

Using Land for Housing

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SUBMISSION FROM:

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Background

Carrus Corporation Limited "Carrus" is a property developer and was formed by Paul Adams in 1990.

Carrus' major discipline is residential development, but it also has expertise in rural residential, retirement villages, industrial and commercial developments.

Carrus has undertaken numerous developments around the North Island, namely Auckland, Rotorua, Taupo, Palmerston North, Hamilton, Porirua and Wellington.

Carrus has developed and sold over 4,600 sections to date.

Carrus currently has developments in Tauranga, Taupo and Porirua.

Our submission/answer to the questions is as follows:

Q1 Obviously there needs to be a co-ordination between planning for development and the provision for infrastructure. Part of this planning is having some confidence in the future growth of New Zealand. Where some Councils got caught out was initially they did not react quickly to the global financial crisis and once the market recovered, they were once again slow to respond.

Q2 It is the process that developers have to go through which involves significant cost and delays plus uncertainty of an outcome.

Q3

Q4 The increased supply of development capacity is all based around the roll out of infrastructure. If Central Government was seriously concerned about this issue, they would/should provide financial backing to Councils' Balance Sheets that are under pressure due to current debt loading.

Q5 The speed of processing Resource and Building Consents, but a more robust method needs to be had in gathering this data as some Councils do fudge the processing dates.

Q6

Q7

Q8 It is National Policy Statements that have a significant impact on land development.

Q9 Local Authority plans are getting extremely difficult to follow and because of the complexity of them they are now so prescriptive. In some cases, District Plans have set out policies which their own Council cannot administer.

A plan should be measured by it's readability and ease of understanding and not always have to hire professionals to do such a task.

Q10 The focus for the ongoing supply of land has become a focus for Councils driven by Central Government's current drive.

Q11 Normally the ability to comment is through the Submission Process. In some cases prior to any notification, Tauranga City Council has held workshops where Developers would express their support or concerns. This has worked to some extent but it is not being done every time.

Q12 Not Sure

Q13 It is not so much the plan development process, but more the operation of the developed plan, no different to the RMA that slows the process.

Q14 Local Authority assessments for land demand have improved significantly over the past three years. An example – Tauranga City Council.

Q15 Significant improvement over the past 3-5 years.

Q16 There needs to be a more pragmatic approach, and councils need to look at times to the "big picture" when applying their rules and regulations .

Q17

- Q18** The provision of infrastructure and impact on the Council's Balance Sheet does impact significantly on the planning process on making land available.
- Q19** See above.
- Q20** District Plans are to give effect to Regional Policies, but at times they get out of sequence and a District Plan gets adopted, then out comes a Regional Policy Statement and then along comes a National Policy. This involves a significant amount of time and money in going through the Submission process to effectively have to go through it three times.
- Q21** They use too, when the Council had a team of urban designers that get involved in the Consent Process and come up with ridiculous requirements and delay the process. Sometimes Councils come out with rules that are not what the market wants.
- Q22** Rules for development are important, which is no different to covenants as it provides certainty for the purchaser that the amenity values in the area are not going to be compromised.
- Q23** Certainty of implementation and follow up is important.
- Q24**
- Q25**
- Q26** Design guidelines do not take all situations into account. "One rule does not fit all". These guidelines don't normally address topography, road layout or whether the section is north facing or not. They don't affect the availability of land but restrict the development of that land and what end product can be built on the section.
- Q27** We currently have developments in Tauranga, Taupo and Porirua cities. The only delays that occur are getting up to speed at the front end of each development. Where the additional time and costs come is submitting on the above District Plans (also Western Bay District Council) and the Regional Plans in each area. It would be a huge advantage if they were all the same, but I don't think this would be practicable apart from Tauranga City Council and Western Bay of Plenty District Council.
- Q28**

Q29 Having a set of guidelines, followed by a pre-application meeting and then have the ability to monitor the progress of the Consent application to determine where there are delays incurring and then have a “Case Manager” to refer to, so as to remedy the delay as quickly as possible.

Q30 Yes, they do cause delays, but it is not just in the Consent processing delays that add actual and opportunity costs:

- Resource Consent processing;
- 224C Consent processing;
- LINZ title processing;
- Building Consent processing

One always remains positive that any change will improve the processing but it depends on the factual reporting by Councils. We had one Council that we found out that the “clock” did not start ticking until all the departments within the Council had reviewed the application.

Q31 Lack of quality staff processing the application.

Q32 Delays, additional costs and a significant opportunity cost. Some Councils post out letters, and there in goes the loss of one to two weeks whereas an email request could be responded to within a day.

Q33 Whilst thought initially as a good initiative, it did nothing to speed up the process and a significant number of queries were not even addressed at the pre-hearing meeting. In some cases, it served more of an indication to the Council that an application was on it’s way.

Q34

Q35 Someone with practical experience will always make a difference.

Q36

Q37 The Local Authority effectively is holding a gun to the Developer’s head as if we don’t agree or accept the conditions imposed, then we don’t get a Consent and that delays the start of the development. First I have ever heard of the “fair and reasonable” test.

Q38 They have a significant impact, as over the years the number of conditions have trebled.

Q39

Q40 See Q37 above

Q41 If you can't initiate a Private Plan Change, then you are totally reliant on Council and their timeframe and process.

Q42 A Plan Change is never easy and for a large development in Tauranga, there are some very significant hurdles one has to get over not only at a City Plan but also the Regional Plan level.

Q43 It depends on the development whether a Council led Plan Changes is the better option.

Q44

Q45

Q46

Q47 Central Government to provide financial incentives to assist local Councils that have existing debt issues.

Q48

Q49

Q50 Most definitely, if a Council has already got significant debt then they cannot roll out significant infrastructure. Plus Council Staff are always quick to remind Councillors that they can't consider a project because of the current debt levels. Plus, a lot of Councillors use the "reduce debt" as one of their election platforms.

Q51 They do vary quite significantly. It is the level of these that negates doing any development in some areas.

Q52 Tauranga City Council

Q53 Tauranga City

Infill	\$7,332.27
Bethlehem	\$11,478.12
Pyes Pa West	\$18,289.49

Q54 They are more likely to restrict the ability to do a development. A good example is in Tauranga – West Bethlehem where initially the development contributions were in excess of \$30,000 per lot and no development occurred so Council reduced them to \$20,000 to try to initiate some development.

Q55

Q56 They have not been around long enough to reflect how effective they are.

Q57 The long term strategies will have a significant impact on the availability of land as this is a significant issue in Tauranga.

Q58 Yes

Q59 Central Government support

Q60

Q61

Q62

Q63 Yes, it can and it adds another layer of cost

Q64

Q65

Q66 Aggregation is important but I believe there are so many practical issues that would make it extremely difficult.

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Q71 Covenants have not impacted on the supply of land. Covenants are all about giving comfort to purchasers that the amenity value in the development is going to be maintained.

Q72 The major advantage is it provides certainty to a Developer that a development will occur, as opposed to spending significant money up front without any certainty that these costs would be recovered through the development proceeding.

Q73

Q74