

Property Council New Zealand

Submission on

Hamilton City Council District Plan – Plan Change 12

28 September 2022

For more information and further queries, please contact

Logan Rainey

Logan@propertynz.co.nz

021410787

28 September 2022
Hamilton City Council
Hamilton 3240
By email: haveyoursay@hcc.govt.nz

Hamilton City Council District Plan – Plan Change 12

1. Summary

- 1.1 Property Council New Zealand Central Region (“Property Council”) welcomes the opportunity to submit on Hamilton City Council (“HCC”) District Plan – Plan Change 12. We are deeply concerned that Plan Change 12 will unduly restrict urban intensification across Hamilton, in contradiction to the clear intent of the National Policy Statement on Urban Development (“NPS-UD”) and the Resource Management (Enabling Housing Supply) Amendment Act (“RMA Amendment Act”).
- 1.2 Property Council is worried that the net effect of Plan Change 12 on Hamilton’s built environment will be to frustrate housing supply and affordability ambitions, result in higher levels of greenhouse gas emissions, along with a range of other unintended consequences.
- 1.3 We have prepared a list of recommendations to influence better, fairer outcomes for all. Comments and recommendations are provided on issues relevant to Property Council’s members. Property Council wishes to be heard in support of our submission at a hearing.

2. Recommendations

- 2.1 Property Council recommends that HCC:
 - Align with other Tier One Cities and introduce at least a 1200m walkable catchment around the central city;
 - Aligns the General Residential Zone with the standards set out in the Medium Density Residential Standards (“MDRS”);
 - Revise their approach to residential policies 4.2.2.2b and 4.3.2.2b, to better reflect the positive impacts of development;
 - Amend the proposed High Density Residential Zone to better support developments of six or more storeys;
 - Seeks to align pedestrian walkways with the same width standard (1.2m) as used for internal corridors and address urban design concerns through development incentives in the district plan;
 - Pursues an approach to encouraging greater construction of accessible units through development incentives;
 - Provides greater information and engage further with the development community on the proposal to introduce an infrastructure capacity overlay;
 - Does not adopt the use of financial contributions for funding three waters and transport infrastructure. Instead, we urge the use of transparent, beneficiary pays, alternative funding models;

- Review the proposed notification provisions, with a view to introducing greater flexibility;
- Urgently re-evaluate the proposed approach to heritage, character and archaeological sites;
- Not adopt the proposed cycle parking requirements and instead retain the ability for the market to allocate cycle parking as required;
- Not adopt the proposed EV charging requirements and instead retain the ability for the market to allocate EV charging capacity as required; and
- Places a greater emphasis on the existing Urban Design Panel in order to address urban design concerns.

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 second largest industry in the Waikato. There are around \$130.4 billion in property assets across the Waikato, with property providing a direct contribution to GDP of \$2.8 billion (12 percent) and employment for 18,030 Waikato residents.
- 3.4 Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 86 Waikato based member companies across the private, public and charitable sectors.
- 3.5 This document provides Property Councils feedback on the HCC District Plan – Plan Change 12. Comments and recommendations are provided on issues relevant to Property Council’s members.

4. Proposed Residential Housing Zones

- 4.1 HCC has proposed the introduction of three new residential zones, in order to give effect to the requirements of the NPS-UD and the RMA Amendment Act, replacing the previous residential zones.

General Residential Zone

- 4.2 Under Plan Change 12, HCC has proposed introducing the General Residential Zone across most of Hamilton. The General Residential Zone represents a modified version of the MDRS, as set out in the RMA Amendment Act. Key changes from the MDRS include a minimum section size of 200sqm and stormwater/permeability standards. Given the modified nature of the General Residential Zone, it does not come into immediate effect, unlike the MDRS in other Tier One cities.
- 4.2 Property Council is concerned that some of the changes to the MDRS, in particular the minimum section size of 200sqm, would have an adverse effect on developments. Introducing a minimum section size of 200sqm directly contradicts the RMA Amendment Act, which states under Clause 8 “There must be no minimum lot size, shape size, or other size-related subdivision requirements...”. The proposal contradicts the clear, bi-partisan, intent of the RMA Amendment

Act and will directly result in less intensification. Furthermore, the proposal could impact Hamilton's housing and environmental goals of a compact and liveable city, by reducing new housing supply and harming housing affordability.

- 4.3 We recommend that HCC does not adopt a minimum section size of 200sqm and instead aligns the General Residential Zone with the density requirements as set out in the RMA Amendment Act.

Medium Density Residential Zone

- 4.4 Under Plan Change 12, HCC has proposed introducing the Medium Density Residential Zone, that would enable up to five story residential developments. The Medium Density Residential Zone would be applied within a 400m walkable catchment of Hamilton's suburban centres. Property Council broadly supports the proposed approach for Medium Density Residential Zone and recommends its adoption.

High Density Residential Zone

- 4.5 Under Plan Change 12, HCC has proposed introducing the High Density Residential Zone, that would enable maximum six storey developments, within an 800m walkable catchment of the City Centre. The High Density Zone would also list single residential units as non-complying and two residential units on a site as discretionary. As discussed in section 7 of this submission, we are concerned that the proposed size of the walkable catchment is unjustified, contrary to the intent of the NPS-UD and is not aligned with other Tier One cities.
- 4.6 While we broadly support the proposed High Density Residential Zone, we are concerned that the proposed height limit for residential development, of 21m, is poorly aligned with HCC's ambition of supporting developments of six or more storeys. We would note that, it is often difficult to achieve a six storey development even with a height limit of 21m, especially without making avoidable design trade-offs.
- 4.7 We would stress that the NPS-UD sets six storeys as the minimum, in many cases developments higher than six storeys would be appropriate. We recommend rules that enable greater height and more flexible design rules, where appropriate (e.g., close to centres and along transport routes).
- 4.8 We are concerned the proposed rules could have unintended consequences such as the encouragement of a uniform six storey approach to development across Hamilton. Property Council supports rules and policies that encourage a varied skyline with greater density and choices close to centres and along transport routes, before lowering the further out you get. We recommend HCC amend the proposed six storey maximum to enable greater intensification and a varied skyline near the central city.

Pedestrian Access Requirements

- 4.9 Under Plan Change 12, HCC is introducing pedestrian access requirements, that would see residential developments of 4 or more units be required to have separated pedestrian access to the front of units that, depending on location, is between 1.5m and 1.8m wide.
- 4.10 Property Council would note that current requirements for internal residential corridors are 1.2m and residential doorways tend to be 950mm. We recommend that instead of a 1.5m to a 1.8m standard, HCC instead seeks to align pedestrian walkways with the same width standard (1.2m) as used for internal corridors.

- 4.11 We would further recommend that HCC looks to address their urban design concerns through mechanisms such as design guidelines, better use of the Urban Design Panel, and development incentives to resolve any concerns over pedestrian access.

Other residential matters

- 4.12 Property Council has noted, with concern, policies 4.2.2.2b and 4.3.2.2b proposed by HCC. These policies, which are applicable to the General Residential Zone and Medium Density Residential Zone, are premised on an assumption of adverse effects from new development on neighbours.
- 4.13 We are concerned that these policies are unreasonably vague and could pose a regulatory roadblock to beneficial new developments across Hamilton. We are further concerned that they run contrary to the clear intent of central government with the NPS-UD and RMA Amendment Act.
- 4.14 Urban intensification, through new residential development, is critical for achieving housing supply and affordability ambitions as well as meeting Hamilton's climate policy objectives. Given the prejudicial assumptions associated with policies 4.2.2.2b and 4.3.2.2b, Property Council recommends that HCC revise their approach, to better support urban intensification by better reflecting the positive impact of development.

5. Proposed Business Zone changes

- 5.1 HCC has proposed three key changes to the Business Zones. These are:
- Raised height limits of 21m within an 800m walkable catchment of the Central City;
 - Enabling upper floor apartments as a permitted activities in some Business Zone areas; and
 - Amended building controls, to better align with the proposed residential zones.
- 5.2 Property Council supports the aforementioned changes within the Business Zones. These measures will support Hamilton's urban development and further support intensification ambitions. One area that HCC could look to develop further would be enabling greater height and density, especially of a mixed-use nature, within Sub-Regional, Suburban and Neighbourhood Centres.

6. Central City Zone

- 6.1 Under the requirements of the NPS-UD, HCC must enable as much development capacity as possible in the Central City Zone. Accordingly, in the draft plan change, HCC has proposed to remove height controls and amend the minimum density requirements.
- 6.2 Property Council supports the aforementioned changes to the Central City Zone. The removal of general height controls will enable greater investment and development in Hamilton's Central City.
- 6.3 We firmly believe that these policy changes will serve as a catalyst for the revitalisation of Hamilton's City Centre as a desirable place for people to live, work and play. A revitalised city centre will serve as a vibrant community, providing access to high quality modern living opportunities for many Hamiltonians.

7. Proposed approach to Walkable Catchments

- 7.1 Under the requirements of the NPS-UD, HCC is required to enable developments of at least six storeys in walkable catchments around the Central City. HCC has proposed an 800m walkable catchment around the central city, in which upzoning to the new High Density Residential Zone would occur.
- 7.2 Property Council is concerned that the proposed walkable catchment around the central city is insufficient for a city of Hamilton's size. Comparable Tier One cities (Auckland, Tauranga and Christchurch) have pursued between a 1200m to 1500m walkable catchment around their central cities. We believe that an 800m walkable catchment is inadequate for Hamilton and would not give due effect to the intent of the NPS-UD in enabling new housing development, nor HCC's own ambitions of being a 20 minute walkable city.
- 7.3 We firmly believe that areas adjacent to Hamilton's central city are prime areas for intensification, being the most suitable land for higher density living. Enabling greater density in these areas would better allow more people to live closer to the central city, and get the benefits from, public amenities and transport links. It would also reduce pressure for housing in other parts of the city and result in positive environmental outcomes. Denser development patterns place less demand on transport services and lessen demand for investment in core infrastructure.
- 7.4 We recommend that HCC align the proposed walkable catchment with comparable Tier One cities and seek to implement a walkable catchment of at least 1200m around the Central City Zone. This would better align with the intent of the NPS-UD and provide more people with an opportunity to live closer to the central city, and get the benefits from, public amenities and transport links.

8. Proposed approach to heritage, character and archaeological sites

- 8.1 In tandem with Plan Change 9, HCC has proposed the expansion of 'Historic Heritage Areas' from 5 to 37, alongside expanded use of archaeological overlays. The proposed 'Historic Heritage Areas' will have significant intensification and development restrictions placed upon them. Areas with an archaeological overlays will place similar restrictions, even if they have already been developed on.
- 8.2 Property Council has already submitted in opposition to Plan Change 9. In our submission we recommended that HCC urgently re-evaluate the proposed approach to heritage, character and archaeological sites to strike a balance of preserving heritage where appropriate and enabling future development to meet housing needs.
- 8.3 Property Council believes in the importance of balancing preservation of character and heritage, with unlocking additional development capacity for Hamilton. It is crucial that Hamilton preserve heritage where appropriate, but also enables sufficient development to meet future housing needs.
- 8.4 We are concerned that HCC has got the wrong balance between factors in the aforementioned district plan changes. In particular, the vast extent of the 'Historic Heritage Areas' will unduly restrict much needed housing supply. More importantly, we are aware that many pro-heritage groups and individuals are extremely concerned with the outcomes of the liberal proposal which could degrade current heritage stock and the unintended financial consequences that could result in limiting the overall pool of funds for upgrading heritage buildings. The proposal

could see a wide range of unintended consequences from financial and insurance obstacles to restricting housing supply.

- 8.5 We recommend HCC re-evaluate their heritage, character and archaeological sites to ensure that they strike a better balance of preserving true heritage as opposed to their current approach which is extremely liberal on the definition.

9. Infrastructure Capacity Overlay

- 9.1 As part of Plan Change 12, HCC has proposed introducing an infrastructure capacity overlay that would require a significant number of new developments within Hamilton to undergo an infrastructure capacity assessment, that would check for three waters capacity, before development could occur.

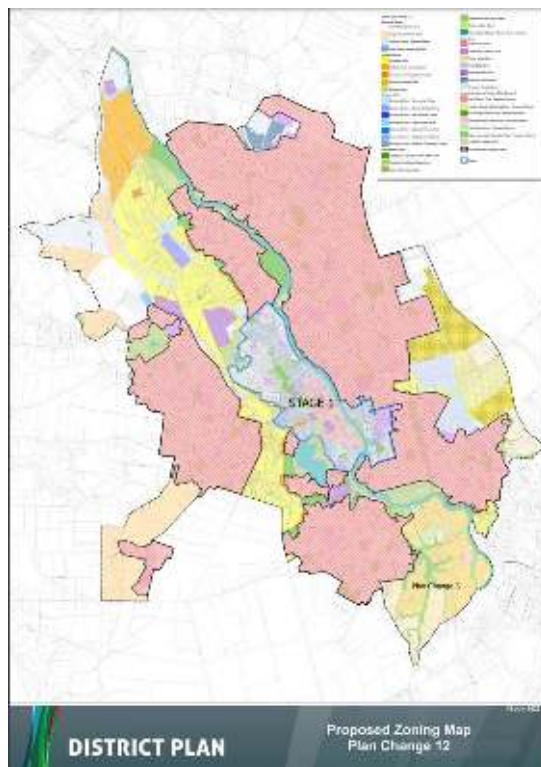
- 9.2 This infrastructure overlay would apply to any residential development in the area:

- With 4 or more residential units.
- With net site area per residential unit is less than 200m² in the General Residential Zone.
- With net site area per residential unit is less than 150m² in the Medium Density Zone.
- Proposed in the High Density Zone.

- 9.3 In order for development to occur within the area of the overlay, the infrastructure capacity assessment must find that existing infrastructure could service the three water needs of the development or would not necessitate additional unplanned public investment in three waters. If developments fail this test, intensification could not occur.

- 9.4 Plan Change 12 proposes that this infrastructure capacity overlay would be applied to a significant portion of urban Hamilton. The extent of the overlay (shown in red) can be seen in the graphic below.

Proposed extent of the infrastructure capacity overlay:



- 9.5 Whilst we understand the importance of ensuring water and network capacity prior to development, we are concerned that the proposed policy would have a number of unintended consequences. We also have a number of questions about the proposal.
- 9.6 We believe that the proposed infrastructure capacity overlay would represent a significant increase in administrative burden, for both HCC and to the private sector. If implemented poorly, this could likely result in significant delays for residential developments across Hamilton, adding time and cost pressure. Furthermore, we are concerned that Plan Change 12 does not provide for clear timeframes that three waters assessments must be completed within.
- 9.7 We are also concerned regarding the extent to which the overlay has been applied across Hamilton and wish to see greater justification for the large size of the overlay. There is the risk that this overlay becomes a large barrier to residential development, and given the proposed scale, could have notable impacts on housing supply and affordability across Hamilton.
- 9.8 Property Council is concerned about the extent to which a prospective developer would have readily available access to information about availability and state of three waters infrastructure. Access to such information would be crucial for making informed investment decisions. It would not be practical to receive such information later in the development process. Without strong access to relevant information, this could prove to be a handbrake on future developments in Hamilton.
- 9.9 We are opposed to an infrastructure capacity overlay being applied to all properties within the overlay area. For example, if a development is switching a like development for a like development, then adding this additional layer of administration is unnecessary.
- 9.10 Overall, we have serious concerns that this requirement could see otherwise viable new housing developments unable to be built for a multitude of reasons. We recommend that HCC provide greater information and engage further with the development community on the proposal to introduce an infrastructure capacity overlay.

10. Stormwater, Permeability and Landscaping provisions

- 10.1 Plan Change 12 contains a number of proposed new stormwater, site permeability and landscaping related provisions for residential development. These include new requirements for residential developments to meet onsite permeability standards, achieve onsite retention rainfall through mechanisms such as onsite water tanks and/or soakage pits, and standards for landscaping that include minimum tree requirements HCC states that these are implemented in order to give effect to the Waikato River Strategy, Te Ture Whaimana.
- 10.2 While not necessarily opposed to these provisions, Property Council wishes to raise the issue of implementation cost of these measures and the flow on effect to homebuyers. We would also seek to highlight the importance of planning rules that avoid being prescriptive and instead enable the sort of site specific attributes that ultimately result in good quality design outcomes.

11. Financial Contributions

- 11.1 With Plan Change 12, HCC has proposed introducing new provisions into the district plan that would enable allow financial contributions to be collected for a range of purposes. These purposes include:
- For the provision of residential amenity-where public open space or streetscape amenity can be improved;

- For restoration and protection of the Waikato River in order to give effect to Te Ture Whaimana; and
 - For upgrades and improvements to three waters and transport infrastructure.
- 11.2 Property Council has long supported the use of transparent, beneficiary pays funding models for the provision of core infrastructure. Examples of these models include targeted rates, user-pays systems, and special purpose vehicles (SPVs). These meet the legislative principles of transparency and objectivity for funding local government in the *Local Government Act 2002* and *Local Governing (Rating) Act 2002*. They are also consistent with the recommendation of the New Zealand Productivity Commission that local government should adopt a transparent approach to rating tools and other funding sources¹.
- 11.3 On that basis, when it comes to the proposed use of financial contributions for the provision of residential amenity (streetscapes etc) and for the provision of restoration and protection of the Waikato River, Property Council is broadly comfortable given the clear rationale for funds collection. We would stress the importance of both these proposals being strictly ringfenced.
- 11.4 However, we have reservations around the proposed use of financial contributions to fund upgrades and improvements to three waters and transport infrastructure.
- 11.5 Our concern stems from the cumulative impact of new cost pressures on development in Hamilton. HCC is already collecting development contributions, rates, potentially targeted rates or SPV levy's and for commercial buildings, rating differentials. The Hamilton business and property sector is already facing significant headwinds with the ongoing impact of COVID, high inflation, interest rates and other factors contributing to a tough business environment.
- 11.6 We are firmly of the belief, that now is not the time to further increase costs onto the sector. We strongly recommend that HCC does not adopt the use of financial contributions for funding three waters and transport infrastructure. Instead, we recommend the use of transparent, beneficiary pays alternative funding models, such as targeted rates, asset recycling or Special Purpose Vehicles.

12. Accessible unit requirements

- 12.1 Under Plan Change 12, HCC has proposed requiring in the district plan that at least 10% of residential units on a site shall be designed to provide wheelchair access alongside accessible bathrooms. For developments with a small number of units, HCC is proposing to implement a fractional rule, where assessments of 0.5 and above are required to be considered as one residential unit.
- 12.2 While we understand the intent expressed by the policy, Property Council has concerns regarding the practical effect it would have on future residential developments. We are concerned that the draft provisions are overly prescriptive and do not account for the wide range of potential accessibility needs nor account for real world demand for these products. We are also worried that this could see mandatory development of apartments that could prove difficult to market or add additional costs to homebuyers for features they would not likely utilise.

¹ Local government funding and financing. Retrieved from <https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/>

12.3 Property Council recommends that HCC pursue an approach to encouraging greater construction of accessible units through development incentives in the district plan. In our view, this would result in more flexibility for both developers and purchasers. This would better enable negotiations between homebuyers and developers regarding which accessible features are required for each individual's circumstances.

13. Transport Changes

13.1 With Plan Change 12, HCC is introducing a wide range of new transport related provisions into the district plan. These include new cycle parking requirements, loading zones, provisions requiring EV charging capacity, changes to waste management regulations, the introduction of travel plans for new developments and changes to rules governing pedestrian access ways for residential developments.

Cycle Parking

13.2 Property Council is concerned the proposed new cycle parking requirements could have an adverse effect on Hamilton's built environment. Under Plan Change 12, HCC has introduced broad new cycle parking requirements for a wide range of residential, commercial, industrial, and civic developments. As part of these new requirements, there are additional requirements for the provision of end-of-journey facilities such as storage lockers or showers.

13.3 As it stands, demand for cycling infrastructure varies greatly across developments in Hamilton; being influenced by a range of factors including geography, nearby amenities and the developments target demographics. Developers are currently able to cater the provision of cycle parking to the relevant level of market demand. We are deeply concerned that mandatory cycle parking in developments without strong market demand for it, will result in a loss of amenity and site yield.

13.4 For example, the requirements applicable to residential developments without provided carparking, of 2 cycle parks for the first bedroom and one for every subsequent bedroom, are overly onerous. These requirements represent a significant loss of site amenity and yield. They will have flow on effects to the ability of the market to provide new housing supply while also impacting housing affordability.

13.5 Furthermore, we hold concerns regarding the practicality and equity of communal bike charging facilities; questions surround who would pay for the electricity and whether E bikes of an expensive nature would in fact use communal facilities at all. We foresee practical realities of body corporates having to resolve these complicated equity based issues.

13.6 Property Council is also concerned that the new requirements for end of journey facilities are overly prescriptive and do not account for the site and use specific nature of developments. We support adopting less proscriptive requirements, that enable greater site specificity.

13.7 As such, we recommend that HCC not adopt the proposed cycle parking requirements and instead retains the ability for the market to allocate cycle parking as required.

Electric Vehicle charging requirements

13.8 With Plan Change 12, HCC is introducing a requirement that all new onsite residential carparking must provide an electric vehicle ("EV") charging point. We are concerned that mandating the installation of EV charging equipment, over and above current demand for EVs, could result in the installation of what might in the future be obsolete technology. We are further concerned that given the current level of grid capacity; this policy could require the installation of costly

sub-stations that could be disproportionate to current demand for electricity in a residential development.

- 13.9 From a practical perspective, mandatory EV charging capacity would also result in de facto ban on new car stacking parking solutions, which are popular in new apartment developments but are not currently suitable for EVs.
- 13.10 As such, we recommend that HCC not adopt the proposed EV charging requirements and instead retains the ability for the market to allocate EV charging capacity as required.

Transport & Waste Management

- 13.11 With Plan Change 12, HCC is introducing new waste management and transport related provisions into the district plan. Key elements of these changes include new width requirements of 7m for rear lanes in developments, as well as requirements that heavy vehicles/rubbish trucks are able to drive forward at all times, with associated turning bays provided for onsite.
- 13.12 Property Council is concerned with the loss of amenity and increased concrete required to achieve the proposed outcome. We are also concerned that a one size fits all approach may not be appropriate and recommend a site-by-site discussion taking in other site specific factors into account.

Integrated Transport Assessments

- 13.13 With Plan Change 12, HCC is introducing new requirements for developments to undergo Integrated Transport Assessments. As part of those Integrated Transport Assessments, the proposed developments impact on embodied and operational greenhouse gas emissions would be considered.
- 13.14 We are concerned that if these provisions are misapplied, HCC may take a climate lens to consenting that will stifle urban growth and effectively veto projects they do not agree with from a climate perspective. The Emissions Trading Scheme should do the heavy lifting here and, where projects have the appropriate credits available to them, emissions should not be used to decline consents.
- 13.15 Property Council would further add, that if HCC was looking for policies to mitigate greenhouse gas emissions, supporting urban intensification with a 1200m walkable catchment and a high density zone supporting more than six stories, is the best approach from a climate point of view.

14. Other comments

- 14.1 Property Council has reviewed the proposed notification provisions. In broad terms, we are concerned that they appear to be overly prescriptive. Overly prescriptive planning rules can result in lower quality urban design outcomes, as developments follow the letter of the law and are unable to introduce site-specific variances. We consider planning rules that ultimately enable site-specific variances to result in higher quality urban design outcomes. We recommend that HCC review the proposed notification provisions, with a view to introducing greater flexibility.
- 14.2 Property Council is also in favour of introducing incentives into the district plan to encourage comprehensive and integrated developments on larger, amalgamated sites. These developments tend to result in higher quality urban design outcomes.

- 14.3 We have also reviewed the Ministry for the Environment’s publication of ‘The Value of Urban Design’². Property Council would raise that we see further opportunities to embrace housing intensification, as intended by the NPS-UD and the RMA Amendment Act, whilst enhancing Hamilton’s built environment through thoughtful design implementation.
- 14.4 As it stands, HCC has an existing Urban Design Panel ("UDP"), consisting of industry experts (such as Urban Designers, Architects, Transport and Civil Engineers etc). The design guide VISTA is already in place, and we recommend the place and profile of the UDP be raised in order to interact in more cohesive ways within the District Plan context.

15. Conclusion

- 15.1 Property Council is concerned that Hamilton City Council is looking to restrict intensification through a range of measures such as; limiting residential development to a maximum six storey’s, introducing a minimum site lot for medium density residential standards, introducing liberal definitions of heritage buildings and introduce onerous transport requirements. Collectively, these changes will result in less housing, less intensification, reduced yields and have a wide range of financial and non-financial unintended consequences for Hamilton.
- 15.2 Property Council members invest, own, and develop property in Hamilton. We wish to thank Hamilton City Council for the opportunity to submit on the District Plan – Plan Change 12 as this gives our members a chance to have their say on the future of our city. Property Council wishes to be heard in support of our submission at a hearing.
- 15.3 Any further enquires do not hesitate to contact Logan Rainey, Advocacy Advisor, via email: Logan@propertynz.co.nz or cell: 021410787.

Yours Sincerely,



Brian Squair
Central Committee Chair

² <https://environment.govt.nz/publications/the-value-of-urban-design-the-economic-environmental-and-social-benefits-of-urban-design/>