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Updated Future Proof Strategy

1. Recommendations

1.1. Property Council New Zealand (“Property Council”) welcomes opportunity to provide feedback on the updated Future Proof Strategy 2021 (“the Strategy”). We support the review of the Strategy as it is important that it is updated to acknowledge the pace and scale of the population growth in the Waikato sub-region as well as infrastructure needs to support that growth. However, further refinement of the Strategy is required to ensure delivery of better outcomes for the region and alignment with recent central government announcements.

1.2. At a high level we recommend the following:

Role of the Strategy:

- Redefine the role of the Strategy given inclusion of additional requirements under the National Policy Statement on Urban Development, particularly in light of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill;

Growth management approach:

Transformational moves

- Review the growth management approach to ensure provision of incentives to encourage development;

Key growth areas

- Review proposed growth areas included in the Strategy (e.g. Pirongia) to ensure their relevance and provide for additional flexibility for proposed and future growth areas;

Meeting demand and being responsive:

Overall approach

- Include incentives to help deliver affordable housing and increase supply;

Priority areas

- Review proposed priority areas to include additional areas for development; and

Additional comments:

- Review the Strategy to include recently announced changes on the National Policy Statement on Urban Development.

2. Introduction

- 2.1. Property Council's purpose is; "Together, shaping cities where communities thrive". We believe in the creation and retention of well-designed, functional and sustainable built environments which contribute to New Zealand's overall prosperity. We support policies that provide a framework to enhance economic growth, development, liveability and growing communities.
- 2.2. Property is currently New Zealand's largest industry with a direct contribution to GDP of \$41.2 billion (15 per cent). The property sector is a key foundation of New Zealand's economy and caters for growth by developing, building and owning all types of property.
- 2.3. Property Council is the leading not-for-profit advocate for New Zealand's largest industry – property. Connecting people from throughout the country and across all property disciplines is what makes our organisation unique. We connect over 10,000 property professionals, championing the interests of over 550 member companies who have a collective \$50 billion investment in New Zealand property.
- 2.4. This submission provides Property Council's feedback on the [Future Proof Strategy: Consultation Draft Summary](#) and [other consultation documents](#). In preparing our submission we sought and received feedback from a selection of our Waikato-based members. Comments and recommendations are provided on those issues that are relevant to Property Council and its members.

3. Role of the Future Proof Strategy

- 3.1. The Strategy used to be about Hamilton's urban growth, in partnership with neighbouring regions. However, the reviewed Strategy seems to be picking up a lot more than just this, including compliance with requirements under the National Policy Statement on Urban Development.
- 3.2. We support the inclusion of the National Policy Statement on Urban Development and encourage the role of the Strategy be redefined and widened to make its inclusion clear. However, it is also important that the Strategy does not try to be a solution for everything. This part of the region already has a Regional Policy Statement, Regional Plan, and multiple District Plans. Further to this, it has a Waikato Plan, a Mayoral Forum, and other similar bodies. Therefore, it is important that the Strategy remains focused on its 'lane' and does not try to be all things to all people, particularly where this causes duplication, ambiguity, and uncertainty. A more focused approach to the Strategy may deliver better outcomes.

4. Growth management approach

Transformational moves

- 4.1. We support the proposed transformational moves for change such as: the move towards enabling quality denser housing options. However, further refinement is required to ensure the successful delivery of a more sustainable form of urban growth development. Particularly, there needs to be a greater focus on incentives to encourage development and make it easier. While there may be zoned land available, the presence of zoned land does not necessarily encourage or make development viable. Addressing this is particularly important given the current issues with housing affordability and the need to increase housing supply, which central government has seen fit to intervene in.

- 4.2. It is also important to recognise the place and role of the Strategy in this regard. Not all growth can be carefully managed, and there is more direct community input to growth needs through local authority processes (e.g. plan changes, long-term plans etc) than is possible through the Strategy. If it seeks to over-manage and/or control growth, there is a risk that the Strategy misses the mark of market and community needs.
- 4.3. Furthermore, it is important to emphasise the greater need for good quality design when it comes to intensification. There are plenty of great urban design examples across the country in this regard. However, there are also instances in which complying with the planning rules resulted in poorer urban design outcomes. For instance, the report on the Urban Review of Medium and High-Density Housing in Christchurch showed that many apartments built in parts of Christchurch since 2016 had “monolithic” appearance and “inadequate or poor” design (e.g. poor site layout and the street interface)¹. However, the developments looked at in the review all complied with existing planning rules, which has led to calls for the District Plan to be modified.
- 4.4. With consideration to the above, we do not believe that proposed ‘compact and concentrated approach to growth and development’ will result in the delivery of desired outcomes. A transformational change is required to alleviate the restrictions inhibiting density (e.g. height in relation to boundary, setbacks, density, impervious surfaces, on street parking for new greenfield developments) whilst encouraging great urban design outcomes.
- 4.5. We recommend reviewing the current approach to promote and encourage development that have good urban design outcomes. For example, widely advertising the urban design panel and promoting its ability to make the consenting process quicker and more streamlined. . On the supply side, we recommend more easily allowing ‘out of sequence’ development, to enhance and encourage supply.
- 4.6. Councils also need to be prepared to invest in the streetscape and parks spaces. There is currently a lot of pressure to reduce maintenance costs and standardise materials/design through the RITZ. However, this does not discriminate between general residential areas and high-density environments. Therefore, it is placing pressure on developers to deliver lower quality streetscapes and parks in higher density areas. This is the opposite effect that is being sort. We recommend the Strategy provides guidance for councils on this.

Key growth areas

- 4.7. We recommend reviewing the proposed growth areas within the Strategy. For example, the intensification of areas, such as Pirongia does not make sense for high density development given its low population growth (note: projected population growth from 1,224 people in 2018 to over 1,900 by 2050²). Rather, intensification should focus on existing urban areas and public transport networks, and on where need is greatest. It is critical to assess any proposed growth areas against the principle

¹ Christchurch City Council Urban Development and Transport Committee (2020). ‘Item 8: Urban Design Review of Medium and High-Density Housing in Christchurch’. In Minutes of Urban Development and Transport Committee Meeting 9 September 2020. Christchurch City Council. Retrieved from https://christchurch.infocouncil.biz/Open/2020/09/UDATC_20200909_AGN_4097_AT.htm#PDF2_ReportName_28342

² Pirongia Village Concept Plan Refresh. October 2020. Retrieved from <https://www.waipadc.govt.nz/repository/libraries/id:26zg4o7s1cxbyk7hfo7/hierarchy/our-council/documentsandpublications/Pirongia%20Village%20Concept%20Plan%20Refresh%20FINAL%20adopted%2029%20Sept%202020.pdf>

of feasibility to ensure successful development of these areas. We encourage collaboration with our members on key growth areas and would be happy to facilitate such a discussion. Property Council also discourages scattered rural subdivision: a focus on key nodes is important.

5. Meeting demand and being responsive

Overall approach

5.1. The Strategy appears to be very infrastructure focused. It is also framed around a number of houses required and where they should be built. While we support these focus areas, more consideration should be given to incentives to help deliver affordable housing and increase overall supply. Not all growth can be planned or predicted (e.g. the growth of Pokeno, Cambridge, and Te Kauwhata or the growth in rural towns, such as Cambridge and Morrinsville). This highlights the difficulties and risks of seeking to over-manage growth or assuming that current patterns will continue into the future. Given the above, we recommend considering the following incentives:

- Alleviating some controls in particular areas to encourage development;
- Diversifying housing provisions (e.g. enabling greater mix of housing types, such as Build-to-Rent which will in turn help drive average housing prices down and increase supply);
- Encouraging positive outcomes (such as sufficient affordable housing), rather than seeking the management of growth;
- Allowing for some flexibility to respond to changing needs; and
- Using private-public partnerships and special purpose vehicles to fund infrastructure.

Priority development areas

5.2. We are concerned with the low number of priority development areas included in the Strategy. Further work is required to identify other priority areas to ensure delivery of better outcomes for all. There should also be more emphasis on other levers that affect growth (see 5.1. above).

6. Additional comments

Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill

6.1. Earlier this month, the Government has introduced a Bill that proposes amendments to the Resource Management Act 1991 to bring forward and strengthen the National Policy Statement on Urban Development 2020.³ New standards proposed under the Bill will allow people to develop up to three homes of up to three storeys on most sites without the need for a resource consent. The Strategy as it is currently drafted does not include these new provisions under the Bill. A re-write of the Strategy on certain proposals will be required.

Natural and Built Environment Bill

6.2. The Strategy should consider placing clearer weighting on different priorities, as this is likely to be required under Natural and Built Environment proposals. We are seriously concerned about the

³ Retrieved from <https://www.hud.govt.nz/about-us/news/government-introduces-bill-for-more-housing-supply-in-main-urban-areas/>

inherent conflict between the National Policy Statement on Urban Development and the environmental outcomes approach being promoted in the new Natural and Built Environment Bill.⁴ To put this into Waikato context, there is the Vision and Strategy for the Waikato River which is overlaid. This is causing some real problems about how to manage stormwater to achieve the policies of the Vision and Strategy while also enabling significantly greater urban intensification. If the environmental limits and outcomes are going to be the priority, then there will be some issues with achieving urban intensification. We are concerned that there is no guidance on how urban development is supposed to occur without impacting (adversely) the natural environment.

Focus on housing supply

- 6.3. While affordable housing has some attention in the Strategy, enabling housing supply (and in particular affordable housing) needs a much greater focus. The Waikato region has significant housing issues (including affordability, social housing waiting lists, and reliance on emergency housing). Development needs to be enabled to allow these issues to be addressed, as they have important impacts on community wellbeing.

7. Conclusion

- 7.1. We support an overall direction of the Strategy. However, further work is required to provide more clarity and ensure delivery of better outcomes for all.
- 7.2. We wish to thank Waikato Regional Council for the opportunity to submit on the draft Strategy as this gives our members a chance to have their say in how Waikato region is shaped, today and into the future. **We also wish to be heard in support of our submission.**
- 7.3. For any further queries contact Natalia Tropotova, Senior Advocacy Advisor, via email: natalia@propertynz.co.nz or cell: 021863015.

Yours sincerely,



Brian Squair
Central Regional Chair
Property Council New Zealand

⁴ Inquiry on the Natural and Built Environment Bill: Parliamentary Paper (November 2021). Report of the Environment Committee. Retrieved from https://www.parliament.nz/resource/en-NZ/SCR_116599/0935c4f14c63608e55c528b75167a69daee92254