

Property Council New Zealand

Submission on

Hamilton City Council Urban Growth Strategy

18 November 2022

For more information and further queries, please contact

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Hamilton City Council Draft Urban Growth Strategy

1. Summary

1.1 Property Council New Zealand Central Region (“Property Council”) welcomes the opportunity to submit on Hamilton City Council (“HCC”) Draft Urban Growth Strategy. Although we are supportive of the Draft Urban Growth Strategy, we wish to see additional information on the funding, financing and implementation of the proposed outcomes. Comments and recommendations are provided on issues relevant to Property Council’s members.

2. Recommendations

2.1 Property Council recommends that HCC:

- Provide clearer timeframes as to when they expect infill to reach 70 per cent of total growth;
- Adequately plan for intensification to ensure that housing goals are met, and environmental restoration of other areas can occur;
- Consider using the Infrastructure Funding and Financing Act for new greenfield development in Hamilton; and
- Continue discussions with Property Council and our membership on alternative funding and financing mechanisms to ensure that the proposed outcomes within the Draft Urban Growth Strategy can be achieved.

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.

4. Vision and Purpose

4.1 HCCs proposed vision and purpose is: *“Hamilton Kirikiriroa is the best place to live and work with connected, vibrant and prosperous communities.”* We support the proposed vision as it strongly aligns with the vision of Property Council: *“Together, shaping cities where communities thrive.”*

4.2 Both vision statements have communities at the heart of them. Thus, both organisations have a shared vision with communities at the front of mind. Having communities at the forefront of policies and projects is critical to achieving desired outcomes.

5. Grow up and out from the central city

5.1 HCCs proposed outcome is to grow up and out from the central city. Property Council has long supported cities who look to grow both up and out.

5.2 The Draft Urban Growth Strategy states that currently 50 per cent of growth occurs in infill areas with an ambition to reach 70 per cent in the long term. We question what HCC considers as 'long term' given that both '30 years' and '50 years' are referred to within the Draft Urban Growth Strategy.

5.3 The definition of long term is crucial to ensure that HCCs proposed height limits for intensification within Plan Change 12 can align with the ambitions of the Draft Urban Growth Strategy. For example, once a site is intensified, it is very unlikely for that same building to be rebuilt or additional storeys added within the short-term. Consequently, planning rules need to align with the future and forward-thinking policy intentions within the Draft Urban Growth Strategy.

5.4 A similar lesson can be seen through Auckland Council's Unitary Plan process where Central Government's ambitions of intensification now enable a minimum of six storey developments where new apartment blocks of four or five storeys currently sit. Consequently, less intensification and housing has been provided due to stricter planning regulations than future policy settings or intentions.

5.5 We recommend HCC provide clearer advice as to when they expect infill areas to reach 70 per cent of total growth including providing a definition of 'long-term'.

5.6 Under Plan Change 12, HCC has proposed introducing a maximum of six storey developments within an 800m walkable catchment of the City Centre within the High Density Residential Zone. However, we are concerned that mandating a six storey maximum may adversely affect the proposal to have 70 per cent of growth occurring in infill areas.

5.7 Urban design is critical when it comes to intensification. We are concerned that Plan Change 12 limits residential development within the High Density Residential Zone to a six stories. As a result, Hamilton's future skyline within this zone could be one dimensional and additional urban sprawl may be required.

5.8 Furthermore, the *Nature in the City Strategy* sets out Hamilton City Council's goal to increase native vegetation cover from 2 per cent to 10 per cent by 2050. This will require hundreds of thousands of plants across more than 1,000 hectares to be restored. Thus, the importance of maximising intensification to ensure that housing goals are met, and environmental restoration of other areas can occur.

5.9 We wish to see policies that encourage a varied skyline with greater density and choices closer to the city centre and along transport routes, before lowering the further out you get.

6. Grow along transport corridors

6.1 We strongly support the proposal of development along key transport corridors outside of the central city. Hamilton is developing with newer areas such as Peacocke and Rotokauri. Infrastructure and transport are critical to ensure connectivity between the central city and new suburbs.

- 6.2 The Draft Urban Growth Strategy is silent on how existing capacity upgrades and new infrastructure will be funded. It is critical that references towards infrastructure funding and financing in other HCC documents is brought over into the Urban Growth Strategy to provide consistency and certainty for the sector.
- 6.3 One of the biggest challenges local government faces is the funding and financing of infrastructure. For years, Property Council New Zealand has encouraged local government to investigate alternative funding and financing mechanisms to help better balance council books, whilst also ensuring that not all of the rating burden lands onto new development, resulting in continued increases in house prices and greater unaffordability.
- 6.4 Central Government has provided the Infrastructure Funding and Financing Act (“IFF”) to fund major infrastructure investments. Property Council supports, in principle, the SPV funding model as set out in the IFF Act. SPVs makes the cost of new infrastructure more transparent, improve intergenerational equity by spreading the cost over a sustained time period and also unlock additional investment in much needed infrastructure. We recommend HCC consider using the IFF to fund and finance new greenfield development in Hamilton.

7. Support the development of quality greenfield neighbourhoods

- 7.1 We strongly support the development of quality greenfield neighbourhoods that have access to housing and jobs.
- 7.2 The Urban Growth Strategy references greenfield development being delivered in partnership and funded using innovative funding and financing tools. We wish to reiterate that more detail around the proposed funding and financing tools is critical to ensure that we can achieve the anticipated outcomes.
- 7.3 We welcome the opportunity to continue our discussions with HCC on alternative funding and financing mechanisms.

8. Conclusion

- 8.1 We strongly support the Urban Growth Strategy. Despite our support, we wish to see more detail behind the proposals to ensure that HCC can achieve their desired outcomes. We also share some concerns that Plan Change 12 may prove to be counterintuitive to many of the proposals within the Urban Growth Strategy.
- 1.1 Property Council members invest, own, and develop property in Hamilton. We thank Hamilton City Council for the opportunity to submit the Urban Growth Strategy and wish to continue this dialogue post consultation.
- 1.2 Any further enquires do not hesitate to contact Logan Rainey, Advocacy Advisor, via email: Logan@propertynz.co.nz or cell: 021410787.

Yours Sincerely,



Morgan Jones
Central Committee Chair