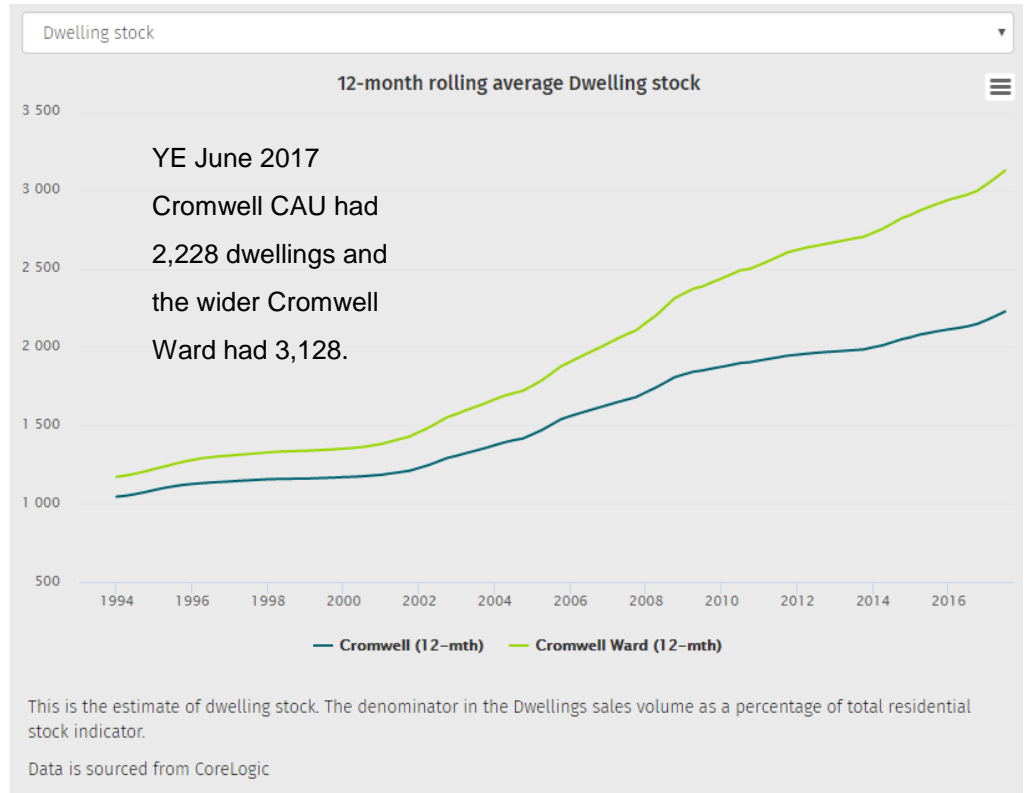
Compared to the total District, Cromwell has a slightly higher incidence of non-family households, multi-family households, 1 parent families and 2 parent (1-2 children) households, but a slightly lower share of other household types.

Cromwell's households are slightly younger than the District average. Cromwell also has slightly more household in the \$50,000-\$100,000 range, but lower shares of low and high income earners.

Generally, over time Cromwell's household structure is expected to move closer to the District Average (i.e. relative scores move closer to 1.0).

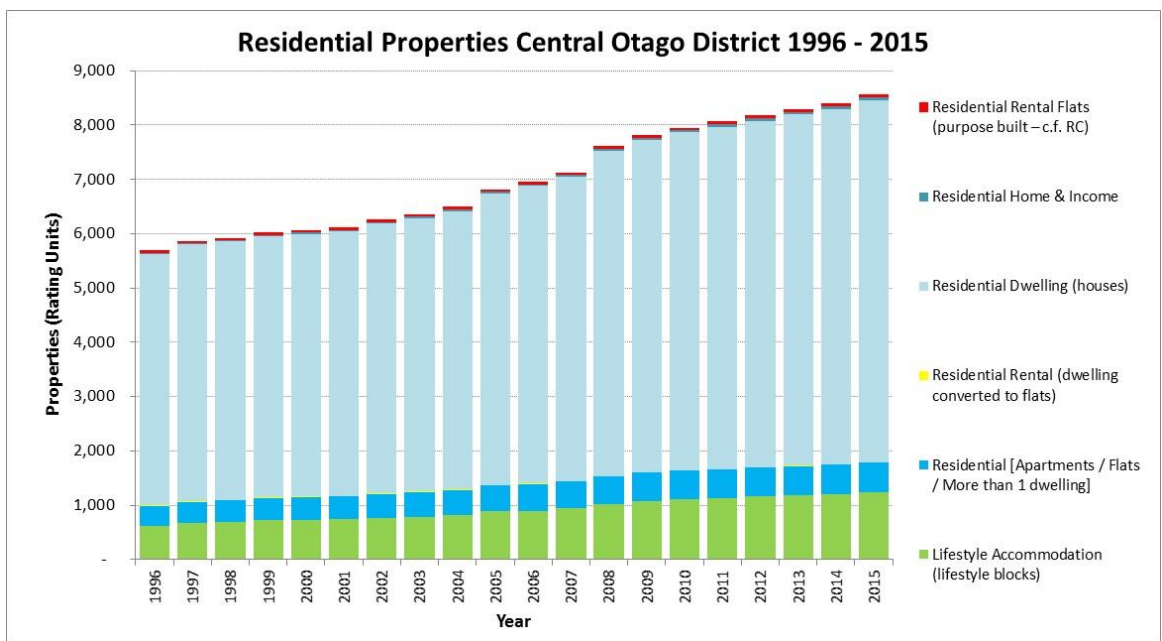
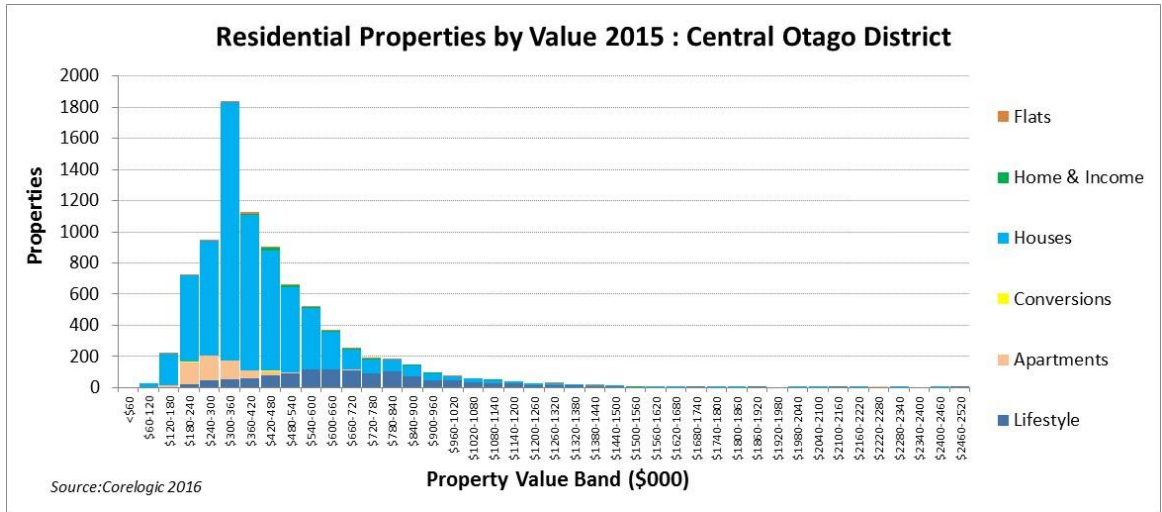
**APPENDIX G – CROMWELL HOUSING MARKET INDICATORS**





Graphs sourced from

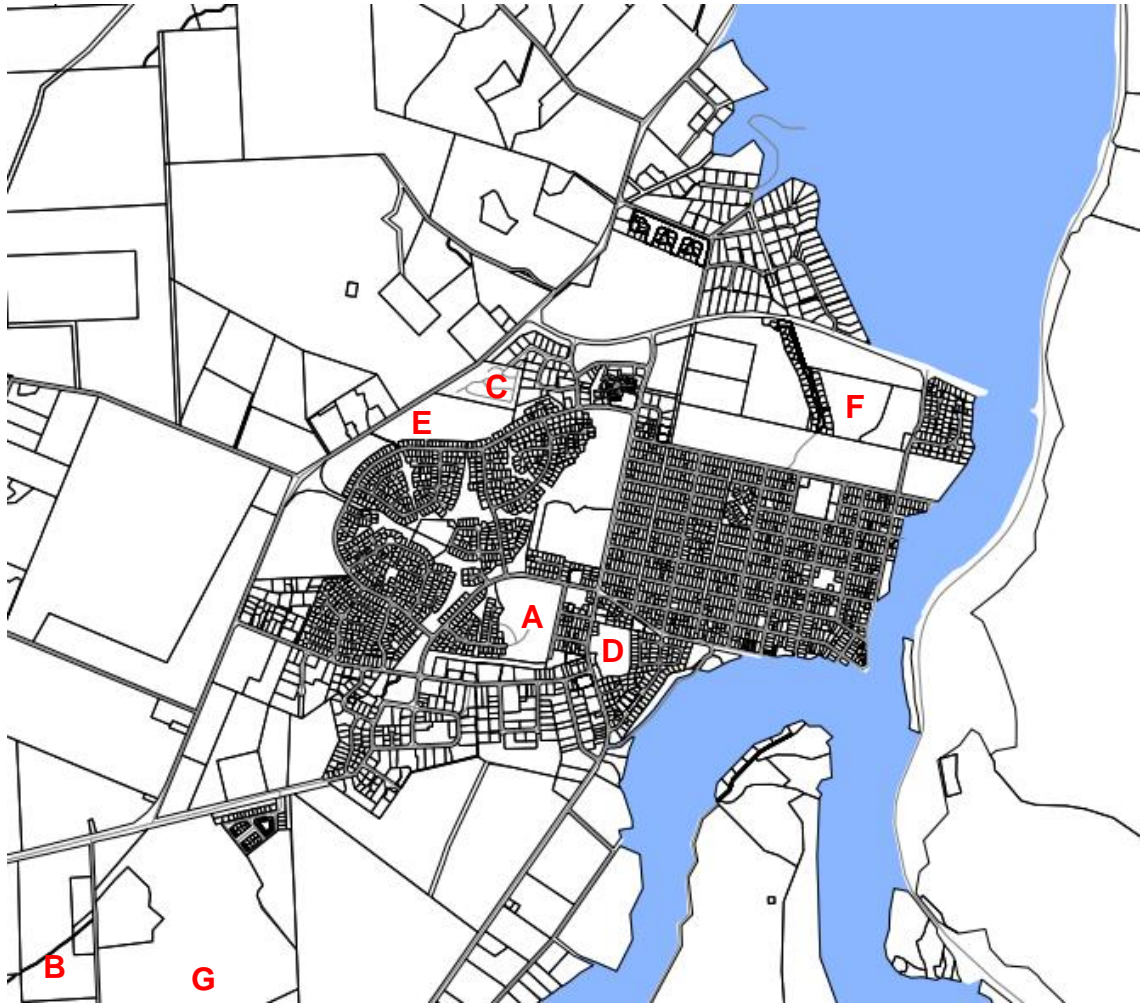
The following graphs and table are sourced from M.E (based on Core Logic data)



PROPERTY TYPE	1996	2000	2005	2010	2015	1996-05	1996-05 %	1996-15	1996-15 %
Lifestyle Accommodation	630	730	890	1,120	1,240	260	41%	610	97%
Residential Apartments (1+ dwg)	370	420	480	530	540	110	30%	170	46%
Residential Rental	10	10	10	10	10	-	0%	-	0%
Residential Dwelling	4,630	4,840	5,370	6,220	6,670	740	16%	2,040	44%
Residential Home & Income	10	30	30	40	60	20	200%	50	500%
Residential Flats	40	50	50	50	50	10	25%	10	25%
<b>TOTAL</b>	<b>5,690</b>	<b>6,080</b>	<b>6,830</b>	<b>7,970</b>	<b>8,570</b>	<b>1,140</b>	<b>20%</b>	<b>2,880</b>	<b>51%</b>
Lifestyle Accommodation	11%	12%	13%	14%	14.5%				
Residential Apartments (1+ dwg)	7%	7%	7%	7%	6.3%				
Residential Rental	0%	0%	0%	0%	0.1%				
Residential Dwelling	81%	80%	79%	78%	77.8%				
Residential Home & Income	0%	0%	0%	1%	0.7%				
Residential Flats	1%	1%	1%	1%	0.6%				
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>				

Source: Corelogic 2016

## APPENDIX H – KNOWN OR POTENTIAL GREENFIELD RESIDENTIAL DEVELOPMENT OPPORTUNITIES



Site	Name	Approach	Status	Land Area (ha)	Estimated Dwelling Yield
A	Gair Ave	Resource Consent **	Presales	10.38	240
B	River Terrace ****	Private Plan Change	Pending Lodgement	50.00	830
C	Golden View Lifestyle Village	Resource Consent	Under Construction	5.87	94
D	Chalets	Zoned R	No Action *	4.15	35-60
E	Waenga Drive	Zoned RRA 12	No Action *	28.80	240-345
F	Top 10 Holiday Park	Resource Consent	Pending Decision	13.02	173
G	Highlands Park Golf Resort***	Resource Consent	Pre-application	58.00	100
Total				170.22	1712 - 1842

Source: Compiled by M.E based on IntraMaps, Resource Consent Notices, Websites

\* These sites have been identified as zone opportunities only with yields estimates only by M.E

\*\* 78 lots have recently been consented. Total yield based on an estimated 22 dwellings per ha and some attached dwelling lots.

\*\*\* Refer Otago Daily Times 19th October 2017. <https://www.odt.co.nz/regions/central-otago/new-golf-resort-planned>

\*\*\*\* Yield supplied by Developer (indicative market preferences). The PC offers a degree of flexibility that may result in a higher or lower yield.

**APPENDIX I – INIDICATIVE SHOP COUNT SCENARIOS UNDER AMENDED  
SHOP FLOORSPACE OF 3,000 SQM GFA**

Shop Count	Max GFA Uniform Scenario	100sqm GFA Uniform Scenario	Mix GFA Scenario
	3000	3000	3000
1	200	100	200
2	200	100	200
3	200	100	200
4	200	100	200
5	200	100	100
6	200	100	100
7	200	100	100
8	200	100	100
9	200	100	100
10	200	100	100
11	200	100	100
12	200	100	100
13	200	100	100
14	200	100	80
15	200	100	80
16		100	80
17		100	80
18		100	80
19		100	80
20		100	80
21		100	80
22		100	80
23		100	80
24		100	80
25		100	70
26		100	70
27		100	70
28		100	70
29		100	70
30		100	70

## APPENDIX J – SUMMARY OF SHOP ACTIVITY IN CROMWELL TOWN CENTRE AND HERITAGE PRECINCT AND OVERLAP WITH BRA (2) SHOP STATUS

2016 Incidence *		Shop Store Type (ANZSIC)
Heritage Precinct MBS **	Total Town Centre MBS ***	
4	12	<b>Potential to Compete Directly</b>
-	1	Grocery Stores (G411000, excluding supermarkets)
-	-	Other Specialised Food Retailing (G412900), including retail associated with on-site production
-	-	Flower Retailing (G427400)
4	7	Cafes and Restaurants (H451100)
-	2	Takeaway Food Services (H451200)
-	-	Pubs, Taverns and Bars (H452000) - includes cellar doors and retail associated with on-site production
-	2	Hairdressing and Beauty Services (S951100)
-	1	Photographic Film Processing (S953200)
1	9	<b>Potential to Compete Partially due to Limitations</b>
-	2	Sport and Camping Equipment Retailing (G424100) – limited to bike/bike accessory or ski/snowboard/snow sport accessory or water sports equipment retail and service.
-	2	Fruit and Vegetable Retailing (G412200) – primarily local/regional product focus
-	1	Liquor Retailing (G412300) – primarily local/regional product or tourist focus, includes cellar doors and retail associated with on-site production
-	2	Clothing Retailing (G425100) – primarily local/regional product or tourist focus
-	-	Houseware Retailing (G421300) – primarily local/regional product or tourist focus, including retail associated with on-site production
-	-	Watch and Jewellery Retailing (G425300) – primarily local/regional product or tourist focus, including retail associated with on-site production
-	-	Other Personal Accessories Retailing (G425900) – primarily local/regional product or tourist focus, including retail associated with on-site production
1	1	Other Store-Based Retailing n.e.c. (G427900) – limited to art gallery operation, craft goods retailing, souvenir retailing only, including retail associated with on-site production
-	-	Other Goods and Equipment Rental and Hiring n.e.c. (L663900) – limited to bike rental, water sports equipment hire, snow sports equipment hire and suit hire only
-	-	Travel Agency and Tour Arrangement Services (N722000) – primarily local/regional product focus
-	16	<b>No Potential Competition</b>
-	1	Supermarkets (or grocery stores) > 200sqm GFA
-	-	Fresh Meat, Fish and Poultry Retailing (G412100)
-	-	Furniture Retailing (G421100)
-	-	Floor Coverings Retailing (G421200)
-	2	Manchester and Other Textile Goods Retailing (G421400)
-	1	Electrical, Electronic and Gas Appliance Retailing (G422100)
-	-	Computer and Computer Peripherals Retailing (G422200)
-	-	Other Electrical and Electronic Goods Retailing (G422900)
-	4	Hardware and Building Supplies Retailing (G423100)
-	1	Garden Supplies Retailing (G423200)
-	-	Entertainment Media Retailing (G424200)
-	-	Toy and Game Retailing (G424300)
-	-	Newspaper and Book Retailing (G424400)
-	-	Marine Equipment Retailing (G424500)
-	1	Footwear Retailing (G425200)
-	-	Department Stores (G426000)
-	1	Pharmaceutical, Cosmetic and Toiletry Goods Retailing (G427100)
-	1	Stationery Goods Retailing (G427200)
-	-	Clubs (Hospitality) (H453000)
-	2	Postal Services (I510100)
-	-	Laundry and Dry-Cleaning Services (S953100)
-	2	Antique and Used Goods Retailing (G427300)
-	1	Repair and Maintenance (S94)
5	37	<b>Total Selected Store Types</b>

\* Based on business units identified in the Statistics New Zealand Business Directory 2016.

\*\* Based on 2016 MBS 3030400, 3030500, 3030800 - Area Exceeds Actual Centre Extent

\*\*\* Based on 2016 MBS 3029303, 3029304, 3031403, 3031505 - Area Exceeds Actual Centre Extent

**APPENDIX K – ESTIMATED TOTAL RETAIL SPEND GENERATED BY  
WOOING TREE HOUSEHOLDS BY DETAILED STORE TYPE**

Retail Store Types	2023	2028	2033	2038
Antiques and Used Goods	\$ 17	\$ 17	\$ 18	\$ 19
Cafes and Restaurants	\$ 198	\$ 205	\$ 212	\$ 220
Car	\$ 513	\$ 531	\$ 552	\$ 575
Catering services	\$ 34	\$ 35	\$ 36	\$ 37
Clothing	\$ 127	\$ 131	\$ 136	\$ 141
Clubs (Hospitality)	\$ 17	\$ 18	\$ 19	\$ 19
Computers & Computer Peripheral	\$ 28	\$ 29	\$ 30	\$ 31
Department stores	\$ 255	\$ 265	\$ 275	\$ 286
Electrical, Electronic & Gas Appliances	\$ 131	\$ 136	\$ 142	\$ 148
Entertainment Media	\$ 4	\$ 4	\$ 4	\$ 5
Floor Coverings	\$ 38	\$ 39	\$ 41	\$ 43
Flower	\$ 9	\$ 9	\$ 9	\$ 10
Footware	\$ 25	\$ 26	\$ 26	\$ 27
Fruit and Vegetables	\$ 27	\$ 28	\$ 30	\$ 31
Fuel	\$ 399	\$ 414	\$ 431	\$ 449
Furniture	\$ 54	\$ 56	\$ 58	\$ 61
Garden Supplies	\$ 27	\$ 28	\$ 30	\$ 31
Hardware and Building Supplies	\$ 356	\$ 369	\$ 385	\$ 401
Houseware	\$ 12	\$ 12	\$ 13	\$ 13
Liquor	\$ 86	\$ 89	\$ 93	\$ 97
Manchester and Other Textile Goods	\$ 22	\$ 23	\$ 24	\$ 25
Marine Equipment	\$ 13	\$ 14	\$ 14	\$ 15
Meat, Fish and Poultry (Fresh)	\$ 31	\$ 32	\$ 34	\$ 35
Motor Cycle	\$ 26	\$ 27	\$ 28	\$ 29
Motor Vehicle Parts	\$ 25	\$ 26	\$ 28	\$ 29
Newspaper and Books	\$ 24	\$ 25	\$ 26	\$ 28
Non-store	\$ 66	\$ 68	\$ 71	\$ 74
Other Electrical and Electronic Goods	\$ 17	\$ 17	\$ 18	\$ 19
Other Personal Accessory	\$ 6	\$ 6	\$ 6	\$ 6
Other Specialised Food	\$ 25	\$ 26	\$ 27	\$ 28
Other Store-based nec	\$ 95	\$ 99	\$ 102	\$ 107
Pharmaceutical, Cosmetic and Toiletry Goods	\$ 108	\$ 112	\$ 117	\$ 123
Pubs, Taverns and Bars	\$ 63	\$ 66	\$ 68	\$ 71
Raw Antique and used goods	\$ 17	\$ 17	\$ 18	\$ 19
Sport and Camping Equipment	\$ 73	\$ 76	\$ 79	\$ 82
Stationery Goods	\$ 29	\$ 30	\$ 31	\$ 32
Supermarket and Grocery Stores	\$ 995	\$ 1,034	\$ 1,075	\$ 1,121
Takeaway Food Services	\$ 85	\$ 88	\$ 91	\$ 94
Toy and Game	\$ 3	\$ 3	\$ 3	\$ 3
Trailer and Other Motor Vehicles	\$ 3	\$ 3	\$ 3	\$ 3
Tyre	\$ 47	\$ 48	\$ 50	\$ 52
Watch and Jewellery	\$ 31	\$ 32	\$ 33	\$ 34
<b>Total Retail Store Demand</b>	<b>\$ 4,160</b>	<b>\$ 4,316</b>	<b>\$ 4,485</b>	<b>\$ 4,672</b>

Source: M.E Market Meter/Retail Demand Model 2016



**APPENDIX L – ESTIMATED TOTAL RETAIL SPEND GENERATED BY ALL PROJECTED GROWTH IN HOUSEHOLDS ACROSS CROMWELL AND SURROUNDS 2016-2028/38 (RATIONALE RECOMMENDED OCCUPIED DWELLING PROJECTIONS)**

<i>Total Household Demand Arising from Development Households</i>		
Retail Store Types	2028	2038
Antiques and Used Goods	\$ 255	\$ 380
Cafes and Restaurants	\$ 3,005	\$ 4,454
Car	\$ 7,800	\$ 11,654
Catering services	\$ 510	\$ 758
Clothing	\$ 1,928	\$ 2,852
Clubs (Hospitality)	\$ 262	\$ 392
Computers & Computer Peripheral	\$ 420	\$ 627
Department stores	\$ 3,885	\$ 5,798
Electrical, Electronic & Gas Appliances	\$ 2,001	\$ 2,998
Entertainment Media	\$ 62	\$ 93
Floor Coverings	\$ 580	\$ 868
Flower	\$ 130	\$ 195
Footware	\$ 377	\$ 555
Fruit and Vegetables	\$ 416	\$ 624
Fuel	\$ 6,082	\$ 9,100
Furniture	\$ 822	\$ 1,232
Garden Supplies	\$ 416	\$ 625
Hardware and Building Supplies	\$ 5,425	\$ 8,140
Houseware	\$ 182	\$ 273
Liquor	\$ 1,312	\$ 1,977
Manchester and Other Textile Goods	\$ 336	\$ 503
Marine Equipment	\$ 199	\$ 294
Meat, Fish and Poultry (Fresh)	\$ 474	\$ 711
Motor Cycle	\$ 399	\$ 596
Motor Vehicle Parts	\$ 389	\$ 581
Newspaper and Books	\$ 373	\$ 562
Non-store	\$ 1,004	\$ 1,499
Other Electrical and Electronic Goods	\$ 257	\$ 384
Other Personal Accessory	\$ 84	\$ 125
Other Specialised Food	\$ 386	\$ 576
Other Store-based nec	\$ 1,447	\$ 2,162
Pharmaceutical, Cosmetic and Toiletry Goods	\$ 1,649	\$ 2,485
Pubs, Taverns and Bars	\$ 963	\$ 1,444
Raw Antique and used goods	\$ 255	\$ 380
Sport and Camping Equipment	\$ 1,116	\$ 1,662
Stationery Goods	\$ 437	\$ 658
Supermarket and Grocery Stores	\$ 15,181	\$ 22,745
Takeaway Food Services	\$ 1,286	\$ 1,906
Toy and Game	\$ 47	\$ 70
Trailer and Other Motor Vehicles	\$ 45	\$ 67
Tyre	\$ 709	\$ 1,061
Watch and Jewellery	\$ 466	\$ 692
<b>Total Retail Store Demand</b>	<b>\$ 63,374</b>	<b>\$ 94,757</b>

Source: M.E Market Meter/Retail Demand Model 2016