

# Property Council New Zealand

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**Submission on**

## **Hamilton City Council's Plan Change 14 – Flooding**

27 February 2025

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Hamilton City Council

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## **Hamilton City Council Plan Change 14 – Flood Hazards**

### **1. Summary**

- 1.1 Property Council New Zealand Central Committee (“Property Council”) welcomes the opportunity to submit on [Hamilton City Council’s Plan Change 14 – Flooding \(“Plan Change 14”\)](#). As extreme weather events become more prevalent, taking action to address flood risk in Hamilton is an important step that we welcome.
- 1.2 Property Council supports aspects of Plan Change 14, as it is important to avoid flooding risk where possible. However, we are concerned that provisions of Plan Change 14 will result in unintended consequences for Hamilton. Most significantly, without ensuring accuracy of proposed changes and established processes for landowners or developers to apply for changes, it will create uncertainty for the property sector.
- 1.3 We are also concerned that some provisions in Plan Change 14 will make development harder in Hamilton and reduce development capacity and housing supply. We see greater potential for infrastructure to mitigate risks that might be faced by a development. This re-iterates the importance of enabling greater density and/or capacity in appropriate areas for development.

### **2. Recommendations**

- 2.1 Property Council recommends that Hamilton City Council:
  - Either retain flood mapping in the District Plan, or develop a dynamic and cost-efficient pathway for property owners to apply to change their flood hazard classification prior to GIS changes occurring;
  - Assess the wider costs associated with the implementation of Plan Change 14, with a focus on insurance costs;
  - Amend the transaction costs for developers and council in Table 3, Option A – Non-statutory maps is increased from “moderate” to “high”;
  - Table 5 be amended to “moderate/high” to accurately reflect the Council’s analysis and adopt Option A status quo for Managing Low Flood Hazards;
  - Delay the decision on Managing Medium Flood Hazards until proper analysis is undertaken on the impact on development potential and transaction costs for developers and council;
  - Collaborates with the private sector to adopt a more permissive approach to engineering, planning and infrastructure solutions that mitigate hazard risk; and
  - Enable additional housing supply in areas of Hamilton without flooding risk.

### **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 \$197.5 billion in property assets across the Waikato, with property providing a direct contribution to GDP of \$2.9 billion and employment for 22,100 Waikato residents.
- 3.4 Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 74 Waikato based member companies across the private, public, and charitable sectors.

### **4. Use of non-statutory mapping**

- 4.1 Plan Change 14 proposes to remove flood hazard maps from the District Plan and instead rely on "best available information", which is currently Hamilton City Council's GIS Floodviewer. Property Council is concerned about the use of non-statutory mapping to identify flood hazards, and therefore restrict activity on those sites across Hamilton.
- 4.2 We are concerned that under Plan Change 14, flood mapping could be updated at any time and without consultation. This is especially a concern when looking at the issue from the perspective of property owners of specific sites, at which the mapping may not be accurate for. The natural hazard status of a property has a significant impact on both the property owner and the development potential of that site. Having flood hazard information subject to change at any time will create significant uncertainty for both existing and future property owners.
- 4.3 This approach will have flow on effects, such as restricted development potential for particular sites. As an example, a property may show up as hazard free and be purchased for development, only to have the mapping updated overnight and development restricted. Our experience in other cities is that the use of non-statutory mapping, which can be insufficiently robust, creates numerous challenges, costs and delays for property owners seeking to change or update their flood hazard status.
- 4.4 Our initial feedback to Hamilton City Council in 2024 related to non-statutory mapping that could be addressed in one of two ways: either by retaining flood mapping in the District Plan, and the associated public consultation for any future changes, or develop a dynamic and flexible pathway for property owners to apply to change their flood hazard classification.
- 4.5 Page 28 of Plan Change Section 32 Report, Plan Change 14 – Flooding, states:

*"...the GIS-based floodplain maps are one source of information that may determine a floodplain. Other methods can include site specific investigations. These investigations may be undertaken by a landowner or developer and provided to the council for review and acceptance if correct. Thus, it is possible*

*that these site-specific investigations may result in a site being outside the floodplain, even if shown as being affected by the GIS floodviewer. If it is accepted that the site is not affected, then relevant flood hazard consent processes are not triggered.”*

- 4.6 While we support site specific investigations, we note our concerns around criteria and processes having not been established prior to the proposed changes to the GIS system.
- 4.7 Clarity needs to be given to what the process will be if the maps are able to be updated without the RMA Schedule 1 process. For example, the following questions remain unanswered:
- whose information will be preferred and who will notified about it (given stormwater is considered as a whole catchment)?
  - what will happen if information is being updated, and the neighbour’s development is half way through? And;
  - how does Council intend to manage disagreements between information?
- 4.8 We recommend answers to these questions are established with a clear application process for property owners to request a change to their flood hazard classification, prior to GIS changes occurring. Furthermore, there will be significant cost to a landowner or developer in undertaking a site-specific investigation, and a clear process is required to minimise those costs at the council level.

#### Insurance impact

- 4.9 Plan Change 14 indicates that large swathes of Hamilton have some degree of flooding risk, or else are situated in a depression or overland flow path. The exact properties affected is subject to future change, due to the proposed use of non-statutory mapping. This will add significant cost and uncertainty to property owners when it comes to meeting insurance requirements.
- 4.10 Insurance companies look at a range of information when assessing what insurance premiums will be, with higher insurance costs for properties with natural hazard risk. We recommend that Hamilton City Council should assess the wider costs associated with the implementation of Plan Change 14, with a focus on insurance costs. This is especially important for providing property owners with certainty, given the proposed increases to other costs of property ownership such as rates or finance costs.

### **5. Accuracy of flood mapping**

- 5.1 Plan Change 14 is reliant on updated flood mapping data from Hamilton City Council. We wish to thank Hamilton City Council for undertaking this important work. However, based on our initial review, we are concerned that there are potential issues associated with the flood mapping, that could lead to inaccuracies in identifying flood hazard and therefore risks associated with particular sites.
- 5.2 Our overall concern is that the flood mapping undertaken may not be accurate at a site-specific level. Getting the initial flood mapping ‘right’ is important for setting the baseline for all future flood assessments. Given the consequences for property owners of being identified as having a level of flood risk or being on overland flow path, it is critical to ensure access to the most accurate and up to date information for each site.

- 5.3 Unfortunately, Plan Change 14 proposes a more ‘blanket’ approach with updates to GIS system instead of Plan Changes. We fear that as a result, accuracy of plan changes will likely be challenged on a site-by-site basis, causing significant cost for landowners, developers and Hamilton City Council. We can take lessons from Tauranga City Council’s recent Plan Change 27 which showed significant costs due to the number of changes required by the Council. Subsequently, we recommend that the transaction costs for developers and council in Table 3, Option A – Non-statutory maps is increased from “moderate” to “high”.

## 6. Impact on new development

- 6.1 Plan Change 14 contains a number of provisions that will alter the regulatory approach to development in broad swathes of Hamilton, in terms of both building design and consenting pathway. While we support aspects of these proposals, we are concerned that several aspects of these provisions will make development harder in Hamilton and reduce development capacity and by association, housing supply and affordability.

- 6.2 We believe that Plan Change 14 will have the following impact in Hamilton:

- 5,550 fewer houses over 30 years;
- A 6.5 per cent increase in the cost of a new house;
- Time delays of 7-14 years (due to uncertainty and challenges required on natural hazard status and projects to become feasible); and
- Negatively affect the saleability of homes and increase insurance payments as the natural hazard status is placed on a property LIM report.

### Managing Low Flood Hazards

- 6.3 Plan Change 14 proposes Option B, a range of enhanced standards to support development on low flood hazard areas.
- 6.4 Table 3 states, the likely impact on development potential of status quo and enhanced standards as both moderate. However, having enhanced standards will increase the cost of all development as the new requirements for low flood hazard areas place pressure on building and urban design. We recommend amending Table 3 transaction costs for developers and council from “moderate” to “high” as outlined in the blue highlight below.

Table 3 Cost and benefits – Flood Maps

Criteria	Option A – Status quo – Statutory Maps	Option A – Non-statutory maps
Risks to people	Moderate	Low
Risks to property (within site and adjacent sites)	Moderate	Low
Impact on development potential	Moderate	Moderate
Transaction costs for developers and council	High	Moderate
Efficiency in managing negative impacts of natural hazards related to the use of best available information	Low	High
Effectiveness in managing negative impacts of natural hazards related to the use of best available information	Low	High

Legend	Least preferred	Less preferred	Most preferred
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- 6.5 Furthermore, wider regulatory reforms such as new development contribution rates, results in cumulative cost pressures on new development in Hamilton. This is concerning and will ultimately be reflected in higher house process.
- 6.6 We recommend Hamilton City Council adopt Option A, retaining existing provisions relating to Low Flood Hazards in the Operative District Plan for all areas within the city (i.e. permitted activity for new buildings subject to standards). However, if Hamilton City Council adopt non-statutory maps, we recommend that Hamilton City Council develop a dynamic and cost-efficient pathway for property owners to apply to change their flood hazard classification prior to GIS changes occurring.

#### Managing Medium Flood Hazards

- 6.7 Plan Change 14 proposes Option D, resource consent – discretionary for Managing Medium Flood Hazards. This will result in a shift from discretionary activity for new buildings to restricted discretionary and introduce a [comprehensive assessment criterion](#) to address flood risk.
- 6.8 Although we support a shift from discretionary to restricted discretionary, from a risk perspective, we are concerned that the comprehensive assessment criteria will create levels of uncertainty for developers in its initial application.
- 6.9 We are also concerned about the cost associated with such changes (as per our comments within the *Managing Low Flood Hazards* section). For example, Table 5 outlines the impact on development potential with Option B (no development) having a “high” impact but Option D – Resource Consent having an impact “less than Option B” i.e. no development.
- 6.10 This is flawed analysis, used to inaccurately reflect Hamilton City Council’s preferred option D ranks higher than other proposed options, which is not the case in reality. We recommend Table 5 “Less than Option B” wording be amended to “moderate/high” to accurately reflect the Council’s analysis. We have highlighted in blue the green boxes that should be updated to yellow or red in the tables below.

Table 5 Cost and benefits – Medium Flood Hazards

Criteria	Option A – Status quo	Option B – No development in Medium Flood Hazard Areas	Option C – Enhanced standards	Option D – Resource consent (RD)
Risks to people	Moderate	Low	Low	Low
Risks to property (within site and adjacent sites)	High	Low	Low	Low
Impact on development potential	Moderate	High	Moderate	Less than Option B
Transaction costs for developers and council	Moderate	Moderate	Moderate	Less than Option B
Efficiency in managing flood hazards	Moderate	High	High	High
Effectiveness in managing flood hazards	Moderate	High	High	High

Legend	Least preferred	Less preferred	Most preferred
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- 6.11 We recommend Hamilton City Council delay the decision on Managing Medium Flood Hazards until proper analysis is undertaken on the impact on development potential and transaction costs for developers and council.

#### Managing High Flood Hazards

- 6.12 Plan Change 14 proposes Option C – Enhanced standards over Option B – No development in High Flood Hazard Areas. While we recognise that no development may be more appropriate in some circumstances, we would not support Hamilton City Council having the ability to decline land use consent or impose conditions solely due to the presence of a natural hazard, as many can be mitigated or resolved. For example, risks can be mitigated through careful design, planning, and infrastructure. There were many examples of effective planning and design protecting medium density housing developments during the 2023 Auckland floods.<sup>1</sup>

#### Mitigating risk through infrastructure

- 4.2 In our view, there is greater potential for engineering, planning and infrastructure solutions to address many of the natural hazard risks, then currently accounted for in Plan Change 14. We recommend that Hamilton City Council collaborates with the private sector to adopt a more permissive approach to engineering, planning and infrastructure solutions that mitigate hazard risk.
- 4.2 Well-planned development can mitigate climate change related risks and deliver appropriate housing typologies that may not be able to be delivered within the existing built environment. High quality developments can also help support Hamilton's climate adaptation, by redirecting water flow through infrastructure and incorporating best practice in terms of planning for communities with access to transport linkages and housing closer to future amenities and employment opportunities.

#### Consenting requirements

- 6.13 Plan Change 14 will introduce increased consent requirements across numerous parts of the city. Examples of these include new provisions that make development in a low, medium and high flood risk areas.
- 6.14 Consenting processes can prove to be significant barrier to development and delays result in notable costs to the development sector. We are concerned that without improved processes in the processing team and/or resourcing, these changes will prove to be a barrier to otherwise viable new development.

## **7. Development capacity**

- 7.1 As outlined above, Property Council is concerned about the impact that Plan Change 14 could have on development capacity across Hamilton. Enabling sufficient development capacity is critical for addressing ongoing housing supply and affordability challenges.

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<sup>1</sup> <https://www.stuff.co.nz/life-style/homed/real-estate/131559591/the-medium-density-housing-developments-that-defied-the-auckland-floods--this-is-how-they-did-it>

- 7.2 To remedy our concerns, Property Council recommends that Hamilton City Council enables greater development capacity and housing supply (i.e. intensification) in key areas of Hamilton that do not have flooding risk. This could be in areas such as walkable catchments of the central city or key transport nodes.
- 7.3 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. Denser development patterns place less demand on transport services and lessen demand for investment in new core infrastructure, while improving resilience to natural hazards.

## **8. Conclusion**

- 8.1 Property Council supports action to address flood risk in Hamilton. However, we are concerned that parts of Plan Change 14 will result in significant and unintended consequences for Hamilton. We do not support the use of non-statutory mapping but instead recommend incorporating mapping into the District Plan.
- 8.2 Property Council members invest, own, and develop property in Hamilton. We thank Hamilton City Council for the opportunity to provide feedback on Plan Change 14. Any further enquires do not hesitate to contact Katherine Wilson, Head of Advocacy via email: [katherine@propertynz.co.nz](mailto:katherine@propertynz.co.nz) or cell: 027 8708 150.

Yours Sincerely,



Morgan Jones

Central Committee Chair