

BEFORE THE WHANGAREI DISTRICT COUNCIL HEARING PANEL

IN THE MATTER of the Resource Management Act
1991

AND

IN THE MATTER Plan Change PC8888

STATEMENT OF EVIDENCE BY GLENN JONAS

1. INTRODUCTION

1.1 My name is Glenn Jonas. I have worked in the Real Estate industry for 40 years, in both a sales and marketing role and later as a Real Estate Company Principal, employing more than 60 salespeople, over four offices.

1.2 I have personally been actively involved in the conception, marketing and sale of 8 separate apartment developments projects in Auckland's North Shore, Ponsonby, Auckland and recently, Whangarei.

My company completed over 160 individual apartment sales.

Most recently, I planned and marketed an 11 unit apartment complex in central Whangarei, seeking expressions of interest and conditional agreements.

1.3 This statement is in support of submissions 17 and 21. This statement relates to the Transport provisions and specifically TRA Appendix 1B - the maximum on site car parking in the parking exemption area shown in Appendix 1F.

2. SUMMARY OF STATEMENT

2.1 The purpose of the statement is to address the following matters:

- (a) Demand for inner city apartments
- (b) Economics of development
- (c) Demand for parking in apartment complexes
- (d) Conclusion

3. **DEMAND FOR INNER CITY APARTMENTS**

3.1 There is substantial demand for good quality inner city apartments in Whangarei. However, building costs are high and only good quality apartments are able to command the premium prices needed to make development viable. Through an expansive marketing campaign, I received expressions of interest from 72 potential buyers, with conditional contracts on 2 apartments and one penthouse apartment at a value of \$1.45M. The proposal consisted of two penthouse apartments, seven 2 bedroom and two 1 bedroom apartments.

4. **ECONOMICS OF DEVELOPMENT**

4.1 The developments I have been involved in, a range of apartments have been offered to broaden the spectrum of buyers, with prices driven by size, quality, aspect and location.

Pre sales are sought prior to a developer committing unconditionally to a project, a requirement of most main stream lenders, particularly in Provincial centres, such as Whangarei, where this type of development is virtually untried.

4.2 The sale prices achieved for well-designed higher quality apartments are more likely to be viable than lower quality offerings. Parking for more than 1 car is an aspect of quality that has a substantial effect on desirability and resale, for apartment sizes of two bedrooms and above.

4.3 **DEMOGRAPHICS:**

The majority of buyer interest is from 50 plus age group buyers, with the highest percentage of buyers over 60. They are financially well off and seek secure lock and leave life style, and prefer close proximity to CBD living.

5. **DEMAND FOR PARKING IN APARTMENT COMPLEXES**

5.1 Buyer interest seeks apartments of good quality, are generally independently mobile and demand two car garaging. There may be some flexibility with one bedroom apartments, but resale is compromised and sale value must reflect the loss of benefit. Two-bedroom apartments with a single carpark have little appeal. New developments with a high entry cost carry high risk and most developers would not

entertain this investment risk, knowing that the market requires 2 car parks per apartment.

- 5.2 The target market for studio and small 1 and 2 bedroom apartments with 1 or no parking spaces is very restricted. The demographic would generally be either single, have limited need for a vehicle, or have alternative parking. This could suit a limited scale cleverly designed conversion of an existing inner city 2 or 3 level building.

6. CONCLUSION

- 6.1 Adequate car parking is an absolutely essential component of new inner-city apartment development. Any restriction on car park numbers (less than 2 per apartment) will reduce saleability, therefore increase risk profile and deter new development in this sector.

Glenn Jonas

4 December 2019