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Committee Secretariat
Environment Committee
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RE: Submission on the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill

Introduction

This submission is made on behalf of Te Kāhui Whaihanga New Zealand Institute of Architects (**Institute**). The key issues identified have been discussed with other interested parties, like the Urban Design Forum Aotearoa and Urban Auckland. We support the views and perspectives offered in these submissions.

Given the reality of architects, urban designers and builders together navigating any new regulatory settings and the significant contribution these professions make to the built environment and to the lives and wellbeing of all New Zealanders, we consider these views to be essential feedback for the Committee.

The Institute supports the Government's focus and action on implementing solutions in response to the housing crisis¹. What we know from the research into New Zealand's housing crisis is that housing is part of a system, it is complicated, its impacts both positive and negative can be decades in the making and the levers available to decision makers (e.g. policy and regulatory settings, market signals and incentives, economic outlook and consumer confidence) require considered thought and analysis, a commitment to short term responses and a longer-term legacy, a focus on wellbeing and liveability and certainty in the pipeline of housing supply.

¹ Alan Johnson, Philippa Howden-Chapman and Shamubeel Eaqub, *A Stocktake of New Zealand's Housing* February 2018

Key issues

The New Zealand Institute of Architects welcomes the opportunity to comment on the **Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill**.

We have since looked closer into the Bill, the extent to which it applies, and the new set of residential standards that it mandates. The Institute is concerned that the new Bill does not include adequate provisions to consider and protect the built environment, local neighbourhoods, important heritage and character areas and the liveability and wellbeing of communities which would be expected from an increase in permissibility of intensification in targeted neighbourhoods across Aotearoa New Zealand.

The key issues identified by the Institute and included in its submission and that of others is detailed below.

1. Lack of alignment with recent Government reform initiatives

The Institute does not support the Bill as currently drafted. The Government's recently announced RMA reforms takes courageous steps in rethinking New Zealand's main law governing how people interact with natural resources and enabling sustainable development. The Natural and Built Environment (NBE) Bill signals a long overdue shift to an outcomes-based assessment process, clearer national guidance, streamlined plan making processes and a commitment to spatial planning.

The recent, *Inquiry on the Natural and Built Environments Bill: Parliamentary Paper Report of the Environment Committee*, November 2021 Recommendation 5 acknowledges the importance of recognising and protecting the built environment (see below).

"We agree with many submitters that the development and protection of the built environment is not adequately reflected in the draft purpose clause and should be expressly referred to given its importance.

That the purpose clause gives more prominence to the built environment, so that the purpose of the NBA is more clearly linked to the outcomes for housing, infrastructure, and cultural heritage in relation to the built environment".

It is also of concern to the Institute that the Bill is in direct conflict with the National Policy Statement on Urban Development 2020 (**NPS-UD**) in that its provisions and potential outcomes fail to enable well-functioning urban environments and will create a fundamental disconnect between land use planning and infrastructure planning.

Recommendation:

The Institute would strongly encourage the Government to ensure that this same emphasis and focus included in the RMA reforms on recognising and protecting urban values and the built environment is reflected in the design and detailed provisions of the Bill.

2. A one size fits all approach to urban/suburban intensification

The Institute does not support the Bill as currently drafted. As a blunt, one-size fits all policy response to a complex problem (liveable communities for current and future generations) the Bill drafting is disappointing and will most likely create unintended and perverse consequences for current and future generations.

Several territorial local authorities have experimented with permissive urban intensification controls across suburbs and neighbourhoods and have unfortunately learnt the hard way how unsatisfactory such controls are in practice without appropriate 'checks and balances' and the long-term legacy they leave behind. Whilst the local councils have revoked these unfettered and permissive controls, the communities and neighbourhoods in these suburban areas have been left with a legacy of poor redevelopment of sites and enduring impacts on the local neighbourhood. Some of the issues arising from these controls range from a loss of sunlight, a loss of privacy, a lack of private open space, poor urban amenity, complex recession planes, future landlocked development opportunities, etc.

Recommendation:

A more focused, staged approach to intensification that supports liveability and wellbeing for communities and neighbourhoods is needed. This would ensure that any new development opportunities are accessible and connected to employment, education, social and cultural opportunities - a core part of the NPS-UD in creating well-functioning urban environments and improved four wellbeing's through the Government's Policy Statement on Housing and Urban Development 2021 (GPS-HUD).

The Bill should not apply the MDRS as a general residential standard. The MDRS should be able to be applied through council plan changes which are subject to local evidence and analysis and can be identified as contributing to outcomes which support well-functioning urban environments.

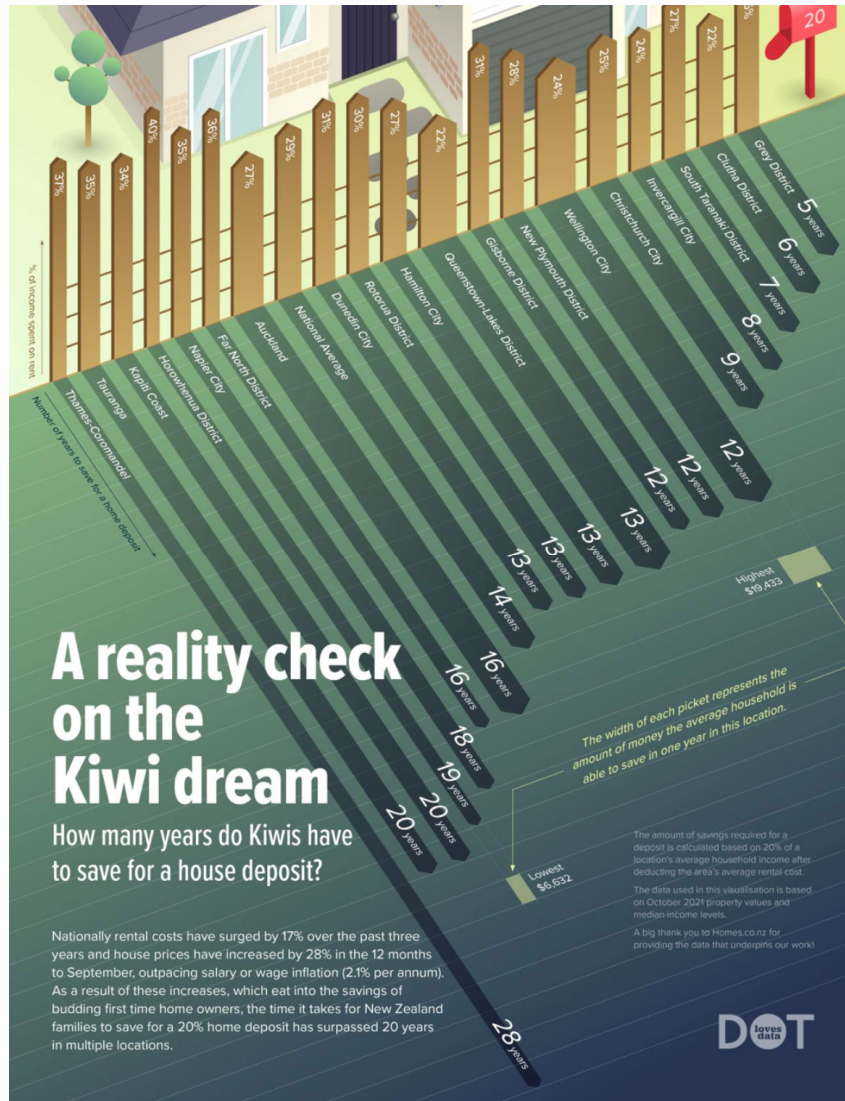
Can local communities across Tier 1 and 2 territorial local authorities afford to have the blanket one-size fits all controls applied inappropriately in 5%, 10%, 20%, 30% of situations, given the 50+ year legacy of buildings?

3. Who benefits and the security of housing supply from the medium density residential standards (MRDS)

The Institute does not support the Bill as currently drafted. The Bill notes that the MDRS will enable up to 3 storeys and 3 dwellings per site as of right. However, on closer review, due to there being no minimum site size requirements many more than three houses can be built on any size site. Without a clear understanding of the theoretical maximum level of intensification under the Bill, it is difficult for local councils to plan for and invest in the wellbeing of its communities and neighbourhoods, for climate resilience and the necessary infrastructure upgrades.

Increasing the potential for intensification, increases land values, providing property owners with an overnight "windfall" gain. If the Government motivation under the Bill is to secure housing supply, then the overnight windfall gain on offer needs to be translated from 'a paper potential' to an on-ground reality, within a reasonable timeframe (say for example, three years). Given the design of the Bill it is also unclear how much of the new supply will find owners beyond capital-rich property investors. Is it appropriate for this to be left to the market or should the Bill provide more guidance and assurances to the New Zealand public on a long-term supply of affordable housing opportunities?

And there is a stark reminder of the reality check on this Kiwi dream. According to a recent Dot Loves Data infographic, the time it takes for New Zealand families to save for a 20% home deposit has surpassed 20 years in multiple locations (see below). So, the question is, who will be able to afford this additional development potential, if indeed new development eventuates on the land included under the Bill?



Statistics New Zealand building consent figures for September 2021 indicate that a record 47,331 new homes were consented in the year ended September 2021, up 25 percent from the year to September 2020. Multi-unit homes accounted for 46 percent of all new homes consented nationally in the year ended September 2021, up 40 percent from the year to September 2020.

One of the historical drivers for demand has been population growth but over the last year as evident in the latest Statistics New Zealand figures Auckland's population fell by a 1,000 people for the first time ever. A key driver of demand has significantly reduced, and it is unclear when growth will return to pre-pandemic levels. So, there is time to establish the evidence and analysis in support of appropriate opportunities for urban intensification in the Tier 1 and 2 territorial authorities.

4. Simplicity in the design of the medium density residential standards (MRDS)

The Institute does not support the Bill as currently drafted. The Institute is concerned by the overly simplified approach to the site and development controls (bulk and location) within the Bill. Such permissive controls (including international experiences) are routinely developed by engaging with local councils, experienced industry practitioners and by analysis of the topography and local contextual constraints.

By way of example, the Institute and its members were actively involved in analysing and refining the specificity of residential controls included within the Auckland Unitary Plan, particularly where it applied to increasing intensification in neighbourhoods and town centres. This approach ensured the controls were fit-for-purpose and acknowledged the reality of the site and neighbourhood characteristics.

It is also unclear how the one size fits all approach to the MDRS aligns with the government's commitment to address climate change and associated greenhouse gas emissions targets. Objective 8 of the NPS-UD seeks to achieve urban environments that support reductions in greenhouse gas emissions and are resilient to the current and future effects of climate change. The generic approach of the MDRS and the permissive nature of the Bill may disperse any intensification benefits such that the feasibility of key public and active transport investment may be lost and/or diminished. Again, this outcome is not in accordance with the NPS-UD objective of creating well-functioning urban environments which have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport.

Recommendation:

The Institute is of the opinion that changes are needed to the list of relevant of building standards identified in the MRDS. Key additions include:

- *Minimum frontage/Site width*
- *Site size*
- *Maximum building length*
- *Maximum density*
- *Daylight to dwellings*

Each of these additional building standards were identified and agreed in the Auckland Unitary Plan, Independent Hearings Panel assessment².

*In addition, the Institute recommends that the maximum building coverage building standard be amended to, “**must not exceed 40% of the net site area**” rather than 50% in recognition of the consequences and impacts of climate change. An increase in hard, heat absorbing surfaces, risks increasing urban heat, especially when average temperatures are rising and the number of hot days per year increases. This poses a long-term risk to health and wellbeing.*

² Auckland Council, Section 32 Evaluation for the Proposed Auckland Unitary Plan - 2.3 Residential zones, 30 September 2013, <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/unitary-plan/history-unitary-plan/Pages/section-32-report.aspx>

5. **No provisions that recognise the quality and importance of the built environment, urban amenity, and the need for coordinated infrastructure investment.**

The Bill makes no mention of the necessity of high-quality urban environments or design controls to ensure the quality of neighbourhoods, the liveability of intensified streets and the sustainability of funding and financing of new and/or augmented infrastructure for the communities of Tier 1 and 2 territorial local authorities across Aotearoa New Zealand.

It is likely that for many Tier 1 and 2 TLAs the increased densities permissible under the Bill will exceed the capacity of existing infrastructure. These pressures will be in addition to the development potential proposed under the National Policy Statement Urban Development (**NPS-UD**) which will also contribute to infrastructure funding challenges for local councils.

Given the timeframes included in the Bill it is difficult to see how local councils can sufficiently reassess their infrastructure planning and infrastructure funding commitments and the size of any shortfalls. The intensification changes included in the Bill will require a significant rethink of local government funding, financing, and infrastructure investment.

Recommendation:

Intensification must not be traded off for a short-term gain in housing numbers against establishing clear minimum standards for our local communities and neighbourhoods be it for such matters such as, sustainable design, urban amenity, and diversity of housing. The liveability and wellbeing outcomes of well-designed residential intensification are well researched and must be included in the Bill.

The one size fits all approach set out in the Bill needs to be deleted in favour of an evidenced, analysed, and strategic approach to establishing locations for housing intensification and a matching increase in infrastructure investment. The timeframes for implementation of the Bill need amending to allow sufficient time for this to occur and for engagement on potential new funding needed in support of the Bill accelerating the necessity for new and/or augmented infrastructure.

6. **Permissive planning controls are not the ‘unicorn’ solution for New Zealand’s housing crisis**

The Institute does not support the Bill as currently drafted. For some time, there has been a belief that planning causes higher house prices, however there is a growing recognition amongst decision makers, including politicians that this is not true. NSW Planning Minister Rob Stokes, recent comments, illustrate this change in understanding well,

“But the idea that the planning system alone can solve housing affordability is ludicrous at best; wilfully negligent at worst

Planning can make important changes to the housing stock in the long term, but it cannot explain the huge price jumps we have seen. It simply makes no sense that at a time of historically low population growth and great economic uncertainty, the cause of escalating prices is insufficient supply.”³.

³ Sydney Morning Herald, Rob Stokes, *NSW Minister for Planning, Opinion: Planning alone will not fix Sydney’s housing affordability crisis*, 15 September 2021

The extent to which the MDRS will lead to significant supply gains or price drops is also questionable. The consultants who advised on the Bill policy estimated it will result in 54,000 extra dwellings between five to eight years in Auckland.

However, like many housing predictions, we need to be cautious. Owner occupiers are unlikely to redevelop their existing lots in large numbers. There are also ongoing labour and material constraints that affect the ability to respond to any theoretical increase in housing supply opportunities.

Recommendation:

If the Bill must proceed, the Institute would request that it is limited to Tier 1 and 2, urban centres and transport corridors within a 15-minute walkable catchment and that the approved development must be realised within 3 years. This approach provides a pragmatic approach to the housing crisis and potentially a more accurate picture of where sustainable intensification can and should occur. The additional time can then be used to analyse further local opportunities and to update infrastructure planning and funding sequencing.

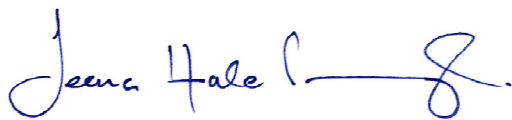
Conclusion

The Institute would welcome the opportunity to workshop further ideas and provide ongoing advice on how the Bill could increase housing supply and provide adequate provisions to consider and protect the built environment, local neighbourhoods and the liveability and wellbeing of communities.

We have an interest in working with other professionals involved in the design of the urban environment such as the Urban Design Forum of Aotearoa, Urban Auckland, and the Property Council.

Thank you for the opportunity to provide feedback on this Bill. Should you have any questions about this submission, please contact Te Kāhui Whaihanga's Chief Executive Teena Hale Pennington on thalepennington@nzia.co.nz or 027 527 5273.

Ngā mihi,



Teena Hale Pennington
Chief Executive

About Us

Te Kāhui Whaihanga, New Zealand Institute of Architects

The Institute has been in existence since 1905 and is the professional body representing more than 90 per cent of New Zealand's registered architects and many recent graduates entering the profession. In total the Institute represents over 4300 members. The Institute is active not only in advocating in the interests of members, but also in promoting practices, providing education, and promoting industry wide cooperation that will improve the quality and sustainability of New Zealand's built environment.

Our support to members includes continuing professional development, an investment in leading technologies and tools, engagement across the construction sector on key issues and initiatives, collaborations with industry manufacturers, and a focus on future talent, careers in architecture and the wellbeing of practices and their people.