

Property Council New Zealand

Submission on

Christchurch City Council's Draft District Plan Changes

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Submitted via email: planchange@ccc.govt.nz

For more information and further queries, please contact
Katherine Wilson katherine@propertynz.co.nz 0278708150

Christchurch City Council Draft Plan Change 2022

1. Summary

- 1.1 Property Council New Zealand and its South Island Regional members (“Property Council”) welcomes the opportunity to provide feedback on Christchurch City Council’s Draft Plan Changes.
- 1.2 Our submission covers the Draft Housing and Business Choice Plan Change and Draft Heritage Plan Change. Comments and recommendations are provided on issues relevant to Property Council’s members.
- 1.3 In broad terms, we support the overall direction of the Draft Plan Changes. However, we are concerned that some practical unintended consequences may result when it comes to implementation. For example, additional costs such as wind test thresholds, and fees such as Financial Contributions for not reaching density limits could result in unintended design outcomes and/or restrict or slow down future development. Our submission makes several necessary recommendations to better allow for the implementation of the District Plan.

2. Recommendations

- 2.1 We recommend that Christchurch City Council (“the Council”):
 - Increase the wind test threshold requirements to 22 metres to allow for a buffer to the Draft Plan Change rules of 20 metre minimum building heights;
 - Do not adopt a district-wide engineering provision. However, if this is adopted, we wish to work closely with council, given that the policy as it stands is ambiguous. At the very least, the Council should establish a threshold in which water and network capacity checks are required (rather than requiring a blanket rule for any development);
 - Make clear whether the district-wide engineering provision will put a pause on the development process while the Council seek capacity information, and if the development process is paused, we recommend the Council set timeframes in which capacity information is required;
 - Reconsider proposing financial contributions as an additional revenue source if density limits are not reached in greenfield development; and
 - When reviewing trees as a qualifying matter, ensure that common sense prevails.

3. Introduction

- 3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.
- 3.2. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.

- 3.3. Property is the largest industry in Canterbury. There are around \$160.5 billion in property assets across Canterbury, with property providing a direct contribution to GDP of \$4.7 billion (14 percent) and employment for 31,380 Canterbury residents.
- 3.4. We connect property professionals and represent the interests of 146 Christchurch based member companies across the private, public and charitable sectors.

4. Draft Housing and Business Choice Plan Change

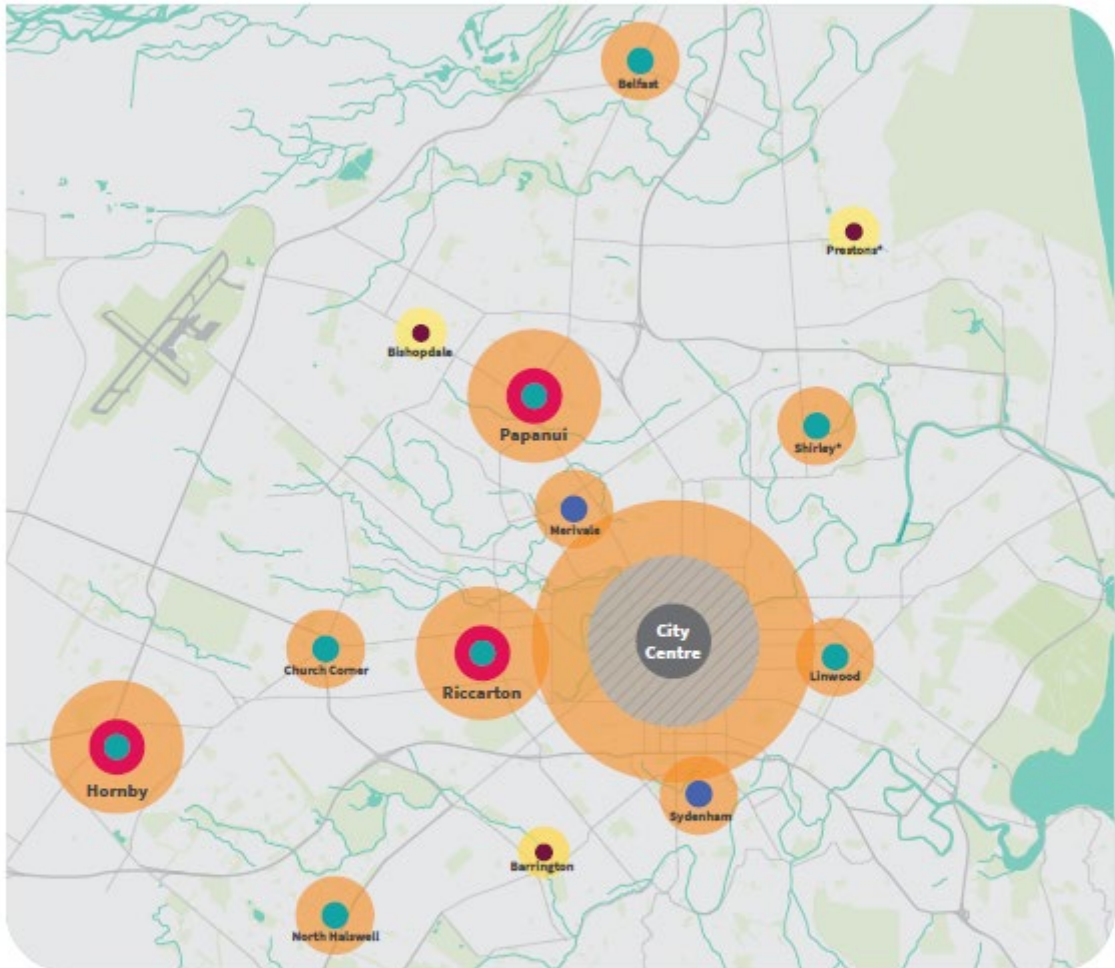
The proposed zones

- 4.1. Under the requirements of the National Policy Statement on Urban Development (“NPS-UD”), the Council must significantly up zone large portions of Christchurch. The Council is also required to enable developments of at least six storeys in walkable catchments around the City Centre, Metropolitan Centres and Rapid Transit Stations, unless there is a qualifying matter. The NPS-UD also requires additional intensification to occur around suburban centres. The RMA Amendment Act requires the Council to adopt the new Medium Density Residential Standards (“MRDS”) across the rest of urban Christchurch unless there is a qualifying matter.
- 4.2. The proposed plan change would see the city centre zone height become unlimited, the high-density zone within an 800m walkable catchment be 32m (10 storeys), and high-density zone precincts within a 1.2km walkable catchment become 20m (6 storeys).
- 4.3. Property Council supports the proposed 1.2km and 800m walkable catchments standards for the areas surrounding the City Centre. We also support the high-density zone precinct around a number of residential and commercial zones within the city (see Figure 1). We believe that the proposed intensification is appropriate for Christchurch and gives effect to the intent of the NPS-UD in enabling new housing development.
- 4.4. We are supportive of the approach to increase density, particularly when density occurs in proximity to the city centre and town centres, while moving to lower density elsewhere. However, we have some concerns around adverse effects of current planning rules (e.g. wind test thresholds discussed later in our submission) that may result in unintended outcomes such as; ‘donuts’ or circles of undeveloped areas.
- 4.5. Feasibility is also an incredibly important part of the puzzle, particularly for residential developments. Consequently, planning regulations that add costs to developments (such as the wind test threshold) could likely result in new developments being built under the wind test threshold, or being built significantly higher.
- 4.6. Feasibility and the wind test threshold could result in unintended uniform design consequences for the entire city. For example, if 6 storeys and 10 storeys were the most feasible residential developments, we could run the risk of the city ending up with only 6 and 10 storey developments. We encourage the Council to work closely with residential developers to understand feasibility aspects of development and encourage incentives for a wide range of development density and designs to result in a varied skyline across Christchurch.
- 4.7. The proposed plan change also recommends minimum subdivision on vacant sites in medium density residential zones as 400m², and in high density residential zones as 300m². We support these recommendations and believe these are reasonable.

Fig. 1

The proposed zones

The proposed plan change renames a number of residential and commercial zones in the city and enables more and higher housing to be developed. In some zones, this will still be subject to resource consent being obtained.



Key

- City Centre Zone: unlimited height
- ▨ High Density Zone: 32 metres enabled (10 storeys, depending on building design)
- High Density Zone Precinct: 20 metres enabled (six storeys, depending on building design)
- Town Centre that may emerge into a Metropolitan Centre: 20 metres enabled (six storeys, depending on building design)
- Town Centre: 20 metres enabled (six storeys, depending on building design)

- Local Centre (Large): 14 metres (four storeys, depending on building design)
- Local Centre (Significant): 20 metres enabled (six storeys, depending on building design)
- Medium Density Zone Precinct: 14 metres enabled (four storeys, depending on building design)

Rest of the city – Medium Density Zone– enables at least 12 metres (unless Qualifying Matters apply). For more information on Qualifying Matters refer to page 16.

*For areas outside of the vacuum sewer wastewater constraints only. For more information refer to the Infrastructure section on page 17.

Wind test threshold

- 4.8. The NPS-UD set the requirement for Tier 1 Council's to introduce building heights of at least six storeys in metropolitan centre zones. The Council's Draft District Plan responds accordingly. However, six storeys is approximately 20 metres in height, which would then require a wind test threshold under the current District Plan.
- 4.9. The Council's District Plan wind test threshold of 20m runs the risk of halting all development in Christchurch (excluding the medium density residential zones). For example, all future development, (within high density zone precinct, town centre that may emerge into a metropolitan centre zone, town centre zone, and local centre (significant zone) will require a wind test threshold. Wind tests can add approximately \$20,000 - \$25,000 to a project cost and given it is a niche market, it can add approximately six to nine months to a project's timeframe.
- 4.10. We are therefore concerned that the wind test threshold as it stands could result in adverse outcomes such as: creating unintended outcomes of pockets of no development, delaying development and/or being a roadblock to future development in Christchurch.
- 4.11. We recommend increasing the wind test threshold requirements to 22 metres to allow for a buffer to the Draft Plan Change rules of 20 metre minimum building heights. It is important to note that our proposal to increase the wind test threshold to 22 metres would be between Wellington and Auckland's current wind test thresholds of 20 metres and 25 metres respectively.
- 4.12. Increasing the wind test threshold to 22 metres would remove the risk of adverse outcomes (i.e. discouraging development or donuts of no development within the 1.2km walkable catchment areas), allow for better design outcomes (such as reducing the risk of having a city of flat or smaller angled roofs which anecdotally can cause water tightness issues) and would also simplify the development process for both the Council and applicants.

Changes to commercial zones

- 4.13. Changes to the commercial zones are only in relation to height which Property Council is supportive of. The current commercial centre boundaries or subdivision proposals is for status quo which we also support.

City Centre Zone

- 4.14. The Council continue to provide no minimum site size for subdivision in the Central City Zone. However, a resource consent will be required for most development within the city centre zone to enable the Council to assess the effects of shading, wind and urban design requirements. Consistent and clear guidelines are required to provide certainty for the development community, particularly given the length of resource and time it takes to establish a project prior to its construction. We urge the Council to work in partnership with the public and private development sectors.
- 4.15. Consents across New Zealand continue to increase. The Council is not the only local authority that struggle with resource consent processing due to high application numbers and lack of Council resource. Anecdotally, our members tell us that average timeframes for allocation to a planner at the Council is 60 working days. Each day a project is delayed is a financial and

resource constraint for applicants. We encourage the Council to take actions to improve its competitiveness within their recruitment processes to help drive efficiencies for Christchurch.

Central City Mixed-Use, Commercial Mixed-Use and Industrial zones

- 4.16. We support the proposed adjustments to the requirements for new housing in some of the surrounding Central City Mixed-Use Zone and the Commercial Mixed-Use Zone. For example, designing the skyline so that the highest buildings are situated within the city centre and gradually decreasing in height as development moves into the suburbs. The Council believe that this will promote more housing variety, low quality design and low emissions living.
- 4.17. We support the proposed amendments that seek to rezone Industrial General Zoned land within proximity of the central city to Commercial Mixed Use and introduce Brownfield Overlay in the Industrial General Zone for land close to identified commercial centres that enables residential and mixed-use development. The rezoning of these types of land will encourage commercial mix-use, residential and mixed-use developments.

5. Infrastructure

District-wide engineering provision

- 5.1. The Council's proposal to introduce a district-wide engineering provision to the District Plan will require anyone wanting to develop land to check water and sewer network capacity with the Council prior to planning a new development. Whilst we understand the importance of ensuring water and network capacity prior to development, we are concerned with the proposed increase in administrative hurdles, to both the Council and to developers. Significantly, the requirement could result in otherwise viable new housing developments unable to be built.
- 5.2. The proposal as it currently stands does not provide us with detailed information to provide meaningful engagement and raises more questions than answers. For example:
- Will the Council be obligated to provide the applicant wishing to develop land with an answer within a certain timeframe?
 - Could the applicant continue to develop the land without an answer from the Council?
 - Is water and sewer network capacity information easily accessible?
 - Where does greenfield development and infill fall within this provision?
- 5.3. These are important questions that need to be answered to receive meaningful feedback from the development community. We wish to provide more meaningful engagement and suggestions on the Council's proposal to incorporate a district-wide engineering provision and encourage the Council to work closely with us.
- 5.4. We oppose a district-wide engineering provision being required for all development. For example, if a development is switching a like development for a like development, then adding this additional layer of administration is unnecessary.
- 5.5. Although we have lots of questions on the proposed engineering provision, if continued, we recommend the Council establish a threshold in which water and network capacity checks are required. We also recommend the Council make clear whether the engineering provision will put a pause on the overall development process. If this provision does pause the development

process, we strongly recommend the Council set timeframes in which answers are required. Otherwise, this runs the risk of adding an additional layer of compliance for applicants, costing more time and money, which could result in a slow-down of future development.

6. Financial Contributions

6.1. The Council proposes to amend the Revenue and Financing Policy to recognise financial contributions as a possible revenue source. The first proposal would see anyone wanting to develop land and does not retain 20 per cent tree canopy cover on a site they will be charged a Financial Contribution. The fee will be used to plant trees on Council-owned land. This proposal is one that is clear cut and ringfenced, therefore we are supportive.

6.2. However, the Council need to be mindful of other fee proposals that could result in 'double-dipping' particularly when exploring ways to collect Financial Contributions for greenfield development. Legally, the Council will not be able to collect financial contributions as well as development contributions from the same development to fund the same activities. In practice, this can be difficult to implement, which is why many councils look at alternative funding mechanisms instead.

6.3. On page 15 of the consultation document, it states that the Council believes that by having the highest buildings within the city centre and gradually decrease in height, this will promote more housing variety. The Council's proposal to explore opportunities to charge Financial Contribution fees in greenfield areas where density targets are not achieved could have negative impacts of a one-size-fits-all approach to housing.

6.4. This could result in unintended consequences of less variety of housing for Christchurch which is contrary to the Council's ambitions. Furthermore, as mentioned earlier, if the wind test threshold remains at 20 metres and a Financial Contribution density incentive fee is enabled, it may discourage future development entirely if it means the only option is having to pay additional costs (either a wind test threshold or a Financial Contribution fee).

6.5. On the other side of the spectrum, increased fees often end up being passed to the end consumer, namely the purchaser. Increased development contribution fees or the introduction of financial contribution fees likely result in the following outcomes:

- Additional costs begin passed on to the eventual buyer, making housing more expensive; and/or
- Planned developments are postponed or cancelled, due to increased costs reducing the overall feasibility of the development or project.

6.6. At a time where costs continue to rise, we recommend the Council do not introduce the proposal to use of financial contributions as another revenue source if density limits are not reach within greenfield development.

7. Character Areas and Heritage Areas

7.1. The Council propose introducing a resource consent requirement as a restricted discretionary activity to help protect Character Areas. The Council are adding around 65 heritage buildings.

7.2. We believe that it is important to effectively balance the preservation of special character with unlocking additional development capacity for Christchurch. It is crucial that Christchurch

preserve heritage where appropriate, but also enable development to meet future housing needs.

- 7.3. In broad terms, we are comfortable with the proposed intention of introducing resource consent requirements as a restricted discretionary activity to help protect Character Areas. However, given the scale of the proposal and introduction of 11 new residential heritage areas, we wish to highlight the importance of ensuring that Christchurch has sufficient development capacity. This can be achieved through enabling and encouraging greater height and density within high density zone precincts, town centres and metropolitan centres.

8. Trees

- 8.1. The Council propose to incorporate the Schedule of Significant and Other Trees currently included in their District Plan as a Qualifying Matter. This means that the Council will review 900 trees to see if they can be considered as a qualifying matter under the NPS-UD. While supportive of this initiative, we also request that common sense prevails when trees start to become a danger to the surrounding environment due to height, age, and/or entanglement with power lines.

9. Conclusion

- 9.1. We support the overall direction of the Council's Draft District Plan Changes. We urge the Council to increase the wind test threshold and reject the proposed introduction of Financial Contribution fees if density limits are not reached in greenfield developments. Incorporating these changes will better enable and encourage implementation of the NPS-UD.
- 9.2. Property Council members invest, own, and develop property in Christchurch. We wish to thank the Council for the opportunity to submit on the Draft Plan Changes as this gives our members a chance to have their say in the future of our city. We also wish to be heard in support of our submission.
- 9.3. Any further enquires do not hesitate to contact Katherine Wilson, Head of Advocacy, via email: katherine@propertynz.co.nz or cell: 0278708150.

Yours Sincerely,



James Riddoch

South Island Committee Chair