

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF a resource consent application by Sanderson Group Limited to the Waikato District Council to develop land at 56 and 70 Tamahere Drive, and 82 and 92 Tamahere Drive, for retirement village (Tamahere Country Club southern and eastern extensions)

STATEMENT OF EVIDENCE OF NATHAN JOHN SANDERSON

DEVELOPER

16 April 2024

Introduction

1. My name is Nathan John Sanderson. My wife and I are the owners of Tamahere Country Club (**TCC**). We moved to Tamahere in 2019 with the dream of building New Zealand's best retirement village. This is my passion, and everything we do at TCC is with the specific aim of reaching this result. I am proud of what we have achieved to date and want the opportunity to increase our offering at TCC, as sought in the resource consent applications before you.
2. I have a Bachelor of Construction majoring in Property Development from Unitec New Zealand which I completed in 2010. Since then, I have worked at Sanderson Group (**Sanderson**) and now lead Sanderson's developments from feasibility through to construction management and project close out. For TCC, I am responsible for all aspects of the development at TCC.

3. With the rising demand from village residents and the overall growth of the village I've instituted a General Manager position, currently held by Brendon Russo. Mr Russo has had this role for the last 2 years and has been with the company for over 10 years. Mr Russo is now responsible for the day-to-day running of the village, but I am still on-site 2-3 days a week to oversee its development.

Scope of evidence

4. My evidence will cover:
 - (a) an introduction to the company;
 - (b) Sanderson's experience with retirement village development;
 - (c) the process which has led to the resource consent applications sought;
 - (d) the extent of our consultation with stakeholders and the submitter;
 - (e) the demand for retirement village capacity in the Waikato region; and
 - (f) the likely development timeframe if the resource consents are granted.
5. I have read and am familiar with the submission received, the s 42A report and the proposed conditions for the Eastern Extension application.

Executive summary

6. Sanderson is a family-owned business that develops and operates retirement villages and aged care facilities. We have a reputation as New Zealand's leader in providing high-quality luxury independent living villages and aged care facilities.

7. Sanderson became aware of the demand for a retirement village in Tamahere in 2017 and began searching for a suitable site, which it found and purchased in May 2019. That was split across four titles, had a size of 10.4ha, and included a disused truck servicing and house removal yard that was a contaminated site. We then set out to develop the TCC. The first villas at TCC were delivered in December 2019, with a sequential rollout thereafter of the other villas and communal facilities. Some of the consenting for TCC has been incremental, as we have acquired other properties adjacent to the original site, and to cater to the demand we have experienced.
8. There is significant interest and demand for further retirement village capacity in the Waikato region, which is why Sanderson seeks to expand the existing TCC in this location. Without any marketing, the proposed extensions are already generating an encouraging amount of interest. The actual demand for retirement village living in general and in the region is growing.
9. Sanderson lodged an application for resource consent for the eastern extension and the southern extension on 10 August 2023 and a further revised application for resource consent on 20 November 2023 that split the consents sought so that separate decisions could be made on both extension areas.
10. If the resource consents are granted, Sanderson intends to begin earthworks and civil construction in mid-2024, with a view to the first homes in the southern extension being occupied and operational by early 2025.

Introduction to the Company

11. Sanderson is a family-owned business that develops and operates retirement villages and aged care facilities. Sanderson is passionate about providing retirees with the best care and facilities.

12. Sanderson was started by my father in 1987 and has since built a reputation for creating the country's most desirable retirement villages and operating them to a very high standard.
13. Sanderson employs its own design, earthmoving, construction, and landscaping teams. This enables Sanderson to control each step of the development process and ensure the highest standards of quality are met in all areas.
14. Sanderson is well-funded and has a solid foundation of experience and expertise to apply to development opportunities. Sanderson is often referred to as New Zealand's leader in providing the highest quality luxury independent living villages and aged care facilities.

Sanderson's Experience with Retirement Village Developments

15. Sanderson has significant experience with the development of retirement villages. The projects I have listed below were all developed and have been operated by Sanderson:
 - (a) Omokoroa County Estate, a retirement village in Omokoroa, Bay of Plenty that has been operating since 1987;
 - (b) Metlifecare Bayswater, a retirement village in Mount Maunganui, Bay of Plenty that has been operating since 1995;
 - (c) Metlifecare The Avenues, a retirement village in Tauranga, Bay of Plenty that has been operating since 1997;
 - (d) Cascades, a rest home and hospital in Hamilton that has been operating since 2003;

- (e) Bethlehem Country Club, a retirement village in Bethlehem, Bay of Plenty that has been operating since 2004;
 - (f) Bethlehem Views, a rest home, hospital and dementia care facility in Bethlehem, Bay of Plenty that has been operating since 2010;
 - (g) Bethlehem Shores, a retirement village in Bethlehem, Bay of Plenty that has been operating since 2013;
 - (h) Bethlehem Lodge, a rest home, hospital and dementia care facility in Bethlehem, Bay of Plenty that has been operating since 2017;
 - (i) Queenstown Country Club, a retirement village, rest home and hospital care facility in Queenstown that has been operating since 2017; and
 - (j) TCC (the subject of this application), a retirement village that has been operating since 2019 and under construction rest home and hospital care facility on the outskirts of Hamilton.
16. This year we have also started construction of the Matamata Country Club in Matamata. This development consists of 125 villas, 6 townhouses and various community facilities across a 21.5ha site.
17. Outside of retirement villages and aged care facilities, Sanderson also undertakes other commercial developments. Examples of this include the Wakatipu Medical Centre and Shotover Pharmacy in Queenstown and Bloom Early Learning and Childcare in Papamoa, Bay of Plenty.

The Tamahere Country Club

18. The TCC has and continues to make a significant economic contribution to the region in the following ways:

- (a) To date Sanderson has spent \$200 million developing the TCC village, and employs 80 full time equivalent persons for design and construction activities at the TCC site. The extension sites will increase that spend to over \$260 million.
 - (b) In addition, Sanderson engages other sub-consultants for construction activities bringing the total number of persons engaged in construction, on-site every day, at the TCC, to between 150 to 200 people daily. That means 300 Waikato families making a living from the project, which is great to see.
 - (c) Even though our site is self-sufficient in terms of three waters, we also make a significant contribution to Waikato District in the form of rates. Our rates bill for next year is just under \$500,000.
 - (d) Now that the TCC is operational, it has created ongoing employment for local people. The TCC currently has 30 full-time equivalent employees and since 2019, we have paid \$11.4 million in wages to employees of the village. The number of employees will grow to 100 once the care facility is completed, and the sum of wages paid to employees will grow correspondingly.
19. Sanderson is also proud to be in Tamahere and has contributed to several local causes to reflect its commitment to the area and its community. These include sponsorship of Tieke Golf Course and the Tamahere Model Country School, and contributions to the Tamahere Playground, Predator Free Tamahere and Friends of Hamilton Gardens.

The process leading to the Resource Consent Application

20. In 2017, Sanderson became aware of the significant demand for quality retirement villages in the Waikato Region, and the Tamahere area in particular.

We actively looked for sites to acquire and settled on four properties with a combined size of 10.4ha. One of those sites was contaminated and required significant remediation.

21. The first stage of the TCC was completely sold down five years ahead of schedule, which was unprecedented in Sanderson's experience. This has led to various other extensions to the village, including the consent sought and obtained in 2021. Again, demand for that extension outstripped demand. We have sold all the villas in that stage and as of today have only 20 villas left to deliver.
22. Once it was clear that this demand was going to be realised, Sanderson began exploring options for development and considered the feasibility of both developing a new retirement village in the Waikato region or extending the TCC.
23. Sanderson made the decision that the expansion of the existing TCC, as sought in these consents, was the best option available to meet growing demand. Two key reasons behind our decision are recorded below.
24. Firstly, there is a real difficulty in obtaining suitable land for retirement villages, given that villages are best delivered comprehensively and at scale. This is because retirement villages incorporate community living and supporting wrap-around services such as communal and open space amenities, meaning large sites are required. It can be very challenging to find this type of suitable land that is not split across multiple ownership. As examples:
 - (a) In 2023 Sanderson began investigations into alternative sites for a village in Te Kowhai. These investigations were unfruitful as there is a lack of suitably zoned land available for retirement villages in the Te Kowhai area. This led us back to our existing Tamahere site, and to

consider whether expansion, rather than developing a new site was a viable option.

- (b) Sanderson also completed due diligence on rural-residentially zoned land in Morrinsville, however, the constraints and risks were deemed too high due to the lengthy resource consent process and requirements.
 - (c) Sanderson has also looked at land further afield north of Auckland and Hawkes Bay but with high land values, due diligence costs and resource consent requirements, more often than not they are not viable options without extreme intensification which does not align with the Sanderson model.
25. Secondly, there are often greater delays in consenting new retirement villages. In July 2022 Sanderson applied for resource consent for the Matamata Country Club, on land zoned for rural-residential development. The timeframe from lodgement to granting of consent was approximately 10 months, following 18 months of investigation and design, which is a long time when you are dealing with significant demand that exists now. We thought that seeking an extension to an existing TCC village would enable us to obtain resource consent, and meet the demand of the market, more quickly.
26. A further consideration for Sanderson was that our experience with other sites is that our retirement villages integrate into residential areas where there are often several generations of extended families living nearby. For example, it is common for our residents to want to live close to their children and grandchildren. Our market has thus included people who live in rural Waikato, or Hamilton, Te Awamutu, and Cambridge.
27. Furthermore, we have found that there is an increasing number of retirees who are looking to leave Auckland, but yet remain within a 1.5-hour drive of

family and friends in Auckland. This is now achievable with the opening of the Waikato Expressway, and the ease with which people can travel to and from Auckland. This is evidenced by the fact that 35% of current and future village residents are people who have relocated or will relocate from Auckland. For all of the above reasons, expanding the TCC made sense for Sanderson.

28. Lastly, the expansion has been made viable by the acquisition of the majority of the land. We already owned 82 Tamahere Drive. The owner of 92 Tamahere Drive approached Sanderson in late 2021 and an agreement was entered into for the purchase of their land with a late 2023 settlement. In 2023 the owner of 56 Tamahere Drive approached Sanderson as she wanted to move into TCC. An agreement was reached for the purchase of her property which is due to settle in June 2024.

Consultation with Stakeholders and the Submitter

29. Sanderson has undertaken extensive consultation with the local community surrounding the resource consent application.
30. We initially consulted with neighbours during the design phase, in 2023. We did this through a combination of door knocking and calls to neighbours.
31. Overall, eight of the directly adjacent neighbours provided their written approval to the applications sought. Our engagement and history with these neighbours is evidenced in the fact that none of our directly adjoining neighbours submitted on the expansion consents.
32. After the close of submissions we also reached out to Mark Smith to discuss his concerns to see whether we could work with him to resolve those.

Demand for Retirement Village Capacity

33. The Retirement Village Association (**RVA**) records that the shortfall of appropriate retirement housing and care capacity is already at a crisis point, whereby demand for aged care living is greater than supply. It is evident that efficient and quick development in the retirement village sector is required to meet this growing demand, and currently the national and regional policy framework does not provide for housing for the ageing population. I have attached at Appendix 1 a letter of support for this application from the RVA that expands on the national and regional demographics and demand for retirement villages.
34. The sub-regional growth strategy (Future Proof) acknowledges that a challenge within the region is an increase in population growth and the ageing population. In recognition of this, the Future Proof Hearing Sub-Committee announced (at the latest Future Proof hearings) that they are looking to engage with retirement village providers to better understand demand to inform the future direction of Future Proof.
35. Within a 20km radius of the site, the population of 70+ individuals is forecast to increase from 23,780 in 2024 to 44,240 in 2048, a growth of 20,460. Retirement village accommodation will be required to cater for a sizeable portion of those additional people. Net latent demand modelling that Sanderson has commissioned (see Ms Drew's evidence for a copy of this research) indicates that by 2043, 6580 retirement village units will be in demand in the area. What we seek to provide will only scratch the surface of this demand.
36. To date, Future Proof and Waikato 2070 have tried to address the demand for an ageing population, by rezoning sufficient land for residential purposes. The difficulty with this approach, and that we as a company face, is that often residential neighbours do not want retirement villages as their neighbour, nor

do district plans specifically anticipate or enable retirement villages, meaning a plan change or resource consent is required.

37. In addition to this shortfall in retirement housing generally, the concept of retirement communities is evolving rapidly alongside changing concepts of retirement. Given Sanderson's experience, we are at the forefront of these changes and are adapting and innovating to meet them. Key changes in this industry are:

- (a) The increasingly active lifestyles of older people meaning they are placing more value on their proximity to recreational and cultural activities;
- (b) The propensity to travel widely, meaning that a 'lock it and leave it' facility is desired;
- (c) The strong demand to stay in the locality where retirees have lived and where they have social connections, thereby meaning demand is spread across cities, townships and rural areas, rather than just assuming that retirees living in rural areas will have to move into the city;
- (d) Clustering of retirement villages within a micro-location, in this case Cambridge and surrounding area, which often results in different villages complementing each other through size, offerings or pricing variations;
- (e) The rise in popularity of 'Destination Retirement Villages' that are high quality and in attractive geographical settings meaning they attract residents from a much wider catchment;

- (f) A desire for a continuum of care from independent units, villas or apartments through to full hospital care on a single site so residents do not have to move as their independence and self-sufficiency reduces;
 - (g) A desire for sufficient space for the extended family or friends to come and stay; and
 - (h) A desire to maintain a high level of amenity and quality in their living environment, similar to the family homes they have left.
38. Sanderson's developments and the Tamahere site, are designed to address the above changes, which means there is significant demand for places within our villages, as is evidenced by my comments above regarding the unprecedented uptake and future interest in the TCC.
39. In relation to this particular location, we expect there to be strong demand here for the foreseeable future. This is partly due to the prevailing trend of higher density retirement village developments in areas such as Tauranga and Auckland, which is occurring due to land constraints and associated land costs. This means that villages like Tamahere offer a completely different experience to those developments, with larger footprints, garaging and more privacy.
40. Specific to this proposal, the interest in the retirement village extension to date has been significant. We maintain a database with details of those who have inquired about the extension. To date that database has collected close to 300 people's details.
41. On the TCC site a hospital care facility is also due to open in 2025, providing 80 beds. This is anticipated to increase demand for villas, as it will mean that the village will cater for those people who require (or know they will require in the future) a care component to be available in conjunction with a villa.

42. For completeness, it is worth noting that in many cases, retirement villages can also be cost neutral to Council from an infrastructure perspective, as rather than individual lots being sold, parties purchase a licence to occupy one unit, apartment, or villa within the greater village. This enables an avenue for on-site water, wastewater and stormwater management. This is the case with Tamahere. With the pressures that councils are facing with rising infrastructure costs, enabling self-sufficient retirement village development should be seen as an attractive option for councils.

Development timeframe

43. If resource consent is granted, Sanderson intends to commence work on the southern site in June 2024, with earthworks and civil construction starting in July 2024. We estimate that earthworks would be completed by December 2024 and villa builds would then begin. Civil construction and the first villas would be complete by June 2025, with the first homes taking occupancy that same month.
44. Our intention is that both extensions would be complete by December 2028.

Officer's Report

45. I have reviewed the Officer's Report and make one comment in relation to the comment at 6.4.6 regarding the siting of the construction depot if the consent for the extension is granted. The construction yard will remain in place during construction of the extensions, but we will eventually condense it into the back corner of the property (i.e. the 25m setback and future landscaping area) to make it smaller as we get closer to the completion of the development.

Conclusion

46. I have set out above Sanderson's experience with development of retirement villages, the consultation Sanderson has carried out, the demand and interest in the retirement village already and the development timeframe if the resource consent applications are successful.

47. Sanderson is passionate about providing retirees with only the very best care and luxury facilities and looks forward to expanding its service in Tamahere.

Nathan John Sanderson

16 April 2024

Appendix 1 – Retirement Village Association Correspondence



26 March 2024

Dear Nathan

Retirement Village Demand

1. We write in support of the planned expansion of the Tamahere Country Club. The Retirement Village Association (**RVA**) is a voluntary organisation that represents the interests of the owners, developers and managers of registered retirement villages throughout New Zealand. Part of the RVA's role is researching and understanding demand for new retirement villages across New Zealand, and advocating for new retirement village development in order to meet that demand.
2. As you are aware, the proportion of older people in our communities compared to the rest of the population is increasing, and there will soon be more people aged 65+ than children aged under 14 years. The growth in the 75+ bracket in particular is increasing exponentially – in 2022 there were 364,100 people in New Zealand aged over 75, and by 2048 the number of people in that age bracket is forecasted to more than double to 804,600.
3. The reasons for the growth in this age bracket is lower fertility, increasing longevity (due to advances in medical technology and increased survival rates from life-threatening diseases) and the movement of the 'baby boomers' into retirement age.
4. The demand for quality living options for retirees is significantly higher than current supply. Currently 14.5% of the population over 75 choose to live in a retirement village, and if that rate stays the same then an additional 26,000 retirement village units will be required by 2033. At the same time, the percentage of New Zealanders seeking to live in retirement villages is continuing to increase, meaning in reality the number of additional units required will be more than 26,000. It is anticipated that 10 new large scale villages each year are required to meet the demand over the next 20 years.
5. The Waikato region in particular is expected to have the third largest regional population in New Zealand of over 75's by 2048, of 87,000. There is expected to be an additional 4,035 residents seeking accommodation within retirement villages in the Waikato region by 2033, meaning demand in the Waikato for retirement village units will be significant and there is a long way to go for the Waikato to meet that demand.

6. The building of retirement village units also assists with addressing the housing supply shortage in New Zealand generally. The RVA estimates that around 5,500 family homes are released back into the housing market annually through new retirement village builds.

7. While retirement villages across New Zealand continue to deliver new units to meet increasing demand, there remains a significant shortfall in the number of units that will be available in the future when compared with the demand that will continue to rise. For this reason, RVA is extremely supportive of Sanderson's efforts to expand its existing retirement village at Tamahere to provide more units and help to meet the increasing demand.

Kind regards

A handwritten signature in blue ink, appearing to read 'John Collyns', with a stylized flourish at the end.

John Collyns
Executive Director