

# Using land for housing at a glance



The inquiry evidence base:

- 136 submissions
- 100+ face-to-face meetings
- Academic literature and government reports
- Extensive engagement with councils and government agencies
- Leading practices from overseas regimes and engagement with international experts



## Problems

## Underlying causes

## Consequences

Slow, prescriptive planning that misses important priorities

- Lack of responsiveness to demand and prices
- Lack of integrated planning
- Little recognition of national interests
- RMA doesn't deal well with urban environments
- Scope creep – trying to do too much

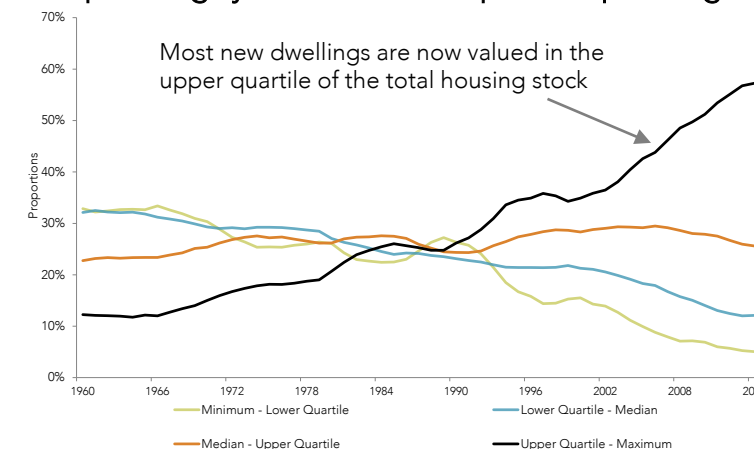
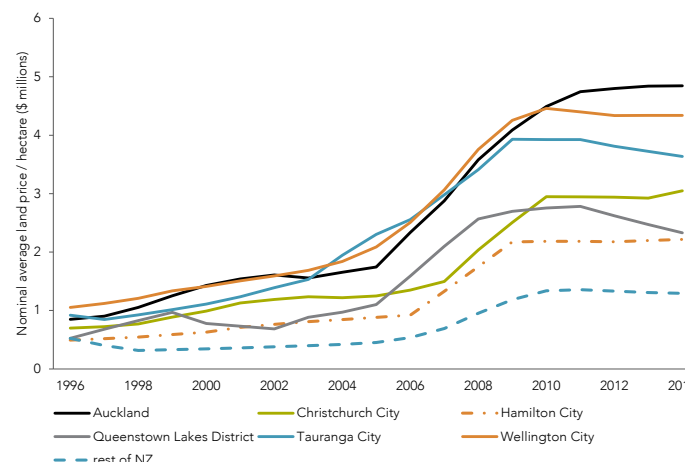
Misaligned incentives on a range of actors

- Local political process stacked against growth
- Land banking
- Growth is seen as expensive by ratepayers and councils

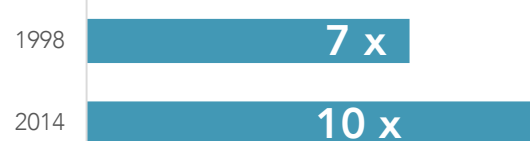
Insufficiently responsive infrastructure provision

- Rationing of infrastructure connections
- Reluctance to use range of funding tools
- Underinvestment
- Under-pricing and cross-subsidies

Land prices have appreciated dramatically... and the planning system doesn't respond to price signals



Land inside Auckland's MUL is 10 times more expensive than outside



High land prices are leading to:

- High housing costs for individuals
- Fiscal costs (eg accommodation supplement)
- Less productive cities
- Macro-economic risks
- Over-crowding
- Reduced living standards

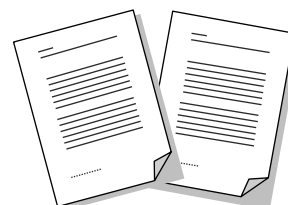
## Improvements to the existing system would help... ...but more fundamental changes are also needed

### Councils should:

- Make greater use of existing tools to fund growth such as targeted rates
- Price infrastructure to recover costs from those who benefit
- Better manage infrastructure and allow growth to occur where spare capacity exists
- Adopt rating systems that encourage the efficient use of land
- Ensure land use restrictions pass robust cost benefit tests
- Ensure CCOs are aligned with plans for growth

### Government should:

- Remove barriers to the use of charges such as road tolls and congestion charges
- Remove rates exemptions on some Crown-owned land
- Remove barriers to contracting for water services
- Create an inventory of Crown-owned land
- Improve the RMA – eg limited notification of site-specific plan changes
- Provide greater and better-quality guidance to assist councils with cost benefit analysis



### An overhaul of planning legislation is needed

The current planning system is not fit for purpose. A review of planning legislation is needed to reduce duplication, rationalise processes, and increase the system's ability to respond to changes to demand.



### Government should assist councils to develop inner-city sites

Some councils are establishing urban development authorities (UDAs) to pursue redevelopment of city centres. The Government should assign UDAs compulsory acquisition powers and streamlined planning processes, with Ministerial oversight.



### Steps needed to ensure that councils make enough land available

Government should set a land price threshold, above which councils would be required to bring forward the release of greenfield land and service it with infrastructure.