

Property Council New Zealand

Submission on Auckland Council's Draft Southern Rural Strategy

1 December 2024

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Submission on Auckland Council's Draft Southern Rural Strategy

1. Summary

- 1.1. Property Council New Zealand ("Property Council") welcomes the opportunity to submit a response to Auckland Council on their Draft Southern Rural Strategy ("the Draft Strategy").
- 1.2. The Draft Strategy gives direction for the long-term management of growth and development in the southern rural areas of Tāmaki Makaurau Auckland. It is a sub-regional spatial strategy, which complements the regional direction set out in the Future Development Strategy 2023-2053. For this Draft Strategy, rural means all land outside of the Rural Urban Boundary.
- 1.3. The Draft Strategy includes all settlements in the full Franklin Local Board plus small adjacent areas of rural land within the Howick and Papakura Local Boards. All areas with current urban zoning and future urban development of the Drury and Pukekohe/Paerātā areas are also included in the context of the role they play in supporting rural settlements now and in the future.
- 1.4. We acknowledge the challenges of managing the tension between urban development (both existing and new) and the need to improve rural productivity, sustain the natural environment, and respond to the impacts of climate change.
- 1.5. We broadly support the goal of the Draft Strategy to achieve "growth in the right place and at the right time." However, we do not think that the Draft Strategy goes far enough to achieve this goal. Instead, we recommend a high growth scenario occurs to better align with the Government's Going for Housing Growth policy.

2. Recommendations

- 2.1. At a high level, Property Council recommends that Auckland Council:
 - Amend its Draft Strategy to 'high' growth predictions to meet the Government's Going for Housing Growth policy;
 - Must be an active strategic partner and bring together key partners (including private developers) to identify/map development opportunities and growth constraints and to ensure greater coordination and certainty around the delivery of growth infrastructure.
 - Has a strategic understanding of how its own and central government policies collectively impact growth;
 - Allow developers to respond to local housing market demand when zoning areas for development;
 - Makes full use of funding and financing mechanisms available to it to pay for infrastructure in a way that enables growth;
 - Zone areas for higher growth (e.g. close to strategic transport networks), for example in the Drury and Pukekohe/Paerātā area; and

- Continues its engagement with the Property Council to develop and implement the Draft Strategy.

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, to contribute to the overall prosperity and well-being of New Zealand. We aim to unlock opportunities for growth, urban development, and productivity to improve New Zealand's prosperity.
- 3.3. Property is Auckland's largest industry. There are around \$997.8 billion in property assets across Auckland, with property providing a direct contribution to GDP of \$13 billion and employment for 87,080 Auckland residents.
- 3.4. We connect property professionals and represent the interests of 388 Auckland based member companies across the private, public, and charitable sectors.
- 3.5. This document provides Property Council's feedback on Auckland Council's Draft Southern Rural Strategy. Comments and recommendations are provided on issues relevant to Property Council's members.

4. Going for Housing Growth Policy

- 4.1. We are concerned that Auckland Council has prematurely released its Draft Strategy before the implementation of the Government's "Going for Housing Growth Policy" ("GfHG") due in 2025.
- 4.2. GfHG proposes substantial policy changes to increase housing supply by reducing zoning restrictions, simplifying the planning process, and facilitating expansion both "up and out," by allowing higher urban intensification and growth in greenfield areas. GfHG will also require tier 1 and tier 2 councils to enable 30 years of feasible housing supply using 'high' population growth predictions. Therefore, we believe Auckland Council may need to change its Draft Strategy to comply with GfHG.
- 4.3. For example, if Auckland Council decides on a medium growth approach this will need to be revised to a high growth model when the GfHG policy is passed in 2025. We do not want Auckland Council to have to undertake the Draft Strategy consultation twice. Not only is that a duplication of Auckland Council time and resources, but it can also cause uncertainty for developers and delays action. We recommend that Auckland Council amend its Draft Strategy to 'high' growth predictions to meet the Government's Going for Housing Growth policy.

5. Planning and preparing for GfHG

- 5.1. Auckland Council must also be more ambitious and allow zoning for higher growth, especially in locations benefiting from proximity to strategic transport networks and existing urban development and infrastructure.

- 5.2. To unlock development Auckland Council should allow developers to respond to market demand and Property Council recommends that Auckland Council is not overly prescriptive about what must be delivered when rezoning.
- 5.3. What can be delivered is a balance between development viability and affordability. Developers undertake feasibility studies before planning development, so they have a good understanding of what type of housing is required locally. Therefore, it is important to allow developers the ability to adjust the speed, scale, phasing, pricing, and variety of housing supply to meet market demand.
- 5.4. To avoid unintended growth constraints, the Property Council recommends that Auckland Council has a strategic understanding of the collective impacts its own and central government policies have. For example, Plan Change 78, Plan Change 79, Development Contribution Policies, rates and alternative funding mechanisms are not all coordinated, and this is currently impacting on development in Auckland.
- 5.5. Property Council recommends that Auckland Council considers how it could streamline the planning and consenting processes. This forms part of GfHG proposals aimed at reducing delays and costs in housing developments.

6. Strategic delivery and funding and financing of infrastructure for growth

Planning the strategic delivery of infrastructure to support growth

- 6.1. We acknowledge the practical issues and Auckland Council's financial constraints when it comes to providing and maintaining infrastructure to support existing settlements plus enabling future growth over a wide, varied and dispersedly populated rural geography.
- 6.2. Given these limitations, we broadly agree with Auckland Council's strategy of targeting resources to support quality compact growth across existing urban settlements and areas identified for future urban growth.
- 6.3. With its planning/zoning and local infrastructure coordination role, Auckland Council must be an active strategic partner to achieve this growth strategy. The Council must bring together all the key partners to identify/map development opportunities along with any growth constraints. The aim is to leverage experience and resources to ensure greater coordination and certainty around the delivery of growth infrastructure.
- 6.4. The lack of adequate roading and water infrastructure are often significant growth impediments. So, organisations like Auckland Transport, Waka Kotahi, and Watercare must be part of these early and ongoing conversations, alongside private developers.
- 6.5. For example, on a practical level Watercare could proactively collaborate with developers to identify/model locations with existing or potential future infrastructure which can manage increased density. While proposals for a cycleway in Drury (despite a parallel one on the other side of the highway) might have been alternatively considered if transport delivery had been more coordinated. Unlocking growth also includes using infrastructure to fix choke points. Examples include resolving stormwater issues in Whenua and Clevedon, plus increasing road capacity in Beachlands and the Kingslea Road to Waiuku.

- 6.6. To be kept relevant, the Draft Strategy must also be adaptable and regularly reviewed based on data-driven decision making (e.g. demographic and housing market data) and new policies.

Funding and financing of infrastructure to support growth

- 6.7. How Auckland Council plans to fund and finance infrastructure will either support or stifle growth. The development industry is willing to contribute its fair share, but there must be a proportionate, transparent, consistent, and properly costed approach otherwise development can be unviable.
- 6.8. We recommend that Auckland Council must seek to use the full suite of funding and financing mechanisms available to it, including:
- Funding from Crown Infrastructure Partners (soon to be the National Infrastructure Agency) under the Infrastructure Funding and Financing framework;
 - Public-Private Partnerships;
 - Targeted rates; and
 - Infrastructure Funding Agreements where developers agree to fund specific infrastructure (sometimes this is in exchange for relaxed zoning or density allowances).

7. Considering development opportunities across the southern rural area

Intensification is critical to leverage infrastructure spend

- 7.1. GfHG proposes expansion both "up and out," by allowing higher urban intensification and growth in greenfield areas. Property Council broadly agrees with this approach as it efficiently uses the benefits of infrastructure spend.
- 7.2. In the past, we felt that Auckland Council has not been ambitious enough when it comes to unlocking development opportunities in areas that would benefit from higher growth.
- 7.3. Intensification can maximise the benefit from infrastructure spend and is a more efficient way to boost new housing supply, especially the delivery of social, affordable, and low to moderate-income/first-time buyer homes. These homes can include multi-family units, townhouses, and apartments, which help accommodate a growing population sustainably.
- 7.4. In anticipation of GfHG, we recommend that Auckland Council maximises higher growth opportunities. Putting this into practice, we recognise that the Drury and Pukekohe/Paerātā area is primed for growth and Auckland Council must promptly upzone and allow for high growth development.
- 7.5. In the Drury and Pukekohe/Paerātā area, Property Council recommends that Auckland Council adopt a higher growth strategy which leverage proximity to strategic transport networks including SH1 and rail. Transit-oriented higher density housing should be concentrated at future or existing strategic transport hubs such as train stations, bus routes and main roads. This reduces car dependency, supports the use of public transport, and enables efficient movement within the region.
- 7.6. This approach also builds on existing urban development and infrastructure and recognises that the Drury and Pukekohe/Paerātā are established centres for the provision of key services, and

employment opportunities to the wider southern rural area. Therefore, zoning must support mixed-use development to integrate residential, commercial, and industrial spaces.

- 7.7. In line with GfHG proposals, where greenfield sites are adjacent to urban/suburban areas we support appropriate development as this is an efficient way to use growth infrastructure.
- 7.8. We also support Auckland Council's Draft Strategy to expand on established local smaller hubs such as Waiuku, Clarks Beach, Glenbrook Beach, Kingseat, Karaka, Clevedon and Maraetai. This approach expands existing urban areas that are attractive for development (e.g. Karaka – proximity to the Southern Motorway, while Clarks Beach, Maraetai, and Glenbrook Beach are coastal).

8. Consideration of natural hazards and highly productive land

- 8.1. People are often drawn to live in coastal and rural locations, and we acknowledge the challenges and benefits this brings. Development can increase rural community resilience by improving local housing choices and increasing social networks. It also brings economic benefits from construction and the additional ongoing spend from more people living in the local area. We believe appropriate development can still fit into “growth in the right place and at the right time.”
- 8.2. Where feasible and practical, we encourage the use of long-term engineering solutions to mitigate risk from natural hazards (e.g., coastal erosion, and flooding).
- 8.3. We also recognise the need to protect highly productive land. Where land parcels are too small to economically farm there is a case for it to be used for development. These developments can also be a buffer/transitional space between rural and urban areas which helps to maintain rural character while accommodating growth.

9. Conclusion

- 9.1. Property Council is broadly supportive of the Draft Strategy which seeks to balance urban growth with improving rural productivity, sustaining the natural environment, and responding to the impacts of climate change. We feel it is appropriate to focus on “growth in the right place and at the right time” by enabling quality compact growth across existing urban settlements and areas identified for future urban growth.
- 9.2. Our main concern is that Auckland Council must be more ambitious and allow zoning for higher growth in locations benefiting from proximity to strategic transport networks and existing urban development and infrastructure (e.g. Drury and Pukekohe/Paerātā). If Auckland Council does not account for high growth as signalled in the GfHG, the Draft Strategy will have to be updated shortly after its release to reflect a high growth approach.
- 9.3. For any further enquiries, please do not hesitate to contact Terry Jones, Senior Advocacy Advisor, via email: terry@propertynz.co.nz or cell: 027 338 0694.

Yours Sincerely,



Martin Cooper
Auckland Committee Chair