

Before the Central Otago District Council

In the matter of The Resource Management Act 1991

And A requested change to the Central Otago District Council's
Operative District Plan – Plan Change 13 (PC13)

SUMMARY EVIDENCE of **CHRISTOPHER SCOTT MEEHAN** for

River Terrace Developments Limited

Dated 10 June 2019

Counsel:

Warwick Goldsmith

Barrister

PO Box 2366, Wakatipu 9349

m + 64 021 220 8824

warwickgoldsmith@gmail.com

Introduction and Qualifications

- 1 My full name is Christopher Scott Meehan.
- 2 My qualifications and experience are as detailed in my primary evidence prepared for this hearing.

Summary Evidence

- 3 I refer to, and adopt as my evidence, my primary evidence dated 23 April 2019 which has been pre-circulated and pre-read.
- 4 My evidence provides an overview of the following matters:
 - a. The background of the Winton Group;
 - b. My Winton CEO role as the person responsible for predicting property development trends and positioning Winton to take advantage of property development opportunities;
 - c. Winton Group's background in land development projects similar to PC13;
 - d. Standalone housing in the marketplace;
 - e. Why Winton Group decided to pursue a large residential property development in Cromwell;
 - f. Issues relating to small houses;
 - g. Issues relating to noise on the PC13 site;
 - h. Growth projections for Cromwell;
 - i. Winton's commitment to achieve the intended PC13 outcome.
- 5 My evidence concludes that:
 - a. Winton Group specialises in delivering significant quantities of residential product into the market at the lower end of the affordability range;
 - b. Cromwell is facing a housing crisis which can only get worse unless immediate and substantial steps are taken;
 - c. Through PC13 Winton Group can deliver those immediate and substantial steps and can deliver significant quantities of affordable residential product into the Cromwell market;

- d. There are currently two development projects in Cromwell delivering residential product to the market which River Terrace will target, being the Gair Avenue development and the Top 10 Holiday Park development. River Terrace will compete directly with those developments, will be price competitive, and will deliver truly affordable house and land packages to the market which neither of those two developments are delivering.
- e. The 'elephant in the room' which everybody else appears to be ignoring is the severe housing affordability challenges facing Queenstown and Wanaka and the influence that will have on residential growth in Cromwell.
- f. If PC13 is approved Winton will immediately deliver to the market, in Stage 1:
 - i. At least 200 freehold titles with fully constructed and landscaped houses at sale prices in the price range \$485,000-\$600,000;
 - ii. At least 200 residential lots in the price range \$180,000-\$250,000.

Response concerning reverse sensitivity

- 6 My starting point for PC13 has always been that it would not have any effect on the nearby motorsport and orcharding activities. I understand the economic value to the community. I accept that they were there first. I understand the concerns they have expressed.
- 7 However I also understand that those nearby existing activities can be fully protected by registration of carefully drafted restrictive no-complaint covenants which prevent the possibility of anyone within River Terrace taking any form of action which would adversely affect those existing motorsport and orcharding activities. That is the basis upon which PC13 is presented for consideration at this hearing.

Response to evidence of James Dicey

- 8 I have read the evidence of James Dicey which paints a scenario of use of the PC13 land for viticulture. While that is theoretically possible, the practical reality is that that opportunity has now passed. The opportunity did exist. As stated in my primary evidence¹ that land was on the market, for sale or lease, prior to RTDL purchasing it. Nobody acquired it for agricultural use. There is now virtually no likelihood of the land being used for agricultural purposes in the future.
- 9 The PC13 site is mostly zoned Rural Residential (36ha) with a small part zoned Rural (13.3ha). I understand that the District Plan Rules enable subdivision into 17 Rural Residential housing lots and one Rural housing lot as controlled

¹ Evidence of Chris Meehan dated 23 April 2019, at paragraph 55 on page 13.

activities. I have recently commissioned a current market valuation of the site if developed for residential purposes. **Attached** marked 'A' is a copy of relevant parts of that valuation, including the indicative subdivision plan which the valuation is based on. Gross sale values total \$9.8 million. That will be the ultimate outcome and use of this land if it cannot be used for more intensive development. Any discussion of potential agricultural or horticultural uses for the PC13 land is now irrelevant.

Response to evidence for CODC

General response

- 10 I have to say I have been taken by surprise by the strong opposition to PC13 presented in the evidence lodged for CODC. PC13 is intended to address severe housing availability and affordability issues in this area. From the outset we have been completely open with CODC about our intentions. It was my understanding through the early part of the PC13 process that what we were trying to achieve was supported by CODC. We certainly did not receive any indication to the contrary.
- 11 As I explained in my primary evidence, we started work on PC13 in early 2017. By the second half of 2017 we were ready to approach CODC about what we were intending to pursue by way of a private plan change. In November 2017 we made a full and detailed presentation to the Cromwell Community Board which, I understand, was already working on the Cromwell Masterplan (although we were not aware of that at that time).
- 12 Following that presentation to the Cromwell Community Board we did not receive any indication from anyone in Council of any concern about the direction we were taking. It was not until the Council resolved to lodge a Further Submission opposing PC13 in October 2019 that we had any indication that CODC had any concern about what we are trying to achieve.
- 13 Having carefully read the evidence presented for CODC, particularly the evidence of Marilyn Brown, I question whether CODC and its consultants have any understanding at all of the realities of effectively achieving significant new residential development, let alone achieving reasonably affordable new residential sections and houses.
- 14 None of the evidence for CODC recognises or comments on Cromwell's current housing crisis. The various articles attached to my primary evidence clearly demonstrate that crisis. **Attached** marked 'B' is a copy article from the Otago Daily Times last Friday 7 June 2019 which comments on the exodus from Auckland to smaller areas such as Queenstown because of the housing crisis in Auckland. That exodus is of course part of the pressure on Queenstown which

is causing people working in Queenstown to look to places like Cromwell for affordable housing. Cromwell does not sit in its own little universe. It is directly affected by what is happening as far away as Auckland.

- 15 The evidence presented for CODC appears, at first glance, to set out a relatively detailed consultation programme as part of development of the Cromwell Masterplan. However a more detailed examination reveals some fundamental gaps which, in my opinion, completely undermine the credibility of the results of that consultation process.
- 16 Any consultation process intended to result in a credible programme to deliver significant amounts of the right residential products to the market must involve consultation with (at least) three groups:
 - a. The intended homeowners;
 - b. The developers who will deliver residential product to those homeowners;
 - c. The landowners who will provide the land to the developers so the developers can deliver residential product to those homeowners.
- 17 I address those three groups separately.

The homeowners

- 18 Any successful residential developer has to deliver residential product to the homeowners who will purchase that residential product. That requires an understanding of the market. That in turn requires hard work by somebody who knows what they are doing and understands the market dynamics.
- 19 In my primary evidence I provided some detail relating to Winton's Hanley's Farm development in Queenstown². I personally attended a number of the public marketing 'Sales Days' for Hanley's Farm. I have spoken to individual potential purchasers who could not afford the Hanley's Farm section sale prices and who told me they would be very keen to buy a residential lot in Cromwell if the sections were cheaper. I have spoken to Winton Group employees and consultants (digger drivers, gardeners, carpenters, plumbers and the like) who are currently renting in Cromwell (and some even further away in Tarras) and who have told me they would be very keen to purchase in Cromwell if the opportunity was available and affordable. I have spoken to the real estate agents who market Winton Group's products who have told me much the same thing. I understand the homeowners PC13 will target, which is why I am completely confident about a successful development outcome if PC13 is approved.

² Ibid, at paragraphs 43-45 on page 9.

- 20 By contrast, there is nothing in the evidence presented for CODC which suggests to me that any such research has been carried out or that any of the consultants writing that evidence have any understanding of these critical market factors. That is supported by the fact that there is no discussion whatsoever in that evidence of the costs to produce the residential product which the Cromwell Masterplan (presumably) will seek to deliver, nor is there any discussion at all of target real estate sale prices.

Developers who will deliver the products

- 21 The second group which must be consulted is the developers who will deliver the desired residential products to the market. I know that the developers have not been consulted because nobody has consulted with Winton Group, despite the fact that we lodged a detailed Submission to the Cromwell Masterplan process (we did not even receive an acknowledgment of receipt).
- 22 Winton Group is one of the largest residential property developers in New Zealand and is certainly the largest in the Queenstown Lakes/Central Otago area. If CODC had any genuine interest in understanding how best to deliver residential products to the market, Winton Group would logically be the first port of call. Our interests would not necessarily be limited to the PC13 land if any other reasonable sized block of land became available, such as the golf course (as proposed by Ms Brown) or the racecourse (as suggested by David Mead for Highlands Motorsport). Winton Group would definitely be interested in any such possible development opportunity. At the very least, Winton could provide CODC with valuable, experienced advice on how to achieve its objectives.
- 23 As there is no reference in the CODC evidence to any consultation with any developers, and as Winton Group in particular has not been consulted, I query whether there has been any consultation with this critical group as part of the Cromwell Masterplan process.

Landowners who will deliver the land

- 24 The third critical group which must be consulted is the landowners who own the land potentially suitable for residential development and who would have to make that land available to enable the desired residential development objectives to be achieved. Once again I note that Winton Group, with its PC13 land, is a member of that group and has not been consulted. If the consultation process were a genuine consultation process, which examines a number of possible scenarios before refining those down to a recommendation, Winton Group with its PC13 land should at least have been in the mix.
- 25 More importantly, I note from Ms Brown's evidence and her Table 3 that her firm NMA is recommending that 510-680 houses be built on part of the existing

Cromwell Golf Course. If I understand Ms Brown's Table 3 and her Figure 8.3 correctly, she is recommending that 12ha of the existing golf course be retained for golf course purposes and that the balance 34ha be developed for housing. Putting to one side the zoning and ownership complications of that scenario (which I comment on further below) it appears to me to be essential to Ms Brown's Table 3 that the Cromwell Golf Club has been consulted about that proposal and has agreed to it. The evidence for CODC does not contain any statement to that effect.

- 26 I therefore query whether there has been any consultation with the various landowners who will be required to deliver the land essential to achievement of the Cromwell Plan outcome being recommended by Ms Brown.
- 27 In my opinion as an experienced property developer, any consultation process which does not include the target market, the potential developers and the essential landowners can only result in an outcome which is completely divorced from the real world.

Response to Marilyn Brown

- 28 I could comment at length in response to the evidence of Ms Brown, generally on the theme that it details a theoretical exercise which is not grounded in reality. However I would just be repeating the point I have already made above, so I will not do that. I limit my comments to her 'Revised Table 3: Estimated Residential Yields'³.
- 29 Ms Brown provides for 330-440 houses on the Sew Hoy Estate. I understand that land has been zoned for residential development for about 20 years. I tried to buy that land when I was searching for a large block of developable land near Cromwell. The response from the landowner was "Not in my lifetime". Obviously that land might come on to the market for development purposes at some point in the future. However there must be a considerable degree of uncertainty about whether that will happen, and if it does, when it will happen and how it will be developed.
- 30 Ms Brown provides for 132-176 dwellings to be developed within Town Centre Area sites at a density between 30-80 residential units per hectare. I have serious doubts about whether there is a market in Cromwell for that kind of density of development and, if there is such a market, I believe it would take a considerable number of years for the market to absorb that extent of development at that density.
- 31 The additional factor is the cost of producing that high density residential product. If there is any market for that kind of residential product, the price range for such

³ Memorandum from Marilyn Brown dated 31 May 2019, at page 2.

product would be considerably higher than what PC13 can achieve, for the reasons detailed in my primary evidence⁴. Therefore, if and when that product could be developed and sold with an economically successful outcome, it will not be sold to the market which PC13 is targeting because that market will not be able to afford to buy it.

32 Ms Brown provides for 675-915 residential units largely within the existing zoned Cromwell residential areas. Ms Brown refers to this as “*Possible churn/infill redevelopment*”. I understand that this depends upon rezoning the existing areas to achieve greater density and (possibly – it is not clear) amalgamation of existing titles to achieve denser development. In relation to those figures I note:

- a. If they depend upon rezoning to achieve greater density then that outcome must be uncertain. I am well aware from the Auckland Unitary Plan experience that attempts by a Council to increase density in existing residential neighbourhoods can result in a strong negative reaction from residents who like their neighbourhood the way it is, which in turn can result in lengthy planning battles.
- b. If the rezoning is successful it will automatically increase existing land value which will in turn translate into higher prices if and when the land is redeveloped.
- c. The ability to amalgamate sites to achieve small, comprehensive medium to high density redevelopments is problematic, expensive, and cannot be relied upon.
- d. The inevitable outcome of this process, if it can be achieved at all, would be residential product which, in order to be economically viable, would have to be sold at price ranges considerably higher than what PC13 can deliver to the market. Therefore it will target a different market from PC13’s proposed target market.

33 Ms Brown provides for 510-680 residential units to be developed on the existing Cromwell Golf Course. As stated above, I understand from Ms Brown’s Figure 8.3 that she recommends retention of 12ha at the western end for golf course purposes, with the balance 34ha being developed for housing. In respect of that proposal I comment:

- a. As stated in my primary evidence⁵ my father lived in The Dunes residential development which adjoins and overlooks the Cromwell Golf Course, so I am very familiar with it. The golf course is a valued community asset which

⁴ Evidence of Chris Meehan dated 23 April 2019, at paragraphs 35-37 on pages 7-8.

⁵ Ibid, at paragraph 81 on page 19.

is used extensively. I would be very surprised if the Cromwell Golf Club would agree to this proposal.

- b. The 12ha area recommended for retention is not large enough for even a nine hole golf course, which is another reason why I would be surprised if Cromwell Golf Club would agree to this proposal.
 - c. Even if the Golf Club agreed to the proposal, I anticipate there would be strong objections from residents who currently overlook the golf course, suggesting the likelihood of a lengthy planning battle.
 - d. I am advised that the 12ha area at the western end proposed to be retained for golf course purposes is partly owned by the Cromwell Golf Club and is partly Crown land vested in CODC as Recreation Reserve. From my development history I have a fairly good idea of the potential complications of that land ownership picture, particularly as it may involve a Ngai Tahu first right of refusal.
 - e. To achieve this proposal would involve uplifting the Recreation Reserve status through (I understand) a publicly notified Reserves Act procedure. In my experience local residents value their golf courses and their open spaces. I anticipate another separate planning battle over that part of the proposal.
- 34 Given the factors detailed above I seriously question how any professional adviser could rely on that proposal actually happening. In my opinion this aspect of Ms Brown's recommendation highlights the extent to which it fails to take into account real world considerations.

Noise

- 35 I have responded to the reverse sensitivity aspects of noise above. That leaves the issue of noise within River Terrace.
- 36 It has always been our intention to insulate the houses as required to achieve acceptable internal noise amenity outcomes. I understand that there has been joint witness conferencing which will be addressed by acoustic evidence to be presented by Jon Styles for RTDL. I rely on the expert advice I have been given that the insulation controls being proposed will achieve acceptable internal noise amenity outcomes.
- 37 As far as external noise is concerned, I can only summarise what I stated in my primary evidence⁶. I understand that there will be some times of some days when River Terrace will be considerably affected by noise. I also understand that that

⁶ Ibid, at paragraphs 70-74 on page 16.

will be considerably less than the levels and extent of noise experienced by people who own residential dwellings adjacent to airports, motorways, and the like. I see this as a matter of purchaser choice. If some purchasers choose not to buy because of concerns about external noise effects, that is a risk I am happy to accept as the developer. However I have no doubt that PC13 River Terrace residential product will sell, despite this factor.

38 In my view it is considerably better for someone to have the option of a new, warm, dry, well insulated house with a bit of noise outside on a few days of the year instead of an old, cold, damp house or no home at all.

Response to David Mead

39 In paragraph 60 of his evidence David Mead states:

“60. While single ownership of a large site can bring benefits of master planning, it can also bring costs in the sense of one landowner controlling a major slice of the housing supply in an area. This can see them slowly release land and sections to buyers so as to maintain prices.”

40 I agree with that statement. That is what some developers do. In fact that is exactly what CODC is doing with its Gair Street development being carried out with a joint venture partner. Different stages of the development are being drip-fed into the market under an agreement with the JV partner which includes minimum sale prices. That is a classic example of a developer trying to maximise profit at the expense of speedy delivery of residential lots to the market or providing affordable housing.

41 Winton Group does not operate in that manner, as explained in my primary evidence⁷. Winton Group buys a large parcel of land, achieves consent for development as quickly as possible, and then delivers residential product to the market as fast as it can produce it and sell it.

42 Winton Group is in the business of initiating and completing developments as fast as possible in order to minimise holding costs. That is what we are currently doing in 12 major residential developments. There is no benefit to Winton Group in holding onto land when it can sell land, achieve the desired profit, and move on to the next project.

43 In paragraph 99 of his evidence David Mead states:

“99. Other options identified in the sec 42A report for development in and around the existing centre towards the north and north-west such as development of the golf course land and the racecourse land, provide for

⁷ Ibid, at paragraphs 18-21 on pages 4-5.

much better connectivity and proximity and are more likely to support active modes (walking and cycling) than the PC13 option.”

44 I refer to my comments above about the golf course. Similar comments apply to the racecourse. I cannot see how anyone can reasonably suggest that these areas of recreational land are available for residential development without any evidence of consultation with the landowners or users of those recreational areas of land. The same point applies to the airstrip which is either located on racecourse land or on a different parcel of land located between the racecourse and SH6. I also question the desirability of extending Cromwell across SH6 on to the racecourse/airstrip land, but I leave that issue to the urban design experts.

Conclusion

45 It is probable that most submitters to PC13, and most people who have been consulted through the Cromwell Masterplan process to date, already own their own home (detailed statistics about that would be interesting). None of them will be adversely affected by PC13. I am prepared to acknowledge that PC13 is not necessarily for their direct benefit (although Cromwell residents will benefit indirectly by the addition of about 2,500 River Terrace residents to the Cromwell community which will support social and business aspects of the Cromwell community).

46 PC13 is intended to benefit people who do not already own houses because they cannot afford them, plus possibly some of the 87% of Cromwell residents living in houses built before 2000 who live in old and inadequately insulated houses (according to Public Health South).

47 My objective is to give those people the choice of purchasing a new, warm, well insulated house at a price they can afford, or a residential lot on which they can build a small, new, warm, well insulated house which they can afford to build. I believe it should be their choice as to whether or not to purchase a River Terrace section or house.

48 If PC13 is approved I can start delivering residential lots, and house and land packages, to those people within 12 months. For reasons I have detailed in my evidence I am certain that CODC cannot achieve that outcome at all (in terms of affordability), would take some years to achieve any rezoning outcome which would enable more intensive residential development within Cromwell, and even then would still be dependent upon landowners making land available and developers being willing to carry out the required development.

49 I can address Cromwell's housing crisis now. Ms Brown's recommendations, if accepted and implemented by CODC, will not address Cromwell's housing crisis

at all, in respect of both availability of residential product and affordability of residential product.

50 As I stated in my primary evidence⁸, I cannot see any downside if PC13 is approved.

Christopher Scott Meehan

Dated 10 June 2019

⁸ Ibid, at paragraphs 95-96 on page 22.

VALUATION REPORT



River Terrace Estate Cromwell 9310

Prepared For	River Terrace Developments Limited
Report Purpose	Development Advisory
Valuation Date	13 April 2019
Our Reference	9520711
Client Reference	N/A

Opteon New Zealand Limited
NZBN 50-199-231
PO Box 33-136, Auckland 0740
P 09 929 2888 E valuers.nz@opteonsolutions.com
F 09 486 5160 W www.opteonsolutions.com

SOLUTIONS WITH EXCELLENCE

1.0 Valuation Summary

1.1 Instructions

Instructing Party	River Terrace Developments Limited
Client / Authorised Party	River Terrace Developments Limited
Valuation Purpose	Development Advisory - <i>Please note, this report does not meet Practice Standards for valuations for mortgage/finance purposes and is not suitable for this purpose.</i>
Specific Instructions	The Market Value 'As If Complete' of the proposed lots within the 'Future Development' Plan prepared by Paterson Pitts Group and appended to this report.
Additional Comments	Your specific instructions are that you do not require the As Is Market Value of the property only an estimate of the As If Complete Market Values of the proposed property types. It is worth noting that the Market Value of the subject 'As Is' differs from the scenario(s) under which we have been instructed to provide advice.
Market Value As If Complete	"Market Value As If Complete" means a valuation that assumes the proposed development work is already complete at the Date of Valuation and reflects the market at the Date of Valuation.
Compliance	This report has been prepared in accordance with the New Zealand Institute of Valuers (NZIV) Code of Ethics and the relevant International Valuation Standards, Australian and New Zealand Valuation Property standards and Guidance notes.

1.2 Property Details

Property Address	River Terrace Estate, Cromwell 9310
Property Description	<p>The parent land forming the proposed River Terrace subdivision is an approximate 49ha land holding located 4 km's south west of the Cromwell Town Centre bounded by State Highway 6(SH6) to the north and Sandflat Road to the east. The land is predominantly flat and cleared being level with SH6 at its northern boundary though steps down to a lower terrace to the south.</p> <p>The land is subject to a private plan change (Plan Change 13) proposing urban land uses including medium and higher-density residential, retirement living, a small neighbourhood centre, and a possible school, with an associated open space network, walkways, roading and infrastructure.</p> <p>The scope of this report relates to the development potential of the land under the existing planning framework. In this regard the land features a split zoning and comprises a Rural zoned component of approximately 13ha with the residual land comprising 36ha zoned Rural Residential.</p>
Title Description	<ol style="list-style-type: none">Part Section 24 Block I Cromwell being 20ha more or less Record of Title OT16A/611 Tenure Type: Freehold Registered Proprietor(s): River Terrace Developments LimitedSection 28 Block I Cromwell being 29ha more or less Record of Title OT7D/1155 Tenure Type: Freehold Registered Proprietor(s): River Terrace Developments Limited
Registered Interests	The parent lot is subject to encumbrances and restrictions as noted on the Record of Title. Whilst we are aware of the encumbrances and restrictions noted on the Parent Title we note our As If Complete Market Value assessment herein assumes separate Records of Title free of any onerous conditions or registrations. We reserve the right to review our assessment should this not be the case.
Current Zoning	Part Rural Residential, Part Rural - Central Otago District Plan

1.3 Assumptions and Recommendations

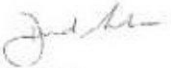
Key Assumptions

- The instructions and information supplied contain a full disclosure of all information that is relevant;
- We have been requested to provide an indication of Market Value levels for each of the property types to be offered within the proposed River Terrace subdivision. Given the high-level/concept design information supplied our advice is to be considered a high-level assessment of indicative Market Value levels for the proposed product;
- Our assessed values assume all relevant territorial approvals are in place; and
- Our indicative Market Values noted within this report are assessed 'As if Complete' assuming separate Records of Title are issued for property, free of any onerous conditions or registrations and completion in the current market in line with the details and specification noted herein.

1.4 Market Value – As If Complete

Lot	Size	Value	Lot	Size	Value
1	2.0 ha	\$550,000	10	1.4 ha	\$475,000
2	2.0 ha	\$550,000	11	1.7 ha	\$500,000
3	2.0 ha	\$550,000	12	1.7 ha	\$500,000
4	2.0 ha	\$550,000	13	1.4 ha	\$450,000
5	2.0 ha	\$550,000	14	1.8 ha	\$500,000
6	2.5 ha	\$550,000	15	1.8 ha	\$500,000
7	1.9 ha	\$500,000	16	3.2 ha	\$625,000
8	1.7 ha	\$500,000	17	1.3 ha	\$475,000
9	3.9 ha	\$625,000	18	13.3 ha	\$850,000

The above values are assessed on an individual sale basis 'As If Complete' inclusive of GST (if any).

Interest Valued	Fee simple subject to vacant possession
Date of Inspection	13 April 2019
Date of Valuation	13 April 2019
Date Issued	4 June 2019
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
Pecuniary Interest	We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property.
Signatories	 David Tristram Associate Director Registered Valuer, BCōmm (Property) NZIV 3810 Inspecting Valuer
Important	<i>This Executive Summary must be read in conjunction with the remainder of this report. The Executive Summary is only a synopsis designed to provide a brief overview and must not be acted upon in isolation to the contents of the valuation report.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, River Terrace Developments Limited for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon New Zealand Limited or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>
Inspecting Valuer	<i>Unless otherwise stated the inspecting valuer has inspected the property internally and externally.</i>
Digital Copies of Reports	<i>Where a report has been provided in digital copy and has not been received directly via our firm, the report contents, especially the valuations and critical assumptions, should be verified by contacting the issuing office to ensure the contents are bona fide. In particular if the reader of this report has suspicions that the report appears to be tampered or altered then we recommend the reader contact the issuing office.</i>
Reliance on Whole Report	<i>This valuation should be read in its entirety, inclusive of any summary and annexures. The valuer and valuation firm does not accept any responsibility where part of this report has been relied upon without reference to the full context of the valuation report.</i>



age yet, but he confident it would the companies back in a matter

plete recovery over a three-

the areas within some of the trees burned that re actually leav- and in the mean- reviewing them. that some will e can just keep on for a year or get to a better t all bad news."

th global warm- frequent hot, dry ether, a lot of also going into measures, he

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ing to do every- e to make people and type preven- res to stop any- ing, ever again."



Challenging . . . The Pigeon Valley fire took hold quickly with little warning, destroying thousands of trees.

PHOTO: JOEL SCOTT

Auckland exodus to cheaper regions

NONA PELLETIER

ODT 07/10/19

AUCKLAND: A growing number of people are turning their backs on Auckland for greener and cheaper pastures in the regions, including Dunedin and the Queenstown-Lakes district.

A study by independent economist Benje Patterson indicates 33,000 left the super city in the four years to 2017, when its overall population grew nearly 200,000 to almost 1.7 million.

"Net regional migration out of Auckland is characterised by high net outflows of people in their late 20s and through their 30s with children," Mr Patterson said.

He said the net loss of productive workers to other parts of New Zealand during the peak years of their working life exacerbated skills shortages in Auckland's labour market.

"These gaps have been partly filled by international migrants, but as international migration policy settings tighten, an increased focus on retaining youth and attracting young families to Auckland will be needed."

The regions closest to Auckland attracted two thirds of the exodus, the most popular being Tauranga, which attracted an average of 1144 people a

year.

The Waikato district, on the southern fringe of Auckland, gained an average of 3381 Aucklanders over the period, while Hamilton gained just over 1500 residents from Auckland.

The data indicates nearly 6000 Aucklanders moved to Northland over the

Queenstown's gain also highlights that the resort's overheated property market has in part been driven by cashed-up Auckland buyers

four years, the gains spread evenly across the Whangarei district, Far North and Kaipara.

"Auckland's regional migration losses are not surprising when one considers the deterioration to housing affordability that occurred in Auckland over that period," he said.

Dunedin and Queenstown-Lakes were also popular places to relocate to, securing net population gains from Auckland of more than 1100 residents over the four-year period.

"Queenstown's gain also highlights that the resort's overheated property market has in part been driven by cashed-up Auckland buyers — one of the few areas where housing equity is generally enough to enter the local market."

Mr Patterson said other areas of interest which did not make the top 10 included Wellington and Hawke's Bay.

A trickle of 136 leaving Wellington for Auckland in 2014 turned around, three times as many heading to the capital from Auckland by 2017.

He said it was a similar story in Napier-Hastings.

Net regional migration outflows also accelerated as people reached retirement.

"The allure of selling an Auckland home to free up equity for a cheaper house in the regions is proving too difficult to resist for many people."

Mr Patterson said his report used the same data Stats NZ was using to patch up gaps in the 2018 census.

"We must ultimately move away from clunky five-yearly censuses," he said.

"Regional policymakers are investing billions each year in their local economies and deserve a reliable flow of information about who is residing in their area." — RNZ