

Property Council New Zealand

Submission on Hamilton City Council's Financial Contribution Policy 2026

1 May 2026

For more information and further queries, please contact

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Hamilton City Council

Via online: <https://haveyoursay.hamilton.govt.nz/financialcontributions>

Submission on Hamilton City Council's Financial Contributions policy 2026

1. Summary

- 1.1. Property Council New Zealand ("Property Council") welcomes the opportunity to submit on Hamilton City Council's Financial Contributions policy ("the Policy").
- 1.2. Property Council recognises the importance of improving the health of the Waikato River and its catchment for both the region and the country. Our members live, work, and invest in the Waikato, and understand firsthand the environmental, cultural, and economic value and therefore the cost of maintaining a healthy river system. Property Council does not support this cost being collected from new development through a financial contribution. We support a funding approach where these costs are more broadly shared and clearly linked to those who benefit.

2. Recommendations

- 2.1. At a high level, Property Council recommends:
 - Funding is collected via a general rate, where the cost of river improvements is spread across all beneficiaries;
 - A reconciliation/refund mechanism is established to reconcile contributions with the final built form to incentivise efficient outcomes;
 - The Policy includes clear reporting provisions, such as annual public reporting on amounts collected, expenditure by project, and remaining balances;
 - The Policy recognises exemptions where it can be demonstrated that equivalent infrastructure provision and effect mitigation is achieved; and
 - The Policy clearly defines when financial contribution obligations are fixed, including transitional provisions for developments already underway to ensure certainty of costs.

3. Introduction to Property Council New Zealand

- 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. We aim to unlock opportunities for growth, urban development, and productivity to improve New Zealand's prosperity.

3.3. Property is the Waikato's second largest industry. 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. We connect property professionals and represent the interests of 104 Waikato companies (and their teams) across the private, public and charitable sectors.

1.1 This document provides Property Council's feedback on [Hamilton City Council's financial contribution policy](#), with comments and recommendations on issues relevant to our 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. Cost impact

4.1. Property Council is concerned that the cost of Waikato River improvements is being disproportionately allocated to the development sector through this Policy, at a time of increasing cumulative cost pressures.

4.2. Developers in Hamilton are already facing a range of cost increases, including:

- Hamilton City Council rates proposal to increase 15.5% according to the 2024-34 Long Term Plan;
- Hamilton City Council development contributions ranging from \$30,000-\$70,000 per dwelling;
- Rising construction, insurance, labour and supply chain costs;
- Proposed IAWAI water growth charges of \$500 per HUE annually; and
- Hamilton City Council's proposed Financial Contribution of \$996 per PUD.

4.3. We are concerned that implementing the Financial Contributions Policy in this way could reduce the feasibility of new residential development, slow housing supply, and ultimately make Hamilton City less competitive for investment compared with other areas, such as Matamata Piako or Waikato. Placing the cost on developers risks unintended consequences for both the housing market and broader economic growth in the region. Furthermore, a thriving Waikato River delivers benefits for the whole region so the costs of achieving these outcomes should be more broadly shared rather than falling disproportionately on one group.

4.4. Instead of implementing a financial contribution, Property Council recommends funding is collected via a general rate, where the cost of river improvements is spread across all beneficiaries.

5. Methodology

5.1. We also have concerns about the financial contribution methodology i.e. the use of the number of bedrooms in a residential unit as a proxy to determine the size of a house

for setting contribution charges. While we understand that this measure is intended to distinguish between smaller and larger homes, it is a crude proxy that does not accurately reflect actual house size or likely environmental impact.

- 5.2. The definition of a bedroom excludes kitchens, bathrooms, one living area, garages, hallways, and rooms under 6m², but counts all other spaces regardless of use. As a result, spaces such as studies, offices, or additional living rooms may be counted as bedrooms, potentially inflating the calculated contribution. Conversely, larger open-plan dwellings could understate the actual floor area if they consolidate space into fewer “bedrooms.”

Risk of overcharging

- 5.3. Where final development form is unknown, the Policy defaults to a three-bedroom rate (1 PUD). This risks overestimating demand and overcharging upfront, particularly for developments delivering smaller or more affordable typologies. Property Council recommends a reconciliation/refund mechanism is established to reconcile contributions with the final built form to incentivise efficient outcomes.

6. Transparency and reporting

- 6.1. While clause 26 provides that funding for certain projects is contingent on financial contributions revenue being collected, the Policy does not include any requirement for reporting on how those funds are allocated or spent. There is no clear mechanism for tracking contributions collected against specific projects or demonstrating that expenditure aligns with the purposes for which contributions were levied. We recommend including clear reporting provisions, such as annual public reporting on amounts collected, expenditure by project, and remaining balances.

7. User pays charging framework

- 7.1. The Independent Hearings Panel, in considering Plan Change 12, recognised that greenfield development may warrant different treatment in respect of financial contributions, as reflected in the exemption applied to the Peacocke Precinct.¹ Importantly, the Panel did not conclude that Peacocke was uniquely different, but rather that there was insufficient evidence before it to determine whether similar outcomes should apply more broadly to other greenfield areas.
- 7.2. Where greenfield development is comprehensively planned, internally services infrastructure, and mitigates effects through design and funding mechanisms, it does not generate the same cumulative pressures as intensification and may justify a different funding approach. Property Council recommends the Policy recognises this

¹ Independent Hearing Panel Recommendation of the Operative Hamilton City District Plan, Appendix 18: Financial contributions.

distinction and provides exemptions where it can be demonstrated that equivalent infrastructure provision and effect mitigation is achieved.

8. Transitional provisions

- 8.1. The Policy does not address transitional arrangements for developments already in progress, creating uncertainty for projects with existing resource consents but not yet at building consent stage. These developments have made investment decisions under the current framework, and introducing new charges at a later stage risks misaligning cost recovery with when costs can be absorbed. This may impact project viability and lead to delays or deferral of development.
- 8.2. Property Council recommends the Policy clearly defines when financial contribution obligations are fixed and include transitional provisions for developments already underway to ensure certainty of costs.

9. Conclusion

- 9.1. Property Council thanks Hamilton City Council for the opportunity to submit on the Financial Contribution Policy. We do not support the proposed approach to funding Waikato River restoration through charges on residential development. This places a disproportionate burden on new housing and does not reflect the wider community benefits of river improvements.
- 9.2. Property Council members invest, own, and develop property across New Zealand. We wish to be heard in support of our submission.
- 9.3. For further enquiries, please do not hesitate to contact Bella Leddy, Senior Advocacy Advisor at bella@propertynz.co.nz.

Yours Sincerely,



Morgan Jones
Chair of Central Committee
Property Council New Zealand