

Property Council New Zealand

Submission on Auckland Council's Annual Plan 2026/2027

25 March 2025

For more information and further queries, please contact

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Submission on Auckland Council's Annual Plan 2026/2027

1. Summary

- 1.1. Property Council New Zealand ("Property Council") welcomes the opportunity to submit a response to Auckland Council on their Annual Plan 2026/2027 ("Annual Plan").
- 1.2. The Annual Plan gives direction for the annual budget in Tāmaki Makaurau Auckland. Property Council supports the annual plan and encourages Auckland Council to work alongside the development community to utilise City Rail Link investment opportunities and strategic infrastructure delivery and sequencing. We do not support the proposed increase in the business rating differential as this is inconsistent with Auckland Council's previous commitment to progressively reduce the differential rates burden over time.

2. Recommendations

- 2.1. At a high level, Property Council recommends Auckland Council:
 - When the Long-term Plan is reviewed in 2027, recommits to reducing the business differential, as previously promised and commits to a timeline for doing so;
 - Amend the 2026–2027 Annual Plan to align with the Long-Term Plan forecast and limit the average business rates increase to 8.22 per cent;
 - Investigate alternative funding and financing tools;
 - Provide clear and transparent reporting on the outcomes delivered through the City Centre Targeted Rate to date, alongside defined performance measures and expected delivery timeframes for future initiatives funded by the rate;
 - Have closer collaboration with the development sector to unlock mixed-use development around CRL stations; and
 - Work alongside the development sector to provide greater certainty around infrastructure sequencing, so the sector has the confidence to invest in growth areas and align development with the timely provision and efficient use of infrastructure.

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 is 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 Annual Plan 2026/2027](#). Comments and recommendations are provided on issues relevant to Property Council's members. Reflecting the diversity of our membership, Property Council members may wish to comment in greater detail on issues specific to their business. Accordingly, we support individual members providing separate submissions addressing those matters.

4. Rates

- 4.1. Property Council does not support the average business rates increase at 9.84 per cent which deviates from the Long-Term Plan forecasted increase of 8.22 per cent, in order to maintain the business sector's fixed 31 per cent share of general rates and targeted rates. Property Council reiterates its longstanding position that the business rating differential should be abolished and must be progressively reduced in accordance with the Long-Term Differential Strategy previously adopted by Auckland Council, in 2024.
- 4.2. The Long-Term Differential Strategy was developed to address historic inequities in Auckland's rating system and to ensure a fairer distribution of the rates burden between residential and business ratepayers. Reversing that trajectory places a disproportionate burden on the property and business sector at a time when Auckland's economy remains fragile.
- 4.3. Property Council recommends that when the Long-term Plan is reviewed in 2027, Auckland Council re-commits to reducing the business differential, as previously promised and commits to a timeline for doing so.
- 4.4. We recommend the 2026–2027 Annual Plan aligns with the Long-Term Plan forecast and limits the average business rates increase to 8.22 per cent. Maintaining consistency with the Long-Term Plan will provide greater certainty for businesses while supporting the longer-term objective of gradually reducing the business differential.

Alternative funding and financing

- 4.5. Property Council advocates for all local government authorities throughout New Zealand to investigate alternative funding and financing mechanisms. We support the use of transparent user-pays models like private-public partnerships, special purpose

vehicles, targeted rates, infrastructure funding and financing levies and asset recycling. Our approach is also consistent with the recommendation of the New Zealand Productivity Commission that local government should adopt a more transparent approach to rating tools and other funding sources.¹ We recommend that Auckland Council investigate alternative funding and financing tools.

5. City centre

- 5.1. Property Council continues to support investment in Auckland’s city centre through the City Centre Targeted Rate. However, it remains unclear what outcomes the targeted rate seeks to achieve, the progress on these outcomes and demonstrable value for money.
- 5.2. The cumulative impact of the city centre targeted rate, when combined with general rate increases and differential changes is placing significant pressure on city centre property owners. Business owners need transparency and certainty of how their funds are being spent to revitalise the city centre.
- 5.3. We recommend that Auckland’s Annual Plan provide clear and transparent reporting on the outcomes delivered through the City Centre Targeted Rate to date, alongside defined performance measures and expected delivery timeframes for future initiatives funded by the rate. Property Council would welcome the opportunity to hear from the City Centre Targeted Rate Group about their proposed strategy.

City Centre investment and CRL

- 5.4. Auckland Council are asking submitters what improvements should be prioritised in the city centre: Better connections; Events and city life; Getting around; Māori identity and culture; Safety; Streets and public spaces; Supporting businesses; Other.
- 5.5. From a Property Council perspective, city centre investment should prioritise initiatives that strengthen economic activity, connectivity and business confidence in the CBD.
- 5.6. We support prioritising better connections, events and city life, and supporting businesses, alongside continued investment in streets, public spaces and safety. With the opening of the City Rail Link (“CRL”) in 2026, Auckland Council should focus on improving connections between stations, surrounding precincts and key commercial areas while supporting events and activation that increases foot traffic and economic activity. Safety should also be a key consideration in supporting this activation ensuring people want to come and utilise public spaces.
- 5.7. We also note the importance of intensification around key transport nodes as proposed through Auckland Unitary Plan Change 120 (“PC120”) and support the intent to enable greater development capacity in these locations. We encourage Auckland Council to

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

maintain this focus in forthcoming PC120 material, ensuring the opportunities created by the CRL are fully leveraged. We recommend closer collaboration with the development sector to unlock mixed-use development around CRL stations. Intensification including retail, hospitality and housing will help maximise the return on this significant infrastructure investment and support a vibrant, economically productive city centre.

6. Local boards

- 6.1. Property Council continues to support Auckland Council's Fairer Funding model for local boards, which allocates funding based primarily on population, levels of deprivation, and land area. Aligning funding more closely with population encourages intensification in locations where infrastructure and amenities already exist, particularly around key transport nodes and metropolitan centres.
- 6.2. Property Council welcomes Auckland Council's continued commitment to the Fairer Funding Model and alignment with national housing and urban growth objectives.

7. Shaping Auckland's longer-term future

- 7.1. Auckland Council are asking submitters to rank what areas are most important to them over the long-term, to help form discussions for next year's Long-Term Plan, spatial plans, etc: Economic development and events; Local parks, community and recreation services; Planning and infrastructure to manage growth; Regional parks and environment; Transport; Flood resilience.
- 7.2. From a Property Council perspective, the priorities that most strongly support Auckland's long-term prosperity are economic development and events, planning and infrastructure to manage growth, and flood resilience.
- 7.3. Property Council supports a strong focus on economic development and events as a catalyst for investment, productivity and city vitality. A thriving city centre that is open for business, supported by major events and an active hospitality and retail environment, helps attract talent, tourism and business investment to the region.
- 7.4. Equally important is ensuring Auckland's planning system and infrastructure investment settings enable growth rather than constrain it. Property Council supports smarter spatial planning that aligns land use with transport and infrastructure delivery, while removing unnecessary regulatory barriers and reducing consenting time that delays development. This aligns with our own regional priority of *driving Auckland's growth by accelerating the delivery of smart, integrated property, transport and infrastructure for connected, sustainable communities, starting with the city centre*. Spatial planning and long-term planning should prioritise efficiencies in processes and delivery.
- 7.5. Achieving this will also require a broader funding and financing toolkit for councils, alongside stronger collaboration with the development sector to anticipate where

growth will occur to ensure infrastructure is delivered efficiently and affordably. Existing infrastructure capacity should be utilised and Auckland Council could encourage intensification around CRL growth through cost reductions in development costs.

- 7.6. Property Council also notes the importance of a resilient, sustainable city and supports flood and climate change resilience. The built environment and property sector will be one of the most impacted sectors in the near decades and we want to work alongside Auckland Council to encourage adaptative and resilient infrastructure and development outcomes. We support Auckland Council's step towards recognising this risk in PC120 but further encourage collaboration with the private sector to understand how innovative and effective design can promote flood and climate change resilience.
- 7.7. Property Council recommends Auckland Council work alongside the development sector to provide greater certainty around infrastructure sequencing, so the sector has the confidence to invest in growth areas and align development with the timely provision and efficient use of infrastructure.

8. Conclusion

- 8.1. Property Council supports the Annual Plan and encourages Auckland Council to work closely with the development sector to maximise the investment of the City Rail Link and enhance city vibrancy. We oppose the failure to reduce the business differential in line with Auckland's long term differential strategy and would like to see a recommitment to this strategy in Auckland next Long-Term Plan.
- 8.2. For any further enquiries, please do not hesitate to contact Bella Leddy, Advocacy Advisor, via email: bella@propertynz.co.nz or phone: 0297786114.

Yours Sincerely,



Martin Cooper
Auckland Regional Committee Chair
Property Council New Zealand