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NPS Urban Development Capacity
Ministry for the Environment
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Re: NPS Urban Development Capacity

This submission is from the Architectural Centre, an incorporated society dating from 1946, which represents both professionals and non-professionals interested in the promotion of good design.

We have the following comments to make regarding the National Policy Statement: Urban Development Capacity:

General comments

1. The Architectural Centre supports the development of National Policy Statements as a mechanism for national policy direction under the RMA, and note that this mechanism has been significantly under-utilised in the past.
2. We support incentivising the efficient use of land (including medium and high density residential developments; and the use of dwellings as workplaces - presumably Ultra High Broadband will facilitate an increase in this) to:
 - a) increase residential proximity to workplaces,
 - b) reduce energy used in transportation,
 - c) reduce costs of infrastructure, and
 - d) ameliorate high house prices.
3. The NPS conflates the issues of house price with that of housing availability. The Architectural Centre considers that the role of banks and money supply are important factors driving housing inaffordability and escalating house prices. Conflating house supply and house price can focus attention only on housing supply and demand, and omit strategies to moderate money supply's role in high house prices.
4. The NPS omits to address:
 - a) how areas with excess housing supply and infrastructure are to be better utilised (i.e. regional development).
 - b) transport, and the relative locations of housing and jobs. We consider this to be such a significant aspect of infrastructure provision supporting

affordable housing that we consider that sustainable transport and transit-oriented development need specific encouragement and mention.

- c) the Urban Design Protocol. Issues of urban design, amenity values, character and heritage are important aspects of successful cities and place-making.
- d) the safeguarding of agricultural land on urban fringes. Close proximity of food to people is likely to become increasingly important in the future with respect to issues of climate change and energy-use.
- e) the safeguarding of community facilities and recreational land.
- f) the role of economic cycles in the building industry, and the impact of this on housing supply, as well as the difficulty in delivering housing, regardless of planning regulations, in some economic contexts.
- g) the role of iwi, specifically in relation to PB4.
- h) issues pertaining to reverse sensitivity. Instead, the consultation material observes (p. 24) that this is a complex issues which "would require significantly more analysis than has been possible." We consider this to be inadequate.
- i) distinguishing development on brownfield sites vs greenfield sites, and encouraging brownfield site development over greenfield development.
- j) urban sprawl, and its consequences for:
 - i. infrastructure provision
 - ii. energy-use and carbon emissions,¹
 - iii. the erosion of agricultural land on urban fringes,
 - iv. the impact of extensive impermeable surfaces (paving, asphalt etc.) on water quality and impact on stormwater
 - v. long-term, as distinct from short-term, issues of housing affordability.

We also note that research has demonstrated that people tend to spend the same amount of time commuting (usually one hour per day), meaning that improvements in technology and road capacity encourage longer commuting distances (but higher energy expenditure), which take the same amount of time, in order to buy cheaper housing further from CBDs.² This, and added transportation capacity can increase mobility while reducing accessibility due to destinations moving further apart.

Thomas Fisher, urban design professor at the University of Minnesota, has referred to American research showing that the cost of sustaining suburbs is greater than corresponding income from rates. The research indicated that

¹ Marshall states that "long-term climate impacts from shifts in urban form [from urban sprawl] could be comparable to those from technological innovation, and that climate-mitigation strategies would have greater impact by addressing urban form *and* technological innovation, rather than only one of those two ... A life-cycle analysis found that CO₂-equivalent emissions are 60% less for high-density than for low-density development" Marshall, Julian "Energy-efficient Urban Form" *Environmental Science & Technology* (1 May 2008) p. 3135
http://personal.ce.umn.edu/~marshall/Marshall_14.pdf

² e.g. Owens, Susan "From "predict and provide" to "predict and prevent"?: pricing and planning in transport policy" *Transport Policy* (1995) 2(1):47; Goodwin, Phil and Robert B Noland "Building new roads really does create extra traffic: a response to Prakash et al.," *Applied Economics* (2003) 35(13):1452.; Low, Nicholas and John Odgers "Rethinking the Cost of Traffic Congestion, Lessons from Melbourne's City Link Toll Roads" *Urban Policy and Research* (2012) 30(2):194.

the maintenance of suburban development is publicly subsidised, and presumably increasingly uneconomic with sprawl distance from the CBD.

5. We note that increased supply of housing appears to have been at a peak during the 1970s (with an annual average net increase of dwellings of 24,684 (a 12% increase) in the five years between 1970 and 1975).³ While the 1970s' model of housing and suburban development was largely based on a single household structure (i.e. the nuclear family) - in contrast to today's greater diversity of household types (and their corresponding housing needs⁴), - and New Zealand cities occupied smaller land areas 40 years ago than is the case today, it may be productive to better understand such historic episodes of high housing supply in order to understand what factors might increase net housing supply. In addition to government buying of land on the outskirts of major cities and state loans of up to 90% of the property value during this period,⁵ Ward cites expected minimum dwelling quality and size,⁶ the number of dwellings demolished and replaced (c.f. alterations made to existing buildings),⁷ the relative importance of housing and non-house building (e.g. for commercial premises),⁸ and the degree of state involvement in housing construction⁹ as factors impacting on housing quantity.¹⁰ In addition, he notes, there was an increase of new flats relative to the number of new houses during the early 1970s.¹¹
6. Ferguson records that the government "pumped" money into house construction between 1972 and 1974 in response to a sudden population increase (1971-76). She notes that:

While the new Labour Government introduced changes which encouraged research into the effects of housing policies, it continued to act in traditional ways. For example, it moved quickly in 1973 to stimulate housing demand and increase the level of building activity, particularly private construction¹²

In 1972 special loans with concessionary interest rates (Home Improvement Loans) were introduced for "the conservation and improvement of both tenanted and owner-occupied houses." These were "intended to conserve the housing stock to reduce the need for redevelopment."¹³ Such an initiative points to the need to also focus strategies on the retention of existing housing stock, as supporting a lift in net increases in house supply.

7. We also note that the Group Building Scheme (1953-c1964) of private developers supplied nearly 20,000 houses through a government guarantee to buy houses at a previously agreed price, if they were unsold two months

³ The other peak (22,101 dwellings per annum) appears to have been in the five years prior to 2006. The highest % increase of dwellings (14-15%) occurred in the 1920s and 1930s, and early 1950s. Information from NZ Statistics Census data.

⁴ also see Ward, Anthony "Aspects of New Zealand Housing 1920-1970" (Wellington, NZ: Victoria University of Wellington, MA thesis, 1977) p. 53.

⁵ Ferguson, Gael *Building the New Zealand Dream* (Palmerston North, Dunmore Press Ltd, 1994): 238.

⁶ e.g. Ward "Aspects of New Zealand Housing 1920-1970" p. 105.

⁷ e.g. Ward "Aspects of New Zealand Housing 1920-1970" pp. 102, 105.

⁸ e.g. Ward "Aspects of New Zealand Housing 1920-1970" pp. 100, 102.

⁹ Ward states that: "As the state's primary effect ... is to cheapen the cost of housing, its withdrawal would increase that cost"; also: "state action ... by cheapening the real cost of housing, enables the standard to improve faster than it would have done had the state not intervened" Ward "Aspects of New Zealand Housing 1920-1970" pp. 102, 191.

¹⁰ Ward "Aspects of New Zealand Housing 1920-1970" See also p. 198.

¹¹ Ward "Aspects of New Zealand Housing 1920-1970" pp. 189, 192, 199.

¹² Ferguson *Building the New Zealand Dream* pp. 235-238.

¹³ Ferguson *Building the New Zealand Dream* p. 240.

following their completion.¹⁴ Similar guarantees today might provide economic certainty for building firms, enabling greater investment in housing production.

8. We consider that amending planning regulations will not on their own solve the current undersupply of affordable housing. For example, in recent years the WCC has permissive planning rules to encourage development of the north end of Adelaide Rd in Wellington, which is 5 hectares comprising over 100 individual property parcels, which would cost over \$100m to purchase.¹⁵ This inner-city area appears to be an ideal location for medium or high-density housing because it is "strategically located close to the central city and present[s] opportunities for high-quality mixed-use (residential and commercial) development,"¹⁶ but this development opportunity has not been taken up. TPG Planning attributes this to "existing fragmentation of land and its ownership and numerous established businesses."¹⁷ They have identified the local government intervention required as including: direct purchase of property, masterplanning, demolition and remediation of sites, co-ordinated reinvestment in infrastructure and public realm, procurement and management of private development partners.¹⁸
9. We support the inclusion of intergenerational equity as an important issue, but consider that this issue could be given stronger emphasis.

Specific comments

Preamble

10. The Preamble describes successful cities as:

- a) having "attractive built and natural environments," "good quality physical and social infrastructure and open space," and
- b) using "resources efficiently" and minimising "their environmental footprint."

But these aspects (e.g. sustainability, open space, and social infrastructure) are not explicitly supported in the objectives or policies. We believe that these characteristics identified in the Preamble need to be supported in the objectives and policies.

Interpretation

11. The definition of **business land**, as excluding residential dwellings, appears to be contrary to research supporting mixed-use development. In addition, more efficient use of land would encourage use of dwellings as workplaces. Given the NPS's interest in the provision of homes and jobs, we encourage a rephrasing of this definition to emphasis the NPS prioritising of businesses that meaningfully contribute to employment. For example, a server farm might be economically productive, but require few staff on site, and so should be a lower priority within the ambitions of this NPS than a densely-staffed commercial office building.
12. **demand** - quantum of floor area needs to be understood in terms of capacity for medium and high density development i.e. floor area vs land area.

¹⁴ Ferguson *Building the New Zealand Dream* p. 184ff.

¹⁵ TPG Planning "An Urban Development Agency for Wellington City: Business case and proposal" (March 2016) p. 23 <http://wellington.govt.nz/~media/have-your-say/public-input/files/consultations/2016/03-annual-plan/uda-business-case.pdf?la=en>

¹⁶ TPG Planning "An Urban Development Agency for Wellington City" p. 22.

¹⁷ TPG Planning "An Urban Development Agency for Wellington City" p. 22.

¹⁸ TPG Planning "An Urban Development Agency for Wellington City" p. 22.

13. **long term** - amend to be the next 10-30 years, rather than next 30 years as this overlaps with the definitions of medium and short term.
14. **medium term** - amend to be the next 3-10 years, rather than the next 10 years.
15. **sufficient** - amend to require development capacity to ensure close proximity between land provided for residential and business needs.
16. There is no definition of "**customer-focused consenting processes**" (PD2, PD3). This could be read in a number of ways depending on what customer needs and/or desires are focussed on.
17. There are no definitions for the **different types of dwellings** (PB1, PD5), nor for **different groups in the population** (PB1). These are needed to ensure common reporting and monitoring across Local Authorities.

Objectives

18. We suggest amending the objectives as follows:
19. OA3: "To enable ongoing development and change in urban areas which supports social infrastructure, respects community identity and heritage values, and promotes amenity values."
20. add new objective: OA4: To support development which uses resources efficiently and minimises its environmental footprint.

Policies PA1-PA3 (applicable to all Local Authorities)

21. We suggest amending the policies as follows:
22. PA1 "By decision-makers:
 - Providing for an urban form that maximises the potential for social and economic exchange wellbeing within the urban area.
 - Providing for the efficient use of resources, having particular regard to scarce urban land and infrastructure, maximising use of existing infrastructure, and minimising energy-consumption."

Policies PB1-PB5; PC1-PC3; PD1-PD4 (applicable to all LAs with a Medium or High Growth Urban Area)

23. We suggest amending the policies as follows:
24. PB1 - require the publication and easy availability of the PB1 Assessment (e.g. on the LA's website).
25. PB2 - include a requirement to have particular regard to:
 - a) homelessness and sufficiency of social housing
 - b) trends in dwelling floor area relative to household size and any need to restrict dwelling floor areas
26. PB5:
 - a) amend "the increase change in house prices and rents" - sometimes house prices and rents decrease;
 - b) include as required indicators to be monitored, the numbers of:
 - i. vacant dwellings
 - ii. dwellings used as workplaces;
 - c) require the publication and easy availability of the PB5 Monitoring (e.g. on the LA's website).

27. We suggest that the PB1 Assessment and PB5 Monitoring are required to be contextualised by long term trends in order to properly understand any short-term anomalies and prevent inappropriate knee-jerk reactions.

Policies PD5-PD9 (applicable to all LAs with a High Growth Urban Area)

28. PD5 - requires Regional Councils to set minimum targets "that must be achieved." Who is obliged to ensure that the targets are met? Does this policy effectively require Regional Councils to supply housing if a targets is not met by the private sector?

Thank you for this opportunity to comment on the National Policy Statement: Urban Development Capacity. The Architectural Centre supports careful thinking about how our cities might develop, but we stress that this must be sustainable development, which effects reductions in energy-use and carbon emissions. Ensuring residential intensification, more efficient land use, and sustainable public transport are critical to viable future cities. We also note that how housing is framed (e.g. as a commodity vs a place to live) can impact on policy approach. The market is not a perfect system, and supporting a system, where maximising profit is the greatest priority, is unlikely to achieve widespread provision of affordable housing. We appreciate that untangling this context is complex and hope that our comments above can assist in some way. If you have any questions please do not hesitate to contact me.

Yours faithfully



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