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Merrilands
New Plymouth

19 November 2014

New Zealand Productivity Commission
PO Box 8036
The Terrace
WELLINGTON 6143

Dear Sir/ Madam

SUBMISSION - USING LAND FOR HOUSING ISSUES PAPER – NOVEMBER 2014

Q1 – I believe there are tensions between the aims of the market and the regulatory system. Competition for land raises its price. The majority of greenfields subdivision is on food production land. The value of farmland can rise as a result making food production a less attractive economic use compared with returns from subdivision. Capitalisation is very tempting. Buying a farm becomes less affordable. This can raise food production costs due to mortgage servicing costs. Few developers have a social conscience. New lots are more likely aimed at the market that gives the best return rather than meet the social housing need.

Q2 – Auckland and Christchurch have unique needs arising from particular challenges. A “one size fits all” approach across NZ seems inappropriate.

Q3 – The area of most concern to me is the permanent loss of high quality food producing land to housing. Measured consideration of NZ’s food production role in a regional, national and world sense needs to be given where greenfields subdivision strategies are being planned. The recent G20 Food Security and Nutrition Framework report reflects global concerns. Auckland is currently subdividing the highly productive food production land around Hobsonville, Pokeno and Pukekohe. These areas efficiently supply produce to Auckland but will be permanently lost. Where land for housing is needed, high quality food production land should be identified and avoided. Where it is the only option, it should be used wisely to maximise its potential and minimise its extent. People need shelter but also need to eat. NZ is a major contributing food bowl for the Pacific Rim and Asia. A high proportion of its overseas earnings come from such produce. NZ’s food production capability needs to be identified, quantified and strategically protected on a national basis. It is just as important as affordable housing.

Q4 – The market will dictate subdivision design, price and housing type. I do not believe that housing affordability for modest income people is a consideration for most developers or a market they are interested in as the financial rewards are less attractive. Intervention or incentive seems needed to encourage the market to address social needs.

Q6 – Affordable housing is able to be achieved a number of ways, not just greenfields subdivision. There are international examples of adaption of existing non-residential buildings, clearing and developing derelict industrial sites, developing mixed use areas (housing/ commercial), freeing up rules to encourage residential property owners to erect a second small household unit (supervised by main household, provides an income, affordable).

Q11/ Q12 – RMA related District Plan review or Plan Change consultation requirements are extensive. The degree of participation by individual affected land owners is variable. They often have conflicting agendas. Council's proactively engage to encourage orderly land development strategies but this can be a very challenging process.

Q16 – Some District Plans do not encourage infill subdivision and housing. This would otherwise provide cost effective housing solutions. Some of these District Plan provisions arise from long standing (archaic?) neighbourly expectations which have had their day. The irony is that many people expect others development rights to be restricted but to have freedom in what they can do. These expectations need to be managed and recalibrated. NZers need to be encouraged to downsize their housing and land expectations as the current model of a single large house on a large section does not help the situation and seems to contribute to housing affordability issues. Good design seems to be a key. We also need to sell the advantages of compact living and the resultant cost, maintenance and lifestyle advantages.

Q19 – Having accessible and affordable transport available where you live is paramount.

Q21 – See Q16.

Q22 – Certainty is a key factor in business decision making and investment.

Q28 – Face to face meetings between the applicant and the processing planner are an effective way to identify and agree on the important issues and resultant information needs.

Q29 – Relationships between the regulator and applicant that encourage robust pre application dialogue i.e. between a surveyor and planner, are very important to smooth out the consenting process.

Q30 – Subdivision is a very important process. While building life is around 50-70 years, the legacy of poor subdivision will be semi permanent. Subdivision warrants intensive consideration. Large scale subdivision can be very complex and involve a wide variety of inputs e.g. roading and access standards, services, geotechnics, surface water management, reserves, archaeology, development contributions, landscape issues. Defining unnecessary in this context depends whose eyes you are looking through. Ideally robust pre application discussions will minimise the need for further information but not eliminate it. The competency of the TA planner and the applicants professionals are the key and not time frames.

Q63 – Very little in our area.

Q67 – Land fragmentation and owners individual agendas have the potential to make infrastructure provision for large scale greenfields development messy, challenging and costly. Land aggregation would help. Not hard to achieve in Singapore or China but difficult in NZ given property rights expectations. Local Government could theoretically aggregate land, but the large sums of money involved, commercial risk and the lack of private sector type business skills could make it unpalatable for the politicians and ratepayers. Could financial incentives to encourage timely joint development be devised i.e, shared cost savings for all concerned if unified development agreed.

Q71 – Private covenants seem to provide an elevated social status for a subdivision. This reassures buyers that their housing investment is assured a set of aesthetic standards and commands a higher land price due to its exclusiveness. This causes affordability issues for lower income people. It is in effect social discrimination by post code.

Yours faithfully



Ralph Broad

