COIVIIVIERCIAL
& INDUSTRIAL
CONSULTANTS
I,'T'I> Lfrc'11S<cl Ih-o1l F.siall Agmt (HEAA 2008)

13th Feb 2019

Submission. Local government funding and financing.

Acknowledgement.

I would like to acknowledge the following parties for providing some of the background information necessary to finalise this report.

Prof Frank Scrimgeour, Economist, Waikato University

Adam Thompson, Economist, Urban Economics

Chris Simpson, Economist, CEO Waikato Chamber of Commerce.

David Lugton, Director, Lugton Land Ltd and Property Developer.

Andrew King, HCC Mayor and Councillors Garry Mallett and Dave Mc Pherson for their background information and attending meeting with senior staff.

I'm also thankful to my Bank Managers who provided the detailed of the banks current and previous lending policies and policies regarding residential land development.

I'm also thankful to staff from Hamilton City Councils processing my OIA requests.

the following books were especially helpful.

Mervyn King (CEO Bank of England 003 to 01). Alchemy of Banking. This helped me understand more fully how Quantitative Easing (QS) has allowed asset prices to increase, but not the decrease of debt.

Prof David Landers (Harvard University). Wealth and Poverty of Nations (why some are so rich and some so poor) This helped to explain the roles of"guilds", (100's) the advent of" tariffs," and Regulations, and how some vested interest groups , even today can protect their position, to the detriment of society as a whole.

PO Box 22, Hamilton, New Zealand. Telephone: (07) 849 7800 Mobile 021.972500
E-mail: colin@cicl.co.nz

"This inquiry is about the **cost of services** provided by local government and how they are paid for. It will examine the adequacy and efficiency of the current local government funding and financing frameworks."

The commissions approach to the inquiry states "the commission will investigate the factors **that drive local government cost** now **in** the foreseeable future. **This will focus particularly on the drivers of cost and price escalation,** including: **changing policy and**

Regulatory settings: growth and decline in population: the role of tourism and other temporary residents: the impact of the Treaty of Waitangi settlement arrangements: and the cost of climate change mitigation and adoption."

(1) My Background
(2) Previous HCC mistakes/ Audit NZ report
(3) Baseline info on HCC
(4) Current rates
(5) New infrastructure cost & availability
(6) District Plan Rules infill/ greenfield
(7) National Policy Statement on Affordability
(8) Urban Economic s " Peer Review"
(9) Housing Economics
(10) Future Proof
(11 Interest rates
(12) Dis trict Plan rule s and regulations
(13) Competitive Advantage
(14) Monopoly Profits
(15) Executive Summary

(1) My Background

My background is primarily as a **Real Estate Consultant.** I have been in the industry now for nearly 50 years. I have been interested in local govenunent matters for many years and was a member of the **Hamilton City Council Rating Task Force in 1999.** I was also a **member of the Hamilton City Council CBD advisory group** for approximately six years. I was a member and on the **Hamilton Executive of the Property Council of New Zealand for over 20 years** , I have participated in, and appeared as a witness for clients, objecting to 3 District Plan reviews.

In 1999, as part of the investigation for the Rating Taskforce, we considered " Special Rating" areas to fund infrastructure. As this was a complex issue it was not considered in our final report.

Over the last 6 years 1 have investigated" Infrastructure Bond " as they apply in USA and acknowledge the information provided by the Church of Latter Day Saints in Hamilton .
I have passed this information on to HCC Councillors.

At the last 12 months I have been extremely concerned with the **unaffordability and inequality** being created in NZ society.

I believe that this unaffordability / inequality issue can be traced/ identified with the **rules and regulations** that are currently in place, **at both a National and local government level.**

As part of my inquiries as to why " unaffordability/ inequality" has increased so significantly in the last five years, I have, under the OIA rules, acquired significant amount of data from Hamilton City Council.

(2) Previous HCC mistakes/ Audit NZ report

Hamilton City Council has over many years made numerous financial mistakes. The most notable would be involved in the 2006/ 2011 period regarding the V 8 supercar event. This one event cost the ratepayers in excess of $36 million.

Audit New Zealand was requested to undertake a review in October 2011 and one of the summary points(4) states

"we have not located any proper business case assessment for the VS event opportunity, neither before Council's informal in February 2006 nor before it commitment through the June 2006 LTCCP nor since. We believe that making a commitment to a major event and significant expenditure without undertaking a full business case assessment was a serious oversight by HCC."

What I are continually seeing is that HCC management team and counsellors do not have a clear understanding (or the ability) to tie together the implications of one decision that has, or could have, serious implications for another decision.

As an example. You may be aware HCC has recently agreed to borrowed an interest-free loan from the gove rnment to develop the Peacocks area. This is approximately $250 million. The city is critically short of residential land that has infrastructure in place.

Thi s I believe is one of the principal reasons why section prices have increased from approximately $200,000 in 2014 (Economist HCC 2014) to approximately $400,000 in 2018.

The decision to proceed with Rotokauri as opposed to Peacocks was taken in 2008. The reports of **2008** state that the likely Developments Contribution cost were Rotokauri $52,000 to $72,000 and Peacocks $53,000 to $73,000.

The background reports looking at the costs of Rotokauri/ Peacocks. Under a threat of an Ombudsman request HCC provide the background report that turned out to be 4 pages of Excel spreadsheet and all the numbers were " guesses ."

The decision by councillors to proceed with Rotokauri was because the "effect" on HCC balance sheet was more favourable .

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

Yet as far back as 1974 the then **Ministry Of Works** in conjunction with HCC, Waikato and Waipa councils prepared a working paper on the growth of Hamilton City. It stated that Rotokauri was the **least desirable** part of the city to develop due to the " peat " nature of the soil.

They identify that Rotokauri was uneconomical to develop for both housing and industry because of the peat.

Yet nowhere in the 2008 report covers the "peat question ." The 2008 reports talks about Ruakura as being possibly the Knowledge Hub of the city. Yet HCC District Plan refers to the zoning area as Rotokauri being the "Knowledge hub".

In 2008 when voting to approve the Rotokauri area Councillor agreed " A key Strategy to keep land price affordable is to ensure development occurring on multiple fronts". (5.15) This has clearly not happened.

HCC staff/ councillors are continuing to push the development of the Rotokauri area which will cost a similar amount to develop as Peacocks. HCC own Economic Evidence in relation to Development Levies (Insite Economic March 2018)) states "The situation in Rotokauri is different , however. The proposed charges there are so much higher than any other "competing" area, that we expect to see a marked reduction in development activity related to the status quo "

The new "development levy" regime of up to $90,000 for a residential section will make this area uneconomical for purchasers to buy.

If this area has the infrastructure installed, it could have the effect of being a " stranded asset" for the ratepayers.

Appendix Z

Does HCC need new funding ???

As previously stated Council have made some major financial mistakes over the last few years. By far the la rgest is entering into the V8 contract which cost ratepayers in excess of $ 36 million. In addition to this there are numerous other examples where Council have made investments decisions that are inappropriate (some of these are below) .

As part of my research under the OIA I asked a question regarding the underground carpark building in Worley Place. I was advised that in 1986 the cost of building the car park was $10,450,000. We could not identify the value of the land (underground) and the land above has been developed into the Centreplace Shopping Centre (that was developed by Hamilton Properties Ltd (a HCC owned company) in conjunction with Foster Construct io n.) .
The Council' s underground car park building was sold in 1998 for $3,450,000 and then bought back by HCC in 2009 for $9 million. They then proceeded to spend $2,559,122 changing the entranceway from Worley Place to Anglesea St. The current book value is $9,887,900.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

This shows that the Council carpark building owes ratepayers over $18.5 million and that does not include the value of the land with a car park is situated.

Appendix A

Knox St carpark. The Council in 2005/2006 proceeded to build a carpark building in Knox Street. The value of the land at that time was $2,770,000. The cost of the construction was $8,800,000. The total cost was $11.570 million.

The Council sold the carpark for $5,070,000 loss to ratepayers of $6.5 million.

Appendix B

The Council has had several attempts at upgrading Garden Place. The first was **in** 2008 and then again in 2010/2011. The cost of2008 was $90,253 and 2010 $3,275,838. There is no "cost benefit analysis " undertaken prior to this money being spent . The then Mayor Bob Simcock told me that HCC had to do something to "save the CBD." I suggested he would be better just to reduce the rates.

Appendix C

Hamilton Properties Ltd was a wholly owned subsidiary of the HCC. Hamilton Properties Ltd undertook several major developments throughout the city. These including the BNZCentre, the Novatel Hotel , (a joint venture) and a joint venture with Foster Construction in the Centreplace Shopping Centre. The financial record s of Hamilton Properties Ltd (as provided under an OIA) shows that the majority of the funds came initially from the HCC Endowment Fund. In 1991 the capital was $30,355,000. The company was liquidated in 2018 . Its then value was $48,0680.000 and had a trading loss of $481,000 which was not utilised by HCC **and lost to ratepayers.** By using the Reserve Bank' s CP I calculator over the same period, the funds should have been worth at least $51,638,000. Therefore the fund didn't even keep up with inflation. A report prepared by PWC stated that the company was returning over 12.1% but when challenged for this information under an OIA, PWC advised they were not prepared to provide their calculations.

All information obtained by way of Company Office records and OIA requests

There are numerous other examples of HCC making inappropriate business decisions. I **believe that HCC have, over the last 20 + years , lost in excess of $100 million of ratepayer's money .** I acknowledge that some of these business decisions could be viewed as benefiting the city (like for example the Novatel) however if the market conditions were right then private enterprise would have provided the funds necessary for this development.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

3 Baseline information on HCC

Hamilton Population (1970 when I entered Real Estate) estimated 70,000

Hamilton Population(2016) 161,000(Census)

Hamilton (Estimated 2018) 169,000 (Ex HCC public info)

Current HCC debt $370 Million (ex HCC accounts 2018) It appears that HCC are using the likes of the Hamilton Endowments fund to offset debt as their total (debt page 73) is $520 million.

There is current around I 150 employee working for HCC (as provide by HCC under OIA) .

Average HCC staff wages $68,000 (Internet search)

Average Hami lton incomes $52, 1 19 (internet search)

Average House prices $551,0 00 (internet search)

(4) Current rates & wages

The **amou nt of rates** and the **current wage bill** and the **cost of infrastructure for residential development** are liste d below. (all info provide by HCC under OJA)

	Total Rates	Staff Wages	$ spent on residential infrastructure
2005/2006	$ 73m	$33.9m	$ 6,759,001
2006/2007	$ 83.3m	$42.6m	$1 1 ,404.524
2007/2008	$ 92m	$48.2m	$ 9,226,978
2008/2009	$ 98m	$52m	$16,695,748
2009/2010	$108m	$53m	$ 7,178,276
2010/2011	$113m	$53111	$14,618,910
2011/2012	$115m	$56111	$ 7,648713
2012/20 13	$121m	$54.Sm	$17,352,084
2013/2014	$126111	$55111	$16,096,490
2014/2015	$132111	$57m	$16,06 5,633
2015/2016	$146111	$66m	$24,236,275
2016/2017	$152111	$6 8 m	$15,794,788
2017/2018	$160m	$73m	$ 8,105.718

Information obtained under historical HCC accounts and infrastructure $ stated(due to the large volume) has been precis into Appendix D

In 2015 The Economist for HCC prepared a background paper on " key" point for the city Titled "Mean Hamilton House Prices over the decades, from 1960 through to 2014." (see attached) It showed that after adjusting for inflation both section and house prices were relatively stable. However, since 2014 section prices have almost doubled to around $400,000..

Appendix E

For a market to function properly there needs to be a supply/ demand balance.

What we are seeing in Hamilton is a shortage of residential sections, able to be developed (ie built on) immediately, and this has had the effect of increasing prices.

(5) New infra structure availability and Costs

Council is significantly underfunding residential land deve opment throughout the city (there are now once 6 developers that have Infrastructure land ava lable.) This has led to a shortage of supply. Information provided by the City Counci1(in a mapping format) shows there is potentially, over the next 10 year period, the ability to develop 12,000 sections (assuming Developer proceed) . This includes the Peacocks area and approximately one third are described as " medium density".

Appendix F (copies from 20 I 6 and 2018 only)

HCC staff have confirmed (under an OJA request) that they take no consideration of the "selling price" of section before proceed with a Greenfield development or Development Levies . It also appears that no " business case " is ever undertaken before proceeding with "core infra structure" (except for Peacocks)

(6) District Plan Rules infill/ greenfield

District Plan rules/ Zoning/ In fill / greenfield development

To compound this problem the Council in 2013 made a decision to change the in fill/Greenfields ratio from **30/70 to 50/50.** This was to try and " balance the books" (Councillor McPherson) I have been unable to ascertain whether there was any background report undertaken on the "effect" of this policy, prior to this decision being made. What MacPherson has stated is that based on staff information there is a 15 to 17 years supply of infill sections in the city.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

(7) National Policy Statement on Affordability

Under the National Policy Statement on Affordable Housing, Council are required to identify affordability by 2020.

As a result of NPS HCC commissioned ME Consultants to undertake a review of infill housing capacity in Hamilton. They confirmed the **possibility** of the 15 to 17 years supply.

However NPS placed HCC on notice in mid 2018 with a "please explain" as how the methodology adopted by ME Consultants will achieve" affordability"

(8) Urban Economics " Peer Review

HCC confirmed that the ME report had not been peer review. I therefore commissioned Urban Economics to undertake a "peer review".

Urban Economics challenges completely the assumptions and conclusions. ME are using a "theoretical proposal" which is not back up with either "evidence or facts."

One of the critical items that ME failed to consider or identify, is "Restrictive Covenants." HCC staff have stated that they had never heard of "Restrictive Covenants" and where unaware of the implication .

These **"Restrictive Covenants"** are registered on titles that **"prohibited"** the building of a second dwelling on the property. These are especially applicable for new subdivisions, (constructive in the last 15 years). (Rototuna has identified as having a major capacity for infill.) It is unclear to what effect "Restrictive Covenants" will have without a complete comprehensive " peer review" of both these Economists reports. Only then will we be able to ascertain the number of sections available for " infill". After talking to numero us Residential Real Estate Agent I believe that there is probably less than six years supply of infill sections left in the city and all the "easy picking " have gone". This may also help to explain why the exist ing real es tate prices (infill) have also rise n so significantly in the last four years.

Appendix G (There are 3 reports dated 8/10/2018, GA (14 pages) 23/10/2018 GB (2 pages) and 12/11/2019 GC (2 pages) . The last 2 are to assist with explanation

(9) Housing Economics

All of our Economists believe that if "new" house prices increase, that existing house will also follow that increase. The upward trend.

Both David Lugton and our surveyor have confirmed that the current development cost of a section in Hamilton is $100 ,000 to $120,000 per section. This figure may include Development Levies but will depend on the location.

This is a developers cost for " internal infrastructure" ie Sewerage, water power, gas, roading etc . In additional to this is (possible) HCC Development Levy costs surveyors , planners, solicitors and selling fees. There are also holding costs.

Our bank informs me, that currently, to undertake a residential deve lopment, a developer would require a combination of not only equity (minimum of 40% of the total completed value) together with a pre-sales of 80% but also a track record of similar developments.

They would also have to prove a **minimum profit of 20%** as residential development is con sider " **high risk"** . If infrastructure is available then it is possible "economically" to pay " up to" $100m2 for the bare land (depending on location ie overlooking the river) .

HCC does not have an "affordable "housing policy. HCC staff have advised me that they are relying on the SHA to provide affordable housing. No SHA have been approved or constructed in Hamilton to date.

What is Affordable ??

The latest "average" selling price in Hamil ton is $55 1,000 and the "average" income is $52, 119. This therefore is about 9 times the average income , which is defined as unaffordable.

When I entered Real Estate (1970) The Housing Corporation (which was the major funded for most mortgages) had a requirement that no more than 30% of the" principal" income earners wages could be used to service the debt. This means that on an "interest only" basis a prospect purchaser could repay $15635pa which at a 5% interest rate could services $312,714. On a 25 year Principal and interest mortgage assuming 5% interest then the maximum mortgage would be $223, 819. Purchasers now require over $250,000,a s a deposit to buy the average house, which is clearly not achievable for most people.

The Housing "affordability" has clearly been created by poor planning with a large amount of " social engineering " combined. The "compact city model" clearly has had an effect.
It allows mainly wealthy persons to acquire land on the outskirts of the urban boundary and capture the "capital gain" when services are provided.

Lugton Real Estate (one of the largest companies in Hamilton) has provided me with information from the Real Estate Institute. (copy attached) This shows that (in price bands) only approximately 4% of sales take place in the **$1 million dollar plus range.** The majority of houses sell in the $400,000 -$800,000 price band. The price of new residential section (if you can find one) is between $350,000 and $400,000.

This would require a selling price of around $1 million, for a house, or a higher density, to be economical . For housing to be affordable section prices need to be under $250,000 (for a standalone house) or have a higher Density. Which is happening under "social engineering."

Is this what purchasers wont or is this the only affordable alternative??.

Appendix H (complied from REINZ statics)

(10) Future Proof

Future Proof anticipates that Hamilton needs about 1500 new dwelling PA.
Future Proof information shows that the price of land inside the city boundary is $227m2 more expensive that land outside the urban areas (Future Proof Q3 Sept 2017 page 10).

The city boundary is an arbitrary line between the urban and rural areas. This arbitrary line can be changed with agreements between Hamilton City Council and other local authorities.

Appendix I

(11) Interest rates

As we are all aware interest rates are at all-time low. This can be attributed to a combination of factors but especially the decision by most Central Banks worldwide to adopt Quantitative Easing (QE) ie the printing of money. Mervyn King (Alchemy of Banking) in his book says none of their modelling predicted that the effect of QE would be an increase in asset prices, but not solves the underlying issue of debt. How long these low interest rates remain is anyone's guess. Should, or when interest rate increase, or should the banks change their lending policy, will place additional pressure for home owner and will further increase inequity.

(12) District Plan rules and regulations

District Plan Rules and Regulations.

It is my opinion that the District Plan is overly complicated and there are too many rules and regulations. This has resulted in an increase of HCC staff and a reduction in productivity . When I entered real estate in 1970 the District Plan under the (Town and Country Planning Act) was 90 pages long. We were told that with the impl ementation of RMA that it would be an **"enabling" document.** What we currently have is the worst of both the restriction s imposed on the Town and Country Planning Act and a new level of restrictions created by RMA and the regulations. The current Hamilton City Council District Plan is in excess of 900 pages. Many of the rules and regulations are contradictory.

T here are major interpretation issues which add significantly to costs.

It was reported in the Waikato Times 15th Nov 2018, that the Rules and Regulation added $80,000 onto the average cost of a house. In addition to this are Development Levies.

Appendix J

In addition to these cost is HCC Resource Consent cost and staff wages. It appears that Consents are becoming a major cost to consumers but an income earner to Council.

Number of Resource Consents applied for and amount paid

	No Consent applied	No consent declined	$ collected
2016	736	0	$1,987,968
2017	840	0	$2, 147,432
2018	819	1	$2,276,165

Number of HCC staff/ wages

	Plmming Guidance	City Planning Unit	Administration staff
	24	16	5
Wages			
2016	$ 1,569,938	$1,354,440	$0
2017	$1,809 , 552	$ 847,734	$682,402
2018	$1,93 1,965	$ 928,938	$624,450

Percentage of permits approved within 20 working days as provided to Councillors

2016	**97.2%**
2017	**100%**
2018	**100%**

Percentage of permits place on hold under section 92

2016	32%
2017	51%
2018	57%

Appendix K (3 pages) & L

It would appear from the above information that there are significant inefficiencies within the building department with 57% of permits now requiring additional information up from 32% in 2016. I believe that the staff are " gaming the system" by applying for additional information so that they meet their target approval rates of I 00%.

Subdivision and land consents

	2014	2015	2016	2017	2018
Land Consents	12.2	11.5	13.2	12.6	13.3
Subdivision Consents 13.3	12.6	13	12.7	12.4	

What we are seeing is that the Council has significantly underfunded residential land development throughout the city. This has led to a shortage of supply. Information provided by the HCC (in a mapping format appendix F) that over the next 10 year period they anticipate there will be 12,000 sections available. This includes the Peacocks area. Approximately one third are described as " medium density" . However no infotrmation has been following as to expect "sale price" of sections or if they are "affordable". There is already a slowdown of new houses with more infill being developed. I understand that currently over 50% is infill. This however raises the question "for how long ." Infill sections are also a finite resource.

(13) Hamilton' s Competitive Advantage

In Prof David Lander' s book " Wealth and Poverty of Nations" , he provides a detailed insight into how countries gain a Competitive Advantage. These include , not only wages, but raw material cos ts, access to markets and also how countries try to protect this position by creating " regulations" and " tariffs" to protect their industries. He advises that instead of looking at trying to support industry with regulation or tariff, that a reduce in regulations would be more helpful.

Hamilton City is in a similar situation to the countries identified in Prof Lander' s book. Our competitive advantage has been relatively " cheap land" and "housing cos ts" especially in relation to the Auckland market. However over the last four years we have seen this "competitive advantage" to a large extent disa ppear. Hamilton is direct competitors now with Cambridge, Te Awamutu, Morrinsville and also Ngaruawahia. It has been publicly announced that a large industrial subdivision is to take place at Hautapu on the outskirts of Cambridge. Ports of Auckland have recently purchased land at Horotiu which could have implications for the proposed " inland port " proposed by Tainui. This has serious implications for Hamilton and also for the wider comm unity, as it will place additional pressure on road infrastructure.

(14) Monopoly profits.

For the market to operate efficiently there needs to be choices. At the prese nt time there are only six developers in the city that have "developed ready" sections i.e. those sections where the Council has provided the infrastructure. As the Council is the only provider of this infrastructure the developers are at the mercy of the Council on time lines.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

Council is the monopoly provider of infrastructure

Many developers have owned the land for a lon g time. For example Chedworth Properties Ltd acquired most of their land over 50 years ago. Tainui Group Holdings were able to nego tiate from the government the acquisition of the Ruakura Research Centre land which is now the largest holding of land in one ownership in the city. They proposed also building an Inland Port and an industrial park.

A detailed search of residential land sales and the Rototuna/ Ruakura areas shows that (up until early 20 18) sec tion s were selling for between $250,000 ($300m2) and $300,000 ($5761112) . At the present time there are almost no sections available that can be built on.

Based on the most up to date information, provided by my surveyors and private deve opers , the cost of internal ame nities ie sewage etc is $ 100 ,000 to $120,000 per site. Therefore the potential profit (and land cost) for those developers (t hat have held land for long periods of time) could be as high as 50% of the total cost of a section ie $150,000. For those developers that were " late comers" the profit margin is significantly less .

To enhance deve lo per profit margin most deve lope rs now also place " Restrictive Covenants " on their land sales. No purchase r is go in g to pay a " premium" for a section , if for example, a second hand house is placed next door or a " dog box " was erected. These " Restrictive Covenant" have the effect of increasing section prices and protecting value. It does not however address " affordability" .

To make land "affordable"(for builders and home owners) HCC instead of fast tracking infrastructure work , is now proposing to reduce the section size to 200m2. In addition to this several land owners are applying for, or have already, zoned their property " mid density" thereby further increasing their profits.

Although approval for the Tainui Industrial area was given seve al years ago, little progress has been made to date. In fact I belie e that Tainui would look seriously at rezoning large amount of land previously zone" Industrial" to " Residential. " Industrial land usually sells for "usually" between $3001112 t o $350 1112 (except on major arterial routes) while residential land is selling for a considerable more on a m2 basis .

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

Executive Summary

" This inquiry is about the **cost of services** provided by local government and how they are paid for. It will examine the adequacy and efficiency of the current local government funding and financing frameworks."

The commissions approach to the inquiry states "the commission will investigate the factors **that drive local government cost** now in the foreseeable future. **This will focus particularly on the drivers of cost and price escalation,** including: **changing policy and regulatory settings:** growth and decline in population: the role of tourism and other temporary residents: the impact of the Treaty of Waitangi settlement arrangements: and the cost of climate change mitigation and adoption."

One of the first rules of Economics is for a market to function properly there needs to be a demand/supply balance. From the evidence I have provided, clearly in Hamilton case, it is not happening.

Council as the "sole provider" of infrastructure is constrained by financial considerations.

As such it is the major driver of costs and price escalation.

If Council had not invested so unwisely in previous years it would have been in far better financial shape to invest in infrastucture.

But even if that was the case does HCC have the knowledge and expe 11ise to undertake this work. ??

If HCC had continued with the background research undertaken by their Economist, in 2014, they would have identified early on the issues and possible changed.

The Audit offices repo rt regarding the V8's identifies deficiencies in HCC. This has not changed.

On this basis t here needs to be a new approach to funding (especially) infrastructure.

There should be a requirement for Councillors to be provided with a" business case" for all " major expenditure" prepared by staff but " peered review" by outside consultants or Treasury.

But giving HCC the ability to raise more money will not necessarily improve anything, as past evidence has revealed.

There needs to be a "specialist knowledge" to provide infrastructure, together with the financial resources. As previously advised, as part of background research the Rating Taskforce in 1999 looked at " Special Rating areas" to allow the recovery of cost " by areas". This is consistent with ultimately the allowing of " infrastructure bonds", that could be sold off to a third party.

To meet HCC housing needs and affordability the city needs to not only to provide infrastructure but also provide more affordable land both inside and outside the current boundaries.

Should the Waikato have "one local authority" as proposed by The Waikato Chamber Of Commerce and Agenda Waikato??

The Government is look at setting up an Urban Planning Authority. Should this Authority be required to provide " affordable " section by acquiring land outside the current Urban limits? This would make it possible to have land " affordable". This would put pressure on the land holders inside the Urban limits to reduce their prices, especially those that are not well funded.

Should a private developer be able to bypass HCC and provide the infrastructure to their own subdivision and be able to package an Investment Bond to that area by way of a Special Rating area?? This could be done relatively quickly and at no cost to either Council or Government.

The cost of administrating the District Plan and Consenting Issues need to be addressed. Why does NZ have 58 District Plans.?? One Standardise Plan District Plan for the whole of NZ should be considered.

In relation to building consents. HCC staff are " gaming the system" but using the s92 notice to get more time so that they can show 100% permit approval rates within the statutory 20 day timeline. This has huge cost to developer/ builders and property owners.

Council current employs around 1150 employee. Does Council need all these people with the average wage bill now $16,000 more per employee than the average Hamilton salary??

Should, for example the Claudeland Event Centre management be contracted out to a speciality organisation more efficiently ??.

Hamilton has already prices itself out of the " affordable " housing market. Builders and developers simpl y will be unable to create the profit necessary for the "bank" to provide the funds to create work. The builders and developer make up a large percentage of Hamilton GDP. Will they have to find work elsewhere , as clearly there few sections in Hamilton that make it economical viable?? I predict that, within the next 2 years, there will be a significant reduct ion in activity in the city unless there are major change in policy.

Real Estate Agents I have spoke n to, says that investor are not buying residential houses at the same rate. Rents have not grown sufficiently and the" capital gain" is not there compared with previous years.

Developers have switch to developing the apartment market, as this is the only market that meets their profit margins. But this market is slowing with the new Development Levy policy.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

The building of" apartments" created its own social issues. Apartments living are a "lifestyle choice " for younger people (usually under 30) and older persons (over 55) but are they desirable for family with children?.

Most apartment purchasers are "investors" not "owner occupiers"

With Restrictive Covenant covering so much of the city, HCC could be forced to look at re zoning large areas of the City, that are current classified as "infill" low density, to either "mid" or "high density, " to meet the requirements under the National Policy Statement. This will change completely the " character" of the city.

However this will, I predict, not make housing more affordable. Evident, both locally and overseas shows that the rezoning of land increase that value after the rezoning, so the value is captured by the original owner , not passed on the new purchaser.

Current building costs in Hamilton vary from around $1800m2 to $2200m2 for low or medium density but increase considerable to over $30001112 for high density (high rise) buildings.

This means that it is not possible to have " affordable " in a high rise building.

For housing to be "affordable" the price of the land is the determining factor.

As Future Proof points out the difference in value between Urban and Rural land is around $2271112. (appendix I)

The terms of reference identified both the cost of services and the adequacy and efficiency of the current local government funding and financing frameworks."

I have identified , under OIA requests, that HCC cost of services are excess. The adequacy and efficiency issue are probably acceptable basis of information provided to Councillors. However the real issue (as I see it) is that most Councillor have neither the business skill or an understand of the complex iss ues facing council. Most are electe d on a name recog nition basis . Most say that they wish to reduce rates, but to do that Council has to either reduce services, or contact out services . Both have been difficult for councillor to accept.

HCC clearly does not have the necessary business skill to undertake all the work they have agreed to undertake. Councillor are needless ly tied up in the "day to day" matters and usually accept the staff recommendations instead of looking at the big picture. After reading some of the monthly report it is no wonder that councillor are confused. They clearly do not read or understand the background fully on the issues they are being asked to approve.

For most ratepayers the only contact they have with Council is there rates bill. Very few ratepayer, unless in a professional capacity (like myself) , have regular contact with Council and therefore have little knowledge or understand of the issues.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

Ratepayers rely on Councillor to look after their interests which clearly has not been done well.

The Commission has asked numerous questions.

For me the key one are :

Q6 . Most residential land developer report that it is also impossible to keep up with new rules or interpretation of the rules imposed by Waikato Regional Council.

Q9. Local Authorities are continuing using different interpretation of the rules depending on who in council you deal with. That it is important to have one set of rules for all local authorities.

Qll & 12. You can see by the evidence that HCC has lost significant ratepayers money in property development that is not "core business". They should be required to submit a least a business case before being able to proceed.

Q 13. To comply with NPS on "affordable" housing HCC will possible be required to construct infrastructure outside the current city boundary. If they construct infrastructure anywhere they should be able to recover **at least the interest cost** once the infrastructure is supplied to **that boundary.** At present they having to wait for the developer to provide the internal amenities. This would help to discourage the "land banking".

Q15 Effective of the Long Term Plan. There are always items that require " urgent $" so the LTP is only a guide.

Q18 Managing assets and delivery of services. Significant asset could be managed more efficiently with outside contractors ie Claudeland Event Centre .

The delivery of services will need a change in culture. Many staff see the ratepayers as a problem and are **not consumer focused.** For example. In relation to the District Plan, staff will no longer give verbal advice. They require a written request with $$ upfront with an applicati on for a Resource Consent application. This has become a$$ earned to HCC. See above under an OJA

Q21 HCC has no incentive to improve productivity. They are a cost plus business.

Q22 Barriers to greater productivity. If the District Plan was smaller with less room for interpretation would be helpful. So also would be having one District Plan for the whole of NZ.

Q28 Distribution of cost across different ratepayers. I have requested und er an OJA the "differential' for the last 20 years. This information has not come to hand but when it doesI will forward.

Q30 Principals to appraise current/ future funding. The starting point on any major business decision is us ually a" business case" with costings.

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

Q32. Greater use of Funding Tools. As a member of the Rating Taskforce we identified that " special rating area" would have been a useful tool. This would have enabled Council to shift off their balance sheet the liability , and would not require Development Levies as an up front.

Q33. Rates rationale. I will provide that information when it comes to hand.

Q36 If HCC had not invested so unwisely the balance sheet would have been significant better. More $ will not necessary result in greater benefit or wellbeing.

Q38. There is currently no incentive for growth. Councils only get the money back once the developer has constructed the amenities and the sections are sold. By allowing councils to charge "up front" once the infrastructure is at the boundary, this would greatly assist councils funding and discourage "land banking"

Q41 & 42. I do not agree with either a local income tax or a property tax. NZ has been progressive in abolishing " land tax". The research shows it is a blunt instrument.

Q47 I would support the like of' Infrastructure Bonds" or such similar arrangement.

Q49. Oversight arrangements. The Audit office V 8 report highlights this issue with recommendations. To my knowledge HCC has only prepare one" business case " since that report in 2011.

I am happy for this report to be made available to the general public.

All evidence is by way of OIA requests, Internet search and publically available records

I am happy to assist the commission in any way for the benefit of all New Zealanders.

Regards

Cohn /ones
AREINZ

PO Box 22, Hamilton, New Zealand. Te lephone: (07) 849 7800 Mobile 021972500 E-mail: colin@ cicl.co .nz

1 Key Findings

While it is difficult to anticipate exactly how developers will react to the proposed new DC charges, particularly given the numerous differences between them, we believe that:

- The proposed new residential charges in most greenfields areas will probably have some impact on development activity, but only at the margin. Thus, effects will be most acute for prospective developments whose viability was already marginal, and for whom the proposed increases in charges render their plans wholly-uneconomic.

- In most other cases, the proposed increases are more likely to manifest as reductions in both raw land prices and the margins of developers. In addition, they will likely result in higher prices for completed buildings relative to the status quo. However, those increases would be difficult to detect given the sustained recent increases in prices for completed dwellings across the city.

- The situation for Rotokam is different, however. The proposed charges there are so much higher than any other 'competing' area that we expect to see a marked reduction in development activity relative to the status quo.

- The same is true for non-residential development across most areas of the city. The proposed increases in charges are, again, so high that they will have a material impact on the viability of numerous prospective developments.

Colin Jones

From: official information <officialinformation @hcc.govt.nz >
Sent: Tuesday, 15 January 2019 8:23 AM
To: Colin Jones
Cc: official information
Subject: Re: LGOIMA 18264: Worley Place/ Anglesea St /_ Underground carparking building/ 57- 75 Ward St/ 10 Worley Pl/ 262 Anglesea St

Follow Up Flag : Follow up
Flag Status: Flagged

Good afternoon Colin,

Further to your information request of 4 December 2018, in respect of Garden Place Underground Carpark, I am now able to provide Hamilton City Council's response.

You requested:

(*Varley Place/ Anglesea St I Underground carparking building/ 57- 75 Ward St I 10 Worley Pl/ 262 Anglesea St - Could you please provide the following information under an O/A request. I understand that although the information requested is historical the information is available either through the Annual Plans records, the asset schedule or building consents. The car parking building was constructed I understand in the 1980's . (1) The date of construction (2) The land value in the year of construction. {3} the construction cost (either the building permit cost or the asset schedule cost) {4} The sale price (from memory in the 1990's) (5) the purchase price (from memory in the 2000's) (6) the current valuation based on the current asset schedule. Please advise if any of this information is not available and the reason why it is not available.*

Our response:

1. The Council constructed the carpark in 1986.
2. The Council holds no record of the value of the land on which the carpark was built in 1986.
3. The carpark cost $10,450,000 to construct.
4. The Council sold the carpark in 1998 for $3,450,000.
5. The Council bought the carpark in 2009 for $9,000,000.
6. The carpark has a current book value (as per the Council's Asset Register) of $9,887,900.

(.ind regards,

AmyViggers

Kaiaawhina koomiti I Committee Advisor I Governance
DOI: 07 838 6727 I Email: amy.viggers@hcc.govt.nz

Hamilton City Council

Hamilton City Council I Private Bag 3010 I Hamilton 3240 I www.hamilton.govt.nz

_ Like us on Facebook I . Follow us on Twitter

From: official information
Sent: Wednesday, 5 December 2018 12:11 PM
To: Colin Jones <colin@cicl.co.nz>
Cc: official information <officialinformation@hcc.govt.nz>
Subject: RE: LGOIMA 18264: Worley Place/ Anglesea St/ Underground carparking building/ 57- 75 Ward St/ 10 Worley Pl/ 262 Anglesea St

Dear Colin,

I write to acknowledge your information request of 4 December 2018 in respect of the below.

Please be advised that your request has been passed on to the relevant team within Council and you will be informed of the outcome.

The Local Government Official Information and Meetings Act 1987 requires that we advise you of our decision on whether the Council will provide the requested information or not "as soon as reasonably practicable", no later than 20 working days after the day we received your request. We will respond to you no later than 23 January 2019.
Kind regards

Rebecca Watson
On behalf of the Privacy Officer

DOI: 07 8386983 / Email: rebecca.watson@hcc.govt.nz

From: Colin Jones <colin@cicl.co.nz>
Sent: Tuesday, 4 December 2018 11:07 AM
To: official information <officialinformation@hcc.govt.nz>
Subject: Worley Place/ Anglesea St/ Underground carparking building/ 57- 75 Ward St/ 10 Worley Pl/ 262 Anglesea St

Could you please provide the following information under an OIA request. I understand that although the information requested is historical the information is available either through the Annual Plans records, the asset schedule or building consents. The car parking building was constructed I understand in the 1980's . (1) The date of construction (2) The land value in the year of construction. (3) the construction cost (either the building permit cost or the asset schedule cost) (4) The sale price (from memory in the 1990's) (5) the purchase price (from memory in the 2000's) (6) the current valuation based on the current asset schedule. Please advise if any *of* this information is not available and the reason why it is not available.

Kind Regards

Colin Jones
AREINZ
Director
Mobile 021972 500
PO Box 22 Hamilton NZ
Office 07 849 7800
A/Hrs Ph 07 849 4420 Email: colin@cicl.co.nz

Colin Jones

From: official information <officialinformation@hcc.govt.nz>
Sent: Wednesday, 19 December 2018 4:42 PM
To: Colin Jo n es
Cc: official information
Subject: FW: LGOIMA 18265: 16 Knox St/ 35- 41 Hood St/ Carpark building

Good afternoon Colin,

Further to your information request of 4 December 2018 in respect of the below, we are now able to provide Hamilton City Council's response.

You requested:
Could you please provide the following information under an OIA request. The information is available either through the Annual Plans records, the asset schedule or building consents. The car parking building was constructed I understand in the 2000's . (1) The date of construction (2) The land value in the year of construction. (3) the construction cost (either the building permit cost or the asset schedule cost) (4) The sale price (from memory in 2014) (5) the valuation based on the asset schedule when the property was sold. Please advise if any of this information is not available and the reason why it is not available.

Our response:

1. The Council constructed the carpark between 2005 and 2006.
2. The Council purchased the land between 1976 and 1986 and cost $676,650. The land value in the year of construction was $2,770,000 (based on the rating valuation 01/09/2006).
3. The construction cost (either the building permit cost or the asset schedule cost). The estimated cost of construction as noted on Building Consent Application 2005/12924 dated 29 June 2005 was $6,000,000. The actual const ruct ion cost was $8,800,000.Council sold t h e carpark in September 2014 for $5,070,000 plus GST
4. The valuation based on the asset schedule when the property was sold. The Est imat ed Current Market Value of the carpark in September 2014 was assessed by a Registered Valuer at $4,000,000 plus GST (if any). The closing book value of the Knox Street Carpark on the asset valuation schedul e was $2,236,000.

Amy Viggers
On behalf of the Priva cy Officer
DO I: 07 8386983 / Email: rebecca.watson @hcc.govt.nz

Hamilton City Council

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

IfIUke us on Faceboo k. (1Follow us on Twitter

From: official information
Sent: Wedne sday, 5 December 2018 12:49 PM
To: Colin Jo n es < colin @cicl.co.n z>

Cc: official information <officialinformation@hcc.govt.nz>
Subject: HPE CM: RE: LGOIMA 18265: 16 Knox St/ 35- 41 Hood St/ Carpark building

Dear Colin,

I write to acknowledge your information request of 4 December 2018 in respect of the below.

Please be advised that your request has been passed on to the relevant team within Council and you will be informed of the outcome.

The Local Government Official Information and Meetings Act 1987 requires that we advise you of our decision on whether the Council will provide the requested information or not "as soon as reasonably practicable", no later than 20 working days after the day we received your request. We will respond to you no later than 23 January 2019.

Kind regards

Rebecca Watson
On behalf of the Privacy Officer

_JO/: 07 8386983 | Email: rebecca.watson@hcc.govt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

II'Ilike us on Facebook IIFollow us on Twitter

From: Colin Jones <colin@cicl.co.nz>
Sent: Tuesday, 4 December 2018 11:16 AM
To: official information <officialinformation@hcc.govt.nz>
Subject: 16 Knox St/ 35- 41 Hood St/ Carpark building

Could you please provide the following information under an OIA request. The information is available either through the Annual Plans records, the asset schedule or building consents. The car parking building was constructed I understand in the 2000's . (1) The date of construction (2) The land value in the year of construction. (3) the construction cost (either the building permit cost or the asset schedule cost) (4) The sale price (from memory in 2014) (5) the valuation based on the asset schedule when the property was sold. Please advise if any of this information is not available and the reason why it is not available.

Kind Regards

Colin Jones
AREi NZ
Director
Mobile 021972 500

PO Box 22 Hamilton NZ
Office 07 849 7800
A/Hrs Ph 07 849 4420 Email: colin@cicl.co.nz

C

Colin Jones

From: official information <officialinformation @hcc.govt.nz>
Sent: Monday, 21 January 2019 8:55 AM
To: Colin Jones
Cc: official information
Subject: Re: LGOIMA 18269: Garden Place upgrade s 2000 to 2018
Attachments: 20080609 - Appendix 1 City Heart Report.pdf; 20080609 - Appendix 2 City Heart Repo rt.pdf; 20080609 - Appendix 3 City Heart Report.pd f; Appendix 4 - City Heart Association - BIDsPolicyJune0S.pdf; 20080609 - City Heart Report.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good Morning,

Fur th er to your information request of 5 December 2018, in respect of Garden Place up grad es 2000 to 2018, I am now able to provid e Hamilt on City Council's response.

You requested:
Garden Place upgrades 2000 *to 2018*

Could you please provide{l) the total costs of the upgrades to Garden Place including "dates" that such upgrade were undertaken. (2) copies of any "cost benefit "analysis that have been undertaken prior to or after such upgrading.

Our response:

(1) The total costs of the upgrades to Garden Place including "dates" that such upgrade were undertaken (NB: Upgrades broken down between beautification, renewal, and infrastructure etc)
For the t ime period specifi ed there has been t hree upgrades of Garden Place.
In 2008 works were undertaken to remove all low level vegetation from the front half of Garden Place (near Victo ria Street) and the removal of the old fountain. This work formed part of the Gard en Place Stage 1 works completed as part of the wider City Heart Revitalisation proj ect. The cost of the Stage 1 works was $90,253.
In 2010/11 further works were undertaken to remove the brick work walls th ro ughout Garden Place and create ,vide promenades and open green spaces. Key features delivered as part of these works included a stage area (for performance s), outdoor reading room, water feature, commissioned art piece, and petanque area. The initial project budget (i.e. design and construct ion) was $3,700,000. The final outturn cost was $3,275,838.46.
In conjunct ion with the work undertaken in Garden Place 2010/11, work was also undertaken to remove the Peace Wall structure. close the Alexandra Street access to the Garden Place Car Park and reconfigure the existing Anglesea Street entrance/ exit to the carp ark. This work was completed in 2011/ 12. The initial project estimate was $3,000,0 00. The final outturn cost was $2,559,122.59.

(2) Copies of any "cost benefit "analysis that have been undertaken prior to or after such upgradin g.
Att ached is a copy of staff's Coun cil Report received at an extraordinary meeting of Coun il (9-10 June 2008) with append ices(Append ix 1 - City Heart Informal Feedback, Appendix 2 - Cit y Heart Feedback Annual Plan, Appendix 3 - Decision Making Fram work - Recommendations, Appendix 4 - Manukau Cit y Council's Business Improvement (BIDs) Policy) outlining the analysis undertaken in the development of the Cit yHeart Revitalisat ion project. The aim of t his project was t o drive economic and social revitalization t hrough the creation of a vibrant and distin ctive heart for Hamilton, building on the work previously done as part of the Hood Street upgrade in 2007.
Because th ese project s are aim ed at enabling economic and social revitali zat ion of the CBD this is monit or ed post construction through the economic reports and indiccators that relate to the CBD. A copy of these economic reports is available on our websit e:

https://www.hamilton.govt.nz/our-city/economicdevelopment/Pages/Hamilton-City-Economic-Reports-and-1nd i cators.aspx

Kind regards,
AmyViggers
On behalf of the Privacy Officer
DD/: 07 8386727 / Email: amv.viqqers@hcc.govt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

lluke us on Facebook [,'.hollow us on Twitter

From: official information
Sent: Thursday, 20 December 2018 10:37 AM
To: Colin Jones <colin@cicl.co.nz>
Cc: official information <officialinformation@hcc.govt.nz>
Subject: RE: LGOIMA 18269: Garden Place upgrades 2000 to 2018

Good Morning Colin,

Thank you for the clarification. Please be advised that your updated request has been passed on to the relevant team within Council and you will be informed of the outcome.
The Local Government Official Information and Meetings Act 1987 requires that we advise you of our decision on whether the Council will provide the requested information or not "as soon as reasonably practicable", no later than 20 working days after the day we received your request. We will respond to you no later than 24 January 2019.

'lease note, the three weeks between Christmas Day and 15 January 2019 do not count as working days as per the Ombudsman guidelines. More information on this can be found here.

Kind regards,
AmyViggers
On behalf of the Privacy Officer
DD/: 07 8386727 / Email: amv.viqqers@hcc.govt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

If luke us on Facebook [."1Follow us on Twitter

From: Colin Jones <colin@cicl.co.nz>
Sent: Tuesday, 18 December 2018 4:08 PM
To: official information <officialinformation@hcc.govt.nz>
Subject: RE: LGOIMA 18269: Garden Place upgrades 2000 to 2018

Good afternoon, In answer to your question. Yes, if you have the information broken down between beautification, renewal, and infrastructure etc then that would be helpful.

Kind Regards

Colin Jones
AREiNZ
Director
Mobile 021972 500
PO Box 22 Hamilton NZ
Office 07 849 7800
A/Hrs Ph 07 849 4420 Email: colin@cicl.co.nz

From: official information [mailto:officialinformation@hcc.govt.nz]
Sent: Tuesday, 18 December 2018 11:57 AM
To: Colin Jones
Cc: official information
Subject: FW: LGOIMA 18269: Garden Place upgrades 2000 to 2018

Dear Colin,

Further to your information request of 5 December 2018, we understand that you are wanting know the cost to the total costs of the upgrades to Garden Place including dates that such upgrade were undertaken, as well as copies of ,ny cost benefit analysis that have been undertaken prior to or after such upgrading. Can you please clarify the first part of your request, being the "the total costs of the upgrades to Garden Place".

The following questions may be helpful in terms of clarifying your request:

- What do you mean by upgrade ie beautification only, renewals, and/or resurfacing?
- Does your request also include the costs of infrastructure upgrades, such as water pipes etc?

Your clarification will enable us to process your request efficiently and in a timely manner.

We would appreciate your response by 21 December 2018.

Rebecca Watson
On behalf of the Privacy Officer

DD/: 07 8386983 | Email: rebecca.watson@hcc.govt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

IILike us on Facebook t:1Follow us on Twitter

From: official information
Sent: Friday, 7 December 2018 9:15 AM
To: Colin Jones <colin@cicl.co.nz>
Cc: official information <officialinformation@hcc.govt.nz>
Subject: RE: LGOIMA 18269: Garden Place upgrades 2000 to 2018

Dear Colin,

write to acknowledge your information request of 5 December 2018 in respect of the below.

Please be advised that your request has been passed on to the relevant team within Council and you will be informed of the outcome.

The Local Government Official Infonnation and Meetings Act 1987 requires that we advise you of our decision on whether the Council will provide the requested information or not "as soon as reasonably practicable", no later than 20 working days after the day we received your request. We will respond to you no later than 24 January 2019.

Please note, the three weeks between Christmas Day and 15 January 2019 do not count as working days as per the Ombudsman guidelines. More information on this can be found here:

http://www.ombudsman.parliament.nzJ.

Kind regards

,Rebecca Watson
On behalf of the Privacy Officer

DD/: 07 8386983 / Email: rebecca.watson@hcc.govt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

1'|Like us on Facebook ;:]Follow us on Twitter

From: Colin Jones <colin@cicl.co.nz>
Sent: Wednesday, 5 December 2018 4:43 PM
To: official information <officialinformation@hcc.govt.nz>
Subject: Garden Place upgrades 2000 to 2018

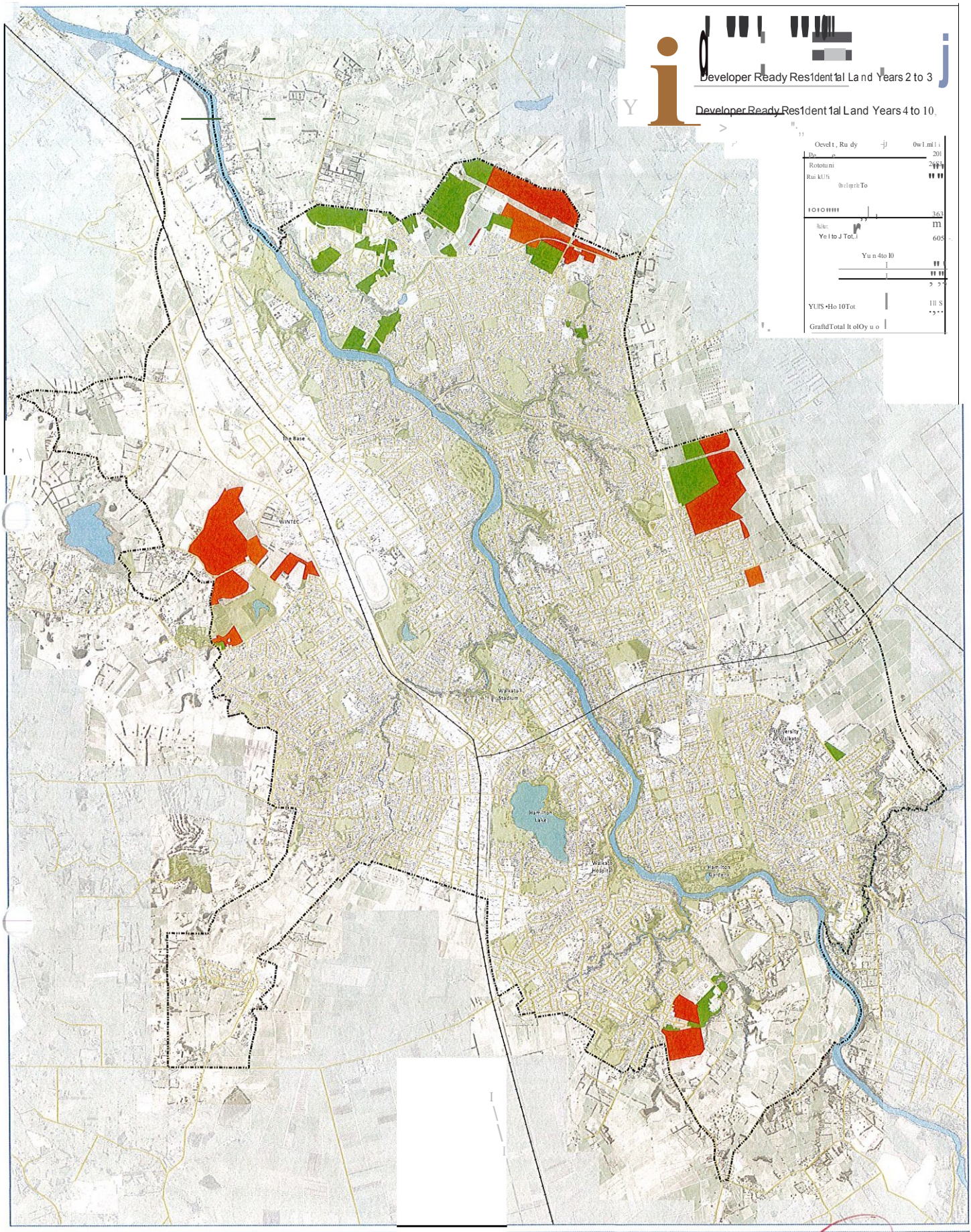
Could you please provide(I) the total costs of the upgrades to Garden Place including" dates" that such upgrade were undertaken. (2) copies of any" cost benefit" analysis that have been undertaken prior to or after such upgrading.

Kind Regards

Colin Jones
AREiNZ
Director
Mobile 021972 500
PO Box 22 Hamilton NZ
Office 07 849 7800
A/Hrs Ph 07 849 4420 Email: colin@cicl.co.nz

FILE COPY

Catchment	Total Amount	Columnl	Column2	Column3
Infill East	1038.38			$0.00
Infill West	4380.95			$0.0_Q
Rototuna	2979.74			$0.00
Infill East	65753.81	[otal HCC spendng on Infrastructure 2005/ 2018		
Infill West	181025.94			
Rototuna	215497.37		2005/2006	$6,759,001.84
Temple View	2138.04		2006/2007	$11,404,524.22
SW - Chartwell	5263.86		2007/2008	$9,226,978.42
SW - Hami lt on East	10033.48		2008/2009	$16,695,748.72
SW - Kirikiriroa	1685.36		2009/2010	$7,178,276.06
SW - Mangaonua	2507.97		2010/2011	$14,618,910.81
SW - c::ity Centre	835.99		2011/2012	$7,648,713.85
SW - Mangakotukutuku	3357.45		2012/2013	$17,352,084.24
SW - St Andr ews	48972.95		2013/2014	$16,096,490.85
SW - Te Rapa Stream	5718.54		2014/2015	$16,065,633.86
SW - Waitawhiriwhiri	34251.81		2015/2016	$24,236,275.74
SW - We st ern Heights	835.99		2016/2017	$15,794,788.60
SW - Kirikiriroa	835.99		2017/2018	$8,105,718.26
Infill East	52660.28			
Infill West	460387			$0.00
Rototuna	2364.79			$0.00
WW- East	74590.75			$0.00
WW-West	68109.56			$0.00
WW - East	3272.29			$0.00
Infill East	47151.04			$0.00
Infill West	40412.77			$0.00
Rototuna	2097.77			$0.00
Infill East	1 293.13			$0.00
Infill West	1426.08			$0.00
Peacocke 2	79.73			$0.00
Rotokauri	40.18			$0.00
Rototuna	4746.43			$0.00
Infill East	337121.26			$0.00
Infill West	310294.1			$0.00
Rototuna	234070.12			$0.00
SW - Chartwe ll	4725.71			$0.00
SW - Hamilton East	8142 .46			$0.00
SW - Kirikiriroa	1912.69			$0.00
SW - Mangaonua	2392.62			$0.00
SW - City Cent r e	7232.92			$0.00
SW - Man gakot ukut uku	2392.62			$0.00
SW - St Andrews	12064.69			$0.00
SW - Waitawhiriwhiri	55796.83			$0.00
SW - M angakot ukutuku	949.46			$0.00
SW - Ohote	478.45			$0.00
SW - Te Awa o Katapaki	2947.32			$0.00
Infill East	82576 .88			$0.00
Infill West	709259.74			$0.00
Peacocke 2	4184.37			$0.00



Tri m No.

D-2004889

A **DRAFT**

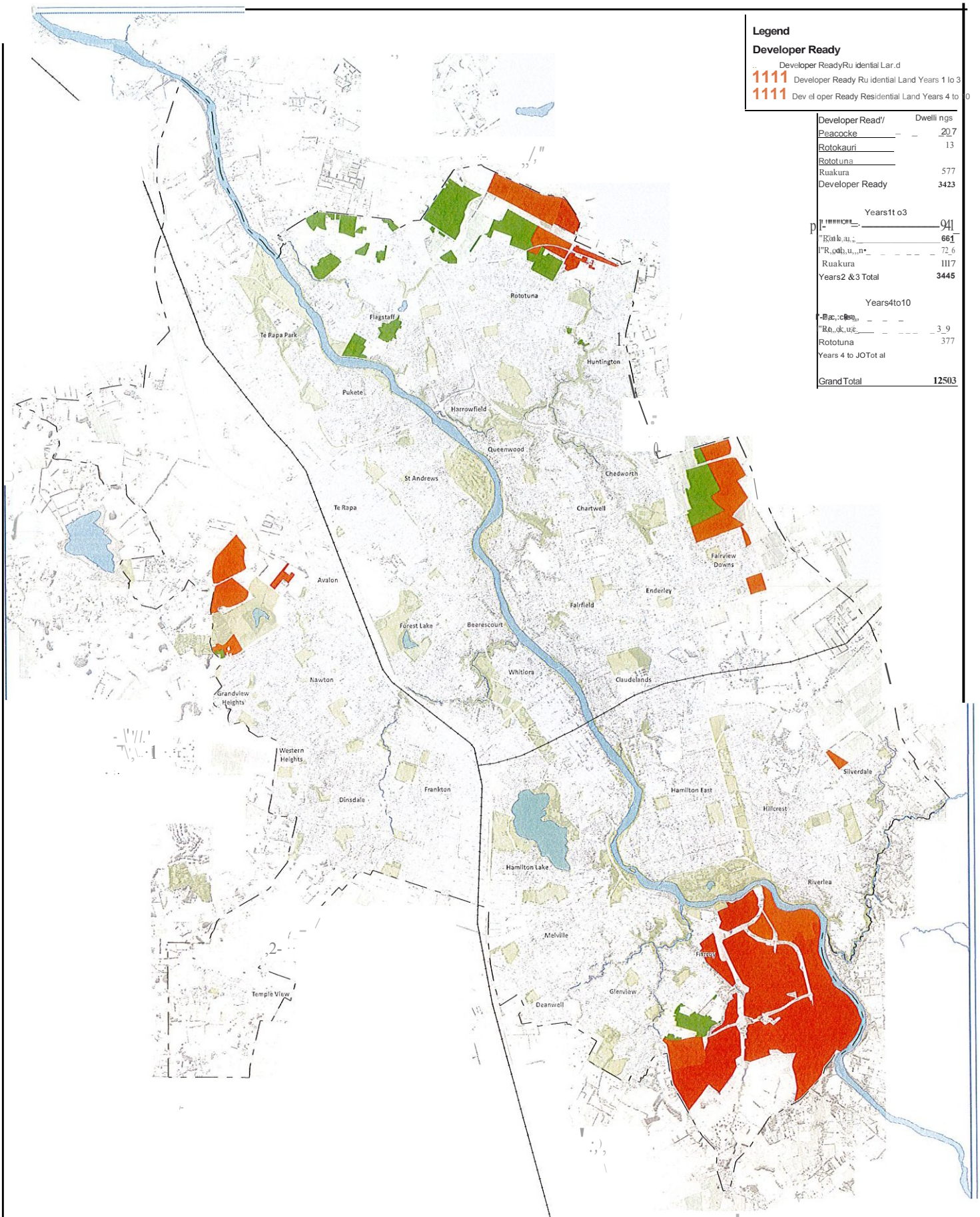
Hamilton

GIS & CAO Serv ices

Methodology, definitions and additional notes D-1988196

Developer Ready and LTP 1-10 Years Land Availability Monitoring July 2016

II



Legend

Developer Ready

Developer ReadyRu idential Lar.d

1111 Developer Ready Ru idential Land Years 1 lo 3

1111 Dev el oper Ready Residential Land Years 4 to 10

Developer Read'/	Dwelli ngs
Peacocke	207
Rotokauri	13
Rototuna	
Ruakura	577
Developer Ready	**3423**
Years1t o3	
[illegible]	941
[illegible]	661
[illegible]	72_6
Ruakura	1117
Years2 &3 Total	**3445**
Years4to10	
[illegible]	
[illegible]	3_9
Rototuna	377
Years 4 to JOTot al	
Grand Total	**12503**

Methodology, definitions and additional notes D-1958196

Hamilton

Trim No.

A **D-2557455**

GIS & CAD Ser vices

D evel oper Ready and LTP 1 -10 Years Land Avail abil it y M onit oring October 2018

t H (P 0 <<" ~ " , or ×-l ×rl (×-, v , (0 ™l l) ≠ d 1 t t d) If d+l× +co , ., lq + ,, W,,L,,...,1 ×-l, 0, t-lP.' " ×

15

Colin Jones

From: official information <officialinformation@hcc.govt.nz>
Sent: Monday, 4 February 2019 11:03 AM
To: Colin Jones
Cc: official information
Subject: Re: LGOIMA 19002: Residential land supply and methodology
Attachments: Council Developer Ready and LTP 1-1O Years Land Availability Monitoring @ October 2016.pdf; Council Developer Ready and LTP 1-10 Years Land Availability - November 2017.pdf; Council Developer Ready and LTP 1-1O Years Land Availability Monitoring @ August 2017(2).pdf; Council Developer Ready and LTP 1-10 Years Land Availability Monitoring @ February 2017.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning,

Further to your information request of 24 December 2018 in respect of Residential land supply and methodology, I am now able to provide Hamilton City Council's response.

You requested:
Can you please clarify for me in relation to the map D 2557455 the following. (1) I have difficulty trying to tie in the District Plan Zoning maps with D 2557455. Could you please advise the number of low density and medium density section in the different areas. (2) map D 255745 "key" has Fairview Downs and Silverdale but not Ruakura. Could you please advise the dividing lines and how many section in each area.
Could you please provide the information for the period as above on the same basis as has currently been provided in relation to map D 2557455. Part of the "key" of this map refers to 2013 so I am not sure how far back you can go but the further the better. This will hopefully explain why section prices have doubled in the last 4 years.

Our response:
1) "I have difficulty trying to tie in the District Plan Zoning maps with D-2557455. Could you please advise the number of low density and medium density section in **the different areas."**

Regarding map D-2557455, the table below set out the approximate numbers of low density and medium density sections in the different map areas. For district plan yields for medium density zones in Rotokauri and Rototuna refer ODP Volume 2, Appendix 3 and OPD Sec 4.6 Rules - General Standards - Medium-Density Residential Zone, for Medium-Density Residential Zone Comprehensive Development Plan Areas and Development Yields

Rototuna Developer Ready (Green)	Low Density	2,269
	Medium Density	318
	Total	**2,587**
Rotokauri Developer Ready Years 2 to 3 (Orange)	Low Density	63
	Medium Density	63
	Total	**126**
Rotokauri Developer Ready Years 3 to 10 (Red)	Low Density	786
	Medium Density	736
	Total	**1,522**
Ruakura Developer Ready (Green)	Low Density	0
	Medium Density	635
	Total	**635**
Ruakura Developer Ready Years 4 to 10 (Red)	Low Density	35
	Medium Density	1,080

| Total | 11,115 |

2) "Map D 255745 "key" has Fairview Downs and Silverdale but not Ruakura. Could you please advise the dividing lines and how many section in **each area."**

The Ruakura area in the "key" includes the smaller areas of Silverdale and Fairview Downs. For clarification the estimated yield for the Ruakura sub areas are as follows:

Developer Ready (Green)	**'Northern' Ruakura** (not including Silverdale and Fairview Downs)	570
	Silverdale	65
	Total	**635**
Developer Ready Years **2** to 3 (Orange)	**Fairview Downs**	106
Developer Ready Years 4 to 10 (Red)	**'Northern' Ruakura** (not including Silverdale and Fairview Downs)	1,115

3) "Could you please provide the information for the period (2005 to 2018) as above on the same basis as has currently been provided in relation to map D 2557455. This will hopefully explain why section prices have doubled in the last 4 years."

HCC has conducted this analysis since December 2015, with a total of seven Developer Ready Land Availability Monitoring Maps produced to date:

- December 2015 (DRAFT)
- July 2016 (DRAFT)
- October 2016
- February 2017
- August 2017
- November 2017
- October 2018

These have been attached to this email for you. Please note due to the size of the attachments they will be sent to you in 2 parts, part 1 is attached to this email.

Kind regards

AmyViggers
On behalf of the Privacy Officer
DOI: 07 8386727 / Email: amy.viggers@hcc.govt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

lluke us on Facebook LIFollow us on Twitter

From: official information
Sent: Monday, 7 January 2019 11:03 AM
To: Colin Jones <colin@cicl.co.nz>
Cc: official information <officialinformation@hcc.govt.nz>
Subject: RE: LGOIMA 19002: Residential land supply and methodology

5 A

URBAN
ECONOMICS

8 OCTOBER 2018
AUTHOR ADAM THOMPSON
51218.5.02

Peer Review of:

Housing Development Capacity Assessment 2017

Future Proof Area – Waikato District, Hamilton City and Waipa District, 17 July 2018

PREPARED FOR
Colin Jones

ABOUT US

OUR AREAS OF EXPERTISE

Economic Analysis

Our work aims to bridge the gap between land-use planning and urban economics. Our focus is on the interaction between land markets, land-use regulations, and urban development. We have developed a range of methodologies using a quantitative approach to analyse urban spatial structure and audit land-use r egulations.

Property Research

We provide property and retail market research to assist with planning and marketing of new projects. This includes identification of new sites and market areas, assessments of market potential and positioning, and the evaluation of market-feasibilit y of specific projects.

Development Advisory

We provide development planning and costing advisory services to support small and large-scale developments.

P: 09 963 877 6

5b Crummer Road, Ponsonby, Auckland

adam@ue.co.nz

www.ue.co.nz

CONTENTS

1. Executive Summary

The peer review of the ME Consulting report on housing development capacity has found:

1. The GIS based estimates of 'planned enabled' capacity appear to be completed to a high standard.
2. The estimates of housing demand are in line with Statistics NZ forecasts and are a sound basis for estimating the quantity of houses demanded.
3. No assessment is undertaken of the price of houses demanded. The price of houses is part of demand and is required to be considered under the National Policy Statement - Urban Development Capacity ("NPS-UDC").
4. The Commercial Feasibility Capacity Model ("CFC Model") operates at the parcel level and applies a standard 'developers feasibility study' approach. This is considered best practise.
5. The CFC Model has several potential omissions or errors in the data:
    a. The purchase price of a property for infill development (a large cost) is derived from the **Rating Database.** This is estimated by ME Consulting to be10-20% below the actual market value, and would, for example, add over $100,000 to the cost of purchasing a development site. This would have a material impact on the CFC Model results.
    b. By contrast, the sale prices of the newly developed houses (revenue) is derived from **recent sales data,** which is significantly higher than the 'purchase price' data in Point a above.
    c. No allowance has been made for the construction of a driveway, which can be $10,000 - $30,000. This would have a material impact on the CFC Model results.
6. The CFC Model is based on the theoretical proposition that house prices will inevitably double in real terms every 30 years[1] due to increasing wages. This is incorrect as many cities have high wages and low housing costs. This theoretical proposition has an overwhelming impact on the CFC Model results. For example, for Hamilton City, the model estimates that if house prices double over the 30-year period to 2046, there will be 84,000 new commercially feasible dwellings, which would be sufficient to meet all demand. However by contrast, if house prices stay as they are, there will be only 7,000 commercially feasible dwellings which would not be sufficient to meet all demand. Therefore, in order for affordable housing to be built in the future, and for the Future Proof Area to meet the **requirements of the NPS-UDC, house prices must somewhat ironically, double in real** terms over the next 30 years according to the CFC model. This presents a high hurdle

[1] In nomin al terms this equates to a doubling every 10-15 years.

because the NPS-UDC has the central objective of enabling affordable house prices.

> *"This national policy statement* aims *to ensure that planning decisions enable the supply of housing needed to meet demand. This will contribute to minimising artificially inflated house prices at all levels and contribute to housing affordability overall. Currently, artificially inflated house prices drive inequality, increase the fiscal burden of housing-related government subsidies, and pose a risk to the national economy." (page 3-4, NPS-UDC)*

7. The CFC Model includes an adjustment that dwelling prices **will** increase in real (inflation adjusted) terms from $670,000 in 2017, to $820,000 in 2027, to $990,000 in 2037 and to $1.21 million by 2047[2].

8. The report asserts that higher land prices lead to the provision of more intensive and affordable infill housing. No evidence is provided to support this apparently contradictory conclusion.

9. The theoretical proposition that house **prices will inevitably double in real terms** every 30 years due to city growth is **not corroborated by the urban economic literature.** This brings into question the economic basis of the CFC Model and its results.

10. The report assumes that all greenfield land is equally feasible for development. This is incorrect as some sites will have relatively high lot development and reserve contribution costs, and relatively low lot prices.

2. Introduction

This report provides a peer review of Hamilton City Council's assessment of housing development capacity, prepared by ME Consulting. The following ME Consulting report ("ME report") is reviewed:

- Housing Development Capacity Assessment 2017: 17 July 2018, ME Consulting.

In addition, the following supporting ME Consulting reports have been reviewed:

- Housing Development Capacity Assessment 2017: Technical Specifications Report. 20 August 2018, ME Consulting.
- Housing Development Capacity Assessment 2017: Technical Specifications Report - GIS, 21 August 2018, ME Consulting.
- NPS-UDC Current Feasibility Provisions, Discussion Paper, July 2018, ME Consulting.

2.1. About the author

Adam Thompson has 16 years' experience as an urban economist and property market analyst.

[2] This example is for Hamilton City.

Adam was the primary advocate for and developer of the Auckland Council Development Capacity (" ACDC") model.

Adam presented 1,200 pages of evidence 40 briefs of evidence to the IHP for the Auckland Unitary Plan ("AUP") review. The IHP preferred his evidence on several key urban economic matters, most notably:

- the need for more infill housing potential,
- the need for more greenfield land and a flexible urban boundary,
- the need for flexible provisions for commercial distribution when centres have insufficient capacity, and
- the ability to subdivide rural lifestyle lots when native vegetation is planted.

3. Housing Demand

The estimates of housing demand are in line with Statistics NZ forecasts and are a sound basis for estimating the quantity of houses demanded.

The report does not provide any assessment of the price of houses demanded by residents. This is equally as important as the quantity of houses demanded because residents have different incomes and different housing preferences. Understanding demand not only in terms of quantity but also in terms of price is a requirement under the NPS-UDC, as follows:

> *Objective Group A - Outcomes for planning decisions*
>
> *OA2: Urban environments that have sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.*
>
> *Demand means:*
>
> *In relation to housing, the demand for dwellings in an urban environment in the short, medium and long-term, including:*
>
> *a) the total number of dwellings required to meet projected household growth and projected visitor accommodation growth;*
>
> *b) demand for different types of dwellings;*
>
> *c) the demand for different locations within the urban environment; and*
>
> *d) the demand for **different price points** recognising that people will trade off (b),(c) and (d) to meet their own needs and preferences.*
>
> *(NPS-UDC emphasis added)*

It is not possible to draw conclusions about whether a proposed housing land policy is economically efficient without considering the price of dwellings that are enabled. As outlined in a following section of this report, the current average price of a new dwelling in Hamilton City, for example, that is estimated by the CFC Model is $670,000 and this is forecast to increase to $820,000 in real terms by 2027. Such a rapid increase in dwelling prices cannot be assumed to reflect demand as consumers demand houses at the lowest possible price, not at the price that they are 'able to pay'. In other words, just because people have an increase in wages does not mean that they want to or should pay a higher price for the same house.

4. Theoretical Propositions for CFC Model

4.1. Report Theoretical Proposition 1: It is Inevitable That House Prices Will Double in Real Terms every 30 Years

The report asserts that the price of housing is inextricably linked to the rate of City growth.

> *"Importantly, the model has a time component which enables it to estimate the commercial feasibility of capacity through time. Population and other demand growth will affect prices through time, which affects the feasibility of different developments through time.*
>
> *The annual average rate of sales price growth has been set [within the CFC Model] at 2.0 per cent per annum for all dwellings within the Waikato District and Hamilton City.*
>
> *Growth in prices (together with growth in costs) have been applied to allow redevelopment, further intensification and outward greenfield expansion to occur through time in the Model."*
> *(page 29-30 Technical Specifications Report, emphasis added)*
>
> *It allows for the core economic processes observed and studied to date to continue to have effect, in a manner generally consistent with the scale and timing of growth in an economy. Accordingly, there is no requirement to assume that economic processes evident to date [i.e. house price growth] will no longer occur, or that observed relationships within the economy which affect land markets directly and indirectly will no longer have those effects.*
> *(page 5, NPS-UDC Current Feasibility Provisions Discussion Paper, emphasis added)*
>
> *Values, and associated development feasibility, change progressively over time and by location as cities grow, in a generally predictable manner. For the city as a whole, land values grow as the city grows, and generally increase in real terms (ie ahead of inflation).*
>
> *The common pattern is for **city-wide [land or property] value gain** to be consistent with overall growth...*
> *(page 7, NPS-UDC Current Feasibility Provisions Discussion Paper, emphasis added)*

However, ***a key driver of...urban growth per se is the progressive increase in property values,*** *especially land values, over time.*

Growth in land values is thus an important driver of urban intensification and outward expansion. Real increases in property values, especially land, occur with urban growth, and such increase ahead of real costs progressively enhances the feasibility of new development and intensification. (page 25, NPS-UDC Current Feasibility Provisions Discussion Paper, emphasis added)

The proposition is disproved by the fact that many large and fast growing cities have low housing prices. It is therefore not inevitable that a fast growing city will have increasing housing costs.

At a more technical level, some cities may have higher priced housing in some locations, such as near the CBD, however they are able to build lower cost housing at the urban periphery[3]

The implications of the theoretical proposition that house prices will inevitably increase are significant. The report asserts that house prices will, in Hamilton for example, inevitably increase at a rate of 2% per annum, and this is built directly into the CFC Model. The results of the CFC Model are therefore that the average price of a new dwelling, in Hamilton City for example, will increase in real (inflation adjusted) terms from $670,000 in 2017 to $820,000 million by 2027, to $990,000 by 2037 and to $1.21 million by 2047.

Such an outcome is however not a necessary condition for a city such as Hamilton, rather could only be attributed directly to residential land use policy. A rapid rise in house prices, as estimated by the CFC Model, would present severe adverse social and economic costs for the community, and will likely result in overcrowding, financial stress and a significant migration of the younger generation from the City. More generally, the theoretical proposition that underpins the CFC Model is antithetical to the NPS-UDCand raises the question of whether the Future Proof Area has complied with provisions of the NPS-UDC.

What do some of the worlds most renowned Urban Economists say about wages and house prices?

Professor Alan W Evans, FAcSS. University of Reading

"...the difficulty in determining the exact effects of growth controls has probably been eased over the last 20 years or so as an increasing number of cities, particularly in California, have chosen to adopt forms of growth control. The higher the proportion of an area that is subject to growth controls, the greater is likely to be the effect on prices of the constraint on the supply of land and housing..... ".

Edward Glaeser, Fred and Eleanor Glimp Professor of Economics at Harvard University

"Over the past 30 years, eastern Massachusetts has seen a remarkable combination of rising home prices and declining supply of new homes. The reductions in new supply don't appear to reflect a real

[3] The 'marginal cost' of a newhouse is at or near to the 'fundamental cost of production' and therefore the market is economically efficient.

lack of land, but instead reflect a response to man-made restrictions on development."

"Over the past 20 years, the fastest growing regions have not been those with the highest income or the most attractive climates. Flexible housing supply seems to be the key determinant of regional growth. "

Paul Cheshire, Professor Emeritus of Economic Geography, LSE

"The process by which our planning system decides how much land to allocate for development - apart from being hedged around by Greenbelt boundaries - systematically undersupplies land. This is because it works on the basis of projected household numbers, not projected demand, so ignores the strong income elasticity of demand both for space in houses and for garden space. Moreover, because it supplies a fixed area determined by assumed densities, it undermines competition in land markets. Since the area of land available for potential development is small and known (as well as systematically being less than market demand) competition between potential sellers is much diminished."

4.2. Report Theoretical Proposition 2: Higher Land Prices Lead to Affordable Infill Houses

The second theoretical proposition is that high land prices lead to affordable infill houses.

A further key point is that intensification also enhances affordability, despite the apparent conflict with high land values. When more dwellings may be feasibly added to a parcel, then the land value per dwelling is reduced - a key part of improving housing affordability through delivering greater supply and at the same time limiting cost increases. To illustrate this, modelling in Auckland (undertaken for the AUP hearings) showed that intensification saw the land value component drop to 15-20% of new dwelling prices, whereas pre-redevelopment it had been around 70%.
(page 27, NPS-UDC Current Feasibility Provisions Discussion Paper, emphasis added)

Growth in land values is thus an important driver of urban intensification and outward expansion. Real increases in property values, especially land, occur with urban growth, and such increase ahead of real costs progressively enhances the feasibility of new development and intensification. As experience overseas has shown, commonly it is not until urban land values are sufficiently high that the more intensive options like apartments and terrace houses become feasible.
(page 29-30, Technical Specifications Report, emphasis added)

The CFC Model includes 2% annual price growth, so for example in Hamilton City, the average dwelling price will increase in real (inflation adjusted) terms from $670,000 in 2017 to $820,000 million by 2027, to $990,000 by 2037 and to $1.21 million by 2047.

The report's theoretical proposition, or hypothesis, that an increase in house prices will enable additional affordable houses, is almost certainly incorrect. However, the CFC Model does estimate the number of new dwellings by type and price that can be built at parcel level. The model's results

can therefore be used to prove or disprove the hypothesis. The report does not however present any estimates of the price profile of dwellings that would potentially be built under the various plans.

It is worth noting that the Auckland Unitary Plan, implemented in 2016, supports infill development. The Auckland Council's consulting economists (ME Consulting) advised that more affordable infill housing would be built, also on the premise that increasing prices would result in more affordable houses. However this has not occurred. The Auckland Council has recently completed a report on the commercial feasibility of new housing under the AUP, as part of the requirements of the NPS-UDC. The report concludes:

> *"The enabled feasible capacity for dwelling supply, as modelled for the 2016 draft Unitary Plan recommended by the Independent Hearings Panel, was for approximately 422,000 - being 270,000 (modelled) in brownfield existing urban areas and 130,000 (assumed feasible) in future urban areas, with the remainder being potential Housing NZ developments and future dwelling growth in rural-zoned areas. The new modelling shows, principally due to rising construction costs and flat to declining sales prices, that the brownfield enabled feasible capacity of 270,000 has since reduced to 140,000; and that the future urban feasible enabled capacity has changed slightly as it is now modelled, from 130,000 to 146,000 dwellings."*
>
> (Planning Committee, 28 November 2017, National Policy Statement on Urban Development Capacity initial assessment results, Item 14, National Policy Statement on Urban Development Capacity initial assessment results, page 5, emphasis added).

The most notable conclusion is that the average price of a new dwelling under the AUP is estimated to be $1.5 milli on,[4] indicating that the average price is expected to continue to increase towards $1.5 million over the next few years.

It is also worth noting that with regard to the distribution of terrace infill houses in Auckland, since the AUP was made operative:

- The majority of terrace houses completed in 2017 (83%) were in greenfield locations rather than urban infill locations, and
- The majority of small-mediumscale infill development has been stand-alone rather than terrace houses.

This is contrary to the hypothesis put forward in the report and raises the very real prospect that the Future Proof Area will see very little affordable housing able to be built under the recommended land use settings.

[4] (Planning Committee, 28 November 2017, National Policy Statement on Urban Development Capacity initial assessment r esult s, Item 14, National Policy Statement on Urban Development Capacity initi al assessment r esult s, page 10).

5. Commercially Feasible Dwellings

The CFC Model operates at the parcel level and applies a standard 'developers feasibility study' approach. This is considered best practise.

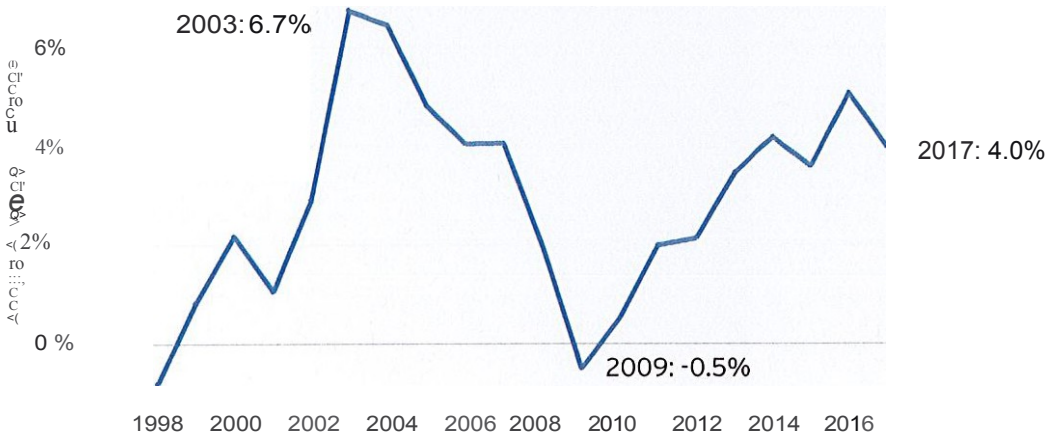
The CFC Model has several potential omissions or errors in the data, as follows.

- The purchase price of an infill development property (a large cost) is derived from the Rating Database. This is estimated in the report to be10-20% below the actual market value and would, for example, add over $100,000 to the cost of a small quarter acre infill site. This would have a material impact on the CFC Model results.
- By contrast, the sale prices of the new development houses (revenue) is derived from recent sales data, which is significantly higher than the 'purchase price' data in the point above.
- No allowance has been made for the construction of a driveway, which can cost $10,000 - $30,000. This would have a material impact on the CFC Model results.
- It is implied that new dwellings are feasible if there is a profit of less than 20%, for example in Figure 40 of (page 70, Housing Development Capacity Assessment 2017). A 20% profit is generally the minimum profit a developer requires, and many developers require a profit of 25-30%.
- The CFC Model assumes that all greenfield land is equally feasible for development. This is incorrect as some sites will have relatively high lot development and reserve contribution costs, and relatively low lot prices. While it is likely that most greenfield land will be feasible for development, a high level assessment of whether there are large tracts of greenfield land that are not feasible should be undertaken.
- The model results do not consider the impact of an increase in the value of sites with development potential from changes to zoning. In Auckland, there was a significant increase in the value of infill development sites once the new zoning provisionsand development rights were realised. This significantly reduces the price the new houses can be developed for, most notably, the 'raw land value' per new dwelling increases and this flows through into the final house price.
- No allowance for GST appears to have been made. Development profit of 20% is required after the net GST (receipts less payments) has been accountedfor.
- The interest rates that are applied are not stated separately and appear to be too low (at 6-9% including real estate agent fees, implying a rate of 2-4% for a period of 12 months). Interest rates should be at 6-7% for a period of 12 months for the total project cost.
- Build cost price escalation has been included in the CFC Model at 1% per annum. However, the long run average is approximately 3%, as shown on the Figure below. A build cost price escalation of at least 3% should be included in the model. This would have a substantial

effect on the CFC Model results. It is worth noting that this was identified in the recently completed report on the commercial feasibility of new housing under the AUP as one of the main factors for a large reduction in feasible dwelling capacity:

> *The new modelling shows, principally due to rising construction costs and flat to declining sales prices, that the brownfield enabled feasible capacity of 270,000 has since reduced to 140,000; and that the future urban feasible enabled capacity has changed slightly as it is now modelled, from 130,000 to 146,000 dwellings."*
>
> (Planning Committee, 28 November 2017, National Policy Statement on Urban Development Capacity initial assessment results, Item 14, National Policy Statement on Urban Development Capacity initial assessment results, page 5, emphasis added).

Figure 1: Residential Building Cost Escalation



Source: Statistics NZ

It should also be noted that the CFC Model is essentially a property development model, and the required expertis e for such a model is property development rather than economics. The model data, calculations and assumptions, and a ransom sample of 500-1,000 model outputs, should be made available and peer reviewed by the local property development sector. Such a peer review was undertaken for the development of the equivalent Auckland ACDC model and in particular members from the Property Council of New Zealand completed this task (pro bono).

6. Forecast Commercially Feasible Dwellings

The CFC Model is based on the theoretical proposition that house prices will inevitably continue to increase and this is the basis for the models estimated increase in the number of commercially feasible dwellings over time. In particular, the model estimates that the price of dwellings will increase at 2% per annum in real terms over the next 30 year s.

***Growth** in prices (together with growth in costs) have been applied to allow redevelopment, further*

intensification and outward greenfield expansion to occur through time in the Model."

The annual average rate of sales n rice growth has been set [within the CFC Model] at 2.0 per cent per annum for all dwellings within the Waikato District and Hamilton City.
(page 29-30 Technical Specifications Report, emphasis added)

The impact that an increase in dwelling priceson the estimated future number of commercially feasible dwellings is signific ant. For example, for Hamilton City, the model estimates that if house prices double over the 30-year period to 2046, there will be 84,000 commercial feasibl e new dwellings, which would meet all demand[5] However, by contrast, if house prices do not increasein real terms th ere will be only 7,000 commerciall y feasibledwellings, which would not meet all demand. This raisesthe question of whether 7,000 commercially feasible dwellings is sufficient to meet the requirement s of theNPS-UDC.

Therefore, in order for future demand to be met, and for the Future Proof Area to meet the **requirements of the NPS- UDC, house prices must double, in real terms, over the next 30 years. This pre sent s an insurmountable hurdle because the NPS- UDChas the objective of lower house prices.**

7. Recommendations

The following recommendations are made:

1. That the purchase price of a infill development site is adjusted in the CFC Model to **reflect current sales values rather than Rating Database values**.
2. That an adjustment in the CFC Model is made to account for the expected increa se inthe **price of infill development sites** in response to increased development potential..
3. That the cost for a **driveway** is included in the CFC Model.
4. That the **interest rates** for development are specified separately in the CFC Model and reflect current market rates, for the full development timefr ame (12-24 mon ths).
5. That the net **GST payment** is accounted for prior to estimating the profit of a development in the CFC Model.
6. That the building cost escalation rate of 1% per annum is increased to the historical rate of 3% per annum in the CFC Model.
7. The CFC Model data, assumptions and calculations,and a random same of 1,000 model output s, is provided to the development sector for peer review.
8. The inclusion of the assumption that house prices will in creaseat a rate of 2% per annum in the CFC model is evaluated in respect of whether it is consistent with the

[5] Figure 37, page 67, Housing Development Capacity Assessment 2017.

provisions of the NPS-UDC which has the contrary objective.

9. That a summary of the CFC Model results that show the prices of new dwellings, by type and location, is provided to demonstrate that there is sufficient affordable housing.

10. That demand is considered in terms of not only housingquantity, but housing price. A house price demand profile should be compiled.

11. It is confirmed whether a profit of less than 20% is consideredto be commercially feasible for development.

12. A high level assessment of the commercial feasibility of **greenfield land** development is undertaken.

11 URBAN ECONOMICS

23.10.2018

To Colin Jones,

RE: Overview of Peer Review of Housing Development Capacity Assessment 2017 Future Proof Area - Waikato District, Hamilton City and Waipa District, 17 July 2018

The following provides an overview of the foregoing peer review and the implications for the Future Proof Area.

Peer Review Findings:

- The GIS based estimates of 'planned enabled' capacity appear to be sound.
- The estimates of housing demand are in line with Statistics NZ forecasts and are a sound basis for estimating the quantity of houses demanded.
- No assessment is undertaken of the price of houses demanded. The price of houses is part of demand and is required to be considered under the National Policy Statement - Urban Development Capacity ("NPS-UDC").
- The Commercial Feasibility Capacity Model ("CFC Model") operates at the parcel level and applies a standard 'developers feasibility study' approach. This is considered best practise.
- The CFC Model has several potential omissions or errors in the data:
    - The purchase price of a property for infill development(a large cost) is derived from the Rating Database. This is estimated by the model author to be 10-20% below the actual market value, and would, for example, add over $100,000 to the cost of purchasing a development site. This would have a material impact on the CFC Model results.
    - By contrast, the sale prices of the newly developed houses (revenue) is derived from recent sales data, which is significantly higher than the 'purchase price' data in Point a above.
- The CFC Model is based on the theoretical proposition that house prices will inevitably double in real terms every 30 years due to increasing wages, from $670,000 in 2017, to $820,000 in 2027, to $990,000 in 2037 and to $1.21 million by 2047. This assumption is incorrect as many cities have high wages and low housing costs. This theoretical proposition has an overwhelming impact on the CFC Model results. For example, for Hamilton City, the model estimates that if house prices double over the 30-year period to 2046, there will be 84,000 new commercially feasible dwellings, which would be sufficient to meet all demand. However, by contrast, **if** house prices stay as they are, there will be only 7,000 commercially feasible dwellings which would not be sufficient to meet all demand. Therefore, in order for affordable housing to be built in the future, and for the Future Proof Area to meet the requirements of the NPS-UDC, houseprices must, somewhat ironically, double in real terms over the next 30 years according to the CFC model.

This presents a high hurdle because the NPS-UDC has the central objective of enabling affordable house prices.

- The CFC Model assumes that higher land prices lead to the provision of more intensive and affordable infill housing. No evidence is provided to support this apparently contradictory conclusion. A recent study on the housing market by Auckland University concluded the opposite. Similarly, Auckland Council has recently estimated that infill housing potential reduced from 270,000 to 140,000 dwellings as a result infill development sites increasing in value after the Auckland Unitary Plan increased the development potential of these properties.
- The theoretical proposition that house prices will inevitably double in real terms every 30 years due to city growth is not corroborated by the urban economic literature. This brings into question the economic basis of the CFC Model and its results.

Planning Implications for the Future Proof Area:

- The CFC Model will inevitably support land use planning that leads to house prices increasing from $670,000 in 2017, to $820,000 in 2027, to $990,000 in 2037 and to $1.21 million by 2047. This presents economic and social costs that are likely to unprecedented in the City's entire history.
- A large proportion, if not the majority, of the younger generation will leave Hamilton if house prices increase as assumed to be inevitable by the CFC Model.
- Fewer new residents will locate to Hamilton if house prices increase as assumed to be inevitable by the CFC Model.
- Businesses will leave, and fewer businesses will come to Hamilton, if house prices increase as assumed to be inevitable by the CFC Model.
- The house price growth assumptions that underpin the CFC Model are not supported by the academic literature and are unlikely to be accepted by an independent hearings panel. This would bring into question the evidential basis regarding land and housing supply and is likely to result in a substantial change to the planning documents, towards the end of the review period.
- The house price growth assumption that underpins the CFC Model is contrary to the NPS-UDC, in particular the provision of affordable housing. It may be the case that the CFC Model does not meet the legal requirements of the CFC Model.
- The demand for housing, in terms of the price that households can (or should) pay for housing, has not been assessed, as required under the NPS-UDC. It is certainly the case that as house prices in Hamilton increase from $670,000 in 2017, to $820,000 in 2027, to $990,000 in 2037 and to $1.21 million by 2047, they would not meet future residents demand for housing, in terms of price.

Adam Thompson

9c

URBAN ECONOMICS

12.11.2018

To Colin Jones,

RE: Historic House Price Growth Assumption NPS-UDC Model

NPS-UDC Model

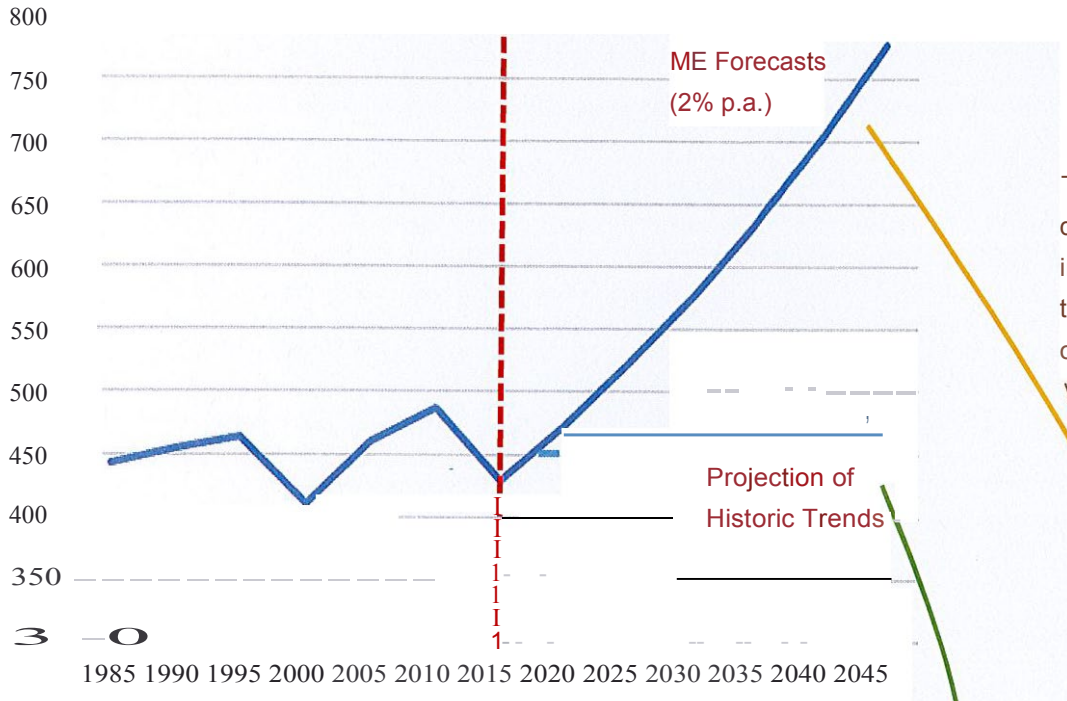
Fundamental assumption of model: house prices inevitably increase in real terms by 2% p.a.

- This assumption is not reflected in historical data.
- No evidence to support this assumption is provided.
- If house prices do not increase at 2% p.a. (real) commercially feasible units stay at 6,819 (as below). Under this scenario house prices stay at $450,000 p.a.
- If house prices do increase at 2% p.a. (real) commercially feasible units increase to 83,505 by 2045. Under this scenario real house prices double in 30 years to around $800,000.
- Note: the current average price is actually $670,000 (not $450,000) so at 2% real growth, prices will be $820,000 in 2027, to $990,000 in 2037 and to $1.21 million by 20471.

Other notes:

- No consideration of future house prices under these scenarios is presents in the reports.
- The increase in the value of infill development sites post rezoning has not been accounted for in the model. This reduced Auckland infill potential from 270,000 to 140,000.

Figure: Real (Inflation Adjusted) House Prices



Total feasible dwellings rapidly increaseunder this assumption over the next 30 years

Figure 2: Feasible Infill Dwellings Hamilton City (Estimated by ME Consulting)

Figure 37 • Infill {Incl. Redevelopment} Commercially Feasible Capacity in Hamilton City

lQmi.o)I	PlanEnabledcapacity Infill Ind.redevelo rnent	Commercially Feasible capacity Infill(ind, redevelopment) 2017	2021	2026	
1 {Te Rapa north)					
2 (Te Rapa)	107				
3 (Rotokauri)	28				
4(Nawton)	6,097	189	534	, 1 191	
5 (Din sdale)	6,617	193	550	1,285	
6 (Temple View)	534		17	50	
7 (Frankton)	1n	64	119		496
8(Melvillej	7,332	39	468		5,475
9 (Peacocke)	904	87	121		199
10(Silverdale}	4,794	206	460		3,831
11 {East/University)	4,152	370	607		2,595
12{Ruakura)			-	-	-
13 {Falrview/Enderley)	6,023	137		902	4,510
14 (East/Claudelands}	4,809	350		782	4,063
15(Chartwellj	5,850	333		1,796	4,587
16 (Rototuna}	12,463	1,233		4,216	9,695
17 (St Andrews}	5,712	118	585	1,647	4,695
18(Beerescourt}	3,944		324	640	3,082
19(Central City)	46,490	09	4,411	5,607	28,412
20(Hamilton Lake)	3,244		485	832	2,573
TOTAL	119,841	6,819	13,596	22,942	83, 505

Total feasible dwellings are modest under this assumption over the next 30 years

Adam Thompson

J-J

HAMILTON
REINZ SALES OF RESIDENTIA LHOUSES IN PRICE RANGE FOR ALL AGENTS

2018	Jun-17	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total	%
$000 ,000 - $199 , 999	0	2	1	1	0	0	1	0	3	2	0	0			
$200 ,000 - $249 , 999	2	2	2	1	0	0	2	1	0	1	1	1			
$250 ,000 - $299 , 999	4	6	3	5	1	5	3	0	5	3	2	6			
$300 ,000 - $349 , 999	15	15	15	14	5	12	12	10	14	13	10	19			
$350 ,000 - $399,999	21	22	17	22	20	28	15	18	13	40	14	30			
$400,000 - $449,999	37	20	28	29	34	25	22	23	37	33	25	26			
$450,000 - $499,999	44	39	36	36	35	41	39	26	54	49	25	40			
$500,000 - $549,000	27	31	25	24	29	32	31	16	35	39	33	39			
$550,000 - $599,999	25	20	31	27	27	23	31	15	31	27	29	29			
$600,000 - $699,999	41	37	42	33	44	36	51	24	40	51	30	51			
$700,000 - $799,999	22	29	26	23	15	27	28	16	35	42	21	30			
$800,000 - $899,999	10	14	14	23	11	20	18	6	10	23	19	15			
$900,000 - $999,999	8	5	7	5	7	5	5	3	6	11	11	8			
Above $1.0 m	9	8	6	11	8	7	9	2	7	14	13	13			
TOTAL	265	250	253	254	236	261	267	160	290	348	233	307			

InterestingObservations for June:

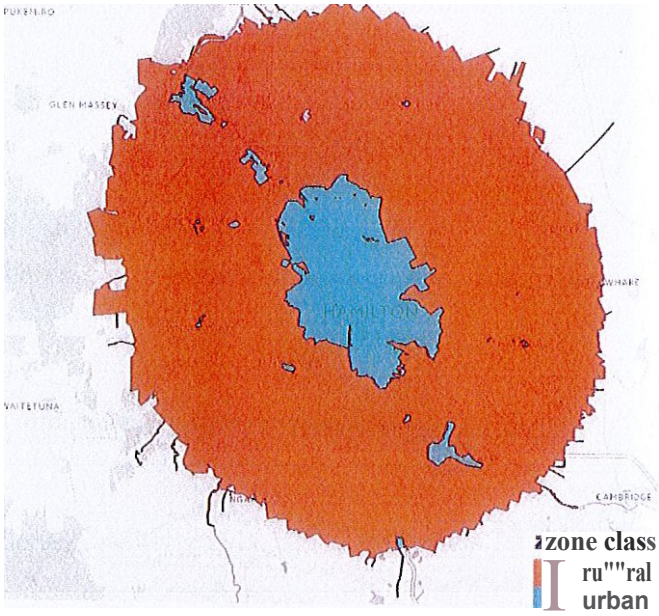
June sales volumes dropped from a highpoint in May and were 11% lower than the same time last year. This is solely due to severe shortages of available homes for sale, despite buyer demand remaining strong. This unsatisfied demand has led to market competition and pressure on prices with the median sale price lifting to $560,000. The $500,000 to $700,000 price bracket was particularly strong in June and accounted for nearly 44% of total sales.

Indicator 8: Rural Urban differentials

Rural-urban differentials have been calculated by comparing the values of residentia l land 2km either sid e of bound ary between urban and non-urban zones, after removing the impact of differences in amenities, geographic characteristics and infrastr ucture. If the value of land jumps where the zone changes, this may indicate that various land-use regulation s are constraining urban development capacity. The differential estimates how much urban residential land values are being elevated because of these regulatory constraint s. It is a key indicator of whether the District Plan pro vides sufficient development capacity.

Area of study: The calculation of thi s diff erent ial is focused on an area greater th an the Ham ilton City Coun cil boundary (see Map to the right), encompassing Ngaru awahia to the north and the Airport to the south. The areas classfiied as urban are marked in light blue and the rural areas are marked as red.

Data source: The rural-urban differential for this area was calculat ed using the Novemb er 2015 valuation data for Hami l ton City, the 2014 data for Waikato District and the November 2016 data for Waipa District. All data was updated to 2017 values using the Sales Price Appraisal Ratio. The under lying data reflects the land use permitted at the time of the valuation, consequent ly any subsequent enabling District Plan changes, wh ich may permit new land use activity to take place, are not reflected in thi s analysis.



Map: Location of rural and urban zones

Result s: The scatter diagram, see Figure 1, shows that land values drop sharply at the rural urban boundary. After removing major non-regulatory factors affecting land values, urban residential land close to the rural-urban boundary is worth just over 2.4 time s th e value of rural land next door, or $227 more per square meter. The analysis suggests that regulations may be constraining development capacity and adding up to $113,500[4] to the value of a typical section in the Hamilton area.

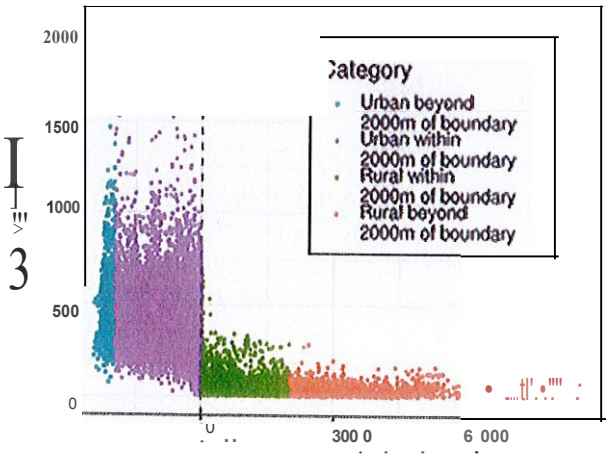


Figure 1: Distribution of land values immediately inside and outside of the rural-urban boundary

Commentary: Monitoring both the ratio level and change in the ratio over tim e is important . The current results suggest that development capacity is constrained. However, as noted above, the differential measures the impac t of Hamil ton City District Plan operative in 2014 which was less permi ssive than the 2016/17 District Plan. Areas in the city with deffered zoning {e.g. Te Rapa North, Ruakura, Peackock s and Rotokauri) are also not captured in this analysis. The extent this extra capacity will be reflected in urban land valu es when the next revaluation is undertaken in November 2018 is unknown. Other factor s, not controlled for, may also be reflected in th e results of thi s analysis.

[4] Cost may be overstated by as much as $22,000 as the cost of local infrastructure and the net cost of growth infrastructureis not fully captured by development contributions. See Net Cost of Growth Report.

Colin Jones

From: Aaron Leaman <aaron.leaman@stuff.co.nz>
Sent: Monday, 4 February 2019 1:22 PM
To: Colin Jones
Subject: Re: Your artical Waikato Times re cost of regulations

J.

Hi, here we go ...

Headline: Red tape adds $80k to new home

Text: Bureaucratic red tape is adding about $80,000 to the cost of a new home in Hamilton.

Frustrated city developers say national and council ru les are adding unnecessary costs to new homes and warn it could stall residential projects in the central city.

Yeoman Homes has plans for about 70 apartments in the CBD, but managing director Andrew Yeoman said planning rules are putting future projects at risk.

Yeoman is one of a growing number of developers who have spoken out against the council's new development contributions policy - especially the decision to phase out CBD remissions.

"We've got about 70 apartments we're building in the CBD but with the removal of the DC remi ssion policy, which means we're going to have to pay full DCs.

"It means we'll just to have to stop building apartments in the city," Yeoman said.

"Red tape definitely adds $80,000 if not more to the cost of a house.

"But it's not all Hamilton City Council rules that make that up - a large amount of that is government **regulations.**

"In the 17 years I've been building, I'm just ast ounded at how much costs have increased.

"Somebody can walk into a house and see nothing different from a house 17 years ago.

"Sure, you might have double glaze windows but you don't see all the additional costs."

Council expects to collect $313m in development cont ribution s over the coming decade - an amount Hamilton Mayor Andrew King says is justified.

The money will be used to deal with extra demand on city networks from new developments.

However, King said excessive planning rules are making it more expensive to do business in Hamilton.

King contested the Hamilton mayoralty in 2016 promising to cut red tape.

Two years on, his progress has been limit ed.

"It took me a year to get the red tape review underway which was very, *very* difficult to get past my councillors, "King said.

"Every time this has come back up, a certain amount of my councillors have tri ed to derail what I'm trying to do.

"Some people are trying to build a Melbourne or Paris.

"Hamilton is a functional town that produces primary goods."

On Mon, 4 Feb 2019 at 09:13, Colin Jones <colin@cicl.co.nz> wrote:

Hi, Canu please provide me with a copy of your article that u did in about Nov 2018. Thanks

Kind Regards

Colin Jones

AREINZ

Director

Mobile 021 972 500

PO Box 22 Hamilton NZ

Office 07 849 7800

A/Hrs Ph 07 849 4420 Email: colin@cicl.co.nz

Aaron Leaman
Senior Reporter

E aaron.leaman@stuff.co.nz **IM** +64 27 480 5020
500 Anglesea Street, Hamilton, 3204, New Zealand
Private Bag 3086, Waikato Mail Centre, Hamilton 3204, New Zealand

Colin Jones

From: officia l informat ion <officia linfo rmation@hcc.govt.nz >
Sent: Fri da y, 8 February 2019 11:57 AM
To: Colin Jon es
Cc: of fi cial information
Subject : FW: LGOIMA 19005: Buildi ng consents

Good morning,

Fur th er to your information req uest of 15 Janu ary 2019 in respect of building consents granted within statutory timelines during t he period of 2015-2018, I am now able to prov ide Hami lt on City Co un cil's response.

You requested:
Can you please provide th e above information that is provided to Councillors for the period 2015 to 2018. I u n derstand that the info rm ation is incorporated in the quarterly reporting "a ppendix " under the heading " Fin ancial Services" I Level of Service/ percentag es of building con sents provided within the statutory timelines.

Jur re sponse:
Please see below the pe rcent age of Building Con sents issu ed wit hin t imefram e for the past three financial years.

Financial year	Consents issued within timeframe
2015/ 16	97.52%
2016/17	100%
2017/18	100%

Kind regards,
AmyViggers
On be half of the Priv acy Office r
DOI: 07 8386727 / Em a il: am y.viggers@ hcc.govt.nz

'-lamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

Like us on Facebook Follow us on Twitter

From: offi cial informat ion
Sent: Tuesday,15 Januar y 2019 11:34 AM
To: Co lin Jon es < colin@cicl.co.nz>
Cc: o ffi cial info rmation <o ffi cialinfo rmation@hcc.gov t.nz>
Subject : RE: LGOIMA 19005: Buil ding consent s

Good Morning,

I write to acknowledge your information request of 15 January 2019 in respect of building consents granted within statutory timelines during the period of 2015-2018.

Please be advised that your request has been passed on to the relevant team within Council and you will be informed of the outcome.

The Local Government Official Information and Meetings Act 1987 requires that we advise you of our decision on whether the Council will provide the requested information or not "as soon as reasonably practicable", no later than 20 working days after the day we received your request. We will respond to you no later than 13 February 2019.

Kind regards
AmyViggers
On behalf of the Privacy Officer
DD!: 07 8386727 / Email: amv.viqqers@hcc.qovt.nz

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz

llLike us on Facebook nFollow us on Twitter

From: Colin Jones <colin@cicl.co.nz>
Sent: Tuesday, 15 January 2019 11:17 AM
To: official information <officialinformation@hcc.govt.nz>
Subject: HCC/ Finance Committee quarterly reporting/ 2015 to 2018/ percentage of building consents grantered within statutory timelines

Good morning, Can you please provide the above information that is provided to Councillors for the period 2015 *to* 2018. I understand that the information is incorporated in the quarterly reporting "appendix" under the heading" Financial Services"/ Level of Service/ percentages of building consents provided within the statutory timelines.
,vlany thanks

Kind Regards
Colin Jones
AREiNZ
Director
Mobile 021 972 500
PO Box 22 Hamilton NZ
Office 07 849 7800
A/Hrs Ph 07 849 4420 Email: colin@cicl.co.nz

Colin Jones

From: official information <officialinfo rmation@hcc.govt.nz>
Sent: Thursday, 4 October 2018 3:54 PM
To: Colin Jon es
Cc: official information
Subject: FW: LGOIMA 18178: Official information Act request Re Resource Consent granted

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Colin,

Further to your information request of 13 August 2018 in r espect of the below, I am now able to provide Hamilton City Co uncil' s respo nse.

The li st of your info rmat ion requests are below, with our responses directly underneath each question.

1. Number of Reso urce Consents "applied for" each year over the last 3 years. I understand that HCC per iod for accounting purposesis July to June. If the info is not available for the last year ie 2017 to 2018 then th e 3 year prior to 2017/2018.

   2016- 736
   2017-840
   2018 - 819

2. The number of consents" declined" each year for the above period.

   2016- 0
   2017-0
   2018 - 1

3. The total $ collected "per year" for the period requested.

   2016 - $1,987,968 - Planning Guida nce Unit
   2017-$2,147,432 - Planning Guidance Unit
   2018 - $2,276,165 - Planning Guidance Unit

4. The number of consents wit hdrawn each year for the period requeste d.

   2016- 26
   2017 - 33
   2018 - 36

5. How many of the Resource Consents applied for are handl ed by HCC staff and how many are out sourced by a 3rd party per year.

   2016 - 736 (687 HCC/ 49 external consult ant s)
   2017 - 840 (758 HCC/ 82 ext ernal consult ant s)
   2018 - 819 (749 HCC/ 70 external consult ant s)

6. How many" pre app li cation" meeting are applied for each year for the period request ed.

2016-105
2017 - 198
2018 - 146

7. The total number of staff currently employed by HCC in the planning department

Total number of staff currently employed by the Planning Guidance Unit is 24

Total number of City Planning Unit is 16

8. The breakdown of planning staff between regulation and strategic . (if this is not available due to a crossover of staff please advise.)

As above - the Planning Guidance Unit (regulation) is 24 and the City Planning Unit (Strategic) is 16.

9. The number of administration staff in the planning department.

Planning Guidance Unit - four staff members
City Planning Unit - one staff member

10. The total wages bill for staff employed by HCC Planning Department for the period requested

Cost Centre 770 - Planning Guidance Growth Funding & Analytics	Cost Centre 720 - City Planning	Cost Centre 790 -
2016 - $1,569,938	2016 - $1,354,440	2016 - $0
2017 - $1,809,552	2017 - $ 847,734	2017 - $ 638,402
2018 - $1,931,965	2018 - $ 928,938	2018 - $ 624,450

11. The total $ paid for outside consultants employed by HCC for the period requested in relation to the Planning Guidance Dept for Resource Consents.

2016 - $407,847
2017 - $464,504
2018 - $503,016

12. How many of the consents applied for are required to get a " peer review" before the consent are approved.

Peer Reviews typically occur for:

- Centres Assessments (Economic)
- Geotech Reports
- Traffic Assessments
- Ecology

Hamilton City Council does not produce a report on the number of peer reviews which occur, and we are unable to provide this information to you without manually reviewing each file. We estimate this to take over 200 staff hours. We have therefore declined this request under section 17(f) of the LGOIMA, in that the information requested cannot be made available without substantial collation or research.

13. HCC are required to grant a consent within 20 working days of request. Frequently however more information is requested prior to these 20 working days, which means that the consent is on hold. Please provide the information as to how many of the consents are placed on hold during the first 20 working days and if possible the day that the request is made in relation to the application date.ie day 16,17,18 or 19. I understand that this information is on a spreadsheet available to HCC staff.

Percentage of the consents per year that were placed on hold under section 92.

2016-32%
2017- 51%
2018-57%

The average number of working days prior to a consent having a s92 request only for those consents which had an s92.

Consent Type	2014	2015	2016	2017	2018
10 - Land Use Consent	12.2	11.5	13.2	12.6	13.3
11 - Subdi vision Consent	13.3	12.6	12.6	12.8	12.4
Grand Total	12.4	11.8	13.0	12.7	13.0

If any of the information is either not available or you declined to provide, pleaseprovide either the reason that it is not available or why it is not available. Many thanks

Kind regards

Rebecca Watson
On behalf of the Privacy Office r

DOI: 07 *8386983 / Email: rebecca.watson@hcc .govt. nz*

Hamilto n --

Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton .govt.nz

IJ Like us on Facebook 1'1Followus on Twitter

From: official information
Sent: M ond ay, 13 August 2018 3:47 PM
To: Coli n Jon es<colin@cicl.co.nz>
Cc: official information <officialinfo rmat ion@hcc.govt.nz >
Subject: HPE CM: RE: LGOIM A 18178: Official informati on Act request. Re Resour ce Consent grant ed

Dear Colin,

I write to acknow ledge your informat ion requ est of 13 August 2018 in respect of the below.

Ple ase be advised that yo ur request has been passed on to the relevant team within Counci l and you will be info rmed of the outcome.

The Local Government Offi cial In fo rmat ion and M eetings Act 1987 requires that we advise you of our decision on whether the Coun cil will provide the requested information or not "as soon as reason ably practicable", no later than 20 working days after the day we received your request. We will respond to you no later than 10 Sep t ember 2018.

Kind regards

Rebecca Watson
On behalf of th e Privacy Offi ce r

DD/: 07 8 3 8 69 8 3 / Em ail: rebecca.watson@hcc.govt.nz

r,JHa miton

Hamilton City Council I Private Bag 3010 I Hamilton 3240 I www .hamilton.govt.nz

(lu ke us on Facebook b1Follo w us on Twitter

From: Colin Jo n es [m ailt o:colin@cicl .co.nz]
;ent : M ond ay, 13 August 2018 2:53 PM
To: offi cial info rm ation <officia linformat ion@hcc.govt.nz>
Subje ct: Offi cial inform ati on Act request. Re Resour ce Consent grant ed

Good aft ernoon, Can you please pro vide th e fo llowing informati on und er the Off icial Inform ati on Act.

(1) number of Resource Con sents " appli ed for" each year over the last 3 years. I und erst and that HCC pe riod for accounting purposesis Jul y to Jun e. If the info is not availabl e for the last year ie 2017 to 2018 then the 3 year prio r to 2017/ 2018.
(2) The number of consents" declined" each year for the above period.
(3) The tot al $ collected "per year" for t he period request ed.
(4) the number of consents wit hdr awn each year for the period request ed.
(5) how many o f t he Resource Consent s appli ed for are handl ed by HCC st aff and how many are outsour ced by a 3rd party per year.
(6) how many " pr e applicati on" meeting are applied for each year for the period requested.
(7) The tot al numb er of staff curr ently employed by HCC in t he plannin g department
(8) the breakdow n of pl annin g st aff between regulation and strat egic. (if this is not available due to a crossover of ; t aff pleaseadvise.)
(9) the number of administration staff in the plannin g department.
(10) the total wages bill for staff employed by HCC Planning Depart ment for the period requested.
(11) The tot al $ paid for outside consult ants employed by HCC fo r t he period requested in relat ion to t he Planning Dept for Resour ce Consents.
(12) How many of the consents appli ed for are requir ed to get a " peer review" before the consent are approved.
(13) HCC are requi red to grant a consent within 20 working days of req uest. Frequently however more informati on is requested prior to t hese 20 working days, which means that the consent is on h old. Pleaseprovide the information as to how many of the consent s are placed on hold during the first 20 working days and if possible the day that t he request is made in relati on to t he application date.ie day 16,17,18 or 19. I understand that this info rm ation is on a spreadsheet available to HCC staff.
If any of the information is eith er not available or you declined to provide, please pro vide either the reason that it is n o t available or why it is not available. Many thanks

Kind Regards

Colin Jon es
AREIN Z
Director