

QLDC 'ups the ante' in district plan intensification variation

Queenstown Lakes District Council (QLDC) Councillors have approved for notification the Urban Intensification Variation to the Queenstown Lakes Proposed District Plan (PDP). The Variation seeks to increase the District's commercial and residential development capacity through a combination of 'out' and up' intensification. It includes significant areas of 'up-zoning' residential land, and increasing height limits and density, and will see the addition of a plan-enabled capacity of 80,000 additional residential units across the District.

NPS – Urban Development 2020

The [Variation](#) is QLDC's response to the national requirement that Councils including QLDC (categorised as a 'Tier 2' Council) implement Policy 5 of the [National Policy Statement for Urban Development \(NPSUD\)](#). Policy 5 states:

Regional policy statements and district plans applying to tier 2 and 3 urban environments enable heights and density of urban form commensurate with the greater of:

- a. the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or*
- b. relative demand for housing and business use in that location*

Policy 5 requires Tier 2 and 3 local authorities ensure building heights and densities enabled in plans are sufficient to match or meet the greater of the two limbs: first limb is what intensity can be serviced by existing or planned active or public transport; second limb is what the demand for housing and business is. Whichever is the greater of these, the PDP is required to be changed to meet that intensity. Tier 1 and 2 local authorities must assess that demand for housing and business land through a 'Housing and Business Capacity Assessment' including seeking comment from:

1. expert or experienced people in the development sector; and
2. providers of development infrastructure and additional infrastructure; and
3. anyone else who has information that may materially affect the calculation of the development capacity.

The Variation only covers land that has already been included in the PDP as part of the [District Plan Review](#). 'Unreviewed' land such as the commercial land adjacent to the Queenstown CBD and special zones such as Shotover Country have not been included for intensification in the Variation, despite being in very close proximity to areas now proposed for a significantly higher and denser planning regime.

QLDC has undertaken a number of housing and business capacity assessments in recent years through its District Plan Review process. While those establish the PDP meets requirements under the NPSUD in delivering feasible and realisable capacity obligations for the short, medium, and long-term growth forecasts, they show a shortfall in housing in price bands below \$500,000. Over time, house price growth is expected to be faster than growth in real incomes in the District. The Variation is closely aligned with other recently released objectives from QLDC, including the [Queenstown Lakes Spatial Plan 2021](#), the [Joint Housing Action Plan](#), and the [Climate and Biodiversity Plan 2022-2025](#).

Council's supporting assessment identifies an increase in demand for an additional 20,000 dwellings across the District's urban areas over the long term (2021-2025). The assessment states; if delivered by the market, this would double the existing urban area dwelling base to a

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total of 39,700 dwellings by 2051; the Variation will provide for 80,000 additional residential units (34% increase to the existing plan enabled baseline capacity of 59,500) and a total commercially feasible capacity of 52,100 additional residential units; compared to the existing situation, this represents an increase of an additional 20,500 plan enabled residential units and an additional 20,200 commercially feasible residential units.

Areas of rezoning

Significant areas of up-zoning are proposed, in particular along the northern side of Frankton Road, some areas of Frankton, and Wanaka. Many of these areas are proposed to be up-zoned from Lower Density Suburban Residential (**LDR**) to Medium Density Residential (**MDR**). When taking into account the associated height and density increases in these zones (set out below), in some places this could see a change in the order of 5m additional height. There are likely to be tensions evident between seeking to achieve greater housing intensification and protecting peoples' quality life in their neighbourhoods. For places like Arrowtown MDR, the change in intensification may be felt more acutely, where the change could result in additional heights that will allow for a very different character compared to that valued by the community. Some zones, including Jacks Point and Hanley Downs, have not been included for intensification. This is despite those zones accounting for 46% of approved development across the District for the 2022 fourth quarter (according to Council's assessments), and being reviewed in the first stages of the PDP review which was under a previous (and less directive) version of the NPSUD.

Height and density increases

Significant density increases will occur across a number of existing zones. These are proposed concurrently with policy changes which acknowledge that neighbouring amenity will also change. In other words, there will likely be less ability for neighbours to get involved in planning matters which affect matters such as sunlight access, dominance, and residential outlook. Across the urban zones, height increases will be in the order of 1m (for LDR), up to 5m (for MDR, including in Arrowtown), and

up to 9.5m (in the Queenstown High Density Residential Zone (**HDR**)). There are a number of additional location-specific regimes that continue to apply. Significant changes will affect the Queenstown and Wanaka Town Centres and Business Mixed Use Zones. For example, height limits in the Queenstown CBD are generally increasing. The current regime provides for significant variation in heights across different 'precincts' or blocks of land. In a number of places this also includes viewshafts for urban design variation. That is being replaced by a simpler regime, which sees large parts of the CBD currently sitting about 12-14m in height, proposed to go up to a height of 24m, including areas close to the lake shore allowing for buildings up to 20m.

Impact on infrastructure

Council's assessment acknowledges the additional influence of density on matters such as stormwater control. However, instead of prescribing any changes to permeable areas and building coverage standards, Council is electing to address cumulative effects from intensification on stormwater runoff through design and consenting assessment. Council's planning assessment also notes that 'parts of the existing roading network and transport system in the Wakatipu [have] not been able to keep up with growth in businesses, residents and visitors, which has led to traffic delays at peak times'. However, in practice, the Variation will not require specific infrastructure triggers (such as roading upgrades or minimum public transport requirements) to be in place before further intensification is provided for. Similarly, unlike Council's separate variation for [Te Putahi Ladies Mile](#), this Variation does not prescribe 'minimum densities' which must be achieved to create transport modal shifts.

Want to know more?

If you have any questions about the [Variation](#), please contact our specialist Queenstown [environment, planning and natural resources team](#).