

SUBMISSION ON THE DRAFT REPORT ON 'USING LAND FOR HOUSING'

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Thank you for the opportunity to provide feedback on this issue. This submission is a follow up to my previous submission (numbered 035) to the 'issues paper' on this topic and relates solely to the issue of private covenants.

1. Commission's findings (F4.6 and F4.7)

The commission's findings confirms my experience that restrictive covenants in new subdivisions are becoming increasingly common and ever more detailed. Indeed, I was surprised to learn that in one fast growing New Zealand city that all subdivisions are subject to such covenants.

One issue with covenants which I had not highlighted in my previous submission is the common prohibition on offsite buildings. While I am not an expert in this issue, I understand that there is the potential to reduce the cost of house construction through off site building (e.g. www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11432127)

Such an industry is relatively underdeveloped in New Zealand but according to a recent visitor from the UK (www.buildoffsite.com) who is planning to set up an Australasian chapter (see <http://www.radionz.co.nz/audio/player/2594458>) there is a large potential for it. However, such a potential would surely be stymied by being prevented from supplying houses to typical large scale subdivisions.

Having read the commission's findings on the advantages of covenants and developers' preference for them, it appears that there is a land supply advantage to covenants in some circumstances. In particular, in some large scale greenfields sites or areas where housing development may be risky for market reasons, a restrictive covenant can provide reassurance for the early residents (or their funders), that their investment will not be undermined by future housing within the development. Such a measure may therefore help to get new developments established, particularly in less market

attractive areas. However, such advantages are only present during the construction and early occupation of the development and any such covenant should contain a sunset clause.

2. Commission's question (Q4.2)

Turning to the Commission's question, I have no firm preference for any of the particular statutory controls suggested, but all of them appear to be feasible, particularly when they have been used successfully in other countries. I would also reiterate that some form of control is required for the reasons in my previous submission and above.