

NZ. Productivity Commission

1. Using Land for Housing
2. Affordable Housing

Background:-

My experience extends over 40 years and includes a mixture of:-

- Land Development
- Residential Housing
- Planning Consents – from Private plan Changes to land Use / Subdivision Consents
- Special Housing Areas (SHA)

I am concerned over the lack of understanding that council and the government have shown in their attempt to set up a mechanism / authority to administer the allocation of SHA areas and fast track the processing of the Resource Consent aspects of these developments.

It is all well in good to set up a division within council with the appropriate personnel and to reduce the resource Consent processing time for these developments. But unless you have **buy in** by the owners of the land, within these SHA's, then development is highly unlikely to proceed as prescribed by the applicants and within the timeframe envisaged by government. This has been seen with some of the larger SHA areas whereby there is no agreement by the respective owners, as to how the land is to be developed, ie development mix, cost of development, nor timing of the development ie outcomes.

It would appear that council and the government are keen to report the success of this scheme, by announcing the SHA land procured, without analysing how much of this land will eventually yield sections.

An SHA, we were involved in, fell over as a result of us insisting on having a memorandum of understanding drawn up and signed by the various owners agreeing to the; type of development ie location of high and low density housing, reserves, ponds, roads etc., cost of development, timing and per square meter payout for the existing land. If we had secured this agreement then we are sure this land would have supplied the outcomes government / council were expecting and within a short period of time. I believe the above should be the minimum expected by council prior to issuing an SHA.

The allocation of affordable housing developed within each SHA is a step in the right direction. But as these houses are only a small portion of the development then they tend to be the smaller units. Their value is still generally above the \$485,000 limit set by government due to the value of the surrounding houses, land value and amenities provided.

In Auckland affordable means cheaper this means smaller. There is no innovation in design or materials. Land value being the problem and the smaller the house then the more expensive the land and meter rate for the build when compared to the area of the site and size of unit.

We applaud what the government is trying to achieve in principle but are concerned the outcomes will be well below that expected.

If you wish to discuss this further then I am available on the contacts below.

Regards

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